



國泰金控

Cathay Financial Holdings

2019 Third Quarter Briefing

November 2019



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Agenda

- **9M19 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Appendix**

9M19 Business overview

Cathay United Bank

- Continued to adjust loan mix. Net interest margin improved QoQ. Net interest income grew steadily.
- Overseas expansion continued. Offshore earnings accounted for 40% of pre-tax earnings.
- Fee income increased 7% YoY, among which credit card fees and wealth management grew 8% and 4% respectively.

Cathay Life

- Focused on value-driven strategy. FYP for protection products grew 25% YoY. Annualized FYP (APE) grew 26%. 9M19 VNB increase 20% YoY to 45.7 BN.
- Cost of liability improved to 3.98% by the end of 9M19.
- Pre-hedging recurring yield climbed 26bps YoY to 3.80% .

Cathay Century

- Premium income grew 7% YoY. Remained in second place with 12.6% market share.
- Developed online business in China and enlarged local team in Vietnam. Overseas premium income continued to rise.

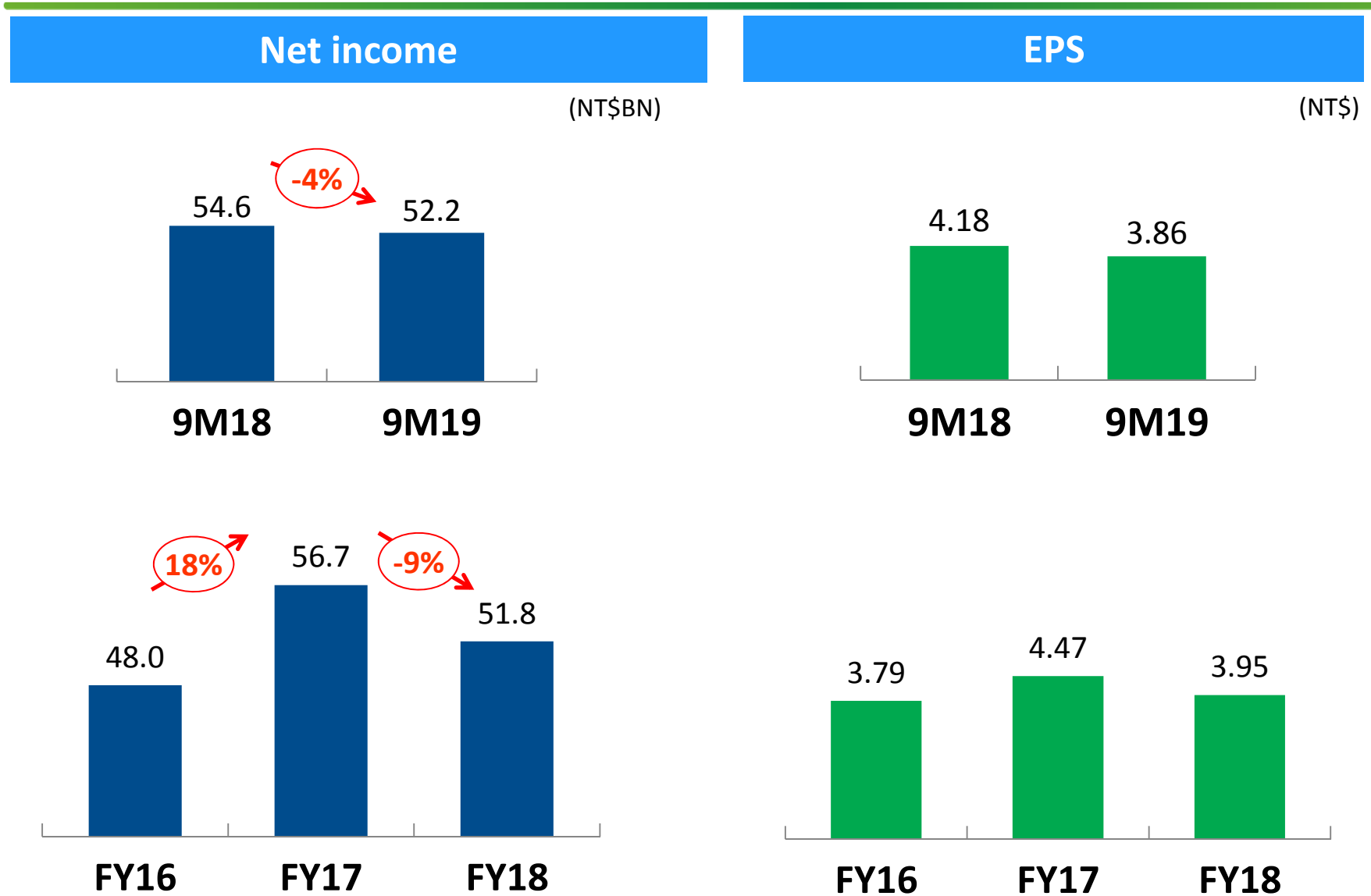
Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$773.3 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

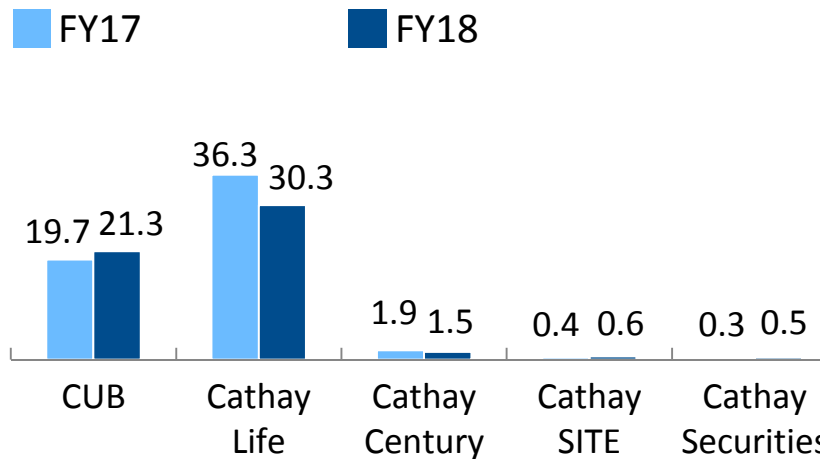
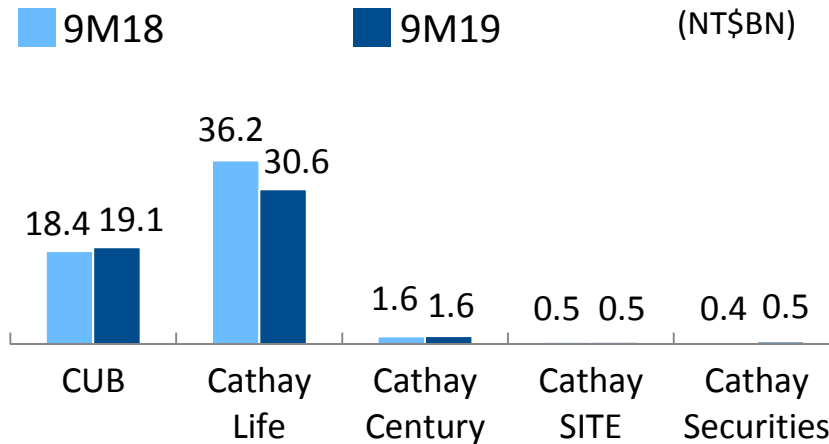
- Brokerage business grew steadily. Sub-brokerage market share ranked No.1.
- Optimized customer experience with new digital business model.

Cathay FHC – Net income & EPS

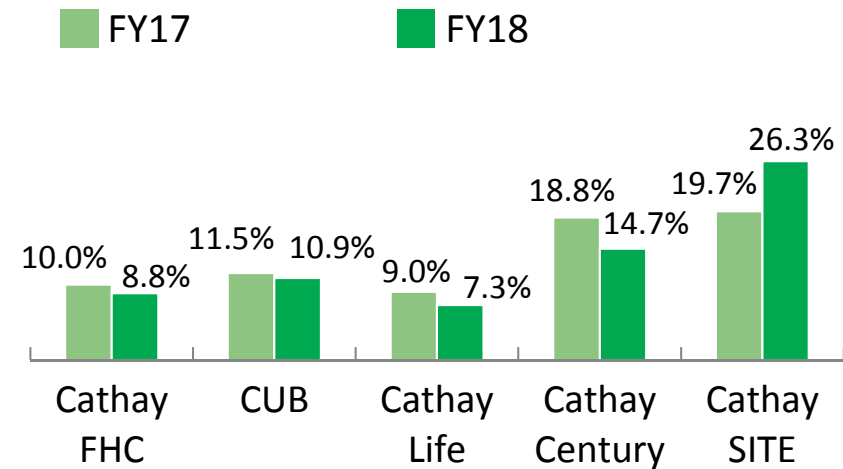
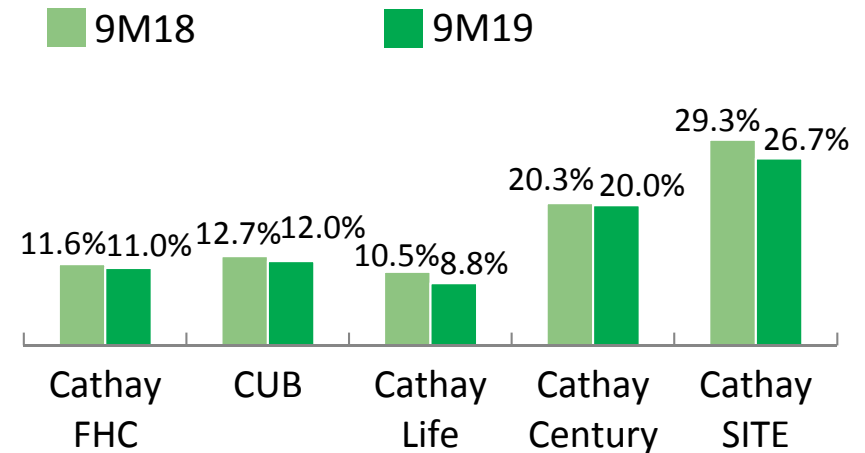


