CTBC Holding

Analyst Meeting
Financial Review of 3Q18

November 12th, 2018
Investor Relations

CTBC
中國信託

DISCLAIMER

THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE NINE MONTHS ENDED SEPTEMBER 30th, 2018 ARE PRELIMINARY. CTBC HOLDING EXPECTS TO FILE ITS UNAUDITED FINANCIAL STATEMENTS, WHICH ARE SUBJECT TO REVIEW BY ITS AUDITORS, WITH THE ROC SECURITIES AND FUTURES BUREAU ON OR ABOUT NOVEMBER 30th, 2018.

These materials are not an offer for sale of securities in the United States. Securities may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

CTBC Holding's financial highlight in 3Q18

Stable revenue growth with strong ROE at 13.89%

- CTBC Holding's net income growth was steady yoy; ROE & ROA remained high at 13.89% and 0.76%, respectively, & EPS was NT$1.60 in 9M18
- CTBC Bank's PPOP grew +7.5% yoy, driven by widened net interest margin, increased lending, and growth in trading gains and wealth management fees
- Taiwan Life has focused on regular-paid and investment-linked products since 1Q18. Life insurance's net profit increased +13.5% yoy, supported by enhanced recurring yield and continuously declined cost of liability, and was partly offset by rises in hedging costs

Improved efficiency ratio

- Operating expense growth (excl. life) was moderate yoy; if excluding ESOP impact, cost-to-income ratio was 56.7% in 9M18 vs. 57.8% in 9M17

Benign asset quality and high coverage ratio

- NPL ratio improved qoq at 0.40% with NPL coverage ratio of 314.8% as of 3Q18
- Credit costs remained benign at 19bps in 9M18

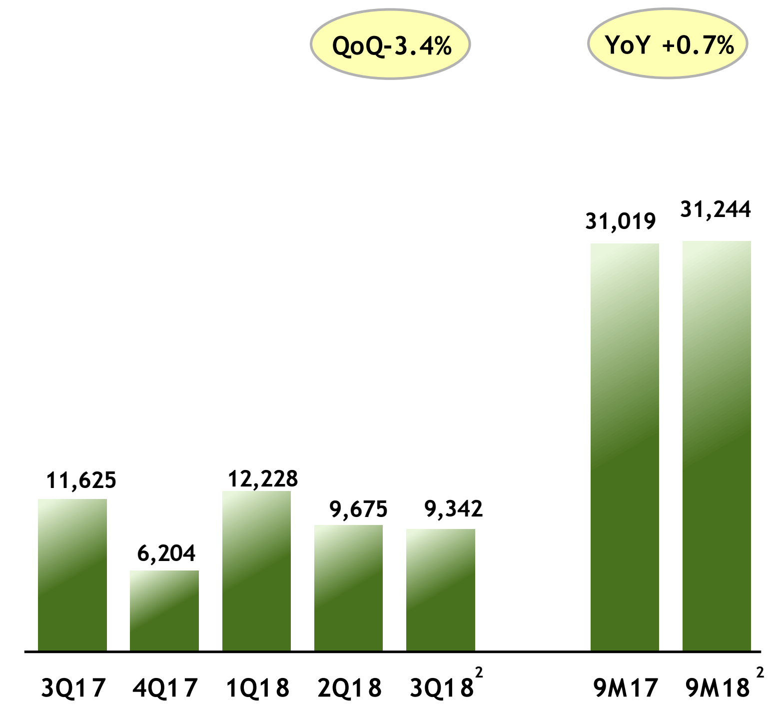
Adequate capital structure

- CTBC Holding's CAR was 123.4% and double leverage ratio was 118.0% as of Sep 30, 2018
- CTBC Bank's CAR stood high at 14.2% and common equity tier 1 ratio was 11.7% as of Sep 30, 2018
- Taiwan Life's RBC ratio was 310% as of Sep 30, 2018

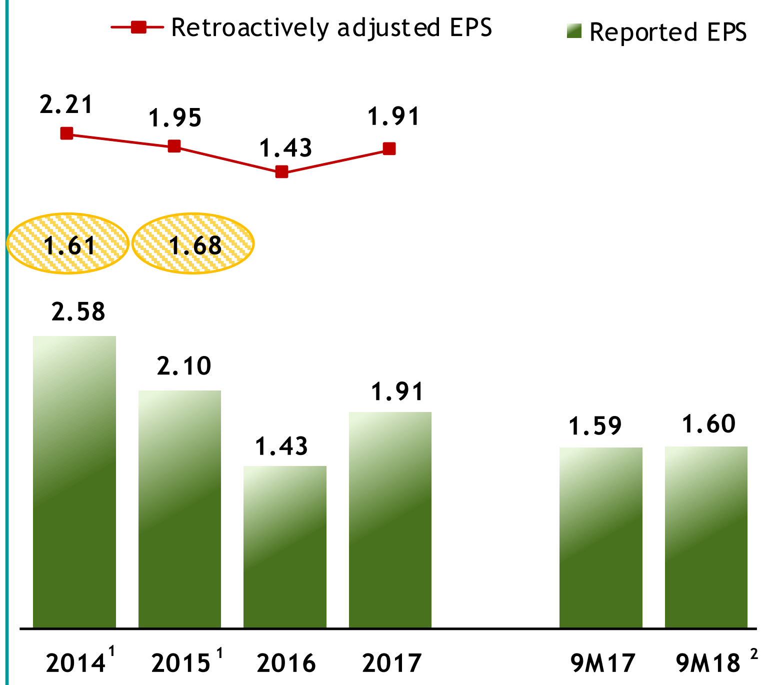
CTBC Holding's profitability

Excl. one-off

Consolidated net profit
NT$ mm



EPS
NT$

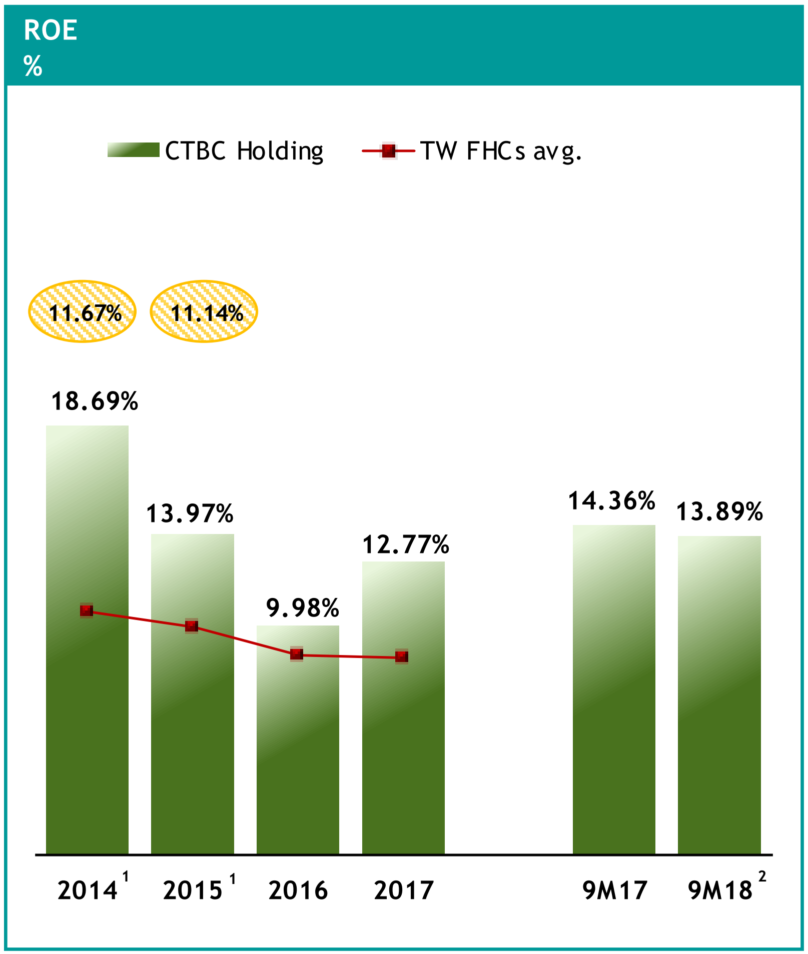


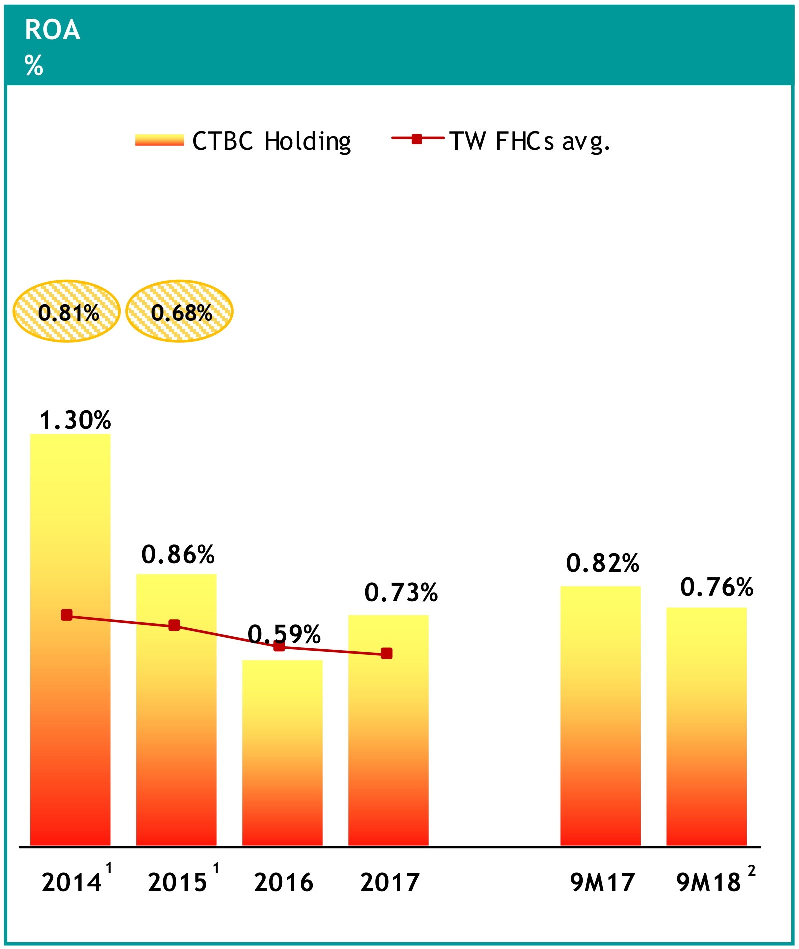
CTBC Holding's numbers are presented on a consolidate basis.

1. 2014 include the one-off bargain purchase gain of NT$14.8 bn, 2015 include the one-off HQ disposal gain of NT$7.2 bn
2. 3Q18/9M18 number is preliminary

CTBC Holding's ROE & ROA

Excl. one-off





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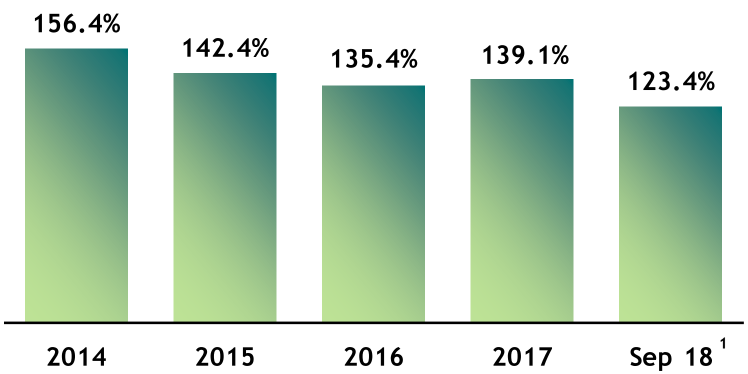
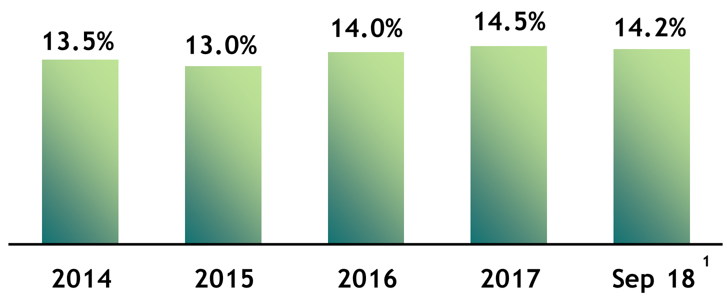
1. 2014 include the one-off bargain purchase gain of NT$14.8 bn, 2015 include the one-off HQ disposal gain of NT$7.2 bn
2. 3Q18/9M18 number is preliminary

CTBC Holding’s strong capitalization

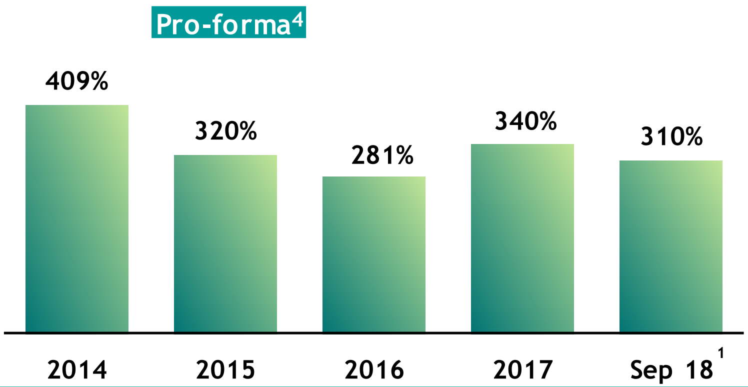
CTBC Holding’s CAR
%



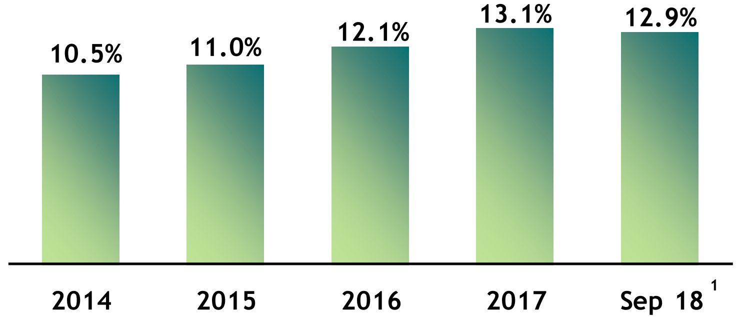
CTBC Bank’s CAR ratio[2]
%



Taiwan Life RBC[3]
%



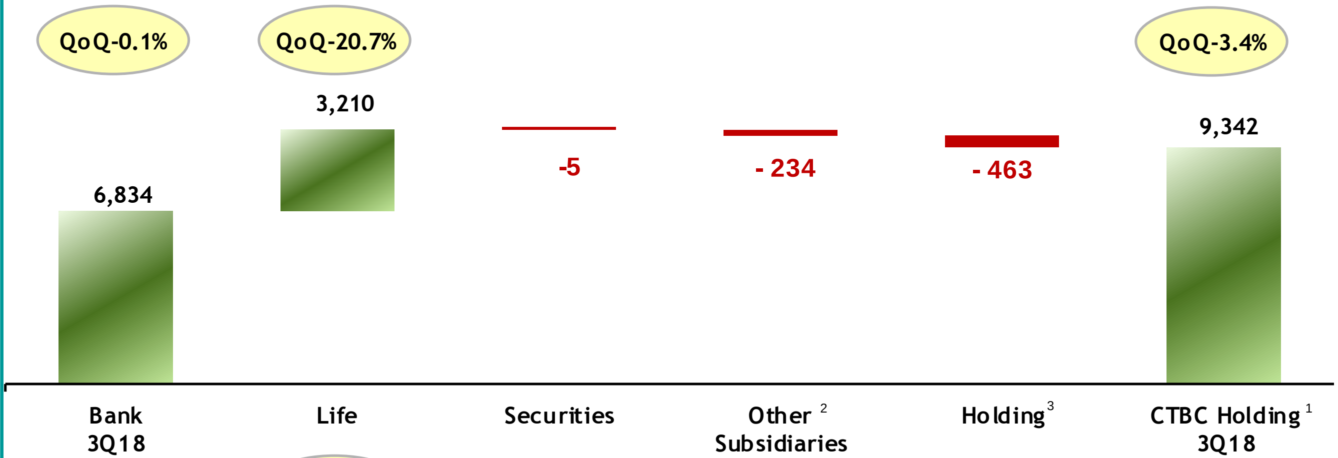
CTBC Bank’s Tier I ratio[2]
%



CTBC Holding’s numbers are presented on a consolidated basis.
1. Sep18 number is preliminary
2. CTBC Bank adopted Basel III since 2013
3. 2014 RBC ratio is based on entity previously known as CTBC Life. Taiwan Life and CTBC Life was merged in 2015 with Taiwan Life as surviving entity
4. Pro-forma is CTBC Life & Taiwan Life combined

