



國泰金控

Cathay Financial Holdings

2022 First Half Briefing

August 2022



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Agenda

- **1H22 Business overview**
- **Overseas expansion**
- **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Impact of recent interest rate hikes on Cathay Life's BV**
- **Appendix**

1H22 Business overview

Cathay United Bank

- Delivered robust growth in deposits and loans. Asset quality remained benign. Net Interest margin expanded, and net interest income grew 13% YoY, owing to rate hikes.
- Fee income showed steady growth, driven by robust YoY fee growth in credit cards and syndicated loans.

Cathay Life

- Adhered to a value-driven strategy. Protection-type FYP continued to grow.
- Delivered sound investment performance, with an investment yield of 4.5%, bolstered by substantially improved hedging costs and enhanced recurring yield.
- Maintained solid capital position with RBC ratio of 337%.

Cathay Century

- 1H22 net loss reflected the impact of pandemic insurance losses. Continued to deliver double-digit growth in premiums and maintained stable profit if excluding the impact from pandemic insurance.
- Completed NT\$10bn capital injection from FHC in 1H22 with RBC ratio of 450%.

Cathay SITE

- Ranked No. 1 in AUM, amounting to NT\$1.15tn. Earned wide acclaim for various new products. 1H22 net profit set a record high for the first-half period.
- Recognized by Asia Asset Management and Benchmark. Received TFF-Bloomberg Best Fund Award and Golden Goblet Award in 2022.

Cathay Securities

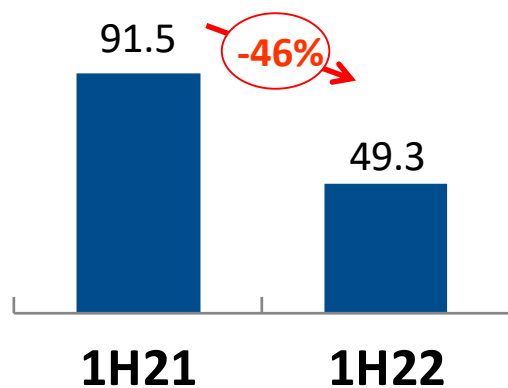
- Optimized customer experience with a digital-only business model; focused on digital customers to increase customer base.
- Enriched product lines and platform functions in sub-brokerage business, holding the highest market share in the industry.

Cathay FHC – Net income & EPS

- 1H22 earnings were the second-highest ever recorded in the first-half period. YoY decline was mainly due to the higher base period for investment gains and favorable financial markets in the previous year.

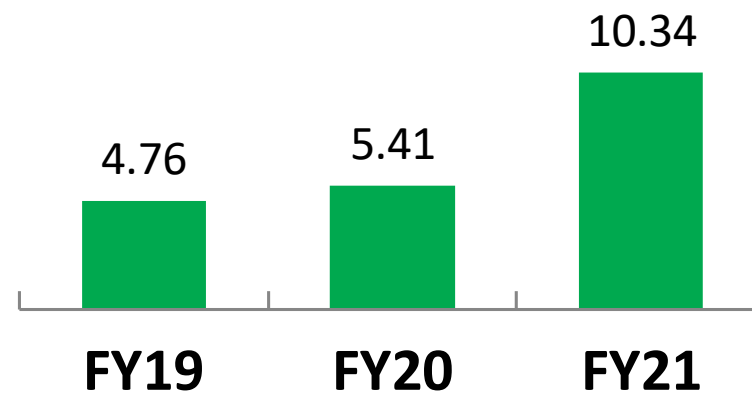
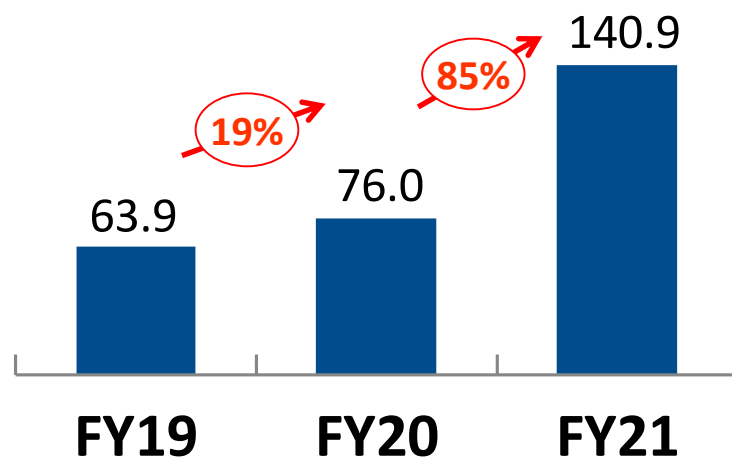
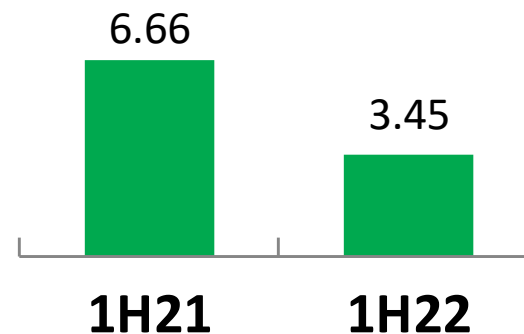
Net income

(NT\$BN)



EPS

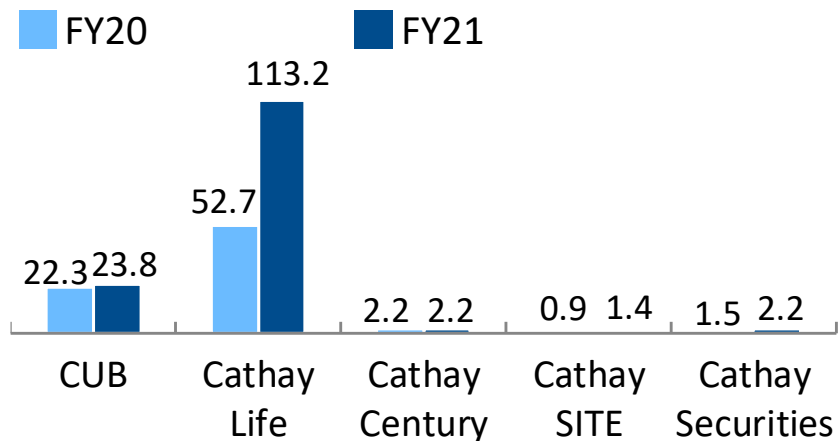
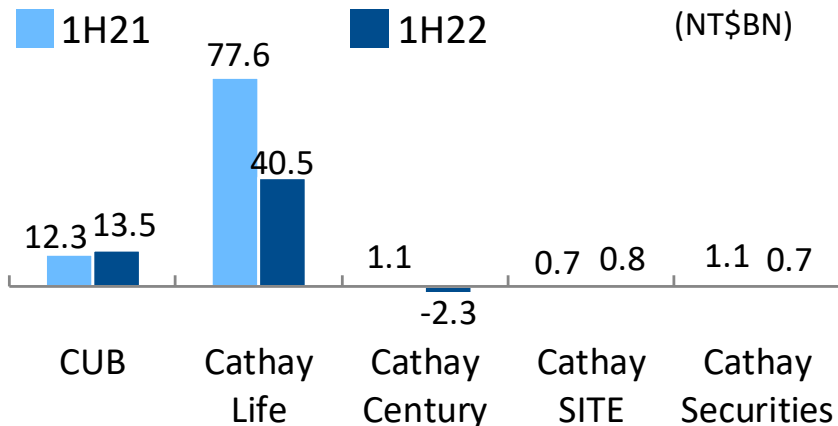
(NT\$)



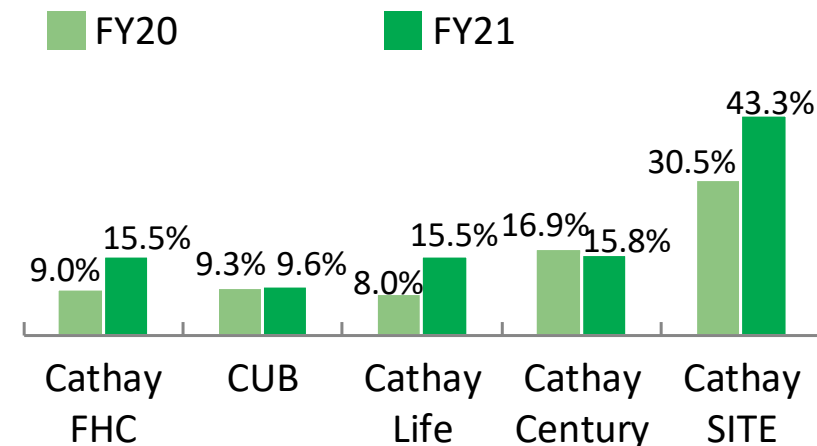
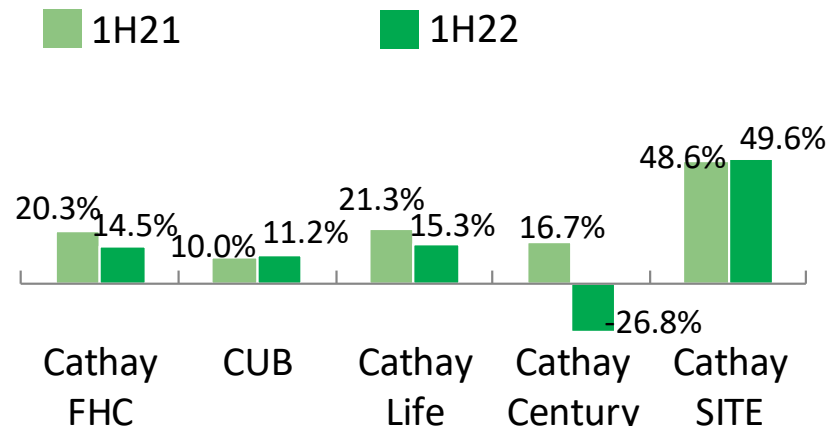
Cathay FHC – Net income & ROE

- CUB earnings grew 10% YoY, driven by robust net interest income and fee income. Cathay SITE saw record-high 1H earnings.
- Cathay Life delivered its second-highest historical 1H earnings; YoY decline was due to the higher base period for capital gains in 1H21. Cathay Century net loss is attributable to pandemic insurance losses.

Net income of primary subsidiaries

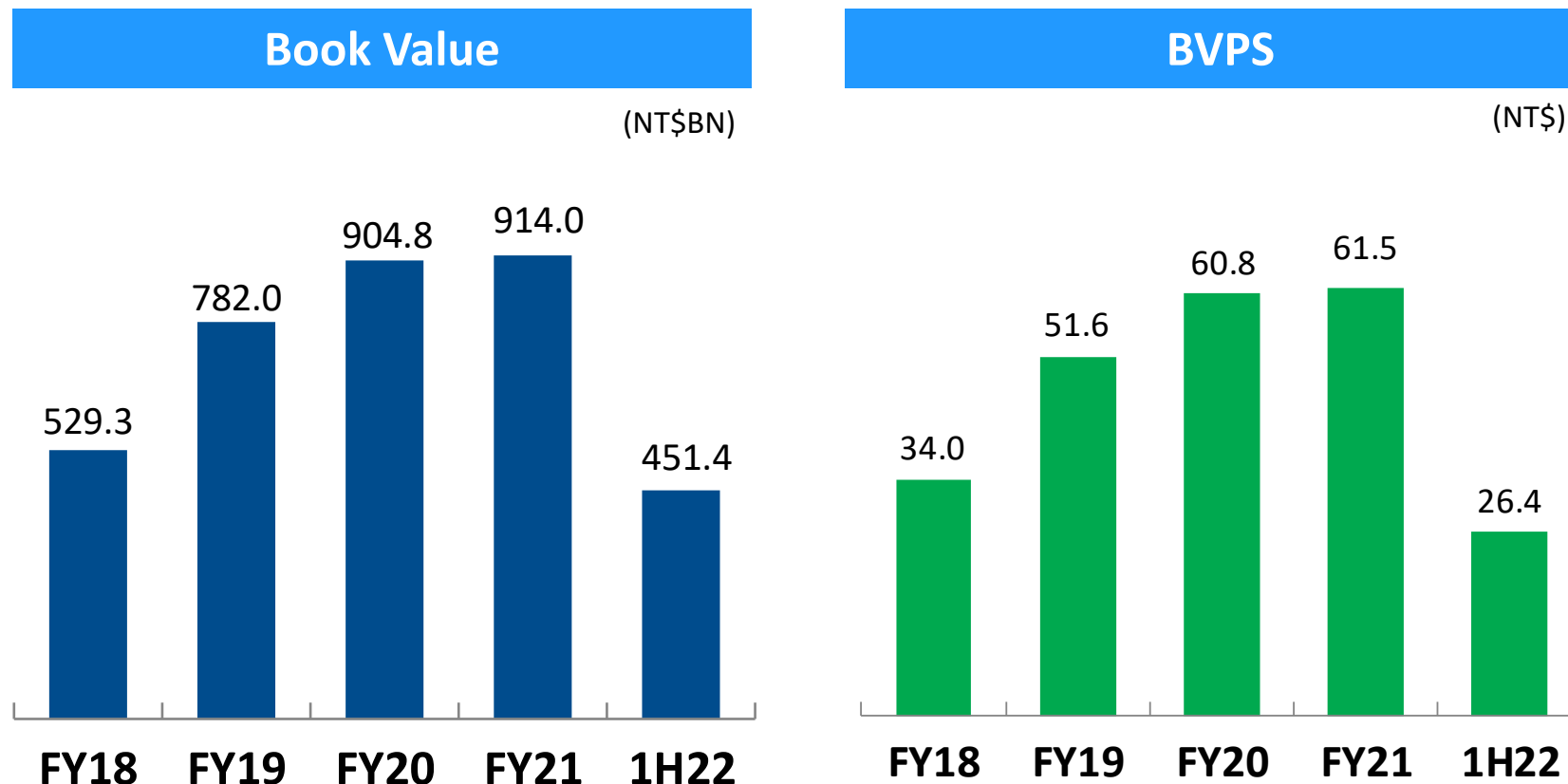


ROE



Cathay FHC – Book value & BVPS

- Book value declined in 1H22, reflecting a sharp rise in bond yields and a decline in equity markets.



Note : Book value includes preferred shares and minority interests. BVPS represented BVPS attributable to common shareholders.

