

**August 2020**

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# **2Q20 Performance Review**

# Disclaimer

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# 1. Business Overview

# CDF – 1H20 Results

CDF reported preliminary net profit of NT\$3,036mn in 1H20

## CDF

- Global capital markets have been recovering with the reopening of major economies; however, CDF reported preliminary net income of NT\$3,036mn in 1H20 on changes in valuations of some international investments of CDIB Capital Group
- To mitigate the impact of COVID-19, the Group has been conducting a comprehensive inventory review of the asset quality of its credit and investment portfolio and has increased the frequency of evaluation and monitoring
- CDF's commitment to ESG responsibilities is evidenced by it being ranked among the top 5% in the 6<sup>th</sup> Corporate Governance Evaluation System in April 2020

## China Life<sup>1</sup>

- China Life's 1H20 net income was NT\$8,003mn, of which CDF recognized an investment gain of NT\$2,211mn
- Driven by product mix improvement, VNB margin enhanced to 30%
- Focuses on regular premium products; renewal premium grew by 29% YoY

## KGI Bank

- With stable growth in net interest income and net fee income, KGI Bank's core revenue increased by 5% YoY. KGI Bank recorded 1H20 net income of NT\$1,788mn due to the impact of financial market fluctuations on trading in 1Q20
- Continued to optimize deposit structure to reduce funding costs; stabilizing interest income through loan pricing and loan mix adjustments in response to rate cuts
- With a capital adequacy ratio of 14.29%, capital structure has remained stable; with an NPL ratio of 0.16% at end-2Q20, which compares favorably to the peer average of 0.25%, KGI Bank's asset quality is intact

## KGI Securities

- KGI Securities posted 1H20 net income of NT\$2,406mn on increased brokerage revenue, in spite of fluctuations of global stocks and bonds as well as FINI Taiex sell-offs; KGI Securities will strictly monitor risks and grasp investment opportunities amid fluctuations
- With its leadership as a regional brokerage in Asia, KGI Securities has continued to rationalize its regional footprint
- As of July 31, 2020, KGI Securities Investment Trust had NT\$182.3bn in assets under management (AUM), up 42% YoY and ranked 7<sup>th</sup> among peers

## CDIB Capital Group

- CDIB Capital Group posted 1H20 net loss of NT\$1,460mn due to unrealized mark-to-market valuation loss. With investment valuations falling and small-/ mid-sized venture capital exiting the market, CDIB Capital Group is actually in a better position to engage targets at reasonable prices
- Following CDF's capital allocation plan, CDIB Capital Group continues to monetize assets to less than 20% of CDF's net worth as of end-2Q20; the board meeting in April resolved to launch a public tender for CDF's headquarters building
- Continuing with its push for asset management business, CDIB Capital Group reported AUM of NT\$36.9bn as of end-2Q20. With healthcare investment in excess of the NT\$10bn milestone, CDIB Capital Group will actively establish a biomedicine investment ecosystem and aid Taiwan's biomedicine industry in raising international capital in the post-COVID-19 era

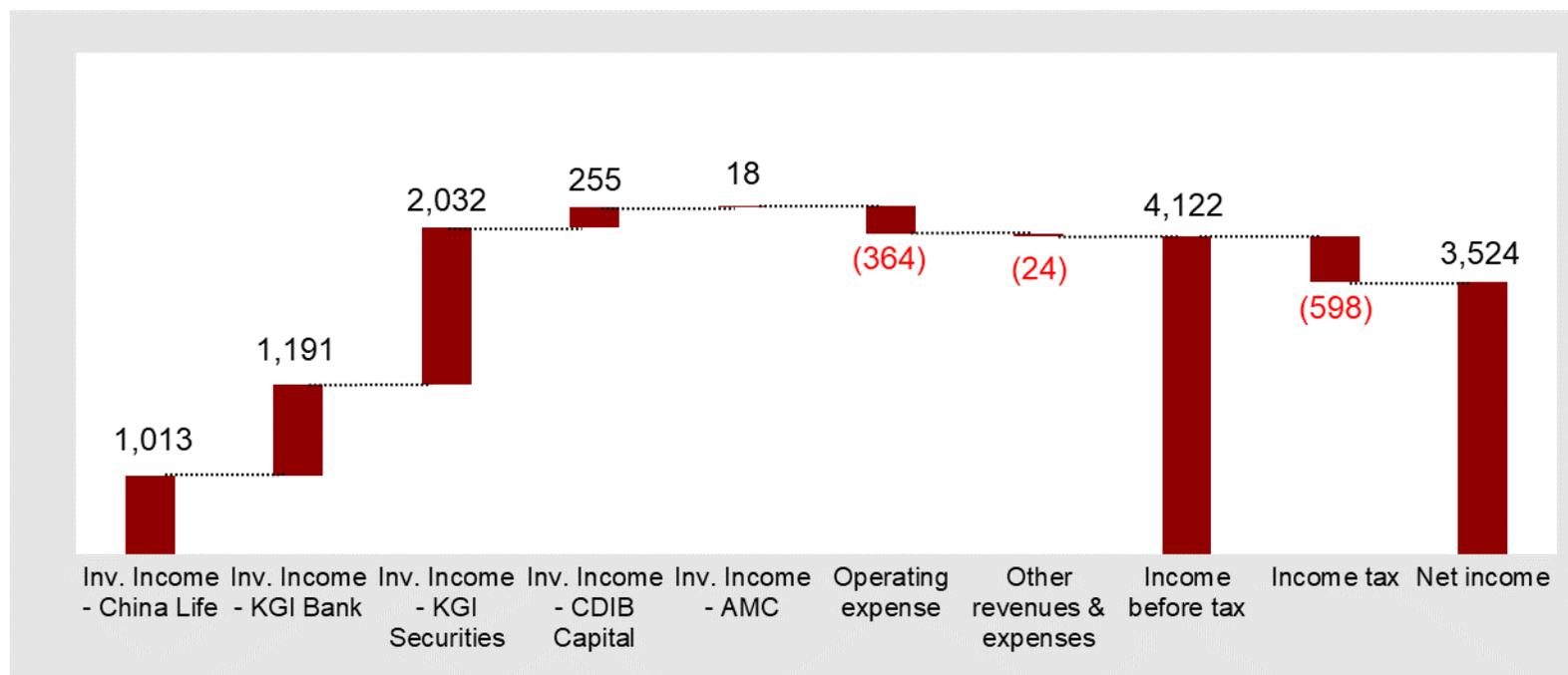
Note: 1. CDF, together with KGI Securities, owns 34.82% of China Life; 2. All figures contained within are not audited or reviewed by any accountant or any independent expert

# CDF – 2Q20 Net Profit

## Profit contribution by subsidiary

### KGI Securities Contributed Most Profit in 2Q20 Among Subsidiaries

Profit contribution by subsidiary under CDF, NT\$m



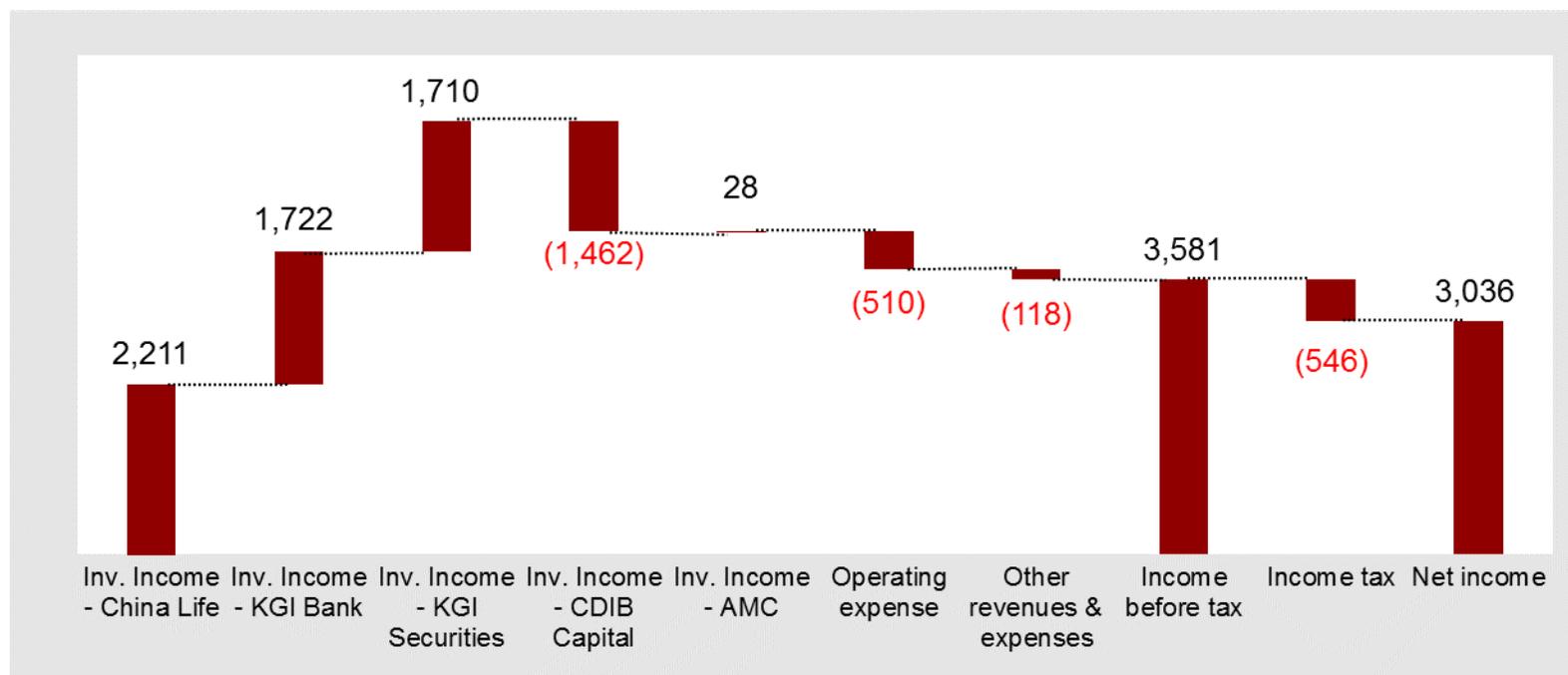
Note: 1. CDF's net income excludes income attributable to non-controlling interests; 2. Investment income from KGI Bank, KGI Securities and China Life has been adjusted for the purchase price allocation; 3. China Life's net profit in 2Q20 was NT\$3.55bn, of which CDF recognized investment income of NT\$1.01bn, adjusted for the purchase price allocation and the recognition of investment income on a pro-rata basis