CTBC Holding's net profit breakdown by entity

CTBC Holding's net profit breakdown
NT$ mm

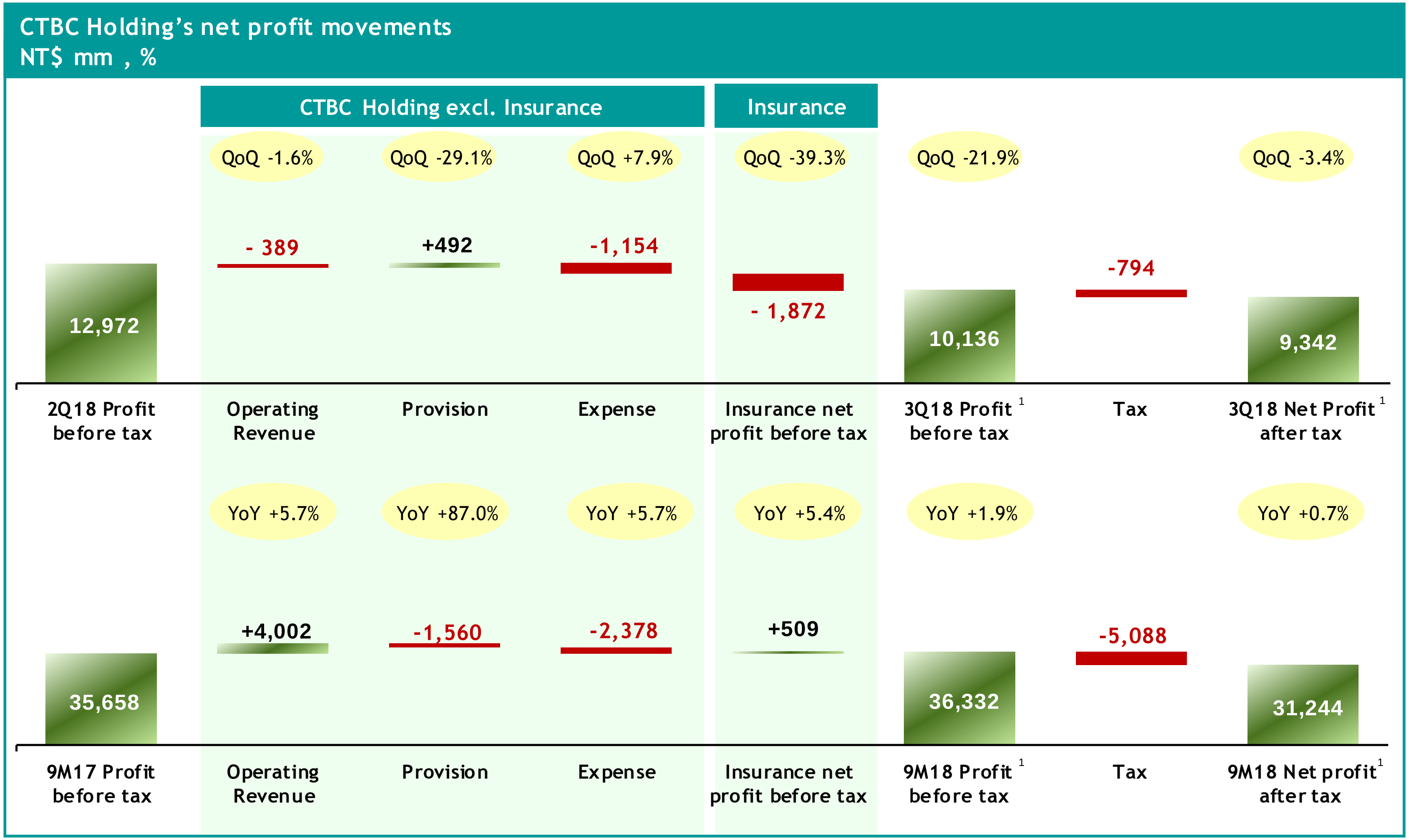


3Q18[1] Breakdown	%
Bank	73%
Life	34%
Others[2]	-8%

9M18[1] Breakdown	%
Bank	73%
Life	32%
Others[2]	-5%

CTBC Holding's numbers are presented on a consolidated basis.
1.3Q18/9M18 numbers are preliminary
2.Other subsidiaries include CTBC Venture Capital, Asset Management, Taiwan Lottery, and Investments
3.Holding (on a non-consolidated basis) is an adjustment item for compiling consolidated statement.

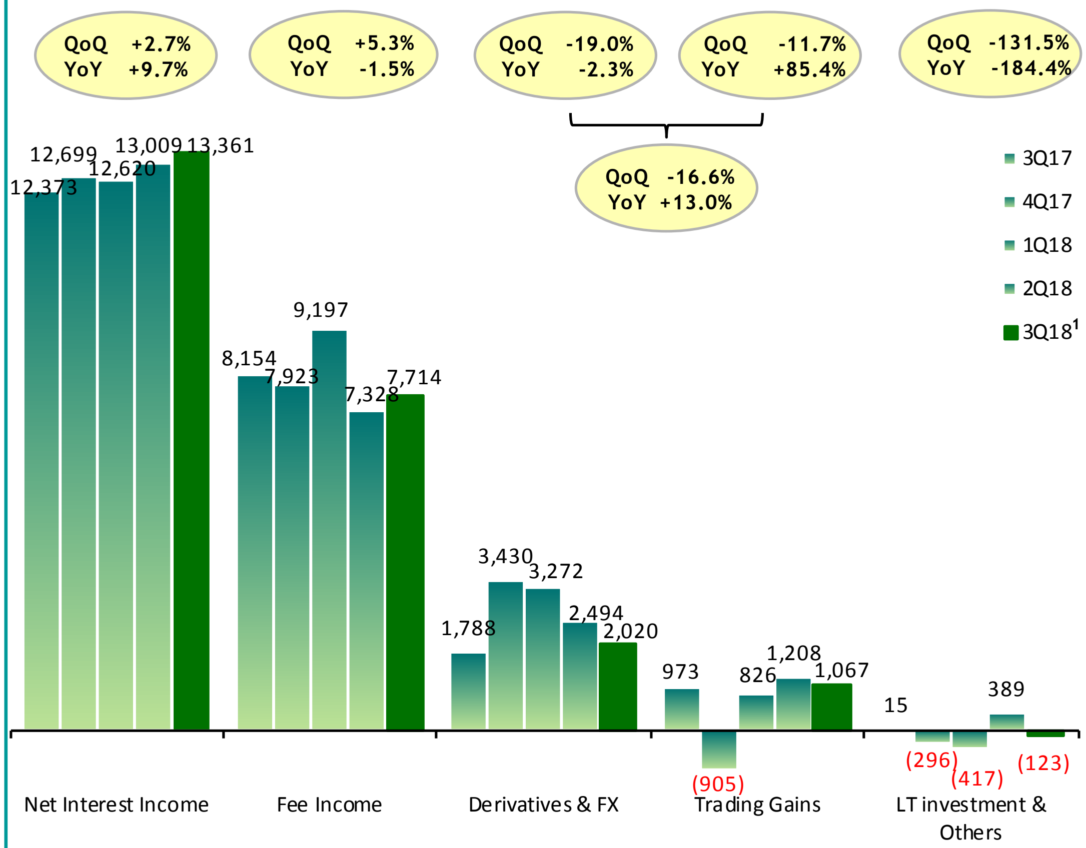
CTBC Holding’s net profit movements

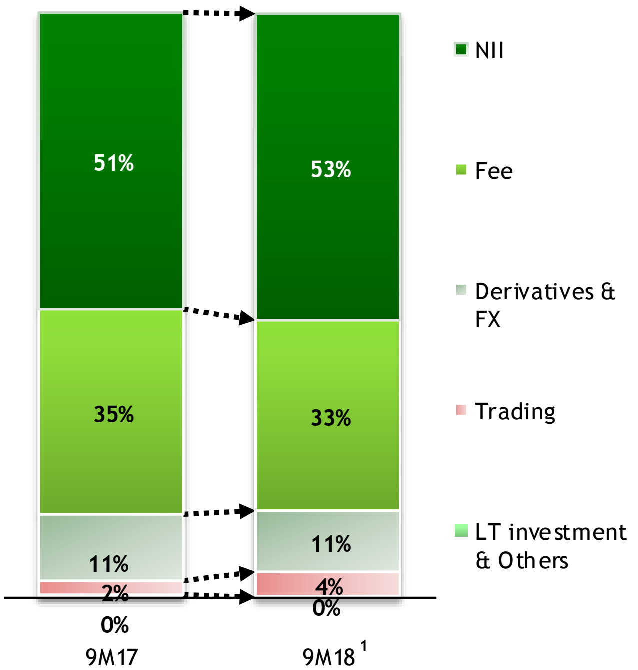


CTBC Holding’s numbers are presented on a consolidated basis.
1.3Q18/9M18 number is preliminary

CTBC Holding's revenue breakdown (excl. Life)

CTBC Holding's revenue breakdown
NT$ mn, %



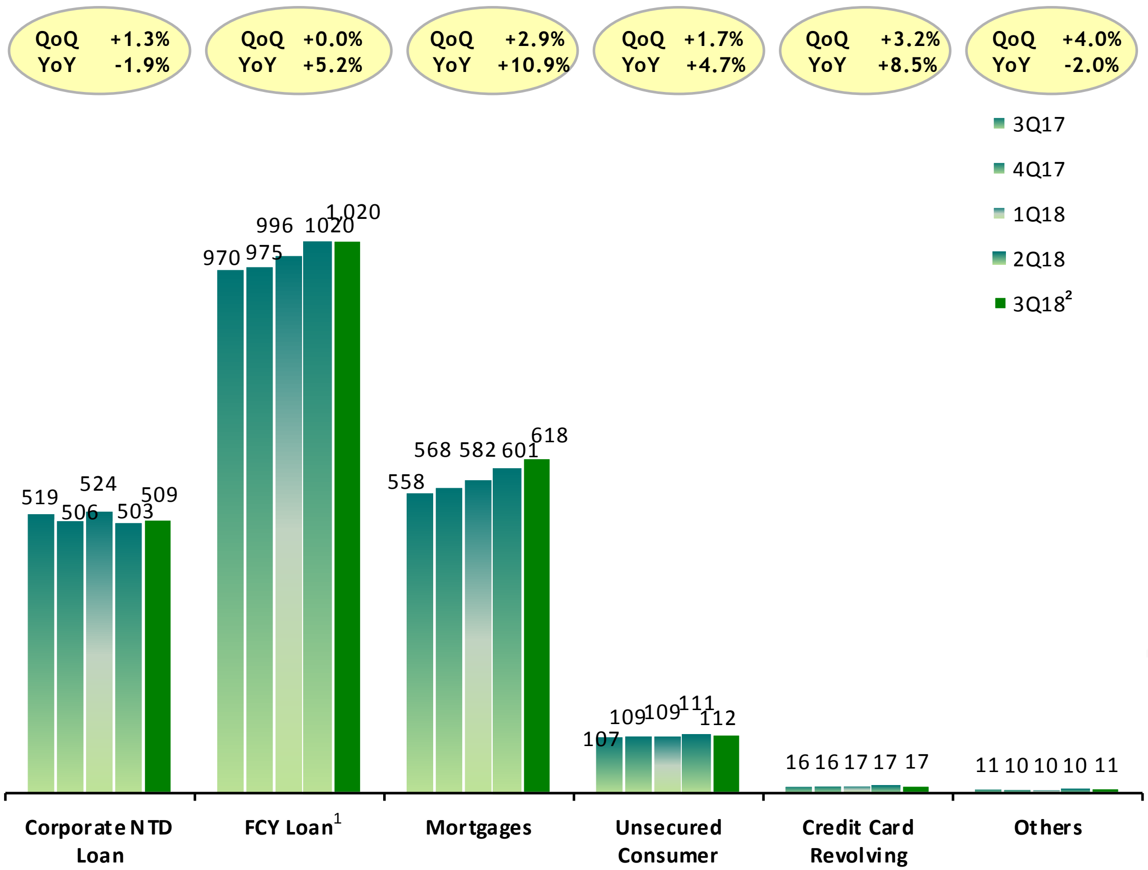


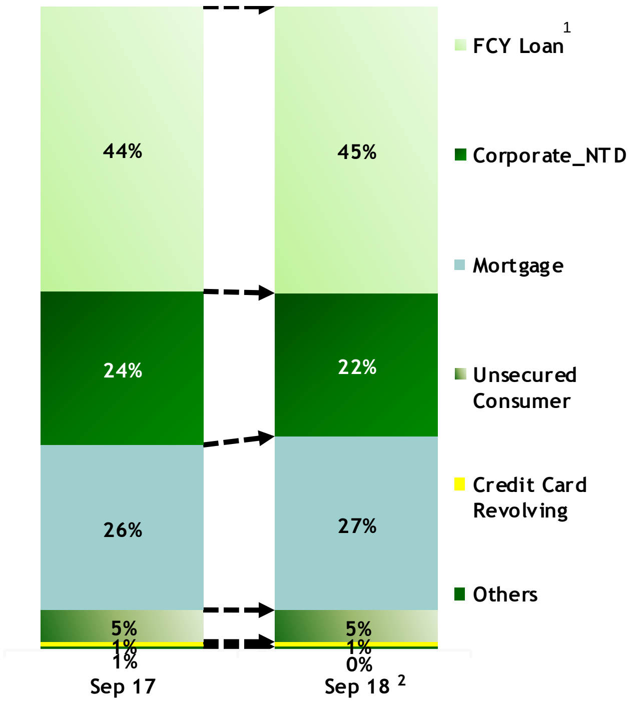
Total Revenue[1] (NT$ mn)		Growth %
2Q18: 24,428	3Q18: 24,039	-1.6%
9M17: 69,963	9M18: 73,965	+5.7%

CTBC Holding's numbers are presented on a consolidated basis.
1.3Q18/9M18 number is preliminary

CTBC Bank's lending portfolio breakdown

Loan breakdown (incl. credit card revolving balance)
NT$ bn, %



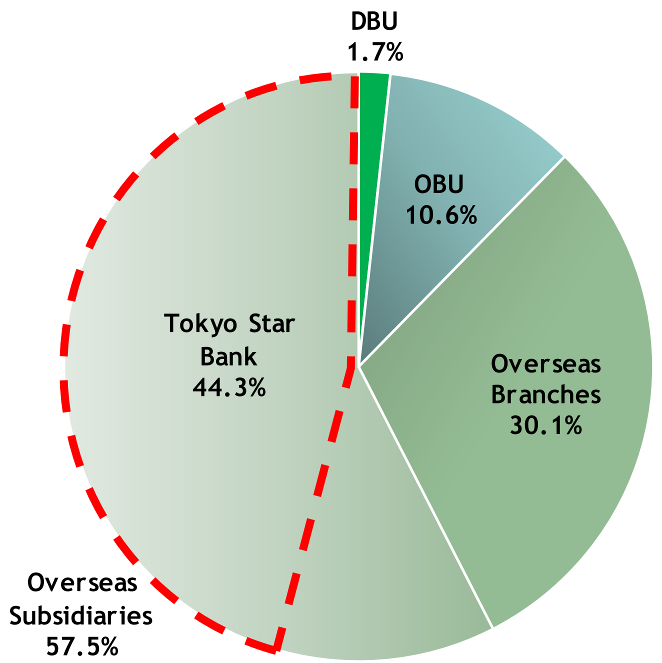


Total lending[3] portfolio (NT$ bn)		%
Sep18: 2,263	Sep 18[2]: 2,290	+1.2%
Sep 17: 2,183	Sep 18[2]: 2,290	+4.9%

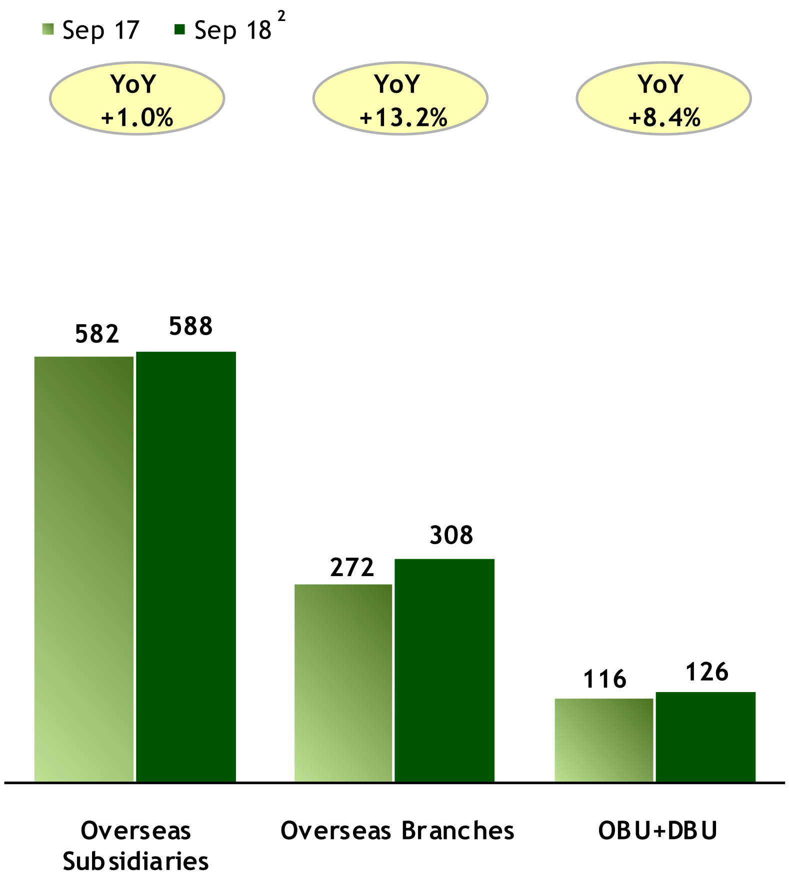
These numbers are presented on CTBC Bank consolidated basis.
1. FC Loan includes non-accrual loans.
2. 3Q18 and Sep 2018 numbers are preliminary.
3. Total lending portfolio includes performing loans, non-accrual loans and credit card revolving balance.

