

國泰金融控股股份有限公司

2008年第一季 法人說明會

Internal Capacity

External Environment

聲明

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股利政策

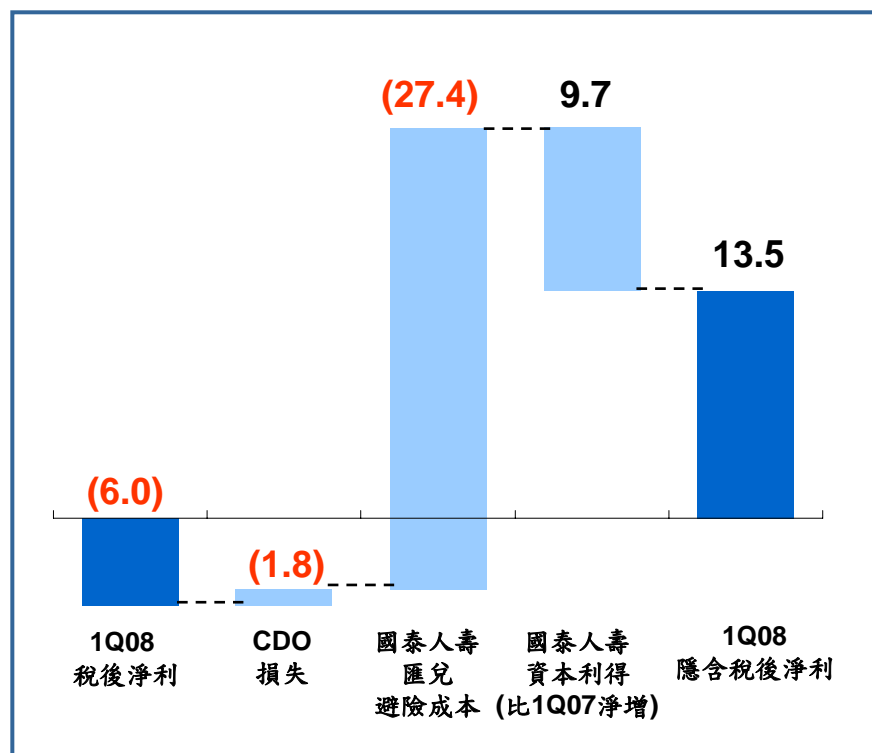
NT\$	2005	2006	2007
EPS	2.57	1.18	3.34
每股現金股利	1.50	1.50	2.5
每股股票股利	0.50	---	0.5
股利支付率	77.8%	127.1%	89.8%

議程

- 國泰金控 1Q 2008 財務概況
- 國泰人壽隱含價值(EV)及精算評估價值(AV)

國泰金控-1Q08稅後淨利

國泰金控稅後淨利 (NT\$BN)



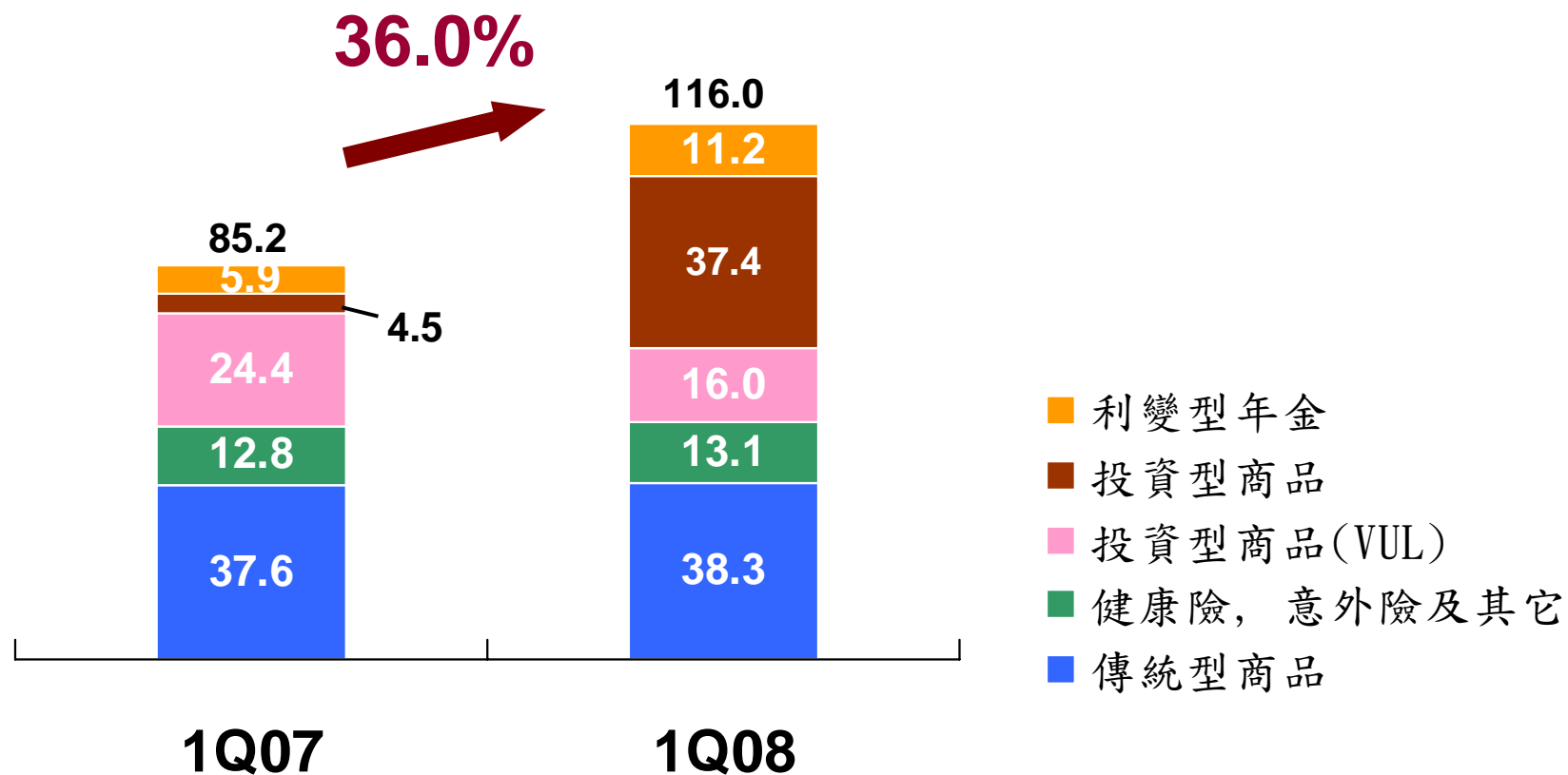
各子公司稅後淨利 (NT\$BN)

國泰人壽	(6.7)
國泰世華銀行	0.9
國泰世紀產險	0.2

- Note (1) One-time factors are pre-tax
 (2) Financial results of Cathay FHC are calculated based on a stand-alone basis