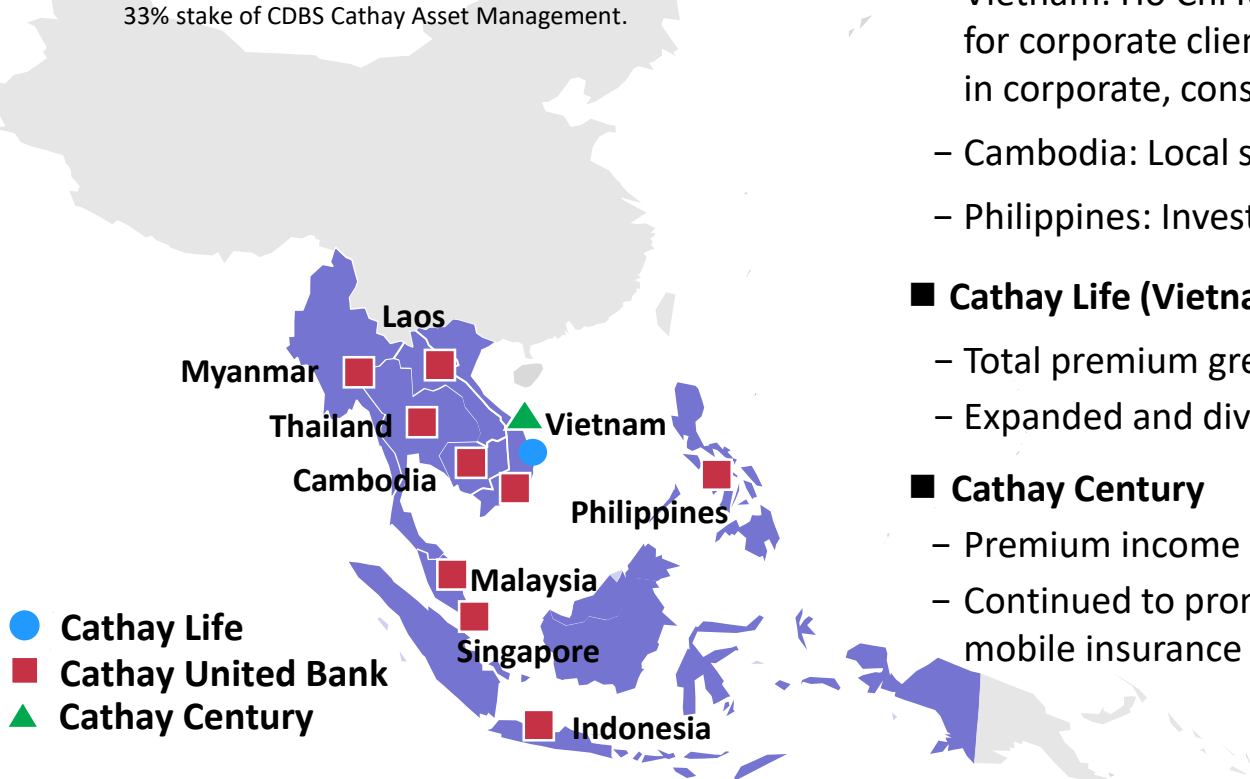
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Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	53	149									
P&C	26	2									
Asset Mgt.	1			1							
Securities				2							

- Note: (1) Footprints in Thailand and Indonesia are rep. offices.
 (2) Investments in RCBC are funded by Cathay Life.
 (3) Cathay FHC owns 49% stake of Cathay Century (China), and 33% stake of CDBS Cathay Asset Management.



■ Banking

- Vietnam: Ho Chi Minh City Branch launched its TMU for corporate clients in July. IVB continued to expand in corporate, consumer, and digital banking business.
- Cambodia: Local subsidiary's business grew steadily.
- Philippines: Invested in RCBC.⁽²⁾

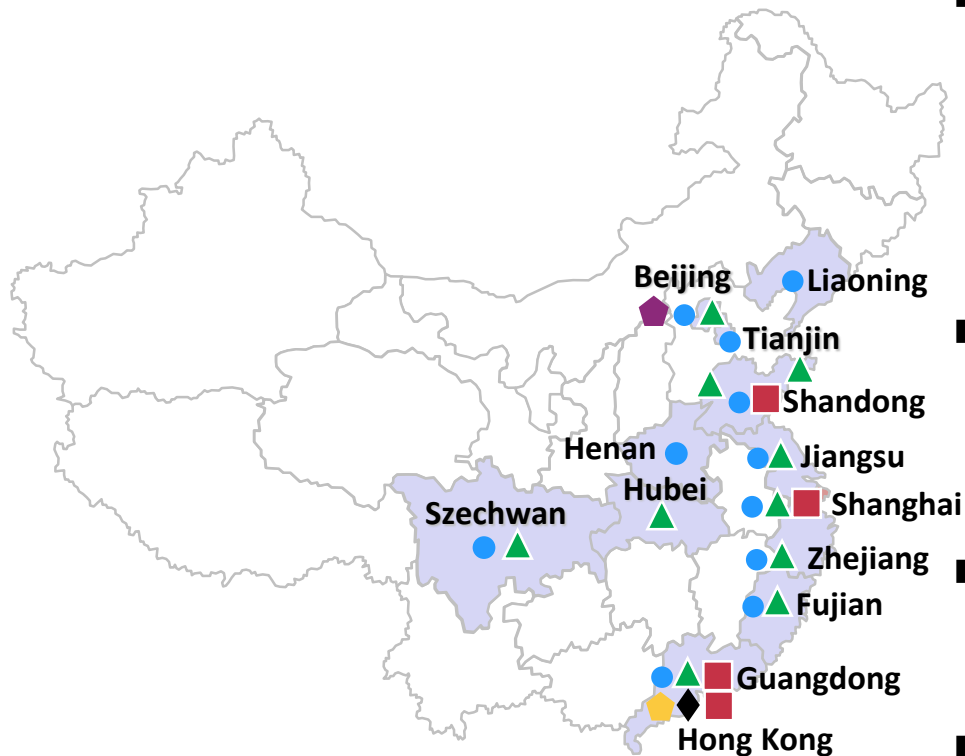
■ Cathay Life (Vietnam)

- Total premium grew 19% YoY to 1.3tn VND in 1H22.
- Expanded and diversified distribution channels.

■ Cathay Century

- Premium income grew to 286bn VND in 1H22.
- Continued to promote digital transformation and mobile insurance app.

Cathay FHC in China



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

■ Cathay United Bank

- In May, China subsidiary completed an SOFR-based cross-currency swap—a first among Taiwanese banks.
- HK branch signed a memorandum with the Hong Kong Quality Assurance Agency (HKQAA) to promote and expand cooperation in green finance.

■ Cathay Lujiazui Life

- Total premium grew 12% YoY to 1.9bn RMB in 1H22.
- Aims to grow business in scale and value through agent workforce, aided by multiple-channel development.

■ Cathay Century (China)

- Formed a strategic alliance with Ant Group. Actively developed e-commerce financial services.

■ Cathay Securities (HK)

- Continued to grow local and cross-border business.

■ JV with China Development Bank Securities (CDBS Cathay Asset Management)

- Business remained steady.

■ Conning Asia Pacific Limited

- Continued to expand asset management business.

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Cathay United Bank

Cathay Life

Cathay Century

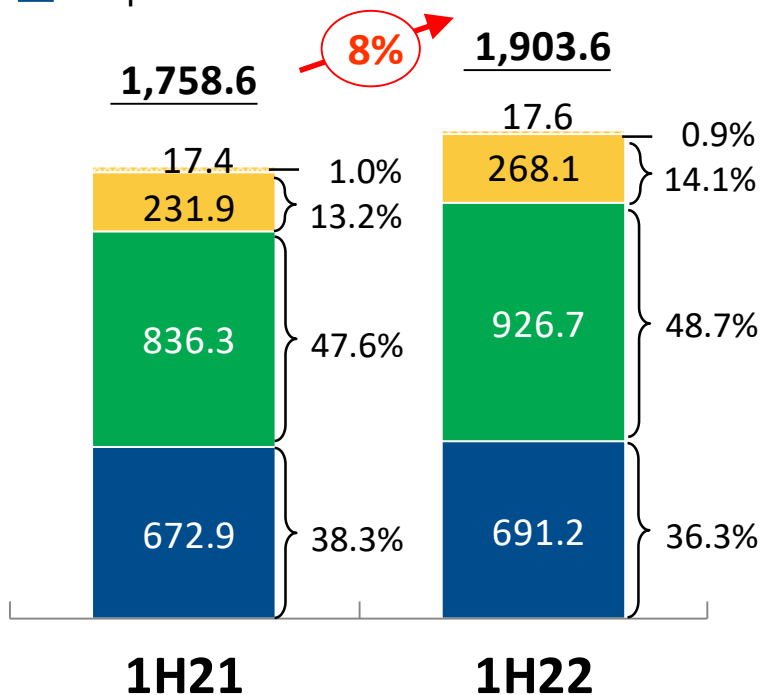
- **Impact of recent interest rate hikes on Cathay Life's BV**
- **Appendix**

Cathay United Bank – Loan & deposit breakdown

- Robust loan growth across consumer, mortgage, and corporate loans.
- Solid growth in deposits, with demand-deposit ratio over 70%.

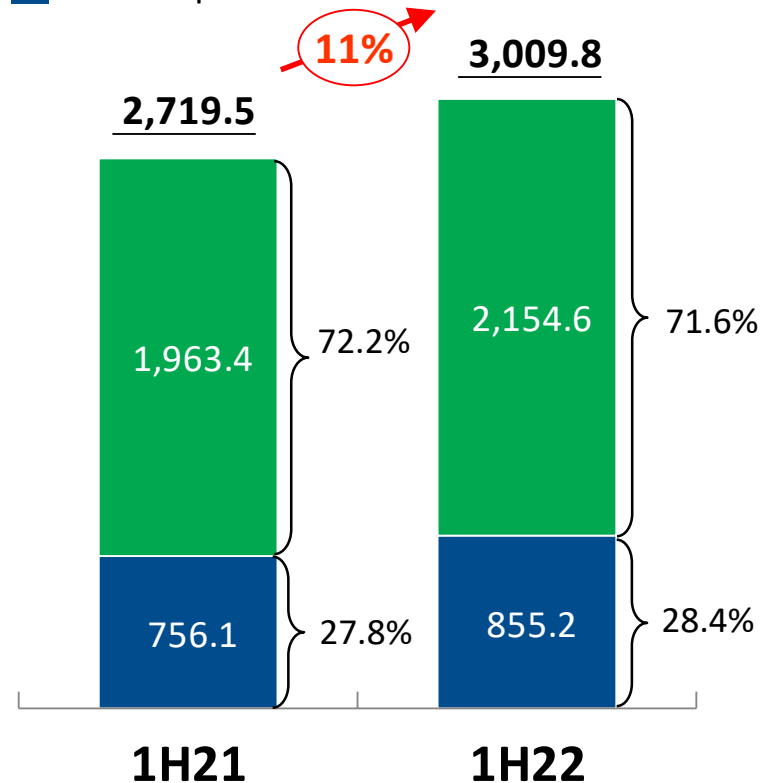
Loan breakdown

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



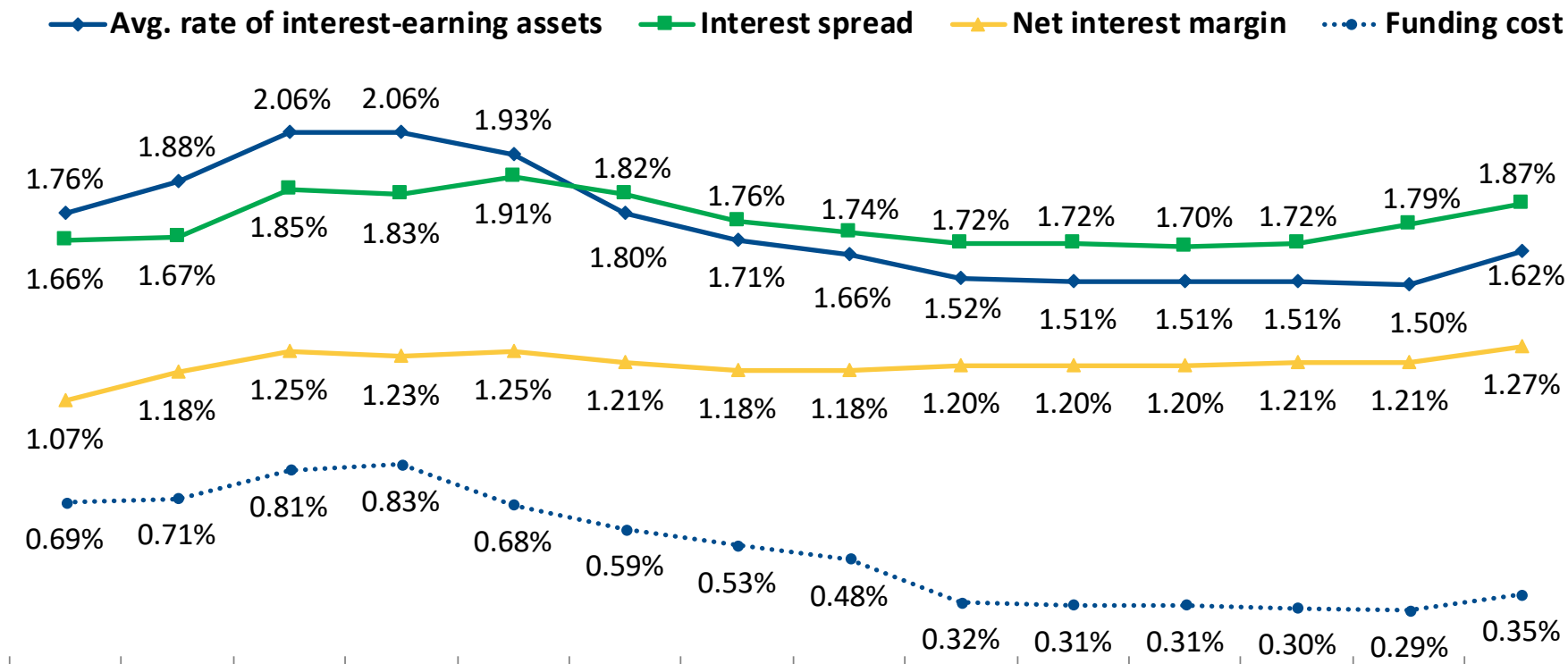
Deposit breakdown

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



Cathay United Bank – Interest yield

□ Benefiting from rising rates, NIM and interest spread showed significant increases.



