



國泰金控

Cathay Financial Holdings

2026 First Quarter Briefing

May 2026



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Agenda

- ❑ **1Q26 Business overview**
- ❑ **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- ❑ **Appendix**

1Q26 Business overview

Cathay United Bank

- 1Q26 net income rose 8% YoY, marking another first-quarter record high.
- Deposits and loans delivered solid growth. Net interest income increased 13% YoY. Asset quality remained sound.
- Wealth management fees grew solidly, up 13% YoY.

Cathay Life

- New business CSM reached NT\$27.1bn, with CSM balance increasing to NT\$532.4bn.
- Liability interest cost declined significantly to 2.11%, supporting a stable positive spread.
- Net worth rebounded by NT\$121.0bn on favorable equity markets and sound asset-liability management, with adjusted equity-to-asset ratio reaching 13.5%.

Cathay Century

- Written premiums grew steadily, with market share reaching 12.8%, ranking No.2 in the industry.
- 1Q26 net income reached a first-quarter record, supported by continued business growth and well-contained loss ratios. The retained combined ratio declined YoY.

Cathay SITE

- Launched Cathay's first active ETF, 00400A, in March, with both AUM and beneficiaries showing solid growth.
- AUM reached NT\$2.8tn; mandate AUM totaled NT\$1.3tn, ranking No.1 in the industry.
- Received the "Best Institutional Asset Manager – Taiwan" from Asia Asset Management for the 10th consecutive year.

Cathay Securities

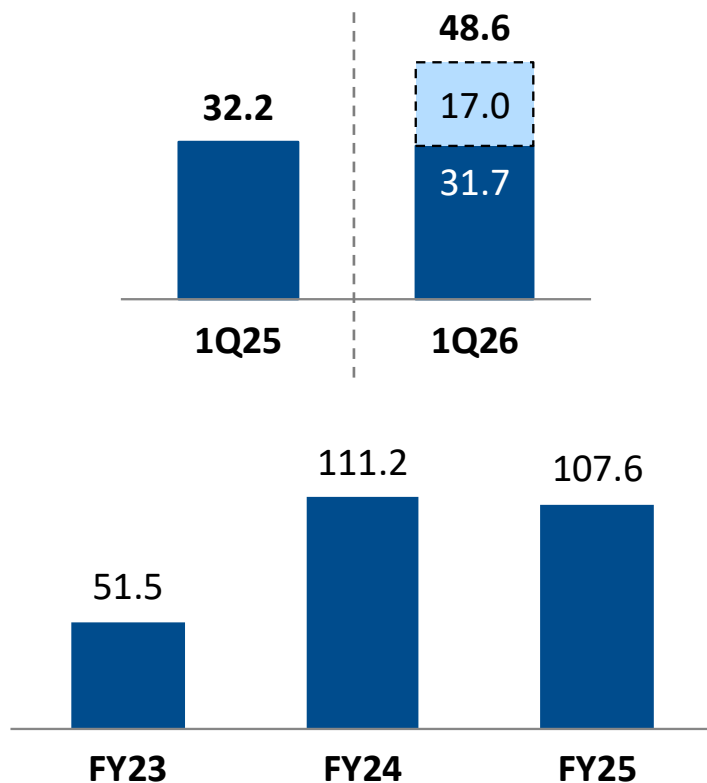
- Strengthened digital operating edge through data analytics to optimize customer experience; leveraged group synergies to expand customer base, supporting continued gains in domestic brokerage market share.
- Expanded sub-brokerage product offerings and optimize platform functions.

Cathay FHC – Net income & EPS

- 1Q26 net income reached NT\$31.7bn. Adjusted net income totaled NT\$48.6bn, including FVOCI equity disposal gains. Core business momentum remained strong across all subsidiaries.

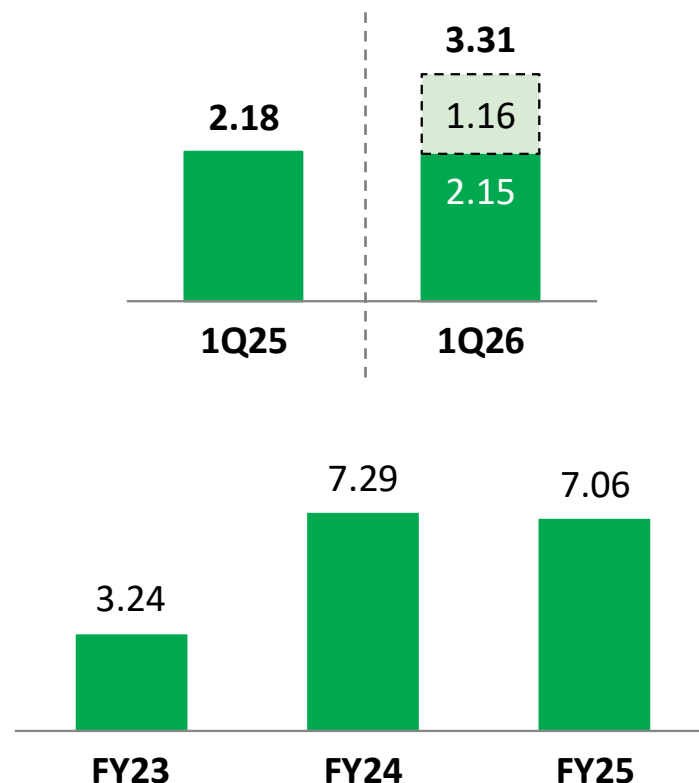
Net income and adjusted net income

FVOCI equity disposal gains/losses (NT\$BN)



EPS & adjusted EPS

FVOCI equity disposal gains/losses (NT\$)

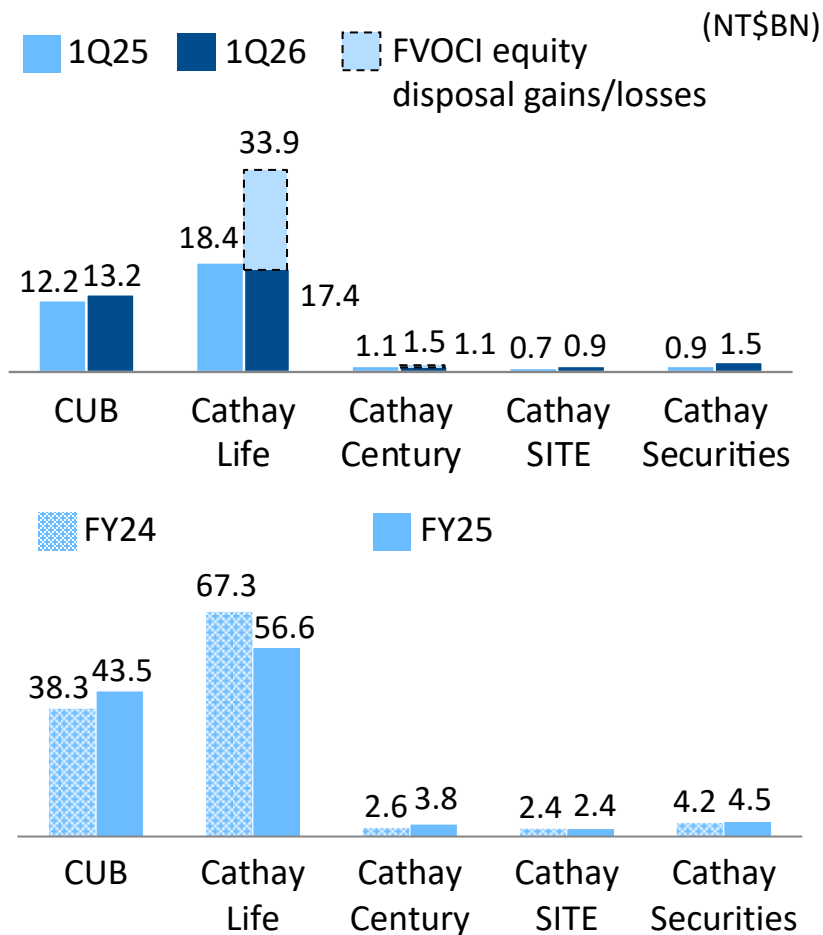


Note: Effective Jan. 1, 2026, following IFRS 17 adoption, the overlay approach no longer applies, and certain financial assets were redesignated as FVOCI. FVOCI equity disposal gains/losses are not recognized in P&L but are reflected directly in retained earnings and remain distributable. Adjusted net income and adjusted EPS include such gains/losses.

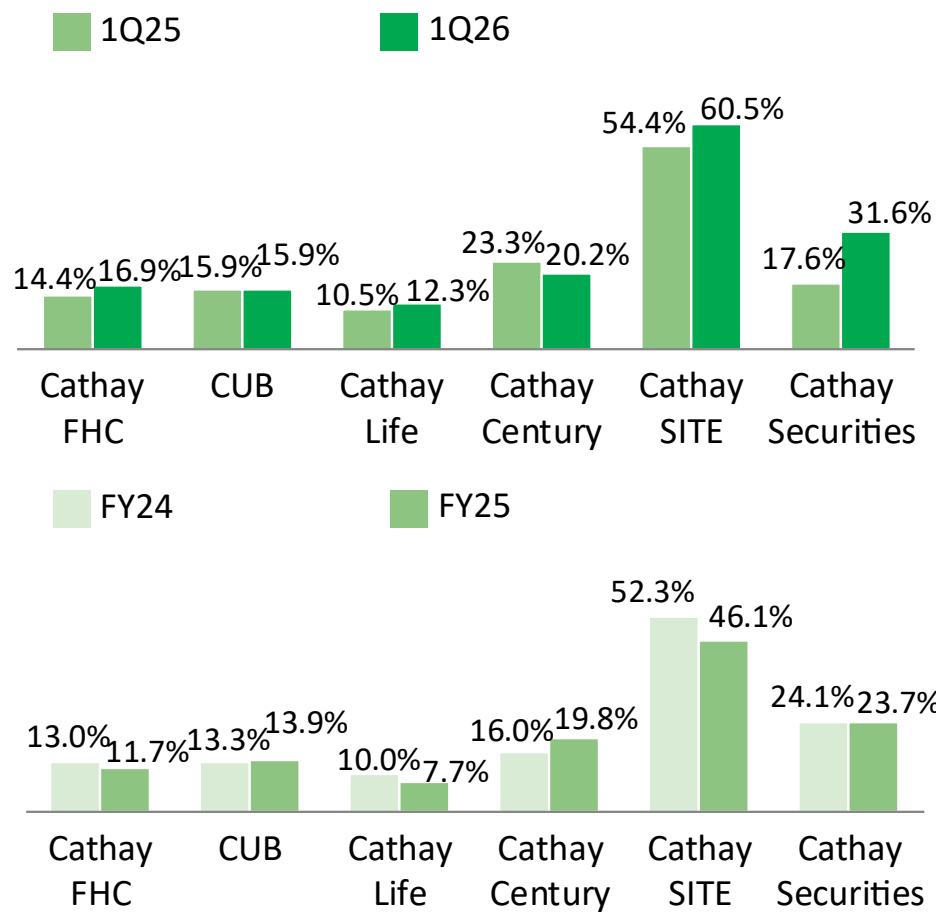
Cathay FHC – Net income & ROE

- CUB, Cathay Century, Cathay SITE and Cathay Securities each delivered first-quarter record-high earnings; Cathay Life's adjusted net income, including FVOCI equity disposal gains/losses, reached the second-highest level for the same period.

Net income & adjusted net income



ROE

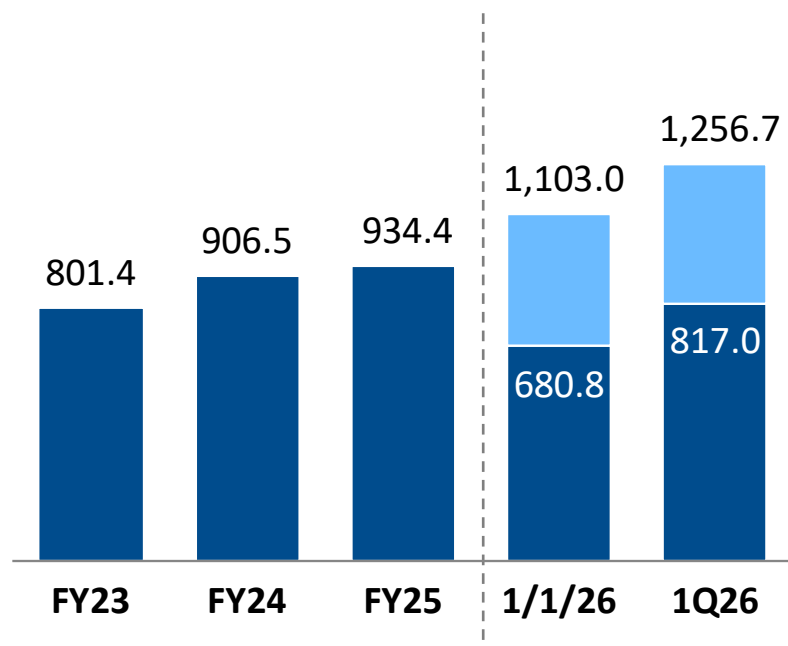


Cathay FHC – Net worth & BVPS

- 1Q26 net worth increased significantly, supported by solid earnings contribution and a recovery in OCI asset and liability valuations.

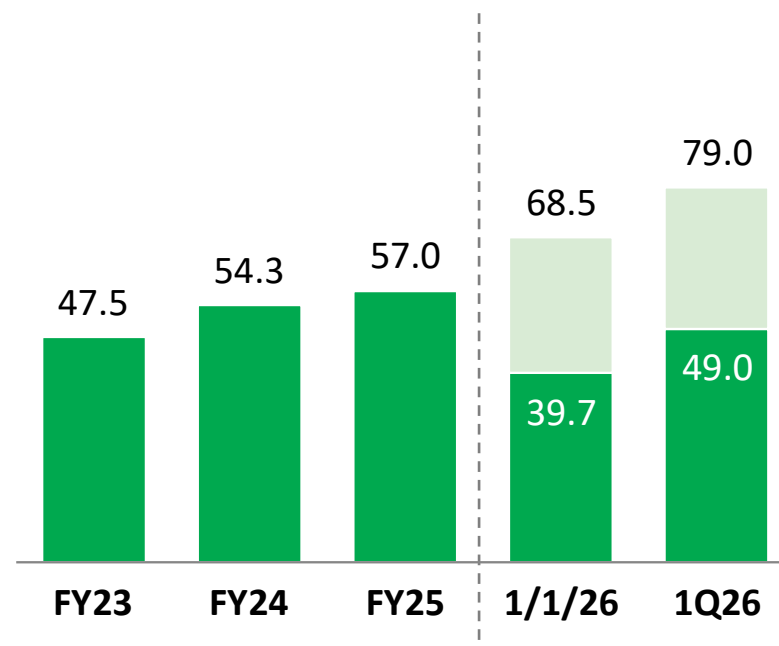
Net worth & adjusted net worth⁽¹⁾

After-tax CSM (NT\$BN)
Net worth



BVPS & adjusted BVPS⁽²⁾

(NT\$)



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	112									
▲ 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.
- CUBC launched the Merchant APP to support merchants in customer management and payment integration.
- Ho Chi Minh City branch topped Vietnam Loans Bookrunner League Table. China subsidiary's syndicated loan project received the Best Green Loan – Financial Leasing.

Life Insurance

- China: 1Q26 total premium surged 80% YoY to RMB 3.1bn; expanded channels and scale while driving value growth.
- Vietnam: 1Q26 total premium reached VND 0.7tn; sales force optimization to drive premium growth.

P&C Insurance

- Vietnam: 1Q26 premium totaled VND 125bn; advancing digitalization and mobile insurance applications.

