



**國泰金控**

Cathay Financial Holdings

# 2019 First Half Briefing

August 2019



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# Agenda

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- **1H19 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Appendix**

# 1H19 Business overview

## Cathay United Bank

- 1H19 net profits grew 14% YoY driven by solid growth in core business.
- Overseas expansion continued. FX loan grew steadily. Offshore earnings accounted for 48% of total pre-tax earnings.
- Fee income increased 12% YoY, among which wealth management and credit card fees grew 7% and 9% respectively.

## Cathay Life

- Focused on value-driven strategy. FYP for protection products grew ~40% YoY. Annualized FYP (APE) grew 28% YoY and remained No. 1 in the industry.
- Hedging cost improved to 1.2%. Pre-hedging recurring yield climbed to 3.48% with 36 bps increase comparing to 1H18.
- RBC ratio was 333%. Capital adequacy remained solid.

## Cathay Century

- Premium income grew 7% YoY. Remained in second place with 12.4% market share.
- Developed online business in China and enlarged local team in Vietnam. Overseas premium income continued to rise.

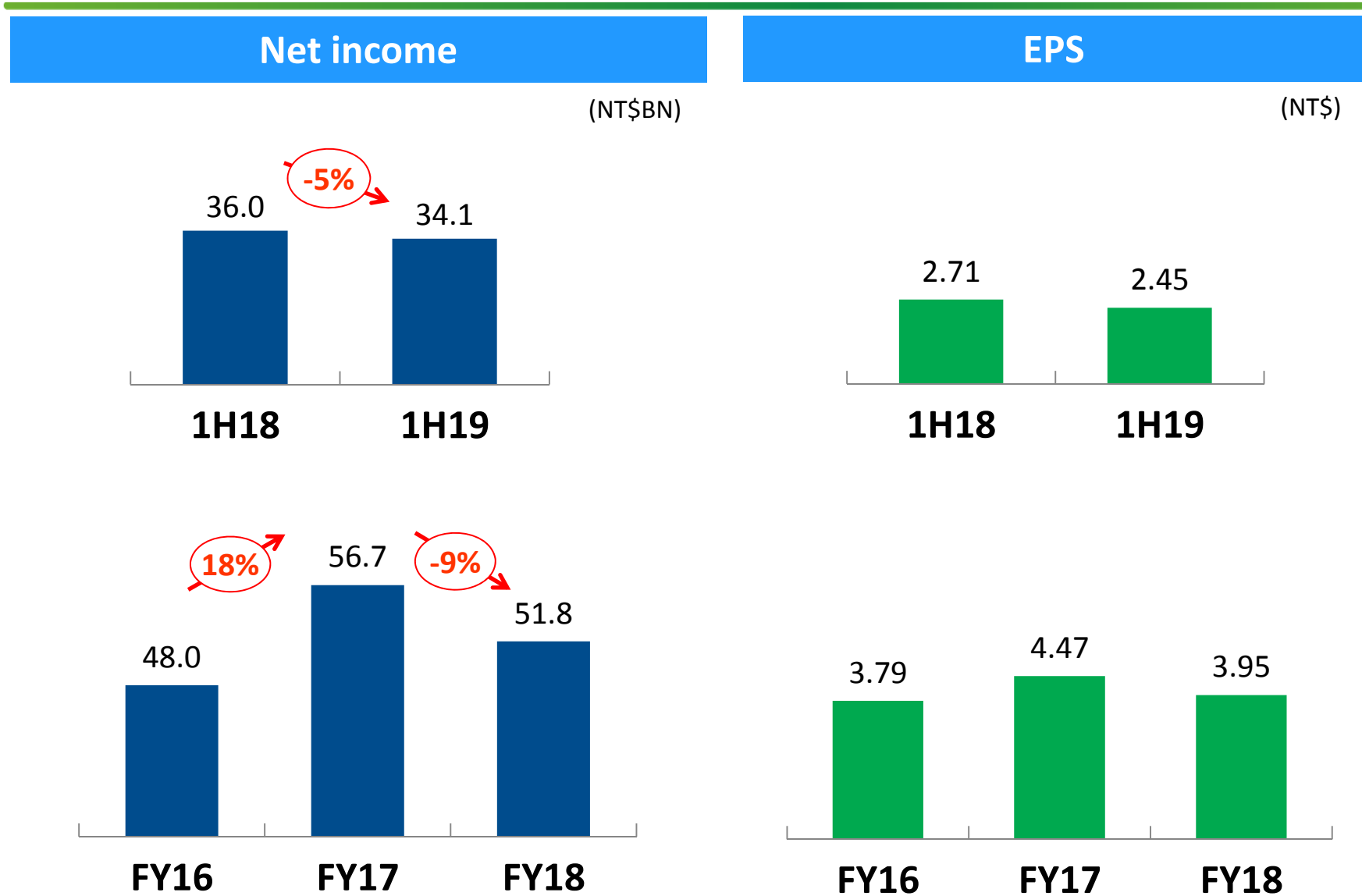
## Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$752.7 BN.
- Recognized by Asia Asset Management, Asian Investor, Benchmark and received Morning Star & Smart Magazine Taiwan Fund Award and TFF-Bloomberg Best Fund Award in 2019.

## Cathay Securities

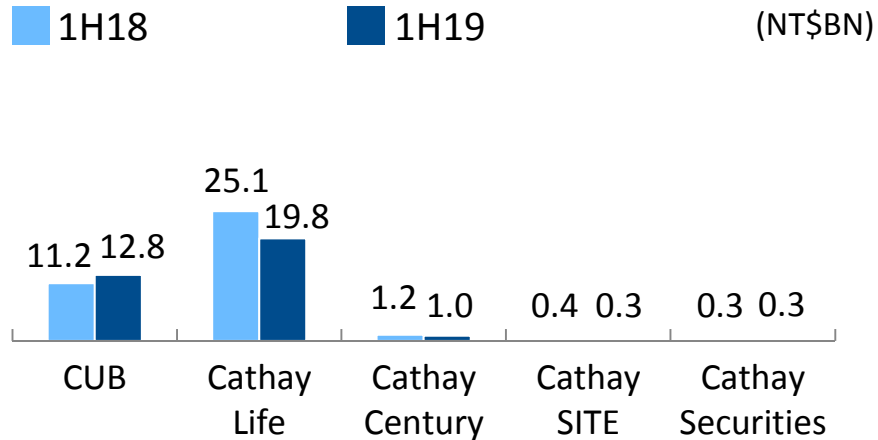
- Brokerage business grew steadily. Sub-brokerage market share ranked No.1.
- Optimized customer experience with new digital business model.

# Cathay FHC – Net income & EPS

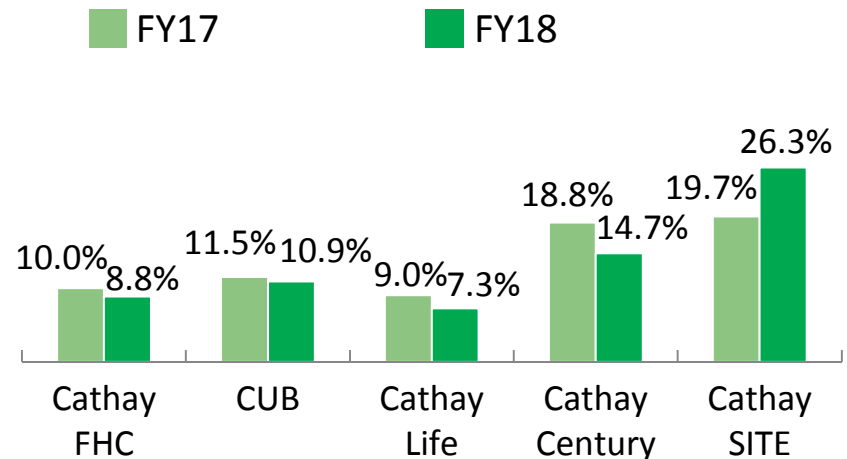
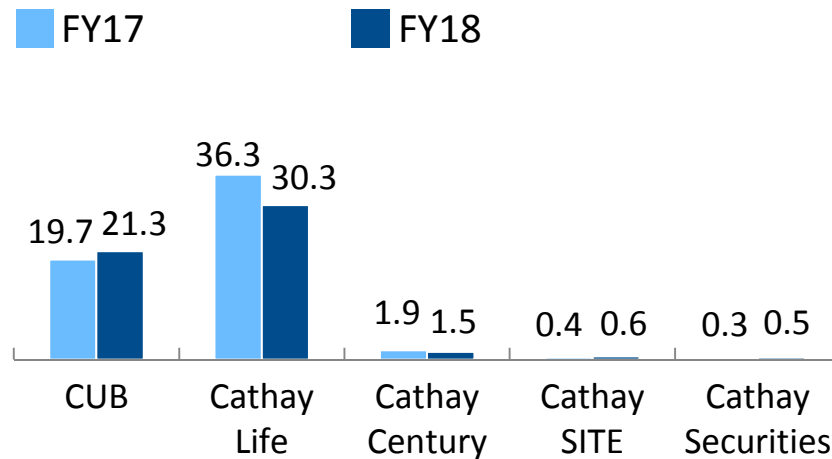
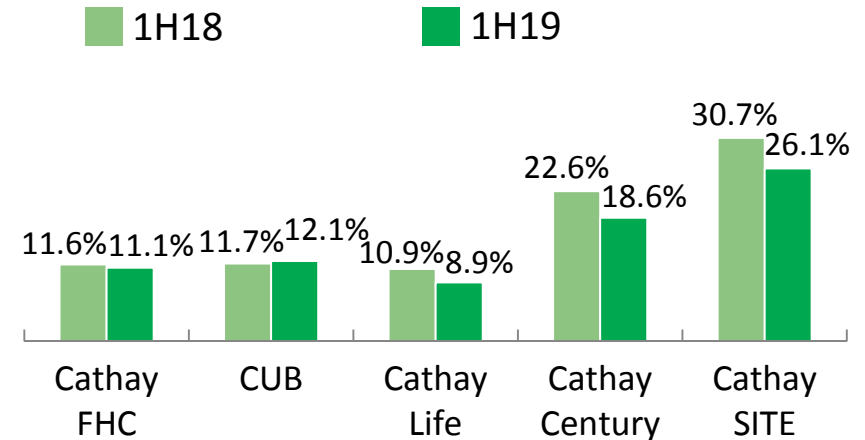


# Cathay FHC – Net income & ROE

## Net income of primary subsidiaries

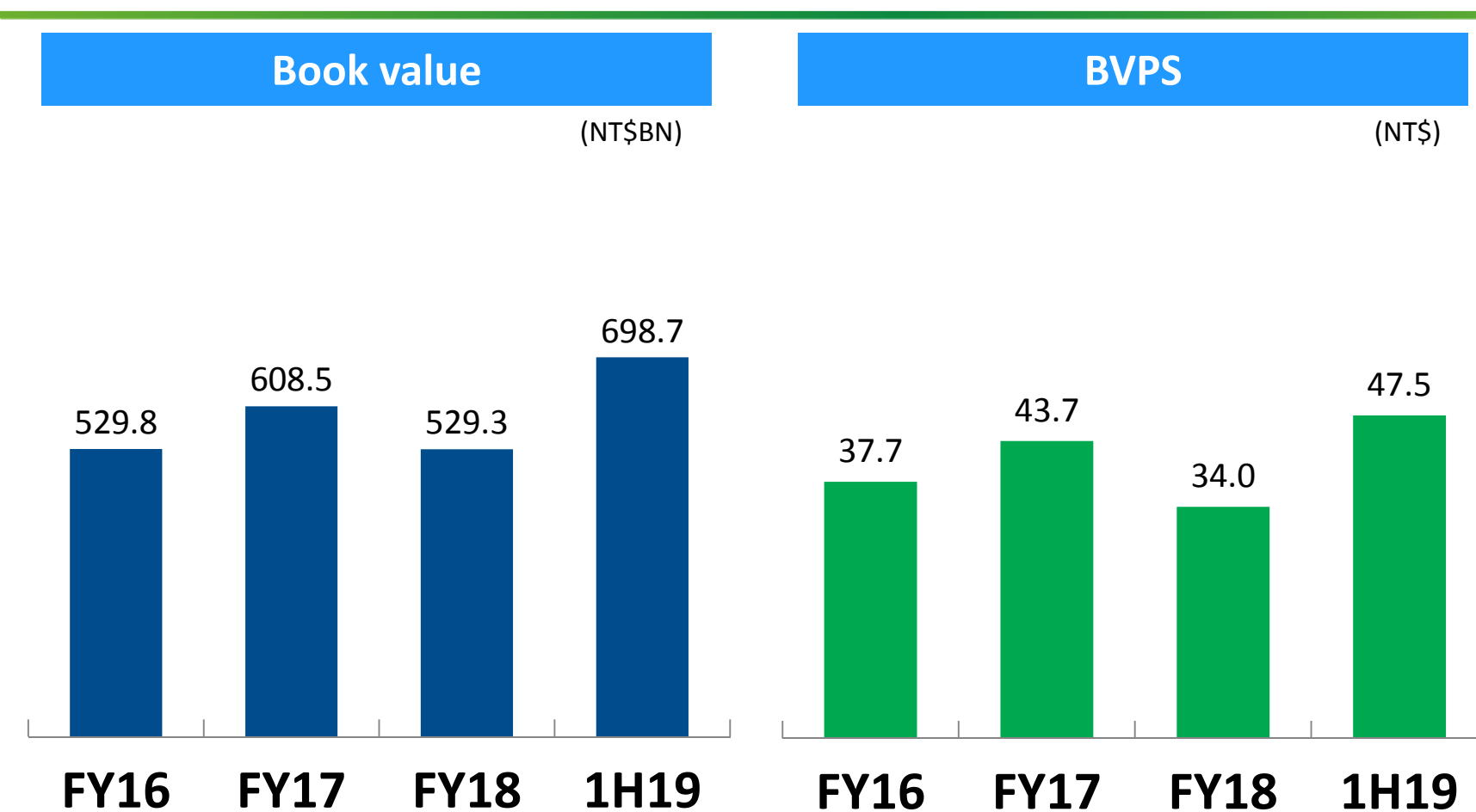


## ROE



Note : Starting from 1Q18, ROE calculation was based on IFRS 9.