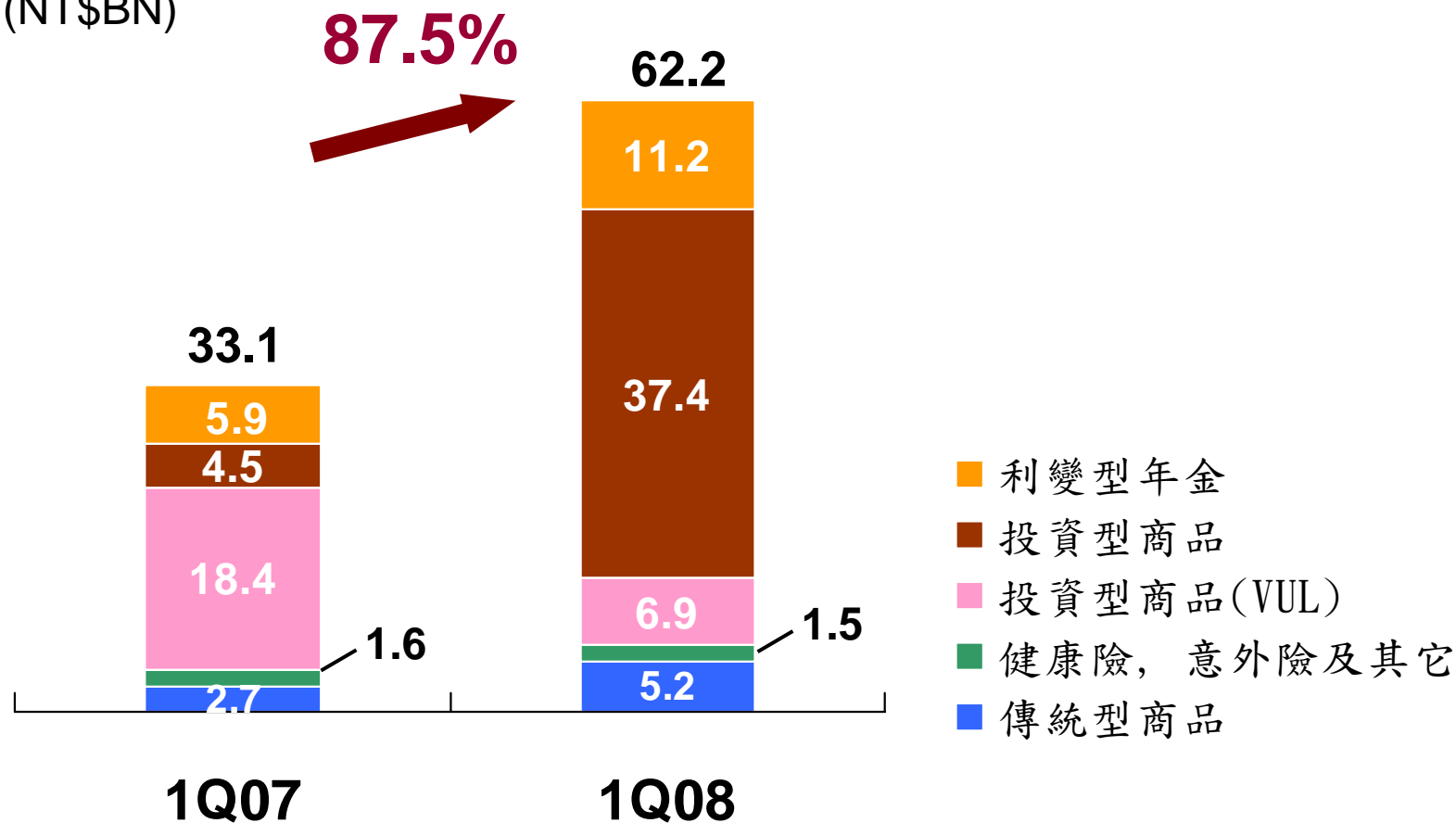
國泰人壽 - 總保費收入

(NT\$BN)



國泰人壽-初年度保費收入

(NT\$BN)



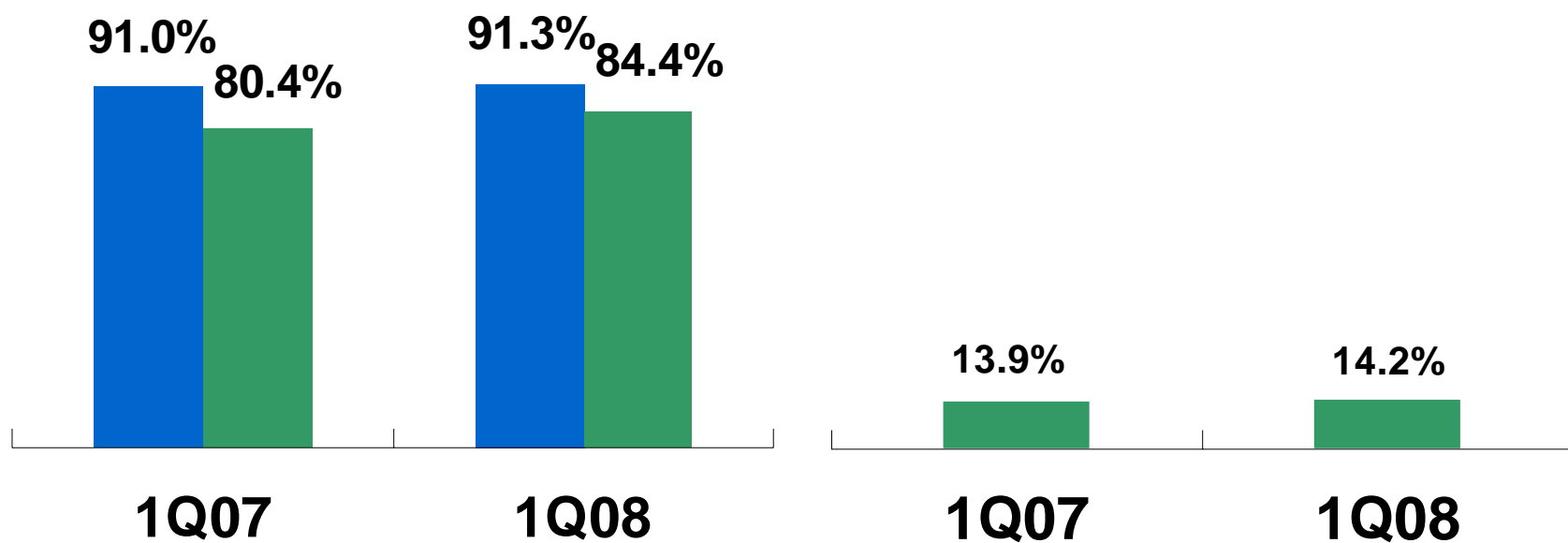
國泰人壽 - 重要經營指標

繼續率

費用率

■ 13個月

■ 25個月



國泰人壽 – 資產配置

	4Q07		1Q08		Weight Change	Amount Change
	Amt. (NT\$BN)	%	Amt. (NT\$BN)	%		
現金、定存、短票及債券型基金	208.4	10.0%	239.7	11.4%	1.4%	31.3
國內股票	188.9	9.1%	162.6	7.8%	-1.3%	-26.3
國外股票	49.1	2.3%	46.3	2.2%	-0.1%	-2.8
國內債券	301.1	14.4%	310.7	14.8%	0.4%	9.6
國外債券 ⁽¹⁾	648.5	31.1%	635.7	30.3%	-0.8%	-12.8
不動產抵押貸款	349.3	16.7%	347.3	16.5%	-0.2%	-2.0
保單貸款	189.3	9.1%	192.0	9.1%	0.0%	2.7
不動產	118.1	5.7%	117.9	5.6%	-0.1%	-0.2
其他	33.7	1.6%	48.0	2.3%	0.7%	14.3
總投資金額 ⁽²⁾⁽³⁾	2,086.4	100.0%	2,100.2	100.0%		

