

Cathay Financial Holdings Co., Ltd
2012 Fourth Quarter Briefing



Disclaimer

- This document is provided by Cathay Financial Holding Co., Ltd. (the "Company"). Except for the numbers and information included in the Company's financial statements, the information contained in this document has not been audited or reviewed by any accountant or independent expert. The Company makes no express or implied representations or warranties as to the fairness, accuracy, completeness, or correctness of such information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. The Company, its affiliates and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.
- This document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that the Company expects or anticipates to take place in the future based on the projections of the Company toward the future, and various factors and uncertainty beyond the Company's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements.
- This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer.
- This document may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.

Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

2012 Overview

Cathay United Bank

- Maintained sound asset quality; NPL ratio of 0.34% and coverage ratio of 386.5%, completed the one off provision for the 1% loan loss reserve of normal loan
- Fee income grew by 9.3% YoY; wealth management fee income increased by 17.7%

Cathay Life

- FYP of traditional regular-pay products grew by 28.5% YoY; ranked No.1 by FYPE
- Overseas investment increased to 43.9%; hedging cost stayed low at 0.74%
- Book value reached NT\$135BN; RBC above 250%

Cathay Century

- Market share increased to 12.7%, premium income grew by 11.2% YoY; maintained No.2 market position
- Continued to extend business in main provinces in Midwest China
- Total premium of Vietnam subsidiary grew by 126.6% YoY

Cathay SITE

- Ranked No.1 in terms of AUM, which amounted to NT\$368BN
- Continued to launch new products and broaden the business of individual & institutional clients

Cathay Securities

- Brokerage business grew by 24% and kept improving service quality
- Warrant issues grew by 9% and consistently boosted underwriting business

2013 Outlook

Cathay United Bank

- Maintain steady loan growth momentum; increase LDR and NIM
- Expand wealth management business, boosting growth in fee income
- Continue to grow offshore earnings and business coverage

Cathay Life

- Focus on the sales of regular-paid, foreign currency denominated and investment link products to increase VNB
- Continue to reduce cash position, increase overseas investment and mortgage loans proportion
- Recognize unrealized gains on property by NT10 BN

Cathay Century

- Expand marketing channels to maintain the growth of premium income.
- Utilize the group's customer base by strengthening cross selling marketing activities
- Focus on organizational development in China and Vietnam

Cathay SITE

- Continue to increase total AUM; expand services for institutional and retail clients
- The JV with China Development Bank Securities aim to open in the third quarter
- Launch the RMB denominated products to meet clients' demands

Cathay Securities

- Expand FINI and great China institutional investor business to grow brokerage market share
- Enlarge underwriting and financial product business

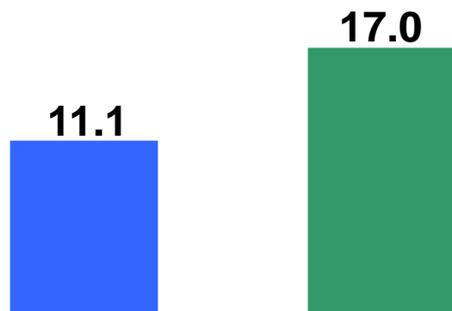
Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Cathay FHC — Net income & EPS

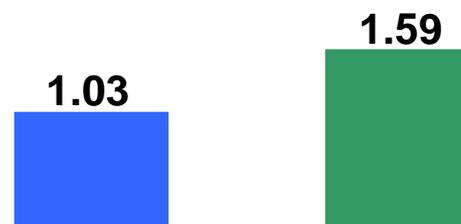
Net income⁽¹⁾

■ Cathay FY11 ■ Cathay FY12 (NT\$BN)



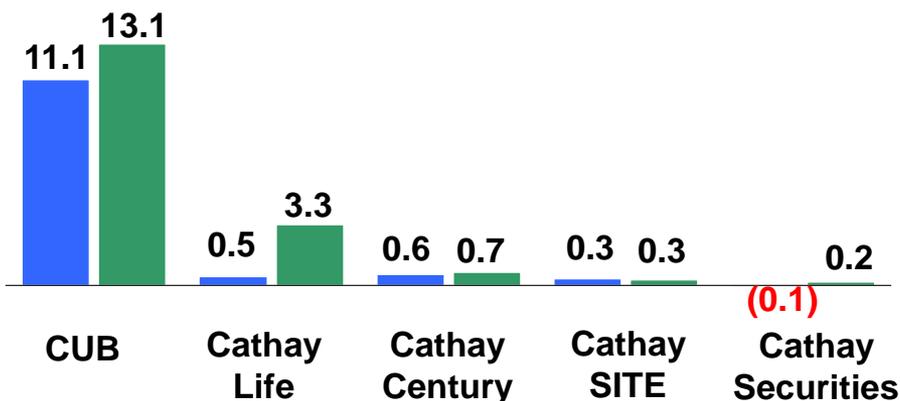
EPS

■ Cathay FY11 ■ Cathay FY12 (NT\$)



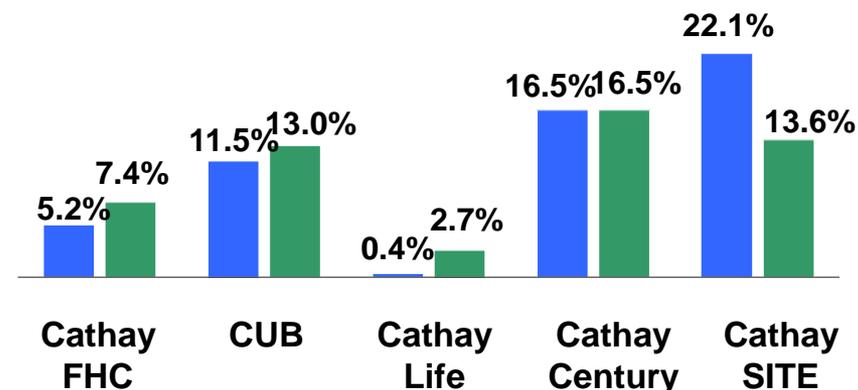
Net income of primary subsidiaries

■ FY11 ■ FY12



ROE

■ FY11 ■ FY12

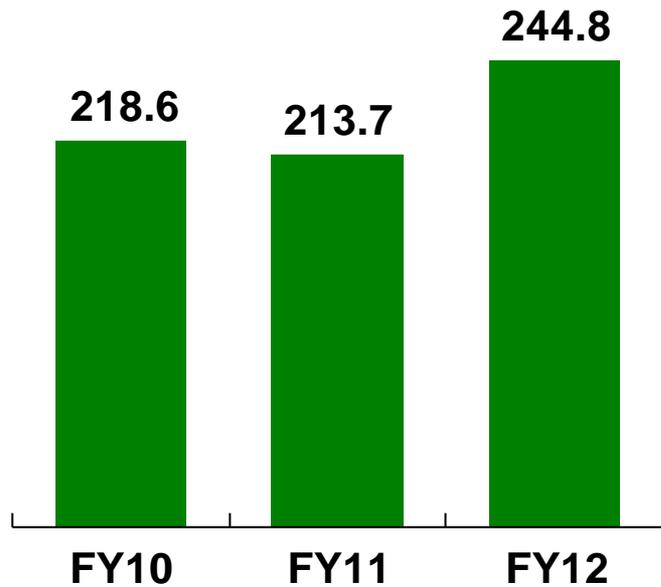


Note: (1) 2012 net income excluding FX fluctuation reserve of Cathay FHC and Cathay Life would be NT\$16.8bn (EPS of NT\$1.58) and NT\$3.1bn respectively.

Cathay FHC — Book value & BVPS

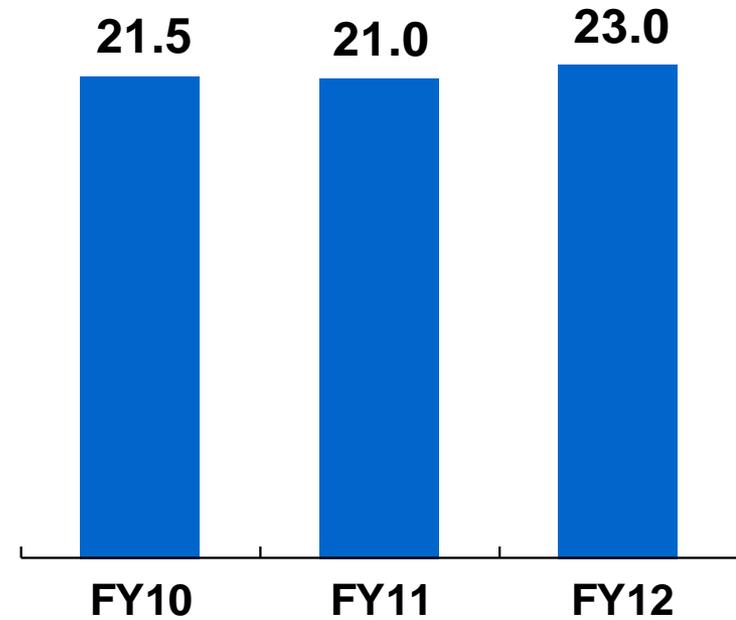
Book value

(NT\$BN)



BVPS

(NT\$)



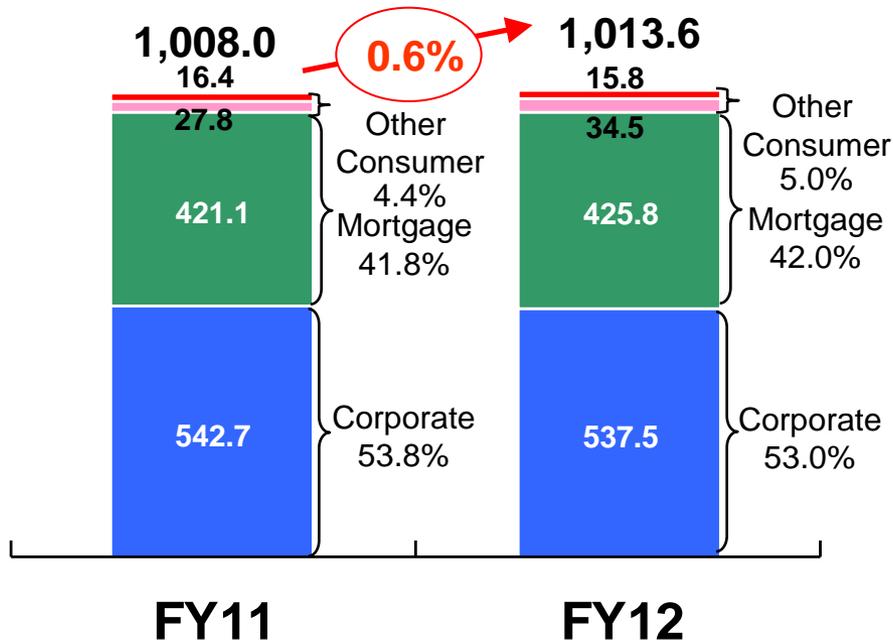
Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank**
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Cathay United Bank — Loan & Deposit breakdown

