



國泰金控

Cathay Financial Holdings

2023 Second Quarter Briefing

August 2023



Agenda

- **1H23 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Appendix**

1H23 Business Overview

Cathay United Bank

- 1H23 net income set a record high for the January–June period, with 30% growth YoY.
- Delivered double-digit growth in deposits and loans. Asset quality was benign. Net interest income grew 18% YoY.
- Net fee income saw double-digit growth, driven by strong growth in credit card fees.

Cathay Life

- Adhered to a value-driven strategy. FYP and APE ranked No. 1 in the industry.
- Hedging costs were well managed. Recurring yield continued to improve; interest income showed double-digit YoY growth.
- RBC reached 312%. Book value recovered, with an equity-to-asset ratio of 7.6%.

Cathay Century

- Premium income rose 9% YoY, with 12.7% market share. 2Q23 net income recovered due to fading impact of pandemic insurance and continued business quality control.
- Enhanced online business in China. Accelerated development of Vietnam business and increased premium income via digital transformation.

Cathay SITE

- Ranked No. 1 in AUM, reaching a new record of NT\$1.47tn.
- Recognized by *Asia Asset Management* and *The Asset*. Received TFF-Bloomberg Best Fund Award and *Smart* Best Fund Award among a total of 27 awards in 2023 to date.

Cathay Securities

- Optimized customer experience via digital-only business model, focused on digital customers to increase customer base, and expanded domestic brokerage market share.
- Enriched product lines and platform functions in sub-brokerage business, holding the largest market share in the industry.

1H23 Business Overview – Leading in climate action

2023 Cathay Sustainable Finance and Climate Change Summit

- Held annually for **7 years** running, bringing together domestic and international leaders to share insight on global climate trends and sustainability strategies.
- Over 4,000 people registered in 2023, with attending companies representing **75% of Taiwan's market cap** and accounting for over **50% of total GHG emissions** in Taiwan.



2017



2018



2019



2020



2021



2022

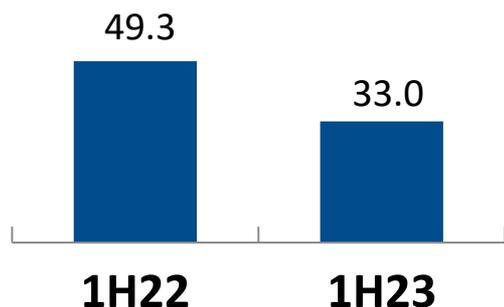


Cathay FHC – Net income & EPS

- 1H22 set a high base period for net income, benefiting from TWD depreciation and higher capital gains; 1H23 net income reflected moderate capital gains, with recurring income showing a meaningful increase.

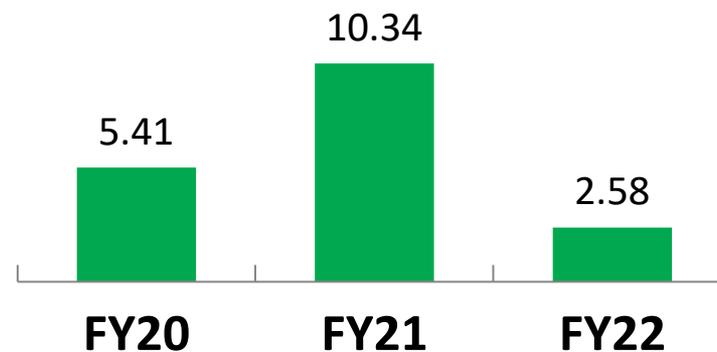
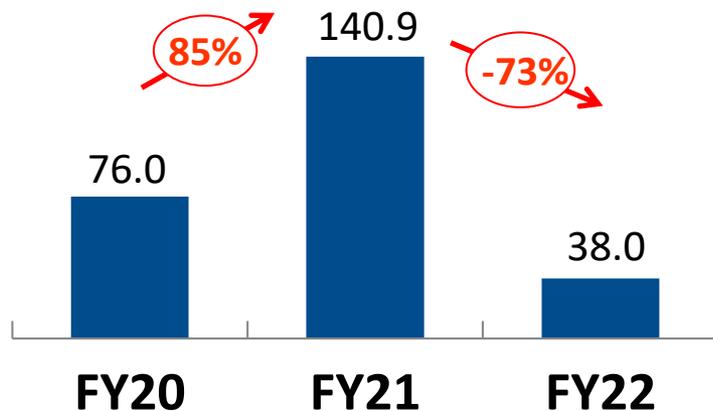
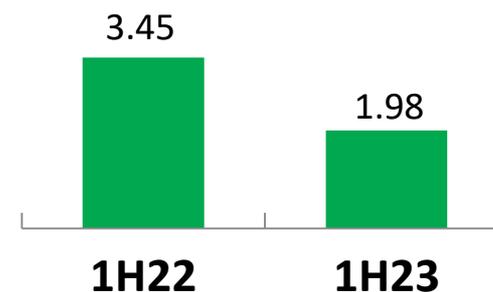
Net income

(NT\$BN)



EPS

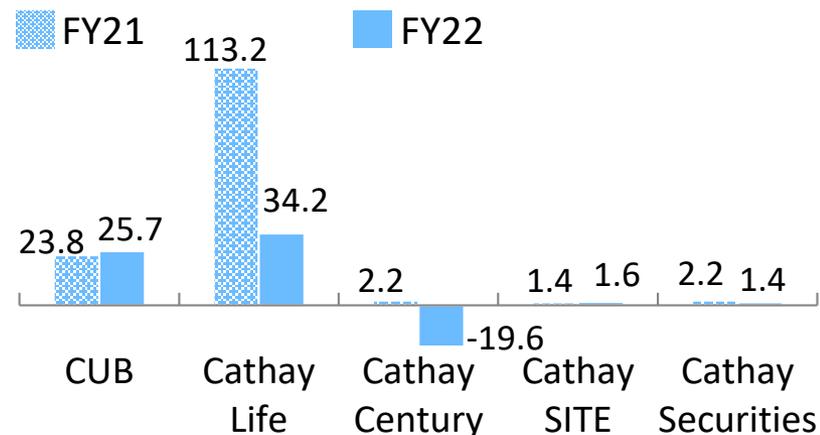
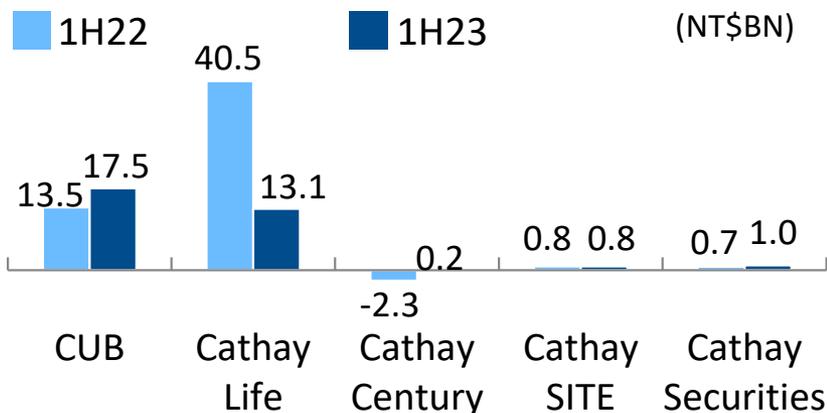
(NT\$)



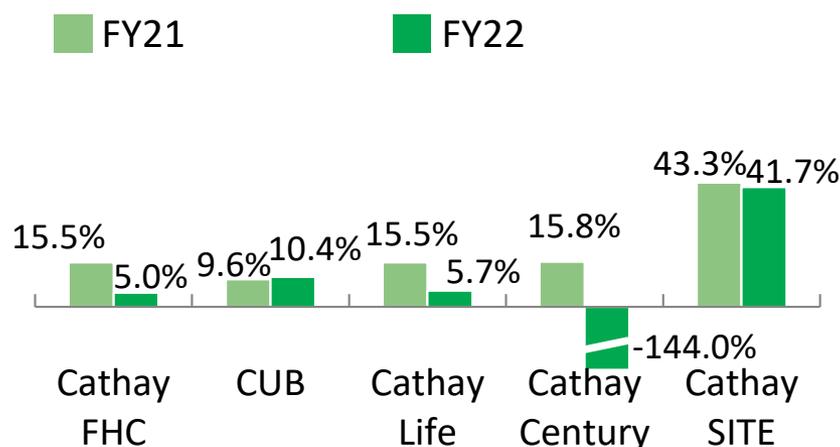
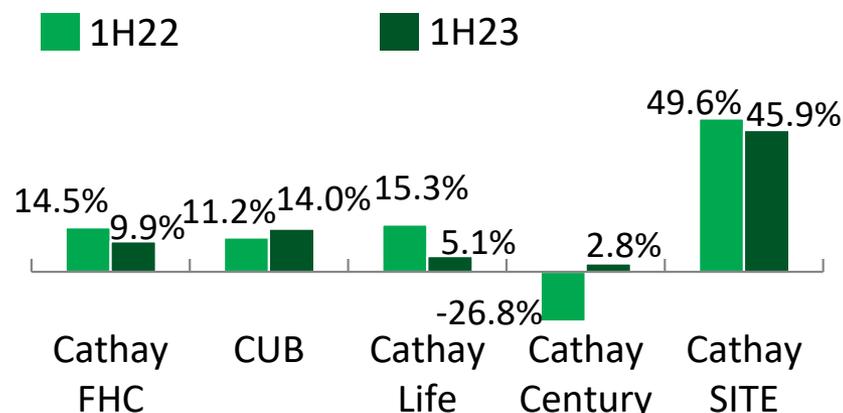
Cathay FHC – Net income & ROE

- CUB delivered strong core earnings; net profit rose 30% YoY to a new 1H record. SITE and Securities each delivered their second-highest historical 1H records.
- Life's YoY earnings reflected high 1H22 base; recurring income saw double-digit YoY growth. Cathay Century profit turned positive in 1H23 with pandemic insurance fading out.

Net income of primary subsidiaries

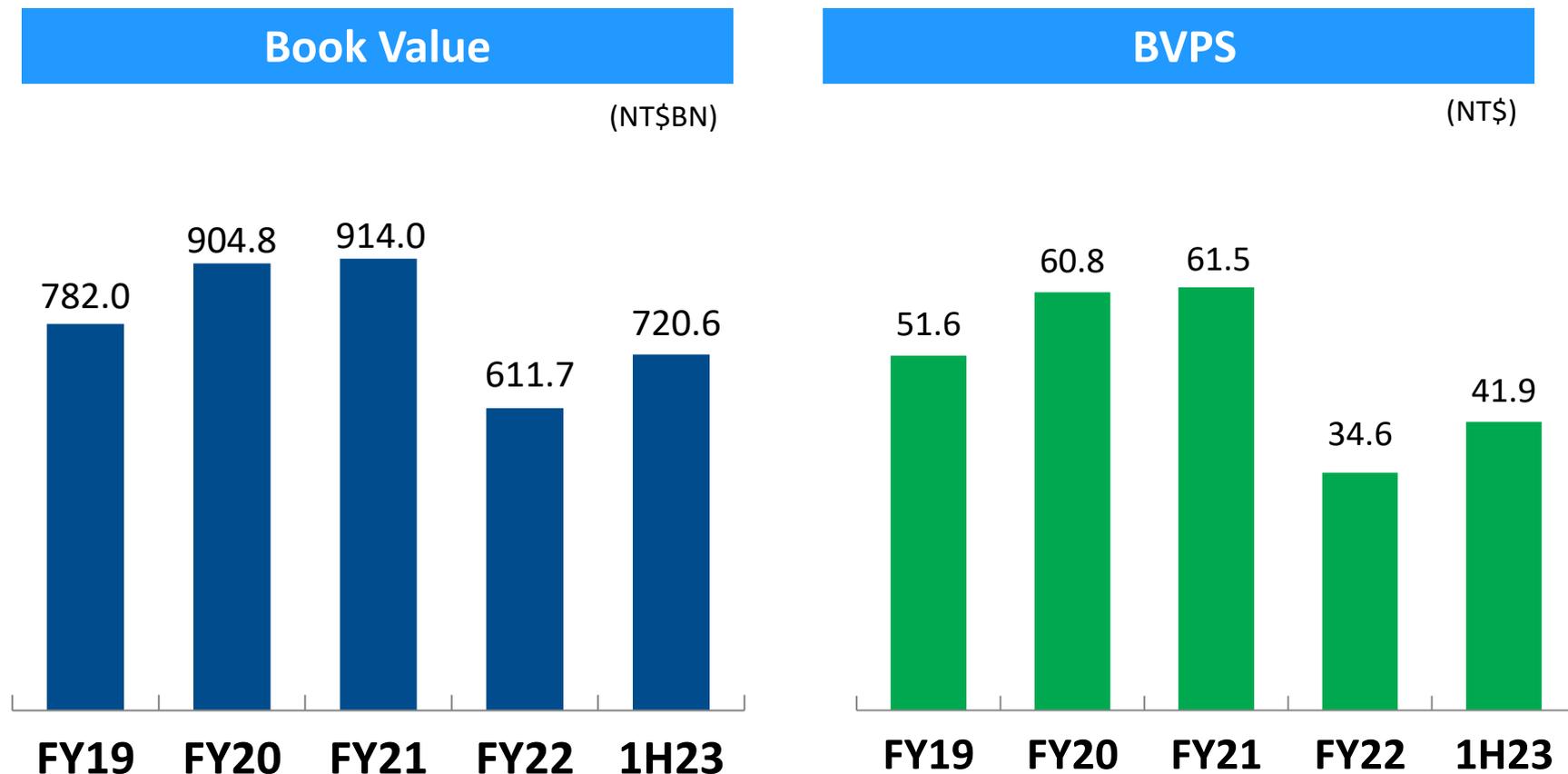


ROE



Cathay FHC – Book value & BVPS

- Book value recovered YTD following rebound in mark-to-market value of financial assets and earnings contributions.



Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

(2) Book value includes preferred shares and minority interests. BVPS represented BVPS attributable to common shareholders.

