



國泰金控

Cathay Financial Holdings

2020 First Half Briefing

August 2020



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Agenda

- **1H20 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Appendix**

1H20 Business overview

Cathay United Bank

- Delivered steady loan and deposit growth with benign credit quality.
- Overseas expansion continued. Planned to open Yangon branch in Myanmar by the end of this year.
- Offshore earnings grew 8% YoY, accounted for 48% of pre-tax earnings.

Cathay Life

- Focused on value-driven strategy. Total premium grew steadily driven by the growth of renewal premium. Both FYP and FYPE ranked No.1 in the industry.
- Maintained solid capital position with RBC ratio of 347%.

Cathay Century

- Premium income grew 2% YoY. Remained in second place with 11.6% market share.
- Developed online business in China and enlarged local team in Vietnam. Overseas premium income continued to rise.

Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$872.5 BN.
- Recognized by Asia Asset Management, Benchmark and received Asset Management Company of the Year by The Asset in 2020.

Cathay Securities

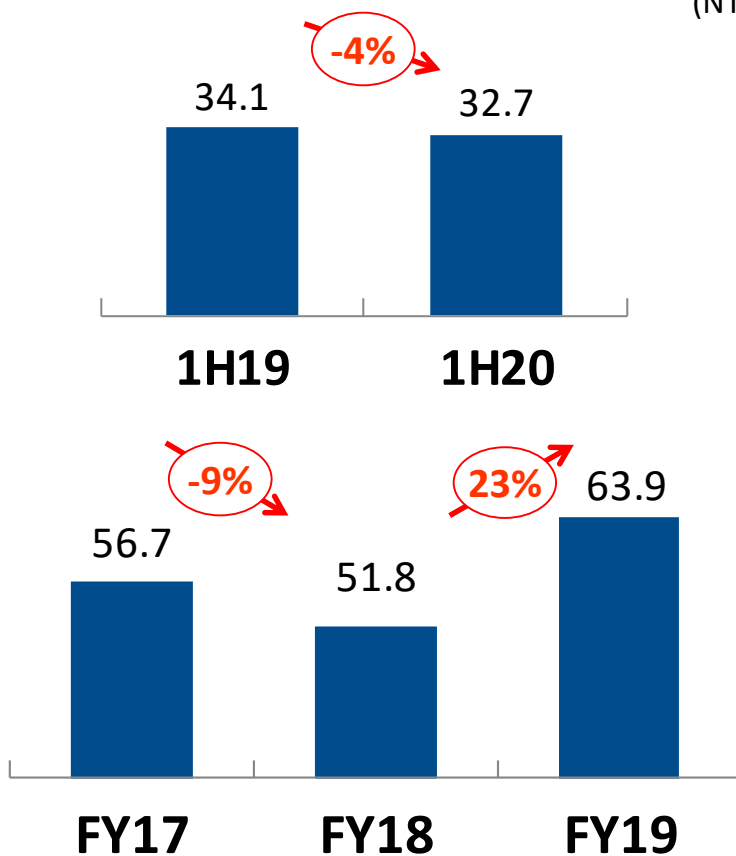
- Brokerage business grew steadily. Sub-brokerage market share ranked No.1.
- Optimized customer experience with new digital business model.
- 1H20 profit increased significantly.

Cathay FHC – Net income & EPS

- Net income declined 4% YoY due to the recognition of tax expenses on undistributed earnings.

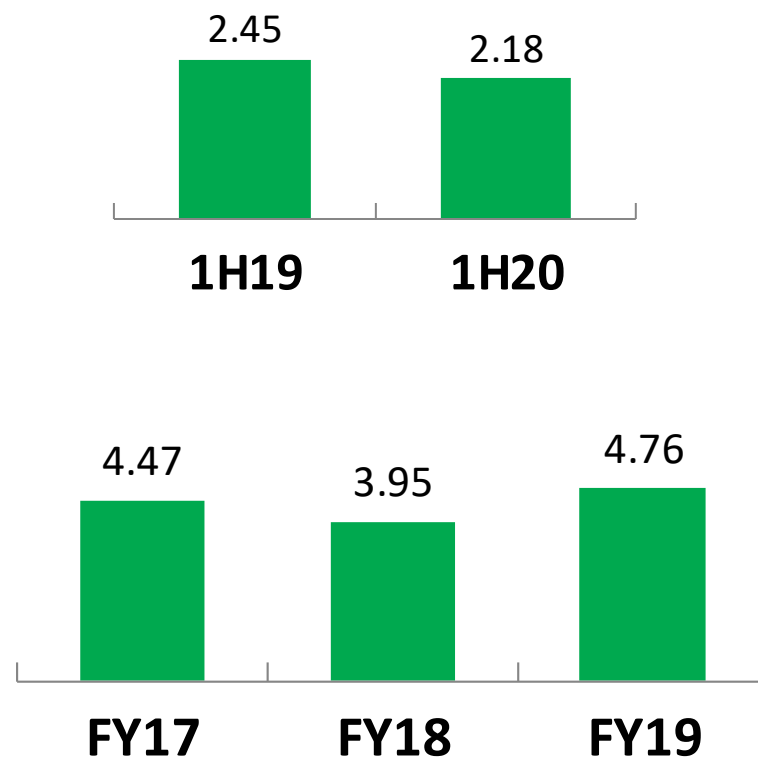
Net income

(NT\$BN)



EPS

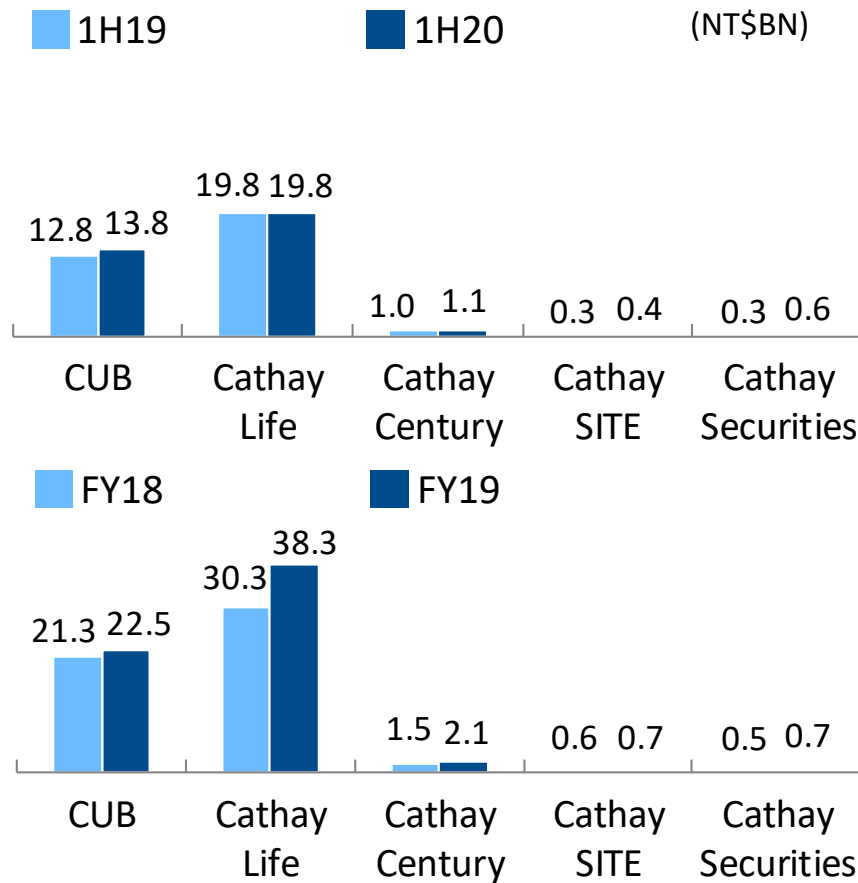
(NT\$)



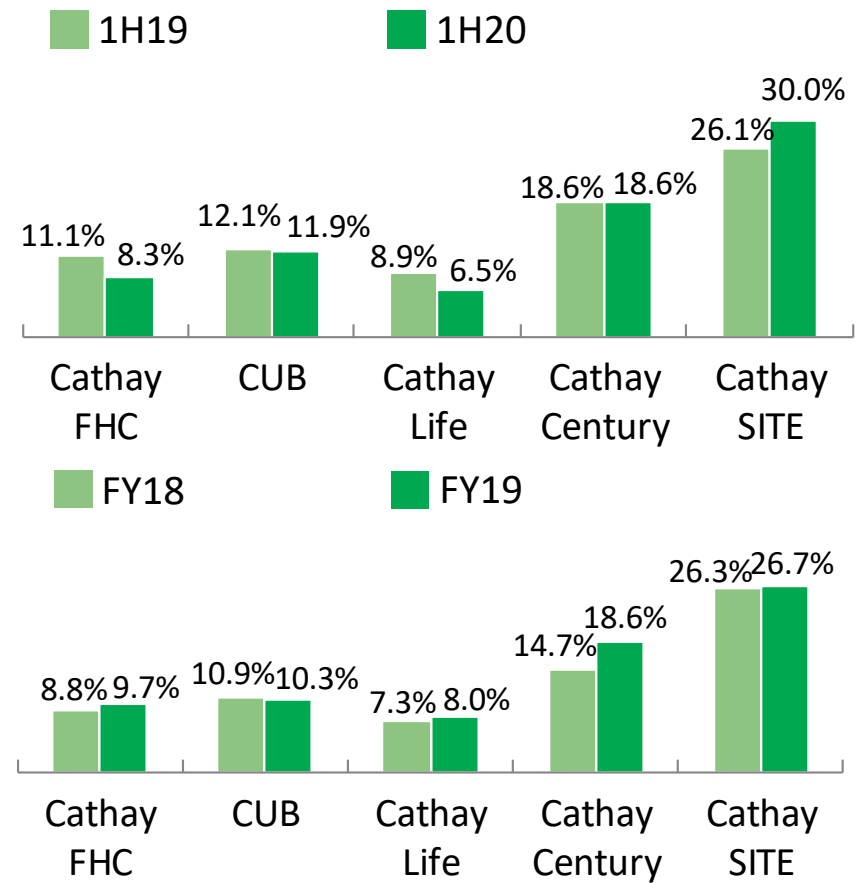
Cathay FHC – Net income & ROE

- CUB net income increased 9% YoY driven by higher investment income and lower expenses.
- P&C, Asset Management and Securities subsidiaries delivered double digit growth in net income.

Net income of primary subsidiaries

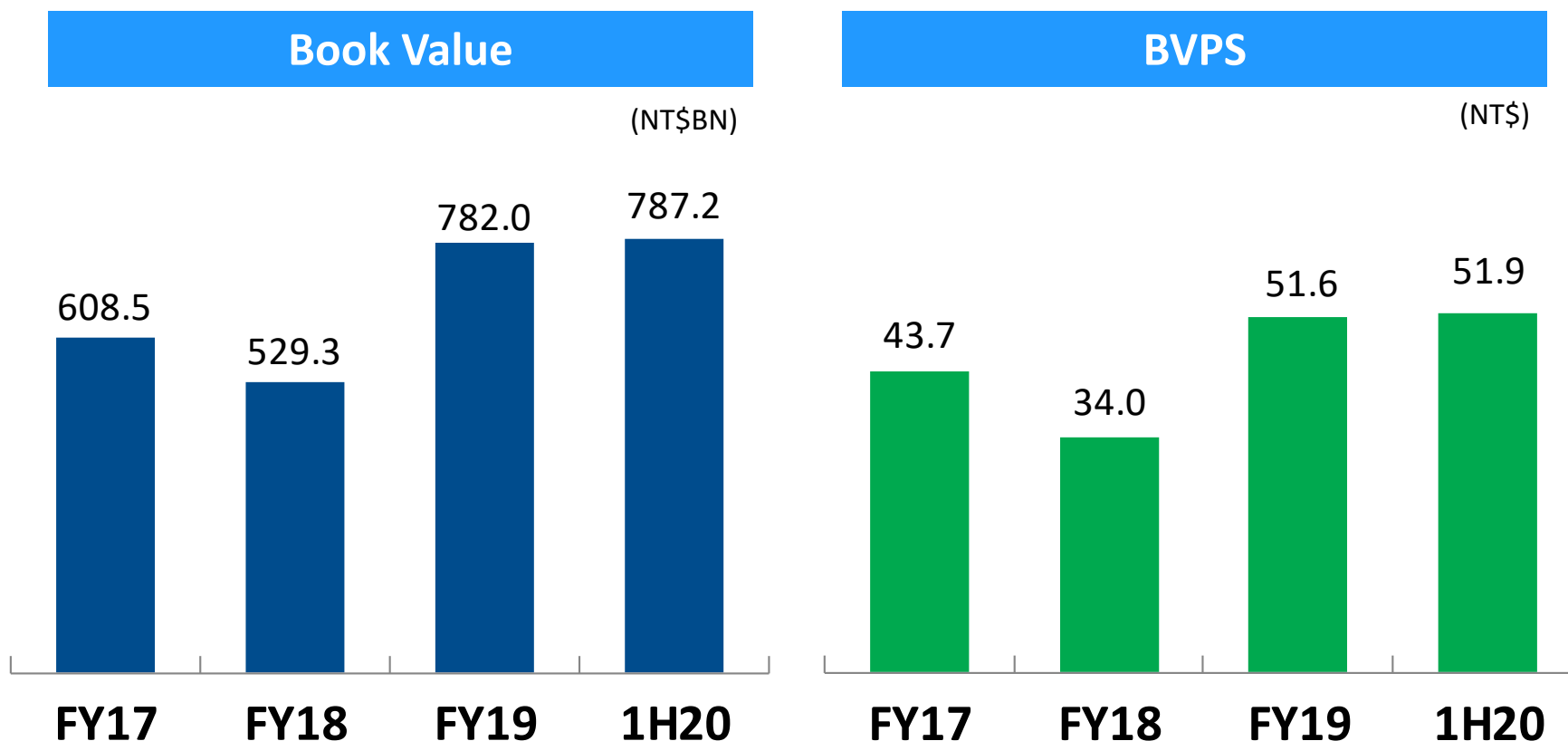


ROE



Cathay FHC – Book value & BVPS

□ Book value reached record high, led by favorable capital markets.