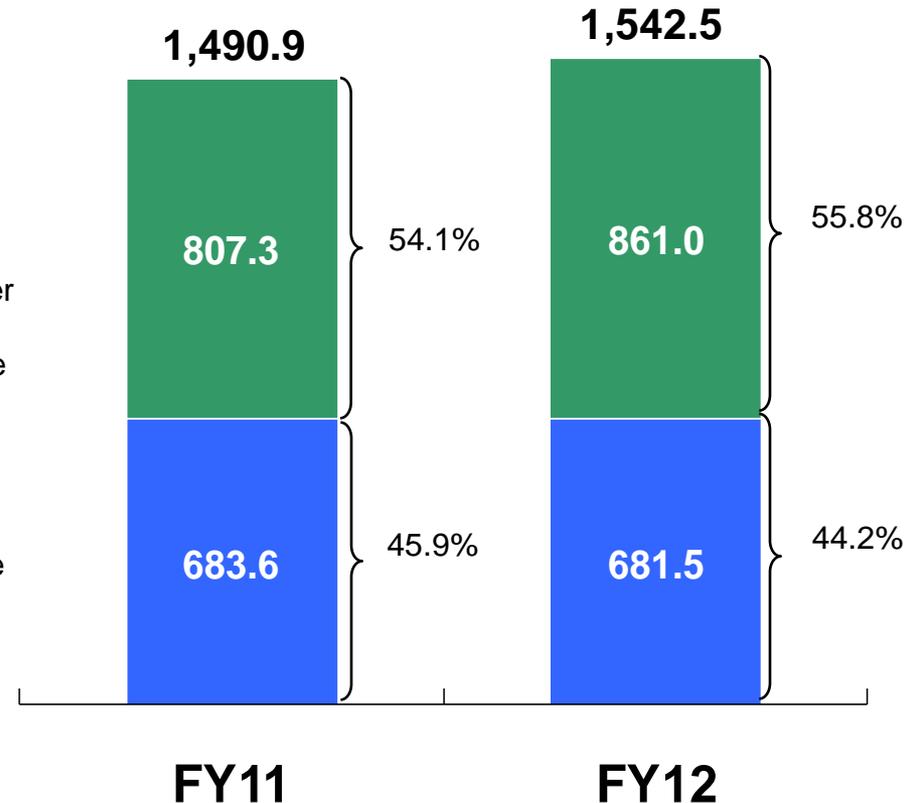
Loan breakdown

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



Deposit breakdown

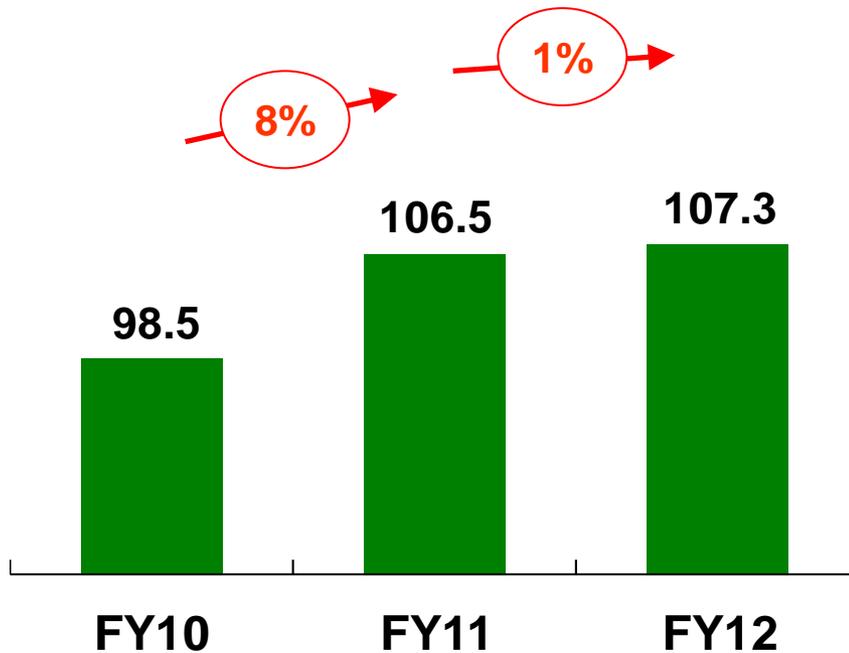
- Demand Deposit
 - Time Deposit
- (NT\$BN)



Cathay United Bank — SME & Foreign currency loans

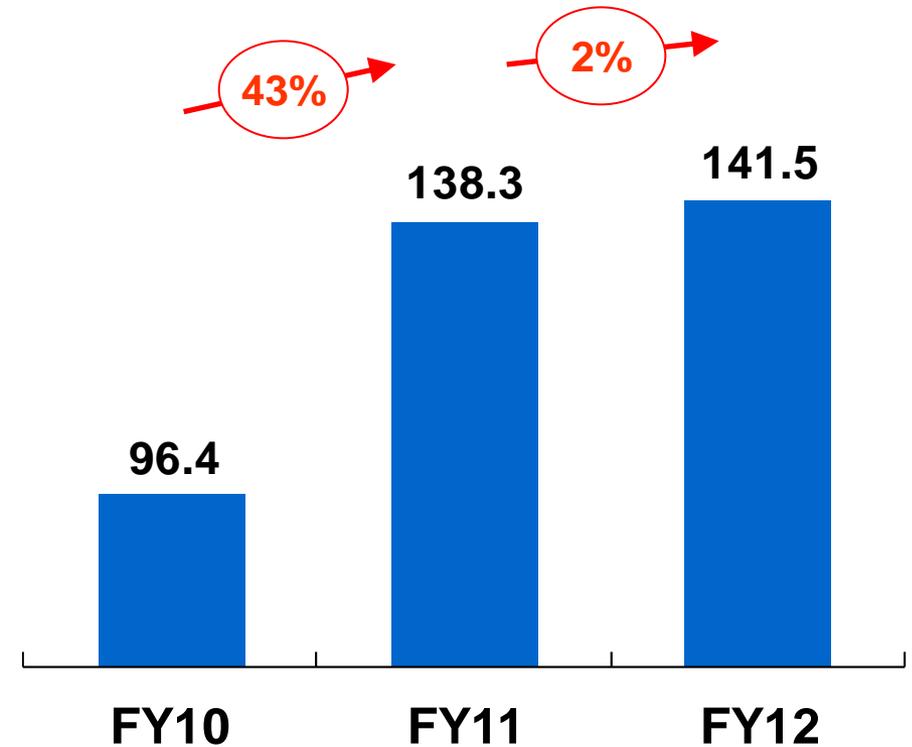
SME loans

(NT\$BN)



Foreign currency loans

(NT\$BN)

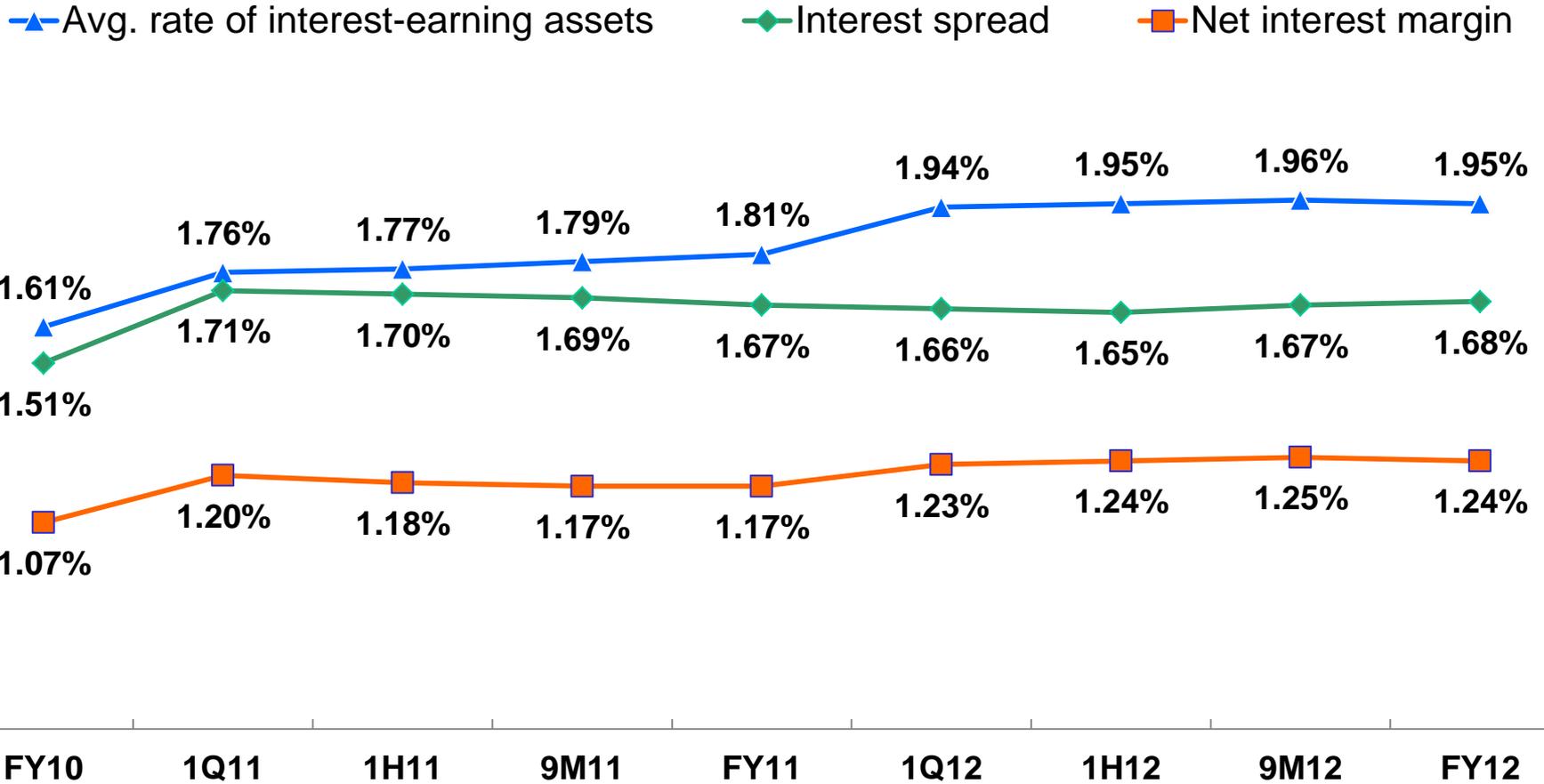


As % of total loans

11.9% 11.8% 10.6%

10.7% 13.7% 14.0%

Cathay United Bank – Interest yields

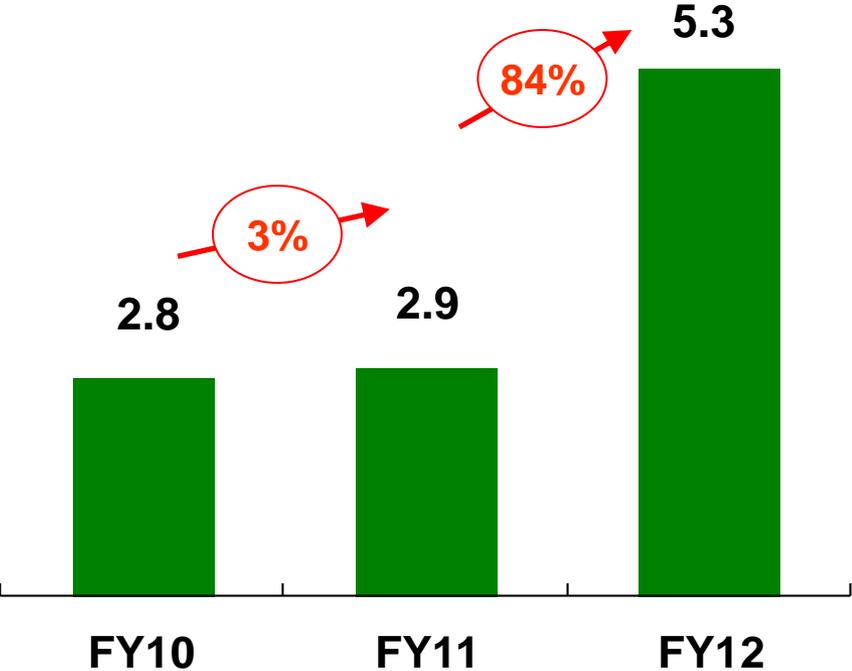


Note: Credit card related loans are included in the calculation.

