國泰金控
Cathay Financial Holdings

2026 First Half Financial Results

August 2026

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Agenda

- **1H26 Business overview**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
  - Cathay SITE
  - Cathay Securities
- **Appendix**

Note: Figures in the Cathay United Bank, Cathay Life, and Cathay Century sections are presented on a standalone basis.

1H26 Business highlights

Cathay United Bank

- Net income grew 15% YoY to a first-half record high.
- Loans and deposits delivered strong growth. Net interest income increased 14% YoY. Asset quality remained sound.
- Net fee income rose 11% YoY, driven by strong wealth management momentum.

Cathay Life

- New business CSM reached NT$53.9bn; CSM balance rose 6.9% YTD to NT$547.0bn.
- Significantly lower liability interest cost at 2.13% vs. FY25, solid pre-hedging recurring yield of 3.47%, and stable hedging cost supported a positive spread.
- Net worth reached a record high of NT$958.7bn, with equity-to-asset ratio at 11.8%, supported by strong equity markets and sound ALM.

Cathay Century

- Written premiums grew steadily, with market share at 13.2%.
- Net income reached a first-half record high, supported by well-contained loss ratios; retained combined ratio declined YoY.

Cathay SITE

- Listed Cathay's first active ETF, 00400A, with AUM reaching NT$25.4bn.
- AUM reached NT$3.6tn; mandate AUM totaled NT$1.7tn, ranking No.1 in the industry.
- Recognized by The Asset as Taiwan Asset Management Company of the Year for the 8th consecutive year; ETF 00878 won Best Sustainability ETF for the second time.

Cathay Securities

- Strengthened digital operating edge through data analytics to optimize customer experience; leveraged group synergies to expand customer base, supporting continued gains in domestic brokerage market share.
- Expanded sub-brokerage product offerings and optimized platform functions, driving sustained growth in sub-brokerage trading value.

1H26 Business highlights – Expanding sustainable finance impact

2026 Cathay Sustainable Finance and Climate Change Summit (10th year)

Record-high participation

5,800+ Registrations

2,000+ Institutions

Strong corporate representation

850+	**80%+**	**50%+**
Listed companies	Taiwan market cap	From 6 high-carbon sectors

Gathering industry, government and academic experts to discuss Asia's sustainable transition

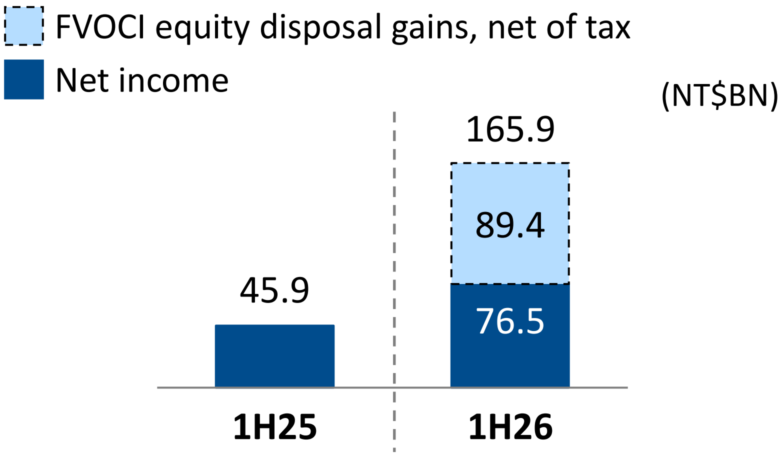
3rd consecutive year with companies representing 80%+ market cap and 50%+ GHG emissions

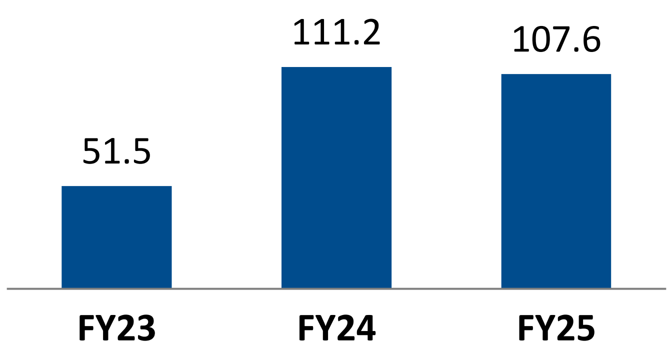
Note: The six high-carbon sectors include petrochemicals, electronics, steel, cement, textiles, and pulp & paper.

Cathay FHC – Net income & EPS

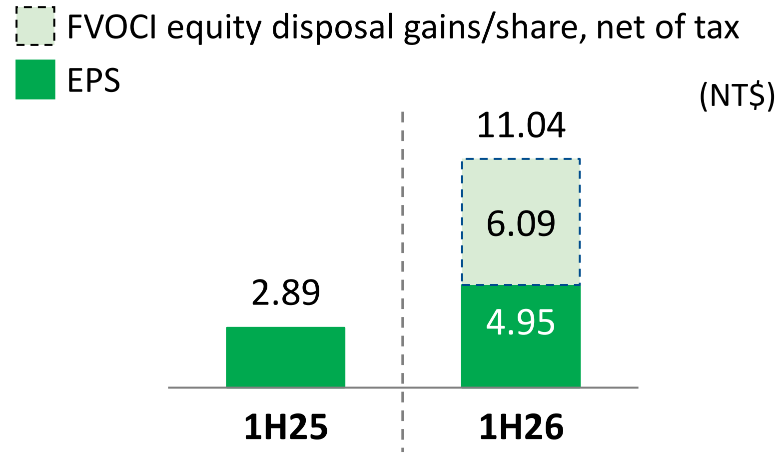
- 1H26 net income reached NT$76.5bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT$165.9bn, surpassing the FY25 full-year level and setting a new all-time high. Core business momentum across subsidiaries remained robust.

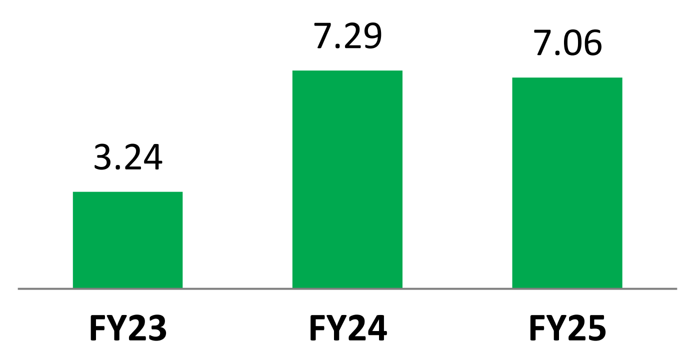
Net income & amount in R/E*





EPS & amount in R/E per share*



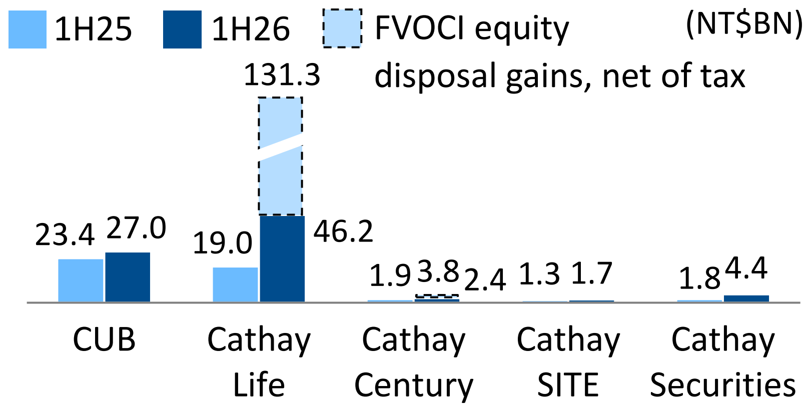


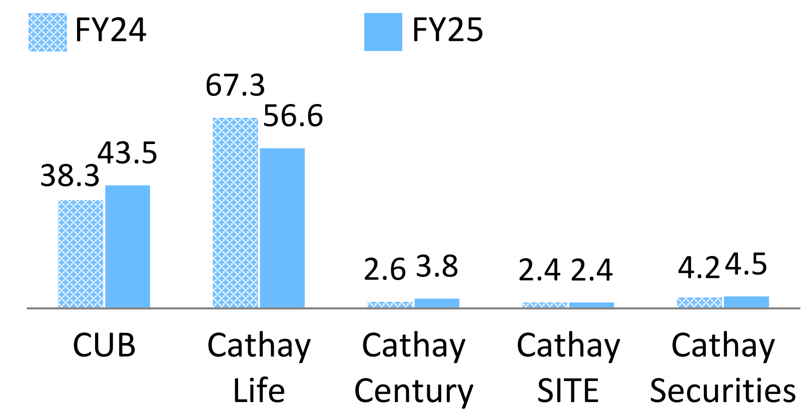
Note: R/E refers to retained earnings. Amount in R/E shown here represents net income plus after-tax FVOCI equity disposal gains; per-share figures are calculated on the same basis.

Cathay FHC – Net income & ROE

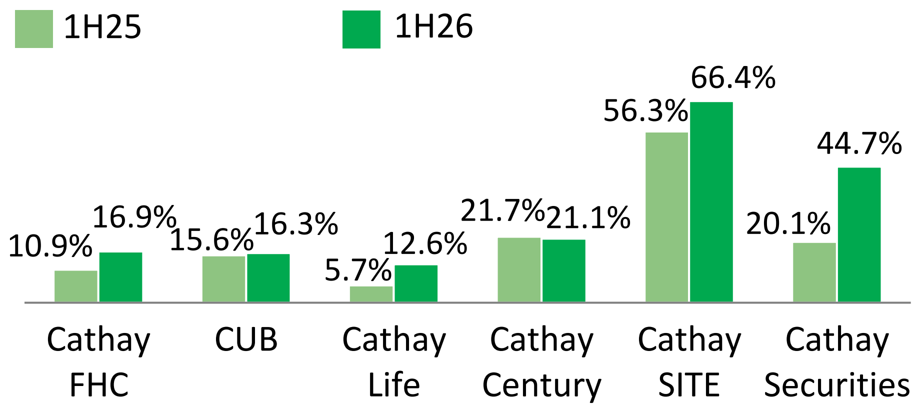
- CUB, Cathay Century, Cathay SITE and Cathay Securities delivered first-half record-high net income. Cathay Life's net income plus after-tax FVOCI equity disposal gains surpassed the FY25 level and reached a new all-time high. Cathay FHC and major subsidiaries all delivered double-digit ROE.

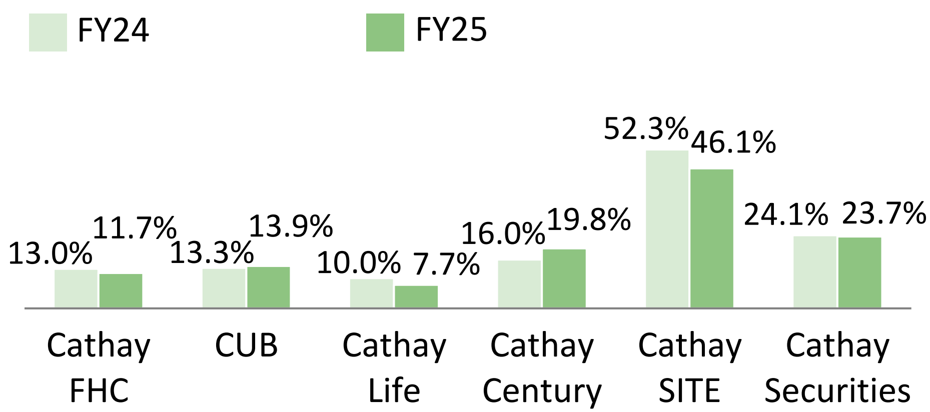
Subsidiary net income





ROE



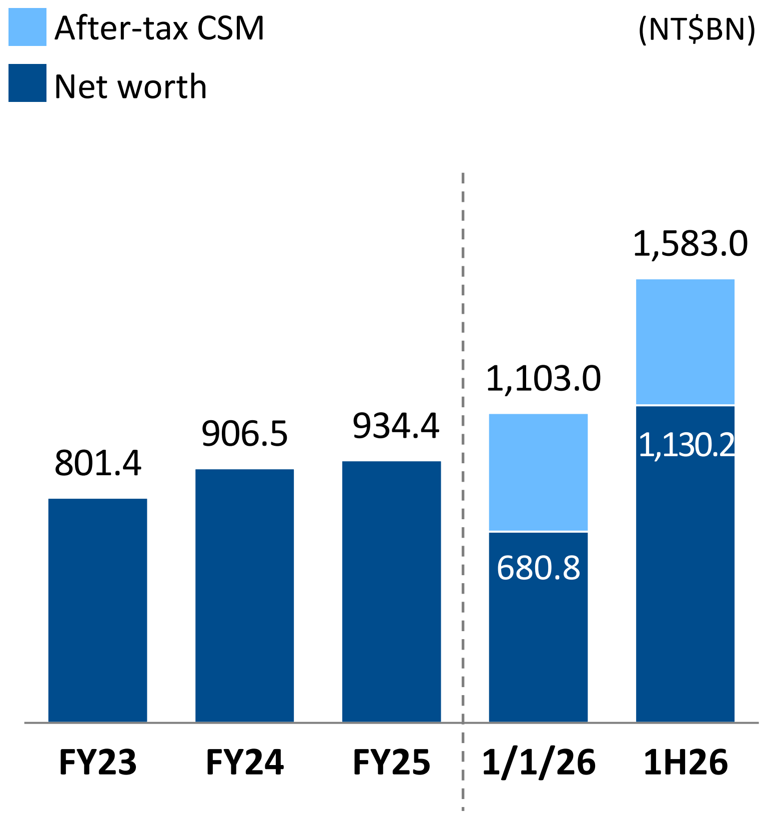


Note: Figures for net income plus after-tax FVOCI equity disposal gains are presented only for subsidiaries affected by IFRS 17 adoption, as the overlay approach no longer applies and certain financial assets were redesignated as FVOCI.

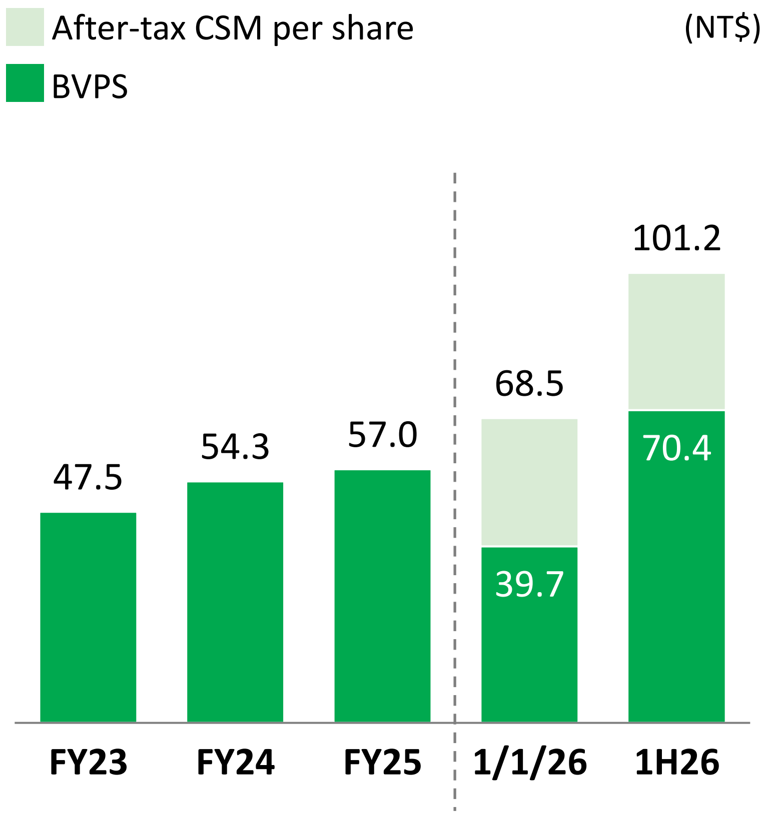
Cathay FHC – Net worth & BVPS

- 1H26 net worth reached NT$1.1tn, setting a record high, supported by strong earnings and significant increases in OCI asset and liability valuations.

Net worth & adjusted net worth (1)



BVPS & adjusted BVPS (2)



Note: (1) Net worth includes non-controlling interests and preferred shares; adjusted net worth is defined as net worth plus the after-tax CSM. (2) BVPS is calculated based on net worth attributable to common shareholders.

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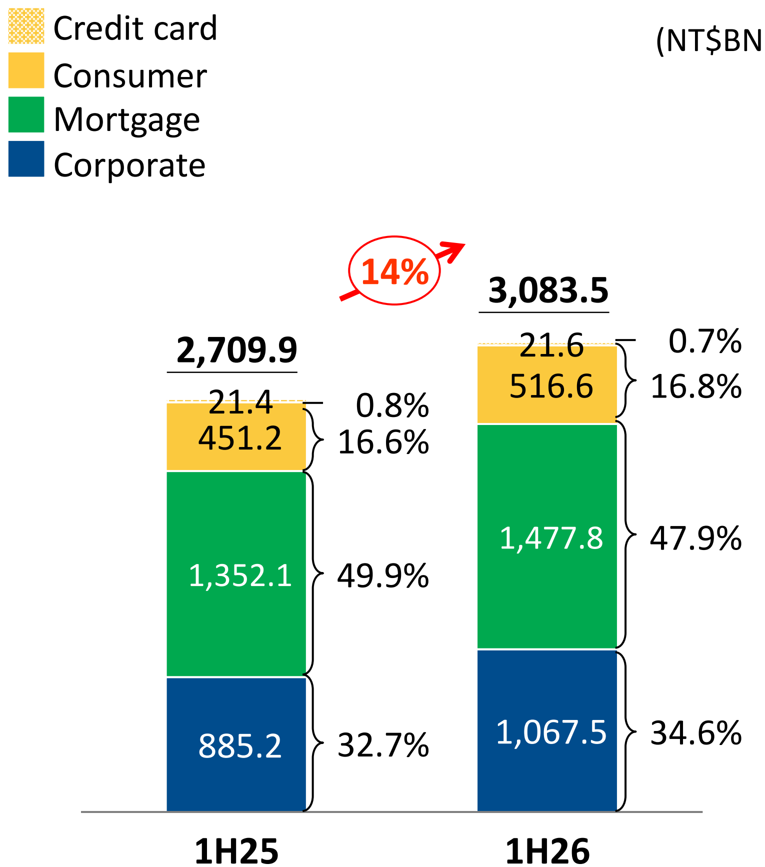
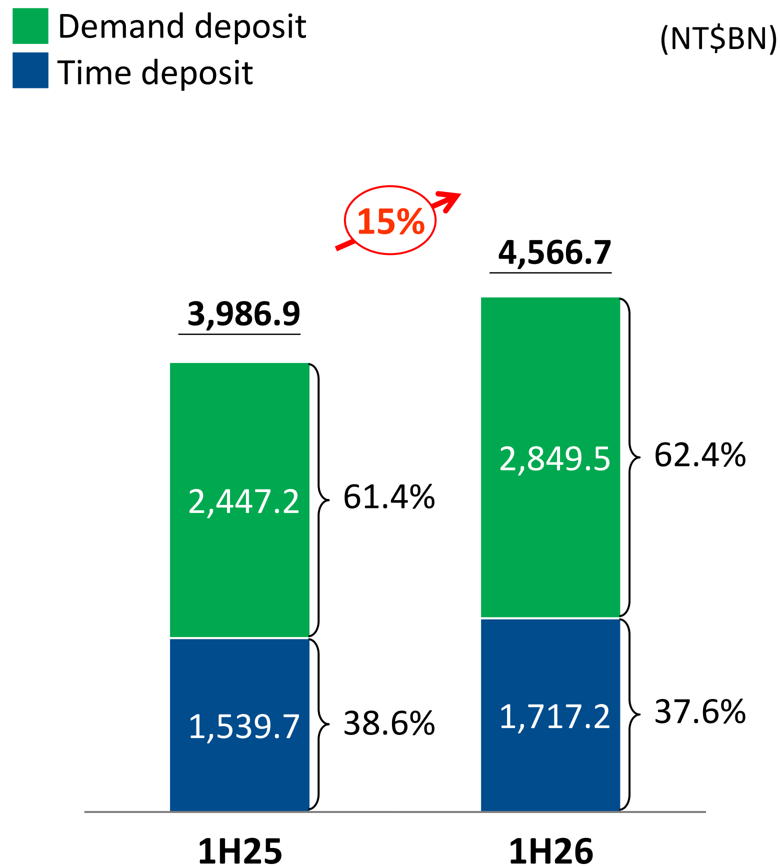
Cathay United Bank – Loan & deposit breakdown

- Loans grew 14% YoY, with double-digit growth in corporate and consumer loans, while mortgage loans maintained steady growth.
- Deposits grew 15% YoY, with demand deposit ratio rising to 62.4%.