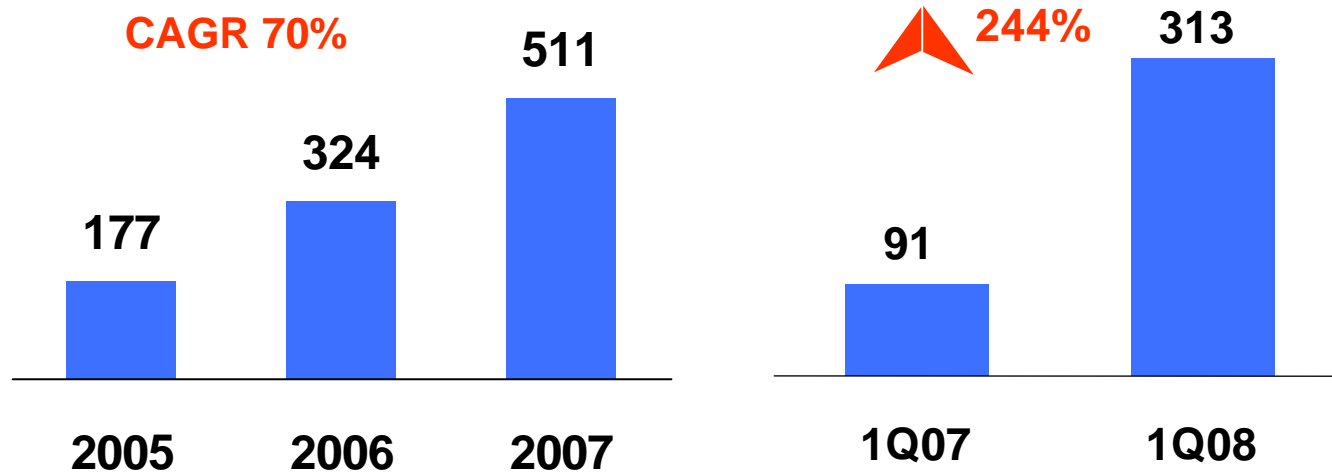
Note (1) : Includes foreign currency and related adjustments

Note (2) : Excludes separate account assets

Note (3) : Total investment only includes funds available to invest

國泰人壽於大陸發展概況

初年度保費 (RMB\$MN)



