

2014 First Half Briefing



國泰金控

Cathay
Financial Holdings

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Agenda

- **1H14 Business overview**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Cathay United Bank's business strategy update**
- **Appendix**
 - Capital adequacy

1H14 Business overview

Cathay United Bank

- Delivered 11% loan growth with benign asset quality
- Fee income grew by 19% YoY
- Continued to expand overseas branch network; offshore earnings contributed to 41% of pre-tax profits

Cathay Life

- Regular-paid products accounted for 93% of traditional life FYP; ranked No.1 by FYPE
- Overseas investment 45.1%; hedging cost 0.71%
- Unrealized gains of AFS financial assets and book value increased significantly to enhance overseas M&A capability

Cathay Century

- Market share of 13%, premium income grew by 6% YoY; maintained No.2 market position
- Expanded business in China and Vietnam, premium income grew steadily

Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$441BN
- Continued to launch new products and broaden the business of individual & institutional clients

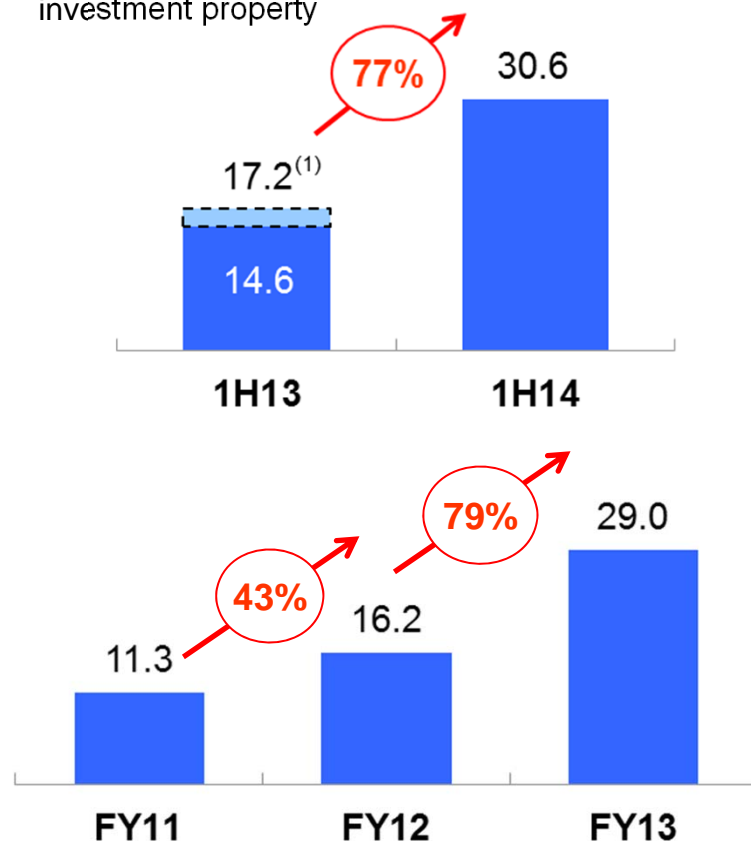
Cathay Securities

- Significant growth with 1H14 net profits reached historically high
- The amount of sub-brokerage and IPO mandate reached historically high

Cathay FHC – Net income & EPS

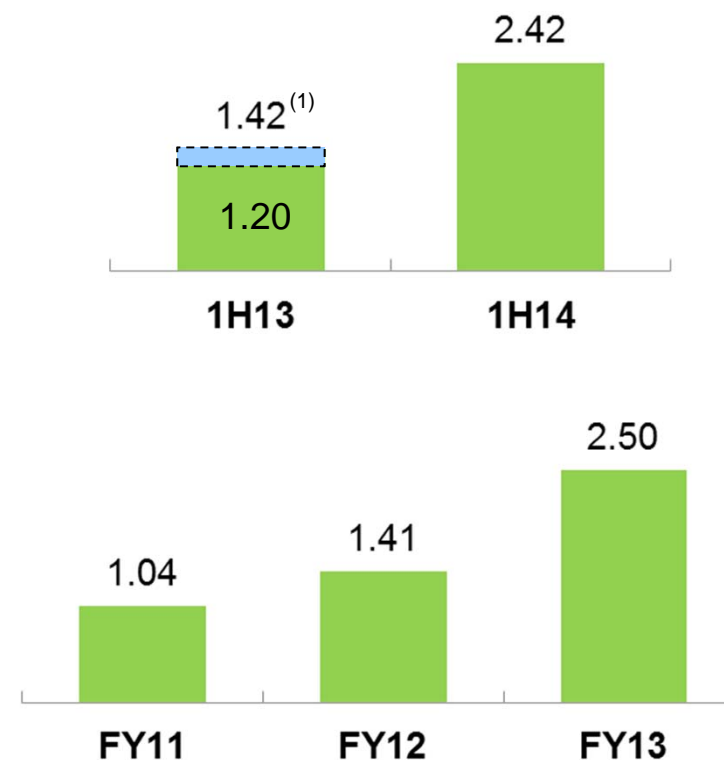
Net income (NT\$BN)

■ Impact to net income from fair value method on investment property



EPS (NT\$)

■ Impact to EPS from fair value method on investment property



Note: (1) 1H13 figures were pro forma reflecting the impact from applying fair value method on investment property, starting 2014/1/1.

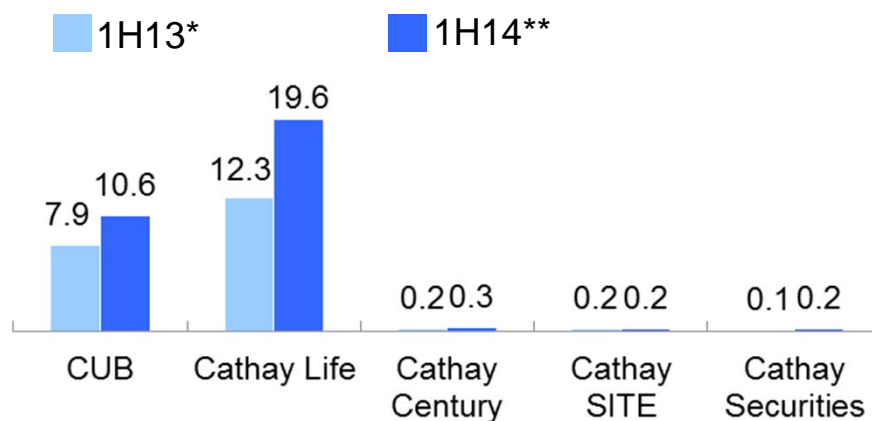
The impact to 1H13 net income and EPS of Cathay FHC was NT\$2.6BN and NT\$0.22, respectively.

(2) Book value of FY12 & FY13 & 1H14 included minority interest, BVPS excluded minority interest.

(3) Totals may not sum due to rounding.

Cathay FHC – Financial results of subsidiaries

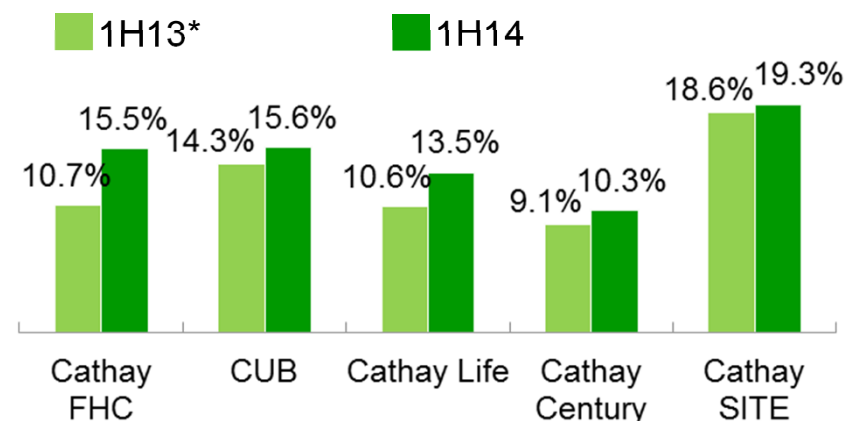
Net income of primary subsidiaries



* 1H13 figures were pro forma assuming the fair value method on investment property.

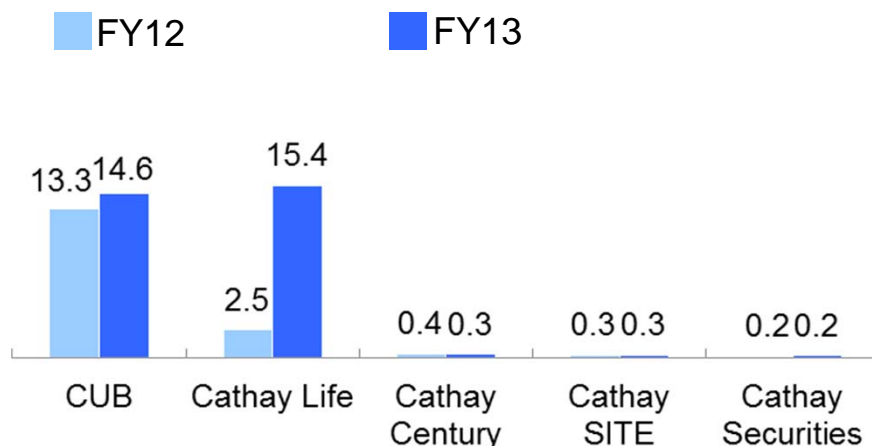
** CUB and Cathay Life 1H14 net income included appraisal gain from investment property of -NT\$0.04BN and NT\$13.8BN, respectively.

ROE

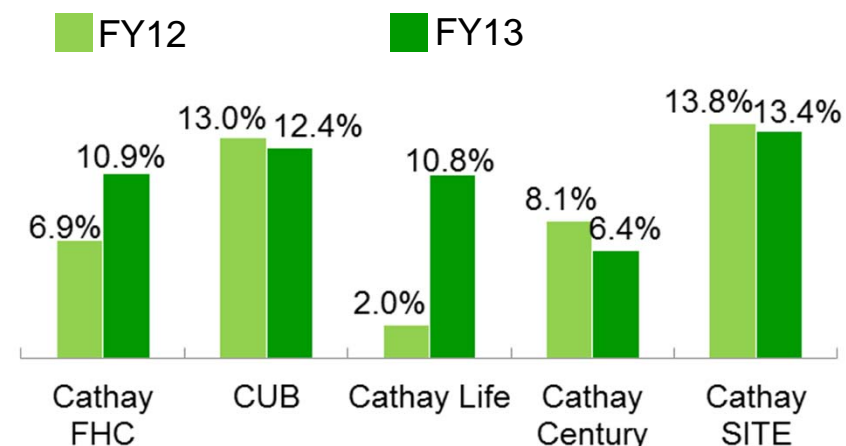


* 1H13 ROE was pro forma reflecting the impact from applying fair value method on investment property, starting 2014/1/1. The impact to 1H13 ROE of Cathay FHC, CUB and Cathay Life was -1.5%, -0.1% and -0.8%, respectively.

FY12 FY13



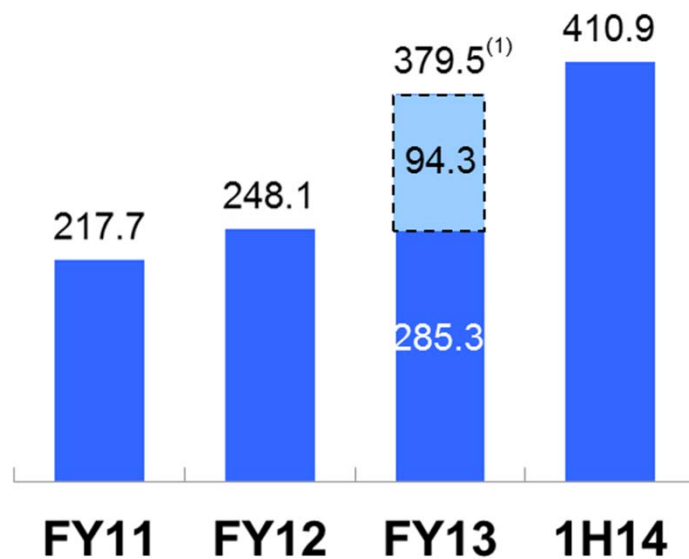
FY12 FY13



Cathay FHC – Book value & BVPS

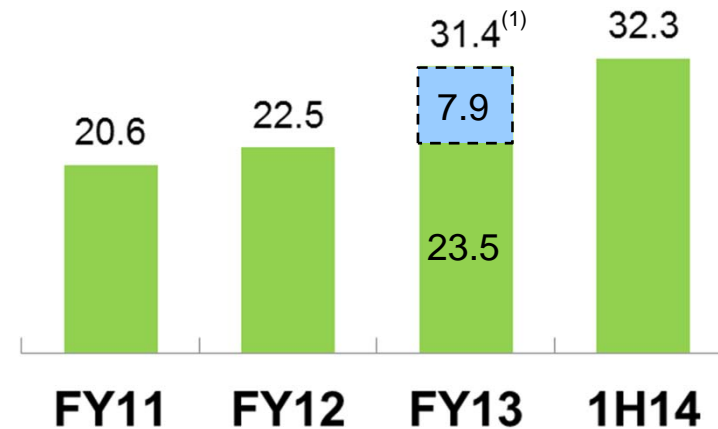
Book value (NT\$BN)

■ Impact to book value from fair value method on investment property



BVPS (NT\$)

