國泰金控
Cathay Financial Holdings

2026 Third Quarter Financial Results

November 2026

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Agenda

- 9M26 Business overview
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
  - Cathay SITE
  - Cathay Securities
- **Appendix**

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

9M26 Business highlights

Cathay United Bank

- Net income grew 13% YoY to a record high for the first nine months.
- Strong loan growth and a higher LDR drove net interest income up 16% YoY. Asset quality remained sound.
- Net fee income rose 15% YoY, driven by strong wealth management momentum.

Cathay Life

- New business CSM reached NT$85.2bn; CSM balance rose 10.9% YTD to NT$567.8bn.
- Significantly lower liability interest cost at 2.13% vs. FY25, solid pre-hedging recurring yield of 3.63%, and stable hedging cost supported a positive spread.
- Net worth reached a record high of NT$968.6bn, with the equity-to-asset ratio at 12.1%, supported by strong equity markets and sound ALM.

Cathay Century

- Written premiums grew steadily, with market share at 13.4%.
- Net income reached a record high for the first nine months, supported by well-contained loss ratios; retained combined ratio declined YoY.

Cathay SITE

- ETF AUM reached new highs. Taiwan Technology Leaders ETF AUM exceeded NT$150bn, ranking No.1 in technology ETF net inflows in 3Q26.
- AUM reached NT$3.6tn; mandate AUM totaled NT$1.7tn, ranking No.1 in the industry.
- Received 13 awards at the 10th Benchmark Taiwan Fund Awards, including Best Technology ETF Provider and Best Taiwan Equity ETF Provider.

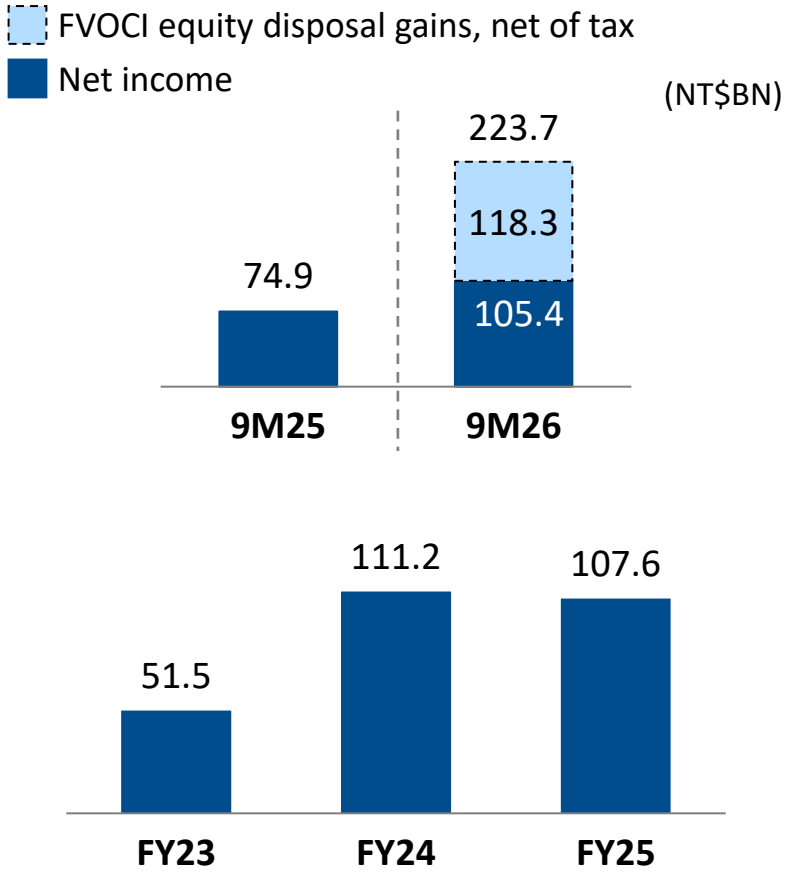
Cathay Securities

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

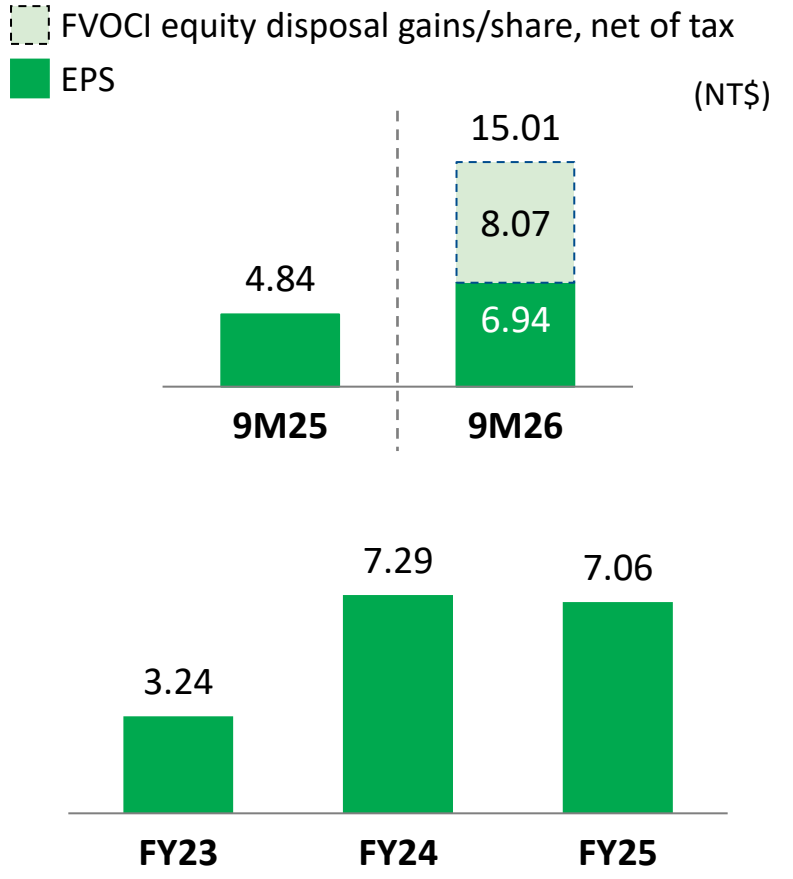
Cathay FHC – Net income & EPS

- 9M26 net income reached NT$105.4bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT$223.7bn, setting a new all-time high. Core business momentum across subsidiaries remained robust.

Net income & amount in R/E*



EPS & amount in R/E per share*

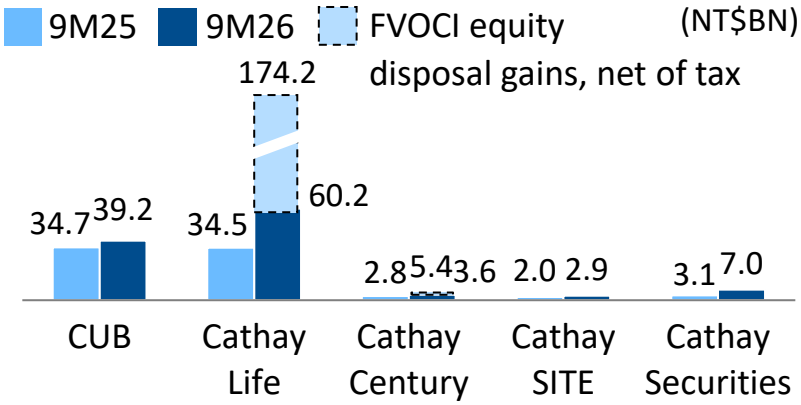


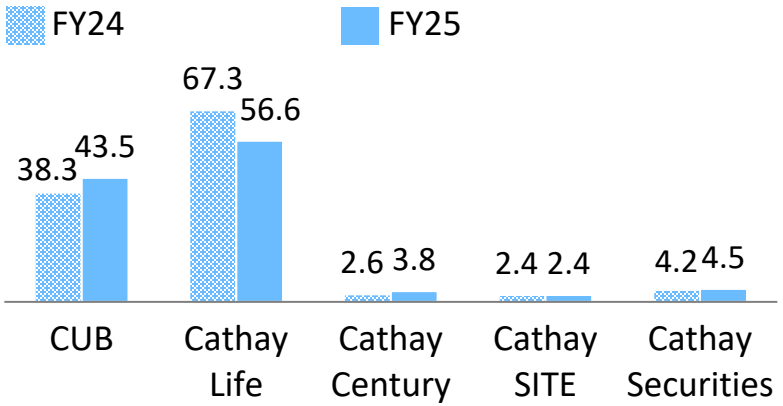
Note: R/E refers to retained earnings. Amount in R/E shown here represents net income plus after-tax FVOCI equity disposal gains; per-share figures are calculated on the same basis.

Cathay FHC – Net income & ROE

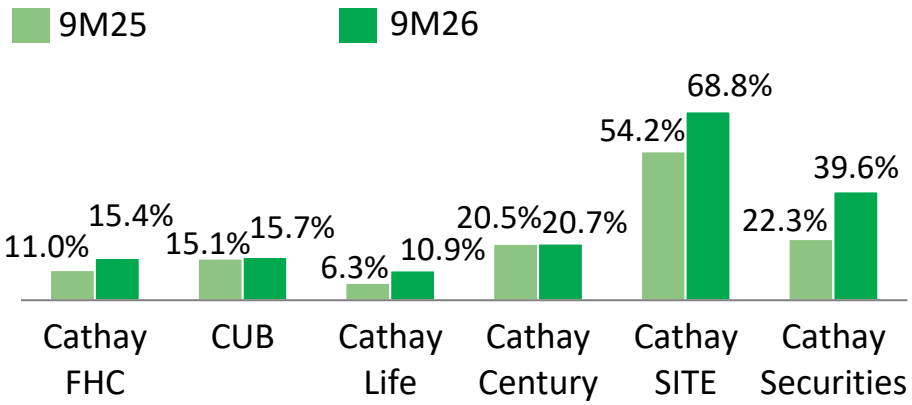
- CUB, Cathay Century, Cathay SITE and Cathay Securities delivered record-high net income for the first nine months. Cathay Life's net income plus after-tax FVOCI equity disposal gains reached a new all-time high. Cathay FHC and major subsidiaries all delivered double-digit ROE.

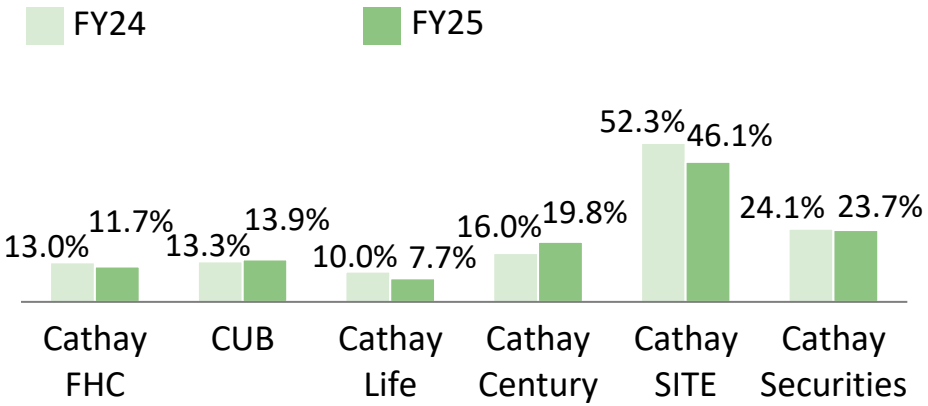
Subsidiary net income





ROE



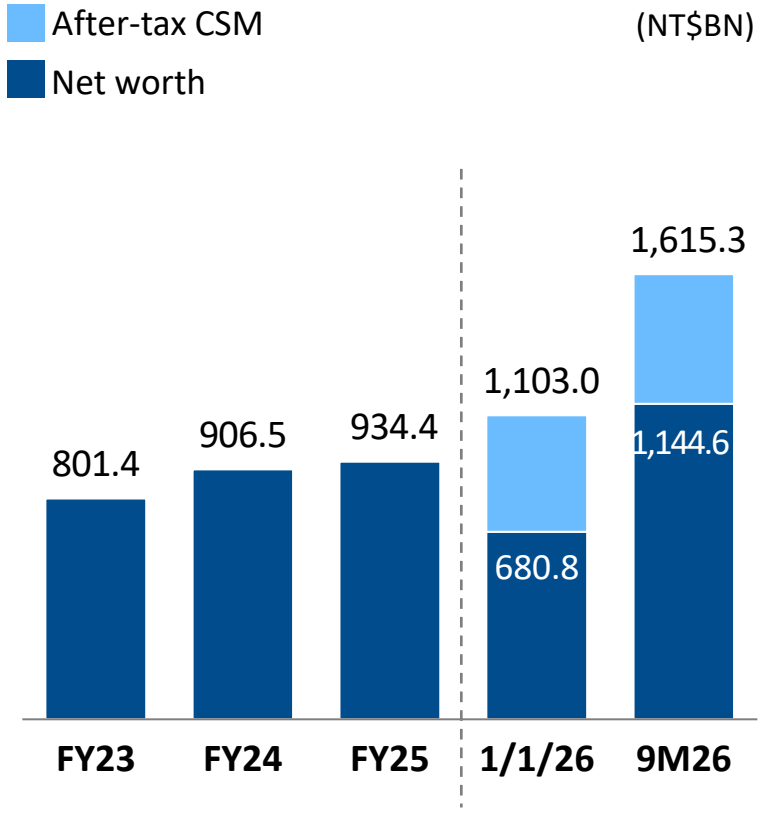


Note: Figures for net income plus after-tax FVOCI equity disposal gains are presented only for subsidiaries affected by IFRS 17 adoption, as the overlay approach no longer applies and certain financial assets were redesignated as FVOCI.

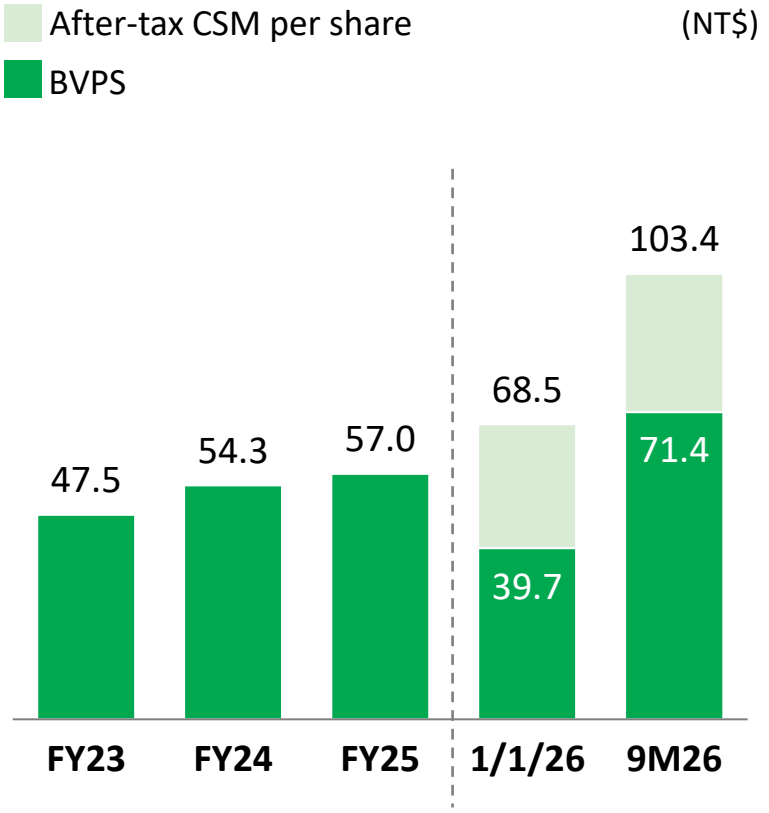
Cathay FHC – Net worth & BVPS

- 9M26 net worth reached a record high of NT$1.14tn, supported by strong earnings, favorable equity markets and sound asset-liability management.

Net worth & adjusted net worth [1]



BVPS & adjusted BVPS [2]



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

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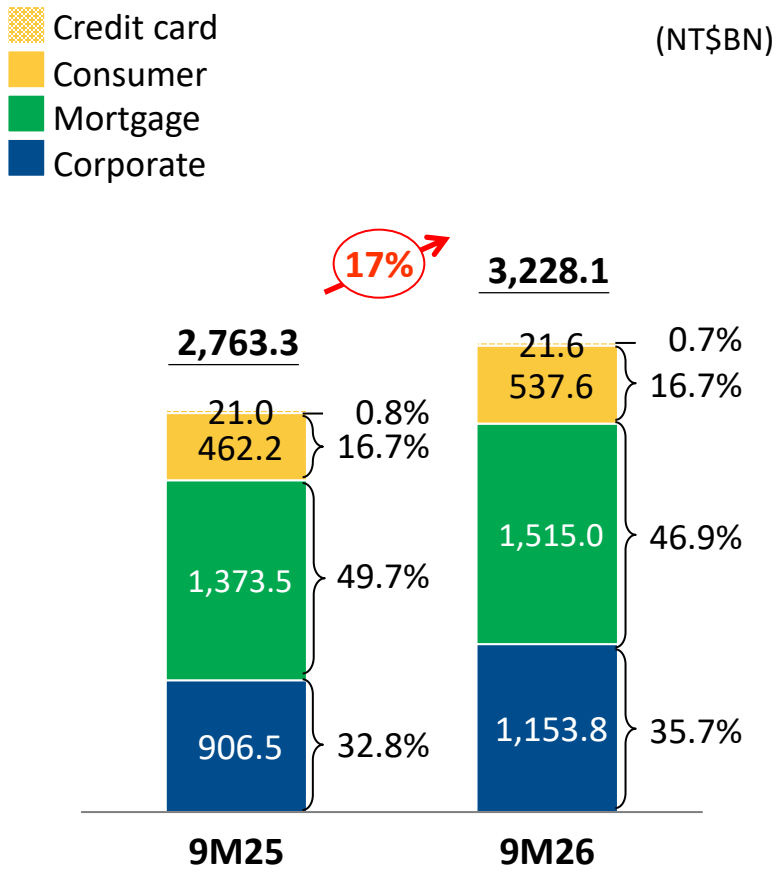
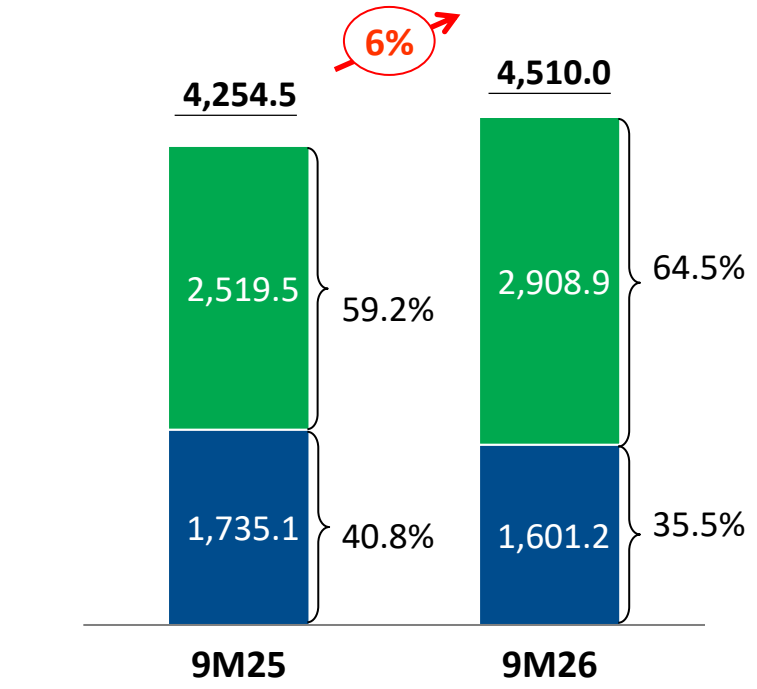
Cathay United Bank – Loan & deposit breakdown

- Loans grew 17% YoY, with double-digit growth in corporate, consumer and mortgage loans. The LDR rose to 71%.
- Deposits grew steadily, with the demand deposit ratio rising to 64.5%.