加速業務成長

強化財務資本

積極拓展業務據點

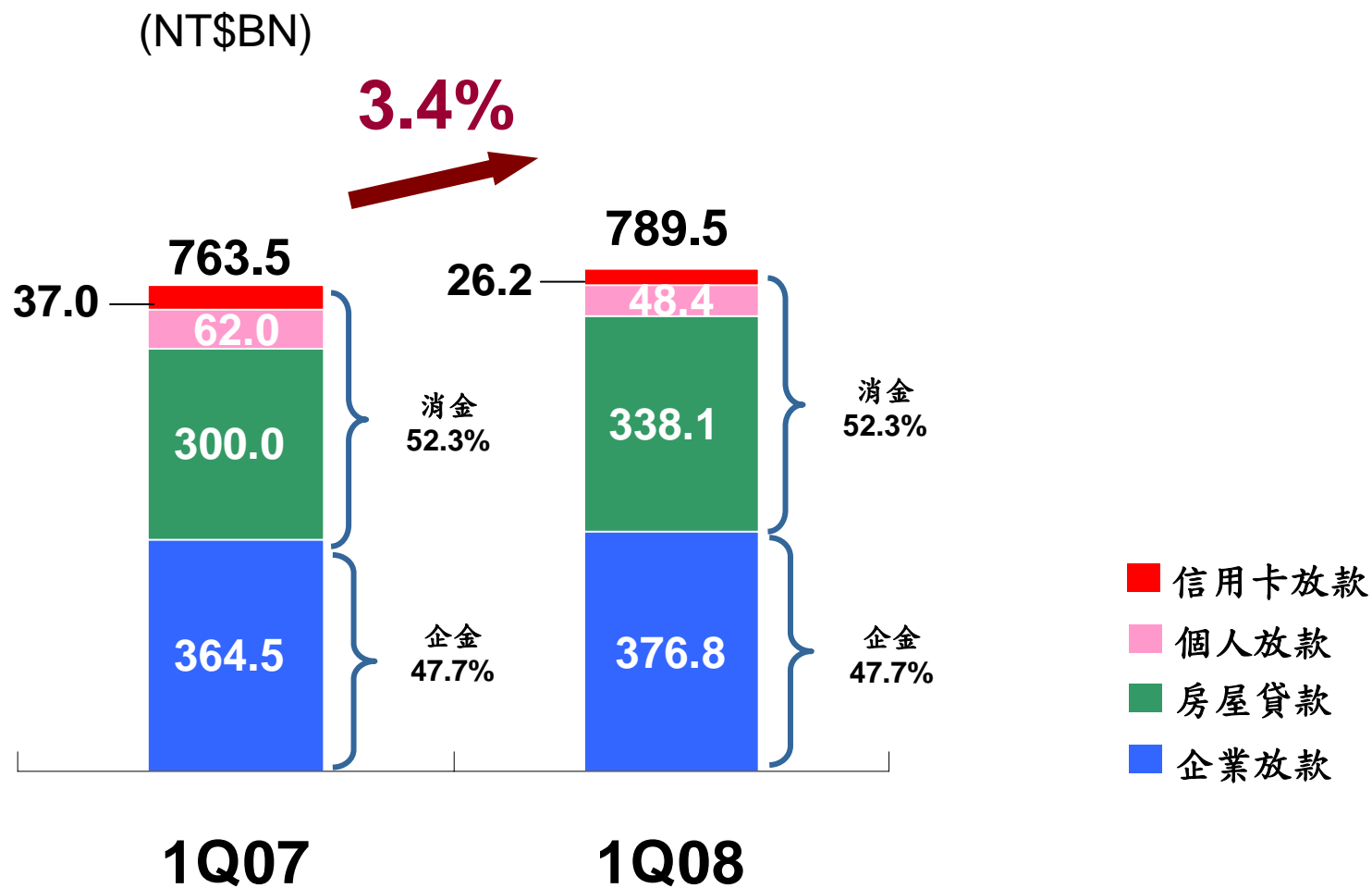
佈建業務員通路

18 個營業據點

6 個省份營業執照

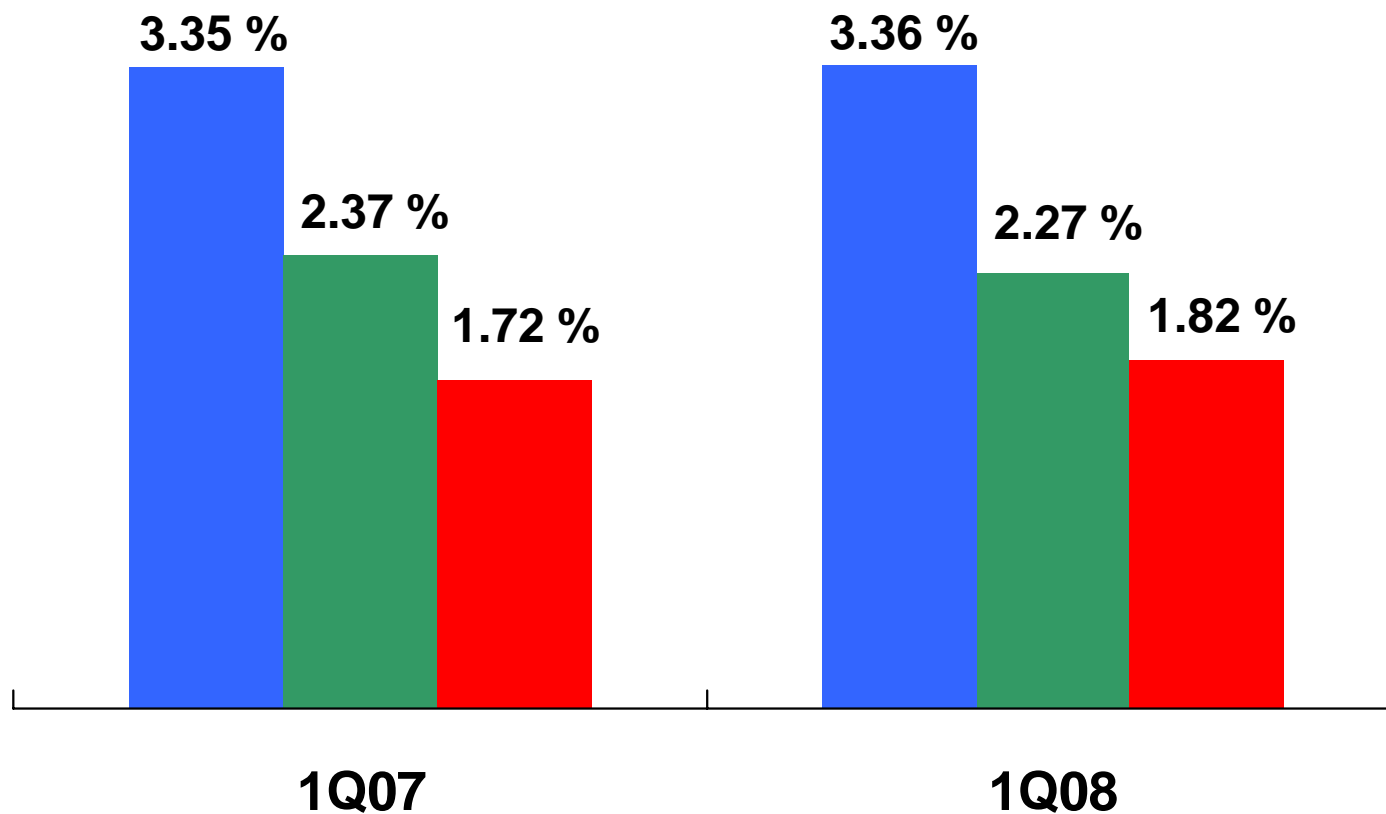
業務員人數(1Q08): 1,017

國泰世華銀行－放款結構



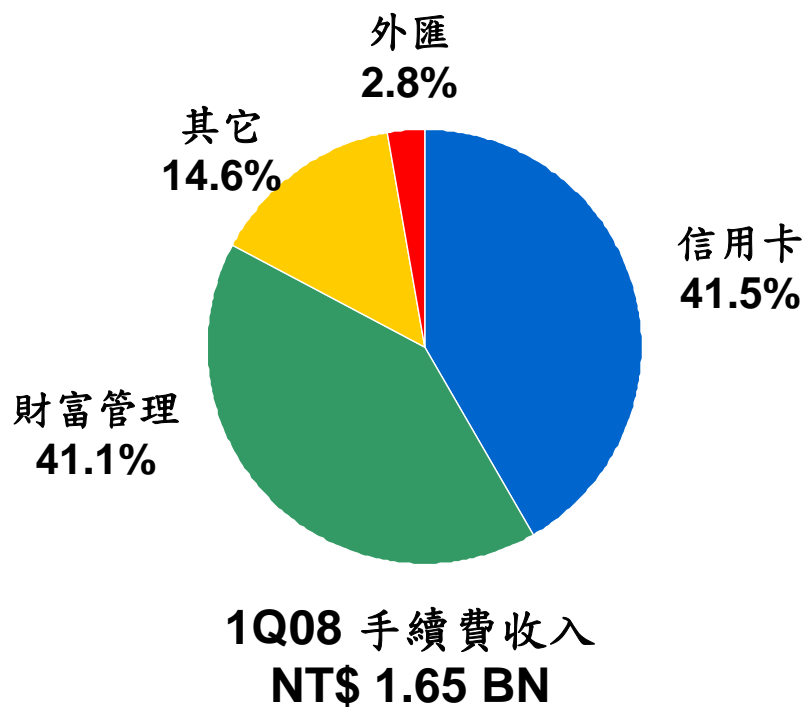
國泰世華銀行－存放利差變化

■ 生息資產平均報酬率 ■ 存放款利差 ■ 淨利差(Net interest margin)

