



國泰金控

Cathay Financial Holdings

2019 Third Quarter Briefing

November 2019



Disclaimer

- ❑ This document is provided by Cathay Financial Holding Co., Ltd. (the "Company"). Except for the numbers and information included in the Company's financial statements, the information contained in this document has not been audited or reviewed by any accountant or independent expert. The Company makes no express or implied representations or warranties as to the fairness, accuracy, completeness, or correctness of such information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. The Company, its affiliates and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.
- ❑ This document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that the Company expects or anticipates to take place in the future based on the projections of the Company toward the future, and various factors and uncertainty beyond the Company's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements.
- ❑ This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer.
- ❑ This document may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.

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.

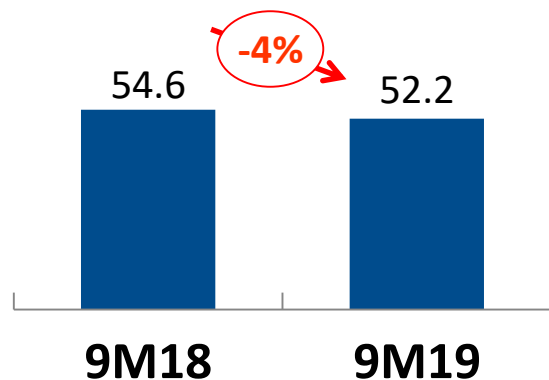
Cathay Securities

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

Cathay FHC – Net income & EPS

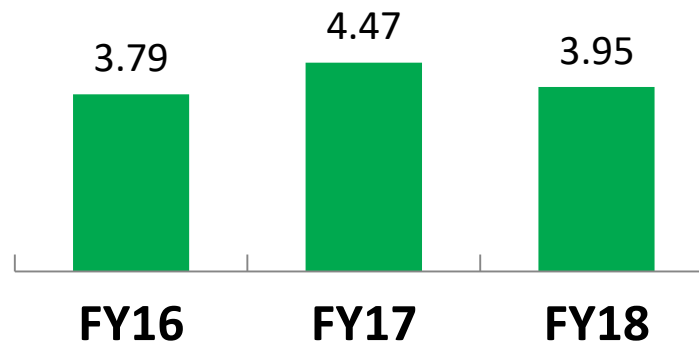
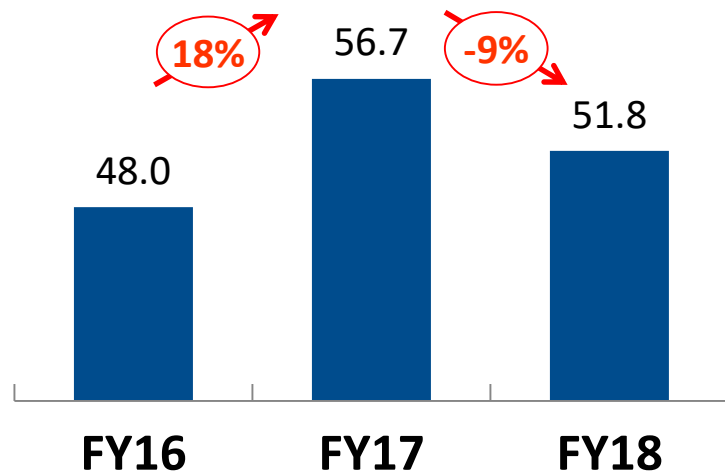
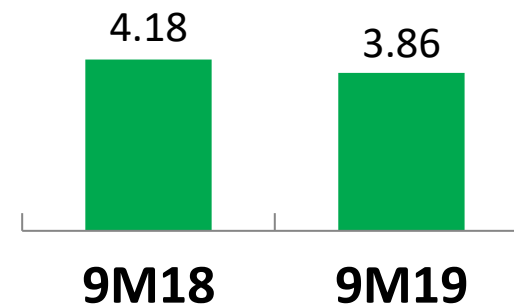
Net income

(NT\$BN)



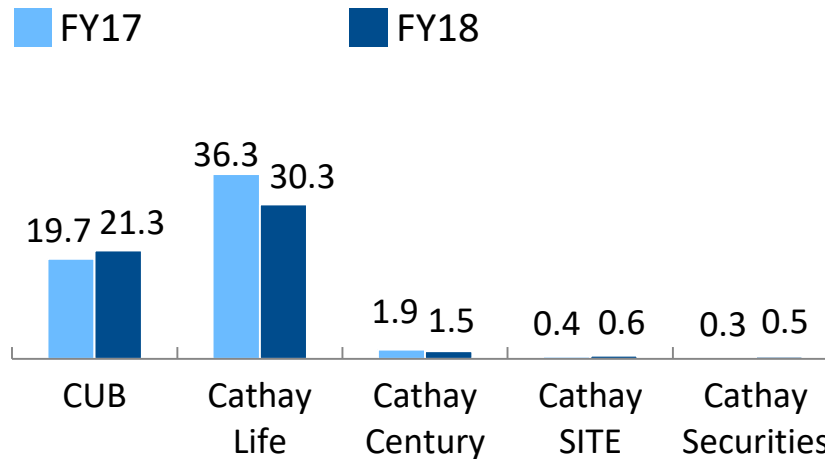
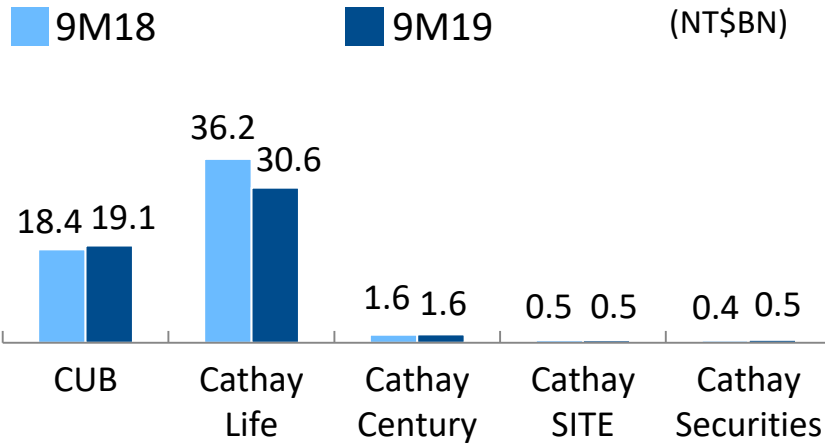
EPS

(NT\$)

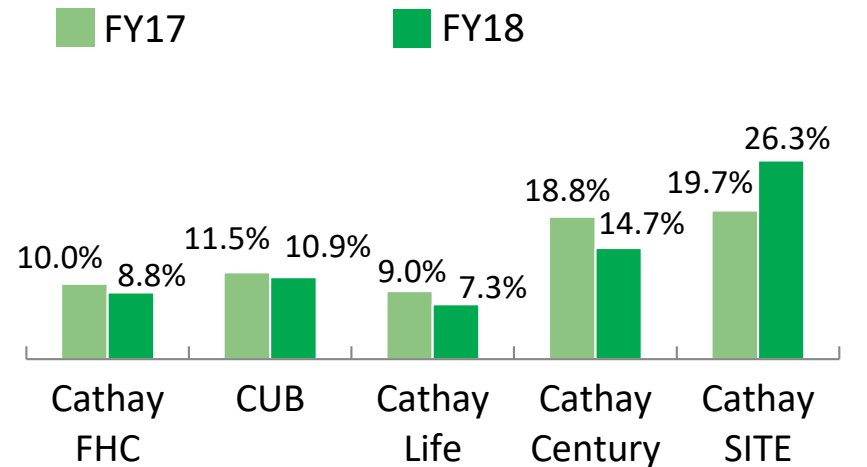
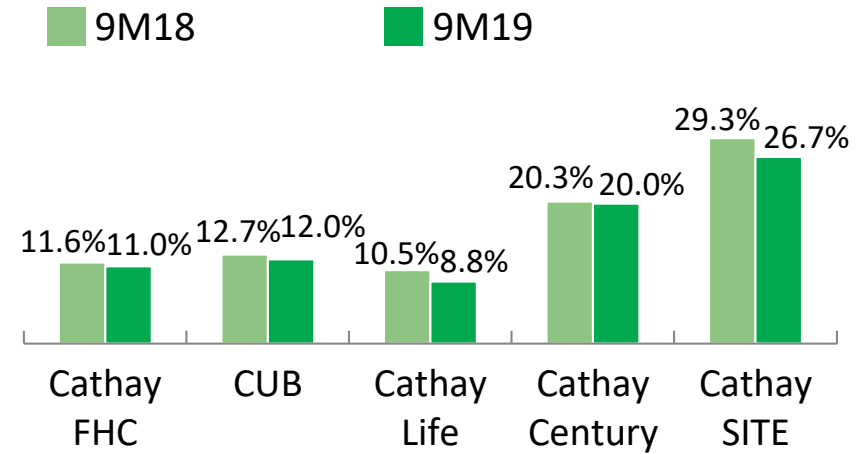


Cathay FHC – Net income & ROE

Net income of primary subsidiaries

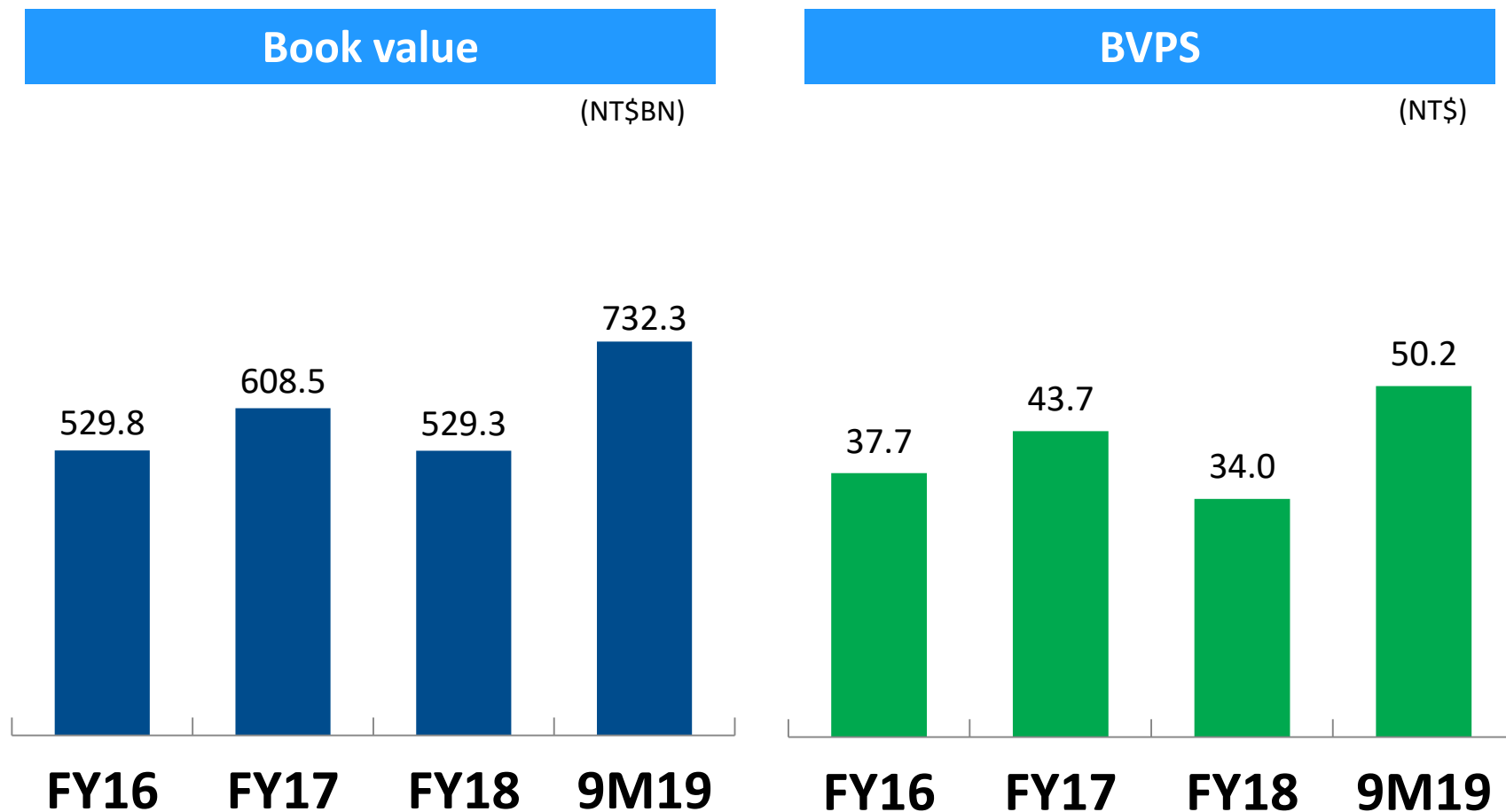


ROE



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.