	FY16	FY17	FY18	FY19	1Q20	1H20	9M20	FY20	1Q21	1H21	9M21	FY21	1Q22	1H22	
Quarterly					<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>	<u>1Q22</u>	<u>2Q22</u>
Spread					1.86%	1.91%	1.73%	1.65%	1.69%	1.72%	1.71%	1.69%	1.74%	1.79%	1.94%
NIM					1.26%	1.25%	1.17%	1.13%	1.17%	1.20%	1.20%	1.21%	1.22%	1.21%	1.33%

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

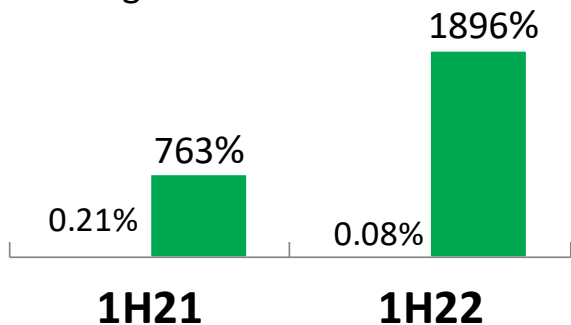
(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.08% and coverage ratio at 1896%.

NPL & Coverage ratio

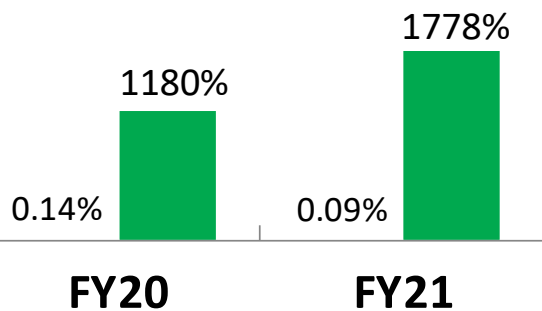
- NPL ratio
- Coverage ratio



Mortgage NPL

0.10 %

0.07 %



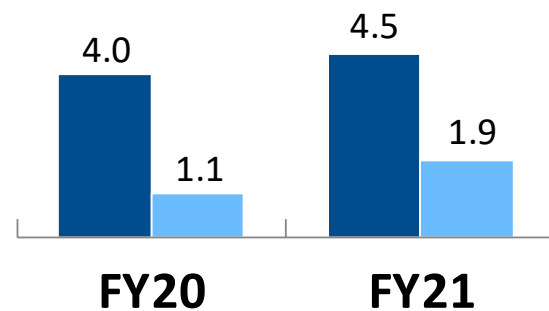
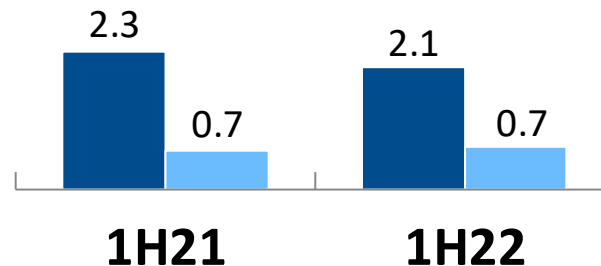
Mortgage NPL

0.11 %

0.08 %

Gross provision

- Gross provision (NT\$BN)
- Recovery

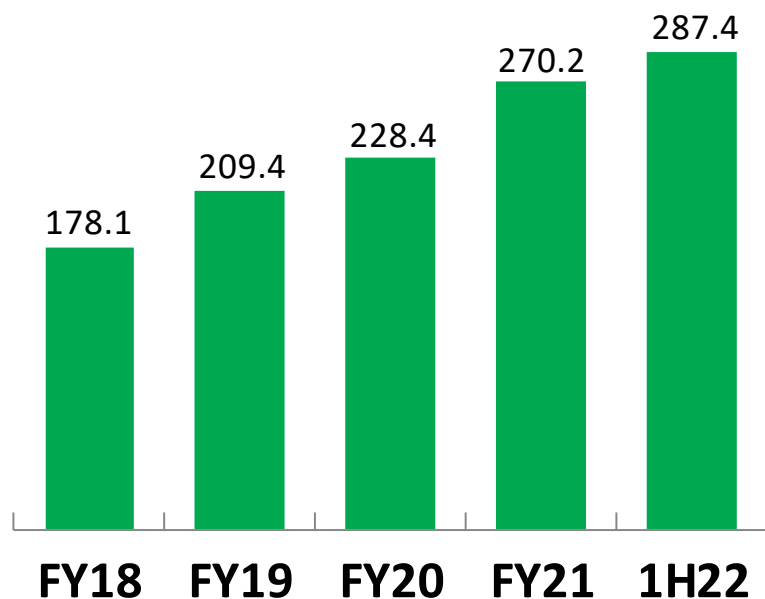


Cathay United Bank – SME & FX loans

- SME loans continued to show solid growth.
- Aims to grow foreign currency loans while ensuring asset quality.

SME loans

(NT\$BN)

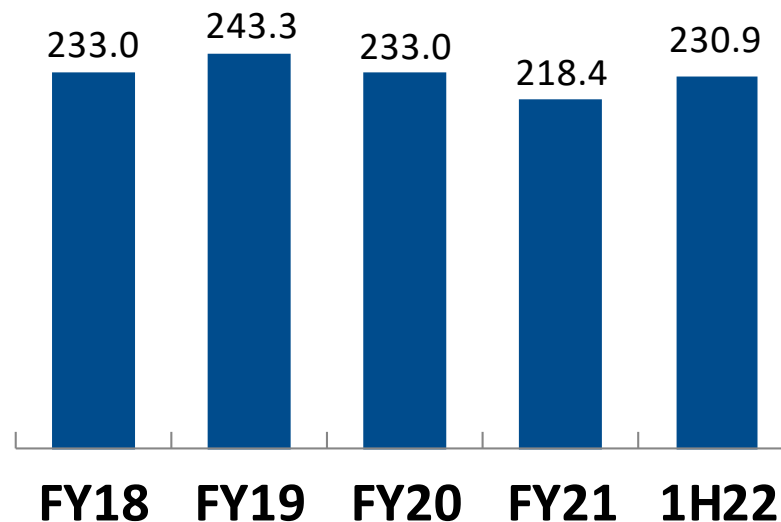


As % of total loans

11.4% 13.8% 14.1% 15.3% 15.2%

Foreign currency loans

(NT\$BN)



15.0% 16.1% 14.4% 12.4% 12.2%

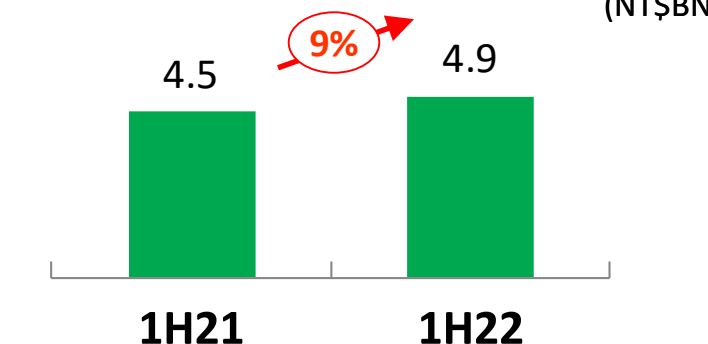


Cathay United Bank – Offshore earnings

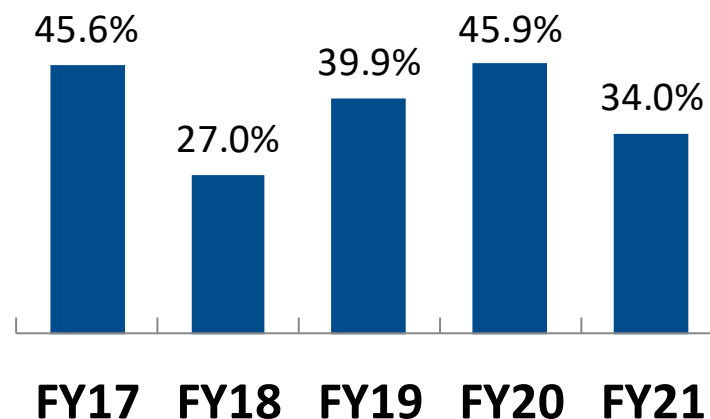
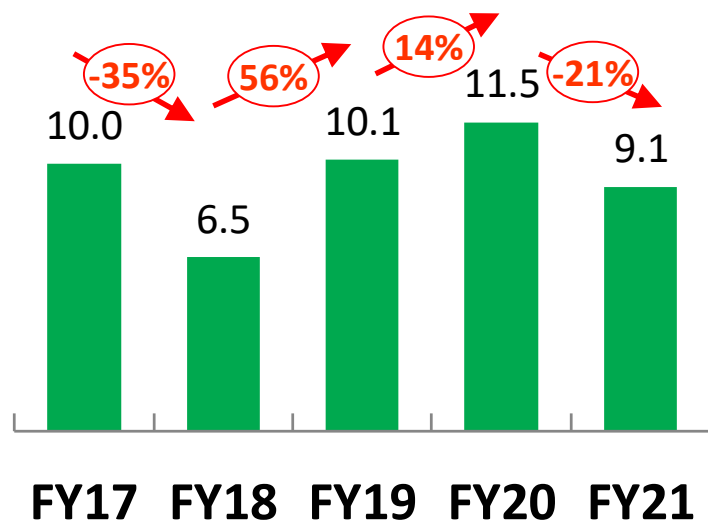
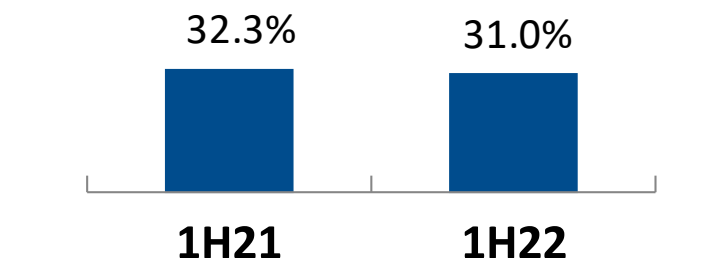
- Offshore core earnings increased and loan recovery supported overall offshore earnings growth.

Offshore earnings

(NT\$BN)



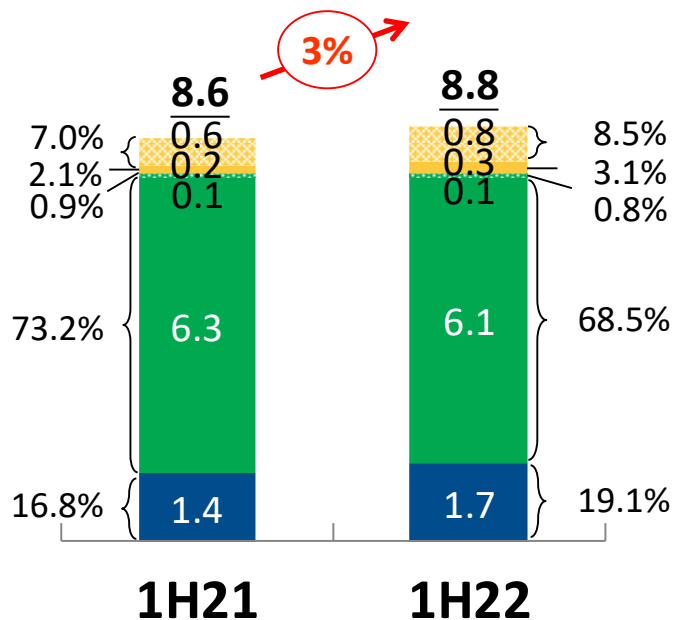
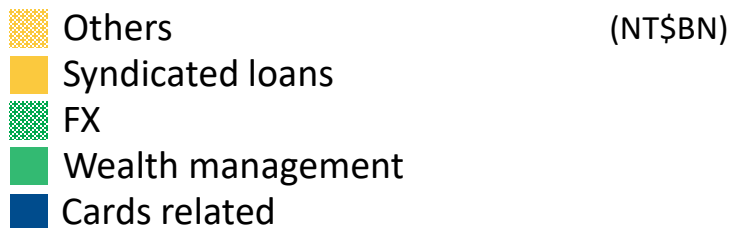
As % of CUB pre-tax profits



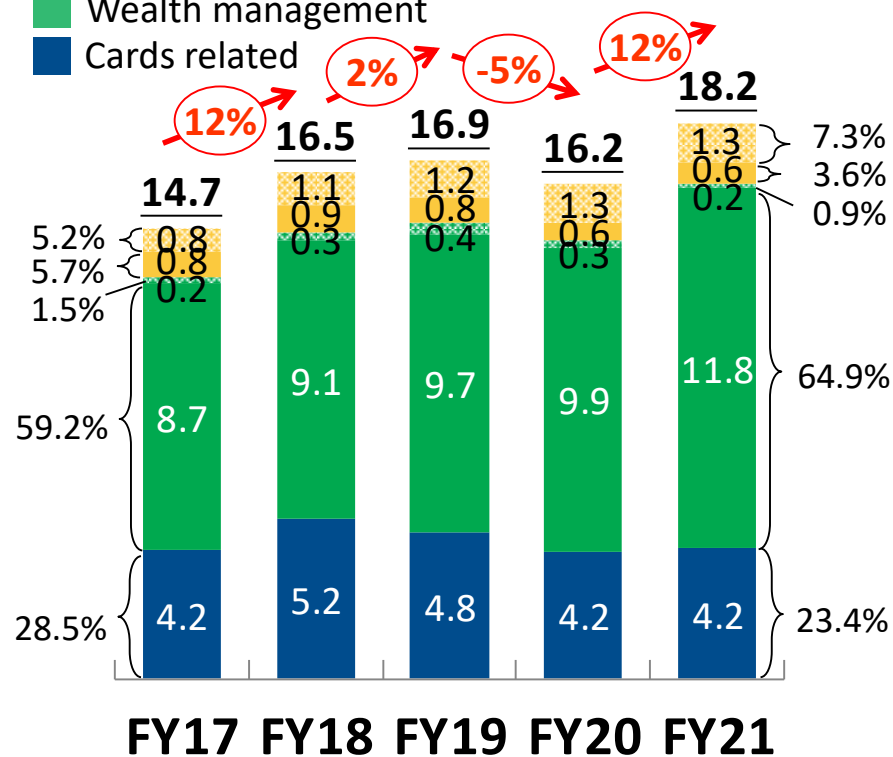
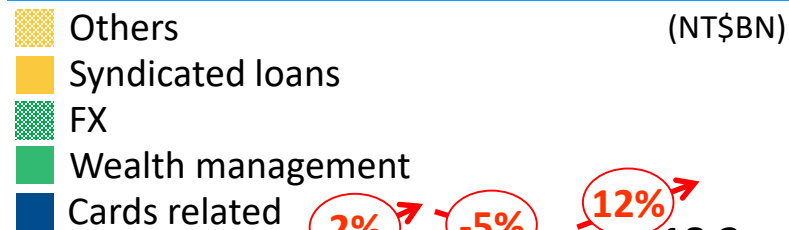
Cathay United Bank – Net fee income

- Robust growth in credit card fees and rebound in syndication fees led to a 3% increase in net fee income, offsetting a decline in wealth management fees.