■ Impact to BVPS from fair value method on investment property



Note: (1)FY13 figures were pro forma adjusted numbers of fair value method on investment property.
 (2)Book value of FY12 & FY13 & 1H14 included minority interest, BVPS excluded minority interest.
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 - Cathay Life

 - Cathay Century

- **Overseas expansion**





- **Cathay United Bank's business strategy update**

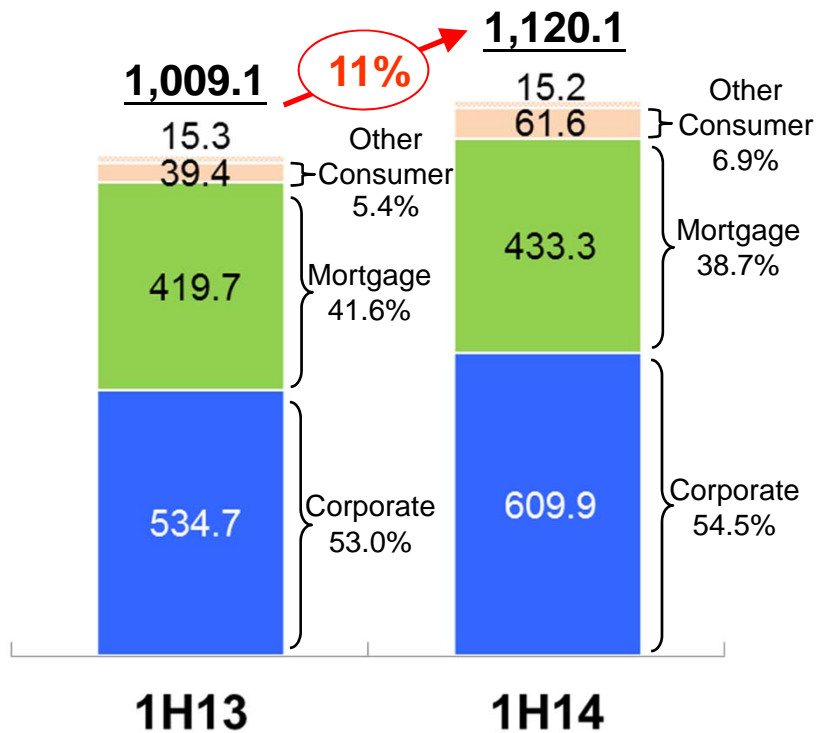
- **Appendix**

 - Capital adequacy



Cathay United Bank – Loan & Deposit breakdown

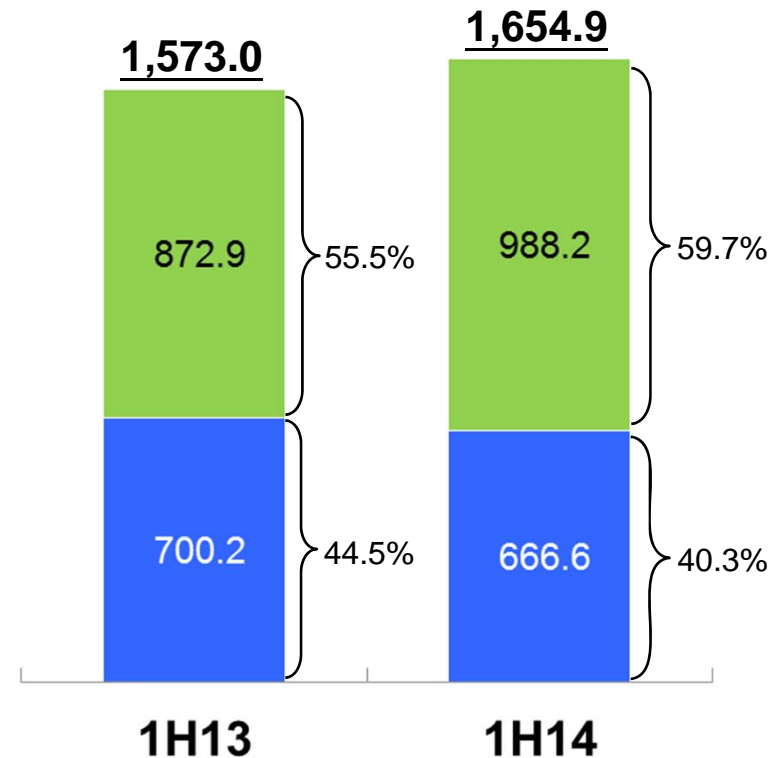
Loan breakdown

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



Deposit breakdown

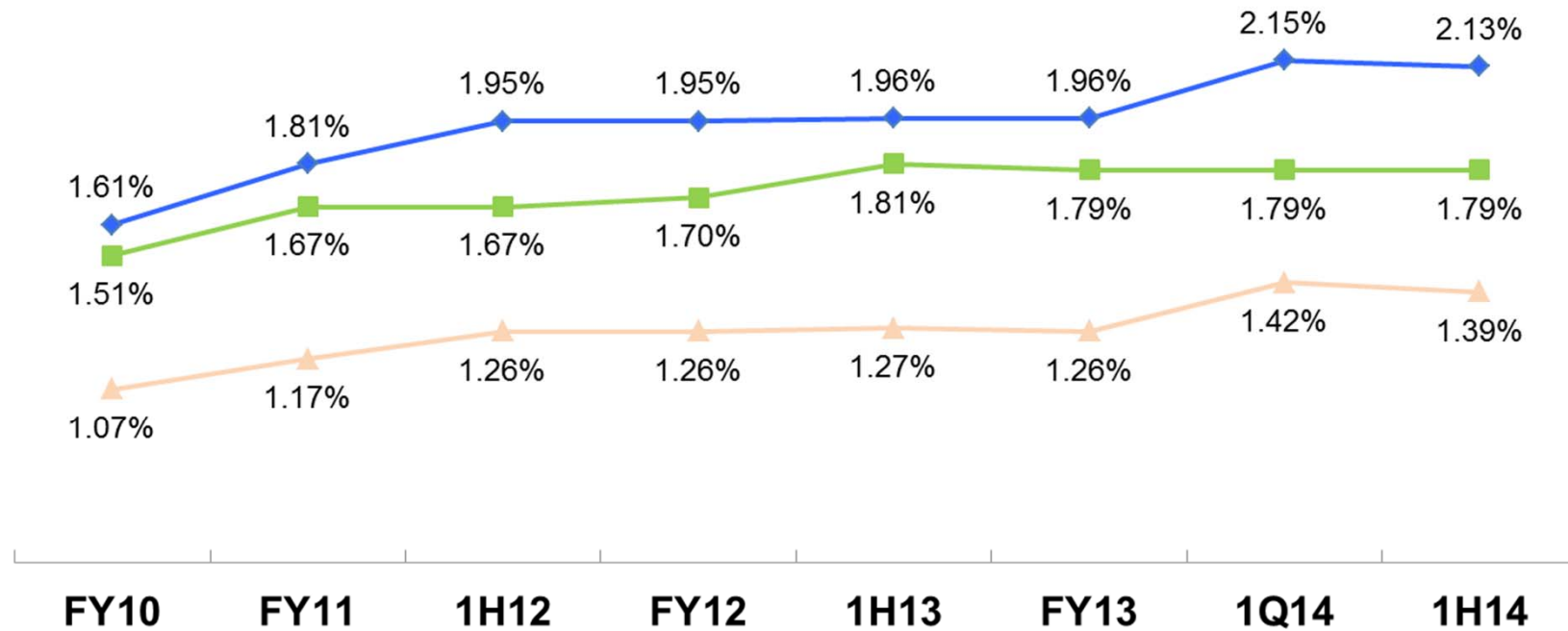
-  Demand Deposit (NT\$BN)
-  Time Deposit



Note: Totals may not sum due to rounding.

Cathay United Bank – Interest yields

◆ Avg. rate of interest-earning assets ■ Interest spread ▲ Net interest margin

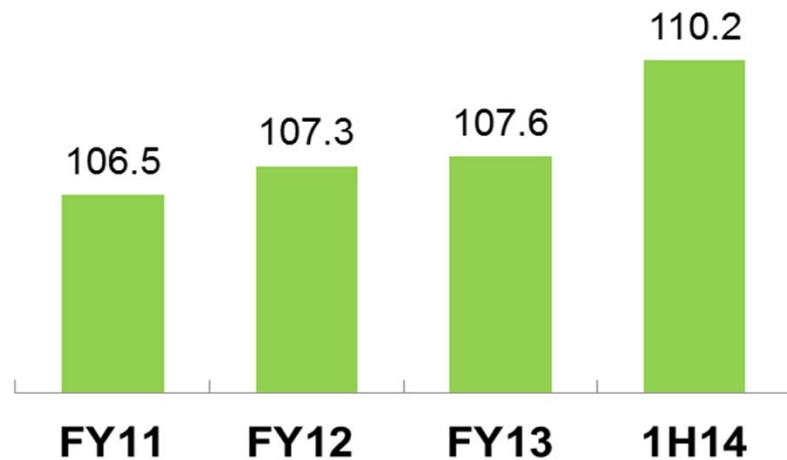


Note: Credit card related loans are included in the calculation.

Cathay United Bank – SME & FX loans

SME loans

(NT\$BN)

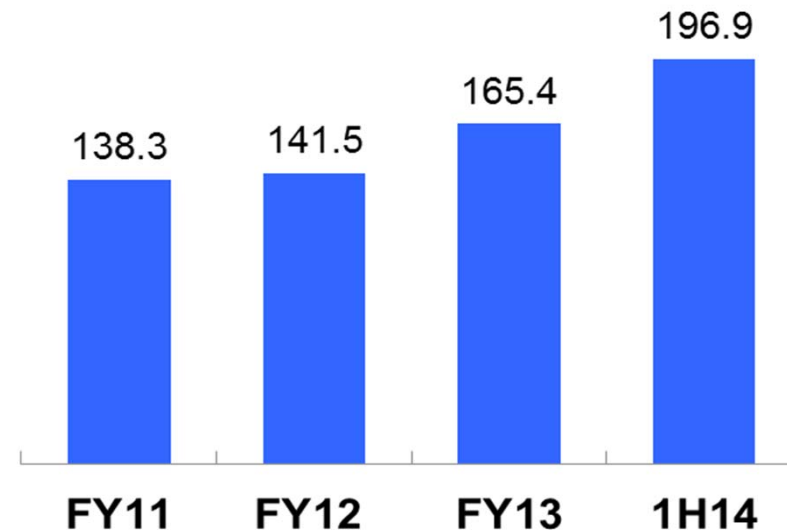


As % of total loans

10.6% 10.6% 10.3% 10.0%

Foreign currency loans

(NT\$BN)

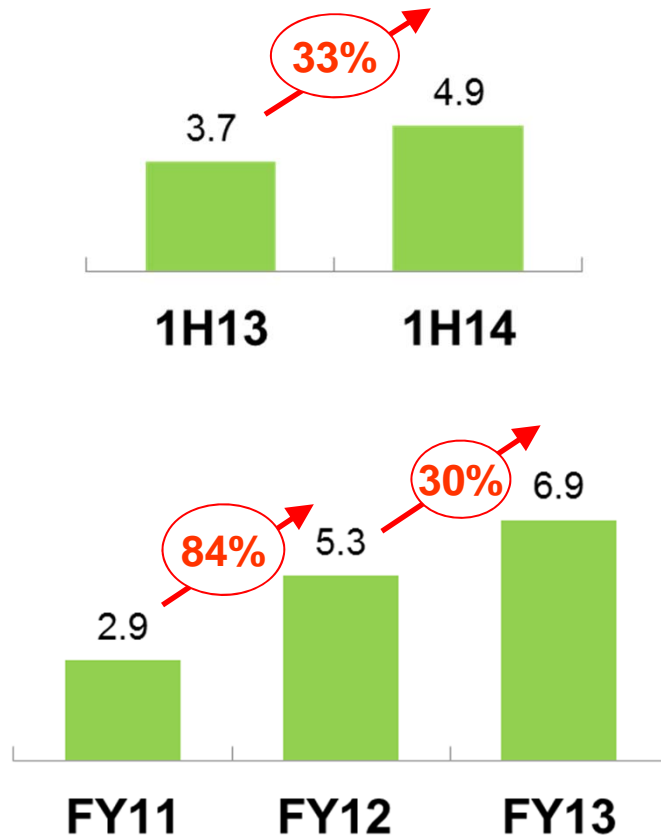


13.7% 14.0% 15.9% 17.6%

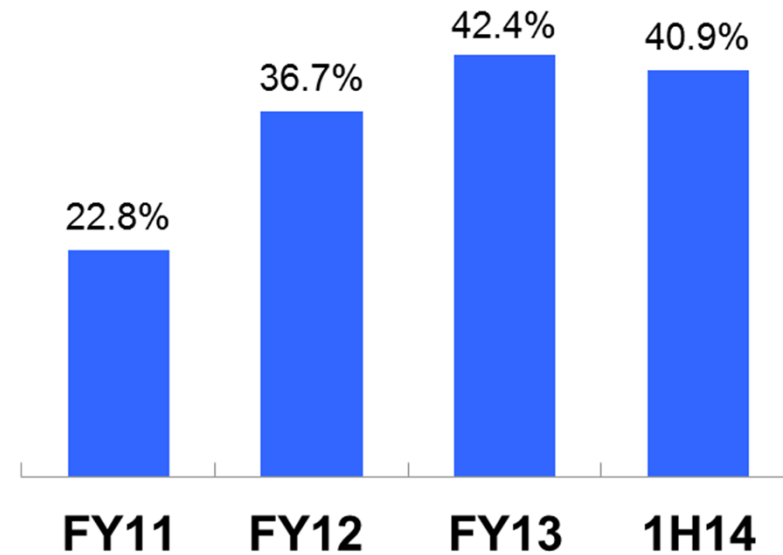
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits

