
2013 Third Quarter Briefing



國泰金控

Cathay Financial Holdings

October 2013

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Agenda

- **9M13 Business highlights**

- **9M13 Financial results**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century

- **Overseas expansion**

- **Appendix**
 - 1) Recovery plan for special reserve of unrealized gains on property
 - 2) Property reappraisal gains on property
 - 3) Embedded value & appraisal

9M13 Business highlights

Cathay United Bank

- Loan maintained flat with benign credit quality
- Fee income grew by 24.1% YoY
- Offshore earnings kept growing and its contribution to pre-tax profits increased to 42%

Cathay Life

- Regular-paid products accounted for 91.7% of traditional policies; ranked No.1 by FYPE
- Cash position 4.9%; overseas investment 44.3%; hedging cost 0.27%

Cathay Century

- Market share increased to 13%, premium income grew by 9.1% YoY; maintained No.2 market position
- Expanded business development in China and Vietnam, premium income up by 87% and 70% YoY, respectively

Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$390BN
- Continued to launch new products and broaden the business of individual & institutional clients

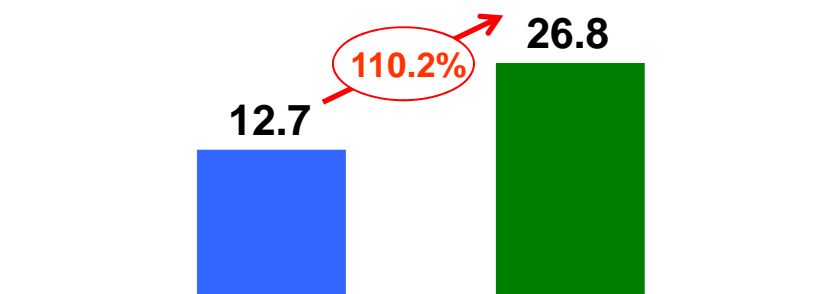
Cathay Securities

- Each business line performed steadily
- Underwriting volume increased significantly YoY

Cathay FHC — Net income & EPS

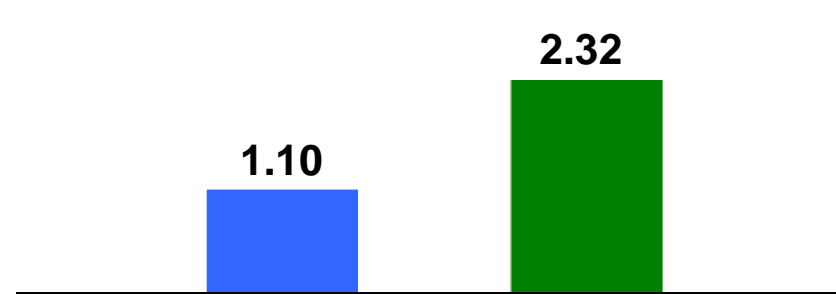
Net income

■ 9M12 ■ 9M13 (NT\$BN)

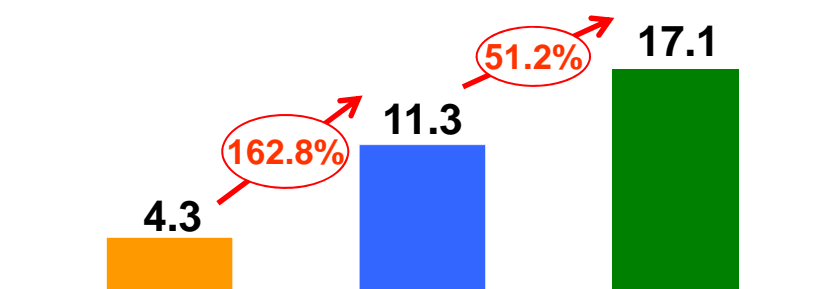


EPS

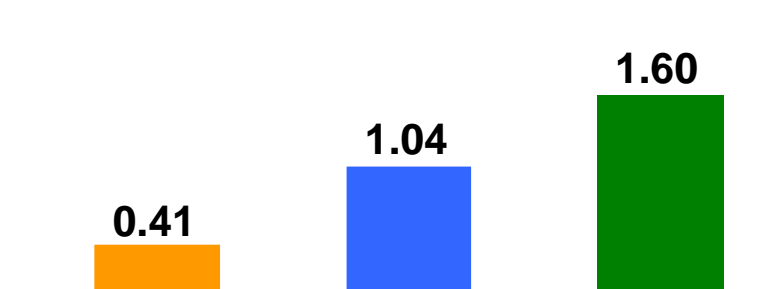
■ 9M12 ■ 9M13 (NT\$)



■ FY10 ■ FY11 ■ FY12 (NT\$BN)



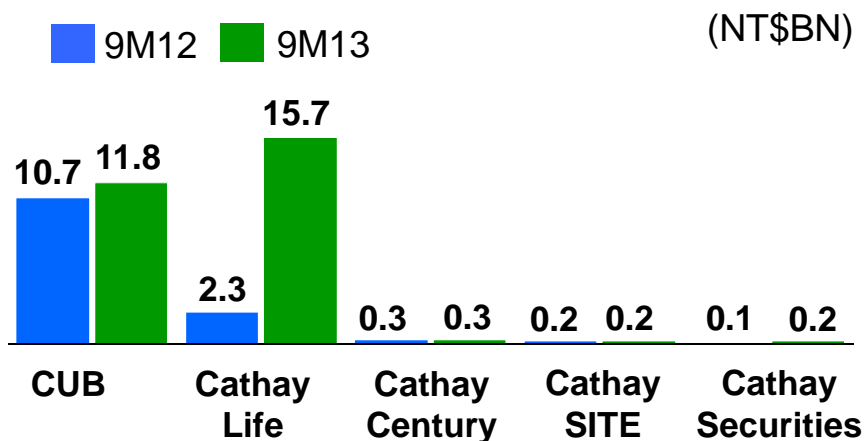
■ FY10 ■ FY11 ■ FY12 (NT\$)



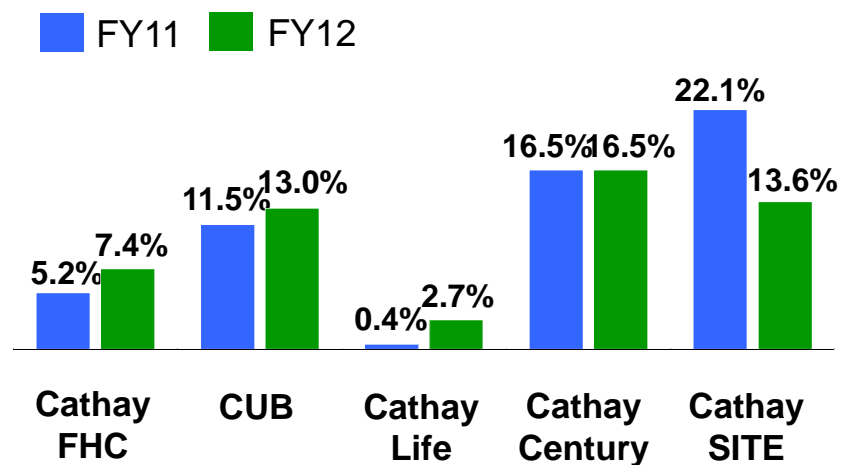
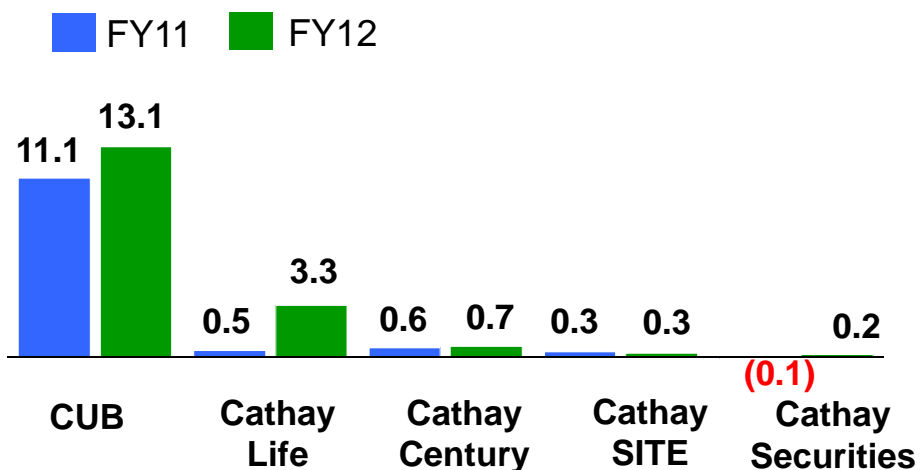
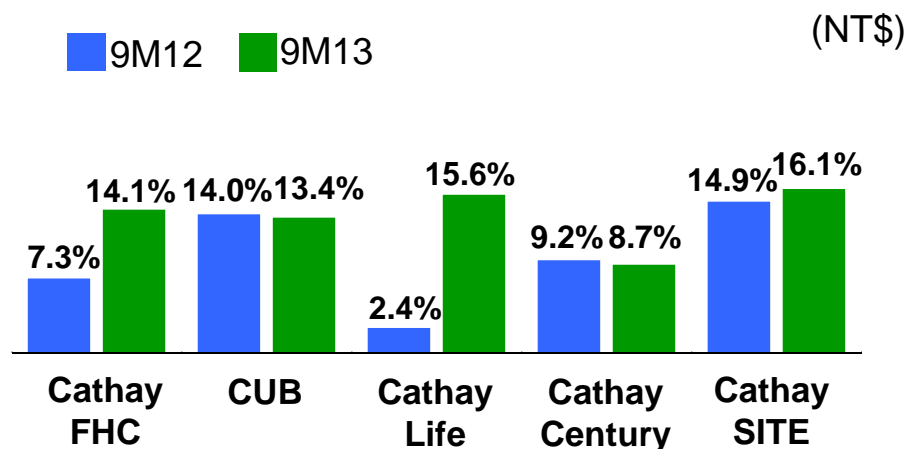
Note: (1) Data of 9M12 & 9M13 was based on IFRS principle; net income calculation included minority interest; EPS excluded minority interest
 (2) Cathay FHC 9M13 EPS included the impact of - NT\$ 0.31 from provision for FX fluctuation reserve and + NT\$ 0.65 from recovery of special reserve on property unrealized gains.

Cathay FHC — Net income & EPS

Net income of primary subsidiaries

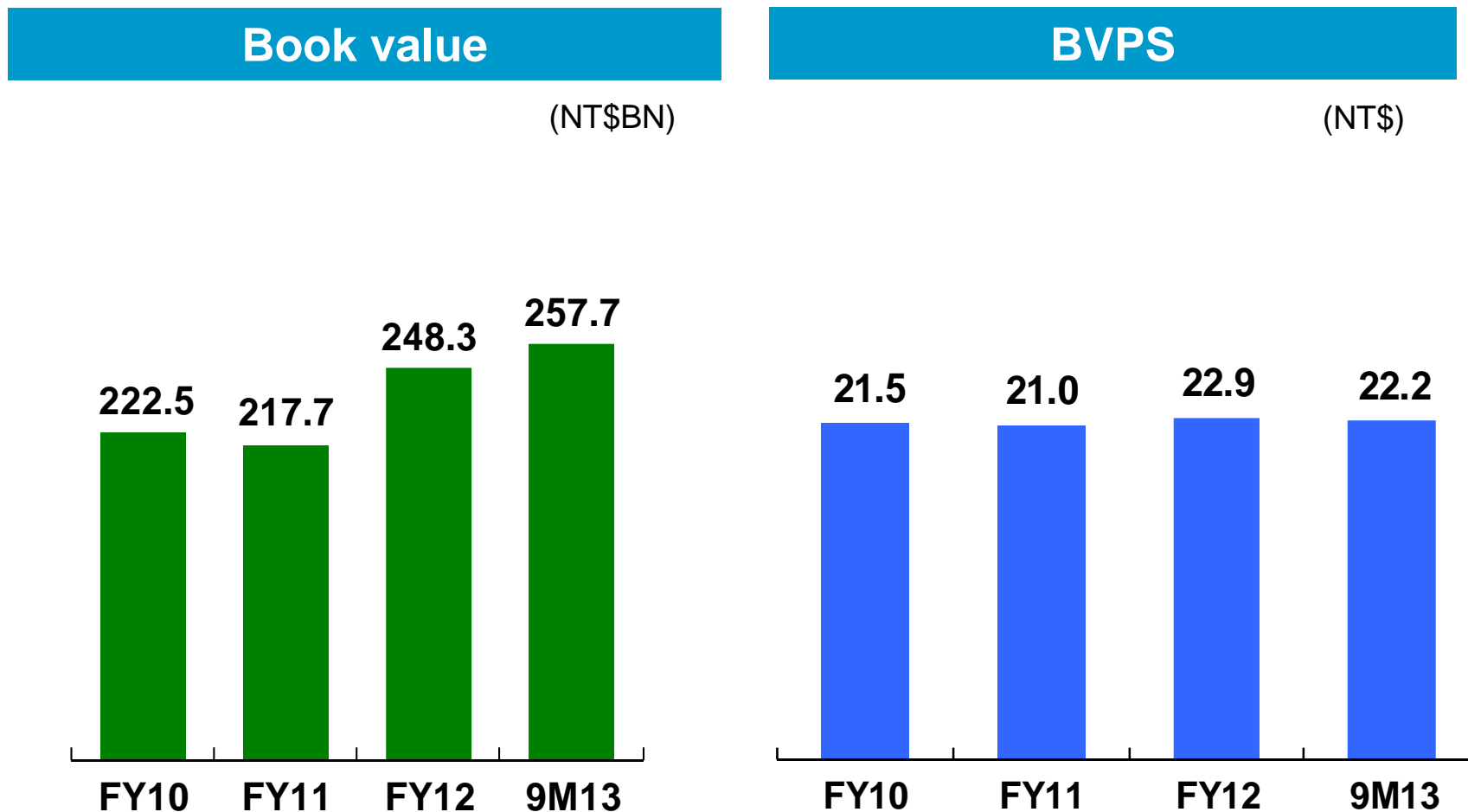


ROE



Note: Cathay Life 9M13 net income included the impact from provision for FX fluctuation reserve and recovery of special reserve on property unrealized gains.