# Cathay FHC – Book value & BVPS



Note : (1) Book value includes preferred shares and minority interests, BVPS represented BVPS attributable to common shareholders.  
(2) Starting Jan.1, 2018, the reporting was based on IFRS 9.

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# Cathay FHC in South East Asia

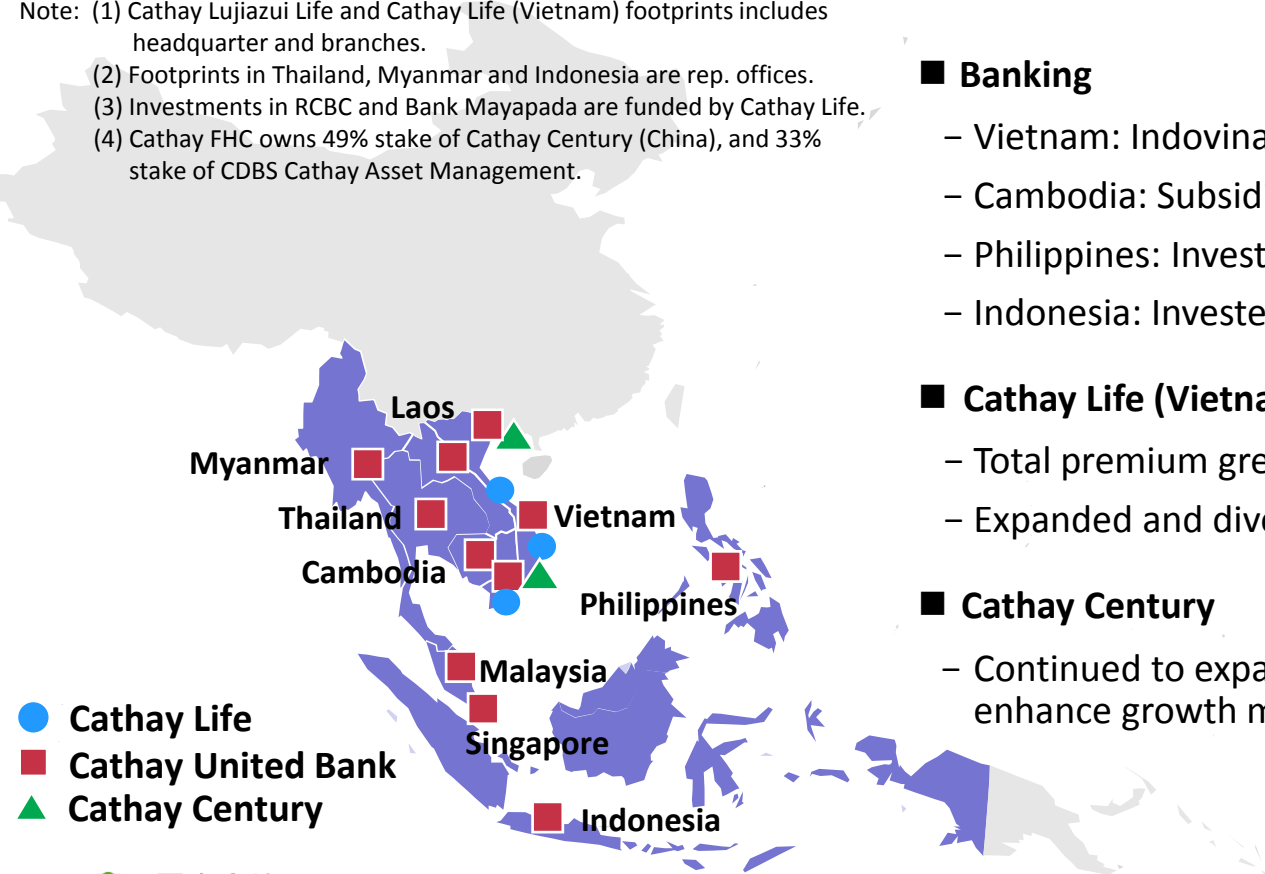
	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Thailand	Myanmar	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	51 <sup>(1)</sup>	68 <sup>(1)</sup>									
P&C	28	2									
Asset Mgt.	1			1							
Securities				1							

Note: (1) Cathay Lujiazui Life and Cathay Life (Vietnam) footprints includes headquarter and branches.

(2) Footprints in Thailand, Myanmar and Indonesia are rep. offices.

(3) Investments in RCBC and Bank Mayapada are funded by Cathay Life.

(4) Cathay FHC owns 49% stake of Cathay Century (China), and 33% stake of CDBS Cathay Asset Management.



## ■ Banking

- Vietnam: Indovina Bank performed steadily.
- Cambodia: Subsidiary's businesses grew steadily.
- Philippines: Invested 23% stake in RCBC<sup>(3)</sup>
- Indonesia: Invested 40% stake in Bank Mayapada<sup>(3)</sup>

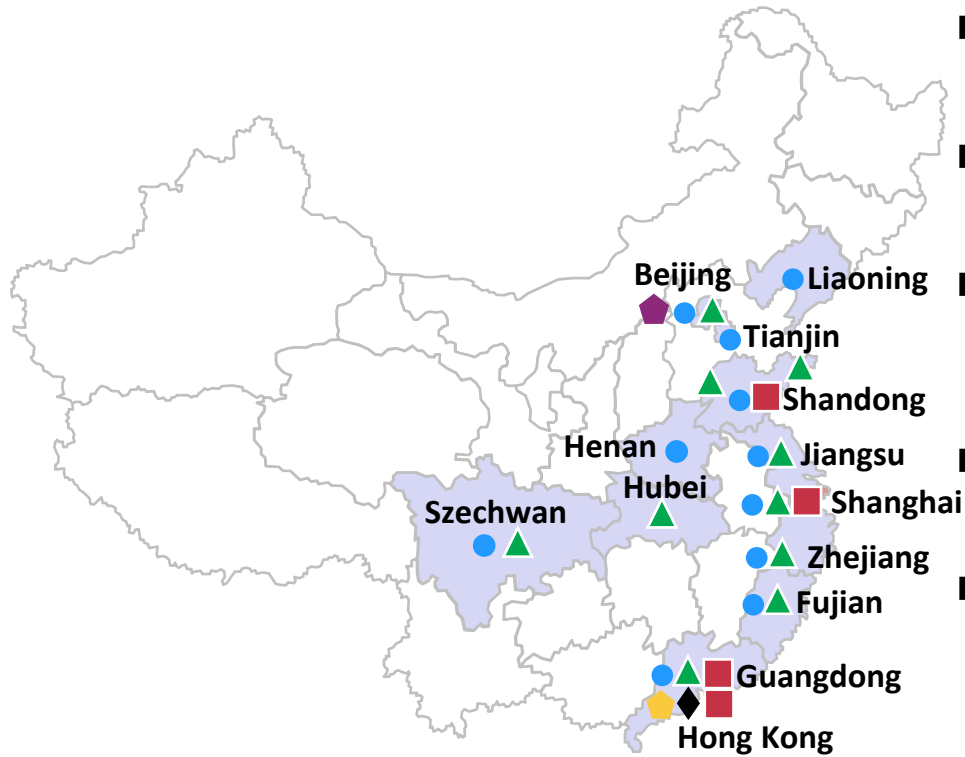
## ■ Cathay Life (Vietnam)

- Total premium grew 55% YoY to VND 465BN in 1H19.
- Expanded and diversified distribution channels.

## ■ Cathay Century

- Continued to expand local distribution channels to enhance growth momentum.

# Cathay FHC in China



- Cathay Lujiazui Life
- Cathay United Bank
- ▲ Cathay Century (China)
- ◆ Cathay Securities
- ◆ Conning Asia Pacific Limited
- ◆ CDBS Cathay Asset Management Company

- **Cathay United Bank**
  - The China subsidiary grew steadily.
- **Cathay Lujiazui Life**
  - Total premium grew 17% YoY to RMB 1.3BN in 1H19.
- **Cathay Century (China)**
  - Formed a strategic alliance with Ant Financial group to capture new business opportunities.
- **Cathay Securities (HK)**
  - Each business line grew steadily.
- **JV with China Development Bank Securities (CDBS Cathay Asset Management)**
  - Continued to launch new products. Mainly focused on fixed income funds.
- **Conning Asia Pacific Limited**
  - Continued to expand asset management business.

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Cathay United Bank

Cathay Life

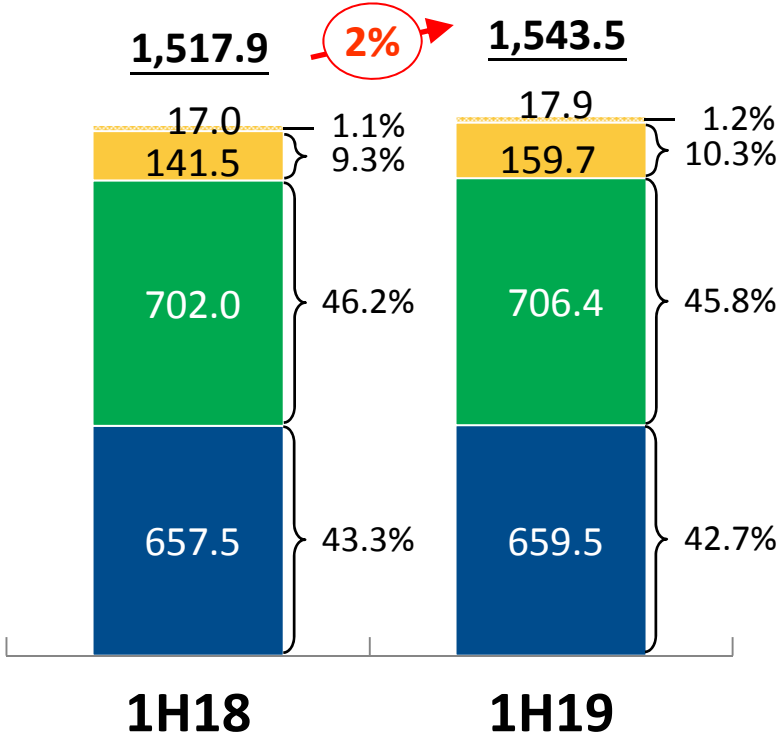
Cathay Century

- Appendix

# Cathay United Bank – Loan & Deposit breakdown

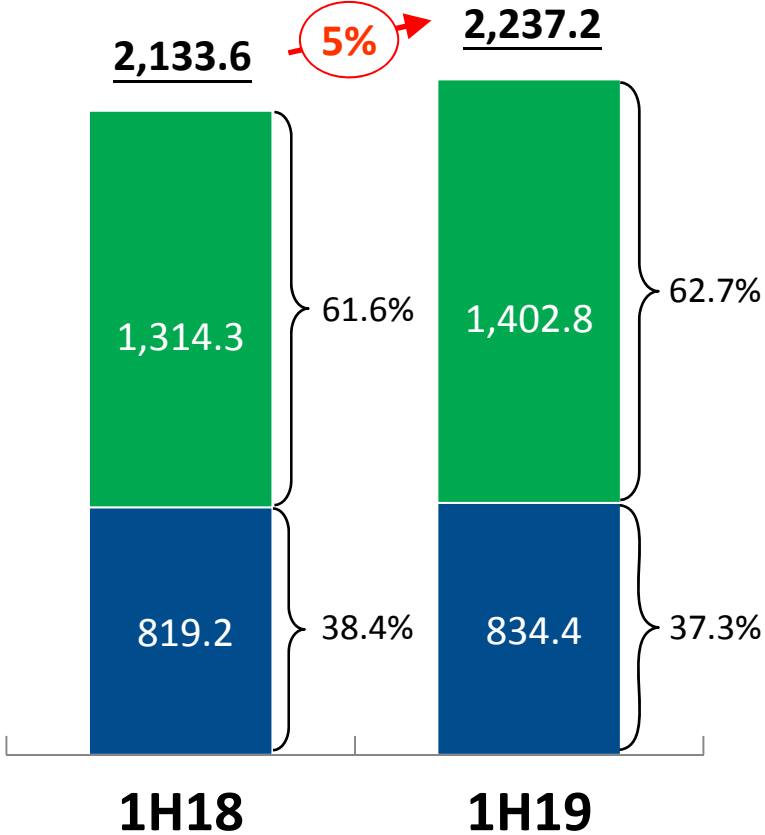
## Loan breakdown

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



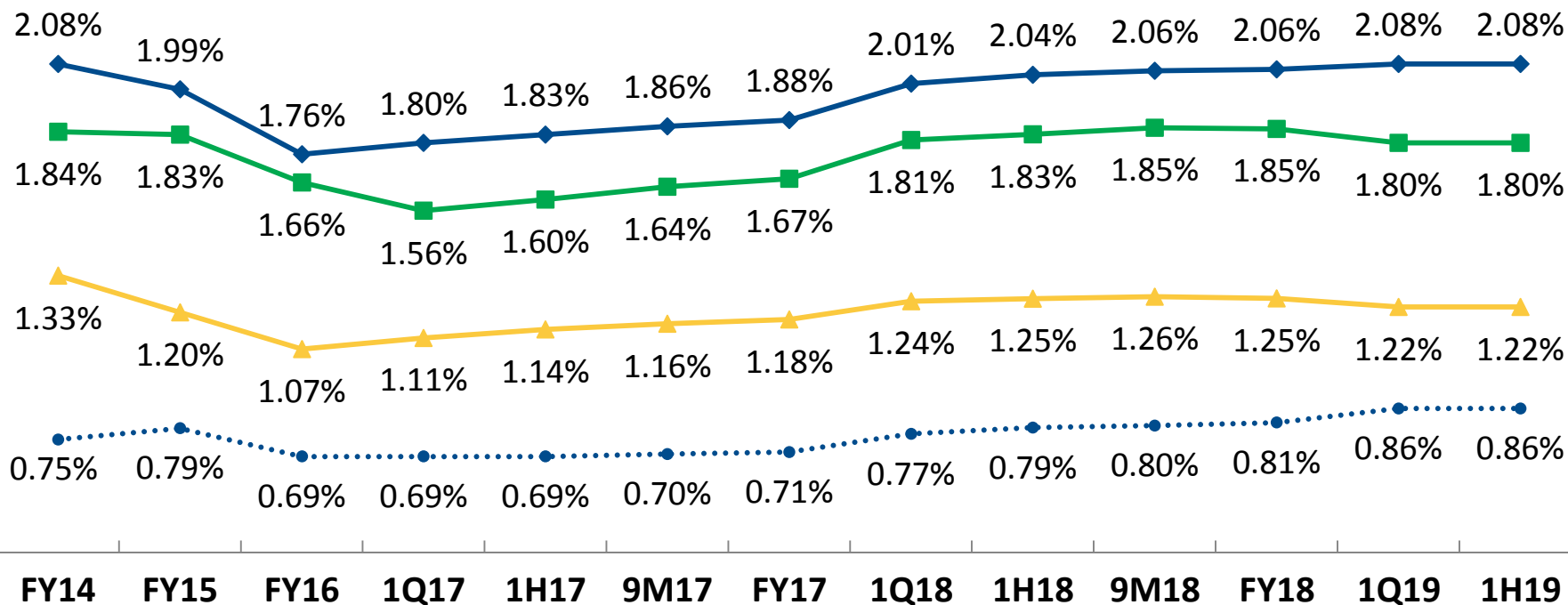
## Deposit breakdown

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



# Cathay United Bank – Interest yields

◆ Avg. rate of interest-earning assets    ■ Interest spread    ▲ Net interest margin    ... Funding cost





