



國泰金控

Cathay Financial Holdings

2023 Fourth Quarter Briefing

March 2024



Agenda

- **2023 Business Overview and 2024 Outlook**
- **Overseas expansion**
- **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Appendix**

2023 Business overview

Cathay United Bank

- FY23 net income set a record high for the 3rd consecutive year, with 13% YoY growth.
- Showed robust growth in deposits and loans. Net interest income grew steadily YoY. Asset quality maintained benign.
- Net fee income grew 15% YoY, driven by solid growth in WM and a continued rise in credit card fees.

Cathay Life

- Adhered to a value-driven strategy. FYP for Health and Accident policies showed double-digit YoY growth. FYP and APE ranked No. 1 in the industry.
- Hedging costs contained well. Recurring yield increased 8bps; interest income showed double-digit YoY growth.
- Maintained solid capital position with RBC ratio of 323% and E/A ratio above 8%.

Cathay Century

- Premium income rose 13% YoY, with 13.3% market share. Underwriting profits grew steadily amidst the return to stable operations and ongoing quality control.
- Strengthened online business in China. Accelerated digital transformation and business expansion in Vietnam.

Cathay SITE

- Delivered record-high annual earnings once again in FY23. Ranked No. 1 in AUM, totaling NT\$1.62tn. Earned wide acclaim for various products.
- Recognized by *Asia Asset Management* and *The Asset*. Received TFF-Bloomberg Best Fund Award and *Smart* Best Fund Award among a total of 38 awards in 2023.

Cathay Securities

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

2023 Business overview – Continue to exert the impact of financial services

Recognized by
ESG rating
agencies

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

DJSI World — 6 years
DJSI EM — 9 years



Rated AA for 4 consecutive years



D- D C- C B- B A- **A**

A List for 2
consecutive years

From climate to
nature actions



One of the initial participants
and the only financial
institution in Taiwan



Participated in
Business For Nature



Participated in
World Biodiversity Summit

Maximize the
impact of
financial services

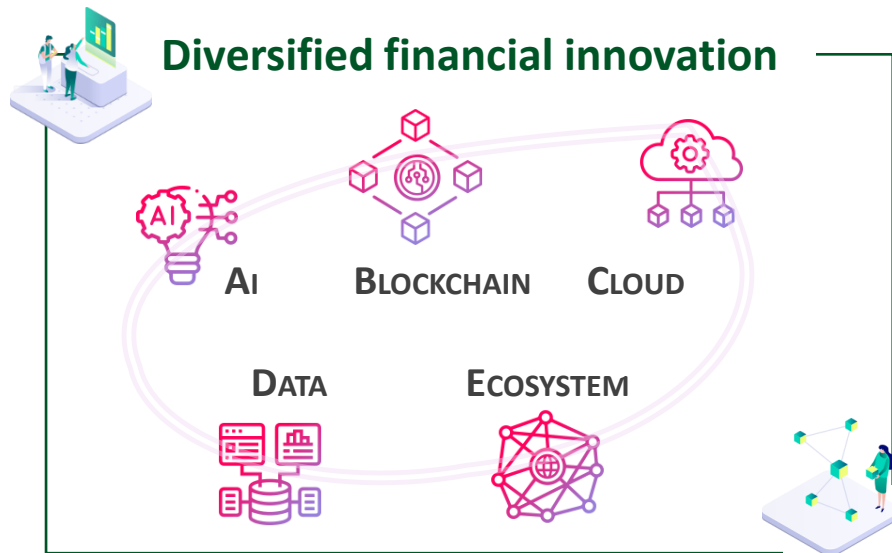
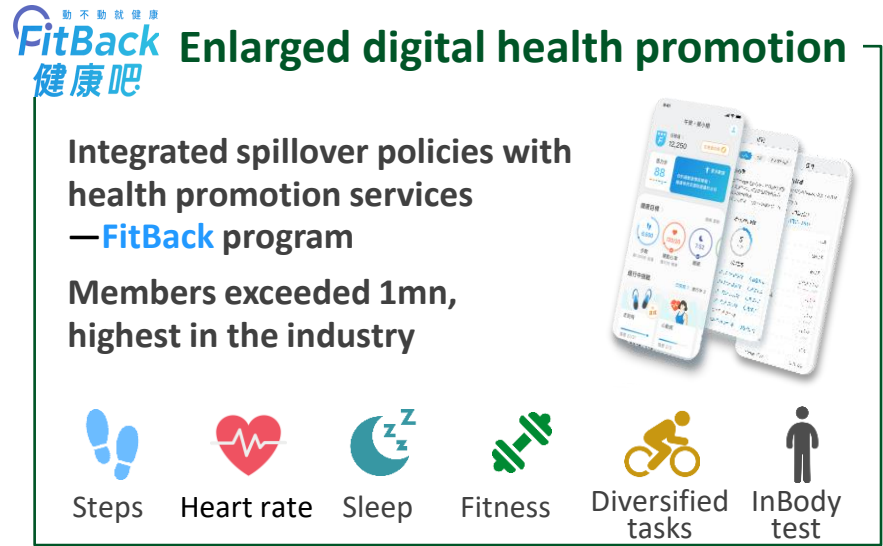
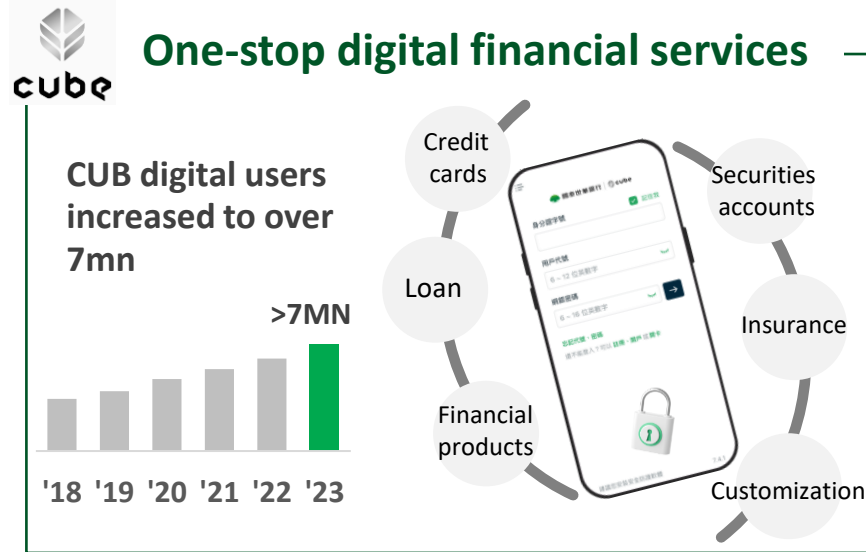


Hosted forums at COP28



Held 7th Sustainable Finance and Climate Change Summit
Participating companies represented ~75% of Taiwan's
market cap and 50% of the GHG emissions in Taiwan

2023 Business overview – Empowering financial services with digital, data and technology



2024 Business Outlook

Cathay United Bank

- Grow loans steadily and optimize loan mix while maintaining benign asset quality.
- Expand wealth management business by offering diversified products and deepening relationships with high-net-worth clients to boost WM fees.
- Deepen overseas presence and expand cross-border financial services; develop retail banking business via digital platforms.

Cathay Life

- Continue the “Protection First, Elderly Friendly” strategy, aiming for customers' fulfilling retirement and healthy life. Focus on protection-type products to accumulate CSM.
- Seek the opportunities for quality stocks and bonds to enhance recurring income. Continue dynamic hedging strategy to maintain stable hedging costs.

Cathay Century

- Pursue steady profit growth while balancing both quality and quantity, with risk control.
- Focus on customer-centric strategy. Enhance customer experience and digital development to increase customer satisfaction and stickiness.
- Expand online business in China. Continue to strengthen digital infrastructure and develop opportunities for cross-industry cooperation in Vietnam.

Cathay SITE

- Focus on new product development and innovations in fintech applications and services.
- Integrate global asset management resources and expand distribution channels.
- Develop financial planning for retirement as well as for younger customers. Strengthen ESG investment process.

Cathay Securities

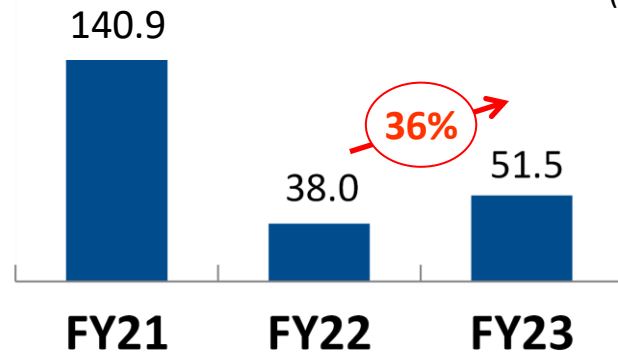
- Optimize digital business models to enhance customer acquisition effectiveness via digital platforms and services for a broad clientele.
- Enhance products and service platforms to meet the diverse investment needs of customers.

Cathay FHC – Net income & EPS

- FY23 earnings increased 36% YoY. CUB and SITE once again reached record-high earnings.
- CUB, SITE and Securities showed double-digit YoY growth in net income. Life's earnings reflected increased hedging costs. P&C's profit recovered as the impact of pandemic insurance subsided.

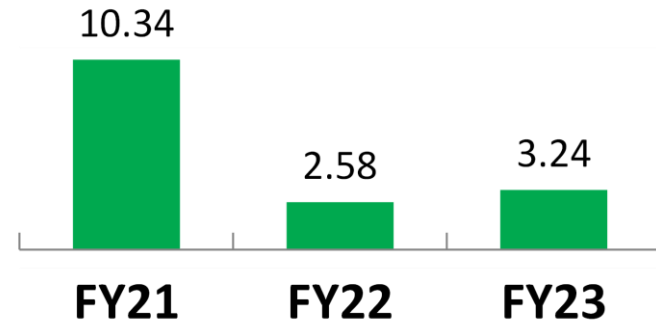
Net income

(NT\$BN)



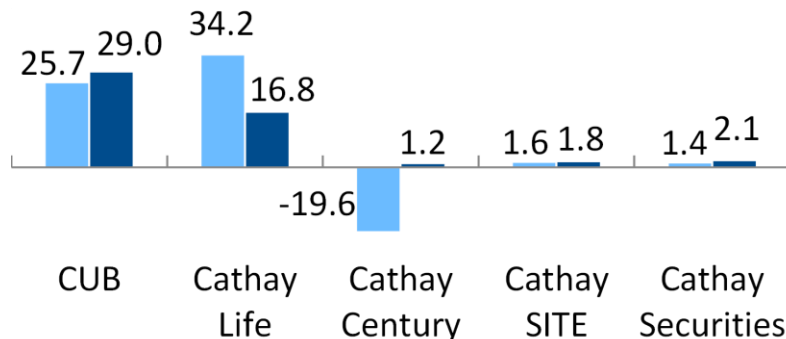
EPS

(NT\$)



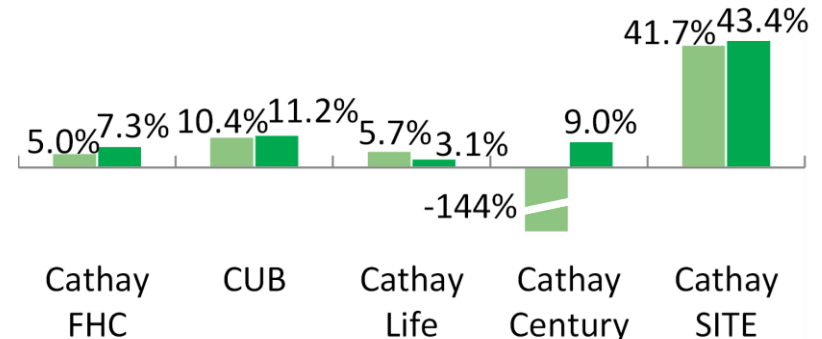
Net income of primary subsidiaries

FY22 FY23 (NT\$BN)