Loan breakdown

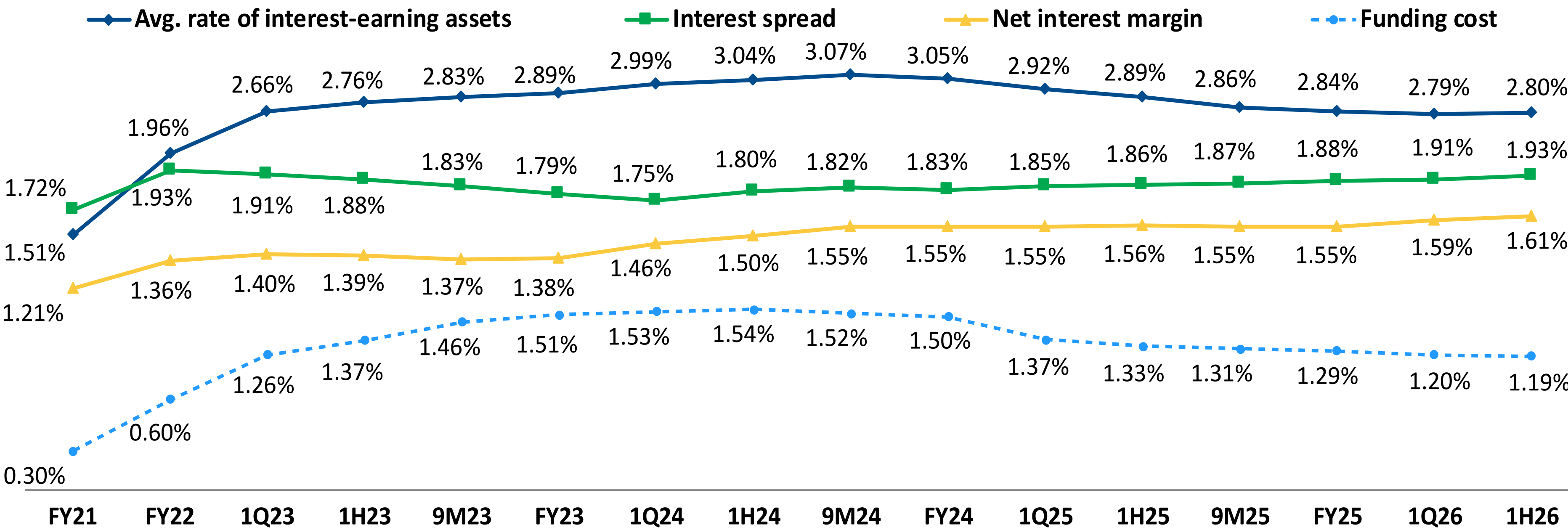


Deposit breakdown



Cathay United Bank – Interest yield

- Interest spread and NIM both expanded, driven by strong FX loan growth and a higher demand deposit ratio.



Quarterly	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Spread	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%	1.90%	1.91%	1.95%
NIM	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%	1.56%	1.59%	1.63%

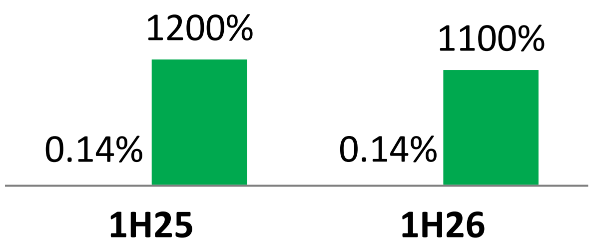
Note: Credit card-related loans are included in the calculation of interest spread.

Cathay United Bank – Credit quality

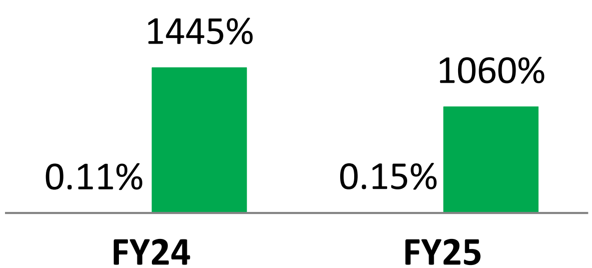
- Asset quality remained sound, with NPL at 0.14% and coverage ratio at 1100%.

NPL & coverage ratio

NPL ratio
Coverage ratio



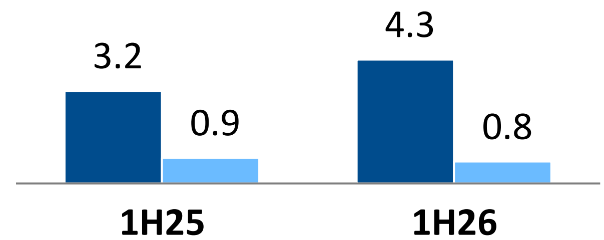
Mortgage NPL	**0.16 %**	**0.19 %**

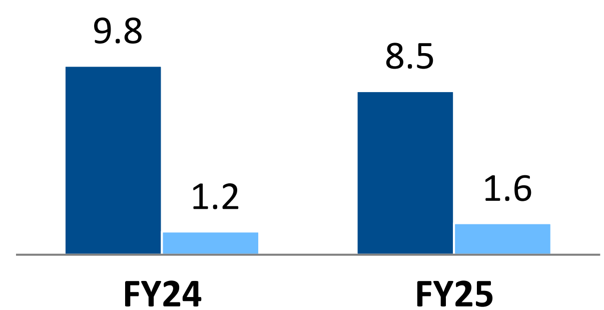


Mortgage NPL	**0.11 %**	**0.19 %**

Gross provision & recovery

Gross provision
Recovery
(NT$BN)

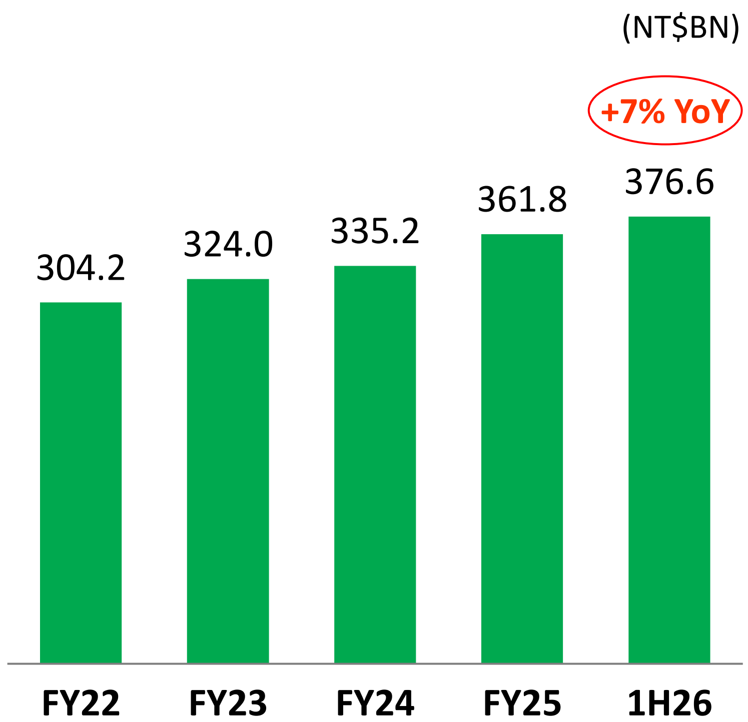




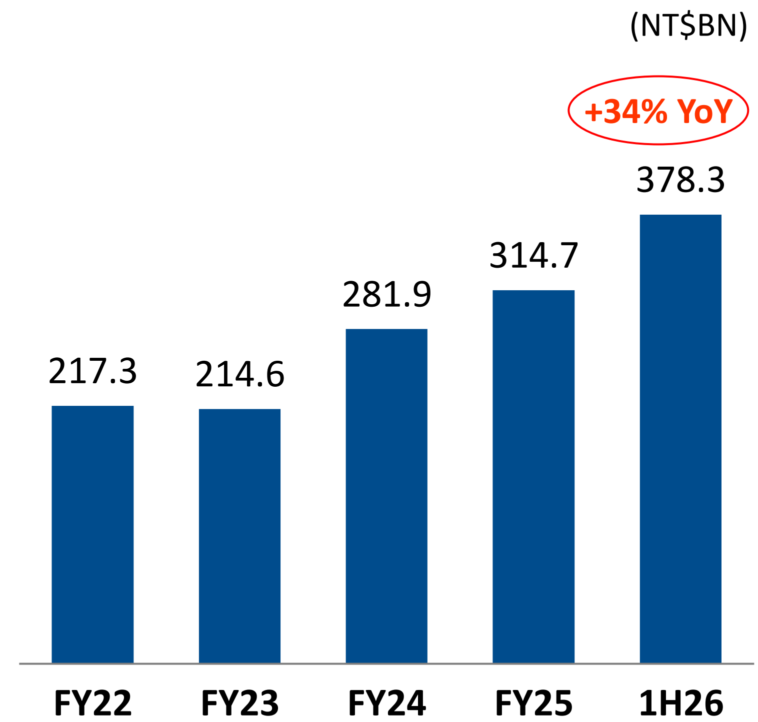
Cathay United Bank – SME & FX loans

- SME loans grew steadily, up 7% YoY.
- FX loans grew 34% YoY, or 26% YoY excluding FX impact, driven by supply chain realignment and corporate overseas capex demand.

SME loans



Foreign currency loans



As % of total loans

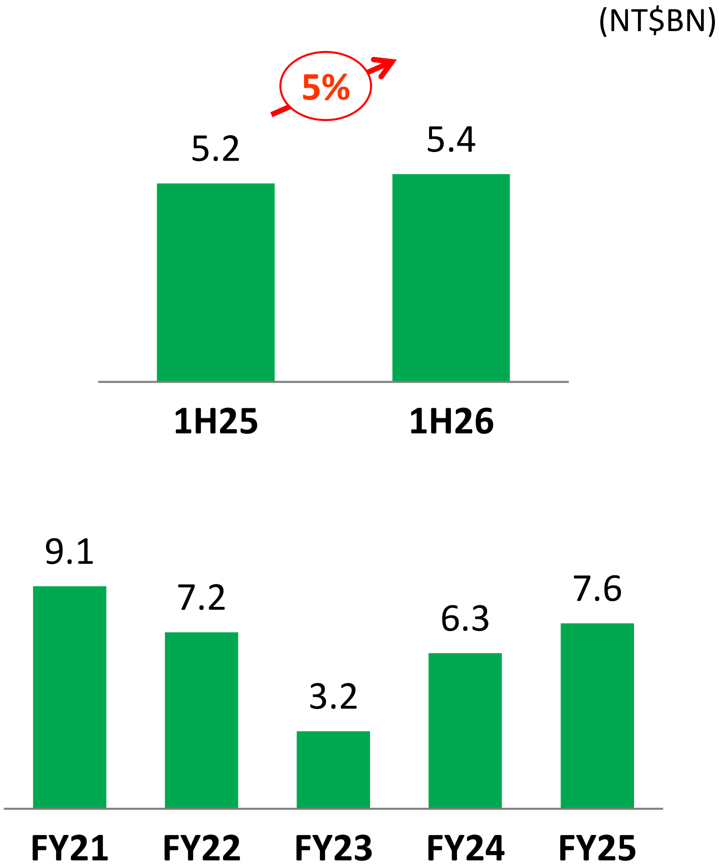
	FY22	FY23	FY24	FY25	1H26
SME loans	15.3%	14.5%	12.8%	12.8%	12.3%
Foreign currency loans	10.9%	9.6%	10.8%	11.1%	12.4%

Note: Total loans exclude credit card revolving balance.

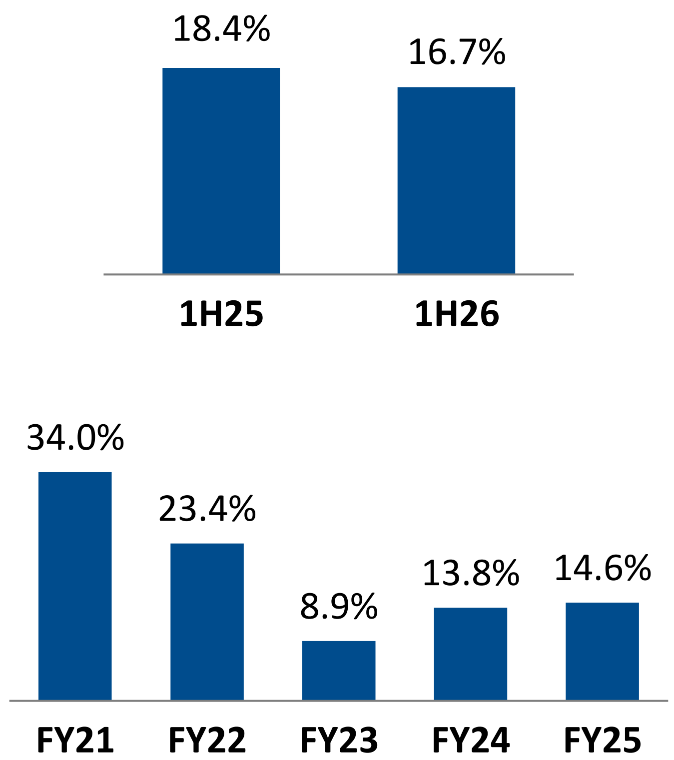
Cathay United Bank – Offshore earnings

- Offshore earnings grew 5% YoY, supported by growth in deposits, loans and investment income.

Offshore earnings



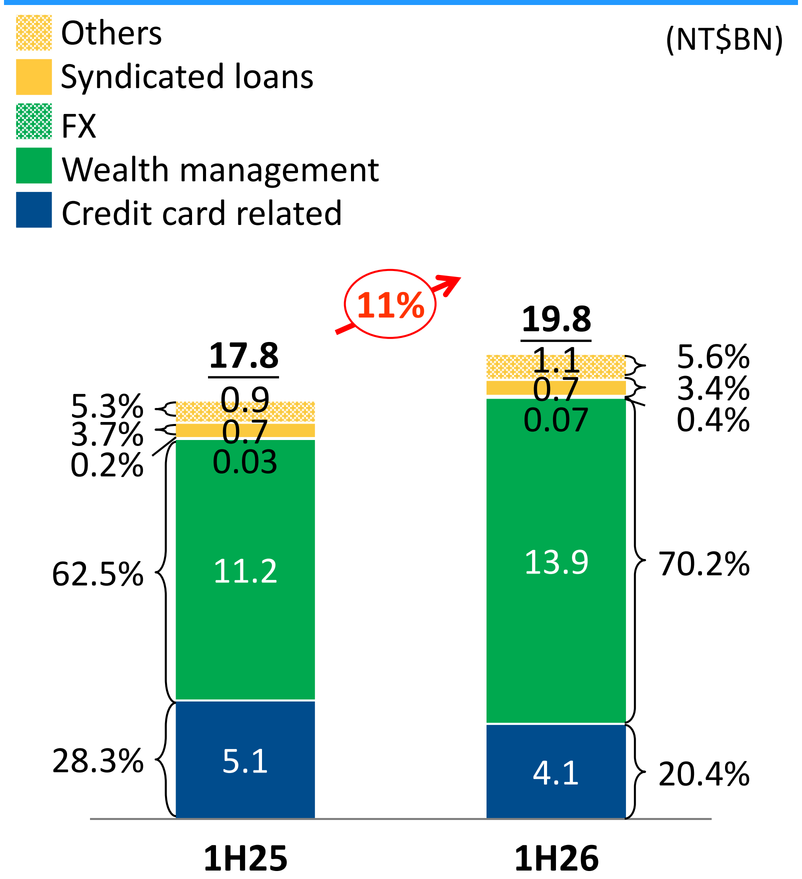
As % of CUB pre-tax profits



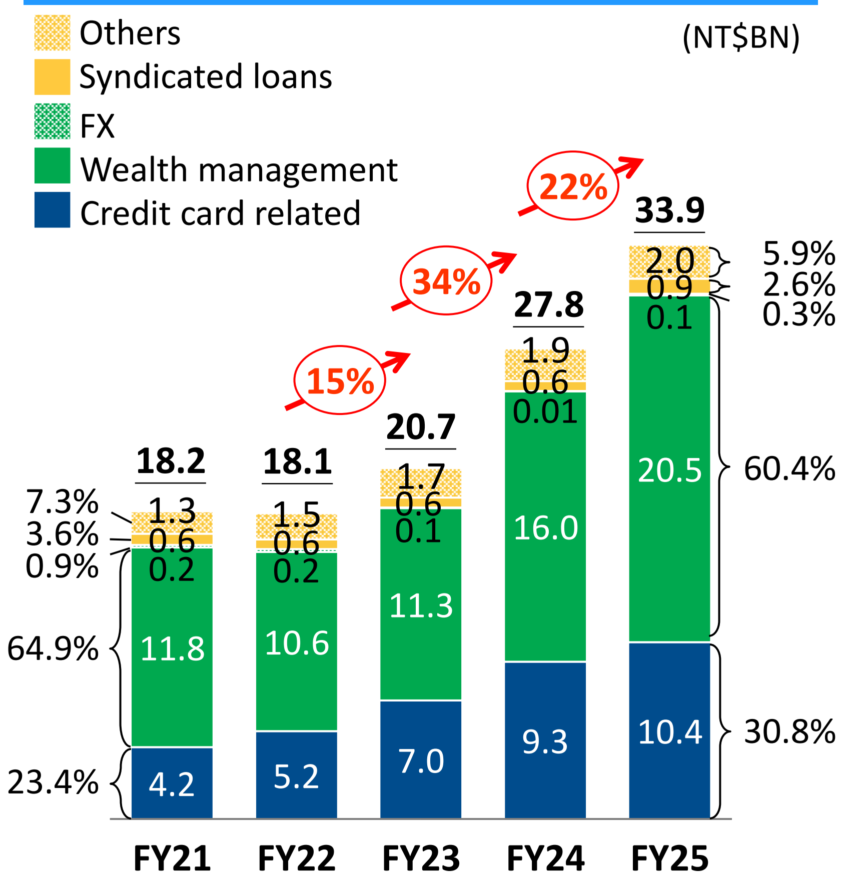
Cathay United Bank – Net fee income

- Net fee income rose 11% YoY, driven by strong wealth management momentum, with wealth management fees up 25% YoY.