Agenda

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

Cathay FHC in South East Asia

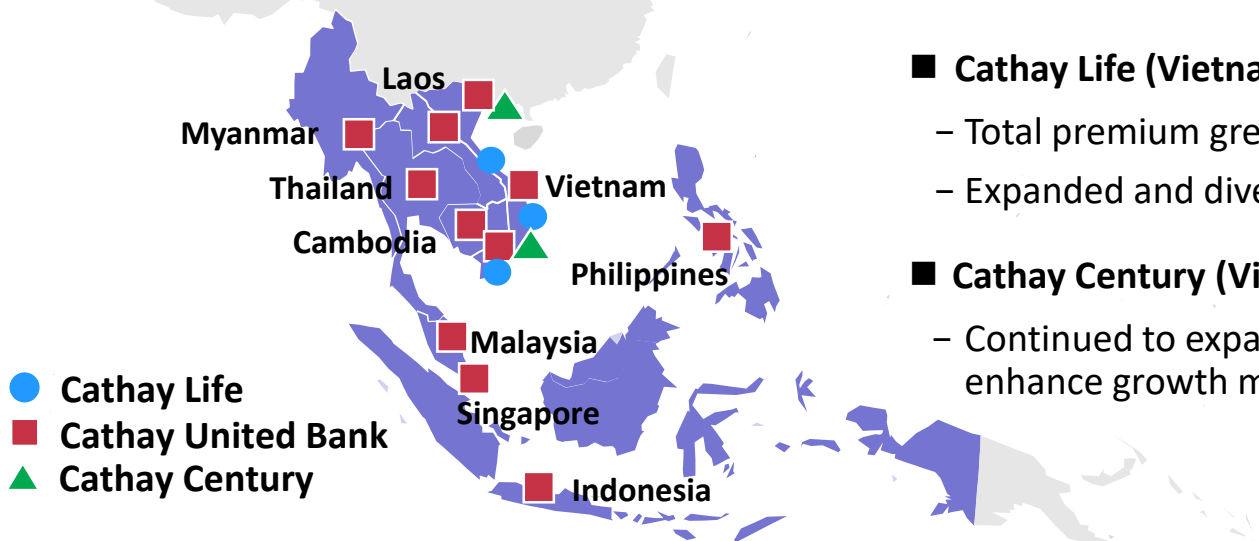
	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Thailand	Myanmar	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	51 ⁽¹⁾	74 ⁽¹⁾									
P&C	27	2									
Asset Mgt.	1			1							
Securities				1							

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⁾

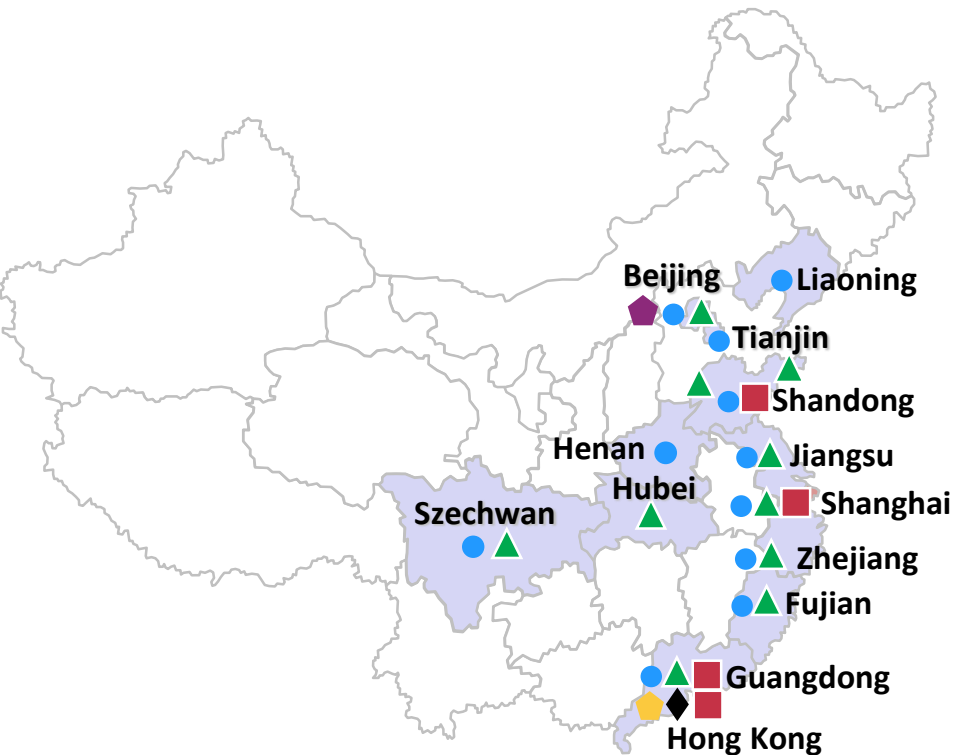
■ Cathay Life (Vietnam)

- 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.

Agenda

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

Cathay United Bank





Cathay Life

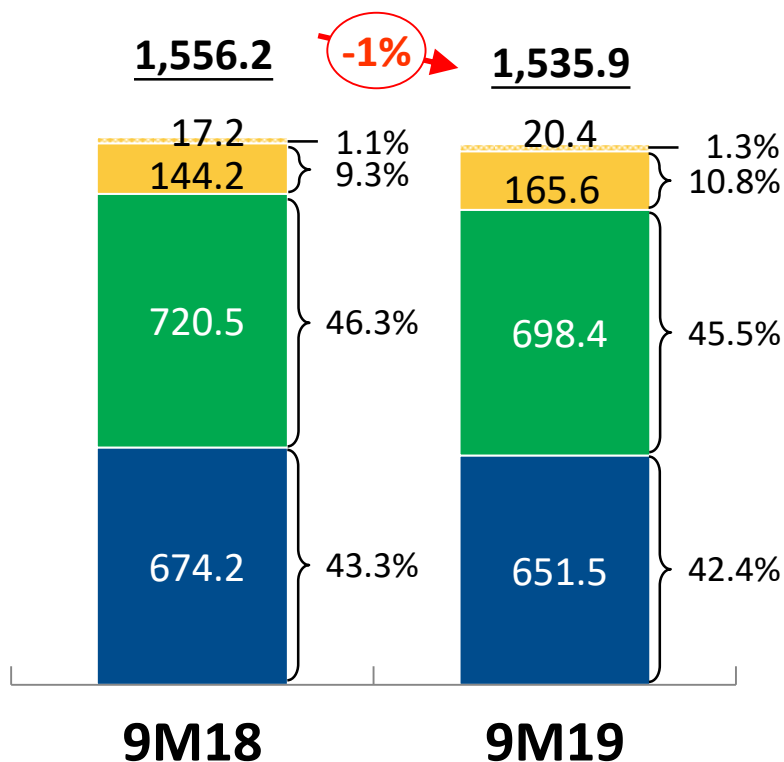
Cathay Century

- **Appendix**

Cathay United Bank – Loan & Deposit breakdown

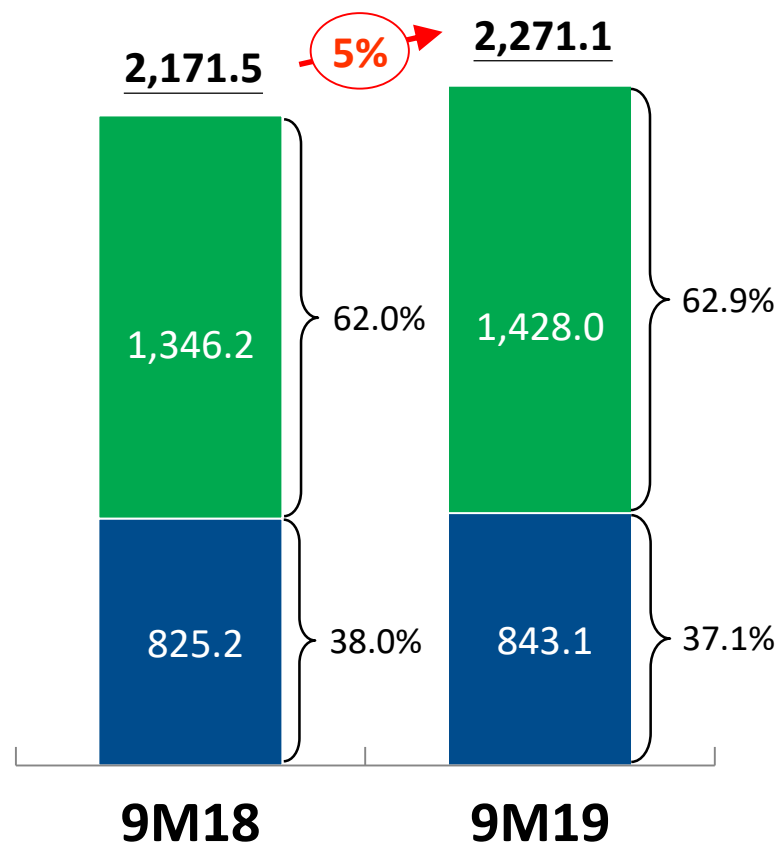
Loan breakdown

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



Deposit breakdown

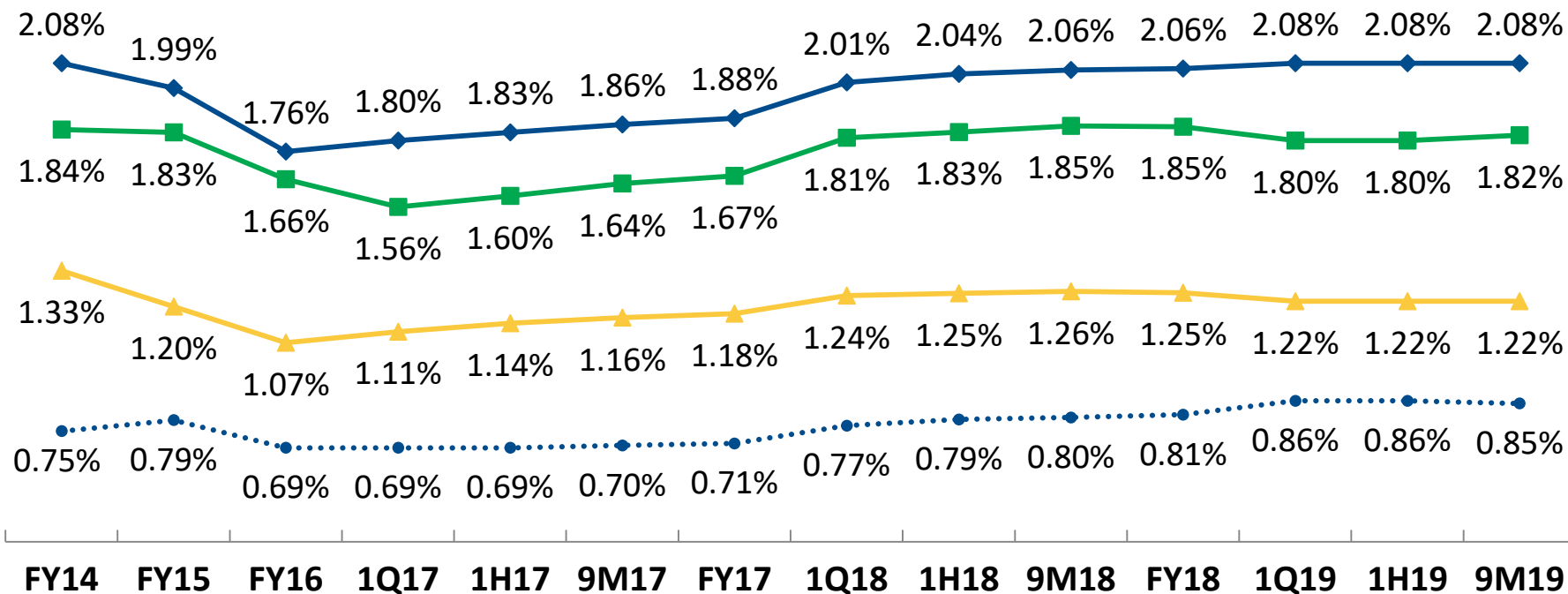
-  Demand deposit (NT\$BN)
-  Time deposit



Note : China subsidiary was launched in Sep 2018, hence 9M19 loan and deposit excluded preliminary amount of NT\$16.5BN and NT\$15.4BN, respectively.