Note : (1) Book value includes preferred shares and minority interests, BVPS represented BVPS attributable to common shareholders.
(2) Starting Jan.1, 2018, the reporting was based on IFRS 9.

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Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Thailand	Myanmar	Indonesia
Bank	7	36	16	1	1	1	1	1	1	1	1
Life	53 ⁽¹⁾	97 ⁽¹⁾									
P&C	28	2									
Asset Mgt.	1			1							
Securities				2							

Note: (1) Cathay Lujiazui Life and Cathay Life (Vietnam) footprints includes headquarter and branches.

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

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

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



■ Banking

- Vietnam: Indovina Bank performed steadily.
- Cambodia: Subsidiary's businesses grew steadily.
- Philippines: Invested 23% stake in RCBC⁽³⁾
- Indonesia: Invested 37% stake in Bank Mayapada⁽³⁾
- Myanmar: Planned to open Yangon branch by the end of this year.

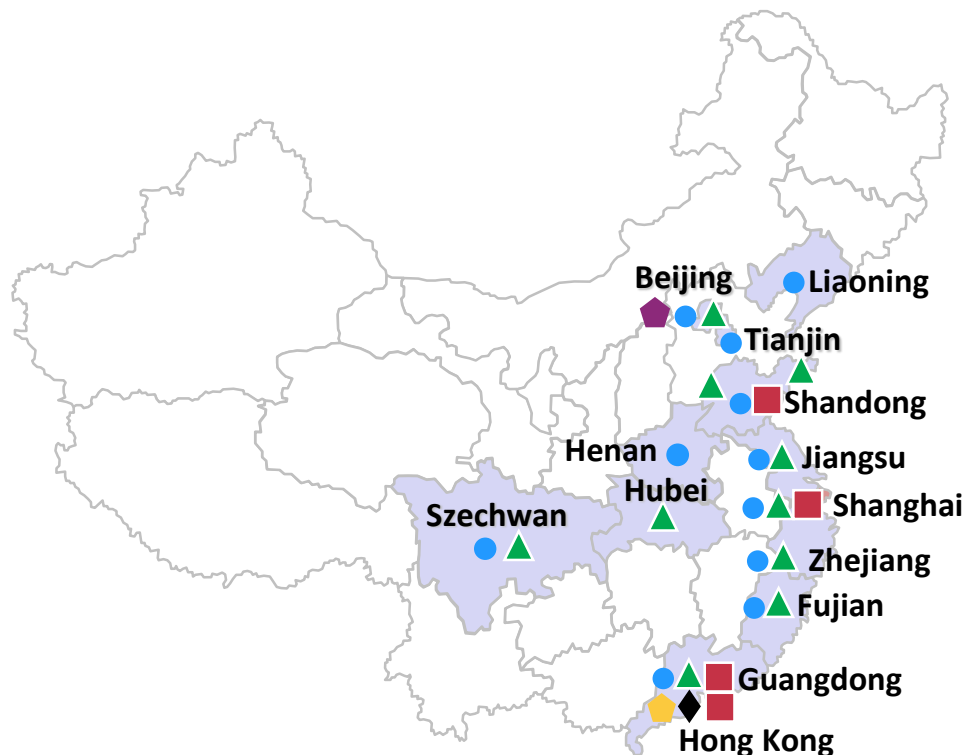
■ Cathay Life (Vietnam)

- Total premium grew 57% YoY to VND 732BN in 1H20.
- 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

- The China subsidiary performed steadily.
- Obtained S&P Credit Ratings in July. ('BBB+' long-term and 'A-2' short-term)

■ Cathay Lujiazui Life

- Each business line grew steadily.
- Total premium grew 8% YoY to RMB 1.5BN in 1H20.

■ Cathay Century (China)

- Formed a strategic alliance with Ant Financial group. Actively developed eCommerce-related financial services.

■ Cathay Securities (HK)

- Each business line grew steadily.

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

- Continued to launch new products. Mainly focused on fixed income funds.

■ Conning Asia Pacific Limited

- Continued to expand asset management business.

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Cathay United Bank

Cathay Life

Cathay Century

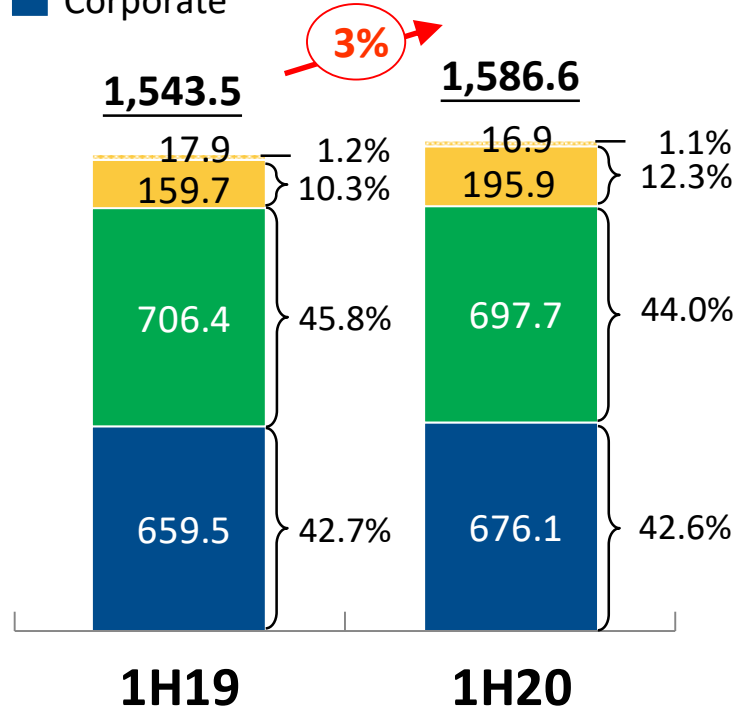
- **Appendix**

Cathay United Bank – Loan & Deposit breakdown

- Enhanced loan mix with growth in consumer, SME and foreign currency loan.
- Deposit grew solidly with higher demand-deposit ratio.

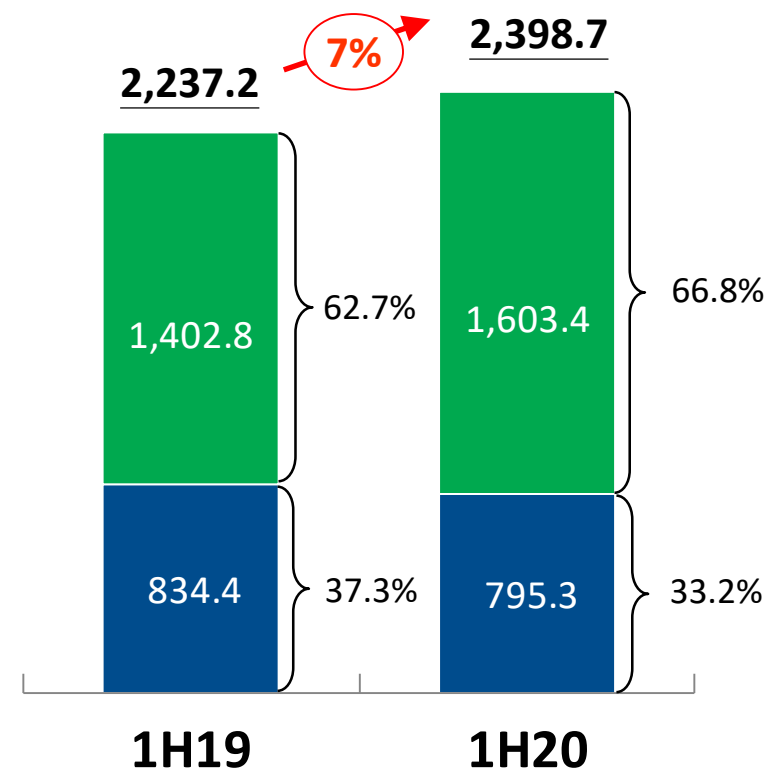
Loan breakdown

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



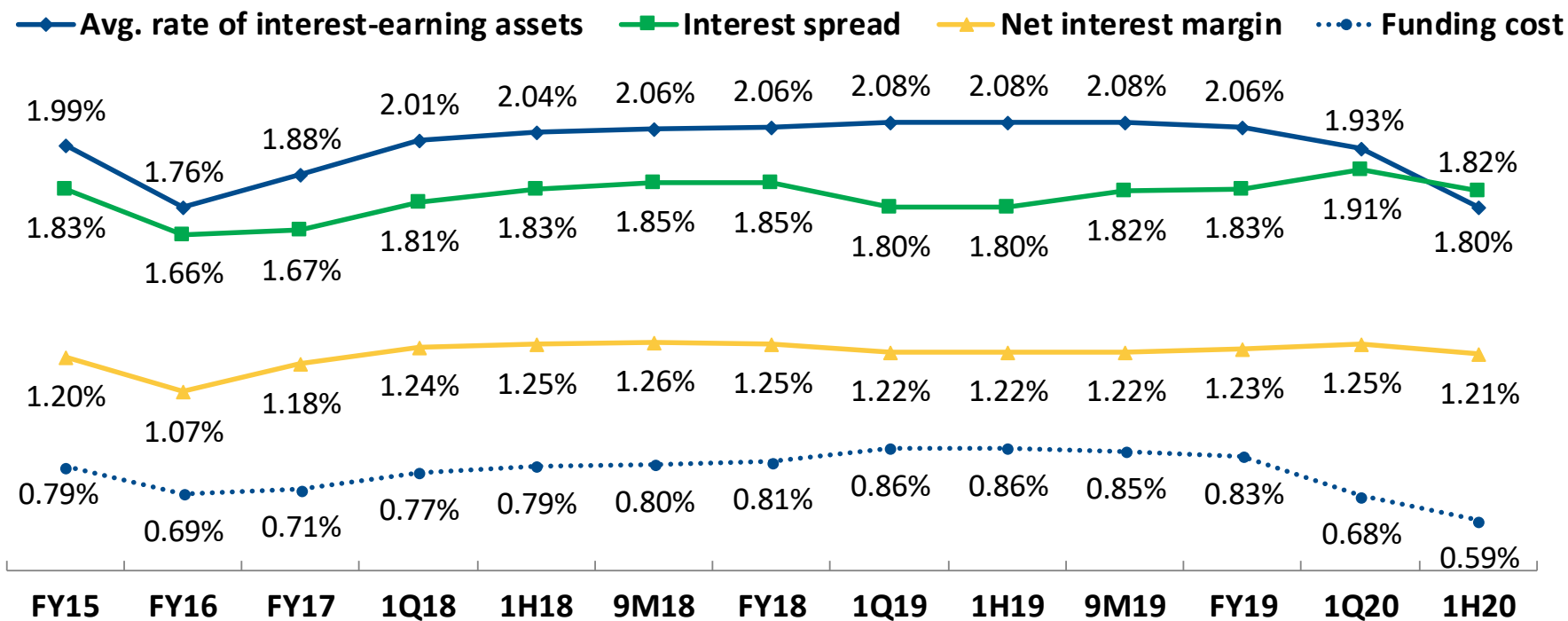
Deposit breakdown

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



Cathay United Bank – Interest yields

Interest spread and NIM declined QoQ due to adverse impact of rate cut with loan repricing.



Quarterly	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Spread	1.81%	1.85%	1.90%	1.83%	1.80%	1.81%	1.85%	1.86%	1.91%	1.73%
NIM	1.24%	1.26%	1.27%	1.22%	1.22%	1.22%	1.23%	1.26%	1.25%	1.17%
NIM-pro forma excl. China ⁽²⁾	1.21%	1.22%	1.25%	1.22%	1.22%	1.22%	1.23%	1.26%	1.25%	1.17%

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

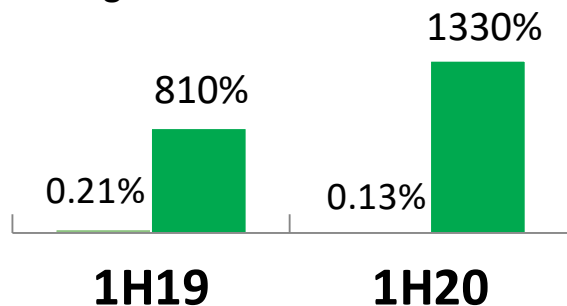
(2) China subsidiary was launched in Sep 2018. Hence, since 9M18, China subsidiary results was excluded.

Cathay United Bank – Credit quality

Asset quality remained benign. NPL reduced to 0.13% and coverage ratio increased to 1330%.