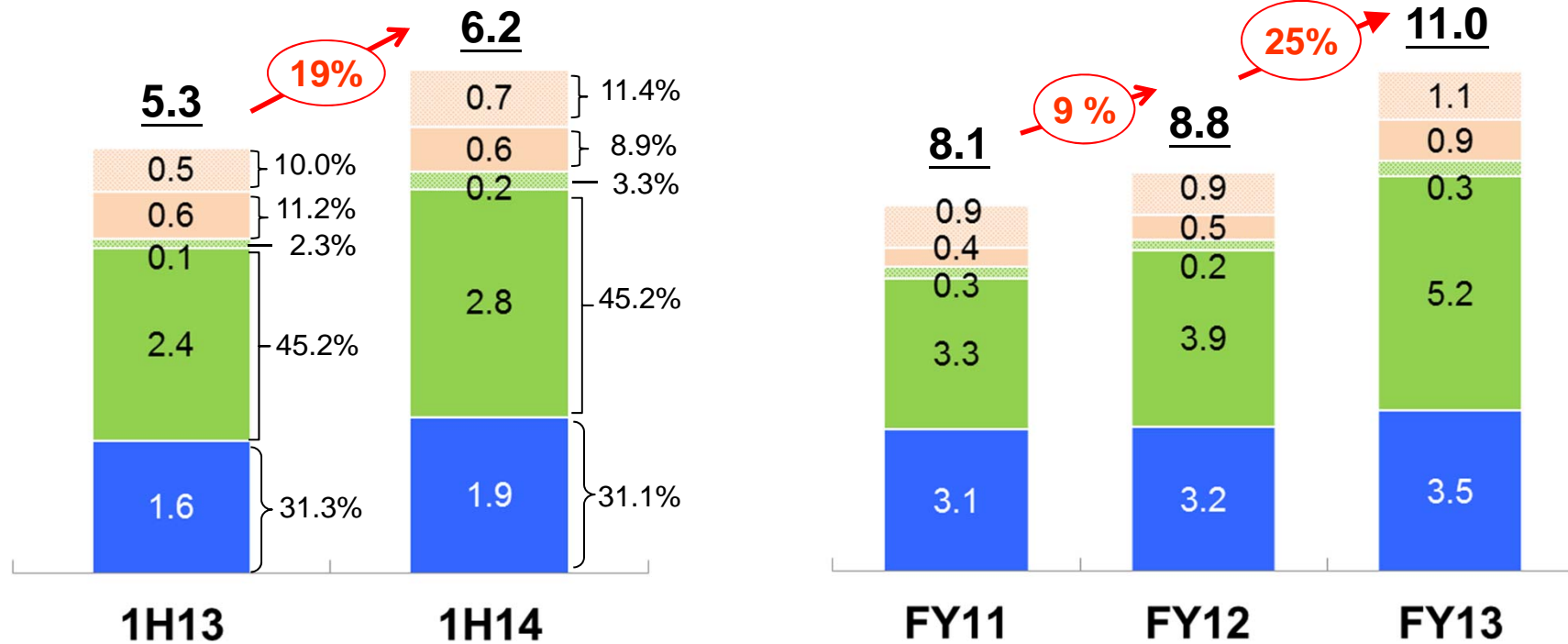


Cathay United Bank – Fee income

Fee income breakdown (quarterly)

Fee income breakdown (annual)

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



Note: Totals may not sum due to rounding.

Cathay United Bank – Wealth management fee breakdown

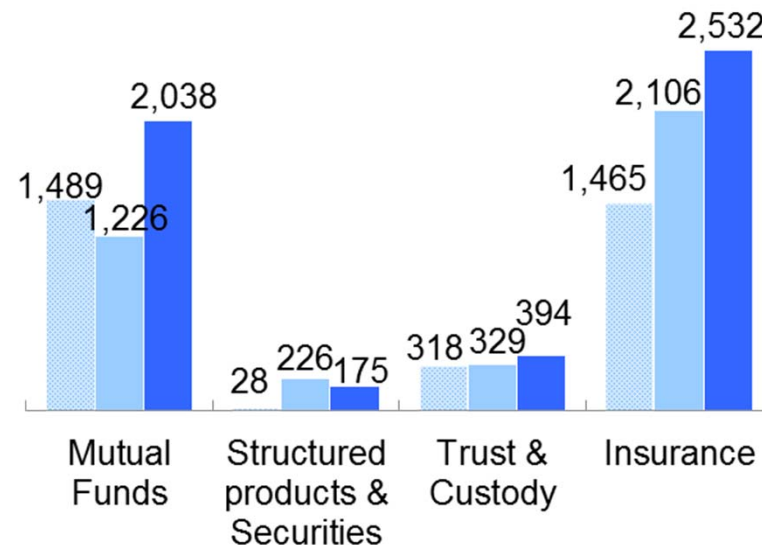
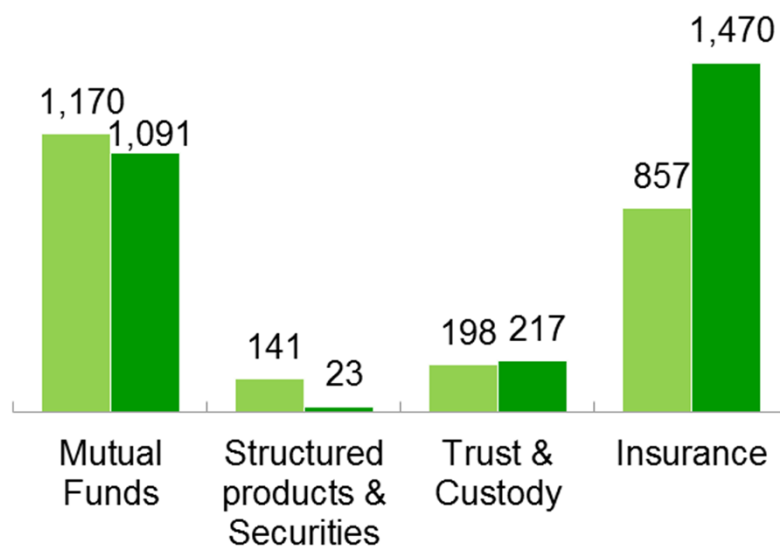
Wealth management fee breakdown (quarterly)

Wealth management fee breakdown (annual)

(NT\$MN)	1H13	1H14	FY11	FY12	FY13
Wealth Management Fee Income*	2,378	2,824	3,309	3,894	5,163
YoY growth (%)	23.3%	18.8%	5.3%	17.7%	32.6%
*Wealth management fee excludes revenue from DCI, SI and others.					
Revenue from DCI, SI & others	357	1,121	71	141	1,159

■ 1H13 ■ 1H14

■ FY11 ■ FY12 ■ FY13

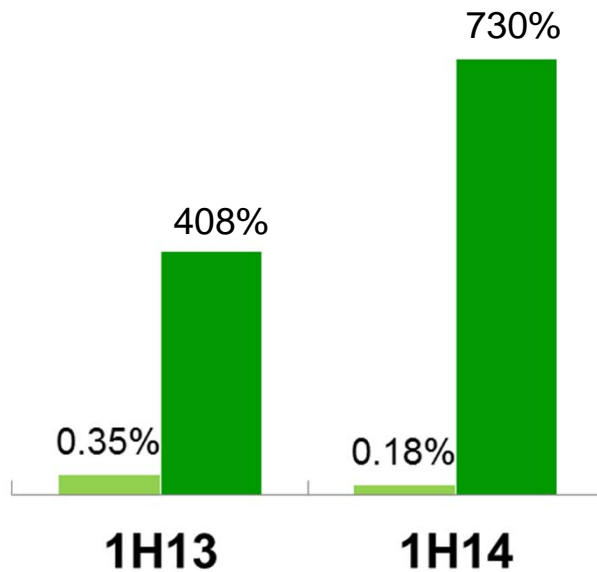


Note: (1) Wealth management fee excludes revenue from DCI, SI and others.
 (2) Totals may not sum due to rounding.

Cathay United Bank – Credit quality

NPL & Coverage ratio

- NPL ratio
- Coverage ratio

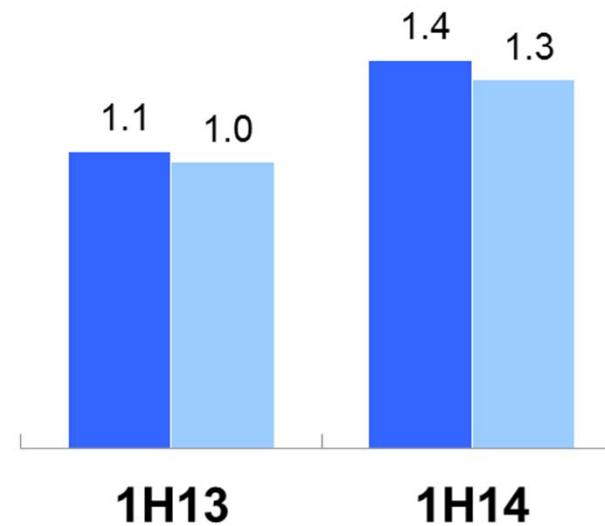


Mortgage NPL

0.04%	0.05%
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Gross provision

- Gross provision (NT\$BN)
- Recovery



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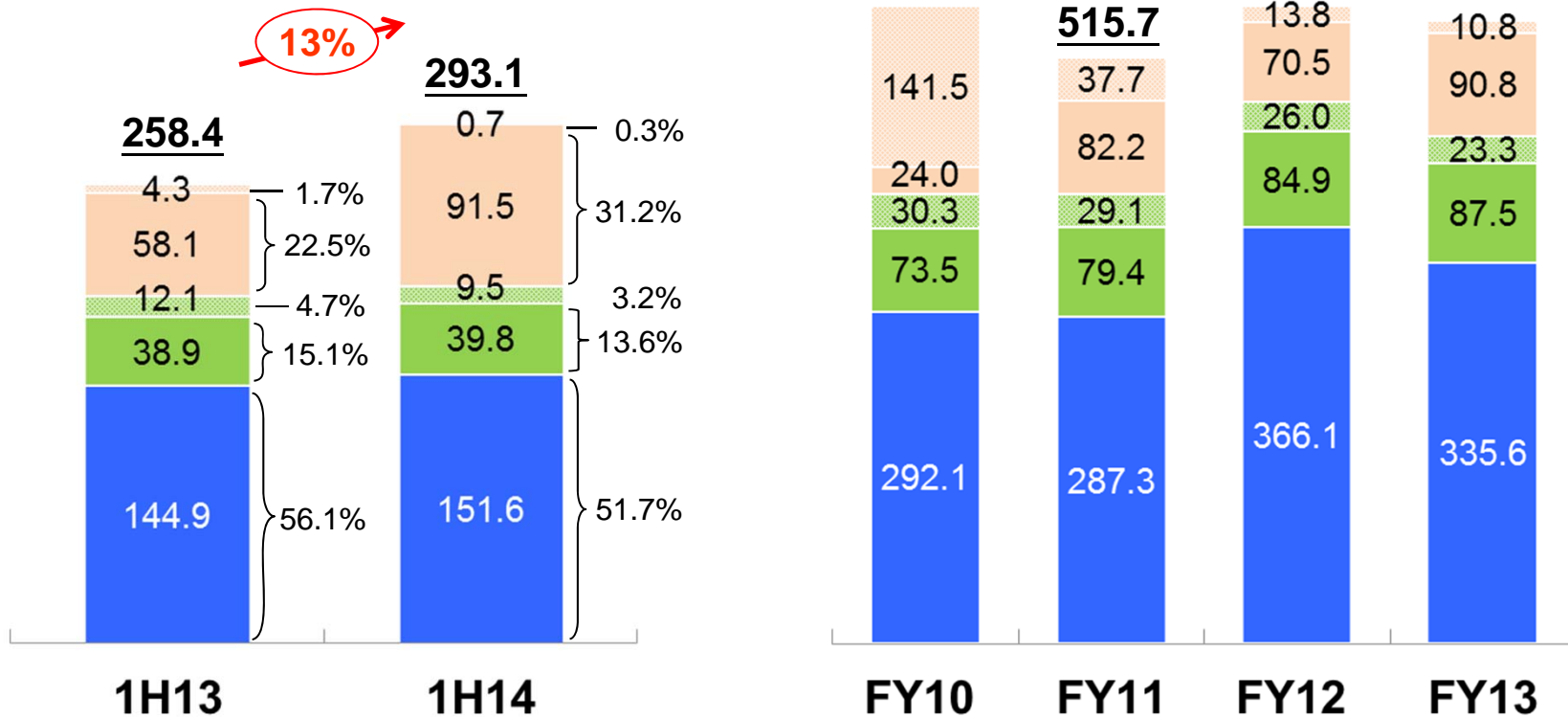
 - Capital adequacy

Cathay Life – Total premium

Total premium (quarterly)

Total premium (annual)

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

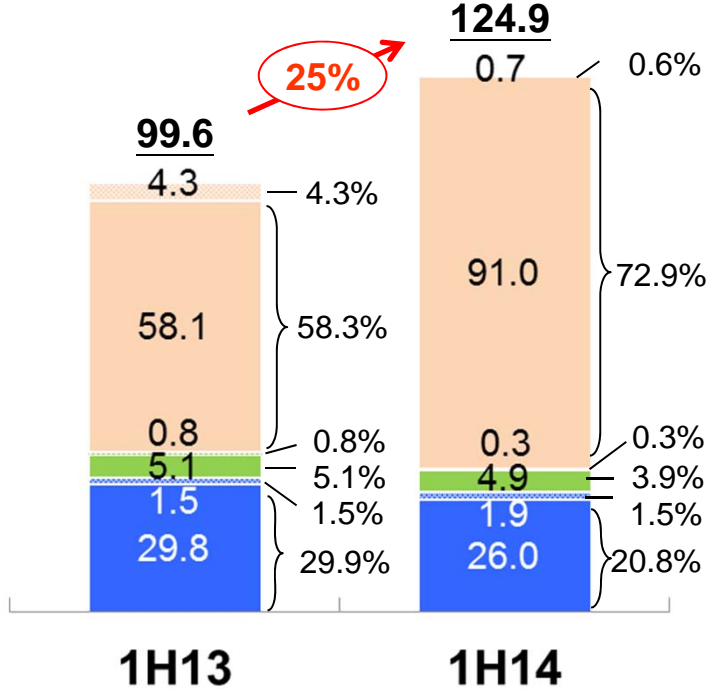


Note: Totals may not sum due to rounding.

