



**國泰金控**

Cathay Financial Holdings

# 2025 Fourth Quarter Briefing

March 2026

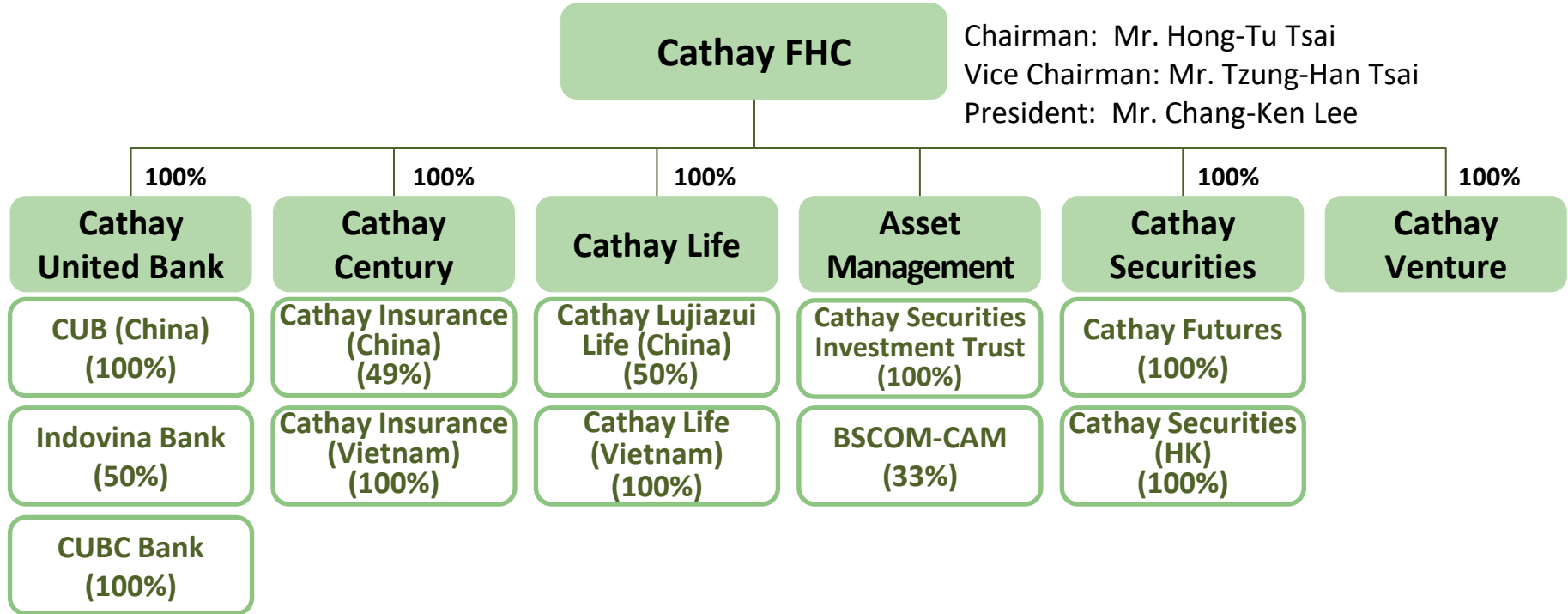


# Agenda

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- **Introduction of Cathay FHC**
- **Business overview**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Cathay Life IFRS 17 transition update and TIS**
- **Cathay's ESG efforts**
- **Appendix**

# Cathay FHC: largest FHC, integrated financial platform



- #2 private bank by total assets
- Strong retail & wealth management franchise

- #2 non-life insurer
- ~14% market share by premium income

- #1 life insurer by total assets & total premium
- ~20% market share by total premium

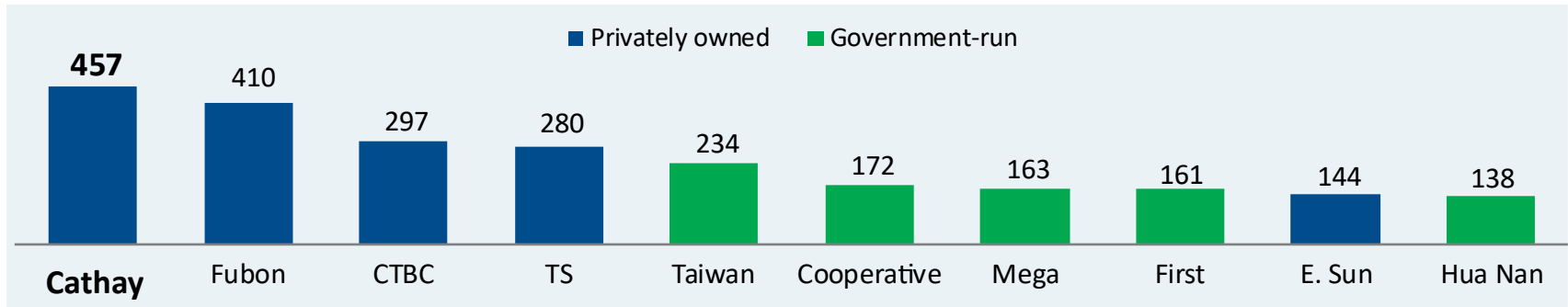
- Leading asset manager by AUM
- Diversified product offering

- #1 in sub-brokerage by trading value
- Digital-driven business model

# Market leader in Taiwan's FIG sector

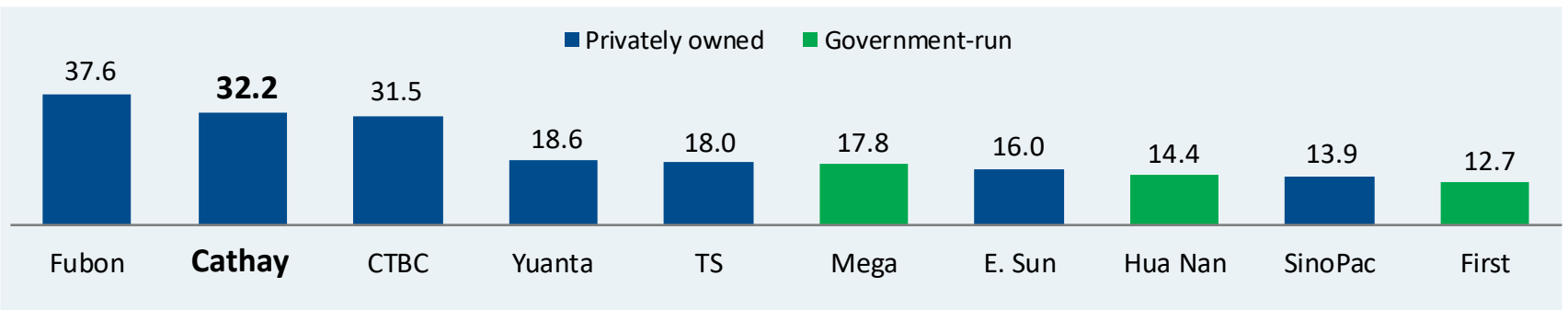
- Largest listed financial group by assets.

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



Note: Total assets as of December 31, 2025

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



Note: Market capitalization as of March 31, 2026

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



2011

- Established CSR Committee

- Formed Responsible Investment Team

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

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

2014

2015

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

2016

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

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

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

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

2020

2019



2018



2017



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

2021



2023



2024



2025

avpn

- 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**)

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

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

- Established board level Corporate Sustainability Committee

# Renowned corporate sustainability performance

## Global

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

Included in  
**DJSI World & DJSI EM**



**FTSE4Good**



**Gender-Equality Index**

**MSCI**   
ESG RATINGS  
**AAA**

**CDP**  
**A- level**

**RE100** | **CLIMATE GROUP** | **CDP**

**First Taiwan FI**



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**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**



**No. 1 Large Cap & Financial** in 2025



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

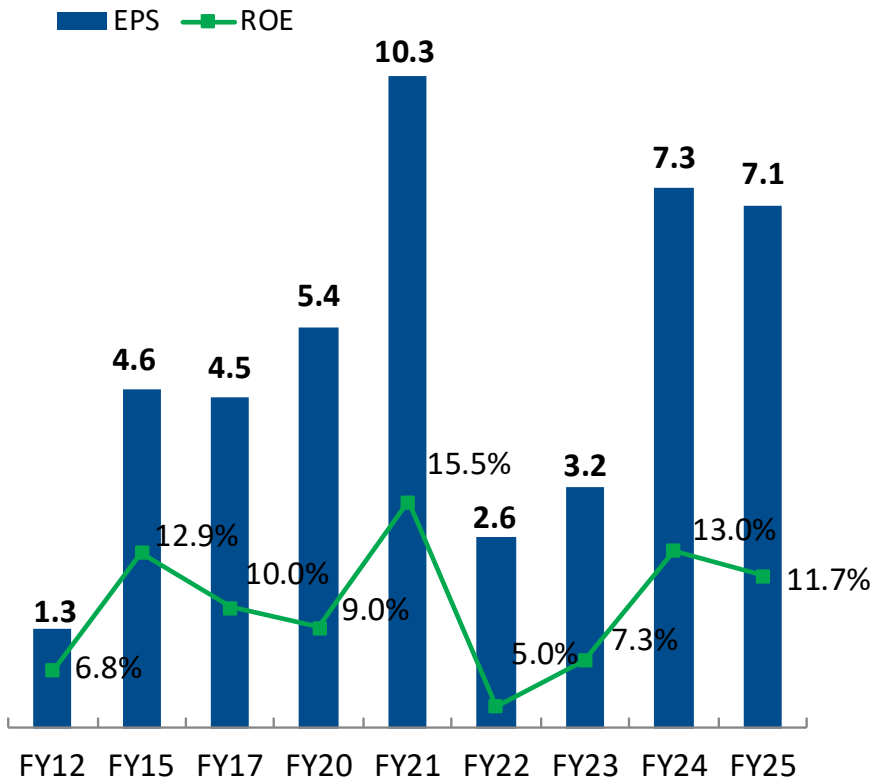


**2025 Taiwan Corporate  
Sustainability Awards**

# Cathay FHC continued to deliver solid earnings

## EPS & ROE

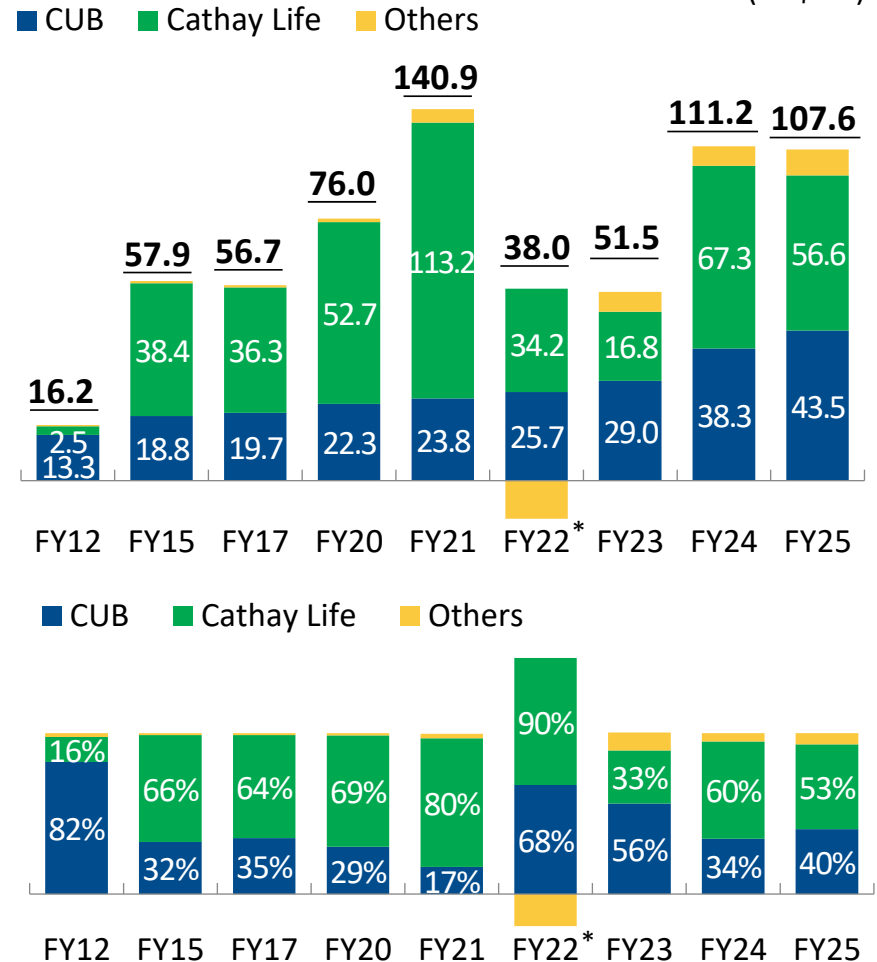
(NT\$/%)



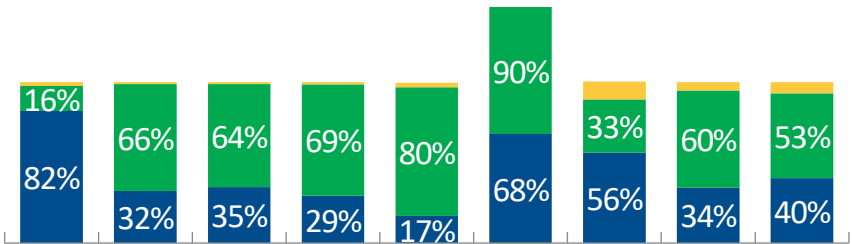
Note: EPS has been adjusted for stock dividend (stock split).

## Profit contribution

(NT\$BN)



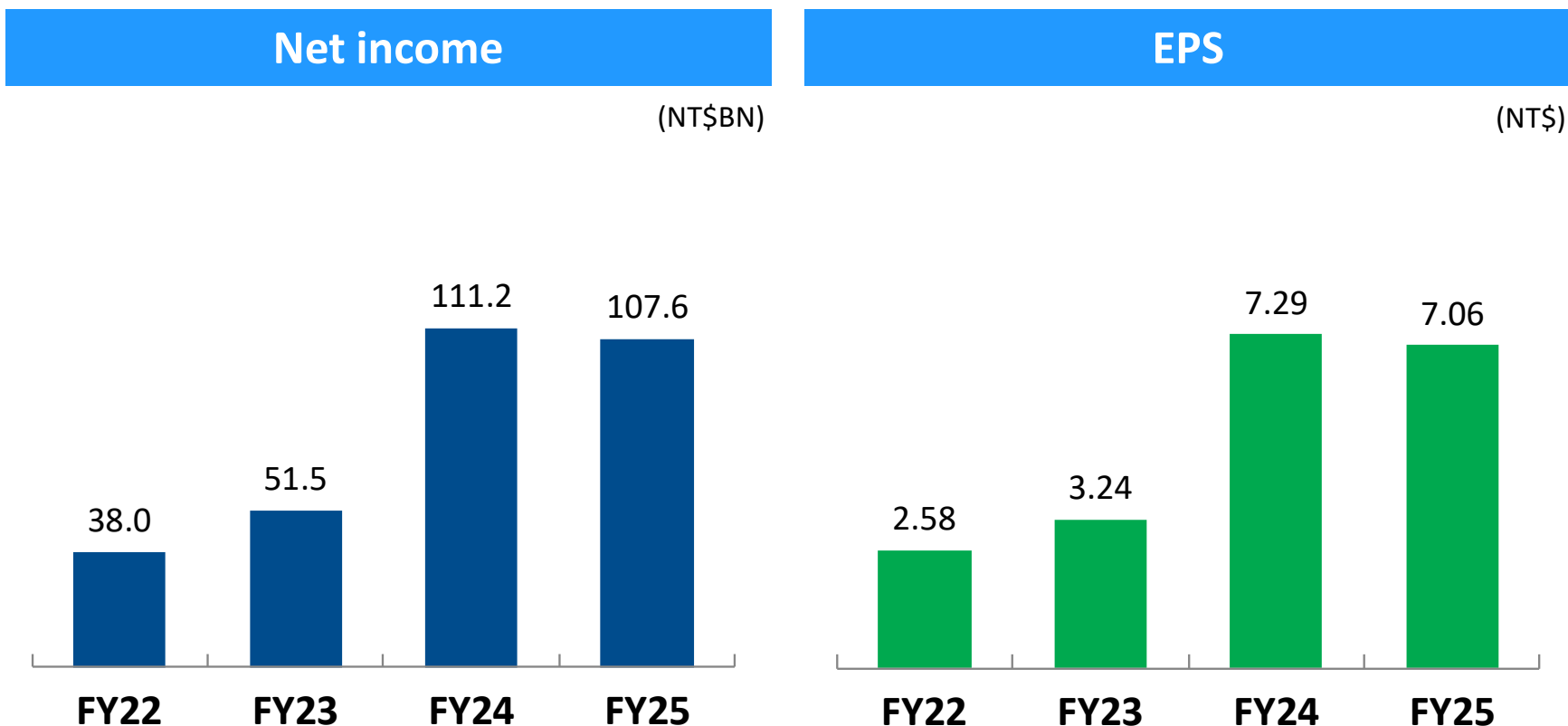
■ CUB ■ Cathay Life ■ Others



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

# Cathay FHC – Net income & EPS

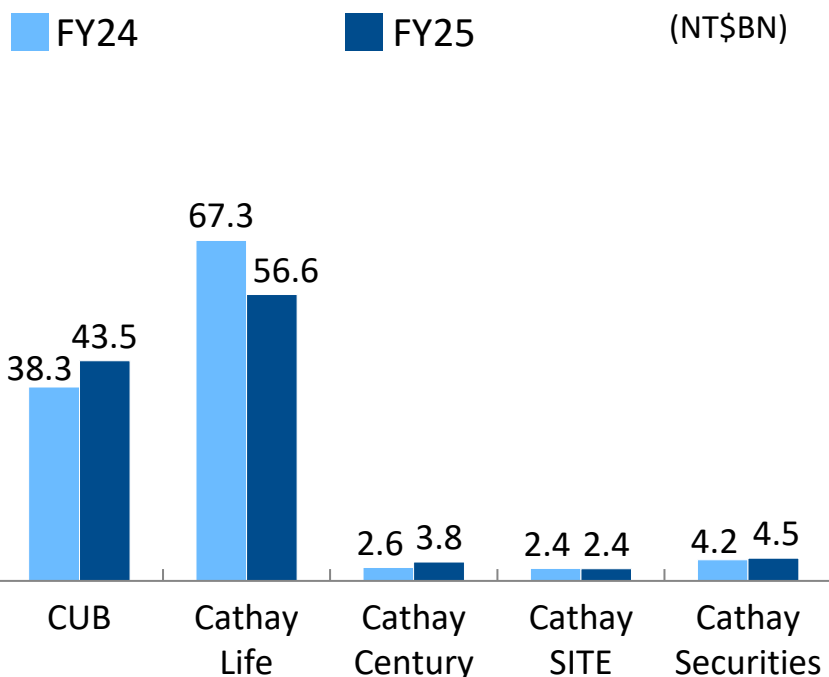
- FHC net income declined 3% YoY, mainly reflecting a one-off FX volatility reserve provision at Cathay Life in 12M25. Core business momentum across subsidiaries remained strong.