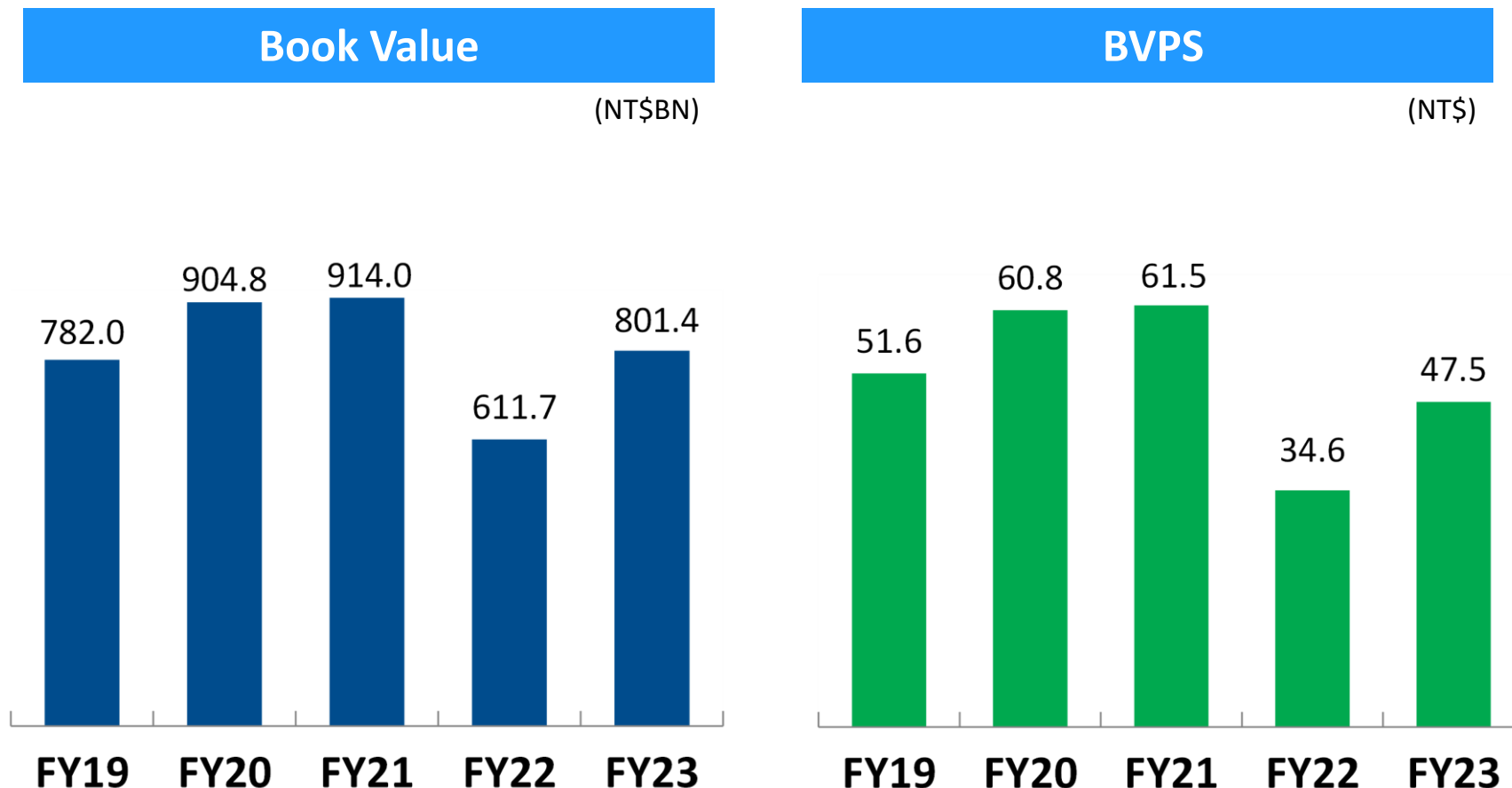
ROE

FY22 FY23



Cathay FHC – Book value & BVPS

- FY23 book value rallied YoY, following rebound in mark-to-market value of financial assets and earnings contributions.



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

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

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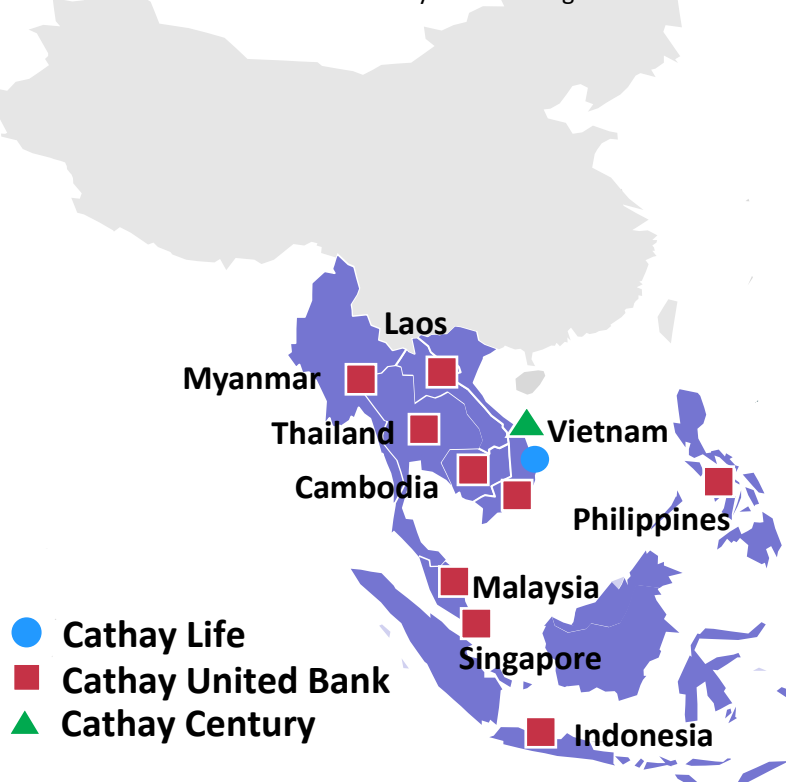
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Cathay FHC in Southeast Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
Bank	7	37	15	1	1	1	1	1	1	1	1
Life	51	150									
P&C	26	2									
Asset Mgt.	1			1							
Securities				2							

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

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



■ Banking

- Vietnam: Cultivated local and cross-border customers; planned to expand retail business via digital platforms.
- Cambodia: Expanded customer base and attracted cash flow and deposits via digital applications.
- Singapore: Signed green trade loan with Apeiron Bioenergy to support the development of sustainable aviation fuel.

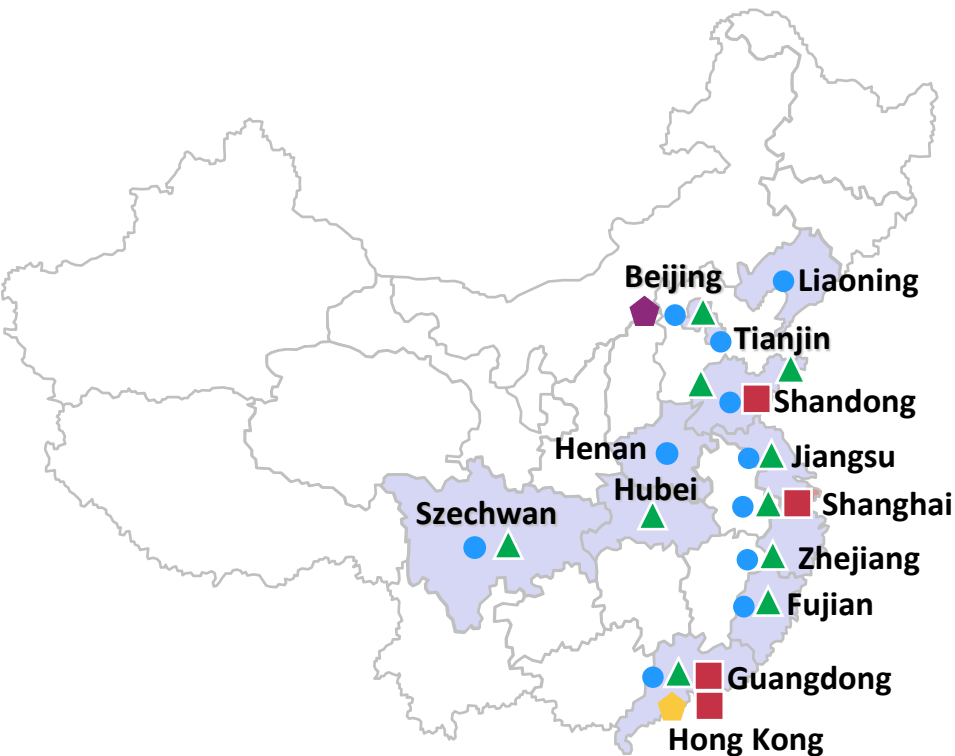
■ Cathay Life (Vietnam)

- Total premium grew 3% YoY to 2.9tn VND in FY23.
- Expanded and diversified distribution channels.

■ Cathay Century

- Premium income grew to 597bn VND in FY23.
- Continued to promote digital transformation and mobile insurance app.

Cathay FHC in China



- Cathay Lujiazui Life
- Cathay United Bank
- ▲ Cathay Century (China)
- ◆ Cathay Securities
- ◆ BSCOM Cathay Asset Management Company

■ Cathay United Bank

- China subsidiary continues prudent operations, carefully selecting customers with growth potential. Maintained growth momentum with zero NPL.

■ Cathay Lujiazui Life

- Total premium grew 55% YoY to 6.1bn RMB in FY23.
- Grew business in scale and value through agent workforce and multiple-channel development.

■ Cathay Century (China)

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

■ Cathay Securities (HK)

- Continued to grow local and cross-border business.

■ BSCOM Cathay Asset Management

- Business remained steady.

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Cathay United Bank

Cathay Life

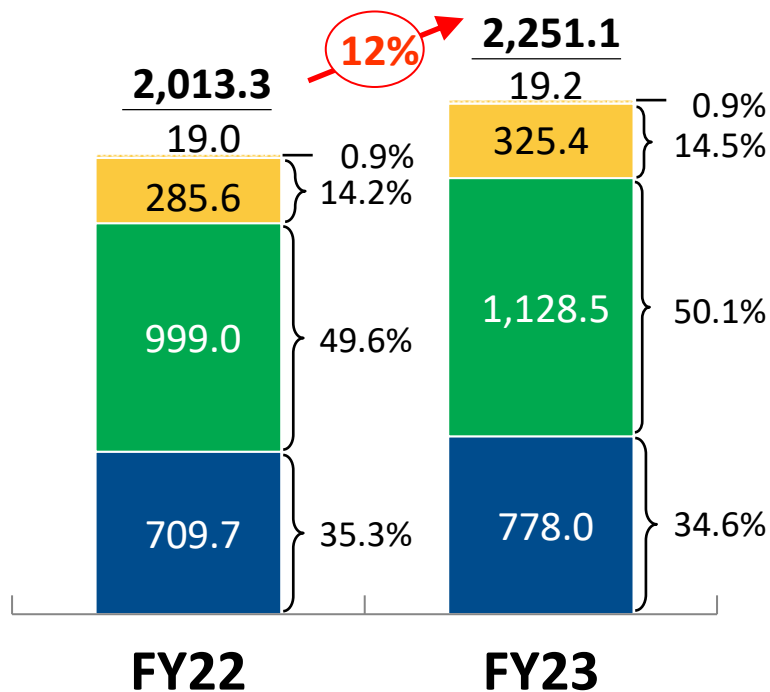
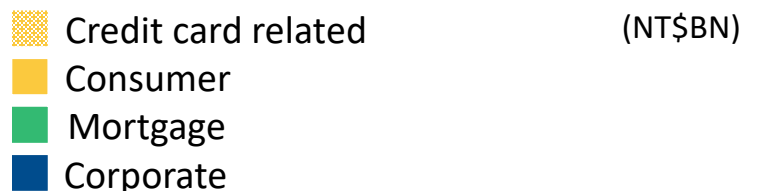
Cathay Century

- **Appendix**

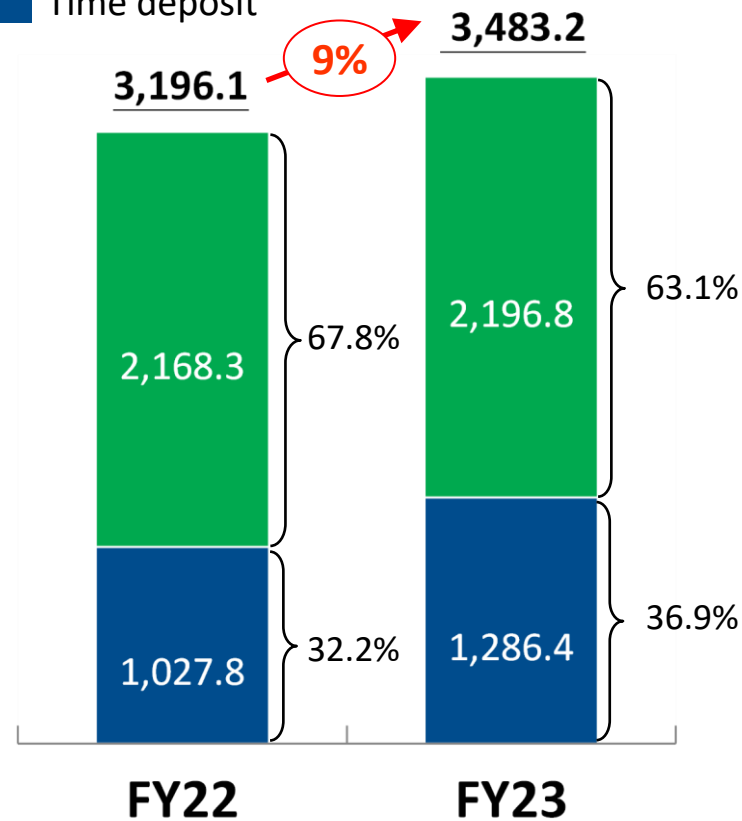
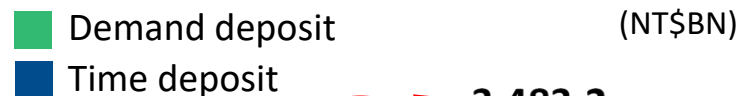
Cathay United Bank – Loan & deposit breakdown

- Loan growth was robust, with mortgage and consumer loans showing double-digit growth.
- Deposits saw solid growth; maintained the advantage of high demand-deposit ratio.