CTBC Bank's FCY loan breakdown

FCY loan breakdown[1]
%



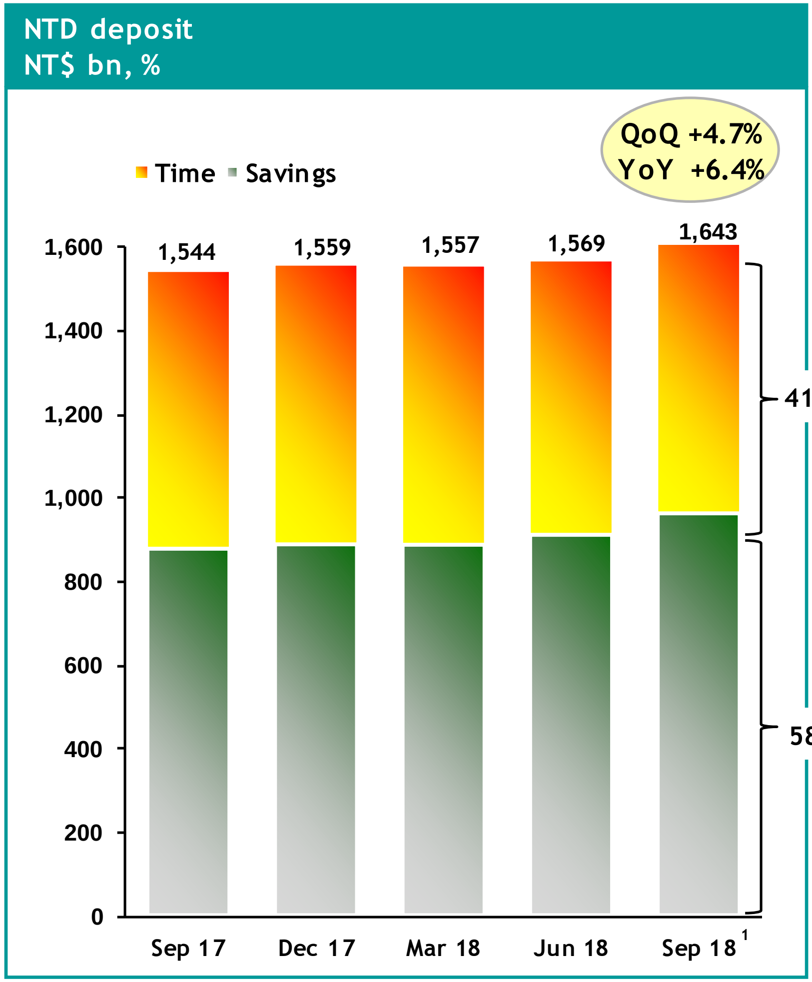
FCY loan growth[1]
NT$ bn, %

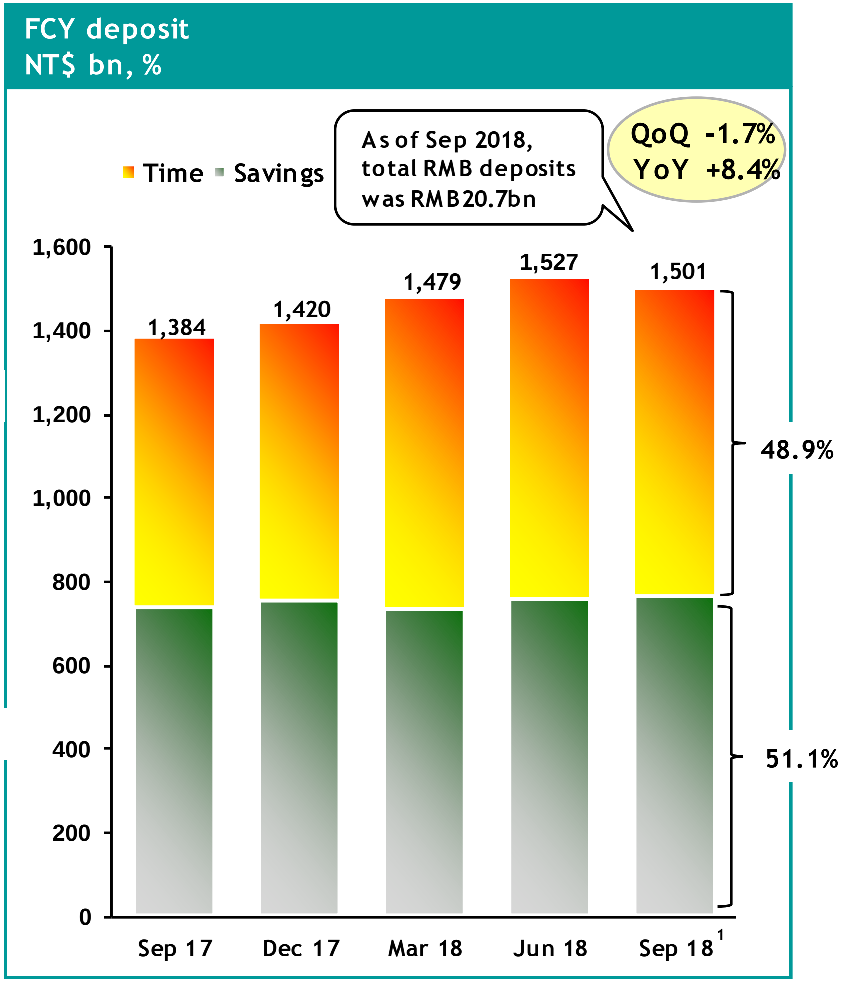


These numbers are presented on CTBC Bank's consolidated basis.

1. FC Loan breakdown includes non-accrual loans and excludes an elimination item
2. Sep 18 number is preliminary

CTBC Bank's deposit mix

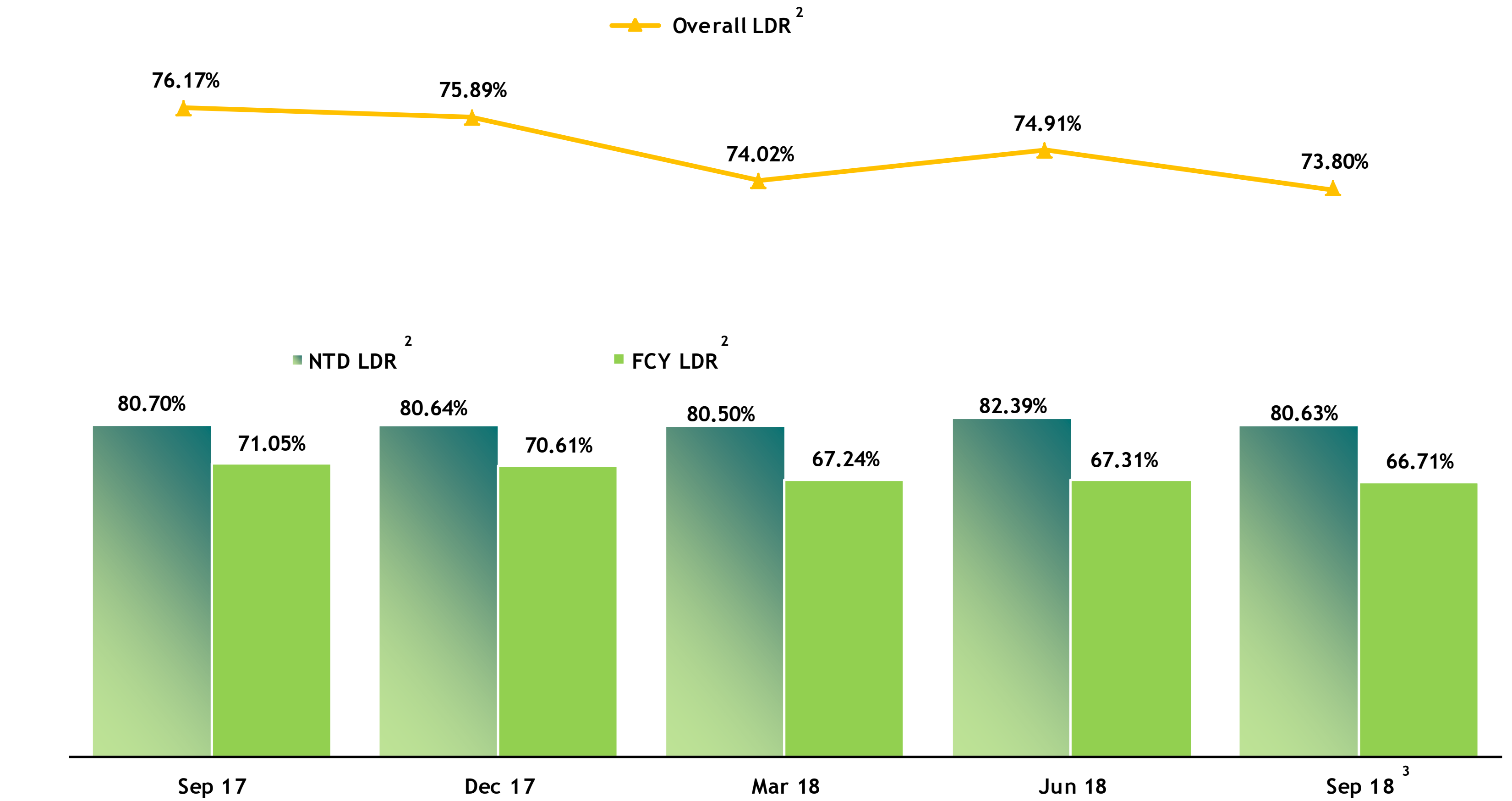




These numbers are presented on CTBC Bank's consolidated basis.
1. Sep 18 number is preliminary

CTBC Bank's LDR

Overall LDR[1]
%

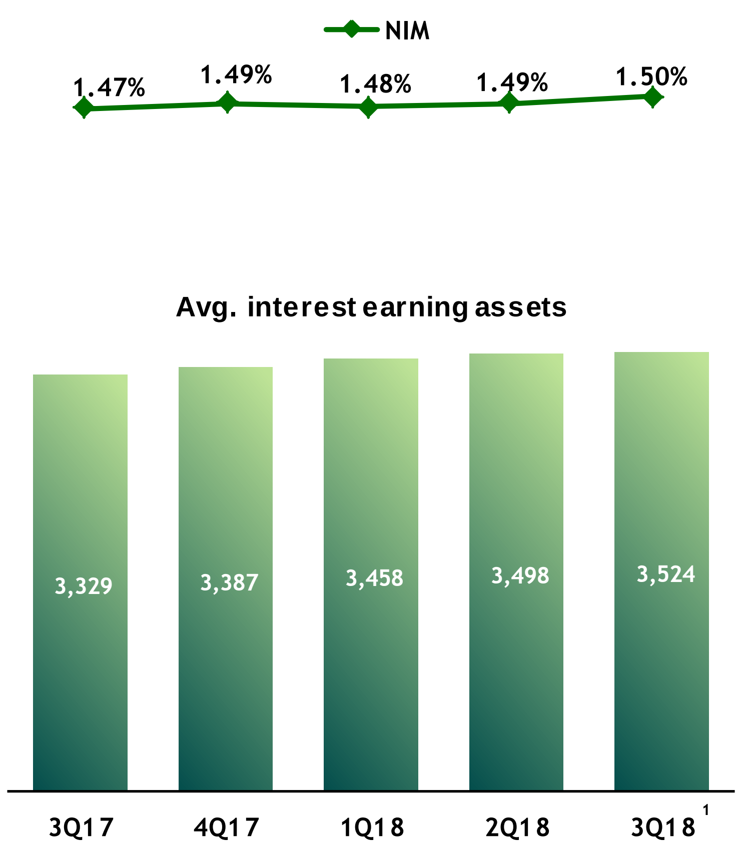


These numbers are presented on CTBC Bank consolidated basis.

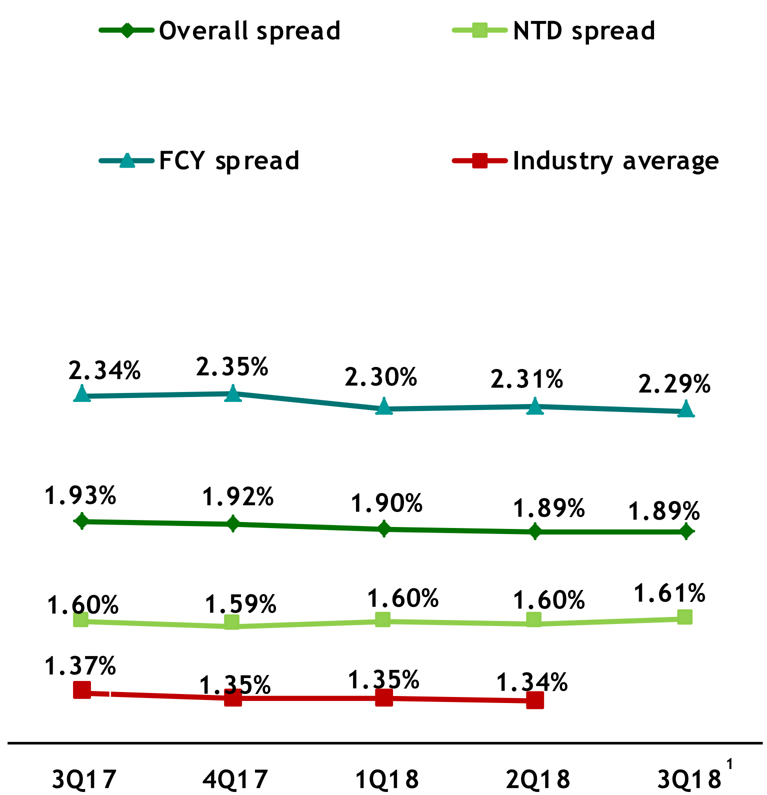
1. Use average balance to calculate LDR; credit card account receivables are included in the calculation of CTBC Bank's LDR
2. Loans include both performing and non-accrual loans; deposits are adjusted to exclude structured deposits and remittances
3. Sep 18 number is preliminary

