

2014年第四季法人說明會

2015年3月



國泰金控

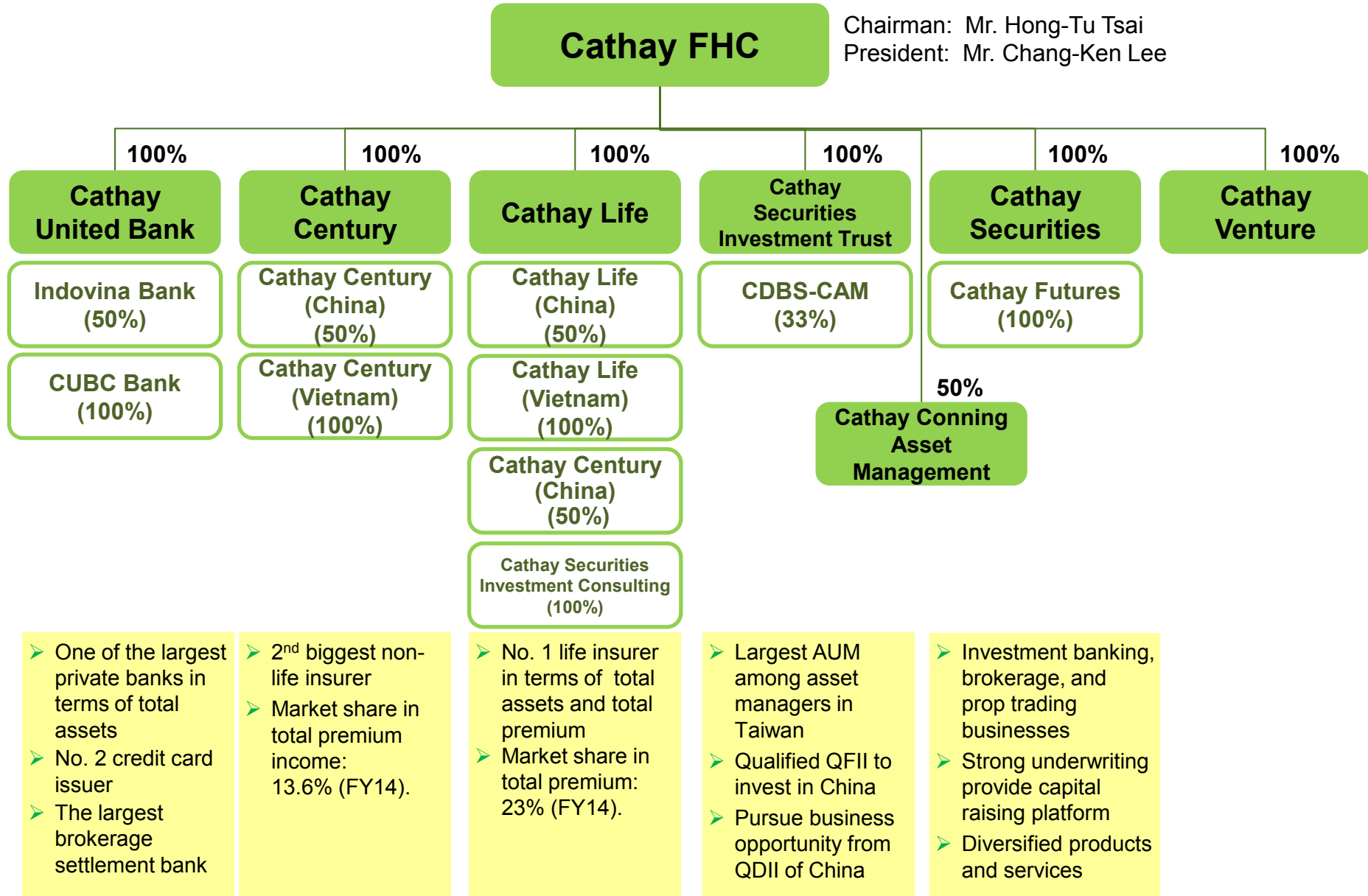
Cathay
Financial Holdings

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- **國泰金控簡介**
- **2014年營運回顧與2015年業務展望**
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- **海外營運概況**
- **國泰世華銀行成為「赤道原則」會員**
- **國泰人壽標得國寶人壽及幸福人壽**
- **附錄**

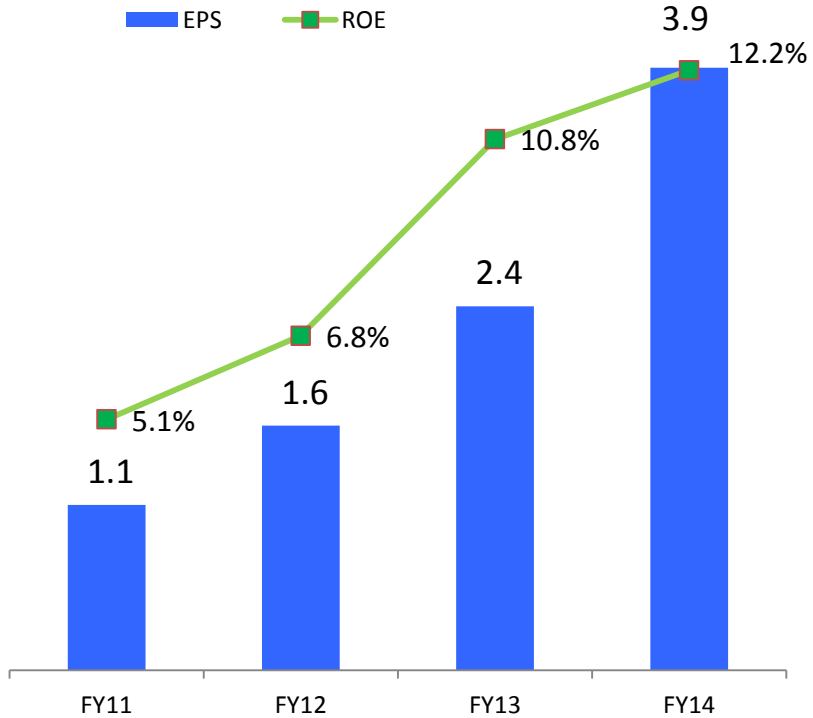
國泰金控提供完整的產品及服務



國泰金控獲利持續提高

EPS & ROE

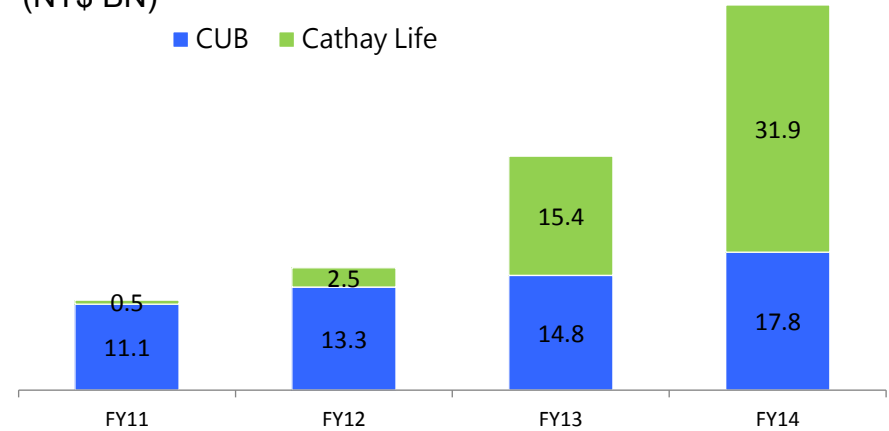
(NT\$)



Profit contribution

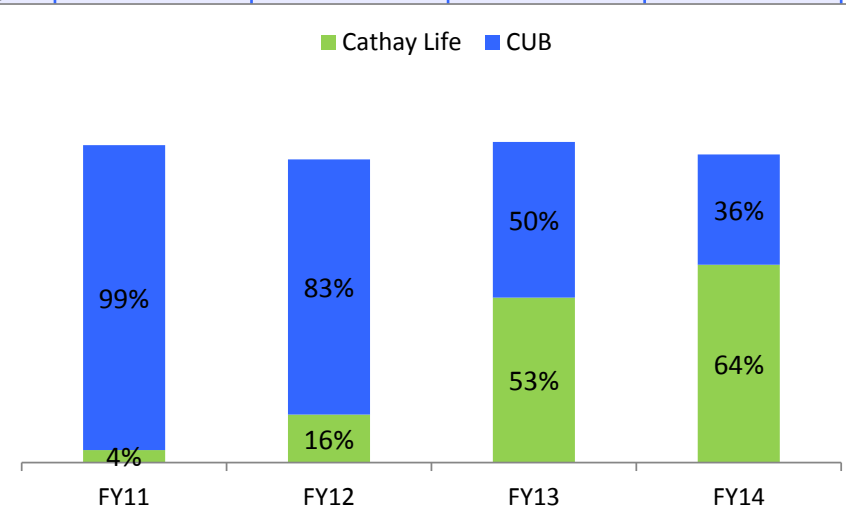
(NT\$ BN)

■ CUB ■ Cathay Life



FHC	11.1	16.2	29.0	49.8
Life	0.5	2.5	15.4	31.9
CUB	11.1	13.3	14.8	17.8

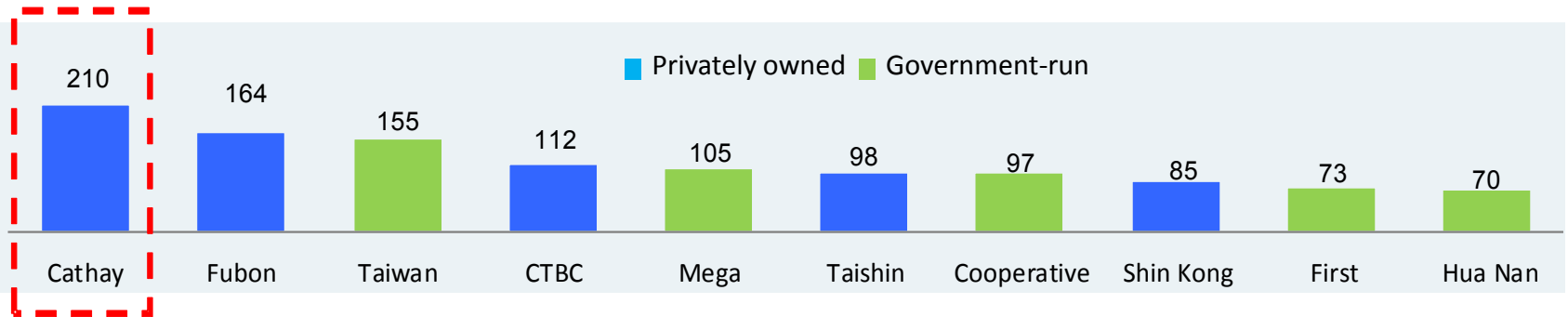
■ Cathay Life ■ CUB



金控總資產及市值均為台灣金融控股公司中最大

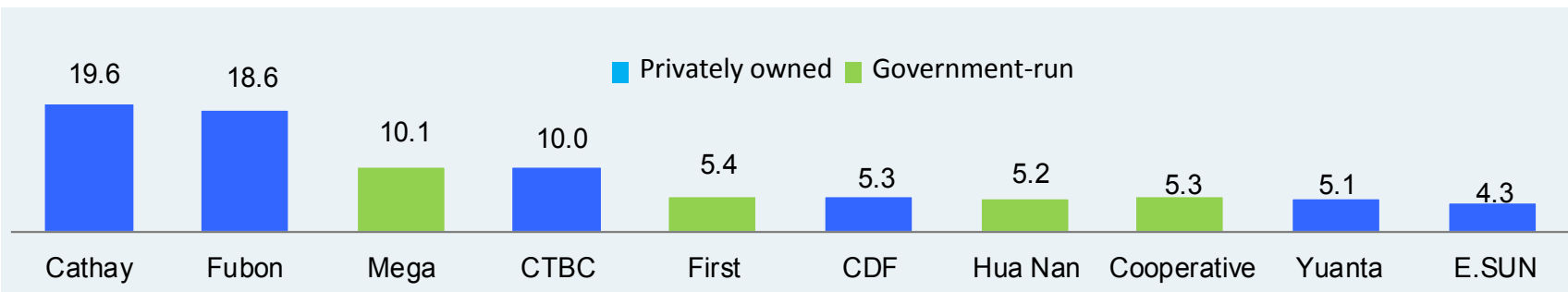
- Largest listed financials group by market capitalization and assets.

Ranking of total assets (US\$bn)



Note: The data of total assets was as of Sep.30,2014.

Ranking of market cap (US\$bn)



Note: Market capitalization as of Mar.20, 2015

- 國泰金控簡介

- 2014年營運回顧與2015年業務展望

 - 國泰世華銀行

 - 國泰人壽

 - 國泰產險

- 海外營運概況

- 國泰世華銀行成為「赤道原則」會員

- 國泰人壽標得國寶人壽及幸福人壽

- 附錄

2014年營運回顧

國泰世華銀行

- 放款成長達8%、資產品質維持良好
- 手續費收入持續成長，年增率達26%
- 持續擴張亞太網點，海外貢獻全行稅前獲利達46%

國泰人壽

- 傳統型壽險中分期繳佔比達96%；FYPE市佔率第一；新契約價值穩定成長
- RBC比率達287%，資本適足狀況強健
- 海外投資比重增加至49.2%、避險成本0.34%；投資績效穩定成長

國泰產險

- 保費市佔率達14%，保費年成長8%，穩居市場第二大
- 強化利潤佳商品之業務推動；投資獲利績效提高
- 持續增加海外營業據點，擴大經營規模

國泰投信

- AUM逾4,289億，為台灣最大投信公司
- 持續研發新產品，積極拓展法人及個人業務
- 獲「亞洲資產管理雜誌」頒發「台灣區最佳法人基金公司」及「最佳台灣股票型基金」二項大獎

國泰證券

- 獲利大幅提升，2014年稅後淨利、EPS及ROE皆創歷史新高
- 各項業務積極成長中，複委託成交金額創歷史新高，市場排名前三大

2015年業務展望

國泰世華銀行

- 溫和成長放款及利差，維持良好資產品質
- 持續強化手續費收入成長
- 持續拓展海外網點，並提升海外獲利

國泰人壽

- 著重分期繳保單、外幣保單、投資型保單之銷售，以利新契約價值提升
- 持續提高資金運用效率，嚴控避險成本

國泰產險

- 提升金控整合行銷力道，強化數位運用，提升服務品質與競爭優勢
- 持續精實業務組織，擴展外部通路，提高營業單位產能
- 拓展海外營運據點，並拓增良質通路，提升經營績效

國泰投信

- 因應客戶屬性，提供完整產品線
- 開拓職域推動定期定額業務，鼓勵客戶提高扣款金額
- 深耕集團內外通路，善用資源，發揮通路最大效益

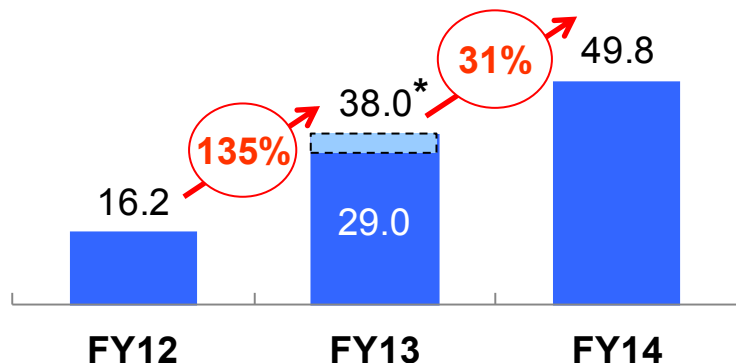
國泰證券

- 積極發展行動商務，有效接觸目標客戶
- 爭取指標性案件及海外優質企業回台上市
- 精選權證標的及活絡權證流通量，開發多交易市場策略，提升報酬率

國泰金控 – 稅後淨利與每股盈餘

稅後淨利 (NT\$BN)

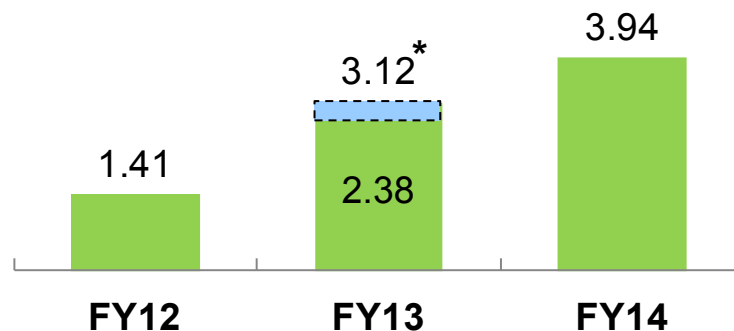
■ 投資性不動產採公允價值模式對稅後淨利影響



*2014/1/1投資性不動產已採用公允價值模式，FY13之擬制性數據亦已反映其影響；該擬制性調整對國泰金控FY13 稅後淨利影響為NT\$9.0BN。

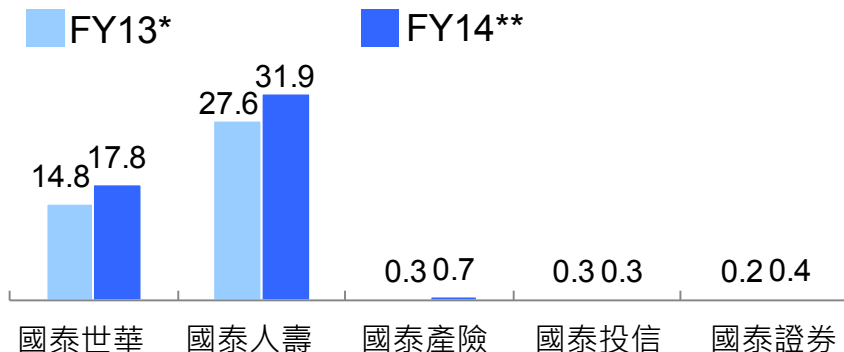
每股盈餘 (NT\$)