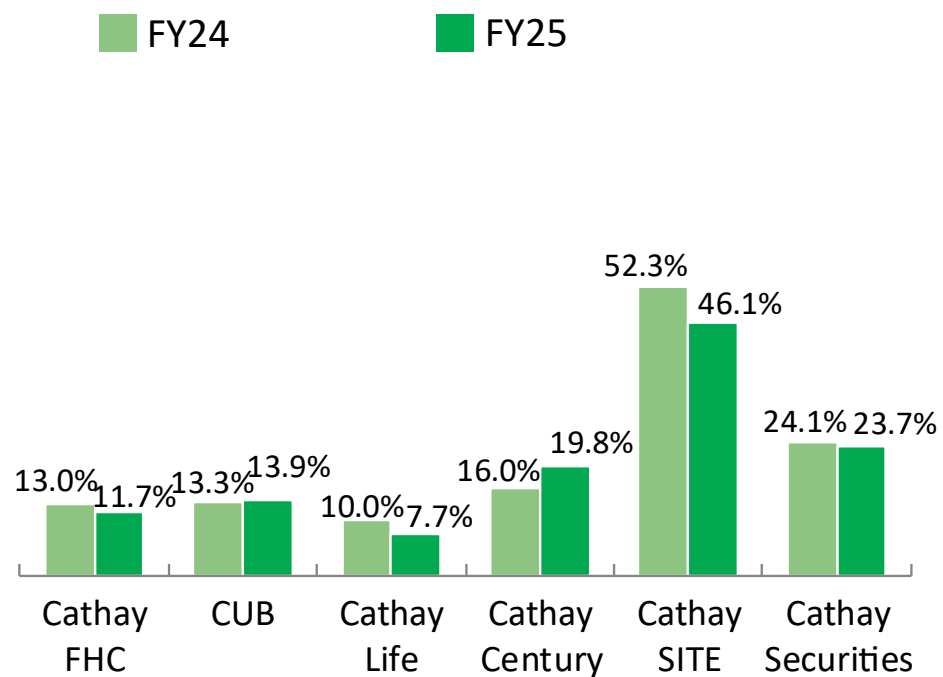
# Cathay FHC – Net income & ROE

- CUB, Cathay Century, and Cathay Securities each delivered record-high earnings; while Cathay SITE achieved its second-highest earnings.
- Cathay Life's net income declined YoY, mainly reflecting a one-off FX volatility reserve provision in 12M25 ; recurring income increased YoY, while underwriting profits remained stable.

## Net income of primary subsidiaries



## ROE

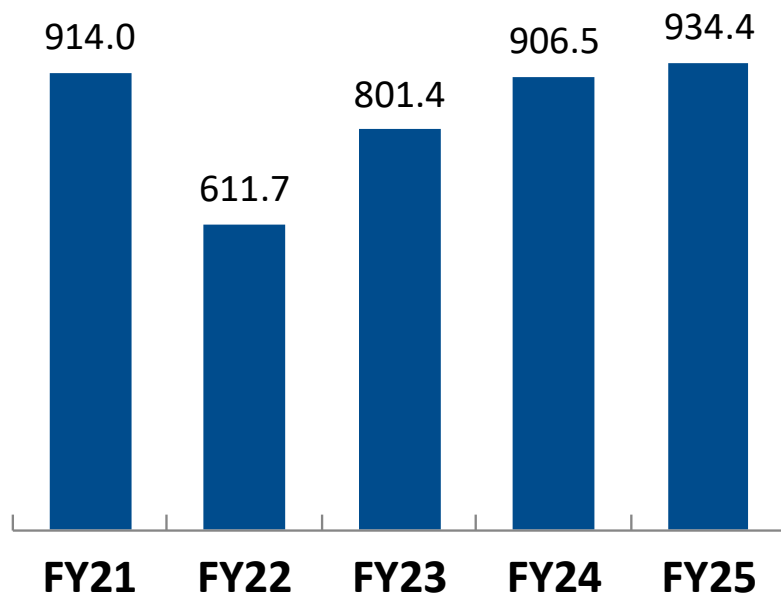


# Cathay FHC – Book value & BVPS

- Book value rebounded YoY, supported by earnings, partly offset by mark-to-market losses on financial assets amid TWD appreciation.

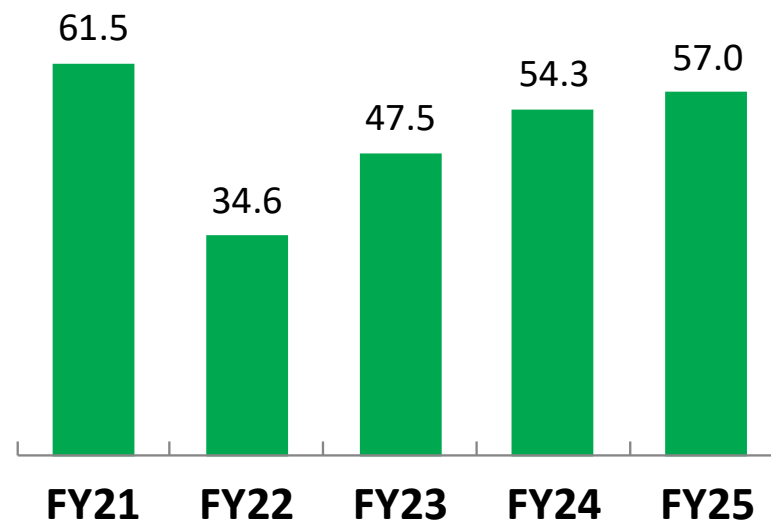
## Book value

(NT\$BN)



## BVPS

(NT\$)

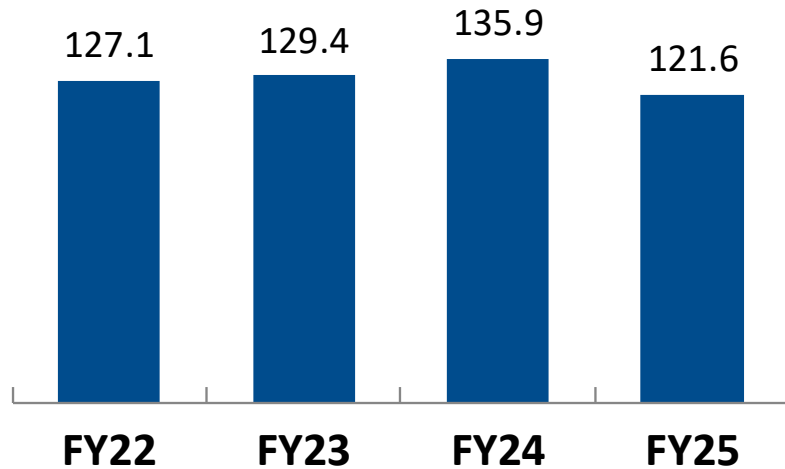


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

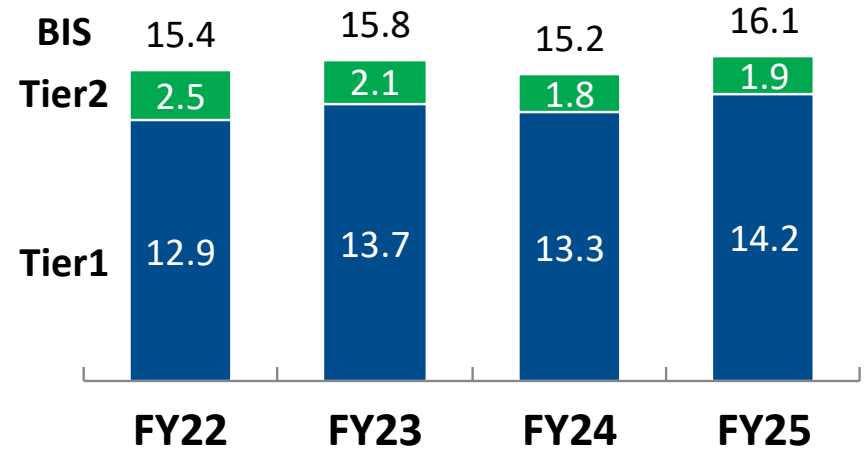
(2) Book value includes preferred shares and minority interests. BVPS represents BVPS attributable to common shareholders.

# Cathay FHC – Strong capital position

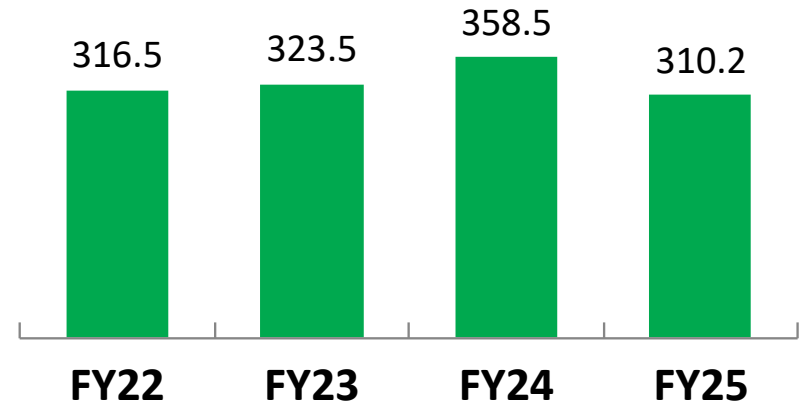
## Cathay FHC CAR (%)



## CUB capital adequacy (%)



## Cathay Life RBC (%)



# 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	49	113									
▲ 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 through localization, digitalization, and green finance.
- Relocated the HK branch to One Causeway Bay building, enhancing scale and services.

## Life Insurance

- China: FY25 total premium surged 49% YoY to RMB 10.6bn; agent-led with multi-channel development, balancing growth and value.
- Vietnam: FY25 total premium reached VND 2.9tn; sales force optimization to drive premium growth.

## P&C Insurance

- Vietnam: FY25 premium reached VND 553bn; advancing digitalization and mobile insurance applications.

# 2025 Business overview

## Cathay United Bank

- FY25 net income rose 13% YoY to NT\$43.5bn, marking a fifth consecutive record high.
- Deposits and loans maintained solid growth. Net interest income grew 12% YoY. Asset quality remained benign.
- Net fee income grew 22% YoY. WM and credit card fees up 28% and 12% YoY, respectively.

## Cathay Life

- Continued value-driven strategy supported CSM accumulation; higher sales of USD traditional and investment-linked products drove YoY growth in FYP, APE, and VNB.
- Recurring yield improved, with dividend income up 11% YoY.
- Equity-to-asset ratio reached 9.4%, reflecting a strong capital position.

## Cathay Century

- FY25 earnings reached a record high. Premiums rose 7% YoY, with 13.8% market share.
- Underwriting profits remained stable with quality and scale focus and risk control.
- Enhanced online business in China. Accelerated digital transformation and business expansion in Vietnam.

## Cathay SITE

- Listed a flagship ETF on the Tokyo Stock Exchange. AUM reached NT\$2.4tn, with strong investor recognition across products.
- Received 17 awards, including Taiwan Fund Award and Best Institutional Asset Manager from AsianInvestor and Asia Asset Management.

## Cathay Securities

- FY25 net income reached NT\$4.5bn, marking a record high.
- Enhanced digital capabilities and data-driven customer experience, leveraging group synergies to expand the customer base and grow domestic brokerage market share.
- Maintained No.1 sub-brokerage market share with expanded products and platform.

# 2026 Business outlook

## Cathay United Bank

- Deepen relationships with high-net-worth clients and enhance cross-asset wealth management to drive fee income growth.
- Capitalize on supply chain realignment to expand cross-border financial services and accelerate business expansion in Asia.
- Leverage AI and technologies to accelerate product innovation and improve efficiency.

## Cathay Life

- Focus on products with high CSM and capital contribution to support customers' health and retirement goals.
- Capture opportunities in quality equities and fixed income to enhance recurring income.
- Strengthen asset-liability management and reduce currency mismatch risk.

## Cathay Century

- Maintain a balance between quality and scale with risk control and compliance.
- Enhance customer-centric digital capabilities to drive satisfaction and retention.
- Expand online business in China. Strengthen digital infrastructure and foster cross-industry cooperation in Vietnam.

## Cathay SITE

- Expand asset management business as the group's third core growth pillar.
- Integrate group resources, develop top-tier talents and build diversified channels.
- Promote retirement and inclusive finance solutions, while advancing financial literacy and inclusion.

## Cathay Securities

- Advance digital operations and leverage AI to enhance customer-centric experiences, targeting a leading AI brokerage position.
- Enhance onshore and offshore offerings to meet diverse investment needs, while maintaining risk discipline.

# Agenda

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- Business overview
- Business performance summary

## Cathay United Bank

Cathay Life

Cathay Century

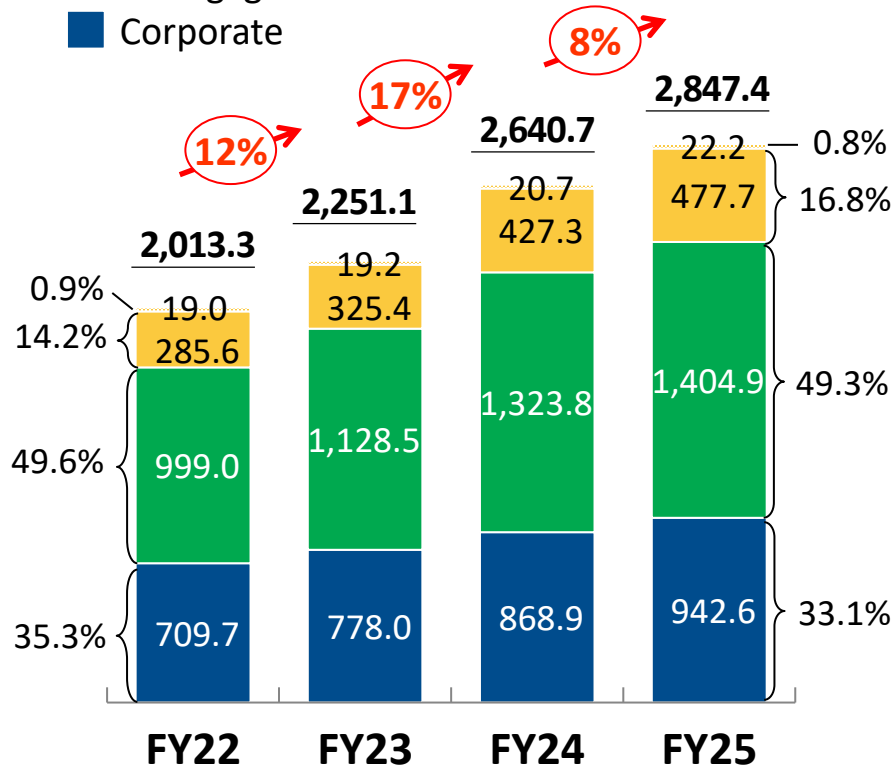
- Cathay Life IFRS 17 transition update and TIS
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- Appendix

# Cathay United Bank – Loan & Deposit breakdown

- Loans grew 8% YoY, with solid growth across all segments.
- Deposits rose 15% YoY; maintained a high demand deposit ratio advantage.

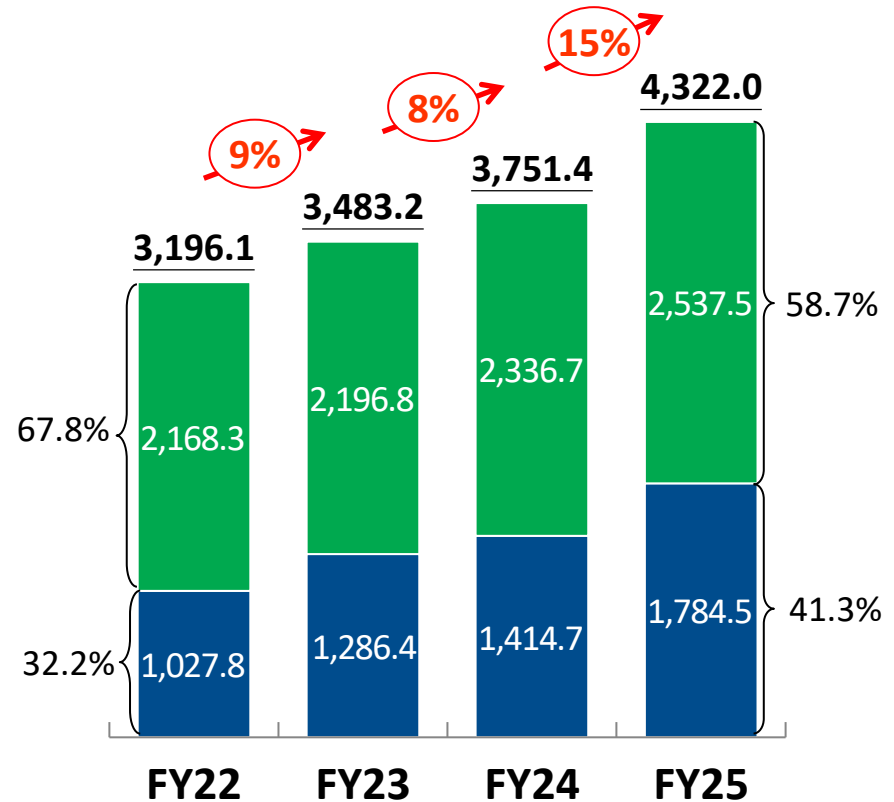
## Loan breakdown

- Credit card related (NT\$BN)
- Consumer
- Mortgage
- Corporate



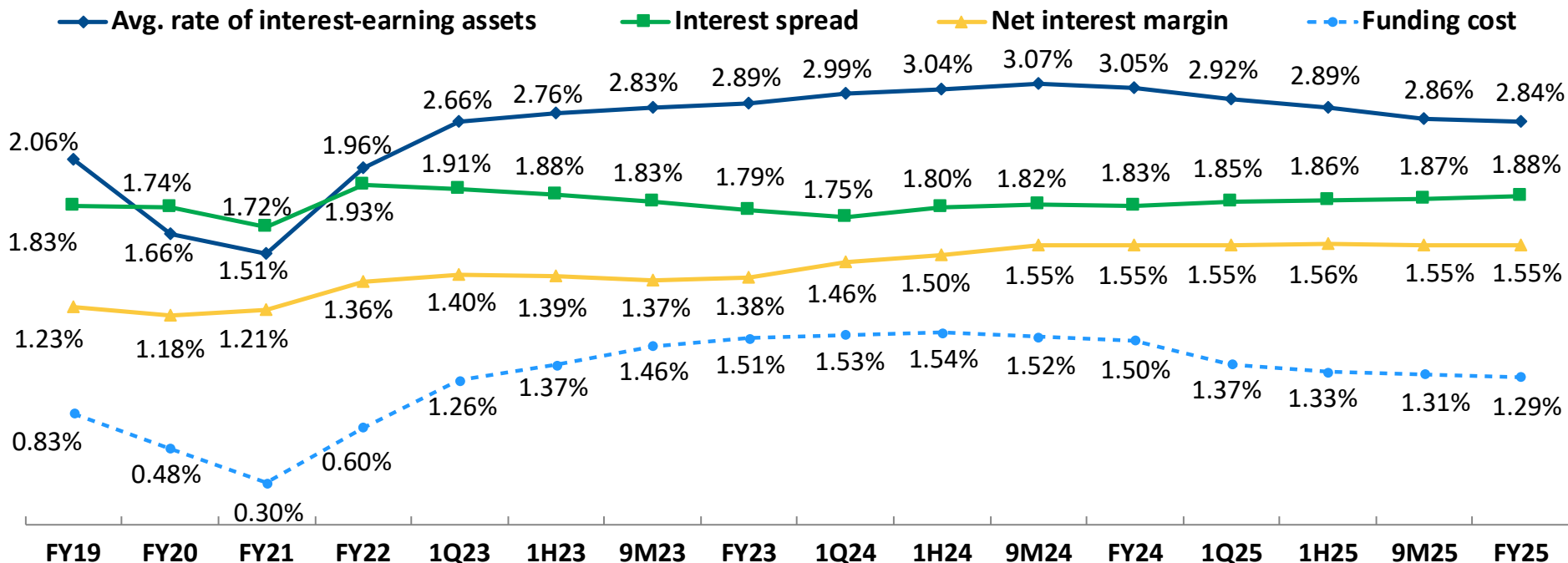
## Deposit breakdown

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



# Cathay United Bank – Interest yield

Both 4Q25 NIM and spread increased QoQ, supported by lower funding costs amid U.S. rate cuts; FY25 NIM remained flat YoY amid FX financial assets reallocation.