Cathay FHC — Book value & BVPS



Note: Figures of FY12 & 9M13 were under IFRS principle: book value included minority interest, while BVPS excluded minority interest

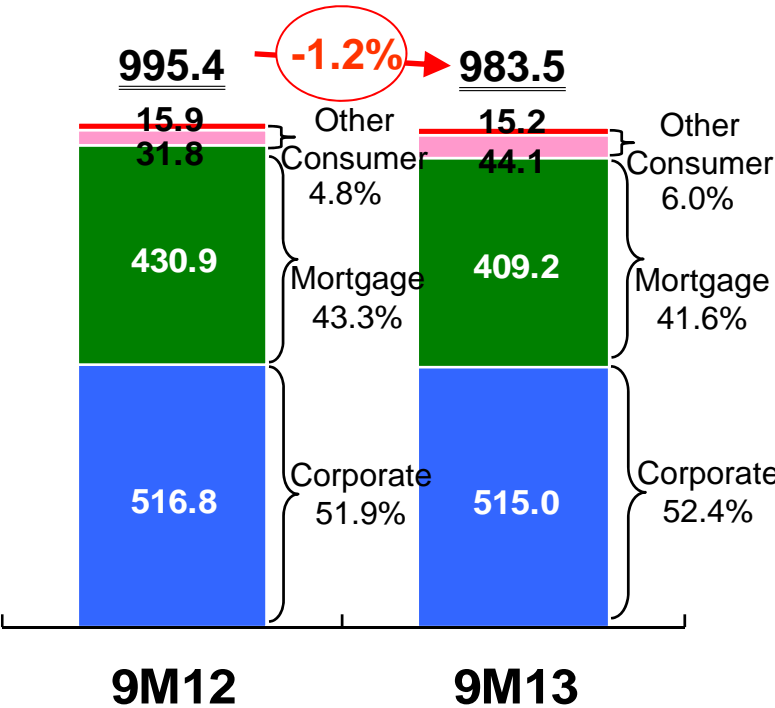
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Cathay United Bank — Loan & Deposit breakdown

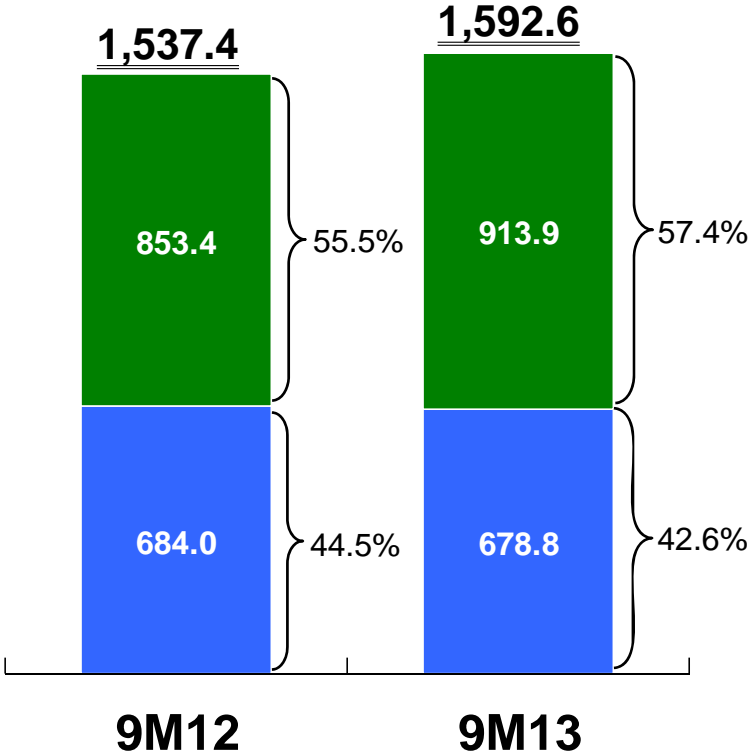
Loan breakdown

- Credit Card related (NT\$BN)
- Consumer
- Mortgage
- Corporate



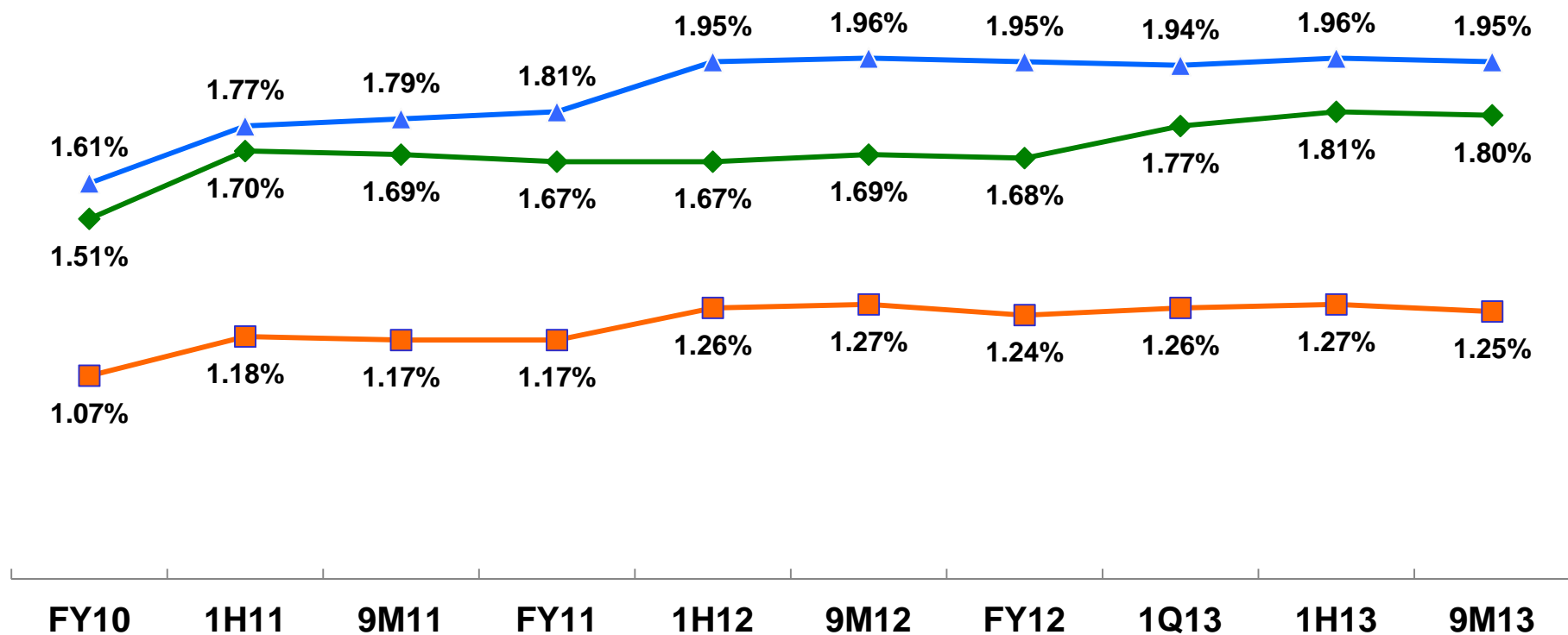
Deposit breakdown

- Demand Deposit (NT\$BN)
- Time Deposit



Cathay United Bank – Interest yields

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

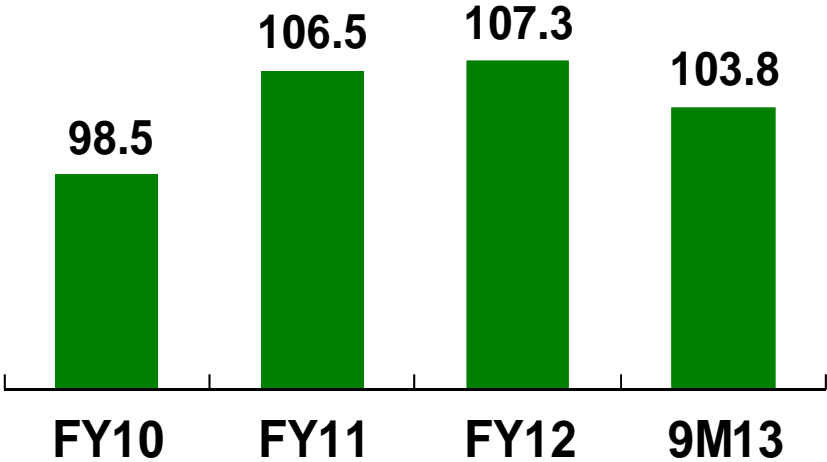


Note: Credit card related loans are included in the calculation

Cathay United Bank — SME & Foreign currency loans

SME loans

(NT\$BN)

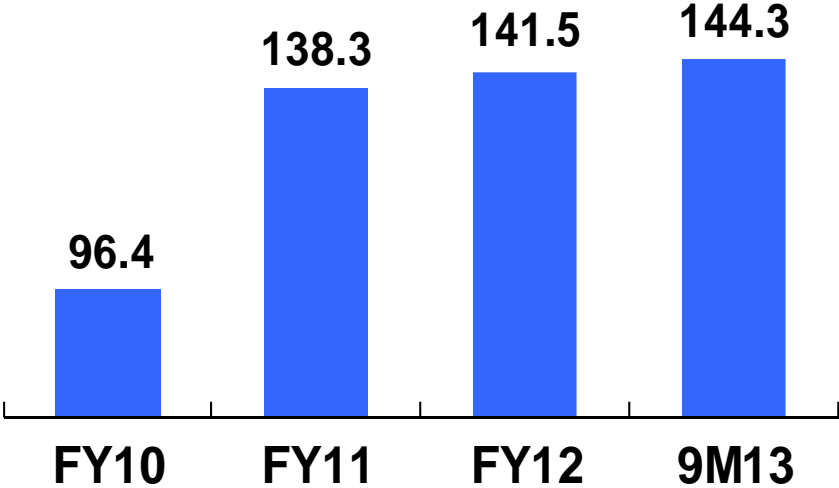


As % of total loans

10.9%	10.6%	10.6%	10.6%
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Foreign currency loans

(NT\$BN)

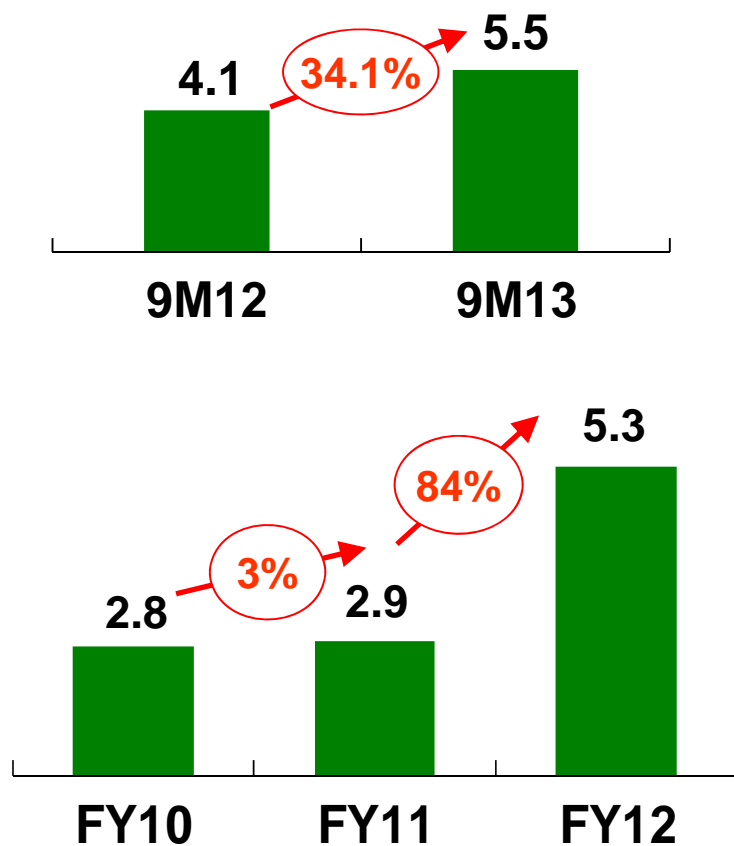


10.7%	13.7%	14.0%	14.7%
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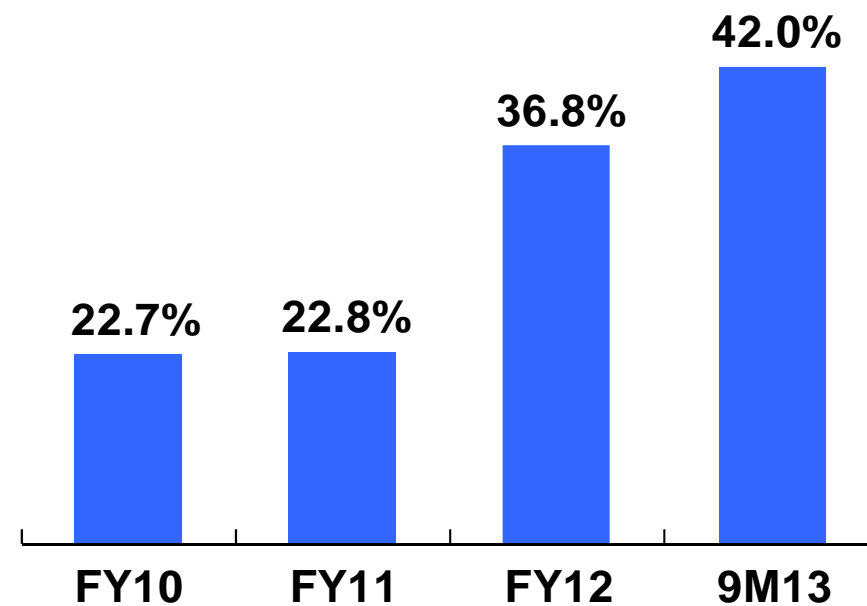
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)