■ 投資性不動產採公允價值模式對每股盈餘影響



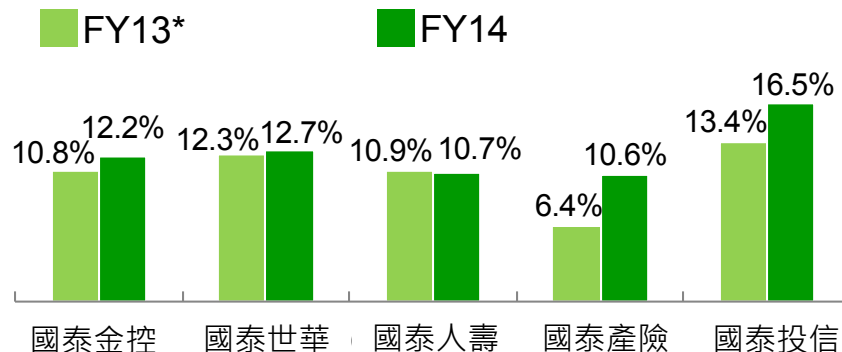
* FY13為擬制性數據，反映投資性不動產改採用公允價值模式之影響；該擬制性調整對國泰金控FY13 每股盈餘影響為NT\$0.74。

主要子公司稅後淨利 (NT\$BN)



* FY13為擬制性數據，反映投資性不動產改採用公允價值模式之影響
 **國泰世華及國泰人壽FY14稅後淨利包含投資性不動產稅後增值利益分別為-NT\$0.07BN及NT\$13.8BN。

ROE



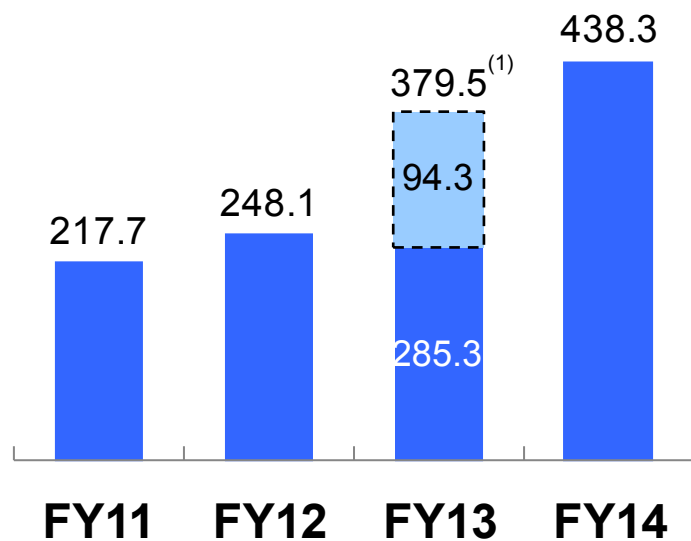
* FY13為擬制性數據，反映投資性不動產改採用公允價值模式之影響；該擬制性調整對國泰金控、國泰世華及國泰人壽FY13 ROE影響分別為 -0.1%,-0.1%及0.1%。

國泰金控 – 帳面淨值與每股淨值

帳面淨值

(NT\$BN)

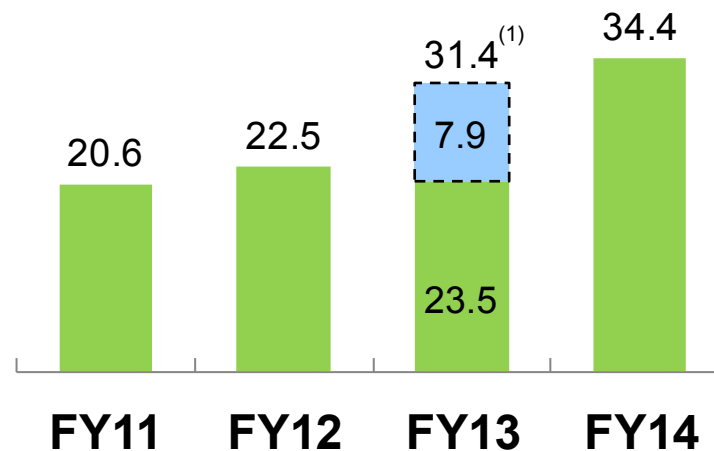
■ 投資性不動產採公允價值模式對淨值影響



每股淨值 (NT\$)

(NT\$)

■ 投資性不動產採公允價值模式對每股淨值影響



註1：2014/1/1投資性不動產已採用公允價值模式，FY13之擬制性數據已反映其影響。

註2：2012年起以IFRS會計準則計算，帳面淨值含非控制權益，每股淨值不含非控制權益。

註3：因四捨五入關係，各項數字加減後，未必等同總和。

- 國泰金控簡介
- 2014年營運回顧與2015年業務展望

國泰世華銀行

國泰人壽

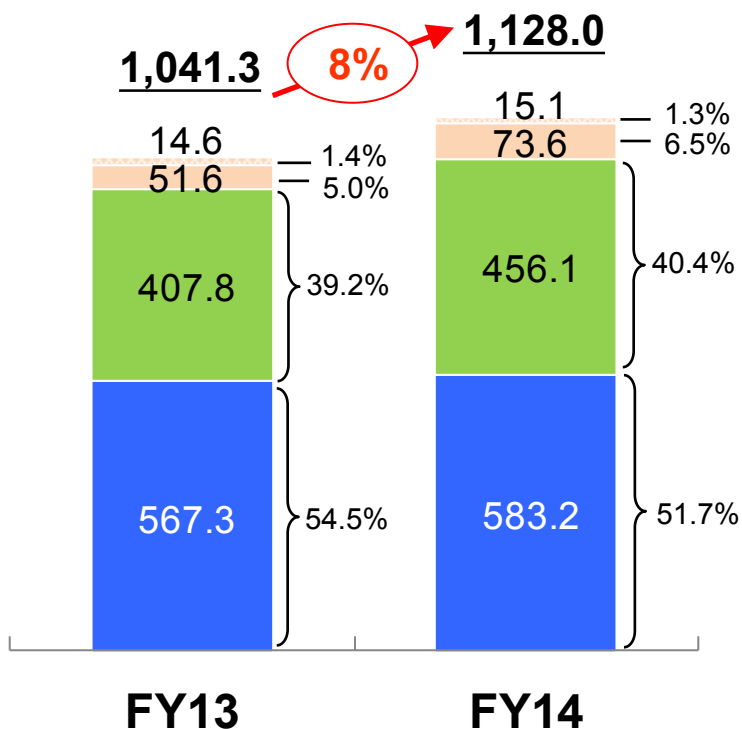
國泰產險

- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
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- 附錄

國泰世華銀行 – 放款與存款結構

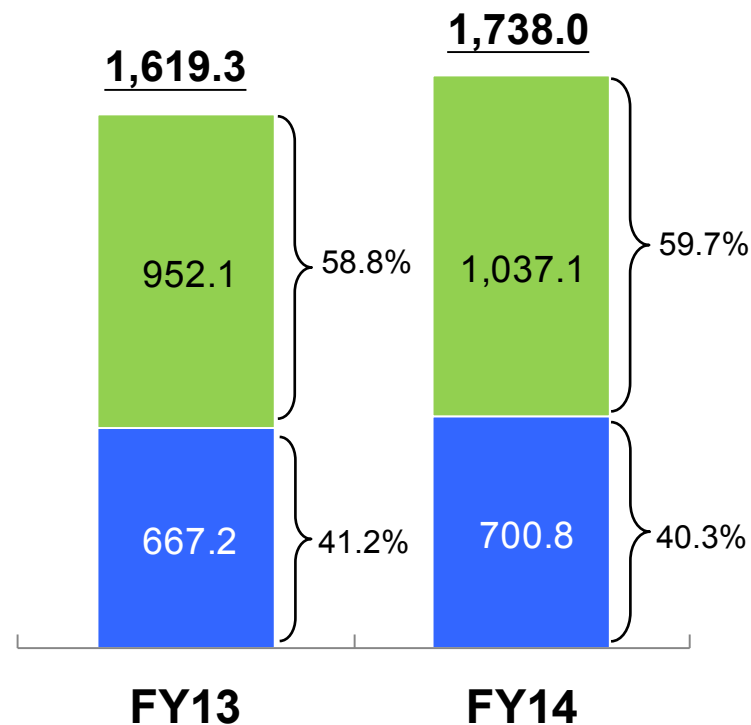
放款結構

- 信用卡放款
 - 個人放款
 - 房屋貸款
 - 企業放款
- (NT\$BN)



存款結構

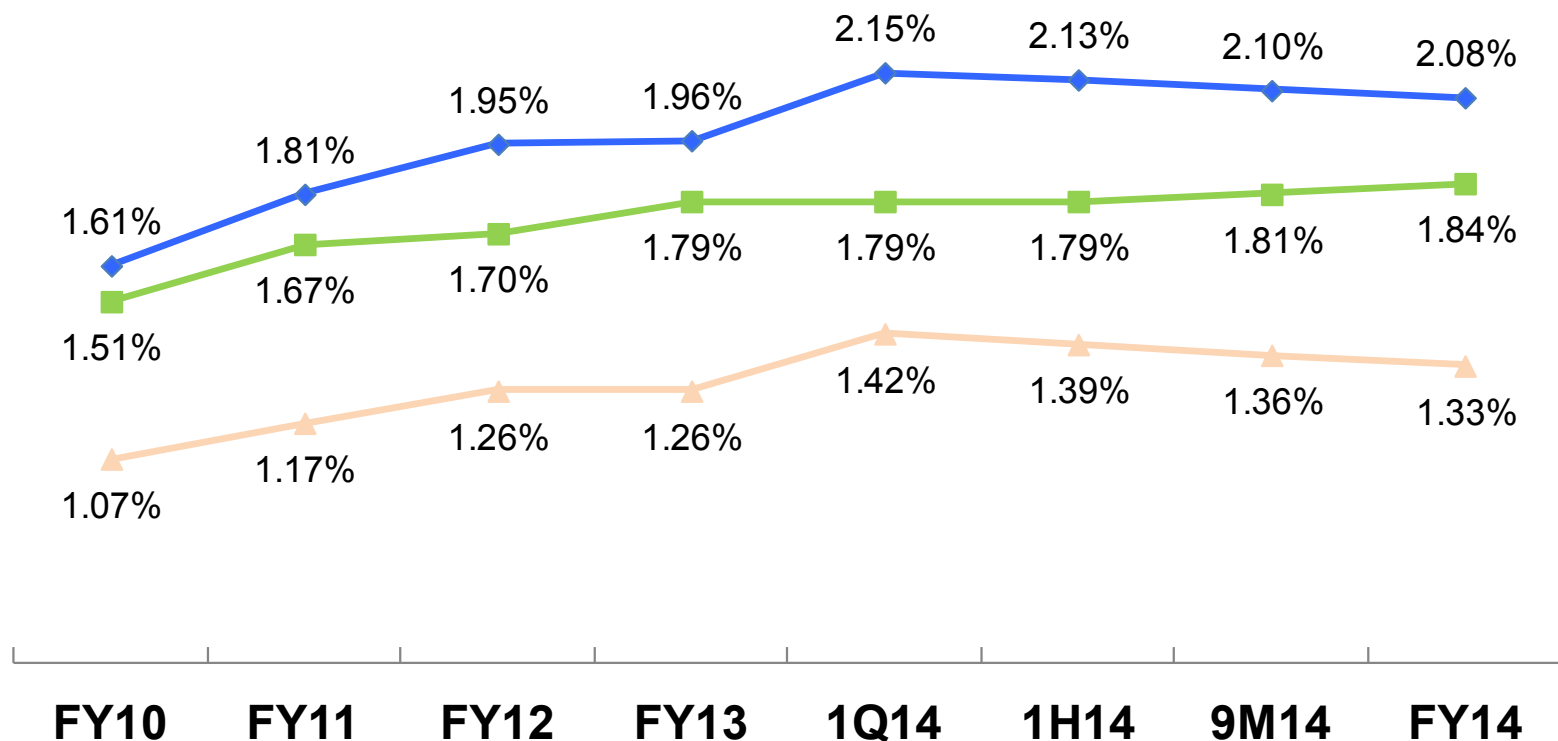
- 活期存款
 - 定期存款
- (NT\$BN)



註：因四捨五入關係，各項數字加減後，未必等同總和。

國泰世華銀行 – 淨利差

◆ Avg. rate of interest-earning assets ■ Interest spread ▲ Net interest margin

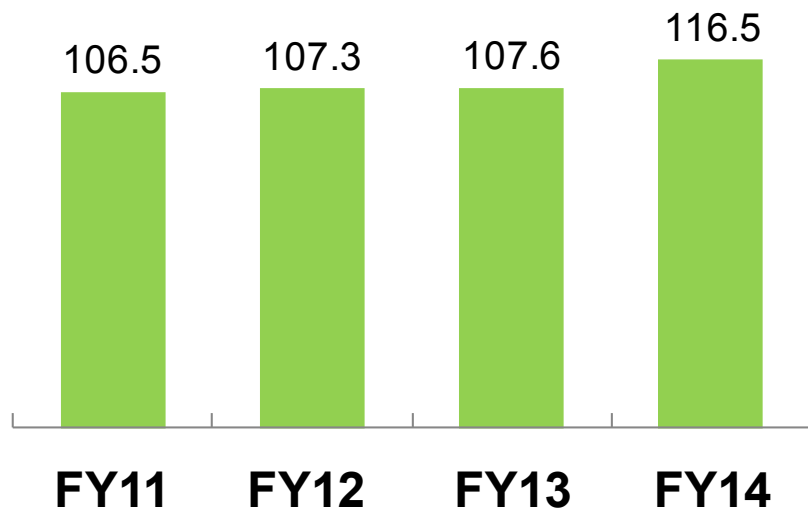


註：含信用卡放款

國泰世華銀行 – SME與外幣放款

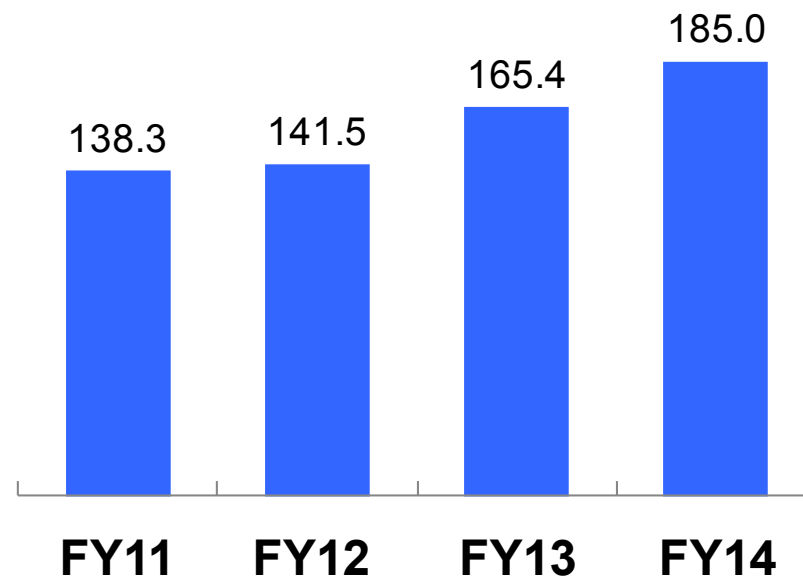
SME放款

(NT\$BN)



外幣放款

(NT\$BN)



