



# 2015

Cathay Financial  
Holdings Annual  
Report

*Happiness is Giving Happiness to Others*



國泰金控

Cathay Financial Holdings





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• 2014.12.31 NTD/USD Exchange Rate: 31.60: 1  
 • 2015.12.31 NTD/USD Exchange Rate: 32.79: 1

## Letter to Shareholders

Looking back at 2015, despite a low-interest environment and increasingly turbulent financial markets, Cathay Financial Holding as a whole turned in a strong performance as a result of the concerted efforts of our colleagues.

Cathay Financial Holdings recorded a record-breaking consolidated profit after tax of US\$1.77 billion and EPS of NT\$4.58 in 2015. Our major subsidiaries, Cathay Life Insurance, Cathay United Bank, and Cathay Securities also registered record-breaking profits for the year. Cathay Life Insurance recorded consolidated profit after tax of US\$1.17 billion for the year. First-year premium income and total premium income were US\$6.63 billion and US\$19.68 billion, respectively. First-year premium equivalent, a better indicator of the value of business, was US\$3.11 billion, which allowed Cathay Life Insurance to secure its position as the market leader. Cathay Life Insurance's investment performance also continued to be strong. Cathay United Bank recorded consolidated profit after tax of US\$570 million for the year. The market positions of both corporate banking and retail banking operations continued to increase, while asset quality also remained strong. Cathay Century Insurance was ranked second in the market in terms of premium income. Cathay Securities Investment Trust had US\$13.13 billion in assets under management, making it the largest securities investment trust company in Taiwan. Cathay Securities recorded a record breaking consolidated profit after tax as well as record breaking EPS in 2015. All business operations showed stable growth.

We continued to aggressively expand our global presence. In China, Cathay United Bank currently operates two branches and three sub-branches. Our Shanghai branch generated record-high profits in 2015, while our Jiading sub-branch in Shanghai opened for operation in 2015 and our new Shenzhen branch received approval. We are currently applying for a new branch in Xiamen branch, which will allow us to offer our customers even more convenient services. Our insurance operations in China have also continued to steadily develop. Cathay Lujiazui Life Insurance currently operates 10 offices (headquarters and branch offices) and 30 sales and service agencies across China, while Cathay Century Insurance has established a total of 25 branch locations. In 2015, Cathay Century Insurance increased its capital and brought in Ant Financial Services Group as a strategic investor. Together, we will jointly work on building an innovative online financial service platform in China.

Concerning our expansion in Southeast Asia, Cathay United Bank has already established overseas offices in nine out of ten ASEAN member states, including Vietnam, Cambodia, Singapore, Malaysia, Laos, the Philippines, Thailand, Myanmar, and Indonesia, making Cathay United Bank the Taiwan bank with the highest number of offices, and fastest expansion, in the ASEAN market. Concurrently, Cathay Life Insurance also made equity investments in the Philippines and Indonesia to further strengthen our business portfolio. In anticipation of Southeast Asia's development potential in the insurance business, Cathay Life Insurance and Cathay Century Insurance have established branch offices in major cities in Vietnam and our business operations are steadily growing. As the formation of our overseas operation platform approaches completion, Cathay Financial Holdings expects to be able to take full advantage of the significant growth opportunities in the Asia-Pacific region.

We have made significant progress in building our asset management businesses. In addition to the establishment of Cathay Conning Asset Management Limited in Hong Kong and CDBS Cathay Asset Management, our joint venture in China, Cathay Financial Holdings also successfully acquired U.S. asset manager, Conning Holdings Corp. Through our efforts in cross-selling and the extension of our market reach, we can build a comprehensive asset management platform that spans North America, Europe, and Asia.

With regard to corporate social responsibility (CSR), in 2014 Cathay Financial Holdings restructured its Corporate Social Responsibility Committee into a Corporate Sustainability Committee, which is directly supervised by the Board of Directors. In 2015, Cathay Financial Holdings was for the first time selected as a "DJSI Emerging Markets" constituent stock of the Dow Jones Sustainability Index (DJSI). DJSI is an important indicator of international corporate sustainable management, and our inclusion highlights the fact that our efforts in corporate sustainability have begun to receive international recognition. In 2015, Cathay United Bank also became the first Taiwan bank to adopt the Equator Principles. In the future, we will measure and monitor the risks that our financing projects impose upon the environment and society, thereby ensuring the implementation of financial industry CSR through actual practice.

As we envision our prospects for 2016, despite the number of existing global macroeconomic variables and an increasingly challenging business environment, Cathay Financial Holdings will continue to uphold our core values of "Integrity, Accountability and Innovation." By leveraging our three engines of growth, "Insurance + Banking + Asset Management," to drive our core strategy of seeking continuous growth and advancement toward our vision of becoming a leading financial institution in the Asia-Pacific region, we will continue to focus on the creation of value for our shareholders who have given us their invaluable support over the years.

Chairman *Hong-Tu Tsai*



**國泰金控**

Cathay Financial Holdings



Chairman Hong-Tu Tsai

## Overview of Cathay Financial Holding Co., Ltd.

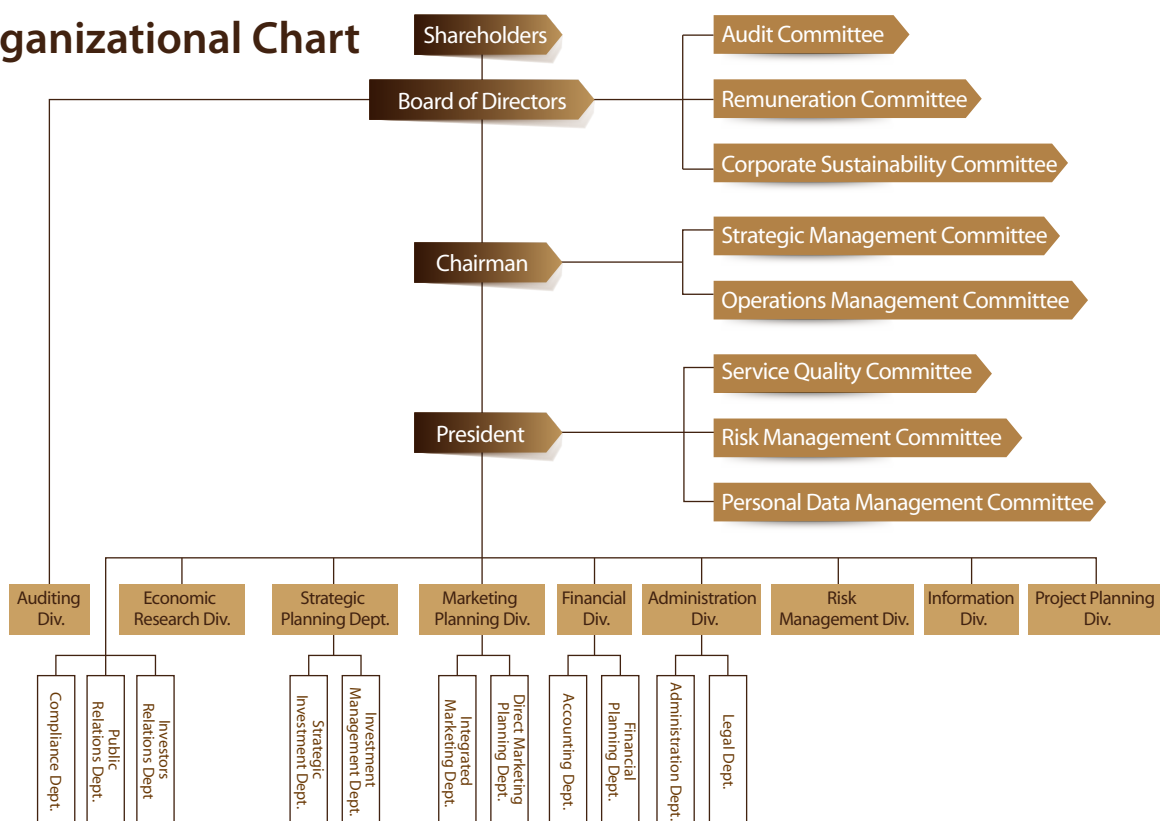
Assets	US\$230.8 billion
Net income	US\$1.765 billion
Number of branches and sale offices	875
Number of customers	Approximately 12,590,000
Number of employees	Approximately 47,000

## Cathay Holdings Company Profile

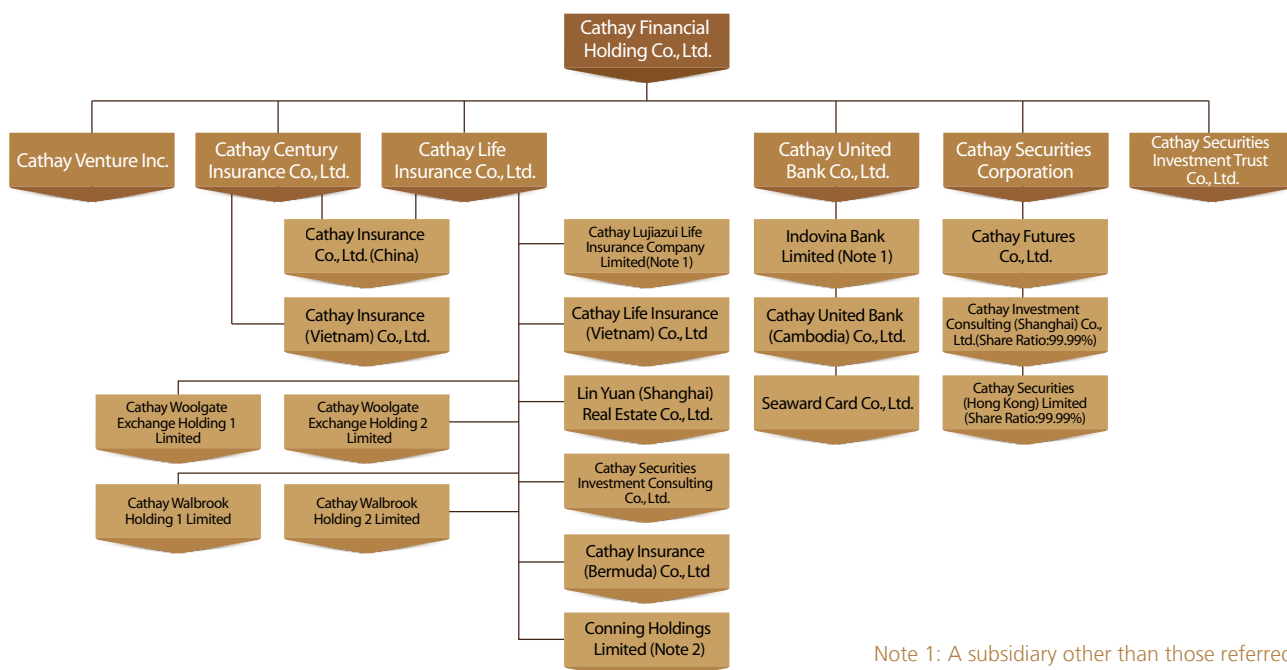
Reflecting the diversification and globalization of financial markets, and to provide more comprehensive services to our customers, Cathay Financial Holding Co., Ltd. was established on December 31, 2001 with a paid-in capital of US\$3.83 billion. Primary subsidiaries of Cathay Financial Holdings include Cathay Life Insurance, Cathay United Bank, Cathay Century Insurance, Cathay Securities, Cathay Securities Investment Trust and Cathay Venture, serving collectively over 12.5 million customers through nearly 735 office locations around Taiwan. Looking to the future, we will continue to seek suitable partners to further strengthen our operations. With a corporate culture that stresses integrity, trustworthiness and compliance, we will continue to integrate our products and services and leverage our extensive network of business locations and professional sales forces to provide our customers with convenient "one-stop shopping" and differentiated services. Based on our core principle of "managing for the long-term," we aspire to be the most trustworthy and reliable financial holding company and to be a leading financial institution in the Asia-Pacific region.



## Organizational Chart



## Group Affiliates



Note 1: A subsidiary other than those referred to in Article 4 of the Financial Holding Company Act.

Note 2: Expressed with the merger entity



## Board of Directors, Independent Directors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Hong-Tu Tsai	J.D., Southern Methodist University, USA, Chairman, Cathay Life Insurance	
	Cheng-Ta Tsai	B.A., Chinese Culture University, Managing Director, Cathay Life Insurance	
	Cheng-Chiu Tsai	M.A., Keio University, Japan, Chairman, Cathay Century Insurance	
	Peter V. Kwok	Ph.D., UC Berkeley, USA, Chairman and Chief Executive Officer, CITIC KA WAH Bank Limited, Chairman, CITIC Resources Holdings Limited	
	Chi-Wei Joong	B.A., Kean College of New Jersey, USA, President, CMB Credit Card Center	
	Tsu-Pei Chen	B.A., National Chengchi University, Chairman, Cathay United Bank	
	Tiao-Kuei Huang	M.S., National Tsing Hua University, Vice Chairman, Cathay Life Insurance	
	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA, President, Cathay United Bank	
	Ming-Ho Hsiung	M.A., University of Iowa, USA, President, Cathay Life Insurance	
	Jeff Chang	M.S., National Cheng Kung University, Chairman, Cathay Securities Investment Trust	
Independent Directors	Name	Education & Experience	
	Min-Houng Hong	Ph.D. Michigan State University, USA, Chairman, SinoPac Financial Holdings, Chairman, Panasonic Taiwan Co., Ltd.	
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan, Executive Officer & Head of Asia and Oceania, Daiwa Securities SMBC Co., Ltd., Director, First Financial Holdings, Director, Hon Hai Precision Industry Co., Ltd.	
Executive Officer	Position	Name	Education
	Chairman	Hong-Tu Tsai	J.D., Southern Methodist University, USA
Key Managers	Position	Name	Education
	President	Chang-Ken Lee	M.B.A., University of Pennsylvania
	Head of Project Planning Div. / Senior Executive VP	Tzung-Han Tsai	J.D., Georgetown University, USA
	Chief Auditor/ Senior Executive VP	Ching-Ming Pan	M.B.A., National Chengchi University
	Chief Financial Officer/ Senior Executive VP	Grace Chen	M.B.A., National Chengchi University
	Head of Marketing Planning Div. / Senior Executive VP	David P.Sun	M.B.A., Harvard University
	Senior Executive VP	Alan Lee	M.B.A., National Taiwan University
	Chief Investment Officer / Senior Executive VP	Sophia Cheng	M.S., Golden Gate University
	Head of Strategic Planning Div. / Senior Executive VP	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA
	Chief Risk Officer / Senior Executive VP	Po-Tsang Hsieh	B.A., Chinese Culture University
	Chief Information Officer / Senior Executive VP	Chia-Sheng Chang	Ph. D., Weatherhead School of Management at Case Western Reserve University, USA
	Senior Executive VP	Jian-Hsing Wu	M.S., Tamkang University
	Head of Administration Div. / Executive VP	Deh-Yen Weng	M.B.A., Massachusetts Institute of Technology
	Chief Compliance Officer / Executive VP	Judie Hsu	LLM, University of London, School of Oriental and African Studies

### Capital and Shares

Type of stock	Number of shares	Amount
Common stock	12,563,210 thousands of shares	US\$3,831,415,000





**01** Cathay Century Insurance, a subsidiary of Cathay Financial Holdings, introduced the Ant Financial capital increase scheme in an effort to actively establish an innovative online financial service platform.

**02** Cathay Financial Holdings, sponsor of Cloud Gate Dance Foundation outdoor performances for 20 consecutive years

## 2016 Business Plan

Cathay Financial Holdings is committed to maximizing value for its shareholders, customers and employees. In the face of rapid market changes and intense competition, Cathay Financial Holdings stands on strong, solid ground and continues to focus on internal transformation and innovation and outward expansion. Our 2016 business plan is outlined below:

### Transform the organization and optimize our business structure:

Guided by the core values of "Integrity, Accountability and Innovation", Cathay Financial Holdings will continue to optimize organizational operations and to implement transformative measures, such as a maintaining a performance-oriented culture, remuneration systems, and talent management, as the basis for sustainable development.

Regarding the optimization of our business structure, Cathay United Bank is developing digital financial solutions that meet the needs of the younger generations, while continuing to focus on trade related services and strengthening our regional competitive position. Cathay Life Insurance stresses the importance of creating value and investing in organizational sales and marketing initiatives in order to enhance the expertise of our sales personnel. Our asset management business is being built on the operations of Conning Holdings Corp. and its development will support and drive the third engine of our "three-engine" strategy.

### Expand regional operations and achieve the vision of being a leading financial institution in the Asia-Pacific region:

Guided by our vision of being a leading financial institution in the Asia-Pacific region, Cathay Financial Holdings will continue to expand in China and the Asia-Pacific region with equal emphasis on equity investments and acquisitions. Our goal is to connect all our overseas offices to create a platform for trade finance and cash flow management.

Regarding our operations in China, Cathay Financial Holdings will continue to apply for more branch and sub-branch locations. Combined with our well-established insurance operations and asset management entities in China, Cathay Financial Holdings will consolidate the efforts of the entire financial group to achieve further market expansion.

In terms of Southeast Asian, European, and US markets, in addition to our investments in Rizal Commercial Banking Corporation (RCBC) in Philippines and PT Bank Mayapada Internasional (Bank Mayapada) in Indonesia, we have also set up branches in Laos and the Philippines as well as representative offices in Myanmar and Indonesia, thereby further extending our network in ASEAN markets. In the future, we will continue to enhance the value of this platform and grow in both the Taiwan and overseas markets. In addition, Cathay Financial Holdings completed the acquisition of Conning Holdings Corp. in 2015 and we will build upon this acquisition to create a global asset management platform spanning the U.S., Europe, and Asia.



## Capital Allocation Plan

### 1. Continually monitor capital allocation of the Group and make timely adjustments

In response to the significant changes in global financial markets in recent years, we will pay close attention to developments in global markets and their potential impact on the capital adequacy of each subsidiary. Taking into consideration the Group's growth strategies, stock dividend policy, outside capital and capital needs of subsidiaries, we will actively manage our capital through capital planning and business development to maximize the capital efficiency of each and every subsidiary.

### 2. Seek optimal terms and timing for raising capital and maintain liquidity

In order to enhance our capital structure and adequacy, we will continuously evaluate various types of financial instruments, including common stock, preferred stock, overseas depository receipts, senior (subordinated) bonds, and convertible (exchangeable) bonds to improve our capital flexibility. In accordance with our goal of building an onshore/offshore financial service platform, we will also seek to ensure the availability of sufficient funds to help the Group expand and become a leading financial institution in the Asia-Pacific region.

03 Cathay Financial Holdings received the 2015 Corporate Citizenship Award from Commonwealth Magazine

04 Cathay Financial Holdings received the 2015 CSR Award for excellence in various CSR performances

05 Cathay Financial Holdings "Economic Climate and Financial Conditions" outlook conference

06 Cathay Financial Holdings 2015 on-campus recruitment activity







## Overview of Subsidiaries

# Cathay Life Insurance Co., Ltd.

## Message from the President

Looking back at the prior year, the global economy did not recover as expected and instead exhibited a feeble growth. With a large-scale quantitative easing program in European markets, China's decelerating economic growth, and substantial drops in international oil prices, many nations across the globe have in turn proposed stimulus packages to break through the economy stalls.

In light of an intensely competitive environment and an era of digital finance, Cathay Life Insurance continues to embrace innovation and change by making the stride forward steadily. From a customer-oriented perspective, combine with mobile technologies to provide an array of outstanding products and services that exceed customer expectations. In recent years, Cathay Life Insurance has dedicated to applying new technologies to every aspect of life insurance management. In addition to our fleet of over 20,000 e-Agents who are equipped to provide customers comprehensive sets of mobile insurance services, we have also integrated operating procedures and product development with big data analysis and the Internet of Things (IoT) applications. Furthermore, by using cloud technology, learnings are now without temporal and spatial constraints to foster smart mobile talents.

In 2015, Cathay Life Insurance acquired Conning Holdings Corp., to build a global asset management platform spanning across the U.S., Europe, and Asia and further strengthens our three pillars of "Insurance + Banking + Asset Management." Thanks to the concerted efforts of our employees, we reported first-year premium equivalent of US\$3.111 billion in 2015, representing a market share of 23.2%. Our total premium income for the year was US\$19.676 billion, which represented a market share of 22.0%. Both results positioned us as number one in the market. We also reported a record-breaking profit of US\$1.17 billion.

Cathay Life Insurance has continued to achieve international recognition in its business performance, professional service, and social contributions. Cathay Life Insurance, once again, was the only financial institution in Taiwan that was included in the list of Fortune Magazine's Global 500 in 2015. For six consecutive years, we have been the proud recipient of the Taiwan Insurance Excellent Award in all major categories and we took 1st place in CommonWealth Magazine's "Gold Service Award" for the life insurance business. Moreover, we were also honored for the second consecutive year in the AsianInvestor Institutional Excellence Awards conducted by AsianInvestor and was the sole institution in Taiwan to achieve this level of international acclaim.

In 2015, Cathay Life Insurance merged with Global Life and Singfor Life, to help maintain financial stability in the industry, fulfill our corporate social responsibility, and uphold our spirits of "corporate sustainability." We also contributed to the community through various aspects of our operations, such as active promotion of microinsurance, the provision of long term assistance to disadvantaged students in rural areas, and the support of new immigrant populations. In the event of major accidents and disasters, we have always initiated rescue missions in the first instance, thereby fulfilling our obligation to provide social stability to our community.

On the prospects of 2016, Cathay Life Insurance will uphold the core values of "Integrity, Accountability and Innovation", and strive to adopt a better and more forward thinking approach with "Innovative Management and Outstanding Service" as our business focus. Cathay Life Insurance is committed to creating a "social responsible company" that "satisfies its customers", "cares for its employee's welfare", and "generates profits for its shareholders". Lastly, on behalf of my colleagues, I would like to extend our most sincere gratitude to you all.

President *Ming-Ho Hsiung*



## Company Profile

Cathay Life Insurance Co., Ltd. was founded in October 1962 and listed on Taiwan Stock Exchange in November 1964. In 2015, we recorded US\$19.676 billion in premium income and US\$157.44 billion in assets. We rank number one in the industry in terms of both market share and total assets. With more than 7.9 million customers, we are not only a premium brand in the minds of consumers, but have also won the recognition of professional institutions at home and abroad. We were the only financial institution that has been included in the Global 500 list selected by Fortune Magazine. We were also the only insurance company in the list of the Top 100 Taiwan Brands selected through an activity organized by the Bureau of Foreign Trade. We were further recognized in the "Taiwan Insurance Excellence Award," the highest honor in Taiwan's insurance industry by being a six-time consecutive winner and recipient of the highest number of medals.

In order to develop overseas markets, we established subsidiaries in China and Vietnam in 2005 and 2008,

respectively, becoming the first Taiwan insurer with a presence in those two markets, and we plan to continue our overseas expansion efforts. Looking to the future, we will continue to seek growth and steady profits, and offer services to enhance customer satisfaction as we advance towards becoming a leading financial institution in the Asia-Pacific region.

No. of employees	30,240
Average age	43.5
Average years of services	11.9



Cathay Life's 2015 Overseas Summit Meeting



## Board of Directors, Independent Directors, Supervisors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Hong-Tu Tsai	J.D., Southern Methodist University, USA, Chairman, Cathay Financial Holdings	
	Cheng-Ta Tsai	B.A., Chinese Culture University, Managing Director, Cathay Life Insurance	
	Cheng-Chiu Tsai	M.A., Keio University, Japan, Chairman, Cathay Century Insurance	
	Tiao-Kuei Huang	M.S., National Tsing Hua University, Vice Chairman, Cathay Life Insurance	
	Ming-Ho Hsiung	M.A., University of Iowa, USA, President, Cathay Life Insurance	
	Fa-Te Chang	B.S., National Chung Hsing University, The Chief Representative of Greater China, Cathay Life Insurance	
	Tzung-Han Tsai	J.D., Georgetown University, USA, Senior Executive Vice President, Cathay United Bank	
	Chung-Yan Tsai	M.A., San Francisco State University, USA, Executive Vice President, Cathay Real Estate Development	
	John Chung-Chang Chu	M.B.A., York University, Canada, Chairman, May Foong Woolen & Worsted Textile Mill. Ltd.	
	Wei-Ming Lu	Kainan High School of Commerce & Industry, Chairman, Seng Hong Enterprise Co., Ltd.	
	Han-Chang Tsai	B.S., National Chung Hsing University, Senior Executive Vice President, Cathay Life Insurance	
	Chao-Ting Lin	M.A., National Taiwan University, Senior Executive Vice President, Cathay Life Insurance	
Independent Directors	Name	Education & Experience	
	Min-Houng Hong	Ph.D., Michigan State University, USA, Chairman, SinoPac Financial Holdings, Chairman, Panasonic Taiwan Co., Ltd.	
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan, Executive Officer & Head of Asia and Oceania, Daiwa Securities SMBC Co., Ltd., Director, First Financial Holdings, Director, Hon Hai Precision Industry Co., Ltd.	
Supervisors	Name	Education & Experience	
	Wan-Teh Tsai	Nisho Gakusha University, Japan, Chairman, An Teh Development Co., Ltd.	
	Kai-Mo Chen	National Taiwan University, Vice Chairman, Cathay General Hospital	
	Chih-Ming Lin	National Taiwan University, Superintendent, Cathay General Hospital	
Executive Officer	Position	Name	Education
	Chairman	Hong-Tu Tsai	J.D., Southern Methodist University, USA
Key Managers	Position	Name	Education
	President	Ming-Ho Hsiung	M.A., University of Iowa, USA
	The Chief Representative of Greater China	Fa-Te Chang	B.S., National Chung Hsing University
	Chief Auditor	Chang-Te Chien	B.A., Feng Chia University
	Senior Executive Vice President	Han-Chang Tsai	B.S., National Chung Hsing University
	Senior Executive Vice President	Chih-Chiang Liao	B.S., National Chung Hsing University
	Senior Executive Vice President	Chih-Jung Gung	M.B.A., China Europe International Business School
	Senior Executive Vice President	Shan-Chi Liu	E.M.B.A., National Taiwan University
	Senior Executive Vice President	Chao-Ting Lin	M.A., National Taiwan University
	Senior Executive Vice President	Yi-Tsung Wang	M.B.A., Massachusetts Institute of Technology, USA
	Chief Risk Officer	Hsiao-Yuan Ching	M.S., University of Iowa, USA



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Cathay Financial Holdings

## Business Scope

Life insurance and related businesses.

