

國泰金融控股股份有限公司

2008年 第三季法人說明會

Internal Capacity

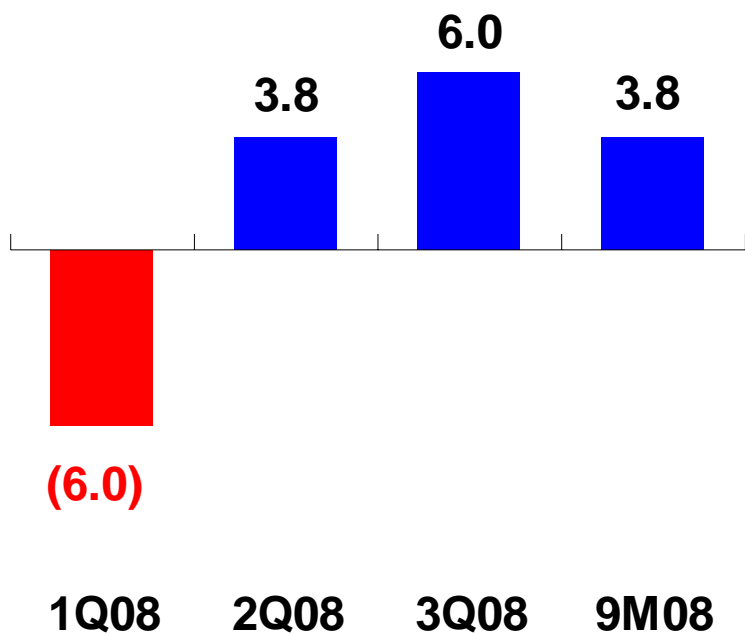
External Environment

聲明

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國泰金控 - 稅後淨利

國泰金控稅後淨利 (NT\$BN)



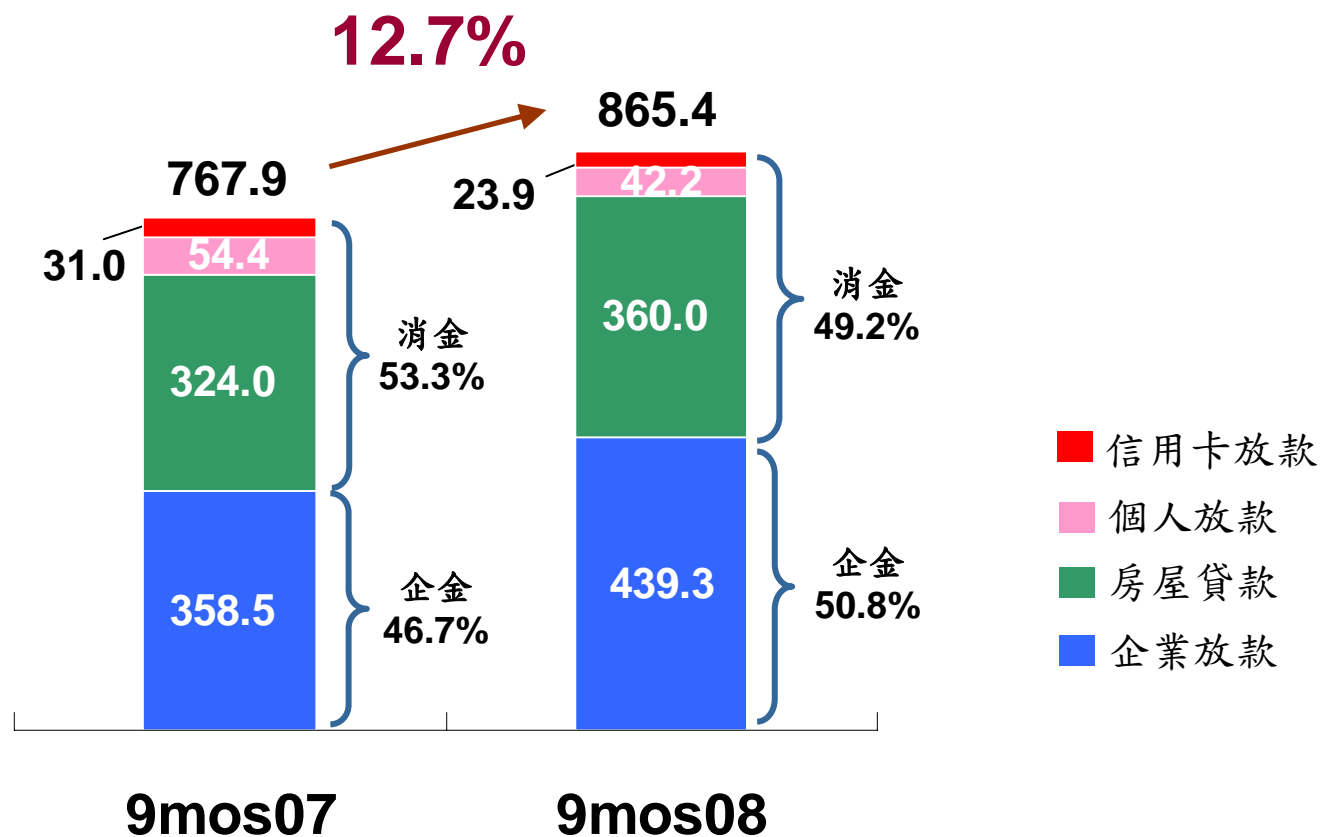
子公司稅後淨利 (NT\$BN)

	1Q08	2Q08	3Q08	9M08
國泰人壽	(6.7)	1.4	4.7	(0.6)
國泰世華	0.9	2.1	1.5	4.5
國泰世紀產險	0.2	0.2	0.1	0.5

