

# 國泰金融控股股份有限公司

2007年第四季法人說明會

Internal Capacity

External Environment

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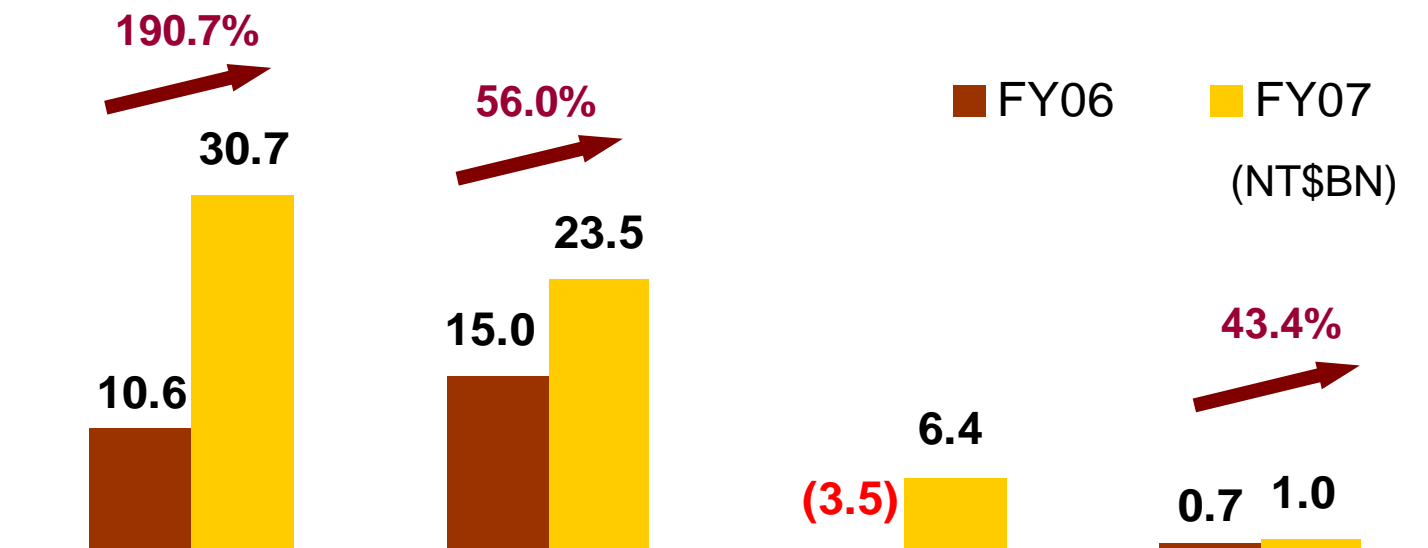
# 議程

2007 國泰金控經營概況

未來展望與策略



# 國泰金控 - 稅後淨利

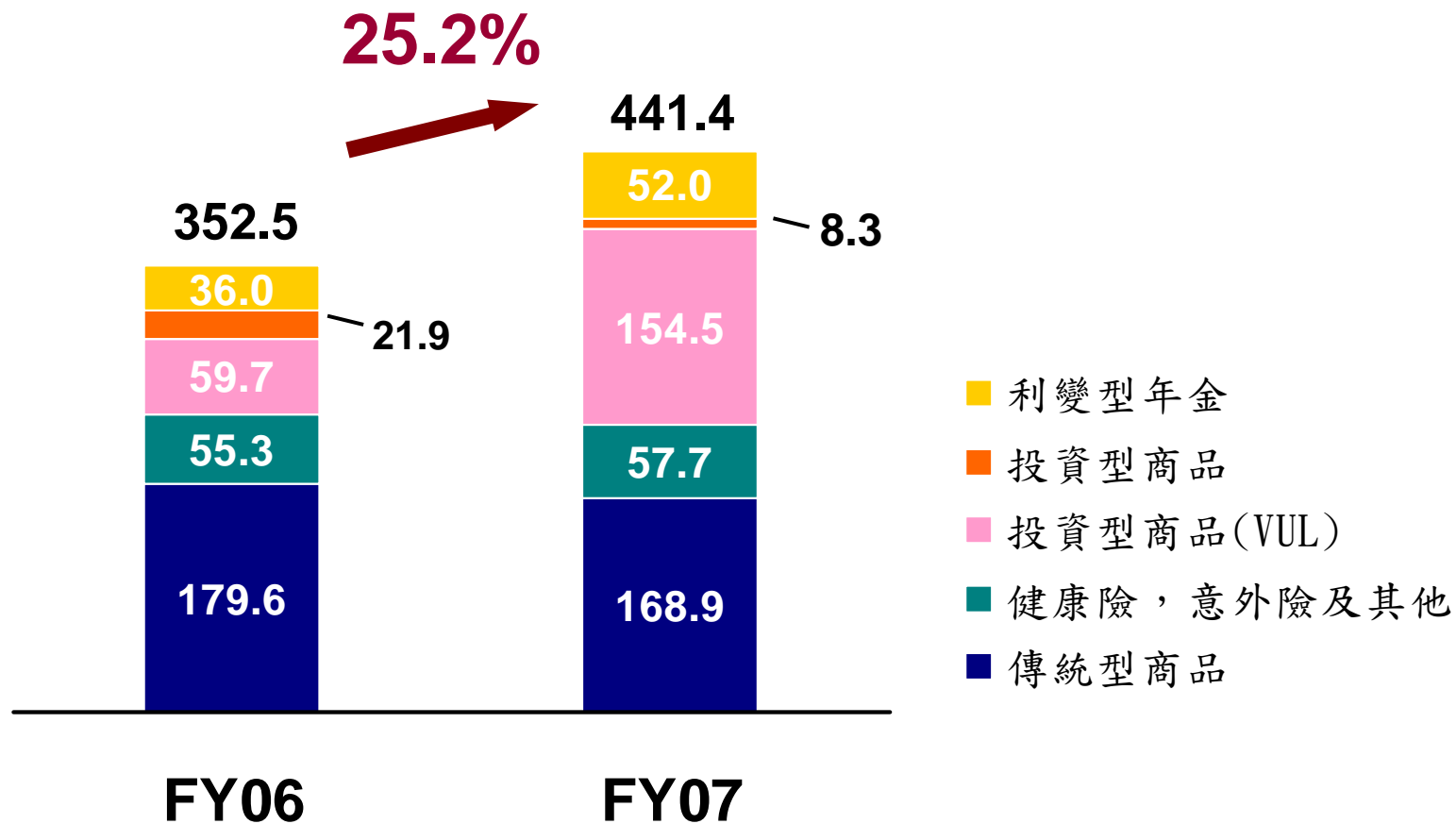


	國泰金控 <sup>(1)</sup>		國泰人壽		國泰世華銀行 <sup>(2)(3)</sup>		國泰世紀產險	
EPS(NT\$)	1.18	3.34	2.97	4.63	(0.72)	1.31	3.15	4.52
ROA	4.9%	13.5%	0.8%	1.0%	(0.3%)	0.5%	5.3%	6.7%
ROE	5.2%	13.9%	13.8%	19.3%	(4.4%)	8.1%	21.6%	28.1%

Note: (1) Financial number of Cathay FHC are calculated based on stand-alone basis  
 (2) CUB's FY06 financial numbers and ratios include contribution from Lucky Bank  
 (3) CUB's FY07 financial numbers and ratios include contribution from Lucky Bank and CUTIC

