



**國泰金控**

Cathay Financial Holdings

# 2025 Third Quarter Briefing

November 2025

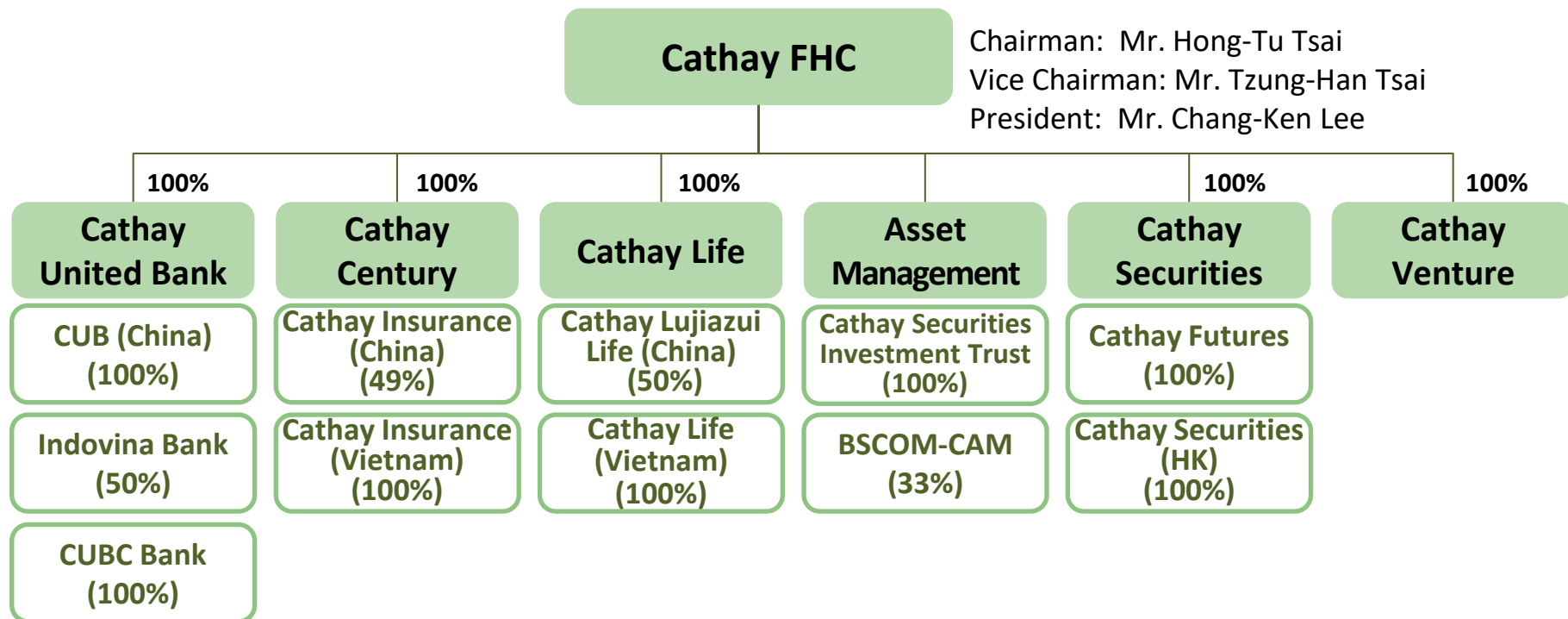


# Agenda

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- ❑ **Introduction of Cathay FHC**
- ❑ **Business overview**
- ❑ **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- ❑ **Cathay Life's strategy to IFRS 17/TW-ICS**
- ❑ **Cathay's ESG efforts**
- ❑ **Appendix**

# Cathay FHC: largest FHC, comprehensive products



- One of the largest private banks in terms of total assets
- The largest brokerage settlement bank

- 2<sup>nd</sup> biggest non-life insurer
- Market share in total premium income: 13.3%

- No. 1 life insurer in terms of total assets and total premium
- Market share in total premium: 19.1%

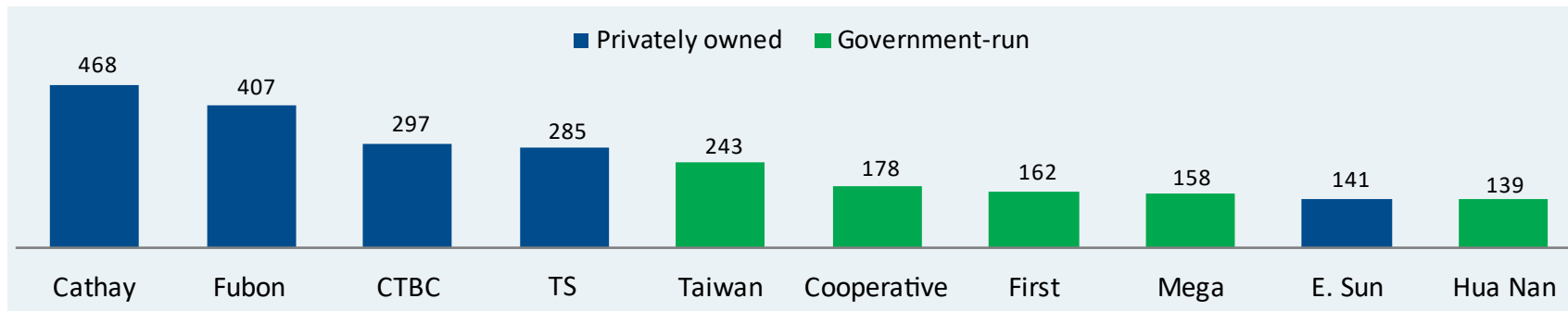
- Leading asset manager in Taiwan in terms of AUM
- Extending global asset management products and services

- Innovative digital business model
- Investment banking, brokerage, and proprietary trading businesses

# Market leader in Taiwan's FIG sector

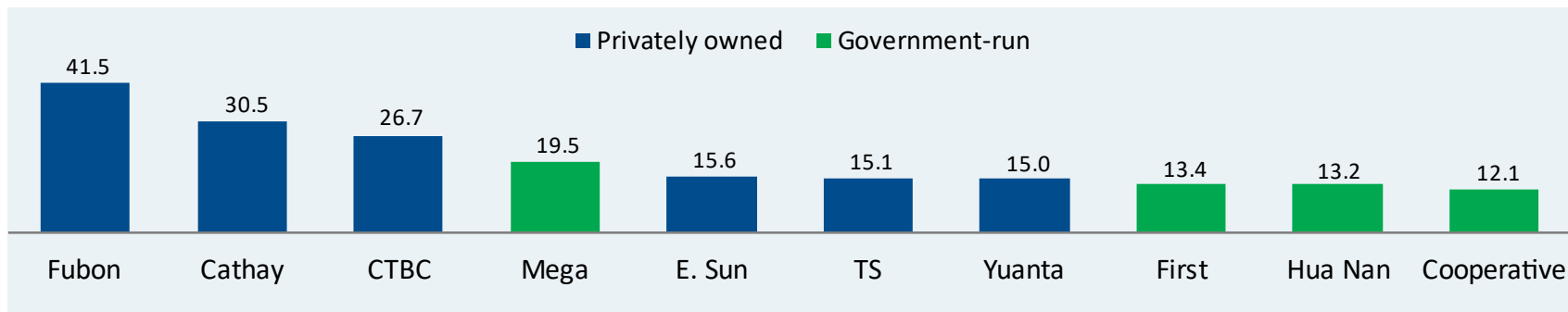
- Largest listed financial group by assets.

## Ranking of total assets (US\$BN)



Note: Total assets as of September 30, 2025

## Ranking of market cap (US\$BN)



Note: Market capitalization as of October 31, 2025

# Cathay FHC's efforts on ESG integration & climate actions



2011

- Established CSR Committee

- Formed Responsible Investment Team

2014

2015

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

- Included in DJSI Emerging Market Index
- Cathay United Bank (CUB) signed **Equator Principles**, a first in Taiwan

2016

- Joined **Asia Investor Group on Climate Change (AIGCC)**
- Cathay Life self-compliance with **PSI**

- Joined **Ceres Valuing Water Finance Task Force**
- Cathay Securities published ESG rating reports on individual listed companies

2020

- First Taiwan FIG to disclose **carbon footprints in investment portfolio**
- Active in engagement with government on climate governance

2019



2018



- Included in DJSI World Index
- Among the first to sign on **TCFD** initiative
- Cathay United Bank self-compliance with **PRB**

2017



- The only Taiwan FIG joined **CDP Non-Disclosure Campaign & Climate Action 100+ Initiatives**
- Cathay Century P&C Insurance self-compliance with **PSI**

2021

- Issued ESG integration report certified by third party
- Participated in **Asian Utilities Engagement Program**

RE100

CLIMATE GROUP



2022



- Became an **RE100 member**, the first financial institution in Taiwan
- Received **SBTi validation of decarbonization targets**
- Participated in **TNFD, Ceres Valuing Water Finance Initiative**, The Partnership for Biodiversity Accounting Financials (**PBAF**)

2023



- Participated in **Business For Nature**
- Participated in **Nature Action 100**

2024



avpn

- Joined Global Impacting Investing Network (**GIIN**) and **AVPN**

2025

- Established board level Corporate Sustainability Committee

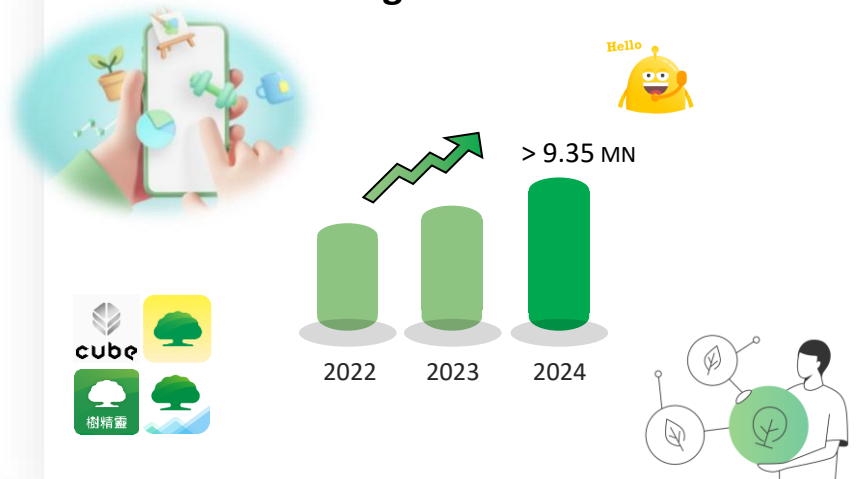


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Cathay Financial Holdings

Note: For more information, please refer to "Cathay's ESG Efforts" pages 46-56.

# Empowering financial services with digital, data and technology

## Digital users > 9.35mn



## Industry-leading Gen AI framework – GAIA Diverse AI applications/governance across the group

Cathay's exclusive  
financial  
knowledge base



Employee  
empowerment  
with AI



Enterprise-level  
AI Model Hub



Hybrid-Hierarchy  
AI guardrails



## 1<sup>st</sup> FI in Taiwan to kick off data migration to the cloud

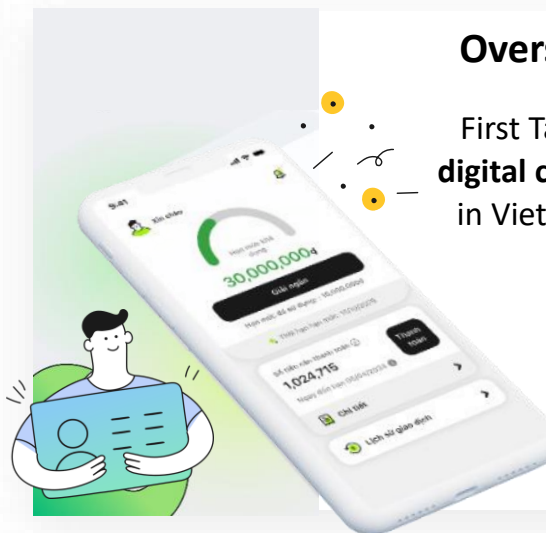


Build Data Lakehouse to strengthen the  
group's risk management capabilities &  
improve data operational efficiency



## Overseas digitalization

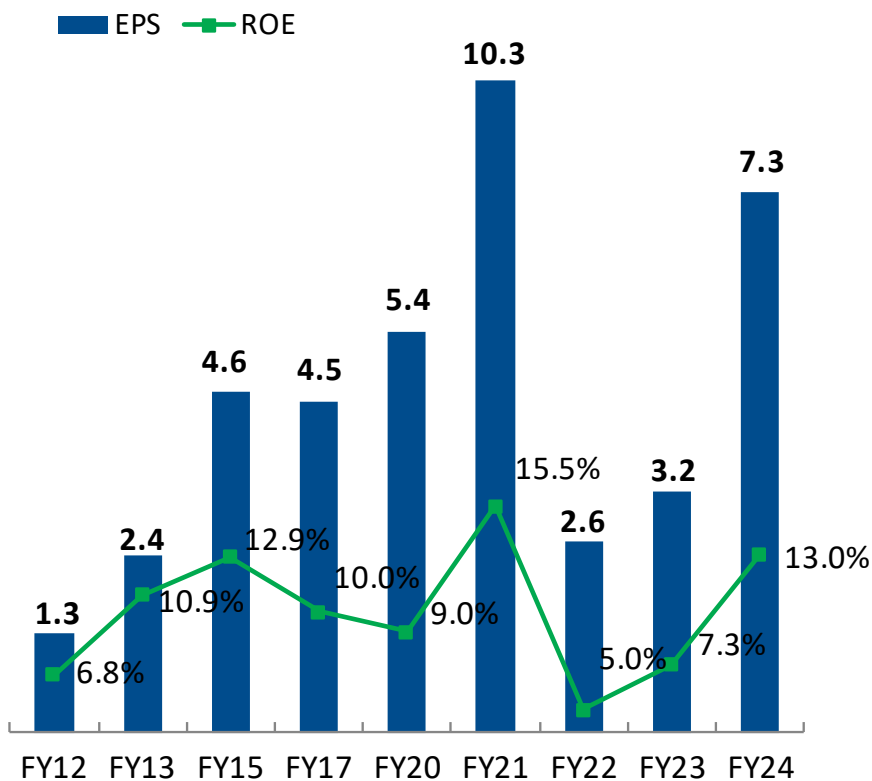
First Taiwanese bank to launch  
**digital consumer lending services**  
in Vietnam – CUB Vietnam App



# Cathay FHC continued to deliver solid earnings

## EPS & ROE

(NT\$/%)

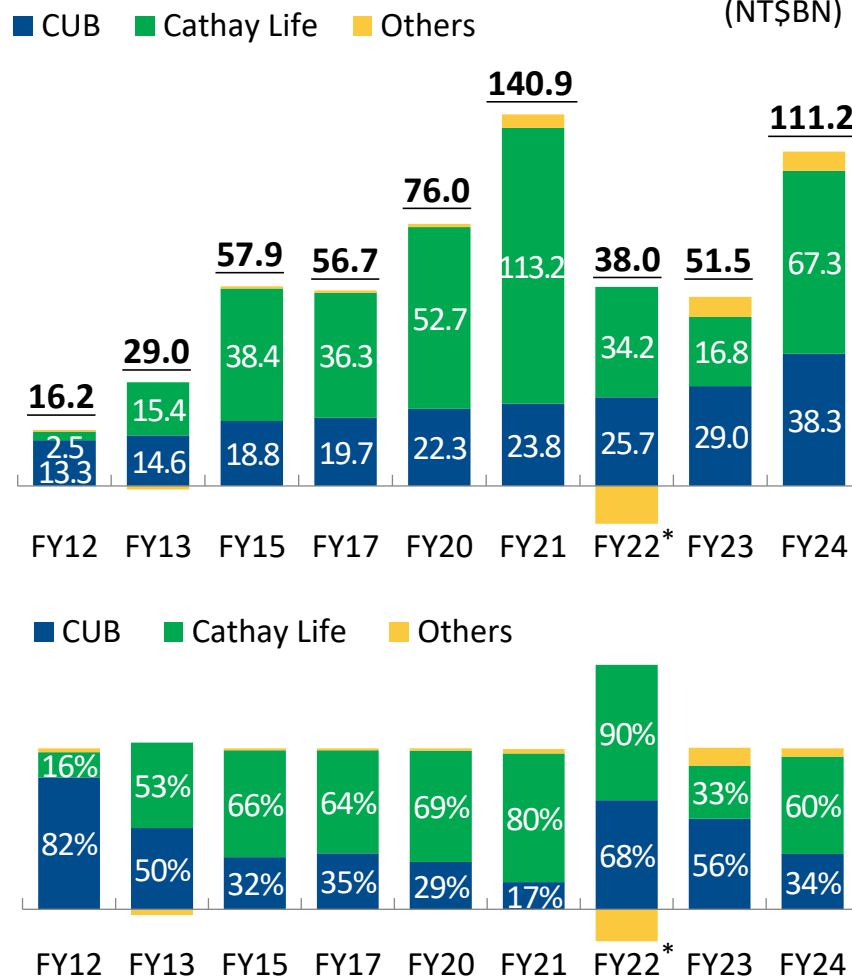


Note: (1) FY13 figures do not reflect the impact from applying fair value method on investment property.

(2) EPS has been adjusted for stock dividend (stock split).

## Profit contribution

(NT\$BN)



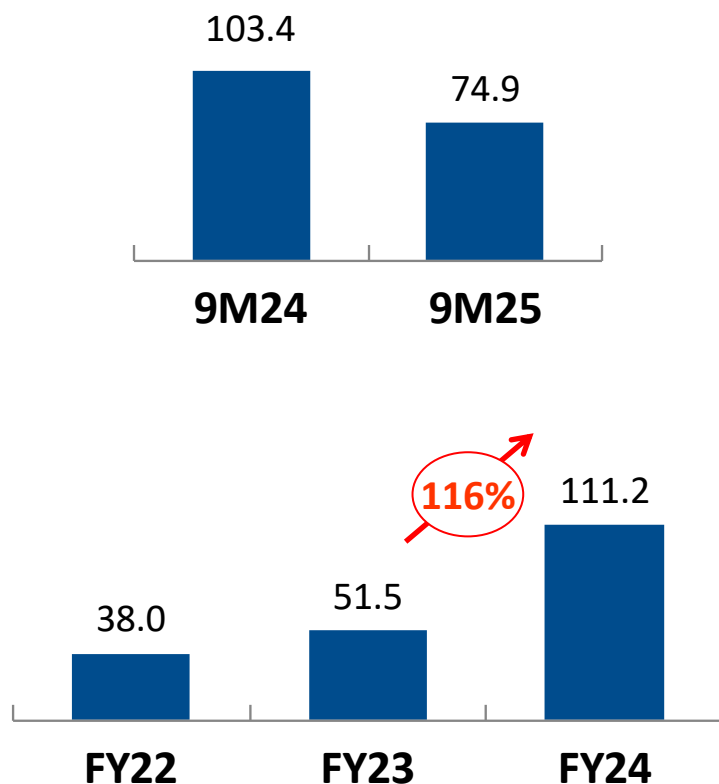
\* Cathay Century reported a net loss of NT\$19.6bn due to pandemic insurance losses.

# Cathay FHC – Net income & EPS

- YTD net income declined YoY, mainly due to sharp TWD appreciation and a high investment income base in 9M24 amid favorable financial markets. Core business momentum across subsidiaries remained solid.

