



**國泰金控**

Cathay Financial Holdings

# 2024 Fourth Quarter Briefing

March 2025



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# Agenda

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- **2024 Business overview and 2025 outlook**
- **Overseas expansion**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Appendix**

# 2024 Business overview

## Cathay United Bank

- FY24 net income set a record high for the 4<sup>th</sup> consecutive year, with 32% YoY growth.
- Showed robust loan growth. Net interest income grew 18% YoY. Asset quality remained benign.
- Net fee income rose 34% YoY. WM and credit card fees grew 41% and 33% YoY, respectively.

## Cathay Life

- APE and VNB grew 22% and 30% YoY, respectively, driven by strong sales growth in health & accident policies and FX-denominated long-term regular-premium products.
- Maintained solid capital position with RBC ratio of 359% and E/A ratio around 9%.

## Cathay Century

- Premiums grew 13% YoY, with 13.6% market share. Maintained steady underwriting profits by focusing on both quality and quantity, as well as ongoing risk management.
- Strengthened online business in China. Accelerated digital transformation and business expansion in Vietnam.

## Cathay SITE

- FY24 net profit reached a record-high. AUM reached NT\$2.24tn. Earned wide acclaim for various products.
- Honored with the OTC ETF Issuer Award from Taipei Exchange and recognized as Taiwan's Best Fund House by AsianInvestor, Asia Asset Management, and Benchmark, among a total of 32 awards.

## Cathay Securities

- Gained market share by optimizing customer experience through a digital-only model and deepening digital engagement to expand the customer base.
- Expand product lines and platform functions in sub-brokerage business, maintaining the largest market share in the industry.

# 2024 Business overview – Continue to exert the impact of sustainable finance

## Recognized by global institutions

Member of

**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

**DJSI World — 7 years**  
**DJSI EM — 10 years**



**Top 100 of Forbes 2024  
World's Best Employers,  
the only company in Taiwan**

## Leadership in sustainable finance



Hosted forums at  
**COP29 in the Blue Zone**  
(the 2<sup>nd</sup> year)



**8<sup>th</sup> Sustainable Finance &  
Climate Change Summit**  
Participating companies  
represented **82% of Taiwan's  
market cap and 54% of the  
GHG emissions in Taiwan**

## Support impact investment



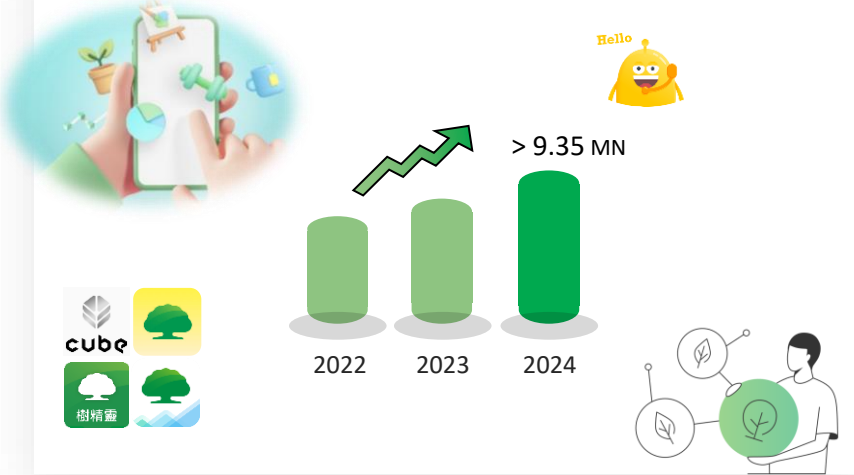
Joined **AVPN**



Joined **Global Impact Investing Network**

# 2024 Business overview – 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

Cathay's exclusive financial knowledge base



Employee empowerment with AI



Enterprise-level AI Model Hub



Hybrid-Hierarchy AI guardrails



## 1<sup>st</sup> FI in Taiwan to kick off data migration to the cloud

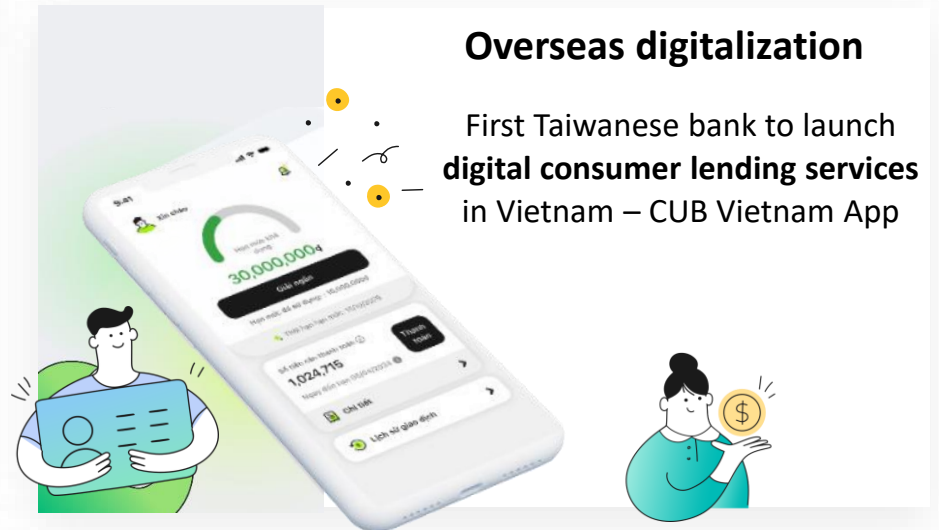


Build Data Lakehouse to strengthen the group's risk management capabilities & improve data operational efficiency



## Overseas digitalization

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



# 2025 Business outlook

## Cathay United Bank

- Expand wealth management and credit card business by deepening relationships with high-net-worth clients to increase fee income.
- Grow loans steadily while maintaining benign asset quality. Enhance cross-selling for more effective capital deployment.
- Develop cross-border business and digital retail banking business overseas.

## Cathay Life

- Continue the “Protection First, Elderly Friendly” strategy, aiming for customers’ healthy life and fulfilling retirement. Focus on protection-type products to accumulate CSM.
- Seek opportunities for quality stocks and bonds to enhance recurring income. Continue dynamic hedging strategy to maintain stable hedging costs.

## Cathay Century

- Emphasize on quality and quantity. Reinforce risk control and compliance.
- Focus on customer-centric strategy. Deepen digital application to enhance customer satisfaction and retention.
- Expand online business in China. Strengthen digital infrastructure and foster cross-industry cooperation in Vietnam.

## Cathay SITE

- Integrate global asset management resources and expand distribution channels.
- Promote retirement and inclusive financial planning products and training. Strengthen ESG investment process.
- Develop innovative fintech applications and services.

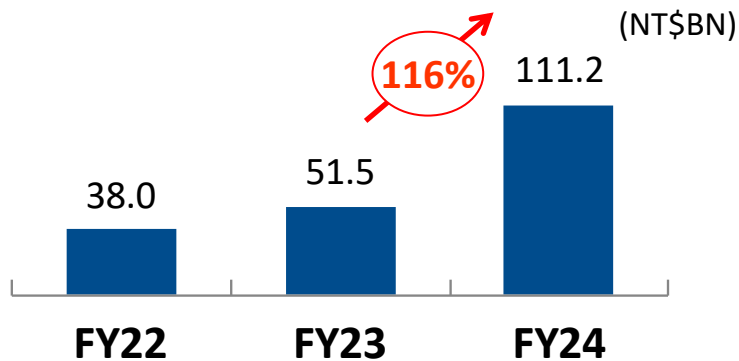
## Cathay Securities

- Enhance data-driven capabilities to provide diverse and personalized services, creating a strong word-of-mouth effect.
- Leverage digital advantages to replicate the success of strategies such as “smart SIP adjustment” and “dividend reinvestment”, driving new growth momentum.

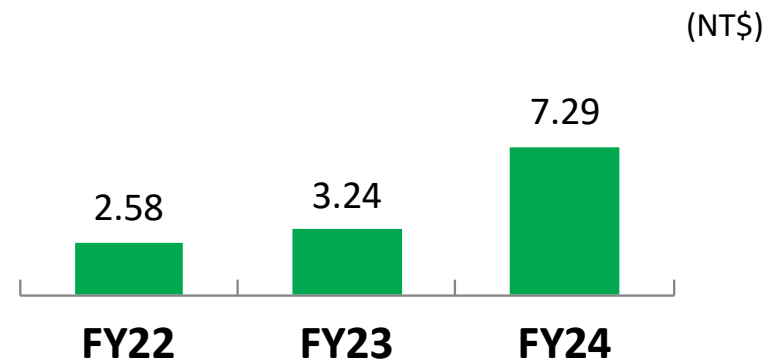
# Cathay FHC – Net income & EPS

- FY24 net income and EPS reached the second-highest record, driven by strong core business momentum across subsidiaries.
- CUB, Cathay Century, Cathay SITE and Cathay Securities achieved record-high full-year earnings, while Cathay Life recorded its second-highest net profit.

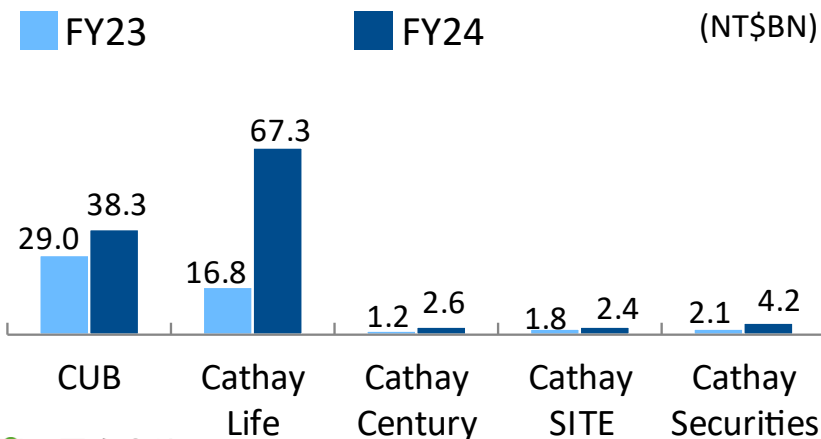
## Net income



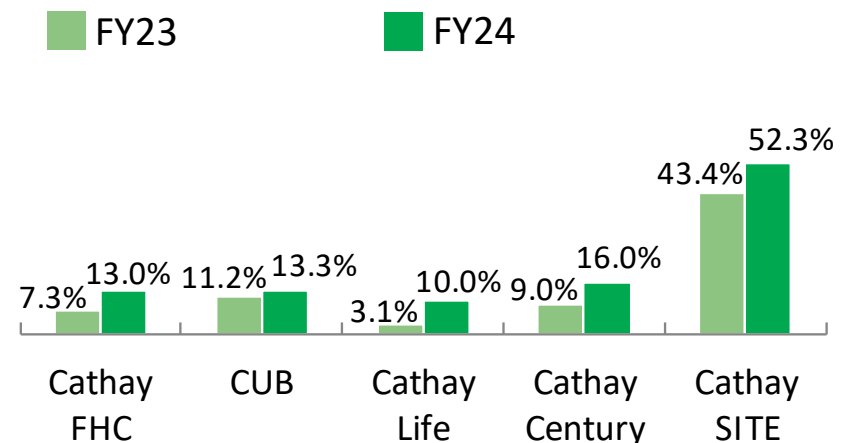
## EPS



## Net income of primary subsidiaries



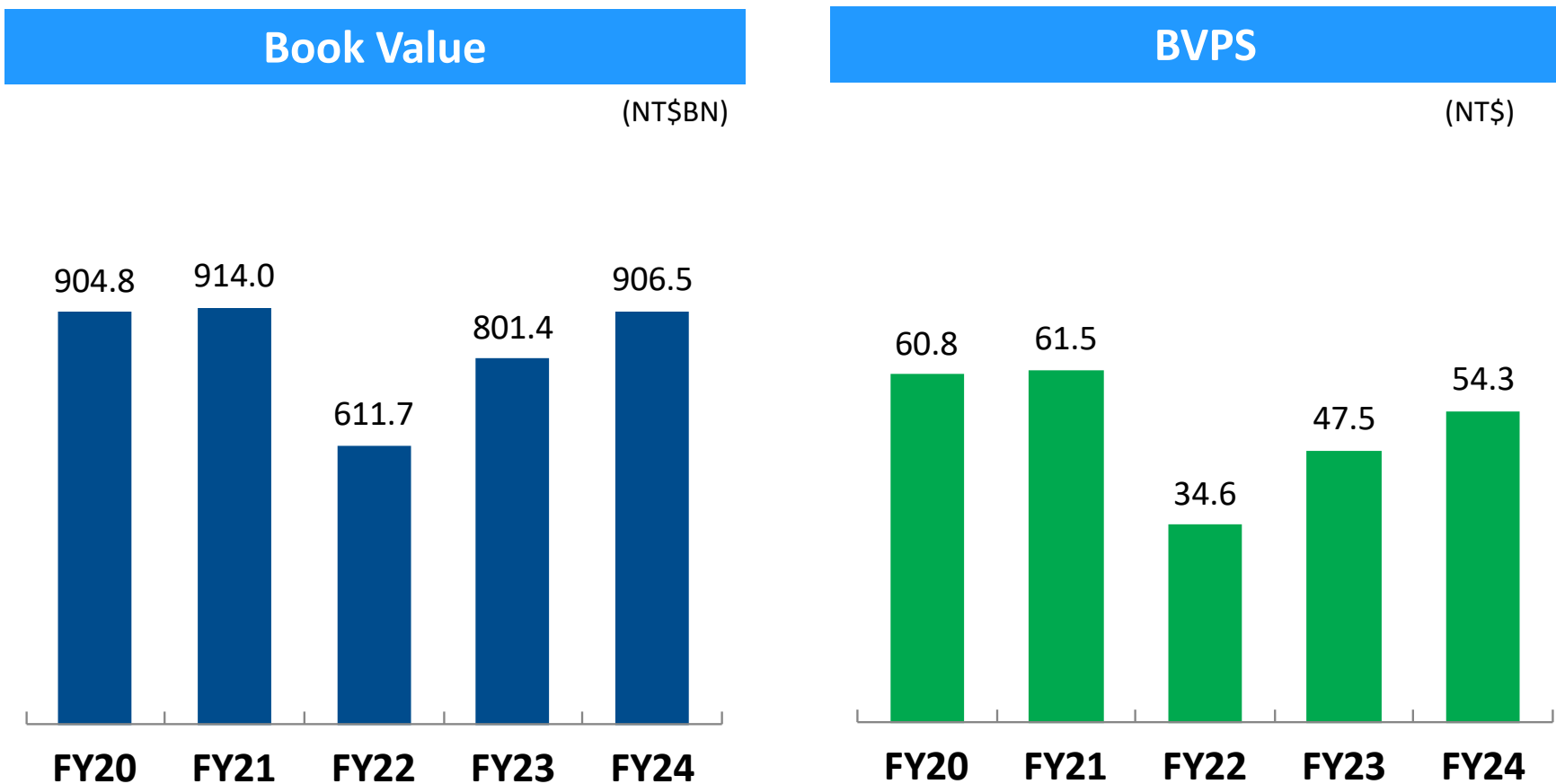
## ROE





# Cathay FHC – Book value & BVPS

- FY24 book value increased YoY, owing to earnings contribution and the rise in equity markets.



