



**國泰金控**

Cathay Financial Holdings

# 2021 Third Quarter Briefing

November 2021

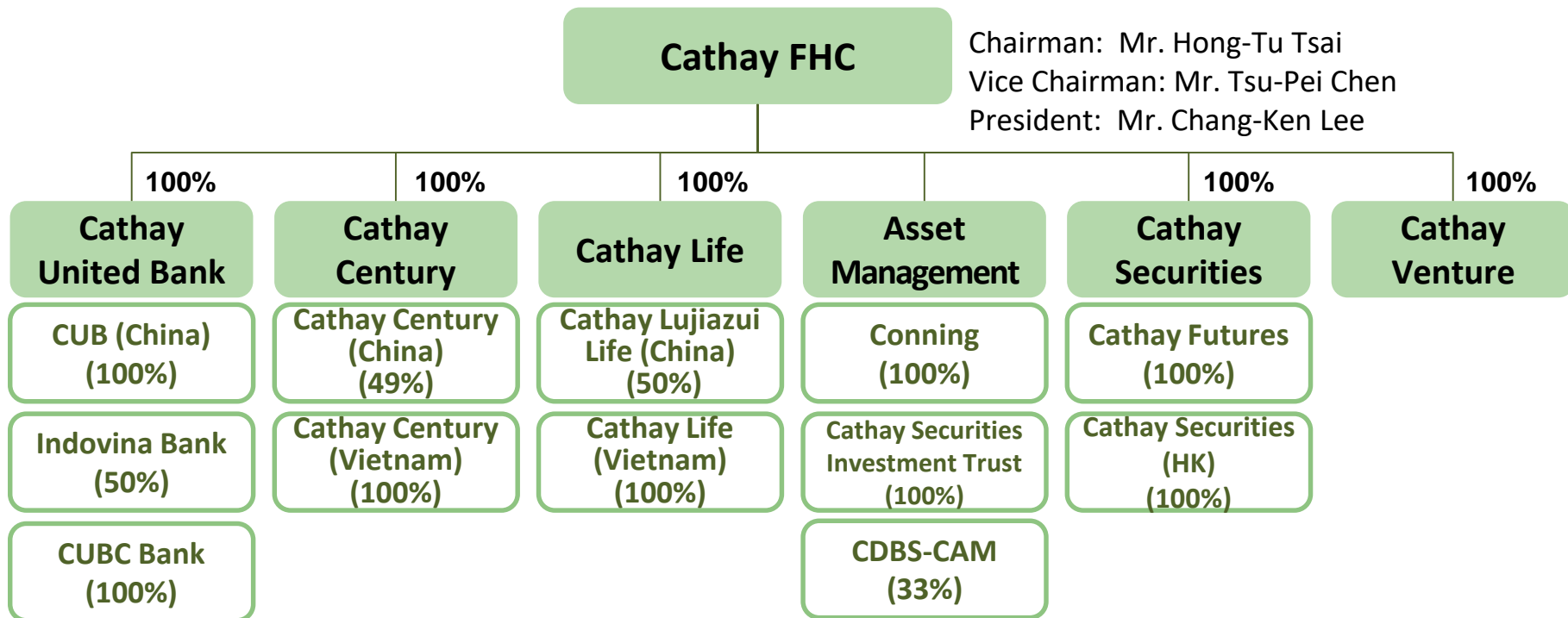


# Agenda

---

- **Introduction of Cathay FHC**
- **9M21 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Cathay's CSR Efforts**
- **Appendix**

# Cathay FHC: largest FHC, comprehensive products



- One of the largest private banks in terms of total assets
- No. 2 credit card issuer
- The largest brokerage settlement bank

- 2<sup>nd</sup> biggest non-life insurer
- Market share in total premium income: 11.9% (9M21).

- No. 1 life insurer in terms of total assets and total premium
- Market share in total premium: 21.3% (9M21).

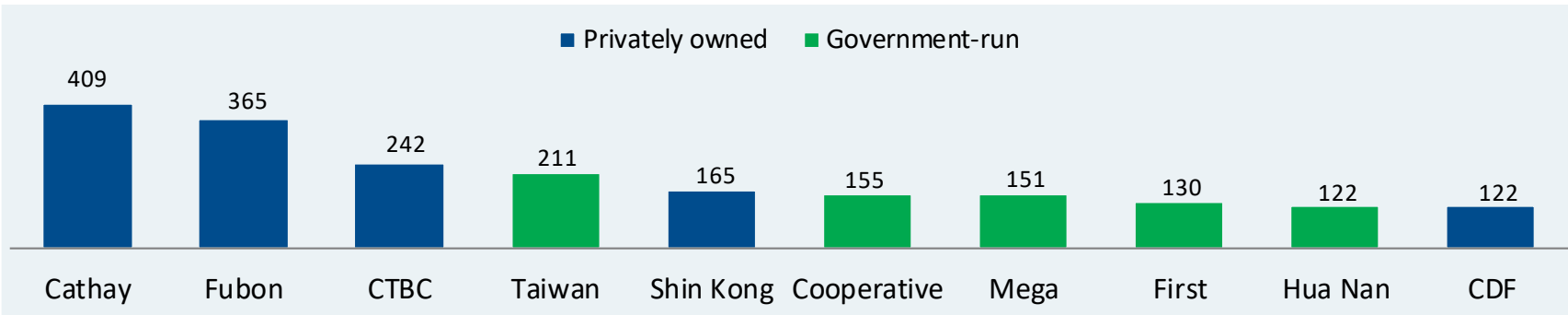
- Building global asset management platform
- Largest AUM among asset managers in Taiwan

- Investment banking, brokerage, and prop trading businesses
- Strong underwriting and capital raising platform
- Diversified products and services

# Market leader in Taiwan's FIG sector

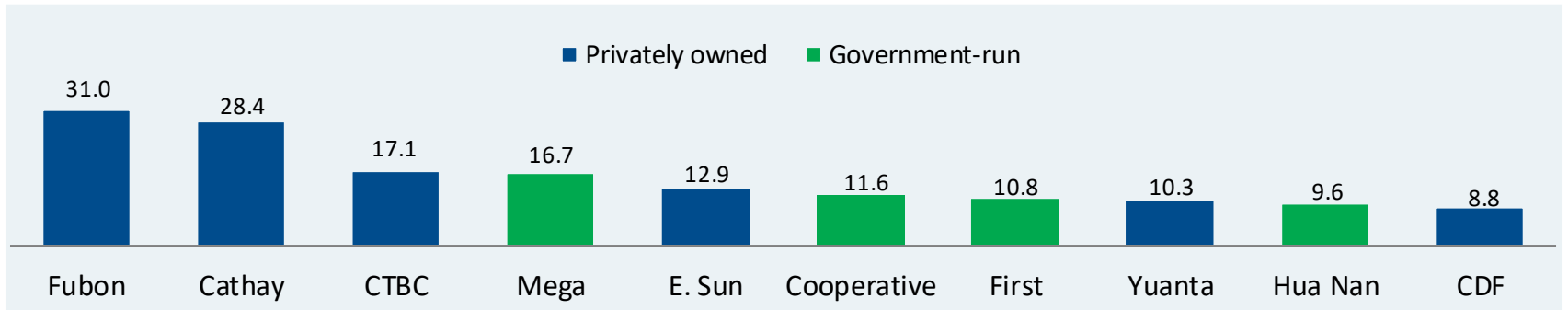
- Largest listed financial group by assets.

## Ranking of total asset (US\$bn)



Note: Total assets as of September 30, 2021

## Ranking of market cap (US\$bn)



Note: Market capitalization as of November 30, 2021

# Cathay FHC's continuous effort in ESG integration



2011

- Established CSR Committee

2014

- Renamed CSR Committee to Corporate Sustainability Committee, supervised by the Board
- Formed Responsible Investment Team

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

2015

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

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



2018



2017



2016

2019

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

2020

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

2021

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



# Participation in global and domestic ESG initiatives

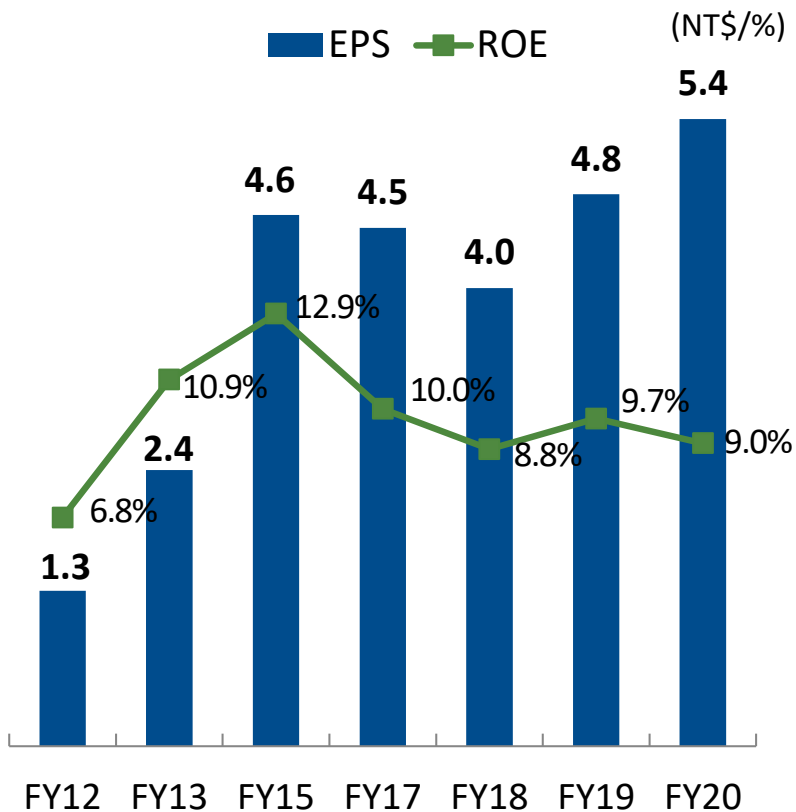
Initiatives	Joined company / Time
CDP	<ul style="list-style-type: none"> <li>Cathay FHC (2012)</li> </ul>
Low Carbon Investment Registry	<ul style="list-style-type: none"> <li>Cathay FHC (2014)</li> </ul>
Taiwan Stewardship Principles	<ul style="list-style-type: none"> <li>Cathay Life &amp; Cathay SITE (2016)</li> <li>Cathay Century Insurance (2017)</li> <li>Cathay United Bank &amp; Cathay Securities (2018)</li> </ul>
Asia Investor Group on Climate Change (AIGCC)	<ul style="list-style-type: none"> <li>Cathay FHC (2016)</li> </ul>
CDP non-disclosure engagement campaign	<ul style="list-style-type: none"> <li>Cathay FHC (2017)</li> </ul>
Climate Action 100+	<ul style="list-style-type: none"> <li>Cathay Life &amp; Cathay SITE (2017)</li> </ul>
PRI (signatory / voluntary self-compliance)	<ul style="list-style-type: none"> <li>Conning Inc. (PRI signatory in 2015)</li> <li>Cathay Life (voluntary self-compliance in 2015)</li> </ul>
PSI (voluntary self-compliance)	<ul style="list-style-type: none"> <li>Cathay Life (2016)</li> <li>Cathay Century Insurance (2017)</li> </ul>
PRB (voluntary self-compliance)	<ul style="list-style-type: none"> <li>Cathay United Bank (2018)</li> </ul>
TCFD	<ul style="list-style-type: none"> <li>Cathay FHC (2018)</li> </ul>
Valuing Water Finance Task Force	<ul style="list-style-type: none"> <li>Cathay FHC &amp; Cathay Life (2020)</li> </ul>
Asian Utilities Engagement Program	<ul style="list-style-type: none"> <li>Cathay FHC (2021)</li> </ul>

Note: Cathay has voluntarily self-complied with UN initiatives, as Taiwan is not a UN member state.

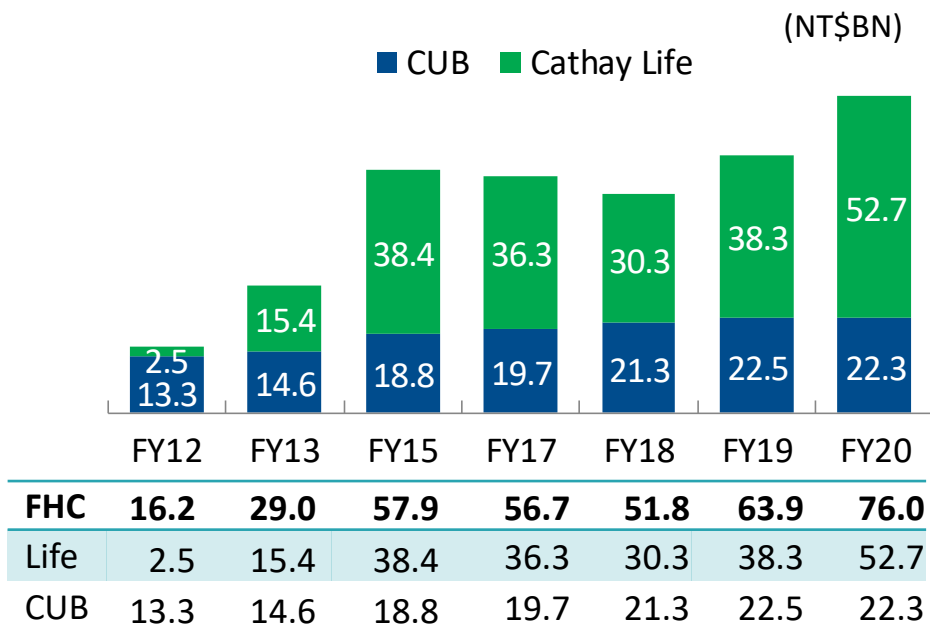
For more information please refer to “Cathay’s CSR Efforts” pages 40-49.

# Cathay FHC continued to deliver solid earnings

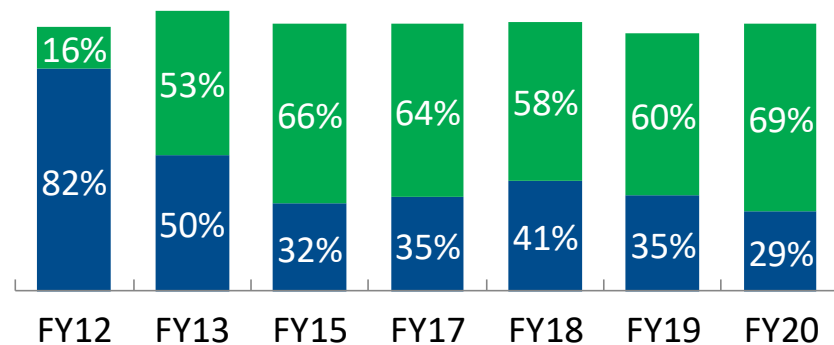
## EPS & ROE



## Profit contribution



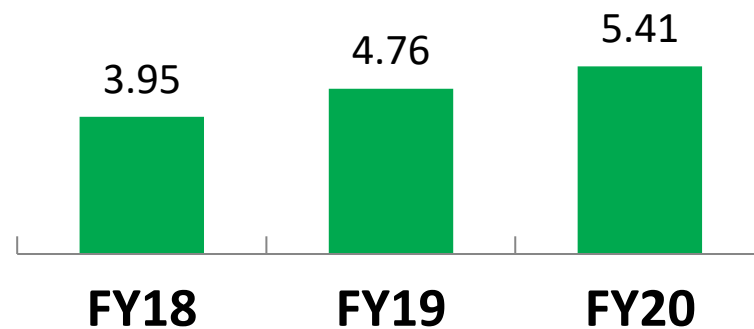
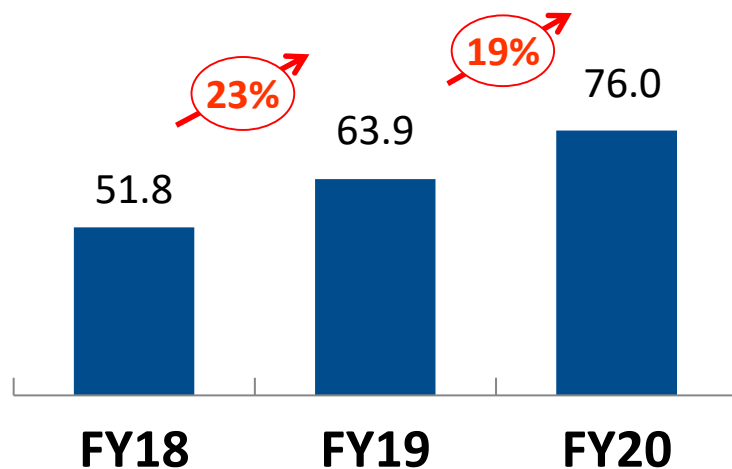
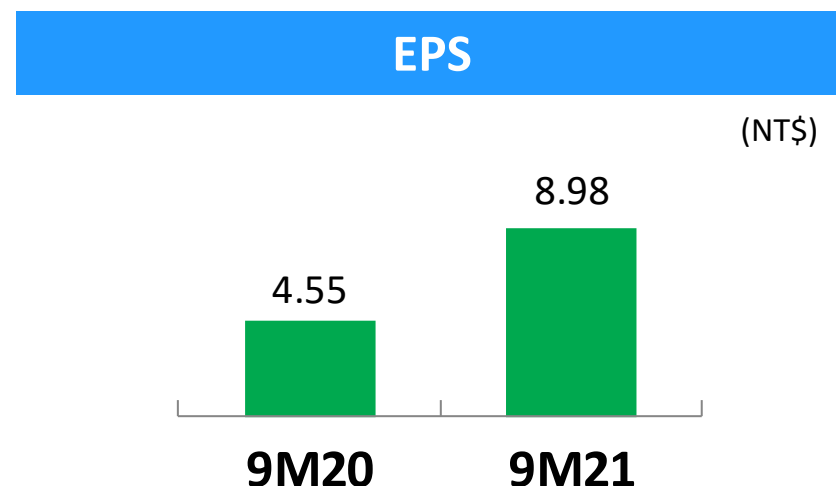
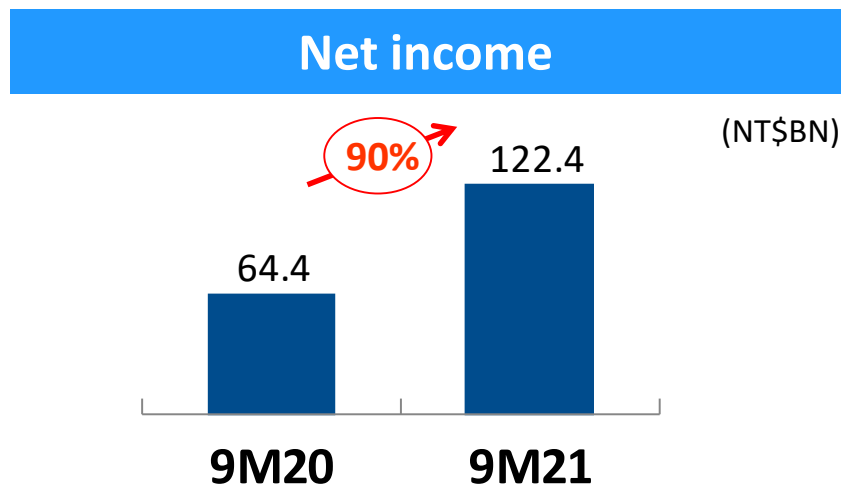
## Profit contribution (continued)



- Note: (1) FY13 figures do not reflect the impact from applying fair value method on investment property.  
 (2) Since Cathay FHC has more subsidiaries other than Cathay Life and CUB, besides, due to affiliate transactions, the Cathay FHC net income might not equal to the sum of Cathay Life and CUB's.  
 (3) EPS has been adjusted for stock dividend (stock split).

# Cathay FHC – Net income & EPS

□ 9M21 net income outpaced 2020 full-year earnings, driven by sound investment performance.