佔全行放款

11.4% 11.5% 10.5% 10.5%

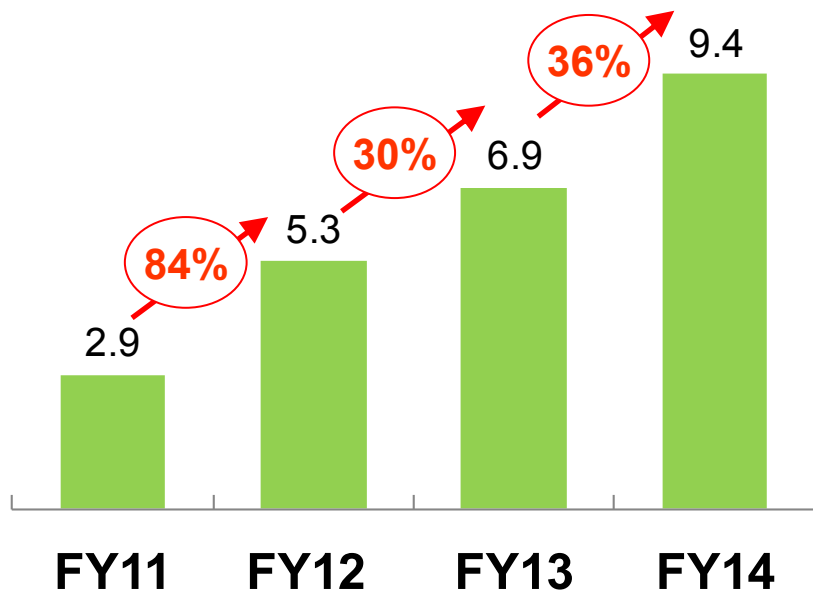
14.8% 15.1% 16.1% 16.6%

註：上述全行放款餘額不包含信用卡循環餘額。

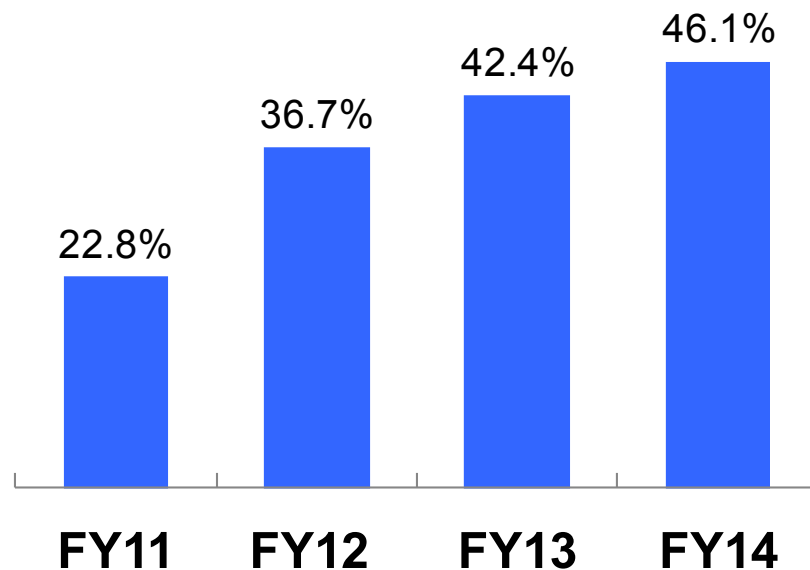
國泰世華銀行 – 海外獲利

海外獲利

(NT\$BN)



海外獲利佔全行稅前盈餘

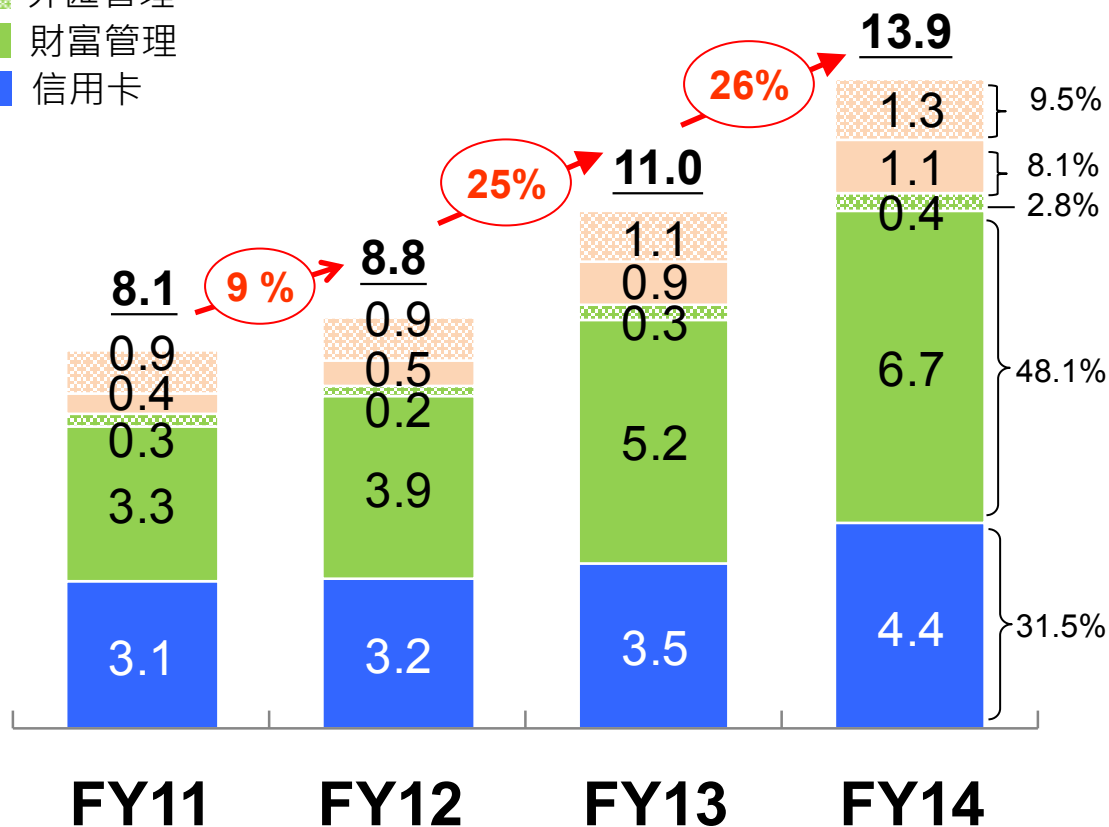


國泰世華銀行 – 手續費收入

手續費收入結構

- 其他
- 聯貸
- 外匯管理
- 財富管理
- 信用卡

(NT\$BN)



註：因四捨五入關係，各項數字加減後，未必等同總和。

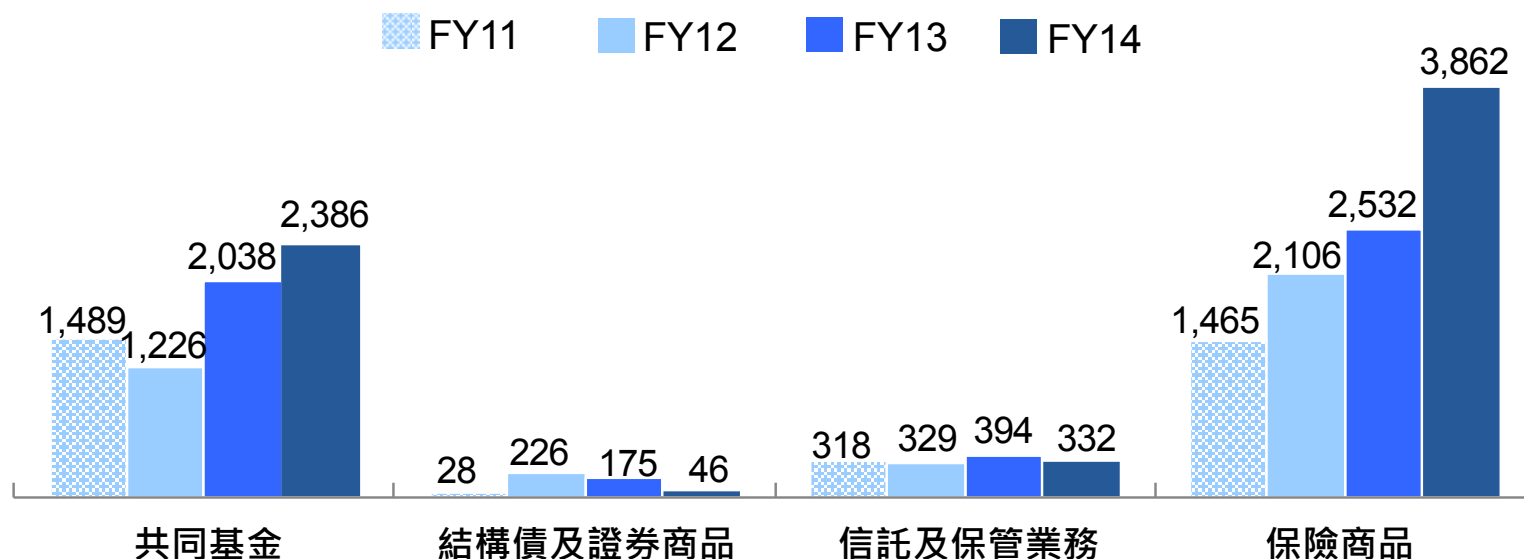
國泰世華銀行 – 財富管理手續費收入

財富管理手續費收入

(NT\$MN)	FY11	FY12	FY13	FY14
財富管理手續費收入*	3,309	3,894	5,163	6,673
年成長率	5.3%	17.7%	32.6%	29.2%

*不包含DCI、SI及其他財富管理價差收入。

DCI、SI及其他財富管理價差收入	71	141	1,159	1,934
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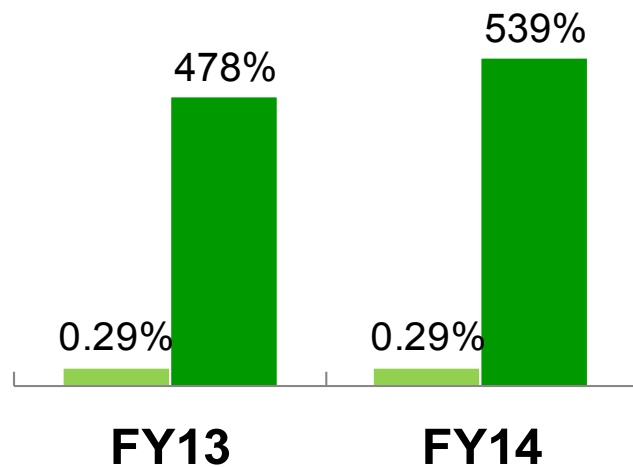


註：上圖財富管理手續費收入不包含DCI、SI及其他財富管理價差收入。因四捨五入關係，各項數字加減後，未必等同總和。

國泰世華銀行 – 資產品質

逾放比及備抵呆帳覆蓋率

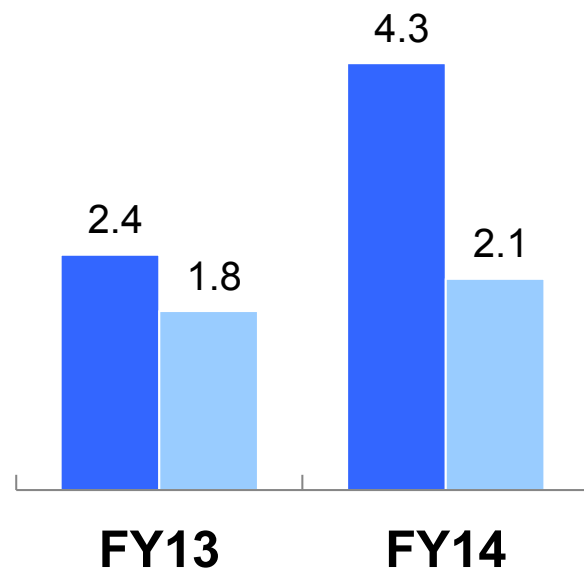
- 整體逾放比
- 備抵呆帳覆蓋率



房貸逾放比 0.02% 0.04%

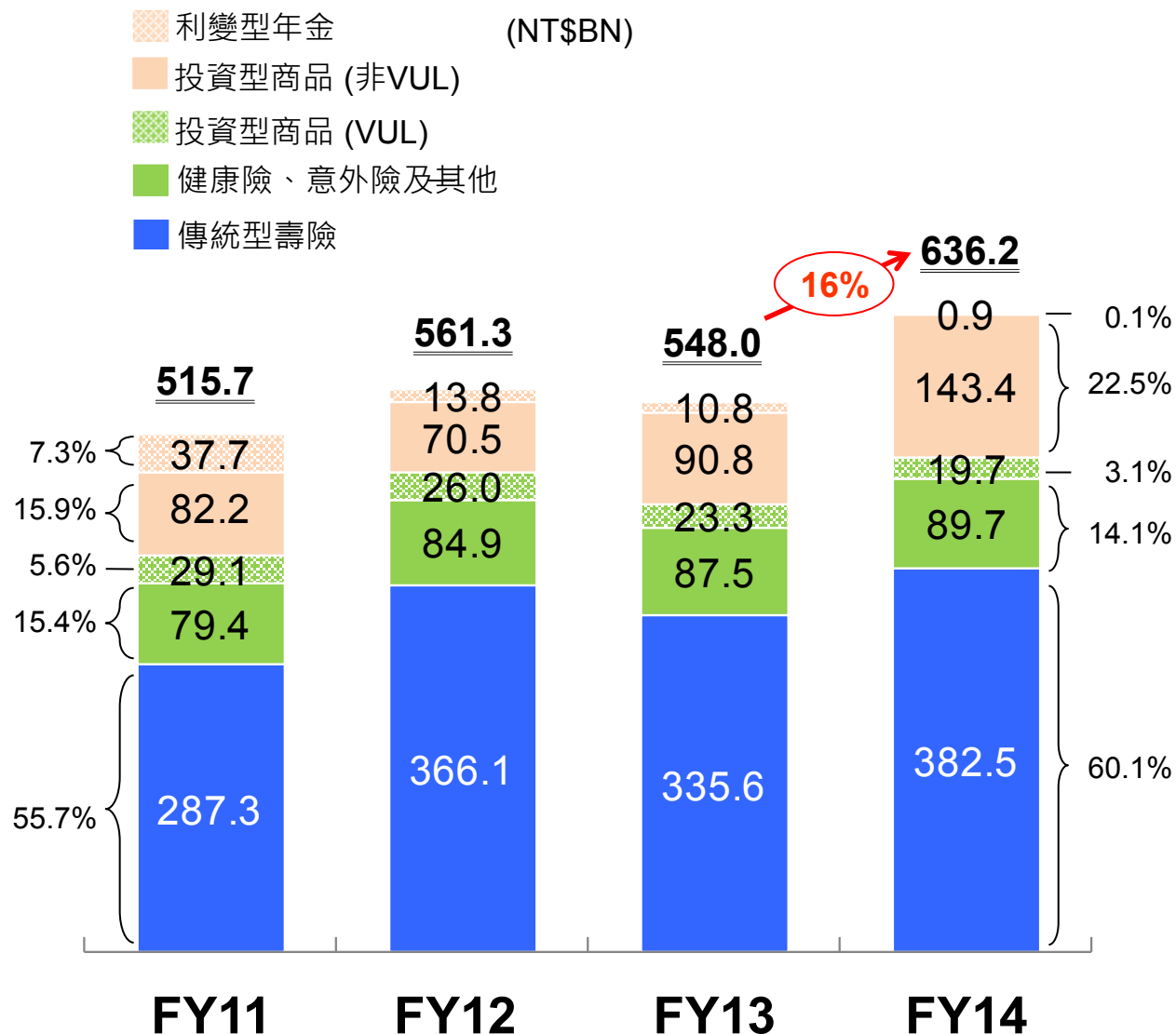
提存及呆帳回收

- 毛提存 (NT\$BN)
- 呆帳回收



- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
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國泰人壽 – 總保費收入

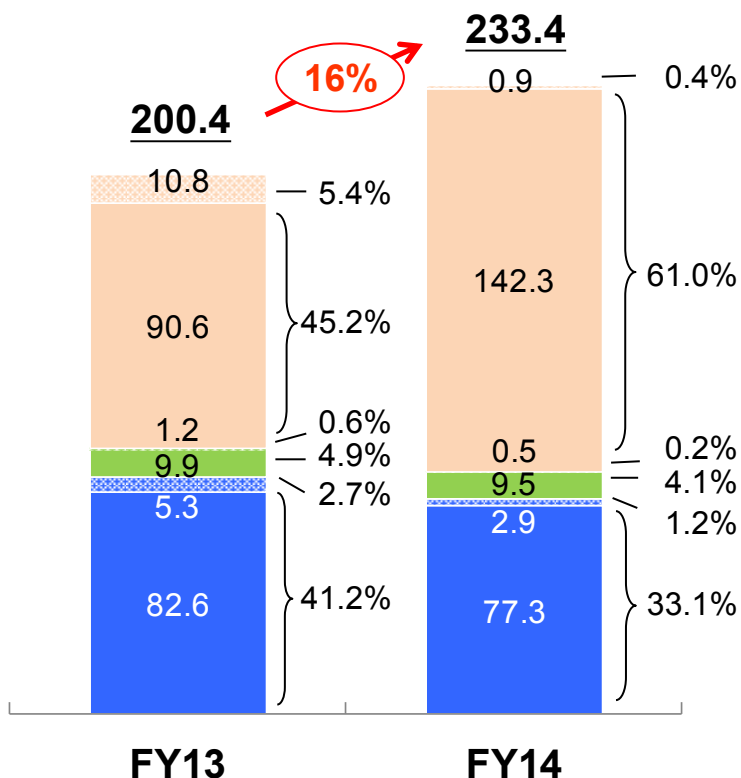


註：因四捨五入關係，各項數字加減後，未必等同總和。

國泰人壽 – 初年度保費收入 & 初年度等價保費收入

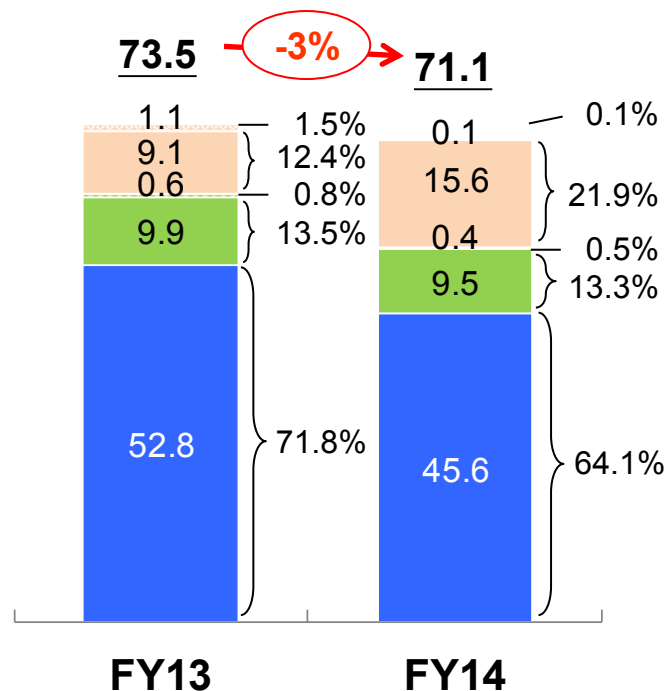
初年度保費收入(FYP)