# CDF – 1H20 Net Profit

## Profit contribution by subsidiary

### China Life Contributed Most Profit in 1H20 Among Subsidiaries

Profit contribution by subsidiary under CDF, NT\$m



Note: 1. CDF's net income excludes income attributable to non-controlling interests; 2. Investment income from KGI Bank, KGI Securities and China Life has been adjusted for the purchase price allocation; 3. China Life's net profit in 1H20 was NT\$8.00bn, of which CDF recognized investment income of NT\$2.21bn, adjusted for the purchase price allocation and the recognition of investment income on a pro-rata basis

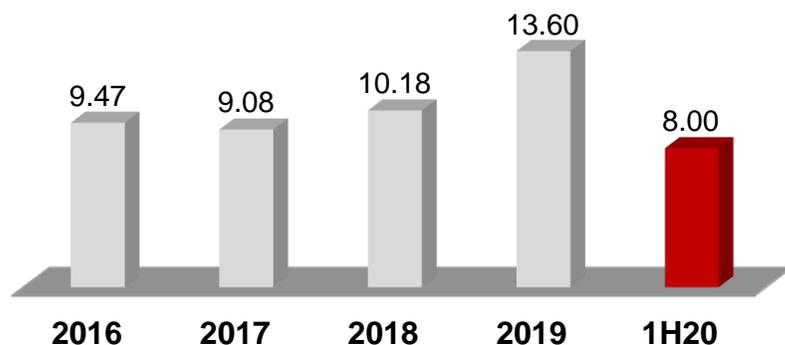
## 2. China Life

# China Life – Performance Highlights

Net profit up 7% YoY to NT\$8bn in 1H20, translating into EPS of NT\$1.79

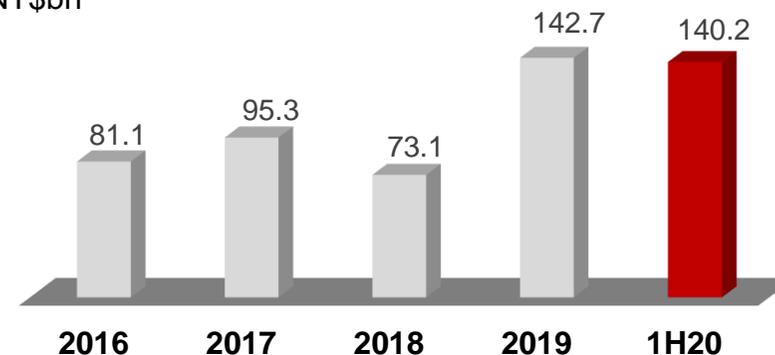
## Net Profits

NT\$bn



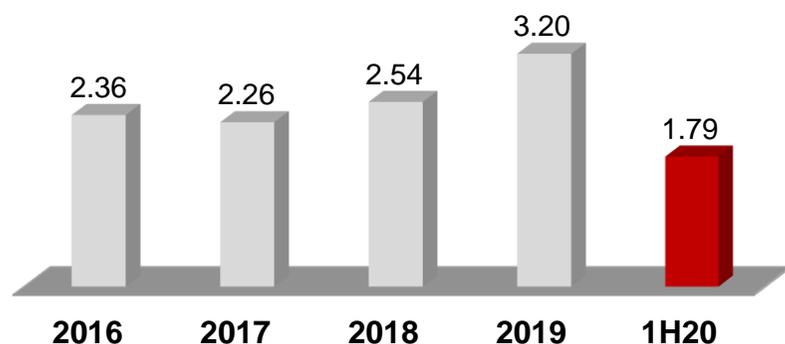
## Shareholders' Equity

NT\$bn

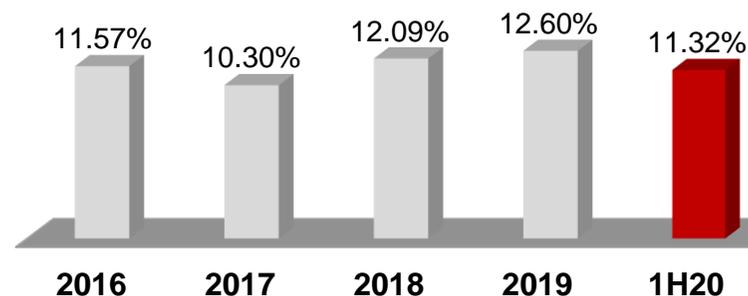


## Earnings per Share

NT\$



## Return on Equity

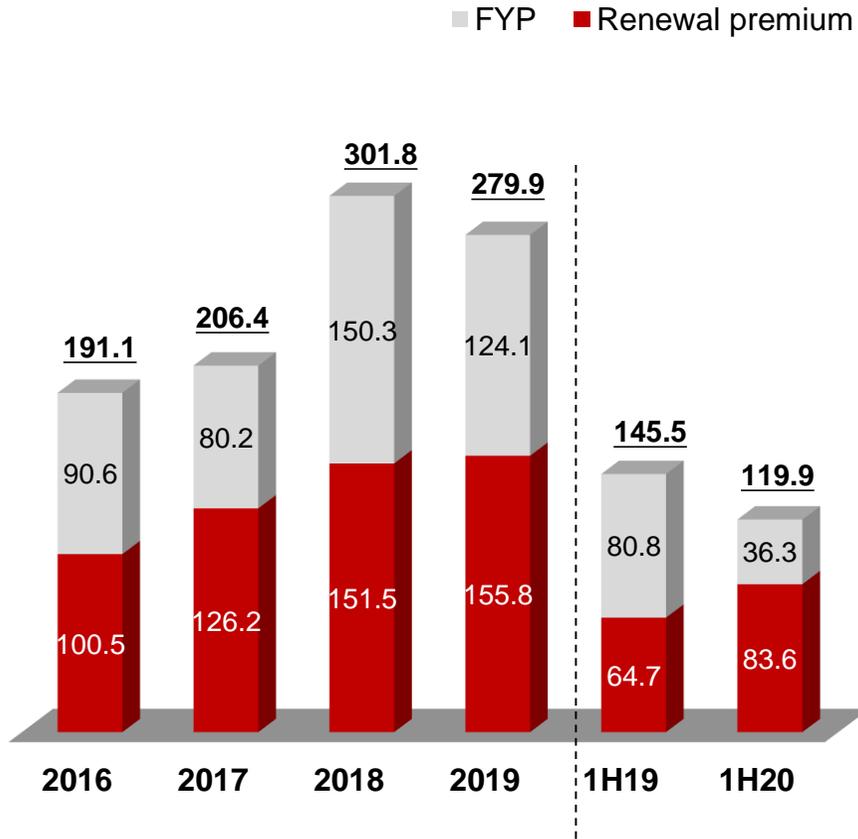


# China Life – Performance Highlights

VNB margin increased to 30% in 1H20, driven by the continuous product mix enhancement

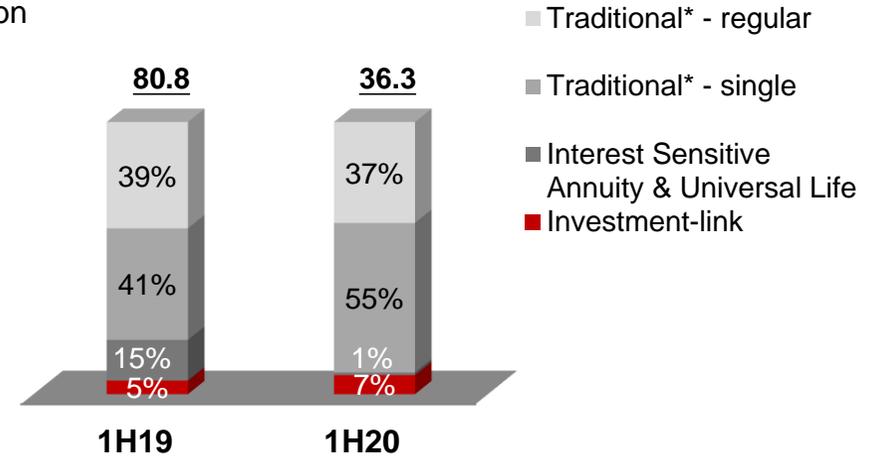
## Total Premium

NT\$bn



## FYP Product Mix

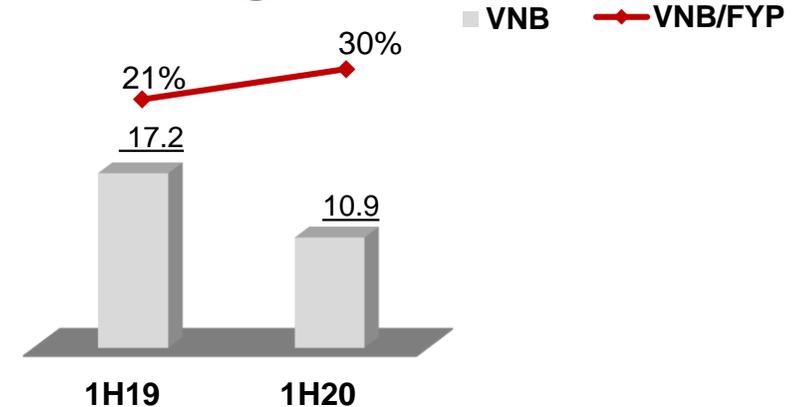
NT\$bn



\* Traditional: incl. traditional life, interest sensitive life, health & accident

