



**國泰金控**

Cathay Financial Holdings

# 2018 Third Quarter Briefing

November 2018



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# Agenda

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- **9M18 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Appendix**

# 9M18 Business overview

## Cathay United Bank

- Loan and deposit delivered mild growth with benign credit quality.
- Subsidiary in China opened in September. FX loan grew 15% YoY.
- Fee income increased steadily. Credit card fee grew 13%. Active card number ranked No.1 in the industry.

## Cathay Life

- Focused on value-driven. FYP for protection products grew 61% YoY. FYP and FYPE remained No. 1 in the industry.
- After-hedging investment yield reached 4.2%. Overall investment performance maintained stable.

## Cathay Century

- Premium income grew 6% YoY. Remained in second place with 12.7% market share.
- Developed on-line business in China and enlarged local team in Vietnam. Overseas premium income continued to rise.

## Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$657.4 BN.
- Received "Best Institutional House" and "Best New ETF" awards from Asia Asset Management and "Risk Management Award" from Benchmark magazine. Selected by Thomson Reuters Lipper and Morningstar as "Taiwan Fund Award" winner.

## Cathay Securities

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

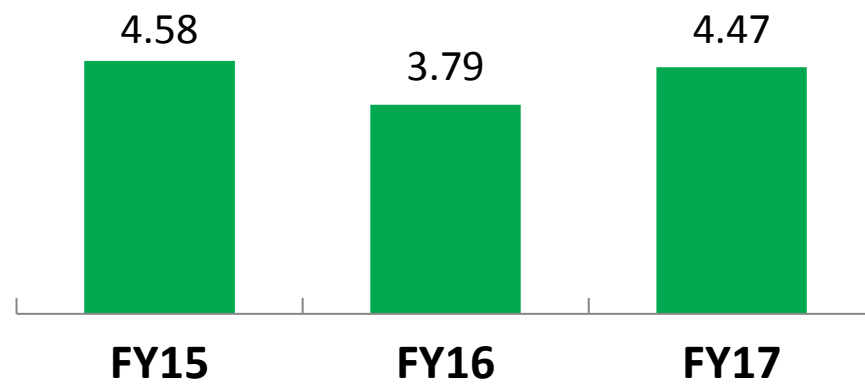
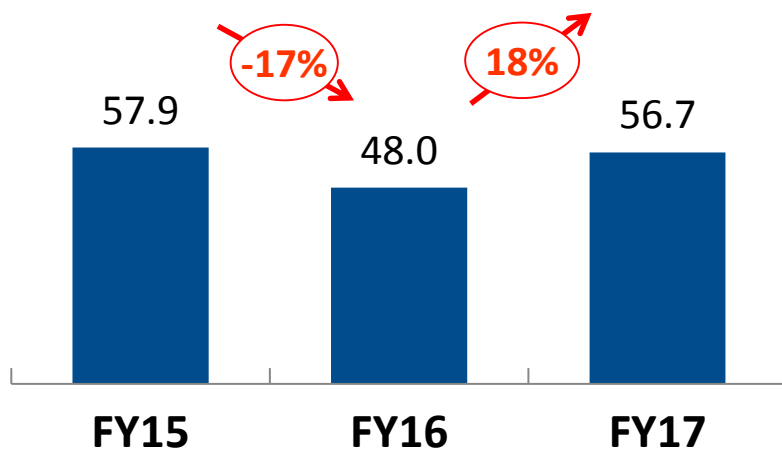
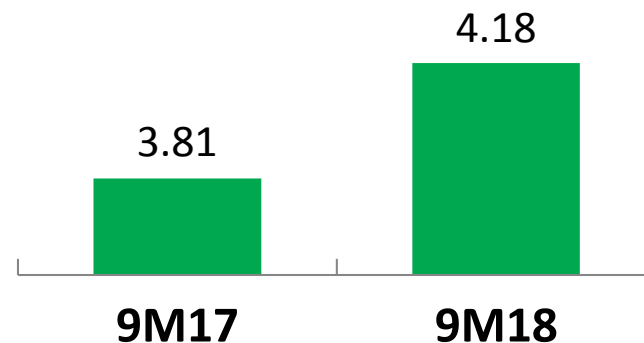
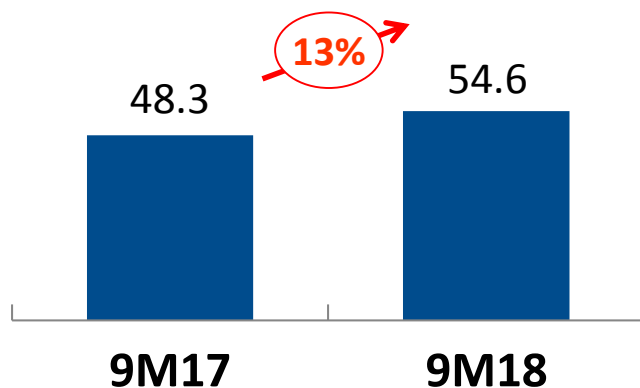
# Cathay FHC – Net income & EPS

## Net income

(NT\$BN)

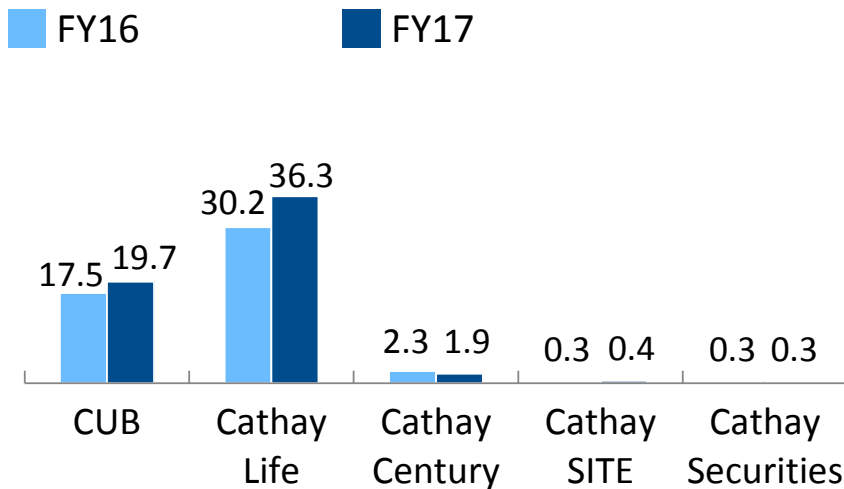
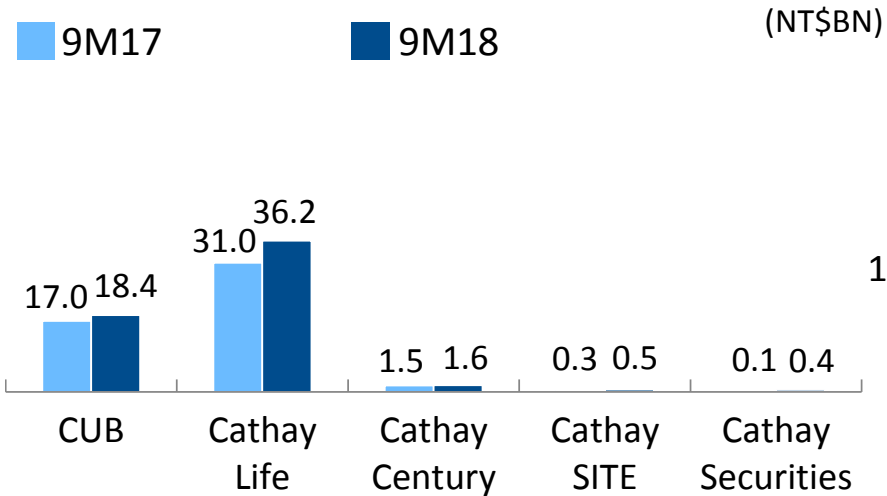
## EPS

(NT\$)

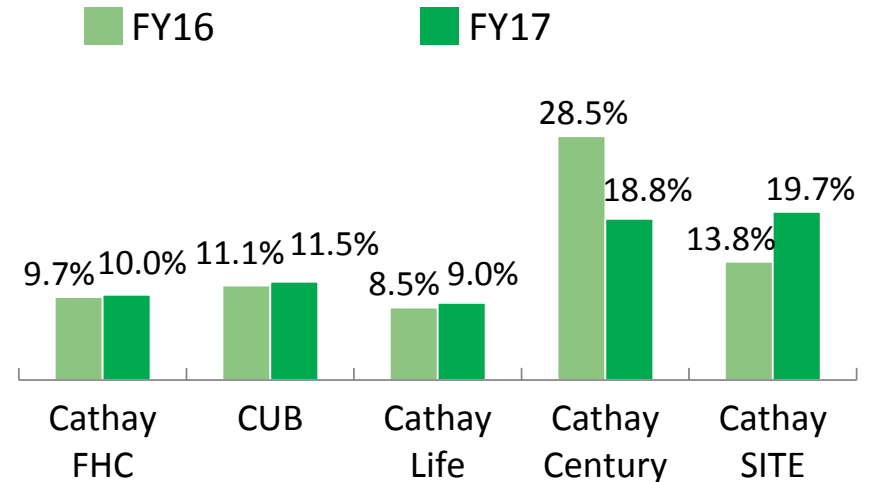
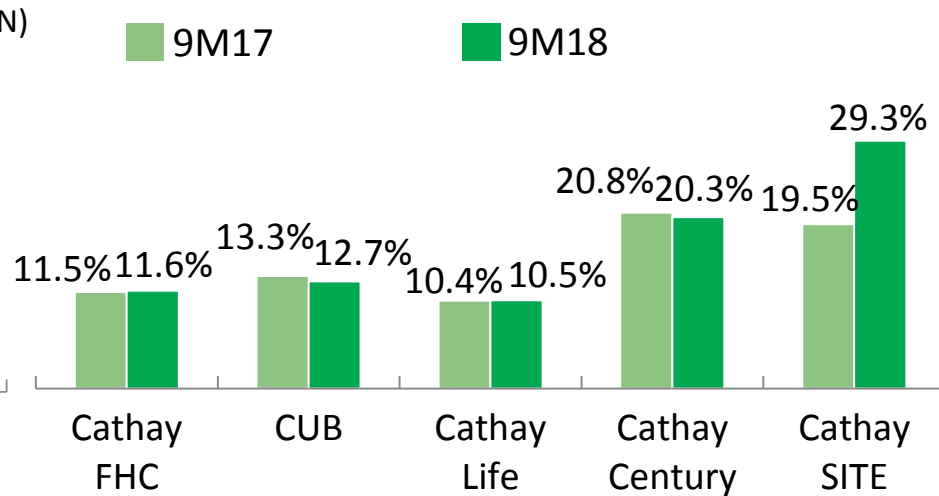


# Cathay FHC – Net income & EPS

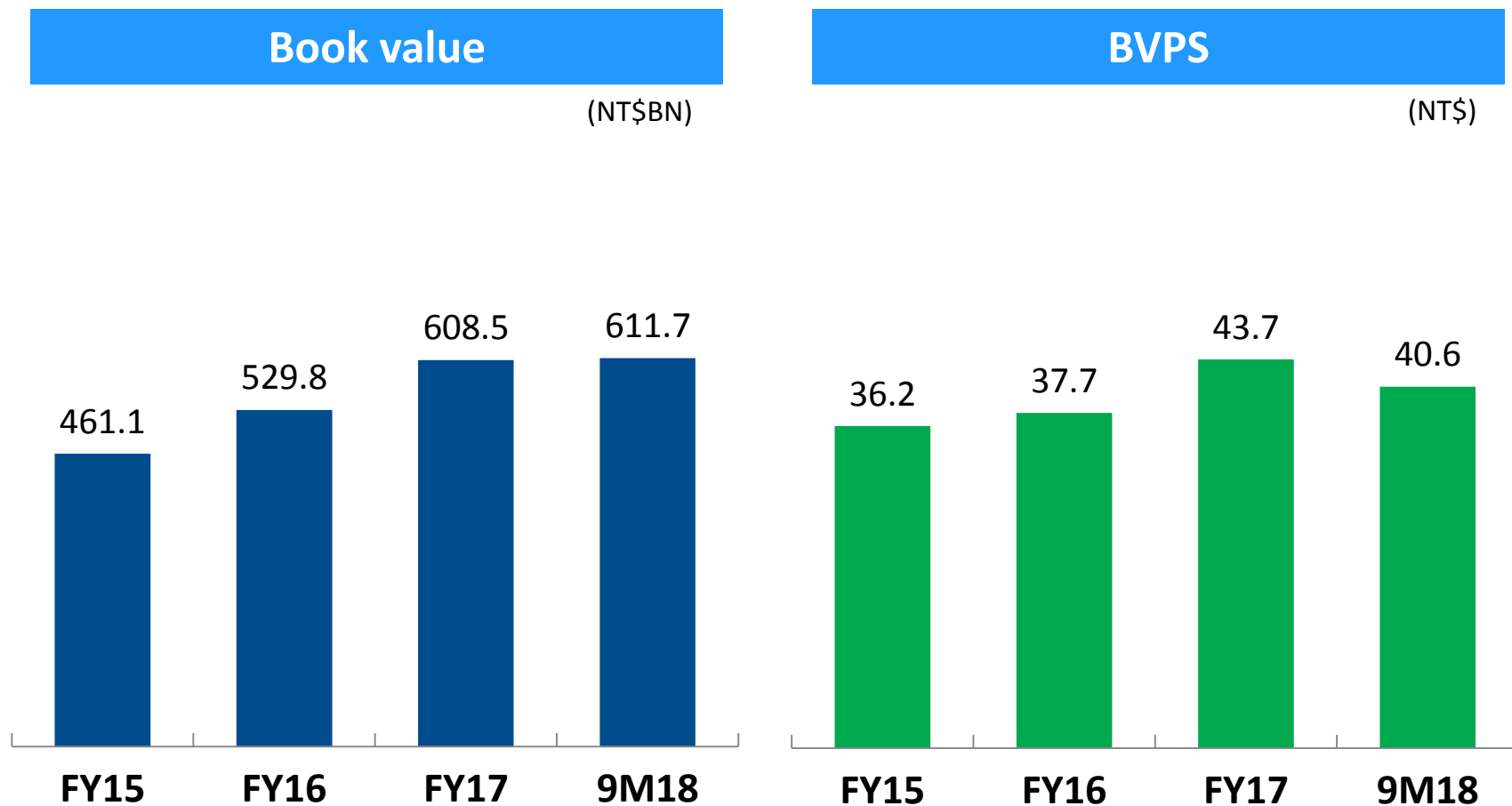
## Net income of primary subsidiaries



## ROE



# Cathay FHC – Book value & BVPS



Note : (1) Book value includes preferred shares and minority interests, BVPS represented BVPS attributable to common shareholders.