Net fee income



Annual net fee income

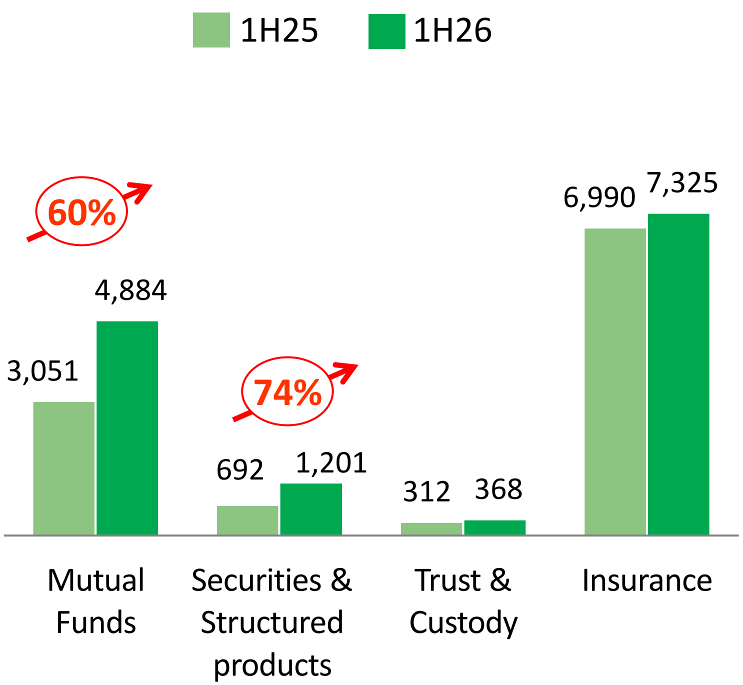


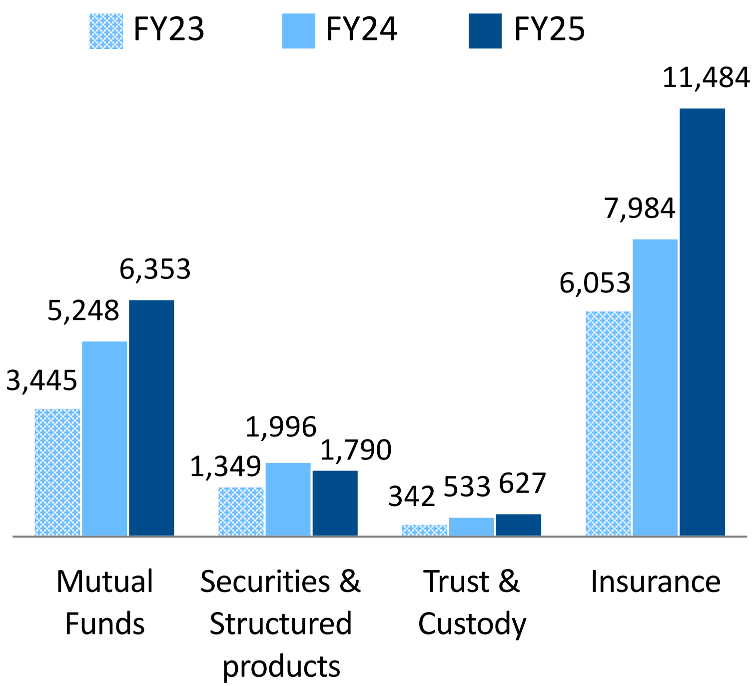
Cathay United Bank – Wealth management fees

- WM fees rose 25% YoY, driven by strong sales momentum in mutual funds, securities & structured products, along with steady growth in insurance products.
- WM customers and AUM continued to grow steadily.

Wealth management fees breakdown

(NT$MN)	1H25	1H26	FY23	FY24	FY25
Wealth management fee income	11,152	13,917	11,344	15,963	20,483
YoY growth (%)	34.4%	24.8%	7.1%	40.7%	28.3%





Note: If income from selling treasury products (bonds, structured products, and foreign exchange) were included, 1H26 WM income would be NT$17.4bn.

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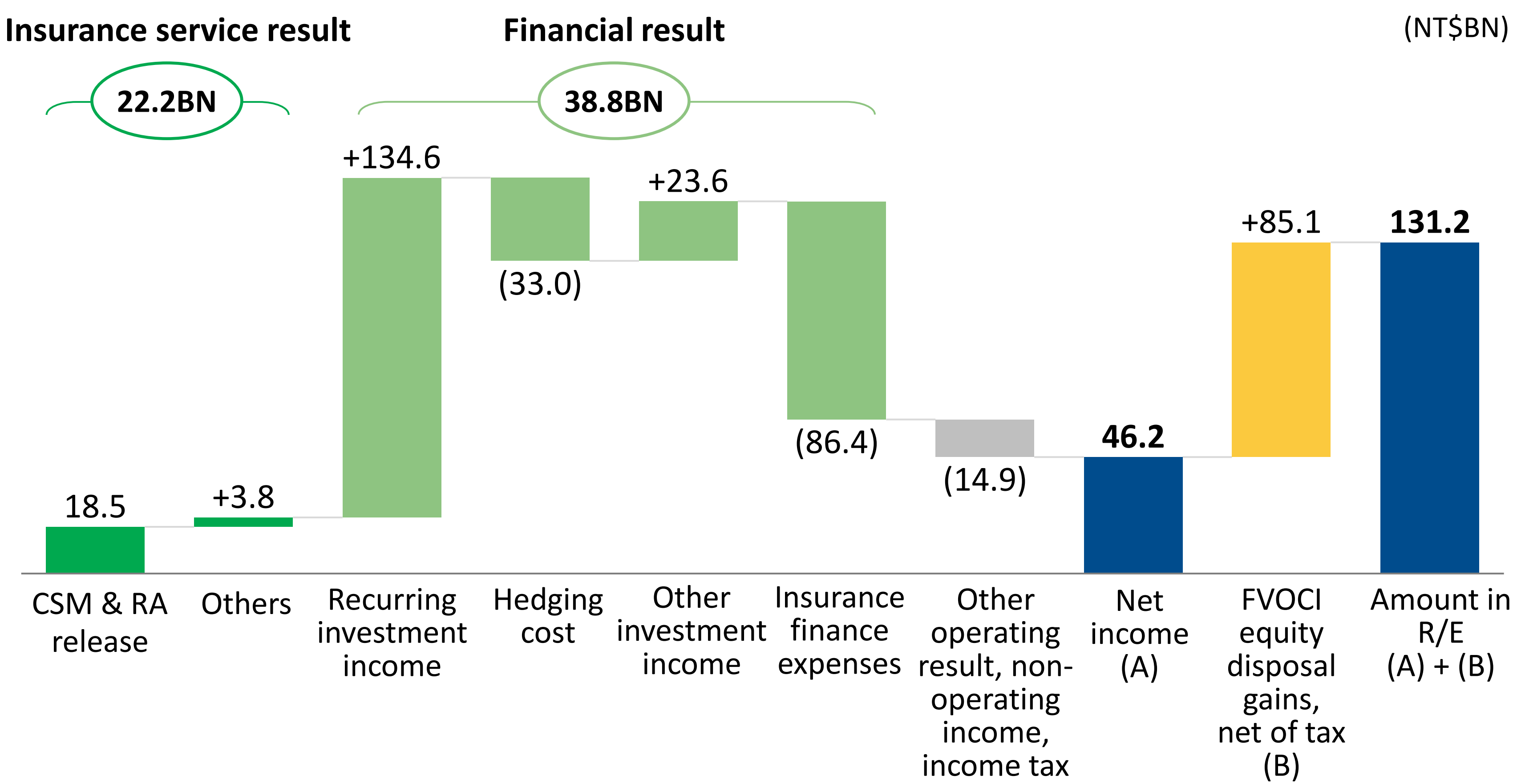
Cathay Life – Earnings breakdown

- Steady CSM release contributed to insurance service result, while positive recurring spread supported financial result.
- Net income reached NT$46.2bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT$131.2bn, surpassing the FY25 level and setting a new all-time high.

Earnings breakdown

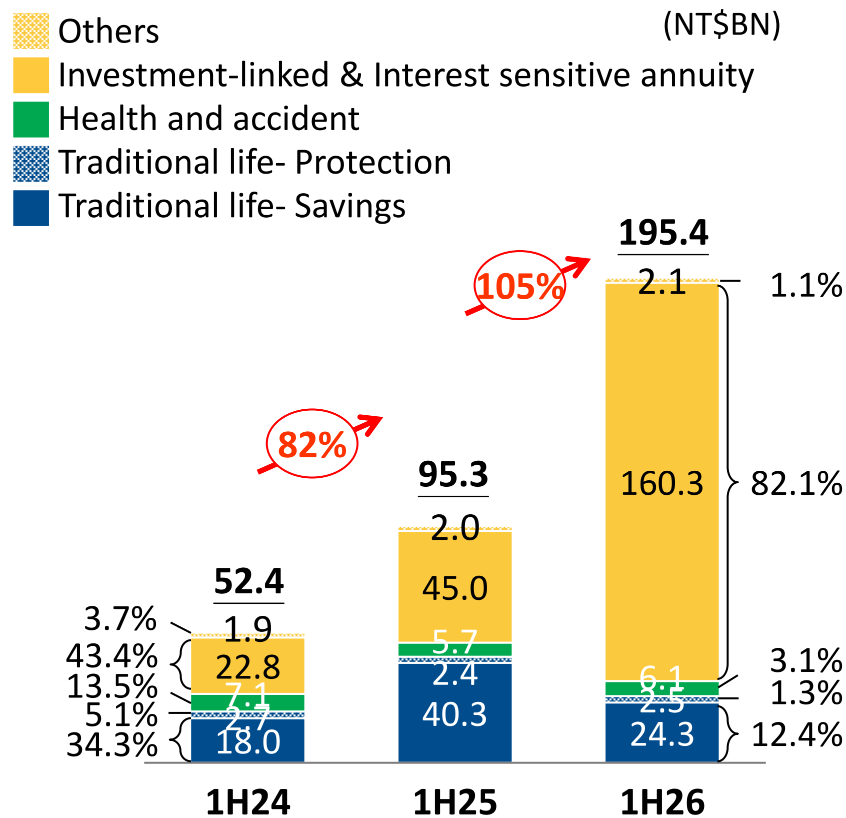


Note: R/E refers to retained earnings.

Cathay Life – FYP & APE

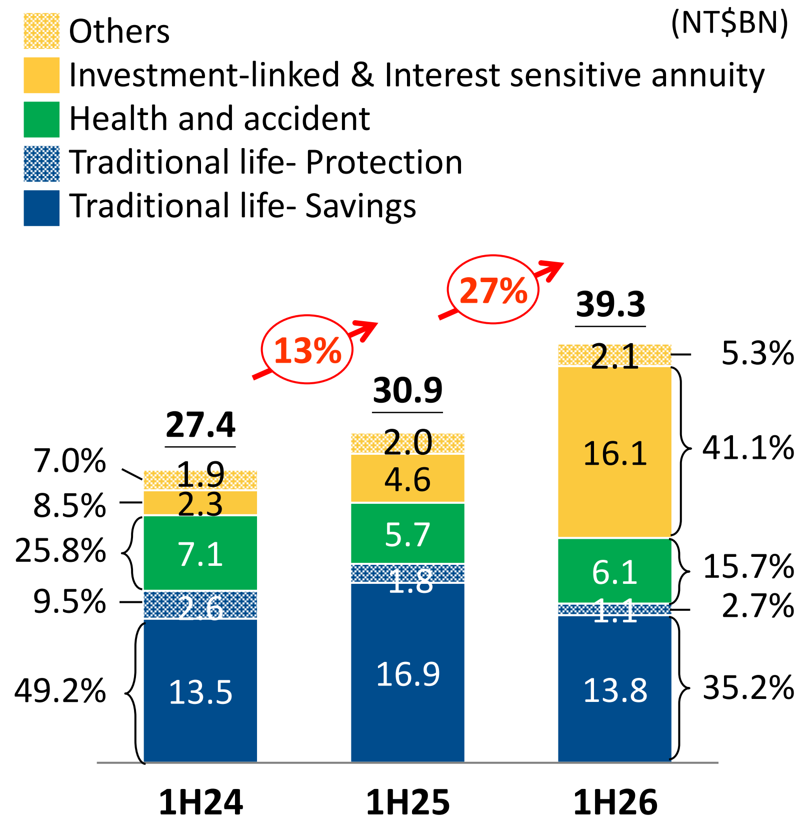
- FYP and APE rose 105% and 27%, respectively, driven by continued strong sales momentum in investment-linked products amid strong equity markets.
- FYP from high-CSM-contribution health and accident products increased YoY.

First Year Premium



FX policies % (excl. Investment-linked)	1H24	1H25	1H26
	55%	76%	69%

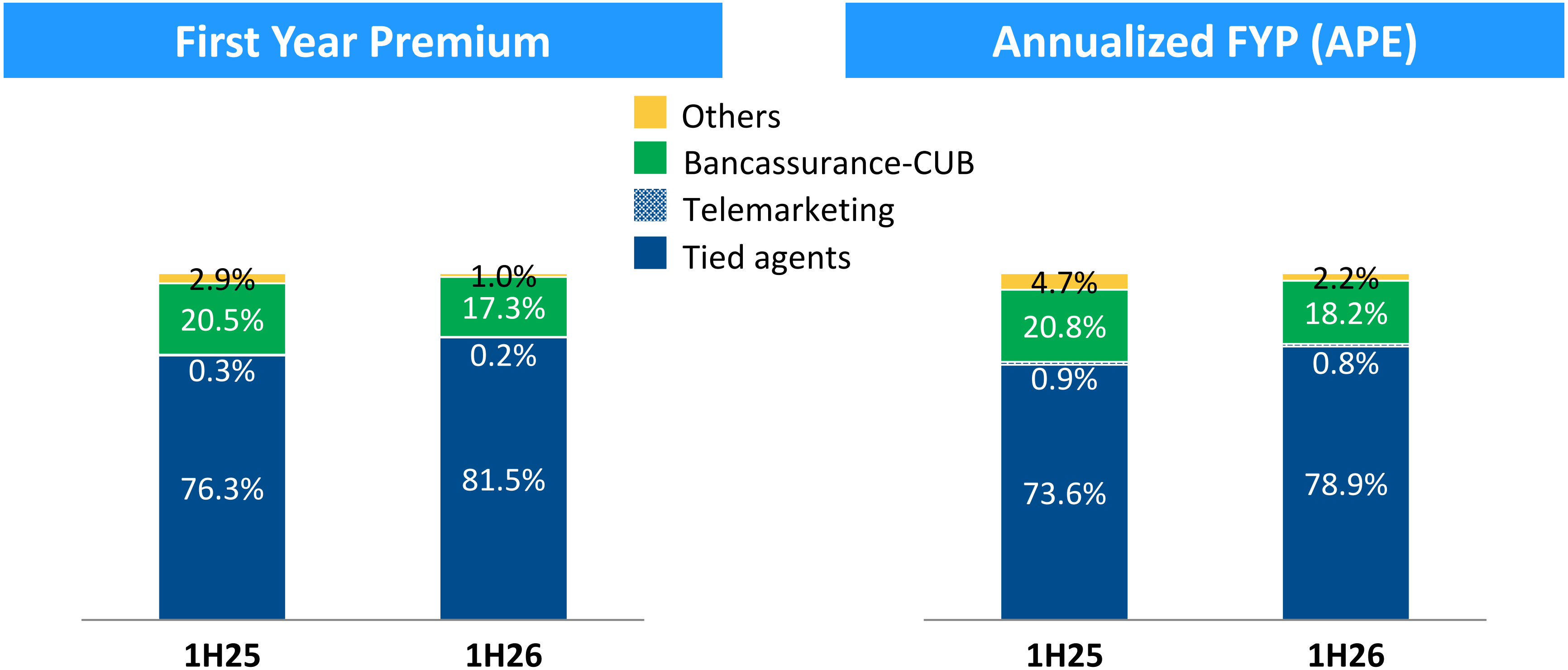
Annualized FYP (APE)



Note: Annualized FYP (APE) = 10% x single-paid FYP + 20% x 2-yr-paid FYP + … + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

Cathay Life – Distribution channels & persistency ratios

- Premiums were mainly generated through Cathay Life tied agents and Cathay United Bank. The group's strong distribution capabilities provided solid support to premiums and new business CSM.
- Persistency ratios remained high, exceeding 95%.



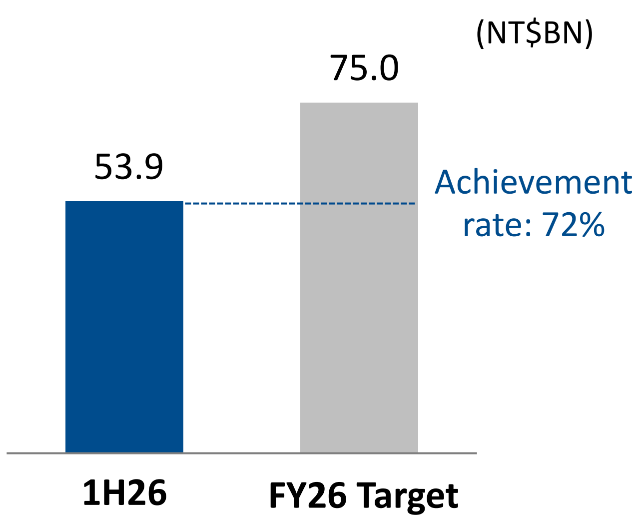
Persistency ratios	1H25	1H26
13 months	97.6%	97.7%
25 months	95.5%	95.1%

Cathay Life – New business CSM

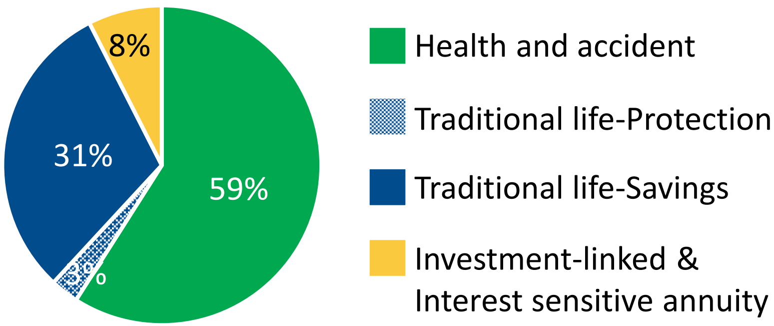
- New business CSM reached NT$53.9bn, with health and accident products contributing nearly 60% and nearly 90% generated through tied agents and telemarketing.