Loan breakdown

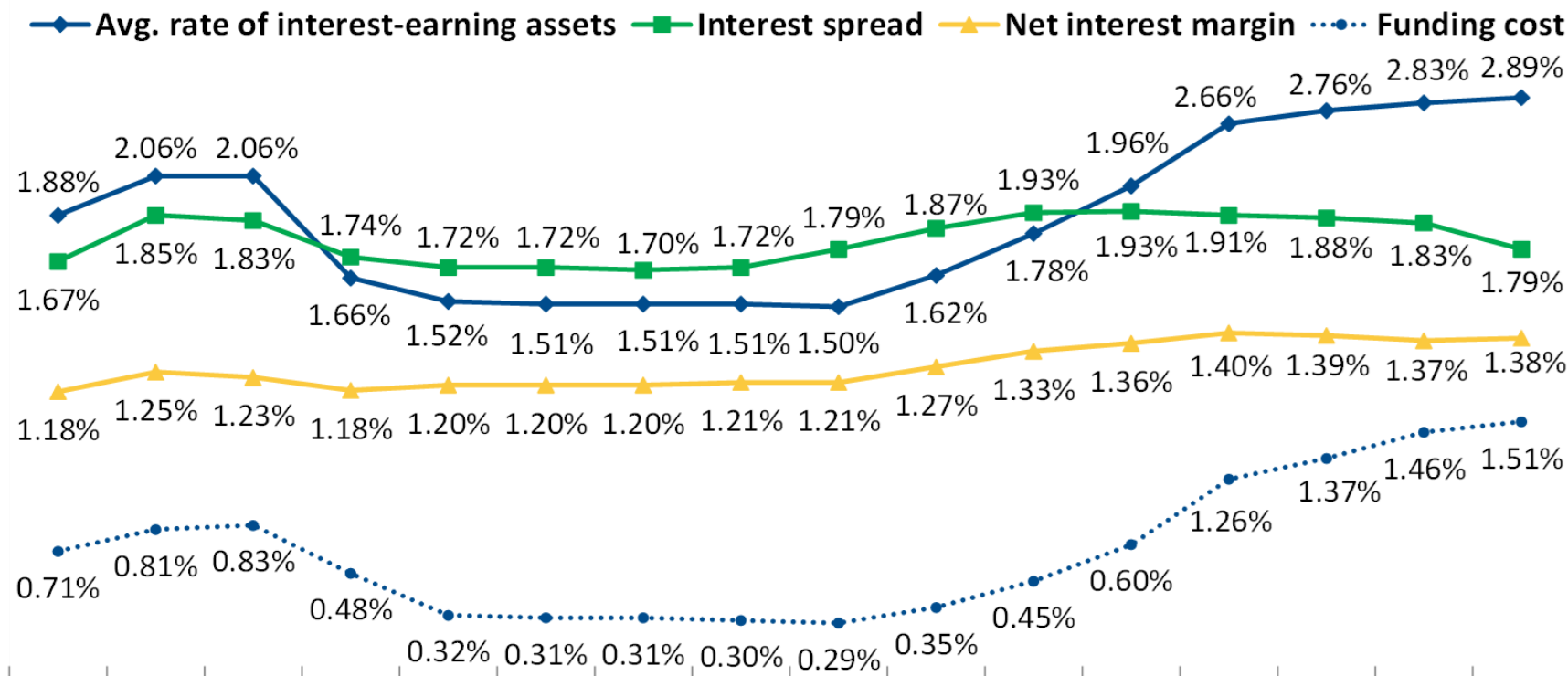


Deposit breakdown



Cathay United Bank – Interest yield

- FY23 NIM increased 2bps YoY and 4Q23 NIM rose 4bps QoQ, reflecting an expanded position and higher yield in FX financial assets, leading to increased asset yield.



	FY17	FY18	FY19	FY20	1Q21	1H21	9M21	FY21	1Q22	1H22	9M22	FY22	1Q23	1H23	9M23	FY23	
Quarterly					<u>4Q20</u>	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>	<u>1Q22</u>	<u>2Q22</u>	<u>3Q22</u>	<u>4Q22</u>	<u>1Q23</u>	<u>2Q23</u>	<u>3Q23</u>	<u>4Q23</u>
Spread					1.69%	1.72%	1.71%	1.69%	1.74%	1.79%	1.94%	2.02%	1.96%	1.91%	1.84%	1.73%	1.70%
NIM					1.17%	1.20%	1.20%	1.21%	1.22%	1.21%	1.33%	1.45%	1.46%	1.40%	1.37%	1.36%	1.40%

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

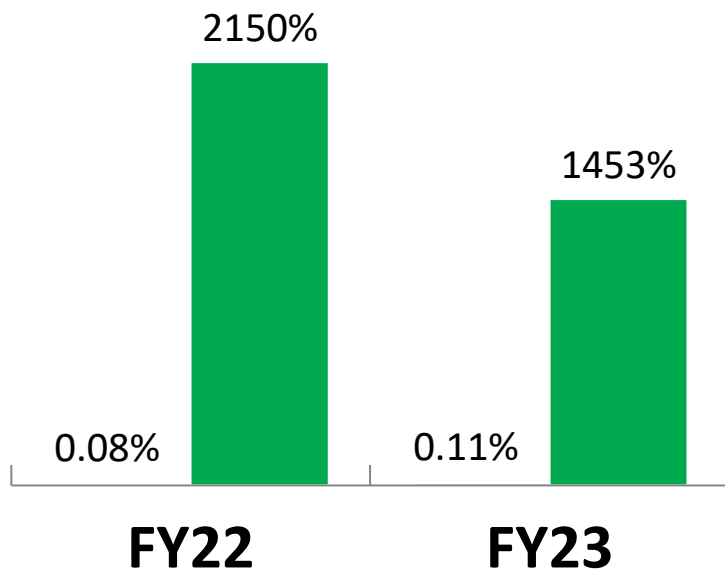
(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

Cathay United Bank – Credit quality

- Asset quality remained benign, with NPL at 0.11% and coverage ratio at 1453%.

NPL & Coverage ratio

- NPL ratio
- Coverage ratio



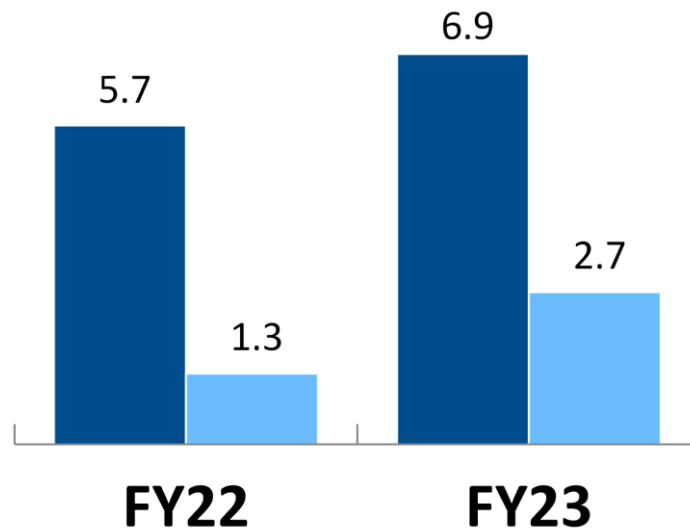
Mortgage NPL

0.06 %

0.10 %

Gross provision

- Gross provision (NT\$BN)
- Recovery

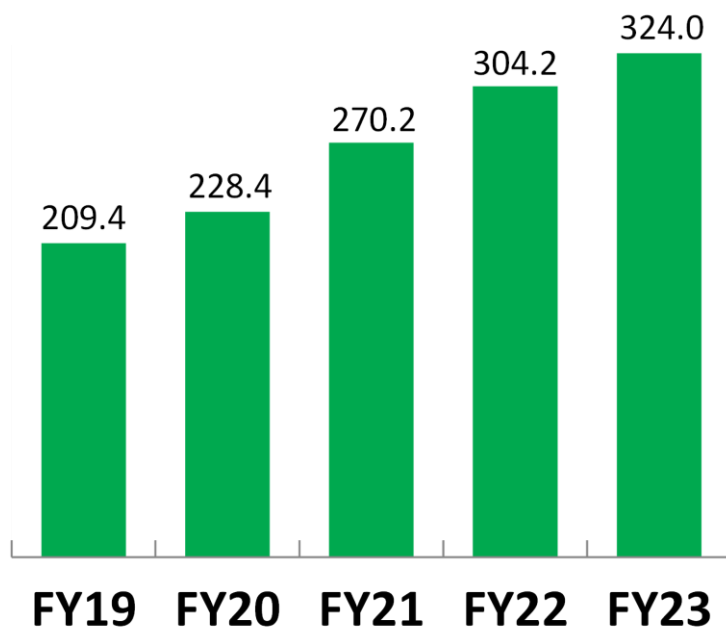


Cathay United Bank – SME & FX loans

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

SME loans

(NT\$BN)

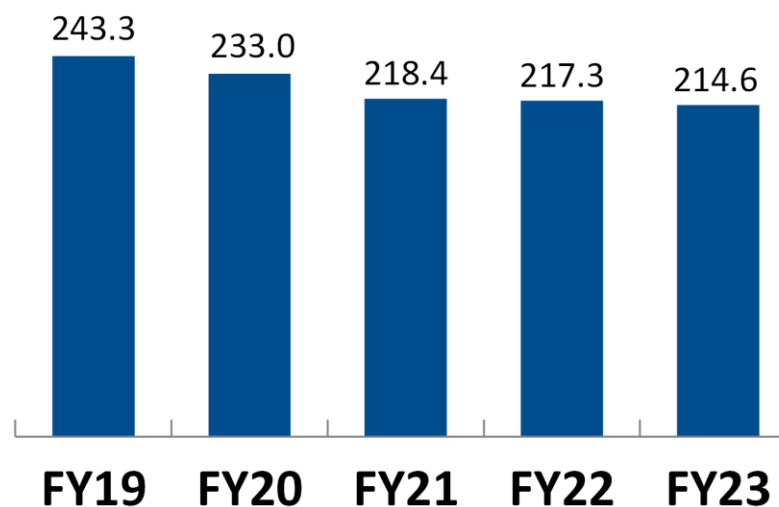


As % of total loans

13.8% 14.1% 15.3% 15.3% 14.5%

Foreign currency loans

(NT\$BN)



16.1% 14.4% 12.4% 10.9% 9.6%

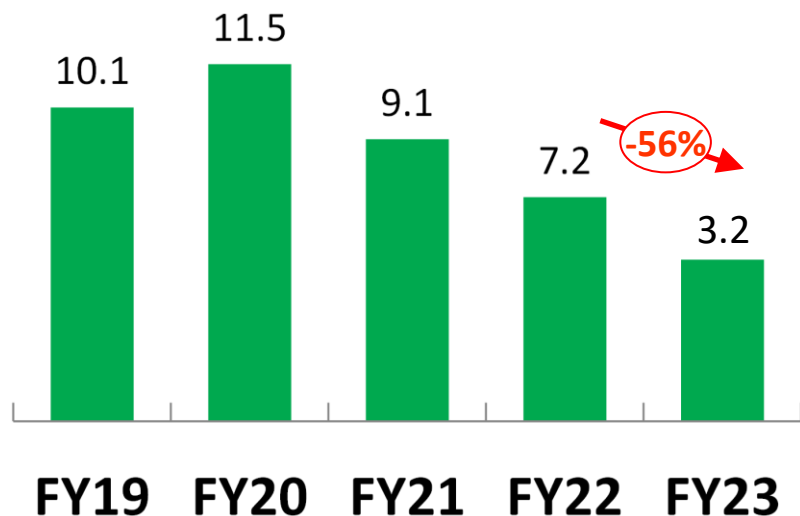


Cathay United Bank – Offshore earnings

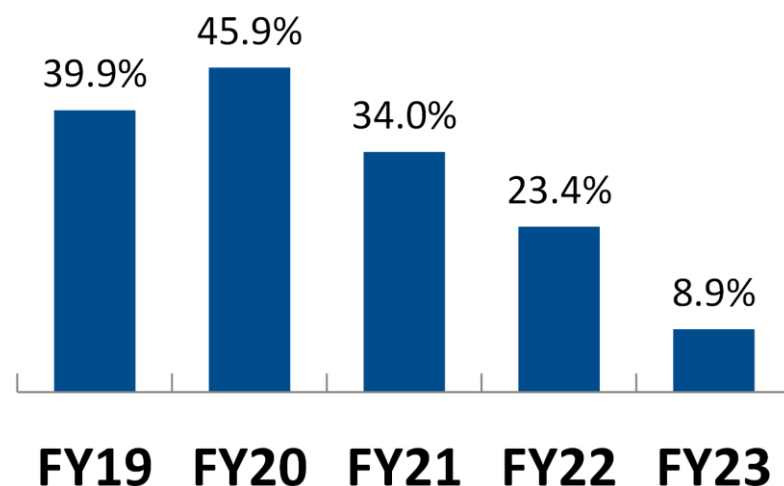
- FY23 offshore earnings declined YoY, attributable to lower investment income resulting from the optimization of the bond portfolio.