Quarterly net fee income



Annual net fee income

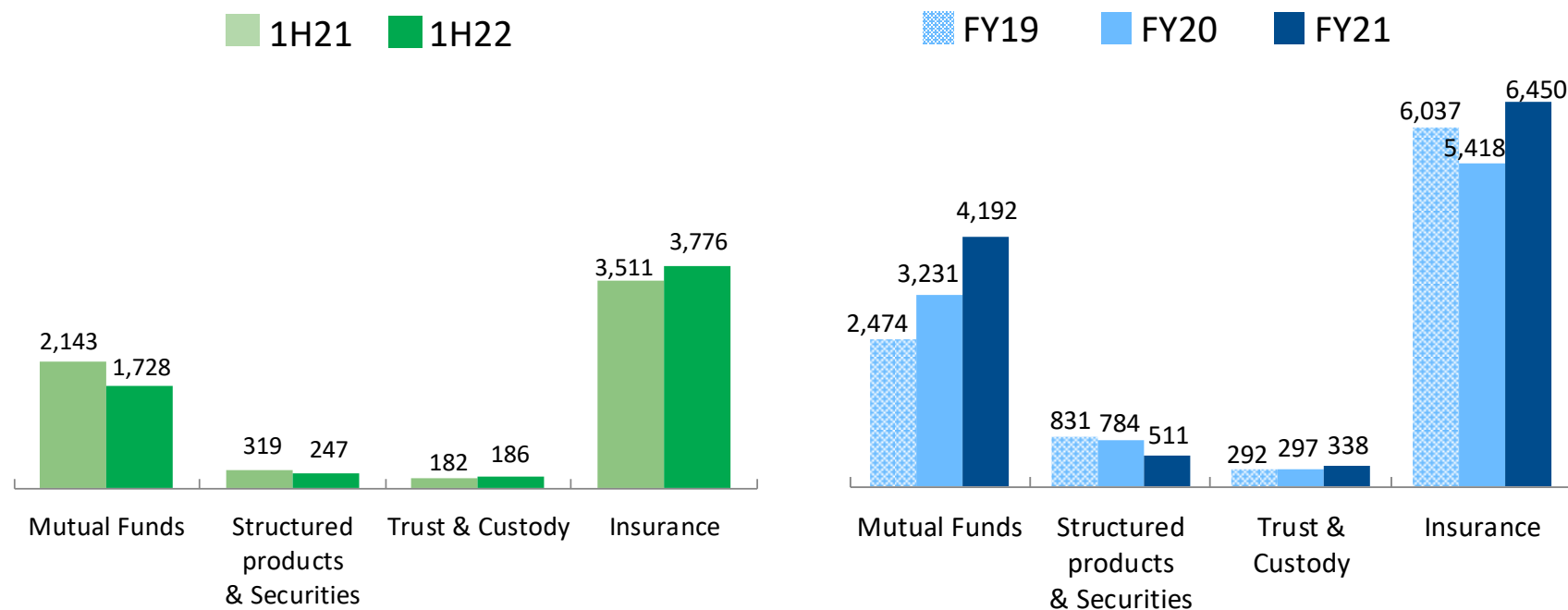


Cathay United Bank – Wealth management fees

- Wealth management fees declined 3.8% YoY, while bancassurance fees grew 8% YoY, partially offsetting declines in mutual funds and securities brought on by volatile capital markets.

Wealth management fees breakdown

(NT\$MN)	1H21	1H22	FY19	FY20	FY21
Wealth management fee income	6,294	6,056	9,695	9,878	11,783
YoY growth (%)	14.5%	-3.8%	6.9%	1.9%	19.3%



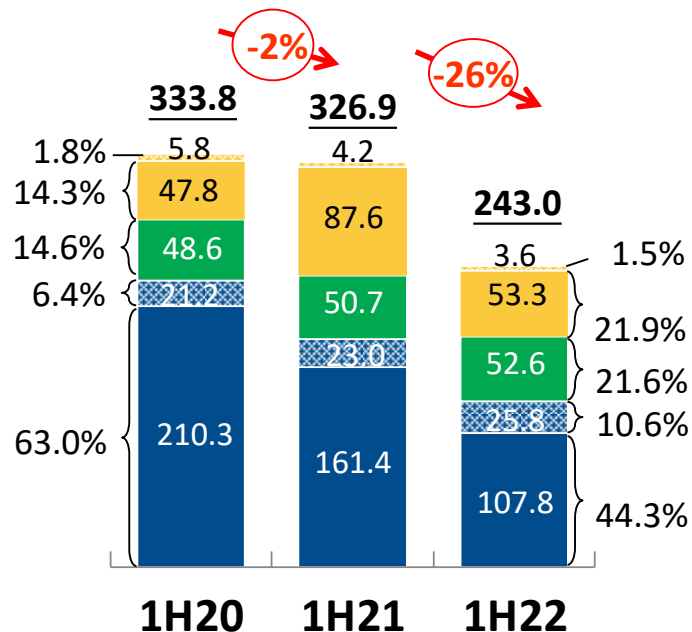
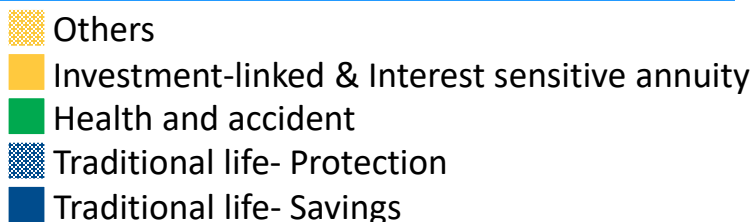
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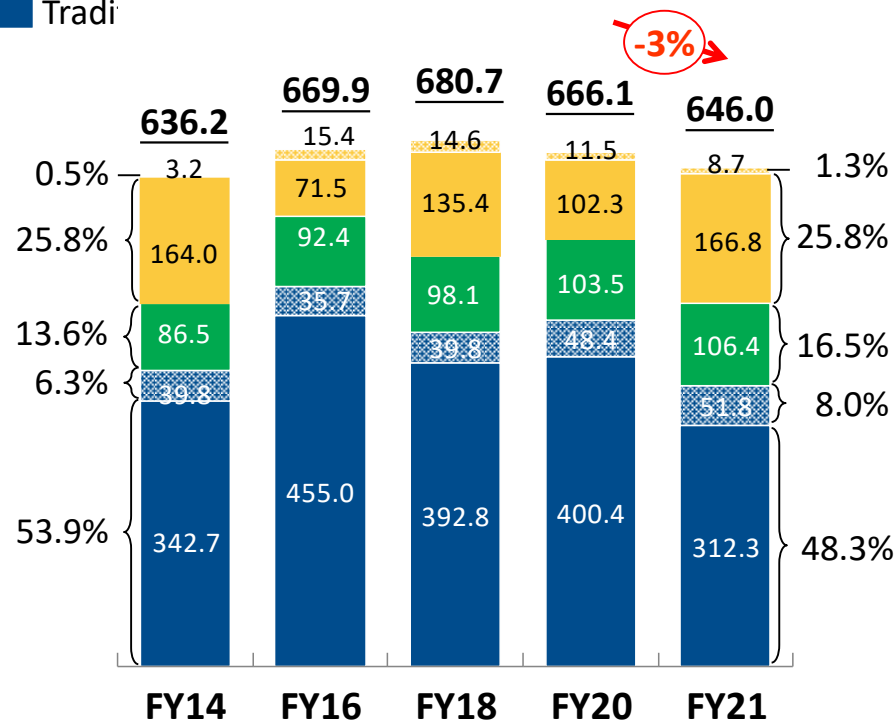
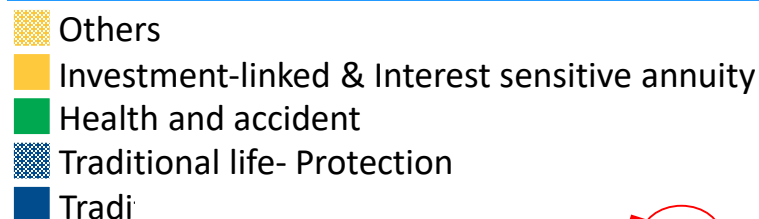
Cathay Life – Total premium

- Total premium declined YoY due to the high 1H21 base period for ILPs as well as lower renewal premium, reflecting the end of regular premium payment terms for some top-selling products.

Quarterly total premium



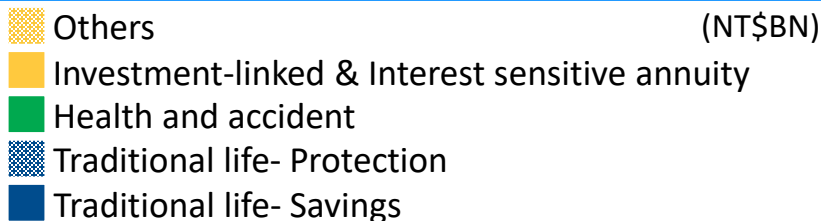
Annual total premium



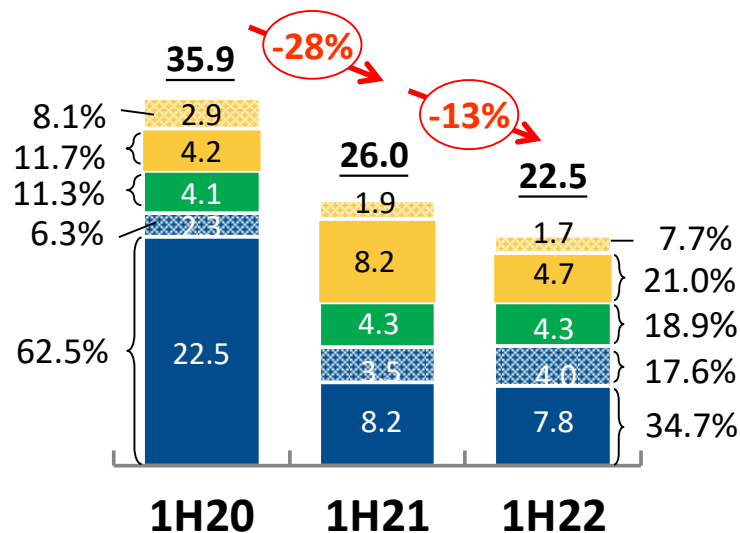
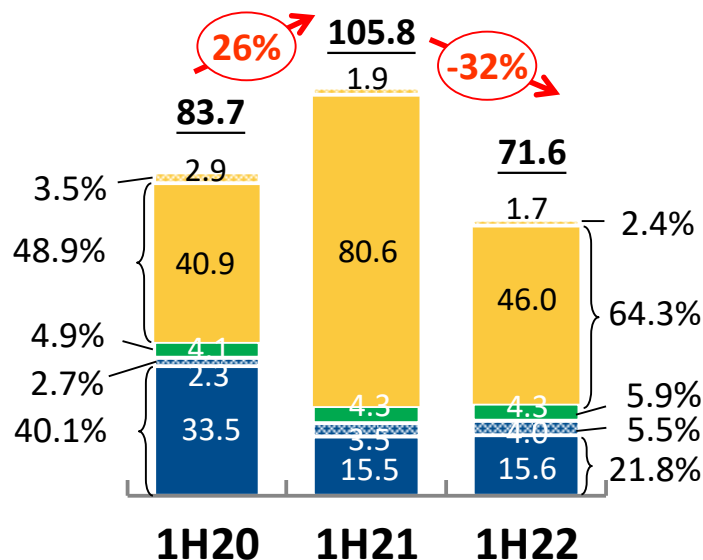
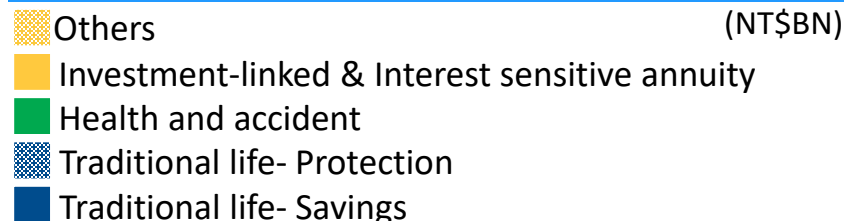
Cathay Life – Quarterly FYP & APE

- FYP and APE declined YoY, owing to the high base period for ILPs and favorable capital markets in 1H21, in addition to reduced sales momentum in 2Q22 due to the pandemic.
- FYP for protection-type policies continued to grow, supporting the contractual service margin (CSM).

First Year Premium



Annualized FYP (APE)



FX polices %
(excl. investment-linked)

Category	1H20	1H21	1H22
FX polices % (excl. investment-linked)	67%	71%	72%

Note: (1) Protection type policies includes "Traditional life-Protection" and "Health and accident"

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

Cathay Life – Value of new business

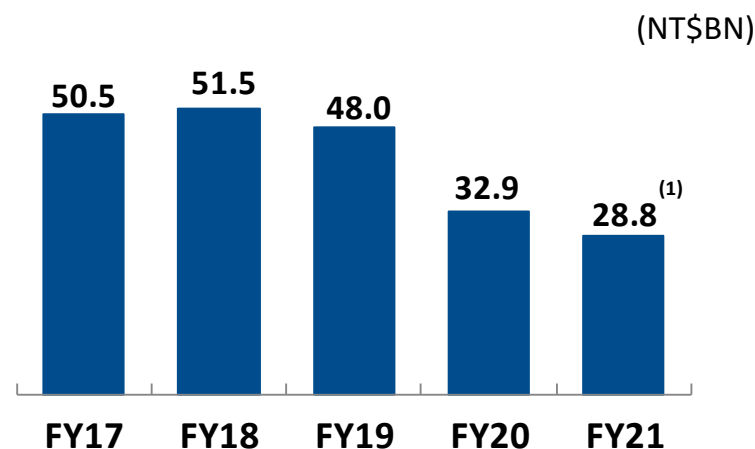
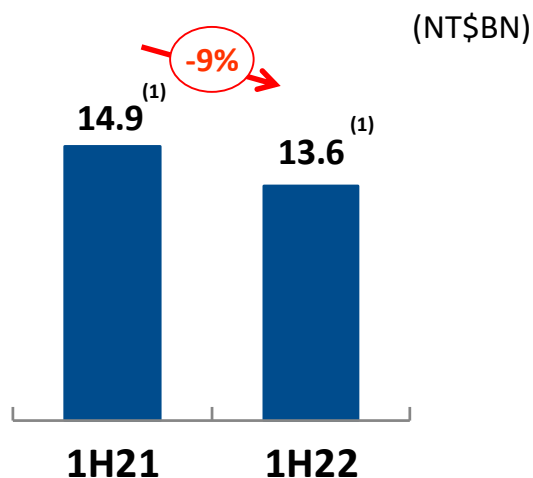
- VNB declined YoY due to the higher 1H21 base period for sales volume of ILPs, as well as pandemic-induced slowdown in sales momentum in 2Q22.
- VNB margin increased, attributable to continued efforts in growing high-CSM protection-type products.