New business CSM

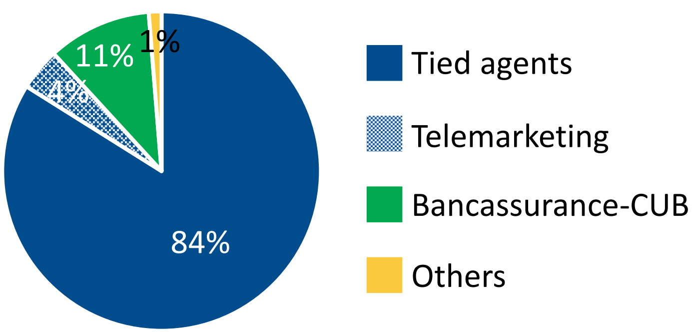
CSM margin	1H26
CSM/FYP*	64%
CSM/APE*	208%



New business CSM by product



New business CSM by channel

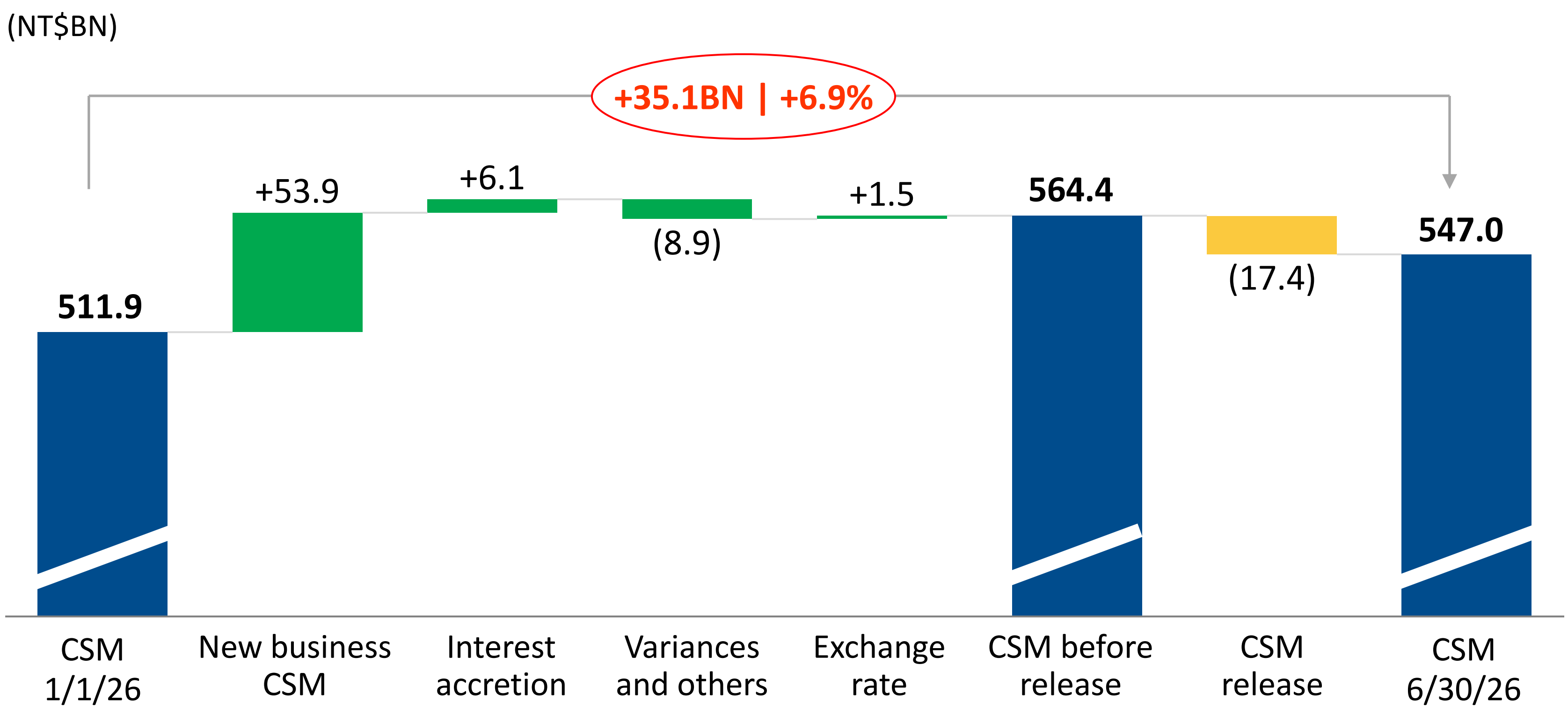


Note: FYP and APE exclude PAA short-term products and IFRS 9 / IFRS 15 investment contracts (e.g., investment-linked variable annuities).

Cathay Life – CSM movement

- CSM balance reached NT$547.0bn, up NT$35.1bn, or 6.9%, YTD, mainly driven by new business CSM.
- CSM release was NT$17.4bn, with an annualized release rate of approximately 6%, providing stable support to insurance service result.

CSM movement

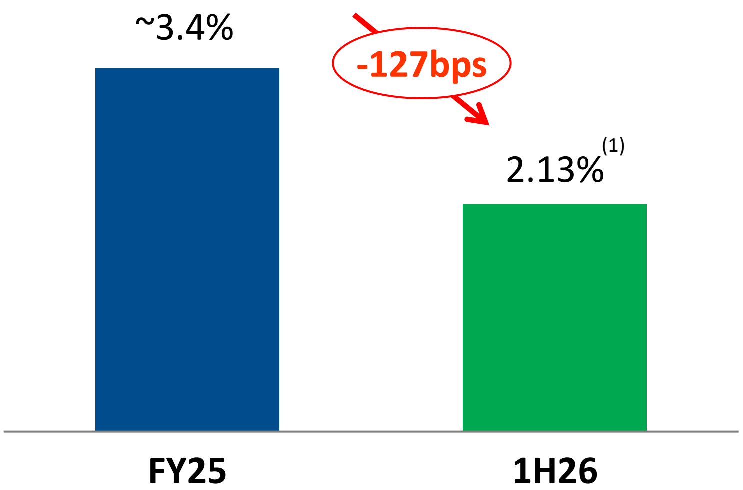


Cathay Life – Liability interest cost & break-even asset yield

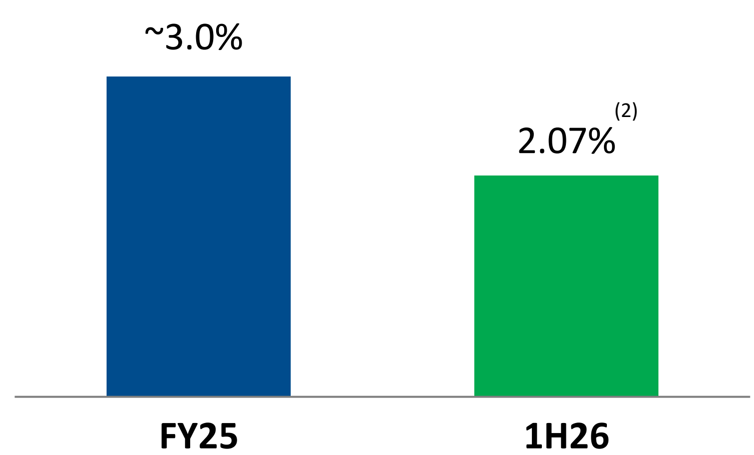
- Following IFRS 17 adoption in 2026, 1H26 liability interest cost and break-even asset yield declined significantly, reflecting market-based discount rates for insurance liabilities.

Liability interest cost

(Asset-based)



Break-even asset yield



Note: (1) Excludes interest expense from VFA investment-linked products and valuation impacts related to policyholder dividends on legacy policies subject to mandatory dividends. (2) Excludes one-off IFRS 15 adjustments.

Cathay Life – Investment portfolio

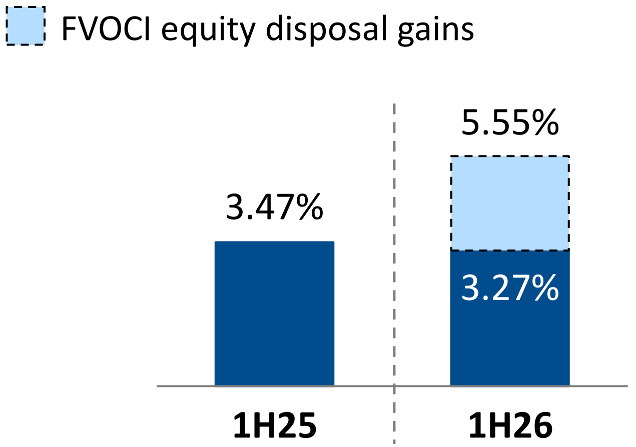
(NT$BN)	FY23	FY24	FY25			1H26		
Total investments[1]	**7,638.1**	**7,990.6**	**8,083.8**			**8,017.3**		
	Weight	**Weight**	**Weight**	**Amount**	**Return**	**Weight**	**Amount**	**Return**
Cash & Cash equivalents	2.6%	1.9%	2.3%	187	2.3%	3.4%	273	2.0%
Equity - Domestic	6.6%	7.2%	6.7%	544	16.1%	8.3%	669	39.0%[5]
Equity - International[2]	5.6%	5.5%	5.2%	417	12.0%	5.5%	443	12.6%[5]
Bond - Domestic[3]	8.1%	8.3%	9.1%	734	5.3%	9.3%	747	5.0%
Bond - International[2]	61.8%	62.0%	61.5%	4,971	4.0%	59.7%	4,788	4.2%
Mortgage & Secured loans	3.0%	2.9%	3.2%	255	2.0%	3.5%	282	2.1%
Policy loans	2.2%	2.1%	2.1%	166	5.4%	0.1%	4[4]	3.7%
Real estate	7.5%	7.5%	7.7%	622	3.9%	7.9%	634	4.1%
Others	2.5%	2.6%	2.3%	189	1.2%	2.2%	177	2.0%

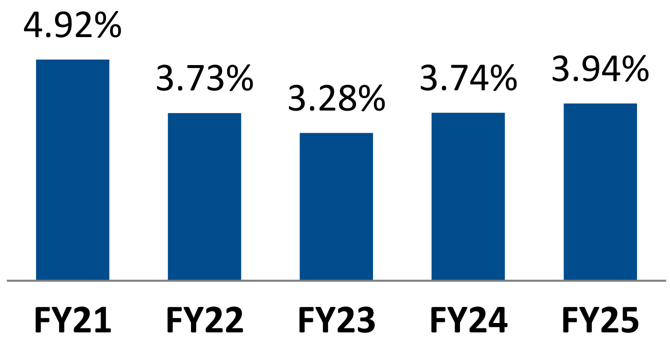
Note: (1) Total investments exclude separate account assets. (2) Returns on international equities and international bonds are presented on a pre-hedging basis. (3) Includes TWD-denominated international bond ETFs. (4) Policy loans under investment contracts. (5) 1H26 equity investment returns include FVOCI equity disposal gains.

Cathay Life – Investment performance

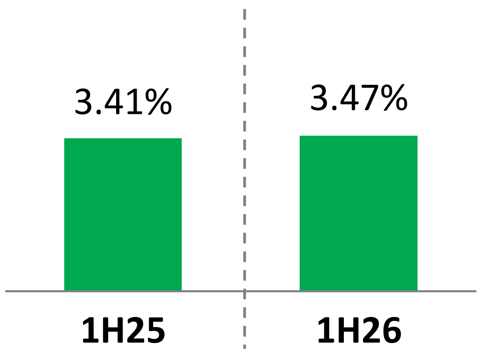
- 1H26 after-hedging investment yield, including FVOCI equity disposal gains, reached 5.55%, reflecting capital gains realized amid strong equity markets.
- 1H26 pre-hedging recurring yield was 3.47%.

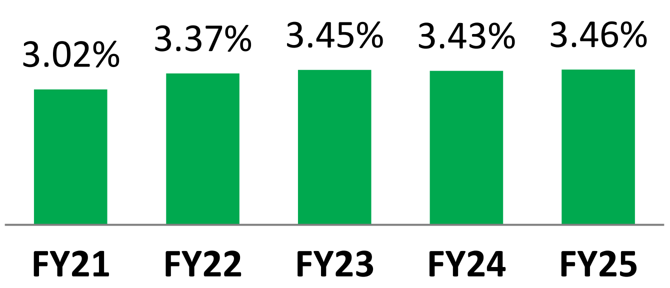
After-hedging investment yield





Pre-hedging recurring yield



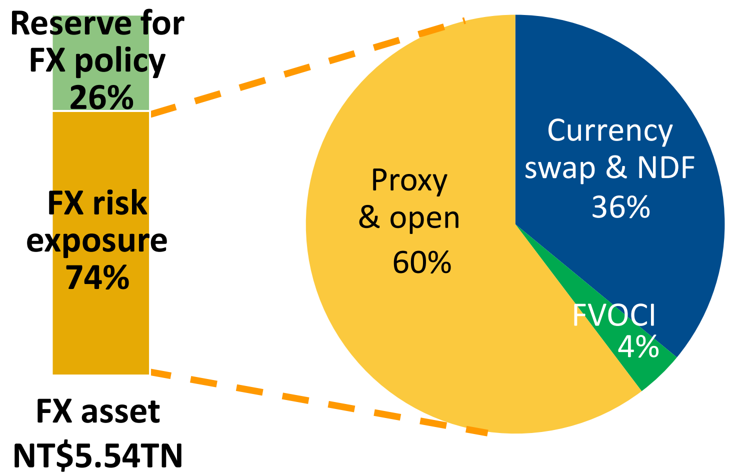


Note: Pre-hedging recurring income excludes capital gains and includes interest income, cash dividends and rental income.

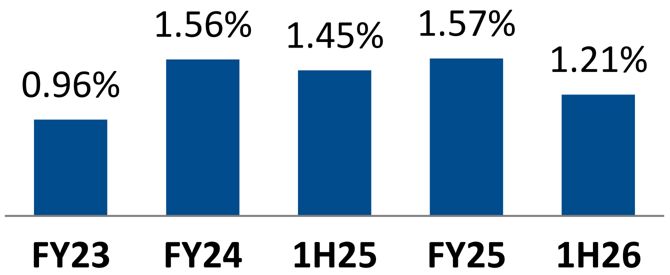
Cathay Life – FX hedging strategy

- Proxy & open positions were mainly AC bond exposures. FX gains/losses volatility declined significantly following the new AC FX accounting treatment from 1M26.
- 1H26 hedging cost was 1.21%; FX volatility reserve increased by NT$17.1bn YTD to NT$130.9bn.

FX asset hedging structure

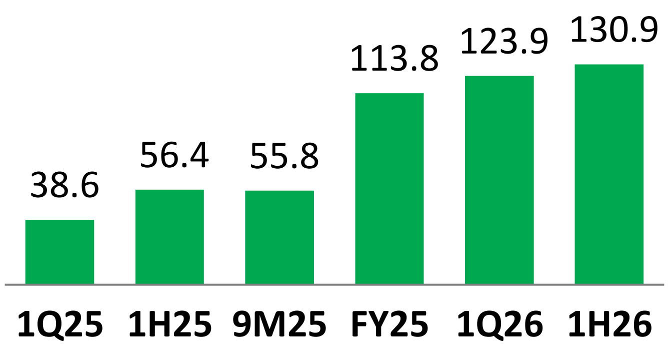


Hedging cost



FX volatility reserve

(NT$BN)

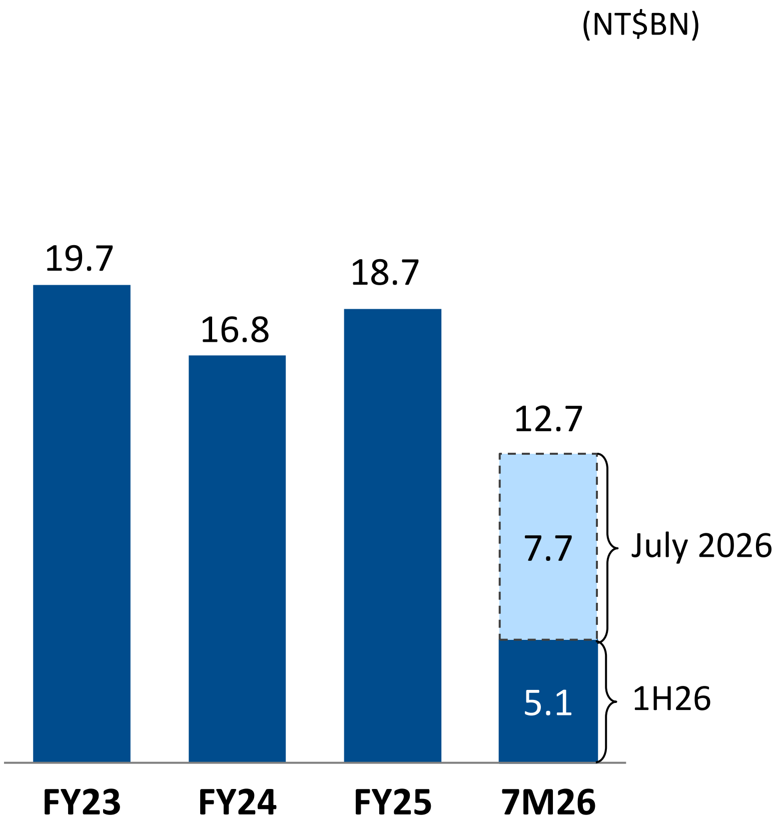


Note: Hedging cost is calculated based on FX assets.

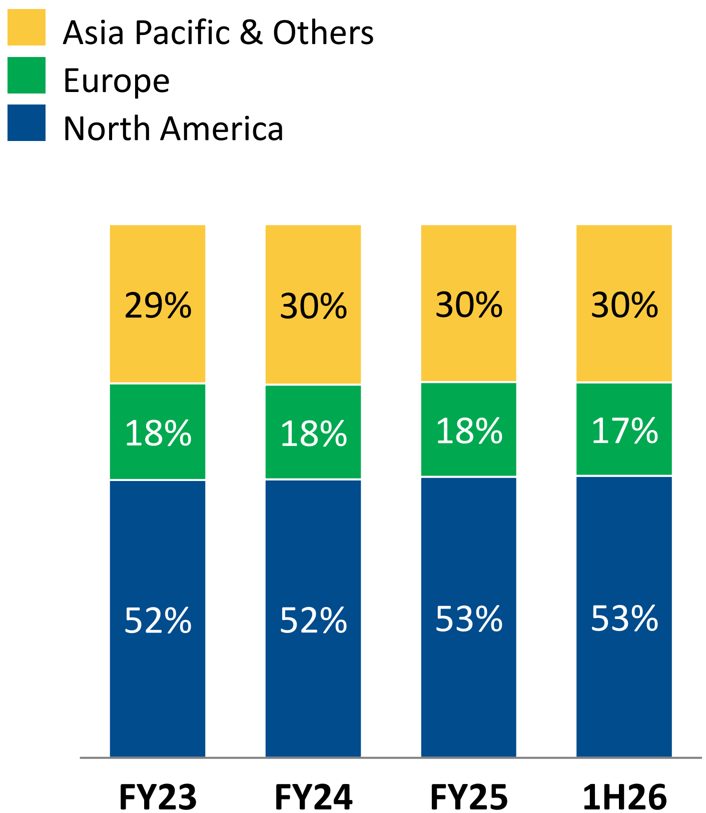
Cathay Life – Cash dividend income & overseas bond by region

- 7M26 cash dividend income totaled NT$12.7bn, while equity positions were adjusted to realize capital gains amid strong equity markets.
- Diversified overseas fixed-income investments across regions to balance risk and return.