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits

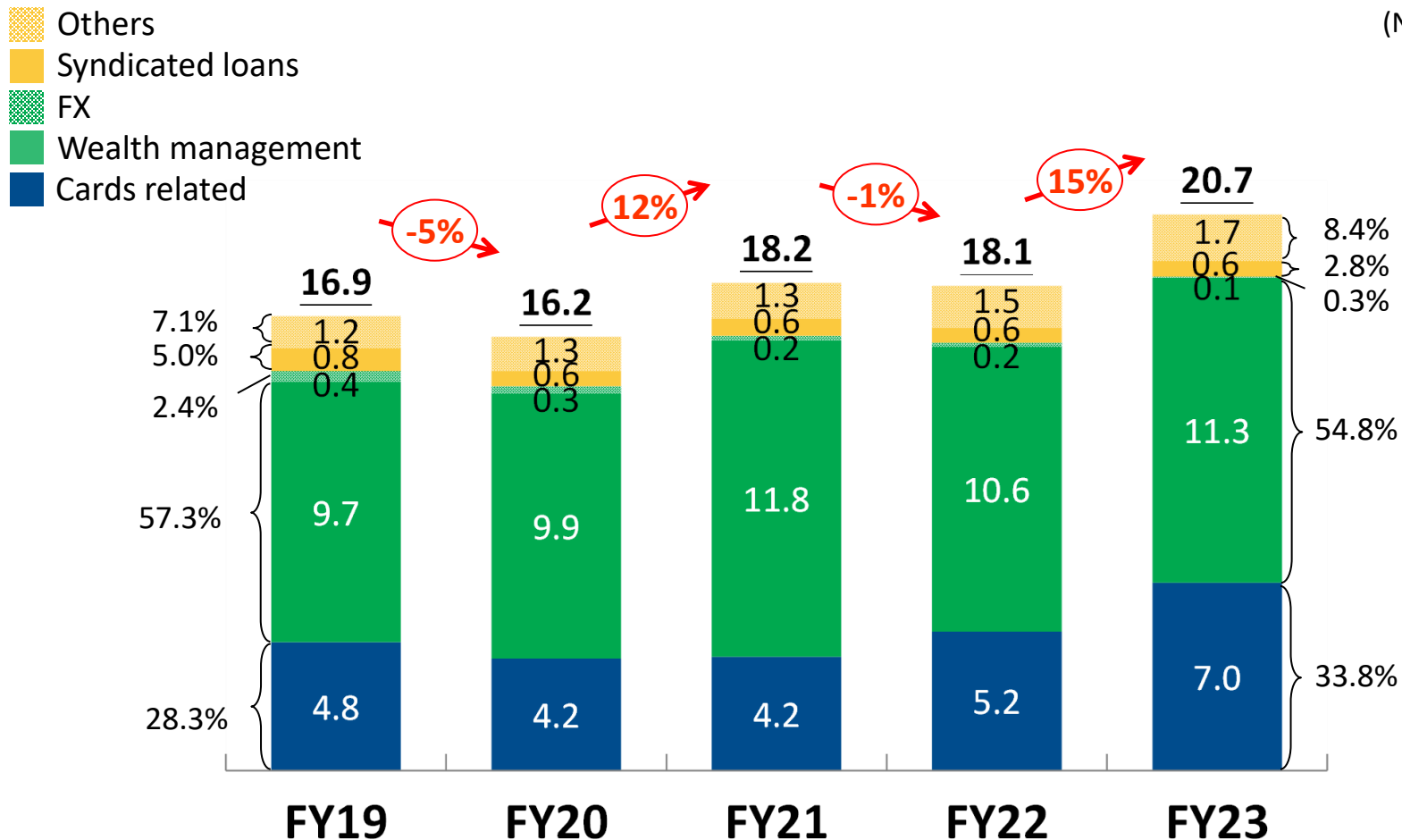


Cathay United Bank – Net fee income

- Net fee income climbed 15% YoY, driven by robust growth in wealth management fees and over 30% YoY growth in credit card fees.

Annual net fee income

(NT\$BN)

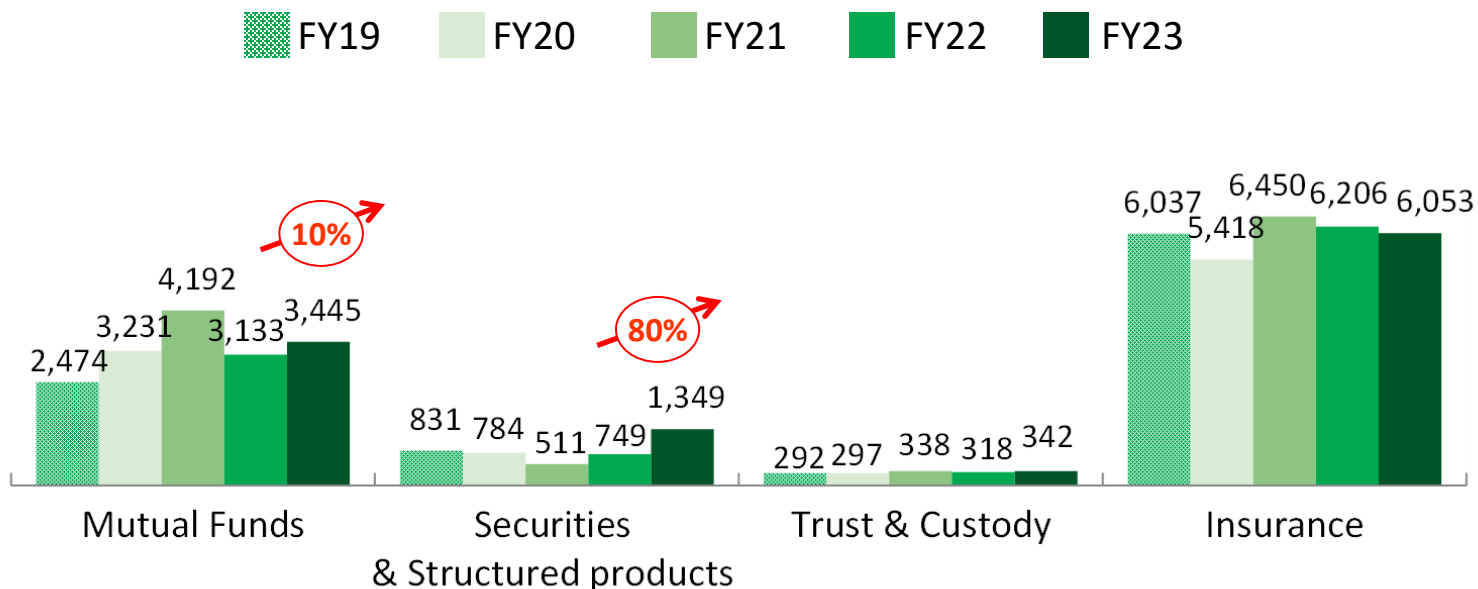


Cathay United Bank – Wealth management fees

- WM fees grew 7% YoY, driven by significant growth in securities fees and recovery in sales growth momentum in mutual funds.

Wealth management fees breakdown

(NT\$MN)	FY19	FY20	FY21	FY22	FY23
Wealth management fees	9,695	9,878	11,783	10,595	11,344
YoY growth (%)	6.9%	1.9%	19.3%	-10.1%	7.1%



Note : If including income from selling treasury products (bonds, structured products, and foreign exchange) of NT\$4.6bn, WM income would grow by 28% YoY.

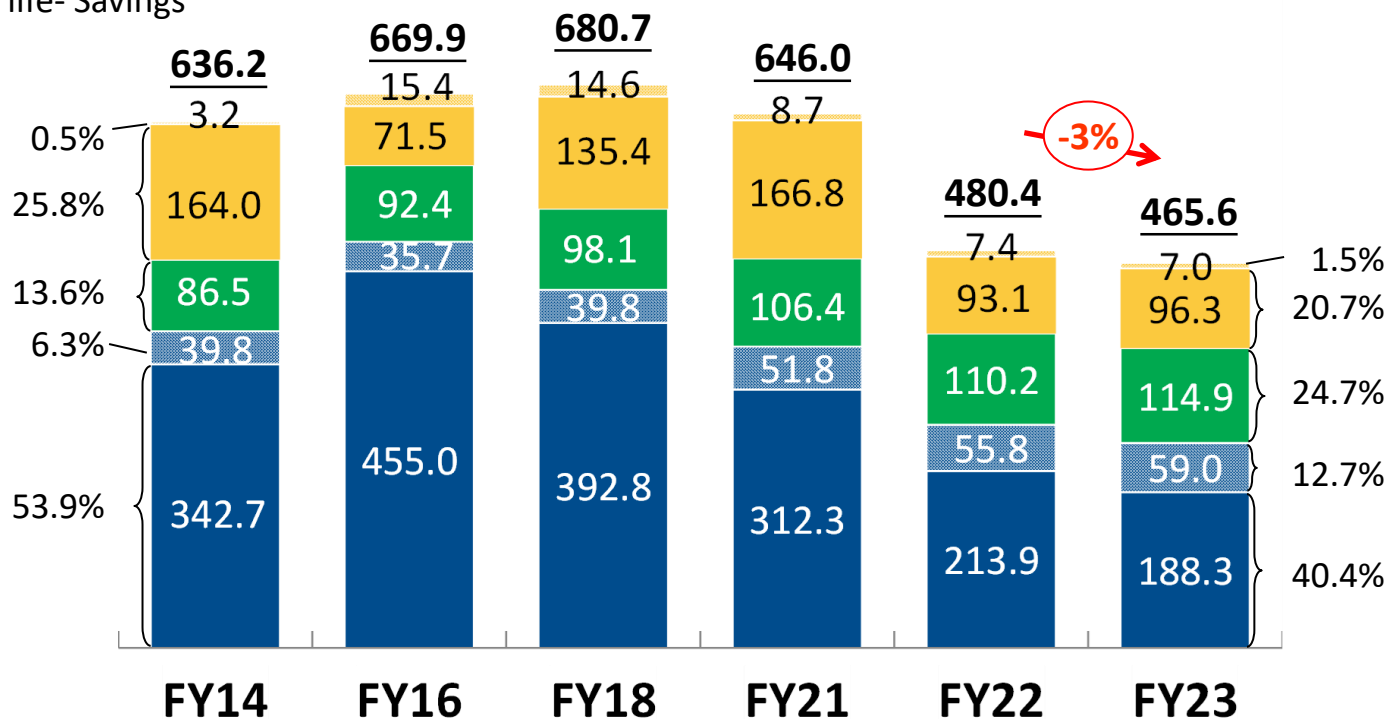
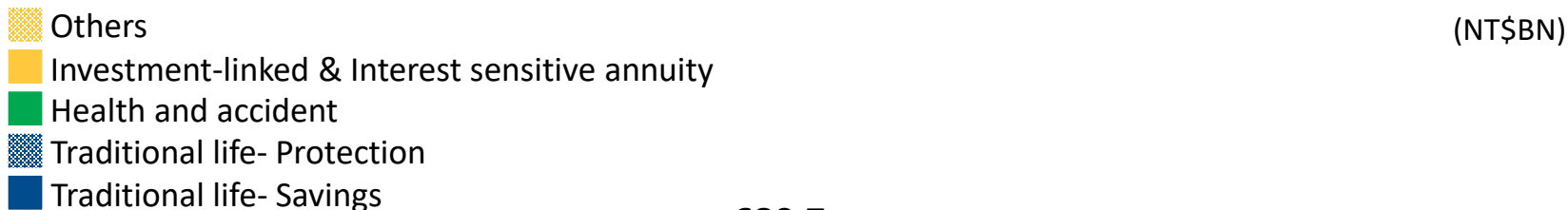
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Cathay Life – Total premium

- Total premium showed a modest YoY decline, while premium from high CSM protection products continued to demonstrate steady growth.