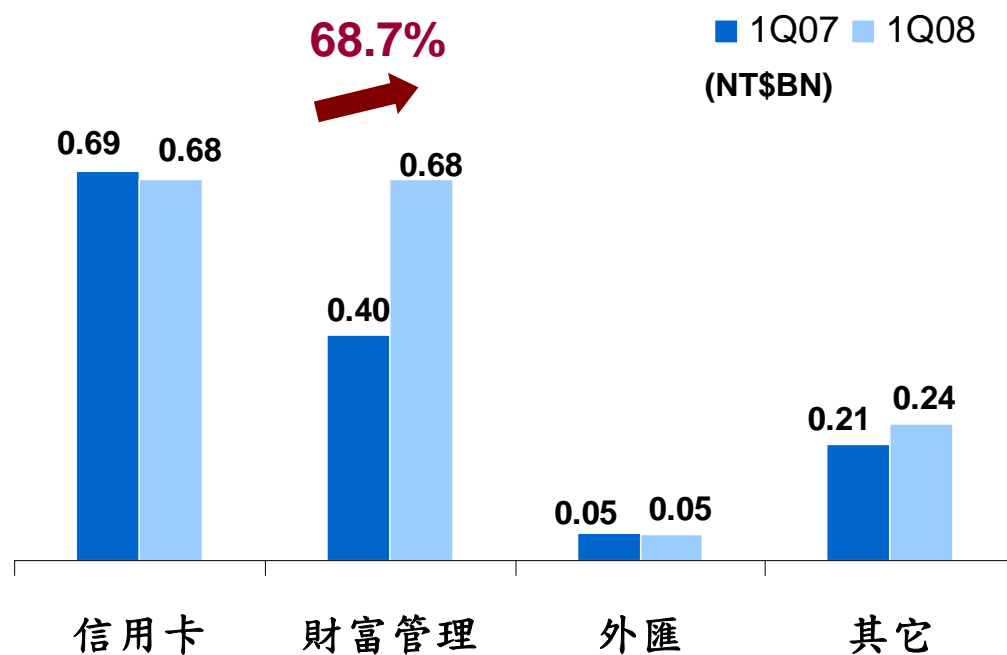


國泰世華銀行－手續費收入

手續費收入來源

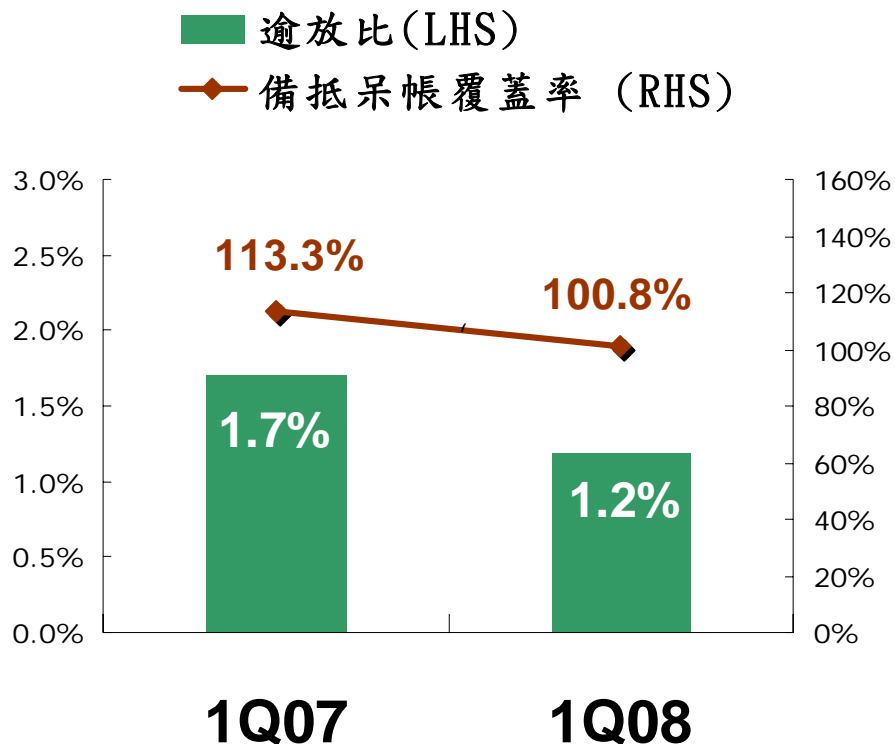


相關產品成長率

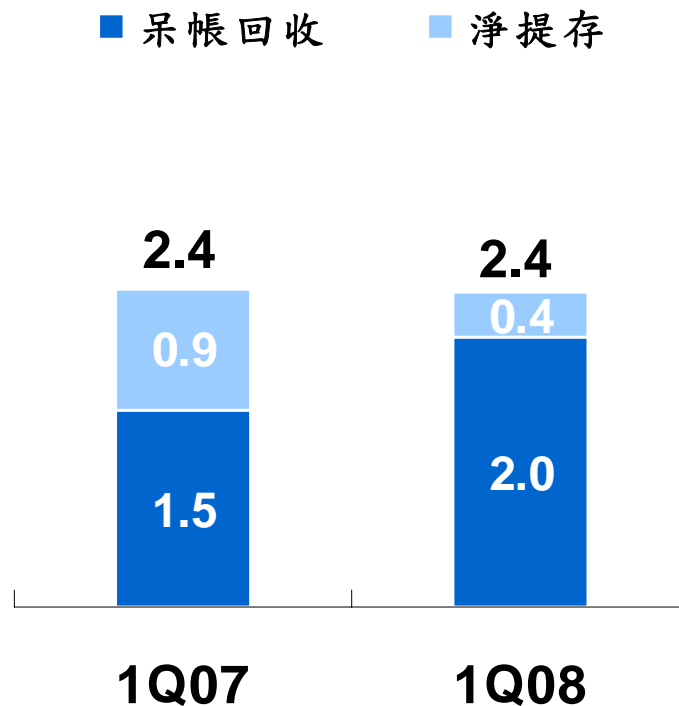


國泰世華銀行 - 資產品質

逾放比& 備抵呆帳覆蓋率

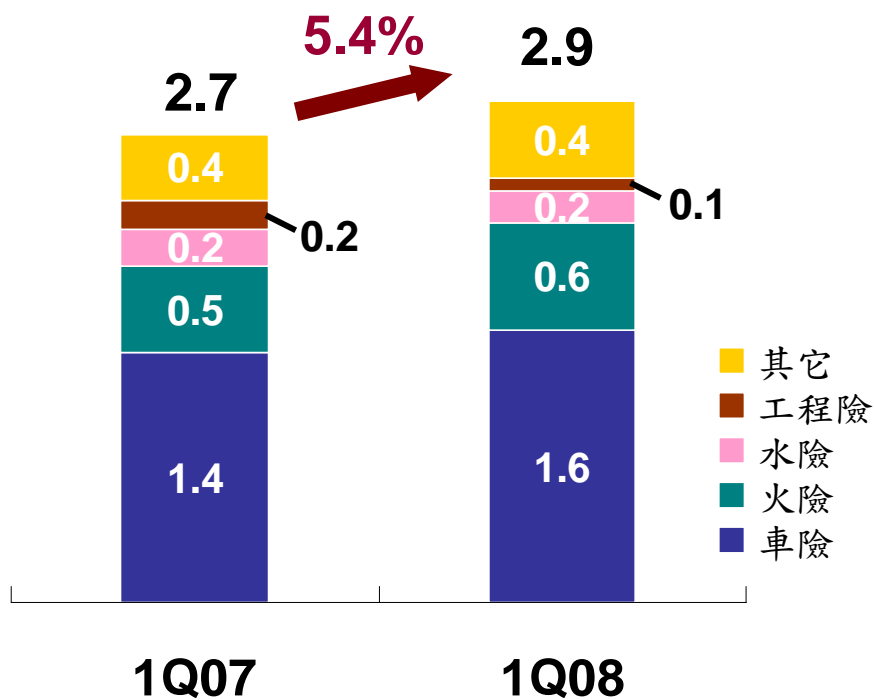


提存& 呆帳回收 (NT\$BN)