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	3Q19
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%

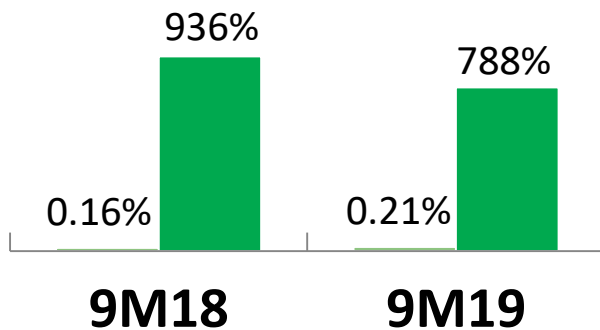
Note : (1) Credit card related loans are included in the calculation of interest spread.

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

Cathay United Bank – Credit quality

NPL & Coverage ratio

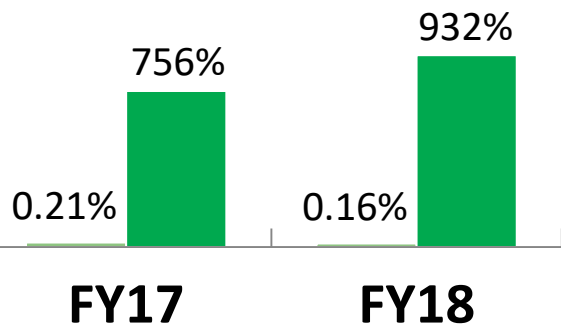
- NPL ratio
- Coverage ratio



Mortgage NPL

0.14%

0.23%



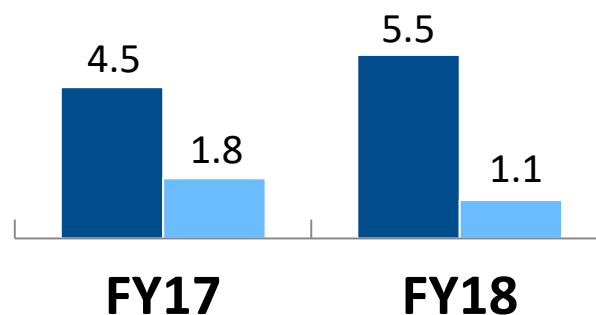
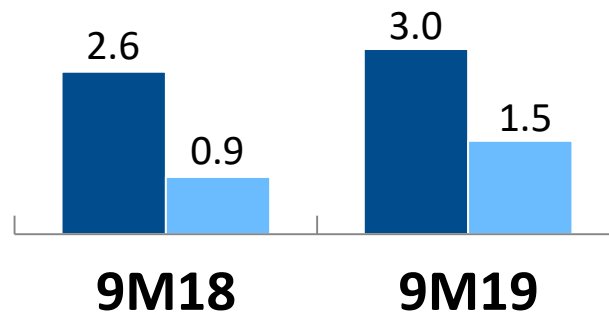
Mortgage NPL

0.15%

0.15%

Gross provision

- Gross provision (NT\$BN)
- Recovery

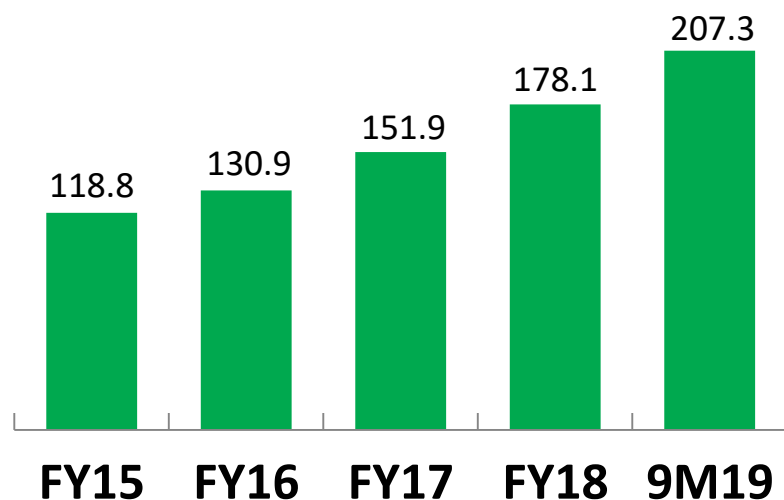


Note : China subsidiary was launched in Sep 2018. Hence, 9M19 number excluded China subsidiary results. (NPL ratio: 0.00%, Gross provision: NT\$-18.9MN, Recovery: NT\$36.2MN; preliminary).

Cathay United Bank – SME & FX loans

SME loans

(NT\$BN)

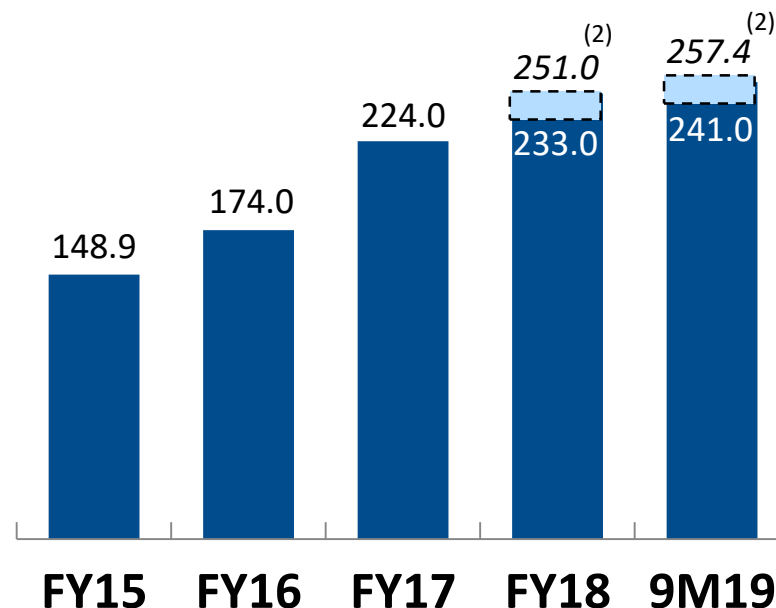


As % of total loans

10.6% 9.2% 10.7% 11.4% 13.7%

Foreign currency loans

(NT\$BN)



13.3% 12.2% 15.8% 15.0% 15.9%

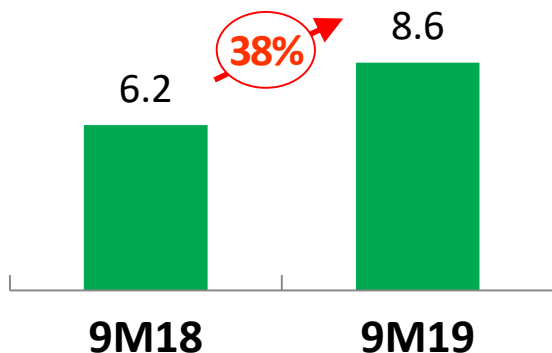
Note : (1) Total loans exclude credit card revolving balance.

(2) China subsidiary was launched in Sep 2018, hence FY18 and 9M19 foreign currency loan balance excluded NT\$18.0BN and NT\$16.5BN(preliminary) from China subsidiary respectively.

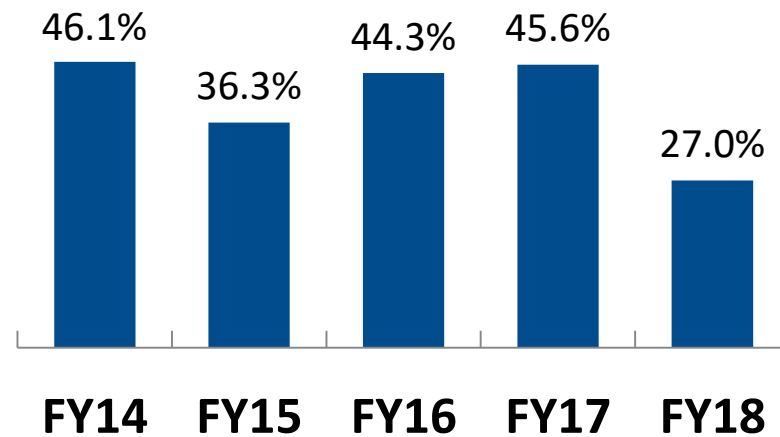
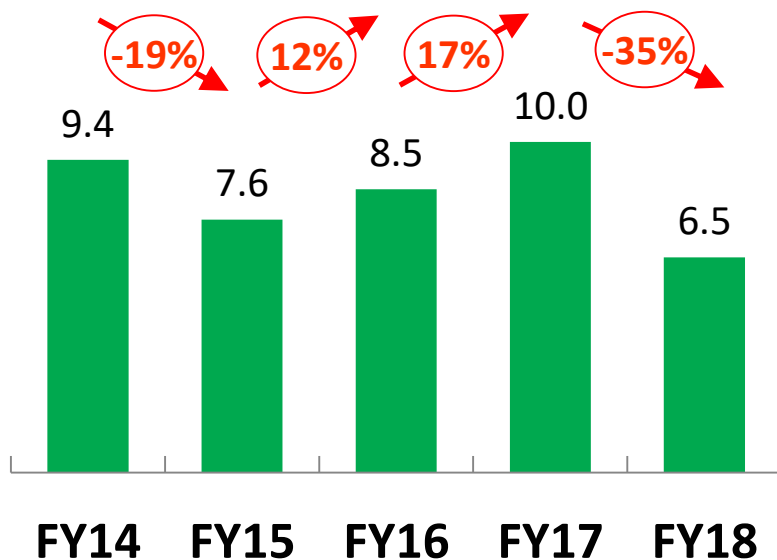
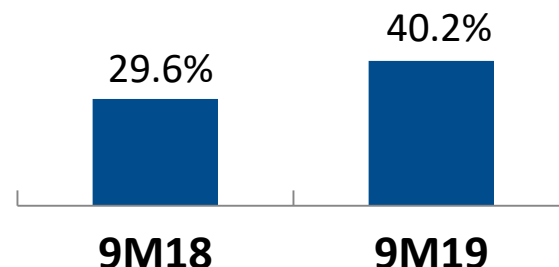
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)

