



**國泰金控**

Cathay Financial Holdings

# 2026 First Quarter Briefing

May 2026



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# Agenda

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- **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

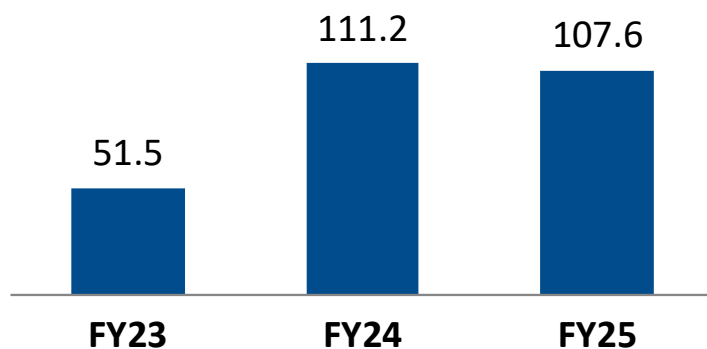
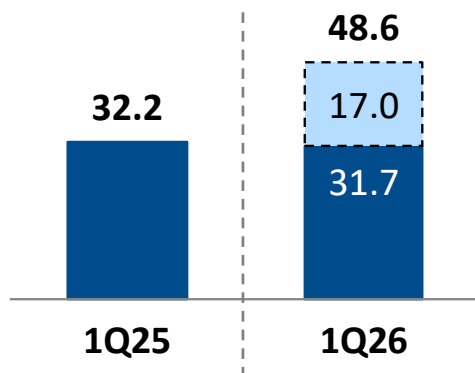
- Strengthened digital operating edge through data analytics to optimize customer experience; leveraged group synergies to expand customer base, supporting continued gains in domestic brokerage market share.
- Expanded sub-brokerage product offerings and optimize platform functions.

# 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.

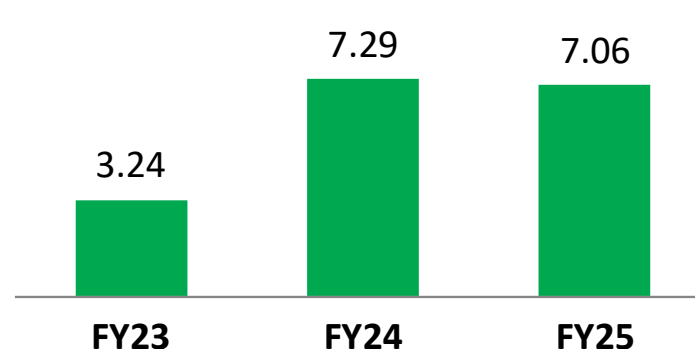
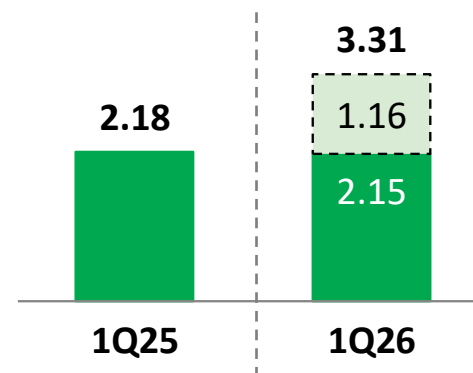
## Net income and adjusted net income

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



## EPS & adjusted EPS

FVOCI equity disposal gains/losses (NT\$)



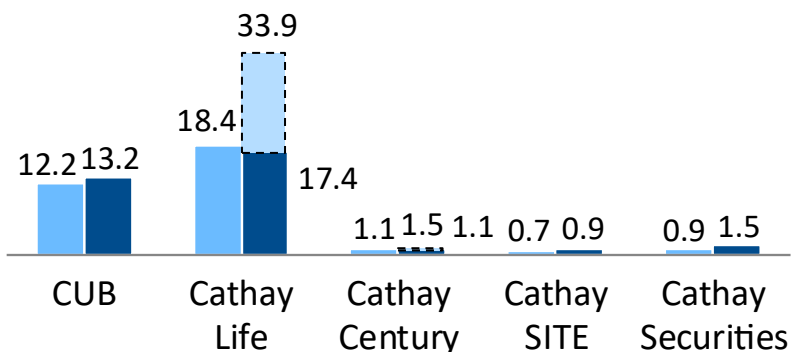
Note: Effective Jan. 1, 2026, following IFRS 17 adoption, the overlay approach no longer applies, and certain financial assets were redesignated as FVOCI. FVOCI equity disposal gains/losses are not recognized in P&L but are reflected directly in retained earnings and remain distributable. Adjusted net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

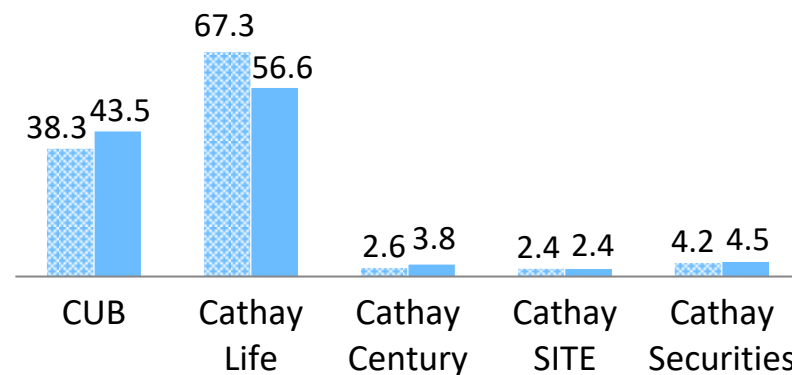
## Net income & adjusted net income

1Q25 1Q26 FVOCI equity disposal gains/losses (NT\$BN)



FY24

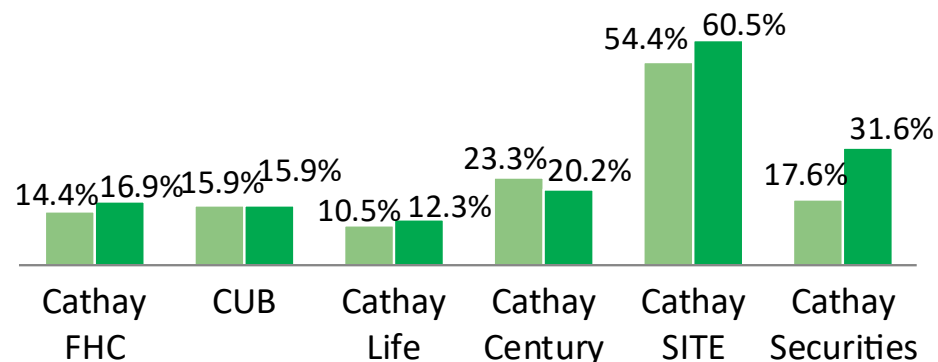
FY25



## ROE

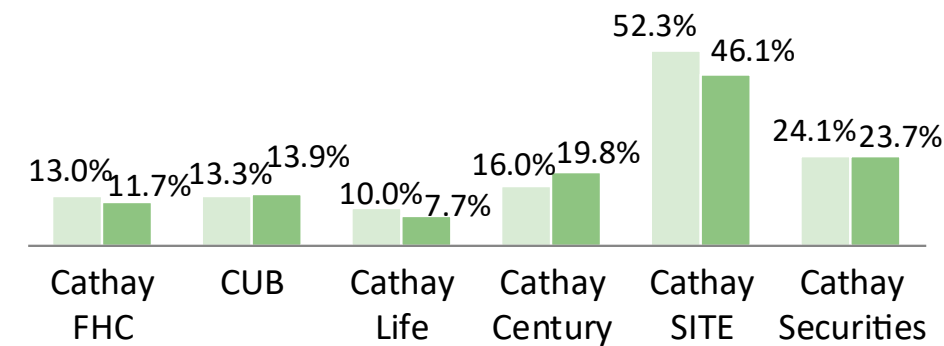
1Q25

1Q26



FY24

FY25

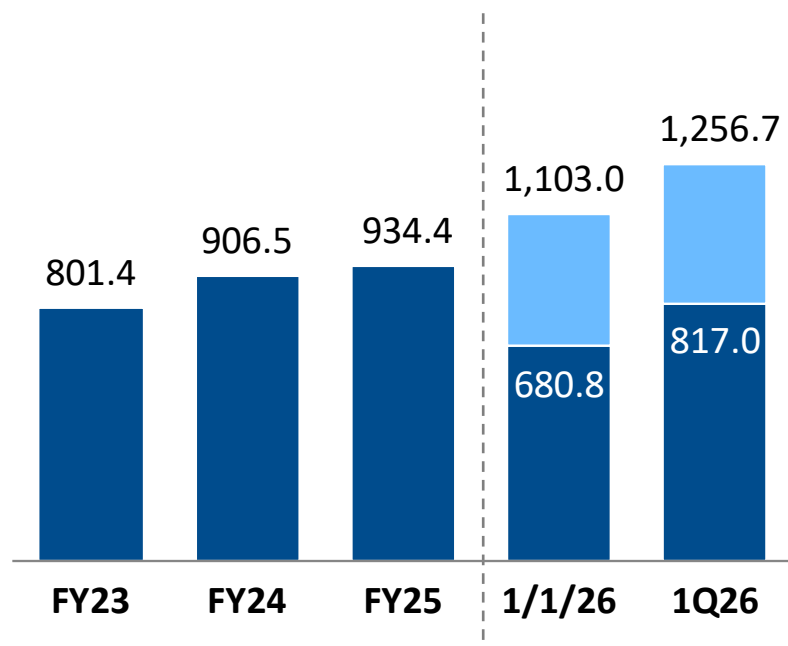


# Cathay FHC – Net worth & BVPS

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

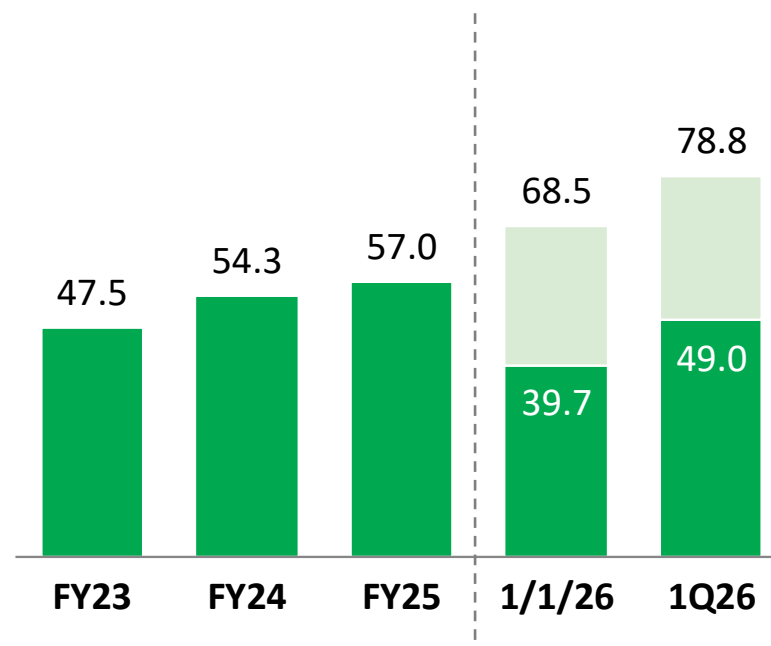
## Net worth & adjusted net worth<sup>(1)</sup>

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



## BVPS & adjusted BVPS<sup>(2)</sup>

(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.