## VNB and VNB Margin

NT\$bn



# 3. KGI Bank

# KGI Bank – Observation and Opportunity amid COVID-19

Seize opportunities after the Covid-19 crisis under prudent risk management



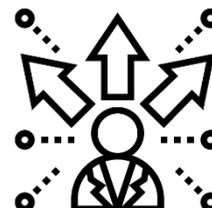
## Relief Packages<sup>2</sup>

- Personal relief:  
Approved 2,335 cases, totaling NT\$3.10bn
- Corporate relief:  
Approved 41 cases, totaling NT\$0.12bn



## Market Observations

- Some individuals have opted to refinance or defer their debt service payment under the relief program, which has affected banks' interest income
- Some companies have deferred major capital expenditure decisions, but many resumed investments in June



## Opportunities

- Seize overseas WM investment opportunities on a weakening US dollar
- Promote credit card reward programs catering to mobile payments, online shopping, deliveries, and Triple Stimulus Vouchers



## Risk Management

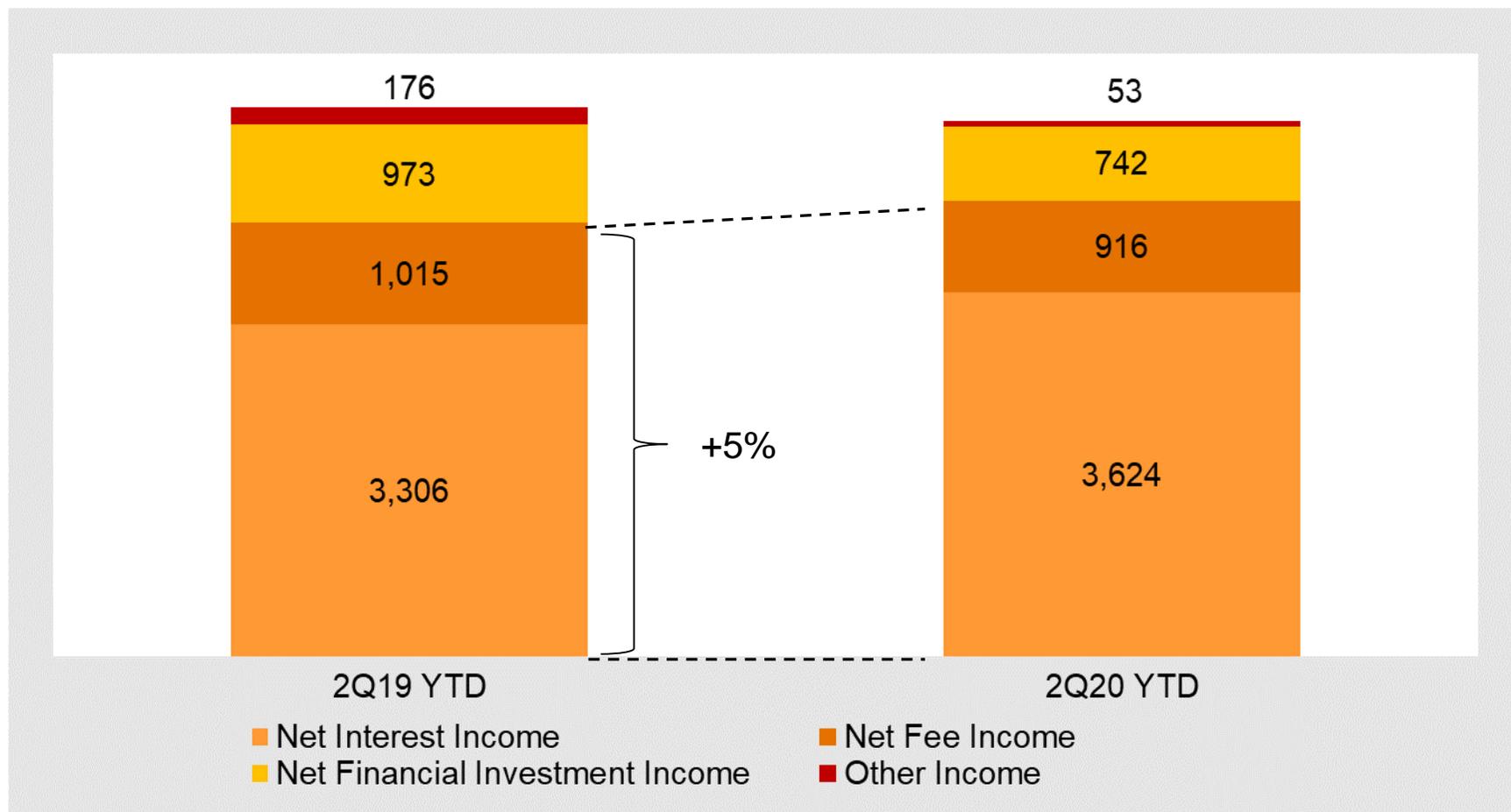
- Conduct stress tests
- Monitor exposure to specific industries
- Emphasize liquidity in investment positions and increase positions in defensive industries
- Monitor investment volatility for WM clients

Note: 1. Images Source: Strip/Eucalyp/Phatplus/Ultimatearm. Icon [Digital image]. Retrieved from [www.flaticon.com](http://www.flaticon.com) ; 2. Statistics published by Financial Supervisory Commission on July 29, 2020

# KGI Bank – Profitability

Investment income has been affected by COVID-19 uncertainty, but core income has grown steadily