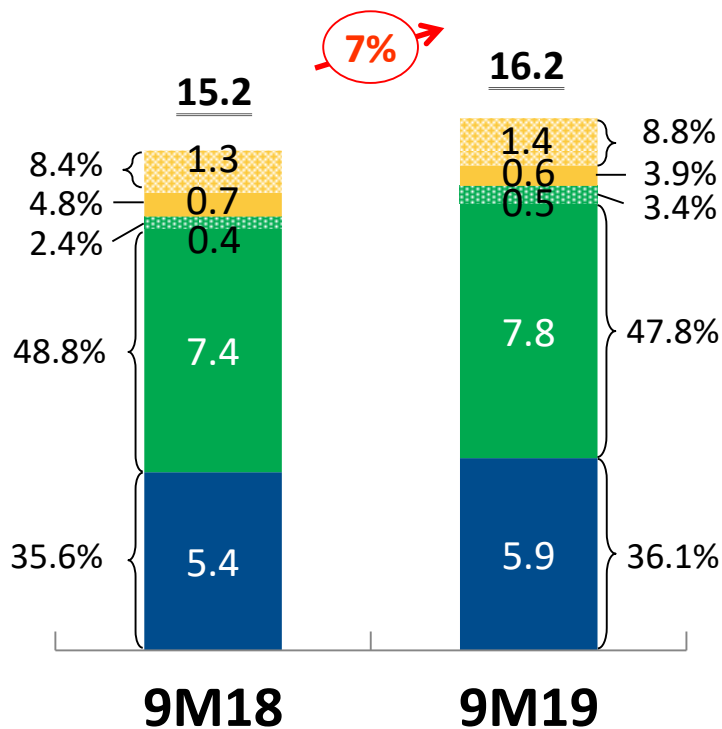
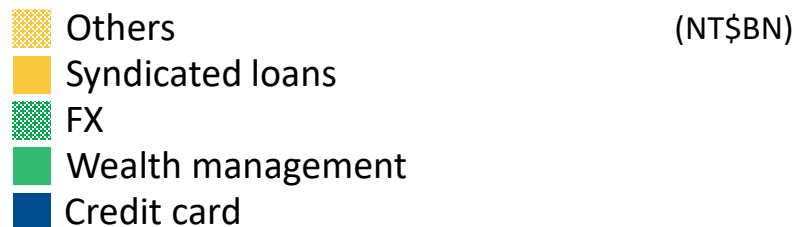


As % of CUB pre-tax profits

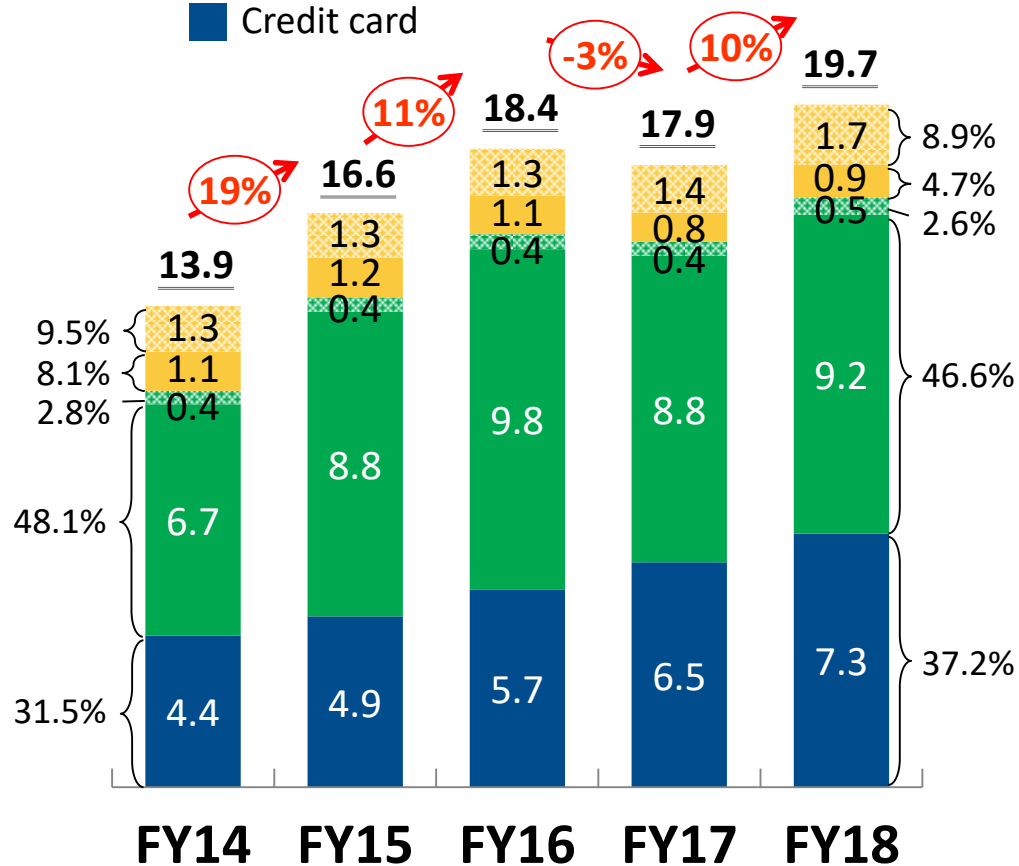
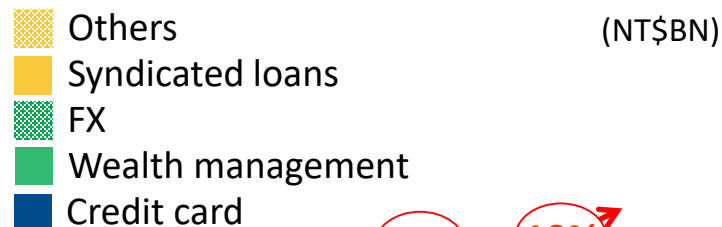


Cathay United Bank – Fee income

Quarterly fee income



Annual fee income

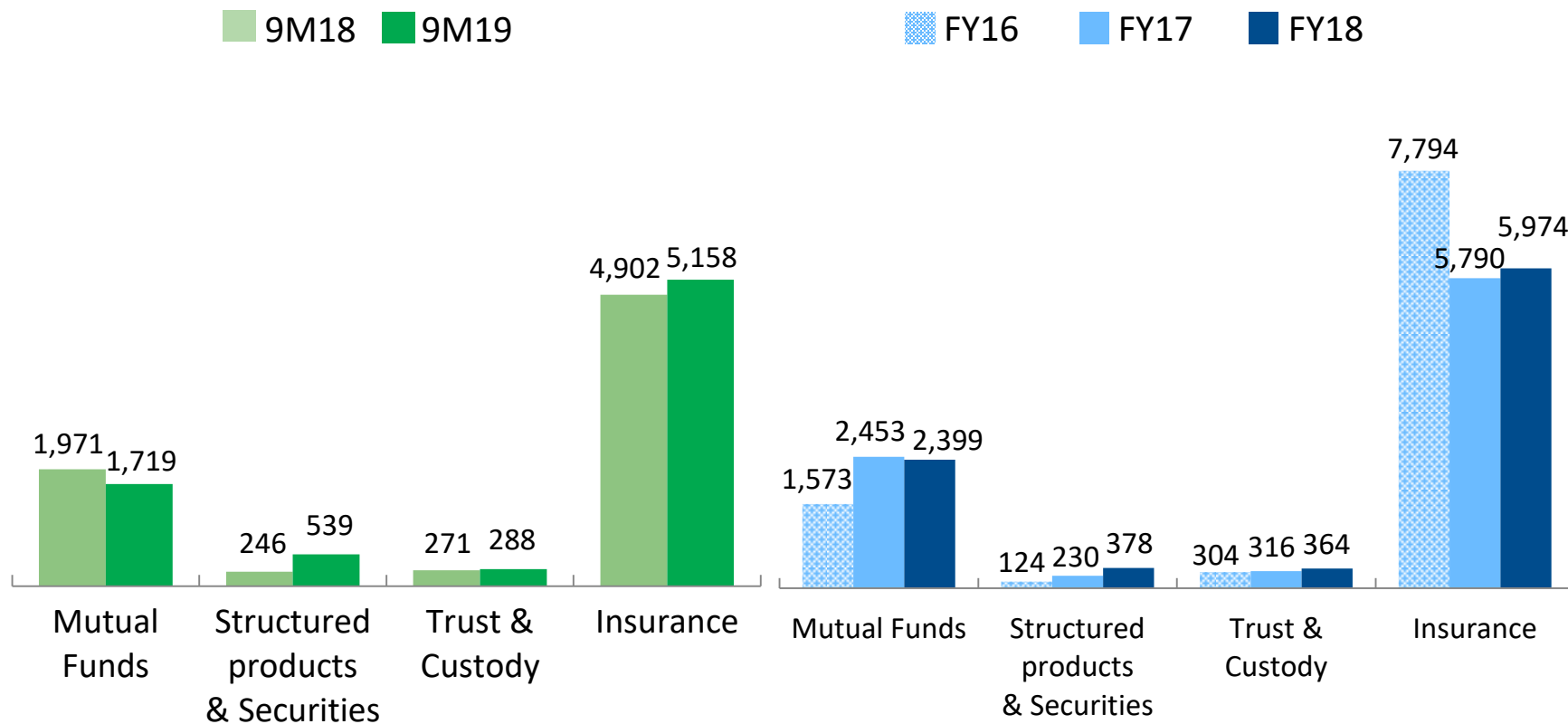


Note : China subsidiary was launched in Sep 2018, hence 9M19 fee income excluded NT\$ 14.0MN (preliminary) from China subsidiary.