Cathay Life – FYP & FYPE

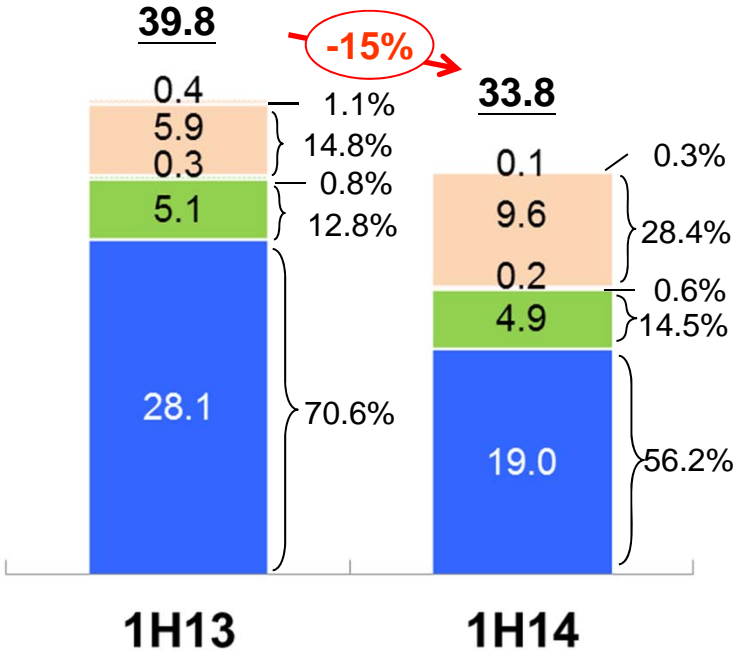
FYP

- Interest crediting annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life – single paid
- Traditional life – regular paid



FYPE

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

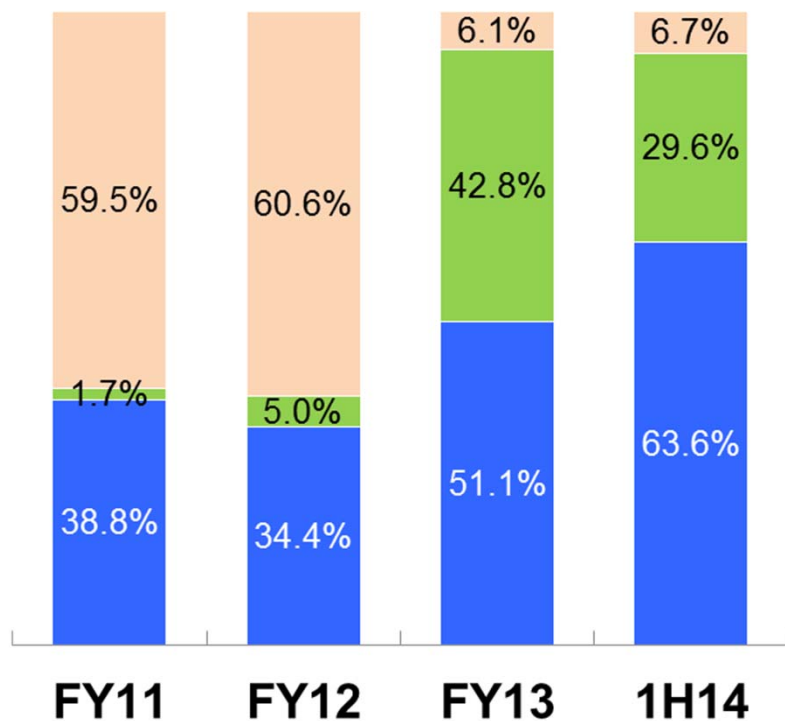


Note: Totals may not sum due to rounding.

Cathay Life – Regular paid policies remain as focus

Breakdown of Traditional FYP

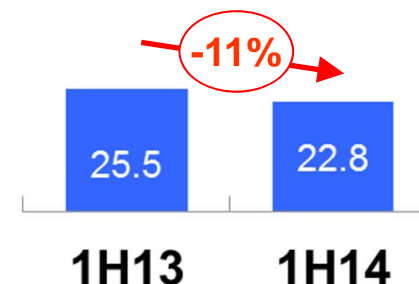
- Traditional life – single paid
- Traditional life - 2 year regular paid
- Traditional life - 3 year and above regular paid



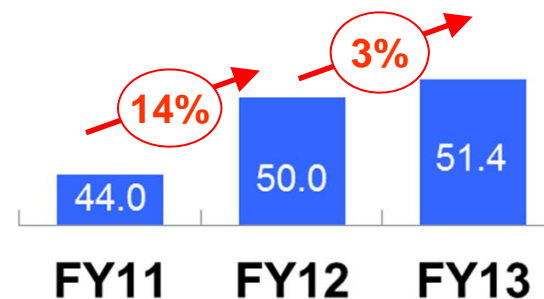
Note: Totals may not sum due to rounding.

VNB

Profit Margin	1H13	1H14
VNB/FYP	26%	18%
VNB/FYPE	64%	67%



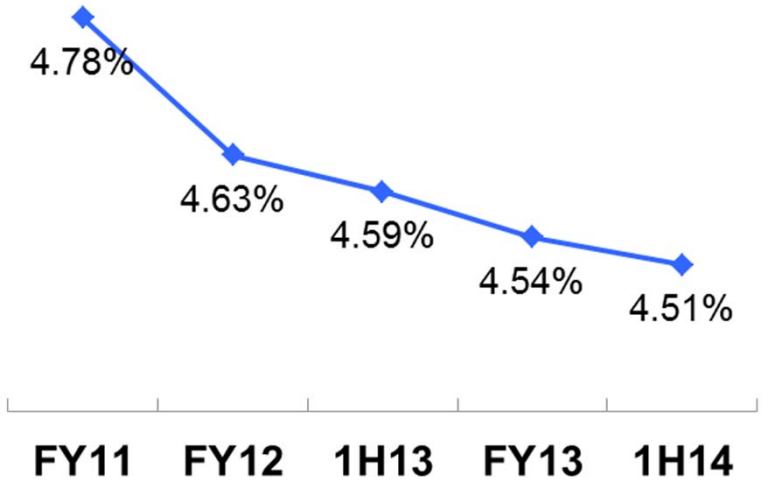
Profit Margin	FY11	FY12	FY13
VNB/FYP	17%	19%	26%
VNB/FYPE	55%	54%	70%



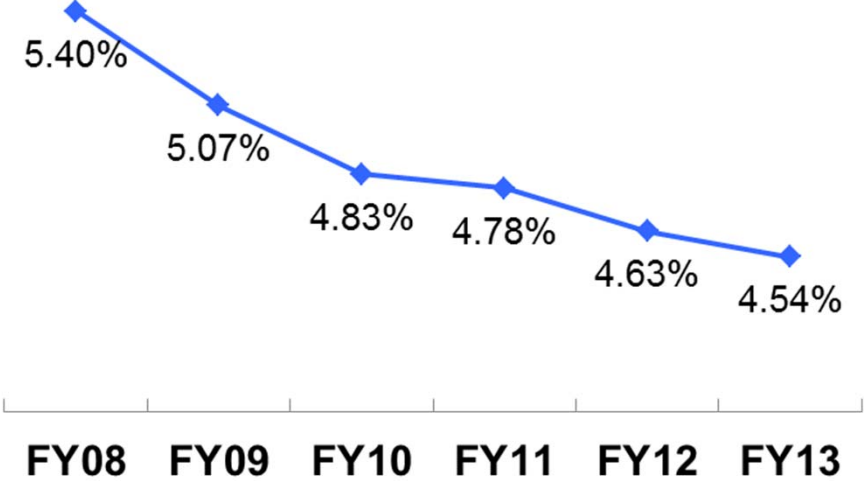
Note : 1H14 VNB is based on Cathay Life's 2013 EV actuarial assumptions.

Cathay Life – Cost of liability

Cost of liability (quarterly)



Cost of liability (annual)



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

Cathay Life – Investment portfolio

(NT\$BN)	4Q11	4Q12	4Q13		1H14	
Total investments⁽³⁾	2,959.2	3,283.7		3,785.1		3,931.8
	Weight	Weight	Weight	Amount	Weight	Amount
Cash & Cash equivalents	8.6%	8.2%	3.7%	138.4	3.2%	127.0
Equity- Domestic	8.5%	8.1%	8.9%	337.3	9.2%	362.1
Equity- International	4.0%	4.3%	4.9%	186.5	4.9%	190.7
Bond- Domestic	16.4%	16.6%	14.4%	546.1	13.3%	523.5
Bond- International⁽³⁾	38.6%	39.6%	38.9%	1472.5	40.2%	1581.4
Mortgage & Secured loans	10.2%	10.3%	12.2%	461.2	12.7%	497.4
Policy loans	6.4%	5.5%	4.7%	177.9	4.4%	172.7
Real estate	5.4%	5.6%	10.6%	402.2⁽¹⁾	10.9%	429.0^{(1) (2)}
Others	2.0%	1.8%	1.7%	62.9	1.2%	47.9

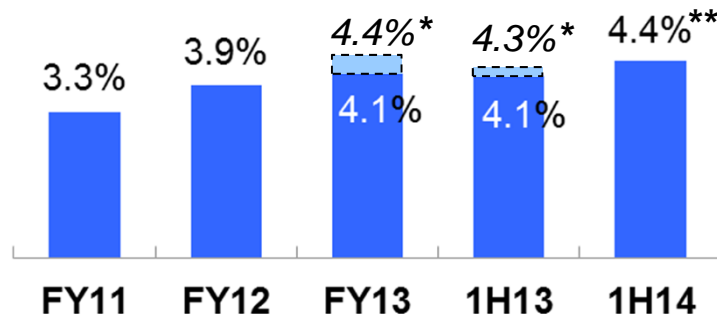
Note (1) Real estate included NT\$71.3BN of investment property appraisal gain from IFRS adoption and NT\$133.1BN of impact from fair value method on investment property.

(2) Real estate included NT\$16.4BN of appraisal gain from investment property.

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

Cathay Life – Investment performance highlight

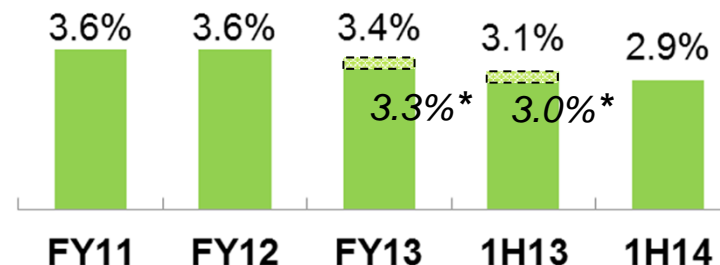
After-hedging investment yield



* FY13 and 1H13 (4.4% and 4.3%) were pro forma adjusted numbers of fair value method on investment property.

** Cathay Life 1H14 net income included appraisal gain from investment property of NT\$13.8BN.

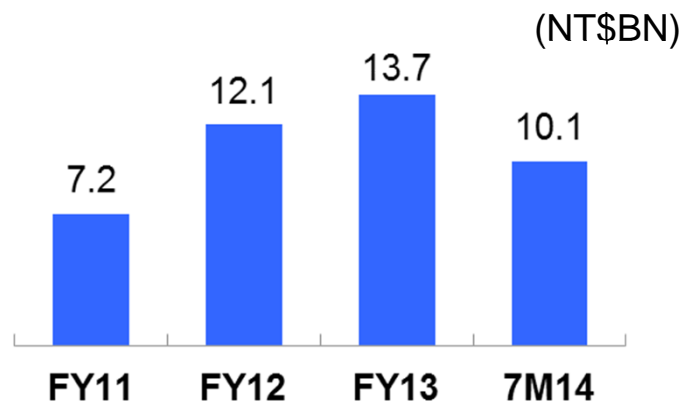
Pre-hedging recurring yield



* FY13 and 1H13 (3.3% and 3.0%) were pro forma adjusted numbers of fair value method on investment property.

Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend. Most dividend will be recognized in 3Q.