Note: Related numbers might be adjusted due to rounding

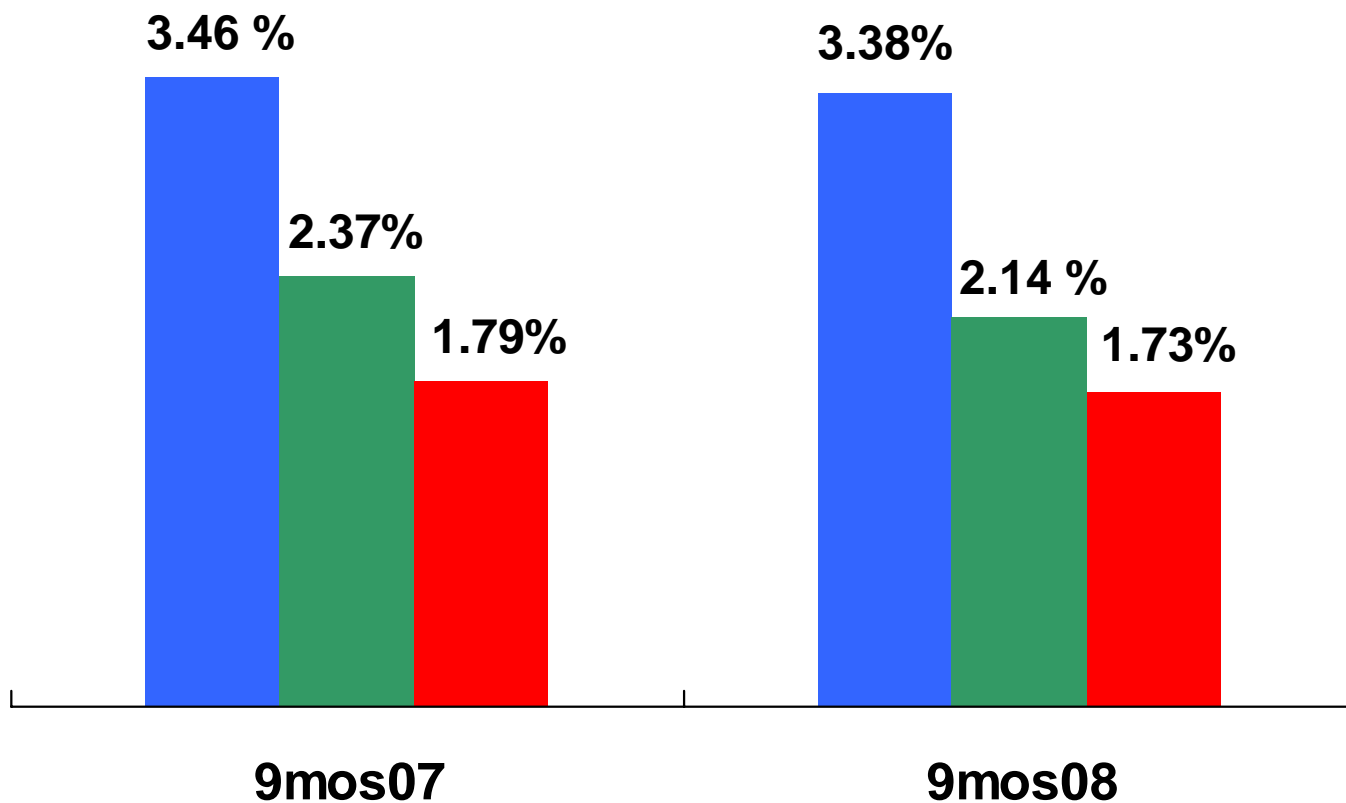
國泰世華銀行 - 放款結構

(NT\$BN)



國泰世華銀行 - 存放利差

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

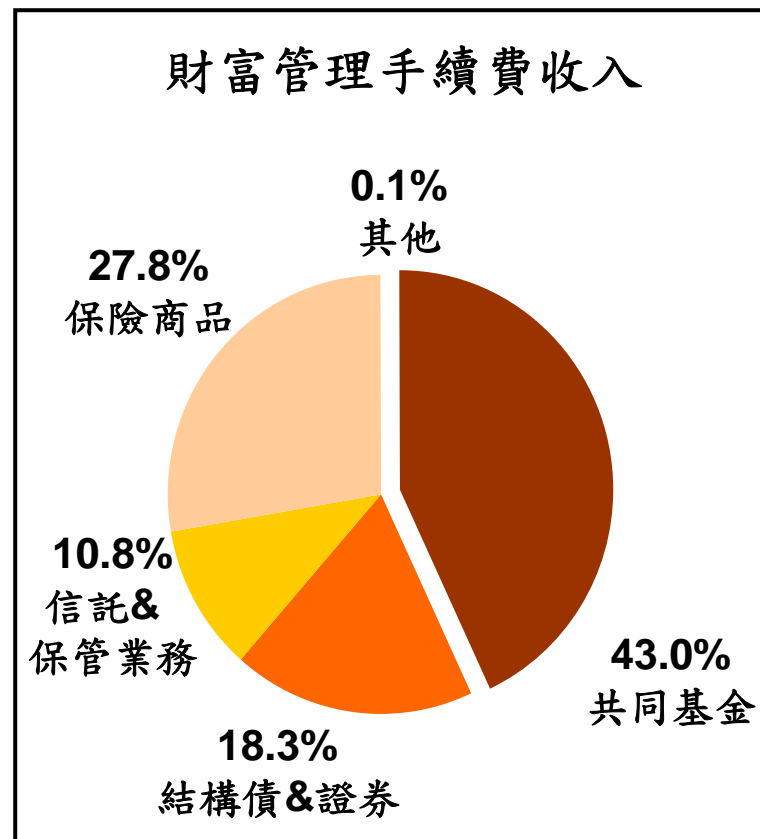
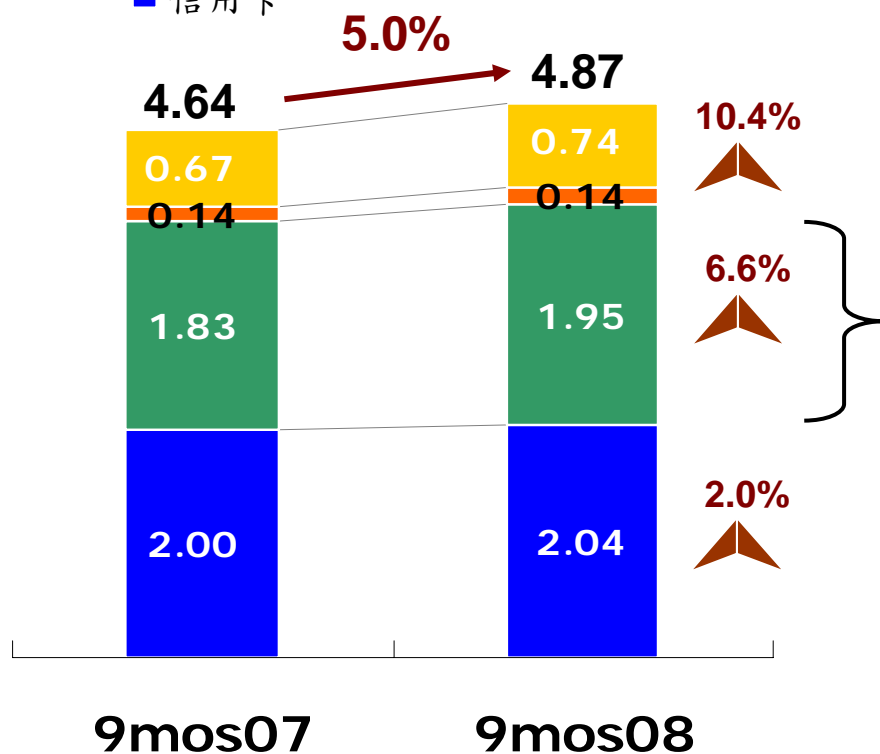


Note: 9mos07 NIM is adjusted

國泰世華銀行－手續費收入

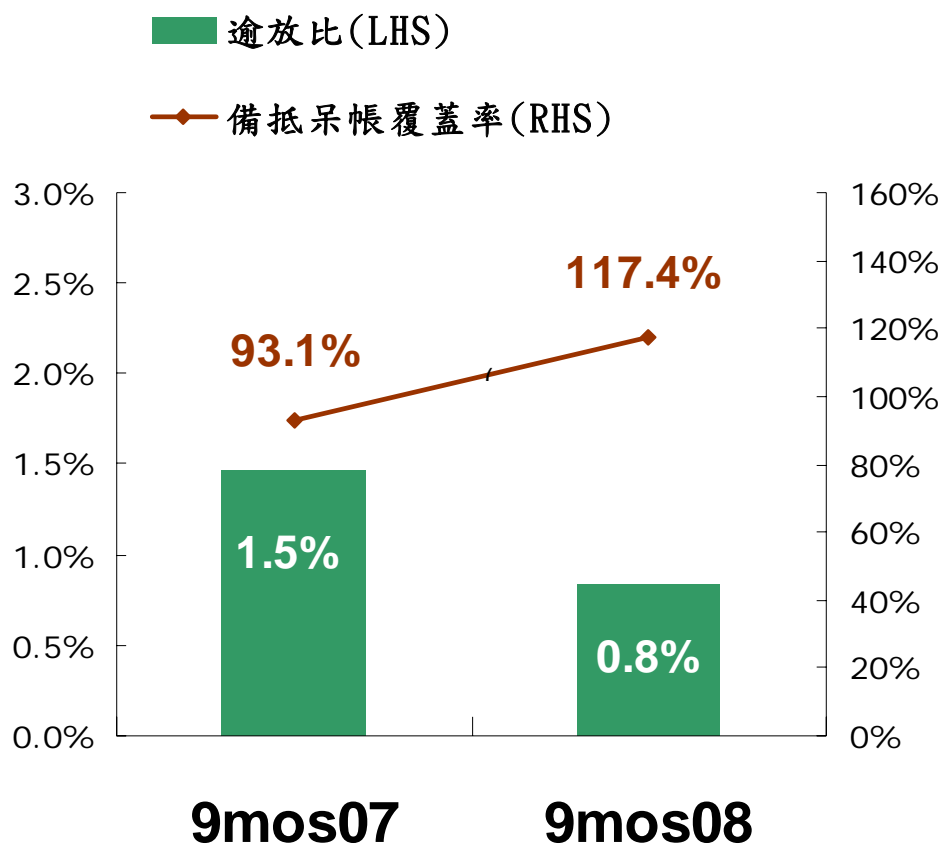
(NT\$BN)