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%



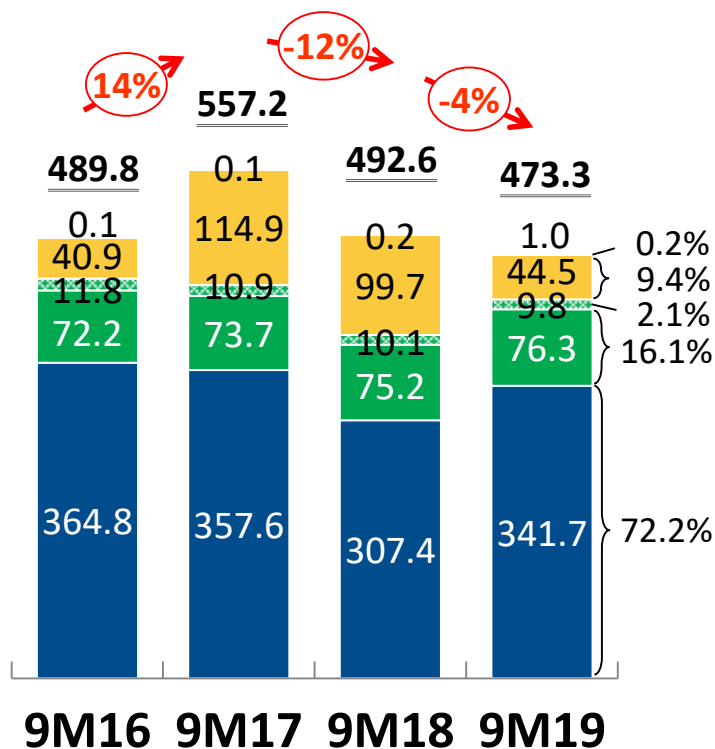
Agenda

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

Cathay Life – Total premium

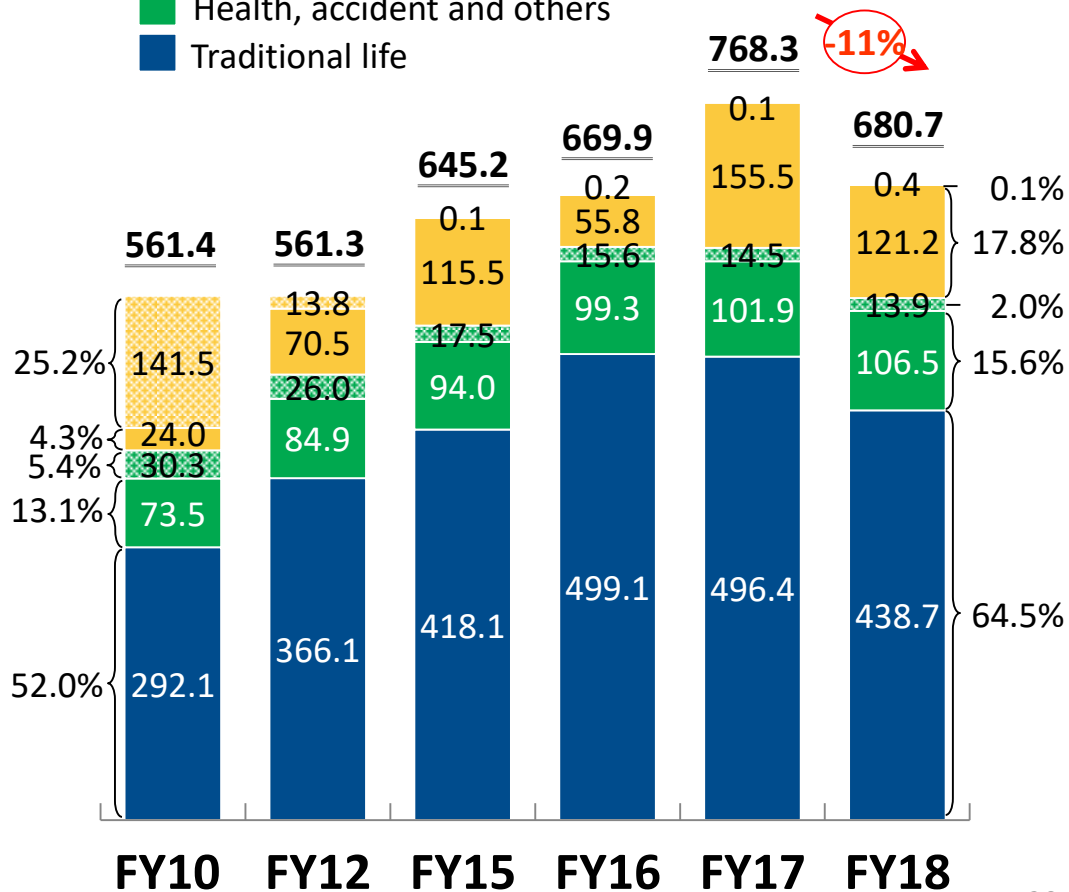
Quarterly total premium

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



Annual total premium

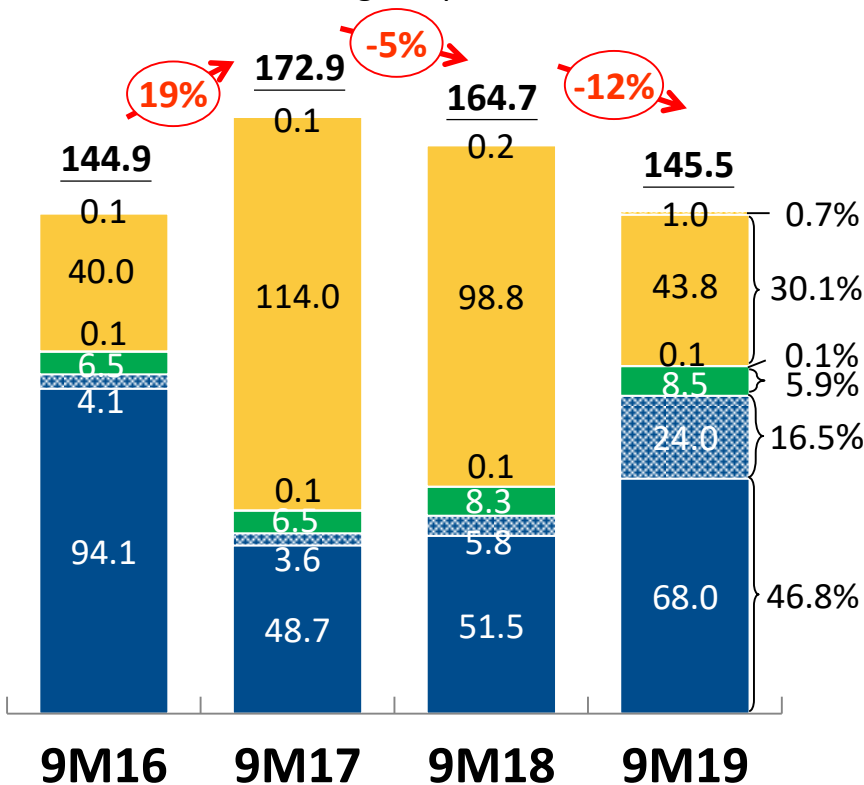
- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



Cathay Life – Quarterly FYP & APE

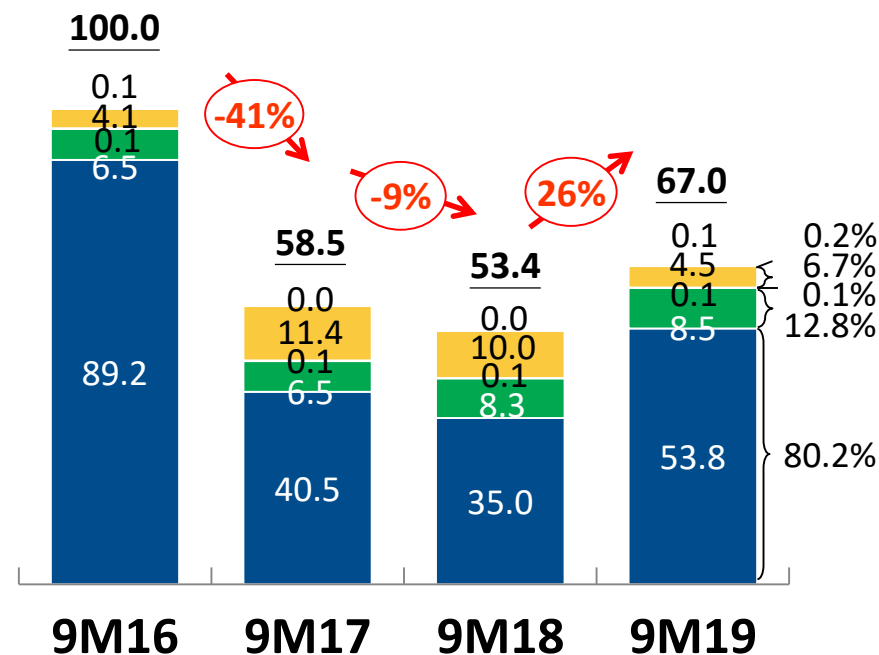
First Year Premium

- 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



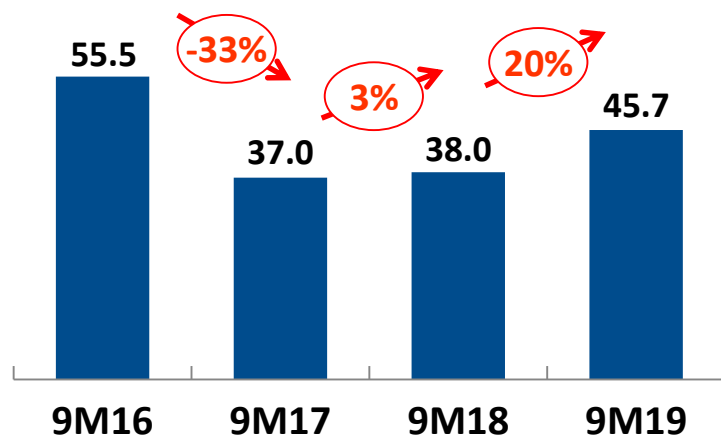
Note: Annualized FYP = 10% x single-paid FYP + 20% x 2-yr-paid FYP + ... + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

Cathay Life – Value 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%

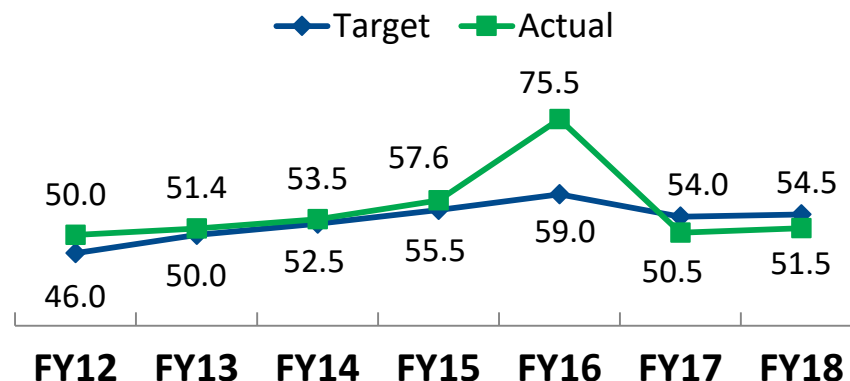
(NT\$BN)



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%

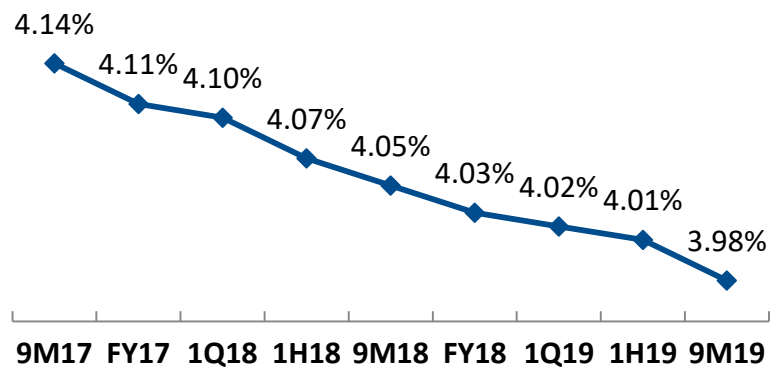
(NT\$BN)



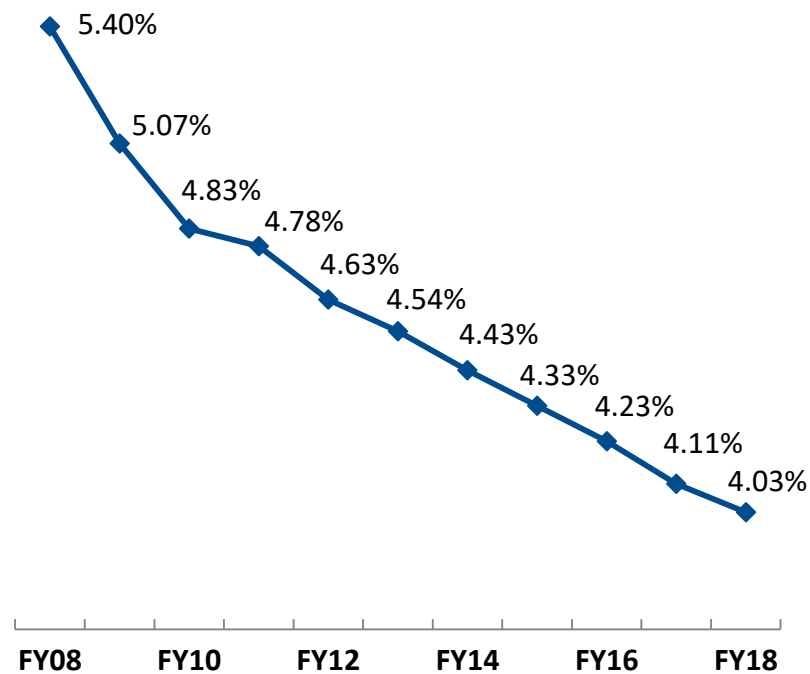
YoY 3% 4% 8% 31% -33% 2%

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

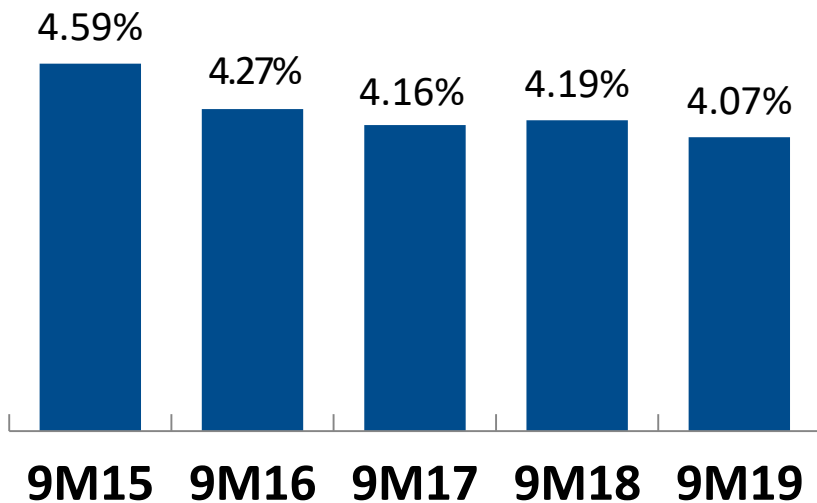
(NT\$BN)	FY16	FY17	FY18			9M19		
Total investments⁽¹⁾	5,001.1	5,502.6	5,761.0			6,262.8		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	1.3%	1.6%	1.1%	61	0.6%	2.6%	165	0.6%
Equity- Domestic	7.9%	8.4%	7.5%	431	9.6%	6.0%	379	7.7%
Equity- International ⁽²⁾	6.4%	6.3%	6.7%	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