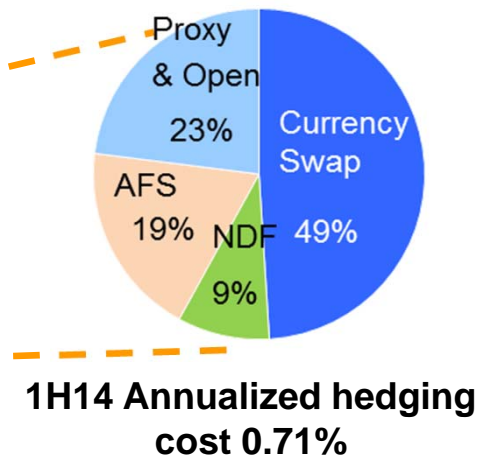
Cash dividend



FX Asset

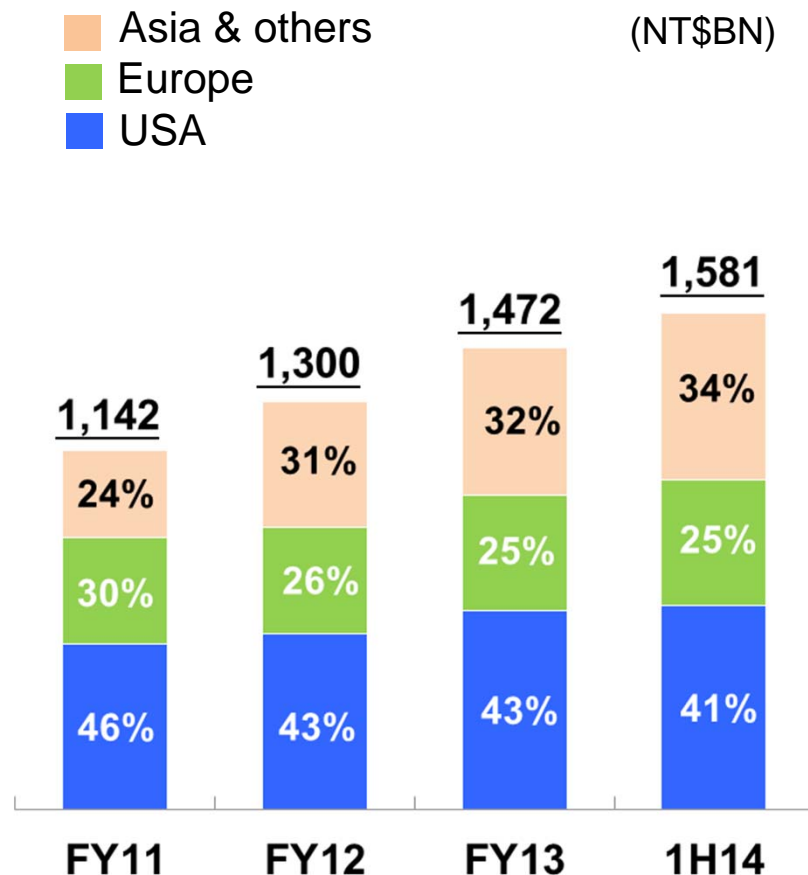


FX risk exposure



Cathay Life – International bond investment highlight

Overseas Bond by Region



Top 5 of European Exposure

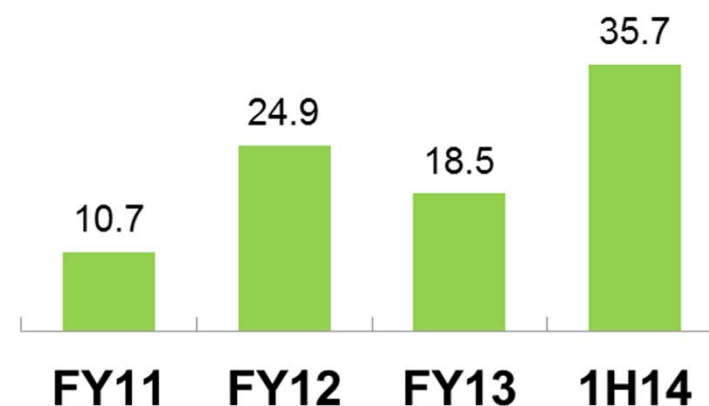
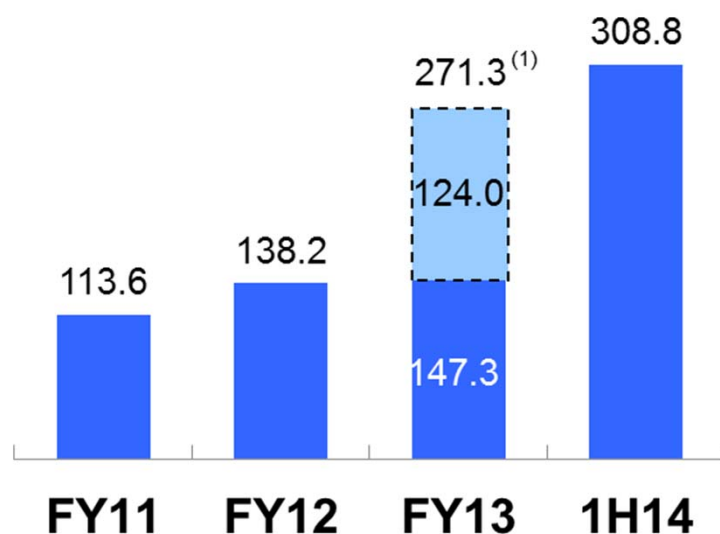
Country	As % of overseas bond investment	As % of European bond investment
UK	6.2	24.3
Germany	5.1	20.2
France	5.1	20.0
Netherlands	3.8	15.0
Switzerland	1.1	4.2
Total	21.2	83.8

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

Book value (NT\$BN)

Unrealized G/L of AFS financial assets (NT\$BN)

■ Impact to book value from fair value method on investment property



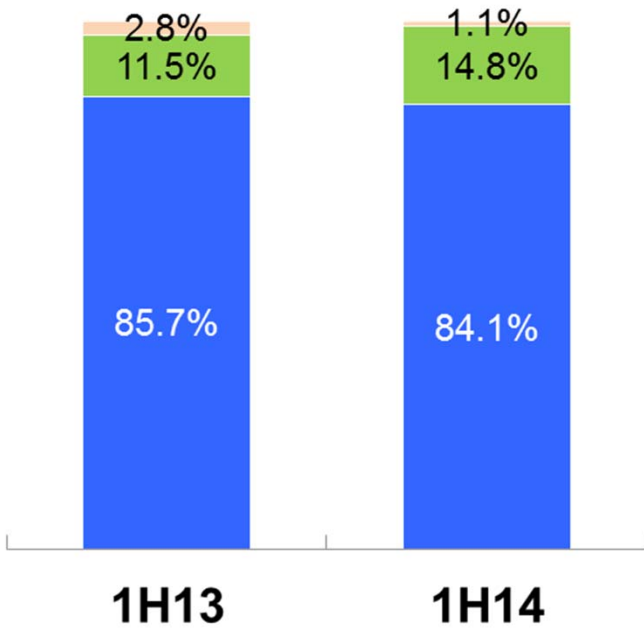
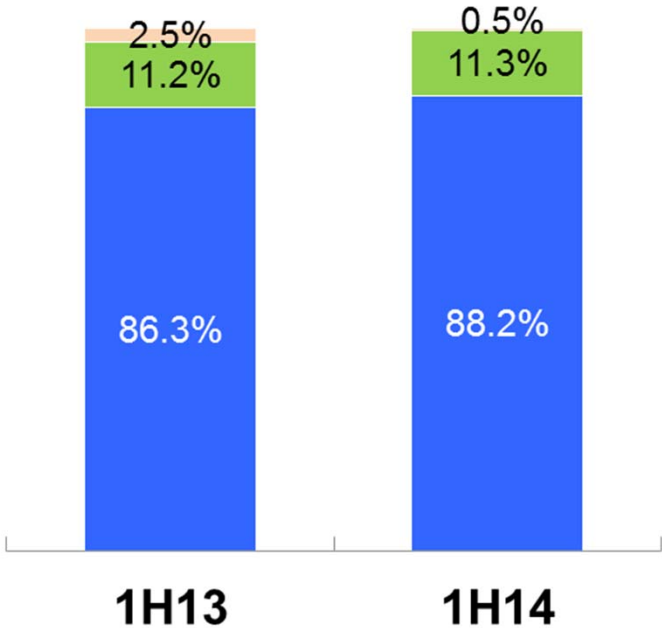
Note: (1)FY13 figures were pro forma adjusted numbers of fair value method on investment property.
 (2)Book value of FY12 & FY13 & 1H14 included minority interest, BVPS excluded minority interest.
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Cathay Life – Distribution channel

FYP

FYPE

- Others
- Bancassurance-CUB
- Tied agents

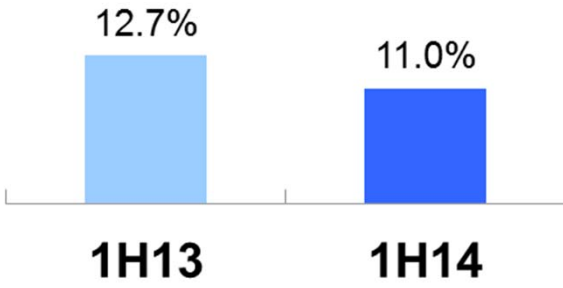
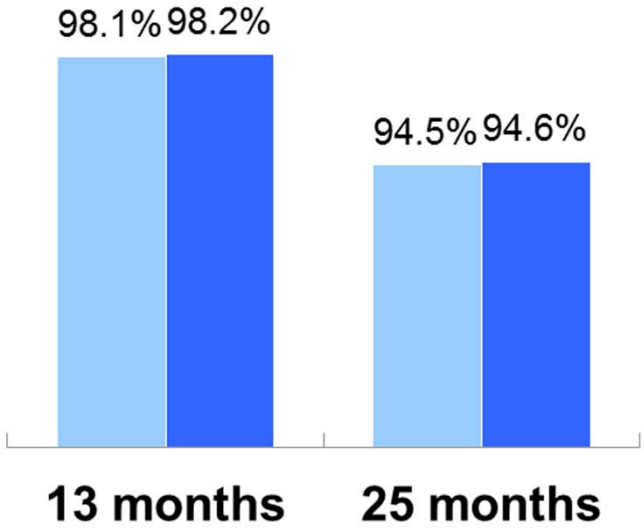


Cathay Life – Operational indicators

Persistency ratio

Expense ratio

1H13 1H14



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- **Overseas expansion**

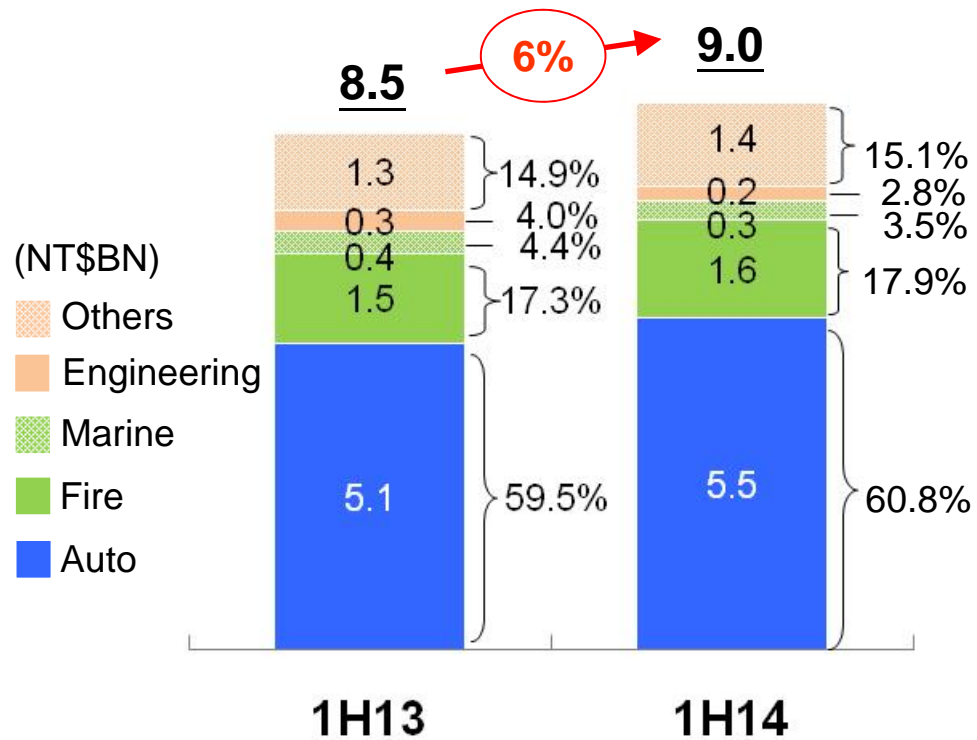
- **Cathay United Bank's business strategy update**