Cathay FHC – Net income & ROE

Net income of primary subsidiaries

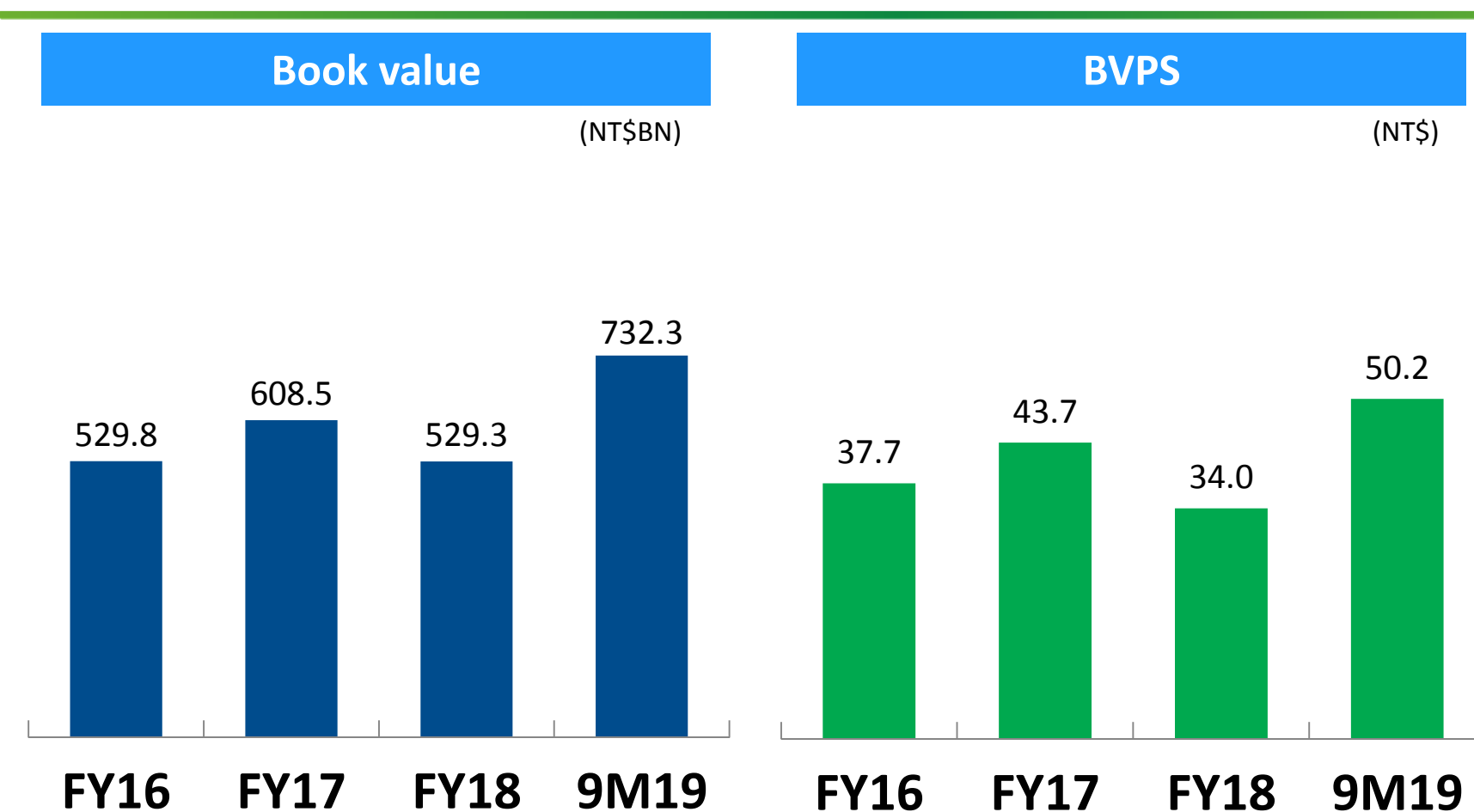


ROE



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

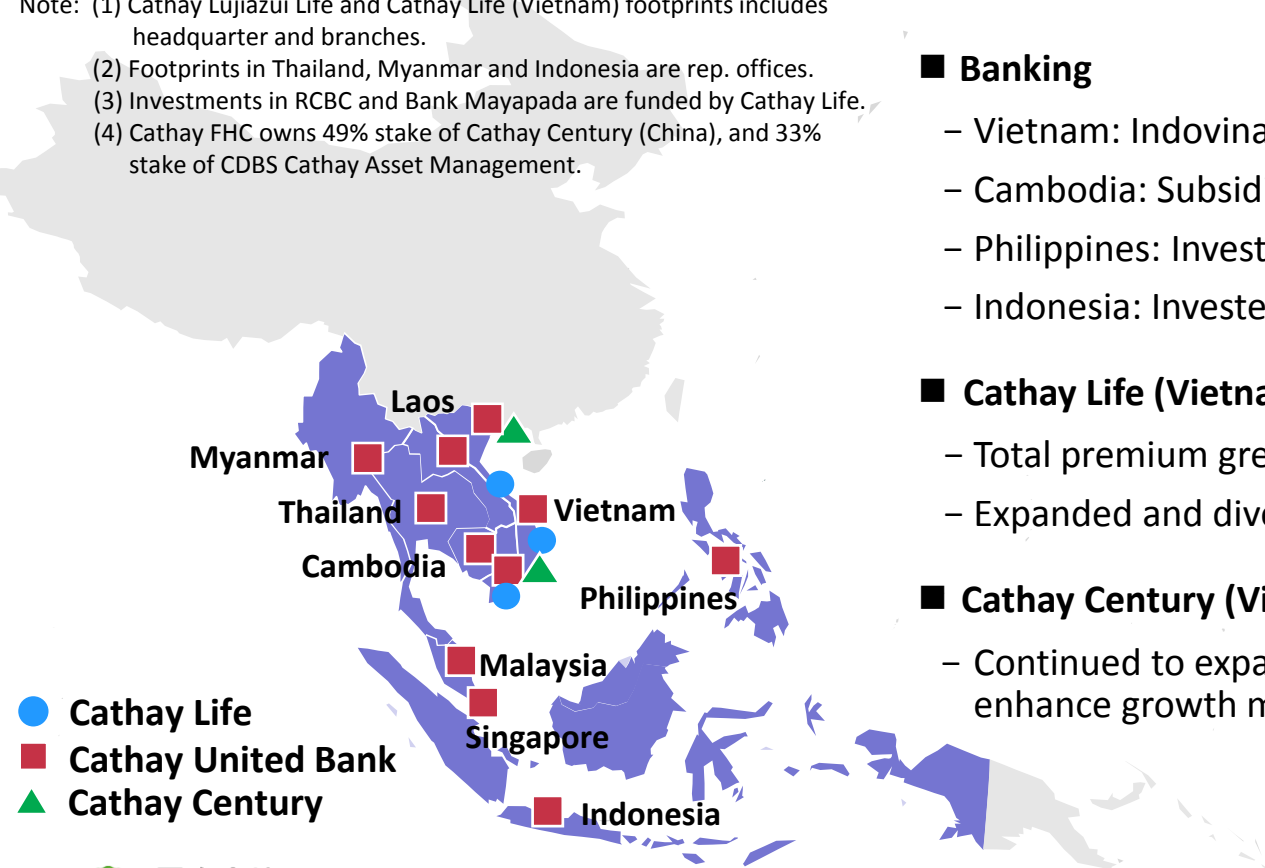
| | China | Vietnam | Cambodia | Hong Kong | Singapore | Malaysia | Laos | Philippines | Thailand | Myanmar | Indonesia |
|------------|-------------------|-------------------|----------|-----------|-----------|----------|------|-------------|----------|---------|-----------|
| Bank | 7 | 36 | 16 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Life | 51 ⁽¹⁾ | 74 ⁽¹⁾ | | | | | | | | | |
| P&C | 27 | 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.⁽³⁾
- Indonesia: Invested 40% stake in Bank Mayapada.⁽³⁾

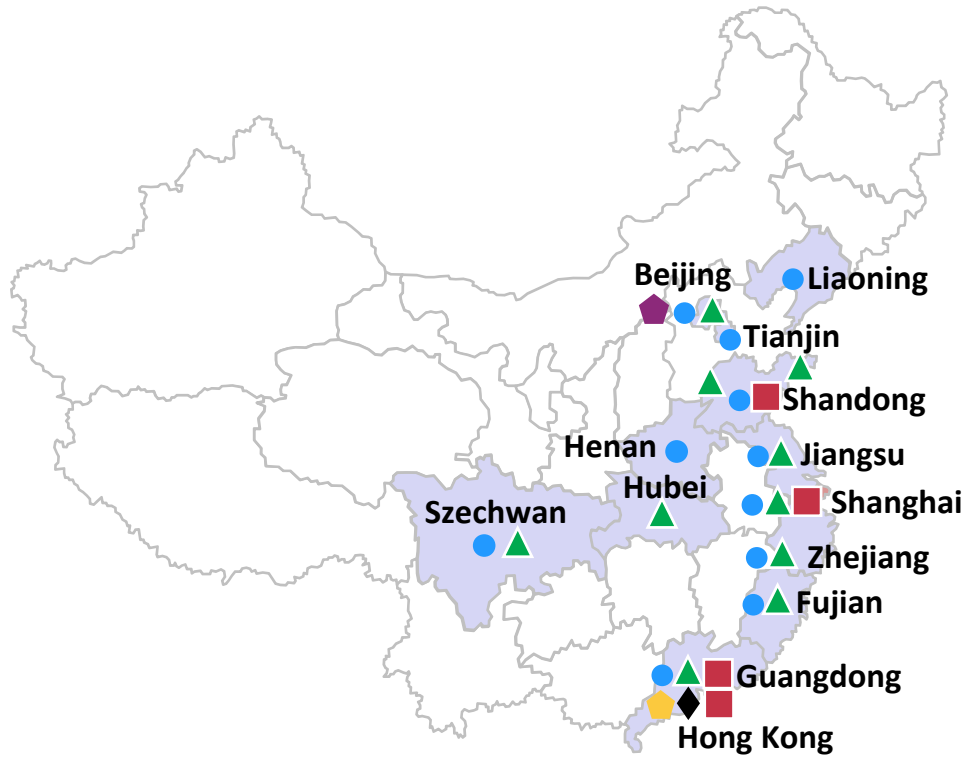
■ Cathay Life (Vietnam)

- Total premium grew 51% YoY to VND 731BN in 9M19.
- Expanded and diversified distribution channels.

■ Cathay Century (Vietnam)

- 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 performed steadily.
- **Cathay Lujiazui Life**
 - Total premium grew 17% YoY to RMB 2BN in 9M19.
- **Cathay Century (China)**
 - Formed a strategic alliance with Ant Financial group. Actively developed eCommerce-related financial services.
- **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

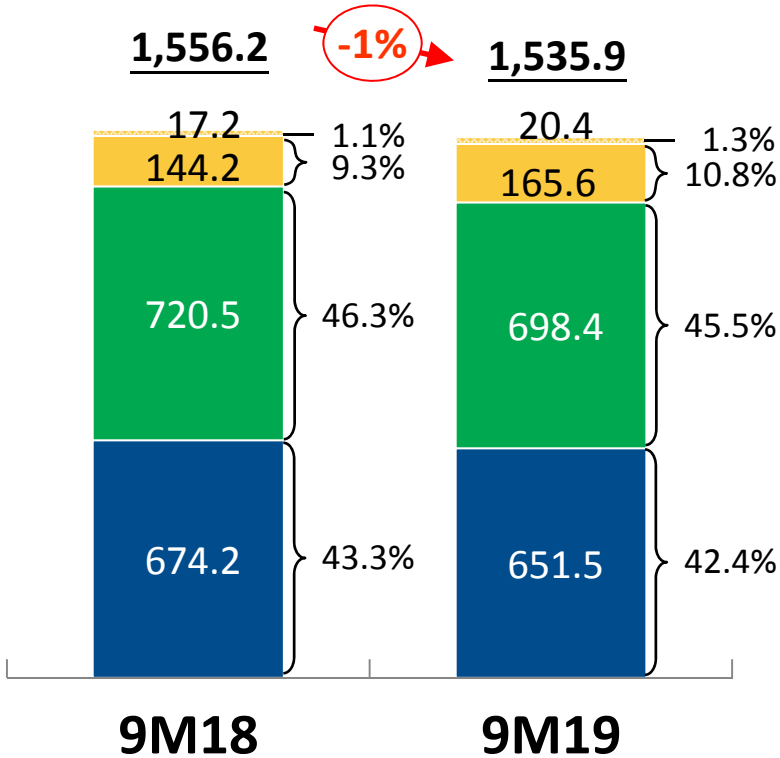
Cathay Century

- Appendix

Cathay United Bank – Loan & Deposit breakdown

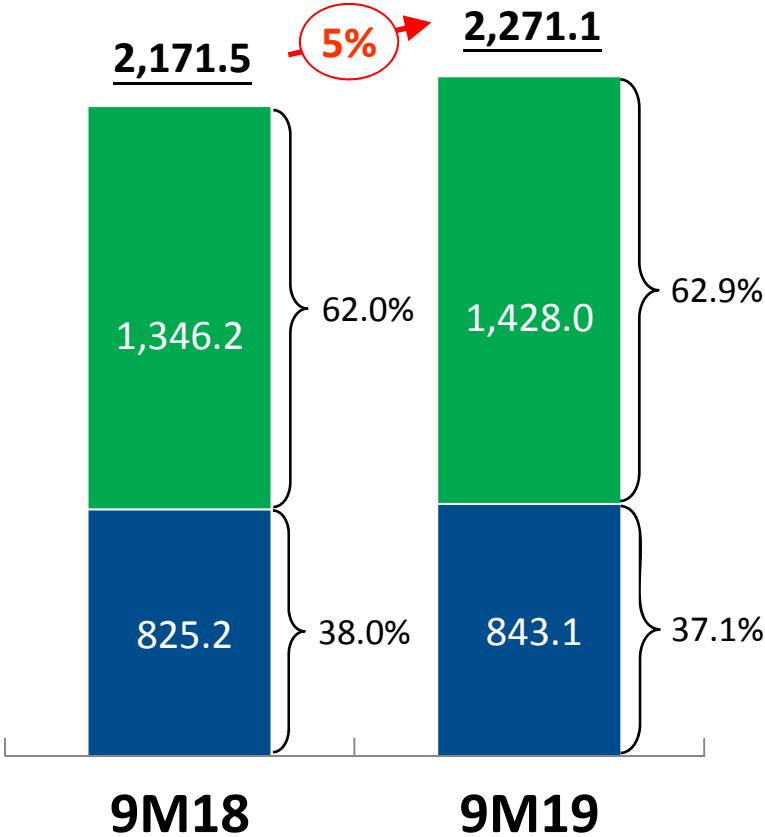
Loan breakdown

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



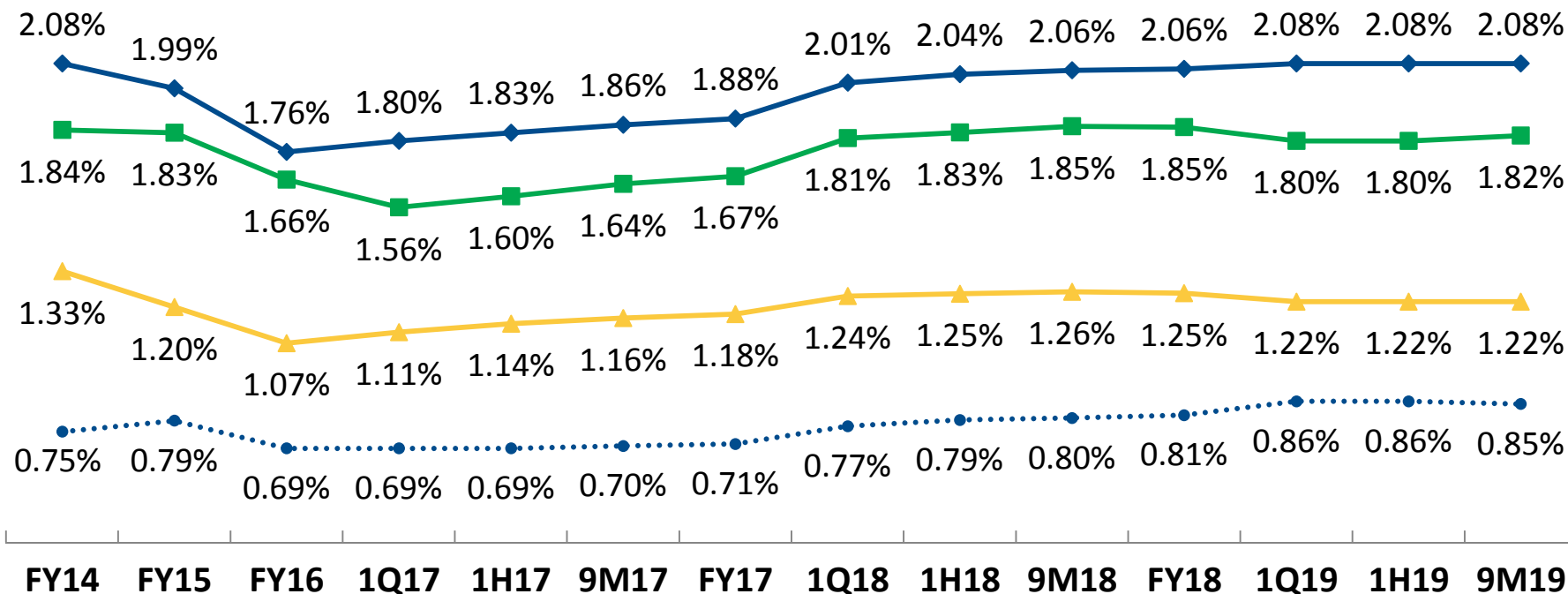
Deposit breakdown

- 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 | <u>1Q17</u> | <u>2Q17</u> | <u>3Q17</u> | <u>4Q17</u> | <u>1Q18</u> | <u>2Q18</u> | <u>3Q18</u> | <u>4Q18</u> | <u>1Q19</u> | <u>2Q19</u> | <u>3Q19</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Spread | 1.56% | 1.64% | 1.74% | 1.76% | 1.81% | 1.85% | 1.90% | 1.83% | 1.80% | 1.81% | 1.85% |
| NIM | 1.11% | 1.18% | 1.20% | 1.22% | 1.24% | 1.26% | 1.27% | 1.22% | 1.22% | 1.22% | 1.23% |
| NIM-pro forma excl. China ⁽²⁾ | | | | 1.19% | 1.21% | 1.22% | 1.25% | 1.22% | 1.22% | 1.22% | 1.23% |

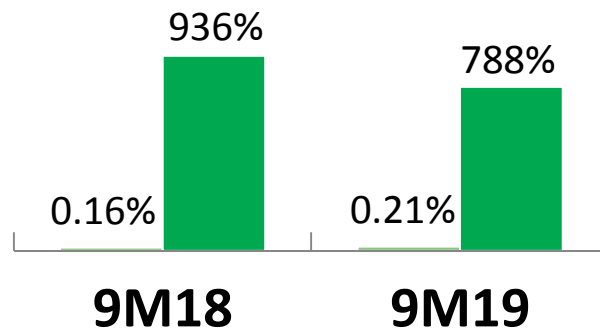
Note : (1) Credit card related loans are included in the calculation of interest spread.