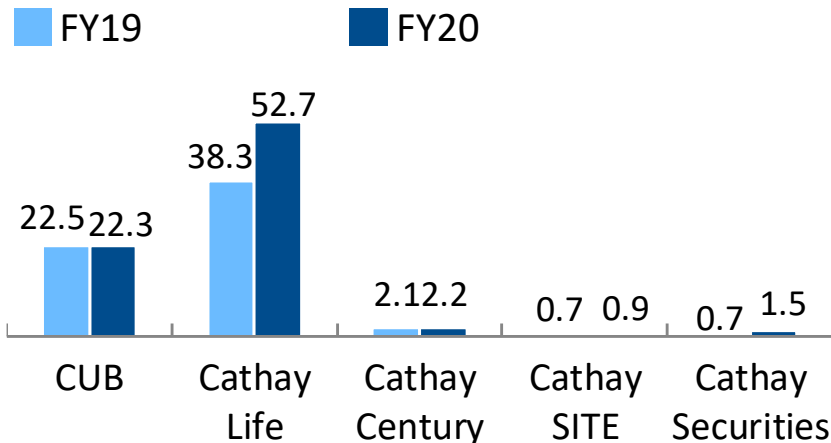
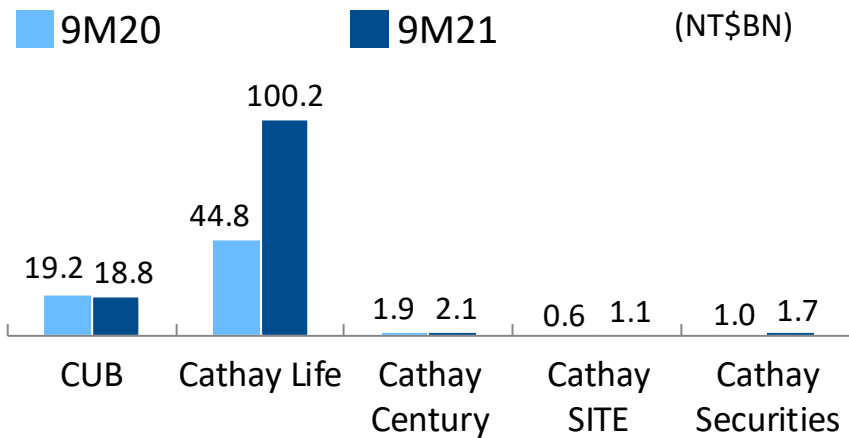




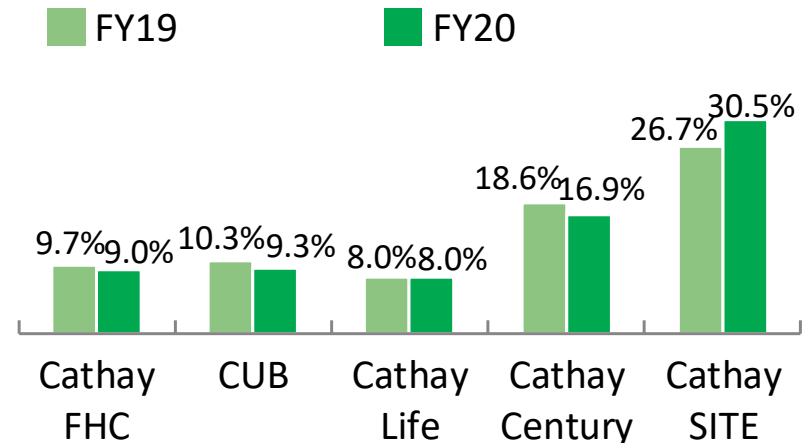
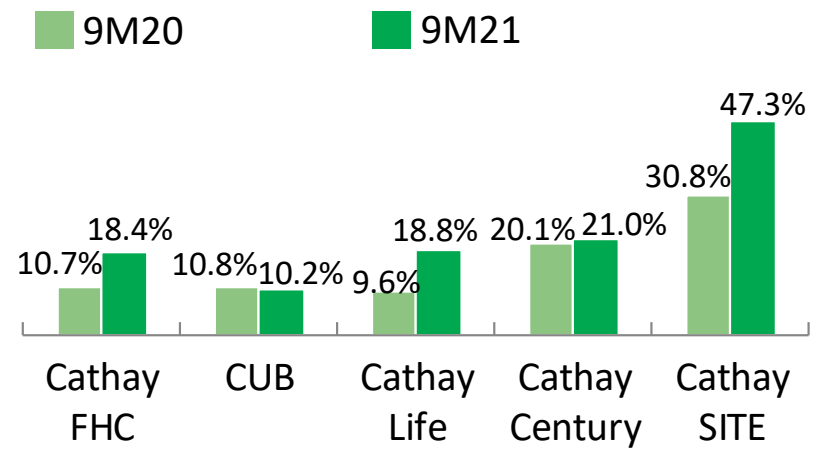
# Cathay FHC – Net income & ROE

- █ Cathay Life brought strong investment performance with net profit over NT\$100bn. Net profit of Securities and SITE surpassed respective FY20 total net profits amid economic recovery and financial market rally.
- █ CUB core business saw strong growth despite earnings slide due to high 9M20 base pd. from investment gains.

## Net income of primary subsidiaries (NT\$BN)

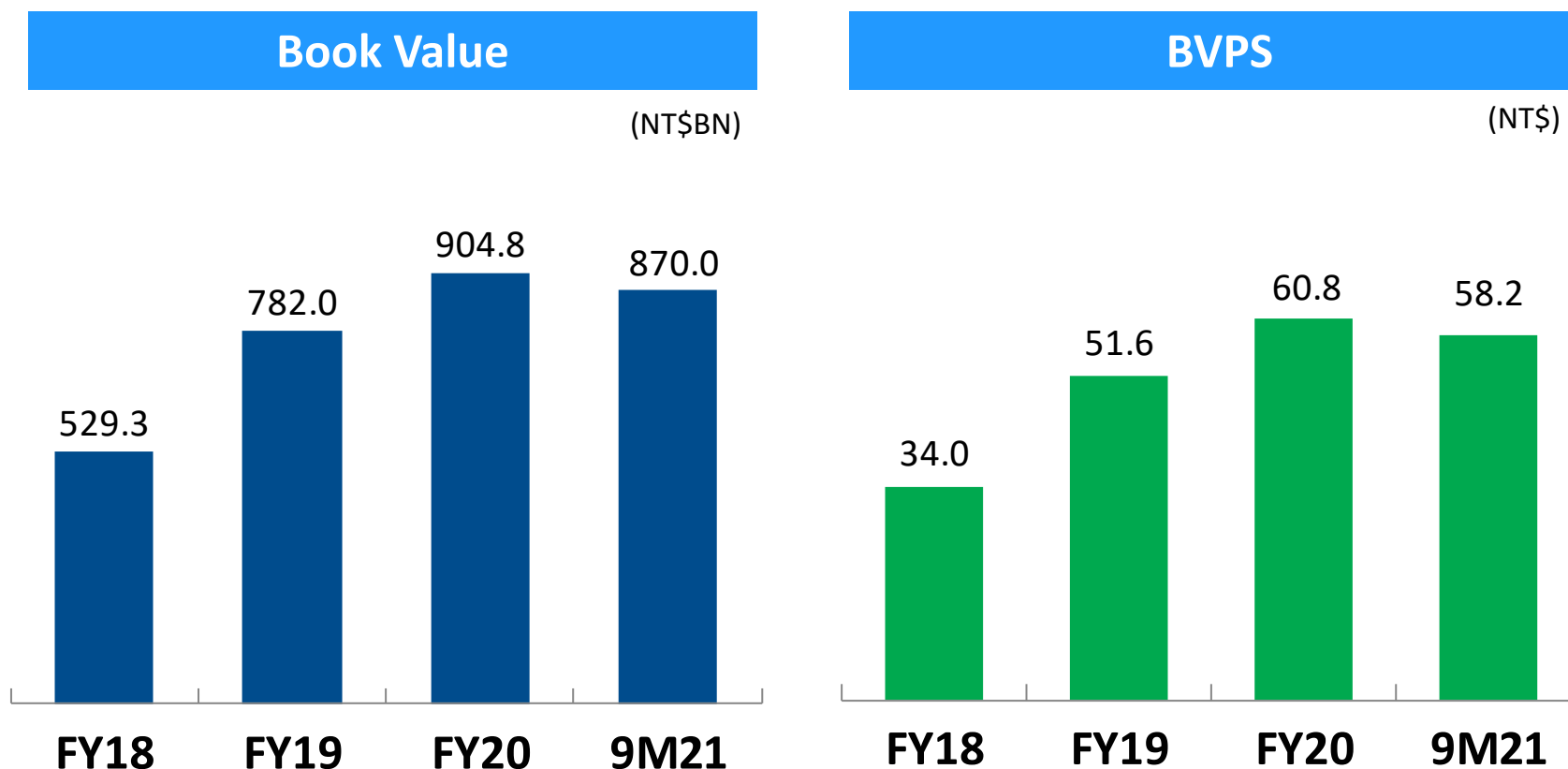


## ROE



# Cathay FHC – Book value & BVPS

- Book value was supported by strong earnings contributions, partially offset by a reduction in unrealized gains on fixed income assets due to uptick in U.S. bond yield.



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.

# 9M21 Business Overview

## Cathay United Bank

- Net interest income grew solidly YoY with double-digit loan growth and higher demand-deposit ratio.
- Fee income showed YoY growth, driven by strong wealth management fee income.

## Cathay Life

- Adhered to value-driven strategy. Protection-type FYP grew 12% YoY. Investment-linked product AUM increased to ~NT\$700bn, ranking No. 1 in the industry.
- Delivered sound investment performance with after-hedging investment yield of 5.2%. Net profit continued to set new records, marking a milestone as the first Taiwan life insurer with YTD net profit over NT\$100bn.

## Cathay Century

- Premium income grew 10% YoY. Ranked second in market share, holding 12%. Core business grew steadily; developed new type of products to meet public needs.
- Developed online business in China. Expanded local team in Vietnam and increased premium income through digital transformation and mobile apps.

## Cathay SITE

- Ranked No. 1 in AUM, totaling NT\$1,197bn. Net profit and EPS both set new records for 9M21.
- Recognized by Asia Asset Management and Benchmark. Received TFF-Bloomberg Best Fund Award and Golden Goblet Award in 2021.

## Cathay Securities

- Optimized customer experience with a digital-only business model; focused on digital customers to increase customer base.
- Number of new accounts opened in 9M21 surpassed 1mn. Earnings and number of customers each hit new records for a first-nine months period.

# Agenda

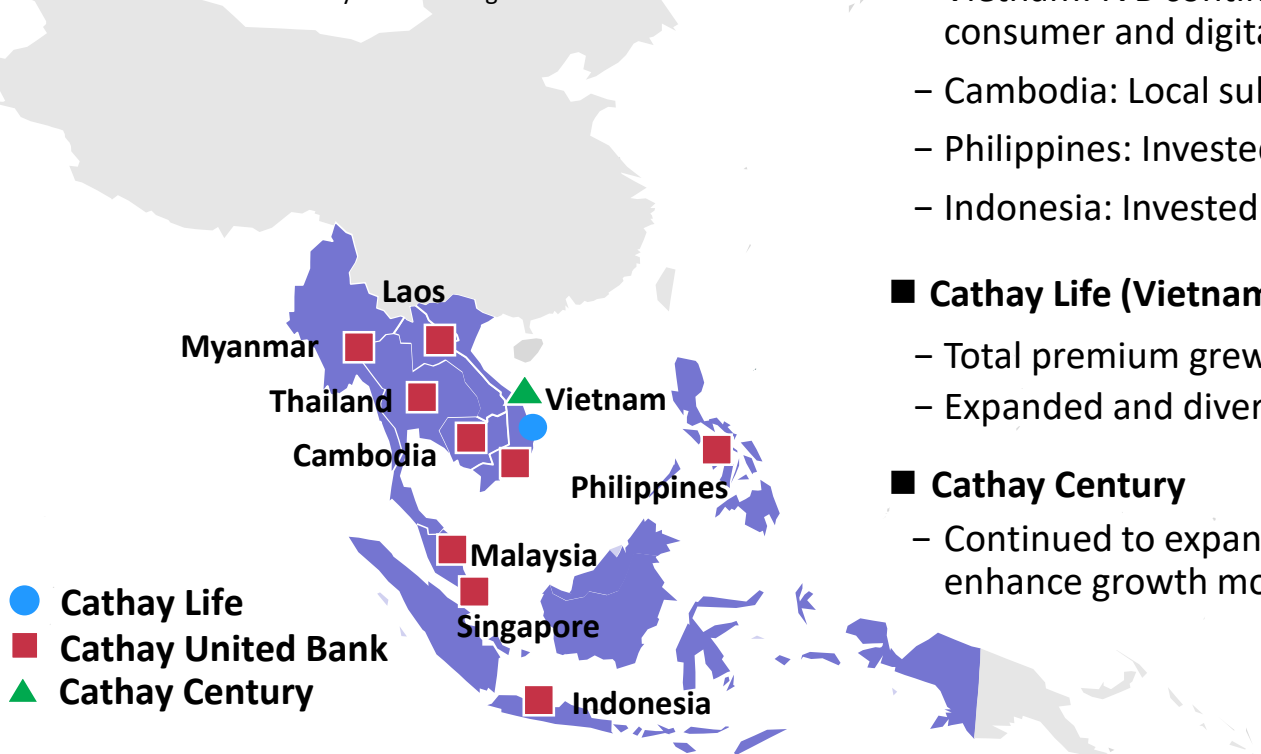
---

- Introduction of Cathay FHC
- 9M21 Business Overview
- **Overseas Expansion**
- **Business Performance Summary**
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- Cathay's CSR Efforts
- Appendix

# Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	53	142									
P&C	26	2									
Asset Mgt.	1			1							
Securities				2							

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



## ■ Banking

- Vietnam: IVB continued to expand in corporate, consumer and digital banking business.
- Cambodia: Local subsidiary's business grew steadily.
- Philippines: Invested in RCBC.<sup>(2)</sup>
- Indonesia: Invested in Bank Mayapada.<sup>(2)</sup>

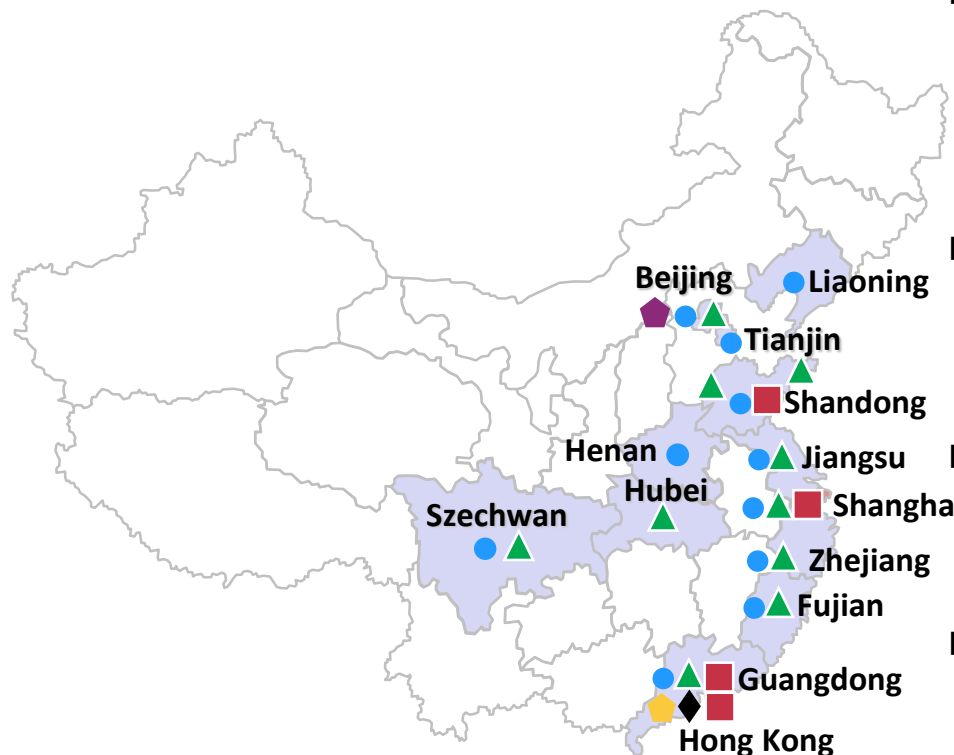
## ■ Cathay Life (Vietnam)

- Total premium grew 43% YoY to 1.7tn VND in 9M21.
- 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

- China subsidiary saw continued steady performance.
- Issued first batch of large-scale certificates of deposit in September to expand and enhance business.

## ■ Cathay Lujiazui Life

- Total premium grew 13% YoY to 2.5bn RMB in 9M21.
- All business lines grew steadily.

## ■ Cathay Century (China)

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

## ■ Cathay Securities (HK)

- Continued to grow local and cross-border business.

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

- Business operations grew steadily.

## ■ Conning Asia Pacific Limited

- Continued to expand asset management business.

# Agenda

---

- Introduction of Cathay FHC
- 9M21 Business Overview
- Overseas Expansion
- Business Performance Summary

Cathay United Bank

Cathay Life

Cathay Century

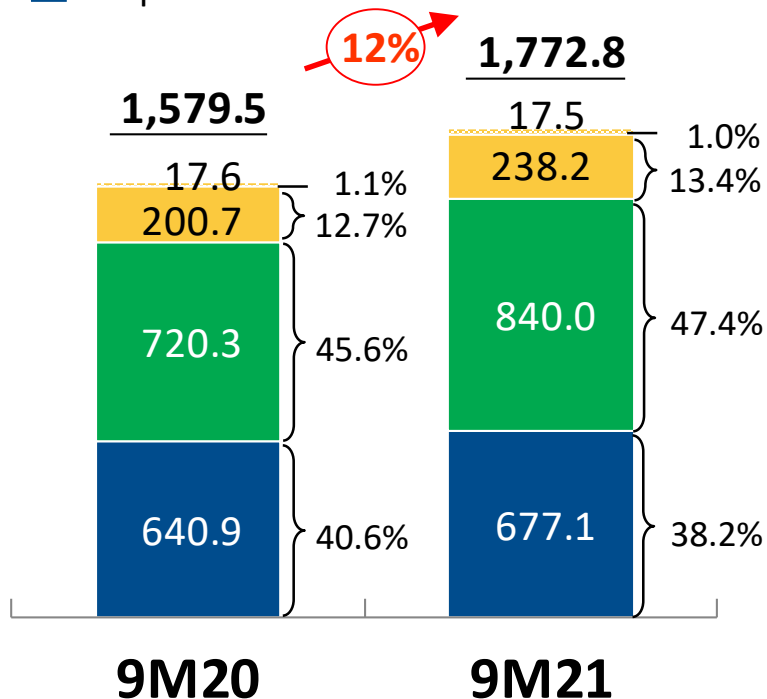
- Cathay's CSR Efforts
- Appendix

# Cathay United Bank – Loan & Deposit breakdown

- Robust loan growth across consumer, mortgage and corporate loans.
- Deposits grew solidly with higher demand-deposit ratio.

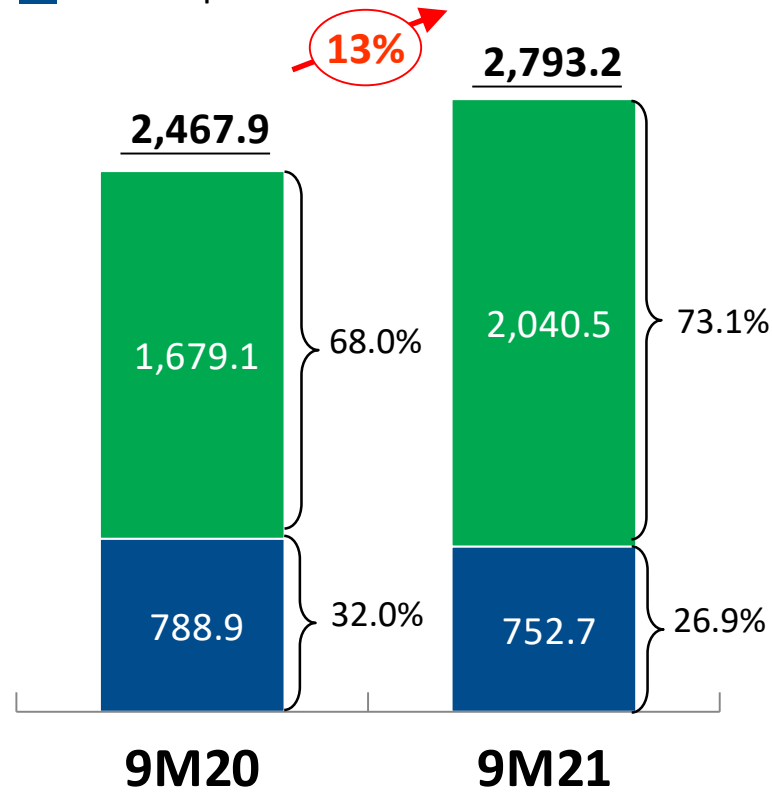
## Loan breakdown

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



## Deposit breakdown

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

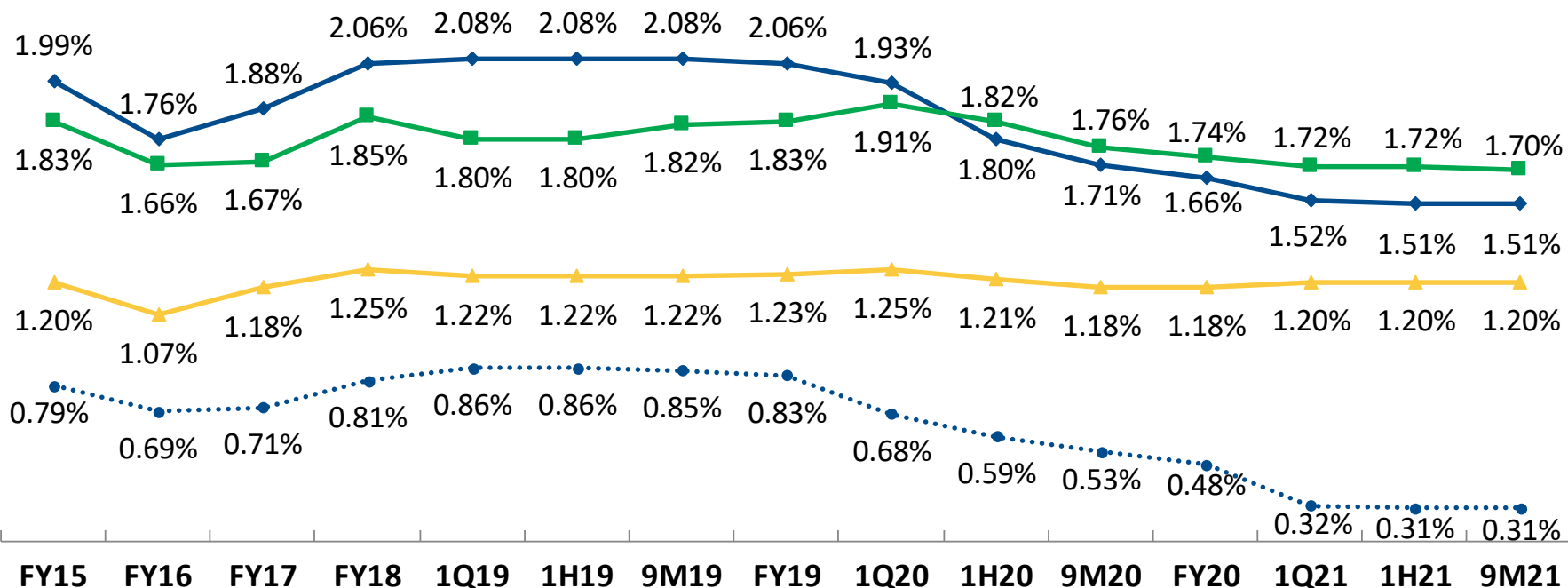




# Cathay United Bank – Interest yields

□ NIM stabilized in 2021. Negative impact of rate cuts was fully reflected in 3Q20.