# Agenda

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

Cathay United Bank

Cathay Life

Cathay Century

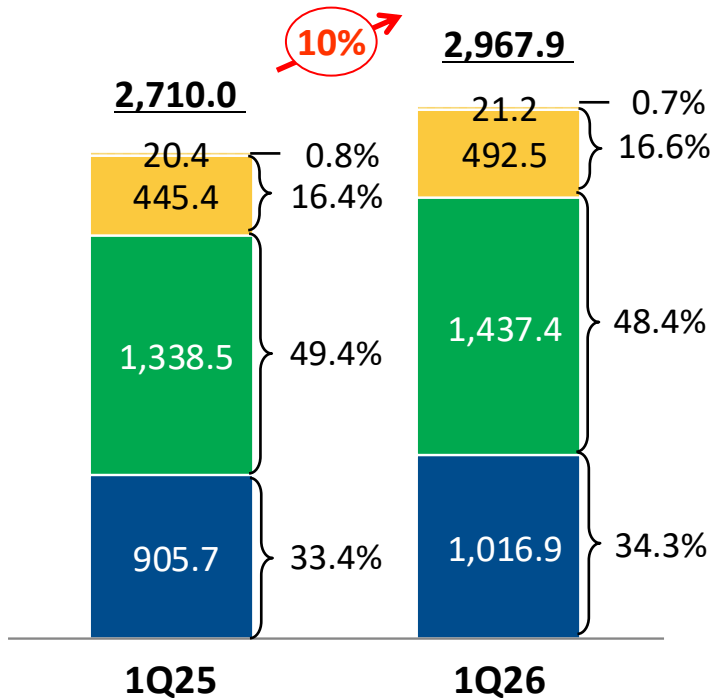
- **Appendix**

# 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.

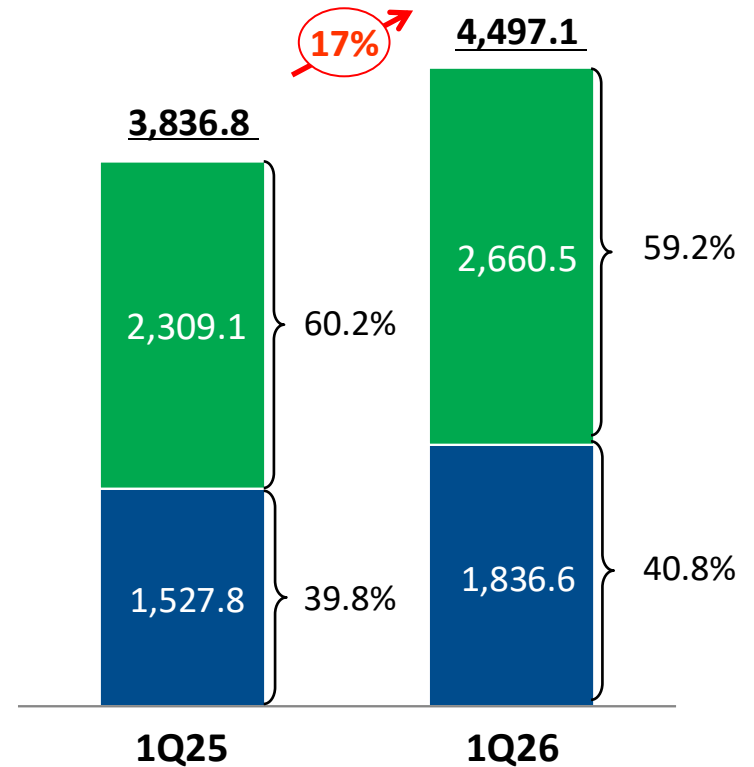
## Loan breakdown

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



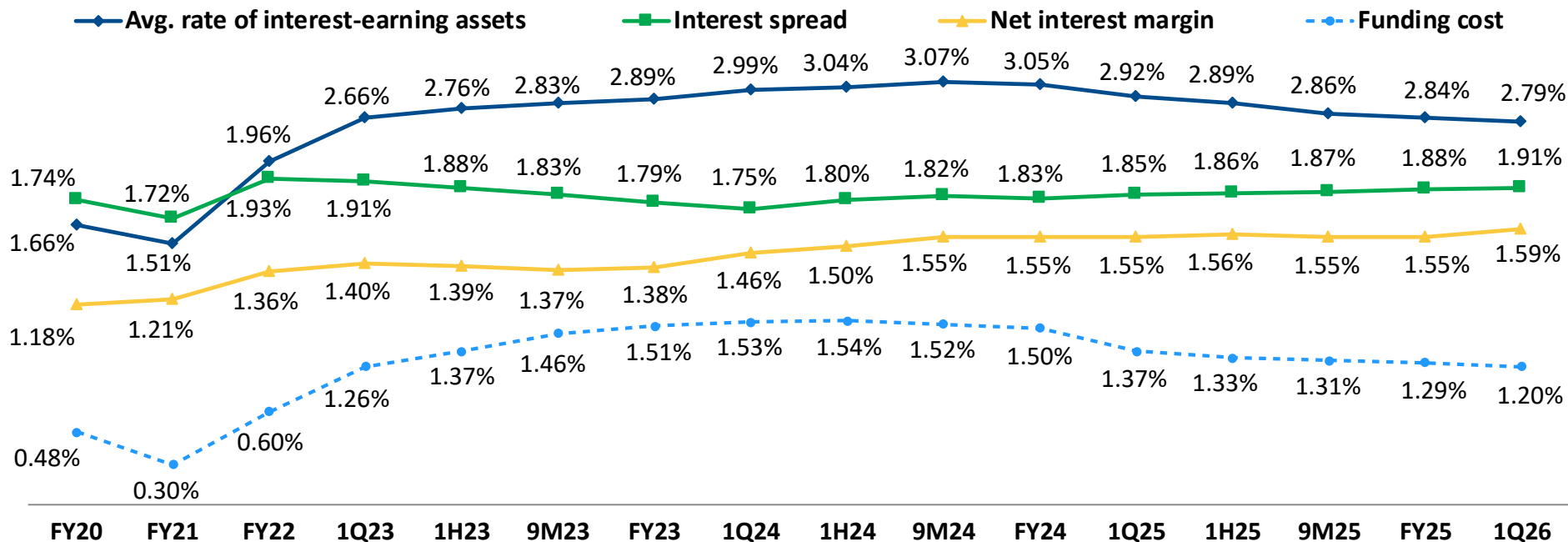
## Deposit breakdown

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



# Cathay United Bank – Interest yield

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



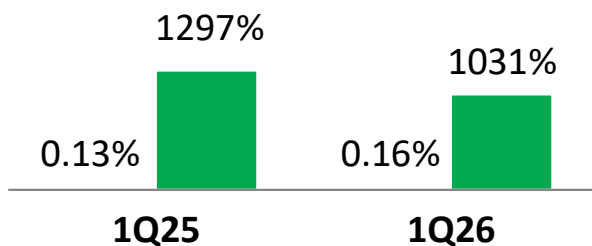
| Quarterly | 1Q23  | 2Q23  | 3Q23  | 4Q23  | 1Q24  | 2Q24  | 3Q24  | 4Q24  | 1Q25  | 2Q25  | 3Q25  | 4Q25  | 1Q26  |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Spread    | 1.91% | 1.84% | 1.73% | 1.70% | 1.75% | 1.83% | 1.86% | 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

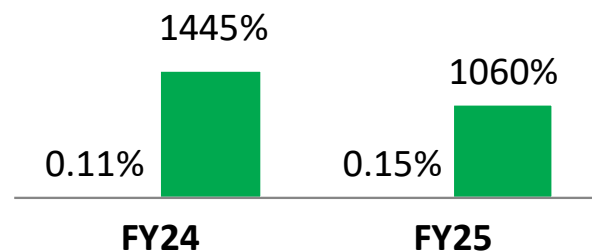
- NPL ratio
- Coverage ratio



Mortgage NPL

0.13 %

0.20 %



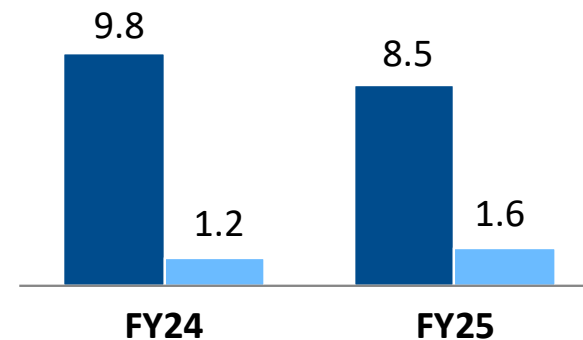
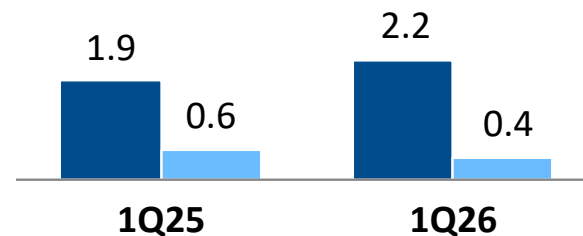
Mortgage NPL

0.11 %

0.19 %

## Gross provision

- Gross provision (NT\$BN)
- Recovery



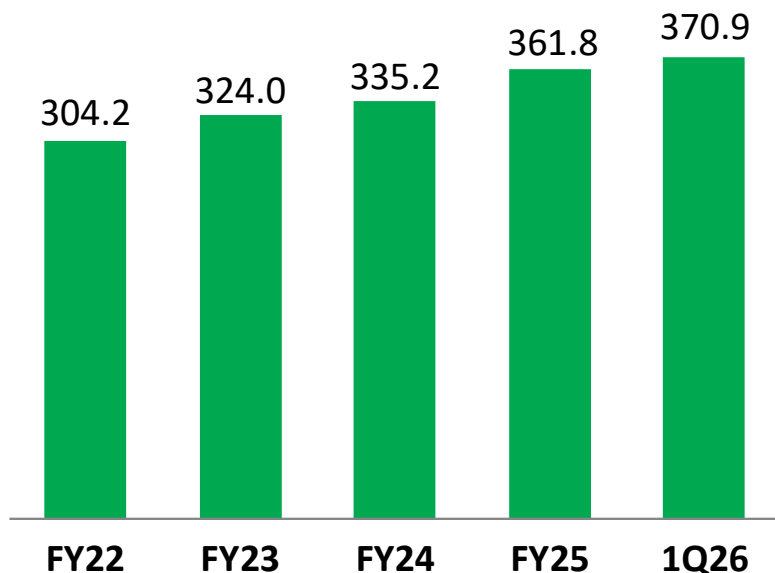
# Cathay United Bank – SME & FX loans

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

## SME loans

(NT\$BN)

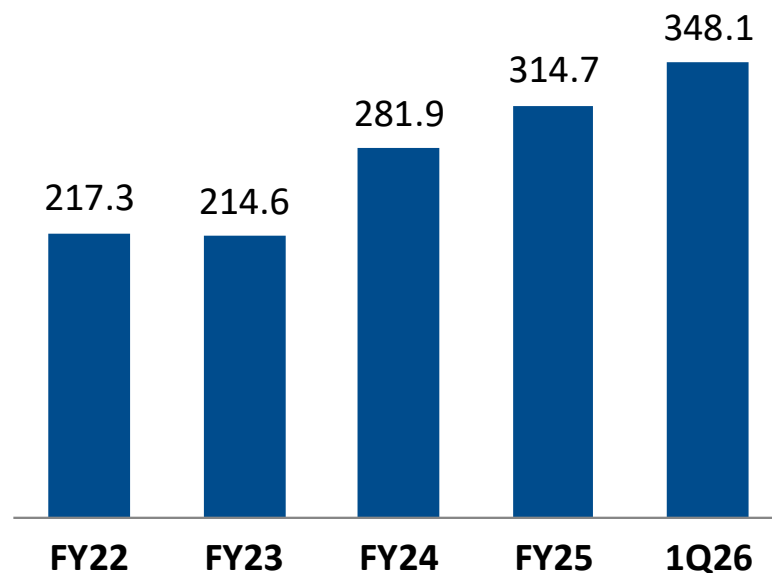
+9% YoY



## Foreign currency loans

(NT\$BN)

+21% YoY



### As % of total loans

15.3% 14.5% 12.8% 12.8% 12.6%

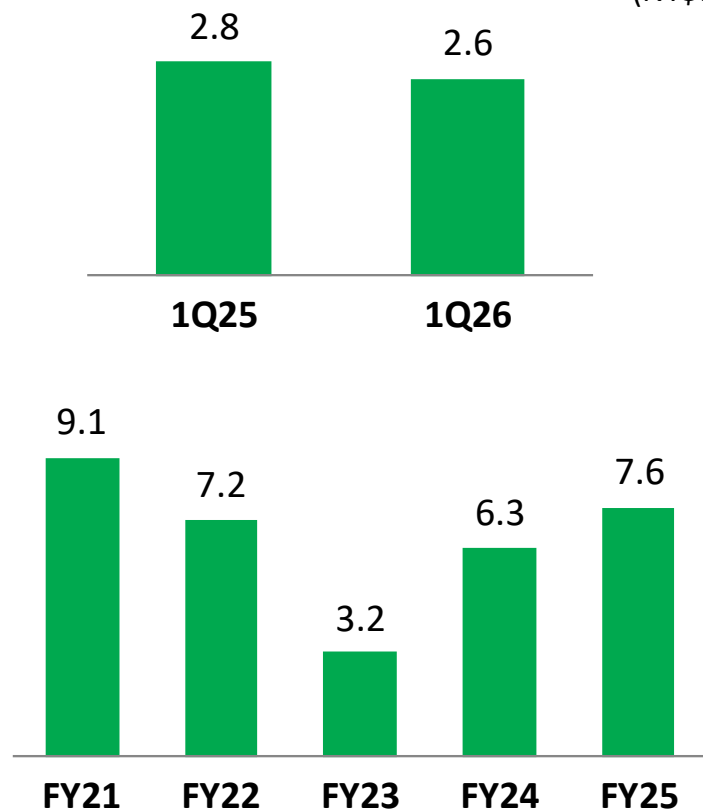
10.9% 9.6% 10.8% 11.1% 11.8%

# Cathay United Bank – Offshore earnings

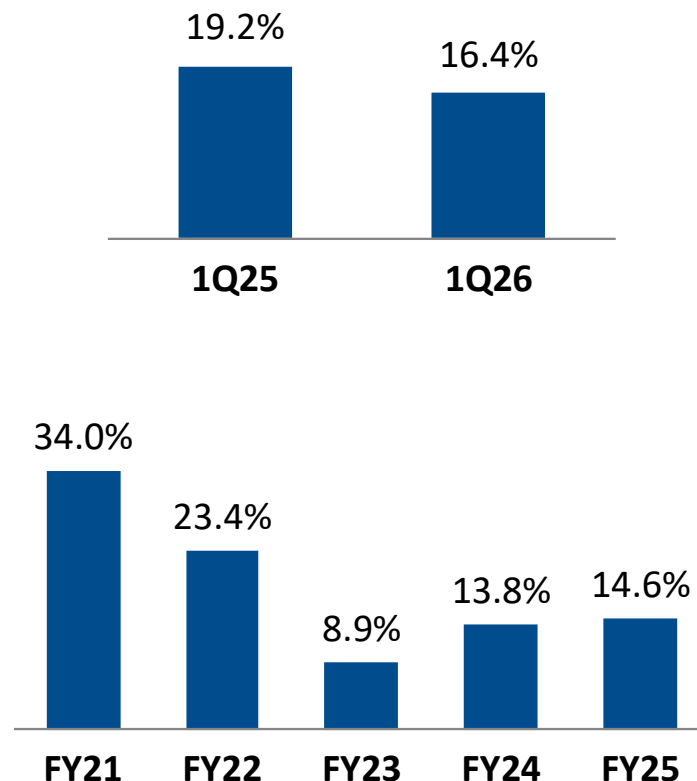
- Offshore earnings declined, mainly due to a higher investment income base in 1Q25.

## Offshore earnings

(NT\$BN)