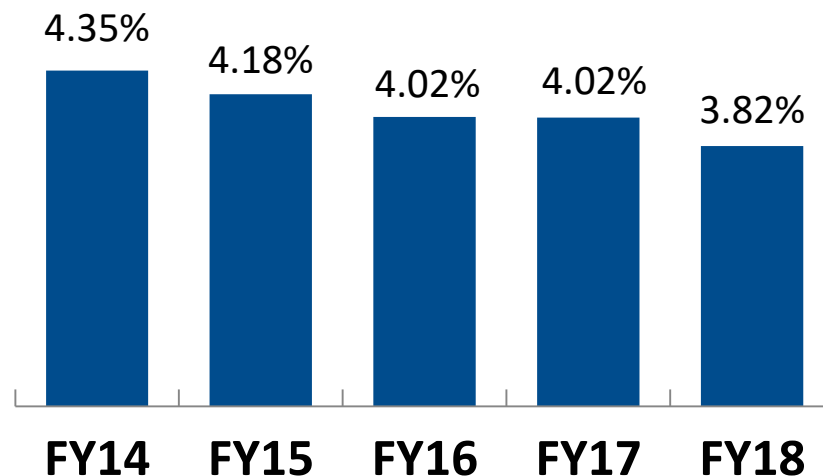
(2) Yields of international equity and international bond are pre-hedge investment yields.

Cathay Life – Investment performance highlight

After-hedging investment yield

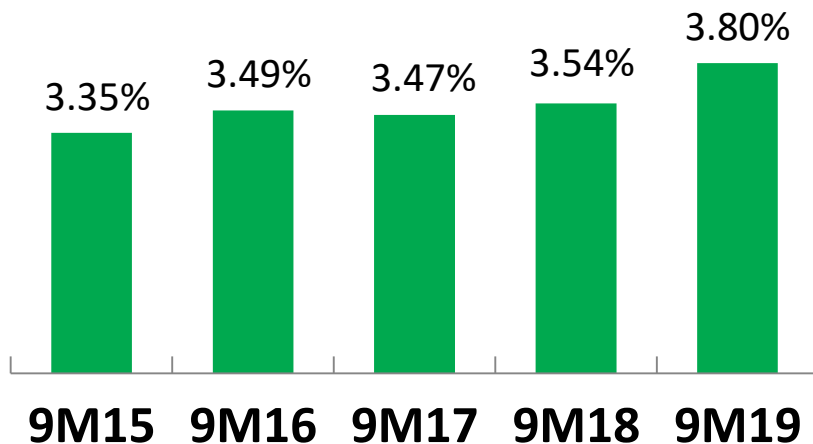


After-hedging investment yield



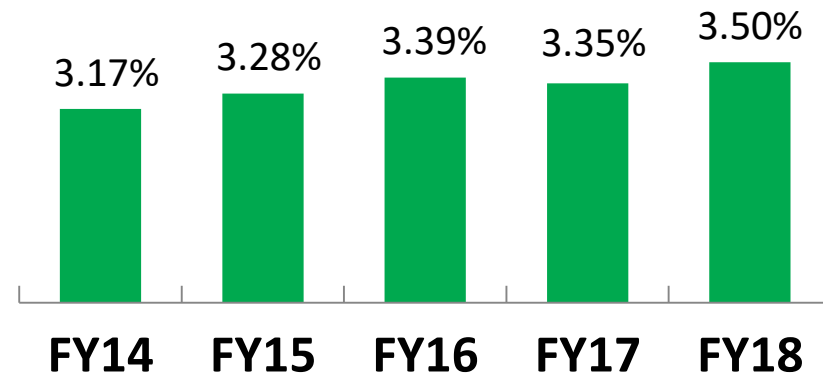
Cathay Life – Investment performance highlight

Pre-hedging recurring yield



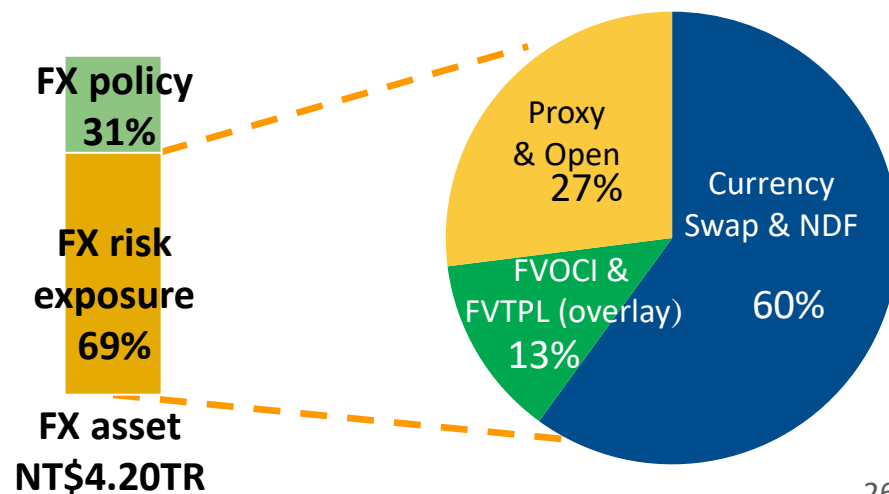
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

Pre-hedging recurring yield



Currency hedging structure

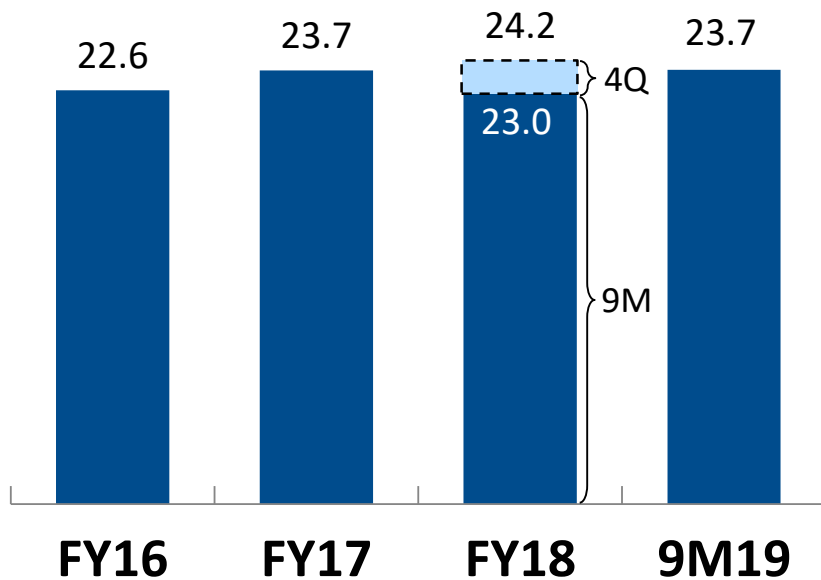
9M19 Hedging cost 1.30%



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

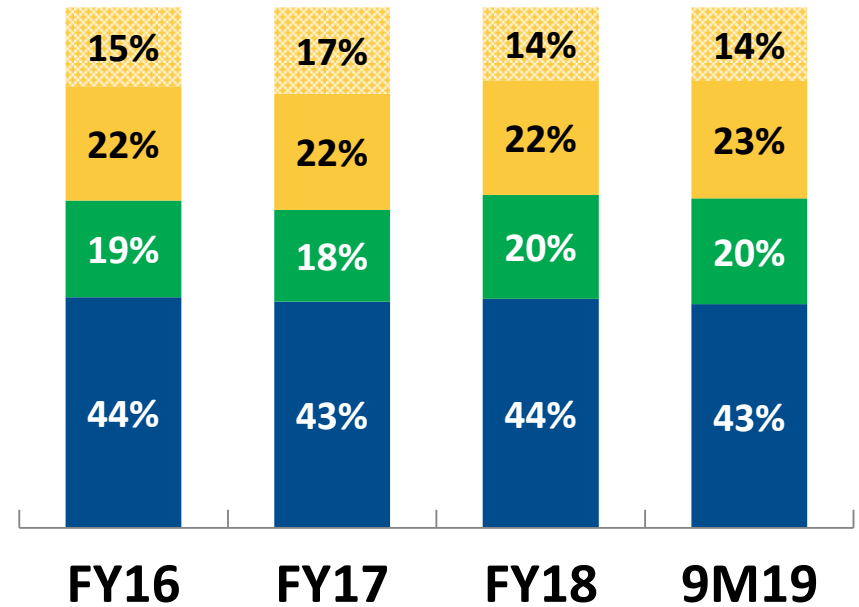
Cash dividend income

(NT\$BN)



Overseas fixed income by region

- Others
- Asia Pacific
- Europe
- North America

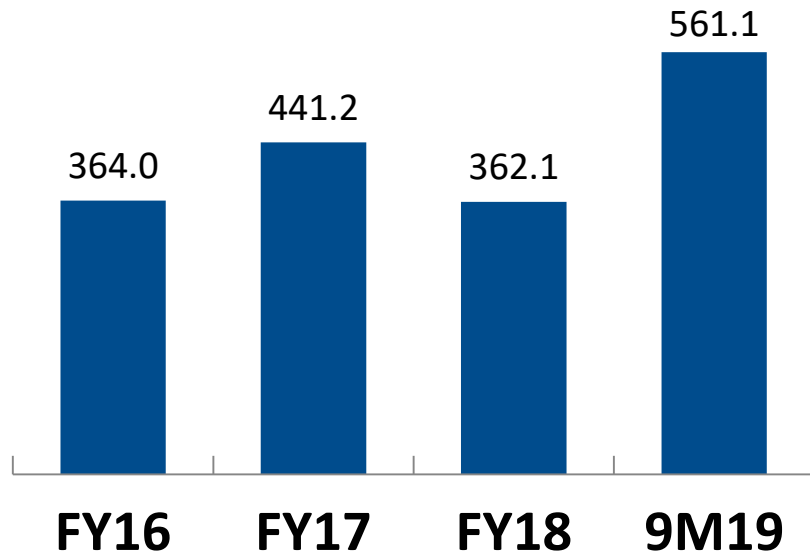


Note: Exclude overseas deposit.