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- ❑ Business performance summary

Cathay United Bank

Cathay Life

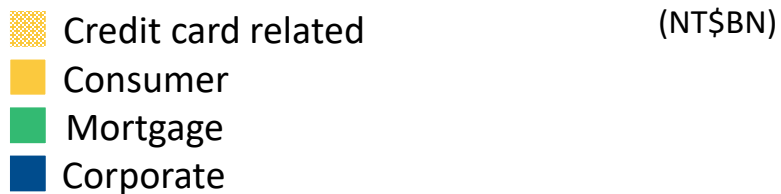
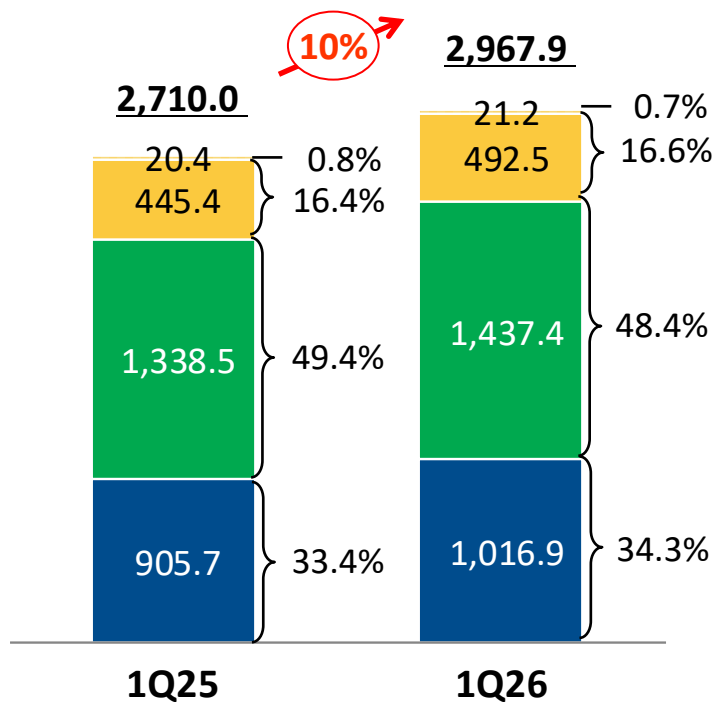
Cathay Century

- ❑ Appendix

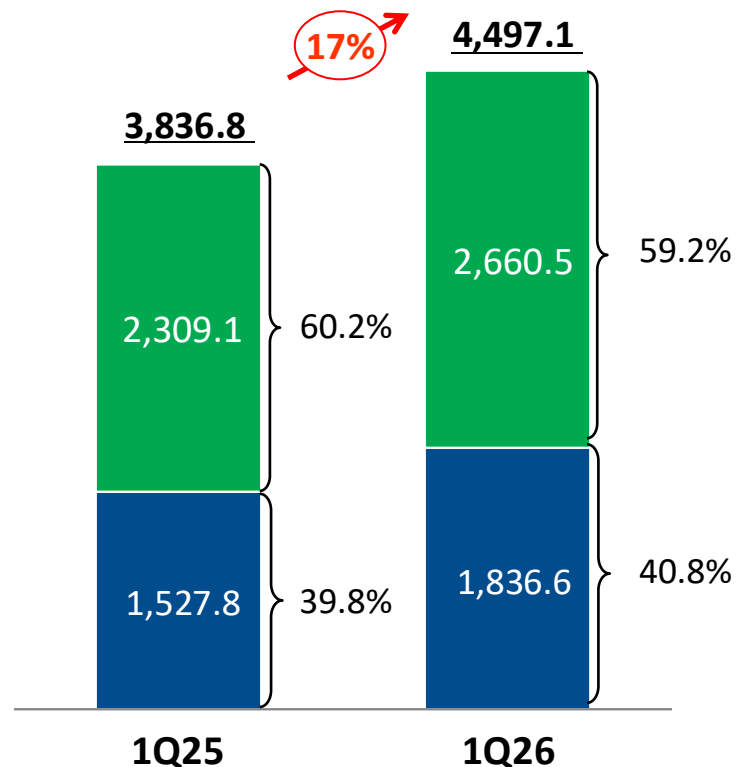
Cathay United Bank – Loan & deposit breakdown

- Loans grew 10% YoY, with solid growth across all segments.
- Deposits rose 17% YoY; maintained a high demand deposit ratio advantage.

Loan breakdown

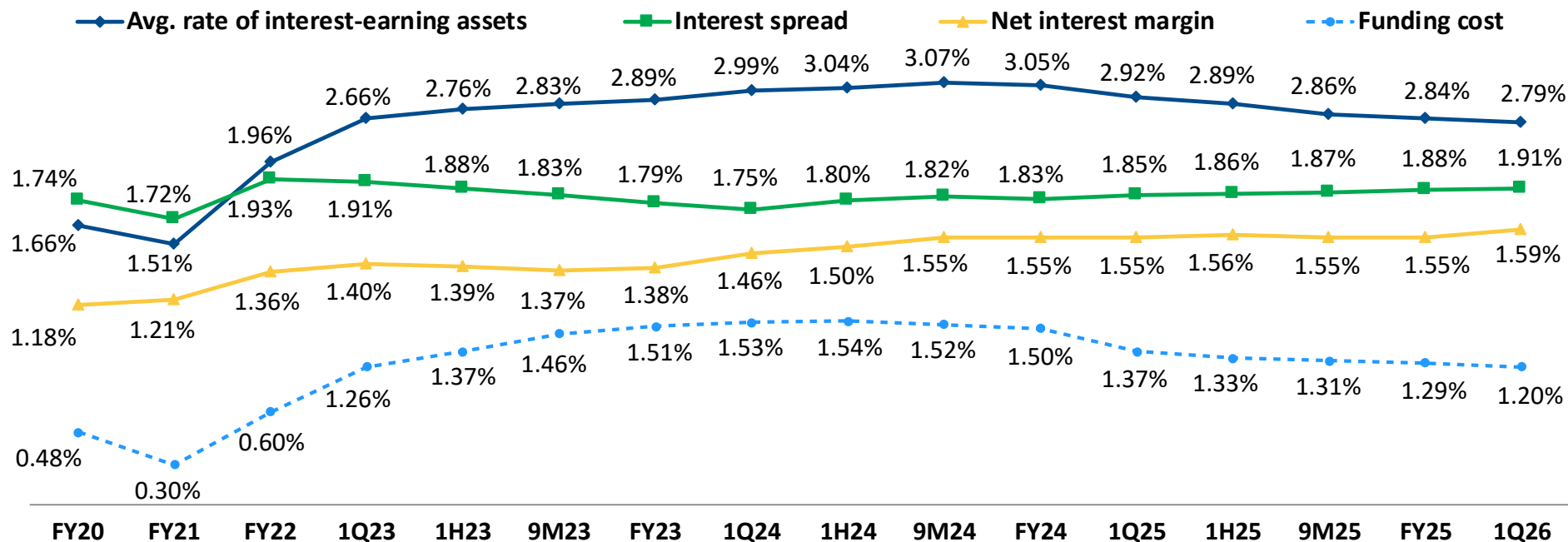


Deposit breakdown



Cathay United Bank – Interest yield

- 1Q26 interest spread and NIM both expanded, driven by U.S. rate cuts and well-contained funding costs.



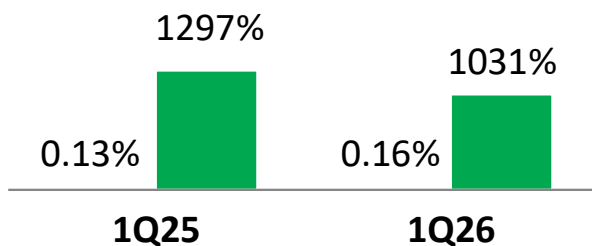
Quarterly	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Spread	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%	1.90%	1.91%
NIM	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%	1.56%	1.59%

Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.16% and coverage ratio at 1031%.

NPL & Coverage ratio

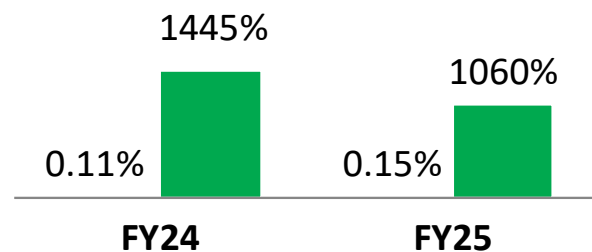
- NPL ratio
- Coverage ratio



Mortgage NPL

0.13 %

0.20 %



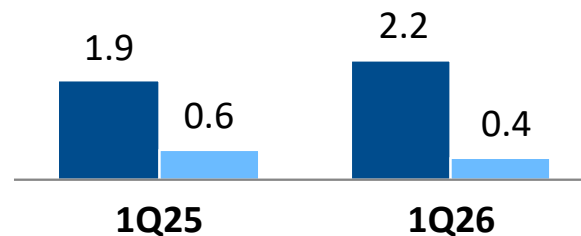
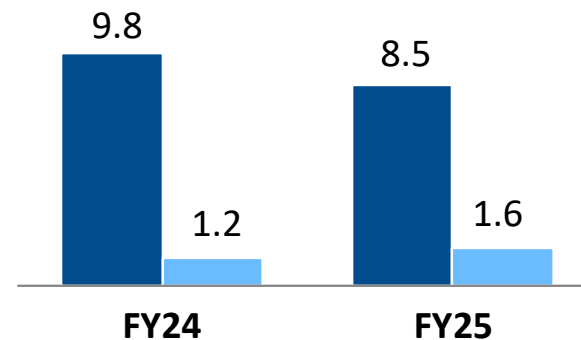
Mortgage NPL

0.11 %

0.19 %

Gross provision

- Gross provision (NT\$BN)
- Recovery



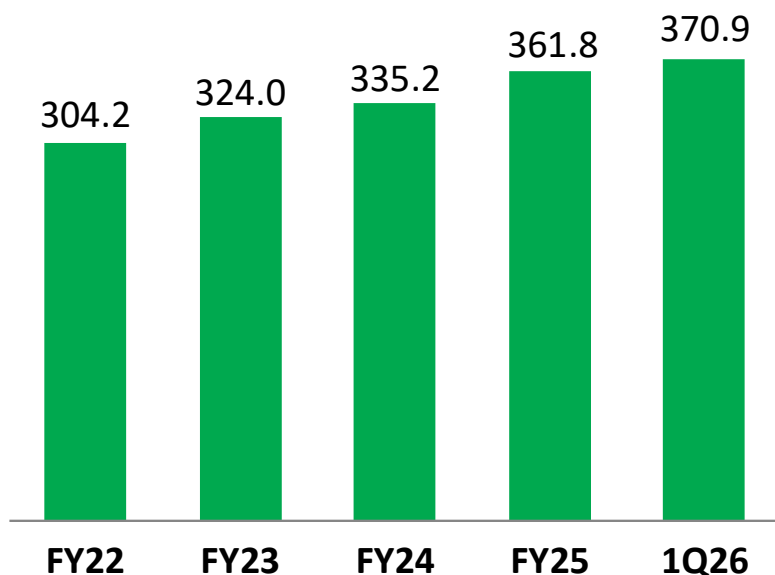
Cathay United Bank – SME & FX loans

- SME loans grew 9% YoY, sustaining solid growth.
- FX loans grew 21% YoY, balancing profitability and asset quality.

SME loans

(NT\$BN)

+9% YoY



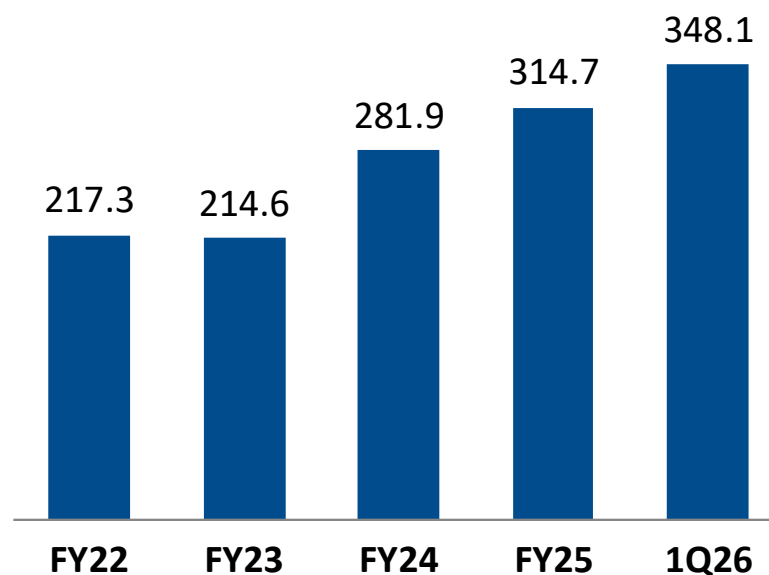
As % of total loans

15.3% 14.5% 12.8% 12.8% 12.6%

Foreign currency loans

(NT\$BN)

+21% YoY



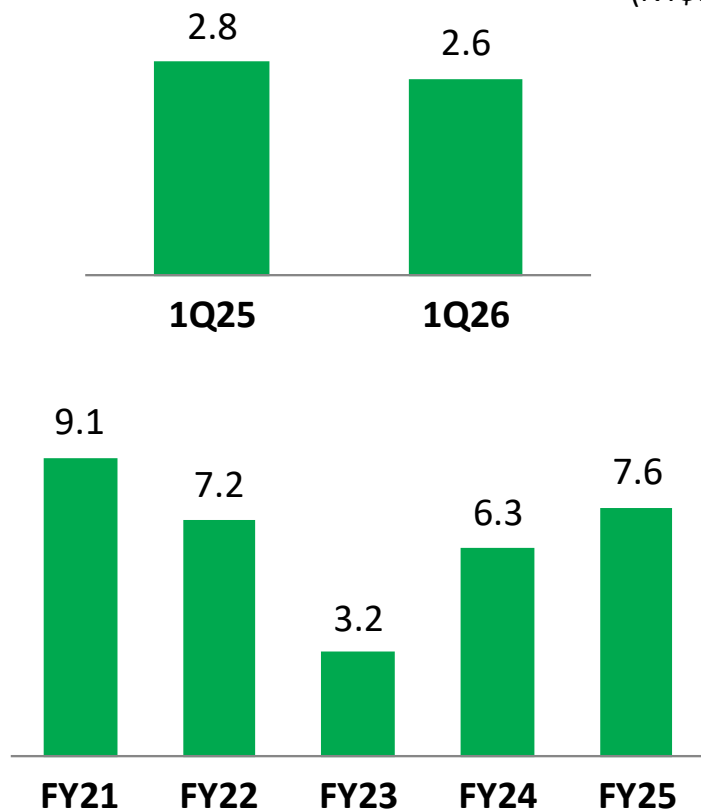
10.9% 9.6% 10.8% 11.1% 11.8%

Cathay United Bank – Offshore earnings

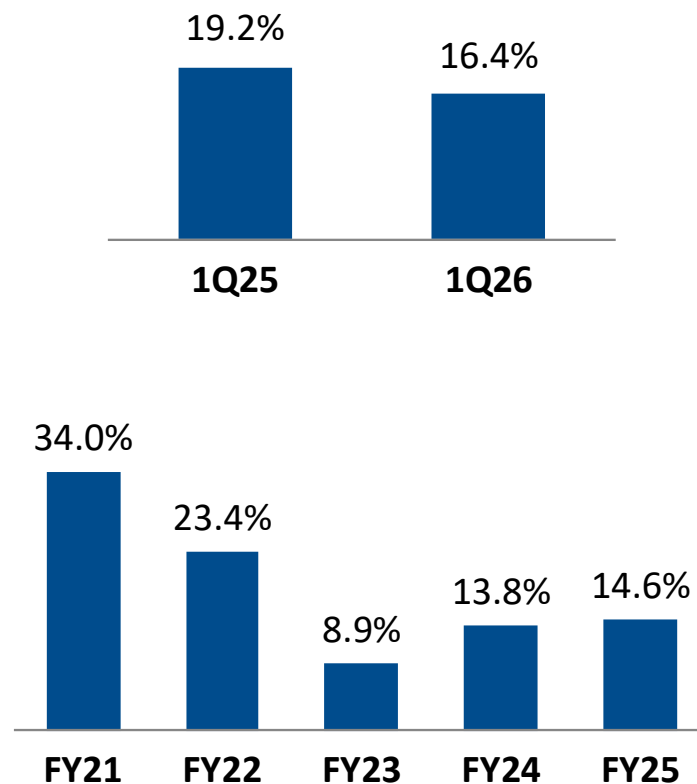
- Offshore earnings declined, mainly due to a higher investment income base in 1Q25.

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits



Cathay United Bank – Net fee income

- Net fee income slightly declined YoY due to lower credit card fee income from a one-off adjustment related to higher credit card reward redemption rates; card spending remained strong and wealth management fees grew 13% YoY.