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 - Capital adequacy

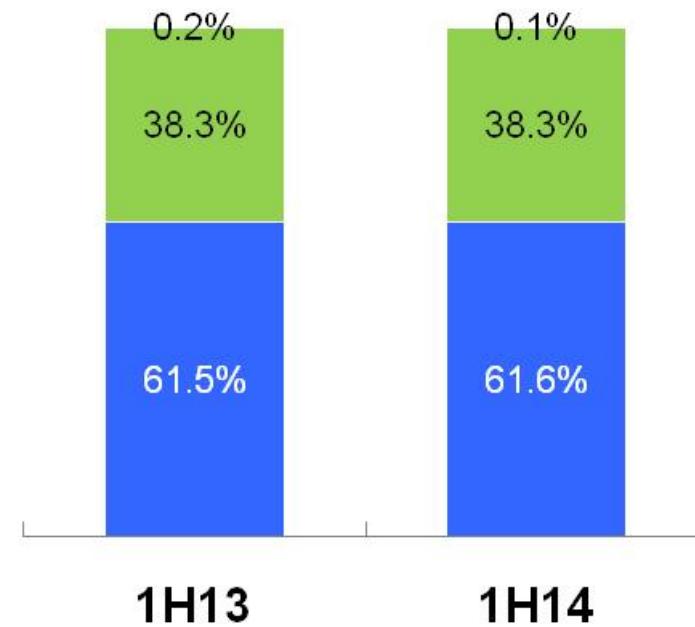
Cathay Century

Premium income



Distribution channel

- Others
- Cathay P&C agents
- Cathay group channel



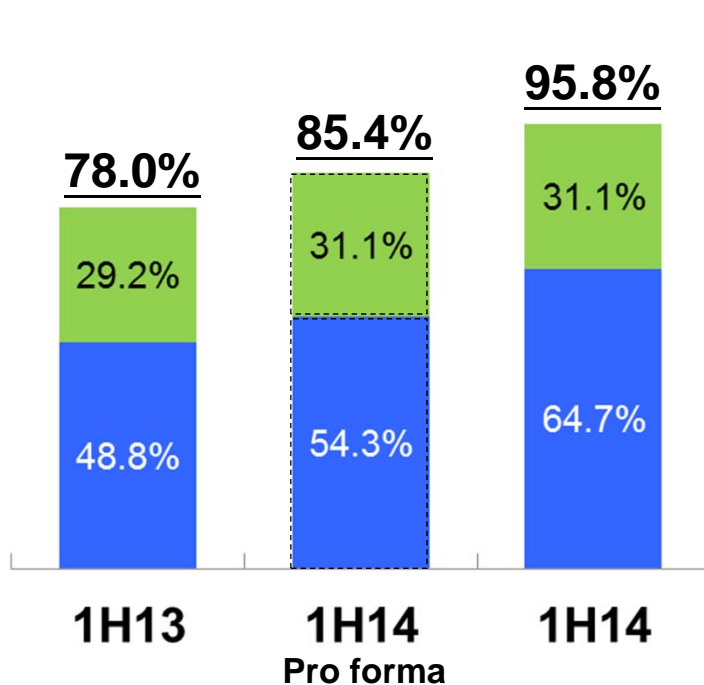
Market share	12.8%	13.0%
Retention	74.4%	76.3%

Note: Totals may not sum due to rounding.

Cathay Century – Distribution channel

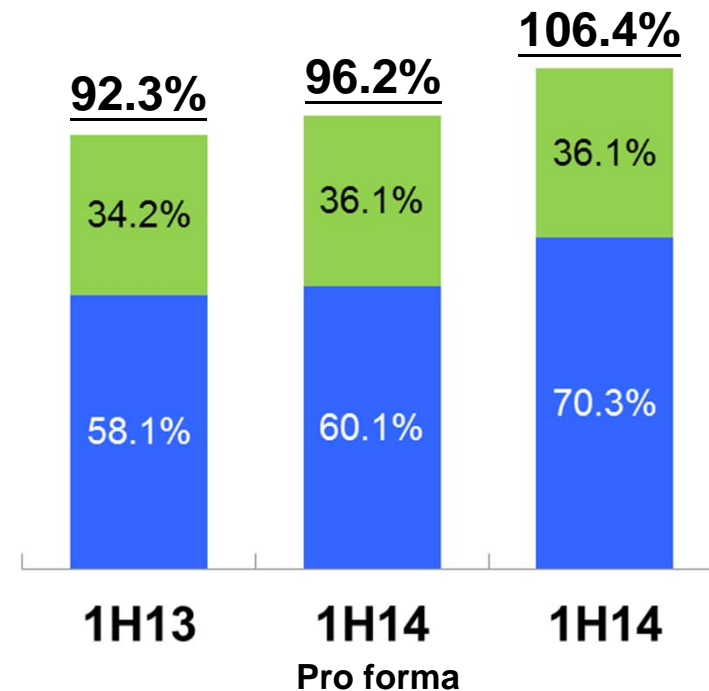
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



Note : From 2014/1/1, the loss provisions rules on compulsory car insurance was changed and the loss ratio increased significantly compared to last year. However, the shortfall between retained earned pure premium and net loss provision plus claim payment was offset by recovery of special reserve and therefore has no impact on net profit.

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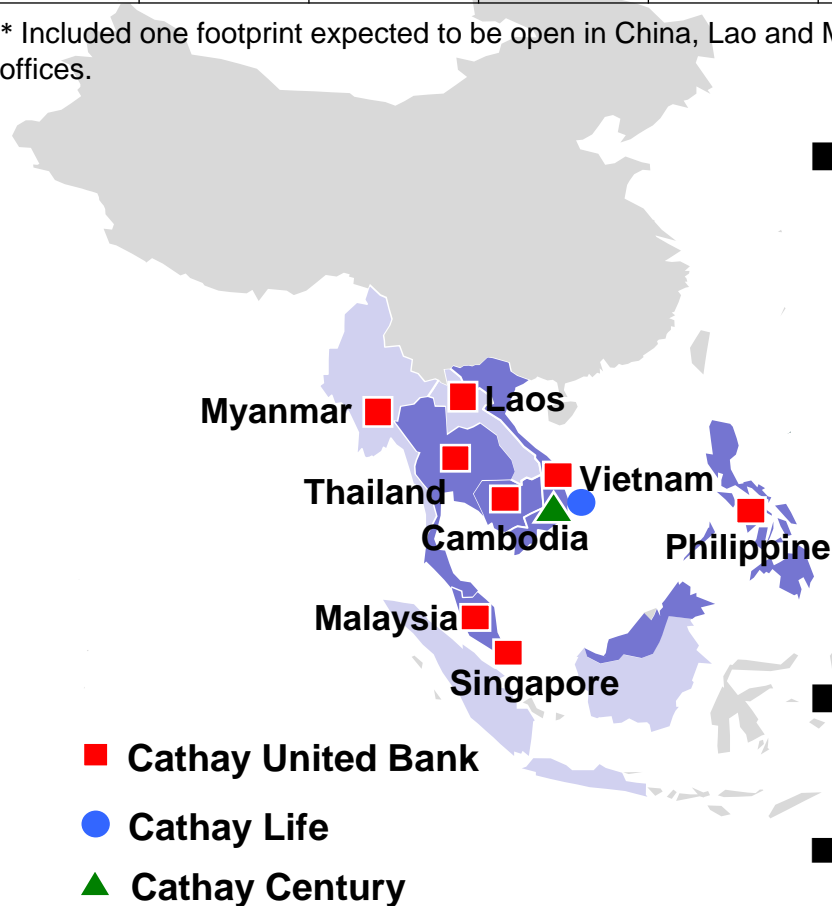
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 - Capital adequacy

Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Philippine	Thailand	Laos	Myanmar
Bank	4*	36	16	1	1	1	1	1	1*	1*
Life	31	6								
P&C	20	2								
Asset Mgt	1			1						

* Included one footprint expected to be open in China, Lao and Myanmar; footprints in Philippine, Thailand and Myanmar are representative offices.



■ Cathay United Bank

- Business in Vietnam performed steadily with solid financial performance and superior asset quality
- Footprint number ranked No.1 among Taiwanese banks in Cambodia
- Laos branch and Myanmar office will be open in 2H14
- Plans to apply a branch in Myanmar and representative office in Indonesia

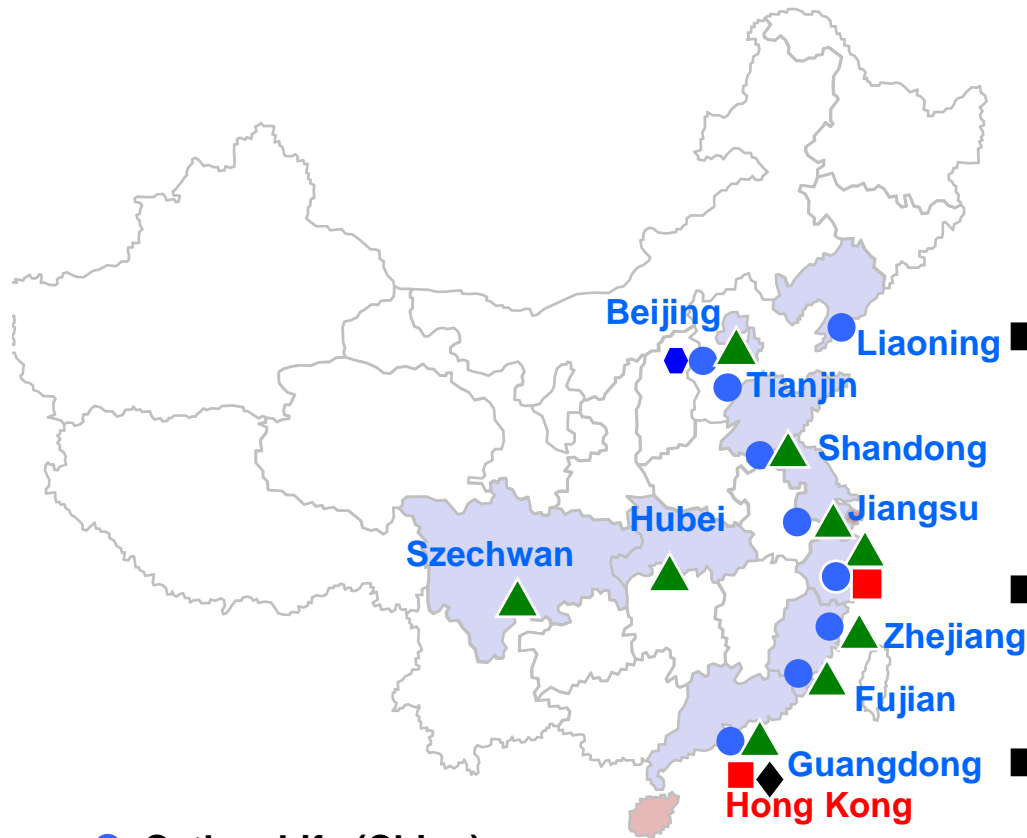
■ Cathay Life

- 1H14 net income reached NT\$82MN

■ Cathay Century

- 1H14 total premium income increased by 3% YoY

Cathay FHC in China



- Cathay Life (China)
- Cathay United Bank
- ▲ Cathay Century (China)
- ◆ Cathay Conning Asset Management
- ⬢ CDBS Cathay Asset Management Company

■ Cathay United Bank

- Shanghai Free-Trade Zone Sub-branch began operation in July. Qingdao Branch is expected to open by third quarter.
- Plan to apply Shenzhen branch and upgrade Shanghai branch into subsidiary

■ Cathay Life (China)

- Completed RMB400MN capital injection with solvency ratio of 397%
- Agent productivity grew by 63% YoY in 1H14

■ Cathay Century (China)

- Strong premium income growth in 1H14, up by 17% YoY

■ JV with Conning (CCAM)

- AUM amounted to USD\$1.05BN in 1H14

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

- Continued to launch new products, mainly fixed income funds

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Become A leading financial institution in Asia-Pacific

Strengthen core competence

Accelerate growth

A leading financial institution in Asia-Pacific

Cathay United Bank's Business Strategies

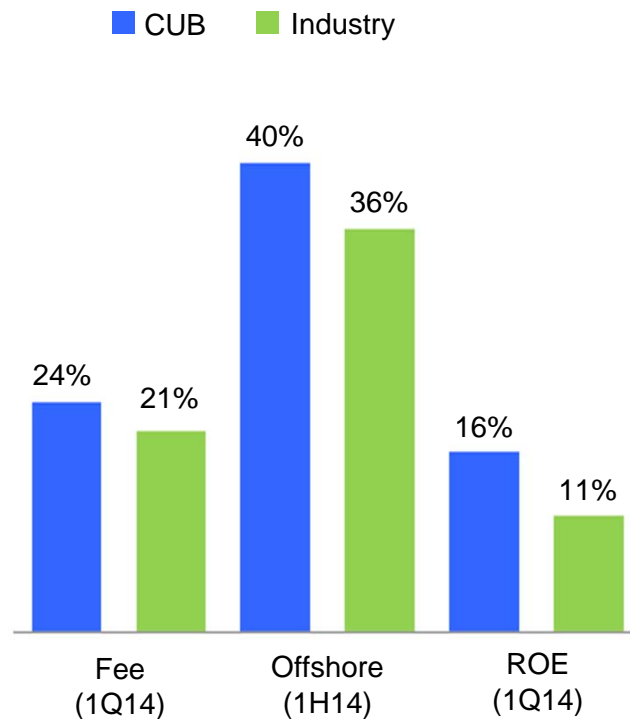
-  Customer-centric business model
-  Total solution service
-  Overseas expansion
-  Developing human capital
-  Strengthening organization health