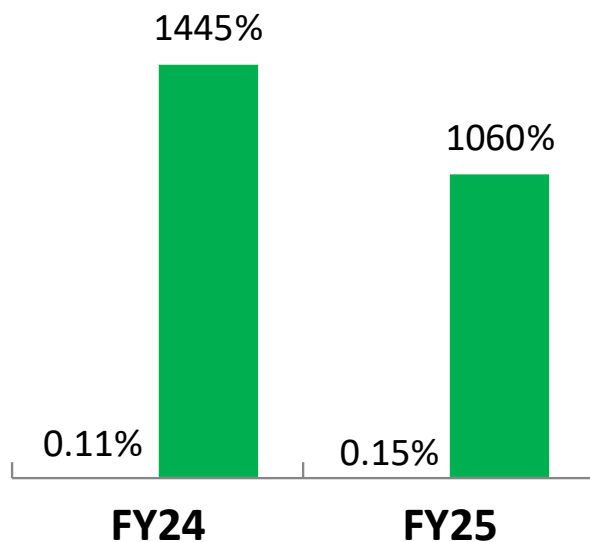
Quarterly	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Spread	1.96%	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%	1.90%
NIM	1.46%	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%	1.56%

# Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.15% and coverage ratio at 1060%.

## NPL & Coverage ratio

- NPL ratio
- Coverage ratio



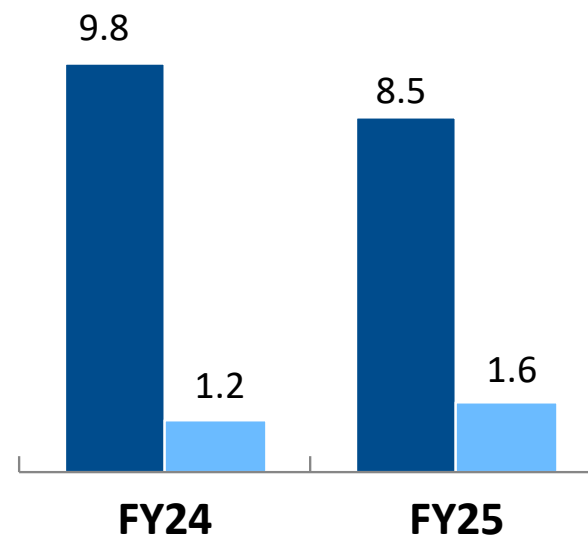
Mortgage NPL

0.11 %

0.19 %

## Gross provision

- Gross provision (NT\$BN)
- Recovery

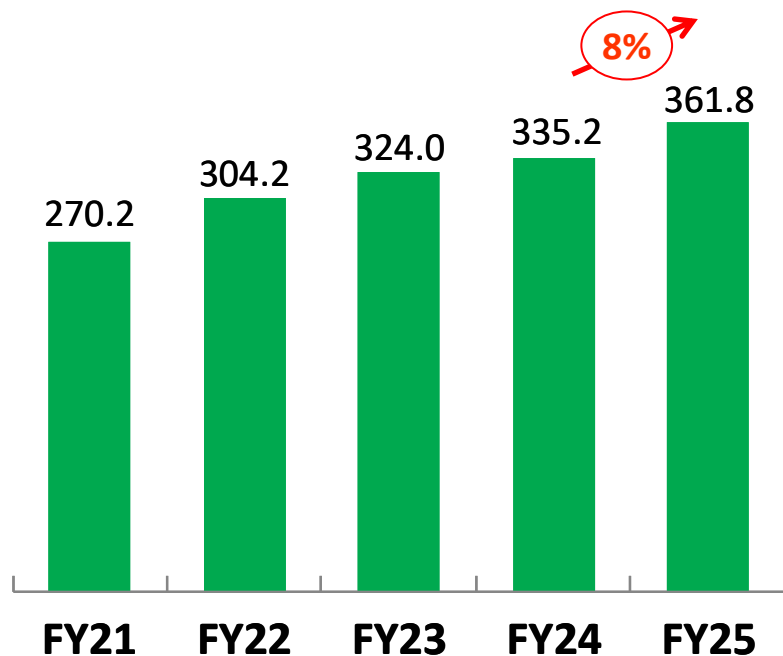


# Cathay United Bank – SME & FX loans

- SME loans grew 8% YoY, sustaining solid growth momentum.
- FX loans grew 12% YoY, pursuing prudent growth while ensuring asset quality.

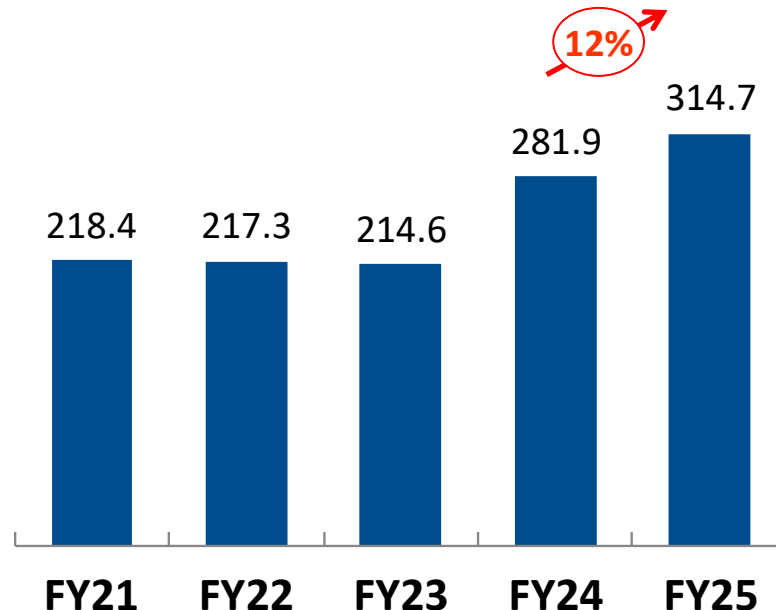
## SME loans

(NT\$BN)



## Foreign currency loans

(NT\$BN)



As % of total loans

15.3% 15.3% 14.5% 12.8% 12.8%

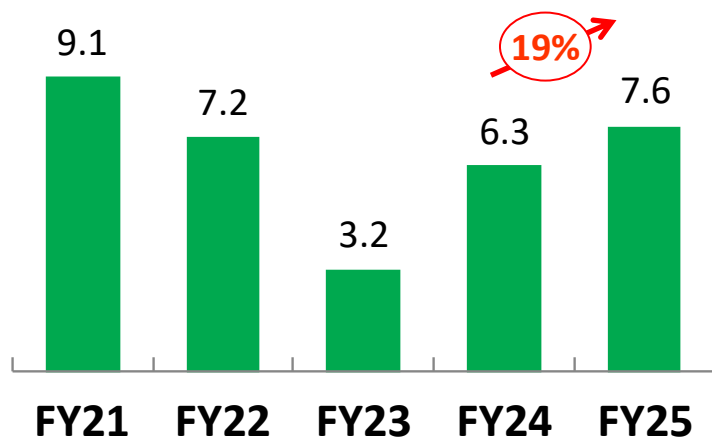
12.4% 10.9% 9.6% 10.8% 11.1%

# Cathay United Bank – Offshore earnings

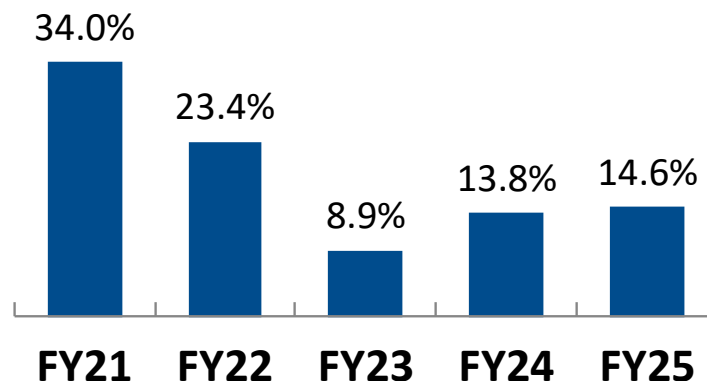
- Offshore earnings increased 19% YoY, driven by a recovery in deposits, loans and investment income.

## Offshore earnings

(NT\$BN)



## As % of CUB pre-tax profits



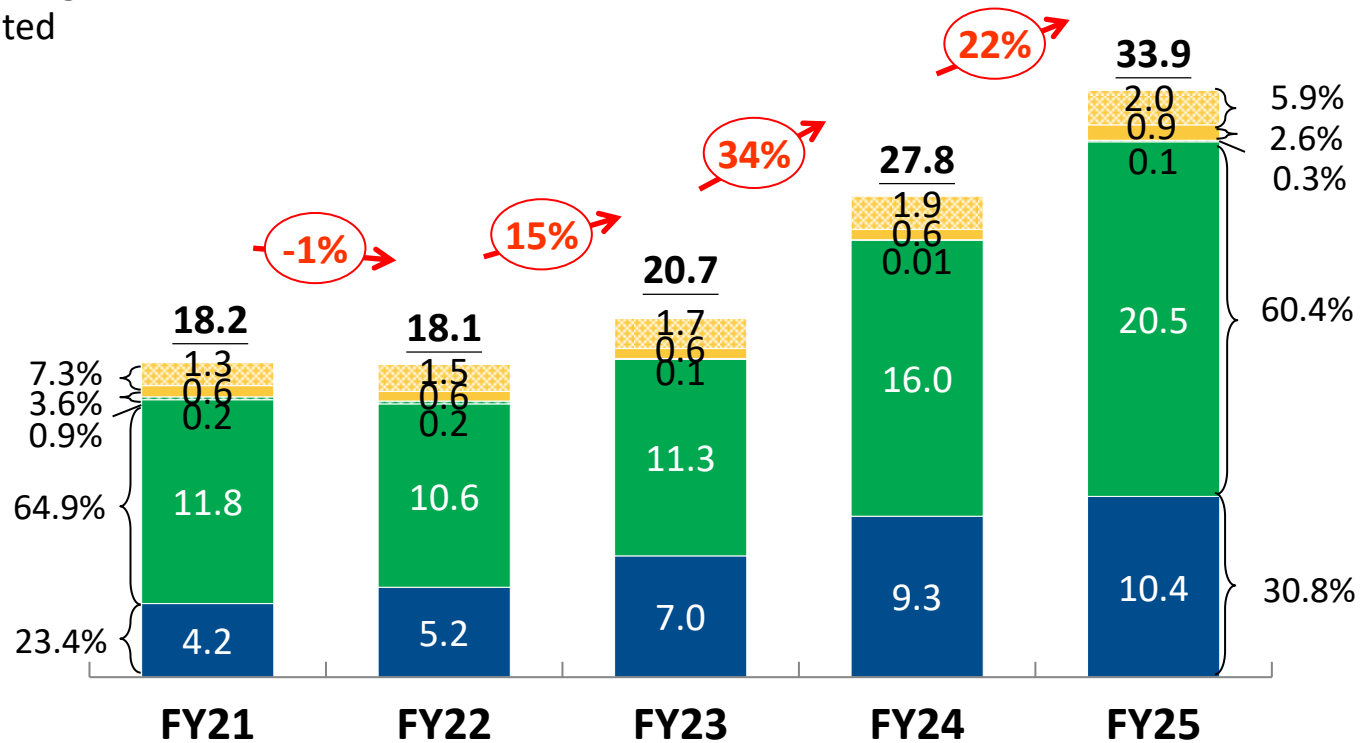
# Cathay United Bank – Net fee income

- Net fee income grew 22% YoY. Wealth management fees rose 28%, while steady growth in spending supported 12% YoY growth in credit card fees.

## Net fee income

- Others
- Syndicated loans
- FX
- Wealth management
- Cards related

(NT\$BN)

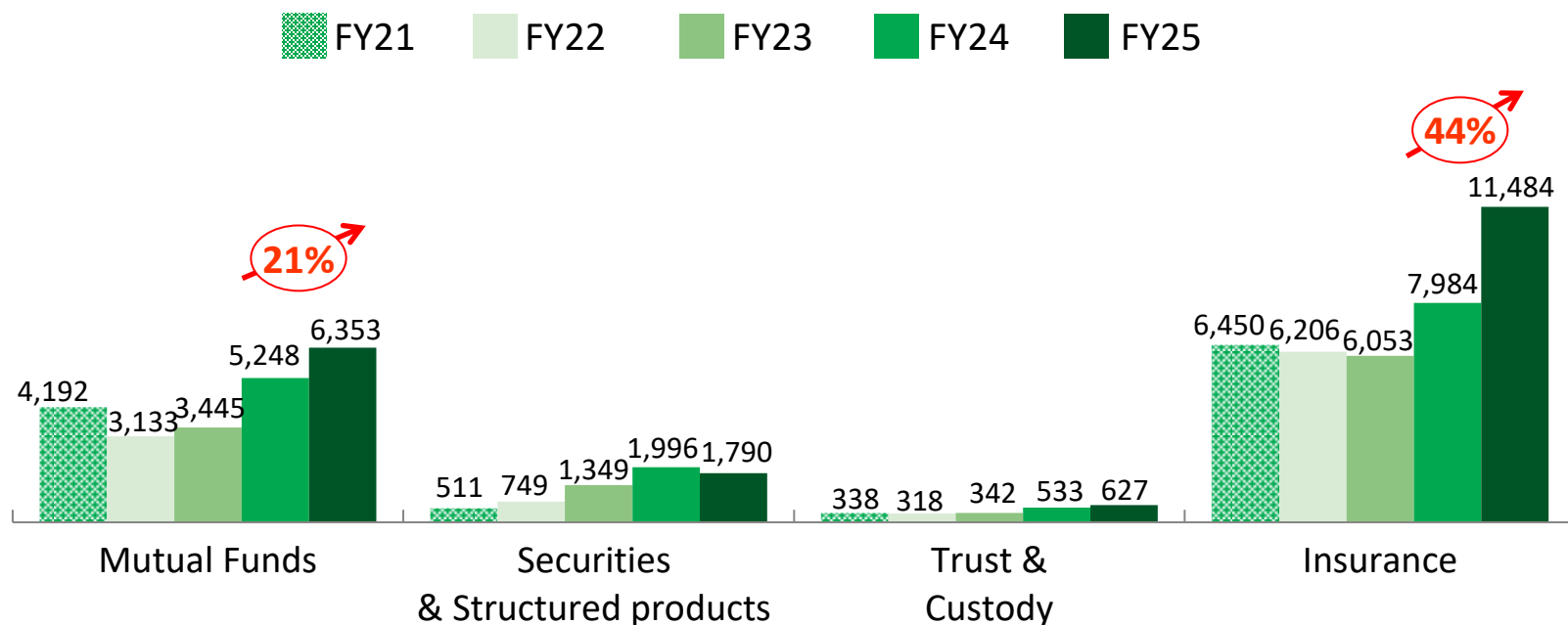


# Cathay United Bank – Wealth management fees

- WM fees rose 28% 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)	FY21	FY22	FY23	FY24	FY25
Wealth management fee income	11,783	10,595	11,344	15,963	20,483
YoY growth (%)	19.3%	-10.1%	7.1%	40.7%	28.3%