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

Cathay United Bank – Credit quality

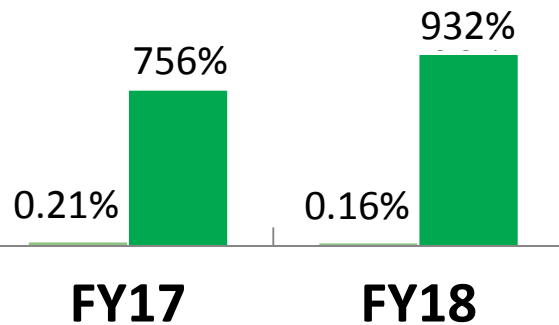
NPL & Coverage ratio

 NPL ratio
 Coverage ratio



Mortgage NPL


0.14% 0.23%

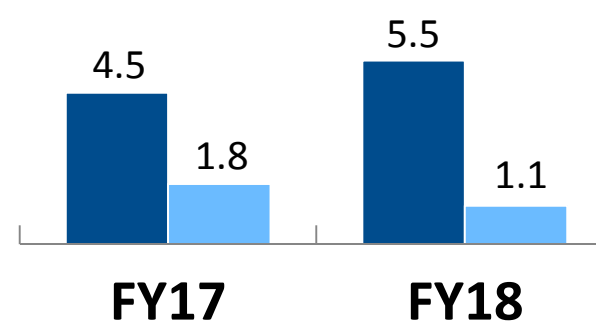
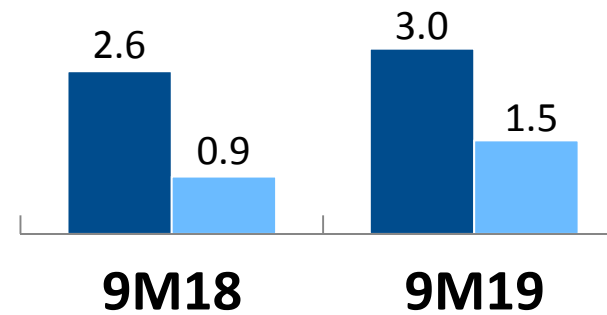


Mortgage NPL

0.15% 0.15%

Gross provision

 Gross provision (NT\$BN)
 Recovery

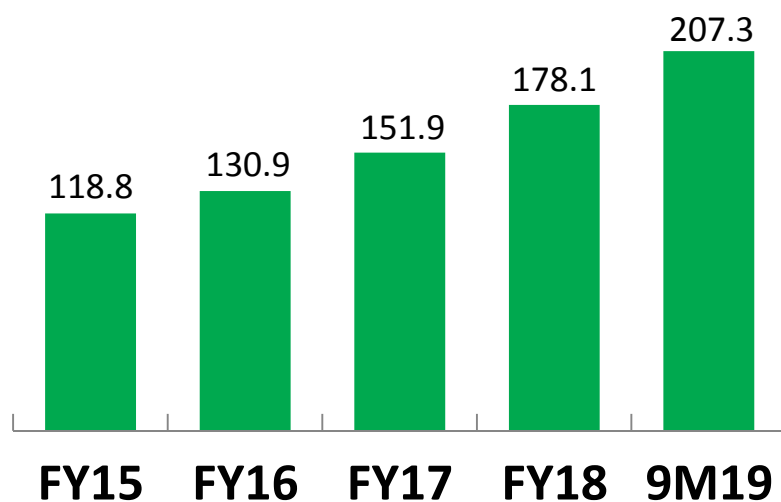


Note : China subsidiary was launched in Sep 2018. Hence, 9M19 number excluded China subsidiary results. (NPL ratio: 0.00%, Gross provision: NT\$-18.9MN, Recovery: NT\$36.2MN; preliminary).

Cathay United Bank – SME & FX loans

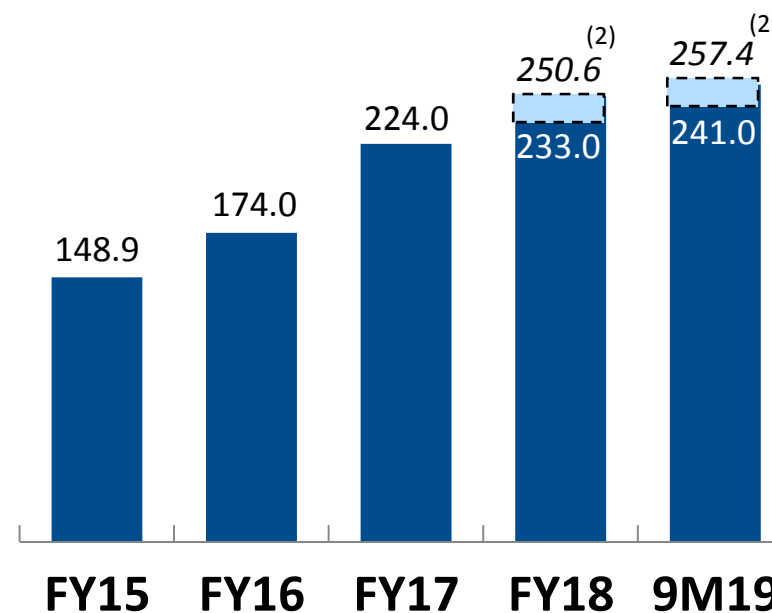
SME loans

(NT\$BN)



Foreign currency loans

(NT\$BN)



As % of total loans



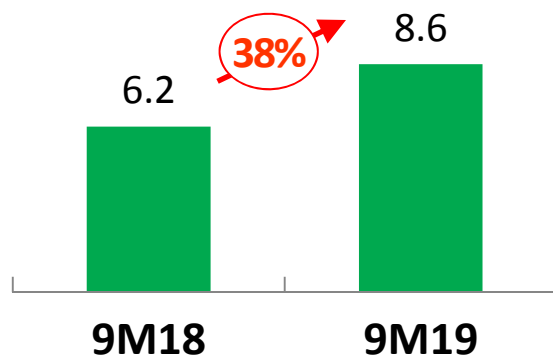
Note : (1) Total loans exclude credit card revolving balance.

(2) China subsidiary was launched in Sep 2018, hence FY18 and 9M19 foreign currency loan balance excluded NT\$17.6BN and NT\$16.5BN (preliminary) from China subsidiary respectively.

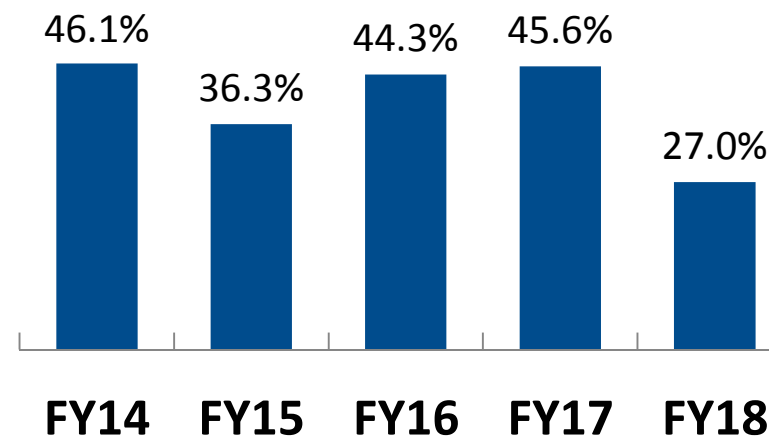
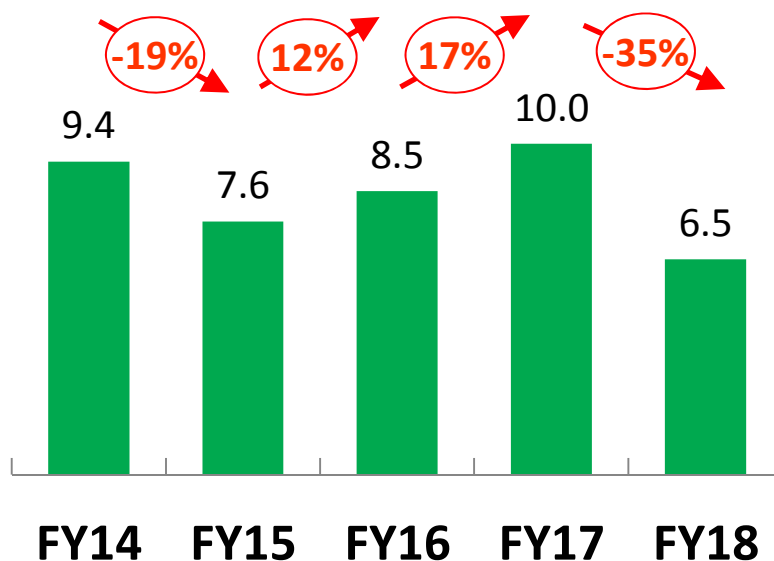
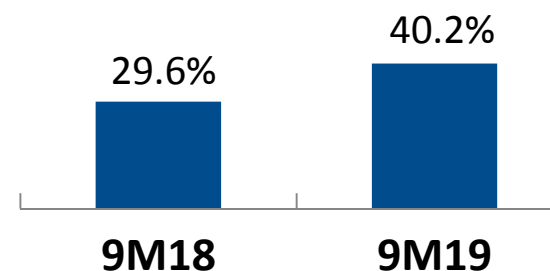
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)



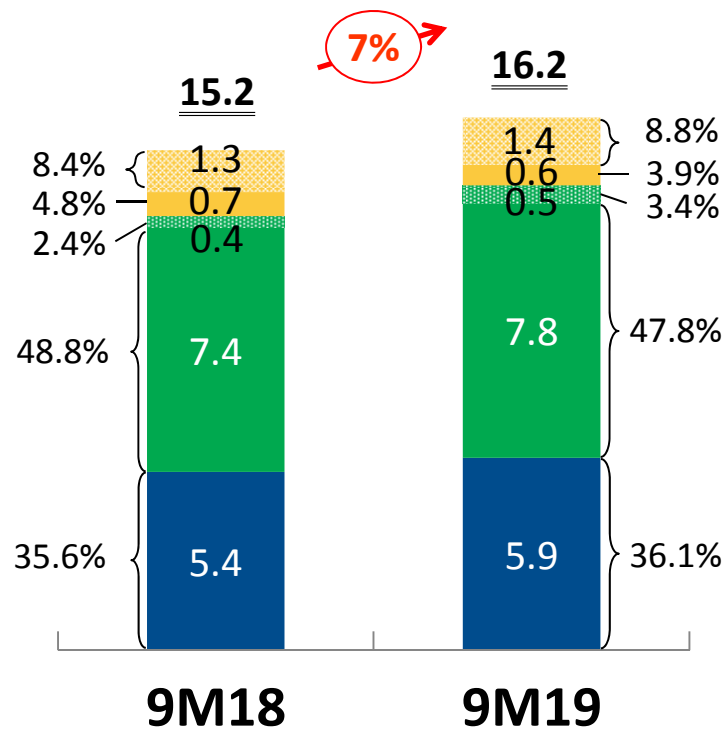
As % of CUB pre-tax profits



Cathay United Bank – Fee income

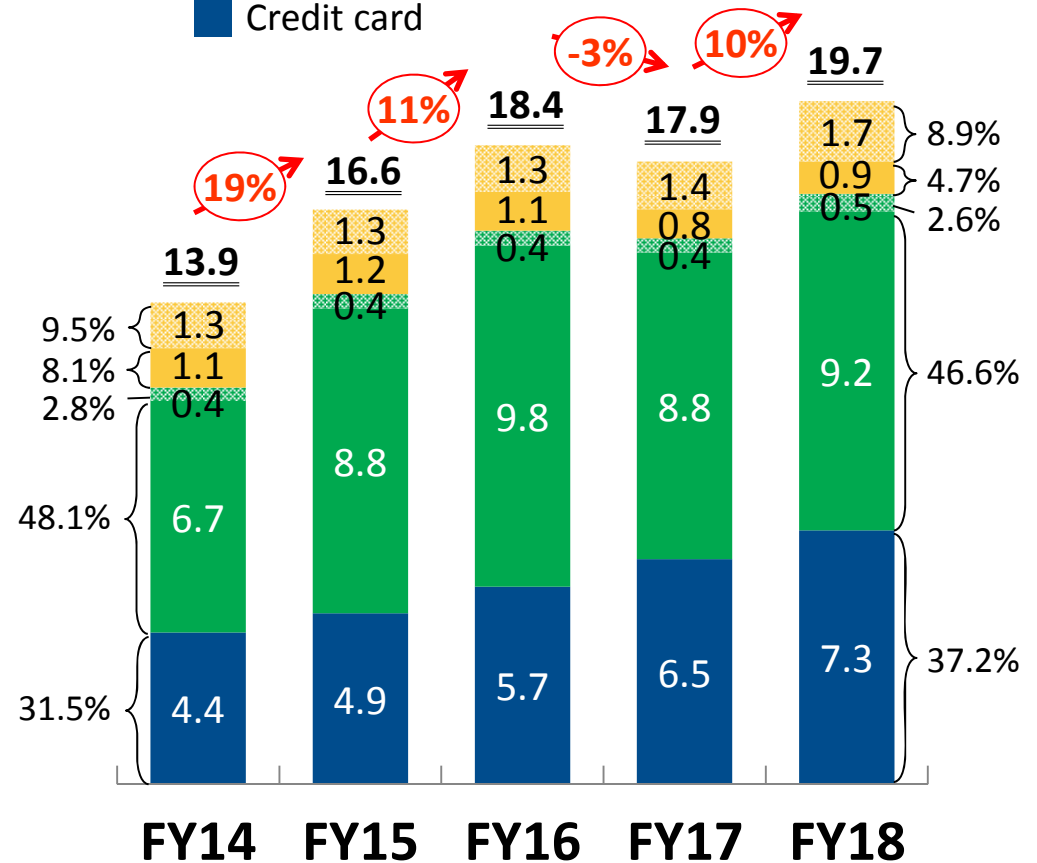
Quarterly fee income (NT\$BN)