Quarterly net fee income

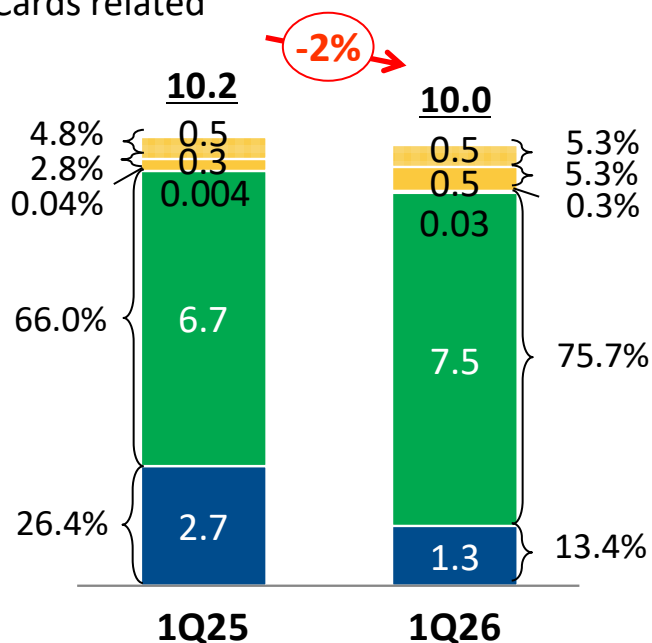
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Cards related



Annual net fee income

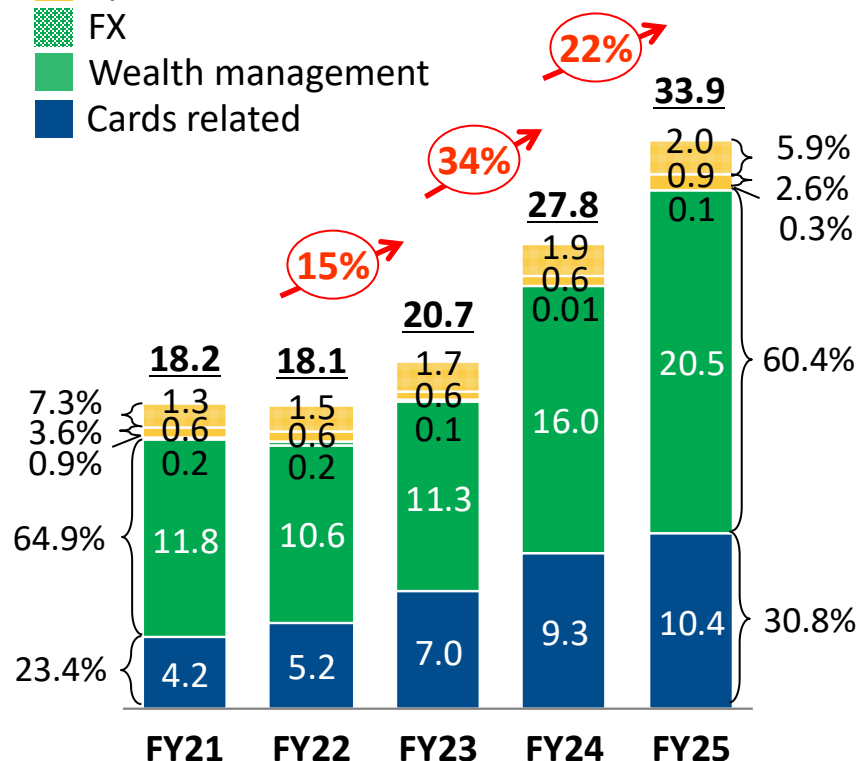
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Cards related



Cathay United Bank – Wealth management fees

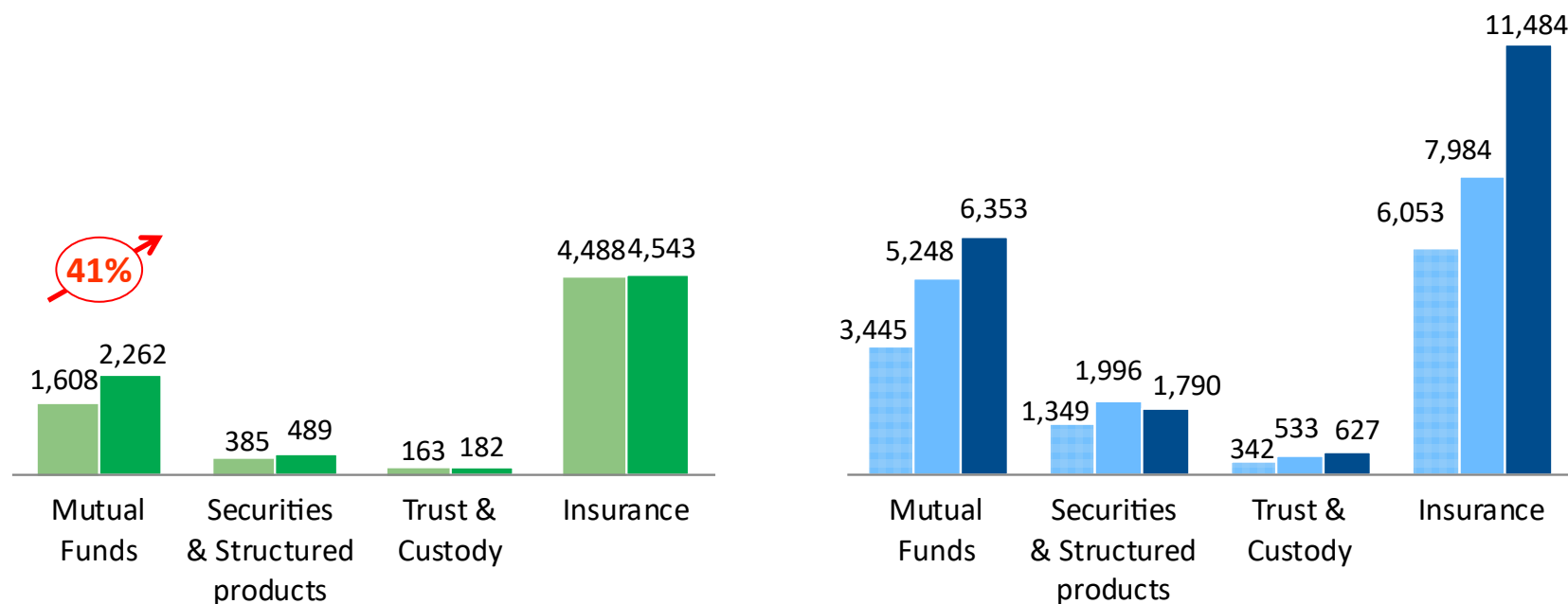
- WM fees grew 13% YoY, driven by strong sales in mutual funds.
- WM customers and AUM continued to show steady growth.

Wealth management fees breakdown

(NT\$MN)	1Q25	1Q26	FY23	FY24	FY25
Wealth management fee income	6,700	7,549	11,344	15,963	20,483
YoY growth (%)	46.1%	12.7%	7.1%	40.7%	28.3%

1Q25 1Q26

FY23 FY24 FY25



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Cathay Life – Earnings breakdown

- Steady CSM release supported insurance service result, while positive recurring spread drove financial result.
- Net income reached NT\$17.4bn; adjusted net income (incl. FVOCI equity disposal gains/losses) reached NT\$33.9bn, the second-highest level historically.

Earnings breakdown

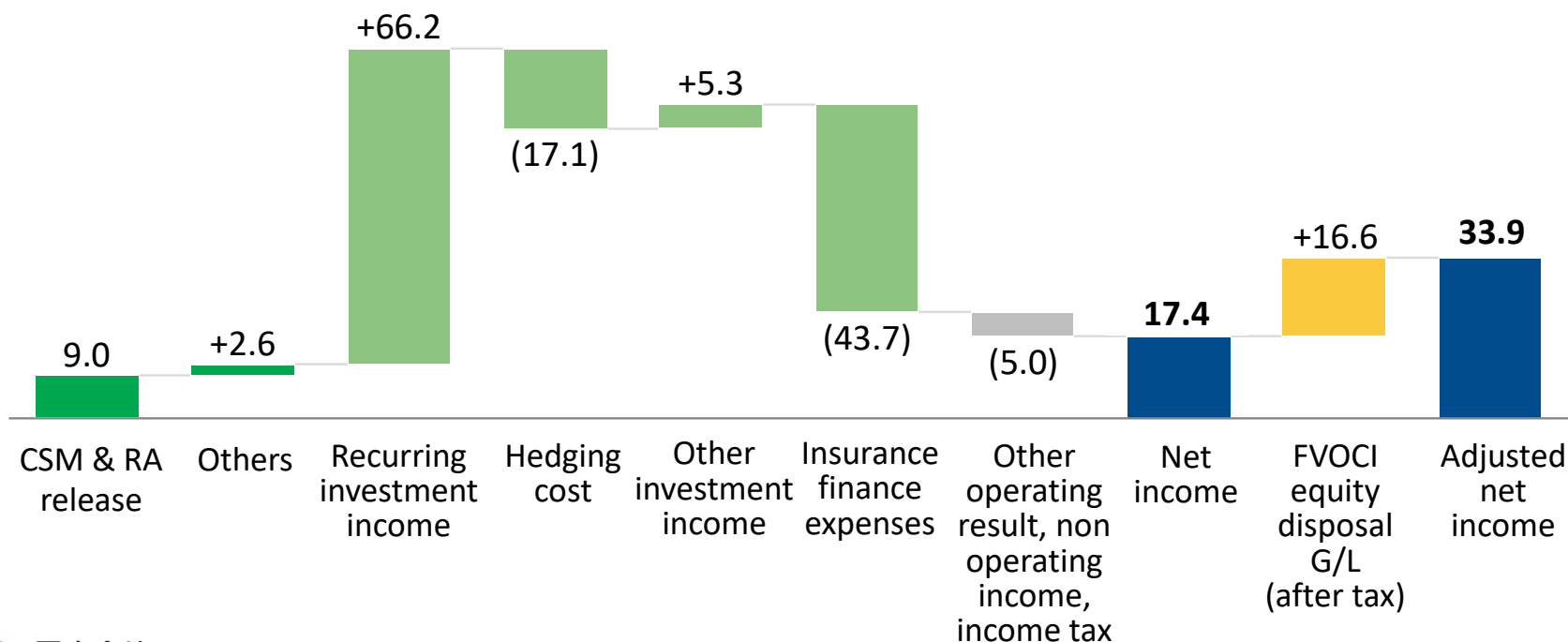
(NT\$BN)

Insurance service result

11.6BN

Financial result

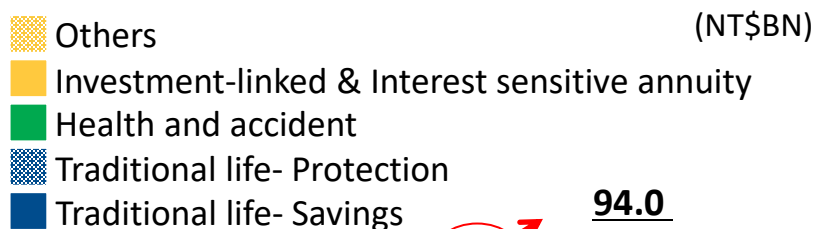
10.8BN



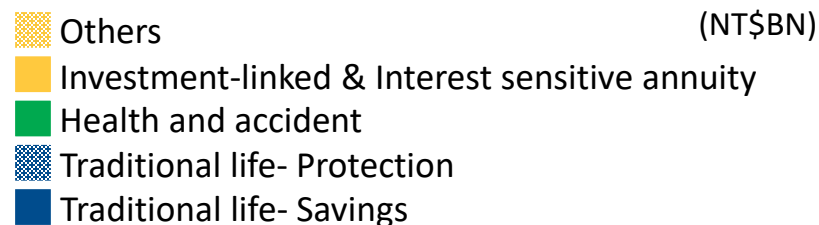
Cathay Life – FYP & APE

- FYP and APE rose 71% and 23%, respectively, driven by robust sales momentum in investment-linked products amid favorable financial markets.

First Year Premium



Annualized FYP (APE)



FX policies %
(excl. Investment-linked)

1Q24	1Q25	1Q26
59%	74%	71%

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

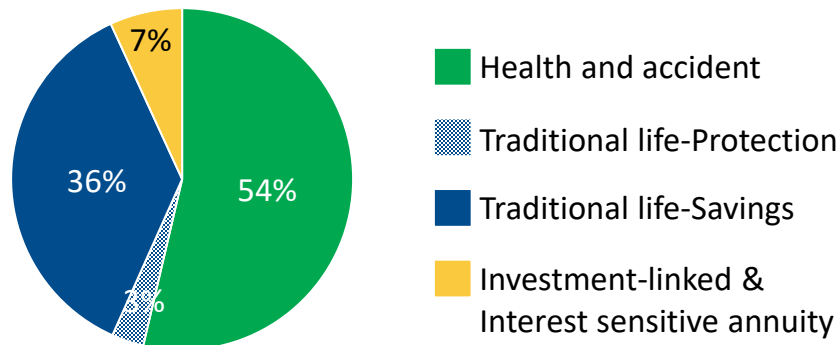
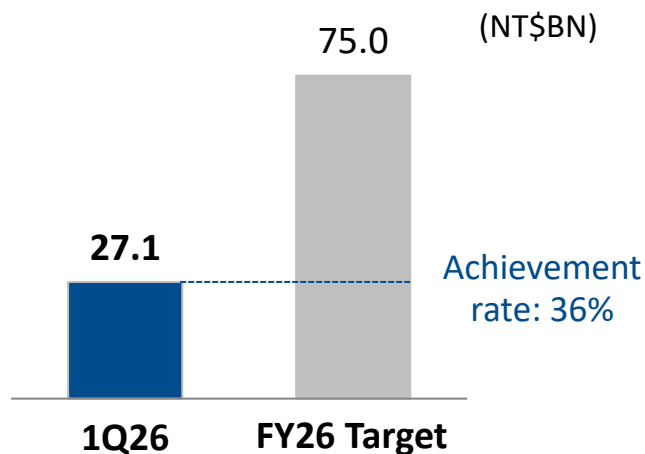
Cathay Life – New business CSM

- New business CSM reached NT\$27.1bn, with health and accident products contributing over 50% and around 90% generated through the tied agent channel.

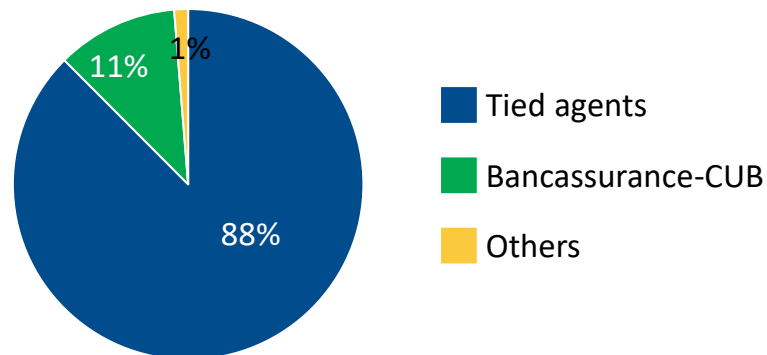
New business CSM

CSM margin	1Q26
CSM/FYP*	63%
CSM/APE*	188%

New business CSM by product



New business CSM by channel

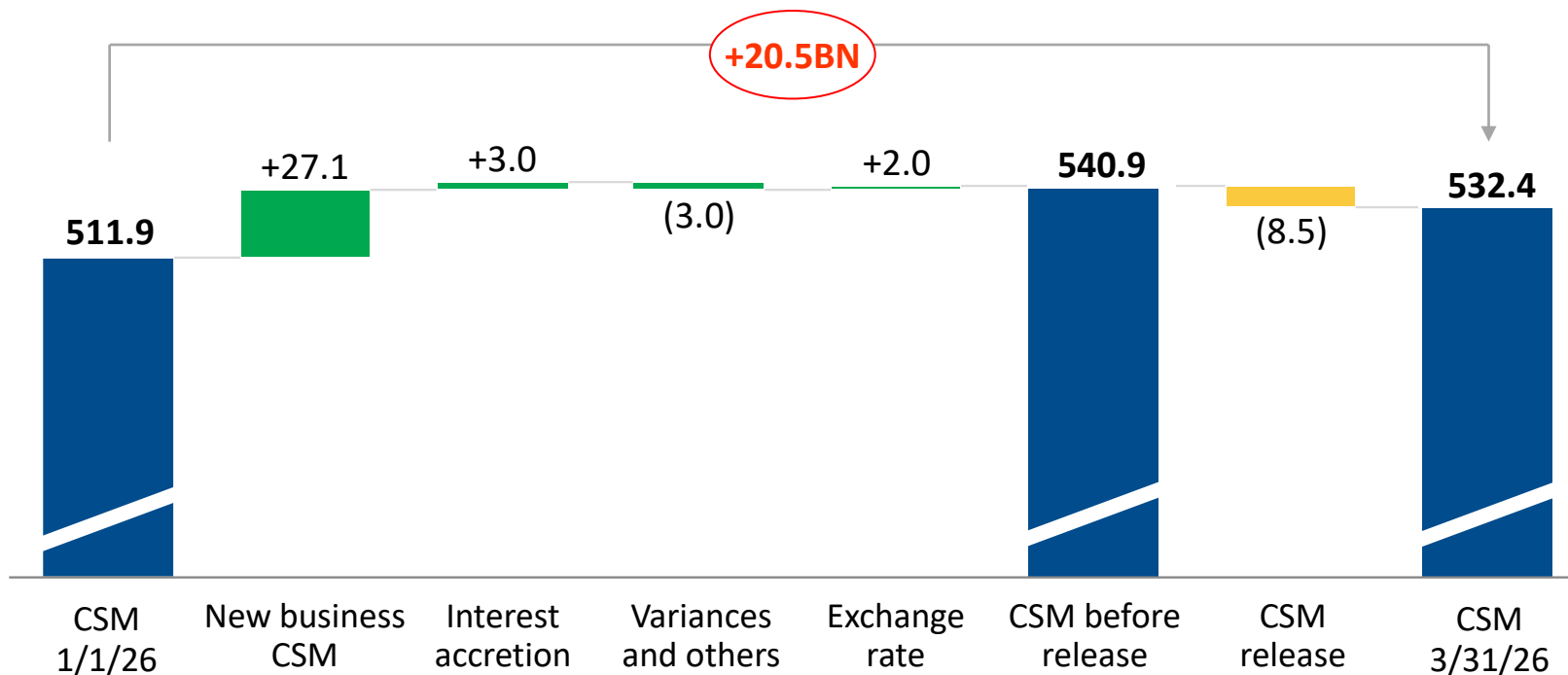


Cathay Life – CSM movement

- 1Q26 CSM balance reached NT\$532.4bn, up NT\$20.5bn YTD, mainly driven by new business CSM.
- 1Q26 CSM release was NT\$8.5bn, with an annualized release rate of approximately 6%, providing stable support to insurance service result.