Loan breakdown

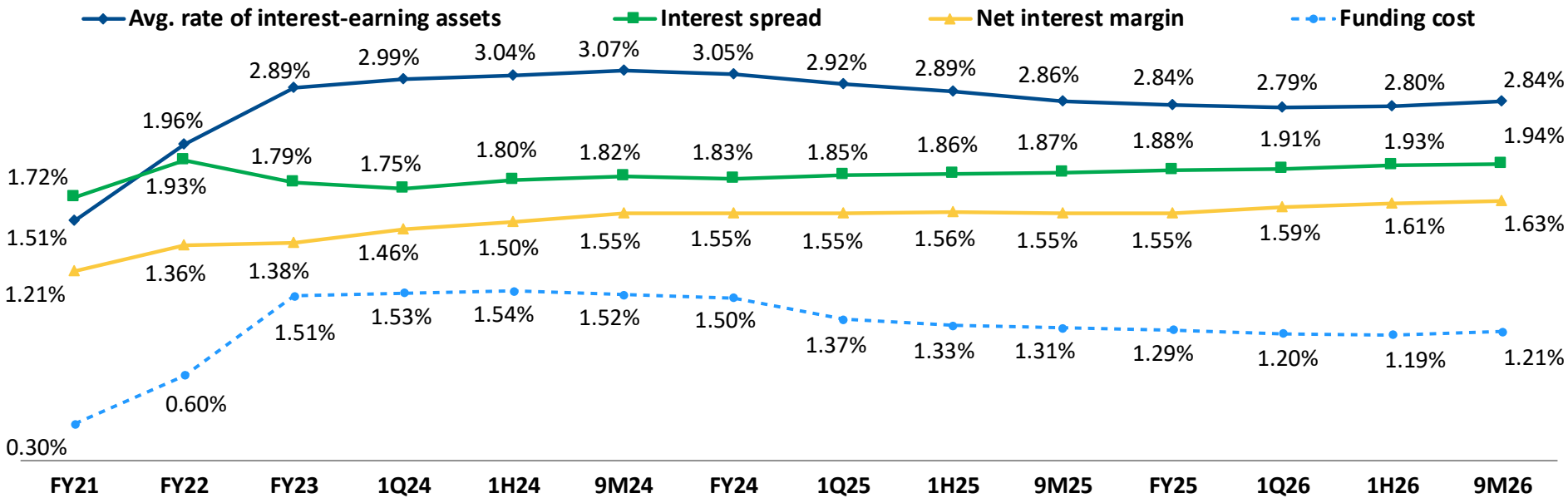


Deposit breakdown



Cathay United Bank – Interest yield

- 9M26 NIM expanded by 8bps YoY, supported by higher LDR, increased FX loan share, and higher demand deposit ratio. 3Q26 NIM rose by 4bps QoQ, reflecting continued asset mix optimization.



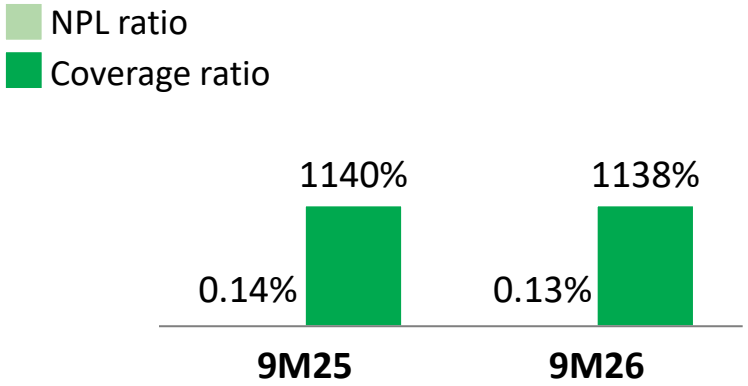
Quarterly	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26
Spread	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%	1.90%	1.91%	1.95%	1.95%
NIM	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%	1.56%	1.59%	1.63%	1.67%

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

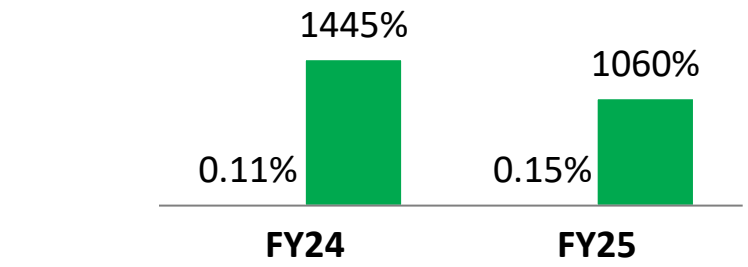
Cathay United Bank – Credit quality

- Asset quality remained sound, with the NPL ratio at 0.13% and the coverage ratio at 1138%.

NPL & coverage ratio

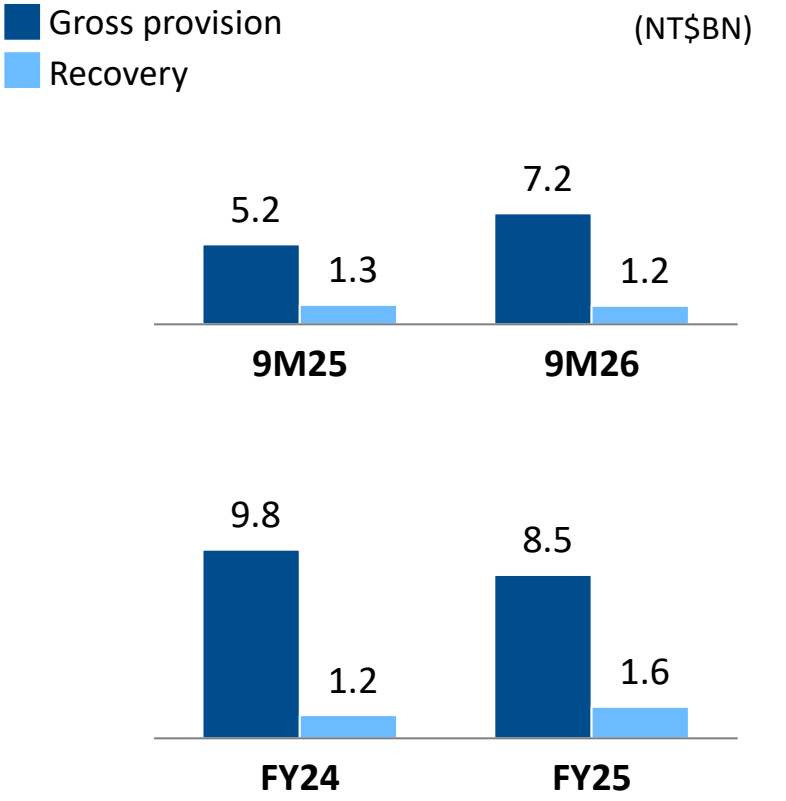


	9M25	9M26
Mortgage NPL	0.17 %	0.19 %



	FY24	FY25
Mortgage NPL	0.11 %	0.19 %

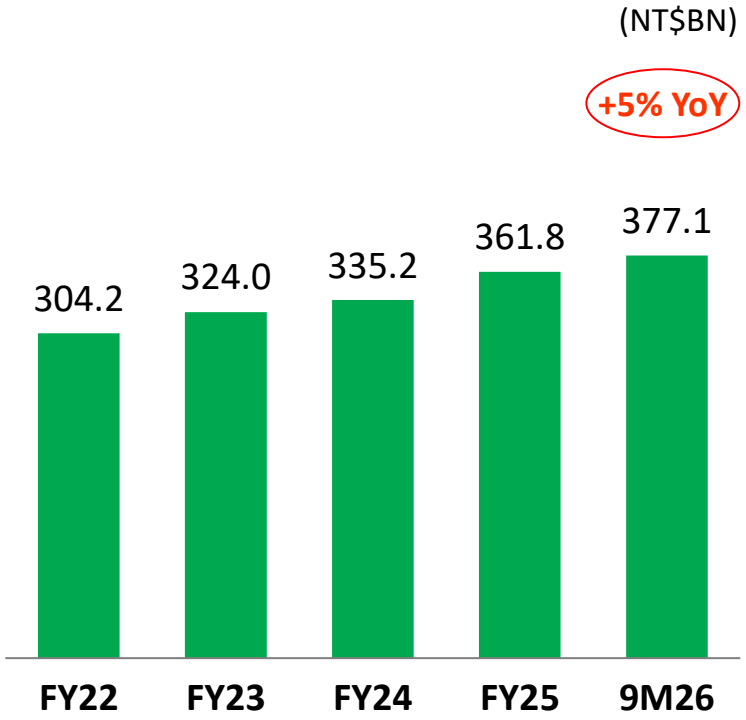
Gross provision & recovery



Cathay United Bank – SME & FX loans

- SME loans grew steadily, up 5% YoY.
- FX loans grew 53% YoY, or 46% YoY excluding FX impact, driven by supply chain realignment and diversification of manufacturing footprints.

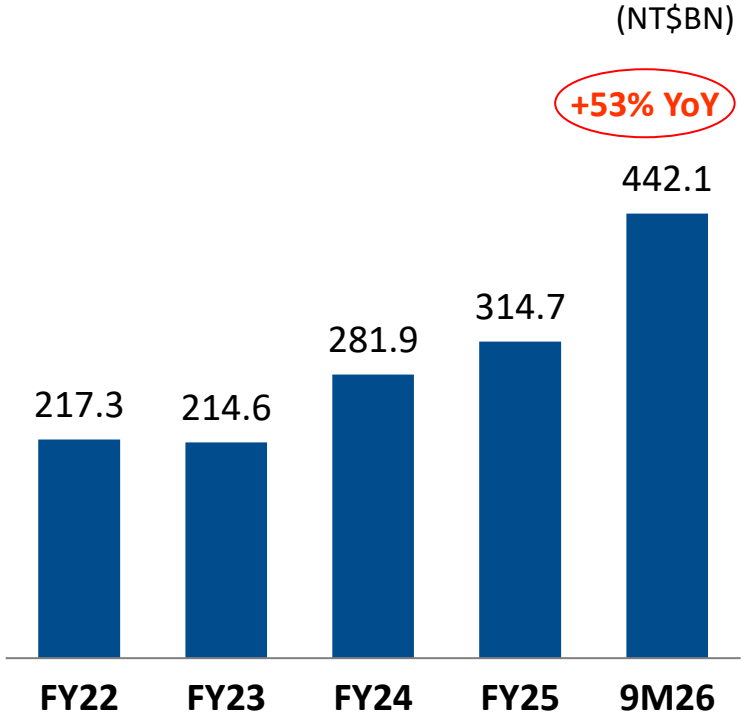
SME loans



As % of total loans

15.3%	14.5%	12.8%	12.8%	11.8%

Foreign currency loans



10.9%	9.6%	10.8%	11.1%	13.8%

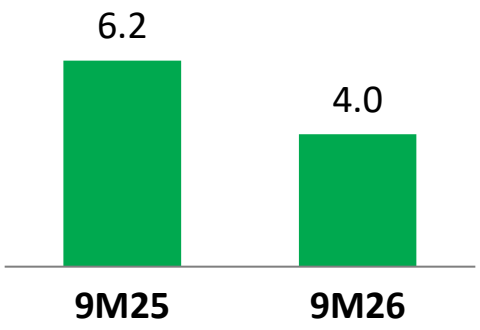
Note: Total loans exclude credit card revolving balance.

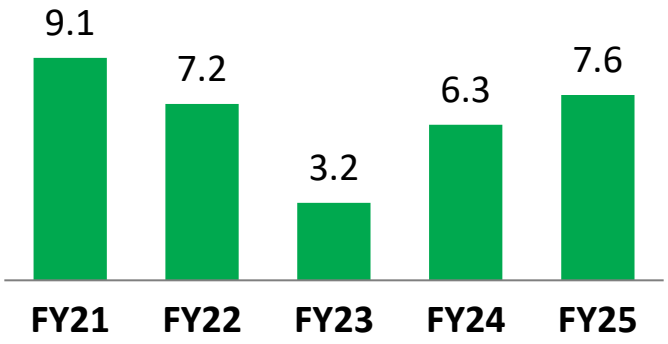
Cathay United Bank – Offshore earnings

- Offshore earnings declined, mainly due to a specific credit exposure and lower investment income.

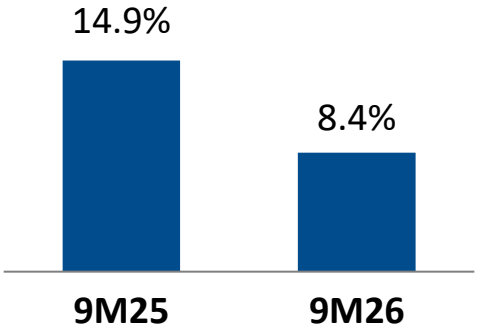
Offshore earnings

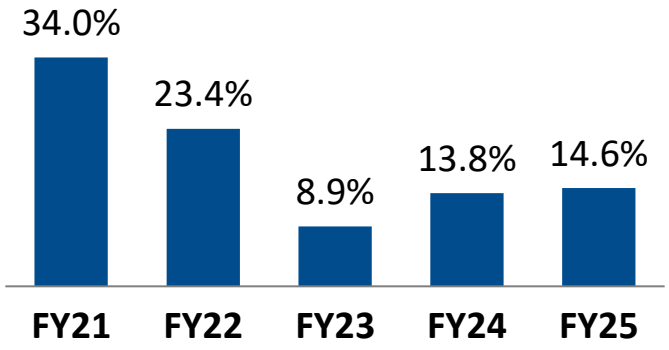
(NT$BN)





As % of CUB pre-tax profits

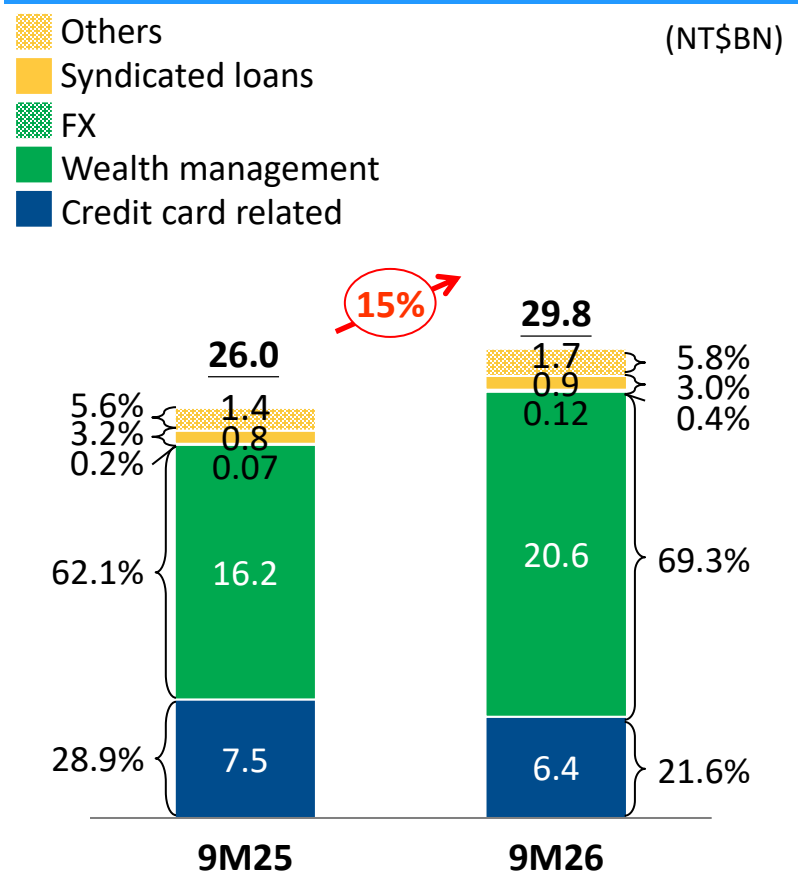




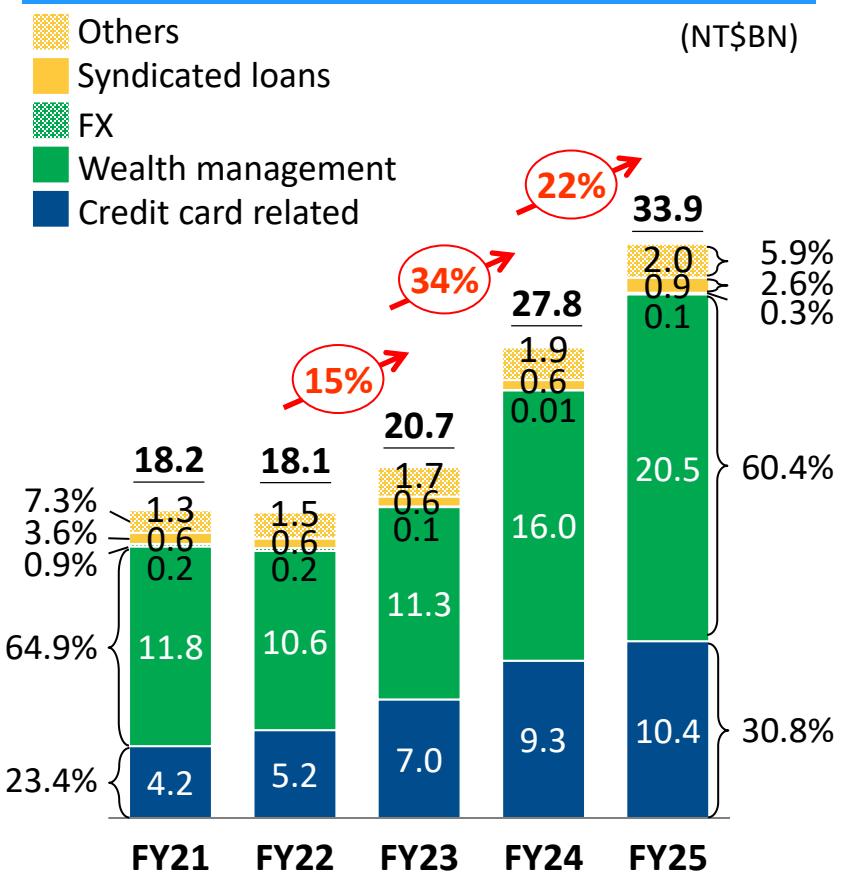
Cathay United Bank – Net fee income

- Net fee income rose 15% YoY, driven by strong wealth management momentum, with wealth management fees up 28% YoY.