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.

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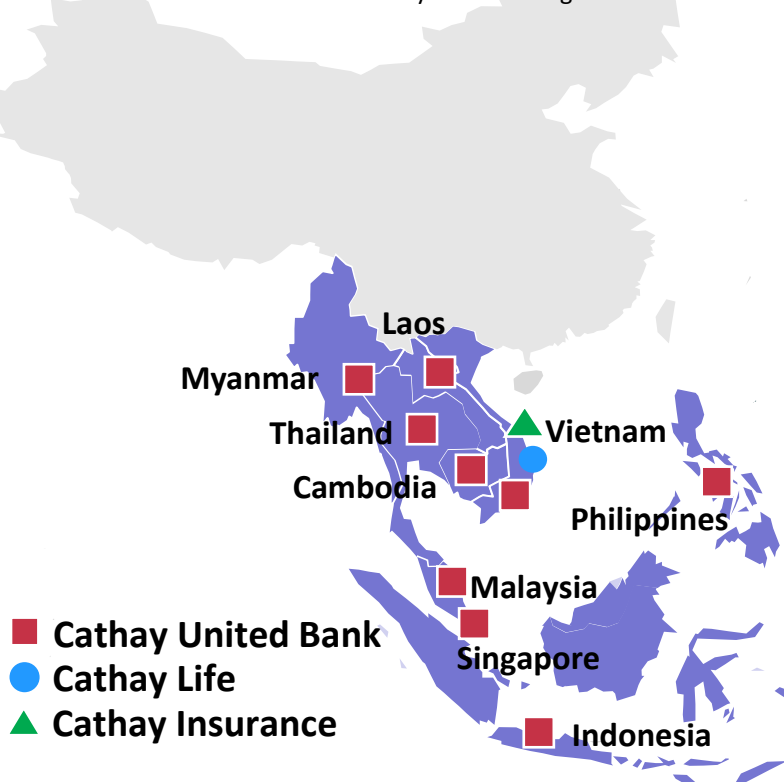
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# Cathay FHC in Southeast Asia

	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	51	142									
P&C	26	2									
Asset Mgt.	1										
Securities				2							

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

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



- Cathay United Bank
- Cathay Life
- ▲ Cathay Insurance

## ■ Banking

- Vietnam: Develop corporate banking. Alliance with leading local e-retailer to promote digital unsecured loan platform.
- Cambodia: Optimize digital retail banking platform and expand cross-border business.
- Singapore: Showed strong growth momentum, with more than 30% of revenue generated from new businesses/customers.

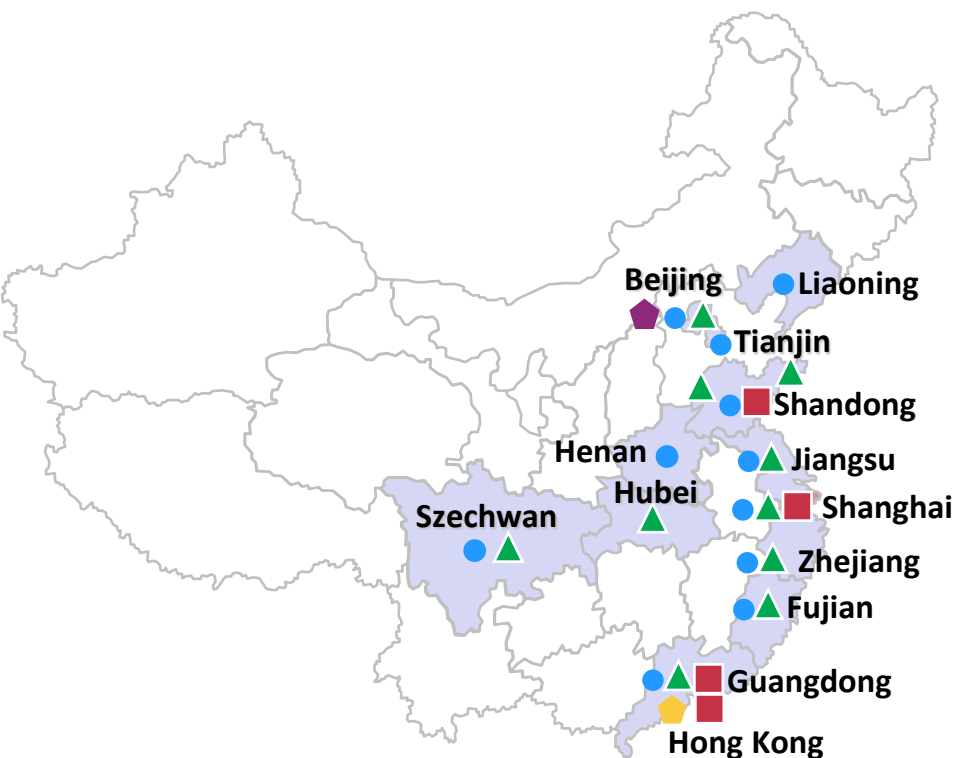
## ■ Cathay Life (Vietnam)

- Total premium grew 7% YoY to 3.1tn VND in FY24.
- Enhance sales structure to drive premium growth.

## ■ Cathay Insurance (Vietnam)

- Premium income grew to 578bn VND in FY24.
- Continued to promote digital transformation and mobile insurance applications.

# Cathay FHC in China



- Cathay United Bank
- Cathay Lujiazui Life
- ▲ Cathay Insurance
- ◆ Cathay Securities
- ◆ BSCOM Cathay Asset Management Company

## ■ Cathay United Bank

- The sustainability-linked syndicated loan, for which CUB China served as mandated arranger, received Best Practice for Green Financial Service award from Shanghai Banking Association.
- Hong Kong branch garnered 6 accolades in the Green and Sustainable Finance Awards from HKQAA.

## ■ Cathay Lujiazui Life

- Total premium grew 17% YoY to 7.1bn RMB in FY24.
- Expanded business scale and value through agent workforce and multi-channel development.

## ■ Cathay Insurance (China)

- Formed a strategic alliance with Ant Group. Developed e-commerce financial services, with more than 90% of premium from online channels.

## ■ Cathay Securities (HK)

- Continued to grow local and cross-border business.

## ■ BSCOM Cathay Asset Management

- Business remained steady.

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Cathay United Bank

Cathay Life

Cathay Century

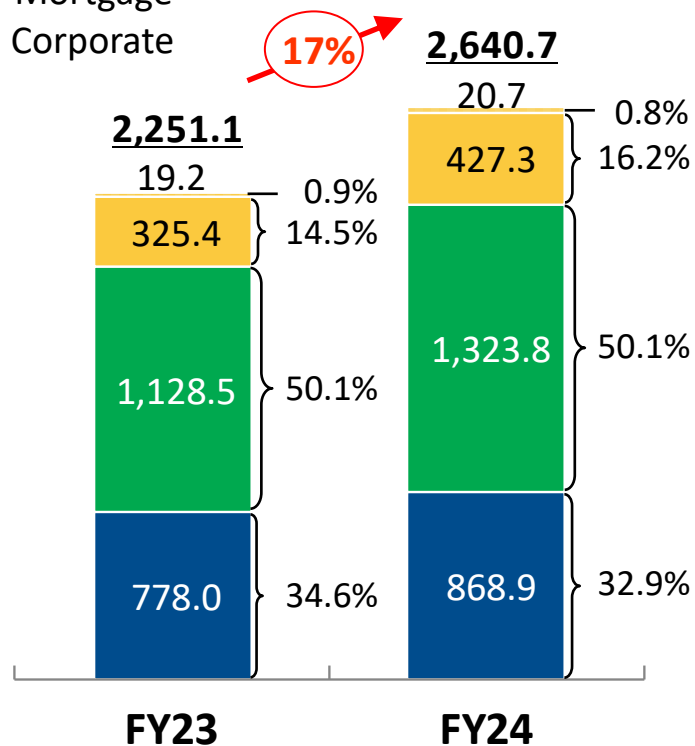
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# Cathay United Bank – Loan & deposit breakdown

- Loan growth was robust, with double-digit YoY growth in corporate, mortgage and consumer loans.
- Effectively controlled funding costs by optimizing FX deposit structure and increasing the proportion of TWD deposits; maintained the advantage of high demand-deposit ratio.

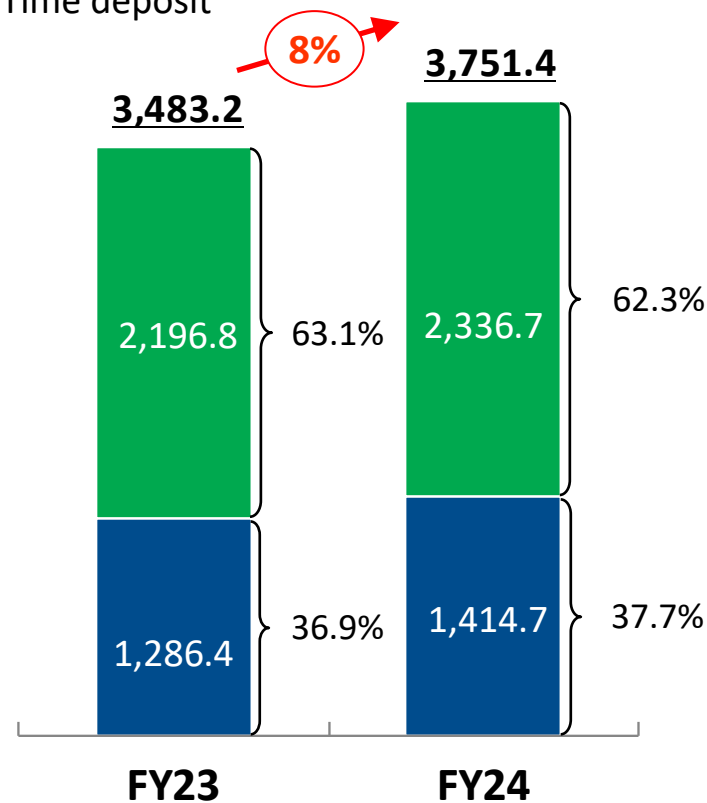
## Loan breakdown

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



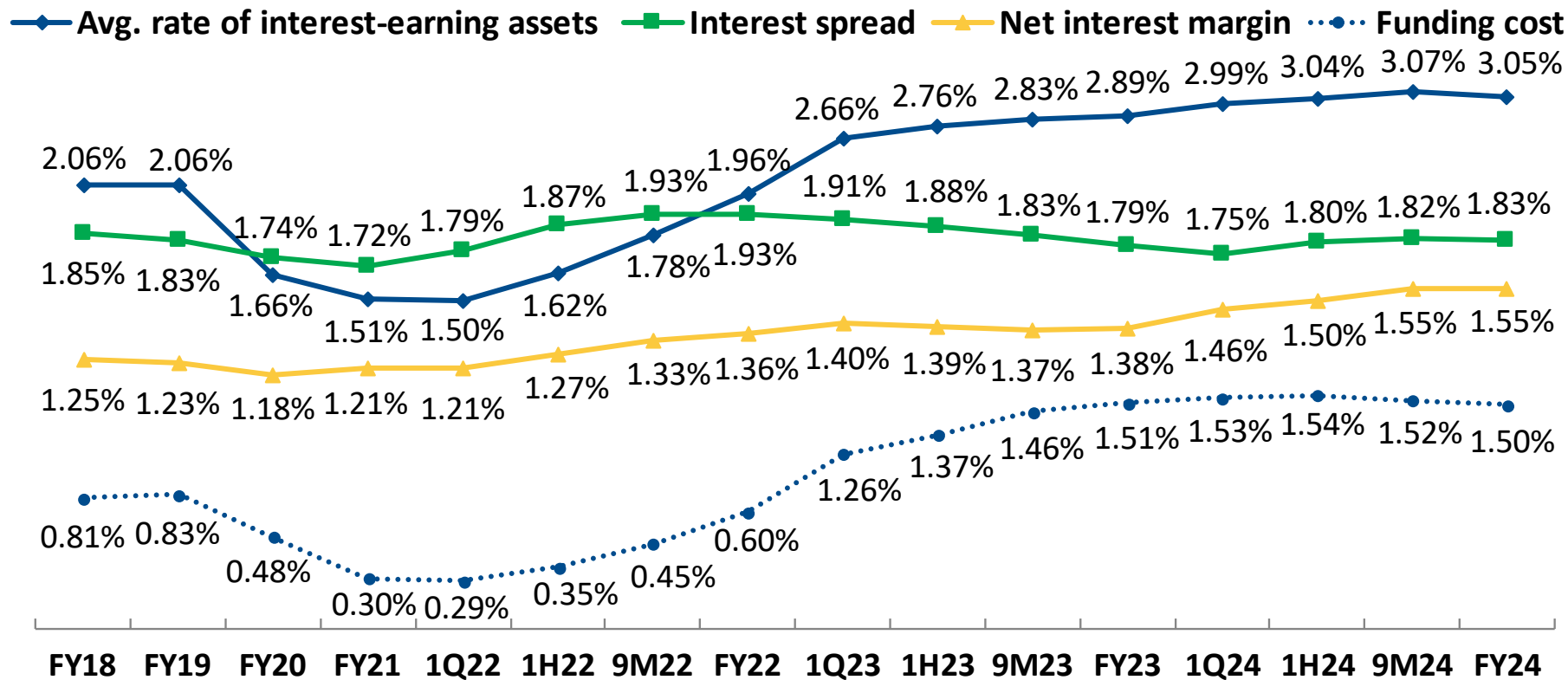
## Deposit breakdown

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



# Cathay United Bank – Interest yield

□ FY24 NIM rose 17bps YoY, reflecting the strong loan growth, expanded position and higher yield in FX financial assets as well as well-contained funding costs.