# Agenda

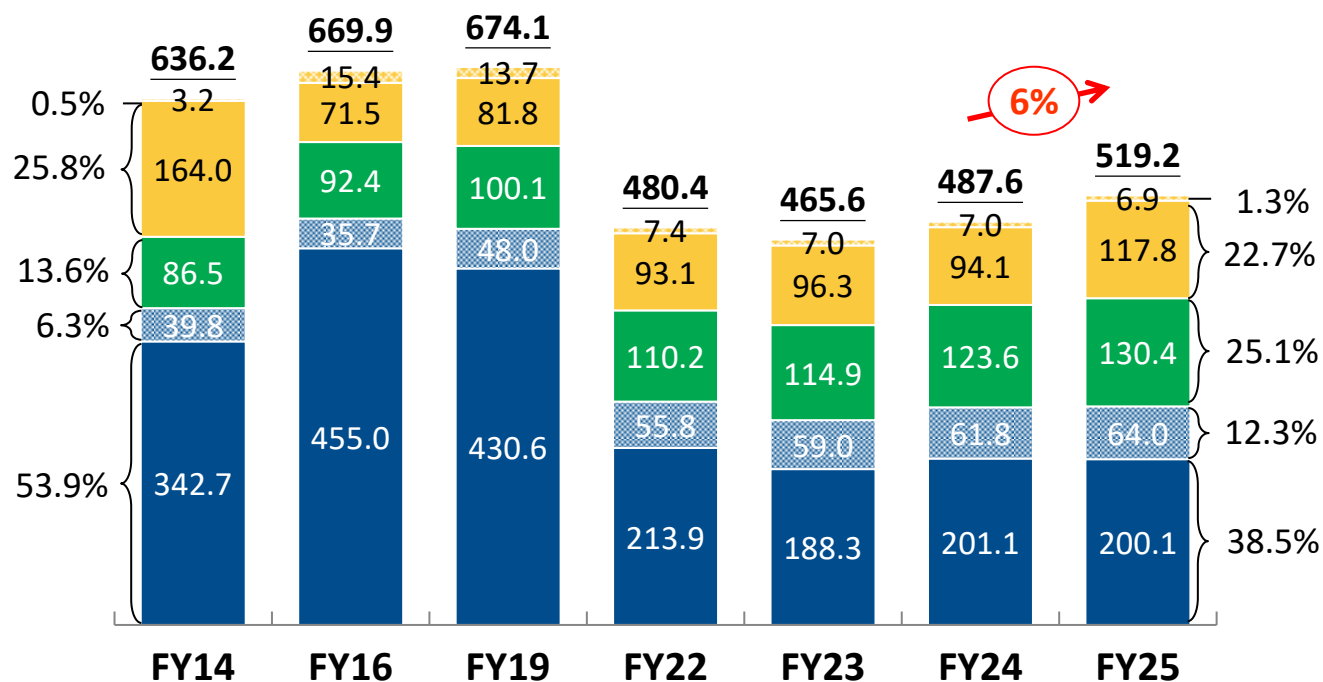
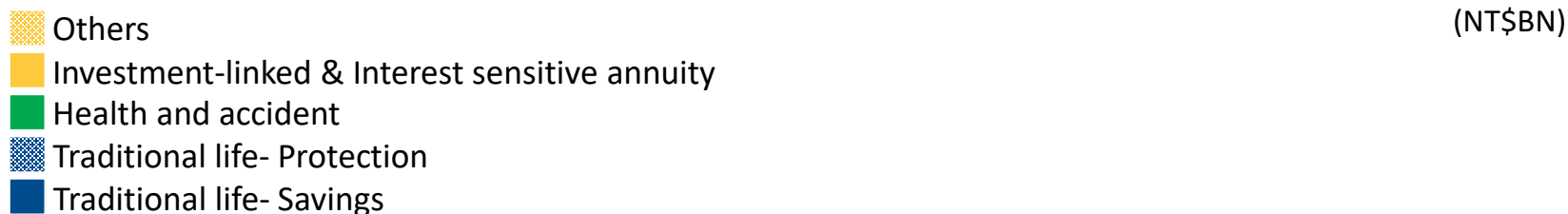
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# Cathay Life – Total premium

- Total premium increased by 6% YoY, driven by strong sales of investment-linked and continued growth in high-CSM protection products.

## Total premium

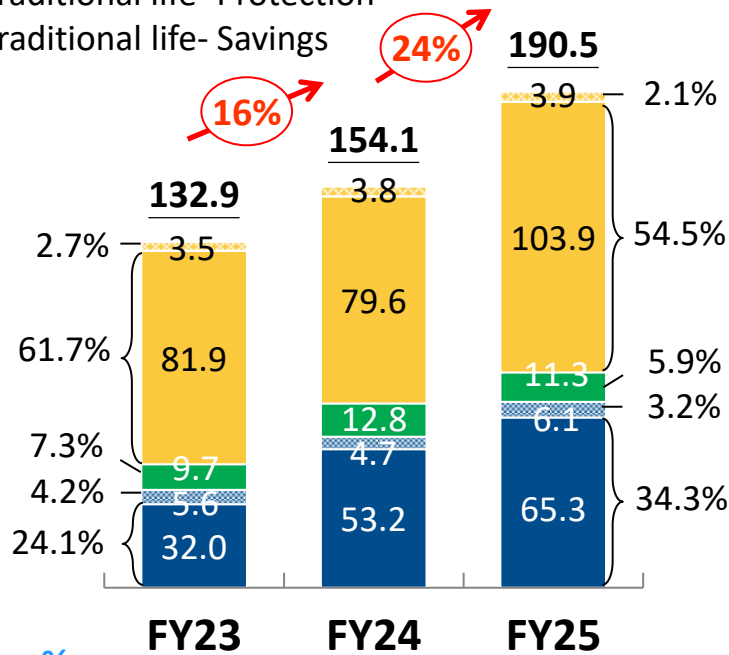


# Cathay Life – FYP & APE

- FYP and APE rose 24% and 5% YoY, respectively, driven by strong sales of investment-linked 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.

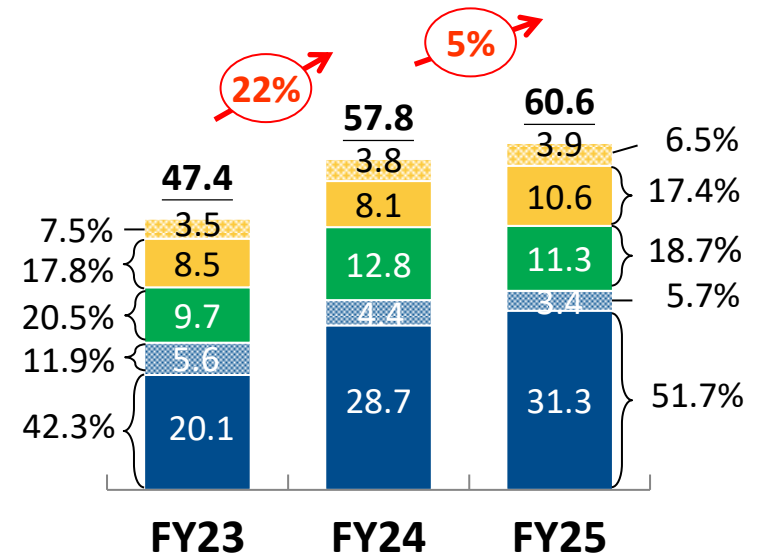
## First Year Premium

- Others (NT\$BN)
- Investment-linked & Interest sensitive annuity
- Health and accident
- Traditional life- Protection
- Traditional life- Savings



## Annualized FYP (APE)

- Others (NT\$BN)
- Investment-linked & Interest sensitive annuity
- Health and accident
- Traditional life- Protection
- Traditional life- Savings



FX polices %  
(excl. Investment-linked)

FY23	FY24	FY25
53%	66%	74%

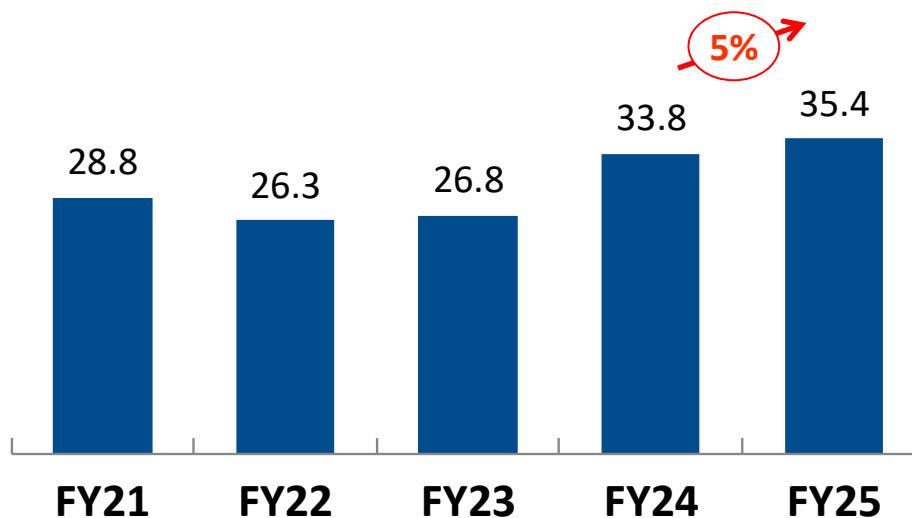
# Cathay Life – Value of new business

- VNB increased 5% YoY, supported by strong sales of USD-denominated traditional and investment-linked products.

## Value of new business

Profit Margin	FY21	FY22	FY23	FY24	FY25
VNB/FYP	14%	20%	20%	22%	19%
VNB/APE	56%	62%	56%	58%	58%

(NT\$BN)

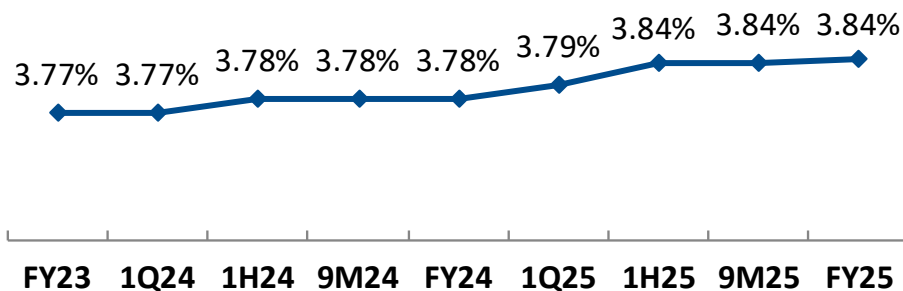


Note: FY24 and FY25 VNB were based on 2024 Embedded Value assumptions ; Based on 2023 Embedded Value assumptions, FY24 VNB was NT\$34.8bn ; VNB/FYP and VNB/APE were 23% and 60%, respectively.

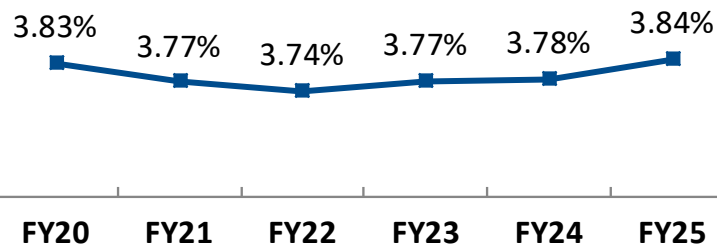
# Cathay Life – Cost of liability and break-even asset yield

- Cost of liability remained flat QoQ.
- FY25 break-even asset yield was 2.99%. The relatively low break-even yield in FY24 was due to favorable capital markets lifting the mark-to-market value of investment assets.

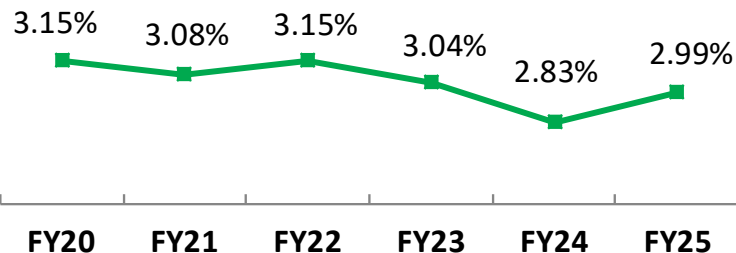
## Cost of liability (quarterly)



## 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			FY25		
<b>Total investments<sup>(1)</sup></b>	<b>7,330.6</b>	<b>7,638.1</b>	<b>7,990.6</b>			<b>8,083.8</b>		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	4.1%	2.6%	1.9%	156	2.6%	2.3%	187	2.3%
Equity- Domestic	5.1%	6.6%	7.2%	575	15.4%	6.7%	544	16.1%
Equity- International <sup>(2)</sup>	5.6%	5.6%	5.5%	437	11.6%	5.2%	417	12.0%
Bond- Domestic	7.1%	8.1%	8.3%	666	5.6%	9.1%	734	5.3%
Bond- International <sup>(2)</sup>	61.9%	61.8%	62.0%	4,952	3.8%	61.5%	4,971	4.0%
Mortgage & Secured loans	3.8%	3.0%	2.9%	230	2.4%	3.2%	255	2.0%
Policy loans	2.3%	2.2%	2.1%	167	5.2%	2.1%	166	5.4%
Real estate	7.7%	7.5%	7.5%	597	2.5%	7.7%	622	3.9%
Others	2.5%	2.5%	2.6%	209	1.0%	2.3%	189	1.2%

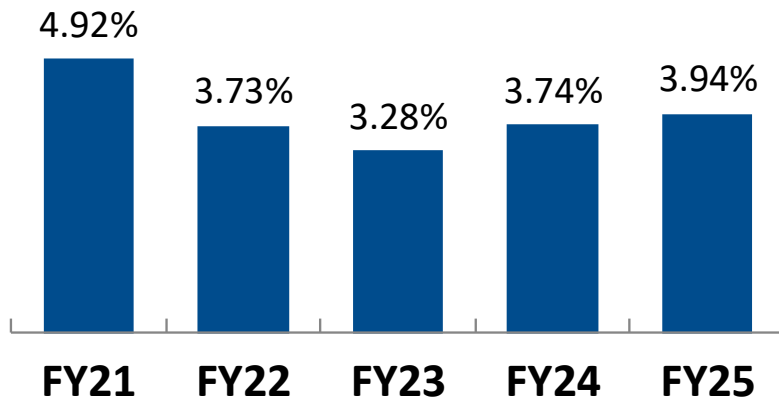
Note: (1) Total assets excluded separate account assets.

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

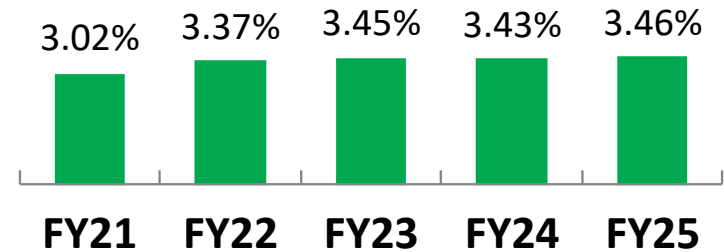
# Cathay Life – Investment performance highlights

- FY25 pre-hedging recurring yield rose 3bps YoY, driven by higher dividend income.
- FY25 hedging cost was 1.57%, reflecting the regular FXVR provision increase to 1.5% under regulatory forbearance measures. Hedging ratio declined, supported by a robust FXVR buffer and anticipated FX volatility reduction under the new AC FX accounting from 1M26.

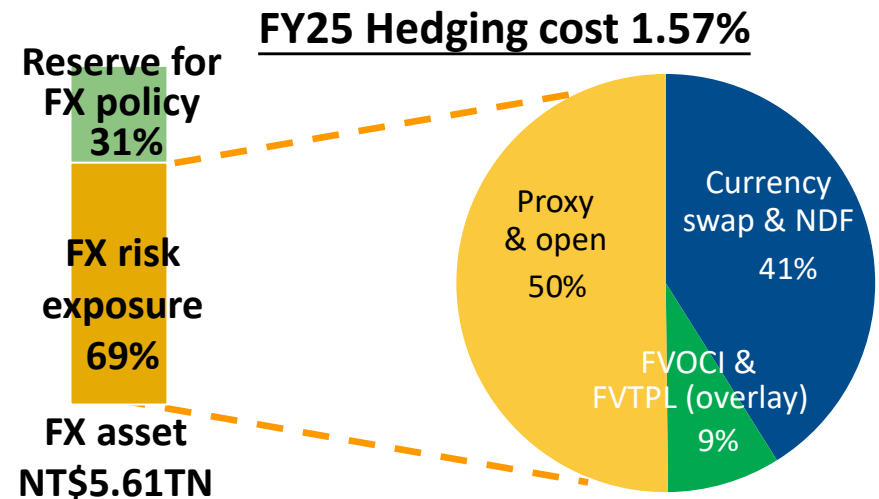
## After-hedging investment yield



## Pre-hedging recurring yield



## FX asset hedging structure

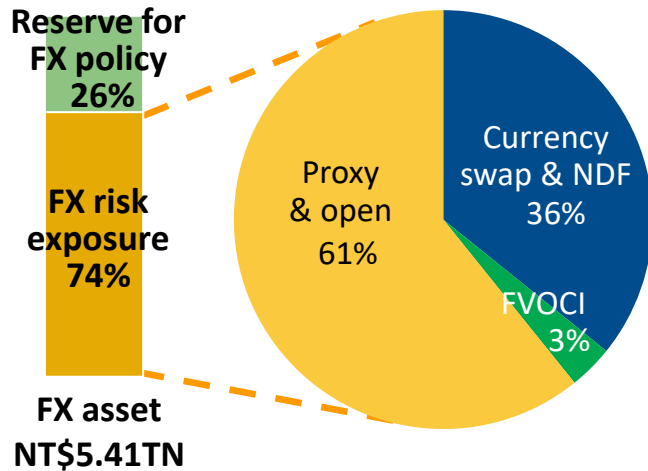


Note: Pre-hedging recurring income doesn't include capital gains but interest revenue, cash dividend and rental income. Yields for the aforementioned were 3.05%, 0.24% and 0.16% in FY25 ; and 3.05%, 0.21% and 0.16% in FY24, respectively.