## 2015 Revenue Breakdown

Unit: Million USD

2015 Revenue	Amount	% of Total
Retained earned premium income	15,702.48	71.54
Net investment gain (loss)	181.84	0.83
Insurance gain from unit-linked products	5,542.56	25.25
Other income	523.23	2.38
Total income	21,950.11	100.00

NTD/USD: 32.79/1



01 Cathay Life received the "2015 Taiwan Insurance Excellence Award"

02 Cathay Life received the "Young Generation Brand Survey 2015" published by 30 Magazine, achieved first place in two insurance categories





## 2016 Business Plan

### Business Development:

1. Leverage the resources of Cathay Financial Holdings to offer one-stop financial services and enhance the operating efficiency of the Cathay Group.
2. Optimize and expand online services and mobile insurance services to fulfill customer requirements and increase customer satisfaction.
3. Strengthen organizational development, enhance the quality of new staff, reinforce programs for new employee development, and strengthen capabilities of managerial personnel.
4. Continue to cultivate talent pools of younger generations and accumulate capacities for organizational development through cooperative education and industry-academia cooperation.
5. Continue to seek growth in China and Vietnam markets using local business strategies to work toward becoming a leading financial institution in the Asia-Pacific region.

### Product Development:

1. Continue to cultivate the market and create leading advantages under a "value-oriented" strategic framework.
2. Persist in the active promotion of protection-oriented products.
3. Closely track social trends and develop business opportunities in the elderly market (including health care, retirement, and services).
4. Expand innovation, integrate technological applications, and provide new customer experiences.

### Customer Service:

1. Diversify service channels, maintain accuracy of customer information, and implement customer care.
2. Strengthen company relationships with VIP customers and assist sales personnel in cultivating VIP customer groups.
3. Conduct telephone interviews with VIP customers and elderly customers who purchase new contracts to provide them with better, more thoughtful services.
4. Expand telephone customer service center functions and diversify online transaction channels to improve operational efficiency.
5. Utilize corporate resources and those of other industries in combination with electronic and mobile technologies to enhance service convenience and efficiency.
6. Promote participation in health management platforms and activities, safeguard the health of our insurance customers, and strengthen our corporate image.

### Back Office Support:

#### 1. Education and training:

- (1) Introduce innovative learning models and combine them with audiovisual resources and interactive learning mechanisms to strengthen practical courses and digital training programs.
- (2) Integrate teaching resources into cross-platform learning records to ascertain learning conditions and ensure effective resource allocation.

#### 2. Human resources development:

- (1) Develop talent pools to cultivate and retain high-potential employees and build a team of successor leaders.
- (2) Carry out management competence enhancement programs to optimize the quality of managerial personnel and encourage job rotation.
- (3) Optimize performance reward systems, assist employees to improve their performance, and encourage organizational growth.

#### 3. Operating process:

- (1) Continue to improve various types of mobile management tools to enhance user experience and service efficiency.
- (2) Continue to promote internal information platforms that boost operational efficiency and encourage the sharing of knowledge.



## 2016 Operational Targets

Unit: Million USD

Primary Item	Targets
Total premium income	21,049
First-year premium equivalent	3,086

NTD/USD: 32.79/1



03



04



05



06

03 Cathay Life awarded first place in the life insurance category of the 2015 "Taiwan Service Sector Evaluation"

04 Cathay Life's 2015 Employee Singing and Cheerleading Contest Finals

05 Cathay Life's 2015 Business Meeting

06 Cathay Life's 2015 Employees Fun Contest







## Message from the Chairman

China's economic slowdown, disruptive drops in oil prices, and the rise of interest rates initiated by the US government intensified the turbulence of global financial markets in 2015. Various countries have adopted more relaxed monetary policies in response to the escalation of future uncertainties. Taiwan's economic growth fluctuated as a result of these influences, while the central bank responded by continuing to lower its interest rate. In the face of such volatility and uncertainty in the financial environment, Cathay United Bank has always adhered to the principles of conducting business operations with integrity, and as a result has achieved outstanding performance. Cathay United Bank recorded consolidated profit after tax of US\$570 million for the year, a record-breaking achievement.

We adhere to the core values of "Integrity, Accountability and Innovation" and maintain high standards of professionalism and financial expertise. In 2015, we received "stable" ratings from Taiwan Ratings, Standard & Poor's, and Moody's. With regard to service locations, we currently operate 165 branches across Taiwan, and 11 overseas branches and sub-branches, and 5 overseas representative offices and total capital of US\$2.119 billion. In addition, we have one subsidiary branch in each of Vietnam and Cambodia. In total, we have over [9,000] employees both domestically and abroad and our growth is steady.

Given our focus on customer demands, employee well-being, and sustainable development, we continued to achieve recognition in terms of awards and ratings both at home and abroad, including the following: First Prize in the 1st Annual "Financial Management Five-Star Award" presented by Global Views Monthly; Next Media Magazine's "Top Service Award;" three categories in the "Technology Implementation Awards" presented by The Asian Banker; The Asset's "Private Banking, Wealth Management and Investment Award Best Private Bank - Country Award;" Asiamoney's "The Best Cash Management Bank" award; Global Banking & Finance Review magazine's "Leading Counterparty Bank Taiwan;" Trade Finance Magazine's "The Best Trade Bank in Taiwan;" "BEST Awards" presented by the Association for Talent Development (ATD); IFTDO-Global HRD Awards in two categories, "Best HRD Practice" and "Improved Quality of Working Life;" "Best Employee Engagement" presented by The Asian Banker; and "Green Procurement" awarded by the Environmental Protection Administration (EPA).

Cathay United Bank also pays close attention to energy technology and environmental sustainability issues and actively promotes solar energy financing projects to support carbon reduction initiatives in Taiwan's industries and society. To maximize the influence of the finance sector on environmental awareness and corporate social responsibility and to raise our risk management performance to a higher level, we signed the Equator Principles, an international environmental and financing risk management framework, in 2015, becoming the first Equator Principles Financial Institution in Taiwan. In the future, Cathay United Bank will rigorously enforce its obligations in its due diligence practices and formulate environmental monitoring plans for large financing projects and loan schemes that have an impact on the environment, so as to truly exercise our corporate social responsibility on behalf of the financial industry.

In addition, in response to the onset of the digital finance era, we have established an all-new banking concept and image in 2015--the "KOKO" banking service, which was designed with the core principle of "Keep it Simple" to help consumers manage their daily expenses and financial planning through simple, real-time services. We combined digital applications and social networking resources to seamlessly integrate banking services into people's daily lives. By connecting Cathay United Bank's existing brand image with our innovative KOKO services, we not only provide customers with a new user experience but we also enhance the sense of trust and security that customers feel for Cathay, thereby enabling them to better identify with and recognize the professionalism of our financial services.



Looking forward to 2016, Cathay United Bank continues to embrace "Enrich your life" as its mission and "expand in Asia-Pacific and reach the summit." We seek to fully implement our customer segment management model, provide a comprehensive range of high-quality services and products, and endeavor to create mutually beneficial outcomes for both the company and our customers. We will also contribute to society by fulfilling our corporate social responsibility and maximizing benefits for both employees and shareholders. In response to the latest wave of business digitization, we will actively develop FinTech strategies, continue to extend our global presence, raise our international visibility, and become a first-class regional bank.

Chairman *Tsu-Pei Chen*

## Company Profile

Cathay United Bank was established on May 20, 1975 and has been operating over 40 years. Since then, we have consistently adopted sound business strategies and strong risk management to achieve outstanding business performance. By the end of 2015, we are the private bank with the largest number (165) of branches across Taiwan and provide our customers with comprehensive services through extensive service network. In recent years, we have actively extended global presence by establishing one wholly owned subsidiary, one joint venture, 11 overseas branches/sub-branches, and five representative offices around the world. The establishment of these locations has greatly facilitated the expansion of our overseas business operations and customer base and enabled us to become the Taiwan financial institution with the most complete footprint in Southeast Asia. Through Cathay United Bank's comprehensive banking platform in Taiwan, ASEAN, and China, our customers have access to a diverse range of high-quality financial services, including wealth management, consumer finance, corporate finance, international finance, e-finance and trust investments.

In 2015, we were awarded "Best Equity Derivatives House in Taiwan" by Asia Risk Magazine and the "Triple A Best Wealth Manager" by the Asset. Meanwhile, we won first prize in the "Financial Management Five-Star Award" presented by Global Views Monthly and ranked No. 10 in the world in the "BEST Awards" presented by the Association for Talent Development (ATD). Our performance in various aspects of business operations has received strong recognition at home and abroad.

No. of employees	9,082
Average age	37.2
Average years of services	9.27



Cathay United Bank Cultural and Charity Foundation held the scholarship donation ceremony for the 2015 "Elevated Tree Program"



## Board of Directors, Independent Directors, Supervisors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Tsu-Pei Chen	B.A.National Chengchi University, Chairman, Cathay United Bank	
	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA, President, Cathay Financial Holdings	
	Alan Lee	M.B.A., National Taiwan University, Senior Executive Vice President, Cathay United Bank	
	Chun-Wei Yang	B.A., National Chengchi University, Senior Executive Vice President, Cathay United Bank	
	William C.W. Huang	M.A., University of Washington, USA, Chairman, Tai Lung Capital Inc.	
	Chi-Wei Joong	B.A., Kean College of New Jersey, USA, President, CMB Credit Card Center	
	Tzung-Han Tsai	J.D., Georgetown University, USA, Senior Executive Vice President, Cathay United Bank	
	Chuan-Chuan Hsieh	M.B.A., National Taiwan University, Executive Vice President, Bank of Taiwan	
	Grace Chen	M.B.A., National Chengchi University, Senior Executive Vice President, Cathay United Bank	
	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA, Senior Executive Vice President, Cathay United Bank	
	Po-Tsang Hsieh	B.A., Chinese Culture University, Senior Executive Vice President, Cathay United Bank	
	Tsung-Hsien Tsai	M.S., Harvard University, USA, Executive Vice President, Cathay Financial Holdings	
Independent Directors	Name	Education & Experience	
	Min-Houng Hong	Ph.D., Michigan State University, USA, Chairman, SinoPac Financial Holdings, Chairman, Panasonic Taiwan Co., Ltd.	
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan, Executive Officer & Head of Asia and Oceania, Daiwa Securities SMBC Co., Ltd., Director, First Financial Holdings, Director, Hon Hai Precision Industry Co., Ltd.	
Supervisors	Name	Education & Experience	
	Peggy Wang	B.A., National Taiwan University, Chairman, Cathay Futures Co., Ltd.	
	Yu-Kuo Pan	M.A., National Taiwan University, Chief Secretary, Chunghwa Post Co., Ltd.	
	Kuo-Hsim Yeh	B.A., National Taiwan University, Chairman, United National Bank	
Executive Officer	Position	Name	Education
	Chairman	Tsu-Pei Chen	B.A., National Chengchi University
Key Managers	Position	Name	Education
	President	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA
	Senior Executive Vice President	Tzung-Han Tsai	J.D., Georgetown University, USA
	Chief Auditor	Yao-Cyun Lai	M.A., Tamkang University
	Senior Executive Vice President	Alan Lee	M.B.A., National Taiwan University
	Senior Executive Vice President	Chun-Wei Yang	B.A., National Chengchi University
	Senior Executive Vice President	Grace Chen	M.B.A., National Chengchi University
	Senior Executive Vice President	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA
	Senior Executive Vice President	Po-Tsang Hsieh	B.A., Chinese Culture University
	Senior Executive Vice President	Chien-Hsing Wu	M.A., Tamkang University



## Business Scope

1. All types of deposits (the original business license states checking deposits, current deposits, time deposits and savings deposits)
2. Issuance of bank debentures
3. Loans and credit (the original business license states short, medium and long-term loans, certificate of deposit loans and consumer loans)
4. Check discounting
5. Securities investment (the original business license states investment in government bonds, short-term bills, corporate bonds, bank debentures and corporate stocks)
6. Domestic remittances
7. Commercial draft acceptance
8. Issuance of domestic letters of credit
9. Corporate guarantee bonds
10. Domestic guarantee services (the original business license states guarantee services)
11. Payment settlement
12. Sales of government bonds/bills and corporate bonds/stocks
13. Securities underwriting (the original business license states underwriting of government bonds, treasury bills, corporate bonds and corporate stocks)
14. Securities dealing
15. Custody and Warehousing services
16. Rental of safe deposit boxes
17. Agency services covered by the business scope specified on business license or approved by competent authorities
18. Credit card services (the original business license states credit card and cash advance)
19. Brokered sales of gold bars/coins and silver coins
20. Purchases and sales of gold bars/coins and silver coins
21. Import and export foreign exchange transactions, inbound/outbound wire transfer, and foreign currency deposits, loans, and payment guarantee
22. General foreign exchange transactions, inbound/outbound wire transfer; foreign currency deposits
23. Dealing foreign currency cash and travelers cheques
24. Financial derivative commodities approved by competent authorities
25. Trust business authorized by the Trust Enterprise Act
26. Trust business authorized by the Authority to be handled by the head office trust department
27. Non-discretionary money trust investing on foreign securities
28. Dealing of government bonds
29. Brokerage, dealing, certification, and underwriting of short-term notes and bills
30. Issuance of cash cards
31. Financial consulting for financing related businesses
32. Financial consulting for non-financing related businesses
33. Dealing of corporate bonds and financial bonds
34. Wealth management
35. Concurrent business as a securities investment consulting enterprise
36. Money trust
37. Trust of encumbrance and related security interests
38. Securities trust
39. Movable property trust
40. Real estate trust
41. Land right trust
42. Discretionary investment trust services
43. Acting as agents for issuance, transfer, registration and payment of interests or dividends of securities
44. Providing consulting services for securities issuance or offering
45. Acting as attestors for issuance of stock or bond
46. Acting as attestors for issuance of securities
47. Acting as executor of wills and managing legacies
48. Acting as trustees for issuance of bond and providing related agent securities
49. Custody services
50. Acting as custodians of securities investment trust funds
51. Providing advisory services for investment, financial management, and real estate development
52. Payment and collection services for actual transactions
53. Acceptance of deposit payments
54. Electronic fund transfer services
55. Acting as personal insurance agents
56. Acting as property insurance agents





## 2016 Business Plan

Looking ahead to 2016, although the global economy and financial markets are still fraught with uncertainties, Cathay United Bank will remain persistent in upholding the principles of robust management, continue to strengthen its financial position and ensure optimal capital allocation, and endeavor to refine various risk management mechanisms to strictly monitor changes in asset quality and capital adequacy. Concurrently, we have established a customer-centric and value-focused development strategy that will further generate customer loyalty and enhance profitability.

In terms of overseas development, we will continue to expand our presence in China and the ASEAN region and seek localization to improve our overseas business management frameworks and operational models. Further, the strengthening of our mid and back office corporate functions and development of our people will facilitate the development and growth of our overseas business operations and increase the profit contribution from our overseas markets.

Furthermore, we are embracing the digital banking era by continuously developing innovative financial products and services, remaining committed to integrating physical and virtual distribution channels, and actively implementing internal transformation projects to develop core organizational competencies and improve overall competitiveness. This way, we will be able to strengthen Cathay United Bank's foundation in sustainable management as we strive toward our goal of becoming a leading financial institution in the Asia-Pacific region.

- (1) Consumer Banking: Adopt customer-centric business models, build competitive advantage, and elevate customer management performance; integrate physical and virtual distribution channels, introduce digital application functions, and create premium customer experience; develop payment services, frequent customer interaction, and improve demand deposit performance; apply data mining to identify potential target customers, render products and services exclusive to specific customer characteristics, and strengthen customer management and credit asset structure; advertise investment plans to target customer groups so as to solicit new customers; and rebuild the style of "people-less" banking zone to strengthen our brand image.
- (2) Credit cards: Ascertain digital and mobile trends for continuous financial innovation to fulfill customers' diverse payment needs; deepen customer management and strengthen new customer profiles to improve the loyalty of existing customers.
- (3) Wealth Management: Based on the strategic objective of "assets activation and customer-focused management," we adopt a scientific management approach to offer differentiated financial services, build up our high-net-worth customer base, increase the percentage of their wallet share, cultivate

potential customer groups, and increase penetration rate of financial management; while creating profits for customers, we ensure effective risk management to increase the value of customer assets.

- (4) Trust: Respond to the increased aging population and reduced birth rate in Taiwan by introducing retirement trust to elderly people and people with physical and mental disabilities; actively advertise charitable trust products to build our image as the No. 1 trust brand; and continue to provide professional investment services.
- (5) Corporate banking: Continue to maintain our status as the leader in corporate finance, capture opportunities for extending regional syndicated loans, seize private equity fund opportunities, build a strong infrastructure and attract opportunities for green energy-related financing projects, and develop corporate bond services. develop asset-related services for corporate clients to track their cash flow and become the primary bank for customers.
- (6) Foreign exchange: Optimize remote transaction platforms, build liquidity-based management system, develop various cooperation opportunities with our competitors, perfect the integrity of overseas foreign currency products, and enhance the competitiveness of our foreign currency services in the international market to generate increased profits for Cathay United Bank.
- (7) Digital banking services: Establish competitive digital banking 3.0 services and endeavor to become the primary bank for customers in the digital era.
- (8) Financial marketing: Increase sources of income, broaden product coverage; strengthen cross-border services and promote cooperation among financial institutions; prudently select suitable professional customers with tangible needs, risk-bearing capability, high intention, and experience in banking transactions to tighten the bond we have with our customers.
- (9) Private banking services: Continue to develop new types of products, focus on core revenue businesses, and extend the distribution of private banking services. Strengthen strategic alliances with Cathay Financial Holdings and external partners to satisfy the needs of high asset clients.
- (10) Overseas operations: Extend our global presence and implement localized management; improve overseas business management structures and business models to develop niche products that meet the needs of local customers and generate more profits; leverage Group resources to improve business synergy, integrate domestic and overseas resources, and build a complete banking platform in Asia Pacific regions.



國泰金控

Cathay Financial Holdings

## 2015 Income Statement

Unit: Million USD

Item	Amount	% of Total
Net interest income	776	54%
Net fee income	432	30%
Financial asset or financial liability at fair value through profit	43	3%
Realized gain on available-for-sale financial assets	99	7%
Share of gain (loss) from affiliates and joint ventures recognized by equity method	11	1%
Gain on foreign currency exchange, net	25	2%
Other non-interest income, net	40	3%
Net Operating income	1,426	100%

NTD/USD: 32.79/1

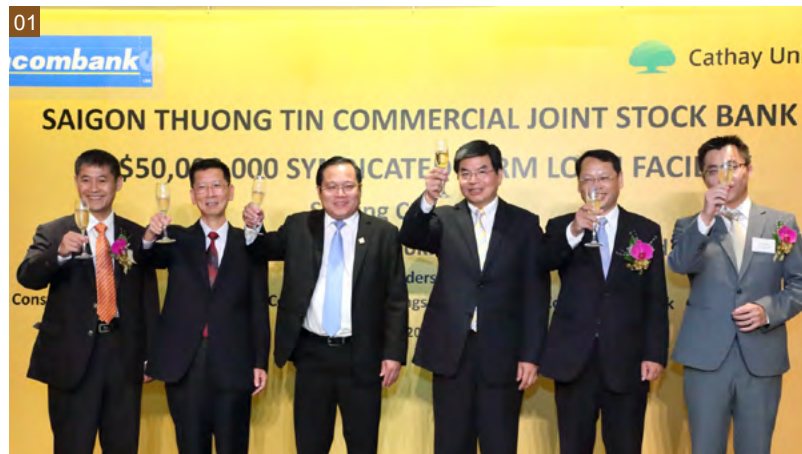
- 01 Cathay United Bank organized US\$50 million syndicated loan for Sacom Bank, Vietnam's largest privately-held banking institution
- 02 Cathay United Bank introduced the Asia Mile co-branded credit card
- 03 Cathay United Bank launched all-new KOKO brand to promote its next-generation banking services
- 04 Cathay United Bank opened representative office in Jakarta (Indonesia)
- 05 Cathay United Bank opened Bavet Branch in Cambodia
- 06 Cathay United Bank opened Manila Branch in the Philippines
- 07 Cathay United Bank opened Shanghai Jiading Sub-Branch

## 2016 Operational Targets

Unit: Million USD

Primary Item	Targets
Deposits	58,789
Loans (including revolving credit)	37,484
Credit cards	5,220,000 cards

(NTD/USD: 32.79/1)





## Message from the Chairman

Looking back at 2015, global economic growth was weak with growth in Taiwan exhibiting a marginal increase of 0.85% while growth of the domestic automobile market showed a slight decrease of 0.7%. Amidst the rapidly changing economic environment, diversification of financial services, and intense market competition, Cathay Century Insurance continued to uphold its development principle of "equal emphasis on quality and quantity," not only actively elevating the depth and breadth of its operations but also endeavoring to improve service quality. In addition, by leveraging the advantages of digital applications and optimized service functions, we improved various aspects of our business efficiency and elevated the expertise and vigilance of our employees in order to achieve service innovation and comprehensive enhancement of our competitiveness. Thanks to the concerted efforts of our employees and affiliates, the Cathay Century Insurance still exhibited a slightly improved sales performance, achieving a market share of 13.3% and second place ranking within the overall industry.

We are equipped with a robust financial position and adopt extremely stringent standards for risk management control, which have once again enabled us to gain the recognition of international credit rating agencies in 2015 with an "A3" rating from Moody's, "A-" from S&P, and "twAA+" from Taiwan Ratings. With respect to overseas markets, Cathay Insurance (China) now operates 25 offices in 21 cities in China. Cathay Insurance (Vietnam) has also launched business operations in major cities in Vietnam, including Ho Chi Minh City and Hanoi. In the future, we will continue to develop localized products and expand quality marketing and sales channels so as to maximize our profits. Furthermore, our business performance has continuously been acknowledged by international institutions. We received the "Celent Model Insurer Asia Award-Service" the "Silver Stevie Award," and the "Premium International Business Award." We were named the "Best Non-life Insurance Company in Taiwan" by renowned British finance publication World Finance Magazine. We also received a number of awards in Taiwan, including the prestigious the "Insurance Excellence Award," the "Insurance Faith Hope Love Award," and the "Golden Torch Award."

What we take from society, we give back to society; we not only pursued business growth but also devoted our utmost efforts to fulfilling our corporate social responsibility. In addition to attending charity events held by Cathay Financial Holdings, we embrace our core concept of loss prevention by further extending the reach of our "Accident-Free Campus" project and "Zero Accident Academy" website so as to ensure the traffic safety of all drivers. In the future, we plan to educate college students on correct driving concepts with a focus on the theme of "accident-free riders" in order to reduce the risks of traffic accidents. Inspired by issues on environmental protection and in support of the government's energy conservation and carbon reduction policies, we introduced green products for two consecutive years, including the industry-leading "Green vehicle insurance" project in 2013 and the first-ever "Bicycle insurance project" in 2014. These products are aimed at encouraging the public to use green transportation, thereby fulfilling our goals of contributing to society and endeavoring to protect the environment on which we all depend.

Looking toward 2016, we will look to realize our business themes of "organizational optimization and innovation performance" to solicit talented employees, develop external channels, and refine our technical services. Moreover, we will introduce a profit-centered system to reexamine the operational efficiency of our organization, thereby elevating organizational optimization to a higher level to drive our profit performance. We particularly emphasize our slogan of "We Are The BEST" in all aspects of our business operations in the hope of enhancing our performance in all domains so that we may surpass our current achievements, increase customer loyalty, and forge a deeper sense of trust and reliability with all members of our society. Lastly, on behalf of my colleagues, I would like to express our heartfelt gratitude for the longstanding support and assistance of the competent authorities and our customers.