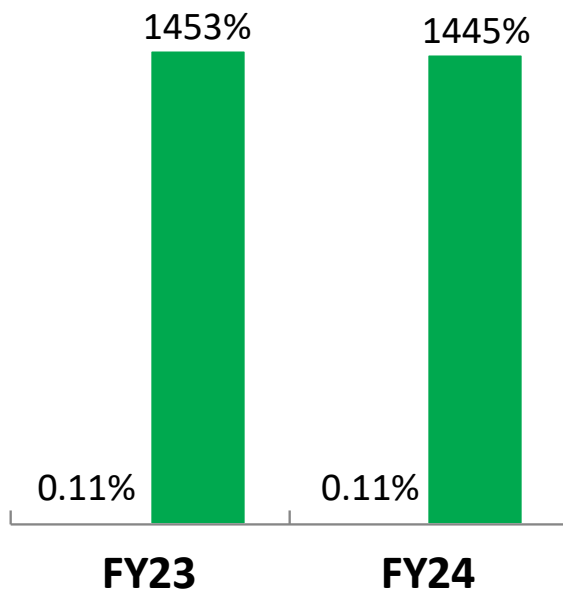
Quarterly	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Spread	1.74%	1.79%	1.94%	2.02%	1.96%	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%
NIM	1.22%	1.21%	1.33%	1.45%	1.46%	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%

# Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.11% and coverage ratio at 1445%.

## NPL & Coverage ratio

- NPL ratio
- Coverage ratio



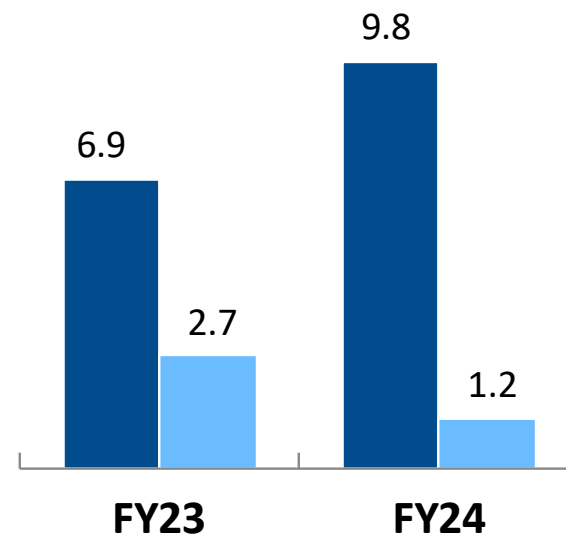
Mortgage NPL

0.10%

0.11 %

## Gross provision

- Gross provision (NT\$BN)
- Recovery



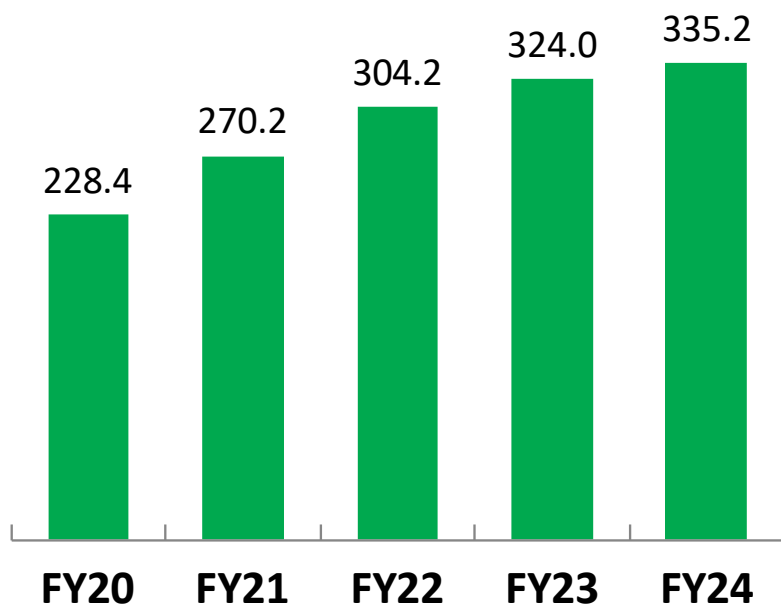


# Cathay United Bank – SME & FX loans

- SME loans showed steady growth.
- FX loans regained growth momentum. CUB aims to grow FX loans while ensuring asset quality.

## SME loans

(NT\$BN)

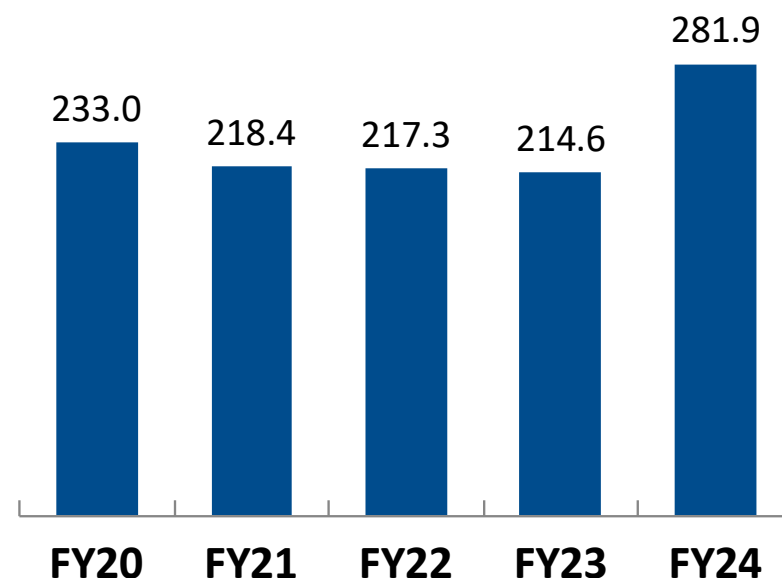


As % of total loans

14.1% 15.3% 15.3% 14.5% 12.8%

## Foreign currency loans

(NT\$BN)



14.4% 12.4% 10.9% 9.6% 10.8%

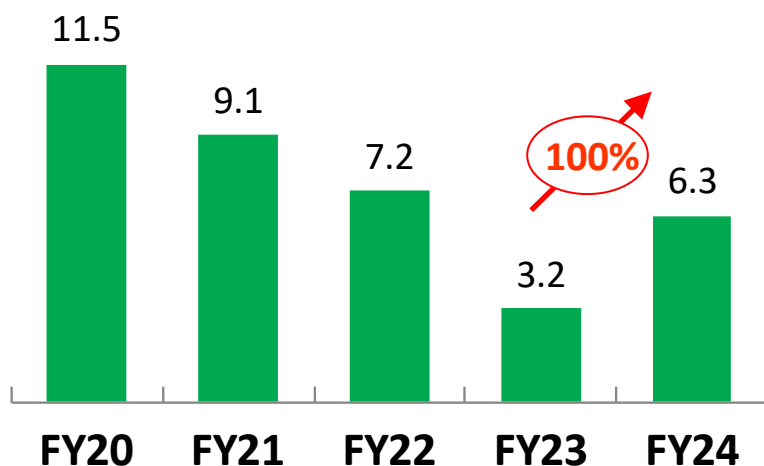


# Cathay United Bank – Offshore earnings

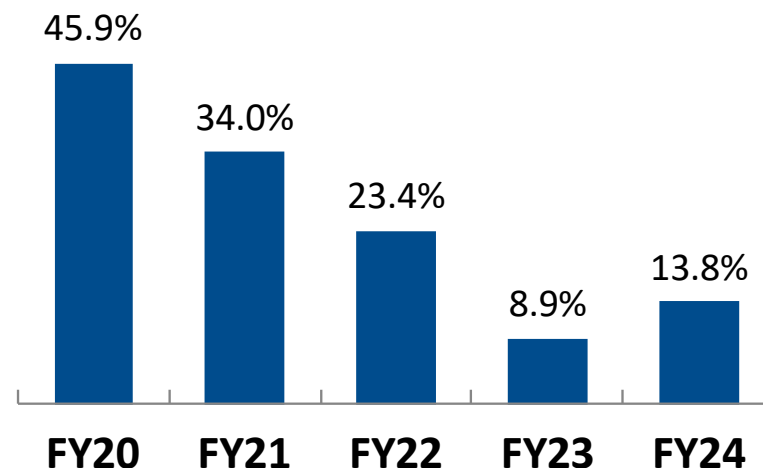
- Offshore earnings rebounded due to the recovery in deposits, loans and investment income.

## Offshore earnings

(NT\$BN)



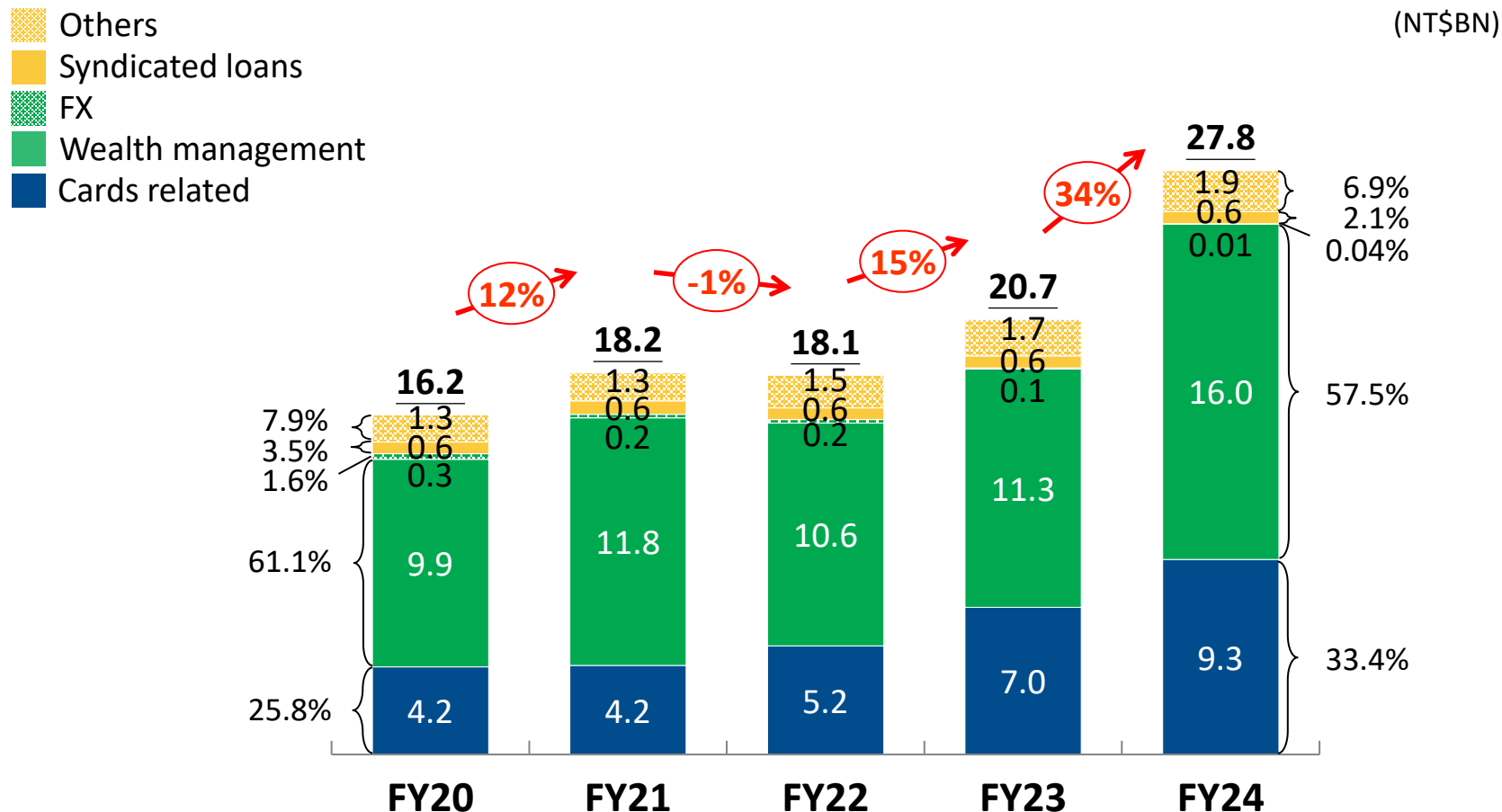
## As % of CUB pre-tax profits



# Cathay United Bank – Net fee income

- Net fee income grew 34% YoY. Wealth management fees grew over 40% YoY, driven by strong sales across WM products. Credit card fees grew 33% YoY due to increased overseas spending.