Value for New Business

Profit Margin	1H21 ⁽¹⁾	1H22 ⁽¹⁾
VNB/FYP	14%	19%
VNB/FYPE	57%	60%

Value for New Business (annual)

Profit Margin	FY17	FY18	FY19	FY20	FY21 ⁽¹⁾
VNB/FYP	22%	24%	24%	20%	14%
VNB/FYPE	64%	72%	50%	53%	56%



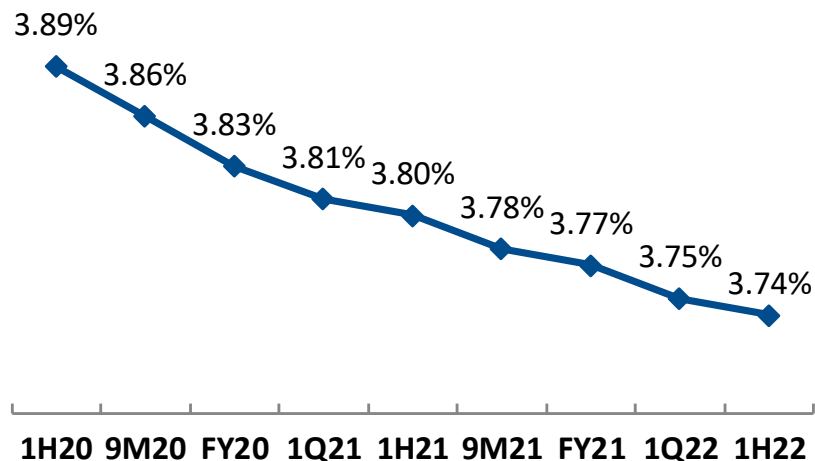
Note : (1) 1H21, FY21 and 1H22 VNB were based on 2021 Embedded Value assumptions.

(2) Based on 2020 Embedded Value assumptions, 1H21 & FY21 VNB were NT\$15.0BN and NT\$28.8BN ; VNB/FYP were both 14% , VNB/FYPE were 58% and 56%, respectively.

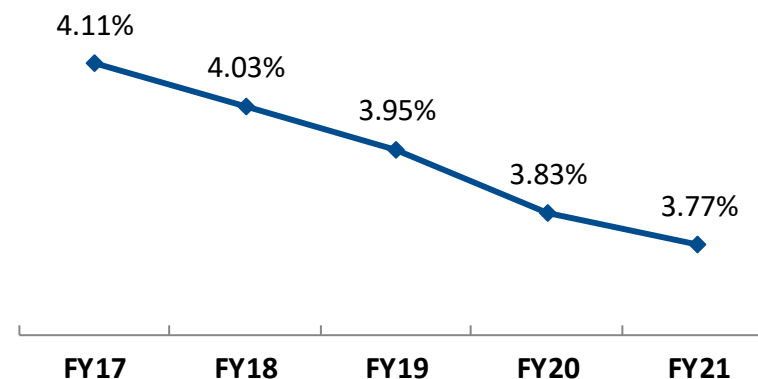
Cathay Life – Cost of liability and break-even asset yield

- Continued to strengthen value-driven strategy.
- Cost of liability continued to improve.

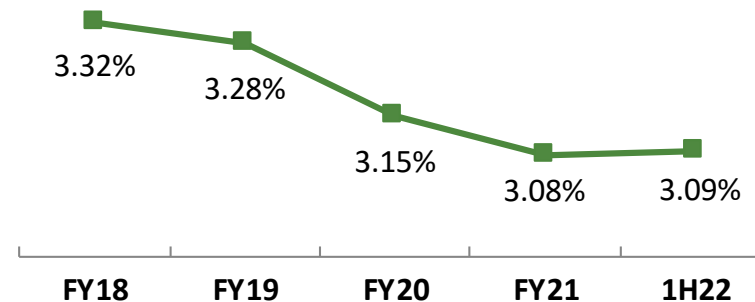
Cost of liability (quarterly)



Cost of liability (annual)



Break-even asset yield



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

Cathay Life – Investment portfolio

(NT\$BN)	FY19	FY20	FY21			1H22		
Total investments⁽¹⁾	6,415.0	6,945.1	7,254.1			7,041.3		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	3.7%	4.8%	3.2%	234	0.2%	0.6%	41	0.3%
Equity- Domestic	5.0%	6.3%	7.2%	519	20.9%	6.4%	450	10.0%
Equity- International ⁽²⁾	5.8%	5.9%	6.4%	465	11.6%	6.2%	437	9.1%
Bond- Domestic	7.9%	8.0%	7.9%	572	1.7%	7.5%	530	2.6%
Bond- International ⁽¹⁾⁽²⁾	58.9%	58.0%	58.5%	4,246	5.3%	61.6%	4,339	3.9%
Mortgage & Secured loans	5.3%	4.5%	4.4%	308	1.4%	4.2%	297	1.9%
Policy loans	2.7%	2.4%	2.3%	170	5.4%	2.4%	169	5.4%
Real estate	8.2%	7.7%	7.4%	548	2.4%	7.9%	557	3.1%
Others	2.6%	2.4%	2.6%	191		3.2%	222	

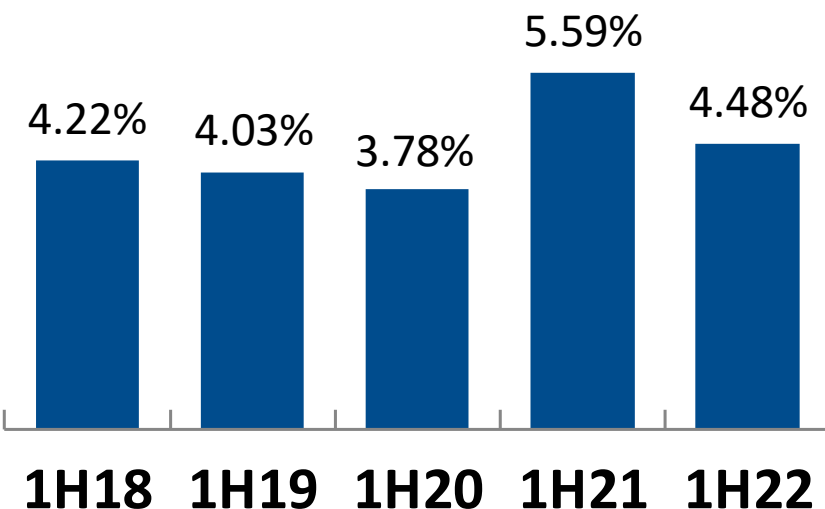
Note: (1) Total assets excluded separate account assets; international bond includes foreign currency deposit and related adjustments

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

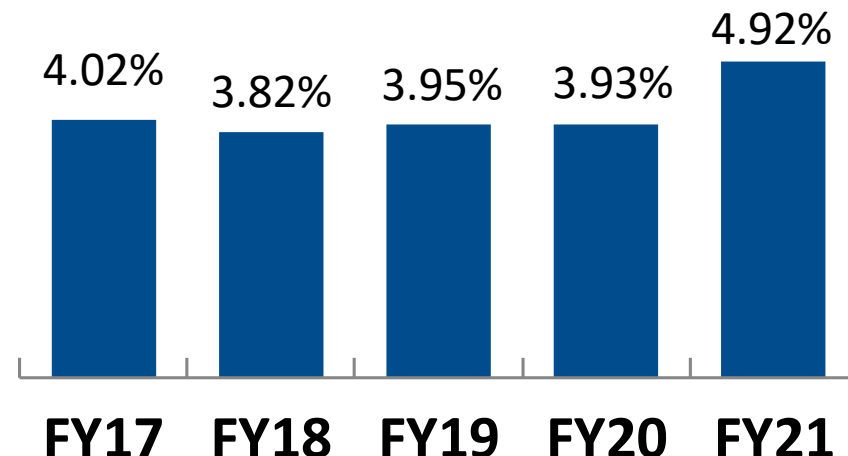
Cathay Life – Investment performance highlights

- After-hedging investment yield remained benign. The YoY decline was mainly due to the higher base period for investment gains and comparatively favorable financial markets in 1H21.

After-hedging investment yield



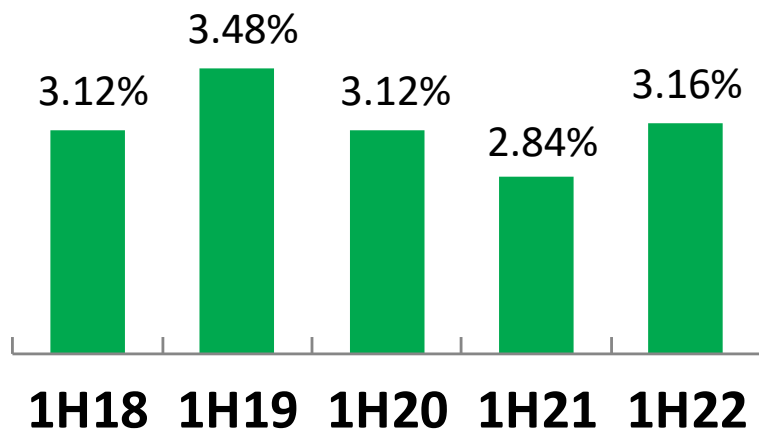
After-hedging investment yield



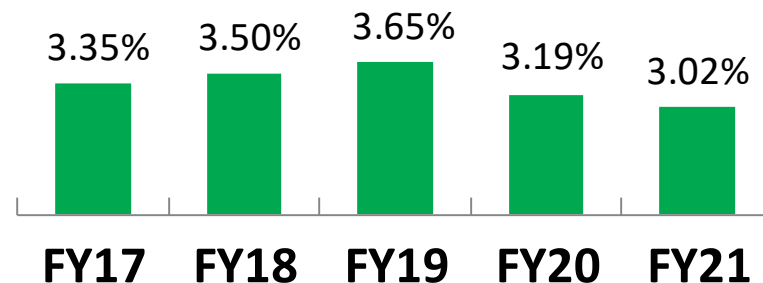
Cathay Life – Investment performance highlights

- Pre-hedging recurring yield rose 32bps YoY as new money yield from overseas bonds surged YTD with increased positioning and cash dividend income increased YoY.
- Hedging costs improved substantially with a gain of 0.21%, owing to TWD depreciation and effective proxy hedging.

Pre-hedging recurring yield

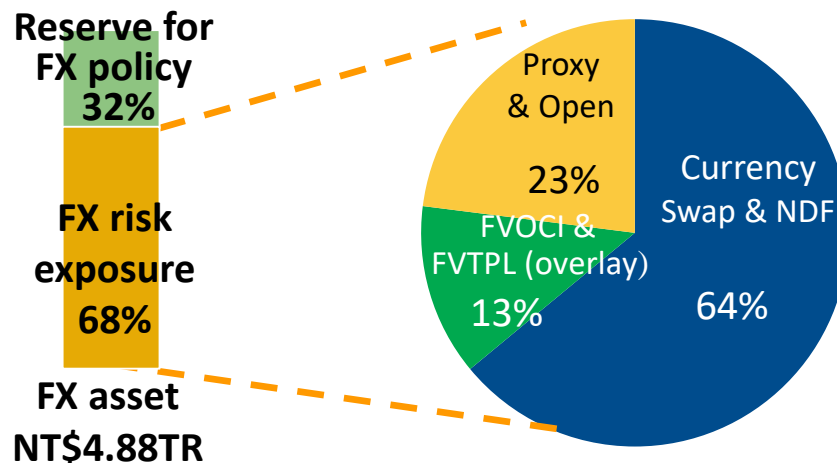


Pre-hedging recurring yield



Currency hedging structure

1H22 Hedging cost -0.21% (Gain)



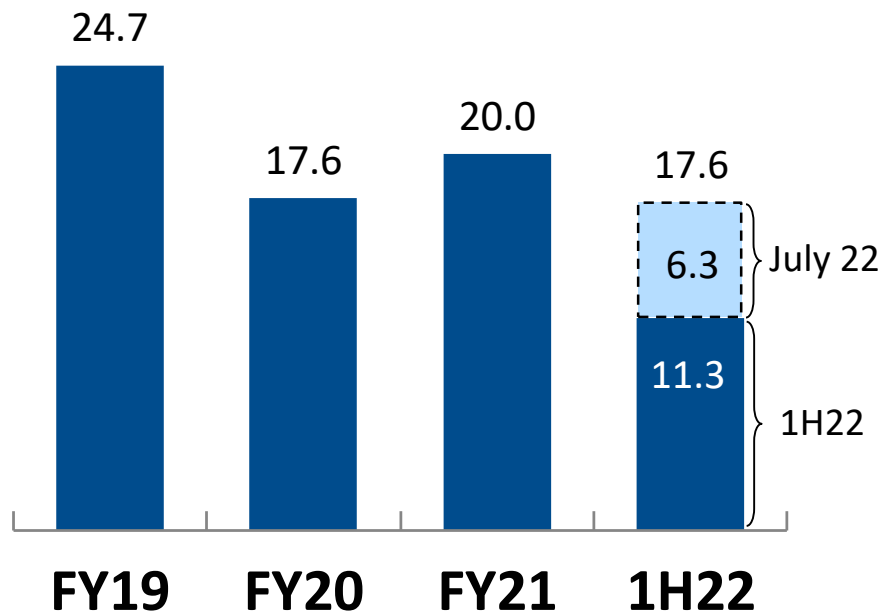
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

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

7M22 accumulated cash dividend income reached NT\$17.6bn.

Cash dividend income

(NT\$BN)



Overseas fixed income by region

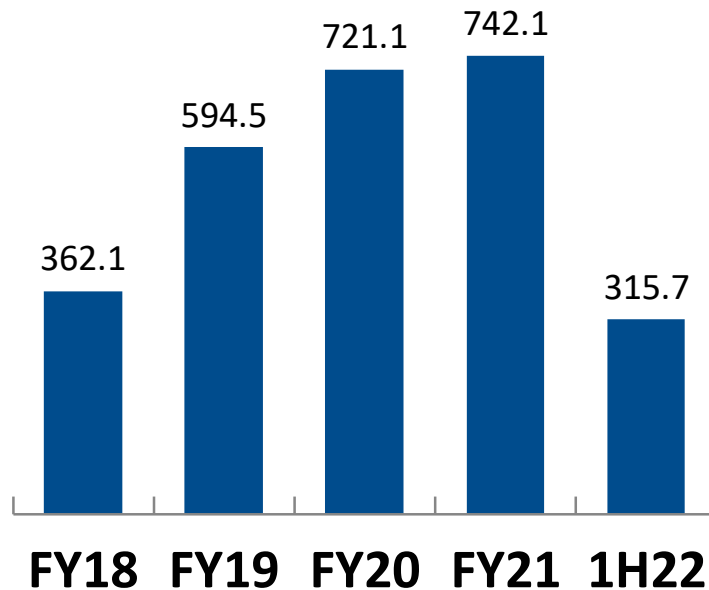


Cathay Life – Book value & unrealized G/L of financial assets

- Book value and unrealized G/L declined, reflecting a sharp rise in bond yields and a decline in equity markets.
- Based on IFRS 17, book value increased between 9M21 and 1H22, as the decline in liabilities exceeded that of assets, with assets and liabilities each marked to market.