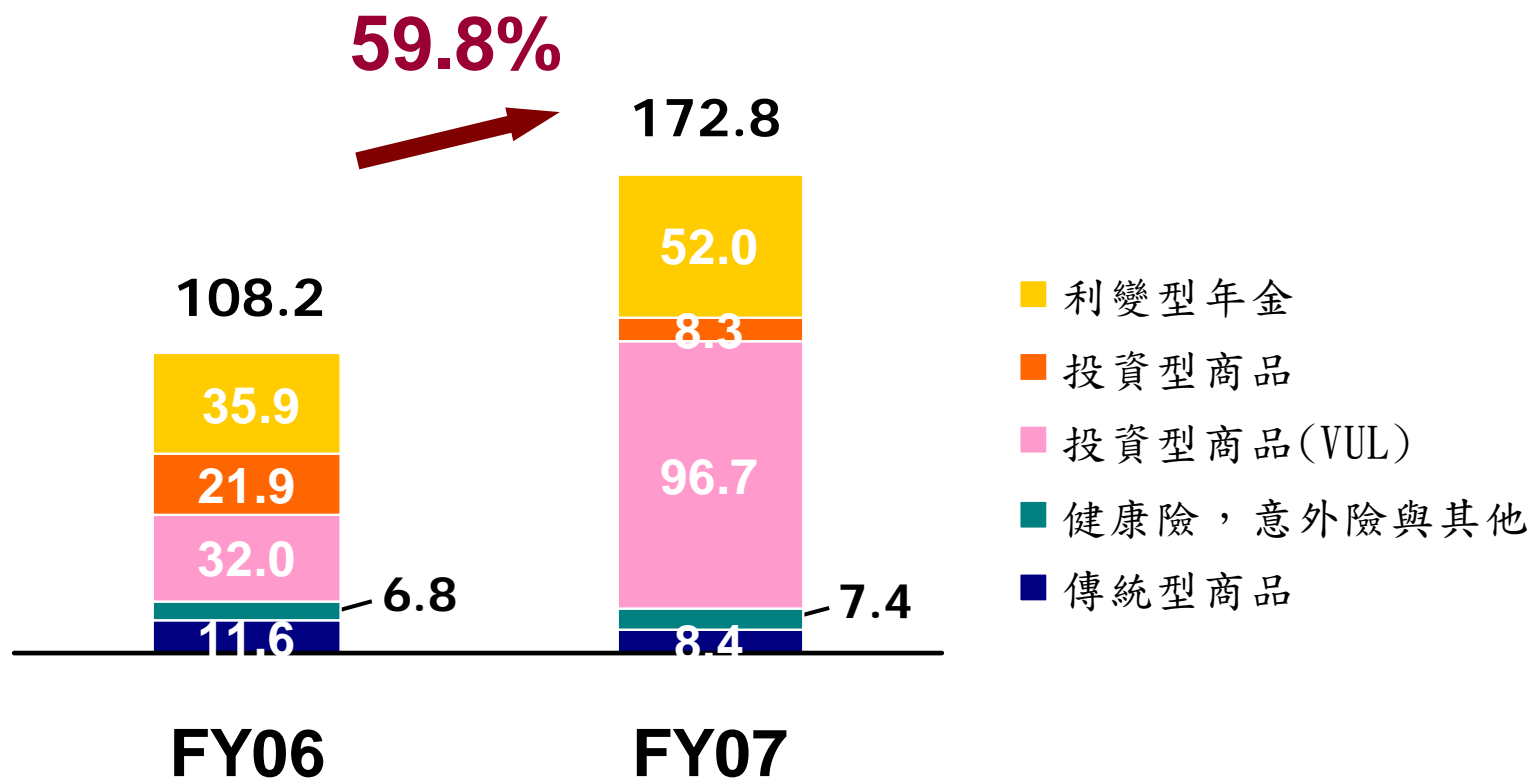
# 國泰人壽 - 總保費收入

(NT\$BN)



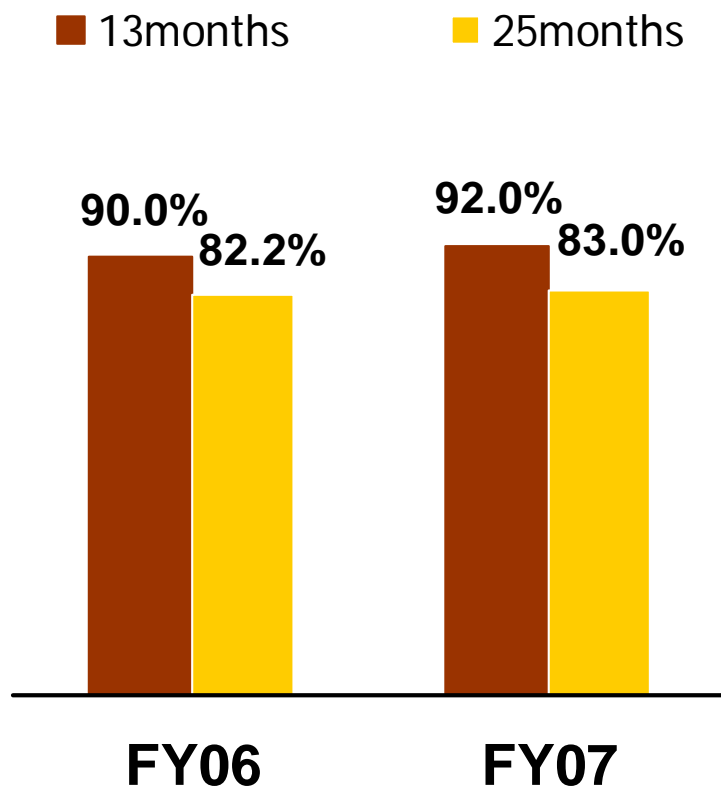
# 國泰人壽－初年度保費

(NT\$BN)

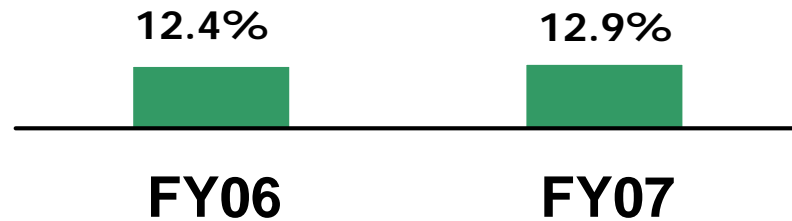


# 國泰人壽－營運指標

## 繼續率



## 費用率



# 國泰人壽－投資組合

	3Q07		4Q07		Weight Change	Amount Change
	Amt. (NT\$BN)	%	Amt. (NT\$BN)	%		
現金、定存、短票及債券型基金	214.9	10.3%	208.4	10.0%	-0.3%	-6.5
國內股票	201.1	9.7%	188.9	9.1%	-0.6%	-12.2
國外股票	59.8	2.9%	49.1	2.3%	-0.6%	-10.7
國內債券	273.1	13.1%	301.1	14.4%	1.3%	28.0
國外債券 <sup>(1)</sup>	642.5	31.0%	648.5	31.1%	0.1%	6.0
不動產抵押貸款	344.4	16.6%	349.3	16.7%	0.1%	4.9
保單貸款	184.3	8.9%	189.3	9.1%	0.2%	5.0
不動產	118.0	5.7%	118.1	5.7%	0.0%	0.1
其他	37.2	1.8%	33.7	1.6%	-0.2%	-3.5
總投資金額 <sup>(2)(3)</sup>	2,075.3	100.0%	2,086.4	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