Net fee income



Annual net fee income

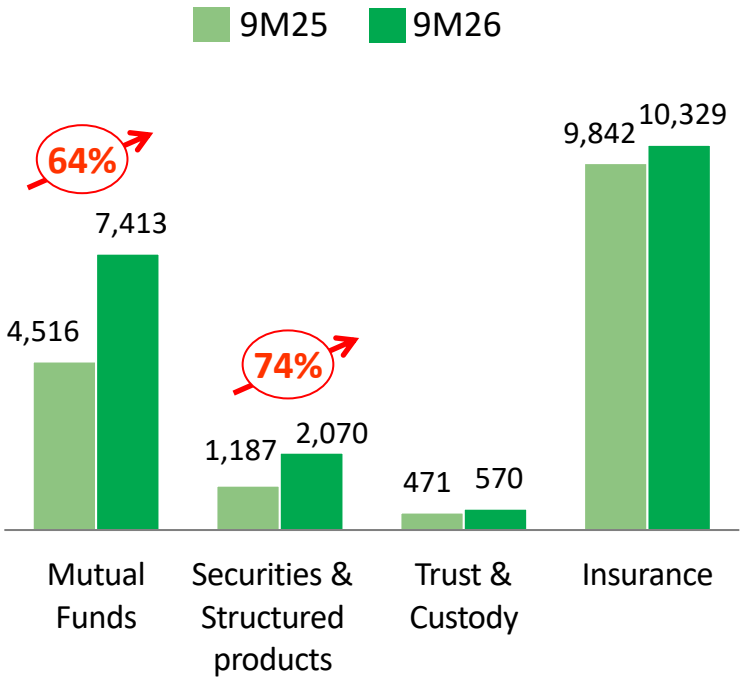


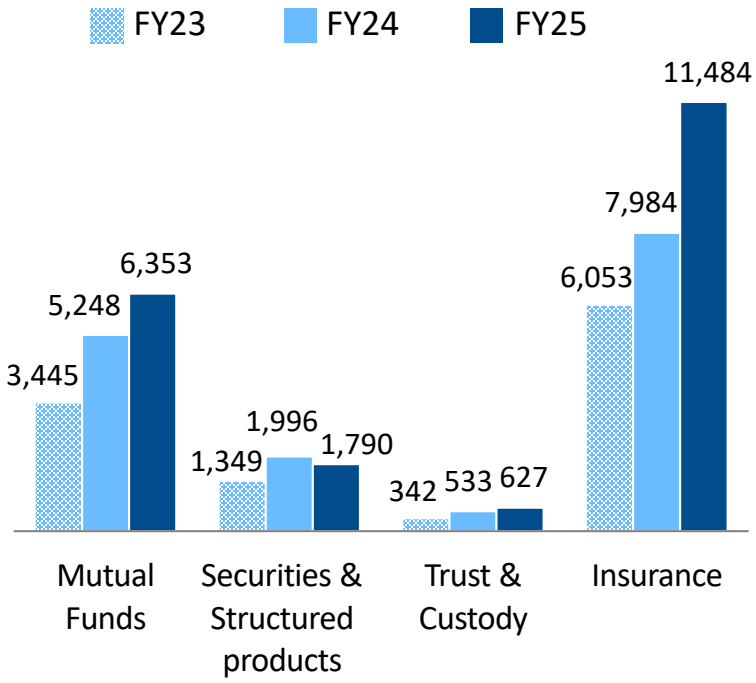
Cathay United Bank – Wealth management fees

- WM fees rose 28% YoY, driven by strong sales momentum in mutual funds, securities & structured products, along with steady growth in insurance products.
- WM customers and AUM continued to grow steadily.

Wealth management fees breakdown

(NT$MN)	9M25	9M26	FY23	FY24	FY25
Wealth management fee income	16,171	20,637	11,344	15,963	20,483
YoY growth (%)	30.6%	27.6%	7.1%	40.7%	28.3%





Note: If income from selling treasury products (bonds, structured products, and foreign exchange) were included, 9M26 WM income would be NT$25.4bn.

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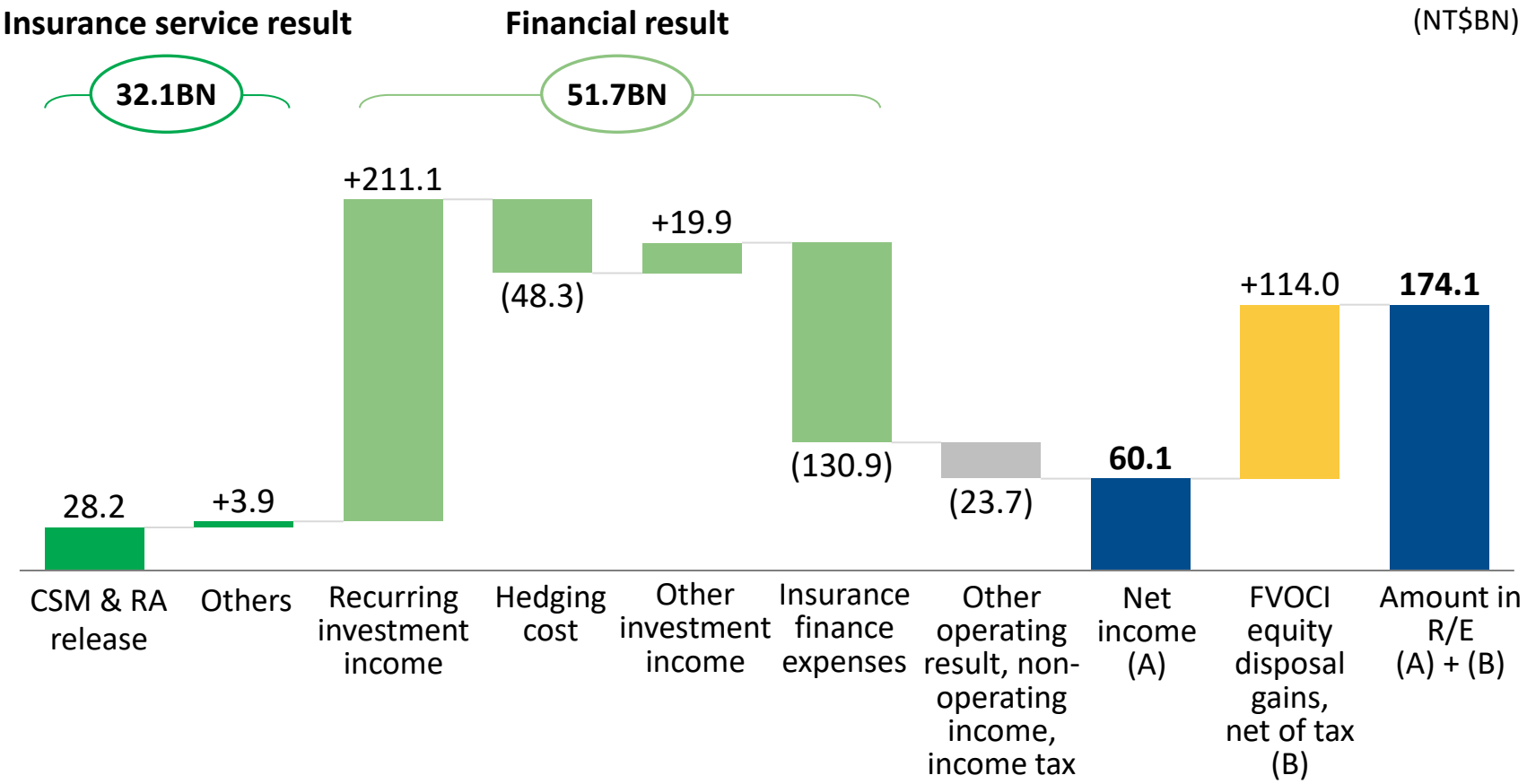
Cathay Life – Earnings breakdown

- Steady CSM release contributed to insurance service result, while positive recurring spread supported financial result.
- Net income reached NT$60.1bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT$174.1bn, setting a new all-time high.

Earnings breakdown

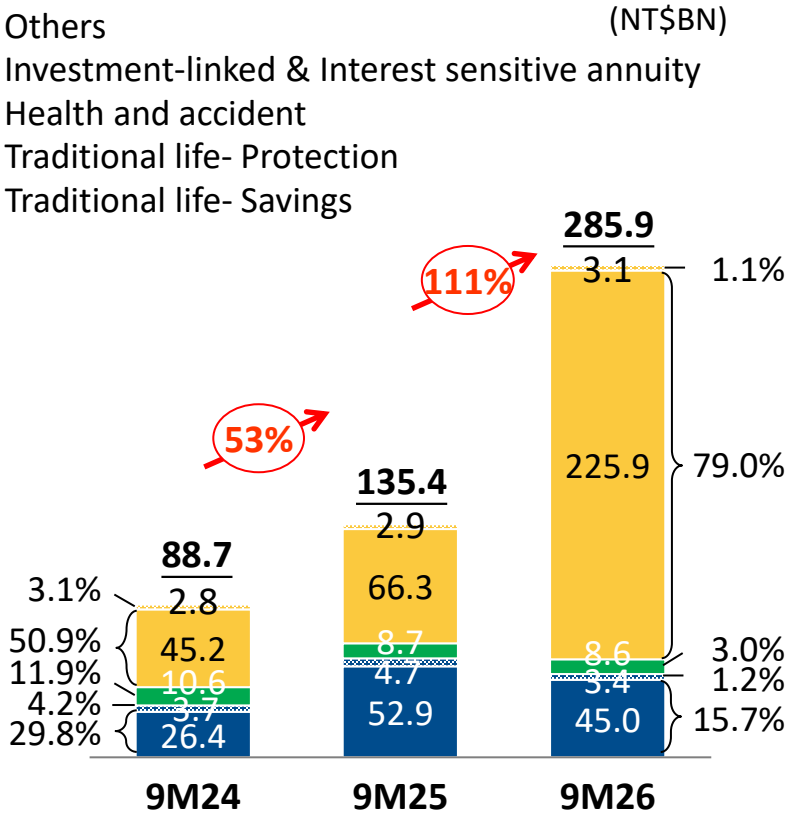


Note: R/E refers to retained earnings.

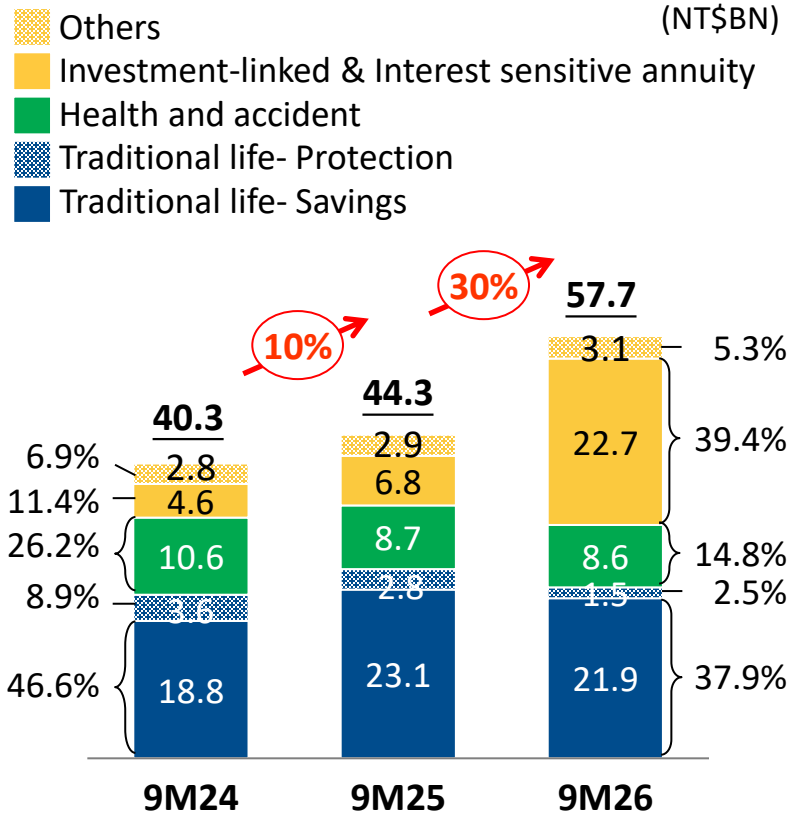
Cathay Life – FYP & APE

- FYP and APE rose 111% and 30% YoY, respectively, driven by strong sales of investment-linked products amid favorable financial markets.

First Year Premium



Annualized FYP (APE)



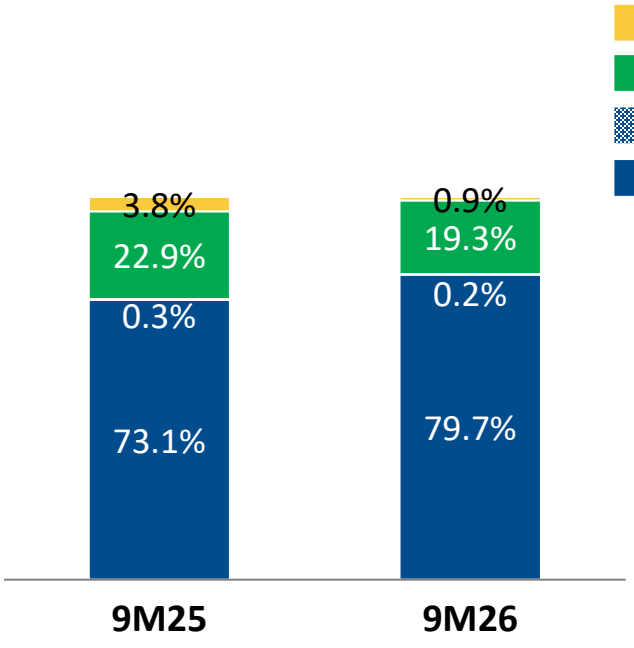
FX policies % (excl. Investment-linked)	9M24	9M25	9M26
	55%	75%	75%

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

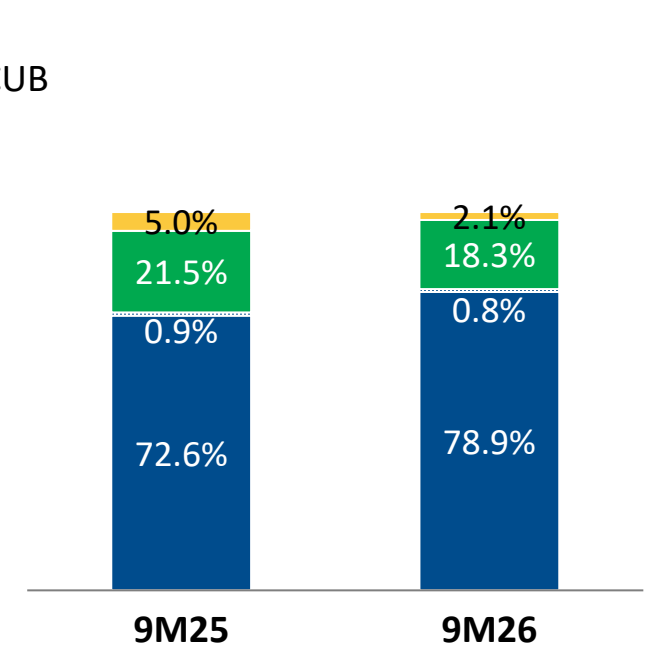
Cathay Life – Distribution channels & persistency ratios

- Premiums were mainly generated through Cathay Life tied agents and Cathay United Bank. The group's strong distribution capabilities supported premium growth and new business CSM.
- Persistency ratios remained high, at 95% or above.