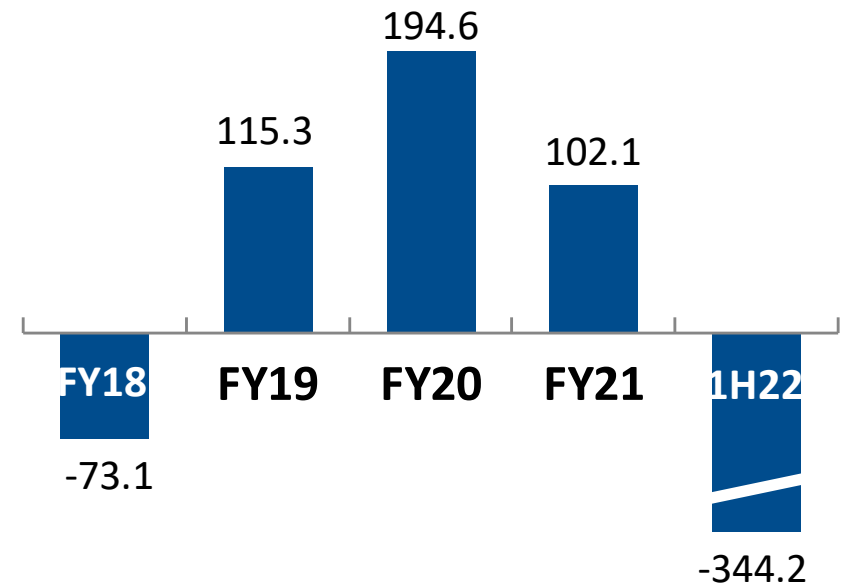
Book value

(NT\$BN)



Unrealized G/L of financial assets

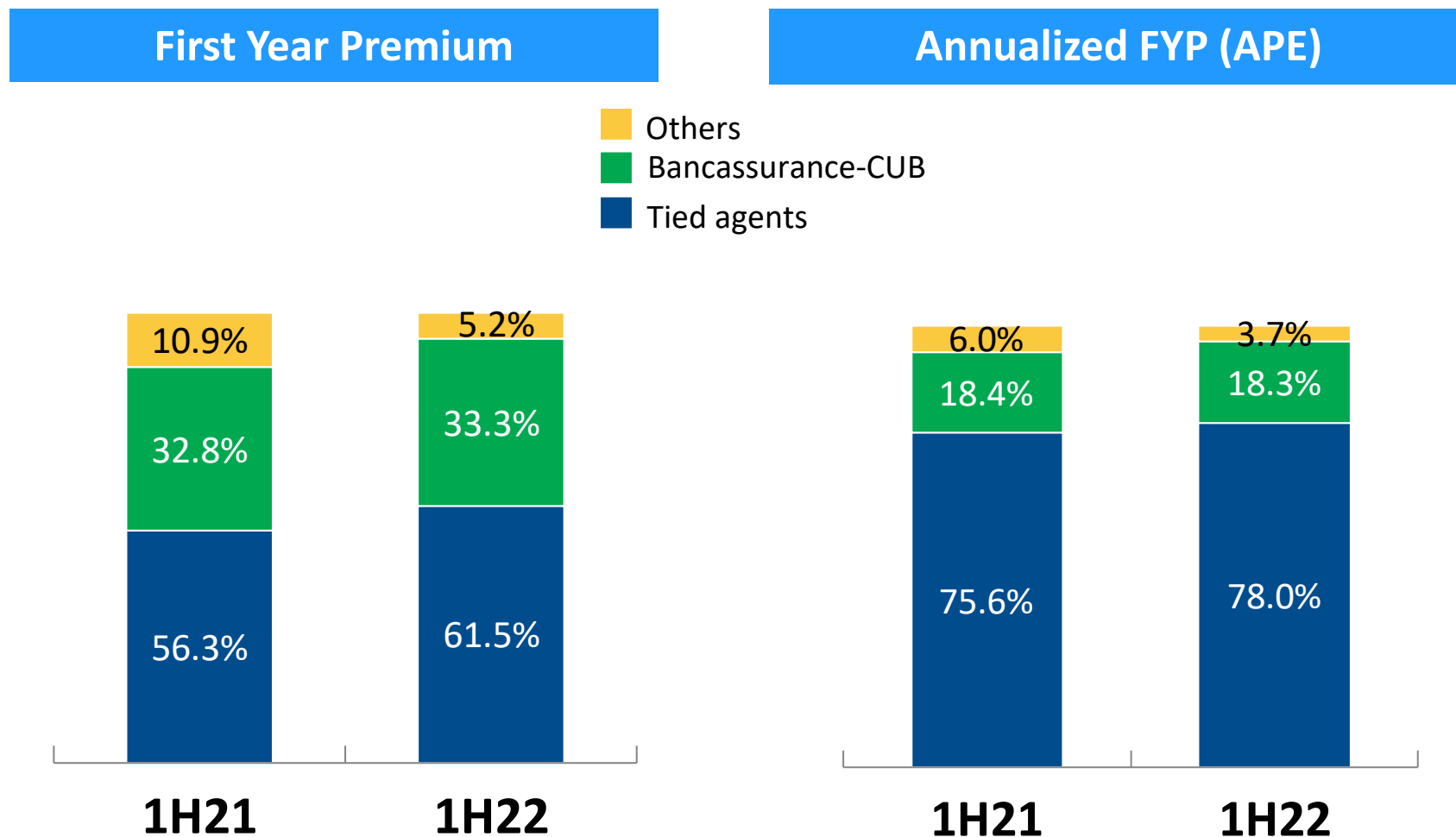
(NT\$BN)



Note: FVOCI & FVTPL (overlay approach)

Cathay Life – Distribution channels

- Premium income was mainly generated by Cathay Life agents and Cathay United Bank. The group's strong sales capabilities provided solid contributions to premium income and VNB.



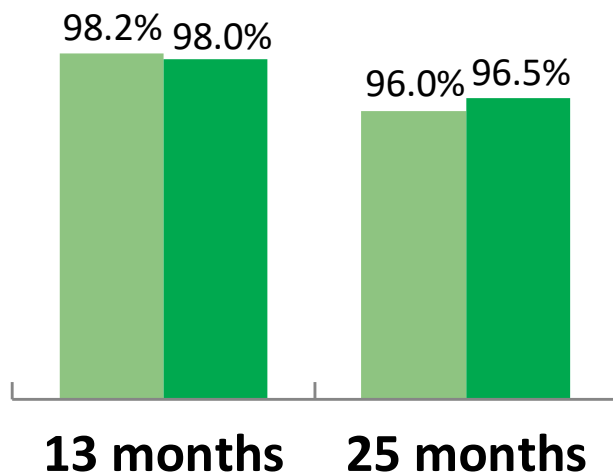
Cathay Life – Operational indicators

- Total expenses declined; a greater magnitude of decline in total premium resulted in a higher expense ratio.

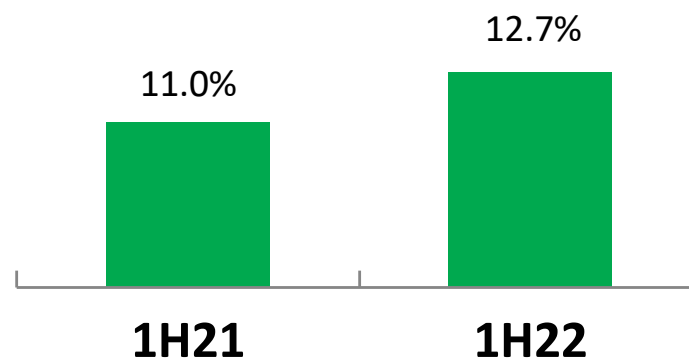
Persistency ratio

■ 1H21

■ 1H22



Expense ratio



Agenda





- **1H22 Business overview**
- **Overseas expansion**
- **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century**
- **Impact of recent interest rate hikes on Cathay Life's BV**
- **Appendix**

Cathay Century – Premium income

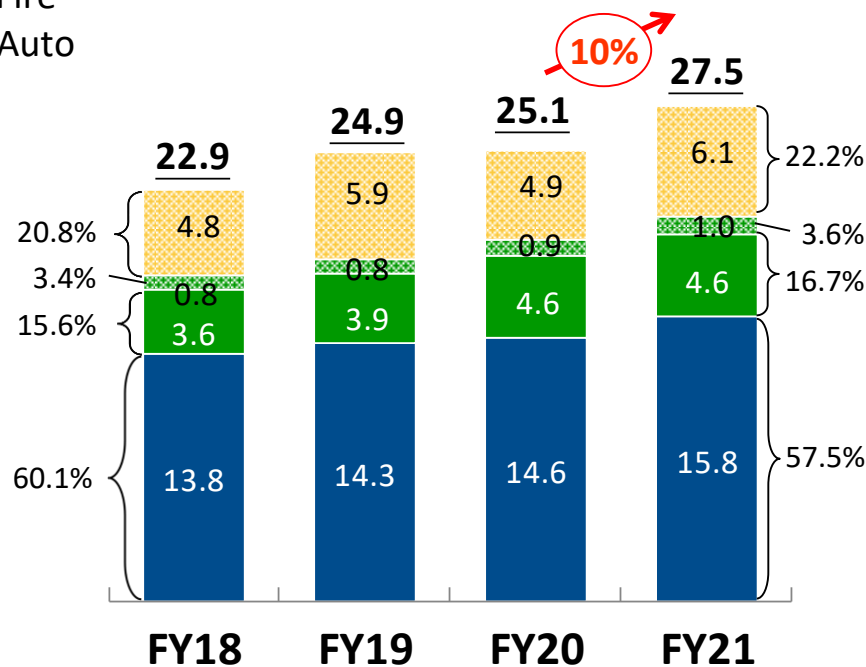
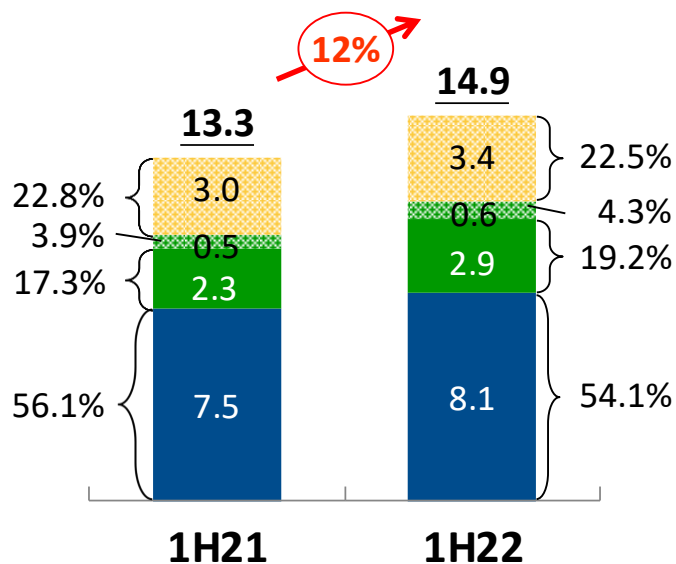
□ Premium income showed steady growth. Market share was 12.3%.

Premium income

Premium income (annual)

(NT\$BN)  Engineering + Others
 Marine
 Fire
 Auto

(NT\$BN)



Market share	11.8%	12.3%	13.0%	13.1%	12.3%	12.4%
Retention	72.8%	70.5%	77.1%	77.7%	76.4%	74.3%

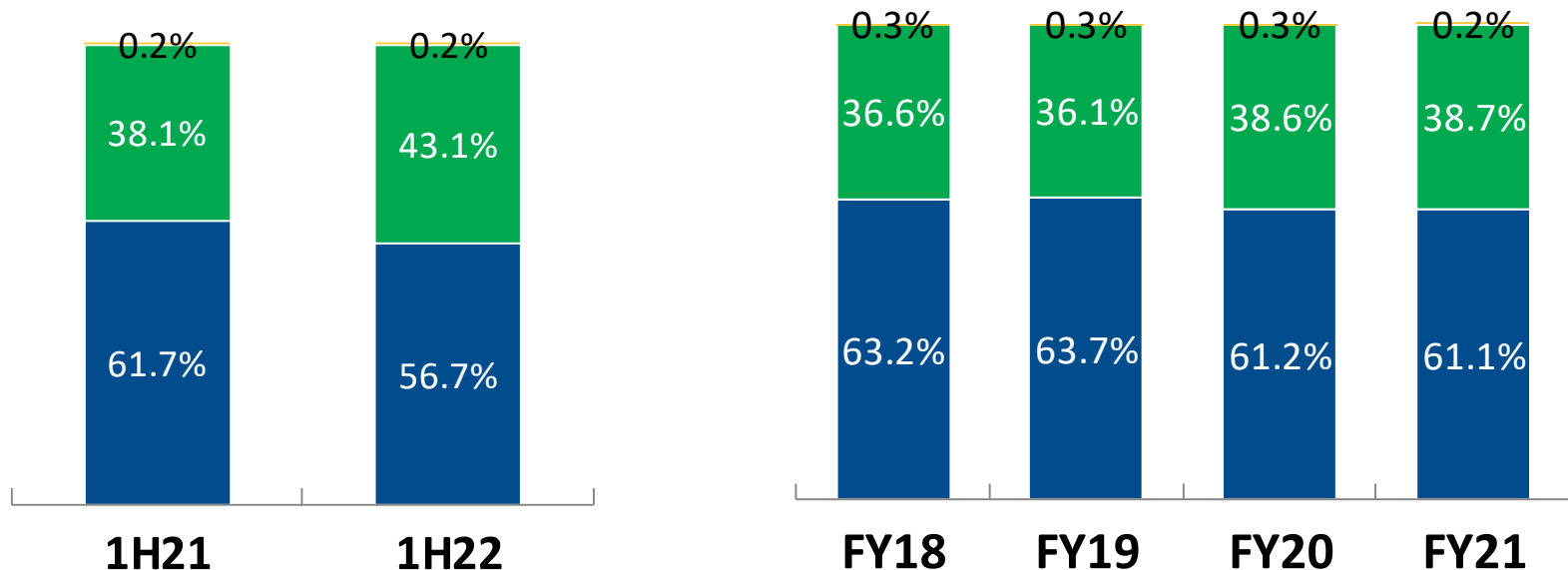
Cathay Century – Distribution channel

- Proportion of premium income generated by Cathay P&C agents increased to over 40% in 1H22.
- Benefiting from cross-selling synergy, 50% of premium income was generated by the group channel.