## Net fee income

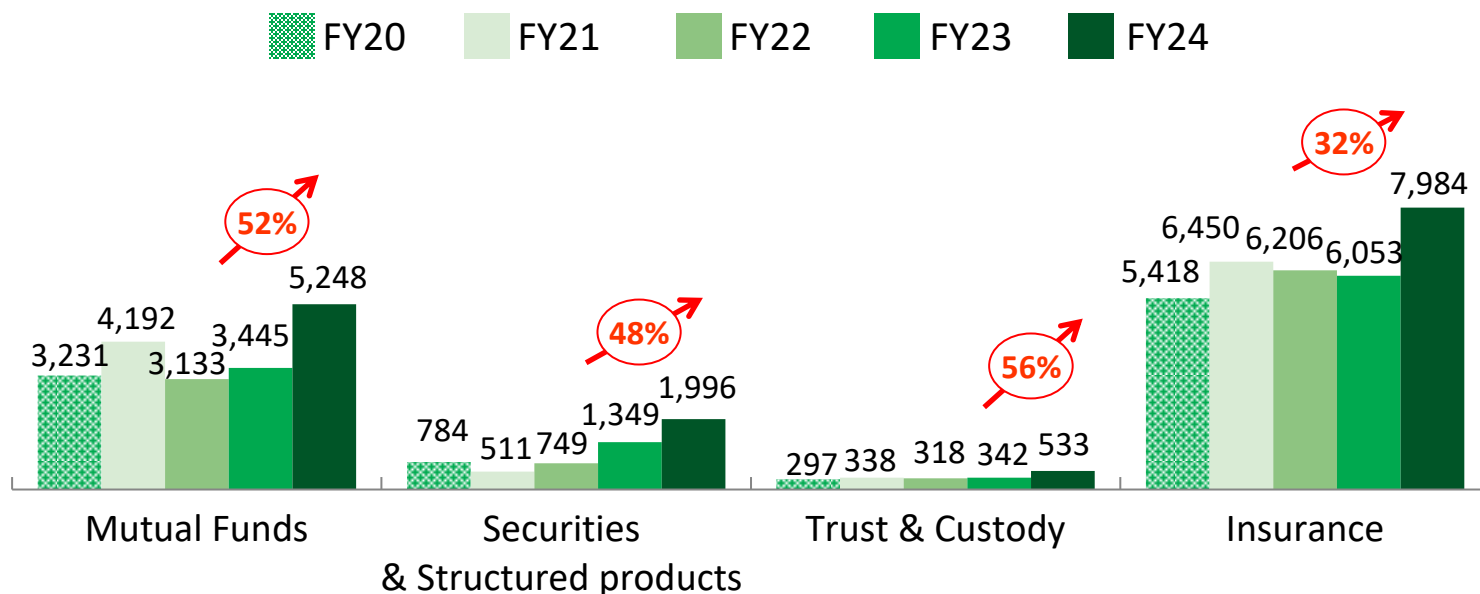


# Cathay United Bank – Wealth management fees

- WM fees rose 41% YoY, driven by strong sales in mutual funds, overseas bonds and bancassurance.
- WM customers and AUM continued to show steady growth.

## Wealth management fees breakdown

(NT\$MN)	FY20	FY21	FY22	FY23	FY24
Wealth management fee income	9,878	11,783	10,595	11,344	15,963
YoY growth (%)	1.9%	19.3%	-10.1%	7.1%	40.7%



Note : If including income from selling treasury products (bonds, structured products, and foreign exchange) of NT\$8.5bn, WM income would grow by 54% YoY.

# Agenda

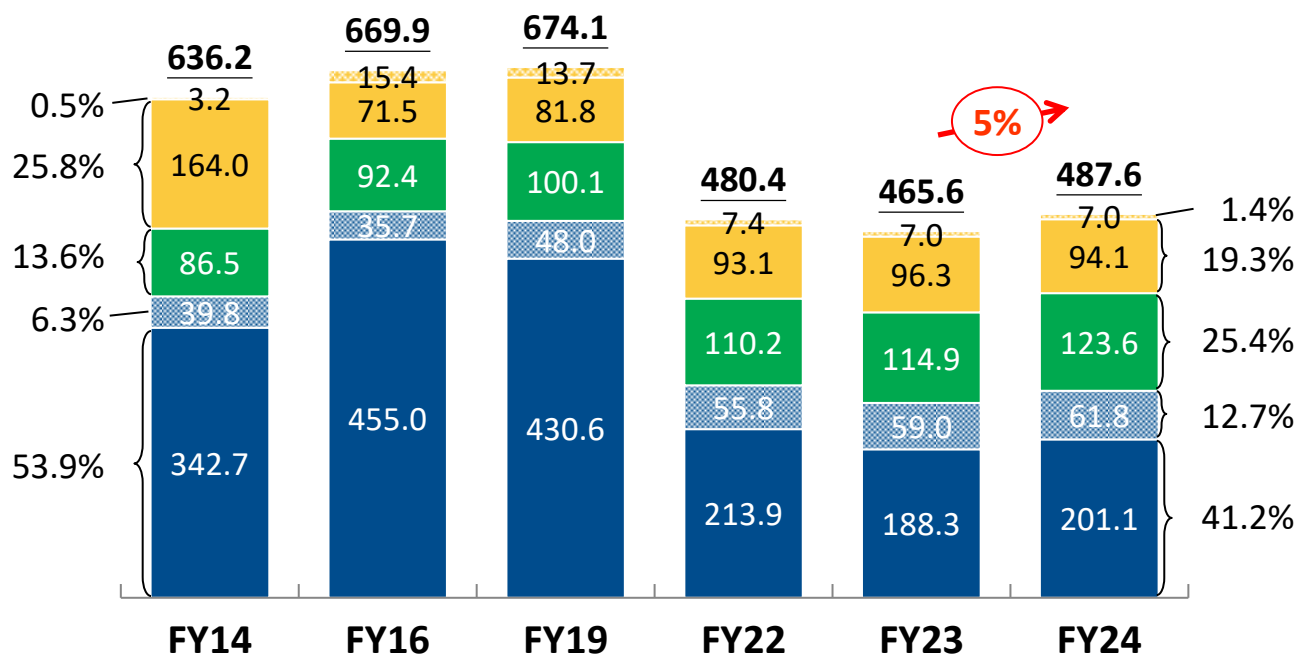
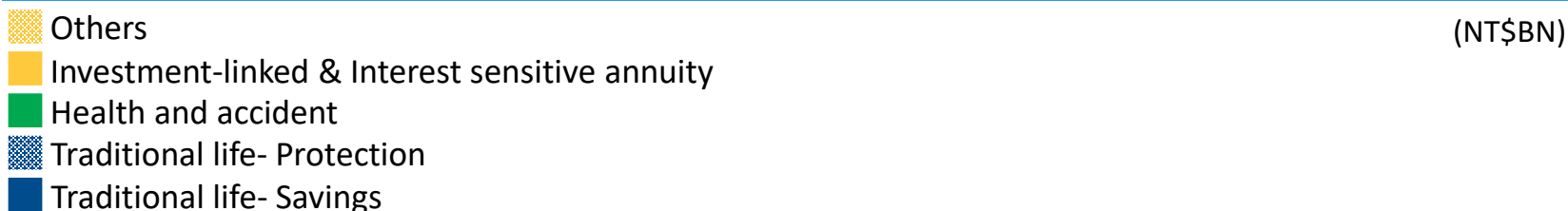
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# Cathay Life – Total premium

- Total premium income resumed growth as premiums from high CSM protection products and traditional savings policies both increased by 7% YoY.

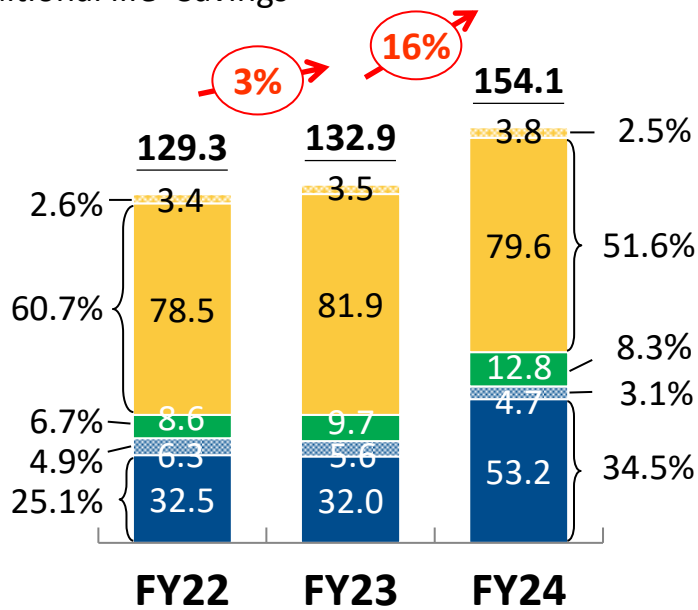
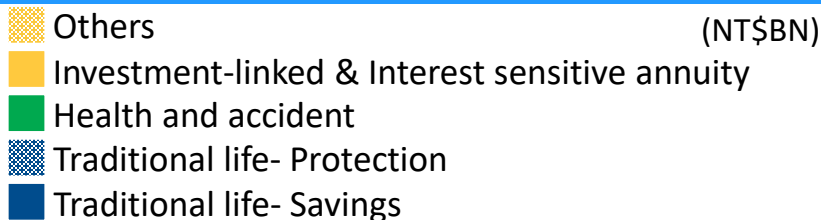
## Total premium



# Cathay Life – FYP & APE

- FYP and APE respectively rose by 16% and 22%, attributable to an increase in sales volume of health & accident policies and FX-denominated traditional long-term regular-premium products.
- Health and accident insurance achieved 31% YoY growth in FYP, driving NB CSM to a record high.

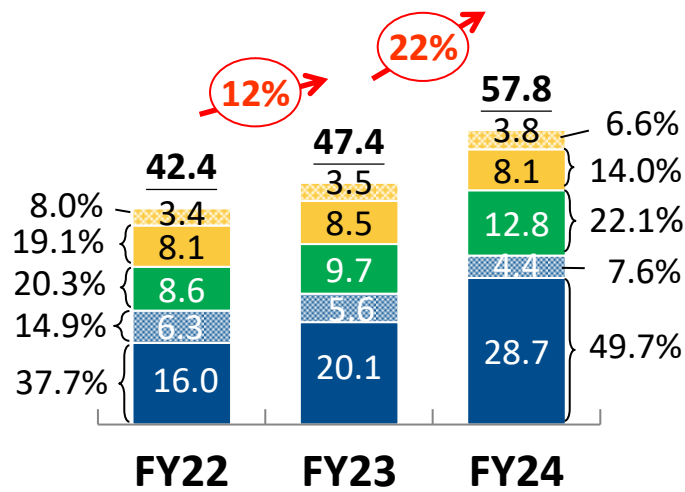
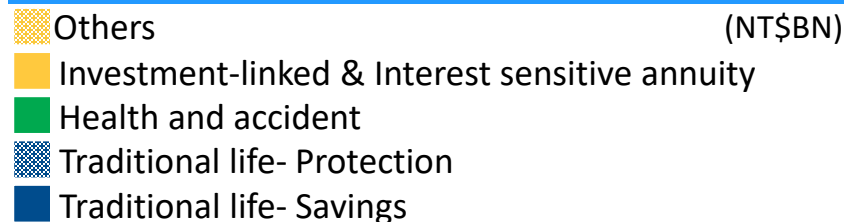
## First Year Premium



FX policies %  
(excl. Investment-linked)

**68 %**    **53%**    **66%**

## Annualized FYP (APE)



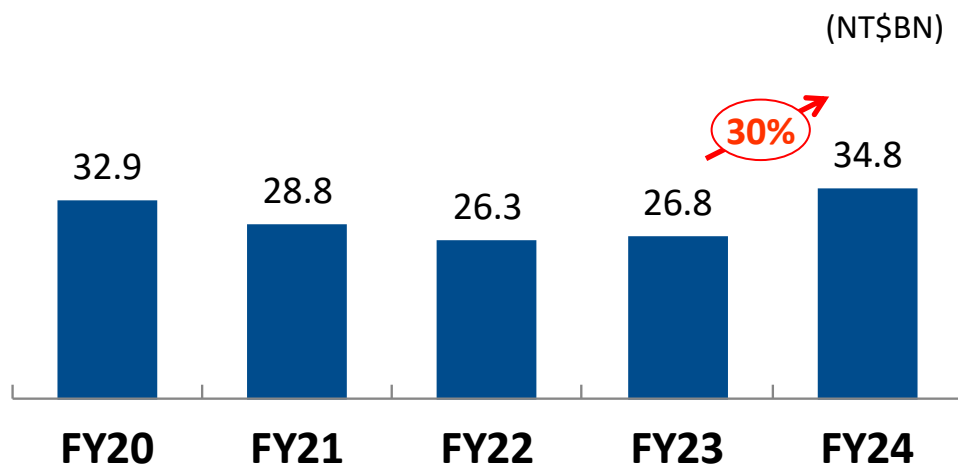
Note : Annualized FYP (APE) = 10% x single-paid FYP + 20% x 2-yr-paid FYP + ... + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

# Cathay Life – Value of new business

- VNB increased 30% YoY, driven by higher sales volume of health & accident policies and FX-denominated traditional long-term regular-premium products.

## Value of new business

Profit Margin	FY20	FY21	FY22	FY23	FY24
VNB/FYP	20%	14%	20%	20%	23%
VNB/APE	53%	56%	62%	56%	60%



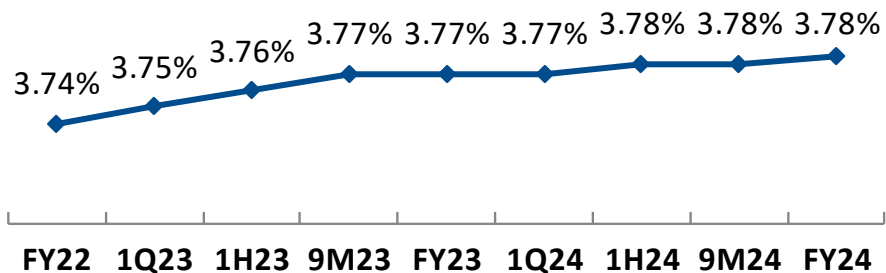
Note : FY23 and FY24 VNB were based on 2023 Embedded Value assumptions. Based on 2022 Embedded Value assumptions, FY23 VNB, VNB/FYP, VNB/APE were NT\$27.6BN, 21%, 58%, respectively.



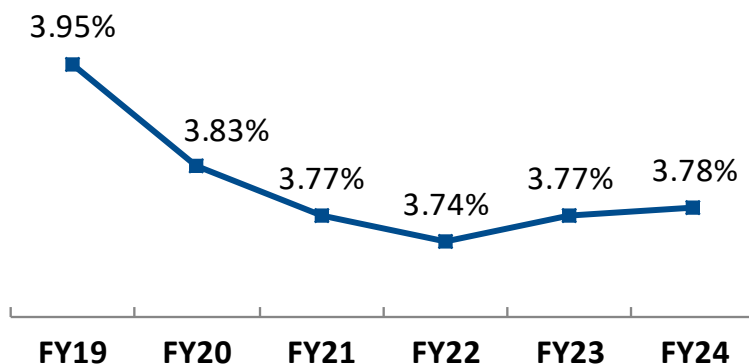
# Cathay Life – Cost of liability and break-even asset yield

- Cost of liabilities remained flat QoQ ; the break-even asset yield continued to improve.