Chairman *Cheng-Chiu Tsai*





## Company Profile

Cathay Century Insurance was established in 1993 and became a member of Cathay Financial Holdings in 2002. By leveraging group resources and providing customers with a full range of financial services, we have secured our position as the second largest non-life insurer in Taiwan since 2007. We are also keen on expanding our business into foreign markets. We established a subsidiary in China and Vietnam in 2008 and 2010, respectively and have been undertaking rapid expansion in those two markets ever since. In addition to receiving the ISO9001 certification for auto insurance claims and loss prevention services, Cathay Century Insurance has also received excellent credit ratings of "twAA+" from Taiwan Ratings, "A-" from S&P, and "A3" from Moody's. We won numerous domestic awards, including the "Insurance Excellence Award," "Insurance Faith Hope Love Award," and "Golden Torch Award." We also received many internationally acclaimed honors, including the "Asia-Pacific Stevie Awards" and "International Business Premium Award." We were also

named the "Best Non-life Insurance Company in Taiwan" by World Finance Magazine. These achievements are the best testament to our recognition by the people in Taiwan as the Number 1 "Ideal Brand" in the P&C insurance industry and our success as a first-rate non-life insurer in Asia.

No. of employees	2,052
Average age	37.6
Average years of services	7.92



Cathay Century Insurance held the business unit executives meeting

## Board of Directors, Independent Directors, Supervisors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Cheng-Chiu Tsai	M.A., Keio University, Japan, Chairman, Cathay Century Insurance	
	J.H. Hsu	M.B.A., National Chengchi University, Chairman, Cathay Insurance Co., Ltd (China)	
	Min-Yang Wu	M.A., Georgia State University, USA, President, Cathay Century Insurance	
	K.C. Tsai	College, Chairman, Central Construction Co., Ltd.	
	Chu-Yao Lu	BA, Shih Hsin University, President, Wen Yi Investment Co., Ltd.	
	Tsung-Hsien Tsai	M.S., Harvard University, USA, Director, Cathay United Bank	
Independent Directors	Pin-Yao Lin	M.B.A. National Chengchi University, Senior Executive Vice President, Cathay Century Insurance, Chairman, Cathay Insurance Co.,Ltd. (Vietnam)	
	Name	Education & Experience	
Supervisors	Min-Houng Hong	Ph.D., Michigan State University, USA, Chairman, SinoPac Financial Holdings, Chairman, Panasonic Taiwan Co., Ltd.	
	Name	Education & Experience	
	Jinn-Shing Leou	M.A., University of Iowa, USA, Director, Cathay Securities Corporation	
Executive Officer	Ching-Tien Su	National Taipei Teachers College, Chairman, Royal Construction Corp.	
	Position	Name	Education
Key Managers	Chairman	Cheng-Chiu Tsai	M.A., Keio University, Japan
	Position	Name	Education
	President	Min-Yang Wu	M.A., Georgia State University, USA
	Chief Auditor	Chih-I Yu	B.A., National Taiwan University
	Senior Executive Vice President	Pin-Yao Lin	M.B.A., National Chengchi University
	Senior Executive Vice President	Chin-Chou Chen	M.A., Beijing University
	Chief Compliance Officer	Hui-Bin Wu	B.A., Chinese Culture University
	Senior Executive Vice President	Chia-Yuan Hsu	M.A., National Chengchi University
	Senior Executive Vice President	Yi-Min Hu	M.A., Beijing University







## 2015 Revenue Breakdown

Unit: Million USD

Item	Amount	% of Total
Retained earned premium income	442.81	94.95
Reinsurance commission income	11.91	2.55
Fees income	1.19	0.26
Net investment gain (loss)	9.98	2.14
Operating revenue	0.46	0.10
Total income	466.35	100.00

(NTD/USD: 32.79/1)

## Business Scope

All types of non-life insurance (including motor, fire, marine, engineering, health, accident, and other liability and property) and related business.

## 2016 Operational Targets

Premium income: US\$604 million (NTD/USD: 32.79/1)



Cathay Century Insurance received the "12th Golden Torch Award"



## 2016 Business Plan

### I. Business Guidelines

1. Develop efficient business organization, accelerate solicitation of industry employee talent, actively seek opportunities to partner with external channels, and strengthen employee competency to enhance sales capacity.
2. Continue to introduce better insurance services and pay attention to cost management to improve business profits and execute the principle of "equal emphasis on quality and quantity."
3. Examine customer needs and ascertain market trends, develop innovative and competitive products, support the implementation of online insurance and third-party payment regulations, and adjust system- and product-related support schemes to meet diverse needs.

### II. Risk Management and Financial Investment Plans

1. Maintain risk-based capital at the most suitable level, ensure favorable solvency, and properly arrange reinsurance agreements to increase reinsurance capacity and mitigate risks associated with new business activities.
2. Continue to refine risk quantification technologies and improve risk management mechanisms to strengthen various operating procedures and risk monitoring functions; calculate reasonable product pricing to avoid price competition and ensure stable insurance profits.
3. Monitor international political and economic trends, properly allocate resources, strengthen investment strategies, pursue long-term financial investments that return stable profits, optimize fund utilization, and improve investment performance.

### III. Insurance Service Plans

1. Continue to develop various types of electronic systems and app functions to shorten operating times, lower personnel costs, offer high-performance services, and thereby raise customer satisfaction.
2. Develop big data technologies to facilitate purchase behavior analysis and risk assessments and elevate the accuracy of product and service developments for target markets and decision-making adjustments.
3. Focus on the six major dimensions of business management, responsible investment, sustainable governance, product services, employee welfare, green business, and social care, and establish sustainable management to every level of the organization.

### IV. International Business Directions

1. Capitalize on the networks of Cathay Financial Holdings, establish strategies to successfully increase our presence in Asia, and actively cultivate and solicit talents abroad to realize the internationalization of corporate talents, the localization of foreign talents, and spread our network of sales and management talents across the markets of Asia.
2. Develop an offshore insurance unit (OIU) for non-life insurance and reinsurance services, capture business opportunities from the international market, increase the market scale, and broaden the management scopes of financial holding groups.
3. Continue to magnify the scale of our insurance market in China and Vietnam, strengthen management indicators, establish useful distribution channels, develop localized products, and pursue profit increase to further strengthen of our local brand image.





- 01 Cathay Century Insurance received the "2015 Taiwan Insurance Excellence Award"
- 02 Cathay Century Insurance convened Taiwan's first Ironman Triathlon and Long-Distance Running Team
- 03 Cathay Century Insurance hosted the "Cathay Century Insurance Loss Prevention Forum"
- 04 Cathay launched the "Travel Rescue Easy Go" service







## Message from the Chairman

It can be said that 2015 was a year fraught with global economic turmoil, changes in US monetary policy, stalling of the Chinese economy, and a dramatic decline in international crude oil prices. Risks in emerging market debt have once again surfaced, escalating the risk of global deflation. Changes in US monetary policy are one of the main factors causing volatility in the global financial markets. After half a year of internal debate, the US Federal Reserve increased its benchmark interest rate at the end of the year, officially ending the interest-free era that lasted for almost seven years. In the later half of the year, China modified its currency exchange rate policy, bringing about a second black swan event. As the Chinese economy continued to cool and caused the RMB to depreciate, other emerging markets were also prompted to depreciate their currency, expediting the loss of foreign investments. By comparison, Europe and Japan experienced relatively stable economic growth due to their implementation of quantitative easing or negative interest rate policies. Taiwan's GDP plunged from the 3.28% estimated at the beginning of the year to 0.85% at the end of the year. Despite the TAIEX briefly reaching the 10,000-point mark, the index eventually dropped to a low-point of 7,203 and average daily trading volume fell to just US\$3.66 billion.

The volatile market has brought numerous uncertainties to the securities business. Nevertheless, Cathay Securities Corporation has maintained its spirit of innovation and relied on the concerted efforts of its employees in 2015, achieving full-year EPS of NT\$1.08 and pre-tax net profit of US\$18.15 million, setting a record-high achievement since the establishment of the company. The market share of our brokerage business achieved a new high for the seventh straight year and rose to 1.68% for the whole year, a substantial increase of 17% compared with the previous year. In our underwriting business, we underwrote 15 IPO and SPO listing transactions, ranking us No. 5 in the market. The offshore banking business showed significant growth for a third consecutive year. The annual trading volume of our sub-brokerage business reached US\$5.34 billion, ranking us No. 2 in the industry. For our warrant issuing business, we were rated as a Class A warrant issuer for six quarters in a row and ranked in the top ten in the number of warrants issued and outstanding. In addition to our strong business performance, we continue to place an increased emphasis on customer needs and user behavior, and developed e-commerce and mobile services as well as online account opening and sub-brokerage apps.

Looking forward to 2016, challenges remain within the entire economic environment. The US Federal Reserve's monetary policy, China's "one belt one road" opportunity, and Europe and Japan's relaxed policies have continued to influence the performance of the financial markets. Under the leadership of the new government in Taiwan, economy-boosting policies such as industrial innovation will be implemented, which is expected to stimulate internal demand to a level surpassing that of the past. Therefore, adjustments will still be made in the financial markets in the first half of the year, while opportunities for change in the second half of the year may be expected. In spite of the uncertain economic environment, Cathay Securities will continue to strive toward changes, transformations, and the development of a second growth curve. Concerning the brokerage business, we will further cultivate the Group's customers, optimize our e-trading platform, and integrate business networks to create synergies. We will support the government's industry-related policies in our underwriting business and help new businesses enter the capital markets. With regards to financial trading, we will continue expanding our arbitrage trading and the issuance of warrants. Regarding our e-commerce business, we will continue to design apps that meet customer needs and thereby refine our customer services. In terms of new market expansion, we will connect our markets in China, Hong Kong, and Taiwan after establishing our financial consulting firm in Shanghai and an office in Hong Kong to provide integrated securities services and extend our reach into international markets.

In 2015, Cathay Securities achieved strong performances in all of its business activities thanks to the collective efforts of our shareholders, the Cathay Group, and employees. We sincerely hope that in the new year ahead, we may continue to work together to face the challenges ahead of us and strive toward corporate transformation, which will in turn allow us to continue to develop new businesses, seize new opportunities and create more profits for our shareholders.

Chairman *Shih-Ting Chu*



## Company Profile

Cathay Securities Corporation is a member of Cathay Financial Holdings. We have paid-in-capital of US\$151 million, 600 employees and an operational network composed of a head office, ten branches, and 25 cross-marketing securities offices in bank branches. Our businesses cover brokerage, underwriting, proprietary trading, and the issuance of financial derivatives.

In 2016, we will focus on the following business operations: With respect to brokerage business, we will continue to offer a full range of products and services, including bi-directional securities lending and securities underwriting, while we integrate sub-brokerage and OSU products to build a complete wealth management platform that can meet a diversity of investment requirements. We will establish a new joint-marketing model and corresponding organizational framework, and expand the Group's customer base through digitalization and activating mechanisms. We will develop a comprehensive mobile commerce business, develop a wide range of mobile apps, and manage digital-generation customers; and enhance the depth of services by offering customized services to increase orders placed by institutional investors. With respect to financial products, we will maintain our rating as a Class A issuer, expand our warrant

operations, and seek stable profits. With respect to our bond operations, we will compete for corporate bond and underwriting business opportunities both locally and abroad to increase our source of income. With respect to proprietary trading, we will expand the breadth of strategic development, build a proprietary trading platform in Hong Kong, and create new profit models. With respect to underwriting, we will capitalize on Group resources, build an offshore sales team, solicit foreign investments, and respond to market changes by aggressively developing secondary market financing projects to increase revenue from our underwriting business.

Looking to the future, we will continue to hold onto the core values of the Group that embrace the corporate spirit of "Integrity, Accountability and Innovation" and prudently promote various businesses.

No. of employees	600
Average age	39.2
Average years of services	4.0



Cathay Securities officially opened subsidiary Cathay Securities (Hong Kong) Limited

## Board of Directors, Independent Directors, Supervisors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Shih-Ting Chu	M.A., National Taiwan University, Chairman, Cathay Securities Corporation	
	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA, President, Cathay Securities Corporation	
	Tsu-Jien Cheng	B.A., Hamilton College, USA, Senior Executive Vice President, Cathay Securities Corporation	
	Hung-Huei Liao	M.A., National Taiwan University, Senior Executive Vice President, Cathay Securities Corporation	
	Jinn-Shing Leou	M.A., University of Iowa, USA, Director, Cathay Securities Corporation	
Independent Directors	Name	Education & Experience	
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan, Executive Officer & Head of Asia & Oceania, Daiwa Securities SMBC Co., Ltd., Director, First Financial Holding, Director, Hon Hai Precision Industry Co., Ltd.	
Supervisors	Name	Education & Experience	
	Wan-Chie Ma	M.A., Tamkang University, Supervisor, Cathay Securities	
	Chi-Chang Huang	M.A., Columbia University, USA, Senior Vice President, Cathay United Bank	
Executive Officer	Position	Name	Education
	Chairman	Shih-Ting Chu	M.A., National Taiwan University
Key Managers	Position	Name	Education
	President	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA
	Senior Executive Vice President	Tsu-Jien Cheng	B.A., Hamilton College, USA
	Senior Executive Vice President	Hung-Huei Liao	M.A., National Taiwan University
	Senior Executive Vice President	Chen-Hung Lin	M.A., National Kaohsiung First University of Science and Technology
	Senior Executive Vice President	Chung-Sheng Chen	M.A., Southern New Hampshire University

## Business Scope

1. Securities underwriting
2. Dealing of securities on central exchange
3. Brokerage trading of securities on central exchange
4. Dealing of over-the-counter securities
5. Brokerage trading of over-the-counter securities
6. Margin financing and stock lending
7. Registrar and transfer services
8. Securities lending (except for book-entry central government bonds)
9. Wealth management - financial products advisory or sales services
10. Brokerage trading of foreign securities - sub-broker
11. Introducing futures brokering
12. Futures business
13. Other securities-related businesses approved by the regulator.







## 2016 Business Plan

1. Respond to changing market conditions and more relaxed policies and assess new markets and new lines of businesses.
2. Build a wide range of product platforms and expand service depth and breadth.
3. Capitalize on the advantages of distribution channels, solicit customers, and scale up brokerage business operations.
4. Develop digital services and maintain relationship from customer perspectives and manage digital-generation customers.
5. Provide integrated services encompassing high-quality products, platforms, and activities for domestic and foreign institutional clients.
6. Expand the warrant business and develop multimarket trading and arbitrage strategies to maintain stable profits.
7. Leverage Group resources, create underwriting brand value, and build up benchmarks and an international underwriting client base.

## 2016 Operational Targets

Primary Item	Targets
Market share of brokerage business	1.825%
Number of lead underwriting cases	16
Number of warrants issued	1,080



- 01 Cathay Securities Chairman, Shih-Ting Chu was proud recipient of the "Outstanding Enterprise Leader Award" at the 13th Annual Golden Goblet Awards
- 02 Cathay Securities held the "2016 Global Trends Visionary Forum"
- 03 Cathay Securities held the "2015 Entry to Taiwan's Capital Market Seminar" in Bangkok
- 04 Cathay Securities received the "2015 Business Innovation Award" and "Winner of Best Customer Experience" presented by Digital Times.
- 05 Cathay Securities cooperated with Maybank Kim Eng in hosting the "Taiwan Enterprise Day" discussion forums
- 06 Cathay Securities held a Christmas charity event to support the Pei Nan Junior High Sports Team and its development of children's athletic talent



## Overview of Subsidiaries **Cathay Securities Investment Trust Co., Ltd.**

### Message from the Chairman

Since the second half of 2015, the global financial markets fell into a period of highly volatile rebalancing. Chinese stocks gradually rose after an irrational correction. The US dollar surged and international oil prices hit rock bottom, sinking to a seven-year low as the high-yield bond market experienced selling pressure. The primary global stock markets also faced significant correction. Looking to 2016, the condition of "three-lows" (low inflation, low interest rates, and low growth) is expected to continue. However, the IMF has forecasted that faster global economic growth as compared to 2015 is anticipated, but a environment of low interest rates and high liquidity will remain unchanged. Funds will still flow in pursuit of opportunities for greater investment returns.

Total assets under management of Cathay Securities Investment Trust ("CSIT") were US\$11.93 billion in 2015, securing our position as the largest securities investment trust company in Taiwan. Despite the unstable and volatile markets in the past year, our mutual funds exceeded US\$3.69 billion for the first time, thanks to the continuous efforts and teamwork of our employees, placing us in the fourth position. In 2016, we will continue to challenge for a place among the top three. Guided by the core value of "based in Taiwan and operating throughout Greater China," Cathay Securities Investment Trust turned in exceptional performance this year, achieving a total of four major awards and gaining recognition both at home and abroad and from different constituencies. Furthermore, while Cathay Financial Holdings actively expands its presence in Asia, Cathay Securities Investment Trust with cross-border markets and Luxembourg companies in launching the Cathay UCITS Fund - Greater China Equities to encourage foreign investors to participate in the growth of the Greater China region. The establishment of this fund is the first ever for a Taiwanese investment company to be listed as a UCITS fund incorporated in Luxembourg, and an event that reversed Taiwan's status as always being an importer and consumer of foreign mutual funds.

For 16 years since its inception, Cathay Securities Investment Trust has kept a competitive attitude at all times. We uphold the core values of "Integrity, Accountability, and Innovation" when serving investors and we are committed to achieving excellent and stable performance. Thanks to Cathay Financial Holdings' image as a supportive, reliable, and steadfast company, we were able to develop into a highly competitive subsidiary in just over a decade. From today onwards, we will continue to provide the best asset management service while conscientiously catering to the needs of our customers. Looking forward to 2016, Cathay Securities Investment Trust will continue to perfect its product line and develop innovative financial products to secure its existing equity/bond and active/passive products, strengthen operating performance, and fulfill customer needs through flexible and diverse services. Furthermore, we will continue to expand our organization, extend our global presence, and maximize benefits for the company, Cathay Group, and our shareholders.

We have cultivated the market in Taiwan for more than ten years and were able to become Taiwan's first major investment trust company within a short time. On behalf of my colleagues, I would like to express our heartfelt gratitude to the longstanding support and assistance of the competent authorities and our customers. We value the trust each of our customers bestows on us. In return, we will make every effort to continuously improve our performance and company value, pursue excellence, improve our services, and continue advancing forward at a steady pace.

Chairman *Jeff Chang*





## Company Profile

Cathay Securities Investment Trust ("CSIT") was established in February 2000 and is now a wholly owned subsidiary of Cathay Financial Holdings. We have paid-in-capital of US\$50 million, 269 employees and a business network composed of Taipei Head Office and Hsinchu, Taichung and Kaohsiung Branches. We also entered into a joint venture, CDBS Cathay Asset Management, in China with China Development Bank Securities, a subsidiary of the China Development Bank. Our businesses cover securities investment trust, discretionary investment, securities investment consultant, futures trust and other businesses approved by the regulatory authority. Our assets under management, including publicly offered funds, privately placed funds, futures trust funds and discretionary accounts, total US\$11.93 billion in value, the highest in the industry. We have a professional team comprising 77 researchers (including fund managers) with

an average of twelve years and four months of experience in related fields and we have won more than 41 domestic and foreign fund awards since 2005.

In 2016, we will continue to leverage our business operations and strengthen collaboration with other members of the Cathay Financial Holdings in the hope to create together maximum value for the Cathay Group as a whole.

No. of employees	269
Average age	40
Average years of services	6.0



Cathay Securities Investment Trust "Cathay FTSE China A50" CFA50 ETF was listed for trade





## Board of Directors, Supervisors and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Jeff Chang	M.S., National Cheng Kung University, Chairman, Cathay Securities Investment Trust	
	Andy Chang	M.B.A., National Central University, President, Cathay Securities Investment Trust	
	Peter Chiang	B.A., National Chung Hsing University, Senior Executive Vice President, Cathay Securities Investment Trust	
	Solon Huang	M.B.A., National Taiwan University, Senior Executive Vice President, Cathay Securities Investment Trust	
	Yi-Tsung Wang	M.B.A., Massachusetts Institute of Technology, USA, Senior Executive Vice President, Cathay Life Insurance	
Supervisors	Name	Education & Experience	
	Rui-Hong Hong	B.A. Soochow University, Manager of Accounting Department, Financial Division, Cathay Financial Holdings	
Executive Officer	Position	Name	Education
	Chairman	Jeff Chang	M.S., National Cheng Kung University
Key Managers	Position	Name	Education
	President	Andy Chang	M.B.A., National Central University
	Senior Executive Vice President	Peter Chiang	B.A., National Chung Hsing University
	Senior Executive Vice President	Solon Huang	M.B.A., National Taiwan University
	Senior Vice President	Y. H. Chang	B.A., Tunghai University
	Senior Vice President	Jing-Hui Hsieh	M.B.A., National Central University
	Senior Vice President	Naiyun Yin	M.A., University of Oregon Department of Economics
	Senior Vice President	Jessica Yueh	M.A., University of South Australia, Australia
	Senior Vice President	Doris Yang	Ph.D., Tianjin Nankai University Institute of Business Management
	Senior Vice President	Hui-Chung Wu	M.B.A., Soochow University
	Senior Vice President	Hui-Huan Hsieh	M.B.A., Mankato State University, USA

## Business Scope

1. Securities investment trust business.
2. Discretionary investment business.
3. Securities investment consultant business.
4. Futures trust business.
5. Other business approved by the Financial Supervisory Commission.

## 2016 Operational Targets

Assets: US\$13.72 billion

## 2016 Business Plan

1. Develop new products and investment strategies to provide customers with the best products and meet their needs.
2. Seek long-term, stable and outstanding performance in fund management and for discretionary account customers.
3. Integrate group resources to actively develop related businesses.



國泰金控

Cathay Financial Holdings



01



02



03



04

- 01 Cathay Securities Investment Trust relocated and hosted the A Stock ETF Product Application Seminar
- 02 Cathay Securities Investment Trust held the 2016 Asia Pacific Investment Outlook Press Conference
- 03 Cathay Securities Investment Trust held the "Cathay European Equity" listing press conference
- 04 Cathay Financial Holdings was, again, honored in the Golden Goblet Award: Cathay Securities Investment Trust received the Outstanding Salary Increase Award and Outstanding Investment Consultation Talent Award.







## Company Profile

The Company's main businesses are investing in unlisted companies with growth potential, and assisting in the development of those companies for the purpose of maximizing return on investment.

## Board of Directors, Supervisors, and Key Managers

April 10, 2016 Data Record Date

Board of Directors	Name	Education & Experience	
	Jen-Ho Chang	M.Sc., Warwick University, UK, Chairman, Symphox Information, Chairman, Ally Logistic Property	
	Shan-Chi Liu	E.M.B.A., National Taiwan University, Senior Executive Vice President, Cathay Life Insurance	
	Yi-Tsung Wang	M.B.A., Massachusetts Institute of Technology, USA, Senior Executive Vice President, Cathay Life Insurance	
	Yi-Fang Tsai	M.B.A., University of Illinois, Senior Vice President, Cathay Life Insurance	
	Shih-Chiao Lin	M.A., National Taiwan University, Senior Vice President, Cathay Life Insurance	
Supervisors	Name	Education & Experience	
	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA, President, Cathay Securities Corporation	
Executive Officer	Position	Name	Education
	Chairman	Jen-Ho Chang	M.Sc., Warwick University, UK
	President	Jen-Ho Chang	M.Sc., Warwick University, UK



## Business Scope

Venture capital business.

## 2015 Revenue Breakdown

Unit: Million USD

Item	Amount	% of Total
Income from sale of financial assets	6,139	80.39
Investment income	1,478	19.35
Interest and other income	19	0.25
Total	7,636	100.00

(NTD/USD: 32.79/1)

## Four investment themes in 2016:

- 1.Layout Fintech startups.
- 2.Expand biotech & healthcare investments.
- 3.Invest Taiwan market.(e.g.hidden champions & industry upgrade)
- 4.Continue to develop overseas markets.