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

Book value

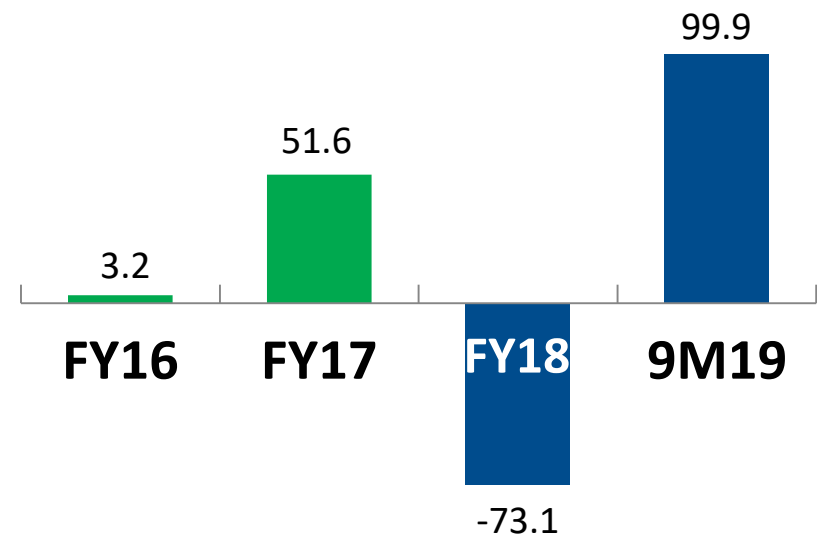
(NT\$BN)



Unrealized G/L of financial assets

(NT\$BN)

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

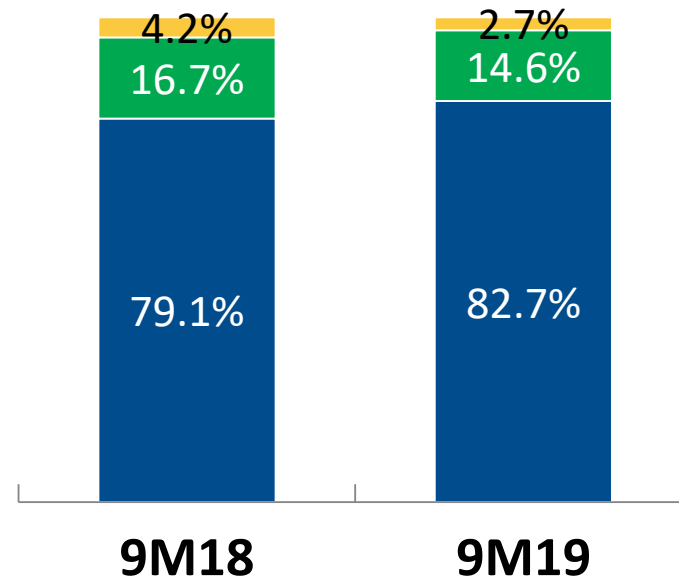
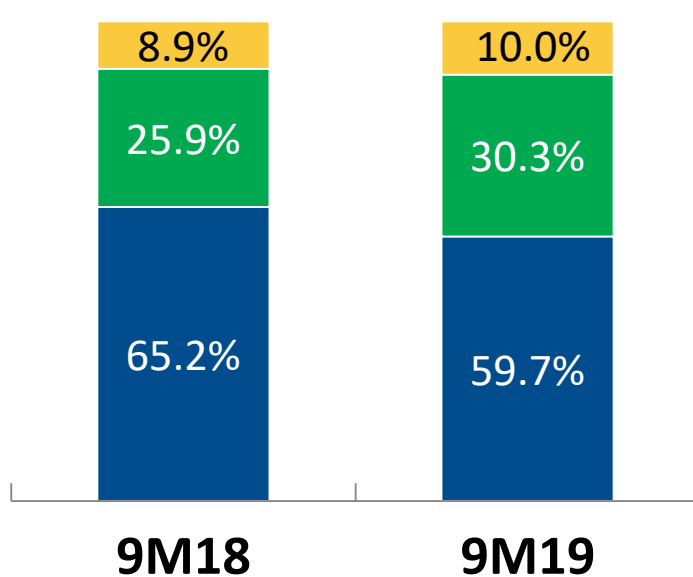


Cathay Life – Distribution channel

First Year Premium

Annualized FYP (APE)

- Others
- Bancassurance-CUB
- Tied agents

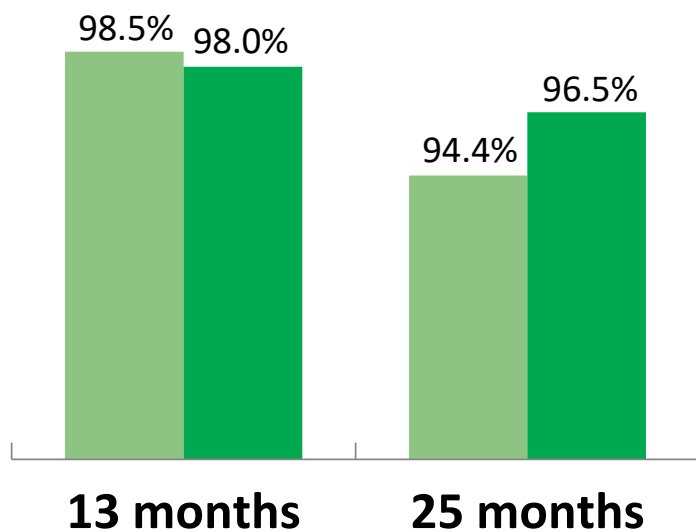


Cathay Life – Operating indicators

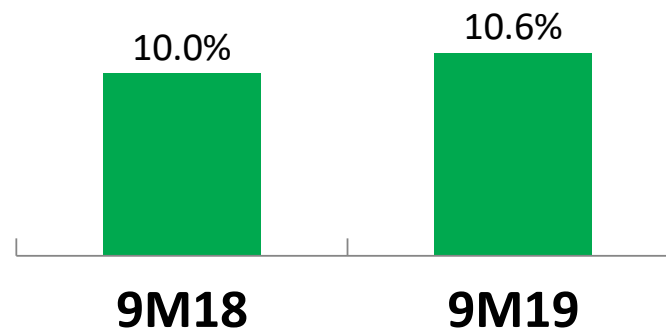
Persistency ratio

9M18

9M19



Expense ratio



Agenda

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

Cathay United Bank

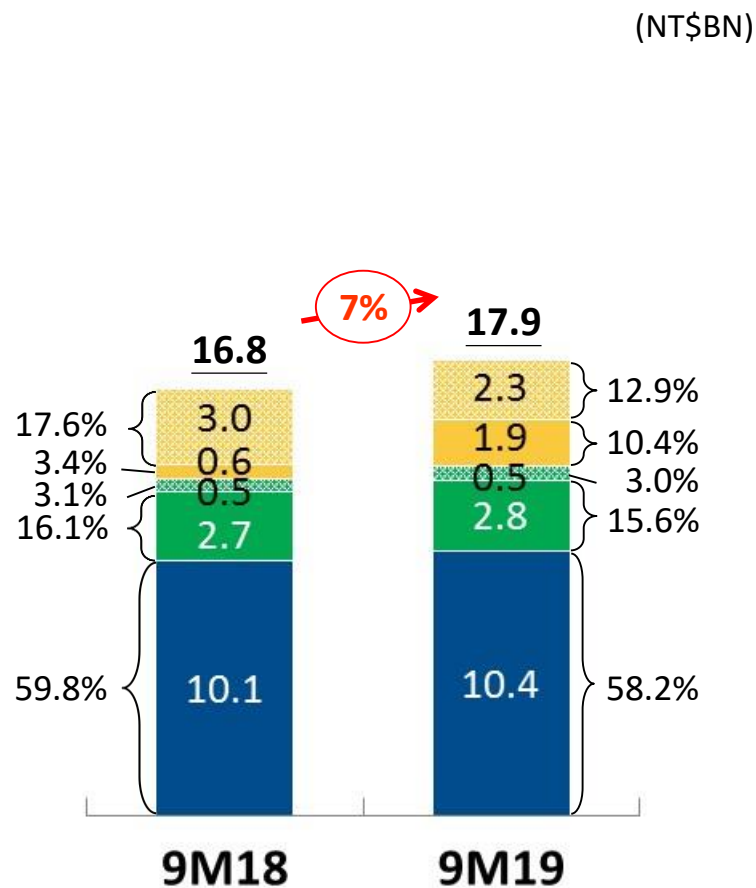
Cathay Life

Cathay Century

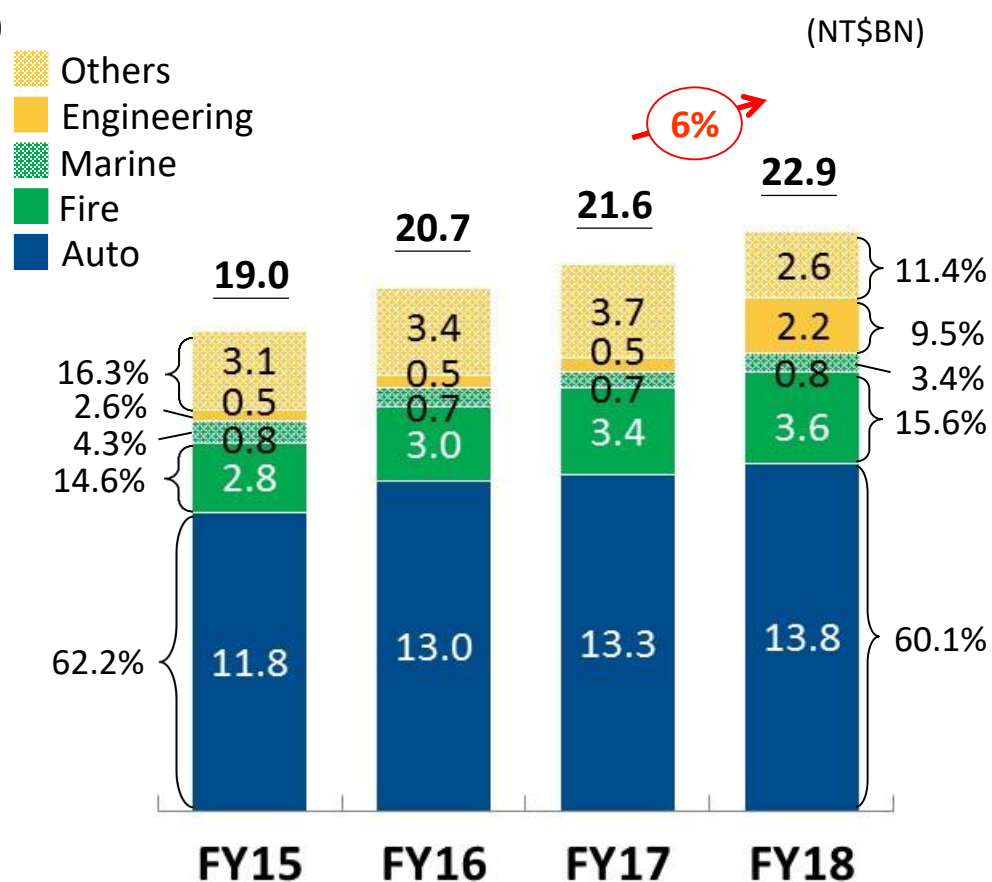
- **Appendix**

Cathay Century – Premium income

Premium income



Premium income (annual)



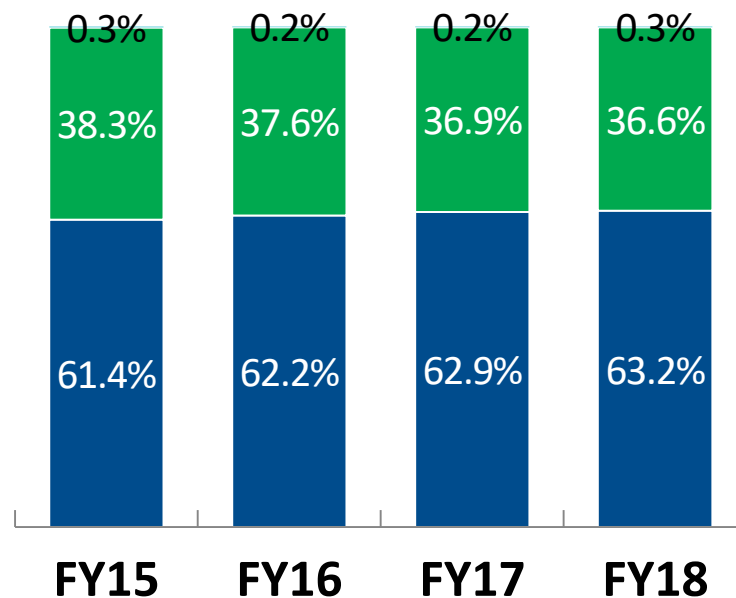
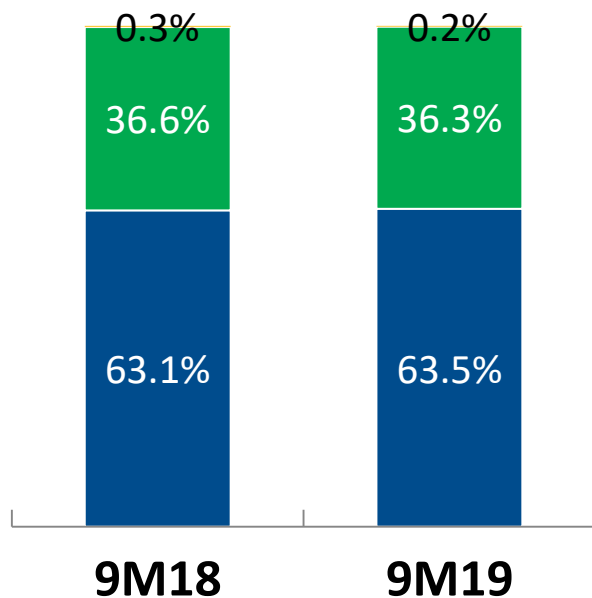
Market share	12.7%	12.6%	13.3%	13.6%	13.1%	13.0%
Retention	77.6%	77.1%	74.9%	75.7%	76.2%	77.1%