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



	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
<b>Quarterly Spread</b>	1.83%	1.80%	1.81%	1.85%	1.86%	1.91%	1.73%	1.65%	1.69%	1.72%	1.71%	1.69%
<b>Quarterly NIM</b>	1.22%	1.22%	1.22%	1.23%	1.26%	1.25%	1.17%	1.13%	1.17%	1.20%	1.20%	1.21%

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

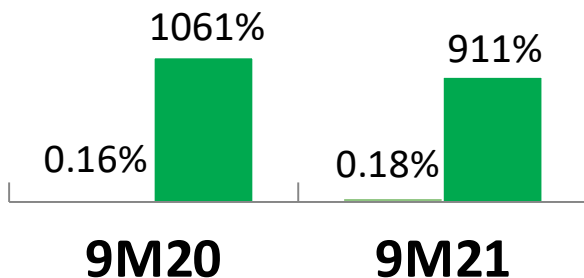
(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

# Cathay United Bank – Credit quality

- Asset quality remained steady with NPL at 0.18% and coverage ratio at 911%.

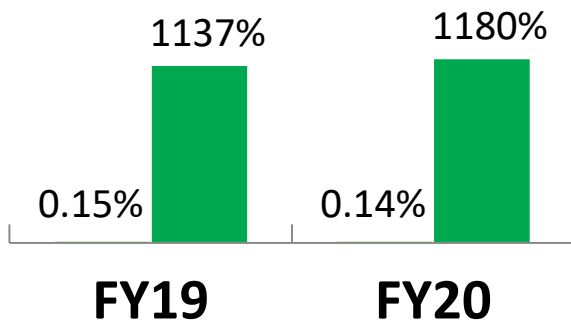
## NPL & Coverage ratio

- NPL ratio
- Coverage ratio



Mortgage NPL

0.13 % 0.09 %

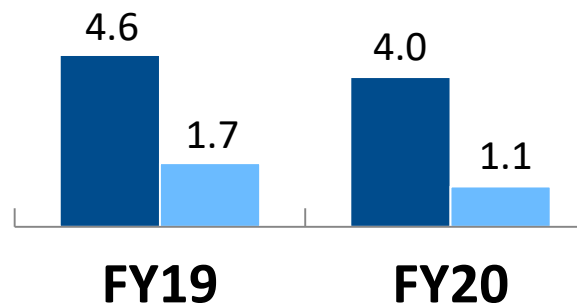
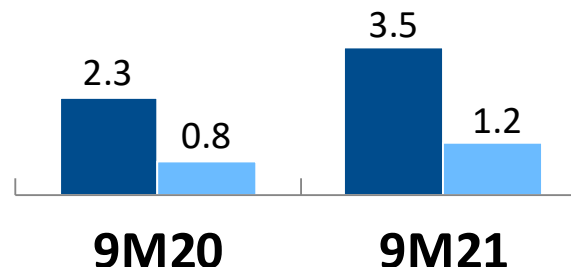


Mortgage NPL

0.21 % 0.11 %

## Gross provision

- Gross provision (NT\$BN)
- Recovery

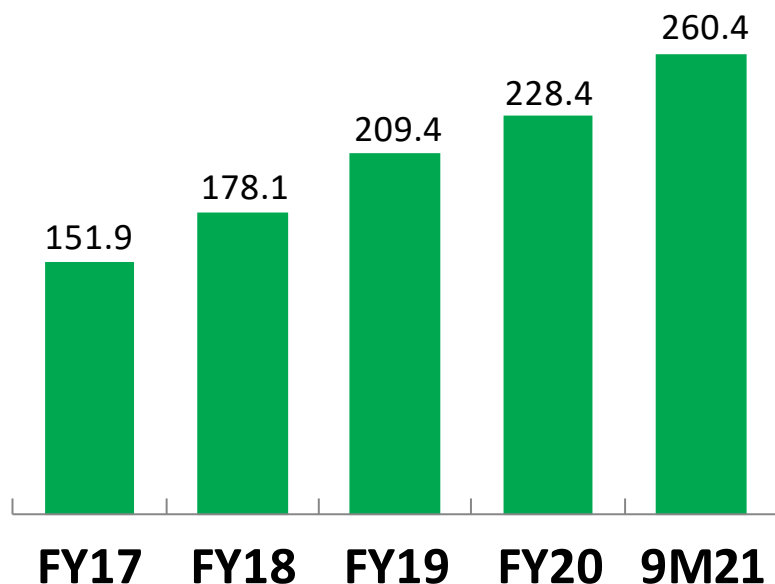


# Cathay United Bank – SME & FX loans

- SME loans rose 14% YTD.
- Foreign currency loans saw slowdown due to overseas pandemic uncertainty.

## SME loans

(NT\$BN)



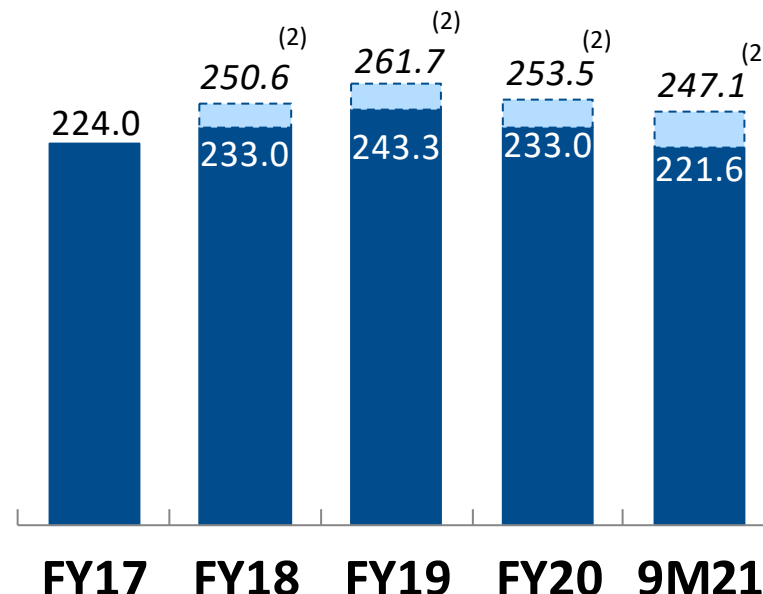
FY17 FY18 FY19 FY20 9M21

As % of total loans

10.7% 11.4% 13.8% 14.1% 14.8%

## Foreign currency loans

(NT\$BN)



FY17 FY18 FY19 FY20 9M21

15.8% 15.0% 16.1% 14.4% 12.6%

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

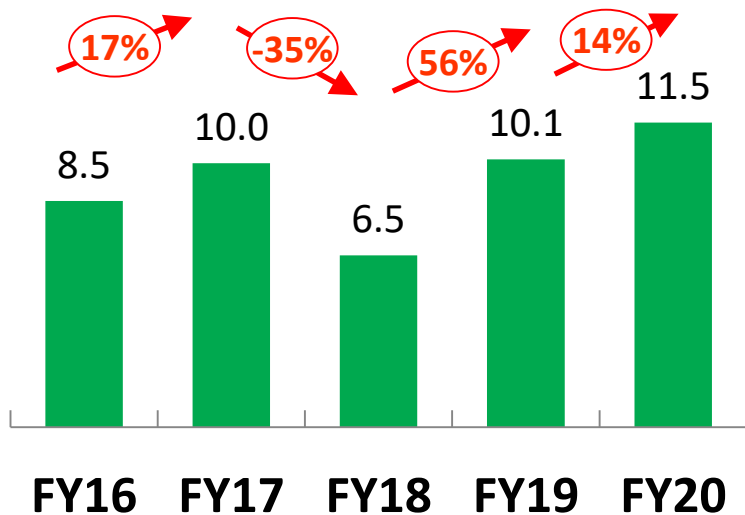
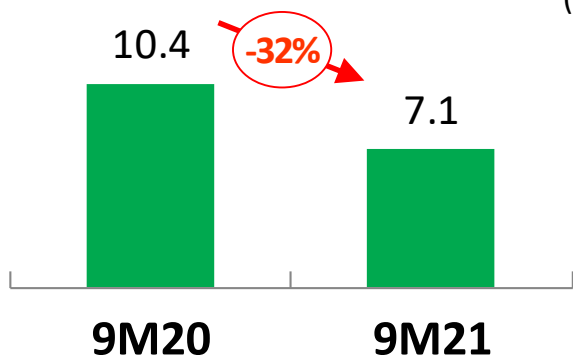
(2) China subsidiary was launched in Sep 2018, hence FY18, FY19, FY20 and 9M21 foreign currency loan balance excluded NT\$17.6bn , NT\$18.4bn , NT\$20.5bn and NT\$25.5bn from China subsidiary, respectively. (preliminary)

# Cathay United Bank – Offshore earnings

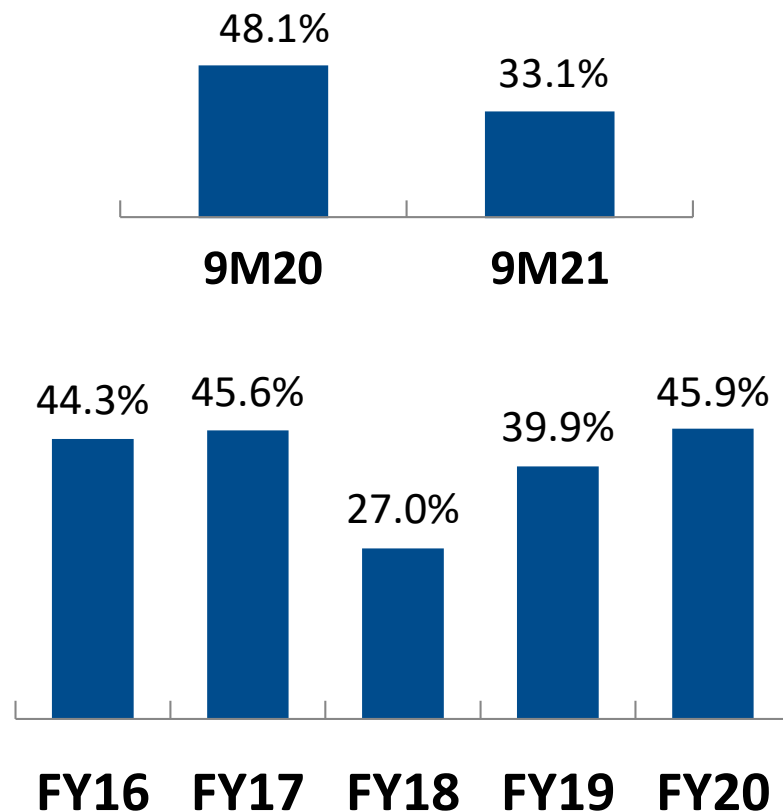
- Offshore earnings declined mainly due to higher 9M20 base period from investment gains.

## Offshore earnings

(NT\$BN)



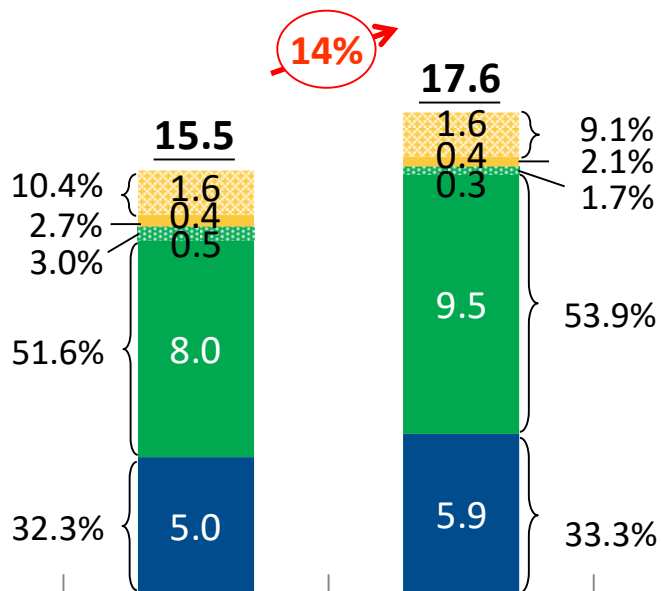
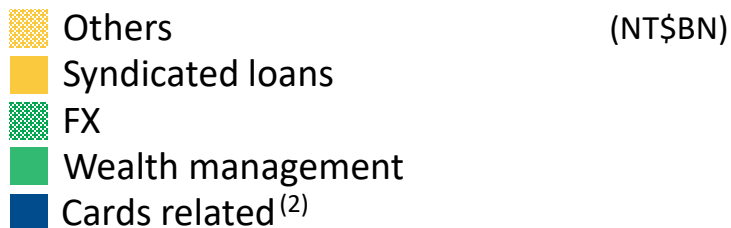
## As % of CUB pre-tax profits



# Cathay United Bank – Fee income

Fee income showed YoY growth, driven by continued wealth management fee growth.

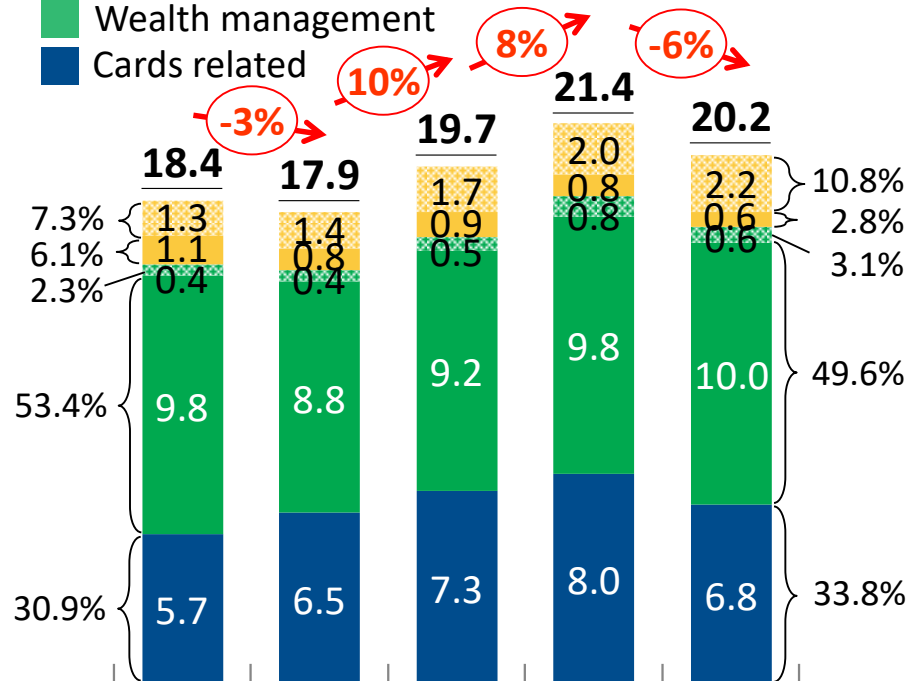
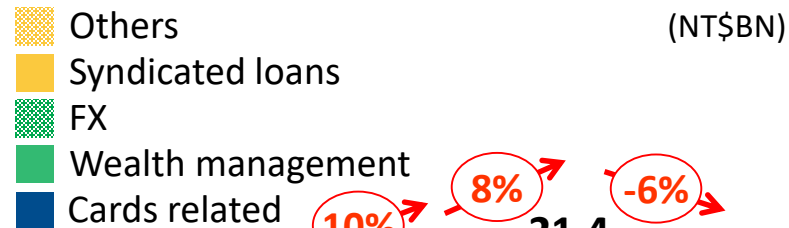
## Quarterly fee income



9M20

9M21

## Annual fee income



FY16 FY17 FY18 FY19 FY20

Note : (1) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

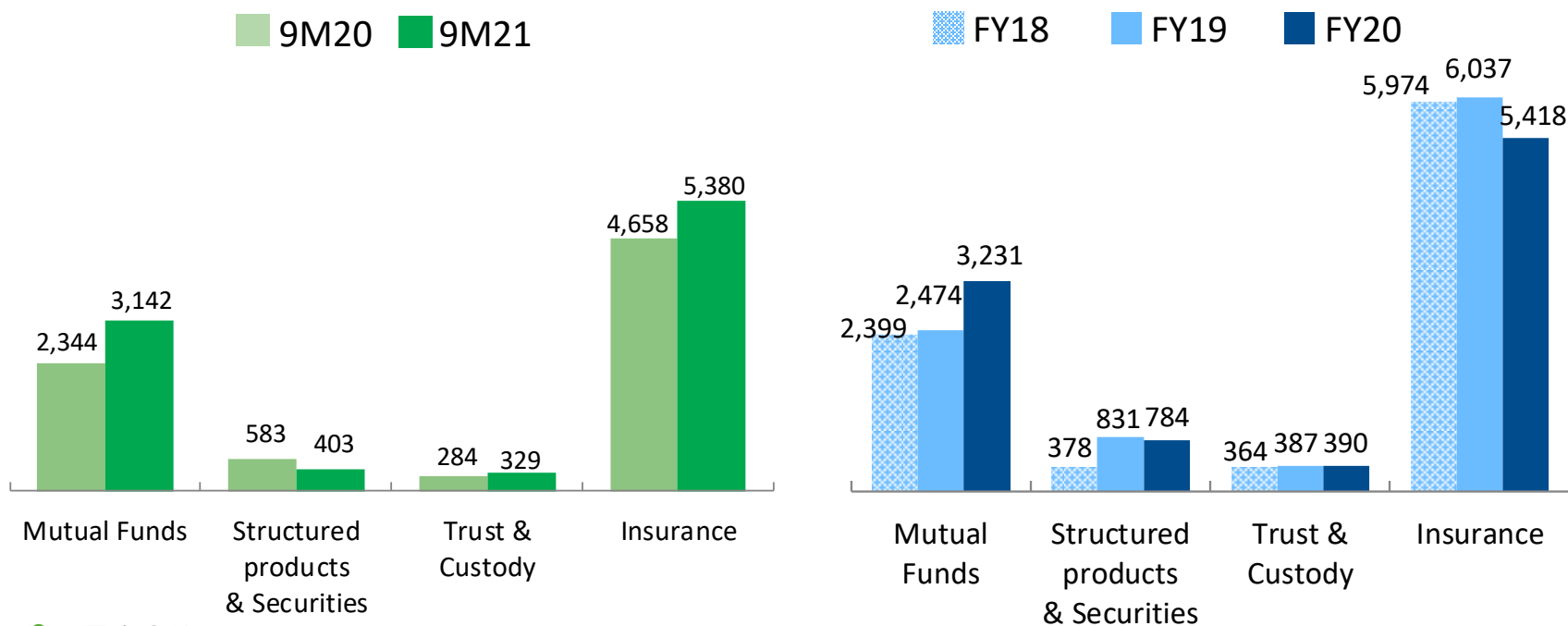
(2) 9M21 credit card fee income and expenses each increased NT\$1bn, applying NCCC accounting treatment change from Mar 2021. 9M20 and 9M21 net credit card fee income were NT\$3.0bn and NT\$3.1bn, respectively.

# Cathay United Bank – Wealth management fee

- Wealth management fee increased 19% YoY, driven by continued solid influx of mutual funds and strong sales of investment-linked products.