CTBC Bank's NIM and spreads

Quarterly NIM & interest earning assets
NT$ bn, %



Overall, NTD & FX spread vs. industry
%

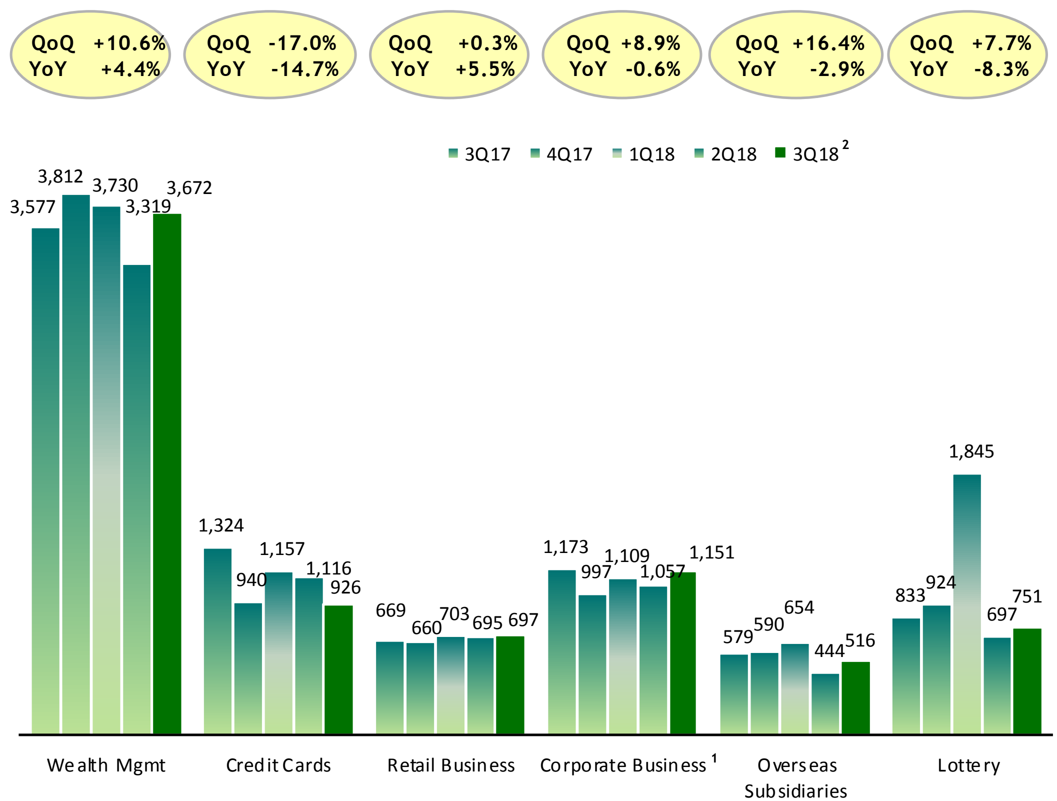


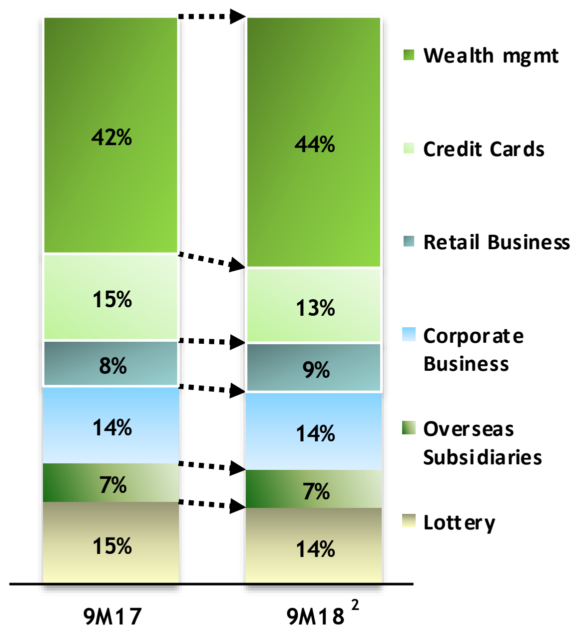
These numbers are presented on CTBC Bank consolidated basis.

1. 3Q18 number is preliminary

CTBC Holding's fee breakdown (excl. Life)

CTBC Holding's fee income breakdown
NT$ mn, %



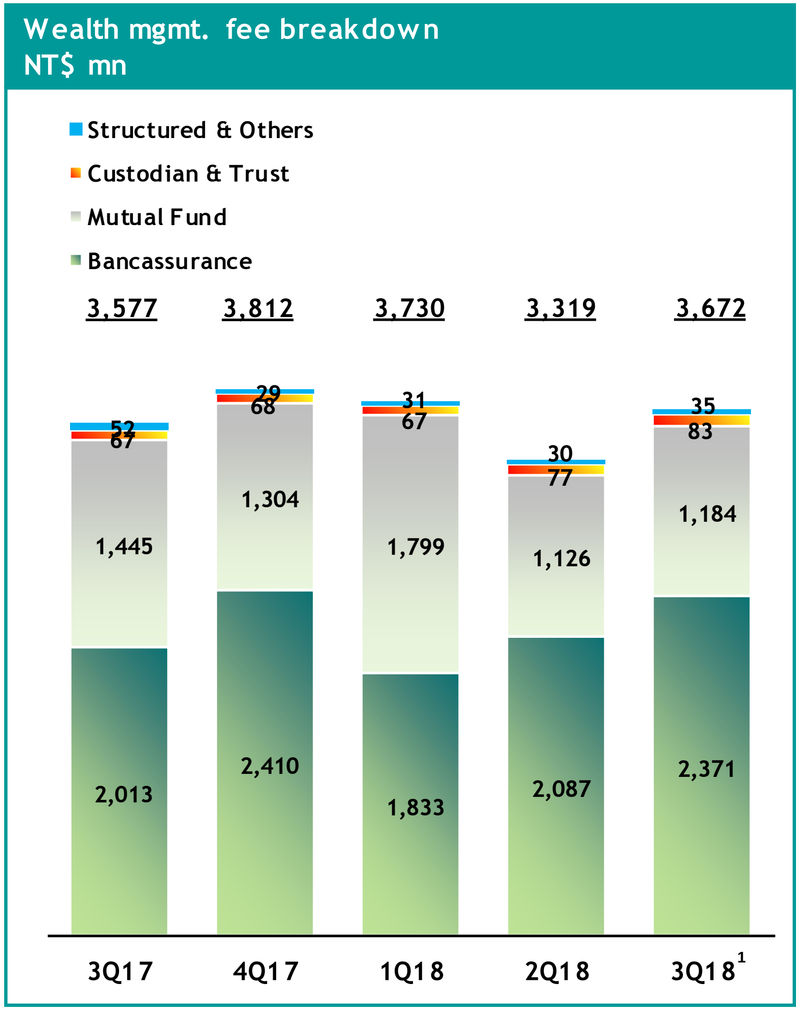


Total Fees (NT$ mn)		%
2Q18: 7,328	3Q18[2]: 7,714	+5.3%
9M17: 24,599	9M18[2]: 24,239	-1.5%

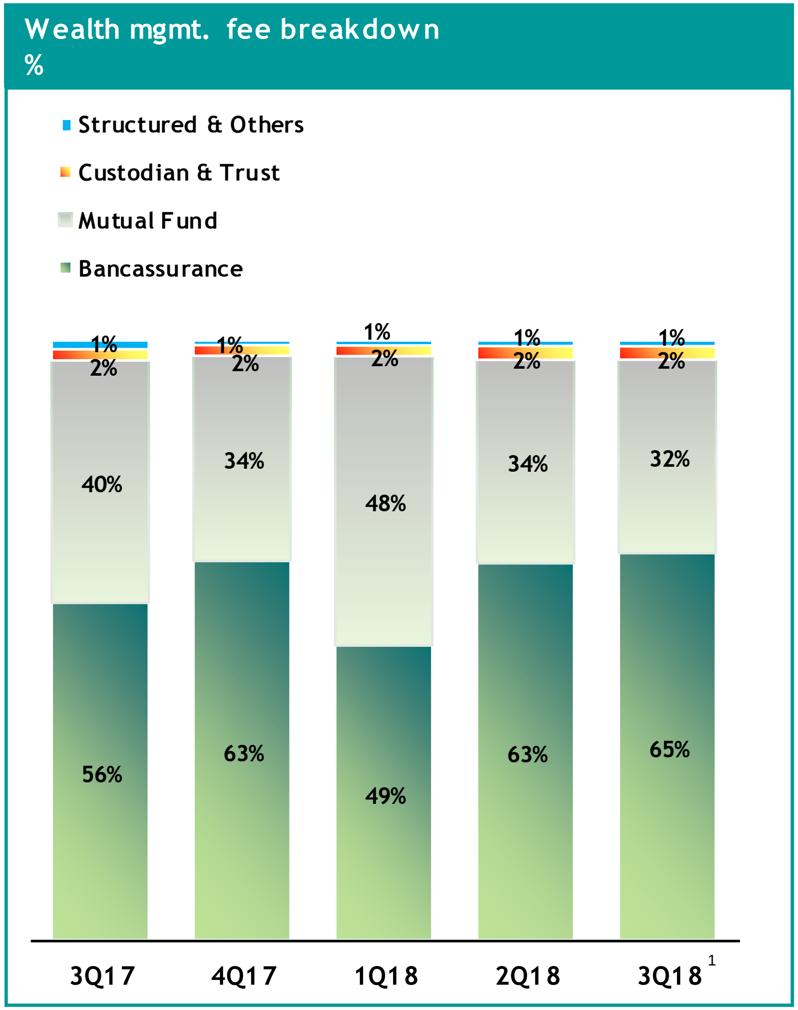
CTBC Holding's numbers are presented on a consolidated basis.
1. Corporate business excludes overseas subsidiaries
2. 3Q18 & 9M18 numbers are preliminary.

CTBC Holding's Wealth Management fee

Wealth mgmt. fee breakdown
NT$ mn



Wealth mgmt. fee breakdown
%

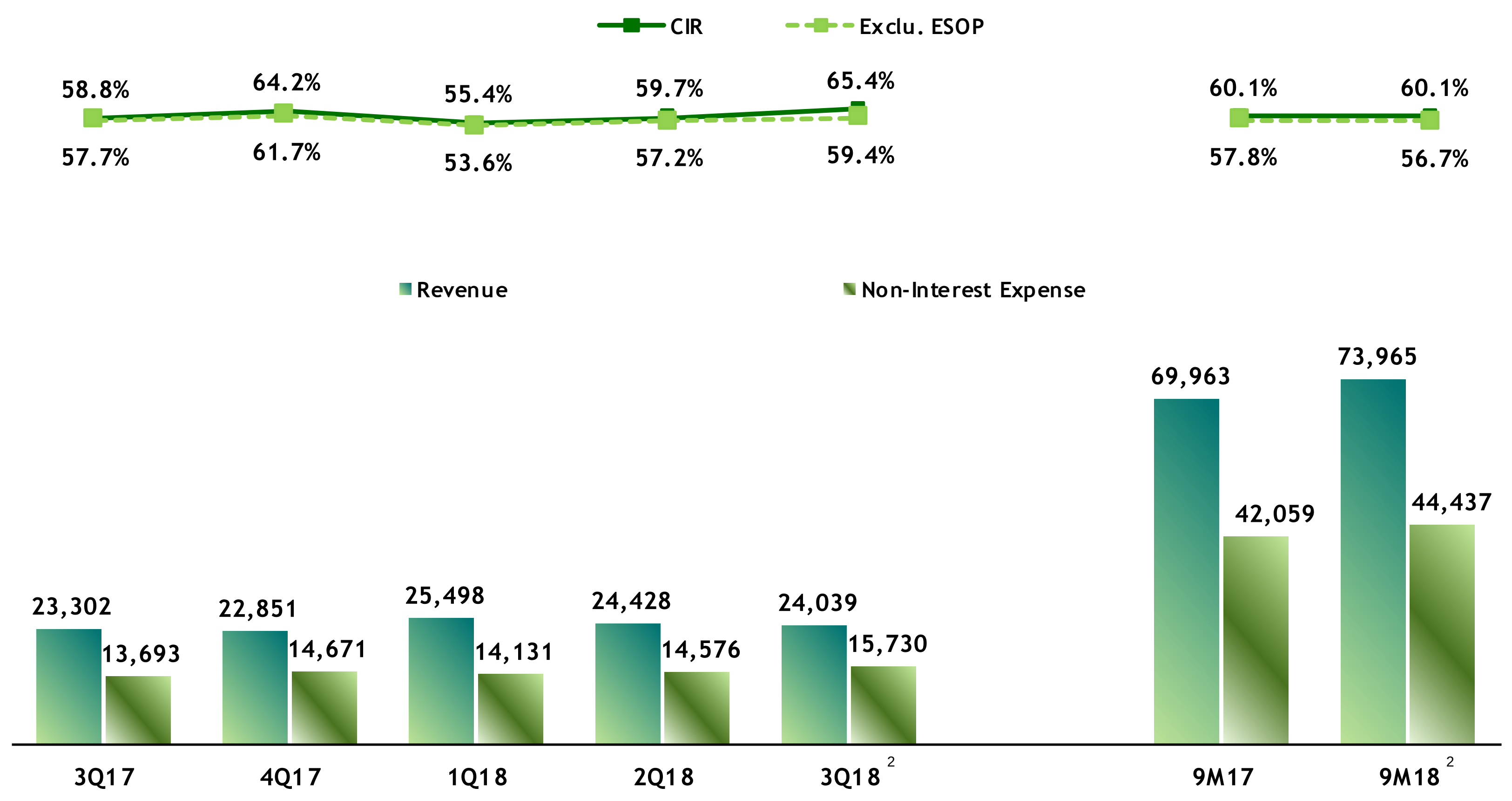


CTBC Holding's numbers are presented on a consolidated basis.

1. 3Q18 number is preliminary

CTBC Holding's cost to income ratio (excl. Life)

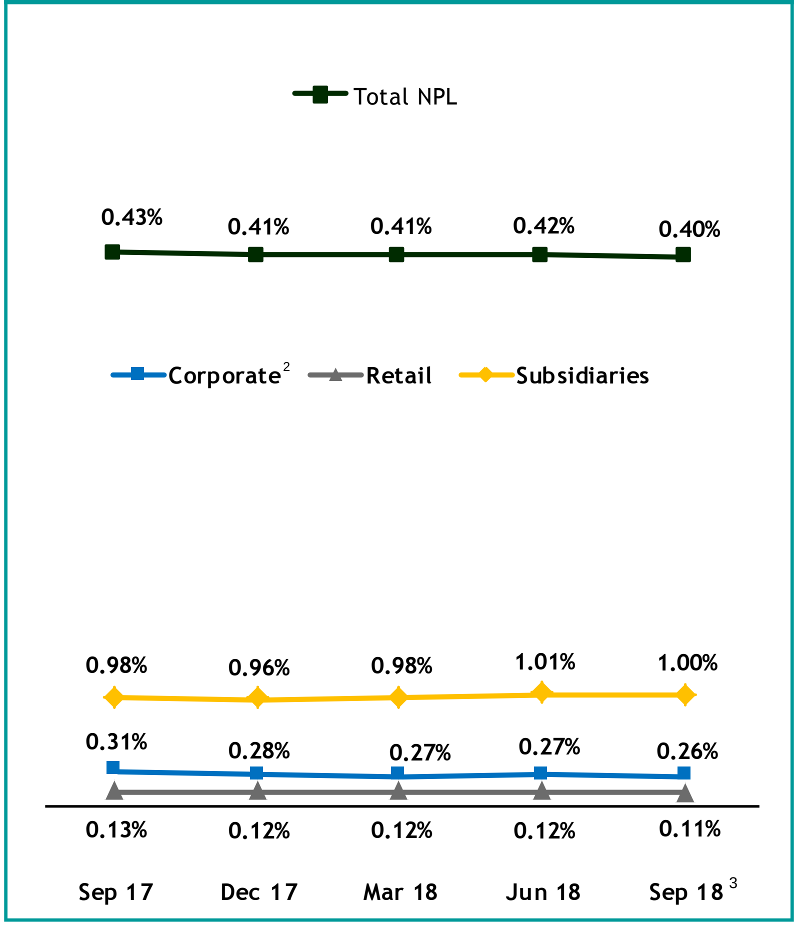
CTBC Holding's cost-to-income ratio[1] and revenue & non-interest expense
NT$ mn, %