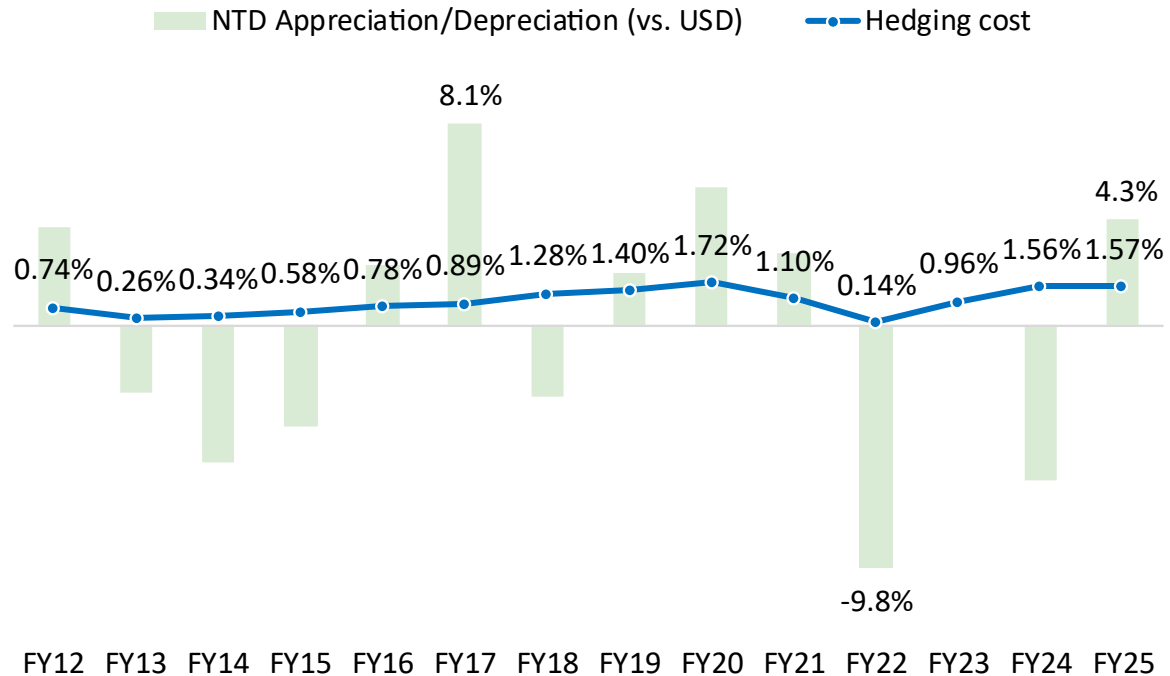
# Cathay Life – Dynamic hedging strategy

- Dynamic hedging strategy maintains hedging costs largely within the target range of 1-1.5%.
- Since 6M25, hedging costs mainly reflect CS/NDF costs plus the 1.5% regular FXVR provision, with FX impacts fully absorbed by the FXVR under the new FXVR framework and forbearance measures.
- FY25 hedging ratio declined, supported by a robust FXVR buffer and anticipated FX volatility reduction from the new AC FX accounting from 1M26.

## 2026/1/31 FX asset hedging structure



## Hedging cost vs. NTD/USD movement

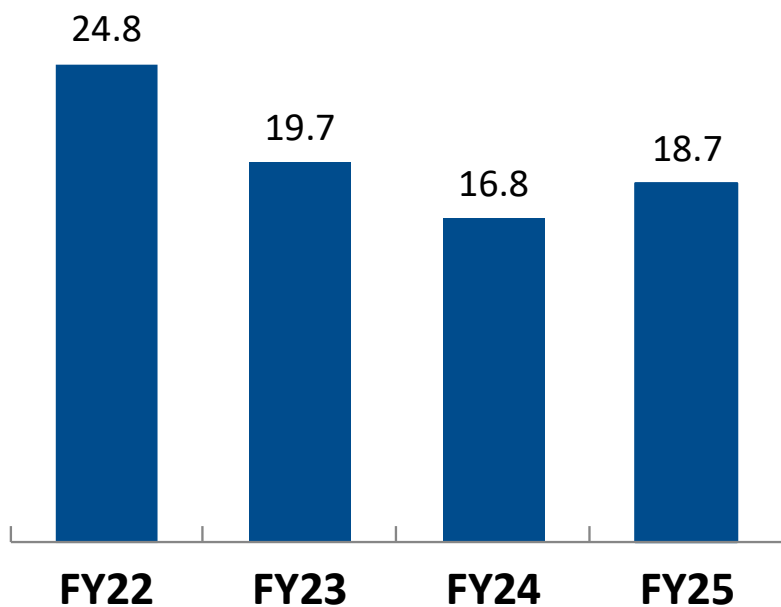


# Cathay Life – Cash dividend income & overseas fixed income by region

- FY25 cash dividend income reached NT\$18.7bn, up 11% YoY.
- Diversified overseas fixed-income investments across regions to balance risk and return.

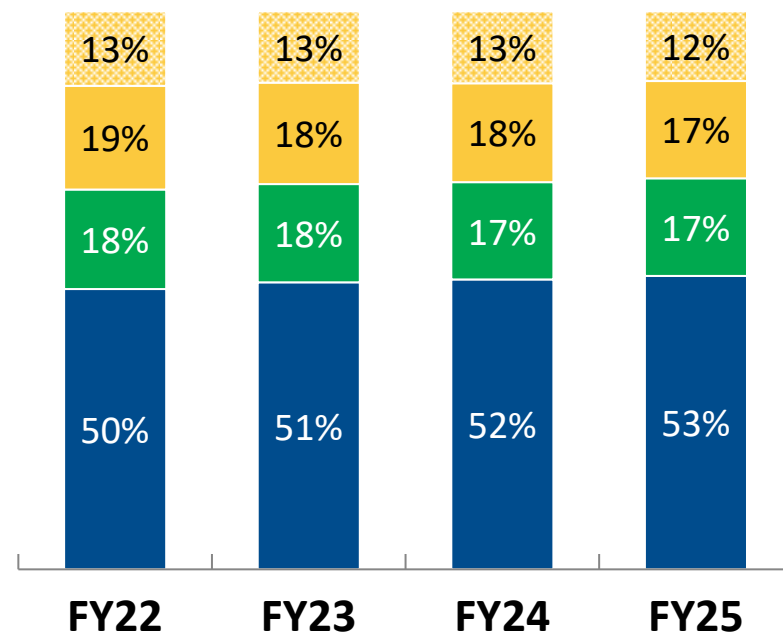
## Cash dividend income

(NT\$BN)



## Overseas fixed income by region

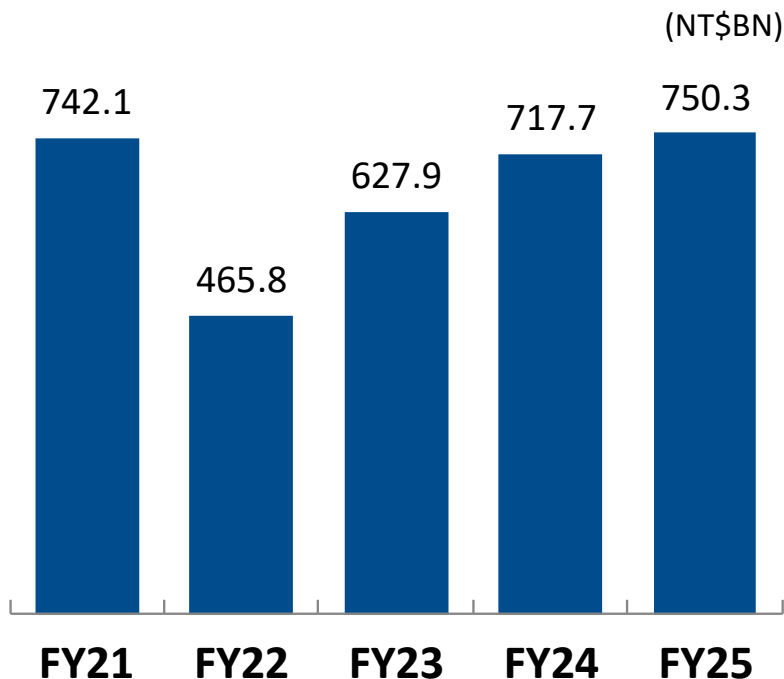
- Others
- Asia Pacific
- Europe
- North America



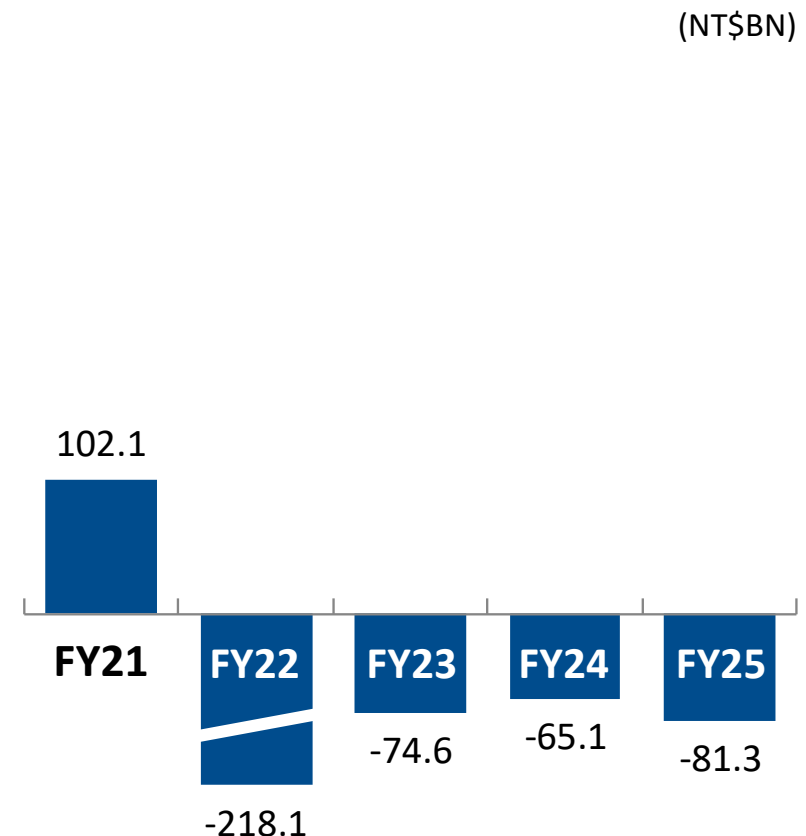
# Cathay Life – Book value & unrealized G/L of financial assets

- Book value rebounded YoY, driven by earnings, partly offset by mark-to-market losses on financial assets amid TWD appreciation.
- Equity-to-asset ratio reached 9.4%, reflecting a robust capital position.

## Book value



## Unrealized G/L of financial assets

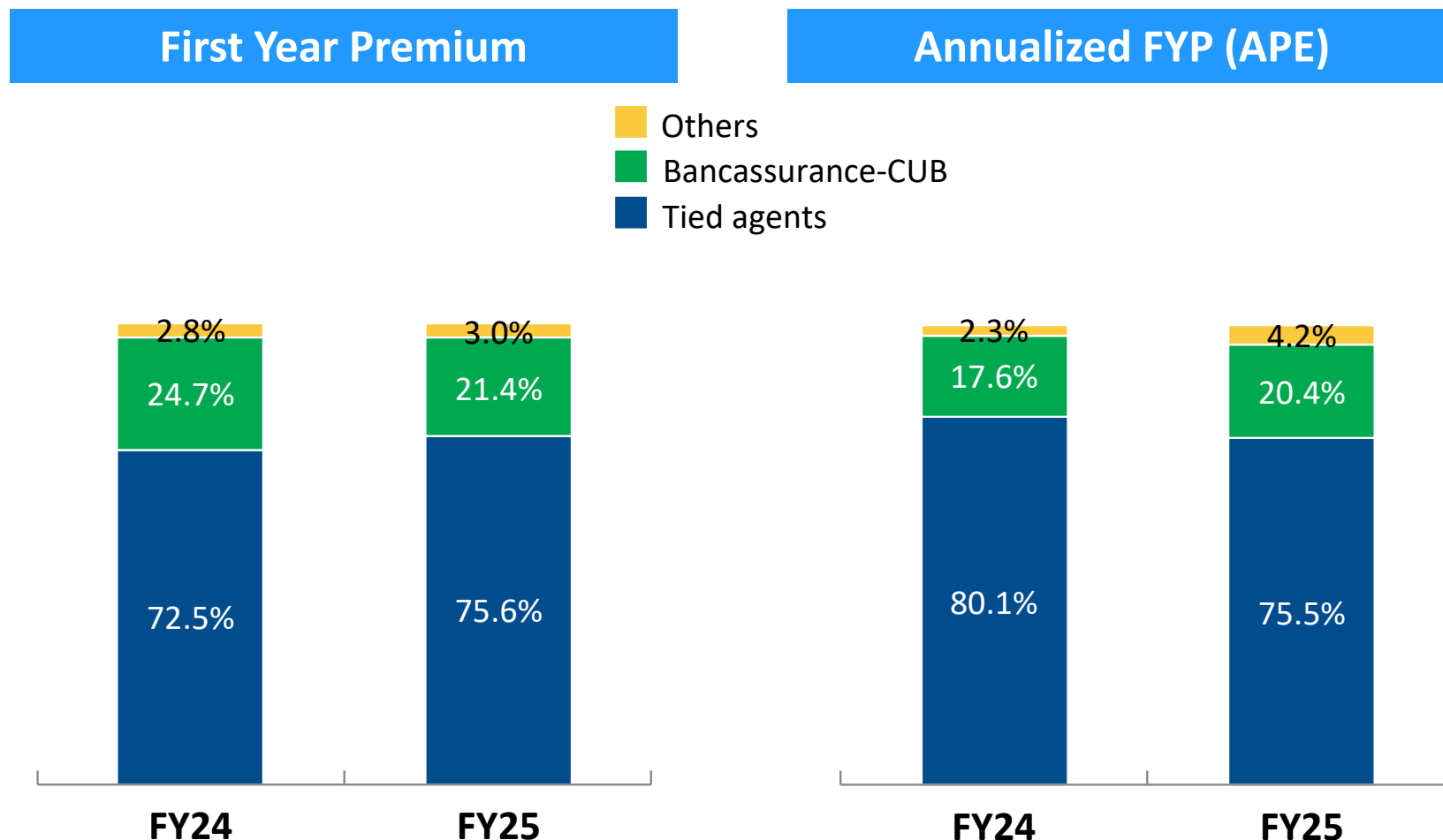


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

(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 agency force and Cathay United Bank. The group's strong sales capabilities provided solid contributions to premium income and VNB.



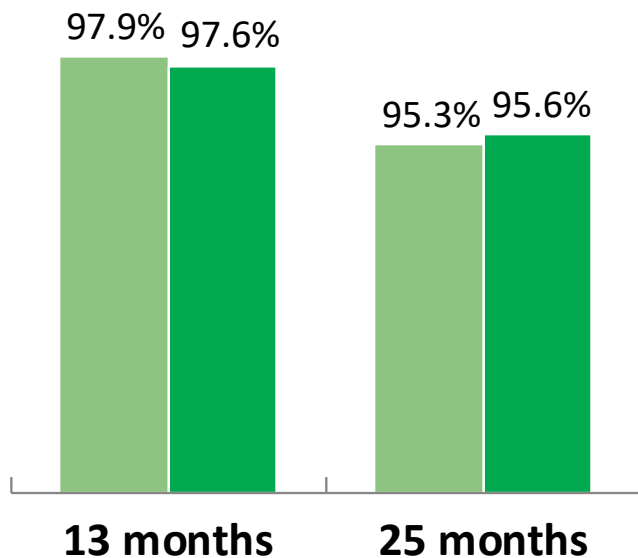
# Cathay Life – Operational indicators

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

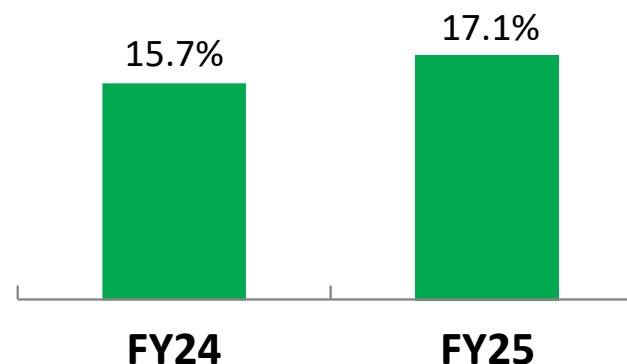
## Persistency ratio

■ FY24

■ FY25



## Expense ratio



# Agenda

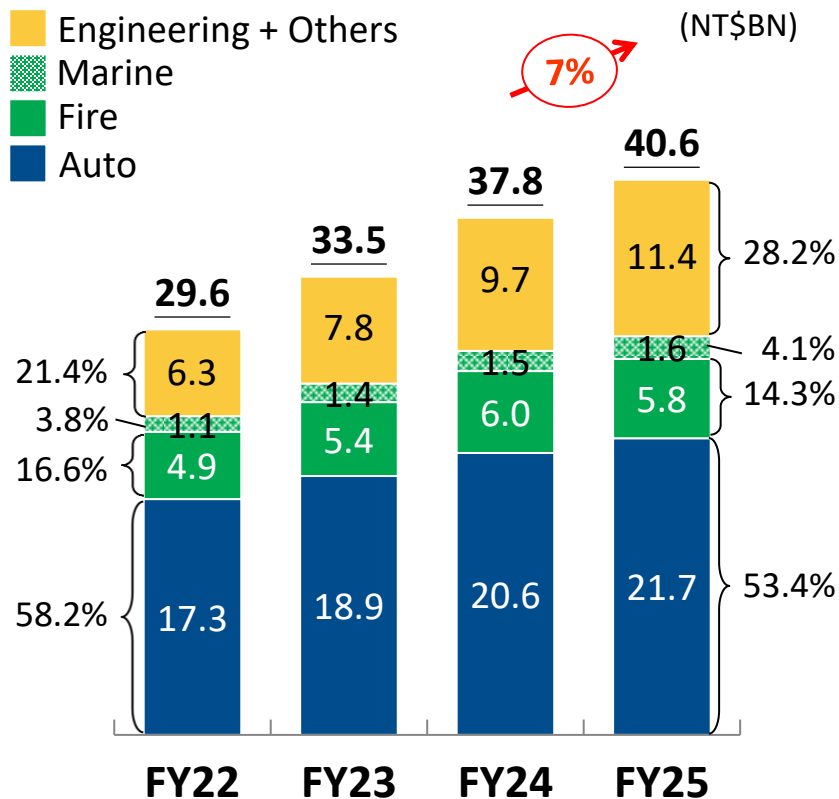
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- ❑ Introduction of Cathay FHC
- ❑ Business overview
- ❑ Business performance summary
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- ❑ Cathay Life IFRS 17 transition update and TIS
- ❑ Cathay's ESG efforts
- ❑ Appendix

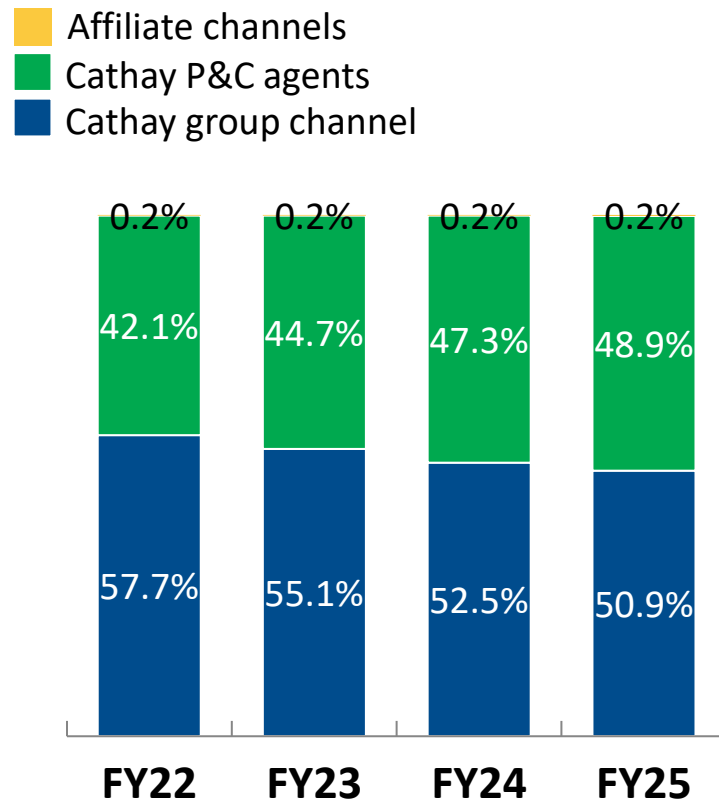
# Cathay Century – Premium income & distribution channels

- Premium income grew 7% YoY. Market share reached 13.8%, ranking No.2 in the industry.
- Increasing contribution from proprietary channels, driven by strong commercial insurance performance.