- 利變型年金 (NT\$BN)
- 投資型商品 (非VUL)
- 投資型商品 (VUL)
- 健康險、意外險及其他
- 傳統型壽險 - 躉繳
- 傳統型壽險 - 分期繳



初年度等價保費收入(FYPE)

- 利變型年金 (NT\$BN)
- 投資型商品 (非VUL)
- 投資型商品 (VUL)
- 健康險、意外險及其他
- 傳統型壽險

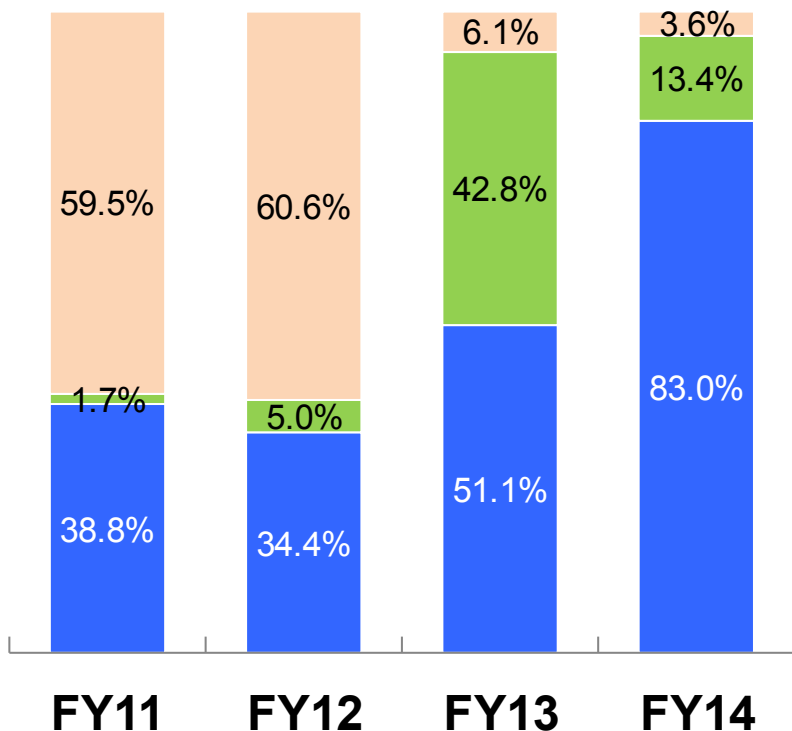


註：因四捨五入關係，各項數字加減後，未必等同總和。

國泰人壽 – 提高分期繳保單佔比

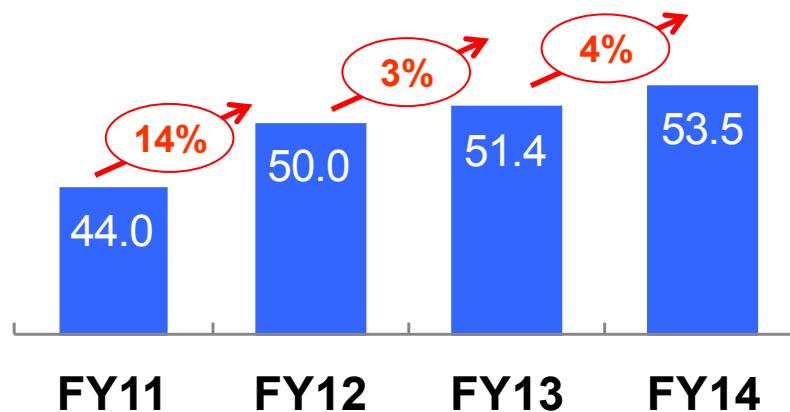
傳統型壽險繳別分佈

- 躉繳
- 2年分期繳
- 3年以上分期繳



新契約價值 (NT\$BN)

Profit Margin	FY11	FY12	FY13	FY14
VNB/FYP	17%	19%	26%	23%
VNB/FYPE	55%	54%	70%	75%

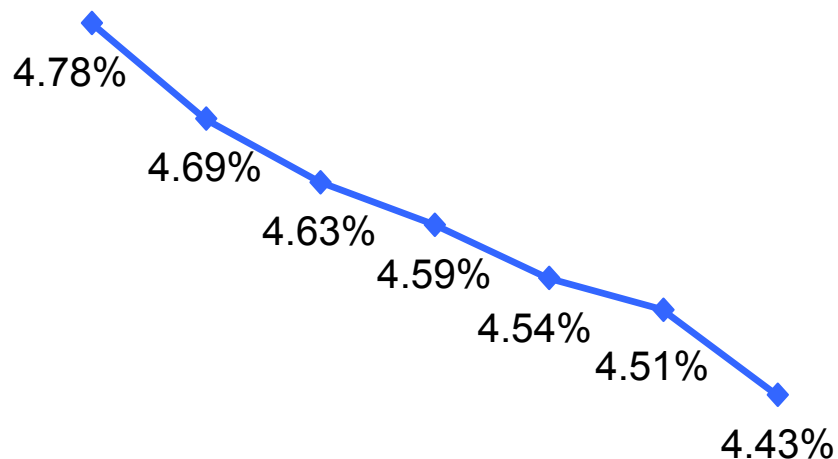


註：因四捨五入關係，各項數字加減後，未必等同總和。

註：FY14 VNB採用計算2013年隱含價值之假設計算。

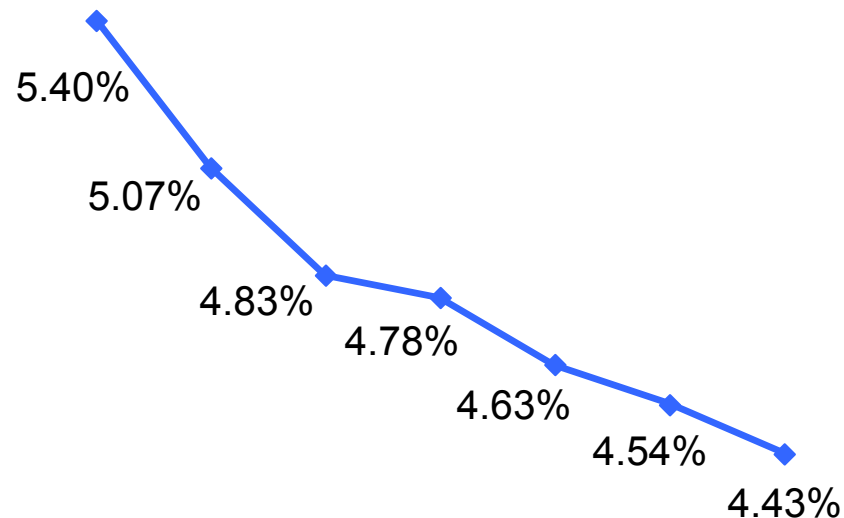
國泰人壽 – 歷年負債成本

負債成本



FY11 1H12 FY12 1H13 FY13 1H14 FY14

負債成本 (年資料)



FY08 FY09 FY10 FY11 FY12 FY13 FY14

註：負債成本係以準備金為分母計算 (reserve-based)

國泰人壽 – 資產配置

(NT\$BN)	4Q11	4Q12	4Q13		4Q14	
總投資金額 ^{註3}	2,959.2	3,283.7		3,785.1		4,169.1
	Weight	Weight	Weight	Amount	Weight	Amount
現金及約當現金	8.6%	8.2%	3.7%	138.4	3.2%	131.6
國內股票	8.5%	8.1%	8.9%	337.3	8.4%	350.9
國外股票	4.0%	4.3%	4.9%	186.5	5.0%	209.4
國內債券	16.4%	16.6%	14.4%	546.1	11.0%	459.2
國外債券	38.6%	39.6%	38.9%	1,472.5	43.6%	1,816.7
擔保放款	10.2%	10.3%	12.2%	461.2	12.7%	529.6
保單貸款	6.4%	5.5%	4.7%	177.9	4.0%	166.4
不動產	5.4%	5.6%	10.6%	402.2 ^{註1}	10.5%	439.4 ^{註1&2}
其他	2.0%	1.8%	1.7%	62.9	1.6%	65.9

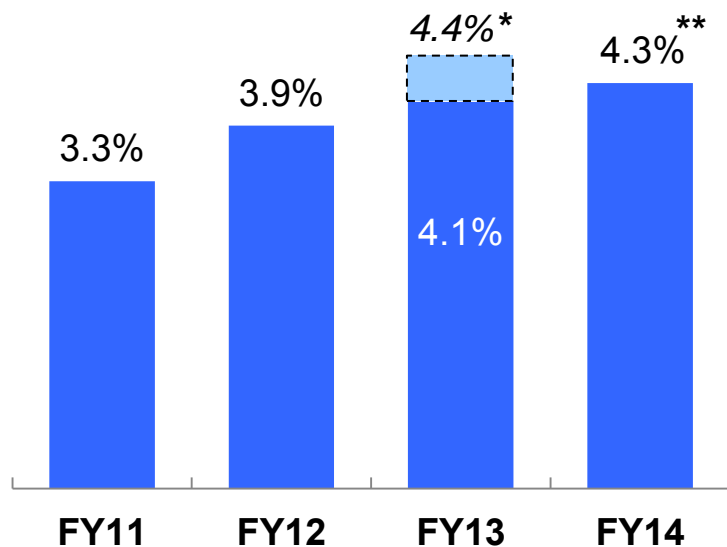
註1：含2013/1/1初次適用IFRS之投資性不動產增值數NT\$71.3BN及2014/1/1投資性不動產採公允價值模式之調整數NT\$133.1BN。

註2：含2014/12/31投資性不動產後續衡量採公允價值評價之影響數NT\$16.6BN。

註3：總投資金額不含分離帳戶之資產，國外債券包含外幣存款與其他調整項。

國泰人壽 – 投資績效檢視

避險後投資收益率



* FY13 (4.4%) 為擬制性數據，已反映投資性不動產採用公允價值模式之影響。

** 國泰人壽FY14稅後淨利包含投資性不動產稅後增值利益 NT\$13.8BN。

經常性投資避險前收益率^註

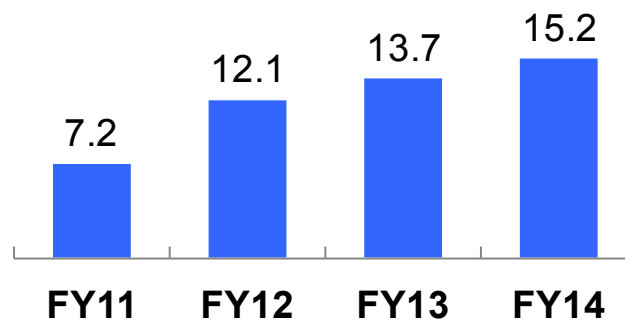


* FY13 (3.3%) 為擬制性數據，已反映投資性不動產採用公允價值模式之影響。

註:避險前經常性投資收益不含資本利得，包含租金、利息收入與現金股利。

現金股利

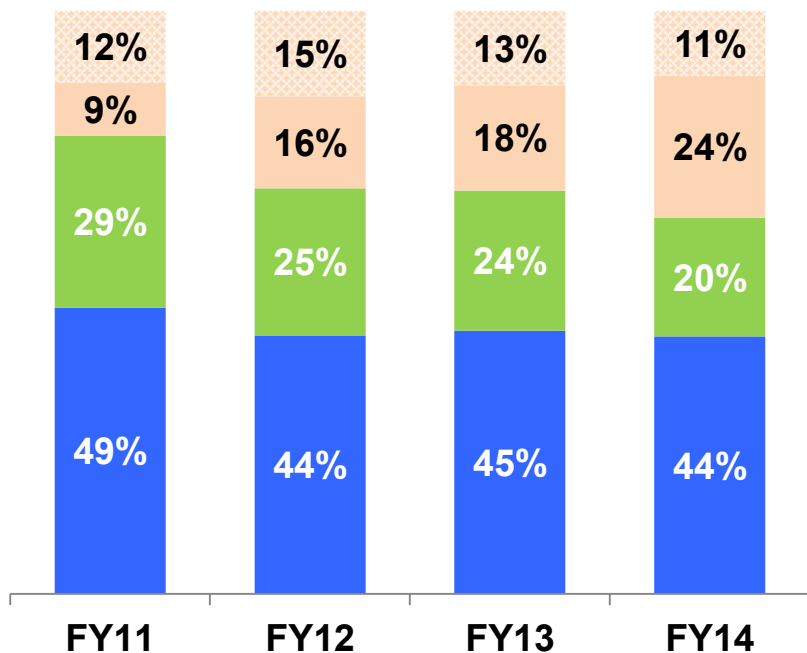
(NT\$BN)



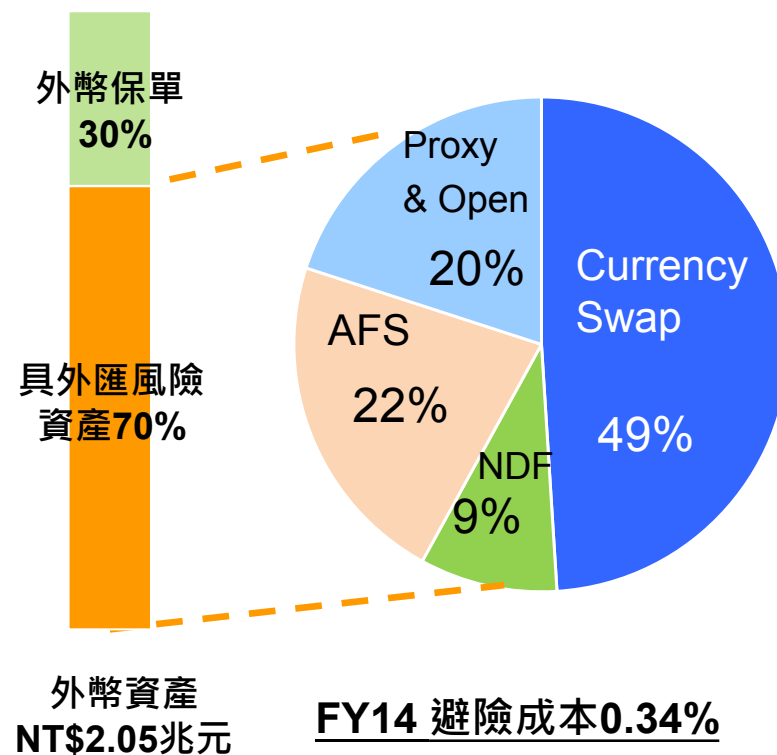
國泰人壽 – 國外固定收益投資區域及外匯避險

國外固定收益投資地域分佈

- 其它
- 亞太區域
- 歐洲
- 北美洲



外幣資產避險結構

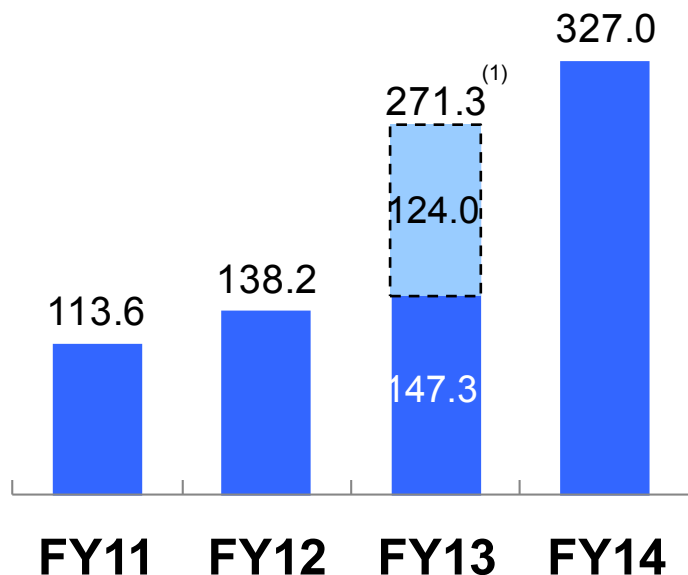


國泰人壽 – 帳面淨值與金融商品未實現損益餘額

帳面淨值

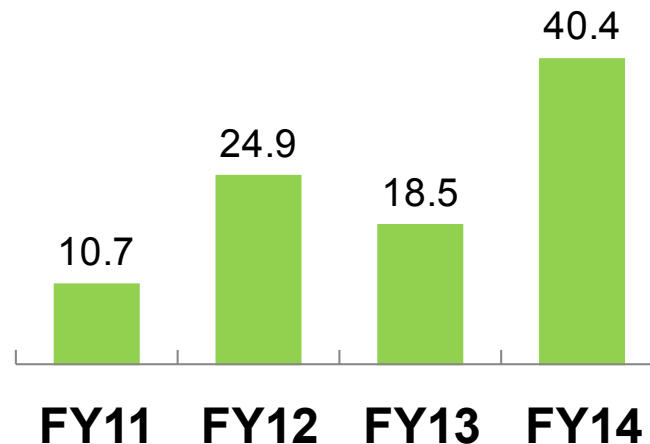
(NT\$BN)