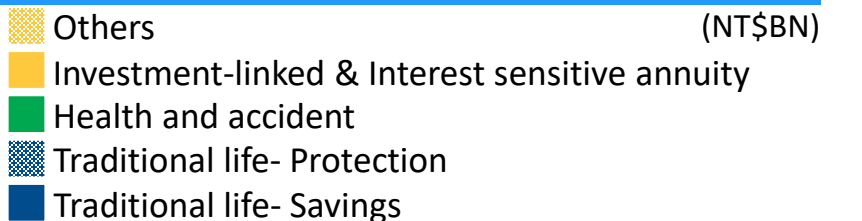
Annual total premium



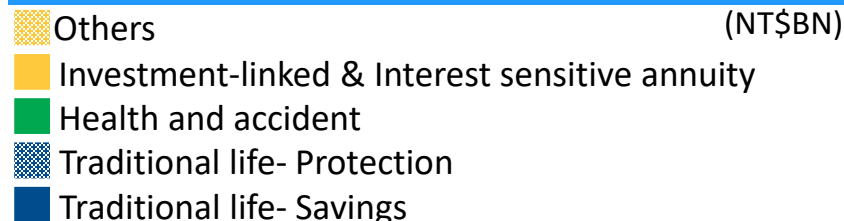
Cathay Life – Quarterly FYP & APE

- FYP and APE respectively rose by 3% and 12%, attributable to an increase in sales volume of ILP and traditional long-term regular-premium products.
- FYP for health and accident products grew 13% YoY, supporting the CSM.

First Year Premium



Annualized FYP (APE)



FX policies %
(excl. investment-linked)

73%	68%	53%
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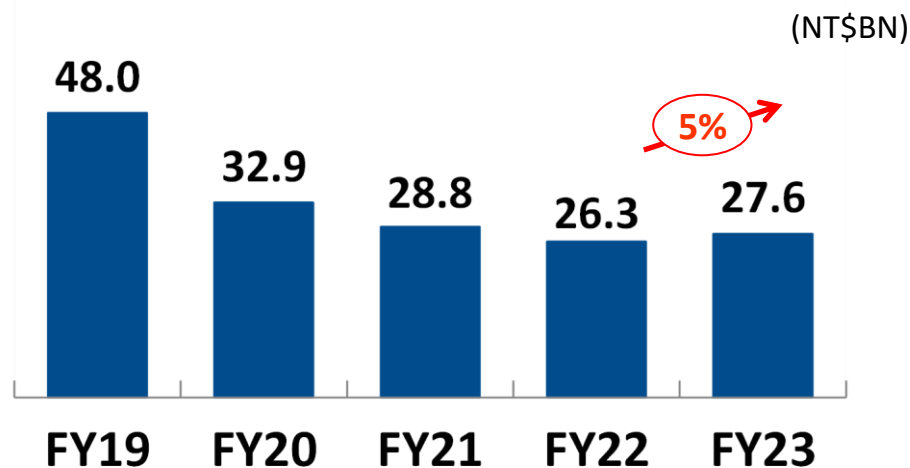
Note : Annualized FYP (APE) = 10% x single-paid FYP + 20% x 2-yr-paid FYP + ... + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

Cathay Life – Value of new business

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

Value of New Business (annual)

Profit Margin	FY19	FY20	FY21	FY22	FY23
VNB/FYP	24%	20%	14%	20%	21%
VNB/APE	50%	53%	56%	62%	58%

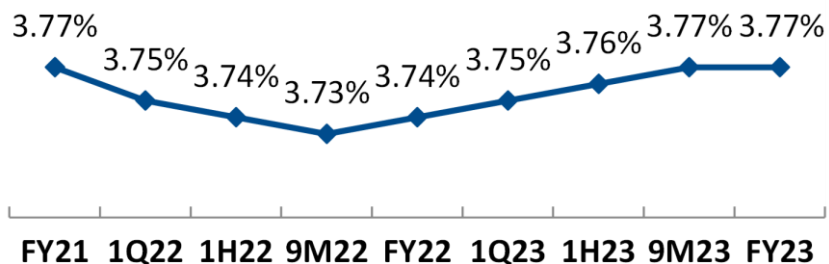


Note : FY22 and FY23 VNB were based on 2022 Embedded Value assumptions. Based on 2021 Embedded Value assumptions, FY22 VNB , VNB/FYP, VNB/APE were NT\$26.6BN ,21% ,63%, respectively.

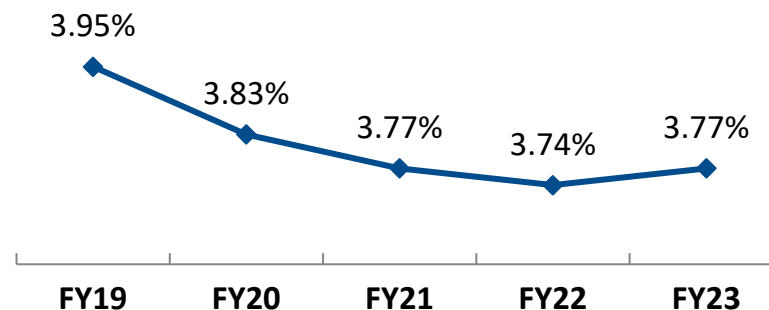
Cathay Life – Cost of liability and break-even asset yield

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

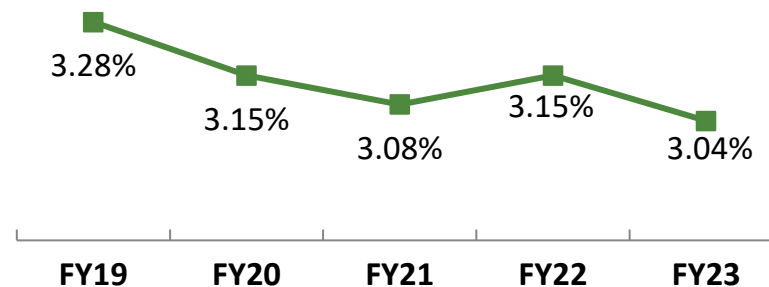
Cost of liability (quarterly)



Cost of liability (annual)



Break-even asset yield



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

Cathay Life – Investment portfolio

(NT\$BN)	FY20	FY21	FY22			FY23		
Total investments⁽¹⁾	6,945.1	7,254.1	7,330.6			7,638.1		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	6.1%	4.4%	4.1%	300	0.7%	2.6%	199	2.0%
Equity- Domestic	6.3%	7.2%	5.1%	373	8.2%	6.6%	504	7.4%
Equity- International ⁽²⁾	5.9%	6.4%	5.6%	408	4.8%	5.6%	427	5.5%
Bond- Domestic	8.0%	7.9%	7.1%	517	3.2%	8.1%	622	4.8%
Bond- International ⁽²⁾	57.0%	57.7%	61.9%	4,539	3.7%	61.8%	4,718	3.8%
Mortgage & Secured loans	4.5%	4.2%	3.8%	280	2.1%	3.0%	230	2.5%
Policy loans	2.4%	2.3%	2.3%	167	5.3%	2.2%	170	5.1%
Real estate	7.7%	7.6%	7.7%	562	2.7%	7.5%	577	2.4%
Others	2.2%	2.3%	2.5%	182		2.5%	192	0.9%

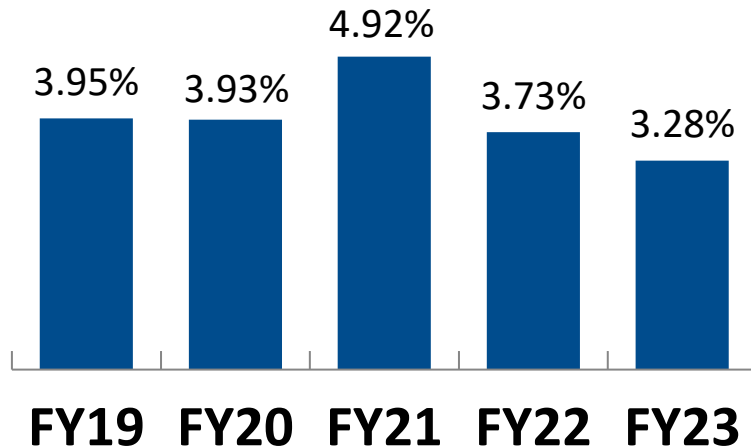
Note: (1) Total assets excluded separate account assets.

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

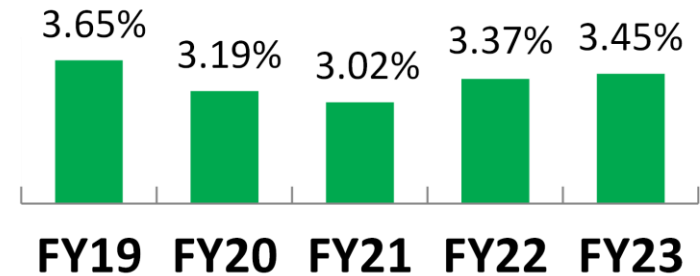
Cathay Life – Investment performance highlights

- Pre-hedging recurring yield rose 8bps YoY, driven by expanded position and higher yield in fixed income, with interest income showing double-digit YoY growth.
- FY23 after-hedging investment yield declined YoY, reflecting increased hedging costs, while hedging costs remained well-contained within 1%.

After-hedging investment yield

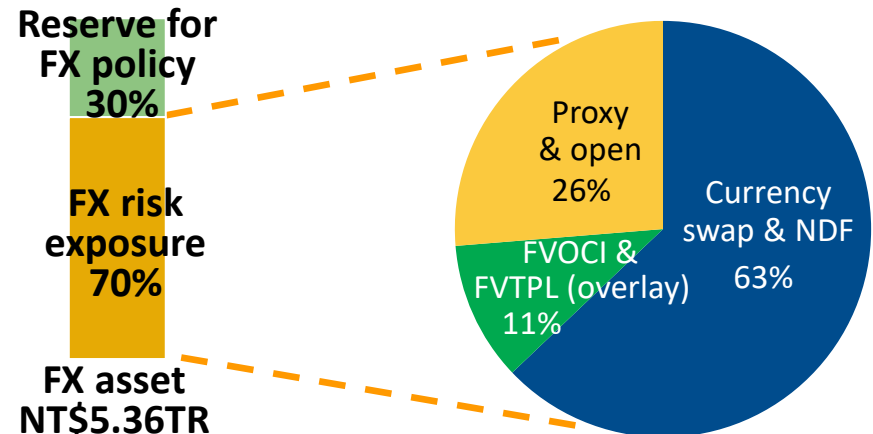


Pre-hedging recurring yield



Currency hedging structure

FY23 Hedging cost 0.96%



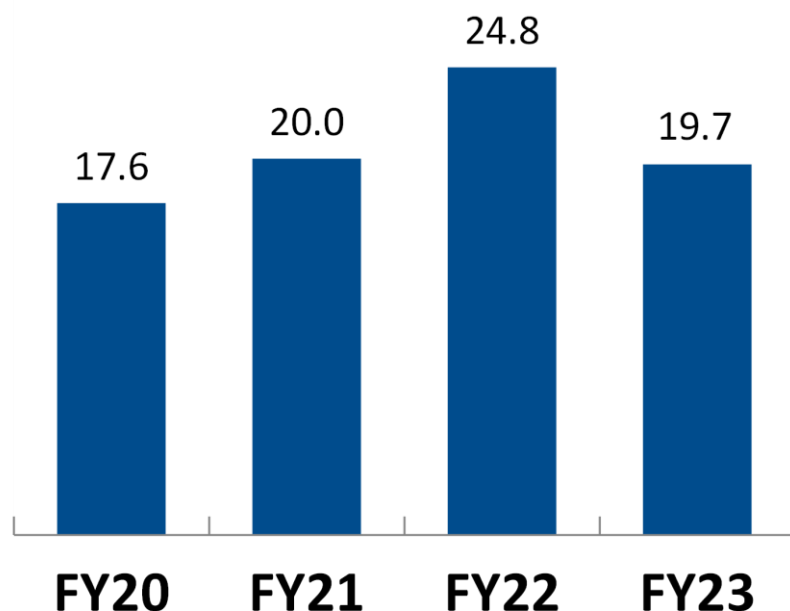
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

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

- ❑ Cash dividend declined YoY due to dynamic adjustments to the stock portfolio.
- ❑ Seized opportunity brought by rising rates to increase position in US bonds, leading to an increase in proportion of overseas fixed income investments based in North America, at 51%.