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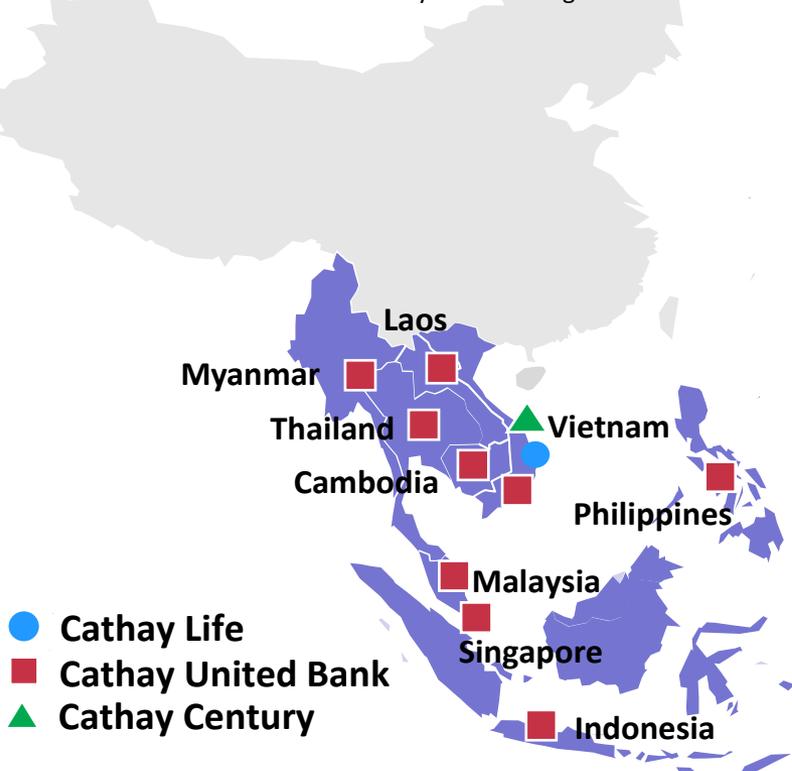
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Cathay FHC in Southeast Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
Bank	7	37	16	1	1	1	1	1	1	1	1
Life	51	150									
P&C	26	2									
Asset Mgt.	1			1							
Securities				2							

Note: (1) Footprints in Thailand and Indonesia are rep. offices.

(2) Cathay FHC owns 49% stake in Cathay Century (China), and 33% stake in BSCOM Cathay Asset Management.



■ Banking

- Vietnam: Loans grew over 50% YoY at Ho Chi Minh City Branch. Expected to launch digital consumer business in 2H23.
- Cambodia: Launched new mobile banking app, providing payment and account opening services.
- Singapore: Deepened cross-border corporate banking business; cultivated local and cross-border customers.

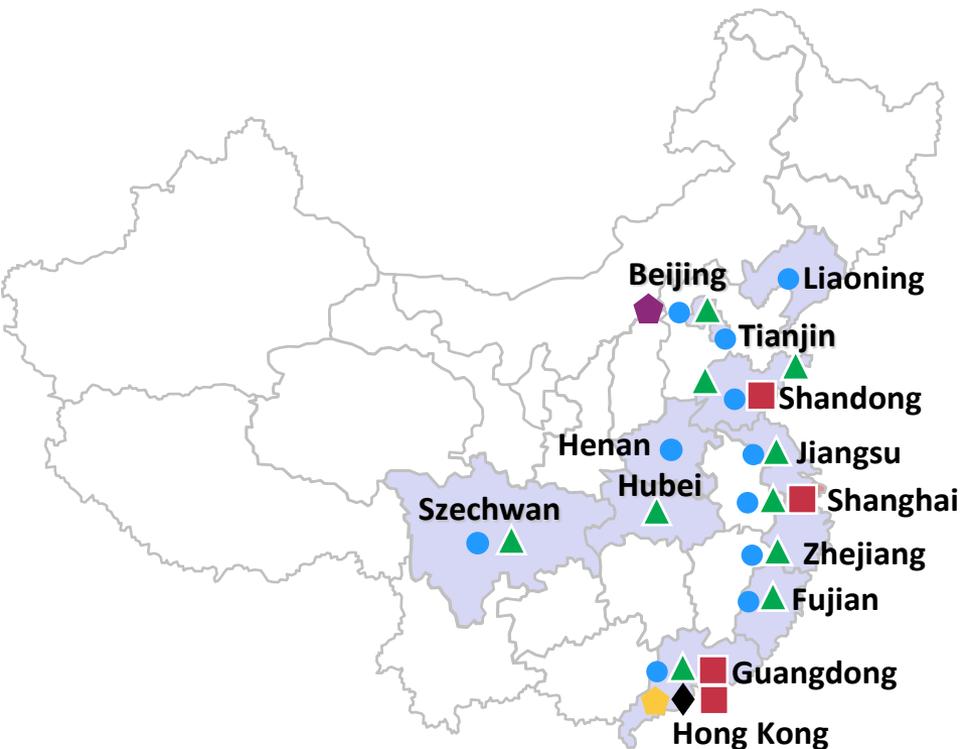
■ Cathay Life (Vietnam)

- Total premium grew 7% YoY to 1.4tn VND in 1H23.
- Expanded and diversified distribution channels.

■ Cathay Century

- Premium income grew to 326bn VND in 1H23.
- 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
- ◆ BSCOM Cathay Asset Management Company

■ Cathay United Bank

- China subsidiary launched escrow accounts and USD green deposits in 2Q23, providing corporate customers with more comprehensive services.

■ Cathay Lujiazui Life

- Total premium grew 72% YoY to 3.3bn RMB in 1H23.
- Grew business in scale and value through agent workforce and multiple-channel development.

■ Cathay Century (China)

- Formed a strategic alliance with Ant Group. Actively developed e-commerce financial services, with ~90% of premium from online channels.

■ Cathay Securities (HK)

- Continued to grow local and cross-border business.

■ BSCOM 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

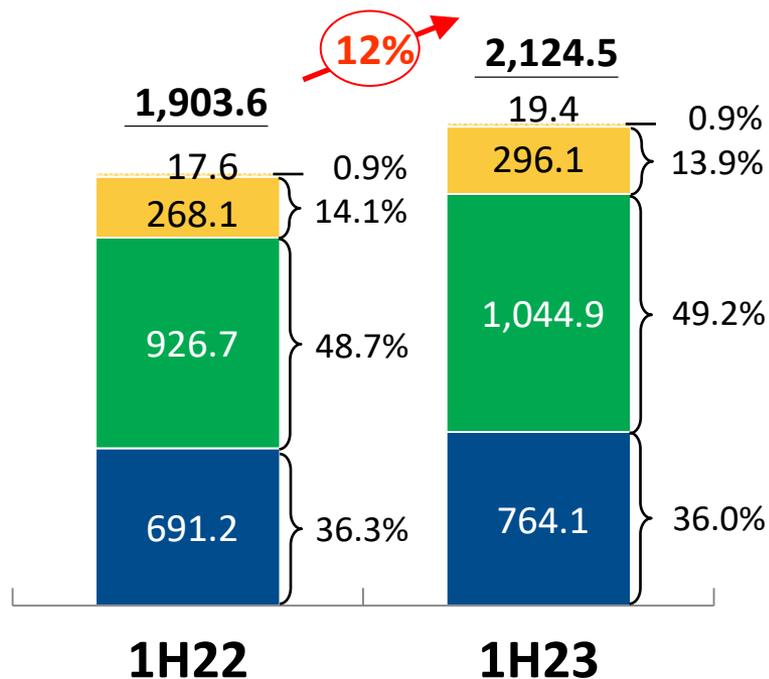
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Cathay United Bank – Loan & deposit breakdown

- Loan growth was robust, with double-digit growth across each sector.
- Deposits saw solid growth, and advantage of high demand-deposit ratio was maintained.

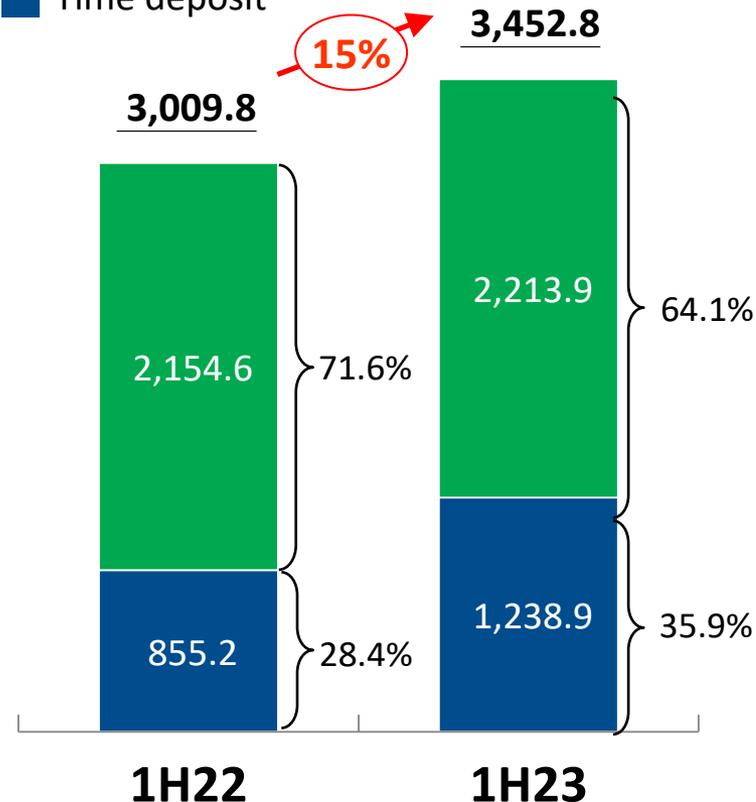
Loan breakdown

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



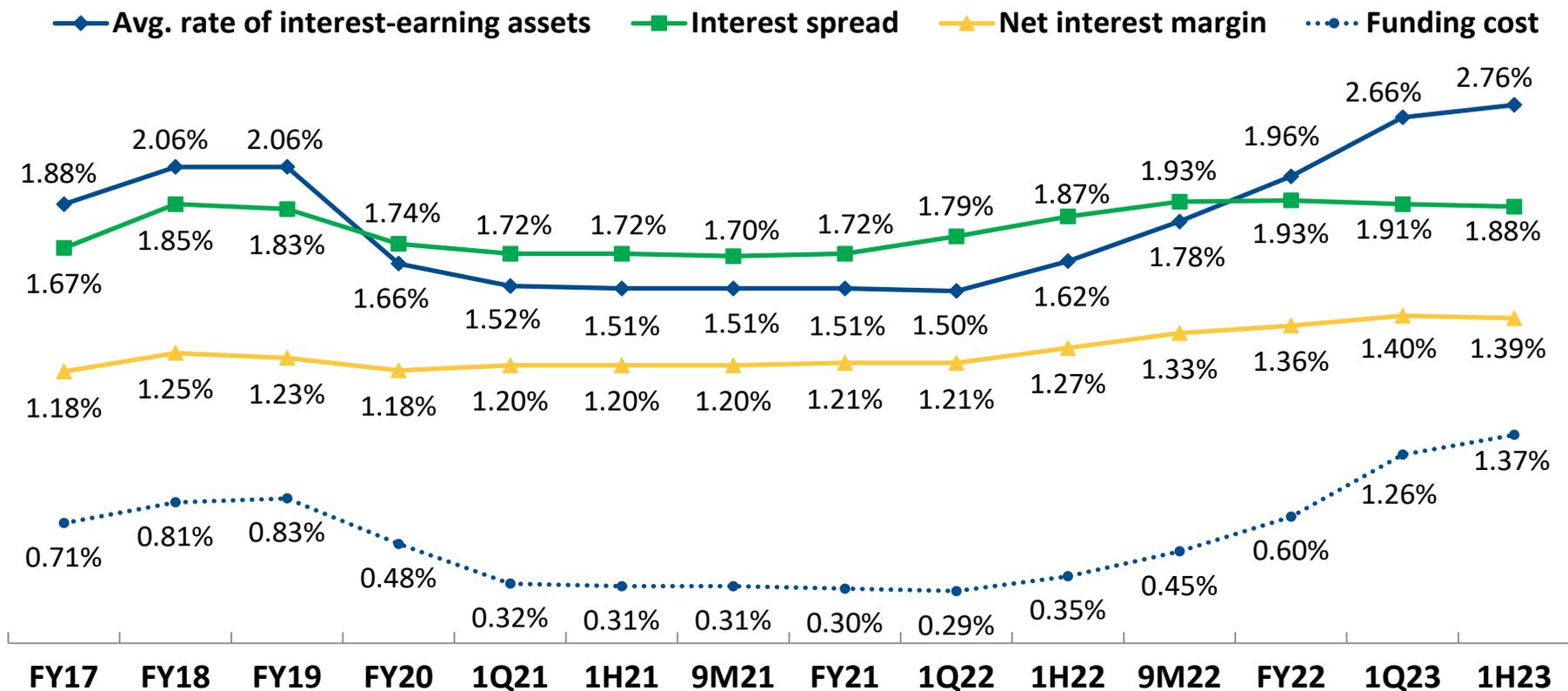
Deposit breakdown

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



Cathay United Bank – Interest yield

□ 1H23 NIM increased YoY while declining QoQ due to increase in FX deposits amid rising interest rates.



Quarterly	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Spread	1.69%	1.72%	1.71%	1.69%	1.74%	1.79%	1.94%	2.02%	1.96%	1.91%	1.84%
NIM	1.17%	1.20%	1.20%	1.21%	1.22%	1.21%	1.33%	1.45%	1.46%	1.40%	1.37%

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

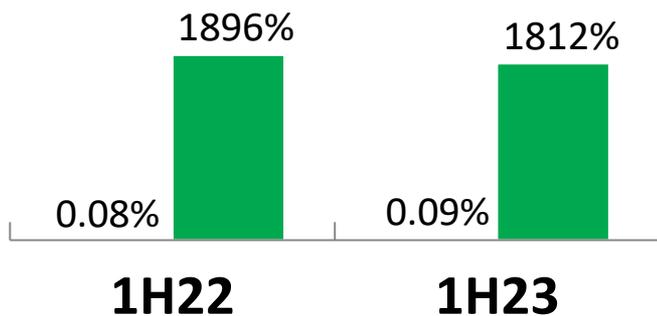
(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.09% and coverage ratio at 1812%.