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



Annual fee income (NT\$BN)

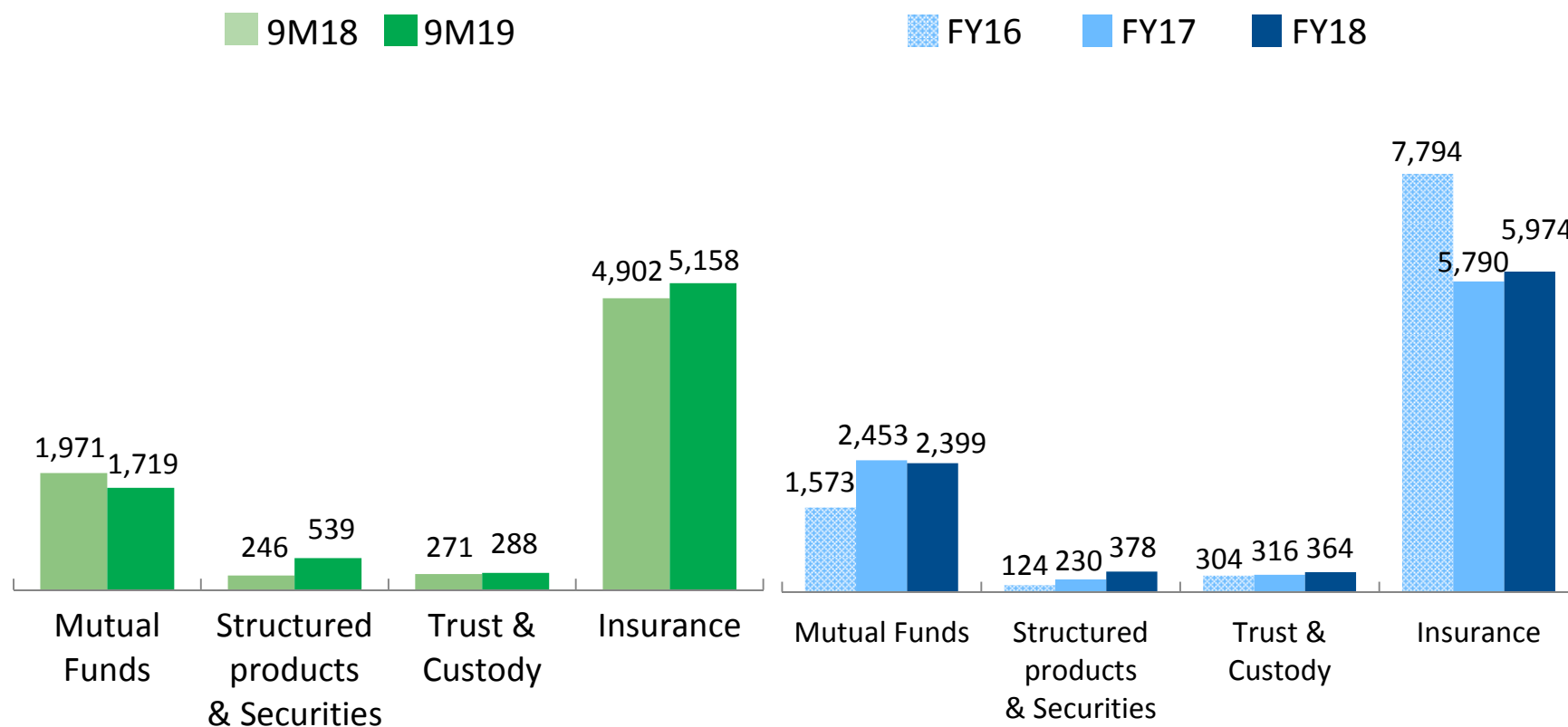
- Others
- Syndicated loans
- FX
- Wealth management
- Credit card



Cathay United Bank – Wealth management fee

Wealth management fee breakdown

| (NT\$MN) | 9M18 | 9M19 | FY16 | FY17 | FY18 |
|------------------------------|-------|-------|-------|--------|-------|
| Wealth management fee income | 7,441 | 7,761 | 9,828 | 8,837 | 9,183 |
| YoY growth (%) | 7.2% | 4.3% | 11.9% | -10.1% | 3.9% |



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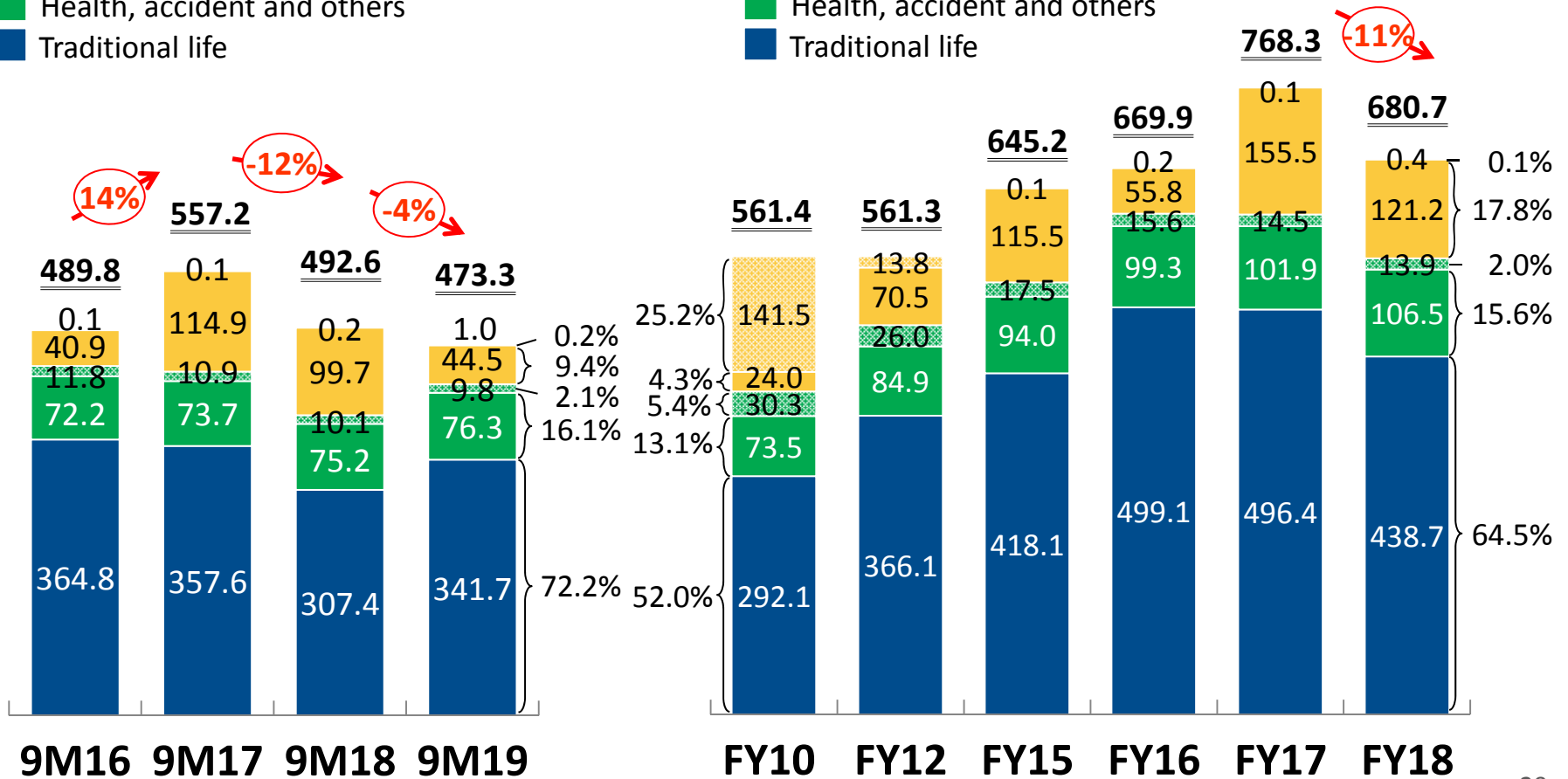
Cathay Life – Total premium

Quarterly total premium

Annual total premium

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

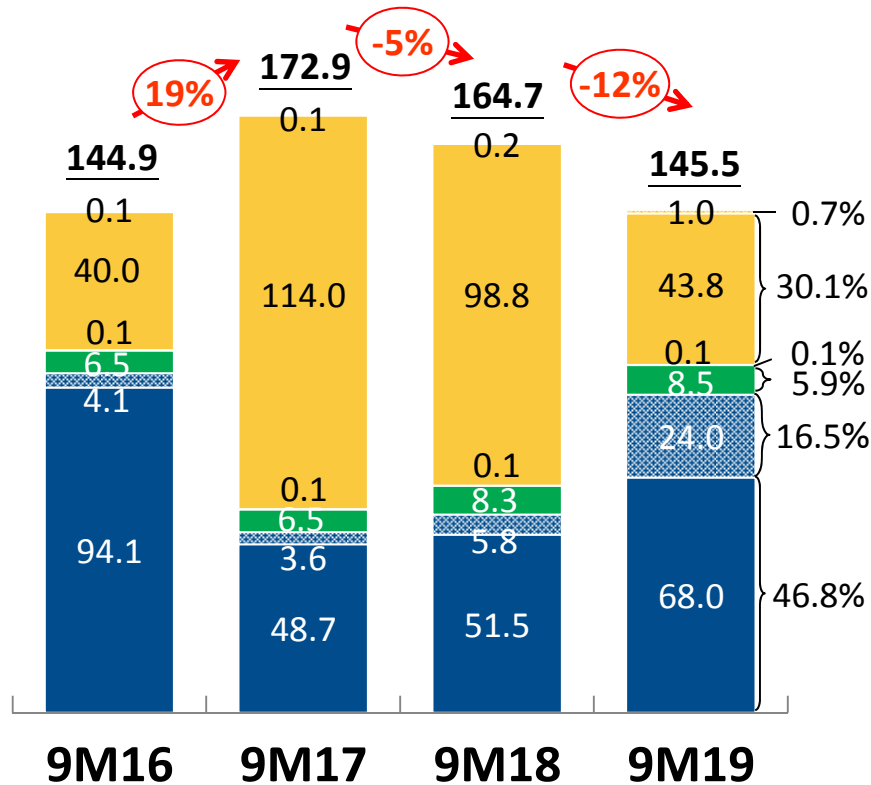
- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



Cathay Life – Quarterly FYP & APE

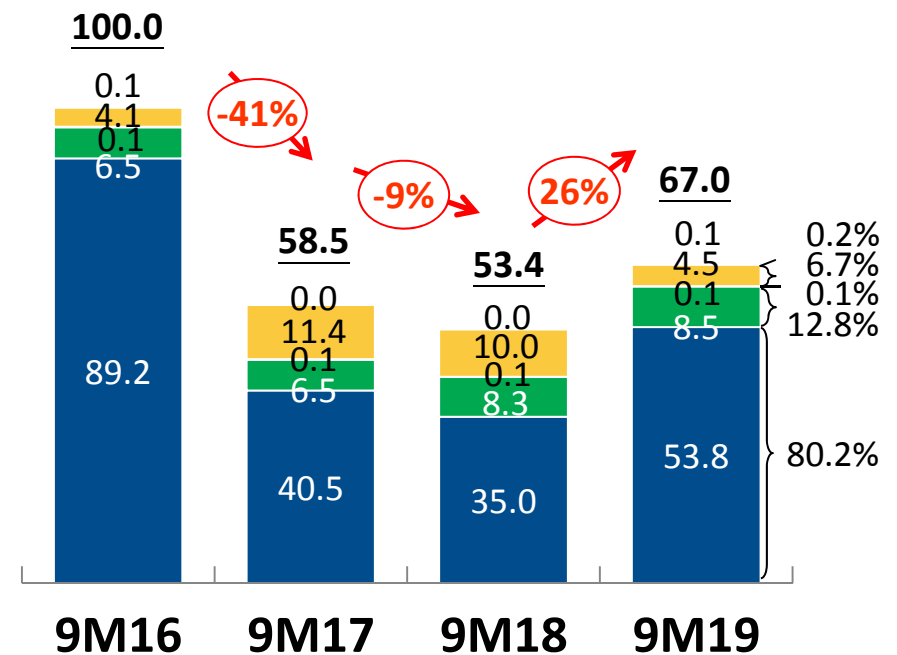
First Year Premium

- 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

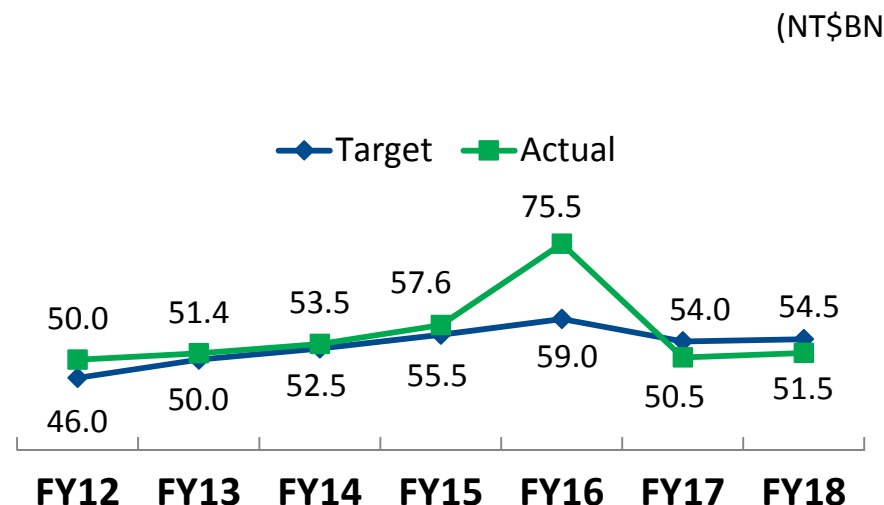
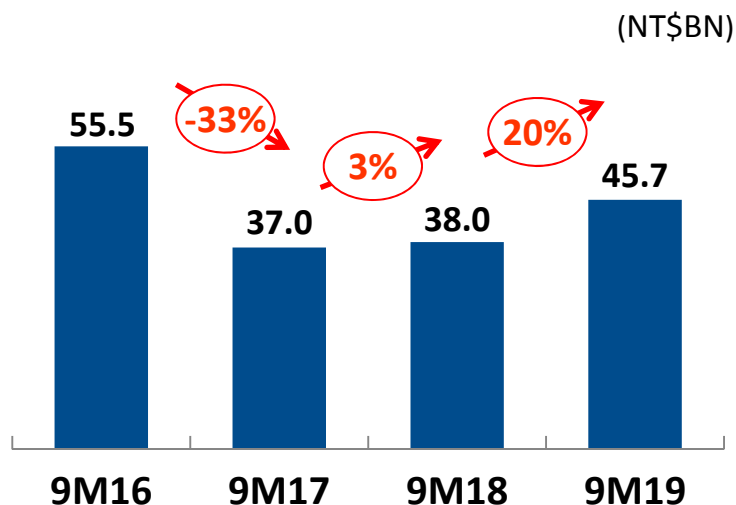
Cathay Life – Value for new business

