



國泰金控

Cathay Financial Holdings



# 2020 Cathay Financial Holdings

Annual Report

Driving Digital Transformation · Creating the Future of Fintech

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• 2019.12.31 NTD/USD Exchange Rate: 29.91:1

• 2020.12.31 NTD/USD Exchange Rate: 28.08:1



12.62  
4.121

# Letter to Shareholders

Looking back on 2020, the COVID-19 pandemic has severely impacted global economic activities. Central banks in numerous countries have actively expanded loose monetary policies and introduced economic stimulus packages in response to the impact of the pandemic. However, the global economy still fell into recession. In spite of the international political and economic turmoil and a low-interest environment wherein the financial industry was facing a multitude of challenges, Cathay FHC remained committed to upholding the spirit of steady business operations, delivering a brilliant business performance in 2020, thanks to the concerted efforts of our colleagues. Cathay FHC achieved a record-high consolidated after-tax profit of NT\$76 billion (US\$2.71 billion) for the year, with earnings per share of NT\$5.41. Cathay Life Insurance and Cathay United Bank were the primary contributors.

## Cathay Subsidiaries Continued to Deliver Excellent Performance in 2020

Cathay Life Insurance generated consolidated after-tax profit of NT\$52.7 billion (US\$1.88 billion) for the year, with an outstanding investment performance and another record-high profit. In addition to strong earnings, Cathay Life Insurance maintained its market leading position in terms of premium income. Total premium income and first-year premium income for the year were NT\$666.1 billion (US\$23.72 billion) and NT\$160.8 billion (US\$5.73 billion), respectively. First-year premium equivalent, a better indicator of policy value, was NT\$62.2 billion (US\$2.21 billion), allowing Cathay Life Insurance to remain the industry leader.

Cathay United Bank recorded consolidated after-tax profit of NT\$22.3 billion (US\$790 million). Despite the impact of the pandemic and low interest rates, Cathay United Bank continued to grow its lending business and maintain excellent asset quality with its robust business foundation and rigorous risk management. With respect to the wealth management business, Cathay United Bank assisted its clients to allocate assets properly to achieve stable wealth creation. In the future, we will continue to uphold a customer-centric and data-driven business strategy in which we work with companies in various industries to collectively create a service ecosystem that provides financial services that meet the needs of our customers.

Cathay Century ranked second in the industry in terms of premium income. Cathay Securities Investment Trust reported NT\$1.1 trillion (US\$37.4 billion) in assets under management, making it the largest securities investment trust company in Taiwan. Cathay Securities generated record-high profit for the second consecutive year and its sub-brokerage service continued to be a market leader. By providing differentiated services, Cathay Securities has received multiple awards and recognition for its innovative digital financial services.

## Forge a Deeper Presence in Overseas Markets

Expanding and forging a deeper presence in overseas markets continues to be a focus for Cathay FHC. With respect to expansion in the Greater China region, in addition to close cooperation with our Hong Kong branch and diversification of cross-border businesses, we took a more proactive stance in developing new RMB-related financial products, continued strengthening of our business operations and reinforcing development of local digital platforms. Cathay Lujiazui Life Insurance currently operates 12 offices (headquarters and branch offices) and 53 sales and service agencies, and continues to demonstrate stable business growth. Cathay Century partnered with Ant Financial Services Group to continuously develop eCommerce-related insurance services in China.

With respect to our presence in Southeast Asia, Cathay United Bank has overseas offices in nine of the ten ASEAN member states, totaling 59 locations. Cathay United Bank has the most extensive network in the ASEAN markets among Taiwanese banks. In addition, our Myanmar Representative Office was upgraded to a Myanmar Branch following approval from the Myanmar Central Bank in 2020. The Myanmar Branch commenced operation on January 8, 2021. In anticipation of Vietnam's development potential in the insurance business, Cathay Life Insurance (Vietnam) actively expanded its business, incorporating 119 business locations, which allowed for considerable growth in premium income. In Vietnam, Cathay Century also continued to grow its distribution channels and expand local management teams to maintain a stable profit.

## Strengthen Our Asset Management Business

Developing our asset management business as the third pillar of growth for the group is one of Cathay FHC's core strategies. We continue to strengthen our investment products and asset management capabilities by combining the global asset management expertise of Conning Holdings Corp., Cathay SITE and Cathay SICE. Our asset management platform spans the Asia-Pacific, U.S. and European markets and we are able to provide a broad range of diverse and innovative products to our banking, insurance, and asset management customers. As of the end of 2020, our total assets under management was US\$197.7 billion.

## Drive Digital Transformation and Develop a "Cathay as a Service" (CaaS) Ecosystem

Cathay FHC is committed to digital transformation in which we endeavor to focus on innovation, introduce new technologies, leverage the group's resources and capacity, and build a digital and data driven ecosystem. We continue to improve Cathay's AI-enabled customer service chatbot, "Alpha" and expand the range of applications including for Cathay United Bank, Cathay Life Insurance, and our other subsidiaries, becoming the first financial institution in Taiwan to offer a comprehensive range of AI-enabled customer services. Cathay Life Insurance's Cathay Walker collaboration with Pokémon Go established a cross-industry, collaborative health promotion platform that combined gaming and health, raised awareness of the importance of insurance protection and healthy living, and promoted a positive social influence. Cathay United Bank continuously assisted retail chains to introduce their own mobile payment systems that provided a complete range of everyday services in the areas of food, clothing, housing, transportation, education, and entertainment. Cathay United Bank also cooperated with e-commerce operators to introduce personal loan products that utilized e-commerce data as the basis for credit ratings and to provide e-commerce sellers with more suitable credit limits and interest rates. In addition, Cathay United Bank's micro-service platform allows us to offer services that respond to customer requests within seconds and allows them to experience quick and uninterrupted service when using our digital banking services. Cathay Century introduced the industry's first e-commerce insurance experience platform called "BeSafe," providing fragmented insurance products that enable customers to customize their own insurance policy. Cathay Securities endeavored to promote financial inclusion, meet the needs of different types of customers, and strive to be the leading brand in digital brokerage. In the face of continued growth of fintech, Cathay FHC not only continued to uphold the spirit of "What if We Could" in our digital transformation, but we are also committed to developing a diverse ecosystem with "Cathay as a Service" (CaaS) as the core to seamlessly

integrate everyday activities and provide the best digital experience to our customers.

### Enhance Corporate Governance

In an effort to continuously improve our corporate governance, Cathay FHC along with Cathay Life Insurance and Cathay United Bank participated again in the CG6012 (2019) Corporate Governance System Evaluation in 2020, which was hosted by the Taiwan Corporate Governance Association. Once again, we received the highest rating of "Excellent". In the future, we will respond to the feedback and suggestions obtained from the evaluation and continue to improve our corporate governance mechanisms accordingly. Regarding regulatory compliance, we continued to enhance our compliance risk evaluation and management mechanisms. In addition to implementing the group's compliance digital management system and improving the effectiveness of anti-money laundering/ countering terrorism financing information sharing and management mechanisms, we also organized diverse regulatory compliance education and training programs to further deepen the group's compliance culture. With respect to risk management, apart from continuing to improve existing risk management mechanisms, in response to the rise of emerging risks such as environmental, social, and governance (ESG) risks, we also included ESG risks in the group's risk management policy and established ESG Risk Management Guidelines as per the resolution of our Board of Directors. With regard to tax management, we continued to reinforce our tax policy and increase the quality of our tax information disclosure in order to strengthen our tax management. To augment the independence and effectiveness of our evaluation of board performance, we plan to commission an external professional independent institution again in 2022 to conduct evaluations of board performance, thereby continuing to enhance the effectiveness of our corporate governance.

### Implement Sustainable Operations and Maximize the Impact of Financial Services

For six consecutive years, Cathay FHC has been selected as a constituent in the Dow Jones Sustainability Index (DJSI), one of the most credible international indicators of corporate sustainability. In the most recent rating, Cathay FHC's overall score was ranked third in the world and first in Asia among the insurance industry included by DJSI. Specifically, Cathay FHC obtained full marks in financial core competencies (i.e., sustainable finance, sustainable insurance, and financial inclusion), indicating that our sustainability practices are recognized internationally.

In 2020, Cathay FHC set three areas of focus for sustainability: "climate," "health," and "empowerment." Long-term strategies were adopted to address climate change issues, protect the health of our citizens, and actualize empowerment for our employees and youth. We continued to integrate ESG elements into our financial core competencies and we were the first in the financial industry to calculate the carbon footprint of investment securities in order to determine the carbon risks of our investment portfolio. By cooperating with sustainable development research teams in Taiwan's academic community, we introduced ESG research reports for individual stocks and assisted investment institutions and listed/OTC companies in Taiwan to build a bridge that effectively communicates ESG issues.

The risks of climate change have become one of the most pressing issues in the world. Cathay FHC adhered to the TCFD framework to conduct climate-related risk identification and assessment and monitored the financial impact and management associated with climate risks. We also actively fulfilled core investment responsibilities by participating in Climate Action 100+ and CDP NDC, and engaged extensively with large enterprises in Taiwan through frequent visits and sharing of the latest ESG trends, climate change responses, and policy directions. For four years in a row, we have organized the "Climate Change Forum" and in 2020, companies with a total market value exceeding 70% of the total market value of Taiwanese stocks were in attendance. Through these initiatives, we hope to influence more companies and encourage all the industries in Taiwan to strive for sustainability.

Looking forward to 2021, even though multiple research institutes have forecast the recovery of the global economy, the future remains filled with numerous uncertainties, such as whether the pandemic can be effectively controlled, whether financial asset prices and debt borrowing which have increased under accommodative monetary policies will increase financial market volatility, what direction trade negotiations will go in, and how supply chains will be adjusted. In the face of the financial industry's challenging business environment, Cathay FHC will continue to focus on risk control, improve operating efficiency, promote digital transformation, and strengthen corporate sustainability by adhering to our core values of "Integrity, Accountability, and Innovation" and the spirit of innovation embodied in "What if We Could." With "Insurance + Banking + Asset Management" as our three core engines of growth, we will continue to strive toward our vision of becoming a "leading financial institution in Asia-Pacific region," thereby demonstrating our sincere gratitude and appreciation to the shareholders who have given us their invaluable support over the years.

Chairman

*Hong-Tu Tsai*





## Overview of Cathay Financial Holding Co., Ltd.

### Cathay Financial Holdings Company Profile

Cathay Financial Holding Co., Ltd. (Cathay FHC) is the largest financial holding company in Taiwan with total assets of over NT\$10 trillion. Our major subsidiaries include Cathay Life Insurance, Cathay United Bank, Cathay Century, Cathay Securities, Cathay SITE, and Cathay Venture, serving more than 14 million customers through 635 business locations across Taiwan.

In response to the diversification and globalization of the financial industry and to provide more comprehensive services to our customers, Cathay FHC was established on December 31, 2001 with paid-in capital of NT\$147 billion (US\$5.24 billion) with the integration of our life insurance, property insurance, banking and other affiliates following the promulgation of Taiwan's Financial Holding Company Act. Cathay Life Insurance, established in 1962, is the largest life insurance company in Taiwan. Cathay Century, Cathay United Bank, Cathay SITE, and Cathay Securities are also all industry leaders.

Based on the core values of "Integrity, Accountability and Innovation," Cathay FHC continues to focus on regional expansion and group resource integration, utilizing digital technologies for optimal customer experiences, satisfying customer's needs for convenience and personalization, and developing excellent financial services that are thoughtful and diversified. Furthermore, we will continue to leverage our core competencies as a financial institution to fulfill our responsibility as a corporate citizen, enhance corporate sustainability, and advance toward our vision of becoming a "leading financial institution in the Asia-Pacific region".

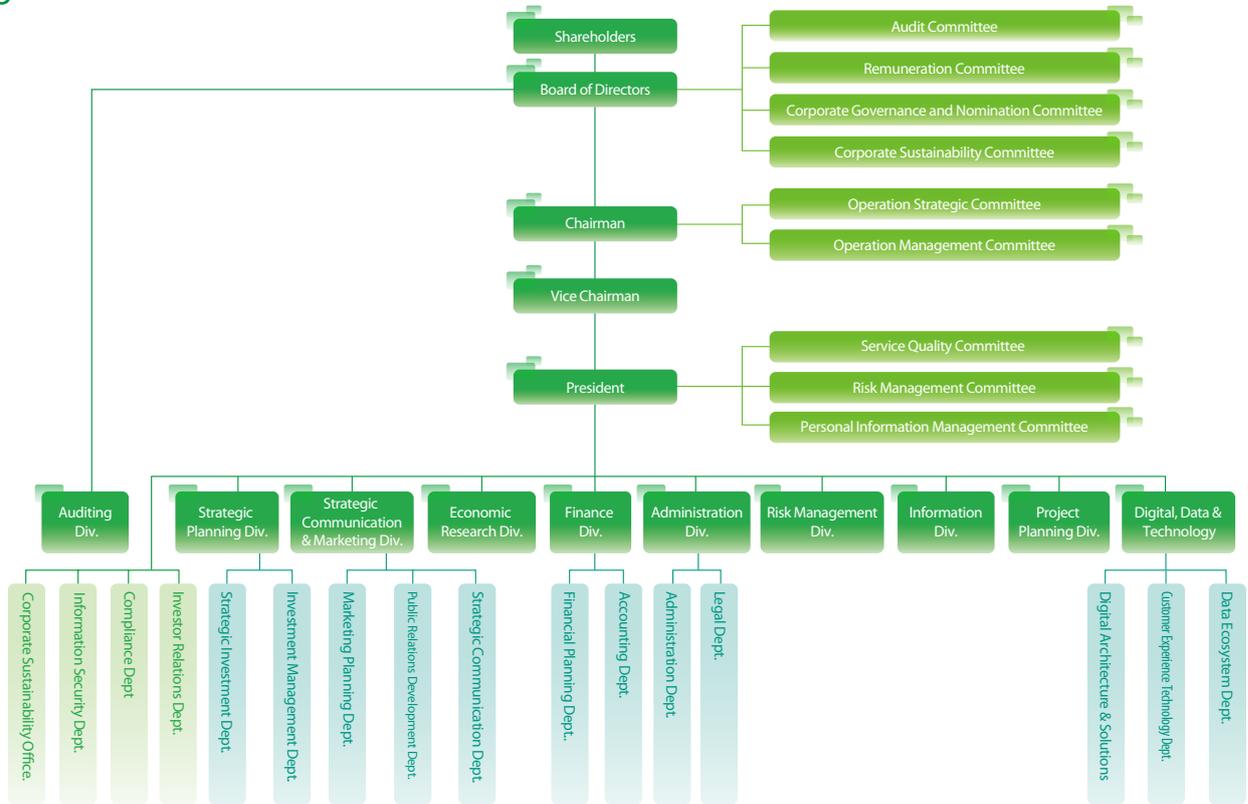
Assets	US\$389.974 billion (Note 1)
Net income	US\$2.705 billion (Note 2)
Number of business locations	878 (In Taiwan and overseas)
Number of customers	Approximately 14.46 million
Number of employees	Approximately 57 thousand

Note 1. US\$389.974 billion=NT\$10,950.472 billion/28.08

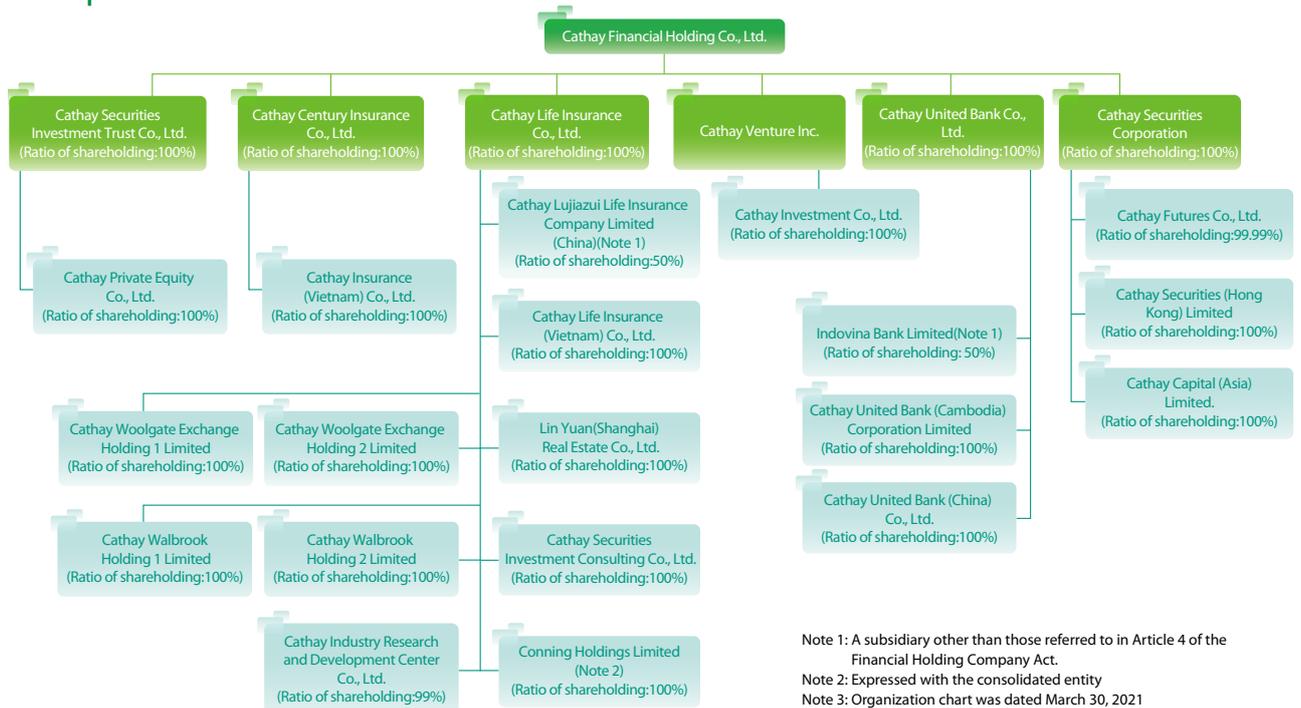
Note 2. US\$2.705 billion=NT\$75.958 billion/28.08

Data Record Date : December 31, 2020

## Organizational Chart



## Group Affiliates



Note 1: A subsidiary other than those referred to in Article 4 of the Financial Holding Company Act.  
 Note 2: Expressed with the consolidated entity  
 Note 3: Organization chart was dated March 30, 2021

# Overview of Cathay Financial Holding Co., Ltd.

## Board of Directors, Independent Directors, and Key Managers

	Name	Major Current/Past Position and Education
Directors	Hong-Tu Tsai	Chairman, Cathay Financial Holdings/Former Chairman, Cathay Life Insurance (J.D., Southern Methodist University, USA)
	Tsu-Pei Chen	Vice Chairman, Cathay Financial Holdings/Former Chairman, Cathay United Bank (B.A., National Chengchi University)
	Cheng-Ta Tsai	Former Managing Director, Cathay Life Insurance (B.A., Chinese Culture University)
	Cheng-Chiu Tsai	Chairman, Cathay Century Insurance (M.A., Keio University, Japan)
	Chi-Wei Joong	Chairman and CEO (Legal Representative), Moderntimes Co., Ltd./Director, Cathay United Bank/Former President, CMB Credit Card Center (B.A., Kean College of New Jersey, USA)
	Andrew Ming-Jian Kuo	Chairman, Cathay United Bank (M.B.A., Baruch College, City University of New York, USA)
	Tiao-Kuei Huang	Chairman, Cathay Life Insurance/Former Vice Chairman and President, Cathay Life Insurance (M.S., National Tsing Hua University)
	Ming-Ho Hsiung	Vice Chairman, Cathay Life Insurance/Former President, Cathay Life Insurance (M.S., University of Iowa, USA)
	Chang-Ken Lee	President, Cathay Financial Holdings/Former President, Cathay United Bank (M.B.A., University of Pennsylvania, USA)

	Name	Major Current/Past Position and Education
Independent Directors	Matthew Feng-Chiang Miao	Chairman, MITAC Holdings Corporation/Former Laureate of Industrial Technology Research Institute (ITRI), Former President, UPC Technology Corp., Former President, Lien Hwa Industrial Gases Co. Ltd., Former Chairman, SYNEX Corporation, Former Independent Director, Galileo International, Inc., Former Independent Director, The BOC Group Plc., Former Independent Director, Linde AG, Former Delegate, APEC Business Advisory Council (ABAC), Former Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI) (Honorary Ph.D., National Chiao Tung University, M.B.A., Santa Clara University, USA, B.A. in Electrical Engineering, UC Berkeley, USA)
	Edward Yung Do Way	Chairman, YCSY Co., Ltd./Former CEO, Deloitte Taiwan (M.B.A., University of Georgia, USA)
	Li-Ling Wang	Chairman, Pension Funds Association in Taiwan, Professor, National Chengchi University Department of Risk Management and Insurance/Former Vice President, National Chengchi University, Former Chairman, Financial Supervisory Commission Republic of China (Taiwan), Former Director, First Financial Holding, Former Independent Director, China Life Insurance Co., Ltd. (Ph.D., Temple University(Dept. of Risk Management, Insurance, and Actuarial Science), USA, Master Degree, Hartford University(Dept. of Accounting), USA)
	Tang-Chieh Wu	Secretary-General, Taiwan Financial Services Roundtable/Former Chairman, Hua Nan Financial Holdings Co., Ltd./Hua Nan Bank/Land Bank of Taiwan, Former Political Deputy Minister, Ministry of Finance, Former Vice Chairman, Financial Supervisory Commission Republic of China (Taiwan), Former Director-General, Securities and Futures Bureau, Financial Supervisory Commission Republic of China (Taiwan) (Master Degree, National Chengchi University(Dept. of Public Finance))

	Position	Name	Education
Executive Officer	Chairman	Hong-Tu Tsai	J.D., Southern Methodist University, USA

	Position	Name	Education
Key Managers	President	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA
	Chief Financial Officer/Senior Executive VP	Grace Chen	M.B.A., National Chengchi University
	Head of Strategic Communications & Marketing Div.	David P. Sun	M.B.A. & M.S., Harvard University, USA
	Chief Investment Officer/Senior Executive VP	Sophia Cheng	M.S., Golden Gate University, USA
	Head of Strategic Planning Div./Senior Executive VP	Daniel C.Y. Teng	M.B.A., Massachusetts Institute of Technology, USA
	Chief Information Officer/Senior Executive VP	Chia-Sheng Chang	Ph. D., Weatherhead School of Management at Case Western Reserve University, USA
	Senior Executive VP	Tsung-Hsien Tsai	M.S., Electrical Engineering, Harvard University, USA
	Senior Executive VP	Jian-Hsing Wu	M.S. Information Engineering, Tamkang University
	Head of Project Planning Div. / Senior Executive VP	Hsiang-Hsin Tsai	M.B.A., Thunderbird School of Global Management, USA
	Senior Executive VP	Hsu-Chieh Yao	M.B.A., Massachusetts Institute of Technology, USA
	Head of Administration Div./Chief Corporate Governance Officer/Executive VP	Deh-Yen Weng	M.B.A., Massachusetts Institute of Technology, USA
	Chief Risk Officer/Executive VP	Ching-Lu Huang	M.S., Institute of Statistics, National Tsing Hua University
	Chief Compliance Officer/Executive VP	Judie Hsu	LL.M., School of Oriental and African Studies, University of London
Chief Auditor/Executive VP	Hung-Chang Yang	LL.B., Chinese Culture University	

Data Record Date : April 13, 2021

## Capital and Shares

Type of stock	Number of shares	Amount	Type of stock	Number of shares	Amount
Common stock	13,169,210,128	US\$4,689,889,647 (Note 1)	Preferred stock	1,533,300,000	US\$546,047,009 (Note 2)

Note 1. US\$4,689,889,647=13,169,210,128 shares\*NT\$10/28.08

Note 2. US\$546,047,009=1,533,300,000 shares\*NT\$10/28.08

Data Record Date : December 31, 2020

# Overview of Cathay Financial Holding Co., Ltd.

## 2021 Business Plan

The global economy was subject to an unprecedented impact caused by the COVID-19 pandemic in 2020, which prompted countries to respond by introducing corresponding supervisory measures and stimulus policies. Although the pandemic slowed after the third quarter of 2020 and the global economy is on its way to recovery, there are still uncertainties regarding the pandemic, and we should remain vigilant against the potential challenges that might ensue in 2021. Cathay FHC will continue to closely monitor global markets, pandemic changes, and other market dynamics, stay committed to maximizing value for its shareholders, customers and employees and upholding our core values of “Integrity, Accountability and Innovation”, and adopt business strategies that respond to rapid market changes.

Going forward, Cathay FHC will continue to improve its regional operations, promote digital transformation and business innovation, and optimize its asset/liability management to lay a solid foundation for sustainable development. Our 2021 business plan is outlined below:

### Continue to Implement Regional Expansion with the Goal of Becoming a “Leading Financial Institution in the Asia-Pacific Region”

Cathay FHC will continue to drive towards our vision of becoming a “leading financial institution in the Asia-Pacific region” and connect the Chinese and ASEAN markets to provide domestic and overseas Taiwanese businesses with financial services and products that meet their needs. We will continue to create business opportunities that increase profits for our shareholders and create more business value for the group by capitalizing on our experience in financial services and the local operations supported by the resources of our local strategic partners.

In addition, we will continuously strengthen our asset management business as the third pillar of the group’s development, continue to complete investment product lines and enhance managerial capabilities, and accelerate the group’s third engine of business growth by extending the reach of our asset management business from a global perspective.

### Continue to Promote Digital Transformation toward Comprehensive Digital Financial Services and Data Ecosystems

Cathay FHC is focused on the three areas of digital, data, and technology to create a data-driven culture, in which innovative technologies are used across our financial products and services. We also look to use the spirit of “What if We Could” to transform our product development, operating procedures, and internal management and thereby increase product development capabilities, enhance customer experience, and improve operational efficiency.

The group’s digital transformation has now transformed from being technology-oriented to being ecosystem-oriented. In the future,

we will continue to complete the group’s data infrastructure and connect it seamlessly to the data ecosystem of business partners to build integrated business collaboration models across customer touchpoints, including business travel, e-commerce, tourism, transportation, construction, and health care. We aim to build our capability to provide “Cathay as a Service” (CaaS).

### Optimize Asset/Liability Allocation and Management and Create a Solid Foundation for Sustainable Operations

As we face challenges from an increasingly stringent financial regulations and the COVID-19 pandemic, Cathay FHC will steadily and cautiously respond to the potential impact that global political and economic changes have on financial markets, continue to optimize



Cathay FHC wins Excellence in Corporate Social Responsibility Award again.



Cathay FHC receives the recognition of the Taiwan Corporate Sustainability Award (TCSA).

asset/liability allocation and management to strengthen the group's overall capital structure, and lay a firm foundation for the sustainable operations of Cathay FHC.

## Capital Allocation Plan

### 1. Continually monitor capital allocation of the Group and make timely adjustments

In response to the substantial changes in global financial markets in recent years, we will pay close attention to developments in the global markets and their potential impact on the capital adequacy of each subsidiary. Taking into consideration the Group's growth strategies, stock dividend policy, external capital, and the capital needs of subsidiaries, we will actively manage our capital through capital planning and business development to maximize the capital efficiency of each and every subsidiary.



The Young Climate Change Forum at Cathay FHC.

### 2. Seek optimal terms and timing for raising capital and maintaining liquidity

In order to enhance our capital structure and adequacy, we will continuously evaluate various types of financial instruments, including common stock, preferred stock, global depository receipts, senior (subordinated) bonds, and convertible (exchangeable) bonds to improve capital flexibility. In accordance with our goal of building an onshore/offshore financial service platform, we will also seek to ensure the availability of sufficient funds to help the Group expand and become a leading financial institution in the Asia-Pacific region.



Press conference on the construction of the Cathay Taoyuan Qingpu Group Information Center.



Cathay FHC holds the Cathay FHC Digital, Data and Technology (DDT) Conference.



Cathay FHC's outlook conference on Economic Climate and Financial Trends.



Overview of Subsidiaries

## Cathay Life Insurance Co., Ltd.

### Message from the Chairman

Looking back on 2020, Cathay Life Insurance delivered a brilliant performance in many aspects of our business, thanks to the concerted efforts of our employees. First year premium income was USD5.73 billion, representing market share of 18%; first-year premium equivalent was US\$2.21 billion, representing market share of 20%; and total premium income for the year was US\$23.72 billion, representing market share of 21%. We also reported a profit of US\$1.84 billion for the year, turning in an exceptional performance despite the COVID-19 pandemic.

Cathay Life Insurance adopts a customer-centric service model, preemptively prepares for the unknown, and shows empathy to the customers it serves. Cathay Life Insurance was ranked in the top 20% among financial institutions in the 2020 evaluation of Fair Customer Treatment Principles in the Financial Service Industry, an achievement signifying the recognition of the competent authority.

In response to the fintech trend, we actively develop fintech-related applications and embrace the spirit of digital transformation. As the leading company in the life insurance industry, we quickly strengthened digital services during the pandemic when social distancing was required, and we also immediately addressed the concerns and needs of our customers. For instance, our digital customer service chatbot-Alpha, developed using big data and an intelligent training model, provides 24/7 instant messaging services. By using new technologies and novel financial service models, we create more friendly and convenient services for our customers, thus enforcing the vision of “InsureTech, happiness get ; Smart, Simple, Safe”.