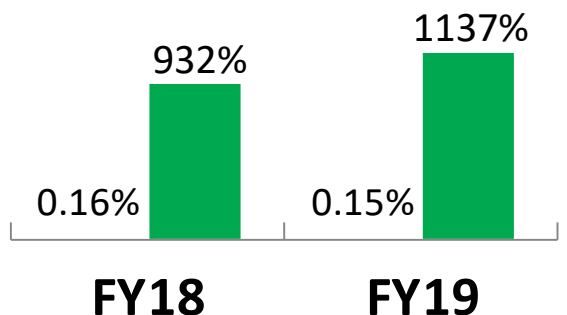
NPL & Coverage ratio

NPL ratio
Coverage ratio



Mortgage NPL

0.23% 0.17%

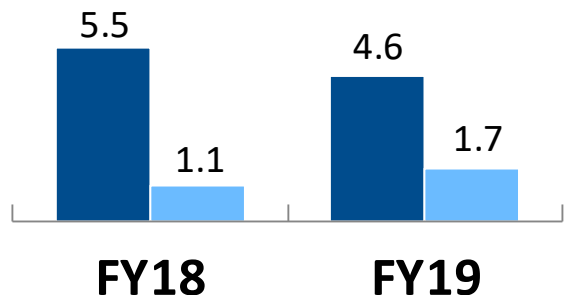
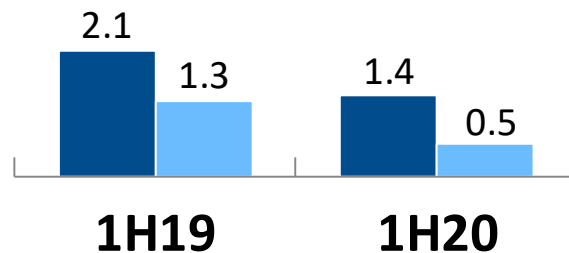


Mortgage NPL

0.15% 0.21%

Gross provision

Gross provision (NT\$BN)
Recovery



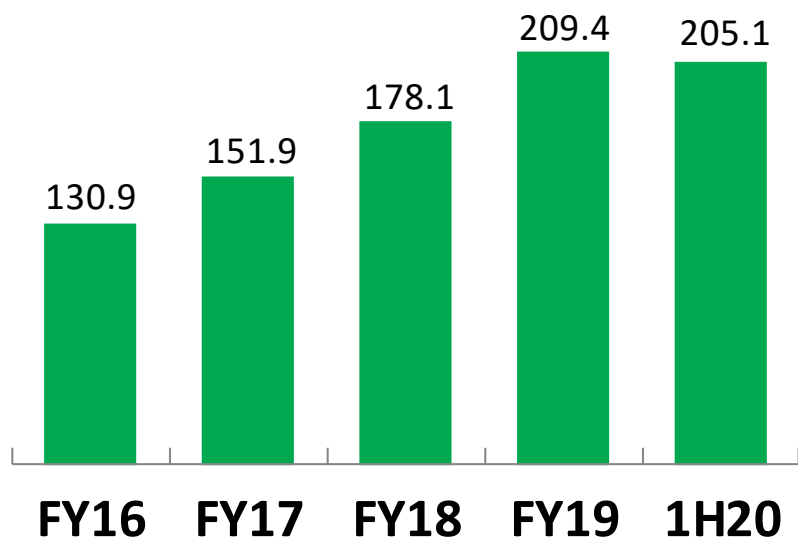
Note : China subsidiary was launched in Sep 2018. Hence, 1H19 & 1H20 number excluded China subsidiary results. (NPL ratio: 0% and 0.22%, Gross provision: NT\$-40.9MN and NT\$ 7MN, Recovery: NT\$36.2MN and NT\$ 0MN; preliminary).

Cathay United Bank – SME & FX loans

- Grow SME and Foreign currency loans while ensuring asset quality.

SME loans

(NT\$BN)

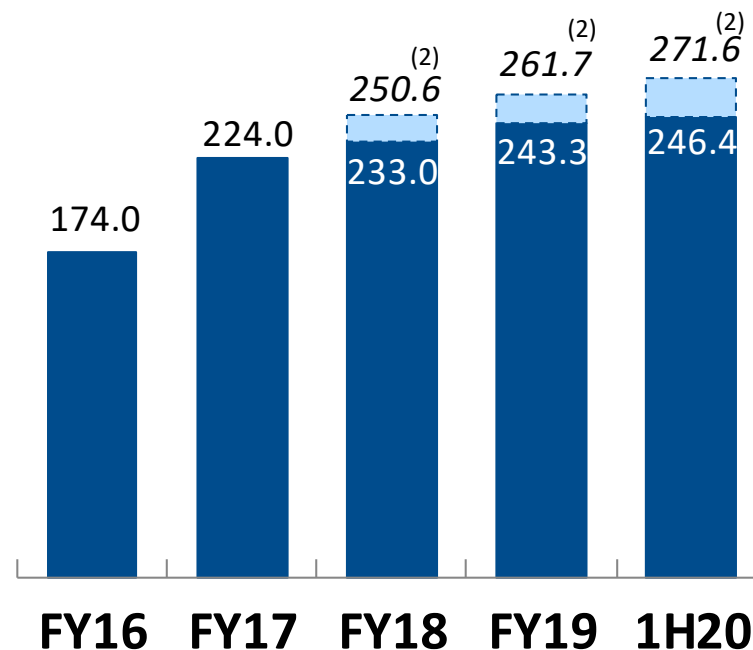


As % of total loans

9.2% 10.7% 11.4% 13.8% 13.1%

Foreign currency loans

(NT\$BN)



12.2% 15.8% 15.0% 16.1% 15.7%

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

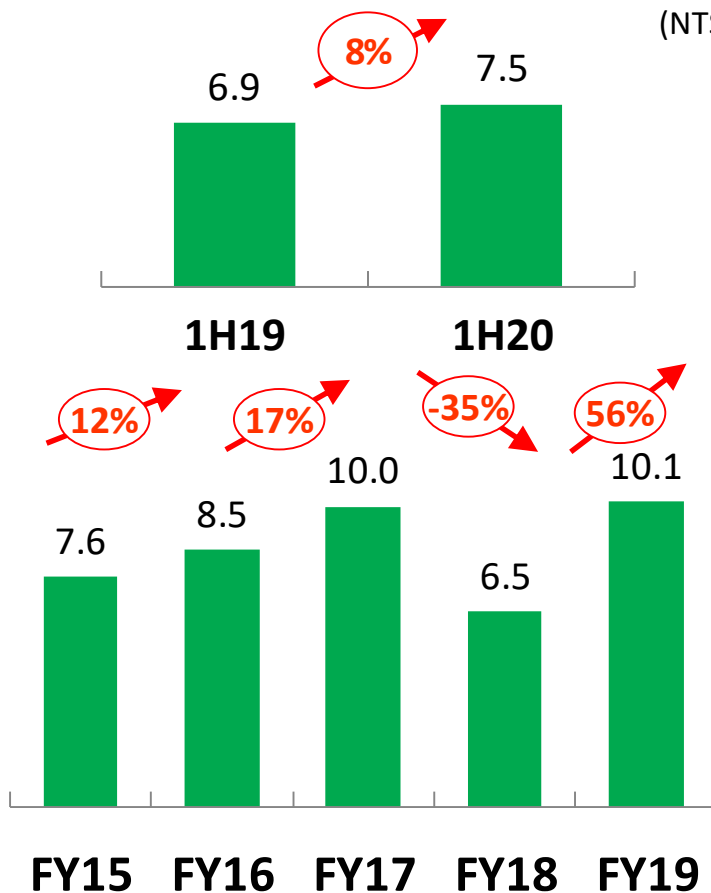
(2) China subsidiary was launched in Sep 2018, hence FY18, FY19 and 1H20 foreign currency loan balance excluded NT\$17.6BN , NT\$18.4BN and NT\$25.2BN from China subsidiary, respectively. (preliminary)

Cathay United Bank – Offshore earnings

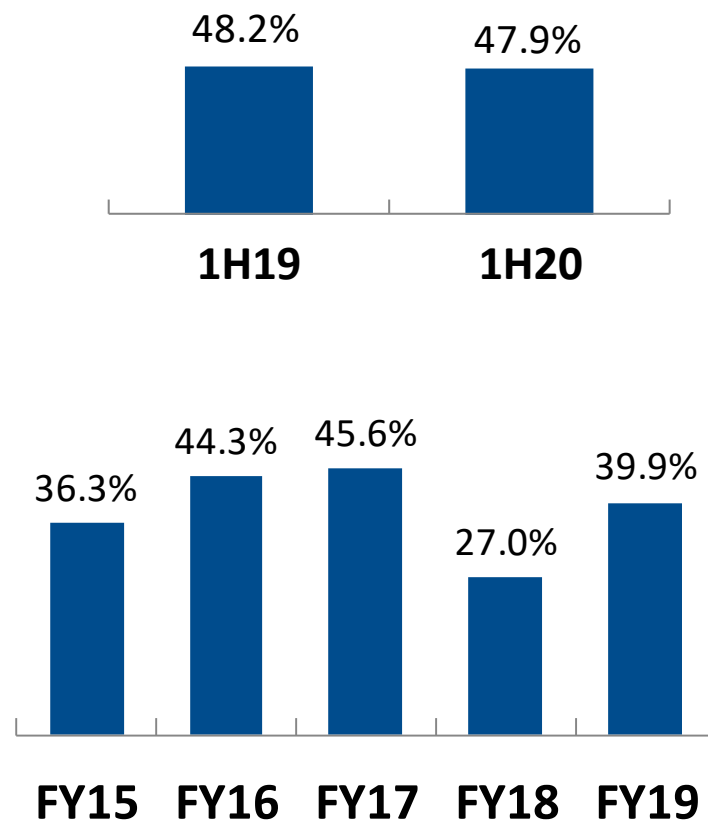
- Expand overseas business by deepening overseas presence and capture investment opportunities. Offshore earnings grew 8% YoY and accounted for 48% of pre-tax earnings.

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits



Cathay United Bank – Fee income

- Fee income declined 8% YoY due to decreased consumption momentum under COVID-19 pandemic and lower credit card fee.

Quarterly fee income

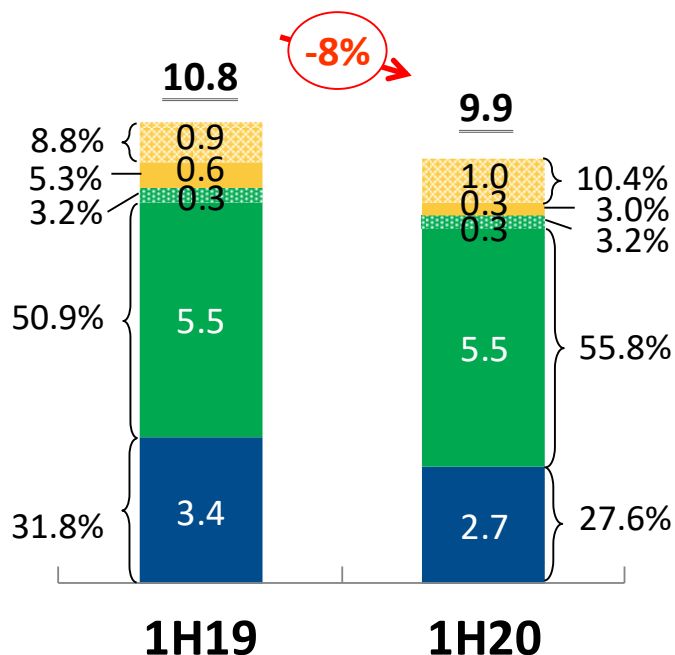
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Cards related



Annual fee income

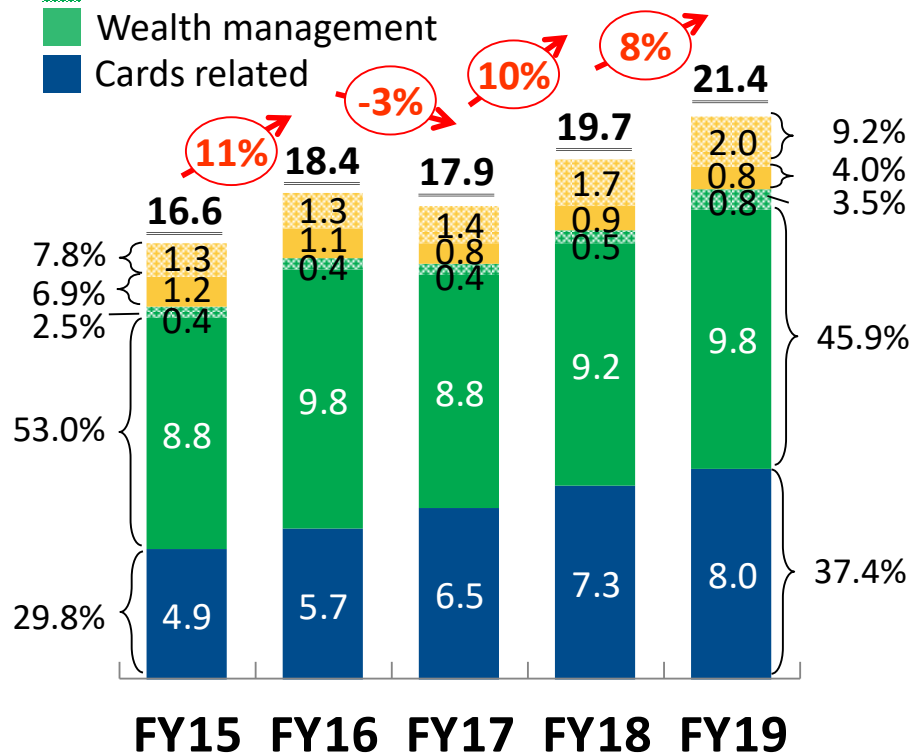
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Cards related