Value for New Business

| Profit Margin | 9M16 | 9M17 | 9M18 | 9M19 |
|---------------|------|------|------|------|
| VNB/FYP | 38% | 21% | 23% | 31% |
| VNB/APE | 56% | 63% | 71% | 68% |

Value for New Business (annual)

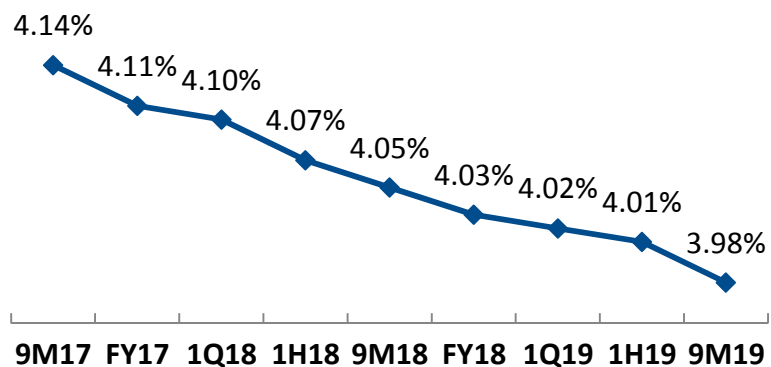
| Profit Margin | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 |
|---------------|------|------|------|------|------|------|------|
| VNB/FYP | 19% | 26% | 23% | 27% | 38% | 22% | 24% |
| VNB/APE | 54% | 70% | 75% | 57% | 56% | 64% | 72% |



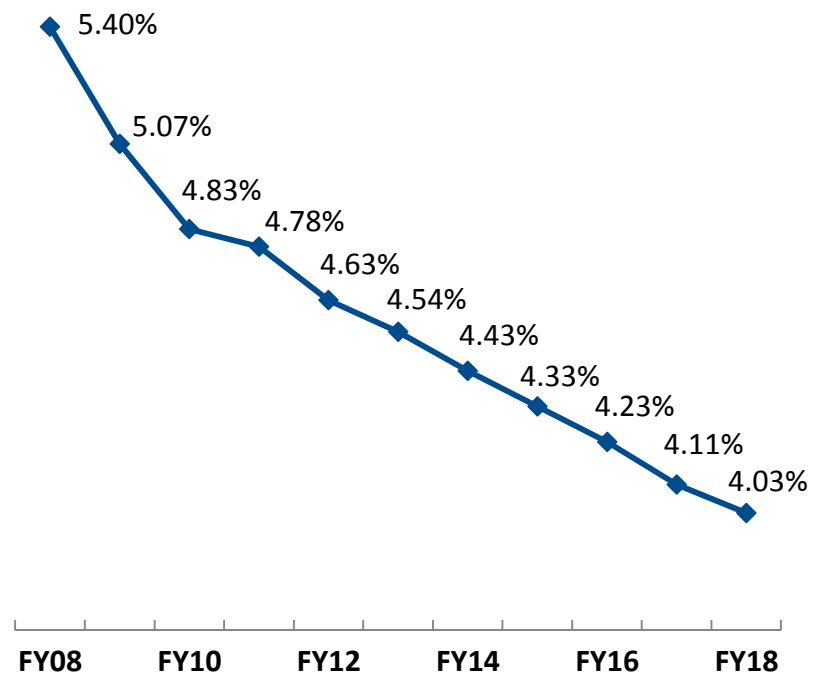
| YoY | 3% | 4% | 8% | 31% | -33% | 2% |
|-----|----|----|----|-----|------|----|
|-----|----|----|----|-----|------|----|

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

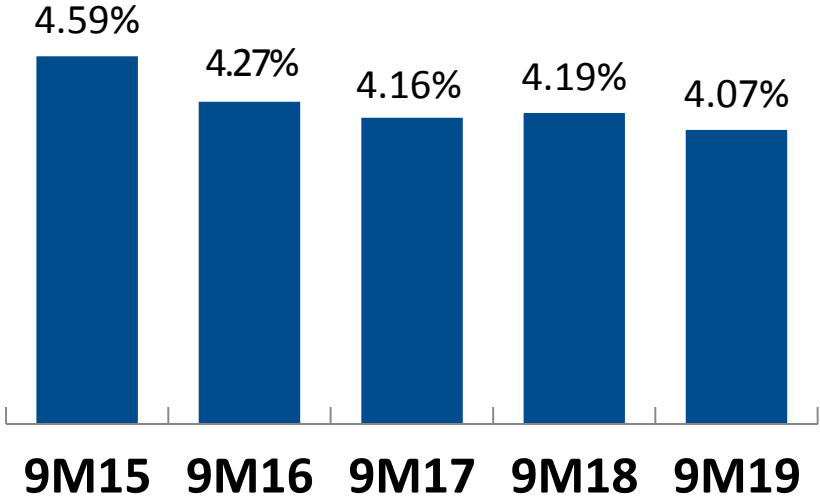
| (NT\$BN) | FY16 | FY17 | FY18 | | | 9M19 | | |
|--|----------------|----------------|----------------|---------------|---------------|----------------|---------------|---------------|
| Total investments⁽¹⁾ | 5,001.1 | 5,502.6 | 5,761.0 | | | 6,262.8 | | |
| | Weight | Weight | Weight | Amount | Return | Weight | Amount | Return |
| Cash & Cash equivalents | 1.3% | 1.6% | 1.1% | 61 | 0.6% | 2.6% | 165 | 0.6% |
| Equity- Domestic | 7.9% | 8.4% | 7.5% | 431 | 9.6% | 6.0% | 379 | 7.7% |
| Equity- International ⁽²⁾ | 6.4% | 6.3% | 6.7% | 388 | 8.7% | 5.6% | 351 | 7.7% |
| Bond- Domestic | 6.5% | 5.5% | 5.0% | 287 | 3.6% | 6.8% | 426 | 6.6% |
| Bond- International ⁽¹⁾⁽²⁾ | 53.8% | 55.7% | 58.6% | 3,374 | 4.6% | 60.3% | 3,775 | 5.1% |
| Mortgage & Secured loans | 8.9% | 8.1% | 7.1% | 411 | 2.0% | 5.7% | 356 | 2.2% |
| Policy loans | 3.3% | 3.0% | 3.0% | 170 | 5.8% | 2.7% | 169 | 5.6% |
| Real estate | 9.8% | 9.2% | 8.7% | 501 | 2.3% | 8.3% | 523 | 2.7% |
| Others | 2.2% | 2.4% | 2.4% | 140 | | 1.9% | 119 | |

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

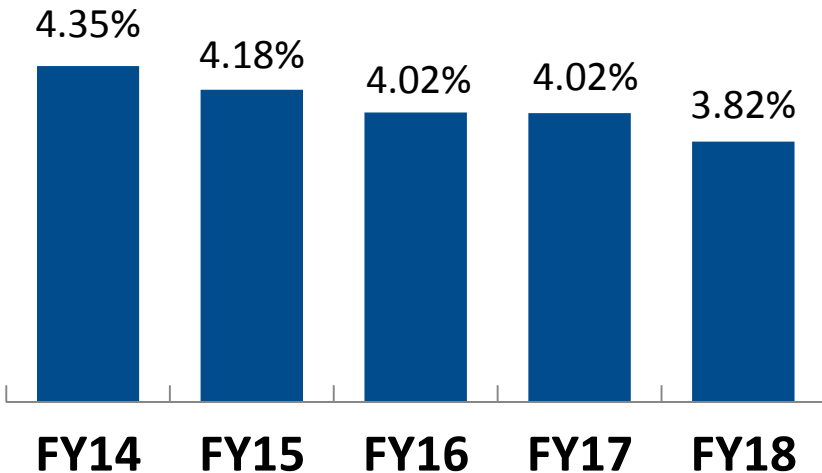
(2) Yields of international equity and international bond are pre-hedge investment yields.

Cathay Life – Investment performance highlight

After-hedging investment yield

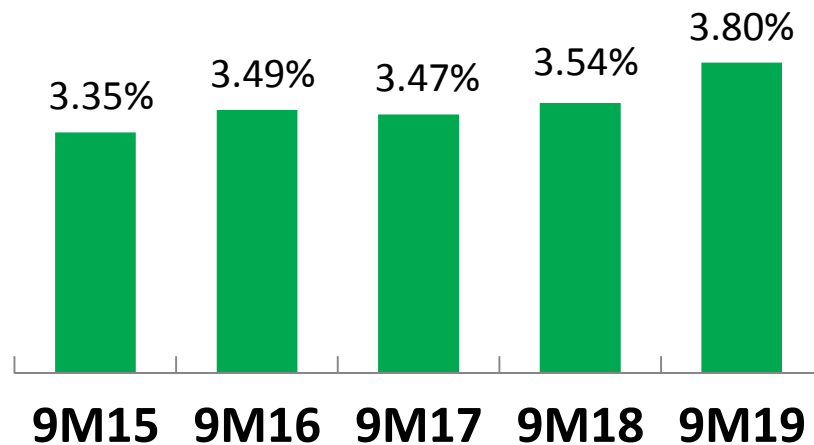


After-hedging investment yield



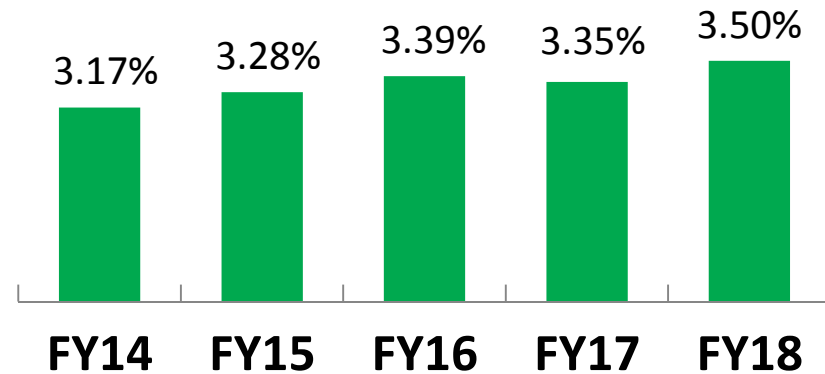
Cathay Life – Investment performance highlight

Pre-hedging recurring yield



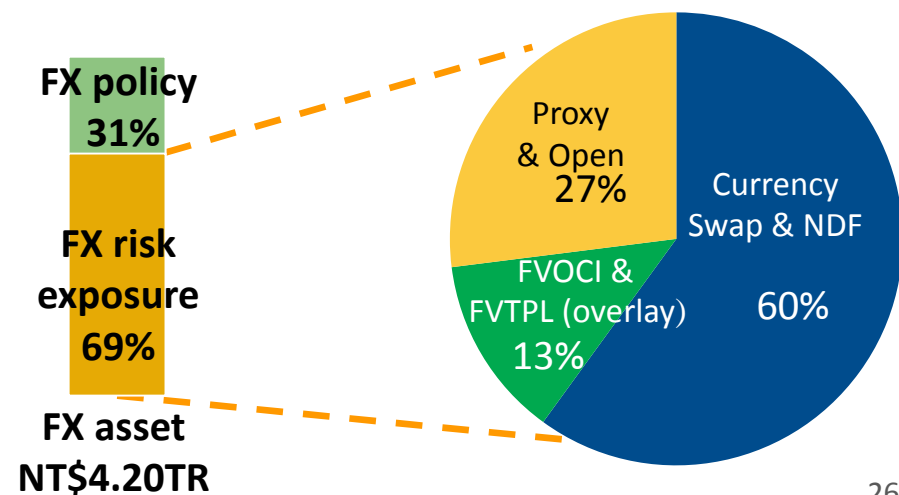
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