## Cathay Life Insurance

### Cathay Lujiazui Life Insurance Co., Ltd. Shanghai Headquarters

Address: 19F, Building B, Oriental Financial Square, 1168 Century Boulevard, Pudong New Area, Shanghai, PRC  
ZIP: 200122  
Tel: 86-21-61006168(main line)  
Fax: 86-21-61001682  
Website: www.cathaylife.cn

### Cathay Lujiazui Life Insurance Co., Ltd., Jiangsu Branch

Address: 5F, Yinlun International, 177 Guang Zhou Rd., Gulou Dist., Nanjing City, Jiangsu Province, PRC  
ZIP: 210024  
Tel: 86-25-83718688(main line)  
Fax: 86-25-83197171

### Cathay Lujiazui Life Insurance Co., Ltd., Zhejiang Branch

Address: 10F, Sanxin Yinzuo, No. 72, Chiu Tao N. Rd., Jiang Gang Dist., Hangzhou, Zhejiang Province, PRC  
ZIP: 310020  
Tel: 86-571-28039899(main line)  
Fax: 86-571-28033189

### Cathay Lujiazui Life Insurance Co., Ltd., Fujian Branch

Address: Rm. 01, Floor 10, Lijia Square Building #2, No. 8, Yangqiao East Rd., Guxi St., Gulou Dist., Fuzhou City, PRC  
ZIP: 350003  
Tel: 86-591-87401668(main line)  
Fax: 86-591-87824373

### Cathay Lujiazui Life Insurance Co., Ltd., Beijing Branch

Address: 4F, Jiahe Guoxing Building, No. 15, Baiqiao Boulevard, Dongcheng District, Beijing, PRC  
ZIP: 100062  
Tel: 86-10-59620678(main line)  
Fax: 86-10-59620988

### Cathay Lujiazui Life Insurance Co., Ltd. Shandong Branch

Address: Rm. 615, 6F, SK Modern City, No. 29, Luoyuan Street, Lower District, Chinan, Shandong Province, PRC  
ZIP: 250014  
Tel: 86-531-86931688 (main line)  
Fax: 86-531-81671168

### Cathay Lujiazui Life Insurance Co., Ltd. Guangdong Branch

Address: 5F No. 233, Dongfeng Xi Road, Yuexiu District, Guangzhou City, Guangdong Province, PRC (Qianshu Panfu Building)  
ZIP: 510180  
Tel: 86-20-83545288(main line)  
Fax: 86-20-83553571

### Cathay Lujiazui Life Insurance Co., Ltd. Liaoning Branch

Address: 22-1 and 22-2, Block D, Fortune Center, No.57, North Station Road, Shenhe District, Shenyang, Liaoning Province, PRC  
ZIP: 110013  
Tel: 86-24-22566866 (main line)  
Fax: 86-24-22566766

### Cathay Lujiazui Life Insurance Co., Ltd. Tianjin Branch

Address: 11F, Building B1, Jun Lung Square at No. 85, Nanjing Road, Heping District, Tianjin, PRC  
ZIP: 300040  
Tel: 86-22-58366900  
Fax: 86-22-58366909

### Cathay Lujiazui Life Insurance Co., Ltd. Xiamen Branch

Address: 16F, Building A, Sinotrans Operation Center, No. 1032, Xia He Road, Si Ming District, Xiamen, Fujian, PRC  
ZIP: 361001  
Tel: 86-592-2276136  
Fax: 86-592-2276135

### Beijing Representative Office

Address: Unit 02, 6F, Building B, Parkview Green Building, No. 9, Dongdaqiao Road, Chaoyang District, Beijing, PRC  
ZIP: 100020  
Tel: 86-10-83913425  
Fax: 86-10-83913427

### Hong Kong Representative Office

Address: 20F, LHT Tower, 31 Queen's Road Central, Central, Hong Kong  
Tel: 852-2877-5488 ext123  
Fax: 852-2527-0966

### Tokyo Office

Address: 10F KN Ginza Building, 1-15-6, Ginza, Chou-Ku, Tokyo  
Tel: 81-3-3566-3199  
Fax: 81-3-3566-3099

### Cathay Life Insurance (Vietnam) Co., Ltd. (Ho Chi Minh City Head Office)

Address: The World Center Building  
9th floor, 46-48-50 Pham Hong Thai Street, District 1, Ho Chi Minh City, Vietnam  
Tel: 84-8-6255 6699  
Fax: 84-8-6255 6399  
Website: www.cathaylife.com.vn

### Cathay Life Insurance (Vietnam) Co., Ltd. Hanoi Branch

Address: 167 Bui Thi Xuan, Hai Ba Trung Dist., Ha Noi City  
Tel: 84-4-6278 7888  
Fax: 84-4-6278 7887

### Cathay Life Insurance (Vietnam) Co., Ltd. Da Nang Branch

Address: 6th floor, Sacombank Building, 130-132 Bach Dang Street, Hai Chau District, Da Nang City  
Tel: 84-511-6252 888  
Fax: 84-511-6253 288

### Cathay Life Insurance (Vietnam) Co., Ltd. Can Tho Branch

Address: 6th floor, 11B Hoa Binh Boulevard, Tan An Ward, Ninh Kieu District, Can Tho City  
Tel: 84-710-625 1999  
Fax: 84-710-620 0160

### Cathay Life Insurance (Vietnam) Co., Ltd. Dong Nai branch

Address: 42C Nguyen Ai Quoc, Tan Tien Ward, Bien Hoa, Dong Nai City  
Tel: 84-61-629 3558  
Fax: 84-61-629 2575

### Cathay Life Insurance (Vietnam) Co., Ltd. Hai Phong branch

Address: 4th floor Sacombank Building, 62- 64 Ton Duc Thang Street, Le Chan District, Hai Phong City  
Tel: 84-31-625 5160  
Fax: 84-31-625 5150

## Cathay United Bank

### Labuan Branch

Address: Level 3(C), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000, Labuan F. T., Malaysia  
Tel: 60-87-452168  
Fax: 60-87-453678

### Hong Kong Branch

Address: 20F, LHT Tower, No.31 Queen's Road Central, Central, Hong Kong  
Tel: 852-2877-5488  
Fax: 852-2527-0966

### Singapore Branch

Address: 6 Raffles Quay, 20-06, Singapore 048580  
Tel: 65-6593-9280  
Fax: 65-6324-1959

### Chu Lai Branch

Address: No. 123, Tran Quy Cap, Tam Ky City, Quang Nam Province, Vietnam  
Tel: 84-510-3813035~42  
Fax: 84-510-3813043~44

### Shanghai Branch

Address: Suite 1905, BEA Finance Tower, No.66 Huayuan Shiqiao Rd., Pudong New Dist., Shanghai, PRC  
Tel: 86-21-6886-3785  
Fax: 86-21-6886-3787

### Shanghai Minhang Sub-Branch

Address: Suite 101, 1F, Nikos Building, No.528 Hongxu Rd., Minhang Dist., Shanghai City, PRC  
Tel: 86-21-6491-9929  
Fax: 86-21-5434-0590

### Shanghai Pilot Free Trade Zone Sub-Branch

Address: Suite 713, No. 26, Jiafeng Rd., Pudong New Dist., Shanghai City, PRC  
Tel: 86-21-5036-2929  
Fax: 86-21-5867-9976

### Shanghai Jiading Sub-Branch

Address: No.36-38 Hexuan Rd., Wanda Plaza Jiangqiao Town, Jiading Dist., Shanghai City, PRC  
Tel: 86-21-6040-6939  
Fax: 86-21-6040-2160

### Qingdao Branch

Address: Suite 2305-2307, 23F, No. 26, Hong Kong Middle Road, Shinan Dist., Qingdao City, Shandong Province, PRC  
Tel: 86-532-5576-9888  
Fax: 86-532-5578-5898

### Vientiane Capital Branch

Address: No. 40, Tut Mai Rd., Hatsady Village, Chanthabouly District, Vientiane Capital, Lao PDR  
Tel: 856-21-255688  
Fax: 856-21-255686

### Manila Branch

Address: Unit 1, 15/F Tower 6789, No.6789 Ayala Avenue, Makati City, Metro Manila, Philippines, 1226.  
Tel: 63-2-751-1161  
Fax: 63-2-751-1163

### Kuala Lumpur Marketing Office

Address: Lot 13A, 13th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250, Kuala Lumpur, Malaysia  
Tel: 60-3-2070-6729  
Fax: 60-3-2078-9057

### Bangkok Representative Office

Address: 13 F. Sathorn City Tower 175, South Sathorn Rd. Tungmahamek, Sathorn Bangkok 10120, Thailand  
Tel: 66-2-679-5316~7  
Fax: 66-2-679-5318

### Hanoi Representative Office

Address: 7F, 88 Hai Ba Trung Street, Hoan Kiem District, Hanoi, Vietnam  
Tel: 84-4-3936-6566  
Fax: 84-4-3936-6568

### HCMC Representative Office





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Cathay Financial Holdings

Address: 5F, 46-48 Pham Hong Thai Street, District 1,  
HCMC, Vietnam  
Tel: 84-8-3825-8761-63  
Fax: 84-8-3825-8700

**Yangon Representative Office**

Address: #503, Strand Square, Level 5, No. 53, Strand Road,  
Pabedan Township, Yangon, Republic of the Union of  
Myanmar  
Tel: 95-1-230-7397  
Fax: 95-1-230-7370

**Jakarta Representative Office**

Address: Mayapada Tower 08-03 Jl. Jend. Sudirman Kav.28  
Jakarta 12920  
Tel: 62-21-2951-8572  
Fax: 62-21-2951-8573

**Cathay United Bank (Cambodia) Corporation Limited**

Address: No. 68 Samdech Pan Street (St. 214) Khan Daun  
Penh, Phnom Penh, Kingdom of Cambodia  
Tel: 855-23-211211  
Fax: 855-23-212121

**Cathay Century Insurance**

**Cathay Insurance Co., Ltd. (China) Shanghai  
Headquarters**

Address: 15F, Building A, Oriental Financial Square, 1168  
Century Boulevard, Pudong New Area, Shanghai, PRC  
ZIP: 200122  
Tel: 86-21-61032288  
Fax: 86-21-61911677

**Cathay Insurance Co., Ltd. (China) - Shanghai Sales  
Office**

Address: 11F, Block A, Science & Technology Mansion, No.  
705, Yishan Road, Xuhui District, Shanghai, PRC  
ZIP: 200033  
Tel: 86-21-60101150  
Fax: 86-21-33563613

**Cathay Insurance Co., Ltd. (China) Jiangsu Branch**

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Jianye District, Nanjing City, Jiangsu, PRC  
ZIP: 210008  
Tel: 86-25-83715188  
Fax: 86-25-83191728

**Cathay Insurance Co., Ltd. (China) Kunshan Sales Office**

Address: 2F, No. 8, Heilongjiang North Road, Kunshan City,  
Jiangsu, PRC  
ZIP: 215300  
Tel: 86-512-57300300  
Fax: 86-512-57302588

**Cathay Insurance Co., Ltd. (China) Suzhou Sales Office**

Address: Room 3B, No. 66, Huanfu Road, Suzhou Industrial  
Park, Suzhou, Jiangsu, PRC  
ZIP: 215125  
Tel: 86-512-62555058  
Fax: 86-512-62520913

**Cathay Insurance Co., Ltd. (China) Changzhou Central  
Sub-branch**

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Xinbei Qu, Changzhou Shi, Jiangsu Sheng, China  
ZIP: 213000  
Tel: 86-519-81239878  
Fax: 86-519-81235768

**Cathay Insurance Co., Ltd. (China) Fujian Branch**

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District, Fuzhou, Fujian, PRC  
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Tel: 86-591-87275828  
Fax: 86-591-87273066

**Cathay Insurance Co., Ltd. (China) Xiamen Central**

**Sub-branch**

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Xiamen, Fujian, PRC  
ZIP: 361010  
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Fax: 86-592-5066160

**Cathay Insurance Co., Ltd. (China) Quanzhou Sales  
Office**

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Quanzhou, Fujian, PRC  
ZIP: 362000  
Tel: 86-595-28015288  
Fax: 86-595-28073288

**Cathay Insurance Co., Ltd. (China) Zhangzhou Sales  
Office**

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Xiangcheng District, Zhangzhou, Fujian, PRC  
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Fax: 86-596-2899058

**Cathay Insurance Co., Ltd. (China) Ningde Sales Office**

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W. Road, Dongqiao District, Ningde City, Fujian, PRC  
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Fax: 86-593-2803108

**Cathay Insurance Co., Ltd. (China) Guangdong Branch**

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PRC  
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Tel: 86-20-83960060  
Fax: 86-20-83543392

**Cathay Insurance Co., Ltd. (China) Dongguan Sales Office**

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Cheng District, Dongguan, Guangdong, PRC  
ZIP: 523008  
Tel: 86-769-23020610  
Fax: 86-769-22855970

**Cathay Insurance Co., Ltd. (China) Heyuan Sales Office**

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Boulevard and Yonghe Road, Yuan Cheng District, Heyuan  
City, Guangdong, PRC  
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Fax: 86-762-3339273

**Cathay Insurance Co., Ltd. (China) Zhejiang Branch**

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City, Zhejiang Province, PRC  
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Fax: 86-571-28712188

**Cathay Insurance Co., Ltd. (China) Shandong Branch**

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Lu, Shizhong Qu, Jinan Shi, Shandong Sheng, China  
ZIP: 250014  
Tel: 86-531-83192688  
Fax: 86-531-83192687

**Cathay Insurance Co., Ltd. (China) Jinan Central  
Sub-branch**

Address: Suite 503, 5F, Luyin Building, 20518 Jing Shi Lu,  
Shizhong Qu, Jinan Shi, Shandong Sheng, China  
ZIP: 250014  
Tel: 86-531-83192688  
Fax: 86-531-83192687

**Cathay Insurance Co., Ltd. (China) Qingdao Central**

**Sub-branch**

Address: Rm. 19, Galaxy Building, 29 Shandong Road,  
Shinan District, Qingdao, Shandong, PRC  
ZIP: 266071  
Tel: 86-532-55728299  
Fax: 86-532-80913825

**Cathay Insurance Co., Ltd. (China) Linyi Central  
Sub-branch**

Address: 1F, 1 Dongyi Road, Hedong District, Linyi,  
Shandong, PRC  
ZIP: 276034  
Tel: 86-539-3122288  
Fax: 86-539-3122022

**Cathay Insurance Co., Ltd. (China) Weifang Central  
Sub-branch**

Address: 20F, 13911, Tianheng Technology Building, Jian  
Kang Dong Jie, Kuiwen Qu, Weifang Shi, Shandong Sheng,  
China  
ZIP: 261000  
Tel: 86-536-2258388  
Fax: 86-536-2258399

**Cathay Insurance Co., Ltd. (China) Beijing Branch**

Address: 10F, Block 4, Lippo Plaza, 8 Ronghua Middle  
Road, Beijing Economic and Technological Development  
Zone, Beijing, PRC  
ZIP: 100176  
Tel: 86-10-59336888  
Fax: 86-10-89043020

**Cathay Insurance Co., Ltd. (China) Sichuan Branch**

Address: Suite 7-1-720, West Area of New Century Global  
Center, No. 1700 Tianfu Avenue North, Gaoxin District,  
Chengdu, Sichuan Province  
ZIP: 610041  
Tel: 86-28-82801666  
Fax: 86-28-82361022

**Cathay Insurance Co., Ltd. (China) Hubei Branch**

Address: 13F, Changhang Building, No. 69, Yanjiang  
Boulevard, Jiangnan District, Wuhan, Hubei, PRC  
ZIP: 430021  
Tel: 86-27-83537945  
Fax: 86-27-85586762

**Cathay Insurance Co., Ltd. (China) Wuchang Friendship  
Boulevard Sales Office**

Address: No. Te 8, Friendship Boulevard, Wuchang District,  
Wuhan, Hubei, PRC  
ZIP: 430062  
Tel: 027-83537945  
Fax: 027-85586762

**Cathay Insurance Co., Ltd. (China) Hankou Shuangdun  
Sales Office**

Address: No. 213 Hanxi North Rd., Qioakou District,  
Wuhan, Hubei Province, China  
ZIP: 430034  
Tel: 027-83537945  
Fax: 027-85586762

**Cathay Insurance Co., Ltd. (Ho Chi Minh City  
Headquarters, Vietnam)**

Address: 6F, 46-48-50 Pham Hong Thai Str., District 1, Ho  
Chi Minh City, Vietnam  
Tel: 84-8-62888385  
Fax: 84-8-62909890

**Cathay Insurance Co., Ltd. (Vietnam) Hanoi Branch**

Address: 6F, 167 Bui Thi Xuan Str., Hai Ba Trung Dist., Ha  
Noi City, Vietnam  
Tel: 84-4-63252333  
Fax: 84-4-62782922





## The Year in Review 2015

### January

- ❖ Cathay Century Insurance held its 2015 January sales executive meeting.
- ❖ Cathay United Bank launched its dual-currency credit card, an innovative sales model that integrates multiple financial products (funds, currency exchange, and fixed deposits) and fulfills the diverse financial needs of our target customers.

### February

- ❖ Cathay United Bank's My MobiBank (MMB) app is a new personalized mobile service that provides users with information on changes to their account balance, credit card purchases (regardless of amount), gains or losses in fund investment, and changes in foreign currency rate. By setting push services, users can receive real-time notifications from MMB.
- ❖ Cathay Century Insurance sponsored a sport event that led to the establishment of Taiwan's first Ironman Triathlon and Long-Distance Running Team.
- ❖ Cathay Securities launched its first-ever App Password Unlock service.

### March

- ❖ Cathay Securities launched the Fingerprint Identification app service, simplifying login procedures and ensuring secure transactions.

### April

- ❖ Cathay Securities Investment Trust listed the Cathay FTSE China A50 ETF.
- ❖ Cathay United Bank launched its global corporate Internet banking services (including Taiwan and Hong Kong).
- ❖ Cathay Securities held the "2015 Taiwan's Capital Market Seminar" in Suzhou.

### May

- ❖ Cathay Century Insurance hosted the "Cathay Century Insurance Loss Prevention Forum" to discuss issues on "International Cargo Transport Risks."
- ❖ Cathay Life Insurance held the 2015 Business Conference and Japan Hakodate Summit.
- ❖ The "2015 Cathay Customers' Children Scholarship Program" held its lot drawing ceremony.
- ❖ Cathay United Bank launched its all-new KOKO brand, a digital banking service that is simple, instant, interactive, and which satisfies the digital banking needs of customers. KOKO is comprised of an app, Internet banking, official website, KOKO store and credit card service.
- ❖ Cathay United Bank opened Jakarta Representative Office.

### June

- ❖ Cathay Financial Holdings held its 2015 general shareholders' meeting.
- ❖ Ally Logistic Property, Cathay Life Insurance, and Symphox Information Co., Ltd. cooperated in establishing the Logistics Republic company based in Ruifang. Furthermore, Ally Logistic Property also cooperated with Cathay Financial Holdings' subsidiary Cathay United Bank in launching the Logistics Finance innovative credit service.

### July

- ❖ In March Cathay Life Insurance won the bidding for Global Life Insurance Co. and Singfor Life Insurance Co., and acquired their assets, liabilities, and operations. Thanks to collective efforts among the teams of the three companies, settlement was completed on July 1, one month in advance of the anticipated settlement date (August 1).
- ❖ Cathay Securities Investment Trust's "Cathay European Equity" was established on July 1.
- ❖ Cathay Securities launched its first-ever "Online Account Opening" app, affording customers with a more convenient service for opening bank accounts online.
- ❖ Cathay United Bank and Kanbawza Bank in Myanmar signed an MOU.
- ❖ Cathay United Bank arranged a US\$50 million syndicated loan for Sacom Bank. Vietnam's largest private-held bank.
- ❖ Cathay United Bank joined with international brand Asia Miles and launched its first Travel & Lifestyle oriented credit card.
- ❖ Cathay Century Insurance (China) opened its Weifang Center Sub-Branch and Jinan Center Sub-Branch.
- ❖ Cathay Group hosted the "2015 Cathay's Dream Camp – Jeremy Lin Basketball Training Camp."
- ❖ Cathay Financial Holdings sponsored the Cloud Gate Dance Foundation Outdoor Performance 20th Anniversary Press Conference.
- ❖ Cathay Life Insurance, Cathay Century Insurance, and medical teams of Cathay General Hospital collaborated with AA International Taiwan in providing Cathay insurance customers with a seamless overseas medical rescue service—"Travel Rescue Easy Go."

### August

- ❖ Cathay Life Insurance officially opened its OIU business after acquiring OIU certification from the Central Bank.
- ❖ Cathay Financial Holdings hosted the "2015 Cathay NBA Youth Madness 3-on-3 College Basketball Tournament" and the "2015 Cathay Senior High 3-on-3 High School Basketball Final."
- ❖ Cathay Century Insurance hosted the "International Trade Credit Risk Seminar."
- ❖ Cathay Century Insurance launched its "Accident-Free riders" loss prevention initiative.
- ❖ Cathay Securities announced the launch of its "Mobile Website" to provide mobile device users with access to official website information.
- ❖ Cathay United Bank arranged a US\$105 million syndicated loan for Bank for Investment and Development of Vietnam (BIDV).
- ❖ Cathay United Bank worked with LINE Pay in introducing a LINE Pay payment account. Utilizing social networking, users are able to shop online and transfer money directly to friends that are also found on the Line app.
- ❖ Cathay United Bank launched the "Smart Q" live chat app, the first customer service robot in the financial industry. The app applies artificial intelligent keyword comparisons to find information that customers' request, and employs semantic comprehension technologies to offer virtual human-machine real-time interactive services. Service channels encompass Cathay United Bank website, MyBank Internet banking, MyMobiBank, and Koko's website. Through a wide range of service channels, instant Q&A service is provided to our customers.



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Cathay Financial Holdings

- ❖ Cathay Financial Holdings produced a short commercial titled "A Little Drummer" to disseminate the message "Happiness is Giving Happiness to Others" to the greater community. The commercial received positive ratings and feedback.

## September

- ❖ For the first time, Cathay United Bank held the Music Run™ by Koko at the Weifeng Canal in Luzhou of New Taipei City, attracting the participation of nearly 10,000 runners.
- ❖ Cathay Securities Investment Trust's "Cathay China High Yield Bond" was listed on September 10.
- ❖ Cathay Century Insurance, a subsidiary of Cathay Financial Holdings, brought in Ant Financial through a capital increase in an effort to jointly develop an innovative online e-commerce financial platform.
- ❖ Cathay Life Insurance teamed up with China Life Insurance and Cathay Lujiazui Life Insurance to expand its insurance loss claim network across the Taiwan Strait.
- ❖ Cathay Securities cooperated with Maybank Kim Eng in hosting the Taiwan Enterprise Day conference, attracting over a hundred large-scale institutional clients from Southeast Asian regions.
- ❖ Cathay Securities was the first in the industry to launch a single-function Sub-Brokerage app.
- ❖ Cathay Securities officially completed the 100% stake acquisition of Horizon Securities (Hong Kong).
- ❖ Cathay Life Insurance completed the acquisition of a 100% stake acquisition in Conning Holdings Corp.

## October

- ❖ Cathay Securities held the "2015 Entry to Taiwan's Capital Market Seminar" in Bangkok.
- ❖ Cathay United Bank launched the My Password app (mobile push OTP), which is the first tool established in Taiwan that combines mobile banking with the unique hardware encrypted password of a mobile device to provide interactive security authentication.

- ❖ Cathay United Bank opened Manila Branch.
- ❖ Changzhou Central Sub-branch of Cathay Insurance (China) received approval to commence business operations.

## November

- ❖ Cathay Century Insurance hosted the "Cathay Century Insurance Loss Prevention Forum" to discuss "Corporate Crisis Management."
- ❖ Cathay Securities held the "2016 Global Trends Visionary Forum."
- ❖ Cathay Futures provided foreign futures brokerage service.
- ❖ Cathay United Bank opened Shanghai Jiading Sub-Branch.
- ❖ Cathay Securities Investment Trust hosted a press conference to announce its relocation.

## December

- ❖ The Hankou Shuangdun Sales Office of Cathay Insurance Co., Ltd. (China) Hubei Branch received approval to commence business.
- ❖ Cathay United Bank partnered with ADTC in launching, on December 21, the first NFC mobile credit card on a trusted service management (TSM) platform for users of the five major telecommunication service providers.
- ❖ Cathay Financial Holdings hosted the 2015 Wei-Yin Chen Baseball Camp.
- ❖ Cathay Securities held the "2015 Employees of the Year" award ceremony.
- ❖ Cathay Securities officially opened the subsidiary Cathay Securities (Hong Kong) Limited.
- ❖ Cathay Securities Investment Trust's "Cathay Asia-Pacific Income Balanced Income fund" was listed on December 25.
- ❖ The award ceremony for the 40th Cathay Children's Drawing Competition was held.
- ❖ The award ceremony for 2015 Wan-Lin Tsai Memorial Scholarship was held.



- 01 Award ceremony for the 2015 Wan-Lin Tsai Scholarship
- 02 Ally Logistic Property and Cathay Financial Holdings jointly launched the "Logistics Finance" innovative credit service
- 03 The "2015 Cathay Customers Children's Scholarship Programme" lot drawing ceremony
- 04 2015 Cathay Baseball Hero--Wei-Yin Chen Baseball Training Camp
- 05 2015 Cathay Dream Camp--Jeremy Lin Basketball Training Camp

## Credit Ratings

Company	Moody's	S & P	Taiwan
Cathay Financial Holdings	Baa2	BBB+	TwAA
Cathay Life Insurance	Baa1	A-	TwAA+
Cathay United Bank	A2	A-	TwAA+
Cathay Century Insurance	A3	A-	TwAA+
Cathay Securities	--	--	TwA+

※ Credit rating information was up to date as of December 2015.





## 2015 Honors and Accolades

### March

- ❖ Cathay United Bank received the Financial Insights Innovation Awards (FIIA) from IDC Financial Insights (IDC FI) for "Best Data Infrastructure" and "Best Enterprise Transformation" in the Asia Pacific region.
- ❖ Cathay United Bank won first prize in the "Financial Management Five-Star Award" held by Global Views Monthly.
- ❖ In the 2015 Power Brand Survey conducted by Manager Today, Cathay Life Insurance won first place in the life insurance category, and Cathay United Bank won an excellence award in the banking category.