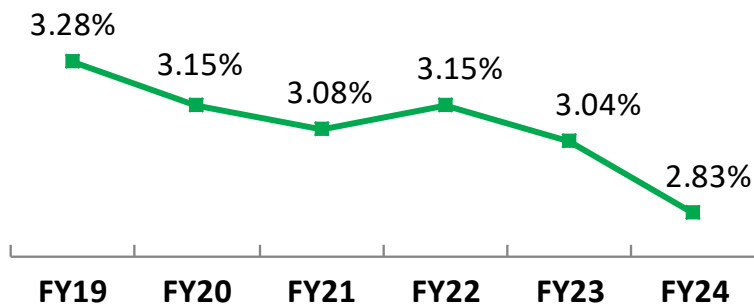
## Cost of liability (quarterly)



## Cost of liability (annual)



## Break-even asset yield



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

# Cathay Life – Investment portfolio

(NT\$BN)	FY21	FY22	FY23			FY24		
<b>Total investments<sup>(1)</sup></b>	<b>7,254.1</b>	<b>7,330.6</b>	<b>7,638.1</b>			<b>7,990.6</b>		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	4.4%	4.1%	2.6%	199	2.0%	1.9%	156	2.6%
Equity- Domestic	7.2%	5.1%	6.6%	504	7.4%	7.2%	575	15.4%
Equity- International <sup>(2)</sup>	6.4%	5.6%	5.6%	427	5.5%	5.5%	437	11.6%
Bond- Domestic	7.9%	7.1%	8.1%	622	4.8%	8.3%	666	5.6%
Bond- International <sup>(2)</sup>	57.7%	61.9%	61.8%	4,718	3.8%	62.0%	4,952	3.8%
Mortgage & Secured loans	4.2%	3.8%	3.0%	230	2.5%	2.9%	230	2.4%
Policy loans	2.3%	2.3%	2.2%	170	5.1%	2.1%	167	5.2%
Real estate	7.6%	7.7%	7.5%	577	2.4%	7.5%	597	2.5%
Others	2.3%	2.5%	2.5%	192	0.9%	2.6%	209	1.0%

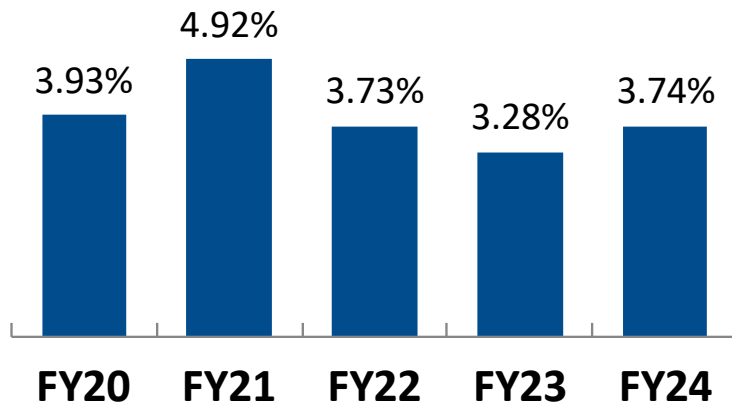
Note: (1) Total assets excluded separate account assets.

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

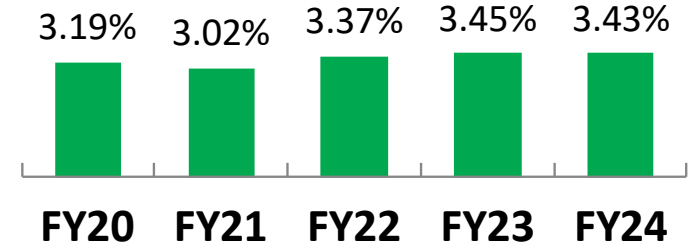
# Cathay Life – Investment performance highlights

- The pre-hedging recurring yield saw a slight decline YoY, reflecting lower cash dividend income from capital gains realization, partially offset by continued growth in interest income.
- Major Asian currencies were weaker than TWD against USD in 4Q24, reducing the effectiveness of proxy hedging.

## After-hedging investment yield

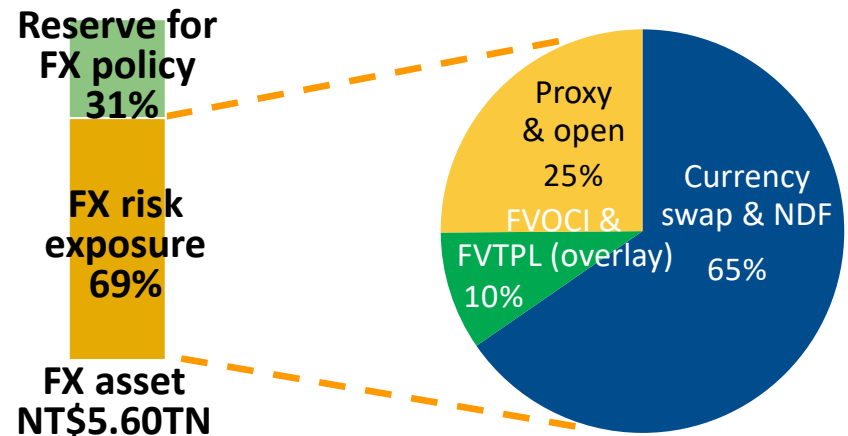


## Pre-hedging recurring yield



## FX asset hedging structure

**FY24 Hedging cost 1.56%**



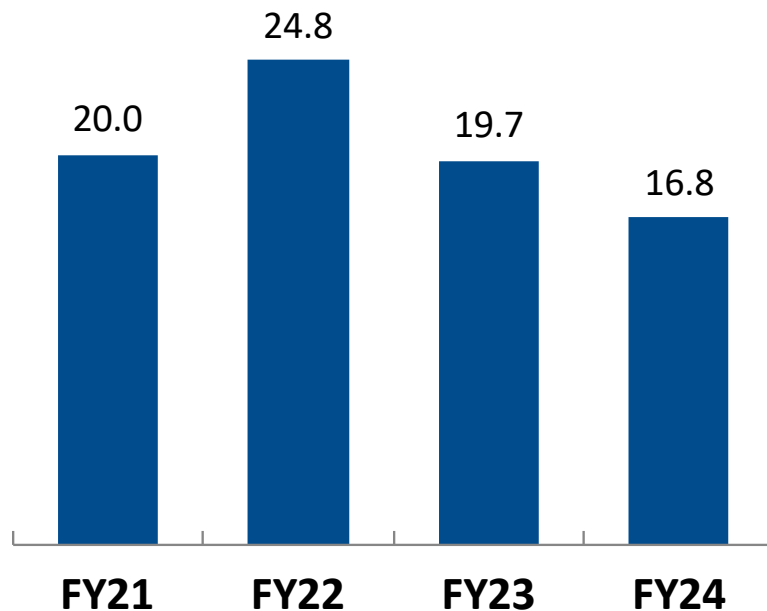
Note: Pre-hedging recurring income doesn't include capital gains but interest revenue, cash dividend and rental income. Yields for the aforementioned were 3.05%, 0.21% and 0.16% in FY24 ; and 3.01%, 0.26% and 0.16% in FY23, respectively.

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

- ❑ Cash dividend declined YoY due to dynamic adjustments in stock portfolio amid favorable equity market.
- ❑ Capitalized on the high interest rate environment to increase U.S. bond positions, leading to an increase in proportion of overseas fixed income investments in North America to 52%.

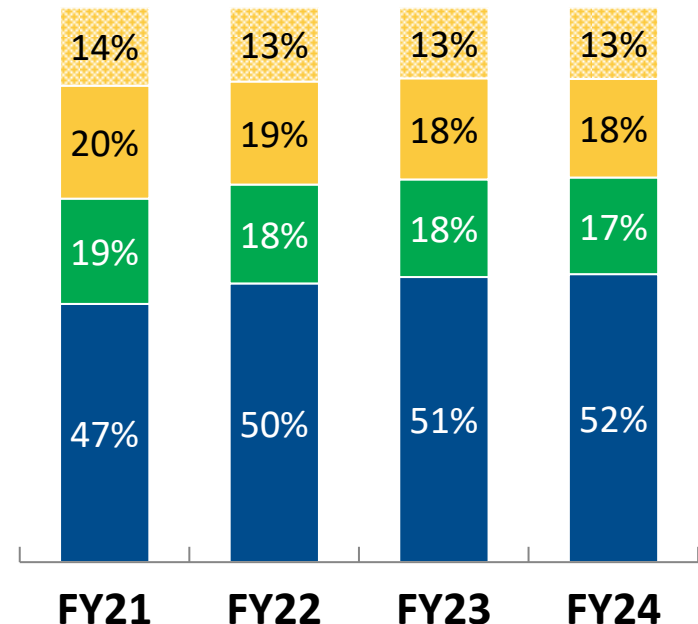
## Cash dividend income

(NT\$BN)



## Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America



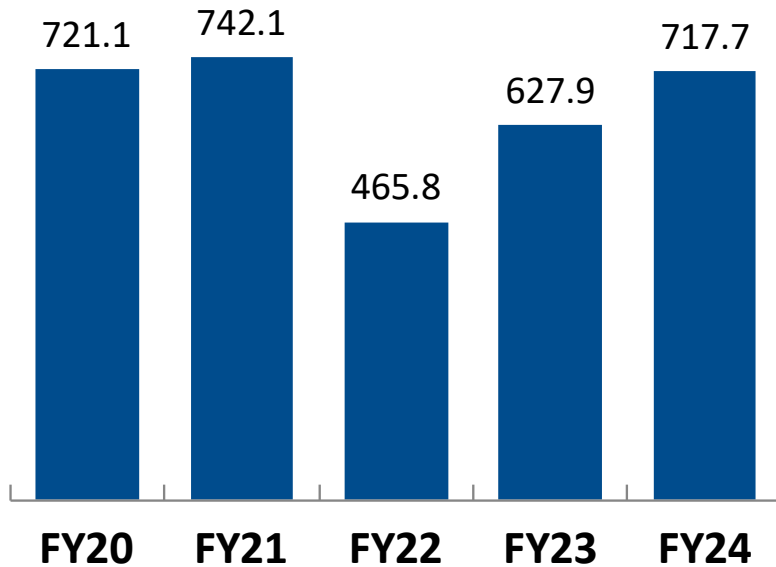
Note: Exclude overseas deposit.

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

- Book value increased YoY, supported by earnings contributions and an increase in unrealized G/L. Equity-to-asset ratio was around 9%.
- Unrealized G/L recovered YoY owing to the rise in equity markets.

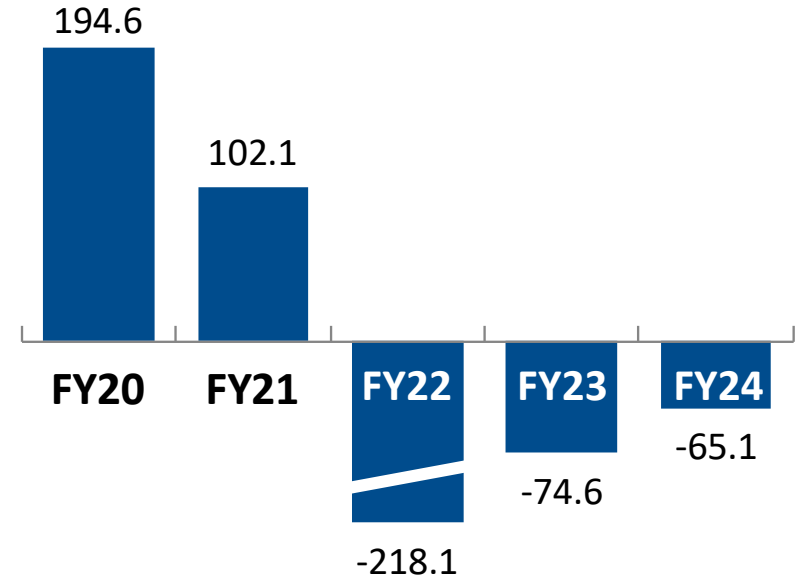
## Book value

(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.

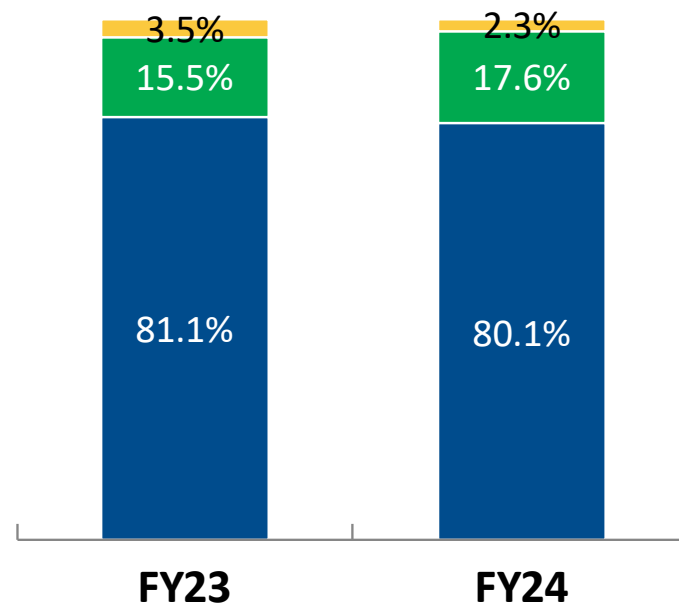
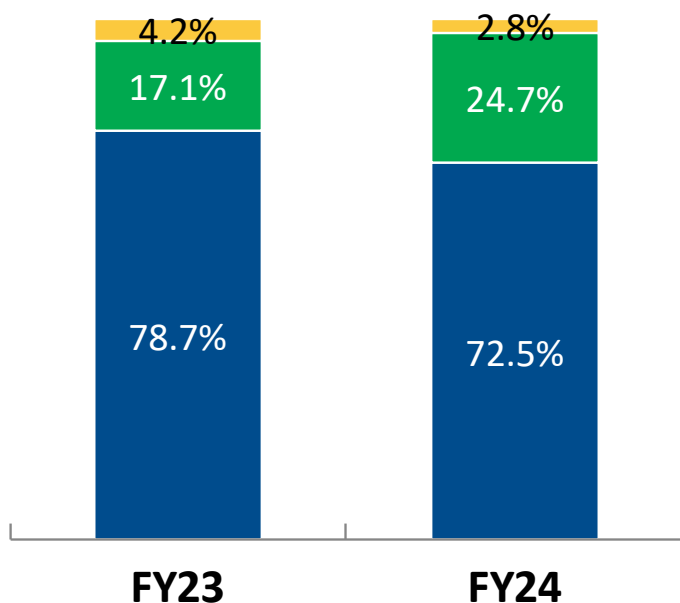
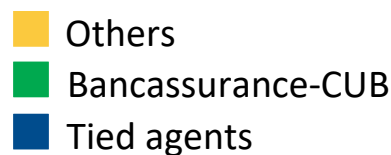
(2) Unrealized G/L of financial assets are the combination of FVOCI & FVTPL (overlay approach).