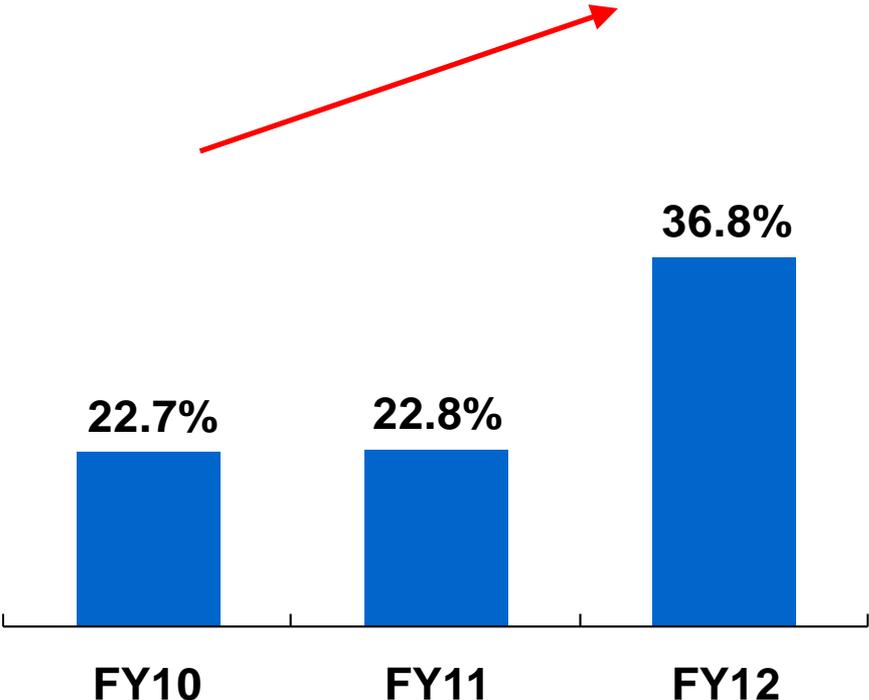
Cathay United Bank – Offshore earnings

Offshore earnings

(NT\$BN)



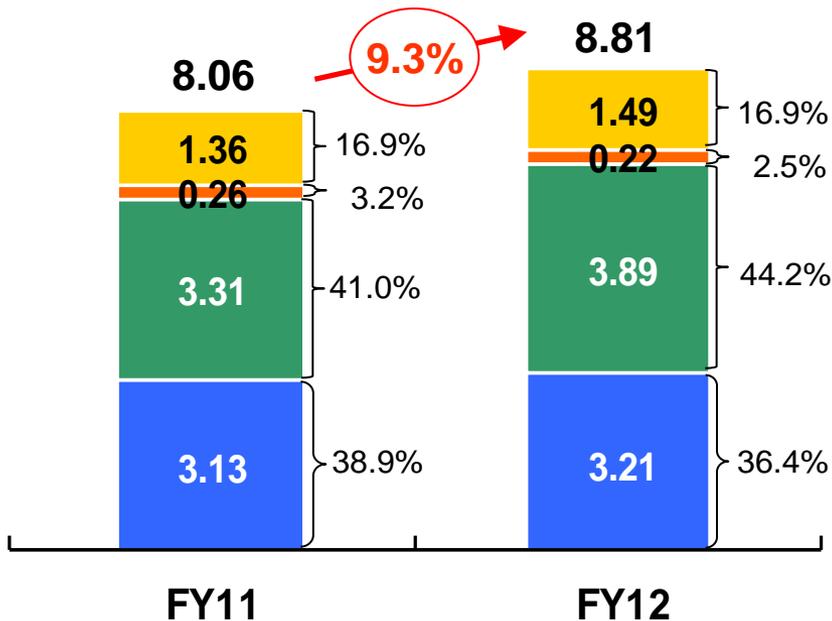
As % of CUB pre-tax profits



Cathay United Bank – Fee income

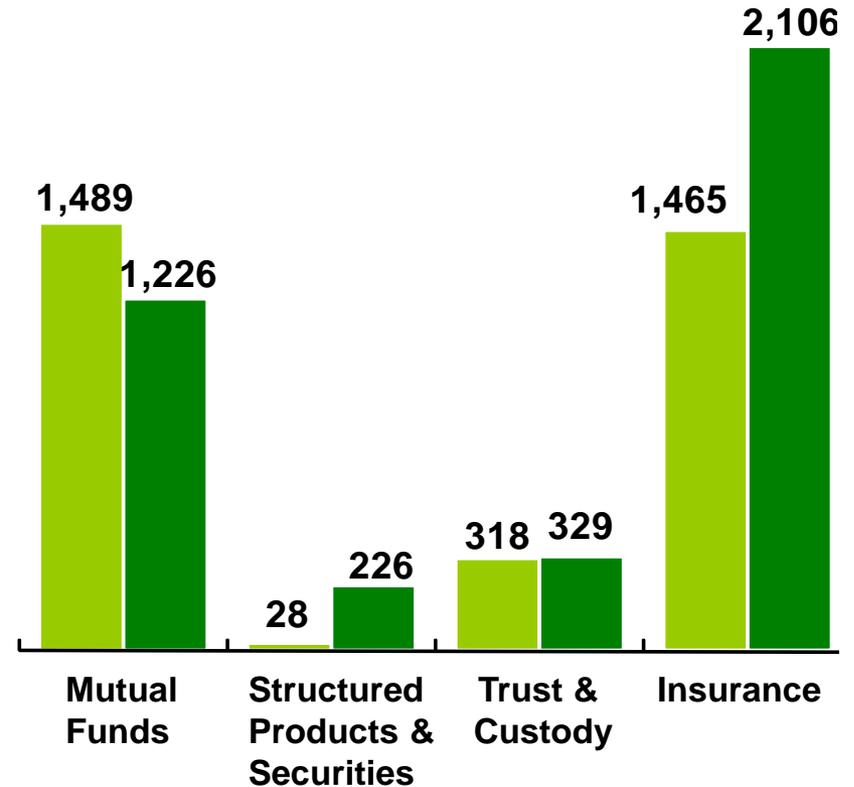
Fee income breakdown

- Others (NT\$BN)
- FX
- Wealth management
- Cards related



Wealth management fee breakdown

- FY11 (NT\$MN)
- FY12

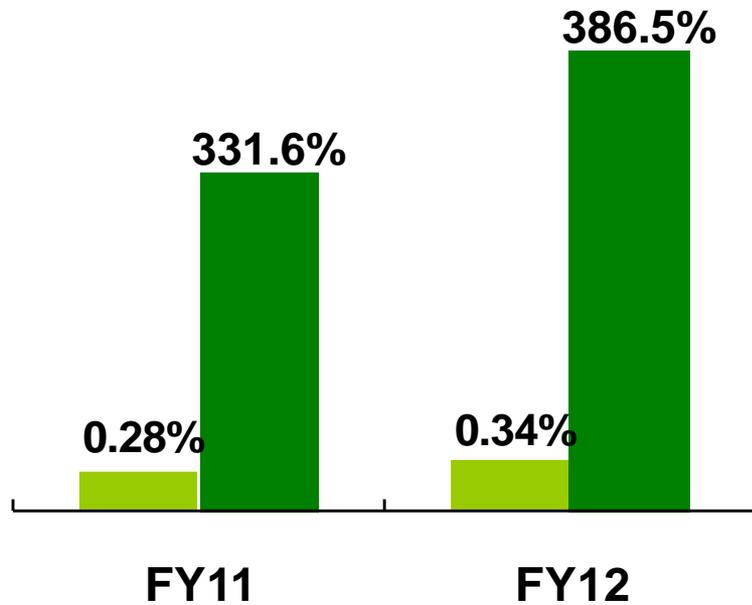


Note: Totals may not sum due to rounding.

Cathay United Bank – Credit quality

NPL & Coverage ratio

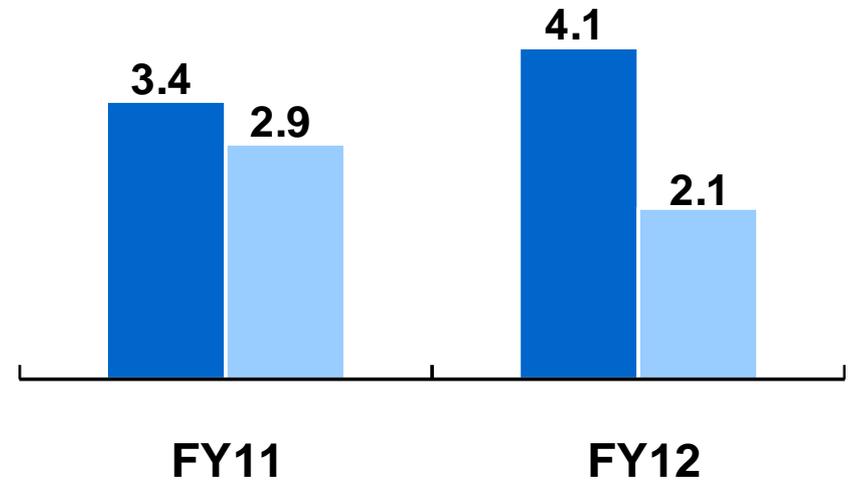
- NPL ratio
- Coverage ratio



Mortgage NPL	FY11	FY12
	0.08%	0.06%

Gross provision

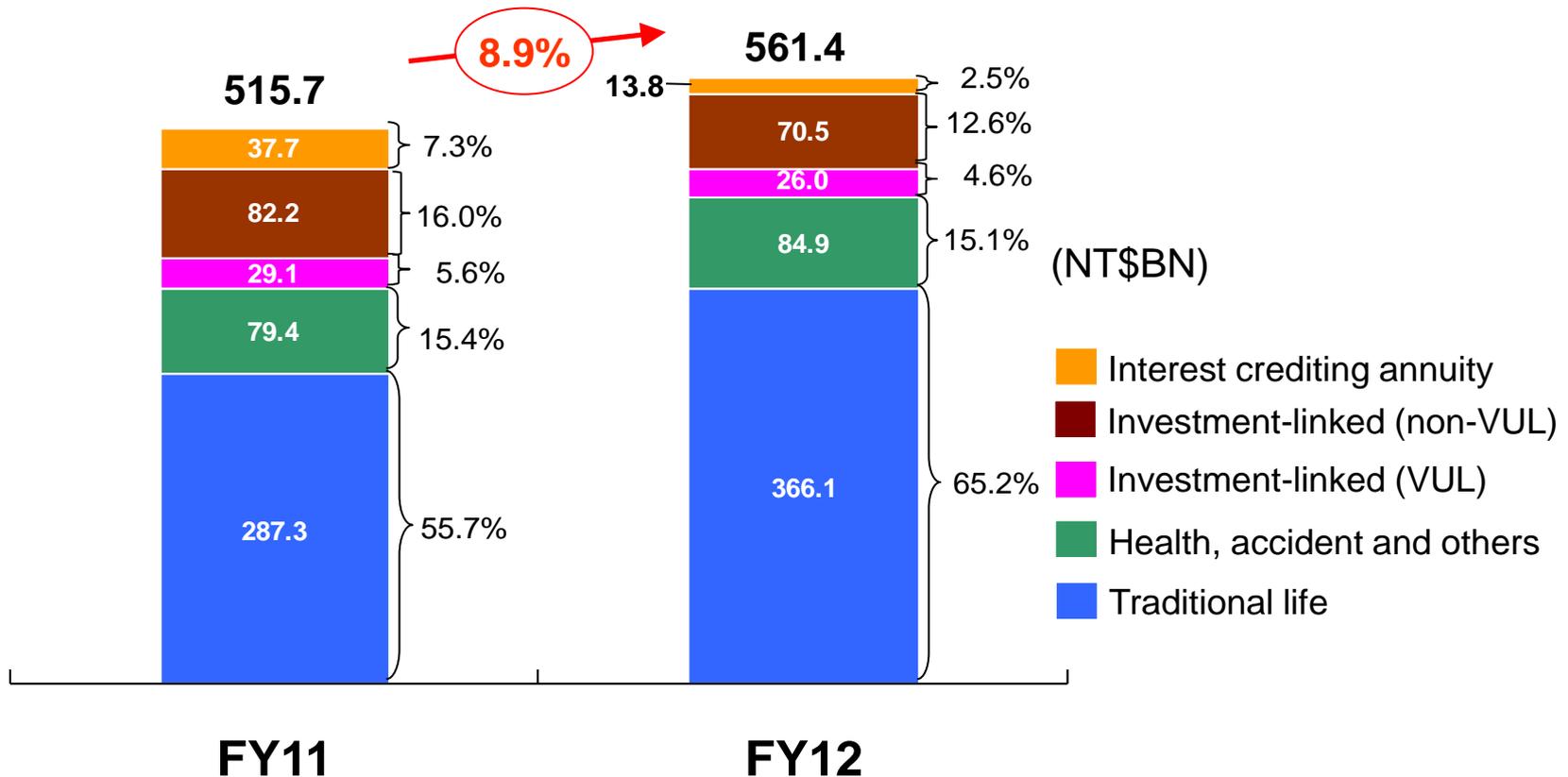
- Gross provision (NT\$BN)
- Recovery



Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life**
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Cathay Life – Total premium

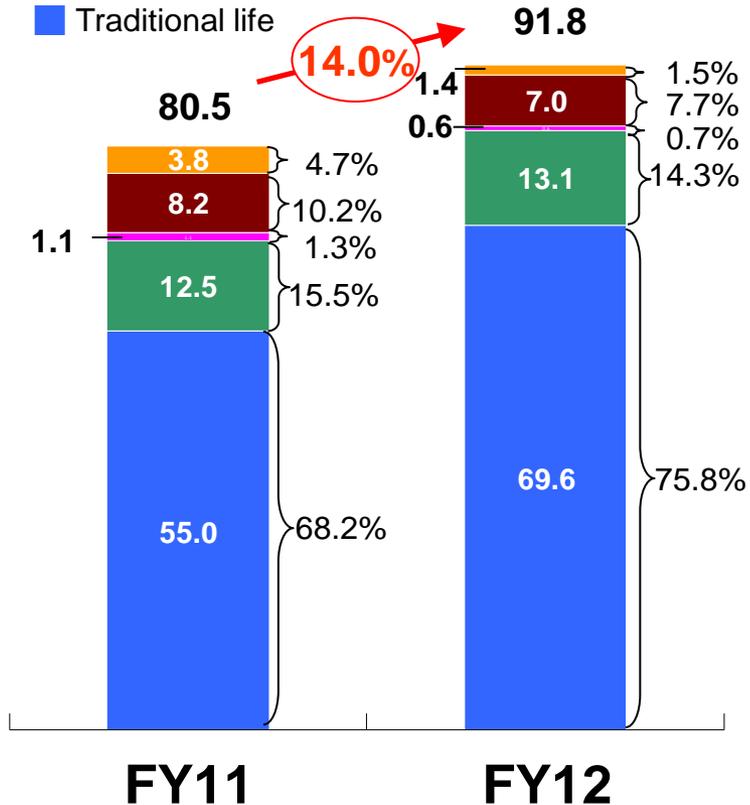


Note: Totals may not sum due to rounding.