- 其他
- 外匯
- 財富管理
- 信用卡

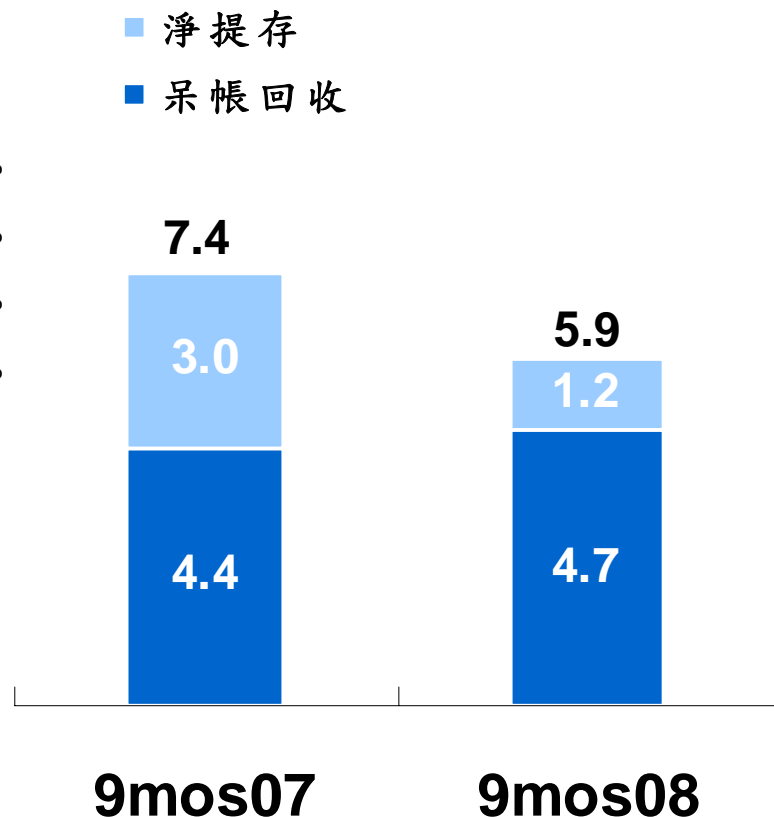


國泰世華銀行 - 資產品質

逾放比&備抵呆帳覆蓋率



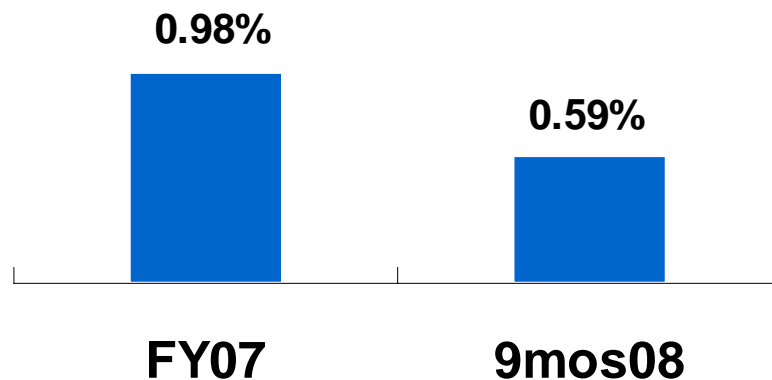
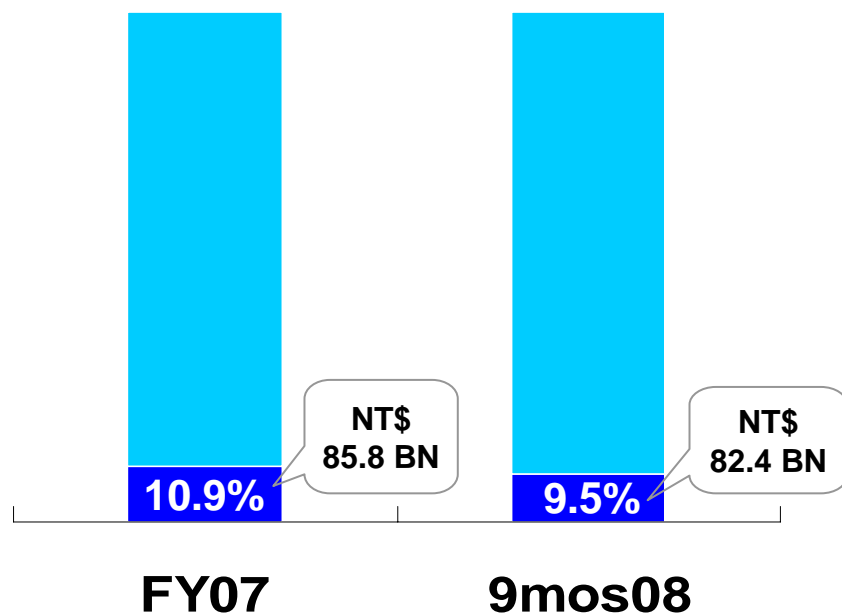
提存&呆帳回收 (NT\$BN)



國泰世華銀行 - 中小企業放款

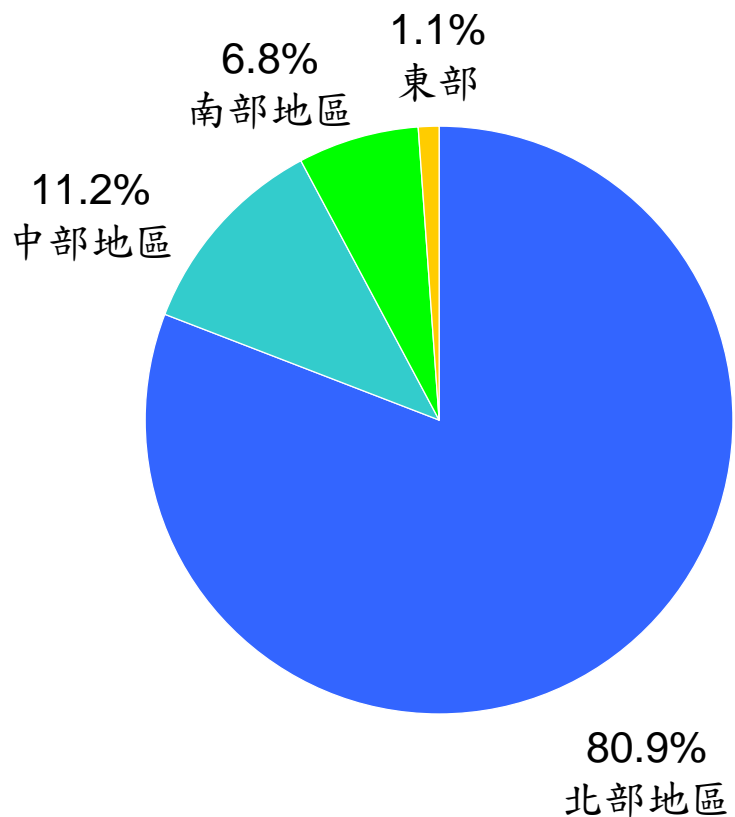
中小企業放款 (占總放款%)