(2) Starting Jan.1, 2018, the reporting was based on IFRS 9.

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# Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Thailand	Myanmar	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	49 <sup>(1)</sup>	56									
P&C	27	2									
Asset Mgt.	1			1							
Securities				1							

Note: (1) Cathay Lujiazui Life obtained approval to set up a branch office in Henan, China.

(2) Footprints in Thailand, Myanmar and Indonesia are representative offices.

(3) Investments in RCBC and Bank Mayapada are funded by Cathay Life.

(4) Cathay FHC owns 49% stake of Cathay Century (China), and 33% stake of CDBS Cathay Asset Management.

## ■ Banking

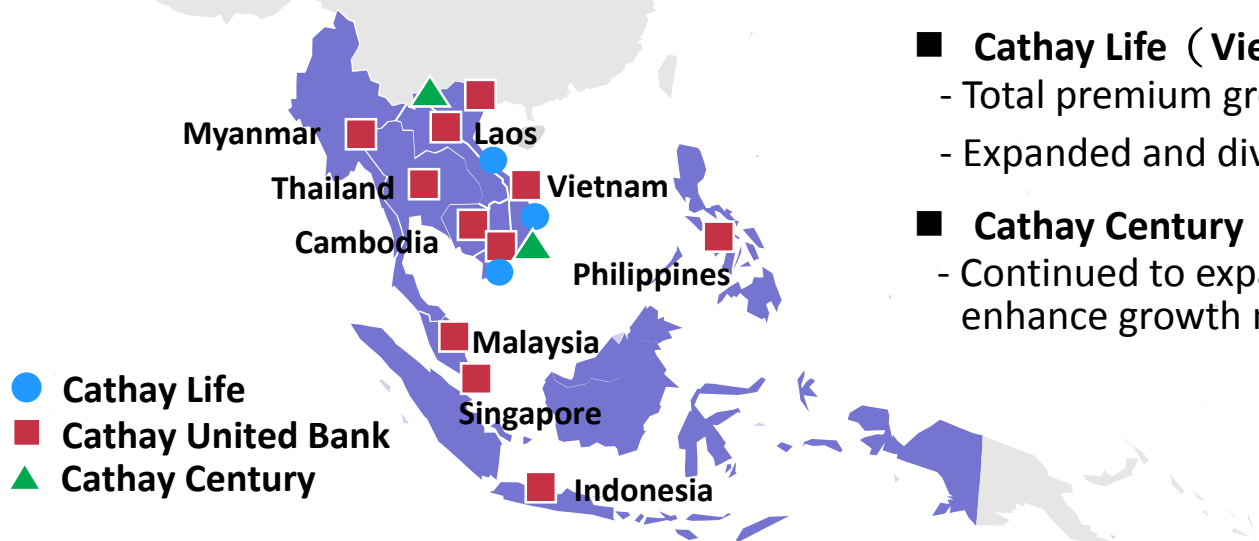
- Vietnam: Indovina Bank posted solid results
- Cambodia: Subsidiary's businesses grew steadily
- Philippines: Invested 23% stake in RCBC<sup>(3)</sup>
- Indonesia: Invested 40% stake in Bank Mayapada<sup>(3)</sup>

## ■ Cathay Life (Vietnam)

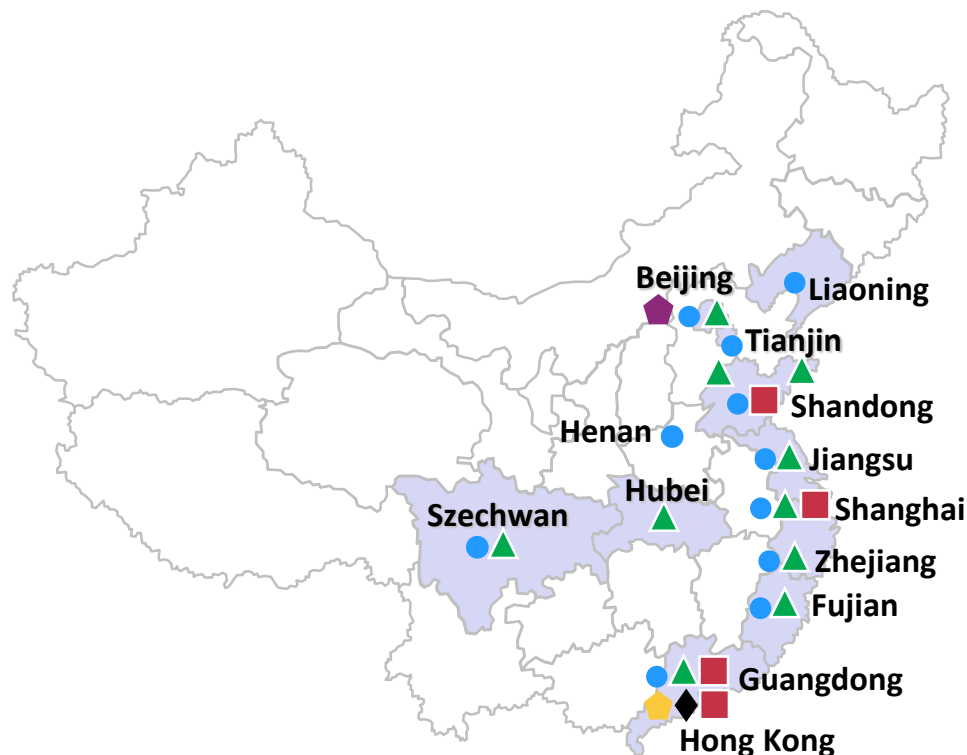
- Total premium grew 49% YoY to VND486BN in 9M18
- Expanded and diversified distribution channels

## ■ Cathay Century

- Continued to expand local distribution channels to enhance growth momentum



# Cathay FHC in China



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

- **Cathay United Bank**
  - Subsidiary in China opened in September, 2018.
- **Cathay Lujiazui Life**
  - Total premium grew 45% YoY to RMB 1.7BN in 9M18.
- **Cathay Century (China)**
  - Formed a strategic alliance with Ant Financial group to capture new business opportunities.
- **Cathay Securities (HK)**
  - Each business line grew steadily.
- **JV with China Development Bank Securities (CDBS Cathay Asset Management)**
  - Continued to launch new products. Mainly focused on fixed income funds.
- **Conning Asia Pacific Limited**
  - Continued to expand asset management business.

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- **Business Performance Summary**

Cathay United Bank

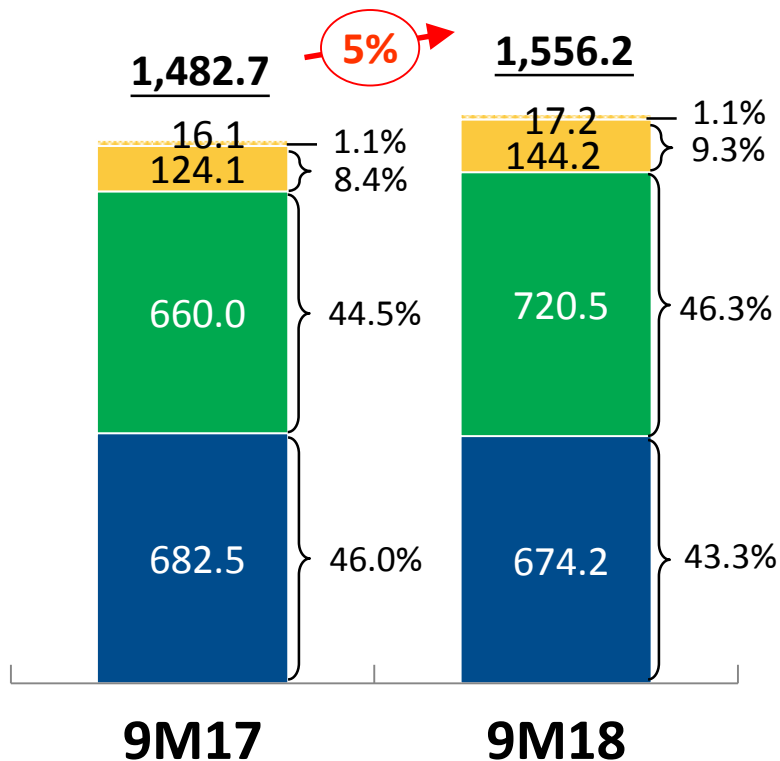
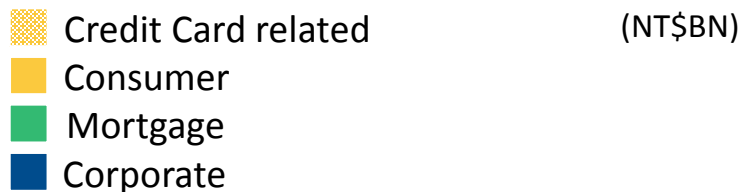
Cathay Life

Cathay Century

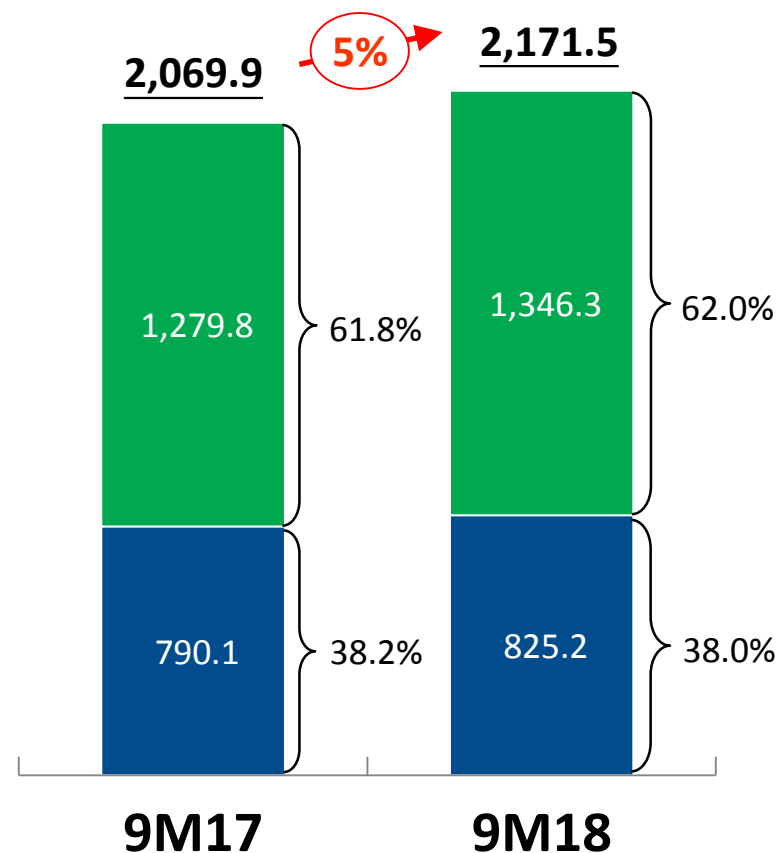
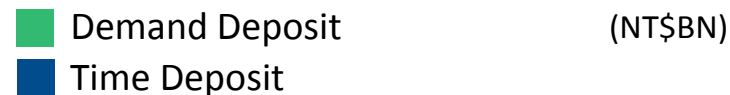
- **Appendix**

# Cathay United Bank – Loan & deposit breakdown

## Loan breakdown



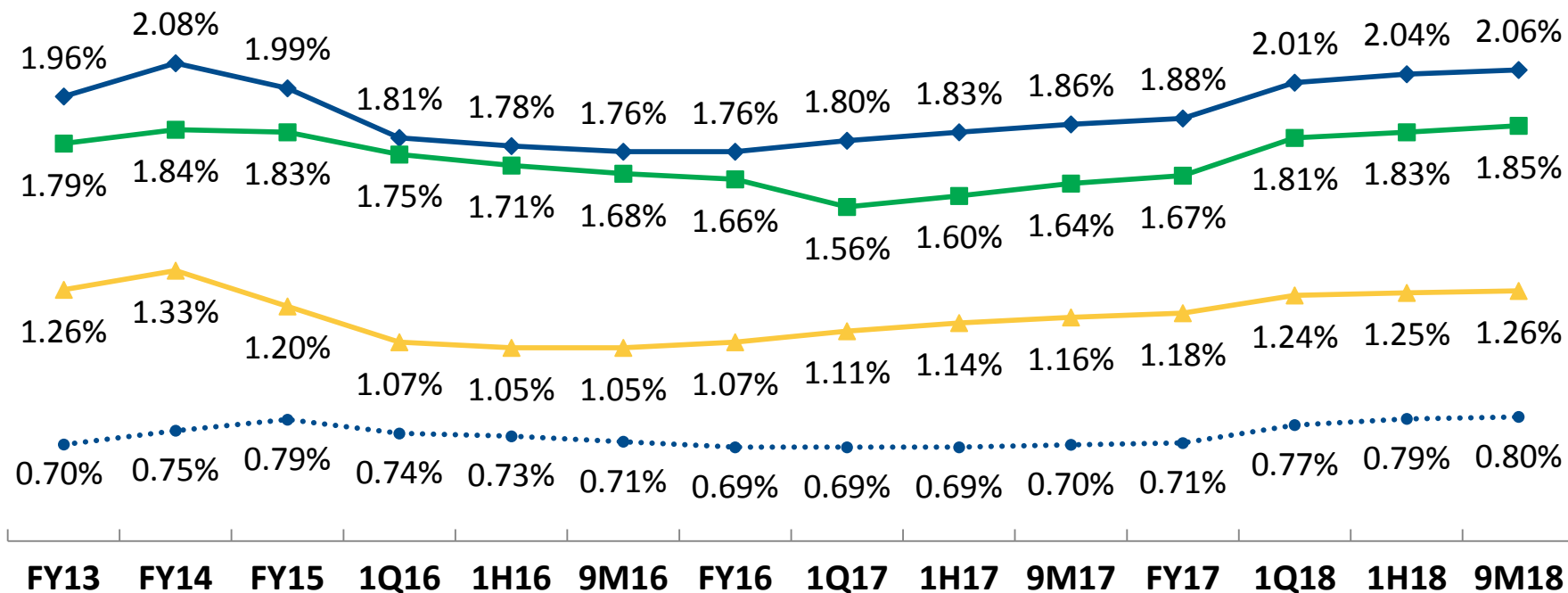
## Deposit breakdown



Note : China subsidiary was launched in Sep 2018, hence 9M18 loan and deposit excluded preliminary amount of NT\$17BN and NT\$5BN, respectively.