Insurance is a “people-oriented” business. While using technologies to optimize digital channels, Cathay Life Insurance also encourages citizens to take health issues seriously. We extend the value of insurance from after-the-fact claims to risk prevention, and strengthen the link between everyday activities and insurance/financial services. Through the health promotion project “Cathay Walker”, we seek to build an insurance ecosystem across different industries and integrate into the daily life of customers to enhance the value and experience of insurance services.

We uphold our vision of sustainability “leading the way in sustainable insurance, and ensure the happiness of society” and adopt a customer-oriented approach and the principle of reciprocity to actively repay society. Cathay Life Insurance has offered student group insurance

for four consecutive years, and jointly implemented the Sustainable Campus Project with the K-12 Education Administration. Since 2019, innovative anti-drug esports competitions have been organized for education promotion to raise children’s awareness on sustainability issues. To achieve sustainable operations, we also continue to develop products that meet the needs of elderly people, provide all-inclusive services for elderly people, and help realize elderly care.

Climate change has become a global issue that cannot be overlooked, due to its impact on not only the temperature but also everyday activities and the economy. In 2012, Cathay Life Insurance was the first to introduce mobile insurance and electronic insurance policies, which are green insurance products technologically developed to implement low-carbon management. In 2020, Cathay Life Insurance was the first insurance company to receive the EPA Carbon Reduction Label. As the largest institutional investor in Taiwan, Cathay Life Insurance exerts its influence over investee companies to raise their awareness on the risks of climate change and ESG issues through stakeholder engagement. In addition, Cathay Life Insurance and Cathay FHC have jointly organized the Climate Change Forum for four consecutive years, spearheading actions to protect the earth and mitigate climate change.

Looking forward to 2021, the insurance industry in Taiwan will be facing more challenges in its overall operation amidst the impact of international political and economic conditions, the transition towards InsurTech, and market competition. We will continue to uphold our core values of “Integrity, Accountability, and Innovation,” simultaneously fulfill our mission of providing “security in life;” fulfill corporate social responsibility, continue to improve the sustainability of our competitiveness; and secure the well-being of every household in Taiwan while advancing toward our vision of becoming “a leading financial institution in Asia-Pacific.”

Chairman *Tiao-Kuei Huang*

## Company Profile

Cathay Life Insurance Co., Ltd. was founded in October 1962 and listed on the Taiwan Stock Exchange in November 1964. In 2020, we recorded US\$23.72 billion in premium income and US\$270.8 billion in assets. We rank number one in the industry by market share and assets. We currently service more than 8 million customers. The efforts of Cathay Life Insurance in insurance performance and other aspects have received consistent recognition both at home and abroad. Cathay Life Insurance is an eight-time consecutive winner of the Insurance Excellence Award, the highest honor in Taiwan's insurance industry, and is included among the Fortune Global 500 list. Cathay Life Insurance was recommended by the Financial Supervisory Commission, becoming one of only two Taiwanese life insurance companies to undergo evaluation by the Asia/Pacific Group on Money Laundering (APG). Cathay Life Insurance was also rated as the best in the life insurance industry in the 2020 evaluation of Fair Customer Treatment Principles in the Financial Service Industry, an achievement signifying the recognition of the competent authority.

In 2016, Cathay Life Insurance became Asia's first life insurance company to comply with UNEP FI's Principles for Sustainable Insurance (PSI). We implement corporate sustainability with due consideration to Environmental, Social and Governance (ESG) issues, with the hope of integrating the company's core competencies and becoming a sustainable enterprise that uses its influence to bring happiness to society. In order to continue to develop overseas markets, we have established subsidiaries in China and Vietnam

in 2005 and 2008 respectively, becoming the first Taiwan insurer with a presence in those two markets, and we plan to continue our business expansion efforts.

Looking into the future, we will continue to seek growth and steady profits, actively employ technology-linked products and services, adhere to the philosophy of "What if We Could", and continue to achieve innovative breakthroughs, implement fair customer treatment, and optimize customized service experience, as we advance towards becoming a "leading financial institution in the Asia-Pacific region".

No. of employees	33,383
Average age	43.8
Average years of service	12

Data Record Date : December 31, 2020



Cathay Life Insurance Business Conference.

## Overview of Subsidiaries

## Cathay Life Insurance Co., Ltd.

## Board of Directors, Independent Directors, Supervisors and Key Managers

	Name	Major Current/Past Position and Education
Directors	Tiao-Kuei Huang	Chairman, Cathay Life Insurance/Former Vice Chairman and President, Cathay Life Insurance (M.S., National Tsing Hua University)
	Ming-Ho Hsiung	Vice Chairman, Cathay Life Insurance/Former President, Cathay Life Insurance (M.S., University of Iowa, USA)
	Tzung-Han Tsai	Vice Chairman, Cathay United Bank (J.D., Georgetown University, USA)
	Chung-Yan Tsai	Senior Executive VP, Cathay Real Estate Development (M.A., San Francisco State University, USA)
	John Chung-Chang Chu	Chairman, May Foong Woolen & Worsted Textile Mill. Ltd. (M.B.A., York University, Canada)
	Shan-Chi Liu	President, Cathay Life Insurance (E.M.B.A., National Taiwan University)
	Chao-Ting Lin	Managing Senior Executive VP, Cathay Life Insurance (M.S., Mathematics, National Taiwan University)
	Yi-Tsung Wang	Senior Executive VP, Cathay Life Insurance (M.B.A., Massachusetts Institute of Technology, USA)

	Name	Major Current/Past Position and Education
Independent Directors	Li-Ling Wang	Chairman, Pension Fund Association, R.O.C./Professor, Department of Risk Management and Insurance, National Chengchi University Former Vice President, National Chengchi University/Former Chairperson, Financial Supervisory Commission R.O.C. (Taiwan)/Former Director, First Financial Holding/Former Independent Director, China Life Insurance (Ph. D., Temple University, USA; M.Acc., University of Hartford, USA)
	Tang-Chieh Wu	Secretary-General, Taiwan Financial Services Roundtable Former Chairman, Hua Nan Financial Holdings/Former Chairman, Hua Nan Bank/Former Chairman, Land Bank of Taiwan/Former Political Deputy Minister, Ministry of Finance/Former Vice Chairman and Managing Director, Financial Supervisory Commission R.O.C. (Taiwan)/Former Director-General, Financial Supervisory Commission, R.O.C. (Taiwan) (M.S., National Chengchi University)

	Name	Major Current/Past Position and Education
Supervisors	Chih-Ing Tsai	President, An-teh Development Co., Ltd. (M.B.A., Pepperdine University, USA)
	Chih-Ming Lin	Former Superintendent, Cathay General Hospital (B.A., National Taiwan University)
	Young-Jann Lee	Former Director and Senior VP, Cathay Life Insurance (M.B.A., National Taiwan University)
	Han-Chang Tsai	Former Director and Senior VP, Cathay Life Insurance (B.S., Applied Mathematics, National Chung Hsing University)

	Position	Name	Education
Executive Officer	Chairman	Tiao-Kuei Huang	M.S., Mathematics, National Tsing Hua University

	Position	Name	Education
Key Managers	President	Shan-Chi Liu	E.M.B.A., National Taiwan University
	Managing Senior Executive VP	Chao-Ting Lin	M.S., Mathematics, National Taiwan University
	Senior Executive VP	Yi-Tsung Wang	M.B.A., Massachusetts Institute of Technology, USA
	Senior Executive VP	Ta-Kun Liu	M.B.A., Massachusetts Institute of Technology, USA
	Senior Executive VP	Li-Chiu Wang	M.B.A., Institute of Insurance, Feng Chia University
	Senior Executive VP	Chun-Hung Wu	M.S., Institute of Statistics, National Tsing Hua University
	Senior Executive VP	Ming-Huan Chen	B.C.S., Soochow University
	Senior Executive VP	David P. Sun	M.B.A. & M.S., Harvard University, USA
	Senior Executive VP	Chin-Jung kung	E.M.B.A., China Europe International Business School
	Chief Compliance Officer	Mao-Jih Chuang	E.M.B.A., Fudan University
	Chief Risk Officer	Wen-Chi Chen	EMBA, Finance, National Taiwan University
	Chief Auditor	Shu-Chuan Chen	LL.M., Washington College of Law, American University, USA
	Corporate Governance Officer	Tu-Chih Kung	B.L., National Taiwan University

## Business Scope

Life insurance and related businesses.

## 2020 Revenue Breakdown

2020 Revenue	Amount	% of Total
Retained earned premium income	20,120	62.4%
Other income	329	1.0%
Net investment gain (loss)	9,212	28.5%
Insurance gain from unit-linked products	2,613	8.1%
<b>Total income</b>	<b>32,274</b>	<b>100.0%</b>

Unit: Million USD, NTD/USD: 28.08/1



Cathay Life Insurance won Gold Medal for the Life Insurance category in the Best Service in Taiwan Survey.



Cathay Life Insurance won the IDC Digital Transformation Award.



Cathay Life Insurance won award at the annual insurance contest.



Cathay Life Insurance rated as the Digital Insurer of the Year in the 24<sup>th</sup> Asia Insurance Industry Awards.

Overview of Subsidiaries

# Cathay Life Insurance Co., Ltd.

## 2021 Business Plan

### Digital Technology

1. Create the future roadmap of Cathay as a Service (Caas) by using customer experience as the core for business transformation, optimizing end-to-end user experience as the core, and integrating digital platforms with offline interaction.
2. Use digital data capability and expertise in finance to continuously expand partnerships, cooperate with different industries to develop new application scenarios for digital customers, and build a cross-industry "insurance ecosystem" for a more convenient way of living.

### Customer Service

1. Use digital technologies to integrate service trajectories and have insight of customer needs, commit to "knowing what customers want and giving them what they need," and improve service satisfaction and net referral rate.
2. Develop a comprehensive data governance and increase the information transparency of different channels, ensure consistent experience across customers from all channels, and use data for better services.
3. Implement the principles of treating customers fairly, protect customer rights, provide multiple friendly financial services, and integrate service processes from customer perspective to continuously optimize customer experience.

### Product Development

1. Respond to market development and regulatory changes, and diversify protection-oriented products to maintain sales momentum. Focus on investment-type and USD interest-sensitive wealth management products to meet the needs of customers.
2. Continue to strengthen the promotion of protection-oriented

products and optimize product structures without compromising the sales of wealth management products to achieve risk control, competitiveness in the market, and the company's financial and business goals.

3. Address issues on aging society and health promotion, develop long-term care or usage-based insurance products for elderly people, and identify customer segments to design exclusive products that meet the needs of target groups.

### Business Development

1. Continue to cultivate existing policy holders, expand business scope and extent of reach, simultaneously adjust employee structure to environmental changes, increase the organizational operation of part-time staff members, and enhance the momentum of organizational development.
2. Adapt marketing strategies to changes in the digital era, foster data-empowered sales agents, and guide sales agents to use technologies to improve their sales efficiency.

### Internal Control

1. Strengthen compliance, manage risks effectively, focus on information security, implement internal auditing and internal control, and continue to uphold contract quality and strengthen abnormality management, strictly adhere to laws and regulations, and protect customer rights to lay the foundation for corporate governance and corporate sustainability.
2. Continue to refine corporate risk management, incorporate ESG framework in risk management processes, and develop and use automation and AI technologies and effectively manage various risks to create a complementary relation between internal control and business development.



Cathay Life Insurance received the Sports Activist Award.



Cathay Life Insurance won the 2<sup>nd</sup> National Enterprise Environmental Protection Award.

## Back Office Support

### 1. Corporate Image

- (1) Insist on the mission of providing “security in life,” focus on the interests and rights of policy holders, and fulfill social responsibilities. Combine corporate sustainability and our core competency in insurance, enhance brand value and influence, and become an international benchmark company in sustainability.
- (2) Embrace Cathay Life’s brand new vision of “Smart, Simple, and Safe through InsurTech,” invest in basics with a responsible attitude and innovative thinking, hone our basic skills in aspects of data, IT, or business support to provide more efficient support.

### 2. Organizational Culture

- (1) Uphold a people-oriented concept in training, combined with interdisciplinary, professional and international talent development strategies, to actively foster high-caliber professionals, build a co-learning culture of being happy to learn, contribute, and share, and improve the effectiveness of corporate wisdom sharing to assist the organization with enriching its talent base.
- (2) Use agile organizational operations to build a youthful, agile workplace culture that sparks the momentum for transformation in the digital era.

### 3. Digital Development

- (1) Collaboration with new startups: Consolidate financial holdings resources, collaborate with new startups to make underwriting procedures smarter and better, and review new contracts more effectively and efficiently with the support of professionals.



Opening ceremony of Landmark Taoyuan—Cathay’s one-stop composite science park.

- (2) A soft/hardware-applied environment for remote working: Actively install mobile office hardware equipment and infrastructure, and incorporate platforms for internal communication to complete the software setup required for remote working.

### 4. Client Operations

Actively establish data models, use data evidences to determine the optimal formula for success in business interactions, brand identity, and precision marketing, develop suitable products and identify the most appropriate channels for stronger customer loyalty and switching behavior. Integrate the resources of Cathay group with multidimensional interactive communications to create added values that are unique to Cathay.

## Corporate Sustainability

1. Link the three focus areas of Cathay FHC in sustainability, “climate, health, and empowerment,” fulfill two core competencies—product and investment, and communicate issues externally to strengthen the perception and involvement of stakeholders.
2. Continue to align with international guidelines, voluntarily follow the UN Principles for Sustainable Insurance (PSI), and maintain the status of Cathay FHC as a constituent stock (insurance industry) of Dow Jones Sustainability Index (DJSI).

## 2021 Operational Targets

Primary Item	Targets
Total premium income	21,473

Unit: million USD, NTD/USD: 28.08/1



Cathay Life Insurance receives the recognition of the Taiwan Corporate Sustainability Award (TCSA).



Overview of Subsidiaries

# Cathay United Bank Co., Ltd.

## Message from the Chairman

In 2020, the global spread of COVID-19 led to economic recession in numerous countries and regions, exposing several industries to a sharp rise in business risk. Facing such highly uncertain economic prospects, governments worldwide have successively introduced large stimulus and monetary policies, creating an outpouring of liquidity into financial markets and raising the volatility of asset prices. All of these outcomes challenged a bank's ability to manage assets and risks in 2020. Fortunately, the aggressive transformation strategies Cathay United Bank has been adopting in recent years have paid off. Through agile and effective organizational operations, Cathay United Bank achieved a rather impressive outcome in the areas of customer service, regional development, and corporate sustainability. Despite the turmoil in 2020, Cathay United Bank was able to deliver consolidated after-tax profit of USD790 million, the best performance ever.

With respect to customer services, we have 165 branches (including Sales Department) throughout Taiwan, providing face-to-face service. Cathay United Bank also continues deploying ATMs and other automated equipment to provide customers with the financial services that they need every day. In response to the rise in digital lifestyles, we continued to improve our mobile banking and Internet banking services, with the hope of achieving convenient financial services that meet the needs of our customers. These efforts have earned us not only the trust of our customers and rave reviews from the general public, but also the recognition of multiple professional rating institutions. For example, Cathay United Bank received the Best Wealth Management Award for the fifth consecutive year in the Wealth Management Bank Ranking conducted by Business Today Weekly. For four years in a row, Cathay United Bank has also won the Best Trust Services award during the 7th Best Financial Practice Award organized by Taiwan Academy of Banking and Finance. We were also a consecutive winner of the Taiwan Corporate Sustainability Award organized by Taiwan Institute for Sustainable Energy. Moreover, we made a name for the financial industry of Taiwan by being the only financial institution in Taiwan to win the 2020 International Business Awards during the Stevie Awards.

In terms of regional development, Cathay United Bank currently operates 67 overseas offices. We are also the only Taiwanese bank with the broadest service coverage in Southeast Asia. Under the impact

of COVID-19 in 2020, overseas Taiwanese businesses have elected to develop their business in Taiwan and also accelerate their expansion in Southeast Asia, all for the sake of strengthening business resilience and diversifying the risks brought about by international political conflicts. We have spent many years cultivating the Southeast Asian market. With this firm foundation plus the opening of our Myanmar Branch in 2021, we strive to be a solid and reliable partner to overseas Taiwanese businesses, and we believe this will propel us further toward becoming a leading regional bank.

Regarding corporate sustainability, Cathay United Bank was the first local bank to sign the Equator Principles (EPs), followed by voluntary compliance with the UN Principles for Responsible Banking (PRB). For years, we have continued promoting green finance projects, such as solar-power financing and offshore wind power financing projects. By extending credit on a daily basis, we fulfill our responsibility to allocate social resources across the financial industry. Cathay United Bank also continues to play a leading role in charity and retirement trusts. Together with Taiwanese citizens and the government, we are preparing for the advent of a hyper-aged society. In the pandemic-plagued 2020, we showed our support for governmental policies by actively promoting relief measures for businesses and labor workers and fulfilling the social responsibility of the financial industry.

Looking forward to 2021, the major risks to the real economy and finance remain unstoppable. Nevertheless, we will continue to uphold our core values of "Integrity, Accountability, and Innovation" and leverage the resources of our group under the guidance of Cathay FHC's commitment to "Sustainable Cathay Contributing to Community." With the needs of our customers and our social responsibility as our main considerations, coupled with the support of our digital and data infrastructure, Cathay United Bank strives to provide more convenient and relevant financial services and become a premium brand in the minds of consumers and leading us to realise the vision of "deployment in Asia-Pacific and challenge the summit."

Chairman *Ming-Jian Kuo*

## Company Profile

Cathay United Bank was established on May 20, 1975. Through years of experience and the support of our outstanding management team, we have not only continued to exhibit excellent performance in terms of earnings growth, but also placed emphasis on adjusting income structure and improving capital efficiency. Cathay United Bank, a financial institution that values its relationship with the local community, is a private-owned bank with the highest number of business locations across Taiwan. We currently operate 165 branches, serving millions of customers. We also continue to expand our overseas offices. With respect to the China market, Cathay United Bank upgraded its branch in China into a subsidiary. Thereafter, we have worked closely with our branch in Hong Kong to provide not only diversified cross-border services, but also more RMB-related innovative products to strengthen the composition of its business operations. In the ASEAN markets, we have offices in nine of ten ASEAN countries: Singapore, Malaysia, Thailand, the Philippines, Indonesia, Vietnam, Laos, Myanmar, and Cambodia, making us the Taiwan bank with the most extensive reach across Southeast Asia. In addition, our Myanmar Representative Office was upgraded to Myanmar Branch following approval in 2020 and commenced operation on January 8, 2021. Currently, we have 2 wholly-owned overseas subsidiaries, 1 overseas joint venture bank, 6 overseas branches, and 5 overseas representative offices. Through Cathay United Bank's transnational banking platform in Taiwan, Greater China, and ASEAN, our customers have access to a diverse range of high-quality financial services, including wealth management, consumer finance, digital finance, corporate finance, international finance, private banking, and trust investments.

Cathay United Bank has received multiple awards from domestic and international rating agencies in 2020, including the Asian Banker's Best Frictionless Customer Experience; the Asset's Best Retail Digital Payments Experience in Taiwan and Best Service

Provider-E-Solutions Partner in Taiwan; Asian Private Banker's Best Private Bank-Taiwan Domestic; The Stevie Awards - 2020 International Business Awards - Customer Service Executive of the Year\_Gold Stevie Winner; Asia-Pacific Awards - Innovative Use of Technology in Customer Service\_Gold Stevie Winner, and Innovation in Human Resources Management, Planning & Practice\_Gold Stevie Winner; the Taiwan Banking and Finance Best Practice Awards - Best Green Project Financing Award, Best Trust Finance Award, and Best ESG Award from the Taiwan Academy of Banking and Finance; first place in the Best Wealth Management Bank Award in the 14th Wealth Management Bank and Securities Evaluation by Business Today Weekly; Taiwan Corporate Sustainability Awards - Information Security Award, People Development Awards, Social Inclusion Awards, and Creativity in Communication Awards by the Taiwan Institute for Sustainable Energy. All these achievements are a testament to the recognition of domestic and foreign institutions.

No. of employees	10,516
Average age	38.52
Average years of service	9.71

Data Record Date : December 31, 2020



Donation through the Elevated Tree Program organized by Cathay United Bank Foundation.

## Overview of Subsidiaries

## Cathay United Bank Co., Ltd.

## Board of Directors, Independent Directors, Supervisors and Key Managers

	Name	Major Current/Past Position and Education
Directors	Andrew Ming-Jian Kuo	Chairman, Cathay United Bank (M.B.A., Baruch College, City University of New York, USA)
	Tzung-Han Tsai	Vice Chairman, Cathay United Bank (J.D., Georgetown University, USA)
	Alan Lee	President, Cathay United Bank (M.B.A., National Taiwan University)
	Chung-Yi Teng	Senior Executive VP, Cathay United Bank (M.B.A., Massachusetts Institute of Technology, USA)
	Tsung-Hsien Tsai	Senior Executive VP, Cathay Financial Holdings (M.S., Harvard University, USA)
	Chi-Wei Joong	Chairman, CEO, Legal Representative, Modern Times Co., Ltd., Former President, CMB Credit Card Center (B.A., Kean College of New Jersey, USA)
	Han-Kuo Chen	Vice President and Deputy General Manager, Department of Planning and Division Manager, Legal Affairs Center, Bank of Taiwan, (LL.M., Soochow University)
	Chang-Ken Lee	President, Cathay Financial Holdings/Former President, Cathay United Bank (M.B.A., University of Pennsylvania, USA)
	Grace Chen	Senior Executive VP, Cathay Financial Holdings (M.B.A., National Chengchi University)
	Sophia Cheng	Senior Executive VP, Cathay Financial Holdings (M.S., Golden Gate University, USA)
	Jian-Hsing Wu	Senior Executive VP, Cathay United Bank (M.S., Tamkang University)
Wei-Hua Chou	Senior Executive VP, Cathay United Bank (M.A., National Chengchi University)	

	Name	Major Current/Past Position and Education
Independent Directors	Matthew Feng-Chiang Miao	Chairman, MITAC Holdings Corporation/Former Laureate of Industrial Technology Research Institute (ITRI), Former President, UPC Technology Corp., Former President, Lien Hwa Industrial Gases Co., Ltd., Former Chairman, SYNEX Corporation, Former Independent Director, Galileo International, Inc., Former Independent Director, The BOC Group Plc., Former Independent Director, Linde AG, Former Delegate, APEC Business Advisory Council (ABAC), Former Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI) (Honorary Ph.D., National Chiao Tung University; M.B.A., Santa Clara University; USA, B.A. in Electrical Engineering, UC Berkeley, USA)
	Edward Yung Do Way	Chairman, YCSY Co., Ltd./Former CEO, Deloitte Taiwan (M.B.A., University of Georgia, USA)
	Tang-Chieh Wu	Secretary-General, Taiwan Financial Services Roundtable/Former Chairman, Hua Nan Financial Holdings Co., Ltd., Hua Nan Bank, Land Bank of Taiwan, Former Political Deputy Minister, Ministry of Finance, Former Vice Chairman, Financial Supervisory Commission Republic of China (Taiwan), Former Director-General, Securities and Futures Bureau, Financial Supervisory Commission, Republic of China (Taiwan) (Master Degree, National Chengchi University (Dept. of Public Finance))

	Name	Major Current/Past Position and Education
Supervisors	Yao-Chiun Lai	Former Chief Auditor, Cathay United Bank (M.B.A., Tamkang University)
	Chin-Hua Chiu	Chief Secretary, Chunghwa Post Co., Ltd. (B.A., National Chengchi University)

	Position	Name	Education
Executive Officer	Chairman	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA

	Position	Name	Education
Key Managers	President	Alan Lee	M.B.A., National Taiwan University
	Senior Executive VP	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA
	Senior Executive VP	Jian-Hsing Wu	M.S., Tamkang University
	Senior Executive VP	Yu-Chin Cheng	M.S., National Taiwan University
	Senior Executive VP	Hsiang-Hsin Tsai	M.B.A., Thunderbird School of Global Management, USA
	Senior Executive VP	Xu-Jie Yao	M.B.A., Massachusetts Institute of Technology, USA
	Chief Compliance Officer	Yeun-Wei Hwang	M.S., National Chengchi University
	Acting Chief Auditor	Su-Chu Lee	M.B.A., University of Central Florida
	Chief Corporate Governance Officer (CCGO)	Chien-Hui Hung	LL.M., London School of Economics and Political Science

Data Record Date : April 13, 2021

## Business Scope

- 01 All types of deposits
- 02 Loans and credits
- 03 Check discounting
- 04 Securities investment
- 05 Domestic remittances
- 06 Commercial draft acceptance
- 07 Issuance of domestic letters of credit
- 08 Corporate guarantee bonds
- 09 Domestic guarantee services
- 10 Payment settlement
- 11 Sales of government bonds/bills and corporate bonds/stocks
- 12 Securities underwriting
- 13 Securities dealing
- 14 Custody and warehousing services
- 15 Rental of safe deposit boxes
- 16 Agency services covered by the business scope specified on business license or approved by competent authorities
- 17 Credit card services
- 18 Brokered sales of gold bars/coins and silver coins
- 19 Purchases and sales of gold bars/coins and silver coins
- 20 Import and export foreign exchange transactions, inbound/outbound wire transfer, and foreign currency deposits, loans, and payment guarantee
- 21 General foreign exchange transactions, inbound/outbound wire transfer, and foreign currency deposits
- 22 Dealing with foreign currency cash and travelers checks
- 23 Financial derivative commodities approved by competent authorities
- 24 Trust business authorized by the Trust Enterprise Act
- 25 Trust business authorized by the Authority to be handled by head office trust department
- 26 Non-discretionary money trust investing on foreign securities
- 27 Brokerage, dealing, certification, and underwriting of short-term notes and bills
- 28 Dealing of government bonds
- 29 Financial consulting for financing related businesses
- 30 Financial consulting for non-financing related businesses
- 31 Dealing of corporate bonds and financial bonds
- 32 Money trust
- 33 Trust of encumbrance and related security interests
- 34 Securities trust
- 35 Movable property trust
- 36 Real estate trust
- 37 Land right trust
- 38 Discretionary investment trust services
- 39 Acting as agent for issuance, transfer, registration and payment of interests or dividends of securities
- 40 Providing consulting services for securities issuance or offering
- 41 Acting as attestors for issuance of stock or bond
- 42 Acting as attestors for issuance of securities
- 43 Acting as executor of wills and managing legacies
- 44 Acting as trustee for issuance of bond and providing related agent securities
- 45 Custody services
- 46 Acting as custodians of securities investment trust funds
- 47 Providing advisory services for investment, financial management, and real estate development
- 48 Issuance of cash cards
- 49 Concurrent business as a securities investment consulting enterprise
- 50 Issuance of bank debentures
- 51 Payment and collection services for actual transactions
- 52 Acceptance of deposit payments
- 53 Electronic fund transfer services
- 54 Acting as personal insurance agents
- 55 Acting as property insurance agents



Cathay United Bank wins the 10<sup>th</sup> Elite Award.

## Overview of Subsidiaries

## Cathay United Bank Co., Ltd.

## 2020 Income Statement

Item	Amount	% of Total
Net interest income	1,143	55%
Net fee income	576	28%
Gains on financial assets and liabilities at fair value through profit or loss	132	6%
Realized gains from financial assets at fair value through other comprehensive income	159	8%
Loss arising from derecognition of gains on financial assets at amortized cost	(14)	-1%
Gains on foreign currency exchange	40	2%
Losses on impairment of assets	(4)	0%
Share of profit of associates and joint ventures accounted for using the equity method	30	1%
Net other non-interest income	27	1%
Net operating income	2,089	100%

Unit: million USD, NTD/USD: 28.08/1

## 2021 Business Plan

- I. Consumer Loans: We will continue using broadened customer niche to focus on managing contributive customers, deepen customer relations by providing all-inclusive financial products and services, and serve customers through physical channels coupled with digital applications to improve customer management and cross-sale performances; continue optimizing service procedures and enhance more convenient digital experiences for customers to build an omnichannel environment where high-quality experienced is created.
- II. Corporate Loans: We will diversify business options, add a handling fee and earnings adjustment structure that requires low capital consumption, and implement a capital management mechanism to maintain risk and balance incomes; create a lightweight and specialized network while making use of existing resources to forge stronger relations between corporate banking and branches and reduce customer acquisition cost; and use digital instruments and cash flow networks to gain extensive insight into business opportunities and customer concerns, improve business performance, and increase the Bank's profitability.
- III. Deposits and Transfers: We will combine online and offline optimal service experiences by providing digital business models that closely reflect the daily needs of potential customers, simultaneously integrate cross-selling synergy to continue increasing account activities and the frequency of deposit/transfer transactions; and plan business strategies and marketing activities targeting digital currencies and wealth management customers to create bank profit and excel in service performance.
- IV. Wealth Management: We will use group resources to collate market studies for the development of new wealth management products in response to market uncertainties, difficulties in wealth management environment, and challenges of digitization; provide private equity or customized financial products for high-worth customers; concurrently improve the professional abilities of financial advisors and develop them into financial consultants capable of managing customers' diverse asset allocation; and employ digital channels to afford precise market information and financing recommendations that satisfy the financial needs of customers and thereby increase the value of the Bank's wealth management business.
- V. Trust: We will use a trust-based platform combining various financial products and form cross-industry alliances to develop all-inclusive trust services that meet the various daily needs of the general public and satisfy customers who need plans for children's protection trusts, retirement trusts, and family business inheritance trusts.
- VI. Foreign Exchange: We will enhance the comprehensiveness of overseas foreign currency products, optimize foreign exchange transaction platforms, combine the strengths of online and offline channels to provide a diverse range of foreign exchange services and service performance, assist customers with the efficient use of their funds, deepen customer adhesion towards our services, and enhance the competitiveness of our foreign currency services in the international market to generate increased profits for CUB. We intend to promote the development of financing services, expedite use of channels for customer segmentation, use product and channel cross-selling models, offer products required by clients to operate their accounts, enhance cross-sale success rate, construct corporate banking automated services, elevate customer experience and satisfaction, develop various cooperation opportunities with our competitors, and strengthen foreign and domestic product specifications and product lines.
- VII. Credit Cards: We aim to use data driven analytics for customer management and end-to-end optimization, integrate resources internally and externally, focus on developing a digital platform that is based on customer experiences, extend the range of competitive products and services that yield business benefits, and construct a new ecosystem that ensures the sustainable operation of CUB.
- VIII. Acquisition Services: We will continue with the steady expansion of our niche market as the number of card-accepting merchants reaches an economic scale, and also improve the strengths of our sales team, focusing particularly on the promotion of profitable markets. Internally, we will actively engage in digital transformation, taking a step-by-step approach to establishing automation platforms for order acquisition, which will reduce labor operation cost and at the same time increase the service quality of partnering merchants.