逾放比

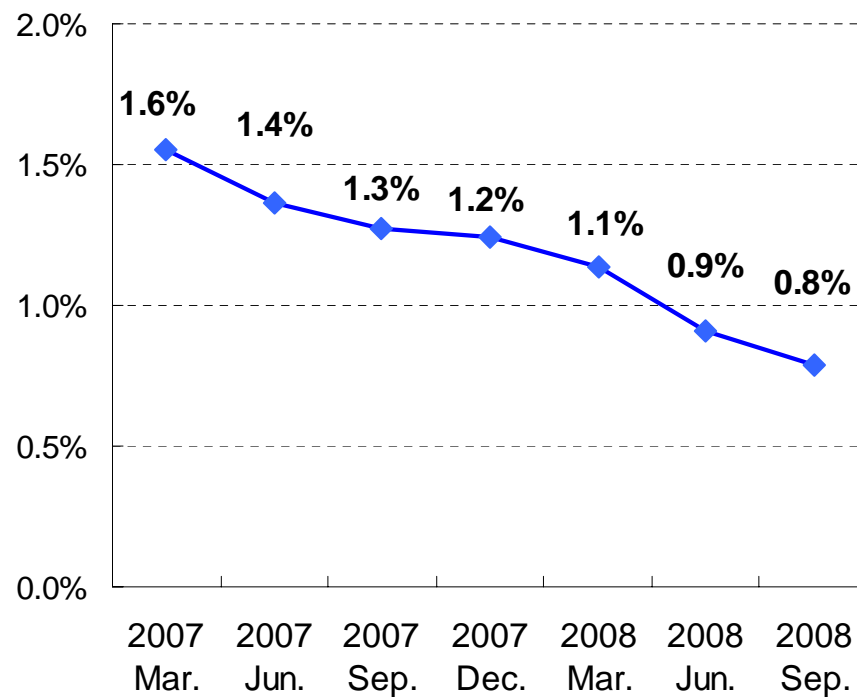


國泰世華銀行 - 房貸

貸放地理區域分布

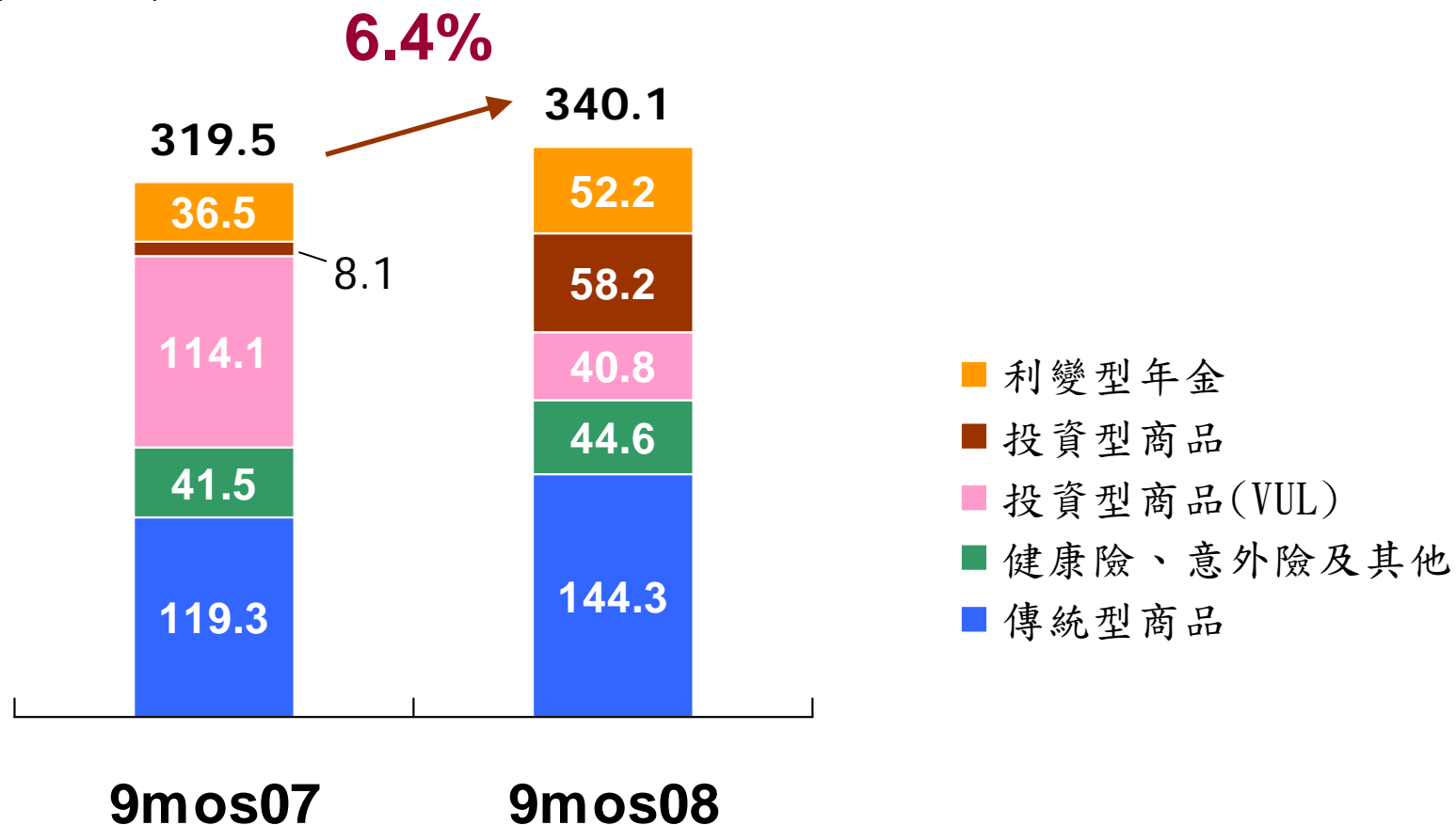


逾放比



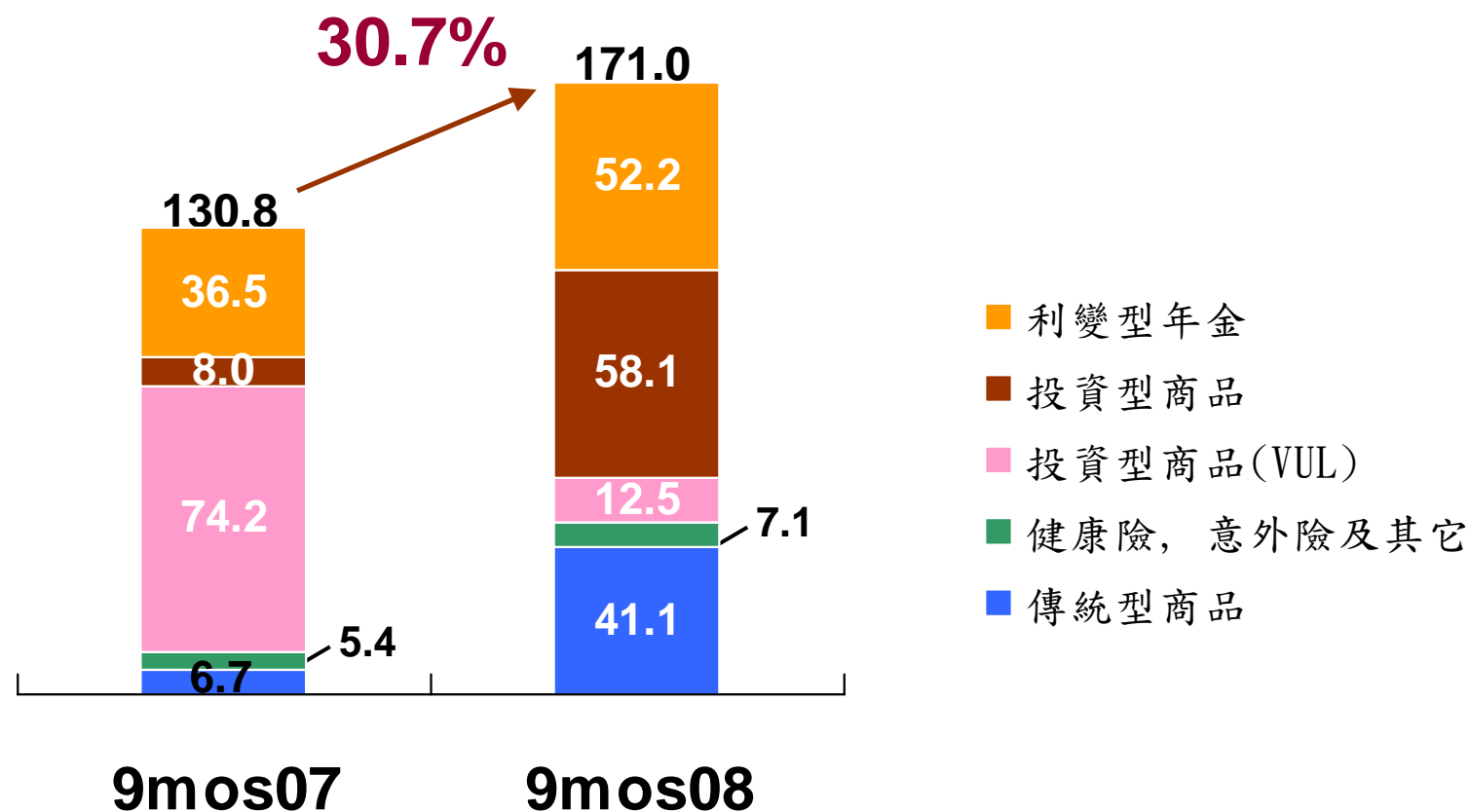
國泰人壽 - 總保費收入

(NT\$BN)



國泰人壽 - 初年度保費收入

(NT\$BN)



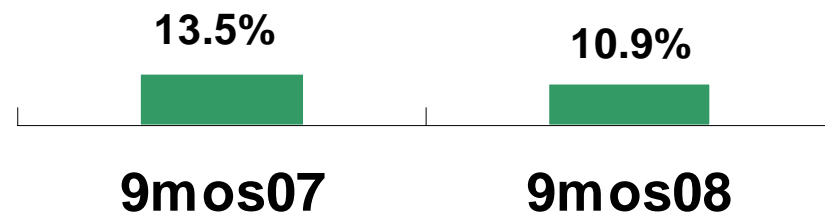
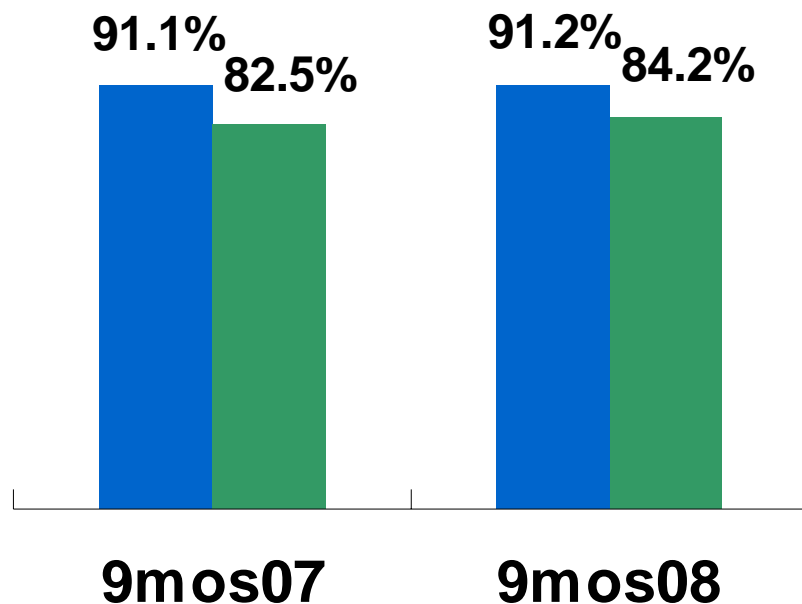
國泰人壽 — 重要經營指標

繼續率

費用率

■ 13個月

■ 25個月



國泰人壽 – 資產配置

	2Q08		3Q08		Weight Change	Amount Change
	Amt. (NT\$BN)	%	Amt. (NT\$BN)	%		
現金、定存、短票及債券型基金	193.6	9.2%	168.6	8.0%	-1.2%	-25.0
