



國泰金控

Cathay Financial Holdings

2025 Third Quarter Briefing

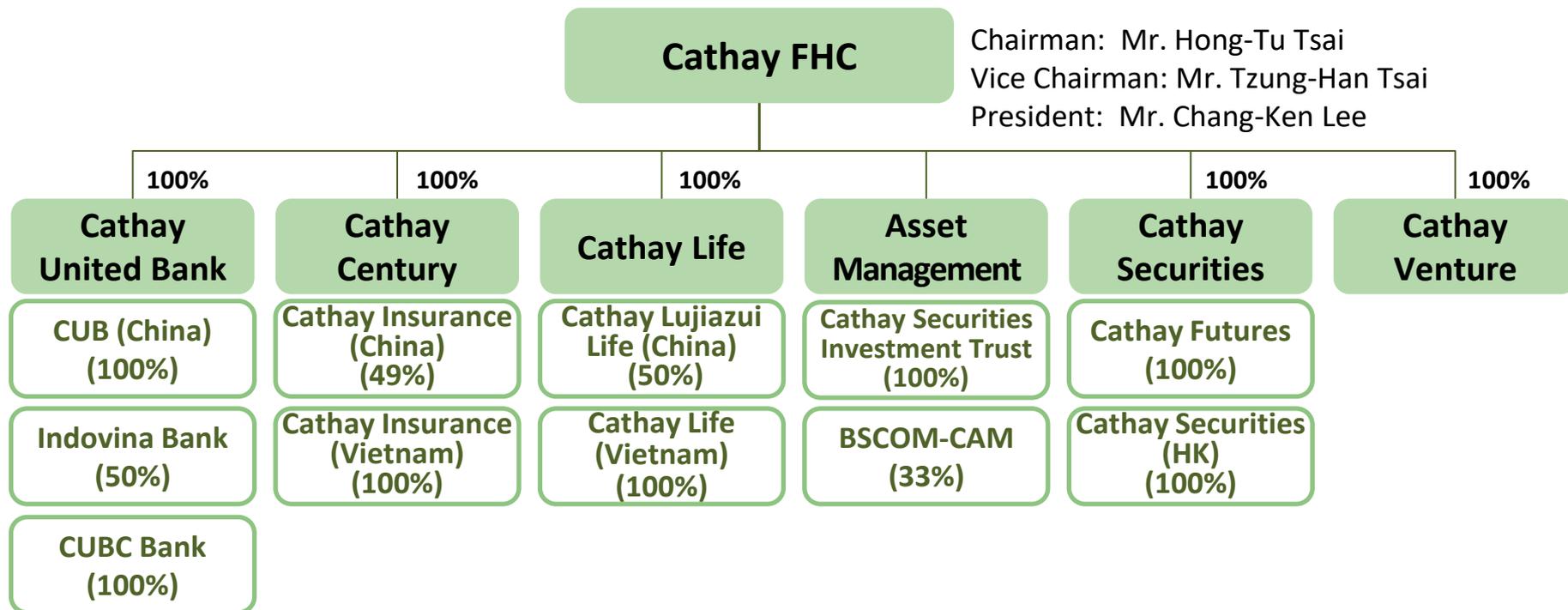
November 2025



Agenda

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

Cathay FHC: largest FHC, comprehensive products



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

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

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

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

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

Market leader in Taiwan's FIG sector

- Largest listed financial group by assets.

Ranking of total assets (US\$BN)



Note: Total assets as of December 31, 2025

Ranking of market cap (US\$BN)



Note: Market capitalization as of February 26, 2026

Cathay FHC's efforts on ESG integration & climate actions



2011

- Established CSR Committee

- Formed Responsible Investment Team

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

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

2014

2015

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

2016

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

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

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

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

2020

2019



2018



2017



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

2021



2023



2024



2025

avpn

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

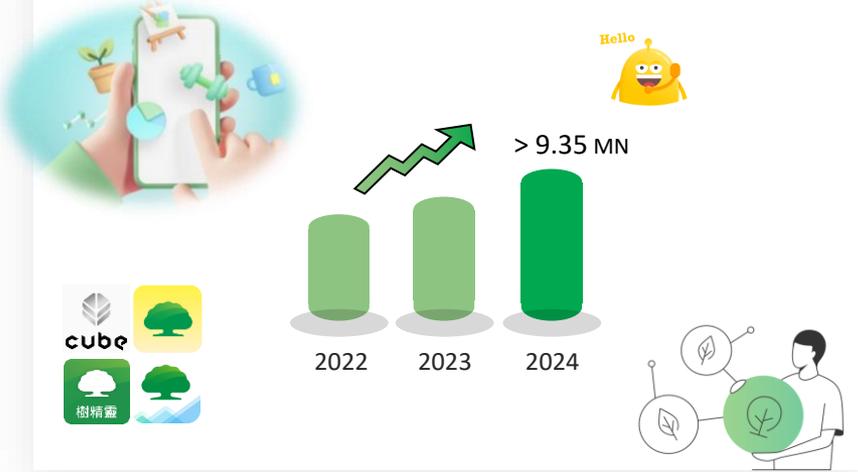
- Participated in **Business For Nature**
- Participated in **Nature Action 100**

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

- Established board level Corporate Sustainability Committee

Empowering financial services with digital, data and technology

Digital users > 9.35mn



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



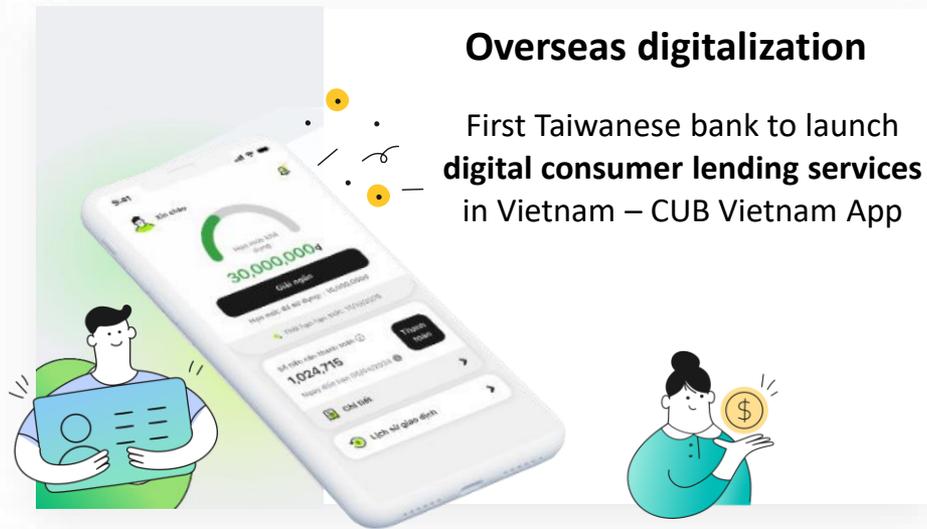
1st FI in Taiwan to kick off data migration to the cloud



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

Overseas digitalization

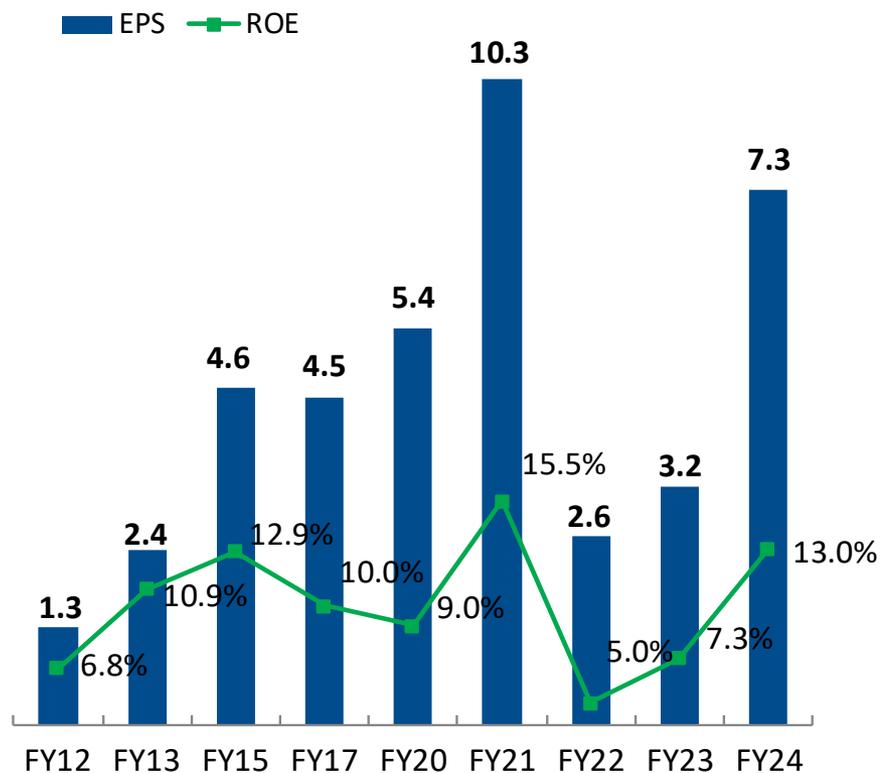
First Taiwanese bank to launch digital consumer lending services in Vietnam – CUB Vietnam App



Cathay FHC continued to deliver solid earnings

EPS & ROE

(NT\$/%)

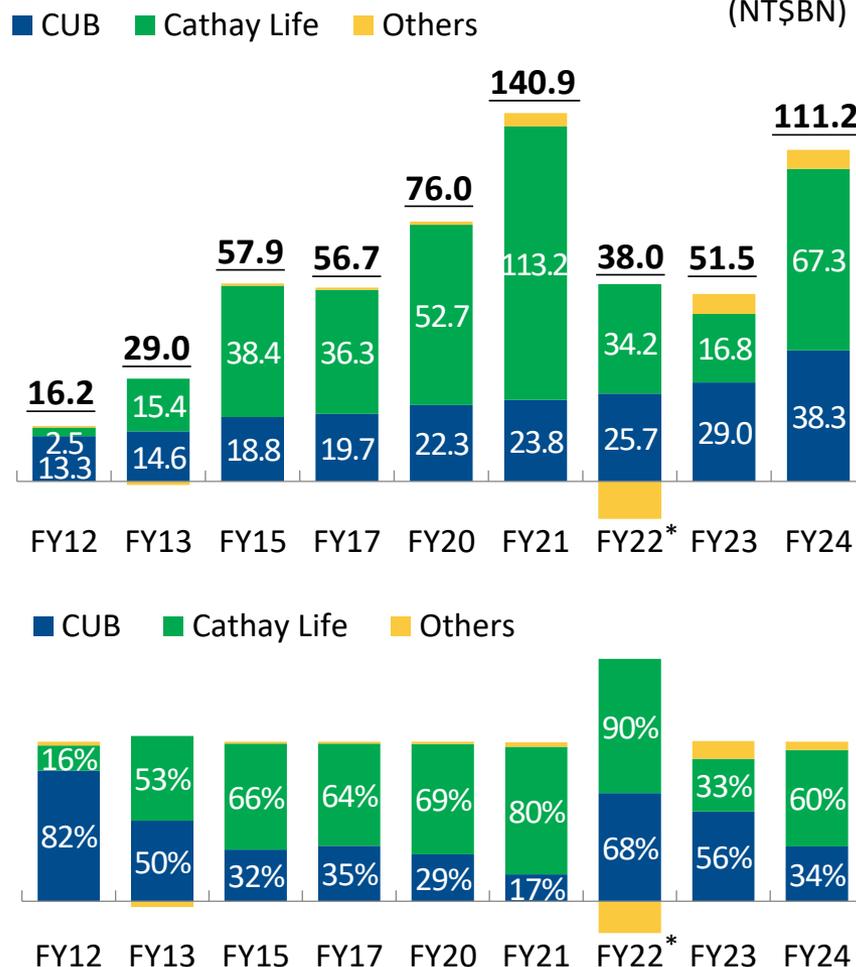


Note: (1) FY13 figures do not reflect the impact from applying fair value method on investment property.

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

Profit contribution

(NT\$BN)



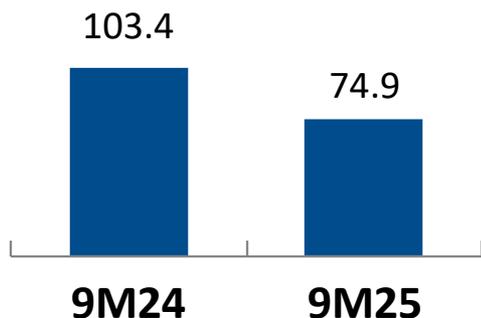
* Cathay Century reported a net loss of NT\$19.6bn due to pandemic insurance losses.

Cathay FHC – Net income & EPS

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

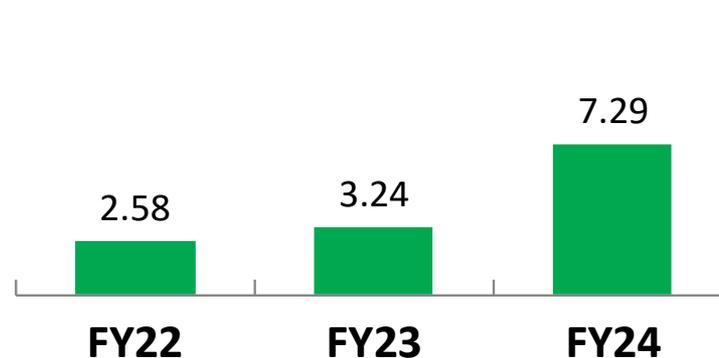
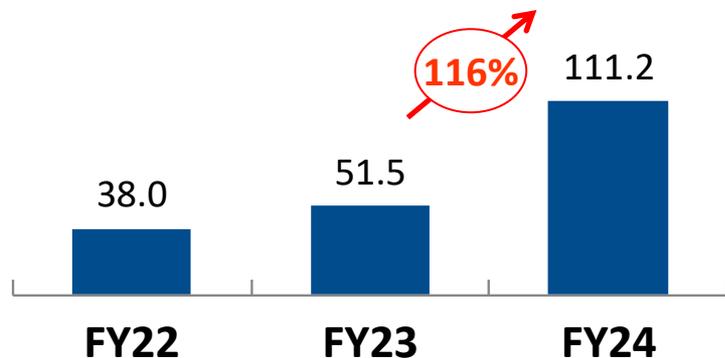
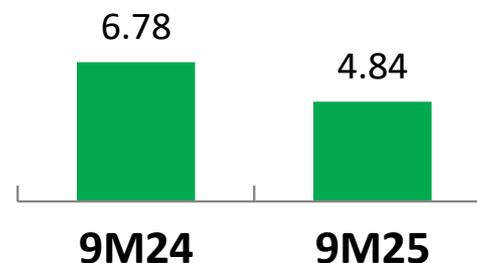
Net income

(NT\$BN)



EPS

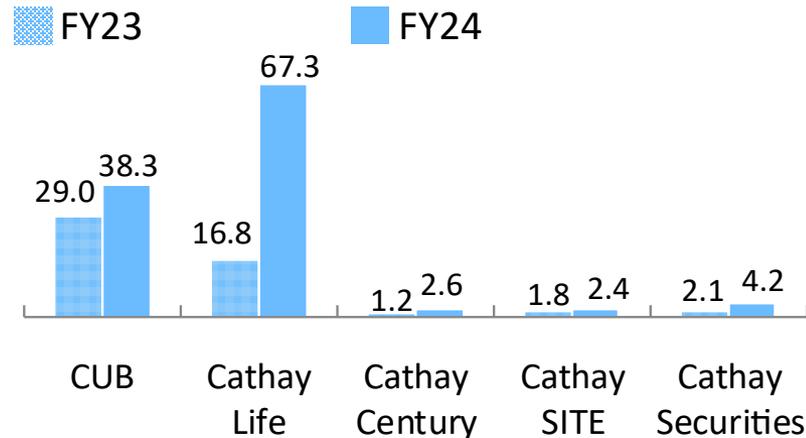
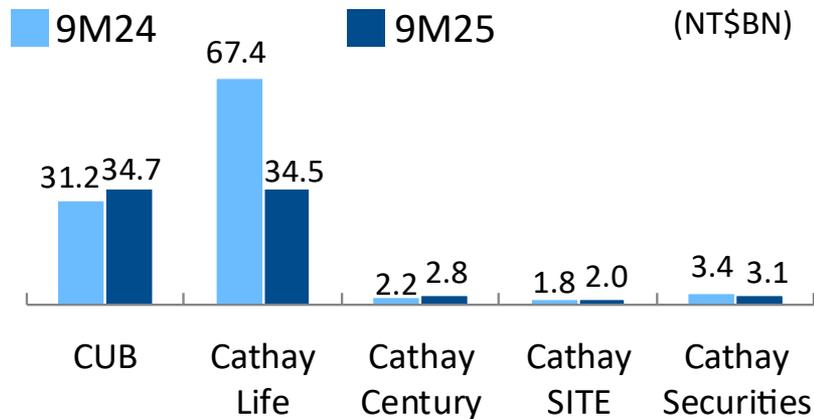
(NT\$)



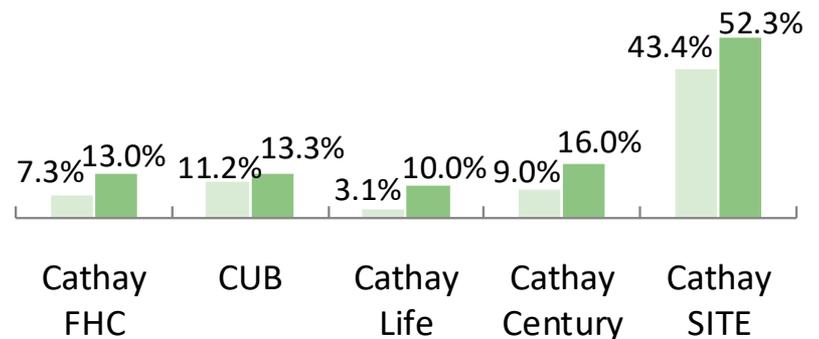
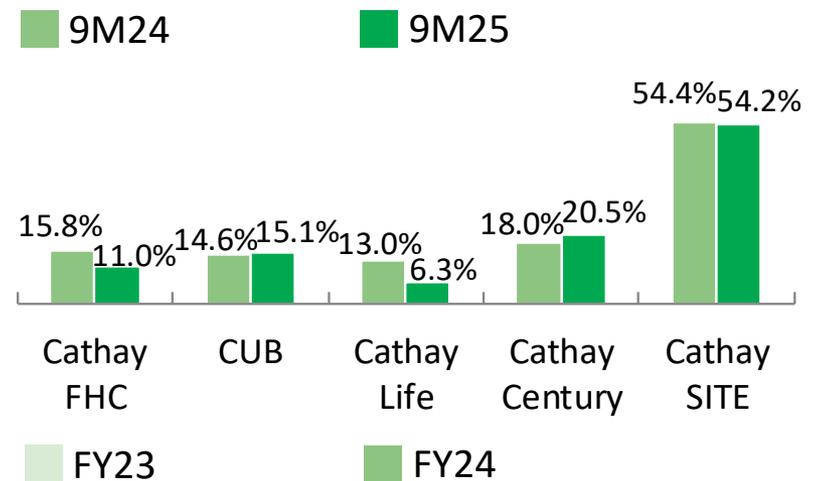
Cathay FHC – Net income & ROE