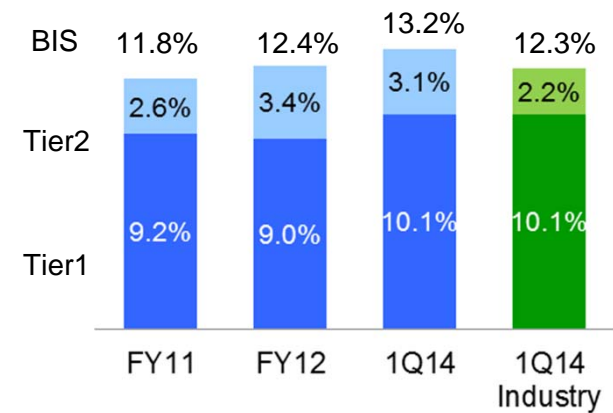
Top tier Bank in Taiwan

- Better risk-pricing discipline increased capital utilization effectively
- Improve customer service to increase non-interest income

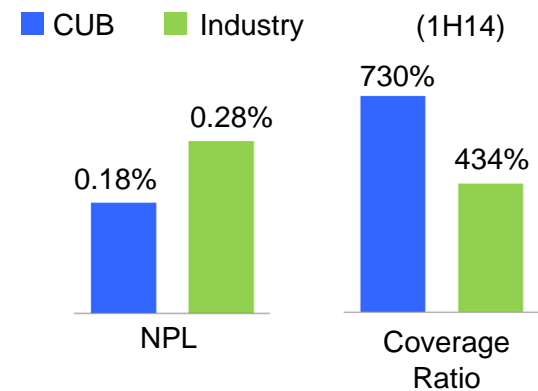
Earnings contribution



Capital Adequacy

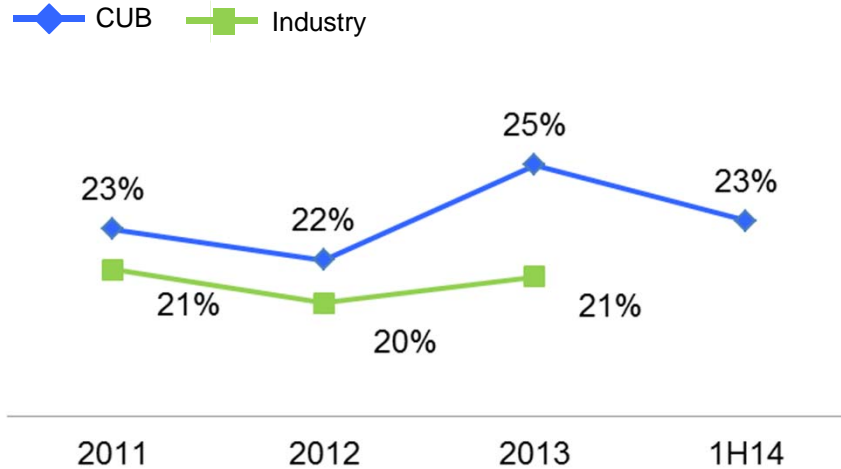


Credit Quality

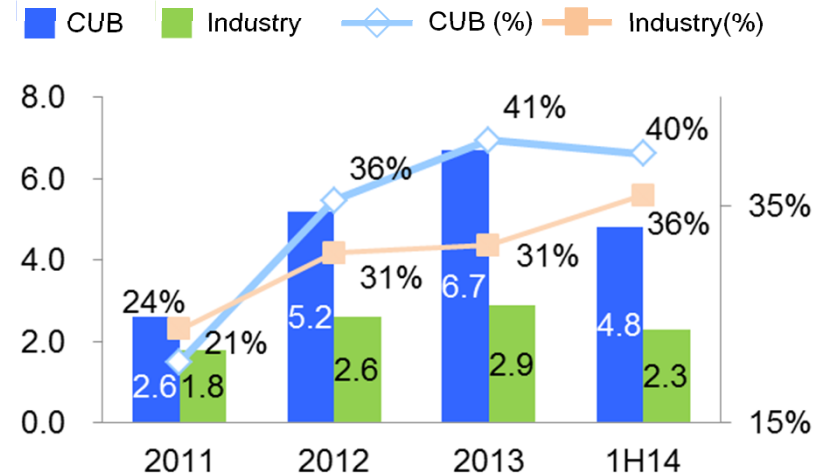


Delivered strong financial performance

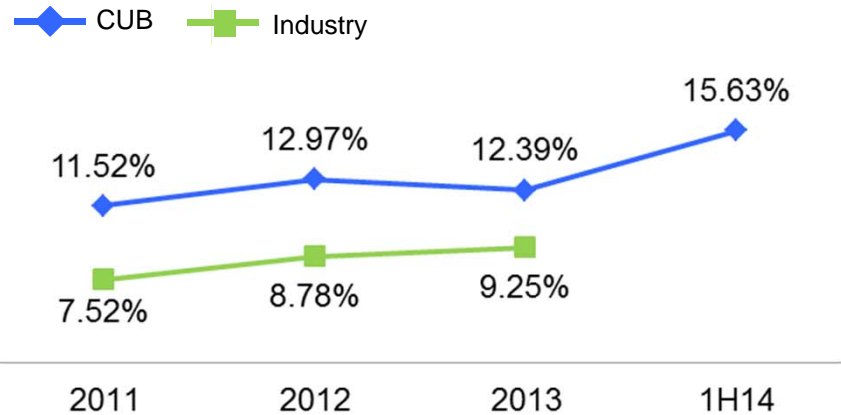
Fee income ratio



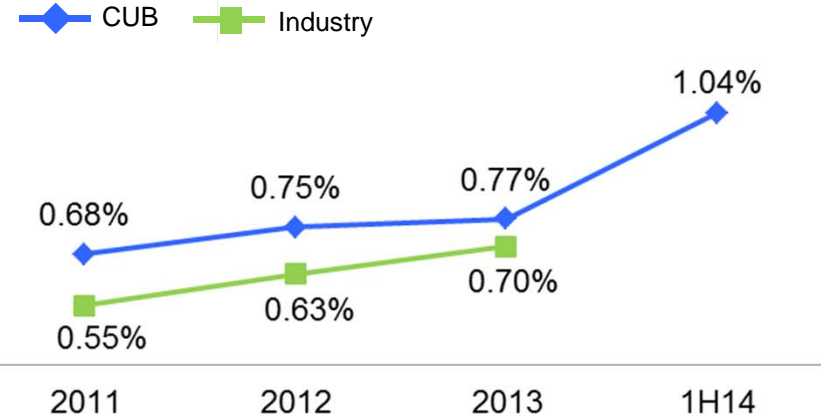
Offshore earnings & % of total pre-tax profits (NT\$ BN)



ROAE



ROAA



Note1:(1)Offshore earnings included OBU and overseas branches, excluded subsidiaries.
 (2)Industry refers to domestic banks.
 (3)Source: Central bank and TEJ.

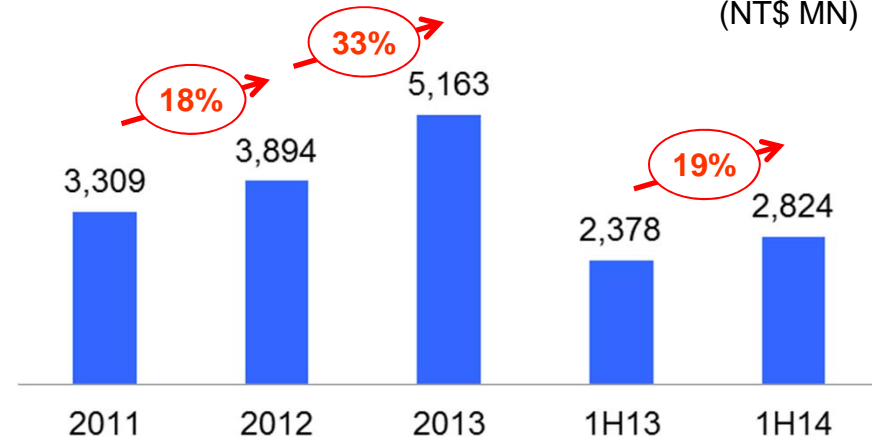
Improved card business and higher fee income

Credit Card



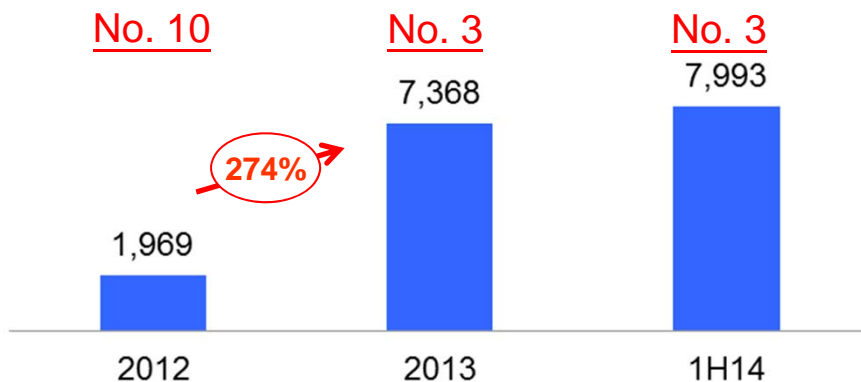
Wealth management Fee

(NT\$ MN)



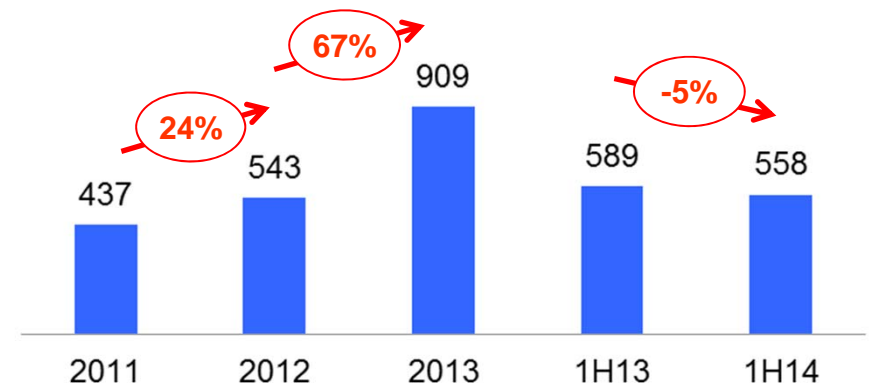
Personal Loan New Drawdown via Telemarketing

(NT\$ MN)



Syndication Fee

(NT\$ MN)



Awards & Recognition – Cathay United Bank

Trade finance
& Cash
management

Asia Money Magazine

- 2013 The Best Cash Management Bank in Taiwan

Trade Finance Magazine

- 2013 The Best Trade Bank in Taiwan
-

Wealth
management

Business Today

- 2013 The Best customers satisfaction degree of Wealth Management Bank
- 2013 The Best customers satisfaction degree of FA

Global Vision

- 2012 "Customers Recommended Wealth Management Bank", "Best Figure of Wealth Management", "Best Figure of FA Service", "Best Figure of Online Wealth Management", "Best General Figure of Bank", "Customers Recommended Online Wealth Management Bank"
-

Human resource

The Asian Banker

- 2014 The Taiwan Retail Financial Services Awards Programme-The Best Employee Engagement
-

Digital banking

IDC Financial Insights

- Financial Insights Innovation Awards 2014 -Analytics and customer insights.

The Asian Banker

- 2013 The Best Data and Analytics Project Award in Taiwan
 - 2013 The Best Data and Analytics Project Award in Asia Pacific
-

Others

The Asian Banker

- Best Consumer Risk Management Capability in Taiwan

The asset

- Best Structured Product House, Taiwan

Awards & Recognition – Cathay FHC



Institutional Investor

- 2014 All-Asia Executive Team, “*Most Honored Company*”, “*Best CEO*”, and “*Best IR Professional*”
-



Business Next Magazine

- 2012-2014 “Super Green Awards”, ranked No. 1 in the financial services category
-



Taiwan Institute for Sustainable Energy

- 2013 Taiwan Corporate Sustainability Awards
-



CommonWealth Magazine

- 2013 “Best Reputation Enterprise in Taiwan”, ranked No. 1 in the Insurance Company category
 - 2012-2013 “Corporate Citizen Awards in the Financial Sector category”
-



Taipei City Government

- 2012-2013 “Gold Star Enterprise in the Best Companies”

Agenda

- **1H14 Business overview**

 - Cathay United Bank

 - Cathay Life

 - Cathay Century

- **Overseas expansion**

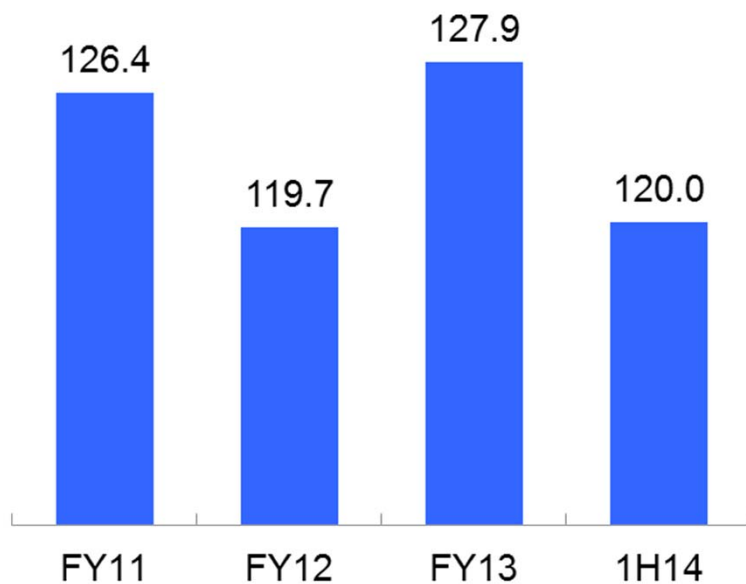
- **Cathay United Bank's business strategy update**