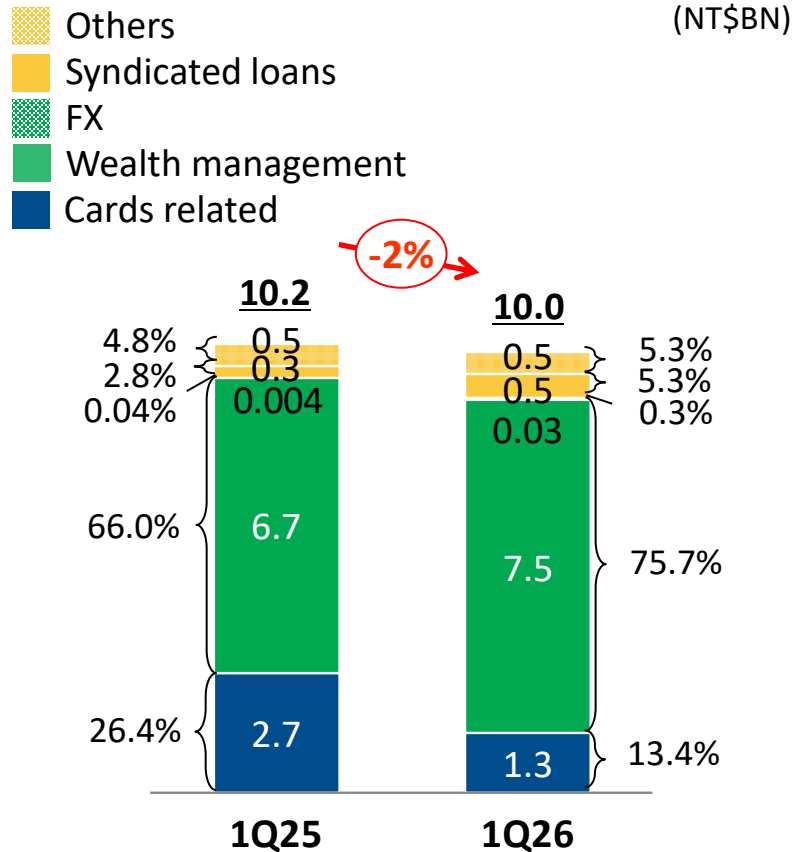
## As % of CUB pre-tax profits



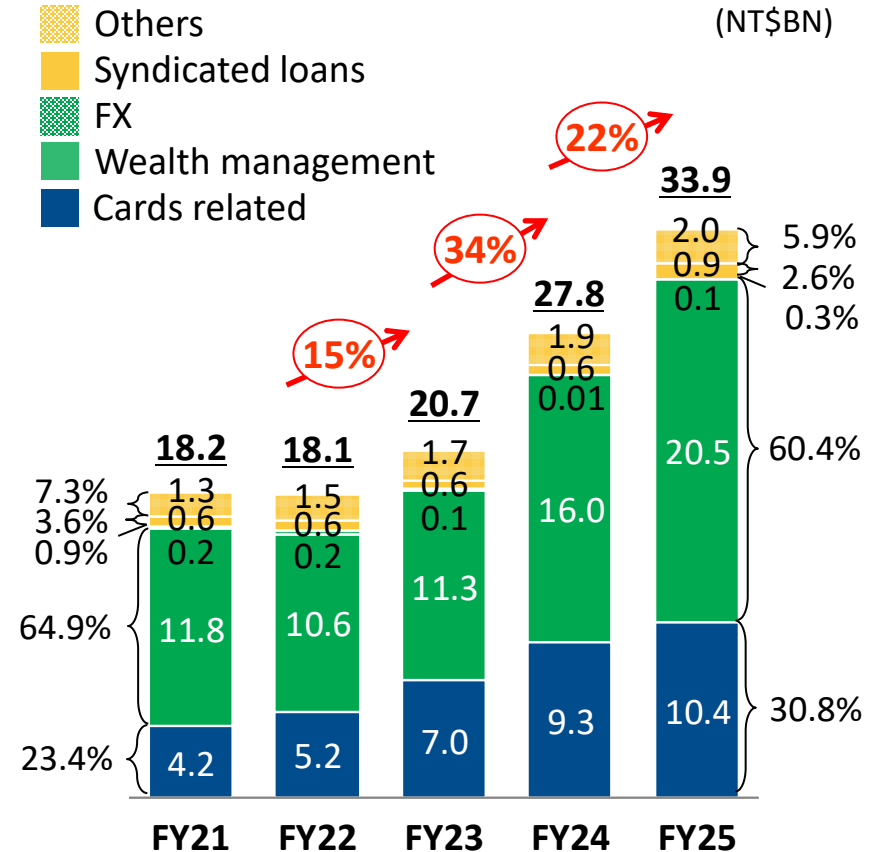
# Cathay United Bank – Net fee income

- 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



## Annual net fee income



# Cathay United Bank – Wealth management fees

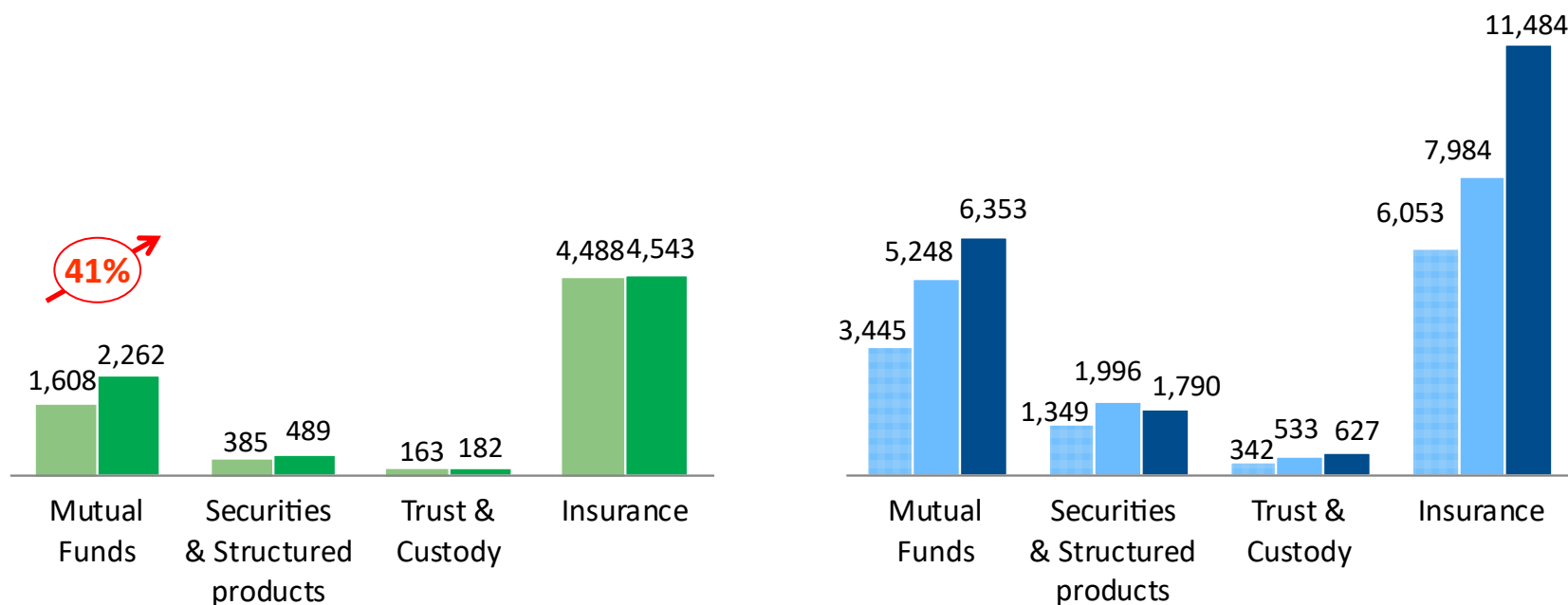
- WM fees grew 13% YoY, driven by strong sales in mutual funds.
- WM customers and AUM continued to show steady growth.

## 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



# Agenda

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  - Cathay Life
  - Cathay Century
- **Appendix**

# 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

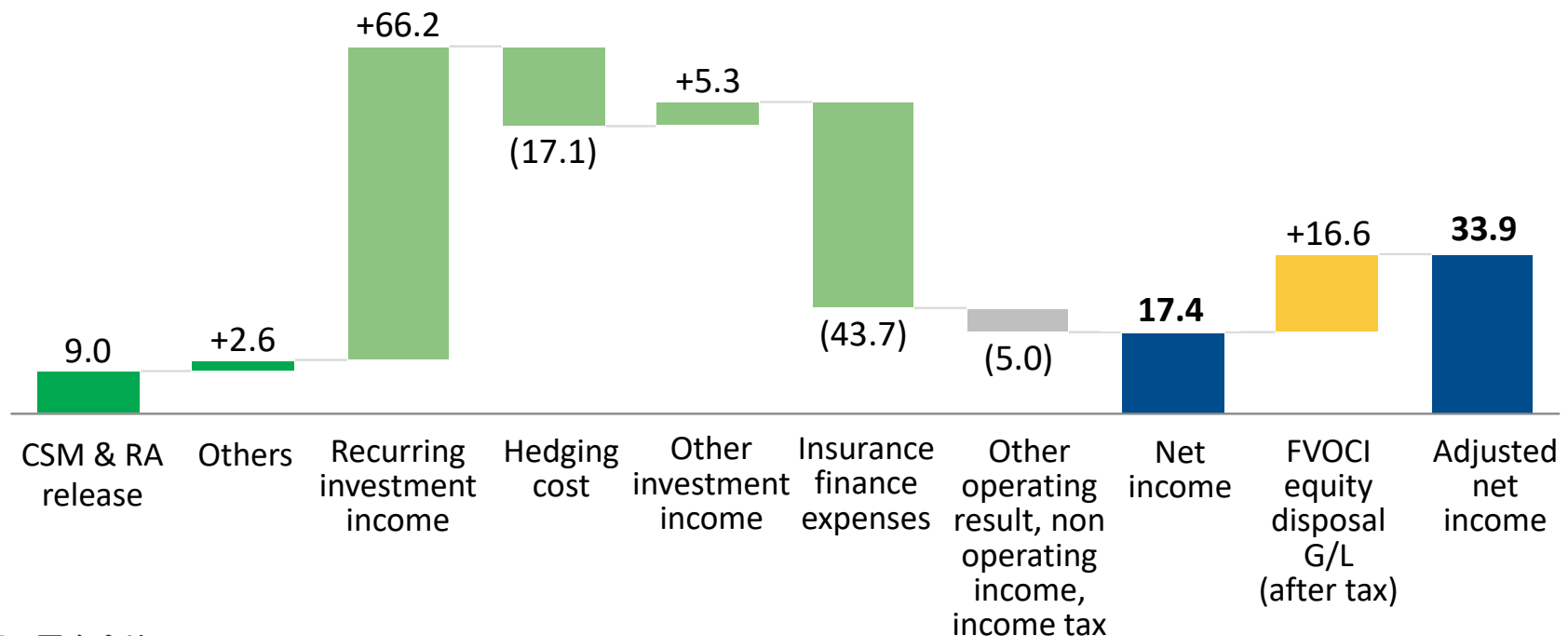
(NT\$BN)

### Insurance service result

11.6BN

### Financial result

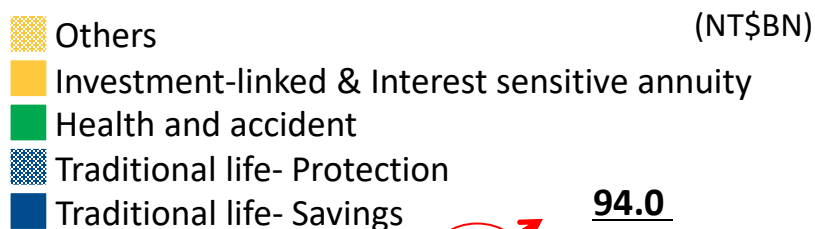
10.8BN



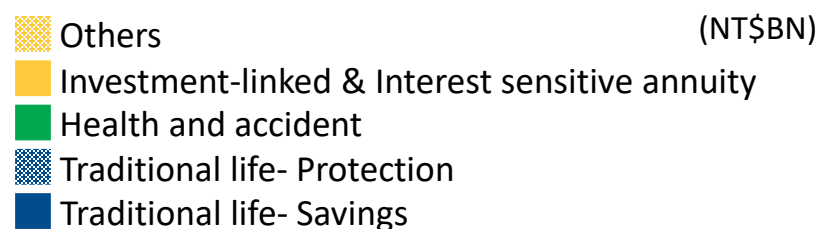
# Cathay Life – FYP & APE

- 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)

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

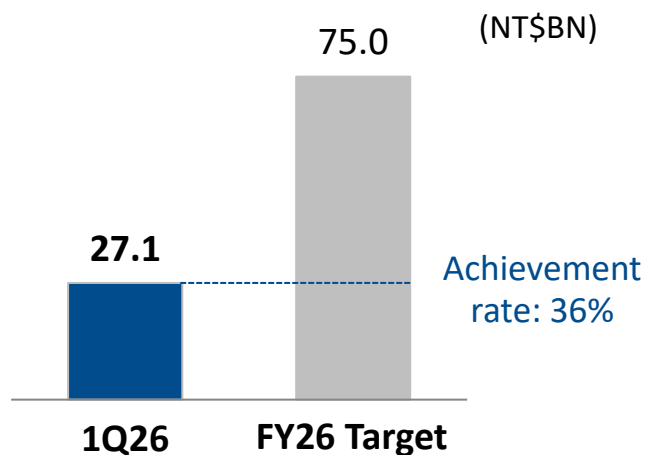
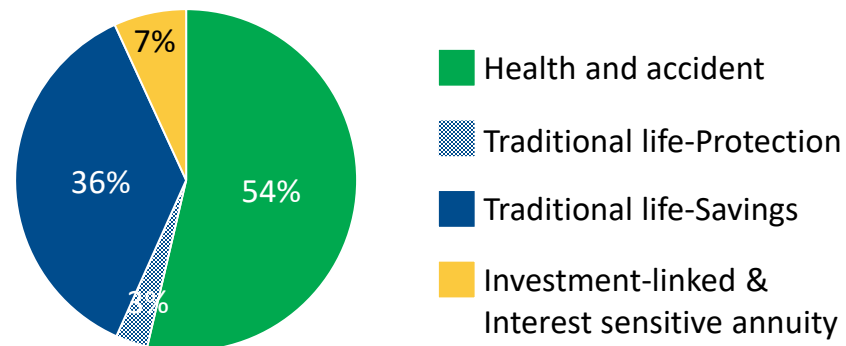
# Cathay Life – New business CSM

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

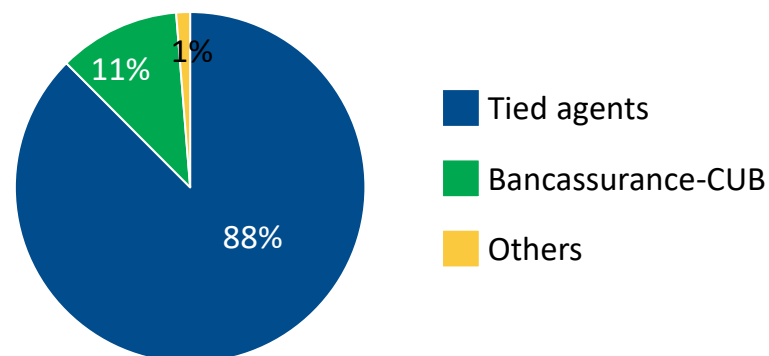
## New business CSM

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

## New business CSM by product



## New business CSM by channel

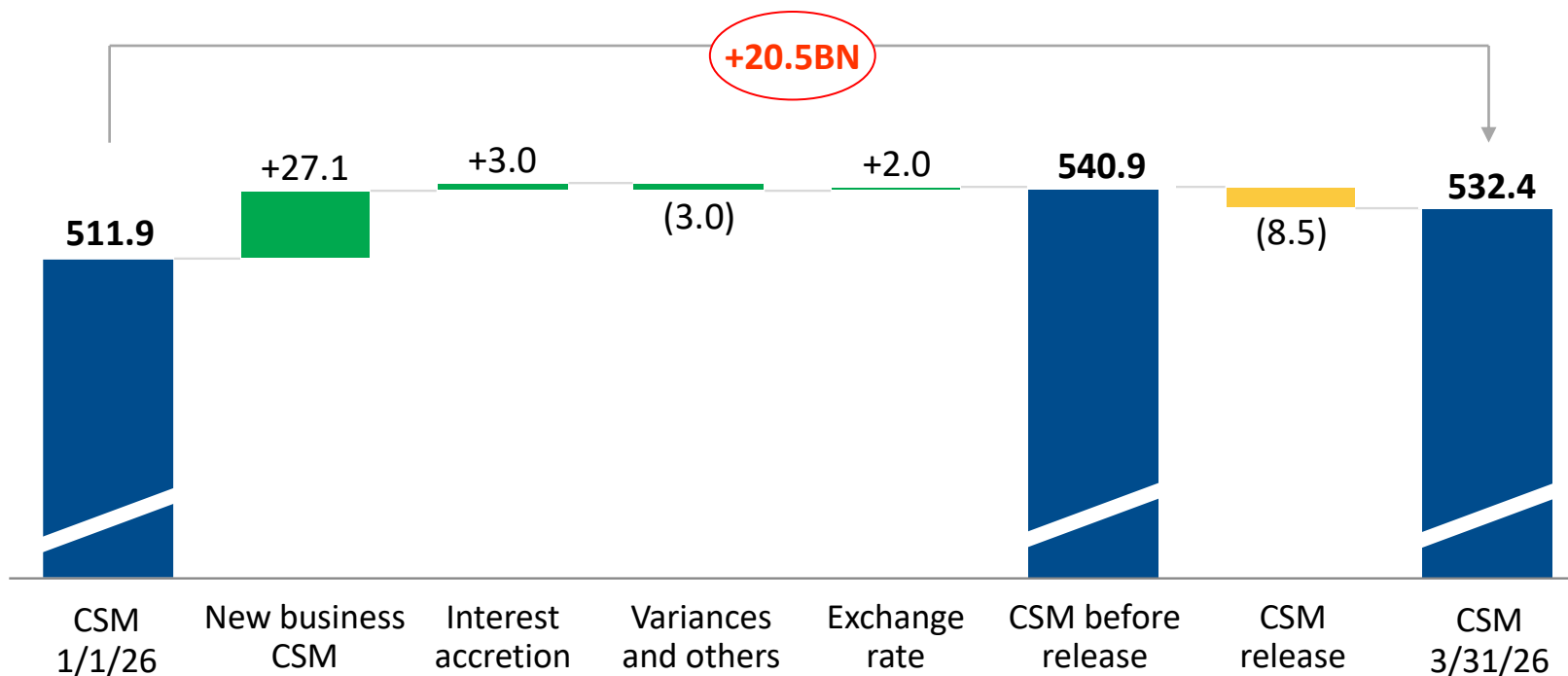


# Cathay Life – CSM movement

- 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)

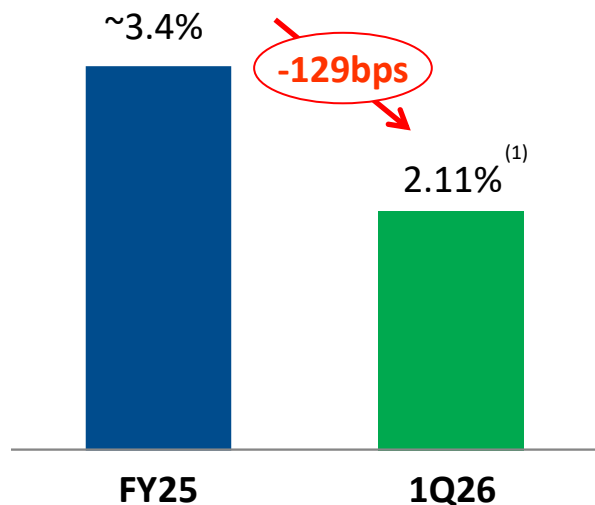


# Cathay Life – Liability interest cost & break-even asset yield

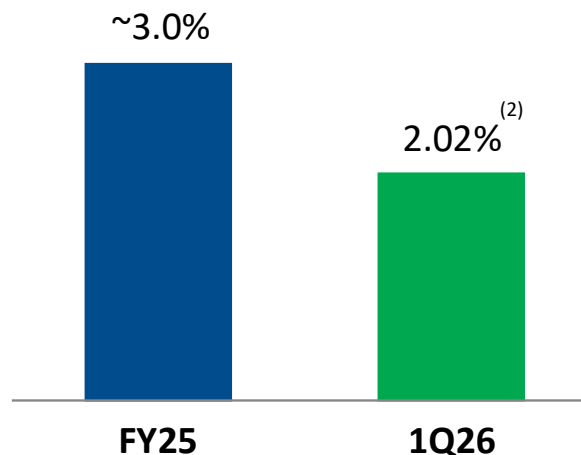
- Following IFRS 17 adoption in 2026, 1Q26 liability interest cost and break-even asset yield declined significantly, reflecting market-based discount rates for insurance liabilities.