## Premium income



## Distribution channel



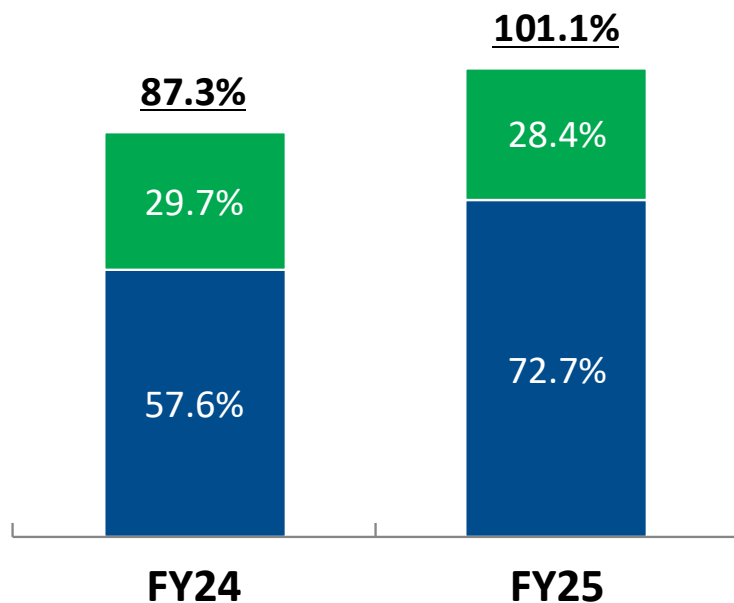
Market share	12.8%	13.3%	13.6%	13.8%
Retention	73.4%	70.5%	68.9%	69.5%

# Cathay Century – Combined ratio

- Gross combined ratio rose due to higher natural catastrophe claims; retained combined ratio declined, supported by effective reinsurance and increased retained premiums from expanded underwriting capacity.

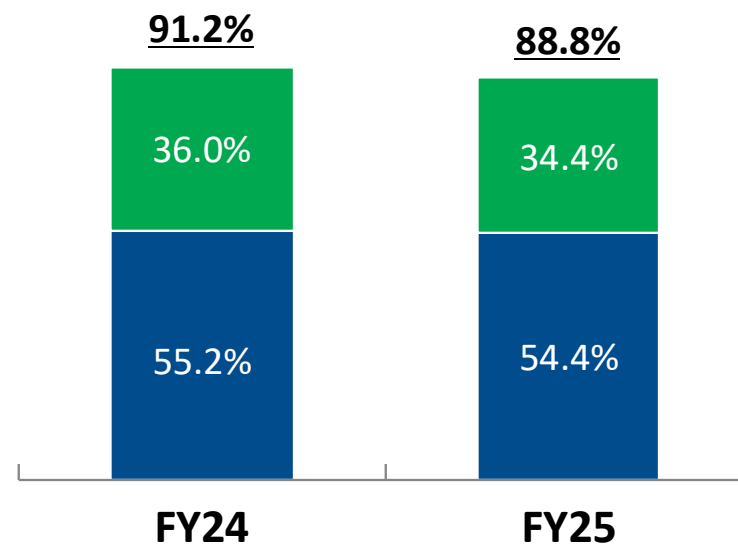
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



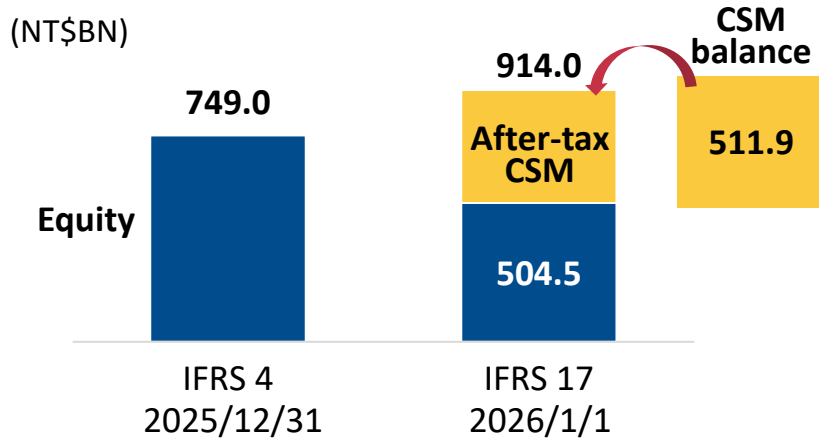
# Agenda

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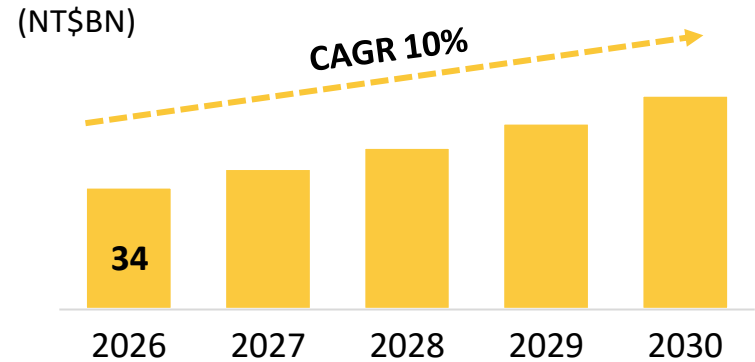
- Introduction of Cathay FHC
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# Cathay Life – IFRS 17 transition highlights

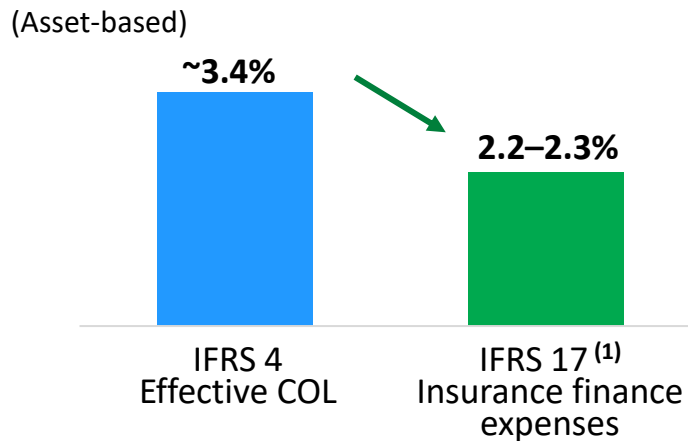
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



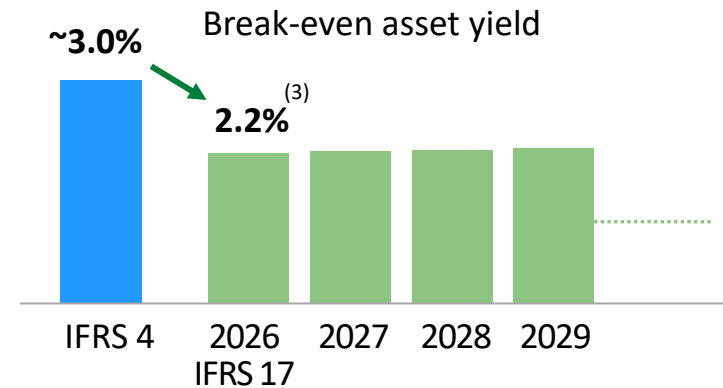
Growing CSM<sup>(2)</sup> release supports future earnings



Lower liability costs support a stable positive spread

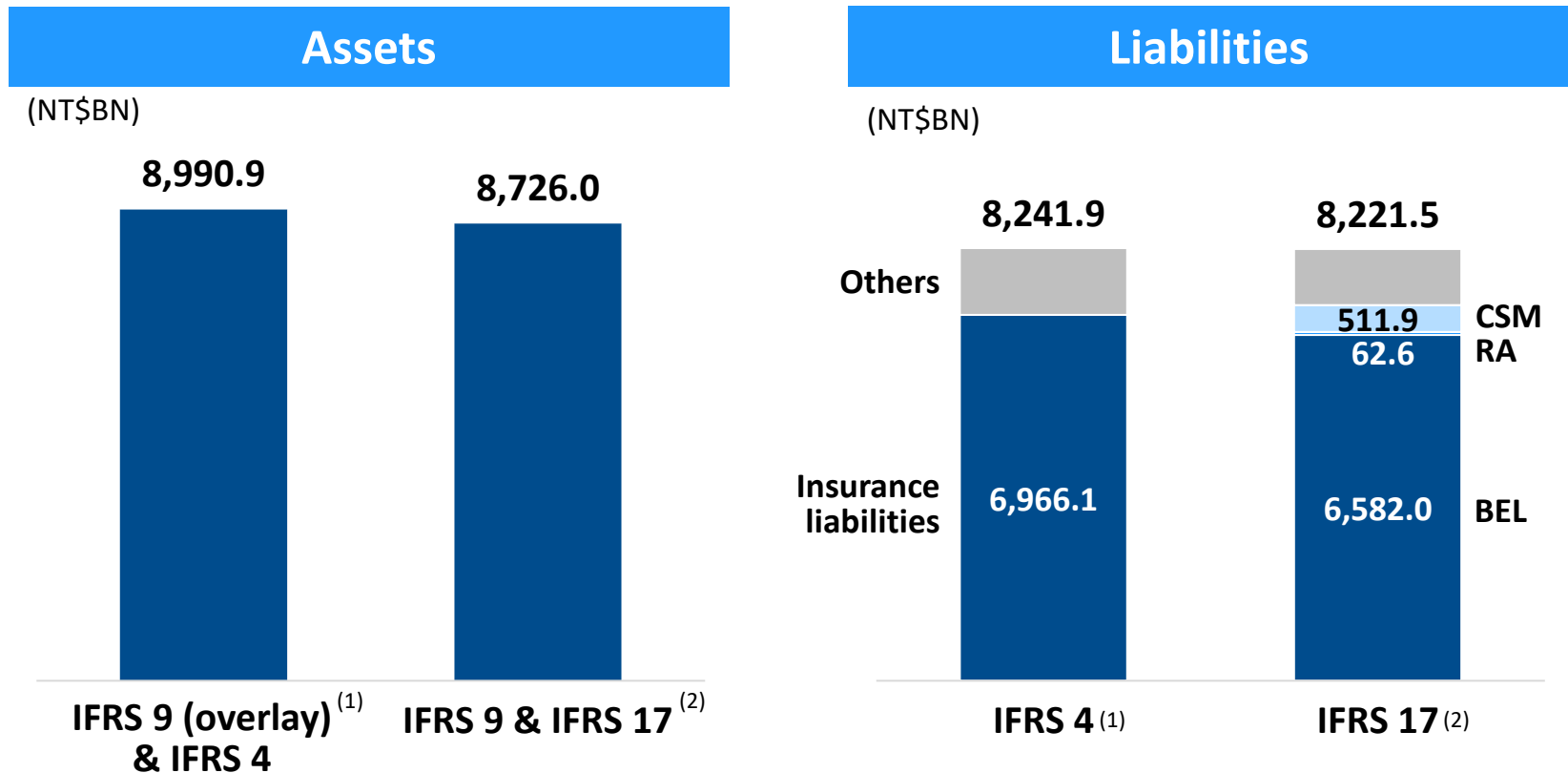


Increasing CSM release helps stabilize break-even asset yield



# 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.



Note: (1) As of 2025/12/31; (2) 2026/1/1

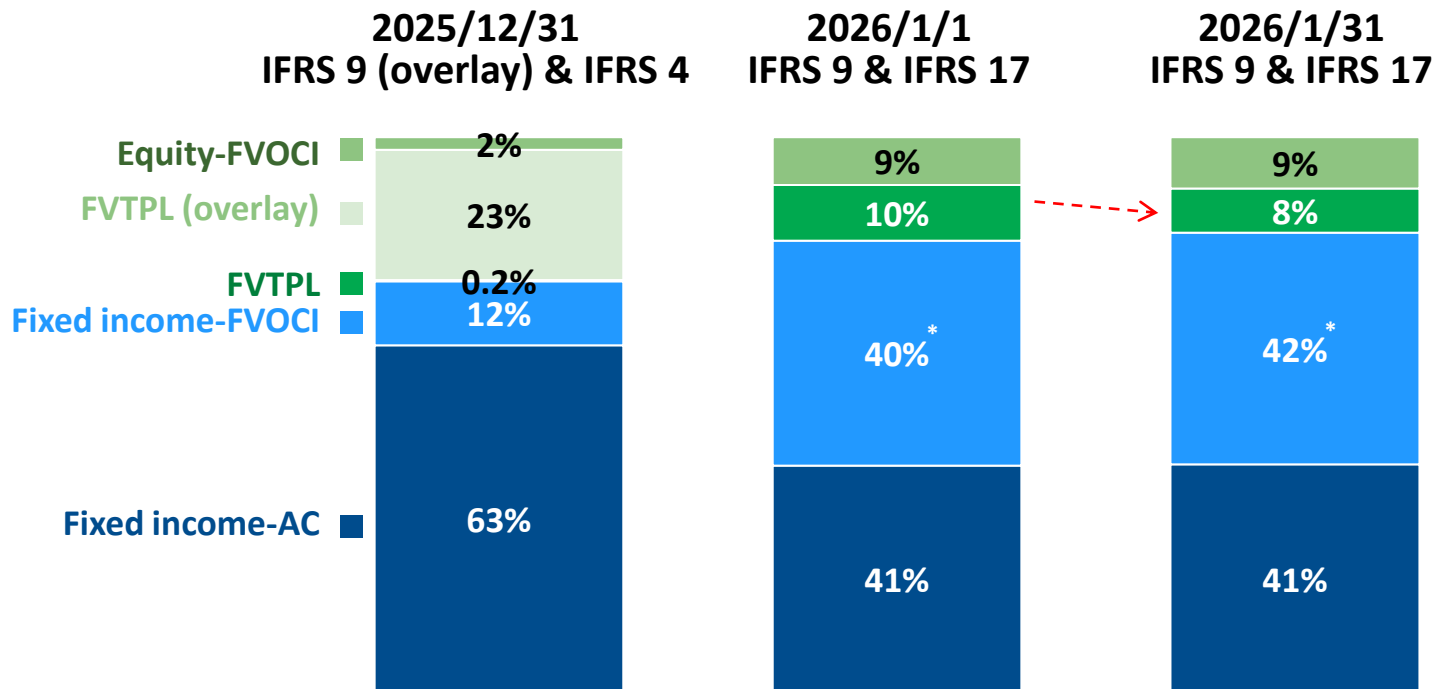
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.

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 previous 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

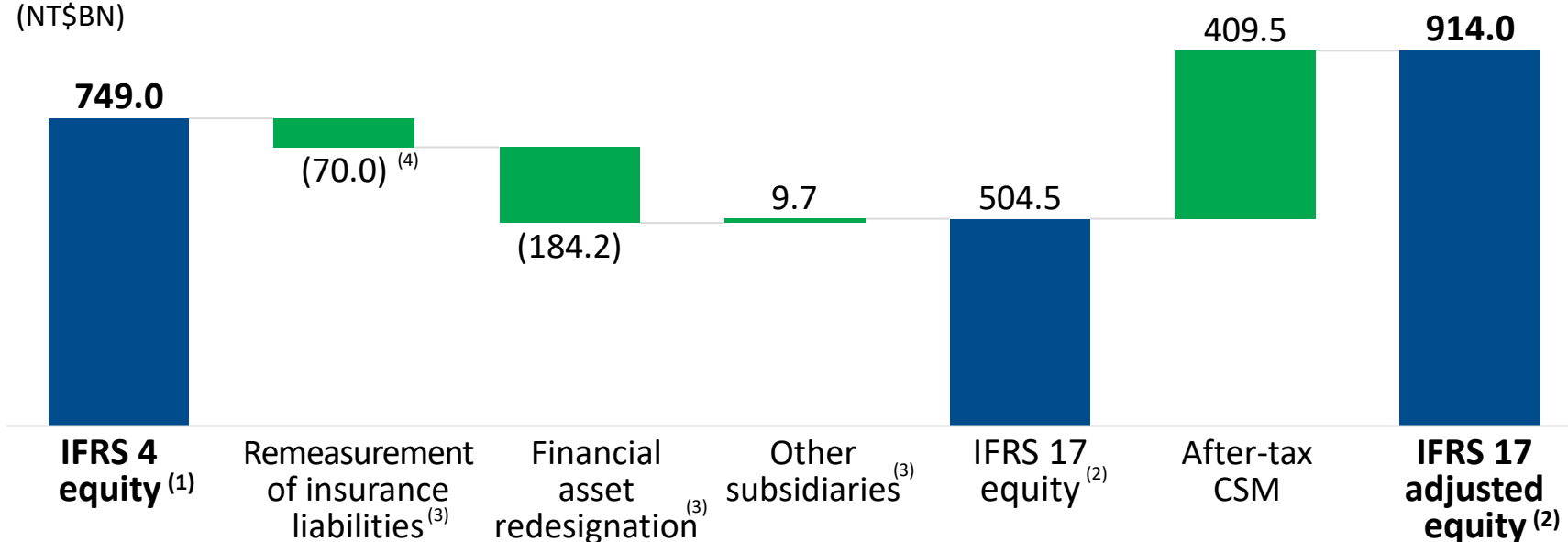


# Adjusted equity better reflects economic value

- 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

(NT\$BN)