Net revenue, NT\$bn ; YoY change, percent

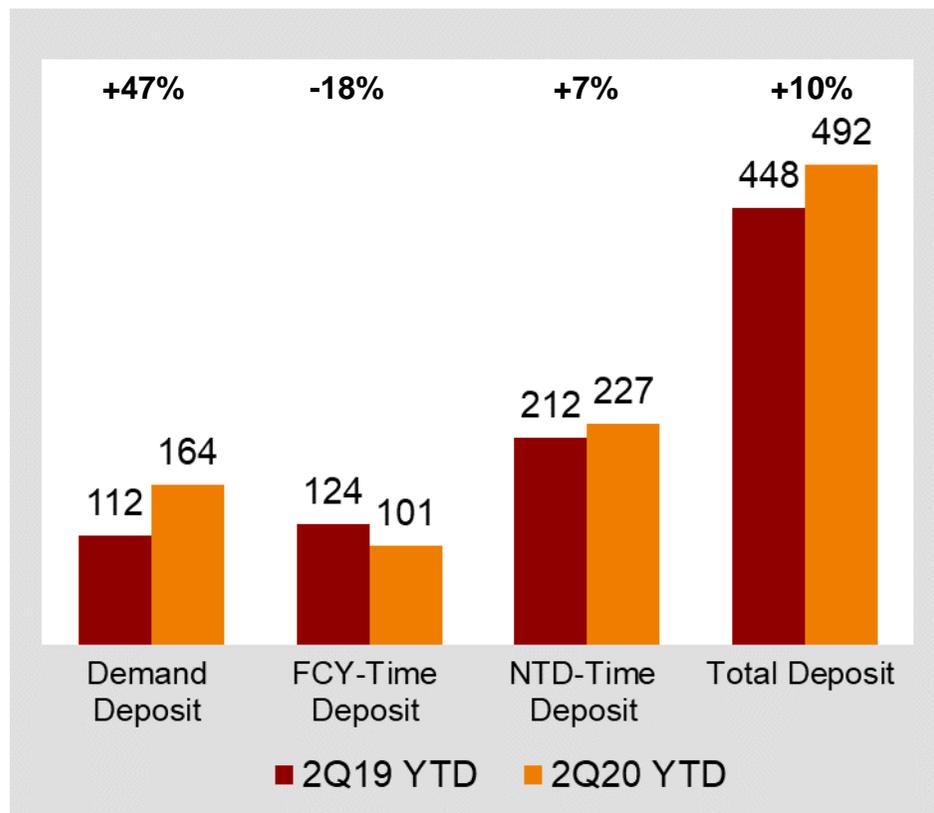


# KGI Bank – Deposits & Loan Mix

Increasing demand deposits on ample liquidity; flat lending

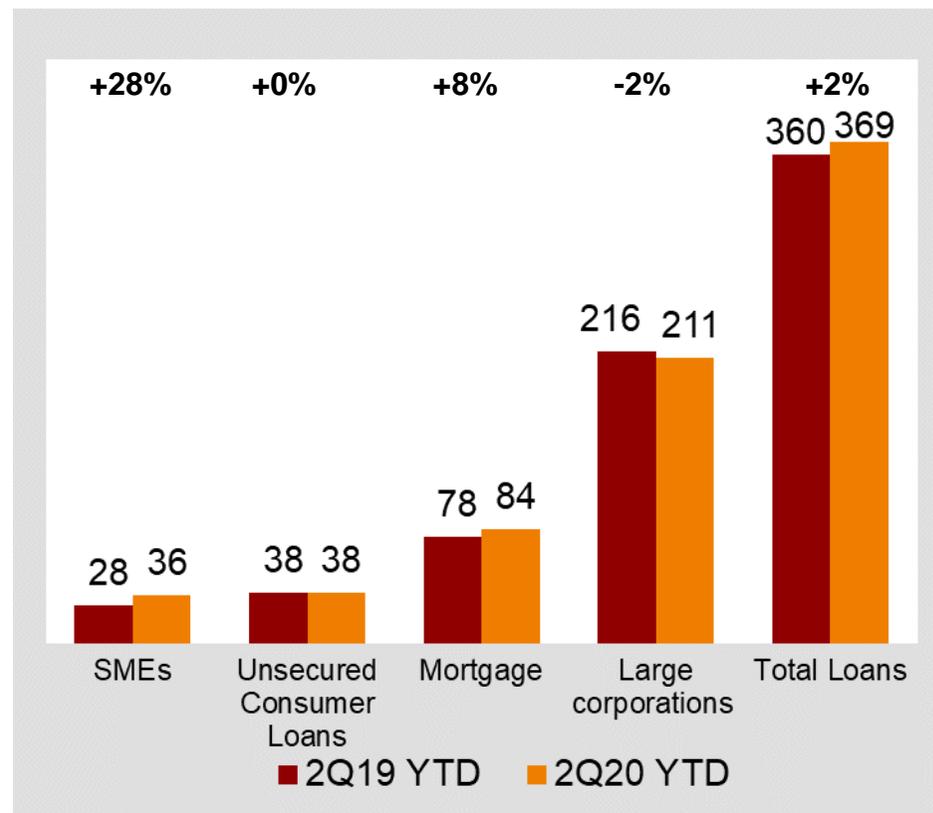
## Deposit Mix

Total deposits, NT\$bn; YoY change, percent



## Loan Mix

Total loans, NT\$bn; YoY change, percent

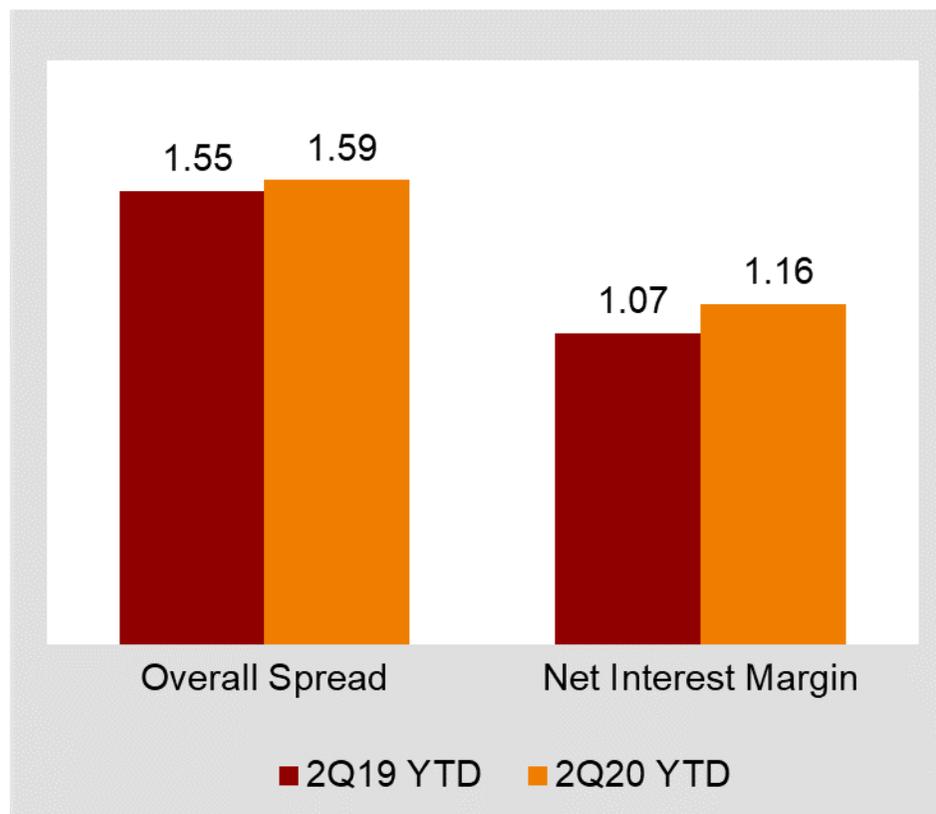


# KGI Bank – Interest Spread and Asset Quality

Adjusted deposit & loan mix to increase overall spread; asset quality remains intact

