

Acquisition of BNSB

2017/5



國泰金控

Cathay
Financial Holdings

Transaction Overview

Transaction Structure

- Cathay United Bank (“CUB”) and Cathay Life have entered into an agreement with The Bank of Nova Scotia (“BNS”), to acquire 100% equity interest in The Bank of Nova Scotia Berhad (“BNSB”).
- CUB and Cathay Life has proposed to acquire 51% and 49% equity interest in BNSB, respectively.

Purchase Price

- Total consideration of MYR 1,096 million in cash, equivalent to USD 255 million⁽¹⁾;

Regulatory Approval

- This acquisition is subject to regulatory approvals in Taiwan and Malaysia and the execution of Share Purchase Agreement;
- Expected closing in the second half of 2017.

Strategic Rationale

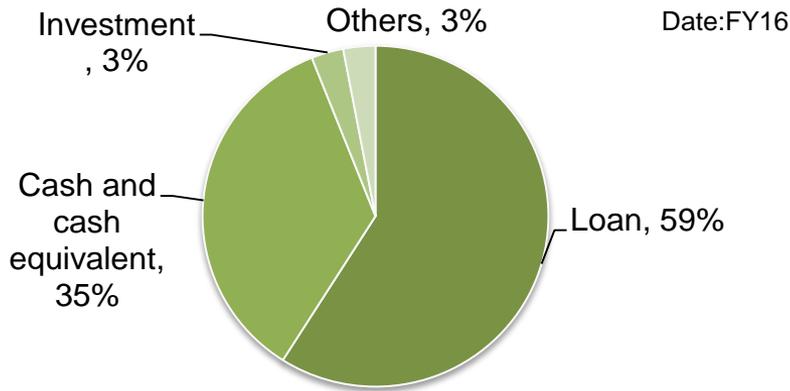
- Transaction will make Cathay the first Taiwanese financial institution to operate a banking subsidiary in Malaysia with capability to offer local and foreign currencies solutions;
- Significant step forward in realizing Cathay’s financial platform in Asia Pacific.

⁽¹⁾ : Exchange rate: 1 USD=4.29 MYR (2017/5/23)

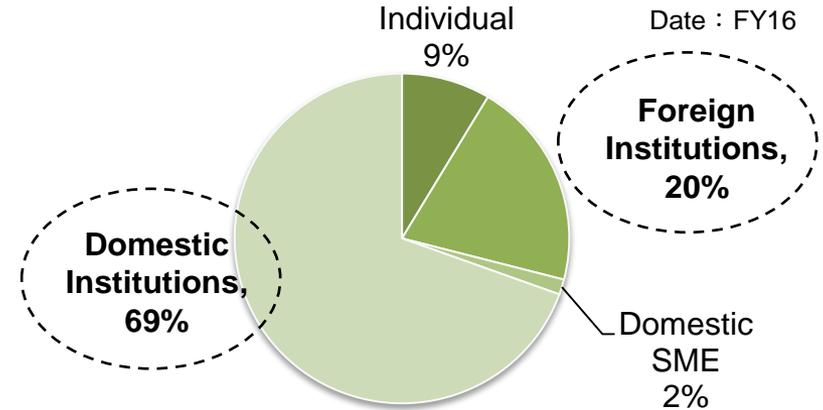
Introduction to BNSB

- ❑ Founded in 1994, BNSB currently has three operation offices in Malaysia. Primarily serving large local and foreign institutions.
- ❑ MYR 3.48 billion in asset, MYR 953 million in net worth and 2.2% of ROAE as of FY16.