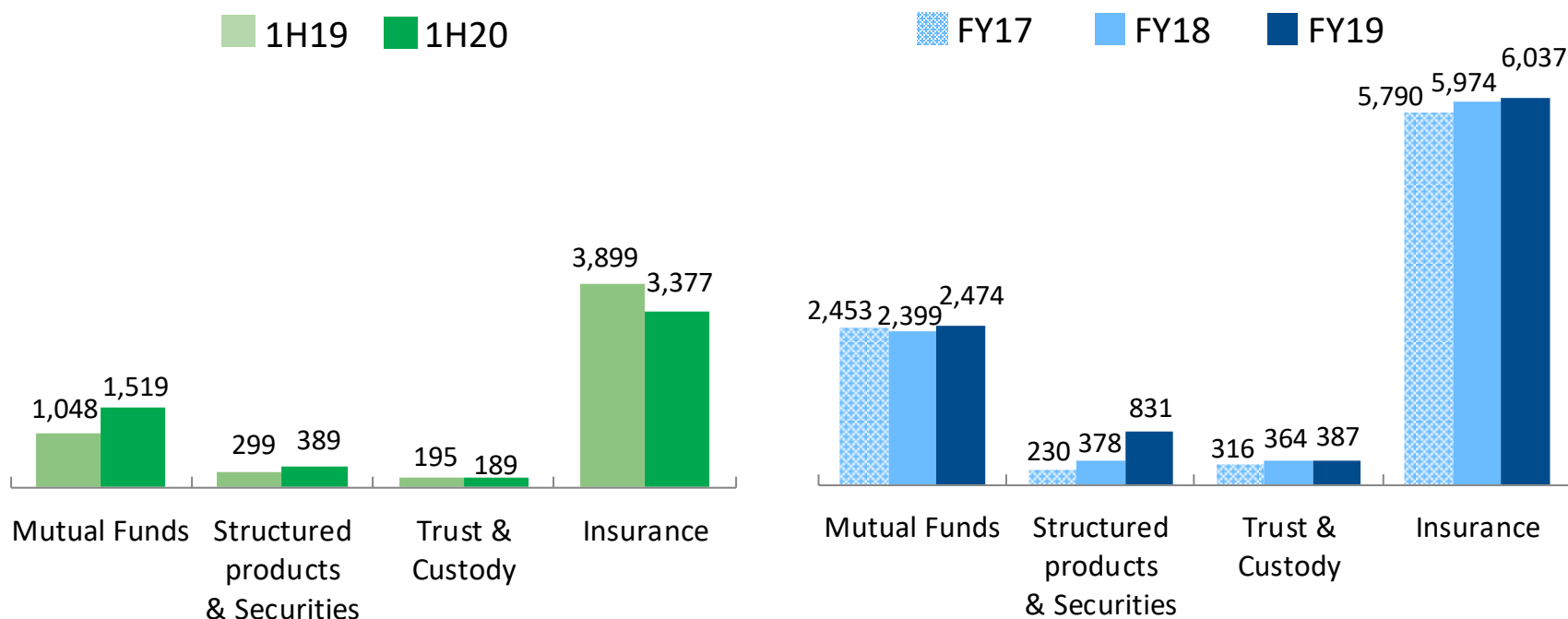


Cathay United Bank – Wealth management fee

- Wealth management fee increased 1.2% YoY, driven by strong growth in mutual funds and securities product offsetting the decline in bancassurance fee.

Wealth management fee breakdown

(NT\$MN)	1H19	1H20	FY17	FY18	FY19
Wealth management fee income	5,476	5,541	8,837	9,183	9,808
YoY growth (%)	6.7%	1.2%	-10.1%	3.9%	6.8%



Agenda

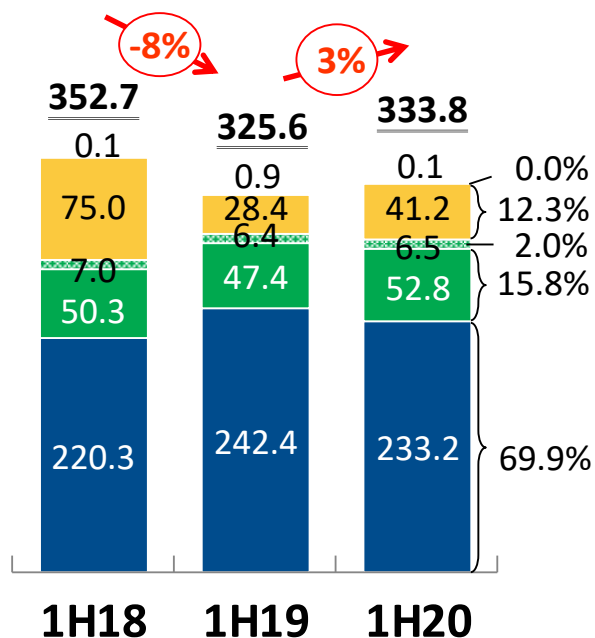
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Cathay Life – Total premium

□ Total premium increased 3% YoY, driven by the growth in renewal premium.

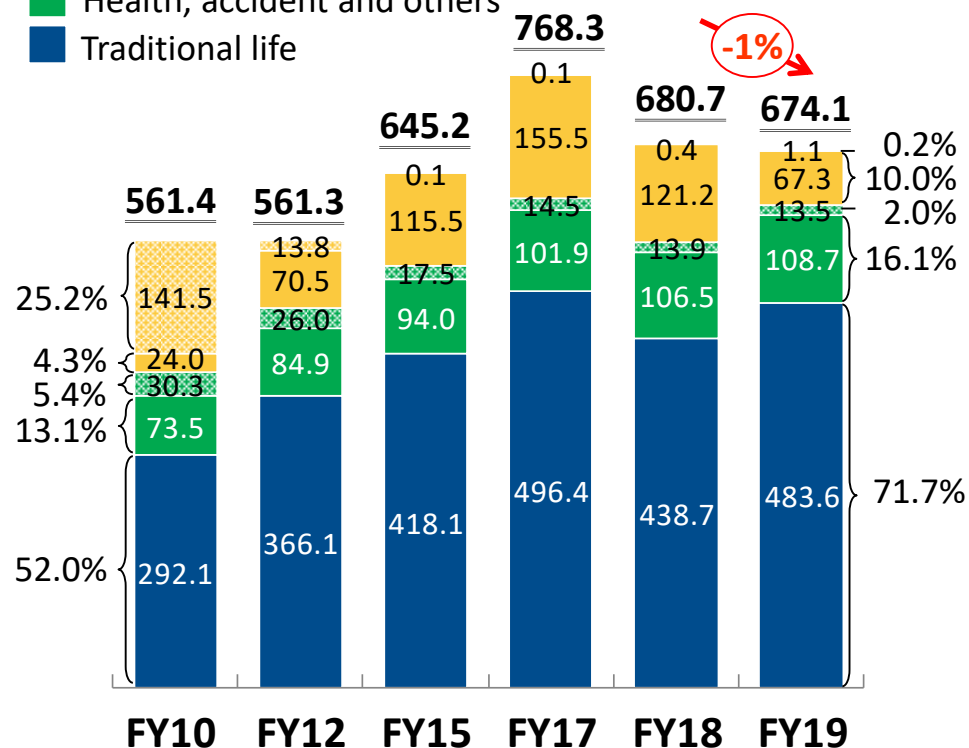
Quarterly total premium

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



Annual total premium

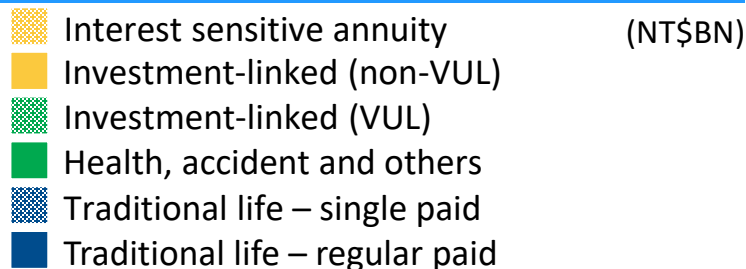
- Interest sensitive annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life



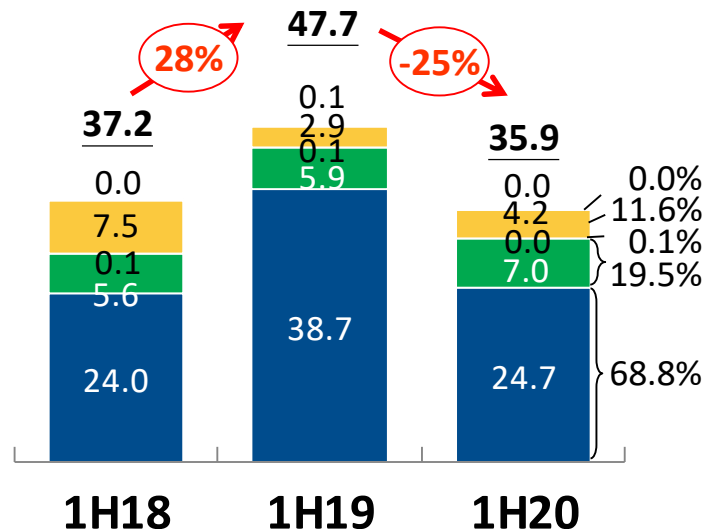
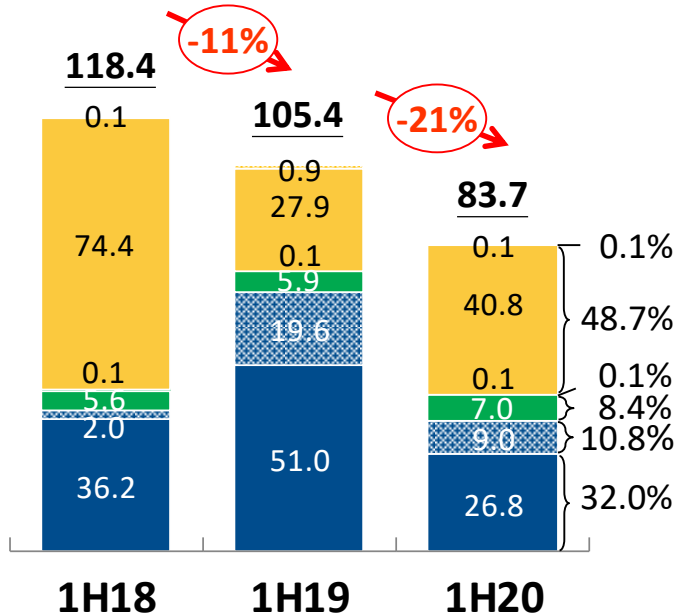
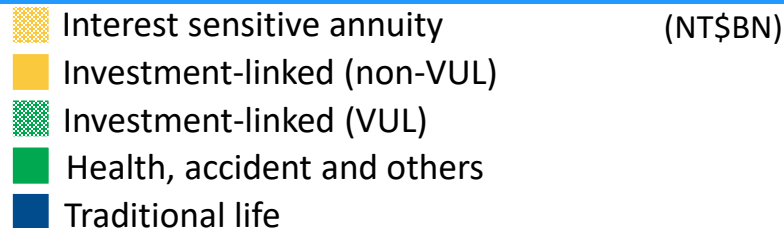
Cathay Life – Quarterly FYP & APE

- FYP declined 21% YoY due to the impact of COVID-19 pandemic and lower policy reserve rate. FYPE also declined, reflecting the increase in sales of single-paid investment-linked products.
- FYP and FYPE ranked No. 1 in the industry.

First Year Premium



Annualized FYP (APE)



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

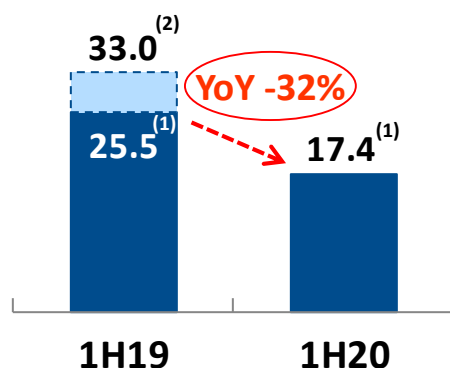
Cathay Life –Value of new business

- VNB and VNB margin declined due to lower sales volume and product mix change impacted by COVID-19 pandemic and lower policy reserve rate.
- VNB margin increased to 38% if excluding the impact of product mix change.

Value for New Business

Profit Margin	1H19 ⁽¹⁾	1H20 ⁽¹⁾
VNB/FYP	24%	21%
VNB/FYP (excl. Investment-linked (non-VUL))	32%	38%
VNB/FYPE	54%	48%

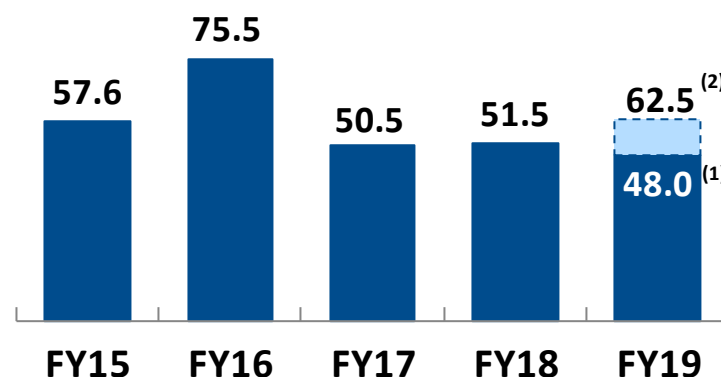
(NT\$BN)



Value for New Business (annual)

Profit Margin	FY15	FY16	FY17	FY18	FY19 ⁽²⁾	FY19 ⁽¹⁾
VNB/FYP	27%	38%	22%	24%	31%	24%
VNB/FYPE	57%	56%	64%	72%	65%	50%

(NT\$BN)



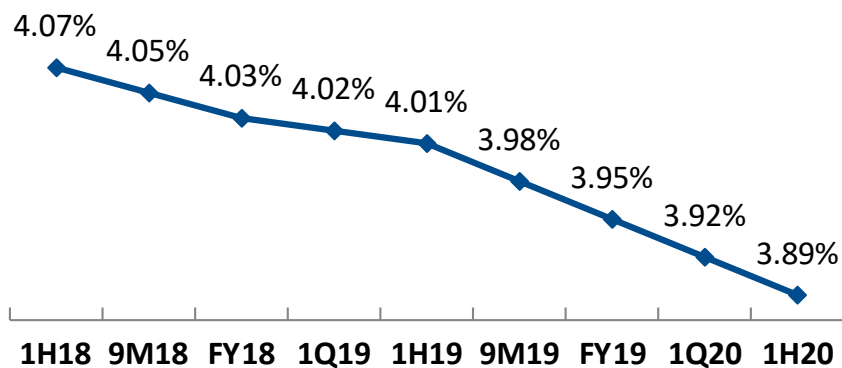
Note : (1) 1H19, FY19 and 1H20 VNB were based on 2019 Embedded Value assumptions.