E/A ratio 9.4%

6.8%

11.9%

# IFRS 17 enhances earnings transparency and predictability

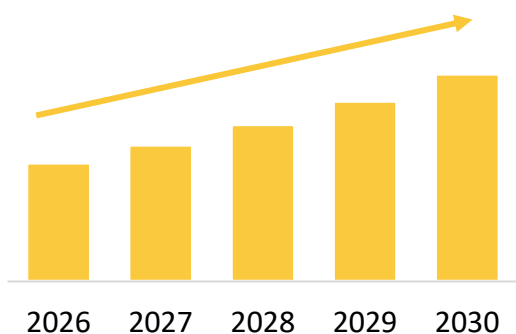
- ❑ CSM release becomes a key driver of earnings.
- ❑ Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- ❑ FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- ❑ Overall earnings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

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
<b>Revenues</b>	<ul style="list-style-type: none"> <li>• Premium income</li> <li>• Investment income (incl. realized gains of equity investment w/overlay)</li> </ul>	<b>Insurance service result</b>	<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 <b>CSM recognized as profit over the contract coverage period</b>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>• Incurred claims</li> <li>• Changes in insurance policy reserves</li> <li>• Expenses</li> </ul>	<b>Financial result</b>	<ul style="list-style-type: none"> <li>• Investment income (net of hedging cost)</li> <li>• Insurance finance expenses</li> </ul>	2 <b>Interest spread</b>
<b>Net income</b>		<b>Other operating result</b>	<ul style="list-style-type: none"> <li>• Other income</li> <li>• Other expenses</li> </ul>	3 <b>ILP fee income, indirect expenses, and mortality–interest spread offset reserve</b>
<b>OCI</b>		<b>Net income</b>		
<b>OCI</b>	<ul style="list-style-type: none"> <li>• Changes in FVOCI assets</li> </ul>	<b>OCI</b>	<ul style="list-style-type: none"> <li>• Effect of changes in discount rates on insurance liabilities</li> <li>• Changes in FVOCI assets</li> </ul>	4 <b>Changes in financial assets and discount rate effects on insurance liabilities</b>
<b>Retained earnings</b>		<b>Retained earnings</b>		5 <b>Net income and FVOCI equity realized gains</b>

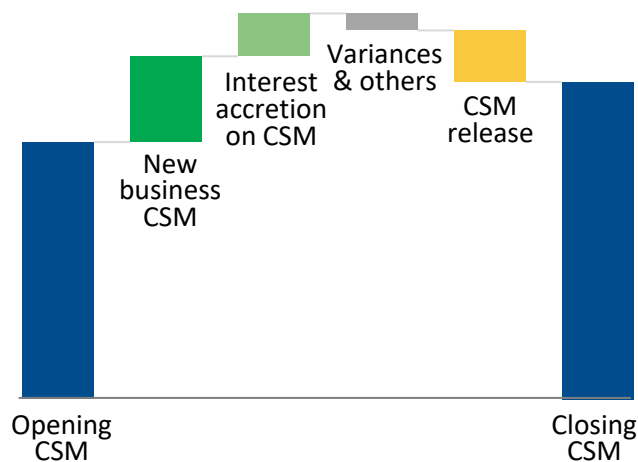
# CSM contribution to earnings increase over time

- 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.

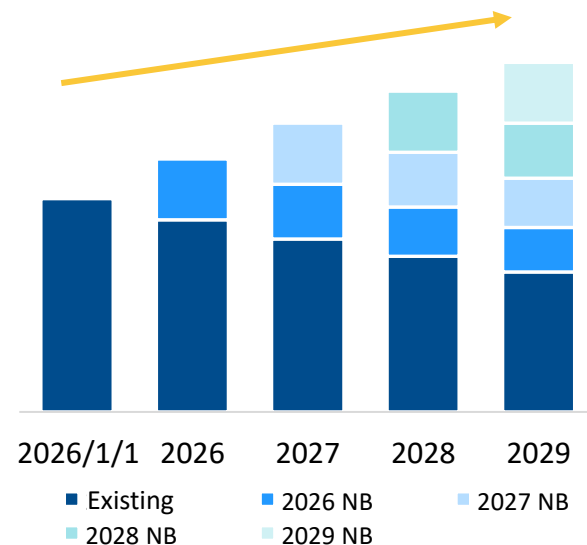
Illustrative underwriting profit\*  
(% of earnings)



Illustrative CSM movement



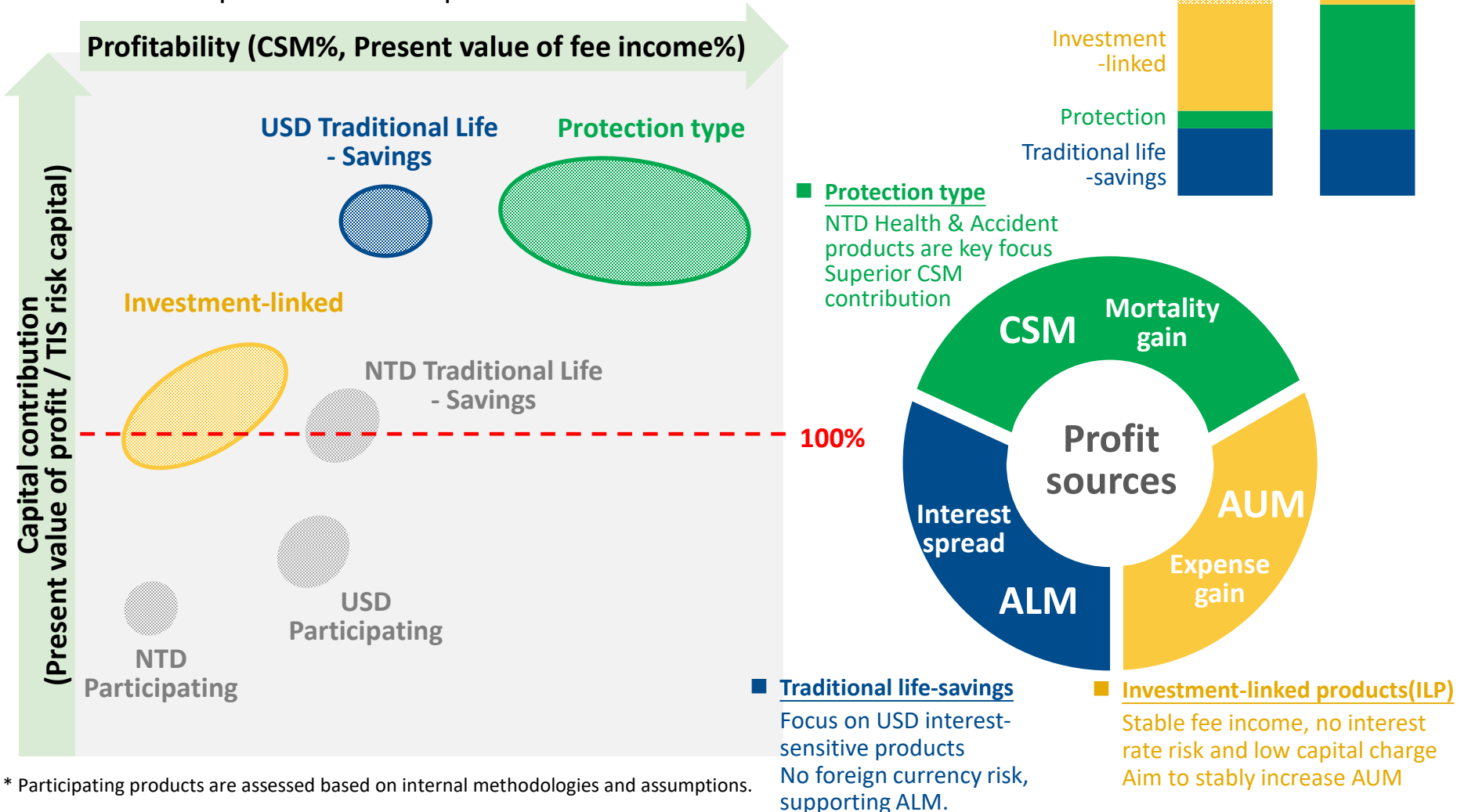
Illustrative CSM balance



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 over 60% of new business CSM.
- Focus on products with capital contribution above 100%.

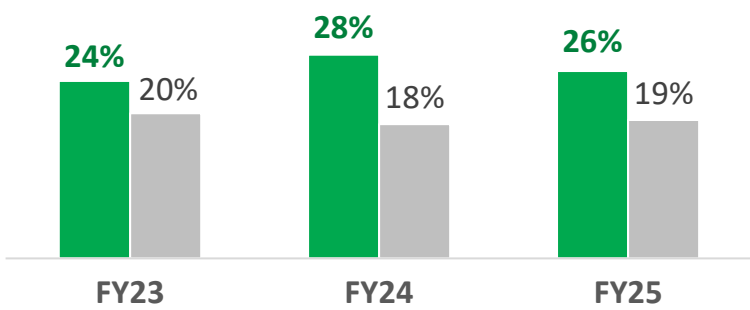


# Distribution strength and health ecosystem support NB CSM

- 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

■ Health insurance FYP market share   ■ Total FYP market share



## FitBack health promotion program

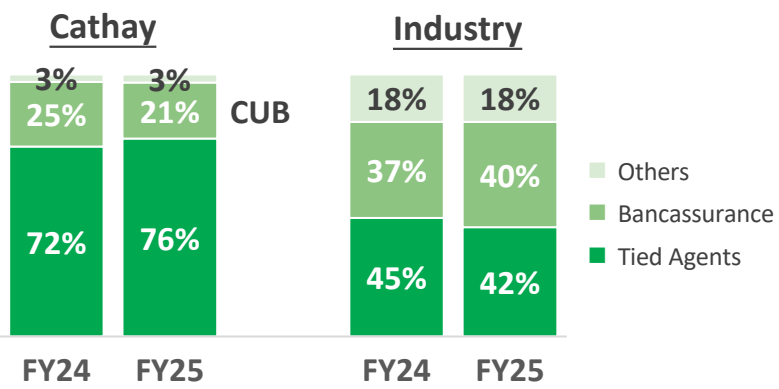
**Compensation >>> Prevention**

Members > 1.7mn

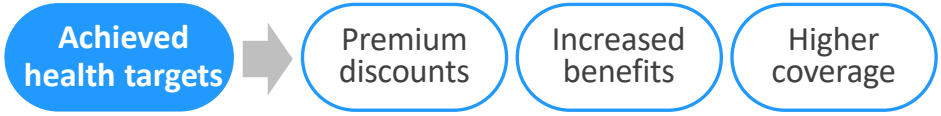
Health goal tracking: steps, heart rate, sleep, fitness

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

## Strong distribution (FYP by channel)



## Industry-leading scale in spillover insurance products



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



# 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)
<b>Adopted framework</b>		RBC (NAIC)	ICS (IAIS)
<b>Valuation</b>	<b>Fixed income</b>	Amortized cost	Mark-to-market (market adjusted value)
	<b>Stock</b>	Average market value over half-year period	
	<b>Insurance liability</b>	Locked-in basis	
<b>Capital resources</b>		Tiering	Tiering CSM 100% recognized as capital
<b>Risk measurement</b>		VaR 95%	VaR 99.5%
<b>Risk calculation</b>		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>

# 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** <sup>(1)</sup>, based on insurers' RBC levels; subject to adjustment if capital strengthening progress falls short
  - RBC  $\geq$  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%  $\leq$  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

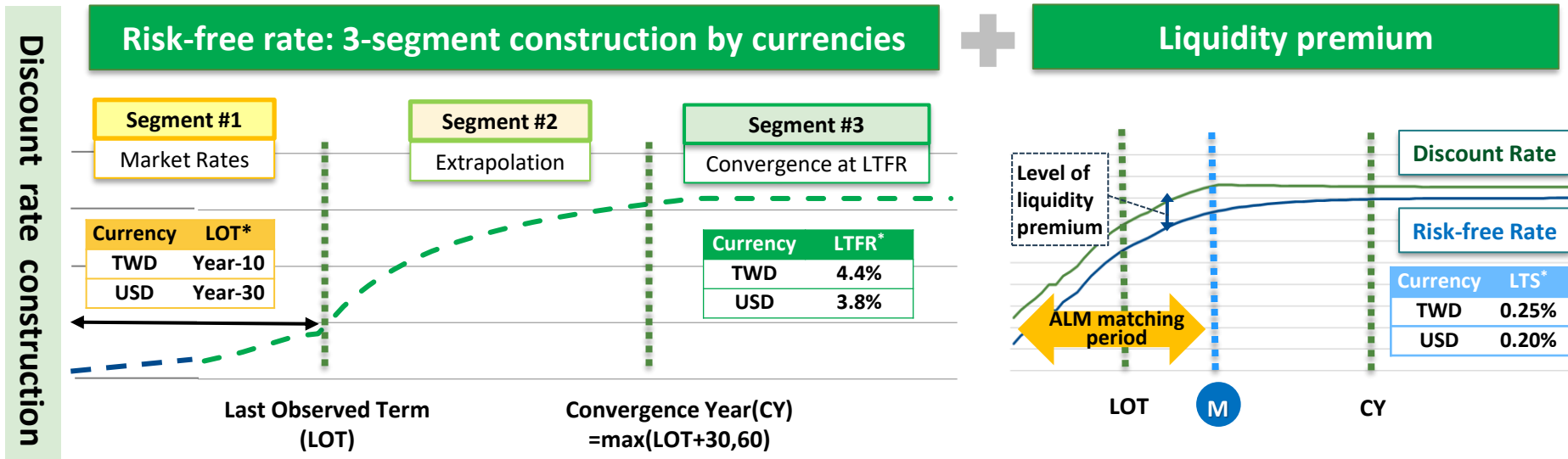
## Localization

- **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 <sup>(2)</sup>	1.28%	37% (other equity)	1.28%

# 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  $\geq 6\%$ ), 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.

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# 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

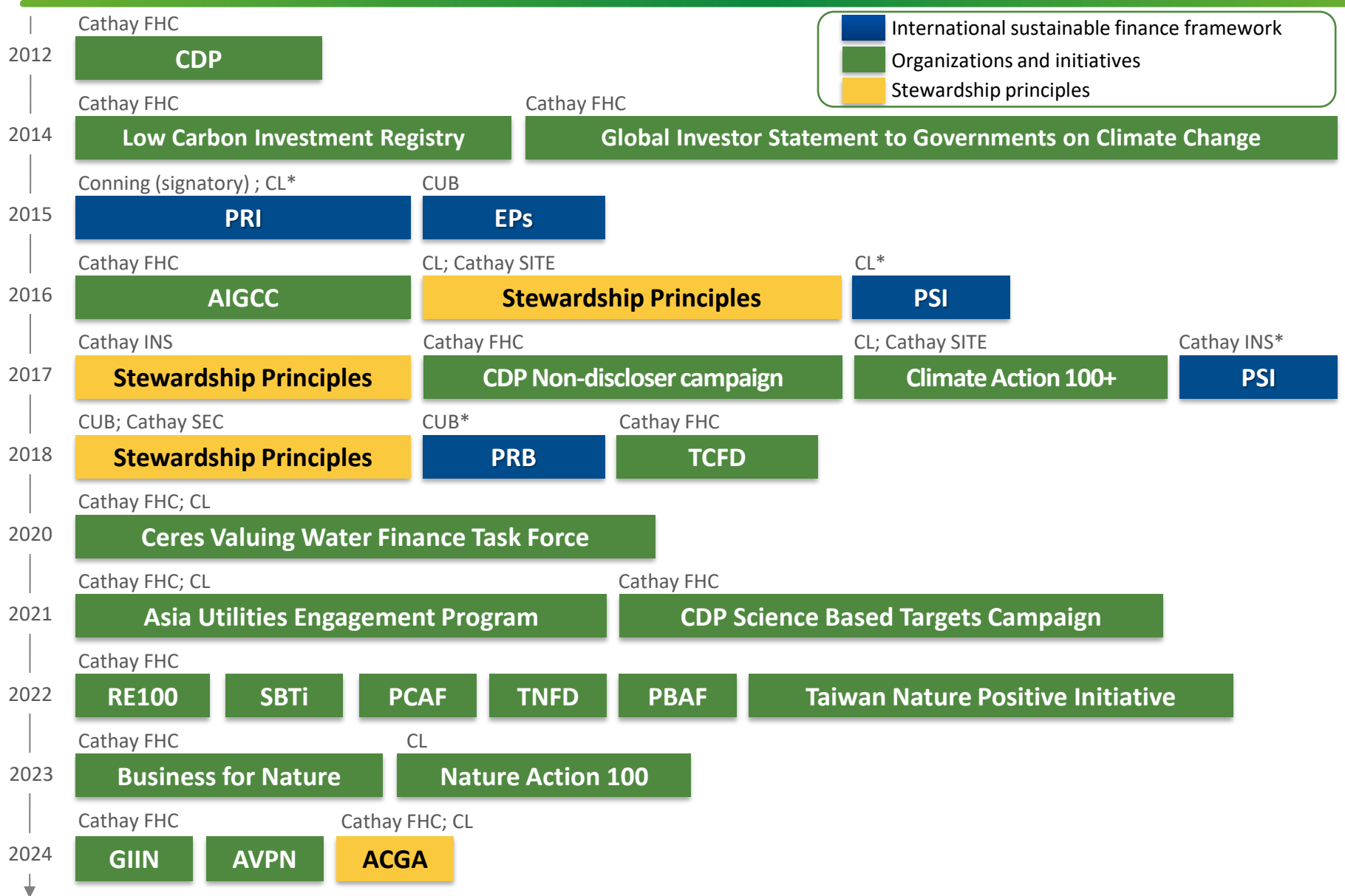
### Workplace Empowerment

- 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



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

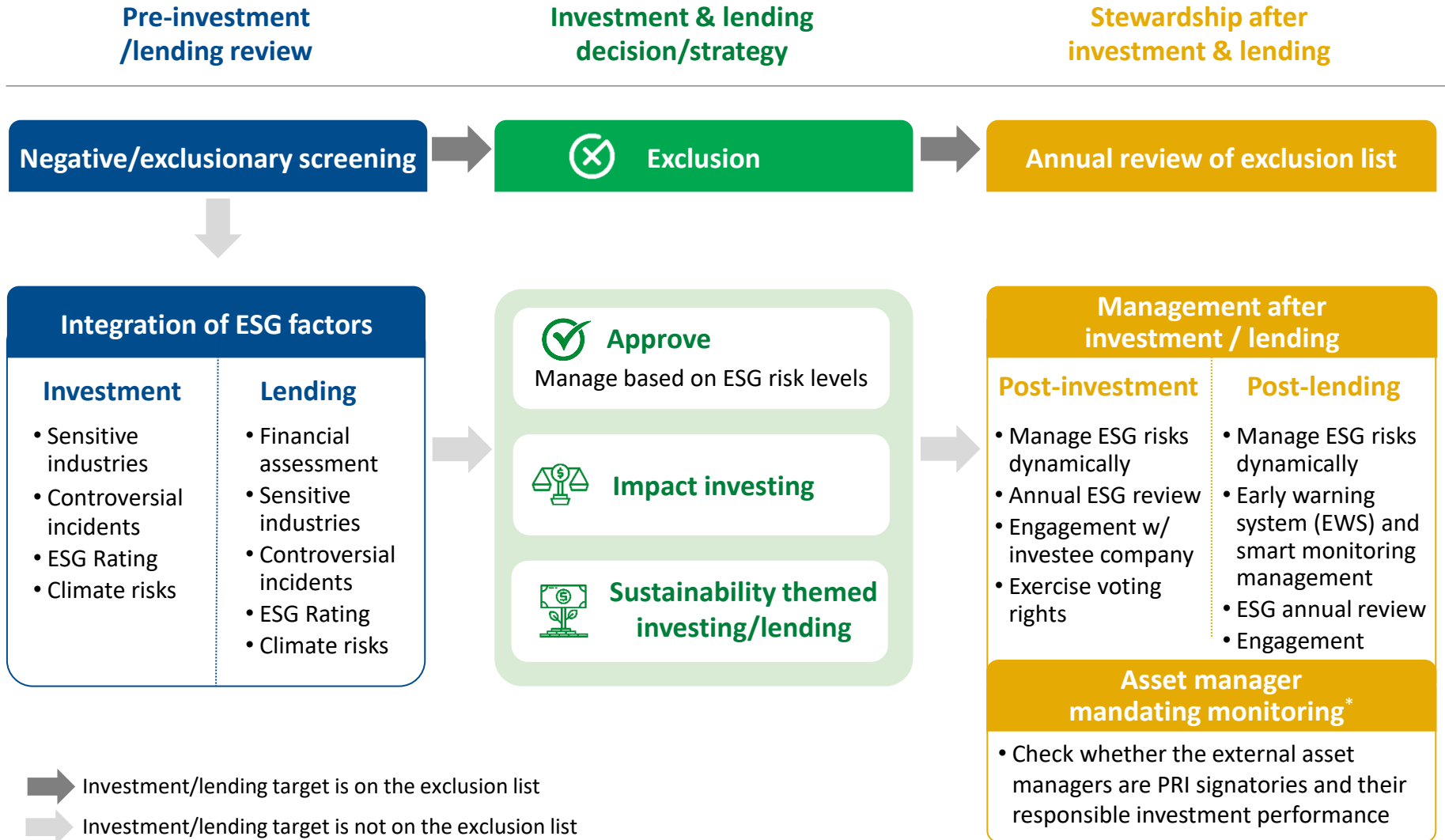
100% renewable energy for all locations in Taiwan