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

Net income of primary subsidiaries



ROE

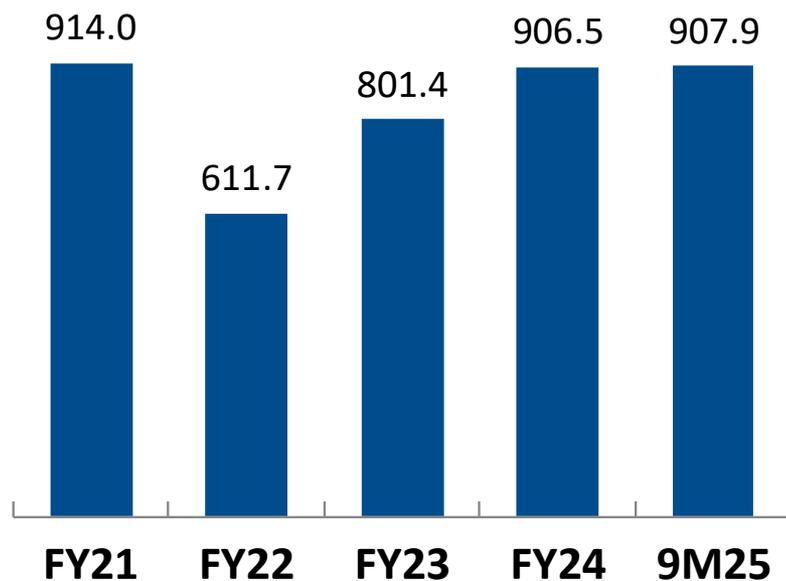


Cathay FHC – Book value & BVPS

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

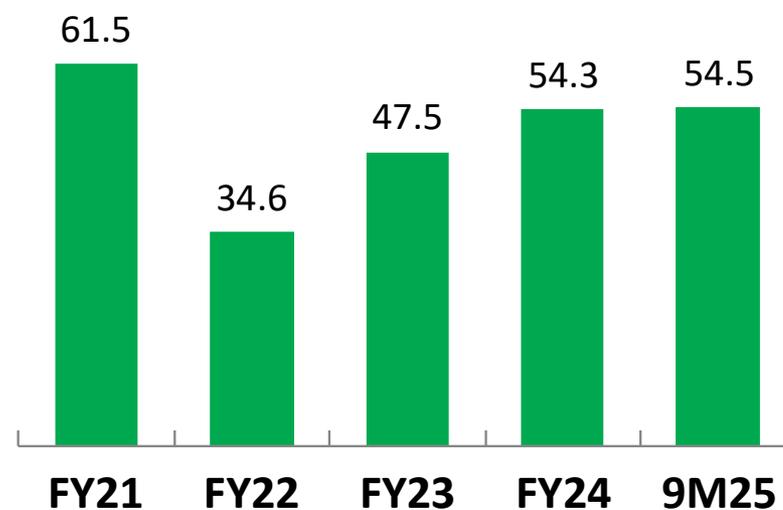
Book Value

(NT\$BN)



BVPS

(NT\$)

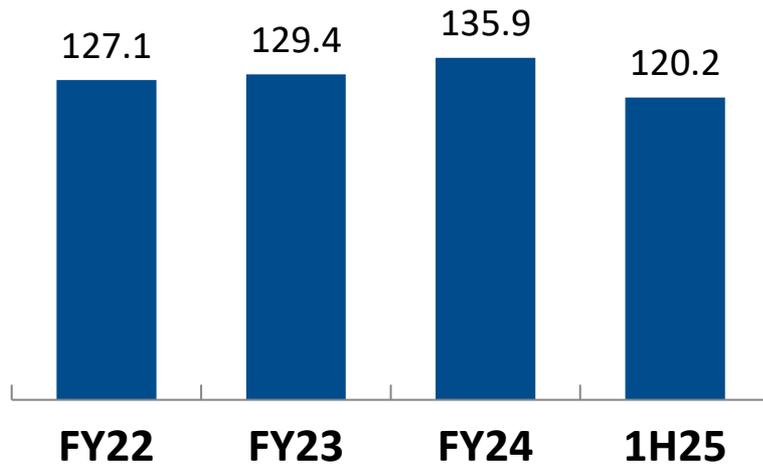


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

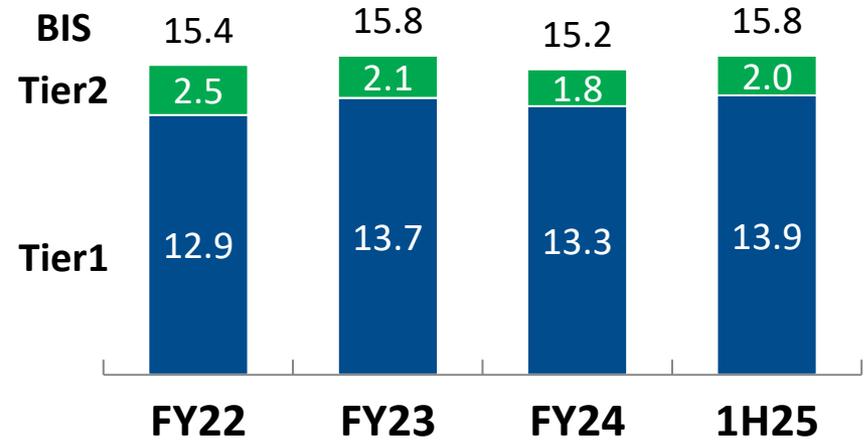
(2) Book value includes preferred shares and minority interests. BVPS represented BVPS attributable to common shareholders.

Cathay FHC – Strong capital position

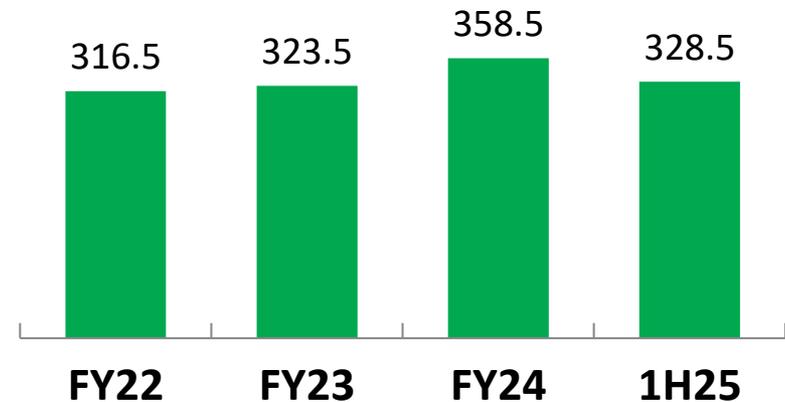
Cathay FHC CAR (%)



CUB capital adequacy (%)



Cathay Life RBC (%)



9M25 Business overview

Cathay United Bank

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

Cathay Life

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

Cathay Century

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

Cathay SITE

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

Cathay Securities

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

Cathay FHC's ongoing overseas expansion in Asia

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

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

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



Banking

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

Life Insurance

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

P&C Insurance

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

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Cathay United Bank

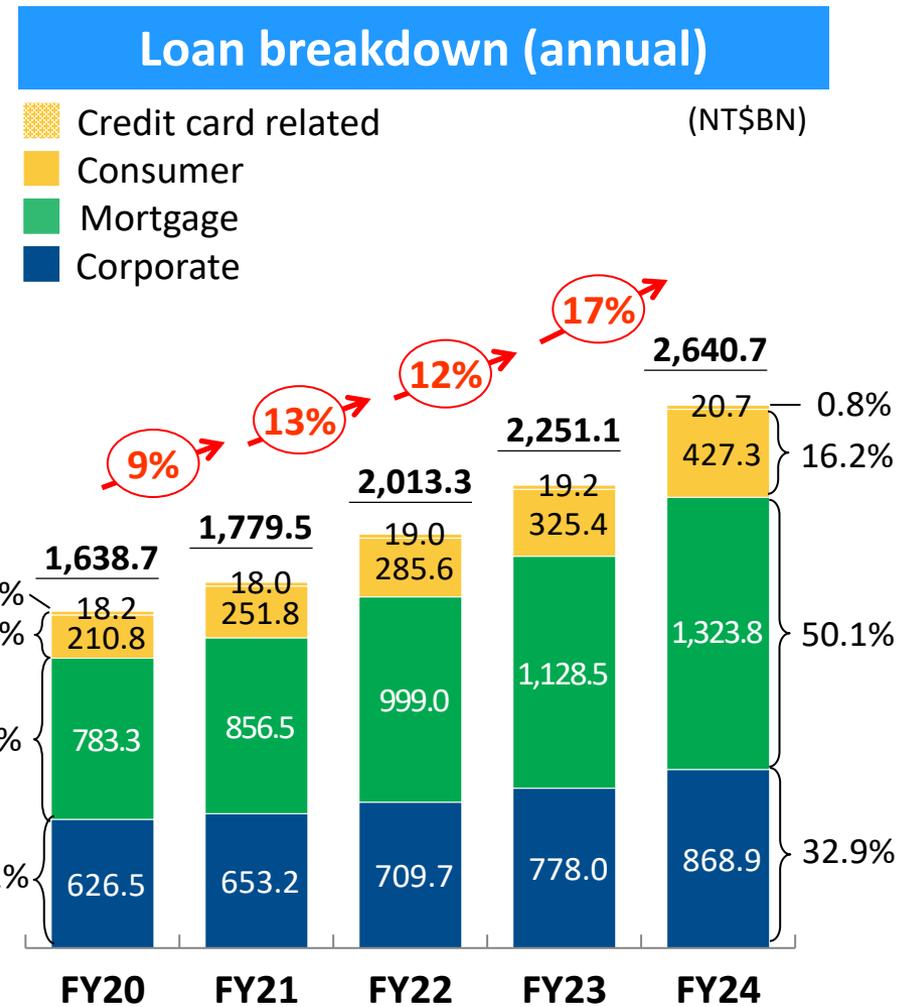
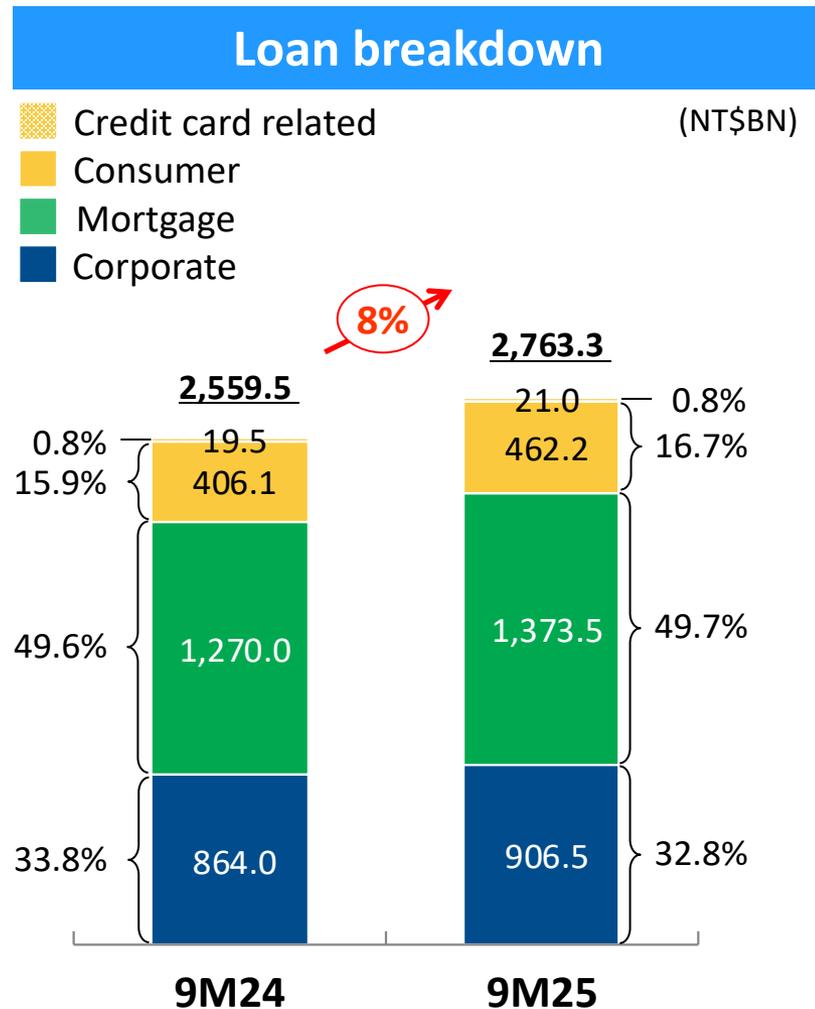
Cathay Life

Cathay Century

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Cathay United Bank – Loan breakdown

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

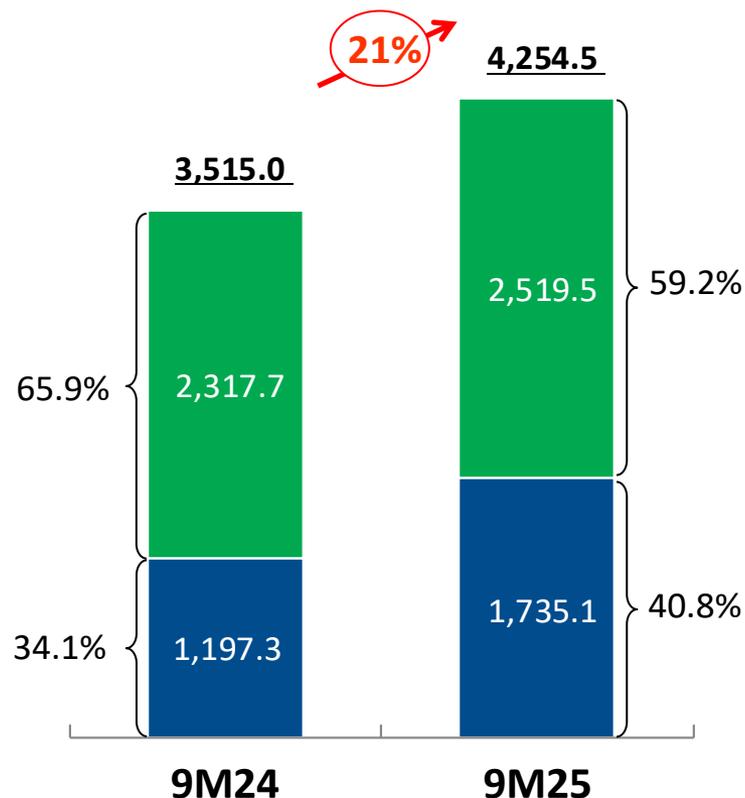


Cathay United Bank – Deposit breakdown

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

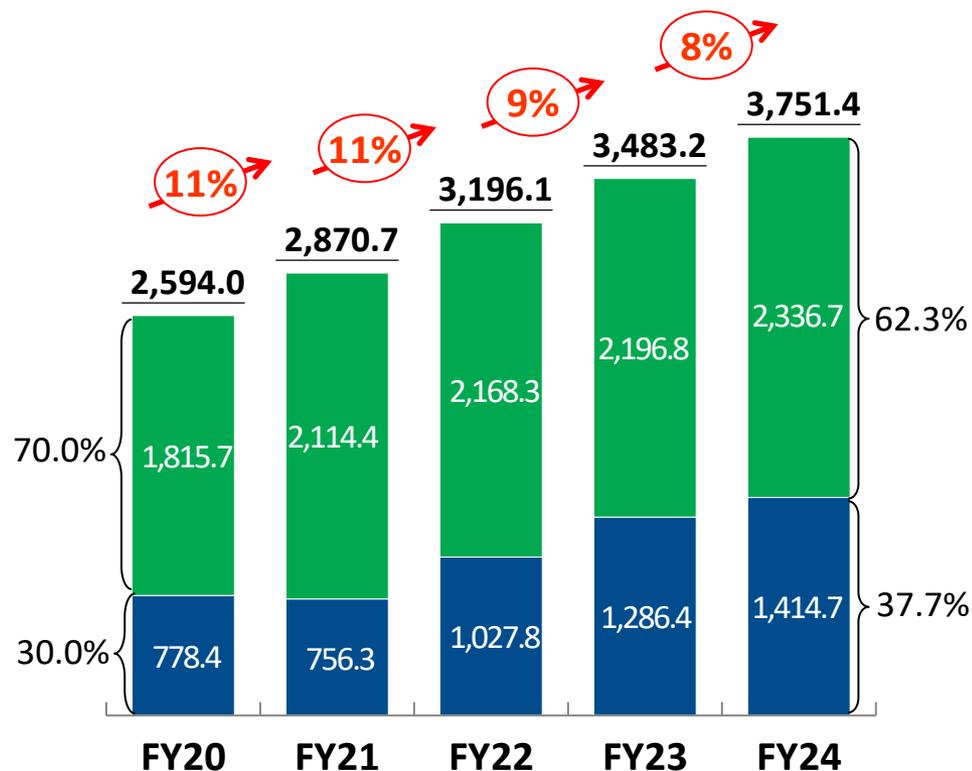
Deposit breakdown

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



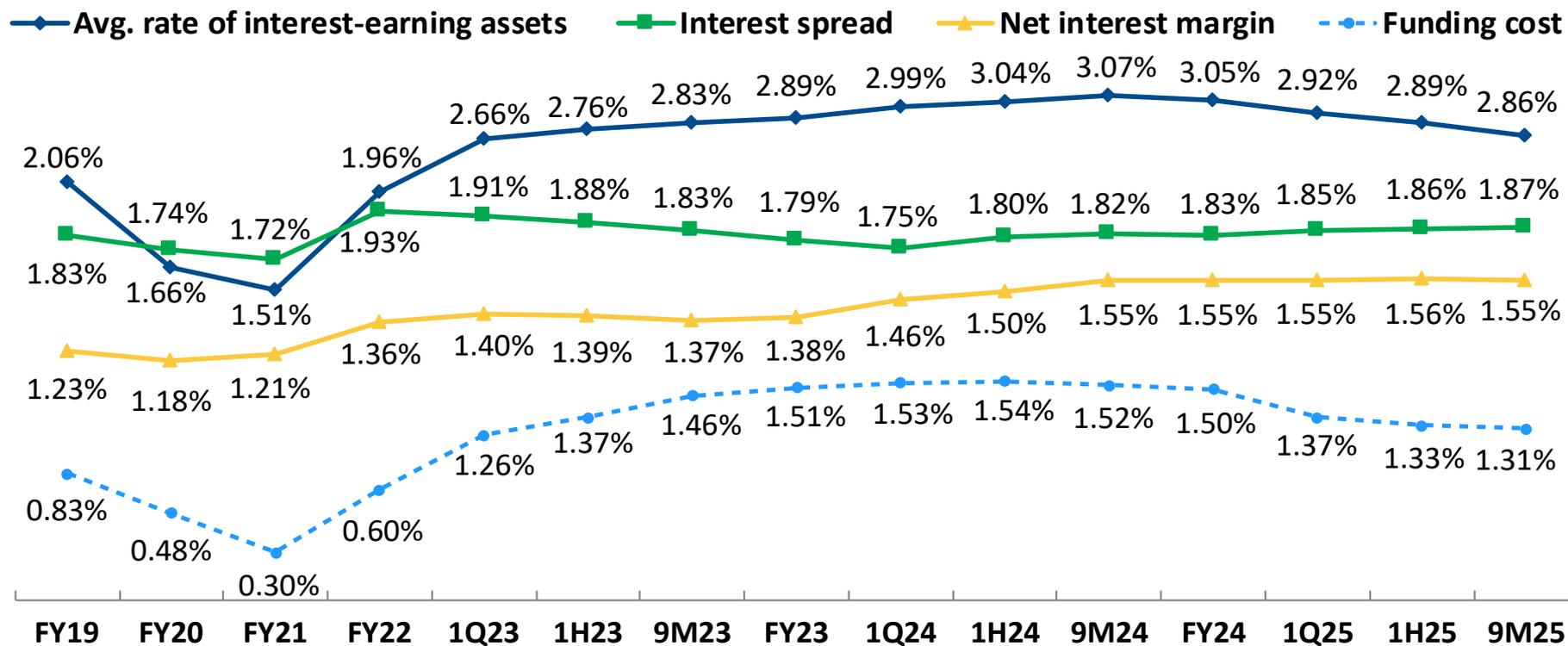
Deposit breakdown (annual)

