Credit Ratings

Cathay FHC secured BBB+ and Baa1 credit ratings from international credit rating agencies, S&P Global Ratings and Moody's Ratings, respectively. Both also rated Cathay FHC's outlook as "Stable", indicating that Cathay FHC delivers strong performances in finance and risk management.

Credit Rating Agency	Credit Rating (Long-/short-term)	Outlook	Last Rating Date
Taiwan Ratings	TwAA／TwA-1+	Stable	2025／10／15
S&P Global Ratings	BBB+／A-2	Stable	2025／10／14
Moody's Ratings	Baa1	Stable	2025／07／04

Tax Management

The Cathay FHC Tax Governance Policy establishes the Board of Directors as the highest-level decision-maker for managing tax risks. The accounting department of the Finance Division is in charge of tax affairs and regularly reports to the Risk Management Division. The Risk Management Division then gives an annual report on tax governance to the board to ensure effective operation of the tax management mechanisms. Cathay Financial Holdings' tax governance is based on the principles of integrity and prudence, adhering to the following tax policies and code of conduct:

Compliance

Pledge compliance with the tax laws and regulations of each jurisdiction in which we operate and, in accordance with international tax standards, accurately calculate and file tax returns prior to legal deadlines to fulfill our tax obligations.

Risk Management

Built a sound framework and corporate culture to manage tax risks. Carefully evaluate tax risks and mitigating actions whilst considering the optimal overall tax burden, as well as the impact on our reputation, risk management, and sustainability values under globalized operations.

Substantive Finances

We do not employ tax structures intended to evade taxes, nor do we transfer profits to low-tax jurisdictions or use tax havens for tax avoidance. Transactions between related parties must abide by the arm's length principles and comply with the transfer pricing rules of the jurisdiction of operation – fulfilling our tax obligations within the jurisdiction where value is created.

Information Transparency

Publicly disclose tax information to stakeholders on a regular basis to uphold information transparency.

Honest Communication

Forge mutual trust and open communication with the tax authorities of the jurisdiction of operation by providing practical and professional input from the industry and helping them improve the overall tax environment and system.

Talent Cultivation

Cultivate talent by providing both domestic and overseas training to elevate employee competency in tax governance. Manage tax affairs with good faith and integrity and control tax risks to ensure corporate sustainability, maintain shareholder equity, and fulfill corporate social responsibility.

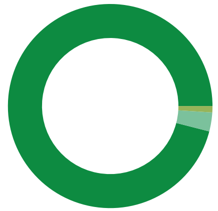
Tax Information by Country

Cathay Financial Holding Corporation (Cathay FHC) is committed to complying with tax regulations in all operating regions and adhering to international tax standards by accurately calculating taxes and filing returns in accordance with the law. In 2025, Cathay FHC's global profit from operations was NT$**350.4 billion**, with continuing operations profit before tax of NT$**113.0 billion**. The company's average number of employees was **53,022**. Its business segments include insurance operations, investment income, and interest income. The total tax paid amounted to NT$**20.8 billion**, covering corporate income tax, surtax on unappropriated earnings, business tax, house and land tax, among others. As Taiwan is the primary operating region, its profit from operations accounted for **85%** of the global total, continuing operations profit before tax represented **94%** of the global figure, the average number of employees comprised **87%** of the global workforce, and tax payments accounted for **92%** of the global tax contributions.

2024
Profit from Operations
NT$ **357.7** billion

Taiwan	88%
Asia-Pacific region	12%
Other regions	0%

2024
Profit Before Income Tax from Continuing Operations
NT$ **126.8** billion



Taiwan	96%
Asia-Pacific region	3%
Other regions	1%

2024
Average Number of Employees (excl. suspended operations)
54,009 Employees

Taiwan	84%
Asia-Pacific region	16%
Other regions	0%

2024
Tax Payments Made During
NT$ **14.3** billion

Taiwan	87%
China	3%
Vietnam	6%
Other countries	4%

2025
Profit from Operations
NT$ **350.4** billion

Taiwan	85%
Asia-Pacific region	14%
Other regions	1%

2025
Profit Before Income Tax from Continuing Operations
NT$ **113** billion

Taiwan	94%
Asia-Pacific region	3%
Other regions	3%

2025
Average Number of Employees (excluding suspended operations)
53,022 Employees

Taiwan	87%
Asia-Pacific region	13%
Other regions	0%

2025
Tax Payments Made During
NT$ **20.8** billion

Taiwan	92%
China	3%
Vietnam	3%
Other countries	2%

Note: The scope of "average number of employees" is consistent with that used in the consolidated financial statements.

Income Tax Information

Cathay FHC's effective tax rate in 2025 was **4.73%**. The decrease compared with the previous year was primarily attributable to the additional taxes related to the Alternative Minimum Tax and undistributed earnings paid in 2024. After adjusting for factors such as tax-exempt income, the adjusted effective tax rate for 2025 was **23.48%**, with a two-year average adjusted effective tax rate of **22.58%**.

Unit: NT$100 million, %

Year		2024	2025	Two-year average
Profit before income tax (A)		1,268.4	1,129.7	1,199.1
Income Tax Expense (B)		166.2	53.4	109.8
Effective tax rate (B)/(A)		13.10%	4.73%	9.16%
Tax Impact Amount of Adjustment Items (D)	Total Amount of Tax-Exempt Income Tax	176.0	212.4	194.2
	Additional Tax Amount Required to Meet Minimum Tax Liability	(66.0)	(0.5)	(33.3)
Adjusted Tax Income Expense (E)=(B)+(D)		276.2	265.3	270.8
Adjusted Effective Tax Rate (E)/(A)		21.78%	23.48%	22.58%
Income Tax Paid (F)		0.0	110.1	55.1
Cash Effective Tax Rate (F)/(A)		0.00%	9.75%	4.59%