- IX. **ATM Services:** We will continue strengthening strategic cooperation and assisting branches with the transfer of over-the-counter transactions; build digital service platforms through cross-industry integration to provide more convenient and diversified applications with greater added value; and optimize customer-centric experiences to enhance business synergy.
- X. **Payment Hub Service:** We intend to continue developing new application scenarios, complete a mobile payment-defined living circle, simultaneously expand cooperation with existing channels, and negotiate suitable financial applications based on the nature of a channel so that members can access a diverse range of financial services through digital platforms.
- XI. **Digital Banking and Corporate Banking Service:** We will improve digital experiences across different platforms; continue designing and developing innovative digital financial products to increase the depth of transactions with digital users; digitally empower customers' branch experiences, so that banking services can be seamlessly integrated into corporate daily operations and gradually transform into digital advisors; and apply our successful experiences in Taiwan to expand our overseas presence.
- XII. **Overseas Operations:** Cathay United Bank attaches a high level of importance to the integration and expansion of business presence in the Greater China and ASEAN regions, and improve various products to perfection. With respect to the ASEAN market, we continue to cultivate local customers and services, strengthen cross-border platform integration, and improve trade financing, financial transactions, and structured finance products. Our comprehensive online banking platform enables more corporate customers to access excellent cross-border and cash management services. With regard to the Greater China market, our branch in Hong Kong will continue to balance the development of its three major businesses (corporate banking, financial market, and private wealth management), and fully leverage regional advantages for cooperation. Our subsidiary bank in China will actively seek to develop innovative financial products and fulfill service qualifications; continuously strengthen the composition of its business and ensure the sound development of local digital services; and concurrently step up its efforts to collaborate with the branch in Hong Kong and other overseas branches.
- XIII. **Private Banking Services:** We will continue providing customized investment portfolio management services and diverse financial products, and improve the ecosystem with Cathay as a Service (CaaS) in combination with our professional wealth inheritance consulting service, external professional strategic partners, and the future Trust 2.0 plan. Additionally, our branch in Hong Kong will continue serving Taiwanese businesses with its private wealth management service, and develop local customers in Hong Kong to provide long-term investment products for high-worth customers. Our Singapore branch will incorporate a private banking sector to assist with the asset allocation and planning of Taiwanese businesses in Southeast Asia. Ultimately, our aim is to achieve regional private banking services by integrating platforms in Taiwan, Hong Kong, and Singapore.

XIV. **Financial Marketing:** We will refine business expansion and sales processes, reinforce a collaborative mechanism suitable for product and sales integration, expand our customer base to include both those who have actual needs and who are well-off, develop foreign exchange, bulk commodities, and interest hedging products for corporate customers, and implement digital and online derivative transactions.

## 2021 Operational Targets

Primary Item	Targets
Deposits	93,710
Loans (including revolving credit)	63,672
Credit cards	7,600,000 cards

Unit: Million USD, NTD/USD: 28.08/1



Press conference announcing the upgraded loyalty program of Cathay United Bank Asia Miles credit card.

Overview of Subsidiaries

# Cathay Century Insurance Co., Ltd.

## Message from the Chairman

The global impact of COVID-19 in 2020 has severely affected numerous industries, and heightened competition in the property insurance market. Our industry peers continued to leverage their advantages in industry integration, while other industries have also penetrated the property insurance market with their business models and network advantages, thereby increasing competitive pressure in the market. In order to meet the challenges we are yet to face, Cathay Century perseveres in its principle of “equal emphasis on quality and quantity”, continues to seize new business opportunities, and constantly strengthens the organization’s professional capabilities, leverages the group’s advantages, and optimizes customer service experience by applying digital technologies to boost our overall competitiveness. With the dedication of all of our employees, Cathay Century generated US\$23.05 billion in premium income in 2020. Our market share was 12.3%, placing us firmly in second place within the industry.

In addition to extending our presence in Taiwan, Cathay Century also continued to expand overseas. After Cathay Century introduced a strategic partner, Ant Financial Services Group in China, our e-commerce business developed rapidly. In 2020, our premium income in mainland China exceeded RMB6 billion, making a significant breakthrough in our business performance. In support of the government’s New Southbound Policy, Cathay Insurance (Vietnam) acted as the strongest support for Taiwan businesses and continued to steadily manage its business and expand its operations, which contributed to significant growth in premium income and profit. In the future, we will continue to expand our reach in China’s e-commerce insurance market, expand our local management in Vietnam, increase the scale of our overseas markets and maintain stable business profitability.

Our business performance is highly praised and recognised in the global community, as evidenced by the wide range of awards we won last year: Top 20% ranking in the Financial Supervisory Commission evaluation of Fair Customer Treatment Principles; “Outstanding Non-life Insurance Company” at the Insurance Talent Awards; “Non-life Insurance Company Gold” at the Reader’s Digest Trusted Brand Awards; and the “Best Product” award in the 17th National Brand Yushan Award. With a steady financial structure and rigorous risk management, we received international credit ratings of “A-” from S&P, “twAA+” from Taiwan Ratings, and “A2” rating from Moody’s.

While pursuing maximum operational efficiency and steady operations, Cathay Century insists on a philosophy of being people-oriented and continues to develop our insurance profession sustainably, in hopes of creating a stable environment where the

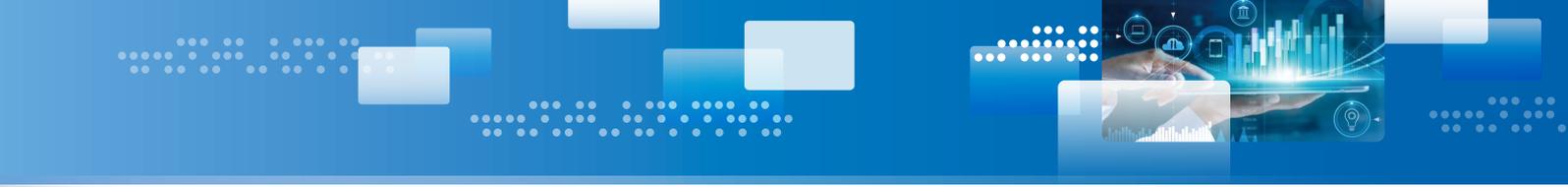
general public is protected from risks in the long run. Therefore, Cathay Century became the first in the Taiwan property insurance industry to voluntarily abide by the Principles for Sustainable Insurance (PSI) and disclose our results publicly. We also actively acquired multiple certifications including Carbon Label and SROI, and made full use of our two major competencies, insurance products and loss control measures, to address different CSR issues, including environment, society, schools, and corporate governance.

To keep up with changes in social behavior and lifestyles, Cathay Century continues to pursue innovation by introducing new insurance policies (e.g., additional coverage for corporate vehicles, fragmented insurance schemes for highway collision, and UBI car insurance pilot plans) and created the first e-commerce insurance experience platform in Taiwan called “BeSafe”. To address environmental issues and protect public safety, Cathay Century was the first in the industry to offer a bicycle insurance product, providing better insurance coverage for society and facilitate the implementation of low-carbon transportation policies.

Cathay Century also utilizes its expertise in loss control and continues to increase awareness of the “Accident-free school” grounds campaign and introduced the “Accident-free Biker” program designed exclusively for elementary school students. Through our app and explanations from professionals, students are taught correct riding etiquette, how to avoid common accidents and risks on the road. For motorcycle riders, Cathay Century has cooperated with Tainan City Government for the first time in 2020. Using big data and loss control experiences, we assisted three major universities in Tainan City to produce risk improvement reports and campus risk heat maps in order to reduce traffic accident risks for students.

Looking forward to 2021, we will continue to focus on the promotion of diverse digital developments based on our business motto of “Dual Transformation and Digital Leadership”, improve organizational efficiency, and seek innovation and transformation in our products and services so that customers can benefit from the innovation, trustworthiness, and value of engaging with us. We seek to be the most recommended non-life insurer. Lastly, on behalf of my colleagues, I would like to express our heartfelt gratitude for the longstanding support and assistance of the competent authorities and our customers.

Chairman *Cheng-Chiu Tsai*



## Company Profile

Cathay Century Insurance was established in 1993 and became a member of Cathay Financial Holdings in 2002. By leveraging Group resources and providing customers with a broad range of financial services, we have secured our position as the second largest non-life insurer in Taiwan since 2007. We also focused on expanding our business into international markets and established Cathay Insurance (China) and Cathay Insurance (Vietnam) in 2008 and 2010, respectively. In 2015, Cathay Insurance (China) increased its capital by cooperating with Ant Financial Services Group, an affiliate company of the Alibaba Group, in the development of e-commerce financial services. In keeping with the tenets of "equal emphasis on quality and quantity, steadfast and dependable" management, Cathay Century delivered outstanding business performance. Other than being rated as "twAAA+" by Taiwan Ratings, "A-" by S&P, and "A2" by Moody's, we have also won numerous domestic awards over the years, including the Insurance Excellence Award, Golden Torch Award, National Brand Yushan Award, Trusted Brand Award, and Insurance Dragon and Phoenix Award, among others. We also earned global recognition through winning various awards, including the International Business Premium Award and the Asia-Pacific Stevie Award. We were also named the "Best Non-life Insurance Company in Taiwan" by renowned British finance publication World Finance. Cathay Century also won the Global Views Corporate Social Responsibility & Social Enterprise Awards

and PWC CSR Impact Awards for its active efforts in exerting corporate influence on charity and environmentally friendly practices to address social and climate changes in accordance with its people-oriented philosophy. These achievements are the best testament to our recognition by the people in Taiwan as the most recommended non-life insurer, and our success as a first-rate non-life insurer in Asia.

No. of employees	2,185
Average age	39.5
Average years of service	10.3

Data Record Date : December 31, 2020



Cathay Century Senior Employee of the Year Award.

## Overview of Subsidiaries

## Cathay Century Insurance Co., Ltd.

## Board of Directors, Independent Directors, Supervisors and Key Managers

	Name	Major Current/Past Position and Education
Directors	Cheng-Chiu Tsai	Chairman, Cathay Century Insurance (M.A., Keio University, Japan)
	J.H. Hsu	Vice Chairman, Cathay Century Insurance (M.A., National Chengchi University)
	Fa-Te Chang	Advisor, Cathay Life (B.S., National Chung Hsing University)
	Chu-Yao Lu	President, Wen Yi Investment Co., Ltd. (B.A., Shih Hsin University)
	Tsung-Hsien Tsai	Director, Cathay United Bank (M.S., Electrical Engineering, Harvard University, USA)
	Chih-I Yu	Chairman, Tung Chi Capital Co., Ltd. (B.A., National Taiwan University)
	Wan-Hsiang Chen	President, Cathay Century Insurance (M.A., National Tsing Hua University)

	Name	Major Current/Past Position and Education
Independent Directors	Tang-Chieh Wu	Secretary-General, Taiwan Financial Services Roundtable Former Chairman, Hua Nan Financial Holdings/Former Chairman, Hua Nan Bank/Former Chairman, Land Bank of Taiwan/Former Political Deputy Minister, Ministry of Finance/Former Vice Chairman and Managing Director, Financial Supervisory Commission R.O.C. (Taiwan)/Former Director-General, Financial Supervisory Commission, R.O.C. (Taiwan) (M.S., National Chengchi University)
	Feng-Chiang Miao	Chairman, MiTAC Holdings Corporation/Former Laureate, Industrial Technology Research Institute/President, UPC Technology Corporation/President, Linde Lienhwa Industrial Gases Co., Ltd./Chairman, Synnex Corporation/Independent Director, Galileo International, Inc./Independent Director, The BOC Group Plc./Independent Director, Linde AG/Delegate, APEC Business Advisory Council (ABAC)/Convener, Civil Advisory Committee of National Information & Communications Initiatives (NICI) (Honorary Ph.D., National Chiao Tung University; MBA, Santa Clara University; BSEE, University of California, Berkeley)

	Name	Major Current/Past Position and Education
Supervisors	Jinn-Shing Leou	Director, Cathay Securities (M.S., University of Iowa, USA)
	Tzo-Shing Hsu	Supervisor, Cathay Hospitality Management(LL.M., Southern Methodist University, USA)

	Position	Name	Education
Executive Officer	Chairman	Cheng-Chiu Tsai	M.A., Keio University, Japan

	Position	Name	Education
Key Managers	President	Wan-Hsiang Chen	M.S., Institute of Statistics, National Tsing Hua University
	Division Head	Yi-Ming Hu	M.B.A., Peking University
	Chief Auditor	Jin-Chou Chen	M.B.A., Peking University
	Corporate Governance Officer	Chia-Yuan Hsu	M.S., National Chengchi University
	Chief Risk Officer	Wen-Der Tuh	M.B.A., National Chengchi University
	Chief Compliance Officer	Fu-Gee Huang	B.S., Statistics, Tamkang University

Data Record Date : April 13, 2021

## Business Scope

All types of non-life insurance (including motor, fire, marine, engineering, health, accident, and other liability and property) and other related businesses.

## 2020 Revenue Breakdown

Item	Amount	% of Total
Retained earned premium income	662.77	91.20
Reinsurance commission income	19.15	2.63
Fees income	1.60	0.22
Net investment gain (loss)	43.20	5.95
Total income	726.72	100.00

Unit: Million USD, NTD/USD: 28.08/1



Cathay FHC and Cathay Century jointly launch the industry's first e-commerce insurance experience platform, "BeSafe."

## 2021 Business Plan

### Business

1. Strengthen the research and development of personal insurance products, increase scope of coverage to meet customer needs, foster the concept of taking out full insurance coverage, and enhance product competitiveness.
2. Develop digital tools for buying insurance and use marketing projects to boost sales.
3. Expand the process of promoting sales system and assisting with the sale of commercial insurance, and increase the sale of business insurance products to strengthen organizational performance.
4. Setting up the process to implement electronic insurance brokerage systems, developing a wide variety of insurance brokerage channels for greater sales capacity, and optimize the organizational composition of insurance agents and sales structure.
5. Create one-stop digital platform experience, actively integrate external digital channels, use innovative business models to gain insights into customer needs and create a new layout.
6. Strengthen the management of sales quality and volume, appeal for attracting excellent insurance businesses, and enhance the profitability of our core businesses.

### Insurance Services

1. Focus on service quality diagnosis and roadmap planning of specific service scenarios to optimise claim service experience for customers.
2. Use technology to level up marketing conversion rates and refine customer experience in insurance services.

3. Adopt technological services to link insurance value chain, create innovative and easy to access digital insurance services, and reinforce the expansion of digital customer base.
4. Implement loss control core competency training, organize loss control service activities such as safe disaster prevention and risk control, and foster pre-event loss prevention concepts.
5. Adopt business systems that take into account Environmental, Social and Governance (ESG) issues, and promote corporate sustainability development.
6. Enhance customer service experience through digital operations, develop green operations and scientific carbon reduction practices, and implement paperless management.

### Risk Management and Financial Investment

1. Reinforce the infrastructure of various business processes, actively oversee internal control and compliance systems, and pursue corporate sustainable operations and development.
2. Refine risk quantification technologies and improve the Company's risk management mechanisms to strengthen risk monitoring functions for each operating process.
3. Place value on the supervision of insurance capitals, maintain risk-based capital at the most suitable level, and strengthen financial structure to align with international systems.
4. Ensure products are reasonably priced to avoid price competition within the industry and to strengthen business structure, and ensure stable underwriting profits
5. Monitor international political and economic trends, flexibly adjust investment strategies, ensure optimal resource allocation, properly utilize capital funds, and improve investment performance.
6. Follow the Principles for Responsible Investment (PRI), make investment decisions that take into account ESG factors, and advocate the core concepts of sustainable investment.

### International Business Management

1. Leverage overseas resources of the Group, continue to seek opportunities for overseas investment, engage in overseas expansion through equity participation/cooperation, and strive toward the goal of becoming the leading financial institution in the Asia Pacific region.
2. Develop infrastructures for the digital transformation of Vietnam subsidiary, learning from the Head Office's successful experience, and strive to gain competitive advantage in the Vietnamese property insurance markets.
3. Partner with Ant Financial Services Group to develop the China market and collectively explore e-commerce finance.
4. Reinforce the development of offshore insurance units (OIUs) and expand property insurance and reinsurance business scale.
5. Continue to train and recruit international professional talent and implement internationalization and localization of talent.

## 2021 Operational Targets

Primary Item	Targets
Premium income	US\$883 million

(NTD/USD: 28.08/1)



Overview of Subsidiaries

## Cathay Securities Corporation

### Message from the Chairman

In 2020, the global economy was overshadowed by the coronavirus pandemic. However, with the preemptive preparations made by Taiwan government and the unity of the people to fight against the pandemic, the economy was still able to grow steadily in the difficult situation. The U.S. government's fiscal and monetary stimulus propelled the S&P 500 more than 15% higher this year. The Taiwan stock market benefited from concerns of business discontinuation, global supply chain restructuring, and 5G orders, pushing the weighted index higher more than 21% to a record-high of 14,732 points. The average turnover rose by 62.2% to NT\$252.4 billion and retail transactions accounted for 65.6%, an increase of 4.1 percentage points compared with the previous year. In contrast to the secondary market, due to uncertainties brought about by the pandemic, most companies held conservative attitudes, causing the primary market of Taiwan stocks to shrink compared with 2019. The number of IPOs and the total amount of funds raised were the lowest in recent years.

Securities firms benefited from the rise in Taiwan stock prices in 2020, earning an overall profit of nearly NT\$49.704 billion (US\$1.77 billion), with an annual growth rate of 40.9%. Cathay Securities had an annual net profit after tax of NT\$1.467 billion (US\$52 million), an increase of 109.6% from the previous year. Our EPS was NT\$2.19 and ROE was 14.7%, ranking second among domestic securities firms. In terms of brokerage business, Cathay Securities' market share of Taiwan stocks was 2.4%, maintaining growth for four years in a row. Our international re-consigned trading business grew strongly. Transactions exceeded NT\$750 billion (US\$2.671 billion), annual growth rate was 41.2%, and market share was 19.8%. This is mainly due to the continuous expansion of our cross-border business and provision of more convenient and complete service platforms for institutional investors. The Dunnan branch of Cathay Securities, which runs its digital operations successfully and has fully digitized its Taiwan stock brokerage business, reported a monthly transaction volume of over NT\$100 billion in December 2020, setting a new historical record, with an annual growth rate of nearly 800%. In addition to delivering outstanding performance, Cathay Securities invested considerable effort in treating customers fairly in recent years. This concept is highly valued by our Board of Directors and has been fully implemented by management teams and entry-level employees when performing their jobs. For example, the establishment of a hierarchical management reporting system and the timeliness for handling consumer disputes are all superior to the Financial Consumer Protection Act. We also attach a high level of importance to sustainable operations not only by fulfilling corporate social responsibilities, but also adhering to relevant ESG standards. In 2020, Cathay Securities' efforts in developing its business in all aspects and placing emphasis on both employee care

and public welfare have been recognized by professional rating agencies at home and abroad, with multiple awards from "The Asset", "ASIAMONEY", and Taiwan Corporate Sustainability Awards, among 24 other awards.

Looking forward to 2021, experts predict that geopolitics will slowly stabilize and the economy is expected to rise steadily. Cathay analysts forecast more than 3% in economic growth, primarily because the delivery of coronavirus vaccines has begun, central banks in various countries have loosened monetary policies, and global economic recovery is imminent. Taiwan stocks dominated by technology stocks are expected to peak again in 2021, following the restructuring of global supply chains, emergence of new technology themes such as 5G and electric vehicles, the influx of overseas Taiwanese business capital, and the active participation of young people in the stock market.

In 2021, Cathay Securities will continue to invest resources in building and optimizing our digital platform to provide investors with products they need most urgently. Concurrently, we will uphold the tenets of financial inclusion to digitally empower different investors with equal access to responsible and sustainable investment services. Our Chatbot – Alpha is one good example. As products diversify and transactions take longer to complete, customers may need consultation services 24 hours a day. Our Chatbot – Alpha uses artificial intelligence to provide customers with smart and convenient services irrespective of time and location. In terms of re-consignment service expansion, we will bolster the competitiveness of our sales agents and platforms, all while striving to develop more diverse financial products so that investors can fulfill all of their investment needs on Cathay Securities' platform. With the aim to strengthen all of our business platforms, Cathay Securities will continue to uphold the Group's core values of "Integrity, Accountability and Creativity", improve our business performance without undermining risk management, adopt ESG standards and principles of treating customers fairly when operating our business, and effectively fulfill our role and function as the securities brokerage of Cathay Financial Holdings to maximize benefits for our shareholders.

Chairman *Shun-Yu Chuang*

## Company Profile

Cathay Securities Corporation is a member of Cathay Financial Holdings. We have paid-in-capital of NT\$7.3 billion, 767 employees, and an operational network composed of a head office, 10 branches, two subsidiaries - Cathay Futures and Cathay Securities (Hong Kong) - and 24 cross-marketing securities offices in bank branches. Our businesses cover brokerage, underwriting, proprietary trading, issuance of financial derivatives, discretionary investment, and international financing.

In 2021, we will continue to focus on the following business operations: In terms of our brokerage business, we will continue to promote digital transformation, provide customers with a more comprehensive, seamless investment experience through integration of online and offline platforms, and quickly expand our brokerage business by linking our digital platform to other platforms. Concurrently, we will also strive to develop a more diverse range of financial products and services, including sub-brokerage, OSUs, wealth management trust, regular contribution investment plans, and stock loans, so that our investors can fulfill all their investment needs entirely on Cathay Securities' platform. For the institutional brokerage business, we will endeavor to improve customized services and differentiation platforms to increase customer adherence and attract new institutional customers. Regarding the financial product business, we aim to seek the highest return under the premise of risk control by increasing the efficiency of market making and hedging systems. In terms of the proprietary trading business, we will continue to optimize capital allocation and trading models with arbitrage trading at the core, and strive toward developing diverse products and

product modular design. With regards to our underwriting business, we adopt the principle of corporate sustainability, continue to unearth outstanding and promising enterprises, further polish our cross-selling platform within the Group, and develop international financial advisory services.

Looking to the future, we will continue to uphold the Group's core values of "Integrity, Accountability and Innovation", prudently develop various businesses, and continue to create greater benefits for our investors, customers, employees, and society.

No. of employees	767
Average age	40.98
Average years of service	5.19

Data Record Date : December 31, 2020



Press conference announcing the Cathay-National Taipei University ESG Industry-Academia Research Project.

## Overview of Subsidiaries

## Cathay Securities Corporation

## Board of Directors, Independent Directors, Supervisors and Key Managers

	Name	Major Current/Past Position and Education
Directors	Shun-Yu Chuang	Chairman and Former President, Cathay Securities Corporation (M.B.A., Massachusetts Institute of Technology, USA)
	Chang-Ken Lee	President, Cathay Financial Holdings/Former President, Cathay United Bank (M.B.A., University of Pennsylvania, USA)
	Guan-Cheng Chou	President, Cathay Securities Corporation/Former President, Cathay Securities Investment Consulting (E.M.B.A., Tsinghua University, China; M.B.A., University of Dallas, USA)
	Jinn-Shing Leou	Former Chief Auditor, Cathay Financial Holdings (M.S., University of Iowa, USA)
	Chuang-Hao Lo	President, Cathay Futures Co., Ltd/Former Manager, Cathay Life Insurance Former Assistant Vice President, Cathay Securities Investment Trust (M.B.A., National Chung Cheng University)

	Name	Major Current/Past Position and Education
Independent Directors	Tina Pan	Chairperson, Modern Women's Foundation (J.D., National Taiwan Normal University)
	Edward Yung Do Way	Chairman, YCSY Co., Ltd./Former CEO, Deloitte Taiwan (M.B.A., University of Georgia, USA)

	Name	Major Current/Past Position and Education
Supervisors	Ta-Kun Liu	Senior Executive VP, Cathay Life Insurance (M.B.A., Massachusetts Institute of Technology, USA)
	Po-Sheng Fu	Executive VP, Cathay United Bank (M.A., Victoria University of Wellington, New Zealand)

	Position	Name	Education
Executive Officer	Chairman	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA

	Position	Name	Education
Key Managers	President	Guan-Cheng Chou	E.M.B.A., Tsinghua University, China; M.B.A., University of Dallas, USA
	Senior Executive VP	Chung-Sheng Chen	M.A., Southern New Hampshire University
	Senior Executive VP	Wan-Chin Chen	Ph.D., Xiamen University
	Corporate Governance Officer	Kuo-Chi Liang	B.A., Fu Jen Catholic University
	Chief Compliance Officer	Yu-Mei Li	B.S., National Chung Hsing University

Data Record Date : April 13, 2021

## Business Scope

- Securities underwriting
- Dealing of securities on central exchange
- Brokerage trading of securities on central exchange
- Dealing of over-the-counter securities
- Brokerage trading of over-the-counter securities
- Margin financing and stock lending
- Registrar and transfer services
- Securities lending (except for book-entry central government bonds)
- Wealth management - financial products advisory or sales services
- Wealth management - asset allocation by using trust approach
- Brokerage trading of foreign securities - sub-broker
- Introducing futures brokering
- Futures business
- Securities-based loans
- Loans for any business purpose
- Mandated discretionary investment

- International securities business - Conducting borrowing or lending of funds in connection with securities business; commission agency, brokerage, and agency business of foreign currency denominated securities or foreign currency denominated financial products; selling foreign currency financial debentures or other certificates of debt issued by the head office of offshore securities branch; financial derivative commodities; buying and selling of foreign currency denominated securities or other foreign currency denominated financial products; underwriting securities issued outside the territory of the ROC; and handling of trading across foreign currencies on behalf of customers in connection with securities business.
- Money trust, securities trust, non-discretionary individually managed trust, and individually managed trust in which the scope or method for the allocation of the trust fund is designated by the trustor.
- Other securities-related businesses approved by the regulator.

## 2021 Business Plan

- Fully commit to the promotion of digital transformation, adopt digital means to accurately reach potential customers, attract large numbers of customers to use the Cathay Securities platform, and provide the most suitable financial products.
- Provide domestic and overseas institutional and general investors with a more complete service platform and a more diverse range of premium-quality products.
- Continue to expand the cross-border sub-brokerage business, and provide overseas and domestic customers with a more convenient and comprehensive service platform.
- Optimize core trading strategy models to improve investment performance and develop trading strategies involving multiple products and markets, as well as modular design products.



Signing ceremony for the Cathay-National Taipei University ESG Industry-Academia Research Project.

- Combine financial planning services with traditional underwriting to meet the capital needs of corporate clients in different periods.
- Implement legal compliance and principles of treating customers fairly as a means of stronger risk management.

## 2021 Operational Targets

Primary Item	Targets
Market share of Taiwan stocks	3.19%
Sub-brokerage Transaction Volume	US\$31.78 billion

NTD/USD: 28.08/1



Cathay Securities joins hand with Cathay Futures to deliver Christmas donation boxes.



Cathay Securities and Cathay Futures jointly organize a beach clean-up activity to protect the ocean and safeguard earth.



Overview of Subsidiarie

# Cathay Securities Investment Trust Co., Ltd.

## Message from the Chairman

At the beginning of 2020, the coronavirus swept the world without warning. Everyone tensed up to resist the virus. However, Taiwan's rigorous pandemic control enabled its stock market to still deliver outstanding results despite this black swan event. The coronavirus pandemic gave birth to a new lifestyle, accelerating the development of remote work, teaching, and medical care. Identifying the significant technological business opportunities underlying digital transformation, Cathay SITE successively launched related investment products, such as the "Cathay Cyber Security ETF" (00875), the first network security ETF in Asia, and the "Cathay Taiwan 5G PLUS ETF" (00881) which targets the supply chain of technology industries in Taiwan. These products pave the way for investors to capture future business opportunities, take full advantage of Taiwan's excellent electronics supply chain, while not forgetting to look at the world and focus on information security issues that are becoming increasingly pertinent with the development of technologies.