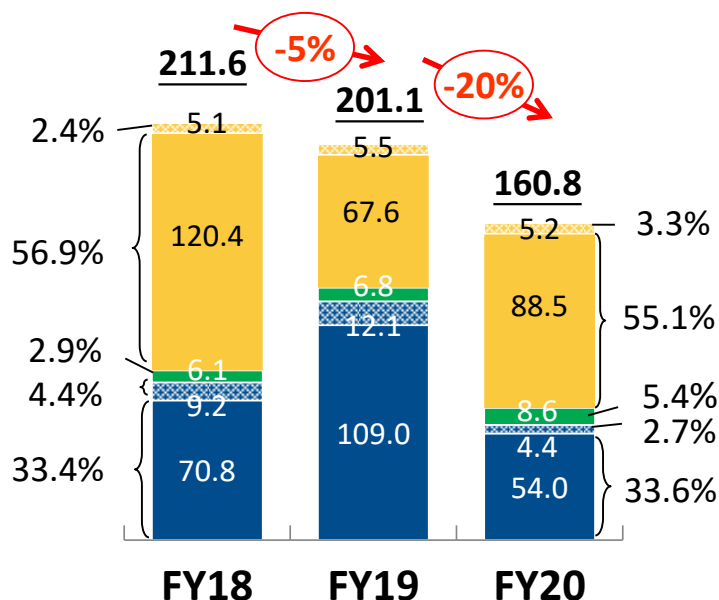
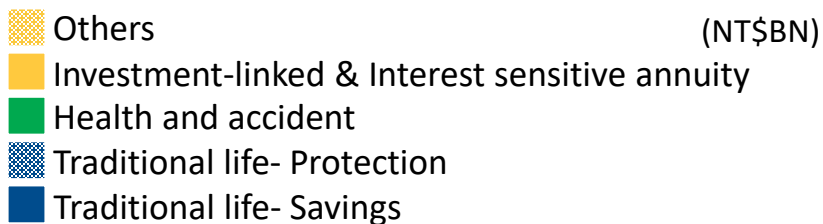
## Wealth management fee breakdown

(NT\$MN)	9M20	9M21	FY18	FY19	FY20
Wealth management fee income	7,976	9,492	9,183	9,808	9,991
YoY growth (%)	2.8%	19.0%	3.9%	6.8%	1.9%



# Cathay Life – Annual FYP & APE

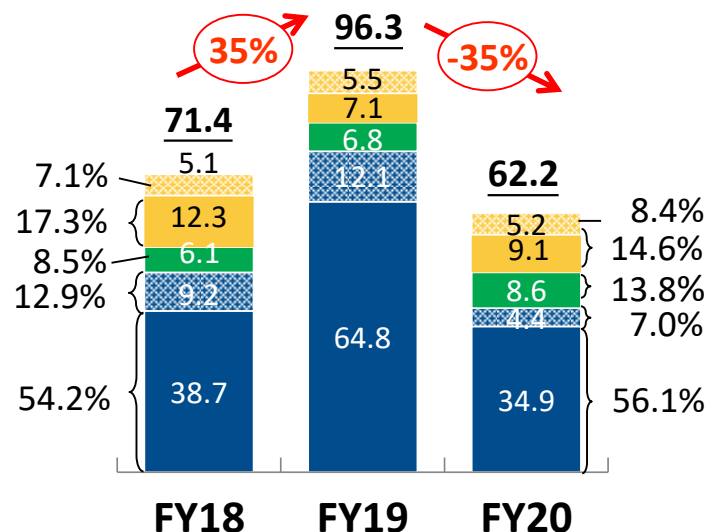
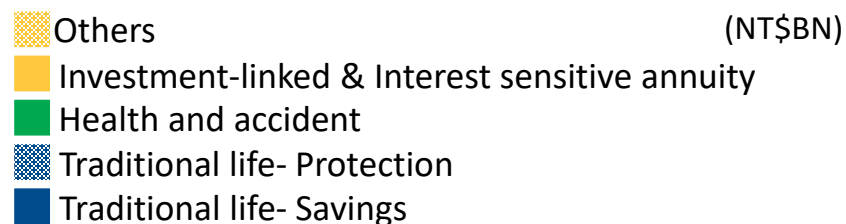
## First Year Premium



FX policies %  
(excl. investment-linked)



## Annualized FYP (APE)



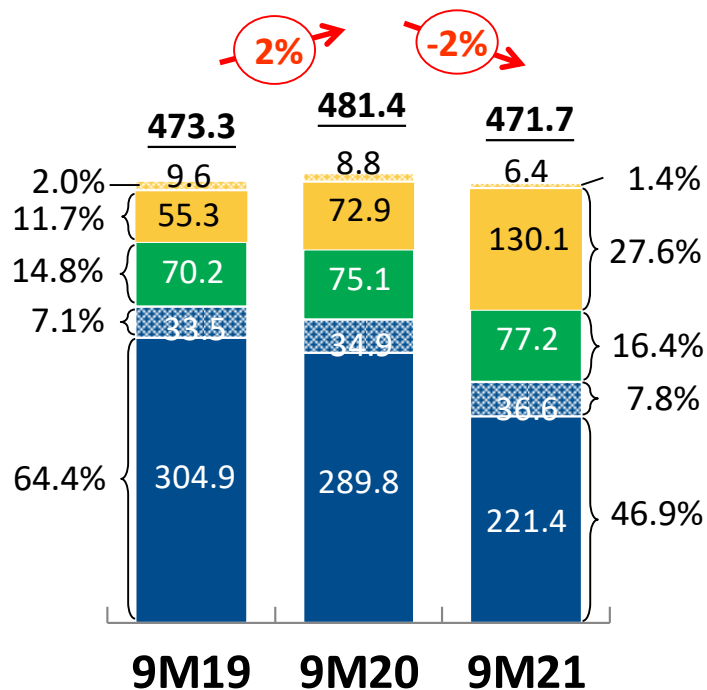
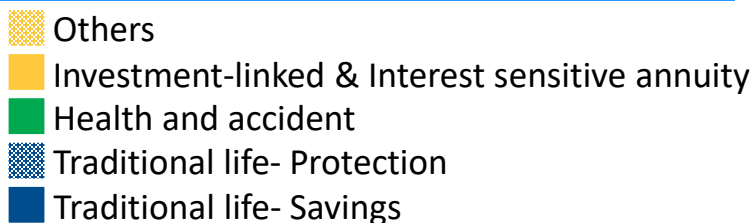
Note: (1) Protection type policies includes "Traditional life-Protection" and "Health and accident"

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

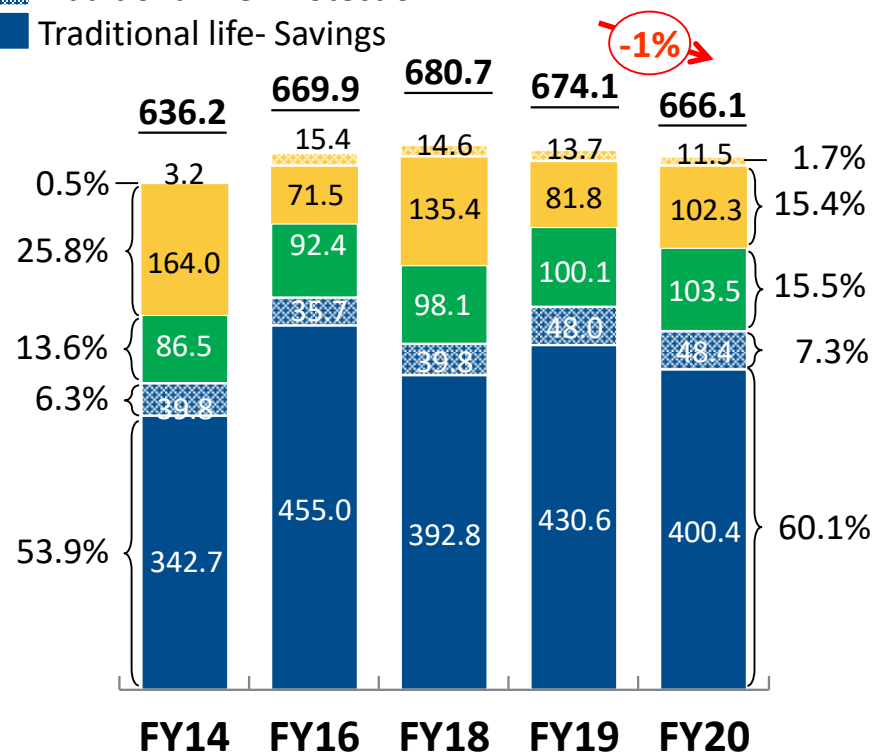
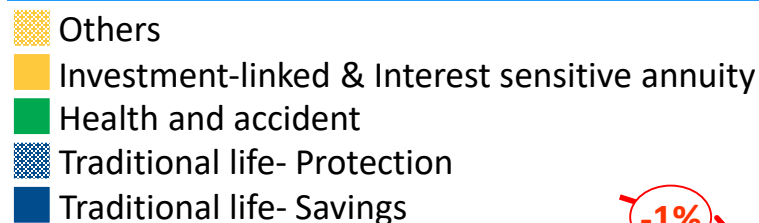
# Cathay Life – Total premium

- Total premium declined YoY due to lower renewal premium, reflecting the end of regular premium payment terms for certain top-selling products.

## Quarterly total premium



## Annual total premium

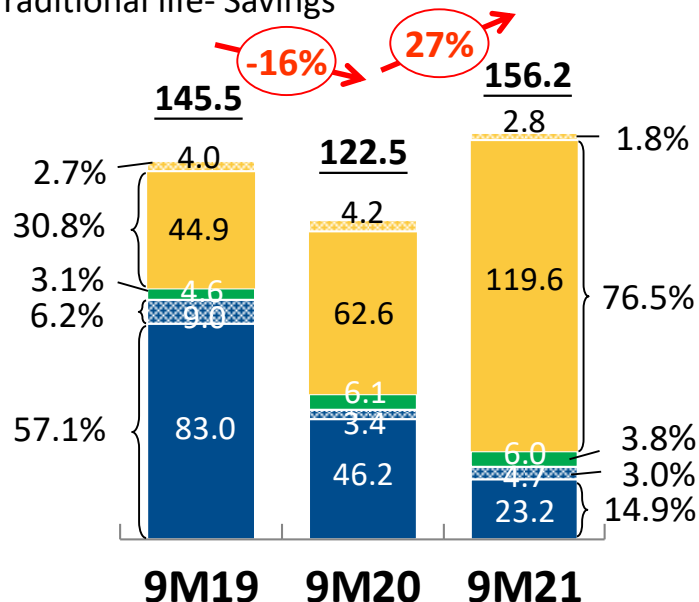
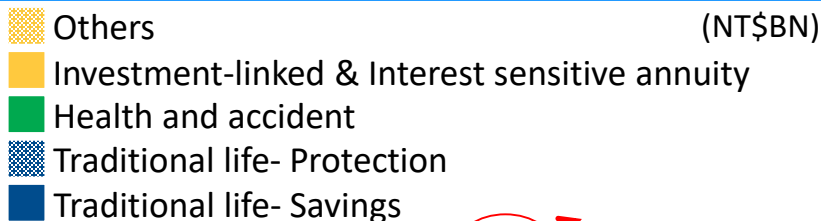




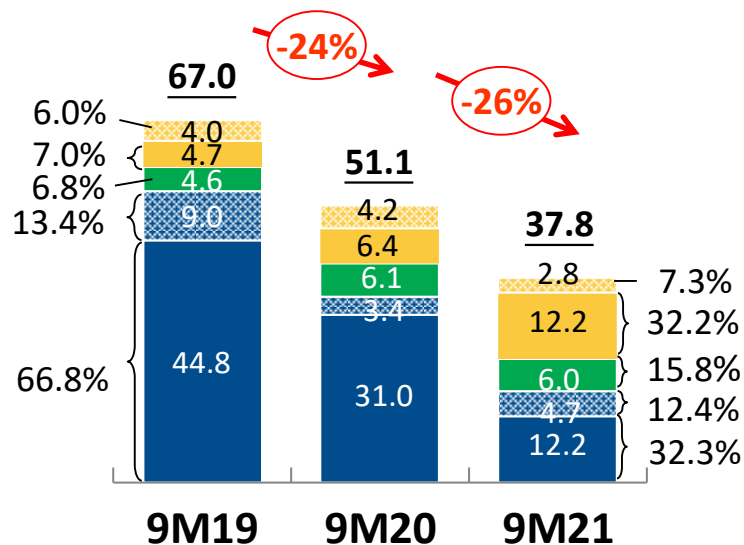
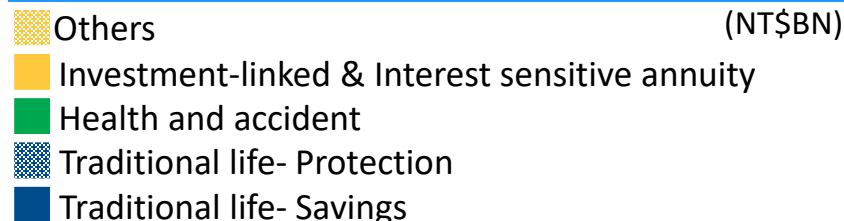
# Cathay Life – Quarterly FYP & APE

- Substantial growth in investment-linked products (ILPs) led to 27% YoY growth in FYP.
- FYP of protection-type policies grew 12% YoY, supporting the contractual service margin (CSM).
- APE declined YoY, reflecting dominance of single-payment ILPs in FYP.

## First Year Premium



## Annualized FYP (APE)



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

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

# Cathay Life –Value of new business

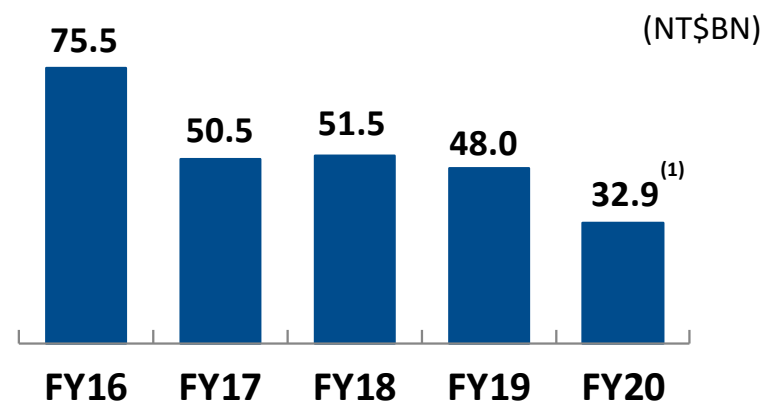
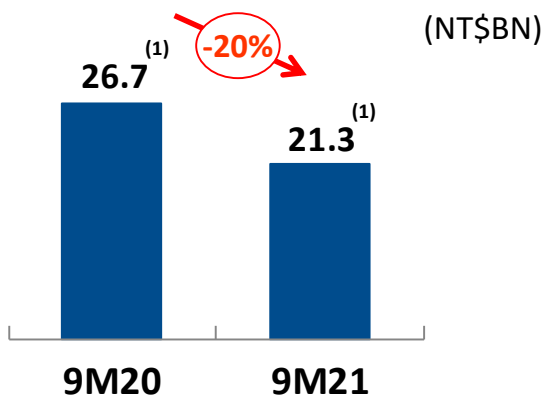
- VNB declined YoY due to high 1Q20 base driven by deferred premium income from stop-selling effect, and lower sales volume in mid-2021 amid local Covid-19 outbreak.
- Continued to grow high-CSM protection-type products. VNB margin increased to 48 % if excl. single-paid ILPs.

## Value for New Business

Profit Margin	9M20 <sup>(1)</sup>	9M21 <sup>(1)</sup>
VNB/FYP	22%	14%
VNB/FYP (excl. Investment-linked (non-VUL))	41%	48%
VNB/APE	52%	56%

## Value for New Business (annual)

Profit Margin	FY16	FY17	FY18	FY19	FY20 <sup>(2)</sup>	FY20 <sup>(1)</sup>
VNB/FYP	38%	22%	24%	24%	20%	20%
VNB/APE	56%	64%	72%	50%	51%	53%



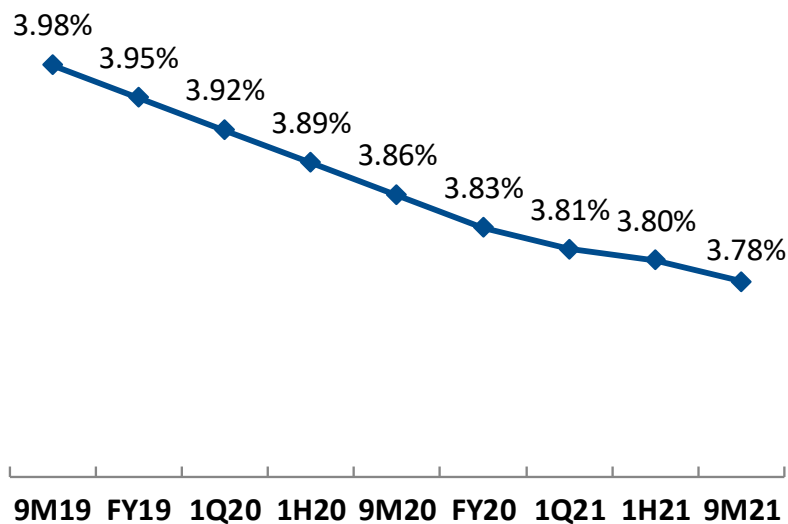
Note : (1) 9M20, FY20 and 9M21 VNB were based on 2020 Embedded Value assumptions.

(2) Based on 2019 Embedded Value assumptions, 9M20 & FY20 VNB were NT\$25.7bn and NT\$31.8bn ; VNB/FYP were 21% and 20% , VNB/APE were 50% and 51%, respectively.

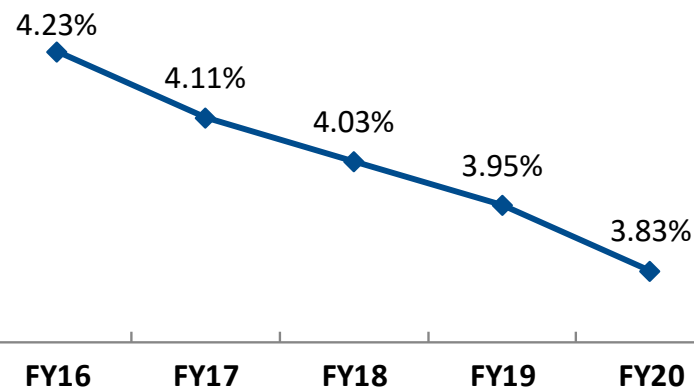
# Cathay Life – Cost of liability and break-even asset yield

- Continued to strengthen value-driven strategy.
- Cost of liability and break-even asset yield continued to improve.

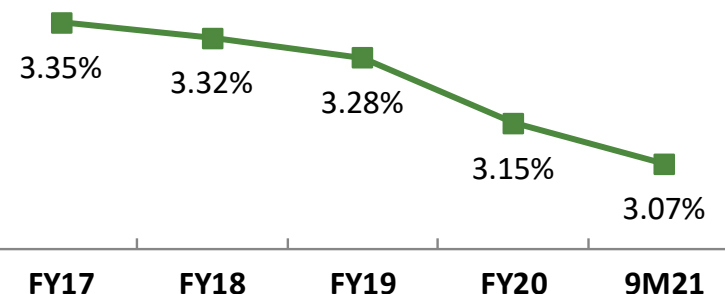
## Cost of liability (quarterly)



## Cost of liability (annual)



## Break-even asset yield



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

# Cathay Life – Investment portfolio

(NT\$BN)	FY18	FY19	FY20			9M21		
<b>Total investments<sup>(1)</sup></b>	<b>5,761.0</b>	<b>6,415.0</b>	<b>6,945.1</b>			<b>7,119.3</b>		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	1.1%	3.7%	4.8%	335	0.4%	4.2%	297	0.2%
Equity- Domestic	7.5%	5.0%	6.3%	438	13.5%	6.8%	486	24.5%
Equity- International <sup>(2)</sup>	6.7%	5.8%	5.9%	407	5.5%	6.1%	438	12.7%
Bond- Domestic	5.0%	7.9%	8.0%	553	4.6%	7.5%	531	1.4%
Bond- International <sup>(1)(2)</sup>	58.6%	58.9%	58.0%	4,028	5.5%	58.8%	4,188	5.6%
Mortgage & Secured loans	7.1%	5.3%	4.5%	311	1.7%	4.3%	305	1.4%
Policy loans	3.0%	2.7%	2.4%	167	5.6%	2.4%	169	5.4%
Real estate	8.7%	8.2%	7.7%	537	2.9%	7.7%	547	2.5%
Others	2.4%	2.6%	2.4%	168		2.2%	158	

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

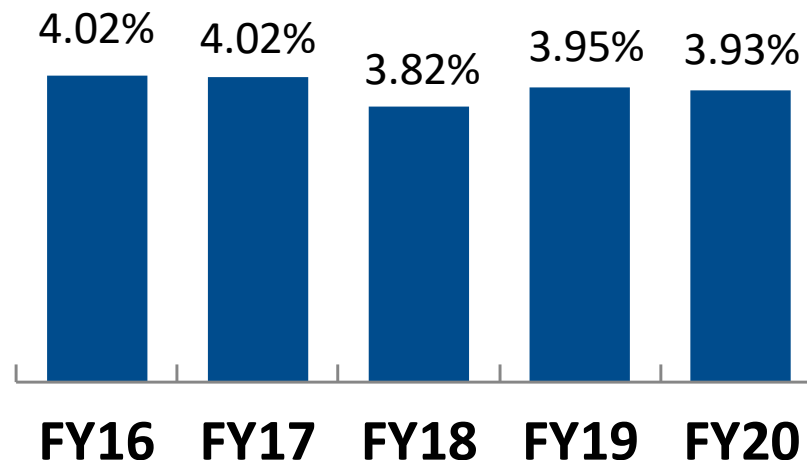
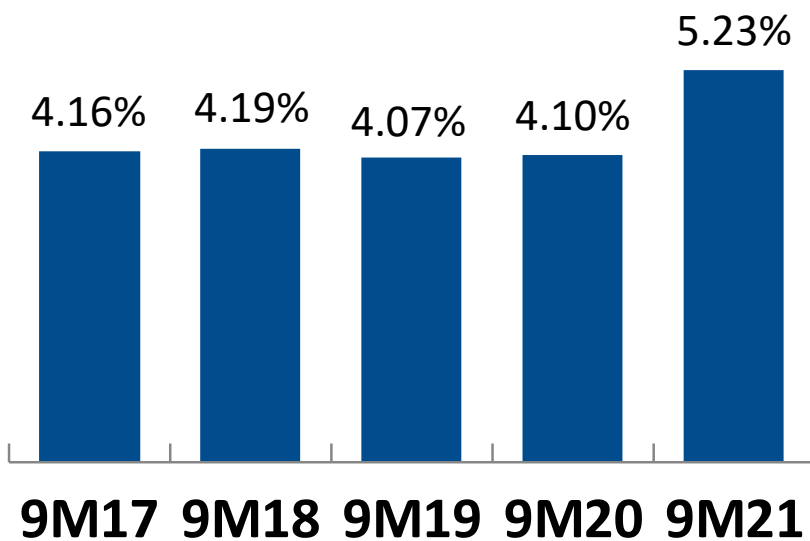
(2) Yields of international equity and international bond are pre-hedge investment yields.

# Cathay Life – Investment performance highlights

- Strong gains from equity and fixed income positions boosted after-hedging investment yield.

## After-hedging investment yield

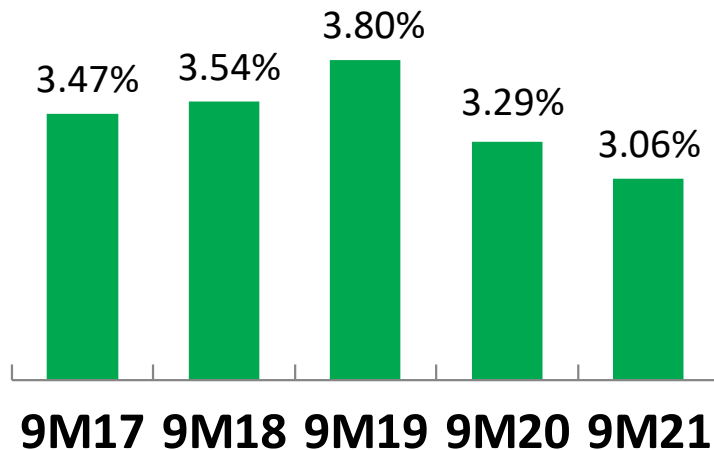
## After-hedging investment yield



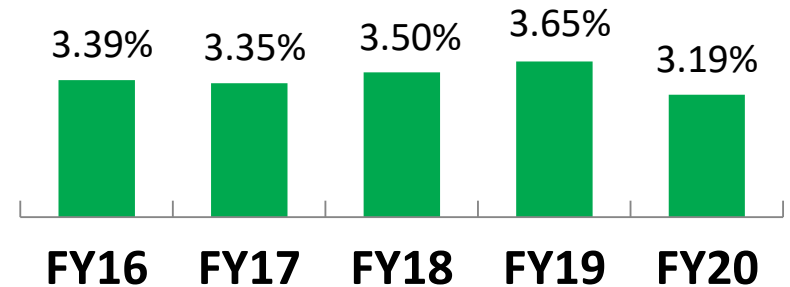
# Cathay Life – Investment performance highlight

- Lower global interest rates in 2020 led to reduction in 9M21 pre-hedging recurring yield. Higher new money yield in 9M21 supported efforts to increase recurring income.
- Hedging costs improved given lower costs of traditional hedging tools and dynamic FX risk management.