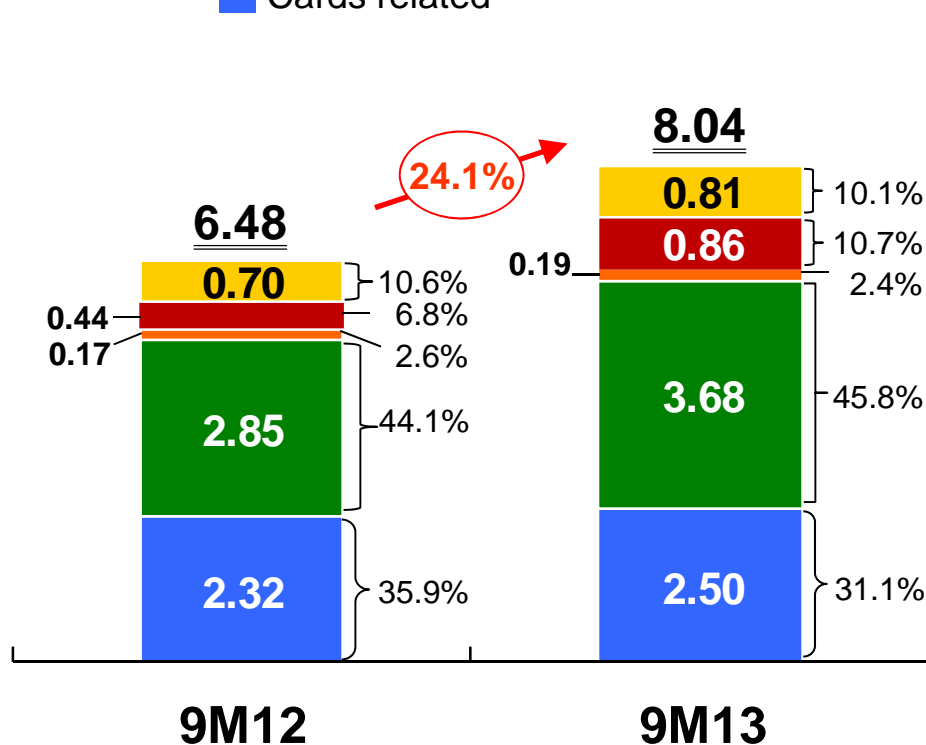
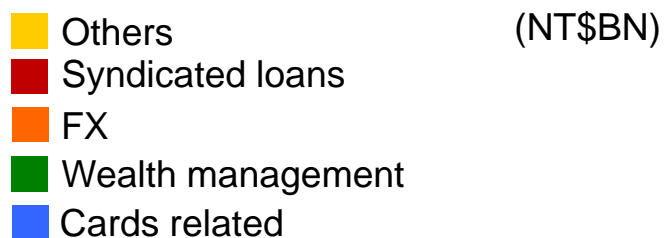


As % of CUB pre-tax profits

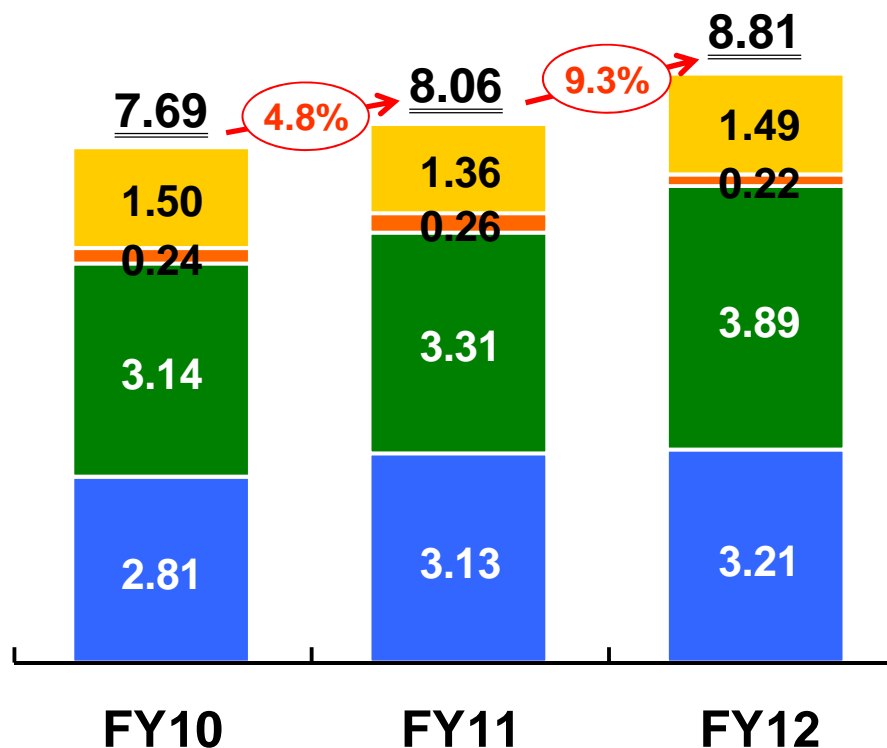
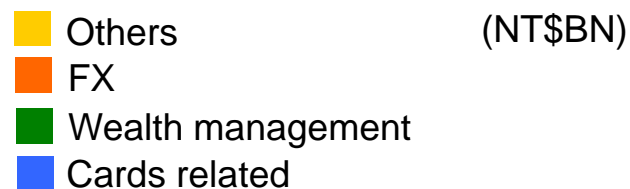


Cathay United Bank – Fee income

Fee income breakdown



Fee income breakdown (annual)



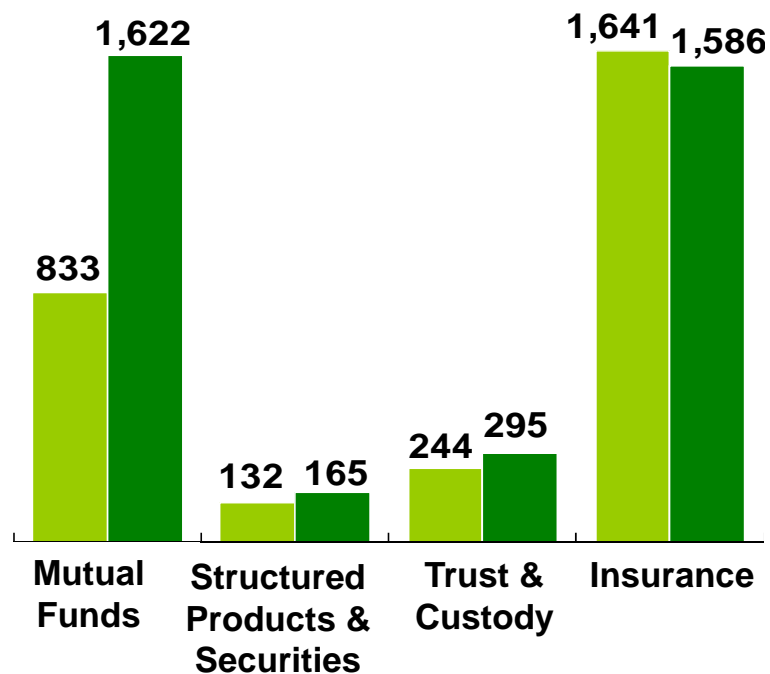
Note: Totals may not sum due to rounding

Cathay United Bank – Wealth management

Wealth management fee breakdown

9M12 9M13 (NT\$MN)

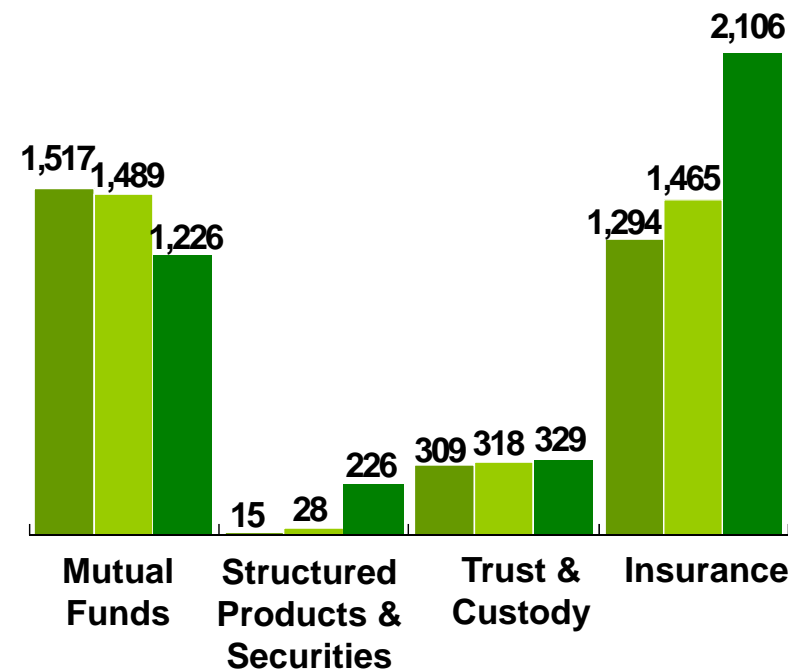
	9M12	9M13
Fee income	2,854	3,684
YoY growth	12.0%	29.1%



Wealth management fee breakdown (annual)

FY10 FY11 FY12 (NT\$MN)

	FY10	FY11	FY12
Fee income	3,142	3,309	3,894
YoY growth	52.4%	5.3%	17.7%

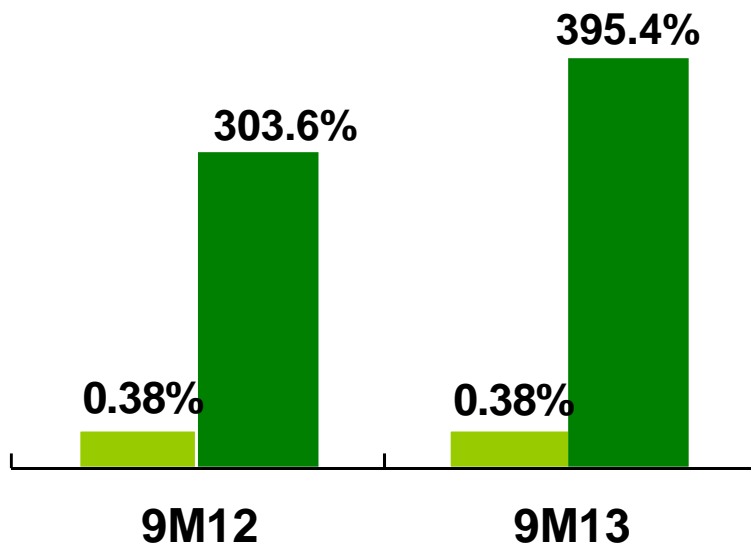


Note: Wealth management fee excludes revenue from DCI and SI of NT\$ 102 mm in 9M12 and NT\$ 780 mm in 9M13.

Cathay United Bank – Credit quality

NPL & Coverage ratio

- NPL ratio
- Coverage ratio

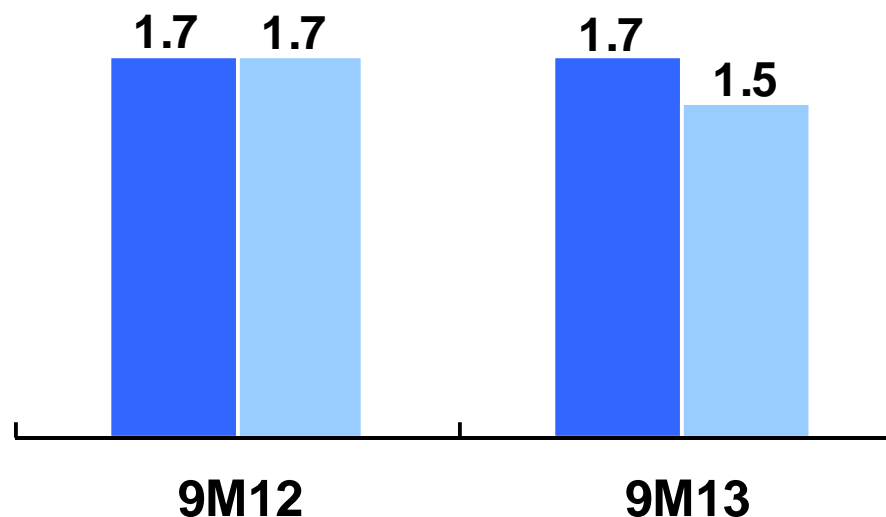


Mortgage NPL	0.06%	0.05%
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Gross provision

(NT\$BN)