2020 can be considered the first year of 5G. It symbolizes a change in the communication generation and will also drive the development of the global technology industry. In particular, Taiwan, which boasts an extraordinary semiconductor industry chain, is a considerable beneficiary of this 5G trend, being one of the few to maintain positive GDP growth in 2020. Nonetheless, we believe that this is just the beginning. The next three years will be the exponential growth phase, in which the 5G-related industries among Taiwan stocks show promising prospects in the long-term and their growth momentum cannot be underestimated.

In addition to technological development, ESG investment is another issue meriting attention. Under the effect of the pandemic, investors are more interested ESG investment that can achieve both profitability and environmental sustainability, particularly in times when millennials, the main spending power in the future, are paying more attention to environmental issues. The favorable performance of Cathay Sustainability High Dividend Yield ETF (dividends may be paid from the income equalization) (00878) verifies this phenomenon further, setting the largest and fastest record in the number of beneficiaries within a month after its establishment. As of the end of December 2020, the total number of beneficiaries reached 136,734,

indicating the heightened interest and confidence that everyone has in ESG investments.

Cathay SITE integrates ESG into our investment system, allowing the investment research team to comprehensively evaluate the value of corporate investments and uphold the core concept of responsible investment. The due diligence report fully discloses the use of ESG information, the evaluation criteria used in investment decision-making processes, and specific implementation plans. In addition, the Responsible Investment Working Group publishes "ESG Highlights" every month to keep teams informed of ESG trends and the group's latest ESG-based investment progress, with the hope of driving the upward development of industries, the economy, and society as a whole from the perspective of professional institutional investors. Cathay SITE was also affirmed by the Taiwan Stock Exchange in early 2020. We were included in the List of Signatories of Taiwan Stewardship Principles for Institutional Investors with Better Practices and Compliances" as one of the top five institutions among Taiwan's institutional investors.

Looking forward to the 2021, global stock markets are optimistic as the economy recovers post-pandemic and tech stocks head for a bullish period. Cathay SITE believes that Taiwan stock market has the advantage of high yields, with industries closely following the 5G trend. The massive deployment of base stations will be followed by an increase in mobile phone component specs, gross profit margins will improve, and Taiwan tech stocks will have the chance to perform better. Coupled with the return of foreign investment to strengthen capital, the overall corporate growth rate in 2021 is estimated to be in the double digits. Cathay SITE will continue to stand in the shoes of investors, provide professional and innovative wealth management solutions, timely launch products in line with market demands, and properly protect investors' assets in a prudent and sincere manner. We are committed be a good investment wealth manager to the people of Taiwan.

Chairman *Jeff Chang*

## Company Profile

Cathay Securities Investment Trust (“Cathay SITE”) was established in February 2000 and became a wholly-owned subsidiary of Cathay Financial Holdings in June 2011. We have paid-in capital of US\$46 million, 329 employees, and a business network composed of our Taipei Head Office and Hsinchu, Taichung and Kaohsiung Branches. We also entered into a joint venture in China, CDBS Cathay Asset Management, with China Development Bank Securities, a subsidiary of China Development Bank.

Cathay SITE has been cultivating the Taiwan market for 20 years and is now the largest asset management firm in Taiwan. We are dedicated to managing investors’ assets based on the core values of “Integrity, Accountability, and Innovation”. The Company has received accolades from domestic and foreign professional agencies for its excellent performance, including 102 major awards for its funds, research team, and asset management and risk management practices. Multiple aspects reflect our tireless persistence in innovation. Cathay SITE constantly pursues excellence and introduces novel products and is always the first in the industry to develop products aligned with market trends. Thanks to the teamwork of our professional and accomplished experts, we infuse industries with energy for diverse innovation to fulfill the financial needs of institutional and general investors.

Cathay SITE’s exceptional performance and services are widely recognized by investors. Our asset management skills are unmatched, as evidenced by the US\$28.6 billion assets under our management, the highest in the industry! Seeing the new needs of our investors, we have been committed to developing ETF products in recent years. By introducing exemplar indexes from overseas, we offer a diverse range of asset allocation schemes, and target industry dynamics to introduce related products and precisely capture profit opportunities. As of December 31, 2020, our ETF economy of scale has reached US\$9,523,000,000, making us the second largest issuer of ETF in Taiwan.

Realizing that the average life expectancy of Taiwanese people is increasing year by year, which will drive the demand for

retirement planning, Cathay SITE introduced the Cathay Target Date 2029/2039/2049 Fund of Funds in 2019 and also provided the Cathay Retirement Plan Platform to help Taiwanese people to understand their retirement needs with the simplest investment method. A complete service coupled with premium products enables customers to easily prepare for their retirement.

Cathay SITE established a wholly-owned subsidiary Cathay Private Equity Co., Ltd. in 2017, which issued its first private equity fund in 2019. In 2021, our business development will focus on continuing to promote our PE fund business so that it grows collectively with our mutual funds, ETFs, discretionary investments, and PE funds consigned to Cathay SITE, as well as improving our performance. Given the sweeping impact of big data, AI, and blockchain technologies on the financial industry, Cathay SITE will also endeavor to develop new Fintech applications and launch relevant products in pace with time. We will take this opportunity to strengthen our competitiveness in the market, with the hopes of becoming the leading asset manager in Taiwan and the best asset manager in the Asia-Pacific region.

No. of employees	329
Average age	41.6
Average years of service	7.72

Data Record Date : December 31, 2020



Cathay SITE wins the Finance Award.

Overview of Cathay Financial Holding

Cathay Life Insurance

Cathay United Bank

Cathay Century Insurance

Cathay Securities Corporation

Cathay Securities Investment Trust

Cathay Venture

## Overview of Subsidiaries

## Cathay Securities Investment Trust Co., Ltd.

## Directors, Supervisors, and Key Managers

	Name	Major Current/Past Position and Education
Directors	Jeff Chang	Chairman, Cathay Securities Investment Trust (M.S., National Cheng Kung University)
	Ming-Jian Kuo	Chairman, Cathay United Bank (M.B.A., Baruch College, City University of New York, USA)
	Chang-Ken Lee	President, Cathay Financial Holdings (M.B.A., University of Pennsylvania, USA)
	Andy Chang	President, Cathay Securities Investment Trust (M.B.A., National Central University)
	Yi-Fang Tsai	Vice President, Cathay Life Insurance (M.B.A., University of Illinois Urbana-Champaign, USA)
	Linwood Earle Bradford JR	Chairman and Chief Executive Officer, Conning (M.B.A., Harvard University, USA)
	Bo Rolf Anders Kratz	Chief Executive Officer, Asia Pacific, Conning (M.B.A., Warwick University, U.K.)

	Name	Major Current/Past Position and Education
Supervisors	Rui-Hong Hong	Assistant Manager, Accounting Department, Financial Division, Cathay Financial Holdings (B.A., Soochow University)

	Position	Name	Education
Executive Officer	Chairman	Jeff Chang	M.S., National Cheng Kung University

	Position	Name	Education
Key Managers	President	Andy Chang	M.B.A., National Central University
	Senior Executive VP	Solon Huang	E.M.B.A., National Taiwan University
	Senior Executive VP	Y. H. Chang	B.A., Tunghai University
	Senior Executive VP	Hui-Chung Wu	M.B.A., National Chengchi University
	Senior Executive VP	Jessica Yueh	M.B.A., University of South Australia, Australia
	Chief Compliance Officer	Chih-Chuan Chang	M.S. European Studies, Tamkang University

Data Record Date : April 13, 2021

## Business Scope

1. Securities investment trust business.
2. Discretionary investment business.
3. Securities investment consultant business.
4. Futures trust business.
5. Other business approved by the Financial Supervisory Commission.



The launching of the Cathay SITE Cathay Taiwan 5G PLUS ETF.

## 2021 Business Plan

1. Maintain leading status in asset management, remain the largest asset manager in the investment trust industry, and aim to become the largest mutual fund and ETF manager in the industry.
2. Collectively develop mutual funds, ETFs, discretionary investments, and PE funds, and improve performance.
3. Become the leader in Taiwan and the best asset manager in the Asia-Pacific region.
4. Integrate the global asset management resources of Cathay Group and expand our international perspective.
5. Promote innovative FinTech applications and improve customer experience and user satisfaction.
6. Continue to develop and improve retirement-related products and services, and actively promote retirement planning education among Taiwanese people.

## 2021 Operational Targets

Primary Item	Targets
Assets	US\$38.1 billion NTD/USD: 28.08/1



Cathay SITE launches the Cathay Taiwan 5G PLUS ETF.



Cathay SITE joins forces with the National Cheng Chi University to offer a course on "Asset Management Strategies and Applications."



## Overview of Subsidiaries Cathay Venture Inc.

### Company Profile

Cathay Venture's main business is investing in unlisted companies with growth potential, and assisting in the development of these companies for the purpose of maximizing return on investment.

### Business Scope

Venture capital business.

### Directors and Supervisors

Position	Name	Major Current/Past Position and Education
Chairman	Jen-Ho Chang	Chairman, Ally Logistic Property (M.Sc., Warwick University, UK)
Directors	Sophia Cheng	Chief Investment Officer, Cathay Financial Holdings (M.S., Golden Gate University, USA)
Directors	Grace Chen	Chief Financial officer, Cathay Financial Holdings (M.B.A., National Chengchi University)
Directors	Daniel C.Y. Teng	Senior Executive VP, Cathay Financial Holdings (M.B.A., Massachusetts Institute of Technology, USA)
Directors	Chuan-Yen Hu	President, Cathay Private Equity (M.A., University of Wisconsin, USA)
Supervisors	Shun-Yu Chuang	Chairman, Cathay Securities Corporation (M.B.A., Massachusetts Institute of Technology, USA)

### Key Managers

Position	Name	Education
Chairman	Jen-Ho Chang	M.Sc., Warwick University, UK
President	Jen-Ho Chang	M.Sc., Warwick University, UK

Data Record Date : April 13, 2021 (book closure date)

## 2020 Revenue Breakdown

Item	Amount	% of Total
Securities sales loss and investment income	15.406	99.8
Others	0.030	0.2
Total	15.436	100.0

Unit: million USD (NTD/USD: 28.08/1)

## Investment Themes in 2021

### 1. Investment Strategy

#### (1) Seek investment gains

- A. Maintain an appropriate amount of available funds to cope with drastic fluctuations in the financial market.
- B. Seize market timing.

#### (2) Cultivate data application investment

- A. Continue to cultivate and carefully select high-quality investment targets based on successful investment experiences and connections.
- B. Invest in data application related fields, such as companies that apply AI or IoT-based finance applications or health care.
- C. Use the Group's resources and Cathay Venture's contacts in the ASEAN region to search for and invest in local FinTech companies or Taiwanese businesses.
- D. establish D.D. methods for overseas companies before the pandemic recedes, such as factory visit through video conferencing or seeking assistance from overseas subsidiaries of the group.
- E. Continue to recruit talents with technical background to strengthen the depth of evaluation.

### 2. Investment Phase

Discover potential companies in the nascent phase, establishment phase, growth phase, and maturity phase with high level of recognition in the capital market, and increase the monetary amount of investment in individual projects.

### 3. Investment Region

Focus on companies with development potential and competitive advantages in Taiwan and the ASEAN region, and also follow closely FinTech and healthcare developments and opportunities in the U.S. and China.

## Long- and Short-Term Business Development Plans

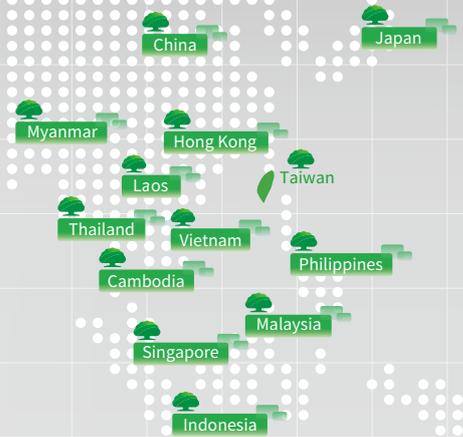
### 1. Short-Term Business Development Plans

- (1) Forge relations with and understand clients from an early stage, invest in potential companies, actively assist in the development of investee companies, recommend investment portfolios to clients of the Group, and improve the financial and business competitiveness of investee companies through the Group's excellent financial services.
- (2) Focus on FinTech developments and possible projects in Taiwan as well as in major regions leading in the development of FinTech, such as the U.S., Singapore, China, and Hong Kong.
- (3) Use the Group's resources and Cathay Venture's contacts in the ASEAN region to search for and invest in local FinTech investment targets.
- (4) Continue to reinforce investment evaluation teams and establish project sharing mechanisms with high-performing VC/PE funds to seize opportunities for overseas investment cooperation.

### 2. Long-Term Business Development Plans

- (1) Manage relations with partners with whom we can forge strategic alliances (e.g., groups and enterprises), engage in joint ventures for individual projects, deepen and expand projects in which both parties can collaborate, strengthen the evaluation capability of joint venture teams, and increase the amount of investment projects.
- (2) Further explore ASEAN countries or regions where Taiwanese businesses are doing well.
- (3) Reinforce investment teams according to different industries and regions, as to increase their investment capacity and efficiency.

# Overseas Branches and Offices



## Cathay Life

### Cathay Lujiazui Life Insurance (Shanghai Headquarters)

Address: Room 1104, 11F, Building A and 19F, Building B, Oriental Financial Square, 1168 Century Boulevard, Pudong New Area, Shanghai, PRC  
ZIP: 200122  
Tel: 86-021-61006168 (main line)  
Fax: 86-021-61001684

### Cathay Lujiazui Life Insurance (Shanghai)

Address: Room 501, Building B, Boland Plaza, 588 Dalian Rd, Yangpu District, Shanghai, PRC  
ZIP: 200086  
Tel: 021-25109999

### Cathay Lujiazui Life Insurance (Jiangsu Branch)

Address: 5F, Yinlun International, No.177, Guang Zhou Rd., Gulou Dist., Nanjing, Jiangsu Province, PRC  
ZIP: 210024  
Tel: 86-025-83718688 (main line)

### Cathay Lujiazui Life Insurance (Zhejiang Branch)

Address: Room 1001, 10F, Sanxin Yinzuo Building 2, No. 260-266, Taipingmen Zhijie, Jiang Gan Dist., Hangzhou, Zhejiang Province, PRC  
ZIP: 310020  
Tel: 86-0571-28039899 (main line)  
Fax: 86-0571-28033189

### Cathay Lujiazui Life Insurance (Fujian Branch)

Address: Room 03.05-06, Floor 24, Fu Cheng Qian Long Square, No. 70, Zhenwu Road, Ninghua Street, Taijiang District, Fuzhou, Fujian Province, PRC  
ZIP: 350004  
Tel: 86-0591-87401668 (main line)  
Fax: 86-0591-87824373

### Cathay Lujiazui Life Insurance (Beijing Branch)

Address: Rooms 10 and 601-09, 6F, Jiahe Guoxing Building, No. 15, Baiqiao Boulevard, Dongcheng District, Beijing, PRC  
ZIP: 100062  
Tel: 86-010-59620678 (main line)  
Fax: 86-010-59620988

### Cathay Lujiazui Life Insurance (Shandong Branch)

Address: 19F, West Tower, Golden Dragon Building, No. 229, Luoyuan Street, Chinan, Shandong Province, PRC  
ZIP: 250012  
Tel: 86-0531-86931688 (main line)  
Fax: 86-0531-81671168

### Cathay Lujiazui Life Insurance (Guangdong Branch)

Address: Rooms 901 and 904, 9F, Jiantao Plaza, No. 18, Huacheng Avenue, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC  
ZIP: 510623  
Tel: 86-020-83545288 (main line)  
Fax: 86-020-83553571

### Cathay Lujiazui Life Insurance (Liaoning Branch)

Address: Room 1101-03, 11F, Tower 1, Xindi Center, No. 10, Youhao Street, Shenhe District, Shenyang, Liaoning, China  
ZIP: 110013  
Tel: 86-024-22566866 (main line)  
Fax: 86-024-22566766

### Cathay Lujiazui Life Insurance (Tianjin Branch)

Address: No. 201-204, Towers 1 & 2 and 11F, Building B1, Emperor Place, No. 85, Nanjing Road, Heping District, Tianjin, China  
ZIP: 300040  
Tel: 86-022-58366900  
Fax: 86-022-58366909

### Cathay Lujiazui Life Insurance (Xiamen Branch)

Address: Unit 1803B-09, 18F, Bank Center, No. 189, Xia He Road, Siming District, Xiamen, Fujian, PRC  
ZIP: 361001  
Tel: 86-0592-2276136  
Fax: 86-0592-2276135

### Cathay Lujiazui Life Insurance (Sichuan Branch)

Address: Room 1201-1203, 12F, Bai Yang Building, No.18 Dong Yu Street, Jinjiang District, Chengdu, Sichuan Province, PRC  
ZIP: 610020  
Tel: 86-028-84726251

### Cathay Lujiazui Life Insurance (Henan Branch)

Address: Rooms 2601-2607, 26F, Green Business Summit World, No. 13, CBD, Zhengzhou Area (Zhengdong), Pilot Free Trade Zone, Henan Province, PRC  
ZIP: 450000  
Tel: 0371-55998759  
Fax: 0371-55998896

### Beijing Representative Office

Address: Unit 02, 6F, Building B, Parkview Green Building, No. 9, Dongdaqiao Road, Chaoyang District, Beijing, PRC  
ZIP: 100020  
Tel: 86-010-83913425  
Fax: 86-010-83913427

### Hong Kong Representative Office

Address: Room 1102, 11F, Lee Garden Three, No. 1, Sunning Road, Causeway Bay, Hong Kong  
Tel: 852-2877-5488 ext123  
Fax: 852-2527-0966

### Tokyo Office

Address: 7F, Cosmo Shinjuku-Gyoen Bldg., 1-1-7, Shinjuku, Shinjuku-ku, Tokyo, Japan  
Tel: 81-3-5357-7711  
Fax: 81-3-6709-8898

### Cathay Life Insurance (Vietnam) (Ho Chi Minh City Head Office)

Address: The World Center Building 9th floor, 46-48-50 Pham Hong Thai Street, District 1, Ho Chi Minh City, Vietnam  
Tel: 84-28-6255 6699  
Fax: 84-28-6255 6399  
Website: www.cathaylife.com.vn

### Cathay Life Insurance (Vietnam) (Ho Chi Minh City Branch)

Address: 5th floor, Vina Building, 131 Xo Viet Nghe Tinh, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam  
Tel: 84-28-6255 6389  
Fax: 84-28-6255 6398

### Cathay Life Insurance (Vietnam) (Ha Noi Branch)

Address: 167 Bui Thi Xuan, Hai Ba Trung Dist., Ha Noi City  
Tel: 84-24-6278 7888  
Fax: 84-24-6278 7887

### Cathay Life Insurance (Vietnam) (Da Nang Branch)

Address: 6th floor, Sacombank Building, 130-132 Bach Dang Street, Hai Chau District, Da Nang City  
Tel: 84-236-6252 888  
Fax: 84-236-6253 288

### Cathay Life Insurance (Vietnam) (Can Tho Branch)

Address: 6th floor, STS Building, 11b Hoa Binh Street, Ninh Kieu District, Can Tho City  
Tel: 84-292-625 1999  
Fax: 84-292-620 0160

### Cathay Life Insurance (Vietnam) (Dong Nai Branch)

Address: 42C Nguyen Ai Quoc, Tan Tien Ward, Bien Hoa, Dong Nai City  
Tel: 84-251-629 3558  
Fax: 84-251-629 2575

### Cathay Life Insurance (Vietnam) (Hai Phong Branch)

Address: 4th floor Sacombank Building, 62-64 Ton Duc Thang Street, Le Chan District, Hai Phong City  
Tel: 84-225-625 5160  
Fax: 84-225-625

## Cathay United Bank

### Labuan Branch

Address: Unit 13F(2), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000, Labuan F. T., Malaysia  
Tel: 60-87-452168  
Fax: 60-87-453678

### Hong Kong Branch

Address: 10F, Lee Garden Three, No. 1, Sunning Road, Causeway Bay, Hong Kong  
Tel: 852-2877-5488  
Fax: 852-2527-0966

### Singapore Branch

Address: 8 Marina Boulevard#13-03 Marina Bay Financial Centre Tower 1 Singapore 018981  
Tel: 65-6593-9280  
Fax: 65-6509-8172

### Chu Lai Branch

Address: 4F, No.121, Hung Vuong street,, Tam Ky City, Quang Nam Province, Vietnam  
Tel: 84-235-3813035~42  
Fax: 84-235-3813043~44

### Cathay United Bank (China) Limited

Address: 01 and 04B Unit, 15F and 01~03 Unit, 8F, Foxconn Building, No. 1366 Lujiazui Ring Road, Pudong New District, Shanghai 200120 China  
Tel: 86-21-6886-3785  
Fax: 86-21-6886-3787

### Cathay United Bank (China) Limited Shanghai Branch

Address: Unit 04, 8F, Foxconn Building, No. 1366, Lujiazui Ring Road, Pilot Free Trade Zone, Shanghai, PRC  
Tel: 86-21-6886-3785  
Fax: 86-21-6886-3787

### Cathay United Bank (China) Limited Shanghai Minhang Sub-Branch

Address: Room 101, 1F, Nikos Building, No. 528 Hongxu Rd., Minhang Dist., Shanghai, PRC  
Tel: 86-21-6491-9929  
Fax: 86-21-5434-0590

### Cathay United Bank (China) Limited Shanghai Pilot Free Trade Zone Sub-Branch

Address: Unit 203, 2F, Block B, Lane 2899, Jinke Road, Pudong New Area, Shanghai, China  
Tel: 86-21-6877-8099  
Fax: 86-21-5867-9975

### Cathay United Bank (China) Limited Shanghai Jiading Sub-Branch

Address: No. 36-38, Hexuan Road, Wanda Plaza Jiangqiao Town, Jiading District, Shanghai, China  
Tel: 86-21-6040-6939  
Fax: 86-21-6040-2160

### Cathay United Bank (China) Limited Qingdao Branch

Address: Room 2305-2307, 23F, No. 26, Hong Kong Middle Road, Shinan District, Qingdao, Shandong, China  
Tel: 86-532-5576-9888  
Fax: 86-532-5578-5898

### Cathay United Bank (China) Limited Shenzhen Branch

Address: 2501, Tower A, East Pacific International Center, 7888, Shennan Road, Futian District, Shenzhen, China  
Tel: 86-755-8866-3939  
Fax: 86-755-8866-3737

### Vientiane Capital Branch

Address: No. 40, Tut Mai Rd., Hatsady Village, Chanthabouly District, Vientiane Capital, Lao PDR  
Tel: 856-21-255688  
Fax: 856-21-255686

### Manila Branch

Address: Unit 1, 15/F, Tower 6789, No.6789, Ayala Avenue, Makati City, Metro Manila, Philippines, 1226.  
Tel: 63-2-7751-1161  
Fax: 63-2-7751-1163

### Kuala Lumpur Co-located Office

Address: Unit 28-03, Level 28 Menara Public Bank 2, No. 78, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia  
Tel: 60-3-2070-6729  
Fax: 60-3-2078-9057

### Bangkok Representative Office

Address: Unit 1904, 19th Floor, 388 Exchange Tower, Sukhumvit Road, Klongtoey, Bangkok 10110, Thailand  
Tel: 66-2258-6155  
Fax: 66-2258-6150

### Hanoi Representative Office

Address: Unit No.506 on 5th floor, Hanoi Tower, 49 Hai Ba Trung street, Hoan Kiem district, Hanoi city, Vietnam  
Tel: 84-24-3936-6566  
Fax: 84-24-3936-6568

### HCMC Representative Office

Address: 5F, 46-48 Pham Hong Thai Street, District 1, HCMC, Vietnam  
Tel: 84-28-3825-8761~63  
Fax: 84-28-3825-8700

### Yangon Branch

Address: No. 3/A Corner of Bogyoke Aung San Road and 27th Street, Suite No.#21-07 to 10, Junction City Tower, Yangon, Myanmar  
Tel: 95-1-9253386  
Fax: 95-1-9253387

### Jakarta Representative Office

Address: Mayapada Tower 18-03 Jl. Jend. Sudirman Kav.28 Jakarta 12920  
Tel: 62-21-2951-8572  
Fax: 62-21-2951-8573

### Cathay United Bank (Cambodia)

Jakarta Representative Office Corporation Limited  
Address: No. 68 Samdech Pan Street (St. 214)Khan Daun Penh, Phnom Penh Kingdom of Cambodia  
Tel: 855-2321-1211  
Fax: 855-2321-2121

## Cathay Century

### Cathay Insurance Co., Ltd.-(Ho Chi Minh City Headquarters, Vietnam)

Address: 6F, 46-48-50 Pham Hong Thai Str., District 1, Ho Chi Minh City, Vietnam  
Tel: 84-8-62888385  
Fax: 84-8-62909890

### Cathay Insurance Co., Ltd. (Vietnam) Hanoi Branch

Address: 16F,Ngoc Khanh Plaza No 1, Pham Huy Thong Str., Ba Dinh Dist., Hanoi, Vietnam.  
Tel: 84-4-63252333  
Fax: 84-4-62782922

## Cathay SITE

### CDBS Cathay Asset Management

Address: Guoyingyuan Tower No. 9, Xizhimen Small Street, Xicheng Dist., Beijing, PRC  
Customer Service: 010-59363299  
Fax: 010-59363298  
Email: services@cbsfund.com

# Cathay FHC

## The Year in Review 2020

### January

- Cathay Life Insurance cooperated with an academic institution to develop a "Rainbow Palette" insurance service that allows the general public to review insurance policies online.

### February

- Cathay Life Insurance continued to provide Long-term Care (LTC) Insurance for Civil Servants and Teachers in Taiwan.
- Cathay Century's Accident-free Riders Project was approved by the UK association Social Value International. The project's social return on investment (SROI) value is 3.30.

### March

- Cathay Life Insurance introduced a protection insurance product that provides coverage for a fixed number of hospitalization days in one year.
- Cathay Life Insurance introduced the first dementia care insurance with in-kind benefits in Taiwan.
- Cathay Life Insurance was the first and the only company in the insurance industry to obtain EPA's Carbon Reduction Label, which certifies that every insurance policy of Cathay Life Insurance is a "green product."
- Cathay Century identified hotspots within the company in an attempt to reduce carbon emission and pushed forward insurance services in order to manage carbon emission using a scientific approach, thus becoming the first property insurance company to receive Carbon Label, issued by the Environmental Protection Administration.
- Based on the goal of "comprehensive identification of risks for all ages," Cathay Century was the first in the industry to develop an "Accident-free Biker" event for elementary school students to bridge the gap in Taiwan's education on bicycle safety.
- Cathay SITE introduced the "Cathay Cyber Security ETF" (00875) targeting the long-term trends of cyber security. This ETF was listed on March 30 for trading.

### April

- Cathay Life Insurance continued to undertake Student Group Insurance for preschool, elementary school, junior high school, high school, and vocational high school students in the 2020 academic year.
- Cathay Life Insurance partnered with the Pokémon GO creator Niantic, turning 2,500 CUB ATMs and service centers around Taiwan into Poké stops and gyms, which serve to incentivize the general public to form healthier habits and build a healthy ecosystem.
- Cathay Life Insurance's Cathay Walker entered its second year. This program has been certified by SROI, which means that the program generates a return of NT\$6.30 for every NT\$1 invested. Cathay Life Insurance is the first insurance company in Taiwan to calculate its insurance business and obtain UK certification.



Cathay organizes 3x3 Basket Finals Tournament.

### May

- More than 50,000 employees from 16 companies under LinYuan Group have supported domestic travel to boost domestic economy.
- Cathay Securities and Taipei Exchange jointly held the 2020 Taiwan Biotech Tech Online Forum on May 27 and 28.
- 5G Entire Technology (Stock code: 6775) organized by Cathay Securities was listed on May 29 at NT\$26 per share.

### June

- Cathay Life Insurance and Cathay Century participated in the "Security/Claims Alliance Chain," which was formed using block chain technology by Life Insurance Association.
- Cathay Century cooperated with Costco to introduce the "Cathay Costco Insurance," which uses data, financial expertise, and the purchase history of Costco members and cardholders to provide digital insurance services.

### July

- Cathay Women Basketball Team entered its 51st year and won the Women's Super Basketball League for the 13th time, marking an impressive 27-game and 14-championship winning streak.
- Cathay Century introduced the "Comprehensive Aquatics Activities Insurance" to support the "Insurance for World Ocean Day" policy implemented by the Insurance Bureau of FSC.
- Subsidiary of Cathay Securities, Cathay Futures, cooperated with the National Taipei University to hold the Cathay X Taipei University ESG Industry-Academic Cooperation Research Conference" on July 15.
- Cathay SITE launched Cathay High Dividend Taiwan Equity Fund and Cathay Sustainability High Dividend Yield ETF (dividends may be paid from the income equalization) (00878), which was listed on Taiwan Stock Exchange on July 20.