First Year Premium



Annualized FYP (APE)



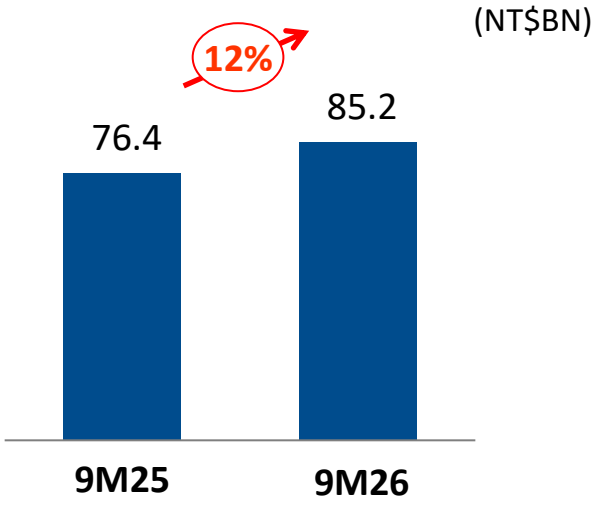
Persistency ratios	9M25	9M26
13 months	97.5%	97.7%
25 months	95.6%	95.0%

Cathay Life – New business CSM

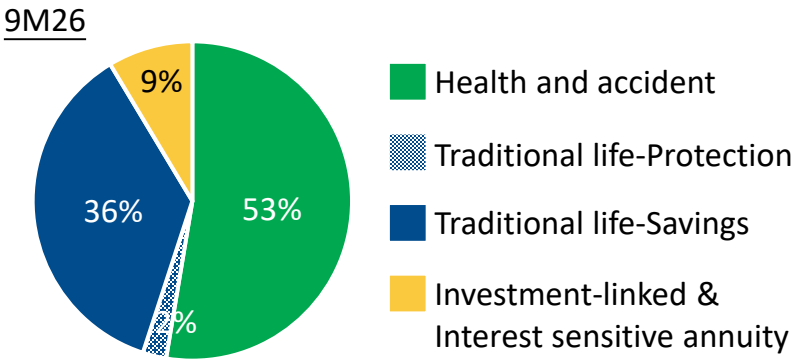
- New business CSM reached NT$85.2bn, up 12% YoY.
- Health and accident products accounted for over 50% of new business CSM, while tied agents and telemarketing together contributed 88%.

New business CSM

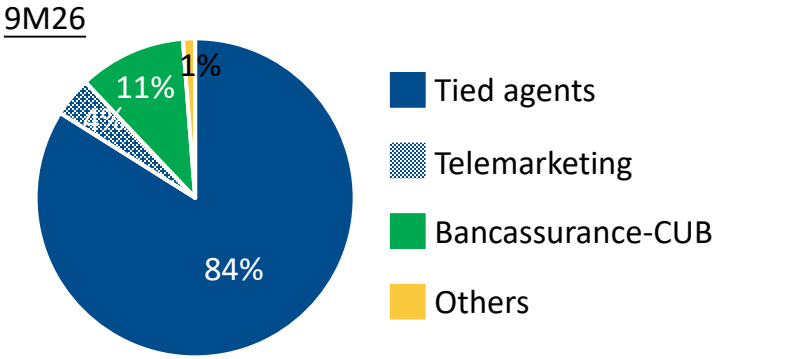
CSM margin	9M25	9M26
CSM/FYP*	88%	58%
CSM/APE*	210%	211%



New business CSM by product



New business CSM by channel



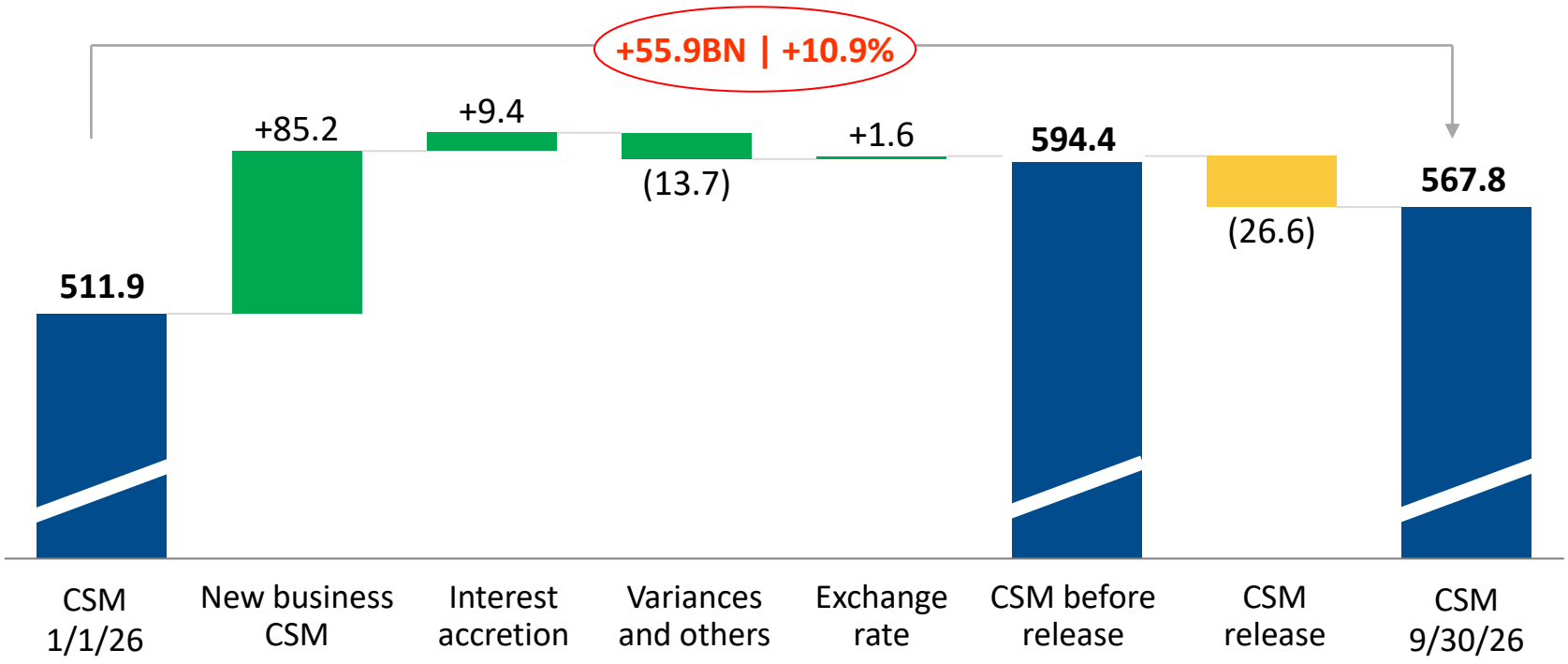
Note: FYP and APE exclude PAA short-term products and IFRS 9 / IFRS 15 investment contracts (e.g., investment-linked variable annuities).

Cathay Life – CSM movement

- CSM balance reached NT$567.8bn, up NT$55.9bn, or 10.9% YTD, mainly driven by new business CSM.
- CSM release totaled NT$26.6bn, with an annualized release rate of approximately 6%, providing stable support to insurance service result.

CSM movement

(NT$BN)

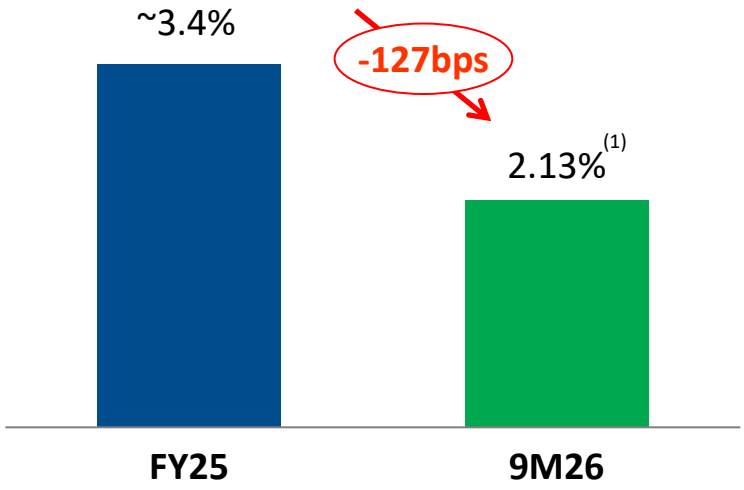


Cathay Life – Liability interest cost & break-even asset yield

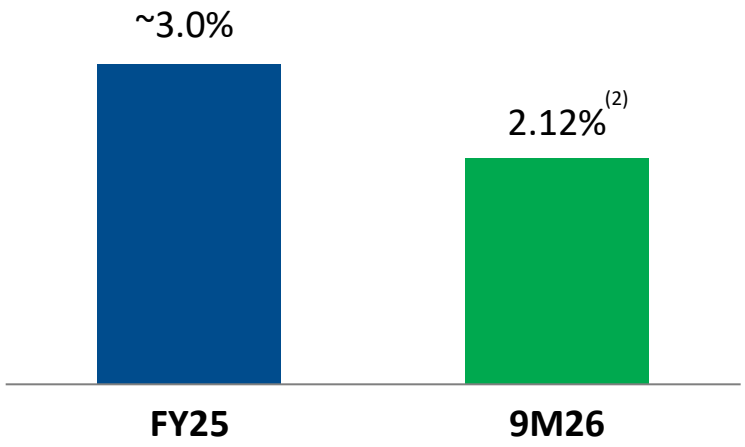
- Following IFRS 17 adoption in 2026, 9M26 liability interest cost and break-even asset yield declined significantly, reflecting market-based discount rates for insurance liabilities.

Liability interest cost

(Asset-based)



Break-even asset yield



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

Cathay Life – Investment portfolio

(NT$BN)	FY23	FY24	FY25			9M26		
Total investments[1]	**7,638.1**	**7,990.6**	**8,083.8**			**7,870.4**		
	Weight	**Weight**	**Weight**	**Amount**	**Return**	**Weight**	**Amount**	**Return**
Cash & Cash equivalents	2.6%	1.9%	2.3%	187	2.3%	3.6%	287	1.9%
Equity - Domestic	6.6%	7.2%	6.7%	544	16.1%	8.4%	660	37.6%[5]
Equity - International[2]	5.6%	5.5%	5.2%	417	12.0%	5.6%	440	13.1%[5]
Bond - Domestic[3]	8.1%	8.3%	9.1%	734	5.3%	8.9%	697	4.9%
Bond - International[2]	61.8%	62.0%	61.5%	4,971	4.0%	59.5%	4,685	4.0%
Mortgage & Secured loans	3.0%	2.9%	3.2%	255	2.0%	3.8%	296	2.1%
Policy loans	2.2%	2.1%	2.1%	166	5.4%	0.1%	5[4]	3.7%
Real estate	7.5%	7.5%	7.7%	622	3.9%	8.1%	640	3.5%
Others	2.5%	2.6%	2.3%	189	1.2%	2.0%	160	1.6%

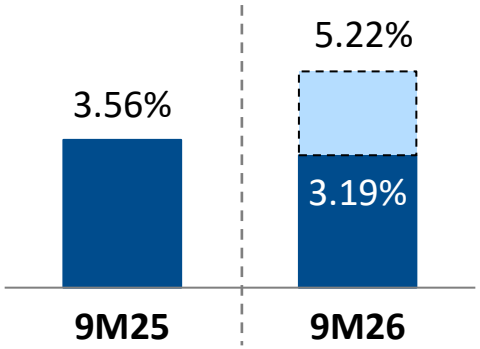
Note: (1) Total investments exclude separate account assets. (2) Returns on international equities and international bonds are presented on a pre-hedging basis. (3) Includes TWD-denominated international bond ETFs. (4) Policy loans under investment contracts. (5) 9M26 equity investment returns include FVOCI equity disposal gains.

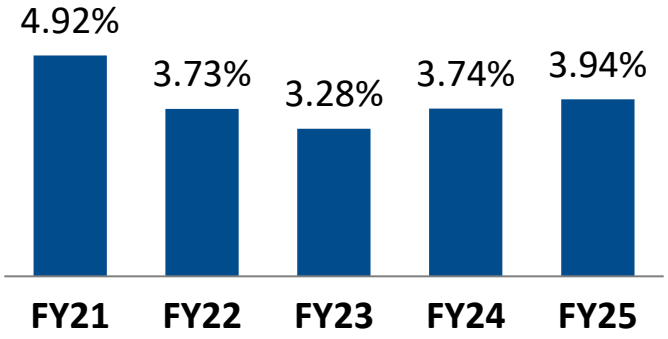
Cathay Life – Investment performance

- 9M26 after-hedging investment yield, including FVOCI equity disposal gains, reached 5.22%, reflecting capital gains realized amid favorable equity markets.
- 9M26 pre-hedging recurring yield reached 3.63%, supported by investments in high-quality bonds at attractive yields and the seasonal concentration of dividend income in 3Q.

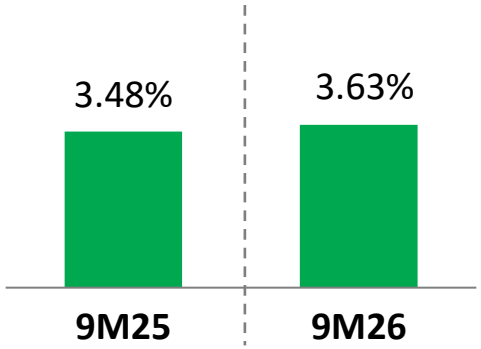
After-hedging investment yield

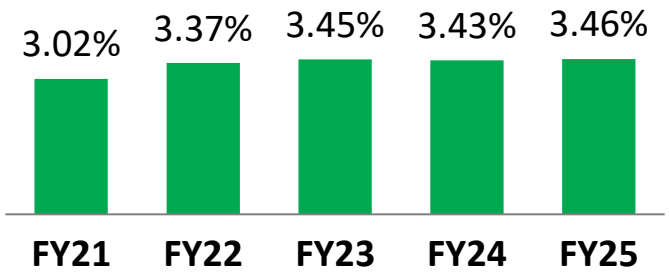
FVOCI equity disposal gains





Pre-hedging recurring yield



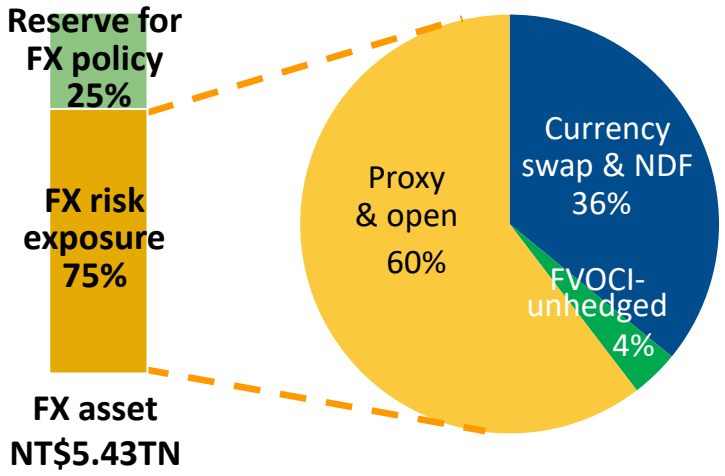


Note: Pre-hedging recurring income excludes capital gains and includes interest income, cash dividends and rental income.

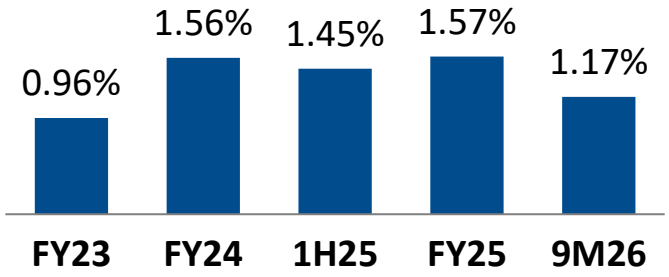
Cathay Life – FX hedging strategy

- Proxy & open positions were AC bond exposures. FX gains/losses volatility declined significantly following the new AC FX accounting treatment effective January 2026.
- 9M26 hedging cost was 1.17%; FX volatility reserve increased by NT$28.7bn YTD to NT$142.5bn.

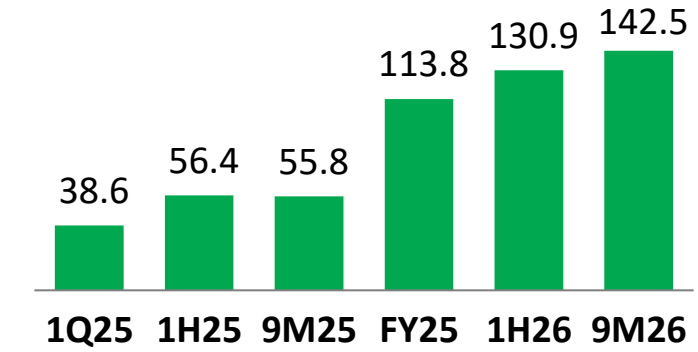
FX asset hedging structure



Hedging cost



FX volatility reserve

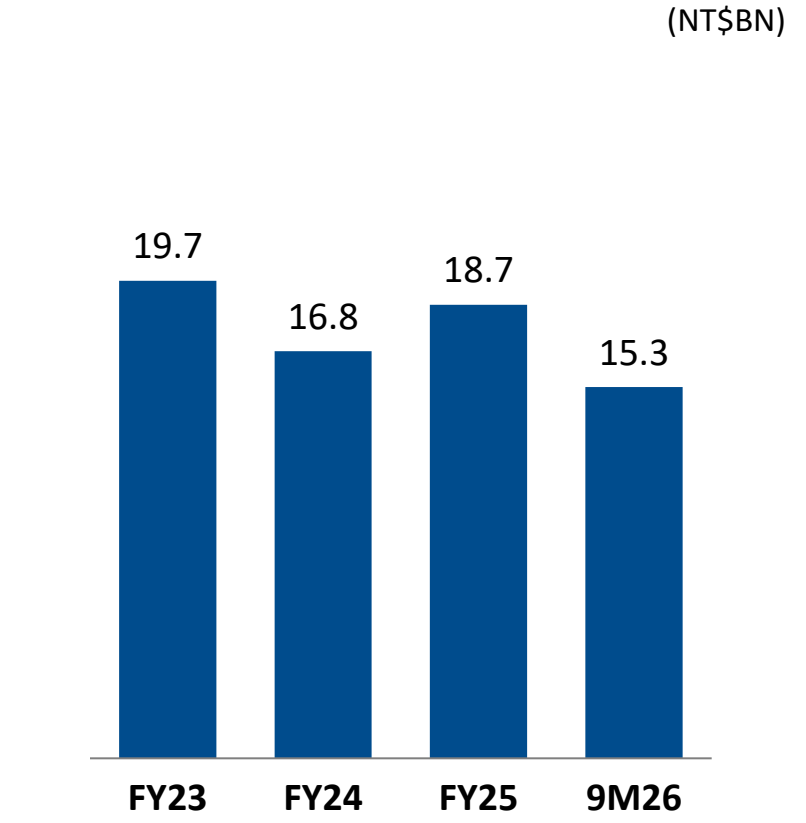


Note: Hedging cost is calculated based on FX assets.