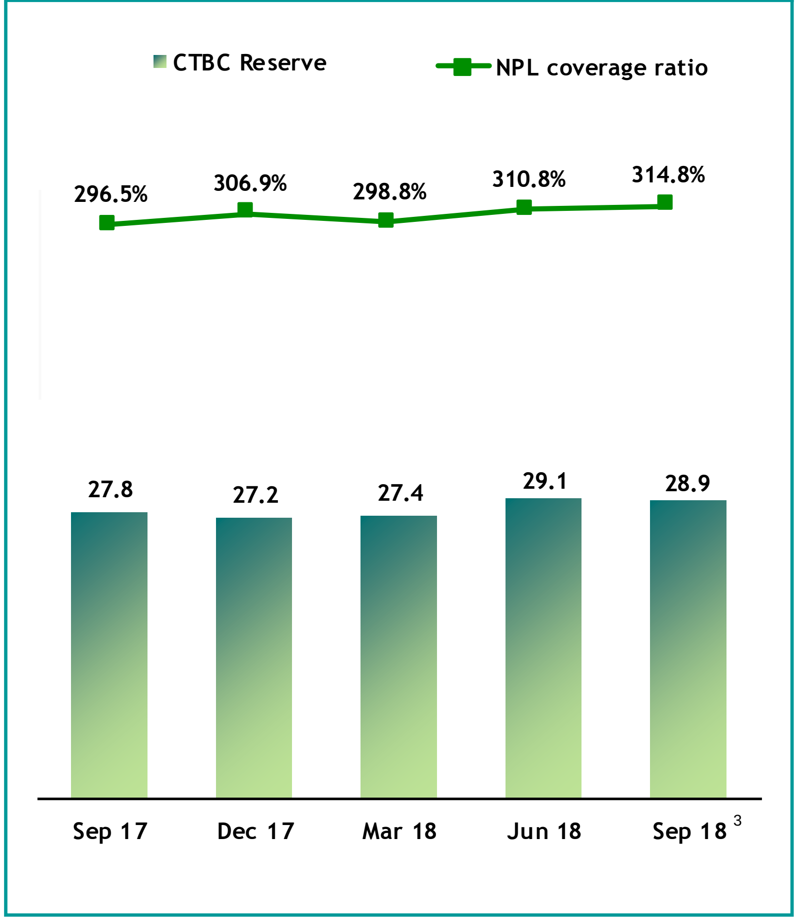
CTBC Holding's numbers are presented on a consolidated basis.
1. Cost-to-Income ratio is derived by dividing Total Non-interest Expense by Pre-provision Operating Revenue
2. 3Q18 and 9M18 number is preliminary

CTBC Bank's asset quality remained benign

NPL ratio [1]
%



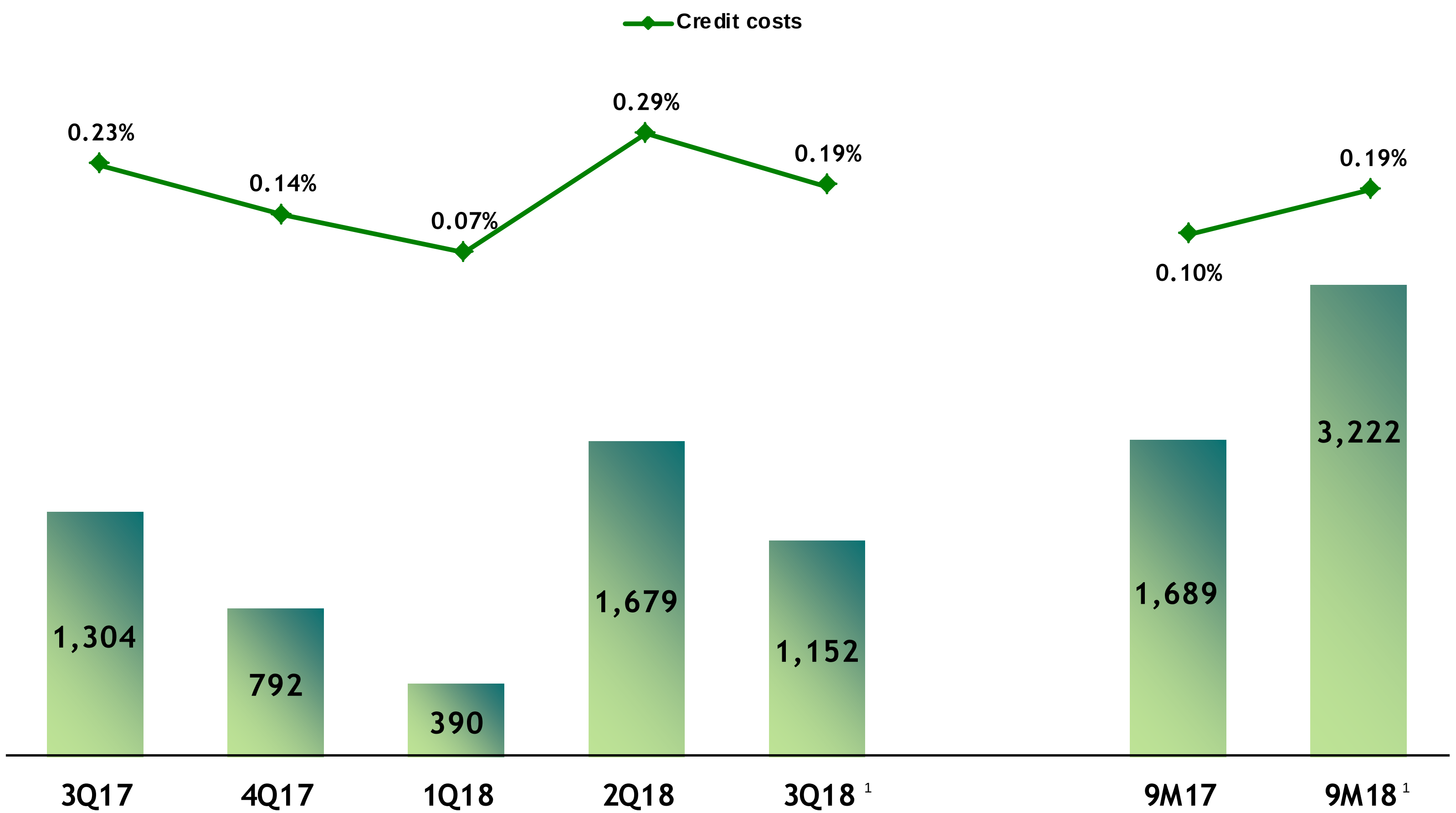
NPL coverage ratio
NT$ bn, %



These numbers are presented on CTBC Bank consolidated basis.
1. NPL refers to loans over 90 days overdue
2. Excludes overseas subsidiaries
3. Sep 18 number is preliminary

CTBC Bank's credit cost trend

Provisioning ratios & provision costs
NT$ mn, %

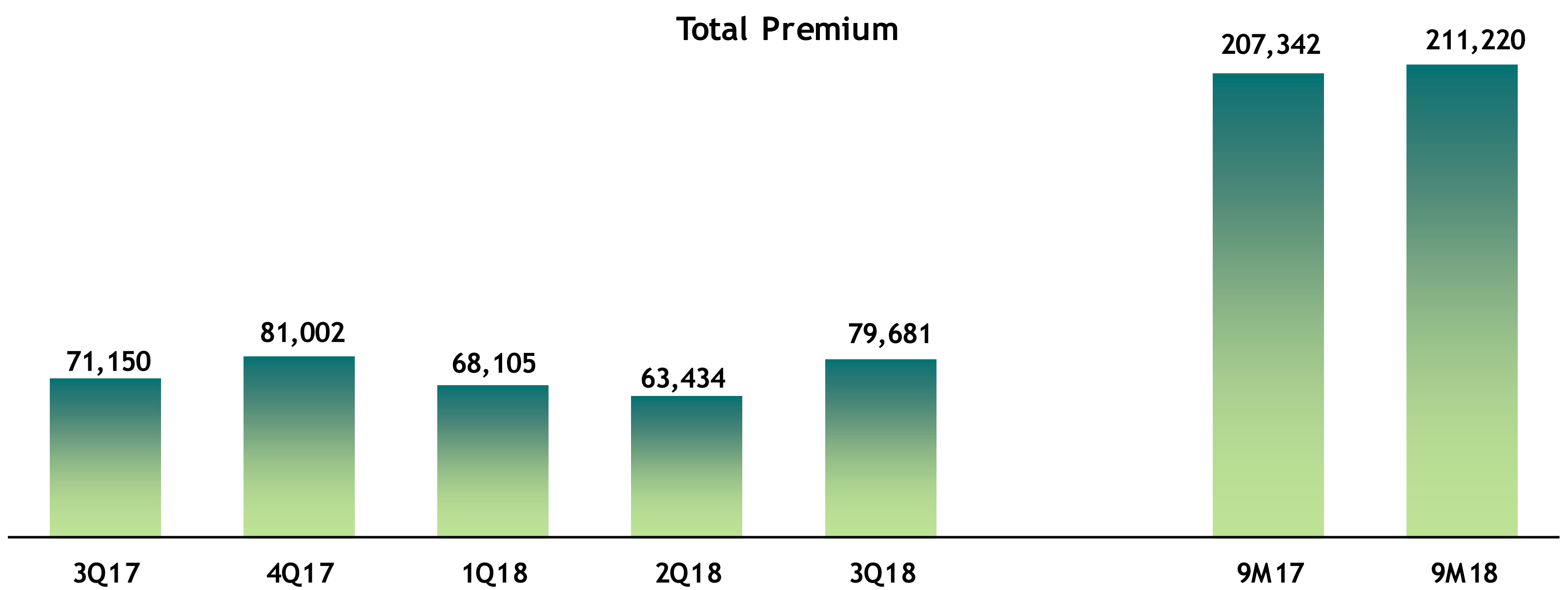


These numbers are presented on CTBC Bank consolidated basis.
1. 3Q18/9M18 number is preliminary

Life - Total premium (TP)

Total premium (TP)
NT$ mn, %

%	Taiwan Life	Industry
QoQ Growth	+25.6%	-1.5%
YoY Growth	+1.9%	+2.0%
Rank (MS%)	No 6 (8.2%)	-

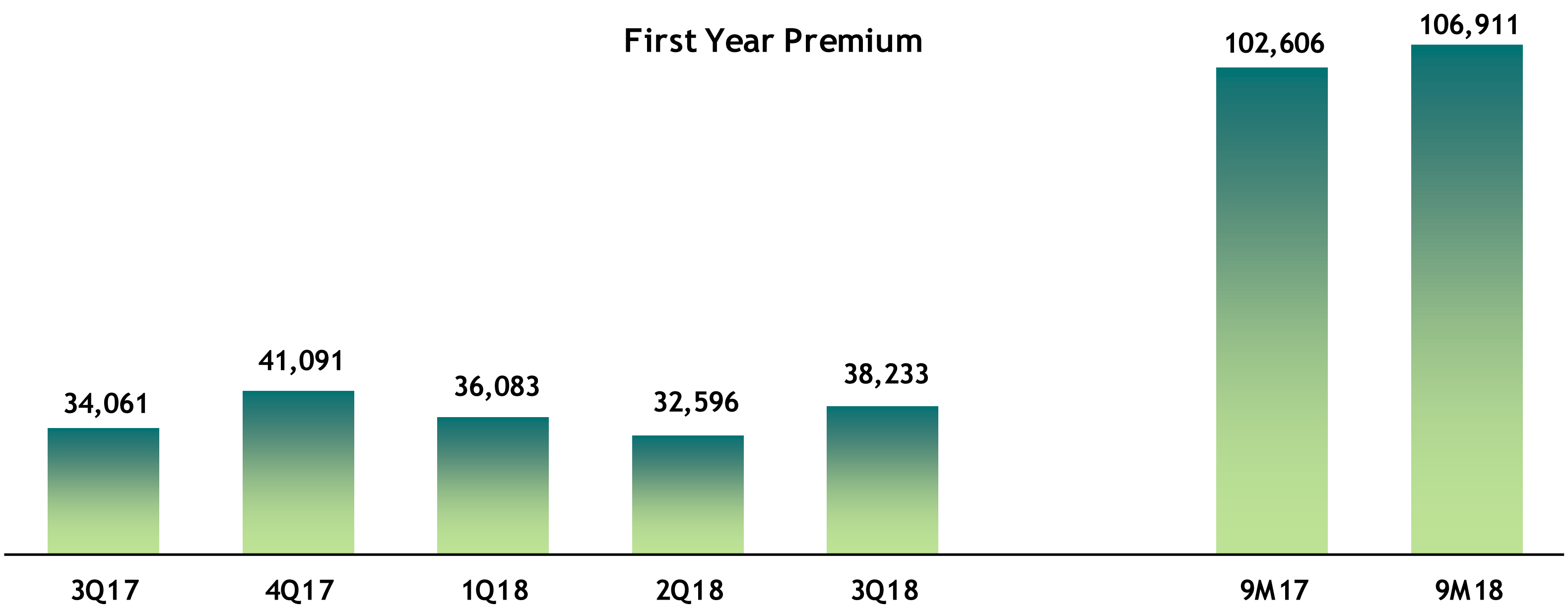


Data resource: Life insurance association and Taiwan Insurance Institution

Life - First year premium (FYP)

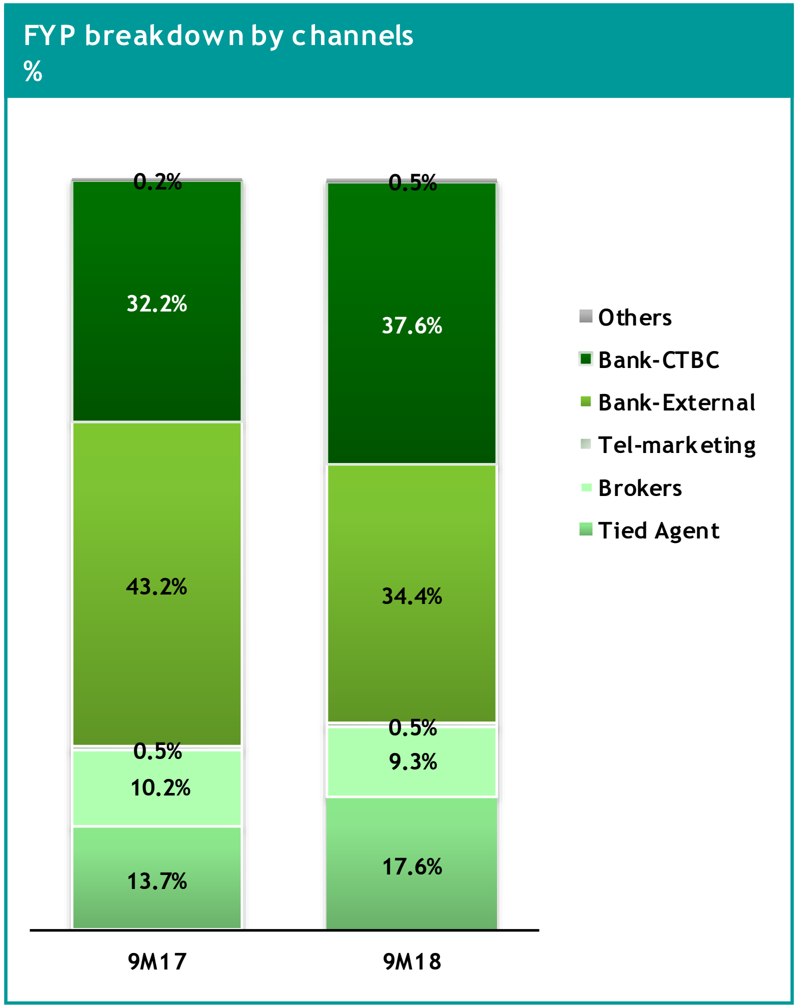
First year premium (FYP)
NT$ mn, %

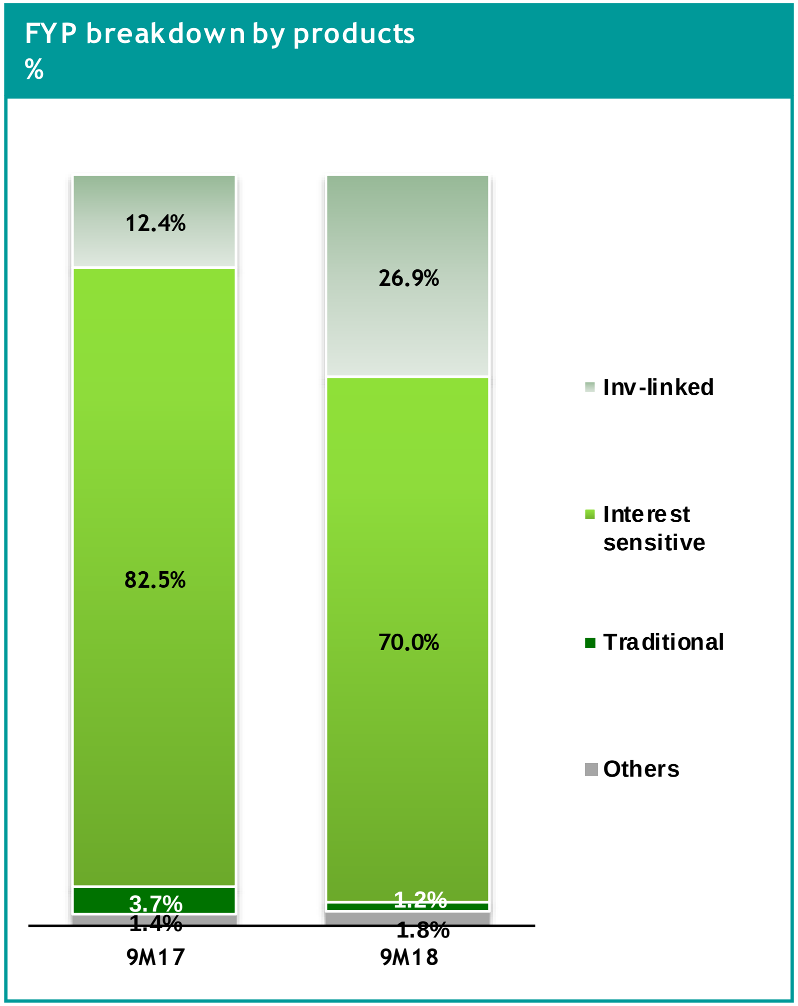
%	Taiwan Life	Industry
QoQ Growth	+17.3%	-3.5%
YoY Growth	+4.2%	+9.5%
Rank (MS%)	No 5 (10.3%)	