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



Cathay United Bank – Interest yield

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



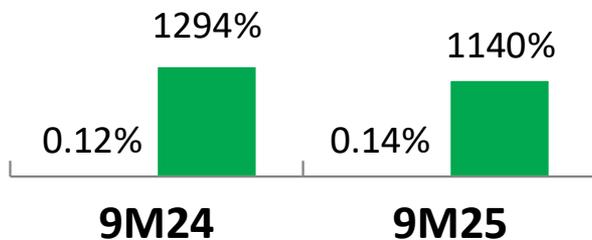
Quarterly	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
Spread	1.96%	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%
NIM	1.46%	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%

Cathay United Bank – Credit quality

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

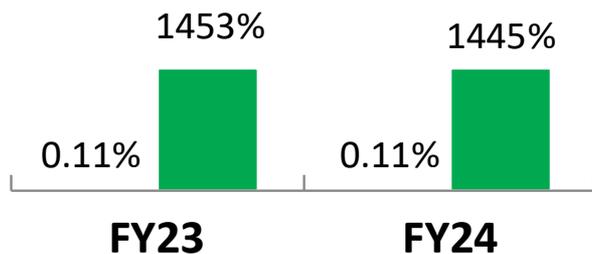
NPL & Coverage ratio

- NPL ratio
- Coverage ratio



Mortgage NPL

0.11 % 0.17 %

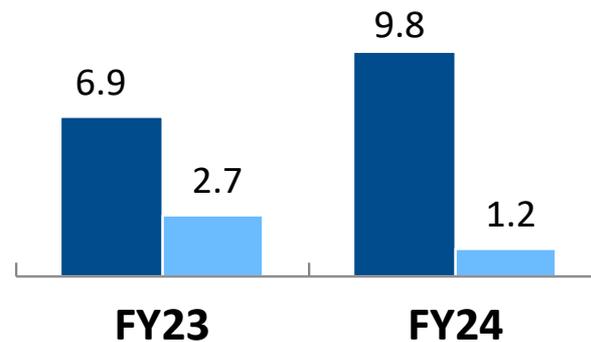
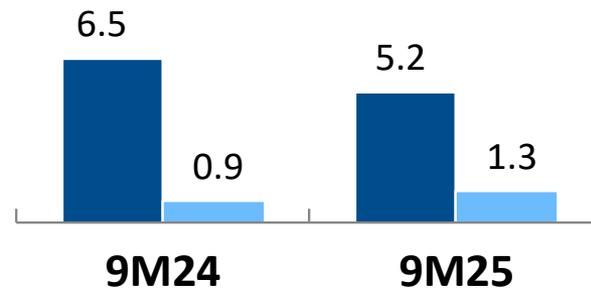


Mortgage NPL

0.10 % 0.11 %

Gross provision

- Gross provision (NT\$BN)
- Recovery

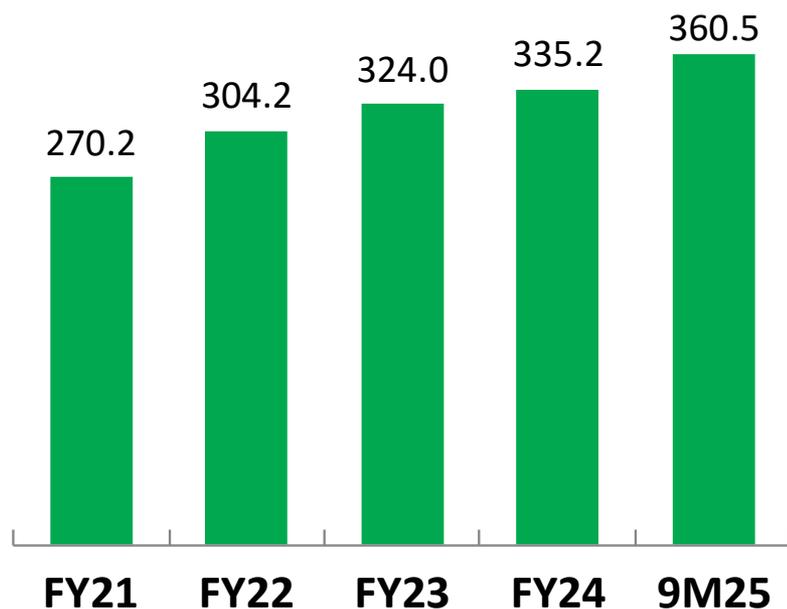


Cathay United Bank – SME & FX loans

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

SME loans

(NT\$BN)

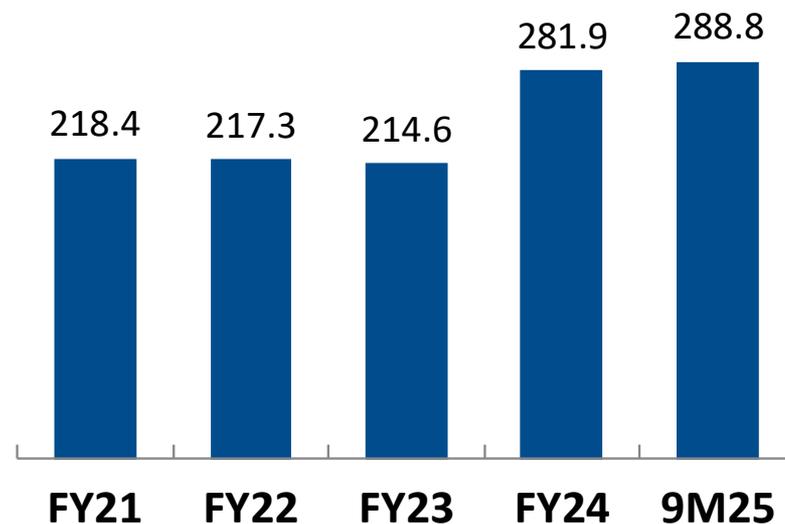


As % of total loans

15.3% 15.3% 14.5% 12.8% 13.1%

Foreign currency loans

(NT\$BN)