Cathay Century – Distribution channel

Distribution channel

Distribution channel (annual)

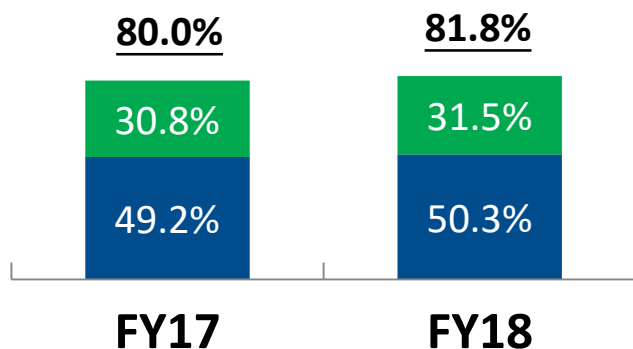
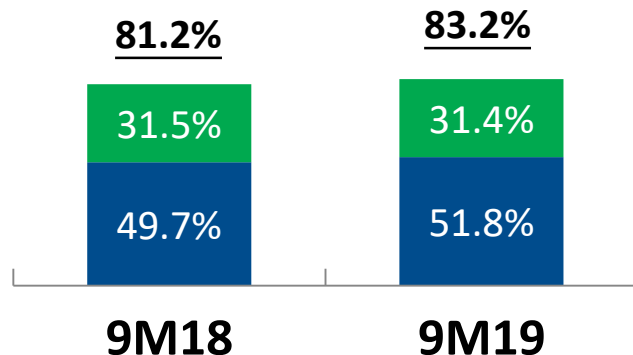
- Affiliate channels
- Cathay P&C agents
- Cathay group channel



Cathay Century – Combined ratio

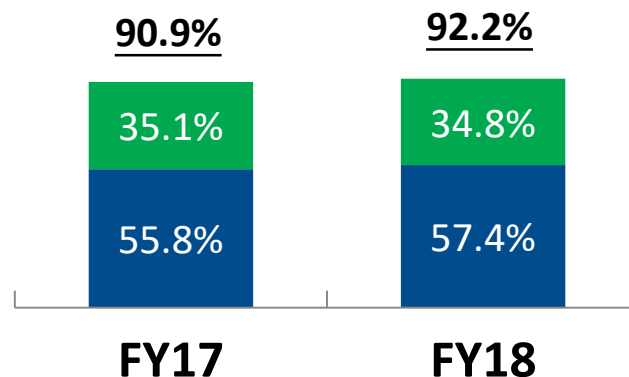
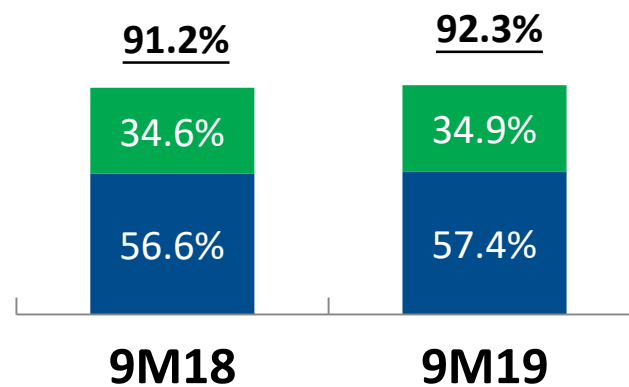
Gross combined ratio

- 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

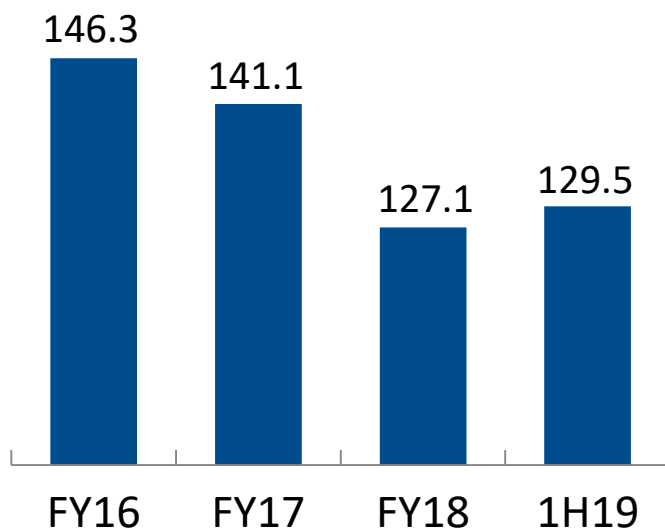
Cathay Life

Cathay Century

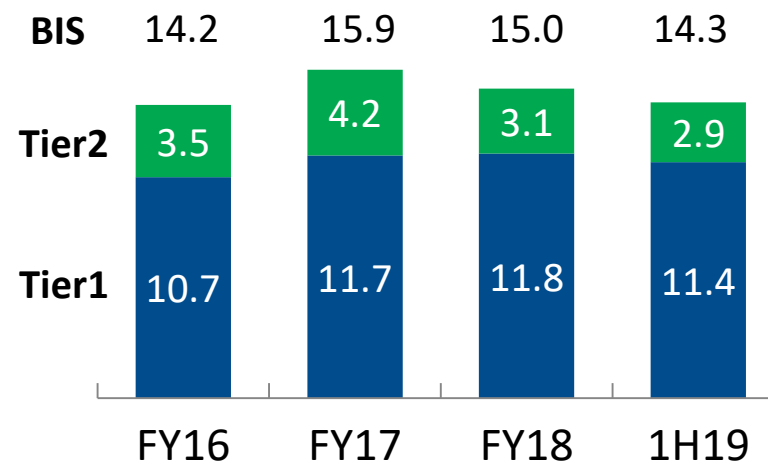
- **Appendix**

Capital adequacy

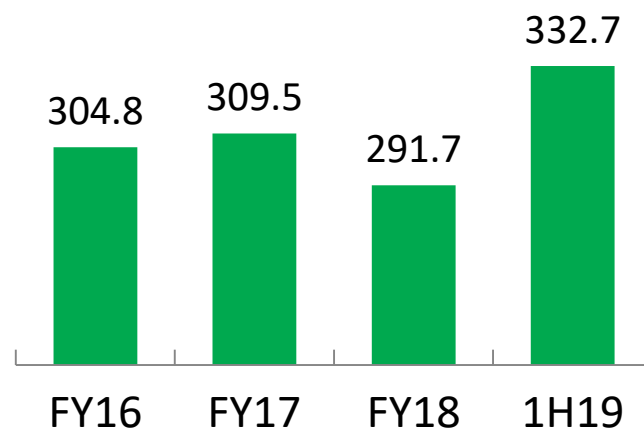
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

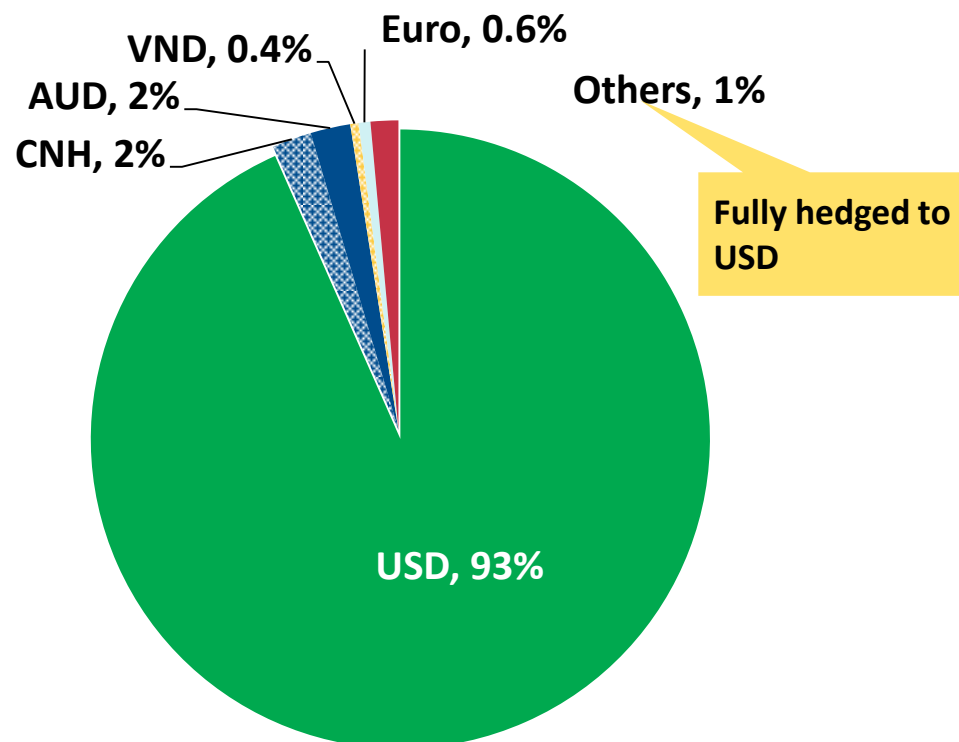


Cathay Life RBC (%)

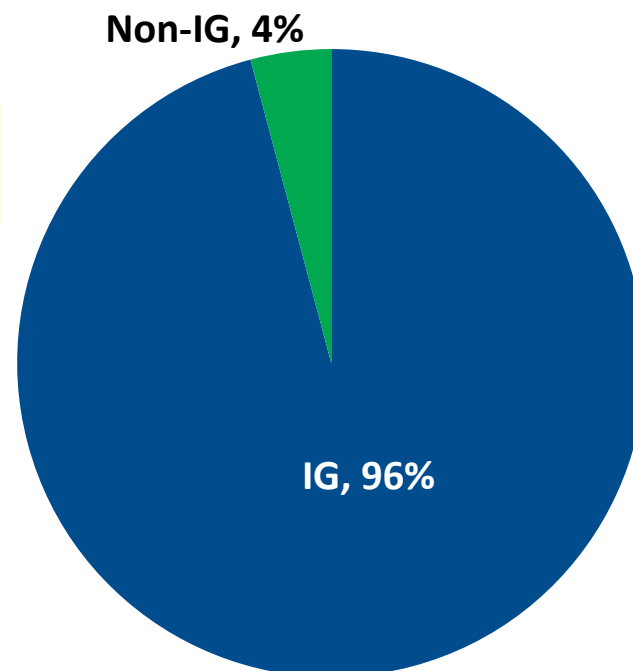


Cathay Life – Overseas bond breakdown by currency and rating

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%							

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) Total may not sum due to rounding.
- (3) Starting from 2018/1/1, Cathay FHC adopted IFRS9. The comparative information for prior periods was not restated.

Cathay Life

(NT\$MN)

Income Statement Data (Consolidated)	FY18/ FY17			9M19/ 9M18			3Q19/ 3Q18		
	FY17	FY18	% Chg	9M18	9M19	% Chg	3Q18	3Q19	% Chg
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%
-----------	------	------

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) Total may not sum due to rounding.
- (3) Starting from 2018/1/1, Cathay Life adopted IFRS9. The comparative information for prior periods was not restated.

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%				

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) Total may not sum due to rounding.

(3) Starting from 2018/1/1, Cathay United Bank adopted IFRS9. The comparative information for prior periods was not restated.

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%							

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) Total may not sum due to rounding.
- (3) Starting from 2018/1/1, Cathay Century adopted IFRS9. The comparative information for prior periods was not restated.