### August

- Cathay FHC, the National Taiwan University, and Taiwan Youth Climate Coalition (TWYCC) jointly held the Cathay Climate Change Youth Forum, with the Ministry of Education acting as the co-organizer.
- Cathay Youth Day - 3-on-3 high school basketball tournament final.
- Cathay Life Insurance continues to protect 3 million students in Taiwan by offering the Student Group Insurance again.
- Cathay Life Insurance launched a new brand "Landmark Taoyuan" and held an opening ceremony for this one-stop composite park.
- Cathay Life Insurance held the "2020 Cathay Anti-drug Hero Championship," attracting thousands of students. This event was the largest anti-drug eSports game in Taiwan.
- For the first time, Cathay SITE along with other IT companies jointly attended the 2020 CYBERSEC expo, which was sponsored by iThome.



Cathay organizes Chen Wei-Yin Baseball Training Camp.

## September

- Cathay worked with the K-12 Education Administration to produce a video titled "Moving Forward in Life with You Leading the Way," a short clip aimed at expressing our gratitude to teachers on Teachers' Day. In addition, the Long-term Care Whole Life Health Insurance for Civil Servants and Teachers was also introduced to comprehensively protect the health of teachers.
- Cathay Life Insurance introduced Groupins+, a group insurance platform for digital users, and created a B2B system for group insurance policies.
- Cathay Life Insurance launched the first Customer Service Chatbot-Alpha, which allows travel insurance to be purchased online.
- Cathay Securities was the first in the industry to offer a service for investing in Taiwan's stock market under a regular savings plan, which can be completed in 3 steps and 1 minute through Chatbot Alpha.
- Cathay Securities held a beach clean-up activity on September 26, inviting 200 employees of Cathay Securities and Cathay Futures as well as their family members to clean up the beach in Dingliao, Linkou District of New Taipei City. In total, 659 kg of trash were cleared.
- Cathay SITE and Global Views Monthly cooperated to hold the ESG Investment Trends Forum, which aims to assist investors to identify investment opportunities from sustainability concepts.

## October

- Cathay Charity Foundation, Cathay United Bank Foundation, Cathay Cultural Foundation, and Eden Social Welfare Foundation jointly organized a charity sale. The objective of this sale was to raise awareness on education for second generations.
- Cathay United Bank Foundation held the "Elevated Tree Program" scholarship donation ceremony for the 2020 academic year, donating NT\$10 million in scholarships.
- Cathay Century has collaborated with PChome24h to launch Comprehensive Insurance for Mobile Phones. A link to purchase this product is made available after a buyer completes a mobile phone purchase on PChome24h.
- Cathay Century and Tainan City's Bureau of Transportation worked together and used their loss control expertise to publish a "Risk Improvement Recommendation Report" for three reputable universities in Tainan City's Yongkang District. The report contains a simple "Campus Traffic Risk Heat Map" which serves to raise readers' awareness of traffic risks, thus reducing traffic accidents.
- Cathay Century held a loss control seminar and issues related to the possibility of "another wave of COVID-19" and "compound disaster" were brought up for discussion.
- Cathay Asian High Yield Bond Fund (the fund mainly invests in high risk, non-investment-grade bonds; dividends may be paid from the principle) was established.

## November

- Five subsidiaries under Cathay FHC, Cathay Life Insurance, Cathay United Bank, Cathay Century, Cathay Securities, and Cathay SITE jointly attended the 2020 FinExpo.
- Cathay Century introduced the Usage-Based Insurance (UBI) pilot plan by using "InsurTech trends" and a "driving behavior evaluation model."
- Cathay SITE held the 2021 Global Economic Prospect and Retirement Planning Conference.
- Cathay SITE and Wealth Magazine cooperatively organized an Information Security Industrial Trends Forum to decode information security opportunities and keep abreast of future technology pulse.
- Cathay SITE held the campus lecture for the first time. The lecture, titled "Compulsory Courses for Young Generations to Plan Their Finance Smartly," was aimed at infusing the correct investment concepts in young adults and creating a healthy financial environment for them.

## December

- Cathay FHC and Taiwan Stock Exchange jointly held the 4th "2020 Cathay Sustainable Finance and Climate Change Summit," which analyzes the strategies for ESG communication between investors and companies and how benchmark companies seize climate opportunities. The exciting content attracted sign ups by more than 200 companies whose market value exceeded 70% of the total market value of Taiwan stocks.
- Cathay Financial Holdings hosted the 2020 Cathay x Chen Wei-Yin Baseball Camp.
- Cathay Charity Foundation, Cathay United Bank Foundation, and Cathay Cultural Foundation jointly organized the "Operation Warmth" program. Winter supplies were donated to over 7,100 children living in rural areas across 15 counties and cities and 65 townships and villages in Taiwan.
- Cathay Securities worked with its subsidiary Cathay Futures on a Christmas charity event. Employees collected up to 40 boxes of winter essentials and delivered them to the children on December 23.
- Cathay Charity Group held the 2020 Cathay Youth Excellence Scholarship award ceremony. This program provides awards to students in three categories: those who exhibit outstanding performance, those who advance substantial research and charity proposals aligned with current trends, or those with extraordinary achievements or contributions. Over 400 applications were received and reviewed by external experts, and 88 groups of students were awarded the scholarship, with each group entitled to NT\$60,000 to NT\$200,000 in scholarship for a total of NT\$7.37 million.
- Cathay SITE launched the "Cathay Taiwan 5G PLUS ETF" (00881), which was listed on December 10, to target business opportunities in 5G supply chains in Taiwan.

## Credit Ratings

Credit rating agency		Cathay Financial Holdings	Cathay Life	Cathay United Bank	Cathay Century Insurance	Cathay Securities
Taiwan Ratings	Rating Date	2021.3.24	2021.3.24	2021.3.24	2021.3.24	2021.3.24
	Rating Received	twAA	twAA+	twAA+	twAA+	twAA-
	Rating Outlook	Stable	Stable	Stable	Stable	Stable
Moody's	Rating Date	2020.12.17	2020.12.22	2020.9.24	2020.7.22	
	Rating Received	Baa1	A3	A2	A2	None
	Rating Outlook	Negative	Negative	Stable	Stable	
Standard & Poor's	Rating Date	2021.3.24	2021.3.24	2021.3.24	2021.3.24	
	Rating Received	BBB+	A-	A-	A-	None
	Rating Outlook	Stable	Stable	Stable	Stable	

※ Credit rating information is as of March 2021.

# Cathay FHC

## 2020 Honors and Accolades

### January

- Cathay Life Insurance won four excellence awards in the categories of Most Famous Company, Best Insurance Agents, Best Claims Service and Most Recommended Company at the 2020 Best Quality Awards of Insurance ceremony hosted by RMI Magazine. Cathay Century won a special award in the category of "Best Public Image" and three outstanding awards in the categories of "Most Professional", "Best After-Sales Service", and "Most Highly Recommended".
- Cathay Securities won 5 awards in 3 competitions held by Taipei Exchange in 2019, including Warrant Awards: No. 3 in Warrant Turnover and Trading Volume, Emerging Stocks Awards: No. 2 for Stability Award and No. 3 for Growth and Progress Award, and ETF Awards: No. 1 for H1 Broker Award and No. 2 for H2 Broker Award.

### February

- Cathay Life Insurance won First Prize for the Best Large Customer Service Center for the Year in the Customer Contact Week (CCW) Excellence Awards.
- At the 9th Insurance Talent Awards held by the Risk Management, Insurance and Finance Foundation, Cathay Life Insurance won the Outstanding Award in the Life Insurance Company Office and Field Work category. Cathay Century was voted the most desired property insurance company by graduates.
- Cathay Life Insurance won the 14th Stevie Awards For Sales & Customer Service - Award for Innovation in Customer Service.
- Cathay Securities won No. 3 for the Warrant Issuer Growth Award (Dunnan Branch) in the 2019 Warrant Issuer and Securities Broker Incentive Event held by Taiwan Stock Exchange.
- "Cathay Securities Digital Branch" won the Best Digital Branch Project in The Asset Triple A Digital Awards.
- At the BENCHMARK Fund of the Year Awards, Cathay SITE won the House Awards of ETF-Fixed Income ETF-Best-In-Class and Leveraged/Inverse ETF-Best-In-Class; House Awards-Emerging Markets Equity-Best-In-Class and Aggressive Allocation -Best-In-Class; Mutual Fund-Capability Awards- Risk Management-Best-In-Class; Cathay FTSE China A50 ETF won Best Performing ETF-China Equity-Best-In-Class; Cathay Global Infrastructure Fund won Best Performing Regular Savings Fund-Infrastructure Theme Equity-Best-In-Class; and Cathay US Treasury 20+ Year ETF won Best Performing ETF-USD Government Fixed Income-Best-In-Class.
- Cathay SITE won the Asset Management Company of the Year in Taiwan by the Asset.
- Cathay SITE was rated the Best Institutional House and Taiwan Best New ETF by Asia Asset Management.
- Cathay US Corp A- Above 10+ Yr ETF won Taiwan Fund Awards-Bond ETF by Smart. Cathay Global Aggressive Fund of Fund won Smart Taiwan Fund Awards-Fund of funds/Multi-Asset.

### March

- At the 15th Asian ESG Award 2019 the Best of Asia, Cathay FHC was rated an Outstanding Company on Corporate Governance, and Chairman Hong-Tu Tsai won the Asian Corporate Director Award.
- IDC Financial Insights named Cathay Life Insurance the 20 Best Insurers for 2020 in Asia/Pacific.
- At the 2020 Wealth Management Awards hosted by Wealth Magazine Biweekly, Cathay United Bank received Best Wealth Management (fifth year in a row) and Best Service; and Cathay Securities also won the Best Wealth Management award.



The one and only in the financial sector of Taiwan! Cathay United Bank wins nine major awards at the 2020 Stevie Awards.

### April

- At the Asia Sustainability Reporting Awards, Cathay FHC won Gold Award for Asia's Best Diversity Reporting and Bronze Award for Asia's Best Environmental Reporting; Cathay Life won Bronze Award for Asia's Best Materiality Reporting.
- At Global Views Monthly's 16th Corporate Social Responsibility Awards, Cathay FHC won First Place in the Annual Survey for two consecutive years; and Cathay Century's "A New Chapter of Property Insurance: Cathay is Going Green Adventure" won the Environmental-Friendly Role Model Award.
- Cathay Life Insurance won two Celent Model Insurer Awards, one in the category of Customer Experience Transformation and the other in Innovation Execution.
- At the 23rd TFF-Bloomberg Best Fund Award, Cathay Dow Jones Industrial Average Daily Inversed ETF won the TFF-Bloomberg Best Fund Award-Inversed-1X Index ETF; and Cathay Global Aggressive FoFs won the TFF-Bloomberg Best Fund Award-Cross-border Mixed Allocation Fund of Funds.

### May

- Cathay United Bank Private Bank was rated Asian Private Banker's Best Private Bank - Taiwan Domestic at the 2019 Best Private Bank Award held by Asian Private Banker, a benchmark media of private banks in Asia.

### June

- Cathay Life Insurance received the BEST Award presented by the U.S. Association for Talent Development (ATD).

### July

- In the 2020 Service Survey in Taiwan hosted by China Times, Cathay Life Insurance won the Gold Medal for the 5th time in the life insurance industry; Cathay Life Insurance and Cathay United Bank both won the Service Leader Award.

### August

- Cathay FHC won the Best Progress in Innovation Award at the 2nd CHR Corporate Citizenship Award organized by Common Health Magazine.
- Cathay Life Insurance won the CSR Initiative of the Year awarded by Charlton Media/Insurance Asia Awards.
- In the Financial Industry Treating Customers Fairly Evaluation conducted by the Financial Supervisory Commission, Cathay Life Insurance, Cathay United Bank, Cathay Century, and Cathay Futures were rated best performers in the industry.

## 2020 Honors and Accolades

- As the 22nd Reader's Digest Trusted Brand Award has been unveiled, Cathay Life Insurance received a Gold Award in the Insurance Company Category and Cathay Century again won a Gold Award in the Property Insurance Company Category.
- In the 14th Wealth Management Bank and Securities Evaluation by Business Today Weekly, Cathay United Bank was rated as the Best Wealth Management Bank as well as the Best Wealth Management Image Award; Cathay Securities also won the Best Sustainable Development Award.
- At the 6th Futures Diamond Awards hosted by Taiwan Futures Exchange, Cathay Life Insurance won the Insurance Transaction Diamond Award for the sixth year in a row, Cathay Securities won its fourth consecutive Securities Transaction Volume Diamond Award, and Cathay SITE also received the Securities Investment Trust Enterprise Transaction Volume Diamond Award.

### September

- Cathay FHC was ranked in the Top 10 (eighth consecutive year) in the Excellence in Corporate Social Responsibility Award from CommonWealth Magazine.
- Cathay FHC won first place for the sixth time in the Financial Holding Company Business Performance Evaluation conducted by Business Today Weekly.
- Cathay Life Insurance won three IDC Digital Transformation Awards in the categories of Digital Transformer, Operating Model Master, and Talent Accelerator.
- At the 2020 The Asia-Pacific Stevie® Awards, Cathay United Bank won the Gold Award for the Innovative Use of Technology in Customer Service and Gold Award for Innovation in Human Resources Management, Planning & Practice.

### October

- At the 17th National Brand Yushan Award hosted by Republic of China National Enterprise Competitiveness Development Association, Cathay Life Insurance won first prize in Outstanding Enterprise Category and Best Product Category; Cathay Century won Outstanding Program: Model Award in the Environmental Considerations Group; and Cathay Securities won first prize in the Most Popular Brand category.
- At the 2020 Taiwan Financial Award hosted by Wealth Magazine Biweekly, Cathay FHC won Excellence in Corporate Sustainability Award; Cathay Life Insurance won Gold awards for Best Life Insurance Image and Best Life Insurance Services; Cathay United Bank won Best Banking Service Image in Taiwan, Best Banking Service and Best Digital Banking Service.
- Cathay Life Insurance received the Life Insurance Company - Best Brand Image Award in the Financial Holdings category in the Excellence and Best Rating hosted by Excellence magazine.
- Cathay Securities won 3rd place in the Improvement Award of the 2020 Electronic Ordering Competition hosted by Taiwan Stock Exchange.

### November

- Cathay Life Insurance won the Best Digital Insurer of the Year in the Asia Insurance Industry Awards (AIIA) held by Asia Insurance Review (AIR), and was the only winning insurance company in Taiwan.
- In the Taiwan i Sports Certification held by the Ministry of Education, Cathay FHC, Cathay Life Insurance, and Cathay Century received the Certification for the third time in a row, and Cathay Securities participated in the certification for the first time this year and also received the certification.
- At the 4th PWC CSR Impact Awards, Cathay Life Insurance won the Environmental Sustainability Impact Award, and Cathay Century won the Product Innovation Impact Award.
- Cathay FHC was selected as a constituent stock of the DJSI World Index for three consecutive years and a constituent stock of the DJSI Emerging Markets Index for six consecutive years.
- Cathay FHC was rated as Taiwan's Top 10 Global Brands in the Best Taiwan Global Brands 2020 organized by the Industrial Development Bureau, Ministry of Economic Affairs.
- At the Taiwan Corporate Sustainability Awards organized by the Taiwan Institute for Sustainable Energy, Cathay received recognition for its

commitments to digital transformation and sustainable actions in the areas of Responsible Investment, Information Security, People Development, and Social Inclusion. Cathay FHC won the Most Prestigious Sustainability Awards – Top Ten Domestic Companies, and Cathay Life Insurance, Cathay United Bank, and Cathay Securities also won a combined total of 10 awards of excellence and 2 sustainability reporting awards.

- Cathay Life Insurance and Cathay United Bank again received national recognition in the 2nd National Enterprises Environmental Protection Award organized by the Environmental Protection Administration, Executive Yuan.
- At the Stevie® Awards, Cathay United Bank received recognition for its people development, data application, and chatbot system, winning 9 awards in total in the 2020 Stevie® Awards for Great Employers and International Business Awards. The Bank was also the only financial institution in Taiwan to win these awards.

### December

- For 12 years in a row, Cathay Life Insurance received three honors at the Sports Contribution Award, including gold medals in the Sponsorship and Contribution Category, as well as the Long Term Sponsorship Award.
- At the Insurance Quality Award of RMI Magazine, Cathay Life Insurance won four excellence awards in the categories of "Best Recognized", "Best Salesperson", "Best Claim Service", and "Best Recommended." Cathay Century won three special awards and one outstanding award in the categories of Best Image, Best After-Sales Service, Best Professionalism, and Best Recommended.
- At the 7th 2020 Insurance Competition Award Ceremony hosted by the Financial Supervisory Commission, Cathay Life Insurance won four awards for seven consecutive years, including first place and Performance Excellence Award in the Micro Insurance Competition, the Elderly Friendly Award for Small Amount Whole Life Insurance, and the Sustainable Care Award, which was a new category introduced this year.
- Cathay United Bank was recognized by the Asset with the Triple A Best Private Bank for HNWI-Taiwan Domestic.
- At the Taiwan Banking and Finance Best Practice Awards hosted by Taiwan Academy of Banking and Finance, Cathay United Bank won Best Green Project Financing Award, Best ESG Award, and Best Trust Finance Award.
- In the 4th Buying Power - Social Innovative Products and Services Procurement Incentives award ceremony organized by the Small and Medium Enterprise Administration, Ministry of Economic Affairs, Cathay FHC won the first prize in the "Procurement Award"; Cathay FHC's "the Most Banking-Friendly Gift Bag in 2020" and Cathay Life Insurance's "Sustainable Campus Project: Gamified Anti-Drug Campaign" won the Special Awards, and Social Enterprise Gifts Purchased Using the Seaward Card as Gifts for Employees and Clients won the Third Prize for Procurement Award.
- Cathay Securities received the Financial Holding Company - Best Sustainable Operations Award in the 2020 Excellence Security Rating Survey hosted by Excellence magazine.
- In the Asiamoney Brokers Poll, Cathay Securities was selected as the Best Retail Brokerage in Taiwan and won 2nd in Best Local broker, 2nd in Best for Overall Sales, 2nd in Best for Corporate Access, 3rd in Best for Execution, 2nd in Best Research by Apply Supply Chain, and 1st in Best Salesperson.



The National Brand Yushan Award.

# 2020 Financial Report

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# INDEPENDENT AUDITORS' REPORT

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The Board of Directors and Shareholders

Cathay Financial Holding Co., Ltd.

## Opinion

We have audited the accompanying consolidated financial statements of Cathay Financial Holding Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China

## Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2020 are as follows:

### Valuation of Policy Reserve and Liability Adequacy Test

Cathay Life Insurance Co., Ltd. is a subsidiary of Cathay Financial Holding Co., Ltd. Its management adopted the actuarial model and its related multiple significant assumptions for the estimation of the policy reserve and liability adequacy test. Significant assumptions in the measurement of the policy reserve include the mortality rate, discount rate, lapse rate, morbidity rate, etc. These assumptions are made based on legislation and regulations, taking into consideration its actual experience as well as industry-specific experience. The liability adequacy test on insurance contracts is performed in accordance with the requirements issued by the Actuarial Institute of Chinese Taipei, and the discount rates for future years used in the test are based on its best estimate scenario as well as the rate of the portfolio return under current information. Since any changes in the actuarial model and significant assumptions may lead to a material impact on the estimation results of the policy reserve and the liability adequacy test, the valuation of policy reserves and liability adequacy test was identified as a key audit matter. For the related accounting policies, accounting estimates, estimation uncertainty and relevant disclosure information, refer to Notes 4, 5 and 21 to the accompanying consolidated financial statements.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We understood the internal controls related to management's valuation of policy reserves and liability adequacy test as well as evaluated the operating effectiveness of these internal controls.
2. We obtained the actuarial report issued by the contracted actuary which was used as the basis for the management's valuation of policy reserves and liability adequacy test, and evaluated the contracted actuary's professional competence and capability.
3. The following procedures were performed by our actuarial specialist, and the results were compared to the results of the actuarial report published by the contracted actuary in order to assess the reasonableness of the actuarial model and its significant assumptions used by the management in the valuation of the policy reserve. The actuarial specialist:
  - a. Randomly sampled the insurance products to examine whether the calculations of the policy reserve were made in accordance with the requirements.
  - b. Evaluated the actuarial model and significant assumptions used in its valuation of policy reserve based on the sampled insurance policies and verified the recognized amount of the policy reserve.
  - c. Performed profiling tests on long-term insurance policies as of December 31, 2020 to identify any abnormalities on the recognized amounts of policy reserve on each individual insurance policy.
  - d. Assessed the reasonableness of the amount of provision for the policy reserve by considering the amount of policy reserve as of the end of the prior year and the business development for the year ended December 31, 2020.

4. The following procedures were performed by our actuarial specialist, and the results were compared to the results of the actuarial report published by the contracted actuary in order to assess the reasonableness of the actuarial model and its significant assumptions used by the management in the liability adequacy test. The actuarial specialist:

- a. Tested on a sample basis the correctness of classification of the newly issued insurance products for the year ended December 31, 2020.
- b. Sampled the significant assumptions provided by the management for our audits in order to examine whether the assumptions were consistent with the requirements and the important built-in assumptions in the information system.
- c. Tested and assessed the actuarial model and its significant assumptions used by the management in its liability adequacy test on a sample basis and performed recalculations on the individual insurance policies.
- d. Assessed the reasonableness of the calculation results of the liability adequacy test as a whole based on a comparative analysis of the previous year's results and taking into consideration the business development for the year ended December 31, 2020.

#### Assessment of the Fair values of Investment Properties

The investment properties of Cathay Life Insurance Co., Ltd. are measured at their fair values. To support the management in making reasonable estimates, Cathay Life Insurance Co., Ltd. used the fair values assessed by external independent appraisers. As the appraisal method and parameters used in the assessment of fair values involve significant judgments and estimates, we determined the assessment of the fair values of investment properties as a key audit matter. For the accounting policies, accounting estimates, assumption uncertainty and relevant disclosure information on the assessment of fair values of investment properties, refer to Notes 4, 5 and 14 to the accompanying consolidated financial statements.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We evaluated the professional competence, capability and objectivity of the external independent appraisers, and verified the qualification of the appraisers.
2. We appointed an internal valuation specialist to evaluate the reasonableness of the appraisal reports adopted by its management, including the appraisal methods, main parameters and discount rate of the appraisal reports.

#### Impairment assessment on Loans

Cathay United Bank Co., Ltd. is a subsidiary of Cathay Financial Holding Co., Ltd. Its domestic loans was considered material to the consolidated financial statements as a whole. As the assessment of impairment of loans involves accounting estimates and management's significant judgment, and as the impairment assessment on loans under the relevant regulations issued by the authorities is substantially larger than that under IFRS 9, hence, we determined the impairment of the loans under the relevant regulations prescribed by the authorities as a key audit matter.

Its management regularly assesses the impairment on its loans. Recognition of impairment loss on loans is based on compliance with regulations issued by the authorities regarding the classification of credit assets and provision of impairment loss. For the accounting policies and relevant information on the impairment assessment of loans, refer to Notes 4, 5 and 11.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We understood and tested its internal controls of impairment assessment on loans.
2. We tested the classification of the credit assets into their respective categories out of the total five categories to see if it complies with the relevant regulations issued by the authorities.
3. We performed the test on selected samples to ensure the appropriateness of impairment by the length of the overdue period and the value of the collateral of each respective loan.
4. We calculated the provision of impairment loss by classifying the credit assets into their respective category to see if it complies with the relevant regulations issued by the authorities.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee/supervisors, are responsible for overseeing the Group's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally

accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control (including the financial reporting process) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hung Kuo and Shu-Wan Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 10, 2021

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

## Cathay Financial Holding Co., Ltd. and Subsidiaries

### Consolidated Balance Sheets

December 31, 2020 and 2019

In thousands of Dollars

	2020.12.31		2019.12.31	
	NT \$	US \$	NT \$	US \$
<b>Assets</b>				
Cash and cash equivalents	\$536,716,255	\$19,113,827	\$413,405,471	\$13,821,647
Due from the central bank and call loans to banks	129,503,924	4,611,963	110,945,093	3,709,298
Financial assets at fair value through profit or loss	1,748,081,143	62,253,602	1,653,983,453	55,298,678
Financial assets at fair value through other comprehensive income	1,562,998,457	55,662,338	1,182,534,102	39,536,413
Investments in debt instruments at amortized cost	3,161,044,538	112,572,811	3,068,838,014	102,602,408
Financial assets for hedging	146,959	5,234	548,075	18,324
Securities purchased under resale agreements	67,264,342	2,395,454	43,586,931	1,457,269
Receivables, net	191,916,164	6,834,621	185,049,532	6,186,878
Current tax assets	4,689,275	166,997	4,853,833	162,281
Discount and loans, net	2,141,276,205	76,256,275	2,066,761,296	69,099,341
Reinsurance contract assets, net	9,646,628	343,541	8,458,658	282,804
Investments accounted for using the equity method, net	33,036,282	1,176,506	48,145,672	1,609,685
Other financial assets, net	660,547,975	23,523,788	615,117,482	20,565,613
Investment properties, net	419,476,228	14,938,612	408,696,108	13,664,196
Property and equipment, net	98,405,132	3,504,456	101,855,371	3,405,395
Right-of-use assets, net	4,138,543	147,384	3,908,913	130,689
Intangible assets, net	54,002,407	1,923,163	51,270,972	1,714,175
Deferred tax assets	61,507,384	2,190,434	40,595,612	1,357,259
Other assets, net	66,074,603	2,353,084	56,924,753	1,903,201
<b>Total</b>	<b>\$10,950,472,444</b>	<b>\$389,974,090</b>	<b>\$10,065,479,341</b>	<b>\$336,525,554</b>

(The exchange rates provided by the Federal Reserve Bank of New York at December 31, 2020 and 2019 were NT\$28.08 and NT\$29.91 to US\$1.00)

	2020.12.31		2019.12.31	
	NT \$	US \$	NT \$	US \$
<b>Liabilities &amp; equity</b>				
<b>Liabilities</b>				
Due to the central bank and other banks	\$66,131,059	\$2,355,095	\$84,108,128	\$2,812,040
Funds borrowed from the central bank and other banks	1,076,000	38,319	-	-
Financial liabilities at fair value through profit or loss	140,778,098	5,013,465	111,526,387	3,728,733
Financial liabilities for hedging	139,858	4,981	30,894	1,033
Notes and bonds sold under repurchase agreements	12,299,564	438,019	50,278,533	1,680,994
Commercial paper payable, net	39,519,918	1,407,405	54,018,845	1,806,046
Payables	68,696,694	2,446,464	66,934,725	2,237,871
Current income tax liabilities	20,628,900	734,648	3,274,828	109,489
Deposits and remittances	2,615,799,063	93,155,237	2,303,443,816	77,012,498
Bonds payable	148,800,000	5,299,145	118,900,000	3,975,259
Other borrowings	1,657,576	59,030	2,201,364	73,600
Provisions	6,117,073,219	217,844,488	5,713,778,385	191,032,377
Other financial liabilities	692,760,284	24,670,950	676,972,179	22,633,640
Lease liabilities	13,011,637	463,377	12,720,337	425,287
Deferred tax liabilities	67,823,378	2,415,362	55,144,257	1,843,673
Other liabilities	39,501,515	1,406,749	30,119,484	1,007,004
<b>Total liabilities</b>	<b>10,045,696,763</b>	<b>357,752,734</b>	<b>9,283,452,162</b>	<b>310,379,544</b>
<b>Equity attributable to owners of the company</b>				
Share capital				
Ordinary shares	131,692,102	4,689,890	131,692,102	4,402,946
Preferred shares	15,333,000	546,047	15,333,000	512,638
Capital surplus	177,256,053	6,312,537	177,256,976	5,926,345
Retained earnings				
Legal reserve	51,967,688	1,850,701	46,122,845	1,542,054
Special reserve	149,894,910	5,338,138	221,977,672	7,421,520
Unappropriated earnings	169,606,342	6,040,112	58,181,890	1,945,232
Other equity	197,311,121	7,026,749	121,182,880	4,051,584
Total equity attributable to owners of the Company	893,061,216	31,804,174	771,747,365	25,802,319
Non-controlling interests	11,714,465	417,182	10,279,814	343,691
<b>Total equity</b>	<b>904,775,681</b>	<b>32,221,356</b>	<b>782,027,179</b>	<b>26,146,010</b>
<b>Total</b>	<b>\$10,950,472,444</b>	<b>\$389,974,090</b>	<b>\$10,065,479,341</b>	<b>\$336,525,554</b>

(The exchange rates provided by the Federal Reserve Bank of New York at December 31, 2020 and 2019 were NT\$28.08 and NT\$29.91 to US\$1.00)

# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Consolidated Statements of Comprehensive Income