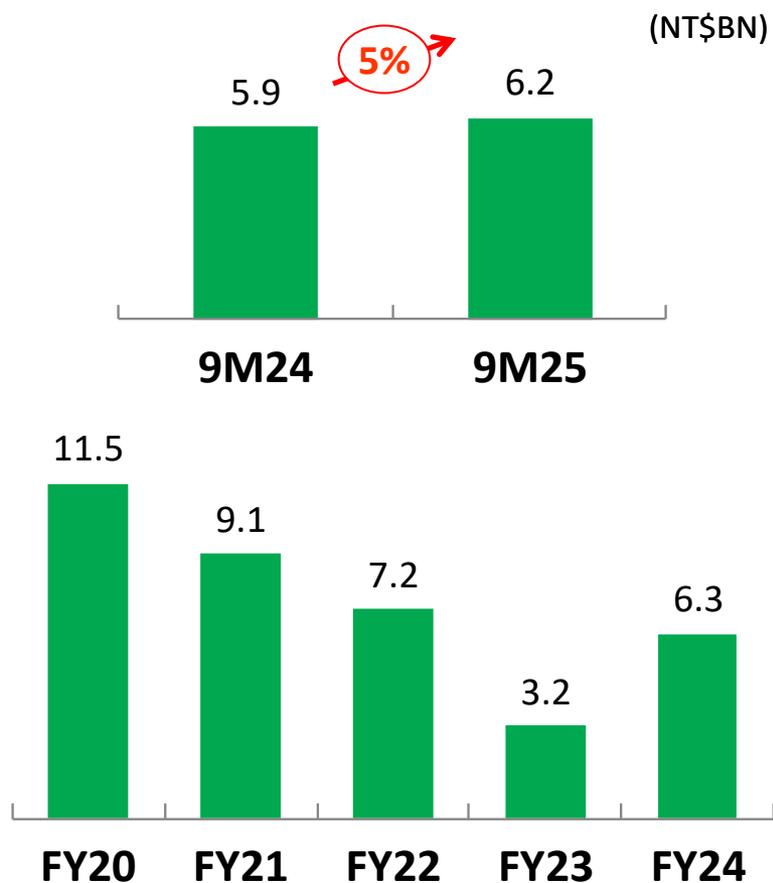


12.4% 10.9% 9.6% 10.8% 10.5%

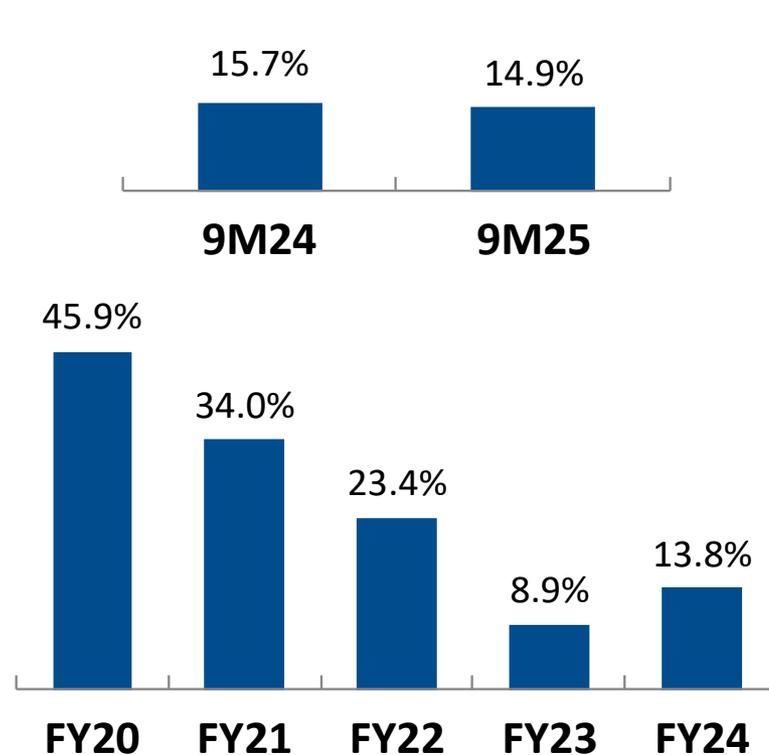
Cathay United Bank – Offshore earnings

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

Offshore earnings



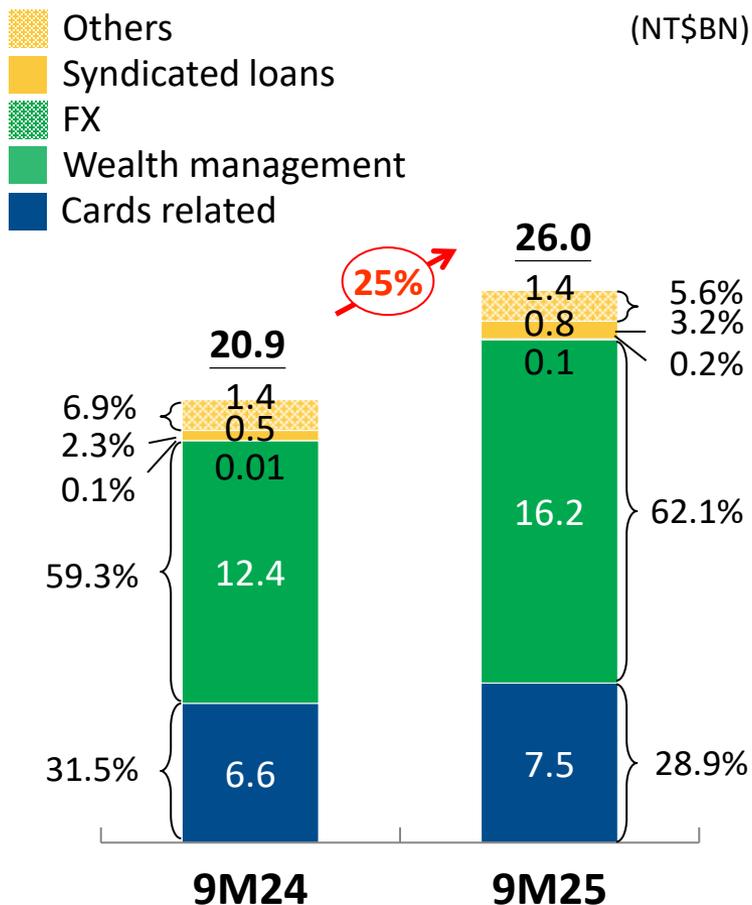
As % of CUB pre-tax profits



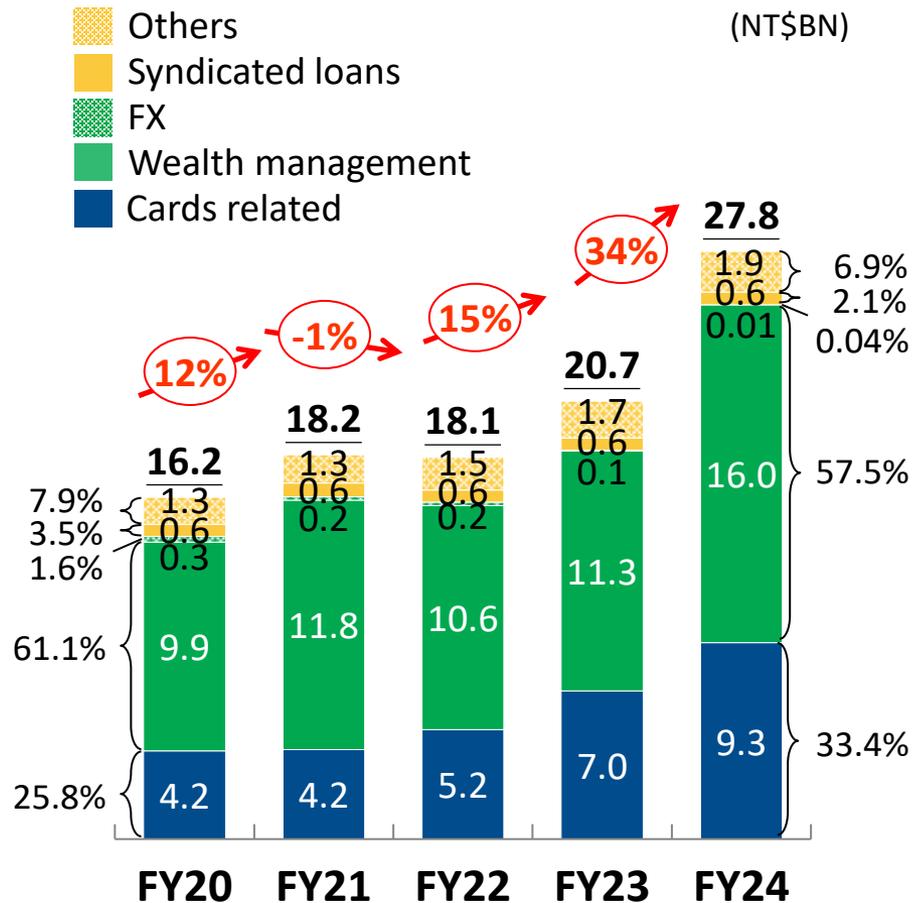
Cathay United Bank – Net fee income

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

Quarterly net fee income



Annual net fee income

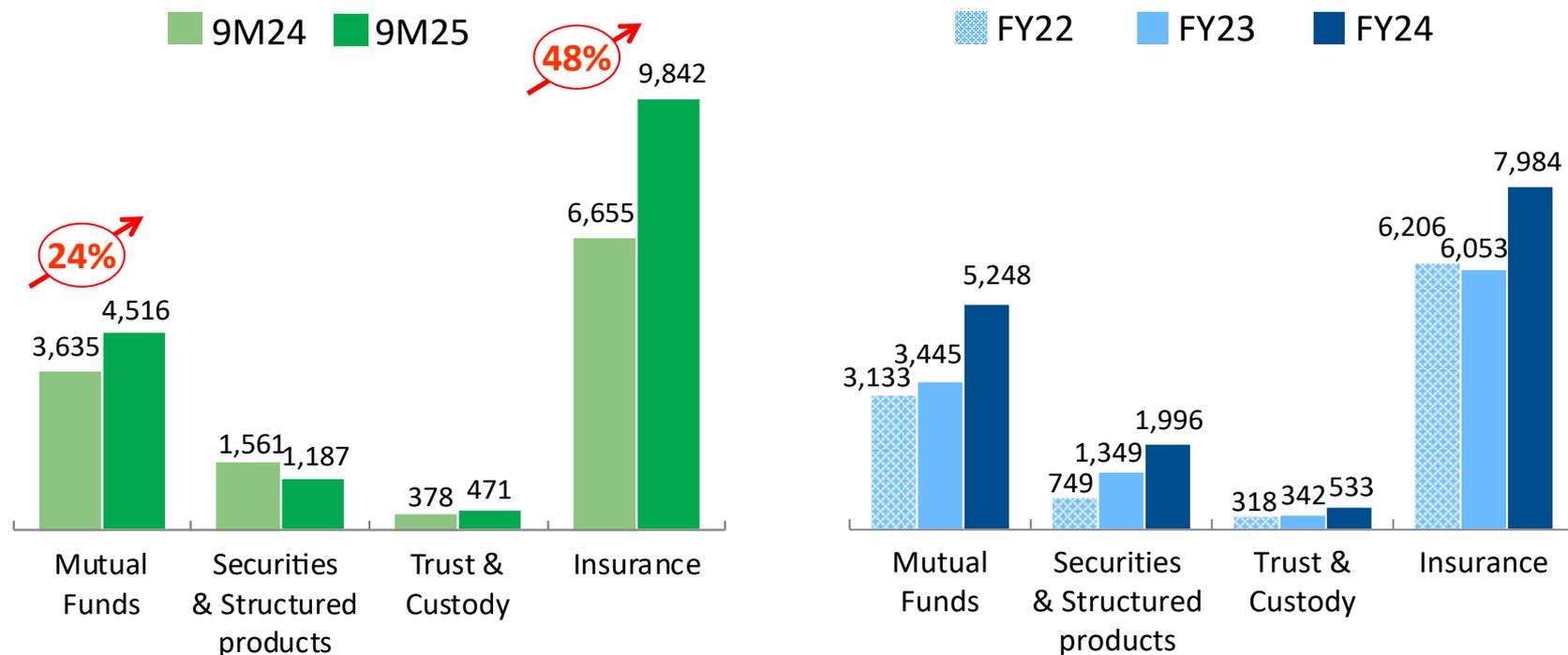


Cathay United Bank – Wealth management fees

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

Wealth management fees breakdown

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



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Cathay United Bank

Cathay Life

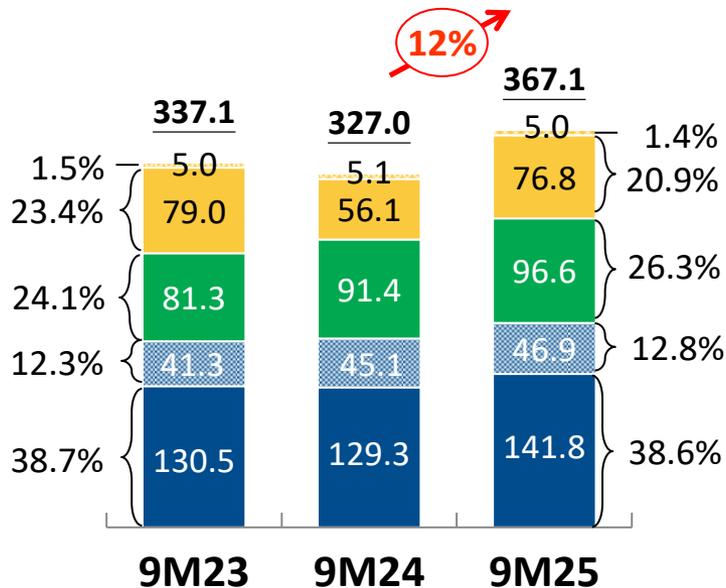
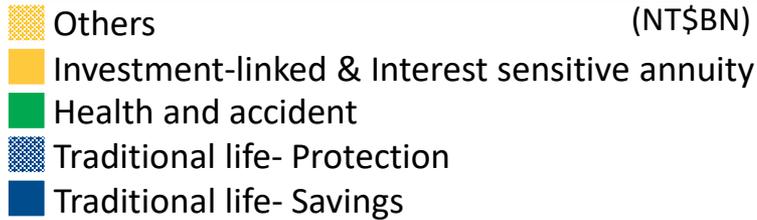
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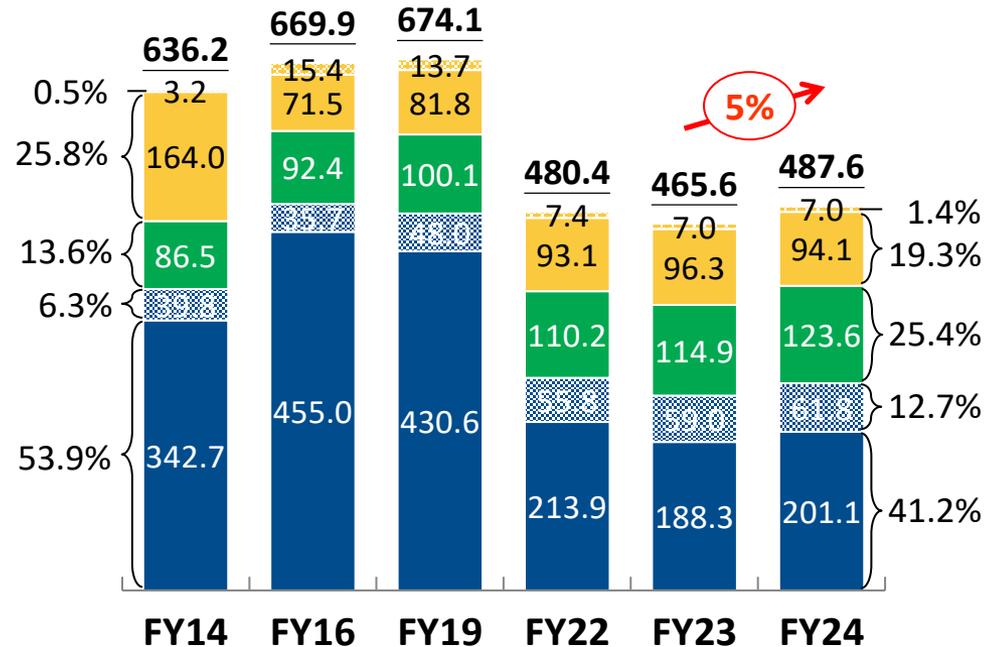
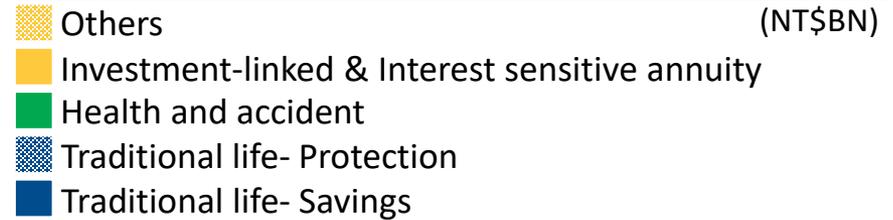
Cathay Life – Total premium

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

Quarterly total premium



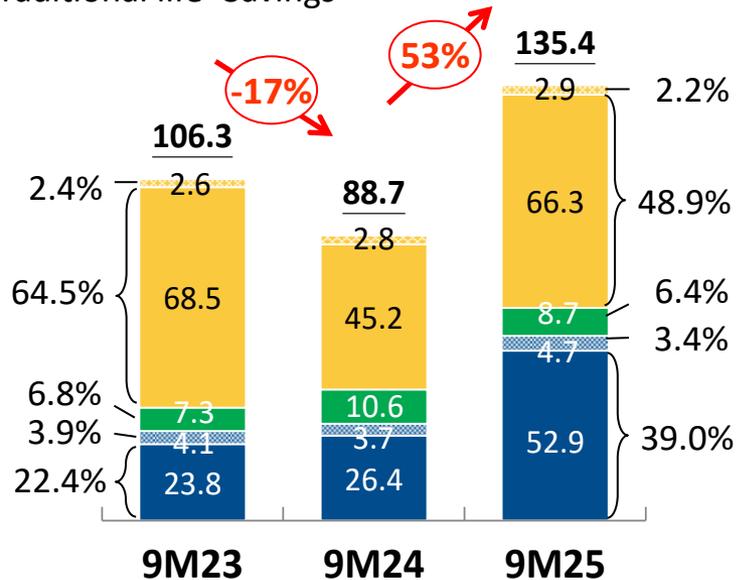
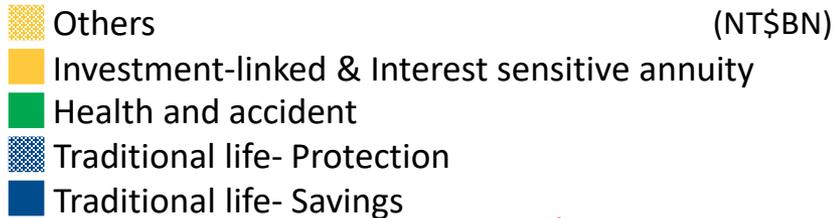
Annual total premium



Cathay Life – FYP & APE

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

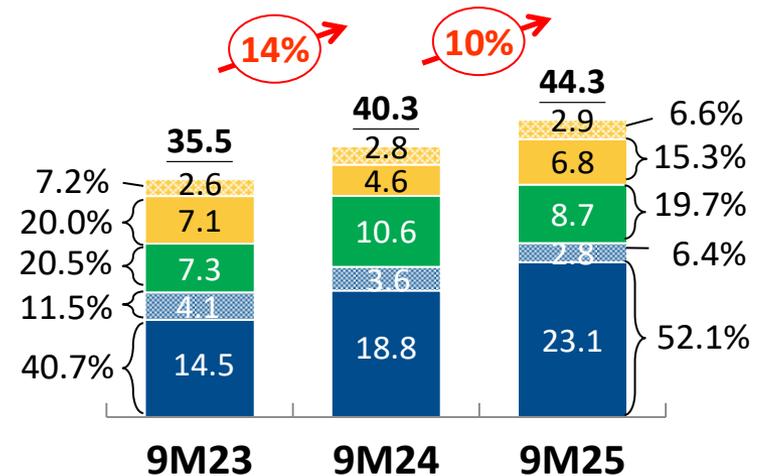
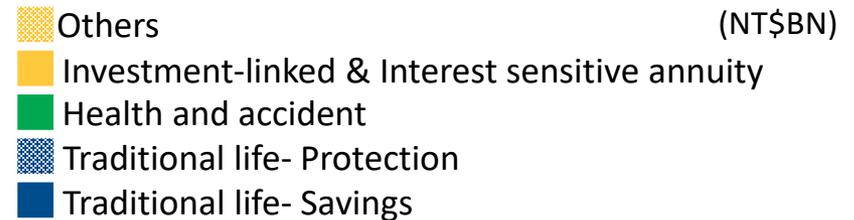
First Year Premium



FX polices % (excl. Investment-linked)

9M23	9M24	9M25
54%	55%	75%

Annualized FYP (APE)



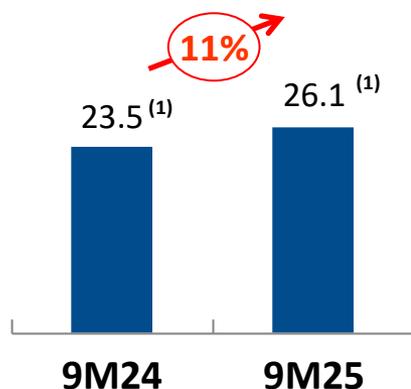
Cathay Life – Value of new business

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

Value of new business

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

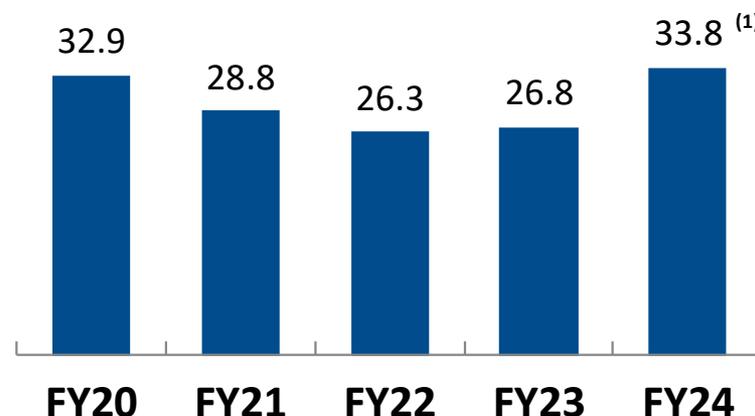
(NT\$BN)



Value of new business (annual)

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

(NT\$BN)



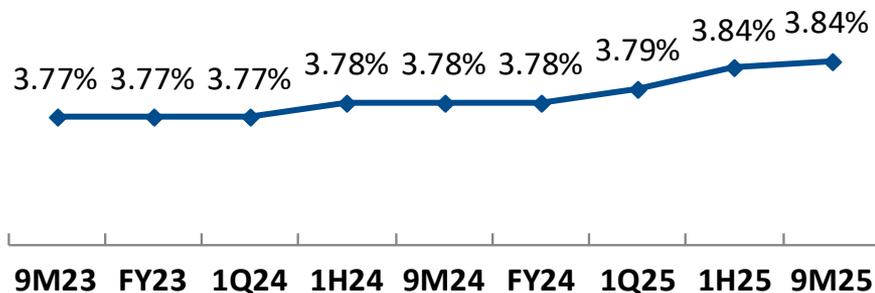
Note: (1) 9M24、FY24 and 9M25 VNB were based on 2024 Embedded Value assumptions.

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

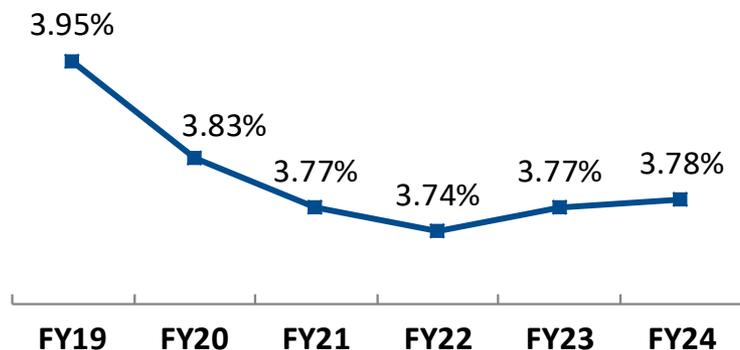
Cathay Life – Cost of liability and break-even asset yield

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

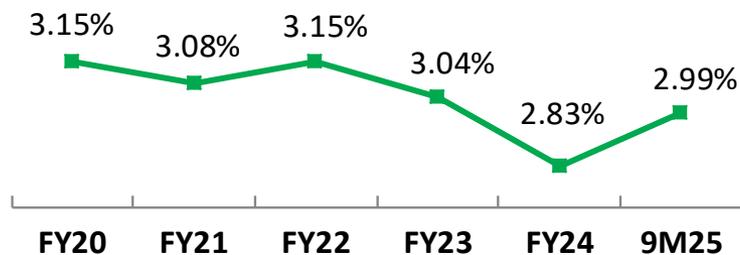
Cost of liability (quarterly)



Cost of liability (annual)



Break-even asset yield



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

Cathay Life – Investment portfolio

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

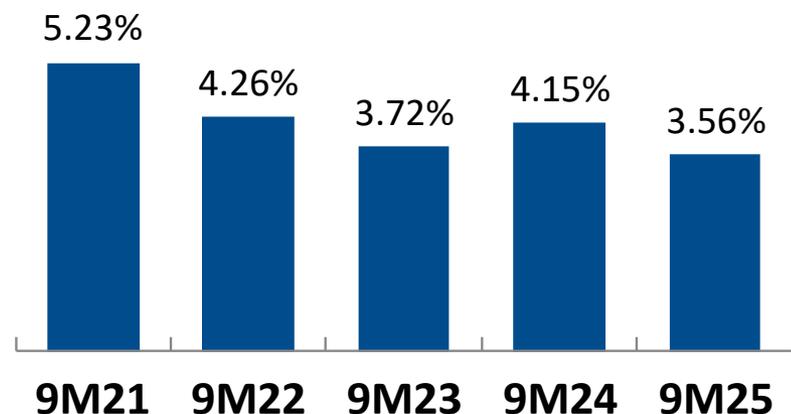
Note: (1) Total assets excluded separate account assets.

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

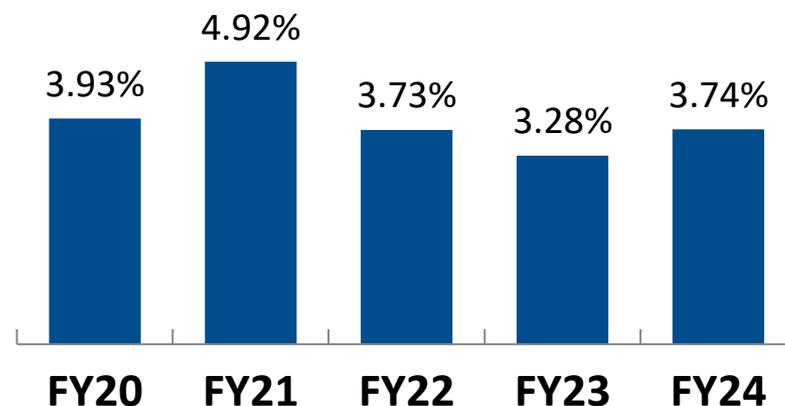
Cathay Life – Investment performance highlights

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

After-hedging investment yield



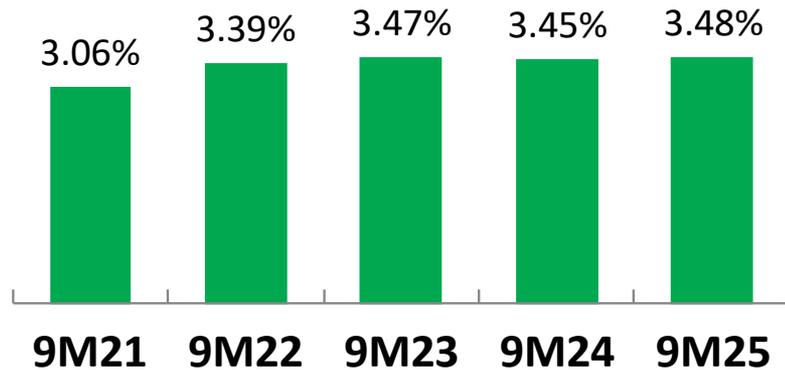
After-hedging investment yield



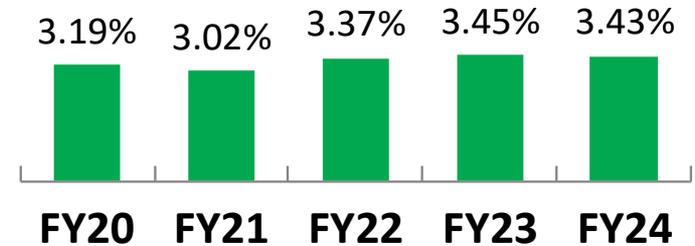
Cathay Life – Investment performance highlights

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

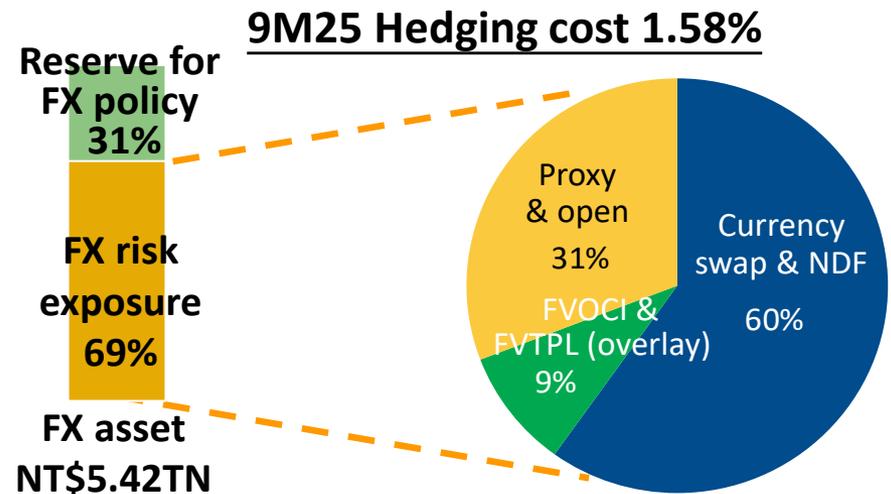
Pre-hedging recurring yield



Pre-hedging recurring yield



FX asset hedging structure



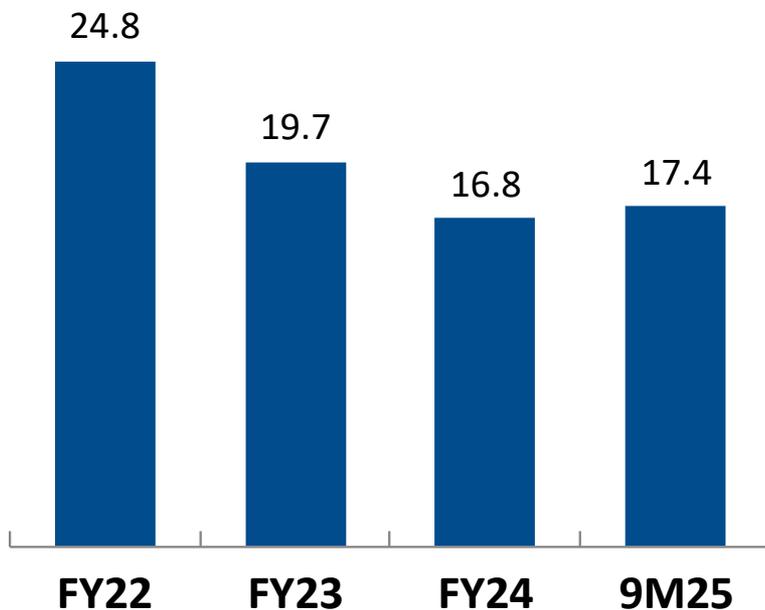
Note: Pre-hedging recurring income doesn't include capital gains but interest revenue, cash dividend and rental income. Yields for the aforementioned were 3.02%, 0.29% and 0.16% in 9M25 ; and 3.02%, 0.26% and 0.16% in 9M24, respectively.