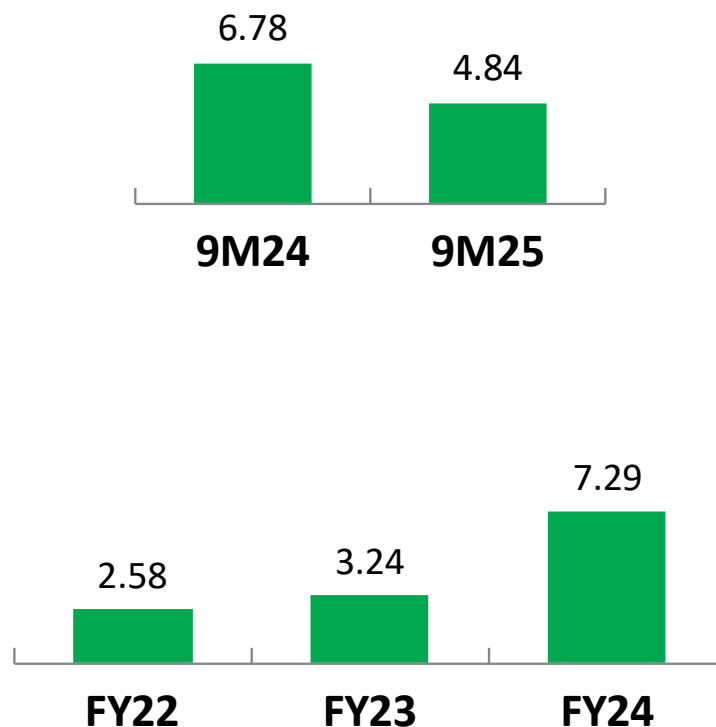
## Net income

(NT\$BN)



## EPS

(NT\$)

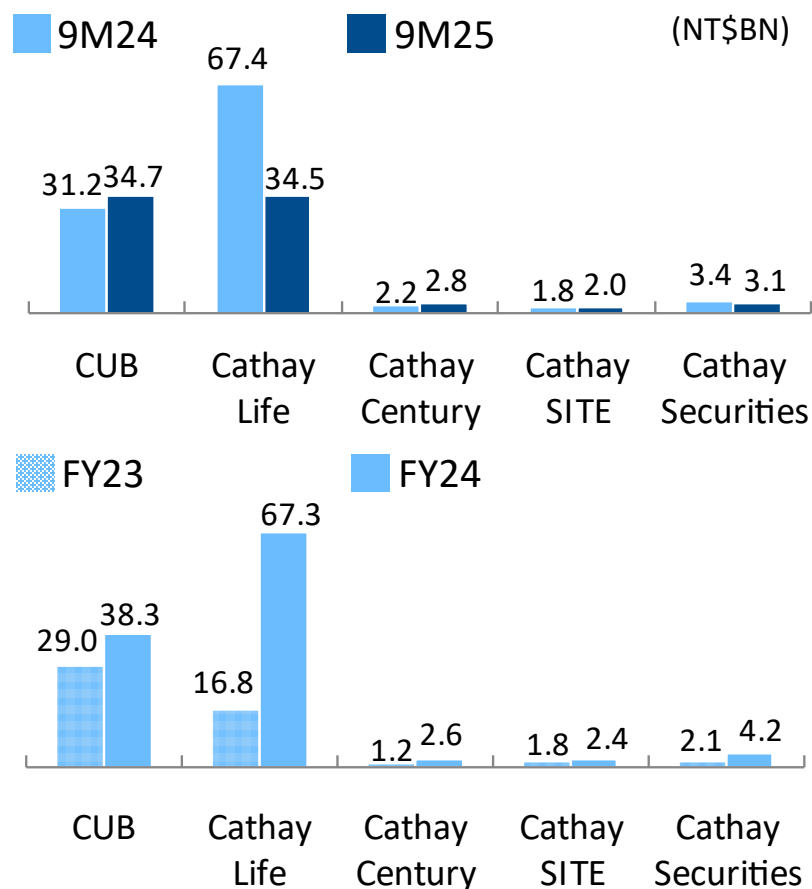




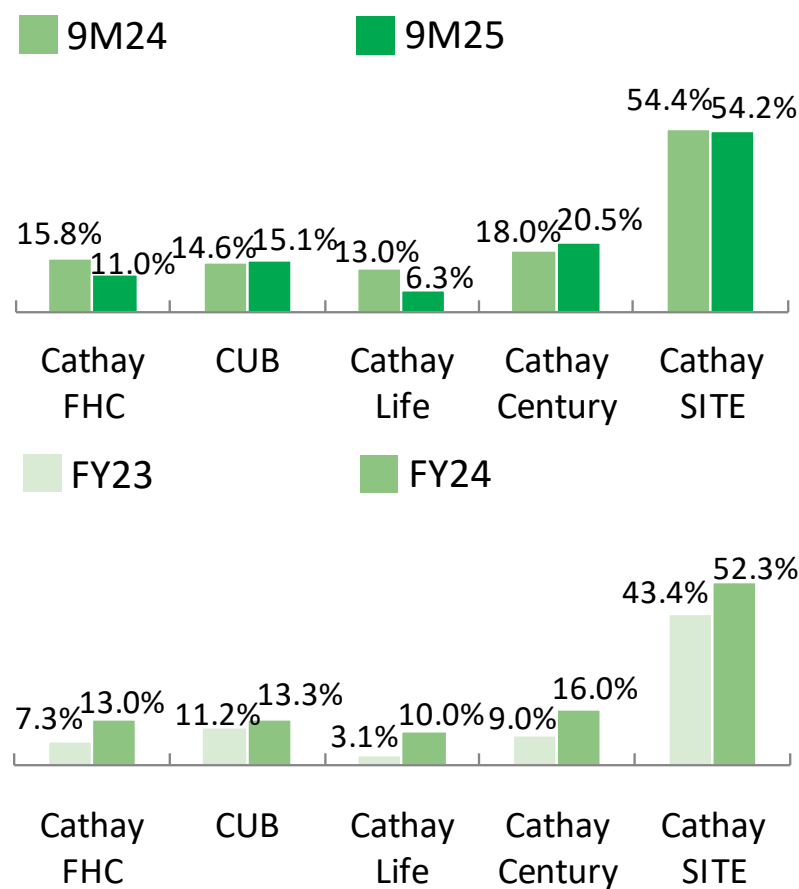
# Cathay FHC – Net income & ROE

- CUB, Cathay Century, and Cathay SITE delivered record-high 9M earnings, while Cathay Securities achieved its second-highest YTD earnings.
- Cathay Life's net income declined YoY, reflecting sharp TWD appreciation in 2Q25 and high capital gains base in 9M24. However, recurring income grew YoY and underwriting profits remained stable.

## Net income of primary subsidiaries



## ROE

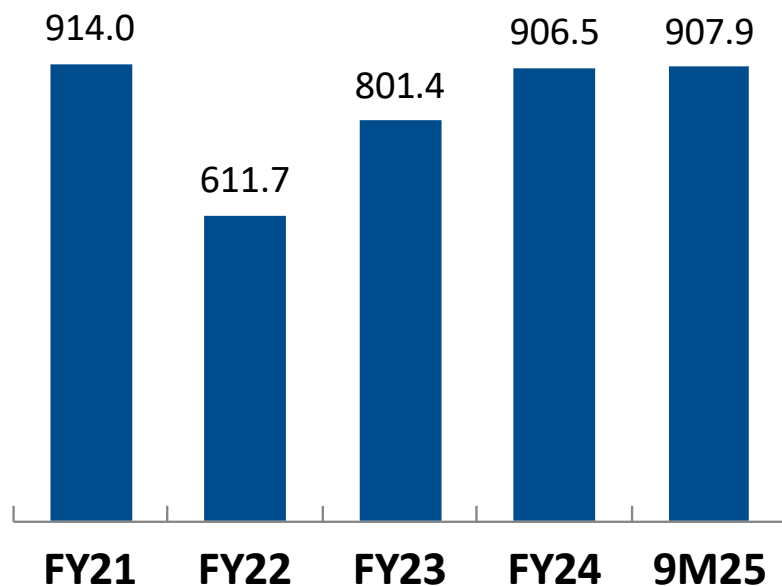


# Cathay FHC – Book value & BVPS

- Book value rebounded YTD, supported by earnings contribution, partially offset by mark-to-market losses on financial assets amid sharp TWD appreciation.

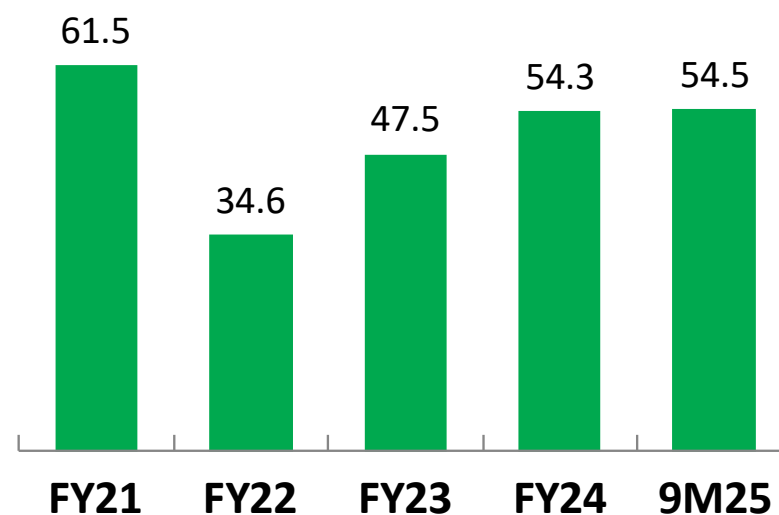
## Book Value

(NT\$BN)



## BVPS

(NT\$)

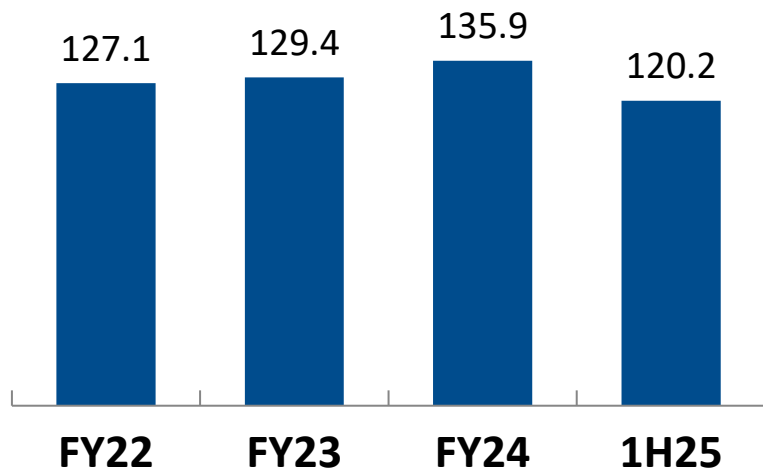


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

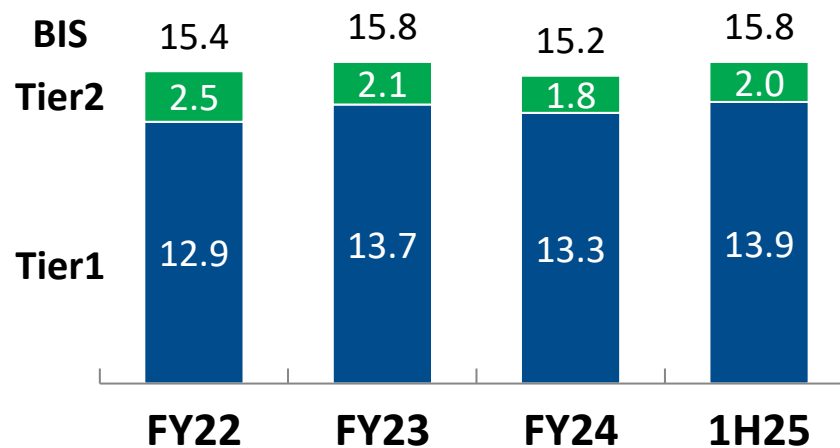
(2) Book value includes preferred shares and minority interests. BVPS represented BVPS attributable to common shareholders.

# Cathay FHC – Strong capital position

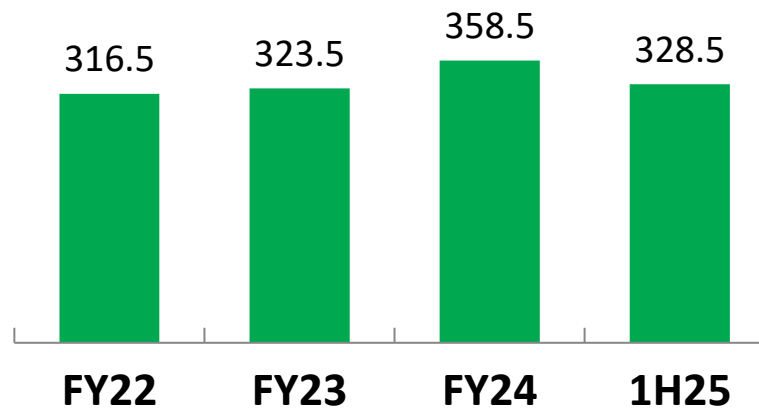
Cathay FHC CAR (%)



CUB capital adequacy (%)



Cathay Life RBC (%)



# 9M25 Business overview

## Cathay United Bank

- 9M25 net income set a record high for the January–Sep period, up 11% YoY.
- Delivered robust growth in both deposits and loans. Net interest income grew 12% YoY. Asset quality remained benign.
- Net fee income grew 25% YoY. WM and credit card fees up 31% and 14% YoY, respectively.

## Cathay Life

- FYP, APE and VNB achieved double-digit YoY growth, driven by strong sales of USD-denominated traditional products and investment-linked products.
- Recurring yield continued to improve, supported by higher dividend and interest income.
- Equity-to-asset ratio reached 9.3%, reflecting a robust capital position.

## Cathay Century

- 9M25 earnings surpassed the 2024 full-year figure, setting an all-time high. Premiums rose 9% YoY, with 13.8% market share.
- Maintained stable underwriting profitability by focusing on both quality and scale to drive steady business growth, while prioritizing risk control.

## Cathay SITE

- 9M25 net profit reached a record-high. AUM reached NT\$2.33tn. Products earned broad market recognition.
- Honored with Taiwan Fund Award from Smart and recognized as Best Institutional Asset Manager by AsianInvestor and Asia Asset Management, among a total of 17 awards.

## Cathay Securities

- Expanded domestic brokerage market share through a digital-only model, optimizing customer experience and deepening engagement to expand the customer base.
- Maintained No.1 sub-brokerage market share with expanded products and platform.

# Cathay FHC's ongoing overseas expansion in Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
■ Bank	7	37	15	1	1	1	1	1	1	1	1
● Life	50	121									
▲ P&C	25	2									
◆ Asset Mgt.	1										
◆ Securities				2							

Note: (1) Footprints in Thailand and Indonesia are rep. offices.

(2) Cathay FHC owns 49% stake in Cathay Insurance (China), and 33% stake in BSCOM Cathay Asset Management.



## Banking

- Strengthen regional presence via localization, digitalization, and green finance.
- Tokyo, Fukuoka, and Mumbai offices are in progress.
- Singapore Branch launched corporate bond services, the first among Taiwan banks.

## Life Insurance

- China: 9M25 total premium surged 59% YoY to 9.2bn RMB; driving scale and value growth through agent workforce and multi-channel development.
- Vietnam: 9M25 total premium reached 2.2tn VND; enhancing sales structure to drive premium growth.

## P&C Insurance

- Vietnam: 9M25 premium reached 421bn VND; focusing on digitalization and mobile insurance applications.

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- ❑ Business performance summary

Cathay United Bank

Cathay Life

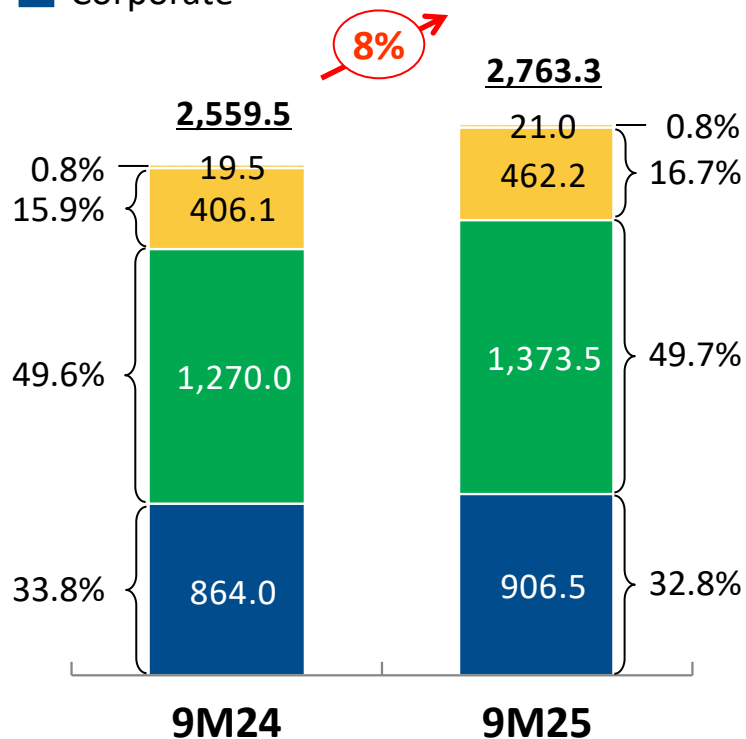
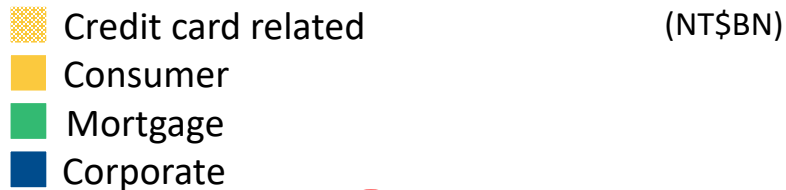
Cathay Century

- ❑ Cathay Life's strategy to IFRS 17/TW-ICS
- ❑ Cathay's ESG efforts
- ❑ Appendix

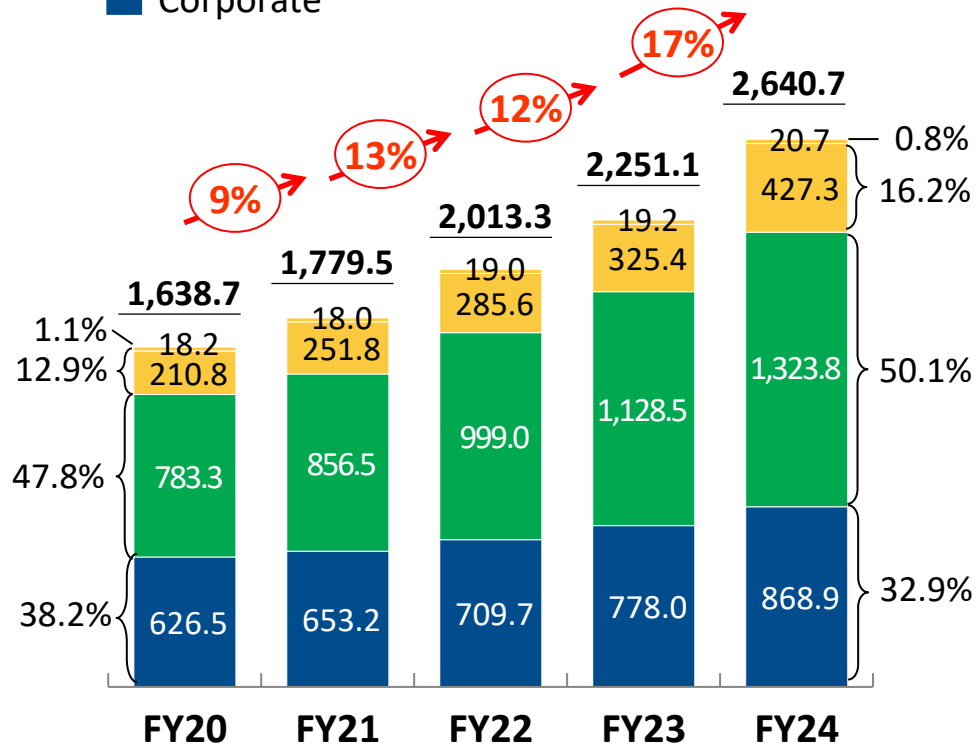
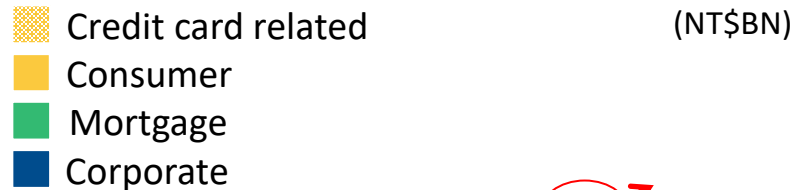
# Cathay United Bank – Loan breakdown

9M25 Loan grew 8% YoY, with solid growth across all segments.

## Loan breakdown



## Loan breakdown (annual)

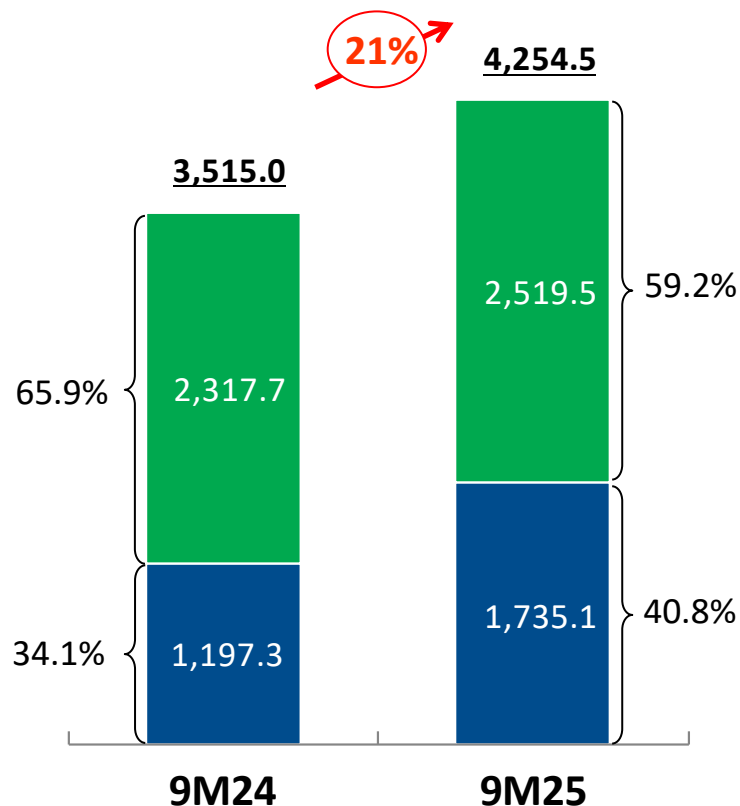


# Cathay United Bank – Deposit breakdown

- Deposits saw strong growth; maintained the advantage of high demand deposit ratio.