國內股票	157.4	7.5%	141.1	6.7%	-0.8%	-16.3
國外股票	48.1	2.3%	42.7	2.0%	-0.3%	-5.4
國內債券	326.5	15.6%	332.1	15.8%	0.2%	5.6
國外債券 ⁽¹⁾	674.4	32.1%	715.8	34.0%	1.9%	41.4
擔保放款	345.4	16.5%	344.6	16.3%	-0.2%	-0.8
保單貸款	193.2	9.2%	196.0	9.3%	0.1%	2.8
不動產	118.0	5.6%	120.1	5.7%	0.1%	2.1
其他	42.1	2.0%	46.7	2.2%	0.2%	4.6
總投資金額 ⁽²⁾⁽³⁾	2,098.7	100.0%	2,107.7	100.0%		

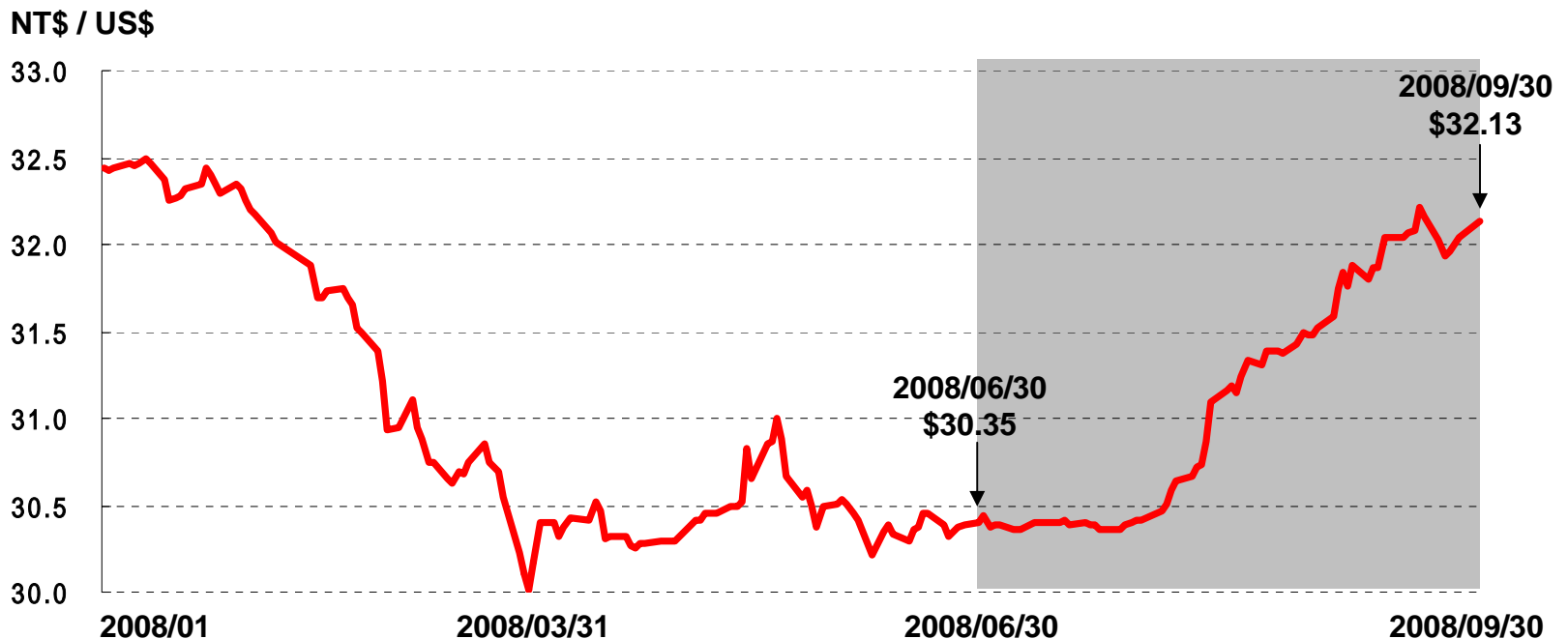
Note (1) : Includes foreign currency and related adjustments