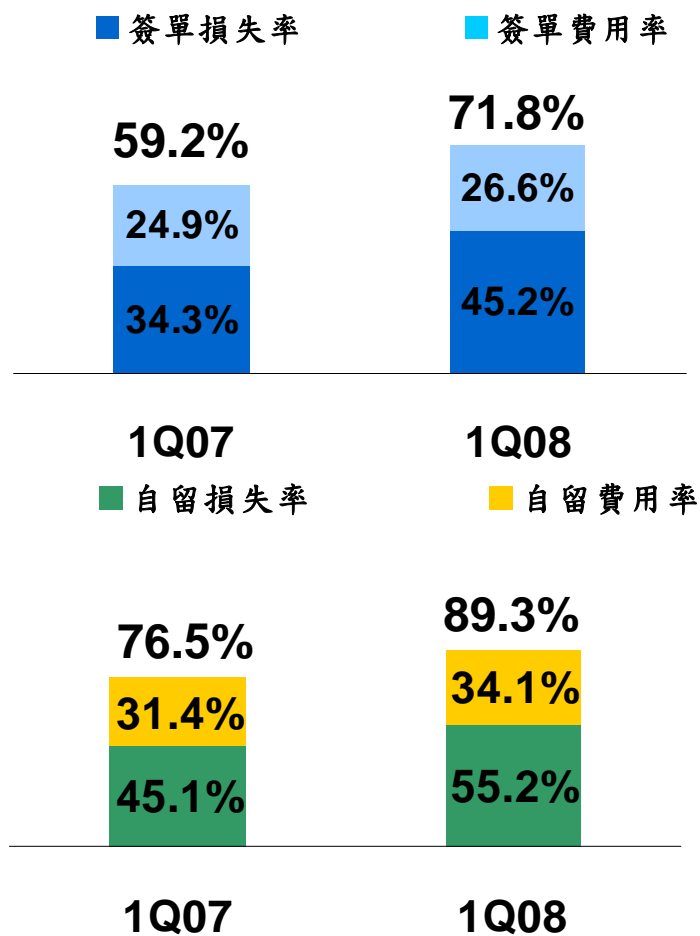
國泰世紀產險

產品保費收入(NT\$BN)



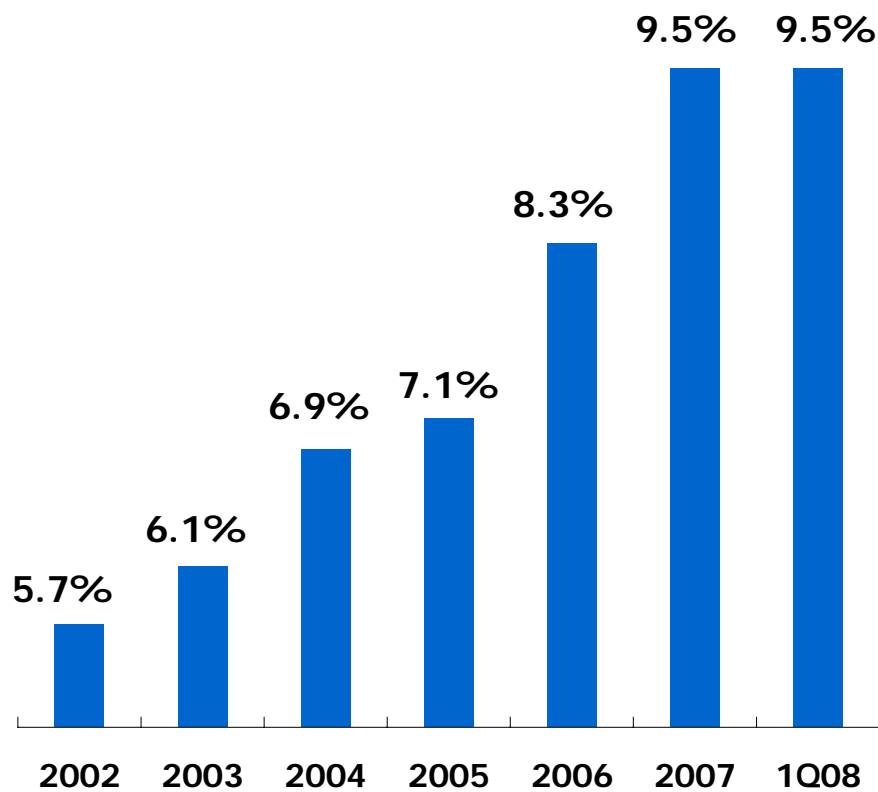
市占率	8.7%	9.5%
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綜合率

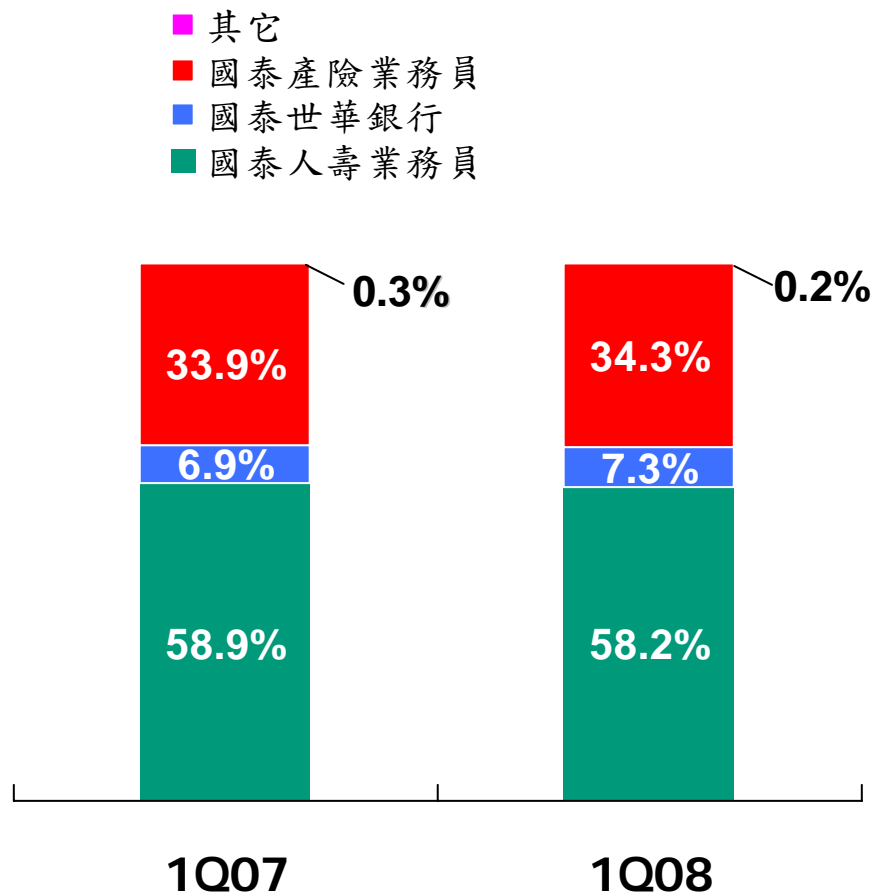


國泰世紀產險

市占率



銷售通路



議程

- 國泰金控 1Q 2008 財務概況
- 國泰人壽隱含價值(EV)及精算評估價值(AV)

隱含價值(EV)及精算評估價值(AV)

NT\$BN, except for per share figures

評價日	2007/12/31
投資報酬率	5%(利變年金4.3%)
貼現率	10.7%
資本成本(Cost of Capital)	-66
調整後淨值 (已扣除資本成本)	141
有效契約價值	226
Embedded Value	366
EV / per share	72.3 (39.8)
Appraisal Value	683
未來一年新契約價值 (已扣除資本成本)	30
AV / per share	134.8 (74.3)