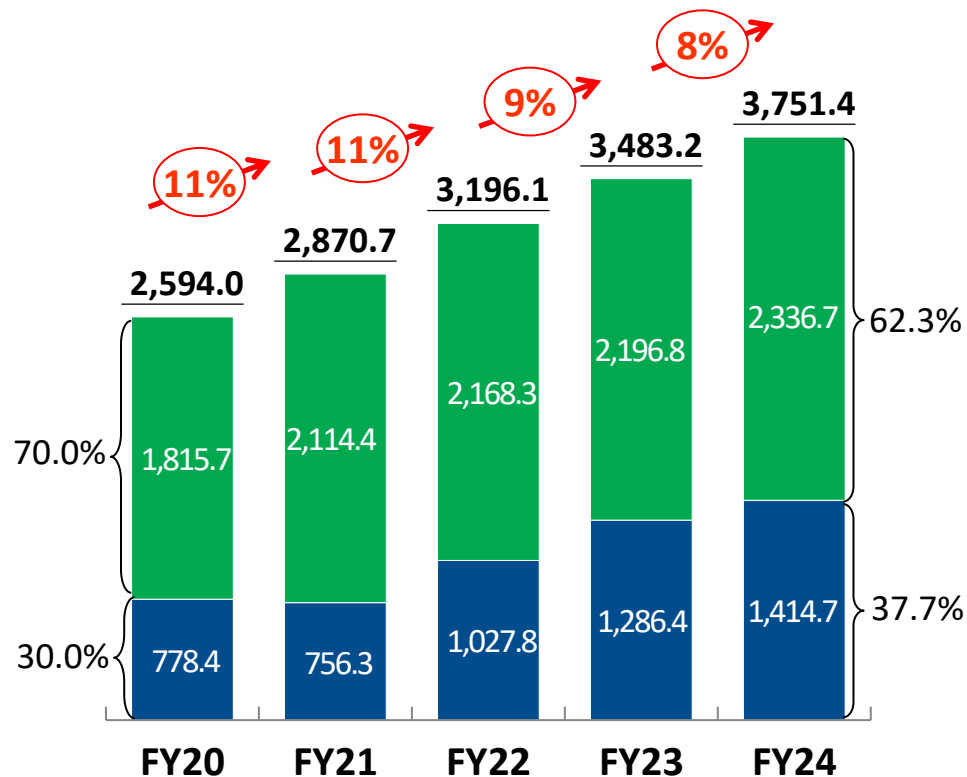
## Deposit breakdown

■ Demand deposit (NT\$BN)  
■ Time deposit



## Deposit breakdown (annual)

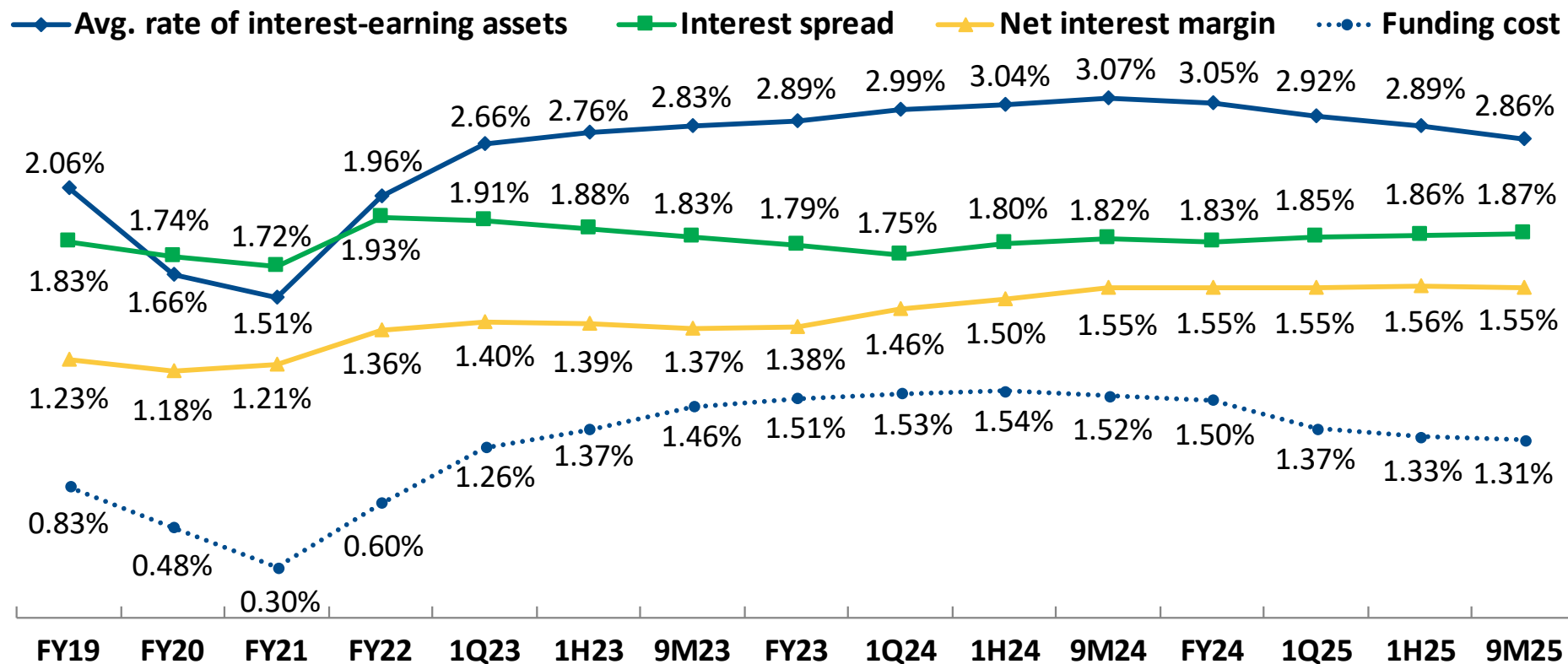
■ Demand deposit (NT\$BN)  
■ Time deposit





# Cathay United Bank – Interest yield

- Spread continued to increase, supported by lower funding costs from U.S. rate cuts and an optimized deposit mix; 9M25 NIM remained flat YoY, while 3Q25 declined QoQ due to FX financial assets allocation adjustments.



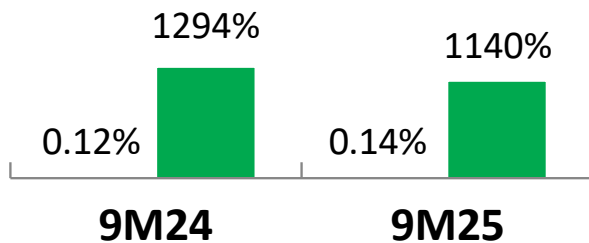
Quarterly	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Spread	1.96%	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%
NIM	1.46%	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%

# Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.14% and coverage ratio at 1140%.

## NPL & Coverage ratio

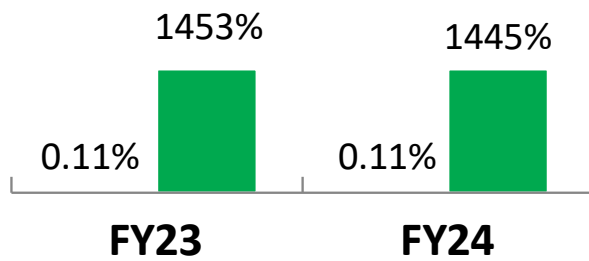
- NPL ratio
- Coverage ratio



Mortgage NPL

0.11 %

0.17 %



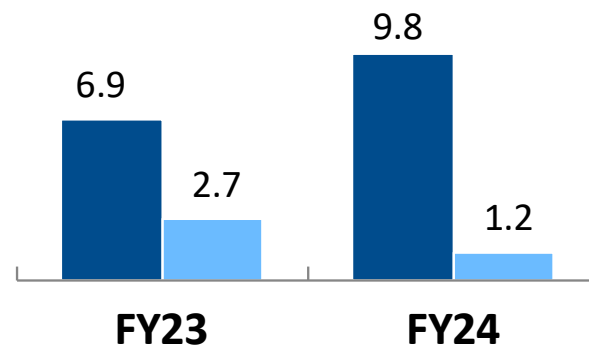
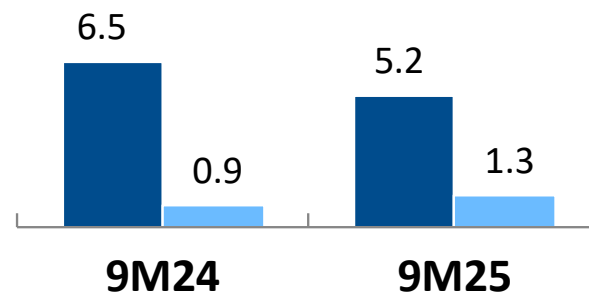
Mortgage NPL

0.10 %

0.11 %

## Gross provision

- Gross provision (NT\$BN)
- Recovery

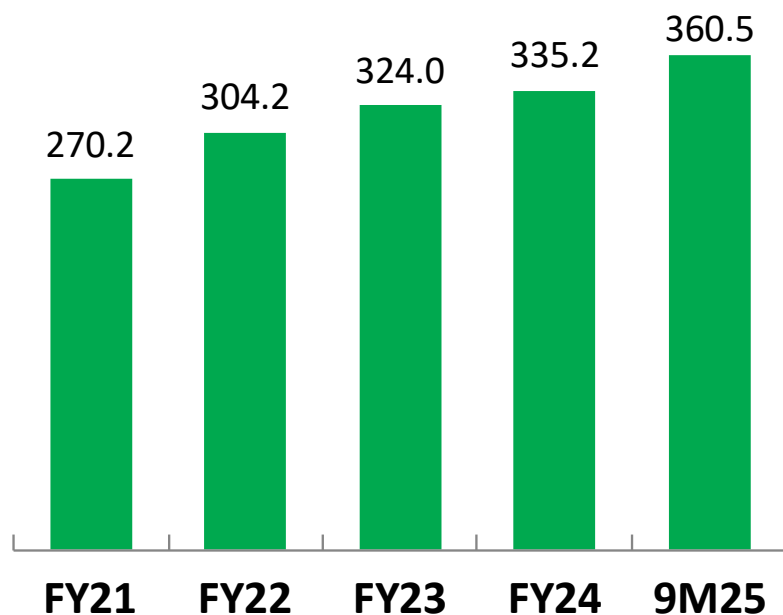


# Cathay United Bank – SME & FX loans

- SME loans maintained solid growth of 7% YoY.
- FX loans continued to grow. CUB aims to grow FX loans while ensuring asset quality.

## SME loans

(NT\$BN)

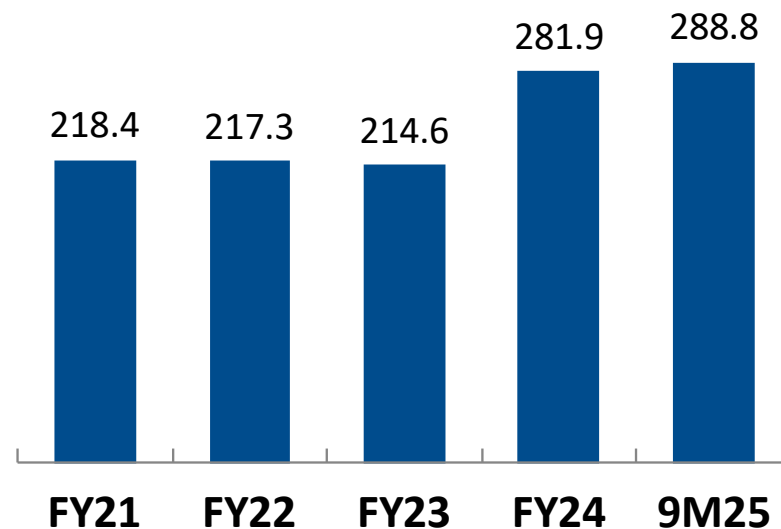


As % of total loans

15.3% 15.3% 14.5% 12.8% 13.1%

## Foreign currency loans

(NT\$BN)



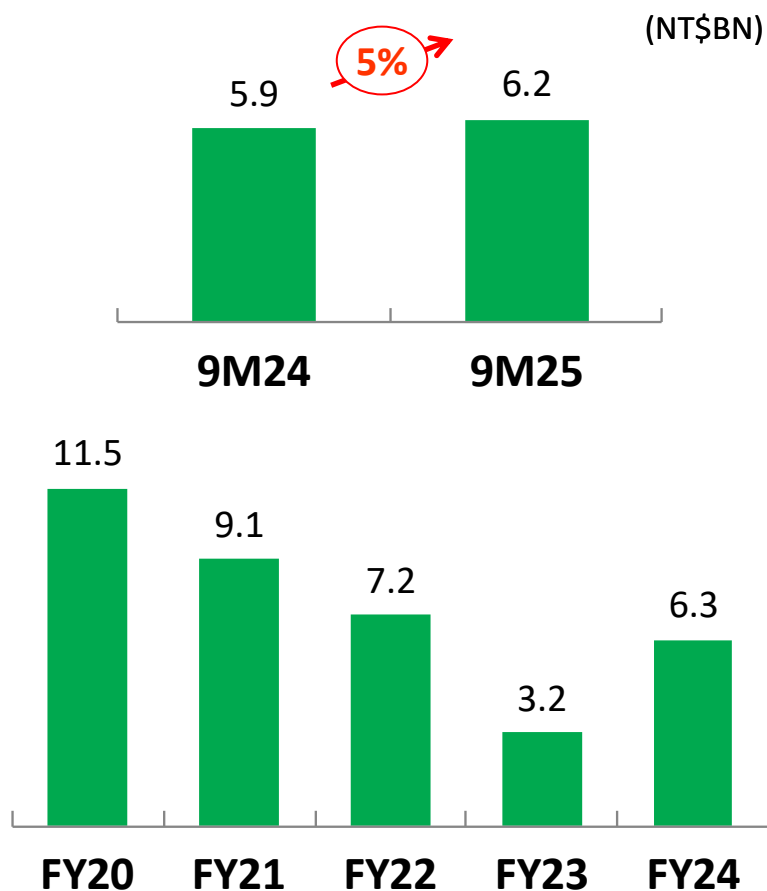
12.4% 10.9% 9.6% 10.8% 10.5%



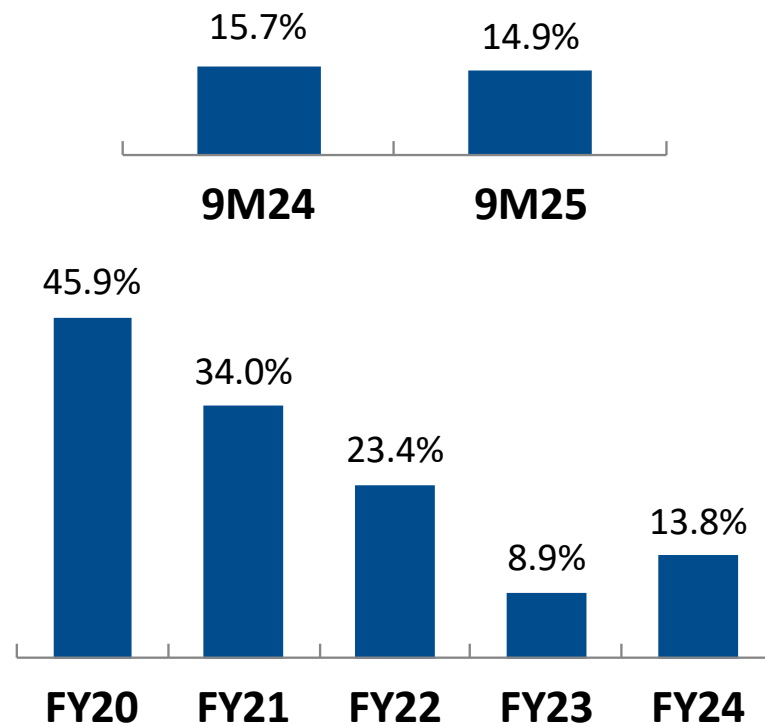
# Cathay United Bank – Offshore earnings

- Offshore earnings increased by 5% YoY, driven by the rebound in deposits, loans and investment income.

## Offshore earnings



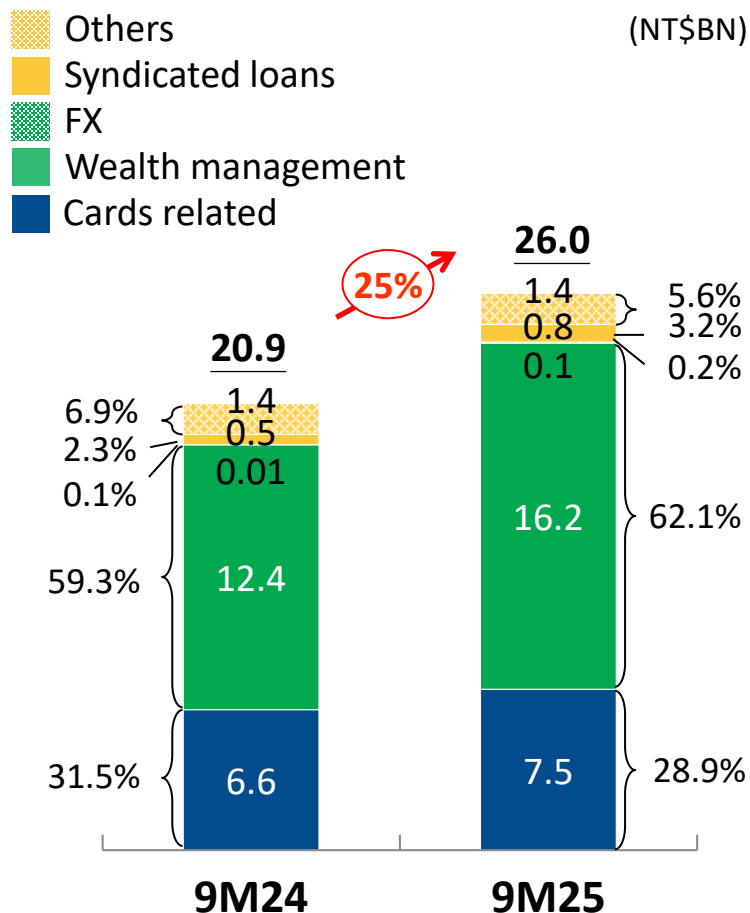
## As % of CUB pre-tax profits



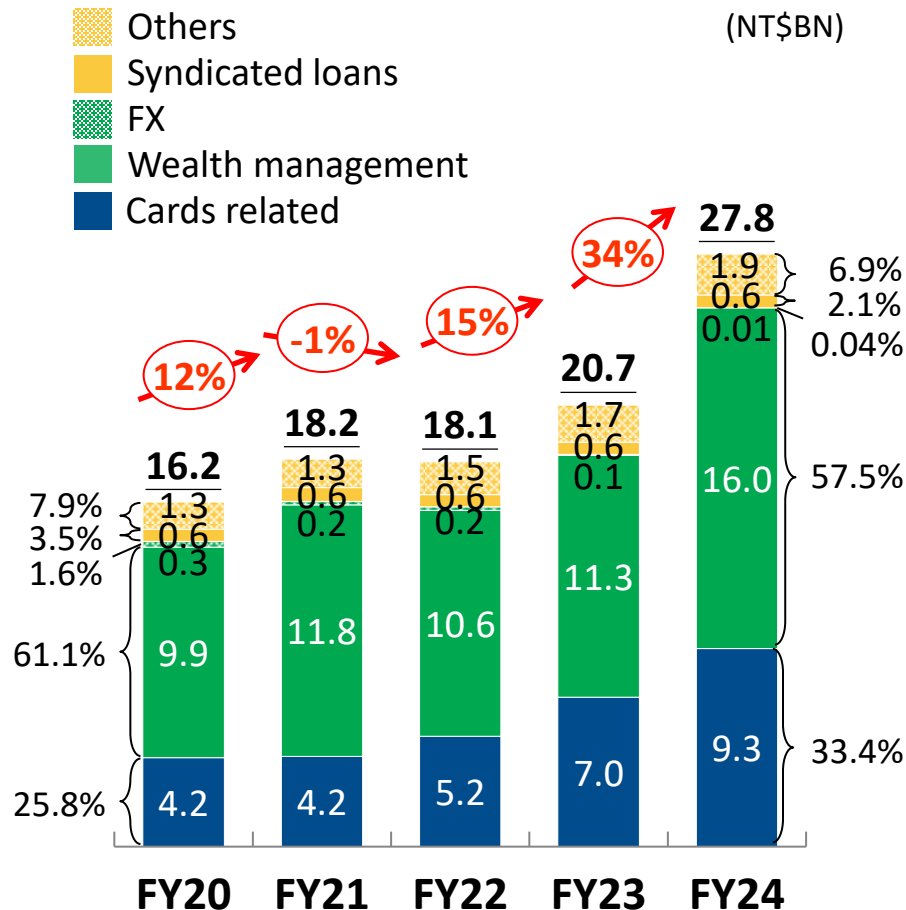
# Cathay United Bank – Net fee income

- Net fee income grew 25% YoY. Wealth management fees rose over 30% while credit card fees increased 14% YoY, driven by higher spending.

