



CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	31 December 2019	31 December 2018
ASSETS		
Cash and cash equivalents	\$ 52,997,997	\$ 67,857,464
Due from the central bank and call loans to banks	110,945,093	104,223,315
Financial assets at fair value through profit or loss	298,874,753	250,685,216
Financial assets at fair value through other comprehensive income	324,130,110	200,572,902
Investments in debt instruments at amortised cost	444,934,985	421,022,506
Securities purchased under resale agreements	14,295,350	44,612,132
Receivables, net	100,888,023	85,978,726
Discounts and loans, net	1,553,150,906	1,595,323,251
Investments measured by equity method, net	1,776,839	1,768,874
Other financial assets, net	909	1,271
Property and equipment, net	25,774,420	25,440,564
Right-of-use assets, net	4,226,097	-
Investment properties, net	857,504	1,439,686
Intangible assets, net	8,153,189	8,020,939
Deferred tax assets	3,864,923	1,872,542
Other assets, net	28,625,256	35,061,248
TOTAL	\$2,973,496,354	\$ 2,843,880,636
LIABILITIES AND EQUITY		
Deposits from the central bank and banks	\$ 84,108,128	\$ 81,432,233
Financial liabilities at fair value through profit or loss	106,770,939	103,407,778
Notes and bonds issued under repurchase agreements	48,180,452	55,974,509
Payables	26,864,803	24,912,970
Current tax liabilities	395,561	184,817
Deposits and remittances	2,335,331,108	2,227,661,690
Financial debentures payable	53,900,000	55,600,000
Other financial liabilities	65,604,222	76,509,334
Provisions	3,698,353	3,421,427
Lease liabilities	4,246,381	-
Deferred income tax liabilities	3,250,712	1,657,768
Other liabilities	9,250,515	7,311,083
TOTAL LIABILITIES	2,741,601,174	2,638,073,609
Equity attributable to owners of bank		
Capital stock		
Common stock	101,658,353	91,197,623
Capital surplus	38,687,276	33,610,983
Retained earnings		
Legal reserve	57,935,811	51,631,140
Special reserve	2,183,978	2,933,808
Unappropriated earnings	21,675,159	21,015,571
Total retained earnings	81,794,948	75,580,519
Other equity	5,345,027	1,376,421
Total equity attributable to owners of parent	227,485,604	201,765,546
Non-controlling interests	4,409,576	4,041,481
TOTAL EQUITY	231,895,180	205,807,027
TOTAL	\$ 2,973,496,354	\$2,843,880,636

CAPITAL ADEQUACY RATIOS	31 December 2019	31 December 2018
Tier 1 capital ratio	12.32%	11.95%
Total capital ratio	15.67%	15.67%

SUBSIDIARIES:	Indovina Bank Limited
	Cathay United Bank (Cambodia) Corporation Limited
	Cathay United Bank (China) Co., Ltd.

BOARD OF DIRECTORS

Andrew Ming-Jian Kuo (Chairman)	Feng-Chiang Miao	Chang-Ken Lee
Tzung-Han Tsai	Edward Yung Do Way	Grace Chen
Tang-Chieh Wu	Tsung-Hsien Tsai	Jian-Hsing Wu
Alan Lee	Chi-Wei Joong	Wei-Hua Chou
Chung-Yi Teng	Han-Kuo Chen	

The law in Republic of China does not require the Head Office of the Bank to confer lower priority to depositors of the Singapore office, vis-à-vis the home country depositors, in the repayment of deposits in the event of receivership, winding up proceedings or equivalent proceedings of the Bank.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholder | Cathay United Bank Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Cathay United Bank Co., Ltd. (the "Bank") and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheet as of December 31, 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2019 are as follows:

Impairment Assessment on Loans

The domestic loans of the Bank amounted to \$1,399,537,914 thousand was considered material to the financial statements as a whole. As the assessment of impairment of loans involves accounting estimates and management's significant judgment, and as the impairment assessment on loans under the relevant regulations issued by the authorities is substantially larger than that under IFRS 9, hence, we determined the impairment of the loans under the relevant regulations prescribed by the authorities as a key audit matter.

Its management regularly assesses the impairment on its loans. Recognition of impairment loss on loans is based on compliance with regulations issued by the authorities regarding the classification of credit assets and provision of impairment loss. For the accounting policies and relevant information on the impairment assessment of loans, refer to Notes 4, 5 and 14.