Cash dividend income



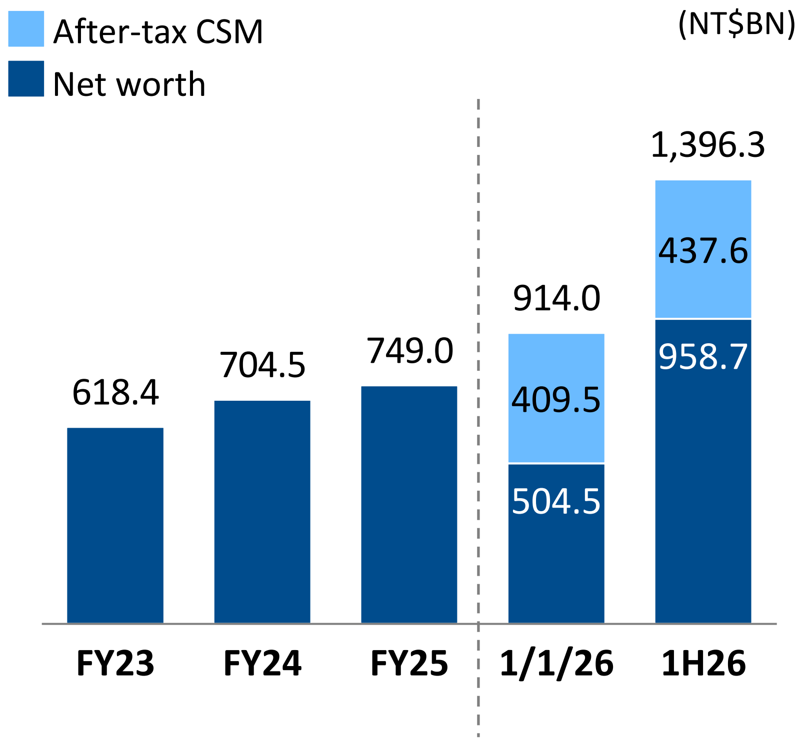
Overseas bond by region



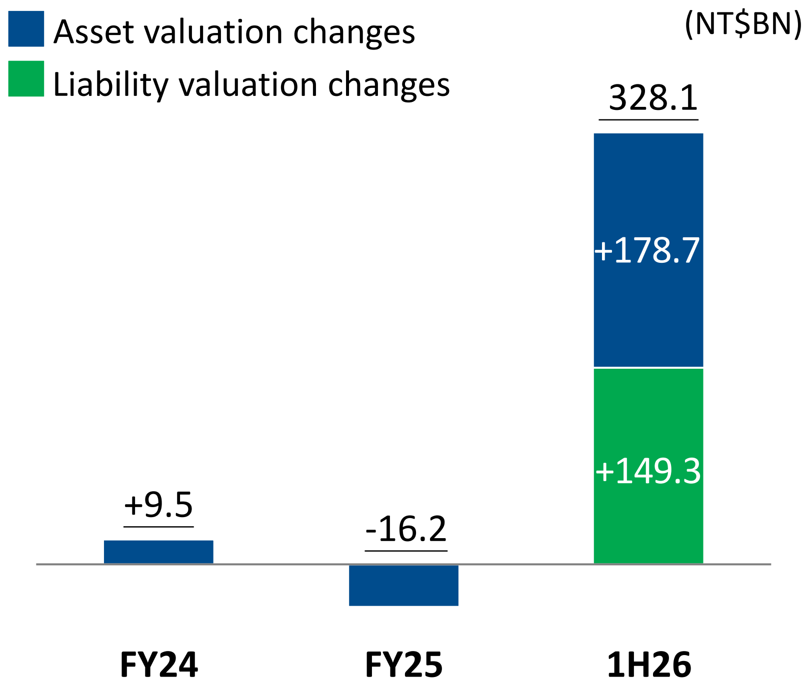
Cathay Life – Net worth & OCI asset/liability valuation changes

- 1H26 net worth reached a record high of NT$958.7bn, up NT$454.2bn YTD, supported by earnings contribution, equity disposal gains and OCI asset/liability valuation gains.
- OCI asset/liability valuations increased by NT$328.1bn YTD, mainly reflecting higher asset valuations amid strong equity markets and liability valuation gains from rising Taiwan interest rates.
- E/A ratio and adjusted E/A ratio reached 11.8% and 17.1%, respectively, indicating a strong capital position.

Net worth & adjusted net worth



OCI asset/liability valuation changes



Cathay Life – Key operating & financial metrics

(NT$)

Business performance	FYP **195.4BN** (+105% YoY)	New business CSM **53.9BN**	CSM balance **547.0BN** (+35.1BN YTD)
Spread & investment yield	Recurring yield **3.47%**	Hedging cost **1.21%**	Liability interest cost **2.13%**
Financial performance	Insurance service result **22.2BN**	Financial result **38.8BN**	Net income/ Amount in R/E* **46.2BN / 131.2BN**
Net worth	Net worth **958.7BN** (+454BN YTD)	Adjusted net worth **1,396.3BN** (+482BN YTD)	E/A ratio/ Adjusted E/A ratio **11.8% / 17.1%**

Note: R/E refers to retained earnings. Amount in R/E shown here represents net income plus after-tax FVOCI equity disposal gains.

Agenda

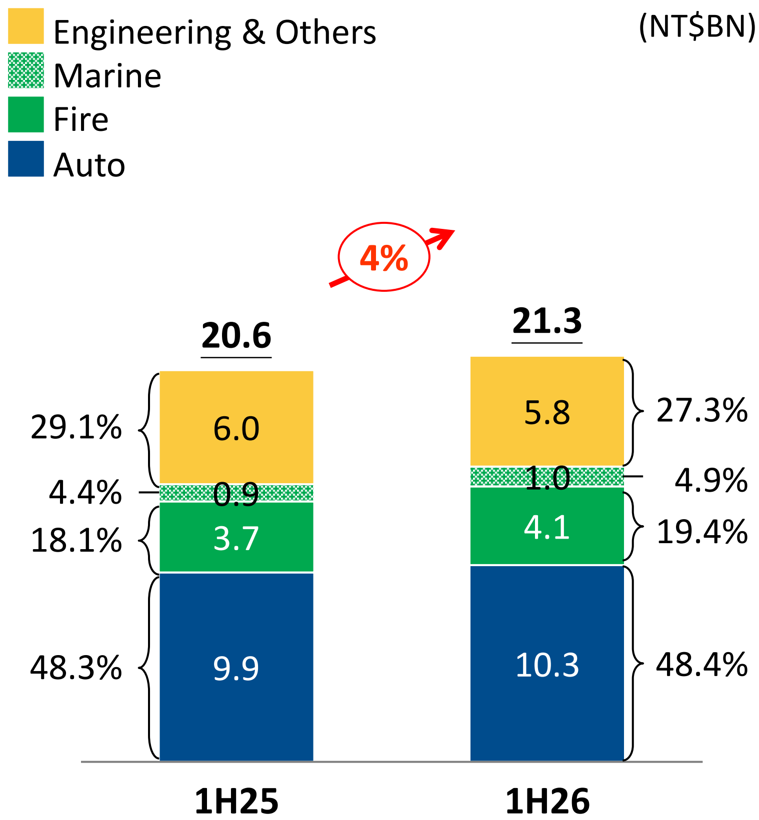
- **1H26 Business overview**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
  - Cathay SITE
  - Cathay Securities
- **Appendix**

Note: Figures in the Cathay United Bank, Cathay Life, and Cathay Century sections are presented on a standalone basis.

Cathay Century – Written premium & distribution channels

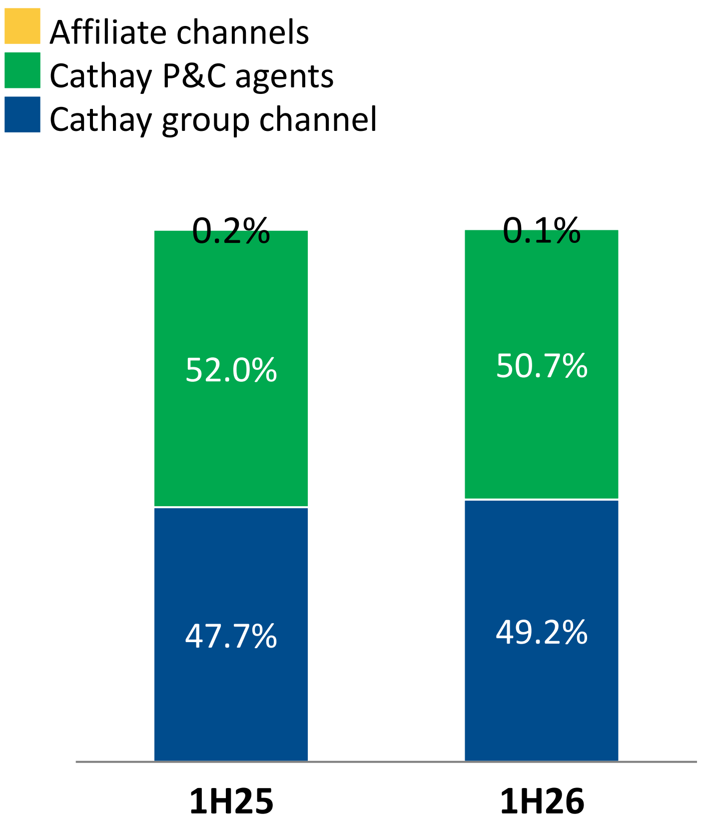
- Written premiums grew steadily, with market share at 13.2%, ranking No. 2 in the industry.
- Benefiting from strong group cross-selling synergies, nearly 50% of premiums were generated through group channels.

Written premium



Market share	13.5%	13.2%

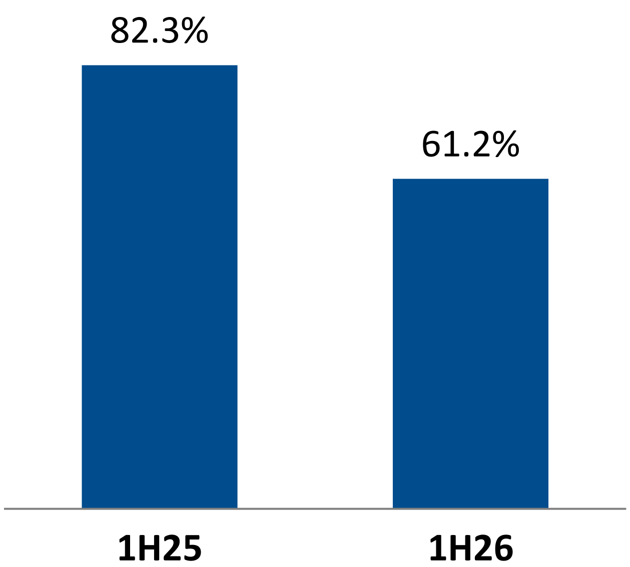
Distribution channels



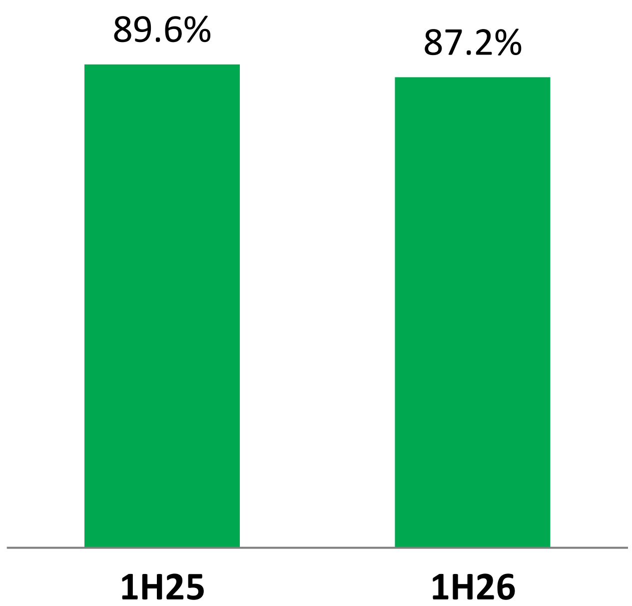
Cathay Century – Combined ratios

- Retained combined ratio improved YoY as expanded underwriting capacity drove higher insurance revenue, while loss ratios remained stable.

Combined ratio



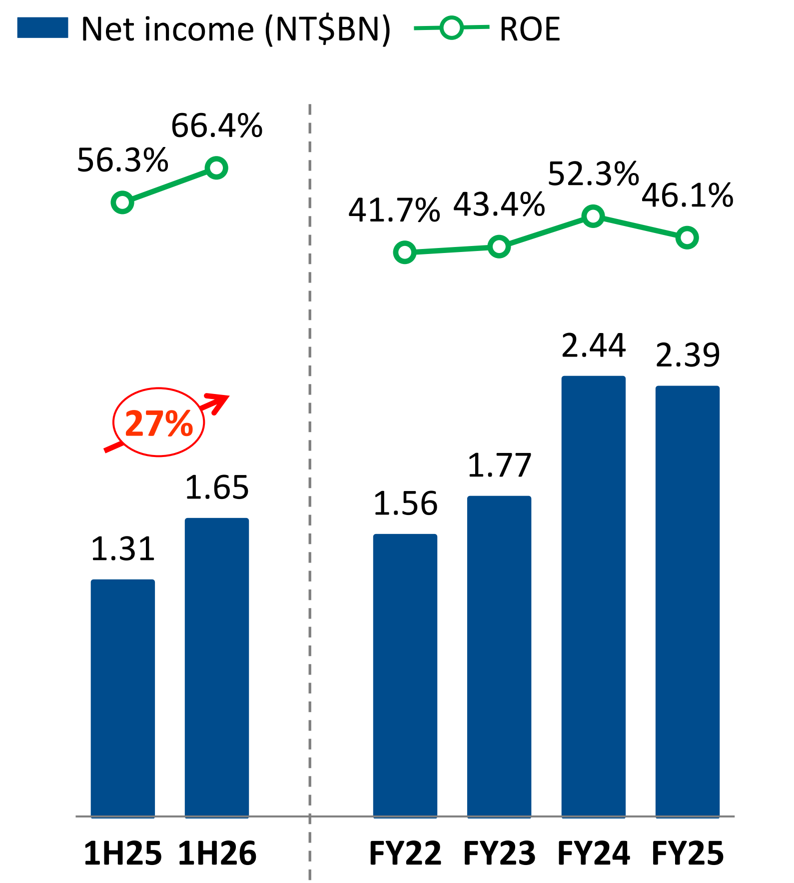
Retained combined ratio



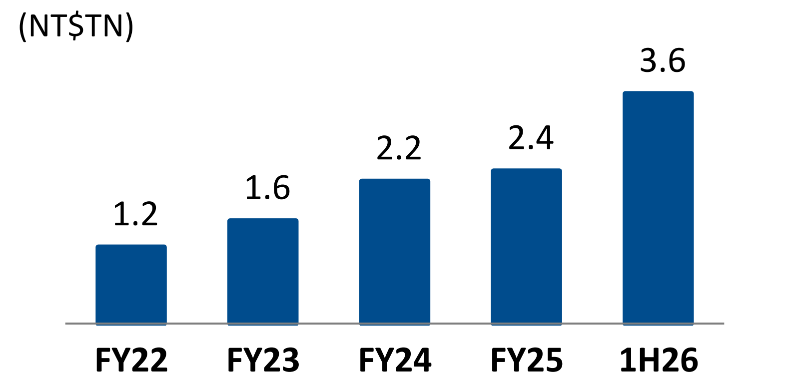
Cathay SITE – Business overview

- Solid AUM growth drove net income to a record high, up 27% YoY; ROE remained strong.
- Fund AUM and beneficiaries continued to grow.

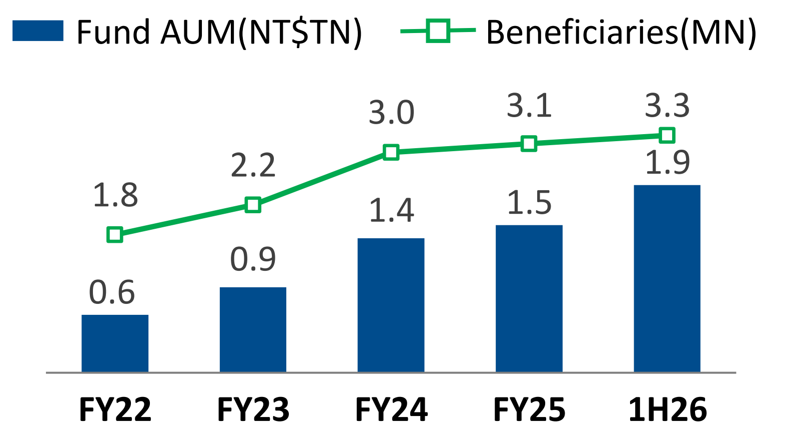
Net income & ROE



AUM growth



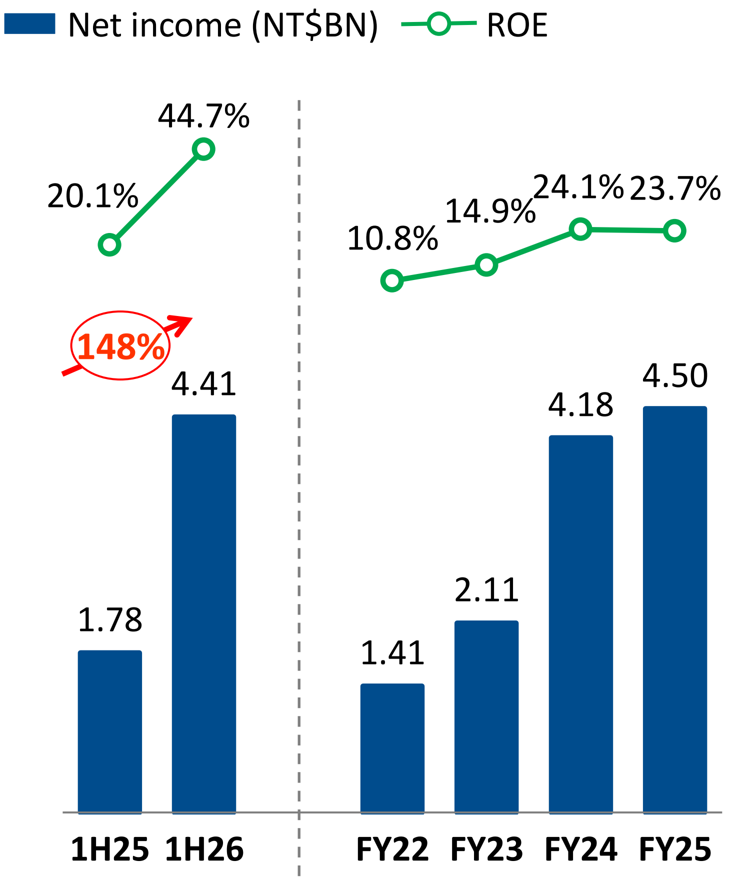
Fund business growth



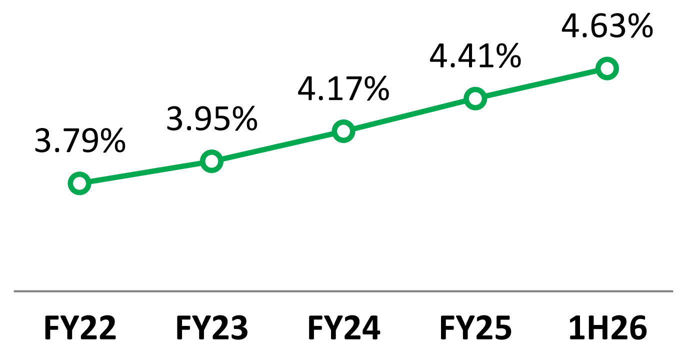
Cathay Securities – Business overview

- Net income reached a first-half record high, up 148% YoY, amid active trading in Taiwan equity markets.
- Domestic brokerage market share continued to grow, while sub-brokerage trading value maintained solid growth.