CSM movement

(NT\$BN)

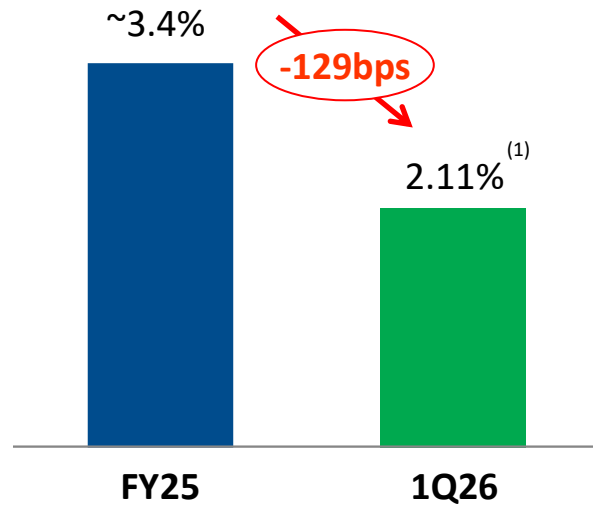


Cathay Life – Liability interest cost & break-even asset yield

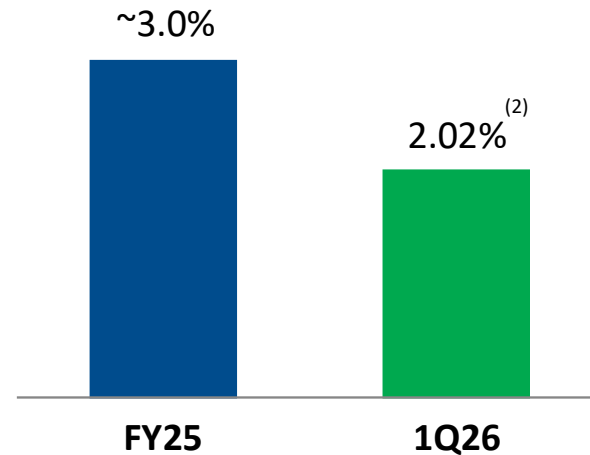
- Following IFRS 17 adoption in 2026, 1Q26 liability interest cost and break-even asset yield declined significantly, reflecting market-based discount rates for insurance liabilities.

Liability interest cost

(Asset-based)



Break-even asset yield



Cathay Life – Investment portfolio

(NT\$BN)	FY23	FY24	FY25			1Q26		
Total investments⁽¹⁾	7,638.1	7,990.6	8,083.8			7,736.7		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	2.6%	1.9%	2.3%	187	2.3%	3.5%	271	1.6%
Equity- Domestic	6.6%	7.2%	6.7%	544	16.1%	6.9%	531	15.4% ⁽⁵⁾
Equity- International ⁽²⁾	5.6%	5.5%	5.2%	417	12.0%	5.1%	391	6.7% ⁽⁵⁾
Bond- Domestic ⁽³⁾	8.1%	8.3%	9.1%	734	5.3%	9.6%	744	5.3%
Bond- International ⁽²⁾	61.8%	62.0%	61.5%	4,971	4.0%	61.2%	4,738	4.1%
Mortgage & Secured loans	3.0%	2.9%	3.2%	255	2.0%	3.5%	268	2.1%
Policy loans	2.2%	2.1%	2.1%	166	5.4%	0.05%	4 ⁽⁴⁾	3.7%
Real estate	7.5%	7.5%	7.7%	622	3.9%	8.1%	626	2.5%
Others	2.5%	2.6%	2.3%	189	1.2%	2.1%	164	1.4%

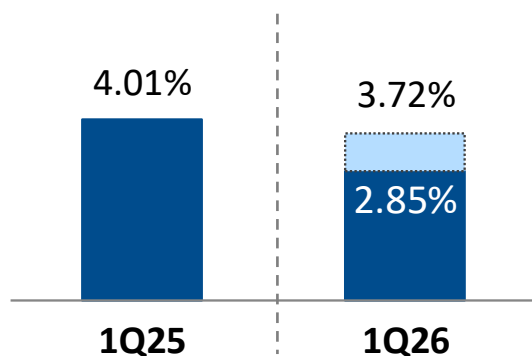
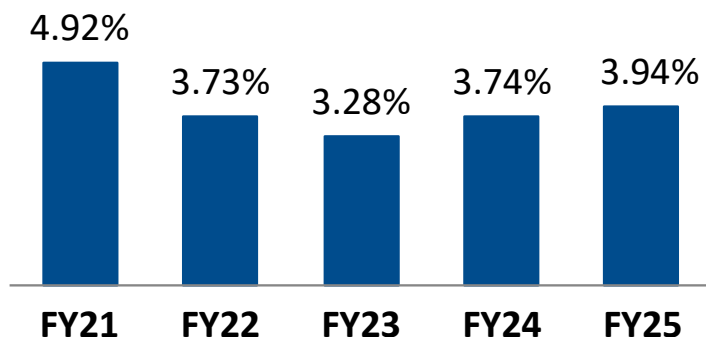
Note: (1) Total investments exclude separate account assets. (2) Returns on international equities and international bonds are on a pre-hedging investment basis. (3) Include TWD-denominated bond ETFs. (4) Policy loans related to investment contracts. (5) 1Q26 equity investment returns include FVOCI equity disposal gains/losses.

Cathay Life – Investment performance

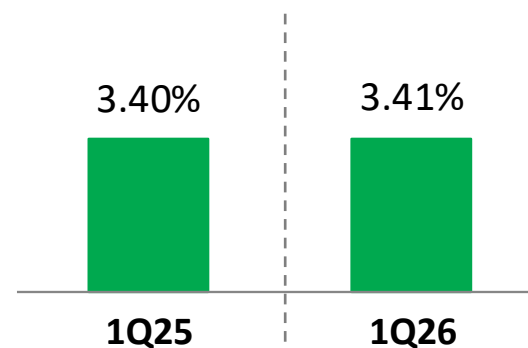
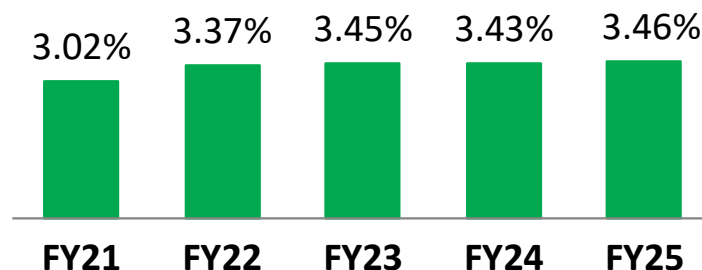
- 1Q26 after-hedging investment yield was 3.72% including FVOCI equity disposal gains/losses, while the P&L-based after-hedging investment yield was 2.85%.
- 1Q26 pre-hedging recurring yield was 3.41%.

After-hedging investment yield

■ FVOCI equity disposal gains/losses



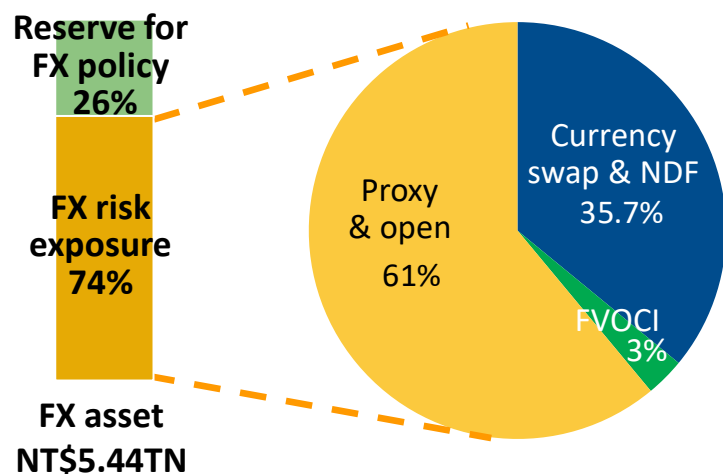
Pre-hedging recurring yield



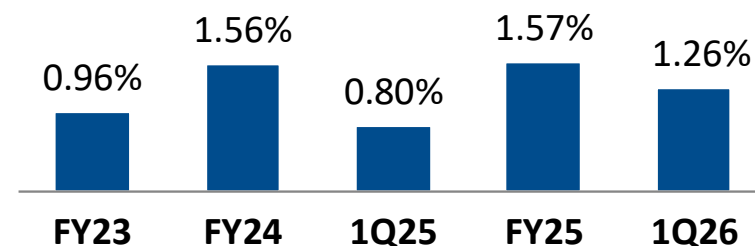
Cathay Life – FX hedging strategy

- Proxy & open positions were mainly AC bonds. FX gains/losses volatility declined significantly following the new AC FX accounting treatment from 1M26.
- 1Q26 hedging cost was 1.26%; FX volatility reserve increased by NT\$10.1bn YTD to NT\$123.9bn.

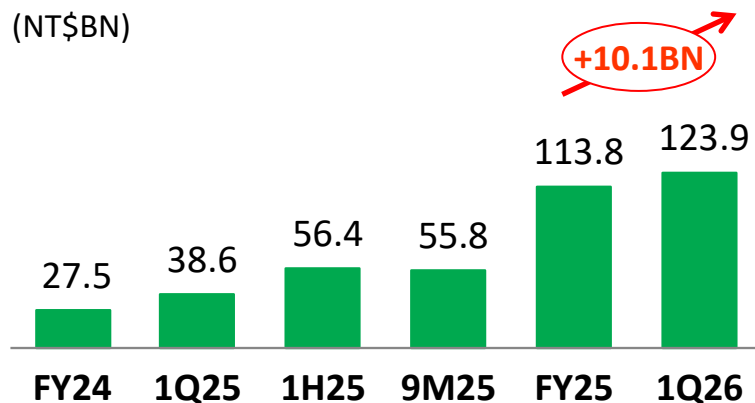
FX asset hedging structure



Hedging cost



FX volatility reserve

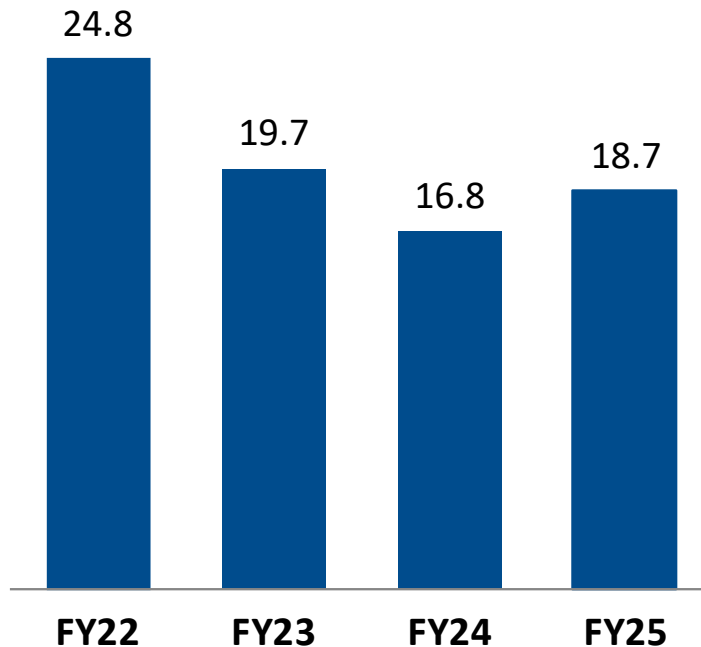


Cathay Life – Cash dividend income & overseas bond by region

- Diversified overseas fixed-income investments across regions to balance risk and return.

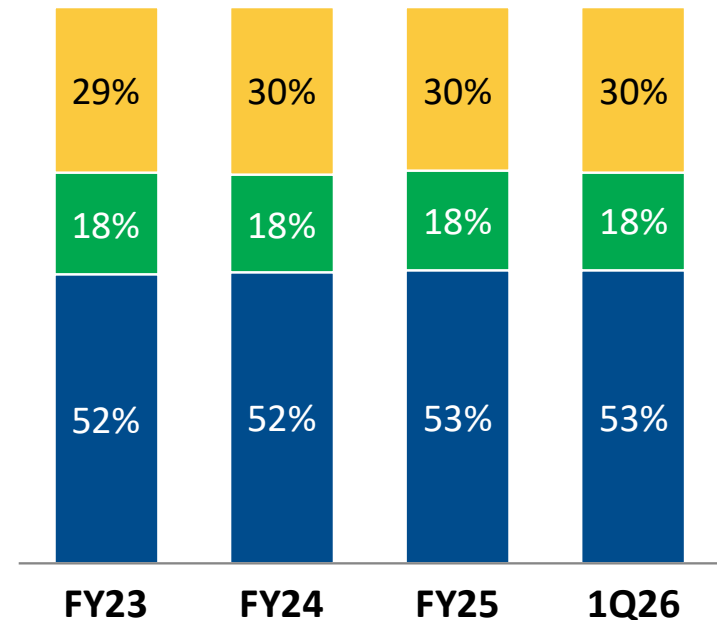
Cash dividend income

(NT\$BN)



Overseas bond by region

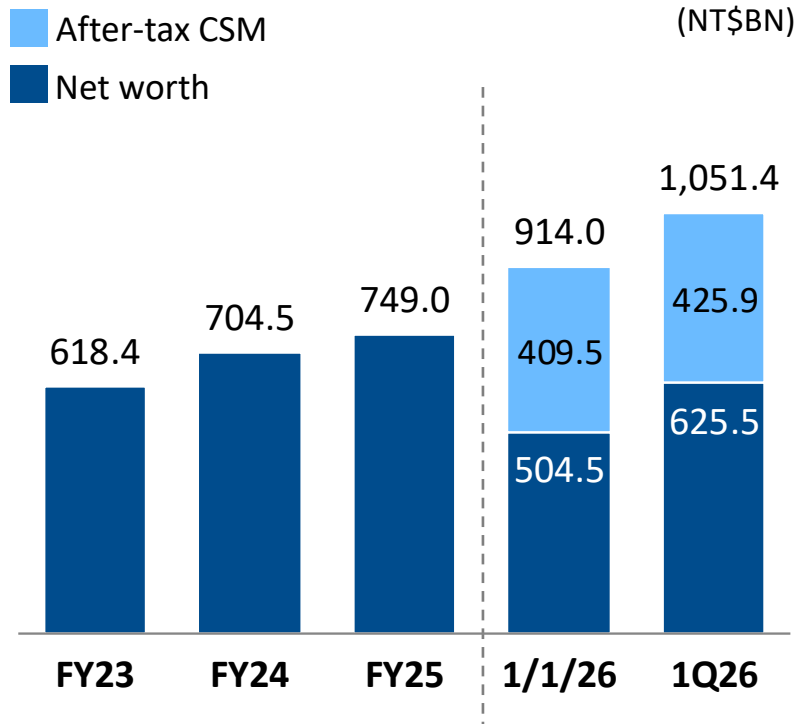
- Asia Pacific & Others
- Europe
- North America



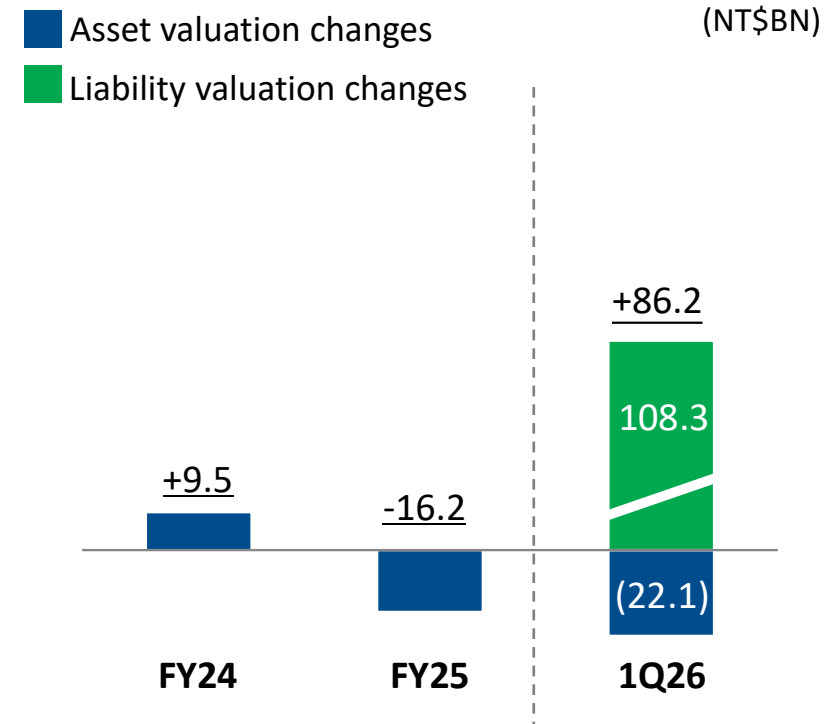
Cathay Life – Net worth & OCI asset/liability valuation changes

- 1Q26 net worth rebounded significantly, driven by earnings contribution and recovery in OCI asset/liability valuations.
- Recovery in OCI asset/liability valuations reflected favorable equity markets, and lower liability valuations from rising Taiwan interest rates, offsetting the impact of higher U.S. rates on bond valuations.
- E/A ratio and adjusted E/A ratio reached 8.2% and 13.5%, respectively, indicating a solid capital position.