The main audit procedures we performed in response to the key audit matter described above are as follows:

1. We understood and tested its internal controls of impairment assessment on loans.
2. We tested the classification of the credit assets into their respective categories out of the total five categories to see if it complies with the relevant regulations issued by the authorities.
3. We performed the test on selected samples to ensure the appropriateness of impairment by the length of the overdue period and the value of the collateral of each respective loan.
4. We calculated the provision of impairment loss by classifying the credit assets into their respective category to see if it complies with the relevant regulations issued by the authorities.

Other Matter

We have also audited the separate financial statements of the Bank as of and for the year ended December 31, 2019 on which we have issued an unmodified opinion.

The consolidated financial statements of the Company as of and for the year ended December 31, 2018 were audited by other auditors who expressed an unmodified opinion on those statements on March 21, 2019.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Incorporated in Republic of China with limited liability

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Singapore Branch: 8 Marina Boulevard #13-03, Marina Bay Financial Centre Tower 1. Singapore 018981

Tel: (65) 6593 9280, Fax: (65) 6509 8172, Co. Reg. No. (UEN): T08FC7284E

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, except earnings per share)

	For the year ended 31 December 2019	31 December 2018
NET INTEREST REVENUE	\$ 58,126,269	\$ 53,787,868
Interest income	\$ 58,126,269	\$ 53,787,868
Interest expense	(21,680,489)	(20,390,612)
Total net interest revenue	36,445,780	33,397,256
Net revenue other than interest		
Net service fee revenue	17,090,430	16,678,178
Gain on financial assets or liabilities at fair value through profit or loss	5,703,706	5,892,981
Realized gain on financial assets at fair value through other comprehensive income	2,093,576	2,663,486
Loss arising from derecognition of financial assets measured at amortised cost	(38,960)	-
Foreign exchange gain	1,165,079	1,512,717
Impairment loss on assets	(18,623)	(305,704)
Share of profit of associates and joint ventures accounted for using equity method	91,103	98,384
Net other revenue other than interest income	593,757	917,746
Total net revenue other than interest	26,680,068	27,457,788
Net revenue	63,125,848	60,855,044
Bad debts expense, commitment and guarantee liability provision	(2,852,780)	(5,031,541)
Total operating expenses		
Employee benefits expenses	(16,881,873)	(16,057,085)
Depreciation and amortization expense	(2,965,515)	(1,526,862)
Other general and administrative expense	(13,958,294)	(13,756,201)
Total operating expenses	(33,805,682)	(31,340,148)
Profit from continuing operations before tax	26,467,386	24,483,355
Income tax expense	(3,980,972)	(3,230,004)
Income from continuing operations, net of tax	\$ 22,486,414	\$ 21,253,351
Other comprehensive income, net of tax		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax		
Remeasurements of defined benefit plans	(433,779)	(96,202)
Property revaluation surplus	217,619	-
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	3,976,271	(892,775)
Change in fair value of financial liability attributable to change in credit risk of liability	(3,280,741)	2,402,577
Share of other comprehensive income of associates and joint ventures accounted for using equity method	6,452	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	288,371	(196,484)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax		
Exchange differences on translating the financial statements of foreign operations	(911,361)	(511,263)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(22,687)	-
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	4,143,959	(1,525,090)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(65,244)	147,946
Other comprehensive income (loss), net of tax	3,918,860	(671,291)
Total comprehensive income, Net of tax	\$ 26,405,274	\$ 20,582,060
Profit attributable to:		
Owners of the Bank	\$ 21,822,653	\$21,020,332
Non-controlling interests	663,761	233,019
	\$ 22,486,414	\$ 21,253,351
Comprehensive Income attributable to:		
Owners of the Bank	\$ 25,643,765	\$ 20,103,126
Non-controlling interests	761,509	478,934
	\$ 26,405,274	\$ 20,582,060
Earnings per share (In Dollars)		
Basic	\$ 2.25	\$ 2.17

Notes to the financial statements form an integral part of the audited financial statements and a full understanding of the statements and the state of affairs of the Bank cannot be achieved without reference to the complete set of the Bank's audited financial statements.

A complete set of the audited financial statements and Independent Auditors' Report, details of the Board of Directors and a list of subsidiaries can be obtained upon request from the Singapore Branch located at 8 Marina Boulevard, #13-03, Marina Bay Financial Centre Tower 1. Singapore 018981.

Those charged with governance, including the supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Li-Chi Chen and Shih-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2020

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.