NPL & Coverage ratio

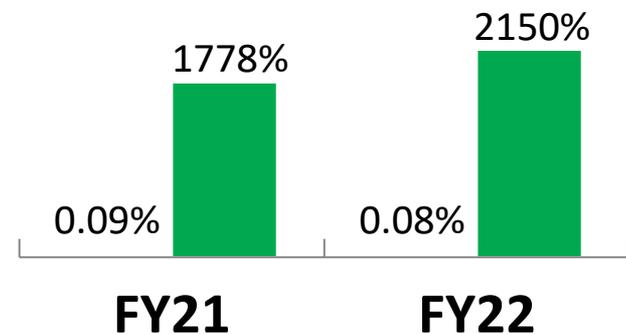
- NPL ratio
- Coverage ratio



Mortgage NPL

0.07 %

0.07 %



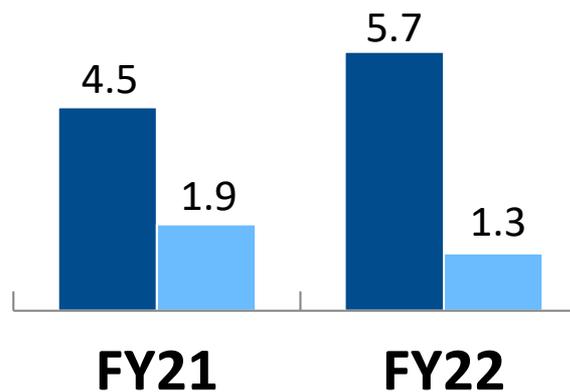
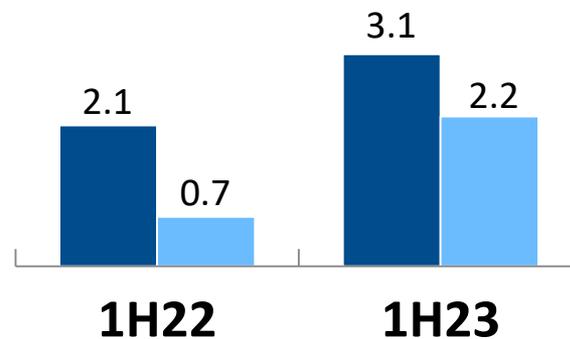
Mortgage NPL

0.08 %

0.06 %

Gross provision

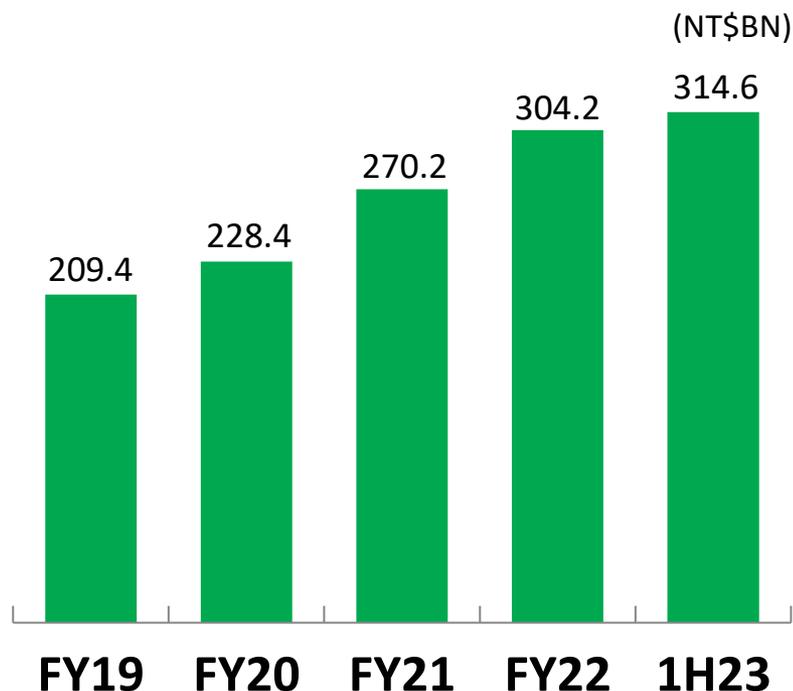
- Gross provision (NT\$BN)
- Recovery



Cathay United Bank – SME & FX loans

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

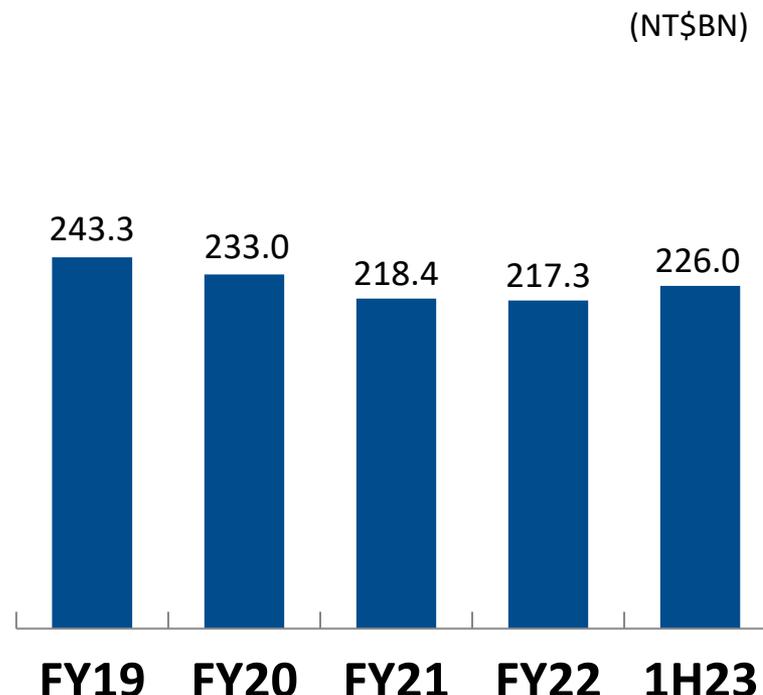
SME loans



As % of total loans

13.8% 14.1% 15.3% 15.3% 14.9%

Foreign currency loans



16.1% 14.4% 12.4% 10.9% 10.7%

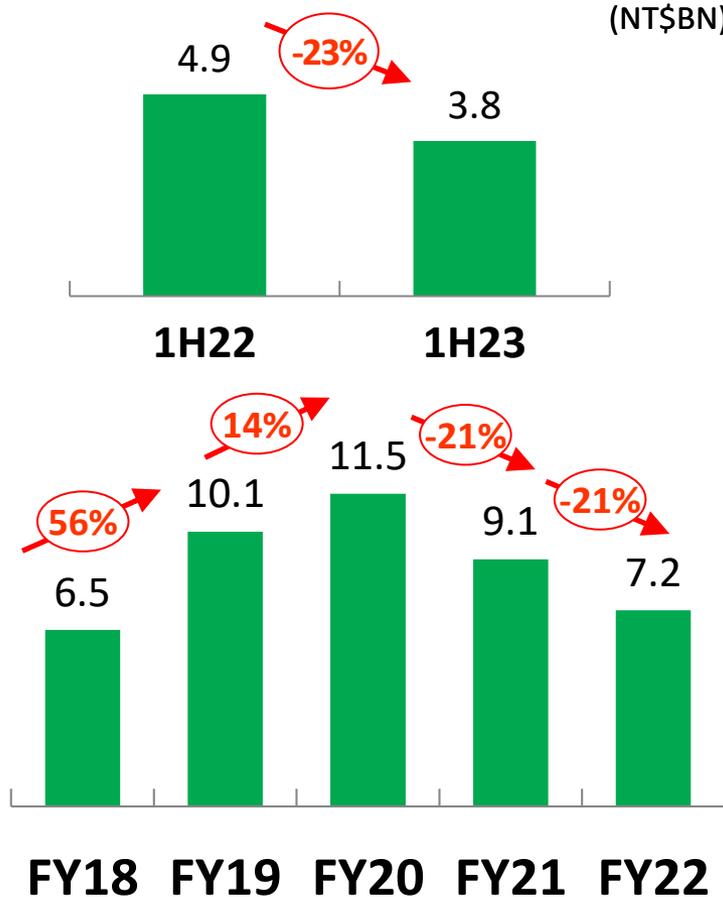


Cathay United Bank – Offshore earnings

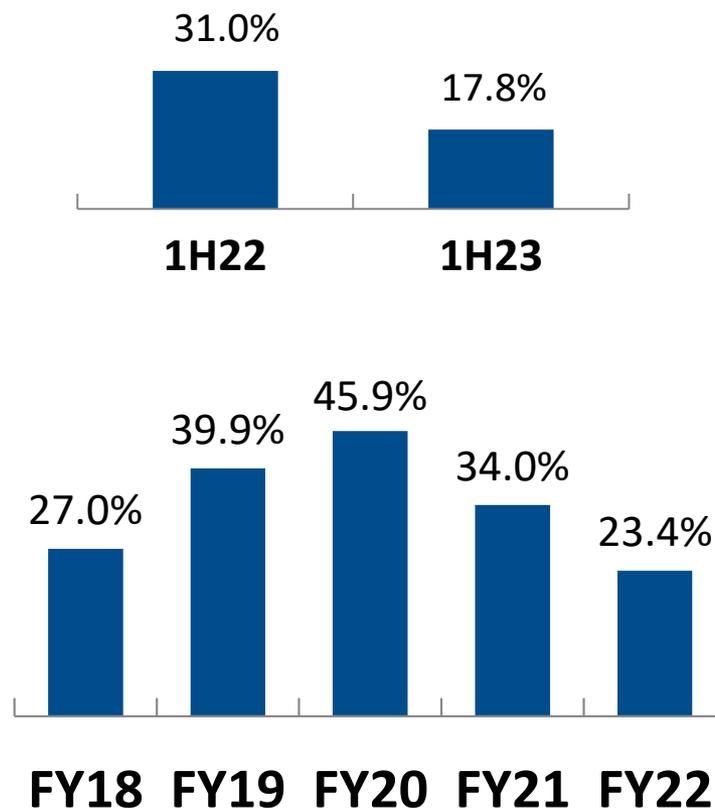
- Offshore earnings declined due to lower YoY investment income.

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits

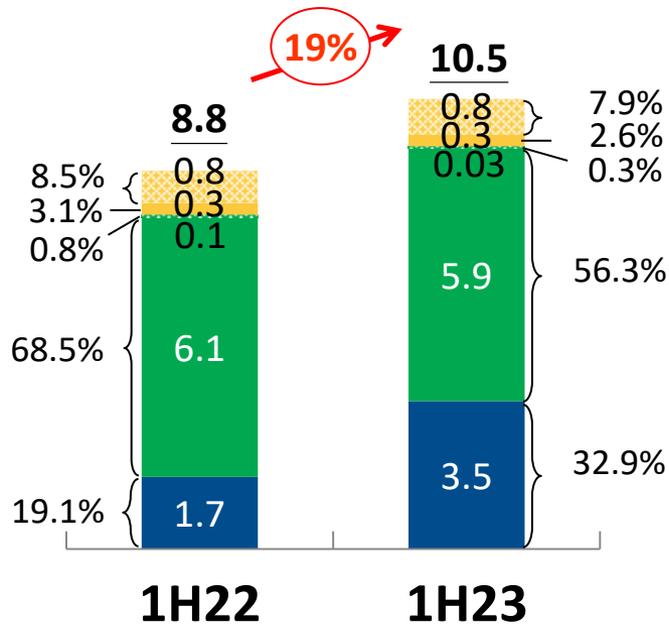


Cathay United Bank – Net fee income

Net fee income increased 19% YoY, driven by exponential growth in credit card fees.