Note (2) : Excludes separate account assets

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

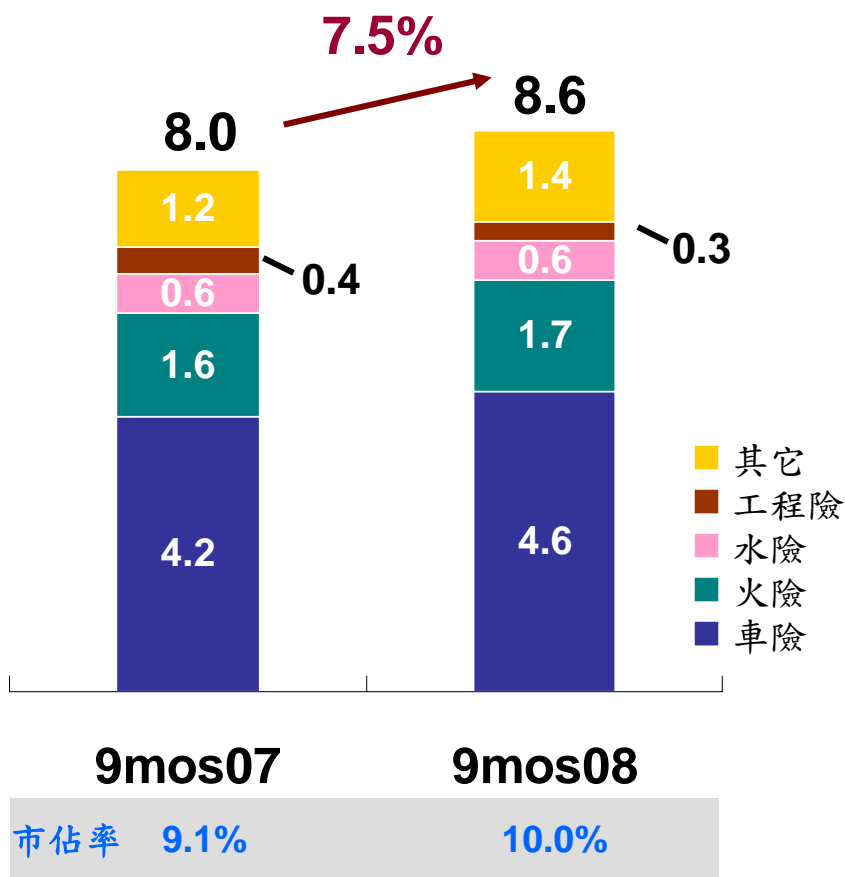
國泰人壽 - 外匯避險策略

- 由於第三季台幣回貶，前9個月避險成本較上半年明顯改善
- 避險策略 → 傳統避險：替代避險 = 75%：25%

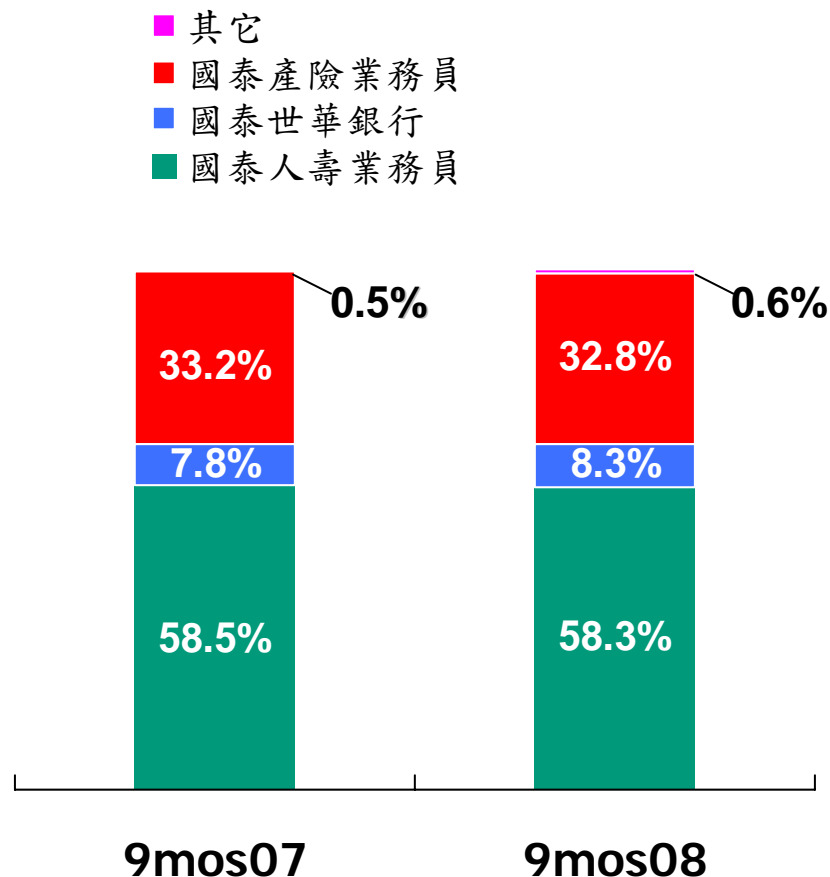


國泰世紀產險

產品保費收入(NT\$BN)