### April

- ❖ At the "Insurance Dragon and Phoenix Awards" held by the Risk Management, Insurance and Finance Foundation, Cathay Life Insurance received recognition in the "life insurance company field work" category, Cathay Financial Holdings the outstanding award in the "financial holding company" category, and Cathay Century Insurance the outstanding award in the "non-life insurance company" category. Cathay Financial Holdings was voted the most desirable financial holding employer by graduates majoring in finance or insurance.
- ❖ In the "Young Generation Brand Survey" published by 30 Magazine, Cathay Life Insurance won awards for the sixth consecutive year, achieving first place in both the "Most Favorable Brand" and the "Brand That You Like to Own Most" categories.
- ❖ Cathay Life Insurance achieved first place in CommonWealth Magazine's "Gold Service Award" under the life insurance category. Cathay United Bank was also ranked third place in the banking industry two years consecutively.
- ❖ Cathay Securities Investment Trust won the "Market Award - Taiwan" at the "2015 Asset Management Awards" hosted by Asian Investor.
- ❖ Cathay United Bank was for the second consecutive year recognized as winner of the Best ATM and Kiosks Project, Best Lending Platform Implementation Project, and Best Data & Analytics Project Award in the Technology Implementation Awards presented by The Asian Banker.
- ❖ Cathay Women Basketball Team won the WSLB championship for the 22 consecutive time.
- ❖ The "Global Views CSR Survey" conducted by Global Views Monthly revealed Cathay Financial Holdings as the sole financial company being honored with the "Model Award."

### May

- ❖ Cathay Financial Holdings was awarded "Cross Straits Service Enterprise Contribution of Excellence" by "Taiwan Coalition of Service Industries" and "China Joint Chamber of Commerce."
- ❖ Cathay Financial Holdings continued to rank No. 1 among financial institutions in Taiwan in the "Top 1,000 Companies in Greater China" survey conducted by Business Today Weekly in 2015.
- ❖ CommonWealth Magazine released the results of "Greater China's Top 1000 Companies in 2015," which ranked companies by revenue stated in their respective 2013 financial statements. Cathay Financial Holdings ranked No. 1 among financial institutions in Taiwan.
- ❖ CommonWealth Magazine's 2015 Top 2,000 Survey  
Cathay Financial Holdings was ranked No. 1 in the Financial Holding Company ranking.

Of the Top 100 in the financial sector, Cathay Life Insurance ranked No. 1. Of the financial sector by industry, Cathay Life Insurance ranked No. 1 in the life insurance category.

- ❖ Cathay United Bank was awarded the Excellence Service Quality Award from the international organization VISA, standing out among multi-national card issuing SME banks. For the first time, Cathay United Bank won recognition for "Authorization Approval Rate" and "E-commerce Efficiency" and was the one and only bank in Taiwan to have received these two awards simultaneously.
- ❖ Cathay Securities' "Stock Lottery app" received the 2015 Business Innovation Award and Winner of Best Customer Experience presented by Business Next Magazine.

### June

- ❖ Cathay Life Insurance won the championship in the life insurance category of the Taiwan Service Sector Evaluation.
- ❖ Cathay Financial Holdings was recognized as being in the top 5% listed and OTC company in the First Corporate Governance Evaluation held by TWSE.
- ❖ Cathay Century Insurance received the 12th Golden Torch Award - Top Ten Outstanding Enterprises of the Year and Top Ten Outstanding Products organized by the Outstanding Enterprise Manager Association ROC.
- ❖ Cathay United Bank was ranked first place in both the "Best Cross-Border Trade Bank Taiwan 2015" and "Leading Counterparty Bank Taiwan 2015" by Global Banking & Finance Review.
- ❖ Cathay United Bank was named The Best Trade Bank in Taiwan 2015 by Trade Finance Magazine.
- ❖ Cathay Financial Holdings, once again, garnered recognition from the Reader's Digest Trusted Brand.
- ❖ Cathay Life Insurance was for the 12th consecutive year announced a winner in the Reader's Digest Trusted Brands survey in the life insurance category; and Cathay United Bank won the Banking, Credit Card, and Wealth Management Category.
- ❖ Cathay Securities was the winner of the Fastest Growing Securities Brokerage Company Taiwan 2015 in the Global Banking & Finance Review Awards.
- ❖ Cathay United Bank received the Best Employee Management Award from the Asian Banker for two consecutive years.



## July

- ❖ Cathay Life Insurance and Cathay Century Insurance were recognized by the Taiwan Insurance Excellence Award ceremony hosted by Taiwan Insurance Institute in 12 categories:
- ❖ Cathay Life Insurance received six gold medals in six categories under the Sixth Insurance Excellence Award: Excellence in Talent Cultivation; Excellence in Information Application; Excellence in Product Innovation; Excellence in Protection-Oriented Product Promotion; Excellence in Social Contribution; and Excellence in Risk Management. It also won a silver medal for Excellence in Insurance Service.
- ❖ Cathay Century Insurance won the Sixth annual Insurance Excellence Award, with a gold medal for Excellence in Insurance Service and four silver medals in Excellence in Talent Cultivation; Excellence in Information Application; Excellence in Product Innovation; and Excellence in Risk Management.
- ❖ In the Asiamoney cash management polls, Cathay United Bank was ranked No. 1 in five categories of the 2015 Best Cash Management Bank in Taiwan.
- ❖ Cathay United Bank was honored first place in the "Taiwan Domestic Trade Finance Bank of the Year" by Asian Banking & Finance.
- ❖ Cathay United Bank was rated as the Best Financial Expert in the Wealth Management Bank and Securities Evaluation by Business Today Weekly.
- ❖ Cathay Life Insurance was the sole financial institution in Taiwan to have made it on the list of Fortune Magazine's Global 500 2015.
- ❖ Cathay United Bank was honored first place in the "Best Trade Finance Bank in Taiwan 2015" by Global Banking & Finance Review.

## August

- ❖ Cathay United Bank received the Best Brand Image Award by Excellence magazine in 2015.
- ❖ Cathay Financial Holdings received the 2015 Corporate Citizenship Award from Commonwealth Magazine for three consecutive years.
- ❖ Cathay Life Insurance and Cathay Century Insurance received 12 awards and excellence in 8 categories in the "17th Insurance Faith Hope Love Award" from the Risk Management, Insurance and Finance Magazine.
- ❖ Cathay Life Insurance received 8 awards and excellence in 5 categories, including Special Award for Best Insurance Leader, Best Social Responsibility, Best Integrated Communication, Best Insurance Expert, Best Contributor to Insurance Education, Best Sales Strategy, Best Product Creativity, Best Communication Office, and under the individual category, Best Social Contribution, Best Professional Consultant, and Best Achievement in Insurance.
- ❖ Cathay Century Insurance won 4 awards, including Best Achievement in Insurance, Best Professional Consultant, Best Social Contribution, and Best Product Creativity, as well as excellence in three categories, including Best Communication Office, Best Insurance Expert, and Best Sales Strategy.
- ❖ Cathay Financial Holdings was commended by the Ministry of Economic Affairs for its effort in the "Financial, Catering, and Shoe Industry Voluntary Energy Conservation" program.
- ❖ Cathay Life Insurance officially opened its OIU business after acquiring OIU permit from the Central Bank on August 4.
- ❖ Cathay United Bank received the IFTDO-Global HRD Awards in two categories: Best HRD Practice and Improved Quality of Working Life.

## September

- ❖ Cathay United Bank was the one and only financial institution in Taiwan to receive the Taiwan Derivatives House of the Year for 2015 by Asia Risk.
- ❖ Cathay United Bank was recognized as the Best Distributor in Taiwan by Structured Retail Products.
- ❖ Cathay United Bank was awarded the Best Regional Structured Product, Private Banking, Wealth Management and Investment Award-Best Private Bank - Country Award, and the Best Wealth Manager in the Triple A Award by the Asset magazine for four consecutive years.
- ❖ For seven years in a row, Cathay Life Insurance received three honors at "The Sports Contribution Award", including gold medals in the sponsorship and promotional efforts categories as well as the second consecutive long term sponsorship award.
- ❖ The Dow Jones Sustainability Index (DJSI) announced its evaluation result for 2015, revealing that Cathay Financial Holdings was added as a component of the DJSI Emerging Market Index. Cathay Financial Holdings is the only Taiwan insurance company to be added and only the second insurance company overall among all

emerging market insurance companies.

## October

- ❖ In the 2015 Excellence and Best Rating Survey hosted by the Excellence magazine, Cathay Life Insurance received the Financial Holding Company - Best Brand Image Award.
- ❖ Cathay United Bank won the BEST Awards by the Association for Talent Development (ATD), the only Taiwan-based recipient of this award.
- ❖ Cathay Securities received the 12th Annual National Brand Yushan Award for "Outstanding Enterprise Category." Its "Stock Lottery app" won the First National Award in the "Best Product Category."

## November

- ❖ In the Next Media Magazine's 12th Top Service Award, Cathay Life Insurance and Cathay United Bank were named No. 1 in their respective categories.
- ❖ Cathay Financial Holdings' subsidiaries, Cathay Life Insurance, Cathay United Bank, and Cathay Securities Investment Trust received the First Futures Diamond Award.
- ❖ Cathay Financial Holdings received the 2015 CSR Award for excellence in various CSR performances.
- ❖ Cathay United Bank was ranked No.10 in the world for the 2015 BEST Awards presented by the Association for Talent Development (ATD).
- ❖ In Asiamoney's 2015 Brokers Poll, Cathay Securities was selected as the Best Improved Brokerage Over the Last 12 Months and was ranked second place in Best Salesperson and third place in Best Trading Execution, Best for Roadshows and Company Visits, and Best Sales Trader.
- ❖ Cathay Securities received a silver medal for Taiwan Train Quality System (TTQS) Corporate Institution Version from the Workforce Development Agency of Ministry of Labor, Executive Yuan.
- ❖ Cathay United Bank received the Taiwan Corporate Sustainability Award-Innovation and Growth Award (logistics and financial credit service) by Taiwan Institute for Sustainable Energy.

## December

- ❖ Cathay Life Insurance won first place in the 2015 Consumer Brand Survey conducted by Management Magazine for 17 years in a row, and Cathay Financial Holdings was also the winner among the financial holding industry for the eighth consecutive year.
- ❖ Cathay Financial Holdings again received the 2015 Insurance Quality Award: Cathay Life Insurance won four excellence awards in the categories of "Best Recognized", "Best Salesperson", "Best Claim Service", and "Best Recommended." Cathay Century Insurance won an excellence award in the category of "Best Image" and three outstanding awards in the categories of "Best After-Sales Service", "Best Salesperson" and "Best Recommended."
- ❖ Cathay Life Insurance received the 2015 Taiwan M&A Award; specifically, its acquisition of Global Life Insurance Co. and Singfor Life Insurance Co. won the Most Influential M&A Award and its acquisition of Conning Holdings Corp, won the Most Representative M&A Award.
- ❖ Cathay Financial Holdings was, again, honored in the Golden Goblet Award: Cathay Securities Chairman, Shih-Ting Chu was honored in the Outstanding Enterprise Leader Award of the 13th Golden Goblet Award by Securities and Futures Institute. Cathay Securities Investment Trust received the Outstanding Salary Increase Award and Outstanding Investment Consultation Talent Award.
- ❖ Cathay Life received the AsiaInvestor Institutional Excellence Awards 2015.
- ❖ The Wealth Magazine Biweekly published the winner list for Consumer Financial Service Brand Awards and FHC CSR Awards: Cathay Financial Holdings received the first FHC CSR Excellence Award; Cathay Life Insurance received the Best Life Insurance Brand Image - Gold Award and the Best Life Insurance Services - Premium Award; Cathay United Bank received the Best Banking Product - Premium Award and the Best Internet Banking Excellence Award; and Cathay Securities received the first Best Mobile Broker Excellence Award.
- ❖ Cathay Securities received the 2015 Warrant Issuer and Consigned Trading Securities Dealer-Excellent Warrant Issuer Award.

■ Cathay Life received the AsiaInvestor Institutional Excellence Awards 2015





# *2015 Financial Report*

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## Independent Auditors' Report

### English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

Cathay Financial Holding Co., Ltd.

We have audited the accompanying consolidated balance sheets of Cathay Financial Holding Co., Ltd. (the "Company") and its subsidiaries as of 31 December 2015, 31 December 2014 and 1 January 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2015 and 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statement. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement. We believe that our audits provide a reasonable basis for our opinion.

Based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2015, 31 December 2014 and 1 January 2014, and the consolidated financial performance and cash flows for the years ended 31 December 2015 and 2014, in conformity with the requirements of the "Regulations Governing the Preparation of Financial Reports by Financial Holding Companies", "Regulation Governing the Preparation of Financial Reports by Securities Issuers" and "International Financial Reporting Standards", "International Accounting Standards", "Interpretations developed by the International Financial Reporting Interpretations Committee" as endorsed by Financial Supervisory Commission of the Republic of China.

As described in Note 3 to the consolidated financial statements, the Company and its subsidiaries prepared the financial reports in accordance with the International Financial Reporting Standards ("IFRS"), International Accounting Standards, and interpretations issued, revised or amended (excluding IFRS 9), which are recognized by the FSC and would be applicable for annual periods beginning on or after 1 January 2015. The consolidated financial statements for the year ended 31 December 2014, and the related consolidated balance sheets as of 1 January 2014 was restated retrospectively.

Ernst & Young

Taipei, Taiwan

The Republic of China

17 March 2016

### Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdiction. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.



# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Consolidated Balance Sheets

As at 31 December 2015, 31 December 2014 and 1 January 2014

Expressed in thousands of dollars

	2015.12.31		2014.12.31 (adjusted)		2014.1.1 (adjusted)	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
<b>Assets</b>						
Cash and cash equivalents	\$191,780,120	\$5,848,738	\$435,006,606	\$13,766,032	\$331,666,078	\$11,118,541
Due from the Central Bank and call loans to banks	100,169,436	3,054,878	151,289,044	4,787,628	151,945,066	5,093,700
Financial assets at fair value through profit or loss	296,117,926	9,030,739	223,007,168	7,057,189	244,023,246	8,180,464
Available-for-sale financial assets - net	1,486,393,125	45,330,684	1,405,300,159	44,471,524	1,357,106,776	45,494,696
Derivative financial assets for hedging	447,326	13,642	665,390	21,057	1,300,914	43,611
Securities purchased under agreements to resell	55,880,471	1,704,192	56,515,170	1,788,455	12,960,817	434,489
Receivables - net	141,665,344	4,320,382	134,368,376	4,252,164	169,590,966	5,685,249
Current income tax assets	4,323,586	131,857	7,374,177	233,360	5,585,301	187,238
Assets held for sale - net	-	-	-	-	81,950	2,747
Loans - net	1,766,476,353	53,872,411	1,812,773,579	57,366,253	1,667,391,682	55,896,469
Reinsurance assets - net	7,000,785	213,504	6,377,012	201,804	5,740,684	192,447
Held-to-maturity financial assets - net	81,708,446	2,491,871	81,658,512	2,584,130	54,970,153	1,842,781
Investments accounted for using the equity method - net	25,500,488	777,691	4,545,318	143,839	3,152,848	105,694
Other financial assets - net	2,790,400,892	85,099,143	2,131,815,297	67,462,509	1,724,797,817	57,820,912
Investment properties - net	381,149,809	11,623,965	338,336,979	10,706,866	292,314,597	9,799,350
Property and equipment - net	97,488,736	2,973,124	92,877,629	2,939,165	103,394,363	3,466,120
Intangible assets - net	56,943,768	1,736,620	9,283,025	293,767	9,223,432	309,200
Deferred tax assets - net	14,425,707	439,942	16,081,618	508,912	14,657,474	491,367
Other assets - net	71,102,715	2,168,427	37,562,177	1,188,676	26,963,941	903,920
Total assets	<u>\$7,568,975,033</u>	<u>\$230,831,810</u>	<u>\$6,944,837,236</u>	<u>\$219,773,330</u>	<u>\$6,176,868,105</u>	<u>\$207,068,995</u>
<b>Liabilities &amp; Equity</b>						
<b>Liabilities</b>						
Due to the Central Bank and call loans from banks	\$41,226,909	\$1,257,301	\$58,816,432	\$1,861,279	\$56,985,225	\$1,910,333
Bankers acceptances and funds borrowed	-	-	1,585,900	50,187	1,497,500	50,201
Financial liabilities at fair value through profit or loss	137,471,418	4,192,480	108,286,154	3,426,777	28,754,621	963,950
Derivative financial liabilities for hedging	-	-	-	-	5,148	173
Securities sold under agreements to repurchase	55,523,982	1,693,321	62,021,921	1,962,719	60,931,600	2,042,628
Commercial paper payable - net	35,677,634	1,088,064	26,790,000	847,785	10,050,000	336,909
Payables	43,680,334	1,332,124	50,417,151	1,595,479	37,548,440	1,258,748
Current income tax liabilities	946,549	28,867	237,634	7,520	37,003	1,240
Deposits	1,854,495,831	56,556,750	1,702,302,143	53,870,321	1,585,031,001	53,135,468
Bonds payable	71,800,000	2,189,692	107,613,949	3,405,505	92,417,213	3,098,130
Provisions	4,262,002,527	129,978,729	3,800,562,744	120,270,973	3,475,059,961	116,495,473
Other financial liabilities	549,564,053	16,760,111	543,279,993	17,192,405	413,414,217	13,859,008
Deferred tax liabilities	34,775,271	1,060,545	27,171,920	859,871	18,936,918	634,828
Other liabilities	20,748,323	632,764	16,630,845	526,292	14,712,855	493,223
Total liabilities	<u>7,107,912,831</u>	<u>216,770,748</u>	<u>6,505,716,786</u>	<u>205,877,113</u>	<u>5,795,381,702</u>	<u>194,280,312</u>
<b>Equity attributable to owners of parent</b>						
<b>Capital stock</b>						
Common stock	125,632,102	3,831,415	125,632,102	3,975,699	119,649,621	4,011,050
Capital surplus	88,781,174	2,707,569	88,782,304	2,809,567	89,063,184	2,985,692
<b>Retained earnings</b>						
Legal reserve	24,820,095	756,941	19,784,401	626,089	16,922,773	567,307
Special reserve	140,185,120	4,275,240	82,305,614	2,604,608	82,314,780	2,759,463
Undistributed earnings	65,190,213	1,988,114	60,939,777	1,928,474	37,273,569	1,249,533
Other equity	10,448,290	318,642	56,036,407	1,773,304	32,082,136	1,075,499
Non-controlling interests	6,005,208	183,141	5,639,845	178,476	4,180,340	140,139
Total equity	<u>461,062,202</u>	<u>14,061,062</u>	<u>439,120,450</u>	<u>13,896,217</u>	<u>381,486,403</u>	<u>12,788,683</u>
Total liabilities and equity	<u>\$7,568,975,033</u>	<u>\$230,831,810</u>	<u>\$6,944,837,236</u>	<u>\$219,773,330</u>	<u>\$6,176,868,105</u>	<u>\$207,068,995</u>

# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Consolidated Statements of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars, except earning per share

Item	2015.1.1~2015.12.31		2014.1.1~2014.12.31(adjusted)	
	NT \$	US \$	NT \$	US \$
Interest income	\$157,043,430	\$4,789,370	\$141,393,913	\$4,474,491
Less: Interest expenses	(17,081,656)	(520,941)	(16,271,075)	(514,907)
Net interest income	139,961,774	4,268,429	125,122,838	3,959,584
Net income other than interest				
Net commission and handling fee	(4,479,777)	(136,620)	369,206	11,684
Net premiums from insurance business	226,753,764	6,915,333	202,458,185	6,406,904
Losses on financial assets and liabilities at fair value through profit or loss	(61,256,966)	(1,868,160)	(47,433,606)	(1,501,064)
Gains from investment properties	19,914,745	607,342	26,194,212	828,931
Realized gains on available-for-sale financial assets	55,126,954	1,681,212	43,703,755	1,383,030
Realized (losses) gains on held-to-maturity financial assets	(46,383)	(1,415)	4,591	145
Gains on foreign exchange	50,027,860	1,525,705	53,400,038	1,689,875
Impairment losses on assets	(32,160)	(981)	(118,038)	(3,735)
Share of profit of associates and joint ventures accounted for using equity method	1,107,708	33,782	167,533	5,302
Net other non-interest gains	14,187,520	432,678	3,448,803	109,139
Total income	441,265,039	13,457,305	407,317,517	12,889,795
Bad debt expenses and provision for premiums reserve	(2,467,452)	(75,250)	(2,982,411)	(94,380)
Changes in insurance liabilities and provisions	(306,598,275)	(9,350,359)	(290,799,984)	(9,202,531)
Operating expenses				
Employee benefits expenses	(39,148,233)	(1,193,908)	(34,983,801)	(1,107,082)
Depreciation and amortizations expenses	(3,641,309)	(111,049)	(2,525,029)	(79,906)
Other general and administration expenses	(22,277,568)	(679,401)	(19,968,258)	(631,907)
Subtotal	(65,067,110)	(1,984,358)	(57,477,088)	(1,818,895)
Profit before income tax from continuing operations	67,132,202	2,047,338	56,058,034	1,773,989
Income tax expense	(9,249,831)	(282,093)	(6,426,682)	(203,376)
Net income	57,882,371	1,765,245	49,631,352	1,570,613
Other comprehensive income				
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	(2,824,773)	(86,147)	(1,289,927)	(40,820)
Revaluation surplus	92,744	2,828	913,058	28,894
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - not to be reclassified to profit or loss in subsequent periods	(164,196)	(5,007)	(1,445)	(46)
Changes of designated financial liabilities at fair value through profit or loss resulting from credit risk	42,544	1,297	58,013	1,836
Income tax relating to the components not to be reclassified to profit or loss in subsequent periods	499,804	15,243	131,667	4,167
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of a foreign operation	1,488,609	45,398	1,602,548	50,714
Unrealized (loss) gain from available-for-sale financial assets	(47,035,243)	(1,434,439)	26,656,341	843,555
Gain (loss) on cash flow hedges	230,973	7,044	(241,911)	(7,655)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - to be reclassified to profit or loss in subsequent periods	347,060	10,584	88,936	2,814
Income tax relating to the components to be reclassified to profit or loss in subsequent periods	1,964,114	59,900	(2,755,081)	(87,186)
Other comprehensive income, net of tax	(45,358,364)	(1,383,299)	25,162,199	796,273
Total comprehensive income	\$12,524,007	\$381,946	\$74,793,551	\$2,366,886
Net income attributable to:				
Owners of parent	\$57,513,572	\$1,753,998	\$49,369,162	\$1,562,315
Non-controlling interests	368,799	11,247	262,190	8,298
Subtotal	\$57,882,371	\$1,765,245	\$49,631,352	\$1,570,613
Total comprehensive income attributable to:				
Owners of parent	\$11,939,628	\$364,125	\$74,135,650	\$2,346,065
Non-controlling interests	584,379	17,821	657,901	20,821
Subtotal	\$12,524,007	\$381,946	\$74,793,551	\$2,366,886
Earnings per share (expressed in dollars) :				
Basic earnings per share:				
Net income	\$4.58	\$0.14	\$3.93	\$0.12



Cathay Financial Holding Co., Ltd. and Subsidiaries

Statements of changes in equity

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars

Items	Equity attributable to owners of parent																										Non-controlling interests		Total equity	
	Capital stock										Retained earnings										Other equity									
	Common stock		Capital surplus		Legal reserve		Special reserve		Undistributed earnings		Exchange differences resulting from translating the financial statements of a foreign operation		Unrealized gains (losses) from available-for-sale financial assets		Gains (losses) on cash flow hedges		Changes of designated financial liabilities at fair value through profit or loss resulting from credit risk		Remeasurements of defined benefit plans		Revaluation surplus		Others							
	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$				
Balance on 1 January 2014	\$19,696,621	\$3,766,380	\$9,065,184	\$2,818,455	\$16,927,735	\$35,151	\$82,114,700	\$2,664,898	\$37,267,956	\$1,719,999	\$520,034	\$1,677,010	\$2,029,491	\$640,205	\$382,306	\$12,098	\$-	\$-	\$-	\$10,077,738	\$316,701	\$953	\$0	\$375,329,862	\$10,877,527	\$4,180,340	\$132,289	\$79,510,202	\$12,009,816	
Amounts of retrospective adjustments	-	-	-	-	-	-	-	-	(1,436)	\$455	-	-	-	-	-	-	-	-	-	1,994,388	62,993	-	-	1,976,201	62,538	-	-	1,976,201	62,538	
Balance on 1 January 2014(adjusted)	19,696,621	3,766,380	8,966,184	2,818,455	16,927,735	35,151	82,114,700	2,664,898	37,273,569	1,719,544	(530,034)	(16,710)	2,029,491	640,205	382,306	12,098	-	-	-	1,994,388	62,993	(953)	(60)	377,360,663	11,940,065	4,180,340	132,289	381,486,405	12,072,354	
Appropriations and distribution for 2013(Note 1)																														
Legal reserve					2,861,628	91,558			(2,861,628)	(90,558)																				
Cash dividends									(17,947,446)	(67,957)																				
Stock dividends	5,982,481								(5,982,481)	(189,319)																				
Reversal of special reserve							(91,66)		(290)	91,66																				
Other additional paid-in capital																														
Share of changes in net assets of associates and joint ventures accounted for using the equity method																														
The capital reserve set aside for the first-time adoption of IFRS																														
Net income for the year ended 31 December 2014(adjusted)																														
Other comprehensive income for the year ended 31 December 2014(adjusted)																														
Comprehensive income for the year ended 31 December 2014(adjusted)																														
Increase in non-controlling interests																														
Others																														
Balance on 31 December 2014(adjusted)	\$125,652,102	\$3,975,699	\$88,782,204	\$2,809,367	\$19,784,401	\$26,089	\$82,266,614	\$2,664,608	\$60,939,777	\$1,929,474	\$601,786	\$19,044	\$4,025,746	\$1,400,558	\$180,453	\$53,710	\$48,151	\$1,524	\$918,332	\$29,661	\$10,090,820	\$317,432	\$578	\$25	\$433,480,665	\$13,717,541	\$5,659,845	\$178,476	\$439,124,450	\$13,896,217
Balance on 1 January 2015(adjusted)	\$125,652,102	\$3,831,415	\$88,782,204	\$2,707,603	\$19,784,401	\$603,367	\$82,266,614	\$25,100,083	\$60,939,777	\$1,858,487	\$601,786	\$18,353	\$4,025,746	\$139,470	\$180,453	\$53,580	\$48,151	\$1,468	\$918,332	\$28,086	\$10,090,820	\$305,911	\$578	\$0	\$433,480,665	\$13,219,902	\$5,659,845	\$171,999	\$439,124,450	\$13,391,901
Appropriations and distribution for 2014(Note 2)																														
Legal reserve																														
Cash dividends																														
Stock dividend																														
Reversal of special reserve																														
Other additional paid-in capital																														
Share of changes in net assets of associates and joint ventures accounted for using the equity method																														
Net income for the year ended 31 December 2015																														
Other comprehensive income for the year ended 31 December 2015																														
Comprehensive income for the year ended 31 December 2015																														
Increase in non-controlling interests																														
Others																														
Balance on 31 December 2015	\$125,652,102	\$3,831,415	\$88,781,174	\$2,707,569	\$19,800,065	\$756,941	\$140,185,120	\$42,524,400	\$65,190,213	\$1,988,114	\$1,865,566	\$58,889	\$4,025,746	\$121,220	\$371,254	\$11,330	\$58,462	\$2,545	(8,562,555)	(947,660)	\$10,088,781	\$382,289	\$1,017	\$61	\$435,669,994	\$13,877,521	\$6,062,508	\$183,141	\$461,062,502	\$14,061,062

Note 1: As of 31 December 2013, directors' remuneration \$3,300 (US\$104) thousands and employees' bonuses \$2,394 (US\$76) thousands have been deducted from current year's Statements of Comprehensive Income.