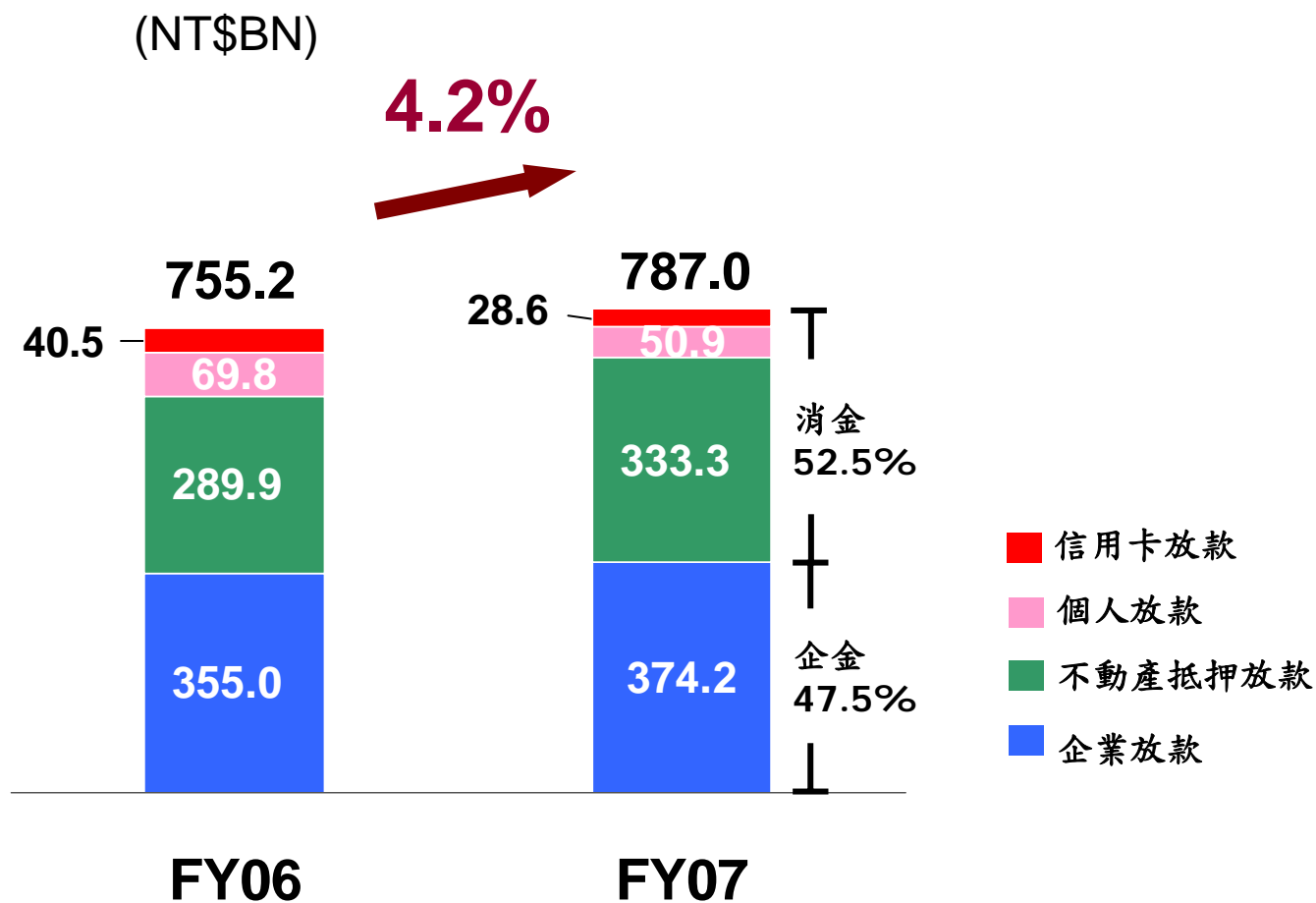
# 國泰世華銀行－營運摘要

(NT\$BN)	FY06 <sup>(1)</sup>	FY07 <sup>(2)</sup>
放款餘額	755.2	787.0
個人無擔保放款餘額	60.1	39.3
存放比	75.8%	74.4%
淨利差	2.17%	1.86%
手續費收入	5.74	6.43
提存毛額	32.1	9.7

Note: (1) Financial numbers and ratios of FY06 include contribution from Lucky Bank

(2) Financial numbers and ratios of FY07 include contribution from Lucky Bank and CUTIC

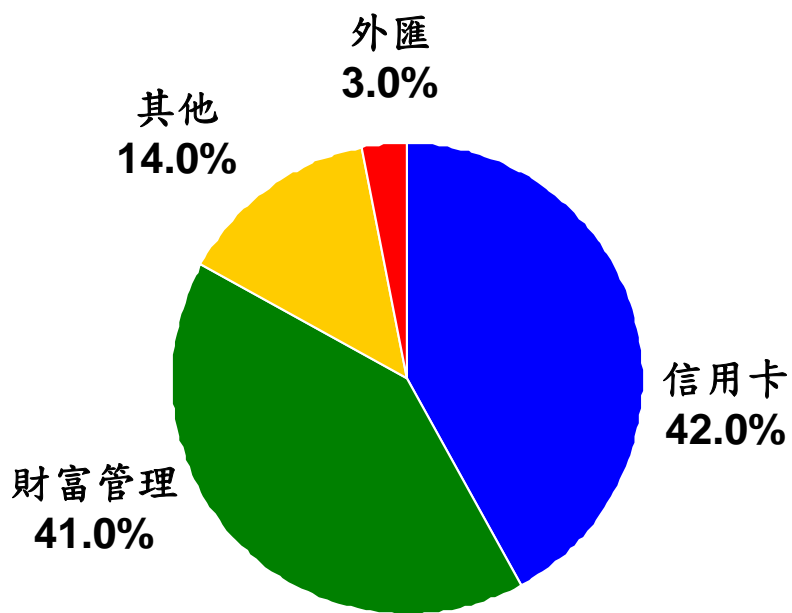
# 國泰世華銀行－放款結構分析



Note: (1) Financial numbers and ratios of FY06 include contribution from Lucky Bank  
 (2) Financial numbers and ratios of FY07 include contribution from Lucky Bank and CUTIC