# Cathay United Bank – Interest yields

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



	<u>4Q15</u>	<u>1Q16</u>	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>1Q17</u>	<u>2Q17</u>	<u>3Q17</u>	<u>4Q17</u>	<u>1Q18</u>	<u>2Q18</u>	<u>3Q18</u>
<b>Quarterly Spread</b>	1.81%	1.75%	1.68%	1.62%	1.59%	1.56%	1.64%	1.74%	1.76%	1.81%	1.85%	1.90%
<b>Quarterly NIM</b>	1.12%	1.07%	1.02%	1.06%	1.10%	1.11%	1.18%	1.20%	1.22%	1.24%	1.26%	1.27%

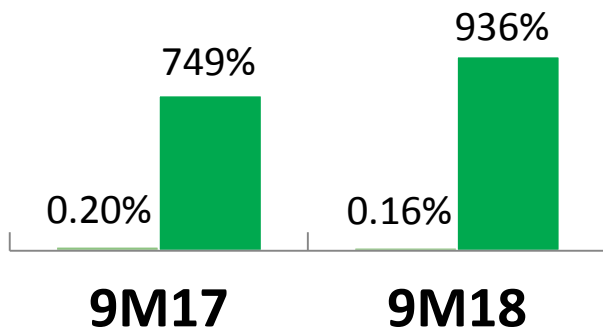
Note : (1) Credit card related loans are included in the calculation of interest spread.

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

# Cathay United Bank – Credit quality

## NPL & Coverage ratio

- NPL ratio
- Coverage ratio



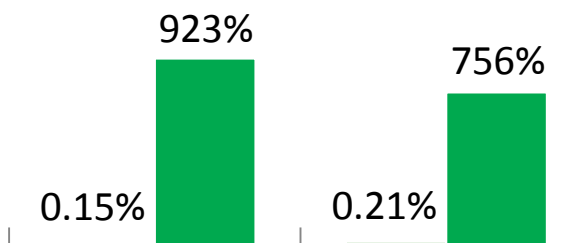
9M17

9M18

Mortgage NPL

0.14%

0.13%



FY16

FY17

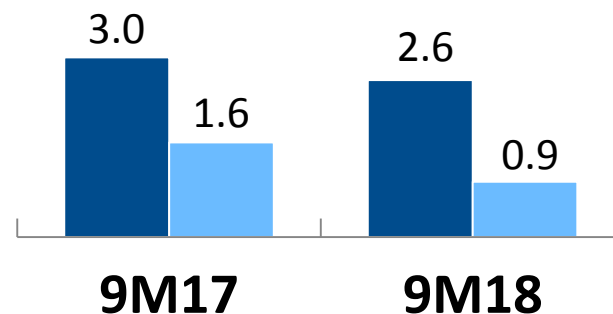
Mortgage NPL

0.08%

0.15%

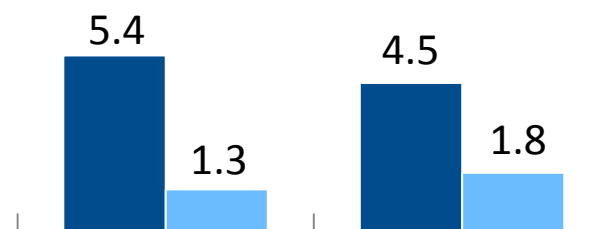
## Gross provision

- Gross provision (NT\$BN)
- Recovery



9M17

9M18



FY16

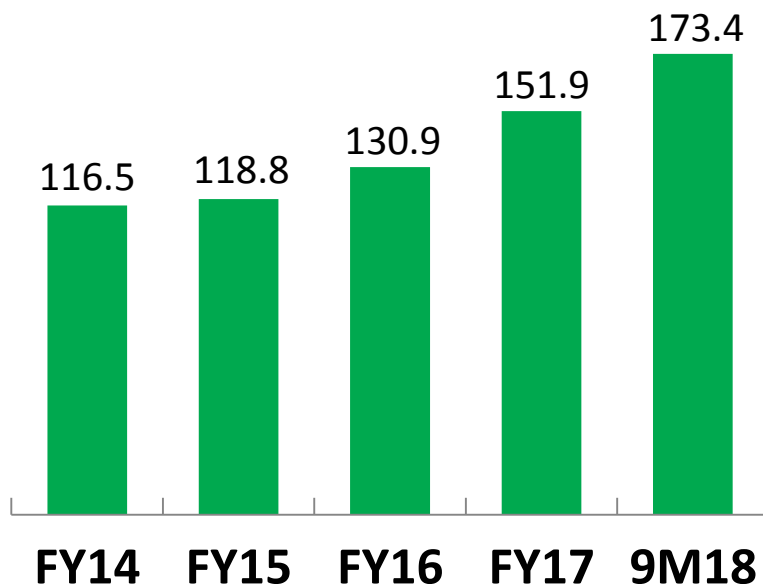
FY17

Note : China subsidiary was launched in Sep 2018, hence 9M18 number excluded China subsidiary results (NPL ratio: 0.18%, Coverage ratio: 1732.49%, Gross provision: NT\$4.8MN, Recovery: 0; preliminary basis).

# Cathay United Bank – SME & FX loans

## SME loans

(NT\$BN)

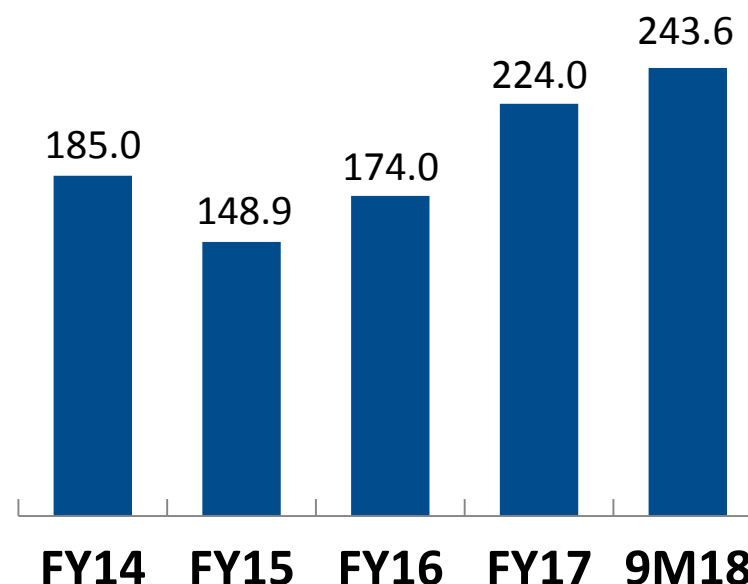


As % of total loans

10.5% 10.5% 9.2% 10.7% 11.3%

## Foreign currency loans

(NT\$BN)



16.6% 13.3% 12.2% 15.8% 15.8%

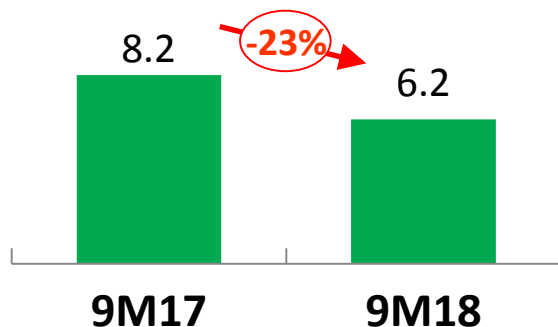
Note : (1) Total loans exclude credit card revolving balance.

(2) China subsidiary was launched in Sep 2018, hence 9M18 foreign currency loan balance excluded NT\$17BN (preliminary basis) from China subsidiary.

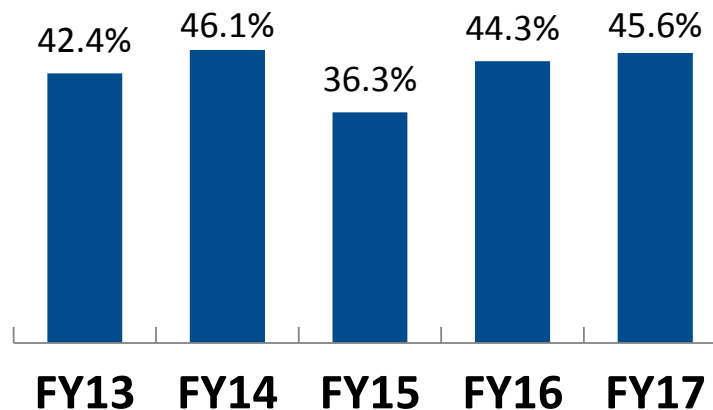
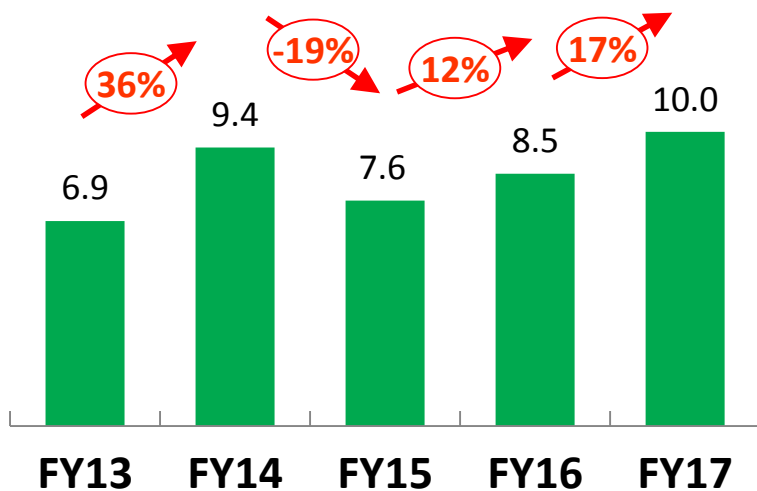
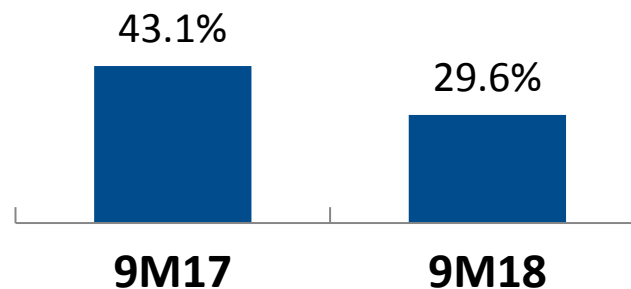
# Cathay United Bank – Offshore earnings

## Offshore earnings

(NT\$BN)



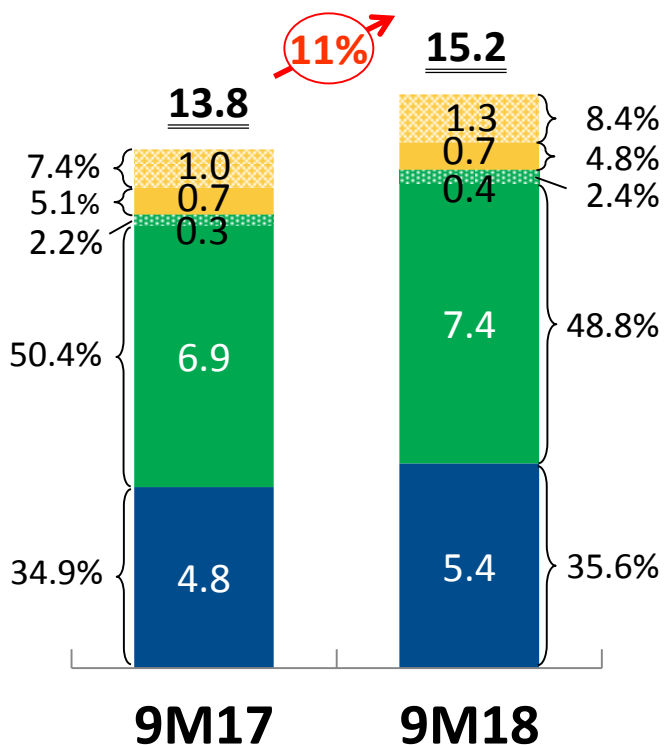
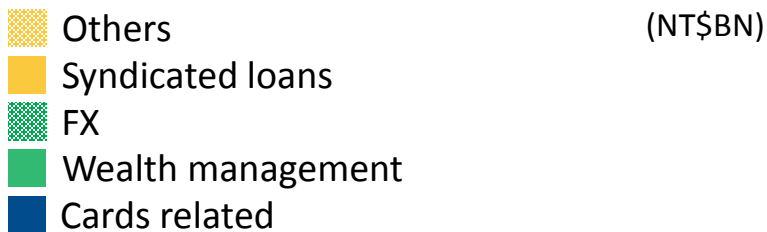
## As % of CUB pre-tax profits