# 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.

## First Year Premium

## Annualized FYP (APE)



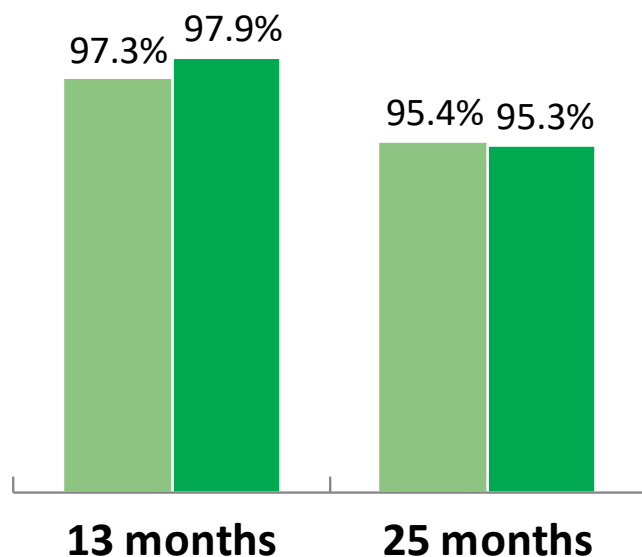
# Cathay Life – Operational indicators

- ❑ Persistency ratio remained high, exceeding 95%.
- ❑ Expense ratio increased YoY, attributable to increased sales of traditional long-term regular-premium products and health & accident policies.

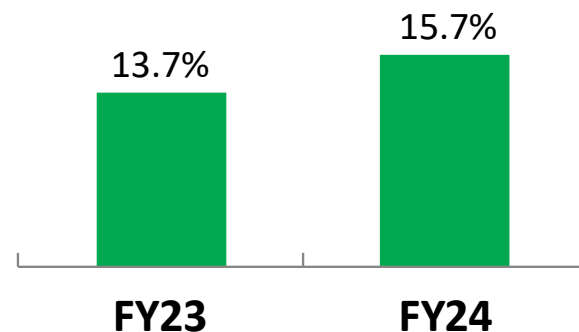
## Persistency ratio

■ FY23

■ FY24



## Expense ratio



# Agenda

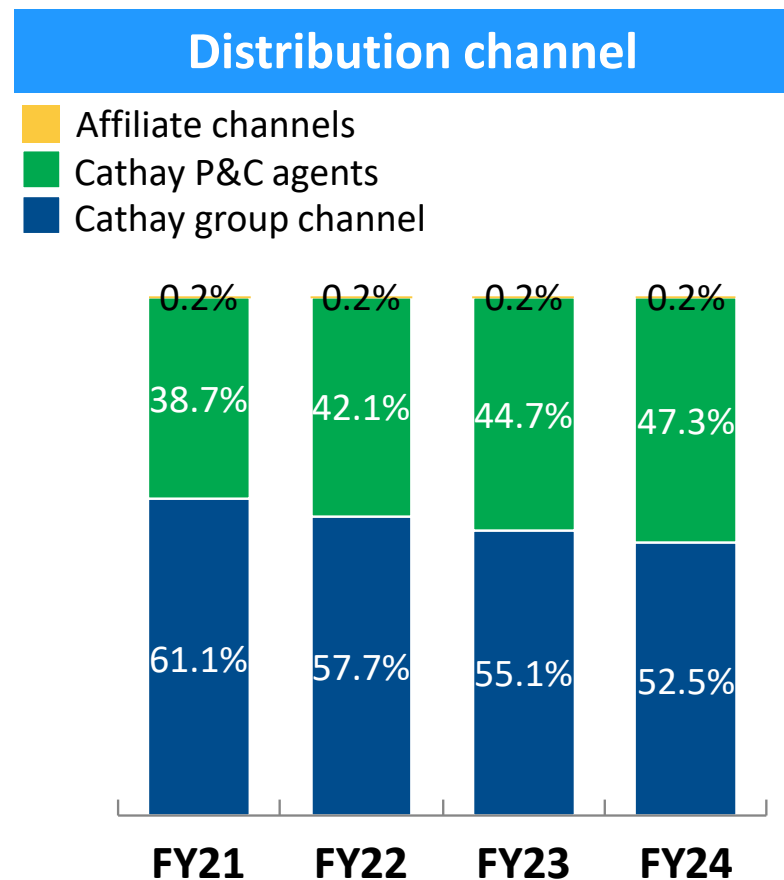
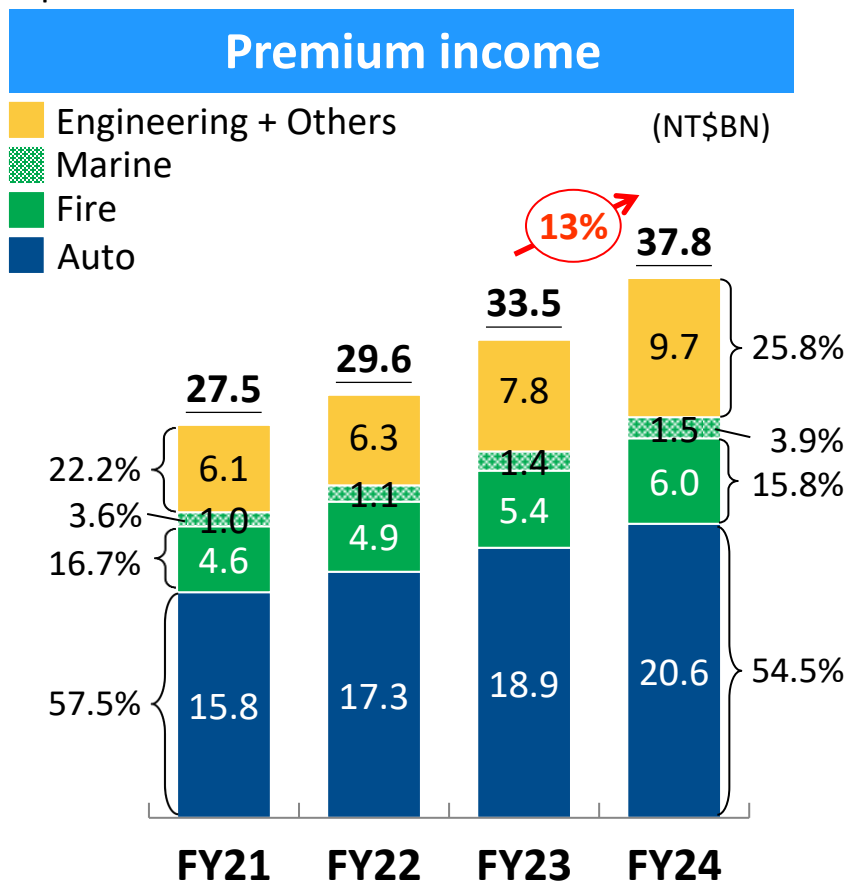
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- **2024 Business overview and 2025 outlook**
- **Overseas expansion**
- **Business performance summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Appendix**



# Cathay Century – Premium income & distribution channels

- Premium income maintained double-digit growth. Market share was 13.6%, ranking No.2 in the industry.
- Proportion of premium income generated by Cathay P&C agents rose to ~50%, driven by stronger performance in commercial insurance.



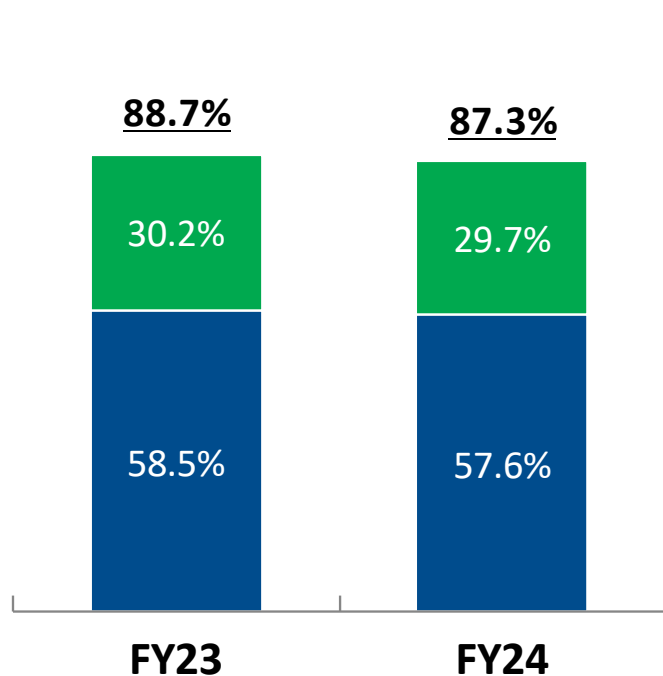
Market share	12.4%	12.8%	13.3%	13.6%
Retention	74.3%	73.4%	70.5%	68.9%

# Cathay Century – Combined ratio

- Gross combined ratio and retained combined ratio declined due to higher premium income in 2024.

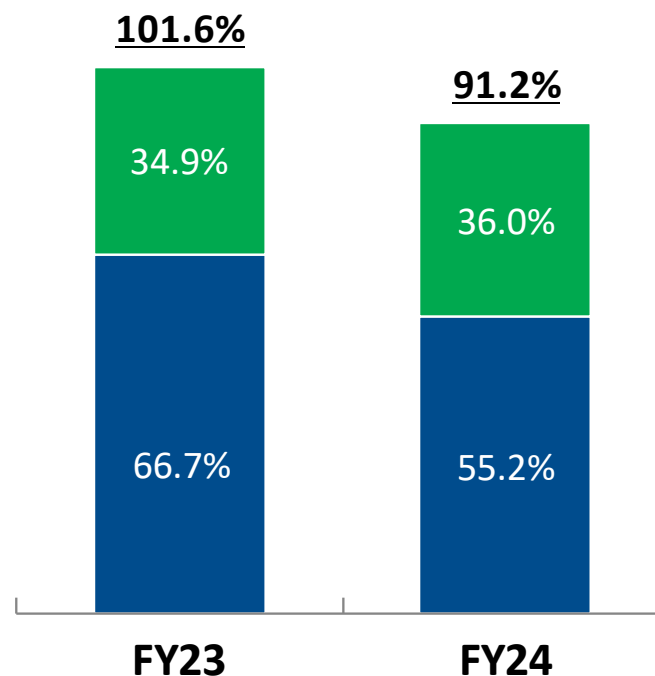
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



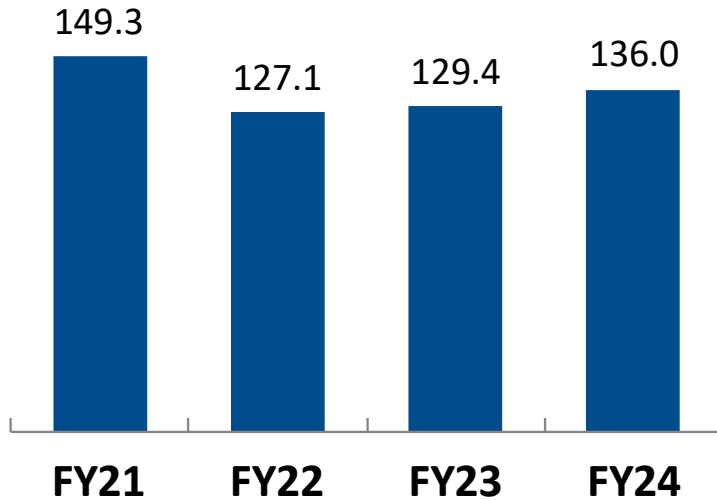
# Agenda

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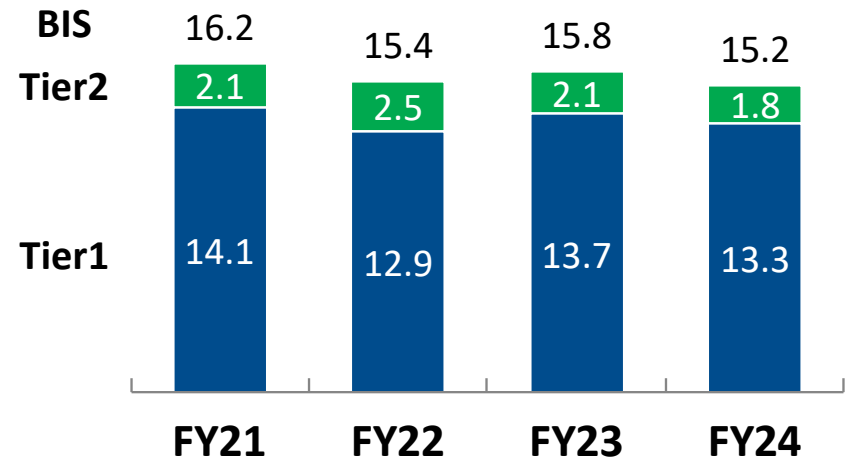
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# Cathay FHC – Capital adequacy

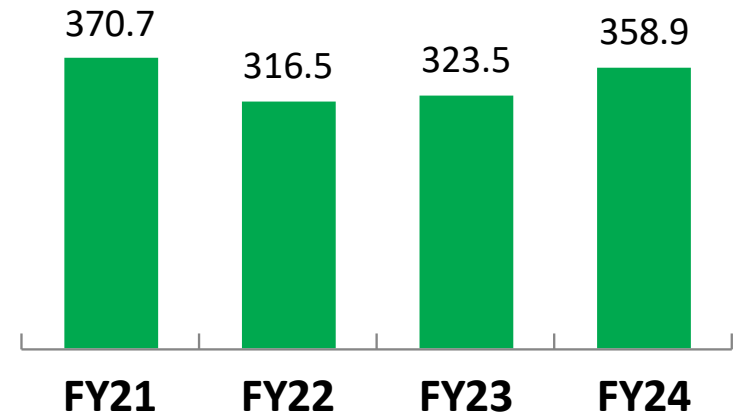
## Cathay FHC CAR (%)



