

2016 First Quarter Briefing

May 2016



國泰金控

Cathay
Financial Holdings

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Agenda

- **1Q16 Business overview**
- **Overseas Expansion**
- **Business Performance Summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Cathay Life Embedded value & appraisal value**
- **Appendix**

1Q16 Business overview

Cathay United Bank

- Delivered 5% loan growth with benign credit quality
 - Fee income grew by 21% YoY, wealth management fee grew by 58%
 - Continued to expand overseas business; planned to open Shenzhen branch in 3Q16
-

Cathay Life

- FYPE grew by 146% YoY, ranked No.1 by FYPE
 - Value of New Business grew by 71% YoY, VNB margin increased substantially
 - Overseas investment reached 58%; pre-hedging recurring yield improved gradually
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Cathay Century

- Premium income grew by 26% YoY
 - Market share reached 12.5%, maintained No.2 market position
 - Offshore business continued to grow
-

Cathay SITE

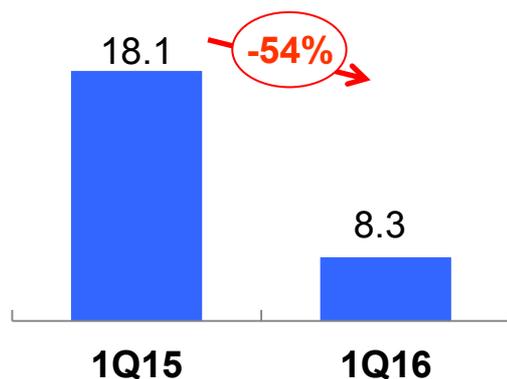
- Ranked No.1 in terms of AUM, which amounted to NT\$433BN
 - Taiwan Futures Exchange, Lipper and Smart rewarded Cathay Mandarin Fund and Cathay Global Infrastructure Fund with “Taiwan Fund Award” in 2016, and Asia Investors rewarded Cathay SITE with “Market Award - Taiwan” in 2015
-

Cathay Securities

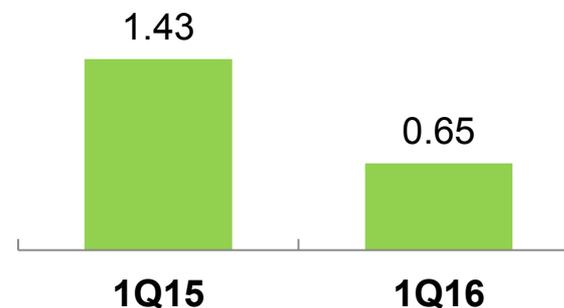
- Sub-brokerage business ranked No.1 in the industry
- Deepened digital technology applications and enhanced business efficiency

Cathay FHC – Net income & EPS

Net income (NT\$BN)



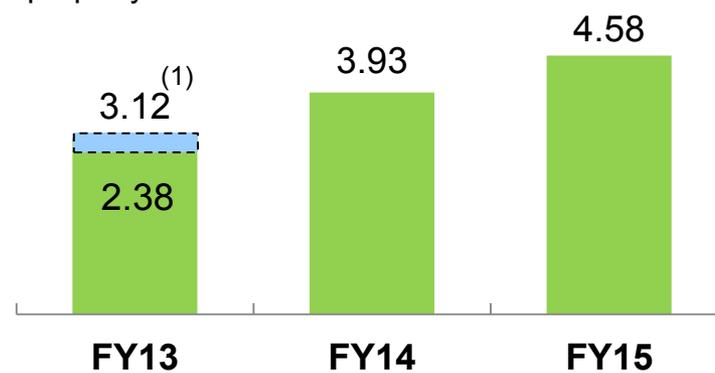
Adjusted EPS (NT\$)



■ Impact to net income from fair value method on investment property



■ Impact to EPS from fair value method on investment property

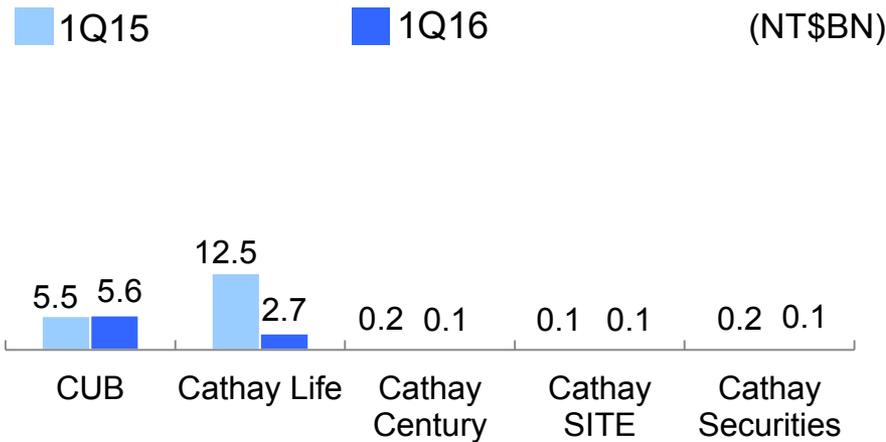


Note: (1) FY13 figures reflected the impact from applying fair value method on investment property, starting 2014/1/1. The impact to FY13 net income and EPS of Cathay FHC was NT\$9.0BN and NT\$0.74, respectively.

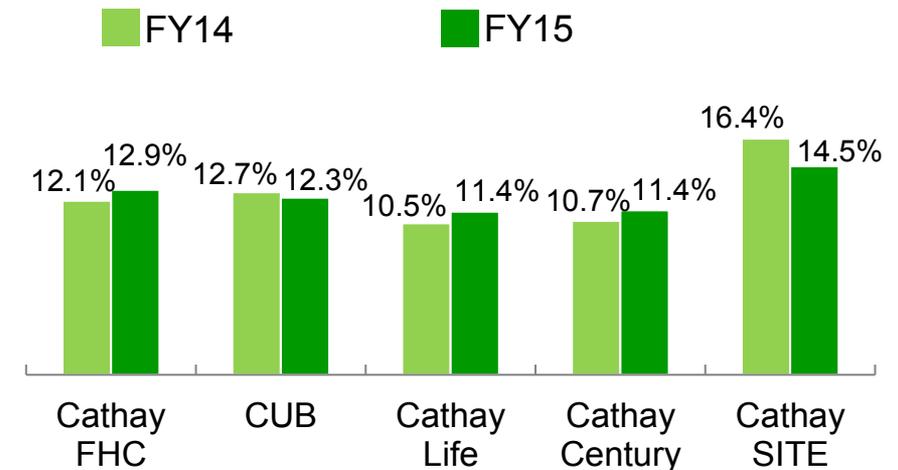
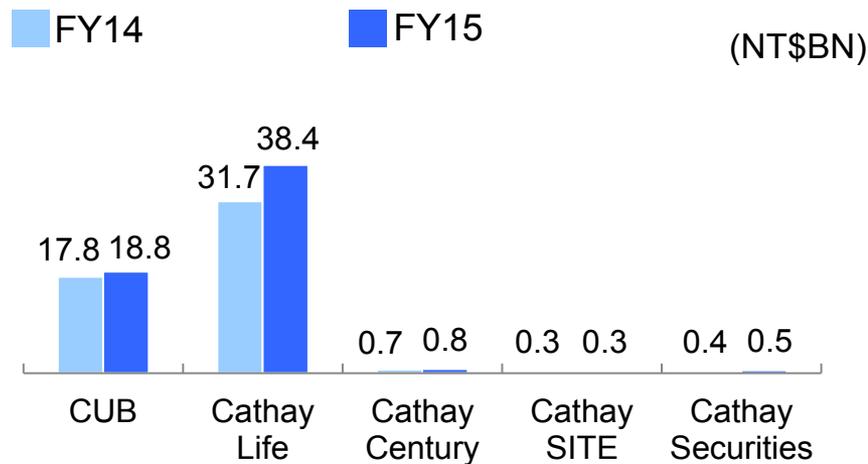
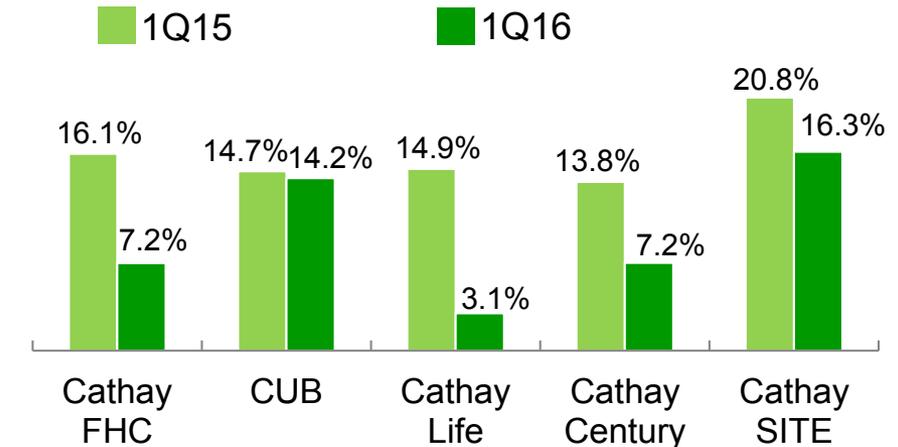
(2) EPS has been adjusted for stock dividend (stock split).

Cathay FHC – Financial results of subsidiaries

Net income of primary subsidiaries



ROE

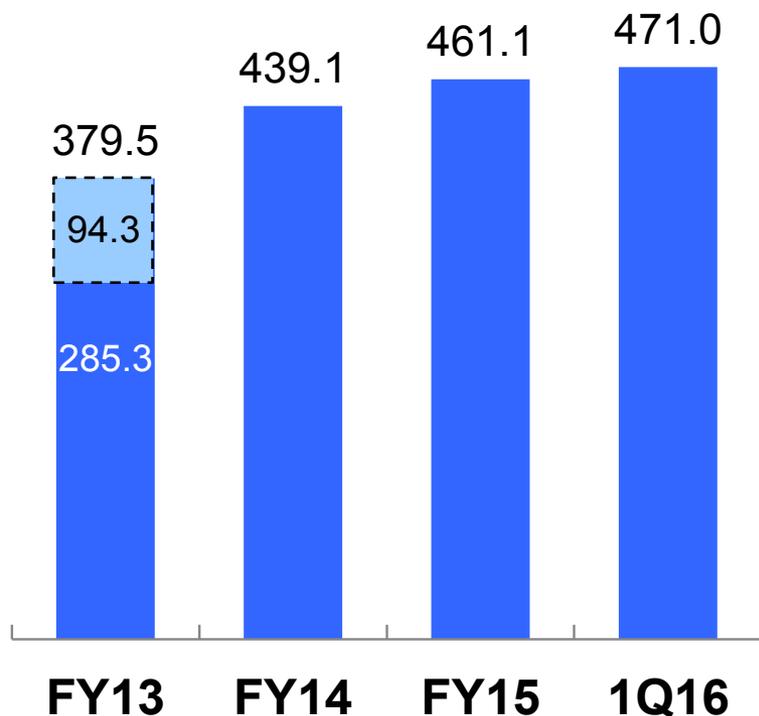


Cathay FHC – Book value & BVPS

Book value

(NT\$BN)

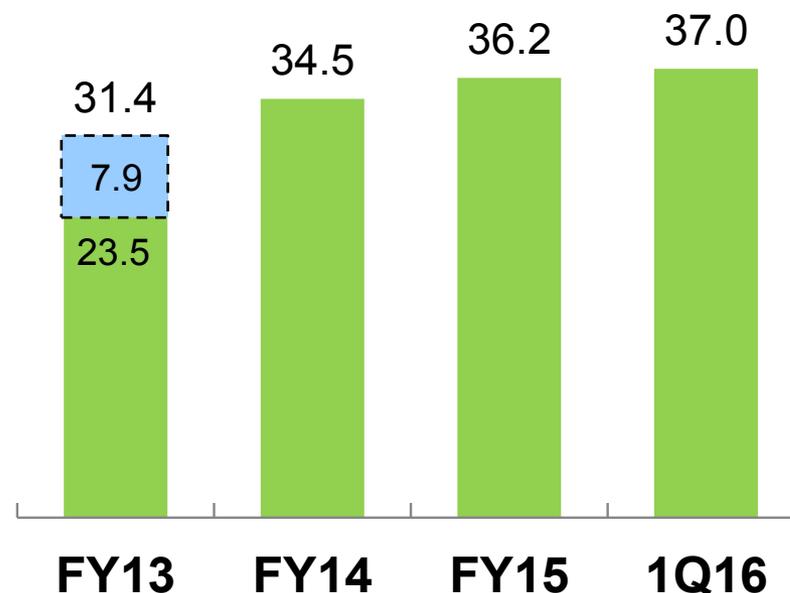
■ Impact to book value from fair value method on investment property



BVPS

(NT\$)

■ Impact to BVPS from fair value method on investment property



Note: FY13 figures reflected the impact from applying fair value method on investment property

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Cathay FHC in South East Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Thailand	Myanmar	Indonesia
Bank	6*	37	16	1	1	1	1	1	1	1	1
Life	30	10									
P&C	26	2									
Asset Mgt	1			1							
Securities				1							

Note: Footprints in Thailand, Myanmar and Indonesia are representative offices. CUB obtained the approval to set up Shenzhen branch.



■ Banking

- Vietnam: Business performed steadily with solid financial performance and superior asset quality
- Cambodia: Owns most footprints among Taiwanese banks
- Philippines: Invest 22.3% stake in RCBC*
- Indonesia: Invest 24.9% stake in Bank Mayapada*

■ Cathay Life

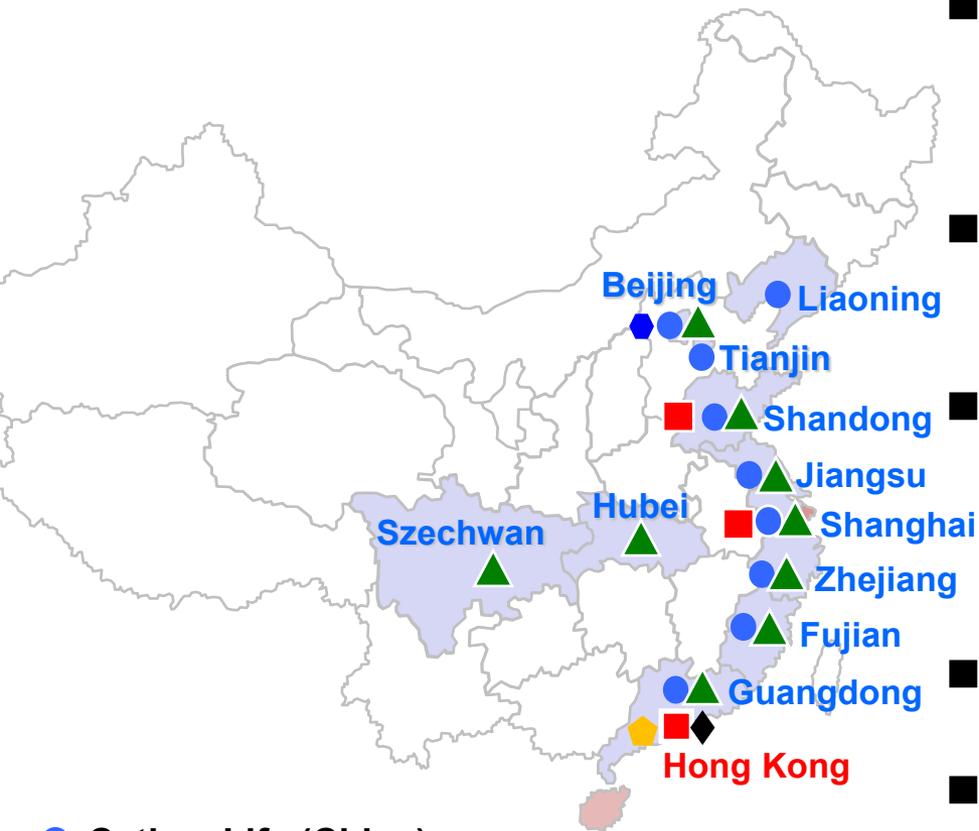
- Cathay Life (Vietnam) has performed steadily. Continued to expand agent force.