Quarterly	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19
Spread	1.56%	1.64%	1.74%	1.76%	1.81%	1.85%	1.90%	1.83%	1.80%	1.81%
NIM	1.11%	1.18%	1.20%	1.22%	1.24%	1.26%	1.27%	1.22%	1.22%	1.22%
NIM-pro forma excl. China <sup>(2)</sup>				1.19%	1.21%	1.22%	1.25%	1.22%	1.22%	1.22%

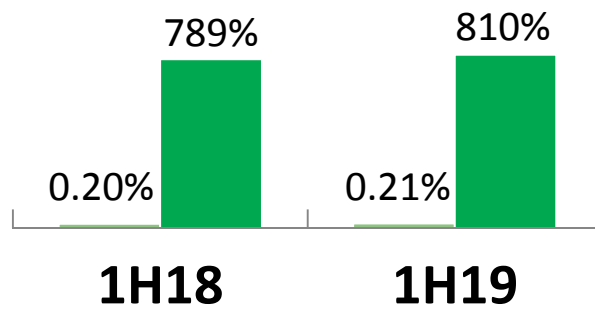
Note : (1) Credit card related loans are included in the calculation of interest spread.

(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results were excluded.

# Cathay United Bank – Credit quality

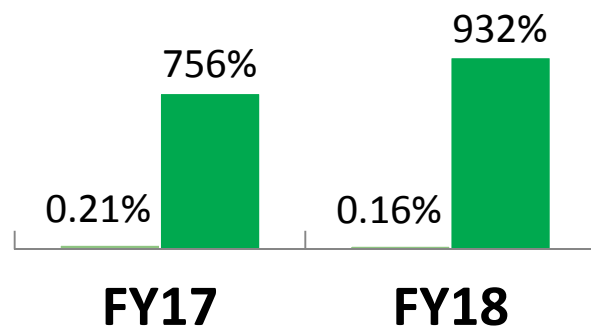
## NPL & Coverage ratio

 NPL ratio  
 Coverage ratio



Mortgage NPL



0.14%      0.23%

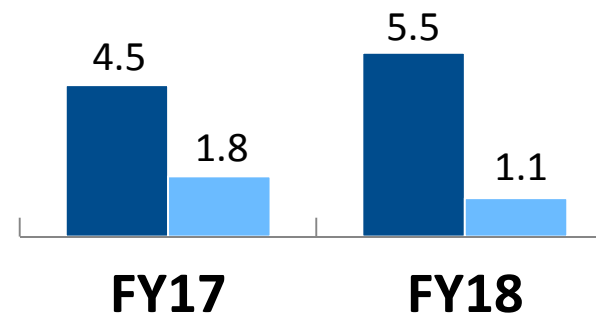
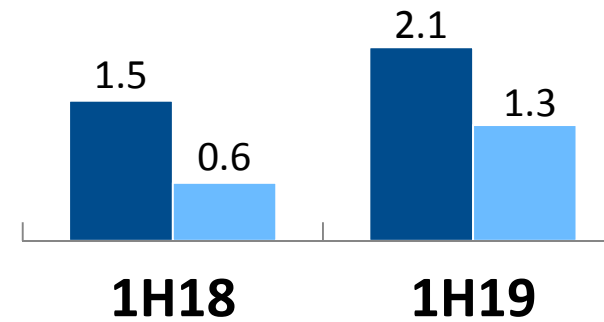


Mortgage NPL

0.15%      0.15%

## Gross provision

 Gross provision (NT\$BN)  
 Recovery

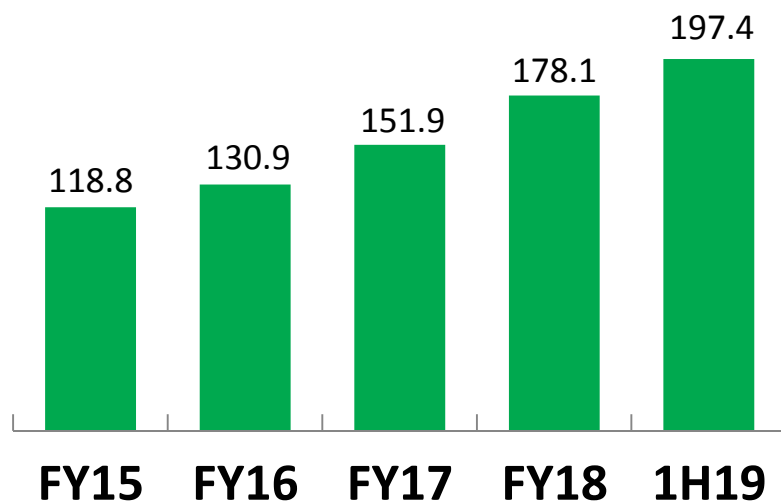


Note : China subsidiary was launched in Sep 2018. Hence, 1H19 number excluded China subsidiary results. (NPL ratio: 0.00%, Gross provision: NT\$-40.9MN, Recovery: NT\$36.2MN; preliminary).

# Cathay United Bank – SME & FX loans

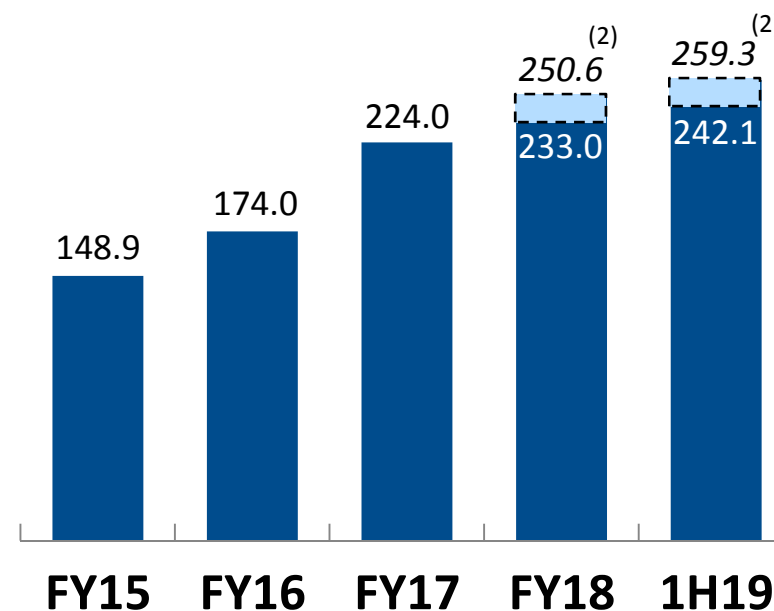
## SME loans

(NT\$BN)



## Foreign currency loans

(NT\$BN)



As % of total loans



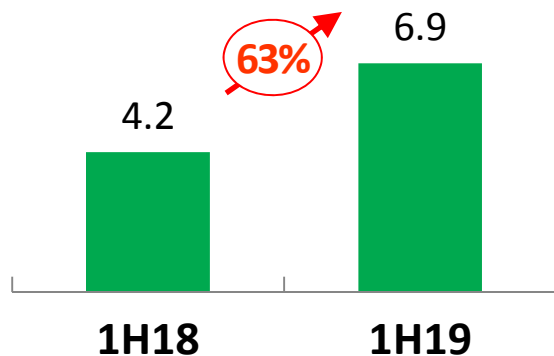
Note : (1) Total loans exclude credit card revolving balance.

(2) China subsidiary was launched in Sep 2018, hence FY18 and 1H19 foreign currency loan balance excluded NT\$17.6BN and NT\$17.2BN (preliminary) from China subsidiary respectively.

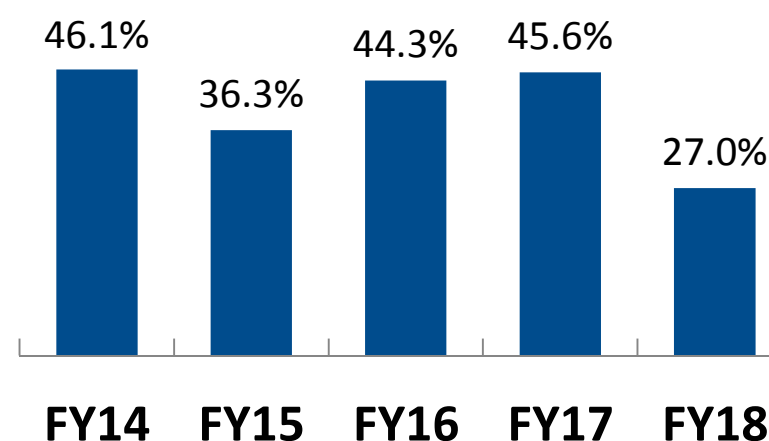
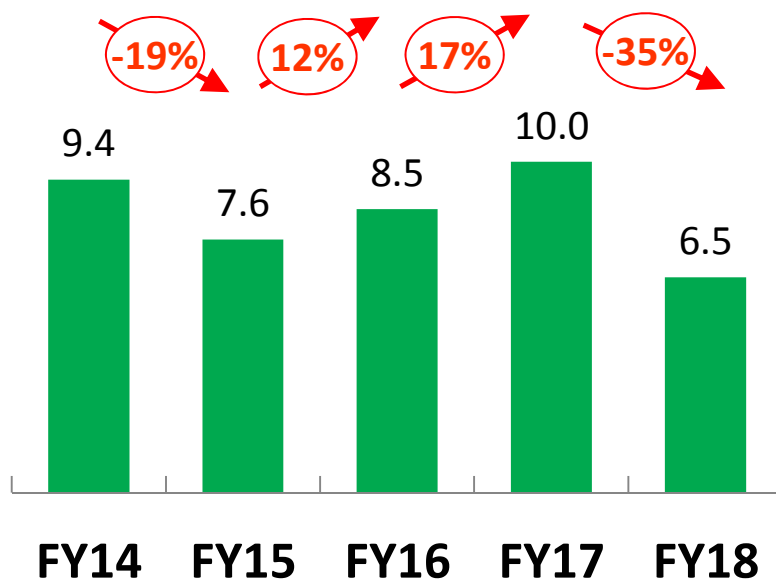
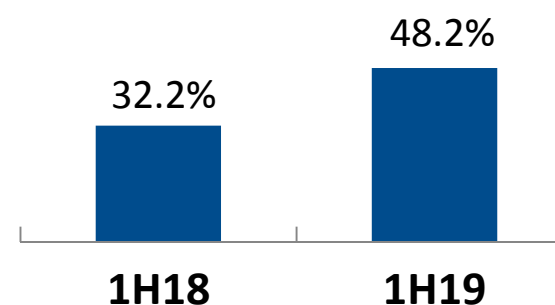
# Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits

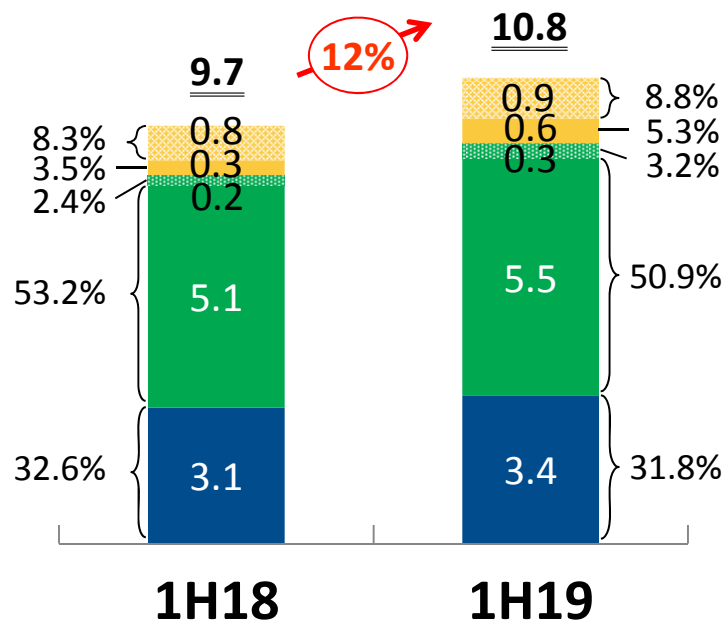




# Cathay United Bank – Fee income

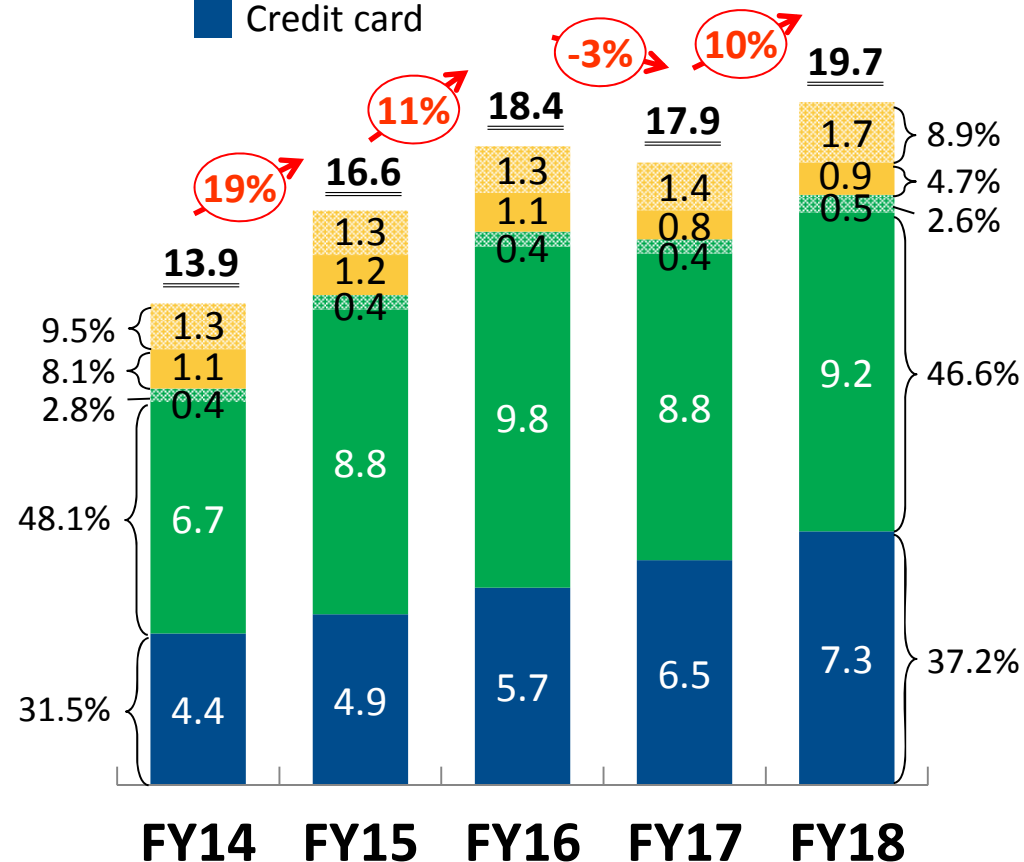
## Quarterly fee income (NT\$BN)