- Gross provision
- Recovery



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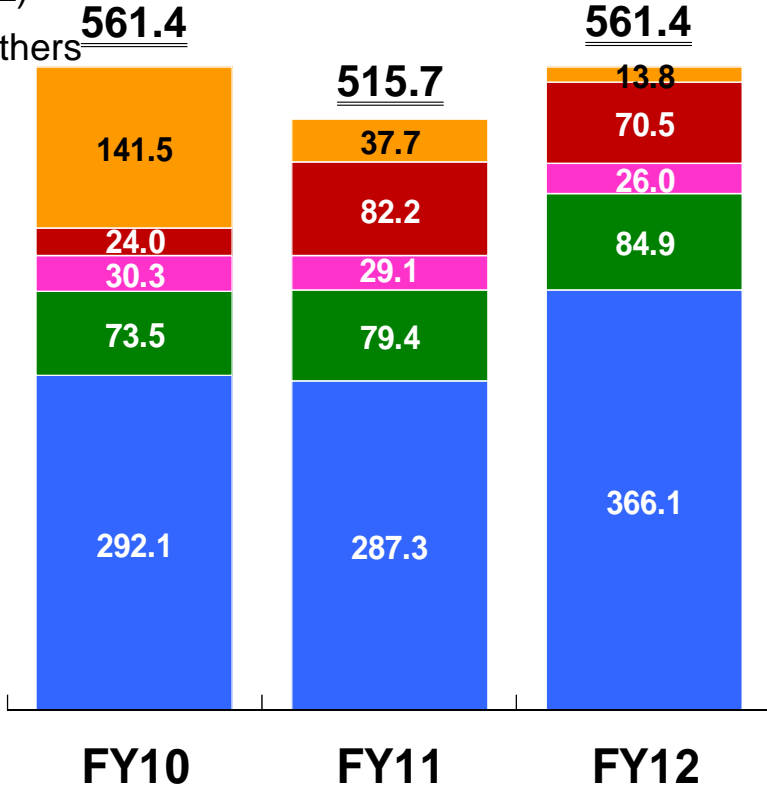
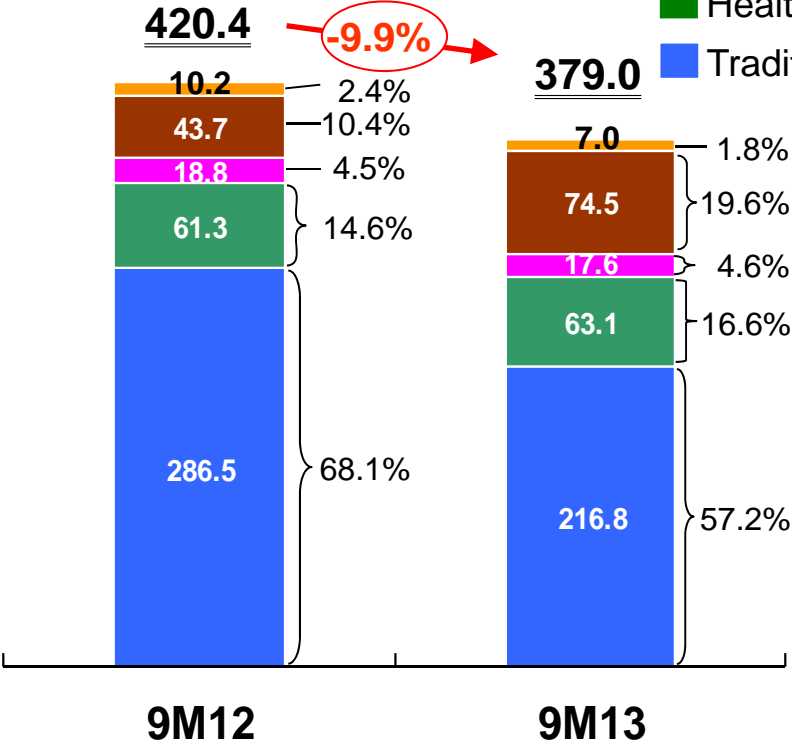
Cathay Life – Total premium

Total premium

Total premium (annual)

(NT\$BN)

- Interest crediting annuity
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life

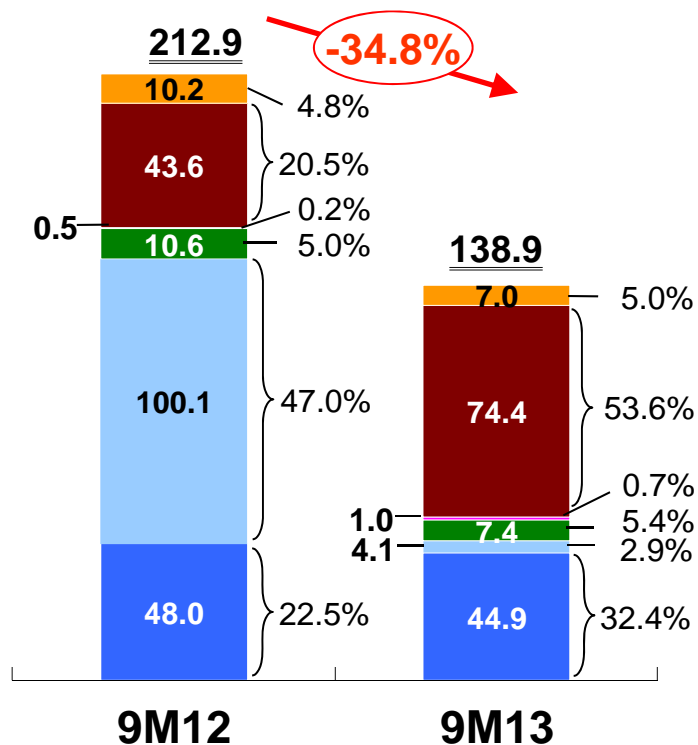


Note: Totals may not sum due to rounding

Cathay Life — FYP/ FYPE

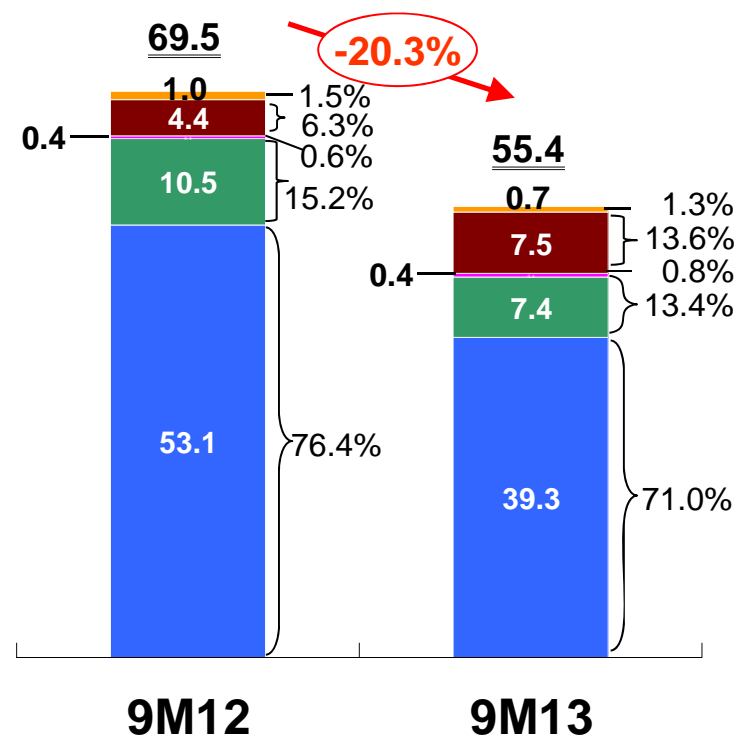
FYP

- Interest crediting annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life – single paid
- Traditional life – regular paid



FYPE

- Interest crediting annuity (NT\$BN)
- Investment-linked (non-VUL)
- Investment-linked (VUL)
- Health, accident and others
- Traditional life – single paid
- Traditional life

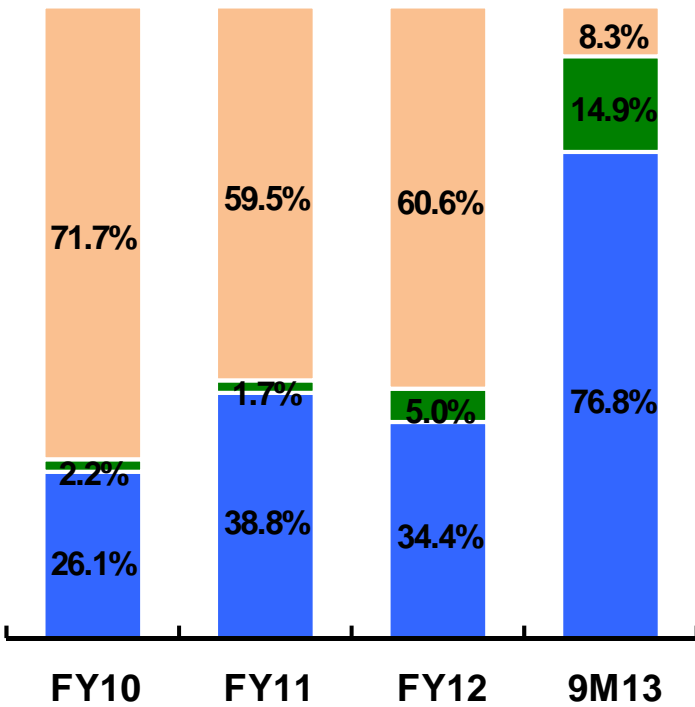


Note: Totals may not sum due to rounding

Cathay Life– Regular paid policies improve margin and VNB

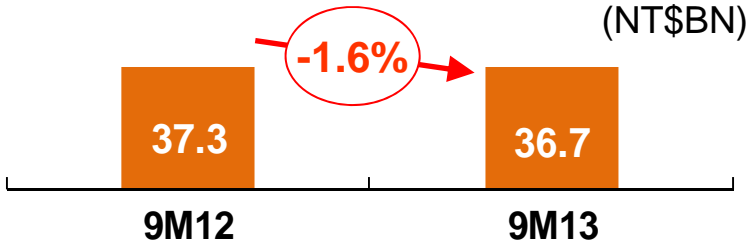
Breakdown of Traditional FYP

- Traditional life – single paid
- Traditional life - 2 year regular paid
- Traditional life - 3 year and above regular paid

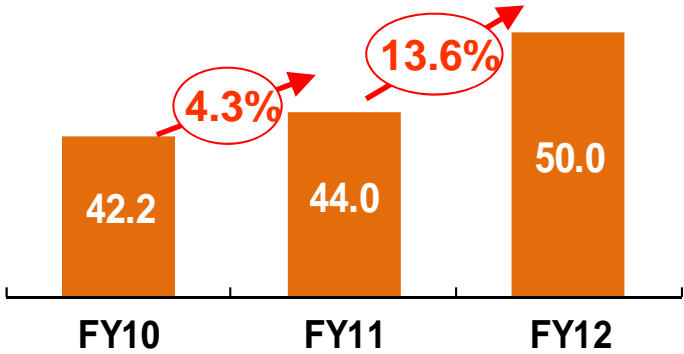


VNB

Profit Margin	9M12	9M13
VNB/FYP	18%	26%
VNB/FYPE	54%	66%



Profit Margin	FY10	FY11	FY12
VNB/FYP	13%	17%	19%
VNB/FYPE	54%	55%	54%



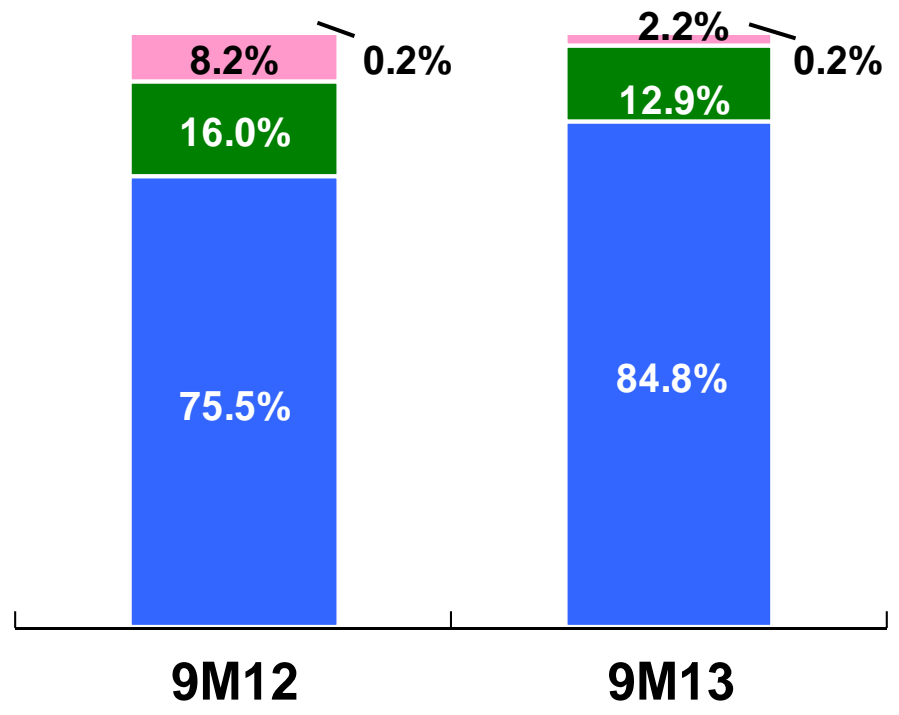
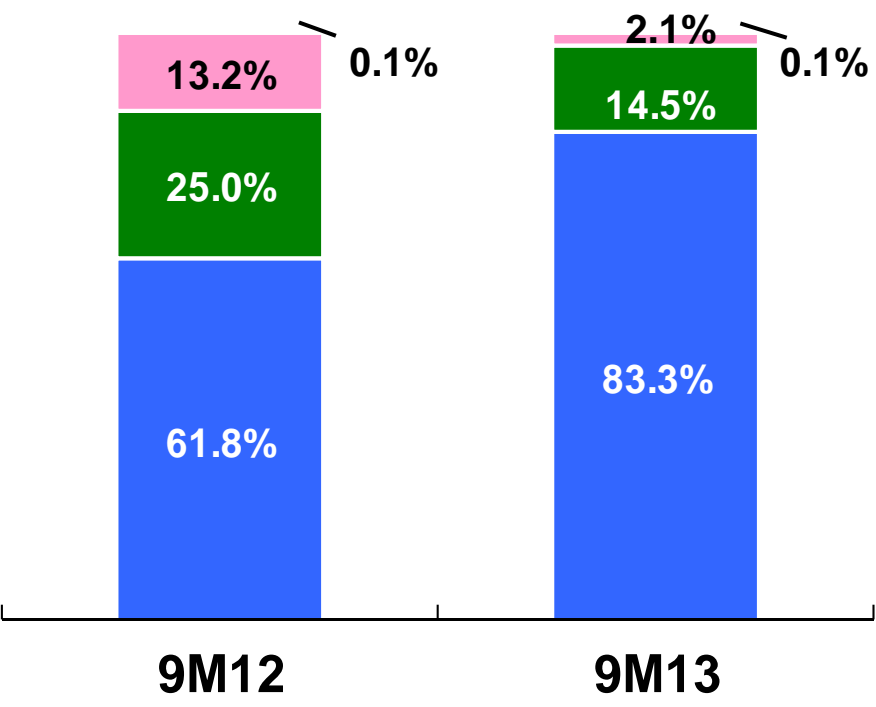
Cathay Life — Distribution channel