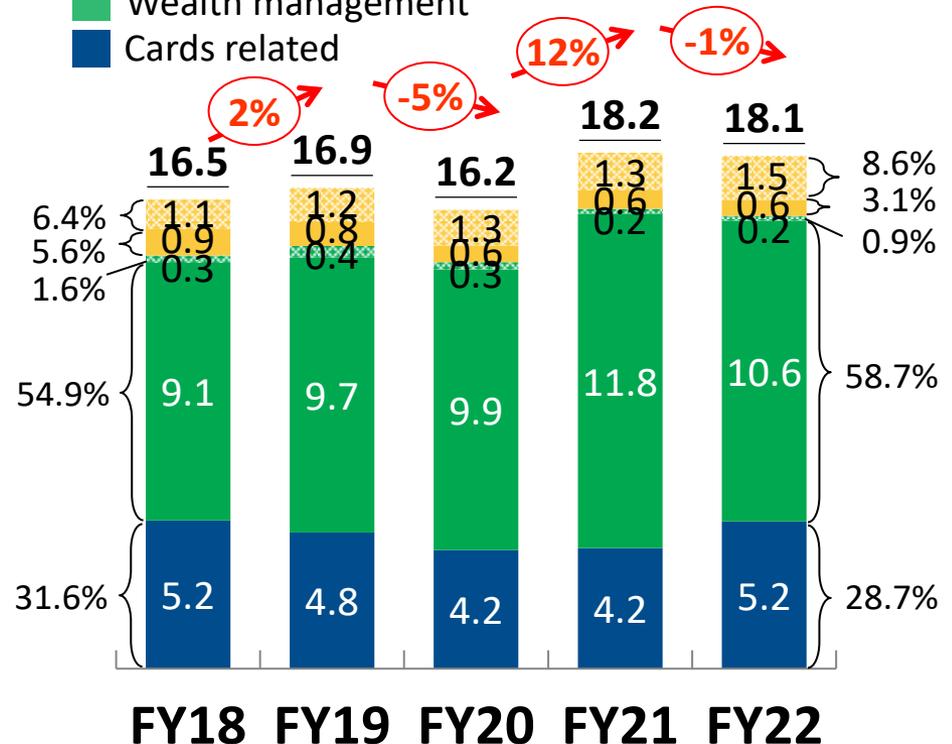
Quarterly net fee income

- Others
 - Syndicated loans
 - FX
 - Wealth management
 - Cards related
- (NT\$BN)



Annual net fee income

- Others
 - Syndicated loans
 - FX
 - Wealth management
 - Cards related
- (NT\$BN)

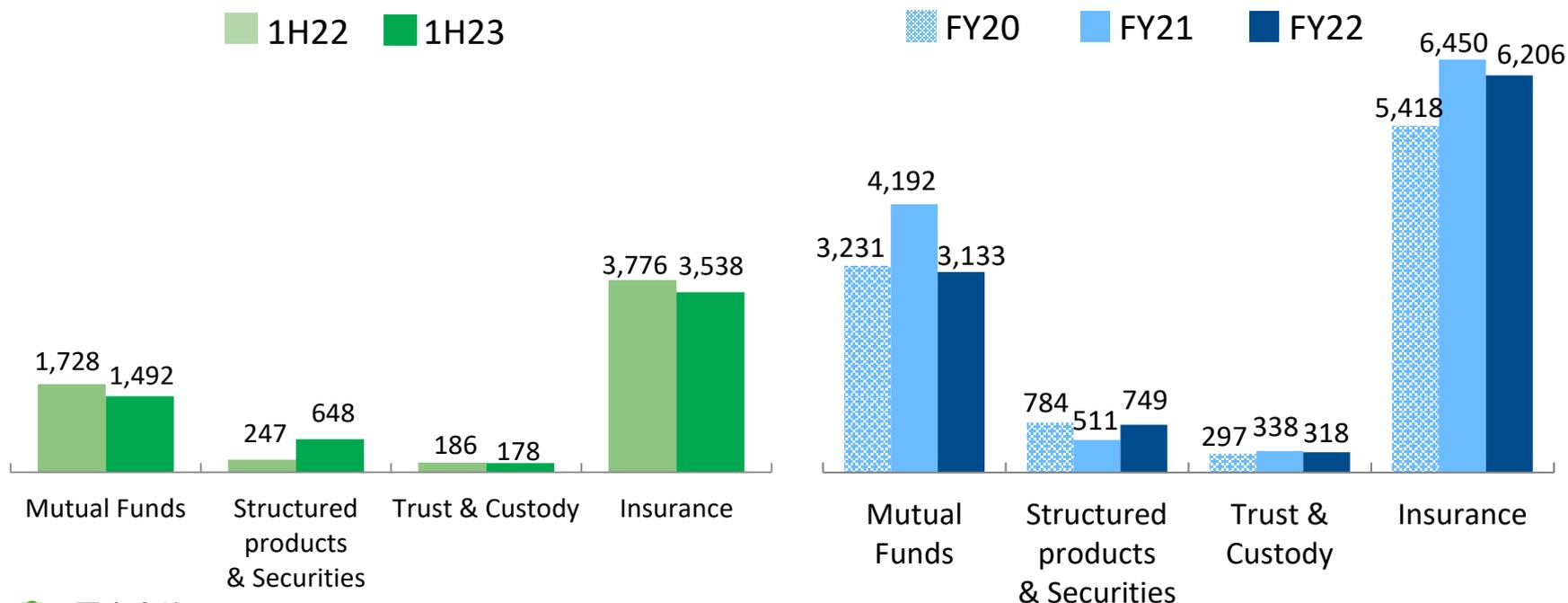


Cathay United Bank – Wealth management fees

- Securities fees saw significant growth YoY, largely offsetting the decline in fees from other WM products; 1H23 YoY decline in WM fees was notably smaller than YoY decline for 1Q23.
- WM customers and AUM continued to show steady growth.

Wealth management fees breakdown

(NT\$MN)	1H22	1H23	FY20	FY21	FY22
Wealth management fee income	6,056	5,924	9,878	11,783	10,595
YoY growth (%)	-3.8%	-2.2%	1.9%	19.3%	-10.1%



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Cathay United Bank

Cathay Life

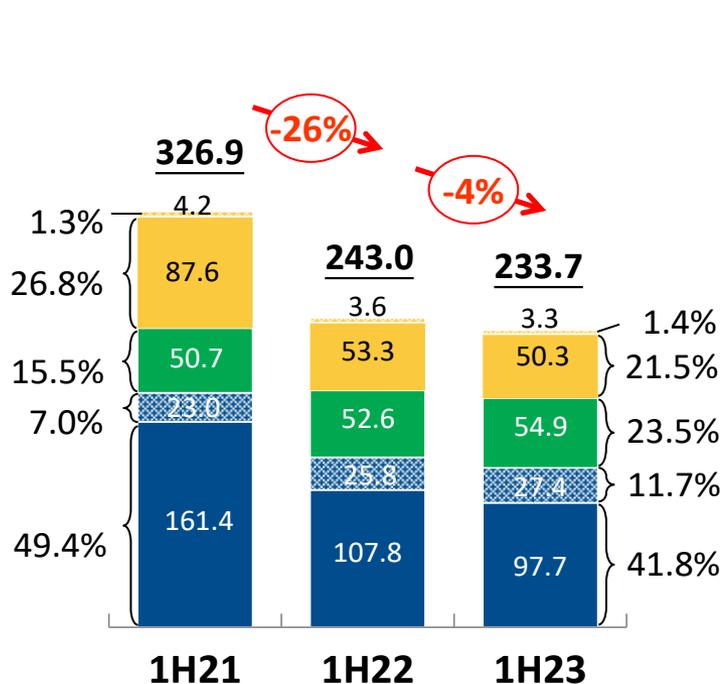
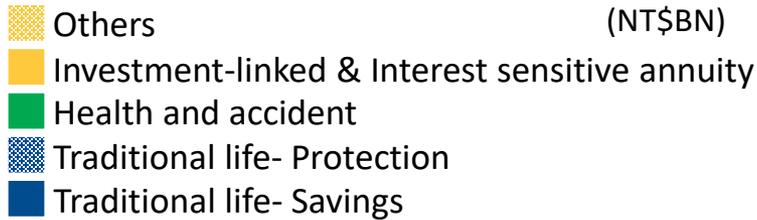
Cathay Century

- **Appendix**

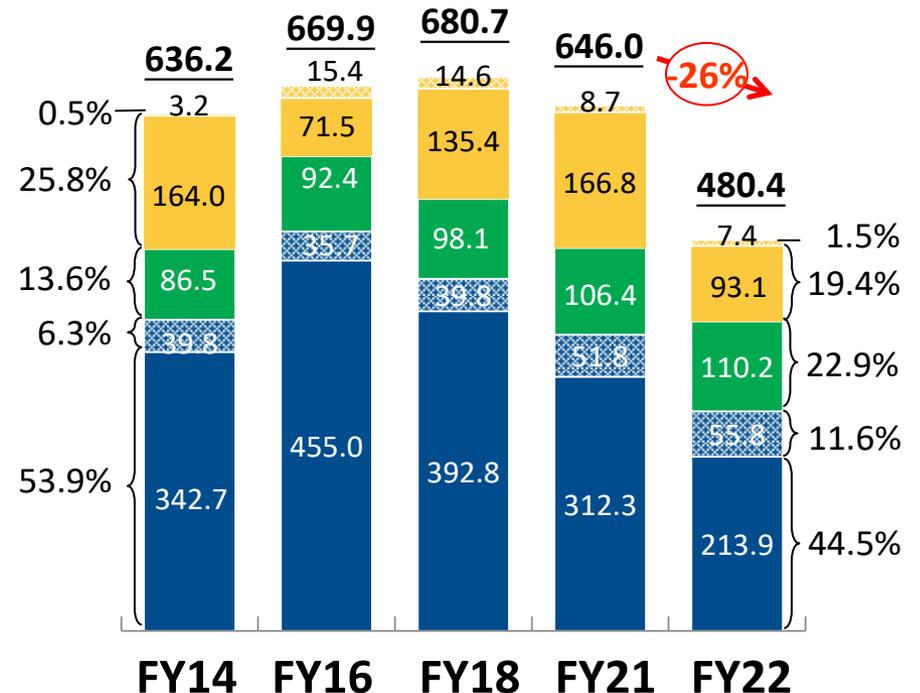
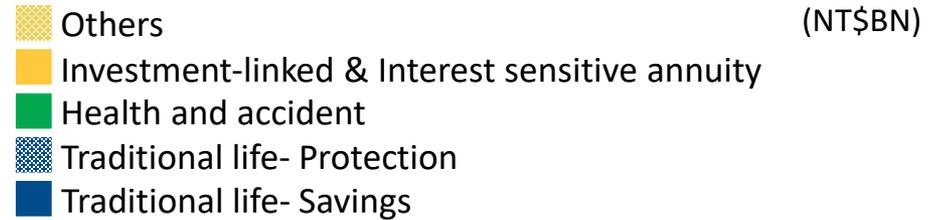
Cathay Life – Total premium

- Total premium showed a modest YoY decline, while premium from high CSM protection products grew 5% YoY.

Quarterly total premium



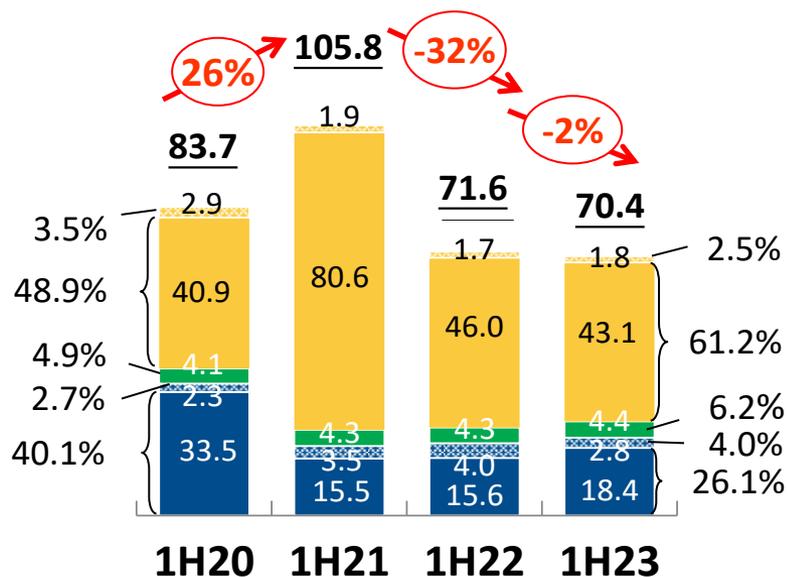
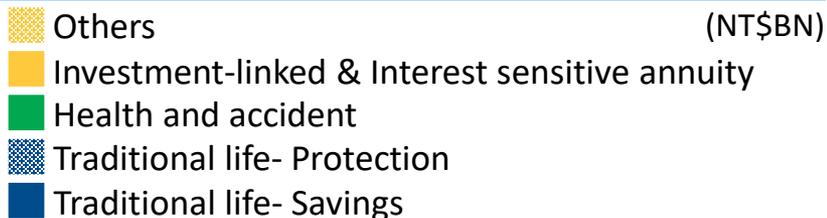
Annual total premium



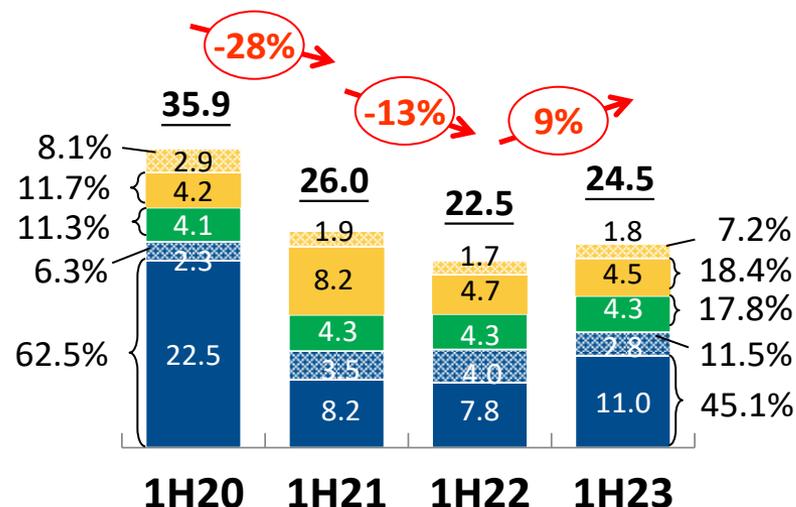
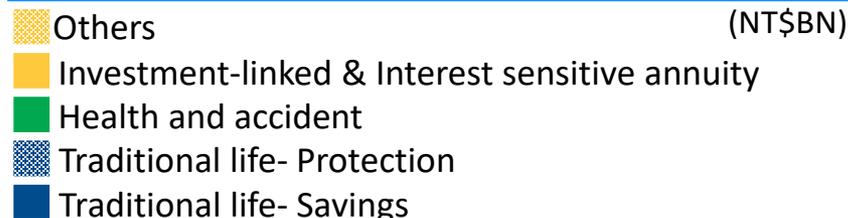
Cathay Life – Quarterly FYP & APE

- APE grew 9% YoY following increase in FYP for traditional long-term regular-premium products; FYP declined YoY due to high 1Q22 base.