## Pre-hedging recurring yield

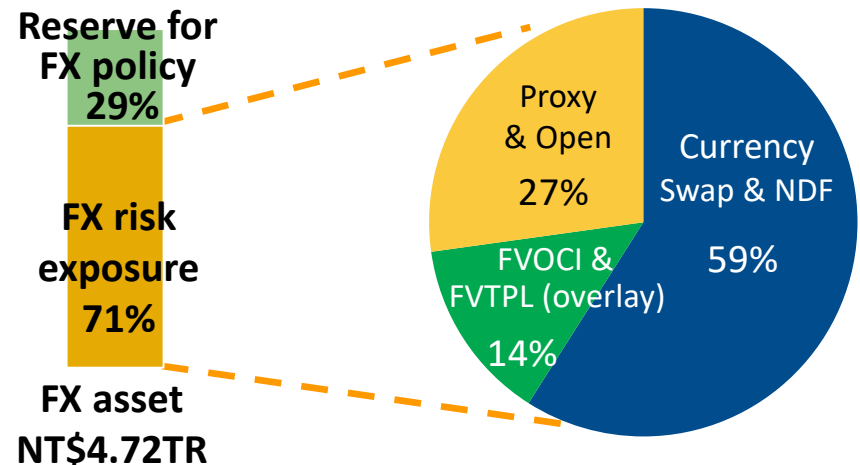


## Pre-hedging recurring yield



## Currency hedging structure

**9M21 Hedging cost 1.26%**



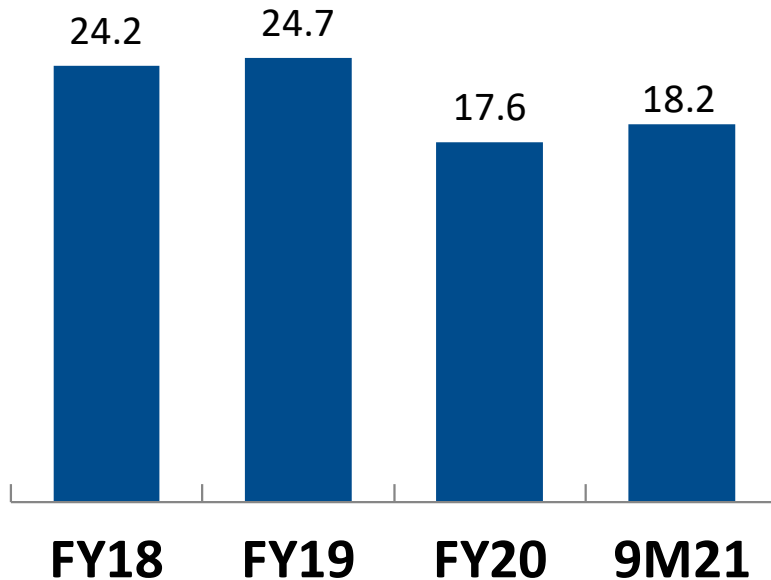
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

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

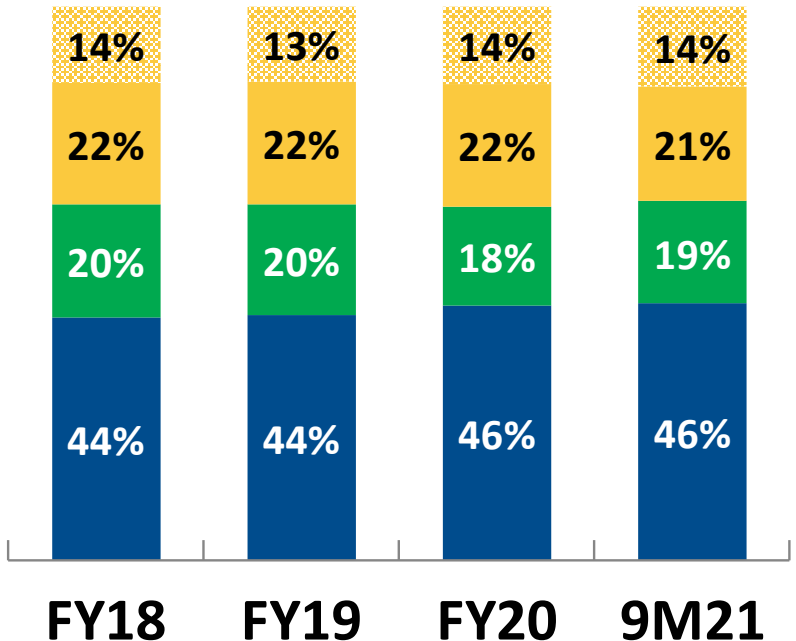
- 9M21 cash dividend income was NT\$ 18.2bn, surpassing 2020 full-year dividend income.

## Cash dividend income

(NT\$BN)



## Overseas fixed income by region



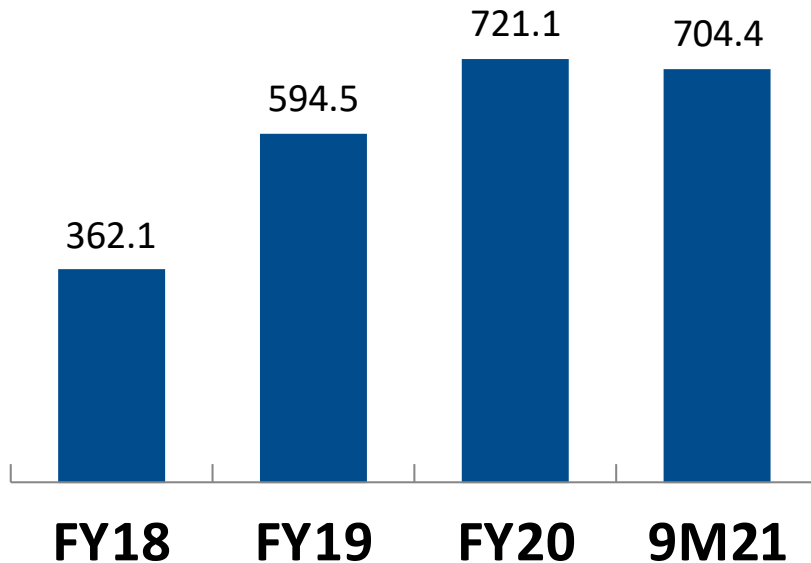
Note: Exclude overseas deposit.

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

- Book value was supported by strong realized gains, but was partially offset by lower unrealized gains from fixed income, reflecting YTD U.S. bond yield rebound.

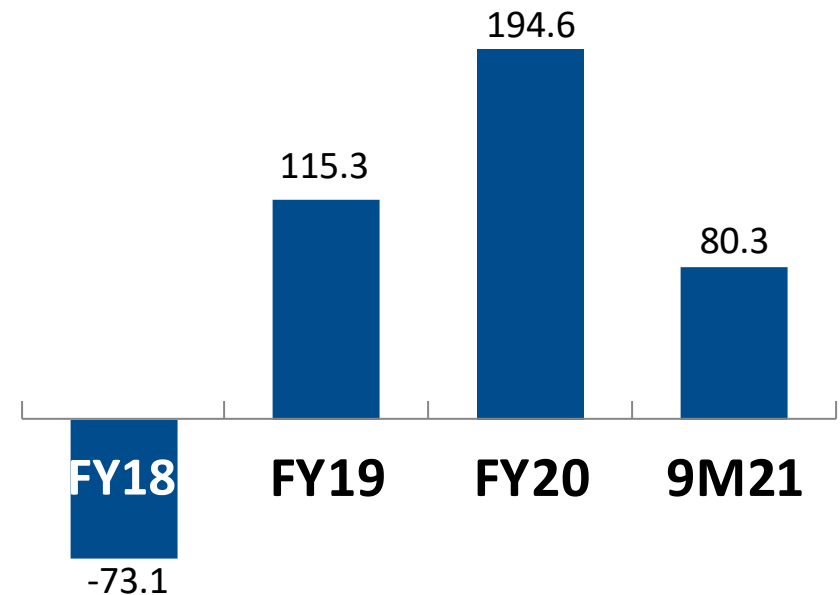
## Book value

(NT\$BN)



## Unrealized G/L of financial assets

(NT\$BN)

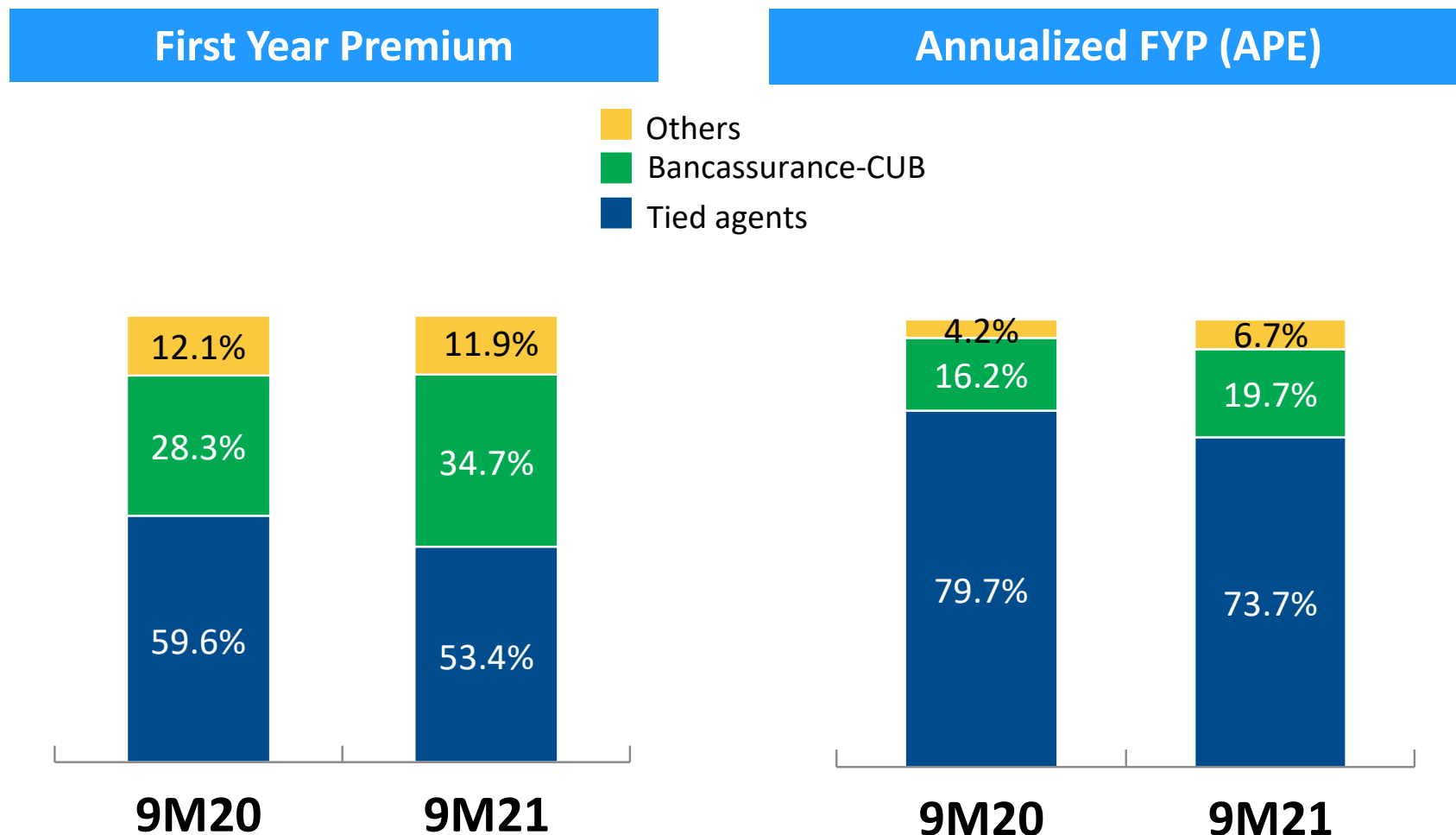


Note: FVOCI & FVTPL (overlay approach)



# Cathay Life – Distribution channels

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



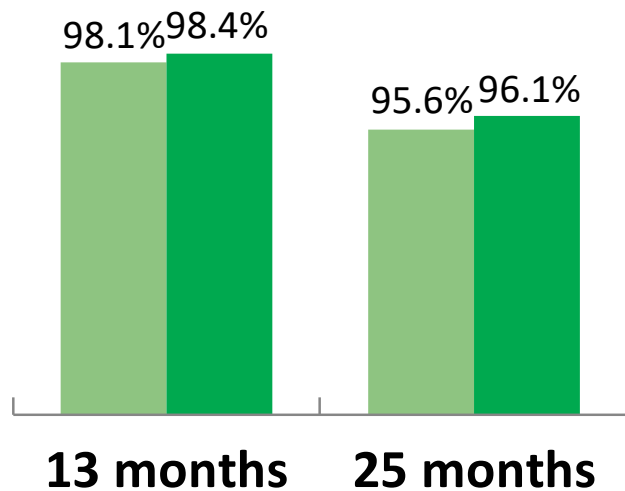
# Cathay Life – Operational indicators

- Total expenses remained steady YoY while total premium declined, resulting in a higher expense ratio.

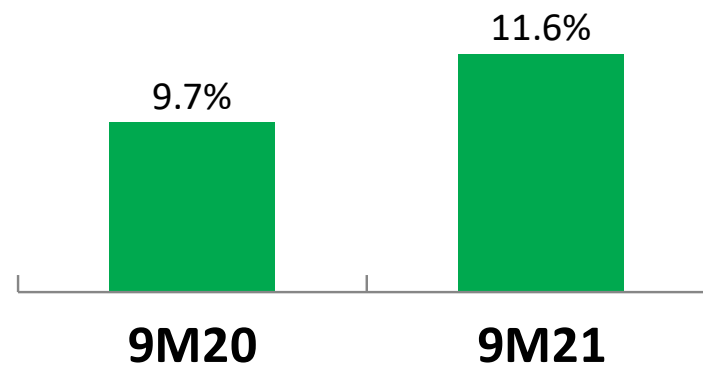
## Persistency ratio

■ 9M20

■ 9M21



## Expense ratio



# Agenda

---

- Introduction of Cathay FHC
- 9M21 Business Overview
- Overseas Expansion
- Business Performance Summary

Cathay United Bank

Cathay Life

Cathay Century

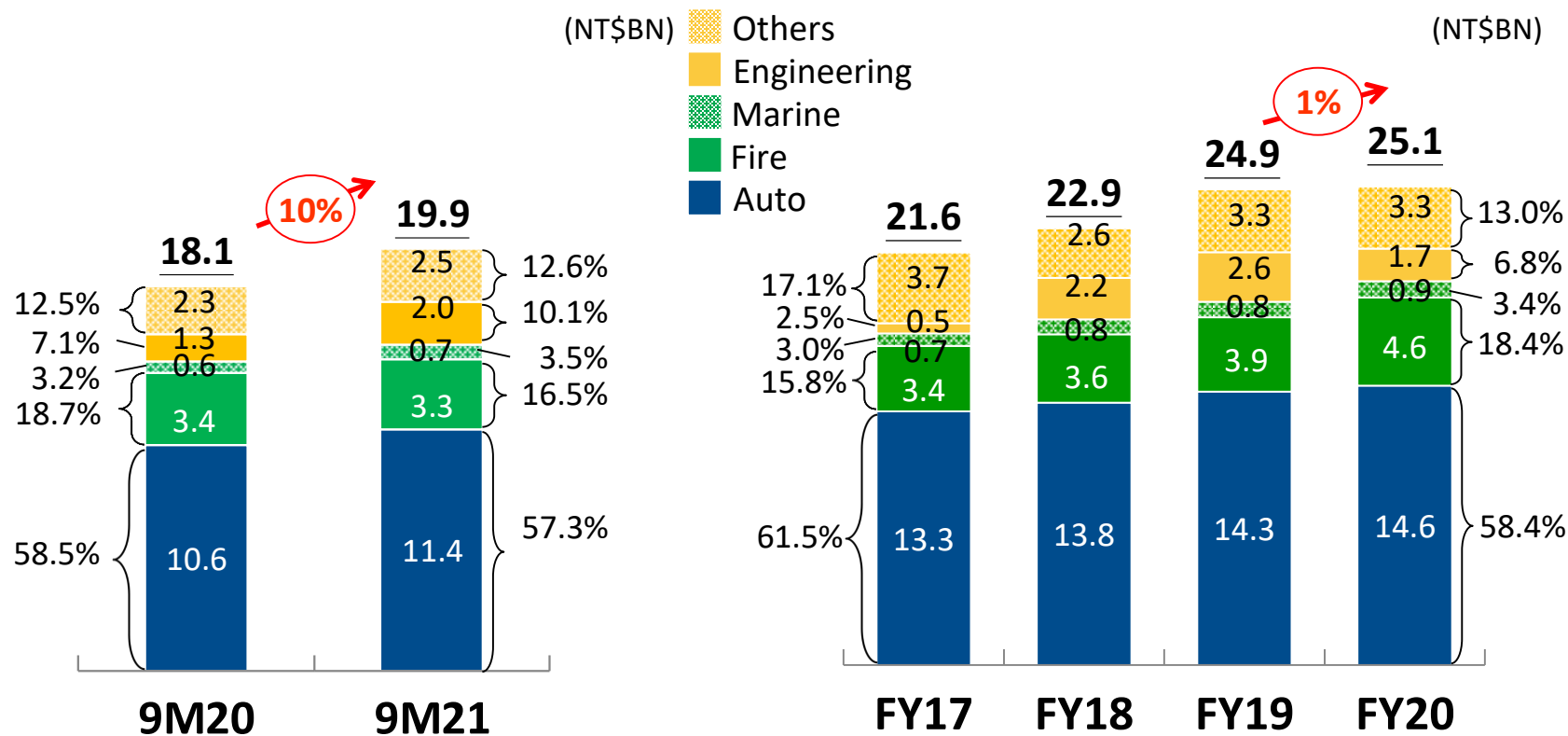
- Cathay's CSR Efforts
- Appendix

# Cathay Century – Premium income

□ Premium income grew steadily. Market share was 11.9%, ranking No. 2 in the industry.

## Premium income

## Premium income (annual)



Market share	11.8%	11.9%	13.1%	13.0%	13.1%	12.3%
Retention	76.8%	74.7%	76.2%	77.1%	77.7%	76.4%

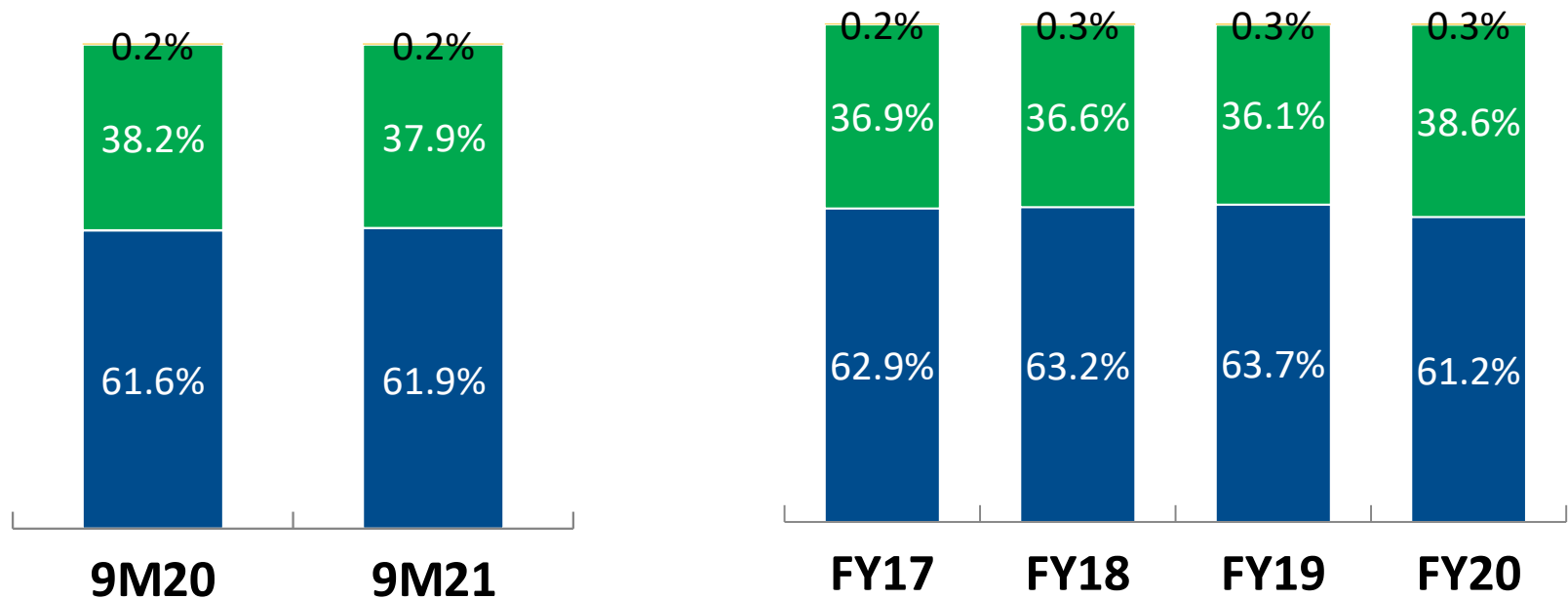
# Cathay Century – Distribution channel

- Benefiting from cross-selling synergy, over 60% of premium income was generated by the group channel.