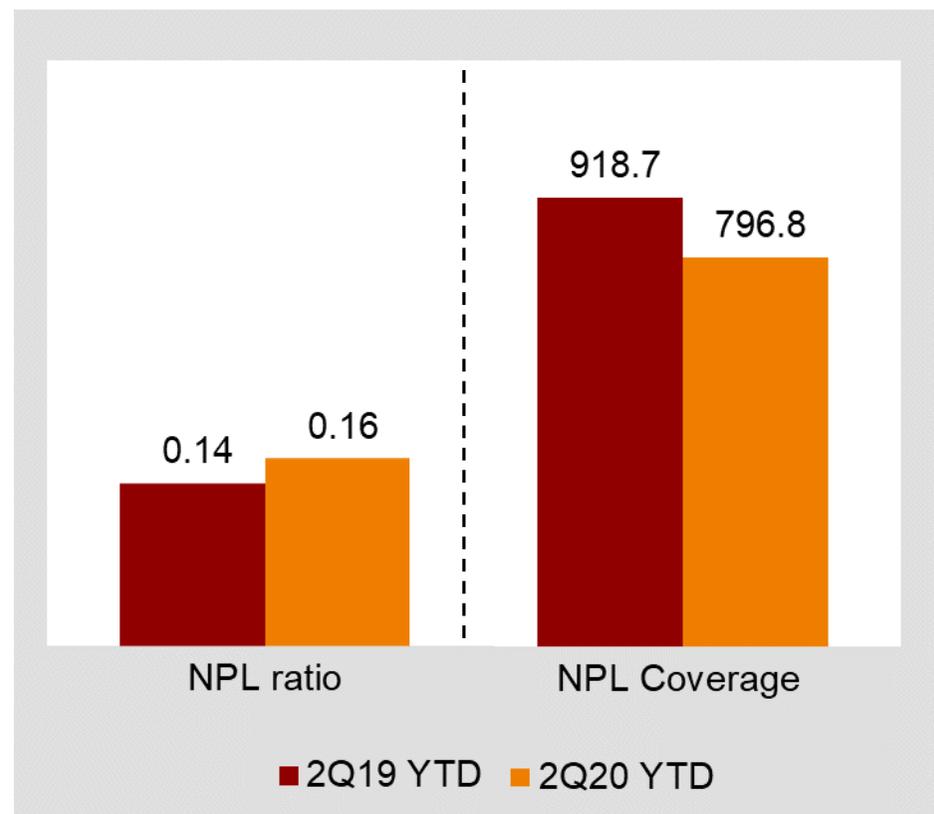
## Interest Spread and Interest Margin

Interest spread and net interest margin, percent



## NPL Ratio and NPL Coverage Ratio

NPL ratio and NPL coverage ratio, percent

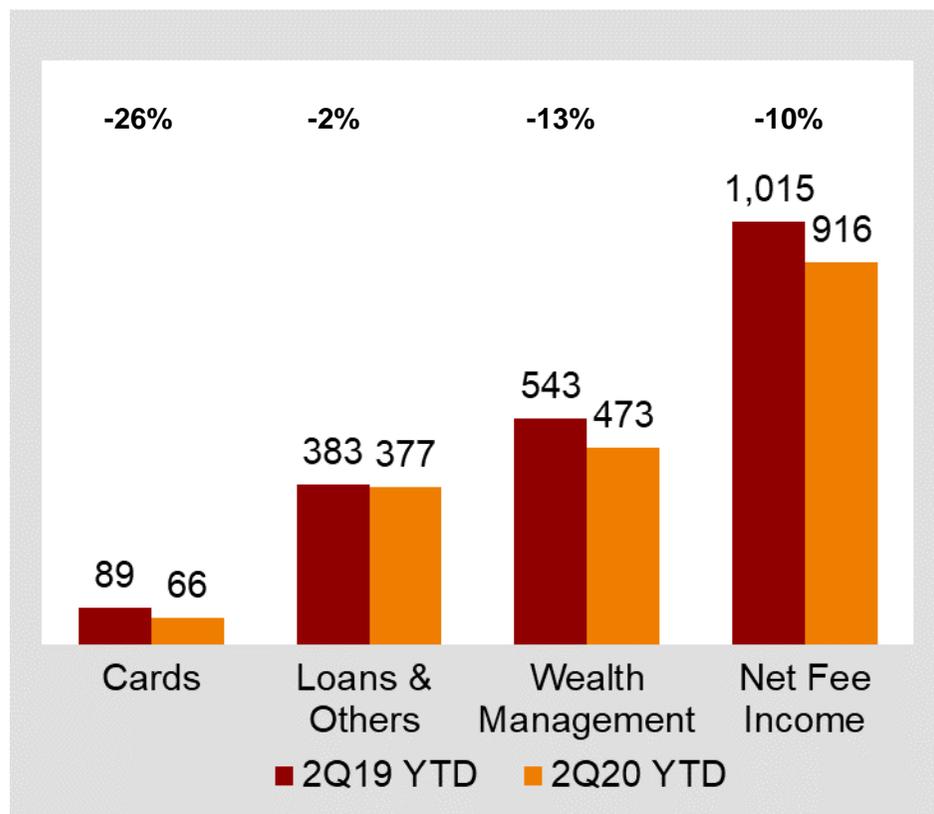


# KGI Bank – Net Fee Income

Net fee income has decreased due to COVID-19; continue to adjust WM product mix

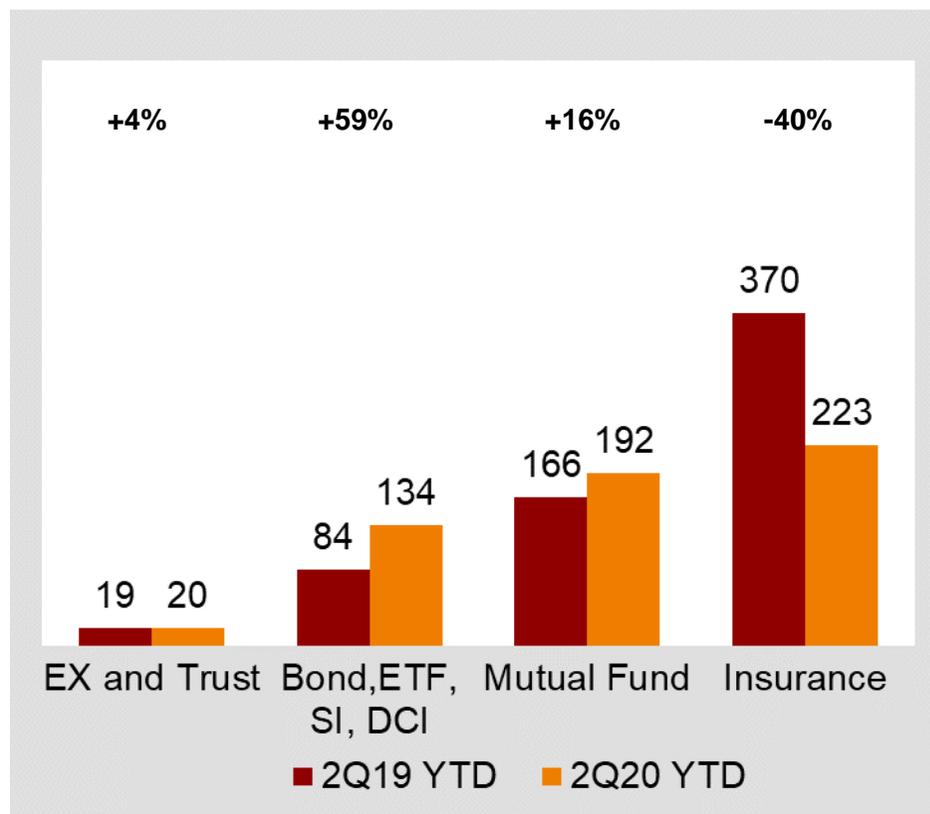
## Net Fee Income Mix

Net fee income, NT\$m; YoY change, percent



## Wealth Management Fee Income Mix

Wealth management fee income, NT\$m; YoY change, percent



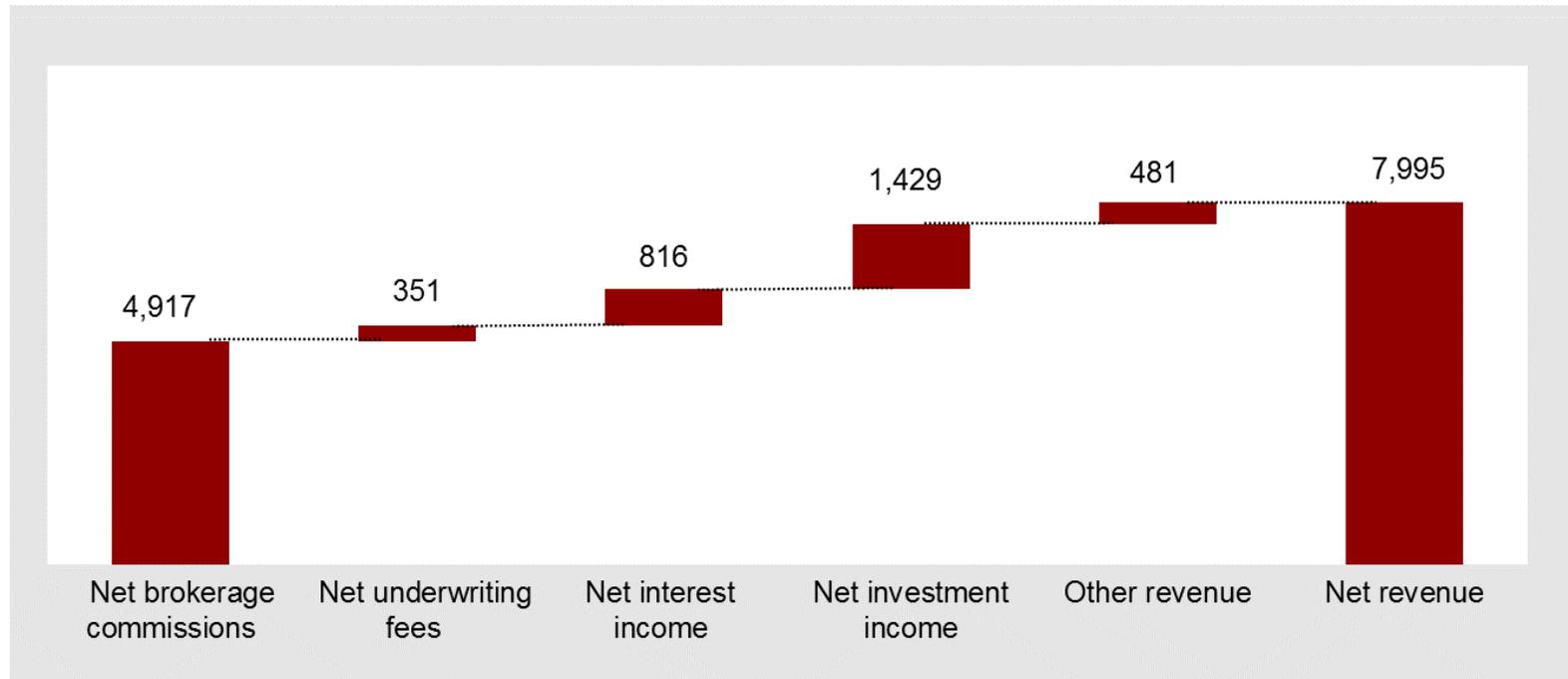
# 4. KGI Securities

# KGI Securities – Net Revenue

Brokerage commissions were the main revenue driver

## Brokerage Commissions were KGI Securities' Main Revenue Driver in 1H20

Net revenue breakdown, NT\$m



# KGI Securities – Net Revenue (Cont'd)

Brokerage business remained the major income source

## 2Q20 Profit was Driven by Net Brokerage Commissions

(NT\$m)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Net brokerage commissions	6,208	7,733	8,556	7,541	1,937	2,021	1,920	2,489	2,428
Net underwriting fees	1,041	920	728	685	173	168	237	251	99
<b>Net fees &amp; commissions</b>	<b>7,248</b>	<b>8,652</b>	<b>9,284</b>	<b>8,226</b>	<b>2,110</b>	<b>2,189</b>	<b>2,157</b>	<b>2,740</b>	<b>2,528</b>
<b>Net interest income</b>	<b>1,899</b>	<b>1,869</b>	<b>1,836</b>	<b>1,847</b>	<b>443</b>	<b>544</b>	<b>565</b>	<b>490</b>	<b>327</b>
<b>Net investment income</b>	<b>3,368</b>	<b>6,699</b>	<b>1,733</b>	<b>3,013</b>	<b>438</b>	<b>461</b>	<b>1,060</b>	<b>(686)</b>	<b>2,115</b>
<b>Other revenue</b>	<b>1,050</b>	<b>1,609</b>	<b>493</b>	<b>1,670</b>	<b>237</b>	<b>518</b>	<b>534</b>	<b>186</b>	<b>295</b>
<b>Total net revenue</b>	<b>13,565</b>	<b>18,830</b>	<b>13,347</b>	<b>14,756</b>	<b>3,228</b>	<b>3,713</b>	<b>4,317</b>	<b>2,730</b>	<b>5,265</b>

Note: The figures above included the contribution from overseas subsidiaries

# KGI Securities – Profit Breakdown

Continuing to optimize regional business

## Profit Breakdown by Geographical Location

(NT\$m)	2016	2017 <sup>1</sup>	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Taiwan	3,201	7,227	2,932	4,835	1,281	1,250	1,256	5	1,937
Overseas	(718)	850	833	1,218	297	313	247	66	398
Hong Kong <sup>2</sup>	(1,044)	571	479	878	229	230	164	231	337
Thailand	327	279	354	340	68	83	83	(165)	61
<b>Total</b>	<b>2,484</b>	<b>8,078</b>	<b>3,765</b>	<b>6,053</b>	<b>1,578</b>	<b>1,564</b>	<b>1,503</b>	<b>71</b>	<b>2,335</b>

(% of total profits)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Taiwan	128.9	89.5	77.9	79.9	81.2	80.0	83.6	7.2	83.0
Overseas									
Hong Kong <sup>2</sup>	(42.1)	7.1	12.7	14.5	14.5	14.7	10.9	325.4	14.4
Thailand	13.2	3.5	9.4	5.6	4.3	5.3	5.5	(232.6)	2.6