Distribution channel

Distribution channel (annual)

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

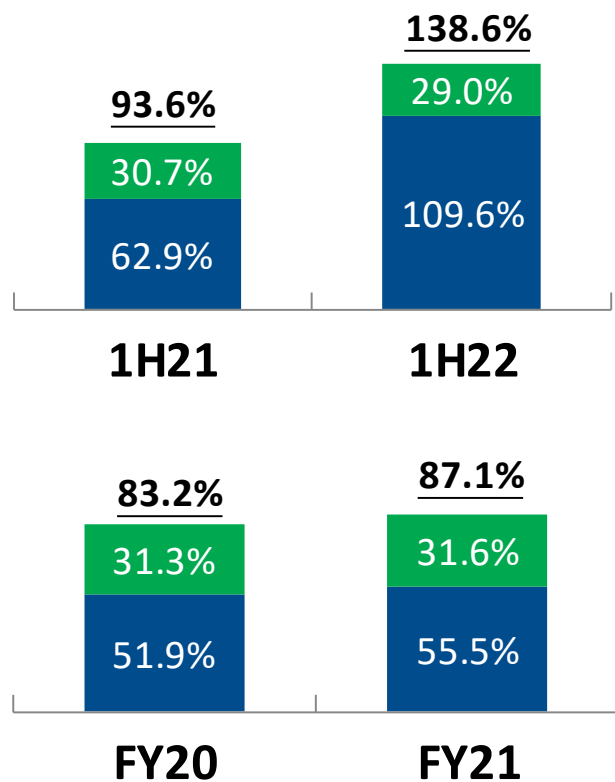


Cathay Century – Combined ratio

- Gross combined ratio and retained combined ratio each increased due to the higher loss ratio resulting from the impact of pandemic insurance losses.

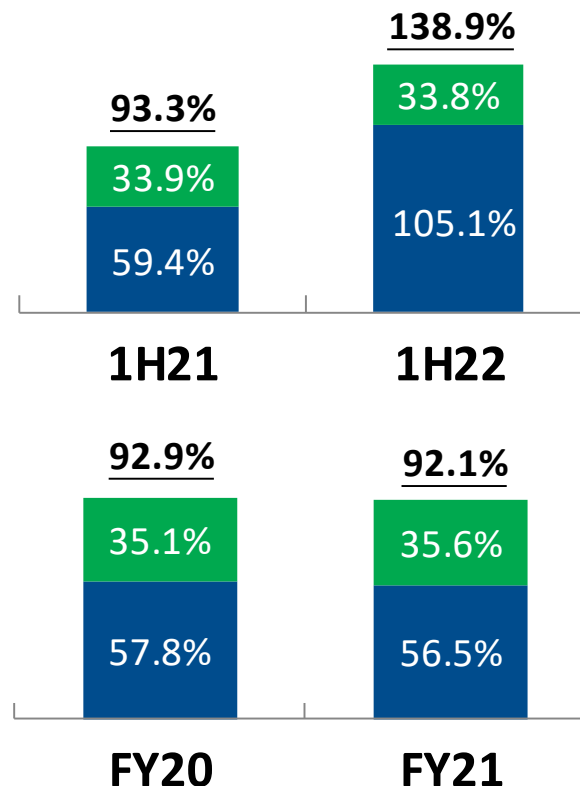
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio

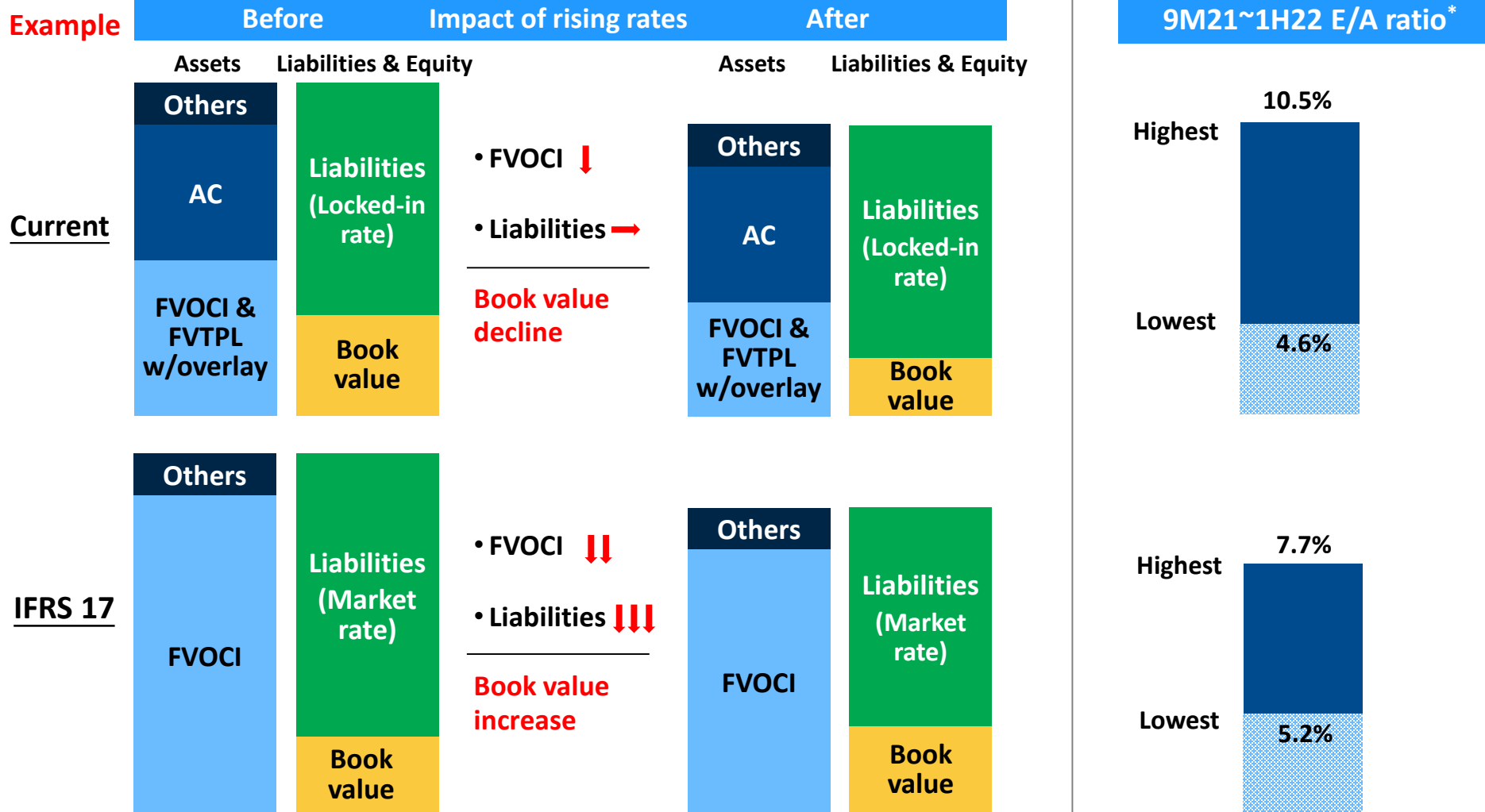


Agenda

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- **Appendix**

Impact of recent interest rate hikes on Cathay Life's book value

- Based on IFRS 17, book value increased, as the decline in liabilities exceeded that of assets, with assets and liabilities each marked to market.
- Under IFRS 17, the volatility of assets was offset by that of liabilities, resulting in reduced E/A ratio volatility.

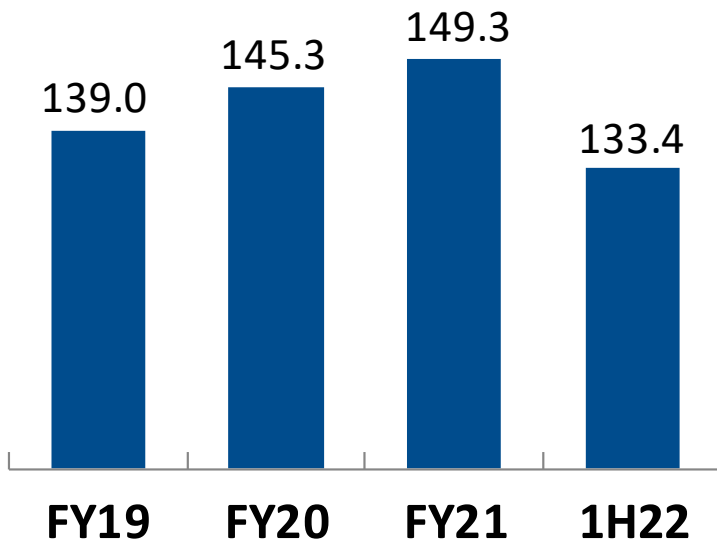


Agenda

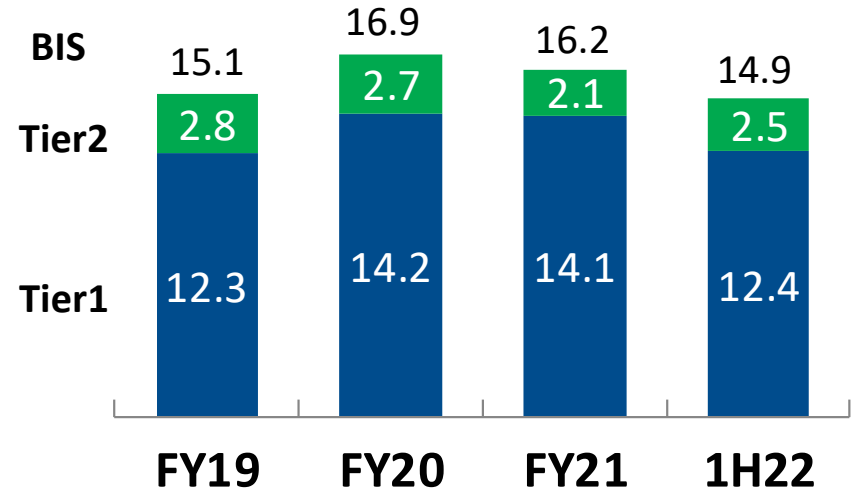
- **1H22 Business overview**
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- **Appendix**

Capital adequacy

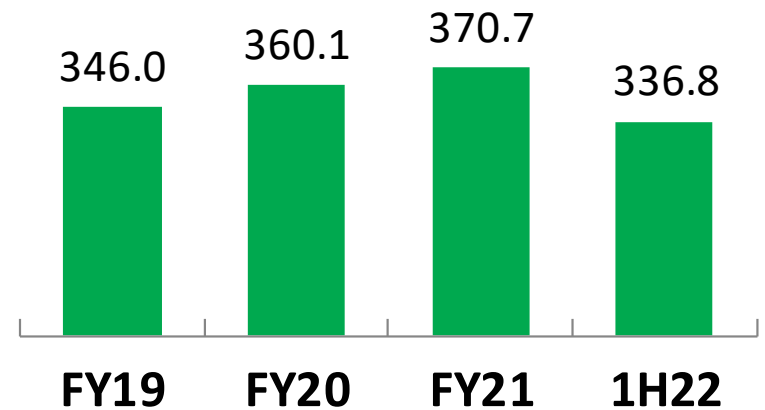
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

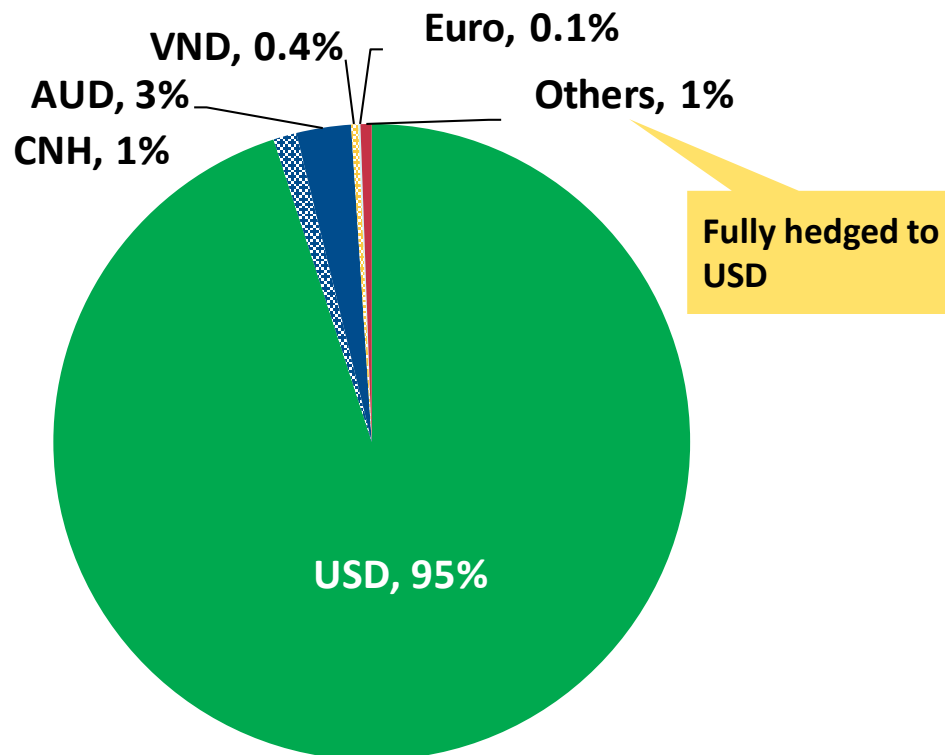


Cathay Life RBC (%)

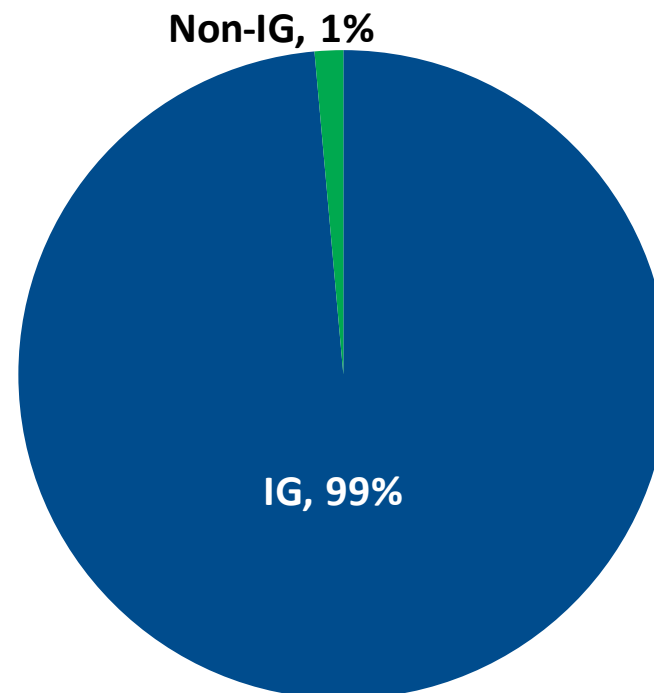


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H22)



Overseas bond by rating (1H22)



Cathay FHC's commitment to net-zero carbon emissions

2018 Began disclosing carbon footprints in the investment portfolio.

2019 CUB ceased extending loans for both new and existing coal-fired power generation projects. Cathay Life Insurance excluded power generation companies from investment in cases where over 50% of revenue comes from coal-fired power generation without active transition to renewable energy.