FYP

FYPE

- Others
- Bancassurance-external
- Bancassurance-CUB
- Tied agents

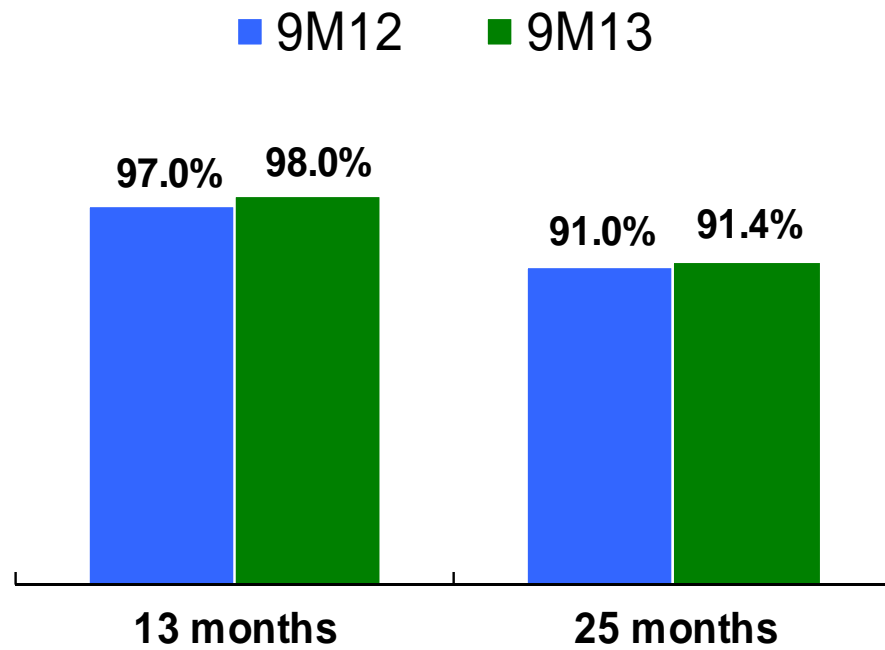
- Others
- Bancassurance-external
- Bancassurance-CUB
- Tied agents



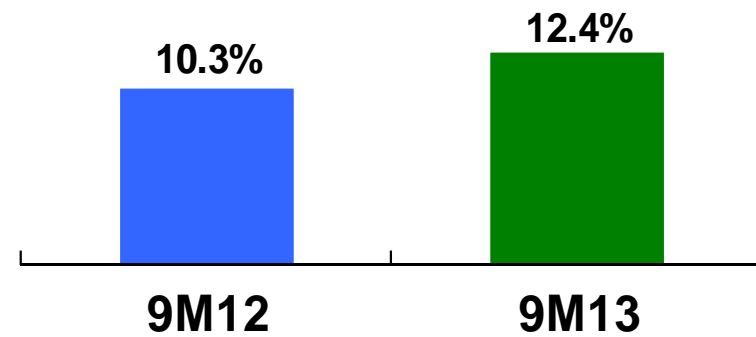
Note: Totals may not sum due to rounding

Cathay Life – Operational indicators

Persistency ratio

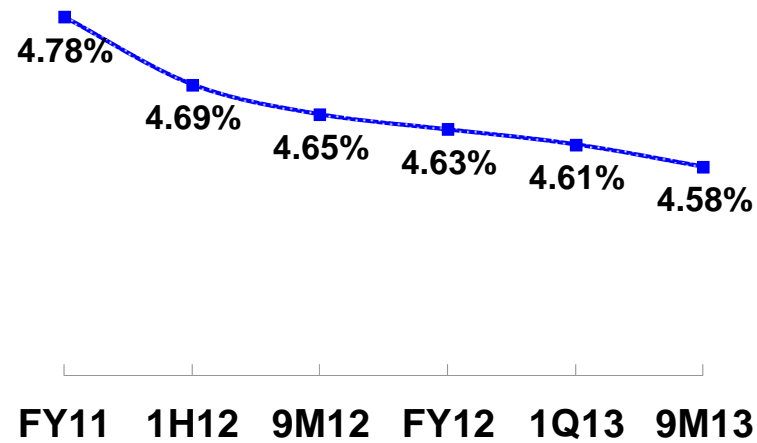


Expense ratio

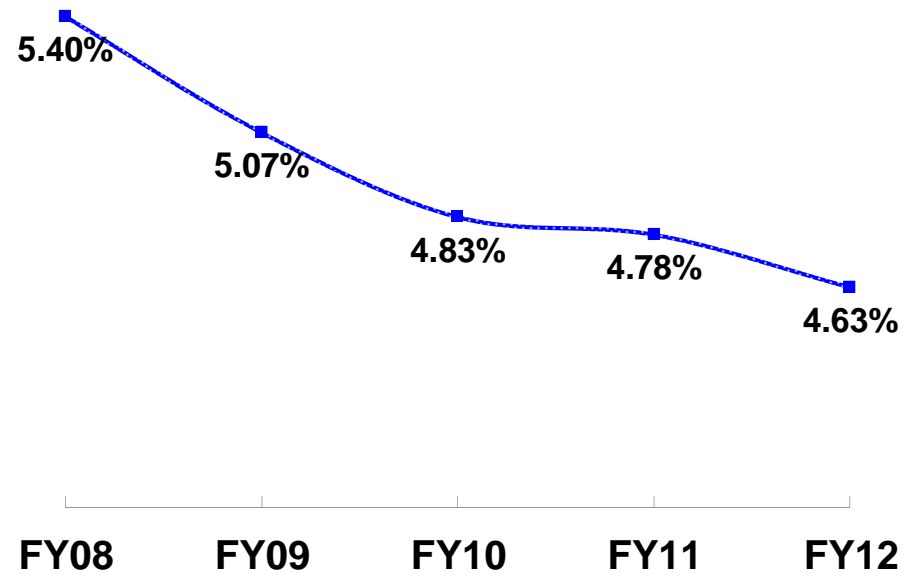


Cathay Life – Cost of liability

Cost of liability (quarterly)



Cost of liability (annual)



Note: The figures of cost of liability are reserve-based

Cathay Life – Investment portfolio

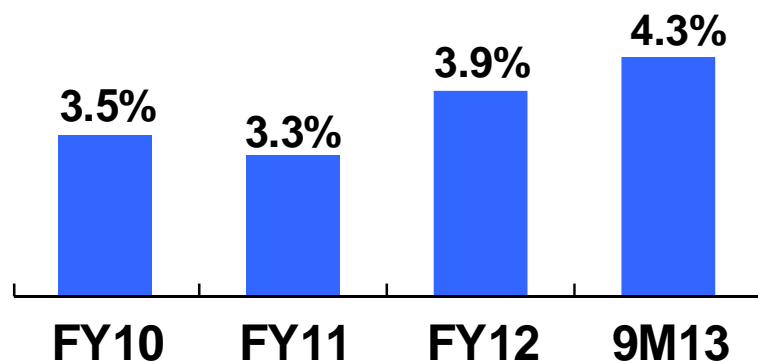
(NT\$BN)	4Q10	4Q11	4Q12	9M13		
Total investments⁽¹⁾	2,745.30	2,959.2	3,283.7	3,523.6		
	Weight	Weight	Weight	Amount	Weight	Amount
Cash & Cash equivalents	12.9%	8.6%	8.2%	268.7	4.9%	171.6
Equity- Domestic	7.3%	8.5%	8.1%	267.5	8.9%	313.8
Equity- International	1.7%	4.0%	4.3%	141.7	4.8%	169.0
Bond- Domestic	15.6%	16.4%	16.6%	544.7	15.6%	549.2
Bond- International⁽²⁾	38.5%	38.6%	39.6%	1,299.9	39.5%	1393.3
Mortgage & Secured loans	10.6%	10.2%	10.3%	337.3	12.5%	439.0
Policy loans	7.0%	6.4%	5.5%	181.6	5.0%	176.0
Real estate	5.0%	5.4%	5.6%	183.5	7.3%	258.3
Others	1.5%	2.0%	1.8%	58.8	1.5%	53.4

Note (1): Total assets excluded from separate account assets; totals may not sum due to rounding

(2): Includes foreign currency deposit and related adjustments

Cathay Life – Investment performance highlight

After-hedging investment yield



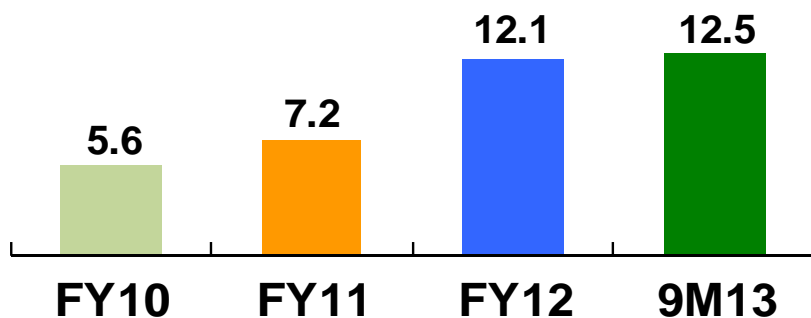
Pre-hedging recurring yield



Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend

Cash dividend

(NT\$BN)



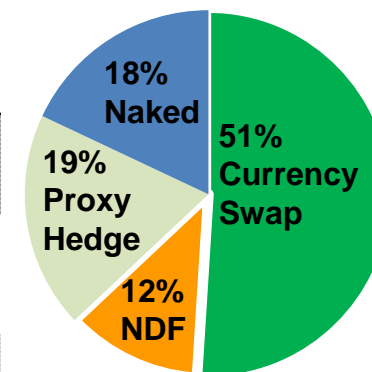
Annualized Hedging cost

9M13 Net hedging cost

0.27%

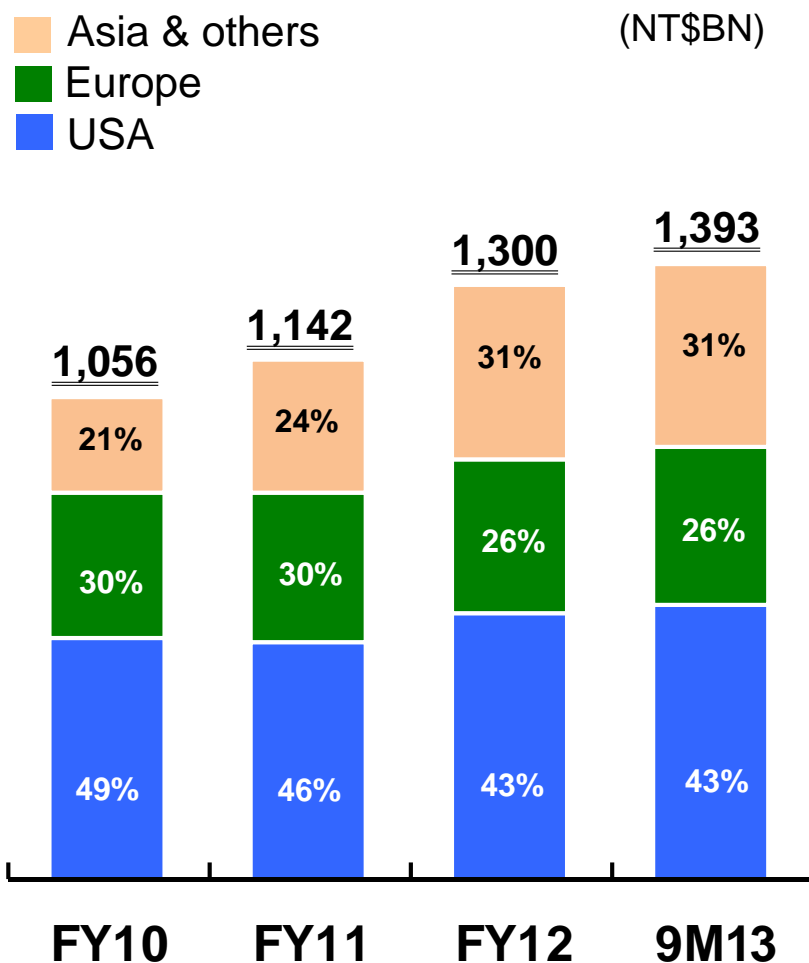
CS & NDF hedging

0.33%



Cathay Life – International bond investment highlight

Overseas Bond by Region



Top 5 of European Exposure

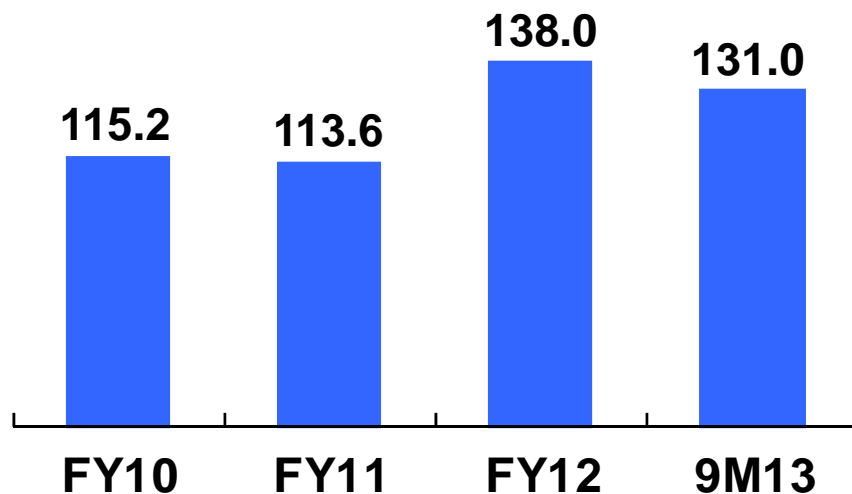
Country	As % of international bond investment
UK	6.8
Germany	5.8
France	4.7
Netherlands	3.6
Switzerland	1.1
Total	22.4

Note: Top 5 countries account for 86% of European exposure

Cathay Life – Book value & Unrealized G/L of AFS financial assets

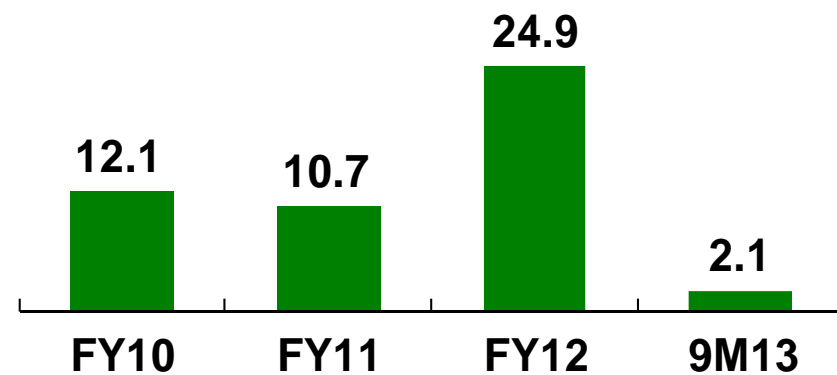
Book value

(NT\$BN)