Note 2: As of 31 December 2014, directors' remuneration \$2,100 (US\$64) thousands and employees' bonuses \$2,513 (US\$77) thousands have been deducted from current year's Statements of Comprehensive Income.

# Cathay Financial Holding Co., Ltd. and Subsidiaries

## Statements of cash flows

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)		Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$		NT\$	US\$	NT\$	US\$
<b>Cash flows from operating activities</b>					<b>Cash generated from operations</b>	(369,222,316)	(11,260,210)	20,207,825	639,490
Profit before income tax from continuing operations	\$67,132,202	\$2,047,338	\$56,058,034	\$1,773,989	Interest received	151,647,008	4,624,794	137,972,283	4,366,211
Adjustments :					Dividends received	21,702,873	661,875	16,359,524	517,706
Income and other adjustments with no cash flow effects					Interest paid	(13,698,505)	(417,765)	(15,557,979)	(492,341)
Depreciation expenses	2,184,189	66,611	2,201,638	69,672	Income taxes received (paid)	597,583	18,225	(4,425,883)	(140,060)
Amortizations expenses	1,457,120	44,438	323,391	10,234	<b>Net cash flows (used in) from operating activities</b>	(208,973,357)	(6,373,081)	154,555,770	4,891,006
Bad debt expense	2,467,452	75,250	2,982,411	94,380					
Net losses on financial assets and liabilities at fair value through profit or loss	64,467,092	1,966,060	52,807,475	1,671,123	<b>Cash flows from investing activities</b>				
Interest expenses	17,081,656	520,941	16,271,075	514,907	Acquisition of financial assets at fair value through profit or loss	(4,137,871)	(126,193)	(1,483,000)	(46,930)
Interest revenue	(157,043,430)	(4,789,370)	(141,393,913)	(4,474,491)	Disposal of financial assets at fair value through profit or loss	3,940,176	120,164	218,472	6,914
Dividend income	(21,316,791)	(650,100)	(16,156,160)	(511,271)	Acquisition of financial assets available for sale	(1,795,459)	(54,756)	(1,270,539)	(40,207)
Net changes in insurance liabilities and provisions	334,637,365	10,205,470	317,641,171	10,051,936	Disposal of financial assets available for sale	1,500,642	45,765	1,537,675	48,661
Net changes of other liabilities and provisions	(1,068,276)	(32,579)	6,364,225	201,400	Disposal of bond investments with no active market	-	-	85,420	2,703
Share of gains of associates and joint ventures accounted for using the equity method	(1,107,708)	(33,782)	(167,533)	(5,302)	Acquisition of investments accounted for using the equity method	(20,147,622)	(614,444)	(1,380,025)	(43,672)
Loss (gain) on disposal or scrapping of property and equipment	9,485	289	(29,699)	(940)	Disposal of investments accounted for using the equity method	-	-	39,854	1,261
Loss (gain) on disposal of investment properties	137,004	4,178	(2,080,366)	(65,834)	Acquisition of subsidiary	(6,994,994)	(213,327)	-	-
Loss on disposal of intangible assets	35,492	1,082	-	-	Cash returned by capital deduction from investments accounted for using equity method	86,501	2,638	22,625	716
Gains on disposal of investments	(43,408,125)	(1,323,822)	(35,291,541)	(1,116,821)	Disposal of assets held for sale	-	-	65,981	2,088
Impairment losses on financial assets	32,160	981	89,573	2,835	Acquisition of property and equipment	(1,287,488)	(39,265)	(1,375,506)	(43,529)
Impairment loss on non-financial assets	-	-	28,465	901	Disposal of property and equipment	16,017	489	58,740	1,859
Unrealized foreign exchange losses	48,609	1,482	49,327	1,561	Increase in clearing and settlement funds	(2,703)	(82)	-	-
Revaluation gains on investment properties	(11,236,452)	(342,679)	(16,731,241)	(529,470)	Decrease in clearing and settlement funds	-	-	866	27
Others	(8,346)	(255)	-	-	Increase in guarantee deposits paid	(2,348)	(72)	(19,470)	(616)
Subtotal	187,368,496	5,714,195	186,908,298	5,914,820	Decrease in guarantee deposits paid	-	-	8	-
Changes in operating assets and liabilities					Acquisition of intangible assets	(350,822)	(10,699)	(236,460)	(7,483)
Changes in operating assets					Generalized foreclosed collects net cash from other company	16,157,186	492,747	-	-
Increase in due from the Central Bank and call loans to banks	(4,996,676)	(152,384)	(2,977,965)	(94,239)	Generalized foreclosed collects compensation from other company	30,300,000	924,062	-	-
(Increase) decrease in financial assets at fair value through profit or loss	(24,811,830)	(756,689)	82,138,671	2,599,325	Acquisition of investment properties	(34,643,780)	(1,056,535)	(29,496,226)	(933,425)
(Increase) decrease in available-for-sale financial assets	(87,477,240)	(2,667,802)	4,599,536	145,555	Disposal of investment properties	291,927	8,903	12,830,422	406,026
Decrease in derivative financial assets for hedging	449,037	13,694	393,612	12,456	Increase in other assets	(22,035,719)	(672,026)	(9,477,543)	(299,922)
(Increase) decrease in accounts receivable	(1,386,901)	(42,296)	39,501,820	1,250,058	Decrease in other assets	80,373	2,451	-	-
Decrease (increase) in loans	55,380,486	1,688,944	(147,551,421)	(4,669,349)	Dividends received	73,692	2,247	69,097	2,187
Increase in reinsurance contract assets	(502,663)	(15,330)	(610,827)	(19,330)	<b>Net cash used in investing activities</b>	(38,952,292)	(1,187,933)	(29,809,609)	(943,342)
Decrease (increase) in financial assets held to maturity	7,332	224	(26,576,197)	(841,019)	<b>Cash flows from financing activities</b>				
Increase in other financial assets	(573,530,812)	(17,491,028)	(313,018,342)	(9,905,644)	(Decrease) increase in short-term borrowings	(900,000)	(27,447)	900,000	28,481
Increase in other assets	(23,256,874)	(709,267)	(2,546,008)	(80,570)	(Decrease) increase in funds borrowed from Central Bank and banks	(1,585,900)	(48,365)	88,400	2,797
Subtotal	(660,126,141)	(20,131,934)	(366,647,121)	(11,602,757)	Increase in commercial paper payable	8,887,634	271,047	16,740,000	529,747
Changes in operating liabilities					Decrease in bonds payable	(20,000,000)	(609,942)	-	-
(Decrease) Increase in due to the Central Bank and call loans from banks	(17,797,575)	(542,774)	1,368,524	43,308	(Decrease) increase in bank debentures	(15,713,949)	(479,230)	15,196,735	480,909
Decrease in financial liabilities at fair value through profit or loss	(68,995,003)	(2,104,148)	(30,984,665)	(980,527)	(Decrease) increase in securities sold under agreements to repurchase	(171,511)	(5,231)	232,615	7,361
Decrease in derivative financial liabilities for hedging	-	-	(5,148)	(163)	Increase in other liabilities	1,516,069	46,236	572,913	18,130
(Decrease) increase in securities sold under agreements to repurchase	(6,326,428)	(192,938)	857,706	27,143	Payment of cash dividend	(25,659,094)	(782,528)	(17,947,445)	(567,957)
(Decrease) increase in payables	(13,182,940)	(402,041)	11,623,461	367,831	Increase in cash capital	-	-	966,820	30,596
Increase in deposits	151,147,103	4,609,549	116,000,041	3,670,887	<b>Net cash flows (used in) from financing activities</b>	(53,626,751)	(1,635,460)	16,750,038	530,064
Increase in provisions for the liabilities of employee benefits	3,105	95	233,984	7,405	<b>Effects of exchange rate changes on cash and cash equivalents</b>	1,479,269	45,113	1,826,420	57,798
Decrease in reserves for the operations and liabilities	(16,427)	(501)	(140,227)	(4,438)	<b>(Decrease) increase in cash and cash equivalents</b>	(300,073,131)	(9,151,361)	143,322,619	4,535,526
(Decrease) increase in other financial liabilities	(12,615,246)	(384,728)	43,697,193	1,382,823	<b>Cash and cash equivalents at the beginning of periods</b>	597,008,819	18,207,039	453,686,200	14,357,158
Increase in other liabilities	4,186,538	127,677	1,237,745	39,169	<b>Cash and cash equivalents at the end of periods</b>	\$296,935,688	\$9,055,678	\$597,008,819	\$18,892,684
Subtotal	36,403,127	1,110,191	143,888,614	4,553,438					
Subtotal of Changes in operating assets and liabilities	(623,723,014)	(19,021,743)	(222,758,507)	(7,049,319)	<b>The components of cash and cash equivalents</b>				
Subtotal of Adjustment	(436,354,518)	(13,307,548)	(35,850,209)	(1,134,499)	Cash and cash equivalents presented in balance sheet	\$191,780,120	\$5,848,738	\$435,006,606	\$13,766,032
					Due from the Central Bank and call loans to banks satisfied the definition of cash and cash equivalents under IAS No.7	49,275,097	1,502,748	105,487,043	3,338,197
					Securities purchased under agreements to resell satisfied the definition of cash and cash equivalents under IAS No.7	55,880,471	1,704,192	56,515,170	1,788,455
					<b>Cash and cash equivalents at the end of periods</b>	\$296,935,688	\$9,055,678	\$597,008,819	\$18,892,684



# Cathay Financial Holding Co., Ltd.

## Balance Sheets

As of 31 December 2015, 31 December 2014 and 1 January 2014

Expressed in thousands of dollars

	2015.12.31		2014.12.31 (adjusted)		2014.1.1 (adjusted)	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
<b>Assets</b>						
Cash and cash equivalents	\$4,143,951	\$126,378	\$3,420,967	\$108,259	\$3,464,767	\$116,151
Available-for-sale financial assets - net	79,451	2,423	706,037	22,343	556,865	18,668
Securities purchased under agreements to resell	499,422	15,231	500,871	15,850	465,060	15,590
Receivables - net	822,620	25,088	4,626,627	146,412	3,731,473	125,091
Current income tax assets	4,323,586	131,857	7,373,549	233,340	5,584,675	187,217
Held-to-maturity financial assets - net	16,000,000	487,954	31,000,000	981,013	31,000,000	1,039,222
Investments accounted for using the equity method - net	487,136,590	14,856,255	456,529,860	14,447,147	386,086,620	12,942,897
Property and equipment - net	7,249	221	6,728	213	6,245	209
Intangible assets - net	17,288	527	22,607	715	-	-
Deferred tax assets - net	875,454	26,699	1,250,386	39,569	1,265,427	42,421
Other assets - net	8,340	254	146,133	4,625	170,126	5,703
<b>Total assets</b>	<b>\$513,913,951</b>	<b>\$15,672,887</b>	<b>\$505,583,765</b>	<b>\$15,999,486</b>	<b>\$432,331,258</b>	<b>\$14,493,169</b>
<b>Liabilities &amp; Equity</b>						
<b>Liabilities</b>						
Commercial paper payable - net	\$28,820,000	\$878,926	\$20,350,000	\$643,987	\$5,960,000	\$199,799
Payables	8,278,845	252,481	10,849,206	343,329	8,340,650	279,606
Current income tax liabilities	946,549	28,867	176,336	5,580	37,003	1,240
Bonds payable	20,000,000	609,942	40,000,000	1,265,823	40,000,000	1,340,932
Provisions	726,597	22,159	718,055	22,723	673,304	22,571
Deferred tax liabilities	2,915	89	22	1	1	-
Other liabilities	82,051	2,502	9,541	302	14,237	477
<b>Total liabilities</b>	<b>58,856,957</b>	<b>1,794,966</b>	<b>72,103,160</b>	<b>2,281,745</b>	<b>55,025,195</b>	<b>1,844,625</b>
<b>Equity</b>						
Capital stock						
Common stock	125,632,102	3,831,415	125,632,102	3,975,699	119,649,621	4,011,050
Capital surplus	88,781,174	2,707,569	88,782,304	2,809,567	89,063,184	2,985,692
Retained earnings						
Legal reserve	24,820,095	756,941	19,784,401	626,089	16,922,773	567,307
Special reserve	140,185,120	4,275,240	82,305,614	2,604,608	82,314,780	2,759,463
Undistributed earnings	65,190,213	1,988,114	60,939,777	1,928,474	37,273,569	1,249,533
Other equity	10,448,290	318,642	56,036,407	1,773,304	32,082,136	1,075,499
<b>Total equity</b>	<b>455,056,994</b>	<b>13,877,921</b>	<b>433,480,605</b>	<b>13,717,741</b>	<b>377,306,063</b>	<b>12,648,544</b>
<b>Total liabilities and equity</b>	<b>\$513,913,951</b>	<b>\$15,672,887</b>	<b>\$505,583,765</b>	<b>\$15,999,486</b>	<b>\$432,331,258</b>	<b>\$14,493,169</b>

# Cathay Financial Holding Co., Ltd. Statements of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars, except earning per share

Item	2015.1.1~2015.12.31		2014.1.1~2014.12.31(adjusted)	
	NT \$	US \$	NT \$	US \$
Income				
Gains on investment - equity method	\$59,789,114	\$1,823,395	\$51,023,984	\$1,614,683
Other operating income	1,206,780	36,803	986,929	31,232
	60,995,894	1,860,198	52,010,913	1,645,915
Expenses and loss				
Operating expenses	(648,992)	(19,792)	(602,769)	(19,075)
Other expenses and losses	(1,328,856)	(40,526)	(1,360,304)	(43,048)
	(1,977,848)	(60,318)	(1,963,073)	(62,123)
Profit before income tax from continuing operations	59,018,046	1,799,880	50,047,840	1,583,792
Income tax expense	(1,504,474)	(45,882)	(678,678)	(21,477)
Profit after income tax from continuing operations	57,513,572	1,753,998	49,369,162	1,562,315
Net Income	57,513,572	1,753,998	49,369,162	1,562,315
Other comprehensive income				
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	(10,334)	(315)	(8,472)	(268)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - not to be reclassified to profit or loss in subsequent periods	(2,345,300)	(71,525)	(181,602)	(5,747)
Income tax relating to the components not to be reclassified to profit or loss in subsequent periods	1,757	54	1,440	46
To be reclassified to profit or loss in subsequent periods:				
Unrealized (losses) gains from available-for-sale financial assets	(141,335)	(4,310)	149,172	4,721
Share of other comprehensive income of associates and joint ventures accounted for using the equity method - to be reclassified to profit or loss in subsequent periods	(43,102,881)	(1,314,513)	24,827,772	785,689
Income tax relating to the components to be reclassified to profit or loss in subsequent periods	24,149	736	(21,822)	(691)
Other comprehensive income, net of tax	(45,573,944)	(1,389,873)	24,766,488	783,750
Total comprehensive income	\$11,939,628	\$364,125	\$74,135,650	\$2,346,065
Earnings per share (expressed in dollars)				
Basic earnings per share:				
Net income	\$4.58	\$0.14	\$3.93	\$0.12



# Cathay Financial Holding Co., Ltd.

## Statements of Changes in Equity

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars

Items	Equity attributable to owners of parent																				Others		Total equity	
	Capital stock				Retained earnings				Other equity															
	Common stock		Capital surplus		Legal reserve		Special reserve		Undistributed earnings		Exchange differences resulting from translating the financial statements of a foreign operation		Unrealized gains (losses) from available-for-sale financial assets		Gains (losses) on cash flow hedges		Changes of designated financial liabilities at fair value through profit or loss resulting from credit risk		Remeasurements of defined benefit plans		Revaluation surplus			
	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$
Balance on 1 January 2014	\$119,649,621	\$3,786,380	\$89,063,184	\$2,818,455	\$335,531	\$82,314,780	\$2,604,898	\$37,267,956	\$1,179,999	\$640,205	\$20,230,491	\$640,205	\$382,306	\$12,098	\$-	\$-	\$-	\$1,990,588	62,993	\$953	\$316,701	\$373,329,862	\$11,877,327	
Amounts of retrospective adjustments	-	-	-	-	-	-	-	(14,387)	(455)	-	-	-	-	-	-	-	-	1,990,588	62,993	-	-	1,976,201	62,538	
Balance on 1 January 2014(adjusted)	119,649,621	3,786,380	89,063,184	2,818,455	335,531	82,314,780	2,604,898	37,273,569	1,179,544	(538,054)	20,230,491	640,205	382,306	12,098	-	-	-	1,990,588	62,993	(953)	316,701	377,306,063	11,940,065	
Appropriations and distribution for 2013(Note 1)																								
Legal reserve					2,861,628	90,558		(2,861,628)	(90,558)															
Cash dividends								(17,947,443)	(567,957)															
Stock dividends	5,982,481	189,319						(5,982,481)	(189,319)															
Reversal of special reserve						(9,166)	(280)	9,166	290															
Other additional paid-in capital																								
Share of changes in net assets of associates and joint ventures accounted for using the equity method																								
The capital reserve set aside for the first-time adoption of TIFRS																								
Net income for the year ended 31 December 2014(adjusted)																								
Other comprehensive income for the year ended 31 December 2014(adjusted)																								
Comprehensive income for the year ended 31 December 2014(adjusted)																								
Other																								
Balance on 31 December 2014(adjusted)	\$125,632,102	\$3,975,699	\$88,782,394	\$2,899,567	\$626,089	\$82,305,614	\$2,604,608	\$60,939,777	\$1,928,874	\$601,786	\$19,044	\$44,257,646	\$1,400,558	\$180,453	\$5,710	\$48,151	\$1,524	\$918,332	\$29,061	\$781	\$317,432	\$453,480,605	\$13,171,741	
Balance on 1 January 2015(adjusted)	\$125,632,102	\$3,831,415	\$88,782,394	\$2,707,603	\$603,367	\$82,305,614	\$2,510,083	\$60,939,777	\$1,858,487	\$601,786	\$18,353	\$44,257,646	\$1,346,730	\$180,453	\$5,503	\$48,151	\$1,468	\$918,332	\$28,006	\$781	\$305,911	\$453,480,605	\$13,219,902	
Appropriations and distribution for 2014(Note2)																								
Legal reserve					5,035,694	153,574		(5,035,694)	(153,574)															
Special reserve																								
Cash dividends						23,148,991	705,977	(23,148,991)	(705,977)															
Reversal of special reserve						(33,796)	(1,031)	33,796	1,031															
Other additional paid-in capital																								
Share of changes in net assets of associates and joint ventures accounted for using the equity method																								
Net income for the year ended 31 December 2015																								
Other comprehensive income for the year ended 31 December 2015																								
Comprehensive income for the year ended 31 December 2015																								
Others																								
Balance on 31 December 2015	\$125,632,102	\$3,831,415	\$88,781,174	\$2,707,569	\$756,941	\$140,185,120	\$4,275,240	\$65,190,213	\$1,988,114	\$1,865,366	\$56,889	\$41,777,73	\$1,346,730	\$180,453	\$5,503	\$48,151	\$2,545	\$91,562,755	\$47,660	\$101,073	\$308,289	\$455,066,994	\$13,877,921	

Note1: As of 31 December 2013, directors' remuneration \$3,300 (US\$104) thousands and employees' bonuses \$2,394 (US\$76) thousands have been deducted from current year's Statements of Comprehensive Income.

Note2: As of 31 December 2014, directors' remuneration \$2,100 (US\$64) thousands and employees' bonuses \$2,513 (US\$77) thousands have been deducted from current year's Statements of Comprehensive Income.