- Note :
1. per share = per share of Cathay Life; (per share) = per share of Cathay FHC
 2. EV/AV calculation does not include business of Cathay Life in China
 3. EV/AV calculation does not factor in the lifting of the overseas investment cap
 4. EV/AV are based on internal calculations and the methodology is in line with past practice
 5. Totals may not sum due to rounding

假設揭露

■投資報酬率：

利變年金投資報酬率4.3%，其餘險種投資報酬率5%。

■RBC資本成本：

- 1.由於未來RBC相關計算方式仍在討論中，故採96年RBC計算方式估計未來資本成本(K值採0.42)。
- 2.投資於保險相關事業之金額需由自有資本中扣除。
- 3.資本成本假設=200%RBC+投資於保險相關事業之金額。

■經驗率：

死亡率：依據公司經驗率訂定，男性按第三回生命表的59%計算，女性按第三回生命表的41%計算。

罹病率：依據公司最近經驗率及其趨勢訂定，罹病率視產品類別而不同。

解約率：依據公司最近經驗率訂定，解約率視產品類別而不同，今年增加投資型商品解約率假設。

費用假設：依據公司最近的費用分析訂定，費用假設視產品類別而不同；佣金採用實際佣金率計算。

■本次隱含價值計算所用的精算假設係委託獨立的精算機構

PricewaterhouseCoopers Asia Actuarial Services進行檢視。

敏感度分析

NT\$BN, except for per share figures

評價日	2007/12/31				
投資報酬率	4.75%	5.25%	5%	5%	5%
貼現率	10.7%	10.7%	10.7%	9.7%	11.7%
資本成本	-69	-62	-66	-62	-68
調整後淨值 (已扣除資本成本)	137	144	141	144	138
有效契約價值	188	263	226	246	209
Embedded Value	325	407	366	390	347
EV / per share	64.2 (35.4)	80.3 (44.3)	72.3 (39.8)	77.0 (42.4)	68.4 (37.7)
Appraisal Value	636	729	683	757	622
未來一年新契約價值 (已扣除資本成本)	29	31	30	33	27
AV / per share	125.6 (69.2)	143.9 (79.3)	134.8 (74.3)	149.3 (82.3)	122.6 (67.6)

YoY 同期比較

NT\$BN

Valuation date	2006/12/31	2007/12/31
Embedded Value	306-342	347-390
未來一年新契約價值	24-28	27-33
Appraisal Value	552-664	622-757

Cathay Financial Holdings
Summary Financial Data
(NT\$BN)

	FY2006	FY2007	FY07/ FY06 % Chg	1Q07	1Q08	1Q08/ 1Q07/ % Chg
<u>Statement of Income Data</u>						
Interest income	1.095	1.123	2.6%	0.280	0.215	-23.2%
Income from subsidiaries						-
Cathay Life	15.047	23.469	56.0%	7.472	(6.737)	-190.2%
Cathay United Bank	(3.789)	6.400	-	2.207	0.885	-59.9%
Cathay Century	0.730	1.046	43.4%	0.340	0.165	-51.5%
Other	0.572	0.194	-66.1%	0.023	0.019	-14.9%
Total income from subsidiaries	12.560	31.109	147.7%	10.043	(5.668)	-156.4%
Adjustments	(0.054)	(0.442)	-	0.000	0.000	-
Total income from subsidiaries, net	12.506	30.667	145.2%	10.043	(5.668)	-156.4%
Gain on foreign exchange ⁽²⁾	(0.023)	(0.097)	313.8%	0.132	(0.712)	-638.6%
Other income	0.164	0.616	275.0%	0.068	0.343	404.9%
Operating costs	(1.663)	(0.985)	-40.8%	(0.337)	(0.178)	-47.3%
Administrative and general expenses	(0.235)	(0.226)	-3.9%	(0.040)	(0.043)	6.5%
Income taxes (expense) benefit	(0.408)	(0.350)	-14.1%	(0.144)	0.067	-146.3%
Cumulative effect of changes in accounting principles	(0.859)	0.000	-100.0%	0.000	0.000	-
Net income	10.577	30.748	190.7%	10.002	(5.976)	-159.8%
EPS (NT\$)	1.18	3.34		1.09	(0.65)	
<u>Balance Sheet Data</u>						
Long-term investments in stock	205.5	214.1		213.1	197.4	
Total assets	223.8	230.2		230.8	212.8	
Total consolidated assets	3,447.5	3,684.3		3,533.8	3,727.8	
Total shareholders' equity	216.1	226.6		226.9	209.5	
<u>Operating Metrics</u>						
ROAE(standalone)	5.2%	13.9%		18.1%	-11.0%	
ROAA (standalone)	4.9%	13.5%		17.6%	-10.8%	
ROAA(consolidated)	0.3%	0.9%		1.1%	-0.6%	

Notes:

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For more details, please refer to our official financial reports.

Cathay Life						
Summary Financial Data						
(NT\$BN)	FY2006	FY2007	FY07/ FY06 % Chg	1Q 2007	1Q 2008	1Q08/ 1Q07/ % Chg
<u>Summary Statement of Income Data</u>						
Premiums income ⁽¹⁾	287.636	302.993	5.3%	61.175	68.043	11.2%
Investment income						
Interest income	62.633	69.497	11.0%	16.644	18.031	8.3%
Gain on disposal of investment	7.657	28.586	273.4%	5.028	14.742	193.2%
Other investment income, net	12.207	(0.384)	-103.1%	6.432	(29.892)	-564.7%
Total investment income, net ⁽²⁾	82.497	97.699	18.4%	28.104	2.881	-89.7%
Other income	1.561	2.257	44.6%	0.613	2.719	343.3%
Insurance claims payment	(157.599)	(202.776)	28.7%	(39.497)	(47.580)	20.5%
Provisions for reserves						
Provisions	(298.422)	(312.004)	4.6%	(63.485)	(67.657)	6.6%
Recoveries	133.091	178.912	34.4%	30.504	39.565	29.7%
Total provisions for reserves, net	(165.331)	(133.092)	-19.5%	(32.981)	(28.092)	-14.8%
Commissions and operating expense						
Brokerage expenses	(27.230)	(30.019)	10.2%	(6.272)	(7.734)	23.3%
Marketing, administrative and general expenses	(10.386)	(11.223)	8.1%	(2.721)	(2.293)	-15.7%
Total commissions and operating expenses	(37.616)	(41.242)	9.6%	(8.993)	(10.027)	11.5%
Other operating expenses	(2.652)	(2.644)	-0.3%	(0.576)	(0.521)	-9.6%
Operating income	8.495	23.194	173.0%	7.845	(12.577)	-260.3%
Non-operating income	1.670	1.454	-12.9%	0.367	0.309	-15.9%
Non-operating expense	(0.347)	(0.299)	20.9%	(0.002)	(0.002)	-4.3%
Income taxes	1.815	(0.881)	-148.5%	(0.738)	5.533	-850.1%
Cumulative effect of changes in accounting principles	3.316	0.000	-100.0%	0.000	0.000	-
Net income	15.047	23.469	56.0%	7.472	(6.737)	-190.2%
<u>Balance Sheet Data</u>						
Total assets	2,140.8	2,354.9		2,214.9	2,384.2	
Total stockholders' equity	119.8	123.4		124.6	105.7	
<u>Operating Metrics</u>						
First year premium	108.2	172.8		33.1	62.2	
Expense ratio	12.4%	12.9%		13.9%	14.2%	
13-mos persistency ratio	90.0%	92.0%		91.0%	91.3%	
25-mos persistency ratio	82.2%	83.0%		80.4%	84.4%	
ROAE	13.8%	19.3%		24.5%	-23.5%	
ROAA	0.8%	1.0%		1.4%	-1.1%	

Notes:

(1) Excludes investment-linked products premium income.