Pre-hedging recurring yield



Currency hedging structure

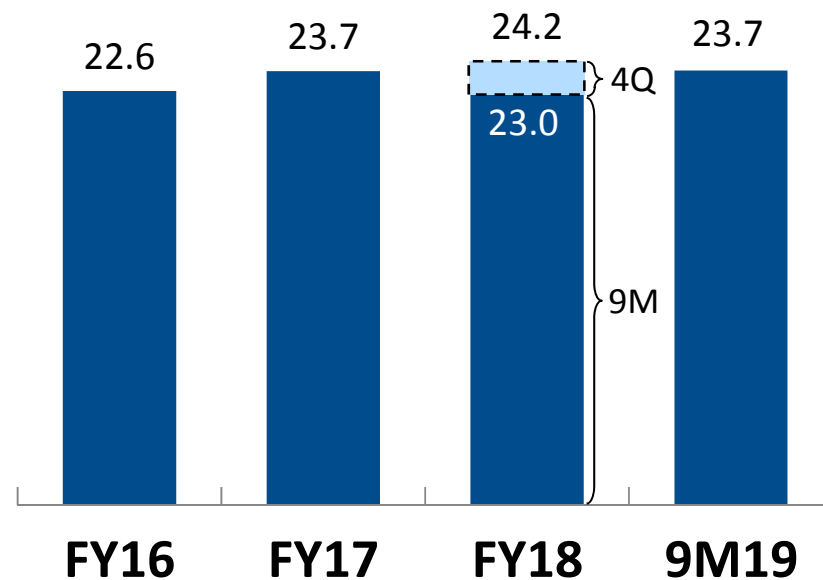
9M19 Hedging cost 1.30%



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

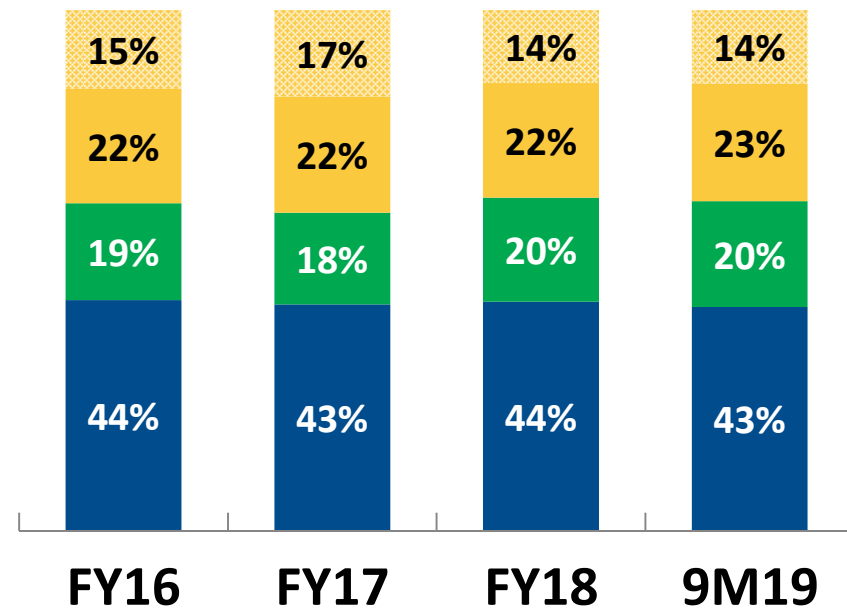
Cash dividend income

(NT\$BN)



Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America

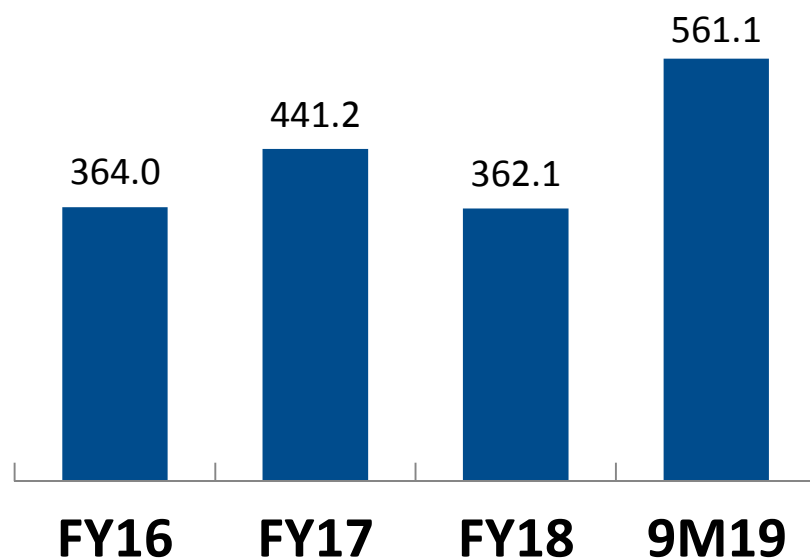


Note: Exclude overseas deposit.

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

Book value

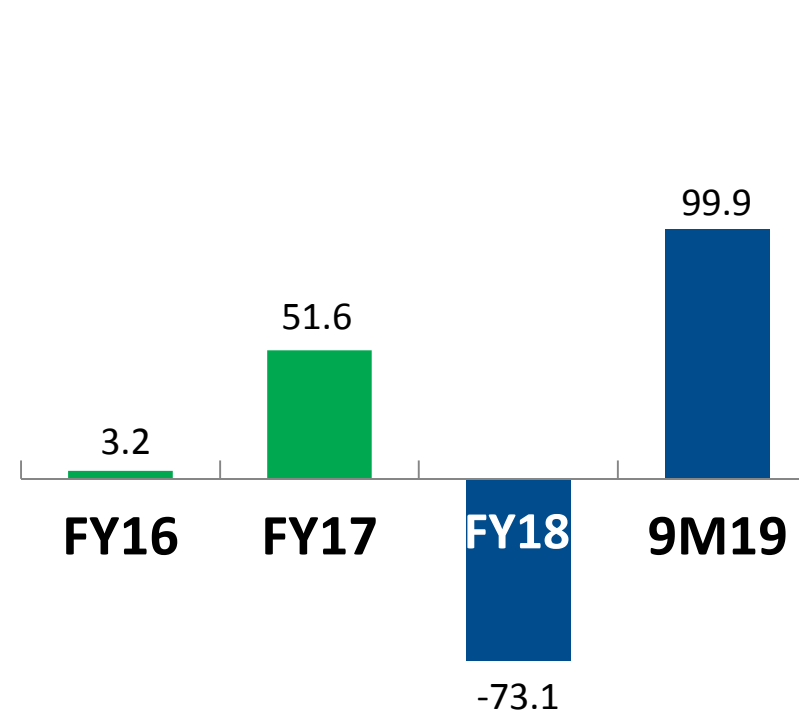
(NT\$BN)



Unrealized G/L of financial assets

(NT\$BN)

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

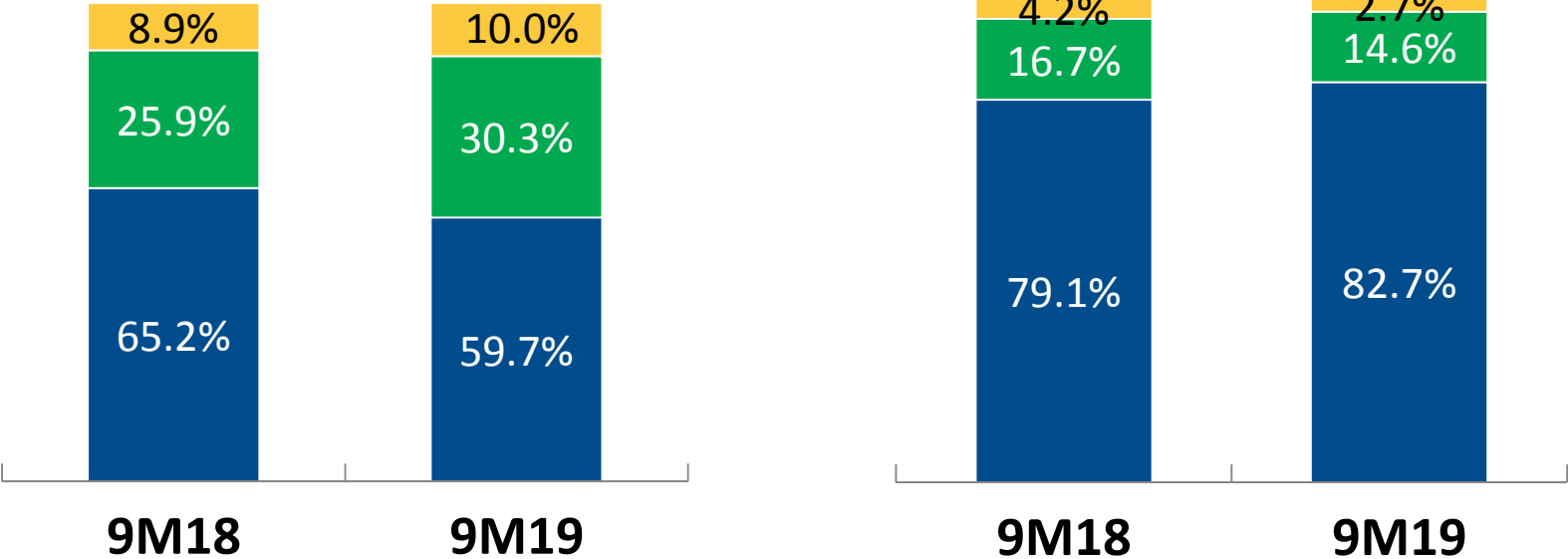


Cathay Life – Distribution channel

First Year Premium

Annualized FYP (APE)

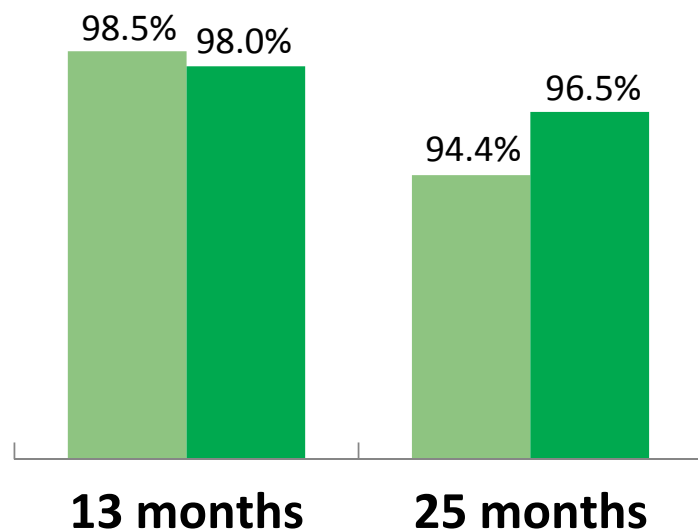
- Others
- Bancassurance-CUB
- Tied agents



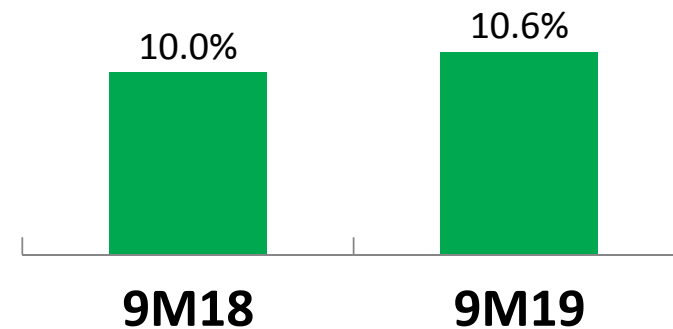
Cathay Life – Operating indicators

Persistence ratio

■ 9M18 ■ 9M19



Expense ratio



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Cathay United Bank

Cathay Life

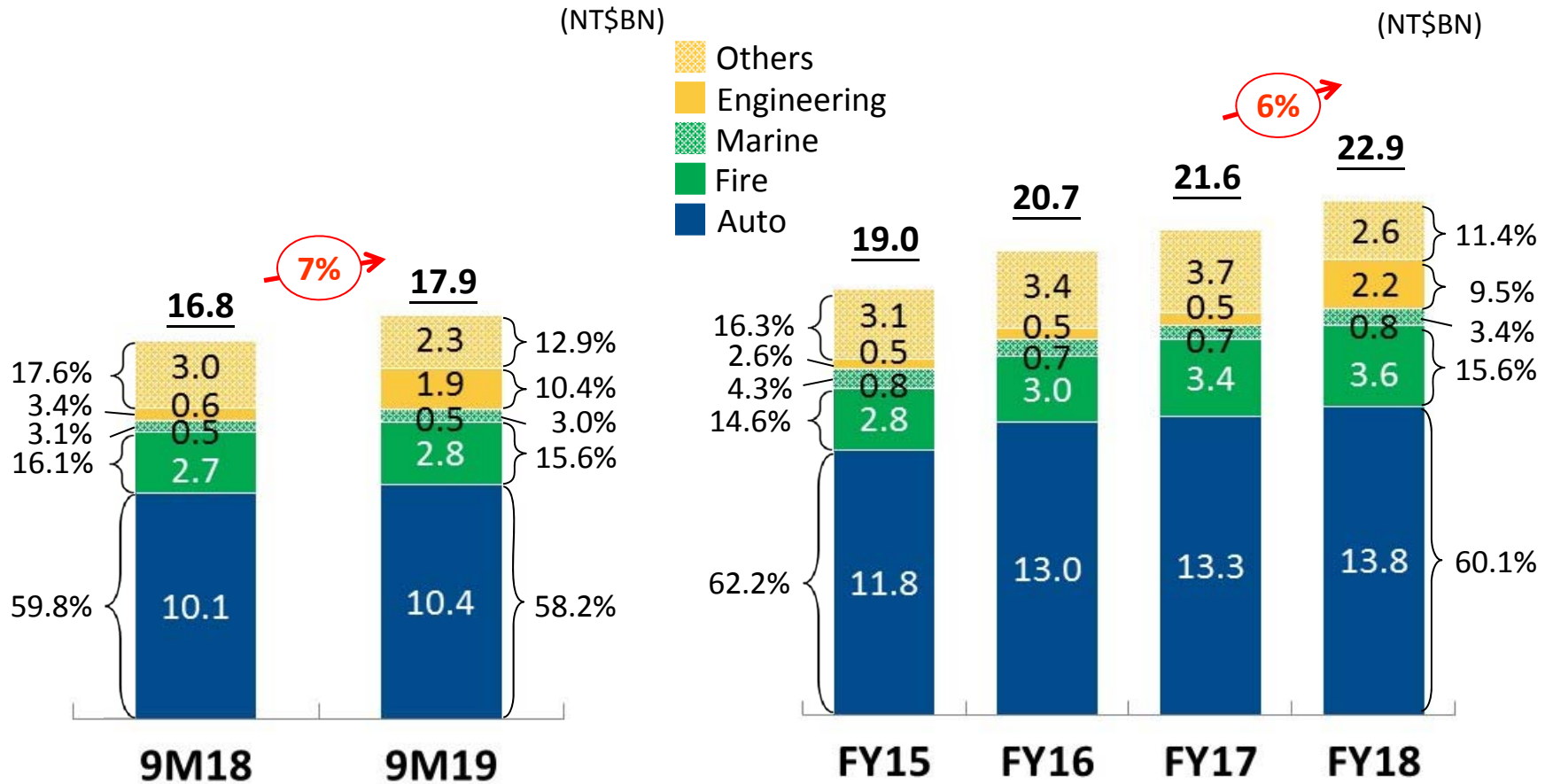
Cathay Century

- **Appendix**

Cathay Century – Premium income

Premium income

Premium income (annual)