■ Cathay Century

- Continue to expand local channels to enhance growth momentum

Note: Investments in RCBC and Bank Mayapada are funded by Cathay Life.

Cathay FHC in China



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

■ Cathay United Bank

- Each business line has performed steadily in Shanghai branch.
- Planned to open Shenzhen branch in 3Q16

■ Cathay Life (China)

- 1Q16 solvency ratio 284%
- Reported pre-tax profits of 31MN RMB in 1Q16

■ Cathay Century (China)

- Strong premium income growth of 12% YoY
- Increase footprints to extend offshore business
- Capital injection from Ant Financial is subject to regulatory approval

■ Cathay Securities (HK)

- Each business line has performed steadily

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

- Continued to launch new products, mainly focus on fixed income funds

■ Conning

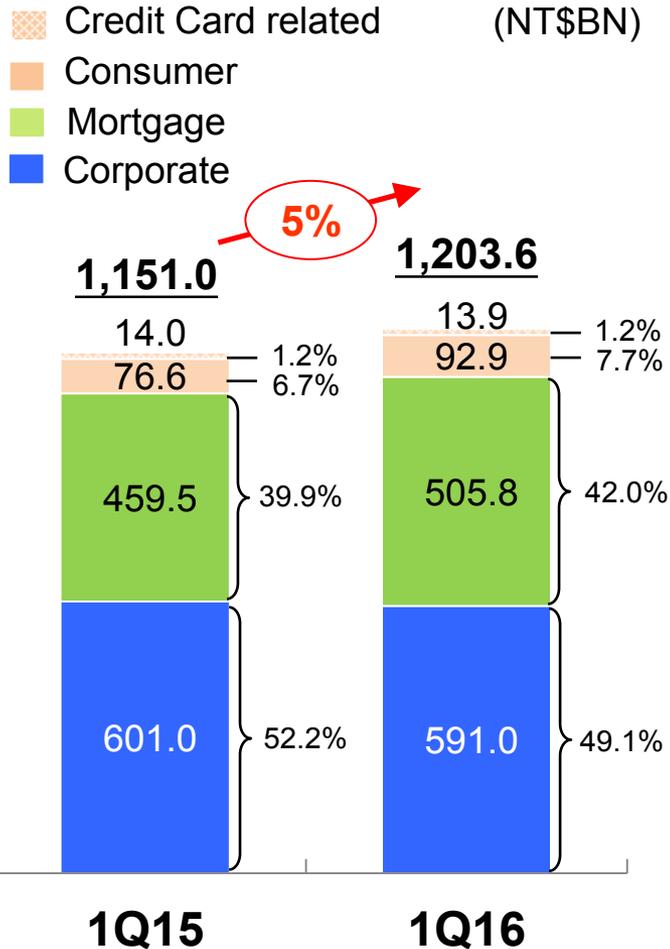
- Continued to expand asset management business

Agenda

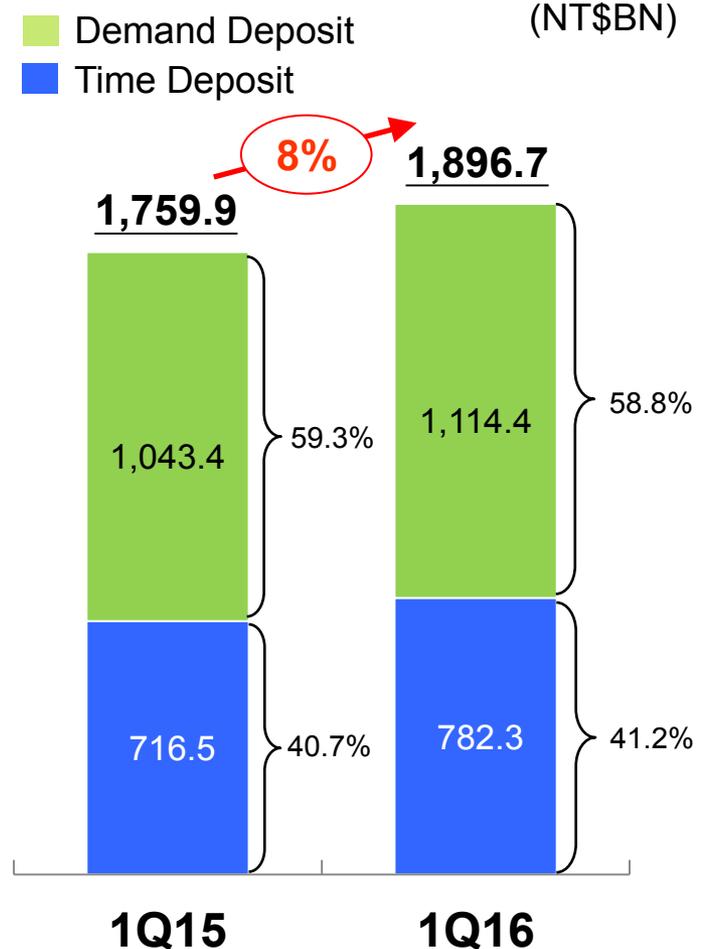
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Cathay United Bank – Loan & deposit breakdown

Loan breakdown

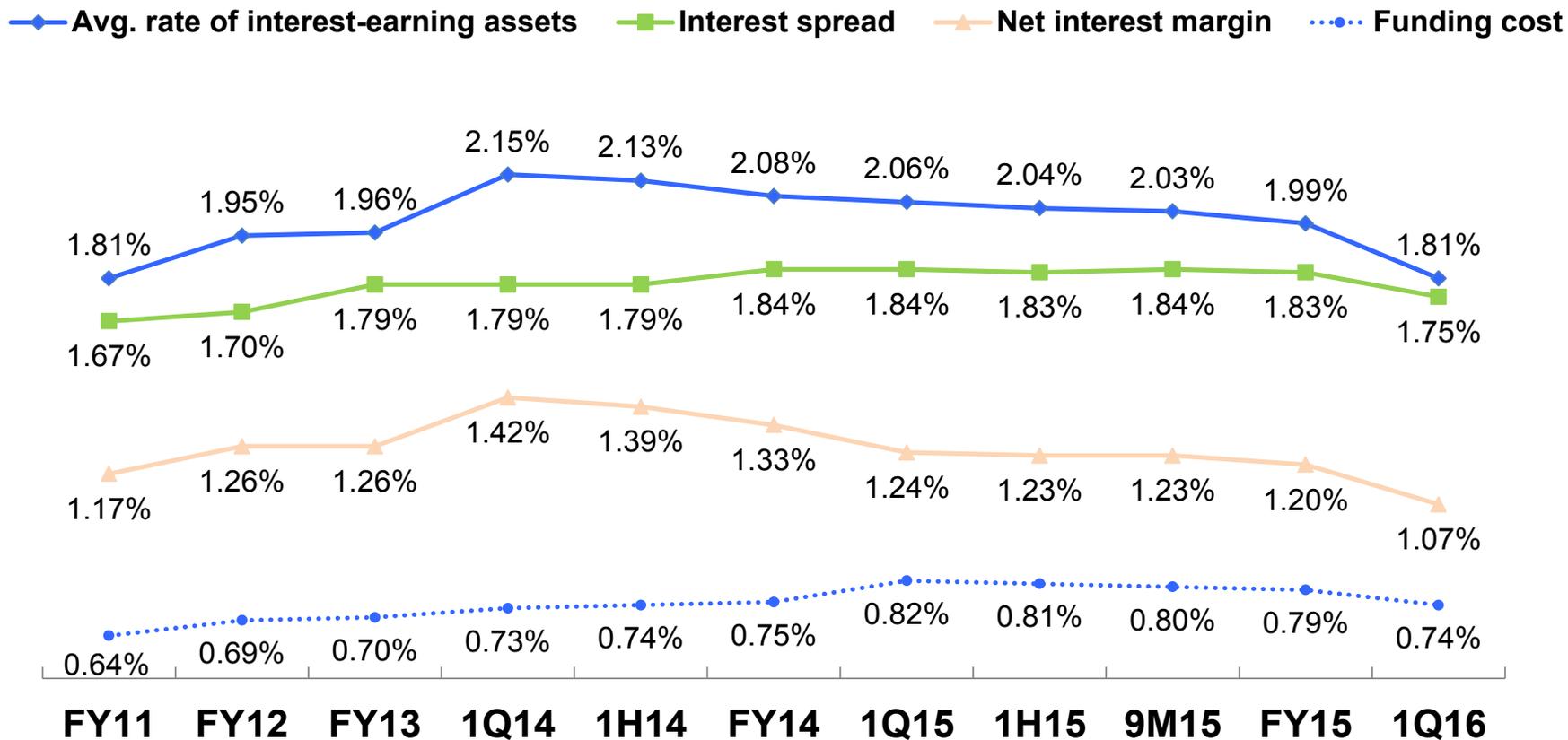


Deposit breakdown



Note: Totals may not sum due to rounding.

Cathay United Bank – Interest yields

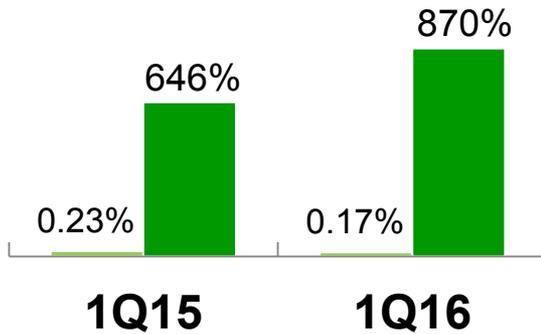


Note: Credit card related loans are included in the calculation of interest spread.

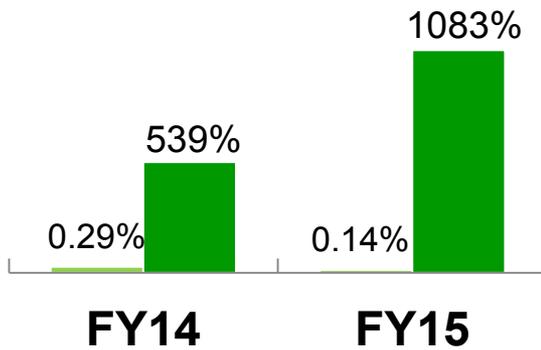
Cathay United Bank – Credit quality

NPL & Coverage ratio

- NPL ratio
- Coverage ratio



Mortgage NPL

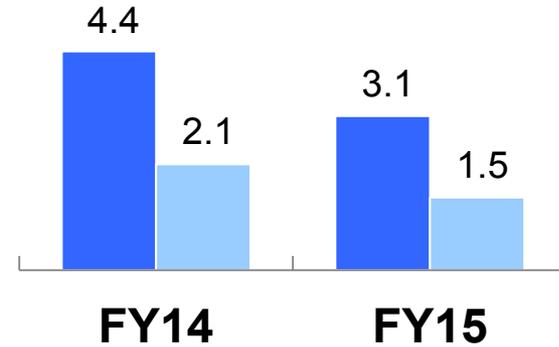
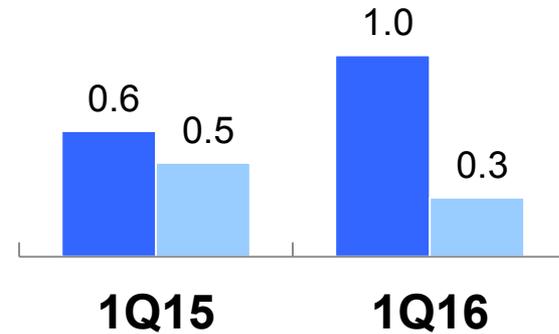


Mortgage NPL



Gross provision

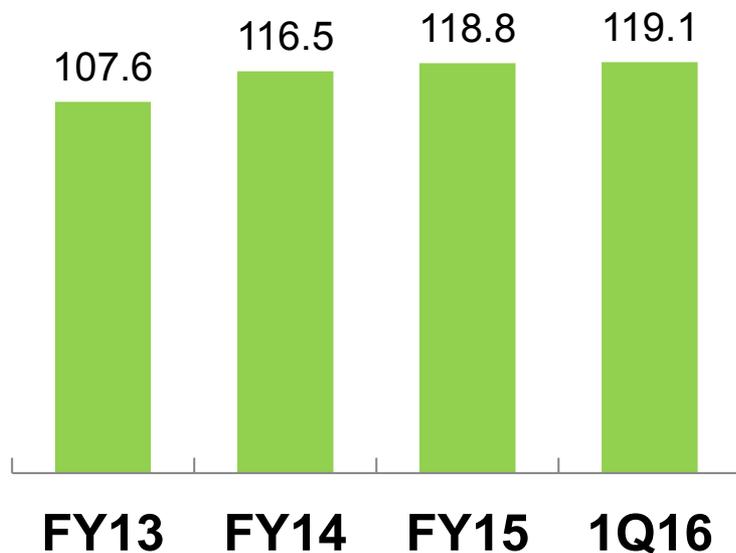
- Gross provision (NT\$BN)
- Recovery



Cathay United Bank – SME & FX loans

SME loans

(NT\$BN)

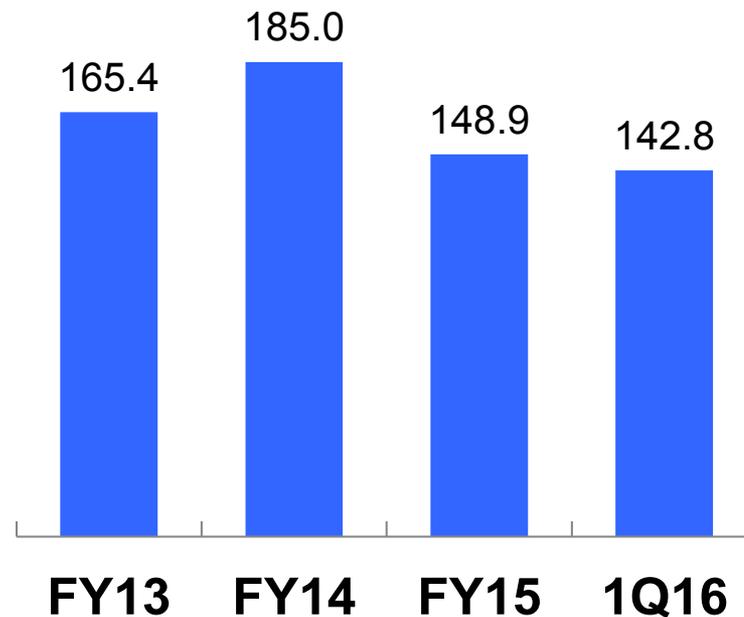


As % of total loans

10.5% 10.5% 10.6% 10.0%

Foreign currency loans

(NT\$BN)



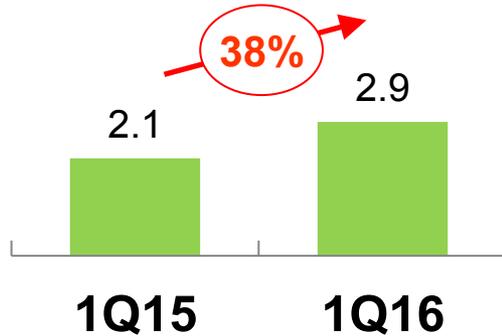
16.1% 16.6% 13.3% 12.0%

Note: Total loans exclude credit card revolving balance.