Note: 1. Includes a one-off valuation gain of NT\$3,834mn associated with KGI Securities' stake in China Life in 3Q17; 2. Includes Singapore and Indonesia subsidiaries

# KGI Securities – Brokerage & Margin Loans

Brokerage business provides a stable recurring income source

## Breakdown of Brokerage Commissions by Client Segment (Taiwan Only)

(NT\$m)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Retail	2,196	3,226	3,501	2,980	727	785	851	905	1,151
Institutional	459	491	566	602	168	153	144	186	160
<b>Total</b>	<b>2,655</b>	<b>3,717</b>	<b>4,067</b>	<b>3,582</b>	<b>896</b>	<b>938</b>	<b>995</b>	<b>1,092</b>	<b>1,311</b>
Stock brokerage market share (%)	8.3	8.3	8.2	8.2	8.7	8.0	7.6	7.9	8.2
Margin loan market share (%)	8.6	8.4	8.0	7.2	7.2	7.2	7.1	7.3	7.4
Average daily market turnover	99,322	138,032	166,046	156,312	153,849	155,920	168,549	208,785	229,967

## Wealth Management (Taiwan Only)

(NT\$m)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Trust balance	25,086	27,054	23,852	28,320	24,044	24,174	28,320	26,325	26,860

# KGI Securities – Investment Portfolio

High-quality investment portfolio

(% of total)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Fixed-income	56.3	65.9	75.4	71.8	74.1	75.6	71.8	69.5	74.2
Corporate bond & financial debenture	37.9	40.0	54.6	57.6	61.5	61.8	57.6	57.4	63.9
Convertible bond	7.3	7.4	3.6	4.1	3.0	3.2	4.1	4.0	3.6
Government bond	11.1	18.4	17.1	10.1	9.6	10.6	10.1	8.2	6.8
Stocks	38.5	26.4	15.5	17.8	16.5	14.8	17.8	12.7	13.8
Others	5.2	8.1	9.1	10.4	9.4	9.6	10.4	17.8	12.0
<b>Total market value (NT\$m)</b>	<b>60,709</b>	<b>56,979</b>	<b>60,432</b>	<b>86,982</b>	<b>67,469</b>	<b>83,593</b>	<b>86,982</b>	<b>74,021</b>	<b>78,454</b>

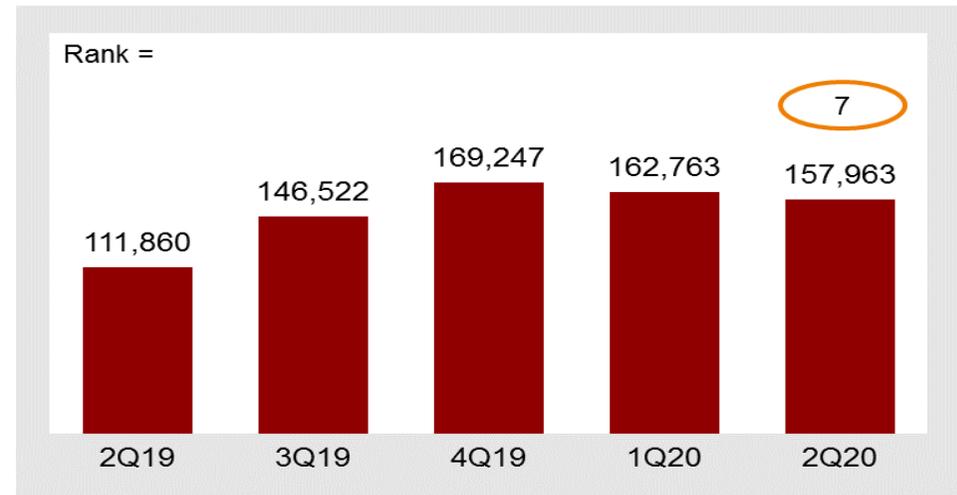
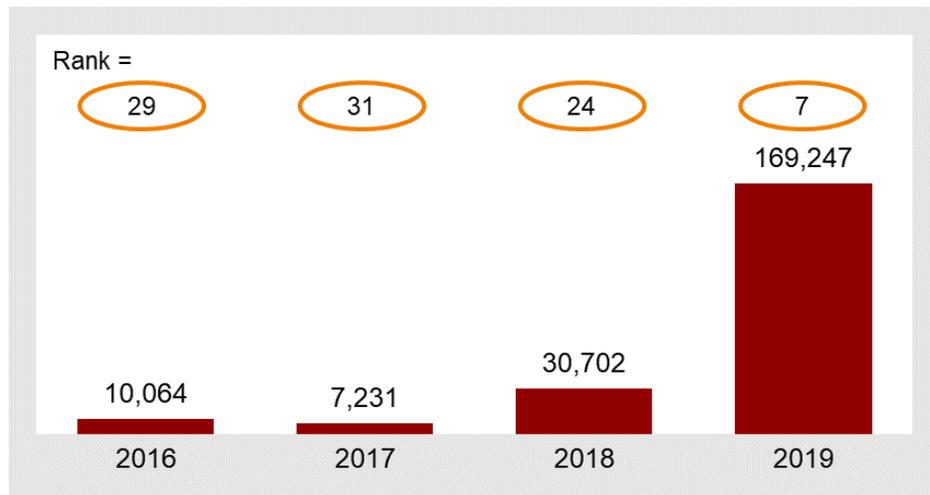
Note: 1. Includes hedged position for warrants; 2. Excludes overseas subsidiaries' balance

# KGI SITE – Assets Under Management

KGI SITE's AUM growing steadily

## KGI SITE's AUM has Risen to 7<sup>th</sup> in Ranking

AUM of mutual funds, NT\$m



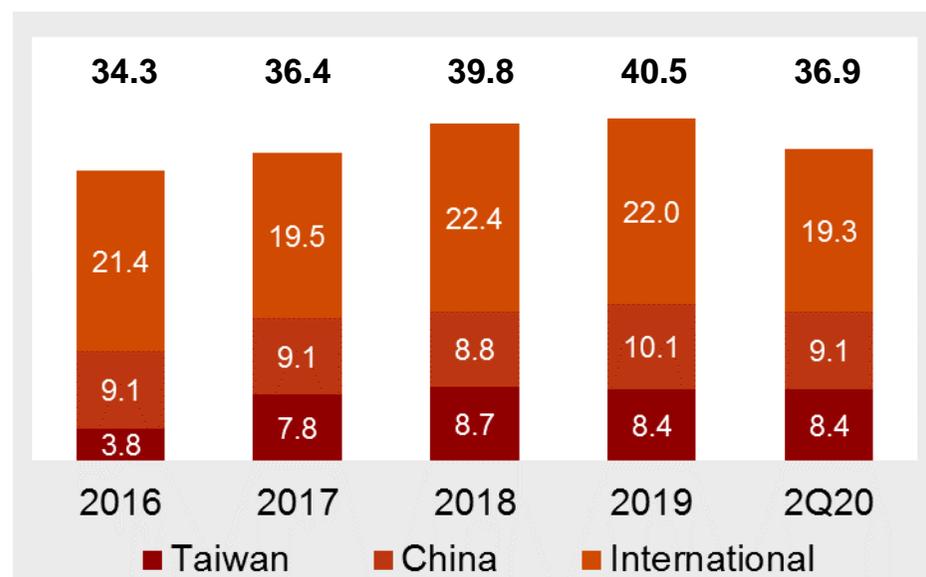
# 5. CDIB Capital Group

# CDIB Capital Group – Focusing On Asset Management

Continuing to raise thematic funds

## Asset Management AUM<sup>1</sup>

NT\$bn



Note 1 : AUM includes unfunded commitments and market value of current portfolios, converted to NTD based on year-end FX rate

## Principal Investment

NT\$bn



# CDIB Capital Group – Asset Management

Asset management portfolio covers the entire spectrum of investing

Region	Fund name	Fund size	Vintage year	Share-holding <sup>1</sup>	Investment Target
Taiwan	Creative Fund	NT\$1,500mn	2013	39.8%	Digital content, fashion brands, media and creative tourism
	Healthcare Fund	NT\$1,750mn	2014	34.3%	Channels and service providers of medical and healthcare-related industries
	Growth Fund	NT\$4,540mn	2017	25.6%	Technology and manufacturing companies that intend to focus on “smart” and “green” technologies
	Innovation Fund <sup>2</sup>	NT\$1,290mn	2017	23.3%	Cloud service, mobile internet and e-commerce platforms
	Ali Fund	US\$100mn	2016	0.0%	Supporting Taiwanese entrepreneurs who intend to distribute products and services via Alibaba’s ecosystem
Greater China	Hua Nan Fund	RMB1,000mn	2014	35.0%	Digital content, consumption and healthcare
	Hua Dong Fund	RMB1,000mn	2015	30.0%	Consumption, intelligent machinery, environmental protection, communications and internet
	CDIB Yida Healthcare Fund	RMB710mn	2019	32.1%	Pharmaceuticals, medical equipment, healthcare consulting/ goods and services channels
International	Asia Partners Fund	US\$405mn	2014	24.7%	Taiwanese, South Korean and US companies in Asia-Pacific region that seek long-term prospects in China
	Funds Partners Fund	US\$169mn	2015	0.0%	International private equity fund and portfolio
	Global Opportunities Fund	US\$136mn	2018	18.4%	Market leading high-growth companies, mainly in North America and Asia Pacific