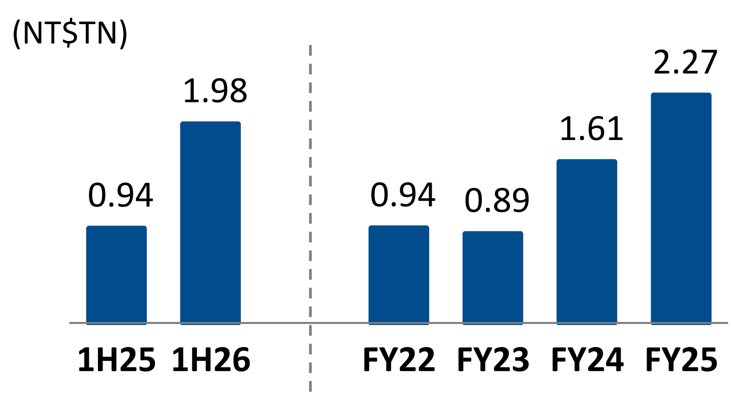
Net income & ROE



Domestic brokerage market share



Sub-brokerage trading value

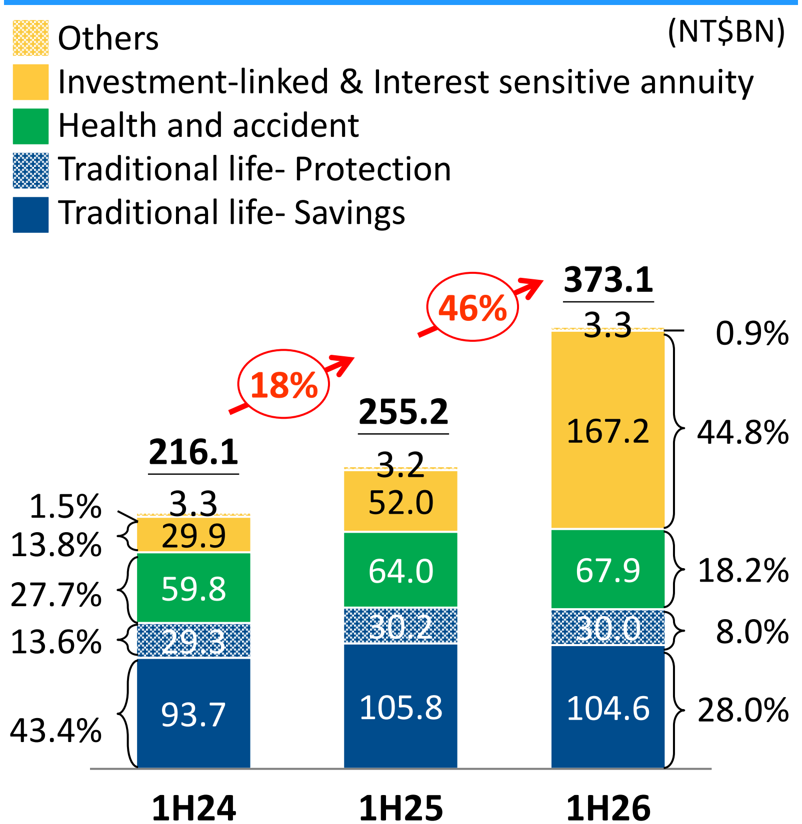


Agenda

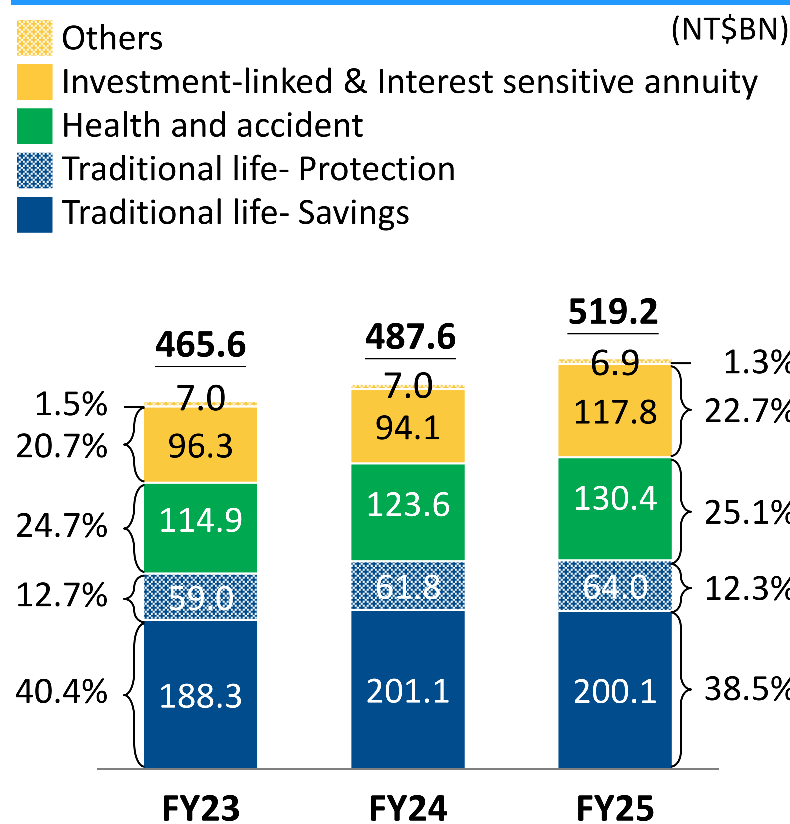
Cathay Life – Total premium

- Total premium grew 46% YoY, driven by continued strong momentum in investment-linked products and steady growth in protection-type products.

Total premium



Annual total premium

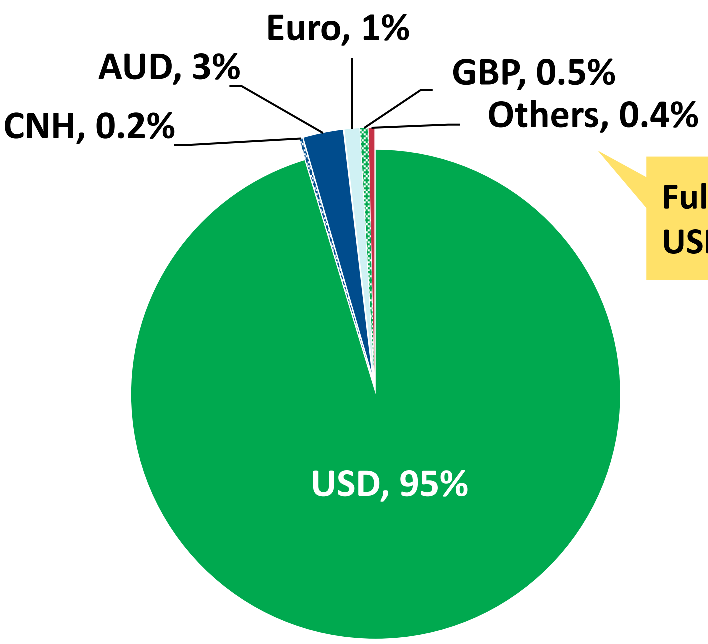


Market share	1H24	1H25	1H26	FY23	FY24	FY25
	17.7%	19.4%	22.9%	21.3%	20.0%	19.8%

Note: Protection-type products include "Traditional life-Protection" and "Health and accident".

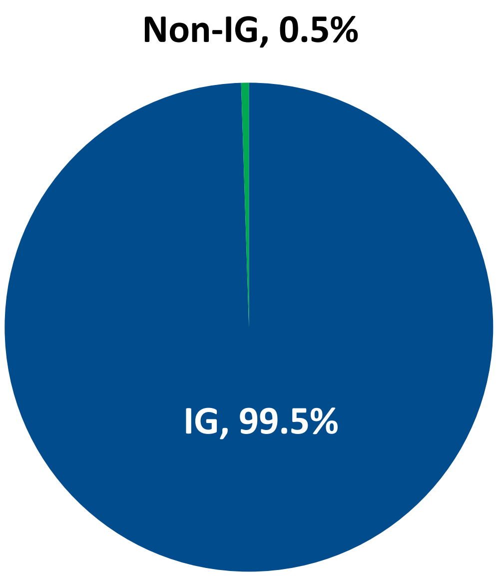
Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H26)



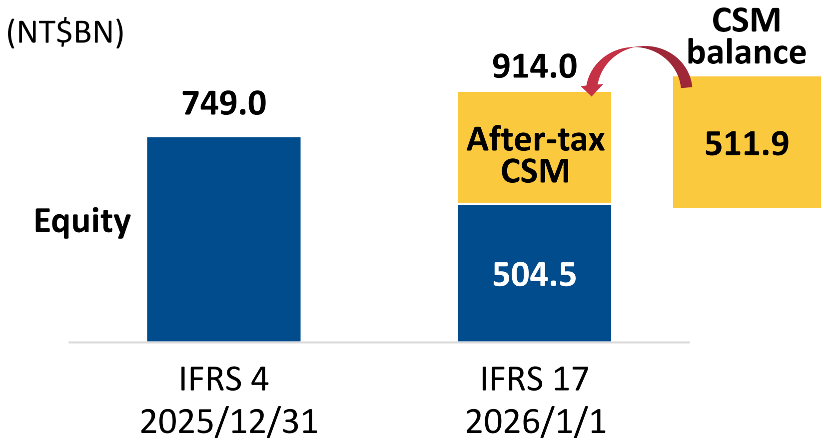
Fully hedged to USD

Overseas bond by rating (1H26)

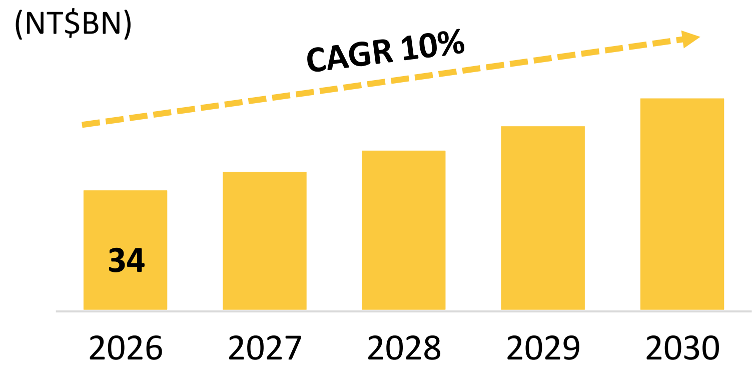


Cathay Life – IFRS 17 transition highlights

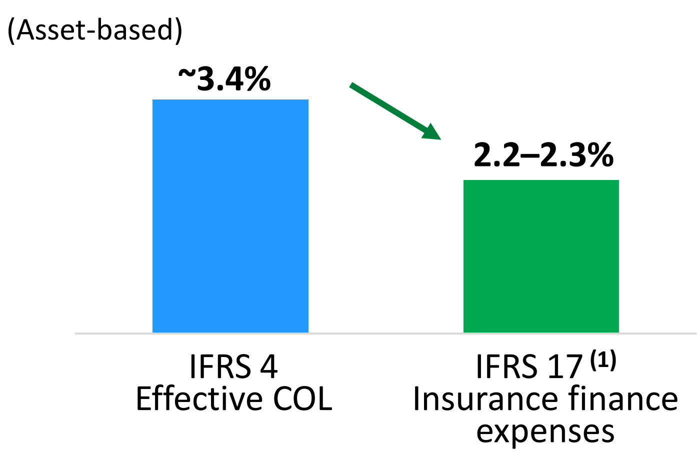
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



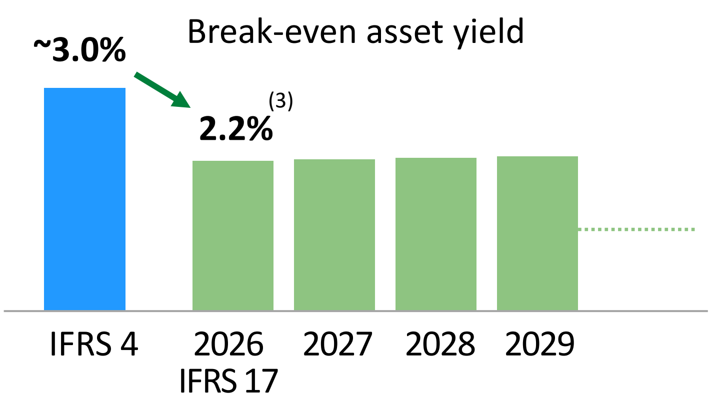
Growing CSM[2] release supports future earnings



Lower liability costs support a stable positive spread



Increasing CSM release helps stabilize break-even asset yield

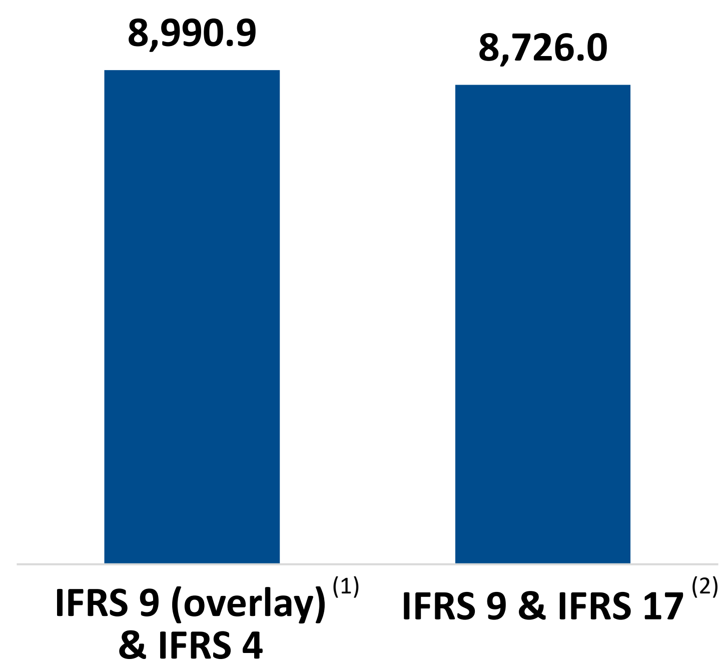


Note: (1) Remeasured at market interest rate in 2026; (2) Assume annual new business CSM of NT$75bn for 2026–2030, with interest rate and actuarial assumptions unchanged; (3) Excluding one-off adjustment related to IFRS 15.

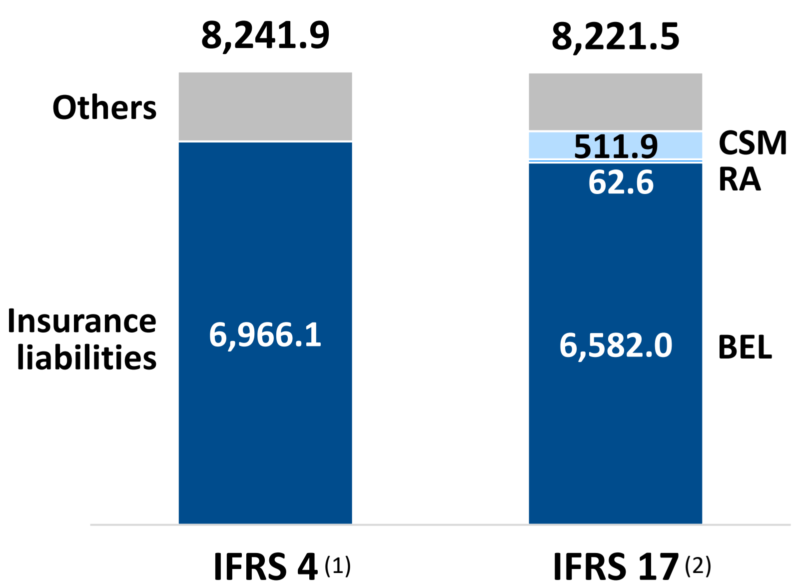
Key balance sheet changes at transition

- Insurance liabilities are measured using market-based discount rates. Future profits from insurance contracts are recognized as CSM within liabilities, amounting to NT$511.9bn, and are released to P&L over the coverage period.
- Changes in assets mainly reflect financial asset redesignation and the reclassification of policy loans into insurance liabilities.

Assets



Liabilities

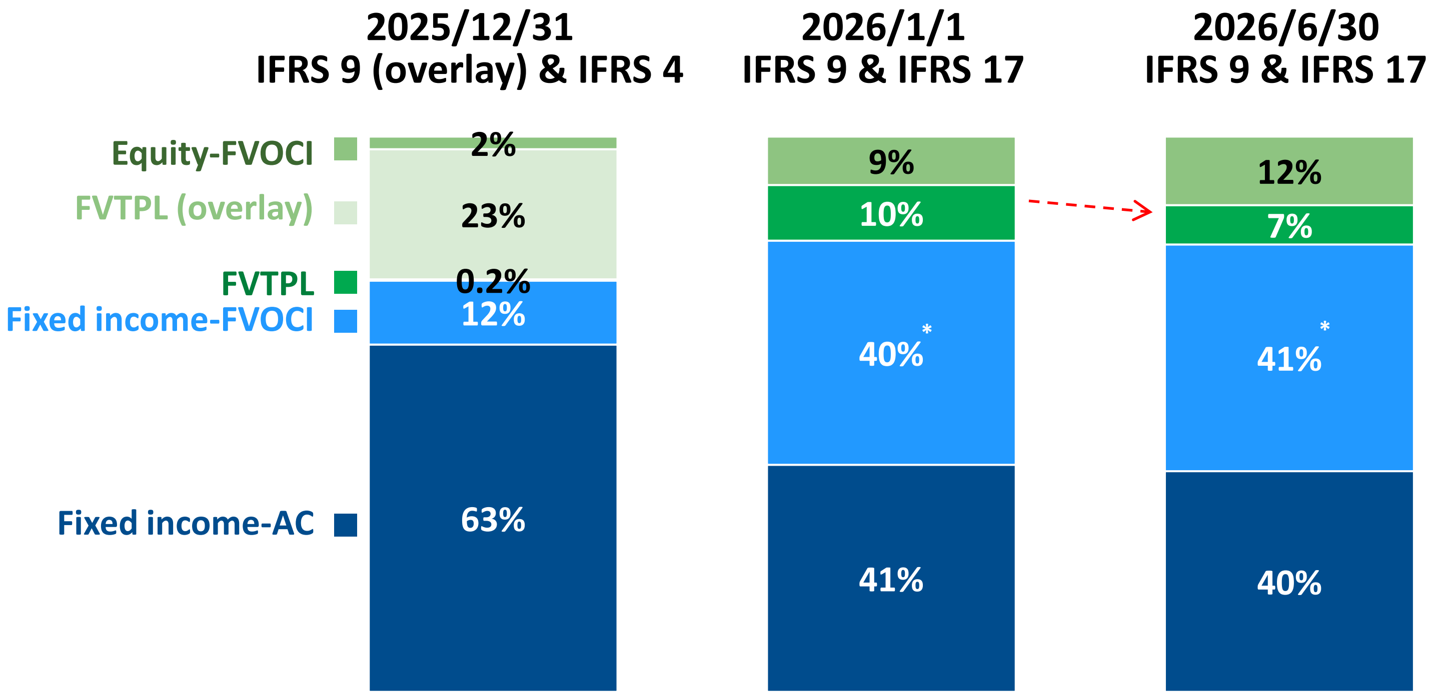


Note: (1) As of 2025/12/31; (2) 2026/1/1
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.
RA (Risk Adjustment): Compensation for bearing uncertainty arising from non-financial risks in insurance contracts.