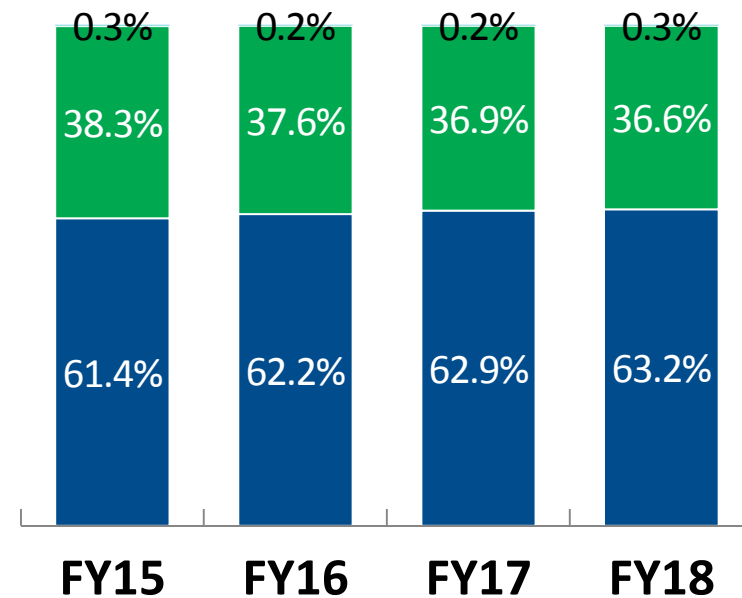
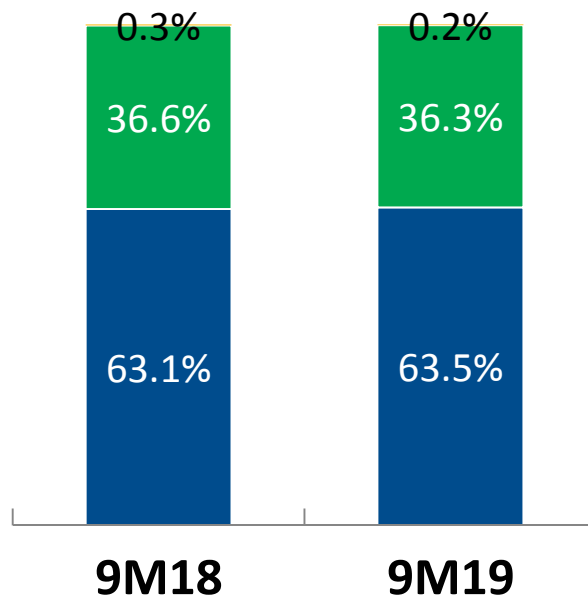
| | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|
| Market share | 12.7% | 12.6% | 13.3% | 13.6% | 13.1% | 13.0% |
| Retention | 77.6% | 77.1% | 74.9% | 75.7% | 76.2% | 77.1% |

Cathay Century – Distribution channel

Distribution channel

Distribution channel (annual)

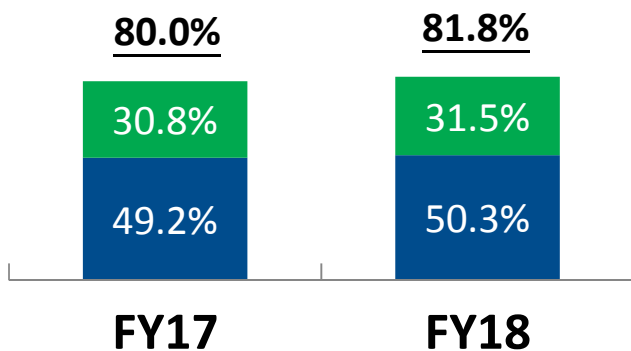
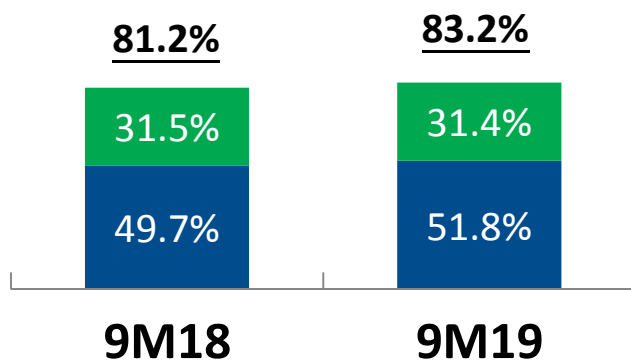
- Affiliate channels
- Cathay P&C agents
- Cathay group channel



Cathay Century – Combined ratio

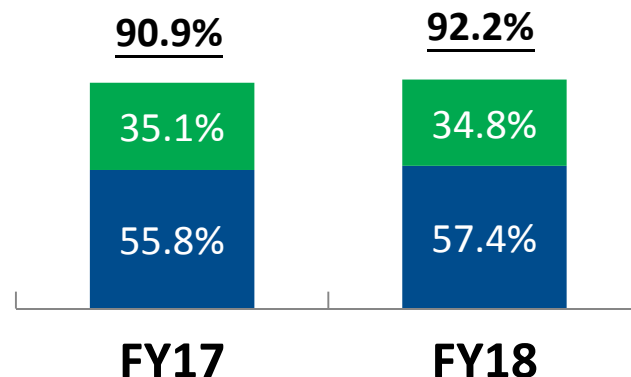
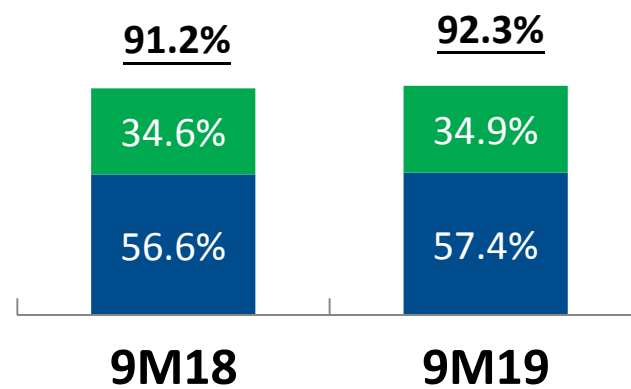
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



Agenda

- **9M19 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

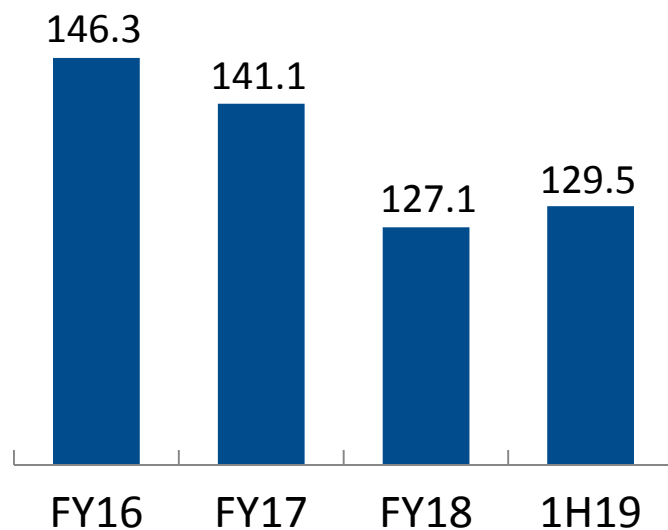
Cathay Life

Cathay Century

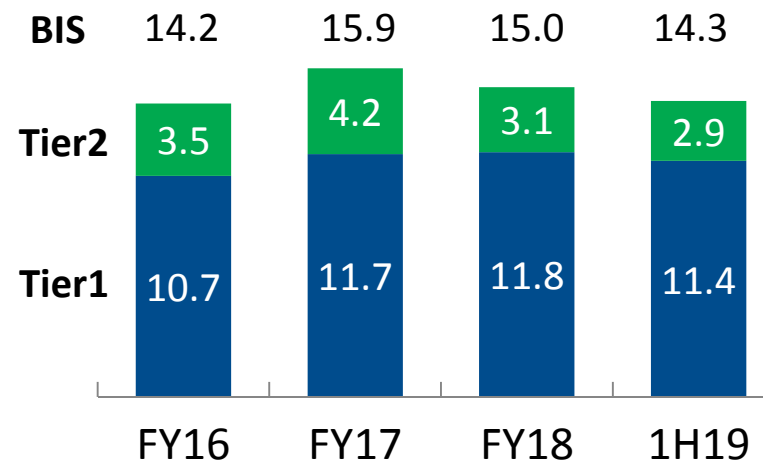
- **Appendix**

Capital adequacy

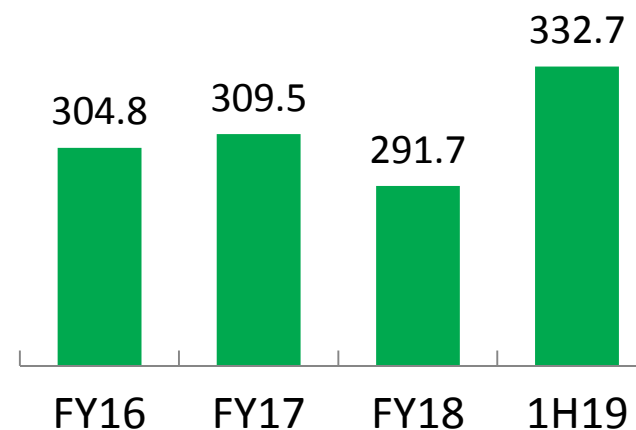
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

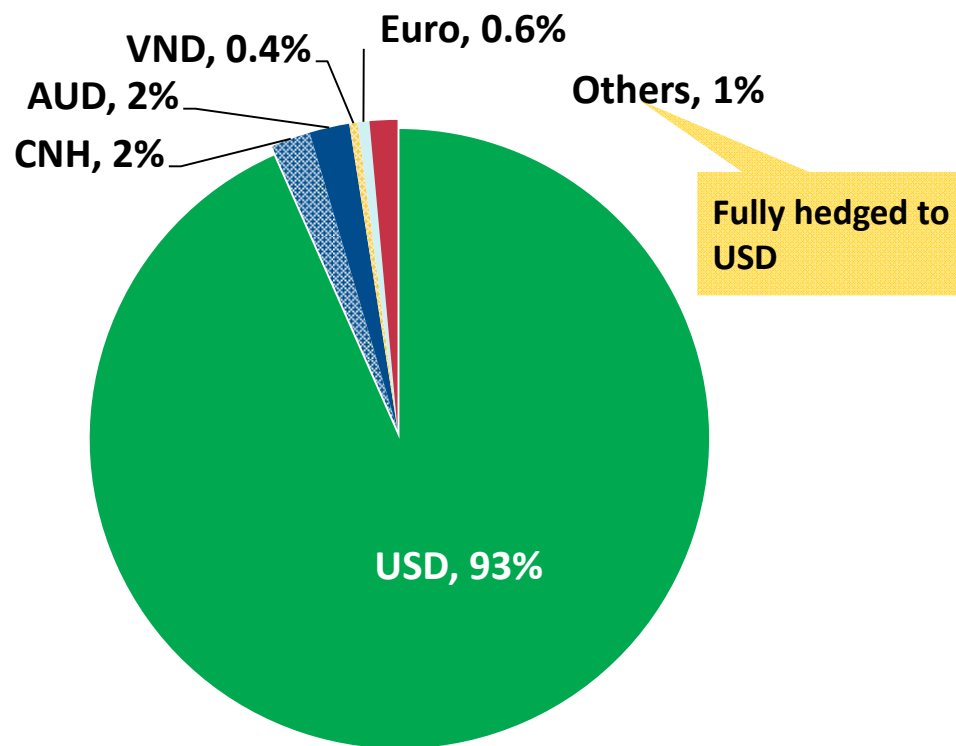


Cathay Life RBC (%)

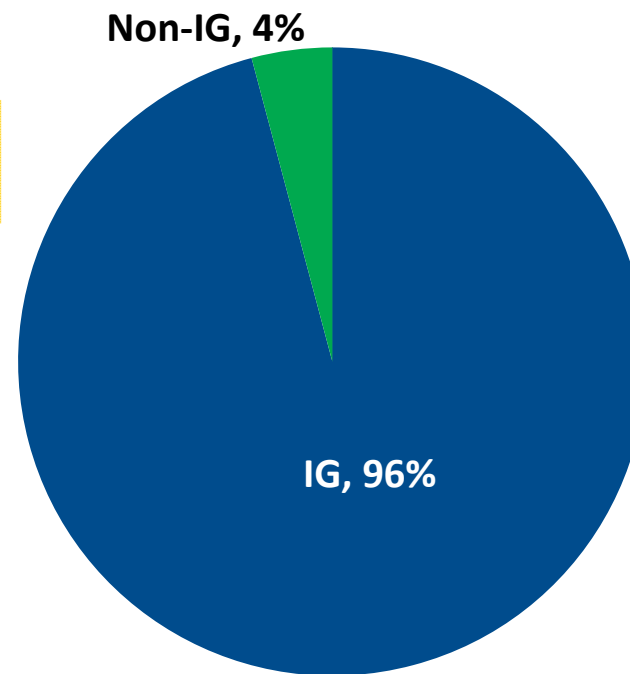


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (9M19)



Overseas bond by rating (9M19)