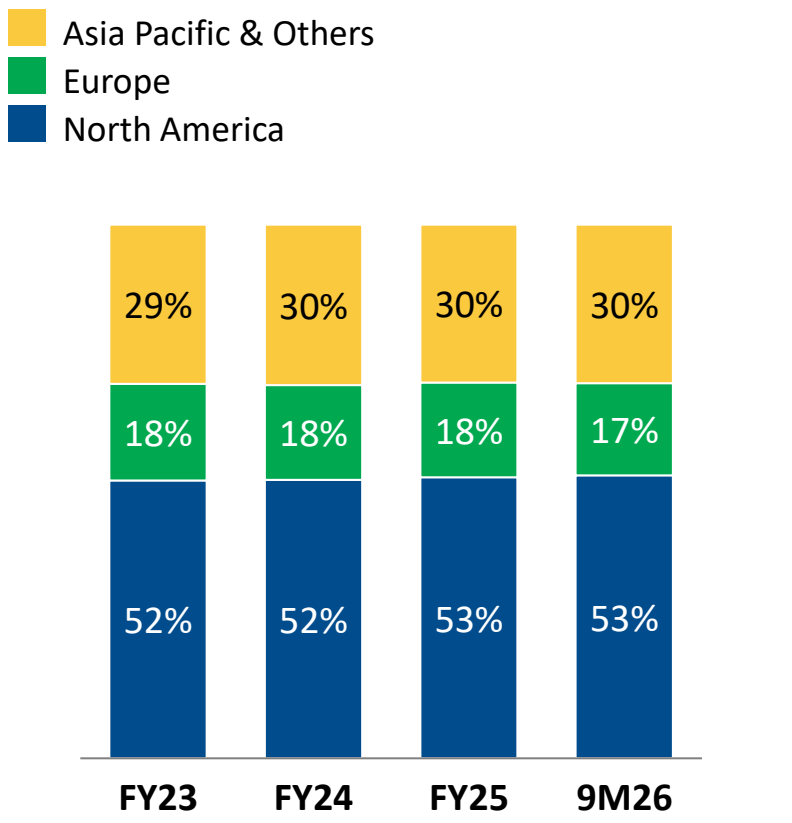
Cathay Life – Cash dividend income & overseas bond by region

- 9M26 cash dividend income totaled NT$15.3bn, while equity positions were adjusted to realize capital gains amid favorable equity markets.
- Diversified overseas fixed-income investments across regions to balance risk and return.

Cash dividend income



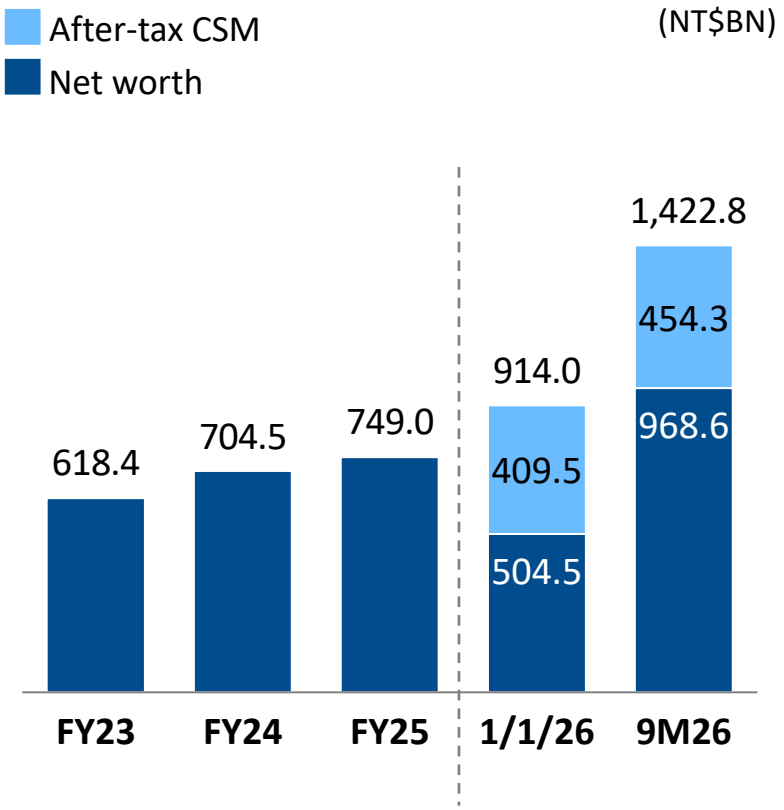
Overseas bond by region



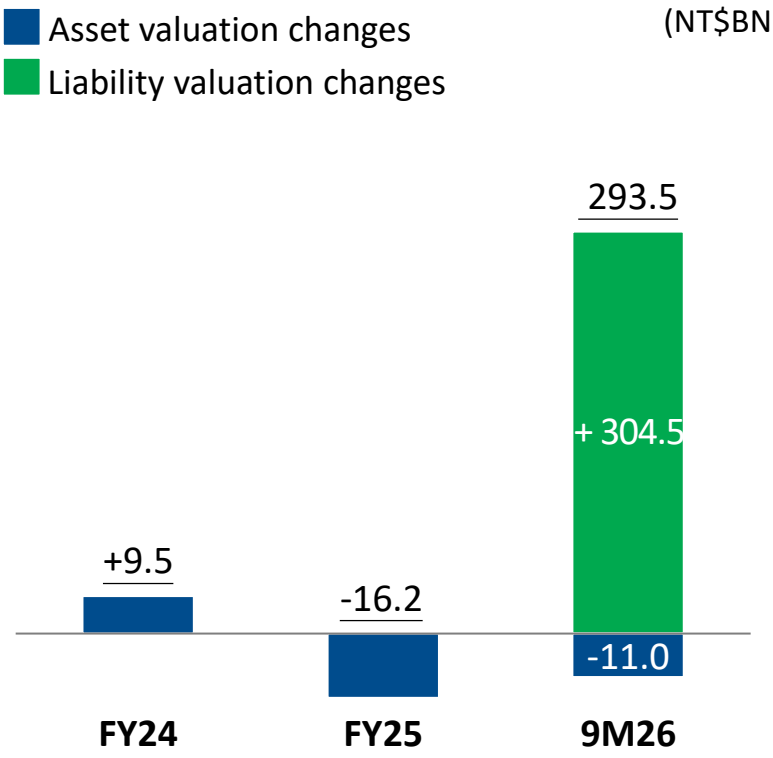
Cathay Life – Net worth & OCI asset/liability valuation changes

- 9M26 net worth reached a record high of NT$968.6bn, up NT$464.1bn YTD, supported by robust earnings, favorable equity markets and liability valuation gains from higher TWD interest rates.
- E/A ratio and adjusted E/A ratio reached 12.1% and 17.8%, respectively, indicating a strong capital position.

Net worth & adjusted net worth



OCI asset/liability valuation changes



Cathay Life – Key operating & financial metrics

(NT$)

Business performance	**FYP** **285.9BN** **(+111% YoY)**	**New business CSM** **85.2BN**	**CSM balance** **567.8BN** **(+55.9BN YTD)**
Spread & investment yield	**Recurring yield** **3.63%**	**Hedging cost** **1.17%**	**Liability interest cost** **2.13%**
Financial performance	**Insurance service result** **32.1BN**	**Financial result** **51.7BN**	**Net income/ Amount in R/E*** **60.1BN / 174.1BN**
Net worth	**Net worth** **968.6BN** **(+464BN YTD)**	**Adjusted net worth** **1,422.8BN** **(+509BN YTD)**	**E/A ratio/ Adjusted E/A ratio** **12.1% / 17.8%**

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

Agenda

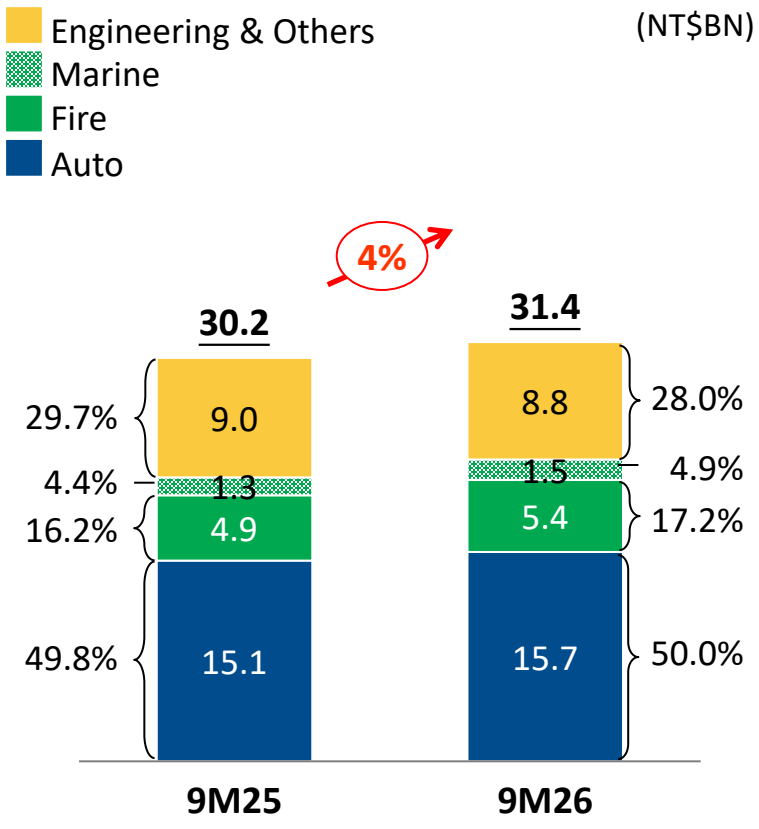
- **9M26 Business overview**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
  - Cathay SITE
  - Cathay Securities
- **Appendix**

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

Cathay Century – Written premium & distribution channels

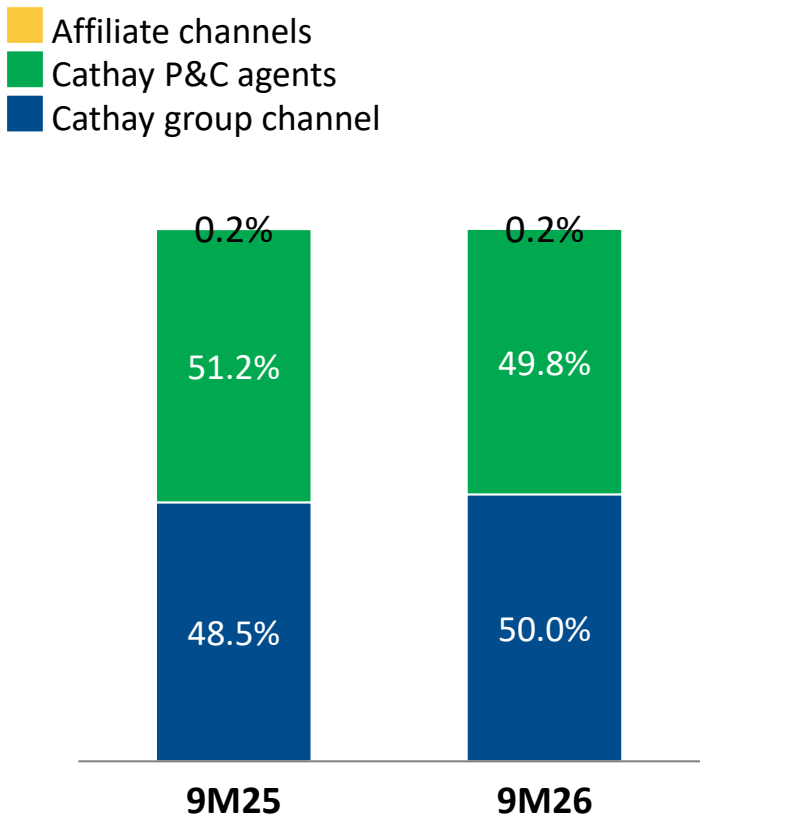
- Written premiums grew steadily, with market share at 13.4%, ranking No. 2 in the industry.
- Group channels contributed 50% of written premiums, reflecting strong cross-selling synergies across Cathay FHC subsidiaries.

Written premium



Market share	13.8%	13.4%

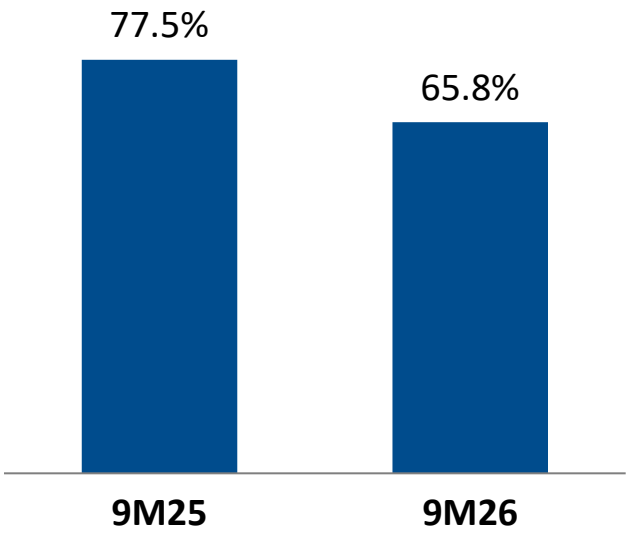
Distribution channels



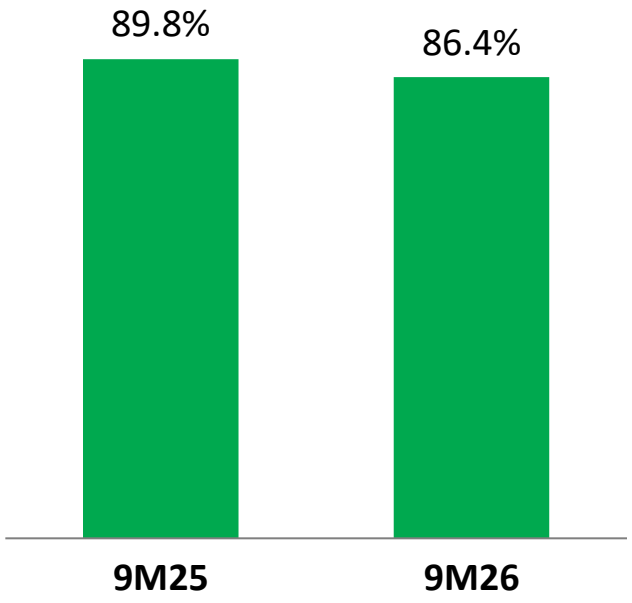
Cathay Century – Combined ratios

- Retained combined ratio improved YoY, driven by higher insurance revenue from expanded underwriting capacity and stable loss ratios.

Combined ratio



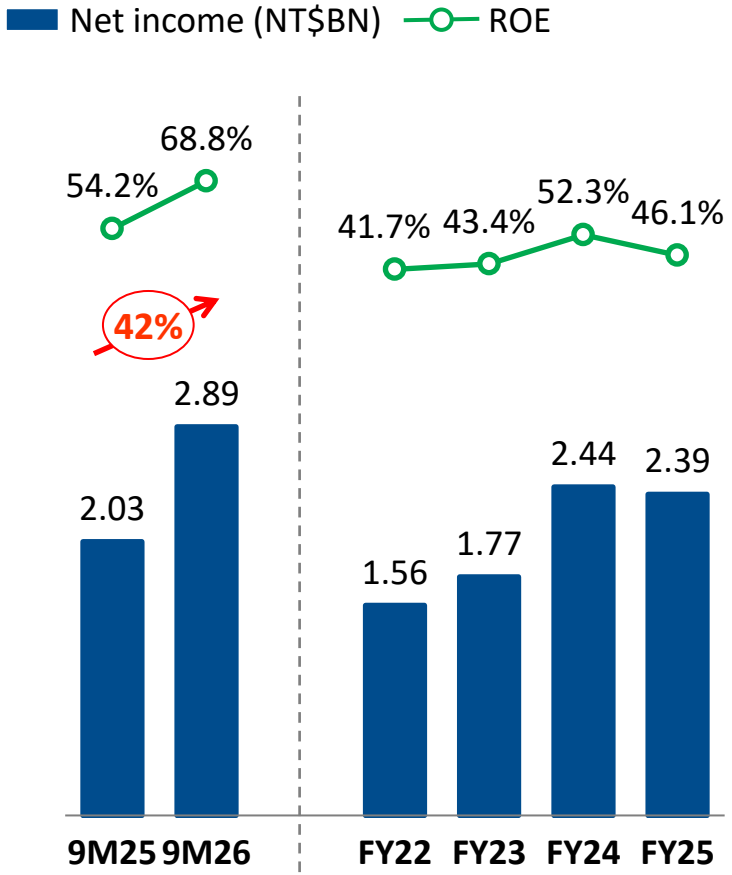
Retained combined ratio



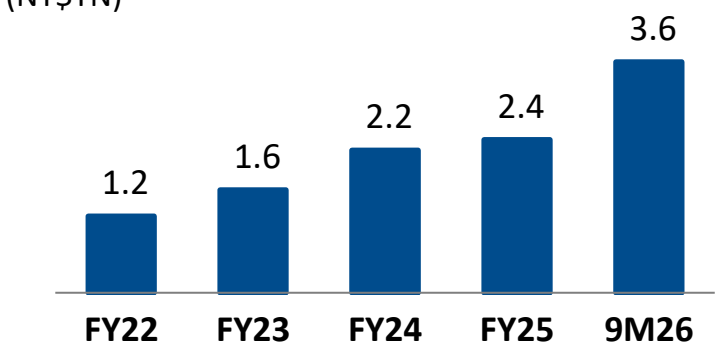
Cathay SITE – Business overview

- Net income surpassed the FY25 full-year level, up 42% YoY, driven by continued AUM growth. ROE remained strong.
- Fund AUM and beneficiaries continued to grow.