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

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

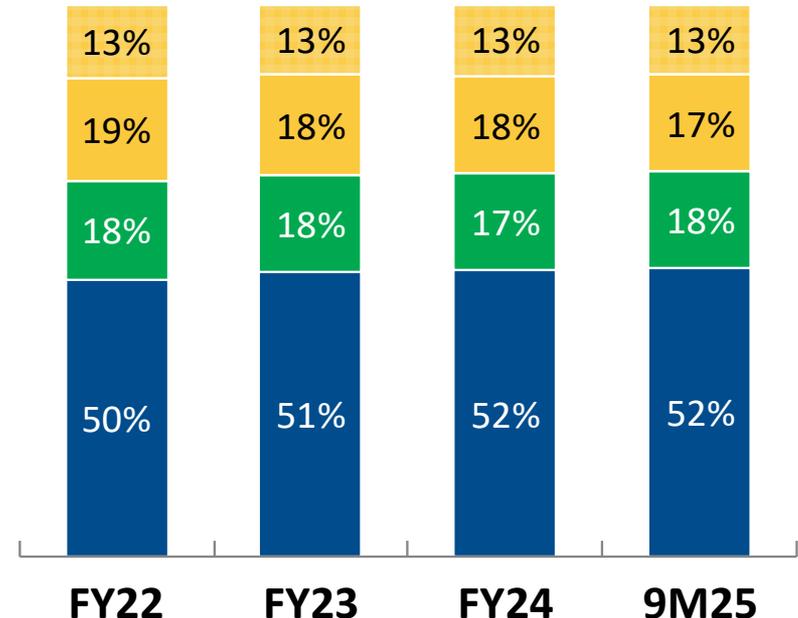
Cash dividend income

(NT\$BN)



Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America

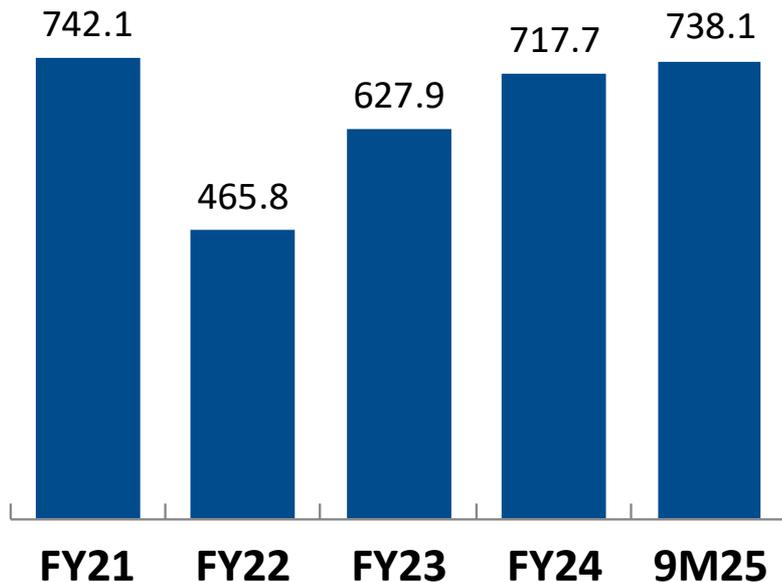


Cathay Life – Book value & unrealized G/L of financial assets

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

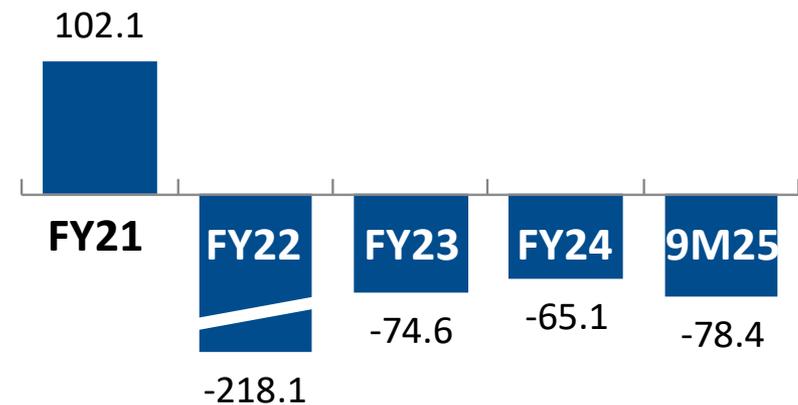
Book value

(NT\$BN)



Unrealized G/L of financial assets

(NT\$BN)

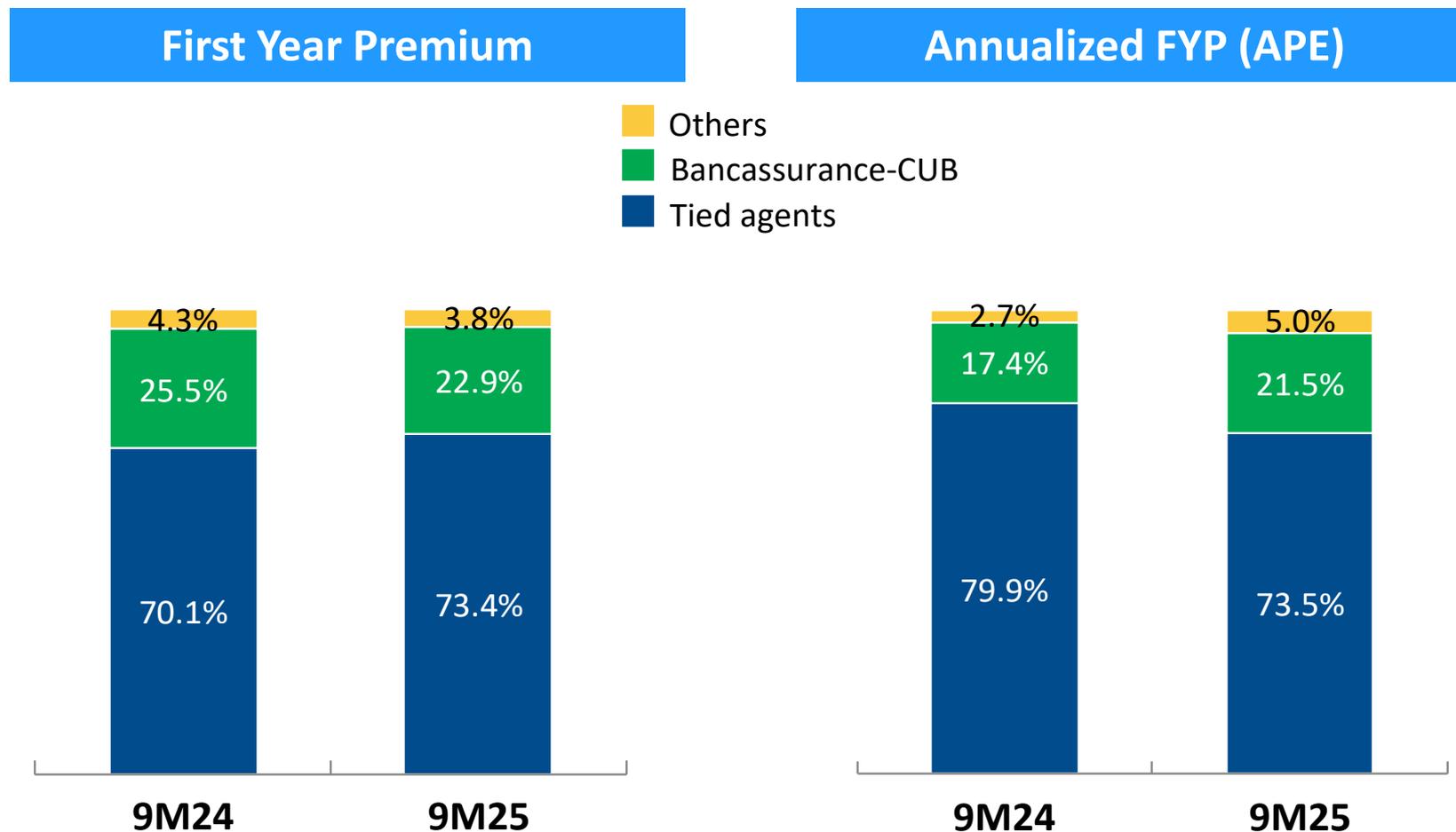


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

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

Cathay Life – Distribution channels

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

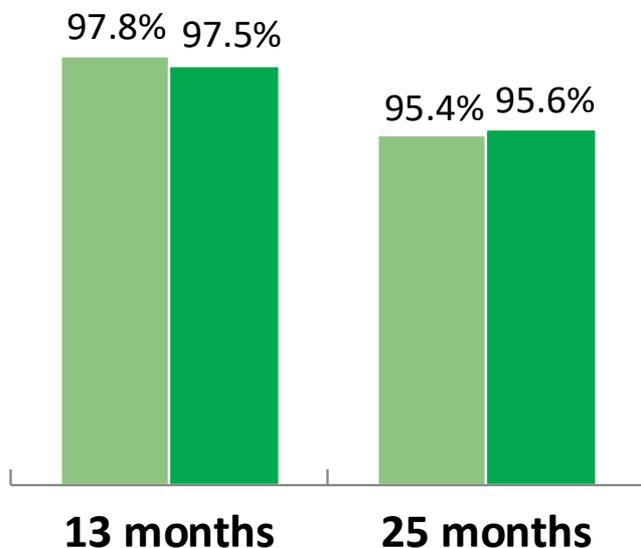


Cathay Life – Operational indicators

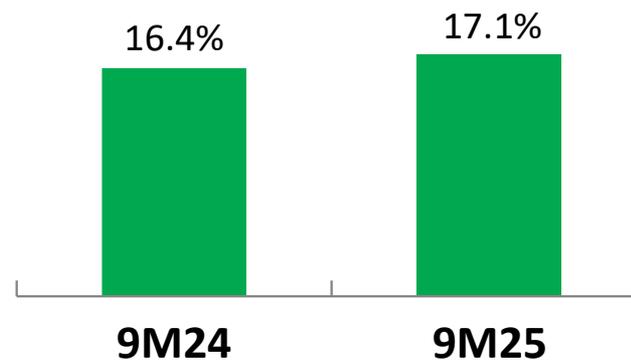
- Persistency ratio remained high, exceeding 95%.
- Expense ratio increased YoY, due to higher distribution costs driven by strong sales of USD-denominated savings and investment-linked products.

Persistency ratio

■ 9M24 ■ 9M25



Expense ratio

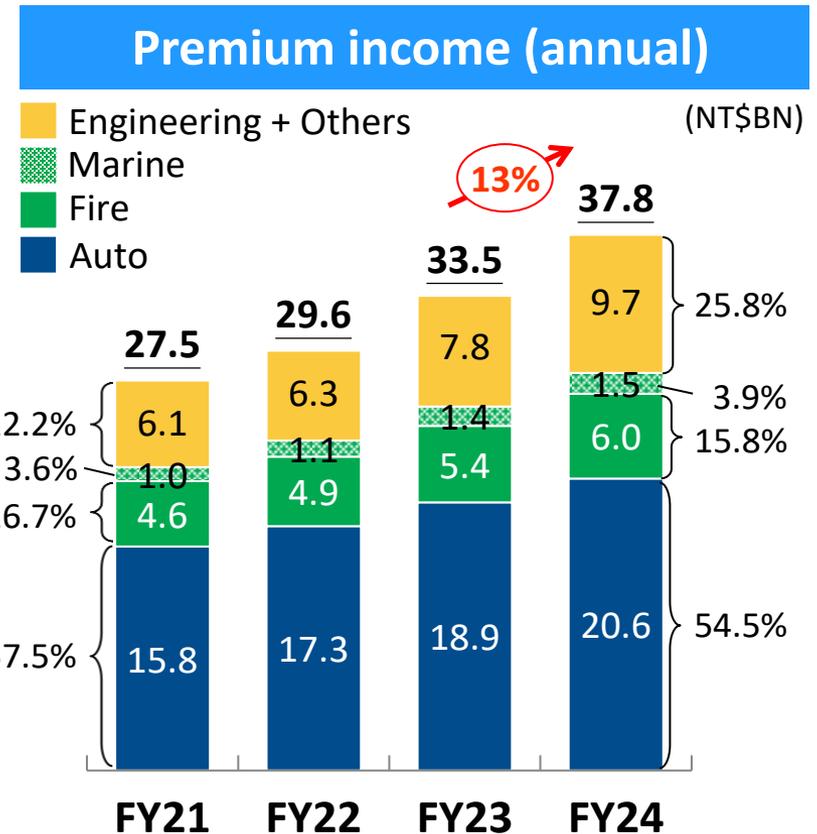
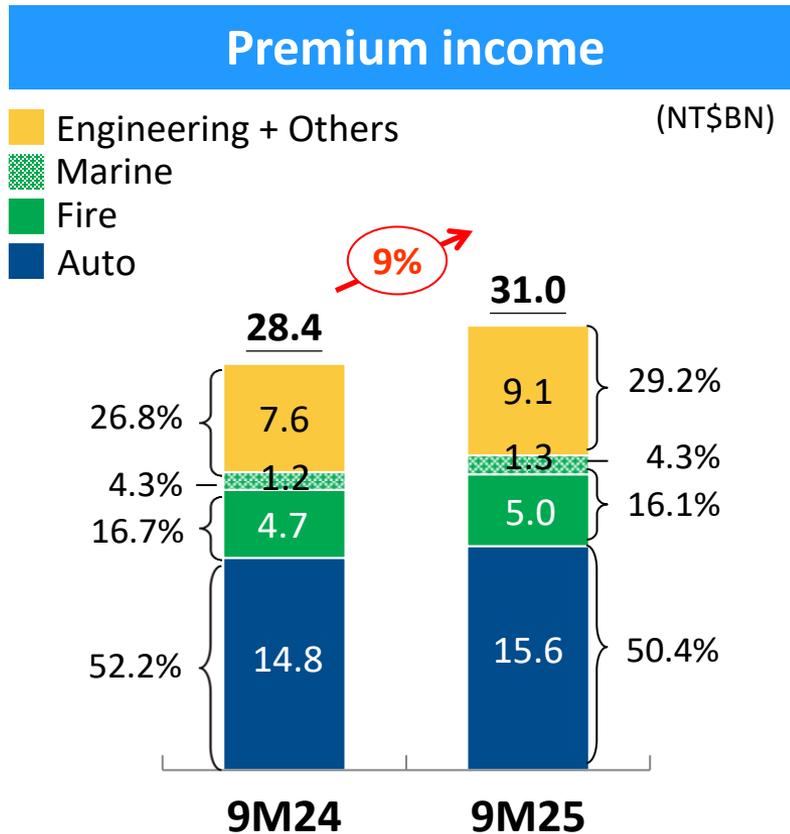


Agenda

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

Cathay Century – Premium income

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



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

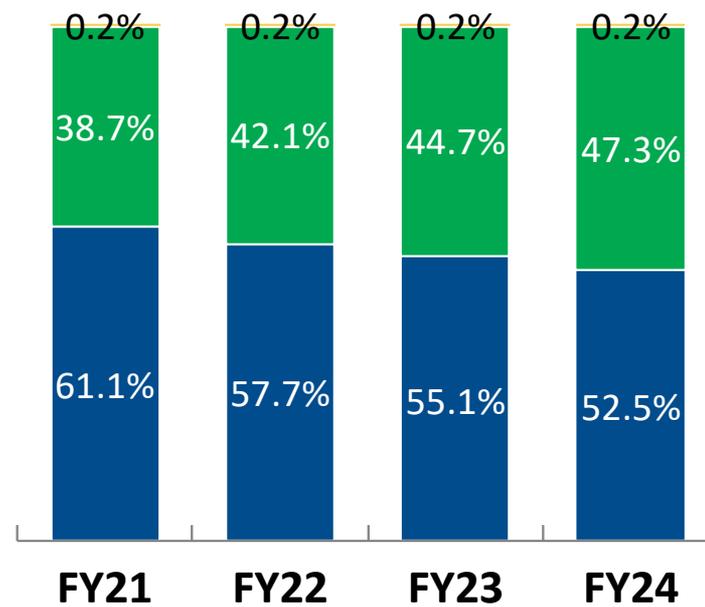
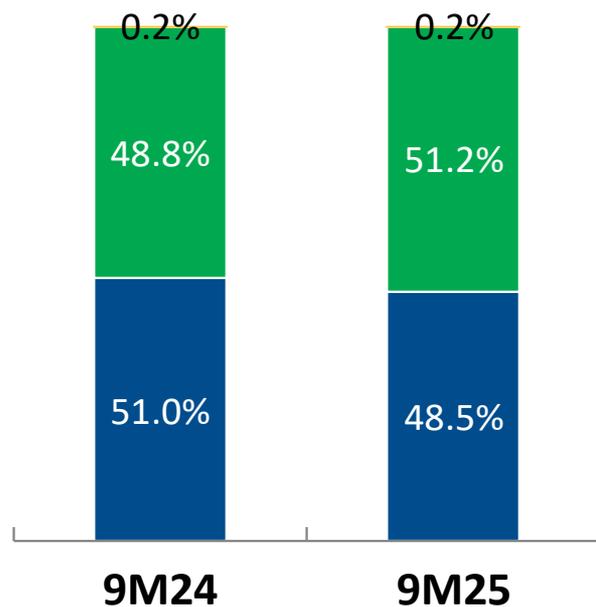
Cathay Century – Distribution channels

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

Distribution channel

Distribution channel (annual)