## CUB capital adequacy (%)

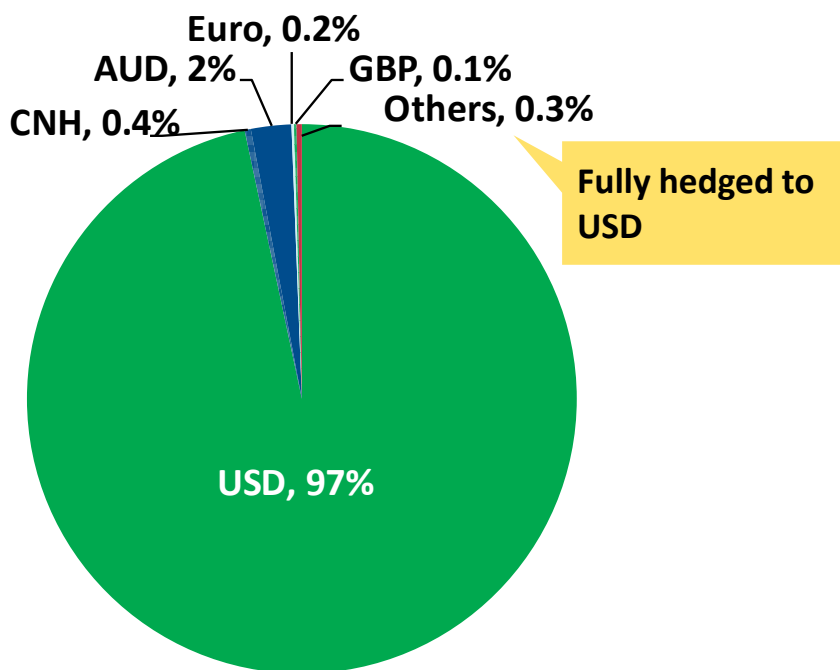


## Cathay Life RBC (%)

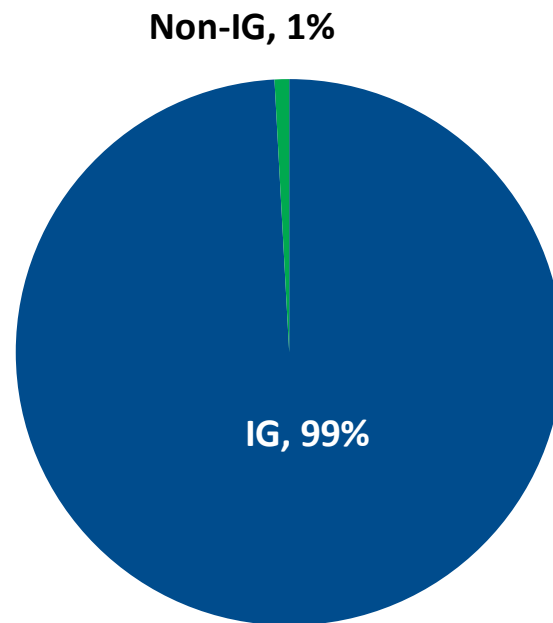


# Cathay Life – Overseas bond breakdown by currency and rating

## Overseas bond by currency (FY24)



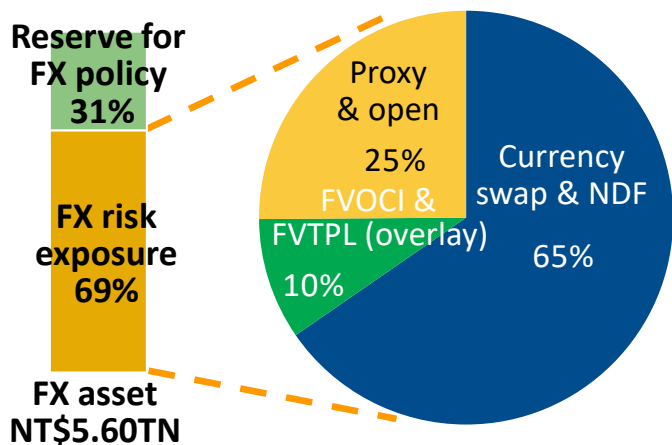
## Overseas bond by rating (FY24)



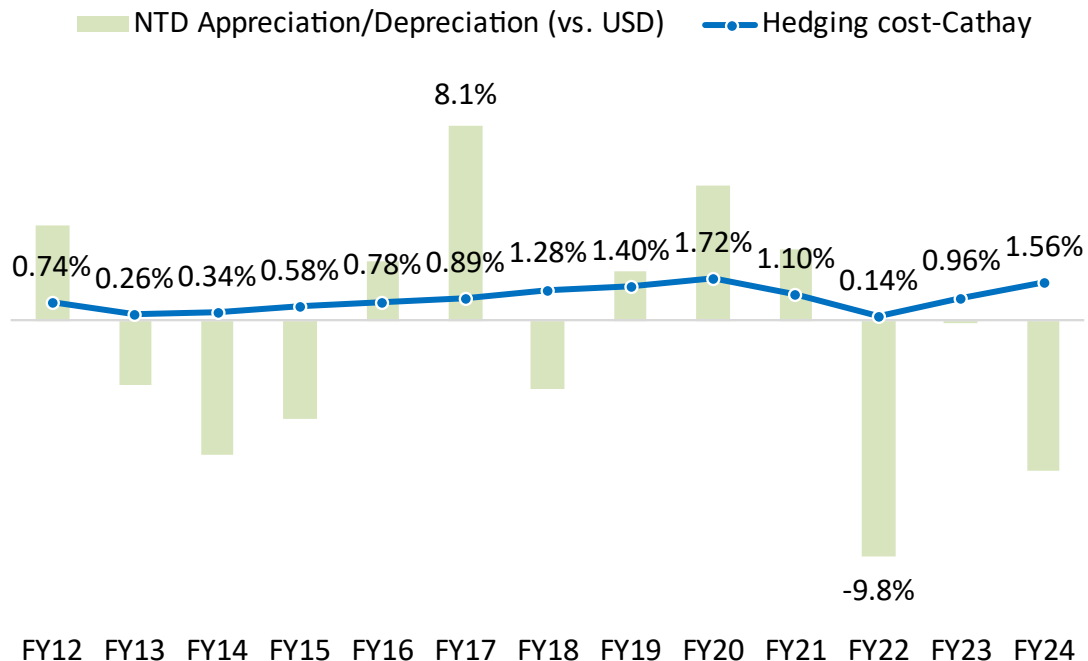
# Cathay Life – Dynamic hedging strategy

- Dynamic and effective hedging strategy maintains hedging costs within the target range of 1-1.5%.

## FY24 FX asset hedging structure



## Hedging cost vs. NTD/USD movement



# Response to IFRS 17 & TW-ICS implementation

- ❑ Proactively participating in the international field testing of IFRS 17 and ICS since 2015
- ❑ Refining business strategies since 2020 in response to the implementation of IFRS 17 and TW-ICS, focusing on new business profitability, investments and capital planning



## Product Strategy

### Profitability under new framework is confirmed

- ✔ Focus on not only returns but risks, namely risk-adjusted return on capital (RAROC)
- ✔ Shift to protection-type, USD interest sensitive life and ILPs



## Investments

### Liability-driven investments

- ✔ Risk-adjusted return on capital (RAROC) consideration under TW-ICS
- ✔ More fixed income assets to enhance recurring yield and manage interest rate risks



## Capital

### Capital raising plan to create buffer for market fluctuation

- ✔ NT\$35bn common equity injection in 2022; NT\$35bn and NT\$80bn subordinated debt issuance in 2023 and 2024, respectively.



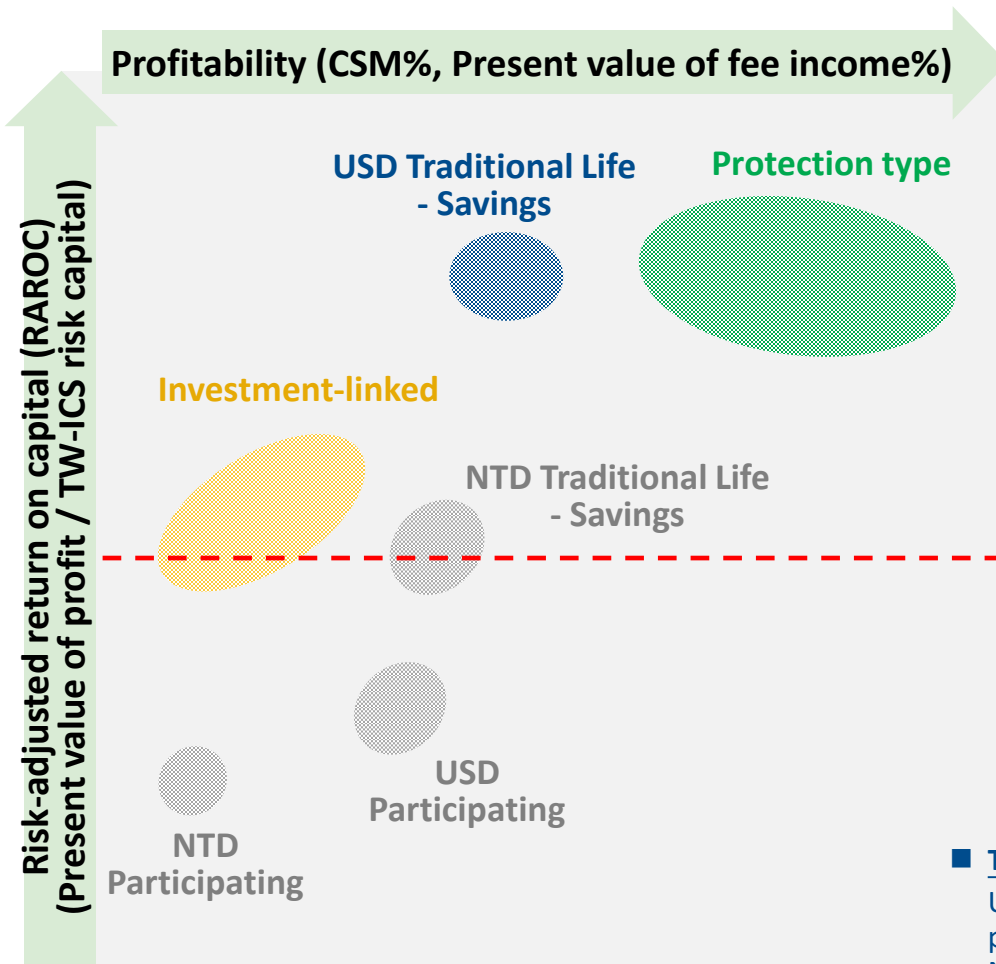
## Asset Liability Management

### Strengthen interest rate risk management

- ✔ Advance duration management, including effective and dollar duration
- ✔ Employ interest rate hedge for USD policies as needed

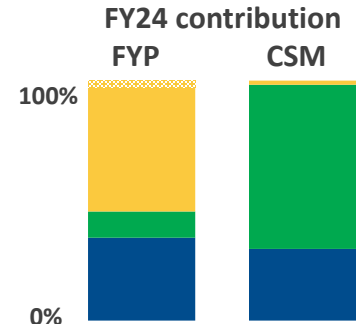
# Focus on high CSM and RAROC products

- CSM accumulation is top priority
- Taking profitability, volume(FYP) and capital charge into consideration



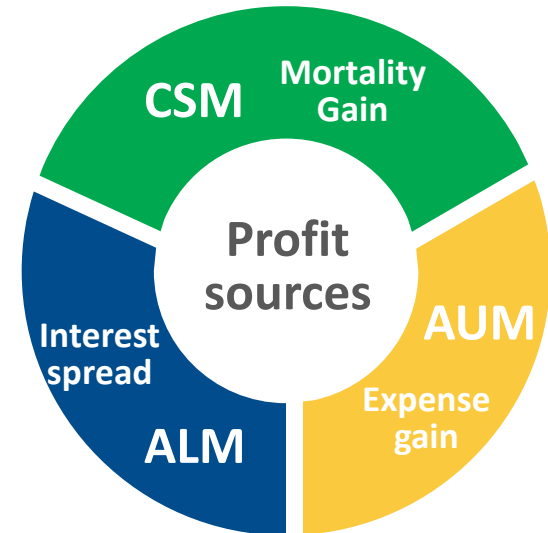
\* Participating products calculations are based on internal methodologies and assumptions.