First Year Premium



Annualized FYP (APE)



FX polices %
(excl. Investment-linked)

67% 71% 72% 56%

Cathay Life – Value of new business

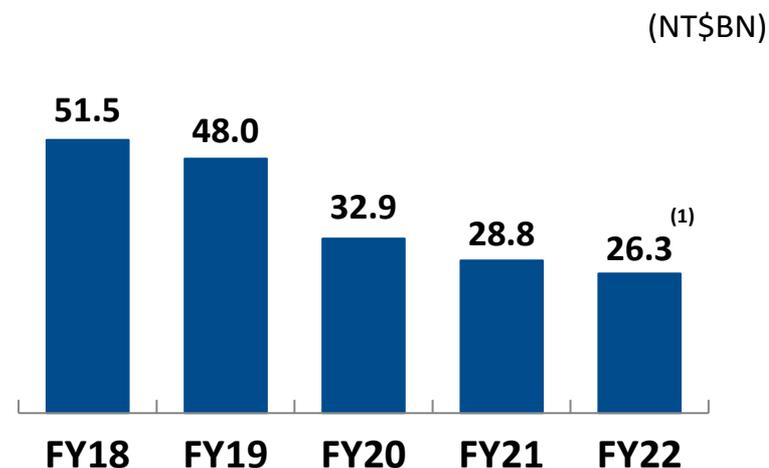
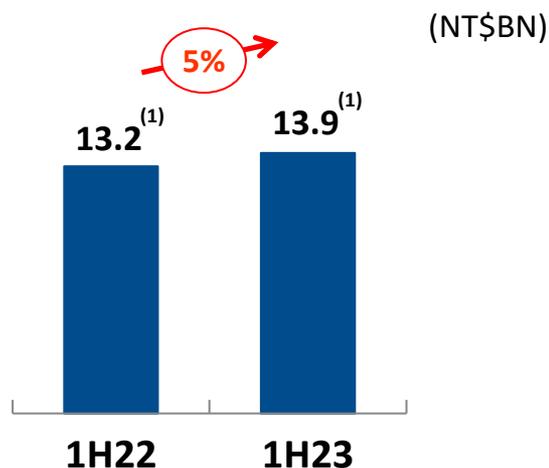
- VNB increased 5% YoY, owing to higher sales volume from traditional long-term regular-premium products.

Value for New Business

Profit Margin	1H22 ⁽¹⁾	1H23 ⁽¹⁾
VNB/FYP	18%	20%
VNB/APE	59%	57%

Value for New Business (annual)

Profit Margin	FY18	FY19	FY20	FY21	FY22 ⁽¹⁾
VNB/FYP	24%	24%	20%	14%	20%
VNB/APE	72%	50%	53%	56%	62%



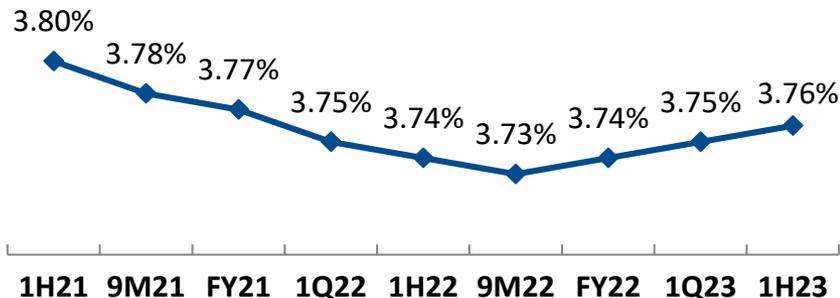
Note : (1) 1H22, FY22 and 1H23 VNB were based on 2022 Embedded Value assumptions.

(2) Based on 2021 Embedded Value assumptions, 1H22 & FY22 VNB were NT\$13.6BN and NT\$26.6BN ; VNB/FYP were 19% and 21% , VNB/APE were 60% and 63%, respectively.

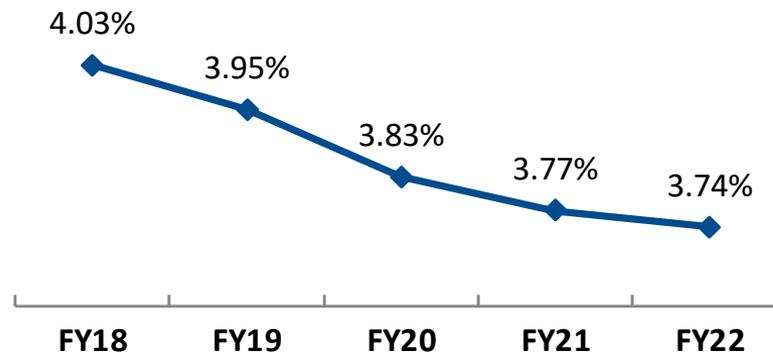
Cathay Life – Cost of liability and break-even asset yield

- COL rose slightly QoQ due to the declared rate increase for interest-sensitive policies; break-even asset yield improved YTD.

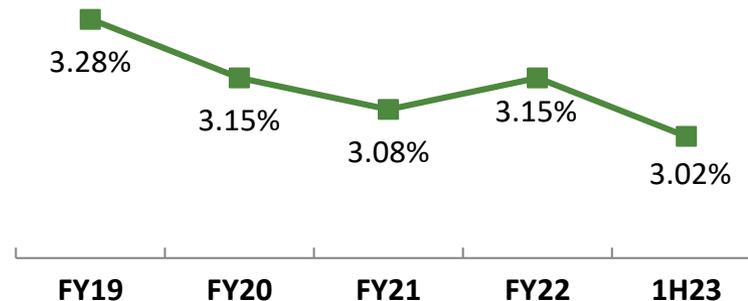
Cost of liability (quarterly)



Cost of liability (annual)



Break-even asset yield



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

Cathay Life – Investment portfolio

(NT\$BN)	FY20	FY21	FY22			1H23		
Total investments⁽¹⁾	6,945.1	7,254.1	7,330.6			7,529.1		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	6.1%	4.4%	4.1%	300	0.7%	3.5%	266	1.6%
Equity- Domestic	6.3%	7.2%	5.1%	373	8.2%	5.8%	438	8.0%
Equity- International ⁽²⁾	5.9%	6.4%	5.6%	408	4.8%	5.5%	418	6.9%
Bond- Domestic	8.0%	7.9%	7.1%	517	3.2%	7.5%	568	5.1%
Bond- International ⁽²⁾	57.0%	57.7%	61.9%	4,539	3.7%	61.9%	4,663	3.8%
Mortgage & Secured loans	4.5%	4.2%	3.8%	280	2.1%	3.3%	250	2.5%
Policy loans	2.4%	2.3%	2.3%	167	5.3%	2.2%	166	5.1%
Real estate	7.7%	7.6%	7.7%	562	2.7%	7.5%	567	2.4%
Others	2.2%	2.3%	2.5%	182		2.6%	193	

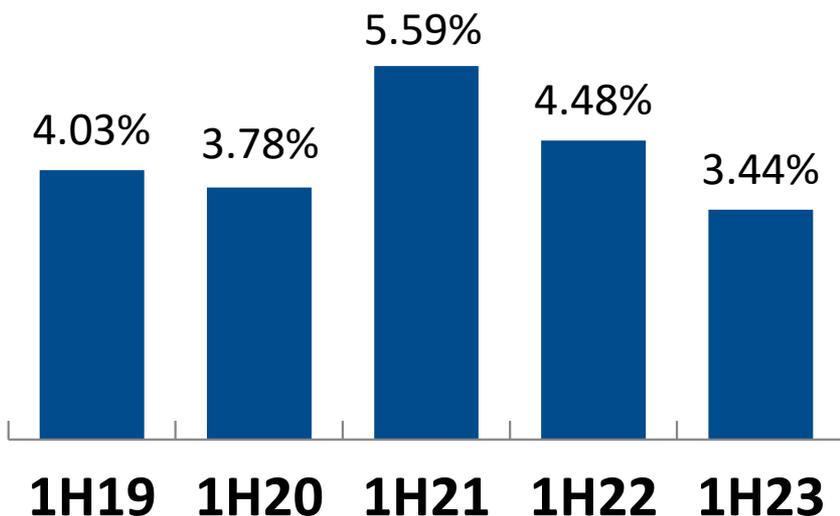
Note: (1) Total assets excluded separate account assets.

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

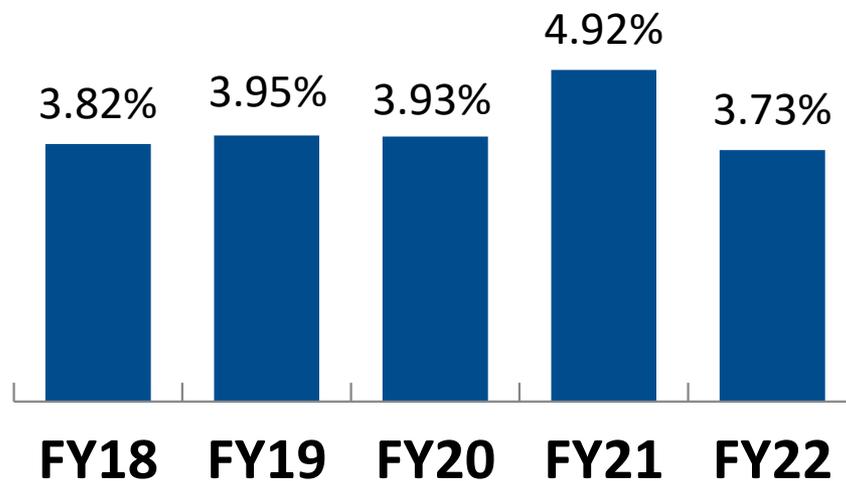
Cathay Life – Investment performance highlights

- 1H22 benefited from higher capital gains in 1Q22 and substantial FX gains from ~7% TWD depreciation; 1H23 after-hedging investment yield reflected moderate capital gains, while recurring income showed strong growth.

After-hedging investment yield



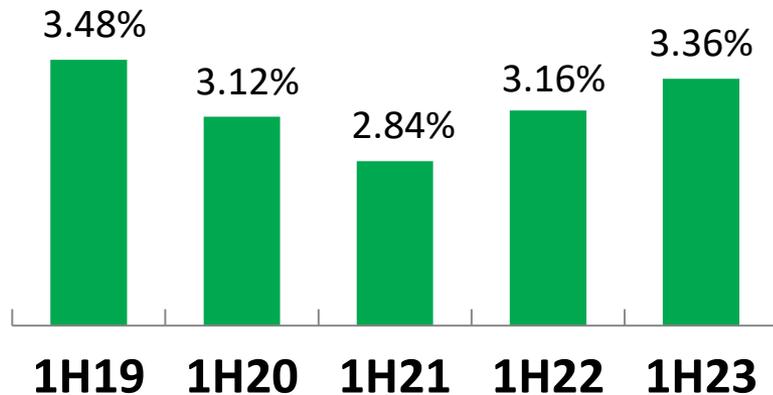
After-hedging investment yield



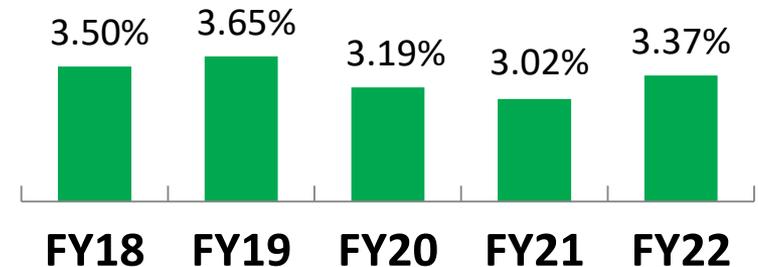
Cathay Life – Investment performance highlights

- 1H23 recurring yield retained an upward trend, with interest income showing double-digit YoY growth.
- Hedging costs improved substantially QoQ, owing to TWD depreciation in 2Q23 and effective proxy hedging.

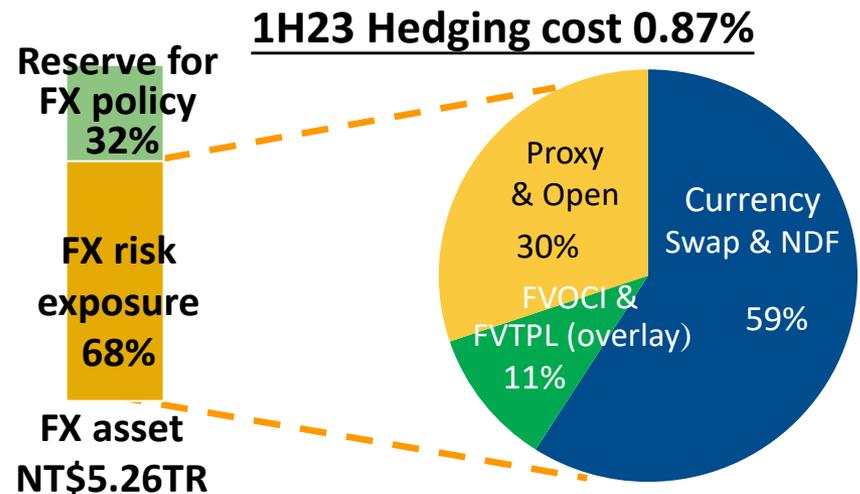
Pre-hedging recurring yield



Pre-hedging recurring yield



Currency hedging structure



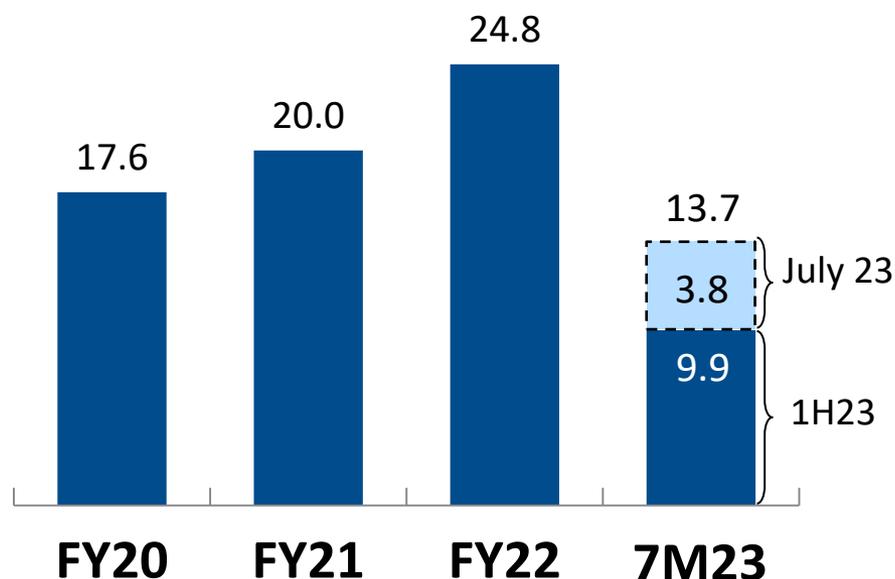
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

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

- 7M23 accumulated cash dividend income was NT\$13.7bn.
- Seized opportunity brought by rising rates to increase position in US bonds, leading to an increase in proportion of overseas fixed income investments based in North America, at 51%.