■ 投資性不動產採公允價值模式對淨值影響



備供出售金融商品未實現損益餘額

(NT\$BN)



註1：2014/1/1投資性不動產已採用公允價值模式，FY13之擬制性數據已反映其影響。

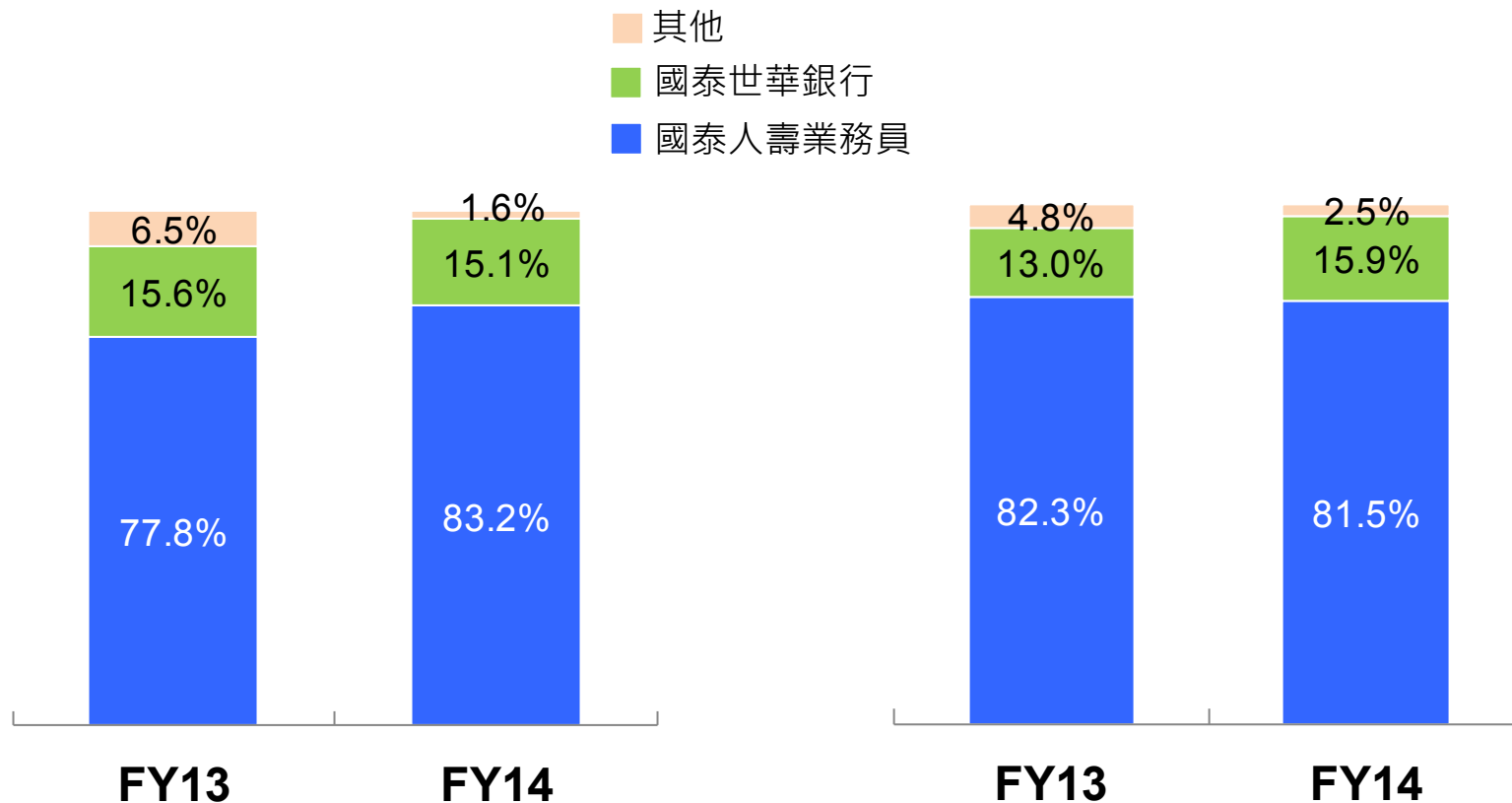
註2：2012年起以IFRS會計準則計算，帳面淨值含非控制權益。

註3：因四捨五入關係，各項數字加減後，未必等同總和。

國泰人壽 – 銷售通路

初年度保費收入(FYP)

初年度等價保費收入(FYPE)



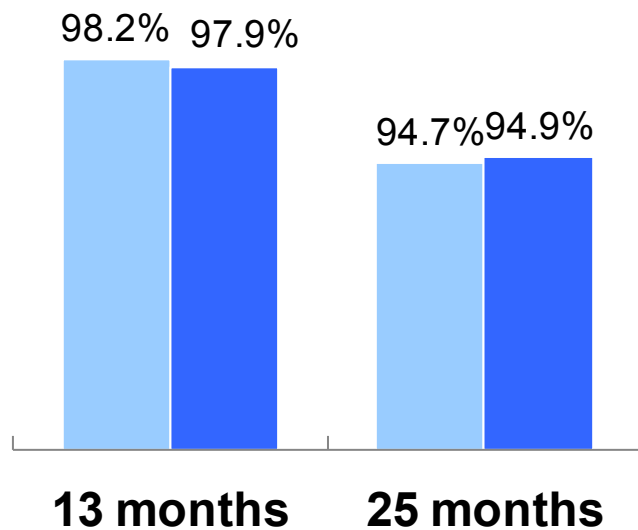
註：因四捨五入關係，各項數字加減後，未必等同總和。

國泰人壽 – 重要經營指標

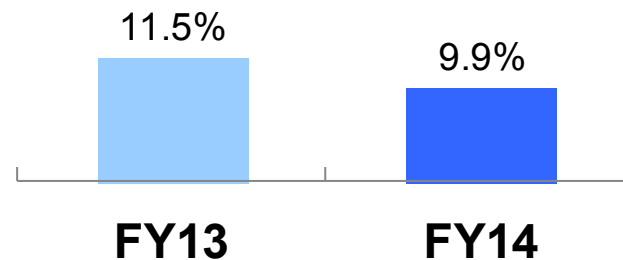
繼續率

FY13

FY14



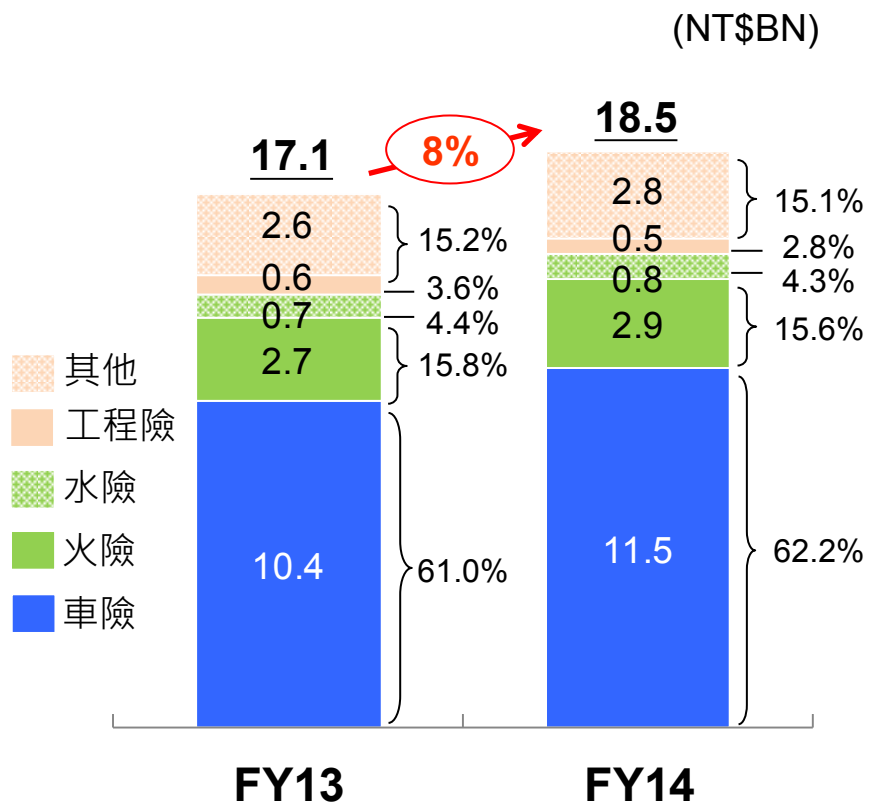
費用率



- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
- 國泰人壽標得國寶人壽及幸福人壽
- 附錄

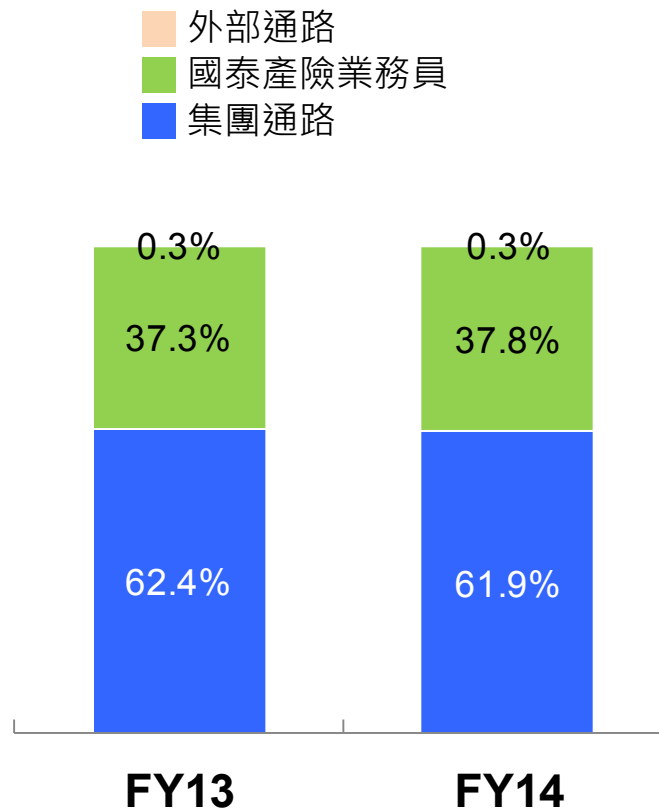
國泰產險 – 保費收入及銷售通路

產品保費收入



市佔率	13.4%	13.6%
自留率	76.1%	76.9%

銷售通路

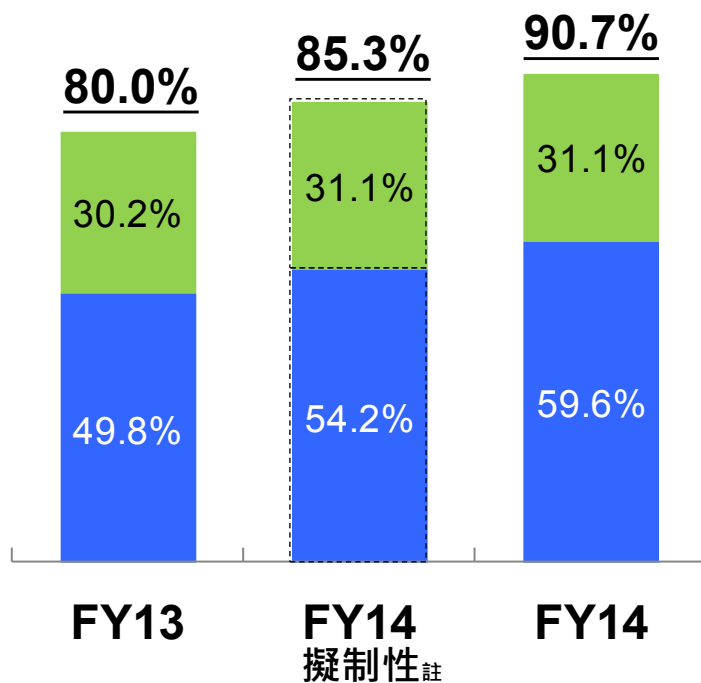


註：因四捨五入關係，各項數字加減後，未必等同總和。

國泰產險 – 綜合率指標

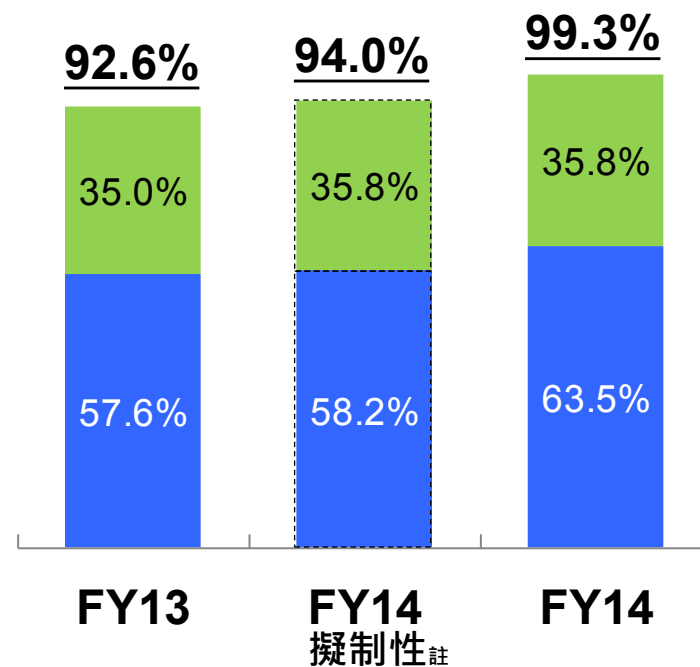
簽單綜合率

- 簽單費用率
- 簽單損失率



自留綜合率

- 自留費用率
- 自留損失率



註：2014/1/1起，配合汽車強制險準備金提存方式相關法令變更，FY14損失率較去年同期上升。但因汽車強制險屬無盈無虧，實際賠款及預期賠款超過自留滿期純保費收入部分係經由收回特別準備金來彌補，故不影響公司損益。

- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
- 國泰人壽標得國寶人壽及幸福人壽
- 附錄

國泰金控在東南亞市場營運現況

	中國	越南	柬埔寨	香港	新加坡	馬來西亞	寮國	菲律賓	泰國	緬甸	印尼
銀行	4	36	16	1	1	1	1	1	1	1	1*
人壽	31	6									
產險	21	2									
資產管理	1			1							

*菲律賓、泰國及緬甸係辦事處，印尼雅加達辦事處籌設中。



■國泰世華銀行

- 世越銀行及榮萊分行財務業務均表現穩定，資產品質良好
- 柬埔寨子行網點數居當地台資銀行之冠
- 持續擴充東南亞網點，以提供更完善服務
 - 寮國永珍分行已於2014年第四季開業
 - 計畫升格菲律賓與緬甸辦事處為分行

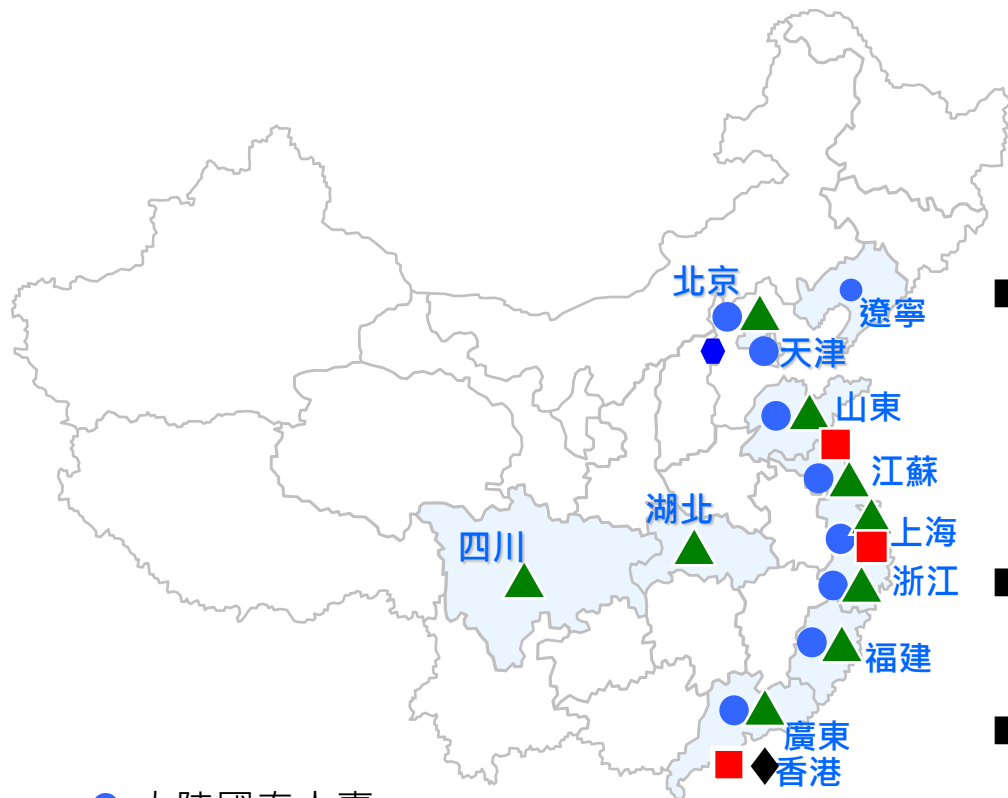
■國泰人壽

- 申請投資菲律賓RCBC銀行20%股權與印尼Mayapada銀行40%股權
- 計畫申請成立柬埔寨子公司
- 越南國泰人壽2014年全年稅後盈餘達新台幣1.6億元