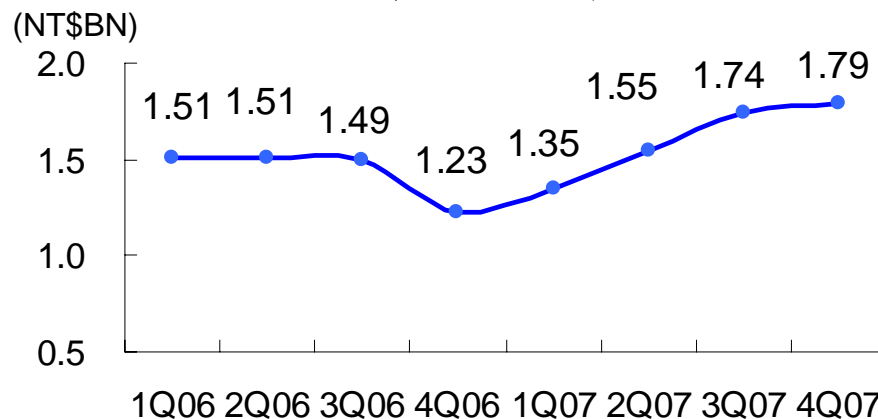
# 國泰世華銀行－手續費收入

## 手續費收入來源

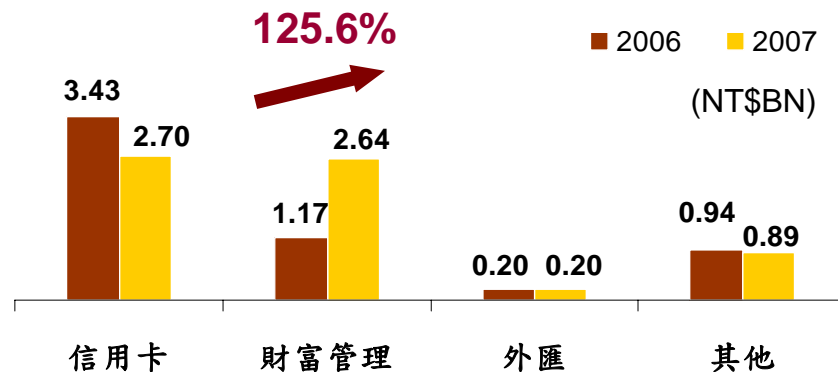


**FY07手續費收入  
NT\$ 6.43 BN**

## 每季成長趨勢



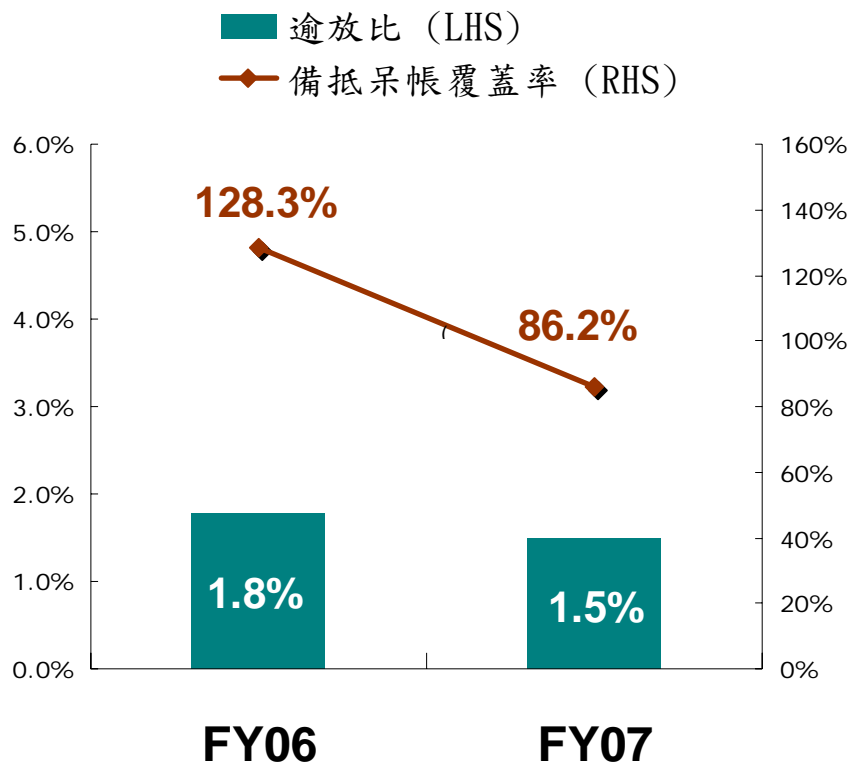
## 相關產品成長率



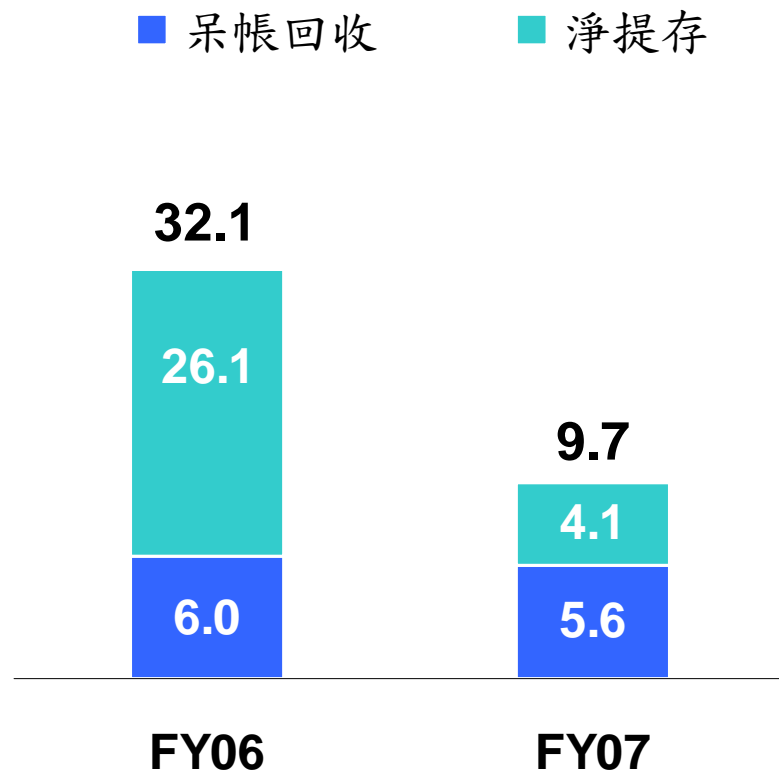
Note: (1) Financial numbers and ratios of FY06 include contribution from Lucky Bank  
 (2) Financial numbers and ratios of FY07 include contribution from Lucky Bank and CUTIC

# 國泰世華銀行－放款品質

## 逾放比 & 備抵呆帳覆蓋率



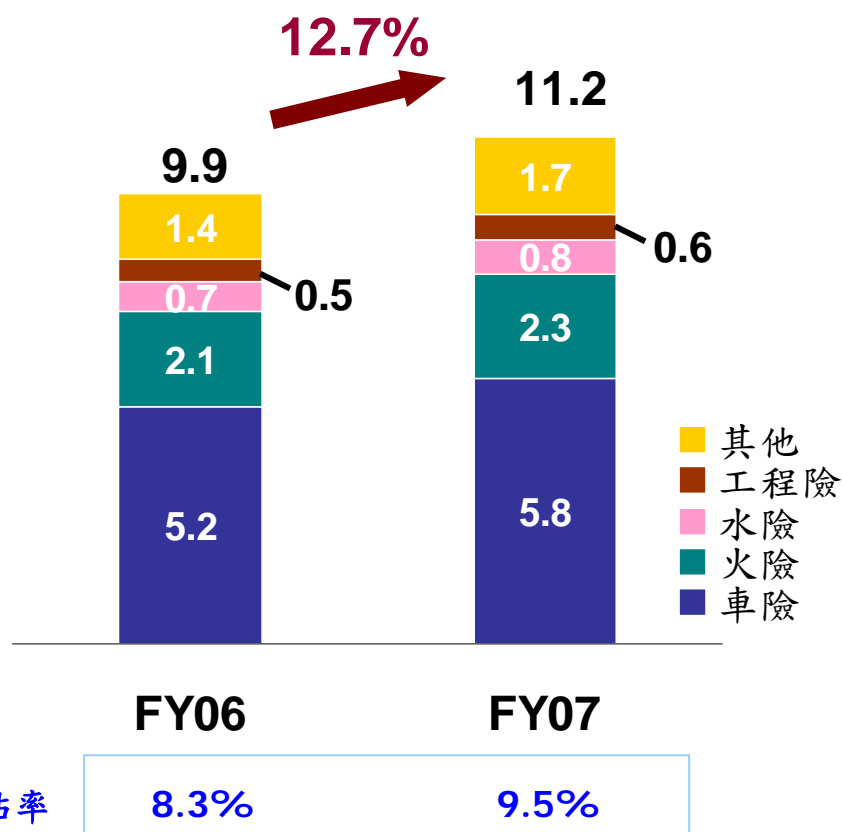
## 提存&呆帳回收(NT\$BN)



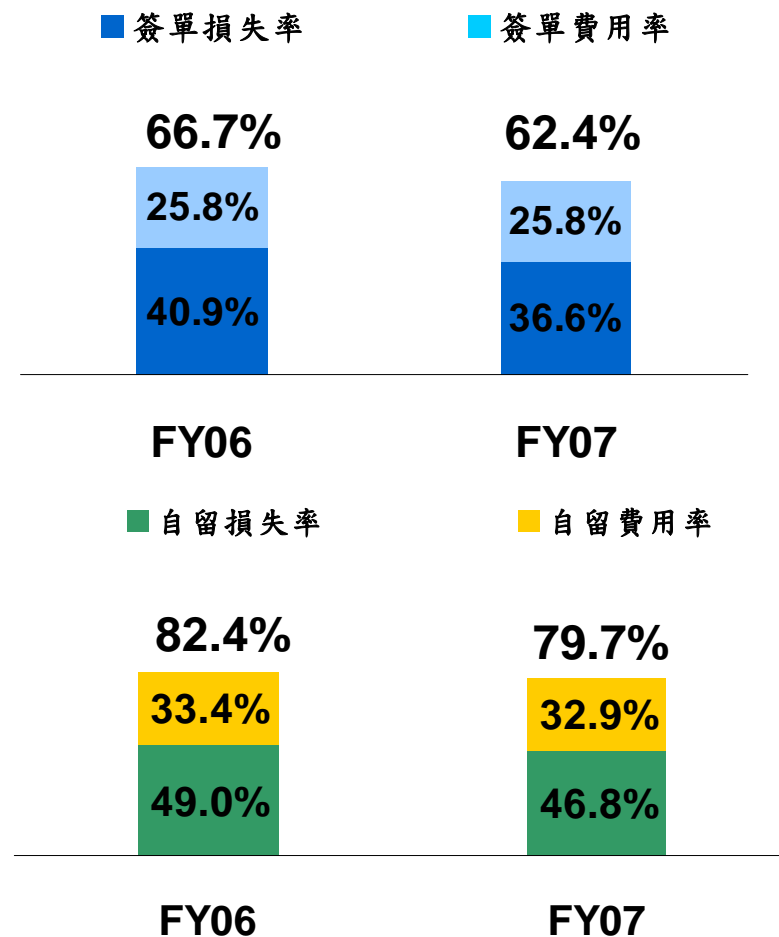
Note: (1) Financial numbers and ratios of FY06 include contribution from Lucky Bank  
 (2) Financial numbers and ratios of FY07 include contribution from Lucky Bank and CUTIC