Cathay Life — FYPE & Distribution channel

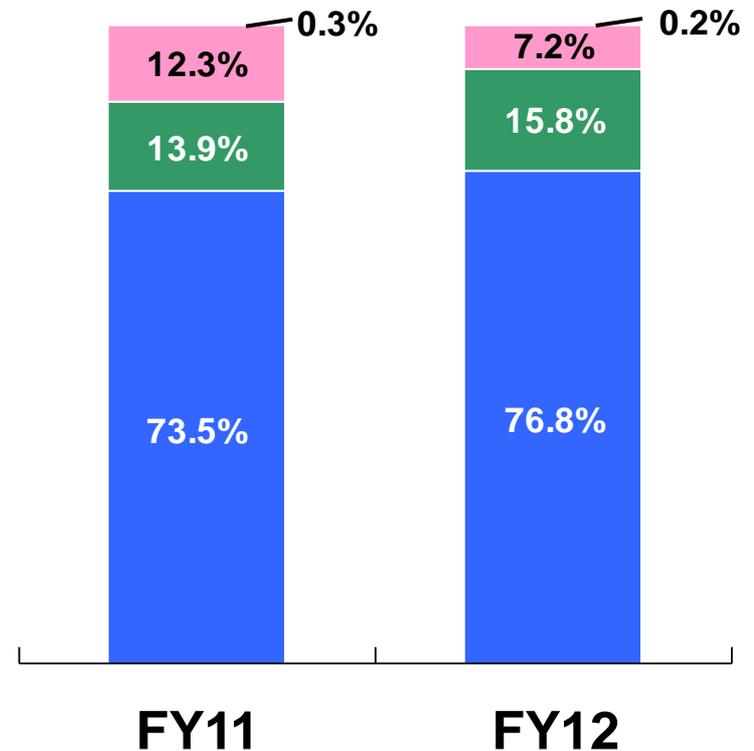
First year premium equivalent (FYPE)

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



Distribution channel breakdown FYPE

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

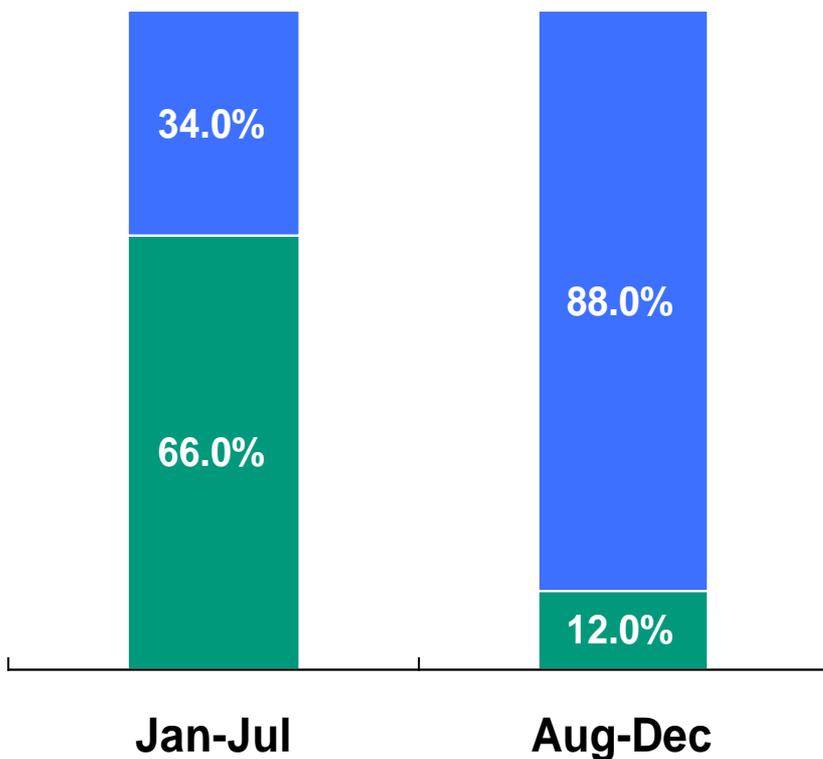


Note: Totals may not sum due to rounding.

Cathay Life– Regular pay policies improve margin and VNB

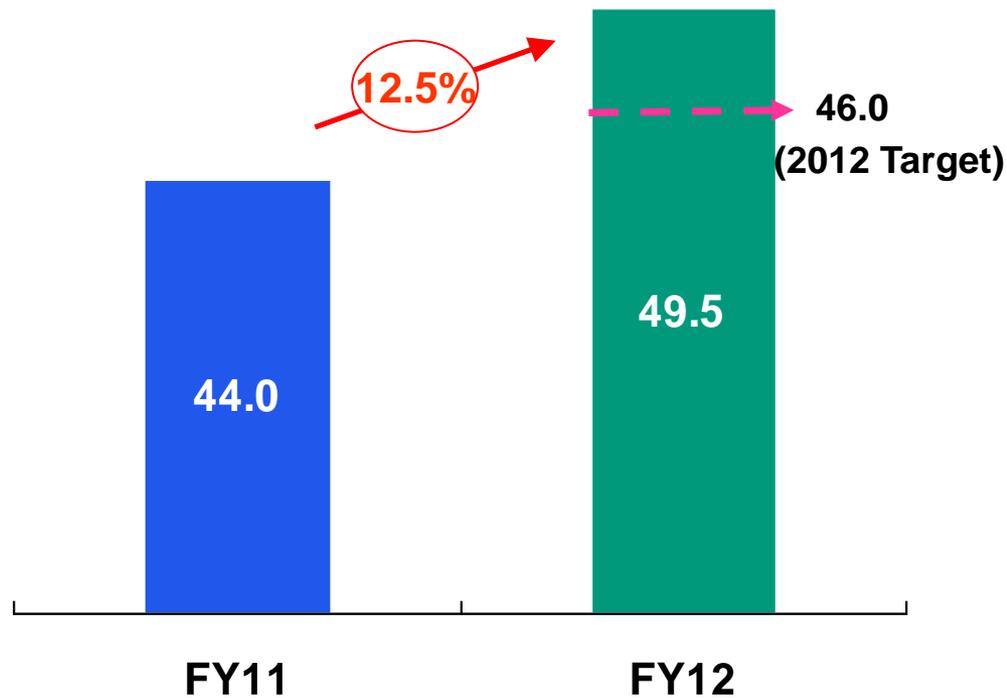
Breakdown of 2012 Traditional FYP

- Traditional Regular Paid
- Traditional Single Paid



VNB₍₁₎

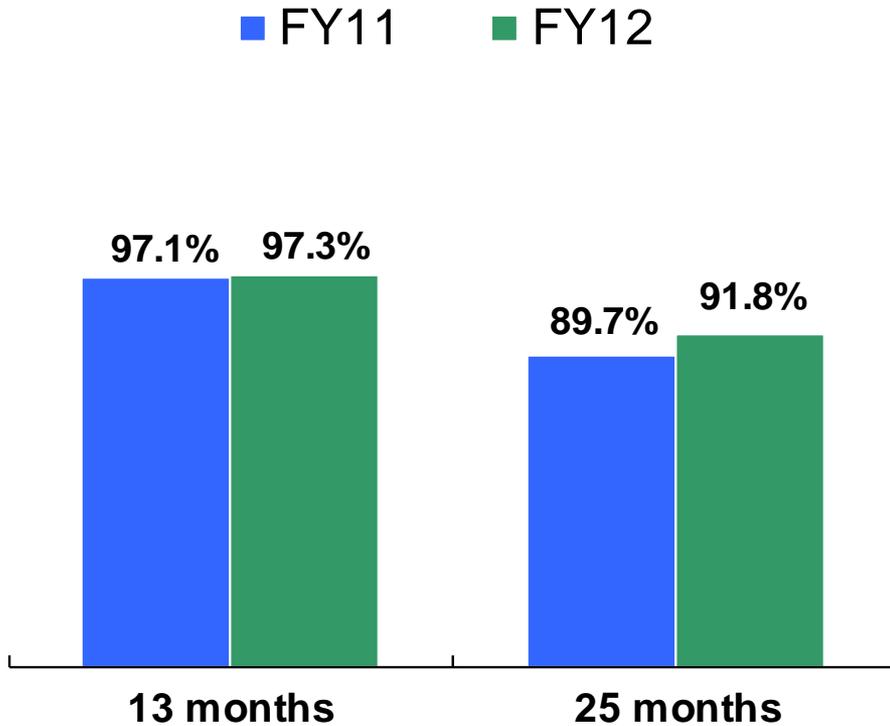
(NT\$BN)



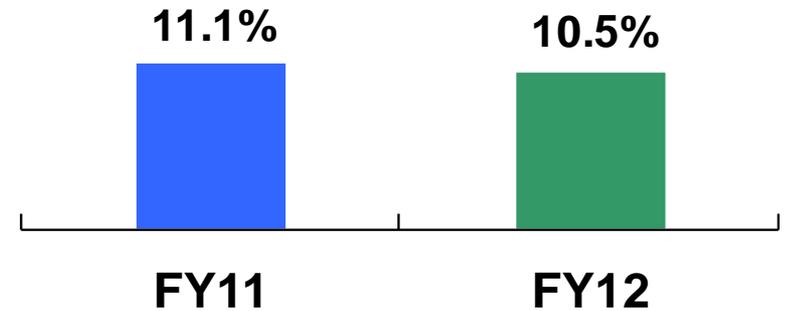
Note: (1)FY12 VNB and VNB target are based on the EV actuarial assumptions made by Cathay Life at the end of 2011. The EV actuarial assumptions will be updated in 1Q13 analysts meeting.