Cash dividend income

(NT\$BN)



Overseas fixed income by region



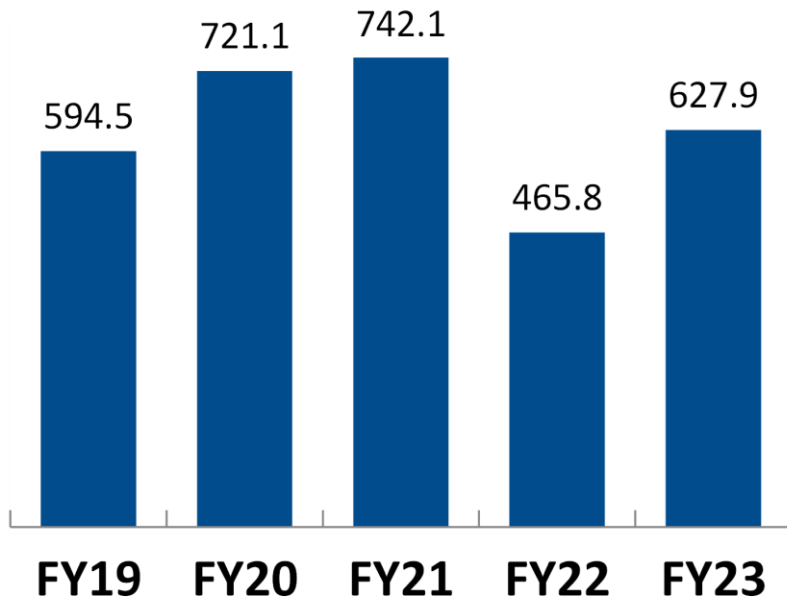
Note: Exclude overseas deposit.

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

- Book value increased YoY, supported by rebound in unrealized G/L and earnings contributions. Equity-to-asset ratio rebounded to over 8%.
- Unrealized G/L recovered YoY owing to rebound in mark-to-market value of equity and fixed income assets.

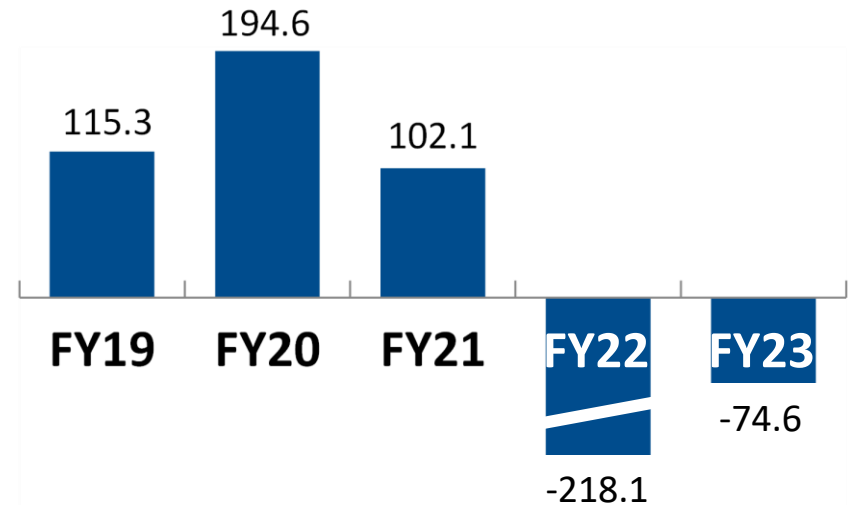
Book value

(NT\$BN)



Unrealized G/L of financial assets

(NT\$BN)



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

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

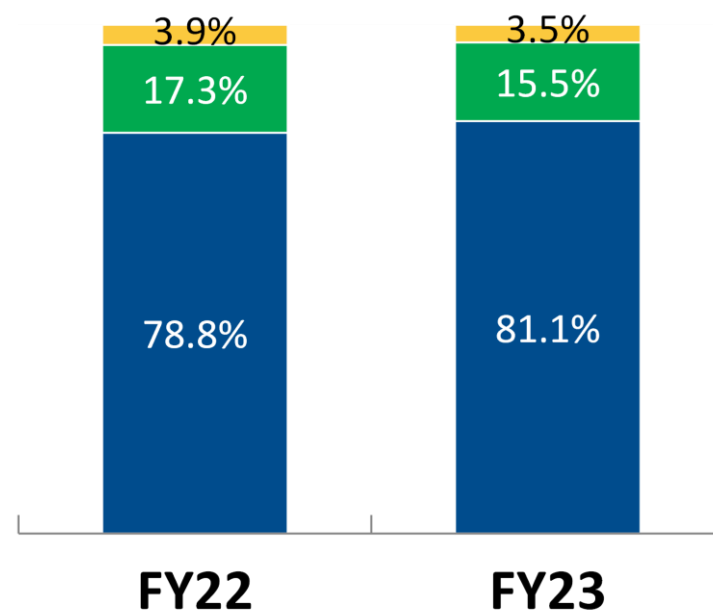
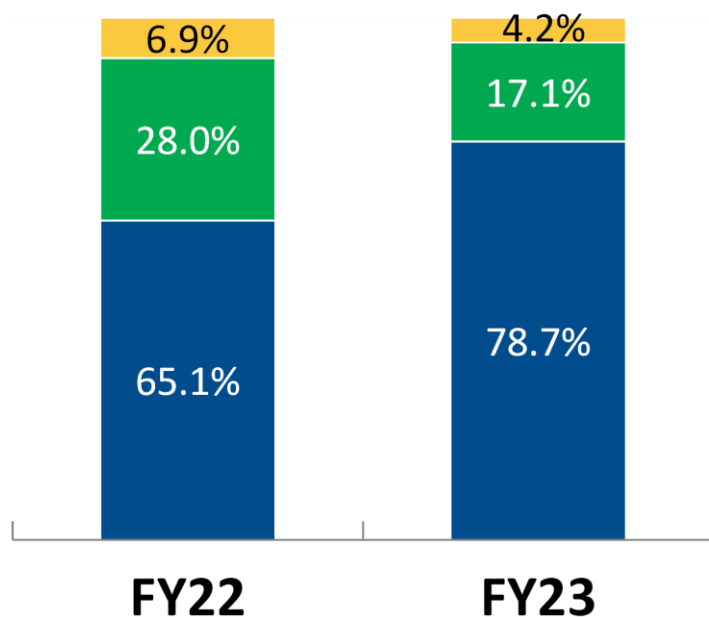
Cathay Life – Distribution channels

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

First Year Premium

Annualized FYP (APE)

- Others
- Bancassurance-CUB
- Tied agents



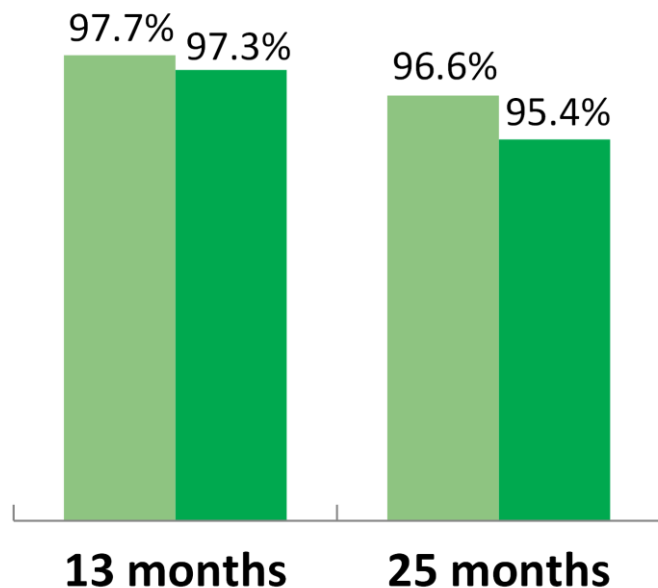
Cathay Life – Operational indicators

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

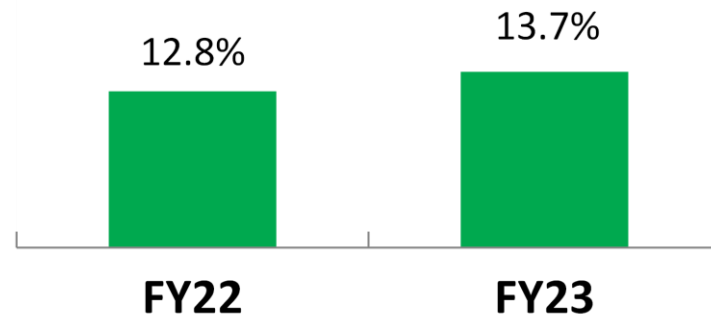
Persistency ratio

FY22

FY23



Expense ratio

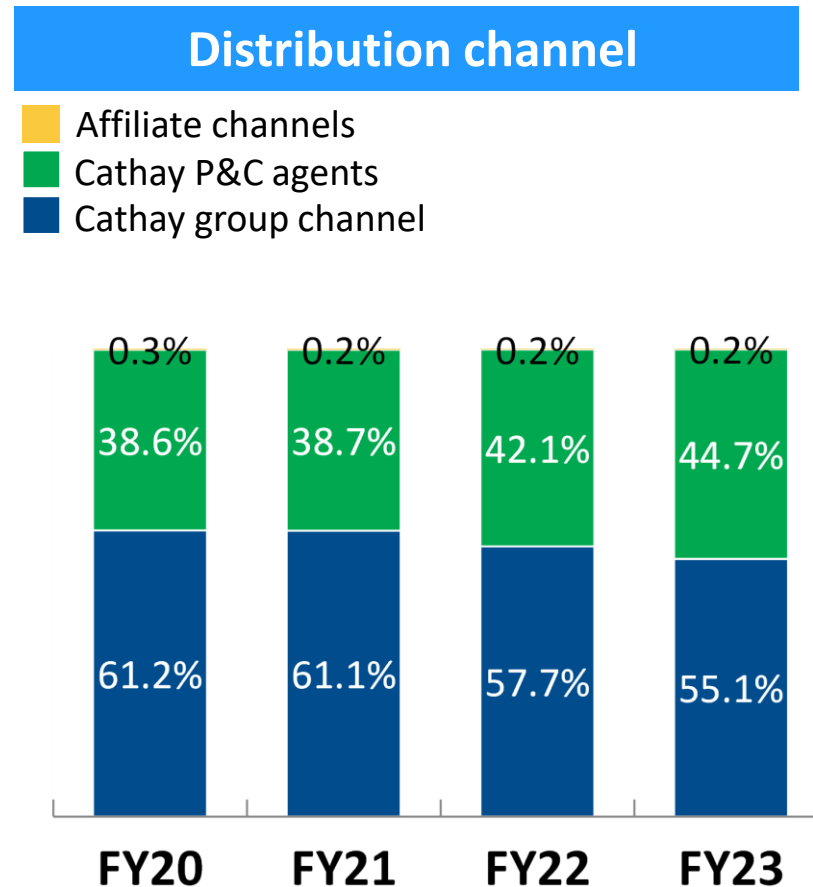
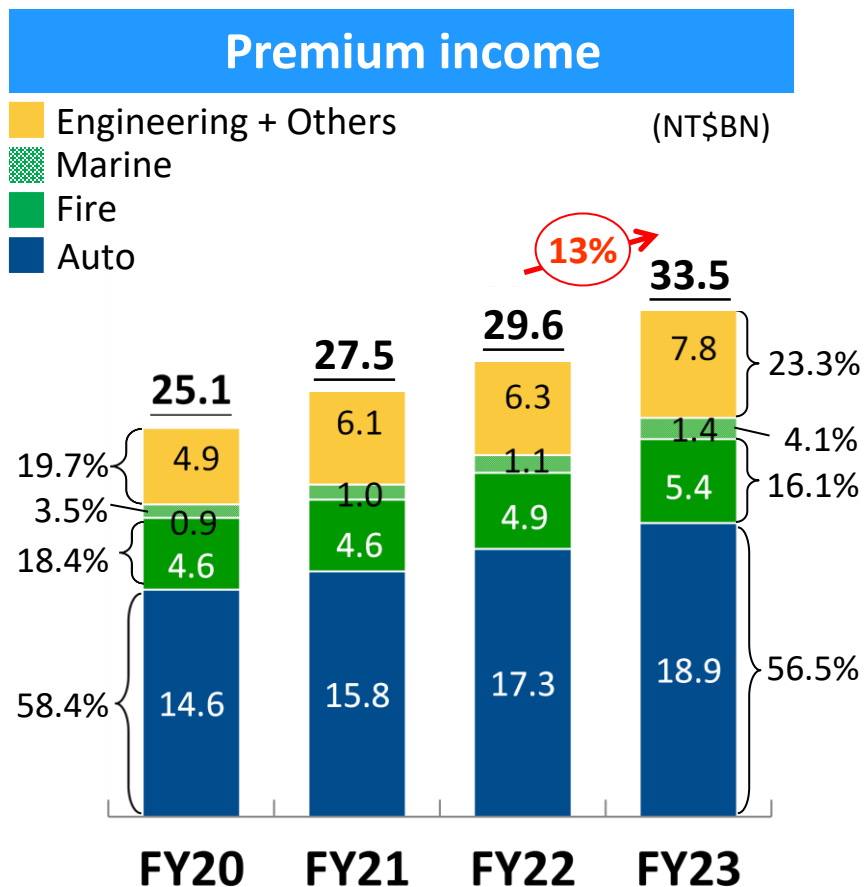


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- **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Appendix**

Cathay Century – Premium income & distribution channels

- Premium income showed double-digit growth. Market share was 13.3%.
- Benefiting from cross-selling synergy, over 50% of premium income was generated by the group channel.