Financial asset redesignation to align with liabilities & ALM

- Financial assets were redesignated to align with liabilities, considering NTD-USD interest rate dynamics.
  - USD liability portfolio: USD assets aligned under ALM, with the majority classified as FVOCI.
  - TWD liability portfolio: certain fixed-income assets remained at AC to mitigate equity volatility.
- FVTPL equity previously under the overlay approach were redesignated to FVOCI to reduce earnings volatility.
- Selective redesignation to FVTPL for portfolio repositioning, followed by redeployment into higher-quality assets to enhance recurring income and capital efficiency.

Financial asset redesignation

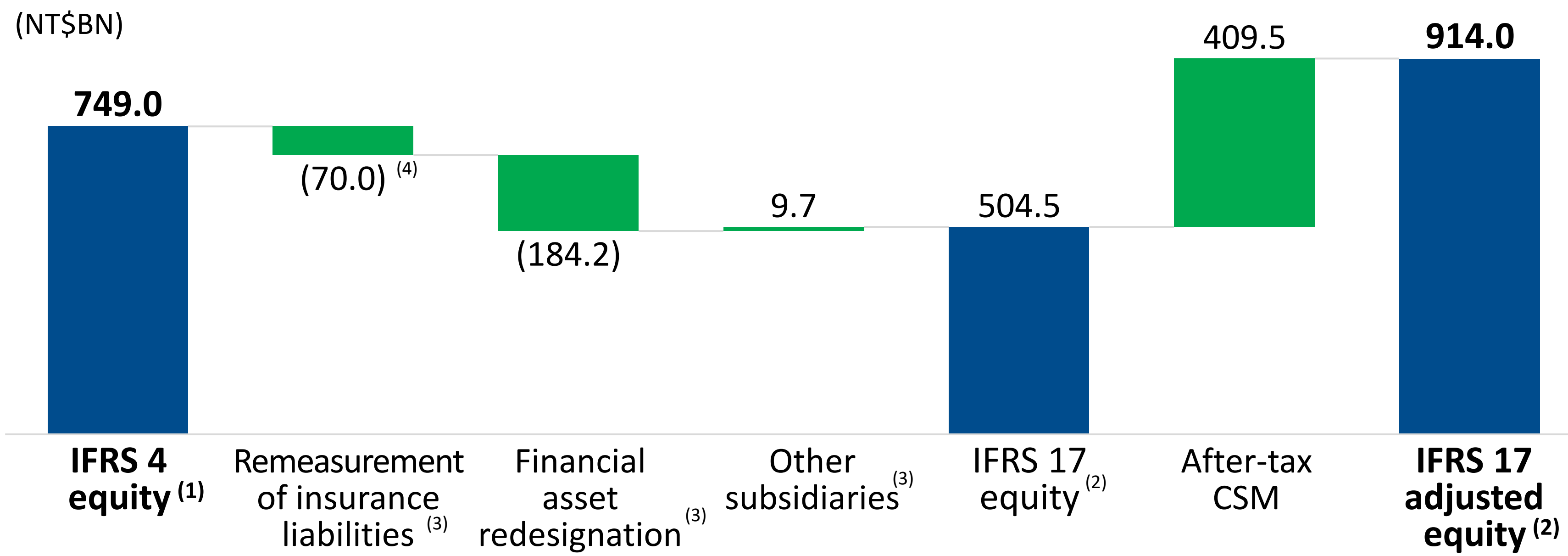


Note: Including NTD-denominated bond ETFs as defined by regulation

Adjusted equity better reflects economic value

- The one-off equity impact mainly reflects the remeasurement of NTD high-guaranteed-rate policies using current market interest rates.
- CSM represents future insurance profits. Adjusted equity (incl. after-tax CSM) better reflects economic value.
- Adjusted equity totals NT$914.0bn, exceeding the IFRS 4 level.

Changes in equity at IFRS 17 transition



E/A ratio	IFRS 4 equity	IFRS 17 equity	IFRS 17 adjusted equity
	9.4%	6.8%	11.9%

Note: (1) As of 2025/12/31; (2) 2026/1/1; (3) Figures are on after-tax basis; (4) NTD high-guaranteed-rate policies show a negative impact, while other NTD and FX-denominated policies show a positive impact.

IFRS 17 enhances earnings transparency and predictability

- CSM release becomes a key driver of earnings.
- Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- Overall earnings predictability and stability improve under IFRS 17.

IFRS 9 (Overlay) & IFRS 4

Revenues	• Premium income • Investment income(incl. realized gains of equity investment w/overlay)
Expenses	• Incurred claims • Changes in insurance policy reserves • Expenses
Net income	
OCI	• Changes in FVOCI assets

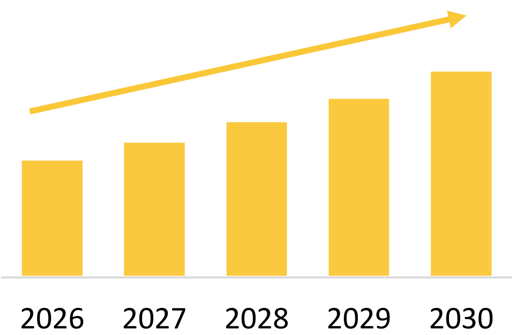
IFRS 9 & IFRS 17

Insurance service result	• CSM & risk adjustment(RA) release • Expected claims and expenses paid • Actual claims and expenses paid	1	**CSM recognized as profit over the contract coverage period**
Financial result	• Investment income (net of hedging cost) • Insurance finance expenses	2	**Interest spread**
Other operating result	• Other income • Other expenses	3	**ILP fee income, indirect expenses, and mortality–interest spread offset reserve**
Net income			
OCI	• Effect of changes in discount rates on insurance liabilities • Changes in FVOCI assets	4	**Changes in financial assets and discount rate effects on insurance liabilities**
Retained earnings		5	**Net income and FVOCI equity realized gains**

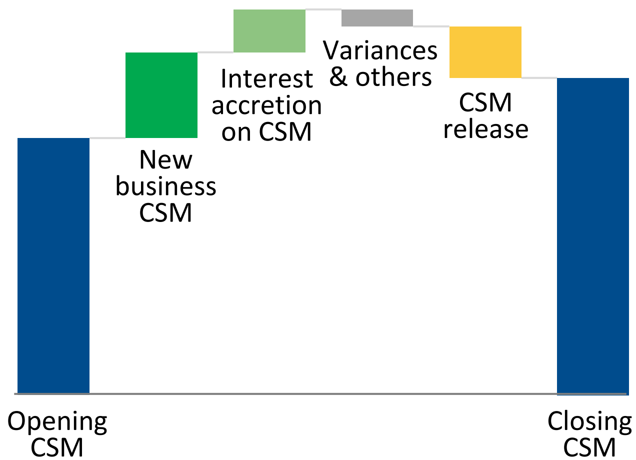
CSM contribution to earnings increase over time

- Strong new business CSM generation supports earnings and capital strength.
- CSM balance grows as new business CSM generation exceeds CSM release.
- CSM contribution to earnings increases over time.

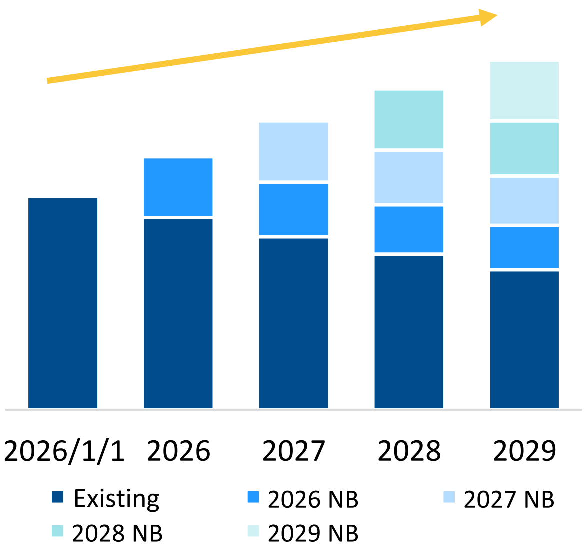
Illustrative underwriting profit* (% of earnings)



Illustrative CSM movement



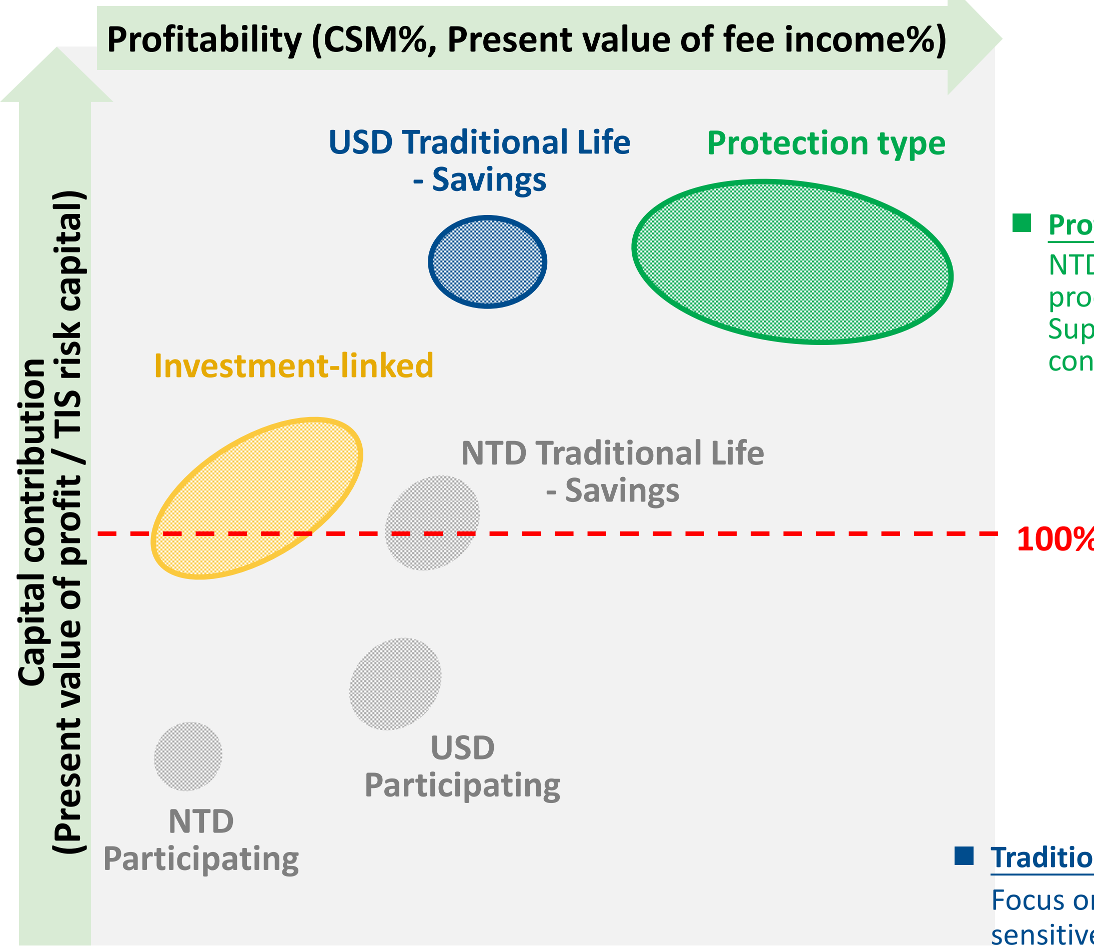
Illustrative CSM balance

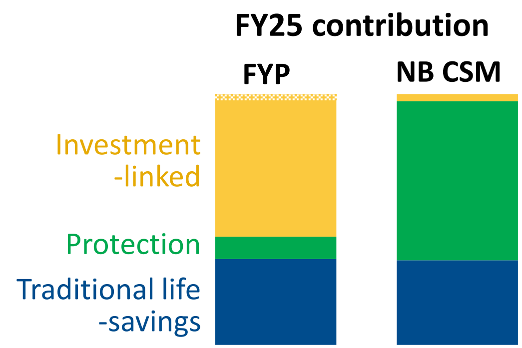


Note: Underwriting profit includes insurance service result and other operating result.
Existing refers to existing business; NB refers to new business.

Product strategy focused on CSM and capital contribution

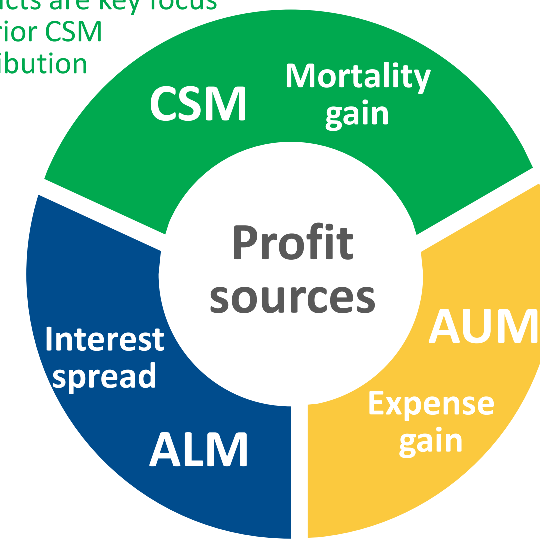
- CSM accumulation remains a top priority; health products account for around 60% of new business CSM.
- Focus on products with capital contribution above 100%.





Protection type

NTD Health & Accident products are key focus
Superior CSM contribution



Traditional life-savings

Focus on USD interest-sensitive products
No foreign currency risk, supporting ALM.

Investment-linked products(ILP)

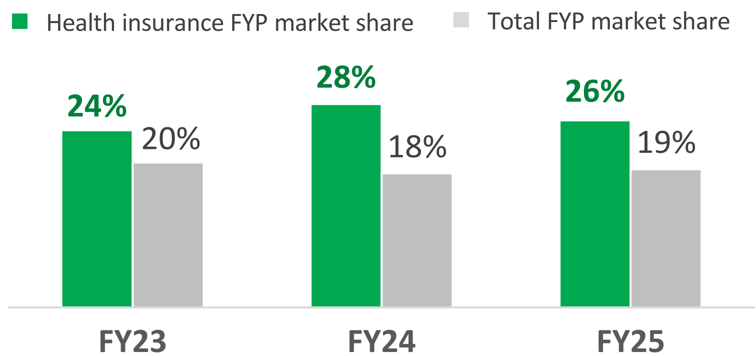
Stable fee income, no interest rate risk and low capital charge
Aim to stably increase AUM

* Participating products are assessed based on internal methodologies and assumptions.

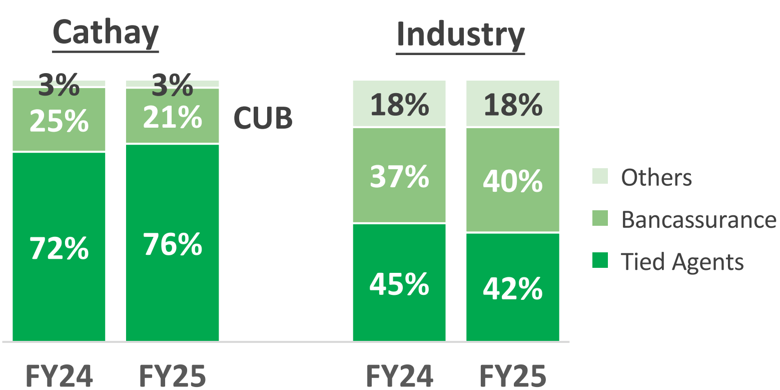
Distribution strength and health ecosystem support NB CSM

- Strong distribution supports high-quality new business CSM generation.
- All health insurance products integrate spillover mechanisms, supported by the health ecosystem to enhance customer engagement.

Health insurance* sales support NB CSM



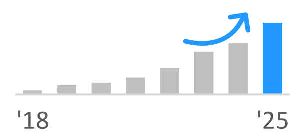
Strong distribution (FYP by channel)



FitBack health promotion program

FitBack 健康吧

Compensation ▶▶▶ Prevention



Members > 1.7mn

Health goal tracking: steps, heart rate, sleep, fitness

Health ecosystem: Nutrition & dietary, Fitness programs, Health advisory, Long-term care

Industry-leading scale in spillover insurance products

Achieved health targets → Premium discounts, Increased benefits, Higher coverage

All health products integrate spillover mechanisms
585k policies; **NT$34.8bn** FYP (2025)

Note: Includes both individual and group insurance
Source: Taiwan Insurance Institute, Life Insurance Association of Taiwan

國泰金控 Cathay Financial Holdings

Strengthening ALM to manage balance sheet volatility

Asset allocation strategy

- ✓ Liability-driven investments, aligning asset allocation with insurance liabilities.
- ✓ **Increase allocation to fixed-income assets** to strengthen ALM and reduce equity volatility.
- ✓ **Enhance recurring income**, including interest and dividend income.
- ✓ **Gradual increase in NTD-denominated assets** to reduce currency mismatch.

ALM & risk management

USD liability portfolio:

- ✓ **Redesignation of AC assets to FVOCI** to better align with liability measurement.
- ✓ **Minimize dollar duration (DV01) gap** between assets and liabilities to reduce interest-rate-induced equity volatility.

NTD liability portfolio:

- ✓ **Partial redesignation of AC assets to FVOCI** based on historical Taiwan-U.S. interest rate dynamics to mitigate MTM volatility on equity.
- ✓ **Focus on USD interest-sensitive life products** to reduce currency mismatch exposure.

Note: Dollar Duration (DV01) measures the change in the market value of assets or liabilities for a 1bp change in interest rates. A smaller asset-liability DV01 indicates stronger ALM and lower equity sensitivity to interest rate movements.

Cathay Life – Key messages from IFRS 17 transition

CSM & Equity

- CSM represents future profits from insurance contracts, amounting to NT$511.9bn.
- Adjusted equity (incl. after-tax CSM) better reflects economic value, reaching NT$914.0bn and exceeding IFRS 4 equity.

Profitability

- Strong new business CSM generation supports earnings.
- Cost of liabilities (insurance finance expenses) declines to market interest rate levels, supporting a stable positive spread.
- Earnings are primarily driven by CSM release and recurring spread, supporting more predictable and stable earnings and improved ROE.

ALM & Risk management

- Strengthened ALM and risk management capabilities support financial resilience and mitigate equity volatility.

Capital

- Strong new business CSM generation strengthens capital position, providing a stable buffer against volatility.

New solvency regime TIS: Higher capital requirements

- TIS requires higher capital, with stricter risk-based assessments, market-consistent liability valuation, and higher capital charges for various risks.