Data resource: Life insurance association and Taiwan Insurance Institution

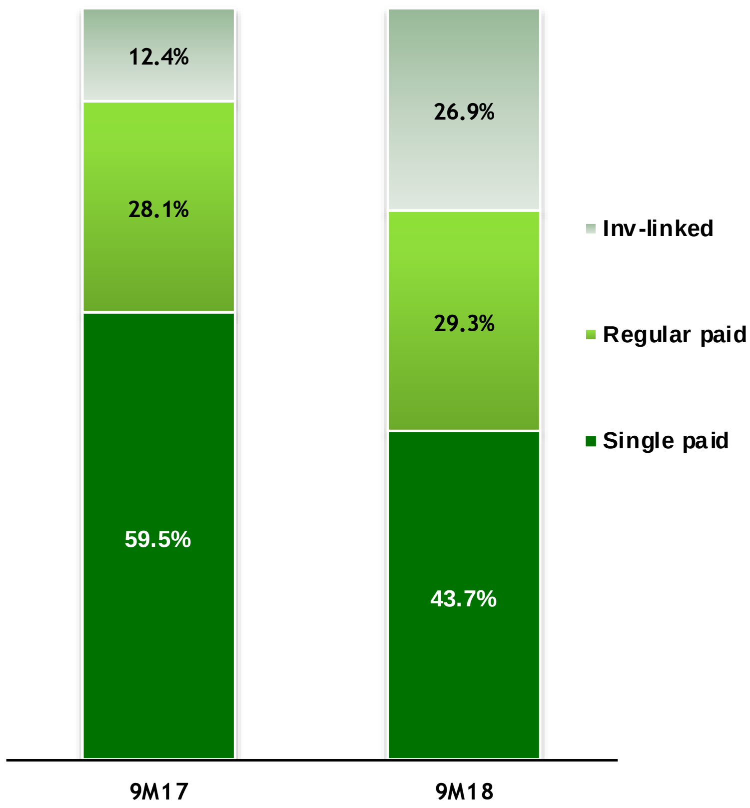
Life - FYP breakdown by channels and products



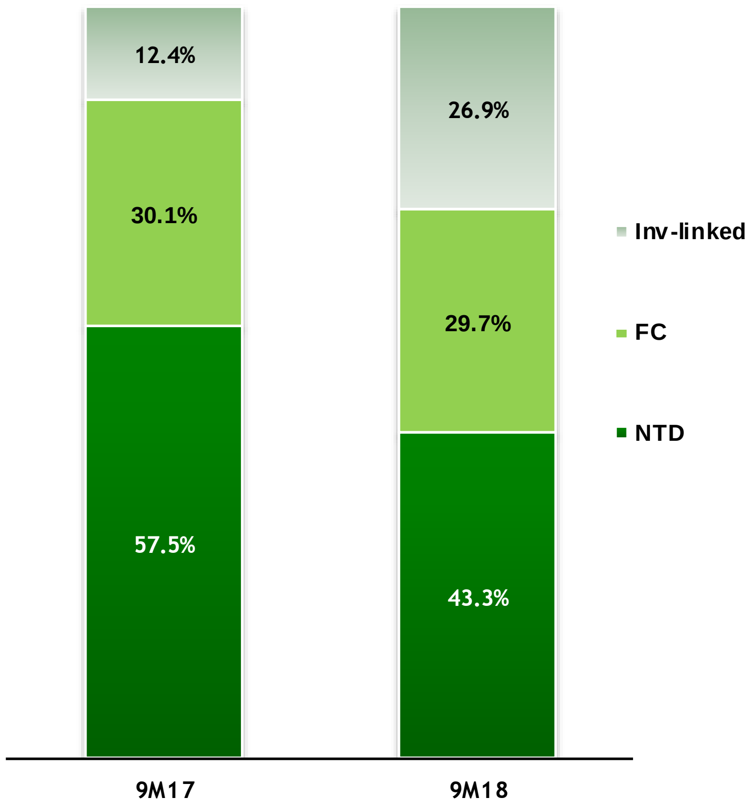


Life - FYP breakdown by types of payment and currencies

FYP breakdown by types of payment[1]
%



FYP breakdown by currencies[2]
%

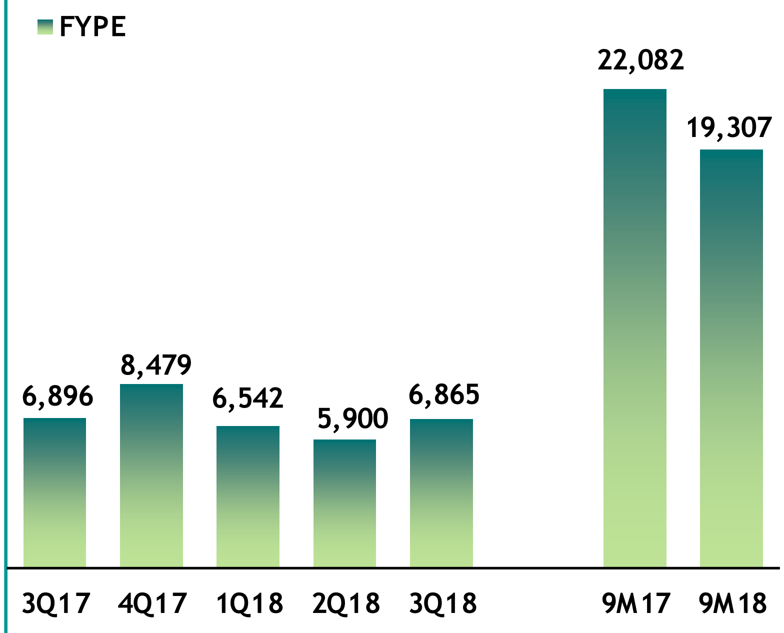


1. FYPs are grouped by types of payment, except inv-linked products
2. FYPs are grouped by currencies, except inv-linked products

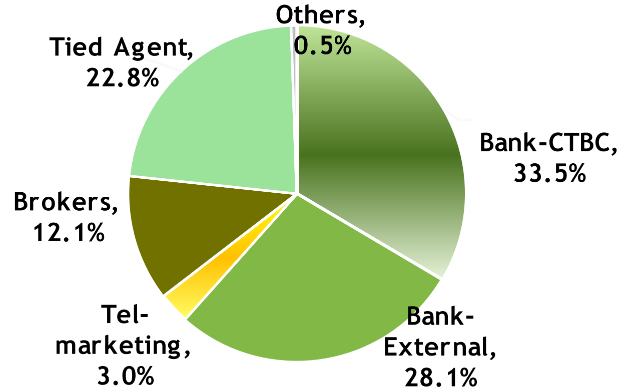
Life - First year premium equivalent (FYPE)

First year premium equivalent (FYPE)
NT$ mn, %

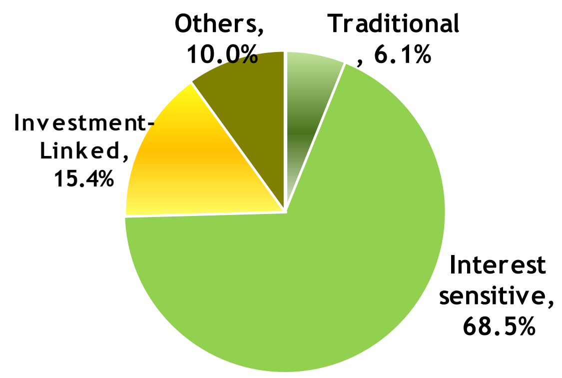
%	Taiwan Life	Industry
QoQ	+16.4%	-7.8%
YoY	-12.6%	-9.0%
Rank (MS%)	No 6 (7.5%)	-



9M18 FYPE breakdown by channels
%

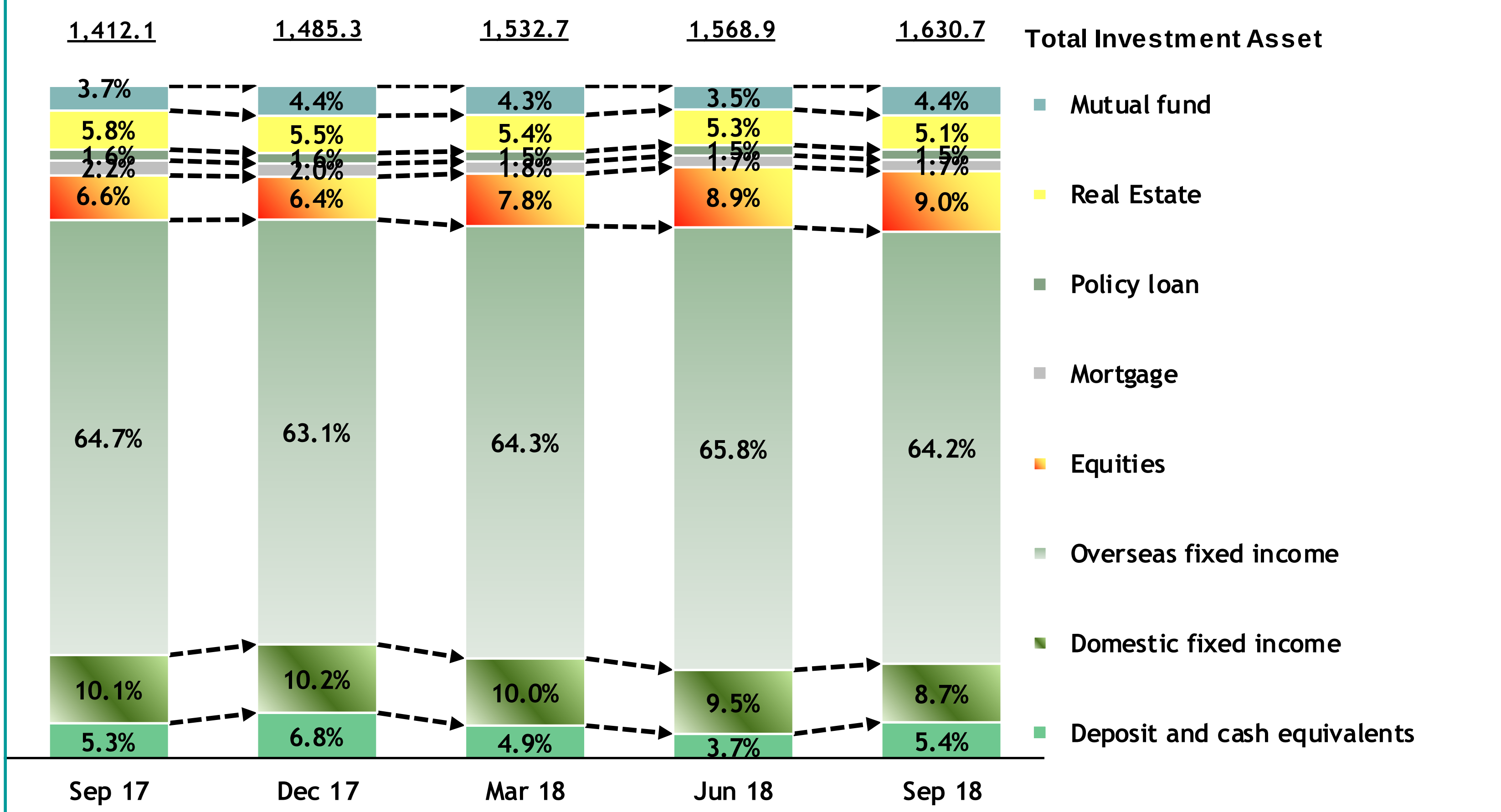


9M18 FYPE breakdown by products
%



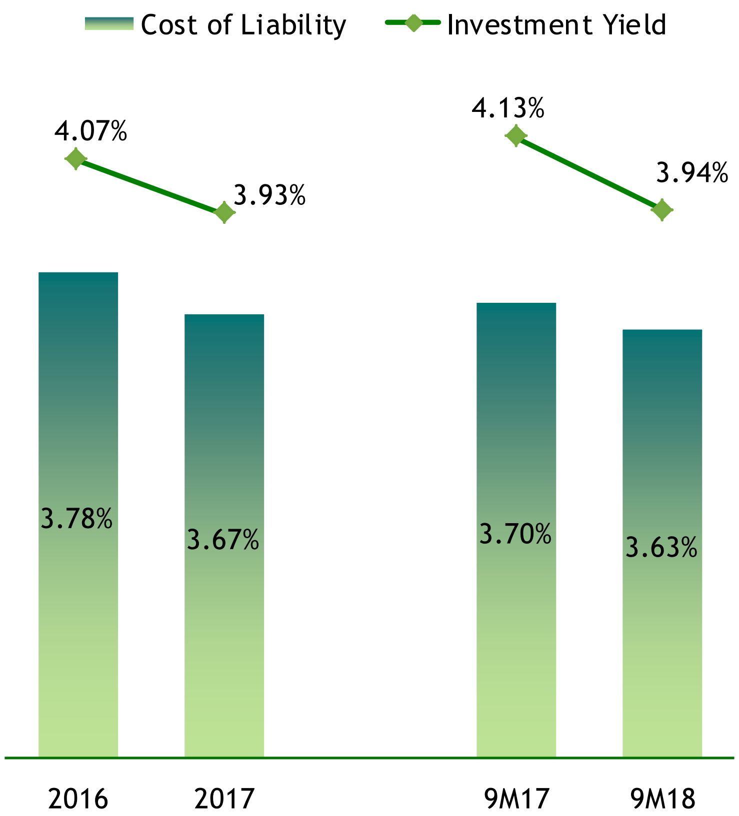
Life - Investment portfolio breakdown

Total investment portfolio breakdown
NT$bn,%

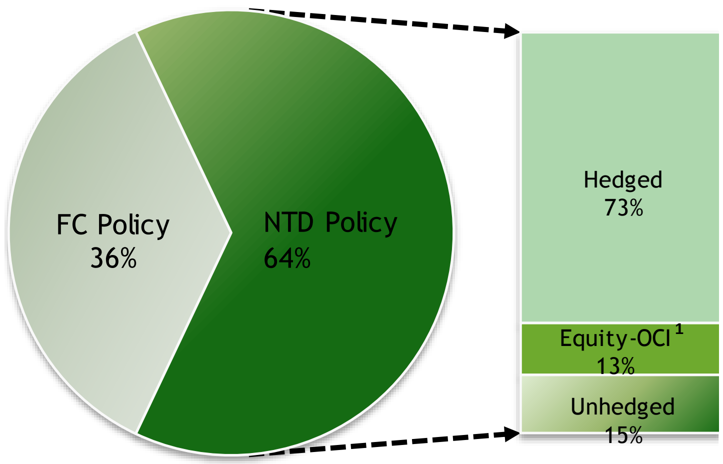


Life - Investment yield and cost of liability (COL)

9M18 total investment yield and cost of liability
%



9M18 hedging breakdown
%



1. Equity-OCI includes equity and mutual fund

CTBC Holding

Analyst Meeting

Financial Review of 3Q18

Appendix

November 12th, 2018

Investor Relations

CTBC 中國信託

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THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30th, 2018 ARE PRELIMINARY. CTBC HOLDING EXPECTS TO FILE ITS UNAUDITED FINANCIAL STATEMENTS, WHICH ARE SUBJECT TO REVIEW BY ITS AUDITORS, WITH THE ROC SECURITIES AND FUTURES BUREAU ON OR ABOUT NOVEMBER 30th, 2018.