- Others
- Syndicated loans
- FX
- Wealth management
- Credit card



## Annual fee income (NT\$BN)

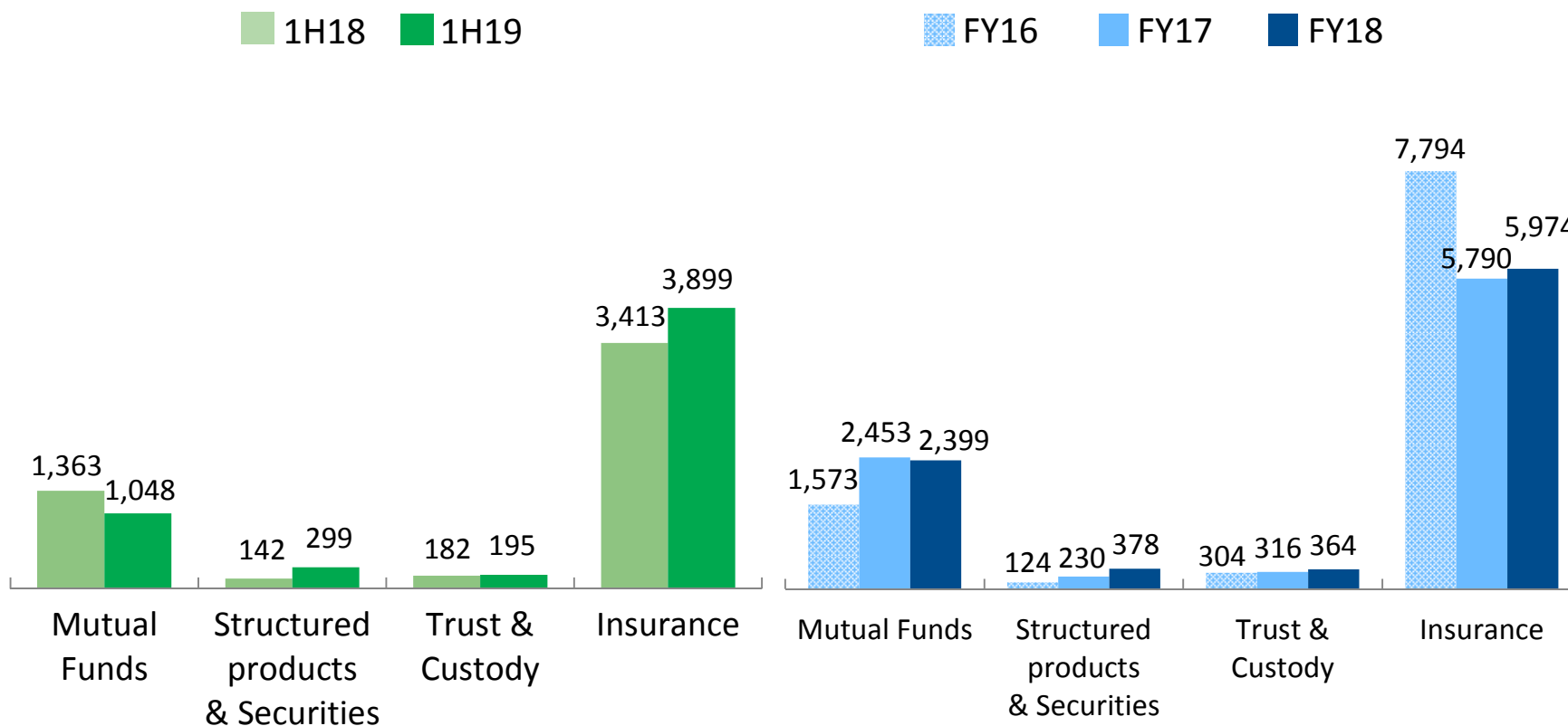
- Others
- Syndicated loans
- FX
- Wealth management
- Credit card



# Cathay United Bank – Wealth management fee

## Wealth management fee breakdown

(NT\$MN)	1H18	1H19	FY16	FY17	FY18
Wealth management fee income	5,134	5,476	9,828	8,837	9,183
YoY growth (%)	6.4%	6.7%	11.9%	-10.1%	3.9%



# Agenda

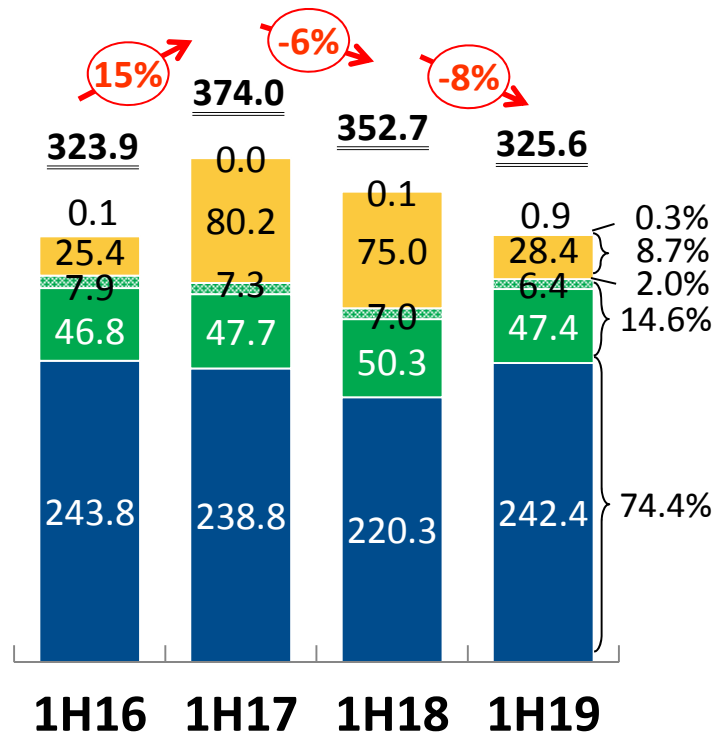
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# Cathay Life – Total premium

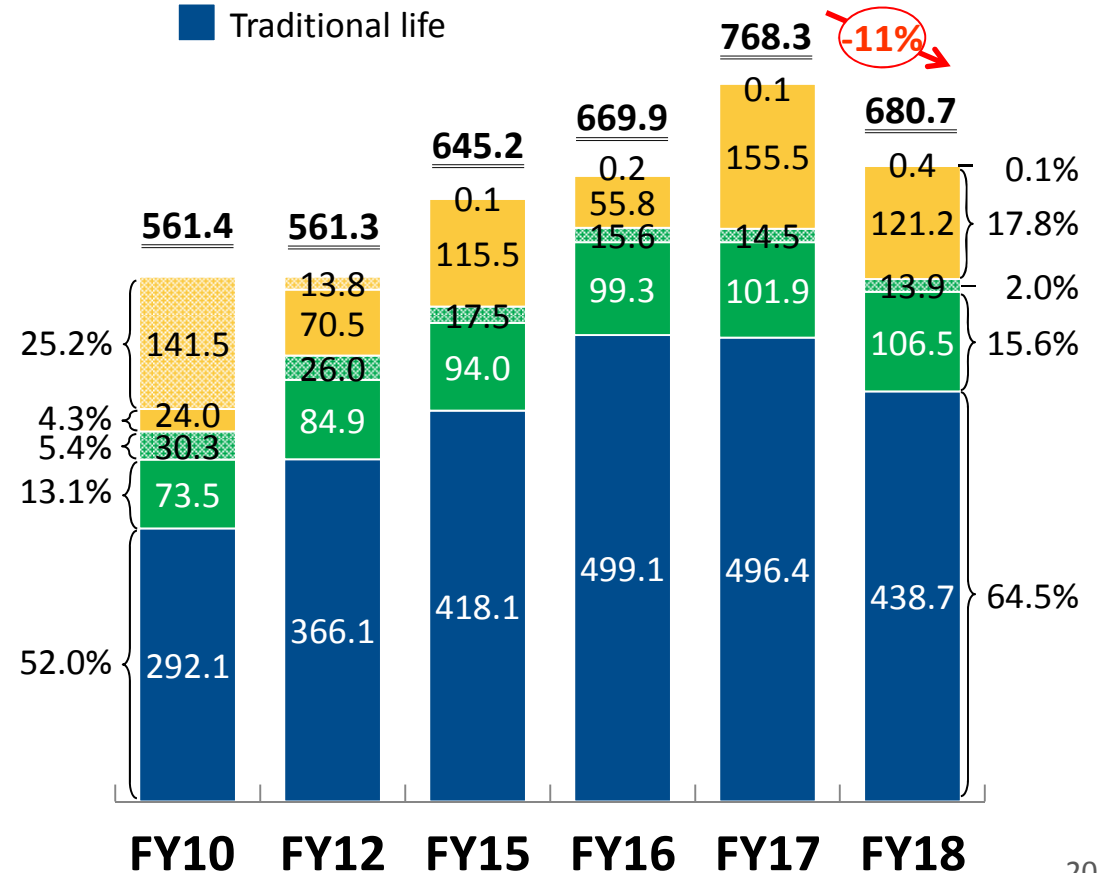
## Quarterly total premium

- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



## Annual total premium

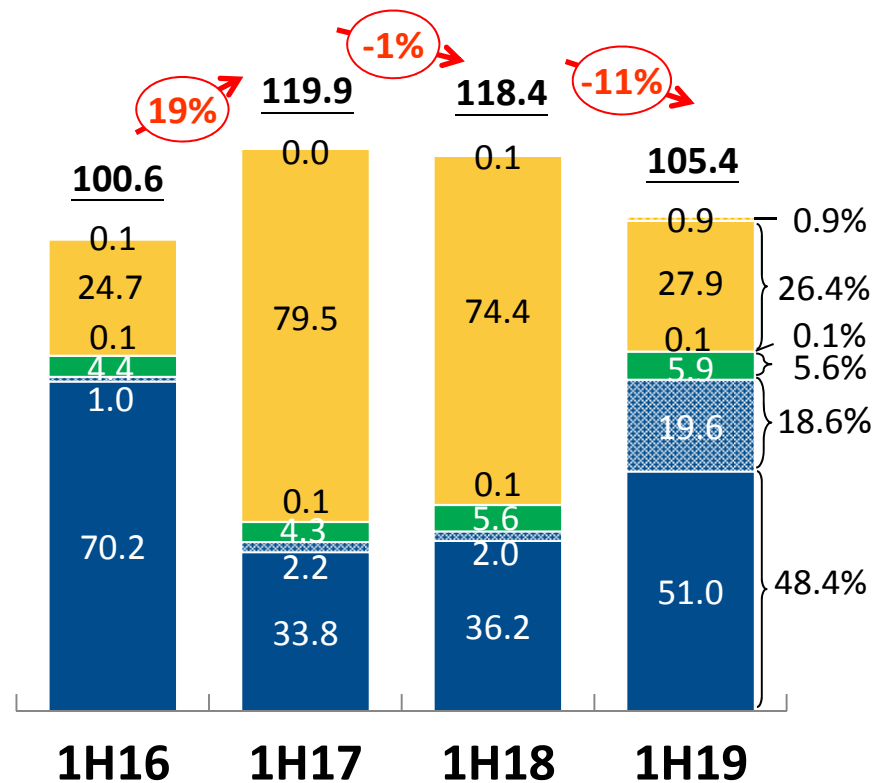
- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



# Cathay Life – Quarterly FYP & APE

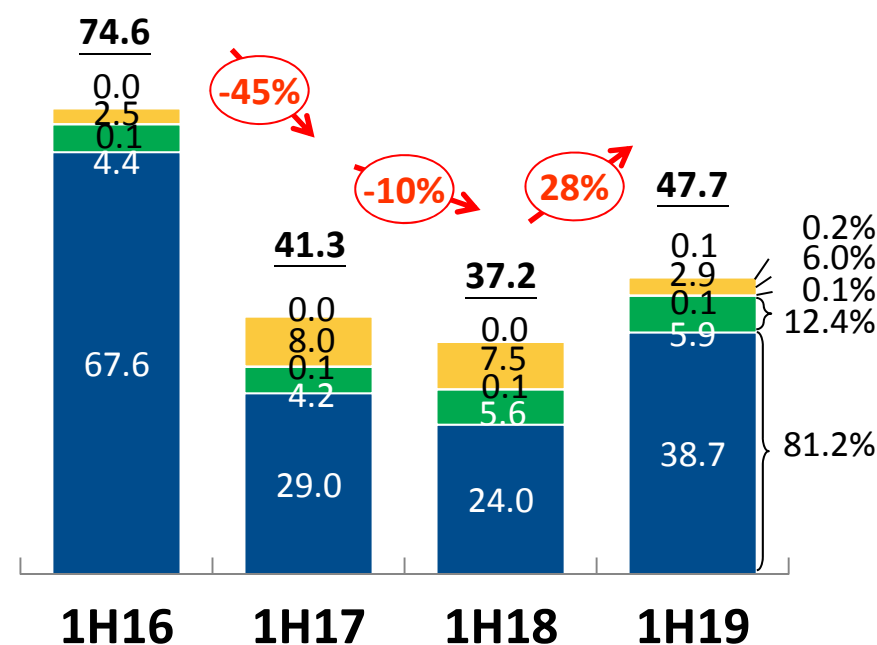
## First Year Premium

- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life – single paid
- Traditional life – regular paid