# Cathay Financial Holding Co., Ltd.

## Statements of Cash Flows

For the years ended 31 December 2015 and 2014

Expressed in thousands of dollars

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31(adjusted)	
	NT\$	US\$	NT\$	US\$
Cash flows from operating activities				
Profit before income tax from continuing operations	\$59,018,046	\$1,799,880	\$50,047,840	\$1,583,792
Adjustments :				
Income and other adjustments with no cash flow effects				
Depreciation	1,561	48	1,446	46
Amortization	5,319	162	3,989	126
Interest expenses	1,286,390	39,231	1,240,359	39,252
Interest income	(944,072)	(28,791)	(979,168)	(30,986)
Share of profit of associates and joint ventures accounted for using the equity method	(59,789,114)	(1,823,396)	(51,023,984)	(1,614,683)
Losses on disposal of property and equipment	285	9	328	10
Gains on disposal of investments	(220,298)	(6,718)	-	-
Unrealized foreign exchange gains	(8,748)	(267)	(99)	(3)
Others	(8,346)	(255)	-	-
Changes in operating assets and liabilities				
Decrease in available-for-sale financial assets	705,548	21,517	-	-
(Increase) decrease in accounts receivable	(198,585)	(6,056)	33,823	1,070
Decrease in held-to-maturity financial assets	15,000,000	457,457	-	-
Decrease in other assets	137,793	4,202	23,533	745
(Decrease) increase in payables	(2,556,772)	(77,974)	2,508,556	79,385
(Decrease) increase in provisions	(1,792)	(55)	36,278	1,148
Increase (decrease) in other liabilities	72,511	2,211	(4,696)	(149)
Cash generated from operations				
Interest received	4,946,663	150,859	50,192	1,588
Interest paid	(1,299,979)	(39,646)	(1,240,359)	(39,252)
Income taxes received (paid)	2,719,431	82,935	(2,333,538)	(73,846)
Net cash flows from (used in) operating activities	18,865,841	575,353	(1,635,500)	(51,757)
Cash flows from investing activities				
Acquisition of property and equipment	(2,366)	(72)	(2,257)	(71)
Acquisition of intangible assets	-	-	(26,596)	(842)
Decrease in other assets	-	-	459	15
Dividends received	18,505,732	564,371	5,913,249	187,128
Net cash from investing activities	18,503,366	564,299	5,884,855	186,230
Cash flows from financing activities				
Increase in commercial paper payable	8,470,000	258,310	14,390,000	455,380
Decrease in bonds payable	(20,000,000)	(609,942)	-	-
Dividends paid	(25,126,420)	(766,283)	(17,947,443)	(567,957)
Acquisition of subsidiary	-	-	(700,000)	(22,152)
Net cash flows used in financing activities	(36,656,420)	(1,117,915)	(4,257,443)	(134,729)
Effects of exchange rate changes on cash and cash equivalents	8,748	267	99	3
Increase (decrease) in cash and cash equivalents	721,535	22,004	(7,989)	(253)
Cash and cash equivalents at the beginning of periods	3,921,838	119,605	3,929,827	124,362
Cash and cash equivalents at the end of periods	\$4,643,373	\$141,609	\$3,921,838	\$124,109
The components of cash and cash equivalents				
Cash and cash equivalents presented in balance sheet	\$4,143,951	\$126,378	\$3,420,967	\$108,259
Securities purchased under agreements to resell satisfied the definition of cash and cash equivalents under IAS No.7	499,422	15,231	500,871	15,850
Cash and cash equivalents at the end of periods	\$4,643,373	\$141,609	\$3,921,838	\$124,109

# Cathay Life Insurance Co., Ltd.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$137,148,959	\$4,182,646	\$330,476,291	\$10,458,111
Receivables	57,455,164	1,752,216	53,670,316	1,698,428
Financial asset at fair value through profit or loss	34,963,052	1,066,272	61,350,401	1,941,468
Available-for-sale financial assets	1,332,387,023	40,633,944	1,297,762,857	41,068,445
Derivative financial assets for hedging	447,326	13,642	212,898	6,737
Investments accounted for using the equity method	72,786,479	2,219,777	32,730,868	1,035,787
Investment in debt securities with no active market	1,836,032,459	55,993,671	1,252,861,836	39,647,526
Held-to-maturity financial assets	23,478,810	716,036	24,092,675	762,426
Other financial assets	18,000,000	548,948	39,200,000	1,240,506
Investment property	411,265,270	12,542,399	389,821,829	12,336,134
Loans	655,130,382	19,979,578	693,036,495	21,931,535
Reinsurance contract assets	638,818	19,482	234,239	7,413
Property and equipment	25,684,589	783,305	25,991,832	822,526
Intangible assets	39,684,351	1,210,258	92,132	2,916
Deferred tax assets	11,519,847	351,322	13,002,962	411,486
Other assets	25,529,297	778,569	14,372,124	454,814
Separate account product assets	480,366,122	14,649,775	461,938,772	14,618,316
<b>Total assets</b>	<b>\$5,162,517,948</b>	<b>\$157,441,840</b>	<b>\$4,690,848,527</b>	<b>\$148,444,574</b>
<b>Liabilities</b>				
Payables	\$18,110,138	\$552,307	\$23,251,477	\$735,806
Financial liability at fair value through profit or loss	38,859,128	1,185,091	49,783,588	1,575,430
Preferred stock liability	15,000,000	457,456	30,000,000	949,367
Insurance liability	4,151,262,555	126,601,481	3,693,113,630	116,870,684
Reserve for insurance contract with feature of financial instruments	49,123,102	1,498,112	50,140,033	1,586,710
Foreign exchange volatility reserve	16,026,449	488,760	16,846,406	533,114
Liability reserve	4,350,842	132,688	2,088,438	66,090
Deferred tax liability	36,235,508	1,105,078	28,753,996	909,937
Other liability	7,277,007	221,928	8,516,824	269,520
Separate account product liabilities	480,366,122	14,649,775	461,938,772	14,618,316
<b>Total liabilities</b>	<b>4,816,610,851</b>	<b>146,892,676</b>	<b>4,364,433,164</b>	<b>138,114,974</b>
<b>Stockholders' equity</b>				
Capital stock	53,065,274	1,618,337	53,065,274	1,679,281
Capital surplus	13,028,012	397,317	13,029,142	412,315
Retained earnings	283,470,744	8,645,036	218,591,275	6,917,445
Others	(3,656,933)	(111,526)	41,729,672	1,320,559
<b>Total stockholders' equity</b>	<b>345,907,097</b>	<b>10,549,164</b>	<b>326,415,363</b>	<b>10,329,600</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$5,162,517,948</b>	<b>\$157,441,840</b>	<b>\$4,690,848,527</b>	<b>\$148,444,574</b>

# Cathay Life Insurance Co., Ltd.

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Operating income	\$719,744,096	\$21,950,110	\$763,525,451	\$24,162,198
Operating costs	(656,926,461)	(20,034,354)	(715,252,009)	(22,634,557)
Operating expenses	(20,380,952)	(621,560)	(15,488,736)	(490,150)
Operating profit	42,436,683	1,294,196	32,784,706	1,037,491
Non-operating income and expenses	1,284,333	39,168	1,505,533	47,643
Profit from continuing operations before income tax	43,721,016	1,333,364	34,290,239	1,085,134
Income tax expense	(5,478,377)	(167,074)	(2,631,596)	(83,278)
Profit from continuing operations after income tax	38,242,639	1,166,290	31,658,643	1,001,856
Net income	38,242,639	1,166,290	31,658,643	1,001,856
Other comprehensive (loss) income	(45,386,605)	(1,384,160)	21,613,516	683,972
<b>Total comprehensive (loss) income</b>	<b>\$(7,143,966)</b>	<b>\$(217,870)</b>	<b>\$53,272,159</b>	<b>\$1,685,828</b>
<b>Primary earnings per share</b>				
	<b>\$7.21</b>	<b>\$0.22</b>	<b>\$5.97</b>	<b>\$0.19</b>



## Cathay Century Insurance Co., Ltd. Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$7,501,128	\$228,763	\$6,897,830	\$218,286
Receivables	2,417,043	73,713	3,375,267	106,812
Financial asset at fair value through profit or loss	1,408,854	42,966	1,303,979	41,265
Available-for-sale financial assets	7,228,280	220,442	7,583,753	239,992
Derivative financial assets for hedging	-	-	3,747	119
Investments accounted for using the equity method	918,299	28,005	1,111,548	35,176
Investment in debt securities with no active market	3,369,173	102,750	2,761,546	87,391
Held-to-maturity financial assets	4,035,718	123,078	2,348,632	74,324
Loans	366,255	11,170	397,313	12,573
Reinsurance contract assets	5,325,295	162,406	4,721,960	149,429
Property and equipment	124,877	3,808	169,014	5,348
Intangible assets	21,497	656	9,610	304
Deferred tax assets	93,269	2,844	93,146	2,948
Other assets	661,876	20,185	640,448	20,267
<b>Total assets</b>	<b>\$33,471,564</b>	<b>\$1,020,786</b>	<b>\$31,417,793</b>	<b>\$994,234</b>
<b>Liabilities</b>				
Payables	\$2,701,827	\$82,398	\$2,470,745	\$78,188
Financial liability at fair value through profit or loss	192,554	5,872	176,626	5,589
Preferred stock liability	1,000,000	30,497	1,000,000	31,646
Insurance liability	21,475,467	654,940	20,720,649	655,717
Liability reserve	381,016	11,620	283,132	8,960
Deferred tax liability	35,991	1,098	58,441	1,849
Other liability	790,994	24,123	584,442	18,495
<b>Total liabilities</b>	<b>26,577,849</b>	<b>810,548</b>	<b>25,294,035</b>	<b>800,444</b>
<b>Stockholders' equity</b>				
Capital stock	2,802,202	85,459	2,721,879	86,135
Retained earnings	4,466,535	136,216	3,365,321	106,498
Others	(375,022)	(11,437)	36,558	1,157
<b>Total stockholders' equity</b>	<b>6,893,715</b>	<b>210,238</b>	<b>6,123,758</b>	<b>193,790</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$33,471,564</b>	<b>\$1,020,786</b>	<b>\$31,417,793</b>	<b>\$994,234</b>

## Cathay Century Insurance Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Operating income	\$15,291,494	\$466,346	\$14,388,861	\$455,344
Operating costs	(8,939,052)	(272,615)	(8,666,487)	(274,256)
Operating expenses	(4,880,894)	(148,853)	(4,699,998)	(148,734)
Operating profit	1,471,548	44,878	1,022,376	32,354
Non-operating income and expenses	(2,867)	(87)	(15,904)	(503)
Profit from continuing operations before income tax	1,468,681	44,791	1,006,472	31,851
Income tax expense	(287,144)	(8,758)	(173,661)	(5,496)
Profit from continuing operations after income tax	1,181,537	36,033	832,811	26,355
Net income	1,181,537	36,033	832,811	26,355
Other comprehensive (loss) income	(411,580)	(12,552)	205,838	6,514
<b>Total comprehensive income</b>	<b>\$769,957</b>	<b>\$23,481</b>	<b>\$1,038,649</b>	<b>\$32,869</b>
<b>Primary earnings per share</b>	<b>\$4.22</b>	<b>\$0.13</b>	<b>\$2.97</b>	<b>\$0.09</b>

# Cathay Lujiazui Life Insurance Co., Ltd.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$887,809	\$27,076	\$1,184,590	\$37,487
Receivables	402,282	12,268	314,712	9,959
Financial asset at fair value through profit or loss	941,191	28,704	868,464	27,483
Available-for-sale financial assets	4,202,509	128,164	4,776,082	151,142
Investment in debt securities with no active market	6,723,855	205,058	3,705,711	117,269
Held-to-maturity financial assets	1,248,771	38,084	1,847,955	58,480
Loans	75,069	2,289	45,080	1,427
Reinsurance contract assets	25,237	770	53,402	1,690
Property and equipment	112,697	3,437	108,625	3,438
Intangible assets	47,980	1,463	65,424	2,070
Other assets	1,688,828	51,504	1,943,532	61,504
Separate account product assets	202,239	6,168	328,004	10,380
<b>Total assets</b>	<b>\$16,558,467</b>	<b>\$504,985</b>	<b>\$15,241,581</b>	<b>\$482,329</b>
<b>Liabilities</b>				
Short-term debt	\$61,104	\$1,863	\$232,615	\$7,361
Payables	869,955	26,531	542,063	17,154
Reserve for insurance contract with feature of financial instruments	4,879,862	148,822	4,954,666	156,793
Insurance liability	6,032,812	183,983	5,167,627	163,533
Other liability	24,085	735	83,540	2,644
Separate account product liabilities	202,239	6,168	328,004	10,380
<b>Total liabilities</b>	<b>12,070,057</b>	<b>368,102</b>	<b>11,308,515</b>	<b>357,865</b>
<b>Stockholders' equity</b>				
Capital stock	7,067,795	215,547	7,067,795	223,664
Retained earnings	(3,448,140)	(105,158)	(3,848,524)	(121,789)
Others	868,755	26,494	713,795	22,589
<b>Total stockholders' equity</b>	<b>4,488,410</b>	<b>136,883</b>	<b>3,933,066</b>	<b>124,464</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$16,558,467</b>	<b>\$504,985</b>	<b>\$15,241,581</b>	<b>\$482,329</b>

# Cathay Lujiazui Life Insurance Co., Ltd.

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$4,596,219	\$140,171	\$3,190,054	\$100,951
Operating costs	(2,961,995)	(90,332)	(2,037,063)	(64,464)
Operating expenses	(1,209,613)	(36,890)	(988,417)	(31,279)
Operating profit	424,611	12,949	164,574	5,208
Non-operating income and expenses	(24,227)	(739)	(13,507)	(427)
Profit from continuing operations before income tax	400,384	12,210	151,067	4,781
Income tax expense	-	-	-	-
Profit from continuing operations after income tax	400,384	12,210	151,067	4,781
Net income	400,384	12,210	151,067	4,781
Other comprehensive (loss) income	154,960	4,726	365,849	11,577
<b>Total comprehensive (loss) income</b>	<b>\$555,344</b>	<b>\$16,936</b>	<b>\$516,916</b>	<b>\$16,358</b>
<b>Primary earnings per share</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>

Note: Cathay Lujiazui Life is a limited company; there is no information about earning per share.

## Cathay Life Insurance Company (Vietnam) Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$119,309	\$3,639	\$297,319	\$9,409
Receivables	242,289	7,389	224,703	7,111
Available-for-sale financial assets	3,774,324	115,106	3,569,578	112,961
Investment in debt securities with no active market	200,634	6,119	-	-
Loans	17,524	534	13,589	430
Property and equipment	15,239	465	21,233	672
Intangible assets	242	7	63	2
Other assets	41,299	1,259	39,711	1,257
<b>Total assets</b>	<b>\$4,410,860</b>	<b>\$134,518</b>	<b>\$4,166,196</b>	<b>\$131,842</b>
<b>Liabilities</b>				
Payables	\$43,633	\$1,331	\$43,258	\$1,369
Insurance liability	792,620	24,173	456,400	14,443
Other liability	499	15	-	-
<b>Total liabilities</b>	<b>836,752</b>	<b>25,519</b>	<b>499,658</b>	<b>15,812</b>
<b>Stockholders' equity</b>				
Capital stock	3,424,930	104,450	3,424,930	108,384
Retained earnings	212,054	6,467	199,541	6,315
Others	(62,876)	(1,918)	42,067	1,331
<b>Total stockholders' equity</b>	<b>3,574,108</b>	<b>108,999</b>	<b>3,666,538</b>	<b>116,030</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$4,410,860</b>	<b>\$134,518</b>	<b>\$4,166,196</b>	<b>\$131,842</b>

## Cathay Life Insurance Company (Vietnam) Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$637,259	\$19,435	\$507,469	\$16,059
Operating costs	(424,757)	(12,954)	(110,810)	(3,507)
Operating expenses	(202,286)	(6,169)	(174,787)	(5,531)
Operating profit	10,216	312	221,872	7,021
Non-operating income and expenses	4,851	148	(11,925)	(377)
Profit from continuing operations before income tax	15,067	460	209,947	6,644
Income tax expense	(2,554)	(78)	(49,275)	(1,559)
Profit from continuing operations after income tax	12,513	382	160,672	5,085
Net income	12,513	382	160,672	5,085
Other comprehensive (loss) income	(104,943)	(3,201)	478,860	15,153
<b>Total comprehensive (loss) income</b>	<b>\$(92,430)</b>	<b>\$(2,819)</b>	<b>\$639,532</b>	<b>\$20,238</b>
Primary earnings per share	Note	Note	Note	Note

Note: Cathay Life Insurance Company (Vietnam) is a limited company; there is no information about earning per share.



# Lin Yuan (Shanghai) Real Estate Co., Ltd.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$482,681	\$14,721	\$288,212	\$9,121
Investment property	6,854,985	209,057	6,882,448	217,799
Property and equipment	649,670	19,813	671,993	21,265
Total assets	\$7,987,336	\$243,591	\$7,842,653	\$248,185
<b>Liabilities</b>				
Current liability	\$312	\$9	\$22,726	\$719
Deferred tax liability	144,527	4,408	97,312	3,079
Other liability	91,579	2,793	102,121	3,232
Total liabilities	236,418	7,210	222,159	7,030
Stockholders' equity				
Capital stock	7,223,435	220,294	7,223,435	228,590
Retained earnings	40,289	1,229	(121,537)	(3,846)
Others	487,194	14,858	518,596	16,411
Total stockholders' equity	7,750,918	236,381	7,620,494	241,155
Total liabilities and stockholders' equity	\$7,987,336	\$243,591	\$7,842,653	\$248,185

# Lin Yuan (Shanghai) Real Estate Co., Ltd.

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$282,668	\$8,621	\$270,699	\$8,566
Operating expenses	(81,032)	(2,471)	(100,866)	(3,192)
Operating profit	201,636	6,150	169,833	5,374
Non-operating income and expenses	8,087	247	(30,482)	(964)
Profit from continuing operations before income tax	209,723	6,397	139,351	4,410
Income tax expense	(47,897)	(1,461)	(66,798)	(2,114)
Profit from continuing operations after income tax	161,826	4,936	72,553	2,296
Net income	161,826	4,936	72,553	2,296
Other comprehensive (loss) income	(31,402)	(958)	259,889	8,224
Total comprehensive income	\$130,424	\$3,978	\$332,442	\$10,520
Primary earnings per share	Note	Note	Note	Note

Note: Lin Yuan (Shanghai) Real Estate Co. Ltd. is a limited company; there is no information about earnings per share.

## Cathay Woolgate Exchange Holding 1 Limited Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$1,938,494	\$59,118	\$1,205,715	\$38,156
Investment property	15,152,874	462,119	15,187,475	480,616
Total assets	\$17,091,368	\$521,237	\$16,393,190	\$518,772
<b>Liabilities</b>				
Current liability	\$223,331	\$6,811	\$137,087	\$4,338
Total liabilities	223,331	6,811	137,087	4,338
Stockholders' equity				
Capital stock	16,654,013	507,899	16,654,013	527,026
Retained earnings	844,375	25,751	131,587	4,164
Others	(630,351)	(19,224)	(529,497)	(16,756)
Total stockholders' equity	16,868,037	514,426	16,256,103	514,434
Total liabilities and stockholders' equity	\$17,091,368	\$521,237	\$16,393,190	\$518,772

## Cathay Woolgate Exchange Holding 1 Limited Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$875,555	\$26,702	\$307,977	\$9,746
Operating costs	-	-	(1)	-
Operating expenses	(584)	(18)	(114,883)	(3,636)
Operating profit	874,971	26,684	193,093	6,110
Profit from continuing operations before income tax	874,971	26,684	193,093	6,110
Income tax expense	(162,183)	(4,946)	(61,506)	(1,946)
Profit from continuing operations after income tax	712,788	21,738	131,587	4,164
Net income	712,788	21,738	131,587	4,164
Other comprehensive loss	(100,854)	(3,076)	(529,497)	(16,756)
Total comprehensive income (loss)	\$611,934	\$18,662	\$(397,910)	\$(12,592)
Primary earnings per share	Note	Note	Note	Note

Note: Cathay Woolgate Exchange Holding 1 Limited is a limited company; there is no information about earnings per share.

# Cathay Woolgate Exchange Holding 2 Limited

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$18,458	\$563	\$12,139	\$384
Investment property	153,059	4,668	153,409	4,855
Total assets	<u>\$171,517</u>	<u>\$5,231</u>	<u>\$165,548</u>	<u>\$5,239</u>
<b>Liabilities</b>				
Current liability	\$2,256	\$69	\$1,792	\$57
Total liabilities	<u>2,256</u>	<u>69</u>	<u>1,792</u>	<u>57</u>
Stockholders' equity				
Capital stock	168,222	5,130	168,222	5,323
Retained earnings	7,400	226	876	28
Others	(6,361)	(194)	(5,342)	(169)
Total stockholders' equity	<u>169,261</u>	<u>5,162</u>	<u>163,756</u>	<u>5,182</u>
Total liabilities and stockholders' equity	<u>\$171,517</u>	<u>\$5,231</u>	<u>\$165,548</u>	<u>\$5,239</u>

# Cathay Woolgate Exchange Holding 2 Limited

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$8,840	\$270	\$3,111	\$98
Operating expenses	(677)	(21)	(1,614)	(51)
Operating profit	<u>8,163</u>	<u>249</u>	<u>1,497</u>	<u>47</u>
Profit from continuing operations before income tax	8,163	249	1,497	47
Income tax expense	(1,639)	(50)	(621)	(19)
Profit from continuing operations after income tax	<u>6,524</u>	<u>199</u>	<u>876</u>	<u>28</u>
Net income	6,524	199	876	28
Other comprehensive loss	(1,019)	(31)	(5,342)	(169)
Total comprehensive income (loss)	<u>\$5,505</u>	<u>\$168</u>	<u>\$(4,466)</u>	<u>\$(141)</u>
Primary earnings per share	<u>Note</u>	<u>Note</u>	<u>Note</u>	<u>Note</u>

Note: Cathay Woolgate Exchange Holding 1 Limited is a limited company; there is no information about earnings per share.



## Cathay Walbrook Holding 1 Limited

### Condensed Balance Sheet

As of 31 December 2015

Expressed in thousands of Dollars

Items	2015.12.31	
	NTS	US\$
<b>Assets</b>		
Current assets	\$860,770	\$26,251
Investment property	25,368,906	773,678
Other non-current assets	68,808	2,099
Total assets	\$26,298,484	\$802,028
<b>Liabilities</b>		
Current liability	\$65,009	\$1,983
Other non-current liability	16,074,007	490,211
Total liabilities	16,139,016	492,194
Stockholders' equity		
Capital stock	10,189,090	310,738
Retained earnings	(321,891)	(9,817)
Others	292,269	8,913
Total stockholders' equity	10,159,468	309,834
Total liabilities and stockholders' equity	\$26,298,484	\$802,028

## Cathay Walbrook Holding 1 Limited

### Condensed Statement of Comprehensive Income

For the nine-months periods ended 31 December 2015

Expressed in thousands of Dollars, except earnings per share

Items	2015.4.1~2015.12.31	
	NTS	US\$
Operating income	\$231,771	\$7,068
Operating costs	(347,830)	(10,608)
Operating expenses	(159,667)	(4,869)
Operating profit	(275,726)	(8,409)
Profit from continuing operations before income tax	(275,726)	(8,409)
Income tax expense	(46,165)	(1,408)
Profit from continuing operations after income tax	(321,891)	(9,817)
Net income	(321,891)	(9,817)
Other comprehensive loss	292,269	8,914
Total comprehensive income (loss)	\$(29,622)	\$(903)
Primary earnings per share	Note 1	Note 1

Note 1: Cathay Walbrook Holding 1 Limited is a limited company; there is no information about earnings per share.

Note 2: Cathay Walbrook Holding 1 Limited was incorporated to the consolidated financial statements on 31 March 2015.

## Cathay Walbrook Holding 2 Limited

### Condensed Balance Sheet

As of 31 December 2015

Expressed in thousands of Dollars

Items	2015.12.31	
	NT\$	US\$
<b>Assets</b>		
Current assets	\$44,670	\$1,362
Investment property	1,335,206	40,720
Other non-current assets	3,622	111
<b>Total assets</b>	<b>\$1,383,498</b>	<b>\$42,193</b>
<b>Liabilities</b>		
Current liability	\$3,422	\$104
Other non-current liability	846,000	25,801
<b>Total liabilities</b>	<b>849,422</b>	<b>25,905</b>
<b>Stockholders' equity</b>		
Capital stock	536,268	16,355
Retained earnings	(17,572)	(536)
Others	15,380	469
<b>Total stockholders' equity</b>	<b>534,076</b>	<b>16,288</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$1,383,498</b>	<b>\$42,193</b>

## Cathay Walbrook Holding 2 Limited

### Condensed Statement of Comprehensive Income

For the nine-months periods ended 31 December 2015

Expressed in thousands of Dollars, except earnings per share

Items	2015.4.1~2015.12.31	
	NT\$	US\$
Operating income	\$12,199	\$372
Operating cost	(18,307)	(558)
Operating expense	(9,034)	(276)
Operating loss	(15,142)	(462)
Loss from continuing operations before income tax	(15,142)	(462)
Income tax expense	(2,430)	(74)
Loss from continuing operations after income tax	(17,572)	(536)
Net loss	(17,572)	(536)
Other comprehensive income	15,380	469
<b>Total comprehensive loss</b>	<b>\$(2,192)</b>	<b>\$(67)</b>
<b>Primary earnings per share</b>	<b>Note 1</b>	<b>Note 1</b>

Note 1: Cathay Walbrook Holding 2 Limited is a limited company; there is no information about earnings per share.

Note 2: Cathay Walbrook Holding 2 Limited was incorporated to the consolidated financial statements on 31 March 2015.

## Cathay Insurance Co., Ltd (China) Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$4,960,013	\$151,266	\$1,100,841	\$34,837
Receivables	226,770	6,916	199,929	6,327
Financial asset at fair value through profit or loss	579,506	17,673	210,164	6,651
Available-for-sale financial assets	872,445	26,607	672,852	21,293
Investment in debt securities with no active market	203,705	6,212	512,268	16,211
Reinsurance contract assets	679,551	20,724	874,262	27,666
Property and equipment	93,383	2,848	75,741	2,397
Intangible assets	39,510	1,205	15,854	502
Other assets	874,295	26,664	870,306	27,541
<b>Total assets</b>	<b>\$8,529,178</b>	<b>\$260,115</b>	<b>\$4,532,217</b>	<b>\$143,425</b>
<b>Liabilities</b>				
Payables	\$358,570	\$10,935	\$388,420	\$12,292
Insurance liability	3,186,761	97,187	2,639,751	83,536
Other liability	4,333,080	132,147	94,155	2,980
<b>Total liabilities</b>	<b>7,878,411</b>	<b>240,269</b>	<b>3,122,326</b>	<b>98,808</b>
<b>Stockholders' equity</b>				
Capital stock	3,707,999	113,083	3,707,999	117,342
Retained earnings	(3,266,033)	(99,605)	(2,510,663)	(79,451)
Others	208,801	6,368	212,555	6,726
<b>Total stockholders' equity</b>	<b>650,767</b>	<b>19,846</b>	<b>1,409,891</b>	<b>44,617</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$8,529,178</b>	<b>\$260,115</b>	<b>\$4,532,217</b>	<b>\$143,425</b>

## Cathay Insurance Co., Ltd (China) Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$2,928,725	\$89,318	\$2,526,754	\$79,961
Operating costs	(2,454,293)	(74,849)	(1,882,389)	(59,569)
Operating expenses	(1,228,477)	(37,465)	(1,041,747)	(32,967)
Operating loss	(754,045)	(22,996)	(397,382)	(12,575)
Non-operating income and expenses	(1,325)	(41)	44,821	1,418
Loss from continuing operations before income tax	(755,370)	(23,037)	(352,561)	(11,157)
Income tax expense	-	-	-	-
Loss from continuing operations after income tax	(755,370)	(23,037)	(352,561)	(11,157)
Net loss	(755,370)	(23,037)	(352,561)	(11,157)
Other comprehensive (loss) income	(3,754)	(114)	71,359	2,258
<b>Total comprehensive loss</b>	<b>\$(759,124)</b>	<b>\$(23,151)</b>	<b>\$(281,202)</b>	<b>\$(8,899)</b>
Primary earnings per share	Note	Note	Note	Note

Note: Cathay Century (China) is a limited company; there is no information about earnings per share.