# 國泰世紀產險

## 產品保費收入(NT\$BN)



## 綜合率



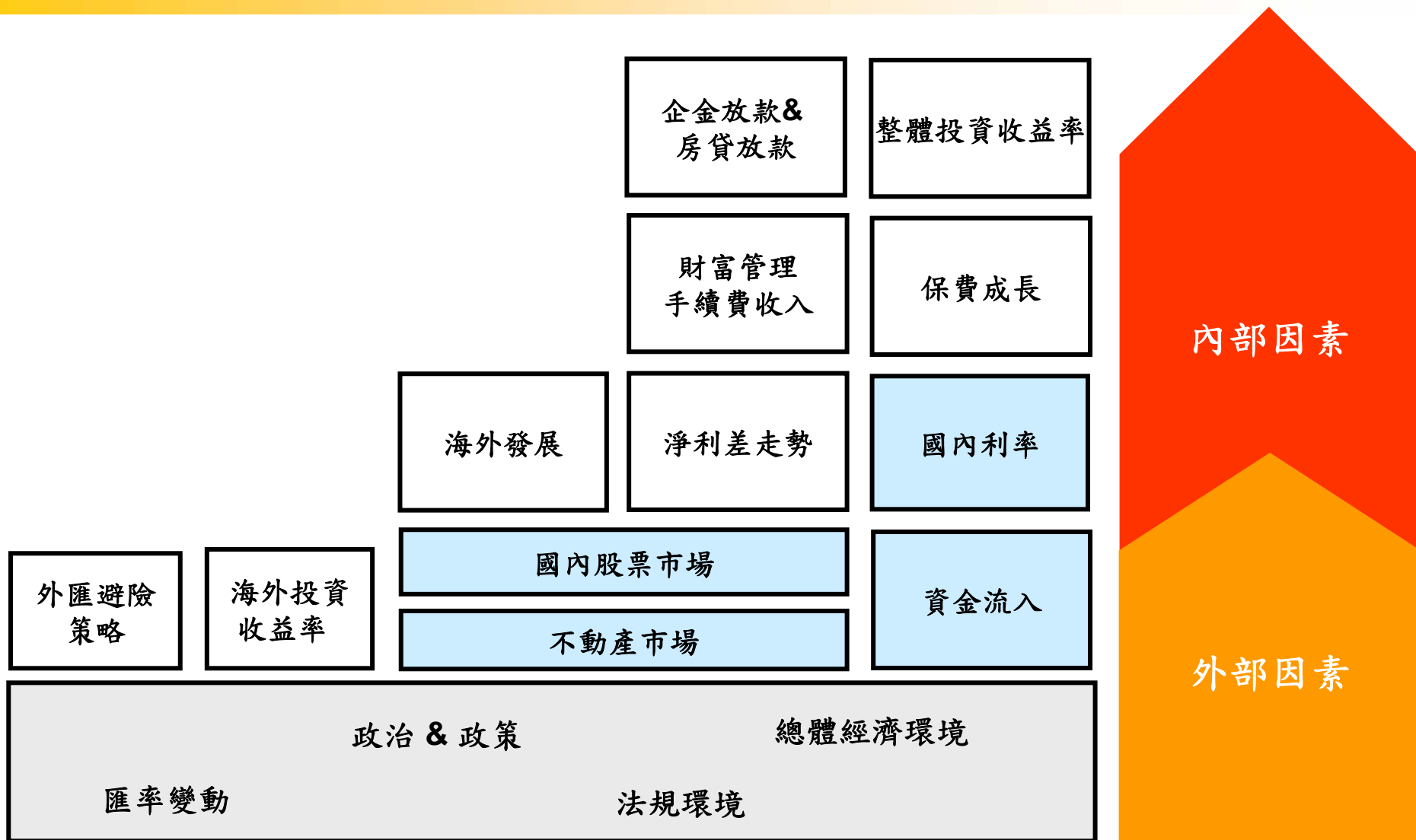
# 議程

2007 國泰金控經營概況

未來展望與策略

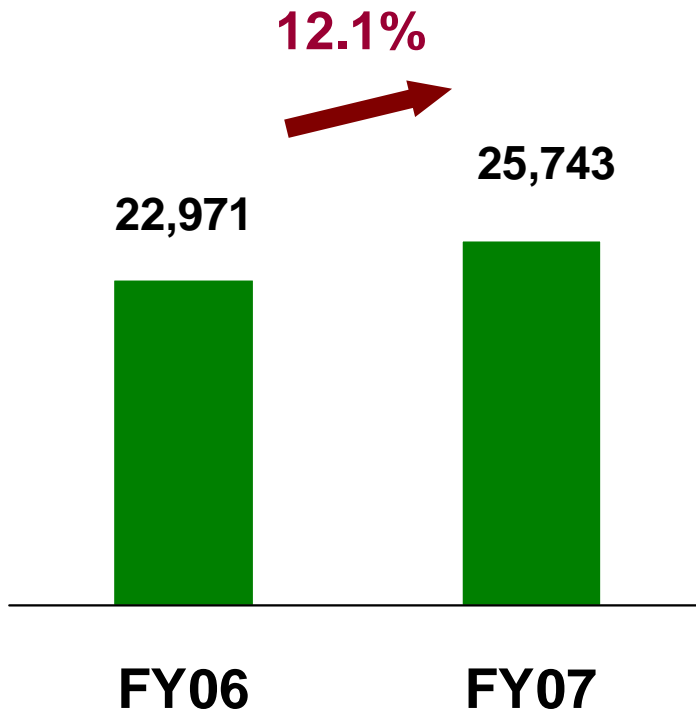


# 外部因素可望改善台灣整體經濟與金融產業

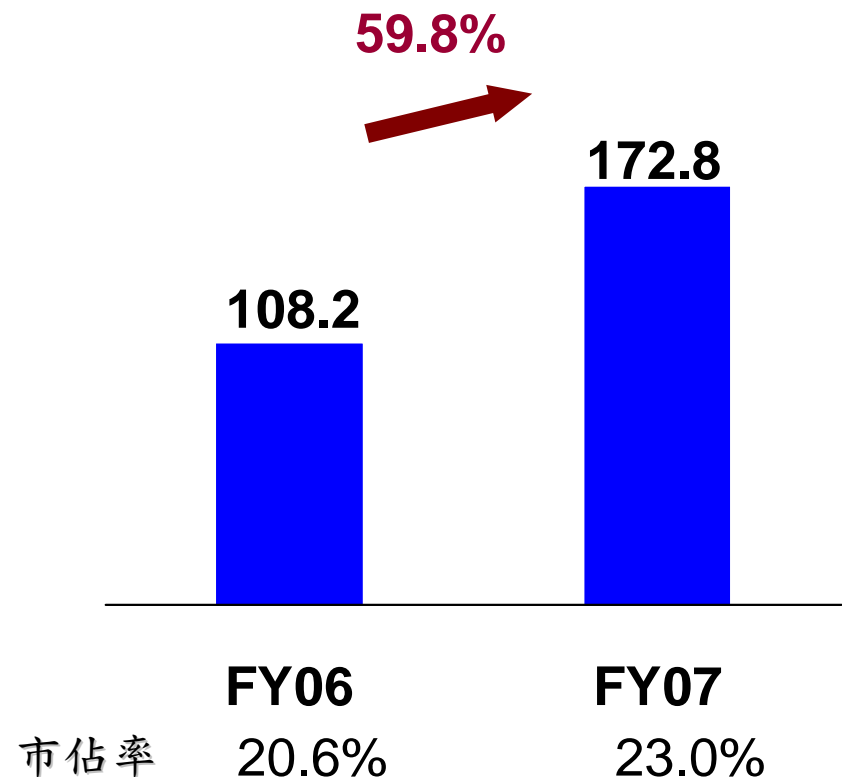


# 內部因素- 擴增保險業務員人數並提高市佔率

擴增保險業務員人數  
(# of agents of Cathay Life)