Net worth & adjusted net worth

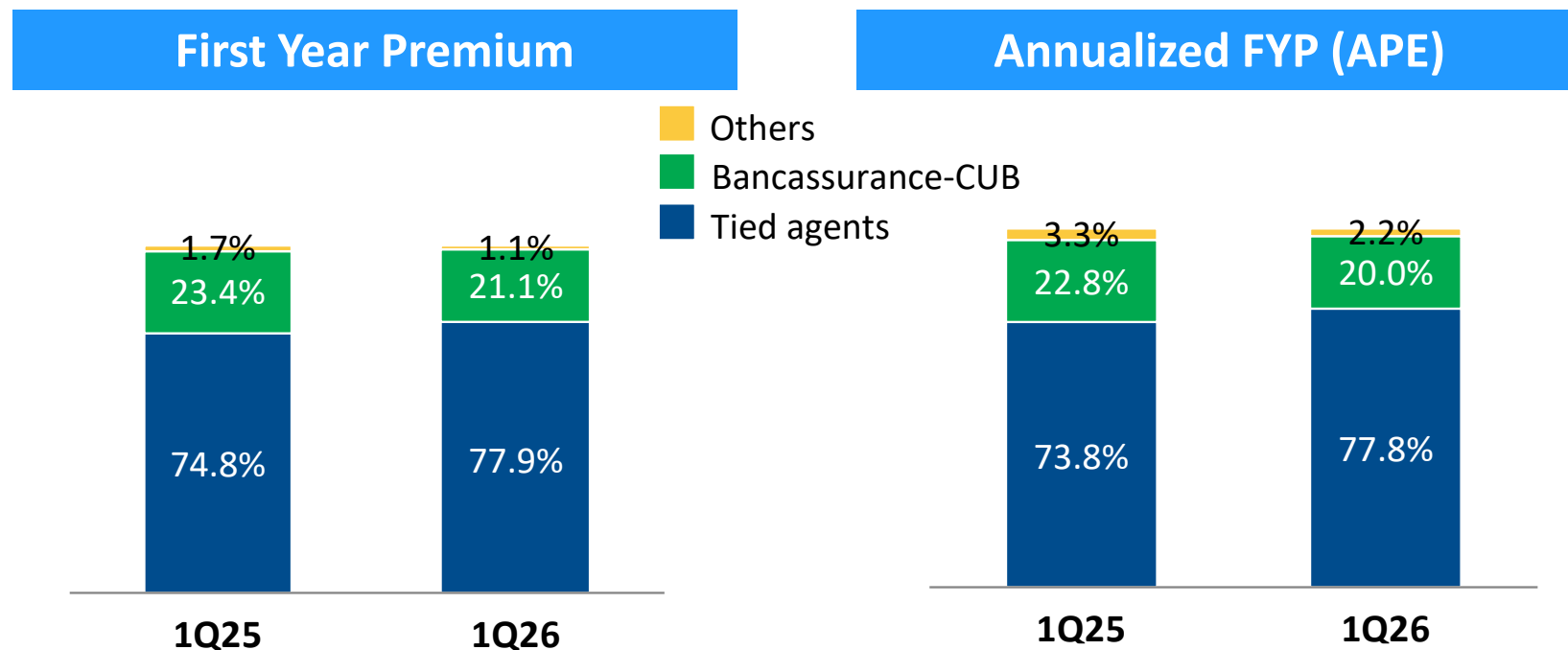


OCI asset/liability valuation changes



Cathay Life – Distribution channels & persistency ratios

- ❑ Premiums were mainly generated through Cathay Life agency force and Cathay United Bank. The group's strong channel capabilities provided solid support to premiums and new business CSM.
- ❑ Persistency ratio remained high, exceeding 95%.



Persistency ratios	1Q25	1Q26
13 months	97.7%	97.7%
25 months	95.5%	95.3%

Cathay Life – Key operating & financial metrics

(NT\$)

Business performance

FYP
94.0BN
(+71% YoY)

New business CSM
27.1BN

CSM Balance
532.4BN
(+20.5BN YTD)

Spread & investment yield

Recurring yield
3.41%

Hedging cost
1.26%

Liability interest expense
2.11%

Financial performance

Insurance service result
11.6BN

Financial result
10.8BN

**Net income/
Adjusted net income**
17.4BN / 33.9BN

Net worth

Net worth
625.5BN
(+121BN YTD)

Adjusted net worth
1,051.4BN
(+137BN YTD)

**E/A ratio/
Adjusted E/A ratio**
8.2% / 13.5%

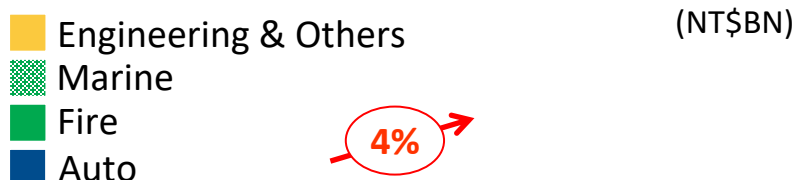
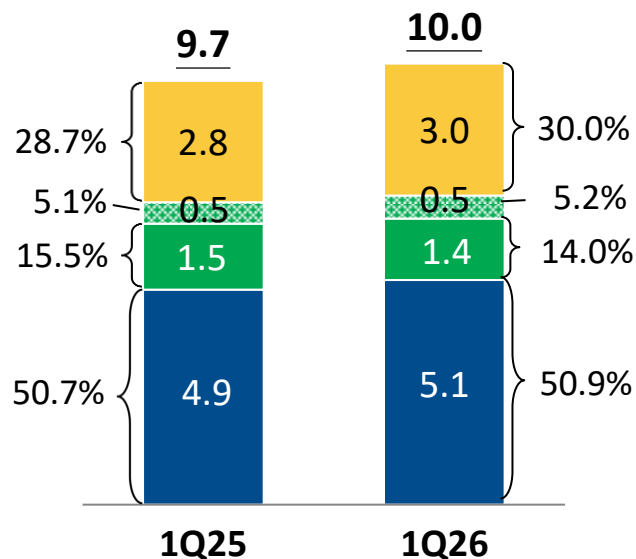
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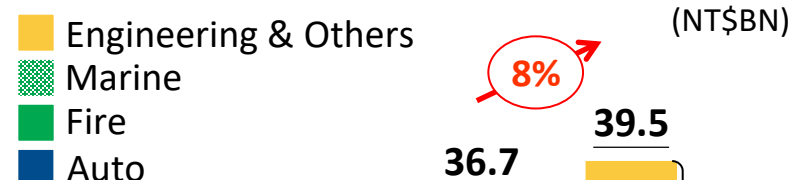
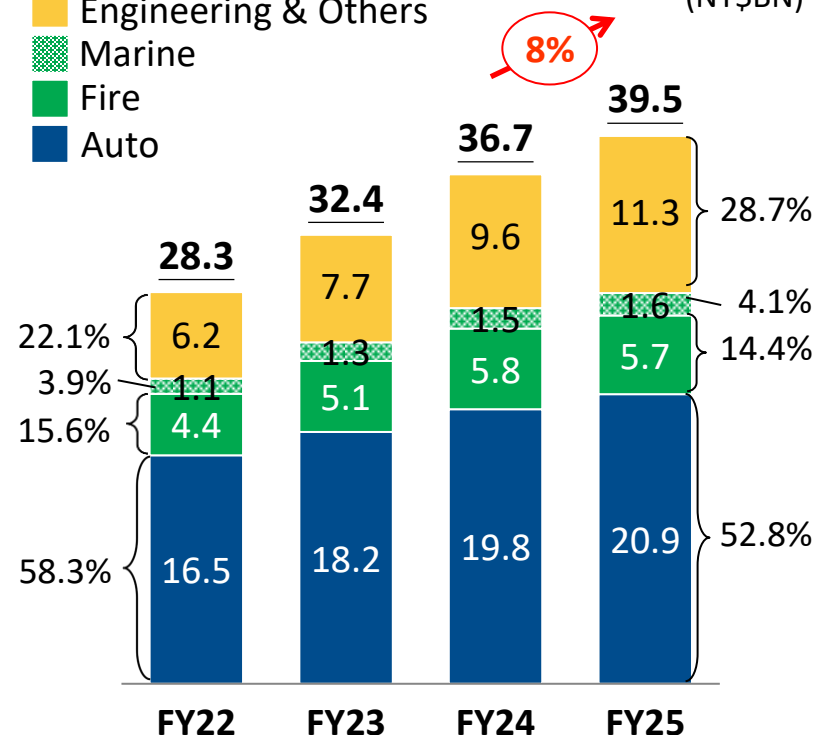
Cathay Century – Written premium

- Written premiums grew steadily, with market share reaching 12.8%, ranking No. 2 in the industry.

Quarterly written premium



Annual written premium



Market share

12.7%

12.8%

12.8%

13.3%

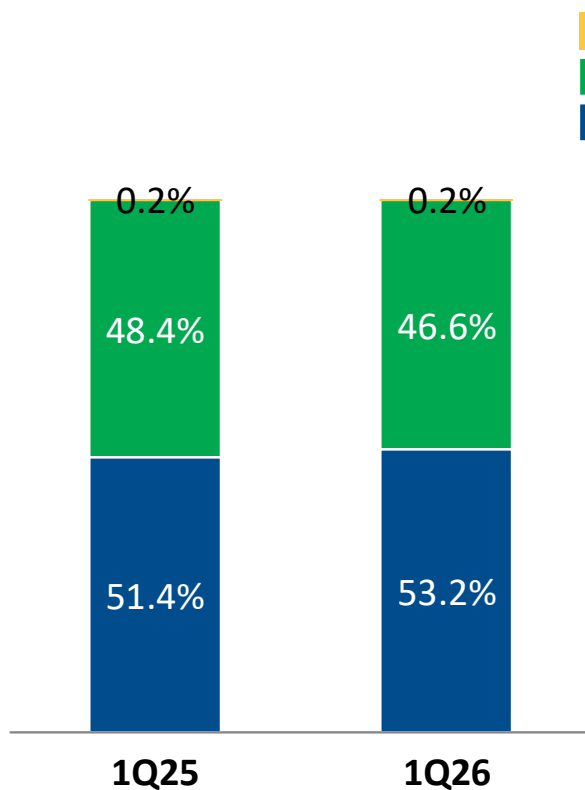
13.6%

13.8%

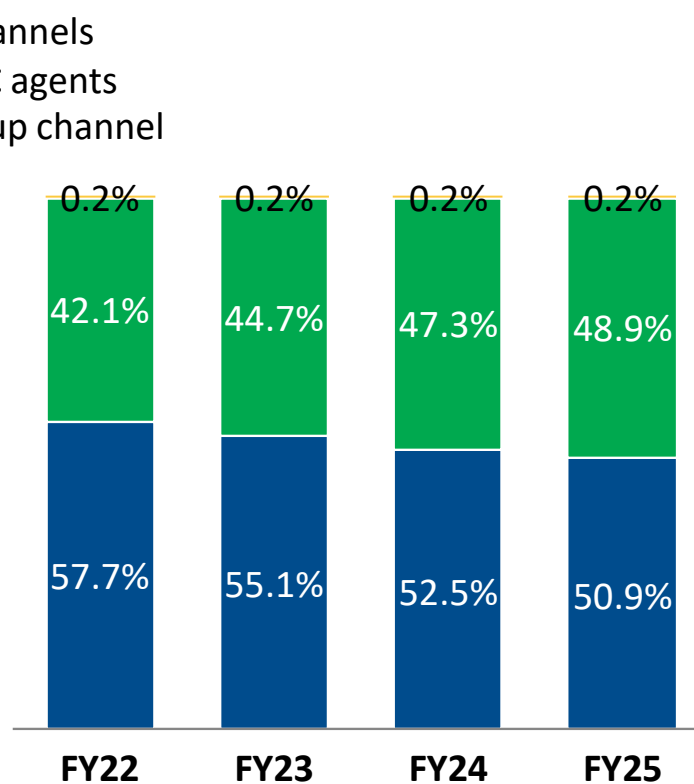
Cathay Century – Distribution channels

- Benefiting from cross-selling synergies, over 50% of premiums were generated through group channels.

Distribution channels



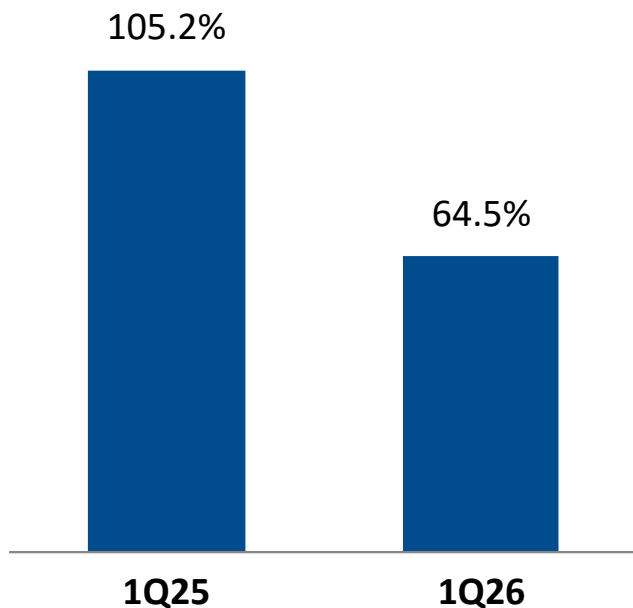
Distribution channels (Annual)



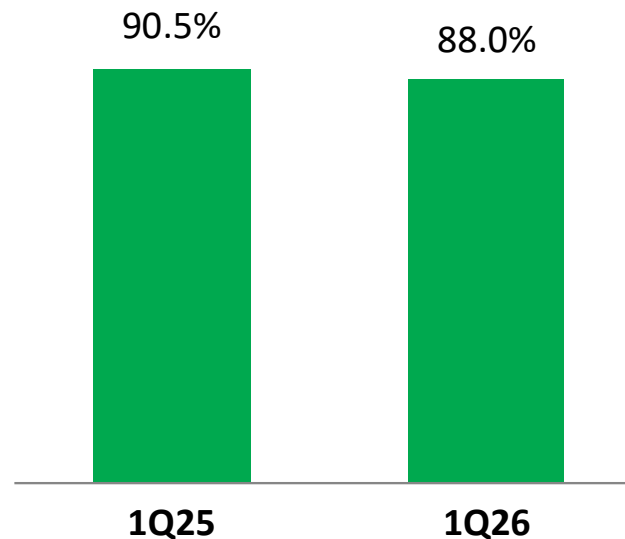
Cathay Century – Combined ratios

- Retained combined ratio declined YoY, mainly due to lower loss ratios across product lines and higher insurance revenue supported by enhanced underwriting capacity.