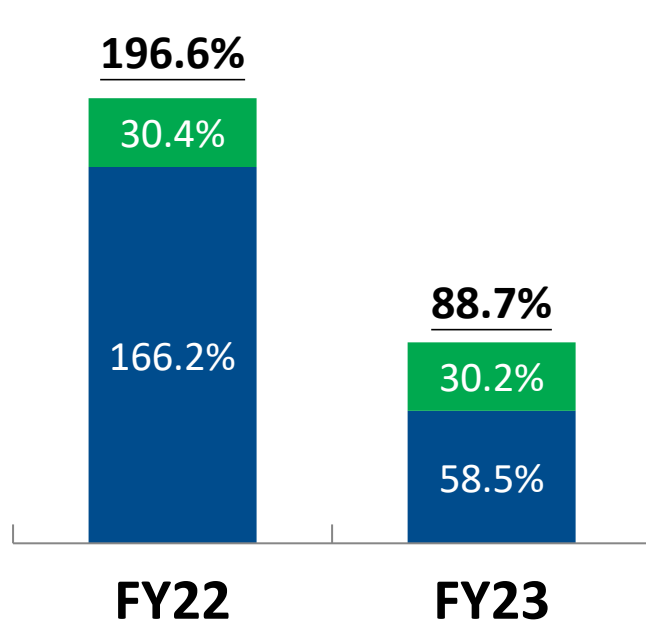
Market share	12.3%	12.4%	12.8%	13.3%
Retention	76.4%	74.3%	73.4%	70.5%

Cathay Century – Combined ratio

- Gross combined ratio and retained combined ratio each declined due to the lower loss ratio, as the impact of pandemic insurance subsided.

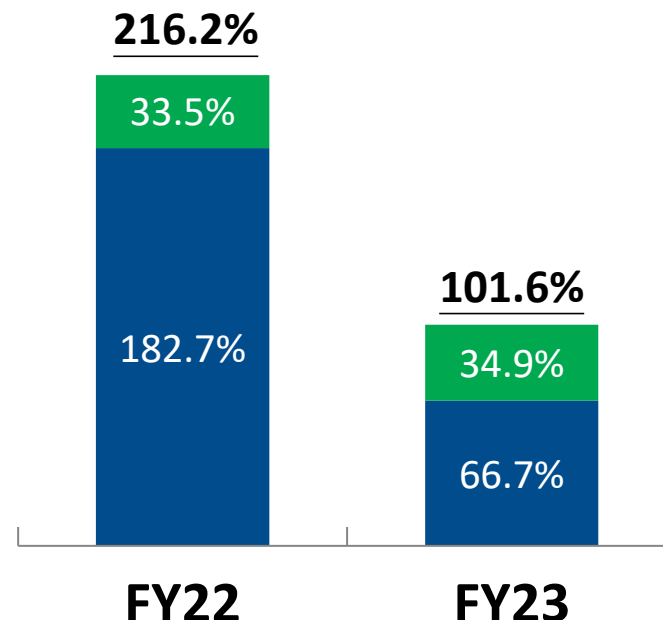
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio

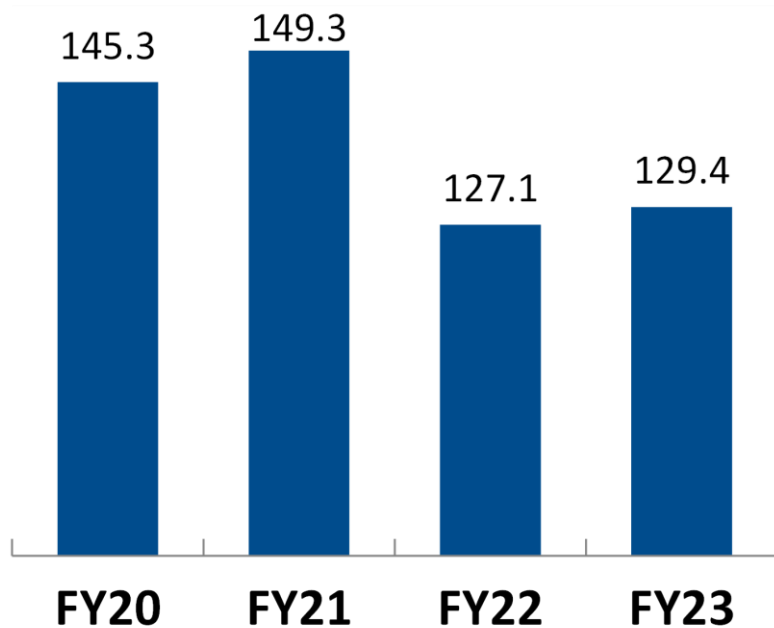


Agenda

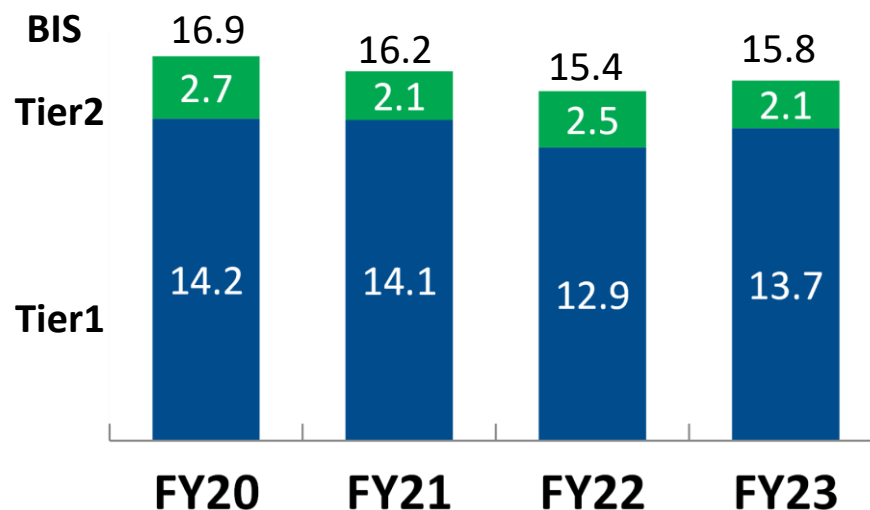
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Capital adequacy

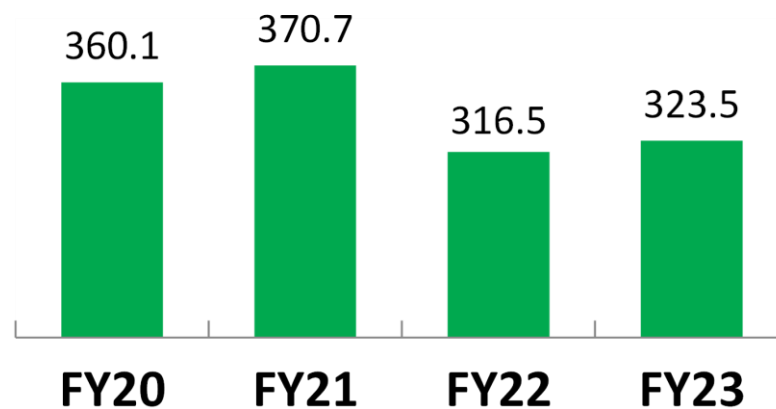
Cathay FHC CAR (%)



CUB capital adequacy (%)



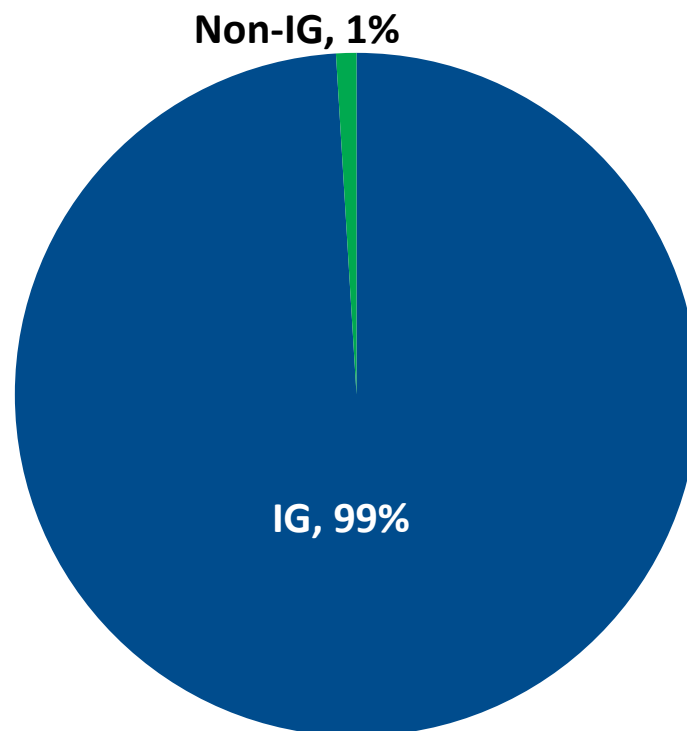
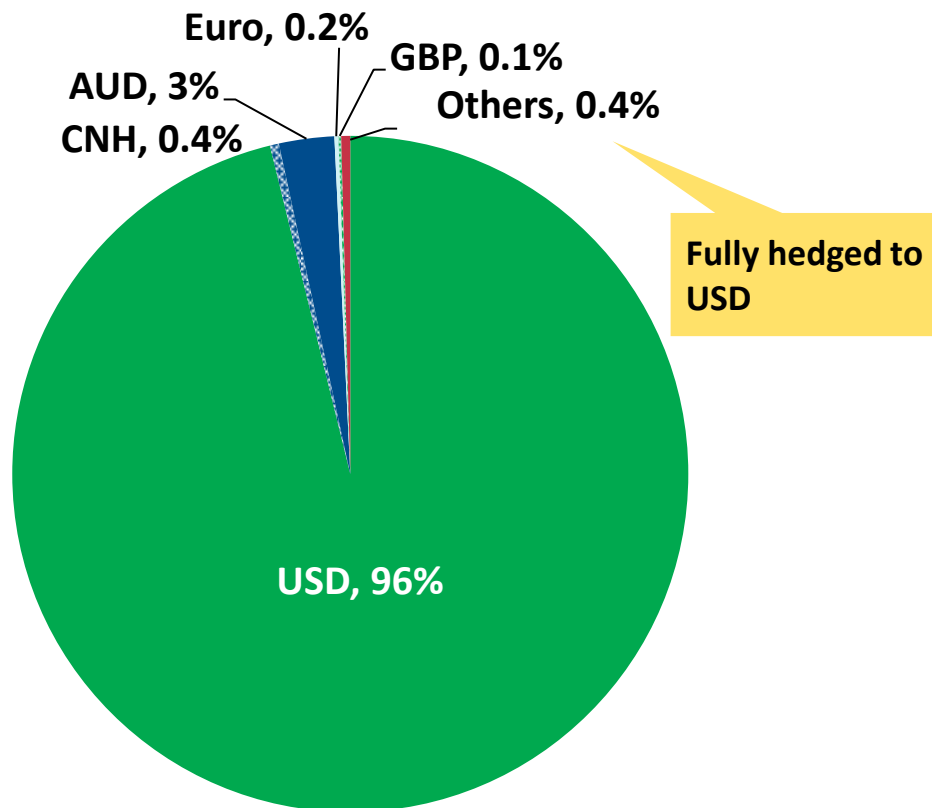
Cathay Life RBC (%)



Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (FY23)

Overseas bond by rating (FY23)