## Liability interest cost

(Asset-based)



## Break-even asset yield



# Cathay Life – Investment portfolio

| (NT\$BN)                               | FY23           | FY24           | FY25           |        |        | 1Q26           |                  |                      |
|--|----------------|----------------|----------------|--------|--------|----------------|------------------|----------------------|
| <b>Total investments<sup>(1)</sup></b> | <b>7,638.1</b> | <b>7,990.6</b> | <b>8,083.8</b> |        |        | <b>7,736.7</b> |                  |                      |
|  | 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% <sup>(5)</sup> |
| Equity- International <sup>(2)</sup>   | 5.6%           | 5.5%           | 5.2%           | 417    | 12.0%  | 5.1%           | 391              | 6.7% <sup>(5)</sup>  |
| Bond- Domestic <sup>(3)</sup>          | 8.1%           | 8.3%           | 9.1%           | 734    | 5.3%   | 9.6%           | 744              | 5.3%                 |
| Bond- International <sup>(2)</sup>     | 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 <sup>(4)</sup> | 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%                 |

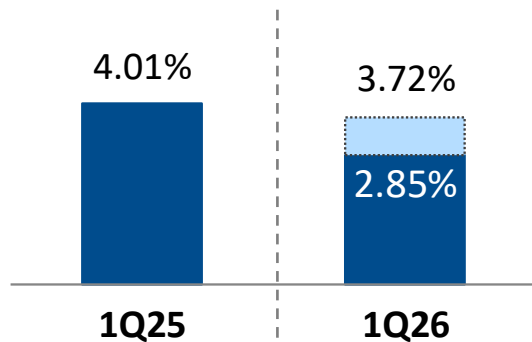
Note: (1) Total investments exclude separate account assets. (2) Returns on international equities and international bonds are on a pre-hedging investment basis. (3) Include TWD-denominated bond ETFs. (4) Policy loans related to investment contracts. (5) 1Q26 equity investment returns include FVOCI equity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

# Cathay Life – Investment performance

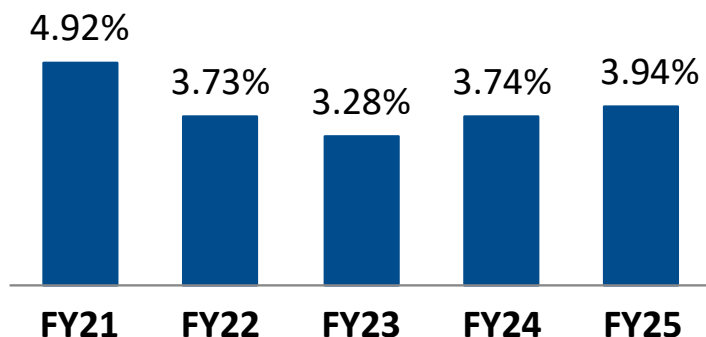
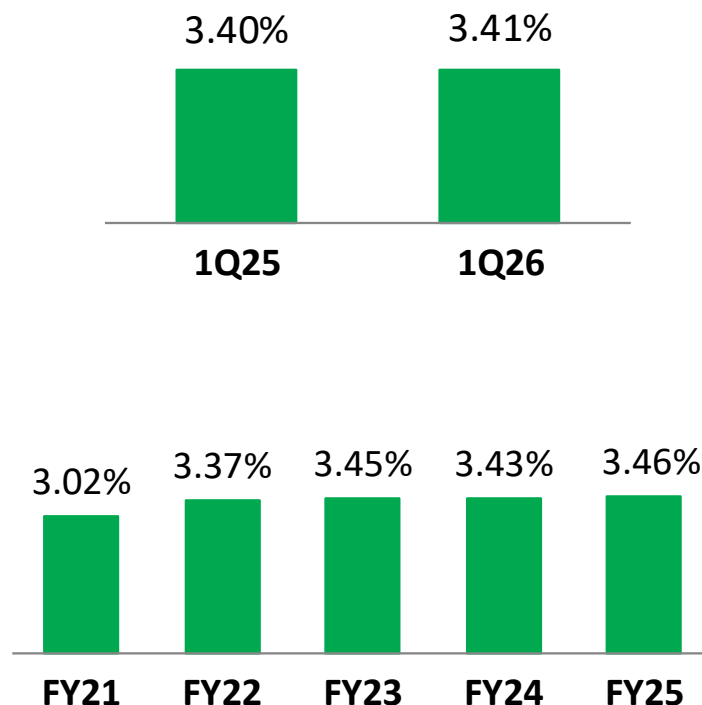
- 1Q26 after-hedging investment yield was 3.72% including FVOCI equity disposal gains/losses, while the P&L-based after-hedging investment yield was 2.85%.
- 1Q26 pre-hedging recurring yield was 3.41%.

## After-hedging investment yield

■ FVOCI equity disposal gains/losses



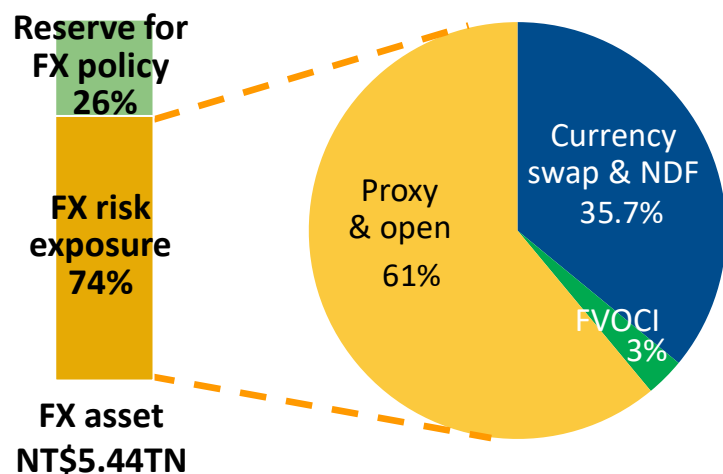
## Pre-hedging recurring yield



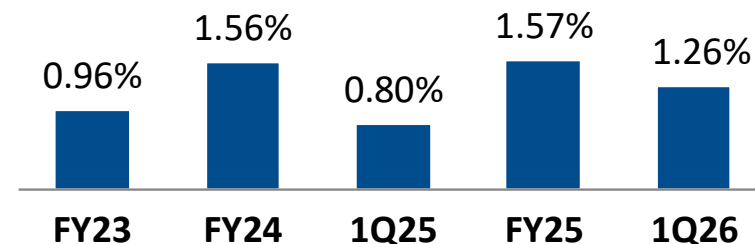
# Cathay Life – FX hedging strategy

- 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.

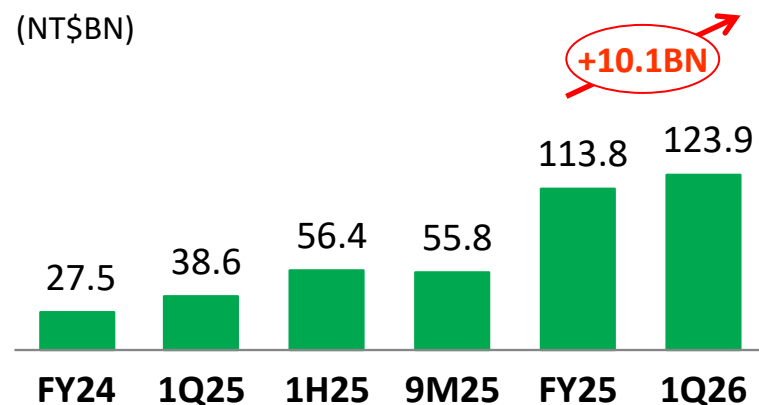
## FX asset hedging structure



## Hedging cost



## FX volatility reserve

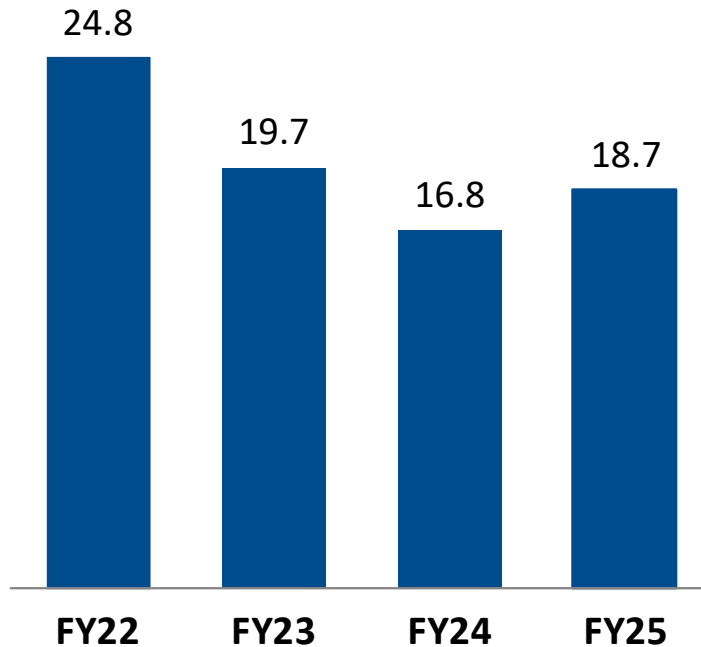


# Cathay Life – Cash dividend income & overseas bond by region

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

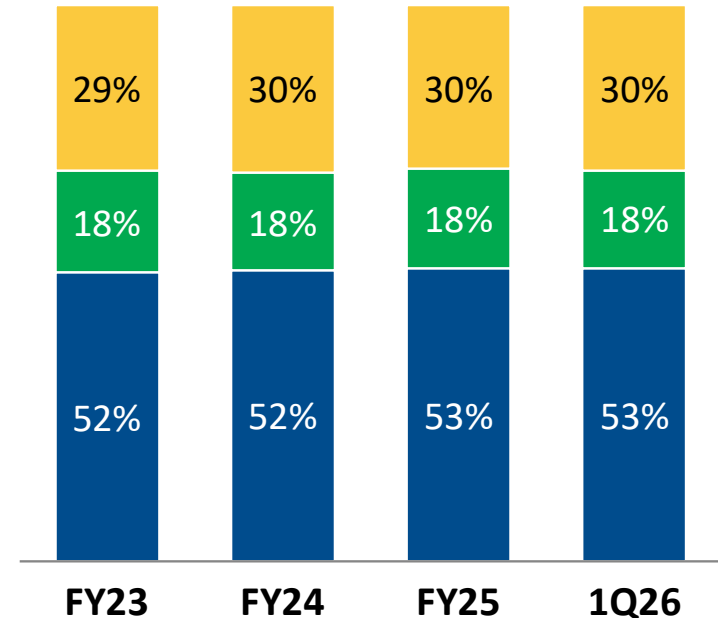
## Cash dividend income

(NT\$BN)



## Overseas bond by region

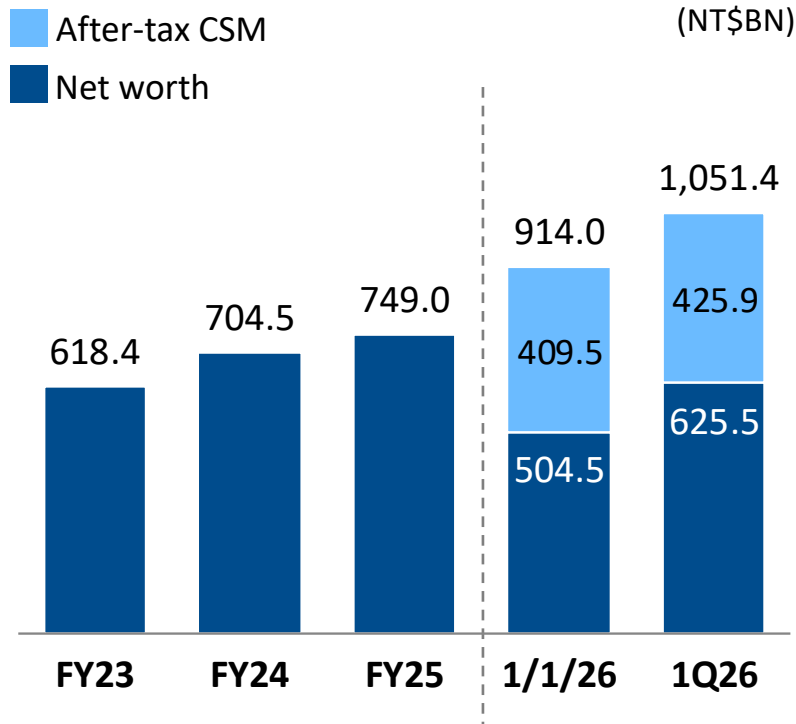
- Asia Pacific & Others
- Europe
- North America



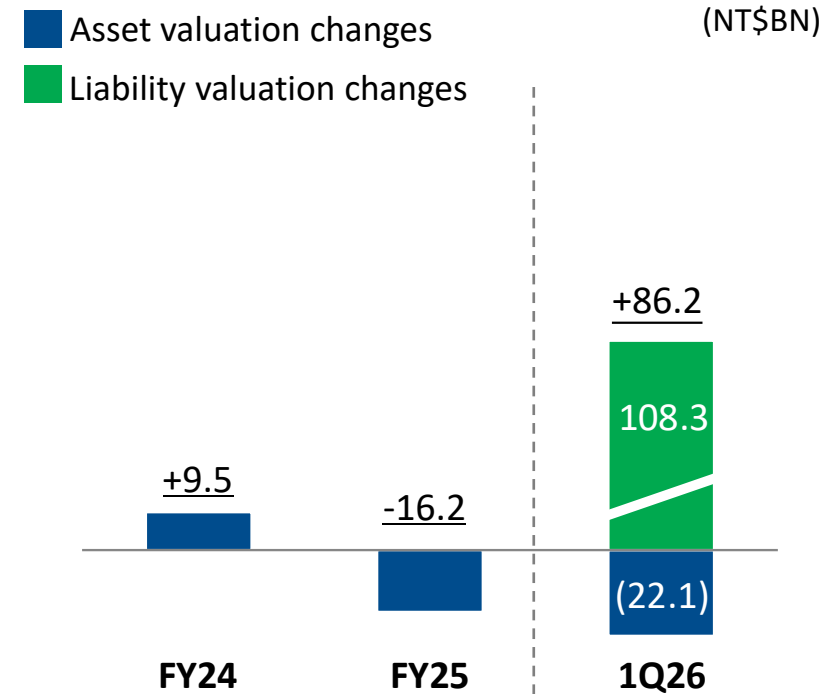
# Cathay Life – Net worth & OCI asset/liability valuation changes