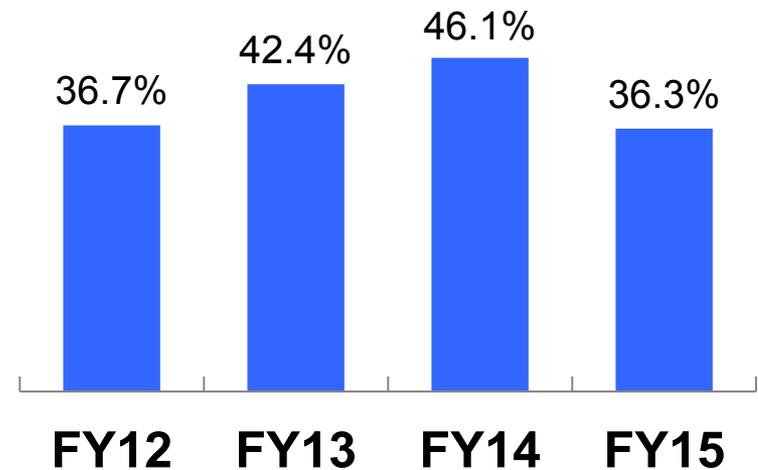
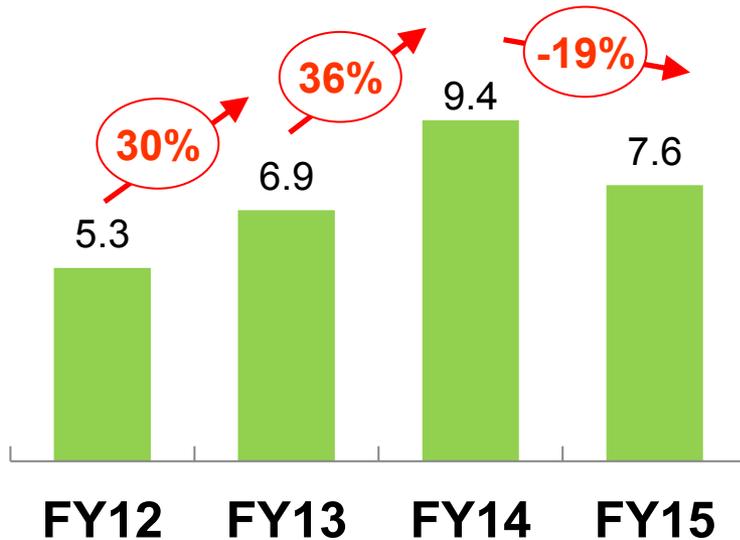
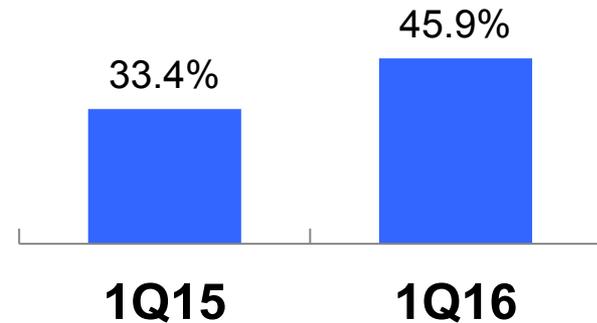
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)

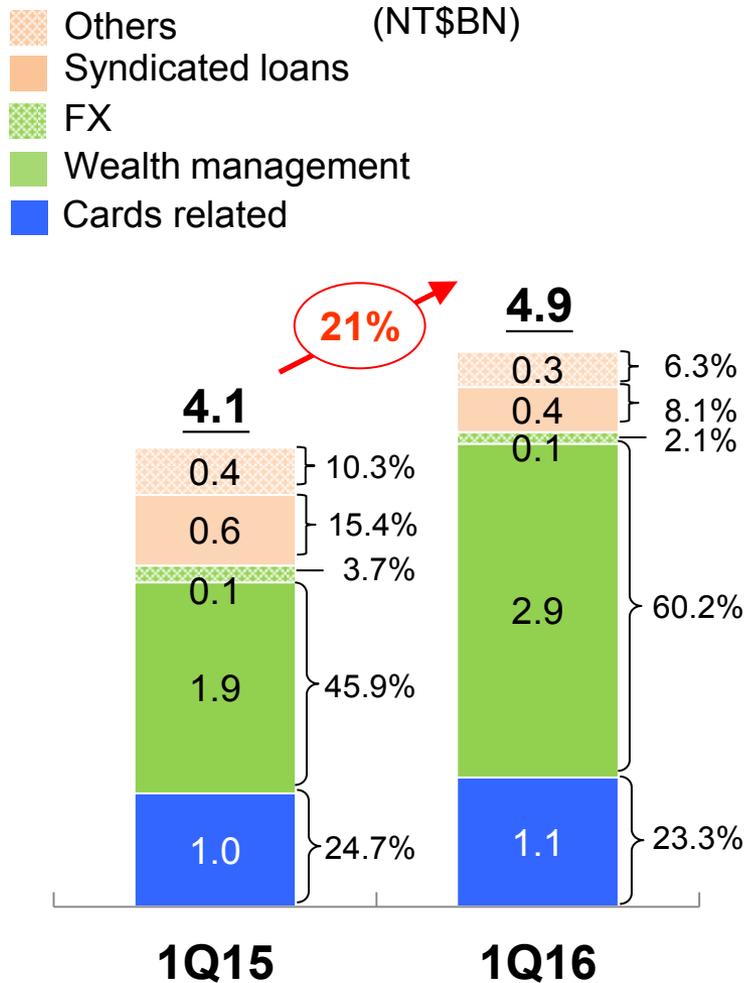


As % of CUB pre-tax profits

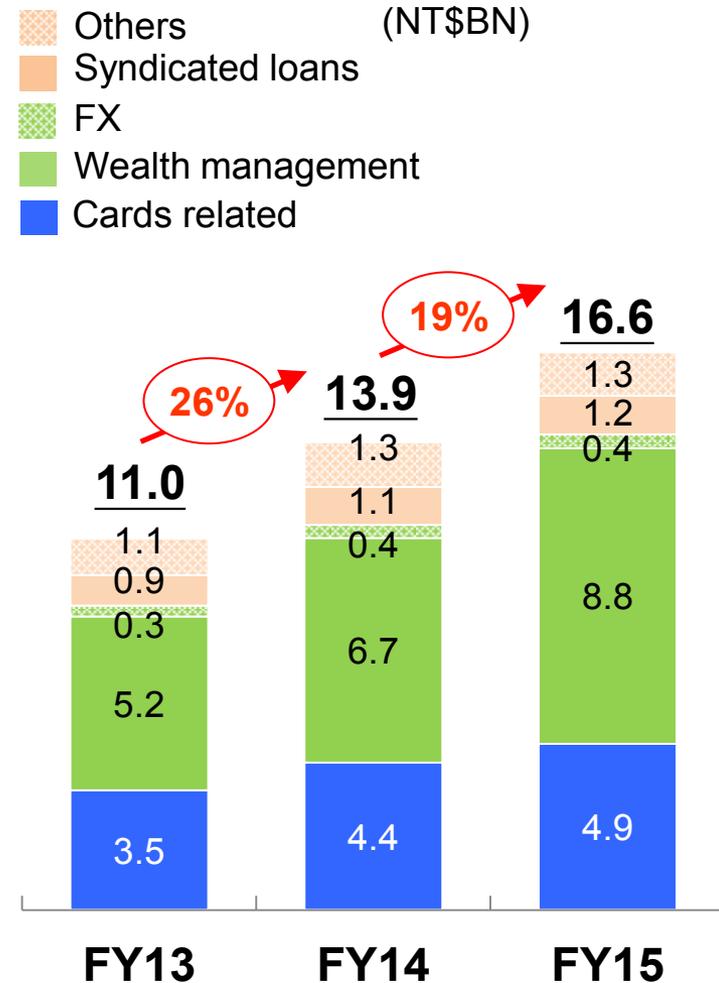


Cathay United Bank – Fee income

Fee income breakdown (quarterly)



Fee income breakdown (annual)

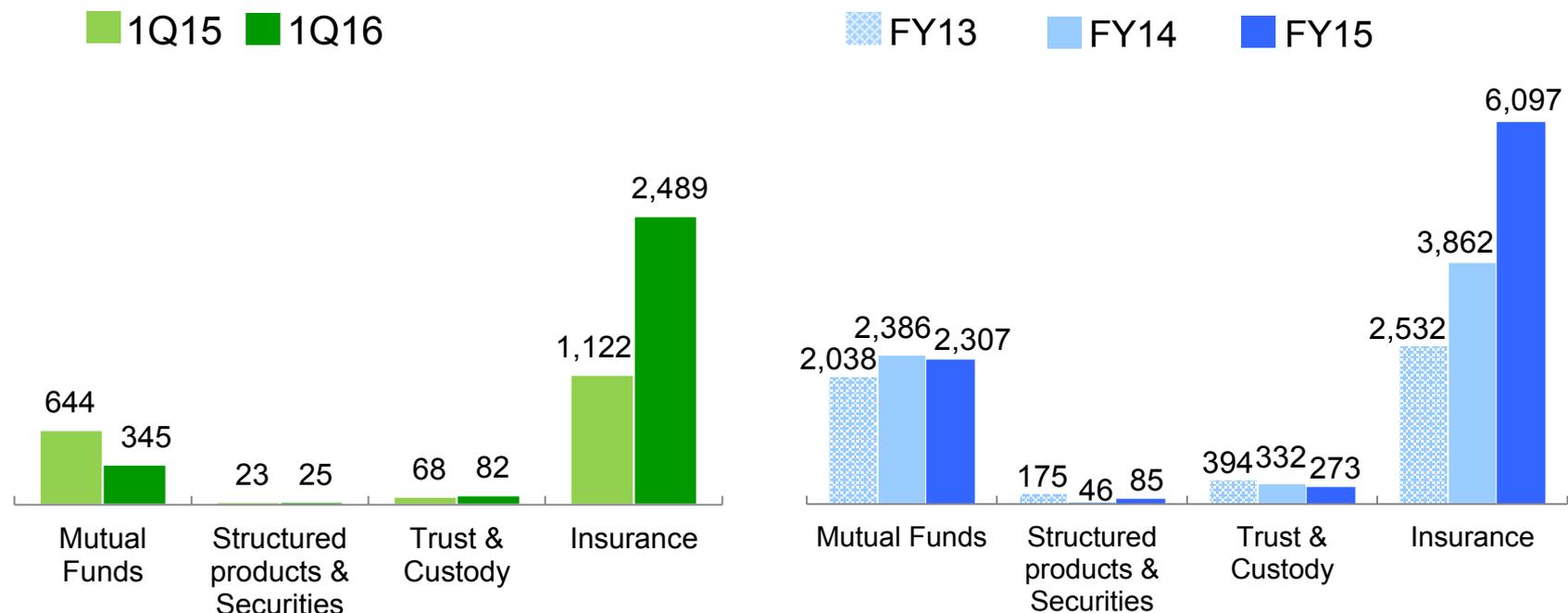


Note: Totals may not sum due to rounding.

Cathay United Bank – Wealth management fee

Wealth management fee breakdown

(NT\$MN)	1Q15	1Q16	FY13	FY14	FY15
Wealth Management Fee Income*	1,862	2,948	5,163	6,673	8,779
YoY growth (%)	33.1%	58.3%	32.6%	29.2%	31.6%



Note: (1) Wealth management fee excludes revenue from DCI, SI and others.

(2) Totals may not sum due to rounding.