Unrealized G/L of AFS financial assets

(NT\$BN)



Note: Figures of FY12 & 9M13 were under IFRS principle: book value included minority interest

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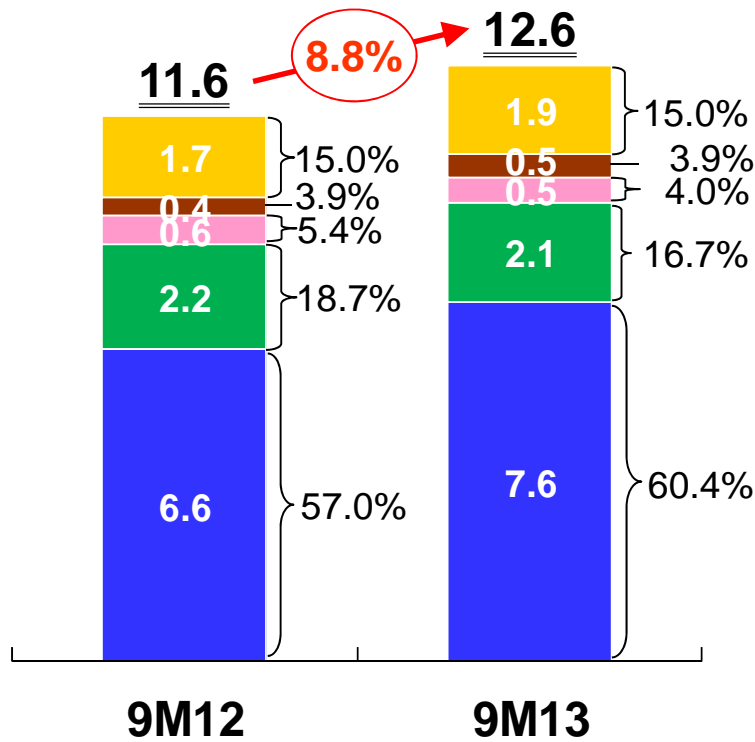
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Cathay Century – Premium income

Premium income



Mkt share 12.4%

13.0%

Note: Totals may not sum due to rounding

Premium income

(NT\$BN)

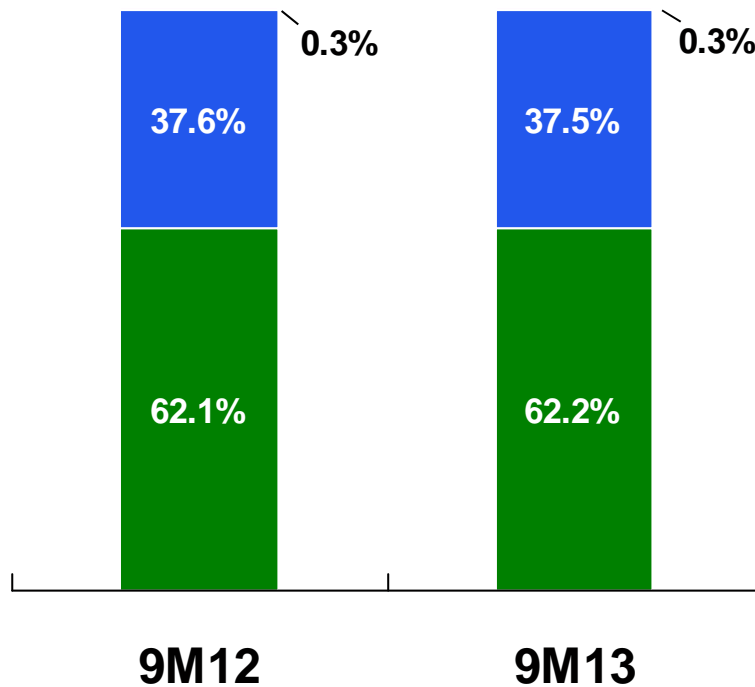
- Others
- Engineering
- Marine
- Fire
- Auto



Cathay Century – Distribution channel

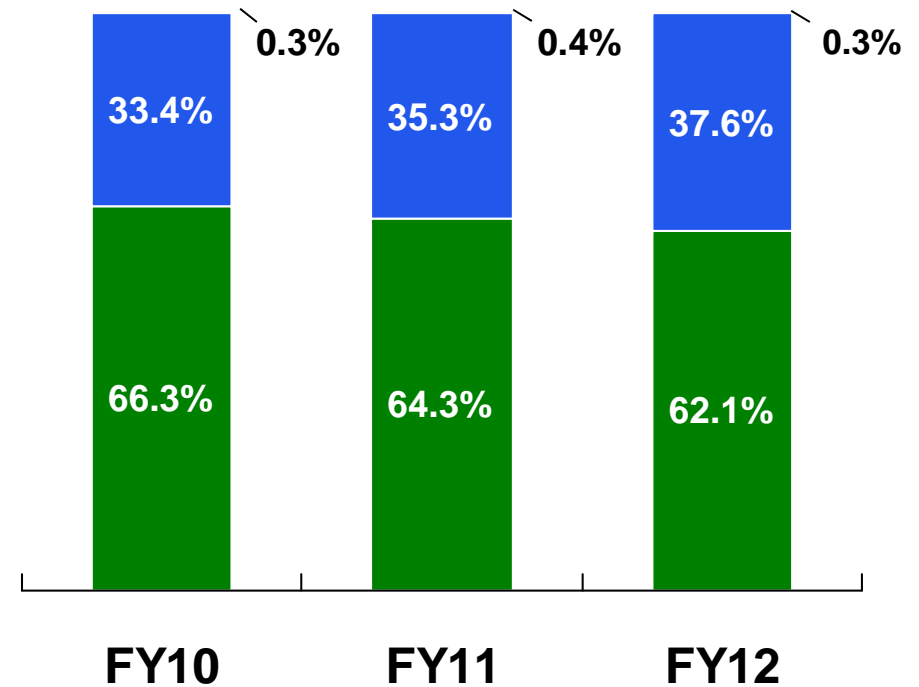
Distribution channel

- Others
- Cathay P&C agents
- Cathay group channel



Distribution channel

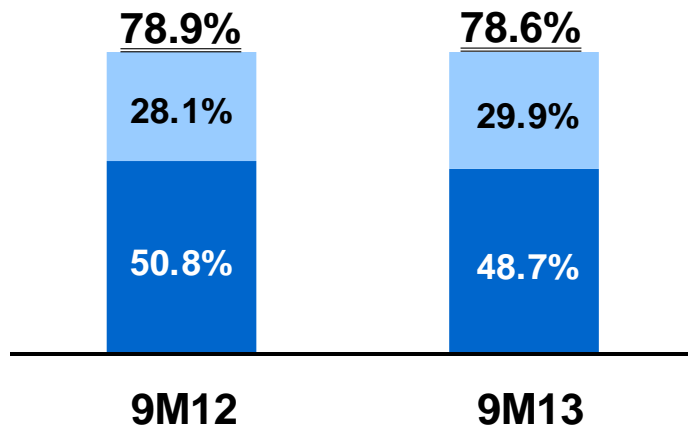
- Others
- Cathay P&C agents
- Cathay group channel



Cathay Century – Combined ratio

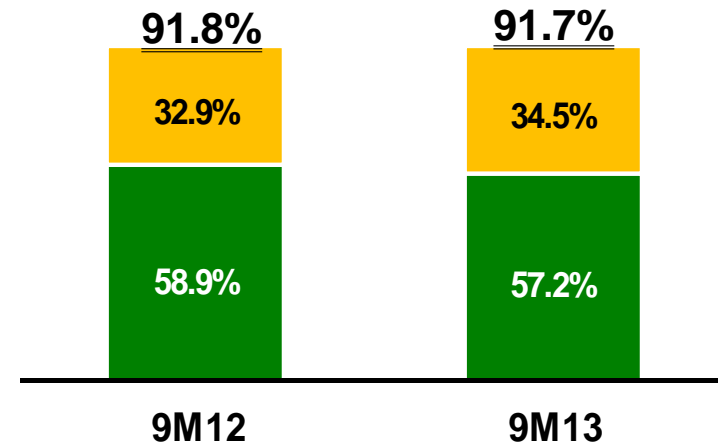
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



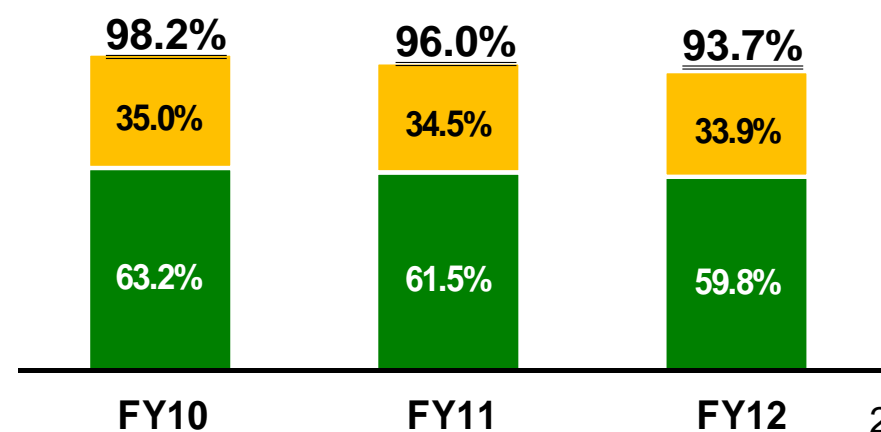
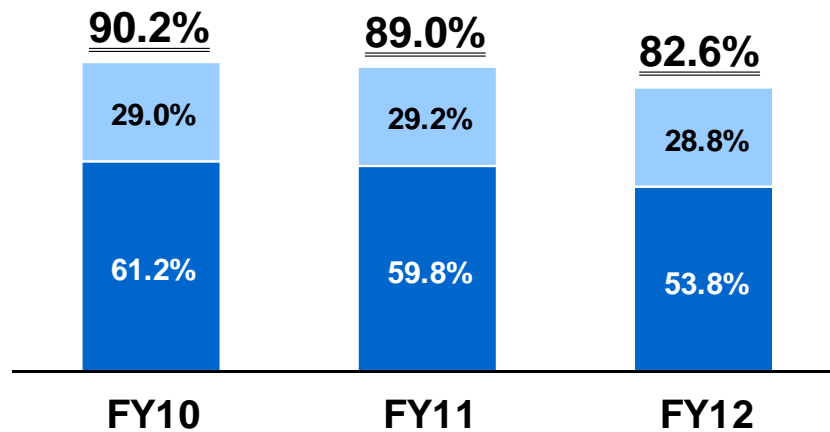
Retained combined ratio

- Retained expense ratio
- Retained loss ratio



Retained ratio 74.5%

75.9%



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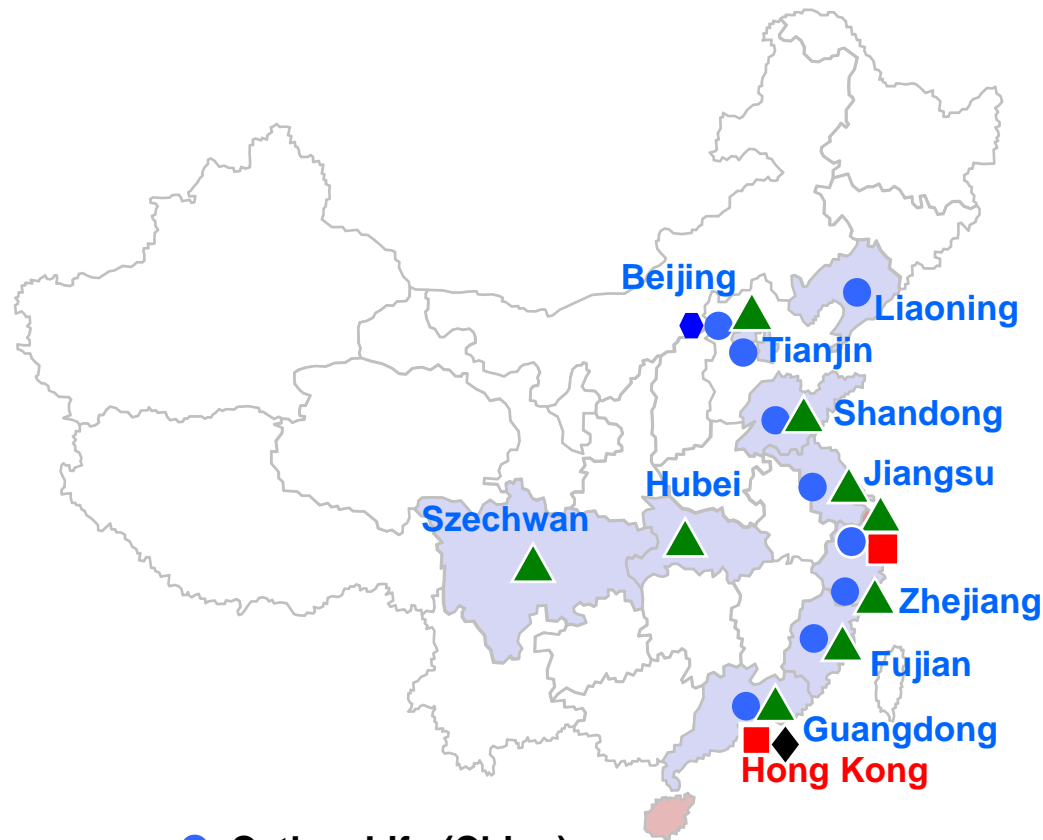
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Cathay FHC in China



- Cathay Life (China)
- Cathay United Bank
- ▲ Cathay Century (China)
- ◆ Cathay Conning Asset Management
- ⬡ CDBS Cathay Asset Management Company

■ Cathay United Bank

- Each business line performed steadily
- Plan to apply Minhang Sub-branch, Qingdao Branch and Shanghai Free-Trade Zone Sub-branch.