## Distribution channel

## Distribution channel (annual)

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

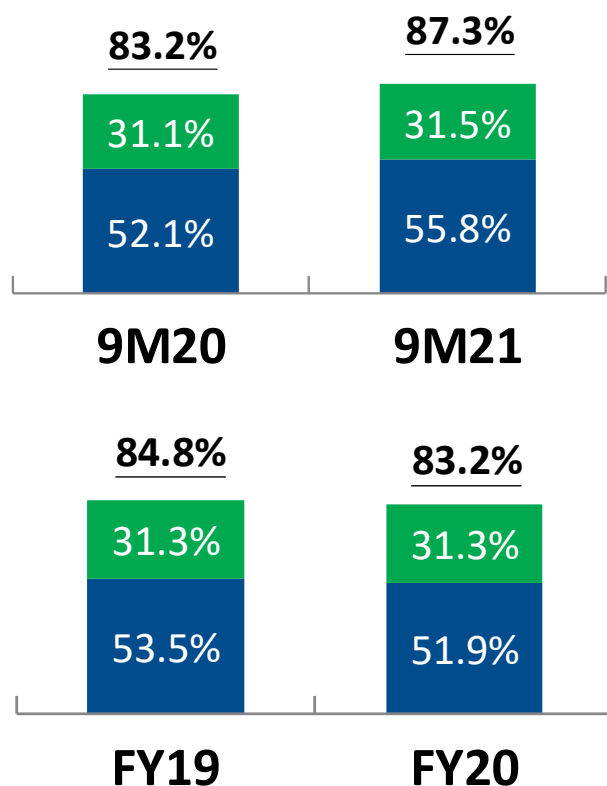


# Cathay Century – Combined ratio

- Gross combined ratio increased due to relatively large claim events from commercial fire insurance. However, retained combined ratio improved through adequate reinsurance arrangement.

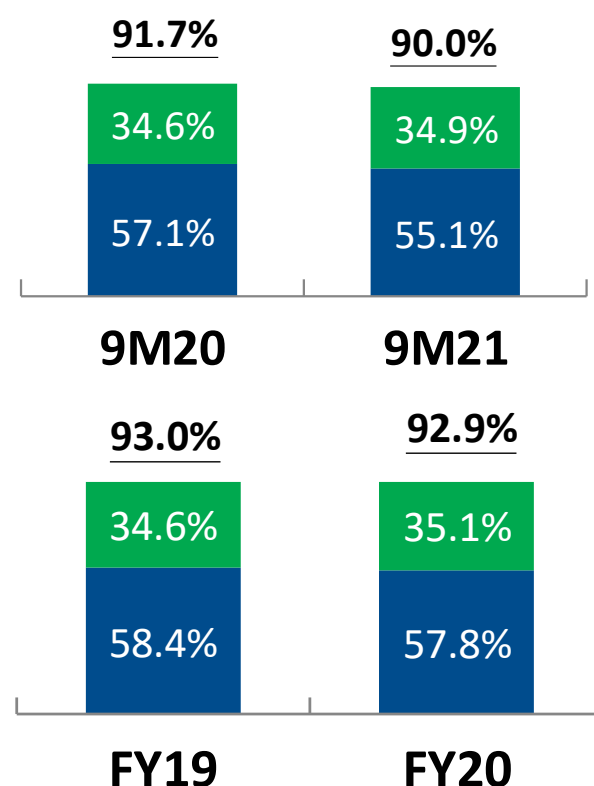
## Gross combined ratio

- Gross expense ratio
- Gross loss ratio



## Retained combined ratio

- Retained expense ratio
- Retained loss ratio



# Agenda

---

- Introduction of Cathay FHC
- 9M21 Business Overview
- Overseas Expansion
- Business Performance Summary
  - Cathay United Bank
  - Cathay Life
  - Cathay Century
- **Cathay's CSR Efforts**
- Appendix

# Renowned corporate sustainability performance

## Recognized by local regulatory authorities

### Top-20% Corporate Governance

Over 1,000 listed companies

TWSE Corporate Governance Evaluation



FTSE4Good  
TIP Taiwan ESG Index

Included in  
**FTSE4Good TIP Taiwan ESG Index**  
since 2017

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

## Recognized by ESG ratings agencies

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA

Included in  
**DJSI World & DJSI EM**



FTSE4Good

## Recognized by Media



Top-10 World Corporate Citizen  
for **8** consecutive years,  
**Top-4** in 2020



Global Views

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

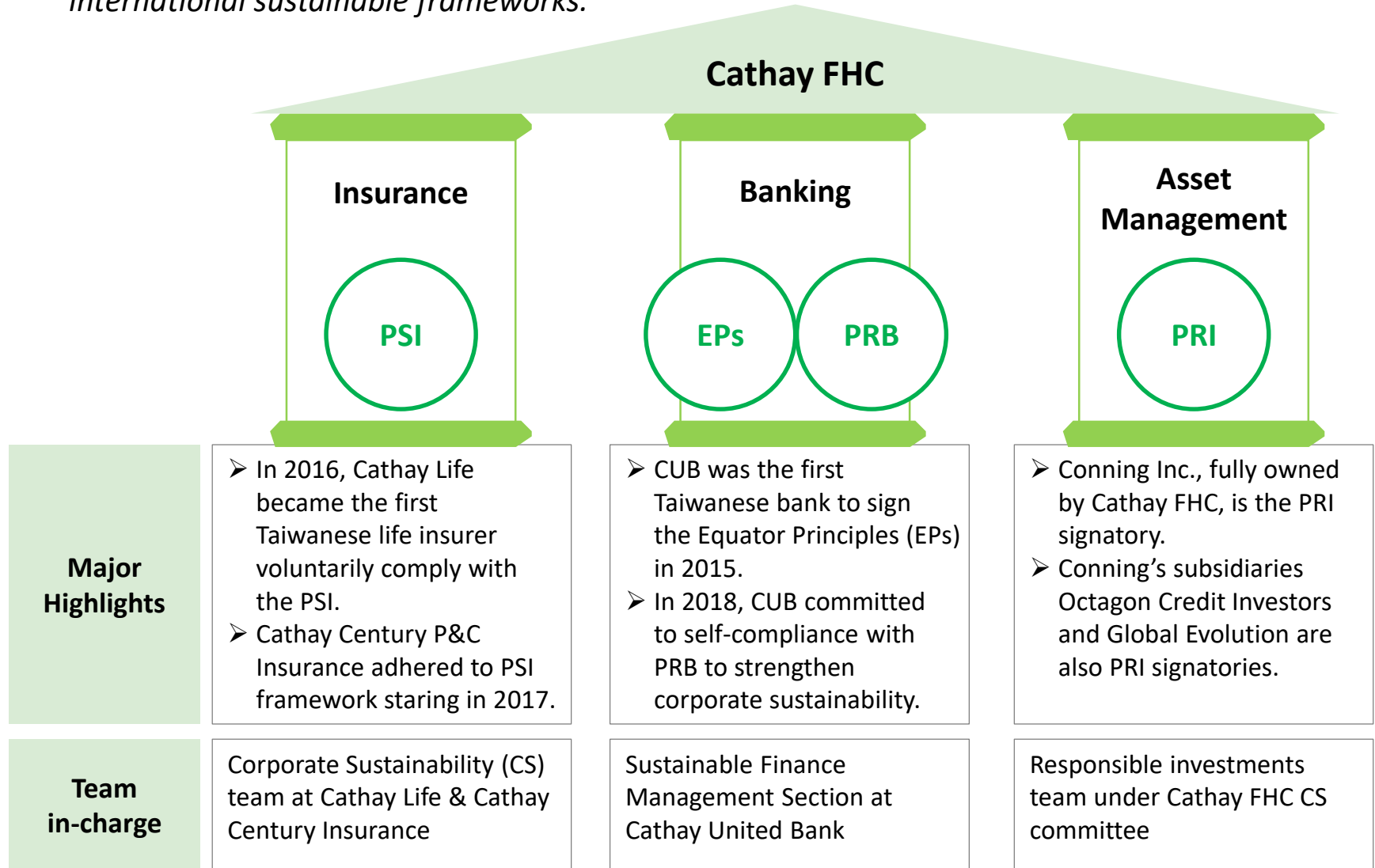


2020 Taiwan Corporate  
Sustainability Awards



# Integrating sustainability into our business

- *Cathay integrates sustainability into major three business groups in accordance with the international sustainable frameworks.*



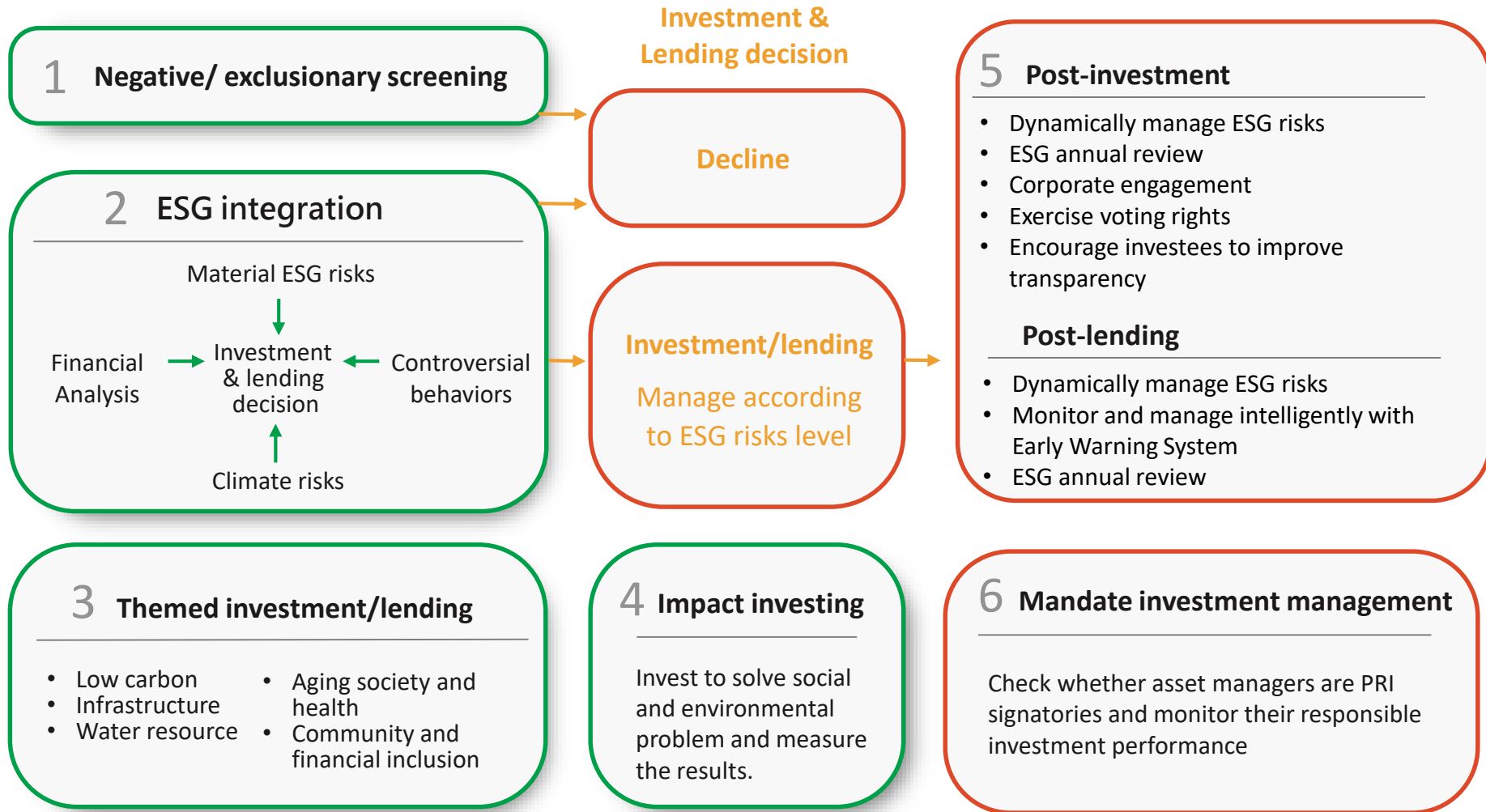
# Integrating ESG issues into all business processes

Business Processes	Risk Management	Products & Services	Operation	After-Sales Management	Investment
<p><b>Integrating ESG into Business Process</b></p>	<ul style="list-style-type: none"> <li>• Consider ESG emerging risks</li> <li>• Better manage climate risks and opportunities by following TCFD framework</li> <li>• Set investment/ lending limits and establish management procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Fintech and one-stop service</li> <li>• Strengthen green finance and inclusive finance services</li> <li>• Integrate ESG issues into underwriting and lending processes</li> </ul>	<ul style="list-style-type: none"> <li>• Paperless operations and Fintech</li> <li>• GHG inventory and carbon emission reduction</li> <li>• Water and waste control</li> </ul>	<ul style="list-style-type: none"> <li>• Review the product details and offer flexibility to customers following significant ESG incidents</li> <li>• Trigger critical disaster claims mechanism following significant ESG incidents</li> <li>• Disclose EPs projects</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion policy</li> <li>• ESG integration</li> <li>• Sustainability-themed investing</li> <li>• Corporate engagement and shareholders activism</li> <li>• Investment mandate management</li> </ul>

# Integrating ESG into responsible investment and lending

## Investment/ Lending Process

## Engagements after Investment/ Lending

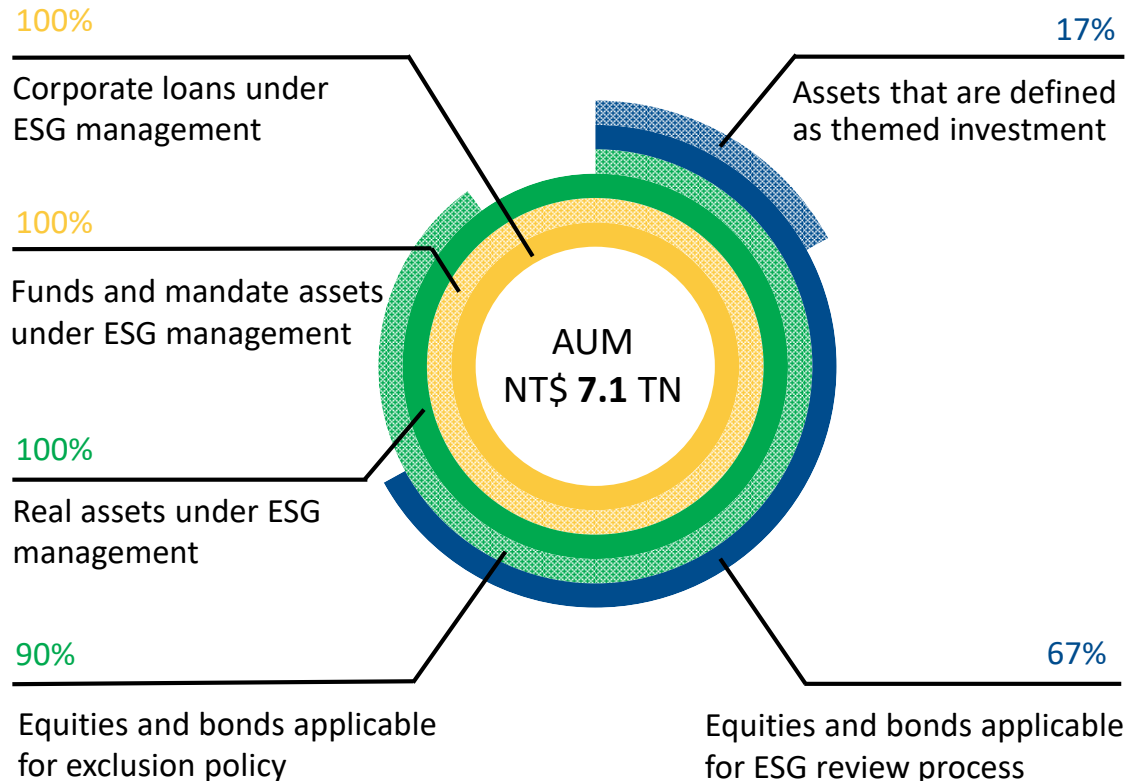


# Implementing responsible investment across multiple asset classes

## Responsible investment/lending policies

- Responsible Investment and Lending Policy
- Investment and Lending Exclusion Policy
- Stewardship Policy
- Engagement Policy
- Voting Policy
- Rules Governing Project Finance and Equator Principles
- Responsible Property Investment and Management Policy
- Risk Management Policy

## NT\$7.1 TN assets under responsible investment and lending



# Actively participating in Global ESG initiatives

## Asia Investor Group on Climate Change (AIGCC)

Cathay FHC joined AIGCC in 2016 and **participates in monthly conference calls on global trends in climate change.**

Sophia Cheng, CIO of Cathay FHC, was appointed as the chair of AIGCC in November 2018.



## Low Carbon Investment Registry

Cathay FHC is the only Taiwan financial institution to join the Low Carbon Investment Registry, initiated by GIC in 2014.

**Total low carbon investment registered in 2020 reached US\$ 7.12 billion.**



## Climate governance initiatives

Cathay FHC has been a signatory of “Global Investor Statement to Governments on Climate Change” since 2014, urging governments of the G7 and G20 nations to fulfill their commitments to Paris Agreement.

Signed “The Investor Agenda” in 2018 to support low carbon investment, corporate engagement, TCFD climate disclosures, and policy advocacy.

**Supported TCFD initiative since 2018,** actively managing climate-related risks.



# Engaging with investee companies on ESG improvement

## Engagement policies and strategies

Cathay defined “**climate change**” and “**ESG**” as the main engagement strategy.

Aimed to strengthen Taiwan corporates’ awareness and capability in response to climate risks and opportunities.

Urged Taiwan corporates to enhance ESG disclosures in line with global standards.

**ESG**  
**Improvement**

## Investee engagement

More than 500 signatories with AUM over USD 47 trillion have joined Climate Action 100+ to engage 167 systemically important emitters and encourage them to curb emissions, improve governance and strengthen climate-related financial disclosures. **Cathay Life and Cathay SITE are only two signatories in Taiwan.**

**Cathay has been in constant engagement with Taiwanese companies.**



## CDP non-disclosure campaign

Cathay is the only financial institution in Taiwan that has **participated in the CDP Non-Discloser Campaign for 4 consecutive years, encouraging Cathay’s investee companies to respond to CDP questionnaires.**

Cathay has successfully engaged 25 companies since 2017 ; 65% of these companies improved their CDP scores in the following year.



# Hastening positive environmental change with solar & wind power loans

## Wind Power



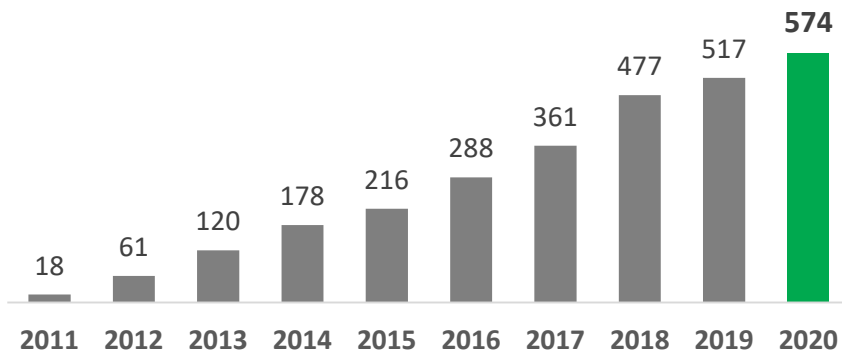
## Green Insurance



## Solar Power



Total capacity of loan-financed solar power stations installed in Taiwan and overseas (MW)



## Environmental Impact



Total capacity of financed solar power stations and wind turbines as of the end of 2020

**1,342MW**



Expected CO2 emissions reduction per years

**1.6 million metric tons**



Carbon emissions reduced by solar power devices and offshore wind turbines in 2020 measured as equivalent Da'an Forest Park annual carbon absorption

**4,366 Da'an Forest Parks**



Cumulative insured amount for hydroelectric power plants, solar power plants, and offshore wind farm construction and equipment

**NT\$117.2 billion**



Green vehicles insured as of 2020

**14,135 green vehicles**



Public bicycles riders insured as of 2020

**47.6 million bicycle riders**

# Commitment to TCFD implementation

2015/12 Financial Stability Board (FSB) established TCFD.

2017

TCFD released final Recommendations report.

2018

TCFD Garnered support by global companies and investors

2018/06 **Cathay signed TCFD commitment** to disclose climate-related information aligned with TCFD recommendations. Benchmark global best practices on TCFD implementation.

2018/07 **Cathay published CSR report following TCFD recommendations**

2018/12 **Cathay established TCFD task force led by the CRO to manage the impact of climate-related risks on important assets and products.**

2019

2019/07 Cathay was **the first Taiwan financial institution to disclose the carbon footprints of its investment portfolio.**

2019/08 Cathay TCFD task force implemented plans to emphasize comprehensive quantitative analysis and scenario analysis of climate risks, and to incorporate the results of these analysis to improve management processes.

2020

2020/05 Cathay established the three focus areas of "**Climate**, Health, and Empowerment" for the development of its sustainability strategy.