## Annualized FYP (APE)

- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



Note: Annualized FYP = 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

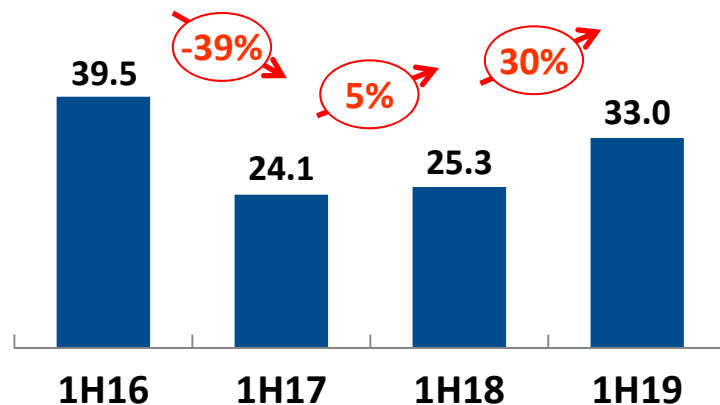
## Value for New Business

Profit Margin	1H16	1H17	1H18	1H19
VNB/FYP	39%	20%	21%	31%
VNB/APE	53%	58%	68%	69%

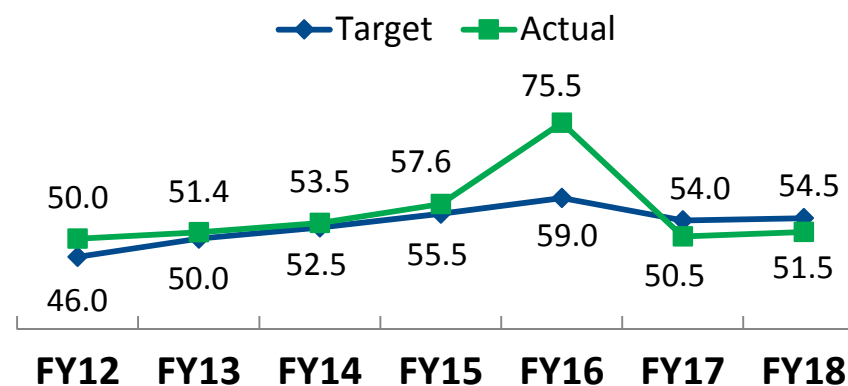
## Value for New Business (annual)

Profit Margin	FY12	FY13	FY14	FY15	FY16	FY17	FY18
VNB/FYP	19%	26%	23%	27%	38%	22%	24%
VNB/APE	54%	70%	75%	57%	56%	64%	72%

(NT\$BN)



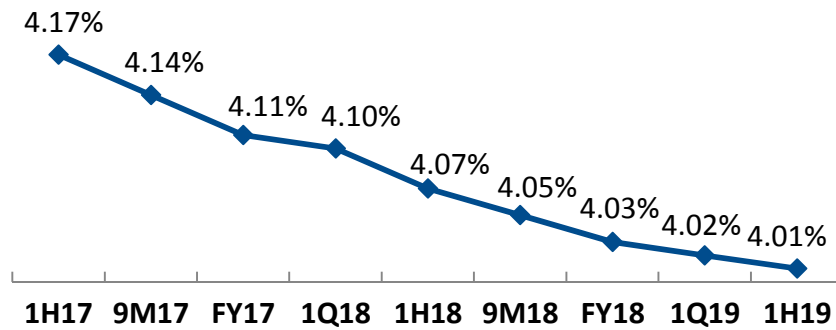
(NT\$BN)



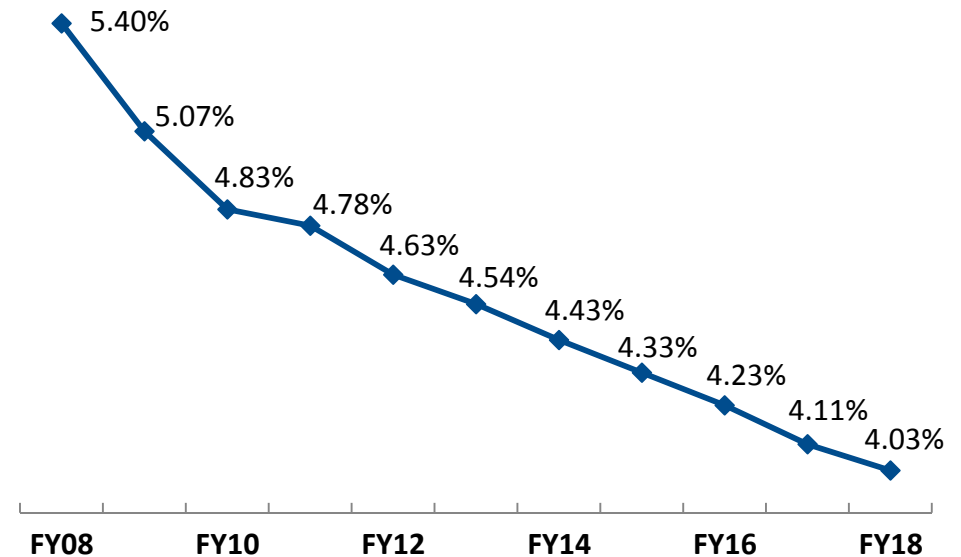
YoY **3%** **4%** **8%** **31%** **-33%** **2%**

# Cathay Life – Cost of liability

## Cost of liability (quarterly)



## Cost of liability (annual)



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

# Cathay Life – Investment portfolio

(NT\$BN)	FY16	FY17	FY18			1H19		
<b>Total investments<sup>(1)</sup></b>	<b>5,001.1</b>	<b>5,502.6</b>	<b>5,761.0</b>			<b>6,137.8</b>		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	1.3%	1.6%	1.1%	61	0.6%	2.7%	165	0.6%
Equity- Domestic	7.9%	8.4%	7.5%	431	9.6%	6.5%	402	4.7%
Equity- International <sup>(2)</sup>	6.4%	6.3%	6.7%	388	8.7%	6.1%	375	9.1%
Bond- Domestic	6.5%	5.5%	5.0%	287	3.6%	5.7%	353	7.3%
Bond- International <sup>(1)(2)</sup>	53.8%	55.7%	58.6%	3,374	4.6%	59.7%	3,665	5.0%
Mortgage & Secured loans	8.9%	8.1%	7.1%	411	2.0%	6.1%	372	2.2%
Policy loans	3.3%	3.0%	3.0%	170	5.8%	2.8%	169	5.5%
Real estate	9.8%	9.2%	8.7%	501	2.3%	8.4%	514	2.8%
Others	2.2%	2.4%	2.4%	140		2.0%	123	

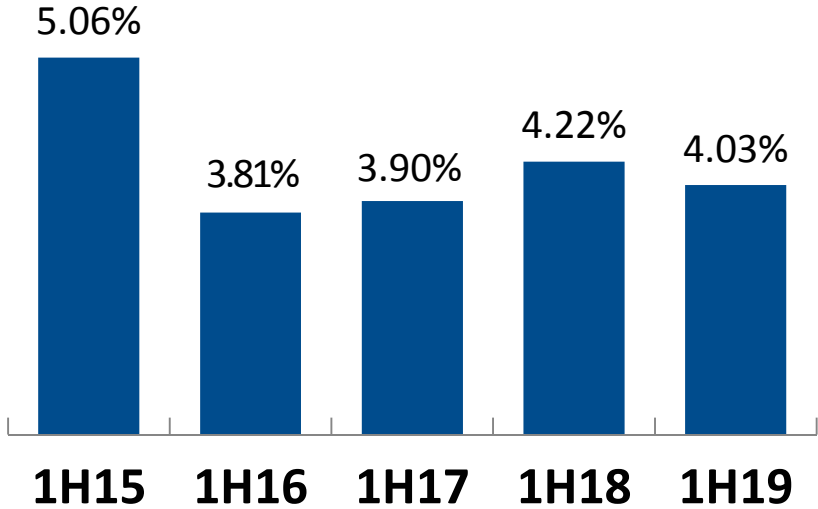
Note: (1) Total assets excluded separate account assets; international bond includes foreign currency deposit and related adjustments

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

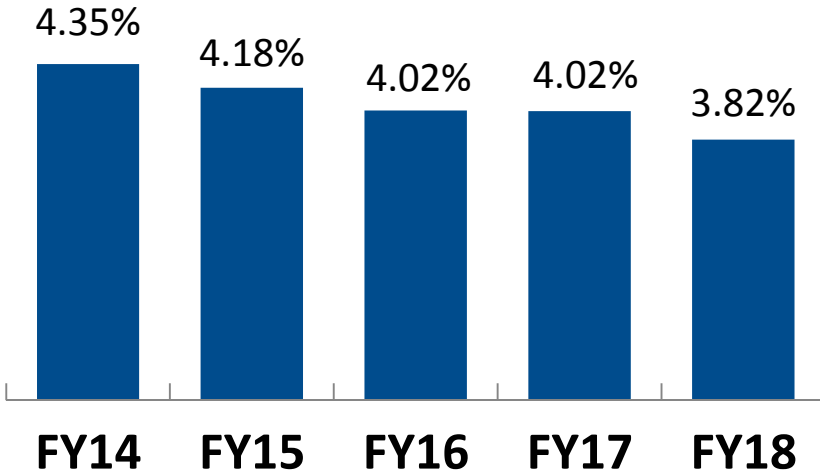


# Cathay Life – Investment performance highlight

After-hedging investment yield

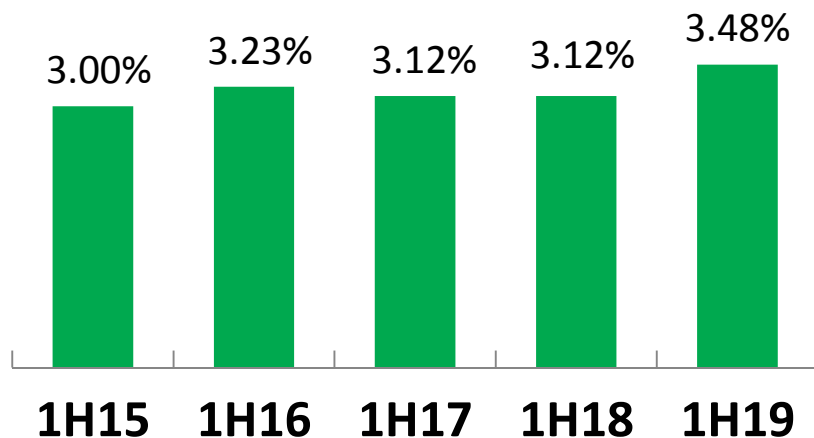


After-hedging investment yield



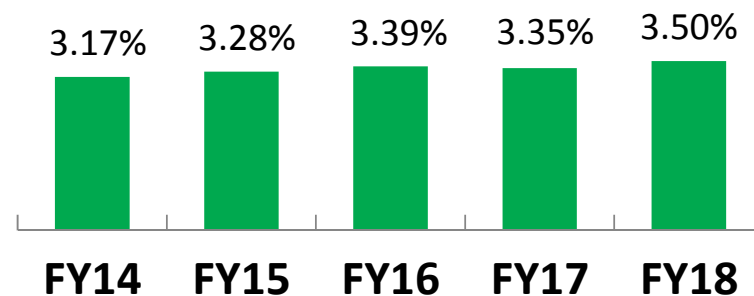
# Cathay Life – Investment performance highlight

## Pre-hedging recurring yield



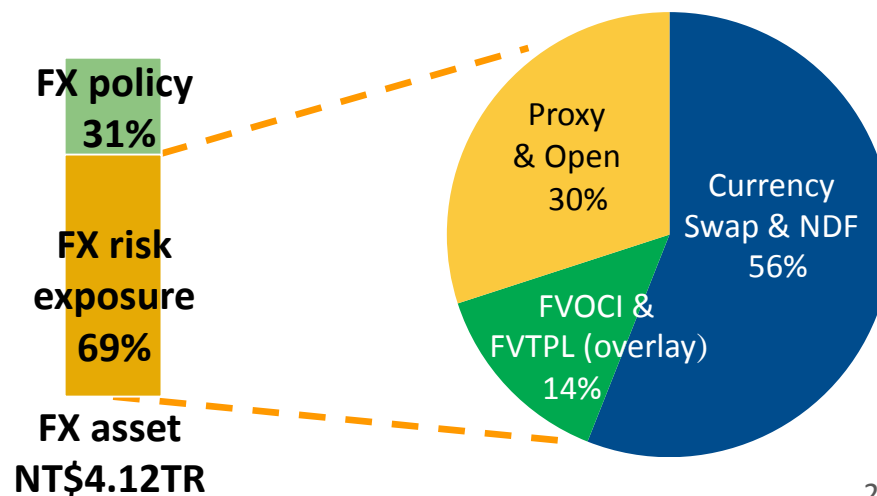
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