Cathay Life – Operational indicators

Persistency ratio



Expense ratio



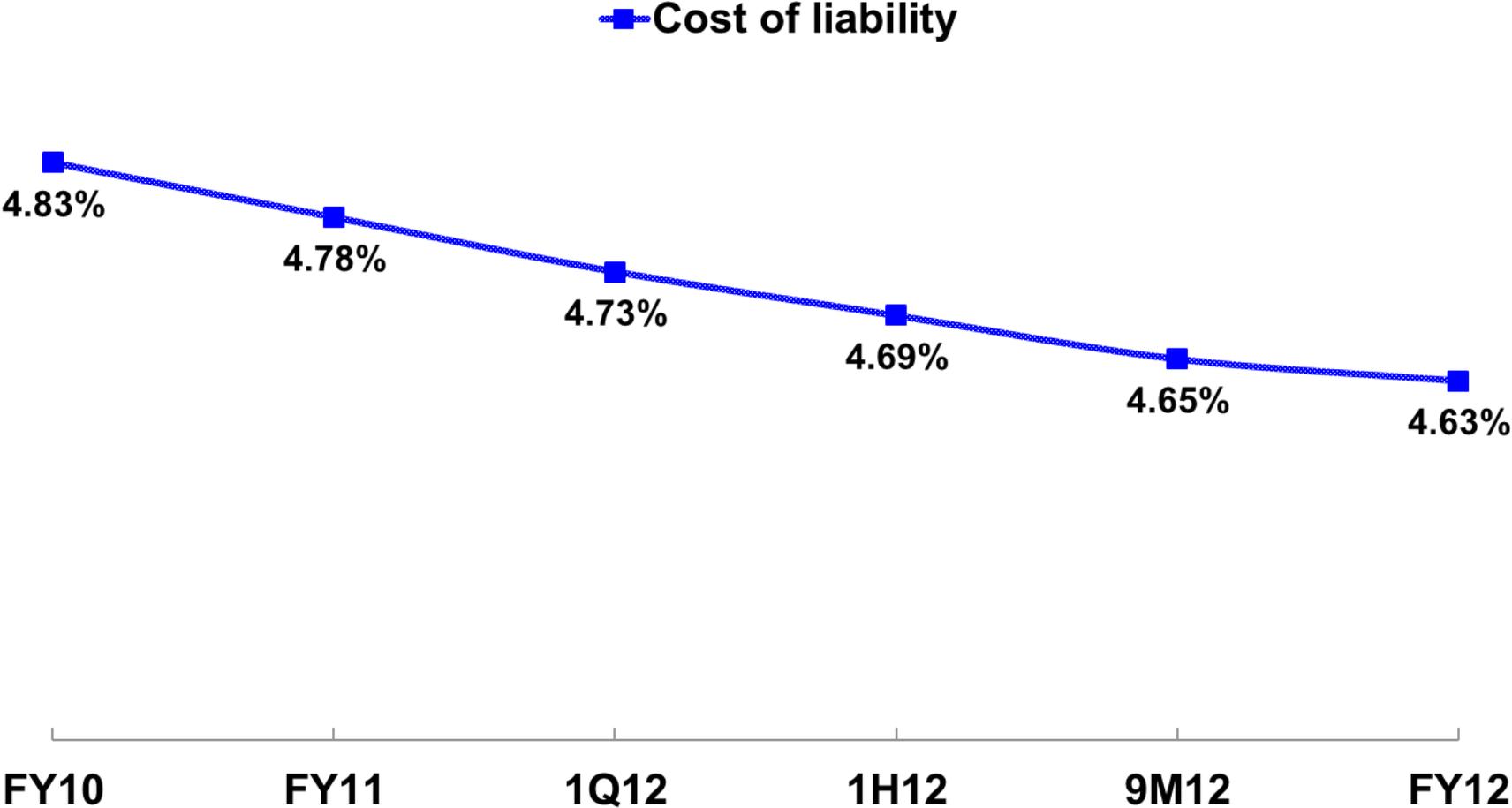
Cathay Life – Asset allocation

	3Q12		4Q12	
	Amt. (NT\$BN)	Weight	Amt. (NT\$BN)	Weight
Cash & Cash equivalents	255.2	7.9%	268.7	8.2%
Equity- Domestic	279.9	8.7%	267.5	8.1%
Equity- International	133.8	4.1%	141.7	4.3%
Bond- Domestic	531.5	16.4%	544.7	16.6%
Bond- International ⁽¹⁾	1,280.7	39.6%	1,299.9	39.6%
Mortgage & Secured loans	319.9	9.9%	337.3	10.3%
Policy loans	182.2	5.6%	181.6	5.5%
Real estate	173.7	5.4%	183.5	5.6%
Others	74.2	2.3%	58.8	1.8%
Total investments⁽²⁾	3,231.1	100.0%	3,283.7	100.0%

Note(1) : Includes foreign currency deposit and related adjustments

Note(2) : Total assets excluded from separate account assets; totals may not sum due to rounding

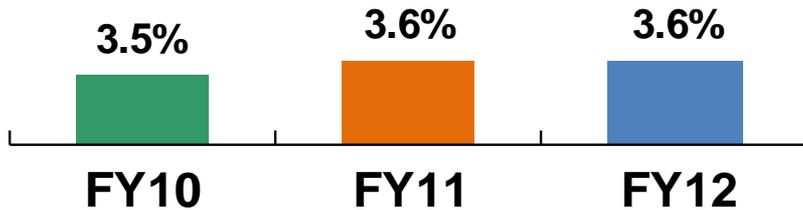
Cathay Life – Cost of liability



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

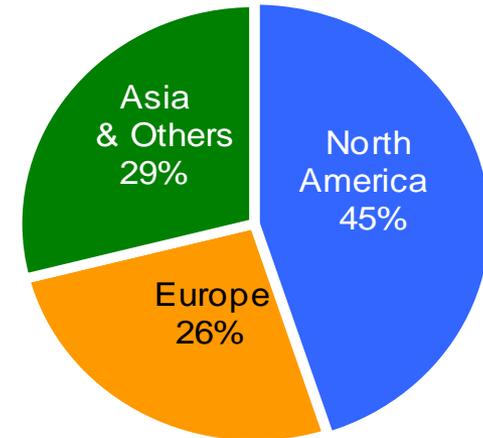
Cathay Life – Investment portfolio highlight

Pre-hedging Recurring Yield



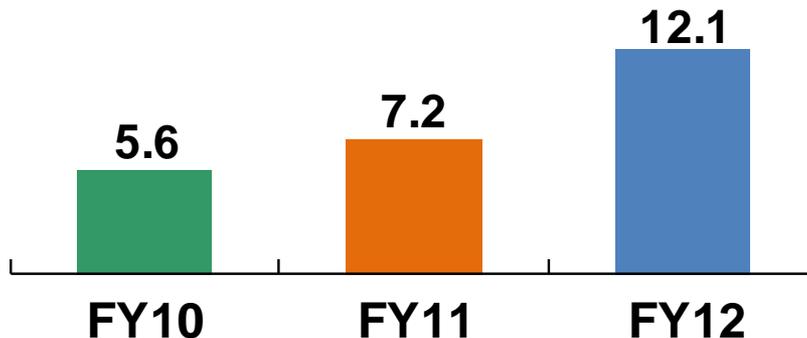
Note: Pre-hedging recurring income doesn't include capital gains but rental, interest revenue and cash dividend

Overseas Bond by Region

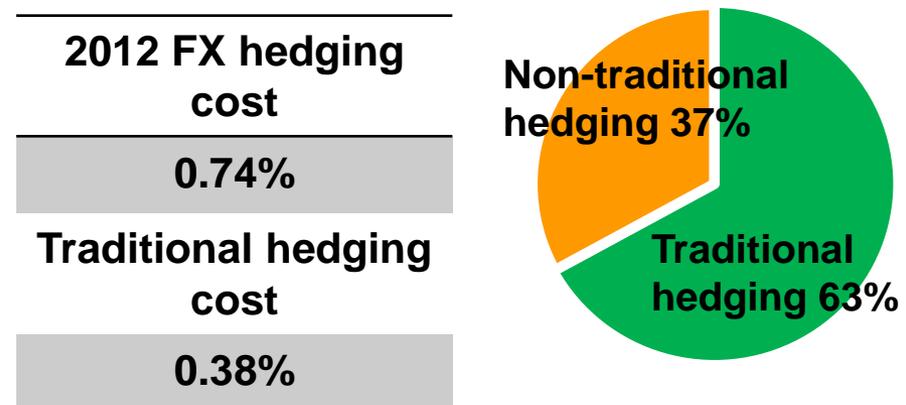


Cash Dividend

(NT\$BN)



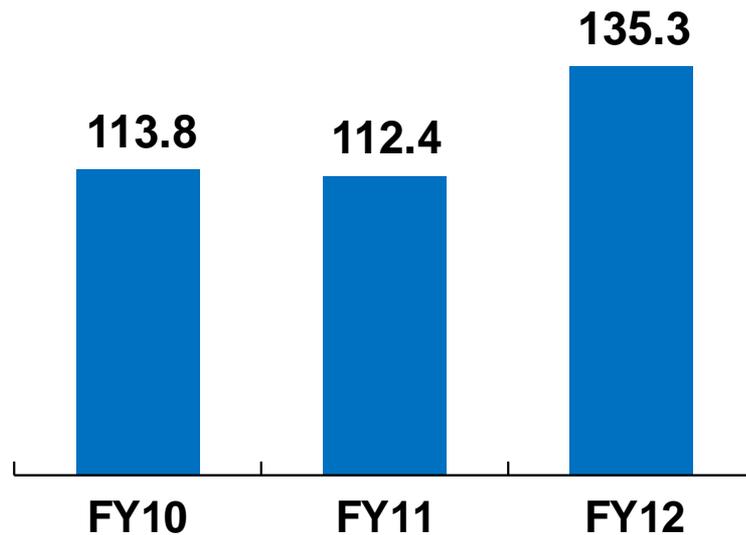
Hedging Cost



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

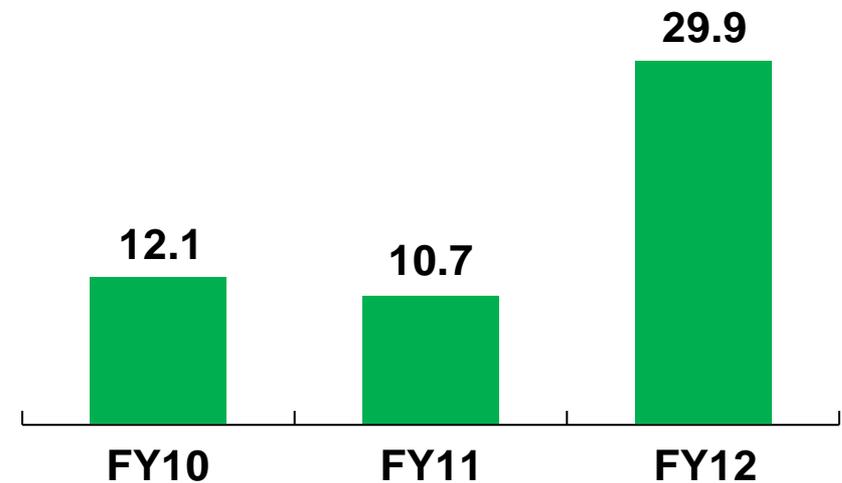
Book value

(NT\$BN)



Unrealized G/L of AFS financial assets

(NT\$BN)



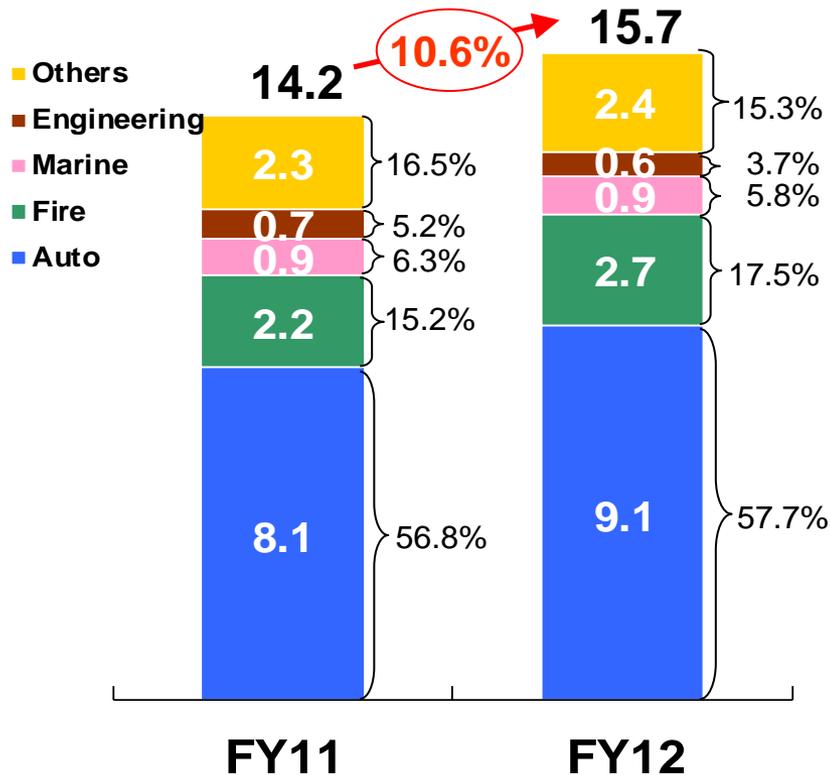
Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Cathay Century

Product breakdown

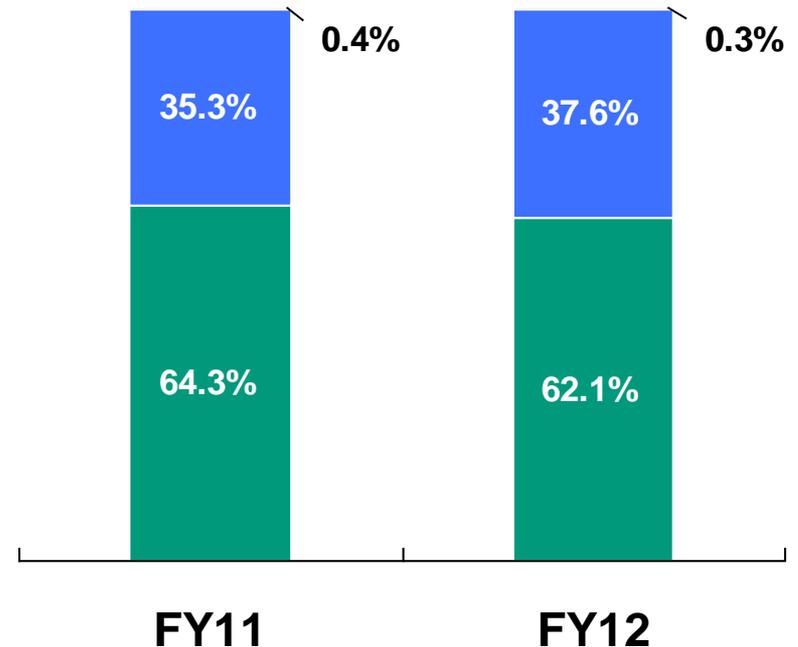
(NT\$BN)