Combined ratio



Retained combined ratio



Agenda

- ❑ **1Q26 Business overview**
- ❑ **Business performance summary**

Cathay United Bank

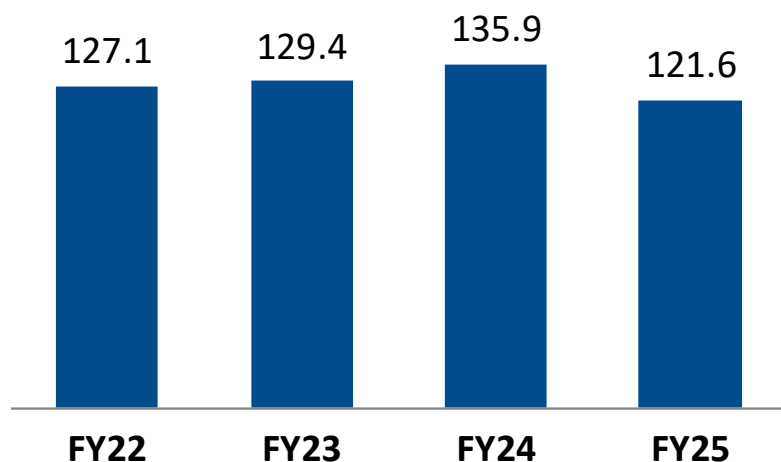
Cathay Life

Cathay Century

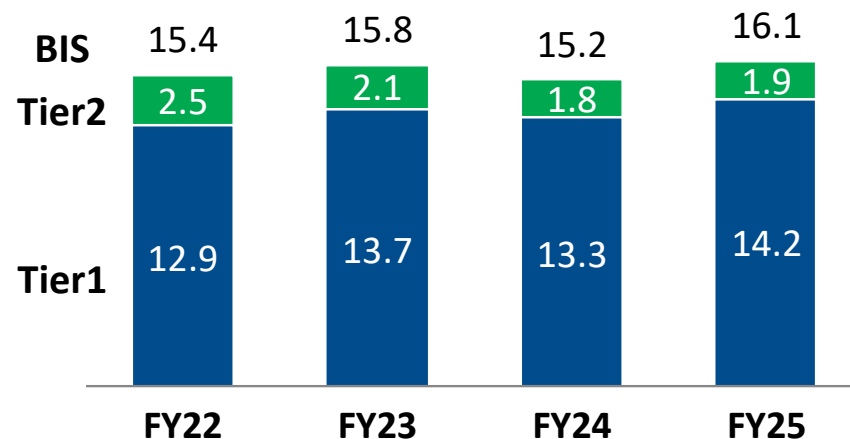
- ❑ **Appendix**

Cathay FHC – Capital adequacy

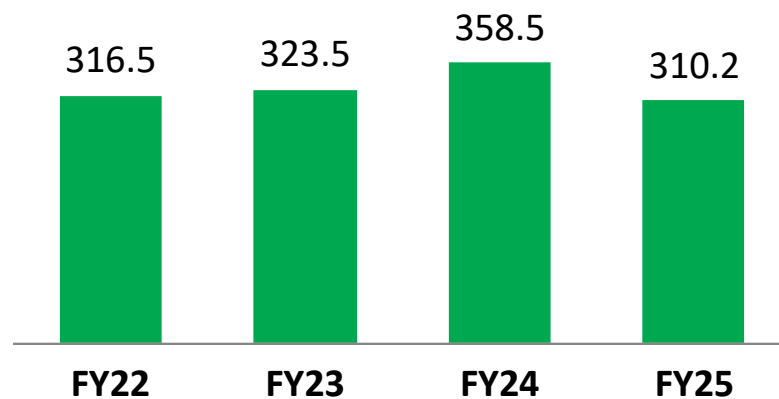
Cathay FHC CAR (%)



CUB capital adequacy (%)



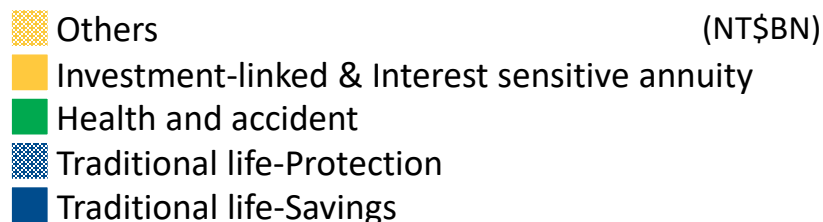
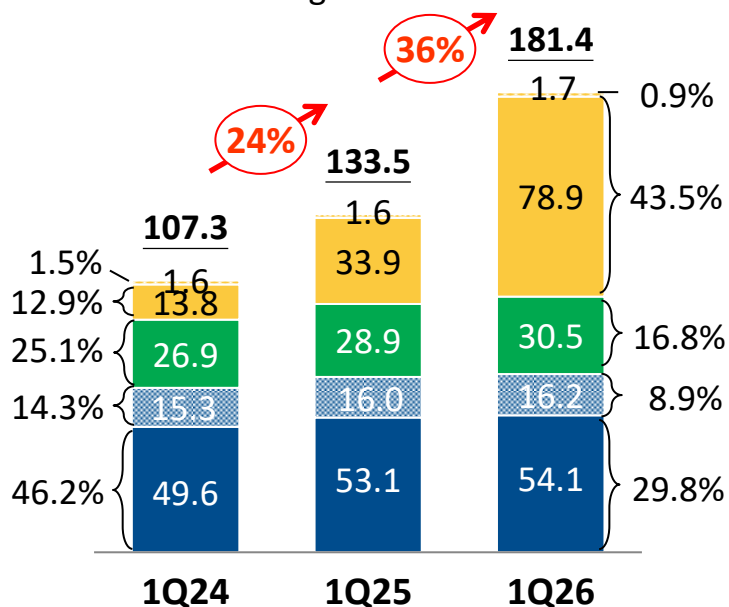
Cathay Life RBC (%)



Cathay Life – Total premium

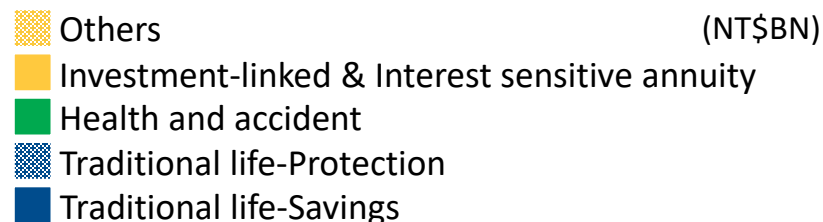
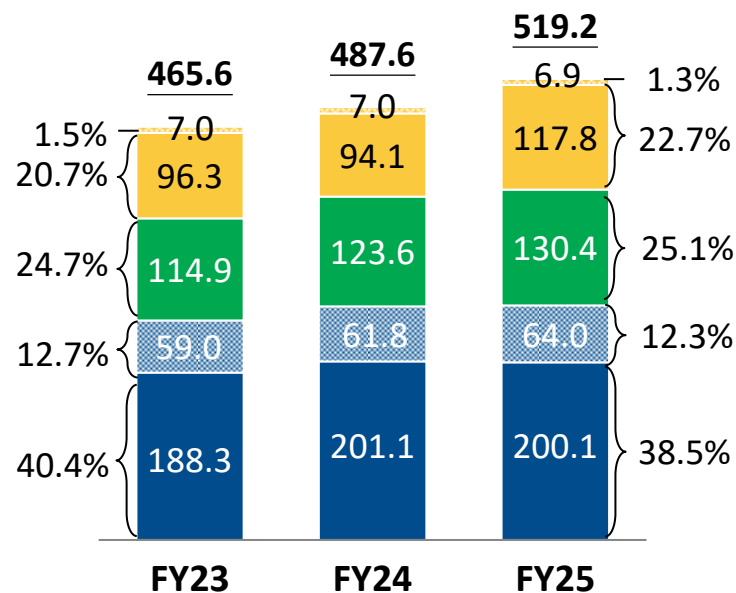
- Total premium grew 36% YoY, driven by continued strong momentum in investment-linked products and steady growth in protection-type products.

Quarterly total premium



Market share: 19.2% (1Q24), 19.9% (1Q25), 22.8% (1Q26)

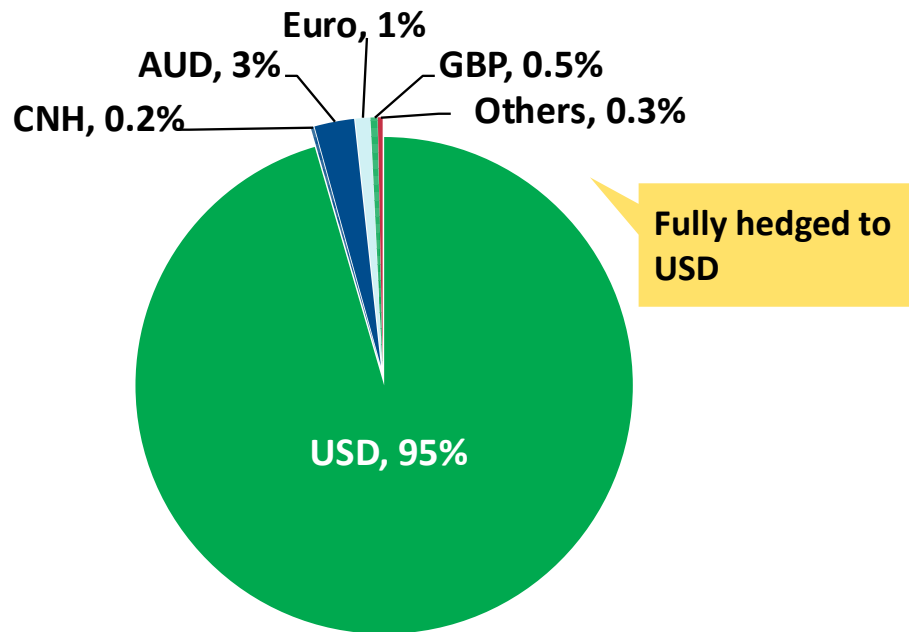
Annual total premium



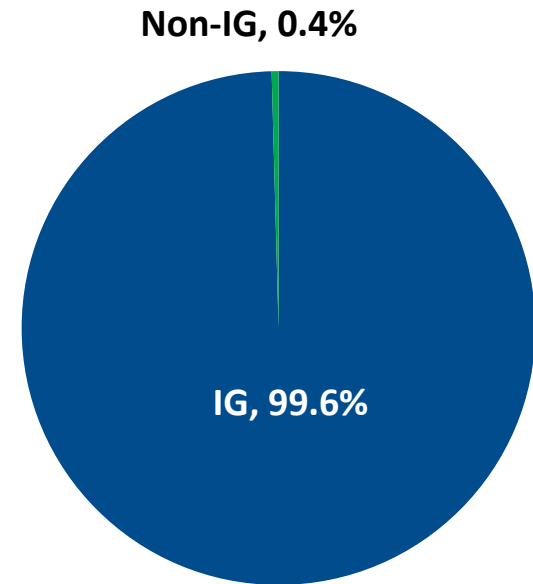
Market share: 21.3% (FY23), 20.0% (FY24), 19.8% (FY25)

Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1Q26)

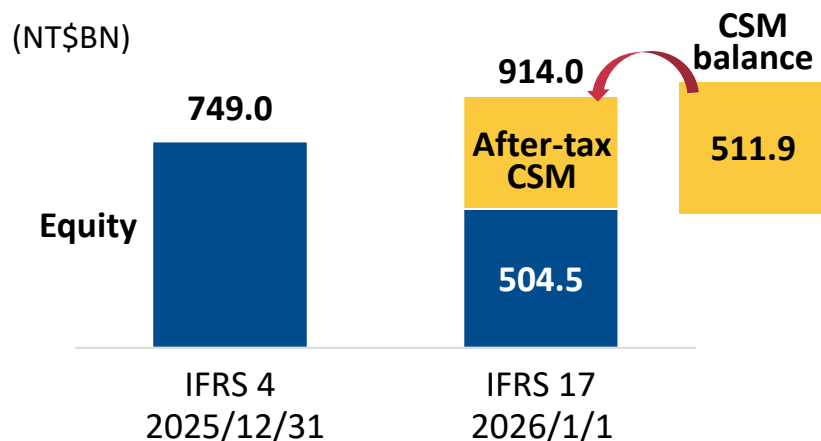


Overseas bond by rating (1Q26)

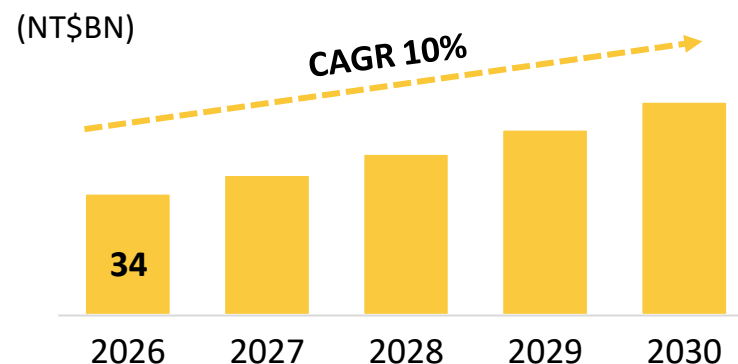


Cathay Life – IFRS 17 transition highlights

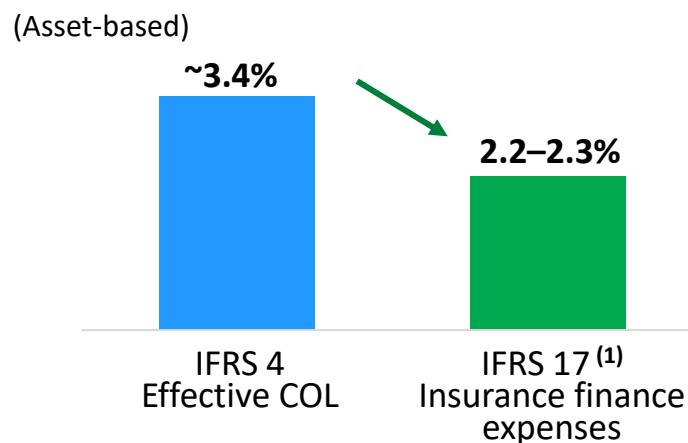
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



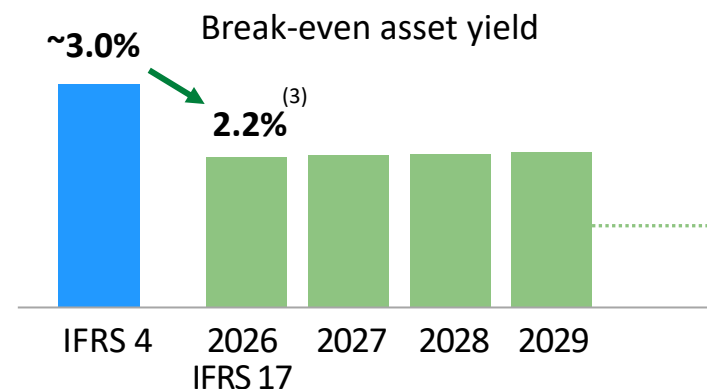
Growing CSM⁽²⁾ release supports future earnings