- **Appendix**

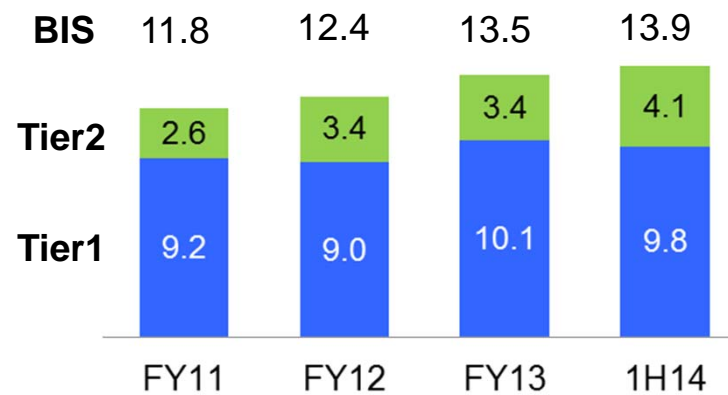
 - Capital adequacy

Solid capital adequacy

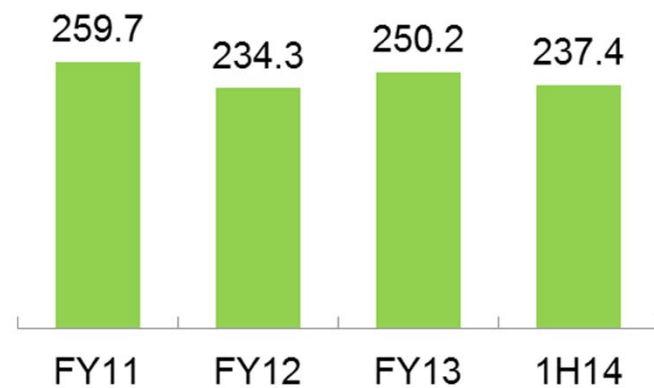
Cathay FHC CAR (%)



CUB Capital Adequacy (%)



Cathay Life RBC(%)





Thank You

Cathay Financial Holdings

(NT\$MN)	FY13/			(Pro Forma) ⁽²⁾				
	FY12	FY13	% Chg	FY13	1H13	1H14	2Q13	2Q14
Income Statement Data (Consolidated)								
Operating Income								
Net interest income	112,727	114,535	2%	114,535	56,652	61,487	28,308	30,953
Net commission and fee	2,207	765	-65%	765	1,773	2,010	1,439	1,788
Net earned premium	457,392	441,427	-3%	441,427	191,450	198,117	99,348	103,475
Change in liability reserve	(306,443)	(293,570)	-4%	(293,570)	(125,623)	(107,058)	(61,707)	(46,782)
Net claims payment	(230,508)	(228,125)	-1%	(228,125)	(105,638)	(136,280)	(57,995)	(79,743)
Investment income	26,780	47,121	76%	56,373	23,190	38,766	12,101	24,250
Contribution from associates-equity method	(50)	157	-	157	16	67	(7)	37
Other net non-interest income	8,554	6,998	-18%	6,998	4,604	2,944	4,457	650
Bad debt expense	(3,173)	(1,487)	-53%	(1,487)	(540)	(443)	(451)	(450)
Operating expense	(51,772)	(55,849)	8%	(54,273)	(24,894)	(26,266)	(12,557)	(13,492)
Income before taxes	15,715	31,971	103%	42,800	20,990	33,345	12,936	20,686
Income taxes	457	(2,951)	-745%	(4,779)	(3,749)	(2,743)	(2,914)	(2,437)
Net income	16,172	29,020	79%	38,020	17,241	30,602	10,022	18,249
EPS (NT\$)	1.41	2.50		3.28	1.42	2.42	0.83	1.45
Dividend Payout								
Cash dividend per share	0.70	1.50		1.50				
Stock dividend per share	0.70	0.50		0.50				
Outstanding shares (Millions of shares)	11,412	11,546		11,546	11,983	12,563		
Balance Sheet Data								
Total assets	5,510,953	6,076,857		6,177,863	5,837,866	6,503,098		
Total shareholders' equity	248,149	285,260		379,510	318,561	410,873		
Operating Metrics								
ROAE (Consolidated)	6.92%	10.88%		10.82%	10.74%	15.49%		
ROAA (Consolidated)	0.31%	0.50%		0.65%	0.60%	0.97%		
Double leverage ratio(inc. preferred stock)	116%	114%		111%	115%	113%		
Capital Adequacy Metrics								
Capital Adequacy Ratio	(3)	120%		128%	124%	120%		

Notes:

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(2) The adjusted numbers of 1H13 and FY13 Pro Forma reflect the accounting policy change on the subsequent measurement of investment property, from cost method to fair value method.

(3) BIS and Tier 1 ratio of FY12 are based on ROC GAAP. The rest are based on IFRS.

(4) Total may not sum due to rounding.

Cathay Life

(NT\$MN)	FY13/			(Pro Forma) ⁽²⁾				
	FY12	FY13	% Chg	FY13	1H13	1H14	2Q13	2Q14
Income Statement Data (Consolidated)								
Net written premium	445,658	426,804	-4%	426,804	184,660	190,534	95,764	99,484
Net earned premium	445,573	418,262	-6%	418,262	179,784	190,433	93,095	99,063
Reinsurance commission earned	14,371	11,610	-19%	11,610	6,051	3,555	3,078	1,880
Fee income	2,581	3,090	20%	3,090	1,636	2,990	787	1,917
Recurring investment income	109,976	113,932	4%	113,932	52,106	57,095	26,503	28,911
Gain on disposal of investment								
Realized gain (loss)-Equity	8,122	16,586	104%	16,586	9,017	13,456	4,805	4,620
Realized gain (loss)-Debt	12,362	14,604	18%	14,604	9,097	4,811	5,466	1,465
Investment property appraisal gains	-	-	-	13,045	6,779	16,494	6,794	16,521
FX and others, net	(11,384)	(4,197)	-63%	(4,197)	(2,032)	(6,345)	(2,646)	(4,444)
Investment income, net	119,076	140,925	18%	153,970	74,968	85,512	40,922	47,073
Other operating income	1,610	1,275	-21%	1,275	682	3	356	3
Separate account revenues	104,180	90,719	-13%	90,719	44,451	96,407	6,543	41,461
Net claims payment	(222,173)	(210,029)	-5%	(210,029)	(96,198)	(131,889)	(53,050)	(76,969)
Changes in liability reserves	(306,151)	(292,978)	-4%	(292,978)	(125,377)	(106,317)	(61,415)	(46,385)
Acquisition and commission expense	(33,722)	(34,188)	1%	(34,188)	(16,940)	(15,185)	(8,006)	(7,463)
Other operating costs	(4,842)	(5,570)	15%	(5,570)	(2,731)	(1,998)	(1,583)	(939)
Financial cost	745	303	-59%	303	359	(148)	167	(199)
Separate account expense	(104,180)	(90,719)	-13%	(90,719)	(44,451)	(96,407)	(6,543)	(41,461)
Operating expense	(17,801)	(17,640)	-1%	(15,678)	(6,988)	(7,167)	(3,567)	(3,776)
Net non-operating income	965	1,156	20%	1,156	503	897	344	331
Income taxes	2,286	(793)	-135%	(3,657)	(3,425)	(1,110)	(3,143)	(1,518)
Net income	2,519	15,425	512%	27,569	12,323	19,575	7,985	13,018

Balance Sheet Data

Total assets	3,717,231	4,062,132		4,195,229	3,965,191	4,400,873		
General account	3,387,674	3,685,880		3,818,977	3,613,288	3,960,279		
Separate account	329,557	376,253		376,253	351,903	440,595		
Reserves for life insurance liabilities	3,148,281	3,448,659		3,448,659	3,282,069	3,552,885		
Total liabilities	3,579,018	3,914,829		3,923,923	3,733,408	4,092,047		
Total shareholders' equity	138,213	147,304		271,306	231,783	308,826		

Operating Metrics

First Year Premium(FYP)	267,169	200,419		200,419	99,566	124,900		
First Year Premium Equivalent(FYPE)	91,773	73,461		73,461	23,668	17,283		
Expense ratio	10.6%	11.5%		11.5%	12.7%	11.0%		
13-M persistency ratio	97.9%	98.2%		98.2%	98.1%	98.2%		
25-M persistency ratio	93.3%	94.7%		94.7%	94.5%	94.6%		
ROAE	1.97%	10.80%		10.92%	10.59%	13.50%		
ROAA	0.07%	0.40%		0.69%	0.63%	0.91%		

Capital Adequacy Metrics

RBC ratio (Standalone)	234%	250%		252%	237%			
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(3) FY13 RBC ratio is based on IFRS, while FY12 are based on ROC GAAP.

(4) Total may not sum due to rounding.

Cathay United Bank

(NT\$MN)	FY13/			(Pro Forma) ⁽²⁾				
	FY12	FY13	FY12 % Chg	FY13	1H13	1H14	2Q13	2Q14
Income Statement Data (Consolidated)								
Operating Income								
Net interest income	21,284	21,915	3%	21,915	10,775	12,578	5,487	6,374
Fee income	7,330	9,204	26%	9,204	4,412	5,196	2,328	2,563
Investment income	5,366	5,634	5%	5,738	2,503	4,421	1,342	2,361
other income	966	867	-10%	867	488	609	326	213
Net operating income	34,947	37,620	8%	37,725	18,178	22,805	9,483	11,511
Operating expenses	(17,840)	(20,281)	14%	(20,216)	(9,134)	(10,447)	(4,573)	(5,244)
Pre-provision profit	17,107	17,340	1%	17,509	9,044	12,358	4,910	6,267
Net provisions for possible losses	(2,126)	(542)	-75%	(542)	34	(128)	(90)	(263)
Income before taxes	14,981	16,798	12%	16,967	9,078	12,231	4,820	6,004
Income tax	(1,715)	(2,165)	26%	(2,188)	(1,198)	(1,602)	(579)	(828)
Net income	13,266	14,634	10%	14,780	7,880	10,628	4,241	5,176
Balance Sheet Data								
Total assets	1,817,369	1,986,740		1,988,774	1,902,137	2,089,727		
Loans, net	1,003,183	1,031,105		1,031,105	996,777	1,109,998		
Financial assets	560,469	638,727		638,727	646,295	591,716		
Total liability	1,712,364	1,855,487		1,855,610	1,787,988	1,950,889		
Deposits	1,539,774	1,615,860		1,615,860	1,570,468	1,650,317		
Financial Debenture Payable	42,519	52,417		52,417	52,649	67,215		
Total shareholders' equity	105,005	131,253		133,164	114,149	138,837		
Operating Metrics								
Cost income ratio	51.1%	53.9%		53.59%	50.25%	45.81%		
ROAE	12.97%	12.39%		12.33%	14.28%	15.63%		
ROAA	0.75%	0.77%		0.78%	0.85%	1.04%		
Assets Quality								
NPL	3,373	3,013		3,013	3,464	2,039		
NPL ratio	0.34%	0.29%		0.29%	0.35%	0.18%		
NPL provisions	13,037	14,386		14,386	14,874	15,113		
Coverage ratio	386%	478%		478%	408%	730%		
Capital Adequacy Metrics								
		(3)						
BIS ratio (Standalone)	12.4%	13.5%			13.1%	13.9%		
Tier I Ratio (Standalone)	9.0%	10.1%			9.2%	9.8%		

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Cathay Century

(NT\$MM)	FY13/ FY12						
	FY12	FY13	% Chg	1H13	1H14	2Q13	2Q14
Income Statement Data (Consolidated)							
Premium income	17,040	19,727	16%	9,635	10,345	5,208	5,618
Net written premium	12,614	15,280	21%	7,272	7,752	3,802	4,129
Net earned premium	11,724	14,156	21%	6,604	7,637	3,492	3,909
Reinsurance commission earned	464	470	1%	259	348	132	185
Fee income	33	36	7%	17	21	10	12
Investment	595	715	20%	312	377	194	229
Interest income	387	422	9%	194	255	101	130
Other investment income, net	208	293	41%	119	122	93	99
Other operating income	0	0	-	0	0	0	0
Net claims payment	(6,669)	(7,835)	17%	(3,629)	(3,911)	(1,822)	(1,997)
Changes in liability reserves	(369)	(592)	60%	(245)	(740)	(292)	(396)
Commissions and other operating costs	(774)	(1,083)	40%	(504)	(565)	(275)	(298)
Operating expenses	(4,427)	(5,328)	20%	(2,498)	(2,851)	(1,314)	(1,545)
Operating income	576	538	-7%	315	315	124	99
Net non-operating income	(9)	9	-	11	32	2	10
Income taxes	(196)	(218)	11%	(105)	(45)	(61)	(15)
Net income	371	329	-11%	221	302	65	94
Balance Sheet Data							
Total assets	29,188	31,709		31,331	34,488		
Total stockholders' equity	4,817	5,511		4,937	6,249		
Operating Metrics							
Gross Combined ratio	82.6%	80.0%		78.0%	95.8%		
Net Combined ratio	93.7%	92.6%		92.3%	106.4%		
ROAE	8.10%	6.37%		9.06%	10.29%		
ROAA	1.32%	1.08%		1.46%	1.83%		
Capital Adequacy Metrics							
RBC ratio (Standalone)	(3) 314%	312%		315%	277%		

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