## Pre-hedging recurring yield



## Currency hedging structure

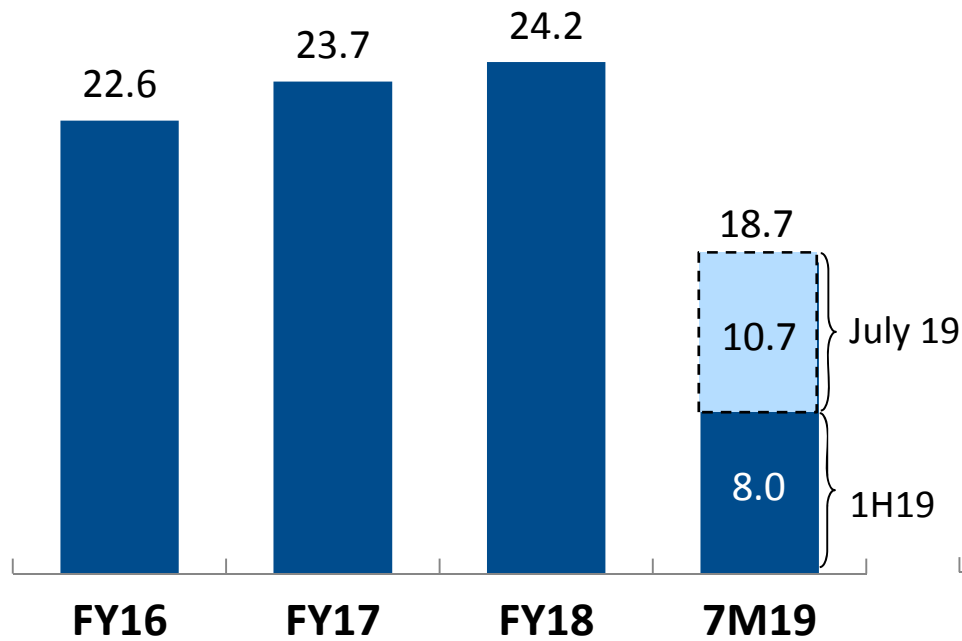
**1H19 Hedging cost 1.20%**



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

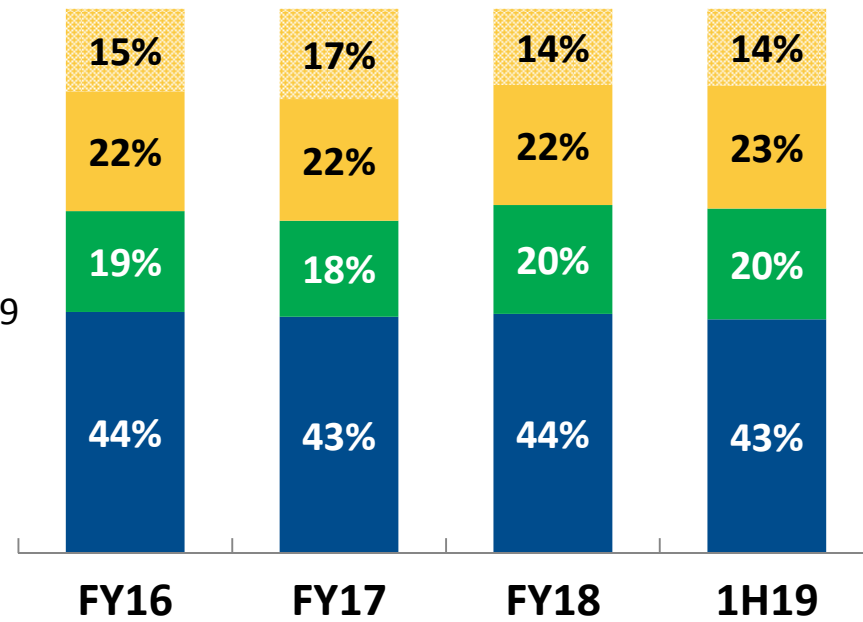
## Cash dividend income

(NT\$BN)



## Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America

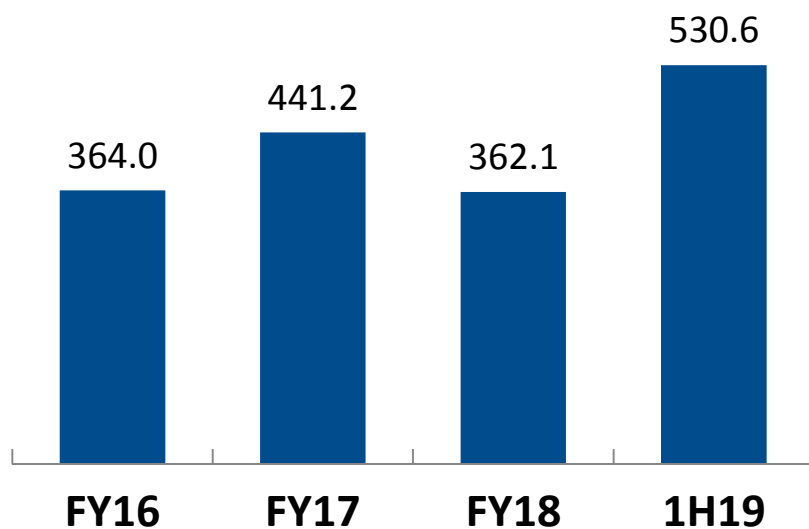


Note: Exclude overseas deposit.

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

## Book value

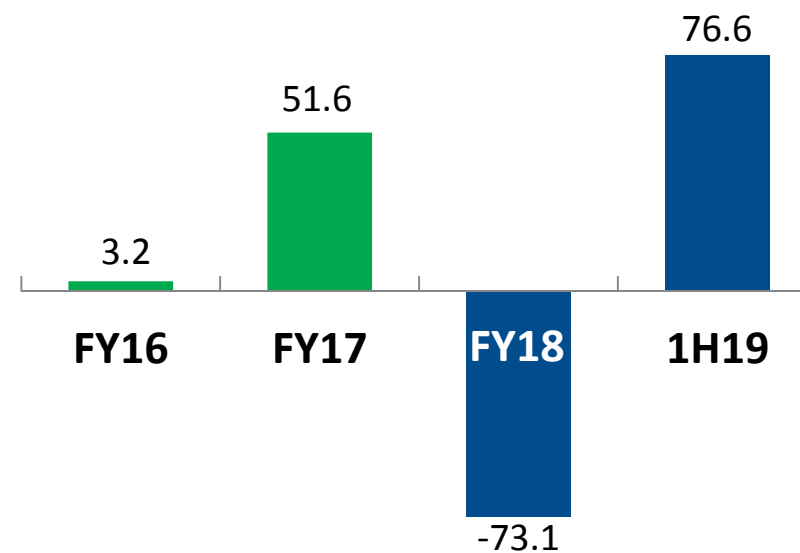
(NT\$BN)



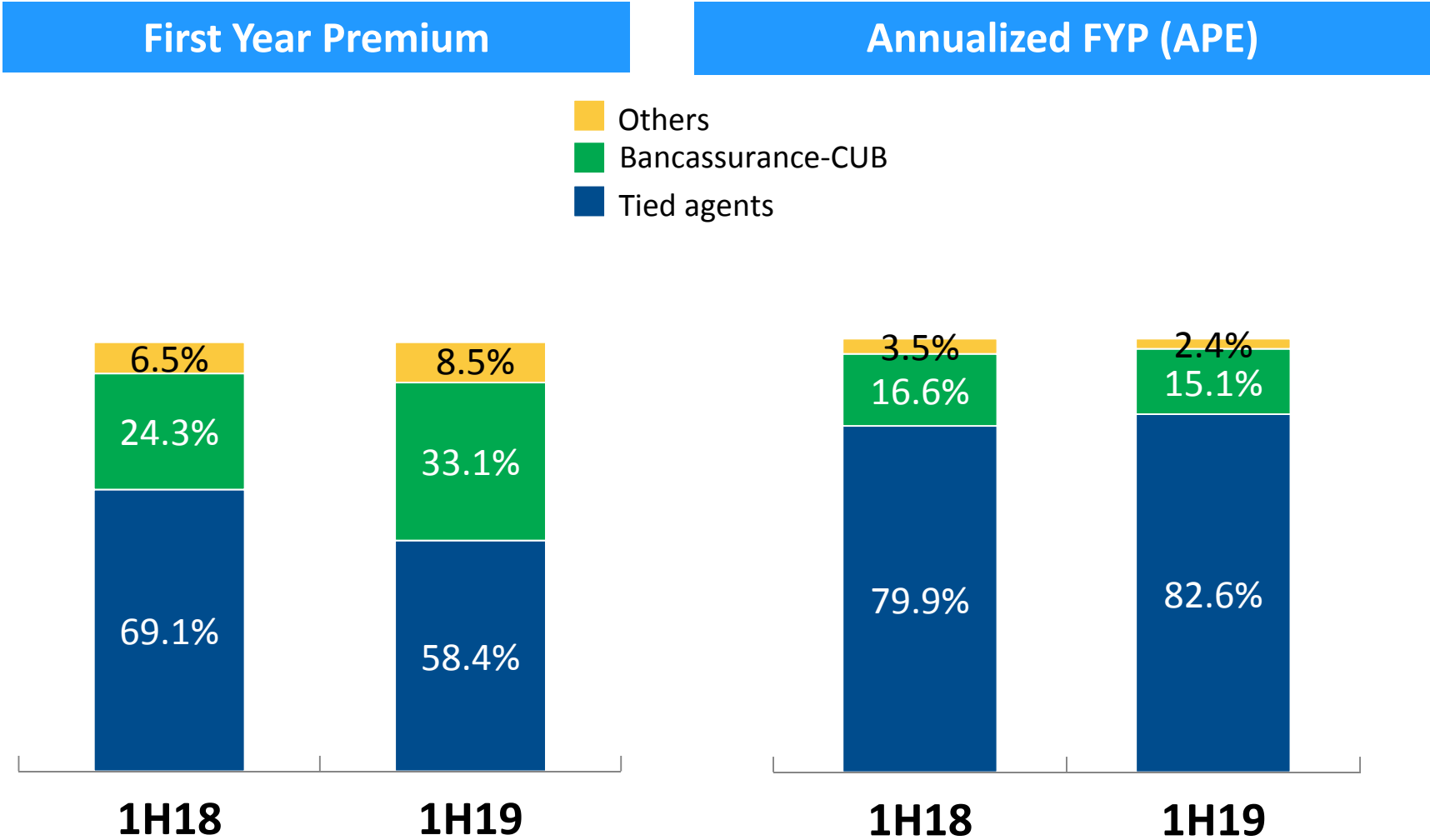
## Unrealized G/L of financial assets

(NT\$BN)

- AFS financial assets
- FVOCI & FVTPL (overlay approach)