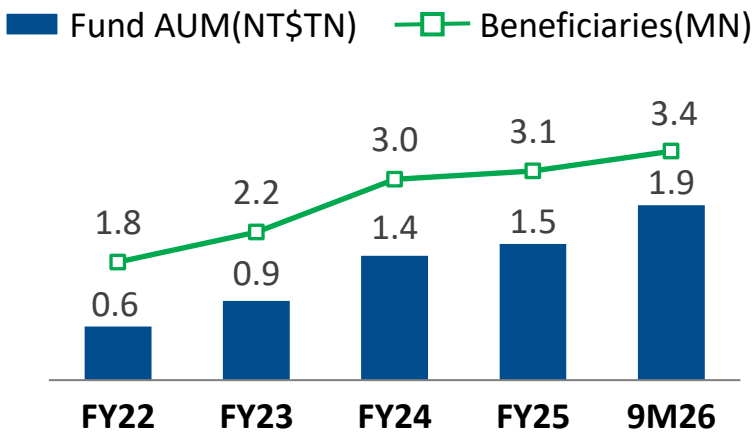
Net income & ROE



AUM growth



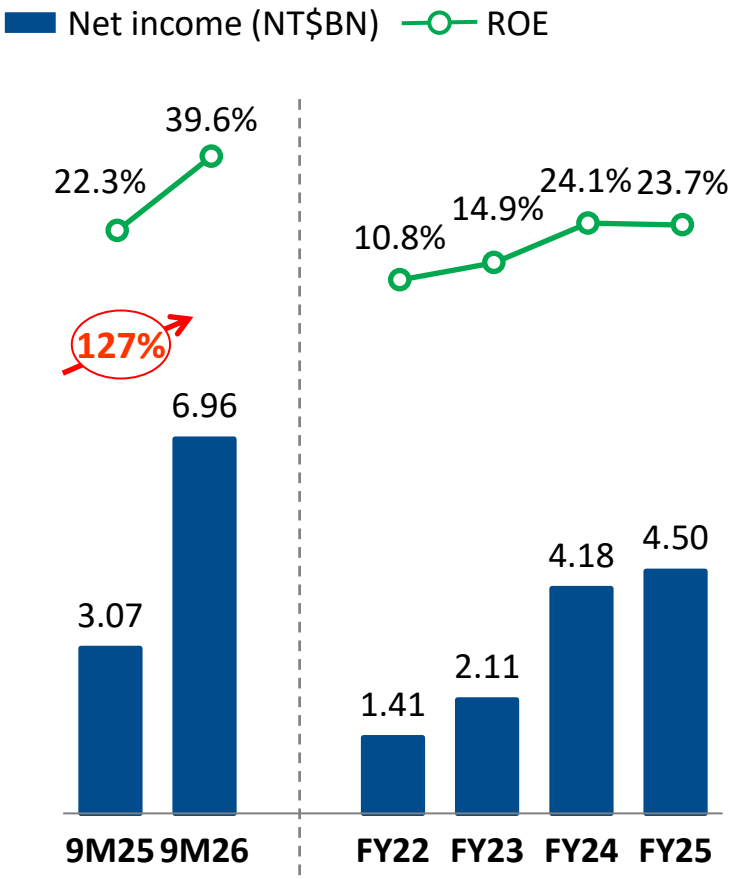
Fund business growth



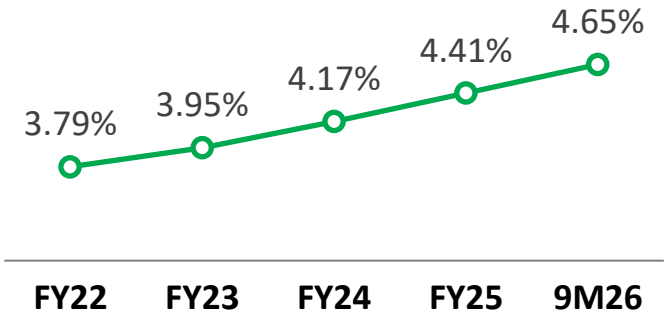
Cathay Securities – Business overview

- Net income reached a new all-time high, surpassing the FY25 full-year level and rising 127% YoY, driven by robust trading activity in Taiwan's equity market.
- Domestic brokerage market share and sub-brokerage trading value continued to grow.

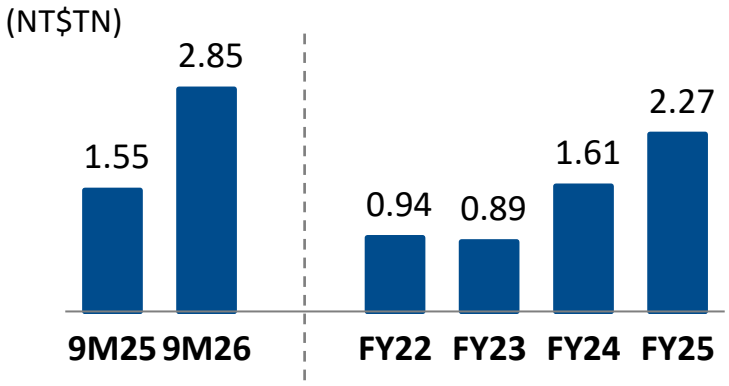
Net income & ROE



Domestic brokerage market share



Sub-brokerage trading value

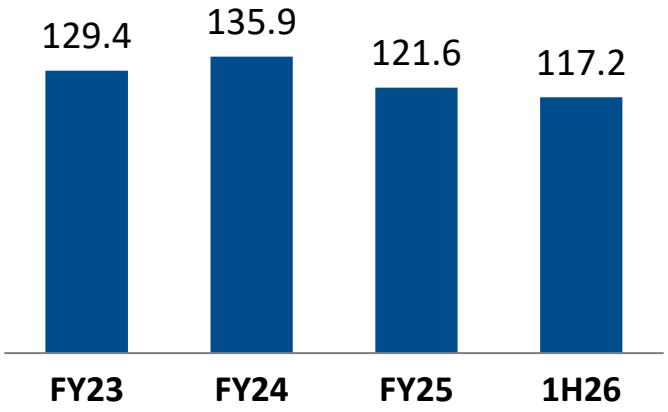


Agenda

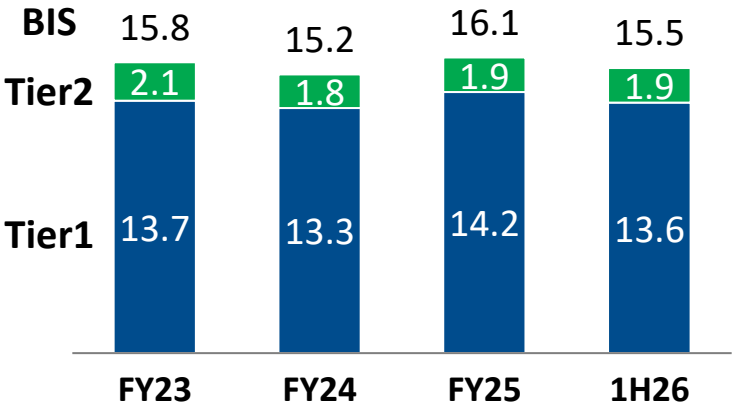
- **9M26 Business overview**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
  - Cathay SITE
  - Cathay Securities
- **Appendix**

Cathay FHC – Strong capital position

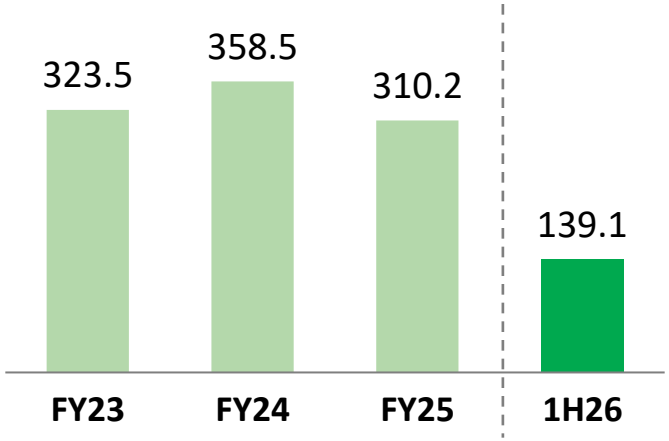
Cathay FHC CAR (%)



CUB capital adequacy (%)



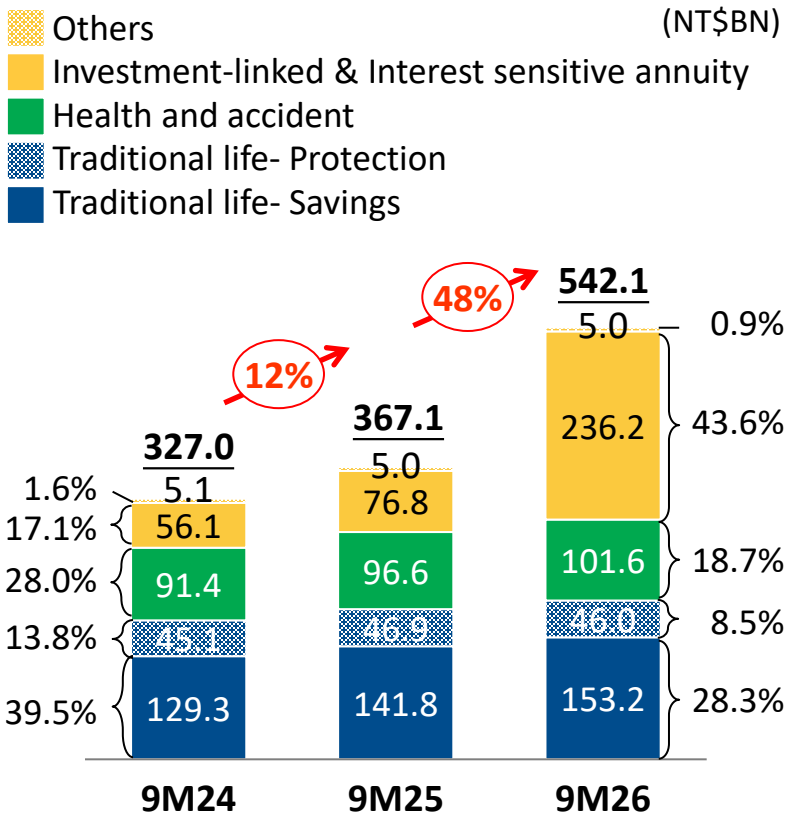
Cathay Life RBC / TIS (%)



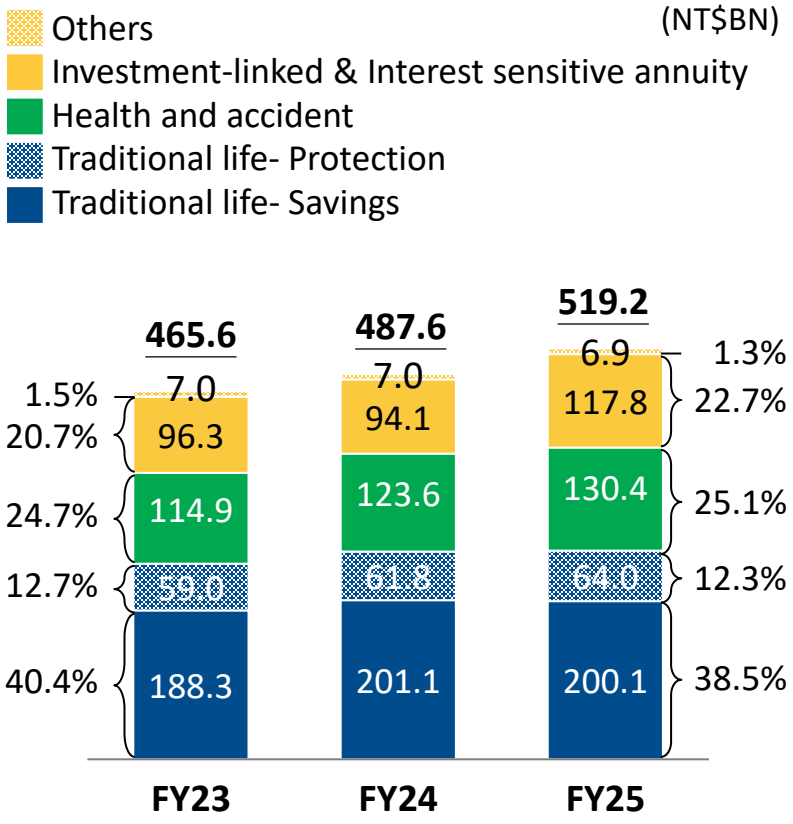
Cathay Life – Total premium

- Total premium rose 48% YoY, driven by sustained sales momentum in investment-linked products and steady growth in protection-type products.

Total premium



Annual total premium

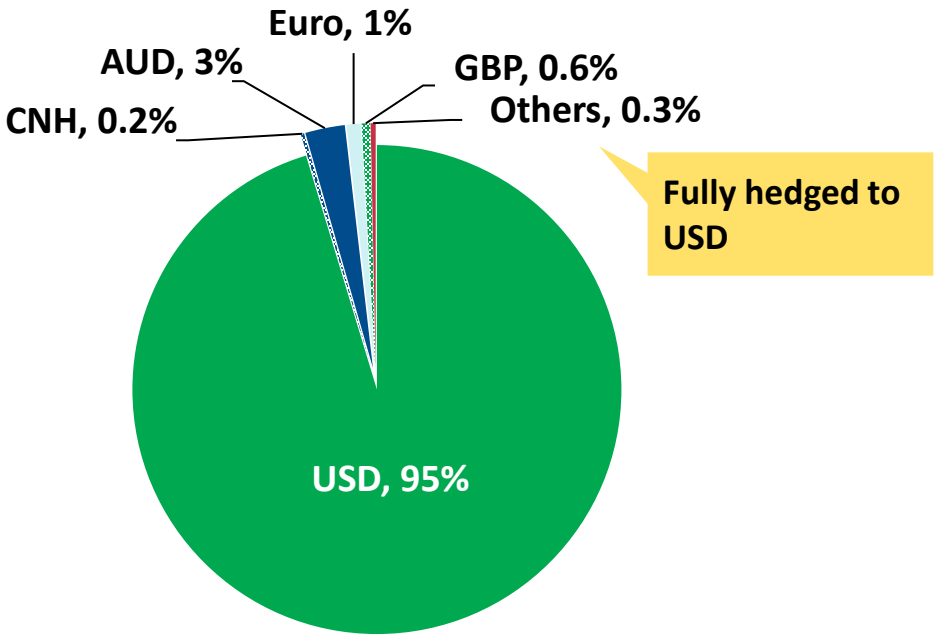


Market share	9M24	9M25	9M26	FY23	FY24	FY25
	18.8%	19.1%	22.2%	21.3%	20.0%	19.8%

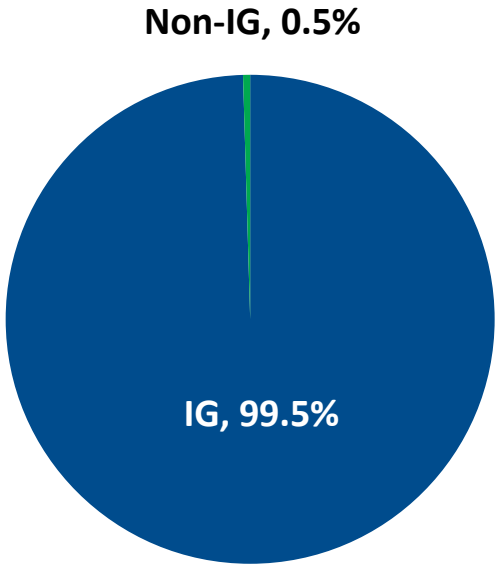
Note: Protection-type products include “Traditional life-Protection” and “Health and accident”.

Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (9M26)

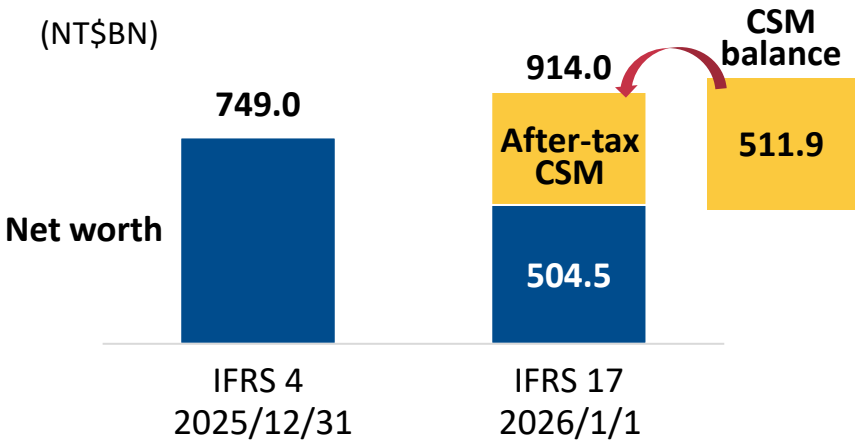


Overseas bond by rating (9M26)

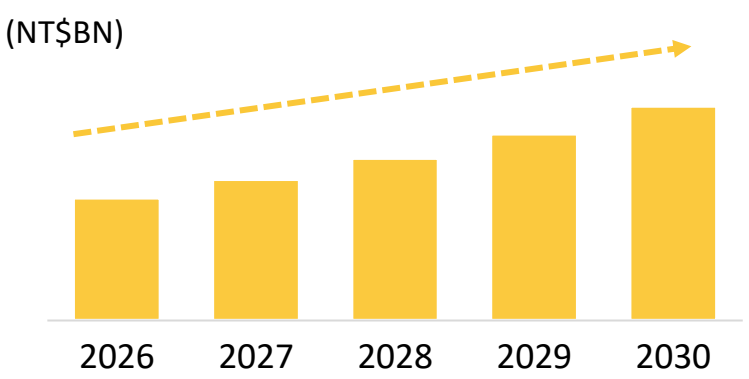


Cathay Life – IFRS 17 transition highlights

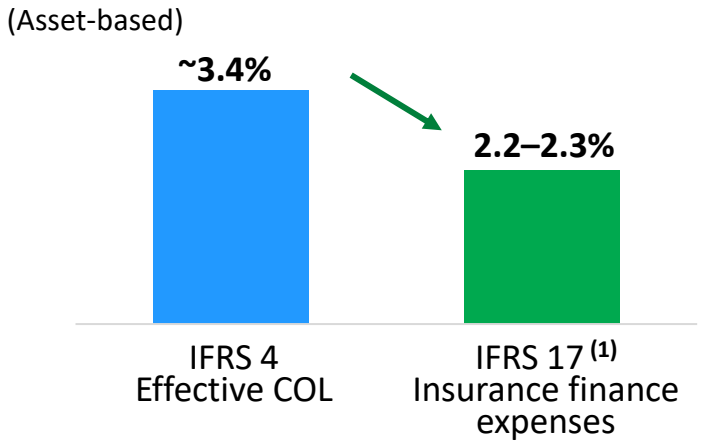
One-off net worth impact; adjusted net worth (incl. after-tax CSM) exceeds IFRS 4 net worth