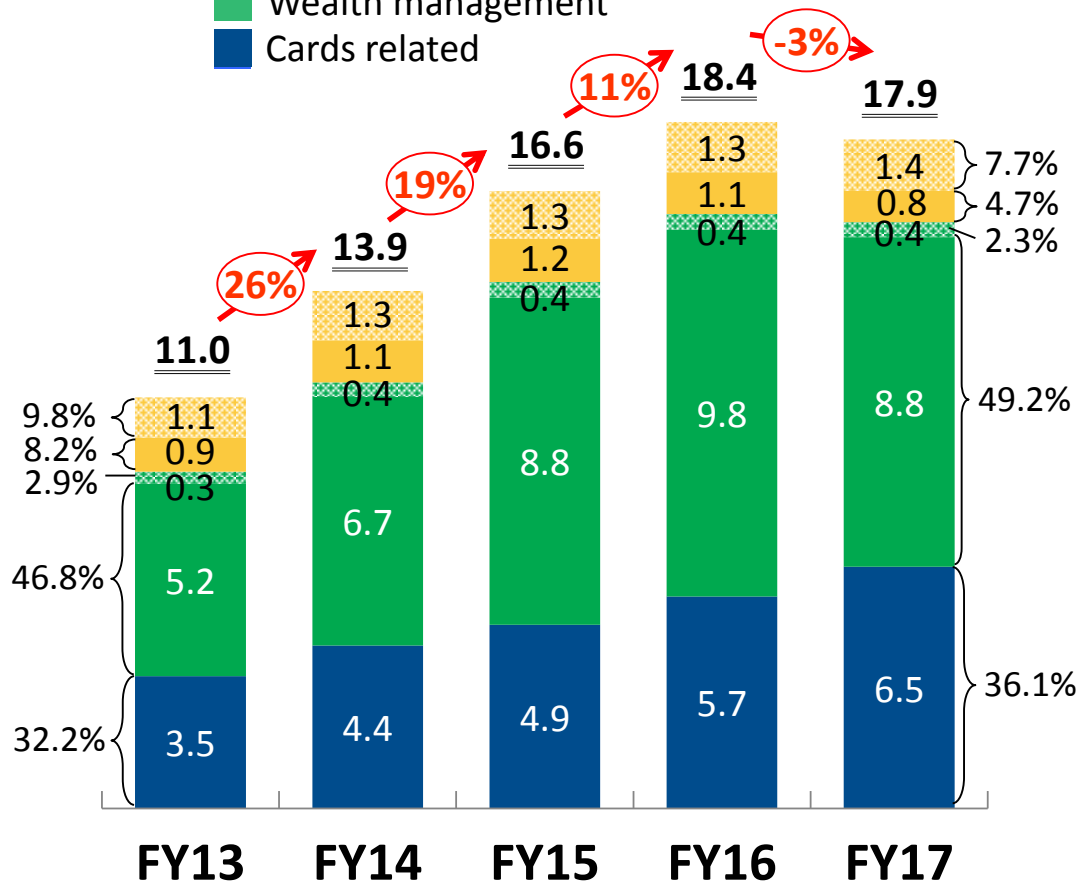
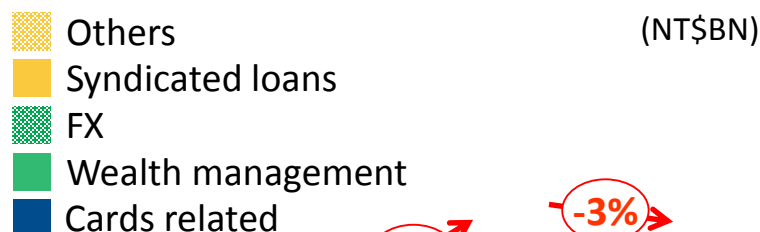


# Cathay United Bank – Fee income

## Quarterly fee income



## Annual fee income



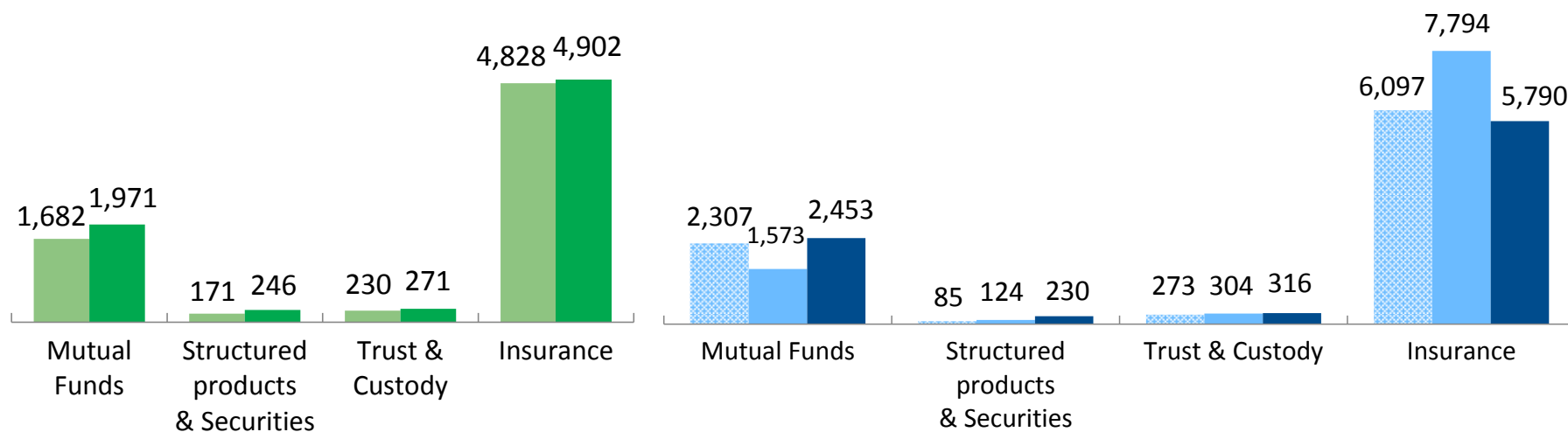
Note : China subsidiary was launched in Sep 2018, hence 9M18 fee income excluded NT\$1.5MN (preliminary basis) from China subsidiary.

# Cathay United Bank – Wealth management fee

## Wealth management fee breakdown

(NT\$MN)	9M17	9M18	FY15	FY16	FY17
Wealth management fee income	6,944	7,441	8,779	9,828	8,837
YoY growth (%)	-9.9%	7.2%	31.6%	11.9%	-10.1%

■ 9M17    ■ 9M18    ■ FY15    ■ FY16    ■ FY17



# Agenda

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- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

Cathay Life

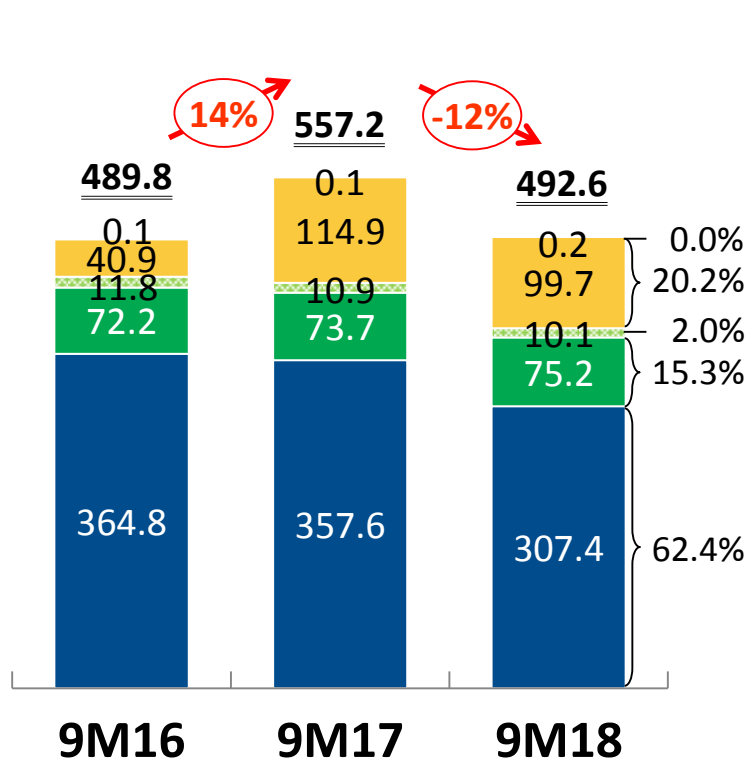
Cathay Century

- **Appendix**

# Cathay Life – Total premium

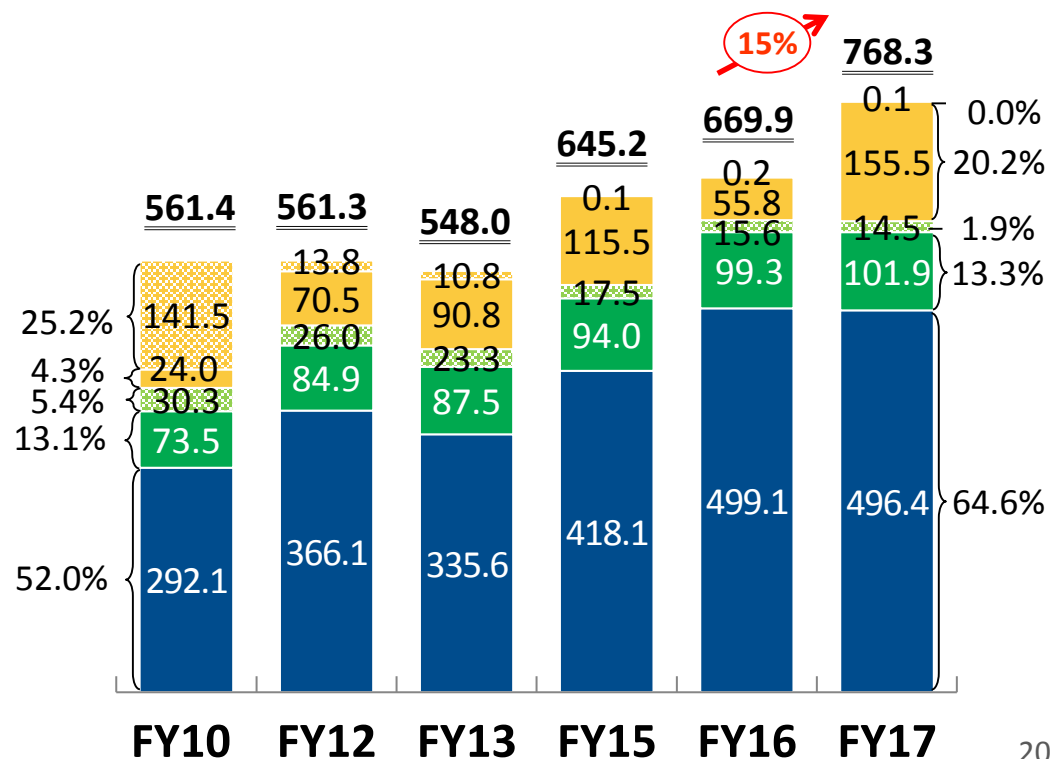
## Quarterly total premium

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



## Annual total premium

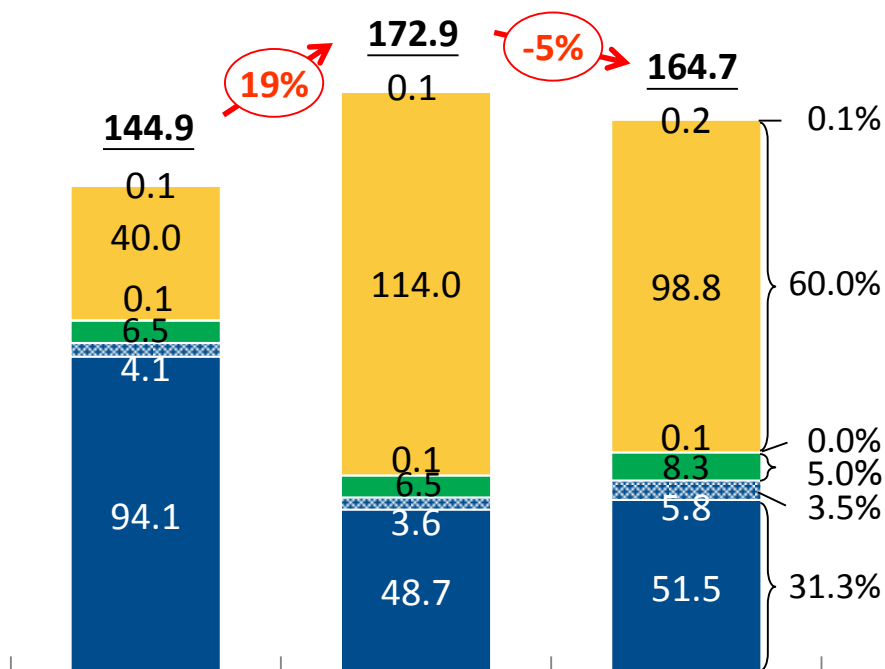
- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