## Quarterly net fee income



## Annual net fee income

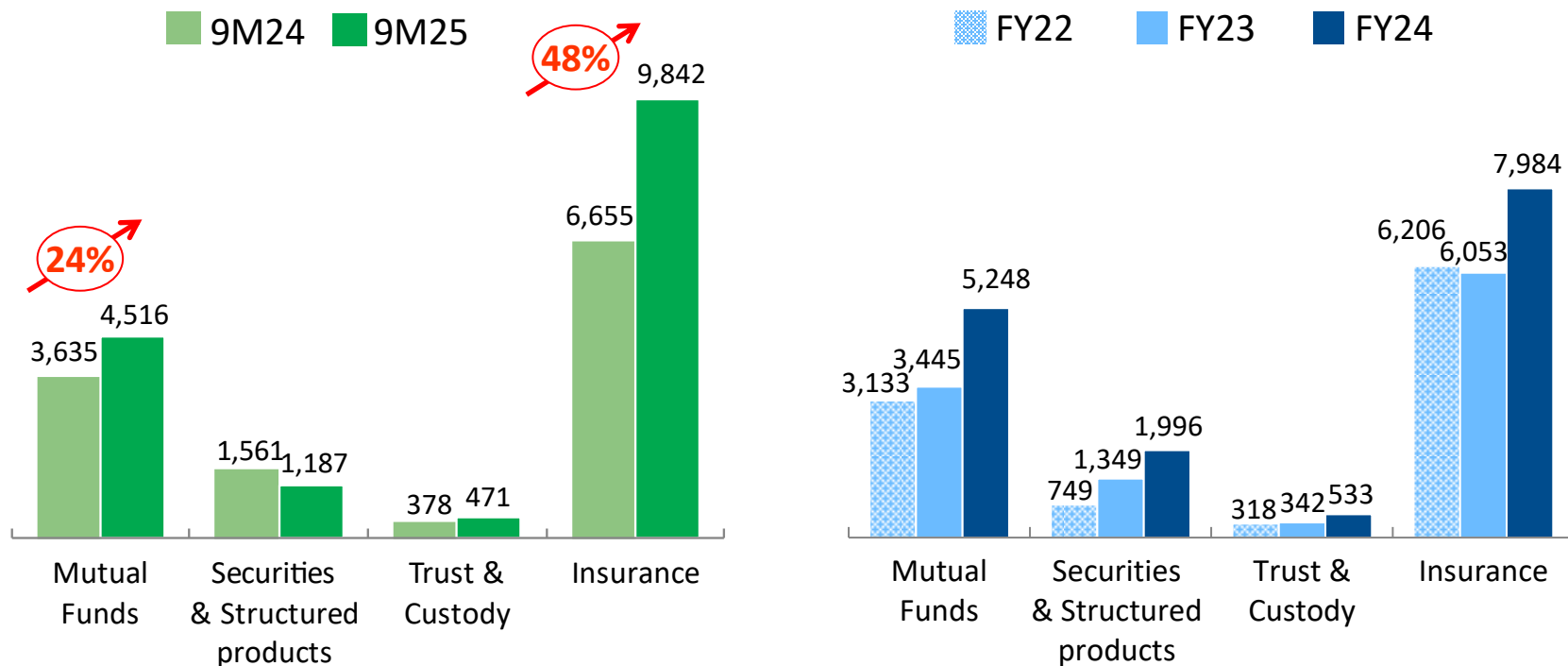


# Cathay United Bank – Wealth management fees

- WM fees rose 31% YoY, driven by strong sales in mutual funds and bancassurance.
- WM customers and AUM continued to show steady growth.

## Wealth management fees breakdown

(NT\$MN)	9M24	9M25	FY22	FY23	FY24
Wealth management fee income	12,378	16,171	10,595	11,344	15,963
YoY growth (%)	38.8%	30.6%	-10.1%	7.1%	40.7%



# Agenda

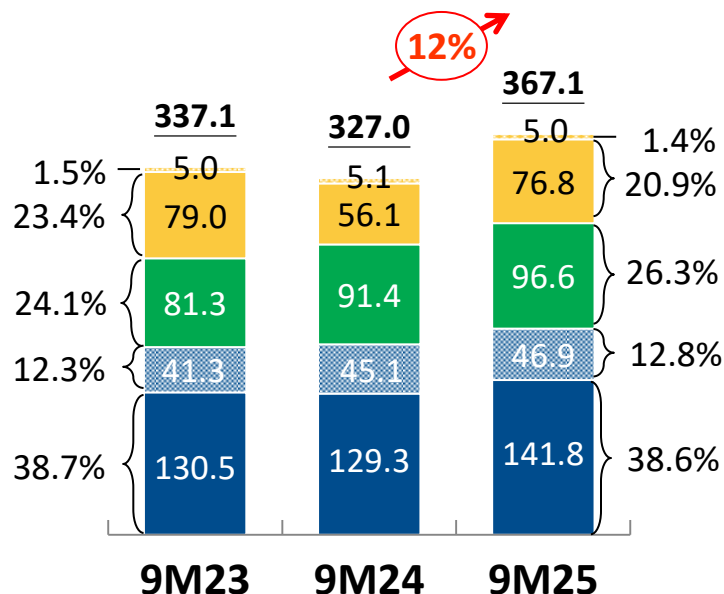
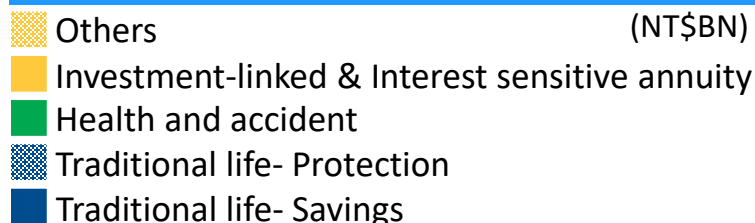
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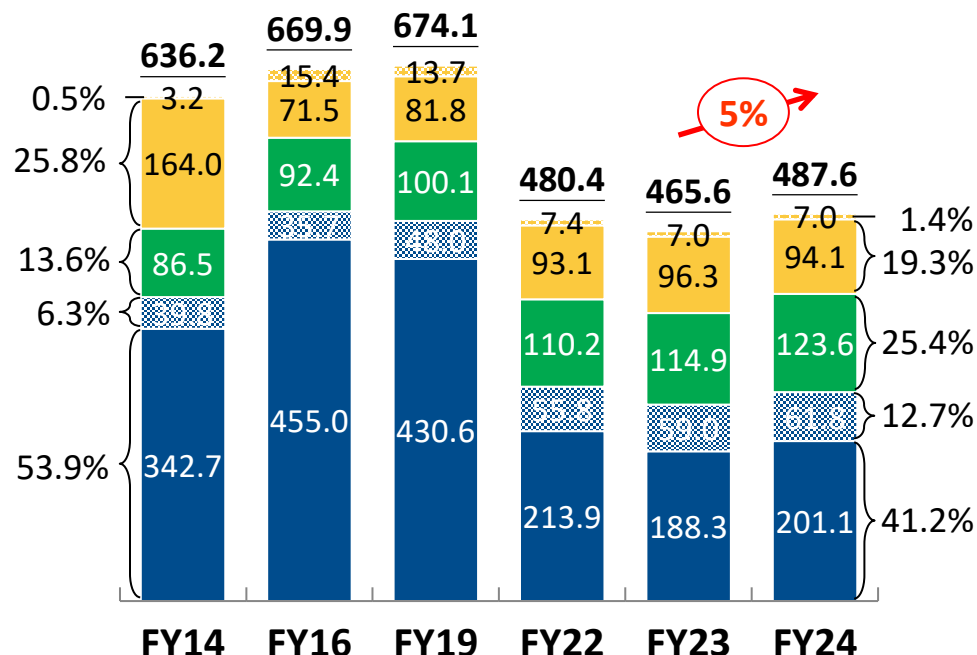
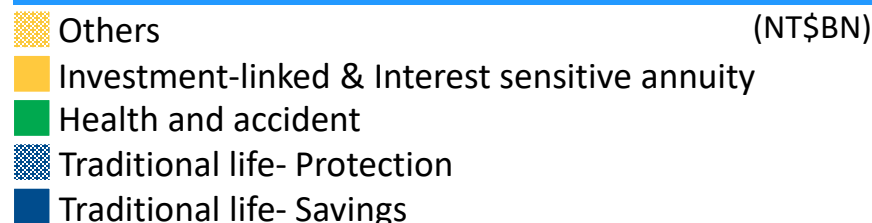
# Cathay Life – Total premium

- Total premium increased by 12% YoY, driven by strong sales of investment-linked and USD-denominated traditional products, while premium income from high-CSM protection products continued to grow.

## Quarterly total premium



## Annual total premium

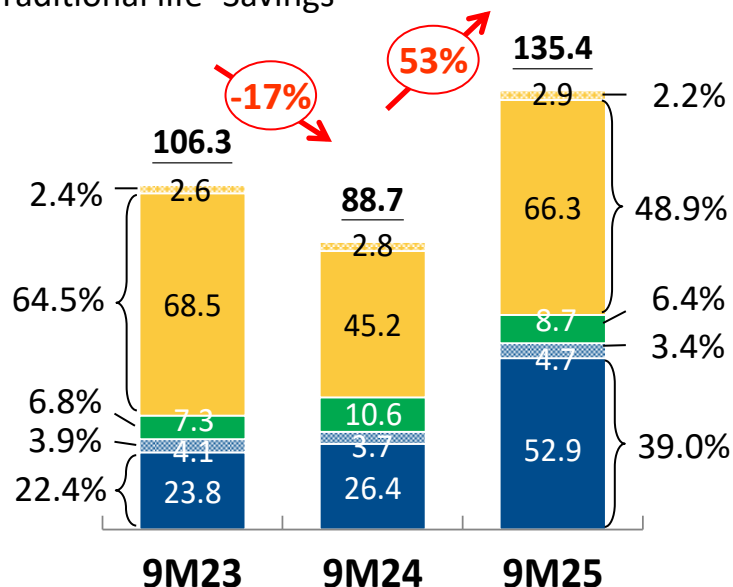
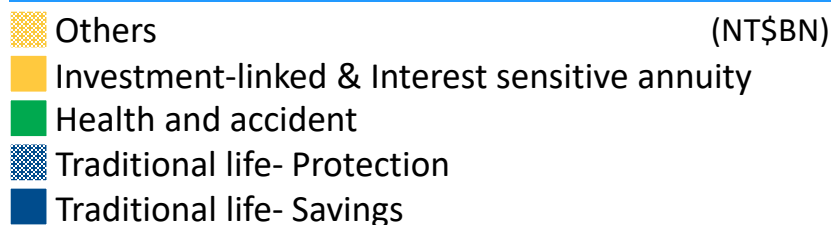




# Cathay Life – FYP & APE

- FYP and APE rose by 53% and 10%, respectively, driven by strong sales of investment-linked products and USD-denominated traditional products.
- Health and accident premiums were affected by a high base in FY24, resulting from stop-selling effect due to regulatory changes.

## First Year Premium

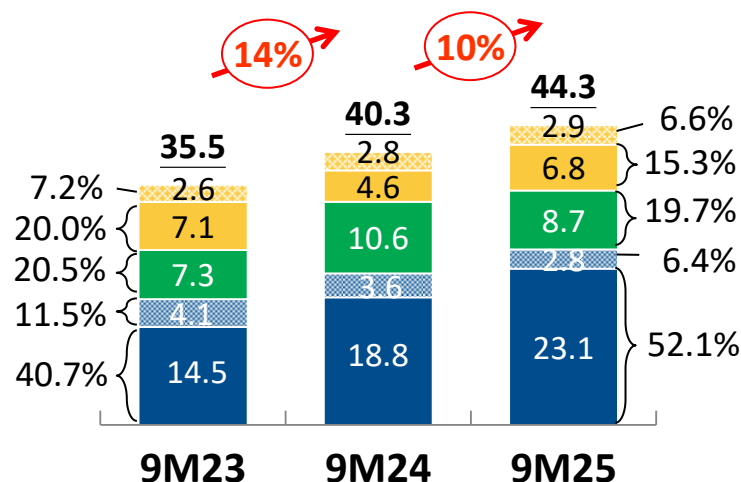
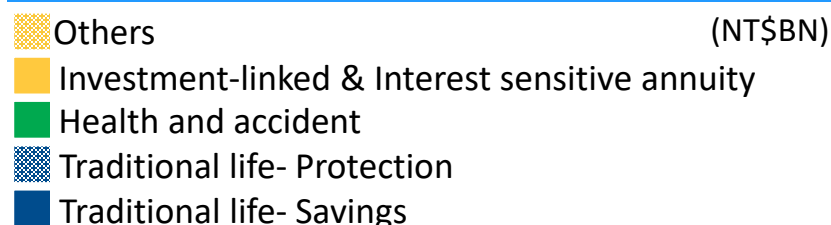


9M23 9M24 9M25

54% 55% 75%

FX polices %  
(excl. Investment-linked)

## Annualized FYP (APE)



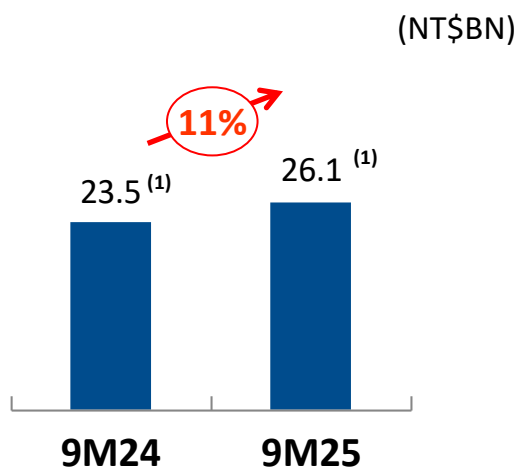
Note: Annualized FYP (APE) = 10% x single-paid FYP + 20% x 2-yr-paid FYP + ... + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

# Cathay Life – Value of new business

- VNB increased 11% YoY, supported by a surge in sales of investment-linked and USD-denominated traditional products.

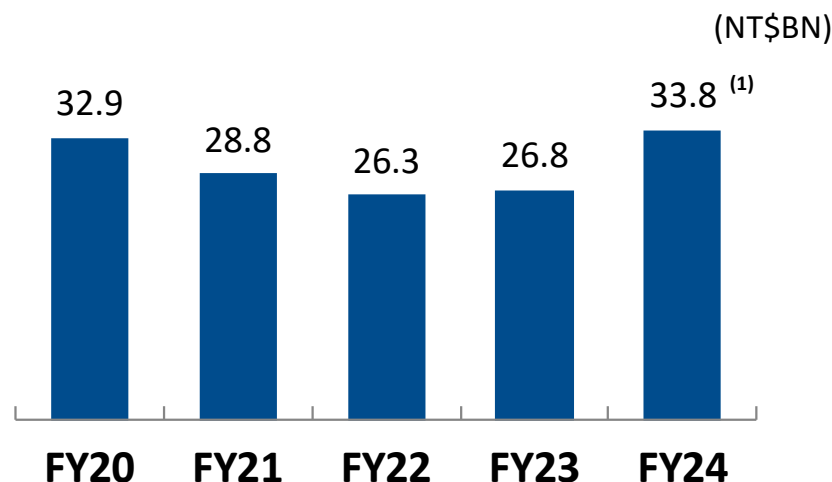
## Value of new business

Profit Margin	9M24 <sup>(1)</sup>	9M25 <sup>(1)</sup>
VNB/FYP	27%	19%
VNB/APE	58%	59%



## Value of new business (annual)

Profit Margin	FY20	FY21	FY22	FY23	FY24 <sup>(1)</sup>
VNB/FYP	20%	14%	20%	20%	22%
VNB/APE	53%	56%	62%	56%	58%



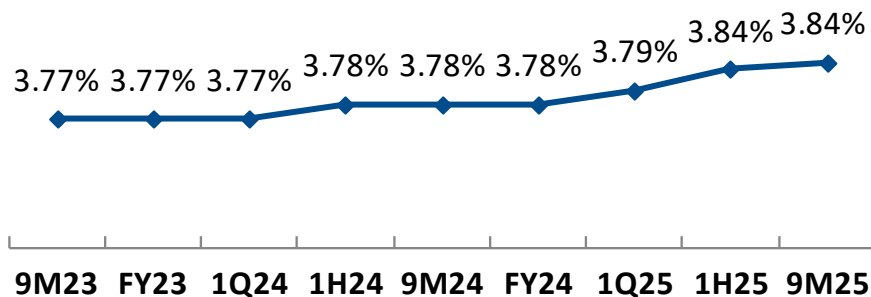
Note: (1) 9M24、FY24 and 9M25 VNB were based on 2024 Embedded Value assumptions.

(2) Based on 2023 Embedded Value assumptions, 9M24 & FY24 VNB were NT\$23.9bn and NT\$34.8bn ; VNB/FYP were 27% and 23% , VNB/APE were 59% and 60%, respectively.

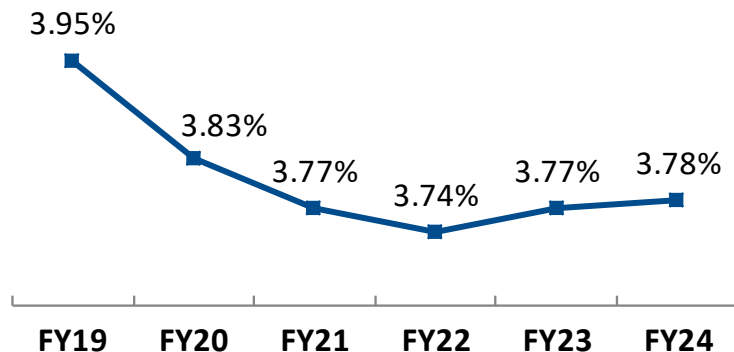
# Cathay Life – Cost of liability and break-even asset yield

- Cost of liabilities remained flat QoQ.
- 9M25 break-even asset yield was 2.99%. The relatively low break-even yield in FY24 reflected favorable capital markets, which let to a strong increase in the mark-to-market value of total investment assets.

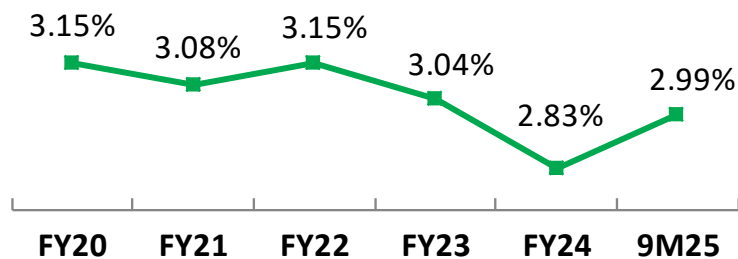
## Cost of liability (quarterly)



## Cost of liability (annual)



## Break-even asset yield



Note: The figures of cost of liability are reserve-based.

# Cathay Life – Investment portfolio

(NT\$BN)	FY22	FY23	FY24			9M25		
<b>Total investments<sup>(1)</sup></b>	<b>7,330.6</b>	<b>7,638.1</b>	<b>7,990.6</b>			<b>7,939.4</b>		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	4.1%	2.6%	1.9%	156	2.6%	3.5%	274	2.2%
Equity- Domestic	5.1%	6.6%	7.2%	575	15.4%	6.9%	551	12.5%
Equity- International <sup>(2)</sup>	5.6%	5.6%	5.5%	437	11.6%	5.1%	401	9.2%
Bond- Domestic	7.1%	8.1%	8.3%	666	5.6%	8.7%	695	5.2%
Bond- International <sup>(2)</sup>	61.9%	61.8%	62.0%	4,952	3.8%	60.3%	4,789	3.9%
Mortgage & Secured loans	3.8%	3.0%	2.9%	230	2.4%	3.1%	247	1.9%
Policy loans	2.3%	2.2%	2.1%	167	5.2%	2.1%	165	5.3%
Real estate	7.7%	7.5%	7.5%	597	2.5%	7.7%	611	4.4%
Others	2.5%	2.5%	2.6%	209	1.0%	2.6%	207	1.0%

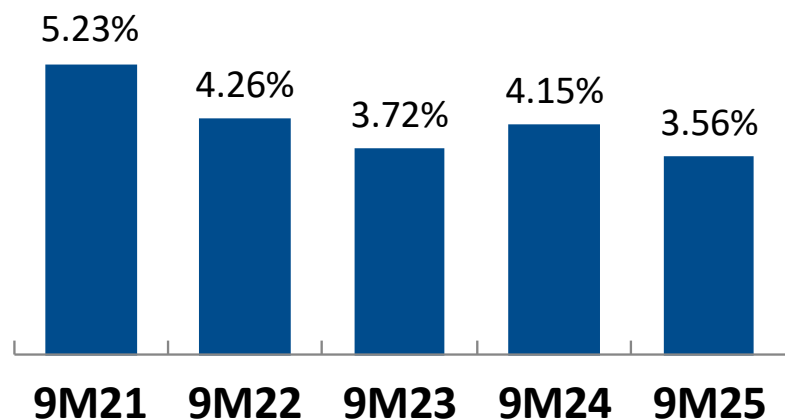
Note: (1) Total assets excluded separate account assets.

(2) Yields of international equity and international bond are pre-hedge investment yields.