- 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

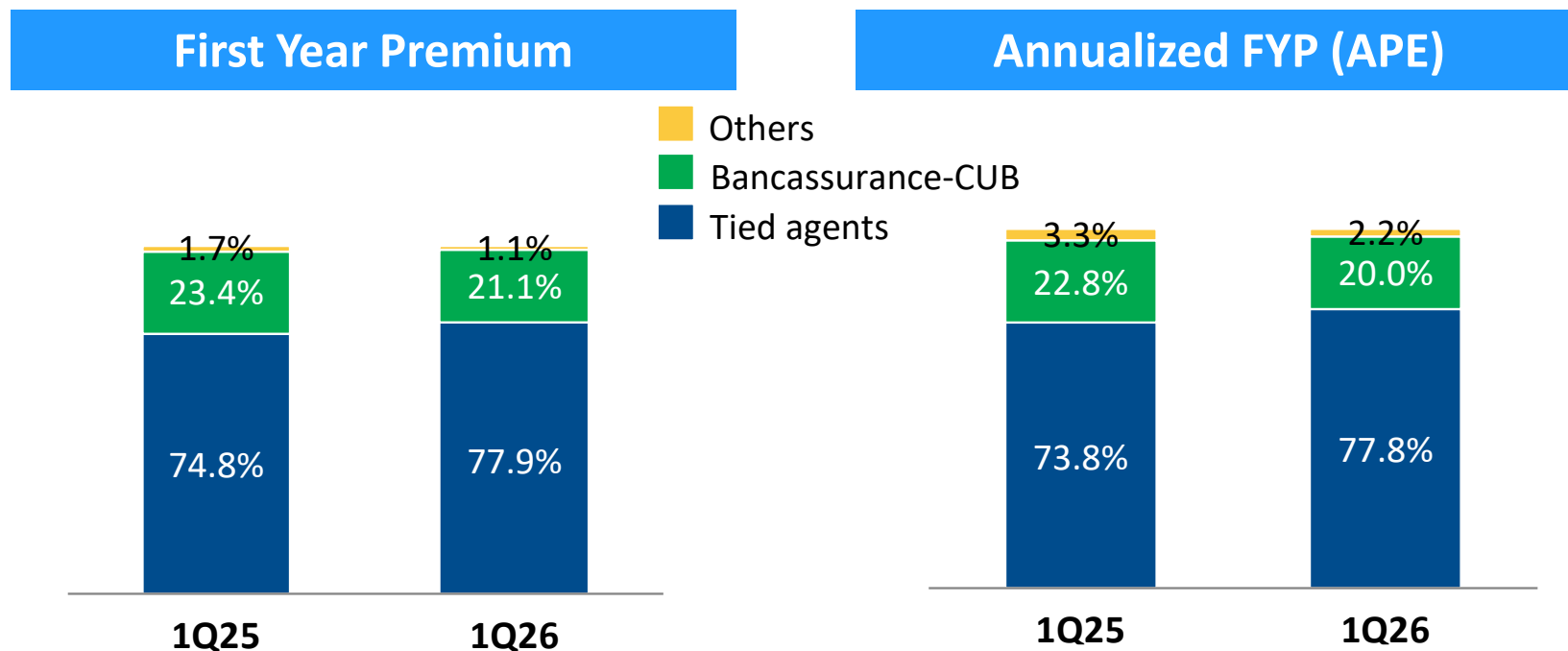


## OCI asset/liability valuation changes



# 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\$)

|                                      |  |   |  |
|--------------------------------------|--|---|--|
| <b>Business performance</b>          | <b>FYP</b><br><b>94.0BN</b><br>(+71% YoY)          | <b>New business CSM</b><br><b>27.1BN</b>                      | <b>CSM Balance</b><br><b>532.4BN</b><br>(+20.5BN YTD)                |
| <b>Spread &amp; investment yield</b> | <b>Recurring yield</b><br><b>3.41%</b>             | <b>Hedging cost</b><br><b>1.26%</b>                           | <b>Liability interest expense</b><br><b>2.11%</b>                    |
| <b>Financial performance</b>         | <b>Insurance service result</b><br><b>11.6BN</b>   | <b>Financial result</b><br><b>10.8BN</b>                      | <b>Net income/<br/>Adjusted net income</b><br><b>17.4BN / 33.9BN</b> |
| <b>Net worth</b>                     | <b>Net worth</b><br><b>625.5BN</b><br>(+121BN YTD) | <b>Adjusted net worth</b><br><b>1,051.4BN</b><br>(+137BN YTD) | <b>E/A ratio/<br/>Adjusted E/A ratio</b><br><b>8.2% / 13.5%</b>      |

# Agenda

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

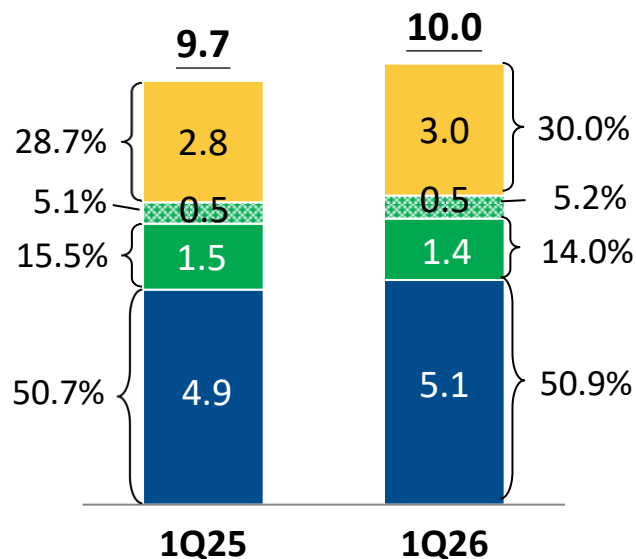
# Cathay Century – Written premium

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

## Quarterly written premium

(NT\$BN)

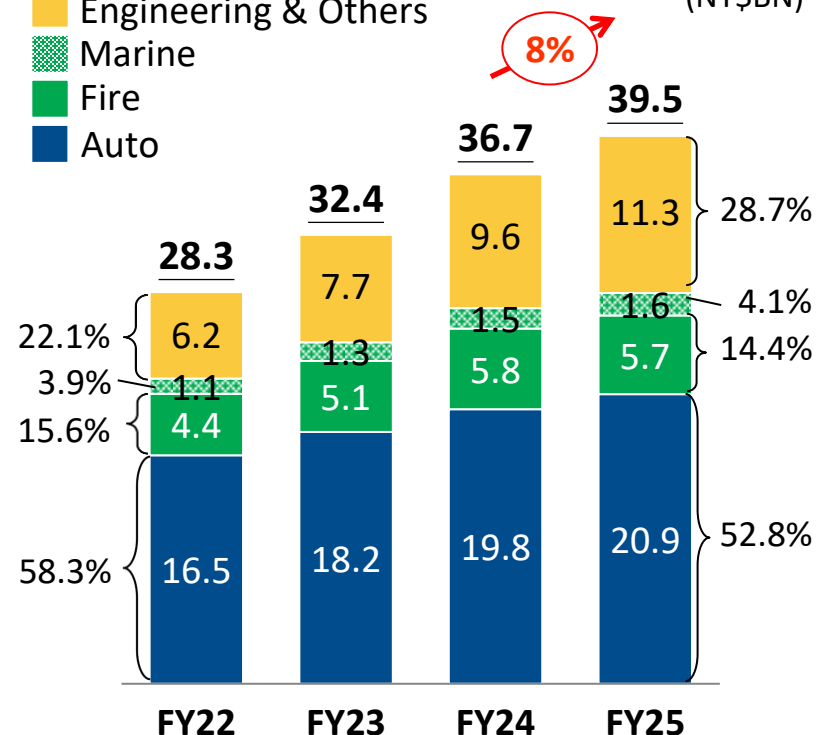
- Engineering & Others
- Marine
- Fire
- Auto



## Annual written premium

(NT\$BN)

- Engineering & Others
- Marine
- Fire
- Auto



Market share

12.7%

12.8%

12.8%

13.3%

13.6%

13.8%

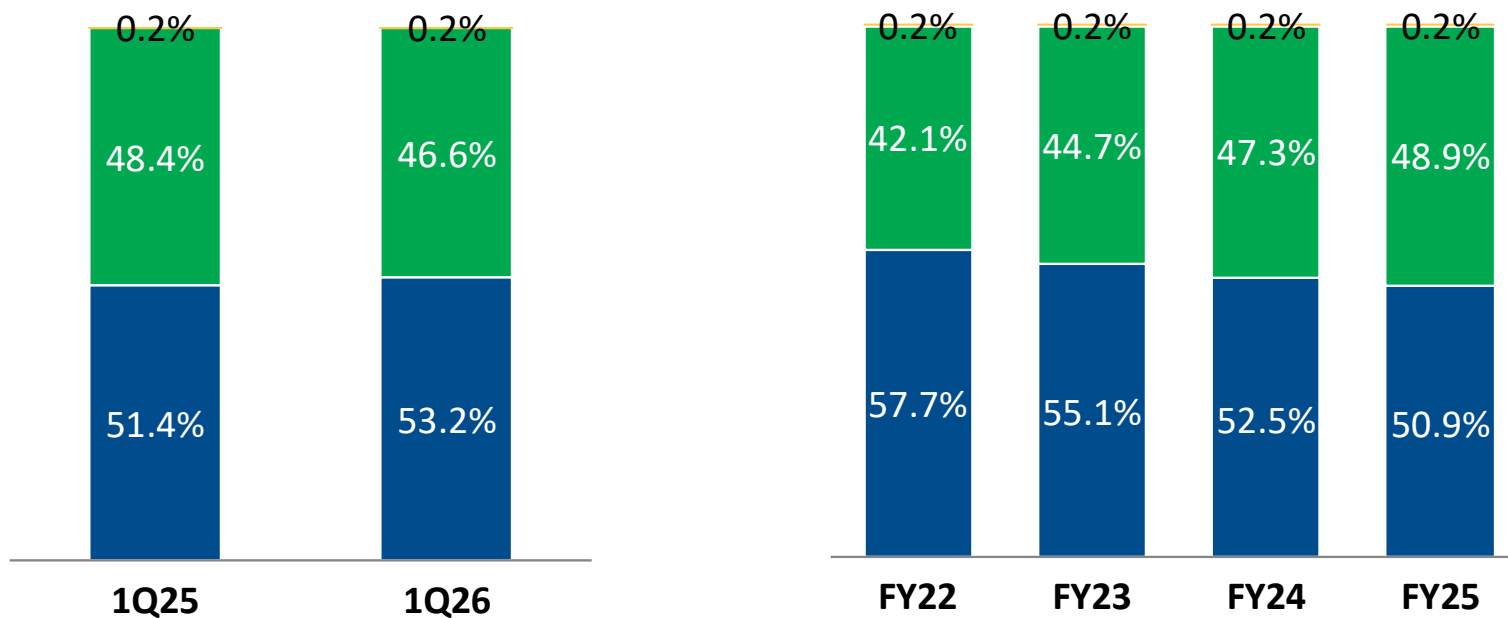
# Cathay Century – Distribution channels

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

## Distribution channels

## Distribution channels (Annual)

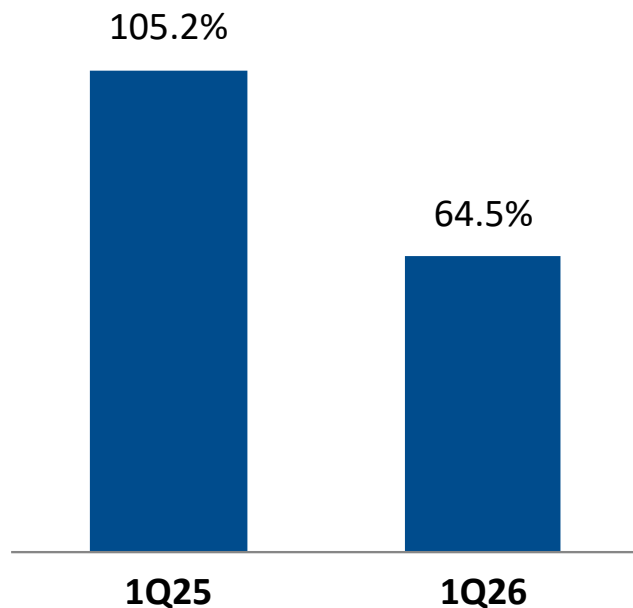
- Affiliate channels
- Cathay P&C agents
- Cathay group channel



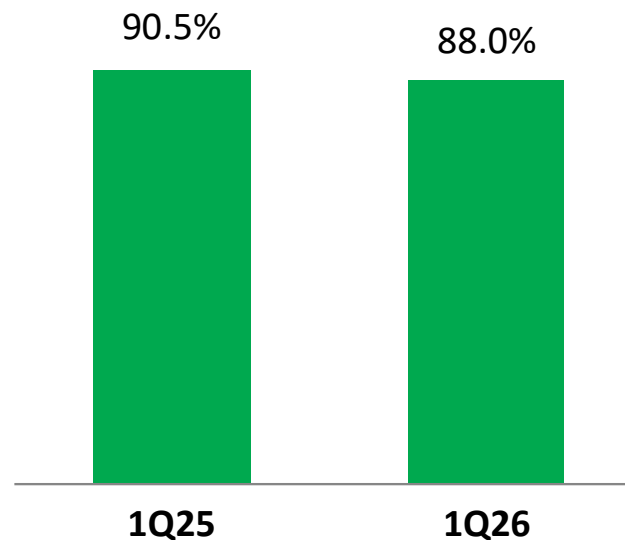
# Cathay Century – Combined ratios

- 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

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

Cathay United Bank

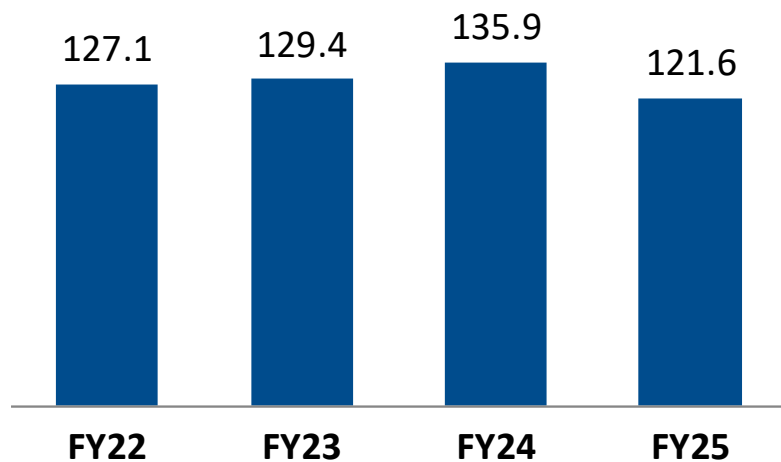
Cathay Life

Cathay Century

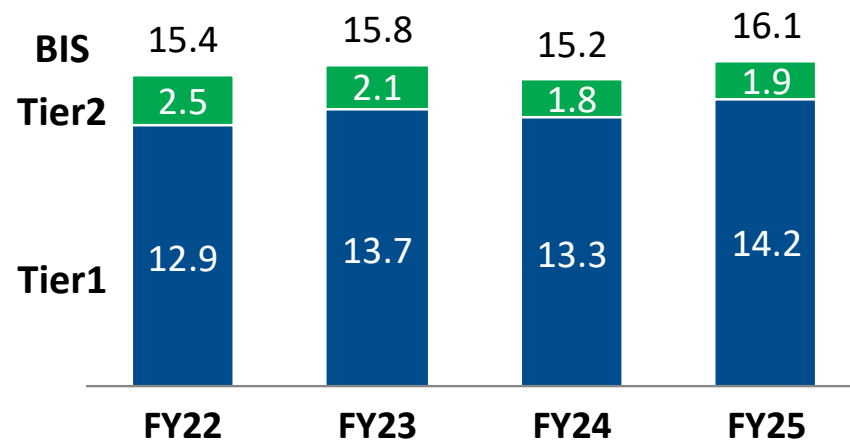
- **Appendix**

# Cathay FHC – Capital adequacy

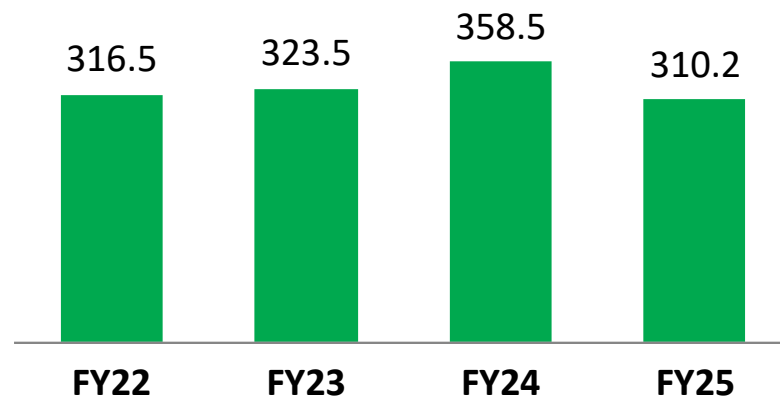
## Cathay FHC CAR (%)