For the years ended December, 31 2020 and 2019

In thousands of Dollars , except earnings per share

	2020.1.1-2020.12.31		2019.1.1-2019.12.31	
	NT \$	US \$	NT \$	US \$
<b>Interest income</b>	\$208,249,264	\$7,416,284	\$220,258,661	\$7,364,048
<b>Less: Interest expenses</b>	(17,319,732)	(616,799)	(23,892,156)	(798,802)
<b>Net interest income</b>	190,929,532	6,799,485	196,366,505	6,565,246
<b>Net income and gains other than interest income</b>				
Net gain on service fee and commission fee	7,244,068	257,980	2,345,518	78,419
Net income on insurance operations	312,998,311	11,146,663	265,817,609	8,887,249
Gain on financial assets and liabilities at fair value through profit or loss	216,970,443	7,726,868	209,449,191	7,002,648
Gain on investment properties	13,234,433	471,312	12,315,717	411,759
Realized gains on financial assets at fair value through other comprehensive income	32,746,487	1,166,185	29,895,962	999,531
Net gain on derecognition of financial assets at amortized cost	39,123,029	1,393,270	9,887,622	330,579
Foreign exchange loss	(126,717,214)	(4,512,721)	(52,147,418)	(1,743,478)
(Impairment loss) reversal of impairment gain on assets	(1,860,502)	(66,257)	1,232,835	41,218
Share of (loss) gain of associates and joint ventures accounted for using the equity method	(12,084,664)	(430,366)	1,149,021	38,416
Loss on reclassification using the overlay approach	(49,149,740)	(1,750,347)	(120,836,755)	(4,040,012)
Net other non-interest gain	6,480,302	230,780	411,391	13,754
<b>Profit from operations</b>	629,914,485	22,432,852	555,887,198	18,585,329
<b>Net changes in insurance liability reserve</b>	(462,094,141)	(16,456,344)	(394,074,197)	(13,175,333)
<b>Provision for bad debt, commitments and guaranteed liability reserve</b>	(3,177,875)	(113,172)	(2,205,393)	(73,734)
<b>Operating expenses</b>				
Employee benefit expenses	(52,661,132)	(1,875,396)	(57,070,200)	(1,908,064)
Depreciation and amortizations expenses	(7,358,416)	(262,052)	(7,098,010)	(237,312)
Other general and administration expenses	(23,007,140)	(819,343)	(24,882,224)	(831,903)
Total operating expenses	(83,026,688)	(2,956,791)	(89,050,434)	(2,977,279)
<b>Profit before income tax</b>	81,615,781	2,906,545	70,557,174	2,358,983
<b>Income tax expense</b>	(5,657,558)	(201,480)	(6,697,870)	(223,934)
<b>Net income</b>	75,958,223	2,705,065	63,859,304	2,135,048
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurements of defined benefit plans	(617,081)	(21,976)	(3,998)	(134)
Property revaluation surplus	-	-	926,919	30,990
Gain on equity instruments at fair value through other comprehensive income	3,822,815	136,140	10,470,705	350,074
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	464,755	16,551	(3,280,741)	(109,687)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	317,967	11,324	(159,190)	(5,322)
Income tax relating to items that will not be reclassified subsequently to profit or loss	265,474	9,454	(359,323)	(12,013)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Exchange differences on translating of the financial statements of foreign operations	(2,219,050)	(79,026)	(1,661,389)	(55,546)
Gain on hedging instruments	\$13,263	472	206,220	6,895
Gain on debt instruments at fair value through other comprehensive income	40,470,410	1,441,254	89,900,568	3,005,703
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	(162,146)	(5,774)	158,778	5,308
Other comprehensive income (loss) reclassified using the overlay approach	49,149,740	1,750,347	120,836,755	4,040,012
Income tax relating to items that may be reclassified subsequently to profit or loss	(11,267,656)	(401,270)	(27,653,395)	(924,554)
<b>Total other comprehensive income for the period, net of income tax</b>	80,238,491	2,857,496	189,381,909	6,331,726
<b>Total comprehensive income</b>	\$156,196,714	\$5,562,561	\$253,241,213	\$8,466,774
<b>Net income attributable to:</b>				
Owners of the Company	\$74,579,460	\$2,655,964	\$62,757,286	\$2,098,204
Non-controlling interests	1,378,763	49,101	1,102,018	36,844
	\$75,958,223	\$2,705,065	\$63,859,304	\$2,135,048
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	\$154,988,421	\$5,519,531	\$251,892,166	\$8,421,671
Non-controlling interests	1,208,293	43,030	1,349,047	45,103
	\$156,196,714	\$5,562,561	\$253,241,213	\$8,466,774
<b>Earnings per share (expressed in dollars) :</b>				
Basic earnings per share:	\$5.41	\$0.19	\$4.76	\$0.16

(The exchange rates provided by the Federal Reserve Bank of New York at December 31, 2020 and 2019 were NT\$28.08 and NT\$29.91 to US\$1.00)

# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

In thousands of Dollars

Items	Share capital		Residual surplus		Retained earnings		Other comprehensive income (loss) recognized in other comprehensive income		Other		Total		Non-controlling interests		Total equity	
	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$
Balance at January 1, 2019	512,672,102	\$4,263,318	513,710,000	\$4,311,234	58,976,121	\$499,130	59,535,276	\$1,946,077	5,194,084	5,194,084	5,194,084	5,194,084	5,194,084	98,357,665	\$313,548	\$52,238,996
Appropriation of earnings for the year 2019																
Legal reserve																
Special reserve																
Cost of dividend on ordinary shares																
Cost of dividend on preferred shares																
Cost of dividend on capital surplus																
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method																
Net income for the year ended December 31, 2019																
Other comprehensive income (loss) for the year ended December 31, 2019																
net of tax																
Total comprehensive income (loss) for the year ended December 31, 2019																
Issuance of ordinary shares for cash	6,060,000	202,608														
Share-based payment transactions																
Deposit of equity instruments at fair value through other comprehensive income																
Change in net-owning interests																
Balance at December 31, 2019	531,692,102	\$4,669,900	513,710,000	\$4,622,440	57,992,241	\$2,977,672	57,992,241	\$2,977,672	5,194,084	5,194,084	5,194,084	5,194,084	100,209,329	\$3,281,132	\$15,822,179	
Balance at January 1, 2020	531,692,102	\$4,669,900	513,710,000	\$4,622,440	57,992,241	\$2,977,672	57,992,241	\$2,977,672	5,194,084	5,194,084	5,194,084	5,194,084	100,209,329	\$3,281,132	\$15,822,179	
Appropriation of earnings for the year 2020																
Legal reserve																
Special reserve																
Cost of dividend on ordinary shares																
Cost of dividend on preferred shares																
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method																
Change in net-owning interests																
Net income for the year ended December 31, 2020																
Other comprehensive income (loss) for the year ended December 31, 2020																
net of income tax																
Total comprehensive income (loss) for the year ended December 31, 2020																
Deposit of equity instruments at fair value through other comprehensive income																
Others																
Change in net-owning interests																
Balance at December 31, 2020	531,692,102	\$4,669,900	513,710,000	\$4,622,440	57,992,241	\$2,977,672	57,992,241	\$2,977,672	5,194,084	5,194,084	5,194,084	5,194,084	100,209,329	\$3,281,132	\$15,822,179	

# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

In thousands of Dollars

	2020.1.1-2020.12.31		2019.1.1-2019.12.31		Items	2020.1.1-2020.12.31		2019.1.1-2019.12.31	
	NT \$	US \$	NT \$	US \$		NT \$	US \$	NT \$	US \$
<b>Cash flows from operating activities</b>									
Profit before income tax	881,015,781	\$2,906,545	\$70,557,174	\$2,338,983	Acquisition of financial assets at fair value through other comprehensive income	(534,845,034)	(\$1,240,920)	(\$34,784,719)	(\$1,162,980)
Adjustments for:					Proceeds from disposal of financial assets at fair value through other comprehensive income	34,771,067	1,236,149	36,118,998	1,207,589
Depreciation expense	4,026,580	143,397	3,927,527	131,312	Acquisition of financial assets at fair value through profit or loss	(1,040,985)	(37,072)	(878,542)	(29,373)
Amortization expense	3,331,836	118,655	3,170,483	106,001	Proceeds from disposal of financial assets at fair value through profit or loss	662,239	23,584	417,993	13,975
Bad debt expense	3,177,875	113,172	2,205,393	73,734	Acquisition of investments accounted for using the equity method	(495,185)	(17,635)	(470,918)	(15,744)
Gain on financial assets and liabilities at fair value through profit or loss	(200,901,199)	(7,154,601)	(186,470,119)	(6,234,374)	Proceeds from disposal of investments accounted for using the equity method	-	-	87,107	2,912
Interest expense	17,319,732	616,800	23,892,156	798,802	Net cash outflow on acquisition of subsidiaries (after deduction of cash and cash equivalent balances acquired)	(152,501)	(5,431)	-	-
Gain on derecognition of financial assets measured at amortized cost	(39,123,029)	(1,393,270)	(9,887,623)	(330,579)	Proceeds from disposal of subsidiaries	-	-	9,329	312
Interest income	(208,249,264)	(7,416,284)	(220,258,661)	(7,364,048)	Proceeds from capital reduction of investments accounted for using the equity method	245,904	8,757	5,166	173
Dividend income	(19,409,573)	(691,224)	(26,412,505)	(883,066)	Payments for property and equipment	(2,371,706)	(84,462)	(2,447,794)	(81,839)
Net changes in insurance liabilities	406,251,525	14,467,647	370,212,741	12,377,557	Proceeds from disposal of property and equipment	11,977	427	43,484	1,454
Net changes in other provisions	(3,180,012)	(113,248)	925,588	30,946	Payments for intangible assets	(510,889)	(18,194)	(765,439)	(25,591)
Compensation costs of share-based payments	-	-	287,684	9,618	Payments for investment properties	(7,130,742)	(253,944)	(14,507,120)	(485,026)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	12,084,664	430,366	(1,149,021)	(38,416)	Proceeds from disposal of investment properties	422,925	15,061	945,923	31,626
Loss on reclassification using the overlay approach	49,149,740	1,750,347	120,836,755	4,040,012	(Increase) decrease in other assets	(4,762,543)	(169,606)	17,210,853	575,421
Loss on disposal and retirement of property and equipment	71,249	2,537	1,656	55	Dividends received	89,620	3,192	91,342	3,054
Loss (gain) on disposal of investment properties	474,481	16,897	(11,304)	(378)	<b>Net cash (used in) generated from investing activities</b>	(15,165,853)	(540,094)	1,075,663	35,963
Loss on disposal of intangible assets	6,260	223	-	-					
Loss on disposal of investments	(1,786,696)	(63,629)	32,107	1,073	<b>Cash flows from financing activities</b>	(480,337)	(17,106)	1,911,436	63,906
Gain on disposal of investments	(28,739,603)	(1,023,490)	(27,175,192)	(908,564)	(Decrease) increase in other borrowings	(14,506,000)	(516,382)	(8,970,000)	(299,900)
Impairment loss (reversal of impairment loss) recognized on financial assets	1,860,502	66,257	(1,241,464)	(41,506)	Decrease in commercial paper payable	1,076,000	38,319	1,076,000	-
Impairment loss recognized on non-financial assets	-	-	8,629	288	Increase in funds borrowed from the Central Bank and other banks	30,000,000	1,068,376	30,000,000	1,003,009
Gain on changes in fair value of investment properties	(2,113,979)	(75,284)	(842,186)	(28,157)	Proceeds from issuances of bonds payable	(100,000)	(3,561)	(1,700,000)	(56,837)
Net changes in operating assets and liabilities					Decrease in financial liabilities designated as at fair value through profit or loss	(11,289,165)	(402,036)	-	-
Increase in due from the Central Bank and call loans to other banks	(10,914,208)	(388,683)	(5,546,911)	(185,453)	Repayment of the principal portion of lease liabilities	(1,839,482)	(56,606)	(1,658,298)	(55,443)
Decrease in financial assets at fair value through profit or loss	258,808,341	9,216,821	104,014,156	3,477,571	Increase in other liabilities	2,139,275	76,185	1,800,424	60,195
(Increase) decrease in financial assets at fair value through other comprehensive income	(307,748,117)	(10,959,691)	71,643,705	2,395,309	Proceeds from issuances of ordinary shares	-	-	21,210,000	709,127
Increase in investments in debt instruments at amortized cost	(54,562,318)	(1,943,103)	(369,710,354)	(12,360,761)	Dividends paid	(29,729,344)	(1,038,737)	(21,512,706)	(719,248)
Decrease (increase) in financial assets for hedging	93,292	3,322	(93,567)	(3,128)	Changes in non-controlling interests	(1,188,663)	(42,331)	(626,898)	(20,959)
Increase in receivables	(7,129,465)	(253,898)	(23,744,060)	(793,850)	<b>Net cash (used in) generated from financing activities</b>	(25,661,710)	(913,879)	20,853,958	683,850
(Increase) decrease in loans	(77,416,828)	(2,757,010)	107,983,071	3,610,266					
Increase in reinsurance assets	(918,046)	(32,694)	(506,849)	(16,946)	<b>Effect of exchange rate changes on cash and cash equivalents</b>	(318,495)	(11,342)	40,200	1,344
(Increase) decrease in other financial assets	(8,061,537)	(287,092)	(2,119,370)	(71,527)	Net increase in cash and cash equivalents	154,610,332	5,506,066	192,415,802	6,433,160
(Decrease) increase in due to the Central Bank and other banks	(17,977,069)	(640,209)	2,675,895	89,465	Cash and cash equivalents at the beginning of the year	503,214,148	17,920,732	310,398,346	10,391,118
Decrease in financial liabilities at fair value through profit or loss	(109,613,264)	(3,903,606)	(165,438,628)	(5,531,215)	Cash and cash equivalents at the end of the year	\$657,824,480	\$23,426,798	\$503,214,148	\$16,824,278
Decrease in securities sold under repurchase agreements	(37,978,969)	(1,352,527)	(9,028,504)	(301,856)					
Increase (decrease) in payables	4,136,883	147,325	(964,134)	(32,235)					
Increase in deposits and remittances	312,555,247	11,123,762	116,240,730	3,886,330					
Decrease in reserve for employee benefits liabilities	109,114	3,886	250,167	8,364					
(Decrease) increase in provisions	(151,034)	(5,379)	126,061	4,215					
Decrease in other financial liabilities	(18,354,330)	(653,644)	(11,422,393)	(381,892)					
Increase in other liabilities	2,627,333	93,566	10,768,698	360,037					
Cash used in operations	(278,364)	(9,808,648)	(1,707,812)	(60,077)	<b>Reconciliation of cash and cash equivalents:</b>				
Interest received	210,196,945	7,485,646	224,071,626	7,491,529	Cash and cash equivalents presented in the consolidated balance sheets	\$536,716,255	\$19,113,827	\$413,405,471	\$13,821,647
Dividends received	20,203,784	719,508	26,940,617	900,723	Due from the Central Bank and call loans to other banks qualified for cash and cash equivalents under the definition of IAS 7	53,843,883	1,917,517	46,221,746	1,545,361
Interest paid	(19,518,618)	(695,107)	(25,061,546)	(837,899)	Securities purchased under resale agreements qualified for cash and cash equivalents under the definition of IAS 7	67,264,342	2,395,454	43,586,931	1,457,270
Income tax paid	(7,309,251)	(260,301)	(4,024,068)	(134,539)	<b>Cash and cash equivalents at the end of the year</b>	\$657,824,480	\$23,426,798	\$503,214,148	\$16,824,278
<b>Net cash generated from operating activities</b>	195,756,396	6,971,382	170,845,981	5,712,002					

## Cathay Financial Holding Co., Ltd. Balance Sheets

In thousands of Dollars

	2020.12.31		2019.12.31	
	NT \$	US \$	NT \$	US \$
<b>Assets</b>				
Cash and cash equivalents	\$915,274	\$32,595	\$84,693	\$2,832
Financial assets at fair value through profit or loss	36,445,500	1,297,917	35,269,500	1,179,188
Financial assets at fair value through other comprehensive income	116,200	4,138	106,704	3,568
Notes and bonds purchased under resale agreements	-	-	310,000	10,364
Receivables - net	7,739,321	275,617	2,388,041	79,841
Current tax assets	4,650,365	165,611	4,853,833	162,281
Investments accounted for using the equity method - net	953,059,879	33,940,879	810,998,796	27,114,637
Property and equipment - net	58,912	2,098	54,192	1,812
Right-of-use assets	249,272	8,877	54,891	1,835
Deferred tax assets	25,397	905	262,855	8,788
Other assets	43,105	1,535	73,104	2,444
<b>Total</b>	<b>\$1,003,303,225</b>	<b>\$35,730,172</b>	<b>\$854,456,609</b>	<b>\$28,567,590</b>
<b>Liabilities &amp; Equity</b>				
<b>Liabilities</b>				
Commercial paper payable - net	\$38,250,000	\$1,362,180	\$48,480,000	\$1,620,863
Payables	696,079	24,789	10,666,489	356,620
Current tax liabilities	19,849,285	706,883	2,243,784	75,018
Bonds payable	50,000,000	1,780,627	20,000,000	668,673
Provisions	766,414	27,294	832,997	27,850
Lease liabilities	249,631	8,890	55,369	1,851
Deferred tax liabilities	266,714	9,499	266,714	8,917
Other liabilities	163,886	5,836	163,891	5,479
<b>Total liabilities</b>	<b>110,242,009</b>	<b>3,925,998</b>	<b>82,709,244</b>	<b>2,765,271</b>
<b>Equity</b>				
Share capital				
Ordinary shares	131,692,102	4,689,889	131,692,102	4,402,945
Preferred shares	15,333,000	546,047	15,333,000	512,638
Capital surplus	177,256,053	6,312,538	177,256,976	5,926,345
Retained earnings				
Legal reserve	51,967,688	1,850,701	46,122,845	1,542,055
Special reserve	149,894,910	5,338,138	221,977,672	7,421,520
Unappropriated earnings	169,606,342	6,040,112	58,181,890	1,945,232
Other equity	197,311,121	7,026,749	121,182,880	4,051,584
<b>Total equity</b>	<b>893,061,216</b>	<b>31,804,174</b>	<b>771,747,365</b>	<b>25,802,319</b>
<b>Total</b>	<b>\$1,003,303,225</b>	<b>\$35,730,172</b>	<b>\$854,456,609</b>	<b>\$28,567,590</b>

# Cathay Financial Holding Co., Ltd.

## Statements of Comprehensive Income

In thousands of Dollars , except earnings per share

	2020.1.1–2020.12.31		2019.1.1–2019.12.31	
	NT \$	US \$	NT \$	US \$
<b>Revenue</b>				
Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method	\$76,787,053	\$2,734,582	\$63,442,641	\$2,121,118
Other operating income	2,480,733	88,345	1,284,585	42,948
<b>Total revenue</b>	<b>79,267,786</b>	<b>2,822,927</b>	<b>64,727,226</b>	<b>2,164,066</b>
<b>Expenses and loss</b>				
Operating expenses	(1,638,721)	(58,359)	(1,368,200)	(45,744)
Other expenses and losses	(511,379)	(18,212)	(668,023)	(22,334)
<b>Total expenses and losses</b>	<b>(2,150,100)</b>	<b>(76,571)</b>	<b>(2,036,223)</b>	<b>(68,078)</b>
<b>Income before tax</b>	<b>77,117,686</b>	<b>2,746,356</b>	<b>62,691,003</b>	<b>2,095,988</b>
<b>Income tax (expense) benefit</b>	<b>(2,538,226)</b>	<b>(90,392)</b>	<b>66,283</b>	<b>2,216</b>
<b>Net Income</b>	<b>74,579,460</b>	<b>2,655,964</b>	<b>62,757,286</b>	<b>2,098,204</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Remeasurement of defined benefit plans	(1,395)	(50)	715	24
Gain on equity instruments at fair value through other comprehensive income	9,496	338	4,400	147
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	4,245,540	151,195	7,589,382	253,741
Income tax relating to items that will not be reclassified subsequently to profit or loss	279	10	(143)	(5)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	76,155,041	2,712,074	181,540,526	6,069,560
Other comprehensive income for the year, net of income tax	80,408,961	2,863,567	189,134,880	6,323,467
<b>Total comprehensive income for the year</b>	<b>\$154,988,421</b>	<b>\$5,519,531</b>	<b>\$251,892,166</b>	<b>\$8,421,671</b>
<b>Earnings per share</b>				
Basic	\$5.41	\$0.19	\$4.76	\$0.16

# Cathay Financial Holding Co., Ltd. Statements of Changes in Equity

In thousands of Dollars

Items	Share Capital		Retained earnings				Other equity				Other Comprehensive Income																								
	Ordinary Shares		Preferred Shares		Capital Surplus		Legal Reserve		Special Reserve		Unappropriated Earnings		Exchange Difference on Translating the Financial Statements of Foreign Operations		Interventor Gain (Loss) on Disposal of Other Comprehensive Income		Gain (Loss) on Hedging Instruments		Changes in the Fair Value of Assets and Liabilities Recognized at Fair Value Through Profit or Loss		Revaluations of Deferred Hedge P Plans		Gain on Property Reclamation		Other Comprehensive Income (Loss) on Revaluation Using Overlay Approach										
	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$	NTS	US\$							
Balance at January 1, 2019	\$4,200,337	\$15,333,000	\$152,638	\$164,449,364	\$5,513,573	\$49,976,121	\$1,369,981	\$1,727,074	\$149,346,139	\$4,993,133	\$95,553,376	\$3,194,697	(\$12,149,473)	(\$406,214)	(\$17,586,949)	(\$87,596)	\$173,289	\$17,289	\$1,574	\$774,684	\$23,580	(\$1,321,138)	(\$41,170)	\$10,367,911	\$346,637	(\$823,648)	(\$1,763,834)	\$-	\$-	\$519,731,130	\$17,736,596				
Appropriation of 2018 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Legal reserve	-	-	-	-	-	5,146,724	172,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Special reserve	-	-	-	-	-	72,611,533	2,428,337	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends on ordinary shares	-	-	-	-	-	(15,078,852)	(504,041)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash dividends on preferred shares	-	-	-	-	-	(6,667,891)	(89,197)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance of cash dividend from capital surplus	-	-	-	-	-	(1,768,900)	(126,010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	138,891	4,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance of ordinary shares for cash	6,060,000	202,608	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share-based payment transactions	-	-	-	-	-	15,150,000	966,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	287,684	9618	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	\$4,402,845	\$15,333,000	\$512,638	\$177,258,976	\$5,926,343	\$46,122,845	\$1,542,065	\$21,977,672	\$74,211,520	\$58,181,890	\$1,545,232	(\$13,139,020)	(\$443,323)	(\$6,319,953)	(\$2,284,184)	(\$311,930)	\$311,930	\$11,098	\$11,098	(\$1,830,908)	(\$61,870)	(\$1,507,864)	(\$50,411)	\$11,240,114	\$375,805	\$57,988,075	\$1,938,103	\$-	\$-	\$771,747,365	\$2,802,119				
Balance at January 1, 2020	\$4,689,889	\$15,333,000	\$466,047	\$177,258,976	\$6,312,571	\$46,122,845	\$1,642,532	\$21,977,672	\$7,965,188	\$8,181,890	\$2,072,604	(\$31,139,020)	(\$474,343)	(\$6,319,953)	(\$2,433,046)	(\$311,930)	\$311,930	\$11,821	\$11,821	(\$1,830,908)	(\$65,901)	(\$1,507,864)	(\$51,699)	\$11,240,114	\$400,296	\$57,988,075	\$2,064,412	\$-	\$-	\$771,747,365	\$2,748,181				
Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve	-	-	-	-	-	5,644,643	208,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	71,928,090	2,561,543	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	(15,078,852)	(504,041)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends on preferred shares	-	-	-	-	-	(6,667,891)	(89,197)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	-	(921)	(31)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	191,192	6,880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	(5,508)	10,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance on December 31, 2020	\$4,689,889	\$15,333,000	\$466,047	\$177,258,976	\$6,312,571	\$51,907,688	\$1,830,701	\$19,988,910	\$109,608,342	\$6,640,112	\$10,608,342	(\$35,144,999)	(\$550,723)	(\$106,207,840)	(\$3,798,210)	\$142,871	\$12,389	\$12,389	(\$1,478,709)	(\$52,660)	(\$1,986,279)	(\$70,023)	\$11,097,089	\$395,195	\$102,116,017	\$3,650,699	(\$1,046,667)	(\$1,046,667)	\$893,061,216	\$31,801,174					

# Cathay Financial Holding Co., Ltd.

## Statements of Cash Flows

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Cash flows from operating activities</b>				
Income before income tax	\$77,117,686	\$2,746,356	\$62,691,003	\$2,095,988
Adjustments for:				
Depreciation expenses	72,436	2,579	64,610	2,160
Amortization expenses	-	-	1,330	44
(Gain) loss on of financial assets and liabilities at fair value through profit or loss	(1,176,000)	(41,880)	175,000	5,851
Interest income	(1,261,303)	(44,918)	(1,261,857)	(42,188)
Dividend income	(5,512)	(196)	(5,378)	(180)
Interest expenses	481,797	17,158	455,258	15,221
Compensation cost of share-based payments	-	-	3,856	129
Share of gain of subsidiaries, associates and joint ventures accounted for using the equity method	(76,787,053)	(2,734,582)	(63,442,641)	(2,121,118)
Loss on disposal and retirement of property and equipment	103	4	11	-
Changes in operating assets and liabilities				
Receivables	(15,900)	(566)	-	-
Other assets	5,857	209	(6,154)	(206)
Payables	101,752	3,623	43,998	1,471
Provisions	4,894	174	11,144	373
Other liabilities	(5)	-	(178)	(6)
Cash used in operations	(1,461,248)	(52,039)	(1,269,998)	(42,461)
Interest received	1,261,320	44,919	1,261,860	42,189
Dividend received	5,512	196	5,378	180
Interest paid	(384,538)	(13,694)	(317,970)	(10,631)
Income tax refunded	-	-	818,169	27,354
Income taxes paid	(45,357)	(1,615)	-	-
<b>Net cash (used in) generated from operating activities</b>	<b>(624,311)</b>	<b>(22,233)</b>	<b>497,439</b>	<b>16,631</b>
<b>Cash flows from investing activities</b>				
Acquisition of investments accounted for using the equity method	(1,200,000)	(42,735)	(20,000,000)	(668,673)
Acquisition of property and equipment	(15,961)	(568)	(74,061)	(2,476)
Proceeds from disposal of property and equipment	-	-	24,854	831
Decrease (increase) in other assets	289	10	(17,483)	(585)
Dividends received	12,381,325	440,930	10,658,658	356,358
<b>Net cash flows used in investing activities</b>	<b>11,165,653</b>	<b>397,637</b>	<b>(9,408,032)</b>	<b>(314,545)</b>
<b>Cash flows from financing activities</b>				
Decrease in commercial paper payable	(10,230,000)	(364,316)	(10,780,000)	(360,414)
Issuance of corporate bonds	30,000,000	1,068,376	20,000,000	668,673
Repayments of the principal portion of lease liabilities	(61,417)	(2,187)	(57,361)	(1,918)
Issuance of ordinary shares for cash	-	-	21,210,000	709,127
Dividends paid	(29,729,344)	(1,058,738)	(21,512,706)	(719,248)
<b>Net cash flows generated from financing activities</b>	<b>(10,020,761)</b>	<b>(356,865)</b>	<b>8,859,933</b>	<b>296,220</b>
<b>Net decrease in cash and cash equivalents</b>	<b>520,581</b>	<b>18,539</b>	<b>(50,660)</b>	<b>(1,694)</b>
<b>Cash and cash equivalents at the beginnings of the year</b>	<b>394,693</b>	<b>14,056</b>	<b>445,353</b>	<b>14,890</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>\$915,274</b>	<b>\$32,595</b>	<b>\$394,693</b>	<b>\$13,196</b>
<b>Cash and cash equivalents presented in the balance sheets</b>	<b>\$915,274</b>	<b>\$32,595</b>	<b>\$84,693</b>	<b>\$2,832</b>
<b>Securities purchased under resale agreements qualified for cash and cash equivalents under the definition of IAS 7</b>	<b>-</b>	<b>-</b>	<b>310,000</b>	<b>10,364</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>\$915,274</b>	<b>\$32,595</b>	<b>\$394,693</b>	<b>\$13,196</b>