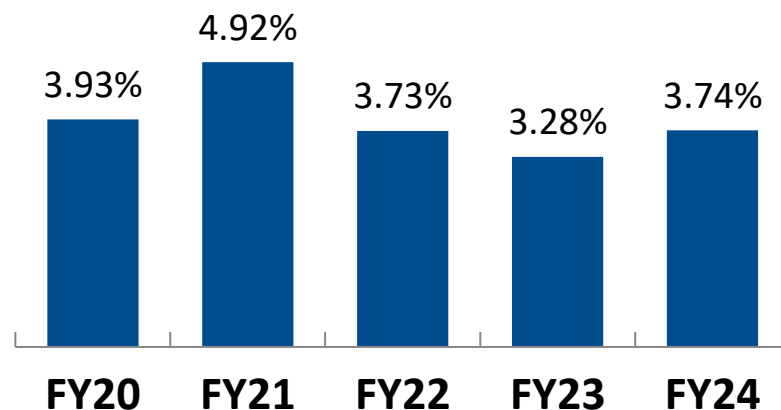
# Cathay Life – Investment performance highlights

- 9M25 after-hedging investment yield declined YoY, reflecting higher hedging costs and lower capital gains, while recurring income increased YoY.

## After-hedging investment yield



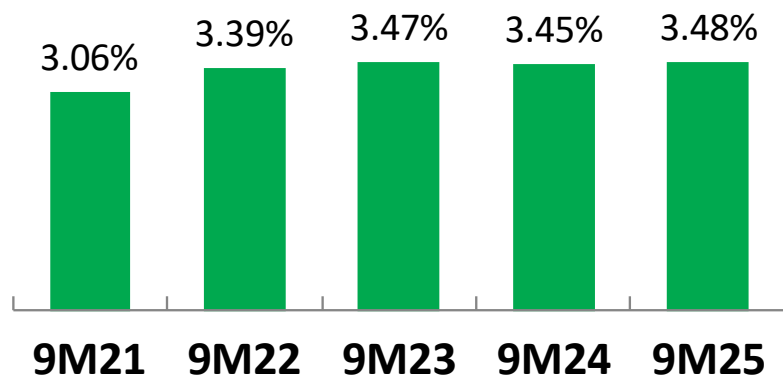
## After-hedging investment yield



# Cathay Life – Investment performance highlights

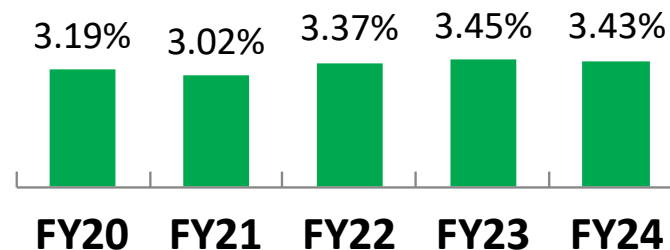
- 9M25 pre-hedging recurring yield rose 3bps YoY, driven by higher dividend income.
- 9M25 annualized hedging cost was 1.58%, reflecting the adoption of regulatory forbearance measures, with the annualized compulsory FXRV provision rate increasing to 1.5% in 3Q25.

## Pre-hedging recurring yield

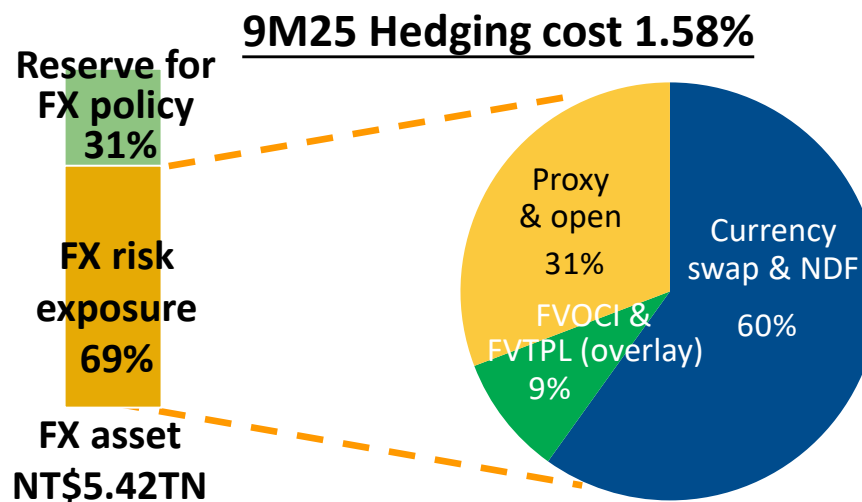


Note: Pre-hedging recurring income doesn't include capital gains but interest revenue, cash dividend and rental income. Yields for the aforementioned were 3.02%, 0.29% and 0.16% in 9M25 ; and 3.02%, 0.26% and 0.16% in 9M24, respectively.

## Pre-hedging recurring yield



## FX asset hedging structure



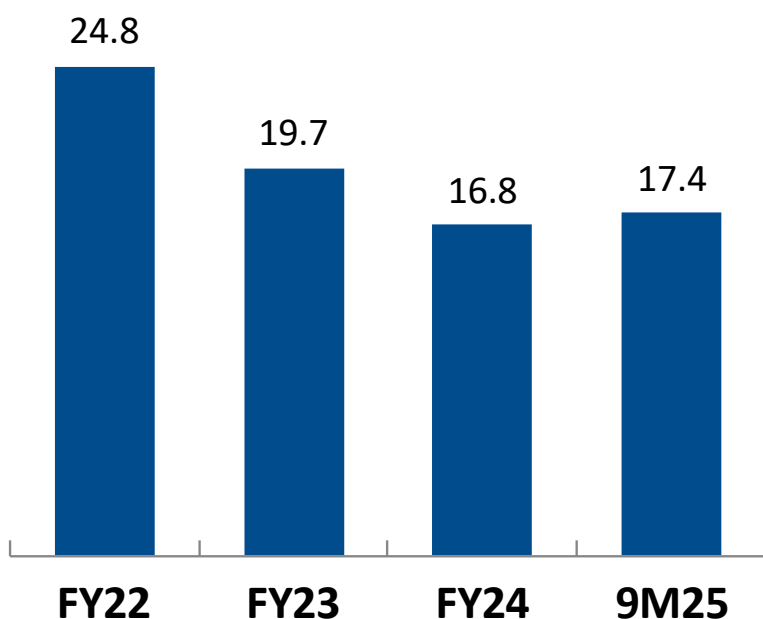
Hedging cost is based on FX asset

# Cathay Life – Cash dividend income & overseas fixed income by region

- 9M25 cash dividend income reached NT\$17.4bn, surpassing the FY24 total, reflecting opportunistic equity rebalancing to enhance recurring income.
- Diversified overseas fixed-income investments across regions to balance risk and return.

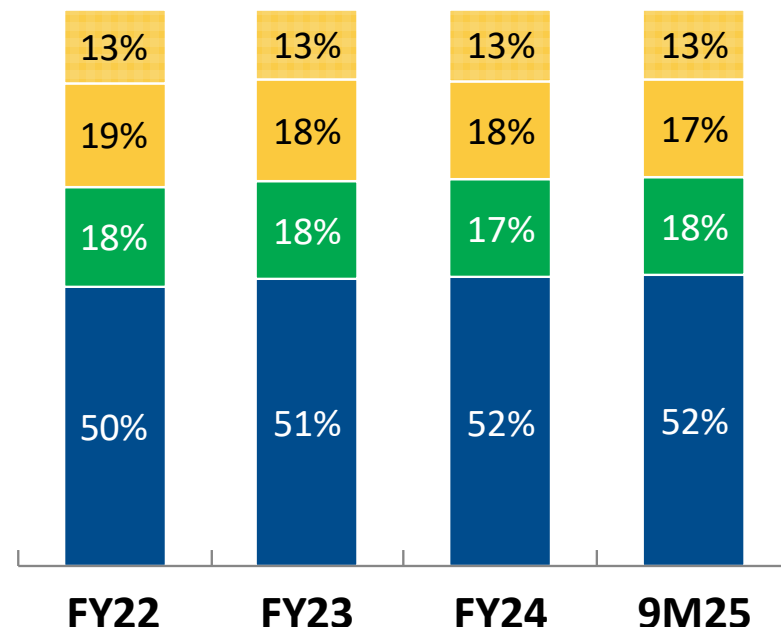
## Cash dividend income

(NT\$BN)



## Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America

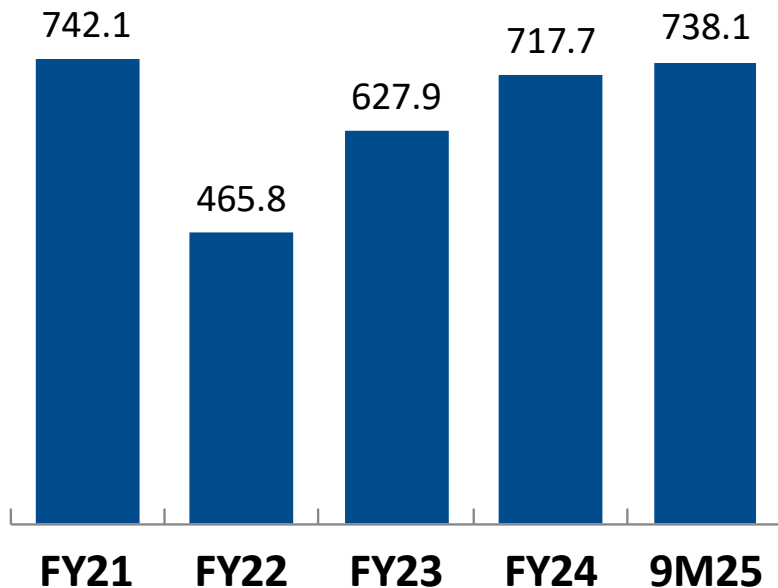


# Cathay Life – Book value & unrealized G/L of financial assets

- Book value rebounded YTD, driven by earnings contribution and recovery in equity and bond valuations, partially offset by mark-to-market losses on financial assets amid sharp TWD appreciation.
- Equity-to-asset ratio reached 9.3%, reflecting a robust capital position.

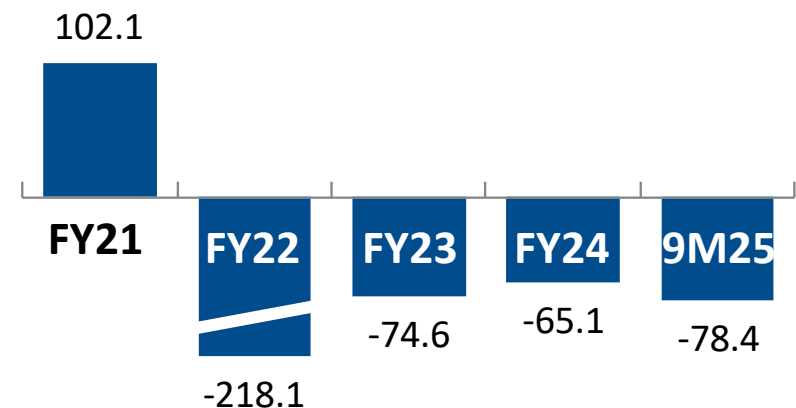
## Book value

(NT\$BN)



## Unrealized G/L of financial assets

(NT\$BN)



Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

(2) Unrealized G/L of financial assets are the combination of FVOCI & FVTPL (overlay approach).

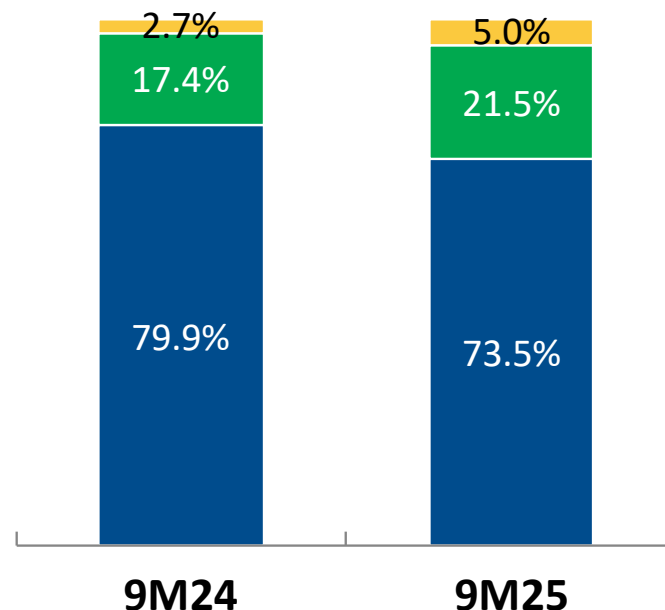
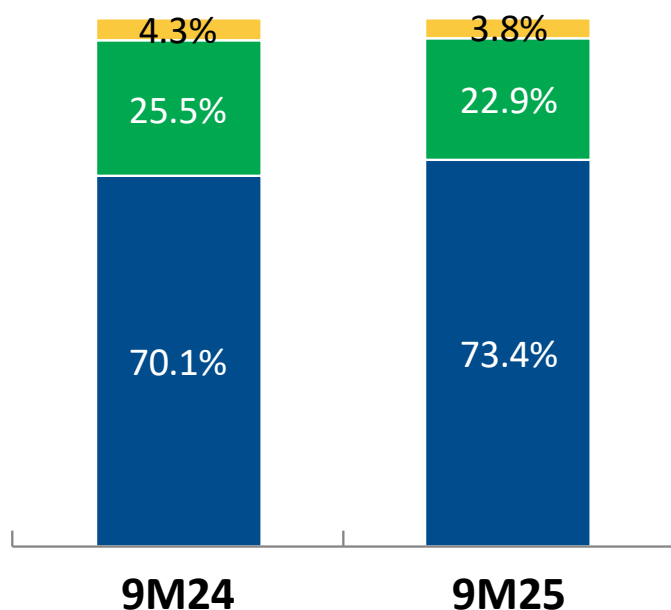
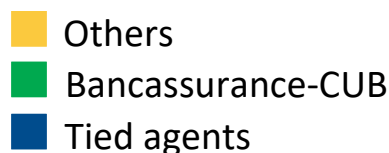


# Cathay Life – Distribution channels

- Premium income was mainly generated by Cathay Life sales agents and Cathay United Bank. The group's strong sales capabilities provided solid contributions to premium income and VNB.

## First Year Premium

## Annualized FYP (APE)



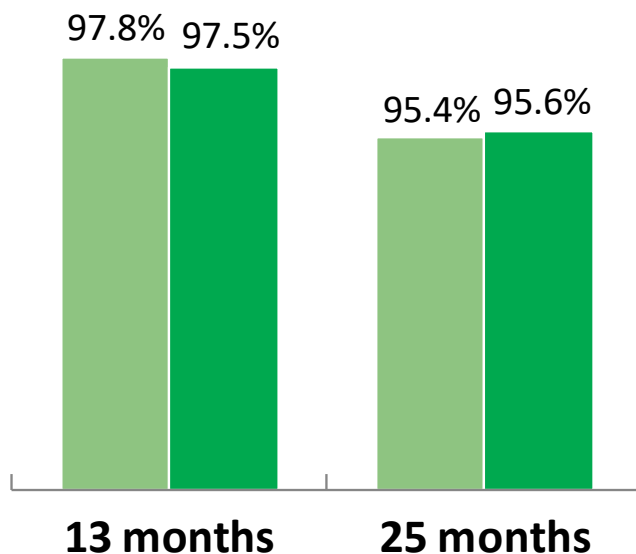
# Cathay Life – Operational indicators

- Persistency ratio remained high, exceeding 95%.
- Expense ratio increased YoY, due to higher distribution costs driven by strong sales of USD-denominated savings and investment-linked products.

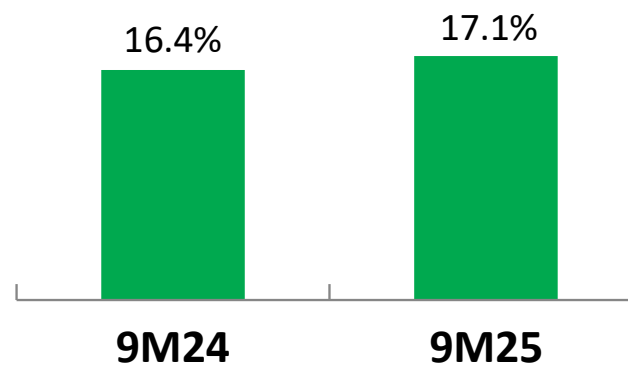
## Persistency ratio

■ 9M24

■ 9M25



## Expense ratio



# Agenda

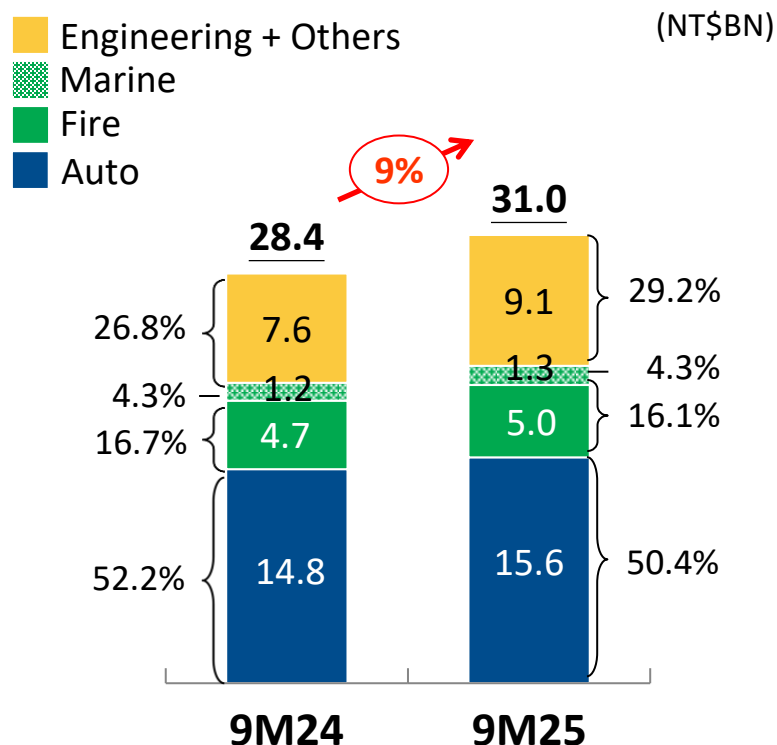
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- ❑ Cathay's ESG efforts
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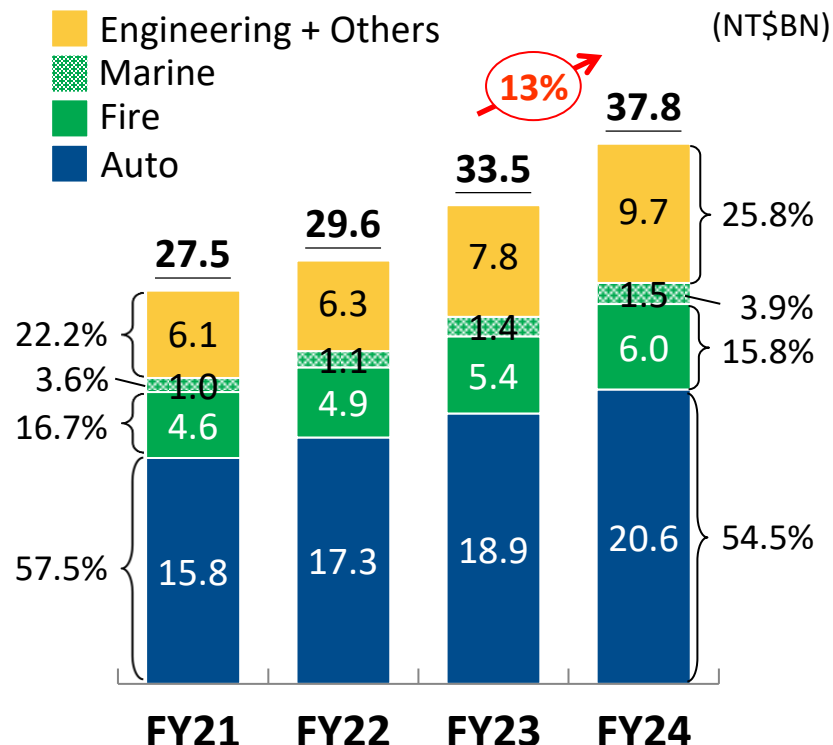
# Cathay Century – Premium income

- Premium income grew 9% YoY. Market share reached 13.8%, ranking No.2 in the industry.