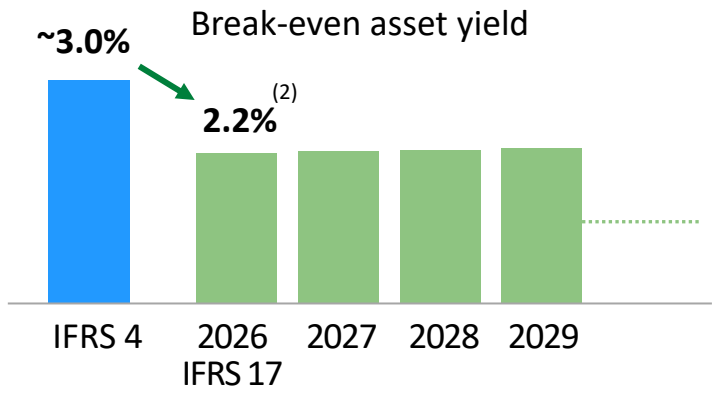
Growing CSM release supports future earnings



Lower liability costs support a stable positive spread



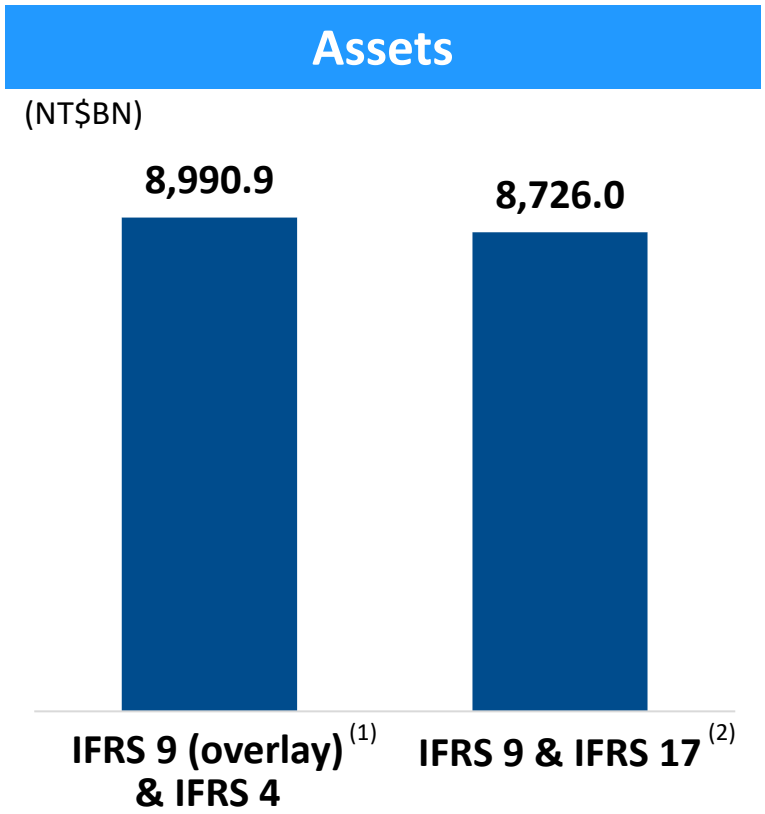
Increasing CSM release helps stabilize break-even asset yield

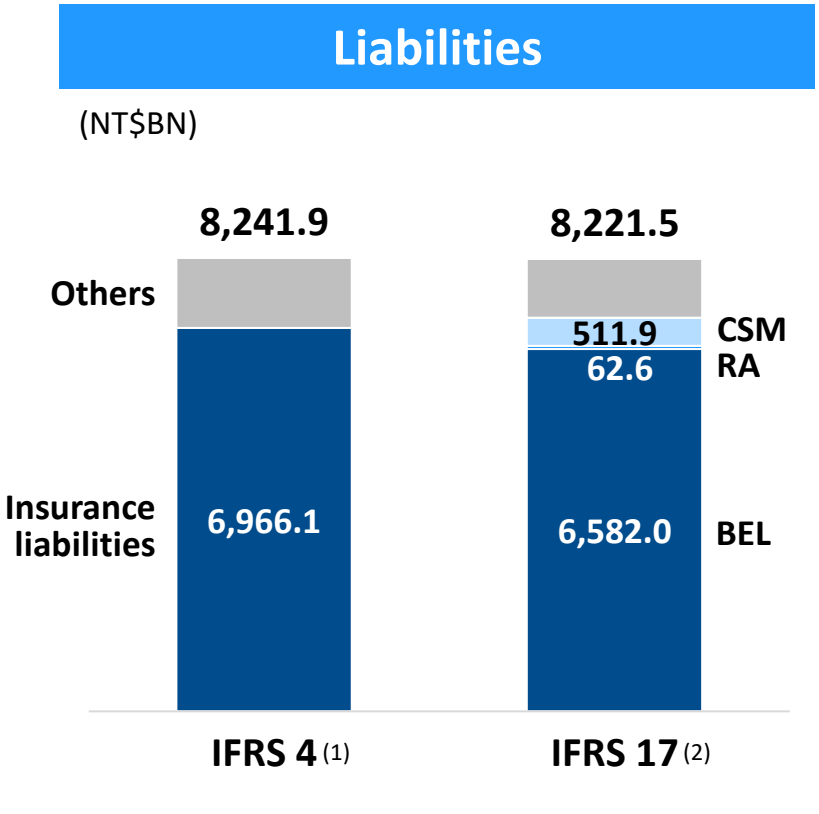


Note: (1) Remeasured at market interest rate in 2026 (2) Excluding one-off adjustment related to IFRS 15.

Key balance sheet changes at transition

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

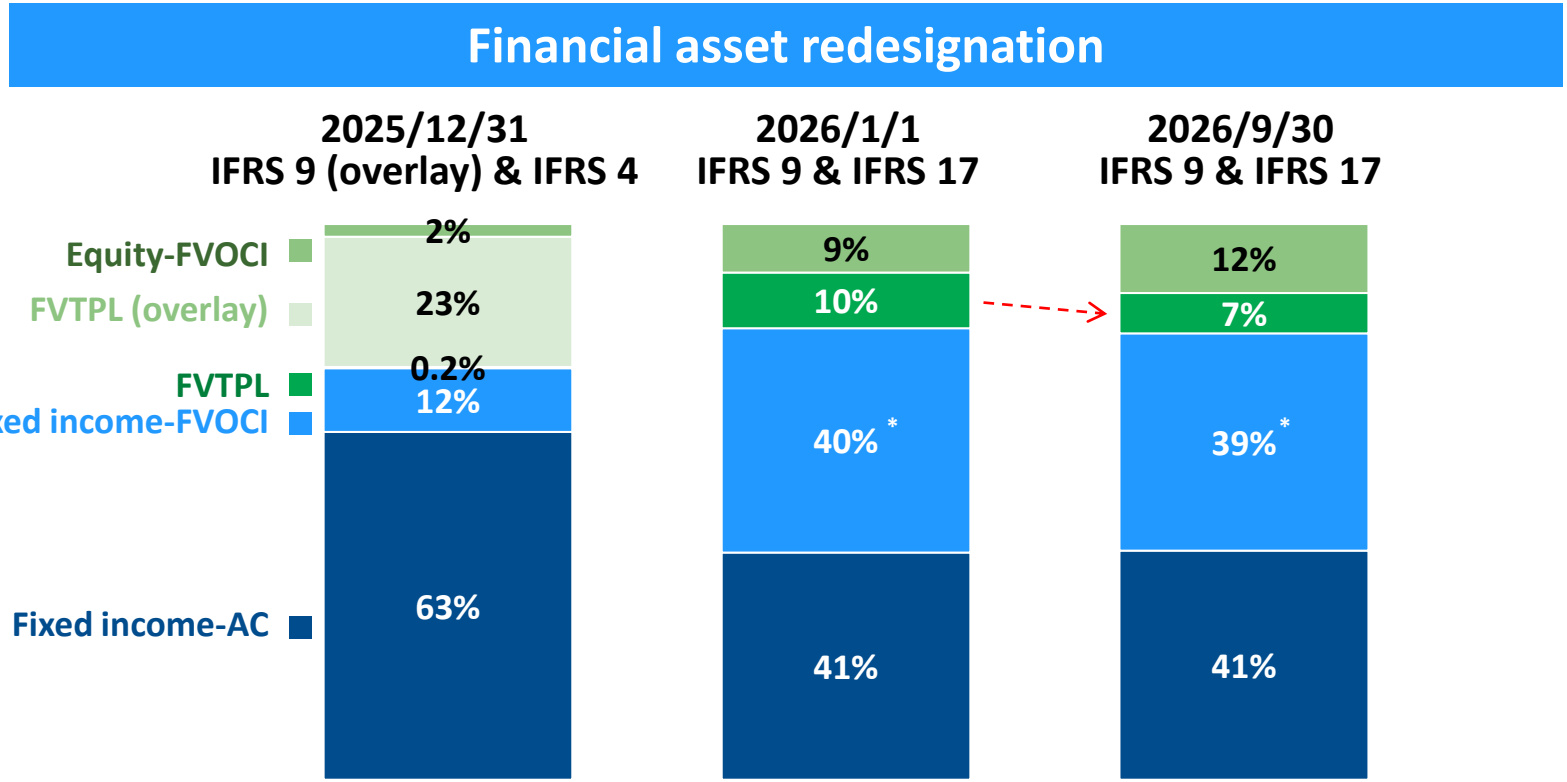




Note: (1) As of 2025/12/31; (2) 2026/1/1
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.
RA (Risk Adjustment): Compensation for bearing uncertainty arising from non-financial risks in insurance contracts.

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 net worth volatility.
- FVTPL equity previously under the overlay approach were redesignated to FVOCI to reduce earnings volatility.
- Selective redesignation to FVTPL for portfolio repositioning, followed by redeployment into higher-quality assets to enhance recurring income and capital efficiency.

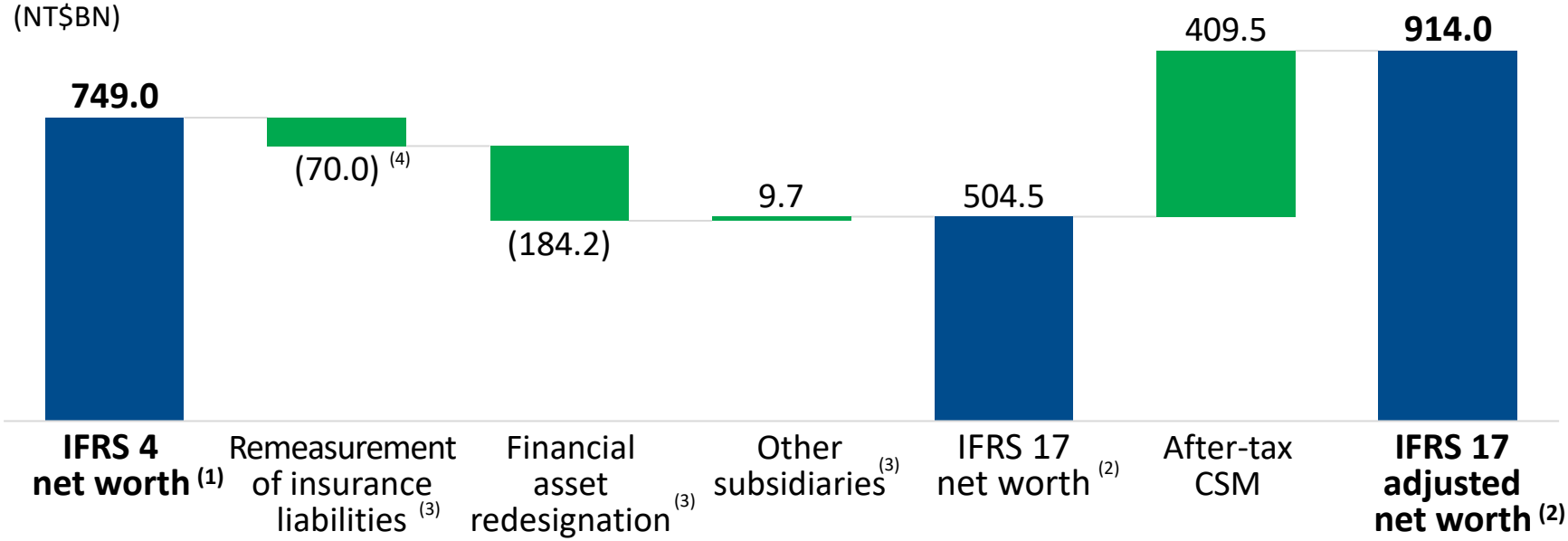


Note: Including NTD-denominated bond ETFs as defined by regulation

Adjusted net worth

- The one-off net worth impact mainly reflects the remeasurement of NTD high-guaranteed-rate policies using current market interest rates.
- Adjusted net worth, including after-tax CSM, totals NT$914.0bn, exceeding the IFRS 4 level.

Changes in net worth at IFRS 17 transition



E/A ratio	9.4%	6.8%	11.9%

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

IFRS 17 enhances earnings transparency and predictability

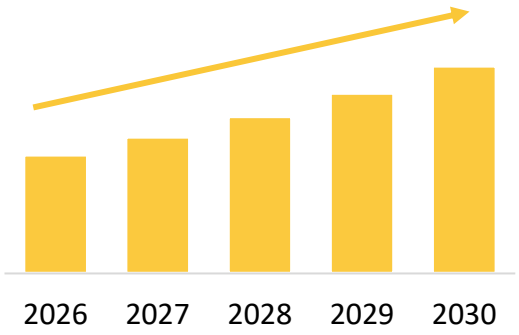
- CSM release becomes a key driver of earnings.
- Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- FVOCI equity disposal gains are recognized in retained earnings, continuing to support dividend capacity.
- Overall earnings predictability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

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
Revenues	• Premium income • Investment income (incl. disposal gains of equity investment w/overlay)	Insurance service result	• CSM & risk adjustment (RA) release • Expected claims and expenses paid • Actual claims and expenses paid	1 CSM recognized as profit over the contract coverage period
Expenses	• Incurred claims • Changes in insurance policy reserves • Expenses	Financial result	• Investment income (net of hedging cost) • Insurance finance expenses	2 Interest spread
		Other operating result	• Other income • Other expenses	3 ILP fee income, indirect expenses, and mortality–interest spread offset reserve
Net income		Net income		
OCI	• Changes in FVOCI assets	OCI	• Effect of changes in discount rates on insurance liabilities • Changes in FVOCI assets	4 Changes in financial assets and discount rate effects on insurance liabilities
		Retained earnings		5 Net income and FVOCI equity disposal gains

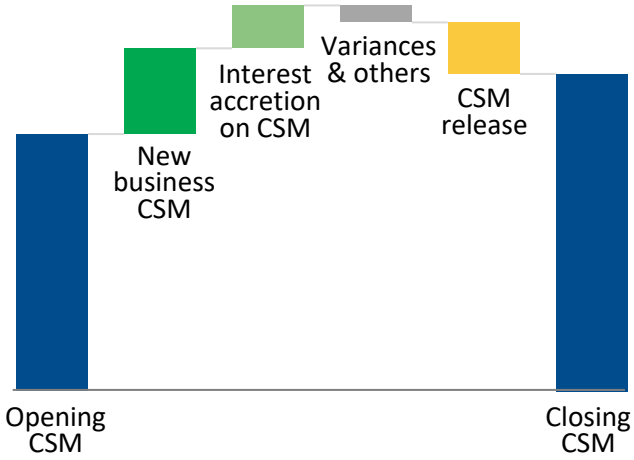
CSM contribution to earnings increases over time

- 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.

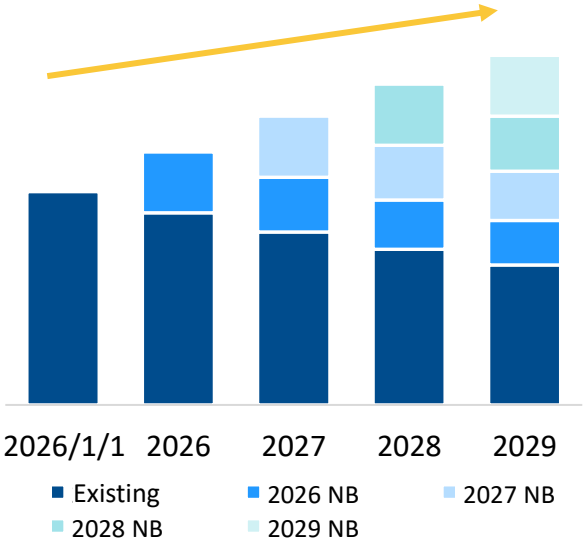
Illustrative underwriting profit* (% of earnings)



Illustrative CSM movement



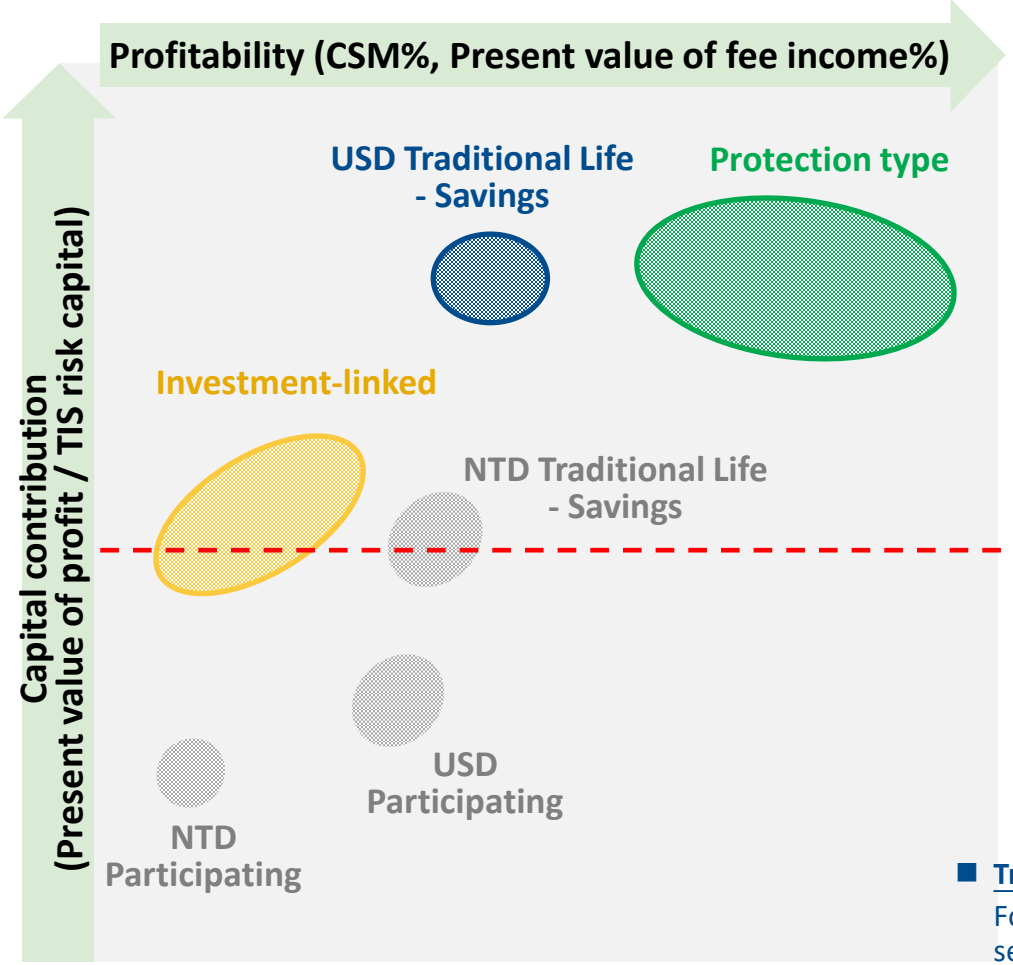
Illustrative CSM balance

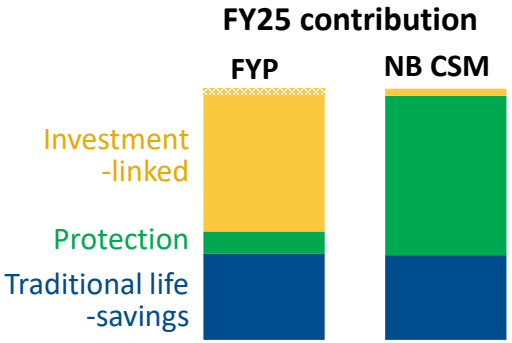


Note: Underwriting profit includes insurance service result and other operating result.
Existing refers to existing business; NB refers to new business.