■ Cathay Life (China)

- Agent productivity grew by 30% YoY in 9M13
- Enhanced market segmentation strategy to improve underwriting quality

■ Cathay Century (China)

- Strong premium income growth in 9M13, up by 87% YoY
- Has set up 19 business footprints in 17 cities

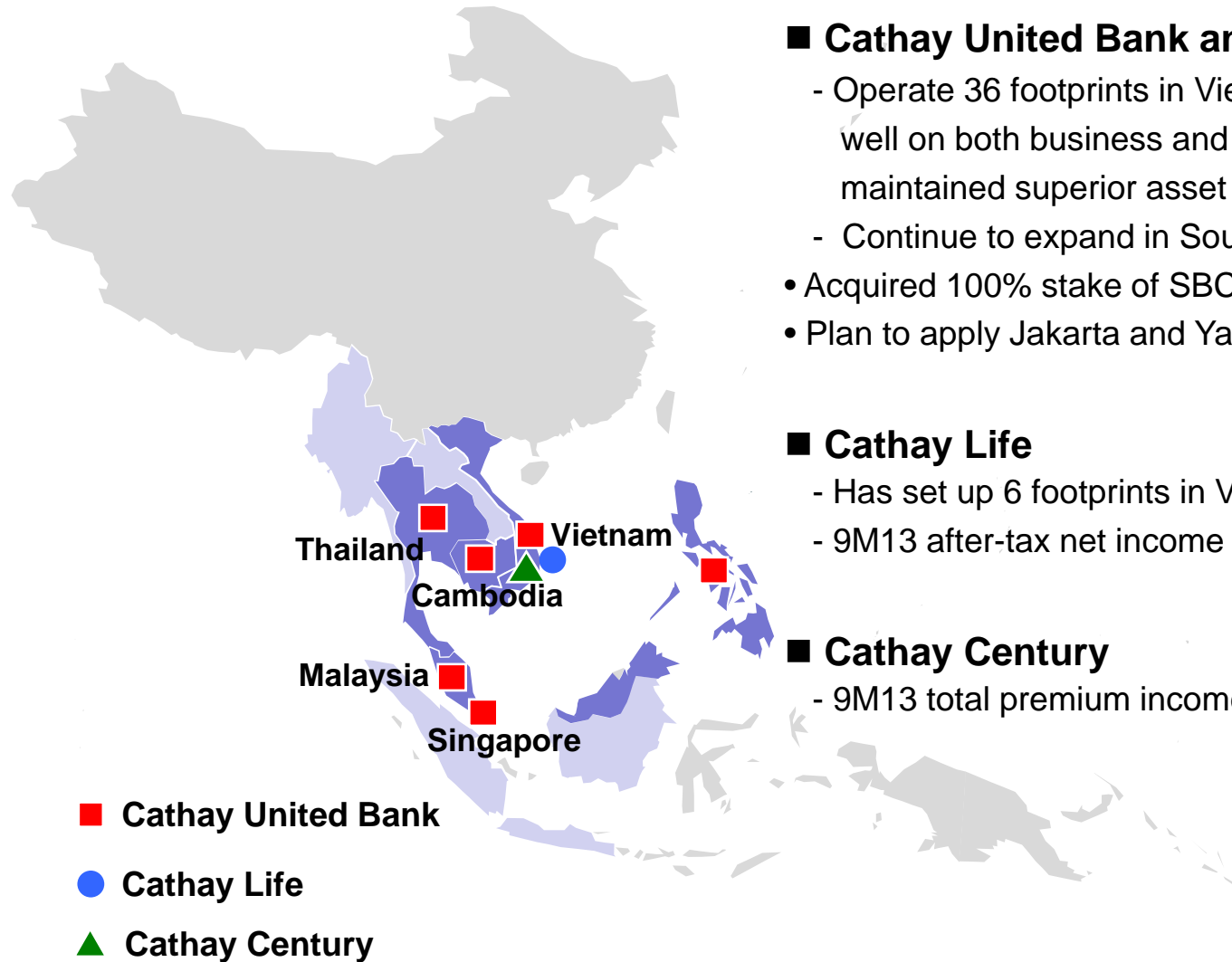
■ CCAM

- AUM amounted to USD\$ 1 BN in 9M13

■ Cathay Asset Management Company (CDBS)

- Began operation in Sep. 2013

Cathay FHC in South East Asia



■ Cathay United Bank and Indovina Bank

- Operate 36 footprints in Vietnam; performed well on both business and financial sides; maintained superior asset quality
- Continue to expand in South East Asia
- Acquired 100% stake of SBC in Cambodia
- Plan to apply Jakarta and Yangon (Myanmar) office

■ Cathay Life

- Has set up 6 footprints in Vietnam
- 9M13 after-tax net income was NT\$ 85.5MN

■ Cathay Century

- 9M13 total premium income increased by 70% YoY

Agenda

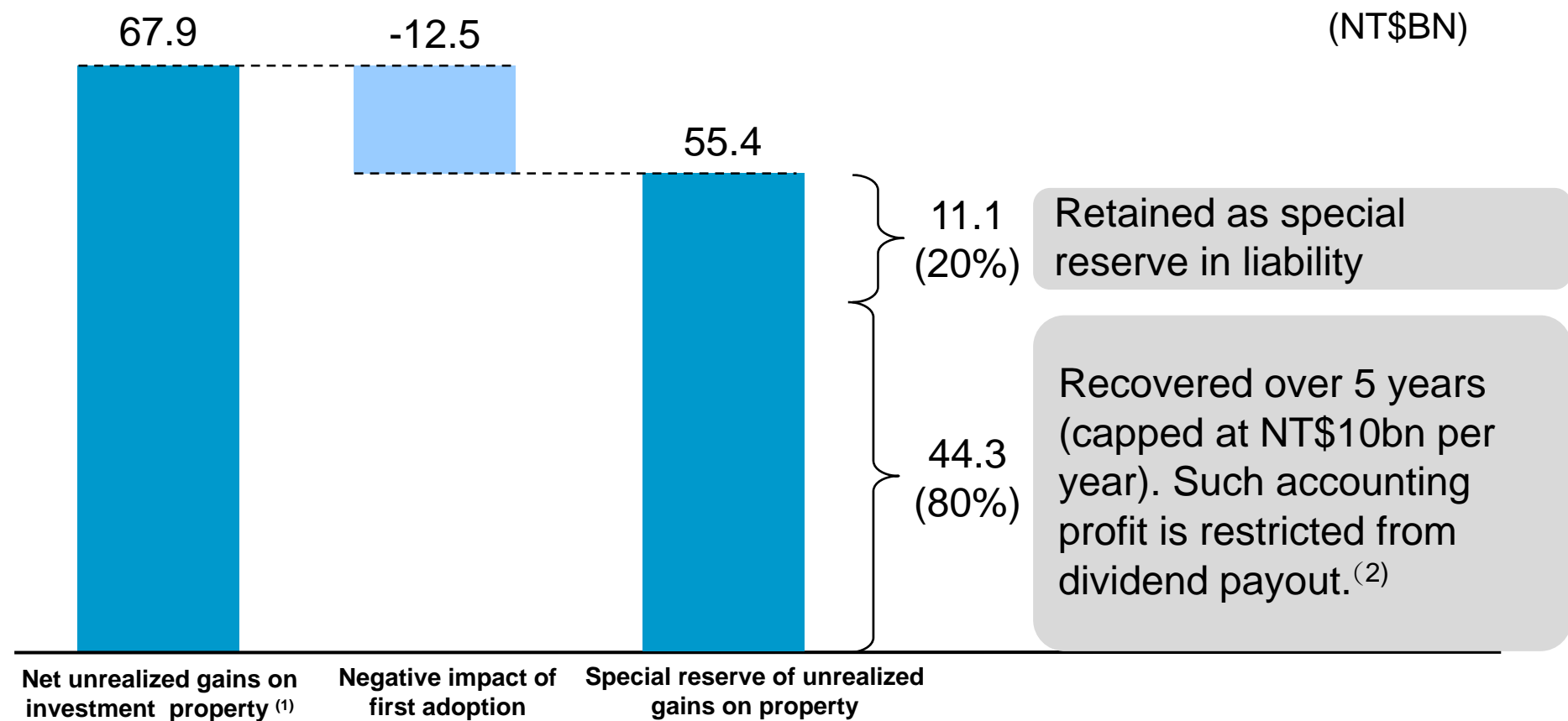
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 - 3) Embedded value & appraisal

Special reserve of unrealized gains on property

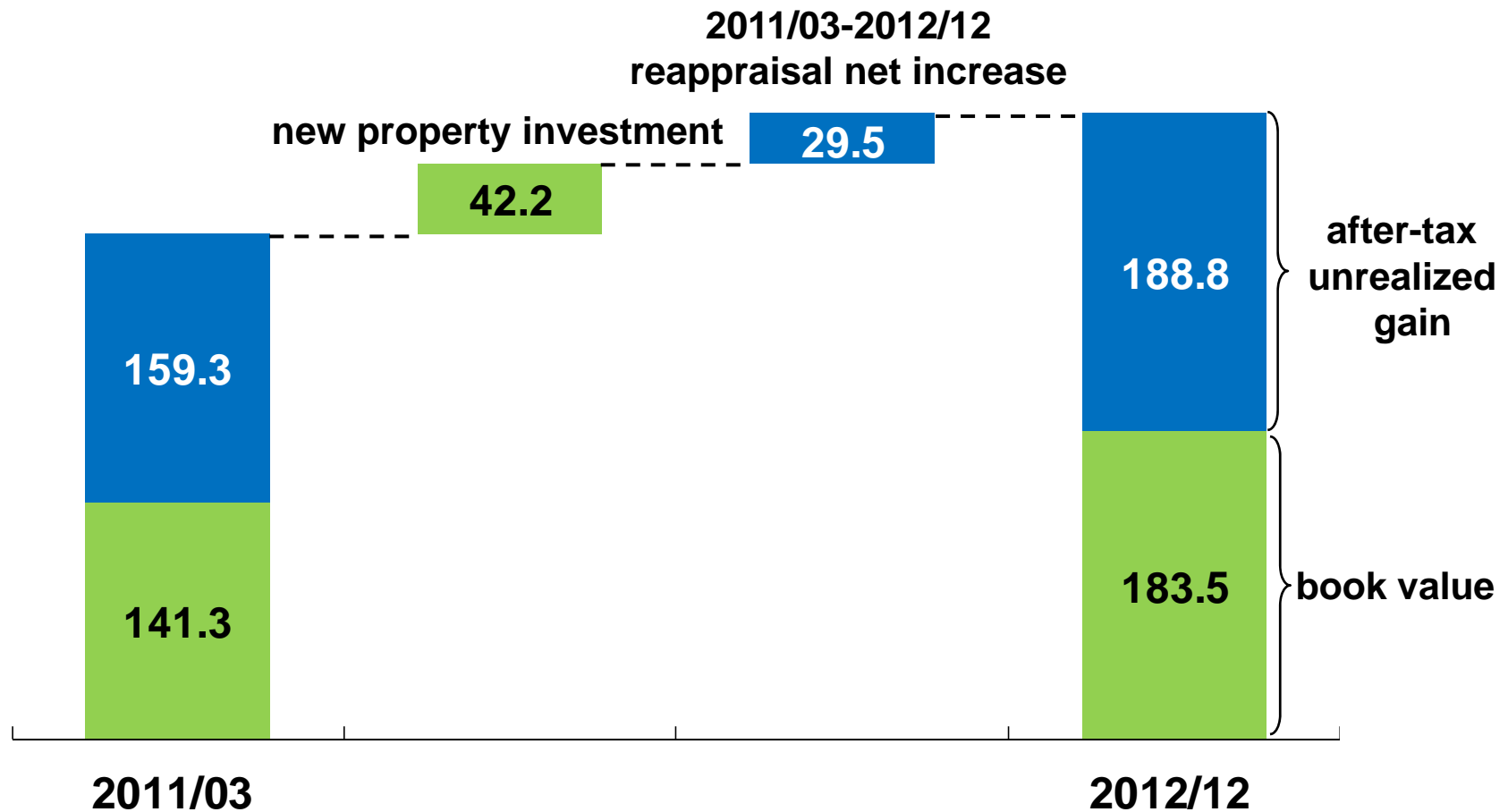


Note: (1) Net unrealized gains on investment property is calculated by discounting rental income at industry average WACC(3.29%), net of related taxes. The amount is therefore well below the property market value.

(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.

Cathay Life's property reappraisal

Real estate book value After-tax unrealized gain on real estate (NT\$BN)



EV & AV Summary

NT\$BN

Valuation date		2011	2012	Growth rate	9M13
Embedded value	Equity	112	135	20%	-
	Cost of capital	-76	-82	-8%	-
	Adjusted net worth (After CoC)	199	242	22%	-
	Value in force	276	323	17%	-
	Embedded value	475	565	19%	-
Value of one year's new business	First year premium (FYP)	256	267	5%	138.9
	First year premium equivalent (FYPE)	81	92	14%	55.4
	Value of one year's new business (VNB)	44	50	14%	36.7
	Profit margin (VNB/FYP)	17%	19%	-	26%
	Profit margin (VNB/FYPE)	55%	54%	-	66%
Appraisal value (20 years NB)	Multiple	8.6	8.7	-	-
	Appraisal value	870	1,001	15%	-
Value per share ⁽¹⁾	EV / per share	46.1	53.0	15%	-
	AV / per share	84.5	93.9	11%	-

Note: (1) per share = per share of Cathay FHC
(2) Totals may not sum due to rounding.

Embedded Value & Appraisal Value

Appendix 3)

NT\$BN, except for per share figures

Valuation date	2011/12/31	2012/12/31
In-force investment yield	3.8% ~ Year 2031 5% for General account 2.71% ~ Year 2031 3.2% for Interest crediting annuity	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
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
Discount rate	10%	10%
Cost of Capital (CoC)	-76	-82
Adjusted net worth (After CoC)	199	242
Value of in force business	276	323
Embedded Value	475	565
EV / per share	89.4 (46.1)	106.5(53.0)
Appraisal Value	870	1,001
Value of future 1 year's new business (After CoC)	46	50
AV / per share	163.9 (84.5)	188.6(93.9)

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

(2) per share = per share of Cathay Life; (per share) = per share of Cathay FHC

(3) May not sum to total due to rounding.