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CTBC Holding's Summary Ratios

	Yearly Results			Quarterly results					YTD Results
	2015	2016	2017	3Q17	4Q17	1Q18	2Q18	3Q18[1]	9M18[1]
Per Share Data (Reported)									
EPS (after-tax) (NT$)	2.10	1.43	1.91	0.60	0.32	0.63	0.50	0.48	1.60
DPS (NT$)	1.61	1.00	1.08	-	-	-	-	-	-
BVPS (NT$)	15.39	14.49	15.46	15.09	15.46	15.77	15.01	15.33	15.33
Common shares outstanding (million share)	18,028	19,470	19,470	19,470	19,470	19,470	19,497	19,497	19,497
DuPont Analysis									
ROAA (after-tax) (%, annualized YTD earnings)	0.86%	0.59%	0.73%	0.90%	0.47%	0.91%	0.71%	0.67%	0.76%
ROAE (after-tax) (%, annualized YTD earnings)	13.97%	9.98%	12.77%	16.10%	8.34%	16.09%	12.90%	12.63%	13.89%
Leverage & Solvency Ratios									
Double Leverage Ratio (%)	112.8%	118.4%	116.2%	124.5%	116.4%	116.2%	118.2%	118.0%	118.0%
Avg. Equity / Avg. Assets (%)	6.14%	5.93%	5.97%	5.61%	5.82%	6.01%	5.83%	5.62%	5.61%
CAR - FHC (%)	142.4%	135.5%	139.1%	119.5%	139.1%	131.4%	123.6%	123.4%	123.4%
CAR - Bank (%)	12.98%	14.00%	14.47%	13.48%	14.47%	14.55%	14.12%	14.22%	14.22%
Tier 1 Ratio - Bank (%)	11.02%	12.06%	13.06%	12.14%	13.06%	13.14%	12.71%	12.86%	12.86%
CET1 Ratio - Bank (%)	9.61%	10.65%	11.81%	10.94%	11.81%	11.93%	11.51%	11.67%	11.67%

1. 3Q18 and 9M18 numbers are preliminary.

CTBC Bank's Summary Ratios (Consolidated)

	Yearly Results			Quarterly Results					YoY Results
	2015[1]	2016	2017	3Q17	4Q17	1Q18	2Q18	3Q18[2]	9M18[2]
Bank Growth Ratios									
NII growth	12.58%	9.86%	1.80%	6.82%	2.69%	-0.79%	2.98%	2.85%	9.65%
Fee growth	24.45%	-7.23%	-0.92%	10.53%	-3.63%	16.60%	-20.38%	4.68%	-2.17%
Net profit growth	-0.06%	-32.56%	30.01%	8.64%	5.59%	19.32%	-25.17%	-0.13%	2.06%
Bank Performance Ratios									
Loan growth	10.35%	1.95%	4.41%	2.14%	0.15%	2.39%	1.11%	1.17%	4.89%
Deposit growth	12.87%	1.03%	7.93%	2.91%	1.79%	1.87%	1.96%	1.56%	7.37%
Avg. Loan-to-Deposit Ratio	76.76%	77.20%	75.75%	76.17%	75.89%	74.02%	74.91%	73.80%	74.24%
NIM	1.41%	1.46%	1.46%	1.47%	1.49%	1.48%	1.49%	1.50%	1.49%
NII / Operating income	46.6%	53.8%	51.4%	53.7%	50.9%	50.9%	54.6%	55.8%	53.7%
Fee / Operating income	37.5%	36.6%	34.0%	34.7%	30.9%	36.4%	30.1%	31.4%	32.7%
Cost-to-income ratio	55.7%	60.5%	58.2%	56.7%	55.5%	55.5%	57.9%	61.8%	58.4%
Asset Quality Ratios									
NPLs / Total Loans	0.78%	0.63%	0.41%	0.43%	0.41%	0.41%	0.42%	0.40%	0.40%
Reserve / Total Loans[3]	1.42%	1.44%	1.33%	1.36%	1.33%	1.31%	1.36%	1.33%	1.33%
Reserve / NPLs	168.80%	219.22%	306.85%	296.50%	306.85%	298.82%	310.81%	314.75%	314.75%
Provision/Avg. Loans & Revolv. Bal.	0.06%	0.27%	0.11%	0.23%	0.14%	0.07%	0.29%	0.19%	0.19%

1. CTBC Insurance Brokers merged into CTBC Bank in Nov. 2015
2. 3Q18 and 9M18 numbers are preliminary.
3. Effective 4Q11, calculation excluding government loan by regulatory definition.

Balance Sheet of CTBC Holding and its major subsidiaries as of September 30, 2018[1]

NT$ million	CTBC Bank (consolidated)	Taiwan Life	CTBC Securities	CTBC AMC	CTBC Capital	Taiwan Lottery	CTBC Holding (non-consolidated)	Others[2] & Adjustment Items	CTBC Holding (consolidated)
Assets:									
Cash and due from banks	365,344	65,379	1,380	986	223	555	281	(21,715)	412,434
Securities, net	1,007,027	1,397,461	13,400	844	4,114	-	510	36	2,423,391
Loans, net	2,243,790	51,849	-	-	-	-	-	-	2,295,639
A/R, net	145,119	25,974	4,241	7,960	13	164	424	(634)	183,261
LT investments, net	18,898	16,200	-	-	-	-	375,885	(375,828)	35,155
Land, premises and equipments, net	47,153	7,166	92	5	5	115	79	21	54,636
Others	109,781	164,928	6,081	8,622	30	90	27	(1,863)	287,697
Total assets	3,937,113	1,728,956	25,194	18,418	4,385	925	377,206	(399,983)	5,692,213
Liabilities:									
Deposits	3,145,554	-	-	-	-	-	-	(23,219)	3,122,335
Other liabilities	506,504	1,649,434	17,606	13,028	647	194	58,307	5,182	2,250,901
Total liabilities	3,652,058	1,649,434	17,606	13,028	647	194	58,307	(18,037)	5,373,235
Minority interests	73	-	-	-	-	-	-	6	79
Total stockholders' equity	284,983	79,522	7,588	5,390	3,739	731	318,899	(381,952)	318,899
Total liabilities and stockholders' equity	3,937,113	1,728,956	25,194	18,418	4,385	925	377,206	(399,983)	5,692,213

1. These numbers are preliminary.
2. Others include Securities Investment Trust Co.

P&L of CTBC Holding and its subsidiaries for the year ended September 30, 2018[1]

NT$ million	CTBC Bank (consolidated)[2]	Taiwan Life	CTBC Securities	CTBC AMC	CTBC Capital	Taiwan Lottery	CTBC Holding (non-consolidated)	Others[3] & Adjustment Items	CTBC Holding (consolidated)
Operating income									
Net interest income	38,902	36,312	98	390	(4)	-	(398)	1	75,302
Fee income	23,652	(8,042)	408	-	-	905	-	(726)	16,197
Insurance business income, net of reserves, claims, payments, etc.[4]	-	(23,417)	-	-	-	-	-	200	(23,217)
LT investment income	922	36	-	-	-	-	33,744	(33,739)	962
Net trading income/(loss)	2,744	20,340	15	42	240	-	59	1	23,440
Derivatives & FX	7,146	(9,408)	665	(27)	1	-	-	1	(1,622)
Other income(loss)[5]	(964)	(1,871)	(30)	89	20	4	58	(253)	(2,948)
Total operating income	72,403	13,949	1,156	494	257	909	33,462	(34,515)	88,114
Operating expenses	(39,959)	(3,870)	(672)	(322)	(80)	(791)	(1,246)	1,021	(45,918)
Business tax	(2,301)	(118)	(77)	(1)	-	-	-	(9)	(2,506)
Total non-interest expenses	(42,260)	(3,988)	(749)	(323)	(80)	(791)	(1,246)	1,012	(48,425)
Credit loss provisions, net	(3,222)	(5)	(48)	(83)	-	-	-	-	(3,357)
Profit before income tax	26,921	9,956	359	88	177	119	32,216	(33,503)	36,332
Net profit after income tax[6]	22,820	10,006	323	70	182	96	31,244	(33,496)	31,244

1. These numbers are preliminary.
2. CTBC Insurance Brokers merged into CTBC Bank in Nov. 2015.
3. Others include Securities Investment Trust Co.
4. Includes premium income, insurance claims & payment, insurance reserve, reinsurance expense, underwriting expense and other expense
5. Includes CTBC Life's foreign exchange reserve
6. Net profit after Income Tax is excluding Minority Interest Income.

CTBC Holding's Balance Sheet (Consolidated)

	Yearly Results			Quarterly Results						
NT$ million	2015	2016	2017	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18[1]	QoQ(%)	YoY(%)
Assets:										
Cash and due from banks	516,280	394,033	435,276	427,353	435,276	386,482	379,693	412,434	8.6%	-3.5%
Securities, net	1,480,631	1,862,619	2,224,222	2,130,959	2,224,222	2,289,485	2,326,762	2,423,391	4.2%	13.7%
Loans, net	2,080,162	2,112,662	2,194,551	2,192,625	2,194,551	2,244,907	2,268,302	2,295,639	1.2%	4.7%
A/R, net	170,296	132,787	155,518	148,890	155,518	162,671	194,595	183,261	-5.8%	23.1%
LT investments, net	16,321	17,886	33,736	33,171	33,736	34,193	34,518	35,155	1.8%	6.0%
Land, premises and equipments, net	64,495	60,463	52,650	52,500	52,650	52,888	53,121	54,636	2.9%	4.1%
Others	268,042	258,802	244,780	239,406	244,780	263,230	287,021	287,697	0.2%	20.2%
Total assets	4,596,227	4,839,251	5,340,734	5,224,904	5,340,734	5,433,855	5,544,013	5,692,213	2.7%	8.9%
Liabilities:										
Deposits	2,699,802	2,748,419	2,944,973	2,911,318	2,944,973	3,015,726	3,076,644	3,122,335	1.5%	7.2%
Other liabilities	1,618,830	1,808,637	2,074,776	2,019,619	2,074,776	2,091,103	2,154,609	2,250,901	4.5%	11.5%
Total liabilities	4,318,633	4,557,056	5,019,749	4,930,937	5,019,749	5,106,830	5,231,253	5,373,235	2.7%	9.0%
Minority interests	87	89	84	84	84	80	81	79	-1.6%	-5.9%
Total stockholders' equity	277,507	282,107	320,901	293,882	320,901	326,945	312,679	318,899	2.0%	8.5%
Total liabilities and stockholders' equity	4,596,227	4,839,251	5,340,734	5,224,904	5,340,734	5,433,855	5,544,013	5,692,213	2.7%	8.9%

1. Sep 18 numbers are preliminary.

CTBC Holding's P&L (Consolidated)

NT$ million	Yearly Results 2015	Yearly Results 2016	Yearly Results 2017	Quarterly Results 3Q17	4Q17	1Q18	2Q18	3Q18[1]	QoQ(%)	YTD Results 9M17	9M18[1]	YoY(%)
Operating Income												
Net interest income	59,152	83,467	91,605	23,330	24,548	24,007	25,182	26,112	3.7%	67,057	75,302	12.3%
Fee income	25,552	16,982	20,465	5,352	4,460	6,440	4,909	4,848	-1.2%	16,005	16,197	1.2%
Insurance business income, net of reserves, claims & payments, etc.[2]	(4,989)	(18,205)	(23,426)	(6,316)	(5,510)	(7,462)	(7,817)	(7,938)	-1.5%	(17,916)	(23,217)	-29.6%
LT investment income	74	235	1,633	266	1,193	337	321	304	-5.2%	439	962	119.0%
Trading income (loss) - equity, MTM	3,636	5,768	11,186	5,523	1,749	(66)	6,996	5,587	-20.1%	9,437	12,517	32.6%
Trading income (loss) - FI , MTM	2,817	4,444	1,687	1,106	(422)	6,932	1,251	2,740	119.1%	2,109	10,923	417.9%
Derivatives & FX	5,740	3,635	1,324	252	231	(569)	1,458	(2,511)	-272.2%	1,093	(1,622)	-248.4%
Other income (loss)[3]	5,864	3,129	5,430	900	(154)	(592)	(1,548)	(808)	47.8%	5,584	(2,948)	-152.8%
Operating Revenue	97,846	99,456	109,903	30,414	26,095	29,027	30,753	28,334	-7.9%	83,809	88,114	5.1%
Non interest expenses												
Operating expenses	(51,550)	(56,163)	(59,441)	(14,932)	(15,388)	(14,549)	(15,233)	(16,136)	5.9%	(44,053)	(45,918)	4.2%
Business tax	(3,741)	(3,444)	(3,217)	(806)	(802)	(803)	(848)	(855)	0.7%	(2,415)	(2,506)	3.8%
Total non-interest expenses	(55,291)	(59,607)	(62,658)	(15,738)	(16,191)	(15,353)	(16,081)	(16,990)	5.7%	(46,467)	(48,425)	4.2%
Credit loss provisions, net	(1,505)	(5,896)	(2,519)	(1,300)	(836)	(450)	(1,699)	(1,209)	-28.9%	(1,683)	(3,357)	99.5%
Net profit before income tax	41,050	33,952	44,726	13,375	9,068	13,224	12,972	10,136	-21.9%	35,658	36,332	1.9%
Net profit after income tax[4]	35,398	27,929	37,222	11,625	6,204	12,228	9,675	9,342	-3.4%	31,019	31,244	0.7%

1. 3Q18 and 9M18 number are preliminary.
2. Includes premium income, insurance claims & payment, insurance reserve, reinsurance expense, underwriting expense and other expense
3. Includes CTBC Life's foreign exchange reserve
4. Net profit after Income Tax is excluding Minority Interest Income

CTBC Bank's Balance Sheet (Consolidated)

NT$ million	Yearly Results			Quarterly Results						
	2015	2016	2017	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18[1]	QoQ(%)	YoY(%)
Assets:										
Cash and due from banks	483,210	349,373	370,430	378,909	370,430	338,042	351,335	365,344	4.0%	-3.6%
Securities, net	677,071	845,929	981,358	928,317	981,358	1,003,723	954,048	1,007,027	5.6%	8.5%
Loans, net	2,011,474	2,049,562	2,142,676	2,138,890	2,142,676	2,194,386	2,217,403	2,243,790	1.2%	4.9%
A/R, net	147,663	105,162	121,648	116,854	121,648	123,929	151,870	145,119	-4.4%	24.2%
LT investments, net	2,220	2,215	17,873	17,645	17,873	18,329	18,048	18,898	4.7%	7.1%
Land, premises and equipments, net	49,744	46,057	46,612	46,416	46,612	46,846	47,097	47,153	0.1%	1.6%
Others	147,835	124,375	80,900	84,505	80,900	93,313	113,706	109,781	-3.5%	29.9%
Total assets	3,519,218	3,522,673	3,761,499	3,711,537	3,761,499	3,818,567	3,853,506	3,937,113	2.2%	6.1%
Liabilities:										
Deposits	2,734,384	2,762,678	2,981,845	2,929,538	2,981,845	3,037,651	3,097,174	3,145,554	1.6%	7.4%
Other liabilities	551,342	506,899	499,943	509,130	499,943	491,582	475,970	506,504	6.4%	-0.5%
Total liabilities	3,285,726	3,269,576	3,481,788	3,438,668	3,481,788	3,529,233	3,573,144	3,652,058	2.2%	6.2%
Minority interests	81	83	77	78	77	74	75	73	-1.8%	-6.6%
Total stockholders' equity	233,411	253,014	279,633	272,791	279,633	289,260	280,287	284,983	1.7%	4.5%
Total liabilities and stockholders' equity	3,519,218	3,522,673	3,761,499	3,711,537	3,761,499	3,818,567	3,853,506	3,937,113	2.2%	6.1%

1. Sep 18 numbers are preliminary.

CTBC Bank's P&L (Consolidated)