		RBC	Taiwan Insurance Solvency (TIS)
Adopted framework		RBC (NAIC)	ICS (IAIS)
Valuation	**Fixed income**	Amortized cost	Mark-to-market (market adjusted value)
	Stock	Average market value over half-year period	
	Insurance liability	Locked-in basis	
Capital resources		Tiering	Tiering CSM 100% recognized as capital
Risk measurement		VaR 95%	VaR 99.5%
Risk calculation		Factor-based	• Stress approach (primarily), factor-based • Broader risks (longevity/lapse/expense/catastrophe/non-default spread risks)

TIS: Transitional measures ease capital pressure

Transitional measures on Capital Resource

- **Gradual phase-in of the net fair value impact from assets and liabilities of legacy portfolios** (1), based on insurers' RBC levels; subject to adjustment if capital strengthening progress falls short
  - RBC ≥ 250%: base TIS ratio up to 125%; the gap up to 125% phased-in over 15 years, the portion above 125% over 5 years
  - 200% ≤ RBC < 250%: base TIS ratio up to 50% of RBC; the gap up to base ratio phased-in over 15 years, the portion above base ratio over 5 years
  - RBC < 200%: subject to regulatory approval

Transitional measures on Required Capital

- **Linear increase of the capital requirement over a 15-year phase-in period**
  - Interest rate risk: from initial 50% to 100%
  - Longevity/lapse/expense/catastrophe/non-default spread risks: from initial 0% to 100%
  - Domestic stocks and real estate risk factors linearly converge to TIS from RBC

Localization

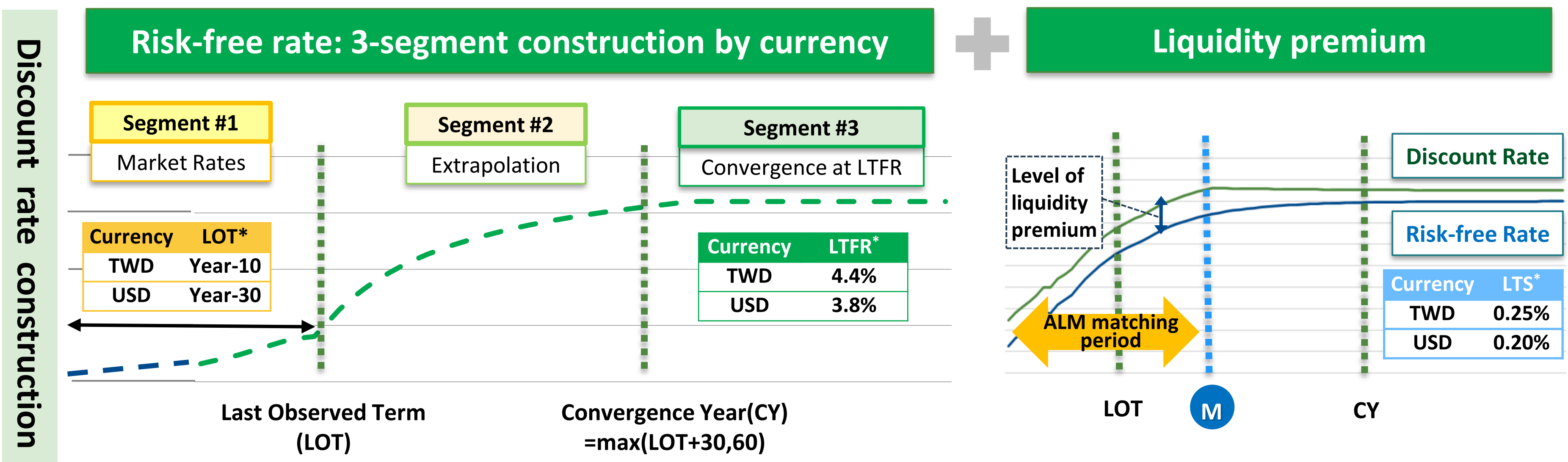
- **Morbidity/mortality/longevity/lapse/expense risk stress factors adjusted based on localized data**
- **Localization equity and real estate risk factors**

Risk factor	RBC	ICS (IAIS)	TIS
Taiwan listed stocks	21.65% (TWSE), 30% (OTC)	48% (EM)	35%
Domestic real estate	7.81%	25%	15%
Domestic public infrastructure (2)	1.28%	37% (EM infrastructure equity)	1.28%

Note: (1) Legacy TWD-denominated insurance policies with reserve rate ≥ 4%; (2) Including investments through private equity funds

IFRS 17 liability discount rate

- IFRS 17 does not prescribe a specific discount rate methodology. In Taiwan, the approach follows ICS guidelines as required by the FSC and is consistently applied to all insurers.
- Considering the low-liquidity nature of high guaranteed-rate policies (NTD reserve rate ≥6%), FSC allows an additional liquidity premium of up to 50 bps applied across the full tenor, also reflected in the Taiwan Insurance Solvency (TIS) framework.



Note: (1) Last Observed Term (LOT) is determined according to the observable and liquid term for each currency in the capital market.
(2) Long-term Forward Rate (LTFR) is determined based on the sum of long-term real rate and inflation rate.
(3) Long-term Spread (LTS) adjusts the risk-free rate to reflect the liquidity premium for long-duration insurance liabilities.

Cathay's sustainability efforts and net zero commitment

2011-2014
Governance & RI foundation

2011 CSR Committee established

2014 Responsible investment team established

2015-2021
ESG integration

2015 **First Taiwan bank to adopt Equator Principles**

2016-2018 **Climate Action 100+** | TCFD response | Voluntary alignment with PSI / PRB

2019-2020 **Investment portfolio carbon footprint** | **Coal financing restrictions** | Carbon reduction linked to CEO's KPI

2022-2024
Net zero, nature & impact

2022 **RE100 commitment** | **SBTi targets validated**

2022-2023 **Nature** (TNFD | PBAF | Business for Nature | Nature Action 100)

2024 **Impact investment** (GIIN | AVPN)

2025
Headquarters 100% renewable energy

2027
Zero coal lending by 1Q27

2030
Taiwan operations 100% renewable energy

2050
Net-zero
operations & financial assets

High-carbon investment phase-out plan

Revenue thresholds	2022	2025	2030	2040
Coal value chain	30%	20%	OECD: 5% | non-OECD: 20%	5%
Unconventional oil & gas	50%	30%	OECD: 20% | non-OECD: 30%	5%

Globally recognized sustainability performance

Global

S&P Global Sustainability Yearbook 2026
Top 5%
global insurance industry

DJBIC
World **8 years** | Emerging Markets **11 years**

FTSE4Good
8 years
Emerging Markets

MSCI
ESG RATINGS
AAA

CDP
A- level

Sustainalytics
Global Top 10
life insurance industry

RE100 | CLIMATE GROUP | CDP
First Taiwan financial institution

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Asia's 6th financial institution

TNFD Forum Member
2024 Cathay Financial Holdings
CLIMATE AND NATURE REPORT
Reporting example
for financial institutions

Environmental Finance
Sustainable Investment Awards
2025 Winner
TCFD report of the year
1st in Asia

Taiwan

Top 20%
TWSE Corporate Governance Evaluation
Among 1,000+ listed companies

天下雜誌 CSR 天下永續公民獎
Excellence in Corporate Social Responsibility
No. 1 Large-Cap & Financial in 2025

遠見ESG企業永續獎
Global Views ESG Corporate Sustainability Award
Top 2 in Finance & Insurance in 2026

TCSA 台灣企業永續獎
2025 Taiwan Corporate Sustainability Awards

国泰金控
Cathay Financial Holdings

Cathay Financial Holdings

(NT$MN)	IFRS 4 & IFRS 9		FY25/ FY24
Income Statement Data (Consolidated)	**FY24**	**FY25**	**% Chg**
Operating Income			
Net interest income	262,122	267,371	2%
Net commission and fee	15,076	18,278	21%
Net earned premium	462,813	481,830	4%
Change in liability reserves	(114,344)	(115,062)	1%
Net claims payment	(498,373)	(477,072)	-4%
Investment income	117,374	126,542	8%
Contribution from associates-equity method	2,555	3,062	20%
Other net non-interest income	(2,840)	(69,606)	-2351%
Bad debt expenses	(9,279)	(8,192)	-12%
Operating expenses	(107,251)	(114,179)	6%
Income before taxes	127,853	112,972	-12%
Income taxes	(16,626)	(5,339)	-68%
Net income	111,227	107,633	-3%
Net income to parent company	110,270	107,142	-3%
EPS (NT$)	7.29	7.06	
Dividend Payout			
Cash dividend per share	3.50	3.50	
Stock dividend per share	0.00	0.00	
Weighted average outstanding common shares (Millions of shares)	14,669	14,669	
Balance Sheet Data (Consolidated)			
Total assets	13,767,150	14,341,618	
Total shareholders' equity	906,527	934,388	
Equity attributable to parent company	888,692	928,287	
Operating Metrics			
ROAE (Consolidated)	13.02%	11.69%	
ROAA (Consolidated)	0.84%	0.77%	
Double leverage ratio (inc. preferred stock)	118.0%	120.7%	
Capital Adequacy Metrics			
Capital adequacy ratio	136%	122%	

(NT$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**1H26**	**2Q26**
Operating Income		
Net interest income	156,768	80,352
Net fee income	25,952	14,816
Insurance service result	25,596	12,400
Investment income	28,410	19,895
Contribution from associates-equity method	3,092	1,912
Insurance/Reinsurance finance income (expenses)[1]	(86,685)	(42,810)
Other net non-interest income	7,739	1,770
Bad debt expenses	(4,086)	(1,942)
Other insurance operating costs	(25,158)	(11,792)
Operating expenses	(40,604)	(21,969)
Income before taxes	91,025	52,633
Income taxes	(14,509)	(7,773)
Net income (A)	76,516	44,860
Net income to parent company	76,270	44,676
Disposal gains on FVOCI equity, net of tax (B)	89,350	72,373
Amount in R/E[2] (A)+(B)	165,866	117,233
EPS (NT$)	4.95	2.80
Amount in R/E per share (NT$)[2]	11.04	7.73
Balance Sheet Data (Consolidated)		
Total assets	14,966,542	
Total shareholders' equity	1,130,219	
Equity attributable to parent company	1,123,908	
Operating Metrics		
ROAE (Consolidated)	16.90%	
ROAA (Consolidated)	1.05%	
Double leverage ratio (inc. preferred stock)	119.1%	

Notes:
(1) General accounts only.
(2) R/E refers to retained earnings. Amount in R/E shown here represents net income plus after-tax FVOCI equity disposal gains;
per-share figures are calculated on the same basis.
(3) All data and information on this page is provided for informational purposes only, and may subject to adjustment.
For more details, please refer to our official financial reports.

國泰金控
Cathay Financial Holdings

Cathay United Bank (NT$MN) **Income Statement Data (Consolidated)**	FY24	FY25	FY25/ FY24 % Chg	1H25	1H26	1H26/ 1H25 % Chg	2Q25	2Q26	2Q26/ 2Q25 % Chg
Operating Income									
Net interest income	60,913	68,241	12%	33,149	37,894	14%	16,961	19,610	16%
Net fee income	27,973	34,090	22%	17,948	19,973	11%	7,742	9,945	28%
Investment income	18,334	13,704	-25%	6,426	7,458	16%	3,427	3,994	17%
Other income	602	732	22%	402	350	-13%	250	250	0%
Net operating income	107,822	116,767	8%	57,925	65,675	13%	28,379	33,799	19%
Operating expenses	(51,840)	(56,790)	10%	(27,228)	(29,322)	8%	(13,772)	(15,249)	11%
Pre-provision profit	55,982	59,977	7%	30,697	36,353	18%	14,608	18,549	27%
Net provisions for possible losses	(9,211)	(7,293)	-21%	(2,308)	(3,755)	63%	(988)	(1,774)	80%
Income before taxes	46,770	52,684	13%	28,388	32,598	15%	13,620	16,776	23%
Income tax	(8,430)	(9,174)	9%	(5,009)	(5,612)	12%	(2,419)	(2,986)	23%
Net income	38,341	43,510	13%	23,379	26,986	15%	11,201	13,789	23%
Net income to parent company	37,780	43,008	14%	23,155	26,794	16%	11,106	13,647	23%

Balance Sheet Data	FY24	FY25	1H25	1H26
Total assets	4,606,285	5,167,942	4,936,951	5,468,501
Loans, net	2,679,233	2,886,929	2,742,861	3,121,392
Financial assets	1,234,617	1,434,798	1,324,036	1,671,737
Total liability	4,306,237	4,843,283	4,637,793	5,130,386
Deposits	3,848,586	4,430,955	4,083,744	4,673,050
Financial Debenture Payable	12,700	18,600	18,600	18,600
Total shareholders' equity	300,048	324,659	299,157	338,115
Equity attributable to parent company	295,390	319,856	294,739	333,099
Operating Metrics				
Cost income ratio	48.08%	48.64%	47.01%	44.65%
ROAE	13.31%	13.93%	15.61%	16.29%
ROAA	0.87%	0.89%	0.98%	1.01%
Assets Quality (Standalone)				
NPL	2,943	4,357	3,637	4,436
NPL ratio	0.11%	0.15%	0.14%	0.14%
NPL provisions	42,528	46,178	43,641	48,813
Coverage ratio	1445%	1060%	1200%	1100%
Capital Adequacy Metrics (Standalone)				
BIS ratio	15.2%	16.1%	15.8%	15.5%
Tier 1 ratio	13.3%	14.2%	13.9%	13.6%
CET1 ratio	11.7%	12.7%	12.3%	12.2%
LDR (Standalone)				
Total LDR	69.8%	65.4%	67.4%	67.0%
TWD LDR	79.8%	72.4%	75.5%	73.2%
FX LDR	34.4%	36.9%	35.4%	42.0%

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Cathay Life

(NT$MN)	IFRS 4 & IFRS 9		FY25/ FY24
Income Statement Data (Consolidated)	**FY24**	**FY25**	**% Chg**
Net written premium	430,672	446,179	4%
Net earned premium	428,935	444,971	4%
Reinsurance commission earned	318	652	105%
Fee income	13,542	13,300	-2%
Recurring investment income	272,669	279,234	2%
Gain on disposal of investment			
Realized gain (loss)-Equity	114,260	114,800	0%
Realized gain (loss)-Debt	1,139	6,038	430%
Gain on investment property	976	8,745	796%
FX and others, net	(87,502)	(157,627)	-80%
Investment income, net	301,542	251,190	-17%
Other operating income	1,550	1,582	2%
Separate account revenue	67,117	80,394	20%
Net claims payment	(475,850)	(454,396)	-5%
Changes in liability reserves	(112,991)	(112,129)	-1%
Acquisition and commission expenses	(38,537)	(40,264)	4%
Other operating costs	(8,486)	(8,626)	2%
Financial cost	(7,418)	(11,384)	53%
Separate account expenses	(67,117)	(80,394)	20%
Operating expenses	(32,240)	(36,275)	13%
Net non-operating income	2,538	2,528	0%
Income taxes	(5,624)	5,416	-
Net income	67,280	56,565	-16%
Net income to parent company	66,883	56,575	-15%
Balance Sheet Data			
Total assets	9,094,382	9,081,778	
General account	8,303,423	8,241,657	
Separate account	790,958	840,121	
Reserves for life insurance liabilities	7,146,011	7,097,335	
Total liabilities	8,376,708	8,331,451	
Total shareholders' equity	717,673	750,327	
Equity attributable to parent company	704,497	749,029	
Operating Metrics (Standalone)			
First Year Premium(FYP)	154,103	190,543	
Annualized FYP(APE)	57,793	60,610	
Expense ratio	15.7%	17.1%	
13-M persistency ratio	97.9%	97.6%	
25-M persistency ratio	95.3%	95.6%	
ROAE (Consolidated)	10.00%	7.71%	
ROAA (Consolidated)	0.76%	0.62%	
Capital Adequacy Metrics			
RBC ratio (Standalone)	359%	310%	

(NT$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**1H26**	**2Q26**
Insurance service result	22,436	10,713
CSM & RA release	18,708	9,534
Operating variance	4,343	1,646
Others	(615)	(468)
Financial result	40,926	29,144
Recurring investment income[1]	137,678	70,032
Gain (loss) on investment, net[1]	24,792	18,933
Hedging costs	(32,975)	(15,913)
Insurance finance expenses[1]	(86,400)	(42,675)
Others	(2,169)	(1,234)
Other operating result	(11,539)	(8,831)
Net revenue from investment contracts and other operating income	2,682	1,402
Other operating costs and expenses	(18,833)	(10,233)
One-off IFRS 15 impact	4,613	0
Operating income	51,824	31,025
Net non-operating income	666	326
Income taxes	(6,276)	(2,507)
Net income (A)	46,214	28,844
Net income to parent company	46,160	28,803
Disposal gains on FVOCI equity, net of tax (B)	85,079	68,502
Amount in R/E[2] (A)+(B)	131,292	97,346
Balance Sheet Data (Consolidated)		
Total assets	9,335,881	
General account	8,346,029	
Separate account	989,852	
Insurance contract liabilities	7,048,675	
Total liabilities	8,375,913	
Total shareholders' equity	959,969	
Equity attributable to parent company	958,675	
Operating Metrics (Standalone)		
First Year Premium(FYP)	195,398	
New business CSM	53,851	
13-M persistency ratio	97.7%	
25-M persistency ratio	95.1%	
ROAE (Consolidated)	12.61%	
ROAA (Consolidated)	1.02%	

Notes:

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國泰金控
Cathay Financial Holdings

Cathay Century

(NT$MM)	IFRS 4 & IFRS 9		FY25/ FY24
Income Statement Data (Consolidated)	**FY24**	**FY25**	**% Chg**
Premium income	38,559	41,222	7%
Net written premium	26,417	28,538	8%
Net earned premium	25,343	27,585	9%
Reinsurance commission earned	1,230	1,237	1%
Fee income	54	53	-3%
Investment	1,407	2,018	43%
Interest income	859	953	11%
Other investment income, net	548	1,066	94%
Other operating income	67	0	-100%
Net claims payment	(12,534)	(12,037)	-4%
Changes in liability reserves	(1,354)	(2,933)	117%
Commissions and other operating costs	(4,689)	(5,007)	7%
Operating expenses	(6,353)	(6,508)	2%
Operating income	3,172	4,408	39%
Net non-operating income	23	8	-65%
Income taxes	(558)	(661)	18%
Net income	2,637	3,755	42%
Balance Sheet Data			
Total assets	65,503	79,884	
Total stockholders' equity	17,947	20,027	
Operating Metrics			
Gross Combined ratio (Standalone)	87.3%	101.1%	
Net Combined ratio (Standalone)	91.2%	88.8%	
ROAE	16.01%	19.78%	
ROAA	4.36%	5.17%	
Capital Adequacy Metrics			
RBC ratio (Standalone)	365%	342%	

(NT$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**1H26**	**2Q26**
Insurance service result	2,650	1,427
Insurance revenue	20,538	10,429
Insurance service expenses	(12,452)	(6,002)
Net reinsurance expenses	(5,437)	(2,999)
Financial result	857	555
Interest income	490	257
Other investment income, net	415	313
Insurance/Reinsurance finance income (expenses)	(47)	(16)
Other operating result	(633)	(390)
Operating income	2,874	1,592
Net non-operating income	4	(1)
Income taxes	(505)	(275)
Net income (A)	2,373	1,316
Disposal gains on FVOCI equity, net of tax (B)	1,436	1,017
Amount in R/E[1] (A)+(B)	3,809	2,333
Balance Sheet Data		
Total assets	75,670	
Total stockholders' equity	24,968	
Operating Metrics		
Combined ratio (Standalone)	61.2%	
Net Combined ratio (Standalone)	87.2%	
ROAE	21.11%	
ROAA	6.41%	

Notes:

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