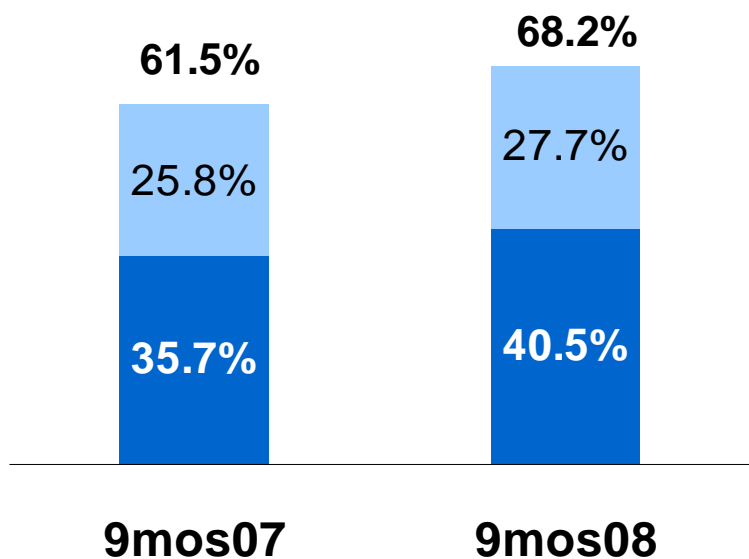
銷售通路



國泰世紀產險

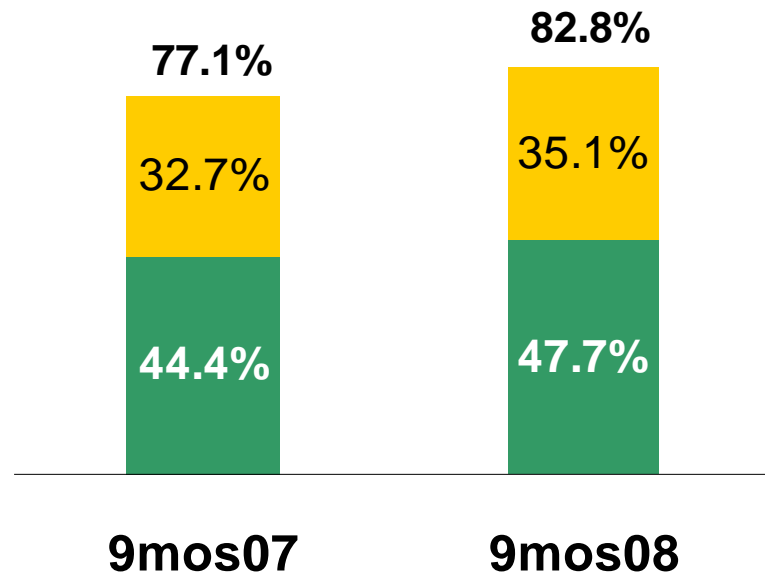
簽單綜合率

- 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



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

	FY2006	FY2007	FY07/ FY06 % Chg	9mos07	9mos08	9mos08/ 9mos07/ % Chg	3Q07	3Q08	3Q08/ 3Q07/ % Chg
<u>Statement of Income Data</u>									
Interest income	1.095	1.123	2.6%	0.861	0.466	-45.9%	0.299	0.042	-86.0%
Income from subsidiaries									
Cathay Life	15.047	23.469	56.0%	25.265	(0.638)	-102.5%	9.097	4.647	-48.9%
Cathay United Bank	(3.487)	6.400	-283.5%	7.053	4.544	-35.6%	2.668	1.540	-42.3%
Cathay Century	0.730	1.046	43.4%	0.994	0.522	-47.5%	0.315	0.065	-79.4%
Other	0.270	0.194	-28.1%	0.117	(0.005)	-104.5%	0.057	(0.006)	-110.5%
Total income from subsidiaries	12.560	31.109	147.7%	33.430	4.423	-86.8%	12.137	6.246	-48.5%
Adjustments	(0.054)	(0.442)	-	(0.442)	(0.026)	-94.1%	0.000	0.000	-
Total income from subsidiaries, net	12.506	30.667	145.2%	32.988	4.397	-86.7%	12.137	6.246	-48.5%
Gain on foreign exchange	(0.023)	(0.097)	321.7%	(0.037)	(0.717)	-	(0.085)	0.010	-111.8%
Other income	0.164	0.616	275.0%	0.319	0.374	17.2%	0.304	0.041	-86.5%
Operating costs	(1.663)	(0.985)	-40.8%	(0.781)	(0.358)	-54.2%	(0.223)	(0.017)	-92.4%
Administrative and general expenses	(0.235)	(0.226)	-3.9%	(0.183)	(0.421)	130.1%	(0.079)	(0.298)	-
Income taxes (expense) benefit	(0.408)	(0.350)	-14.1%	(0.187)	0.046	-124.7%	(0.057)	(0.017)	-70.2%
Cumulative effect of changes in accounting principles	(0.859)	0.000	-100.0%	0.000	0.000	-	0.000	0.000	-
Net income	10.577	30.748	190.7%	32.979	3.787	-88.5%	12.296	6.007	-51.1%
EPS (NT\$)	1.18	3.34		3.42	0.39				
<u>Balance Sheet Data</u>									
Long-term investments in stock	205.5	214.1		228.9	160.2				
Total assets	223.8	230.2		244.3	164.1				
Total consolidated assets	3,447.5	3,684.3		3,684.2	3,786.2				
Total shareholders' equity	216.1	226.6		241.2	157.7				
<u>Operating Metrics</u>									
ROAE(standalone)	5.2%	13.9%		19.2%	2.6%				
ROAA (standalone)	4.9%	13.5%		18.8%	2.6%				
ROAA(consolidated)	0.3%	0.9%		1.2%	0.1%				

Notes:

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

(2) Total may not sum due to rounding

Cathay Life
Summary Financial Data
 (NT\$BN)

	FY2006	FY2007	FY07/ FY06 % Chg	9mos2007	9mos2008	9mos08/ 9mos07/ % Chg	3Q 2007	3Q 2008	3Q08/ 3Q07/ % Chg
Summary Statement of Income Data									
Premiums income ⁽¹⁾	287.636	302.993	5.3%	215.413	253.519	17.7%	77.248	93.332	20.8%
Investment income									
Interest income	62.633	69.497	11.0%	51.394	56.116	9.2%	17.762	19.326	8.8%
Gain on disposal of investment	7.657	28.586	273.4%	22.562	8.333	-63.1%	14.430	(9.173)	-
Other investment income, net	12.207	(0.384)	-103.1%	10.477	(15.741)	-250.2%	(2.632)	18.640	-
Total investment income, net ⁽²⁾	82.497	97.699	18.4%	84.433	48.708	-42.3%	29.560	28.793	-2.6%
Other income	1.561	2.257	44.6%	1.684	5.321	216.0%	0.550	0.700	27.1%
Insurance claims payment	(157.599)	(202.776)	28.7%	(138.086)	(204.907)	48.4%	(49.782)	(72.025)	44.7%
Provisions for reserves									
Provisions	(298.422)	(312.004)	4.6%	(215.740)	(253.996)	17.7%	(76.735)	(94.075)	22.6%
Recoveries	133.091	178.912	34.4%	111.692	177.682	59.1%	41.586	61.864	48.8%
Total provisions for reserves, net	(165.331)	(133.092)	-19.5%	(104.047)	(76.314)	-26.7%	(35.149)	(32.211)	-8.4%
Commissions and operating expense									
Brokerage expenses	(27.230)	(30.019)	10.2%	(23.061)	(21.086)	-8.6%	(8.697)	(7.139)	-17.9%
Marketing, administrative and general expenses	(10.386)	(11.223)	8.1%	(7.721)	(7.802)	1.0%	(2.319)	(2.737)	18.0%
Total commissions and operating expenses	(37.616)	(41.242)	9.6%	(30.783)	(28.888)	-6.2%	(11.017)	(9.875)	-10.4%
Other operating expenses	(2.652)	(2.644)	-0.3%	(1.832)	(1.665)	-9.1%	(0.690)	(0.600)	-13.1%
Operating income	8.495	23.194	173.0%	26.782	(4.226)	-	10.720	8.115	-24.3%
Non-operating income	1.670	1.454	-12.9%	1.050	1.030	-1.9%	0.299	0.369	23.4%
Non-operating expense	(0.347)	(0.299)	20.9%	(0.189)	(0.547)	-	(0.137)	(0.543)	-
Income taxes	1.815	(0.881)	-148.5%	(2.378)	3.104	-230.5%	(1.785)	(3.293)	84.5%
Cumulative effect of changes in accounting principles	3.316	0.000	-100.0%	0.000	0.000	-	0.000	0.000	-
Net income	15.047	23.469	56.0%	25.265	(0.638)	-102.5%	9.097	4.647	-48.9%
Balance Sheet Data									
Total assets	2140.8	2354.9		2356.4	2386.8		2356.4	2386.8	
Total stockholders' equity	119.8	123.4		136.9	70.7		136.9	70.7	
Operating Metrics									
First year premium	108.2	172.8		130.8	171.0				
Expense ratio	12.4%	12.9%		13.5%	10.9%				
13-mos persistency ratio	90.0%	92.0%		91.1%	91.2%				
25-mos persistency ratio	82.2%	83.0%		82.5%	84.2%				
ROAE	13.8%	19.3%		26.2%	-0.9%				
ROAA	0.8%	1.0%		1.5%	0.0%				

Notes:

(1) Excludes investment-linked products premium income.