# Cathay Life – Quarterly FYP & APE

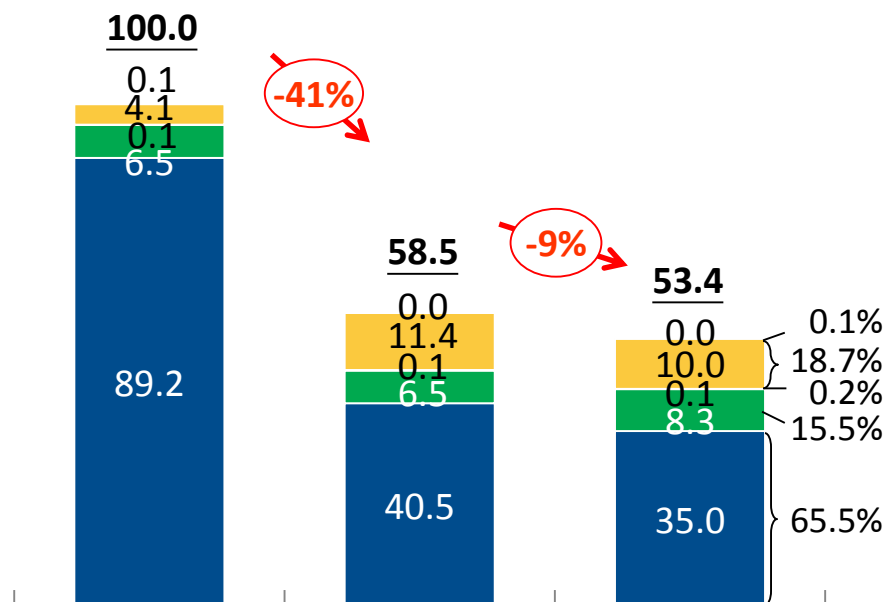
## First Year Premium

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



## Annualized FYP (APE)

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



9M16

9M17

9M18

9M16

9M17

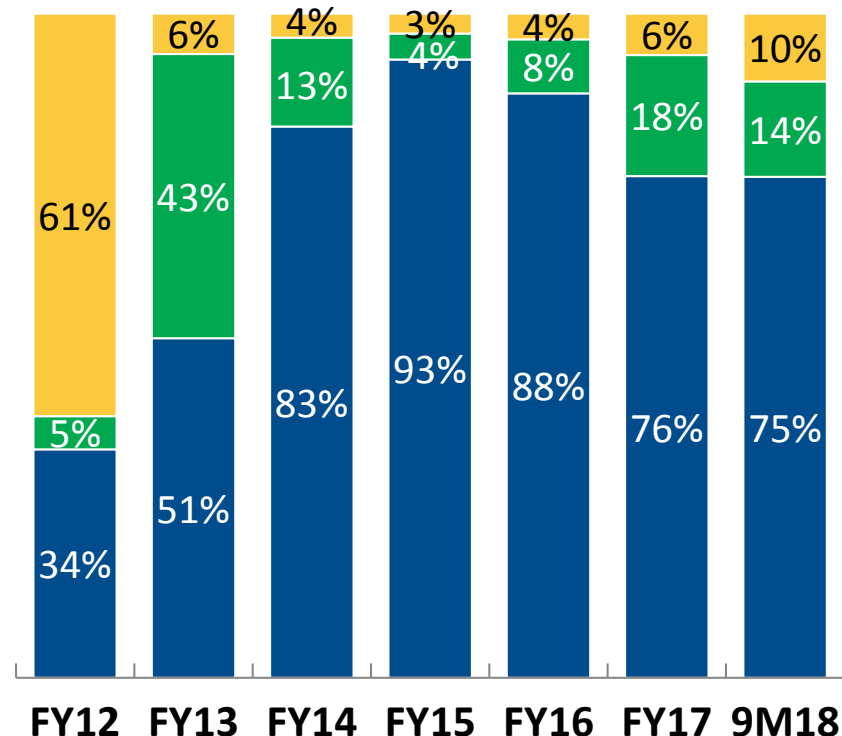
9M18

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

# Cathay Life – Regular paid policies remain as focus

## Breakdown of traditional FYP

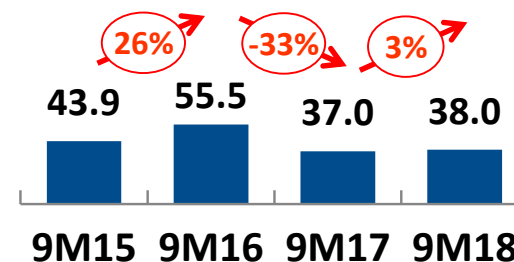
- Traditional life – single paid
- Traditional life - 2 year regular paid
- Traditional life - 3 year and above regular paid



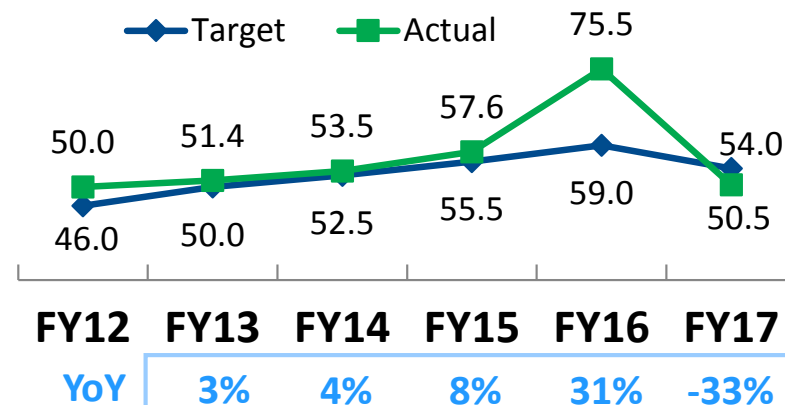
## Value for New Business

Profit Margin	9M15	9M16	9M17	9M18
VNB/FYP	27%	38%	21%	23%
VNB/FYPE	61%	56%	63%	71%

(NT\$BN)

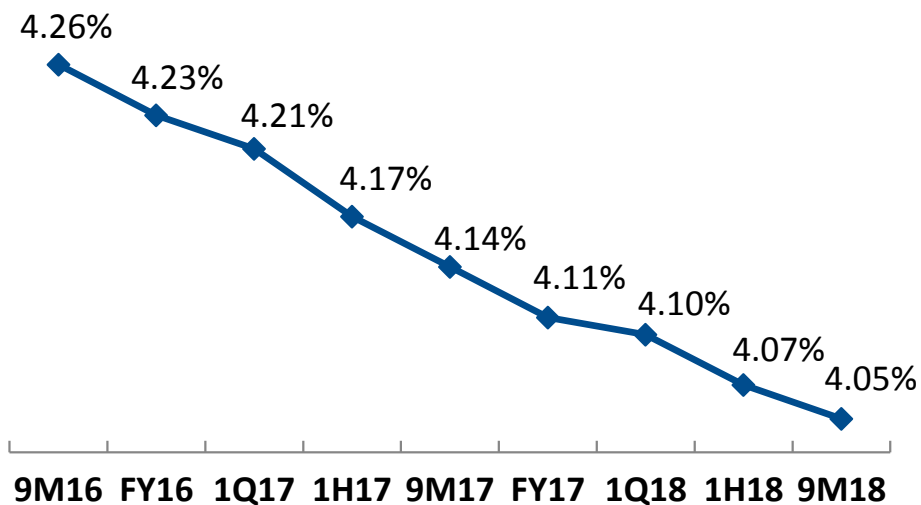


Profit Margin	FY12	FY13	FY14	FY15	FY16	FY17
VNB/FYP	19%	26%	23%	27%	38%	22%
VNB/FYPE	54%	70%	75%	57%	56%	64%

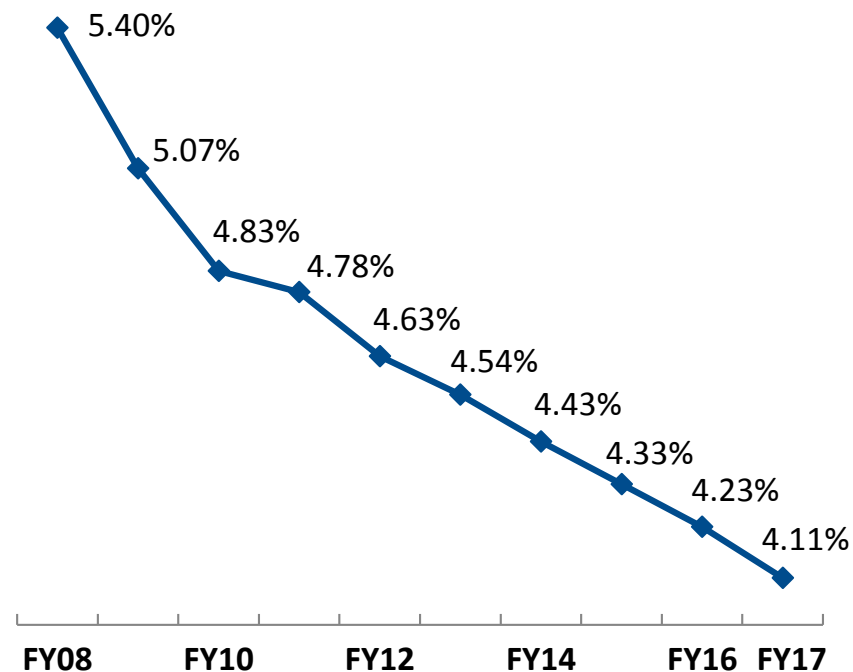


# Cathay Life – Cost of liability

## Cost of liability (quarterly)



## Cost of Liability (annual)



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

# Cathay Life – Investment portfolio

(NT\$BN)	FY15	FY16	FY17			9M18		
<b>Total investments<sup>(1)</sup></b>	<b>4,636.6</b>	<b>5,001.1</b>	<b>5,502.6</b>			<b>5,748.6</b>		
	<b>Weight</b>	<b>Weight</b>	<b>Weight</b>	<b>Amount</b>	<b>Return</b>	<b>Weight</b>	<b>Amount</b>	<b>Return</b>
Cash & Cash equivalents	1.3%	1.3%	1.6%	87	0.5%	1.0%	59	0.6%
Equity- Domestic	7.4%	7.9%	8.4%	465	9.1%	8.1%	464	12.1%
Equity- International <sup>(2)</sup>	6.2%	6.4%	6.3%	347	8.3%	7.1%	407	10.8%
Bond- Domestic	8.0%	6.5%	5.5%	305	2.1%	5.0%	290	3.3%
Bond- International <sup>(1)(2)</sup>	50.6%	53.8%	55.7%	3,063	5.0%	57.8%	3,324	4.7%
Mortgage & Secured loans	10.2%	8.9%	8.1%	444	1.8%	7.4%	423	2.0%
Policy loans	3.6%	3.3%	3.0%	166	5.8%	2.9%	167	5.7%
Real estate	10.5%	9.8%	9.2%	496	2.3%	8.7%	500	2.3%
Others	2.1%	2.2%	2.4%	130		2.0%	115	

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

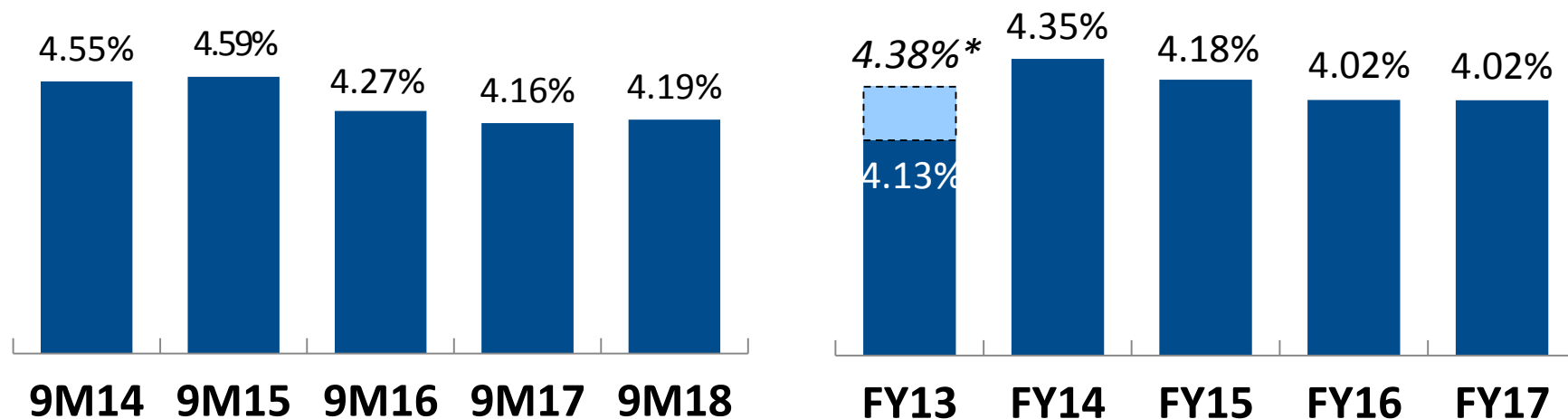
(2) Yields of international equity and international bond are pre-hedge investment yields.



# Cathay Life – Investment performance highlight

After-hedging investment yield

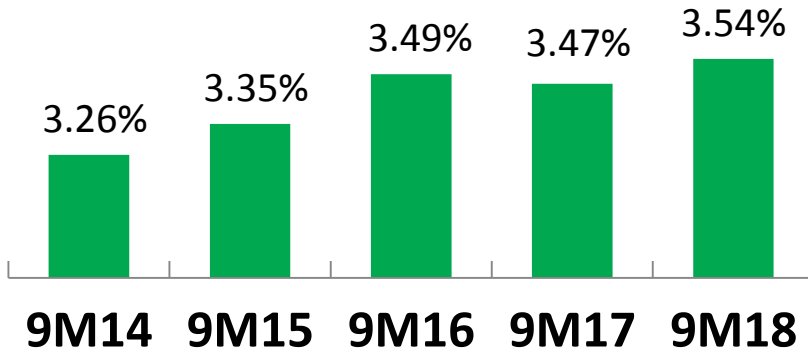
After-hedging investment yield



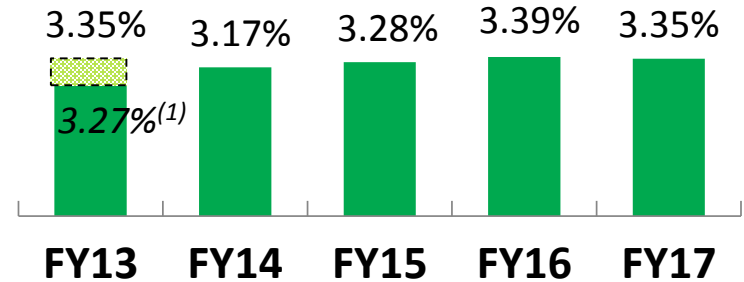
Note: FY13 (4.38% ) was pro forma adjusted number of fair value method on investment property.