Sensitivity Analysis of EV

NT\$BN, except for per share figures

Valuation date	2012/12/31					
	Investment yield - 0.25%	Investment yield + 0.25%	Investment yield + 0.25% (capped) ⁽¹⁾	Base Case	Discount rate – 0.5%	Discount rate + 0.5%
Cost of capital	-86	-78	-78	-82	-79	-85
Adjusted net worth (After CoC)	238	246	246	242	246	240
Value of in force business	250	396	378	323	345	303
Embedded Value	487	642	624	565	590	543
EV / per share	91.8(45.7)	121.0(60.2)	117.6(58.5)	106.5(53.0)	111.2(55.3)	102.3(50.9)
Appraisal Value	900	1,092	1,067	1,001	1,055	948
Value of future 1 year's new business (After CoC)	46	54	52	50	54	47
AV / per share	169.6(84.4)	205.8(102.4)	201.1(100.0)	188.6(93.9)	198.8(98.9)	178.6(88.9)

Note: (1) "Investment yield +0.25% (capped)" : the investment return is capped by 5.03% for NTD policies, 6.14% for USD policies, and 3.11% for interest crediting annuity.

(2) per share = per share of Cathay Life; (per share) = per share of Cathay FHC

(3) May not sum to total due to rounding.



Q&A

Cathay Financial Holdings
 (NT\$MN)

Income Statement Data (Consolidated)	(ROC GAAP)			(IFRS)		9M13/ 9M12	(IFRS)		3Q13/ 3Q12
	FY10	FY11	FY12	9M12	9M13	% Chg	3Q12	3Q13	% Chg
Operating Income									
Net interest income	92,741	105,055	112,816	83,814	85,928	3%	28,834	28,948	0%
Net commission and fee	185	920	2,225	1,979	2,049	4%	391	276	-30%
Net earned premium	448,216	398,192	457,392	351,949	284,589	-19%	102,641	98,684	-4%
Change in liability reserve	(235,134)	(196,217)	(307,362)	(244,391)	(187,590)	-23%	(61,859)	(61,968)	0%
Net claims payment	(278,363)	(259,386)	(229,037)	(167,822)	(158,431)	-6%	(60,929)	(58,363)	-4%
Investment income	13,721	(638)	25,696	22,462	35,890	60%	10,103	16,285	61%
Contribution from associates-equity method	245	107	(50)	43	55	26%	26	39	51%
Other net non-interest income	4,698	10,536	9,719	4,710	6,603	40%	3,334	2,040	-39%
Bad debt expense	0	(1,063)	(3,172)	(885)	(1,289)	46%	(613)	(750)	22%
Operating expense	(43,744)	(47,889)	(51,209)	(38,946)	(39,113)	0%	(14,845)	(13,427)	-10%
Income before taxes	2,565	9,618	17,020	12,914	28,691	122%	7,083	11,764	66%
Income taxes	1,718	1,667	38	(173)	(1,912)	1003%	280	40	-86%
Net income	4,283	11,285	17,058	12,741	26,779	110%	7,363	11,805	60%
EPS (NT\$)	0.39	1.04	1.60	1.10	2.32		0.64	1.03	
Dividend Payout									
Cash dividend per share	0.60	0.50	0.70	-	-				
Stock dividend per share	0.20	0.50	0.70	-	-				
Outstanding shares (Millions of shares)	10,154	10,158	10,665	11,412	11,440				
Balance Sheet Data									
Total assets	4,689,190	5,005,403	5,435,303	5,447,562	5,900,357				
Total shareholders' equity	222,507	217,712	248,584	246,838	257,736				
Operating Metrics									
ROAE (Consolidated)	2.0%	5.1%	7.3%	7.3%	14.1%				
ROAA (Consolidated)	0.1%	0.2%	0.3%	0.3%	0.6%				
Double leverage ratio(inc. preferred stock)	111.5%	119.0%	115.6%	116.3%	118.7%				
Capital Adequacy Metrics									
Capital Adequacy Ratio (Standalone)	145%	126%	120%	120%	124%				

As of 6/30/2012 As of 6/30/2013

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For more details, please refer to our official financial reports.
 - (2) Numbers of FY10-12 are based on ROC GAAP. The rest are based on IFRS.
 - (3) Cathay FHC 9M13 EPS included the impact of - NT\$ 0.31 from provision for FX fluctuation reserve and + NT\$ 0.65 from recovery of special reserve on property unrealized gains.
 - (4) Total may not sum due to rounding.

Cathay Life (NT\$MN)	(ROC GAAP)			(IFRS)		9M13/ 9M12	(IFRS)		3Q13/ 3Q12/
	FY10	FY11	FY12	9M12	9M13	% Chg	3Q12	3Q13	% Chg
Income Statement Data (Consolidated)									
Net written premium	439,699	388,122	445,658	343,573	280,399	-18%	99,404	95,738	-4%
Net earned premium	438,463	390,184	445,573	343,978	275,045	-20%	99,669	95,261	-4%
Reinsurance commission earned	9,254	11,737	14,371	10,962	8,733	-20%	3,482	2,682	-23%
Fee income	2,213	2,872	2,581	1,763	2,390	36%	708	754	6%
Recurring investment income	89,646	101,321	111,031	84,509	87,922	4%	34,672	35,487	2%
Gain on disposal of investment									
Realized gain (loss)-Equity	17,700	13,389	8,122	6,701	11,169	67%	207	2,152	938%
Realized gain (loss)-Debt	1,936	9,960	12,362	8,363	12,990	55%	2,443	3,892	59%
FX and others, net	(19,040)	(32,360)	(11,384)	(9,601)	(3,883)	-60%	(3,370)	(1,851)	-45%
Investment income, net	90,241	92,310	120,131	89,971	108,198	20%	33,952	39,681	17%
Other operating income	1,430	1,621	1,610	1,254	1,012	-19%	441	331	-25%
Separate account revenues	54,653	87,360	104,180	75,966	68,699	-10%	48,274	24,249	-50%
Net claims payment	(272,907)	(253,108)	(221,754)	(162,730)	(152,393)	-6%	(59,245)	(56,220)	-5%
Changes in liability reserves	(232,542)	(197,431)	(306,017)	(243,730)	(187,228)	-23%	(61,364)	(61,851)	1%
Acquisition and commission expense	(30,114)	(32,812)	(33,722)	(25,689)	(24,758)	-4%	(9,380)	(7,817)	-17%
Other operating costs	(3,488)	(4,396)	(4,842)	(3,571)	(3,997)	12%	(1,248)	(1,266)	1%
Financial cost	0	0	0	550	385	-30%	146	26	-82%
Separate account expense	(54,653)	(87,360)	(104,180)	(75,966)	(68,699)	-10%	(48,274)	(24,249)	-50%
Operating expense	(13,880)	(15,211)	(17,493)	(12,874)	(12,490)	-3%	(4,445)	(4,494)	1%
Net non-operating income	1,254	934	965	582	842	45%	103	339	230%
Income taxes	3,100	3,548	1,752	1,805	(6)	-	957	611	-36%
Net income	(6,978)	248	3,157	2,270	15,735	593%	3,775	8,037	113%

Balance Sheet Data

Total assets	3,059,952	3,289,797	3,646,667	3,644,944	3,938,967
General account	2,790,701	2,995,746	3,317,110	3,327,425	3,571,817
Separate account	269,251	294,051	329,557	317,519	367,151
Reserves for life insurance liabilities	2,597,016	2,803,537	3,097,242	3,088,109	3,339,240
Total liabilities	2,944,762	3,176,238	3,510,381	3,505,041	3,807,985
Total shareholders' equity	115,190	113,558	136,286	139,902	130,982

Operating Metrics

First Year Premium(FYP)	330,101	255,530	267,169	212,939	138,857
First Year Premium Equivalent(FYPE)	78,809	80,517	91,773	69,467	55,385
Expense ratio	7.7%	11.1%	10.5%	10.3%	12.4%
13-M persistency ratio	96.2%	97.1%	97.3%	97.0%	98.0%
25-M persistency ratio	85.8%	89.7%	91.8%	91.0%	91.4%
ROAE	-5.7%	0.4%	2.7%	2.4%	15.6%
ROAA	-0.2%	0.01%	0.1%	0.1%	0.6%

Capital Adequacy Metrics

	As of 6/30/2012		As of 6/30/2013		
RBC ratio (Standalone)	295%	260%	234%	247%	252%

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(2) Numbers of FY10-12 are based on ROC GAAP. The rest are based on IFRS.

(3) Cathay Life 9M13 net income included the impact from provision for FX fluctuation reserve and recovery of special reserve on property unrealized gains.

(4) ROAE & ROAA of FY10-12 are standalone figures. ROAE & ROAA of 9M12 and 9M13 are annualized.

(5) Total may not sum due to rounding.

Cathay United Bank

(NT\$MN)	(ROC GAAP)			(IFRS)		9M13/ 9M12	(IFRS)		3Q13/ 3Q12/
	FY10	FY11	FY12	9M12	9M13	% Chg	3Q12	3Q13	% Chg
Income Statement Data (Consolidated)									
Operating Income									
Net interest income	15,470	18,719	21,153	15,996	16,300	2%	5,493	5,525	1%
Fee income	6,609	6,825	7,348	5,419	6,799	25%	1,891	2,387	26%
Investment income	3,745	4,038	3,742	3,063	4,121	35%	1,315	1,618	23%
other income	2,016	932	2,334	762	665	-13%	389	228	-41%
Net operating income	27,841	30,514	34,577	25,240	27,885	10%	9,088	9,759	7%
Operating expenses	(15,160)	(16,715)	(17,581)	(13,073)	(14,165)	8%	(4,344)	(5,023)	16%
Pre-provision profit	12,681	13,799	16,996	12,167	13,720	13%	4,745	4,735	0%
Net provisions for possible losses	0	(627)	(2,126)	(41)	(190)	361%	(370)	(224)	-39%
Income before taxes	12,681	13,172	14,870	12,126	13,531	12%	4,375	4,512	3%
Income tax	(1,170)	(1,744)	(1,602)	(1,475)	(1,750)	19%	(534)	(554)	4%
Net income	11,511	11,428	13,268	10,651	11,780	11%	3,841	3,958	3%
Balance Sheet Data									
Total assets	1,603,235	1,738,125	1,814,643	1,825,664	1,936,928				
Loans, net	900,995	1,001,926	1,003,183	984,042	972,350				
Financial assets	496,571	506,241	560,469	549,447	636,107				
Total liability	1,505,262	1,636,798	1,708,630	1,723,137	1,807,988				
Deposits	1,342,231	1,484,029	1,539,774	1,533,089	1,589,790				
Financial Debenture Payable	23,655	36,024	42,519	42,692	52,421				
Total shareholders' equity	97,974	101,327	106,012	102,527	128,940				
Operating Metrics									
Cost income ratio	54.5%	55.3%	50.9%	51.8%	50.6%				
ROAE	12.0%	11.5%	13.0%	14.0%	13.4%				
ROAA	0.7%	0.7%	0.8%	0.8%	0.8%				
Assets Quality									
NPL	2,520	2,807	3,373	3,745	3,666				
NPL ratio	0.28%	0.28%	0.34%	0.38%	0.38%				
NPL provisions	6,902	9,308	13,037	11,368	14,494				
Coverage ratio	277.2%	331.6%	386.5%	303.6%	395.4%				
Capital Adequacy Metrics									
BIS ratio (Standalone)	11.2%	11.8%	12.4%	As of 6/30/2012 11.0%	As of 6/30/2013 13.1%				
Tier I Ratio (Standalone)	9.6%	9.2%	9.0%	8.3%	9.2%				

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(4) Total may not sum due to rounding

Cathay Century

(NT\$MM)	FY10	FY11	FY12	9M12	9M13	9M13/ 9M12	3Q12	3Q13	3Q13/ 3Q12/
						% Chg			% Chg
Income Statement Data (Consolidated)									
Premium income	12,958	14,955	17,040	12,565	14,450	15%	4,185	4,815	15%
Net written premium	9,336	10,911	12,614	9,322	11,141	20%	3,248	3,870	19%
Net earned premium	9,135	9,995	11,724	8,614	10,125	18%	3,160	3,521	11%
Reinsurance commission earned	361	406	464	339	363	7%	111	104	-7%
Fee income	29	32	33	25	27	8%	9	10	10%
Investment	492	477	595	486	574	18%	186	262	41%
Interest income	332	377	413	290	309	7%	96	115	20%
Other investment income, net	160	100	182	196	265	35%	90	146	63%
Other operating income	1	0	0	0	0	-	0	0	-
Net claims payment	(4,765)	(5,850)	(6,669)	(4,621)	(5,633)	22%	(1,535)	(2,004)	31%
Changes in liability reserves	(1,154)	82	(369)	(661)	(362)	-45%	(494)	(117)	-76%
Commissions and other operating costs	(587)	(655)	(774)	(571)	(782)	37%	(221)	(277)	26%
Operating expenses	(3,310)	(3,887)	(4,433)	(3,179)	(3,828)	20%	(1,138)	(1,330)	17%
Operating income	202	601	571	433	484	12%	77	169	119%
Net non-operating income	29	22	(9)	(9)	6	-	(4)	(4)	9%
Income taxes	(40)	(133)	(195)	(111)	(153)	38%	(36)	(49)	34%
Net income	191	491	366	312	337	8%	37	116	214%
Balance Sheet Data									
Total assets	23,839	27,041	29,131	28,561	31,051				
Total stockholders' equity	4,171	4,436	4,884	4,693	5,457				
Operating Metrics									
Gross Combined ratio	90.2%	89.0%	82.6%	78.9%	78.6%				
Net Combined ratio	98.2%	96.0%	93.7%	91.8%	91.7%				
ROAE	7.8%	16.5%	16.5%	9.2%	8.7%				
ROAA	1.4%	2.5%	2.6%	1.5%	1.5%				
Capital Adequacy Metrics									
RBC ratio (Standalone)	271%	301%	314%	307%	315%	As of 6/30/2012	As of 6/30/2013		

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(4) Total may not sum due to rounding.