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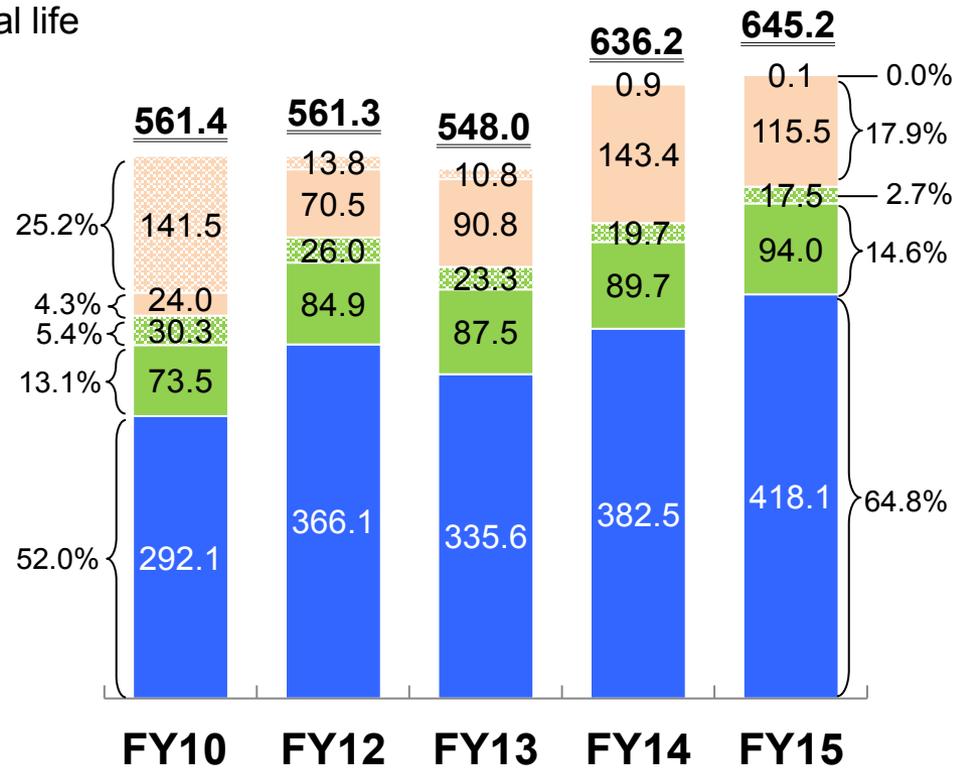
Cathay Life – Total premium

Total premium (quarterly)

Total premium (annual)

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

(NT\$BN)

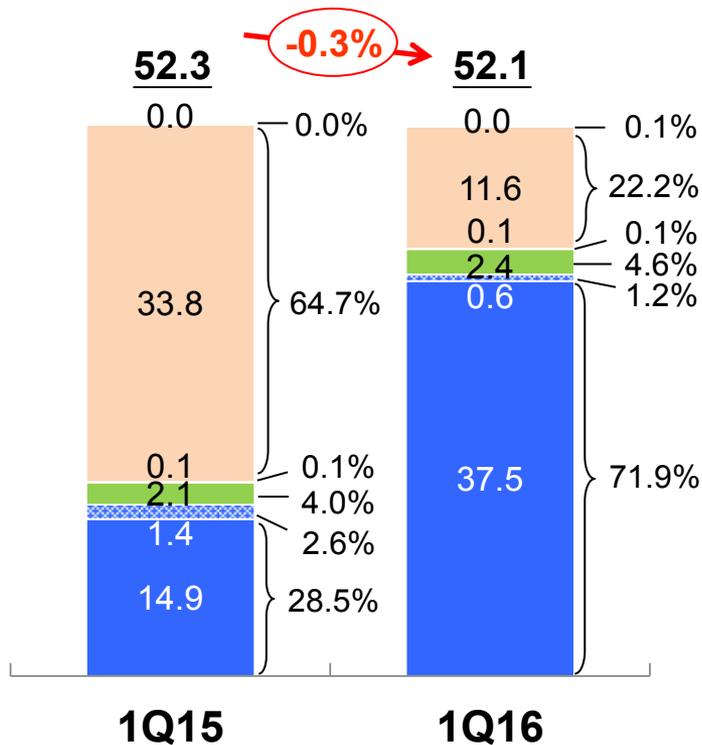


Note: Totals may not sum due to rounding.

Cathay Life – FYP & FYPE

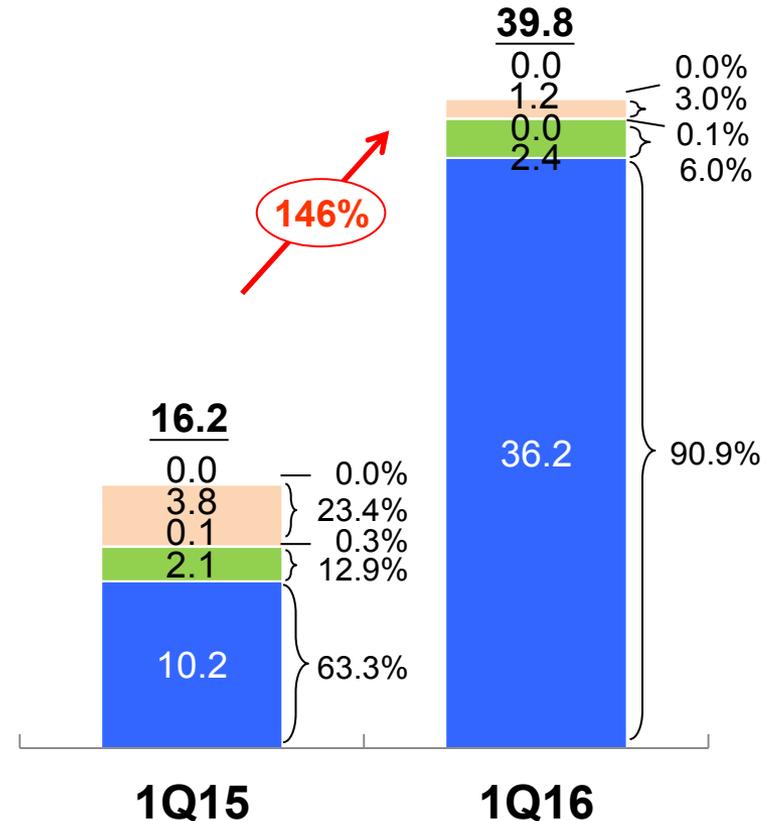
FYP

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



FYPE

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

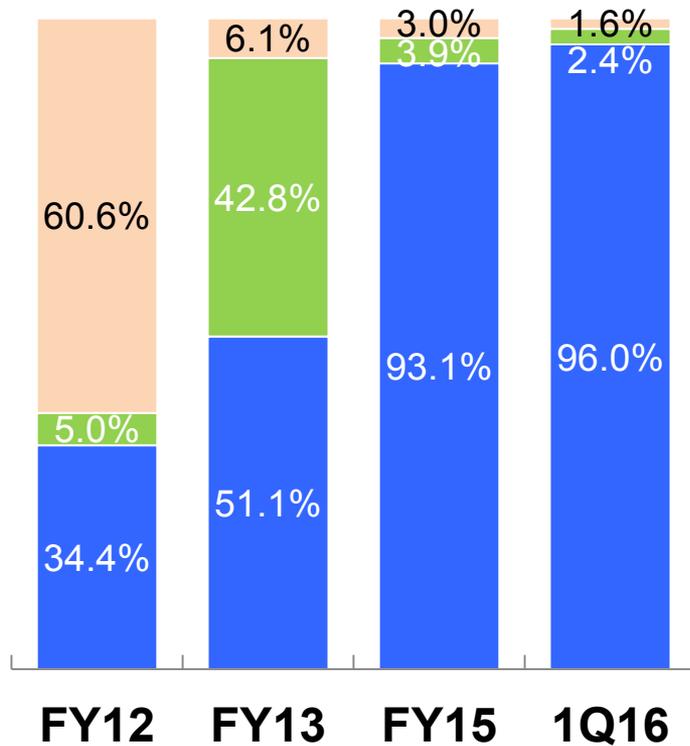


Note: Totals may not sum due to rounding.

Cathay Life – Regular paid policies remain as focus

Breakdown of Traditional FYP

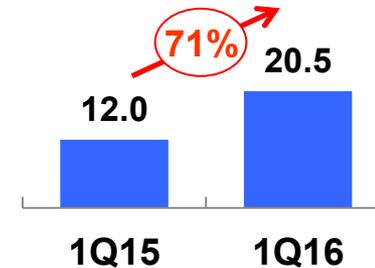
- Traditional life – single paid
- Traditional life - 2 year regular paid
- Traditional life - 3 year and above regular paid



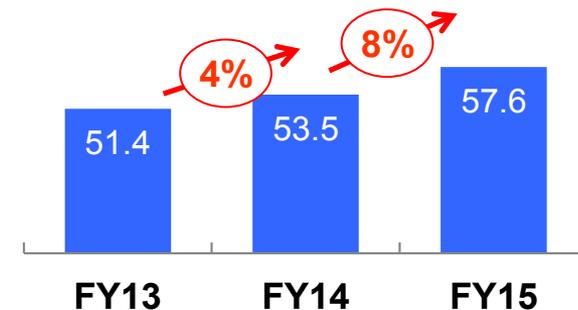
Note: Totals may not sum due to rounding.

VNB

Profit Margin	1Q15	1Q16
VNB/FYP	23%	39%
VNB/FYPE	74%	51%

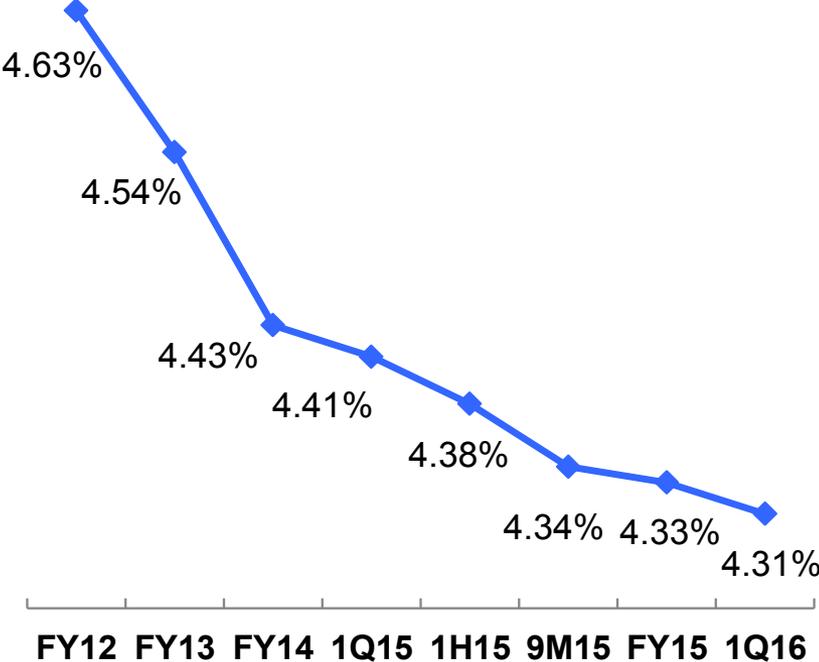


Profit Margin	FY13	FY14	FY15
VNB/FYP	26%	23%	27%
VNB/FYPE	70%	75%	57%

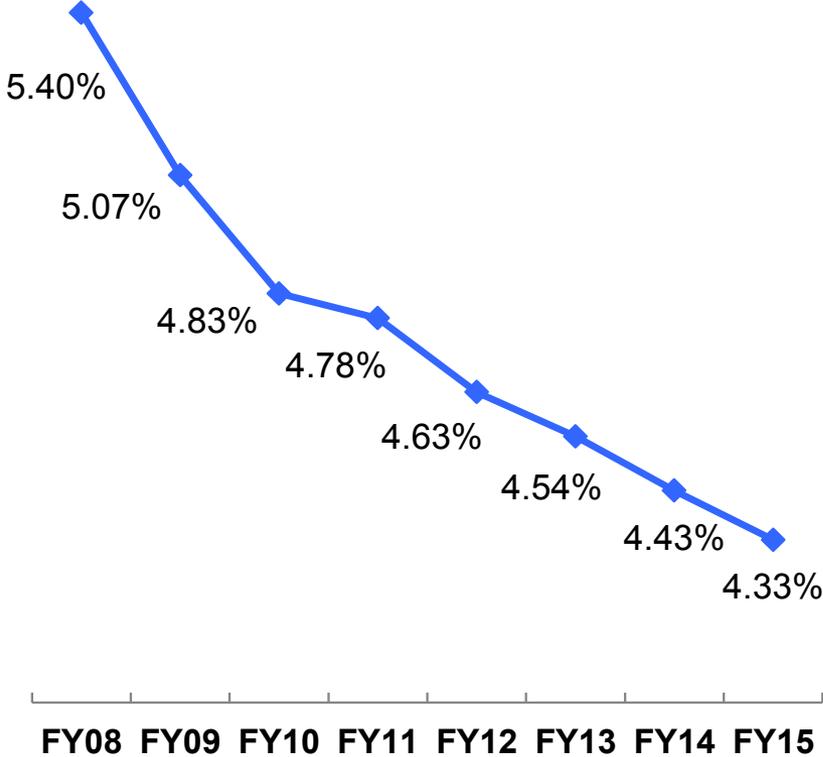


Cathay Life – Cost of liability

Cost of liability (quarterly)



Cost of Liability (annual)



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

Cathay Life – Investment portfolio

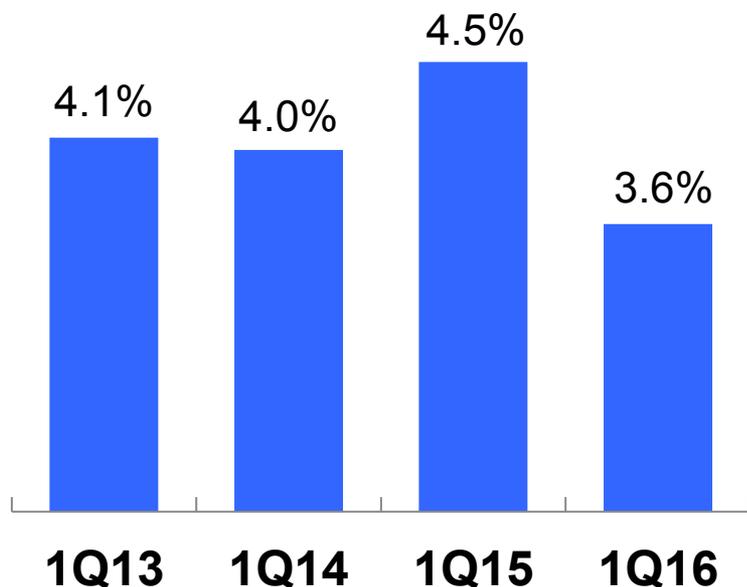
(NT\$BN)	4Q13	4Q14	4Q15		1Q16		
Total investments⁽¹⁾	3,785.1	4169.1	4,636.6		4,691.0		
	Weight	Weight	Weight	Amount	Weight	Amount	Yield
Cash & Cash equivalents	3.7%	3.2%	1.3%	61.1	3.4%	159.8	0.5%
Equity- Domestic	8.9%	8.4%	7.4%	343.0	7.2%	339.1	6.2%
Equity- International⁽²⁾	4.9%	5.0%	6.2%	289.2	6.1%	284.8	3.8%
Bond- Domestic	14.4%	11.0%	8.0%	373.0	7.3%	341.7	2.6%
Bond- International⁽¹⁾⁽²⁾	38.9%	43.6%	50.6%	2,344.8	50.2%	2,353.0	4.8%
Mortgage & Secured loans	12.2%	12.7%	10.2%	471.5	9.9%	462.1	2.0%
Policy loans	4.7%	4.0%	3.6%	169.2	3.5%	166.3	5.9%
Real estate	10.6%	10.5%	10.5%	489.0	10.4%	489.4	2.6%
Others	1.7%	1.6%	2.1%	95.8	2.0%	94.7	

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

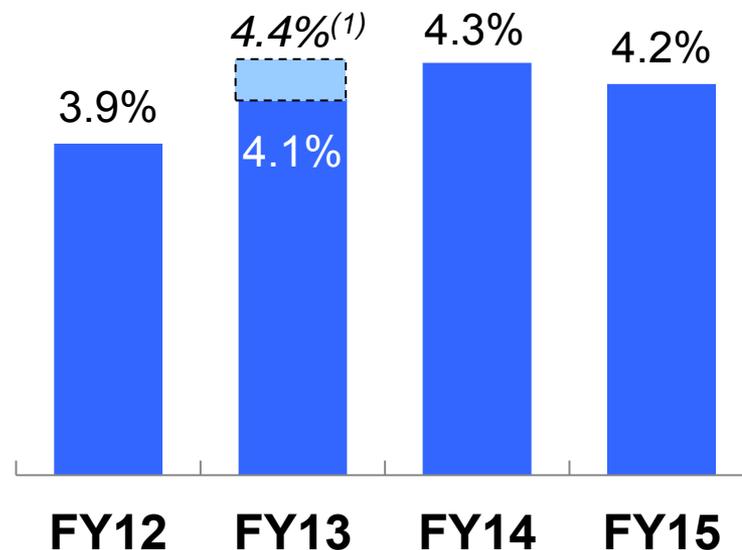
(2) Yields of international equity and international bond are pre-hedge investment yields.