2020/11 Incorporated ESG (including climate change) risks into the Risk Management Policy

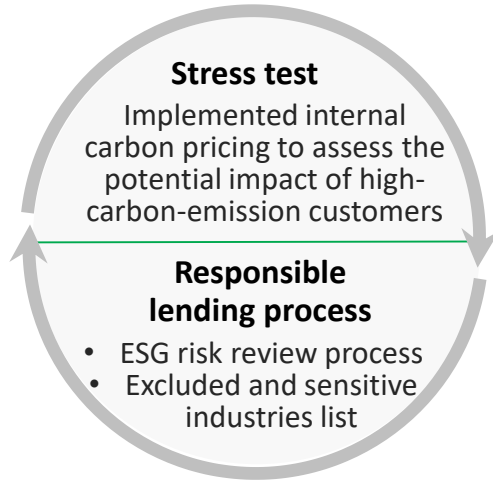
How companies can engage in TCFD initiative:

1. Agree to the terms of the TCFD commitment.
2. Sign the commitment.
3. Report climate-related financial information following TCFD recommendations as fully as practicable within 3 years.
4. Utilize the CDSB Framework or other applicable reporting frameworks for disclosure.

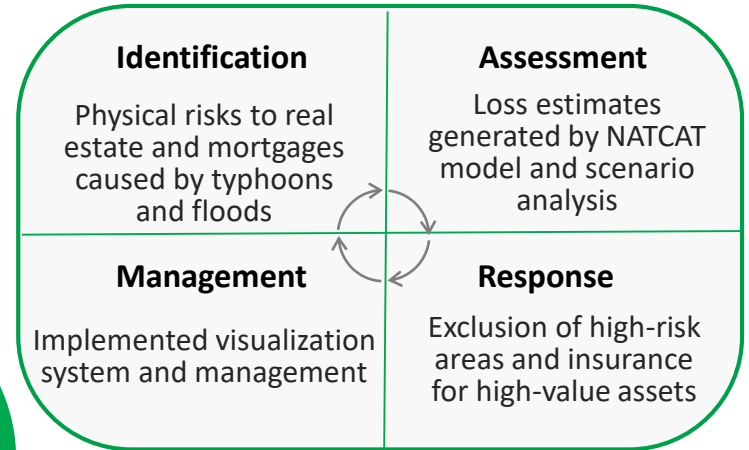


# Integrating climate risks/opportunities into businesses

## Corporate lending

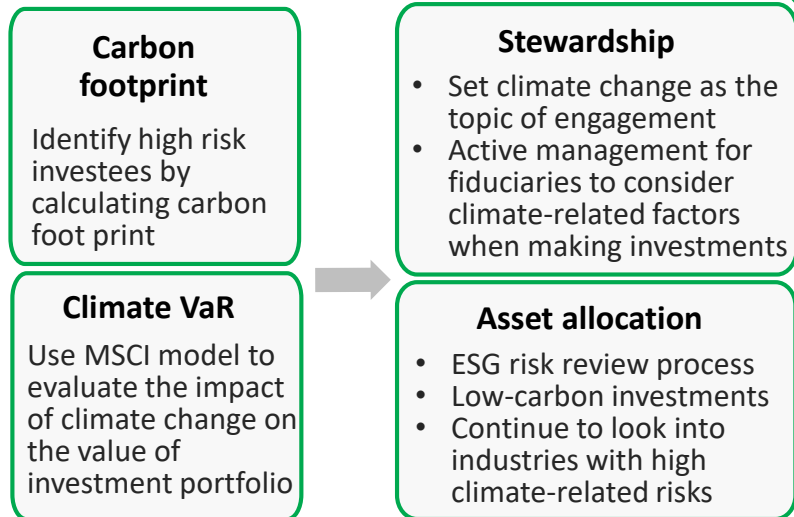


## Self-owned real estate & mortgages

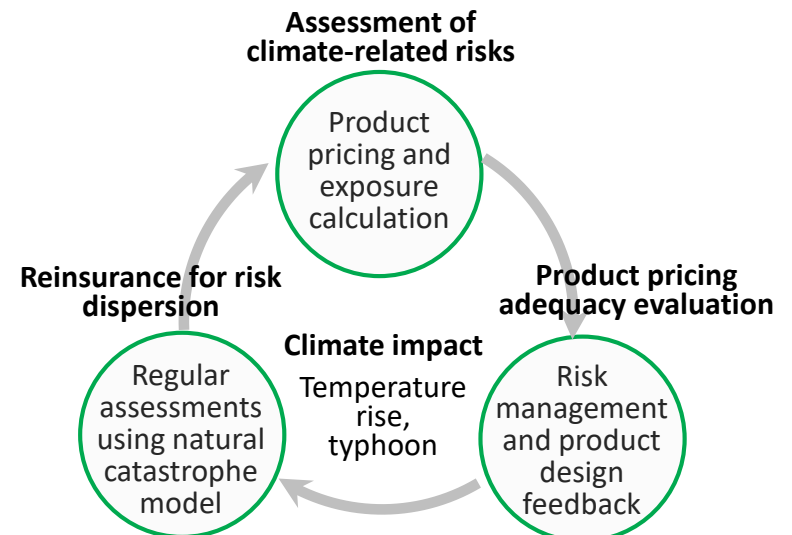


**TCFD**  
Risk assessment & management

## Responsible securities



## Life & property insurance Products



# Agenda

---

- Introduction of Cathay FHC
- 9M21 Business Overview
- Overseas Expansion
- Business Performance Summary

Cathay United Bank

Cathay Life

Cathay Century

- Cathay's CSR Efforts

- Appendix

# Embedded Value & Appraisal Value

NT\$BN, except for per share figures

Valuation date	2019/12/31	2020/12/31
In-force business investment yield	3.57% ~ Year 2039 4.61% for NTD policies 4.36% ~ Year 2039 5.24% for USD policies (Equivalent investment yield: 3.86% Rolling over to 2020: 3.91%)	3.67% ~ Year 2040 4.70% for NTD policies 4.26% ~ Year 2040 5.31% for USD policies (Equivalent investment yield: 3.97%)
Risk discount rate	9.5%	9.5%
Adjusted net worth	621	743
Value of in-force business	550	633
Cost of capital (CoC)	-236	-232
Value of in-force business (After CoC)	314	401
Embedded Value (EV)	935	1,144
EV / per share	159.8(74.1)	195.5(86.8)
Future one year's new business investment yield	2.41% ~ Year 2039 4.35% for NTD policies 3.86% ~ Year 2039 5.15% for USD policies	2.55% ~ Year 2040 4.52% for NTD policies 3.95% ~ Year 2040 5.23% for USD policies
Value of future one year's new business (After CoC)	35.0	34.5
Appraisal Value (AV)	1,242	1,446
AV / per share	212.3(98.4)	247.2(109.8)

Note: (1) EV/AV calculation does not include business of Cathay Life in China and Vietnam.

(2) per share = per share of Cathay Life; (per share) = per share of Cathay FHC

(3) The outstanding shares of Cathay Life in 2019 and 2020 are 5.85bn.

(4) The outstanding shares of Cathay FHC in 2019 and 2020 are 12.62bn and 13.17bn, respectively.

(5) May not sum to total due to rounding.

# Summary

NT\$BN, except for per share figures

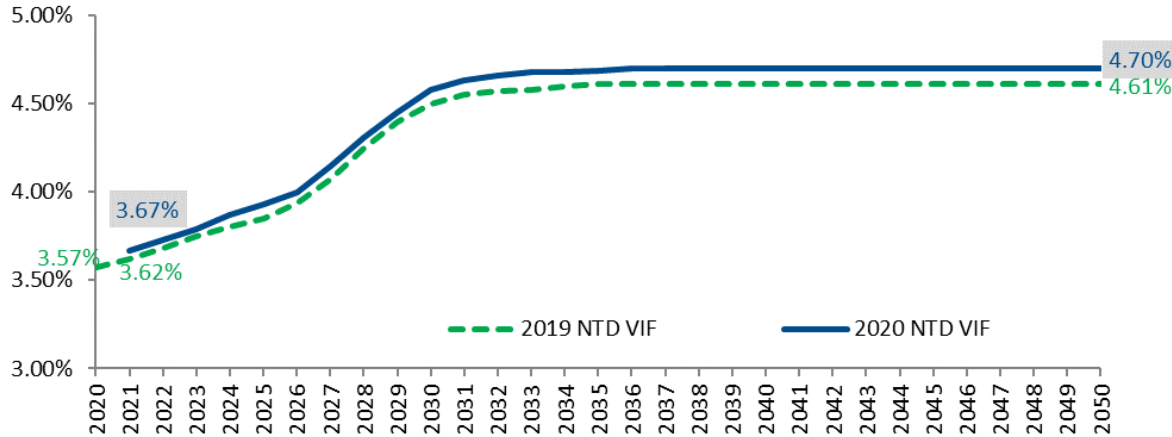
Valuation date		2019	2020	Growth rate	1Q21
Embedded value	Equity	589	714	21%	--
	Adjusted net worth	621	743	20%	--
	Value of in-force business(before CoC)	550	633	15%	--
	Cost of capital (CoC)	-236	-232	-2%	--
	Value in-force business (after CoC)	314	401	28%	--
	Embedded value	935	1,144	22%	--
Value of one year's new business	First year premium (FYP)	201.1	160.8	-20%	59.4
	First year premium equivalent (FYPE)	96.3	62.2	-35%	14.1
	Value of one year's new business (V1NB)	48.0	32.9	-32%	8.3
	Profit margin (V1NB/FYP)	24%	20%	--	14%
	Profit margin (V1NB/FYPE)	50%	53%	--	59%
	Profit margin (V1NB/FYP)(investment-linked(non-VUL)is excluded)	34%	41%	--	47%
Appraisal value (20 years NB)	Multiple	8.8	8.8	--	--
	Appraisal value	1,242	1,446	16%	--
Basic Value per share	EV / per share of Cathay FHC	74.1	86.8	17%	--
	AV / per share of Cathay FHC	98.4	109.8	12%	--

Note: (1) Basic EV and AV per share is based on weighted average of outstanding shares in 2019 and 2020, which are 12.62bn and 13.17bn, respectively.

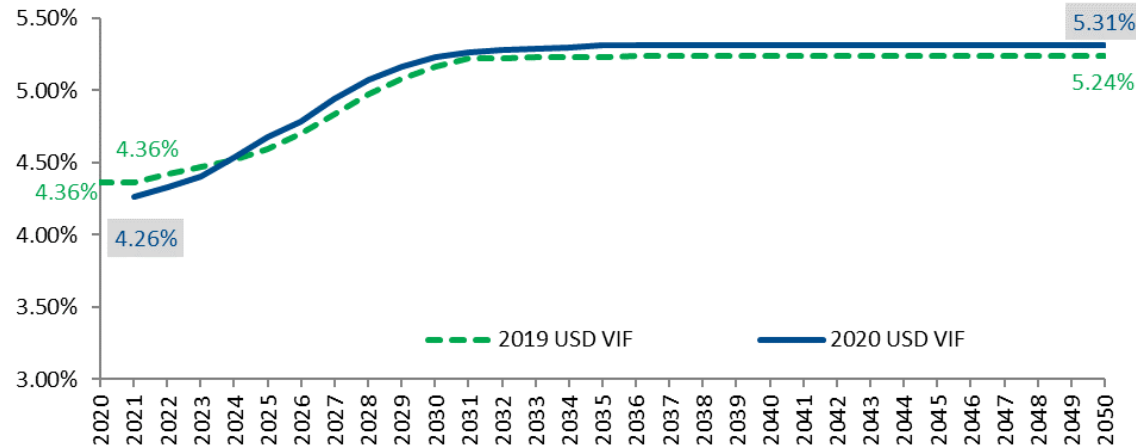
(2) Totals may not sum due to rounding.

# Economic Assumptions: In-force business investment yield

- Investment return assumptions for the value of in force business of NTD-denominated policies as of the end of 2019 & 2020.

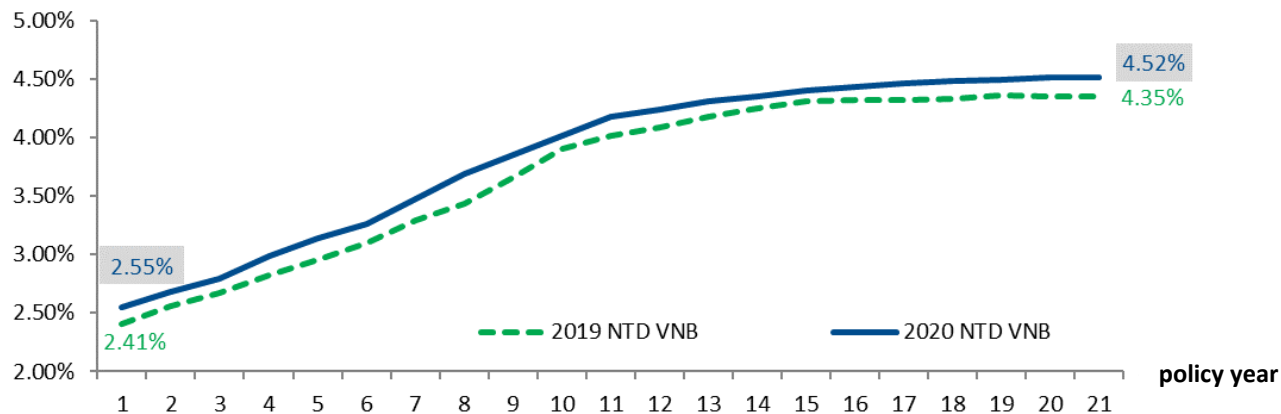


- Investment return assumptions for the value of in force business of USD-denominated policies as of the end of 2019 & 2020.

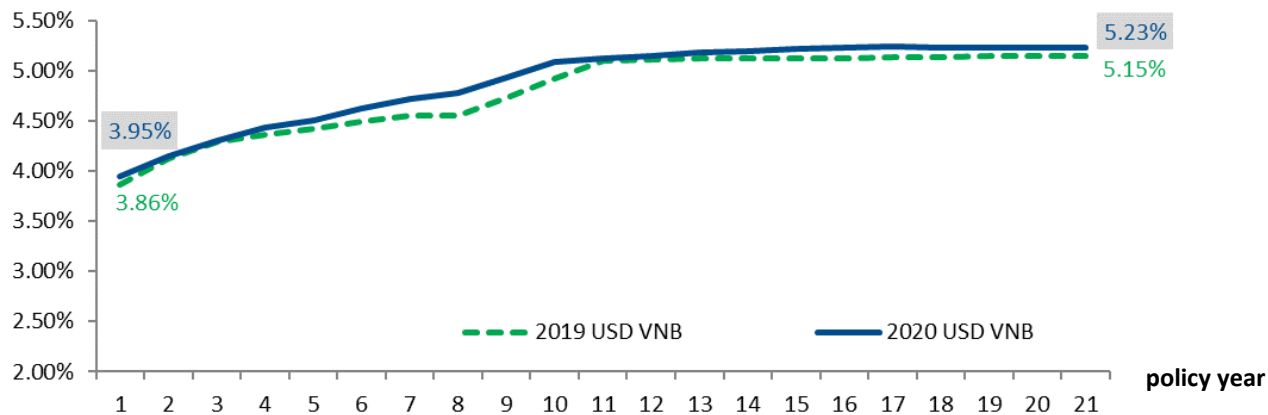


# Economic Assumptions: Future one year's new business investment yield

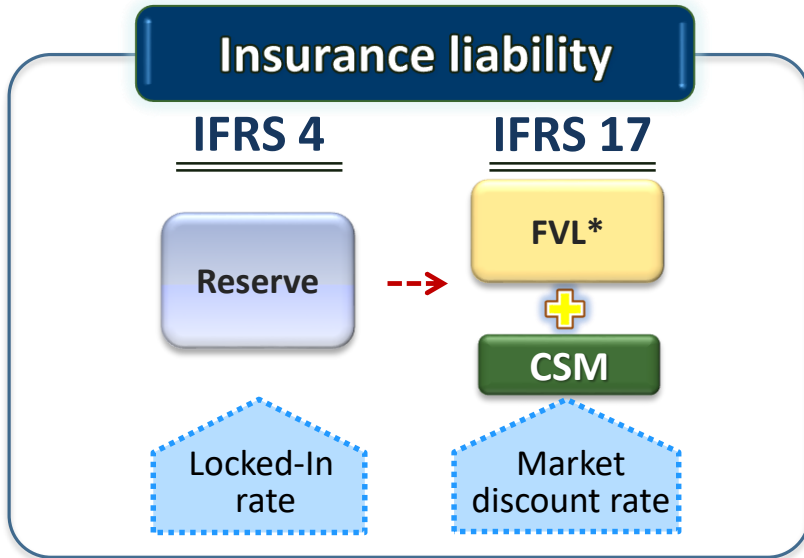
- Investment return assumptions for the value of future one year's new business of NTD-denominated policies as of the end of 2019 & 2020.



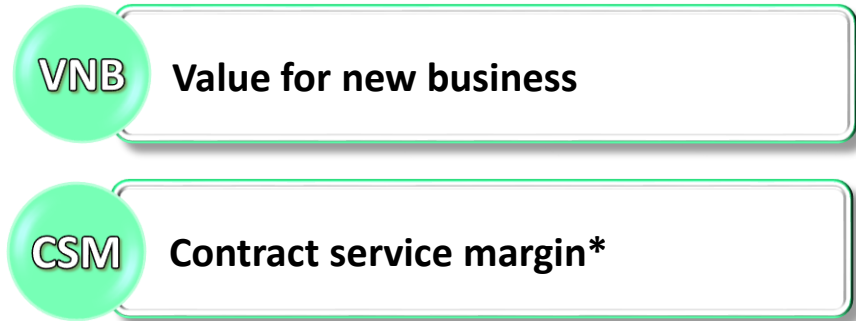
- Investment return assumptions for the value of future one year's new business of USD-denominated policies as of the end of 2019 & 2020.



# IFRS 17 – Measurement



## Profit indicators of new products



Note: 1. Fulfillment Value of Liabilities (FVL): present value of future cashflows derived from insurance sold, based on market discount rate at valuation date and most recent available actuarial assumptions.

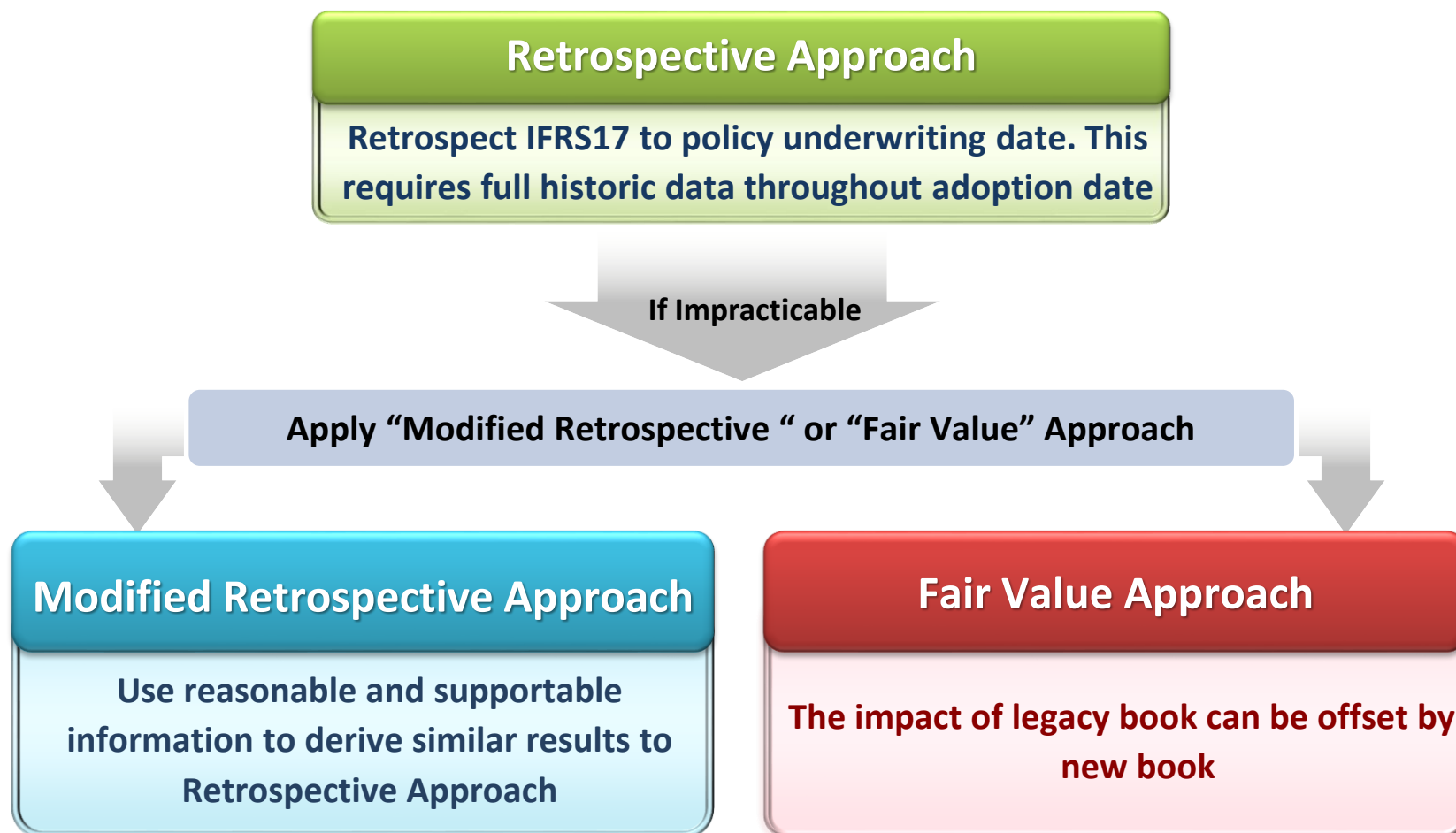
2. Contractual Service Margin (CSM): present value of future unearned profit from insurance contracts to be recognized in the remaining service period.

## VNB vs CSM

	VNB	VS.	CSM
<b>Investment Return</b>	Company investment return		Market discount rate
<b>Discount Rate</b>	10%		=Risk Free Rate + Liquidity Premium
<b>Embedded Option Cost (Crediting Rate)</b>	Deterministic Valuation		Stochastic Valuation

**Comparable among companies**

# IFRS 17 – Adoption date



Note: Legacy book - contracts with guaranteed rates  $\geq 4\%$   
New book - contracts with guaranteed rates  $< 4\%$



# Accounting impact from IFRS 17

---

- ❑ IFRS 17 implementation changes the measurement of insurance liability. It does not affect the value of insurance contracts but affects the timing of profit recognition for insurance services.
- ❑ Insurers need to mark to market both assets and liabilities.
- ❑ It may increase the volatility of shareholders' equity, hence asset-liability management expertise is critical.