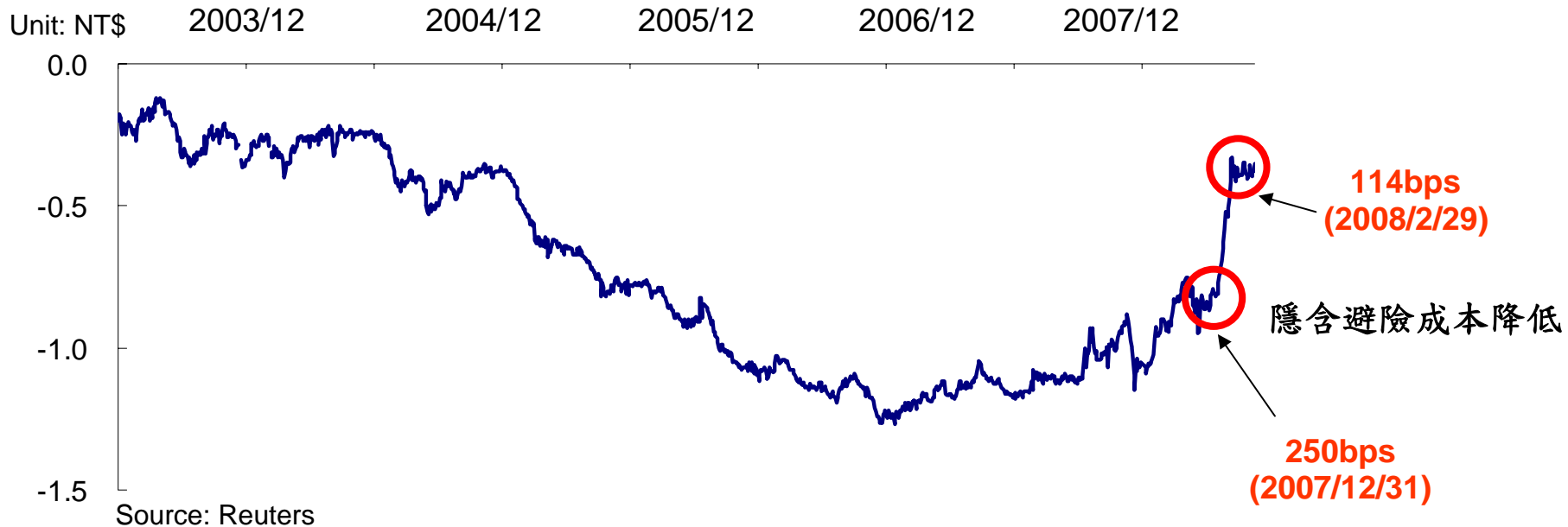
初年度保費收入強勁成長  
(NT\$BN)





# 內部因素- 傳統避險成本降低

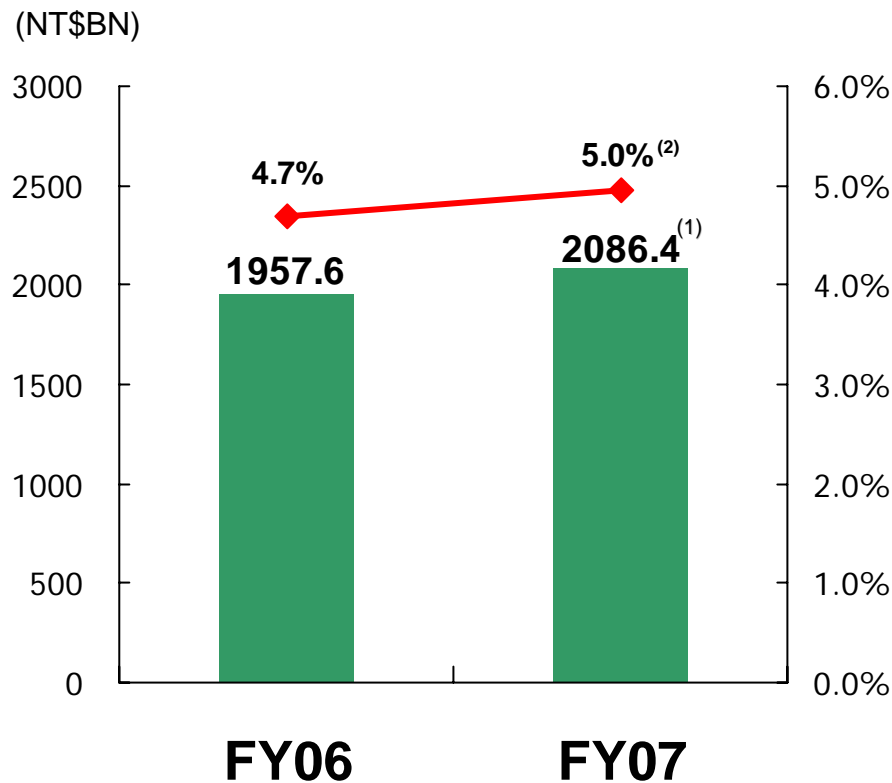
## TWD/USD Swap points (1Y)



	2003	2004	2005	2006	2007
年底隱含避險成本 (bps)	72	199	328	345	250
整年度實際避險成本 (bps)	0	138	156	190	177

# 內部因素- 投資收益率有機會維持一定水準

## 投資收益率



- 謹慎的貨幣政策有利於支撐國內投資收益率
- 避險後的投資收益率仍有機會獲得維持:美國殖利率曲線變陡峭與台美利差縮小,有機會藉由投資長年期資產來提升收益率
- 資金流入台灣有利於不動產與資本市場潛在上漲空間

Note(1): Total investment excludes separate account assets and only includes funds available to invest  
Note(2): Investment yield exclude unrealized gain of AFS and HTM

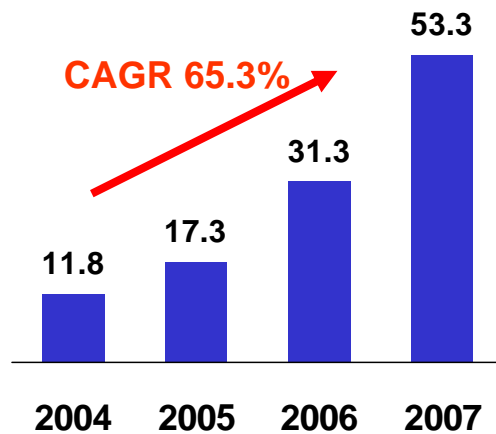
# 內部因素- 銀行未來發展機會

## 業務拓展機會

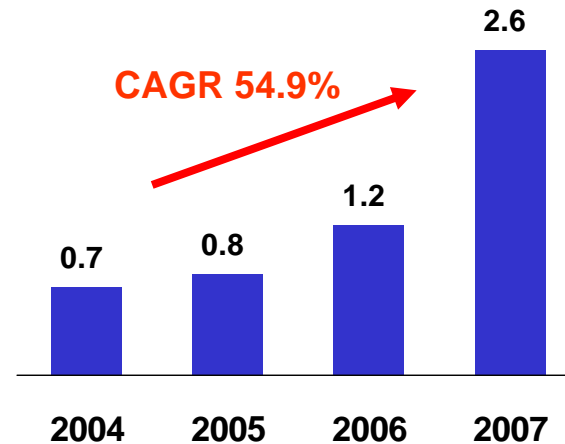
1. 企業於中國大陸之營業成本增加與稅負優惠降低  
(如 勞工成本、土地價格與人民幣升值)  
(如 公司營所稅、出口稅負補貼與設備進口稅負減免)
2. 選後與中國大陸之直接投資與融資活動相關政策可望放寬
3. 國內不動產市場有機會對陸資開放;若政策環境改變,三通有機會逐步落實