Cathay Life – Investment performance highlight

After-hedging investment yield



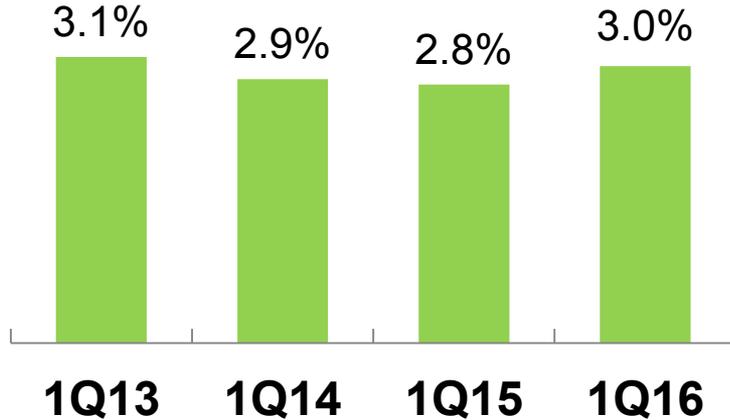
After-hedging investment yield (annual)



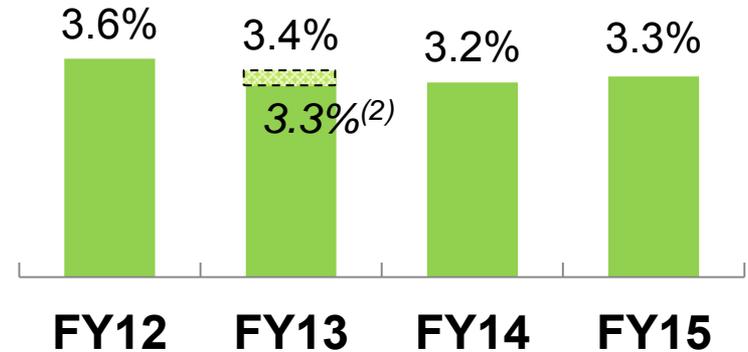
Note: FY13 (4.4%) was pro forma adjusted number of fair value method on investment property.

Cathay Life – Investment performance highlight

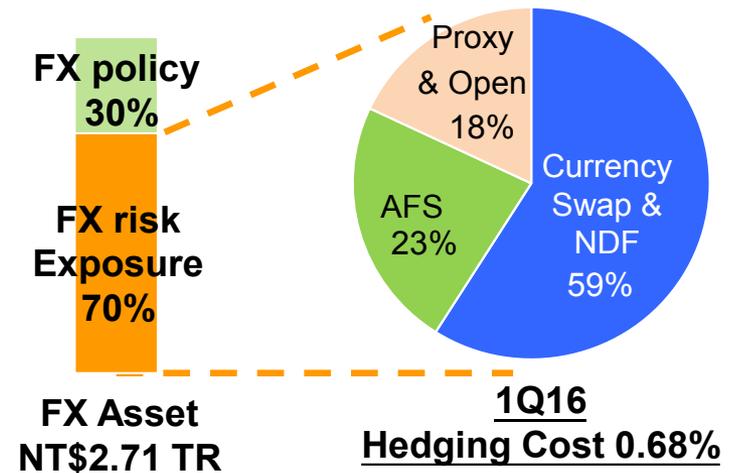
Pre-hedging recurring yield



Pre-hedging recurring yield



Currency Hedging Structure



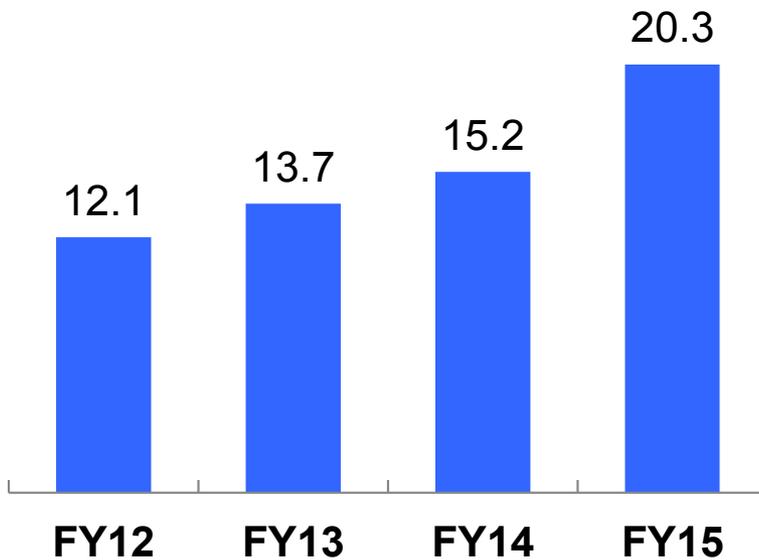
Note: (1) Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend. Most dividend will be recognized in 2Q & 3Q.

(2) FY13 (3.3%) was pro forma adjusted number of fair value method on investment property.

Cathay Life – Cash dividend & Overseas fixed income by region

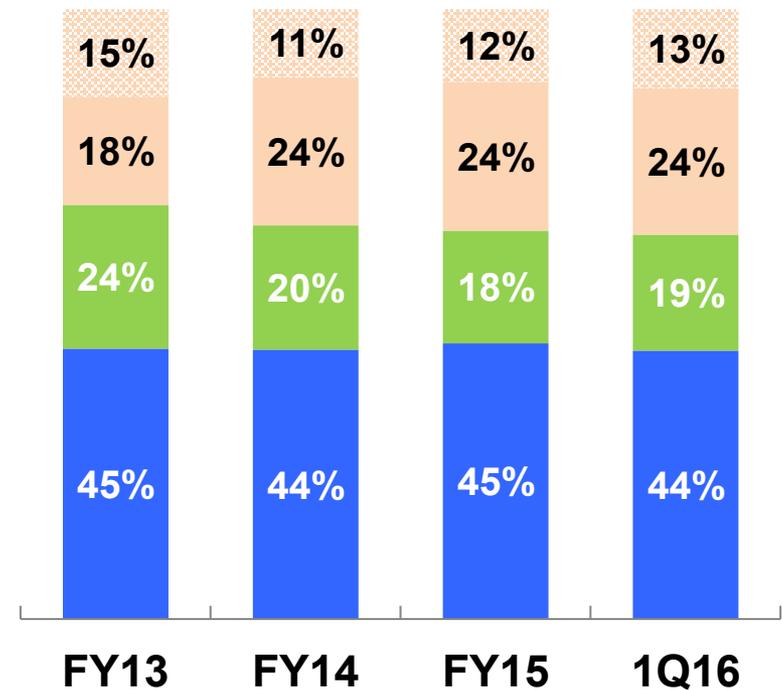
Cash dividend

(NT\$BN)



Overseas Fixed Income by Region*

- Others
- Asia Pacific
- Europe
- North America



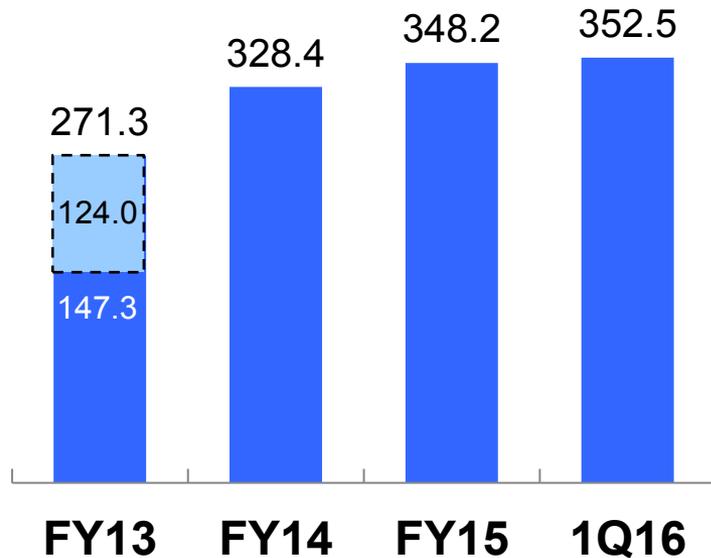
Note: Exclude overseas deposit and equity.

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

Book value

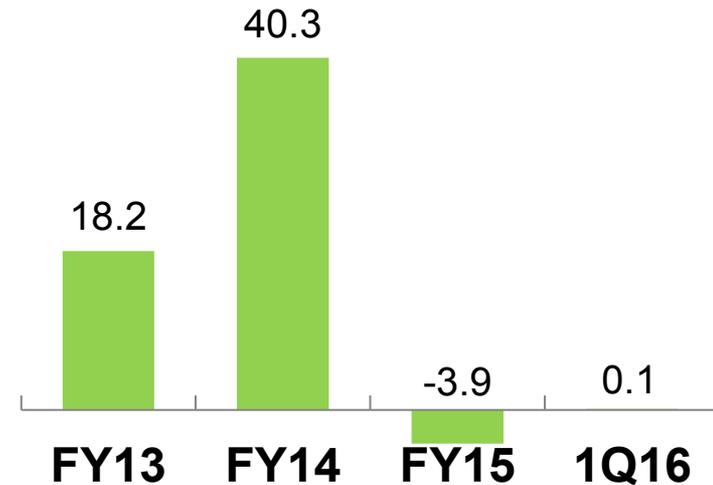
(NT\$BN)

■ Impact to book value from fair value method on investment property



Unrealized G/L of AFS financial assets

(NT\$BN)



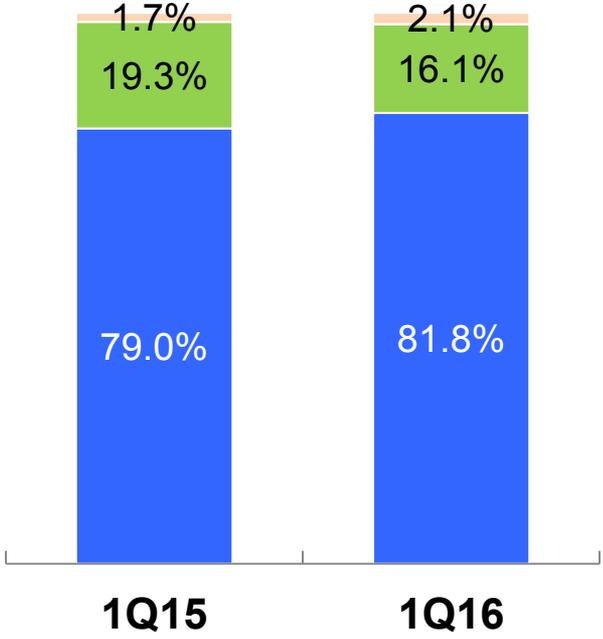
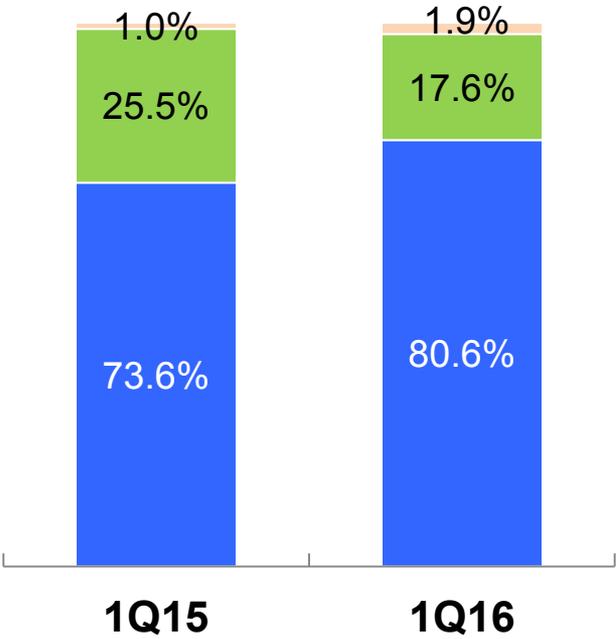
Note: FY13 figures reflected the impact from applying fair value method on investment property

Cathay Life – Distribution channel

FYP

FYPE

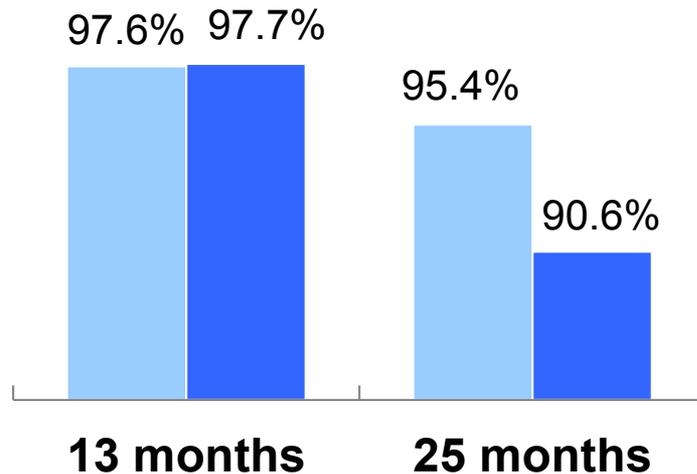
- Others
- Bancassurance-CUB
- Tied agents