## Premium income



## Premium income (annual)

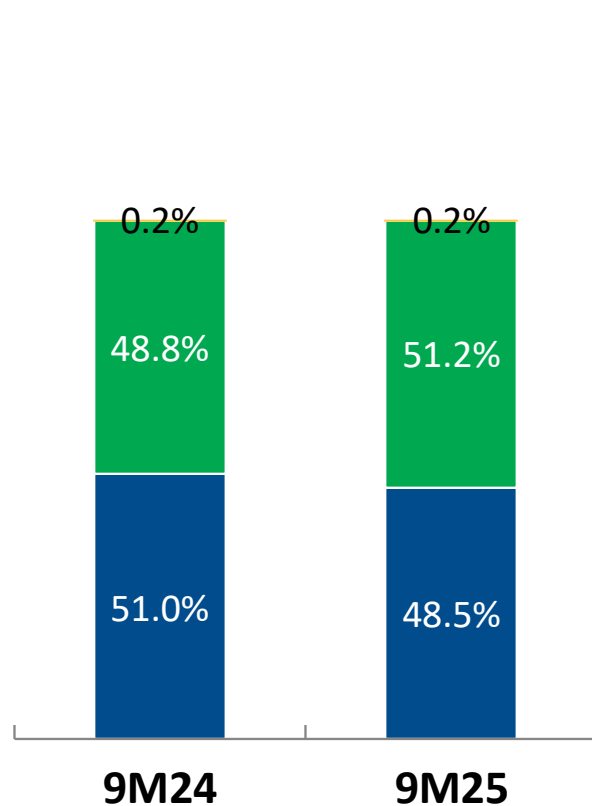


Market share	13.4%	13.8%	12.4%	12.8%	13.3%	13.6%
Retention	67.4%	66.9%	74.3%	73.4%	70.5%	68.9%

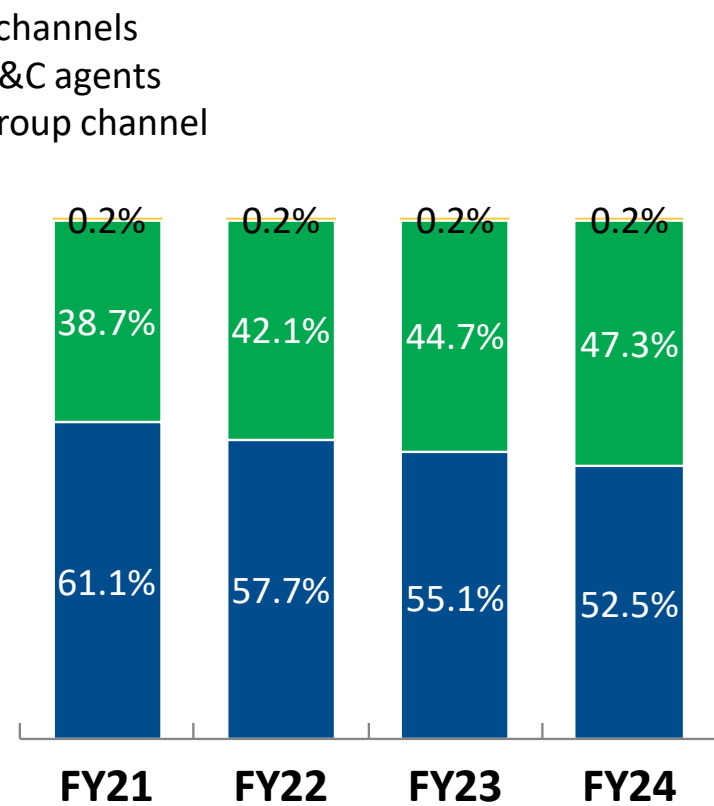
# Cathay Century – Distribution channels

- Premium income proportion from Cathay P&C agents increased to over 50%, supported by strong performance in commercial insurance.
- Benefiting from cross-selling synergy, ~50% of premium income was generated by the group channel.

Distribution channel



Distribution channel (annual)

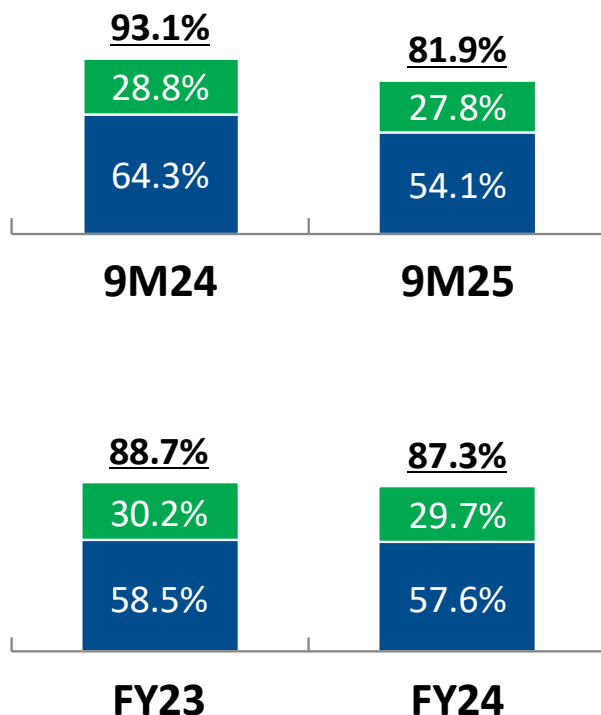


# Cathay Century – Combined ratio

- Retained combined ratio declined YoY, supported by higher retained premiums from expanded underwriting capacity, fewer large claim events and stable loss ratios.

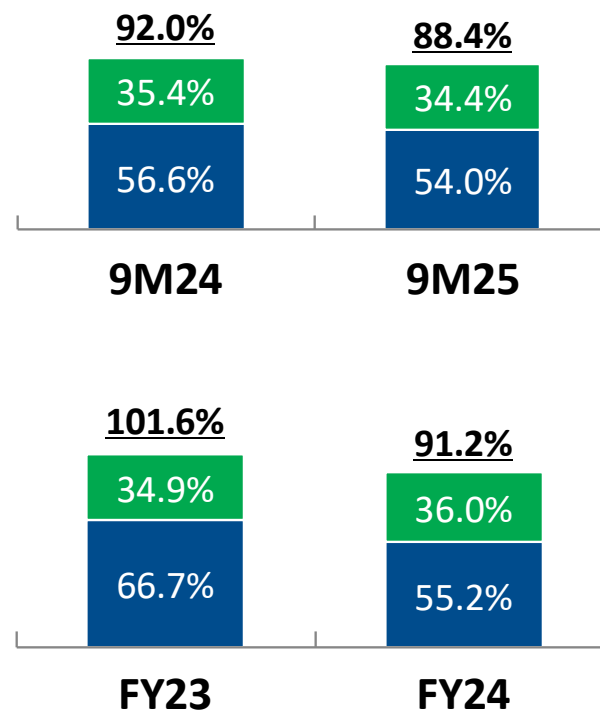
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



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# Response to IFRS 17 & TW-ICS implementation

- ❑ Proactively participating in the international field testing of IFRS 17 and ICS since 2015
- ❑ Refining business strategies since 2020 in response to the implementation of IFRS 17 and TW-ICS, focusing on new business profitability, investments and capital planning



## Product Strategy

### Profitability under new framework is confirmed

- ✔ Focus on not only returns but risks, namely risk-adjusted return on capital (RAROC)
- ✔ Shift to protection-type, USD interest sensitive life and ILPs



## Investments

### Liability-driven investments

- ✔ Risk-adjusted return on capital (RAROC) consideration under TW-ICS
- ✔ More fixed income assets to enhance recurring yield and manage interest rate risks



## Capital

### Capital raising plan to create buffer for market fluctuation

- ✔ NT\$35bn common equity injection in 2022; NT\$35bn and NT\$80bn subordinated debt issuance in 2023 and 2024, respectively.



## Asset Liability Management

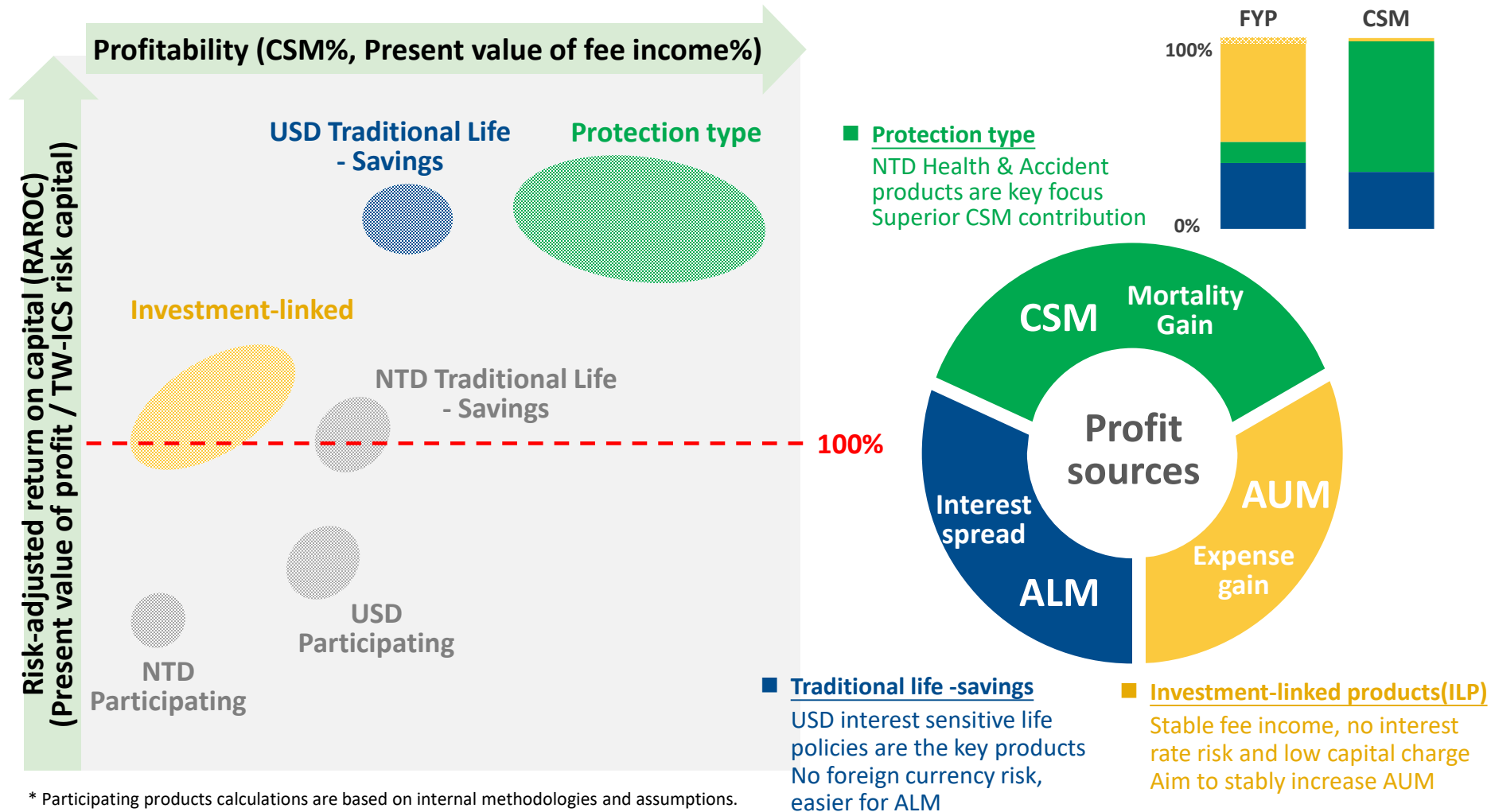
### Strengthen interest rate risk management

- ✔ Advance duration management, including effective and dollar duration
- ✔ Employ interest rate hedge for USD policies as needed



# Focus on high CSM and RAROC products

- CSM accumulation is top priority
- Taking profitability, volume(FYP) and capital charge into consideration



\* Participating products calculations are based on internal methodologies and assumptions.

# Enhancing transparency and comparability under IFRS 17

- ❑ Mark-to-market valuation for insurance liabilities
- ❑ Profit of insurance policies recognized as CSM (as a liability item) and released through revenue over the contract term

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
Revenues	<ul style="list-style-type: none"><li>• Premium income</li><li>• Investment income (incl. realized gains of equity investment w/overlay)</li></ul>	Insurance service results	<ul style="list-style-type: none"><li>• <b>CSM</b> &amp; risk adjustment(RA) release</li><li>• Expected claims and expenses paid</li><li>• Actual claims and expenses paid</li></ul>	1 CSM released through revenue over the contract term
Expenses	<ul style="list-style-type: none"><li>• Incurred claims</li><li>• Changes in insurance policy reserves</li><li>• Expenses</li></ul>	Financial results	<ul style="list-style-type: none"><li>• Investment income</li><li>• Insurance finance expenses</li></ul>	2 Net interest earned
		Others	<ul style="list-style-type: none"><li>• Other income</li><li>• Other expenses</li></ul>	3 Fee income from investment-linked products (out of IFRS 17 scope)
Net income		Net income		
OCI	<ul style="list-style-type: none"><li>• Changes in FVOCI assets</li></ul>	OCI	<ul style="list-style-type: none"><li>• Changes in insurance liabilities due to discount rates <sup>(1)</sup></li><li>• Changes in FVOCI assets</li></ul>	4 Changes in asset and liabilities due to interest rate changes
		Retained earnings		5 Reflect net income and FVOCI equity investment realized gains <sup>(2)</sup>

# New solvency regime TW-ICS: Higher capital requirements

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

		RBC	TW-ICS
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	<ul style="list-style-type: none"> <li>• Stress approach (primarily), factor-based</li> <li>• Broader risks (longevity/lapse/expense/catastrophe/non-default spread risks)</li> </ul>

# TW-ICS: 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** <sup>(1)</sup>, based on insurers' RBC levels; subject to adjustment if capital strengthening progress falls short
  - RBC  $\geq$  250%: base TW-ICS ratio up to 125%; the gap up to 125% phased-in over 15 years, the portion above 125% over 5 years
  - 200%  $\leq$  RBC < 250%: base TW-ICS 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 TW-ICS 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)	TW-ICS
Taiwan listed stocks	21.65% (TWSE), 30% (OTC)	48% (EM)	35%
Domestic real estate	7.81%	25%	15%
Domestic public infrastructure <sup>(1)</sup>	1.28%	49% (other equity)	1.28%

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# Renowned corporate sustainability performance

## Global

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



Gender-Equality Index

Included in  
**DJSI World & DJSI EM**



First Taiwan FI



Asia 6<sup>th</sup> approval



2022 & 2023 ICAPs

Global best practice



1<sup>st</sup> in Asia

## Taiwan

**Top-20%  
Corporate Governance**

Over 1,000 listed companies

**TWSE Corporate Governance Evaluation**



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

**First Prize in Finance & Insurance**  
in 2025



2025 Taiwan Corporate  
Sustainability Awards



# Cathay's sustainability strategies and goals



## Climate

### Low-carbon economy

- Net-zero emissions across financial assets by 2050
- Leadership in climate engagement
- Comprehensive financial solutions for climate change

### Sustainable environment

- Zero-carbon operations by 2050
  - Green operations
  - Green energy
  - Green real estate



## Health

### Health promotion

- Expansion of the health ecosystem
- Support for rehabilitation
- Development of elderly-friendly services

### Financial health

- The industry's top guardian of customer assets
- Benchmark enterprise for financial inclusion in Taiwan



## Empowerment

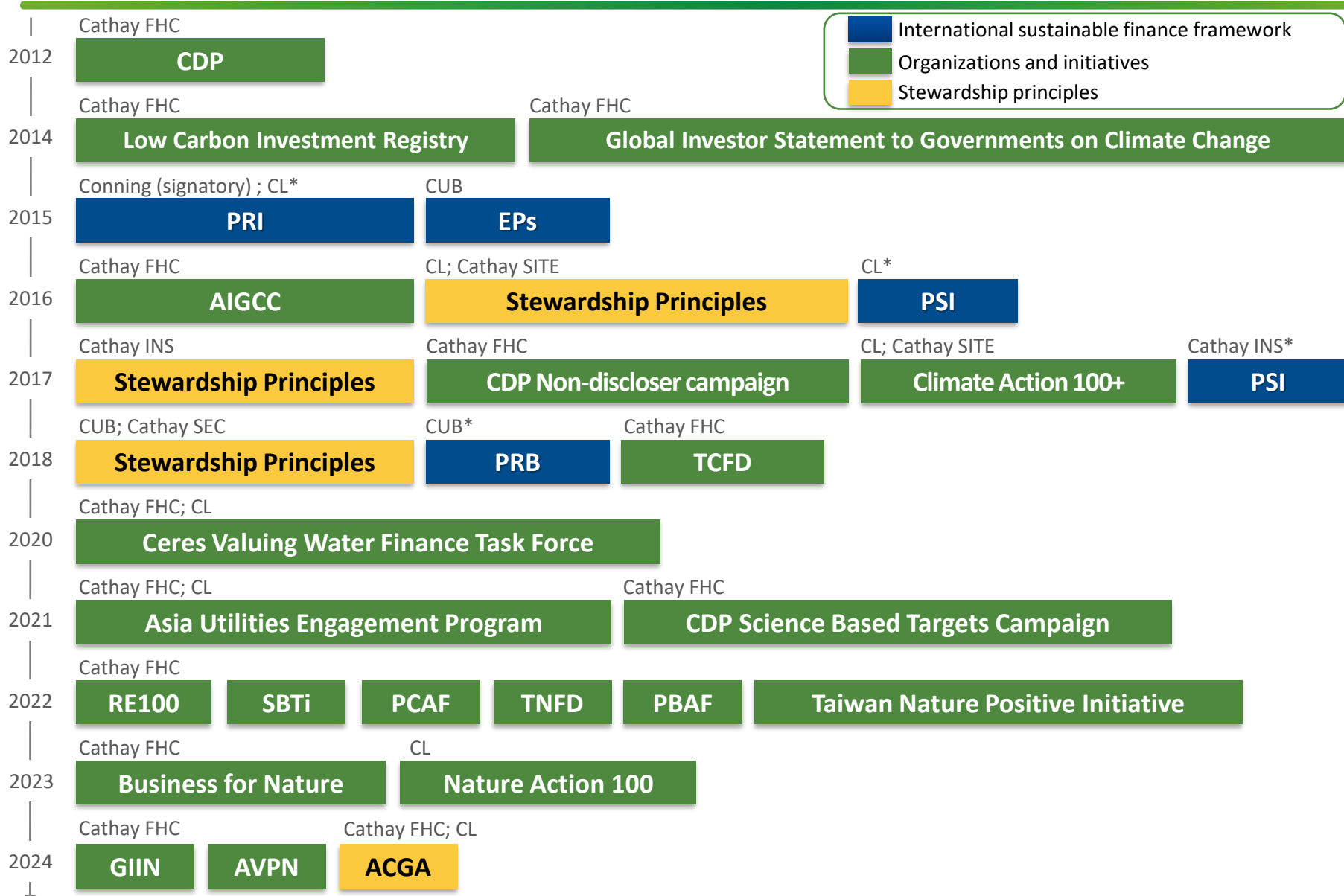
### Workplace Empowerment

- Employee reskilling and upskilling
- Leadership pipeline development
- Fostering workplace diversity, equity and inclusion

### Social Empowerment

- Youth empowerment
- Women's empowerment
- Support for the underprivileged

# Participation in global ESG initiatives





# Cathay FHC's commitment to net-zero carbon emissions



**Low-carbon operation  
transition since 2017**

**RE100**

CLIMATE  
GROUP



**Became an  
RE100 member**



SCIENCE  
BASED  
TARGETS

**Received SBTi  
validation of carbon  
reduction**

**2018**

**Disclosed carbon footprints**  
in investment portfolio

**2019**

CUB **ceased** financing new **coal power projects (Zero coal financing in 1Q27)**  
Cathay Life **excluded investments in coal power plants** without active  
transition plans

**2020**

Integrated **carbon-  
reduction** performance  
into **CEO's KPI**

**2022**

Received **Science-Based Target  
initiative (SBTi)** validation  
Became an **RE100 member**