## Cathay Life Insurance Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$504,040,612	\$17,950,164	\$392,341,567	\$13,117,405
Receivables	64,212,928	2,286,785	78,031,177	2,608,866
Financial assets at fair value through profit or loss	1,331,633,589	47,422,849	1,280,235,253	42,802,917
Financial assets at fair value through other comprehensive income	1,222,680,832	43,542,765	854,336,862	28,563,586
Financial assets measured at amortized cost	2,649,363,807	94,350,563	2,613,943,901	87,393,644
Financial assets for hedging	146,959	5,234	548,075	18,324
Investments accounted for using the equity method	89,577,714	3,190,089	103,774,796	3,469,569
Investment property	464,528,398	16,543,034	451,323,302	15,089,378
Loans	491,769,348	17,513,153	526,098,622	17,589,389
Reinsurance assets	2,087,931	74,356	1,677,797	56,095
Property and equipment	26,750,271	952,645	29,653,823	991,435
Right-of-use assets	524,444	18,677	465,801	15,573
Intangible assets	29,509,337	1,050,902	31,478,209	1,052,431
Deferred tax assets	56,453,457	2,010,451	36,056,344	1,205,495
Other assets	29,493,153	1,050,326	27,469,277	918,398
Separate account insurance product assets	641,555,694	22,847,425	607,424,732	20,308,416
<b>Total</b>	<b>\$7,604,328,474</b>	<b>\$270,809,418</b>	<b>\$7,034,859,538</b>	<b>\$235,200,921</b>
<b>Liabilities</b>				
Payables	\$24,648,142	\$877,783	\$25,554,039	\$854,365
Current tax liabilities	160,145	5,703	261,305	8,736
Financial liabilities at fair value through profit or loss	11,687,067	416,206	2,974,334	99,443
Financial liabilities for hedging	90,971	3,240	-	-
Bonds payable	80,000,000	2,849,003	80,000,000	2,674,691
Insurance liabilities	6,018,792,456	214,344,461	5,628,299,012	188,174,491
Reserve for insurance contracts with the nature of financial products	1,010,156	35,974	1,001,991	33,500
Reserve for foreign exchange valuation	14,820,865	527,808	18,000,877	601,835
Provisions	56,245	2,003	56,245	1,880
Lease liabilities	9,279,631	330,471	9,198,368	307,535
Deferred tax liabilities	67,447,866	2,401,989	54,951,648	1,837,233
Other liabilities	21,051,872	749,711	18,518,204	619,131
Separate account insurance product liabilities	641,555,694	22,847,425	607,424,732	20,308,416
<b>Total liabilities</b>	<b>6,890,601,110</b>	<b>245,391,777</b>	<b>6,446,240,755</b>	<b>215,521,256</b>
<b>Equity</b>				
Capital	58,515,274	2,083,877	58,515,274	1,956,378
Capital surplus	60,606,533	2,158,352	60,607,456	2,026,328
Retained earnings	416,092,528	14,818,110	364,423,657	12,184,007
Other equity	178,513,029	6,357,302	105,072,396	3,512,952
<b>Total equity</b>	<b>713,727,364</b>	<b>25,417,641</b>	<b>588,618,783</b>	<b>19,679,665</b>
<b>Total</b>	<b>\$7,604,328,474</b>	<b>\$270,809,418</b>	<b>\$7,034,859,538</b>	<b>\$235,200,921</b>

## Cathay Life Insurance Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars, except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$906,260,419	\$32,274,231	\$906,585,211	\$30,310,439
Operating costs	(837,328,341)	(29,819,385)	(846,503,873)	(28,301,701)
Operating expenses	(20,564,071)	(732,339)	(22,141,294)	(740,264)
Operating income	48,368,007	1,722,507	37,940,044	1,268,474
Non-operating income and expenses	1,582,615	56,361	1,663,036	55,601
Profit before income tax	49,950,622	1,778,868	39,603,080	1,324,075
Income tax benefit (expense)	1,793,972	63,888	(1,757,127)	(58,747)
Net income	51,744,594	1,842,756	37,845,953	1,265,328
Other comprehensive income	77,309,213	2,753,177	183,858,590	6,147,061
<b>Total comprehensive income</b>	<b>\$129,053,807</b>	<b>\$4,595,933</b>	<b>\$221,704,543</b>	<b>\$7,412,389</b>
Basic earnings per share	\$8.84	\$0.31	\$6.60	\$0.22

## Cathay Lujiazui Life Insurance Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NTS	US\$	NTS	US\$
<b>Assets</b>				
Cash and cash equivalents	\$2,329,605	\$82,963	\$3,107,701	\$103,902
Receivables	964,148	34,336	804,061	26,883
Financial assets at fair value through profit or loss	49,511,070	1,763,215	36,611,278	1,224,048
Financial assets measured at amortized cost	1,086,092	38,678	129,651	4,335
Loans	1,358,558	48,382	861,990	28,819
Reinsurance assets	112,760	4,015	66,135	2,211
Property and equipment	103,434	3,683	119,310	3,989
Right-of-use assets	254,266	9,055	283,100	9,465
Intangible assets	36,835	1,312	30,957	1,035
Other assets	2,663,475	94,853	2,642,612	88,352
Separate account insurance product assets	128,874	4,590	117,702	3,935
<b>Total</b>	<b>\$58,549,117</b>	<b>\$2,085,082</b>	<b>\$44,774,497</b>	<b>\$1,496,974</b>
<b>Liabilities</b>				
Payables	\$1,832,778	\$65,270	\$1,644,255	\$54,973
Current tax liabilities	23,981	854	78,150	2,613
Insurance liabilities	31,436,348	1,119,528	21,919,965	732,864
Reserve for insurance contracts with the nature of financial instruments	12,721,352	453,040	9,930,017	331,997
Lease liabilities	263,942	9,400	289,529	9,680
Other liabilities	109,553	3,901	80,636	2,696
Separate account insurance product liabilities	128,874	4,589	117,702	3,935
<b>Total liabilities</b>	<b>46,516,828</b>	<b>1,656,582</b>	<b>34,060,254</b>	<b>1,138,758</b>
<b>Equity</b>				
Capital	13,497,155	480,668	13,497,155	451,259
Retained earnings	(1,400,823)	(49,887)	(2,890,408)	(96,637)
Other equity	(64,043)	(2,281)	107,496	3,594
<b>Total equity</b>	<b>12,032,289</b>	<b>428,500</b>	<b>10,714,243</b>	<b>358,216</b>
<b>Total</b>	<b>\$58,549,117</b>	<b>\$2,085,082</b>	<b>\$44,774,497</b>	<b>\$1,496,974</b>

## Cathay Lujiazui Life Insurance Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NTS	US\$	NTS	US\$
Operating revenue	\$16,810,496	\$598,664	\$13,940,061	\$466,067
Operating costs	(13,363,144)	(475,895)	(11,371,423)	(380,188)
Operating expenses	(1,721,692)	(61,314)	(1,991,655)	(66,588)
Operating income	1,725,660	61,455	576,983	19,291
Non-operating income and expenses	1,279	46	43,505	1,454
Profit before income tax	1,726,939	61,501	620,488	20,745
Income tax expense	(237,354)	(8,453)	(7,937)	(265)
Net income	1,489,585	53,048	612,551	20,480
Other comprehensive (loss) income	(171,539)	(6,109)	318,995	10,665
<b>Total comprehensive income</b>	<b>\$1,318,046</b>	<b>\$46,939</b>	<b>\$931,546</b>	<b>\$31,145</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Lujiazui Life is a limited company; therefore there is no information about its earnings per share.

## Cathay Life Insurance Company (Vietnam) Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$748,475	\$26,655	\$1,135,950	\$37,979
Receivables	585,819	20,862	608,253	20,336
Financial assets at fair value through profit or loss	15,074,158	536,829	13,125,255	438,825
Financial assets measured at amortized cost	1,336,764	47,606	220,181	7,361
Loans	92,258	3,286	65,804	2,200
Property and equipment	19,522	695	26,167	875
Right-of-use assets	106,662	3,799	112,826	3,772
Intangible assets	3,323	118	4,562	153
Other assets	85,727	3,053	81,391	2,721
<b>Total</b>	<b>\$18,052,708</b>	<b>\$642,903</b>	<b>\$15,380,389</b>	<b>\$514,222</b>
<b>Liabilities</b>				
Payables	\$214,666	\$7,645	\$170,964	\$5,716
Insurance liabilities	6,752,746	240,482	4,272,128	142,833
Lease liabilities	103,759	3,695	111,342	3,722
Other liabilities	-	-	62	2
<b>Total liabilities</b>	<b>7,071,171</b>	<b>251,822</b>	<b>4,554,496</b>	<b>152,273</b>
<b>Equity</b>				
Capital	9,090,730	323,744	9,090,730	303,936
Retained earnings	(937,479)	(33,386)	198,367	6,632
Other equity	2,828,286	100,723	1,536,796	51,381
<b>Total equity</b>	<b>10,981,537</b>	<b>391,081</b>	<b>10,825,893</b>	<b>361,949</b>
<b>Total</b>	<b>\$18,052,708</b>	<b>\$642,903</b>	<b>\$15,380,389</b>	<b>\$514,222</b>

## Cathay Life Insurance Company (Vietnam) Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$3,119,731	\$111,102	\$2,295,247	\$76,738
Operating costs	(3,316,372)	(118,104)	(1,498,381)	(50,096)
Operating expenses	(944,208)	(33,626)	(726,347)	(24,284)
Operating (loss) income	(1,140,849)	(40,628)	70,519	2,358
Non-operating income and expenses	5,818	207	3,354	112
(Loss) Profit before income tax	(1,135,031)	(40,421)	73,873	2,470
Income tax expense	(815)	(29)	-	-
Net (loss) income	(1,135,846)	(40,450)	73,873	2,470
Other comprehensive income	1,291,490	45,993	1,186,770	39,678
<b>Total comprehensive income</b>	<b>\$155,644</b>	<b>\$5,543</b>	<b>\$1,260,643</b>	<b>\$42,148</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Life (Vietnam) is a limited company; therefore, there is no information about its earnings per share.

## Lin Yuan (Shanghai) Real Estate Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$344,676	\$12,275	\$295,787	\$9,889
Financial assets measured at amortized cost	1,198,780	42,691	993,991	33,233
Investment property	7,039,316	250,688	6,992,510	233,785
Property and equipment	2	-	2	-
Other non-current assets	-	-	908	30
<b>Total</b>	<b>\$8,582,774</b>	<b>\$305,654</b>	<b>\$8,283,198</b>	<b>\$276,937</b>
<b>Liabilities</b>				
Current liabilities	\$2,631	\$94	\$1,617	\$54
Deferred tax liabilities	520,001	18,518	456,715	15,269
Other liabilities	93,758	3,339	89,778	3,002
<b>Total liabilities</b>	<b>616,390</b>	<b>21,951</b>	<b>548,110</b>	<b>18,325</b>
<b>Equity</b>				
Capital	7,223,435	257,245	7,223,435	241,506
Retained earnings	1,326,003	47,222	1,164,590	38,936
Other equity	(583,054)	(20,764)	(652,937)	(21,830)
<b>Total equity</b>	<b>7,966,384</b>	<b>283,703</b>	<b>7,735,088</b>	<b>258,612</b>
<b>Total</b>	<b>\$8,582,774</b>	<b>\$305,654</b>	<b>\$8,283,198</b>	<b>\$276,937</b>

## Lin Yuan (Shanghai) Real Estate Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$278,814	\$9,929	\$381,097	\$12,741
Operating expenses	(51,725)	(1,842)	(43,843)	(1,466)
Operating income	227,089	8,087	337,254	11,275
Non-operating income and expenses	-	-	-	-
Profit before income tax	227,089	8,087	337,254	11,275
Income tax expense	(65,676)	(2,339)	(62,934)	(2,104)
Net income	161,413	5,748	274,320	9,171
Other comprehensive income (loss)	69,883	2,489	(276,578)	(9,247)
<b>Total comprehensive income (loss)</b>	<b>\$231,296</b>	<b>\$8,237</b>	<b>(\$2,258)</b>	<b>(\$75)</b>
Basic earnings per share	Note	Note	Note	Note

Note: Lin Yuan is a limited company; therefore, there is no information about its earnings per share.

## Cathay Woolgate Exchange Holding 1 Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$3,553,611	\$126,553	\$1,747,778	\$58,434
Financial assets measured at amortized cost	-	-	1,285,580	42,982
Investment property	9,876,964	351,744	11,019,398	368,419
<b>Total</b>	<b>\$13,430,575</b>	<b>\$478,297</b>	<b>\$14,052,756</b>	<b>\$469,835</b>
<b>Liabilities</b>				
Current liabilities	\$58,881	\$2,097	\$105,432	\$3,525
<b>Total liabilities</b>	<b>58,881</b>	<b>2,097</b>	<b>105,432</b>	<b>3,525</b>
<b>Equity</b>				
Capital	16,654,013	593,092	16,654,013	556,804
Retained earnings	890,991	31,730	1,236,211	41,331
Other equity	(4,173,310)	(148,622)	(3,942,900)	(131,825)
<b>Total equity</b>	<b>13,371,694</b>	<b>476,200</b>	<b>13,947,324</b>	<b>466,310</b>
<b>Total</b>	<b>\$13,430,575</b>	<b>\$478,297</b>	<b>\$14,052,756</b>	<b>\$469,835</b>

## Cathay Woolgate Exchange Holding 1 Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating (loss) revenue	(\$277,275)	(\$9,875)	\$891,925	\$29,820
Operating expenses	(5,740)	(204)	(733)	(24)
(Loss) profit before income tax	(283,015)	(10,079)	891,192	29,796
Income tax expense	(62,205)	(2,215)	(150,385)	(5,028)
Net (loss) income	(345,220)	(12,294)	740,807	24,768
Other comprehensive (loss) income	(230,410)	(8,206)	221,246	7,397
<b>Total comprehensive income (loss)</b>	<b>(\$575,630)</b>	<b>\$(20,500)</b>	<b>\$962,053</b>	<b>\$32,165</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Woolgate Exchange Holding 1 Limited is a limited company; therefore, there is no information about its earnings per share.

## Cathay Woolgate Exchange Holding 2 Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$34,113	\$1,215	\$17,971	\$601
Financial assets measured at amortized cost	-	-	11,867	397
Investment property	99,767	3,553	111,307	3,721
<b>Total</b>	<u>\$133,880</u>	<u>\$4,768</u>	<u>\$141,145</u>	<u>\$4,719</u>
<b>Liabilities</b>				
Current liabilities	\$681	\$24	\$998	\$33
<b>Total liabilities</b>	<u>681</u>	<u>24</u>	<u>998</u>	<u>33</u>
<b>Equity</b>				
Capital	168,222	5,991	168,222	5,624
Retained earnings	7,166	255	11,770	394
Other equity	(42,189)	(1,502)	(39,845)	(1,332)
<b>Total equity</b>	<u>133,199</u>	<u>4,744</u>	<u>140,147</u>	<u>4,686</u>
<b>Total</b>	<u>\$133,880</u>	<u>\$4,768</u>	<u>\$141,145</u>	<u>\$4,719</u>

## Cathay Woolgate Exchange Holding 2 Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating (loss) revenue	(\$2,823)	(\$101)	\$8,989	\$300
Operating expenses	(1,331)	(47)	(733)	(25)
(Loss) profit before income tax	(4,154)	(148)	8,256	275
Income tax expense	(450)	(16)	(1,480)	(49)
Net (loss) income	(4,604)	(164)	6,776	226
Other comprehensive (loss) income	(2,344)	(83)	2,233	75
<b>Total comprehensive income (loss)</b>	<u>(\$6,948)</u>	<u>(\$247)</u>	<u>\$9,009</u>	<u>\$301</u>
<b>Basic earnings per share</b>	<u>Note</u>	<u>Note</u>	<u>Note</u>	<u>Note</u>

Note: Cathay Woolgate Exchange Holding 2 Limited is a limited company; therefore, there is no information about its earnings per share.

## Cathay Walbrook Holding 1 Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$1,473,611	\$52,479	\$1,075,425	\$35,955
Investment property	20,317,463	723,556	21,096,505	705,333
Other non-current assets	163	6	-	-
<b>Total</b>	<b>\$21,791,237</b>	<b>\$776,041</b>	<b>\$22,171,930</b>	<b>\$741,288</b>
<b>Liabilities</b>				
Current liabilities	\$164,650	\$5,864	\$168,356	\$5,629
Non-current liabilities	12,758,544	454,364	12,964,577	433,453
<b>Total liabilities</b>	<b>12,923,194</b>	<b>460,228</b>	<b>13,132,933</b>	<b>439,082</b>
<b>Equity</b>				
Capital	10,189,090	362,859	10,189,090	340,658
Retained earnings	594,604	21,175	621,234	20,770
Other equity	(1,915,651)	(68,221)	(1,771,327)	(59,222)
<b>Total equity</b>	<b>8,868,043</b>	<b>315,813</b>	<b>9,038,997</b>	<b>302,206</b>
<b>Total</b>	<b>\$21,791,237</b>	<b>\$776,041</b>	<b>\$22,171,930</b>	<b>\$741,288</b>

## Cathay Walbrook Holding 1 Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$407,658	\$14,518	\$718,077	\$24,008
Operating costs	(405,704)	(14,448)	(486,503)	(16,266)
Operating expenses	(26,545)	(945)	(756)	(25)
Profit before (loss) income tax	(24,591)	(875)	230,818	7,717
Income tax expense	(2,039)	(73)	(69,424)	(2,321)
Net (loss) income	(26,630)	(948)	161,394	5,396
Other comprehensive (loss) income	(144,324)	(5,140)	148,182	4,954
<b>Total comprehensive (loss) income</b>	<b>(\$170,954)</b>	<b>(\$6,088)</b>	<b>\$309,576</b>	<b>\$10,350</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Walbrook Holding 1 Limited is a limited company; therefore, there is no information about its earnings per share.

## Cathay Walbrook Holding 2 Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$72,406	\$2,578	\$53,025	\$1,773
Investment property	1,069,341	38,082	1,110,342	37,123
Other non-current assets	163	6	-	-
<b>Total</b>	<b>\$1,141,910</b>	<b>\$40,666</b>	<b>\$1,163,367</b>	<b>\$38,896</b>
<b>Liabilities</b>				
Current liabilities	\$8,358	\$297	\$8,567	\$286
Non-current liabilities	671,502	23,914	682,346	22,814
<b>Total liabilities</b>	<b>679,860</b>	<b>24,211</b>	<b>690,913</b>	<b>23,100</b>
<b>Equity</b>				
Capital	536,268	19,098	536,268	17,929
Retained earnings	26,355	939	29,179	976
Other equity	(100,573)	(3,582)	(92,993)	(3,109)
<b>Total equity</b>	<b>462,050</b>	<b>16,455</b>	<b>472,454</b>	<b>15,796</b>
<b>Total</b>	<b>\$1,141,910</b>	<b>\$40,666</b>	<b>\$1,163,367</b>	<b>\$38,896</b>

## Cathay Walbrook Holding 2 Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$21,439	\$763	\$37,759	\$1,262
Operating costs	(21,353)	(761)	(25,605)	(856)
Operating expenses	(2,958)	(105)	(758)	(25)
(Loss) profit before income tax	(2,872)	(103)	11,396	381
Income tax benefit (expense)	48	2	(3,503)	(117)
Net (loss) income	(2,824)	(101)	7,893	264
Other comprehensive (loss) income	(7,580)	(270)	7,753	259
<b>Total comprehensive income (loss)</b>	<b>(\$10,404)</b>	<b>(\$371)</b>	<b>\$15,646</b>	<b>\$523</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Walbrook Holding 2 Limited is a limited company; therefore, there is no information about its earnings per share.

## Conning Holdings Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$6,270,216	\$223,298	\$5,635,194	\$188,405
Financial assets at fair value through profit or loss	916,693	32,646	1,056,370	35,318
Financial assets at fair value through other comprehensive income	5,426	193	4,409	147
Investments accounted for using the equity method	-	-	2,774,628	92,766
Property and equipment	922,833	32,864	770,358	25,756
Right-of-use assets	825,519	29,399	790,993	26,446
Intangible assets	14,521,342	517,142	9,833,170	328,759
Deferred tax assets	237,286	8,450	100,422	3,357
Other non-current assets	305,167	10,868	270,618	9,048
<b>Total</b>	<b>\$24,004,482</b>	<b>\$854,860</b>	<b>\$21,236,162</b>	<b>\$710,002</b>
<b>Liabilities</b>				
Current liabilities	\$3,865,454	\$137,659	\$3,940,693	\$131,751
Provisions	-	-	177,625	5,939
Financial liabilities for hedging	48,887	1,741	30,894	1,033
Lease liabilities	913,690	32,539	859,735	28,744
Deferred tax liabilities	423,181	15,070	385,259	12,881
Other non-current liabilities	4,637,199	165,142	509,103	17,021
<b>Total liabilities</b>	<b>9,888,411</b>	<b>352,151</b>	<b>5,903,309</b>	<b>197,369</b>
<b>Equity</b>				
Capital	99,343	3,538	99,343	3,321
Capital surplus	15,624,196	556,417	15,624,196	522,374
Retained earnings	3,106,384	110,626	448,451	14,993
Other equity	(6,096,825)	(217,123)	(1,392,103)	(46,543)
Non-controlling interest	1,382,973	49,251	552,966	18,488
<b>Total equity</b>	<b>14,116,071</b>	<b>502,709</b>	<b>15,332,853</b>	<b>512,633</b>
<b>Total</b>	<b>\$24,004,482</b>	<b>\$854,860</b>	<b>\$21,236,162</b>	<b>\$710,002</b>

## Conning Holdings Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$10,260,771	\$365,412	\$7,305,508	\$244,250
Operating costs	(910,589)	(32,429)	(922,886)	(30,856)
Operating expenses	(6,233,967)	(222,007)	(5,771,884)	(192,975)
Operating income	3,116,215	110,976	610,738	20,419
Non-operating income and expenses	(1,097)	(39)	-	-
Profit before income tax	3,115,118	110,937	610,738	20,419
Income tax expense	(264,459)	(9,418)	(172,464)	(5,766)
Net income	2,850,659	101,519	438,274	14,653
Other comprehensive loss	(796,073)	(28,350)	(344,487)	(11,517)
<b>Total comprehensive income</b>	<b>\$2,054,586</b>	<b>\$73,169</b>	<b>\$93,787</b>	<b>\$3,136</b>
Basic earnings per share	Note	Note	Note	Note

Note: CHL is a limited company; therefore, there is no information about its earnings per share.

## Cathay Century Insurance Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$10,004,597	\$356,289	\$10,501,223	\$351,094
Receivables	2,597,751	92,512	2,631,288	87,973
Financial assets at fair value through profit or loss	11,665,436	415,436	9,697,413	324,220
Financial assets at fair value through other comprehensive income	1,226,184	43,667	1,343,814	44,928
Financial assets measured at amortized cost	6,874,033	244,802	7,644,009	255,567
Investments accounted for using the equity method	2,814,164	100,220	2,737,905	91,538
Loans	195,316	6,956	229,849	7,685
Reinsurance assets	7,336,678	261,278	6,560,871	219,354
Property and equipment	188,259	6,704	166,902	5,580
Right-of-use assets	101,982	3,632	203,598	6,807
Intangible assets	81,777	2,912	63,203	2,113
Deferred tax assets	175,329	6,244	134,204	4,487
Other assets	617,042	21,974	624,601	20,883
<b>Total</b>	<b>\$43,878,548</b>	<b>\$1,562,626</b>	<b>\$42,538,880</b>	<b>\$1,422,229</b>
<b>Liabilities</b>				
Payables	\$3,198,584	\$113,910	\$3,230,479	\$108,007
Financial liabilities at fair value through profit or loss	2,700	96	367	12
Lease liabilities	102,357	3,645	204,118	6,824
Insurance liabilities	25,988,108	925,503	24,718,953	826,444
Other liabilities	716,499	25,516	994,858	33,262
Provisions	454,164	16,174	432,909	14,474
Deferred tax liabilities	286,310	10,196	300,739	10,055
<b>Total liabilities</b>	<b>30,748,722</b>	<b>1,095,040</b>	<b>29,882,423</b>	<b>999,078</b>
<b>Equity</b>				
Ordinary shares	3,057,052	108,869	3,057,052	102,208
Capital surplus	518,326	18,459	518,326	17,330
Retained earnings	9,679,187	344,700	9,273,299	310,040
Other equity	(124,739)	(4,442)	(192,220)	(6,427)
<b>Total equity</b>	<b>13,129,826</b>	<b>467,586</b>	<b>12,656,457</b>	<b>423,151</b>
<b>Total</b>	<b>\$43,878,548</b>	<b>\$1,562,626</b>	<b>\$42,538,880</b>	<b>\$1,422,229</b>

## Cathay Century Insurance Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$20,406,319	\$726,721	\$20,465,597	\$684,239
Operating costs	(13,861,758)	(493,652)	(14,039,182)	(469,381)
Operating expenses	(3,998,730)	(142,405)	(3,935,900)	(131,591)
Operating profit	2,545,831	90,664	2,490,515	83,267
Non-operating income and expenses	4,446	158	4,481	150
Profit before income tax	2,550,277	90,822	2,494,996	83,417
Income tax expense	(376,333)	(13,402)	(388,710)	(12,996)
Net income	2,173,944	77,420	2,106,286	70,421
Other comprehensive income	67,481	2,403	620,427	20,743
<b>Total comprehensive income</b>	<b>\$2,241,425</b>	<b>\$79,823</b>	<b>\$2,726,713</b>	<b>\$91,164</b>
<b>Basic earnings per share</b>	<b>\$7.11</b>	<b>\$0.25</b>	<b>\$6.89</b>	<b>\$0.23</b>

## Cathay Insurance Co., Ltd (Vietnam) Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$248,975	\$8,867	\$184,376	\$6,164
Receivables	76,283	2,717	144,928	4,846
Financial assets measured at amortized cost	524,924	18,694	538,189	17,994
Reinsurance assets	109,259	3,891	154,292	5,159
Property and equipment	8,827	314	5,180	173
Right-of-use assets	3,882	138	5,900	197
Intangible assets	9,403	335	4,104	137
Other assets	48,782	1,737	48,069	1,607
<b>Total</b>	<b>\$1,030,335</b>	<b>\$36,693</b>	<b>\$1,085,038</b>	<b>\$36,277</b>
<b>Liabilities</b>				
Payables	\$164,332	\$5,852	\$173,768	\$5,810
Insurance liabilities	238,175	8,482	275,828	9,222
Lease liabilities	3,680	131	6,035	202
Deferred tax liabilities	117	4	134	4
Other liabilities	13,530	482	13,844	463
<b>Total liabilities</b>	<b>419,834</b>	<b>14,951</b>	<b>469,609</b>	<b>15,701</b>
<b>Equity</b>				
Capital	845,585	30,114	845,585	28,271
Retained earnings	(57,250)	(2,039)	(83,292)	(2,785)
Other equity	(177,834)	(6,333)	(146,864)	(4,910)
<b>Total equity</b>	<b>610,501</b>	<b>21,742</b>	<b>615,429</b>	<b>20,576</b>
<b>Total</b>	<b>\$1,030,335</b>	<b>\$36,693</b>	<b>\$1,085,038</b>	<b>\$36,277</b>

## Cathay Insurance Co., Ltd (Vietnam) Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$338,418	\$12,052	\$260,339	\$8,704
Operating costs	(79,565)	(2,834)	(85,720)	(2,866)
Operating expenses	(225,572)	(8,033)	(161,396)	(5,396)
Operating income	33,281	1,185	13,223	442
Non-operating income and expenses	940	33	871	29
Profit before income tax	34,221	1,218	14,094	471
Income tax expense	(8,179)	(291)	(3)	-
Net income	26,042	927	14,091	471
Other comprehensive loss	(30,970)	(1,103)	(12,486)	(417)
<b>Total comprehensive income</b>	<b>(\$4,928)</b>	<b>(\$176)</b>	<b>\$1,605</b>	<b>\$54</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Insurance (Vietnam) is a limited company; therefore, there is no information about its earnings per share.