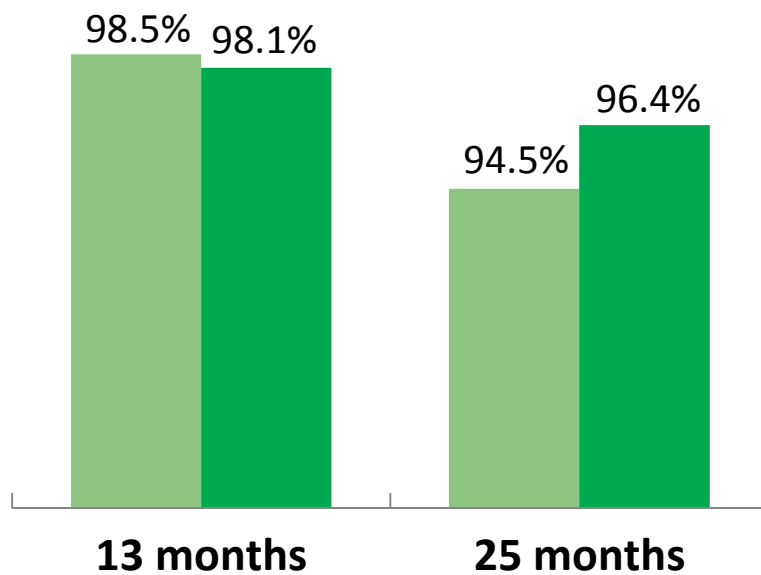
# Cathay Life – Distribution channel



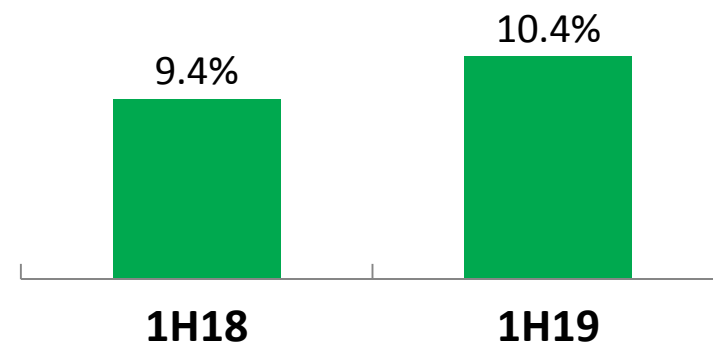
# Cathay Life – Operational indicators

## Persistence ratio

■ 1H18      ■ 1H19



## Expense ratio



# Agenda

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Cathay United Bank

Cathay Life

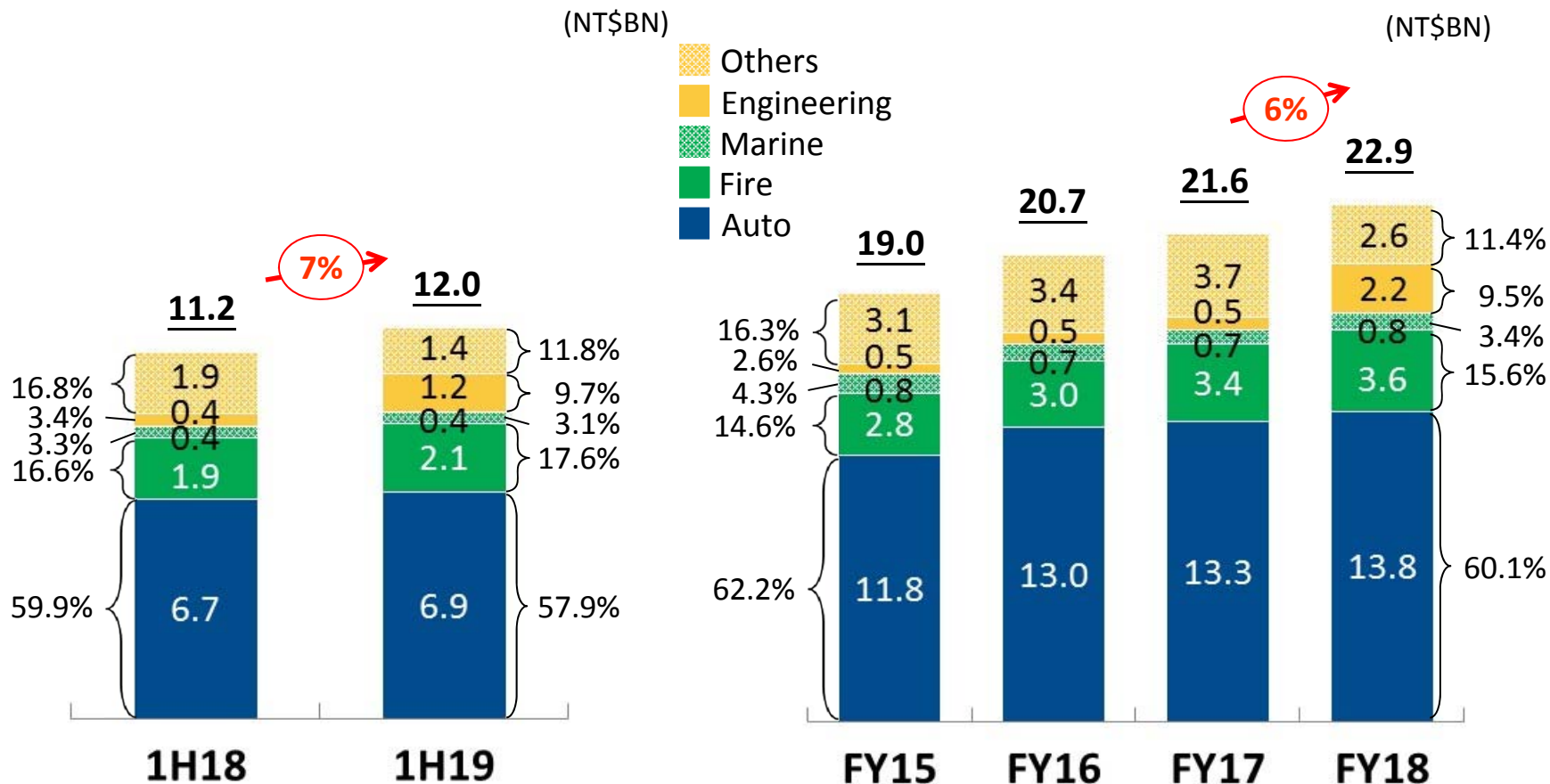
Cathay Century

- **Appendix**

# Cathay Century – Premium income

## Premium income

## Premium income (annual)



Market share	12.5%	12.4%	13.3%	13.6%	13.1%	13.0%
Retention	77.0%	76.4%	74.9%	75.7%	76.2%	77.1%

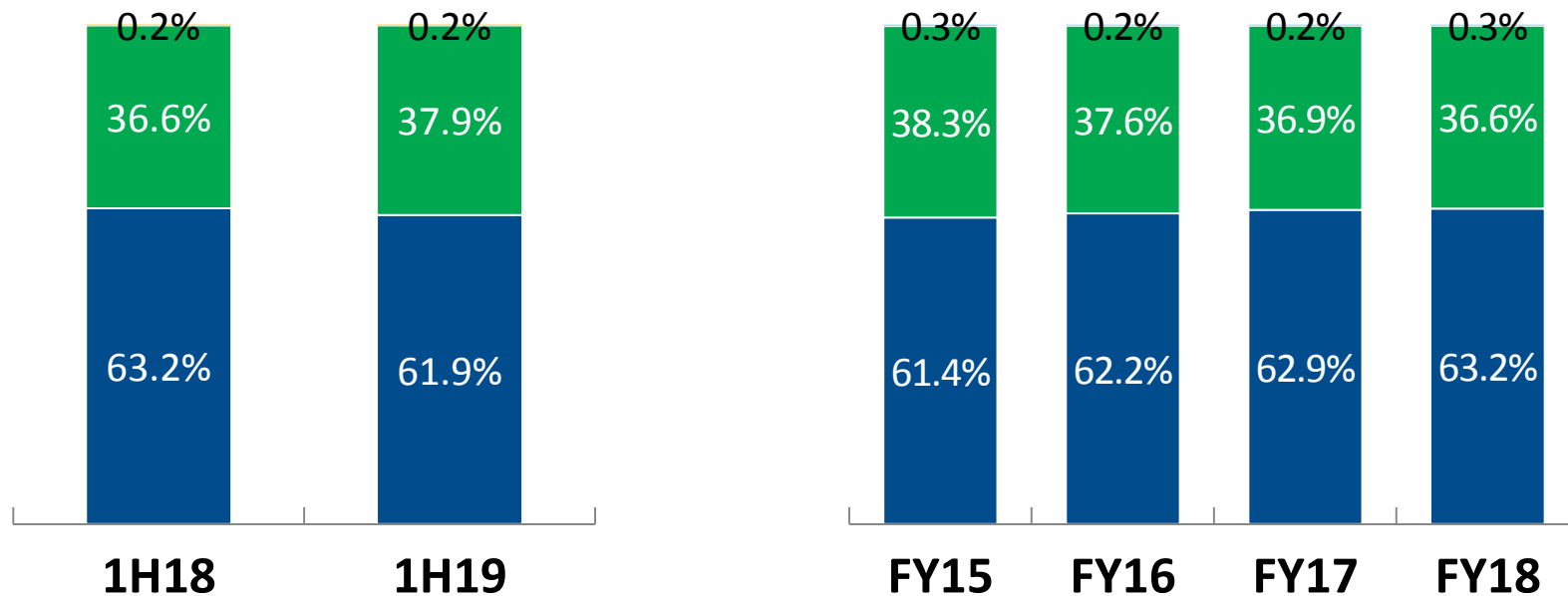


# Cathay Century – Distribution channel

Distribution channel

Distribution channel (annual)

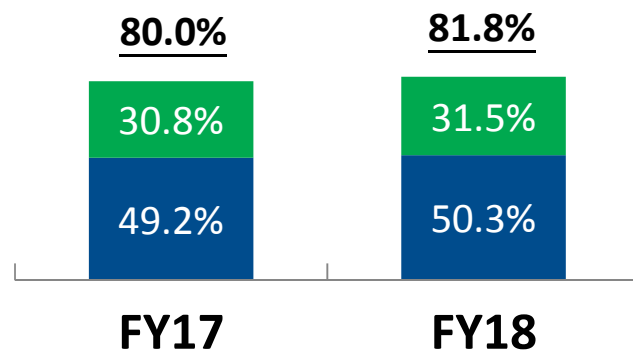
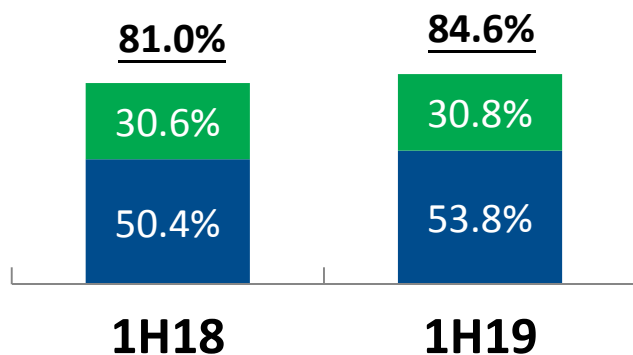
- Affiliate channels
- Cathay P&C agents
- Cathay group channel



# Cathay Century – Combined ratio

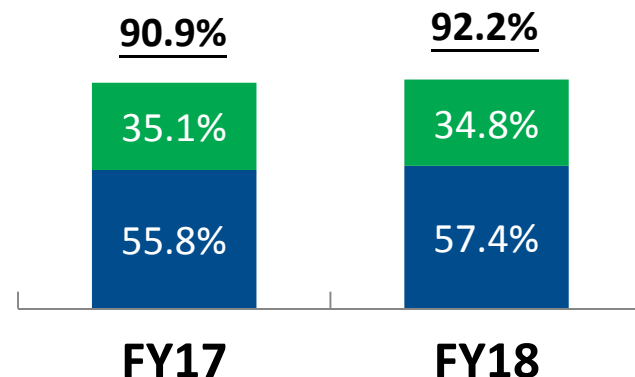
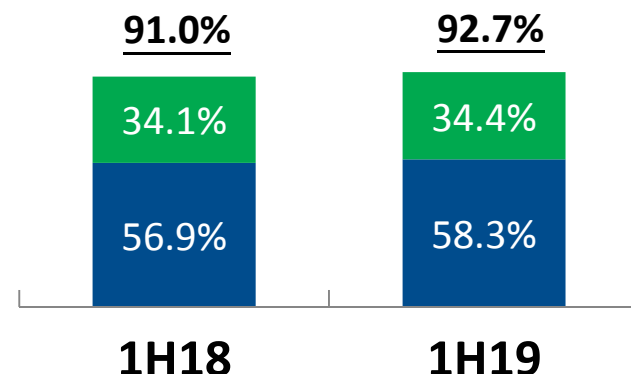
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



# Agenda

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- **1H19 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

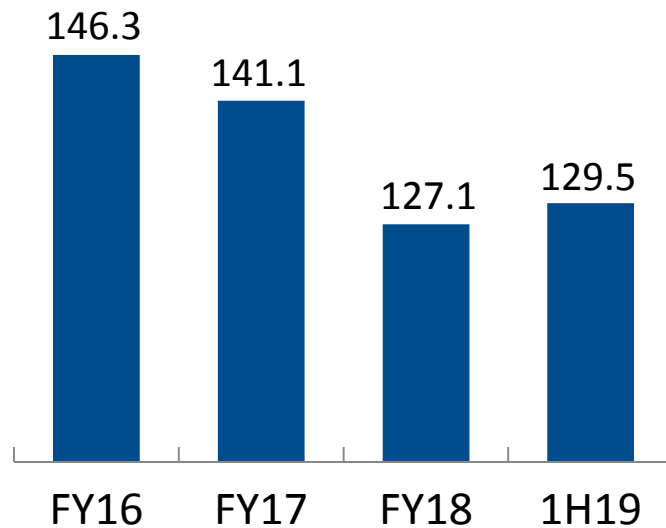
Cathay Life

Cathay Century

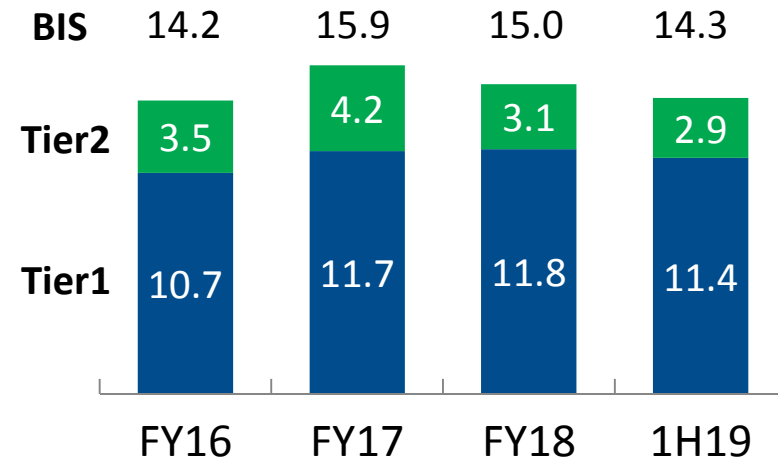
- **Appendix**

# Capital adequacy

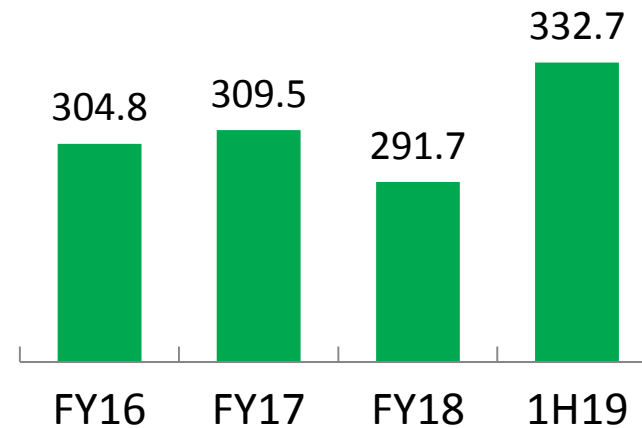
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

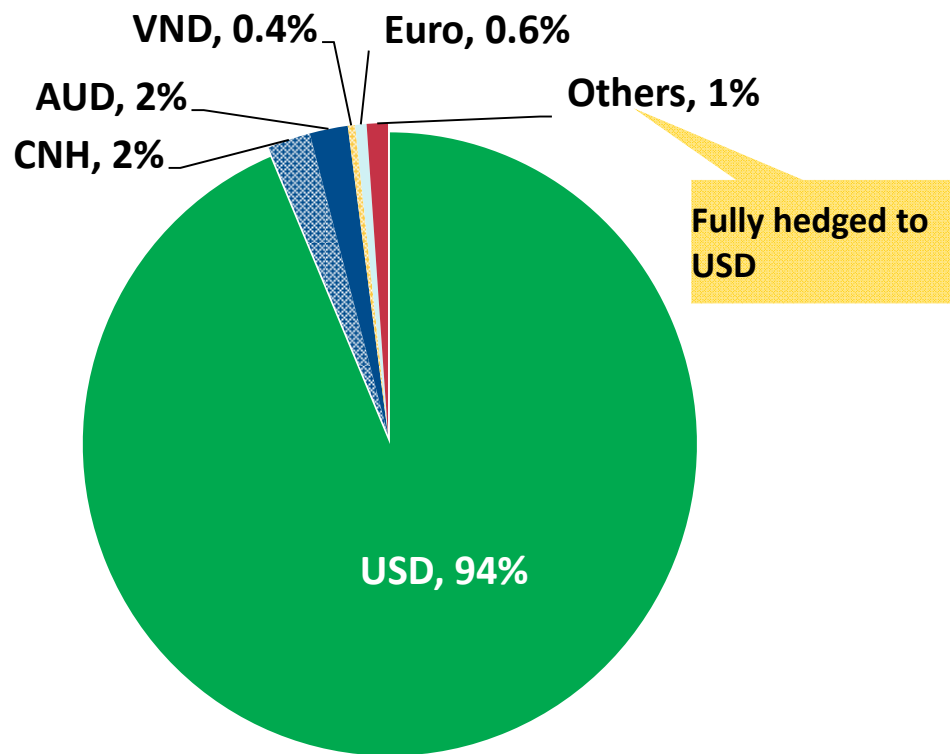


Cathay Life RBC (%)