- Protection type**  
NTD Health & Accident products are key focus  
Superior CSM contribution



- Traditional life -savings**  
USD interest sensitive life policies are the key products  
No foreign currency risk, easier for ALM

- Investment-linked products(ILP)**  
Stable fee income, no interest rate risk and low capital charge  
Aim to stably increase AUM





# Enhancing transparency and comparability under IFRS 17

- ❑ Mark-to-market valuation for insurance liabilities
- ❑ Profit of insurance policies recognized as CSM (as a liability item) and released through revenue over the contract term

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
<b>Revenues</b>	<ul style="list-style-type: none"> <li>Premium income</li> <li>Investment income (incl. realized gains of equity investment w/overlay)</li> </ul>	<b>Insurance service results</b>	<ul style="list-style-type: none"> <li>CSM &amp; risk adjustment (RA) release</li> <li>Expected claims and expenses paid</li> <li>Actual claims and expenses paid</li> </ul>	1 CSM released through revenue over the contract term
<b>Expenses</b>	<ul style="list-style-type: none"> <li>Incurred claims</li> <li>Changes in insurance policy reserves</li> <li>Expenses</li> </ul>	<b>Financial results</b>	<ul style="list-style-type: none"> <li>Investment income</li> <li>Insurance finance expenses</li> </ul>	2 Net interest earned
<b>Net income</b>		<b>Others</b>	<ul style="list-style-type: none"> <li>Other income</li> <li>Other expenses</li> </ul>	3 Fee income from investment-linked products (out of IFRS 17 scope)
<b>OCI</b>	<ul style="list-style-type: none"> <li>Changes in FVOCI assets</li> </ul>	<b>Net income</b>		
		<b>OCI</b>	<ul style="list-style-type: none"> <li>Changes in insurance liabilities due to discount rates <sup>(1)</sup></li> <li>Changes in FVOCI assets</li> </ul>	4 Changes in asset and liabilities due to interest rate changes
		<b>Retained earnings</b>		5 Reflect net income and FVOCI equity investment realized gains <sup>(2)</sup>

# TW-ICS: Transitional measures ease capital pressure

		RBC	TW-ICS
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 measure		VaR 95%	VaR 99.5%
Risk calculation		Factor-based	Stress approach (primarily), factor-based

## Transitional measures

- **Linear increase of the capital requirement over a 15-year phase-in period**
  - Net fair value impacts from assets and liabilities for legacy portfolios <sup>(1)</sup>
  - 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 TW-ICS from RBC

## Localization

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

Risk factor	RBC	ICS (IAIS)	TW-ICS
Taiwan listed stocks	21.65% (TWSE), 30% (OTC)	48% (EM)	35%
Domestic real estate	7.81%	25%	15%
Domestic public infrastructure <sup>(2)</sup>	1.28%	49% (other equity)	1.28%

# 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 6<sup>th</sup> approval



2022 & 2023 ICAPs

Global best practice



1<sup>st</sup> in Asia

## Taiwan

Top-20%  
Corporate Governance

Over 1,000 listed companies

TWSE Corporate Governance Evaluation



Top-10 World Corporate Citizen for **12** years  
Top 3 Large Cap & Financial in 2024

## Global Views



First Prize in Annual Survey for **3** years (Finance & Insurance), selected for “Annual Honor Roll” in 2022



2024 Taiwan Corporate Sustainability Awards

# Cathay FHC's efforts on ESG integration & climate actions



2011

- Established CSR Committee

- Formed Responsible Investment Team

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

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

2014

2015

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

2016

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

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

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

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

2020

2019



2018



2017



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

2021

2022

RE100



2023



2024



- Selected by The Investor Agenda for its global top-10 best-practice case studies in the Investor Climate Action Plans (ICAPs)
- Became **an RE100 member**, the first financial institution in Taiwan
- Received **SBTi validation of decarbonization targets**
- Participated in **TNFD, Ceres Valuing Water Finance Initiative, The Partnership for Biodiversity Accounting Financials (PBAF)**

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

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

# 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%

**Cathay Financial Holdings**  
**(NT\$MN)**

				<b>FY24/ FY23</b>			<b>4Q24/ 4Q23</b>
<b>Income Statement Data (Consolidated)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>% Chg</b>	<b>4Q23</b>	<b>4Q24</b>	<b>% Chg</b>
<b>Operating Income</b>							
Net interest income	226,163	245,556	262,122	7%	63,164	67,297	7%
Net commission and fee	15,421	9,204	15,076	64%	3,878	3,659	-6%
Net earned premium	439,719	431,638	462,813	7%	126,244	138,129	9%
Change in liability reserve	(198,098)	(139,104)	(114,344)	-18%	(44,382)	(34,454)	-22%
Net claims payment	(438,283)	(461,707)	(498,373)	8%	(124,134)	(137,783)	11%
Investment income	132,185	39,173	117,374	200%	(31,272)	(15,081)	52%
Contribution from associates-equity method	2,266	1,951	2,555	31%	(69)	848	1335%
Other net non-interest income	(36,038)	29,656	(2,840)	-110%	21,502	16,768	-22%
Bad debt expense	(4,778)	(4,103)	(9,279)	126%	(1,930)	(2,915)	51%
Operating expense	(88,610)	(94,013)	(107,251)	14%	(25,552)	(30,680)	20%
<b>Income before taxes</b>	<b>49,948</b>	<b>58,252</b>	<b>127,853</b>	<b>119%</b>	<b>(12,551)</b>	<b>5,790</b>	<b>146%</b>
Income taxes	(11,986)	(6,738)	(16,626)	147%	4,321	2,083	-52%
Net income	37,962	51,514	111,227	116%	(8,230)	7,872	196%
Net income to parent company	37,359	50,929	110,270	117%	(8,323)	7,453	190%
EPS (NT\$)	2.58	3.24	7.29		(0.57)	0.51	
<b>Dividend Payout</b>							
Cash dividend per share	0.90	2.00					
Stock dividend per share	0.00	0.00					
Weighted average outstanding common shares (Millions of shares)	13,190	14,669	14,669				
<b>Balance Sheet Data (Consolidated)</b>							
Total assets	12,070,886	12,810,424	13,767,150				
Total shareholders' equity	611,708	801,446	906,527				
Equity attributable to parent company	598,840	788,055	888,692				
<b>Operating Metrics</b>							
ROAE (Consolidated)	4.98%	7.29%	13.02%				
ROAA (Consolidated)	0.32%	0.41%	0.84%				
Double leverage ratio(inc. preferred stock)	122%	118%	118%				
<b>Capital Adequacy Metrics</b>							
Capital Adequacy Ratio	127%	129%	136%				

**Notes:**

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<b>Cathay Life</b>				<b>FY24/ FY23</b>			<b>4Q24/ 4Q23</b>
<b>(NT\$MN)</b>				<b>% Chg</b>			<b>% Chg</b>
<b>Income Statement Data (Consolidated)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>		<b>4Q23</b>	<b>4Q24</b>	
Net written premium	410,186	401,229	430,672	7%	117,621	129,722	10%
Net earned premium	409,196	400,118	428,935	7%	116,533	128,552	10%
Reinsurance commission earned	527	424	318	-25%	402	256	-36%
Fee income	10,804	11,728	13,542	15%	3,337	3,640	9%
Recurring investment income	242,608	259,730	272,669	5%	63,545	66,790	5%
Gain on disposal of investment							
Realized gain (loss)-Equity	23,289	40,782	114,260	180%	7,933	20,459	158%
Realized gain (loss)-Debt	5,572	4,158	1,139	-73%	429	395	-8%
Gain on investment property	2,735	(70)	976	1496%	133	(948)	-810%
FX and others, net	(2,907)	(52,426)	(87,502)	-67%	(32,310)	(34,295)	-6%
Investment income, net	271,296	252,174	301,542	20%	39,730	52,401	32%
Other operating income	8,726	1,468	1,550	6%	311	313	1%
Separate account revenues	(933)	56,586	67,117	19%	14,143	11,867	-16%
Net claims payment	(398,511)	(429,157)	(475,850)	11%	(116,799)	(131,015)	12%
Changes in liability reserves	(188,389)	(147,994)	(112,991)	-24%	(44,394)	(34,327)	-23%
Acquisition and commission expense	(30,977)	(33,700)	(38,537)	14%	(7,060)	(10,647)	51%
Other operating costs	(6,729)	(6,358)	(8,486)	33%	(1,702)	(2,491)	46%
Financial cost	(3,817)	(4,802)	(7,418)	54%	(1,362)	(2,302)	69%
Separate account expense	933	(56,586)	(67,117)	19%	(14,143)	(11,867)	-16%
Operating expense	(32,301)	(27,981)	(32,240)	15%	(7,977)	(9,140)	15%
Net non-operating income	1,859	2,755	2,538	-8%	639	773	21%
Income taxes	(7,513)	(1,907)	(5,624)	195%	4,446	3,821	-14%
Net income	34,169	16,766	67,280	301%	(13,895)	(166)	99%
Net income to parent company	33,667	16,343	66,883	309%	(13,919)	(227)	98%
<b>Balance Sheet Data</b>							
Total assets	8,172,430	8,536,002	9,094,382				
General account	7,517,003	7,808,336	8,303,423				
Separate account	655,427	727,666	790,958				
Reserves for life insurance liabilities	6,794,562	6,919,383	7,146,011				
Total liabilities	7,706,641	7,908,127	8,376,708				
Total shareholders' equity	465,789	627,875	717,673				
Equity attributable to parent company	456,817	618,419	704,497				
<b>Operating Metrics</b>							
First Year Premium(FYP)	129,343	132,871	154,103				
Annualized FYP(APE)	42,434	47,415	57,793				
Expense ratio	12.8%	13.7%	15.7%				
13-M persistency ratio	97.7%	97.3%	97.9%				
25-M persistency ratio	96.6%	95.4%	95.3%				
ROAE	5.66%	3.07%	10.00%				
ROAA	0.42%	0.20%	0.76%				
<b>Capital Adequacy Metrics</b>							
RBC ratio (Standalone)	316%	323%	359%				

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**Cathay United Bank  
 (NT\$MMN)**

<b>Income Statement Data (Consolidated)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY24/ FY23 % Chg</b>	<b>4Q23</b>	<b>4Q24</b>	<b>4Q24/ 4Q23 % Chg</b>
<b>Operating Income</b>							
Net interest income	48,704	51,743	60,913	18%	13,243	16,046	21%
Net fee income	18,246	20,844	27,973	34%	5,129	6,951	36%
Investment income	6,711	13,476	18,334	36%	1,012	2,739	171%
Other income	1,180	835	602	-28%	218	118	-46%
<b>Net operating income</b>	<b>74,841</b>	<b>86,898</b>	<b>107,822</b>	<b>24%</b>	<b>19,602</b>	<b>25,853</b>	<b>32%</b>
Operating expenses	(38,307)	(45,752)	(51,840)	13%	(12,655)	(14,555)	15%
<b>Pre-provision profit</b>	<b>36,534</b>	<b>41,146</b>	<b>55,982</b>	<b>36%</b>	<b>6,947</b>	<b>11,298</b>	<b>63%</b>
Net provisions for possible losses	(5,524)	(5,077)	(9,211)	81%	(1,869)	(2,697)	44%
<b>Income before taxes</b>	<b>31,010</b>	<b>36,069</b>	<b>46,770</b>	<b>30%</b>	<b>5,078</b>	<b>8,601</b>	<b>69%</b>
Income tax	(5,299)	(7,102)	(8,430)	19%	(1,532)	(1,501)	-2%
<b>Net income</b>	<b>25,712</b>	<b>28,967</b>	<b>38,341</b>	<b>32%</b>	<b>3,546</b>	<b>7,100</b>	<b>100%</b>
<b>Net income to parent company</b>	<b>25,590</b>	<b>28,805</b>	<b>37,780</b>	<b>31%</b>	<b>3,477</b>	<b>6,741</b>	<b>94%</b>
<b>Balance Sheet Data</b>							
Total assets	3,887,031	4,233,701	4,606,285				
Loans, net	2,045,082	2,280,571	2,679,233				
Financial assets	1,268,349	1,403,347	1,234,617				
Total liability	3,645,307	3,957,835	4,306,237				
Deposits	3,246,162	3,543,558	3,848,586				
Financial Debenture Payable	37,147	27,100	12,700				
Total shareholders' equity	241,724	275,866	300,048				
Equity attributable to parent company	237,734	271,931	295,390				
<b>Operating Metrics</b>							
Cost income ratio	51.18%	52.65%	48.08%				
ROAE	10.44%	11.19%	13.31%				
ROAA	0.70%	0.71%	0.87%				
<b>Assets Quality (Standalone)</b>							
NPL	1,510	2,519	2,943				
NPL ratio	0.08%	0.11%	0.11%				
NPL provisions	32,459	36,609	42,528				
Coverage ratio	2150%	1453%	1445%				
<b>Capital Adequacy Metrics (Standalone)</b>							
BIS ratio	15.4%	15.8%	15.2%				
Tier 1 ratio	12.9%	13.7%	13.3%				
CET1 ratio	11.0%	12.0%	11.7%				
<b>LDR (Standalone)</b>							
Total LDR	62.4%	64.1%	69.8%				
TWD LDR	75.4%	79.8%	79.8%				
FX LDR	25.8%	22.5%	34.4%				

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<b>Cathay Century (NT\$MN)</b>				<b>FY24/ FY23</b>			<b>4Q24/ 4Q23</b>
<b>Income Statement Data (Consolidated)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>% Chg</b>	<b>4Q23</b>	<b>4Q24</b>	<b>% Chg</b>
Premium income	30,266	34,273	38,559	13%	8,958	9,623	7%
Net written premium	22,084	24,022	26,417	10%	6,671	7,006	5%
Net earned premium	21,703	23,448	25,343	8%	6,019	6,606	10%
Reinsurance commission earned	900	1,117	1,230	10%	284	296	4%
Fee income	49	50	54	9%	11	14	24%
Investment	595	948	1,407	48%	(38)	187	597%
Interest income	636	674	859	28%	182	238	31%
Other investment income, net	(41)	275	548	100%	(220)	(51)	77%
Other operating income	157	51	67	30%	(39)	19	150%
Net claims payment	(29,677)	(23,240)	(12,534)	-46%	(3,262)	(3,408)	4%
Changes in liability reserves	(9,709)	8,891	(1,354)	115%	11	(127)	1215%
Commissions and other operating costs	(3,916)	(4,376)	(4,689)	7%	(1,193)	(1,241)	4%
Operating expenses	(4,636)	(5,374)	(6,353)	18%	(1,451)	(1,780)	23%
<b>Operating income</b>	<b>(24,533)</b>	<b>1,514</b>	<b>3,172</b>	<b>109%</b>	<b>344</b>	<b>566</b>	<b>65%</b>
Net non-operating income	8	12	23	92%	12	23	83%
Income taxes	4,904	(281)	(558)	99%	(82)	(155)	89%
Net income	(19,622)	1,246	2,637	112%	275	434	58%
<b>Balance Sheet Data</b>							
Total assets	60,596	55,446	65,503				
Total stockholders' equity	12,800	14,982	17,947				
<b>Operating Metrics</b>							
Gross Combined ratio	196.6%	88.7%	87.3%				
Net Combined ratio	216.2%	101.6%	91.2%				
ROAE	-144.03%	8.97%	16.01%				
ROAA	-35.52%	2.15%	4.36%				
<b>Capital Adequacy Metrics</b>							
RBC ratio (Standalone)	369%	351%	365%				

Notes:

- (1) All data and information on this page is provided for informational purposes only, and may subject to adjustment.  
For more details, please refer to our official financial reports.
- (2) Totals may not sum due to rounding.