Mkt share **12.2%** (FY11) **12.7%** (FY12)

Distribution channel

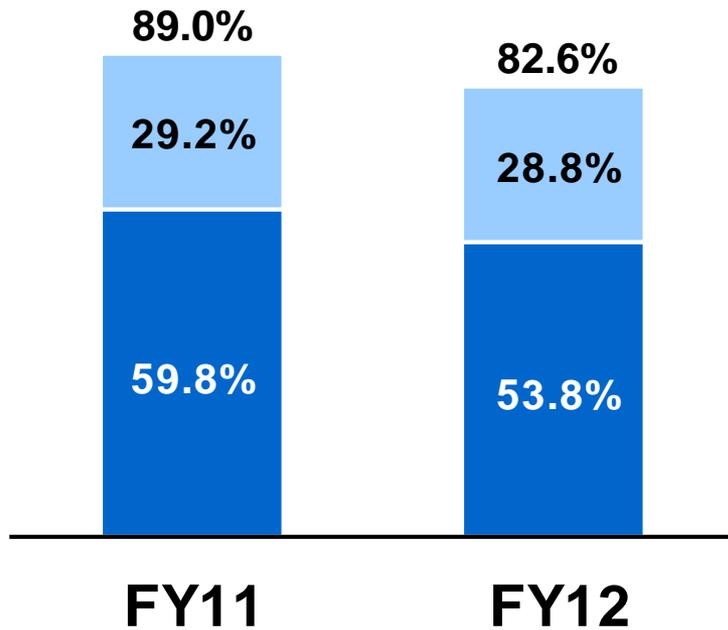
- Others
- Cathay P&C agents
- Cathay group channel



Cathay Century

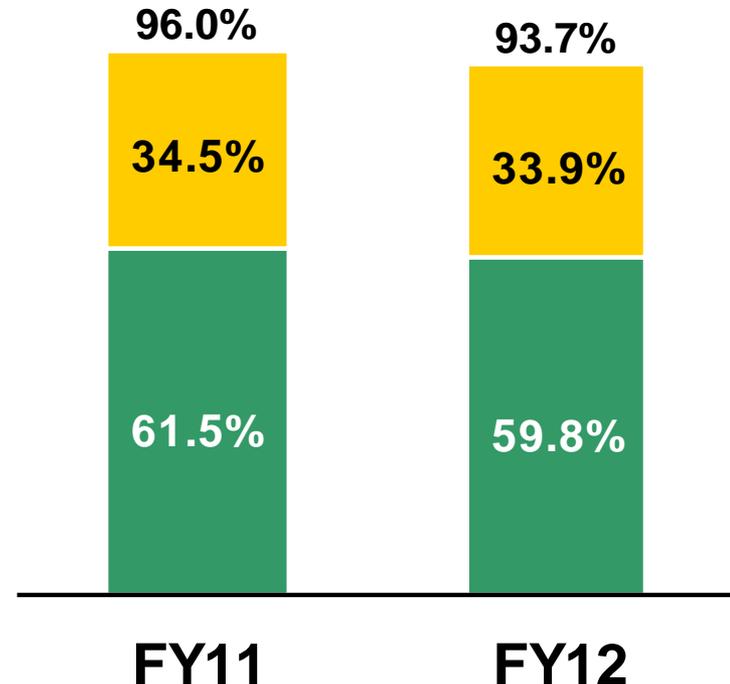
Gross combined ratio

- Gross expense ratio
- Gross loss ratio



Retained combined ratio

- Retained expense ratio
- Retained loss ratio



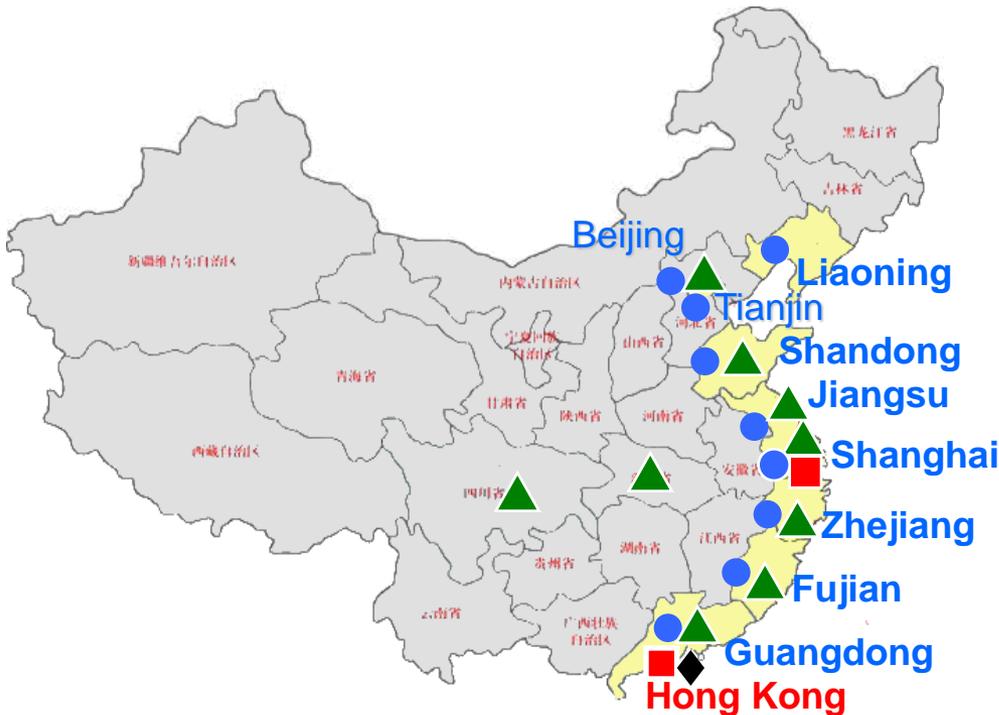
Retained rate 73.7%

74.3%

Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Cathay FHC in China



- Footprint
- Cathay Life (China)
 - Cathay United Bank
 - ▲ Cathay Century (China)
 - ◆ Cathay Conning Asset Management

■ Cathay Life (China)

- Kept improving productivity of sales agent channel and each footprint

■ Cathay United Bank

- Began RMB business with Taiwanese Corp. in Feb.
- Planned to set up Minhang Sub-branch and Qingdao Branch

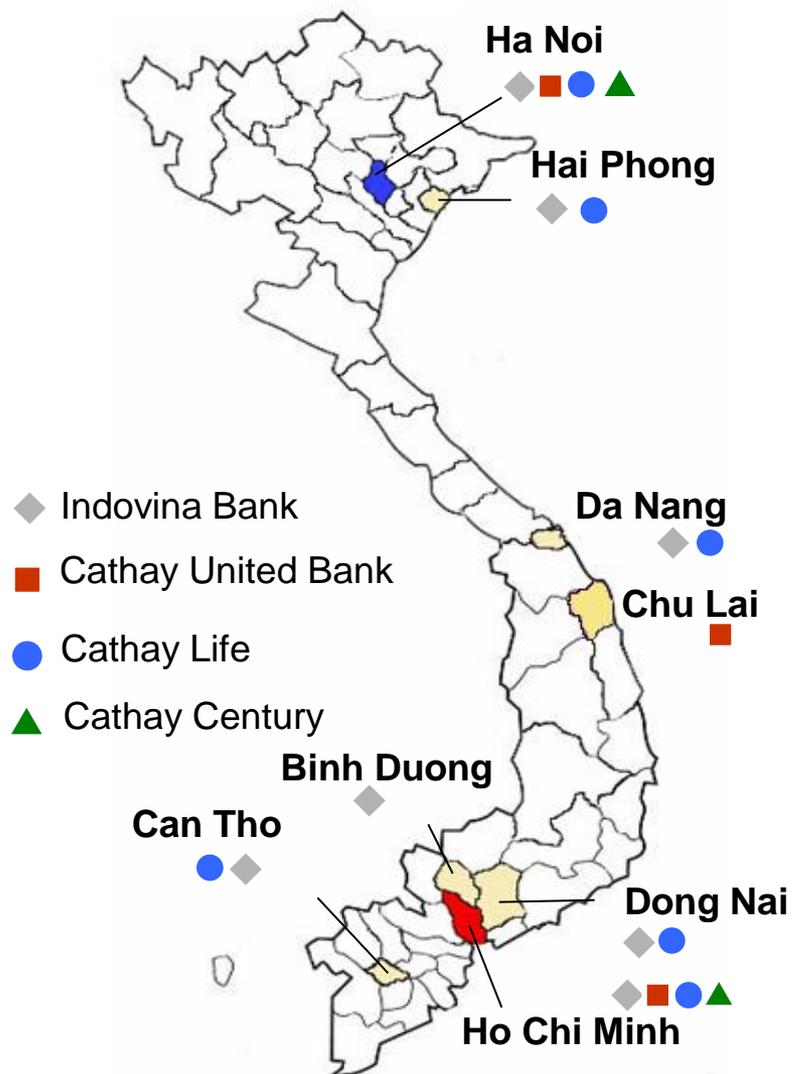
■ Cathay Century (China)

- Strong premium income growth in 2012, up by 57% YoY
- Has set up 17 business footprints in 16 cities

■ CCAM

- Began operation last Sep., AUM amounted to USD\$ 829 MN at the end of 2012

Cathay FHC in South East Asia



■ Cathay United Bank and Indovina Bank

- Operate 38 footprints in Vietnam; performed well on both business and financial sides
- Keep expanding in South East Asia
 - Finished 70% stake acquisition of SBC Cambodia
 - Plan to set up Jakarta office

■ Cathay Life

- Has set up 6 footprints in Vietnam
- Recruited and retained productive agents
- Plan for further capital injection of USD\$ 50 MN