NT$ million	2015[1]	2016	2017	3Q17	4Q17	1Q18	2Q18	3Q18[2]	QoQ %	9M17	9M18[2]	YoY %
				Quarterly Results						YTD Results		
Operating Income												
Net interest income	43,074	47,323	48,173	12,363	12,695	12,594	12,970	13,339	2.8%	35,478	38,902	9.7%
Fee income	34,695	32,187	31,890	8,004	7,714	8,994	7,161	7,497	4.7%	24,177	23,652	-2.2%
LT investment income	89	81	1,405	200	1,156	343	299	281	-6.1%	249	922	270.2%
Trading income (loss) - equity, MTM	517	499	825	467	(65)	(177)	9	335	3573.1%	889	168	-81.2%
Trading income (loss) - FI, MTM	1,470	1,302	(1,269)	180	(956)	607	919	1,050	14.3%	(313)	2,577	922.5%
Derivatives & FX	6,174	8,642	11,399	1,836	3,332	3,118	2,332	1,696	-27.3%	8,066	7,146	-11.4%
Other income (loss)	6,432	(2,113)	1,261	(13)	1,078	(761)	83	(286)	-446.2%	183	(964)	-627.1%
Operating revenue	92,450	87,919	93,683	23,037	24,954	24,719	23,772	23,912	0.6%	68,729	72,403	5.3%
Non interest expenses												
Operating expenses	(48,021)	(50,019)	(51,559)	(12,310)	(13,119)	(12,992)	(12,981)	(13,986)	7.7%	(38,440)	(39,959)	4.0%
Business tax	(3,481)	(3,160)	(2,995)	(750)	(738)	(734)	(776)	(792)	2.0%	(2,257)	(2,301)	2.0%
Total non-interest expenses	(51,502)	(53,179)	(54,554)	(13,060)	(13,858)	(13,726)	(13,757)	(14,777)	7.4%	(40,697)	(42,260)	3.8%
Pre-provision profit	40,948	34,740	39,129	9,977	11,096	10,993	10,015	9,134	-8.8%	28,032	30,143	7.5%
Credit loss provisions, net	(1,158)	(5,813)	(2,480)	(1,304)	(792)	(390)	(1,679)	(1,152)	-31.4%	(1,689)	(3,222)	90.8%
Net profit before income tax	39,789	28,927	36,648	8,673	10,304	10,603	8,336	7,982	-4.2%	26,344	26,921	2.2%
Net profit after income tax[3]	34,240	23,092	30,021	7,257	7,663	9,143	6,842	6,834	-0.1%	22,359	22,820	2.1%

1. CTBC Insurance Brokers merged into CTBC Bank in Nov. 2015.
2. 3Q18 and 9M18 numbers are preliminary.
3. Net profit after Income Tax is excluding Minority Interest Income.

CTBC Bank's Loan Breakdown (Consolidated)

	Yearly Results			Quarterly Results						
NT$million	2015	2016	2017	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18	QoQ(%)	YoY(%)
Corporate loans	526,904	471,669	506,340	519,217	506,340	523,879	502,737	509,368	1.3%	-1.9%
Manufacturing	137,547	132,244	128,710	136,457	128,710	133,035	120,756	124,304	2.9%	-8.9%
Commerce & services	48,107	51,691	54,483	57,450	54,483	53,620	53,521	56,003	4.6%	-2.5%
Govt & non-profit org.	156,831	92,854	120,920	121,409	120,920	129,959	112,081	104,102	-7.1%	-14.3%
Construction & real estate	54,873	59,881	57,951	60,153	57,951	61,337	57,554	64,055	11.3%	6.5%
Finance & insurance	36,607	40,904	44,307	40,072	44,307	45,818	51,244	52,115	1.7%	30.1%
Others	92,938	94,096	99,970	103,676	99,970	100,110	107,581	108,790	1.1%	4.9%
Mortgages	449,872	513,928	567,562	557,724	567,562	581,880	601,067	618,487	2.9%	10.9%
Unsecured loans	105,776	107,530	108,865	107,404	108,865	108,768	110,598	112,444	1.7%	4.7%
Others	22,492	14,647	10,106	10,897	10,106	9,729	10,270	10,679	4.0%	-2.0%
Non-accrual account	1,948	1,358	1,861	1,538	1,861	1,818	1,895	1,579	-16.7%	2.6%
Total NTD Loans	**1,106,992**	**1,109,133**	**1,194,733**	**1,196,780**	**1,194,733**	**1,226,073**	**1,226,566**	**1,252,556**	**2.1%**	**4.7%**
Total Foreign currency loans	**931,509**	**969,178**	**975,168**	**969,907**	**975,168**	**995,747**	**1,019,971**	**1,020,181**	**0.0%**	**5.2%**
Total Loan	**2,038,501**	**2,078,311**	**2,169,901**	**2,166,686**	**2,169,901**	**2,221,821**	**2,246,537**	**2,272,737**	**1.2%**	**4.9%**

1. Sep 18 numbers are preliminary.
2. Other loans include car loans under repurchase agreement, car loans and small business loans.

CTBC Bank's Deposit Breakdown (Consolidated)

NT$ million	Yearly Results			Quarterly Results						
	2015	2016	2017	Sep 17	Dec 17	Mar 18	Jun 18	Sep 18[1]	QoQ(%)	YoY (%)
Deposits										
Checking & demand deposits	197,951	181,603	213,801	191,015	213,801	195,900	210,525	226,679	7.7%	18.7%
Saving deposits	590,650	629,749	677,104	689,464	677,104	694,054	703,190	738,417	5.0%	7.1%
Sub-total	788,601	811,352	890,905	880,479	890,905	889,954	913,715	965,097	5.6%	9.6%
Time & savings										
Time deposits (incl. CD)	217,214	169,471	236,817	227,322	236,817	233,078	218,902	237,311	8.4%	4.4%
Time saving deposits	411,298	429,364	431,512	436,261	431,512	433,958	436,591	440,715	0.9%	1.0%
Sub-total	628,512	598,835	668,329	663,582	668,329	667,036	655,493	678,026	3.4%	2.2%
Remittances	749	1,072	2,738	1,092	2,738	1,301	958	1,817	89.7%	66.3%
Foreign currency deposits	1,316,521	1,351,420	1,419,873	1,384,384	1,419,873	1,479,360	1,527,008	1,500,615	-1.7%	8.4%
Total deposits	2,734,384	2,762,678	2,981,845	2,929,538	2,981,845	3,037,651	3,097,174	3,145,554	1.6%	7.4%

1. Sep 18 numbers are preliminary.

CTBC Bank's Spread (Consolidated)

%	Yearly Results 2015	2016	2017	Quarterly Results 3Q17	4Q17	1Q18	2Q18	3Q18[1]	QoQ (bp;pp)	YTD Results 9M17	9M18[1]	YoY (bp;pp)
NTD												
Lending rate	2.27	2.11	2.04	2.02	2.00	2.01	2.01	2.02	+1bp	2.05	2.01	-4bp
Deposit rate	0.64	0.49	0.42	0.41	0.41	0.41	0.41	0.41	-1bp	0.42	0.41	-1bp
NTD spread[2]	1.62	1.62	1.62	1.60	1.59	1.60	1.60	1.61	+1bp	1.63	1.60	-3bp
Foreign currency												
Lending rate	2.81	2.81	2.93	2.93	2.97	3.05	3.17	3.23	+6bp	2.91	3.15	+24bp
Deposit rate	0.62	0.50	0.60	0.59	0.62	0.75	0.87	0.94	+7bp	0.59	0.85	+26bp
Foreign currency spread[2]	2.19	2.31	2.33	2.34	2.35	2.30	2.31	2.29	-1bp	2.32	2.30	-2bp
NTD & foreign currency												
Lending rate	2.52	2.43	2.44	2.42	2.43	2.48	2.53	2.56	+3bp	2.44	2.53	+9bp
Deposit rate	0.63	0.50	0.50	0.50	0.51	0.58	0.64	0.67	+3bp	0.50	0.63	+13bp
Overall spread[2]	1.88	1.94	1.93	1.93	1.92	1.90	1.89	1.89	0bp	1.94	1.90	-4bp
NIM	1.41	1.46	1.46	1.47	1.49	1.48	1.49	1.50	+1bp	1.45	1.49	+4bp

1. 3Q18 and 9M18 numbers are preliminary.
2. Credit card receivables are excluded in the calculation of NTD, foreign currency, and overall loan spread, and is included in the calculation of NIM.

CTBC Bank's Asset Quality (Consolidated)

(NT$mm)	Yearly Results 2015	2016	2017	Quarterly Results 3Q17	4Q17	1Q18	2Q18	3Q18[1]	QoQ(%)	YTD Results 9M17	9M18[1]	YoY (%)
90-days NPLs - beginning	17,659	16,011	13,114	10,065	9,375	8,872	9,181	9,374	2.1%	13,114	8,872	-32.3%
New NPL influx, net of recovery & others	630	(54)	(135)	203	784	837	510	1,399	174.1%	(919)	2,746	398.7%
Write-offs & other deductions	(2,278)	(2,843)	(4,107)	(893)	(1,287)	(528)	(318)	(1,576)	395.7%	(2,820)	(2,421)	-14.1%
90-days NPLs - ending	16,011	13,114	8,872	9,375	8,872	9,181	9,374	9,197	-1.9%	9,375	9,197	-1.9%
Provisions for credit loss												
Provision for loan loss, net	1,037	3,897	1,805	1,296	388	349	1,680	1,009	-39.9%	1,417	3,039	114.5%
Provision for credit card loss, net	(358)	(195)	(73)	(24)	24	(39)	(1)	(28)	-3423.3%	(98)	(67)	31.1%
Others, net	479	2,111	749	32	379	80	0	171	94686.2%	370	251	-32.1%
Total provisions	1,158	5,813	2,480	1,304	792	390	1,679	1,152	-31.4%	1,689	3,222	90.8%
Total reserves	27,027	28,749	27,225	27,796	27,225	27,435	29,134	28,947	-0.6%	27,796	28,947	4.1%

	Yearly Results 2015	2016	2017	Quarterly Results 3Q17	4Q17	1Q18	2Q18	3Q18[1]	QoQ (bp;pp)	YTD Results 9M17	9M18[1]	YoY (bp;pp)
90-day NPL ratio												
Corporate NPL ratio[2]	0.41%	0.48%	0.28%	0.31%	0.28%	0.27%	0.27%	0.26%	-1bp	0.31%	0.26%	-5bp
Retail NPL ratio	0.12%	0.13%	0.12%	0.13%	0.12%	0.12%	0.12%	0.11%	-1bp	0.13%	0.11%	-1bp
Overseas Subsidiaries NPL ratio	2.10%	1.40%	0.96%	0.98%	0.96%	0.98%	1.01%	1.00%	-1bp	0.98%	1.00%	2bp
Total NPL ratio	0.78%	0.63%	0.41%	0.43%	0.41%	0.41%	0.42%	0.40%	-1bp	0.43%	0.40%	-3bp

1. 3Q18 and 9M18 numbers are preliminary.
2. Corporate NPL ratio excludes overseas subsidiaries NPL

Taiwan Life's P&L

NT$mm, %	Yearly Results		Quarterly Results						YTD Results		
	2016	2017	3Q17	4Q17	1Q18	2Q18	3Q18[1]	QoQ(%)	9M17	9M18[1]	YoY(%)
Retained earned premium	244,267	267,004	64,740	74,636	57,354	51,445	70,908	37.8%	192,368	179,708	-6.6%
Retained claims and policyholders' benefits	(43,151)	(50,696)	(12,870)	(14,945)	(17,820)	(21,160)	(23,268)	10.0%	(35,751)	(62,248)	74.1%
Changes in liabilities reserves	(219,768)	(240,203)	(58,306)	(65,294)	(47,110)	(38,266)	(55,764)	45.7%	(174,909)	(141,140)	-19.3%
Commission expense	(17,654)	(13,685)	(3,229)	(3,971)	(3,108)	(2,929)	(3,290)	12.3%	(9,714)	(9,326)	-4.0%
Total investment	43,948	53,291	16,385	12,572	14,001	16,744	15,333	-8.4%	40,719	46,078	13.2%
Interest income	35,964	43,439	11,060	11,908	11,437	12,216	12,811	4.9%	31,531	36,464	15.6%
Net trading income/(loss)	12,233	18,975	7,099	3,398	6,082	7,106	6,791	-4.4%	12,747	19,979	56.7%
Derivative/FX and Others	(4,639)	(9,733)	(1,848)	(2,938)	(3,745)	(2,664)	(4,409)	-65.5%	(3,964)	(10,818)	-172.9%
Rental from Real Estate	391	610	74	204	227	86	140	63.6%	405	452	11.6%
Others	1,552	541	138	50	22	258	90	-65.1%	491	370	-24.6%
Marketing, administrative and general expens	(4,087)	(5,094)	(1,824)	(1,314)	(1,039)	(1,340)	(1,121)	-16.4%	(3,781)	(3,501)	-7.4%
Net profit before Tax	5,107	11,157	5,034	1,733	2,299	4,753	2,888	-39.2%	9,424	9,940	5.5%
Net profit after Tax	4,934	10,205	4,625	1,390	2,748	4,047	3,210	-20.7%	8,815	10,006	13.5%

1.3Q18/9M18 numbers are preliminary and on a standalone basis

Taiwan Life's Premium Performance

NT$mm, %	Yearly Results		Quarterly Results						YTD Results		
Total Premium Breakdown by Products	**2016**	**2017**	**3Q17**	**4Q17**	**1Q18**	**2Q18**	**3Q18**	**QoQ%**	**09M17**	**09M18**	**YoY%**
Traditional	84,168	80,796	21,665	23,387	14,895	13,643	17,197	26.1%	57,408	45,735	-20.3%
Interest Sensitive & UL	149,346	173,243	39,817	47,850	39,318	34,573	50,239	45.3%	125,393	124,130	-1.0%
Investment Linked	5,595	20,146	6,088	5,671	10,436	11,597	8,275	-28.6%	14,474	30,309	109.4%
Health, PA and Others	13,312	14,161	3,580	4,094	3,457	3,619	3,969	9.7%	10,066	11,046	9.7%
Total premium	**252,421**	**288,345**	**71,150**	**81,002**	**68,105**	**63,433**	**79,681**	**25.6%**	**207,342**	**211,219**	**1.9%**
FYP Breakdown by Products	**2016**	**2017**	**3Q17**	**4Q17**	**1Q18**	**2Q18**	**3Q18**	**QoQ%**	**09M17**	**09M18**	**YoY%**
Traditional	21,592	4,308	551	537	402	477	425	-10.9%	3,771	1,304	-65.4%
Interest Sensitive & UL	113,426	119,523	27,515	34,869	25,198	20,365	29,310	43.9%	84,653	74,873	-11.6%
Investment Linked	3,046	17,841	5,493	5,123	9,907	11,101	7,799	-29.7%	12,718	28,806	126.5%
Health, PA and Others	1,794	2,026	502	561	576	653	699	7.0%	1,464	1,928	31.7%
Total first year premium	**139,858**	**143,697**	**34,061**	**41,091**	**36,083**	**32,596**	**38,233**	**17.3%**	**102,606**	**106,911**	**4.2%**
Single-paid	**93,473**	**86,495**	**20,032**	**15,410**	**22,752**	**21,788**	**24,905**	**14.3%**	**71,085**	**69,445**	**-2.3%**
FYP Breakdown by Channels	**2016**	**2017**	**3Q17**	**4Q17**	**1Q18**	**2Q18**	**3Q18**	**QoQ%**	**09M17**	**09M18**	**YoY%**
Bank_CTBC	38,728	53,770	13,431	20,780	13,433	10,417	16,326	56.7%	32,990	40,177	21.8%
Bank_External	61,639	54,384	11,897	10,069	12,558	12,431	11,829	-4.8%	44,315	36,818	-16.9%
Tele-Marketing	1,048	729	178	203	197	191	189	-1.2%	526	577	9.8%
Brokers	15,128	13,817	2,968	3,382	3,689	2,897	3,386	16.9%	10,435	9,972	-4.4%
Tied Agent	22,986	20,519	5,463	6,434	6,038	6,486	6,343	-2.2%	14,085	18,866	33.9%
Others	329	477	124	222	167	174	159	-8.4%	255	500	96.0%
Total First Year Premium	**139,858**	**143,697**	**34,061**	**41,091**	**36,083**	**32,596**	**38,233**	**17.3%**	**102,606**	**106,911**	**4.2%**
First Year Premium Equivalent (FYPE)	**42,587**	**30,561**	**6,896**	**8,479**	**6,542**	**5,900**	**6,865**	**16.4%**	**22,082**	**19,307**	**-12.6%**