# Cathay Life – Investment performance highlight

## Pre-hedging recurring yield

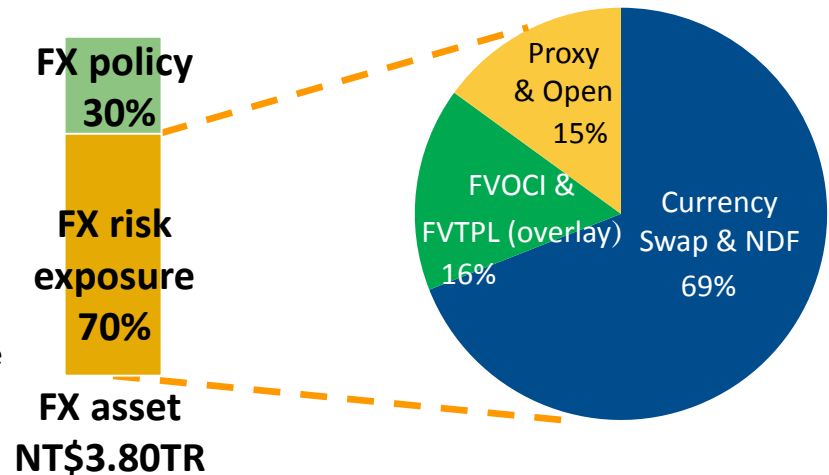


## Pre-hedging recurring yield



## Currency hedging structure

**9M18 Hedging cost 1.22%**

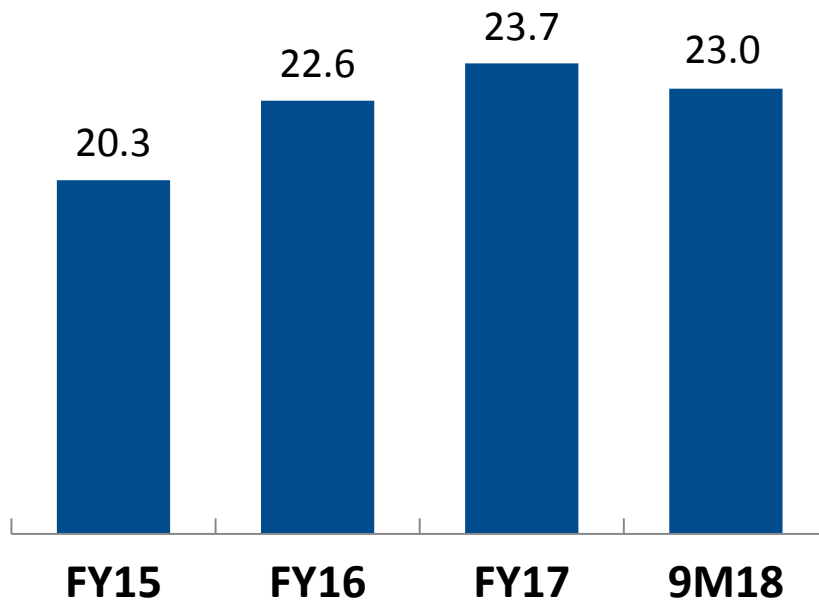


Note: (1) FY13 (3.27%) was pro forma adjusted number of fair value method on investment property.  
 (2) Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend. Most dividend will be recognized in 2Q & 3Q.

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

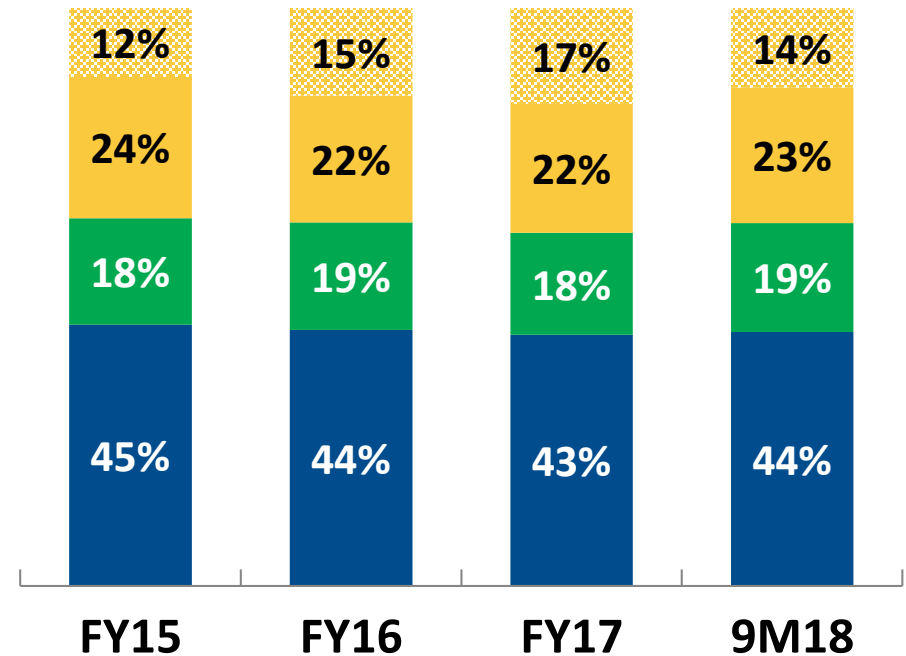
## Cash dividend income

(NT\$BN)



## Overseas fixed income by region

-  Others
-  Asia Pacific
-  Europe
-  North America

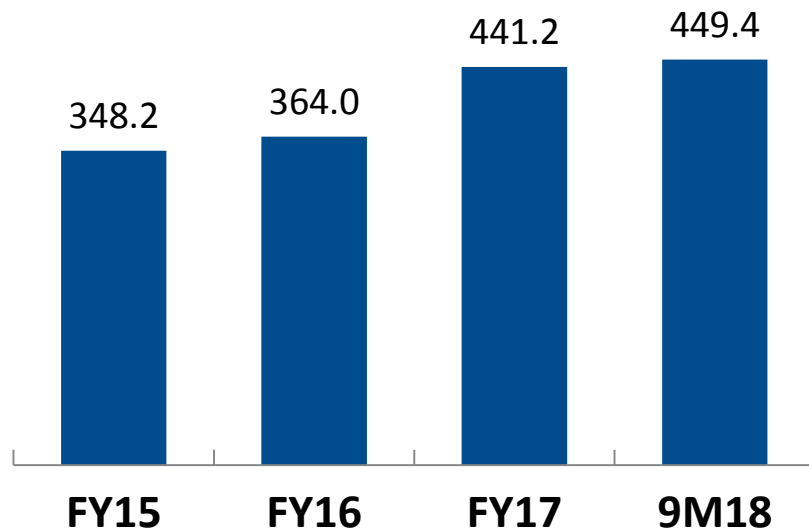


Note: Exclude overseas deposit and equity.

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

## Book value

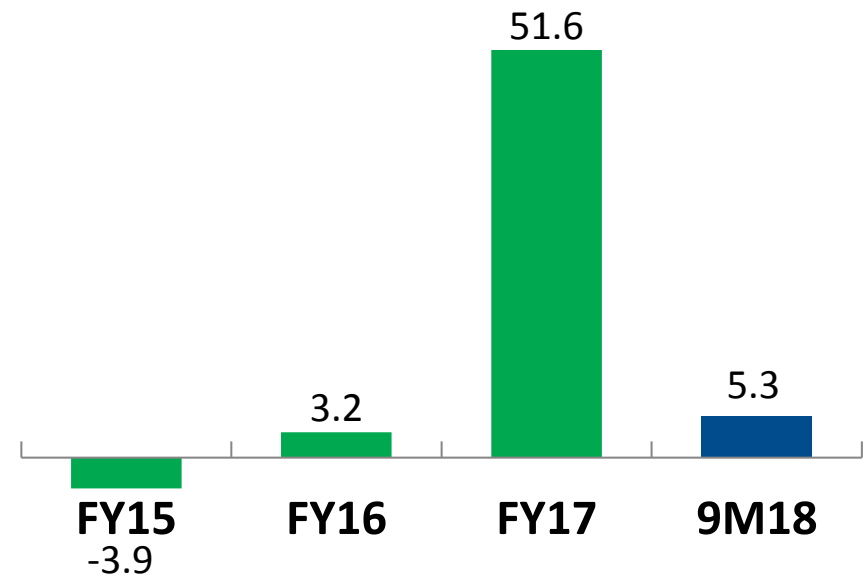
(NT\$BN)



## Unrealized G/L of financial assets

(NT\$BN)

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



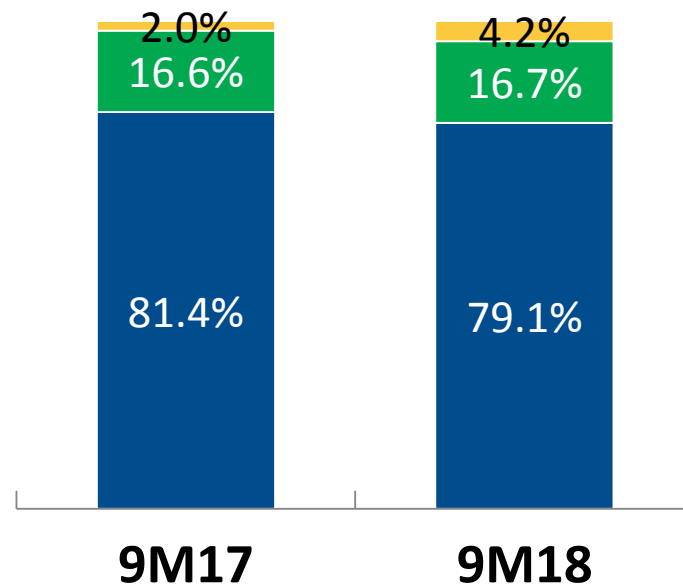
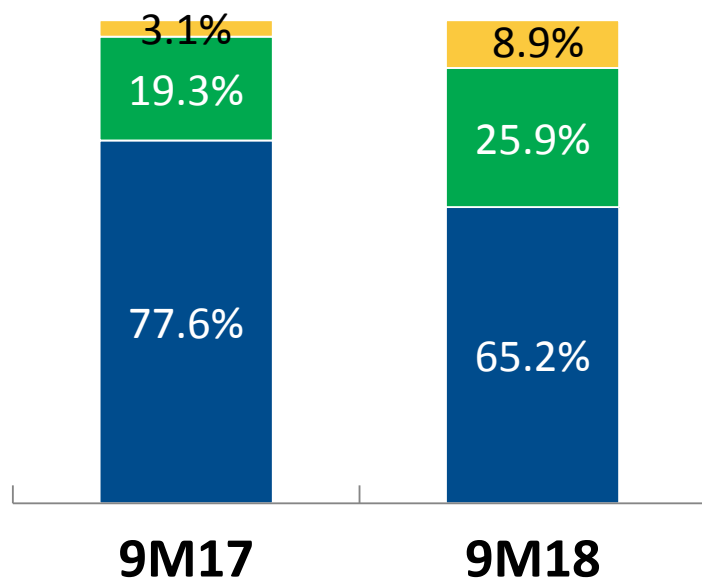
Note: Starting Jan.1, 2018, the reporting was based on IFRS 9.

# Cathay Life – Distribution channel

## First Year Premium

## Annualized First Year Premium

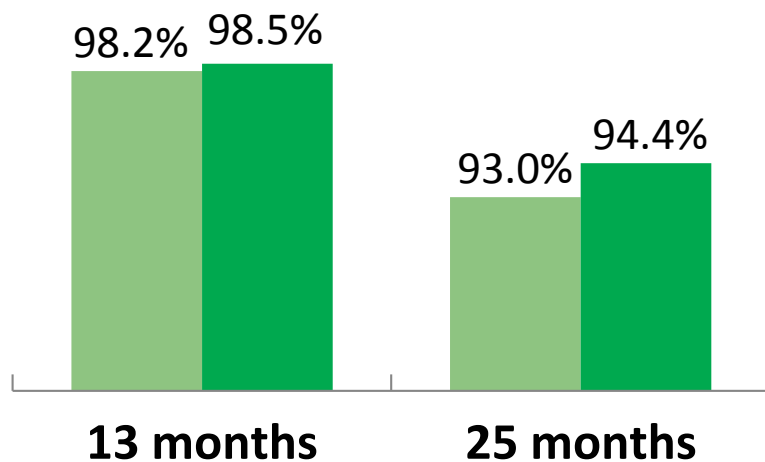
- Others
- Bancassurance-CUB
- Tied agents



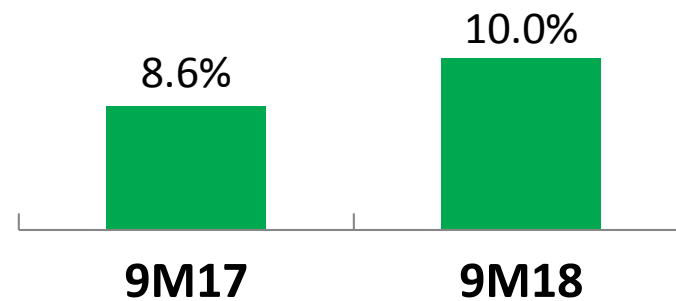
# Cathay Life – Operational indicators

## Persistency ratio

■ 9M17      ■ 9M18



## Expense ratio



# Agenda

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- **9M18 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