# 內部因素- 加強跨售活動以提高手續費收入貢獻

**CUB 銀行保險初年度保費收入貢獻 (NT\$BN)**



**CUB 財富管理手續費收入 (NT\$BN)**



## 增進跨售績效

強化分行網絡



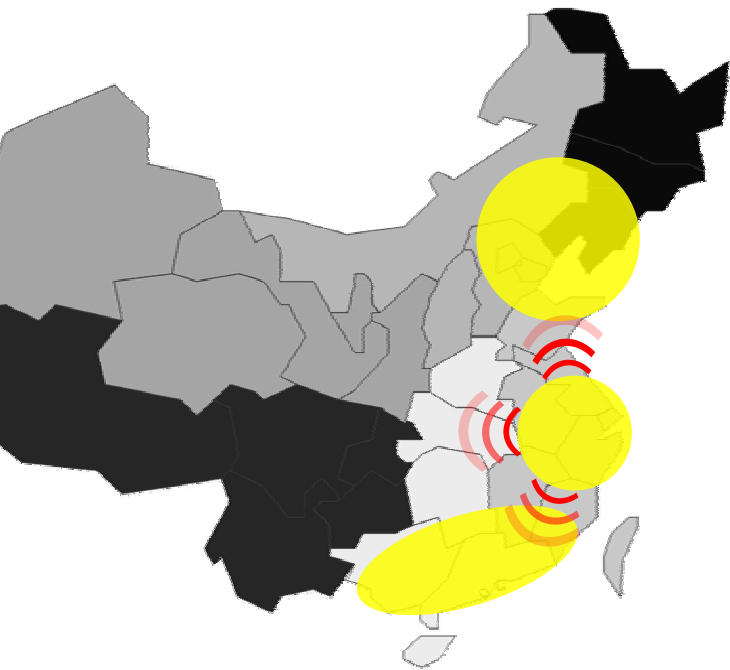
大陸潛在投資機會



持續建置  
專業理專團隊

Note: FY 06 and FY07 WM fee income include contribution from Lucky Bank  
Components of wealth management fees have been reclassified, fee income numbers were adjusted accordingly

# 內部因素- 積極拓展中國大陸市場



**FY07 FYP: RMB 511.2mn**  
**業務員人數: 888**

執照	據點數	市場潛力	策略
北京	1	<b>GDP: RMB 8.5 tn</b> <b>(37.2% of China GDP)</b>	<b>國泰人壽:</b> <ul style="list-style-type: none"> <li>• 強化業務員人數與素質</li> <li>• 持續擴展據點</li> </ul> <b>國泰世紀產險:</b> <ul style="list-style-type: none"> <li>• 預計2008年中開業</li> <li>• 妥善運用獨資執照</li> </ul> <b>國泰世華銀行:</b> <p>於政府允許下，參與中國大陸市場並運用國泰人壽在大陸既有之銷售通路與資源</p>
山東	1		
江蘇	6		
上海	3		
浙江	4		
福建	2		
小計	17		

Note: (1) Shandong office will be opened in 2008.  
 (2) GDP calculation is based on statistics of 2006 China Insurance Yearbook

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

	<b>FY2006</b>	<b>FY2007</b>	<b>FY07/ FY06 % Chg</b>	<b>4Q 2006</b>	<b>4Q 2007</b>	<b>4Q07/ 4Q06/ % Chg</b>
<b><u>Statement of Income Data</u></b>						
Interest income	1.1	1.1	2.5%	0.3	0.3	-7.6%
Income from subsidiaries					0.0	
Cathay Life	15.0	23.0	53.6%	4.1	(1.8)	-143.8%
Cathay United Bank <sup>(1)</sup>	(3.5)	6.4	-	(6.7)	(0.7)	-
Cathay Century	0.7	1.0	48.6%	0.1	0.1	0.0%
Other	0.3	0.3	0.0%	0.1	0.1	-17.2%
Total income from subsidiaries	12.5	30.7	145.4%	(2.3)	(2.3)	0.9%
Adjustments	0.0	(0.0)	-200.4%	0.0	0.0	-
Total income from subsidiaries, net	12.5	30.7	145.2%	(2.3)	(2.3)	0.6%
Gain on foreign exchange <sup>(2)</sup>	(0.0)	(0.1)	313.8%	(0.1)	(0.1)	-39.5%
Other income	0.2	0.6	275.0%	0.3	0.3	10.1%
Operating costs	(1.7)	(1.0)	-40.8%	(0.4)	(0.2)	-48.8%
Administrative and general expenses	(0.2)	(0.2)	-3.9%	(0.1)	(0.0)	-26.2%
Income taxes	(0.4)	(0.4)	-14.1%	(0.2)	(0.2)	-28.2%
Cumulative effect of changes in accounting principles	(0.9)	0.0	-100.0%	0.0	0.0	-
Net income	10.6	30.7	190.7%	(2.5)	(2.2)	-10.5%
EPS (NT\$)	1.18	3.34		(0.3)	(0.3)	
<b><u>Balance Sheet Data</u></b>						
Long-term investments in stock	205.5	214.1		7.4	(14.8)	
Total assets	223.8	230.2		7.4	(14.1)	
Total consolidated assets	3,447.5	3,684.3		132.1	2.1	
Total shareholders' equity	216.1	226.6		13.4	(14.6)	
<b><u>Operating Metrics</u></b>						
ROAE(standalone)	5.2%	13.9%				
ROAA (standalone)	4.9%	13.5%				
ROAA(consolidated)	0.3%	0.9%				

**Notes:**

(1) 2006 and 2007 financial numbers include contribution from Lucky Bank. 2007 financial numbers include contribution from CUTIC.

(2) Gain on foreign exchange is separated from non-operating revenues in 2006 and 2007.

(3) 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.



## Cathay Life

### Summary Financial Data (NT\$BN)

	<u>FY2006</u>	<u>FY2007</u>	<u>FY07/ FY06 % Chg</u>	<u>4Q 2006</u>	<u>4Q 2007</u>	<u>4Q07/ 4Q06 % Chg</u>
<b><u>Summary Statement of Income Data</u></b>						
Premiums income <sup>(1)</sup>	287.6	303.0	5.3%	90.6	87.6	-3.4%
Investment income						
Interest income	62.6	69.5	11.0%	16.4	18.1	10.0%
Gain on disposal of investment	7.7	28.6	273.4%	(0.1)	6.0	-
Other investment income, net	12.2	(0.4)	-103.1%	7.2	(10.9)	-251.1%
Total investment income, net <sup>(2)</sup>	82.5	97.7	18.4%	23.6	13.3	-43.7%
Other income	1.6	2.3	44.6%	0.6	0.6	3.2%
Insurance claims payment	(157.6)	(202.8)	28.7%	(48.7)	(64.7)	32.8%
Provisions for reserves						
Provisions	(298.4)	(312.0)	4.6%	(100.8)	(96.3)	-4.5%
Recoveries	133.1	178.9	34.4%	47.6	67.2	41.1%
Total provisions for reserves, net	(165.3)	(133.1)	-19.5%	(53.1)	(29.1)	-45.1%
Commissions and operating expense						
Brokerage expenses	(27.2)	(30.0)	10.2%	(6.7)	(7.0)	3.8%
Marketing, administrative and general expenses	(10.4)	(11.2)	8.1%	(2.8)	(3.5)	26.5%
Total commissions and operating expenses	(37.6)	(41.2)	9.6%	(9.5)	(10.5)	10.4%
Other operating expenses	(2.7)	(2.6)	-0.3%	(0.8)	(0.8)	7.5%
Operating income	8.5	23.2	173.0%	2.7	(3.6)	-232.7%
Non-operating income	1.7	1.5	-12.9%	0.5	0.4	-26.5%
Non-operating expense	(0.3)	(0.3)	20.9%	(0.2)	(0.1)	-52.1%
Income taxes	1.8	(0.9)	-148.5%	1.1	1.5	35.7%
Cumulative effect of changes in accounting principles	3.3	0.0	-100.0%	0.0	0.0	-
Net income	15.0	23.5	56.0%	4.1	(1.8)	-143.5%