Renowned corporate sustainability performance

Global

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

Included in
DJSI World & DJSI EM



FTSE4Good



Gender-Equality index



ESG Research

IVA RATING

AA



A level



ESG
INDUSTRY
TOP RATED



ESG
REGIONAL
TOP RATED



First Taiwan FI



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Asia 6th approval



2022 & 2023 ICAPs

Global best practice



TCFD Status Report

Corporate case

Taiwan

Top-5%
Corporate Governance

Over 1,000 listed companies

TWSE Corporate Governance Evaluation



Top-10 World Corporate Citizen
for **11** years. **Top 3** in 2023



Global Views

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



2023 Taiwan Corporate
Sustainability Awards

Cathay FHC's continuous effort in ESG integration



2011

- Established CSR Committee

- Formed Responsible Investment Team

2014

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

2015

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

2016

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

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

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

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

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

- Cathay Securities published ESG rating reports on individual listed companies

2020

2019



2018



2017

2021



2022

RE100



2023



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

- Selected by The Investor Agenda for its global top-10 best-practice case studies in the Investor Climate Action Plans (ICAPs)
- Became an **RE100 member**, the first financial institution in Taiwan
- Received **SBTi validation of decarbonization targets**
- Participated in **TNFD, Ceres Valuing Water Finance Initiative**, The Partnership for Biodiversity Accounting Financials (**PBAF**)

- Participated in **Business For Nature**
- Participated in **Nature Action 100**

Cathay FHC's commitment to net-zero carbon emissions



Low-carbon operation transition since 2017, setting a carbon reduction target of 5%

RE100

CLIMATE GROUP



Became an RE100 member



SCIENCE BASED TARGETS

Received SBTi validation of carbon reduction

2018 Disclosed carbon footprints in the investment portfolio

2019 CUB **ceased** financing new **coal-fired power generation projects**
Cathay Life **excluded investments in coal value chain** with coal share revenue(CSR) above 50% without active transition to renewable energy

2020 Integrated **carbon-reduction** performance into **CEO's KPI**

2022 Committed to setting **science-based targets (SBTs)**
Became an **RE100 member**

2025 100% renewable energy goal for headquarters of Cathay FHC, Cathay Life, CUB, and Cathay Century

2030 100% renewable energy goal for all locations in Taiwan

2050 **Net-zero carbon emissions**

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Cathay Financial Holdings

(NT\$MN)

				FY23/ FY22 % Chg	4Q22	4Q23	4Q23/ 4Q22 % Chg
<u>Income Statement Data (Consolidated)</u>							
Operating Income							
Net interest income	194,882	226,163	245,630	9%	61,983	63,203	2%
Net commission and fee	12,649	15,421	17,751	15%	3,289	6,073	85%
Net earned premium	524,187	439,719	431,638	-2%	122,646	126,244	3%
Change in liability reserve	(377,408)	(198,098)	(139,104)	-30%	(29,754)	(44,382)	49%
Net claims payment	(305,703)	(438,283)	(461,707)	5%	(145,611)	(124,134)	-15%
Investment income	190,944	132,185	39,321	-70%	(9,254)	(31,285)	-238%
Contribution from associates-equity method	1,807	2,266	1,951	-14%	189	(69)	-136%
Other net non-interest income	7,197	(36,038)	29,588	182%	1,702	21,699	1175%
Bad debt expense	(3,484)	(4,778)	(4,103)	-14%	(2,419)	(1,930)	-20%
Operating expense	(85,543)	(88,610)	(102,496)	16%	(23,663)	(27,952)	18%
Income before taxes	159,526	49,948	58,469	17%	(20,893)	(12,533)	40%
Income taxes	(18,637)	(11,986)	(6,955)	-42%	4,376	4,303	-2%
Net income	140,889	37,962	51,514	36%	(16,517)	(8,230)	50%
Net income to parent company	139,514	37,359	50,929	36%	(16,535)	(8,323)	50%
EPS (NT\$)	10.34	2.58	3.24		(1.25)	(0.57)	
<u>Dividend Payout</u>							
Cash dividend per share	3.50	0.90					
Stock dividend per share	0.00	0.00					
Weighted average outstanding shares (Millions of common shares)	13,169	13,190	14,669				
<u>Balance Sheet Data (Consolidated)</u>							
Total assets	11,594,361	12,070,886	12,811,120				
Total shareholders' equity	914,039	611,708	801,446				
Equity attributable to parent company	902,038	598,840	788,055				
<u>Operating Metrics</u>							
ROAE (Consolidated)	15.49%	4.98%	7.29%				
ROAA (Consolidated)	1.25%	0.32%	0.41%				
Double leverage ratio(inc. preferred stock)	113%	122%	118%				
<u>Capital Adequacy Metrics</u>							
Capital Adequacy Ratio	149%	127%	129%				

Notes:

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Cathay Life
 (NT\$MN)

<u>Income Statement Data (Consolidated)</u>	FY21	FY22	FY23	FY23/ FY22	4Q22	4Q23	4Q23/ 4Q22
				% Chg			% Chg
Net written premium	499,102	410,186	401,229	-2%	115,305	117,621	2%
Net earned premium	498,398	409,196	400,118	-2%	114,268	116,533	2%
Reinsurance commission earned	388	527	424	-20%	507	402	-21%
Fee income	10,715	10,804	11,728	9%	2,685	3,337	24%
Recurring investment income	214,968	242,608	259,899	7%	59,102	63,611	8%
Gain on disposal of investment							
Realized gain (loss)-Equity	116,191	23,289	40,940	76%	(1,433)	7,931	654%
Realized gain (loss)-Debt	63,127	5,572	4,158	-25%	(2,658)	429	116%
Gain on investment property	1,106	2,735	(70)	-103%	834	133	-84%
FX and others, net	(46,445)	(2,907)	(51,639)	-1676%	(15,164)	(31,903)	-110%
Investment income, net	348,947	271,296	253,289	-7%	40,682	40,201	-1%
Other operating income	8,754	8,726	10,537	21%	2,354	2,652	13%
Separate account revenues	77,919	(933)	56,586	6164%	12,436	14,143	14%
Net claims payment	(287,850)	(398,511)	(429,157)	8%	(134,630)	(116,799)	-13%
Changes in liability reserves	(376,771)	(188,389)	(147,994)	-21%	(23,521)	(44,394)	89%
Acquisition and commission expense	(34,445)	(30,977)	(33,700)	9%	(8,133)	(7,060)	-13%
Other operating costs	(8,056)	(6,729)	(7,813)	16%	(1,797)	(2,088)	16%
Financial cost	(3,114)	(3,817)	(4,828)	26%	(1,076)	(1,369)	27%
Separate account expense	(77,919)	933	(56,586)	6164%	(12,436)	(14,143)	14%
Operating expense	(32,448)	(32,301)	(36,465)	13%	(8,108)	(10,377)	28%
Net non-operating income	1,563	1,859	2,753	48%	578	639	10%
Income taxes	(12,916)	(7,513)	(2,125)	-72%	3,344	4,428	32%
Net income	113,166	34,169	16,766	-51%	(12,847)	(13,895)	-8%
Net income to parent company	112,231	33,667	16,343	-51%	(13,013)	(13,919)	-7%
<u>Balance Sheet Data (Consolidated)</u>							
Total assets	8,073,161	8,172,430	8,536,002				
General account	7,348,951	7,517,003	7,808,336				
Separate account	724,210	655,427	727,666				
Reserves for life insurance liabilities	6,413,221	6,794,562	6,919,383				
Total liabilities	7,331,028	7,706,641	7,908,127				
Total shareholders' equity	742,133	465,789	627,875				
Equity attributable to parent company	734,443	456,817	618,419				
<u>Operating Metrics (Standalone)</u>							
First Year Premium(FYP)	202,394	129,343	132,871				
First Year Premium Equivalent(FYPE)	50,997	42,434	47,415				
Expense ratio	11.2%	12.8%	13.7%				
13-M persistency ratio	98.4%	97.7%	97.3%				
25-M persistency ratio	96.3%	96.6%	95.4%				
ROAE (Consolidated)	15.47%	5.66%	3.07%				
ROAA (Consolidated)	1.44%	0.42%	0.20%				
<u>Capital Adequacy Metrics (Standalone)</u>							
RBC ratio	371%	316%	323%				

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Cathay United Bank (NT\$MMN)				FY23/ FY22			4Q23/ 4Q22
<u>Income Statement Data (Consolidated)</u>	FY21	FY22	FY23	% Chg	4Q22	4Q23	% Chg
Operating Income							
Net interest income	38,539	48,704	51,743	6%	13,791	13,243	-4%
Net fee income	18,346	18,246	20,844	14%	4,390	5,129	17%
Investment income	6,956	6,711	13,476	101%	1,020	1,012	-1%
Other income	502	1,180	835	-29%	420	218	-48%
Net operating income	64,342	74,841	86,898	16%	19,621	19,602	0%
Operating expenses	(33,877)	(38,307)	(45,752)	19%	(11,075)	(12,655)	14%
Pre-provision profit	30,466	36,534	41,146	13%	8,546	6,947	-19%
Net provisions for possible losses	(2,986)	(5,524)	(5,077)	-8%	(2,761)	(1,869)	-32%
Income before taxes	27,480	31,010	36,069	16%	5,786	5,078	-12%
Income tax	(3,671)	(5,299)	(7,102)	34%	(987)	(1,532)	55%
Net income	23,808	25,712	28,967	13%	4,799	3,546	-26%
Net income to parent company	23,344	25,590	28,805	13%	4,952	3,477	-30%
<u>Balance Sheet Data (Consolidated)</u>							
Total assets	3,499,323	3,887,031	4,233,701				
Loans, net	1,807,077	2,045,082	2,280,571				
Financial assets	1,110,788	1,268,349	1,403,347				
Total liability	3,248,596	3,645,307	3,957,835				
Deposits	2,935,694	3,246,162	3,543,558				
Financial Debenture Payable	46,800	37,147	27,100				
Total shareholders' equity	250,727	241,724	275,866				
Equity attributable to parent company	246,351	237,734	271,931				
<u>Operating Metrics (Consolidated)</u>							
Cost income ratio	52.65%	51.18%	52.65%				
ROAE	9.57%	10.44%	11.19%				
ROAA	0.71%	0.70%	0.71%				
<u>Assets Quality (Standalone)</u>							
NPL	1,578	1,510	2,519				
NPL ratio	0.09%	0.08%	0.11%				
NPL provisions	28,064	32,459	36,609				
Coverage ratio	1778%	2150%	1453%				
<u>Capital Adequacy Metrics (Standalone)</u>							
BIS ratio	16.2%	15.4%	15.8%				
Tier 1 ratio	14.1%	12.9%	13.7%				
CET1 ratio	12.6%	11.0%	12.0%				
<u>LDR (Standalone)</u>							
LDR	61.4%	62.4%	64.1%				
TWD LDR	69.2%	75.4%	79.8%				
FX LDR	34.1%	25.8%	22.5%				

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Cathay Century
 (NT\$MM)

Income Statement Data (Consolidated)	FY21	FY22	FY23	FY23/	4Q22	4Q23	4Q23/
				FY22			% Chg
Premium income	28,015	30,266	34,273	13%	7,643	8,958	17%
Net written premium	20,718	22,084	24,022	9%	5,959	6,671	12%
Net earned premium	19,903	21,703	23,448	8%	5,640	6,019	7%
Reinsurance commission earned	857	900	1,117	24%	203	284	40%
Fee income	46	49	50	2%	11	11	-4%
Investment	1,363	595	948	59%	(64)	(38)	42%
Interest income	539	636	674	6%	173	182	5%
Other investment income, net	824	(41)	275	766%	(237)	(220)	7%
Other operating income	0	157	51	-67%	11	(39)	-446%
Net claims payment	(10,470)	(29,677)	(23,240)	-22%	(7,970)	(3,262)	-59%
Changes in liability reserves	(637)	(9,709)	8,891	-192%	(6,233)	11	-100%
Commissions and other operating costs	(3,765)	(3,916)	(4,376)	12%	(1,027)	(1,193)	16%
Operating expenses	(4,772)	(4,636)	(5,374)	16%	(1,175)	(1,451)	23%
Operating income	2,525	(24,533)	1,514	106%	(10,604)	344	103%
Net non-operating income	42	8	12	50%	11	12	11%
Income taxes	(392)	4,904	(281)	106%	2,095	(82)	104%
Net income	2,175	(19,622)	1,246	106%	(8,498)	275	103%
Balance Sheet Data (Consolidated)							
Total assets	49,900	60,596	55,446				
Total stockholders' equity	14,447	12,800	14,982				
Operating Metrics (Standalone)							
Gross Combined ratio	87.1%	196.6%	88.7%				
Net Combined ratio	92.1%	216.2%	101.6%				
ROAE (Consolidated)	15.78%	-144.03%	8.97%				
ROAA (Consolidated)	4.62%	-35.52%	2.15%				
Capital Adequacy Metrics							
RBC ratio (Standalone)	284%	369%	351%				

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