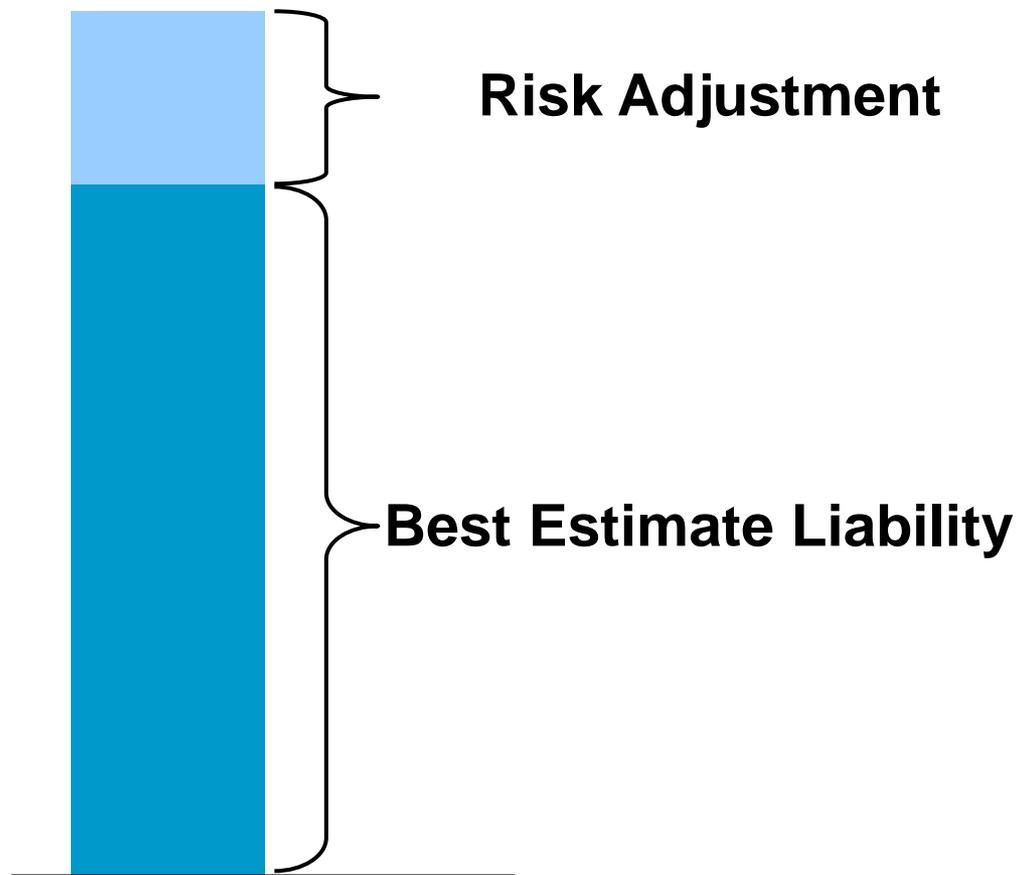
■ Cathay Century

- Total premium income attained USD\$ 2.4 MN, up by 126.6% YoY

Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Valuation model



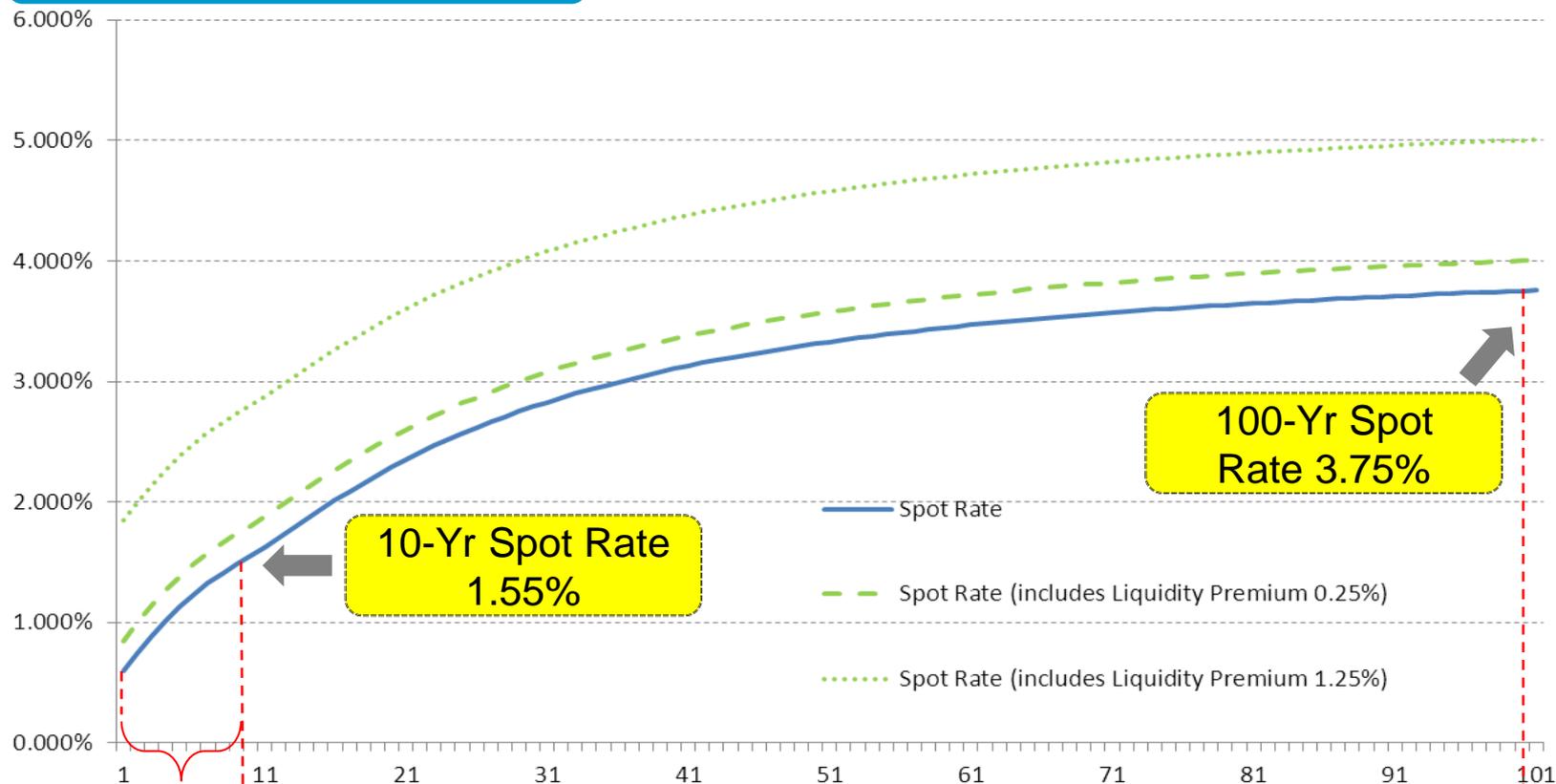
- Measured by Cost of Capital Approach

- Project future cash flows from insurance policies
- Discounted by 3-yr MA risk-free rate plus liquidity premium

Discount rate assumptions

As of Sep.30,2012

■ Example: TWD discount curve



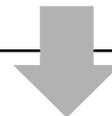
Year 1-10: use 3-yr MA of zero coupon treasury yield from OTC

Year 11-100: extrapolation toward the ultimate forward rate of 4.2% in Year 100.
(same methodology as the yield curve construction in Solvency II QIS 5)

Valuation results

As of Sep.30,2012

Portfolio	Upper limit of liquidity premium	Cathay's best estimate liquidity premium	Cathay's break even liquidity premium
TWD policies-guaranteed rate $\geq 4\%$ Short-term policies VUL (general account)	1.50%	1.25%	$\leq 1.00\%$
TWD policies-guaranteed rate $< 4\%$ FX policies	0.25%	0.25%	0.25%
Comparison between fair value liability(A) and statutory reserve(B)	(A)<(B)	(A)<(B)	(A)=(B)



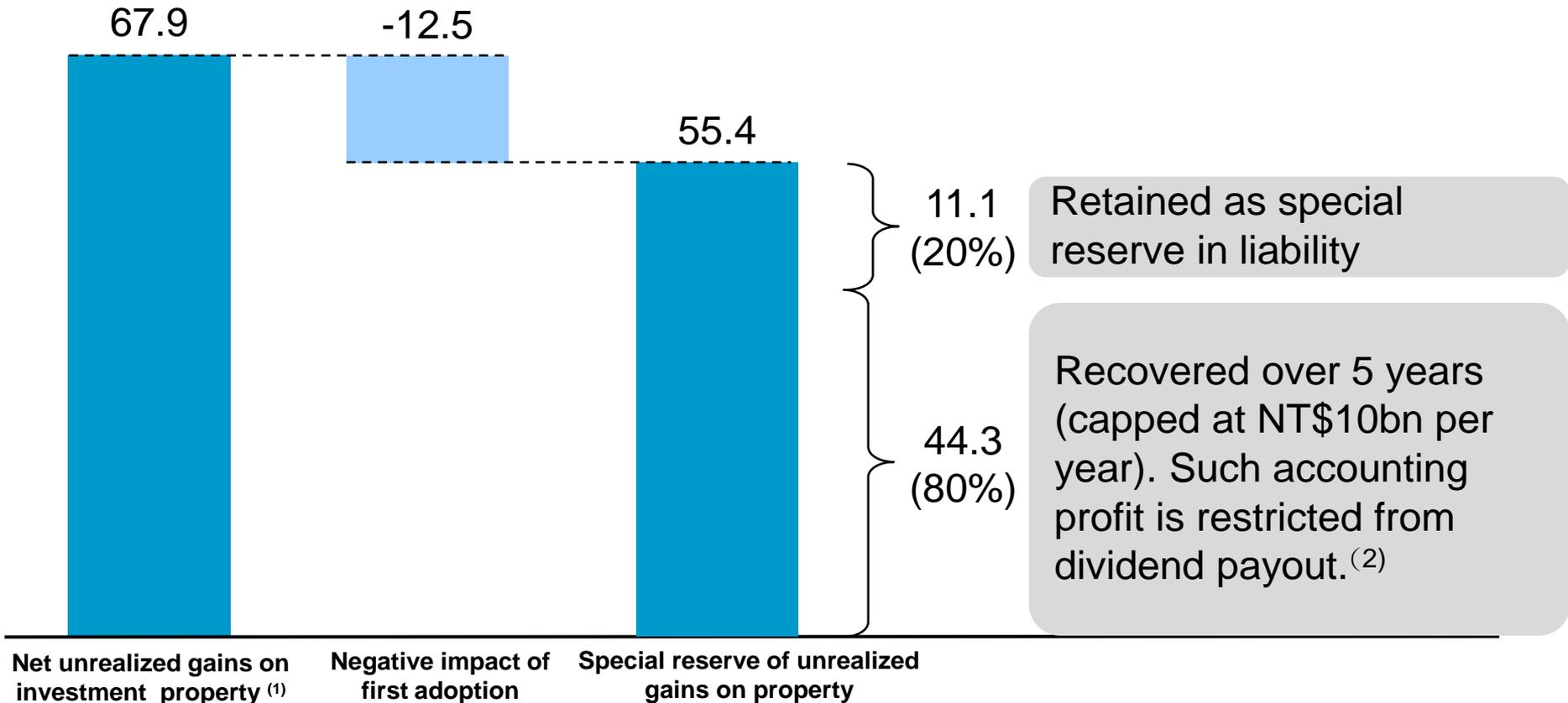
If reserve is sufficient, 80% of “special reserve of unrealized gains on property” is allowed to recover.

Agenda

- **2012 Business overview and 2013 Outlook**
- **2012 Financial results**
 - Cathay Financial Holdings
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
- **Overseas expansion**
- **Fair value of Cathay Life's Insurance liability**
- **Recognition plan for recovery special reserve of unrealized gains on property**

Special reserve of unrealized gains on property

(NT\$BN)



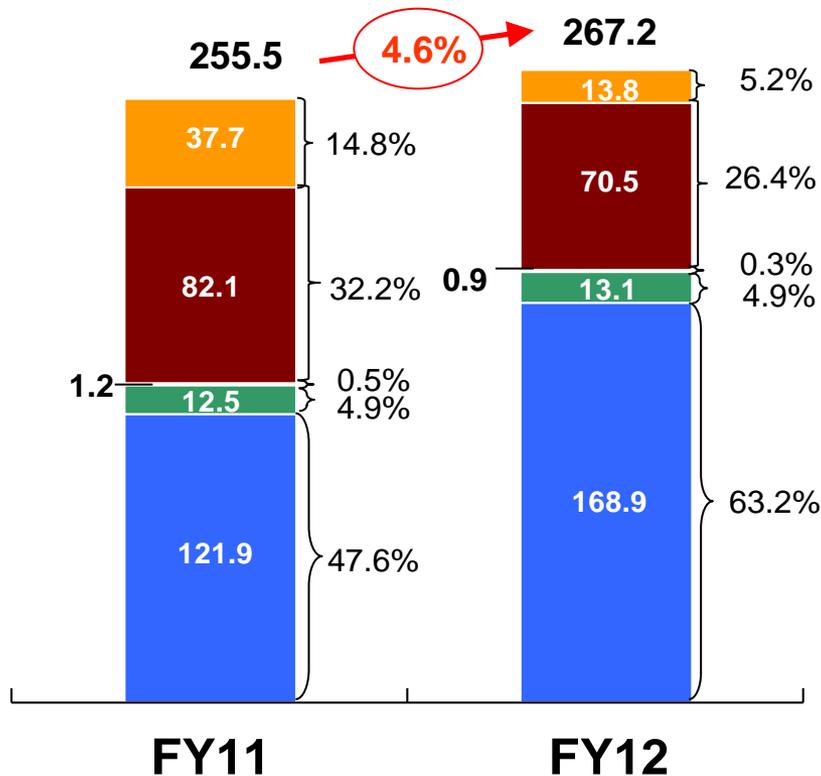
Note: (1) Net unrealized gains on investment property is calculated by discounting rental income at industry average WACC(3.29%), net of related taxes. The amount is therefore well below the property market value.

(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.