**2025**

100% renewable energy  
for headquarters

**2030**

100% renewable energy  
for all locations in Taiwan

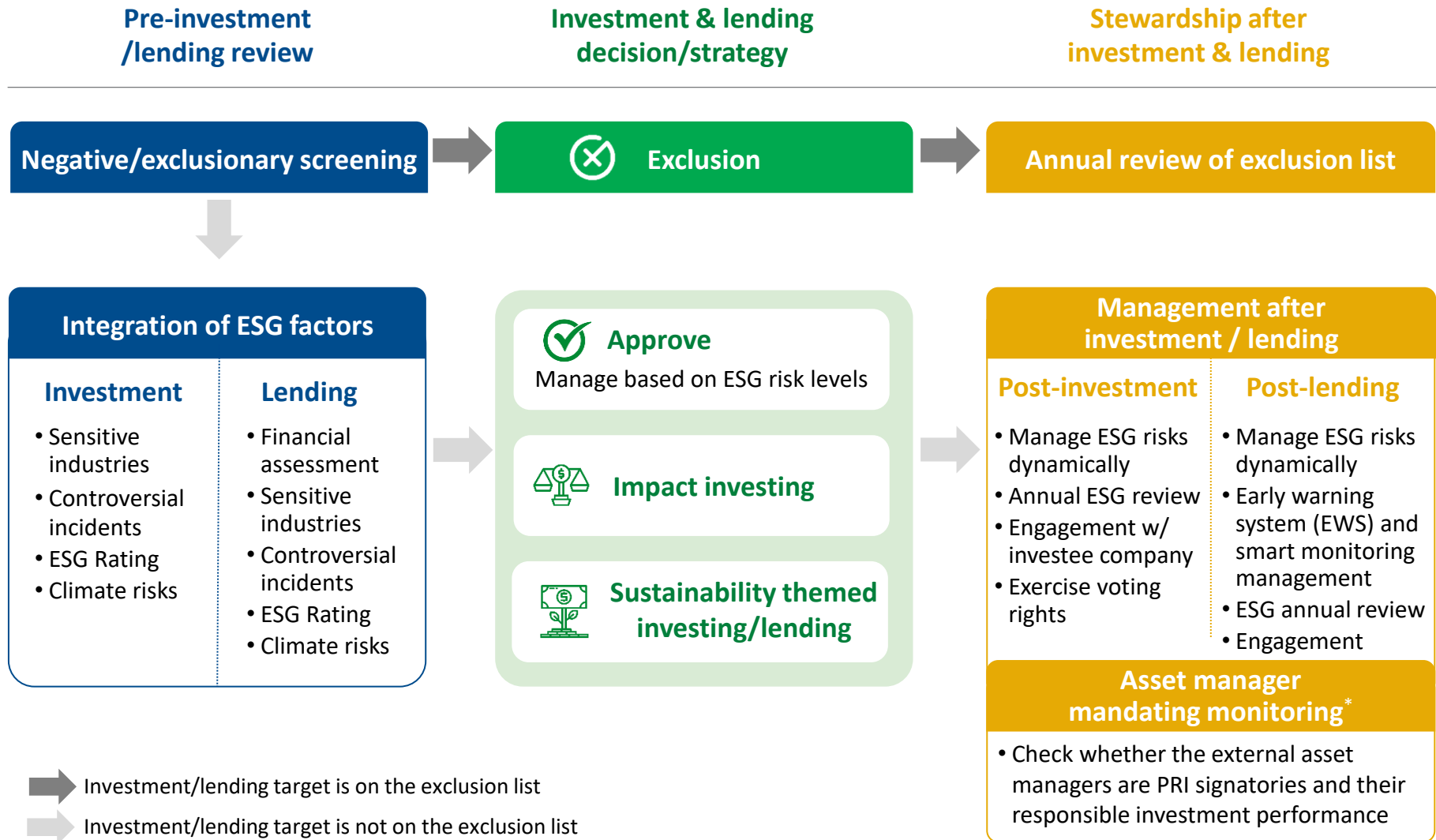
**2050**

**Net-zero carbon emissions**

No new investments with revenue over	2022	2025	2030	2040
Coal value chain	30%	20%	20% (OECD: 5%)	5%
Unconventional oil & gas	50%	30%	30% (OECD: 20%)	5%
















# Integrating ESG into responsible investment and lending



\*Cathay Life, Cathay Century, and Cathay SITE

# Leveraging financial competence to support sustainability

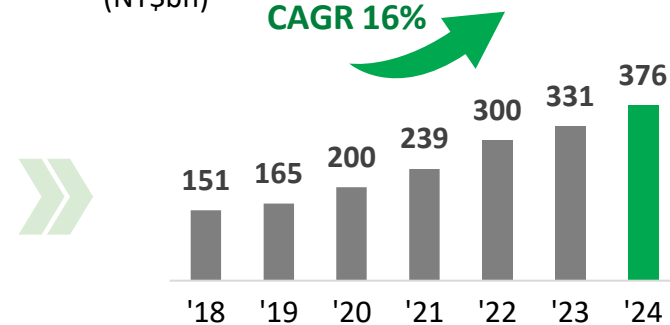
## 2024 Sustainability themed investment / lending

(NT\$)	Investment	Lending	Related to SDGs	
 <b>Low carbon</b>	325.1bn	50.6bn		
 <b>Infrastructure</b>	917.6bn	75.6bn		
 <b>Aging society &amp; health</b>	569.7bn	47.9bn		
 <b>Community &amp; inclusive finance</b>	5.6bn	7.2bn		
 <b>Water resources</b>	13.5bn	1.6bn		

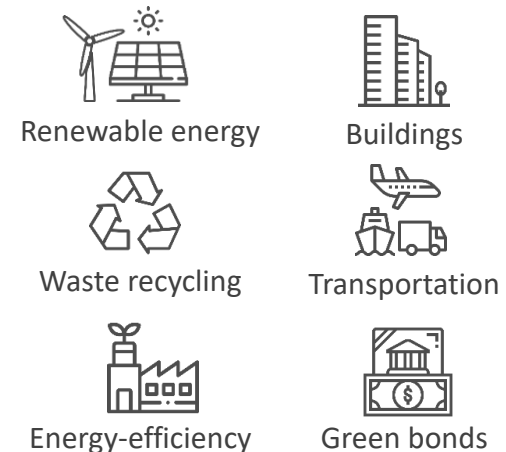
## Low-carbon investment/lending grew YoY

(NT\$bn)

CAGR 16%



## Define low-carbon sectors based on Low Carbon Registry Taxonomy



# Hastening positive environmental change with green products

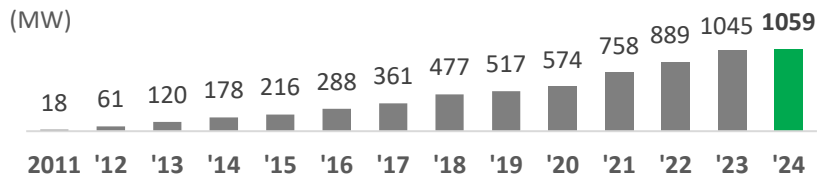
## Pioneers in renewable energy financing



### Wind Power + Solar Power

Total capacity of financed solar power stations and wind turbines **2,432 MW**

### Total capacity of loan-financed solar power stations installed



## Green finance services across markets



### Sustainability-linked loan (SLL)

Approved **70+ SLLs, NT\$80bn+** across Taiwan, Hong Kong, the Philippines, Singapore, Malaysia & Australia



### Green deposit

Utilized by 49 companies of NT\$38bn+

## Green insurance – first in the industry



**Renewable energy**  
cumulative insured amount  
*since 2010*

**NT\$ 183bn**



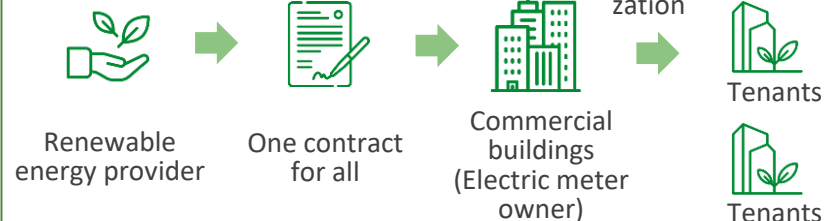
**Public bicycle**  
cumulative rider insured  
*since 2016*

**303mn**

## Green landlord

**24 companies** joined the program (2024)  
Supplied **17,000mWH** in renewable energy

### Green leasing program



# Health promotion – expanding the health ecosystem

## FitBack app health promotion program



### Compensation ►►► Prevention

FitBack wellness platform to encourage a healthier living

1.25mn members, accrued 1.71tn steps

#### Track health habits



#### Health ecosystem

Nutrition & dietary Fitness programs Health advisory Long-term care

#### Expand influence

Policyholders General public Employees

## Industry-leading scale in spillover insurance policies

#### Achieved health targets

Premium discounts Increased benefits Increased insured amount

All health policies embed spillover mechanisms  
427k policies sold with NT\$17.8bn FYP (2024)  
FitBack + Group insurance with 60 corporates



## Every step counts for charity

步步攻億走  
Every step counts  
一起 讓走路有意義



Converts collective steps into charitable funds for green energy, biodiversity, and local communities



658k participants with 164.5bn steps

NT\$19.7mn charitable funds

3 green power mechanisms, generating 2.13mn kWh

Green electricity proceeds reinvested in communities

# Financial health – financial inclusion



## Small amount whole life insurance

Industry-first product, offering affordable coverage to seniors up to age 83, with over 270k policies and NT\$90.5bn insured.



## Microinsurance

Industry pioneer, offering NT\$72.1bn in basic protection to ~217k economically disadvantaged.



## Elderly-friendly products

Tailored insurance with ~166k policies for seniors up to 80 with physical conditions excluded from standard qualification.



## Microfinance

Financed US\$58mn to Southeast Asian microfinance institutions (MFIs).



## accessibility via digital platforms



**CUBE App**, connecting Bank, Life, P&C and Securities services, provides ~7.6mn digital users one-stop digital financial services.



**Cathay Securities App** serves 2.15mn customers with all-in-one digital investment services, holding over 40% market share in regular investment plans totaling NT\$64bn.



**Smart Claims**, all in one AI claims management platform, optimizes processing and strengthens protection for policy holders.



**Chatbot Alpha**, the ONE Chatbot service platform, serves ~2mn monthly online users across the group.

# Building a DEI workplace – a place for all

## Create an inclusive workplace – key actions



### Wholeness @ Cathay

*Holistic support that helps employees balance work, family, and career growth*

**Well-being:** family, maternity, health, leave

**Hybrid:** flexible career pacing

**Organization cultural:** inclusive & diverse

**Listening:** dialogue & engagement

**Empowerment:** career transformation



### Generations @ Cathay

*Facilitate cross-generational understanding and collaboration*

**Communication:** dialogue & peer learning

**Co-creation:** reverse mentoring & activities



### Aging @ Cathay – “ReNew”

*Sustainable career development and transitions for senior employees*

**Re-skilling:** new skills & transformation

**Needs:** health & personalized care

**Engagement:** knowledge transfer

**Workforce:** post-retirement talent pool

## “Career FlexiPacing” support

**Supporting employees in maintaining flexible career pacing, balancing work and family care**



Flexible WFH arrangement



Continue to upskill via online courses



Cloud-based library for continuous learning



Employee Assistance Program (EAP)

## Women empowerment



**69%**  
women  
employees



**54%**  
women in  
manager positions



**47%**  
women  
employees  
in STEM



**23%**  
women on the  
Board of Directors

(2021: 8% , 2022: 15% , 2023: 23%)





# Empowerment: youth, women and disadvantaged

## Youth empowerment

### Financial literacy



Education on financial knowledge and career

### Impact investing



Campus tour to educate impact investment

## Disadvantaged support

### Elderly care



Aging & community engagement

## Women empowerment

### Female power



WiST — promoting diversity and female leadership in STEM

### Climate change



Cathay Climate Change Youth Forum & Taiwan climate action expo

### Critical thinking



Lead for Taiwan to promote critical thinking by youth

### Income inequality



Scholarships, dream programs, and financial education for disadvantaged youth



AWE program — supporting early-stage female entrepreneurs with finance skills and business opportunities

## Outcome and impact

### Women

**21** female entrepreneurs reached  
**215** STEM professionals engaged (WiST)

### Youth

**NT\$19.5mn** invested  
**110k+** participants  
**87%** expressed willingness to take sustainable actions post-event

### Disadvantaged

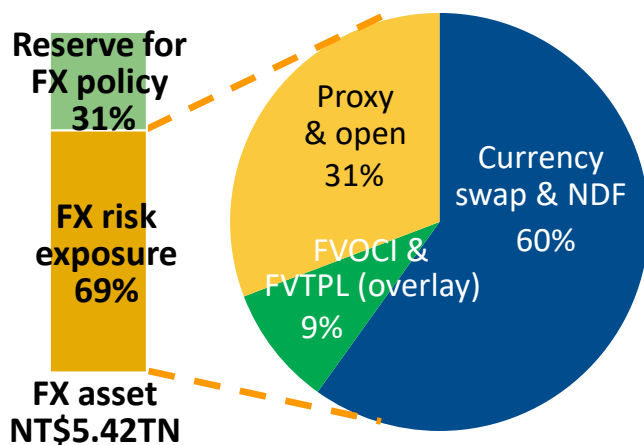
**NT\$12.9mn** for scholarships & dream programs  
**5,000+ beneficiaries** – elderly, disadvantaged, students



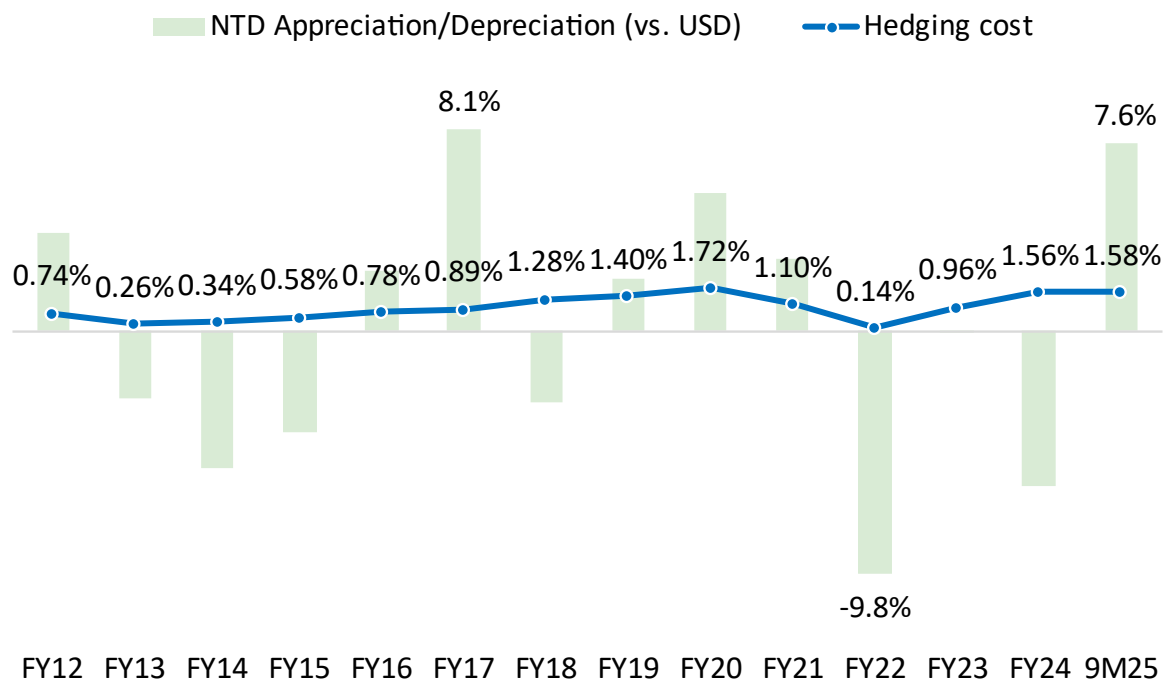
# Cathay Life – Dynamic hedging strategy

- Dynamic hedging strategy maintains hedging costs largely within the target range of **1-1.5%**.
- Since 6M25, hedging costs mainly reflect currency swap & NDF tool costs plus the mandatory 1.5% FXVR provision, as FX impacts are fully absorbed by the FXVR—when sufficient—following the adoption of the new FXVR framework and forbearance measures.

## 9M25 FX asset hedging structure

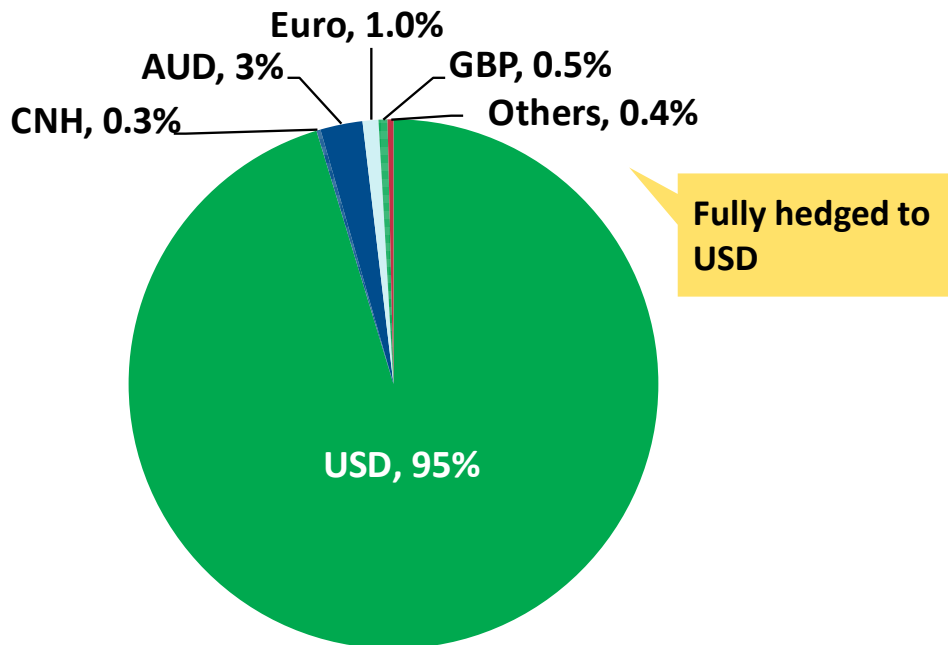


## Hedging cost vs. NTD/USD movement

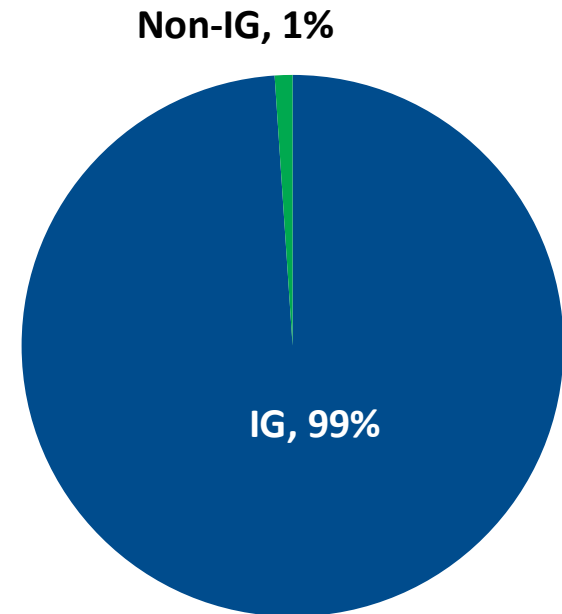


# Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (9M25)



Overseas bond by rating (9M25)



# Embedded Value & Appraisal Value

NT\$BN, except for per share figures

Valuation date	2023/12/31	2024/12/31
In-force business investment yield	3.88% ~ Year 2043 4.75% for NTD policies 4.57% ~ Year 2043 5.35% for USD policies (Equivalent investment yield: 4.19% Rolling over to 2024: 4.25%)	3.95% ~ Year 2044 4.76% for NTD policies 4.72% ~ Year 2044 5.36% for USD policies (Equivalent investment yield: 4.26%)
Risk discount rate	9.5%	9.5%
Adjusted net worth	652	745
Value of in-force business	835	868
Cost of capital (CoC)	-348	-334
Value of in-force business (After CoC)	488	534
Embedded Value (EV)	1,140	1,279
EV / per share	179.5(77.7)	201.3(87.2)
Future one year's new business investment yield	2.62% ~ Year 2043 4.58% for NTD policies 5.21% ~ Year 2043 5.28% for USD policies	2.63% ~ Year 2044 4.59% for NTD policies 5.22% ~ Year 2044 5.29% for USD policies
Value of future one year's new business (After CoC)	28.0	30.0
Appraisal Value (AV)	1,386	1,546
AV / per share	218.2(94.5)	243.5(105.4)

Note: (1) EV/AV calculation does not include business of Cathay Life in China and Vietnam.

(2) per share = per share of Cathay Life; (per share) = per share of Cathay FHC

(3) The outstanding shares of Cathay Life in 2023 and 2024 are 6.35bn .

(4) The outstanding shares of Cathay FHC in 2023 and 2024 are 14.67bn.

(5) Totals may not sum due to rounding.

# Sensitivity analysis

NT\$BN, except for per share figures

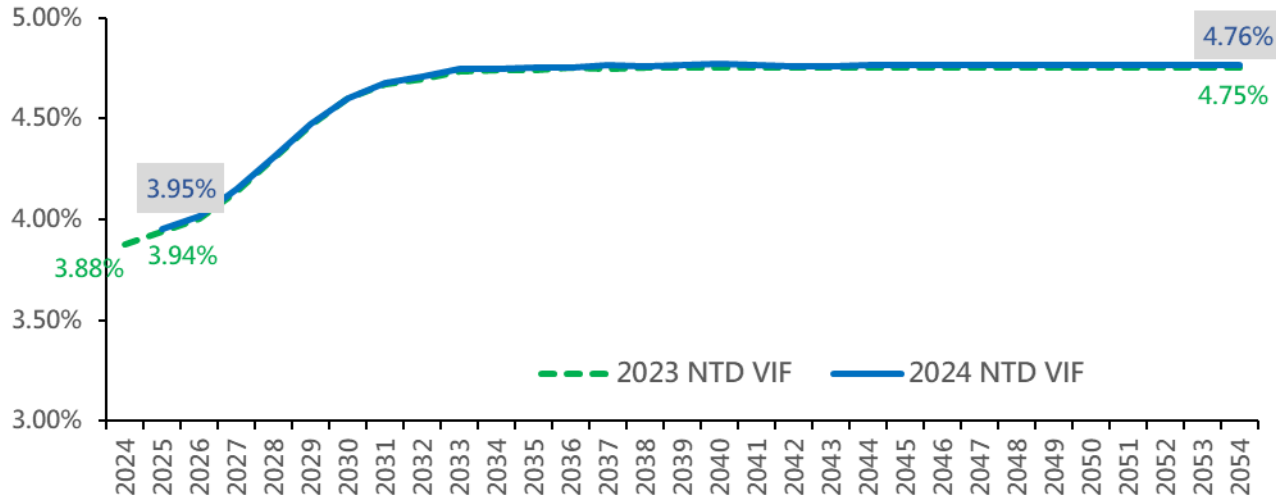
Valuation date	2024/12/31					
Assumption	Investment yield – 0.25%	Investment yield + 0.25%	Investment yield + 0.25% (capped) <sup>(1)</sup>	Base Case (Discount rate 9.5%)	Discount rate – 0.5%	Discount rate + 0.5%
Adjusted net worth	745	745	745	745	745	745
Value of in-force business	710	1,026	928	868	919	821
Cost of capital (CoC)	-346	-321	-329	-334	-320	-346
Value of in-force business (After CoC)	364	704	599	534	599	475
Embedded Value	1,109	1,449	1,344	1,279	1,344	1,220
EV / per share	174.6 (75.6)	228.2 (98.8)	211.6 (91.6)	201.3 (87.2)	211.7 (91.6)	192.1 (83.2)
Appraisal Value	1,349	1,737	1,617	1,546	1,632	1,469
Value of future one year's new business (After CoC)	26.1	33.9	31.0	30.0	32.3	28.0
AV / per share	212.5 (92.0)	273.5 (118.4)	254.5 (110.2)	243.5 (105.4)	256.9 (111.2)	231.3 (100.2)

Note: (1) "Investment yield +0.25% (capped)" : the investment return is capped by 4.76% for NTD policies and 5.36% for USD policies.