Lower liability costs support a stable positive spread

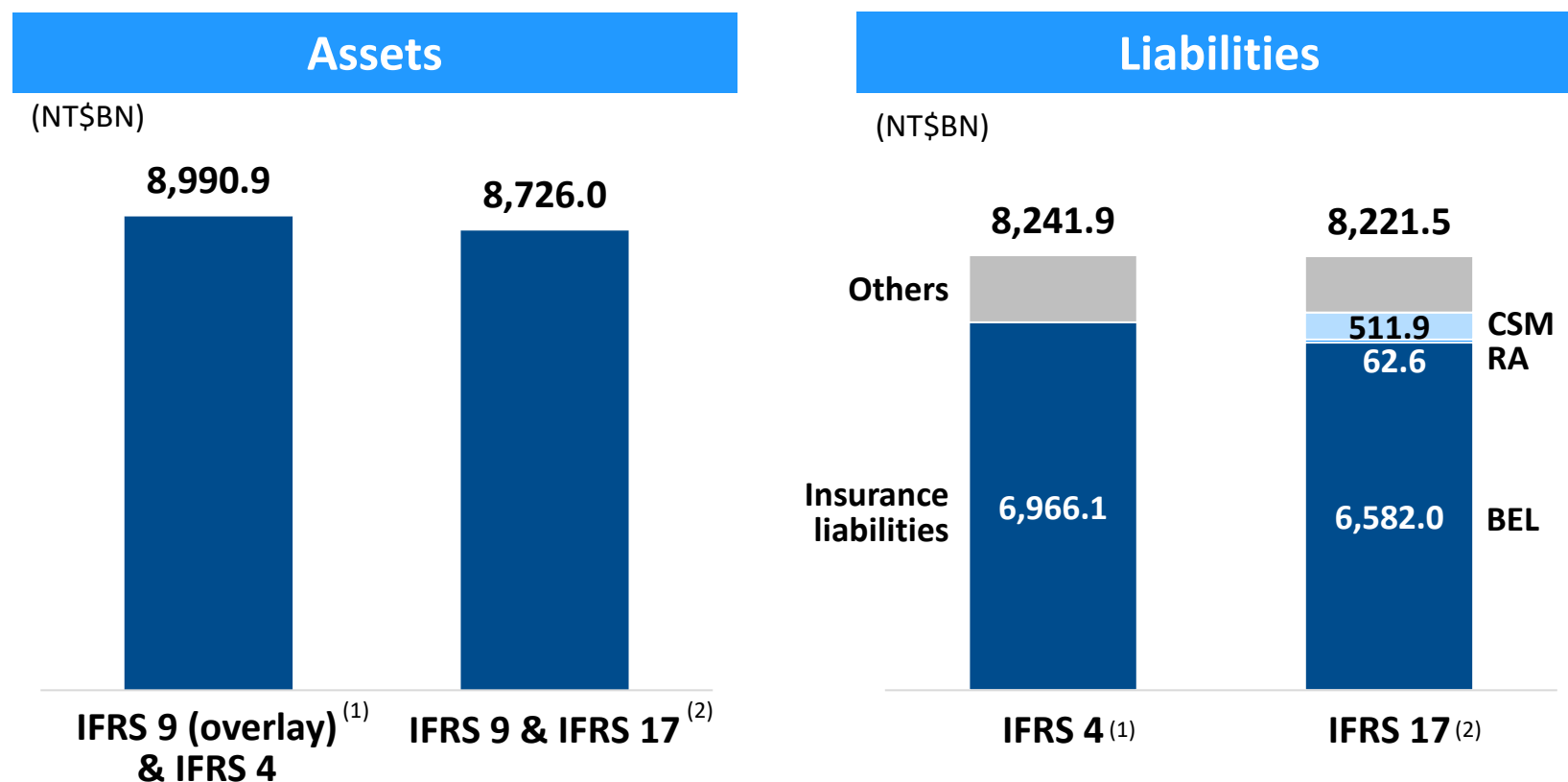


Increasing CSM release helps stabilize break-even asset yield



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

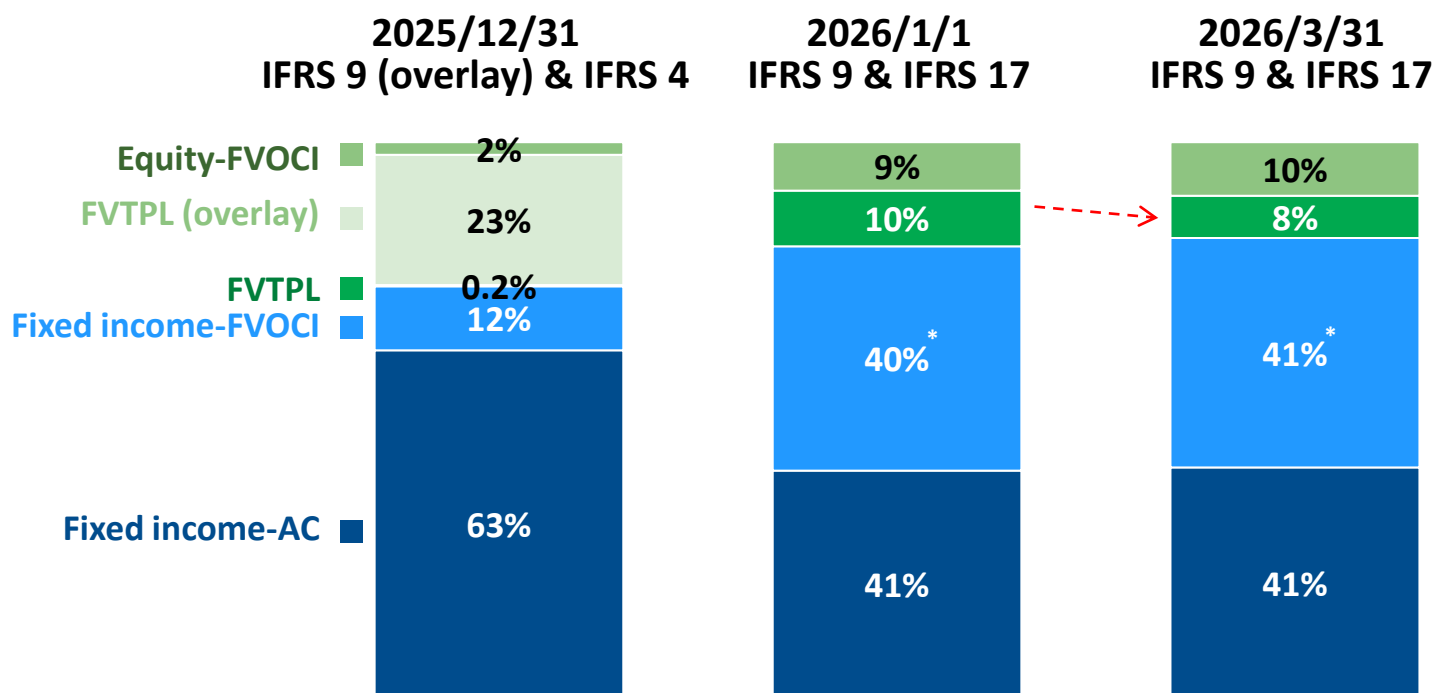
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.

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.

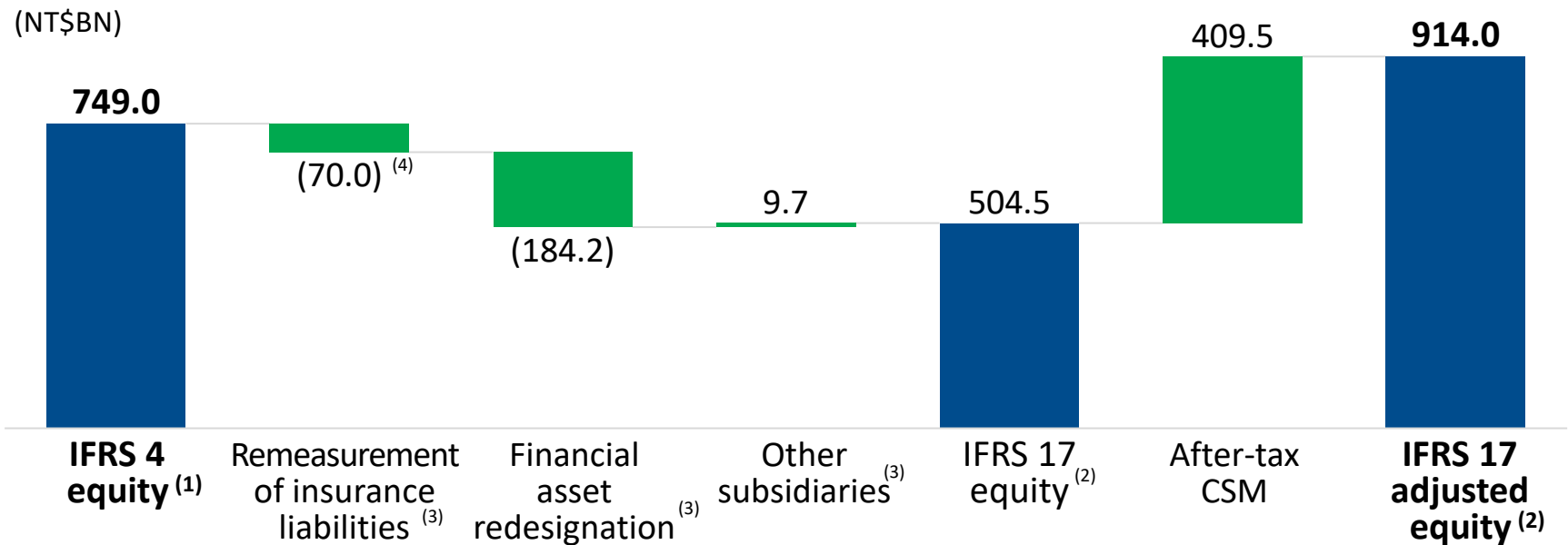
Financial asset redesignation



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



E/A ratio 9.4%

6.8%

11.9%

IFRS 17 enhances earnings transparency and predictability

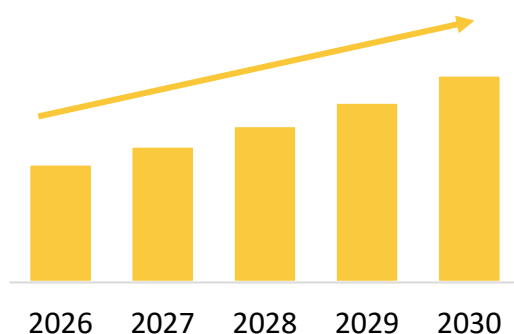
- ❑ CSM release becomes a key driver of earnings.
- ❑ Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- ❑ FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- ❑ Overall earnings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

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
Revenues	<ul style="list-style-type: none">Premium incomeInvestment income (incl. realized gains of equity investment w/overlay)	Insurance service result	<ul style="list-style-type: none">CSM & risk adjustment(RA) releaseExpected claims and expenses paidActual claims and expenses paid	1 CSM recognized as profit over the contract coverage period
Expenses	<ul style="list-style-type: none">Incurred claimsChanges in insurance policy reservesExpenses	Financial result	<ul style="list-style-type: none">Investment income (net of hedging cost)Insurance finance expenses	2 Interest spread
		Other operating result	<ul style="list-style-type: none">Other incomeOther expenses	3 ILP fee income, indirect expenses, and mortality–interest spread offset reserve
Net income		Net income		
OCI	<ul style="list-style-type: none">Changes in FVOCI assets	OCI	<ul style="list-style-type: none">Effect of changes in discount rates on insurance liabilitiesChanges in FVOCI assets	4 Changes in financial assets and discount rate effects on insurance liabilities
		Retained earnings		5 Net income and FVOCI equity realized gains

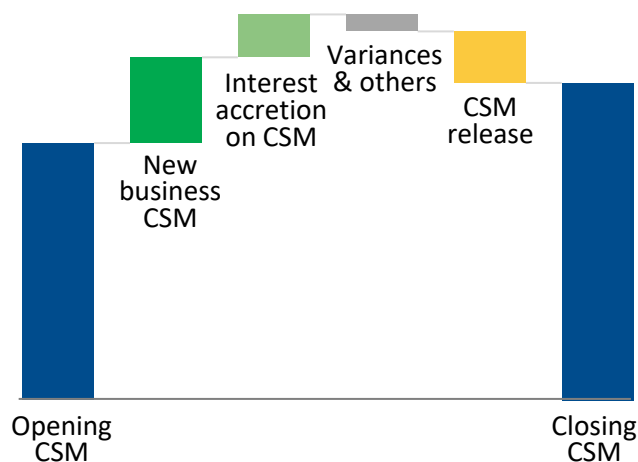
CSM contribution to earnings increase over time

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

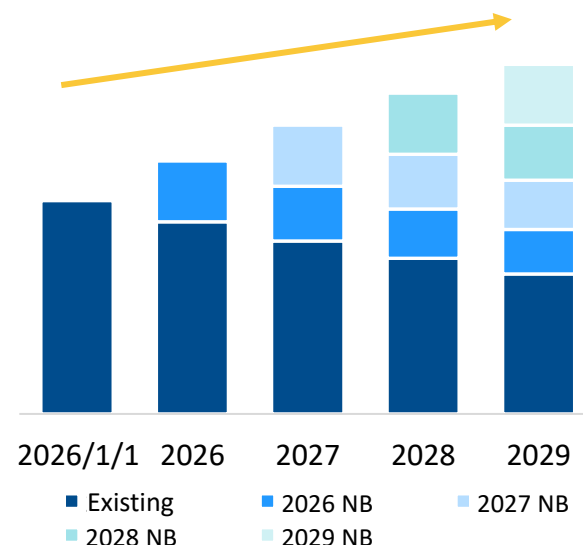
Illustrative underwriting profit*
(% of earnings)



Illustrative CSM movement

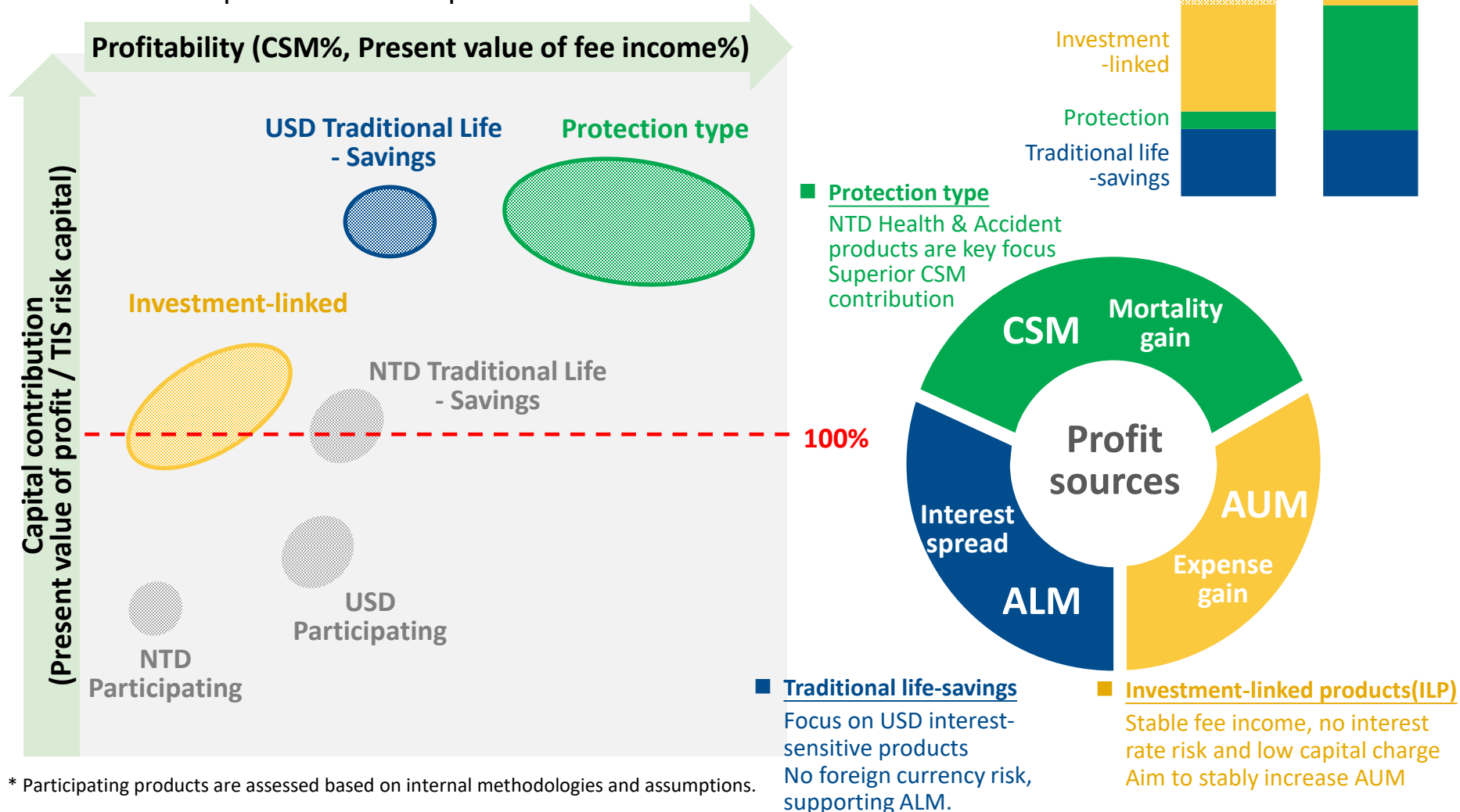


Illustrative CSM balance



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%.

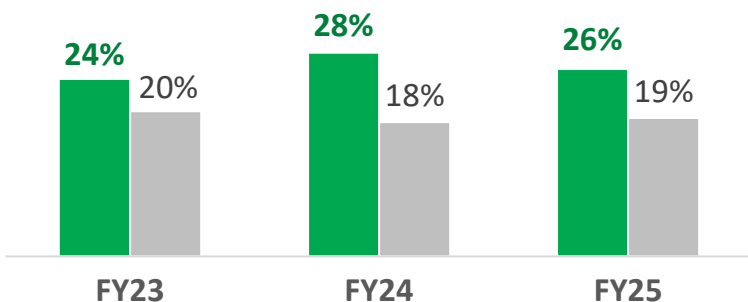


Distribution strength and health ecosystem support NB CSM

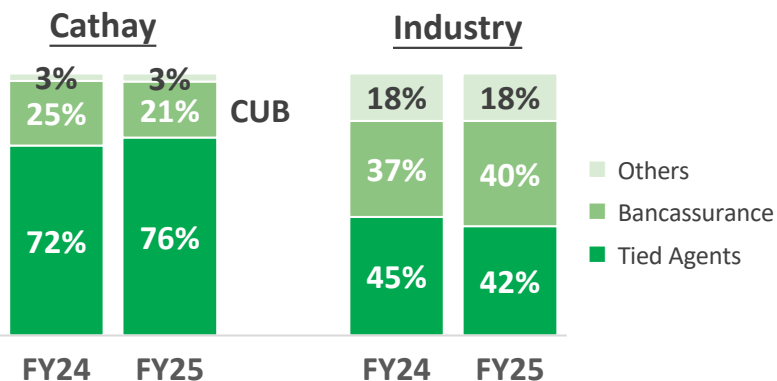
- Strong distribution supports high-quality new business CSM generation.
- All health insurance products integrate spillover mechanisms, supported by the health ecosystem to enhance customer engagement.