# IFRS 17 impact & preparation

## Benefiting from IFRS 17

- The impact from legacy book is fully reflected on adoption date
- Reduce the interest expense of insurance liability thereafter



## Value-driven product strategy

### CSM-focused products

- Protection products with superior CSM margin (CSM/FYP)
- Savings products with positive CSM



## Capital plan

### Capital market volatility and IFRS 17 adoption

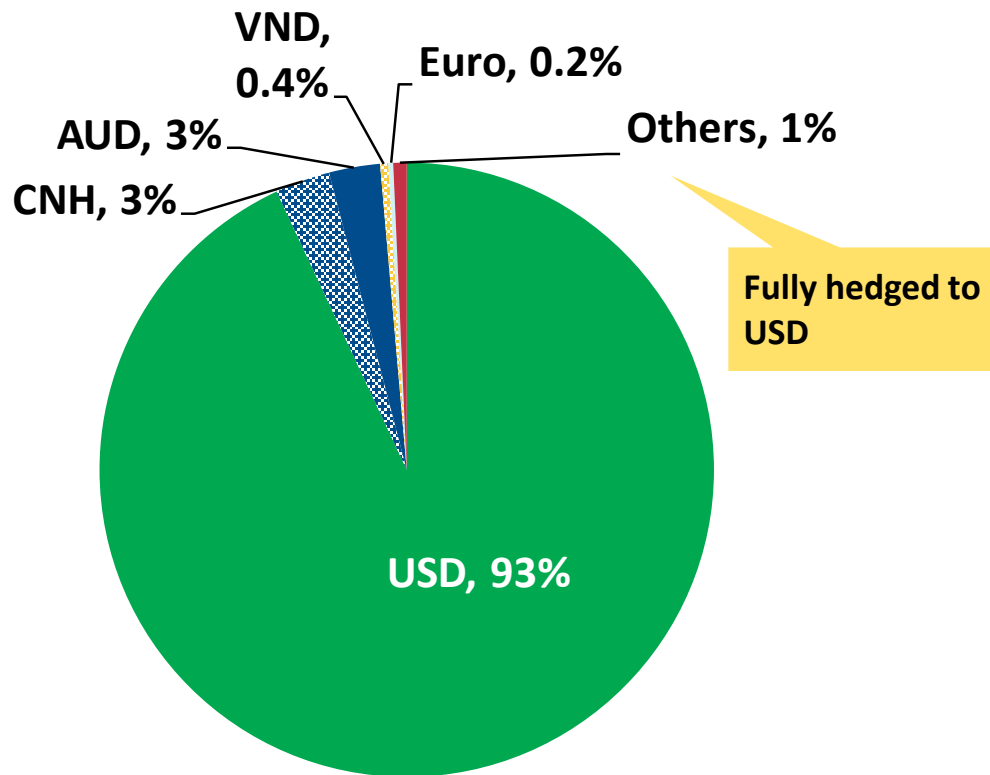
- Build adequate capital buffer
- Early preparation ahead of the industry

## Healthier Industry development

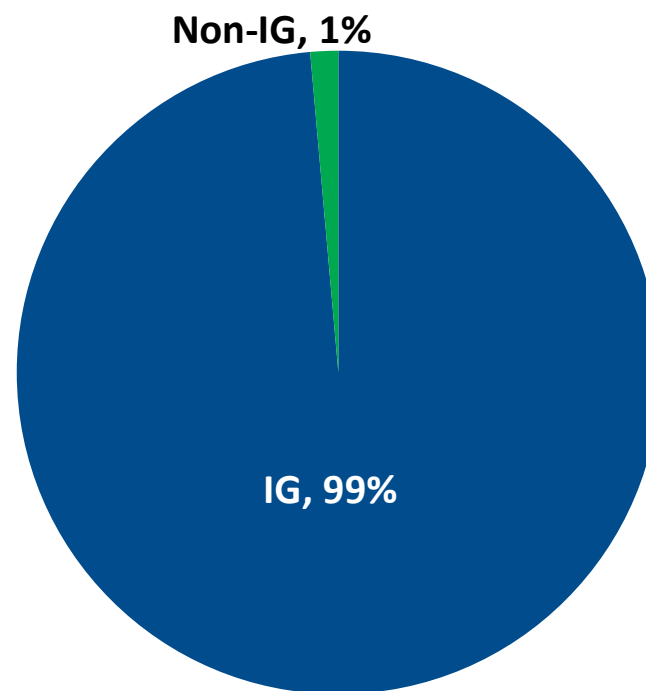
- Better risk-pricing disciplines among competitors restore industry profit margins
- Strong ALM expertise is critical for achieving stable financial performance

# Cathay Life – Overseas bond breakdown by currency and rating

## Overseas bond by currency (9M21)

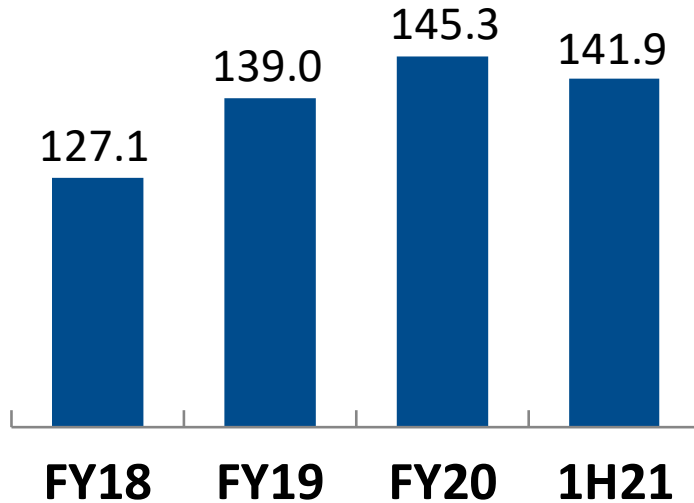


## Overseas bond by rating (9M21)

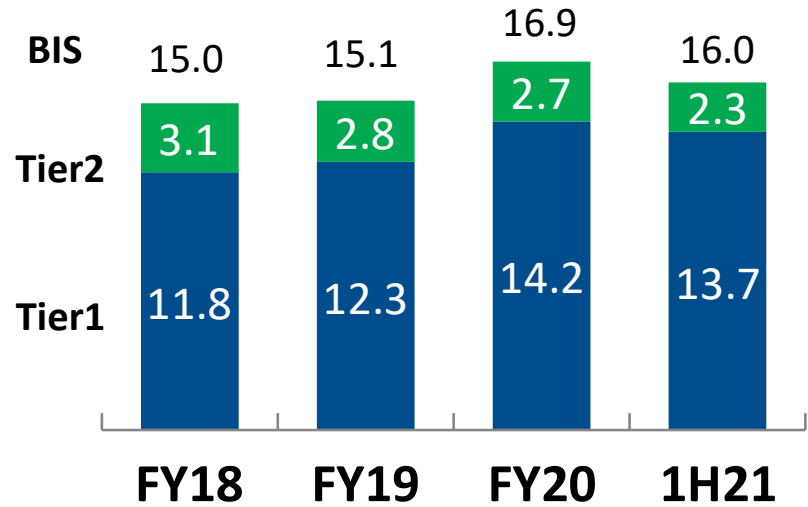


# Capital adequacy

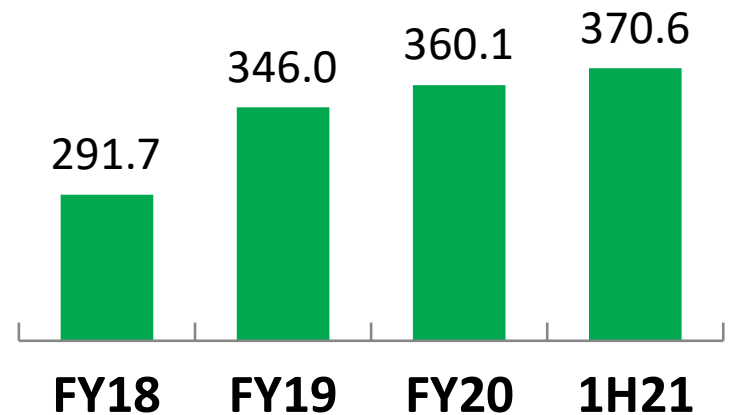
Cathay FHC CAR (%)



CUB Capital Adequacy (%)



Cathay Life RBC (%)



Cathay Financial Holdings (NT\$MMN)	FY20/ FY19			9M21/ 9M20			3Q21/ 3Q20		
<u>Income Statement Data (Consolidated)</u>	FY19	FY20	% Chg	9M20	9M21	% Chg	3Q20	3Q21	% Chg
<b>Operating Income</b>									
Net interest income	196,367	190,930	-3%	142,985	145,173	2%	47,079	48,860	4%
Net commission and fee	2,346	7,244	209%	5,335	9,308	74%	2,536	3,832	51%
Net earned premium	631,487	602,806	-5%	437,090	374,677	-14%	132,123	113,300	-14%
Change in liability reserve	(394,074)	(462,094)	17%	(340,349)	(273,724)	-20%	(98,439)	(75,255)	-24%
Net claims payment	(365,669)	(289,808)	-21%	(208,736)	(219,429)	5%	(72,791)	(78,427)	8%
Investment income	89,797	124,347	38%	99,081	157,685	59%	46,953	41,919	-11%
Contribution from associates-equity method	1,149	(12,085)	-1152%	(12,450)	1,616	113%	561	595	6%
Other net non-interest income	411	6,480	1475%	10,846	8,559	-21%	(3,461)	1,733	150%
Bad debt expense	(2,205)	(3,178)	44%	(1,749)	(3,214)	84%	(829)	(1,034)	25%
Operating expense	(89,050)	(83,027)	-7%	(60,764)	(62,572)	3%	(20,267)	(21,634)	7%
<b>Income before taxes</b>	70,557	81,616	16%	71,289	138,078	94%	33,465	33,890	1%
Income taxes	(6,698)	(5,658)	-16%	(6,873)	(15,709)	129%	(1,751)	(3,036)	73%
Net income	63,859	75,958	19%	64,415	122,369	90%	31,714	30,853	-3%
EPS (NT\$)	4.76	5.41		4.55	8.98		2.37	2.32	
<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)	12,618	13,169		13,169	13,169				
<b>Balance Sheet Data (Consolidated)</b>									
Total assets	10,065,479	10,950,472		10,562,020	11,383,850				
Total shareholders' equity	782,027	904,776		824,630	870,033				
<b>Operating Metrics</b>									
ROAE (Consolidated)	9.74%	9.01%		10.69%	18.39%				
ROAA (Consolidated)	0.66%	0.72%		0.83%	1.46%				
Double leverage ratio(inc. preferred stock)	110%	111%		112%	113%				
<b>Capital Adequacy Metrics</b>									
Capital Adequacy Ratio	139%	145%							

**Notes:**

- (1) All data and information on this page is provided for informational purposes only, and may subject to adjustment.  
 For more details, please refer to our official financial reports.
- (2) Total may not sum due to rounding.

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

	FY20/			9M21/			3Q21/		
	FY19	FY20	FY19 % Chg	9M20	9M21	9M20 % Chg	3Q20	3Q21	3Q20 % Chg
<b>Income Statement Data (Consolidated)</b>									
Net written premium	608,641	580,261	-5%	420,602	356,316	-15%	126,526	106,709	-16%
Net earned premium	607,820	579,563	-5%	420,714	356,540	-15%	126,488	106,728	-16%
Reinsurance commission earned	356	533	50%	13	15	19%	6	6	4%
Fee income	8,450	8,701	3%	6,410	7,958	24%	2,231	2,733	22%
Recurring investment income	228,037	212,247	-7%	163,112	163,057	0%	57,286	62,504	9%
Gain on disposal of investment									
Realized gain (loss)-Equity	38,929	74,997	93%	58,509	98,204	68%	22,862	20,278	-11%
Realized gain (loss)-Debt	36,365	64,964	79%	54,175	54,164	0%	15,665	8,639	-45%
Gain on investment property	912	1,881	106%	1,882	1,195	-37%	(16)	49	412%
FX and others, net	(61,689)	(90,182)	-46%	(73,083)	(39,016)	47%	(15,525)	(10,294)	34%
Investment income, net	242,553	263,907	9%	204,595	277,603	36%	80,273	81,176	1%
Other operating income	6,107	6,978	14%	5,418	5,975	10%	2,245	2,125	-5%
Separate account revenues	63,653	73,396	15%	33,215	59,762	80%	22,543	6,336	-72%
Net claims payment	(349,158)	(273,049)	-22%	(197,282)	(207,236)	5%	(68,911)	(74,297)	8%
Changes in liability reserves	(393,679)	(462,233)	17%	(340,476)	(273,333)	-20%	(98,253)	(75,187)	-23%
Acquisition and commission expense	(43,834)	(35,815)	-18%	(26,138)	(25,245)	-3%	(8,317)	(8,168)	-2%
Other operating costs	(6,394)	(6,635)	4%	(5,291)	(5,967)	13%	(2,093)	(2,058)	-2%
Financial cost	(2,730)	(2,501)	-8%	(1,767)	(2,263)	28%	(727)	(782)	8%
Separate account expense	(63,653)	(73,396)	15%	(33,215)	(59,762)	80%	(22,543)	(6,336)	-72%
Operating expense	(30,692)	(29,565)	-4%	(21,934)	(24,016)	9%	(7,352)	(8,323)	13%
Net non-operating income	1,710	1,589	-7%	1,197	1,142	-5%	348	332	-4%
Income taxes	(2,216)	1,209	-155%	(610)	(10,925)	1692%	(880)	(1,641)	86%
Net income	38,293	52,682	38%	44,848	100,250	124%	25,058	22,645	-10%
<b>Balance Sheet Data</b>									
Total assets	7,085,624	7,675,559		7,426,199	7,931,772				
General account	6,478,081	7,033,875		6,834,164	7,234,047				
Separate account	607,542	641,685		592,036	697,725				
Reserves for life insurance liabilities	5,683,424	6,085,534		5,977,033	6,315,250				
Total liabilities	6,491,106	6,954,433		6,777,799	7,227,418				
Total shareholders' equity	594,518	721,126		648,400	704,353				
<b>Operating Metrics (Standalone)</b>									
First Year Premium(FYP)	201,064	160,771		122,546	156,226				
First Year Premium Equivalent(FYPE)	96,313	62,182		51,135	37,777				
Expense ratio	10.6%	9.5%		9.7%	11.6%				
13-M persistency ratio	98.0%	98.1%		98.1%	98.4%				
25-M persistency ratio	96.4%	95.5%		95.6%	96.1%				
ROAE	8.01%	8.01%		9.62%	18.75%				
ROAA	0.57%	0.71%		0.82%	1.71%				
<b>Capital Adequacy Metrics (Standalone)</b>									
RBC ratio	346%	360%							

## Notes:

(1) All data and information on this page is provided for informational purposes only, and may subject to adjustment.

For more details, please refer to our official financial reports.

(2) Total may not sum due to rounding.

**Cathay United Bank**

(NT\$MN)	FY20/ FY19			9M21/ 9M20			3Q21/ 3Q20		
	FY19	FY20	% Chg	9M20	9M21	% Chg	3Q20	3Q21	% Chg
<b>Income Statement Data (Consolidated)</b>									
<b>Operating Income</b>									
Net interest income	36,446	35,223	-3%	26,285	28,488	8%	8,341	9,833	18%
Fee income	17,090	16,331	-4%	12,634	14,085	11%	4,672	5,388	15%
Investment income	8,996	9,482	5%	8,547	6,022	-30%	1,753	1,846	5%
Other income	594	855	44%	650	363	-44%	190	88	-53%
<b>Net operating income</b>	<b>63,126</b>	<b>61,891</b>	<b>-2%</b>	<b>48,117</b>	<b>48,959</b>	<b>2%</b>	<b>14,956</b>	<b>17,155</b>	<b>15%</b>
Operating expenses	(33,806)	(32,686)	-3%	(24,064)	(24,510)	2%	(8,263)	(8,911)	8%
<b>Pre-provision profit</b>	<b>29,320</b>	<b>29,205</b>	<b>0%</b>	<b>24,053</b>	<b>24,449</b>	<b>2%</b>	<b>6,693</b>	<b>8,244</b>	<b>23%</b>
Net provisions for possible losses	(2,853)	(3,382)	19%	(1,908)	(2,743)	44%	(636)	(622)	-2%
<b>Income before taxes</b>	<b>26,467</b>	<b>25,823</b>	<b>-2%</b>	<b>22,146</b>	<b>21,706</b>	<b>-2%</b>	<b>6,057</b>	<b>7,622</b>	<b>26%</b>
Income tax	(3,981)	(3,512)	-12%	(2,938)	(2,867)	-2%	(698)	(1,044)	49%
<b>Net income</b>	<b>22,486</b>	<b>22,311</b>	<b>-1%</b>	<b>19,208</b>	<b>18,839</b>	<b>-2%</b>	<b>5,359</b>	<b>6,579</b>	<b>23%</b>
<b>Balance Sheet Data</b>									
Total assets	2,973,496	3,229,460		3,108,719	3,423,952				
Loans, net	1,553,151	1,661,296		1,604,997	1,800,416				
Financial assets	897,677	1,028,595		1,021,636	1,084,534				
Total liability	2,741,601	2,982,805		2,868,238	3,177,855				
Deposits	2,335,331	2,648,995		2,521,085	2,857,079				
Financial Debenture Payable	53,900	53,800		53,800	46,800				
Total shareholders' equity	231,895	246,656		240,481	246,096				
<b>Operating Metrics</b>									
Cost income ratio	53.55%	52.81%		50.01%	50.06%				
ROAE	10.27%	9.32%		10.84%	10.20%				
ROAA	0.77%	0.72%		0.84%	0.76%				
<b>Assets Quality (Standalone)</b>									
NPL	2,286	2,274		2,488	3,104				
NPL ratio	0.15%	0.14%		0.16%	0.18%				
NPL provisions	25,983	26,846		26,391	28,282				
Coverage ratio	1137%	1180%		1061%	911%				
<b>Capital Adequacy Metrics (Standalone)</b>									
BIS ratio	15.1%	16.9%							
Tier I Ratio	12.3%	14.2%							
<b>LDR (Standalone)</b>									
LDR	65.5%	62.5%		63.3%	62.8%				
TWD LDR	70.1%	69.7%		68.4%	70.4%				
FX LDR	48.8%	38.7%		45.0%	36.1%				

**Notes:**

- (1) All data and information on this page is provided for informational purposes only, and may subject to adjustment.  
 For more details, please refer to our official financial reports.
- (2) Total may not sum due to rounding.

**Cathay Century**

(NT\$MM)	FY20/ FY19			9M21/ 9M20			3Q21/ 3Q20		
	FY19	FY20	% Chg	9M20	9M21	% Chg	3Q20	3Q21	% Chg
<b>Income Statement Data (Consolidated)</b>									
Premium income	25,343	25,498	1%	18,436	20,225	10%	6,045	6,671	10%
Net written premium	19,550	19,413	-1%	14,132	15,012	6%	4,777	5,204	9%
Net earned premium	19,077	18,848	-1%	14,086	14,600	4%	4,718	5,154	9%
Reinsurance commission earned	572	572	0%	412	676	64%	128	184	43%
Fee income	42	45	6%	35	35	1%	11	11	1%
Investment	1,020	1,254	23%	950	1,255	32%	535	457	-15%
Interest income	555	546	-2%	417	408	-2%	136	140	2%
Other investment income, net	465	708	52%	533	847	59%	399	318	-20%
Other operating income	0	0	0%	0	0	0%	0	0	0%
Net claims payment	(10,321)	(10,669)	3%	(7,938)	(7,595)	-4%	(2,588)	(2,401)	-7%
Changes in liability reserves	(395)	139	-135%	127	(391)	407%	(186)	(68)	-64%
Commissions and other operating costs	(3,409)	(3,411)	0%	(2,446)	(2,807)	15%	(804)	(999)	24%
Operating expenses	(4,097)	(4,224)	3%	(3,033)	(3,315)	9%	(994)	(1,163)	17%
<b>Operating income</b>	2,490	2,553	3%	2,193	2,458	12%	820	1,177	43%
Net non-operating income	5	5	1%	0	(2)	-519%	(0)	(0)	-248%
Income taxes	(389)	(385)	-1%	(326)	(346)	6%	(83)	(158)	91%
Net income	2,106	2,174	3%	1,867	2,110	13%	737	1,018	38%
<b>Balance Sheet Data</b>									
Total assets	43,008	44,298		41,656	47,446				
Total stockholders' equity	12,656	13,130		12,112	13,625				
<b>Operating Metrics</b>									
Gross Combined ratio	84.8%	83.2%		83.2%	87.3%				
Net Combined ratio	93.0%	92.9%		91.7%	90.0%				
ROAE	18.57%	16.86%		20.10%	21.03%				
ROAA	5.19%	4.98%		5.88%	6.13%				
<b>Capital Adequacy Metrics</b>									
RBC ratio (Standalone)	339%	323%							

**Notes:**

- (1) All data and information on this page is provided for informational purposes only, and may subject to adjustment. For more details, please refer to our official financial reports.
- (2) Total may not sum due to rounding.



**Disclaimer**

This document is provided by Cathay Financial Holding Co., Ltd. (the "Company"). Except for the numbers and information included in the Company's financial statements, the information contained in this document has not been audited or reviewed by any accountant or independent expert. The Company makes no express or implied representations or warranties as to the fairness, accuracy, completeness, or correctness of such information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. The Company, its affiliates and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.

This document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that the Company expects or anticipates to take place in the future based on the projections of the Company toward the future, and various factors and uncertainty beyond the Company's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements.

This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer.

This document may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.