## Cathay Insurance Co., Ltd (Vietnam)

### Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$54,030	\$1,648	\$24,441	\$773
Receivables	67,574	2,061	74,541	2,359
Investment in debt securities with no active market	113,805	3,471	85,500	2,706
Held-to-maturity financial assets	426,370	13,003	298,631	9,450
Reinsurance contract assets	336,500	10,262	493,149	15,606
Property and equipment	954	29	13,978	442
Intangible assets	1,696	52	690	22
Other assets	28,841	879	38,926	1,232
<b>Total assets</b>	<b>\$1,029,770</b>	<b>\$31,405</b>	<b>\$1,029,856</b>	<b>\$32,590</b>
<b>Liabilities</b>				
Payables	\$31,123	\$949	\$38,602	\$1,222
Liability reserve	402,045	12,261	583,471	18,464
Deferred tax liability	44	2	40	1
Other liability	3,642	111	1,141	36
<b>Total liabilities</b>	<b>436,854</b>	<b>13,323</b>	<b>623,254</b>	<b>19,723</b>
<b>Stockholders' equity</b>				
Capital stock	845,585	25,788	645,585	20,430
Retained earnings	(153,945)	(4,695)	(152,363)	(4,822)
Others	(98,724)	(3,011)	(86,620)	(2,741)
<b>Total stockholders' equity</b>	<b>592,916</b>	<b>18,082</b>	<b>406,602</b>	<b>12,867</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$1,029,770</b>	<b>\$31,405</b>	<b>\$1,029,856</b>	<b>\$32,590</b>

## Cathay Insurance Co., Ltd (Vietnam)

### Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$121,703	\$3,712	\$102,712	\$3,250
Operating costs	(35,299)	(1,077)	(106,082)	(3,357)
Operating expenses	(87,985)	(2,683)	(81,252)	(2,571)
Operating loss	(1,581)	(48)	(84,622)	(2,678)
Non-operating income and expenses	4	-	75	2
Loss from continuing operations before income tax	(1,577)	(48)	(84,547)	(2,676)
Income tax expense	(5)	-	(38)	(1)
Loss from continuing operations after income tax	(1,582)	(48)	(84,585)	(2,677)
Net loss	(1,582)	(48)	(84,585)	(2,677)
Other comprehensive (loss) income	(12,104)	(369)	16,407	519
<b>Total comprehensive loss</b>	<b>\$(13,686)</b>	<b>\$(417)</b>	<b>\$(68,178)</b>	<b>\$(2,158)</b>
<b>Primary earnings per share</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>

Note: Cathay Century (Vietnam) is a limited company; there is no information about earnings per share.

## Conning Holdings Limited Condensed Balance Sheet

As of 31 December 2015

Expressed in thousands of Dollars

Items	2015.12.31	
	NT\$	US\$
<b>Assets</b>		
Current assets	\$1,813,701	\$55,313
Investment in debt securities with no active market	3,330	101
Property and equipment	134,459	4,101
Intangible assets	7,873,404	240,116
Other non-current assets	236,222	7,204
Total assets	\$10,061,116	\$306,835
<b>Liabilities</b>		
Current liability	\$984,287	\$30,018
Liability reserve	48,607	1,482
Deferred tax liability	600,373	18,310
Other non-current liability	331,147	10,099
Total liabilities	1,964,414	59,909
Stockholders' equity		
Capital stock	326	10
Capital surplus	7,839,350	239,078
Retained earnings	(71,440)	(2,179)
Others	245,014	7,472
Non-controlling interest	83,452	2,545
Total stockholders' equity	8,096,702	246,926
Total liabilities and stockholders' equity	\$10,061,116	\$306,835

## Conning Holdings Limited Condensed Statement of Comprehensive Income

From 18 September 2015 to 31 December 2015

Expressed in thousands of Dollars, except earnings per share

Items	2015.9.18~2015.12.31	
	NT\$	US\$
Operating income	\$1,084,564	\$33,076
Operating costs	(196,010)	(5,978)
Operating expenses	(986,846)	(30,096)
Operating loss	(98,292)	(2,998)
Loss from continuing operations before income tax	(98,292)	(2,998)
Income tax profit	31,401	958
Loss from continuing operations after income tax	(66,891)	(2,040)
Net loss	(66,891)	(2,040)
Other comprehensive income	245,995	7,502
Total comprehensive income	\$179,104	\$5,462
Primary earnings per share	Note 1	Note 1

Note 1: Conning Holdings Limited is a limited company; there is no information about earnings per share.

Note 2: Conning Holdings Limited was incorporated to the consolidated financial statements on 18 September 2015.

# Cathay United Bank Co., Ltd.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$61,271,514	\$1,868,604	\$140,351,360	\$4,441,499
Due from the Central Bank and call loans to banks	91,643,190	2,794,852	143,753,829	4,549,172
Financial assets at fair value through profit or loss	254,226,830	7,753,182	151,712,443	4,801,027
Derivative financial assets for hedging	-	-	448,745	14,201
Securities purchased under agreements to resell	44,508,936	1,357,394	33,059,521	1,046,187
Receivables	81,027,553	2,471,106	78,809,457	2,493,970
Discounts and loans	1,101,512,688	33,592,946	1,096,487,685	34,698,977
Available-for-sale financial assets	130,557,629	3,981,629	84,008,468	2,658,496
Held-to-maturity financial assets	49,612,107	1,513,025	51,147,071	1,618,578
Investments accounted for using the equity method	7,783,391	237,371	7,427,895	235,060
Other financial assets	1,350	41	9,678	306
Investment in debt securities with no active market	442,764,138	13,503,023	369,327,713	11,687,586
Property and equipment	24,485,549	746,738	22,190,496	702,231
Investment property	1,635,249	49,870	4,308,182	136,335
Intangible assets	7,161,759	218,413	7,050,372	223,113
Deferred tax assets	1,864,066	56,849	1,689,912	53,478
Other assets	42,545,783	1,297,523	19,393,789	613,728
<b>Total assets</b>	<b>\$2,342,601,732</b>	<b>\$71,442,566</b>	<b>\$2,211,176,616</b>	<b>\$69,973,944</b>
<b>Liabilities</b>				
Due to the Central Bank and call loans from banks	\$38,639,771	\$1,178,401	\$57,797,121	\$1,829,023
Funds borrowed from the Central Bank and other banks	-	-	1,585,900	50,187
Financial liabilities at fair value through profit or loss	100,397,997	3,061,848	57,705,513	1,826,124
Securities sold under agreements to repurchase	54,037,877	1,647,999	59,689,306	1,888,902
Payables	17,848,009	544,312	21,438,383	678,430
Deposits and remittances	1,847,919,684	56,356,196	1,711,904,075	54,174,179
Financial debentures payable	51,900,000	1,582,800	67,613,949	2,139,682
Other financial liabilities	67,227,106	2,050,232	79,842,351	2,526,657
Liability reserve	3,199,030	97,561	2,769,349	87,638
Deferred tax liability	1,919,645	58,544	1,457,439	46,121
Other liability	6,504,719	198,375	5,429,000	171,804
<b>Total liabilities</b>	<b>2,189,593,838</b>	<b>66,776,268</b>	<b>2,067,232,386</b>	<b>65,418,747</b>
<b>Stockholders' equity</b>				
Capital stock	69,479,605	2,118,927	67,112,762	2,123,822
Capital surplus	23,969,412	730,998	23,969,412	758,526
Retained earnings	55,594,202	1,695,462	49,415,492	1,563,781
Others	3,964,675	120,911	3,446,564	109,068
<b>Total stockholders' equity</b>	<b>153,007,894</b>	<b>4,666,298</b>	<b>143,944,230</b>	<b>4,555,197</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$2,342,601,732</b>	<b>\$71,442,566</b>	<b>\$2,211,176,616</b>	<b>\$69,973,944</b>



## Cathay United Bank Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Interest income	\$40,186,848	\$1,225,583	\$38,679,541	\$1,224,036
Interest expenses	(14,743,422)	(449,632)	(13,944,268)	(441,274)
Operating profit	25,443,426	775,951	24,735,273	782,762
Non-interest income	21,306,628	649,790	20,141,418	637,387
Total income	46,750,054	1,425,741	44,876,691	1,420,149
Bad debt expense and reserve for loss on guarantees	(1,656,210)	(50,510)	(2,324,557)	(73,562)
Operating expenses	(24,079,250)	(734,347)	(22,147,951)	(700,885)
Profit from continuing operations before income tax	21,014,594	640,884	20,404,183	645,702
Income tax expense	(2,416,300)	(73,690)	(2,776,342)	(87,859)
Profit from continuing operations after income tax	18,598,294	567,194	17,627,841	557,843
Net income	18,598,294	567,194	17,627,841	557,843
Other comprehensive income	532,284	16,233	2,834,224	89,691
Total comprehensive income	\$19,130,578	\$583,427	\$20,462,065	\$647,534
Primary earnings per share	\$2.68	\$0.08	\$2.54	\$0.08

# Indovina Bank Limited

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$1,228,870	\$37,477	\$857,659	\$27,141
Due from the Central Bank and call loans to banks	9,508,249	289,974	10,390,361	328,809
Financial assets at fair value through profit or loss	700,421	21,361	65,171	2,062
Available-for-sale financial assets	3,464,546	105,658	2,463,366	77,955
Receivables	968,457	29,535	266,886	8,446
Discounts and loans	21,495,243	655,543	20,208,091	639,496
Held-to-maturity financial assets	2,906,670	88,645	1,923,546	60,872
Property and equipment	477,415	14,560	445,688	14,104
Intangible assets	23,606	720	378,451	11,976
Other assets	500,880	15,275	101,848	3,223
<b>Total assets</b>	<b>\$41,274,357</b>	<b>\$1,258,748</b>	<b>\$37,101,067</b>	<b>\$1,174,084</b>
<b>Liabilities</b>				
Due to the Central Bank and call loans from banks	\$4,669,522	\$142,407	\$4,743,090	\$150,098
Financial liabilities at fair value through profit or loss	-	-	9,313	294
Payables	349,873	10,670	1,120,835	35,469
Deposits and remittances	28,533,979	870,204	23,827,032	754,020
Liability reserve	-	-	9,950	315
Deferred tax liability	17,177	524	44,421	1,406
Other liability	182,004	5,550	-	-
<b>Total liabilities</b>	<b>33,752,555</b>	<b>1,029,355</b>	<b>29,754,641</b>	<b>941,602</b>
<b>Stockholders' equity</b>				
Capital stock	6,094,911	185,877	6,094,911	192,877
Retained earnings	1,089,144	33,216	1,183,884	37,465
Others	337,747	10,300	67,631	2,140
<b>Total stockholders' equity</b>	<b>7,521,802</b>	<b>229,393</b>	<b>7,346,426</b>	<b>232,482</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$41,274,357</b>	<b>\$1,258,748</b>	<b>\$37,101,067</b>	<b>\$1,174,084</b>

# Indovina Bank Limited

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$1,979,310	\$60,363	\$1,924,777	\$60,911
Interest expenses	(944,970)	(28,819)	(1,004,295)	(31,781)
Net interest income	1,034,340	31,544	920,482	29,130
Non-interest income	197,760	6,031	112,385	3,556
<b>Total income</b>	<b>1,232,100</b>	<b>37,575</b>	<b>1,032,867</b>	<b>32,686</b>
Bad debt expense and reserve for loss on guarantees	(239,579)	(7,306)	(62,126)	(1,966)
Operating expenses	(572,294)	(17,453)	(491,168)	(15,543)
Profit from continuing operations before income tax	420,227	12,816	479,573	15,177
Income tax expense	(83,018)	(2,532)	(106,266)	(3,363)
Profit from continuing operations after income tax	337,209	10,284	373,307	11,814
Net income	337,209	10,284	373,307	11,814
Other comprehensive income	270,116	8,238	425,569	13,467
<b>Total comprehensive income</b>	<b>\$607,325</b>	<b>\$18,522</b>	<b>\$798,876</b>	<b>\$25,281</b>
<b>Primary earnings per share</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>	<b>Note</b>

Note: Indovina Bank is a limited company; there is no information about earnings per share.

## Cathay United Bank (Cambodia) Corporation Limited

### Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Cash and cash equivalents	\$1,077,849	\$32,871	\$1,445,313	\$45,738
Due from the Central Bank and call loans to banks	1,332,617	40,641	728,988	23,069
Available-for-sale financial assets	846	26	812	26
Receivables	24,765	755	47,649	1,508
Discounts and loans	4,799,195	146,361	2,585,327	81,814
Property and equipment	166,363	5,074	144,150	4,562
Intangible assets	44,752	1,365	11,007	348
Other assets	91,255	2,783	130,852	4,141
<b>Total assets</b>	<b>\$7,537,642</b>	<b>\$229,876</b>	<b>\$5,094,098</b>	<b>\$161,206</b>
<b>Liabilities</b>				
Due to the Central Bank and call loans from banks	\$335,929	\$10,245	\$31,873	\$1,009
Payables	116,933	3,566	85,901	2,718
Deposits and remittances	5,203,546	158,693	3,292,159	104,182
Other liability	23,619	720	340	11
<b>Total liabilities</b>	<b>5,680,027</b>	<b>173,224</b>	<b>3,410,273</b>	<b>107,920</b>
Stockholders' equity				
Capital stock	1,786,169	54,473	1,783,202	56,431
Retained earnings	(104,528)	(3,188)	(203,413)	(6,437)
Others	175,974	5,367	104,036	3,292
<b>Total stockholders' equity</b>	<b>1,857,615</b>	<b>56,652</b>	<b>1,683,825</b>	<b>53,286</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$7,537,642</b>	<b>\$229,876</b>	<b>\$5,094,098</b>	<b>\$161,206</b>

## Cathay United Bank (Cambodia) Corporation Limited

### Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$320,711	\$9,781	\$163,562	\$5,176
Interest expenses	(69,909)	(2,132)	(40,198)	(1,272)
<b>Net interest income</b>	<b>250,802</b>	<b>7,649</b>	<b>123,364</b>	<b>3,904</b>
Non-interest income	86,332	2,633	58,913	1,864
<b>Total income</b>	<b>337,134</b>	<b>10,282</b>	<b>182,277</b>	<b>5,768</b>
Bad debt expense and reserve for loss on guarantees	(25,722)	(784)	(84,025)	(2,659)
Operating expenses	(199,263)	(6,077)	(165,303)	(5,231)
<b>Profit (loss) from continuing operations before income tax</b>	<b>112,149</b>	<b>3,421</b>	<b>(67,051)</b>	<b>(2,122)</b>
Income tax expense	(13,264)	(405)	(2,493)	(79)
<b>Profit (loss) from continuing operations after income tax</b>	<b>98,885</b>	<b>3,016</b>	<b>(69,544)</b>	<b>(2,201)</b>
<b>Net profit (loss)</b>	<b>98,885</b>	<b>3,016</b>	<b>(69,544)</b>	<b>(2,201)</b>
Other comprehensive income	71,938	2,194	94,615	2,994
<b>Total comprehensive income</b>	<b>\$170,823</b>	<b>\$5,210</b>	<b>\$25,071</b>	<b>\$793</b>
Primary earnings per share	\$1.65	\$0.05	\$(1.46)	\$(0.05)



# Cathay Securities Corporation

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$18,130,690	\$552,933	\$20,099,651	\$636,065
Available-for-sale financial assets	18	1	18	1
Investments accounted for using the equity method	1,230,114	37,515	1,076,292	34,060
Property and equipment	171,632	5,234	176,373	5,581
Intangible assets	53,420	1,629	60,022	1,899
Deferred tax assets	29,024	885	6,400	202
Other non-current assets	429,117	13,087	492,380	15,582
Total assets	\$20,044,015	\$611,284	\$21,911,136	\$693,390
<b>Liabilities</b>				
Current liability	\$13,181,818	\$402,007	\$15,705,347	\$497,004
Deferred tax liability	1,392	42	33,897	1,073
Other non-current liability	22,063	673	16,630	526
Total liabilities	13,205,273	402,722	15,755,874	498,603
<b>Stockholders' equity</b>				
Capital stock	4,950,000	150,961	4,700,000	148,734
Capital surplus	491,766	14,998	491,766	15,562
Retained earnings	1,037,424	31,638	750,485	23,750
Others	359,552	10,965	213,011	6,741
Total stockholders' equity	6,838,742	208,562	6,155,262	194,787
Total liabilities and stockholders' equity	\$20,044,015	\$611,284	\$21,911,136	\$693,390

# Cathay Securities Corporation

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Revenues	\$2,408,971	\$73,467	\$1,867,310	\$59,092
Service fee expenses	(81,544)	(2,487)	(72,663)	(2,299)
Employee benefit expenses	(835,868)	(25,492)	(670,007)	(21,203)
Share of the profit of associates and joint ventures accounted for using the equity method	(11,209)	(342)	27,299	864
Operating expenses	(910,788)	(27,776)	(780,065)	(24,686)
Non-operating income and expenses	25,712	784	24,804	785
Profit from continuing operations before income tax	595,274	18,154	396,678	12,553
Income tax expense	(58,335)	(1,779)	(38,392)	(1,215)
Profit from continuing operations after income tax	536,939	16,375	358,286	11,338
Net income	536,939	16,375	358,286	11,338
Other comprehensive income	146,541	4,469	17,745	562
Total comprehensive income	\$683,480	\$20,844	\$376,031	\$11,900
Primary earnings per share	\$1.08	\$0.03	\$0.79	\$0.03

## Cathay Securities (Hong Kong) Limited

### Condensed Balance Sheet

As of 31 December 2015

Expressed in thousands of Dollars

Items	2015.12.31	
	NTS	US\$
<b>Assets</b>		
Current assets	\$304,760	\$9,294
Property and equipment	21,531	657
Intangible assets	2,108	64
Other non-current assets	7,346	224
Total assets	\$335,745	\$10,239
<b>Liabilities</b>		
Current liability	\$217,565	\$6,635
Total liabilities	217,565	6,635
Stockholders' equity		
Capital stock	360,069	10,981
Retained earnings	(241,880)	(7,377)
Others	(9)	-
Total stockholders' equity	118,180	3,604
Total liabilities and stockholders' equity	\$335,745	\$10,239

## Cathay Securities (Hong Kong) Limited

### Condensed Statement of Comprehensive Income

From 4 September 2015 to 31 December 2015

Expressed in thousands of Dollars, except earnings per share

Items	2015.9.4~2015.12.31	
	NTS	US\$
Revenues	\$1,273	\$39
Service fee expenses	(58)	(2)
Employee benefit expenses	(10,413)	(318)
Operating expenses	(18,150)	(553)
Non-operating income and expenses	(381)	(12)
Loss from continuing operations before income tax	(27,729)	(846)
Income tax expense	-	-
Loss from continuing operations after income tax	(27,729)	(846)
Net loss	(27,729)	(846)
Other comprehensive loss	(9)	-
Total comprehensive loss	\$(27,738)	\$(846)
Primary earnings per share	Note 1	Note 1

Note 1: Cathay Securities (Hong Kong) Limited is a limited company; there is no information about earnings per share.

Note 2: Cathay Securities (Hong Kong) Limited was incorporated to the consolidated financial statements on 4 September 2015.

# Cathay Venture Inc.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$344,458	\$10,505	\$482,413	\$15,266
Available-for-sale financial assets	2,304,204	70,272	2,401,843	76,008
Investments accounted for using the equity method	291,485	8,889	150,822	4,773
Property and equipment	211	6	282	9
Deferred tax assets	805	25	9,455	299
Other non-current assets	837	25	837	26
Total assets	\$2,942,000	\$89,722	\$3,045,652	\$96,381
<b>Liabilities</b>				
Current liability	\$11,065	\$338	\$5,648	\$179
Deferred tax liability	2,375	72	3,147	99
Other non-current liability	4,736	144	1,883	60
Total liabilities	18,176	554	10,678	338
<b>Stockholders' equity</b>				
Capital stock	2,403,000	73,285	2,174,236	68,805
Retained earnings	280,305	8,548	322,573	10,208
Others	240,519	7,335	538,165	17,030
Total stockholders' equity	2,923,824	89,168	3,034,974	96,043
Total liabilities and stockholders' equity	\$2,942,000	\$89,722	\$3,045,652	\$96,381

# Cathay Venture Inc.

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Operating income	\$250,401	\$7,637	\$287,056	\$9,084
Operating costs	(25,793)	(787)	(20,108)	(636)
Operating expenses	(16,315)	(498)	(13,255)	(419)
Non-operating income and expenses	-	-	2,701	85
Profit from continuing operations before income tax	208,293	6,352	256,394	8,114
Income tax expense	(21,347)	(651)	(1,713)	(54)
Profit from continuing operations after income tax	186,946	5,701	254,681	8,060
Net income	186,946	5,701	254,681	8,060
Other comprehensive loss	(297,646)	(9,077)	(56,883)	(1,801)
Total comprehensive (loss) income	\$(110,700)	\$(3,376)	\$197,798	\$6,259
<b>Primary earnings per share</b>				
	\$0.78	\$0.02	\$1.06	\$0.03



## Cathay Securities Investment Trust Co., Ltd

### Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$1,888,759	\$57,602	\$1,880,731	\$59,517
Available-for-sale financial assets	60,746	1,853	126,726	4,010
Investments accounted for using the equity method	291,178	8,880	279,825	8,855
Property and equipment	84,179	2,567	15,699	497
Intangible assets	13,808	421	12,666	401
Deferred tax assets	13,422	409	9,011	285
Other non-current assets	295,027	8,997	306,818	9,710
<b>Total assets</b>	<b>\$2,647,119</b>	<b>\$80,729</b>	<b>\$2,631,476</b>	<b>\$83,275</b>
<b>Liabilities</b>				
Current liability	\$319,000	\$9,729	\$290,016	\$9,178
Other non-current liability	176,458	5,381	167,557	5,302
<b>Total liabilities</b>	<b>495,458</b>	<b>15,110</b>	<b>457,573</b>	<b>14,480</b>
<b>Stockholders' equity</b>				
Capital stock	1,500,000	45,746	1,500,000	47,469
Capital surplus	13,908	424	13,908	440
Retained earnings	639,227	19,494	636,111	20,130
Others	(1,474)	(45)	23,884	756
<b>Total stockholders' equity</b>	<b>2,151,661</b>	<b>65,619</b>	<b>2,173,903</b>	<b>68,795</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$2,647,119</b>	<b>\$80,729</b>	<b>\$2,631,476</b>	<b>\$83,275</b>

## Cathay Securities Investment Trust Co., Ltd

### Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Operating income	\$1,405,507	\$42,864	\$1,349,944	\$42,720
Operating expenses	(1,075,974)	(32,814)	(943,656)	(29,863)
Operating gross profit	329,533	10,050	406,288	12,857
Non-operating income and expenses	44,068	1,344	14,724	466
Profit from continuing operations before income tax	373,601	11,394	421,012	13,323
Income tax expense	(59,598)	(1,818)	(75,265)	(2,382)
Profit from continuing operations after income tax	314,003	9,576	345,747	10,941
Net income	314,003	9,576	345,747	10,941
Other comprehensive (loss) income	(25,358)	(773)	3,621	115
<b>Total comprehensive income</b>	<b>\$288,645</b>	<b>\$8,803</b>	<b>\$349,368</b>	<b>\$11,056</b>
Primary earnings per share	\$2.09	\$0.06	\$2.30	\$0.07

# Cathay Futures Co., Ltd.

## Condensed Balance Sheet

As of 31 December 2015 and 31 December 2014

Expressed in thousands of Dollars

Items	2015.12.31		2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
<b>Assets</b>				
Current assets	\$4,060,732	\$123,841	\$2,940,798	\$93,063
Available-for-sale financial asseets	278,087	8,481	245,580	7,772
Property and equipment	67,328	2,053	57,507	1,820
Investment property	286,253	8,730	285,085	9,022
Intangible assets	10,009	305	9,242	292
Other non-current assets	147,047	4,484	169,031	5,349
Total assets	\$4,849,456	\$147,894	\$3,707,243	\$117,318
<b>Liabilities</b>				
Current liability	\$3,763,808	\$114,785	\$2,657,908	\$84,111
Deferred tax liability	6,788	207	6,379	202
Other non-current liability	1,446	44	1,446	46
Total liabilities	3,772,042	115,036	2,665,733	84,359
<b>Stockholders' equity</b>				
Capital stock	650,000	19,823	650,000	20,570
Retained earnings	179,397	5,471	176,456	5,584
Others	248,017	7,564	215,054	6,805
Total stockholders' equity	1,077,414	32,858	1,041,510	32,959
Total liabilities and stockholders' equity	\$4,849,456	\$147,894	\$3,707,243	\$117,318

# Cathay Futures Co., Ltd.

## Condensed Statement of Comprehensive Income

For the years ended 31 December 2015 and 2014

Expressed in thousands of Dollars, except earnings per share

Items	2015.1.1~2015.12.31		2014.1.1~2014.12.31 (adjusted)	
	NT\$	US\$	NT\$	US\$
Operating income	\$175,913	\$5,365	\$138,482	\$4,382
Operating expenses	(186,070)	(5,675)	(148,525)	(4,700)
Operating loss	(10,157)	(310)	(10,043)	(318)
Non-operating income and expenses	40,244	1,228	47,815	1,513
Profit from continuing operations before income tax	30,087	918	37,772	1,195
Income tax expense	(4,760)	(145)	(4,631)	(147)
Profit from continuing operations after income tax	25,327	773	33,141	1,048
Net income	25,327	773	33,141	1,048
Other comprehensive income	32,963	1,005	24,291	769
Total comprehensive income	\$58,290	\$1,778	\$57,432	\$1,817
<b>Primary earnings per share</b>				
	\$0.39	\$0.01	\$0.51	\$0.02

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