## CUB capital adequacy (%)



## Cathay Life RBC (%)

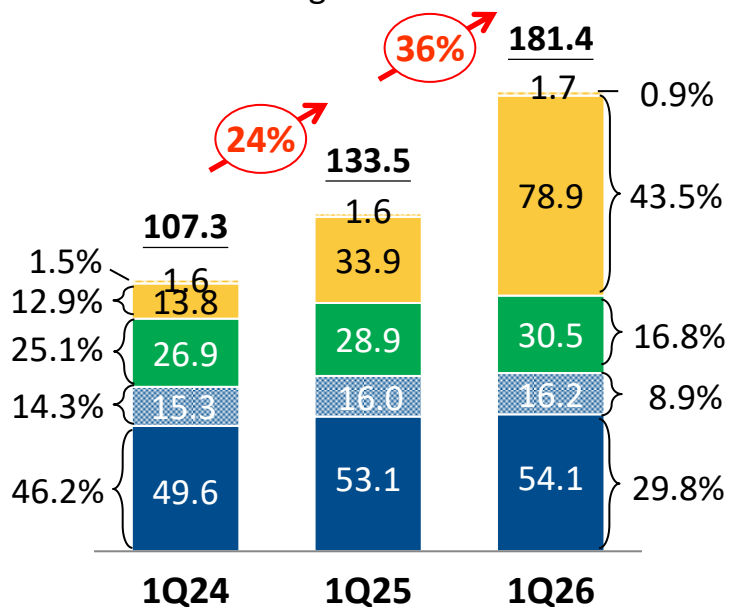


# Cathay Life – Total premium

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

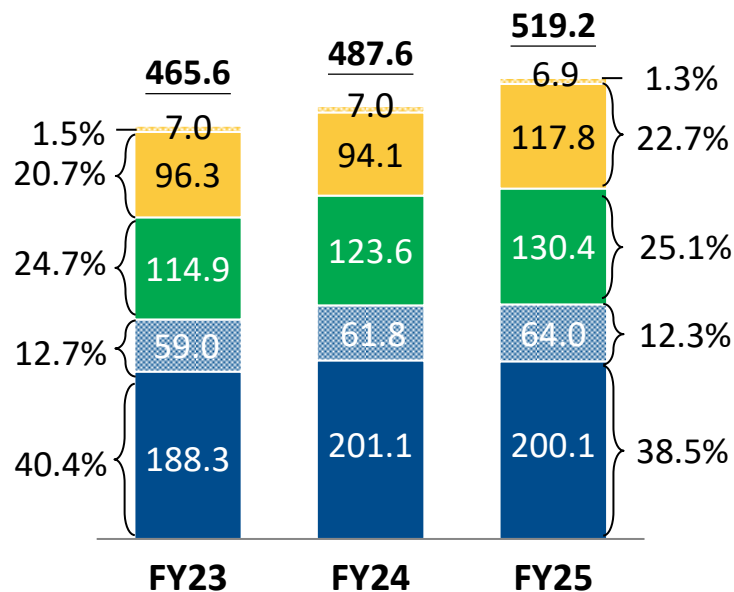
## Quarterly total premium

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



## Annual total premium

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



Market share

19.2%

19.9%

22.8%

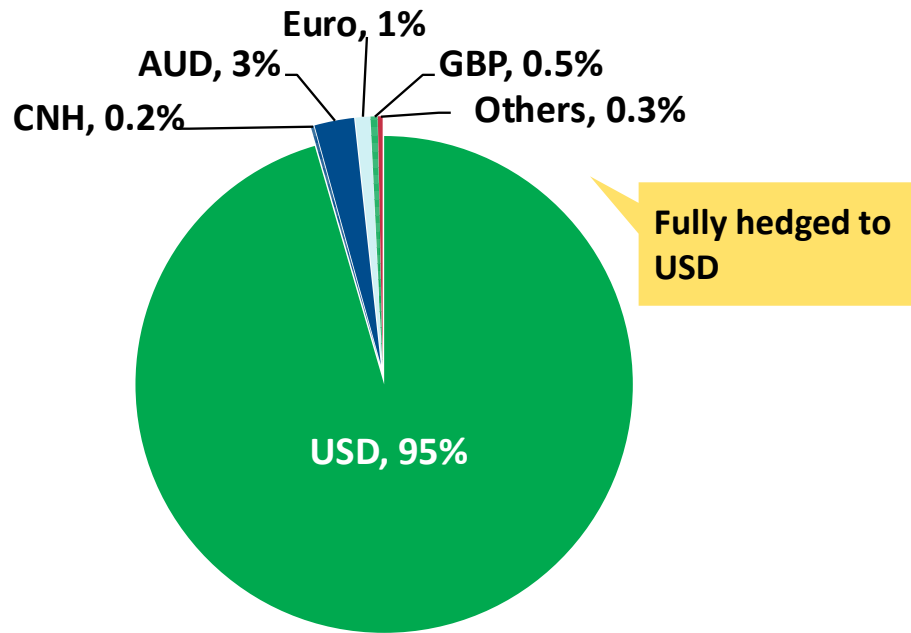
21.3%

20.0%

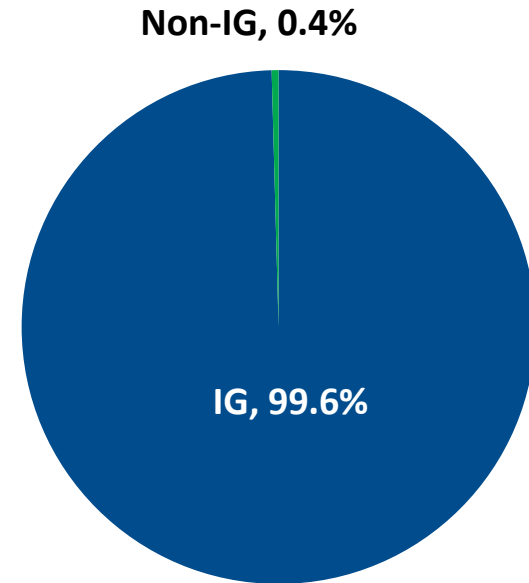
19.8%

# Cathay Life – Overseas bond breakdown by currency and rating

## Overseas bond by currency (1Q26)

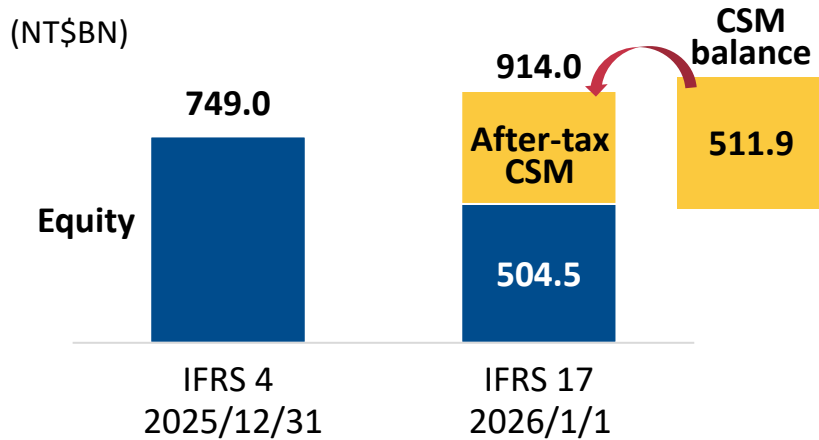


## Overseas bond by rating (1Q26)

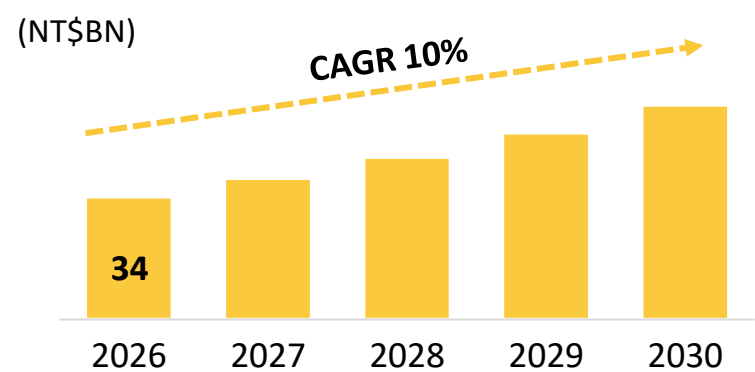


# Cathay Life – IFRS 17 transition highlights

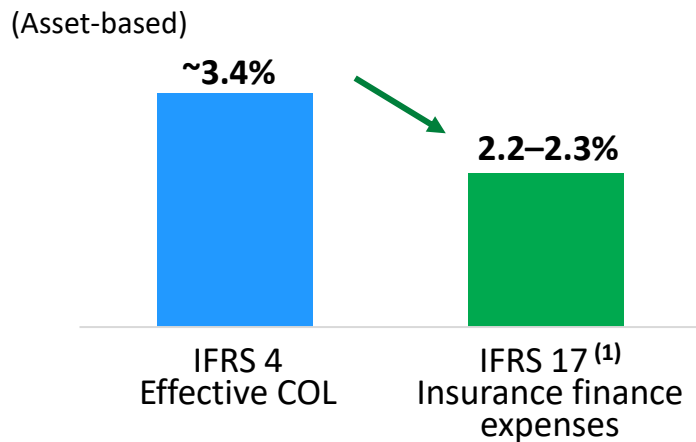
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



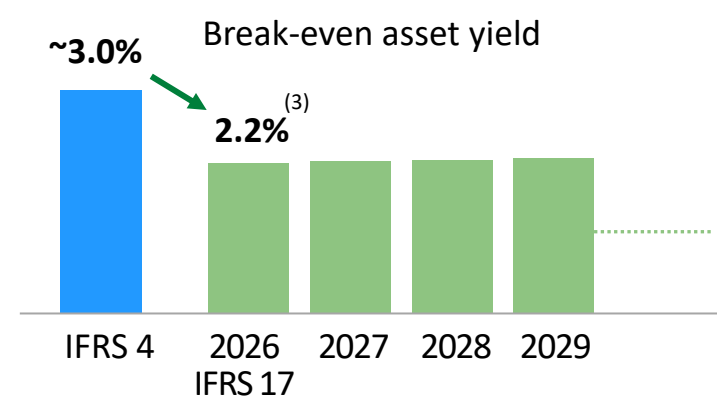
Growing CSM<sup>(2)</sup> release supports future earnings



Lower liability costs support a stable positive spread

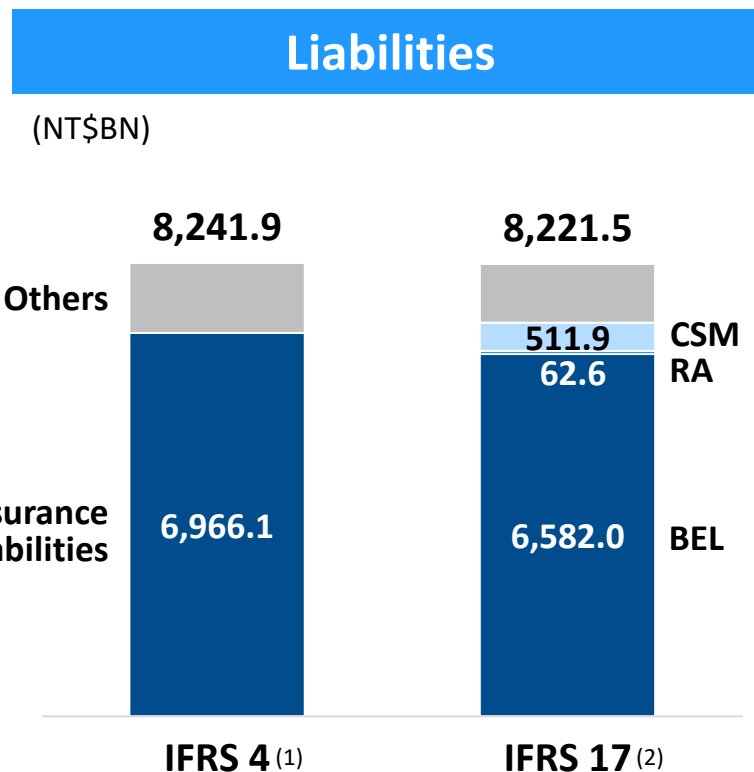
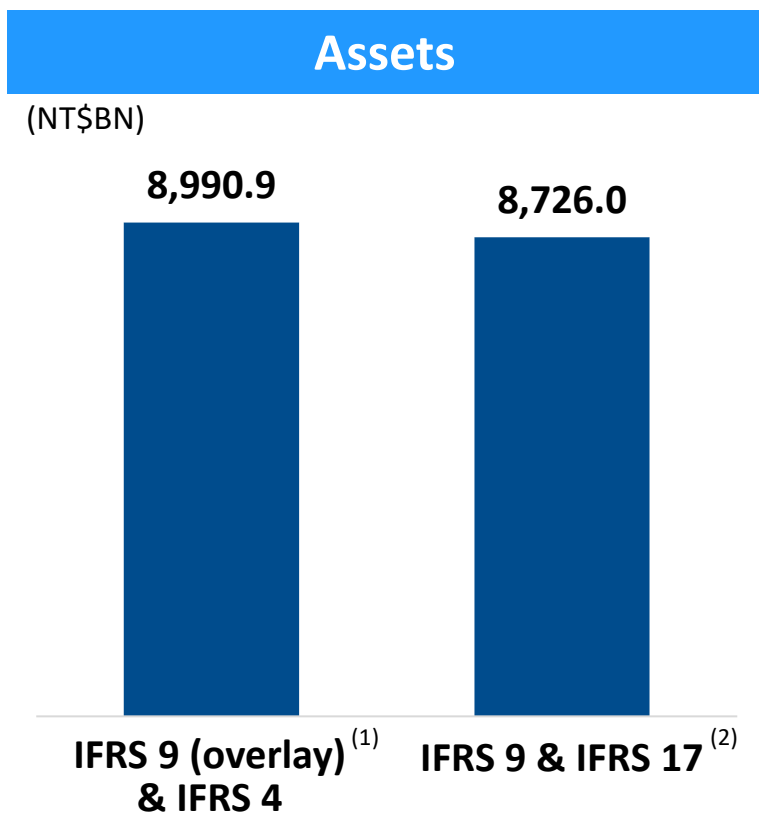