Health insurance* sales support NB CSM

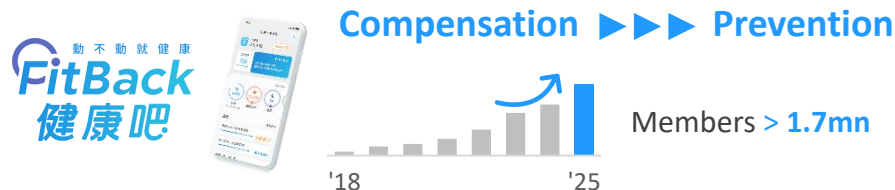
■ Health insurance FYP market share ■ Total FYP market share



Strong distribution (FYP by channel)



FitBack health promotion program



Health goal tracking



steps



heart rate



sleep



fitness

Health ecosystem

Nutrition & dietary

Fitness programs

Health advisory

Long-term care

Industry-leading scale in spillover insurance products

Achieved health targets

Premium discounts

Increased benefits

Higher coverage

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



Strengthening ALM to manage balance sheet volatility



Asset allocation strategy

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



ALM & risk management

USD liability portfolio:

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

NTD liability portfolio:

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

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

Cathay Life – Key messages from IFRS 17 transition

CSM & Equity

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

Profitability

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

ALM & Risk management

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

Capital

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

New solvency regime TIS: Higher capital requirements

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

		RBC	Taiwan Insurance Solvency (TIS)
Adopted framework		RBC (NAIC)	ICS (IAIS)
Valuation	Fixed income	Amortized cost	Mark-to-market (market adjusted value)
	Stock	Average market value over half-year period	
	Insurance liability	Locked-in basis	
Capital resources		Tiering	Tiering CSM 100% recognized as capital
Risk measurement		VaR 95%	VaR 99.5%
Risk calculation		Factor-based	<ul style="list-style-type: none"> • Stress approach (primarily), factor-based • Broader risks (longevity/lapse/expense/catastrophe/non-default spread risks)

TIS: Transitional measures ease capital pressure

Transitional measures on Capital Resource

- **Gradual phase-in of the net fair value impact from assets and liabilities of legacy portfolios** ⁽¹⁾, based on insurers' RBC levels; subject to adjustment if capital strengthening progress falls short
 - RBC $\geq$ 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

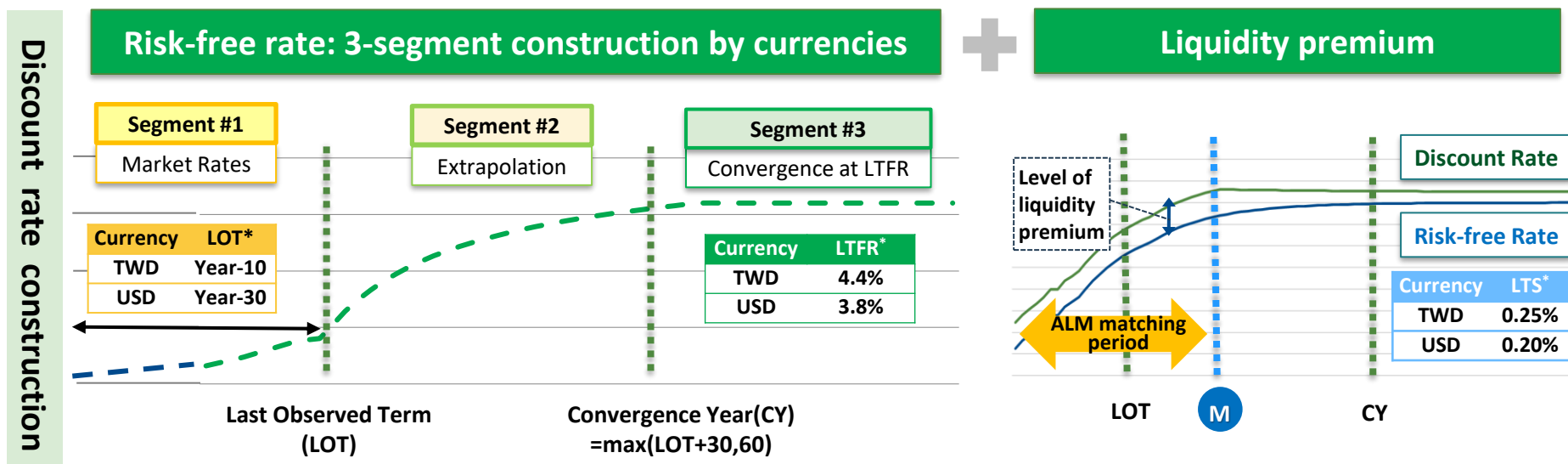
Localization

- **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 ⁽²⁾	1.28%	37% (EM infrastructure 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.

Renowned corporate sustainability performance

Global

Member of
Dow Jones Best-in-Class Indices
Included in DJBIC World
& DJBIC EM



First Taiwan FI



Asia 6th approval



2022 & 2023 ICAPs

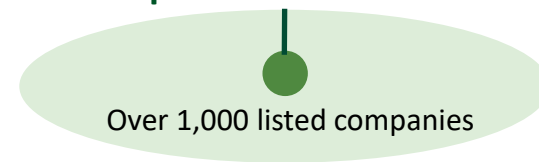
Global best practice



1st in Asia

Taiwan

Top-20%
Corporate Governance



TWSE Corporate Governance Evaluation



No. 1 Large Cap & Financial in 2025



Top 2 in Finance & Insurance
in 2026



2025 Taiwan Corporate
Sustainability Awards

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

2016

- 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**

- 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



2021

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



2022



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 a board-level Corporate Sustainability Committee

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 Targets
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%



Cathay Financial Holdings

(NT\$MN)

Income Statement Data (Consolidated)

	IFRS 4 & IFRS 9 FY24	FY25	FY25/ FY24 % Chg
Operating Income			
Net interest income	262,122	267,371	2%
Net commission and fee	15,076	18,278	21%
Net earned premium	462,813	481,830	4%
Change in liability reserves	(114,344)	(115,062)	1%
Net claims payment	(498,373)	(477,072)	-4%
Investment income	117,374	126,542	8%
Contribution from associates-equity method	2,555	3,062	20%
Other net non-interest income	(2,840)	(69,606)	-2351%
Bad debt expenses	(9,279)	(8,192)	-12%
Operating expenses	(107,251)	(114,179)	6%
Income before taxes	127,853	112,972	-12%
Income taxes	(16,626)	(5,339)	-68%
Net income	111,227	107,633	-3%
Net income to parent company	110,270	107,142	-3%

EPS (NT\$) 7.29 7.06

Dividend Payout

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

Balance Sheet Data (Consolidated)

Total assets	13,767,150	14,341,618
Total shareholders' equity	906,527	934,388
Equity attributable to parent company	888,692	928,287

Operating Metrics

ROAE (Consolidated)	13.02%	11.69%
ROAA (Consolidated)	0.84%	0.77%
Double leverage ratio (inc. preferred stock)	118.0%	120.7%

Capital Adequacy Metrics

Capital adequacy ratio	136%	122%
------------------------	------	------

(NT\$MN)

Income Statement Data (Consolidated)

	IFRS 17 & IFRS 9 1Q26
Operating Income	
Net interest income	76,415
Net fee income	11,136
Insurance service result	13,196
Investment income	8,516
Contribution from associates-equity method	1,180
Insurance/Reinsurance finance income (expenses) ⁽¹⁾	(43,875)
Other net non-interest income	5,971
Bad debt expenses	(2,144)
Other insurance operating costs	(13,367)
Operating expenses	(18,635)
Income before taxes	38,392
Income taxes	(6,736)
Net income	31,656
Net income to parent company	31,594

Disposal gains on FVOCI equity, net of tax 16,966
Adjusted net income⁽²⁾ 48,622

EPS (NT\$) 2.15
Adjusted EPS (NT\$) 3.31

Balance Sheet Data (Consolidated)

Total assets	14,450,034
Total shareholders' equity	817,027
Equity attributable to parent company	810,783

Operating Metrics

ROAE (Consolidated)	16.91%
ROAA (Consolidated)	0.89%
Double leverage ratio (inc. preferred stock)	123.8%

Notes:

(1) General accounts only.

(2) Adjusted net income = Net income + Disposal gains on FVOCI equity, net of tax

(3) All data and information on this page is provided for informational purposes only, and may subject to adjustment.

For more details, please refer to our official financial reports.

(4) Totals may not sum due to rounding.

Cathay Life

(NT\$MN)

Income Statement Data (Consolidated)	IFRS 4 & IFRS 9		FY25/ FY24
	FY24	FY25	% Chg
Net written premium	430,672	446,179	4%
Net earned premium	428,935	444,971	4%
Reinsurance commission earned	318	652	105%
Fee income	13,542	13,300	-2%
Recurring investment income	272,669	279,234	2%
Gain on disposal of investment			
Realized gain (loss)-Equity	114,260	114,800	0%
Realized gain (loss)-Debt	1,139	6,038	430%
Gain on investment property	976	8,745	796%
FX and others, net	(87,502)	(157,627)	-80%
Investment income, net	301,542	251,190	-17%
Other operating income	1,550	1,582	2%
Separate account revenue	67,117	80,394	20%
Net claims payment	(475,850)	(454,396)	-5%
Changes in liability reserves	(112,991)	(112,129)	-1%
Acquisition and commission expenses	(38,537)	(40,264)	4%
Other operating costs	(8,486)	(8,626)	2%
Financial cost	(7,418)	(11,384)	53%
Separate account expenses	(67,117)	(80,394)	20%
Operating expenses	(32,240)	(36,275)	13%
Net non-operating income	2,538	2,528	0%
Income taxes	(5,624)	5,416	-
Net income	67,280	56,565	-16%
Net income to parent company	66,883	56,575	-15%

Balance Sheet Data

Total assets	9,094,382	9,081,778
General account	8,303,423	8,241,657
Separate account	790,958	840,121
Reserves for life insurance liabilities	7,146,011	7,097,335
Total liabilities	8,376,708	8,331,451
Total shareholders' equity	717,673	750,327
Equity attributable to parent company	704,497	749,029

Operating Metrics (Standalone)

First Year Premium(FYP)	154,103	190,543
Annualized FYP(APE)	57,793	60,610
Expense ratio	15.7%	17.1%
13-M persistency ratio	97.9%	97.6%
25-M persistency ratio	95.3%	95.6%
ROAE (Consolidated)	10.00%	7.71%
ROAA (Consolidated)	0.76%	0.62%

Capital Adequacy Metrics

RBC ratio (Standalone)	359%	310%
------------------------	------	------

(NT\$MN)

Income Statement Data (Consolidated)	IFRS 17 & IFRS 9 1Q26
Insurance service result	11,723
CSM & RA release	9,173
Operating variance	2,696
Others	(146)
Financial result	11,782
Recurring investment income ⁽¹⁾	67,645
Gain (loss) on investment, net ⁽¹⁾	5,860
Hedging costs	(17,062)
Insurance finance expenses ⁽¹⁾	(43,725)
Others	(935)
Other operating result	(2,707)
Net revenue from investment contracts and other operating income	1,280
Other operating costs and expenses	(8,600)
One-off IFRS 15 impact	4,613
Operating income	20,798
Net non-operating income	339
Income taxes	(3,768)
Net income	17,369
Net income to parent company	17,357
Disposal gains on FVOCI equity, net of tax	16,577
Adjusted net income ⁽²⁾	33,946

Balance Sheet Data (Consolidated)

Total assets	8,918,134
General account	8,051,294
Separate account	866,841
Insurance contract liabilities	7,072,314
Total liabilities	8,291,343
Total shareholders' equity	626,792
Equity attributable to parent company	625,469

Operating Metrics (Standalone)

First Year Premium(FYP)	94,009
New business CSM	27,070
13-M persistency ratio	97.7%
25-M persistency ratio	95.3%
ROAE (Consolidated)	12.27%
ROAA (Consolidated)	0.78%

Notes:

(1) General accounts only.

(2) Adjusted net income = Net income + Disposal gains on FVOCI equity, net of tax

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For more details, please refer to our official financial reports.

(4) Totals may not sum due to rounding.

Cathay United Bank

(NT\$MN)

				FY25/ FY24			
	FY23	FY24	FY25	% Chg	1Q25	1Q26	1Q26/ 1Q25
Income Statement Data (Consolidated)							
Operating Income							
Net interest income	51,743	60,913	68,241	12%	16,189	18,284	13%
Net fee income	20,844	27,973	34,090	22%	10,206	10,028	-2%
Investment income	13,476	18,334	13,704	-25%	2,999	3,464	16%
Other income	835	602	732	22%	152	100	-34%
Net operating income	86,898	107,822	116,767	8%	29,545	31,877	8%
Operating expenses	(45,752)	(51,840)	(56,790)	10%	(13,456)	(14,073)	5%
Pre-provision profit	41,146	55,982	59,977	7%	16,089	17,804	11%
Net provisions for possible losses	(5,077)	(9,211)	(7,293)	-21%	(1,321)	(1,982)	50%
Income before taxes	36,069	46,770	52,684	13%	14,768	15,823	7%
Income tax	(7,102)	(8,430)	(9,174)	9%	(2,590)	(2,626)	1%
Net income	28,967	38,341	43,510	13%	12,178	13,197	8%
Net income to parent company	28,805	37,780	43,008	14%	12,049	13,147	9%
Balance Sheet Data							
Total assets	4,233,701	4,606,285	5,167,942		4,683,965	5,428,478	
Loans, net	2,280,571	2,679,233	2,886,929		2,752,611	3,003,606	
Financial assets	1,403,347	1,234,617	1,434,798		1,274,669	1,662,774	
Total liability	3,957,835	4,306,237	4,843,283		4,370,233	5,090,438	
Deposits	3,543,558	3,848,586	4,430,955		3,937,535	4,599,658	
Financial Debenture Payable	27,100	12,700	18,600		12,700	18,600	
Total shareholders' equity	275,866	300,048	324,659		313,732	338,039	
Equity attributable to parent company	271,931	295,390	319,856		308,906	333,118	
Operating Metrics							
Cost income ratio	52.65%	48.08%	48.64%		45.54%	44.15%	
ROAE	11.19%	13.31%	13.93%		15.87%	15.93%	
ROAA	0.71%	0.87%	0.89%		1.05%	1.00%	
Assets Quality (Standalone)							
NPL	2,519	2,943	4,357		3,362	4,620	
NPL ratio	0.11%	0.11%	0.15%		0.13%	0.16%	
NPL provisions	36,609	42,528	46,178		43,601	47,637	
Coverage ratio	1453%	1445%	1060%		1297%	1031%	
Capital Adequacy Metrics (Standalone)							
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%				
LDR (Standalone)							
Total LDR	64.1%	69.8%	65.4%		70.1%	65.5%	
TWD LDR	79.8%	79.8%	72.4%		78.8%	71.5%	
FX LDR	22.5%	34.4%	36.9%		36.4%	40.3%	

Notes:

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Cathay Century (NT\$MM)				FY25/ FY24		(NT\$MN)		IFRS 17 & IFRS 9
Income Statement Data (Consolidated)				IFRS 4 & IFRS 9	% Chg	Income Statement Data (Consolidated)		1Q26
Premium income	38,559	41,222	7%			Insurance service result		1,223
Net written premium	26,417	28,538	8%			Insurance revenue		10,110
Net earned premium	25,343	27,585	9%			Insurance service expenses		(6,450)
Reinsurance commission earned	1,230	1,237	1%			Net reinsurance expenses		(2,437)
Fee income	54	53	-3%			Financial result		302
Investment	1,407	2,018	43%			Interest income		232
Interest income	859	953	11%			Other investment income, net		102
Other investment income, net	548	1,066	94%			Insurance/Reinsurance finance income (expenses)		(32)
Other operating income	67	0	-100%			Other operating result		(243)
Net claims payment	(12,534)	(12,037)	-4%			Operating income		1,282
Changes in liability reserves	(1,354)	(2,933)	117%			Net non-operating income		5
Commissions and other operating costs	(4,689)	(5,007)	7%			Income taxes		(230)
Operating expenses	(6,353)	(6,508)	2%			Net income		1,057
Operating income	3,172	4,408	39%					
Net non-operating income	23	8	-65%					
Income taxes	(558)	(661)	18%			Disposal gains on FVOCI equity, net of tax		405
Net income	2,637	3,755	42%			Adjusted net income ⁽¹⁾		1,463
Balance Sheet Data						Balance Sheet Data		
Total assets	65,503	79,884				Total assets		73,746
Total stockholders' equity	17,947	20,027				Total stockholders' equity		21,867
Operating Metrics						Operating Metrics		
Gross Combined ratio (Standalone)	87.3%	101.1%				Combined ratio (Standalone)		64.5%
Net Combined ratio (Standalone)	91.2%	88.8%				Net Combined ratio (Standalone)		88.0%
ROAE	16.01%	19.78%				ROAE		20.20%
ROAA	4.36%	5.17%				ROAA		5.79%
Capital Adequacy Metrics								
RBC ratio (Standalone)	365%	342%						

Notes:

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- (3) Totals may not sum due to rounding.