Product strategy focused on CSM and capital contribution

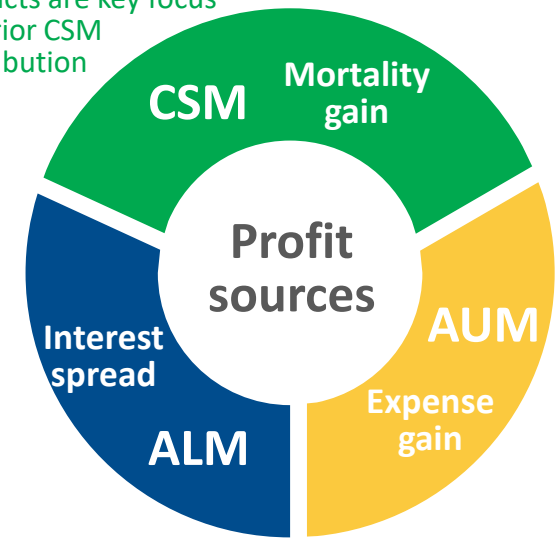
- CSM accumulation remains a top priority; health products account for over 50% of new business CSM.
- Focus on products with capital contribution above 100%.





■ **Protection type**

NTD Health & Accident products are key focus
Superior CSM contribution



■ **Traditional life-savings**

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

■ **Investment-linked products (ILP)**

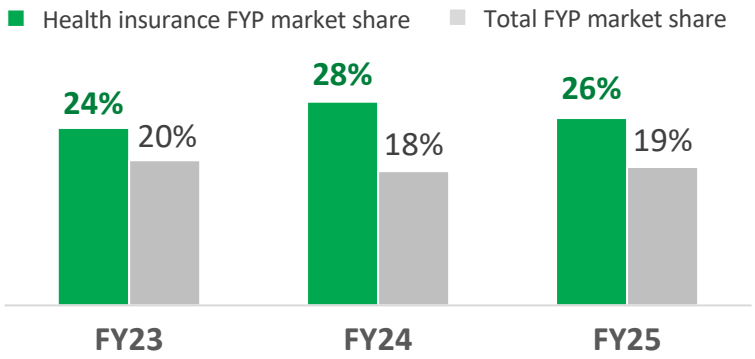
Stable fee income, no interest rate risk and low capital charge
Aim to steadily increase AUM

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

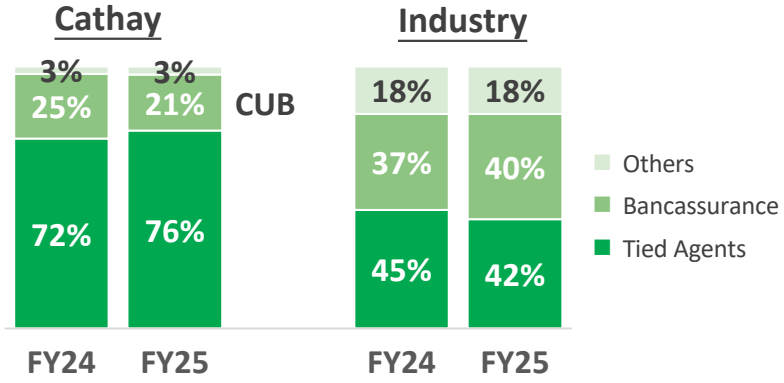
Distribution strength and health ecosystem support NB CSM

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

Health insurance* sales support NB CSM



Strong distribution (FYP by channel)



FitBack health promotion program



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

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

Industry-leading scale in spillover insurance products

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

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

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

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 net worth 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 net worth 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 net worth.
- ✓ **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 net worth sensitivity to interest rate movements.

Cathay Life – Key messages from IFRS 17 transition

CSM & Net worth	• CSM represents future profits from insurance contracts, amounting to NT$511.9bn. • Adjusted net worth, including after-tax CSM, totals NT$914.0bn, exceeding the IFRS 4 level.
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 net worth volatility.
Capital	• Strong new business CSM generation strengthens capital position, providing a stable buffer against volatility.

New solvency regime TIS: Higher capital requirements

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

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

TIS: Transitional measures ease capital pressure

Transitional measures on Capital Resource

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

Transitional measures on Required Capital

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

Localization

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

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

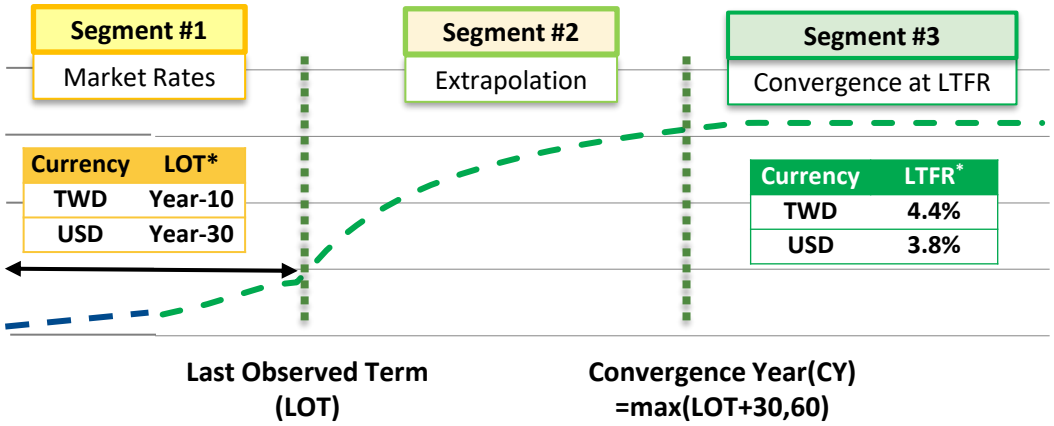
Note: (1) Legacy TWD-denominated insurance policies with reserve rate ≥ 4%; (2) Including investments through private equity funds

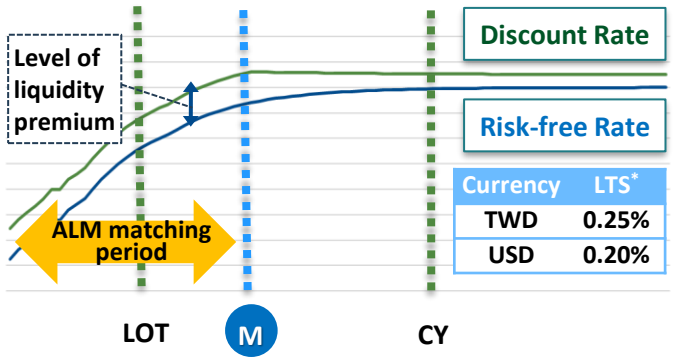
IFRS 17 liability discount rate

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

Discount rate construction

Risk-free rate: 3-segment construction by currency + **Liquidity premium**





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

Cathay's sustainability efforts and net zero commitment

2011-2014 Governance & RI foundation

2011 CSR Committee established

2014 Responsible investment team established

2015-2021 ESG integration

2015 First Taiwan bank to adopt Equator Principles

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

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

2022-2024 Net zero, nature & impact

2022 RE100 commitment | SBTi targets validated

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

2024 Impact investment (GIIN | AVPN)

2025 Headquarters 100% renewable energy

2027 Zero coal lending by 1Q27

2030 Taiwan operations 100% renewable energy

2050 Net-zero operations & financial assets

High-carbon investment phase-out plan

Revenue thresholds	2022	2025	2030	2040
Coal value chain	30%	20%	OECD: 5% | non-OECD: 20%	5%
Unconventional oil & gas	50%	30%	OECD: 20% | non-OECD: 30%	10%*

Note: Cathay Life's 2040 threshold: 5%.

Globally recognized sustainability performance

Global

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

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

FTSE4Good
8 years
Emerging Markets

MSCI
ESG RATINGS
AAA

CDP
A- level

Sustainalytics
Global Top 10
life insurance industry

RE100 | CLIMATE GROUP | CDP
First Taiwan
financial institution

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

TNFD Forum Member

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

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

Taiwan

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

天下雜誌 CSR 天下永續公民獎
Excellence in Corporate Social Responsibility
Top 3 Large-Cap & Financial in 2026
Top 10 for **14 years**

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

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

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Cathay Financial Holdings

Cathay Financial Holdings

(NT$MN)	IFRS 4 & IFRS 9		FY25/
Income Statement Data (Consolidated)	**FY24**	**FY25**	**FY24 % Chg**
Operating Income			
Net interest income	262,122	267,371	2%
Net commission and fee	15,076	18,278	21%
Net earned premium	462,813	481,830	4%
Change in liability reserves	(114,344)	(115,062)	1%
Net claims payment	(498,373)	(477,072)	-4%
Investment income	117,374	126,542	8%
Contribution from associates-equity method	2,555	3,062	20%
Other net non-interest income	(2,840)	(69,606)	-2351%
Bad debt expenses	(9,279)	(8,192)	-12%
Operating expenses	(107,251)	(114,179)	6%
Income before taxes	127,853	112,972	-12%
Income taxes	(16,626)	(5,339)	-68%
Net income	111,227	107,633	-3%
Net income to parent company	110,270	107,142	-3%
EPS (NT$)	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$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**9M26**	**3Q26**
Operating Income		
Net interest income	238,536	81,769
Net fee income	39,706	13,754
Insurance service result	37,401	11,805
Investment income	38,717	10,307
Contribution from associates-equity method	3,660	568
Insurance/Reinsurance finance income (expenses)[1]	(131,383)	(44,698)
Other net non-interest income	9,563	1,823
Bad debt expenses	(8,054)	(3,968)
Other insurance operating costs	(41,304)	(16,146)
Operating expenses	(62,443)	(21,839)
Income before taxes	124,399	33,375
Income taxes	(19,041)	(4,532)
Net income (A)	105,358	28,842
Net income to parent company	105,501	29,231
Disposal gains on FVOCI equity, net of tax (B)	118,331	28,981
Amount in R/E[2] (A)+(B)	223,689	57,823
EPS (NT$)	6.94	1.99
Amount in R/E per share (NT$)[2]	15.01	3.97
Balance Sheet Data (Consolidated)		
Total assets	14,906,745	
Total shareholders' equity	1,144,586	
Equity attributable to parent company	1,138,658	
Operating Metrics		
ROAE (Consolidated)	15.39%	
ROAA (Consolidated)	0.97%	
Double leverage ratio (inc. preferred stock)	119.4%	

Notes:

(1) General accounts only.

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

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國泰金控
Cathay Financial Holdings

Cathay United Bank (NT$MN)			FY25/ FY24			9M26/ 9M25			3Q26/ 3Q25
Income Statement Data (Consolidated)	**FY24**	**FY25**	**% Chg**	**9M25**	**9M26**	**% Chg**	**3Q25**	**3Q26**	**% Chg**
Operating Income									
Net interest income	60,913	68,241	12%	50,359	58,501	16%	17,209	20,607	20%
Net fee income	27,973	34,090	22%	26,196	30,007	15%	8,249	10,034	22%
Investment income	18,334	13,704	-25%	10,575	10,646	1%	4,149	3,188	-23%
Other income	602	732	22%	538	471	-12%	136	121	-11%
Net operating income	107,822	116,767	8%	87,668	99,625	14%	29,743	33,950	14%
Operating expenses	(51,840)	(56,790)	10%	(41,483)	(44,869)	8%	(14,255)	(15,547)	9%
Pre-provision profit	55,982	59,977	7%	46,184	54,756	19%	15,487	18,403	19%
Net provisions for possible losses	(9,211)	(7,293)	-21%	(4,138)	(7,545)	82%	(1,829)	(3,790)	107%
Income before taxes	46,770	52,684	13%	42,046	47,212	12%	13,658	14,614	7%
Income tax	(8,430)	(9,174)	9%	(7,358)	(8,039)	9%	(2,349)	(2,427)	3%
Net income	38,341	43,510	13%	34,688	39,173	13%	11,309	12,187	8%
Net income to parent company	37,780	43,008	14%	34,395	39,406	15%	11,240	12,612	12%

Balance Sheet Data				
Total assets	4,606,285	5,167,942	5,100,994	5,612,591
Loans, net	2,679,233	2,886,929	2,800,741	3,260,446
Financial assets	1,234,617	1,434,798	1,383,605	1,610,414
Total liabilities	4,306,237	4,843,283	4,788,330	5,272,671
Deposits	3,848,586	4,430,955	4,360,331	4,603,452
Financial Debenture Payable	12,700	18,600	18,600	18,600
Total shareholders' equity	300,048	324,659	312,664	339,920
Equity attributable to parent company	295,390	319,856	308,099	335,323

Operating Metrics				
Cost income ratio	48.08%	48.64%	47.32%	45.04%
ROAE	13.31%	13.93%	15.10%	15.72%
ROAA	0.87%	0.89%	0.95%	0.97%

Asset Quality (Standalone)				
NPL	2,943	4,357	3,846	4,281
NPL ratio	0.11%	0.15%	0.14%	0.13%
NPL provisions	42,528	46,178	43,839	48,735
Coverage ratio	1445%	1060%	1140%	1138%

Capital Adequacy Metrics (Standalone)		
BIS ratio	15.2%	16.1%
Tier 1 ratio	13.3%	14.2%
CET1 ratio	11.7%	12.7%

LDR (Standalone)				
Total LDR	69.8%	65.4%	64.5%	71.1%
TWD LDR	79.8%	72.4%	71.2%	78.4%
FX LDR	34.4%	36.9%	35.8%	44.9%

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Cathay Financial Holdings

Cathay Life

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

(NT$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**9M26**	**3Q26**
Insurance service result	32,348	9,913
CSM & RA release	28,562	9,854
Operating variance	5,797	1,455
Others	(2,011)	(1,396)
Financial result	54,865	13,938
Recurring investment income[1]	216,158	78,481
Gain (loss) on investment, net[1]	21,304	(3,489)
Hedging costs	(48,331)	(15,357)
Insurance finance expenses[1]	(130,952)	(44,552)
Others	(3,314)	(1,145)
Other operating result	(20,261)	(8,723)
Net revenue from investment contracts and other operating income	4,294	1,612
Other operating costs and expenses	(29,168)	(10,334)
One-off IFRS 15 impact	4,613	0
Operating income	66,952	15,128
Net non-operating income	891	225
Income taxes	(7,676)	(1,400)
Net income (A)	60,167	13,953
Net income to parent company	60,077	13,917
Disposal gains on FVOCI equity, net of tax (B)	114,037	28,959
Amount in R/E[2] (A)+(B)	174,204	42,912
Balance Sheet Data (Consolidated)		
Total assets	9,163,558	
General account	8,181,505	
Separate account	982,053	
Insurance contract liabilities	6,874,296	
Total liabilities	8,193,656	
Total shareholders' equity	969,902	
Equity attributable to parent company	968,570	
Operating Metrics (Standalone)		
First Year Premium(FYP)	285,929	
New business CSM	85,237	
13-M persistency ratio	97.7%	
25-M persistency ratio	95.0%	
ROAE (Consolidated)	10.87%	
ROAA (Consolidated)	0.89%	

Notes:

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國泰金控
Cathay Financial Holdings

Cathay Century

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

(NT$MN)	IFRS 17 & IFRS 9	
Income Statement Data (Consolidated)	**9M26**	**3Q26**
Insurance service result	4,275	1,625
Insurance revenue	31,493	10,954
Insurance service expenses	(20,677)	(8,225)
Net reinsurance expenses	(6,541)	(1,104)
Financial result	1,083	226
Interest income	754	265
Other investment income, net	400	(14)
Insurance/Reinsurance finance income (expenses)	(72)	(24)
Other operating result	(958)	(325)
Operating income	4,400	1,526
Net non-operating income	(0)	(5)
Income taxes	(813)	(308)
Net income (A)	3,587	1,214
Disposal gains on FVOCI equity, net of tax (B)	1,815	379
Amount in R/E[(1)] (A)+(B)	5,402	1,593
Balance Sheet Data		
Total assets	76,140	
Total stockholders' equity	26,227	
Operating Metrics		
Combined ratio (Standalone)	65.8%	
Net Combined ratio (Standalone)	86.4%	
ROAE	20.69%	
ROAA	6.44%	

Notes:

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