### **Balance Sheet Data**

Total assets	2,140.8	2,354.9
Total stockholders' equity	119.8	123.4

### **Operating Metrics**

First year premium	108.2	172.8
Expense ratio	12.4%	12.9%
13-mos persistency ratio	90.0%	92.0%
25-mos persistency ratio	82.2%	83.0%
ROAE	13.8%	19.3%
ROAA	0.8%	1.0%

#### 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	4Q 2006	4Q 2007	4Q07/ 4Q06
	FY2006	FY2007	% Chg			% Chg
<b>Summary Statement of Income Data</b>						
Interest income	42.6	40.3	-5.4%	10.0	10.32	3.2%
Interest expense	(18.1)	(19.1)	5.9%	(5.1)	(4.96)	-3.2%
Net interest income	24.5	21.2	-13.7%	4.9	5.36	10.0%
Net operating income except interest income						
Net handling fee	4.6	5.1	12.5%	1.0	1.49	52.8%
Gains on financial assets and liabilities at fair value through P&L	(0.4)	(0.5)	17.1%	0.3	(0.67)	-331.1%
Realized gains on available-for-sale financial assets	0.5	1.7	241.2%	0.1	0.18	38.2%
Realized gains on held-to-maturity financial assets	0.0	(0.0)	-119.7%	(0.0)	0.00	-100.0%
Invst inc - equity method	0.1	0.2	155.1%	0.1	0.02	-73.0%
Realized gain - equity method	1.3	0.0	-100.0%	0.0	0.00	-
Gain on foreign exchg - net	0.4	0.7	61.7%	0.1	0.11	-19.7%
Impairment gain/loss	(0.3)	(0.1)	-55.5%	(0.0)	(0.10)	98.2%
Gains on reversal of foreclosed properties impairment	0.4	(0.0)	-102.4%	0.0	0.01	-35.6%
Gains/losses on disposal of foreclosed properties	0.5	0.0	-98.9%	0.0	0.01	-
Investments in debt securities with no active market, net	0.0	(2.6)	-	0.0	(2.56)	-
other income, net	0.2	0.5	96.8%	(0.1)	0.14	-252.7%
Net operating income	31.9	26.2	-17.8%	6.4	3.99	-37.3%
Provisions for possible losses <sup>(2)</sup>	(26.1)	(4.1)	-84.3%	(12.5)	(1.1)	-91.3%
Operating expenses	(12.3)	(14.0)	13.9%	(2.5)	(3.7)	44.8%
Income from continuing operations before income taxes	(6.5)	8.1	-225.5%	(8.7)	(0.8)	-90.9%
Income tax benefit (expense)	2.3	(1.7)	-176.2%	2.0	0.1	-93.2%
Cumulative effect of changes in accounting principles	0.7	0.0	-100.0%	0.0	0.0	-
Net income	(3.5)	6.4	-283.5%	(6.7)	(0.7)	-90.2%
<b>Balance Sheet Data</b>						
Total assets	1,266.7	1,288.2		44.4	(2.6)	
Total shareholders' equity	76.1	81.4		(6.2)	(0.9)	
<b>Operating Metrics</b>						
Cost income ratio	38.6%	53.4%				
ROAE	-4.4%	8.1%				
ROAA	-0.3%	0.5%				
<b>Assets Quality</b>						
NPL ratio (international standard)	1.8%	1.5%				
Coverage ratio (international standard)	128.3%	86.2%				

**Notes:**

(1) Financial results of Lucky Bank are adjusted in FY06 and FY07 numbers.

Financial results of CUTIC are only adjusted in FY07 numbers.

(2) FY06, FY07 provisions net of NT\$6.0bn, and NT\$5.6bn bad debt recoveries, respectively.

(3) 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)

			FY07/ FY06			4Q07/ 4Q06
	FY 2006	FY2007	% Chg	4Q 2006	4Q 2007	% Chg
<b>Summary Statement of Income Data</b>						
Premiums income	9,896.5	11,153.7	12.7%	2,776.3	3,160.8	13.8%
Reinsurance premiums ceded	(3,098.5)	(3,460.6)	11.7%	(963.1)	(1,010.3)	4.9%
Premiums income, net	6,798.0	7,693.1	13.2%	1,813.2	2,150.5	18.6%
Investment						
Interest income	318.5	374.5	17.6%	82.4	98.8	19.9%
Other investment income, net	58.6	227.5	288.2%	42.7	(116.6)	-372.9%
Total investment income	377.1	602.0	59.7%	125.1	(17.7)	-114.2%
Other operating income	223.7	288.4	28.9%	51.4	80.8	57.2%
Insurance claims payment, net	(3,005.8)	(3,371.2)	12.2%	(771.4)	(964.1)	25.0%
Provisions for reserves						
Provisions	(5,830.8)	(6,542.9)	12.2%	(398.5)	(528.7)	32.7%
Recoveries	4,677.8	5,306.5	13.4%	(4.2)	85.5	-
Total provisions for reserves, net	(1,153.0)	(1,236.4)	7.2%	(402.8)	(443.1)	10.0%
Commissions, operating and other expenses	(2,395.4)	(2,681.9)	12.0%	(675.2)	(758.7)	12.4%
Operating income	844.7	1,294.0	53.2%	140.4	47.6	-66.1%
Non-operating income	3.7	17.3	375.1%	2.1	15.0	627.7%
Non-operating expense	(0.1)	(0.1)	16.9%	0.0	(0.0)	-147.5%
Income taxes	(178.6)	(264.9)	48.3%	(21.6)	(10.5)	-51.1%
Cumulative effect of changes in accounting principles	60.1	0.0	-100.0%	0.0	0.0	-
Net income	729.8	1,046.3	43.4%	120.9	52.1	-56.9%
<b>Summary Balance Sheet Data</b>						
Total assets	14,675.9	16,619.4	13.2%			
Total stockholders' equity	3,571.6	3,869.9	8.4%			
<b>Operating Metrics</b>						
Written Combined ratio	66.7%	62.4%				
Net Combined ratio	82.4%	79.7%				
ROAE	21.6%	28.1%				
ROAA	5.3%	6.7%				

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) FY06, FY07 Gain/ Loss on foreign exchange are reclassified under Commissions, operating and other expenses.



**Shares Outstanding**  
(Millions of shares)

	<u>As of</u> <u>12/31/2007</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	9,210.4

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## Capital Adequacy Metrics

	<u>Capital Adequacy Metrics (As of 31-Dec.-2007)</u>			<u>Legal Requirement</u>
Cathay Financial Holdings Double leverage ratio <sup>(1)</sup>	94.51%			n/a
Cathay Life RBC Ratio <sup>(1)</sup>	300%	-	350%	200%
Cathay Century RBC Ratio <sup>(1)</sup>	504.75%			200%
Cathay United Bank BIS Ratio	11.15%			8%

Notes:

(1) Preliminary

(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.