Cathay Life

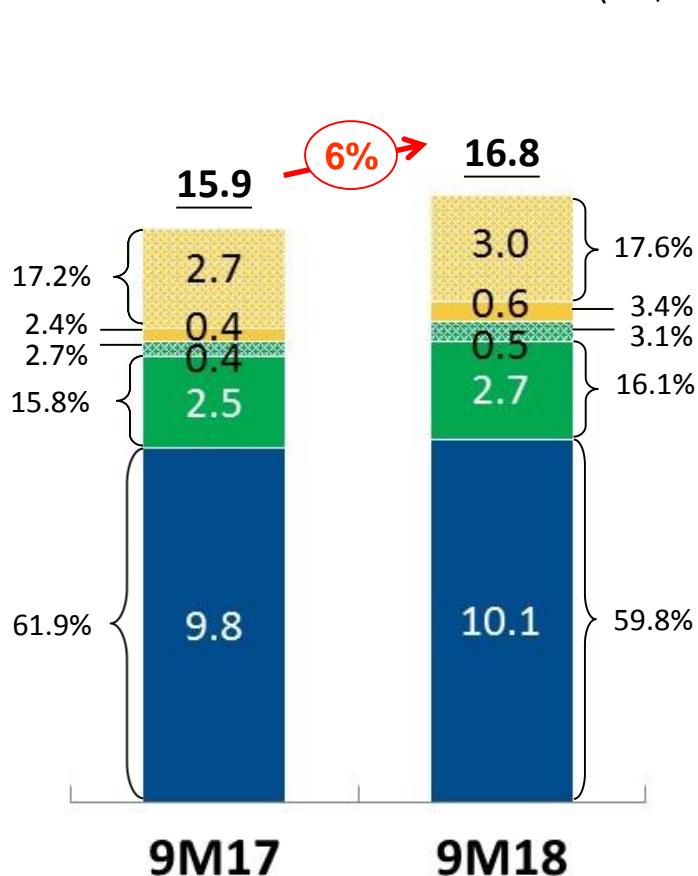
Cathay Century

- **Appendix**

# Cathay Century – Premium income

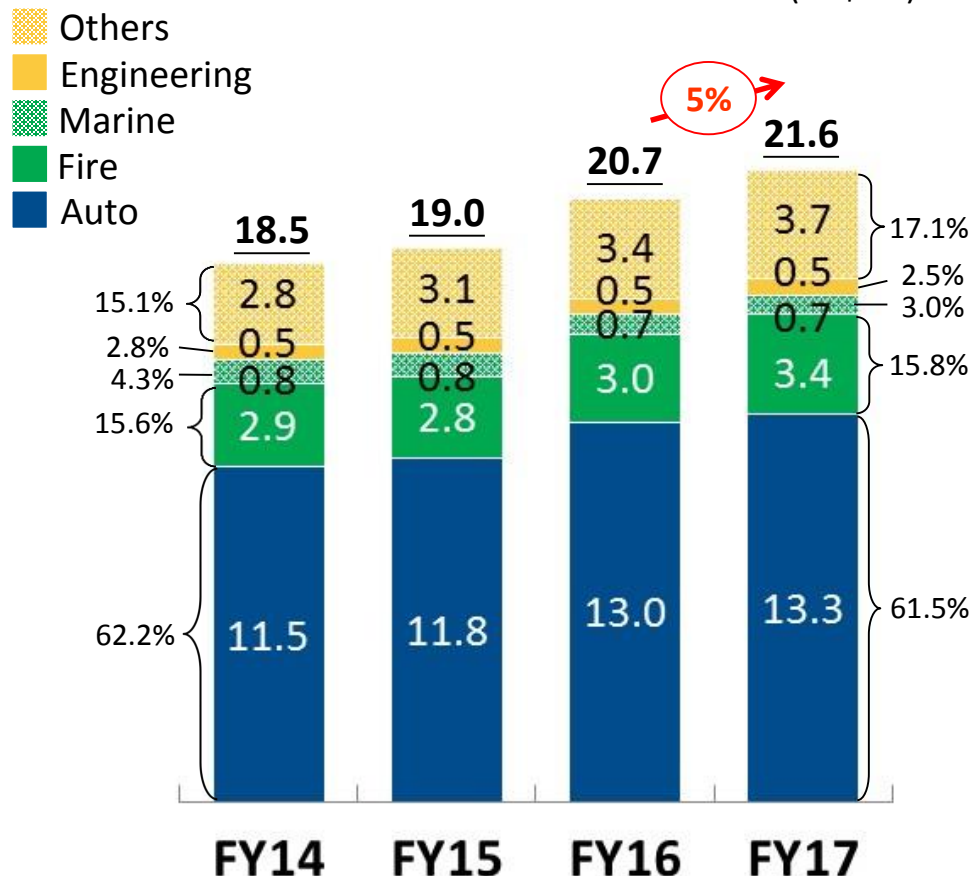
## Premium income

(NT\$BN)



## Premium income (annual)

(NT\$BN)



Market share	12.7%	12.7%	13.6%	13.3%	13.6%	13.1%
Retention	76.6%	77.6%	76.9%	74.9%	75.7%	76.2%

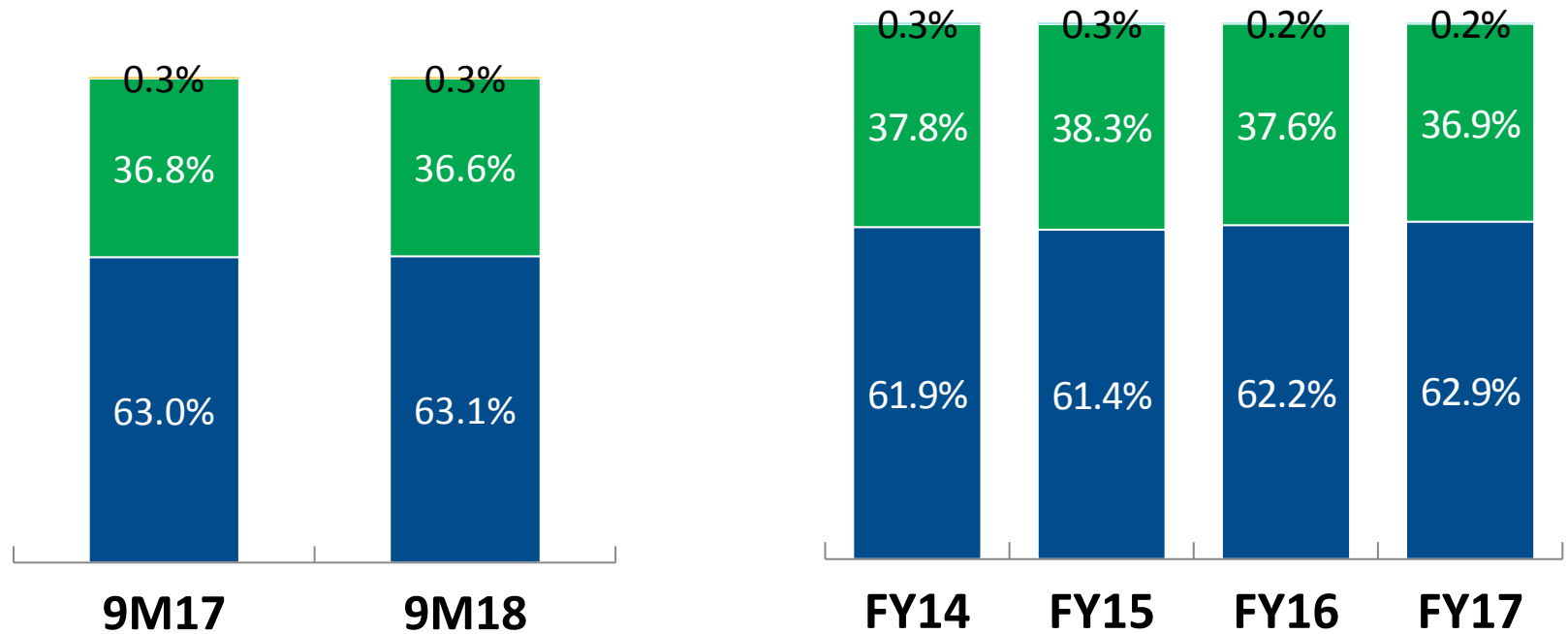


# Cathay Century – Distribution channel

## Distribution channel

## Distribution channel (annual)

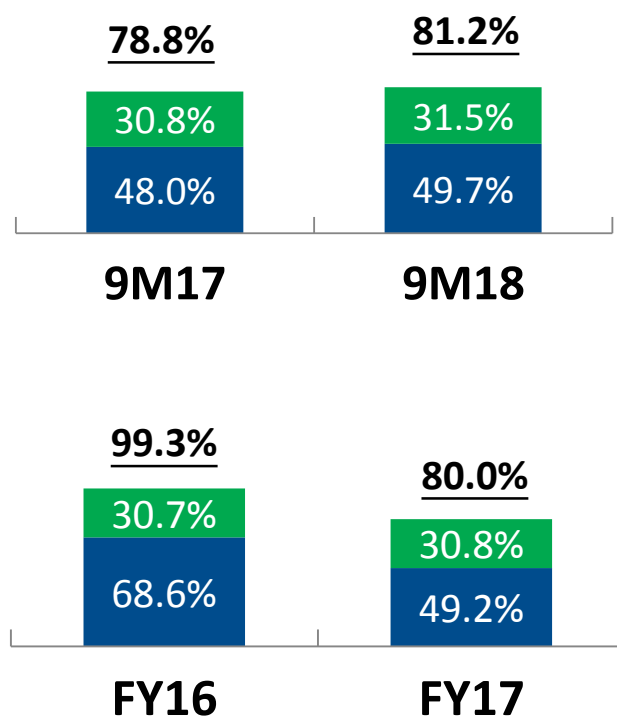
- Affiliate channels
- Cathay P&C agents
- Cathay group channel



# Cathay Century – Combined ratio

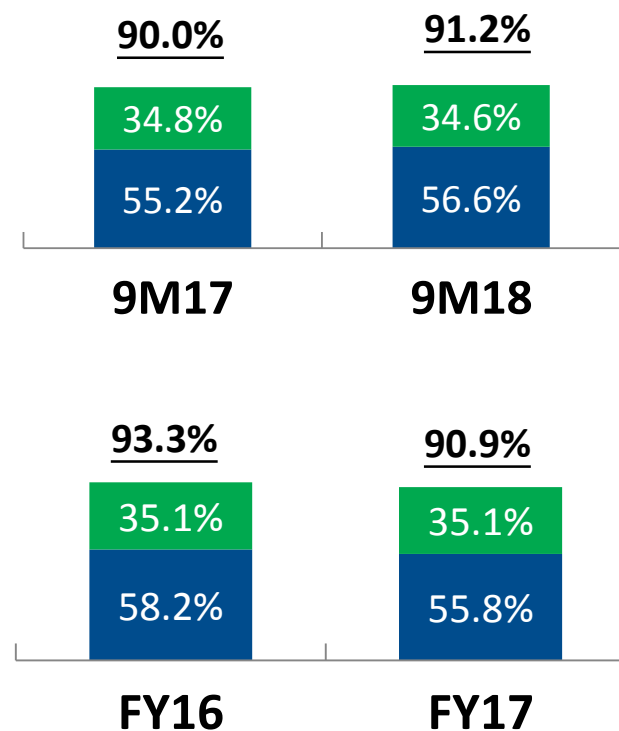
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



# Agenda

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- **9M18 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

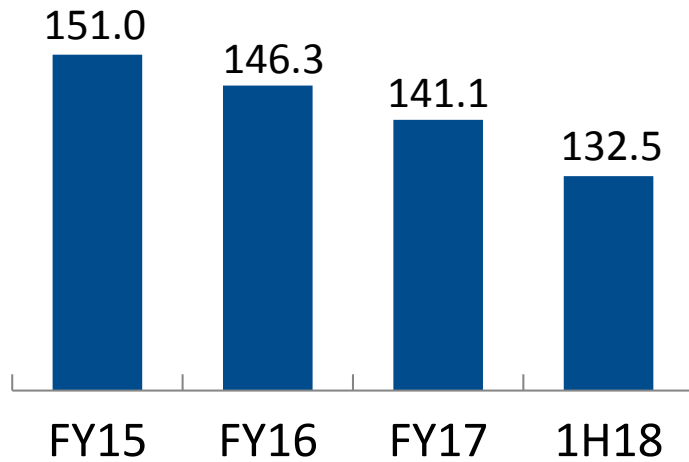
Cathay Life

Cathay Century

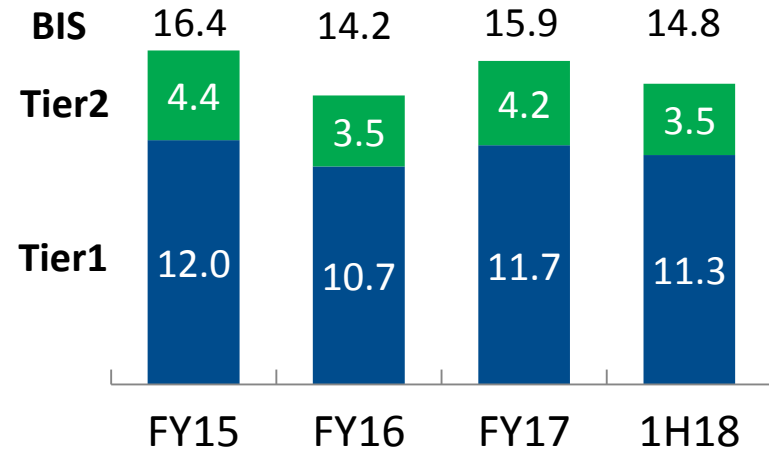
- **Appendix**

# Capital adequacy

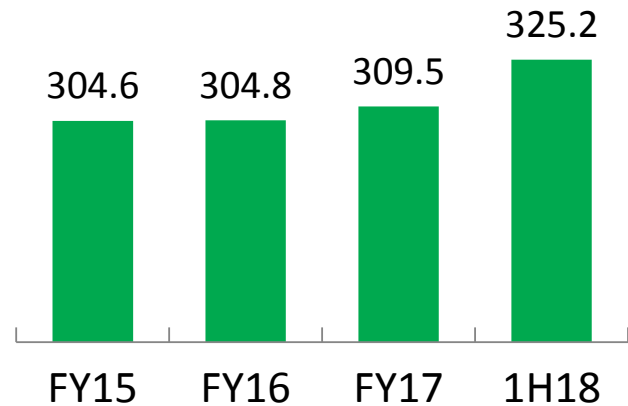
## Cathay FHC CAR (%)