Note: 1. Ownership percentage of CDIB Capital Group and its subsidiaries; 2. Including the parallel fund “CDIB Capital Innovation Accelerator (Cayman) Limited” with fund size of NT\$450mn

# CDIB Capital Group – Principal Investment

Balanced & diversified investment strategy

## Market Value - Greater China Portfolio

(% of total, percent)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Listed	25.5	34.1	9.7	7.9	8.6	8.5	7.9	6.9	9.4
Emerging	8.9	7.3	5.1	4.6	5.8	4.4	4.6	3.3	3.1
Unlisted	65.6	58.6	85.2	87.5	85.6	87.1	87.5	89.8	87.5
<b>Total market value (NT\$m)</b>	<b>34,866</b>	<b>30,702</b>	<b>18,962</b>	<b>18,877</b>	<b>19,680</b>	<b>19,560</b>	<b>18,877</b>	<b>16,843</b>	<b>17,400</b>

## Market Value - International Portfolio

(% of total, percent)	2016	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Principal investment - Listed	10.9	12.4	7.0	6.0	8.1	6.4	6.0	7.1	7.7
Principal investment - Unlisted	47.1	37.2	40.8	40.0	43.3	42.8	40.0	42.7	40.5
Third-party funds	42.1	50.4	52.2	54.0	48.6	50.8	54.0	50.3	51.7
<b>Total market value (NT\$m)</b>	<b>13,489</b>	<b>12,368</b>	<b>12,183</b>	<b>11,983</b>	<b>14,273</b>	<b>13,083</b>	<b>11,983</b>	<b>11,379</b>	<b>10,354</b>

# 6. Financial Highlights

# Financial Snapshots – CDF

Four core business engines provide diversified earning sources

CDF (consolidated)	2016	2017	2018	2019
Total assets (NT\$bn)	892.2	2,392.5	2,717.8	3,027.3
Total net worth (NT\$bn)	167.1	249.2	223.6	296.5
Total assets/ net worth (X)	5.3	9.6	12.2	10.2
Net profits (NT\$bn) <sup>1</sup>	5.9	11.7	7.9	12.8
EPS (NT\$/ share)	0.40	0.80	0.54	0.88
Book value per share (NT\$/ share)	11.17	11.60	10.97	12.85
Cash dividend per share (NT\$/ share)	0.50	0.60	0.30	0.60
Adjusted ROAE (%) <sup>2</sup>	3.6	7.1	4.7	7.4
ROAA (%)	0.7	0.8	0.5	0.7

Note: 1. Net profits exclude non-controlling interests; 2. Adjusted ROAE excludes non-controlling interests ; 3. Cash dividend per share shall be disclosed upon board resolution

# Financial Snapshots – China Life

Deliver solid operating results along with continuous growth in total assets

China Life (consolidated)	2016	2017	2018	2019
First-year premium (NT\$bn)	90.6	80.2	150.3	124.1
Total premium (NT\$bn)	191.1	206.4	301.8	279.9
Investment income (NT\$bn)	47.1	47.4	52.6	67.2
Net profits (NT\$bn)	9.5	9.1	10.2	13.6
EPS (NT\$/ share)	2.36	2.26	2.54	3.20
Total assets (NT\$bn)	1,323.7	1,465.7	1,711.4	2,000.2
Total net worth (NT\$bn)	81.1	95.3	73.1	142.7
ROAE (%)	11.6	10.3	12.1	12.6
ROAA (%)	0.8	0.7	0.6	0.7

*Note: CDF, together with KGI Securities, owns 34.82% of China Life*

# Financial Snapshots – KGI Bank

## Improving profit source

KGI Bank (consolidated)	2016	2017	2018	2019
Total assets (NT\$bn)	572.1	590.1	683.3	666.3
Total net worth (NT\$bn)	58.9	61.4	58.6	64.4
Total assets/ net worth (X)	9.7	9.6	11.7	10.3
Net profits (NT\$bn) <sup>1</sup>	3.8	3.2	2.2	3.6
EPS (NT\$/ share)	0.83	0.69	0.47	0.78
Book value per share (NT\$/ share)	12.79	13.33	12.72	13.98
CAR ratio (%)	13.2	14.2	13.4	15.4
ROAE (%)	6.6	5.3	3.6	5.9
ROAA (%)	0.7	0.5	0.3	0.5

Note: 1. Net profits exclude non-controlling interests

# Financial Snapshots – KGI Securities

Leading securities firm in Taiwan with extensive network presence

KGI Securities (consolidated)	2016	2017	2018	2019
Total assets (NT\$bn)	274.4	277.0	277.5	335.1
Total net worth (NT\$bn)	63.6	62.0	61.8	70.7
Total assets/ net worth (X)	4.3	4.5	4.5	4.7
Net profits <sup>1</sup> (NT\$bn)	2.5	8.2	3.8	6.1
EPS (NT\$/ share)	0.68	2.48	1.16	1.87
Book value per share (NT\$/ share)	17.22	19.42	18.02	20.79
CAR ratio (%)	329.0	296.0	327.0	336.0
ROAE (%)	3.9	13.3	6.1	8.6
ROAA (%)	0.9	2.9	1.4	1.8

Note: 1. Net profits exclude non-controlling interests

# Financial Snapshots – CDIB Capital Group

Successful transition to asset management business model

CDIB Capital Group (consolidated)	2016	2017	2018	2019
Total assets (NT\$bn)	73.2	55.3	50.4	45.5
Total net worth (NT\$bn)	70.1	53.1	47.8	42.8
Total assets/ net worth (X)	1.0	1.0	1.1	1.1
Net profits <sup>1</sup> (NT\$bn)	1.5	3.4	2.3	2.2
EPS (NT\$/ share)	0.71	1.63	1.13	1.09
Book value per share (NT\$/ share)	33.99	25.95	23.36	20.91
ROAE (%)	2.1	5.5	4.5	5.0
ROAA (%)	2.0	5.2	4.3	4.7

Note: 1. Net profits exclude non-controlling interests

# Quarterly Financial Snapshots – CDF

Four core business engines provide diversified earning sources

CDF (consolidated)	1Q19	2Q19	3Q19	4Q19	1Q20
Total assets (NT\$bn)	2,867.2	2,983.3	3,051.0	3,027.3	3,114.2
CDIB Capital Group (NT\$bn)	52.0	46.5	46.1	45.5	42.5
KGI Securities (NT\$bn)	312.8	322.6	347.6	335.1	327.8
KGI Bank (NT\$bn)	697.3	713.5	696.0	666.3	762.1
China Life (NT\$bn)	1,817.4	1,896.8	1,962.2	2,000.2	1986.6
AMC <sup>2</sup> (NT\$bn)	3.3	3.3	2.5	2.8	2.8
Total net worth (NT\$bn)	257.5	282.6	290.4	296.5	242.0
Total assets/ net worth (X)	11.1	10.6	10.5	10.2	12.9
Net profits (NT\$bn) <sup>1</sup>	3.6	4.2	2.8	2.2	(0.5)
CDIB Capital Group (NT\$bn)	1.2	1.3	(0.4)	0.1	(1.7)
KGI Securities (NT\$bn)	1.4	1.6	1.6	1.5	0.1
KGI Bank (NT\$bn)	0.9	1.0	1.0	0.7	0.6
China Life (NT\$bn)	2.8	4.6	5.5	0.6	4.5
AMC (NT\$m)	15.4	19.8	18.9	233.2	8.5
EPS (NT\$/ share)	0.25	0.29	0.19	0.15	(0.03)
Book value per share (NT\$/ share)	12.03	12.46	12.71	12.85	11.28
Adjusted Annualized ROAE (%) <sup>2</sup>	8.6	9.4	6.2	4.7	(1.1)
Annualized ROAA (%)	0.7	0.9	0.8	0.3	0.2

Note: 1. Net profits exclude non-controlling interests; 2. Adjusted annualized ROAE excludes non-controlling interests

# Quarterly Financial Snapshots – China Life

Deliver solid operating results along with continuous growth in total assets

China Life (consolidated)	1Q19	2Q19	3Q19	4Q19	1Q20
First-year premium (NT\$bn)	47.5	33.3	27.9	15.5	15.9
Total premium (NT\$bn)	75.7	69.8	70.2	64.2	60.8
Investment income (NT\$bn)	14.1	18.5	20.8	13.8	17.2
Net profits (NT\$bn)	2.8	4.6	5.5	0.6	4.5
EPS (NT\$/ share)	0.70	1.15	1.23	0.15	1.00
Total assets (NT\$bn)	1,817.4	1,896.8	1,962.2	2,000.2	1,986.6
Total net worth (NT\$bn)	101.6	129.9	136.8	142.7	97.9

*Note: CDF, together with KGI Securities, owns 34.82% of China Life*

# Quarterly Financial Snapshots – KGI Bank

Solid capitalization provides foundation for potential profit growth

KGI Bank (consolidated)	1Q19	2Q19	3Q19	4Q19	1Q20
Total assets (NT\$bn)	697.3	713.5	696.0	666.3	762.1
Total net worth (NT\$bn)	61.4	63.0	64.0	64.4	60.6
Total assets/ net worth (X)	11.4	11.3	10.9	10.3	12.6
Net profits (NT\$bn) <sup>1</sup>	0.9	1.0	1.0	0.7	0.6
EPS (NT\$/ share)	0.20	0.21	0.22	0.16	0.12
Book value per share (NT\$/ share)	13.34	13.67	13.89	13.98	13.15
CAR ratio (%)	13.1	14.2	14.7	15.4	13.6
Annualized ROAE (%)	6.0	6.3	6.6	4.8	3.6
Annualized ROAA (%)	0.5	0.6	0.6	0.4	0.3