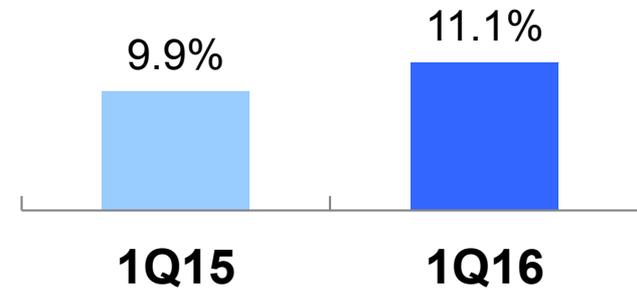
Cathay Life – Operational indicators

Persistency ratio

1Q15 1Q16



Expense ratio



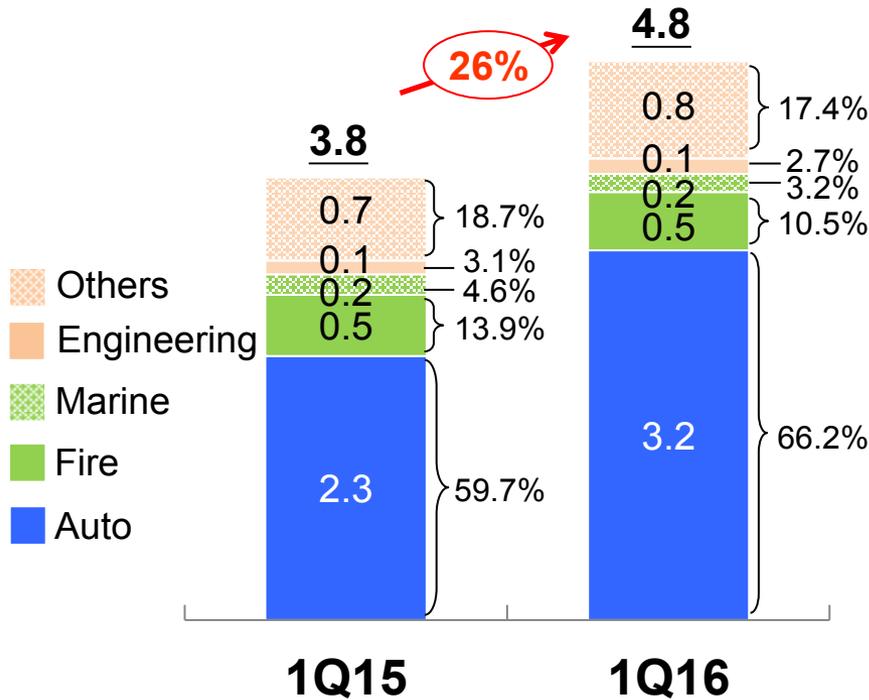
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Cathay Century – Premium income & distribution

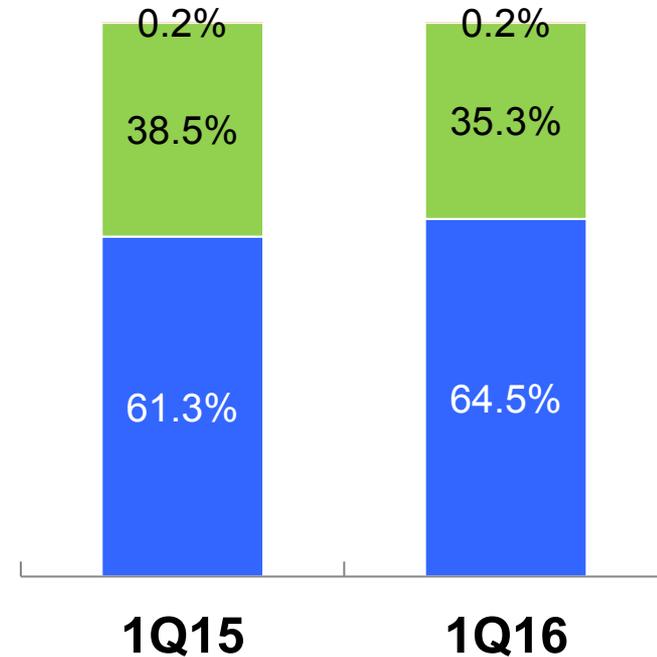
Premium income

(NT\$BN)



Distribution channel

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



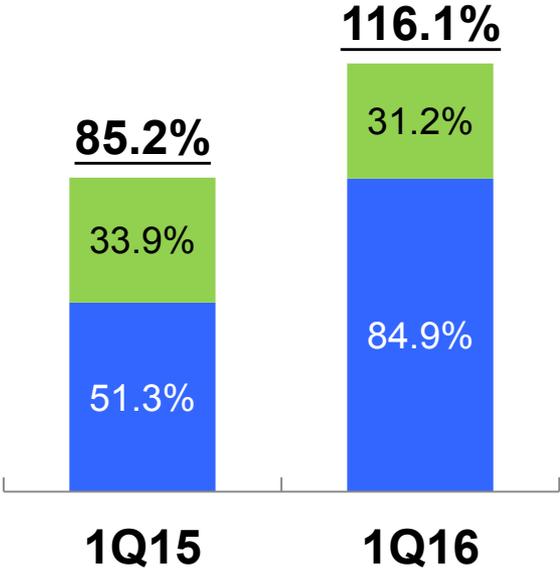
Market share	11.1%	12.5%
Retention	74.1%	76.6%

Note: Totals may not sum due to rounding.

Cathay Century – Combined ratio

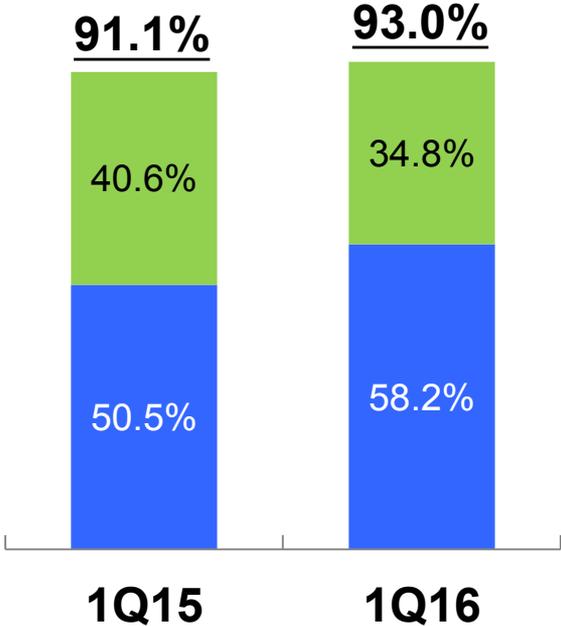
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



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Embedded Value & Appraisal Value

(NT\$BN)

Valuation date	2014/12/31	2015/12/31
In-force business investment yield	4.01% ~ Year 2034 5.05% for NTD policies 4.40% ~ Year 2034 6.07% for USD policies 2.75% ~ Year 2034 3.02% for Interest crediting annuity (Equivalent investment yield: 4.46% rolling over to 2015: 4.49%)	3.95% ~ Year 2035 5.02% for NTD policies 4.67% ~ Year 2035 5.81% for USD policies 2.77% ~ Year 2035 3.00% for Interest crediting annuity (Equivalent investment yield: 4.40%)
Future one year's new business investment yield	2.54% ~ Year 2034 5.03% for NTD policies 4.47% ~ Year 2034 6.07% for USD policies 2.19% ~ Year 2034 2.62% for Interest crediting annuity	2.96% ~ Year 2035 4.90% for NTD policies 4.37% ~ Year 2035 5.81% for USD policies 1.98% ~ Year 2035 2.28% for Interest crediting annuity
Risk discount rate	10%	10%
Adjusted net worth	403	393
Value of in-force business	434	490
Cost of capital (CoC)	-128	-148
Value of in-force business (After CoC)	306	342
Embedded Value (EV)	709	735
EV / per share	133.6 (56.4)	138.5 (58.5)
Appraisal Value (AV)	1,191	1,249
Value of future one year's new business (After CoC)	55.5	59.0
AV / per share	224.4 (94.8)	235.3 (99.4)

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

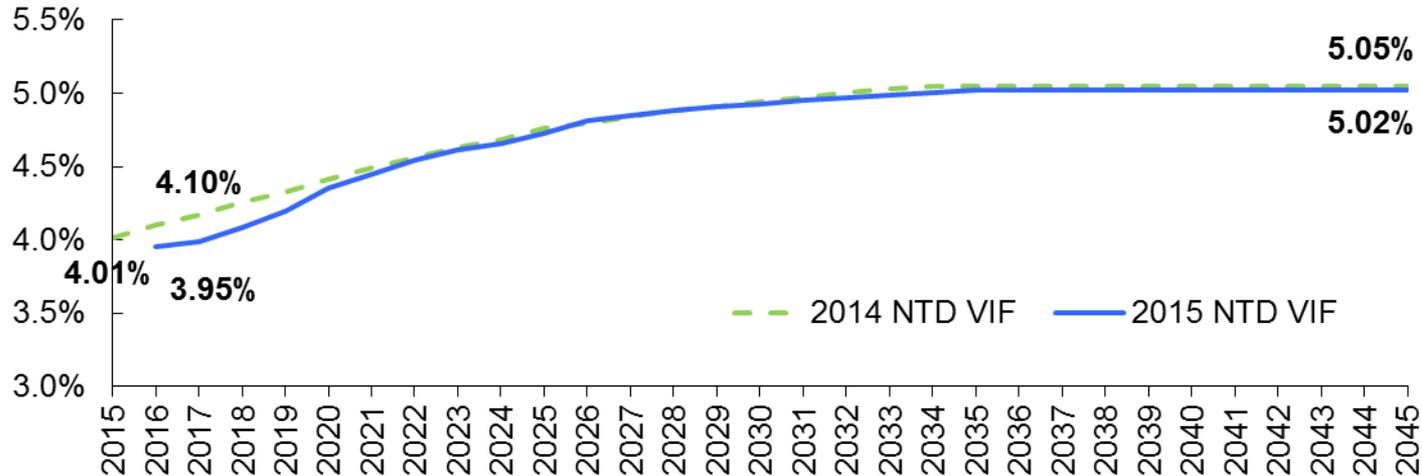
(2) per share = per share of Cathay Life; (per share) = per share of Cathay FHC

(3) The outstanding shares of Cathay Life and Cathay FHC are 5.3bn and 12.6bn, respectively.

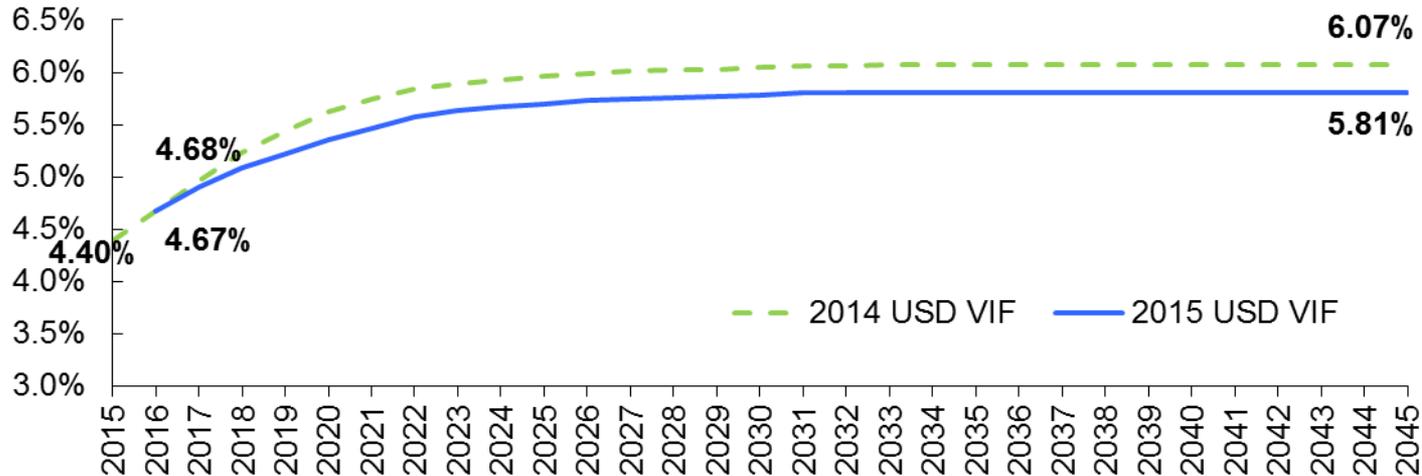
(4) May not sum to total due to rounding.

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 2014 & 2015.

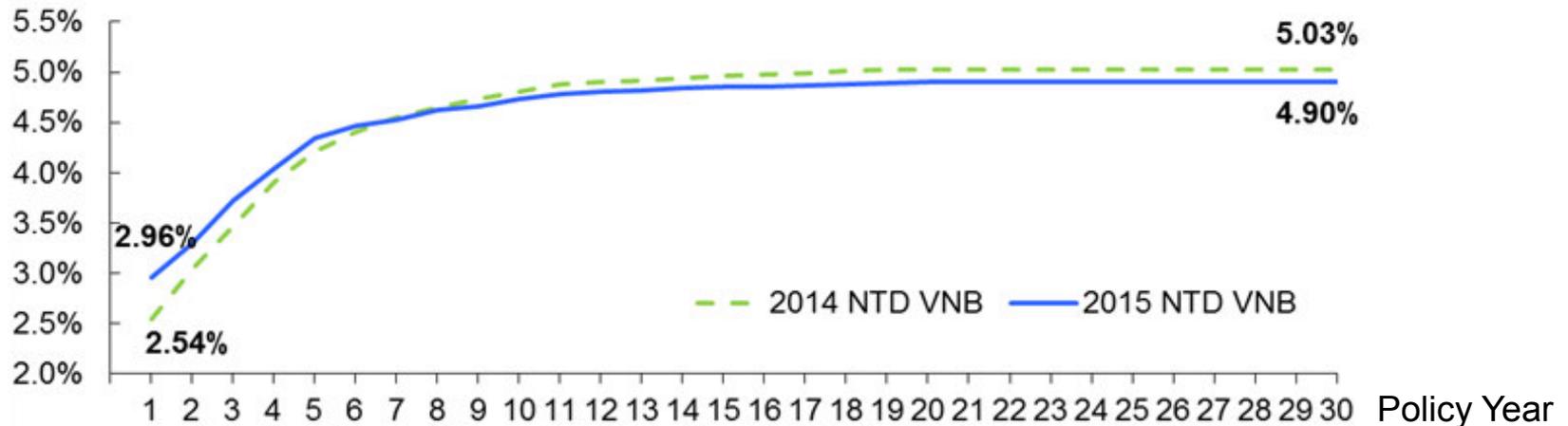


- Investment return assumptions for the value of in force business of USD-denominated policies as of the end of 2014 & 2015.



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 2014 & 2015.



- Investment return assumptions for the value of future one year's new business of USD-denominated policies as of the end of 2014 & 2015.



Cost of Capital Projection and Non-economic Assumptions

■ RBC capital requirement:

Apply 2015 RBC formula announced by Insurance Bureau to project future capital requirement.

1. Capital Requirement = 200% RBC.
2. Risk-based capital calculation reflects company's current and future operation status.
3. C3 risk capital of traditional products includes 30% of its previous year's C3 risk capital in all projection years.
4. In 2015, the base risk factors of domestic listed stocks (not served as directors or supervisors), equity funds, and balanced funds are adjusted from 0.2411 to 0.2274. Considering this is a temporary measure only applied in 2015, we do not reflect this change in COC estimate.