Cash dividend income

(NT\$BN)



Overseas fixed income by region



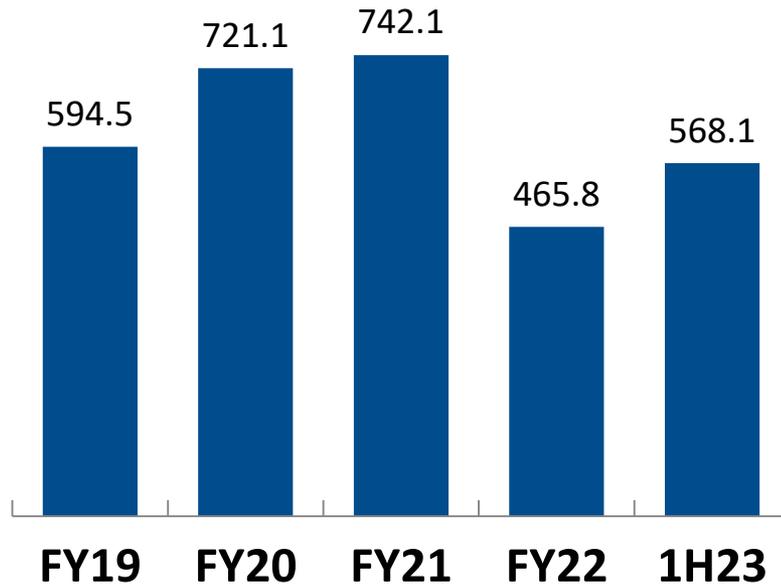
Note: Exclude overseas deposit.

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

- 1H23 book value continued to increase YTD; equity-to-asset ratio reached 7.6%.
- 1H23 unrealized G/L recovered YTD owing to rebound in mark-to-market value of financial assets.

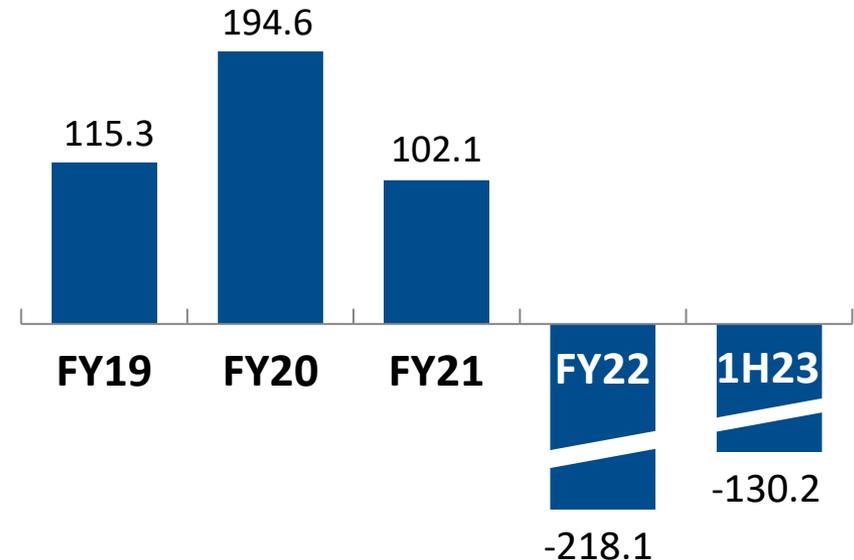
Book value

(NT\$BN)



Unrealized G/L of financial assets

(NT\$BN)

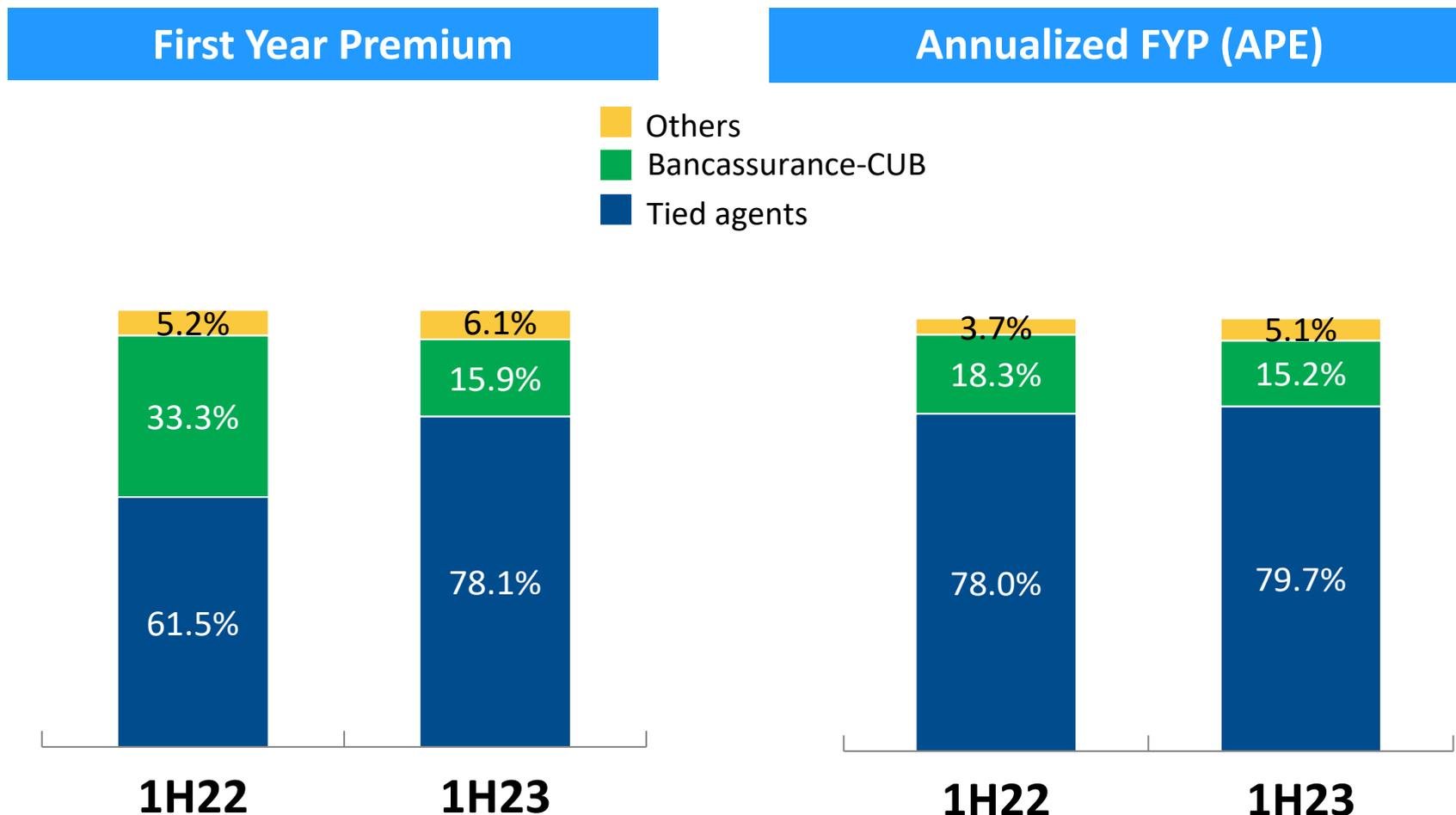


Note: (1) Cathay Life changed its business model for financial asset classification on 2022/10/1 in accordance with IFRS 9 and the guidance by Accounting Research and Development Foundation.

(2) Unrealized G/L of financial assets are the combination of FVOCI & FVTPL (overlay approach).

Cathay Life – Distribution channels

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



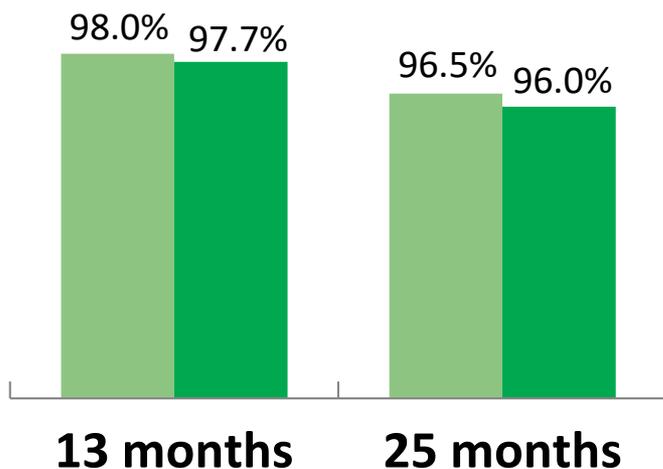
Cathay Life – Operational indicators

- Expense ratio increased YoY, attributable to increased sales of traditional long-term regular-premium products.

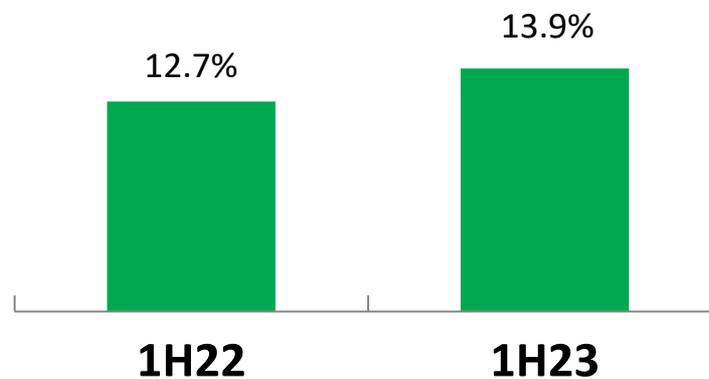
Persistency ratio

■ 1H22

■ 1H23



Expense ratio



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Cathay United Bank

Cathay Life

Cathay Century

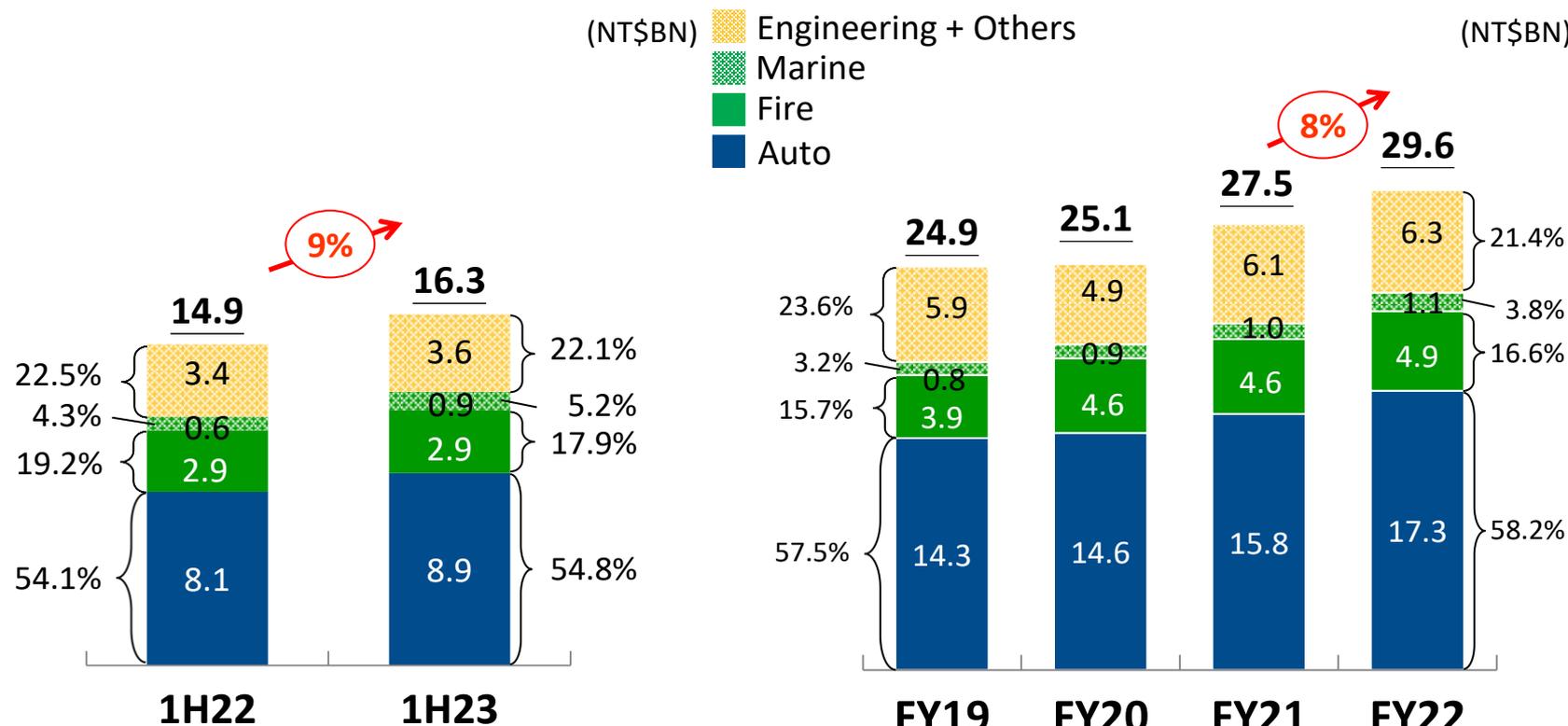
- **Appendix**

Cathay Century – Premium income

□ Premium income showed steady growth. Market share was 12.7%.