Increasing CSM release helps stabilize break-even asset yield



# 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

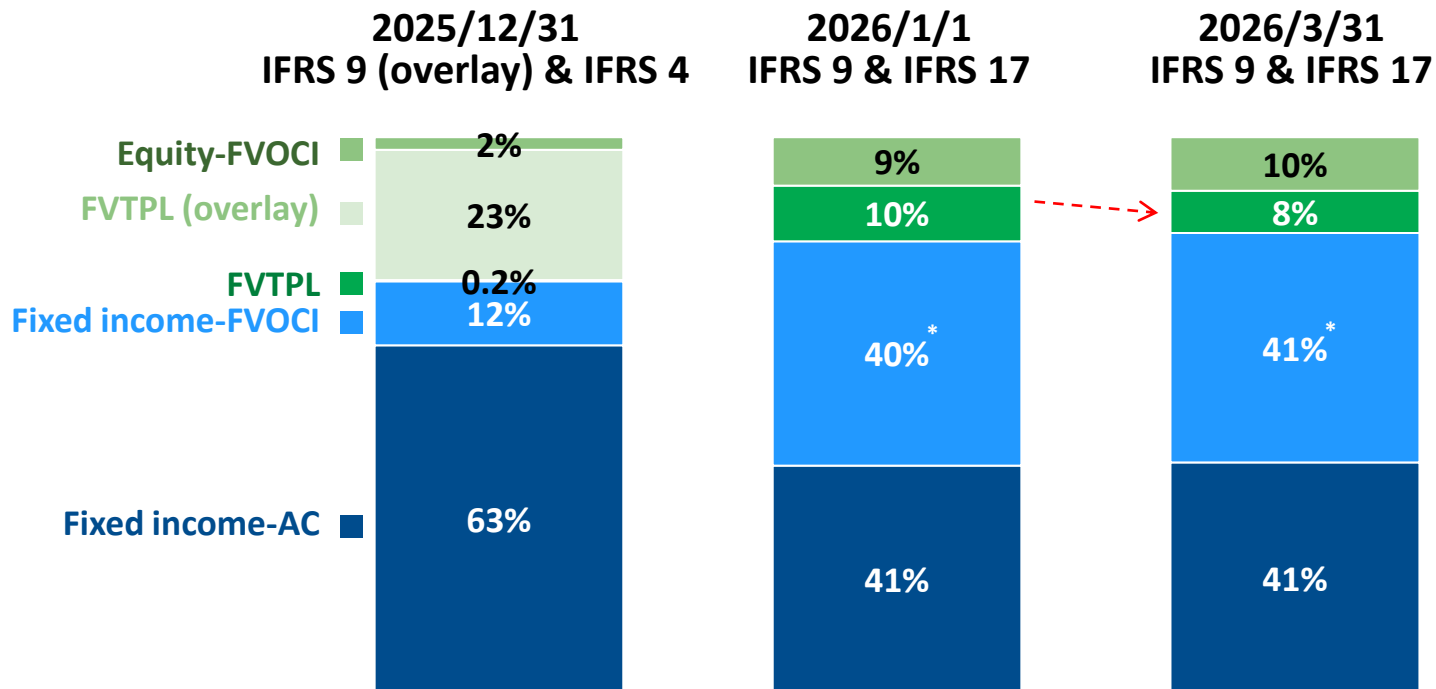
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.

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

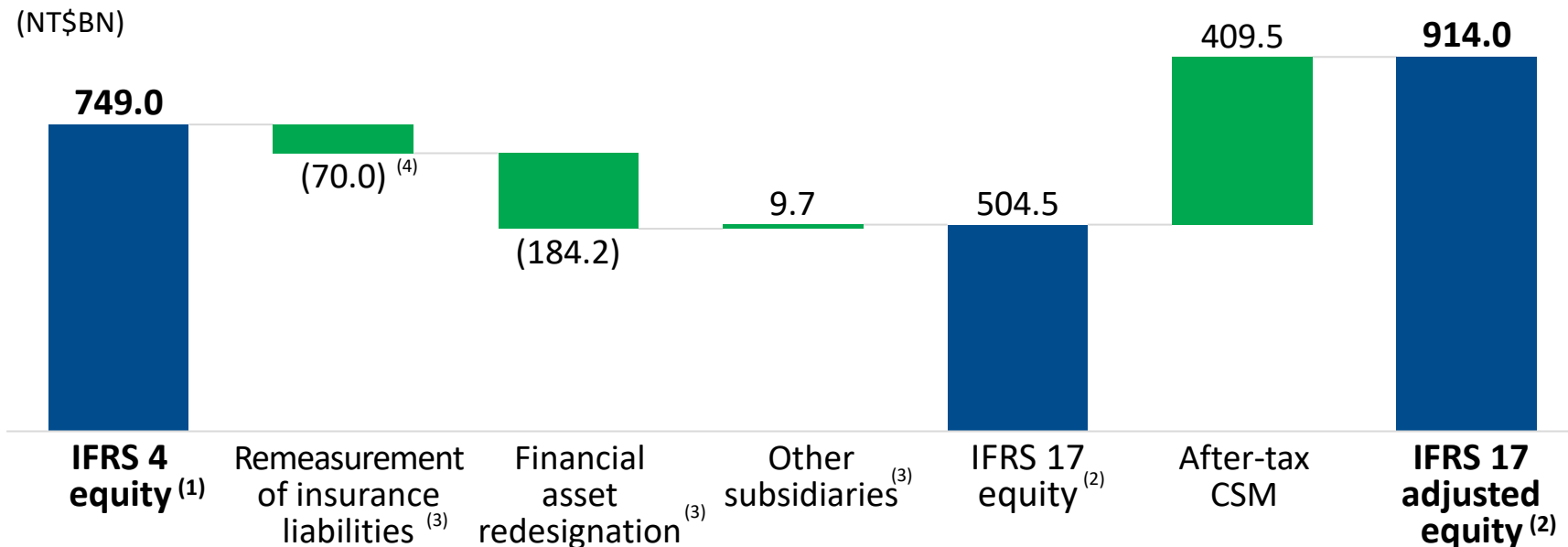


# Adjusted equity better reflects economic value

- 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

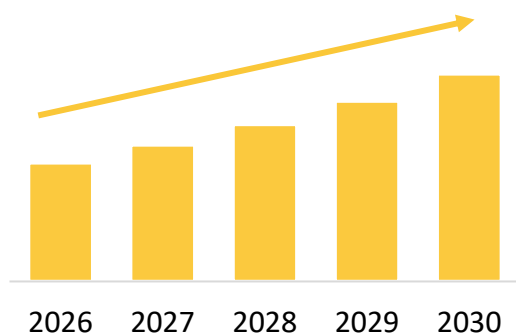
- ❑ CSM release becomes a key driver of earnings.
- ❑ Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- ❑ FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- ❑ Overall earnings 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>CSM &amp; risk adjustment (RA) release</li> <li>Expected claims and expenses paid</li> <li>Actual claims and expenses paid</li> </ul> | 1 CSM recognized as profit over the contract coverage period                      |
| <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 Interest spread   |
| <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 ILP fee income, indirect expenses, and mortality–interest spread offset reserve |
| <b>OCI</b>                | <ul style="list-style-type: none"> <li>Changes in FVOCI assets</li> </ul>   | <b>Net income</b>               |  |   |
|                           |   | <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 Changes in financial assets and discount rate effects on insurance liabilities  |
|                           |   | <b>Retained earnings</b>        |  | 5 Net income and FVOCI equity realized gains                                      |

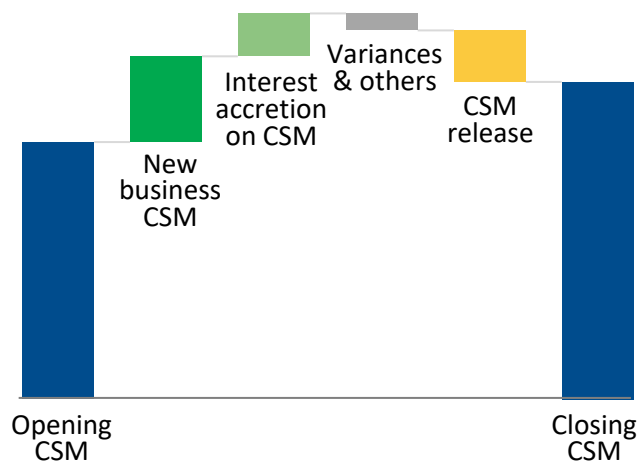
# CSM contribution to earnings increase over time

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

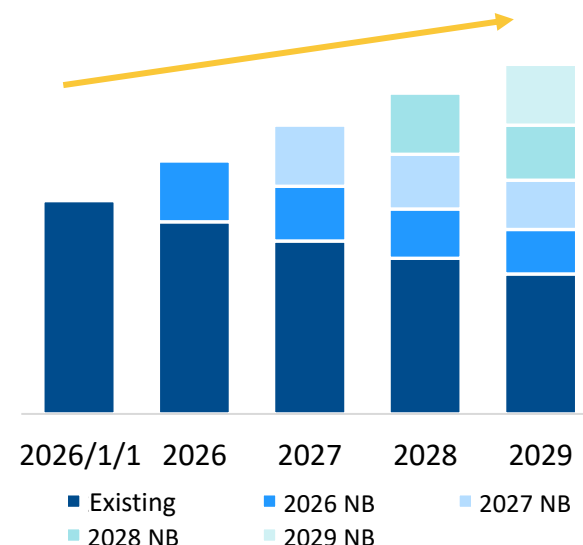
Illustrative underwriting profit\*  
(% of earnings)



Illustrative CSM movement



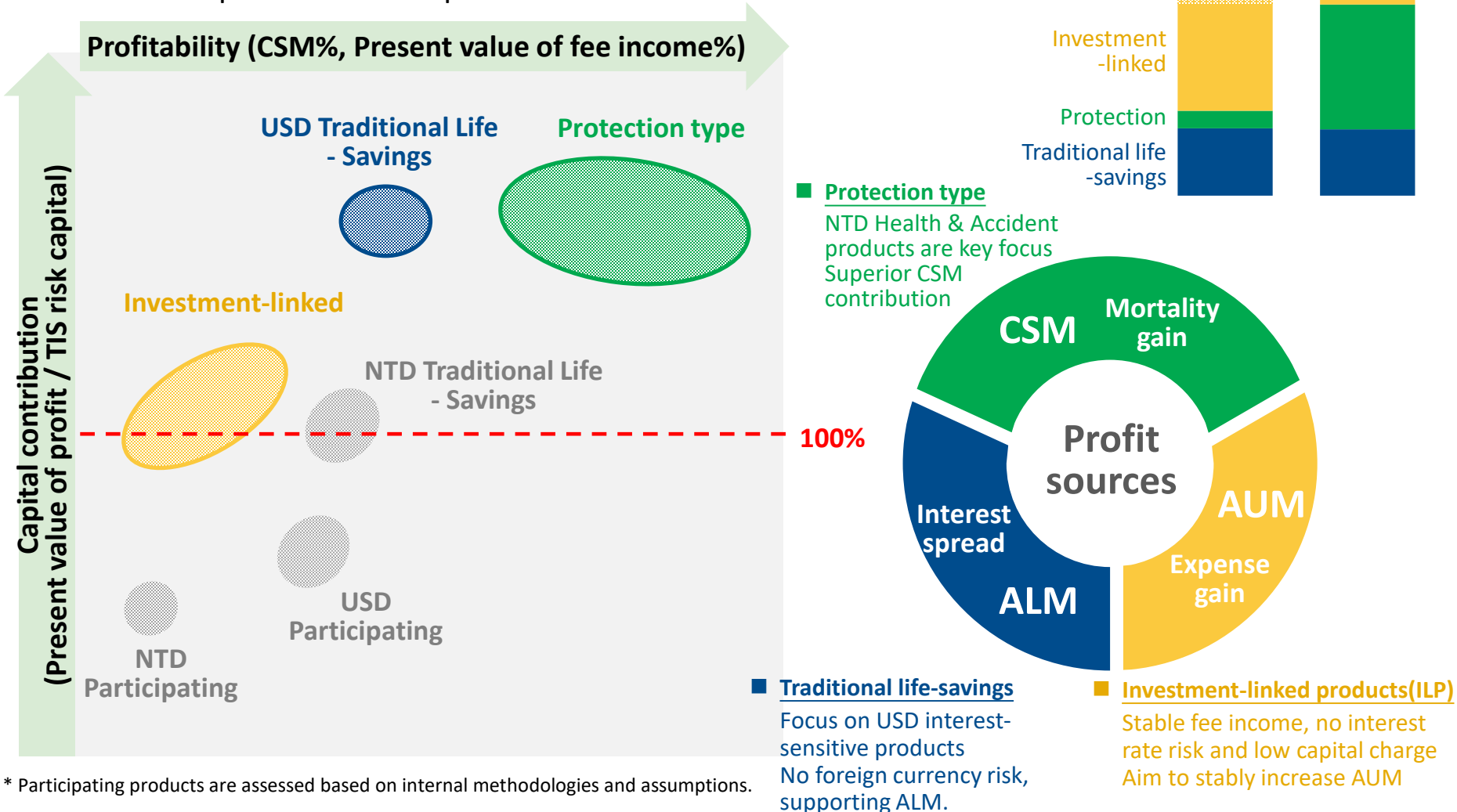
Illustrative CSM balance



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

# Product strategy focused on CSM and capital contribution

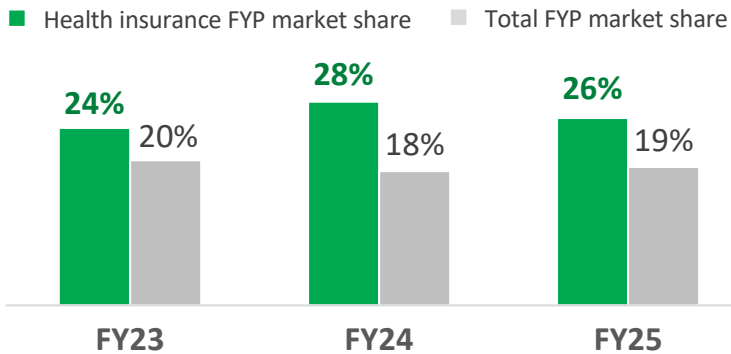
- CSM accumulation remains a top priority; health products account for over 60% of new business CSM.
- Focus on products with capital contribution above 100%.



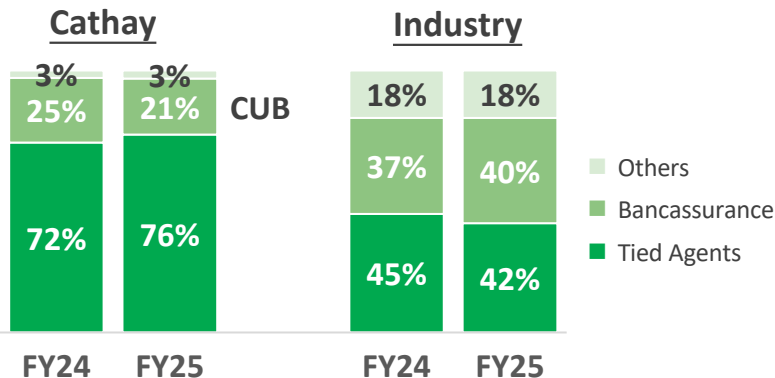
# Distribution strength and health ecosystem support NB CSM

- 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.