## CUB Capital Adequacy (%)

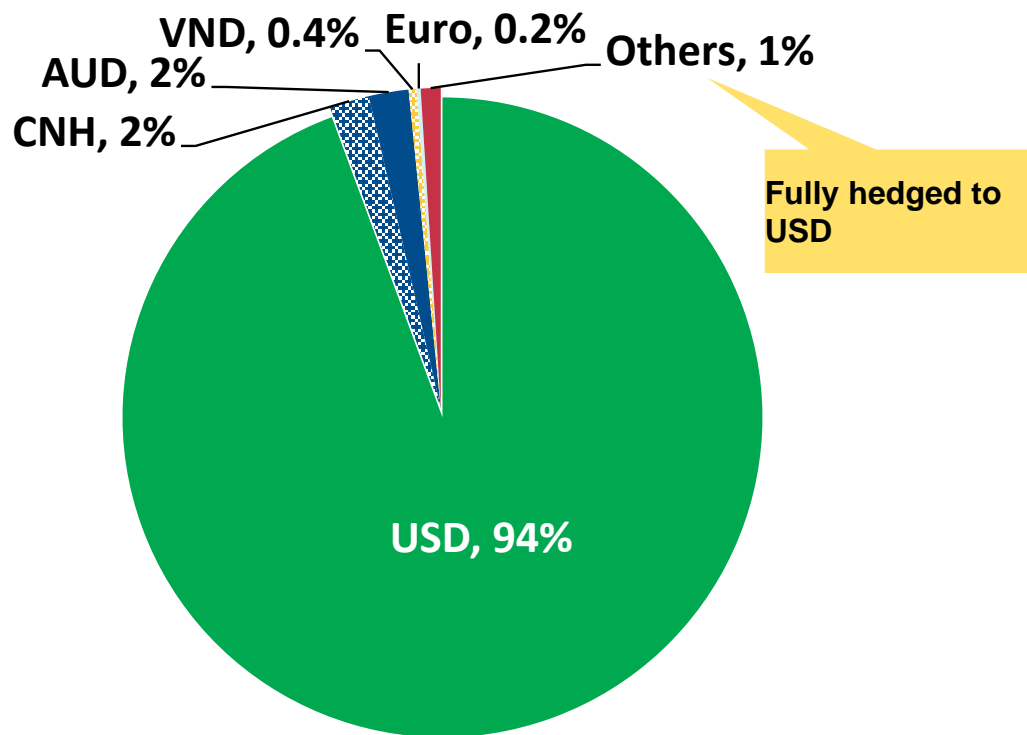


## Cathay Life RBC (%)

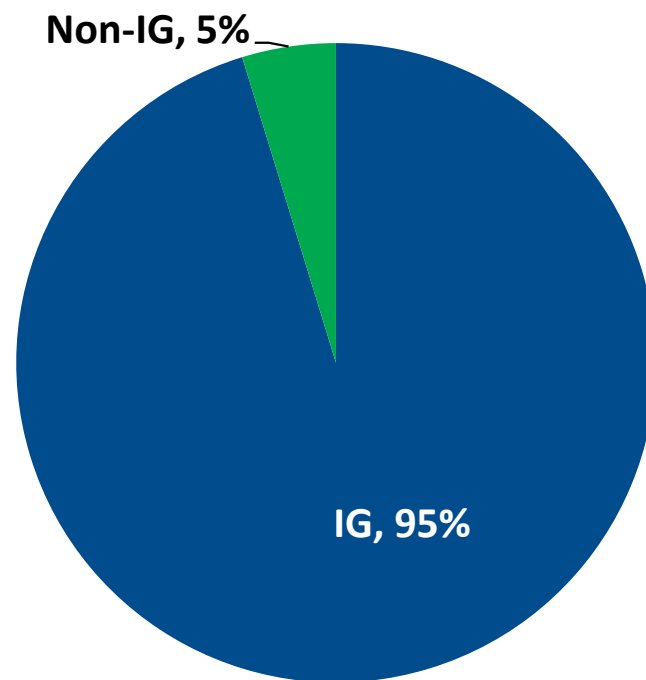


# Cathay Life – Overseas bond breakdown by currency and rating

## Overseas bond by currency (9M18)



## Overseas bond by rating (9M18)



**Cathay Financial Holdings**  
**(NT\$MN)**

<b>Income Statement Data (Consolidated)</b>	<b>FY17/</b>			<b>9M18/</b>			<b>3Q18/</b>		
	<b>FY16</b>	<b>FY17</b>	<b>% Chg</b>	<b>9M17</b>	<b>9M18</b>	<b>% Chg</b>	<b>3Q17</b>	<b>3Q18</b>	<b>% Chg</b>
<b>Operating Income</b>									
Net interest income	153,478	168,461	10%	124,981	132,405	6%	43,175	47,305	10%
Net commission and fee	(8,050)	1,070	113%	1,677	2,920	74%	1,169	922	-21%
Net earned premium	622,916	624,617	0%	450,685	405,621	-10%	151,439	119,773	-21%
Change in liability reserve	(408,614)	(445,833)	-9%	(319,290)	(239,321)	25%	(110,694)	(61,187)	45%
Net claims payment	(308,697)	(295,503)	4%	(218,783)	(263,416)	-20%	(72,094)	(88,940)	-23%
Investment income	37,782	62,065	64%	49,972	81,385	63%	26,700	23,331	-13%
Contribution from associates-equity method	1,202	1,298	8%	1,075	1,042	-3%	385	505	31%
Other net non-interest income	40,606	22,446	-45%	18,633	(758)	-104%	2,852	1,011	-65%
Bad debt expense	(5,232)	(3,460)	34%	(1,881)	(2,065)	-10%	(607)	(622)	-2%
Operating expense	(75,207)	(75,526)	0%	(53,981)	(58,405)	-8%	(18,883)	(20,243)	-7%
<b>Income before taxes</b>	50,185	59,636	19%	53,088	59,408	12%	23,442	21,855	-7%
Income taxes	(2,145)	(2,962)	-38%	(4,827)	(4,811)	0%	(1,636)	(3,273)	-100%
Net income	48,039	56,673	18%	48,261	54,597	13%	21,806	18,583	-15%
EPS (NT\$)	3.79	4.47		3.81	4.18		1.73	1.47	
<b>Dividend Payout</b>									
Cash dividend per share	2.00	2.50							
Stock dividend per share	0.00	0.00							
Weighted average outstanding shares (Millions of common shares)	12,563	12,563		12,563	12,563				
<b>Balance Sheet Data</b>									
Total assets	8,135,137	8,841,510		8,722,609	9,248,502				
Total shareholders' equity	529,824	608,471		593,710	611,671				
<b>Operating Metrics</b>									
ROAE (Consolidated)	9.70%	9.96%		11.45%	11.59%				
ROAA (Consolidated)	0.61%	0.67%		0.76%	0.80%				
Double leverage ratio(inc. preferred stock)	105%	108%		108%	111%				
<b>Capital Adequacy Metrics</b>									
Capital Adequacy Ratio	146%	141%							

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

**Cathay Life**  
 (NT\$MMN)

	FY17/ FY16			9M18/ 9M17			3Q18/ 3Q17		
<u>Income Statement Data (Consolidated)</u>	FY16	FY17	% Chg	9M17	9M18	% Chg	3Q17	3Q18	% Chg
Net written premium	605,910	608,404	0%	438,708	392,720	-10%	147,372	115,368	-22%
Net earned premium	605,231	607,547	0%	438,537	392,932	-10%	147,129	115,367	-22%
Reinsurance commission earned	363	301	-17%	294	457	55%	8	12	47%
Fee income	5,542	9,468	71%	6,912	7,065	2%	2,301	2,120	-8%
Recurring investment income	161,051	173,846	8%	133,157	150,182	13%	54,030	62,119	15%
Gain on disposal of investment									
Realized gain (loss)-Equity	18,210	43,625	140%	33,302	44,943	35%	7,158	7,301	2%
Realized gain (loss)-Debt	29,382	21,233	-28%	16,471	12,734	-23%	4,901	1,751	-64%
Gain on investment property	5,000	(756)	-115%	(372)	(632)	-70%	(17)	3	120%
FX and others, net	(21,333)	(28,258)	-32%	(21,749)	(29,164)	-34%	(5,009)	(12,430)	-148%
Investment income, net	192,310	209,691	9%	160,809	178,063	11%	61,064	58,744	-4%
Other operating income	5,032	5,069	1%	3,771	4,037	7%	1,302	1,411	8%
Separate account revenues	39,589	44,304	12%	36,252	29,680	-18%	15,731	12,618	-20%
Net claims payment	(297,201)	(284,023)	4%	(210,916)	(255,602)	-21%	(69,096)	(86,475)	-25%
Changes in liability reserves	(408,398)	(445,843)	-9%	(319,184)	(239,113)	25%	(110,755)	(60,892)	45%
Acquisition and commission expense	(38,901)	(32,507)	16%	(23,052)	(24,749)	-7%	(7,486)	(8,322)	-11%
Other operating costs	(6,381)	(6,418)	-1%	(4,602)	(5,706)	-24%	(1,755)	(1,736)	1%
Financial cost	(413)	(1,963)	-375%	(1,373)	(1,739)	-27%	(606)	(592)	2%
Separate account expense	(39,589)	(44,304)	-12%	(36,252)	(29,680)	18%	(15,731)	(12,618)	20%
Operating expense	(30,768)	(28,790)	6%	(21,212)	(21,551)	-2%	(7,078)	(7,257)	-3%
Net non-operating income	1,956	1,442	-26%	1,018	1,068	5%	299	367	23%
Income taxes	1,861	2,294	23%	(52)	1,089	2205%	(592)	(1,576)	-166%
Net income	30,235	36,268	20%	30,951	36,249	17%	14,736	11,171	-24%
<b>Balance Sheet Data</b>									
Total assets	5,556,950	6,097,655		5,997,620	6,416,609				
General account	5,058,936	5,542,385		5,447,814	5,831,712				
Separate account	498,014	555,269		549,807	584,897				
Reserves for life insurance liabilities	4,567,324	4,944,292		4,829,769	5,210,049				
Total liabilities	5,192,967	5,656,473		5,568,892	5,967,211				
Total shareholders' equity	363,984	441,181		428,728	449,399				
<b>Operating Metrics</b>									
First Year Premium(FYP)	199,082	233,250		172,869	164,680				
First Year Premium Equivalent(FYPE)	135,035	78,602		58,515	53,386				
Expense ratio	10.3%	8.6%		8.6%	10.0%				
13-M persistency ratio	98.3%	98.2%		98.2%	98.5%				
25-M persistency ratio	92.2%	94.3%		93.0%	94.4%				
ROAE	8.49%	9.01%		10.4%	10.5%				
ROAA	0.56%	0.62%		0.71%	0.77%				
<b>Capital Adequacy Metrics</b>									
RBC ratio (Standalone)	305%	309%							

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**Cathay United Bank**

(NT\$MN)			FY17/ FY16			9M18/ 9M17			3Q18/ 3Q17
<u>Income Statement Data (Consolidated)</u>	FY16	FY17	% Chg	9M17	9M18	% Chg	3Q17	3Q18	% Chg
<b>Operating Income</b>									
Net interest income	25,910	29,701	15%	22,093	24,598	11%	7,652	8,626	13%
Fee income	15,745	14,862	-6%	11,619	12,873	11%	4,201	4,751	13%
Investment income	8,278	9,442	14%	7,286	8,789	21%	3,025	3,979	32%
Other income	1,222	1,216	0%	982	618	-37%	445	195	-56%
<b>Net operating income</b>	51,154	55,222	8%	41,980	46,878	12%	15,323	17,551	15%
Operating expenses	(26,959)	(29,301)	-9%	(20,601)	(23,107)	-12%	(7,524)	(8,382)	-11%
<b>Pre-provision profit</b>	24,195	25,920	7%	21,379	23,771	11%	7,798	9,169	18%
Net provisions for possible losses	(4,455)	(3,494)	22%	(1,879)	(2,312)	-23%	(571)	(820)	-44%
<b>Income before taxes</b>	19,740	22,426	14%	19,500	21,459	10%	7,227	8,349	16%
Income tax	(2,229)	(2,763)	-24%	(2,483)	(3,056)	-23%	(931)	(1,105)	-19%
<b>Net income</b>	17,511	19,664	12%	17,017	18,403	8%	6,297	7,244	15%
<b>Balance Sheet Data</b>									
Total assets	2,566,669	2,735,704		2,711,633	2,830,340				
Loans, net	1,437,531	1,434,558		1,478,363	1,569,443				
Financial assets	849,989	859,590		841,940	889,729				
Total liability	2,406,701	2,553,396		2,531,120	2,629,323				
Deposits	2,032,600	2,098,368		2,087,363	2,196,933				
Financial Debenture Payable	51,900	63,350		63,350	55,600				
Total shareholders' equity	159,968	182,308		180,512	201,017				
<b>Operating Metrics</b>									
Cost income ratio	52.70%	53.06%		49.07%	49.29%				
ROAE	11.06%	11.49%		13.33%	12.70%				
ROAA	0.71%	0.74%		0.86%	0.88%				
<b>Assets Quality (Standalone)</b>									
NPL	2,133	2,982		2,934	2,511				
NPL ratio	0.15%	0.21%		0.20%	0.16%				
NPL provisions	19,686	22,553		21,984	23,510				
Coverage ratio	923%	756%		749%	936%				
<b>Capital Adequacy Metrics (Standalone)</b>									
BIS ratio	14.2%	15.9%							
Tier I Ratio	10.7%	11.7%							

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**Cathay Century**

(NT\$MM)	FY17/			9M18/			3Q18/		
	FY16	FY17	FY16 % Chg	9M17	9M18	9M17 % Chg	3Q17	3Q18	3Q17 % Chg
<b>Income Statement Data (Consolidated)</b>									
Premium income	22,774	21,878	-4%	16,048	17,042	6%	5,262	5,672	8%
Net written premium	17,390	16,610	-4%	12,255	13,162	7%	4,126	4,455	8%
Net earned premium	17,213	16,344	-5%	12,180	12,912	6%	4,192	4,483	7%
Reinsurance commission earned	526	489	-7%	355	394	11%	108	122	13%
Fee income	44	42	-6%	31	32	3%	11	10	-3%
Investment	2,082	892	-57%	764	805	5%	364	179	-51%
Interest income	568	547	-4%	409	421	3%	140	141	1%
Other investment income, net	1,514	345	-77%	354	384	8%	224	38	-83%
Other operating income	0	0	0%	0	0	0%	0	0	
Net claims payment	(9,559)	(9,138)	4%	(6,750)	(6,976)	-3%	(2,504)	(2,268)	9%
Changes in liability reserves	(209)	10	105%	(106)	(208)	-97%	61	(294)	-583%
Commissions and other operating costs	(3,015)	(2,859)	5%	(2,103)	(2,243)	-7%	(725)	(786)	-8%
Operating expenses	(4,248)	(3,609)	15%	(2,641)	(2,820)	-7%	(885)	(956)	-8%
<b>Operating income</b>	2,834	2,170	-23%	1,732	1,896	9%	621	489	-21%
Net non-operating income	(1)	(16)	-1862%	(14)	(9)	34%	(5)	(1)	69%
Income taxes	(492)	(297)	40%	(216)	(309)	-43%	(67)	(78)	-16%
Net income	2,342	1,858	-21%	1,502	1,578	5%	549	410	-25%
<b>Balance Sheet Data</b>									
Total assets	38,250	38,351		37,895	37,427				
Total stockholders' equity	9,216	10,517		10,035	10,225				
<b>Operating Metrics</b>									
Gross Combined ratio	99.3%	80.0%		78.8%	81.2%				
Net Combined ratio	93.3%	90.9%		90.0%	91.2%				
ROAE	28.50%	18.83%		20.81%	20.28%				
ROAA	5.83%	4.85%		5.26%	5.55%				
<b>Capital Adequacy Metrics</b>									
RBC ratio (Standalone)	385%	392%							

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