(2) Based on 2018 Embedded Value assumptions, 1H19 & FY19 VNB were NT\$33.0BN and NT\$62.5BN ; VNB/FYP were both 31% , VNB/FYPE were 69% and 65%, respectively.

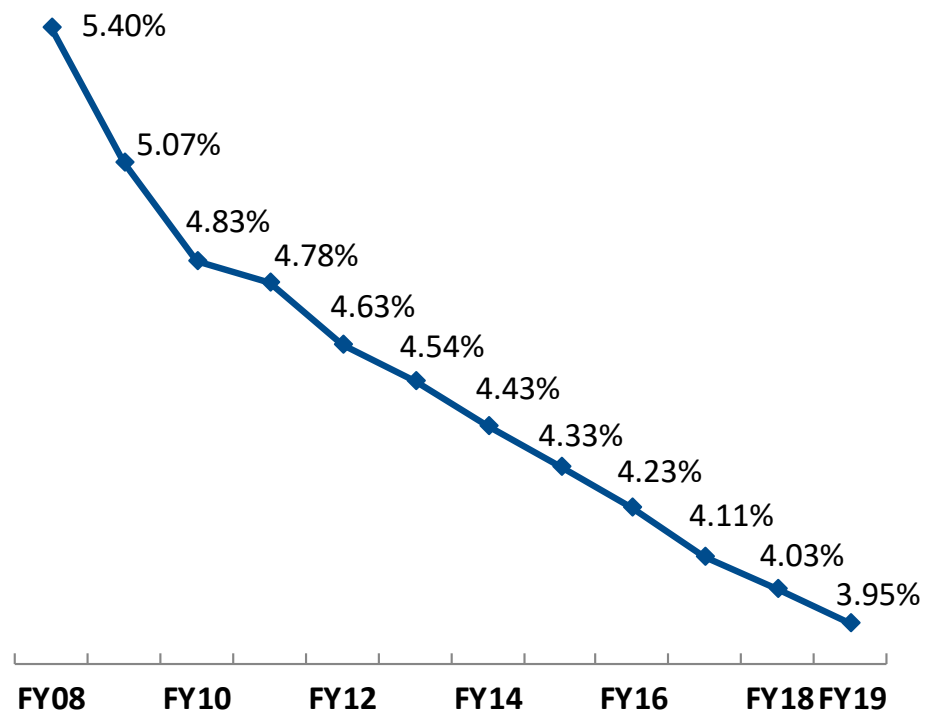
Cathay Life – Cost of liability

- Continued to strengthen value drive strategy. Cost of liability continued to improve.

Cost of liability (quarterly)



Cost of liability (annual)



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

Cathay Life – Investment portfolio

- Dynamically adjust the investment portfolio to reduce the impact of market volatility.

(NT\$BN)	FY17	FY18	FY19			1H20		
Total investments⁽¹⁾	5,502.6	5,761.0	6,415.0			6,633.1		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	1.6%	1.1%	3.7%	237	0.6%	3.9%	260	0.5%
Equity- Domestic	8.4%	7.5%	5.0%	322	7.9%	6.0%	399	8.8%
Equity- International ⁽²⁾	6.3%	6.7%	5.8%	370	6.5%	5.3%	351	1.4%
Bond- Domestic	5.5%	5.0%	7.9%	505	5.7%	8.2%	543	6.8%
Bond- International ⁽¹⁾⁽²⁾	55.7%	58.6%	58.9%	3,777	5.3%	59.1%	3,921	5.8%
Mortgage & Secured loans	8.1%	7.1%	5.3%	341	2.1%	4.8%	321	1.9%
Policy loans	3.0%	3.0%	2.7%	171	5.6%	2.5%	168	5.5%
Real estate	9.2%	8.7%	8.2%	526	2.7%	8.0%	528	3.2%
Others	2.4%	2.4%	2.6%	165		2.1%	142	

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

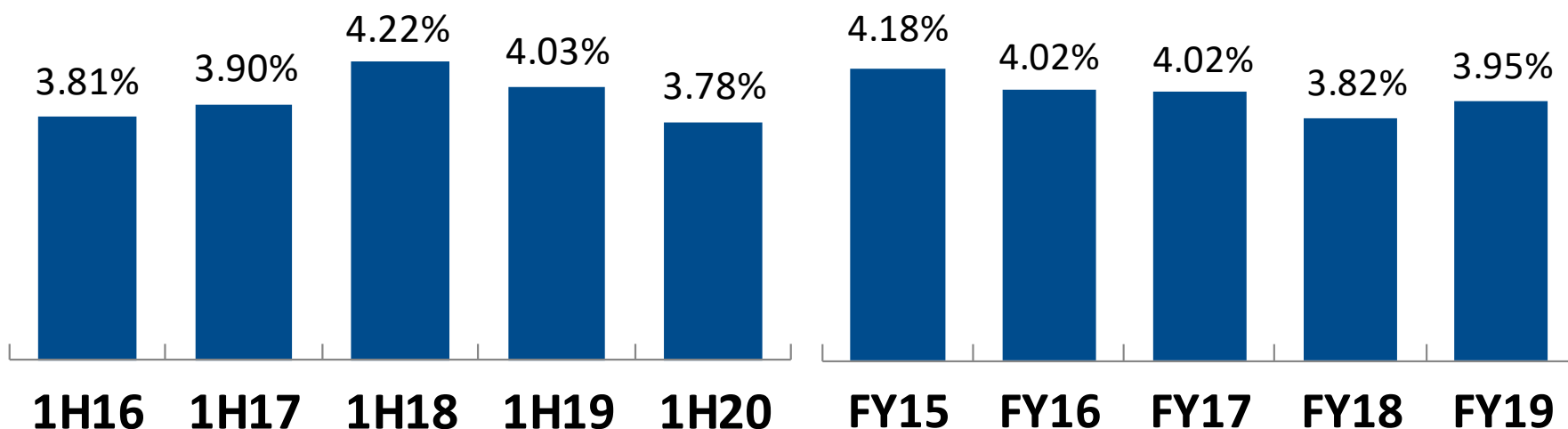
(2) Yields of international equity and international bond are pre-hedge investment yields.

Cathay Life – Investment performance highlight

- After-hedging investment yield declined due to the one-off investment loss recognized under equity method and higher hedging cost.

After-hedging investment yield

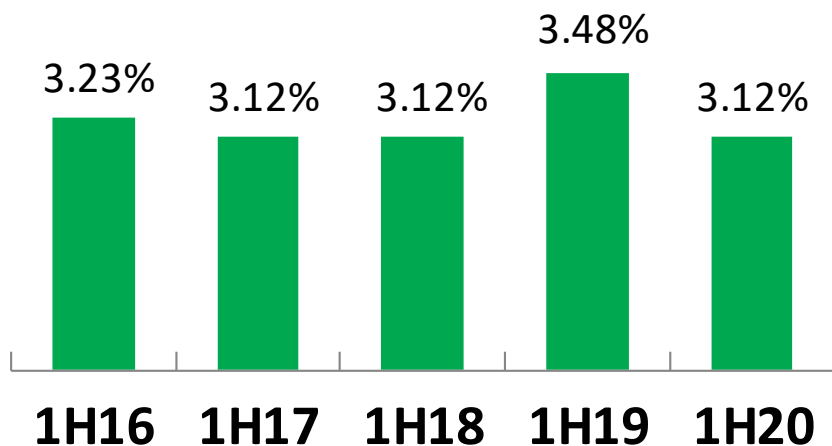
After-hedging investment yield



Cathay Life – Investment performance highlight

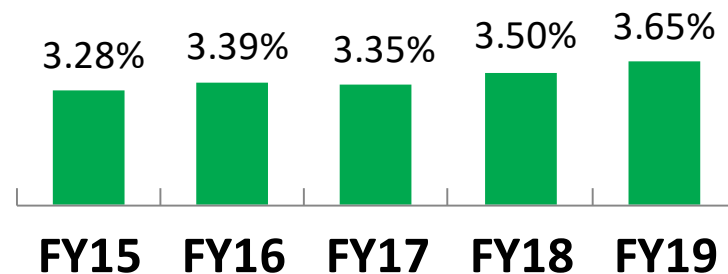
- Higher cash level and better credit rating mix led to lower pre-hedging recurring yield.
- NTD was stronger than other Asian currencies, affecting the proxy hedging effectiveness.
- Additional provision of NT\$2 billion to reduce the impact of FX volatility.

Pre-hedging recurring yield



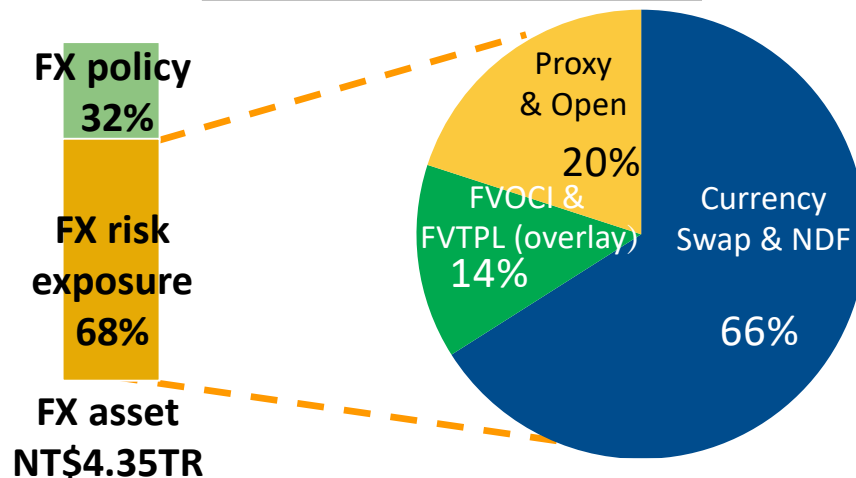
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend.

Pre-hedging recurring yield



Currency hedging structure

1H20 Hedging cost 1.84%

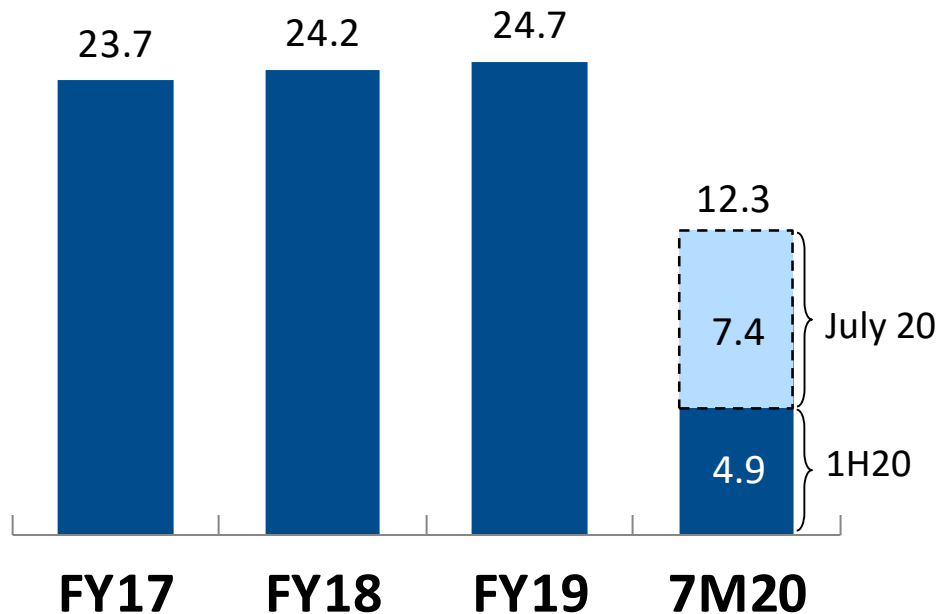


Cathay Life – Cash dividend income & Overseas fixed income by region

- 7M20 cash dividend income reached NT\$12.3 billion. Adjusted stock portfolio while realizing capital gains in 1H20.