Premium income

Premium income (annual)



Market share	12.3%	12.7%	13.1%	12.3%	12.4%	12.8%
Retention	70.5%	68.5%	77.7%	76.4%	74.3%	73.4%

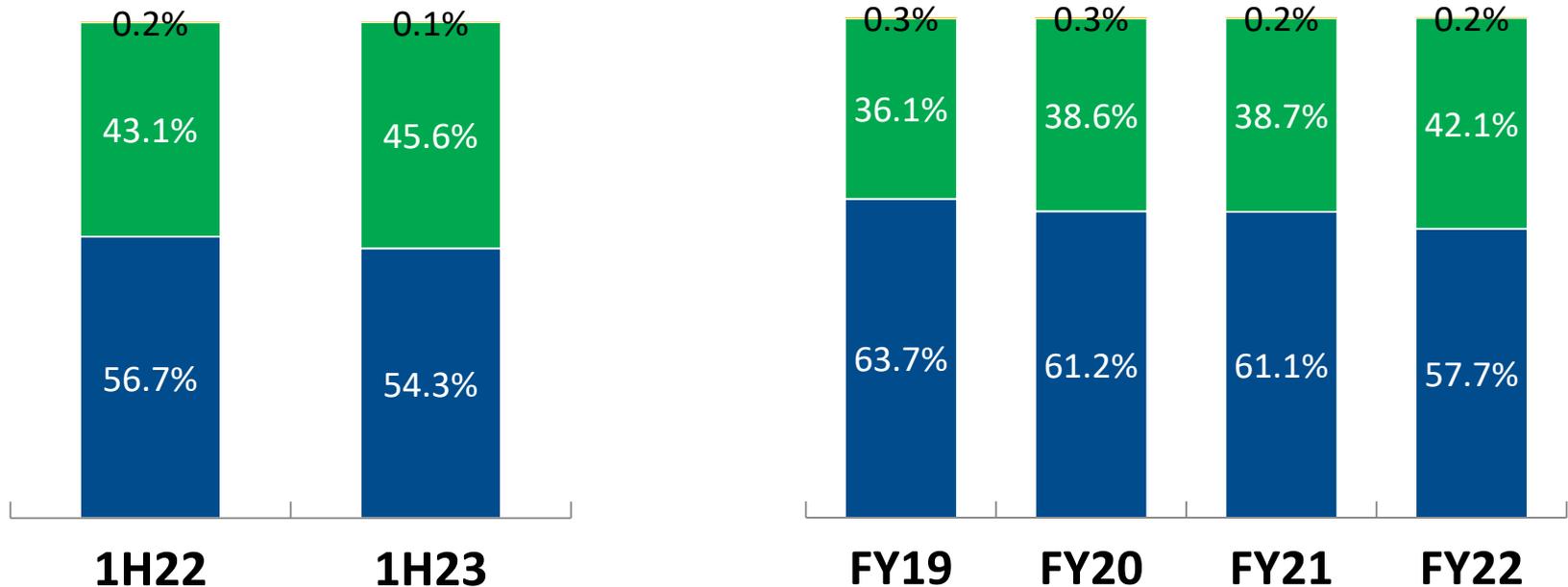
Cathay Century – Distribution channels

- Benefiting from cross-selling synergy, over 50% of premium income was generated by the group channel.

Distribution channel

Distribution channel (annual)

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

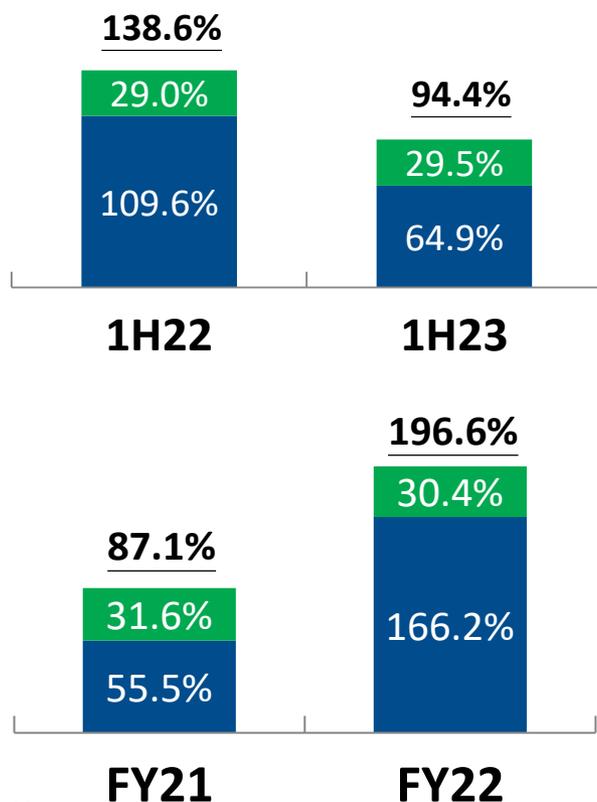


Cathay Century – Combined ratio

- Gross combined ratio and retained combined ratio each declined due to the lower loss ratio resulting from the fading impact of pandemic insurance in 2Q23.

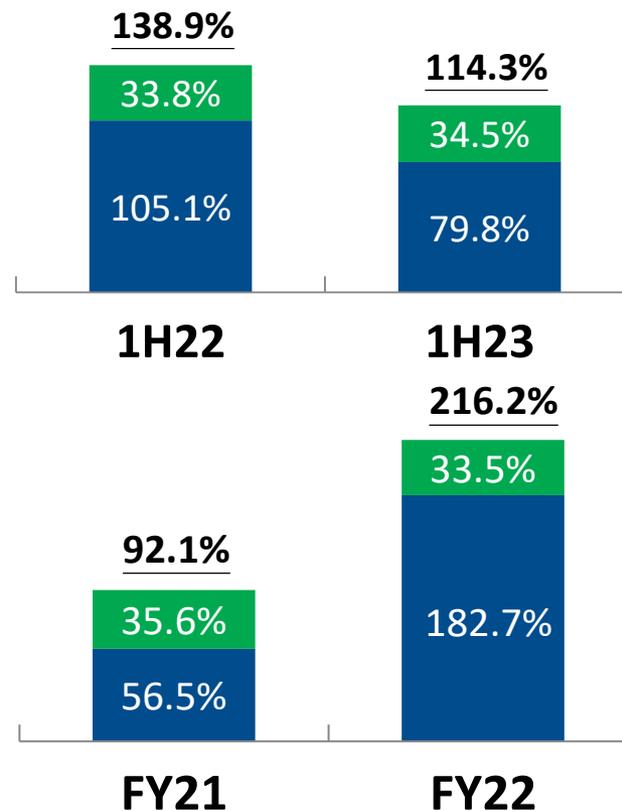
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



Agenda

- **1H23 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

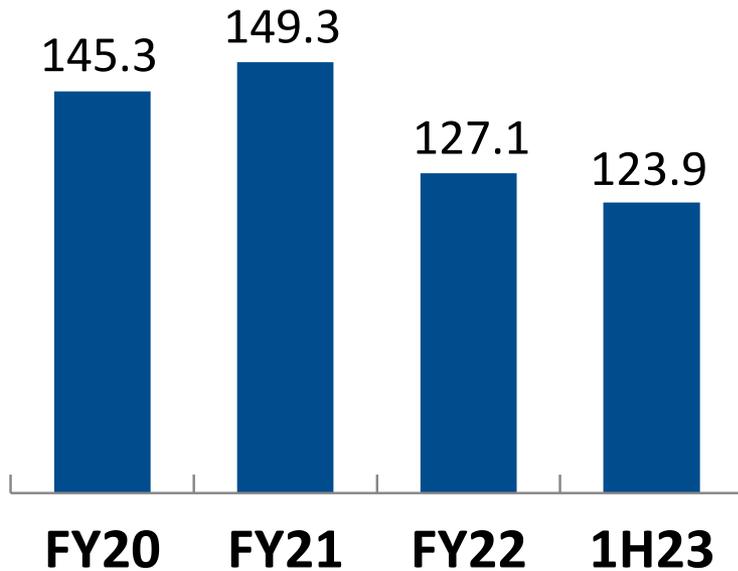
Cathay Life

Cathay Century

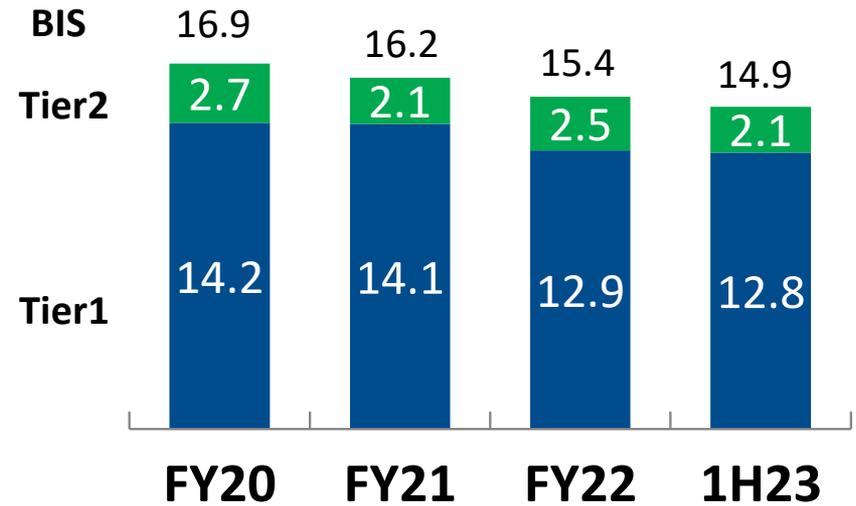
- **Appendix**

Capital adequacy

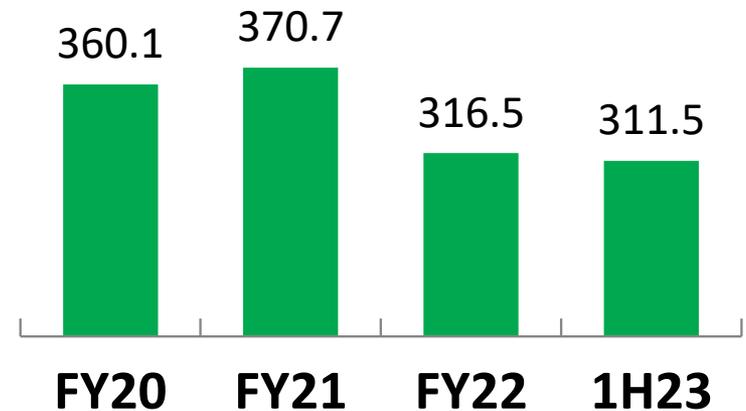
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

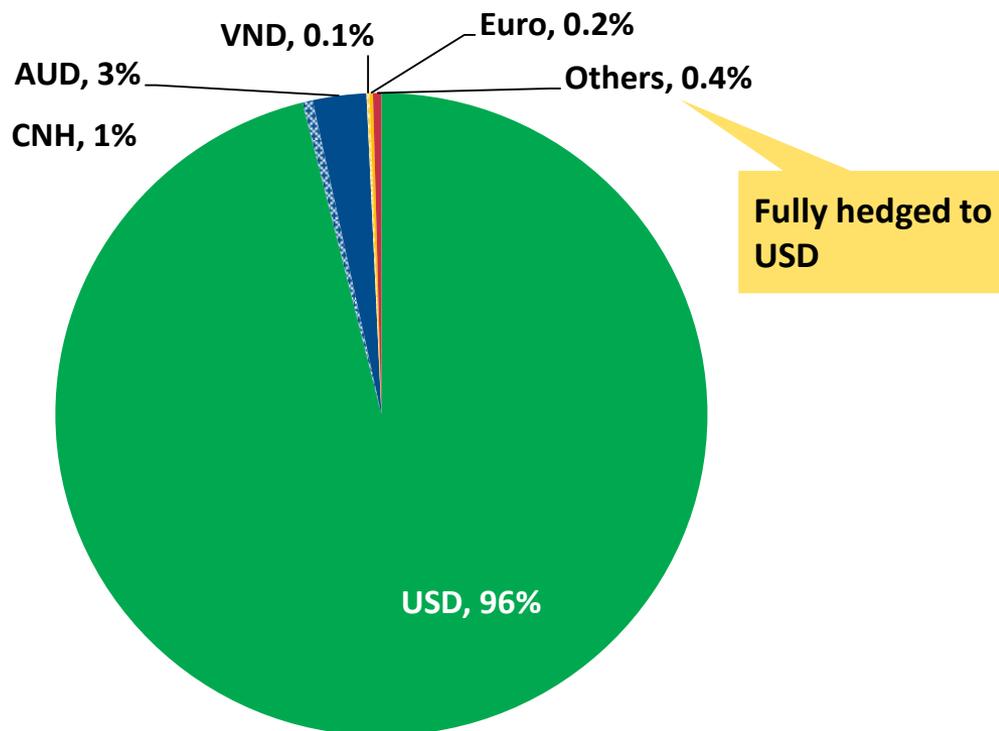


Cathay Life RBC (%)

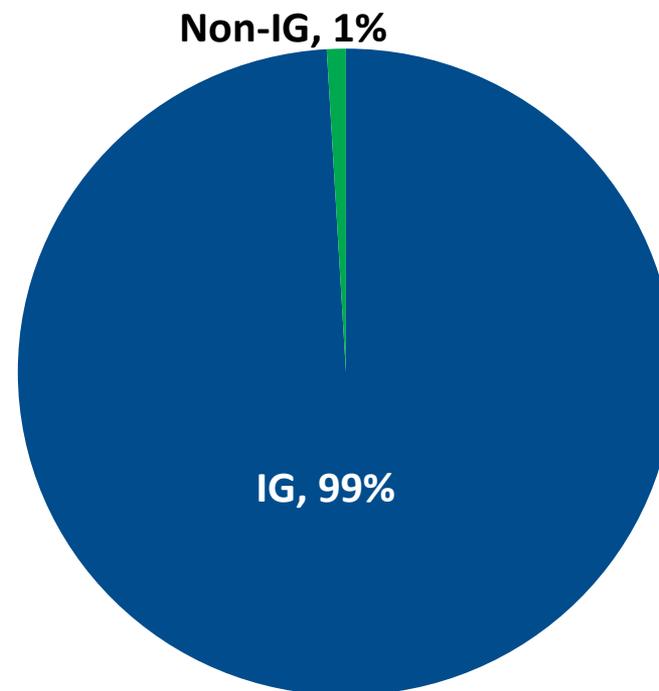


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H23)