Thank you



| Cathay Financial Holdings (NT\$MN) | FY18/ FY17 | | | 9M19/ 9M18 | | | 3Q19/ 3Q18 | | |
|--|---------------|---------------|------------|---------------|---------------|-----------|---------------|---------------|------------|
| | FY17 | FY18 | % Chg | 9M18 | 9M19 | % Chg | 3Q18 | 3Q19 | % Chg |
| <u>Income Statement Data (Consolidated)</u> | | | | | | | | | |
| Operating Income | | | | | | | | | |
| Net interest income | 168,461 | 180,628 | 7% | 132,405 | 146,941 | 11% | 47,305 | 49,539 | 5% |
| Net commission and fee | 1,070 | 2,883 | 170% | 6,191 | 2,784 | -55% | 2,067 | 1,714 | -17% |
| Net earned premium | 624,617 | 576,811 | -8% | 405,621 | 446,740 | 10% | 119,773 | 137,359 | 15% |
| Change in liability reserve | (445,833) | (334,122) | -25% | (239,321) | (256,836) | 7% | (61,187) | (96,788) | 58% |
| Net claims payment | (295,503) | (368,656) | 25% | (263,416) | (287,079) | 9% | (88,940) | (74,402) | -16% |
| Investment income | 62,065 | 82,634 | 33% | 81,385 | 76,975 | -5% | 23,331 | 23,239 | 0% |
| Contribution from associates-equity method | 1,298 | 1,004 | -23% | 1,042 | 644 | -38% | 505 | (117) | -123% |
| Other net non-interest income | 22,446 | (1,378) | -106% | (4,455) | (4,303) | 3% | (290) | 2,554 | 980% |
| Bad debt expense | (3,460) | (4,599) | 33% | (2,065) | (621) | -70% | (622) | (387) | -38% |
| Operating expense | (75,526) | (79,606) | 5% | (57,979) | (63,914) | 10% | (20,087) | (21,117) | 5% |
| Income before taxes | 59,636 | 55,599 | -7% | 59,408 | 61,330 | 3% | 21,855 | 21,593 | -1% |
| Income taxes | (2,962) | (3,777) | 27% | (4,811) | (9,178) | 91% | (3,273) | (3,574) | 9% |
| Net income | 56,673 | 51,822 | -9% | 54,597 | 52,152 | -4% | 18,583 | 18,018 | -3% |
| EPS (NT\$) | 4.47 | 3.95 | | 4.18 | 3.86 | | 1.47 | 1.41 | |
| <u>Dividend Payout</u> | | | | | | | | | |
| 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 | | | | |
| <u>Balance Sheet Data (Consolidated)</u> | | | | | | | | | |
| Total assets | 8,841,510 | 9,224,484 | | 9,248,502 | 9,939,730 | | | | |
| Total shareholders' equity | 608,471 | 529,289 | | 611,671 | 732,301 | | | | |
| <u>Operating Metrics</u> | | | | | | | | | |
| ROAE (Consolidated) | 9.96% | 8.83% | | 11.59% | 11.02% | | | | |
| ROAA (Consolidated) | 0.67% | 0.57% | | 0.80% | 0.73% | | | | |
| Double leverage ratio(inc. preferred stock) | 108% | 112% | | 111% | 110% | | | | |
| <u>Capital Adequacy Metrics</u> | | | | | | | | | |
| Capital Adequacy Ratio | 141% | 127% | | | | | | | |

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Cathay Life

(NT\$MN)

| | FY18/ FY17 | | | 9M19/ 9M18 | | | 3Q19/ 3Q18 | | |
|--|---------------|-----------|-------|---------------|-----------|-------|---------------|----------|-------|
| | FY17 | FY18 | % Chg | 9M18 | 9M19 | % Chg | 3Q18 | 3Q19 | % Chg |
| <u>Income Statement Data (Consolidated)</u> | | | | | | | | | |
| Net written premium | 608,404 | 559,386 | -8% | 392,720 | 430,348 | 10% | 115,368 | 131,838 | 14% |
| Net earned premium | 607,547 | 558,929 | -8% | 392,932 | 430,221 | 9% | 115,367 | 131,601 | 14% |
| Reinsurance commission earned | 301 | 762 | 153% | 457 | 22 | -95% | 12 | 8 | -27% |
| Fee income | 9,468 | 9,148 | -3% | 7,065 | 6,229 | -12% | 2,120 | 2,162 | 2% |
| Recurring investment income | 173,846 | 197,281 | 13% | 150,182 | 180,523 | 20% | 62,119 | 70,256 | 13% |
| Gain on disposal of investment | | | | | | | | | |
| Realized gain (loss)-Equity | 43,625 | 49,374 | 13% | 44,943 | 28,718 | -36% | 7,301 | 2,936 | -60% |
| Realized gain (loss)-Debt | 21,233 | 15,092 | -29% | 12,734 | 21,970 | 73% | 1,751 | 8,141 | 365% |
| Gain on investment property | (756) | (740) | 2% | (632) | 622 | 199% | 3 | (5) | -247% |
| FX and others, net | (28,258) | (44,019) | -56% | (29,164) | (46,247) | -59% | (12,430) | (17,275) | -39% |
| Investment income, net | 209,691 | 216,988 | 3% | 178,063 | 185,585 | 4% | 58,744 | 64,053 | 9% |
| Other operating income | 5,069 | 5,508 | 9% | 4,037 | 4,406 | 9% | 1,411 | 1,463 | 4% |
| Separate account revenues | 44,304 | 28,084 | -37% | 29,680 | 46,299 | 56% | 12,618 | 7,629 | -40% |
| Net claims payment | (284,023) | (357,244) | 26% | (255,602) | (275,855) | 8% | (86,475) | (70,501) | -18% |
| Changes in liability reserves | (445,843) | (333,716) | -25% | (239,113) | (256,549) | 7% | (60,892) | (96,663) | 59% |
| Acquisition and commission expense | (32,507) | (33,900) | 4% | (24,749) | (29,801) | 20% | (8,322) | (9,334) | 12% |
| Other operating costs | (6,418) | (7,765) | 21% | (5,706) | (4,375) | -23% | (1,736) | (1,464) | -16% |
| Financial cost | (1,963) | (2,331) | 19% | (1,739) | (2,026) | 16% | (592) | (750) | 27% |
| Separate account expense | (44,304) | (28,084) | -37% | (29,680) | (46,299) | 56% | (12,618) | (7,629) | -40% |
| Operating expense | (28,790) | (29,165) | 1% | (21,551) | (22,846) | 6% | (7,257) | (7,630) | 5% |
| Net non-operating income | 1,442 | 1,312 | -9% | 1,068 | 1,195 | 12% | 367 | 334 | -9% |
| Income taxes | 2,294 | 1,773 | -23% | 1,089 | (5,629) | 617% | (1,576) | (2,498) | 58% |
| Net income | 36,268 | 30,297 | -16% | 36,249 | 30,577 | -16% | 11,171 | 10,783 | -3% |

Balance Sheet Data

| | | | | | |
|---|-----------|-----------|--|-----------|-----------|
| Total assets | 6,097,655 | 6,391,395 | | 6,416,609 | 6,945,778 |
| General account | 5,542,385 | 5,844,430 | | 5,831,712 | 6,353,155 |
| Separate account | 555,269 | 546,964 | | 584,897 | 592,623 |
| Reserves for life insurance liabilities | 4,944,292 | 5,313,167 | | 5,210,049 | 5,583,924 |
| Total liabilities | 5,656,473 | 6,029,265 | | 5,967,211 | 6,384,654 |
| Total shareholders' equity | 441,181 | 362,129 | | 449,399 | 561,125 |

Operating Metrics (Standalone)

| | | | | | |
|-------------------------------------|---------|---------|--|---------|---------|
| First Year Premium(FYP) | 233,250 | 211,588 | | 164,680 | 145,456 |
| First Year Premium Equivalent(FYPE) | 78,602 | 71,372 | | 53,386 | 67,021 |
| Expense ratio | 8.6% | 9.6% | | 10.0% | 10.6% |
| 13-M persistency ratio | 98.2% | 98.4% | | 98.5% | 98.0% |
| 25-M persistency ratio | 94.3% | 94.7% | | 94.4% | 96.5% |
| ROAE | 9.01% | 7.25% | | 10.47% | 8.83% |
| ROAA | 0.62% | 0.48% | | 0.77% | 0.61% |

Capital Adequacy Metrics (Standalone)

| | | |
|-----------|------|------|
| RBC ratio | 309% | 292% |
|-----------|------|------|

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Cathay United Bank

| (NT\$MN) | FY18/ FY17 | | | 9M19/ 9M18 | | | 3Q19/ 3Q18 | | |
|--|---------------|-----------|-------|---------------|-----------|-------|---------------|---------|-------|
| Income Statement Data (Consolidated) | FY17 | FY18 | % Chg | 9M18 | 9M19 | % Chg | 3Q18 | 3Q19 | % Chg |
| Operating Income | | | | | | | | | |
| Net interest income | 29,701 | 33,397 | 12% | 24,598 | 27,053 | 10% | 8,626 | 9,147 | 6% |
| Fee income | 14,862 | 16,678 | 12% | 12,873 | 13,082 | 2% | 4,751 | 4,599 | -3% |
| Investment income | 9,442 | 9,862 | 4% | 8,789 | 8,203 | -7% | 3,979 | 2,361 | -41% |
| Other income | 1,216 | 918 | -25% | 618 | 451 | -27% | 195 | 132 | -33% |
| Net operating income | 55,222 | 60,855 | 10% | 46,878 | 48,789 | 4% | 17,551 | 16,238 | -7% |
| Operating expenses | (29,301) | (31,340) | 7% | (23,107) | (25,019) | 8% | (8,382) | (8,285) | -1% |
| Pre-provision profit | 25,920 | 29,515 | 14% | 23,771 | 23,770 | 0% | 9,169 | 7,953 | -13% |
| Net provisions for possible losses | (3,494) | (5,032) | 44% | (2,312) | (1,551) | -33% | (820) | (634) | -23% |
| Income before taxes | 22,426 | 24,483 | 9% | 21,459 | 22,219 | 4% | 8,349 | 7,319 | -12% |
| Income tax | (2,763) | (3,230) | 17% | (3,056) | (3,097) | 1% | (1,105) | (961) | -13% |
| Net income | 19,664 | 21,253 | 8% | 18,403 | 19,122 | 4% | 7,244 | 6,358 | -12% |
| Balance Sheet Data | | | | | | | | | |
| Total assets | 2,735,704 | 2,843,881 | | 2,830,340 | 2,989,672 | | | | |
| Loans, net | 1,434,558 | 1,595,323 | | 1,569,443 | 1,553,914 | | | | |
| Financial assets | 859,590 | 878,001 | | 889,729 | 873,242 | | | | |
| Total liability | 2,553,396 | 2,638,074 | | 2,629,323 | 2,772,057 | | | | |
| Deposits | 2,098,368 | 2,227,662 | | 2,196,933 | 2,300,477 | | | | |
| Financial Debenture Payable | 63,350 | 55,600 | | 55,600 | 53,900 | | | | |
| Total shareholders' equity | 182,308 | 205,807 | | 201,017 | 217,615 | | | | |
| Operating Metrics | | | | | | | | | |
| Cost income ratio | 53.06% | 51.50% | | 49.29% | 51.28% | | | | |
| ROAE | 11.49% | 10.86% | | 12.70% | 12.04% | | | | |
| ROAA | 0.74% | 0.76% | | 0.88% | 0.87% | | | | |
| Assets Quality (Standalone) | | | | | | | | | |
| NPL | 2,982 | 2,563 | | 2,511 | 3,221 | | | | |
| NPL ratio | 0.21% | 0.16% | | 0.16% | 0.21% | | | | |
| NPL provisions | 22,553 | 23,879 | | 23,510 | 25,363 | | | | |
| Coverage ratio | 756% | 932% | | 936% | 788% | | | | |
| Capital Adequacy Metrics (Standalone) | | | | | | | | | |
| BIS ratio | 15.9% | 15.0% | | | | | | | |
| Tier I Ratio | 11.7% | 11.8% | | | | | | | |
| LDR (Standalone) | | | | | | | | | |
| TWD LDR | 73.7% | 77.7% | | 76.8% | 70.4% | | | | |
| FX LDR | 49.1% | 46.6% | | 50.3% | 52.3% | | | | |

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Cathay Century

| (NT\$MM) | FY18/ FY17 | | | 9M19/ 9M18 | | | 3Q19/ 3Q18 | | |
|--|---------------|---------|-------|---------------|---------|-------|---------------|---------|-------|
| | FY17 | FY18 | % Chg | 9M18 | 9M19 | % Chg | 3Q18 | 3Q19 | % Chg |
| <u>Income Statement Data (Consolidated)</u> | | | | | | | | | |
| Premium income | 21,878 | 23,186 | 6% | 17,042 | 18,194 | 7% | 5,672 | 6,029 | 6% |
| Net written premium | 16,610 | 17,797 | 7% | 13,162 | 13,952 | 6% | 4,455 | 4,720 | 6% |
| Net earned premium | 16,344 | 17,349 | 6% | 12,912 | 13,881 | 8% | 4,483 | 4,806 | 7% |
| Reinsurance commission earned | 489 | 556 | 14% | 394 | 427 | 8% | 122 | 129 | 6% |
| Fee income | 42 | 43 | 3% | 32 | 33 | 1% | 10 | 10 | 1% |
| Investment | 892 | 640 | -28% | 805 | 764 | -5% | 179 | 363 | 103% |
| Interest income | 547 | 559 | 2% | 421 | 411 | -2% | 141 | 142 | 1% |
| Other investment income, net | 345 | 81 | -76% | 384 | 352 | -8% | 38 | 220 | 486% |
| Other operating income | 0 | 0 | 0% | 0 | 0 | 0% | 0 | 0 | 0% |
| Net claims payment | (9,138) | (9,408) | 3% | (6,976) | (7,482) | 7% | (2,268) | (2,583) | 14% |
| Changes in liability reserves | 10 | (406) | 4148% | (208) | (287) | 38% | (294) | (124) | -58% |
| Commissions and other operating costs | (2,859) | (3,043) | 6% | (2,243) | (2,394) | 7% | (786) | (825) | 5% |
| Operating expenses | (3,609) | (3,848) | 7% | (2,820) | (2,979) | 6% | (956) | (1,013) | 6% |
| Operating income | 2,170 | 1,883 | -13% | 1,896 | 1,962 | 3% | 489 | 761 | 56% |
| Net non-operating income | (16) | (24) | -53% | (9) | (0) | 96% | (1) | (0) | 79% |
| Income taxes | (297) | (349) | 18% | (309) | (314) | 2% | (78) | (110) | 41% |
| Net income | 1,858 | 1,510 | -19% | 1,578 | 1,648 | 4% | 410 | 651 | 59% |
| <u>Balance Sheet Data</u> | | | | | | | | | |
| Total assets | 38,351 | 37,956 | | 37,427 | 40,758 | | | | |
| Total stockholders' equity | 10,517 | 10,025 | | 10,225 | 11,946 | | | | |
| <u>Operating Metrics</u> | | | | | | | | | |
| Gross Combined ratio | 80.0% | 81.8% | | 81.2% | 83.2% | | | | |
| Net Combined ratio | 90.9% | 92.2% | | 91.2% | 92.3% | | | | |
| ROAE | 18.83% | 14.69% | | 20.28% | 20.00% | | | | |
| ROAA | 4.85% | 3.96% | | 5.55% | 5.57% | | | | |
| <u>Capital Adequacy Metrics</u> | | | | | | | | | |
| RBC ratio (Standalone) | 392% | 370% | | | | | | | |

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