Appendix — Cathay Life FYP& Distribution channel

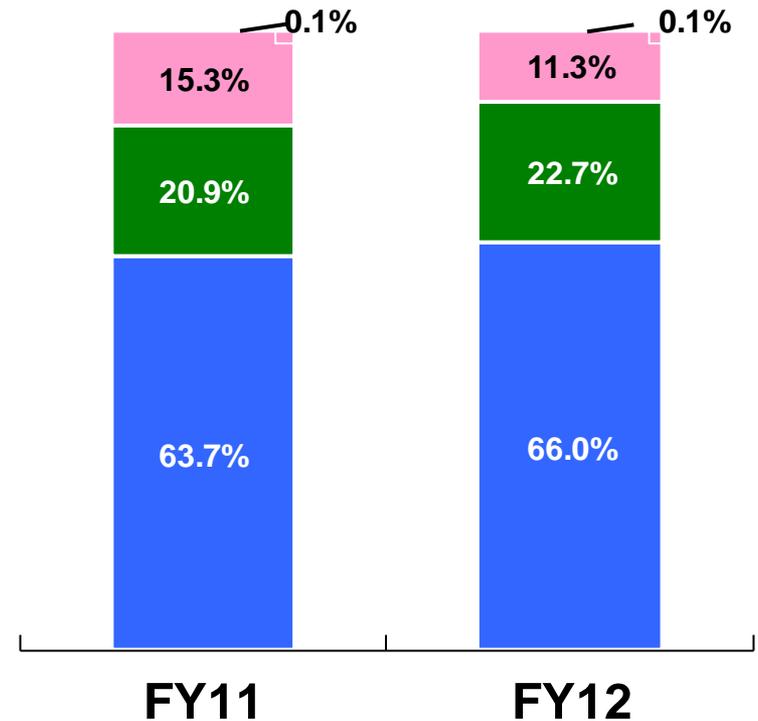
First year premium (FYP)

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



Distribution channel breakdown FYP

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



Note: Totals may not sum due to rounding



傳承

領航未來



Q & A



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

	FY2011	FY2012	FY12/ FY11 % Chg	4Q11	4Q12	4Q12/ 4Q11 % Chg
<u>Statement of Income Data</u>						
Income from subsidiaries						
Cathay Life	(0.177)	3.280	-	(2.417)	0.924	-
Cathay United Bank	10.970	13.068	19.1%	1.770	2.711	53.2%
Cathay Century	0.602	0.690	14.6%	0.292	0.183	-37.4%
Other	0.197	0.548	178.2%	(0.003)	0.101	-
Total income from subsidiaries, net	11.592	17.586	51.7%	(0.359)	3.920	-
Interest and other income	0.966	1.195	23.8%	0.236	0.301	27.9%
Administrative and general expenses	(0.345)	(0.466)	35.1%	(0.086)	(0.153)	77.1%
Operating and other costs	(1.169)	(1.442)	23.3%	(0.304)	(0.352)	16.1%
Income taxes (expense) benefit	0.085	0.129	51.3%	0.038	0.469	1125.1%
Net income	11.129	17.002	52.8%	(0.475)	4.184	-
EPS (NT\$)	1.03	1.59				

Balance Sheet Data

Long-term investments in stock	223.3	252.1
Total assets	266.2	298.3
Total consolidated assets	5,005.4	5,435.3
Total consolidated shareholders' equity	217.7	248.6

Operating Metrics

ROAE(standalone)	5.2%	7.4%
ROAA (standalone)	4.2%	6.0%
ROAA(consolidated)	0.2%	0.3%

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)Total may not sum due to rounding.

(3)Cumulative after-tax net income excluding FX fluctuation reserve of Cathay Financial Holding and Cathay Life would be NT\$16.80 bn and NT\$3.08 bn respectively.

(4)Cumulative EPS excluding FX fluctuation reserve of Cathay Financial Holding and Cathay Life would be NT\$1.58 and NT\$0.58 respectively.



Cathay Life

Summary Financial Data
(NT\$BN)

	FY2011	FY2012	FY12/ FY11 % Chg	4Q11	4Q12	4Q12/ 4Q11 % Chg
Summary Statement of Income Data						
Premium income ⁽¹⁾	408.031	472.015	15.7%	108.652	108.844	0.2%
Reinsurance premium ceded	(22.398)	(28.597)	27.7%	(6.701)	(7.265)	8.4%
Changes in unearned premium reserve	2.072	(0.064)	-	(0.912)	(0.536)	-41.3%
Retained earned premium	387.705	443.354	14.4%	101.038	101.043	0.0%
Reinsurance commission earned	11.737	14.371	22.4%	3.789	3.409	-10.0%
Handling fee earned	2.872	2.581	-10.1%	0.627	0.819	30.6%
Investment income						
Interest income	86.315	91.762	6.3%	22.335	23.034	3.1%
Gain on disposal of investment	44.038	39.780	-9.7%	(13.412)	19.794	-
Other investment income, net	(38.968)	(12.512)	-67.9%	13.853	(13.625)	-
Total investment income, net ⁽²⁾	91.385	119.030	30.3%	22.776	29.203	28.2%
Separate account product revenues	87.181	104.059	19.4%	17.855	28.194	57.9%
Changes in FX reserves	0.000	0.241	-	0.000	0.016	-
Retained claims payment	(251.366)	(220.675)	-12.2%	(55.534)	(58.823)	5.9%
Changes in liability reserves	(197.618)	(305.537)	54.6%	(62.847)	(62.146)	-1.1%
Commissions and operating expense						
Brokerage expenses	(32.573)	(33.526)	2.9%	(8.301)	(7.956)	-4.2%
Marketing, administrative and general expenses	(13.700)	(16.134)	17.8%	(3.877)	(4.425)	14.1%
Total commissions and operating expenses	(46.273)	(49.660)	7.3%	(12.178)	(12.381)	1.7%
Other operating expenses	(89.711)	(107.250)	19.6%	(18.588)	(29.095)	56.5%
Operating income	(4.089)	0.515	-	(3.062)	0.240	-
Non-operating income	1.767	1.878	6.3%	0.491	0.614	25.1%
Non-operating expense	(0.834)	(0.912)	9.3%	(0.219)	(0.229)	4.2%
Income taxes	3.611	1.798	-50.2%	0.368	0.299	-18.8%
Cumulative effect of changes in accounting principles	0.000	0.000	-	0.000	0.000	-
Net income	0.456	3.280	619.5%	(2.422)	0.924	-
After-tax net income excluding FX fluctuation reserve	0.000	3.080	-	0.000	0.911	-
Balance Sheet Data						
Total assets	3277.4	3635.1				
Total stockholders' equity	112.4	135.3				
Operating Metrics						
First Year Premium(FYP)	255.5	267.2				
First Year Premium Equivalent(FYPE)	80.5	91.8				
Expense ratio	11.1%	10.5%				
13-mos persistency ratio	97.1%	97.3%				
25-mos persistency ratio	89.7%	91.8%				
ROAE	0.4%	2.7%				
ROAA	0.0%	0.1%				

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.

(3) Total may not sum due to rounding.



Cathay United Bank

Summary Financial Data

(NT\$BN)

			FY12/ FY11			4Q12/ 4Q11
	FY11	FY12	% Chg	4Q11	4Q12	% Chg
Summary Statement of Income Data						
Interest income	27.408	31.767	15.9%	7.471	7.950	6.4%
Interest expense	(9.750)	(11.486)	17.8%	(2.843)	(2.891)	1.7%
Net interest income	17.658	20.281	14.9%	4.628	5.059	9.3%
Net operating income except interest income						
Net handling fee	6.711	7.286	8.6%	1.575	1.877	19.2%
Gains on financial assets and liabilities at fair value through P&L	1.250	1.091	-12.7%	0.412	0.163	-60.4%
Realized gains on available-for-sale financial assets	1.749	1.279	-26.9%	0.078	0.195	151.1%
Realized gains on held-to-maturity financial assets	(0.002)	0.000	-	0.000	0.000	-
Invst inc - equity method	0.339	0.247	-27.1%	0.076	0.082	8.0%
Realized gain - equity method	0.000	0.000	-	0.000	0.000	-
Gain on foreign exchng - net	0.754	1.055	39.9%	0.131	0.298	126.8%
Impairment gain/loss	(0.112)	(0.151)	35.1%	(0.091)	(0.061)	-33.5%
Gains on reversal of foreclosed properties impairment	0.000	0.000	-	0.000	0.000	-
Gains/losses on disposal of foreclosed properties	0.007	0.001	-86.1%	0.000	0.000	-
Investments in debt securities with no active market, net	0.015	0.025	69.1%	0.013	0.013	-1.2%
other income, net	1.173	2.633	124.5%	0.256	1.736	579.2%
Net operating income	29.542	33.747	14.2%	7.076	9.363	32.3%
Provisions for possible losses	(0.526)	(2.050)	290.0%	(0.490)	(2.047)	317.3%
Operating expenses	(16.322)	(17.160)	5.1%	(4.540)	(4.476)	-1.4%
Income from continuing operations before income taxes	12.694	14.537	14.5%	2.045	2.841	38.9%
Income tax benefit (expense)	(1.554)	(1.469)	-5.5%	(0.269)	(0.129)	-52.1%
Cumulative effect of changes in accounting principles	0.000	0.000	-	0.000	0.000	-
Net income	11.140	13.068	17.3%	1.776	2.712	52.7%
Balance Sheet Data						
Total assets	1,708.3	1,786.6				
Total shareholders' equity	98.2	103.0				
Operating Metrics						
Cost income ratio	55.3%	50.9%				
ROAE	11.5%	13.0%				
ROAA	0.7%	0.8%				
Assets Quality						
NPL ratio (international standard)	0.3%	0.3%				
Coverage ratio (international standard)	331.6%	386.5%				

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) Total may not sum due to rounding.

Cathay Century
Summary Financial Data
(NT\$MM)

			FY12/ FY11		4Q12/ 4Q11	
<u>Summary Statement of Income Data</u>	FY2011	FY2012	% Chg	4Q11	4Q12	% Chg
Premiums income	14,182.5	15,714.1	10.8%	3,727.5	4,153.5	11.4%
Reinsurance premiums ceded	(3,732.2)	(4,042.1)	8.3%	(919.3)	(1,088.7)	18.4%
Changes in unearned premium reserve	(797.3)	(669.5)	-16.0%	(132.6)	(151.1)	13.9%
Premiums income, net	9,653.0	11,002.4	14.0%	2,675.5	2,913.7	8.9%
Investment						
Interest income	296.7	321.6	8.4%	73.7	80.5	9.2%
Other investment income, net	(46.3)	(177.9)	284.4%	(72.3)	(133.5)	84.6%
Total investment income	250.5	143.8	-42.6%	1.4	(53.0)	-
Other operating income	351.6	392.7	11.7%	102.4	106.8	4.3%
Insurance claims payment, net	(5,716.8)	(6,322.9)	10.6%	(1,514.3)	(1,931.2)	27.5%
Provisions for reserves						
Total provisions for reserves, net	174.3	37.4	-78.5%	245.2	461.2	-
Commissions, operating and other expenses	(3,991.5)	(4,364.4)	9.3%	(1,148.0)	(1,236.2)	7.7%
Operating income	721.0	889.0	23.3%	362.1	261.3	-27.8%
Non-operating income	14.5	18.0	24.1%	11.5	12.7	10.4%
Non-operating expense	(3.3)	(19.1)	485.2%	(2.7)	(4.7)	74.6%
Income taxes	(130.5)	(197.3)	51.2%	(75.8)	(85.8)	13.2%
Cumulative effect of changes in accounting principles	0.0	0.0	-	0.0	0.0	-
Net income	601.8	690.6	14.8%	295.1	183.5	-37.8%
<u>Summary Balance Sheet Data</u>						
Total assets	25,565.1	27,271.4				
Total stockholders' equity	3,806.6	4,584.2				
<u>Operating Metrics</u>						
Written Combined ratio	89.0%	82.6%				
Net Combined ratio	96.0%	93.7%				
ROAE	16.5%	16.5%				
ROAA	2.5%	2.6%				

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) All financial numbers are provided according to the new P&C insurance accounting principle of FSC promulgated on 01/01/2008.

(3) Total may not sum due to rounding



Shares Outstanding
(Millions of shares)

	<u>As of</u> <u>12/31/2012</u>
Total shares issued	10,865.4
Treasury shares	
CFH	200.0
Cross holdings of subsidiaries	
Cathay Life	0.0
Cathay United Bank	0.0
Cathay Century	0.0
Total cross-holdings of subsidiaries	0.0
Total treasury shares	0.0
Total shares outstanding	10,665.4

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 12/31/2012)</u>			<u>Legal Requirement</u>
Cathay Financial Holdings Capital Adequacy Ratio	127.17%			100%
Cathay Life RBC Ratio	250%	-	300%	200%
Cathay Century RBC Ratio	>		300%	200%
Cathay United Bank BIS Ratio / Tier 1 Ratio	12.38% /9.03%			8.00% /N.A.
Cathay Securities BIS Ratio	318%			150%

Notes:

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.