2020 Integrated carbon-reduction performance into CEO's KPI.

2022 Committed to setting science-based targets (SBTs).
Became an RE100 member.

2025 100% renewable energy goal for headquarters of Cathay FHC, Cathay Life, CUB, and Cathay Century.

2030 100% renewable energy goal for all business operation sites in Taiwan.

2050 Net-zero carbon emissions goal

Cathay FHC's continuous effort in ESG integration



2011

- Established CSR Committee

- Formed Responsible Investment Team

2014

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

2015

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

2016

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

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

2019

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



2018

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



2017

2020

- Joined **Ceres Valuing Water Finance Task Force**
- Launched the Taiwan Sustainable Investment Survey
- Cathay Securities published ESG rating reports on individual listed companies

2021



- Issued ESG integration report certified by third party
- Committed 100% renewable energy by 2030
- Participated in **Asian Utilities Engagement Program**

2022

RE100
CLIMATE GROUP | **CDP**

- Selected by **The Investor Agenda for its global top-10 best-practice case studies** in the Investor Climate Action Plans (ICAPs)
- **Became RE100 member**, the first financial institution in Taiwan

Renowned corporate sustainability performance

Recognized by local regulatory authorities

Top-5% Corporate Governance

Over 1,000 listed companies

TWSE Corporate Governance Evaluation



FTSE4Good
TIP Taiwan ESG Index

Included in
FTSE4Good TIP Taiwan ESG Index
since 2017

Note: The FTSE4Good TIP Taiwan ESG Index is maintained by FTSE Russell and Taiwan Index Plus Corp. (TIP), a wholly owned subsidiary of Taiwan Stock Exchange.

Recognized by ESG ratings agencies

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Included in
DJSI World & DJSI EM



Recognized by Media



Top-10 World Corporate Citizen
for **9** consecutive years,
Top-3 in 2021



Global Views

First Prize in Annual Survey
for **3** consecutive year
(Finance & Insurance)



2021 Taiwan Corporate
Sustainability Awards

Cathay Financial Holdings
(NT\$MN)

			FY21/ FY20			1H22/ 1H21			2Q22/ 2Q21
	FY20	FY21	% Chg	1H21	1H22	% Chg	2Q21	2Q22	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	190,930	194,882	2%	96,313	105,289	9%	48,261	55,246	14%
Net commission and fee	7,244	12,649	75%	5,476	8,353	53%	2,744	4,090	49%
Net earned premium	602,806	524,187	-13%	261,377	214,912	-18%	128,758	107,595	-16%
Change in liability reserve	(462,094)	(377,408)	-18%	(198,469)	(130,814)	-34%	(94,621)	(59,793)	-37%
Net claims payment	(289,808)	(305,703)	5%	(141,002)	(172,650)	22%	(73,614)	(95,072)	29%
Investment income	124,347	190,944	54%	115,766	101,111	-13%	44,328	42,312	-5%
Contribution from associates-equity method	(12,085)	1,807	115%	1,021	1,243	22%	454	816	80%
Other net non-interest income	6,480	7,197	11%	6,826	(20,462)	-400%	5,238	(9,267)	-277%
Bad debt expense	(3,178)	(3,484)	10%	(2,181)	(1,213)	-44%	(859)	(1,166)	36%
Operating expense	(83,027)	(85,543)	3%	(40,938)	(42,014)	3%	(20,364)	(20,814)	2%
Income before taxes	81,616	159,526	95%	104,188	63,756	-39%	40,325	23,947	-41%
Income taxes	(5,658)	(18,637)	229%	(12,672)	(14,442)	14%	(6,375)	(9,009)	41%
Net income	75,958	140,889	85%	91,516	49,313	-46%	33,949	14,938	-56%
EPS (NT\$)	5.41	10.34		6.66	3.45		2.30	0.85	
Dividend Payout									
Cash dividend per share	2.50	3.50							
Stock dividend per share	0.00	0.00							
Weighted average outstanding shares (Millions of common shares)	13,169	13,169		13,169	13,169				
Balance Sheet Data (Consolidated)									
Total assets	10,950,472	11,594,361		11,318,443	11,583,284				
Total shareholders' equity	904,776	914,039		897,417	451,393				
Equity attributable to parent company	893,061	902,038		886,137	439,579				
Operating Metrics									
ROAE (Consolidated)	9.01%	15.49%		20.31%	14.45%				
ROAA (Consolidated)	0.72%	1.25%		1.64%	0.85%				
Double leverage ratio(inc. preferred stock)	111%	113%		113%	131%				
Capital Adequacy Metrics									
Capital Adequacy Ratio	145%	149%		142%	133%				

Notes:

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Cathay Life
 (NT\$MN)

Income Statement Data (Consolidated)	FY21/			1H22/			2Q22/		
	FY20	FY21	FY20	1H21	1H22	1H21	2Q21	2Q22	2Q21
			% Chg			% Chg			% Chg
Net written premium	580,261	499,102	-14%	249,607	201,145	-19%	122,365	99,907	-18%
Net earned premium	579,563	498,398	-14%	249,812	201,281	-19%	122,026	99,334	-19%
Reinsurance commission earned	533	388	-27%	9	15	60%	4	8	76%
Fee income	8,701	10,715	23%	5,225	5,423	4%	2,731	2,725	0%
Recurring investment income	212,247	214,968	1%	100,553	114,224	14%	51,354	62,344	21%
Gain on disposal of investment									
Realized gain (loss)-Equity	74,997	116,191	55%	77,926	27,572	-65%	30,794	10,397	-66%
Realized gain (loss)-Debt	64,964	63,127	-3%	45,525	11,047	-76%	17,072	56	-100%
Gain on investment property	1,881	1,106	-41%	1,146	1,937	69%	1,158	1,387	20%
FX and others, net	(90,182)	(46,445)	48%	(28,722)	7,336	126%	(13,435)	1,264	109%
Investment income, net	263,907	348,947	32%	196,427	162,116	-17%	86,943	75,449	-13%
Other operating income	6,978	8,754	25%	3,850	4,135	7%	1,900	2,120	12%
Separate account revenues	73,396	77,919	6%	53,426	(20,191)	-138%	14,193	(19,881)	-240%
Net claims payment	(273,049)	(287,850)	5%	(132,939)	(162,467)	22%	(68,735)	(87,937)	28%
Changes in liability reserves	(462,233)	(376,771)	-18%	(198,146)	(126,620)	-36%	(94,540)	(56,014)	-41%
Acquisition and commission expense	(35,815)	(34,445)	-4%	(17,077)	(14,669)	-14%	(8,316)	(6,707)	-19%
Other operating costs	(6,635)	(8,056)	21%	(3,909)	(3,178)	-19%	(2,031)	(1,502)	-26%
Financial cost	(2,501)	(3,114)	25%	(1,481)	(1,694)	14%	(745)	(835)	12%
Separate account expense	(73,396)	(77,919)	6%	(53,426)	20,191	-138%	(14,193)	19,881	-240%
Operating expense	(29,565)	(32,448)	10%	(15,693)	(16,157)	3%	(7,787)	(7,681)	-1%
Net non-operating income	1,589	1,563	-2%	810	895	10%	398	437	10%
Income taxes	1,209	(12,916)	1168%	(9,285)	(8,550)	-8%	(4,110)	(4,944)	20%
Net income	52,682	113,166	115%	77,604	40,528	-48%	27,737	14,452	-48%

Balance Sheet Data

Total assets	7,675,559	8,073,161		7,894,917	7,885,085
General account	7,033,875	7,348,951		7,200,022	7,239,478
Separate account	641,685	724,210		694,896	645,607
Reserves for life insurance liabilities	6,085,534	6,413,221		6,245,333	6,664,309
Total liabilities	6,954,433	7,331,028		7,157,978	7,569,397
Total shareholders' equity	721,126	742,133		736,940	315,688
Equity attributable to parent company	713,727	734,443		729,571	307,964

Operating Metrics (Standalone)

First Year Premium(FYP)	160,771	202,394		105,789	71,632
First Year Premium Equivalent(FYPE)	62,182	50,997		25,997	22,493
Expense ratio	9.5%	11.2%		11.0%	12.7%
13-M persistency ratio	98.1%	98.4%		98.2%	98.0%
25-M persistency ratio	95.5%	96.3%		96.0%	96.5%
ROAE	8.01%	15.47%		21.29%	15.33%
ROAA	0.71%	1.44%		1.99%	1.02%

Capital Adequacy Metrics (Standalone)

RBC ratio	360%	371%		371%	337%
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Cathay United Bank

(NT\$MN)	FY21/ FY20			1H22/ 1H21			2Q22/ 2Q21		
	FY20	FY21	% Chg	1H21	1H22	% Chg	2Q21	2Q22	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	35,223	38,539	9%	18,655	21,908	17%	9,443	11,748	24%
Fee income	16,331	18,346	12%	8,698	8,942	3%	4,081	3,658	-10%
Investment income	9,482	6,956	-27%	4,176	3,322	-20%	1,812	2,066	14%
Other income	855	502	-41%	274	648	136%	164	514	214%
Net operating income	61,891	64,342	4%	31,804	34,819	9%	15,499	17,986	16%
Operating expenses	(32,686)	(33,877)	4%	(15,599)	(17,056)	9%	(7,842)	(8,825)	13%
Pre-provision profit	29,205	30,466	4%	16,205	17,762	10%	7,657	9,161	20%
Net provisions for possible losses	(3,382)	(2,986)	-12%	(2,121)	(1,517)	-28%	(876)	(1,221)	39%
Income before taxes	25,823	27,480	6%	14,084	16,245	15%	6,780	7,941	17%
Income tax	(3,512)	(3,671)	5%	(1,823)	(2,781)	53%	(923)	(1,349)	46%
Net income	22,311	23,808	7%	12,261	13,464	10%	5,857	6,592	13%
Balance Sheet Data									
Total assets	3,229,460	3,499,323		3,389,518	3,664,738				
Loans, net	1,661,296	1,807,077		1,786,771	1,937,733				
Financial assets	1,028,595	1,110,788		1,064,790	1,260,201				
Total liability	2,982,805	3,248,596		3,147,337	3,432,518				
Deposits	2,648,995	2,935,694		2,781,375	3,064,392				
Financial Debenture Payable	53,800	46,800		46,800	43,064				
Total shareholders' equity	246,656	250,727		242,180	232,221				
Equity attributable to parent company	242,297	246,351		238,218	228,052				
Operating Metrics									
Cost income ratio	52.81%	52.65%		49.05%	48.99%				
ROAE	9.32%	9.57%		10.03%	11.15%				
ROAA	0.72%	0.71%		0.74%	0.75%				
Assets Quality (Standalone)									
NPL	2,274	1,578		3,643	1,568				
NPL ratio	0.14%	0.09%		0.21%	0.08%				
NPL provisions	26,846	28,064		27,805	29,723				
Coverage ratio	1180%	1778%		763%	1896%				
Capital Adequacy Metrics (Standalone)									
BIS ratio	16.9%	16.2%		16.0%	14.9%				
Tier I Ratio	14.2%	14.1%		13.7%	12.4%				
LDR (Standalone)									
LDR	62.5%	61.4%		64.0%	62.7%				
TWD LDR	69.7%	69.2%		71.8%	73.0%				
FX LDR	38.7%	34.1%		36.6%	31.0%				

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Cathay Century

(NT\$MM)	FY21/ FY20			1H22/ 1H21			2Q22/ 2Q21		
	FY20	FY21	% Chg	1H21	1H22	% Chg	2Q21	2Q22	% Chg
Income Statement Data (Consolidated)									
Premium income	25,498	28,015	10%	13,554	15,232	12%	7,497	8,295	11%
Net written premium	19,413	20,718	7%	9,808	10,688	9%	5,199	5,543	7%
Net earned premium	18,848	19,903	6%	9,445	10,571	12%	4,895	5,350	9%
Reinsurance commission earned	572	857	50%	492	453	-8%	350	243	-31%
Fee income	45	46	1%	24	26	6%	13	12	-3%
Investment	1,254	1,363	9%	798	783	-2%	317	240	-25%
Interest income	546	539	-1%	269	300	12%	133	147	11%
Other investment income, net	708	824	16%	529	483	-9%	185	93	-50%
Other operating income	0	0	0%	0	67	0%	0	33	0%
Net claims payment	(10,669)	(10,470)	-2%	(5,194)	(6,418)	24%	(2,720)	(3,896)	43%
Changes in liability reserves	139	(637)	558%	(323)	(4,193)	1197%	(81)	(3,779)	4545%
Commissions and other operating costs	(3,411)	(3,765)	10%	(1,808)	(1,897)	5%	(972)	(1,011)	4%
Operating expenses	(4,224)	(4,772)	13%	(2,152)	(2,298)	7%	(1,084)	(1,061)	-2%
Operating income	2,553	2,525	-1%	1,281	(2,906)	-327%	717	(3,868)	-639%
Net non-operating income	5	42	671%	(2)	(2)	-61%	(0)	(1)	-203%
Income taxes	(385)	(392)	2%	(188)	620	-430%	(117)	744	-738%
Net income	2,174	2,175	0%	1,092	(2,289)	-310%	600	(3,125)	-620%
Balance Sheet Data									
Total assets	44,298	49,900		49,053	62,856				
Total stockholders' equity	13,130	14,447		13,013	19,706				
Operating Metrics									
Gross Combined ratio	83.2%	87.1%		93.6%	138.6%				
Net Combined ratio	92.9%	92.1%		93.3%	138.9%				
ROAE	16.86%	15.78%		16.70%	-26.81%				
ROAA	4.98%	4.62%		4.68%	-8.12%				
Capital Adequacy Metrics									
RBC ratio (Standalone)	323%	284%		317%	450%				

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