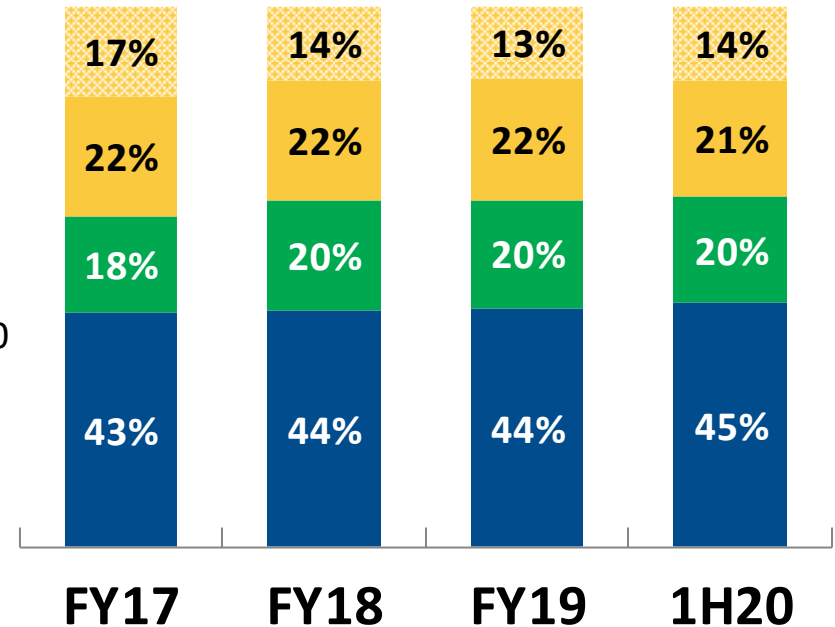
Cash dividend income

(NT\$BN)



Overseas fixed income by region

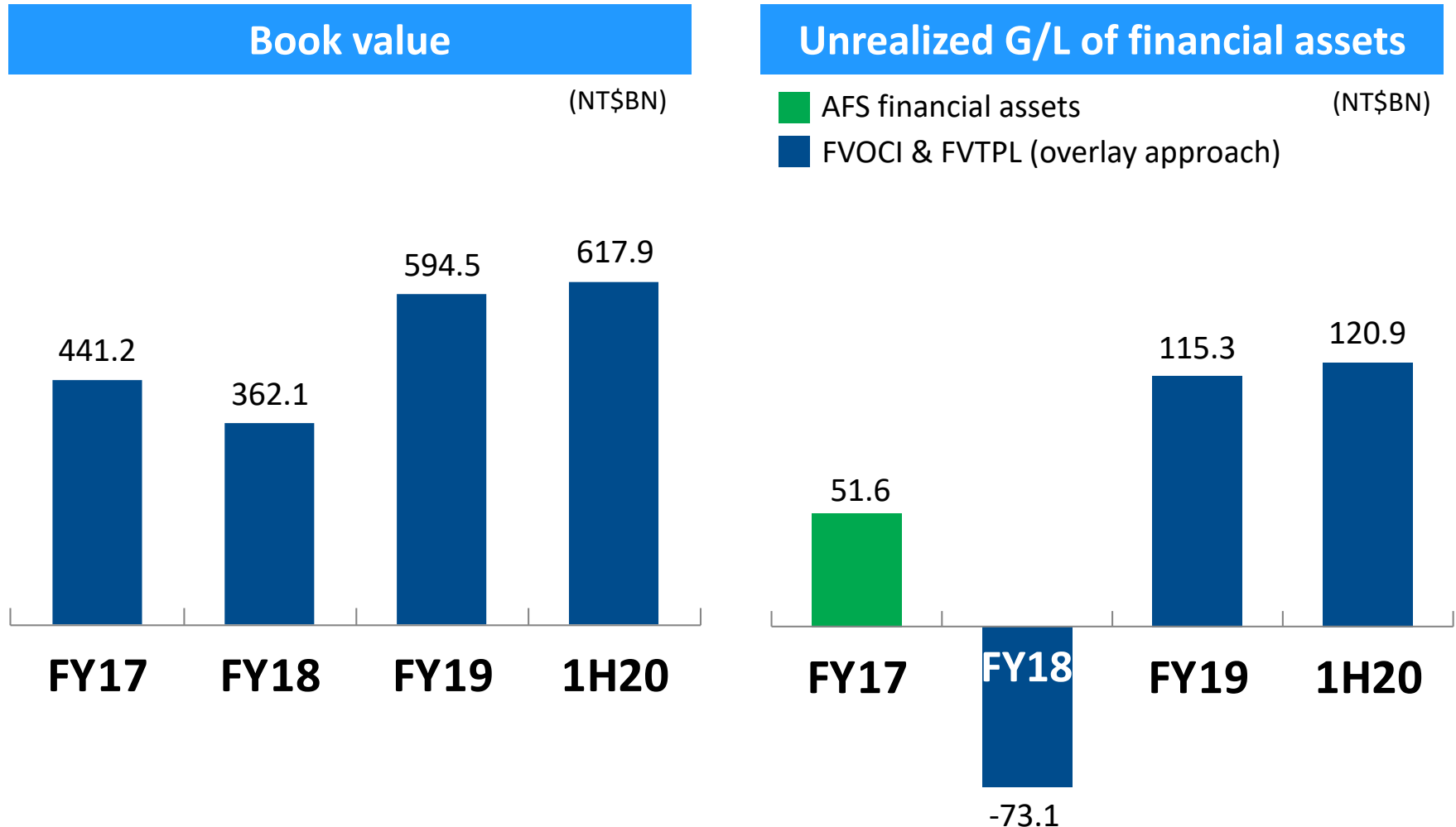
- Others
- Asia Pacific
- Europe
- North America



Note: Exclude overseas deposit.

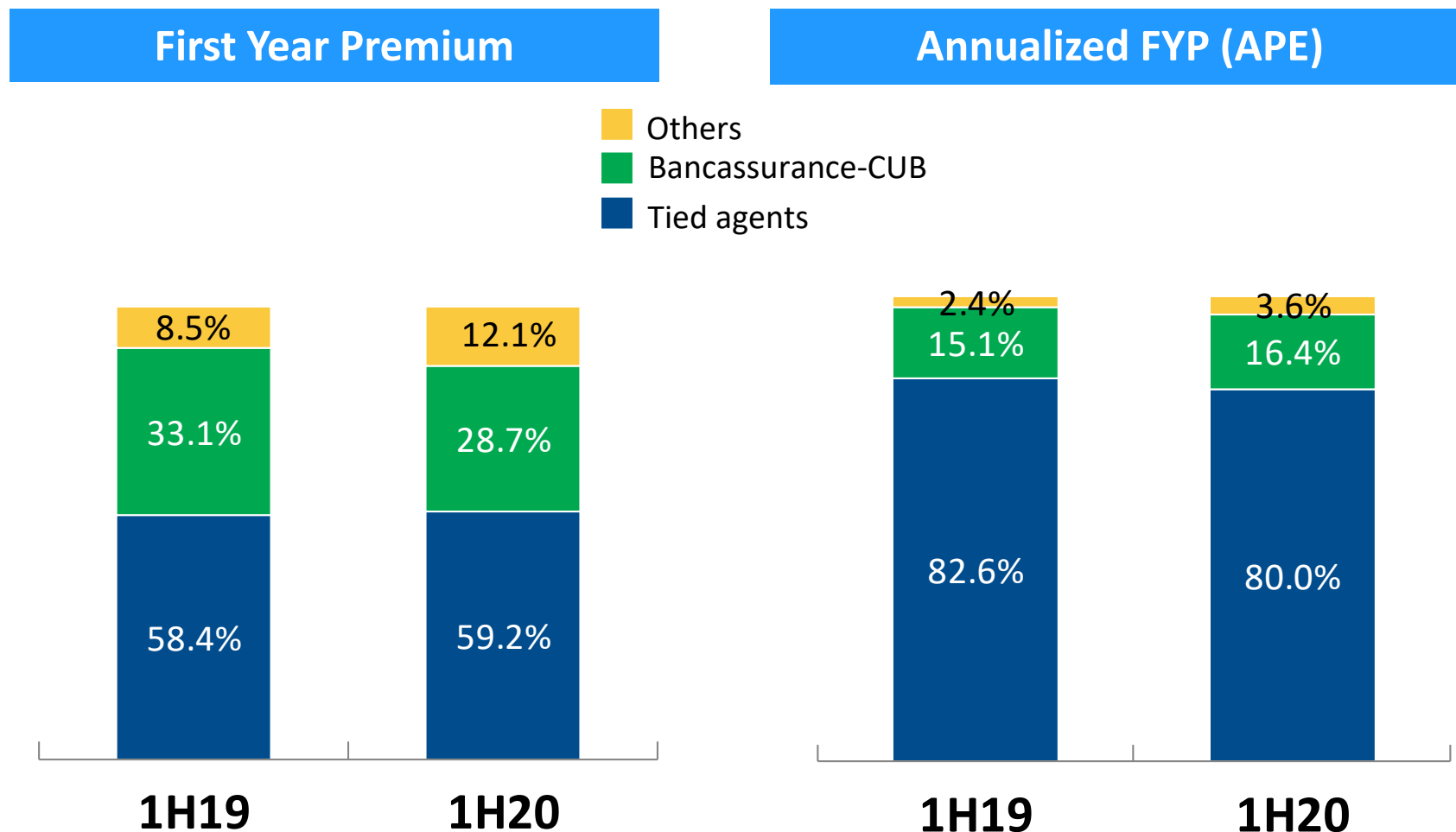
Cathay Life – Book value & Unrealized G/L of financial assets

- Booked value and unrealized gain reached record high.



Cathay Life – Distribution channel

- Premium income was mainly generated by Cathay Life agents and Cathay United Bank. Group's strong selling capability provides solid contribution to premium income and VNB.



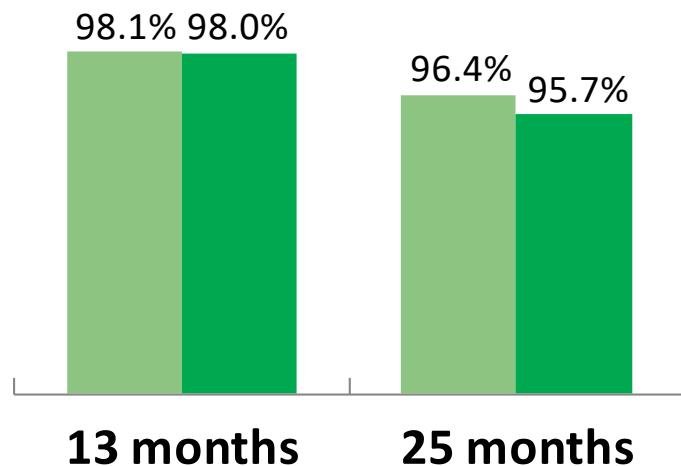
Cathay Life – Operational indicators

- Expense ratio improved due to lower underwriting cost and commission fee, resulting from lower FYP and increased sales in investment-linked policies.

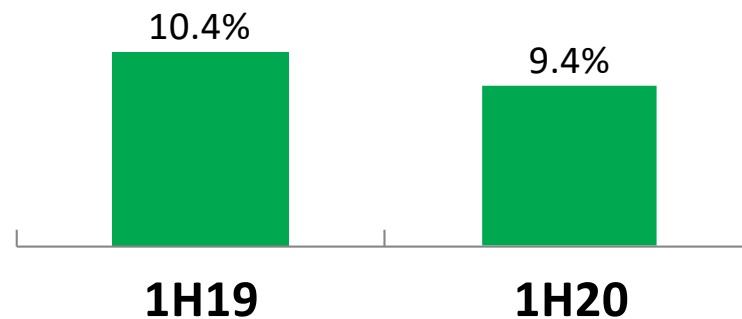
Persistency ratio

■ 1H19

■ 1H20



Expense ratio



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Cathay United Bank

Cathay Life

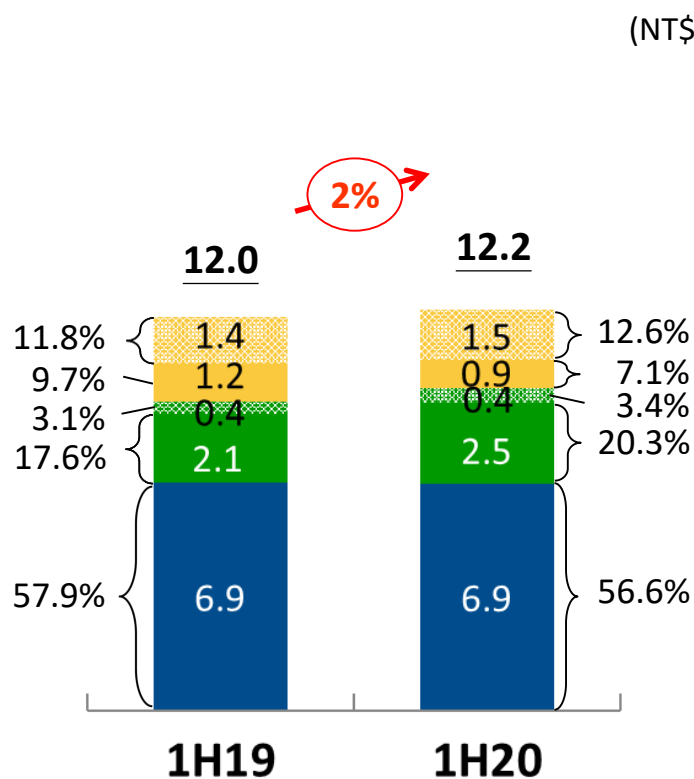
Cathay Century

- **Appendix**

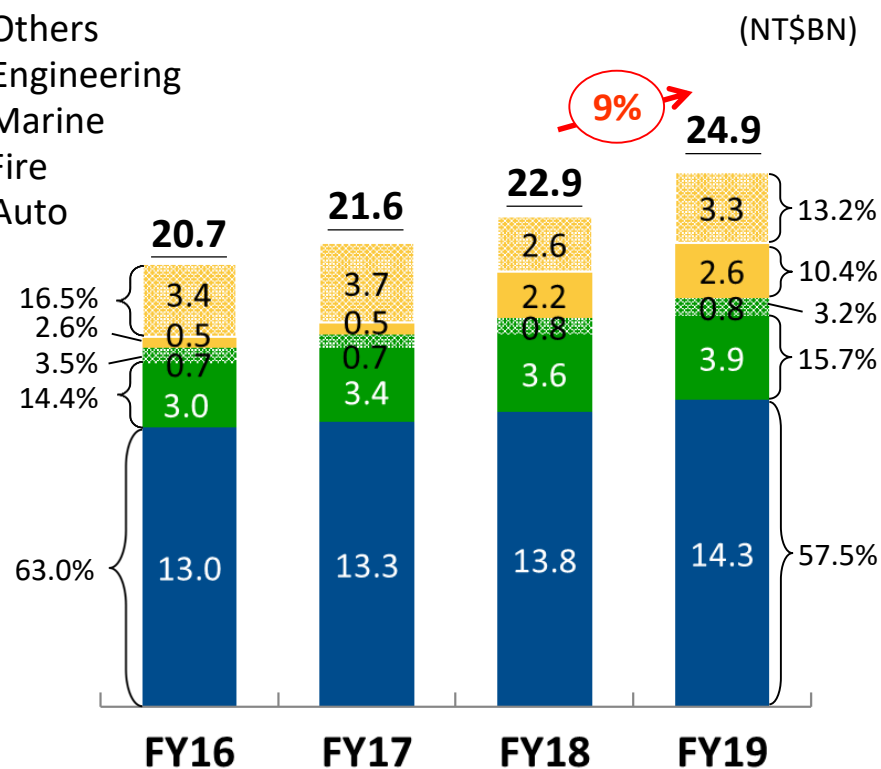
Cathay Century – Premium income

□ Premium income grew steadily. Market share was 11.6% and ranked No. 2 in the industry.