(2) All data and information on this page is provided for informational purposes only, and may subject to adjustment.

For more details, please refer to our official financial reports.

Cathay United Bank
Summary Financial Data

(NT\$BN)

			FY07/ FY06			1Q08/ 1Q07
	FY2006	FY2007	% Chg	1Q07	1Q08	% Chg
Summary Statement of Income Data						
Interest income	42.590	40.285	-5.4%	9.742	10.253	5.2%
Interest expense	(18.054)	(19.121)	5.9%	(4.793)	(4.896)	2.1%
Net interest income	24.537	21.164	-13.7%	4.949	5.357	8.2%
Net operating income except interest income						
Net handling fee	4.561	5.132	12.5%	1.023	1.353	32.3%
Gains on financial assets and liabilities at fair value through P&L	(0.392)	(0.459)	17.1%	0.284	(0.692)	-343.5%
Realized gains on available-for-sale financial assets	0.500	1.707	241.2%	0.027	0.365	1247.6%
Realized gains on held-to-maturity financial assets	0.001	(0.000)	-119.7%	(0.000)	(0.001)	368.1%
Invst inc - equity method	0.066	0.168	155.1%	0.107	0.028	-74.0%
Realized gain - equity method	1.299	0.000	-100.0%	0.000	0.000	-
Gain on foreign exchng - net	0.443	0.716	61.7%	0.230	0.550	138.9%
Impairment gain/loss	(0.259)	(0.115)	-55.5%	0.022	(0.056)	-350.8%
Gains on reversal of foreclosed properties impairment	0.400	(0.010)	-102.4%	0.000	0.019	-
Gains/losses on disposal of foreclosed properties	0.483	0.006	-98.9%	0.000	(0.003)	-
Investments in debt securities with no active market, net	0.024	(2.555)	-	0.005	(1.759)	-
other income, net	0.237	0.467	96.8%	0.066	0.117	77.3%
Net operating income	31.899	26.220	-17.8%	6.713	5.279	-21.4%
Provisions for possible losses ⁽¹⁾	(26.074)	(4.086)	-84.3%	(0.913)	(0.352)	-61.4%
Operating expenses	(12.303)	(14.008)	13.9%	(3.031)	(3.319)	9.5%
Income from continuing operations before income taxes	(6.477)	8.126	-225.5%	2.769	1.608	-41.9%
Income tax benefit (expense)	2.264	(1.726)	-176.2%	(0.562)	(0.723)	28.6%
Cumulative effect of changes in accounting principles	0.727	0.000	-100.0%	0.000	0.000	-
Net income	(3.487)	6.400	-283.5%	2.207	0.885	-59.9%
Balance Sheet Data						
Total assets	1,266.7	1,288.2		1283.3	1300.9	
Total shareholders' equity	76.1	81.4		78.5	82.2	
Operating Metrics						
Cost income ratio	38.6%	53.4%		45.2%	62.9%	
ROAE	-4.4%	8.1%		11.4%	4.3%	
ROAA	-0.3%	0.5%		0.7%	0.3%	
Assets Quality						
NPL ratio (international standard)	1.8%	1.5%		1.7%	1.2%	
Coverage ratio (international standard)	128.3%	86.2%		113.3%	100.8%	

Notes:

(1) FY07, 1Q07 and 1Q08 provisions net of NT\$5.6bn, NT\$1.5bn and NT\$2bn bad debt recoveries, respectively.

(2) All data and information on this page is provided for informational purposes only, and may subject to adjustment.

For more details, please refer to our official financial reports.



Cathay Century
Summary Financial Data
(NT\$MM)

	1Q2007	1Q2008	1Q08/ 1Q07 % Chg
<u>Summary Statement of Income Data</u>			
Premiums income	2,749.0	2,896.5	5.4%
Reinsurance premiums ceded	(872.4)	(1,013.4)	16.2%
Premiums income, net	1,876.5	1,883.2	0.4%
Investment			
Interest income	87.3	92.5	6.1%
Other investment income, net	49.0	164.1	234.6%
Total investment income	136.3	256.7	88.3%
Other operating income	82.8	114.9	38.7%
Insurance claims payment, net	(797.3)	(1,005.0)	26.1%
Provisions for reserves			
Provisions	(5,350.1)	(5,524.9)	3.3%
Recoveries	5,043.5	5,436.5	7.8%
Total provisions for reserves, net	(306.6)	(88.4)	-71.2%
Commissions, operating and other expenses	(568.8)	(981.7)	72.6%
Operating income	423.1	179.7	-57.5%
Non-operating income	1.2	0.4	-68.2%
Non-operating expense	(0.0)	(1.7)	-
Income taxes	(83.9)	(13.3)	-84.1%
Cumulative effect of changes in accounting principles	0.0	0.0	-
Net income	340.4	165.0	-51.5%
<u>Summary Balance Sheet Data</u>			
Total assets	17,309.8	19,395.6	12.0%
Total stockholders' equity	3,903.3	3,932.2	0.7%
<u>Operating Metrics</u>			
Written Combined ratio	59.2%	71.8%	
Net Combined ratio	76.5%	89.3%	
ROAE	36.4%	16.9%	
ROAA	8.5%	3.7%	

Notes:

- (1) All data and information on this page is provided for informational purposes only, and may subject to adjustment. For more details, please refer to our official financial reports.
- (2) 1Q07,1Q08 financial numbers are provided according to the new P&C insurance accounting principle of FSC promulgated on 01/01/2008.



Shares Outstanding
(Millions of shares)

	<u>As of</u> <u>03/31/2008</u>
Total shares issued	9,277.0
Treasury shares	
CFH	66.7
Cross holdings of subsidiaries	
Cathay Life	0.0
Cathay United Bank	0.0
Cathay Century	0.0
Lucky Bank	0.0
Total cross-holdings of subsidiaries	0.0
Total treasury shares	66.7
Total shares outstanding	9,210.3

Notes: All data and information on this page is provided for informational purposes only, and may be subject to adjustment. For more details, please refer to our official financial reports.



Capital Adequacy Metrics

	<u>Capital Adequacy Metrics</u> <u>(As of 31-Dec.-2007)</u>			<u>Legal</u> <u>Requirement</u>
Cathay Financial Holdings Double leverage ratio	94.21%			n/a
Cathay Life RBC Ratio	300%	-	350%	200%
Cathay Century RBC Ratio	504.71%			200%
Cathay United Bank BIS Ratio	11.13%			8%

Notes:

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