Note: 1. Net profits exclude non-controlling interests

# Quarterly Financial Snapshots – KGI Securities

Profitability has been affected by market volatility

KGI Securities (consolidated)	1Q19	2Q19	3Q19	4Q19	1Q20
Total assets (NT\$bn)	312.8	322.6	347.6	335.1	327.8
Total net worth (NT\$bn)	66.4	67.8	69.3	70.7	62.4
Total assets/ net worth (x)	4.7	4.8	5.0	4.7	5.3
Net profits (NT\$bn) <sup>1</sup>	1.4	1.6	1.6	1.5	0.1
EPS (NT\$/ share)	0.43	0.49	0.48	0.47	0.02
Book value per share (NT\$/ share)	19.43	19.88	20.36	20.79	19.13
Annualized ROAE (%)	8.8	9.4	9.2	8.6	0.4
Annualized ROAA (%)	1.9	2.0	1.9	1.8	0.1

Note: 1. Net profits exclude non-controlling interests

# Quarterly Financial Snapshots – CDIB Capital Group

Asset monetization will continue with focus on asset management

CDIB Capital Group (consolidated)	1Q19	2Q19	3Q19	4Q19	1Q20
Total assets (NT\$bn)	52.0	46.5	46.1	45.5	42.5
Total net worth (NT\$bn)	49.4	43.7	43.4	42.8	40.3
Total assets/ net worth (x)	1.1	1.1	1.1	1.1	1.1
Net profits (NT\$bn) <sup>1</sup>	1.2	1.3	(0.4)	0.1	(1.7)
EPS (NT\$/ share)	0.61	0.62	(0.21)	0.07	(0.84)
Book value per share (NT\$/ share)	24.16	21.37	21.20	20.91	19.69
Annualized ROAE (%)	10.2	11.0	(3.8)	1.3	(16.5)
Annualized ROAA (%)	9.7	10.4	(3.6)	1.3	(15.6)

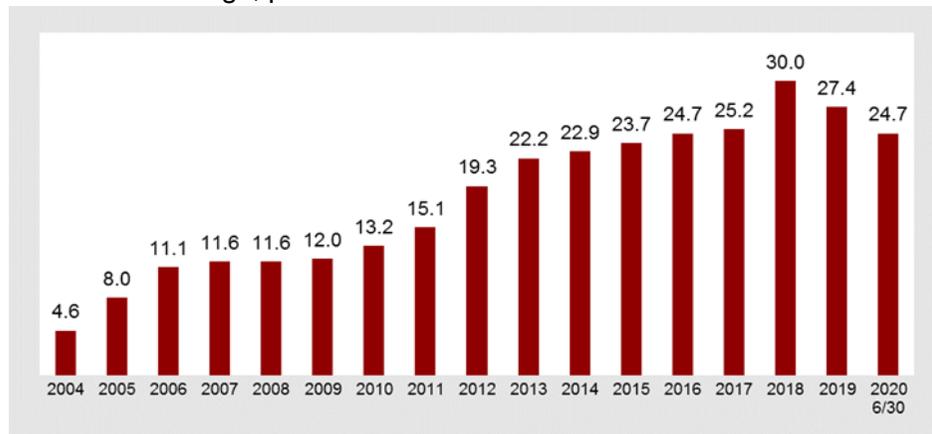
Note: 1. Net profits exclude non-controlling interests

# CDF Shareholding Structure

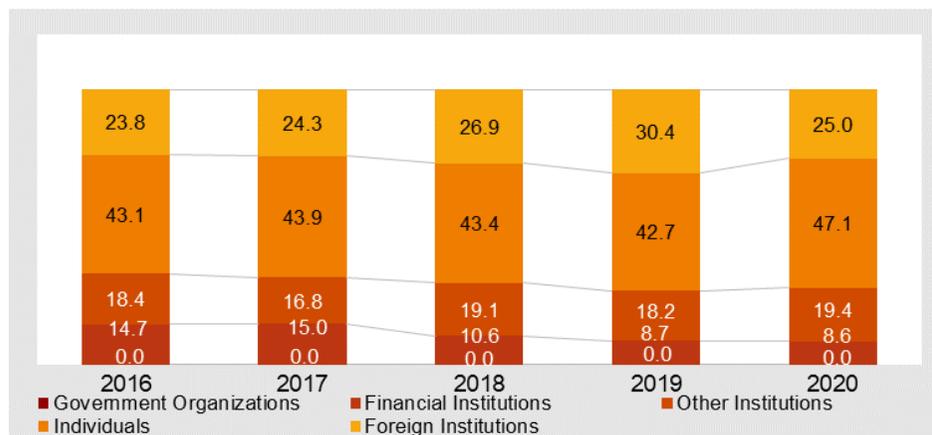
FINI holdings 24.71%

## Steady FINI Holdings

FINI shareholdings, percent



Source: Taiwan Stock Exchange



Note: Based on data collected before General Shareholders Meeting

## Top 10 Shareholders of CDF

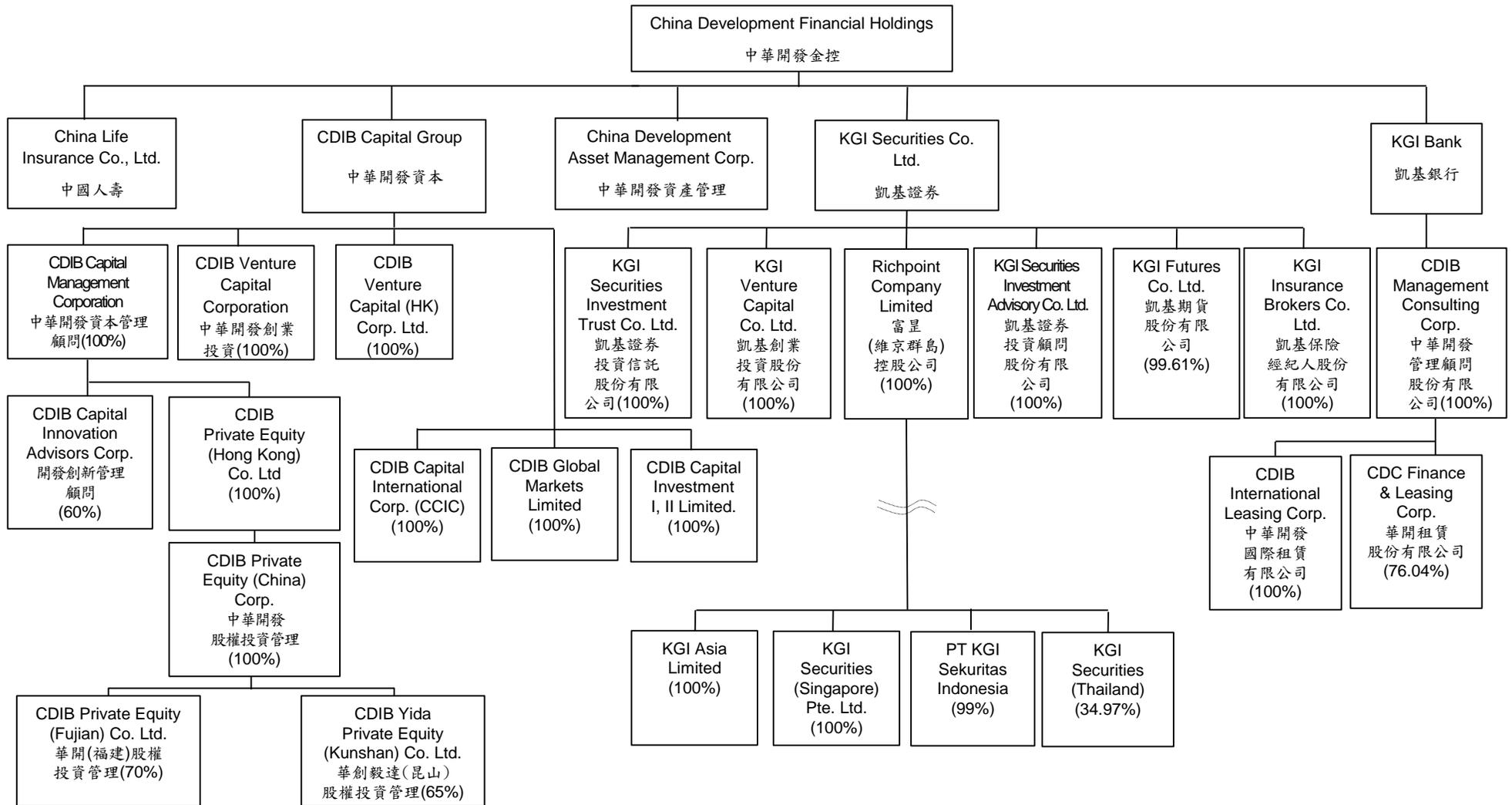
As of June 30, 2020

1.	China Life Insurance Co., Ltd.	3.76%
2.	Shin Wen Investment Co., Ltd.	3.21%
3.	Jing Kwan Investment Co., Ltd.	2.78%
4.	Bank of Taiwan	1.92%
5.	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.76%
6.	Cathay Life Insurance Co., Ltd.	1.50%
7.	Norges Bank	1.48%
8.	Labor Pension Fund	1.47%
9.	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Funds	1.38%
10.	Government of Singapore	1.37%
<b>Total</b>		<b>20.63%</b>

Note: Shareholding percentage will be updated after the registration date of the Regular Shareholders' Meeting and ex-dividend each year

# China Development Financial

## Organizational Structure



# 7. Q&A