Premium income



Premium income (annual)



Market share	12.4%	11.6%	13.6%	13.1%	13.0%	13.1%
Retention	76.4%	75.6%	75.7%	76.2%	77.1%	77.7%

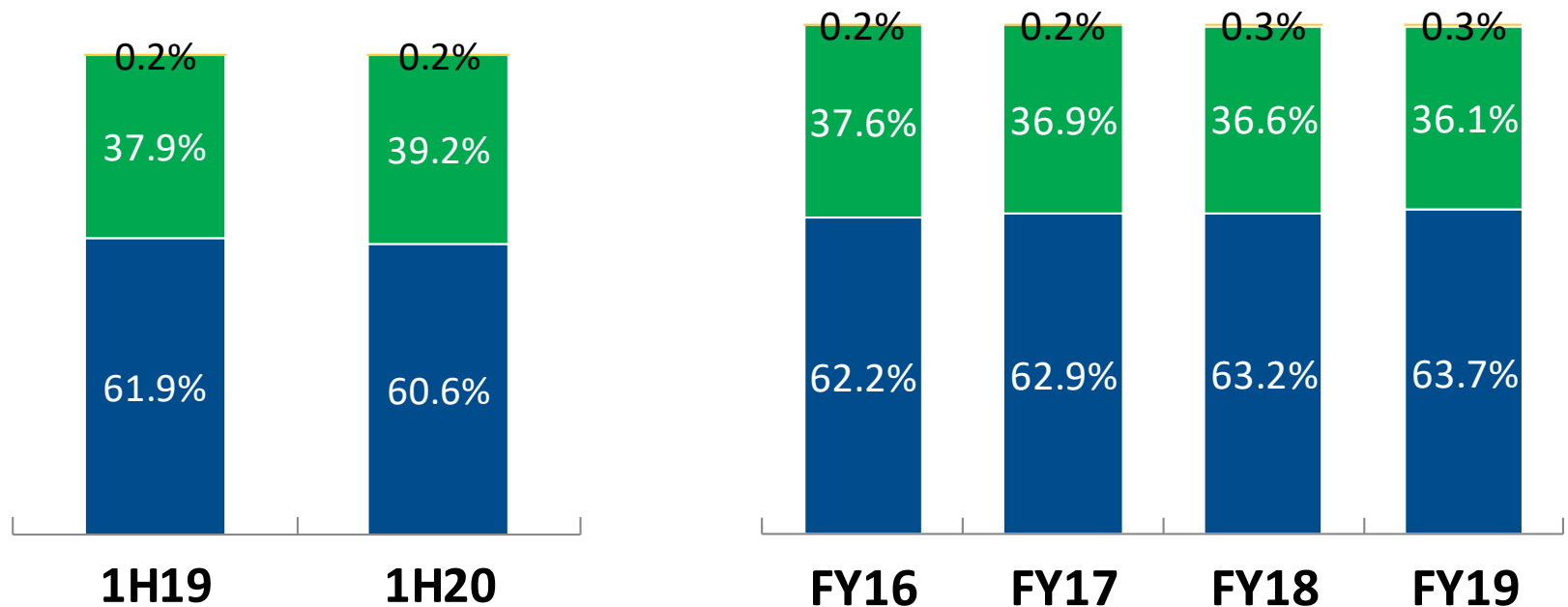
Cathay Century – Distribution channel

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

Distribution channel

Distribution channel (annual)

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

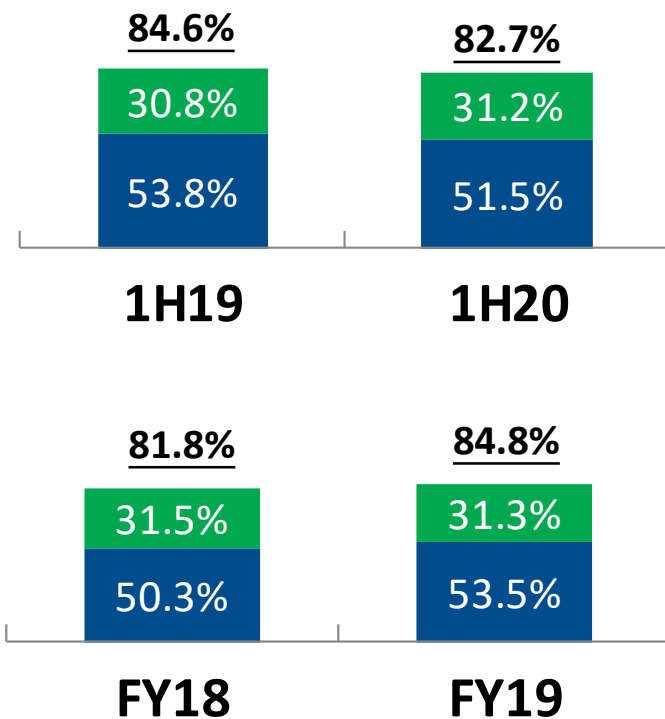


Cathay Century – Combined ratio

- Gross combined ratio and retained combined ratio decreased by 1.9% and 2% respectively due to the improved loss ratio from voluntary auto business and less loss from commercial fire insurance.

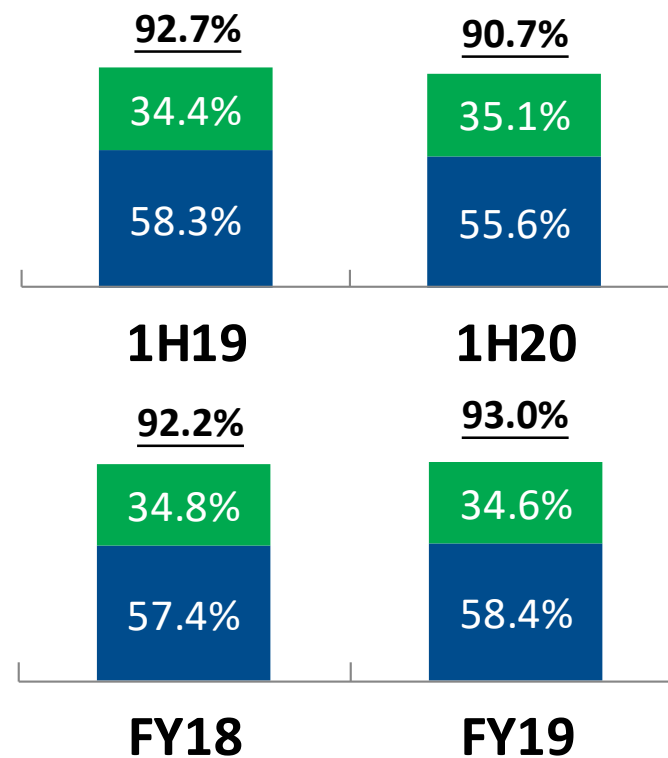
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



Agenda

- **1H20 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**

Cathay United Bank

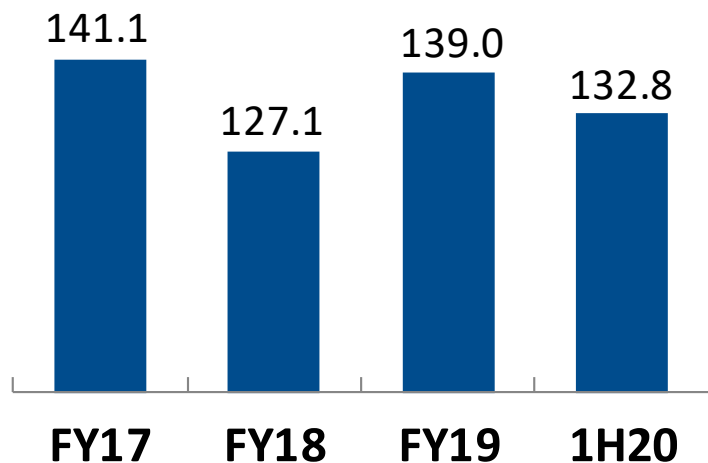
Cathay Life

Cathay Century

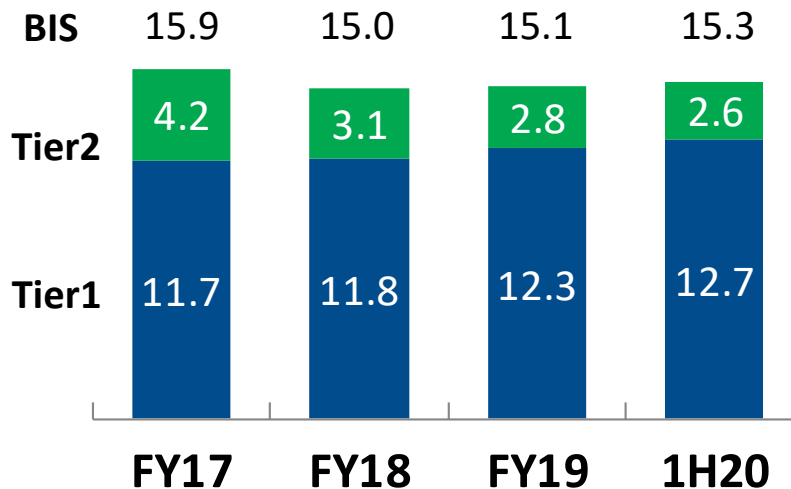
- **Appendix**

Capital adequacy

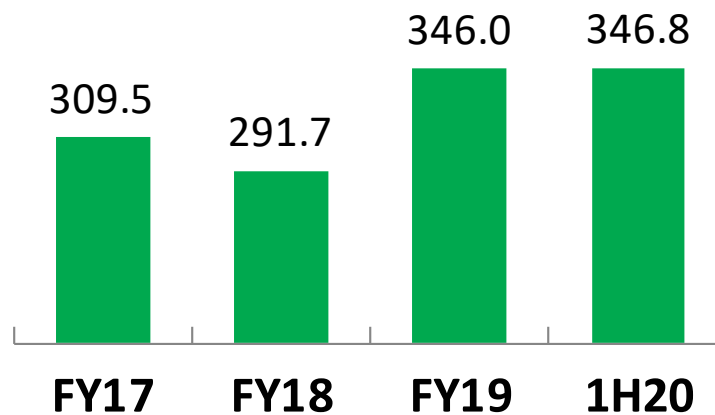
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

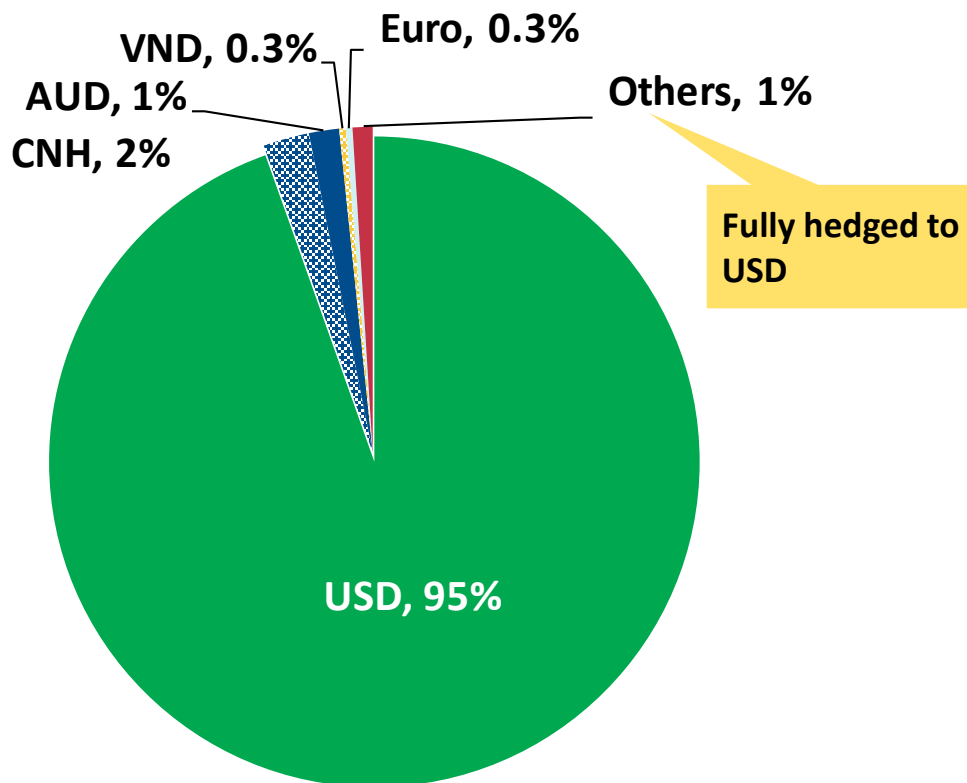


Cathay Life RBC (%)