■越南國泰產險

- 各項業務穩定推展中

國泰金控在大陸發展現況



- 大陸國泰人壽
- 國泰世華銀行
- ▲ 大陸國泰產險
- ◆ 國泰康利資產管理公司
- ◆ 國開泰富基金公司

■ 國泰世華銀行

- 上海分行各項業務穩定發展，青島分行已於2014年第四季正式開業
- 深圳分行與嘉定支行申請中，並計劃申設中國子行

■ 陸家嘴國泰人壽

- 已完成增資，Q4償付能力363%
- 調整組織結構，業務指標逐步提升，2014年人均產能年增率達70%

■ 大陸國泰產險

- 各項業務穩定推展中

■ 國泰康利資產管理公司(CCAM)

- 管理資產規模達10.6億美元

■ 國泰證券

- 計畫收購宏遠證券(香港)，增強海外業務能力

■ 國開泰富基金公司

- 持續發行新基金，以固定收益型為主

議程

- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
- 國泰人壽標得國寶人壽及幸福人壽
- 附錄

赤道原則之緣起與目的

緣起

赤道原則是由世界主要金融機構根據國際金融公司和世界銀行的政策和指南建立的，旨在協助金融機構在進行專案融資（**Project finance**）時，可有系統地決定、衡量及管理環境與社會相關風險。

目的

在赤道原則的實際運作過程中，赤道金融機構可透過融資計畫案的審核程序，督促借款機構改善融資計畫案所可能造成的環境和社會問題，從而實現保護社會與環境之目的。

原則內涵

赤道原則本身為自願性遵從之規範，共包含**10**項原則，「赤道原則會員金融機構（**EPFI**）」進行融資決定時，需依據之特別條款與條件，只針對符合**1-10**項原則之專案計畫提供貸款。

會員概況與台灣銀行業

赤道原則會員

- 1.截至104年3月，共有80家金融機構採納赤道原則，遍及超過30個國家。
- 2.其中亞洲之金融機構為：日本瑞穗銀行、日本三菱東京UFJ銀行、日本三井住友銀行、中國興業銀行、印度基礎建設發展金融公司、國泰世華銀行等6家。

地區別	歐洲	北美洲	拉丁美洲	非洲	大洋洲	亞洲	中東
EPFI家數	34	14	10	9	5	6	2

台灣銀行業現況

- 1.金管會鼓勵銀行採行赤道原則：銀行公會103.04增訂「會員授信準則」第20條第2項規定「辦理專案融資審核時，宜審酌借款戶是否善盡環境保護、企業誠信經營及社會責任。」
- 2.目前台灣僅有國泰世華銀行正式加入赤道原則協會。
- 3.本行未來規劃目標：將透過尋求專業機構之諮詢協助、行內教育訓練、對客戶溝通宣導、及規劃建立專案融資審核新制度等等，強化本行赤道原則之推行與遵循，導入赤道原則之放貸管理機制，以利爭取國際間大型專案融資案。

- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
- 國泰人壽標得國寶人壽及幸福人壽
- 附錄

交易內容概述 - 國寶人壽&幸福人壽

交易架構

- 國寶人壽與幸福人壽之資產、負債及營業概括讓與
- 交易價格：安定基金墊支金額新臺幣303億元

行政配套措施

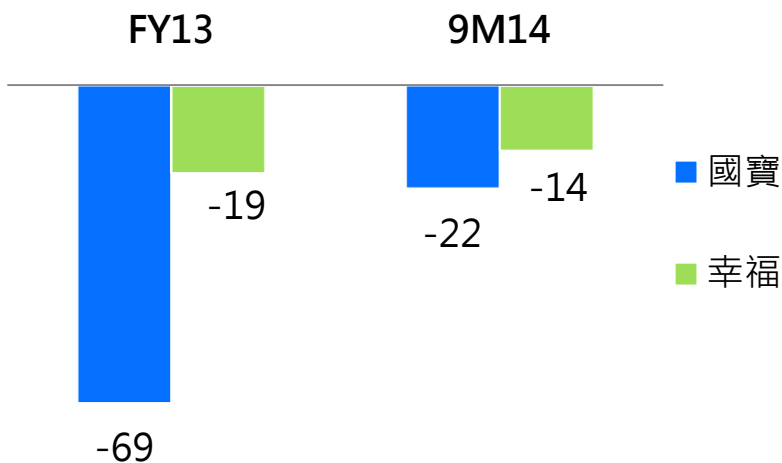
- 適度鬆綁相關規定，提升投資配置彈性
- 反應真實營運狀況，公允衡量自有資本

❖ 提供讓與公司保戶及社會大眾穩定之力量，善盡企業社會責任。

國寶人壽及幸福人壽之財務概覽

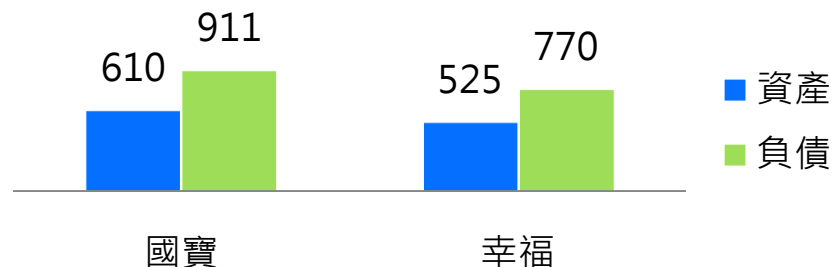
損益狀況

(新臺幣億)

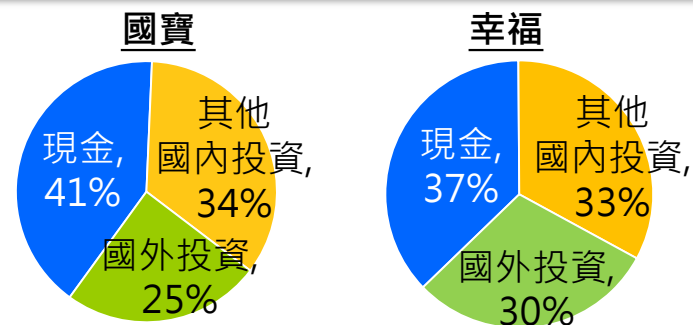


資產負債狀況

(新臺幣億)



資金運用配置



■ 讓與公司虧損主因為：

- 現金部位偏高且國外投資比重較低，資產未有效投資配置
- 資產部位小於負債，導致投資收益無法支撐負債成本
- 國寶人壽未通過準備金相關適足性測試，提存強化準備金

➔ 國壽承受讓與後，有安定基金墊支金額補償，輔以金管會核准之行政配套措施，整體而言對公司之營運、股東權益及清償能力並無負面影響。

- 國泰金控簡介
- 2014年營運回顧與2015年業務展望
 - 國泰世華銀行
 - 國泰人壽
 - 國泰產險
- 海外營運概況
- 國泰世華銀行成為「赤道原則」會員
- 國泰人壽標得國寶人壽及幸福人壽
- 附錄

交易架構 – Conning

Transaction Structure

- Conning Holdings Corporation (“Conning”) is a leading asset manager for insurance and pension clients with \$92 billion in AuM
- Cathay Life Insurance Company (“Cathay Life”) will acquire 100% of Conning

Purchase Price

- Acquisition price of US\$240 million in cash
 - P/AuM of 0.26% based on AuM as of September 30, 2014
- Cathay Financial Holdings will sell its approximately 10% stake in Conning to Cathay Life
 - Pre tax disposal gain amounts to US\$ 5 million

Regulatory Approval

- The transaction is subject to the regulatory approval in Taiwan, US, UK and HK; expected closing in second half of 2015

Strategic Rationale

- Transaction will significantly expand Cathay’s global presence in asset management
- Significant step forward in realizing “ Banking + Insurance + Asset Management” strategy

交易架構 – Bank Mayapada

Transaction Structure

- Cathay Life will acquire a 40% stake in PT Bank Mayapada International, Tbk ("Bank Mayapada") from selling shareholders:
 - Stage 1 : acquire 24.9% stake
 - Stage 2 : acquire 15.1% stake

Consideration

- Total consideration is ~IDR3.52tn (~NT\$8.7bn), representing a P/B multiple of ~3.15x

Timetable

- Closing of Stage 1 is subject to the approval from regulators in Taiwan. Closing for Stage 1 is expected by 1Q2015
- Closing of Stage 2 is subject to Fit and Proper Test as stipulated by the Indonesia Financial Services Authority ("OJK")

Strategic Rationale

- Participation in Indonesia's growth opportunity
- Stable investment return
- Expansion of regional banking platform
- Potential strategic cooperation

交易架構 – RCBC

Transaction Structure

- Investment in 280 million shares of Rizal Commercial Banking Corporation (“RCBC”), which consist of both new and existing shares
- Post transaction, Cathay Life Insurance (“Cathay”) will own 20% of RCBC with 3 board seats of the company
- Depending on market conditions, Cathay may increase its investment in RCBC, via placement or open market purchase, to no more than 30% in the future

Price

- PHP64.00 per share. Total consideration of acquiring 280 million shares would be PHP17.92 billion (c.USD0.40 billion or NTD12.55 billion*). Post-money P/B is c.1.57x

Regulatory Approval

- After board approvals, the signing of definitive agreements and the regulatory approval from both countries, the transaction is expected to be completed by the first quarter of 2015
- The parties plan to sign the contracts in Manila, Philippine on December 17th, 2014

Strategic Rationale

- Strong potential of the Philippine market
- Expand regional banking platform
- Stable investment return
- Potential strategic cooperation

Embedded Value & Appraisal Value

NT\$BN, except for per share figures

Valuation date	2012/12/31	2013/12/31
In-force business investment yield	3.8% ~ Year 2032 5.03% for NTD policies 4.3% ~ Year 2032 6.14% for USD policies 2.68% ~ Year 2032 3.11% for Interest crediting annuity (Equivalent investment yield: 4.34%, rolling over to 2013: 4.39%)	3.94% ~ Year 2033 5.07% for NTD policies 4.47% ~ Year 2033 6.11% for USD policies 2.71% ~ Year 2033 3.10% for Interest crediting annuity (Equivalent investment yield: 4.39%)
Future one year's new business investment yield	2.73% ~ Year 2032 5.03% for NTD policies 4.02% ~ Year 2032 6.14% for USD policies 2.38% ~ Year 2032 2.66% for Interest crediting annuity	2.76% ~ Year 2033 5.07% for NTD policies 4.02% ~ Year 2033 6.11% for USD policies 2.42% ~ Year 2033 2.67% for Interest crediting annuity
Risk discount rate	10%	10%
Adjusted net worth	324	352
Value of in-force business	323	396
Cost of capital (CoC)	-82	-113
Value of in-force business (After CoC)	241	283
Embedded Value (EV)	565	635
EV / per share ₂	106.5 (53.0) ₂	119.7 (55.0)
Appraisal Value (AV)	1,001	1,093
Value of future one year's new business (After CoC)	50	52.5
AV / per share ₂	188.6 (93.9) ₂	206.0 (94.7)

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

2. per share = per Cathay Life share; (per share) = per FHC share. EV and AV per share is based on 10.7bn shares at end of 2012. If includes shares adjustment of stock dividend (split), right issue and ECB conversion, 2013 weighted outstanding shares would be 11.5bn shares. EV and AV per FHC share of 2012 would be 48.9 and 86.7, respectively.

3. Totals may not sum due to rounding.

EV Summary

NT\$BN

Valuation date		2012	2013	Growth rate	1Q14
Embedded value	Equity	135	147	8%	--
	Adjusted net worth	324	352	8%	--
	Value of in-force business	323	396	23%	--
	Cost of capital (CoC)	-82	-113	38%	--
	Value in-force business (after CoC)	241	283	17%	--
	Embedded value	565	635	12%	--
Value of one year's new business	First year premium (FYP)	267	200	-25%	61
	First year premium equivalent (FYPE)	92	74	-20%	17
	Value of one year's new business (V1NB)	50	51	3%	13
	Profit margin (V1NB/FYP)	19%	26%	--	21%
	Profit margin (V1NB/FYPE)	54%	70%	--	73%
	Profit margin excludes single paid investment-linked product(V1NB/FYP)	25%	44%	--	55%
Appraisal value (20 years NB)	Multiple	8.7	8.7	--	--
	Appraisal value	1,001	1,093	10%	--
Basic Value per share	EV / per FHC share	53.0 ⁽¹⁾	55.0 ⁽²⁾	4%	--
	AV / per FHC share	93.9 ⁽¹⁾	95.6 ⁽²⁾	2%	--
Adjusted Value per share	EV / per FHC share	48.9 ⁽²⁾	55.0 ⁽²⁾	12%	--
	AV / per FHC share	86.7 ⁽²⁾	95.6 ⁽²⁾	10%	--

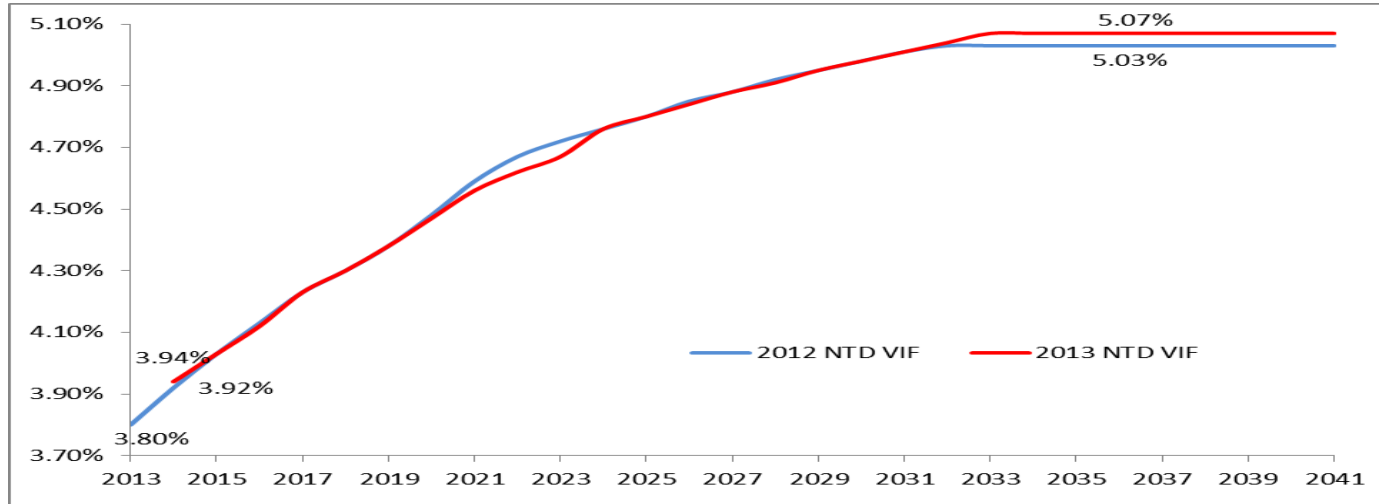
Note:1.EV and AV per share is based on 10.7bn shares at end of 2012.

2.EV and AV per share is based on 2013 weighted outstanding shares of 11.5bn shares. The shares adjustment reflected stock dividend (split), right issue and ECB conversion.

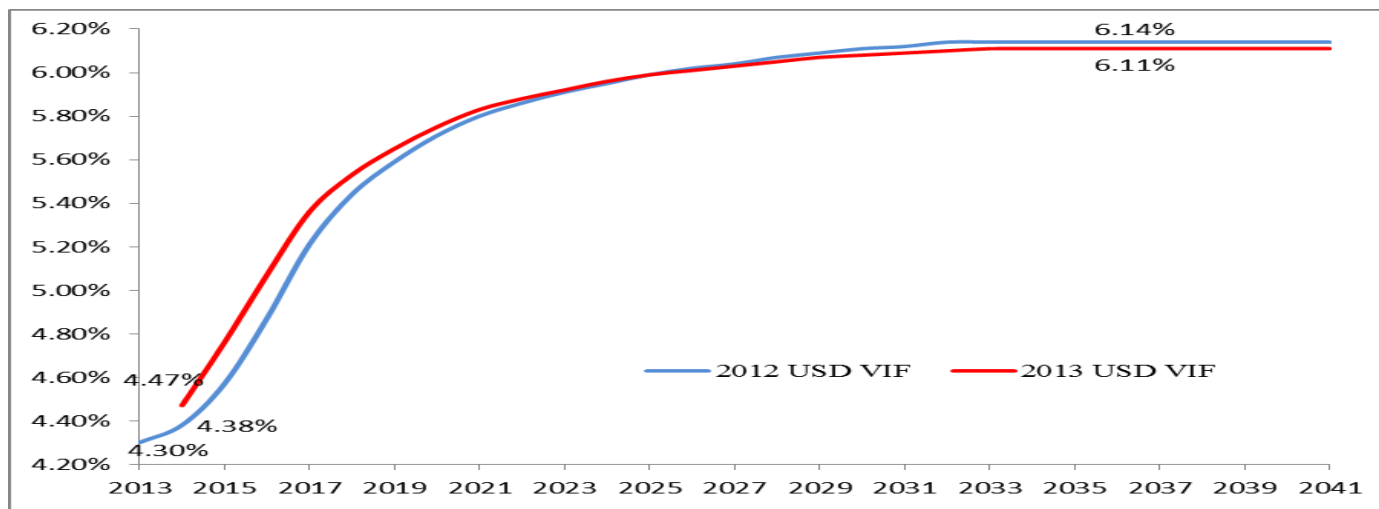
3.Totals may not sum due to rounding.