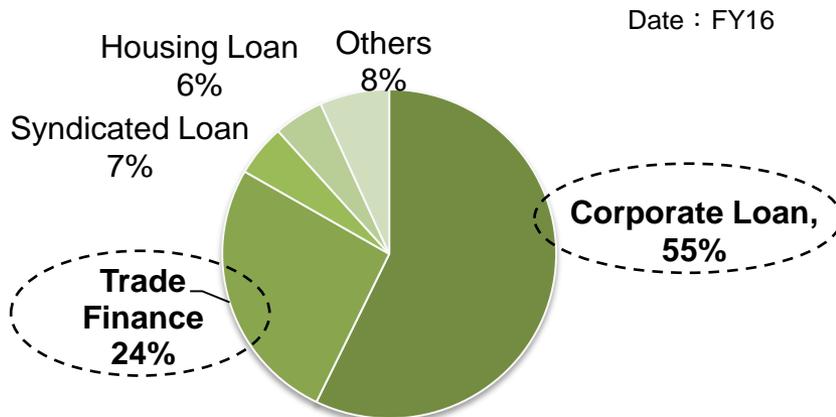
Asset Composition



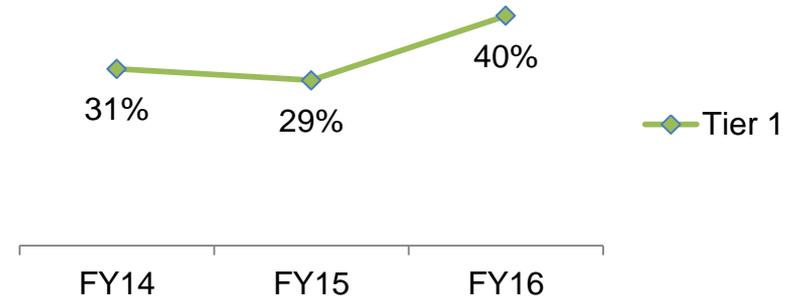
Loan by customer type



Loan by product type

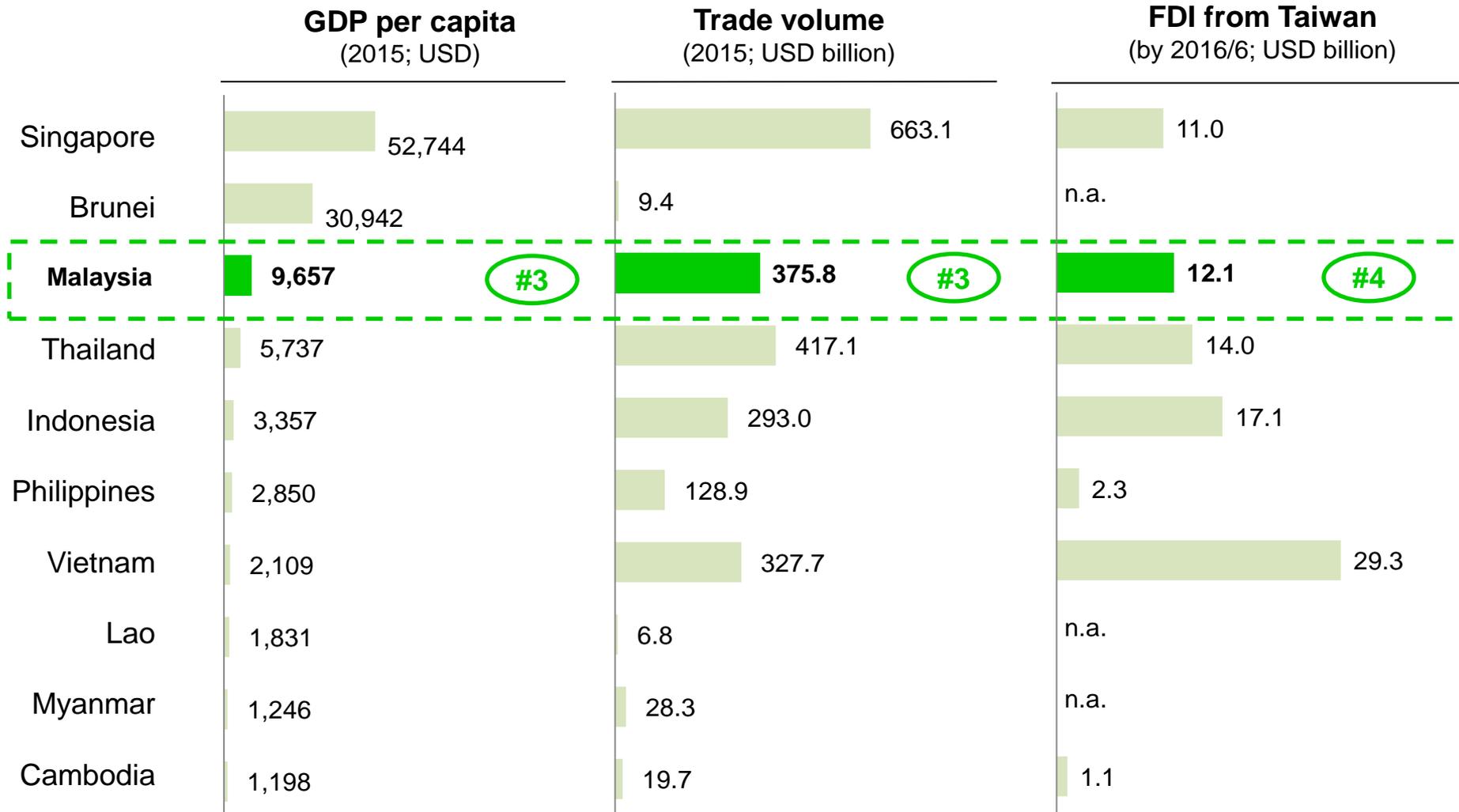


Tier 1 ratio



Strategic Rationale – Malaysia Plays a Vital Role in ASEAN

- ❑ The 3rd largest economy and ranked #3 in both GDP per capita and trade volume in ASEAN;
- ❑ Malaysia and Taiwan enjoy strong economic ties through trade and investment; More than 1,750 Taiwanese companies in Malaysia



Strategic Rationale – A Financial Platform in Asia Pacific

Cambodia, CUBC (100%)

First wholly-owned Taiwanese banking subsidiary, 16 footprints



Vietnam



Cambodia



Singapore



Laos



Malaysia

Singapore, Singapore Branch

Plays a Vital Role in ASEAN

Lao PDR, Vientiane Capital Branch

Only CUB and First Bank obtain approval to open branches in Lao.

Malaysia, acquire BNSB

The first and only Taiwanese bank in onshore market with 3 footprints.

Vietnam, Chu Lai Branch & Indovina Bank(50%)

Indovina Bank is the only Taiwanese banking subsidiary in Vietnam, 36 footprints

Philippines, Manila Branch & invest 22.7% stake in RCBC

RCBC is one of top 10 banks in Philippines with 456 footprints.



Philippine



Indonesia



Thailand



Myanmar

Myanmar, Yangon Representative Office

Seek to upgrade to a branch or strategic investment opportunities

Indonesia, Jakarta Representative Office, & invest 40% stake in Bank Mayapada

Asset of Bank Mayapada ranks #22 in Indonesia with around 200 footprints.

Thailand, Bangkok Representative Office

Seek strategic investment opportunities



Thank You