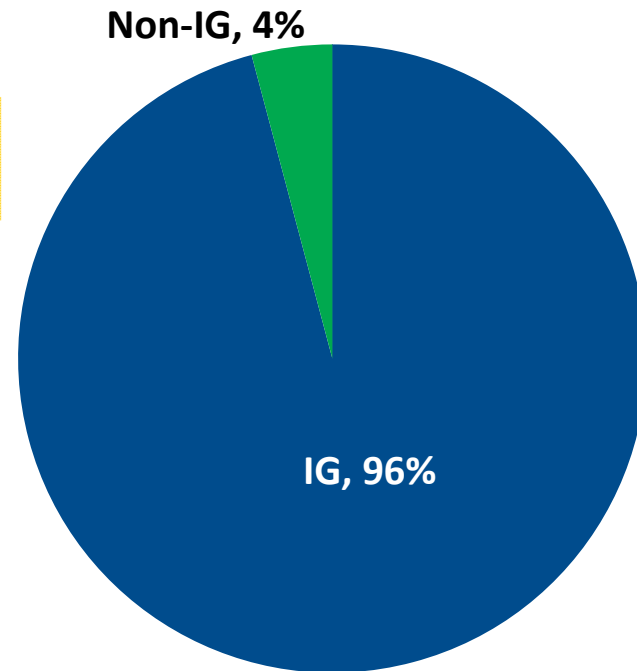


# Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H19)



Overseas bond by rating (1H19)



**Thank you**



Cathay Financial Holdings (NT\$MN)	FY18/ FY17			1H19/ 1H18			2Q19/ 2Q18		
	FY17	FY18	% Chg	1H18	1H19	% Chg	2Q18	2Q19	% Chg
<b>Income Statement Data (Consolidated)</b>									
<b>Operating Income</b>									
Net interest income	168,461	180,628	7%	85,100	97,402	14%	43,996	48,895	11%
Net commission and fee	1,070	2,883	170%	4,124	1,070	-74%	2,113	1,598	-24%
Net earned premium	624,617	576,811	-8%	285,848	309,381	8%	149,480	149,516	0%
Change in liability reserve	(445,833)	(334,122)	-25%	(178,135)	(160,048)	-10%	(98,225)	(72,695)	-26%
Net claims payment	(295,503)	(368,656)	25%	(174,476)	(212,677)	22%	(84,726)	(110,257)	30%
Investment income	62,065	82,634	33%	58,054	53,736	-7%	26,892	31,721	18%
Contribution from associates-equity method	1,298	1,004	-23%	537	760	42%	470	476	1%
Other net non-interest income	22,446	(1,378)	-106%	(4,165)	(6,857)	-65%	(4,212)	(4,220)	0%
Bad debt expense	(3,460)	(4,599)	33%	(1,444)	(233)	-84%	(1,027)	204	-120%
Operating expense	(75,526)	(79,606)	5%	(37,892)	(42,797)	13%	(19,007)	(21,028)	11%
<b>Income before taxes</b>	59,636	55,599	-7%	37,552	39,737	6%	15,754	24,210	54%
Income taxes	(2,962)	(3,777)	27%	(1,538)	(5,603)	264%	(2,996)	(3,626)	21%
Net income	56,673	51,822	-9%	36,014	34,134	-5%	12,757	20,584	61%
EPS (NT\$)	4.47	3.95		2.71	2.45		0.87	1.40	
<b>Dividend Payout</b>									
Cash dividend per share	2.50	1.50							
Stock dividend per share	0.00	0.00							
Weighted average outstanding shares (Millions of common shares)	12,563	12,563		12,563	12,563				
<b>Balance Sheet Data (Consolidated)</b>									
Total assets	8,841,510	9,224,484		9,209,246	9,738,311				
Total shareholders' equity	608,471	529,289		599,671	698,747				
<b>Operating Metrics</b>									
ROAE (Consolidated)	9.96%	8.83%		11.58%	11.12%				
ROAA (Consolidated)	0.67%	0.57%		0.80%	0.72%				
Double leverage ratio(inc. preferred stock)	108%	112%		112%	111%				
<b>Capital Adequacy Metrics</b>									
Capital Adequacy Ratio	141%	127%		133%	129%				

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**Cathay Life**

(NT\$MN)

<b>Income Statement Data (Consolidated)</b>	<b>FY18/ FY17</b>			<b>1H19/ 1H18</b>			<b>2Q19/ 2Q18</b>		
	<b>FY17</b>	<b>FY18</b>	<b>% Chg</b>	<b>1H18</b>	<b>1H19</b>	<b>% Chg</b>	<b>2Q18</b>	<b>2Q19</b>	<b>% Chg</b>
Net written premium	608,404	559,386	-8%	277,352	298,510	8%	145,106	142,991	-1%
Net earned premium	607,547	558,929	-8%	277,566	298,619	8%	145,041	142,870	-1%
Reinsurance commission earned	301	762	153%	445	14	-97%	390	23	-94%
Fee income	9,468	9,148	-3%	4,945	4,066	-18%	2,285	2,109	-8%
Recurring investment income	173,846	197,281	13%	88,063	110,267	25%	47,720	57,829	21%
Gain on disposal of investment									
Realized gain (loss)-Equity	43,625	49,374	13%	37,642	25,781	-32%	12,553	11,976	-5%
Realized gain (loss)-Debt	21,233	15,092	-29%	10,982	13,829	26%	2,172	8,168	276%
Gain on investment property	(756)	(740)	2%	(635)	627	199%	(616)	629	202%
FX and others, net	(28,258)	(44,019)	-56%	(16,734)	(28,972)	-73%	(5,593)	(13,342)	-139%
Investment income, net	209,691	216,988	3%	119,319	121,532	2%	56,236	65,260	16%
Other operating income	5,069	5,508	9%	2,626	2,943	12%	1,336	1,524	14%
Separate account revenues	44,304	28,084	-37%	17,062	38,670	127%	14,384	13,845	-4%
Net claims payment	(284,023)	(357,244)	26%	(169,127)	(205,354)	21%	(81,873)	(105,291)	29%
Changes in liability reserves	(445,843)	(333,716)	-25%	(178,220)	(159,886)	-10%	(98,186)	(72,760)	-26%
Acquisition and commission expense	(32,507)	(33,900)	4%	(16,427)	(20,467)	25%	(7,807)	(8,924)	14%
Other operating costs	(6,418)	(7,765)	21%	(3,970)	(2,911)	-27%	(1,907)	(1,471)	-23%
Financial cost	(1,963)	(2,331)	19%	(1,147)	(1,276)	11%	(579)	(633)	9%
Separate account expense	(44,304)	(28,084)	-37%	(17,062)	(38,670)	127%	(14,384)	(13,845)	-4%
Operating expense	(28,790)	(29,165)	1%	(14,295)	(15,216)	6%	(6,929)	(7,388)	7%
Net non-operating income	1,442	1,312	-9%	701	860	23%	376	502	33%
Income taxes	2,294	1,773	-23%	2,665	(3,131)	217%	(32)	(2,472)	7630%
Net income	36,268	30,297	-16%	25,079	19,794	-21%	8,352	13,348	60%

**Balance Sheet Data**

Total assets	6,097,655	6,391,395		6,370,070	6,826,693
General account	5,542,385	5,844,430		5,796,356	6,229,895
Separate account	555,269	546,964		573,714	596,798
Reserves for life insurance liabilities	4,944,292	5,313,167		5,148,873	5,494,276
Total liabilities	5,656,473	6,029,265		5,926,488	6,296,118
Total shareholders' equity	441,181	362,129		443,582	530,575

**Operating Metrics (Standalone)**

First Year Premium(FYP)	233,250	211,588		118,375	105,377
First Year Premium Equivalent(FYPE)	78,602	71,372		37,221	47,676
Expense ratio	8.6%	9.6%		9.4%	10.4%
13-M persistency ratio	98.2%	98.4%		98.5%	98.1%
25-M persistency ratio	94.3%	94.7%		94.5%	96.4%
ROAE	9.01%	7.25%		10.9%	8.9%
ROAA	0.62%	0.48%		0.80%	0.60%

**Capital Adequacy Metrics (Standalone)**

RBC ratio	309%	292%		325%	333%
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**Cathay United Bank**

(NT\$MN)			FY18/ FY17			1H19/ 1H18			2Q19/ 2Q18
<u>Income Statement Data (Consolidated)</u>	FY17	FY18	% Chg	1H18	1H19	% Chg	2Q18	2Q19	% Chg
<b>Operating Income</b>									
Net interest income	29,701	33,397	12%	15,972	17,906	12%	8,261	9,062	10%
Fee income	14,862	16,678	12%	8,122	8,483	4%	3,640	3,812	5%
Investment income	9,442	9,862	4%	4,810	5,842	21%	2,735	2,641	-3%
Other income	1,216	918	-25%	423	320	-24%	244	228	-7%
<b>Net operating income</b>	<b>55,222</b>	<b>60,855</b>	<b>10%</b>	<b>29,327</b>	<b>32,551</b>	<b>11%</b>	<b>14,879</b>	<b>15,743</b>	<b>6%</b>
Operating expenses	(29,301)	(31,340)	7%	(14,725)	(16,734)	14%	(7,650)	(8,119)	6%
<b>Pre-provision profit</b>	<b>25,920</b>	<b>29,515</b>	<b>14%</b>	<b>14,602</b>	<b>15,817</b>	<b>8%</b>	<b>7,229</b>	<b>7,624</b>	<b>5%</b>
Net provisions for possible losses	(3,494)	(5,032)	44%	(1,492)	(917)	-39%	(1,059)	(168)	-84%
<b>Income before taxes</b>	<b>22,426</b>	<b>24,483</b>	<b>9%</b>	<b>13,110</b>	<b>14,900</b>	<b>14%</b>	<b>6,171</b>	<b>7,456</b>	<b>21%</b>
Income tax	(2,763)	(3,230)	17%	(1,951)	(2,136)	9%	(815)	(1,066)	31%
<b>Net income</b>	<b>19,664</b>	<b>21,253</b>	<b>8%</b>	<b>11,159</b>	<b>12,764</b>	<b>14%</b>	<b>5,356</b>	<b>6,390</b>	<b>19%</b>
<b>Balance Sheet Data</b>									
Total assets	2,735,704	2,843,881		2,825,811	2,904,478				
Loans, net	1,434,558	1,595,323		1,516,146	1,562,186				
Financial assets	859,590	878,001		904,802	855,096				
Total liability	2,553,396	2,638,074		2,631,073	2,688,987				
Deposits	2,098,368	2,227,662		2,150,273	2,264,001				
Financial Debenture Payable	63,350	55,600		55,600	55,400				
Total shareholders' equity	182,308	205,807		194,738	215,491				
<b>Operating Metrics</b>									
Cost income ratio	53.06%	51.50%		50.21%	51.41%				
ROAE	11.49%	10.86%		11.74%	12.12%				
ROAA	0.74%	0.76%		0.80%	0.89%				
<b>Assets Quality (Standalone)</b>									
NPL	2,982	2,563		2,949	3,155				
NPL ratio	0.21%	0.16%		0.20%	0.21%				
NPL provisions	22,553	23,879		23,257	25,550				
Coverage ratio	756%	932%		789%	810%				
<b>Capital Adequacy Metrics (Standalone)</b>									
BIS ratio	15.9%	15.0%		14.8%	14.3%				
Tier I Ratio	11.7%	11.8%		11.3%	11.4%				
<b>LDR (Standalone)</b>									
TWD LDR	73.7%	77.7%		76.9%	73.6%				
FX LDR	49.1%	46.6%		49.2%	49.1%				

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**Cathay Century**

(NT\$MM)	FY18/ FY17			1H19/ 1H18			2Q19/ 2Q18		
	FY17	FY18	% Chg	1H18	1H19	% Chg	2Q18	2Q19	% Chg
<b>Income Statement Data (Consolidated)</b>									
Premium income	21,878	23,186	6%	11,370	12,164	7%	6,006	6,389	6%
Net written premium	16,610	17,797	7%	8,707	9,232	6%	4,454	4,749	7%
Net earned premium	16,344	17,349	6%	8,430	9,075	8%	4,277	4,619	8%
Reinsurance commission earned	489	556	14%	272	298	10%	131	136	4%
Fee income	42	43	3%	22	22	0%	11	11	3%
Investment	892	640	-28%	626	401	-36%	379	196	-48%
Interest income	547	559	2%	280	269	-4%	145	137	-5%
Other investment income, net	345	81	-76%	346	132	-62%	234	58	-75%
Other operating income	0	0	0%	0	0	0%	0	0	0%
Net claims payment	(9,138)	(9,408)	3%	(4,707)	(4,899)	4%	(2,297)	(2,610)	14%
Changes in liability reserves	10	(406)	4148%	86	(163)	289%	(39)	65	-265%
Commissions and other operating costs	(2,859)	(3,043)	6%	(1,457)	(1,569)	8%	(694)	(804)	16%
Operating expenses	(3,609)	(3,848)	7%	(1,865)	(1,966)	5%	(958)	(992)	4%
<b>Operating income</b>	2,170	1,883	-13%	1,407	1,200	-15%	811	621	-23%
Net non-operating income	(16)	(24)	-53%	(7)	(0)	99%	(3)	(0)	86%
Income taxes	(297)	(349)	18%	(231)	(204)	-12%	(122)	(106)	-13%
Net income	1,858	1,510	-19%	1,168	996	-15%	685	514	-25%
<b>Balance Sheet Data</b>									
Total assets	38,351	37,956		39,603	40,267				
Total stockholders' equity	10,517	10,025		10,119	11,371				
<b>Operating Metrics</b>									
Gross Combined ratio	80.0%	81.8%		81.0%	84.6%				
Net Combined ratio	90.9%	92.2%		91.0%	92.7%				
ROAE	18.83%	14.69%		22.63%	18.63%				
ROAA	4.85%	3.96%		5.99%	5.09%				
<b>Capital Adequacy Metrics</b>									
RBC ratio (Standalone)	392%	370%		379%	367%				

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