Economic Assumptions: In-force business investment yield

- Investment return assumptions for the value of in force business of NTD-denominated policies as of the end of 2012 & 2013.

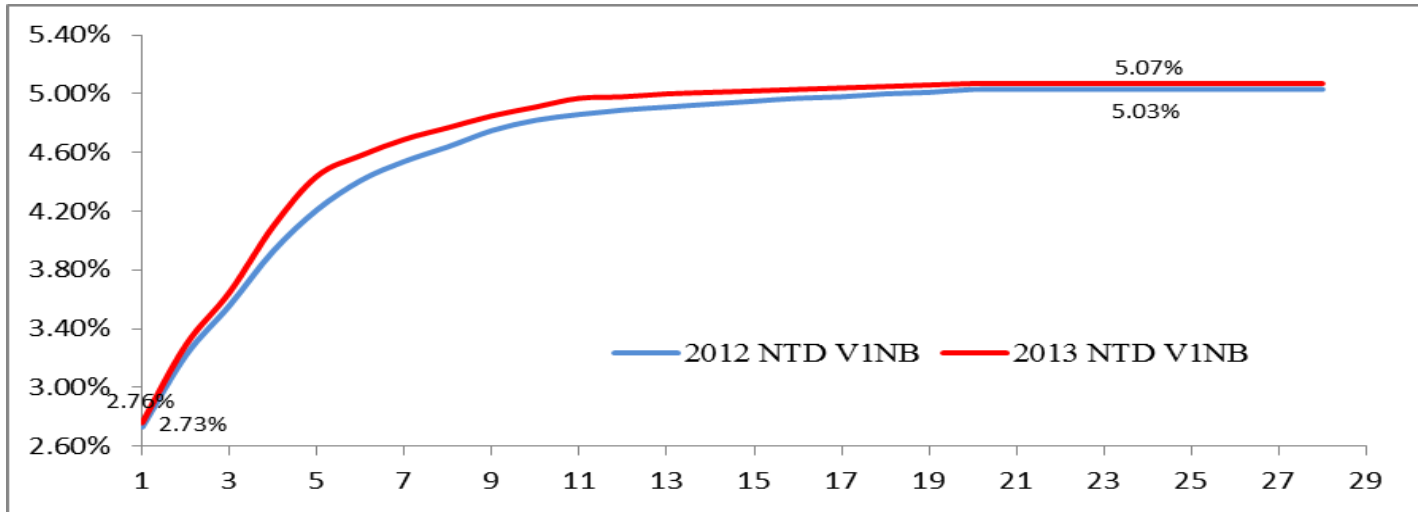


- Investment return assumptions for the value of in force business of USD-denominated policies as of the end of 2012 & 2013.

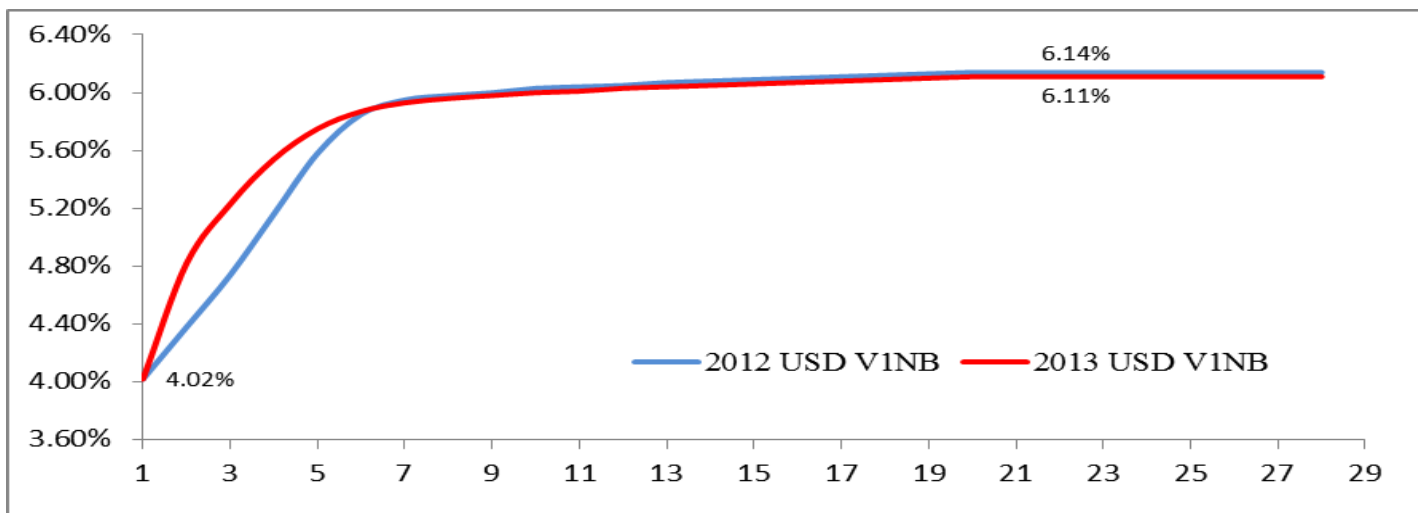


Economic Assumptions: Future one year's new business investment yield

- Investment return assumptions for the value of future one year's new business of NTD-denominated policies as of the end of 2012 & 2013.



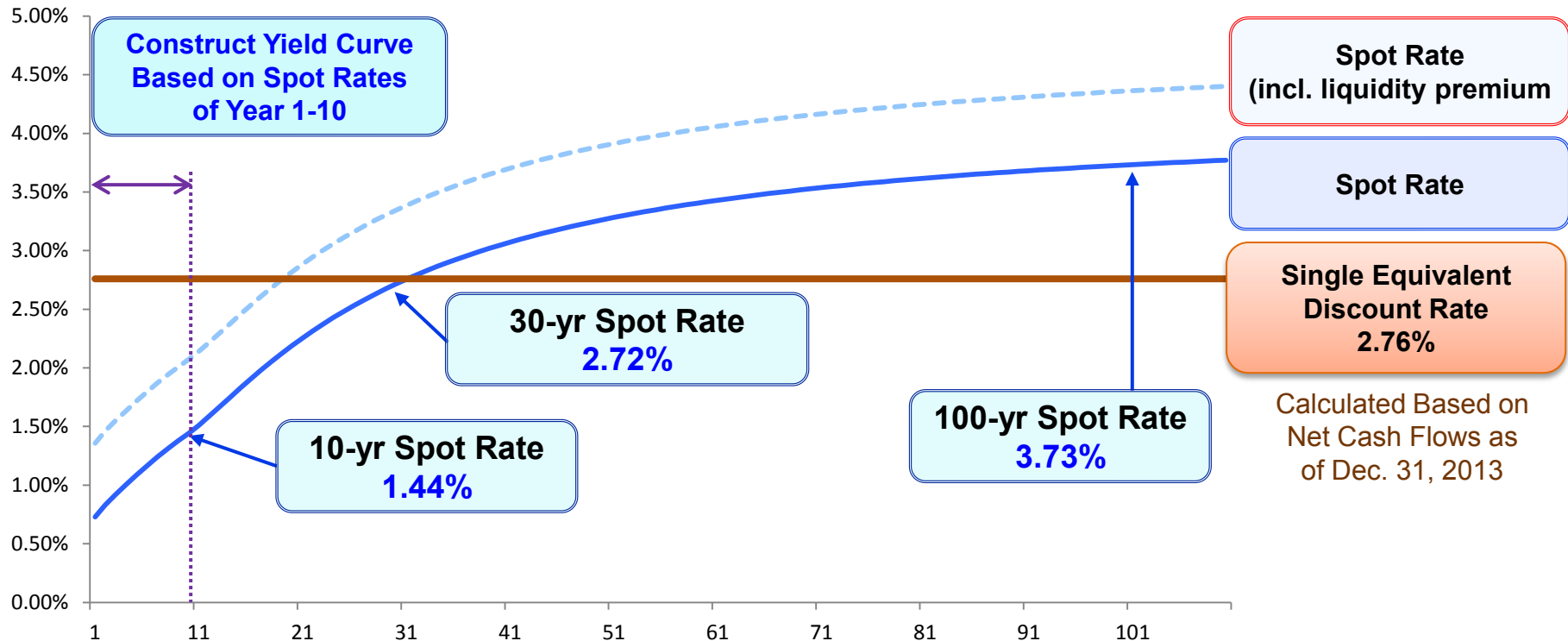
- Investment return assumptions for the value of future one year's new business of USD-denominated policies as of the end of 2012 & 2013.



Fair Value of Insurance Contracts: Risk-free Rate (NTD)

NTD Risk-free Rate

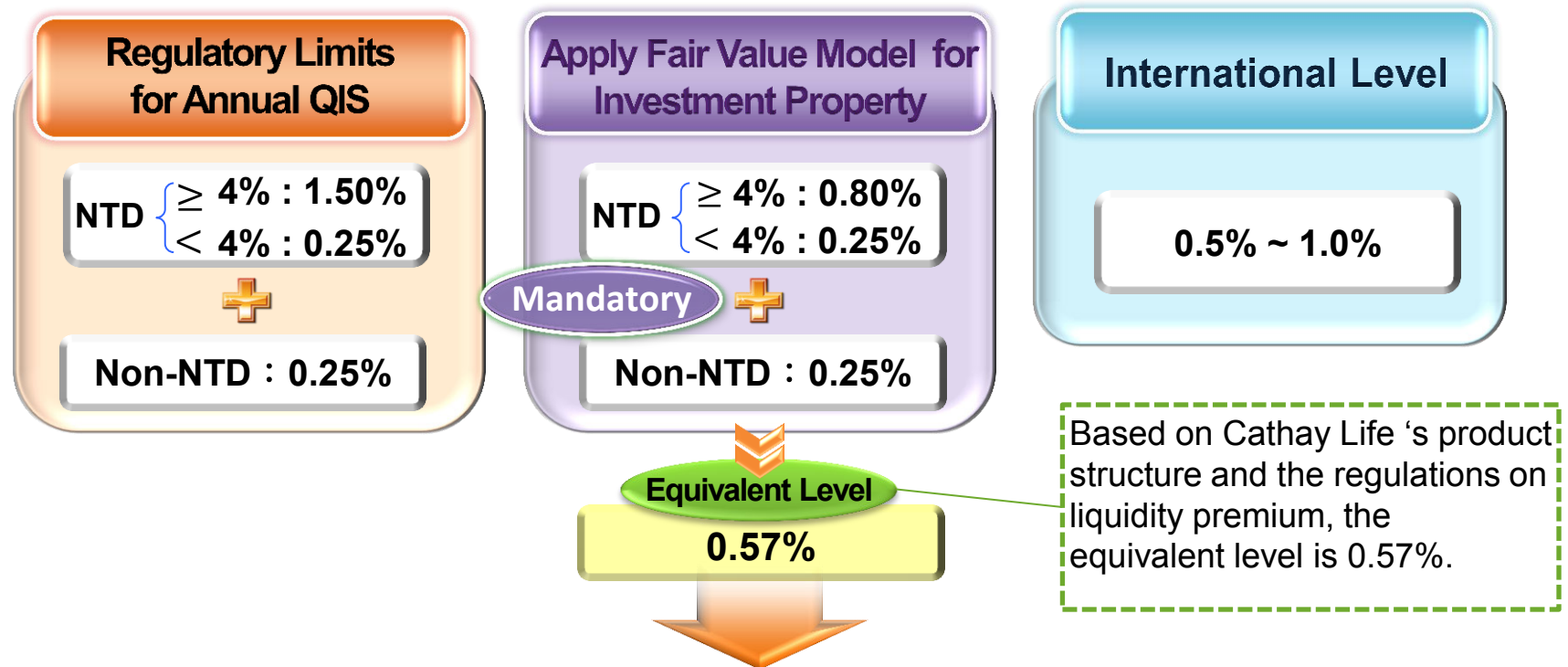
Calculate 3-yr daily MA yield curve based on the zero coupon yield curve announced by OTC (Svensson) and use the extrapolation method provided by [EU Solvency II QIS 5](#) to construct the complete yield curve.



Note: The "Spot Rate" mentioned above refers to 3-yr daily MA yield curve.

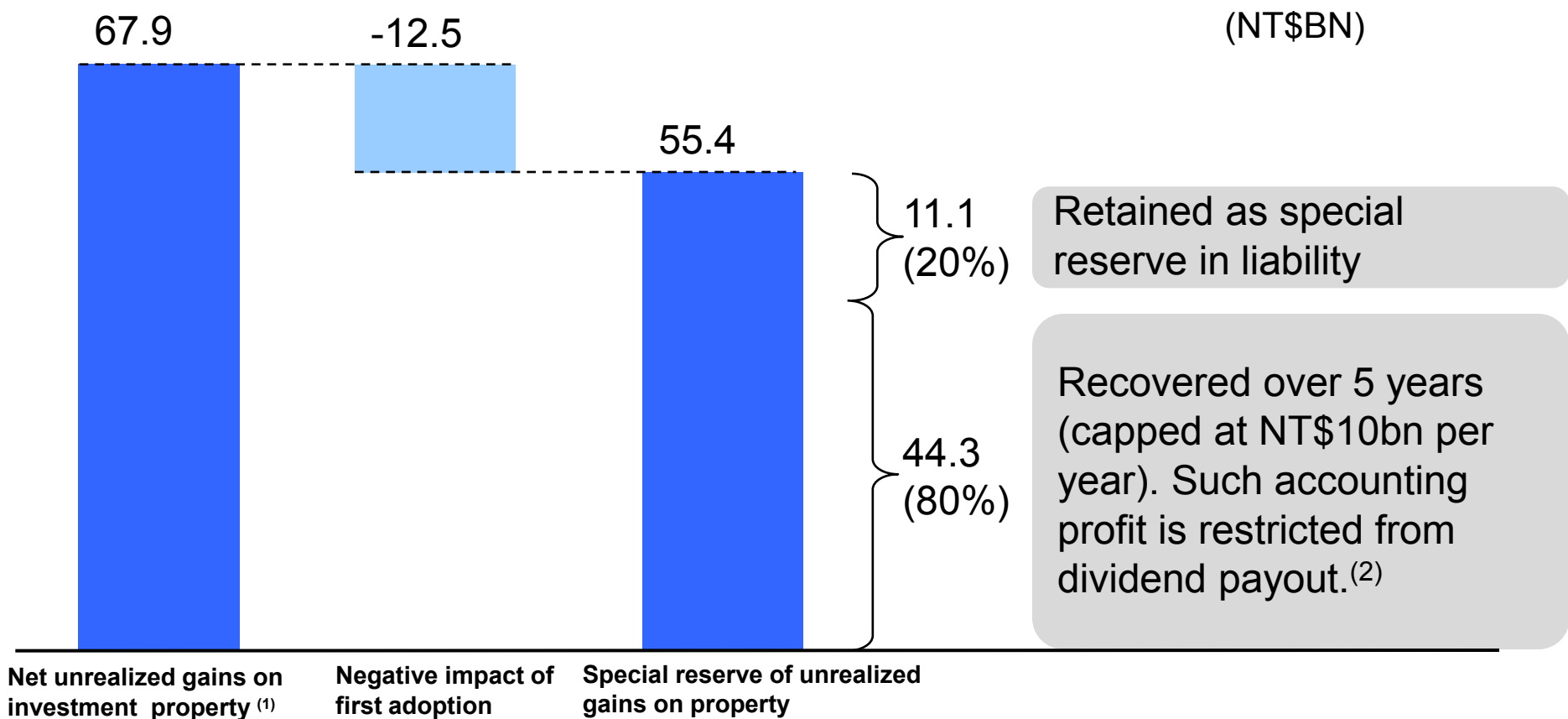
Fair Value of Insurance Contracts: Liquidity Premium

If insurers apply fair value model for investment property, their insurance liabilities should also be assessed under fair value basis. Taiwan adopts a relatively strict standard of liquidity premium compared to the international level of 0.5%~1%.



According to the regulations on liquidity premium mentioned above, Cathay Life's reserve is sufficient and allowed to recognize after tax full amount of investment property appraisal gain under fair value method into shareholder's equity.