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

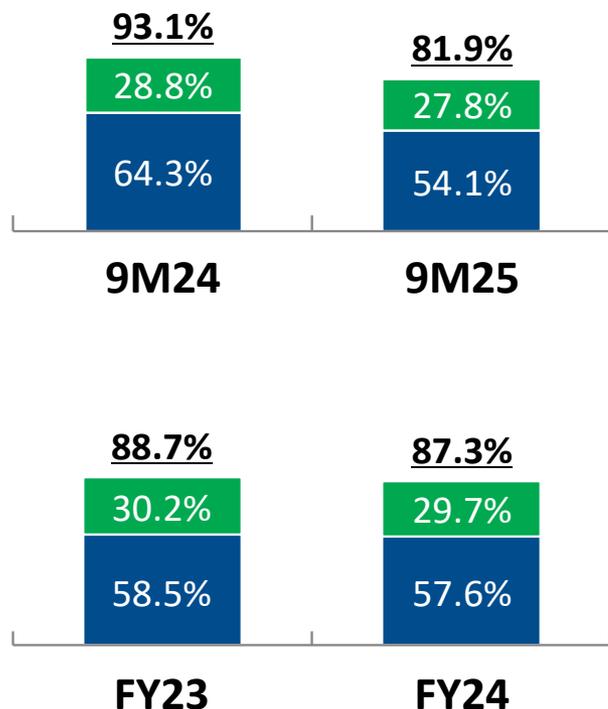


Cathay Century – Combined ratio

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

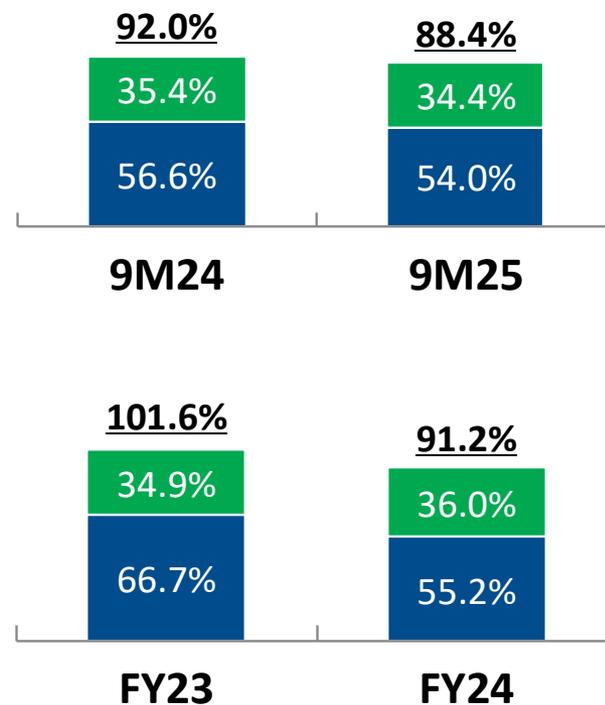
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio

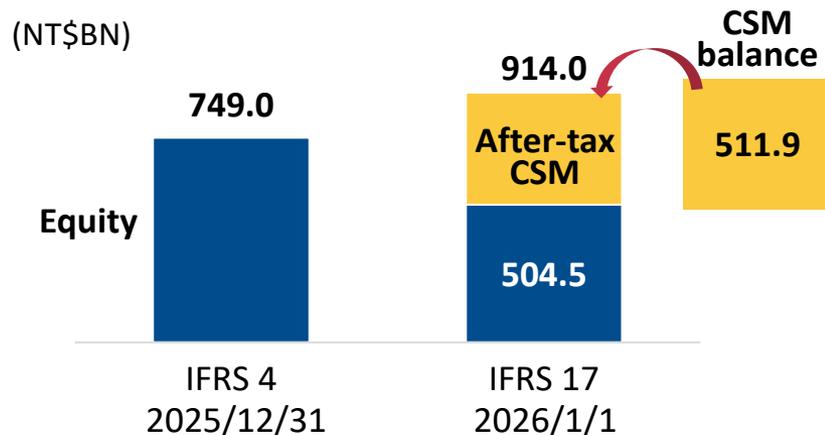


Agenda

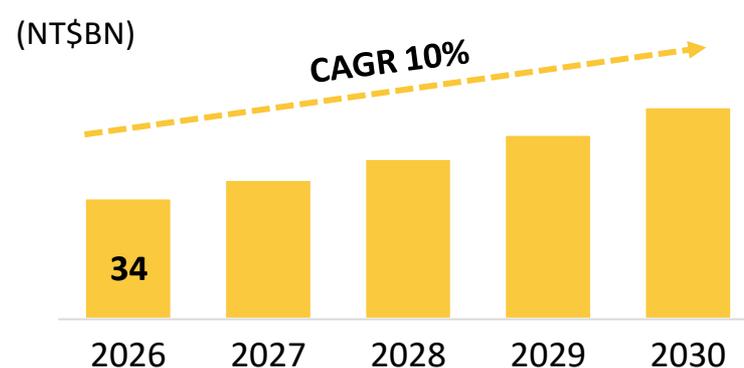
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Cathay Life – IFRS 17 transition highlights

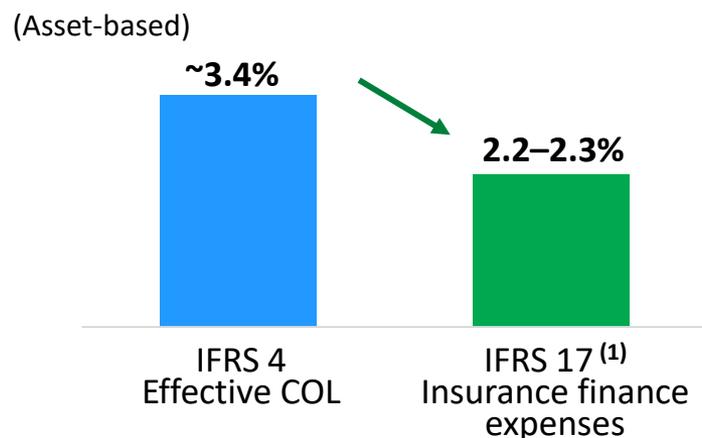
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



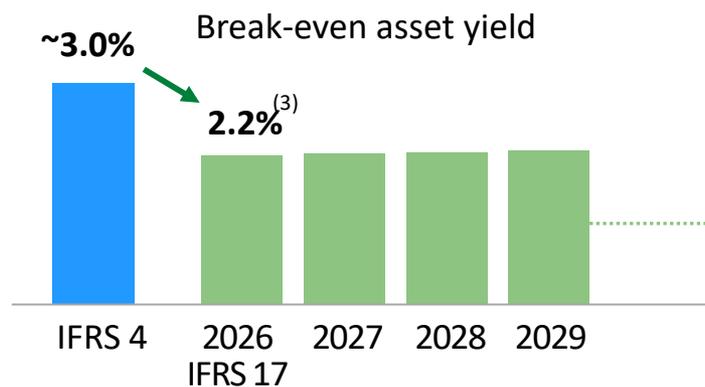
Growing CSM⁽²⁾ release supports future earnings



Lower liability costs support a stable positive spread

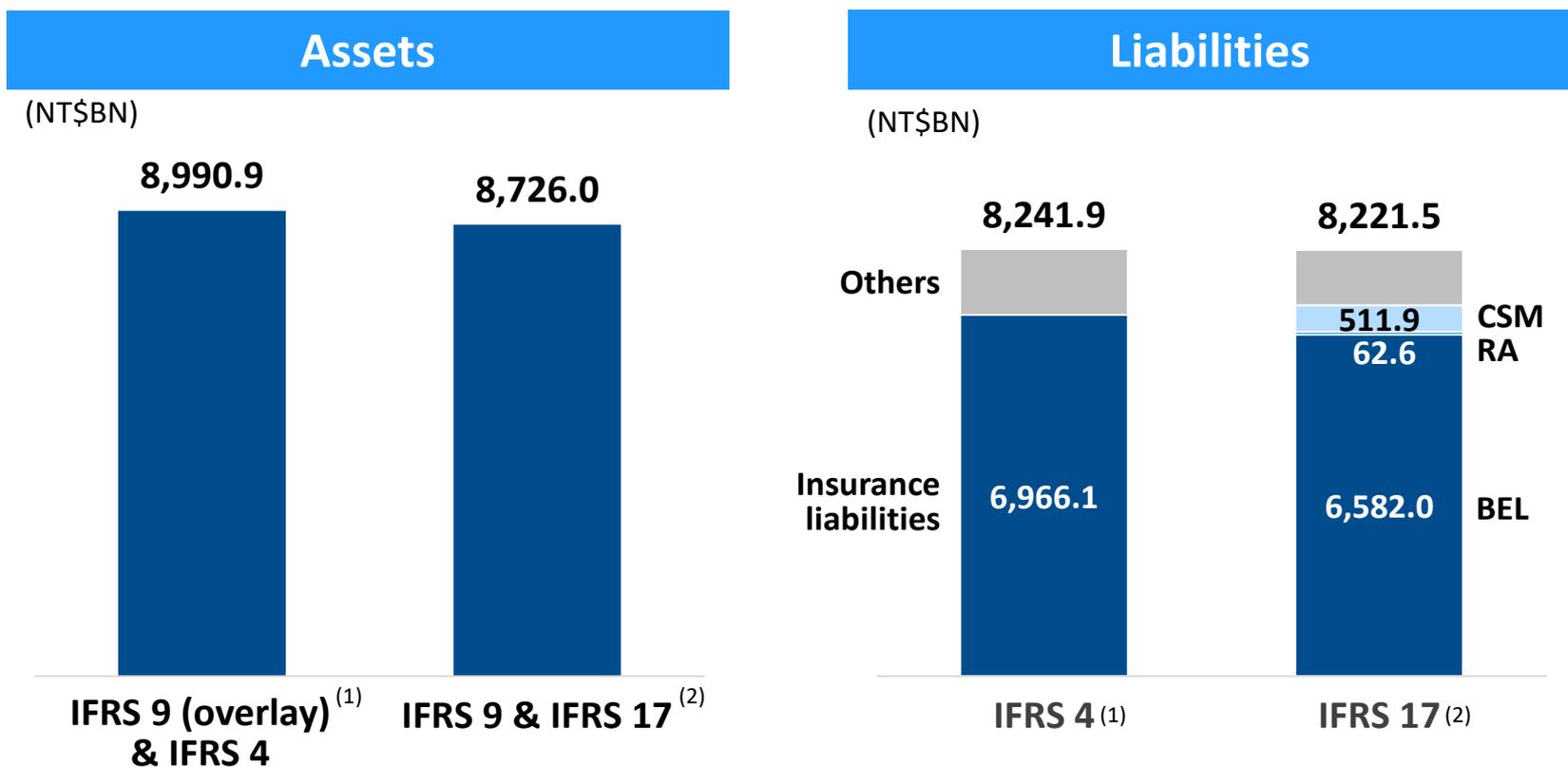


Increasing CSM release helps stabilize break-even asset yield



Key balance sheet changes at transition

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



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

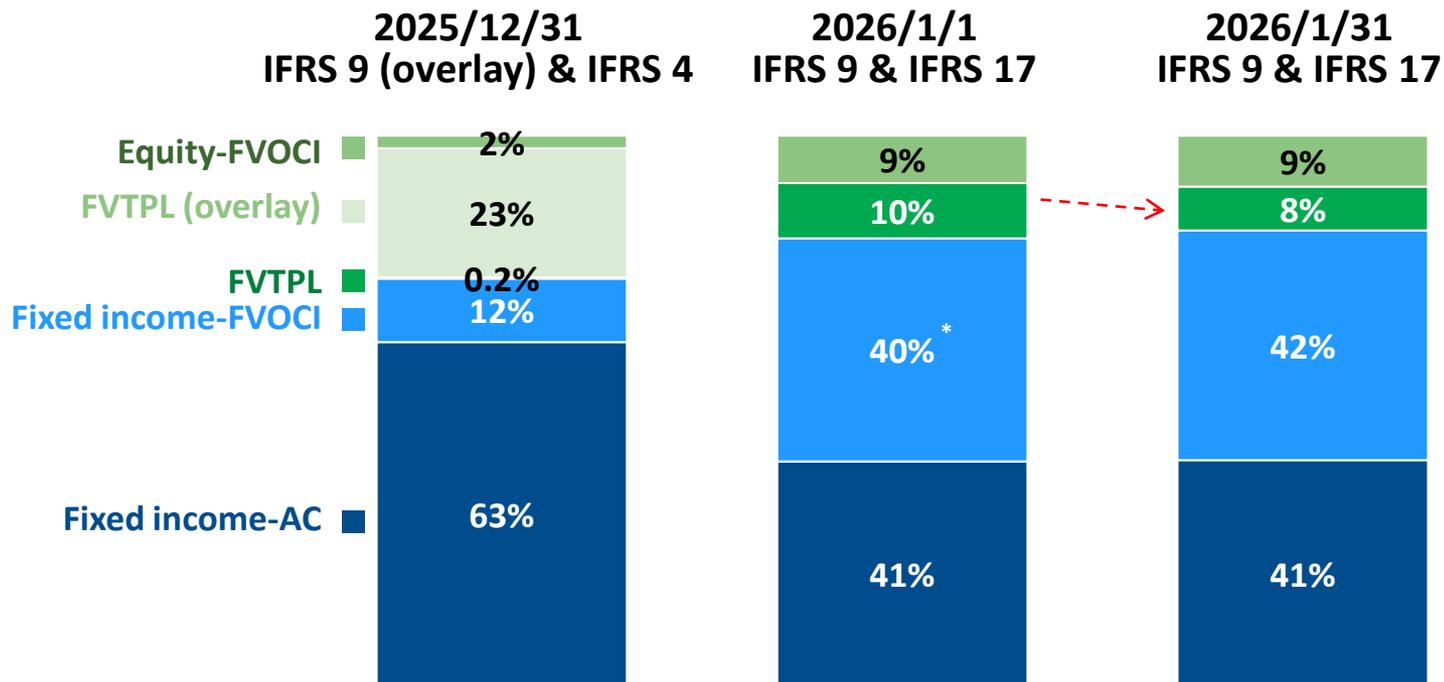
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.

RA (Risk Adjustment): Compensation for bearing uncertainty arising from non-financial risks in insurance contracts.

Financial asset redesignation to align with liabilities & ALM

- Financial assets were redesignated to align with liabilities, considering NTD-USD interest rate dynamics.
 - USD liability portfolio: USD assets aligned under ALM, with the majority classified as FVOCI.
 - TWD liability portfolio: certain fixed-income assets remained at AC to mitigate equity volatility.
- FVTPL equity previous under the overlay approach were redesignated to FVOCI to reduce earnings volatility.
- Selective redesignation to FVTPL for portfolio repositioning, followed by redeployment into higher-quality assets to enhance recurring income and capital efficiency.

Financial asset redesignation

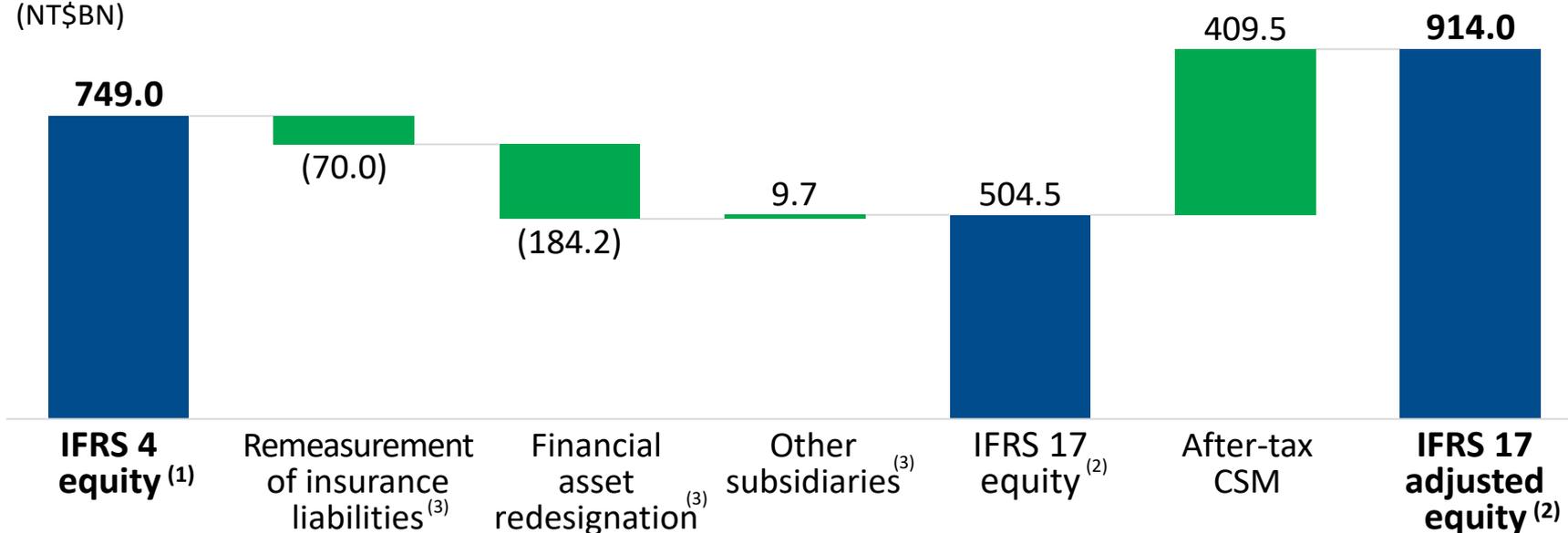


Adjusted equity better reflects economic value

- The one-off equity impact mainly reflects the remeasurement of NTD high-guaranteed-rate policies using current market interest rates.
- CSM represents future insurance profits. Adjusted equity (incl. after-tax CSM) better reflects economic value.
- Adjusted equity totals NT\$914.0bn, exceeding the IFRS 4 level.

Changes in equity at IFRS 17 transition

(NT\$BN)



E/A ratio 9.4%

6.8%

11.9%

IFRS 17 enhances earnings transparency and predictability

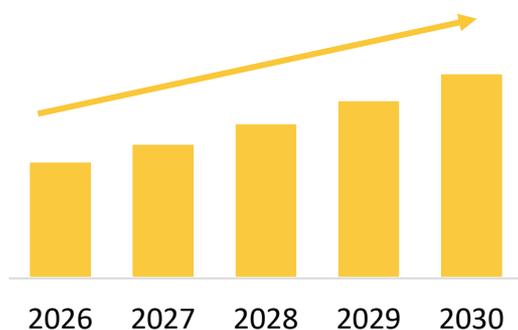
- ❑ CSM release becomes a key driver of earnings.
- ❑ Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- ❑ FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- ❑ Overall earnings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

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
Revenues	<ul style="list-style-type: none"> Premium income Investment income (incl. realized gains of equity investment w/overlay) 	Insurance service result	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Incurred claims Changes in insurance policy reserves Expenses 	Financial result	<ul style="list-style-type: none"> Investment income (net of hedging cost) Insurance finance expenses 	2 Interest spread
Net income		Other operating result	<ul style="list-style-type: none"> Other income Other expenses 	3 ILP fee income, indirect expenses, and mortality–interest spread offset reserve
OCI	<ul style="list-style-type: none"> Changes in FVOCI assets 	Net income		
		OCI	<ul style="list-style-type: none"> 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 realized gains

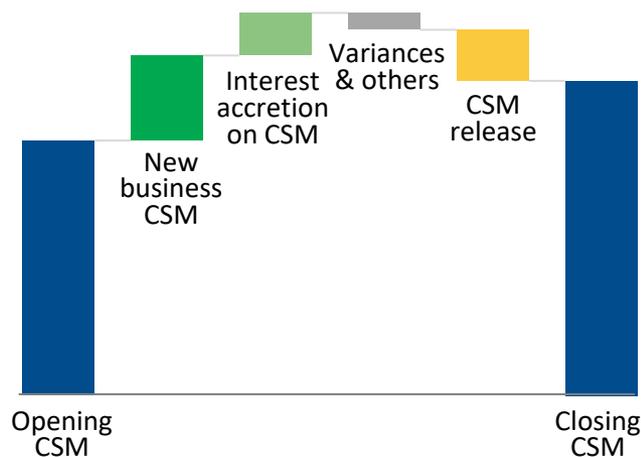
CSM contribution to earnings increase over time

- 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 overtime.