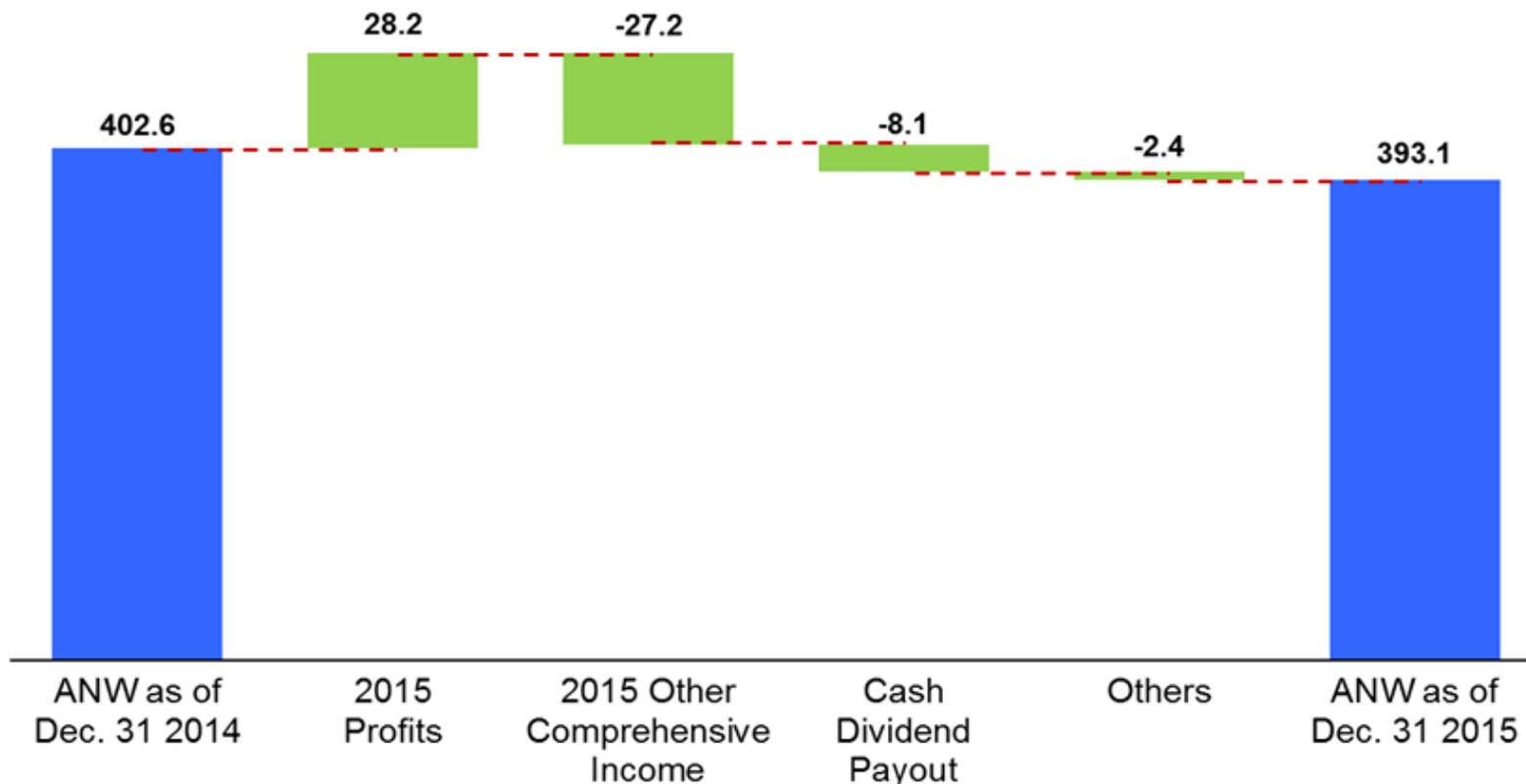
■ Experience rate:

Experience Rate	Assumptions
Mortality Rate	In accordance with Cathay's most updated mortality trends.
Morbidity Rate	In accordance with Cathay's most updated morbidity trends and varied by product type.
Lapse Rate	In accordance with Cathay's most updated lapse rate trends and varied by product type.
Expenses assumption	In accordance with Cathay's most updated expense analysis and varied by product type; commissions are based on the actual commission rates.

- PricewaterhouseCoopers Asia Actuarial Services provides an independent review of the actuarial assumptions on EV.

Analysis of change in Adjusted Net Worth (ANW)

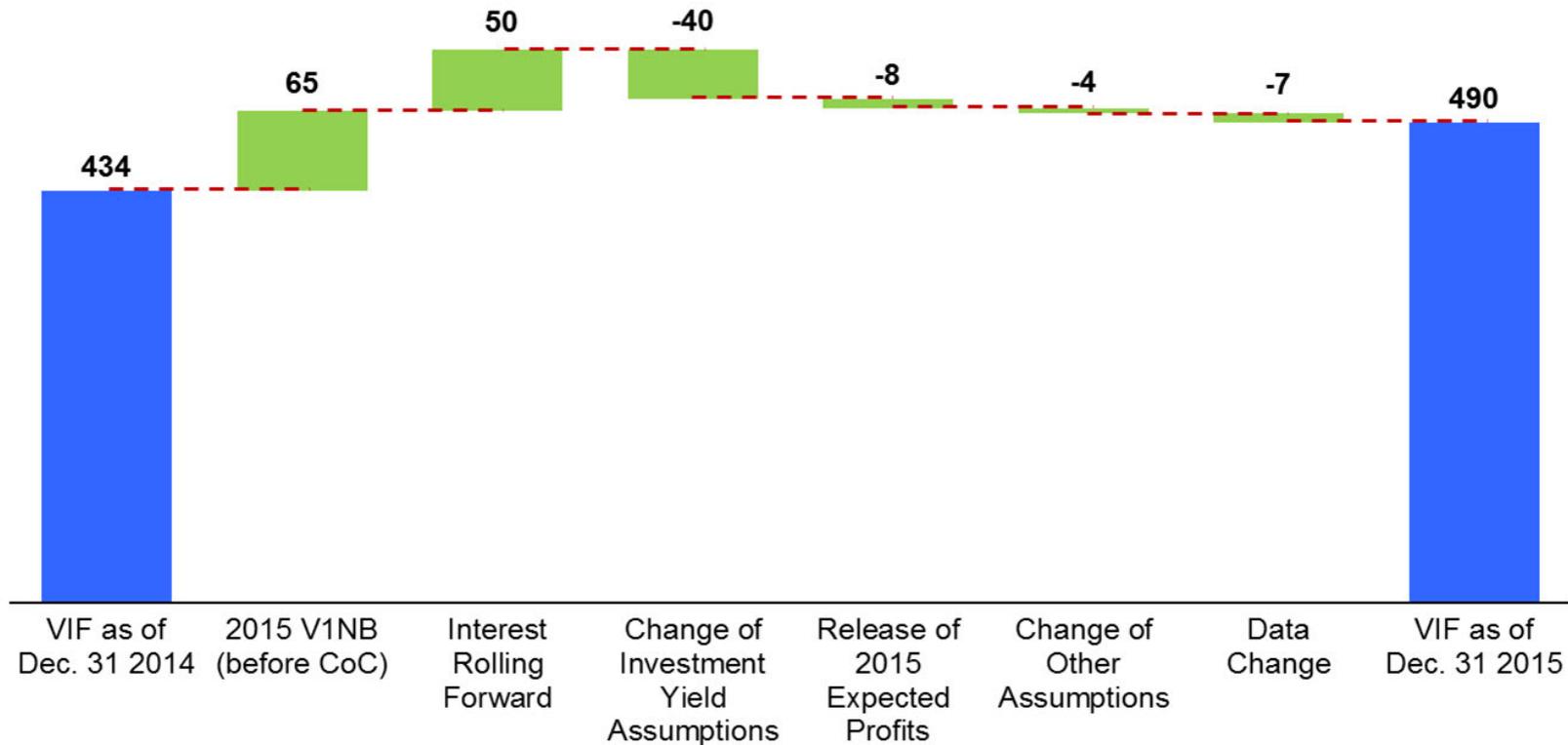
(NT\$BN)



- Note: 1.The profit of 2015 is 38.2 billion. However, 10 billion is recovered from special reserve of unrealized gains on property, which is already reflected in ANW of 2014. Thus, reflect 28.2 billion in the item “2015 Profits”.
- 2.Others include revision of IFRS19,change of foreign exchange volatility reserve and goodwill.

Analysis of change in value of in-force business (VIF)

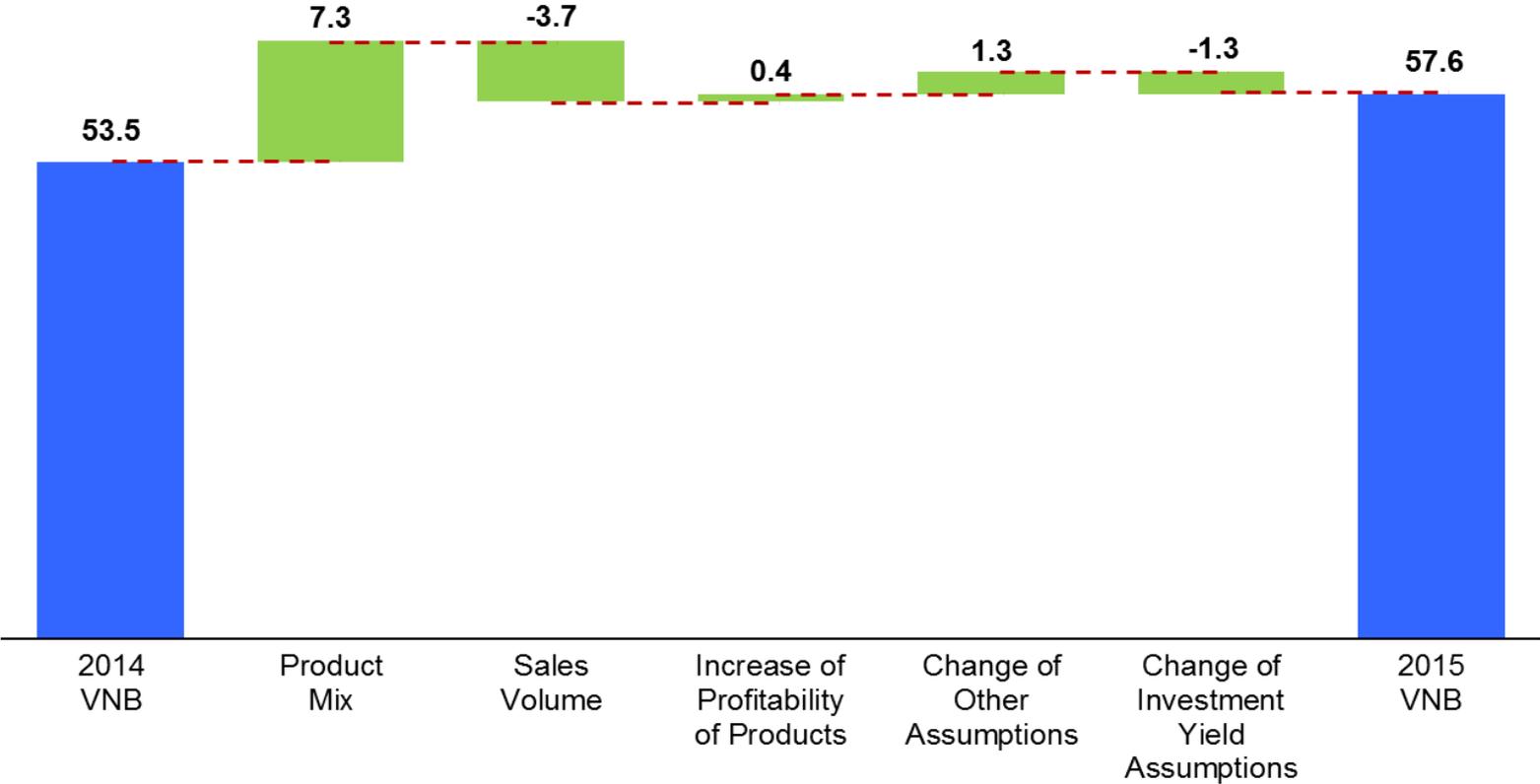
(NT\$BN)



- The value of one year new business (after cost of capital) of 2015 is 57.6 billion.

Analysis of change in value of one year's new business (V1NB)

(NT\$BN)



Sensitivity Analysis

NT\$BN, except for per share figures

Valuation date	2015/12/31					
Assumption	Investment yield - 0.25%	Investment yield + 0.25%	Investment yield + 0.25% (capped) ⁽¹⁾	Base Case	Discount rate - 0.5%	Discount rate + 0.5%
Adjusted net worth	393	393	393	393	393	393
Value of in-force business	380	600	563	490	524	459
Cost of capital (CoC)	-155	-141	-143	-148	-143	-153
Value of in-force business (After CoC)	225	459	419	342	381	307
Embedded Value	618	852	812	735	774	700
EV / per share	116.4 (49.2)	160.5 (67.8)	153.0 (64.6)	138.5 (58.5)	145.8 (61.6)	131.9 (55.7)
Appraisal Value	1,078	1,418	1,356	1,249	1,323	1,182
Value of future one year's new business (After CoC)	51.8	66.3	62.7	59.0	63.9	54.6
AV / per share	203.1 (85.8)	267.2 (112.9)	255.5 (107.9)	235.3 (99.4)	249.3 (105.3)	222.7 (94.1)

Note: (1) "Investment yield +0.25% (capped)" : the investment return is capped by 5.02% for NTD policies, 5.81% for USD policies, and 3.00% for interest crediting annuity.

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

YoY Comparison

Under the different discount rate assumption (9.5%~10.5%), the results of the Year 2014 & 2015 go as follows.

(NT\$BN)

Valuation date	2014/12/31	2015/12/31
Embedded Value	676~745	700~774
Value of future one year's new business	51.6~59.8	54.6~63.9
Appraisal Value	1,137~1,250	1,182~1,323

Summary

(NT\$BN)

Valuation date		2014	2015	Growth rate	1Q16
Embedded value	Equity	325	346	6%	--
	Adjusted net worth	403	393	-2%	--
	Value of in-force business	434	490	13%	--
	Cost of capital (CoC)	-128	-148	16%	--
	Value in-force business (after CoC)	306	342	12%	--
	Embedded value	709	735	4%	--
Value of one year's new business	First year premium (FYP)	233.4	217.4	-7%	52.1
	First year premium equivalent (FYPE)	71.1	102.0	43%	39.8
	Value of one year's new business (V1NB)	53.5	57.6	8%	20.5
	Profit margin (V1NB/FYP)	23%	27%	--	39%
	Profit margin (V1NB/FYPE)	75%	57%	--	51%
	Profit margin (V1NB/FYP)(investment-linked(non-VUL)is excluded)	53%	53%	--	50%
Appraisal value (20 years NB)	Multiple	8.7	8.7	--	--
	Appraisal value	1,191	1,249	5%	--
Basic Value per share	EV / per share of Cathay FHC	56.4	58.5	4%	--
	AV / per share of Cathay FHC	94.8	99.4	5%	--

Note: (1) Basic EV and AV per share is based on weighted average of outstanding shares 12.6bn.