Overseas bond by rating (1H23)



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 designed by FTSE Russell and Taiwan Index Plus Corp (TIP), 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 **10** consecutive years,
Top-2 in 2022



Global Views

First Prize in Annual Survey for **3**
consecutive years (**Finance & Insurance**),
selected for **“Annual Honor Roll”** in 2022



2022 Taiwan Corporate
Sustainability Awards

Cathay FHC's continuous effort in ESG integration



2011

- Established CSR Committee

- Formed Responsible Investment Team

2014

2015

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

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

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

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

- Joined **Ceres Valuing Water Finance Task Force**

- Cathay Securities published ESG rating reports on individual listed companies

2020

2019



2018



2017

2021



2022

RE100



2023



- Issued ESG integration report certified by third party
- Participated in **Asian Utilities Engagement Program**

- 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
- Received **SBTi validation of decarbonization targets**
- Participated in **TNFD, Ceres Valuing Water Finance Initiative, The Partnership for Biodiversity Accounting Financials (PBAF)**

- Participated in **Business For Nature**

Cathay FHC's commitment to net-zero carbon emissions

2018 Began **disclosing carbon footprints** in the investment portfolio.

2019 CUB **ceased** loans for both new and existing **coal-fired power generation projects**.
Cathay **Life excluded investments in power generation companies** with over 50% of revenue 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**

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Thank you



Cathay Financial Holdings (NT\$MN)	FY22/			1H23/			2Q23/		
	FY21	FY22	FY21 % Chg	1H22	1H23	1H22 % Chg	2Q22	2Q23	2Q22 % Chg
<u>Income Statement Data (Consolidated)</u>									
Operating Income									
Net interest income	194,882	226,163	16%	105,289	120,501	14%	55,246	60,988	10%
Net commission and fee	12,649	15,421	22%	8,353	7,336	-12%	4,090	3,138	-23%
Net earned premium	524,187	439,719	-16%	214,912	214,881	0%	107,595	107,363	0%
Change in liability reserve	(377,408)	(198,098)	-48%	(130,814)	(73,660)	-44%	(59,793)	(35,441)	-41%
Net claims payment	(305,703)	(438,283)	43%	(172,650)	(223,910)	30%	(95,072)	(113,346)	19%
Investment income	190,944	132,185	-31%	101,111	34,238	-66%	42,312	34,919	-17%
Contribution from associates-equity method	1,807	2,266	25%	1,243	1,363	10%	816	679	-17%
Other net non-interest income	7,197	(36,038)	-601%	(20,462)	8,003	139%	(9,267)	261	103%
Bad debt expense	(3,484)	(4,778)	37%	(1,213)	(1,261)	4%	(1,166)	(1,607)	38%
Operating expense	(85,543)	(88,610)	4%	(42,014)	(48,828)	16%	(20,814)	(25,528)	23%
Income before taxes	159,526	49,948	-69%	63,756	38,664	-39%	23,947	31,426	31%
Income taxes	(18,637)	(11,986)	-36%	(14,442)	(5,646)	-61%	(9,009)	(5,582)	-38%
Net income	140,889	37,962	-73%	49,313	33,018	-33%	14,938	25,844	73%
Net income to parent company	139,514	37,359	-73%	48,808	32,496	-33%	14,601	25,487	75%
EPS (NT\$)	10.34	2.58		3.45	1.98		0.85	1.50	
<u>Dividend Payout</u>									
Cash dividend per share	3.50	0.90							
Stock dividend per share	0.00	0.00							
Weighted average outstanding shares (Millions of common shares)	13,169	13,190		13,169	14,669				
<u>Balance Sheet Data (Consolidated)</u>									
Total assets	11,594,361	12,070,886		11,583,284	12,709,227				
Total shareholders' equity	914,039	611,708		451,393	720,567				
Equity attributable to parent company	902,038	598,840		439,579	707,204				
<u>Operating Metrics</u>									
ROAE (Consolidated)	15.49%	4.98%		14.45%	9.91%				
ROAA (Consolidated)	1.25%	0.32%		0.85%	0.53%				
Double leverage ratio(inc. preferred stock)	113%	122%		131%	120%				
<u>Capital Adequacy Metrics</u>									
Capital Adequacy Ratio	149%	127%		133%	124%				

Notes:

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Cathay Life
(NT\$MMN)

	FY22/ FY21			1H23/ 1H22			2Q23/ 2Q22		
	FY21	FY22	% Chg	1H22	1H23	% Chg	2Q22	2Q23	% Chg
Income Statement Data (Consolidated)									
Net written premium	499,102	410,186	-18%	201,145	200,868	0%	99,907	100,290	0%
Net earned premium	498,398	409,196	-18%	201,281	200,875	0%	99,334	99,735	0%
Reinsurance commission earned	388	527	36%	15	15	2%	8	9	19%
Fee income	10,715	10,804	1%	5,423	5,384	-1%	2,725	2,758	1%
Recurring investment income	214,968	242,608	13%	114,248	125,976	10%	62,369	66,966	7%
Gain on disposal of investment									
Realized gain (loss)-Equity	116,191	23,289	-80%	27,572	24,879	-10%	10,397	11,482	10%
Realized gain (loss)-Debt	63,127	5,572	-91%	11,047	3,404	-69%	56	1,159	1968%
Gain on investment property	1,106	2,735	147%	1,913	(38)	-102%	1,363	(34)	-102%
FX and others, net	(46,445)	(2,907)	94%	7,336	(23,199)	-416%	1,264	(354)	-128%
Investment income, net	348,947	271,296	-22%	162,116	131,021	-19%	75,449	79,219	5%
Other operating income	8,754	8,726	0%	4,135	5,079	23%	2,120	2,654	25%
Separate account revenues	77,919	(933)	-101%	(20,191)	37,443	285%	(19,881)	21,325	207%
Net claims payment	(287,850)	(398,511)	38%	(162,467)	(204,198)	26%	(87,937)	(107,471)	22%
Changes in liability reserves	(376,771)	(188,389)	-50%	(126,620)	(82,517)	-35%	(56,014)	(36,159)	-35%
Acquisition and commission expense	(34,445)	(30,977)	-10%	(14,669)	(17,953)	22%	(6,707)	(10,285)	53%
Other operating costs	(8,056)	(6,729)	-16%	(3,178)	(3,715)	17%	(1,502)	(1,889)	26%
Financial cost	(3,114)	(3,817)	23%	(1,694)	(2,185)	29%	(835)	(1,093)	31%
Separate account expense	(77,919)	933	-101%	20,191	(37,443)	285%	19,881	(21,325)	207%
Operating expense	(32,448)	(32,301)	0%	(16,157)	(17,096)	6%	(7,681)	(8,476)	10%
Net non-operating income	1,563	1,859	19%	895	1,089	22%	437	597	37%
Income taxes	(12,916)	(7,513)	-42%	(8,550)	(2,665)	-69%	(4,944)	(4,418)	-11%
Net income	113,166	34,169	-70%	40,528	13,134	-68%	14,452	15,181	5%
Net income to parent company	112,231	33,667	-70%	40,248	12,746	-68%	14,206	14,901	5%

Balance Sheet Data (Consolidated)

Total assets	8,073,161	8,172,430		7,885,085	8,449,237
General account	7,348,951	7,517,003		7,239,478	7,737,780
Separate account	724,210	655,427		645,607	711,458
Reserves for life insurance liabilities	6,413,221	6,794,562		6,664,309	6,889,006
Total liabilities	7,331,028	7,706,641		7,569,397	7,881,182
Total shareholders' equity	742,133	465,789		315,688	568,055
Equity attributable to parent company	734,443	456,817		307,964	558,491

Operating Metrics (Standalone)

First Year Premium(FYP)	202,394	129,343		71,632	70,392
First Year Premium Equivalent(FYPE)	50,997	42,434		22,493	24,493
Expense ratio	11.2%	12.8%		12.7%	13.9%
13-M persistency ratio	98.4%	97.7%		98.0%	97.7%
25-M persistency ratio	96.3%	96.6%		96.5%	96.0%
ROAE (Consolidated)	15.47%	5.66%		15.33%	5.08%
ROAA (Consolidated)	1.44%	0.42%		1.02%	0.32%

Capital Adequacy Metrics (Standalone)

RBC ratio	371%	316%		337%	312%
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Notes:

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Cathay United Bank (NT\$MN)	FY22/ FY21			1H23/ 1H22			2Q23/ 2Q22		
	FY21	FY22	% Chg	1H22	1H23	% Chg	2Q22	2Q23	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	38,539	48,704	26%	21,908	25,814	18%	11,748	13,044	11%
Fee income	18,346	18,246	-1%	8,942	10,599	19%	3,658	5,215	43%
Investment income	6,956	6,711	-4%	3,322	7,634	130%	2,066	4,700	127%
Other income	502	1,180	135%	648	502	-23%	514	349	-32%
Net operating income	64,342	74,841	16%	34,819	44,548	28%	17,986	23,308	30%
Operating expenses	(33,877)	(38,307)	13%	(17,056)	(21,604)	27%	(8,825)	(11,359)	29%
Pre-provision profit	30,466	36,534	20%	17,762	22,945	29%	9,161	11,950	30%
Net provisions for possible losses	(2,986)	(5,524)	85%	(1,517)	(1,547)	2%	(1,221)	(1,646)	35%
Income before taxes	27,480	31,010	13%	16,245	21,397	32%	7,941	10,304	30%
Income tax	(3,671)	(5,299)	44%	(2,781)	(3,853)	39%	(1,349)	(1,929)	43%
Net income	23,808	25,712	8%	13,464	17,544	30%	6,592	8,375	27%
Net income to parent company	23,344	25,590	10%	13,230	17,409	32%	6,497	8,296	28%
Balance Sheet Data (Consolidated)									
Total assets	3,499,323	3,887,031		3,664,738	4,222,288				
Loans, net	1,807,077	2,045,082		1,937,733	2,159,673				
Financial assets	1,110,788	1,268,349		1,260,201	1,356,624				
Total liability	3,248,596	3,645,307		3,432,518	3,962,622				
Deposits	2,935,694	3,246,162		3,064,392	3,478,609				
Financial Debenture Payable	46,800	37,147		43,064	27,100				
Total shareholders' equity	250,727	241,724		232,221	259,666				
Equity attributable to parent company	246,351	237,734		228,052	255,771				
Operating Metrics (Consolidated)									
Cost income ratio	52.65%	51.18%		48.99%	48.49%				
ROAE	9.57%	10.44%		11.15%	14.00%				
ROAA	0.71%	0.70%		0.75%	0.87%				
Assets Quality (Standalone)									
NPL	1,578	1,510		1,568	1,894				
NPL ratio	0.09%	0.08%		0.08%	0.09%				
NPL provisions	28,064	32,459		29,723	34,307				
Coverage ratio	1778%	2150%		1896%	1812%				
Capital Adequacy Metrics (Standalone)									
BIS ratio	16.2%	15.4%		14.9%	14.9%				
Tier I Ratio	14.1%	12.9%		12.4%	12.8%				
LDR (Standalone)									
LDR	61.4%	62.4%		62.7%	61.0%				
TWD LDR	69.2%	75.4%		73.0%	76.2%				
FX LDR	34.1%	25.8%		31.0%	22.9%				

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Cathay Century (NT\$MM)	FY22/ FY21			1H23/ 1H22			2Q23/ 2Q22		
Income Statement Data (Consolidated)	FY21	FY22	% Chg	1H22	1H23	% Chg	2Q22	2Q23	% Chg
Premium income	28,015	30,266	8%	15,232	16,693	10%	8,295	8,928	8%
Net written premium	20,718	22,084	7%	10,688	11,360	6%	5,543	5,828	5%
Net earned premium	19,903	21,703	9%	10,571	11,410	8%	5,350	5,805	8%
Reinsurance commission earned	857	900	5%	453	518	14%	243	285	17%
Fee income	46	49	7%	26	27	4%	12	13	4%
Investment	1,363	595	-56%	783	615	-21%	240	312	30%
Interest income	539	636	18%	300	330	10%	147	167	13%
Other investment income, net	824	(41)	-105%	483	286	-41%	93	146	57%
Other operating income	0	157	0%	67	26	-61%	33	26	-22%
Net claims payment	(10,470)	(29,677)	183%	(6,418)	(16,631)	159%	(3,896)	(3,791)	-3%
Changes in liability reserves	(637)	(9,709)	1423%	(4,193)	8,857	-311%	(3,779)	718	-119%
Commissions and other operating costs	(3,765)	(3,916)	4%	(1,897)	(2,081)	10%	(1,011)	(1,054)	4%
Operating expenses	(4,772)	(4,636)	-3%	(2,298)	(2,490)	8%	(1,061)	(1,300)	23%
Operating income	2,525	(24,533)	-1071%	(2,906)	250	109%	(3,868)	1,014	126%
Net non-operating income	42	8	-81%	(2)	1	130%	(1)	(0)	84%
Income taxes	(392)	4,904	-1352%	620	(69)	111%	744	(257)	135%
Net income	2,175	(19,622)	-1002%	(2,289)	181	108%	(3,125)	757	124%
Balance Sheet Data (Consolidated)									
Total assets	49,900	60,596		62,856	54,593				
Total stockholders' equity	14,447	12,800		19,706	13,568				
Operating Metrics (Standalone)									
Gross Combined ratio	87.1%	196.6%		138.6%	94.4%				
Net Combined ratio	92.1%	216.2%		138.9%	114.3%				
ROAE (Consolidated)	15.78%	-144.03%		-26.81%	2.75%				
ROAA (Consolidated)	4.62%	-35.52%		-8.12%	0.63%				
Capital Adequacy Metrics									
RBC ratio (Standalone)	284%	369%		450%	355%				

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