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

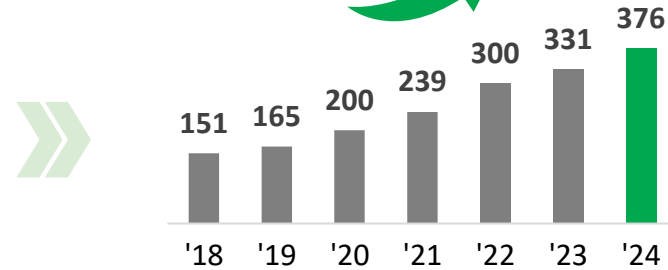
## 2024 Sustainability themed investment / lending

(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



Renewable energy



Buildings



Waste recycling



Transportation



Energy-efficiency



Green bonds

# Hastening positive environmental change with green products

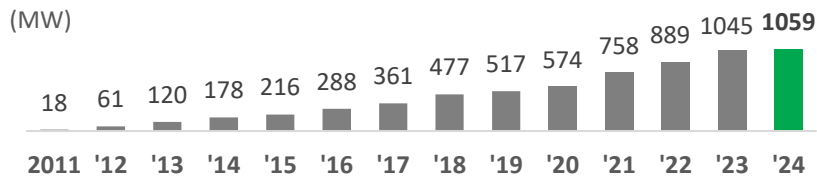
## Pioneers in renewable energy financing



### 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

動不動就健康  
**FitBack**  
健康吧



Compensation ▶▶▶ Prevention

FitBack wellness platform to encourage a healthier living

Track health habits



steps



heart rate



sleep



fitness

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  
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

## 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

## Disadvantaged support

### Elderly care



Aging & community engagement

### 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

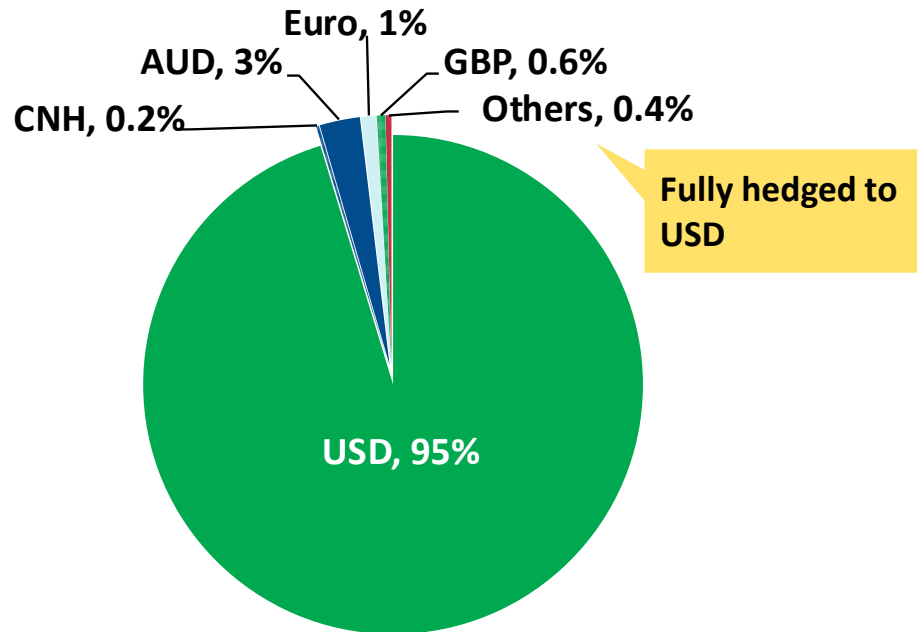
# Agenda

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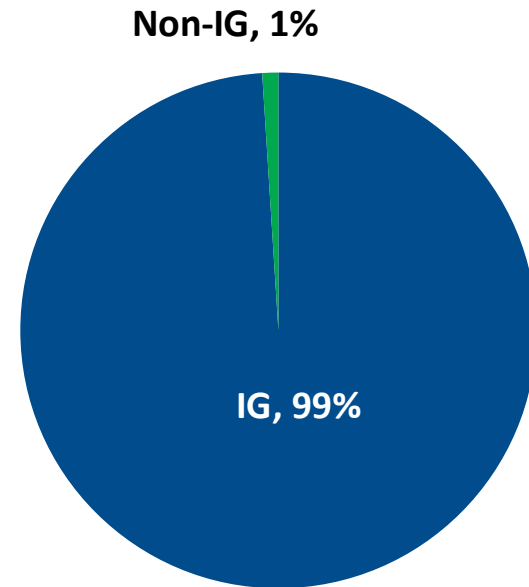
- ❑ **Introduction of Cathay FHC**
- ❑ **Business overview**
- ❑ **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- ❑ **Cathay Life IFRS 17 transition update and TIS**
- ❑ **Cathay's ESG efforts**
- ❑ **Appendix**

# Cathay Life – Overseas bond breakdown by currency and rating

## Overseas bond by currency (FY25)



## Overseas bond by rating (FY25)



Cathay Financial Holdings (NT\$MN)					FY25/ FY24			4Q25/ 4Q24
<u>Income Statement Data (Consolidated)</u>	FY23	FY24	FY25	% Chg	4Q24	4Q25	% Chg	
<b>Operating Income</b>								
Net interest income	245,556	262,122	267,371	2%	67,297	69,255	3%	
Net commission and fee	9,204	15,076	18,278	21%	3,659	6,357	74%	
Net earned premium	431,638	462,813	481,830	4%	138,129	122,669	-11%	
Change in liability reserve	(139,104)	(114,344)	(115,062)	1%	(34,454)	(34,705)	1%	
Net claims payment	(461,707)	(498,373)	(477,072)	-4%	(137,783)	(126,930)	-8%	
Investment income	39,173	117,374	126,542	8%	(15,081)	86,303	-	
Contribution from associates-equity method	1,951	2,555	3,062	20%	848	803	-5%	
Other net non-interest income	29,656	(2,840)	(69,606)	-2351%	16,768	(57,832)	-	
Bad debt expense	(4,103)	(9,279)	(8,192)	-12%	(2,915)	(3,243)	11%	
Operating expense	(94,013)	(107,251)	(114,179)	6%	(30,680)	(31,893)	4%	
<b>Income before taxes</b>	58,252	127,853	112,972	-12%	5,790	30,784	432%	
Income taxes	(6,738)	(16,626)	(5,339)	-68%	2,083	1,949	-6%	
Net income	51,514	111,227	107,633	-3%	7,872	32,734	316%	
Net income to parent company	50,929	110,270	107,142	-3%	7,453	32,520	336%	
EPS (NT\$)	3.24	7.29	7.06		0.51	2.22		
<b>Dividend Payout</b>								
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					
<b>Balance Sheet Data (Consolidated)</b>								
Total assets	12,810,424	13,767,150	14,341,618					
Total shareholders' equity	801,446	906,527	934,388					
Equity attributable to parent company	788,055	888,692	928,287					
<b>Operating Metrics</b>								
ROAE (Consolidated)	7.29%	13.02%	11.69%					
ROAA (Consolidated)	0.41%	0.84%	0.77%					
Double leverage ratio(inc. preferred stock)	118.2%	118.0%	120.7%					
<b>Capital Adequacy Metrics</b>								
Capital adequacy ratio	129%	136%	122%					

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<b>Cathay Life (NT\$MN)</b>					<b>FY25/ FY24</b>	<b>4Q25/ 4Q24</b>	
<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>% Chg</b>	<b>4Q24</b>	<b>4Q25</b>	<b>% Chg</b>
Net written premium	401,229	430,672	446,179	4%	129,722	112,278	-13%
Net earned premium	400,118	428,935	444,971	4%	128,552	111,146	-14%
Reinsurance commission earned	424	318	652	105%	256	498	94%
Fee income	11,728	13,542	13,300	-2%	3,640	3,523	-3%
Recurring investment income	259,730	272,669	279,234	2%	66,790	67,494	1%
Gain on disposal of investment							
Realized gain (loss)-Equity	40,782	114,260	114,800	0%	20,459	52,285	156%
Realized gain (loss)-Debt	4,158	1,139	6,038	430%	395	2,174	450%
Gain on investment property	(70)	976	8,745	796%	(948)	341	-
FX and others, net	(52,426)	(87,502)	(157,627)	-80%	(34,295)	(43,170)	-26%
Investment income, net	252,174	301,542	251,190	-17%	52,401	79,124	51%
Other operating income	1,468	1,550	1,582	2%	313	335	7%
Separate account revenues	56,586	67,117	80,394	20%	11,867	34,041	187%
Net claims payment	(429,157)	(475,850)	(454,396)	-5%	(131,015)	(119,030)	-9%
Changes in liability reserves	(147,994)	(112,991)	(112,129)	-1%	(34,327)	(33,921)	-1%
Acquisition and commission expense	(33,700)	(38,537)	(40,264)	4%	(10,647)	(10,066)	-5%
Other operating costs	(6,358)	(8,486)	(8,626)	2%	(2,491)	(1,973)	-21%
Financial cost	(4,802)	(7,418)	(11,384)	53%	(2,302)	(2,929)	27%
Separate account expense	(56,586)	(67,117)	(80,394)	20%	(11,867)	(34,041)	187%
Operating expense	(27,981)	(32,240)	(36,275)	13%	(9,140)	(9,580)	5%
Net non-operating income	2,755	2,538	2,528	0%	773	742	-4%
Income taxes	(1,907)	(5,624)	5,416	-	3,821	4,190	10%
Net income	16,766	67,280	56,565	-16%	(166)	22,061	13421%
Net income to parent company	16,343	66,883	56,575	-15%	(227)	22,056	9827%

#### **Balance Sheet Data**

Total assets	8,536,002	9,094,382	9,081,778
General account	7,808,336	8,303,423	8,241,657
Separate account	727,666	790,958	840,121
Reserves for life insurance liabilities	6,919,383	7,146,011	7,097,335
Total liabilities	7,908,127	8,376,708	8,331,451
Total shareholders' equity	627,875	717,673	750,327
Equity attributable to parent company	618,419	704,497	749,029

#### **Operating Metrics**

First Year Premium(FYP)	132,871	154,103	190,543
Annualized FYP(APE)	47,415	57,793	60,610
Expense ratio	13.7%	15.7%	17.1%
13-M persistency ratio	97.3%	97.9%	97.6%
25-M persistency ratio	95.4%	95.3%	95.6%
ROAE	3.07%	10.00%	7.71%
ROAA	0.20%	0.76%	0.62%

#### **Capital Adequacy Metrics**

RBC ratio (Standalone)	323%	359%	310%
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<b>Cathay United Bank (NT\$MN)</b>					<b>FY25/ FY24</b>			<b>4Q25/ 4Q24</b>
<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>% Chg</b>	<b>4Q24</b>	<b>4Q25</b>	<b>% Chg</b>	
<b>Operating Income</b>								
Net interest income	51,743	60,913	68,241	12%	16,046	17,883	11%	
Net fee income	20,844	27,973	34,090	22%	6,951	7,894	14%	
Investment income	13,476	18,334	13,704	-25%	2,739	3,130	14%	
Other income	835	602	732	22%	118	194	65%	
<b>Net operating income</b>	<b>86,898</b>	<b>107,822</b>	<b>116,767</b>	<b>8%</b>	<b>25,853</b>	<b>29,100</b>	<b>13%</b>	
Operating expenses	(45,752)	(51,840)	(56,790)	10%	(14,555)	(15,307)	5%	
<b>Pre-provision profit</b>	<b>41,146</b>	<b>55,982</b>	<b>59,977</b>	<b>7%</b>	<b>11,298</b>	<b>13,793</b>	<b>22%</b>	
Net provisions for possible losses	(5,077)	(9,211)	(7,293)	-21%	(2,697)	(3,155)	17%	
<b>Income before taxes</b>	<b>36,069</b>	<b>46,770</b>	<b>52,684</b>	<b>13%</b>	<b>8,601</b>	<b>10,638</b>	<b>24%</b>	
Income tax	(7,102)	(8,430)	(9,174)	9%	(1,501)	(1,816)	21%	
<b>Net income</b>	<b>28,967</b>	<b>38,341</b>	<b>43,510</b>	<b>13%</b>	<b>7,100</b>	<b>8,822</b>	<b>24%</b>	
<b>Net income to parent company</b>	<b>28,805</b>	<b>37,780</b>	<b>43,008</b>	<b>14%</b>	<b>6,741</b>	<b>8,613</b>	<b>28%</b>	
<b>Balance Sheet Data</b>								
Total assets	4,233,701	4,606,285	5,167,942					
Loans, net	2,280,571	2,679,233	2,886,929					
Financial assets	1,403,347	1,234,617	1,434,798					
Total liability	3,957,835	4,306,237	4,843,283					
Deposits	3,543,558	3,848,586	4,430,955					
Financial Debenture Payable	27,100	12,700	18,600					
Total shareholders' equity	275,866	300,048	324,659					
Equity attributable to parent company	271,931	295,390	319,856					
<b>Operating Metrics</b>								
Cost income ratio	52.65%	48.08%	48.64%					
ROAE	11.19%	13.31%	13.93%					
ROAA	0.71%	0.87%	0.89%					
<b>Assets Quality (Standalone)</b>								
NPL	2,519	2,943	4,357					
NPL ratio	0.11%	0.11%	0.15%					
NPL provisions	36,609	42,528	46,178					
Coverage ratio	1453%	1445%	1060%					
<b>Capital Adequacy Metrics (Standalone)</b>								
BIS ratio	15.8%	15.2%	16.1%					
Tier 1 ratio	13.7%	13.3%	14.2%					
CET1 ratio	12.0%	11.7%	12.7%					
<b>LDR (Standalone)</b>								
Total LDR	64.1%	69.8%	65.4%					
TWD LDR	79.8%	79.8%	72.4%					
FX LDR	22.5%	34.4%	36.9%					

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

<b>Income Statement Data (Consolidated)</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY25/</b>	<b>4Q24</b>	<b>4Q25</b>	<b>4Q25/</b>
				<b>FY24</b>			<b>% Chg</b>
Premium income	34,273	38,559	41,222	7%	9,623	9,710	1%
Net written premium	24,022	26,417	28,538	8%	7,006	7,522	7%
Net earned premium	23,448	25,343	27,585	9%	6,606	7,102	8%
Reinsurance commission earned	1,117	1,230	1,237	1%	296	259	-13%
Fee income	50	54	53	-3%	14	14	0%
Investment	948	1,407	2,018	43%	187	557	198%
Interest income	674	859	953	11%	238	247	4%
Other investment income, net	275	548	1,066	94%	(51)	311	707%
Other operating income	51	67	0	-100%	19	0	-100%
Net claims payment	(23,240)	(12,534)	(12,037)	-4%	(3,408)	(3,121)	-8%
Changes in liability reserves	8,891	(1,354)	(2,933)	117%	(127)	(784)	516%
Commissions and other operating costs	(4,376)	(4,689)	(5,007)	7%	(1,241)	(1,263)	2%
Operating expenses	(5,374)	(6,353)	(6,508)	2%	(1,780)	(1,635)	-8%
<b>Operating income</b>	<b>1,514</b>	<b>3,172</b>	<b>4,408</b>	<b>39%</b>	<b>566</b>	<b>1,128</b>	<b>99%</b>
Net non-operating income	12	23	8	-65%	23	13	-41%
Income taxes	(281)	(558)	(661)	18%	(155)	(204)	32%
Net income	1,246	2,637	3,755	42%	434	938	116%
<b>Balance Sheet Data</b>							
Total assets	55,446	65,503	79,884				
Total stockholders' equity	14,982	17,947	20,027				
<b>Operating Metrics</b>							
Gross Combined ratio (Standalone)	88.7%	87.3%	101.1%				
Net Combined ratio (Standalone)	101.6%	91.2%	88.8%				
ROAE	8.97%	16.01%	19.78%				
ROAA	2.15%	4.36%	5.17%				
<b>Capital Adequacy Metrics</b>							
RBC ratio (Standalone)	351%	365%	342%				

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