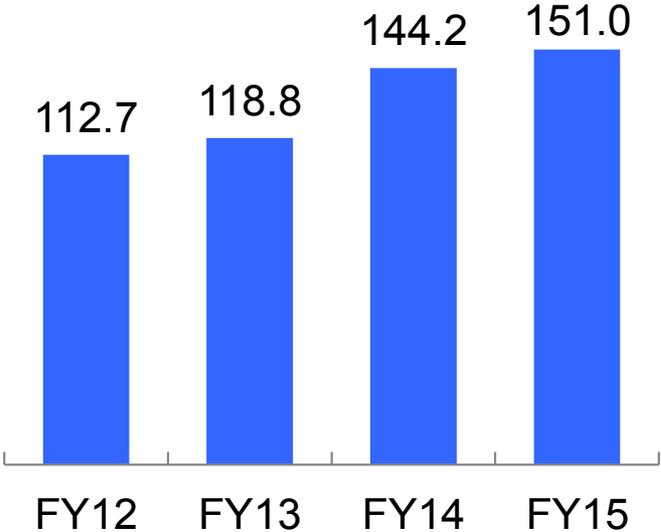
(2) Totals may not sum due to rounding.

Agenda

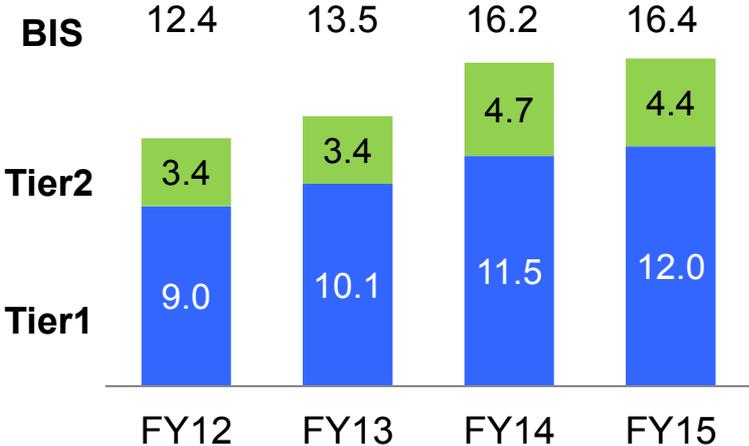
- **1Q16 Business Overview**
- **Overseas Expansion**
- **Business Performance Summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Cathay Life Embedded value & appraisal value**
- **Appendix**

Capital adequacy

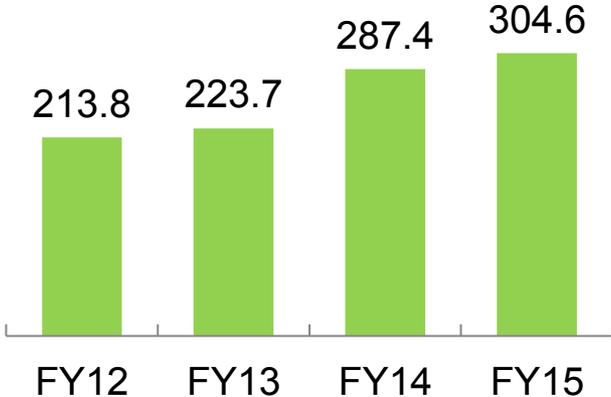
Cathay FHC CAR (%)



CUB Capital Adequacy (%)

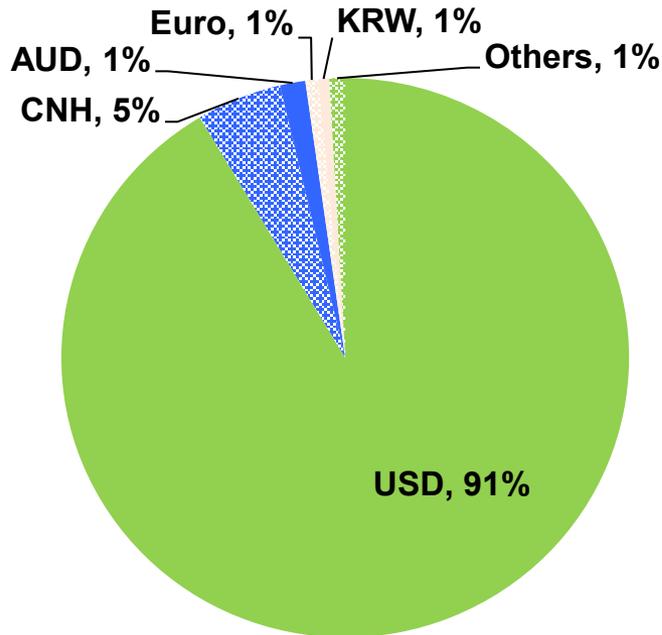


Cathay Life RBC(%)

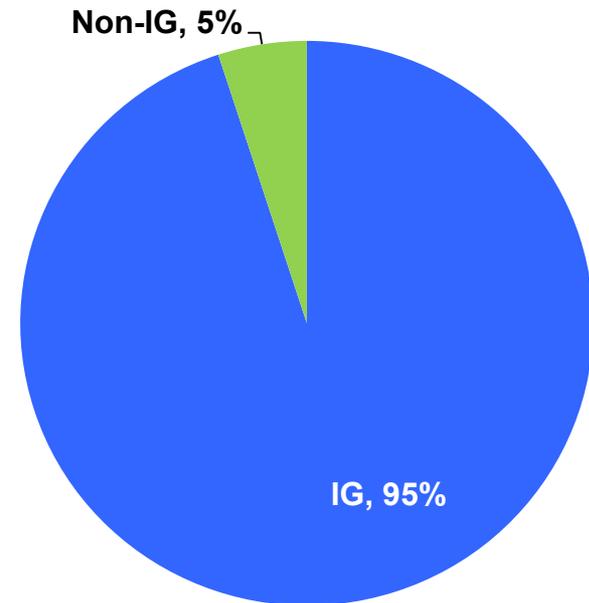


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1Q16)



Overseas bond by rating (1Q16)



Note: Totals may not sum due to rounding.



Thank You

Cathay Financial Holdings

(NT\$MN)			FY15/ FY14 % Chg	1Q15	1Q16	1Q16/ 1Q15 % Chg
Income Statement Data (Consolidated)						
Operating Income						
Net interest income	125,123	139,962	12%	32,879	37,588	14%
Net commission and fee	369	(4,480)	-1313%	337	(3,011)	-993%
Net earned premium	488,327	535,858	10%	112,390	143,931	28%
Change in liability reserve	(290,800)	(306,598)	5%	(70,366)	(94,330)	34%
Net claims payment	(285,869)	(309,104)	8%	(64,736)	(73,326)	13%
Investment income	75,751	63,734	-16%	12,550	9,000	-28%
Contribution from associates-equity method	168	1,108	561%	52	501	870%
Other net non-interest income	3,449	14,188	311%	10,685	5,620	-47%
Bad debt expense	(2,982)	(2,467)	-17%	(112)	(637)	467%
Operating expense	(57,477)	(65,067)	13%	(13,774)	(17,035)	24%
Income before taxes	56,058	67,132	20%	19,906	8,301	-58%
Income taxes	(6,427)	(9,250)	44%	(1,797)	37	-102%
Net income	49,631	57,882	17%	18,109	8,338	-54%
EPS (NT\$)	3.93	4.58		1.43	0.65	
Dividend Payout						
Cash dividend per share	2.00	2.00				
Stock dividend per share	0.00	0.00				
Weighted average outstanding shares (Millions of shares)	12,563	12,563		12,563	12,563	
Balance Sheet Data						
Total assets	6,944,837	7,568,975		7,045,009	7,636,684	
Total shareholders' equity	439,120	461,062		459,317	470,970	
Operating Metrics						
ROAE (Consolidated)	12.10%	12.86%		16.12%	7.16%	
ROAA (Consolidated)	0.76%	0.80%		1.04%	0.44%	
Double leverage ratio(inc. preferred stock)	113%	111%		112%	110%	
Capital Adequacy Metrics						
Capital Adequacy Ratio	144%	151%				

Notes:

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(3) Total may not sum due to rounding.

Cathay Life

(NT\$MN)			FY15/ FY14			1Q16/ 1Q15
Income Statement Data (Consolidated)	FY14	FY15	% Chg	1Q15	1Q16	% Chg
Net written premium	472,630	519,014	10%	109,040	139,638	28%
Net earned premium	471,849	518,250	10%	109,443	139,932	28%
Reinsurance commission earned	4,740	200	-96%	6	12	80%
Fee income	5,943	5,762	-3%	1,648	1,348	-18%
Recurring investment income	124,152	140,977	14%	29,513	35,196	19%
Gain on disposal of investment						
Realized gain (loss)-Equity	23,357	30,072	29%	18,561	6,058	-67%
Realized gain (loss)-Debt	12,828	14,804	15%	7,629	5,070	-34%
Investment property appraisal gains	16,579	11,074	-33%	(16)	(7)	-53%
FX and others, net	(7,166)	(13,101)	83%	(8,067)	(3,498)	-57%
Investment income, net	169,750	183,827	8%	47,620	42,819	-10%
Other operating income	9	914	9777%	5	1,104	21739%
Separate account revenues	115,040	17,303	-85%	5,915	7,481	26%
Net claims payment	(275,195)	(298,102)	8%	(63,400)	(70,801)	12%
Changes in liability reserves	(290,109)	(305,864)	5%	(70,027)	(94,225)	35%
Acquisition and commission expense	(32,405)	(33,238)	3%	(7,193)	(10,288)	43%
Other operating costs	(4,544)	(5,541)	22%	(1,112)	(1,667)	50%
Financial cost	(106)	(296)	179%	(277)	(15)	-95%
Separate account expense	(115,040)	(17,303)	-85%	(5,915)	(7,481)	26%
Operating expense	(16,869)	(23,021)	36%	(3,973)	(6,883)	73%
Net non-operating income	1,482	1,265	-15%	326	418	28%
Income taxes	(2,810)	(5,710)	103%	(565)	927	-264%
Net income	31,734	38,447	21%	12,501	2,679	-79%

Balance Sheet Data

Total assets	4,704,976	5,180,081		4,756,210	5,211,934
General account	4,242,710	4,699,512		4,290,988	4,732,379
Separate account	462,267	480,568		465,222	479,554
Reserves for life insurance liabilities	3,770,679	4,228,117		3,827,665	4,287,444
Total liabilities	4,376,595	4,831,846		4,413,256	4,859,444
Total shareholders' equity	328,382	348,235		342,954	352,490

Operating Metrics

First Year Premium(FYP)	233,379	217,378		52,270	52,111
First Year Premium Equivalent(FYPE)	71,147	102,002		16,172	39,821
Expense ratio	9.9%	10.3%		9.9%	11.1%
13-M persistency ratio	97.9%	97.6%		97.6%	97.7%
25-M persistency ratio	94.9%	91.8%		95.4%	90.6%
ROAE	10.54%	11.36%		14.90%	3.06%
ROAA	0.71%	0.78%		1.06%	0.21%

Capital Adequacy Metrics

RBC ratio (Standalone)	287%	305%
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FY14 total assets, liabilities, and shareholders' equity have also been adjusted accordingly.

(3) Total may not sum due to rounding.

Cathay United Bank

(NT\$MN)			FY15/ FY14 % Chg	1Q15	1Q16	1Q16/ 1Q15 % Chg
Income Statement Data (Consolidated)						
Operating Income						
Net interest income	25,779	26,729	4%	6,645	6,210	-7%
Fee income	11,806	14,344	21%	3,570	4,302	21%
Investment income	7,326	5,599	-24%	1,477	2,254	53%
other income	1,064	1,380	30%	498	561	13%
Net operating income	45,975	48,052	5%	12,190	13,327	9%
Operating expenses	(22,804)	(24,851)	9%	(5,601)	(6,166)	10%
Pre-provision profit	23,170	23,201	0%	6,589	7,161	9%
Net provisions for possible losses	(2,471)	(1,922)	-22%	(186)	(720)	288%
Income before taxes	20,700	21,279	3%	6,404	6,441	1%
Income tax	(2,885)	(2,513)	-13%	(871)	(796)	-9%
Net income	17,814	18,767	5%	5,532	5,645	2%
Balance Sheet Data						
Total assets	2,243,958	2,383,377		2,288,085	2,414,877	
Loans, net	1,119,281	1,127,807		1,143,724	1,199,942	
Financial assets	649,497	791,192		716,346	873,962	
Total liability	2,096,340	2,226,608		2,134,919	2,252,550	
Deposits	1,739,023	1,881,657		1,764,800	1,907,621	
Financial Debenture Payable	67,614	51,900		67,400	51,900	
Total shareholders' equity	147,617	156,769		153,166	162,327	
Operating Metrics						
Cost income ratio	49.60%	51.72%		45.95%	46.27%	
ROAE	12.71%	12.33%		14.71%	14.15%	
ROAA	0.84%	0.81%		0.98%	0.94%	
Assets Quality						
NPL	3,277	1,599		2,649	2,034	
NPL ratio	0.29%	0.14%		0.23%	0.17%	
NPL provisions	17,675	17,323		17,108	17,700	
Coverage ratio	539%	1083%		646%	870%	
Capital Adequacy Metrics						
BIS ratio (Standalone)	16.2%	16.4%				
Tier I Ratio (Standalone)	11.5%	12.0%				

Notes:

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FY14 total assets, liabilities, and shareholders' equity have also been adjusted accordingly.

(3) Total may not sum due to rounding.



Cathay Century

(NT\$MN)	FY15/ FY14			1Q16/ 1Q15		% Chg
	FY14	FY15	% Chg	1Q15	1Q16	
Income Statement Data (Consolidated)						
Premium income	21,279	22,449	5%	4,605	5,682	23%
Net written premium	16,080	17,254	7%	3,502	4,447	27%
Net earned premium	15,626	17,169	10%	3,885	4,365	12%
Reinsurance commission earned	683	517	-24%	114	145	26%
Fee income	45	48	5%	3	11	244%
Investment	918	972	6%	254	167	-34%
Interest income	609	564	-7%	138	152	11%
Other investment income, net	308	408	32%	116	15	-87%
Other operating income	7	15	101%	0	1	-
Net claims payment	(8,747)	(9,292)	6%	(1,950)	(2,500)	28%
Changes in liability reserves	(691)	(734)	6%	(338)	(106)	-69%
Commissions and other operating costs	(1,218)	(1,402)	15%	(273)	(348)	27%
Operating expenses	(5,823)	(6,197)	6%	(1,390)	(1,553)	12%
Operating income	801	1,095	37%	305	183	-40%
Net non-operating income	29	(4)	-114%	(5)	(6)	23%
Income taxes	(174)	(287)	65%	(58)	(46)	-21%
Net income	657	804	22%	242	131	-46%
Balance Sheet Data						
Total assets	35,863	42,106		35,131	42,637	
Total shareholders' equity	6,829	7,219		7,144	7,374	
Operating Metrics						
Gross Combined ratio	90.7%	85.3%		85.2%	116.1%	
Net Combined ratio	99.3%	93.2%		91.1%	93.0%	
ROAE	10.71%	11.44%		13.84%	7.19%	
ROAA	1.94%	2.06%		2.72%	1.24%	
Capital Adequacy Metrics						
RBC ratio (Standalone)	324%	359%				

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FY14 total assets, liabilities, and shareholders' equity have also been adjusted accordingly.

(3) Total may not sum due to rounding.