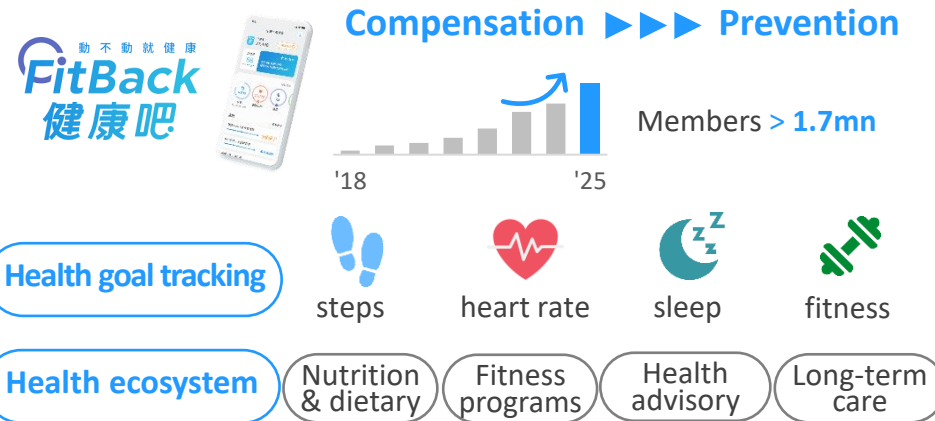
## Health insurance\* sales support NB CSM



## Strong distribution (FYP by channel)



## FitBack health promotion program



## 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<br>(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<br>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

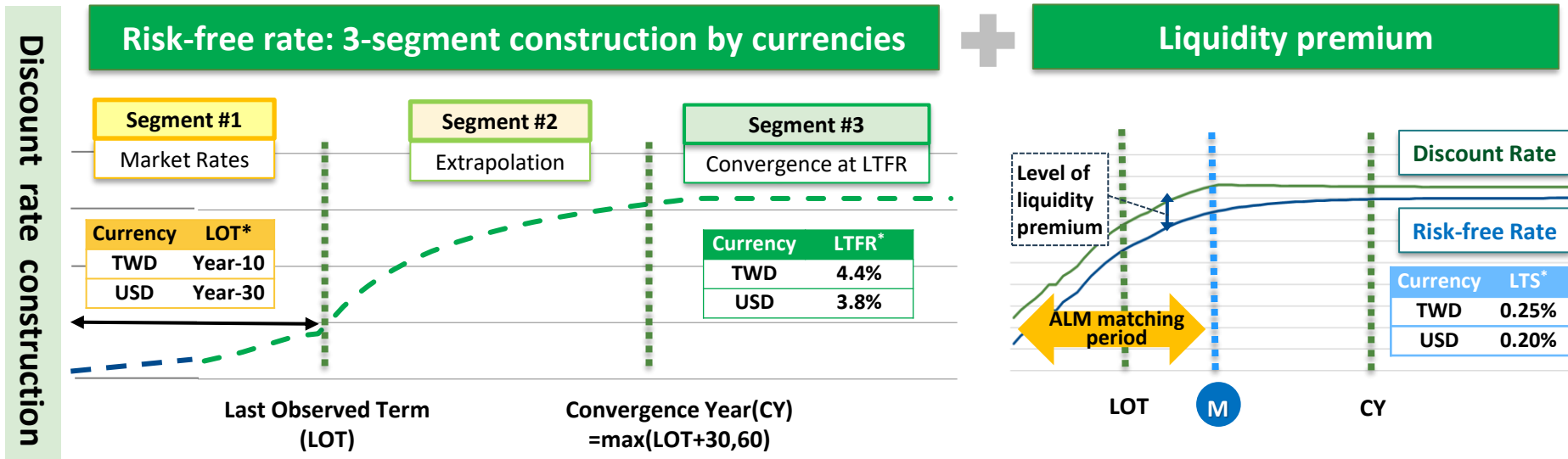
## Localization

- **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% (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 6<sup>th</sup> approval



2022 & 2023 ICAPs

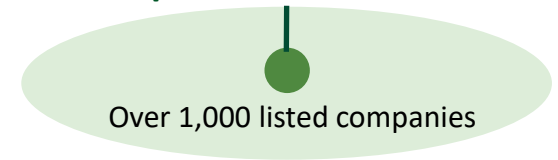
Global best practice



1<sup>st</sup> 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

- 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



avpn

2025

- 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 Impacting 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



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<br>(NT\$MN)                              | IFRS 4 & IFRS 9 |            | FY25/<br>FY24 | % Chg | (NT\$MN)   | IFRS 17 & IFRS 9 |  |  |  |
|--|-----------------|------------|---------------|-------|--|------------------|--|--|--|
| <u>Income Statement Data (Consolidated)</u>                        | FY24            | FY25       |               |       | <u>Income Statement Data (Consolidated)</u>                    | 1Q26             |  |  |  |
| <b>Operating Income</b>  |                 |            |               |       | <b>Operating Income</b>  |                  |  |  |  |
| Net interest income  | 262,122         | 267,371    | 2%            |       | Net interest income  | 76,415           |  |  |  |
| Net commission and fee   | 15,076          | 18,278     | 21%           |       | Net fee income   | 11,136           |  |  |  |
| Net earned premium   | 462,813         | 481,830    | 4%            |       | Insurance service result                                       | 13,196           |  |  |  |
| Change in liability reserves                                       | (114,344)       | (115,062)  | 1%            |       | Investment income  | 8,516            |  |  |  |
| Net claims payment   | (498,373)       | (477,072)  | -4%           |       | Contribution from associates-equity method                     | 1,180            |  |  |  |
| Investment income  | 117,374         | 126,542    | 8%            |       | Insurance/Reinsurance finance income (expenses) <sup>(1)</sup> | (43,875)         |  |  |  |
| Contribution from associates-equity method                         | 2,555           | 3,062      | 20%           |       | Other net non-interest income                                  | 5,971            |  |  |  |
| Other net non-interest income                                      | (2,840)         | (69,606)   | -2351%        |       | Bad debt expenses  | (2,144)          |  |  |  |
| Bad debt expenses  | (9,279)         | (8,192)    | -12%          |       | Other insurance operating costs                                | (13,367)         |  |  |  |
| Operating expenses   | (107,251)       | (114,179)  | 6%            |       | Operating expenses   | (18,635)         |  |  |  |
| <b>Income before taxes</b>   | 127,853         | 112,972    | -12%          |       | Income before taxes  | 38,392           |  |  |  |
| Income taxes   | (16,626)        | (5,339)    | -68%          |       | Income taxes   | (6,736)          |  |  |  |
| Net income   | 111,227         | 107,633    | -3%           |       | Net income   | 31,656           |  |  |  |
| Net income to parent company                                       | 110,270         | 107,142    | -3%           |       | Net income to parent company                                   | 31,594           |  |  |  |
|  |                 |            |               |       |  |                  |  |  |  |
|  |                 |            |               |       | Disposal gains on FVOCI equity, net of tax                     | 16,966           |  |  |  |
|  |                 |            |               |       | Adjusted net income <sup>(2)</sup>                             | 48,622           |  |  |  |
|  |                 |            |               |       |  |                  |  |  |  |
| EPS (NT\$)   | 7.29            | 7.06       |               |       | EPS (NT\$)   | 2.15             |  |  |  |
|  |                 |            |               |       | Adjusted EPS (NT\$)  | 3.31             |  |  |  |
|  |                 |            |               |       |  |                  |  |  |  |
| <b>Dividend Payout</b>   |                 |            |               |       |  |                  |  |  |  |
| Cash dividend per share  | 3.50            | 3.50       |               |       |  |                  |  |  |  |
| Stock dividend per share   | 0.00            | 0.00       |               |       |  |                  |  |  |  |
| Weighted average outstanding common shares<br>(Millions of shares) | 14,669          | 14,669     |               |       |  |                  |  |  |  |
| <b>Balance Sheet Data (Consolidated)</b>                           |                 |            |               |       | <b>Balance Sheet Data (Consolidated)</b>                       |                  |  |  |  |
| Total assets   | 13,767,150      | 14,341,618 |               |       | Total assets   | 14,450,034       |  |  |  |
| Total shareholders' equity   | 906,527         | 934,388    |               |       | Total shareholders' equity                                     | 817,027          |  |  |  |
| Equity attributable to parent company                              | 888,692         | 928,287    |               |       | Equity attributable to parent company                          | 810,783          |  |  |  |
| <b>Operating Metrics</b>   |                 |            |               |       | <b>Operating Metrics</b>                                       |                  |  |  |  |
| ROAE (Consolidated)  | 13.02%          | 11.69%     |               |       | ROAE (Consolidated)  | 16.91%           |  |  |  |
| ROAA (Consolidated)  | 0.84%           | 0.77%      |               |       | ROAA (Consolidated)  | 0.89%            |  |  |  |
| Double leverage ratio (inc. preferred stock)                       | 118.0%          | 120.7%     |               |       | Double leverage ratio (inc. preferred stock)                   | 123.8%           |  |  |  |
| <b>Capital Adequacy Metrics</b>                                    |                 |            |               |       |  |                  |  |  |  |
| Capital adequacy ratio   | 136%            | 122%       |               |       |  |                  |  |  |  |

Notes:

- (1) General accounts only.  
 (2) Adjusted net income = Net income + Disposal gains on FVOCI equity, net of tax  
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 (4) Totals may not sum due to rounding.

| <b>Cathay Life</b>                          |             |             |      | <b>(NT\$MN)</b>            |              |             |              |
|---|-------------|-------------|------|----------------------------|--------------|-------------|--------------|
| <b>Income Statement Data (Consolidated)</b> |             |             |      | <b>IFRS 4 &amp; IFRS 9</b> | <b>FY25/</b> | <b>FY24</b> | <b>% Chg</b> |
|   | <b>FY24</b> | <b>FY25</b> |      |                            |              |             |              |
| 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% |                            |              |             |              |
| <b>Balance Sheet Data</b>                   |             |             |      |                            |              |             |              |
| 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     |      |                            |              |             |              |
| <b>Operating Metrics (Standalone)</b>       |             |             |      |                            |              |             |              |
| 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%       |      |                            |              |             |              |
| <b>Capital Adequacy Metrics</b>             |             |             |      |                            |              |             |              |
| RBC ratio (Standalone)                      | 359%        | 310%        |      |                            |              |             |              |

| <b>(NT\$MN)</b>  |  |  |  | <b>IFRS 17 &amp; IFRS 9</b> |  |  |           |
|--|--|--|--|-----------------------------|--|--|-----------|
| <b>Income Statement Data (Consolidated)</b>                      |  |  |  | <b>1Q26</b>                 |  |  |           |
|  |  |  |  |                             |  |  |           |
| Insurance service result   |  |  |  |                             |  |  | 11,723    |
| CSM & RA release   |  |  |  |                             |  |  | 9,173     |
| Operating variance   |  |  |  |                             |  |  | 2,696     |
| Others   |  |  |  |                             |  |  | (146)     |
| Financial result   |  |  |  |                             |  |  | 11,782    |
| Recurring investment income <sup>(1)</sup>                       |  |  |  |                             |  |  | 67,645    |
| Gain (loss) on investment, net <sup>(1)</sup>                    |  |  |  |                             |  |  | 5,860     |
| Hedging costs  |  |  |  |                             |  |  | (17,062)  |
| Insurance finance expenses <sup>(1)</sup>                        |  |  |  |                             |  |  | (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 <sup>(2)</sup>                               |  |  |  |                             |  |  | 33,946    |
| <b>Balance Sheet Data (Consolidated)</b>                         |  |  |  |                             |  |  |           |
| 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   |
| <b>Operating Metrics (Standalone)</b>                            |  |  |  |                             |  |  |           |
| 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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| <b>Cathay United Bank</b><br>(NT\$MN)        |               |                |                |              | <b>FY25/<br/>FY24</b> |               |              | <b>1Q26/<br/>1Q25</b> |
|--|---------------|----------------|----------------|--------------|-----------------------|---------------|--------------|-----------------------|
| <b>Income Statement Data (Consolidated)</b>  | <b>FY23</b>   | <b>FY24</b>    | <b>FY25</b>    | <b>% Chg</b> | <b>1Q25</b>           | <b>1Q26</b>   | <b>% Chg</b> |                       |
| <b>Operating Income</b>                      |               |                |                |              |                       |               |              |                       |
| 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%         |                       |
| <b>Net operating income</b>                  | <b>86,898</b> | <b>107,822</b> | <b>116,767</b> | <b>8%</b>    | <b>29,545</b>         | <b>31,877</b> | <b>8%</b>    |                       |
| Operating expenses                           | (45,752)      | (51,840)       | (56,790)       | 10%          | (13,456)              | (14,073)      | 5%           |                       |
| <b>Pre-provision profit</b>                  | <b>41,146</b> | <b>55,982</b>  | <b>59,977</b>  | <b>7%</b>    | <b>16,089</b>         | <b>17,804</b> | <b>11%</b>   |                       |
| Net provisions for possible losses           | (5,077)       | (9,211)        | (7,293)        | -21%         | (1,321)               | (1,982)       | 50%          |                       |
| <b>Income before taxes</b>                   | <b>36,069</b> | <b>46,770</b>  | <b>52,684</b>  | <b>13%</b>   | <b>14,768</b>         | <b>15,823</b> | <b>7%</b>    |                       |
| Income tax                                   | (7,102)       | (8,430)        | (9,174)        | 9%           | (2,590)               | (2,626)       | 1%           |                       |
| <b>Net income</b>                            | <b>28,967</b> | <b>38,341</b>  | <b>43,510</b>  | <b>13%</b>   | <b>12,178</b>         | <b>13,197</b> | <b>8%</b>    |                       |
| <b>Net income to parent company</b>          | <b>28,805</b> | <b>37,780</b>  | <b>43,008</b>  | <b>14%</b>   | <b>12,049</b>         | <b>13,147</b> | <b>9%</b>    |                       |
| <b>Balance Sheet Data</b>                    |               |                |                |              |                       |               |              |                       |
| 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       |              |                       |
| <b>Operating Metrics</b>                     |               |                |                |              |                       |               |              |                       |
| 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%         |              |                       |
| <b>Assets Quality (Standalone)</b>           |               |                |                |              |                       |               |              |                       |
| 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%         |              |                       |
| <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%          |              | 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%         |              |                       |

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| Cathay Century<br>(NT\$MM)                  | FY25/<br>FY24           |                |            | (NT\$MM)  | IFRS 17 & IFRS 9<br>1Q26 |
|---|-------------------------|----------------|------------|---|--------------------------|
|   | IFRS 4 & IFRS 9<br>FY24 | IFRS 9<br>FY25 | % Chg      |   |                          |
| <b>Income Statement Data (Consolidated)</b> |                         |                |            | <b>Income Statement Data (Consolidated)</b>     |                          |
| 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                    |
| <b>Operating income</b>                     | <b>3,172</b>            | <b>4,408</b>   | <b>39%</b> |   |                          |
| 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 <sup>(1)</sup>              | 1,463                    |
| <b>Balance Sheet Data</b>                   |                         |                |            | <b>Balance Sheet Data</b>                       |                          |
| Total assets                                | 65,503                  | 79,884         |            | Total assets                                    | 73,746                   |
| Total stockholders' equity                  | 17,947                  | 20,027         |            | Total stockholders' equity                      | 21,867                   |
| <b>Operating Metrics</b>                    |                         |                |            | <b>Operating Metrics</b>                        |                          |
| 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%                    |
| <b>Capital Adequacy Metrics</b>             |                         |                |            |   |                          |
| RBC ratio (Standalone)                      | 365%                    | 342%           |            |   |                          |

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