## Cathay United Bank Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$74,801,339	\$2,663,865	\$48,515,201	\$1,622,040
Due from the Central Bank and call loans to other banks	114,673,136	4,083,801	111,420,796	3,725,202
Financial assets at fair value through profit or loss	320,798,792	11,424,459	294,191,635	9,835,896
Financial assets at fair value through other comprehensive income	304,618,288	10,848,230	293,510,005	9,813,106
Financial assets measured at amortized cost	501,266,786	17,851,381	443,835,161	14,839,022
Securities purchased under resale agreements	18,338,416	653,077	9,780,448	326,996
Receivables	99,694,198	3,550,363	99,115,885	3,313,804
Loans	1,593,426,912	56,745,973	1,487,889,877	49,745,566
Investments accounted for using the equity method	25,777,352	917,997	25,617,511	856,486
Other financial assets	364	13	909	30
Property and equipment	24,174,666	860,921	24,554,606	820,950
Right-of-use assets	3,697,989	131,695	3,717,597	124,293
Investment property	646,445	23,022	857,504	28,670
Intangible assets	7,635,738	271,928	7,628,450	255,047
Deferred tax assets	4,371,750	155,689	3,860,039	129,055
Other assets	30,472,784	1,085,213	28,401,262	949,557
<b>Total</b>	<b>\$3,124,394,955</b>	<b>\$111,267,627</b>	<b>\$2,882,896,886</b>	<b>\$96,385,720</b>
<b>Liabilities</b>				
Deposits from the Central Bank and banks	\$63,383,248	\$2,257,238	\$70,709,191	\$2,364,065
Due to the Central Bank and other banks	1,076,000	38,319	-	-
Financial liabilities at fair value through profit or loss	114,386,759	4,073,603	106,531,886	3,561,748
Securities sold under repurchase agreements	10,092,058	359,404	43,710,339	1,461,396
Payables	22,325,212	795,057	23,858,296	797,670
Current tax liabilities	189,195	6,738	241,436	8,072
Deposits and remittances	2,559,958,727	91,166,621	2,276,606,769	76,115,238
Financial debentures payable	53,800,000	1,915,955	53,900,000	1,802,073
Other financial liabilities	35,331,092	1,258,230	60,218,085	2,013,310
Provisions	3,766,162	134,123	3,682,517	123,120
Lease liabilities	3,719,319	132,454	3,739,711	125,032
Deferred tax liabilities	3,330,151	118,595	3,046,972	101,871
Other liabilities	10,740,160	382,484	9,166,080	306,455
<b>Total liabilities</b>	<b>2,882,098,083</b>	<b>102,638,821</b>	<b>2,655,411,282</b>	<b>88,780,050</b>
<b>Equity</b>				
Ordinary shares	106,985,830	3,810,037	101,658,353	3,398,808
Capital surplus	38,687,276	1,377,752	38,687,276	1,293,456
Retained earnings	88,733,278	3,160,017	81,794,948	2,734,702
Other equity	7,890,488	281,000	5,345,027	178,704
<b>Total equity</b>	<b>242,296,872</b>	<b>8,628,806</b>	<b>227,485,604</b>	<b>7,605,670</b>
<b>Total</b>	<b>\$3,124,394,955</b>	<b>\$111,267,627</b>	<b>\$2,882,896,886</b>	<b>\$96,385,720</b>

## Cathay United Bank Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$43,507,190	\$1,549,401	\$51,391,239	\$1,718,196
Interest expense	(11,398,019)	(405,912)	(18,742,159)	(626,619)
Net interest income	32,109,171	1,143,489	32,649,080	1,091,577
Non-interest income	26,559,968	945,868	27,464,942	918,253
<b>Total income</b>	<b>58,669,139</b>	<b>2,089,357</b>	<b>60,114,022</b>	<b>2,009,830</b>
Bad debt expense, commitment and guarantee liability provision	(2,900,505)	(103,294)	(2,871,227)	(95,996)
Operating expenses	(30,746,967)	(1,094,978)	(31,940,142)	(1,067,875)
Profit before income tax	25,021,667	891,085	25,302,653	845,959
Income tax expense	(3,168,000)	(112,821)	(3,480,000)	(116,349)
Net income	21,853,667	778,264	21,822,653	729,610
Other comprehensive income	2,957,601	105,328	3,821,112	127,754
<b>Total comprehensive income</b>	<b>\$24,811,268</b>	<b>\$883,592</b>	<b>\$25,643,765</b>	<b>\$857,364</b>
Basic earnings per share	\$2.04	\$0.07	\$2.14	\$0.07

## Indovina Bank Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$1,895,490	\$67,503	\$11,305,750	\$377,992
Due from the Central Bank and call loans to other banks	5,210,061	185,544	2,919,836	97,621
Financial assets at fair value through profit or loss	2,049,582	72,991	4,370,584	146,125
Financial assets at fair value through other comprehensive income	9,683,574	344,857	9,707,639	324,562
Financial assets measured at amortized cost	-	-	647,735	21,656
Securities purchased under resale agreements	6,657,815	237,102	2,117,861	70,808
Receivables	468,328	16,678	212,052	7,090
Loans	40,406,004	1,438,960	38,616,595	1,291,093
Property and equipment	694,147	24,720	805,364	26,926
Right-of-use assets	143,014	5,093	138,194	4,620
Intangible assets	41,426	1,475	22,650	757
Other assets	70,400	2,507	112,558	3,763
<b>Total</b>	<b>\$67,319,841</b>	<b>\$2,397,430</b>	<b>\$70,976,818</b>	<b>\$2,373,013</b>
<b>Liabilities</b>				
Due to the Central Bank and other banks	\$2,543,214	\$90,570	\$16,758,923	\$560,312
Payables	1,764,344	62,833	1,847,465	61,767
Current tax liabilities	81,954	2,919	6,873	230
Deposits and remittances	53,925,397	1,920,420	43,198,199	1,444,273
Provisions	12,718	453	2,986	100
Lease liabilities	128,111	4,562	115,370	3,857
Deferred tax liabilities	118,016	4,203	196,322	6,564
Other liabilities	28,589	1,018	31,529	1,054
<b>Total liabilities</b>	<b>58,602,343</b>	<b>2,086,978</b>	<b>62,157,667</b>	<b>2,078,157</b>
<b>Equity</b>				
Capital	6,094,911	217,055	6,094,911	203,775
Retained earnings	2,234,791	79,587	2,212,659	73,977
Other equity	387,796	13,810	511,581	17,104
<b>Total equity</b>	<b>8,717,498</b>	<b>310,452</b>	<b>8,819,151</b>	<b>294,856</b>
<b>Total</b>	<b>\$67,319,841</b>	<b>\$2,397,430</b>	<b>\$70,976,818</b>	<b>\$2,373,013</b>

## Indovina Bank Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$4,226,746	\$150,525	\$4,561,969	\$152,523
Interest expense	(2,543,013)	(90,563)	(2,403,384)	(80,354)
Net interest income	1,683,733	59,962	2,158,585	72,169
Non-interest income	606,088	21,584	224,217	7,497
<b>Total income</b>	<b>2,289,821</b>	<b>81,546</b>	<b>2,382,802</b>	<b>79,666</b>
Bad debt expense, commitment and guarantee liability provision	(387,848)	(13,812)	47,757	1,597
Operating expenses	(742,096)	(26,428)	(720,548)	(24,091)
Profit before income tax	1,159,877	41,306	1,710,011	57,172
Income tax expense	(244,603)	(8,711)	(382,490)	(12,788)
Net income	915,274	32,595	1,327,521	44,384
Other comprehensive (loss) income	(123,785)	(4,408)	195,495	6,536
<b>Total comprehensive income</b>	<b>\$791,489</b>	<b>\$28,187</b>	<b>\$1,523,016</b>	<b>\$50,920</b>
Basic earnings per share	Note	Note	Note	Note

Note: Indovina Bank is a limited company; therefore, there is no information about its earnings per share.

## Cathay United Bank (Cambodia) Corporation Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$1,480,074	\$52,709	\$1,447,614	\$48,399
Due from the Central Bank and call loans to other banks	1,803,851	64,240	2,066,824	69,101
Financial assets at fair value through other comprehensive income	730	26	770	26
Receivables	94,022	3,348	84,675	2,831
Current tax assets	11,671	416	10,496	351
Loans	7,269,273	258,877	7,692,289	257,181
Property and equipment	179,500	6,392	161,191	5,389
Right-of-use assets	92,651	3,299	113,859	3,807
Intangible assets	37,699	1,343	51,698	1,729
Deferred tax assets	6,343	226	-	-
Other assets	48,348	1,722	50,766	1,697
<b>Total</b>	<b>\$11,024,162</b>	<b>\$392,598</b>	<b>\$11,680,182</b>	<b>\$390,511</b>
<b>Liabilities</b>				
Due to the Central Bank and other banks	\$381,894	\$13,600	\$1,090,474	\$36,459
Payables	298,905	10,645	114,892	3,841
Current tax liabilities	26,852	956	66,623	2,227
Deposits and remittances	7,266,520	258,779	7,084,625	236,865
Provisions	1,558	55	1,617	54
Lease liabilities	97,596	3,476	117,006	3,912
Deferred tax liabilities	11,918	424	7,417	248
Other liabilities	6,003	214	11,640	389
<b>Total liabilities</b>	<b>8,091,246</b>	<b>288,149</b>	<b>8,494,294</b>	<b>283,995</b>
<b>Equity</b>				
Ordinary shares	3,020,769	107,577	3,020,769	100,996
Retained earnings	102,425	3,648	191,555	6,404
Other equity	(190,278)	(6,776)	(26,436)	(884)
<b>Total equity</b>	<b>2,932,916</b>	<b>104,449</b>	<b>3,185,888</b>	<b>106,516</b>
<b>Total</b>	<b>\$11,024,162</b>	<b>\$392,598</b>	<b>\$11,680,182</b>	<b>\$390,511</b>

## Cathay United Bank (Cambodia) Corporation Limited Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$669,055	\$23,827	\$685,762	\$22,928
Interest expense	(156,503)	(5,573)	(110,665)	(3,700)
Net interest income	512,552	18,254	575,097	19,228
Non-interest income	64,904	2,311	51,117	1,709
<b>Total income</b>	<b>577,456</b>	<b>20,565</b>	<b>626,214</b>	<b>20,937</b>
Bad debt expense, commitment and guarantee liability provision	(92,421)	(3,291)	(39,429)	(1,318)
Operating expenses	(385,138)	(13,716)	(344,922)	(11,532)
Profit before income tax	99,897	3,558	241,863	8,087
Income tax expense	(11,419)	(407)	(61,811)	(2,067)
Net income	88,478	3,151	180,052	6,020
Other comprehensive loss	(163,842)	(5,835)	(67,223)	(2,248)
<b>Total comprehensive income</b>	<b>(\$75,364)</b>	<b>(\$2,684)</b>	<b>\$112,829</b>	<b>\$3,772</b>
Basic earnings per share	\$0.88	\$0.03	\$1.80	\$0.06

## Cathay United Bank (China) Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$2,648,385	\$94,316	1,408,000	\$47,075
Due from the Central Bank and call loans to other banks	8,189,195	291,639	6,458,690	215,938
Financial assets at fair value through profit or loss	1,195,605	42,579	312,534	10,449
Financial assets at fair value through other comprehensive income	21,795,225	776,183	20,911,695	699,154
Financial assets measured at amortized cost	461,357	16,430	452,089	15,115
Securities purchased under resale agreements	2,146,244	76,433	2,397,041	80,142
Receivables	4,271,031	152,102	3,633,987	121,497
Current tax assets	38,817	1,382	-	-
Loans	20,193,772	719,151	18,952,145	633,639
Property and equipment	202,683	7,218	169,334	5,662
Right-of-use assets	323,891	11,535	256,447	8,574
Intangible assets	123,097	4,384	132,157	4,418
Deferred tax assets	29,887	1,064	4,884	163
Other assets	3,551,705	126,485	60,669	2,028
<b>Total</b>	<b>\$65,170,894</b>	<b>\$2,320,901</b>	<b>\$55,149,672</b>	<b>\$1,843,854</b>
<b>Liabilities</b>				
Due to the Central Bank and other banks	\$10,012,819	\$356,582	17,149,161	\$573,359
Financial liabilities at fair value through profit or loss	1,227,871	43,728	239,053	7,992
Notes and bonds sold under repurchase agreements	-	-	4,470,114	149,452
Payables	4,935,100	175,751	3,202,724	107,079
Current tax liabilities	-	-	91,125	3,047
Deposits and remittances	27,844,380	991,609	8,441,516	282,230
Other financial liabilities	4,417,232	157,309	5,386,138	180,078
Provisions	65,359	2,328	11,231	375
Lease liabilities	348,273	12,403	274,294	9,171
Deferred tax liabilities	4,888	174	-	-
Other liabilities	73,266	2,609	41,265	1,380
<b>Total liabilities</b>	<b>48,929,188</b>	<b>1,742,493</b>	<b>39,306,621</b>	<b>1,314,163</b>
<b>Equity</b>				
Capital	14,377,562	512,021	14,377,562	480,694
Capital surplus	2,522,670	89,839	2,522,670	84,342
Retained earnings	536,882	19,120	358,821	11,997
Other equity	(1,195,408)	(42,572)	(1,416,002)	(47,342)
<b>Total equity</b>	<b>16,241,706</b>	<b>578,408</b>	<b>15,843,051</b>	<b>529,691</b>
<b>Total</b>	<b>\$65,170,894</b>	<b>\$2,320,901</b>	<b>\$55,149,672</b>	<b>\$1,843,854</b>

## Cathay United Bank (China) Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$1,809,948	\$64,457	\$1,846,576	\$61,738
Interest expense	(892,286)	(31,776)	(783,558)	(26,197)
Net interest income	917,662	32,681	1,063,018	35,541
Non-interest income	166,974	5,946	7,000	234
<b>Total income</b>	<b>1,084,636</b>	<b>38,627</b>	<b>1,070,018</b>	<b>35,775</b>
Bad debt expense, commitment and guarantee liability (reversal) provision	(1,692)	(60)	10,119	338
Operating expenses	(817,705)	(29,121)	(800,069)	(26,749)
Profit before income tax	265,239	9,446	280,068	9,364
Income tax expense	(87,660)	(3,122)	(56,671)	(1,895)
Net income	177,579	6,324	223,397	7,469
Other comprehensive income (loss)	220,595	7,856	(375,515)	(12,555)
<b>Total comprehensive income (loss)</b>	<b>\$398,174</b>	<b>\$14,180</b>	<b>(\$152,118)</b>	<b>(\$5,086)</b>
Basic earnings per share	Note	Note	Note	Note

Note: CUBCN BANK is a limited company; therefore, there is no information about its earnings per share.

## Cathay Securities Corporation Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$44,276,495	\$1,576,798	\$23,688,567	\$791,995
Financial assets at fair value through other comprehensive income - non-current	210	7	175	6
Investments accounted for using the equity method	2,157,020	76,817	2,074,725	69,366
Property and equipment	219,207	7,807	114,147	3,816
Right-of-use assets	75,227	2,679	99,339	3,321
Intangible assets	69,584	2,478	66,624	2,227
Deferred tax assets	18,543	661	27,842	931
Other non-current assets	697,450	24,838	705,031	23,572
<b>Total</b>	<b>\$47,513,736</b>	<b>\$1,692,085</b>	<b>\$26,776,450</b>	<b>\$895,234</b>
<b>Liabilities</b>				
Current liabilities	\$36,084,418	\$1,285,057	\$18,084,695	\$604,637
Other non-current liabilities	59,376	2,115	75,105	2,511
<b>Total liabilities</b>	<b>\$36,143,794</b>	<b>\$1,287,172</b>	<b>\$18,159,800</b>	<b>\$607,148</b>
<b>Equity</b>				
Ordinary shares	7,300,000	259,972	6,000,000	200,602
Capital surplus	898,167	31,986	498,167	16,655
Retained earnings	2,626,243	93,527	1,658,864	55,462
Other equity	545,532	19,428	459,619	15,367
<b>Total equity</b>	<b>\$11,369,942</b>	<b>\$404,913</b>	<b>\$8,616,650</b>	<b>\$288,086</b>
<b>Total</b>	<b>\$47,513,736</b>	<b>\$1,692,085</b>	<b>\$26,776,450</b>	<b>\$895,234</b>

## Cathay Securities Corporation Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Revenues	\$5,397,349	\$192,213	\$3,511,143	\$117,390
Service fee expenses	(196,078)	(6,983)	(113,725)	(3,802)
Employee benefit expenses	(1,617,639)	(57,608)	(1,283,634)	(42,917)
Operating expenses	(1,927,944)	(68,659)	(1,336,058)	(44,669)
Share of the profit of subsidiaries and associates accounted for using the equity method	39,215	1,397	8,792	294
Non-operating income and expenses	33,652	1,198	18,567	621
Profit before income tax	1,728,555	61,558	805,085	26,917
Income tax expense	(261,176)	(9,301)	(105,015)	(3,511)
Net income	1,467,379	52,257	700,070	23,406
Other comprehensive income	85,913	3,060	184,190	6,158
<b>Total comprehensive income</b>	<b>\$1,553,292</b>	<b>\$55,317</b>	<b>\$884,260</b>	<b>\$29,564</b>
<b>Basic earnings per share</b>	<b>\$2.19</b>	<b>\$0.08</b>	<b>\$1.08</b>	<b>\$0.04</b>

## Cathay Futures Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$15,729,693	\$560,174	\$8,611,191	\$287,903
Financial assets at fair value through other comprehensive income - non-current	643,157	22,904	537,790	17,980
Property and equipment	60,443	2,153	64,209	2,147
Investment property	291,175	10,370	290,341	9,707
Right-of-use assets	9,265	330	4,546	152
Intangible assets	17,336	617	22,031	737
Other non-current assets	163,973	5,839	148,920	4,979
<b>Total</b>	<b>\$16,915,042</b>	<b>\$602,387</b>	<b>\$9,679,028</b>	<b>\$323,605</b>
<b>Liabilities</b>				
Current liabilities	\$15,338,432	\$546,240	\$8,235,094	\$275,329
Deferred tax liabilities	6,765	241	6,833	228
Other non-current liabilities	6,540	233	2,174	73
<b>Total liabilities</b>	<b>15,351,737</b>	<b>546,714</b>	<b>8,244,101</b>	<b>275,630</b>
<b>Equity</b>				
Ordinary shares	667,000	23,753	667,000	22,300
Capital surplus	680	24	680	23
Retained earnings	282,983	10,078	259,583	8,679
Other equity	612,642	21,818	507,664	16,973
<b>Total equity</b>	<b>1,563,305</b>	<b>55,673</b>	<b>1,434,927</b>	<b>47,975</b>
<b>Total</b>	<b>\$16,915,042</b>	<b>\$602,387</b>	<b>\$9,679,028</b>	<b>\$323,605</b>

## Cathay Futures Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Revenues	\$369,175	\$13,147	\$284,517	\$9,512
Operating expenses	(377,185)	(13,432)	(320,708)	(10,722)
Operating loss	(8,010)	(285)	(36,191)	(1,210)
Non-operating income and expenses	85,732	3,053	101,998	3,410
Profit before income tax	77,722	2,768	65,807	2,200
Income tax expense	(15,320)	(546)	(9,776)	(327)
Net income	62,402	2,222	56,031	1,873
Other comprehensive income	104,978	3,739	212,008	7,088
<b>Total comprehensive income</b>	<b>\$167,380</b>	<b>\$5,961</b>	<b>\$268,039</b>	<b>\$8,961</b>
<b>Basic earnings per share</b>	<b>\$0.94</b>	<b>\$0.03</b>	<b>\$0.84</b>	<b>\$0.03</b>

## Cathay Securities (Hong Kong) Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$4,645,940	\$165,453	\$2,581,950	\$86,324
Property and equipment	4,794	171	11,026	368
Intangible assets	1,831	65	1,901	64
Other non-current assets	37,030	1,319	81,026	2,709
<b>Total</b>	<b>\$4,689,595</b>	<b>\$167,008</b>	<b>\$2,675,903</b>	<b>\$89,465</b>
<b>Liabilities</b>				
Current liabilities	\$4,094,190	\$145,804	\$2,029,395	\$67,850
Non-current liabilities	1,543	55	6,576	220
<b>Total liabilities</b>	<b>4,095,733</b>	<b>145,859</b>	<b>2,035,971</b>	<b>68,070</b>
<b>Equity</b>				
Capital	1,108,244	39,467	1,108,244	37,052
Retained earnings	(443,570)	(15,796)	(420,389)	(14,055)
Other equity	(70,812)	(2,522)	(47,923)	(1,602)
<b>Total equity</b>	<b>593,862</b>	<b>21,149</b>	<b>639,932</b>	<b>21,395</b>
<b>Total</b>	<b>\$4,689,595</b>	<b>\$167,008</b>	<b>\$2,675,903</b>	<b>\$89,465</b>

## Cathay Securities (Hong Kong) Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Revenues	\$115,971	\$4,130	\$101,419	\$3,391
Service fee expenses	(2,672)	(95)	(3,168)	(106)
Employee benefit expenses	(49,479)	(1,762)	(47,467)	(1,587)
Operating expenses	(88,968)	(3,169)	(103,780)	(3,470)
Non-operating income and expenses	1,967	70	6,499	217
Loss before income tax	(23,181)	(826)	(46,497)	(1,555)
Income tax expense	-	-	-	-
Net loss	(23,181)	(826)	(46,497)	(1,555)
Other comprehensive loss	(22,889)	(815)	(11,406)	(381)
<b>Total comprehensive loss</b>	<b>(\$46,070)</b>	<b>(\$1,641)</b>	<b>(\$57,903)</b>	<b>(\$1,936)</b>
Basic earnings per share	Note	Note	Note	Note

Note: Cathay Securities (Hong Kong) is a limited company; therefore, there is no information about earnings per share.

## Cathay Capital (Asia) Limited Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31	
	NT\$	US\$
Assets		
Current assets	\$3,436	\$122
Total	<u>\$3,436</u>	<u>\$122</u>
Liabilities		
Current liabilities	\$182	\$6
Total liabilities	<u>182</u>	<u>6</u>
Equity		
Ordinary shares	3,875	138
Retained earnings	(439)	(16)
Other equity	(182)	(6)
Total equity	<u>3,254</u>	<u>116</u>
Total	<u>\$3,436</u>	<u>\$122</u>

## Cathay Capital (Asia) Limited Condensed Statement of Comprehensive Income

In thousands of Dollars

Items	2020.2.24~2020.12.31	
	NT\$	US\$
Operating loss	(\$5)	\$-
Operating cost	(30)	(1)
Operating expenses	(409)	(15)
Non-operating income and expenses	5	-
Loss before income tax	(439)	(16)
Income tax expense	-	-
Net loss	(439)	(16)
Other comprehensive loss	(182)	(6)
Total comprehensive loss	<u>(\$621)</u>	<u>(\$22)</u>
Basic earnings per share	<u>Note</u>	<u>Note</u>

Note 1: Cathay Capital (Asia) is a limited company; therefore, there is no information about its earnings per share.

Note 2: Cathay Capital (Asia) has been included in the consolidated financial statements as a subsidiary since February 24, 2020.

## Cathay Securities Investment Trust Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NTS	US\$	NTS	US\$
<b>Assets</b>				
Current assets	\$2,801,140	\$99,756	\$2,669,528	\$89,252
Financial assets at fair value through other comprehensive income - non-current	\$9,778	348	\$9,138	306
Investments accounted for using the equity method	484,507	17,254	458,614	15,333
Property and equipment	33,399	1,189	43,078	1,440
Right-of-use assets	49,495	1,763	5,428	182
Intangible assets	21,839	778	22,648	757
Deferred tax assets	29,850	1,063	23,543	787
Guarantee deposits paid	258,156	9,194	232,170	7,762
Other non-current assets	61,759	2,199	22,669	758
<b>Total</b>	<b>\$3,749,923</b>	<b>\$133,544</b>	<b>\$3,486,816</b>	<b>\$116,577</b>
<b>Liabilities</b>				
Current liabilities	\$676,044	\$24,075	\$660,093	\$22,069
Non-current liabilities	149,718	5,332	128,869	4,309
<b>Total liabilities</b>	<b>825,762</b>	<b>29,407</b>	<b>788,962</b>	<b>26,378</b>
<b>Equity</b>				
Ordinary shares	1,500,000	53,419	1,500,000	50,150
Capital surplus	16,453	586	16,453	550
Retained earnings	1,514,603	53,939	1,270,570	42,480
Other equity	(106,895)	(3,807)	(89,169)	(2,981)
<b>Total equity</b>	<b>2,924,161</b>	<b>104,137</b>	<b>2,697,854</b>	<b>90,199</b>
<b>Total</b>	<b>\$3,749,923</b>	<b>\$133,544</b>	<b>\$3,486,816</b>	<b>\$116,577</b>

## Cathay Securities Investment Trust Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1-2020.12.31		2019.1.1-2019.12.31	
	NTS	US\$	NTS	US\$
Operating revenue	\$2,873,737	\$102,341	\$2,672,983	\$89,368
Operating expenses	(1,788,015)	(63,676)	(1,791,623)	(59,901)
Operating profit	1,085,722	38,665	881,360	29,467
Non-operating income and expenses	(9,989)	(356)	(1,798)	(60)
Profit before income tax	1,075,733	38,309	879,562	29,407
Income tax expense	(218,431)	(7,779)	(178,151)	(5,956)
Net income	857,302	30,530	701,411	23,451
Other comprehensive loss	(17,726)	(631)	(18,381)	(615)
<b>Total comprehensive income</b>	<b>\$839,576</b>	<b>\$29,899</b>	<b>\$683,030</b>	<b>\$22,836</b>
Basic earnings per share	\$5.72	\$0.20	\$4.68	\$0.16

## Cathay Private Equity Co., Ltd. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$53,371	\$1,901	\$31,119	\$1,040
Other non-current assets	28,329	1,009	10,106	338
<b>Total</b>	<b>\$81,700</b>	<b>\$2,910</b>	<b>\$41,225</b>	<b>\$1,378</b>
<b>Liabilities</b>				
Current liabilities	\$4,294	\$153	\$3,669	\$123
<b>Total liabilities</b>	<b>4,294</b>	<b>153</b>	<b>3,669</b>	<b>123</b>
<b>Equity</b>				
Ordinary shares	100,000	3,562	50,000	1,671
Capital surplus	63	2	63	2
Retained earnings	(22,657)	(807)	(12,507)	(418)
<b>Total equity</b>	<b>77,406</b>	<b>2,757</b>	<b>37,556</b>	<b>1,255</b>
<b>Total</b>	<b>\$81,700</b>	<b>\$2,910</b>	<b>\$41,225</b>	<b>\$1,378</b>

## Cathay Private Equity Co., Ltd. Condensed Statement of Comprehensive Income

In thousands of Dollars , except loss per share

Items	2020.1.1–2020.12.31		2019.1.1–2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$10,061	\$358	\$3,086	\$103
Operating expenses	(22,495)	(801)	(15,703)	(525)
Operating loss	(12,434)	(443)	(12,617)	(422)
Non-operating income and expenses	(95)	(3)	(570)	(19)
Loss before income tax	(12,529)	(446)	(13,187)	(441)
Income tax benefit	2,379	85	2,520	84
Net loss	(10,150)	(361)	(10,667)	(357)
<b>Total comprehensive loss</b>	<b>(\$10,150)</b>	<b>(\$361)</b>	<b>(\$10,667)</b>	<b>(\$357)</b>
Basic loss per share	(\$1.31)	(\$0.05)	(\$2.13)	(\$0.07)

## Cathay Venture Inc. Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$1,304,594	\$46,460	\$1,470,770	\$49,173
Financial assets at fair value through profit or loss - non-current	4,330,509	154,220	3,824,954	127,882
Investments accounted for using the equity method	317,665	11,313	309,723	10,355
Property and equipment	2,711	97	3,612	121
Right-of-use assets	11,125	396	16,231	543
Deferred tax assets	65,509	2,333	45,778	1,530
Other non-current assets	1,267	45	1,126	38
<b>Total</b>	<b>\$6,033,380</b>	<b>\$214,864</b>	<b>\$5,672,194</b>	<b>\$189,642</b>
<b>Liabilities</b>				
Current liabilities	\$31,349	\$1,117	\$42,946	\$1,436
Non-current liabilities	13,431	478	17,793	595
<b>Total liabilities</b>	<b>44,780</b>	<b>1,595</b>	<b>60,739</b>	<b>2,031</b>
<b>Equity</b>				
Ordinary shares	4,842,362	172,449	4,565,147	152,629
Capital surplus	576,667	20,536	576,667	19,280
Retained earnings	569,427	20,279	469,567	15,699
Other equity	144	5	75	3
<b>Total equity</b>	<b>5,988,600</b>	<b>213,269</b>	<b>5,611,456</b>	<b>187,611</b>
<b>Total</b>	<b>\$6,033,380</b>	<b>\$214,864</b>	<b>\$5,672,195</b>	<b>\$189,642</b>

## Cathay Venture Inc. Condensed Statement of Comprehensive Income

In thousands of Dollars , except earnings per share

Items	2020.1.1~2020.12.31		2019.1.1~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$433,436	\$15,436	\$339,664	\$11,356
Operating costs	(38,365)	(1,366)	(30,919)	(1,034)
Operating expenses	(11,518)	(410)	(16,140)	(540)
Non-operating income and expenses	(1,053)	(38)	(97)	(3)
Profit before income tax	382,500	13,622	292,508	9,779
Income tax (expense) benefit	(5,425)	(193)	15,509	519
Net income	377,075	13,429	308,017	10,298
Other comprehensive income	70	2	169	6
<b>Total comprehensive income</b>	<b>\$377,145</b>	<b>\$13,431</b>	<b>\$308,186</b>	<b>\$10,304</b>
<b>Basic earnings per share</b>	<b>\$0.78</b>	<b>\$0.03</b>	<b>\$0.72</b>	<b>\$0.02</b>

## Cathay Investment Inc Condensed Balance Sheet

In thousands of Dollars

Items	2020.12.31		2019.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$19,496	\$695	\$34,948	\$1,168
Other non-current assets	15,818	563	1,040	35
<b>Total</b>	<b>\$35,314</b>	<b>\$1,258</b>	<b>\$35,988</b>	<b>\$1,203</b>
<b>Liabilities</b>				
Current liabilities	\$454	\$16	\$349	\$11
Non-current liabilities	328	12	681	23
<b>Total liabilities</b>	<b>782</b>	<b>28</b>	<b>1,030</b>	<b>34</b>
<b>Equity</b>				
Ordinary shares	35,000	1,247	35,000	1,170
Retained earnings	(468)	(17)	(42)	(1)
<b>Total equity</b>	<b>34,532</b>	<b>1,230</b>	<b>34,958</b>	<b>1,169</b>
<b>Total</b>	<b>\$35,314</b>	<b>\$1,258</b>	<b>\$35,988</b>	<b>\$1,203</b>

## Cathay Investment Inc Condensed Statement of Comprehensive Income

In thousands of Dollars , except loss per share

Items	2020.1.1~2020.12.31		2019.11.5~2019.12.31	
	NT\$	US\$	NT\$	US\$
Operating revenue	\$97	\$3	\$-	\$-
Operating expenses	(643)	(23)	(54)	(2)
Non-operating income and expenses	(11)	-	2	-
Loss before income tax	(557)	(20)	(52)	(2)
Income tax benefit	131	5	10	-
Net loss	(426)	(15)	(42)	(2)
<b>Total comprehensive loss</b>	<b>(\$426)</b>	<b>(\$15)</b>	<b>(\$42)</b>	<b>(\$2)</b>
<b>Basic loss per share</b>	<b>(\$0.12)</b>	<b>\$-</b>	<b>(\$0.01)</b>	<b>\$-</b>

Note : Cathay Investment has been included in the consolidated financial statements as a subsidiary since November 5, 2019.

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