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

Cathay United Bank
Summary Financial Data
 (NT\$BN)

Summary Statement of Income Data	FY07/ FY06		9mos08/ 9mos07		3Q08/ 3Q07	
	FY2006	FY2007	% Chg	9mos07	9mos08	% Chg
Interest income	42.590	40.285	-5.4%	29.961	30.189	0.8%
Interest expense	(18.054)	(19.121)	5.9%	(14.161)	(14.779)	4.4%
Net interest income	24.537	21.164	-13.7%	15.801	15.410	-2.5%
Net operating income except interest income						
Net handling fee	4.561	5.132	12.5%	3.640	3.961	8.8%
Gains on financial assets and liabilities at fair value through P&L	(0.392)	(0.459)	17.1%	0.208	(1.730)	-
Realized gains on available-for-sale financial assets	0.500	1.707	241.2%	1.528	0.433	-71.7%
Realized gains on held-to-maturity financial assets	0.001	(0.000)	-119.7%	(0.000)	(0.001)	-
Invst inc - equity method	0.066	0.168	155.1%	0.150	0.161	7.3%
Realized gain - equity method	1.299	0.000	-100.0%	0.000	0.000	-
Gain on foreign exchg - net	0.443	0.716	61.7%	0.604	0.598	-1.1%
Impairment gain/loss	(0.259)	(0.115)	-55.5%	(0.017)	(0.048)	184.4%
Gains on reversal of foreclosed properties impairment	0.400	(0.010)	-102.4%	(0.019)	0.045	-
Gains/losses on disposal of foreclosed properties	0.483	0.006	-98.9%	(0.000)	0.180	-
Investments in debt securities with no active market, net other income, net	0.024	(2.555)	-	0.009	(1.758)	-
Net operating income	31.899	26.220	-17.8%	22.230	18.291	-17.7%
Provisions for possible losses ⁽¹⁾	(26.074)	(4.086)	-84.3%	(2.994)	(1.147)	-61.7%
Operating expenses	(12.303)	(14.008)	13.9%	(10.319)	(10.714)	3.8%
Income from continuing operations before income taxes	(6.477)	8.126	-225.5%	8.917	6.429	-27.9%
Income tax benefit (expense)	2.264	(1.726)	-176.2%	(1.864)	(1.885)	1.1%
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%	7.053	4.544	-35.6%
Balance Sheet Data						
Total assets	1,266.7	1,288.2		1290.8	1364.0	
Total shareholders' equity	76.1	81.4		82.3	81.2	
Operating Metrics						
Cost income ratio	38.6%	53.4%		46.4%	58.6%	
ROAE	-4.4%	8.1%		11.9%	7.5%	
ROAA	-0.3%	0.5%		0.7%	0.5%	
Assets Quality						
NPL ratio (international standard)	1.82%	1.5%		1.47%	0.84%	
Coverage ratio (international standard)	128.3%	86.2%		93.1%	117.4%	

Notes:

(1) FY07, 9mos07 and 9mos08 provisions net of NT\$5.6bn, NT\$4.4bn and NT\$4.7bn 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.

(3) Total may not sum due to rounding

Cathay Century
Summary Financial Data

(NT\$MM)

	FY07/ FY06			9mos08/ 9mos07			3Q08/ 3Q07		
	FY 2006	FY2007	% Chg	9mos2007	9mos2008	% Chg	3Q2007	3Q2008	% Chg
Summary Statement of Income Data									
Premiums income	9,896.5	11,153.7	12.7%	7,993.0	8,606.0	7.7%	2,485.5	2,798.5	12.6%
Reinsurance premiums ceded	(3,098.5)	(3,460.6)	11.7%	(2,450.3)	(2,677.2)	9.3%	(671.5)	(971.1)	44.6%
Premiums income, net	6,798.0	7,693.1	13.2%	5,542.7	5,928.8	7.0%	1,814.0	1,827.4	0.7%
Investment									
Interest income	318.5	374.5	17.6%	295.8	296.4	0.2%	97.2	89.1	-8.3%
Other investment income, net	58.6	227.5	288.2%	323.9	(197.5)	-161.0%	142.0	(289.3)	-
Total investment income	377.1	602.0	59.7%	619.8	98.9	-84.0%	239.2	(200.2)	-
Other operating income	223.7	288.4	28.9%	207.6	254.9	22.8%	57.0	65.0	14.0%
Insurance claims payment, net	(3,005.8)	(3,371.2)	12.2%	(2,350.0)	(2,733.6)	16.3%	(820.1)	(779.0)	-5.0%
Provisions for reserves									
Provisions	(5,830.8)	(6,542.9)	12.2%	(6,071.4)	(6,179.8)	1.8%	(341.3)	(354.2)	3.8%
Recoveries	4,677.8	5,306.5	13.4%	5,220.9	5,629.5	7.8%	103.4	102.6	-0.7%
Total provisions for reserves, net	(1,153.0)	(1,236.4)	7.2%	(850.5)	(550.3)	-35.3%	(237.9)	(251.6)	5.8%
Commissions, operating and other expenses	(2,395.4)	(2,681.9)	12.0%	(1,923.3)	(2,295.9)	19.4%	(650.0)	(545.5)	-16.1%
Operating income	844.7	1,294.0	53.2%	1,246.3	702.8	-43.6%	402.2	116.1	-71.1%
Non-operating income	3.7	17.3	375.1%	2.4	6.7	184.0%	0.1	0.8	-
Non-operating expense	(0.1)	(0.1)	16.9%	(0.1)	(1.7)	-	(0.0)	(0.0)	0.0%
Income taxes	(178.6)	(264.9)	48.3%	(254.3)	(185.7)	-27.0%	(87.6)	(52.1)	-40.6%
Cumulative effect of changes in accounting principles	60.1	0.0	-100.0%	-	0.0	-	0.0	0.0	-
Net income	729.8	1,046.3	43.4%	994.3	522.1	-47.5%	314.7	64.8	-79.4%
Summary Balance Sheet Data									
Total assets	14,675.9	16,619.4	13.2%	17,957.2	19,008.3	5.9%	17,957.2	19,008.3	
Total stockholders' equity	3,571.6	3,869.9	8.4%	3,909.1	3,136.4	-19.8%	3,909.1	3,136.4	
Operating Metrics									
Written Combined ratio	66.7%	62.4%		61.5%	68.2%				
Net Combined ratio	82.4%	79.7%		77.1%	82.8%				
ROAE	21.6%	28.1%		35.4%	19.9%				
ROAA	5.3%	6.7%		8.1%	3.9%				

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) 3Q07,3Q08 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>09/30/2008</u>
Total shares issued	9,737.5
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	9,670.8

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 (As of 30-June-2008)</u>			<u>Legal Requirement</u>
Cathay Financial Holdings Double leverage ratio	101.32%			n/a
Cathay Life RBC Ratio	200%	-	300%	200%
Cathay Century RBC Ratio	425.53%			200%
Cathay United Bank BIS Ratio	10.02%			8%

Notes:

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