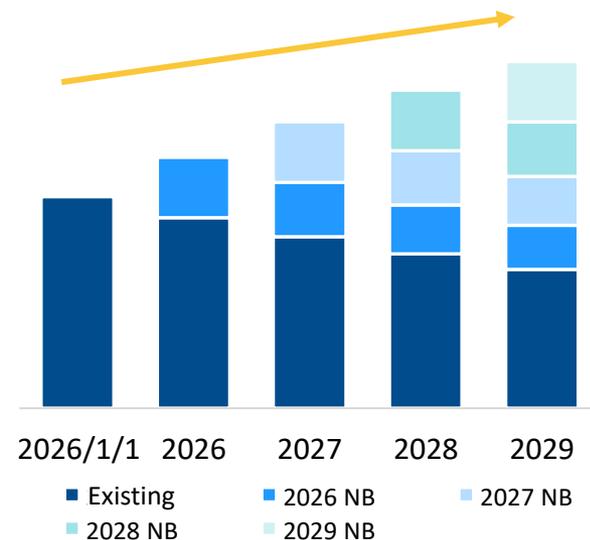
Illustrative underwriting profit*
(% of earnings)



Illustrative CSM movement



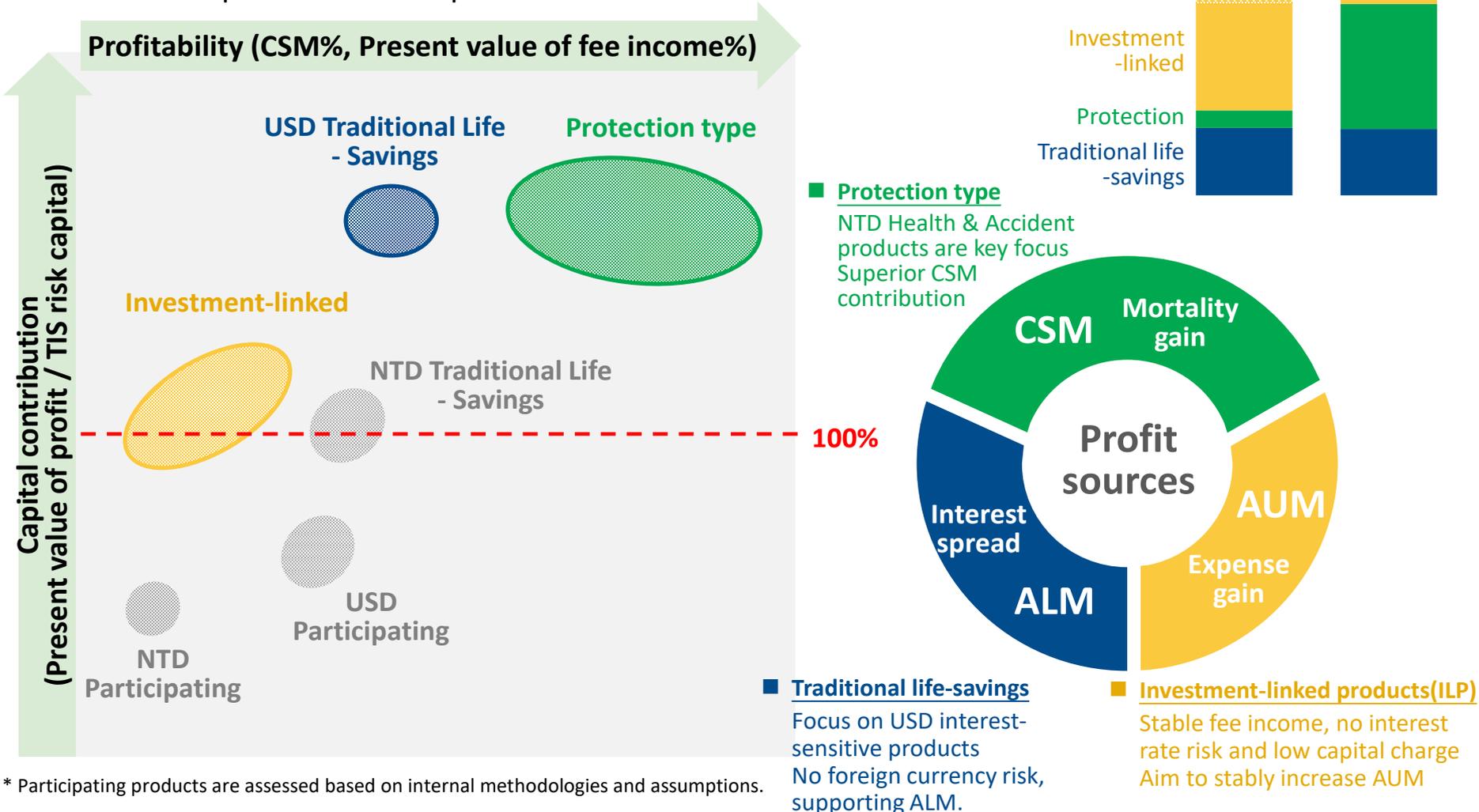
Illustrative CSM balance



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

Product strategy focused on CSM and capital contribution

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

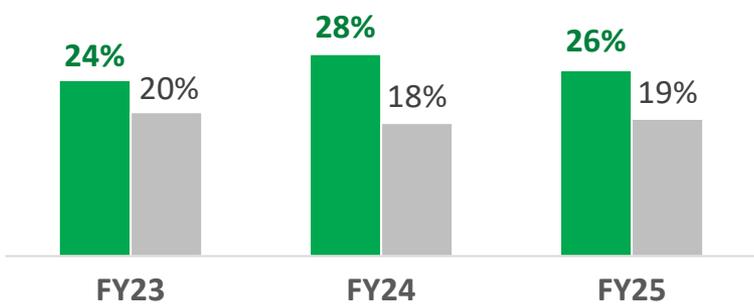


Distribution strength and health ecosystem support NB CSM

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

Health insurance* sales support NB CSM

■ Health insurance FYP market share ■ Total FYP market share



FitBack health promotion program

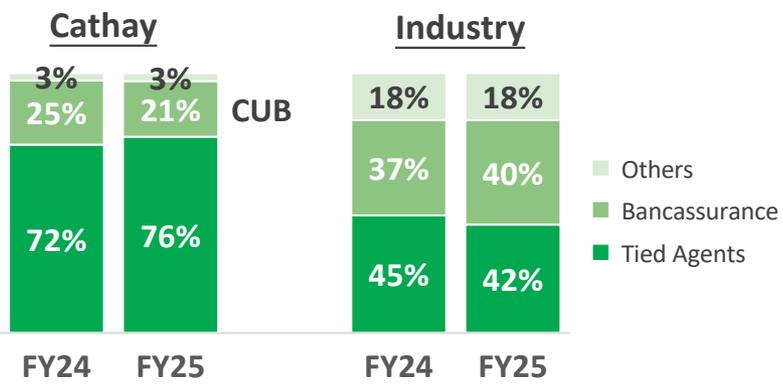
Compensation >>> Prevention

Members > 1.7mn

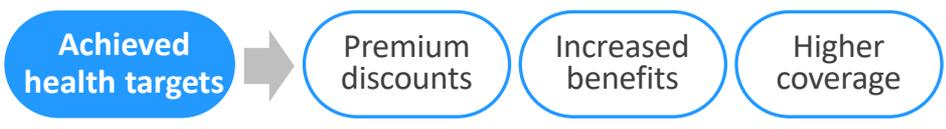
Health goal tracking: steps, heart rate, sleep, fitness

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

Strong distribution (FYP by channel)



Industry-leading scale in spillover insurance products



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



Strengthening ALM to manage balance sheet volatility



Asset allocation strategy

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



ALM & risk management

USD liability portfolio:

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

NTD liability portfolio:

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

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

Cathay Life – Key messages from IFRS 17 transition

CSM & Equity

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

Profitability

- Strong new business CSM generation supports earnings.
- Cost of liabilities (insurance finance expense) 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

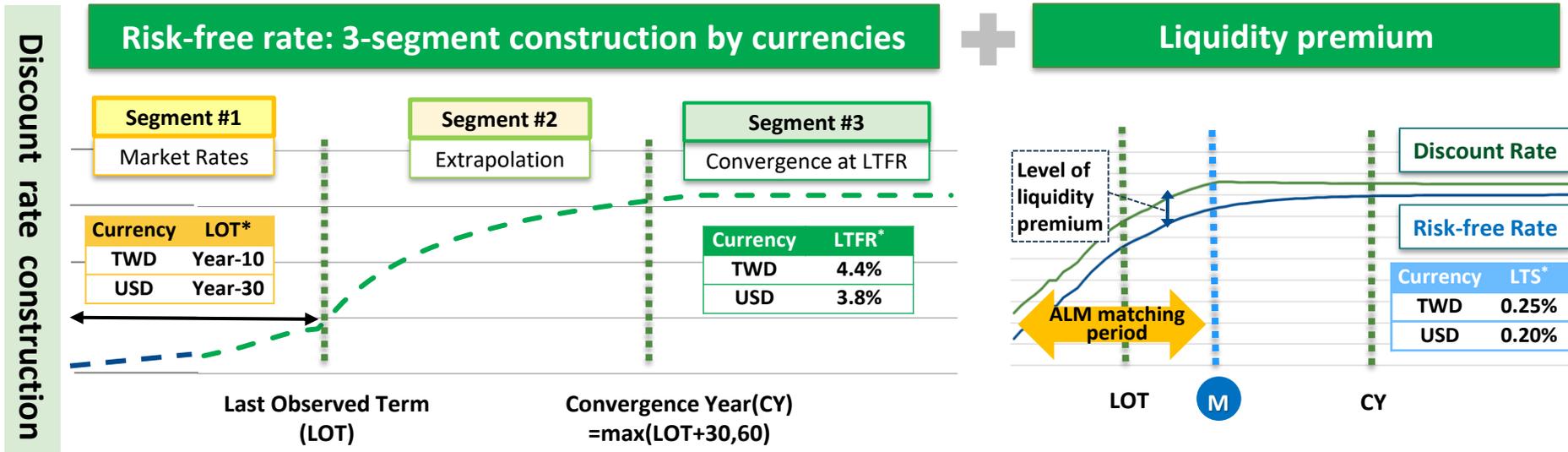
- Strengthened ALM and risk management capabilities support financial resilience and mitigate equity volatility.

Capital

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

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.

New solvency regime TIS: Higher capital requirements

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

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

TIS: Transitional measures ease capital pressure

Transitional measures on Capital Resource

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

Transitional measures on Required Capital

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

Localization

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

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

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Renowned corporate sustainability performance

Global

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Included in
DJSI World & DJSI EM



FTSE4Good



Gender-Equality Index



First Taiwan FI



Asia 6th approval



2022 & 2023 ICAPs

Global best practice



1st in Asia

Taiwan

Top-20%
Corporate Governance

Over 1,000 listed companies

TWSE Corporate Governance Evaluation



No. 1 Large Cap & Financial in 2025



First Prize in Finance & Insurance
in 2025



2025 Taiwan Corporate
Sustainability Awards

Cathay's sustainability strategies and goals



Climate

Low-carbon economy

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

Sustainable environment

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



Health

Health promotion

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

Financial health

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



Empowerment

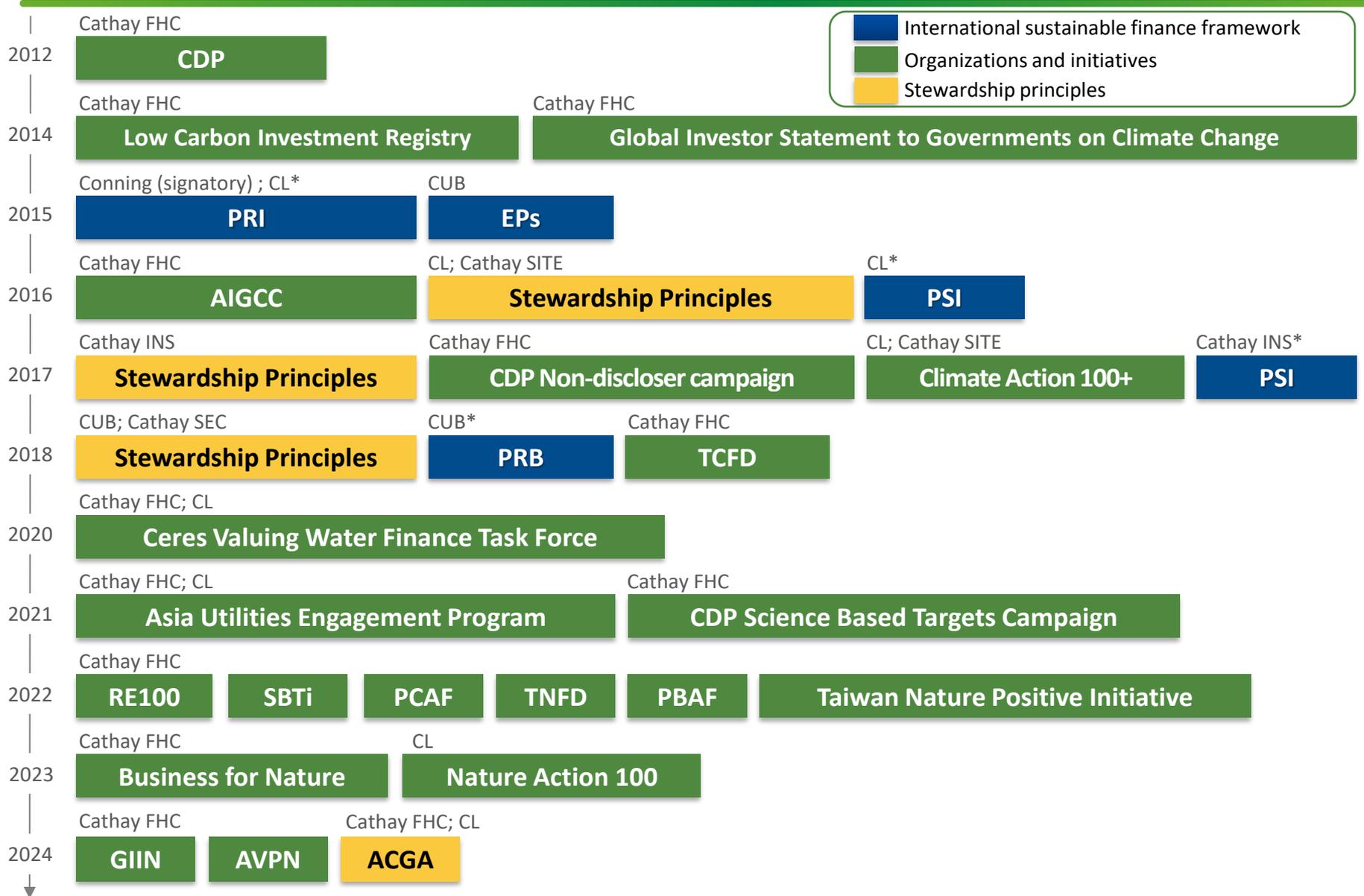
Workplace Empowerment

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

Social Empowerment

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

Participation in global ESG initiatives



Cathay FHC's commitment to net-zero carbon emissions



Low-carbon operation transition since 2017

RE100



Became an RE100 member



SCIENCE BASED TARGETS

Received SBTi validation of carbon reduction

2018

Disclosed carbon footprints in investment portfolio

2019

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

2020

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

2022

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

2025

100% renewable energy for headquarters

2030

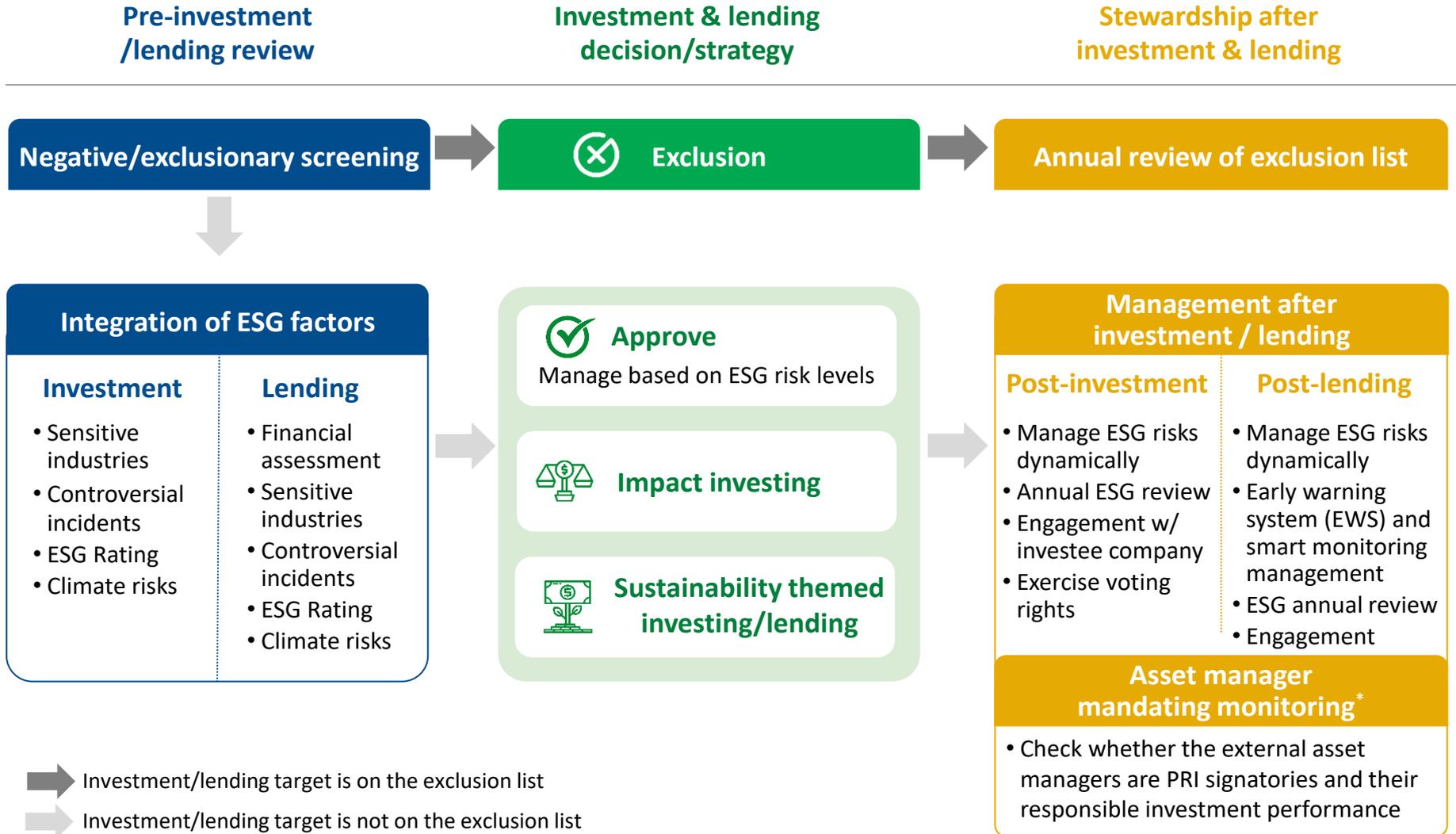
100% renewable energy for all locations in Taiwan