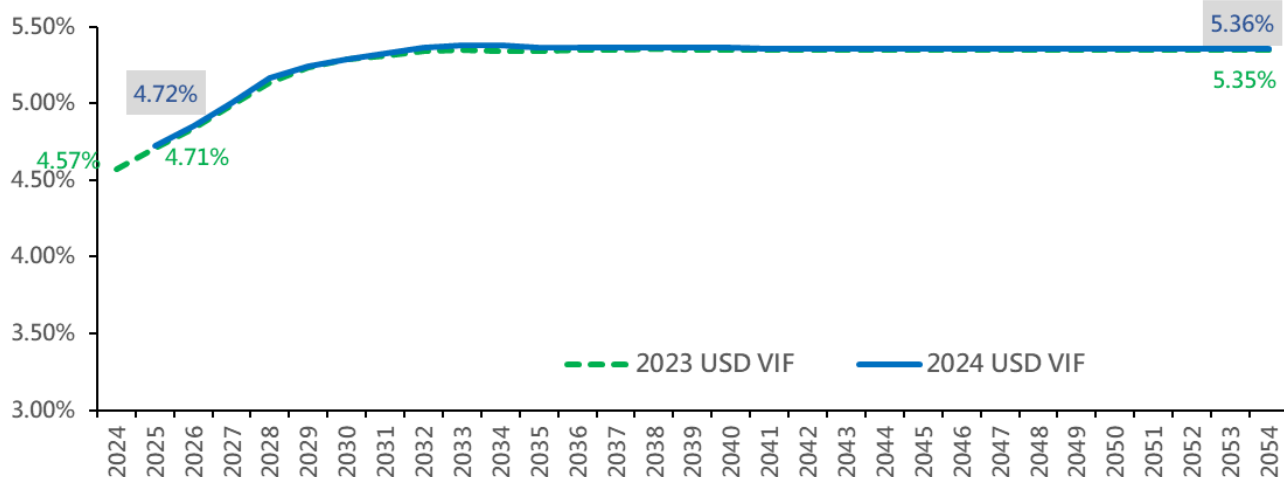
(2) Totals may not sum due to rounding.

# Economic assumptions: In-force business investment yield

- Investment return assumptions for the value of in-force business of NTD-denominated policies as of the end of 2023 & 2024.

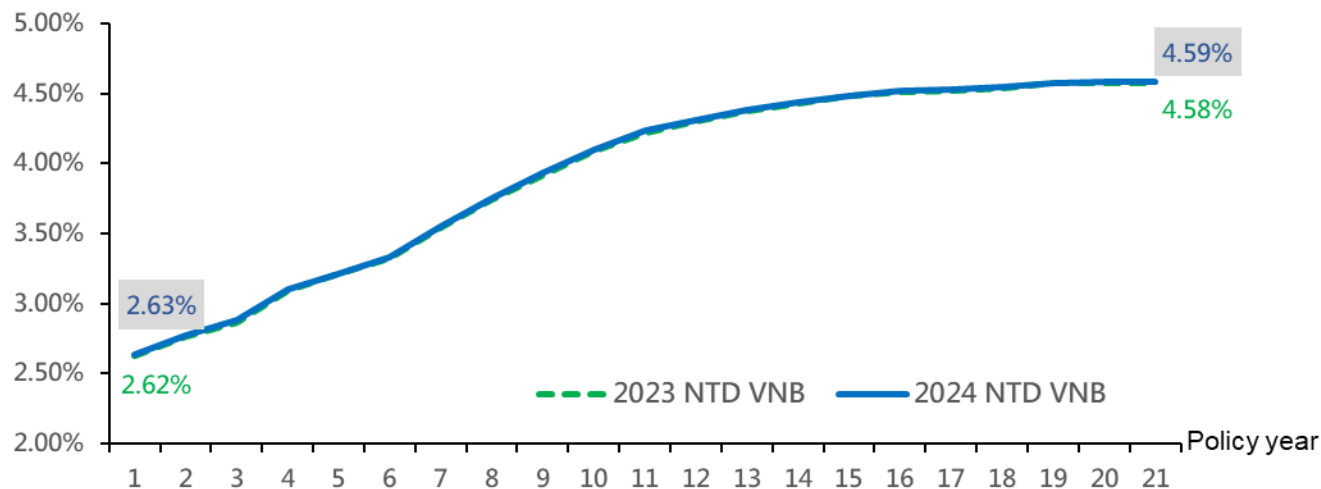


- Investment return assumptions for the value of in-force business of USD-denominated policies as of the end of 2023 & 2024.

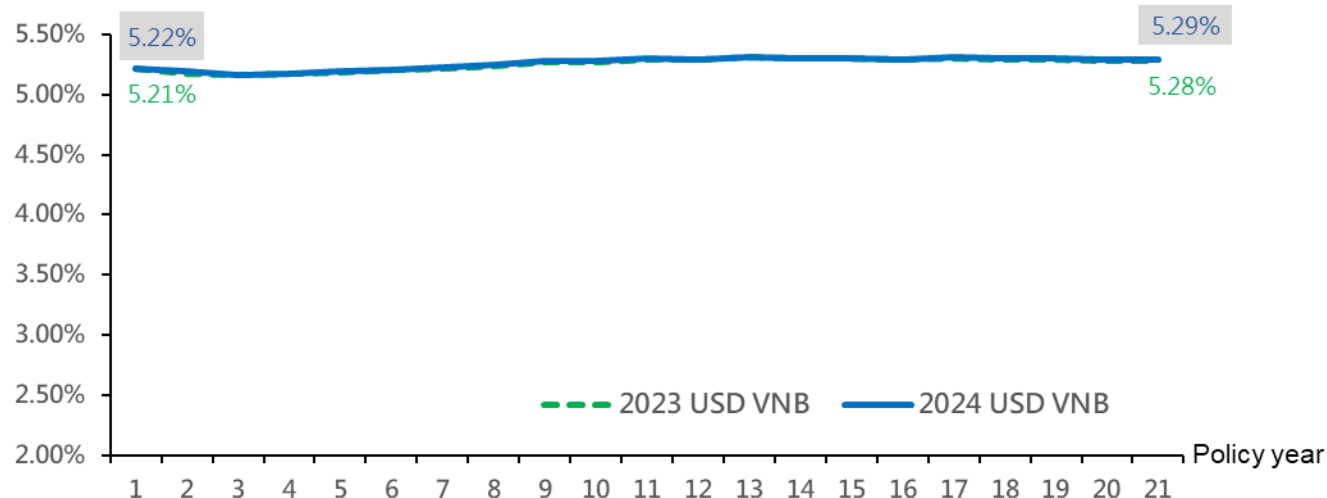


# Economic assumptions: Future one year's new business investment yield

- Investment return assumptions for the value of future one year's new business of NTD-denominated policies as of the end of 2023 & 2024.



- Investment return assumptions for the value of future one year's new business of USD-denominated policies as of the end of 2023 & 2024.



**Cathay Financial Holdings**

(NT\$MN)

**Income Statement Data (Consolidated)**

	FY23	FY24	FY24/ FY23 % Chg	9M24	9M25	9M25/ 9M24 % Chg	3Q24	3Q25	3Q25/ 3Q24 % Chg
<b>Operating Income</b>									
Net interest income	245,556	262,122	7%	194,824	198,115	2%	66,647	65,177	-2%
Net commission and fee	9,204	15,076	64%	11,417	11,921	4%	3,988	3,610	-9%
Net earned premium	431,638	462,813	7%	324,684	359,161	11%	119,714	117,994	-1%
Change in liability reserve	(139,104)	(114,344)	-18%	(79,890)	(80,357)	1%	(26,762)	(59,573)	123%
Net claims payment	(461,707)	(498,373)	8%	(360,590)	(350,142)	-3%	(128,658)	(99,385)	-23%
Investment income	39,173	117,374	200%	132,454	40,239	-70%	37,637	29,752	-21%
Contribution from associates-equity method	1,951	2,555	31%	1,707	2,259	32%	664	722	9%
Other net non-interest income	29,656	(2,840)	-	(19,608)	(11,774)	40%	(4,195)	1,063	-
Bad debt expense	(4,103)	(9,279)	126%	(6,364)	(4,949)	-22%	(2,161)	(2,491)	15%
Operating expense	(94,013)	(107,251)	14%	(76,571)	(82,286)	7%	(26,529)	(27,815)	5%
<b>Income before taxes</b>	58,252	127,853	119%	122,063	82,188	-33%	40,343	29,055	-28%
Income taxes	(6,738)	(16,626)	147%	(18,709)	(7,288)	-61%	(8,653)	(65)	-99%
Net income	51,514	111,227	116%	103,354	74,899	-28%	31,690	28,991	-9%
Net income to parent company	50,929	110,270	117%	102,817	74,622	-27%	31,057	28,622	-8%

EPS (NT\$)	3.24	7.29		6.78	4.84		2.12	1.95	
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**Dividend Payout**

Cash dividend per share	2.00	3.50							
Stock dividend per share	0.00	0.00							
Weighted average outstanding common share (Millions of shares)	14,669	14,669		14,669	14,669				

**Balance Sheet Data (Consolidated)**

Total assets	12,810,424	13,767,150		13,312,555	14,242,656				
Total shareholders' equity	801,446	906,527		938,904	907,896				
Equity attributable to parent company	788,055	888,692		923,376	892,075				

**Operating Metrics**

ROAE (Consolidated)	7.29%	13.02%		15.84%	11.01%				
ROAA (Consolidated)	0.41%	0.84%		1.06%	0.71%				
Double leverage ratio(inc. preferred stock)	118.2%	118.0%		117%	121%				

**Capital Adequacy Metrics**

Capital Adequacy Ratio	129%	136%							
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<b>Cathay Life</b> <b>(NT\$MN)</b>	<b>FY24/ FY23</b>			<b>9M25/ 9M24</b>			<b>3Q25/ 3Q24</b>		
<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>% Chg</b>	<b>9M24</b>	<b>9M25</b>	<b>% Chg</b>	<b>3Q24</b>	<b>3Q25</b>	<b>% Chg</b>
Net written premium	401,229	430,672	7%	300,950	333,900	11%	111,083	109,881	-1%
Net earned premium	400,118	428,935	7%	300,383	333,824	11%	110,617	109,826	-1%
Reinsurance commission earned	424	318	-25%	61	154	151%	46	148	223%
Fee income	11,728	13,542	15%	9,903	9,777	-1%	3,505	3,097	-12%
Recurring investment income	259,730	272,669	5%	205,879	211,740	3%	75,538	73,025	-3%
Gain on disposal of investment									
Realized gain (loss)-Equity	40,782	114,260	180%	93,801	62,515	-33%	24,312	28,376	17%
Realized gain (loss)-Debt	4,158	1,139	-73%	744	3,863	419%	(573)	40	-
Gain on investment property	(70)	976	-	1,924	8,405	337%	(28)	613	-
FX and others, net	(52,426)	(87,502)	-67%	(53,207)	(114,457)	-115%	(19,341)	(25,496)	-32%
Investment income, net	252,174	301,542	20%	249,141	172,066	-31%	79,909	76,558	-4%
Other operating income	1,468	1,550	6%	1,238	1,247	1%	487	469	-4%
Separate account revenues	56,586	67,117	19%	55,250	46,353	-16%	14,825	36,886	149%
Net claims payment	(429,157)	(475,850)	11%	(344,835)	(335,366)	-3%	(122,622)	(94,791)	-23%
Changes in liability reserves	(147,994)	(112,991)	-24%	(78,664)	(78,208)	-1%	(26,546)	(58,830)	122%
Acquisition and commission expense	(33,700)	(38,537)	14%	(27,890)	(30,198)	8%	(8,907)	(10,274)	15%
Other operating costs	(6,358)	(8,486)	33%	(5,995)	(6,653)	11%	(2,163)	(2,274)	5%
Financial cost	(4,802)	(7,418)	54%	(5,116)	(8,456)	65%	(2,098)	(2,887)	38%
Separate account expense	(56,586)	(67,117)	19%	(55,250)	(46,353)	-16%	(14,825)	(36,886)	149%
Operating expense	(27,981)	(32,240)	15%	(23,100)	(26,695)	16%	(8,079)	(8,766)	9%
Net non-operating income	2,755	2,538	-8%	1,765	1,786	1%	541	487	-10%
Income taxes	(1,907)	(5,624)	195%	(9,445)	1,227	-	(5,575)	2,734	-
Net income	16,766	67,280	301%	67,446	34,504	-49%	19,114	15,497	-19%
Net income to parent company	16,343	66,883	309%	67,110	34,520	-49%	18,556	15,197	-18%

#### **Balance Sheet Data**

Total assets	8,536,002	9,094,382		8,945,713	9,075,703
General account	7,808,336	8,303,423		8,166,874	8,274,846
Separate account	727,666	790,958		778,838	800,857
Reserves for life insurance liabilities	6,919,383	7,146,011		7,077,690	7,113,234
Total liabilities	7,908,127	8,376,708		8,189,964	8,337,569
Total shareholders' equity	627,875	717,673		755,748	738,134
Equity attributable to parent company	618,419	704,497		744,390	726,878

#### **Operating Metrics**

First Year Premium(FYP)	132,871	154,103		88,716	135,447
Annualized FYP(APE)	47,415	57,793		40,329	44,285
Expense ratio	13.7%	15.7%		16.4%	17.1%
13-M persistency ratio	97.3%	97.9%		97.8%	97.5%
25-M persistency ratio	95.4%	95.3%		95.4%	95.6%
ROAE	3.07%	10.00%		13.00%	6.32%
ROAA	0.20%	0.76%		1.03%	0.51%

#### **Capital Adequacy Metrics**

RBC ratio (Standalone)	323%	359%
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**Cathay United Bank  
(NT\$MN)**

<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY24/ FY23 % Chg</b>	<b>9M24</b>	<b>9M25</b>	<b>9M25/ 9M24 % Chg</b>	<b>3Q24</b>	<b>3Q25</b>	<b>3Q25/ 3Q24 % Chg</b>
<b>Operating Income</b>									
Net interest income	51,743	60,913	18%	44,867	50,359	12%	15,939	17,209	8%
Net fee income	20,844	27,973	34%	21,022	26,196	25%	6,965	8,249	18%
Investment income	13,476	18,334	36%	15,595	10,575	-32%	5,695	4,149	-27%
Other income	835	602	-28%	484	538	11%	100	136	36%
<b>Net operating income</b>	<b>86,898</b>	<b>107,822</b>	<b>24%</b>	<b>81,969</b>	<b>87,668</b>	<b>7%</b>	<b>28,700</b>	<b>29,743</b>	<b>4%</b>
Operating expenses	(45,752)	(51,840)	13%	(37,285)	(41,483)	11%	(13,079)	(14,255)	9%
<b>Pre-provision profit</b>	<b>41,146</b>	<b>55,982</b>	<b>36%</b>	<b>44,684</b>	<b>46,184</b>	<b>3%</b>	<b>15,621</b>	<b>15,487</b>	<b>-1%</b>
Net provisions for possible losses	(5,077)	(9,211)	81%	(6,514)	(4,138)	-36%	(2,182)	(1,829)	-16%
<b>Income before taxes</b>	<b>36,069</b>	<b>46,770</b>	<b>30%</b>	<b>38,169</b>	<b>42,046</b>	<b>10%</b>	<b>13,439</b>	<b>13,658</b>	<b>2%</b>
Income tax	(7,102)	(8,430)	19%	(6,929)	(7,358)	6%	(2,369)	(2,349)	-1%
<b>Net income</b>	<b>28,967</b>	<b>38,341</b>	<b>32%</b>	<b>31,241</b>	<b>34,688</b>	<b>11%</b>	<b>11,070</b>	<b>11,309</b>	<b>2%</b>
<b>Net income to parent company</b>	<b>28,805</b>	<b>37,780</b>	<b>31%</b>	<b>31,039</b>	<b>34,395</b>	<b>11%</b>	<b>10,994</b>	<b>11,240</b>	<b>2%</b>

**Balance Sheet Data**

Total assets	4,233,701	4,606,285		4,321,495	5,100,994
Loans, net	2,280,571	2,679,233		2,599,831	2,800,741
Financial assets	1,403,347	1,234,617		1,244,245	1,383,605
Total liability	3,957,835	4,306,237		4,025,740	4,788,330
Deposits	3,543,558	3,848,586		3,610,585	4,360,331
Financial Debenture Payable	27,100	12,700		12,700	18,600
Total shareholders' equity	275,866	300,048		295,755	312,664
Equity attributable to parent company	271,931	295,390		291,585	308,099

**Operating Metrics**

Cost income ratio	52.65%	48.08%		45.49%	47.32%
ROAE	11.19%	13.31%		14.57%	15.10%
ROAA	0.71%	0.87%		0.97%	0.95%

**Assets Quality (Standalone)**

NPL	2,519	2,943		3,126	3,846
NPL ratio	0.11%	0.11%		0.12%	0.14%
NPL provisions	36,609	42,528		40,459	43,839
Coverage ratio	1453%	1445%		1294%	1140%

**Capital Adequacy Metrics (Standalone)**

BIS ratio	15.8%	15.2%
Tier 1 ratio	13.7%	13.3%
CET1 ratio	12.0%	11.7%

**LDR (Standalone)**

Total LDR	64.1%	69.8%		72.3%	64.5%
TWD LDR	79.8%	79.8%		83.9%	71.2%
FX LDR	22.5%	34.4%		32.5%	35.8%

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**Cathay Century**  
(NT\$MM)

	FY24/ FY23			9M25/ 9M24			3Q25/ 3Q24		
<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>% Chg</b>	<b>9M24</b>	<b>9M25</b>	<b>% Chg</b>	<b>3Q24</b>	<b>3Q25</b>	<b>% Chg</b>
Premium income	34,273	38,559	13%	28,936	31,512	9%	9,531	10,076	6%
Net written premium	24,022	26,417	10%	19,411	21,016	8%	6,771	7,070	4%
Net earned premium	23,448	25,343	8%	18,737	20,482	9%	6,507	7,022	8%
Reinsurance commission earned	1,117	1,230	10%	934	979	5%	270	283	5%
Fee income	50	54	9%	41	39	-4%	13	13	1%
Investment	948	1,407	48%	1,220	1,461	20%	338	508	50%
Interest income	674	859	28%	621	706	14%	223	237	7%
Other investment income, net	275	548	100%	599	755	26%	115	270	134%
Other operating income	51	67	30%	47	0	-100%	9	0	-100%
Net claims payment	(23,240)	(12,534)	-46%	(9,126)	(8,916)	-2%	(3,155)	(3,145)	0%
Changes in liability reserves	8,891	(1,354)	115%	(1,226)	(2,149)	75%	(216)	(743)	244%
Commissions and other operating costs	(4,376)	(4,689)	7%	(3,448)	(3,744)	9%	(1,184)	(1,267)	7%
Operating expenses	(5,374)	(6,353)	18%	(4,574)	(4,873)	7%	(1,498)	(1,592)	6%
<b>Operating income</b>	<b>1,514</b>	<b>3,172</b>	<b>109%</b>	<b>2,605</b>	<b>3,279</b>	<b>26%</b>	<b>1,083</b>	<b>1,079</b>	<b>0%</b>
Net non-operating income	12	23	92%	1	(5)	-1109%	3	(3)	-199%
Income taxes	(281)	(558)	99%	(403)	(458)	13%	(187)	(147)	-21%
Net income	1,246	2,637	112%	2,202	2,817	28%	899	928	3%

**Balance Sheet Data**

Total assets	55,446	65,503		65,358	71,681
Total stockholders' equity	14,982	17,947		17,615	18,614

**Operating Metrics**

Gross Combined ratio	88.7%	87.3%		93.1%	81.9%
Net Combined ratio	101.6%	91.2%		92.0%	88.4%
ROAE	8.97%	16.01%		18.02%	20.54%
ROAA	2.15%	4.36%		4.86%	5.48%

**Capital Adequacy Metrics**

RBC ratio (Standalone)	351%	365%
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