Special reserve of unrealized gains on property

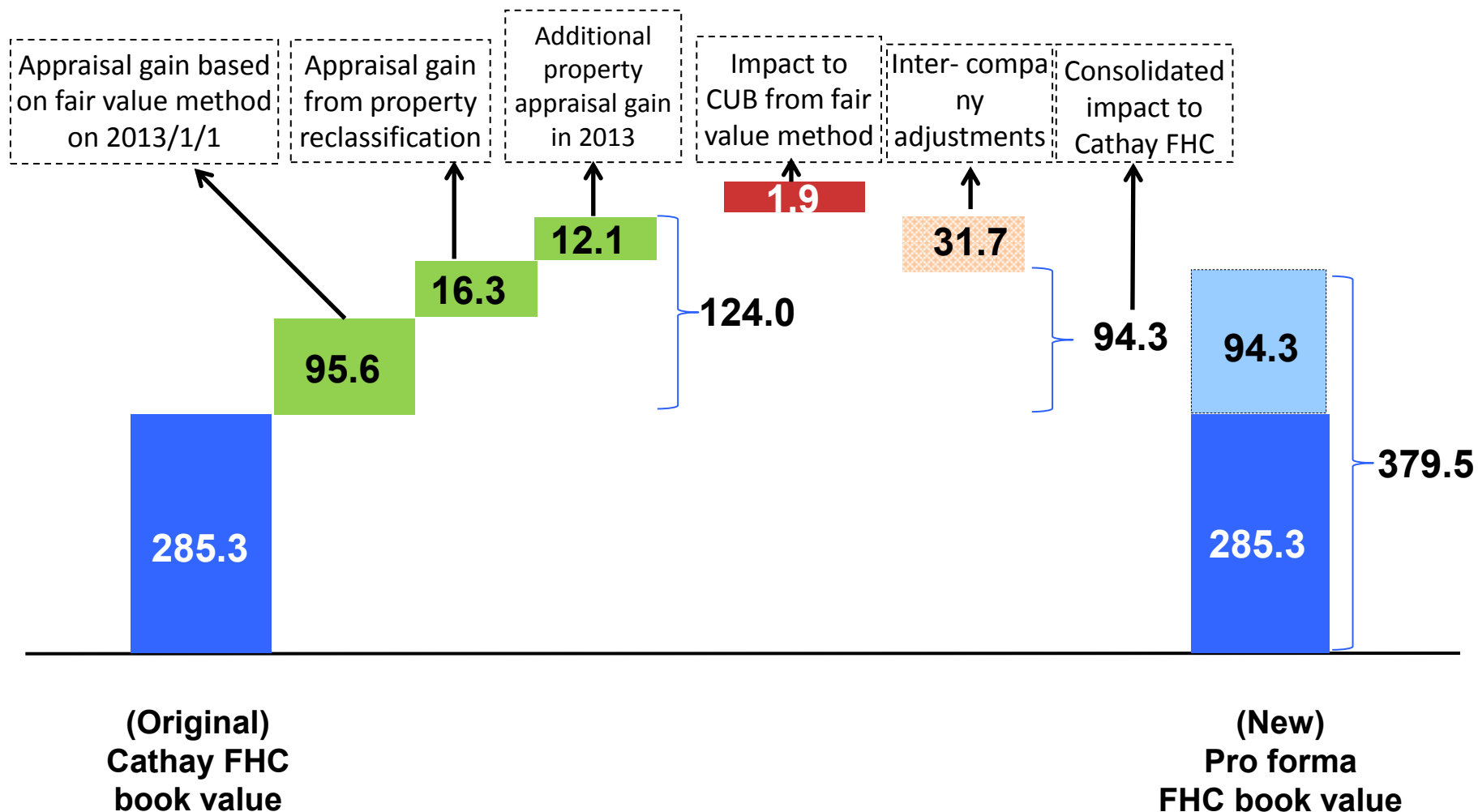


Note: (1) Net unrealized gains on investment property is calculated by discounting rental income at industry average WACC(3.29%), net of related taxes. The amount is therefore well below the property market value.

(2) The recovery of such special reserve is subject to regulatory approval each year. Hence, the actual recovery depends on the fair valuation results each year.

Illustration of 2013 pro forma book value of Cathay FHC

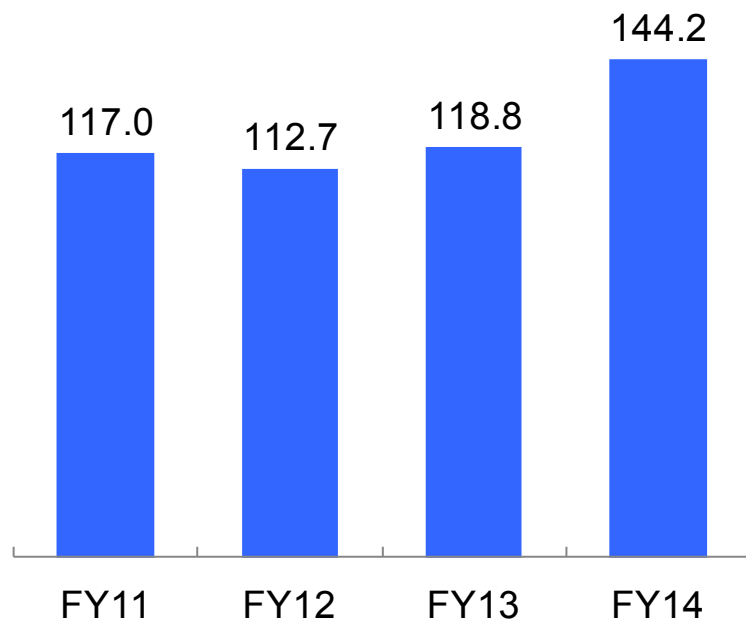
■ Cathay Financial Holdings
 ■ Cathay Life
 ■ Cathay United Bank



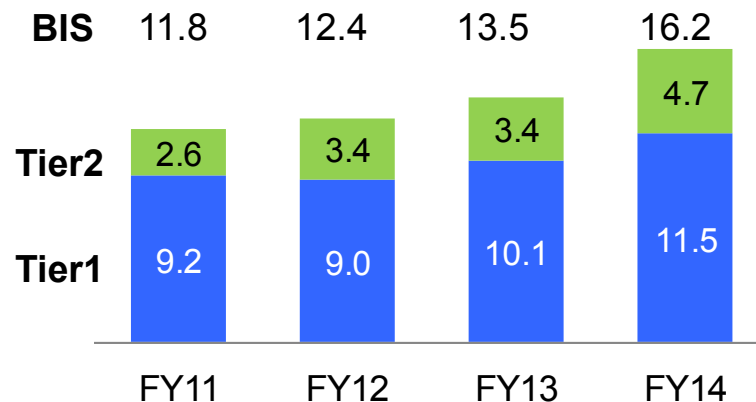
Note: Totals may not sum due to rounding.

資本適足性

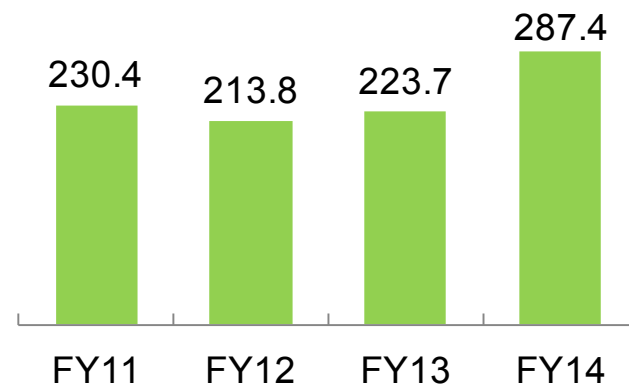
Cathay FHC CAR (%)



CUB Capital Adequacy (%)



Cathay Life RBC(%)





Thank You



Cathay Financial Holdings

(NT\$MN)				FY14/ FY13 % Chg	4Q13	4Q14	4Q14/ 4Q13 % Chg
Income Statement Data (Consolidated)							
Operating Income							
Net interest income	112,727	114,558	125,083	9%	29,190	32,546	11%
Net commission and fee	2,207	791	369	-53%	(1,258)	(1,331)	6%
Net earned premium	457,392	441,427	488,327	11%	150,468	149,408	-1%
Change in liability reserve	(306,443)	(293,570)	(290,800)	-1%	(105,979)	(98,180)	-7%
Net claims payment	(230,508)	(228,125)	(285,869)	25%	(63,205)	(72,474)	15%
Investment income	26,780	56,350	75,849	35%	16,852	14,126	-16%
Contribution from associates-equity method	(50)	157	168	7%	102	48	-53%
Other net non-interest income	8,554	6,972	3,449	-51%	367	(373)	-202%
Bad debt expense	(3,173)	(1,484)	(2,982)	101%	(199)	(1,793)	802%
Operating expense	(51,772)	(54,277)	(57,350)	6%	(16,317)	(16,074)	-1%
Income before taxes	15,715	42,799	56,243	31%	10,021	5,903	-41%
Income taxes	457	(4,779)	(6,458)	35%	(1,035)	(863)	-17%
Net income	16,172	38,020	49,785	31%	8,986	5,040	-44%
EPS (NT\$)	1.41	3.12	3.94		0.72	0.40	
Dividend Payout							
Cash dividend per share	0.70	1.50					
Stock dividend per share	0.70	0.50					
Weighted average outstanding shares (Millions of shares)	11,412	12,124	12,563				
Balance Sheet Data							
Total assets	5,510,953	6,177,273	6,945,002				
Total shareholders' equity	248,149	379,510	438,321				
Operating Metrics							
ROAE (Consolidated)	6.92%	10.82%	12.17%				
ROAA (Consolidated)	0.31%	0.65%	0.76%				
Double leverage ratio(inc. preferred stock)	116%	111%	113%				
Capital Adequacy Metrics							
Capital Adequacy Ratio	(2)						
	113%	119%	144%				

Notes:

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(2) Capital Adequacy Ratio of FY12 are based on ROC GAAP. The rest are based on IFRS.

(3) Total may not sum due to rounding.

Cathay Life

(NT\$MN)					FY14/			4Q14/
	FY12	FY13	FY14	% Chg	FY13	4Q13	4Q14	% Chg
Income Statement Data (Consolidated)								
Net written premium	445,658	426,804	472,630	11%	146,406	145,197	145,197	-1%
Net earned premium	445,573	418,262	471,849	13%	143,217	144,784	144,784	1%
Reinsurance commission earned	14,371	11,610	4,740	-59%	2,877	19	19	-99%
Fee income	2,581	3,090	5,943	92%	700	1,353	1,353	93%
Recurring investment income	109,976	113,932	124,152	9%	26,570	29,433	29,433	11%
Gain on disposal of investment								
Realized gain (loss)-Equity	8,122	16,586	23,357	41%	5,417	3,972	3,972	-27%
Realized gain (loss)-Debt	12,362	14,604	12,828	-12%	1,615	3,726	3,726	131%
Investment property appraisal gains	-	13,045	16,579	27%	6,289	212	212	-97%
FX and others, net	(11,384)	(4,197)	(7,166)	71%	(314)	637	637	-303%
Investment income, net	119,076	153,970	169,750	10%	39,577	37,980	37,980	-4%
Other operating income	1,610	1,275	9	-99%	263	3	3	-99%
Separate account revenues	104,180	90,719	115,040	27%	22,020	14,826	14,826	-33%
Net claims payment	(222,173)	(210,029)	(275,195)	31%	(57,517)	(68,849)	(68,849)	20%
Changes in liability reserves	(306,151)	(292,978)	(290,109)	-1%	(105,749)	(98,520)	(98,520)	-7%
Acquisition and commission expense	(33,722)	(34,188)	(32,405)	-5%	(9,430)	(8,057)	(8,057)	-15%
Other operating costs	(4,842)	(5,570)	(4,544)	-18%	(1,573)	(1,209)	(1,209)	-23%
Financial cost	745	303	(106)	-135%	(82)	(39)	(39)	-53%
Separate account expense	(104,180)	(90,719)	(115,040)	27%	(22,020)	(14,826)	(14,826)	-33%
Operating expense	(17,801)	(15,677)	(16,724)	7%	(4,671)	(5,243)	(5,243)	12%
Net non-operating income	965	1,156	1,482	28%	312	355	355	14%
Income taxes	2,286	(3,657)	(2,834)	-22%	(789)	(86)	(86)	-89%
Net income	2,519	27,569	31,854	16%	7,133	2,491	2,491	-65%
Balance Sheet Data								
Total assets	3,717,231	4,195,229	4,705,262					
General account	3,387,674	3,818,977	4,242,995					
Separate account	329,557	376,253	462,267					
Reserves for life insurance liabilities	3,148,281	3,448,659	3,770,679					
Total liabilities	3,579,018	3,923,923	4,378,266					
Total shareholders' equity	138,213	271,306	326,996					
Operating Metrics								
First Year Premium(FYP)	267,169	200,419	233,379					
First Year Premium Equivalent(FYPE)	91,773	73,461	71,138					
Expense ratio	10.6%	11.5%	9.9%					
13-M persistency ratio	97.9%	98.2%	97.9%					
25-M persistency ratio	93.3%	94.7%	94.9%					
ROAE	1.97%	10.92%	10.65%					
ROAA	0.07%	0.69%	0.72%					
Capital Adequacy Metrics								
RBC ratio (Standalone)	(2)							
	214%	224%	287%					

Notes:

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(2) FY13 RBC ratio is based on IFRS, while FY12 are based on ROC GAAP.

(3) Total may not sum due to rounding.

Cathay United Bank

(NT\$MN)				FY14/ FY13			4Q14/ 4Q13
Income Statement Data (Consolidated)	FY12	FY13	FY14	% Chg	4Q13	4Q14	% Chg
Operating Income							
Net interest income	21,284	21,915	25,779	18%	5,615	6,733	20%
Fee income	7,330	9,204	11,806	28%	2,405	3,142	31%
Investment income	5,366	5,650	7,384	31%	1,529	1,068	-30%
other income	966	956	1,064	11%	239	182	-24%
Net operating income	34,947	37,725	46,033	22%	9,788	11,125	14%
Operating expenses	(17,840)	(20,216)	(22,822)	13%	(6,063)	(6,285)	4%
Pre-provision profit	17,107	17,509	23,211	33%	3,726	4,840	30%
Net provisions for possible losses	(2,126)	(542)	(2,471)	356%	(352)	(1,726)	390%
Income before taxes	14,981	16,967	20,741	22%	3,374	3,114	-8%
Income tax	(1,715)	(2,188)	(2,892)	32%	(434)	(498)	15%
Net income	13,266	14,780	17,848	21%	2,939	2,616	-11%

Balance Sheet Data

Total assets	1,817,369	1,988,774	2,243,847
Loans, net	1,003,183	1,031,105	1,119,281
Financial assets	560,469	646,503	730,885
Total liability	1,712,364	1,855,610	2,095,690
Deposits	1,539,774	1,615,860	1,739,023
Financial Debenture Payable	42,519	52,417	67,614
Total shareholders' equity	105,005	133,164	148,157

Operating Metrics

Cost income ratio	51.1%	53.59%	49.58%
ROAE	12.97%	12.33%	12.69%
ROAA	0.75%	0.78%	0.84%

Assets Quality

NPL	3,373	3,013	3,277
NPL ratio	0.34%	0.29%	0.29%
NPL provisions	13,037	14,494	15,782
Coverage ratio	386%	478%	539%

Capital Adequacy Metrics

	(2)		
BIS ratio (Standalone)	12.4%	13.5%	16.2%
Tier I Ratio (Standalone)	9.0%	10.1%	11.5%

Notes:

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Cathay Century

(NT\$MM)				FY14/ FY13			4Q14/ 4Q13
Income Statement Data (Consolidated)	FY12	FY13	FY14	% Chg	4Q13	4Q14	% Chg
Premium income	17,040	19,727	21,279	8%	5,276	5,759	9%
Net written premium	12,614	15,280	16,080	5%	4,139	4,303	4%
Net earned premium	11,724	14,156	15,626	10%	4,031	3,941	-2%
Reinsurance commission earned	464	470	683	45%	107	173	62%
Fee income	33	36	45	27%	9	13	55%
Investment	595	715	918	28%	141	189	34%
Interest income	387	444	569	28%	135	174	29%
Other investment income, net	208	271	348	29%	6	15	159%
Net claims payment	(6,669)	(7,835)	(8,747)	12%	(2,202)	(2,630)	19%
Changes in liability reserves	(369)	(592)	(691)	17%	(230)	340	-248%
Commissions and other operating costs	(774)	(1,083)	(1,210)	12%	(301)	(309)	3%
Operating expenses	(4,427)	(5,328)	(5,824)	9%	(1,500)	(1,526)	2%
Operating income	576	538	800	49%	55	192	252%
Net non-operating income	(9)	9	29	238%	2	(2)	-171%
Income taxes	(196)	(218)	(174)	-20%	(65)	(76)	18%
Net income	371	329	656	99%	(8)	115	-1578%
Balance Sheet Data							
Total assets	29,188	31,709	35,855				
Total stockholders' equity	4,817	5,511	6,868				
Operating Metrics							
Gross Combined ratio	82.6%	80.0%	90.7%				
Net Combined ratio	93.7%	92.6%	99.3%				
ROAE	8.10%	6.37%	10.59%				
ROAA	1.32%	1.08%	1.94%				
Capital Adequacy Metrics							
RBC ratio (Standalone)	(3) 314%	312%	324%				

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