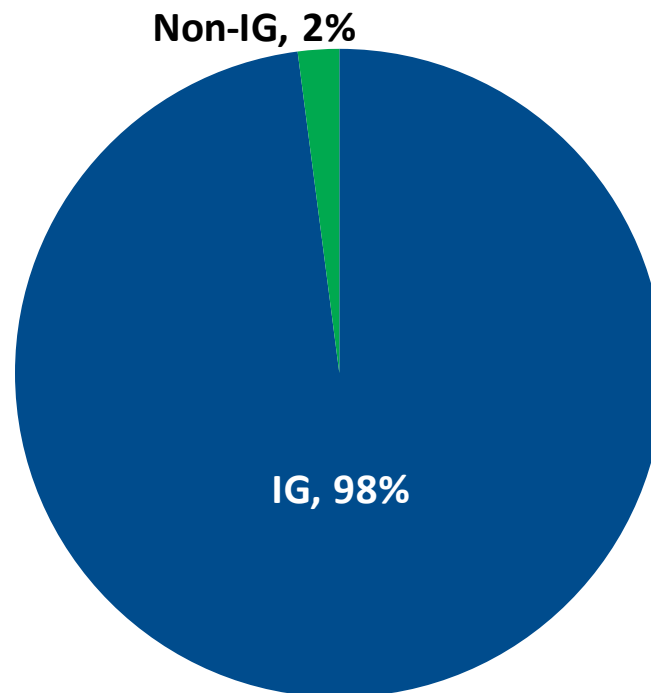


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H20)



Overseas bond by rating (1H20)



Thank you



Cathay Financial Holdings (NT\$MN)	FY19/ FY18		1H20/ 1H19		2Q20/ 2Q19				
	FY18	FY19	% Chg	1H19	1H20	% Chg	2Q19	2Q20	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	180,628	196,367	9%	97,402	95,905	-2%	49,259	47,625	-3%
Net commission and fee	7,312	2,346	-68%	1,070	2,799	162%	1,598	491	-69%
Net earned premium	576,811	631,487	9%	309,381	304,967	-1%	149,516	155,295	4%
Change in liability reserve	(334,122)	(394,074)	18%	(160,048)	(241,909)	51%	(72,695)	(125,655)	73%
Net claims payment	(368,656)	(365,669)	-1%	(212,677)	(135,945)	-36%	(110,257)	(65,404)	-41%
Investment income	82,634	89,621	8%	53,803	52,128	-3%	31,379	26,154	-17%
Contribution from associates-equity method	1,004	1,149	14%	760	(13,010)	-1811%	476	(12,622)	-2751%
Other net non-interest income	(6,421)	587	109%	(6,923)	14,306	307%	(4,242)	7,520	277%
Bad debt expense	(4,599)	(2,205)	-52%	(233)	(920)	294%	204	(587)	388%
Operating expense	(78,992)	(89,050)	13%	(42,797)	(40,498)	-5%	(21,028)	(21,304)	1%
Income before taxes	55,599	70,557	27%	39,737	37,824	-5%	24,210	11,514	-52%
Income taxes	(3,777)	(6,698)	77%	(5,603)	(5,122)	-9%	(3,626)	(2,326)	-36%
Net income	51,822	63,859	23%	34,134	32,702	-4%	20,584	9,188	-55%
EPS (NT\$)	3.95	4.76		2.45	2.18		1.40	0.41	
Dividend Payout									
Cash dividend per share	1.50	2.00							
Stock dividend per share	0.00	0.00							
Weighted average outstanding shares (Millions of common shares)	12,563	12,618		12,563	13,169				
Balance Sheet Data (Consolidated)									
Total assets	9,224,484	10,065,479		9,738,311	10,346,869				
Total shareholders' equity	529,289	782,027		698,747	787,239				
Operating Metrics									
ROAE (Consolidated)	8.83%	9.74%		11.12%	8.34%				
ROAA (Consolidated)	0.57%	0.66%		0.72%	0.64%				
Double leverage ratio(inc. preferred stock)	112%	110%		111%	112%				
Capital Adequacy Metrics									
Capital Adequacy Ratio	127%	139%		129%	133%				

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Cathay Life
 (NT\$MMN)

	FY19/ FY18			1H20/ 1H19			2Q20/ 2Q19		
	FY18	FY19	% Chg	1H19	1H20	% Chg	2Q19	2Q20	% Chg
Income Statement Data (Consolidated)									
Net written premium	559,386	608,641	9%	298,510	294,076	-1%	142,991	149,732	5%
Net earned premium	558,929	607,820	9%	298,619	294,226	-1%	142,870	149,358	5%
Reinsurance commission earned	762	356	-53%	14	7	-49%	23	(2)	-107%
Fee income	9,148	8,450	-8%	4,066	4,179	3%	2,109	1,950	-8%
Recurring investment income	197,281	228,037	16%	110,267	105,825	-4%	57,829	54,721	-5%
Gain on disposal of investment									
Realized gain (loss)-Equity	49,374	38,929	-21%	25,763	35,647	38%	11,958	19,606	64%
Realized gain (loss)-Debt	15,092	36,365	141%	13,829	38,510	178%	8,168	17,386	113%
Gain on investment property	(740)	912	223%	627	1,898	203%	629	1,879	199%
FX and others, net	(44,019)	(61,689)	-40%	(28,954)	(57,558)	-99%	(13,324)	(37,377)	-181%
Investment income, net	216,988	242,553	12%	121,532	124,322	2%	65,260	56,215	-14%
Other operating income	5,508	6,107	11%	2,943	3,173	8%	1,524	1,570	3%
Separate account revenues	28,084	63,653	127%	38,670	10,672	-72%	13,845	35,157	154%
Net claims payment	(357,244)	(349,158)	-2%	(205,354)	(128,371)	-37%	(105,291)	(60,985)	-42%
Changes in liability reserves	(333,716)	(393,679)	18%	(159,886)	(242,222)	51%	(72,760)	(125,851)	73%
Acquisition and commission expense	(33,900)	(43,834)	29%	(20,467)	(17,821)	-13%	(8,924)	(10,495)	18%
Other operating costs	(7,765)	(6,394)	-18%	(2,911)	(3,198)	10%	(1,471)	(1,519)	3%
Financial cost	(2,331)	(2,730)	17%	(1,276)	(1,040)	-18%	(633)	(377)	-40%
Separate account expense	(28,084)	(63,653)	127%	(38,670)	(10,672)	-72%	(13,845)	(35,157)	154%
Operating expense	(29,165)	(30,692)	5%	(15,216)	(14,583)	-4%	(7,388)	(7,294)	-1%
Net non-operating income	1,312	1,710	30%	860	849	-1%	502	445	-11%
Income taxes	1,773	(2,216)	225%	(3,131)	271	-109%	(2,472)	1,558	-163%
Net income	30,297	38,293	26%	19,794	19,790	0%	13,348	4,573	-66%

Balance Sheet Data

Total assets	6,391,395	7,085,624		6,826,693	7,274,177
General account	5,844,430	6,478,081		6,229,895	6,702,942
Separate account	546,964	607,542		596,798	571,235
Reserves for life insurance liabilities	5,313,167	5,683,424		5,494,276	5,894,301
Total liabilities	6,029,265	6,491,106		6,296,118	6,656,270
Total shareholders' equity	362,129	594,518		530,575	617,908

Operating Metrics (Standalone)

First Year Premium(FYP)	211,588	201,064		105,377	83,738
First Year Premium Equivalent(FYPE)	71,372	96,313		47,676	35,941
Expense ratio	9.6%	10.6%		10.4%	9.4%
13-M persistency ratio	98.4%	98.0%		98.1%	98.0%
25-M persistency ratio	94.7%	96.4%		96.4%	95.7%
ROAE	7.25%	8.01%		8.87%	6.53%
ROAA	0.48%	0.57%		0.60%	0.55%

Capital Adequacy Metrics (Standalone)

RBC ratio	292%	346%		333%	347%
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Cathay United Bank

(NT\$MN)	FY19/ FY18			1H20/ 1H19			2Q20/ 2Q19		
	FY18	FY19	% Chg	1H19	1H20	% Chg	2Q19	2Q20	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	33,397	36,446	9%	17,906	17,945	0%	9,062	8,828	-3%
Fee income	16,678	17,090	2%	8,483	7,962	-6%	3,812	3,519	-8%
Investment income	9,862	8,996	-9%	5,842	6,794	16%	2,641	2,923	11%
Other income	918	594	-35%	320	461	44%	228	181	-21%
Net operating income	60,855	63,126	4%	32,551	33,161	2%	15,743	15,452	-2%
Operating expenses	(31,340)	(33,806)	8%	(16,734)	(15,801)	-6%	(8,119)	(7,595)	-6%
Pre-provision profit	29,515	29,320	-1%	15,817	17,361	10%	7,624	7,856	3%
Net provisions for possible losses	(5,032)	(2,853)	-43%	(917)	(1,272)	39%	(168)	(683)	307%
Income before taxes	24,483	26,467	8%	14,900	16,089	8%	7,456	7,174	-4%
Income tax	(3,230)	(3,981)	23%	(2,136)	(2,240)	5%	(1,066)	(924)	-13%
Net income	21,253	22,486	6%	12,764	13,849	9%	6,390	6,249	-2%
Balance Sheet Data									
Total assets	2,843,881	2,973,496		2,904,478	3,058,052				
Loans, net	1,595,323	1,553,151		1,562,186	1,615,552				
Financial assets	878,001	897,677		855,096	1,018,013				
Total liability	2,638,074	2,741,601		2,688,987	2,823,362				
Deposits	2,227,662	2,335,331		2,264,001	2,443,394				
Financial Debenture Payable	55,600	53,900		55,400	53,800				
Total shareholders' equity	205,807	231,895		215,491	234,690				
Operating Metrics									
Cost income ratio	51.50%	53.55%		51.41%	47.65%				
ROAE	10.86%	10.27%		12.12%	11.87%				
ROAA	0.76%	0.77%		0.89%	0.92%				
Assets Quality (Standalone)									
NPL	2,563	2,286		3,155	1,998				
NPL ratio	0.16%	0.15%		0.21%	0.13%				
NPL provisions	23,879	25,983		25,550	26,583				
Coverage ratio	932%	1137%		810%	1330%				
Capital Adequacy Metrics (Standalone)									
BIS ratio	15.0%	15.1%		13.8%	15.3%				
Tier I Ratio	11.8%	12.3%		11.0%	12.7%				
LDR (Standalone)									
LDR	70.7%	65.5%		68.2%	65.4%				
TWD LDR	77.7%	70.1%		73.6%	71.3%				
FX LDR	46.6%	48.8%		49.1%	45.5%				

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Cathay Century

(NT\$MM)	FY19/			1H20/			1Q20/		
	FY18	FY19	% Chg	1H19	1H20	% Chg	2Q19	2Q20	% Chg
Income Statement Data (Consolidated)									
Premium income	23,186	25,343	9%	12,164	12,391	2%	6,389	6,544	2%
Net written premium	17,797	19,550	10%	9,232	9,354	1%	4,749	4,806	1%
Net earned premium	17,349	19,077	10%	9,075	9,368	3%	4,619	4,629	0%
Reinsurance commission earned	556	572	3%	298	283	-5%	136	139	2%
Fee income	43	42	-1%	22	24	8%	11	11	1%
Investment	640	1,020	59%	401	415	3%	196	264	35%
Interest income	559	555	-1%	269	281	4%	137	140	2%
Other investment income, net	81	465	473%	132	134	2%	58	125	114%
Other operating income	0	0	0%	0	0	0%	0	0	0%
Net claims payment	(9,408)	(10,321)	10%	(4,899)	(5,350)	9%	(2,610)	(2,727)	4%
Changes in liability reserves	(406)	(395)	-3%	(163)	313	-293%	65	196	204%
Commissions and other operating costs	(3,043)	(3,409)	12%	(1,569)	(1,642)	5%	(804)	(835)	4%
Operating expenses	(3,848)	(4,097)	6%	(1,966)	(2,039)	4%	(992)	(1,018)	3%
Operating income	1,883	2,490	32%	1,200	1,373	14%	621	659	6%
Net non-operating income	(24)	5	123%	(0)	1	1058%	(0)	0	142%
Income taxes	(349)	(389)	11%	(204)	(243)	19%	(106)	(107)	1%
Net income	1,510	2,106	40%	996	1,130	13%	514	553	7%
Balance Sheet Data									
Total assets	37,956	43,008		40,267	43,269				
Total stockholders' equity	10,025	12,656		11,371	11,596				
Operating Metrics									
Gross Combined ratio	81.8%	84.8%		84.6%	82.7%				
Net Combined ratio	92.2%	93.0%		92.7%	90.7%				
ROAE	14.69%	18.57%		18.63%	18.63%				
ROAA	3.96%	5.19%		5.09%	5.09%				
Capital Adequacy Metrics									
RBC ratio (Standalone)	370%	339%		367%	307%				

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