2050

Net-zero carbon emissions

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

Integrating ESG into responsible investment and lending



*Cathay Life, Cathay Century, and Cathay SITE

Leveraging financial competence to support sustainability

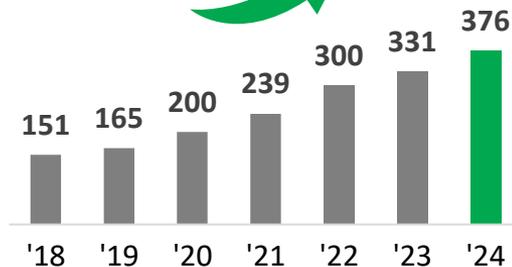
2024 Sustainability themed investment / lending

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

Low-carbon investment/lending grew YoY

(NT\$bn)

CAGR 16%



Define low-carbon sectors based on Low Carbon Registry Taxonomy



Renewable energy



Buildings



Waste recycling



Transportation



Energy-efficiency



Green bonds

Hastening positive environmental change with green products

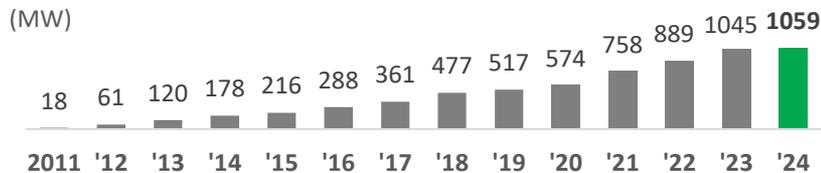
Pioneers in renewable energy financing



Wind Power + Solar Power

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

Total capacity of loan-financed solar power stations installed



Green finance services across markets



Sustainability-linked loan (SLL)

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



Green deposit

Utilized by 49 companies of NT\$38bn+

Green insurance – first in the industry



Renewable energy

cumulative insured amount
since 2010

NT\$ 183bn



Public bicycle

cumulative rider insured
since 2016

303mn

Green landlord

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

Green leasing program



Health promotion – expanding the health ecosystem

FitBack app health promotion program

動不動就健康
FitBack
健康吧



Compensation ▶▶▶ Prevention

FitBack wellness platform to encourage a healthier living

Track health habits



steps



heart rate



sleep



fitness

Health ecosystem

Nutrition & dietary

Fitness programs

Health advisory

Long-term care

Expand influence

Policyholders

General public

Employees

Industry-leading scale in spillover insurance policies

Achieved health targets

Premium discounts

Increased benefits

Increased insured amount

All health policies embed spillover mechanisms
FitBack + Group insurance with **60 corporates**



Every step counts for charity

步步攻億走

Every step counts

一起 讓走路有意義



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



658k participants with **164.5bn steps**

NT\$19.7mn charitable funds

3 green power mechanisms, generating **2.13mn kWh**

Green electricity proceeds reinvested in communities

Financial health – financial inclusion



Small amount whole life insurance

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



Microinsurance

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



Elderly-friendly products

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



Microfinance

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



accessibility via digital platforms



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



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



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



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

Building a DEI workplace – a place for all

Create an inclusive workplace – key actions



Wholeness @ Cathay

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

Well-being: family, maternity, health, leave

Hybrid: flexible career pacing

Organization cultural: inclusive & diverse

Listening: dialogue & engagement

Empowerment: career transformation



Generations @ Cathay

Facilitate cross-generational understanding and collaboration

Communication: dialogue & peer learning

Co-creation: reverse mentoring & activities



Aging @ Cathay – “ReNew”

Sustainable career development and transitions for senior employees

Re-skilling: new skills & transformation

Needs: health & personalized care

Engagement: knowledge transfer

Workforce: post-retirement talent pool

“Career FlexiPacing” support

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



Flexible WFH arrangement



Continue to upskill via online courses



Cloud-based library for continuous learning



Employee Assistance Program (EAP)

Women empowerment



69%
women employees



54%
women in manager positions



47%
women employees in STEM



23%
women on the Board of Directors

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

Empowerment: youth, women and disadvantaged

Youth empowerment

Financial literacy



Education on financial knowledge and career

Impact investing



Campus tour to educate impact investment

Women empowerment

Female power



WiST — promoting diversity and female leadership in STEM

Climate change



Cathay Climate Change Youth Forum & Taiwan climate action expo

Disadvantaged support

Elderly care



Aging & community engagement



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

Critical thinking



Lead for Taiwan to promote critical thinking by youth

Income inequality



Scholarships, dream programs, and financial education for disadvantaged youth

Outcome and impact

Women

21 female entrepreneurs reached
215 STEM professionals engaged (WiST)

Youth

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

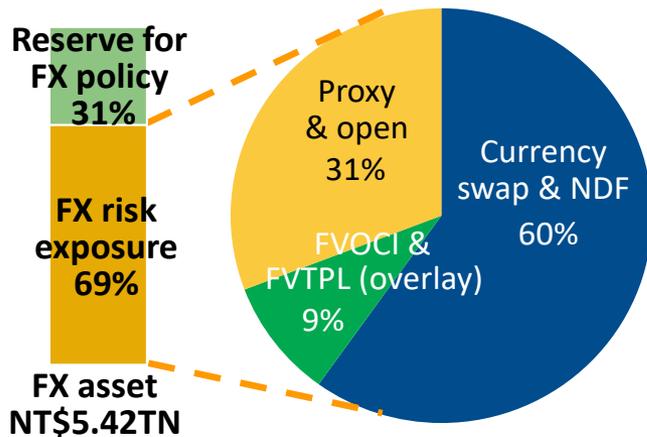
Disadvantaged

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

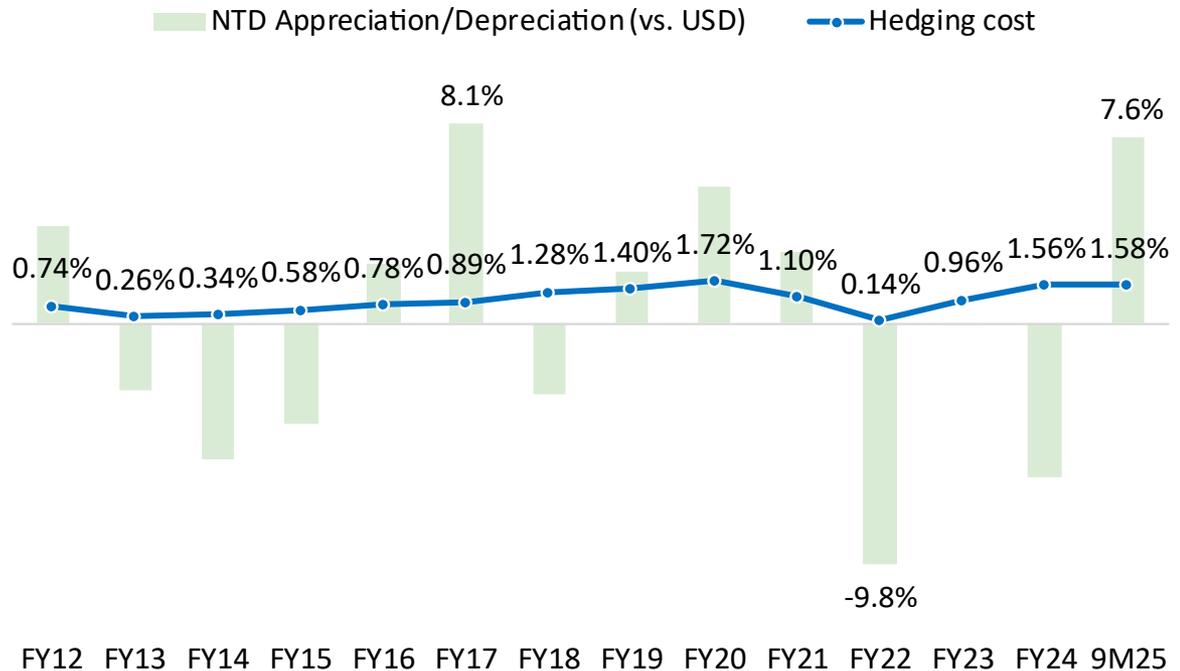
Cathay Life – Dynamic hedging strategy

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

9M25 FX asset hedging structure

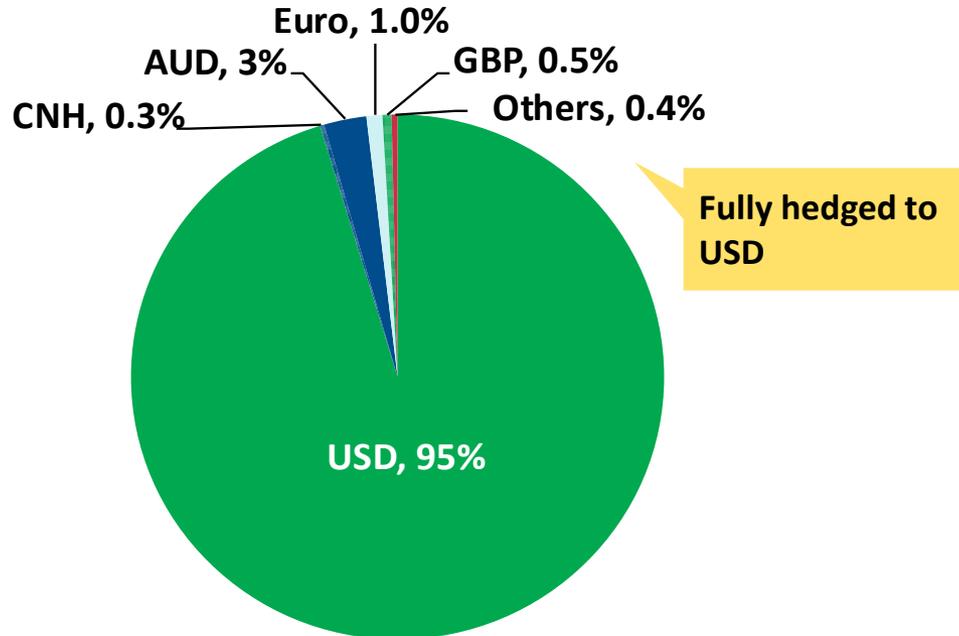


Hedging cost vs. NTD/USD movement

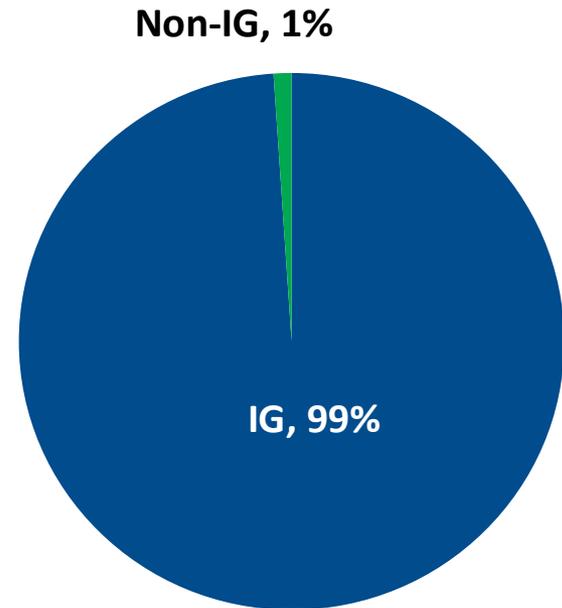


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (9M25)



Overseas bond by rating (9M25)



Cathay Financial Holdings (NT\$MN)	FY24/ FY23			9M25/ 9M24			3Q25/ 3Q24		
Income Statement Data (Consolidated)	FY23	FY24	% Chg	9M24	9M25	% Chg	3Q24	3Q25	% Chg
Operating Income									
Net interest income	245,556	262,122	7%	194,824	198,115	2%	66,647	65,177	-2%
Net commission and fee	9,204	15,076	64%	11,417	11,921	4%	3,988	3,610	-9%
Net earned premium	431,638	462,813	7%	324,684	359,161	11%	119,714	117,994	-1%
Change in liability reserve	(139,104)	(114,344)	-18%	(79,890)	(80,357)	1%	(26,762)	(59,573)	123%
Net claims payment	(461,707)	(498,373)	8%	(360,590)	(350,142)	-3%	(128,658)	(99,385)	-23%
Investment income	39,173	117,374	200%	132,454	40,239	-70%	37,637	29,752	-21%
Contribution from associates-equity method	1,951	2,555	31%	1,707	2,259	32%	664	722	9%
Other net non-interest income	29,656	(2,840)	-	(19,608)	(11,774)	40%	(4,195)	1,063	-
Bad debt expense	(4,103)	(9,279)	126%	(6,364)	(4,949)	-22%	(2,161)	(2,491)	15%
Operating expense	(94,013)	(107,251)	14%	(76,571)	(82,286)	7%	(26,529)	(27,815)	5%
Income before taxes	58,252	127,853	119%	122,063	82,188	-33%	40,343	29,055	-28%
Income taxes	(6,738)	(16,626)	147%	(18,709)	(7,288)	-61%	(8,653)	(65)	-99%
Net income	51,514	111,227	116%	103,354	74,899	-28%	31,690	28,991	-9%
Net income to parent company	50,929	110,270	117%	102,817	74,622	-27%	31,057	28,622	-8%
EPS (NT\$)	3.24	7.29		6.78	4.84		2.12	1.95	
Dividend Payout									
Cash dividend per share	2.00	3.50							
Stock dividend per share	0.00	0.00							
Weighted average outstanding common share (Millions of shares)	14,669	14,669		14,669	14,669				
Balance Sheet Data (Consolidated)									
Total assets	12,810,424	13,767,150		13,312,555	14,242,656				
Total shareholders' equity	801,446	906,527		938,904	907,896				
Equity attributable to parent company	788,055	888,692		923,376	892,075				
Operating Metrics									
ROAE (Consolidated)	7.29%	13.02%		15.84%	11.01%				
ROAA (Consolidated)	0.41%	0.84%		1.06%	0.71%				
Double leverage ratio(inc. preferred stock)	118.2%	118.0%		117%	121%				
Capital Adequacy Metrics									
Capital Adequacy Ratio	129%	136%							

Notes:

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

Balance Sheet Data

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

Operating Metrics

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

Capital Adequacy Metrics

RBC ratio (Standalone)	323%	359%
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Cathay United Bank (NT\$MMN)			FY24/ FY23			9M25/ 9M24			3Q25/ 3Q24
Income Statement Data (Consolidated)	FY23	FY24	% Chg	9M24	9M25	% Chg	3Q24	3Q25	% Chg
Operating Income									
Net interest income	51,743	60,913	18%	44,867	50,359	12%	15,939	17,209	8%
Net fee income	20,844	27,973	34%	21,022	26,196	25%	6,965	8,249	18%
Investment income	13,476	18,334	36%	15,595	10,575	-32%	5,695	4,149	-27%
Other income	835	602	-28%	484	538	11%	100	136	36%
Net operating income	86,898	107,822	24%	81,969	87,668	7%	28,700	29,743	4%
Operating expenses	(45,752)	(51,840)	13%	(37,285)	(41,483)	11%	(13,079)	(14,255)	9%
Pre-provision profit	41,146	55,982	36%	44,684	46,184	3%	15,621	15,487	-1%
Net provisions for possible losses	(5,077)	(9,211)	81%	(6,514)	(4,138)	-36%	(2,182)	(1,829)	-16%
Income before taxes	36,069	46,770	30%	38,169	42,046	10%	13,439	13,658	2%
Income tax	(7,102)	(8,430)	19%	(6,929)	(7,358)	6%	(2,369)	(2,349)	-1%
Net income	28,967	38,341	32%	31,241	34,688	11%	11,070	11,309	2%
Net income to parent company	28,805	37,780	31%	31,039	34,395	11%	10,994	11,240	2%
Balance Sheet Data									
Total assets	4,233,701	4,606,285		4,321,495	5,100,994				
Loans, net	2,280,571	2,679,233		2,599,831	2,800,741				
Financial assets	1,403,347	1,234,617		1,244,245	1,383,605				
Total liability	3,957,835	4,306,237		4,025,740	4,788,330				
Deposits	3,543,558	3,848,586		3,610,585	4,360,331				
Financial Debenture Payable	27,100	12,700		12,700	18,600				
Total shareholders' equity	275,866	300,048		295,755	312,664				
Equity attributable to parent company	271,931	295,390		291,585	308,099				
Operating Metrics									
Cost income ratio	52.65%	48.08%		45.49%	47.32%				
ROAE	11.19%	13.31%		14.57%	15.10%				
ROAA	0.71%	0.87%		0.97%	0.95%				
Assets Quality (Standalone)									
NPL	2,519	2,943		3,126	3,846				
NPL ratio	0.11%	0.11%		0.12%	0.14%				
NPL provisions	36,609	42,528		40,459	43,839				
Coverage ratio	1453%	1445%		1294%	1140%				
Capital Adequacy Metrics (Standalone)									
BIS ratio	15.8%	15.2%							
Tier 1 ratio	13.7%	13.3%							
CET1 ratio	12.0%	11.7%							
LDR (Standalone)									
Total LDR	64.1%	69.8%		72.3%	64.5%				
TWD LDR	79.8%	79.8%		83.9%	71.2%				
FX LDR	22.5%	34.4%		32.5%	35.8%				

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Cathay Century (NT\$MM)	FY24/ FY23			9M25/ 9M24			3Q25/ 3Q24		
Income Statement Data (Consolidated)	FY23	FY24	% Chg	9M24	9M25	% Chg	3Q24	3Q25	% Chg
Premium income	34,273	38,559	13%	28,936	31,512	9%	9,531	10,076	6%
Net written premium	24,022	26,417	10%	19,411	21,016	8%	6,771	7,070	4%
Net earned premium	23,448	25,343	8%	18,737	20,482	9%	6,507	7,022	8%
Reinsurance commission earned	1,117	1,230	10%	934	979	5%	270	283	5%
Fee income	50	54	9%	41	39	-4%	13	13	1%
Investment	948	1,407	48%	1,220	1,461	20%	338	508	50%
Interest income	674	859	28%	621	706	14%	223	237	7%
Other investment income, net	275	548	100%	599	755	26%	115	270	134%
Other operating income	51	67	30%	47	0	-100%	9	0	-100%
Net claims payment	(23,240)	(12,534)	-46%	(9,126)	(8,916)	-2%	(3,155)	(3,145)	0%
Changes in liability reserves	8,891	(1,354)	115%	(1,226)	(2,149)	75%	(216)	(743)	244%
Commissions and other operating costs	(4,376)	(4,689)	7%	(3,448)	(3,744)	9%	(1,184)	(1,267)	7%
Operating expenses	(5,374)	(6,353)	18%	(4,574)	(4,873)	7%	(1,498)	(1,592)	6%
Operating income	1,514	3,172	109%	2,605	3,279	26%	1,083	1,079	0%
Net non-operating income	12	23	92%	1	(5)	-1109%	3	(3)	-199%
Income taxes	(281)	(558)	99%	(403)	(458)	13%	(187)	(147)	-21%
Net income	1,246	2,637	112%	2,202	2,817	28%	899	928	3%
Balance Sheet Data									
Total assets	55,446	65,503		65,358	71,681				
Total stockholders' equity	14,982	17,947		17,615	18,614				
Operating Metrics									
Gross Combined ratio	88.7%	87.3%		93.1%	81.9%				
Net Combined ratio	101.6%	91.2%		92.0%	88.4%				
ROAE	8.97%	16.01%		18.02%	20.54%				
ROAA	2.15%	4.36%		4.86%	5.48%				
Capital Adequacy Metrics									
RBC ratio (Standalone)	351%	365%							

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