



國泰金控
Cathay Financial Holdings

2013 Cathay Financial Holdings Annual Report



Integrity, Accountability, Creativity



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• 2012.12.31 NTD / USD Exchange Rate 29.05:1

• 2013.12.31 NTD / USD Exchange Rate 29.83:1



Letter To Shareholders



Looking back on 2013, the global economy slowly got back on track as the U.S. economy recovered steadily, the Eurozone emerged from recession and China stayed on a course of steady growth. Our company as a whole also turned in a strong performance in 2013, thanks to the concerted efforts of all our colleagues.

In 2013, Cathay Financial Holdings reported consolidated after-tax earnings of US\$970 million and EPS of NT\$2.50, a new high since 2008. With respect to the performance of individual subsidiaries under Cathay Financial Holdings, Cathay United Bank recorded after-tax earnings of US\$490 million in 2013, the best performance in recent years. Cathay United Bank also continued to maintain excellent asset quality. Cathay Life Insurance recorded after-tax earnings of US\$520 million and delivered outstanding investment performance while controlling the cost of currency hedging. Its net worth also hit a record high. Cathay Life Insurance reported US\$6.72 billion and US\$18.37 billion in first-year premium income and total premium income, respectively in 2013. Its first-year premium equivalent, which better reflects policy value amounted to US\$2.46 billion in 2013, making it the industry leader. Cathay Century Insurance was able to maintain its position as the second largest non-life insurance company in the market in terms of premium income in 2013. Cathay Securities Investment Trust reported US\$14.22 billion in assets under management in 2013, making it the largest securities investment trust company in Taiwan. Cathay Securities recorded steady progress in brokerage, underwriting and other businesses in the year.

In terms of overseas expansion, we continued to expand our presence and develop new businesses in overseas markets. In China, the Shanghai Branch of Cathay United Bank reported record-high profits in 2013 and Cathay United Bank plans to continue to expand the scale of its business and branch network in the Greater China region. Its Shanghai Minhang Sub-Branch opened for business in the first quarter of this year, while approval has been received from the Financial Supervisory Commission to open a Qingdao Branch and a sub-branch in the Shanghai Pilot Free Trade Zone this year. Plans are also in place to apply for the setup of a subsidiary bank in China in order to provide more comprehensive services to our customers. As of year-end 2013, Cathay Life Insurance had 10 offices (head office and branches) and 31 sales and service agencies across China, while Cathay Century Insurance has established 20 offices and extended its reach into major provinces in central-western China. In the future, we will focus our efforts on improving the productivity of our sales force, adjusting our organizational structure and expanding our presence to develop our brand recognition in the China market.

As for our expansion in Southeast Asia, Cathay United Bank already has, in combination with its subsidiary Indovina Bank, 36 offices in Vietnam, and acquired a 100% equity stake in SBC Bank in Cambodia in the third quarter of 2013. SBC Bank is now a wholly-owned subsidiary and changed its name to Cathay United Bank (Cambodia) in the first quarter of 2014. Cathay United Bank also plans to set up a representative office in Jakarta (Indonesia), a representative office in Yangon (Myanmar), and a branch in Vientiane (Laos) to further extend its reach in Southeast Asia and build an extensive overseas operational platform. Cathay Life Insurance has established a presence in six major provinces and municipalities in Vietnam; and Cathay Century Insurance has also set up a head office and branch offices in both Ho Chi Minh City and Hanoi. Given the insurance penetration rate in Vietnam is still low at the present time, we believe the Vietnam insurance market presents significant growth potential.

We have made significant progress in building our asset management businesses. In addition to Cathay Conning Asset Management Limited in Hong Kong, our joint venture in China, CDBS Cathay Asset Management, commenced business in September 2013 with a focus on the RMB fund management market. We will continue to accumulate knowhow and expertise in asset management and expand our business reach as we strive to provide a full range of financial services in Greater China and Southeast Asia.

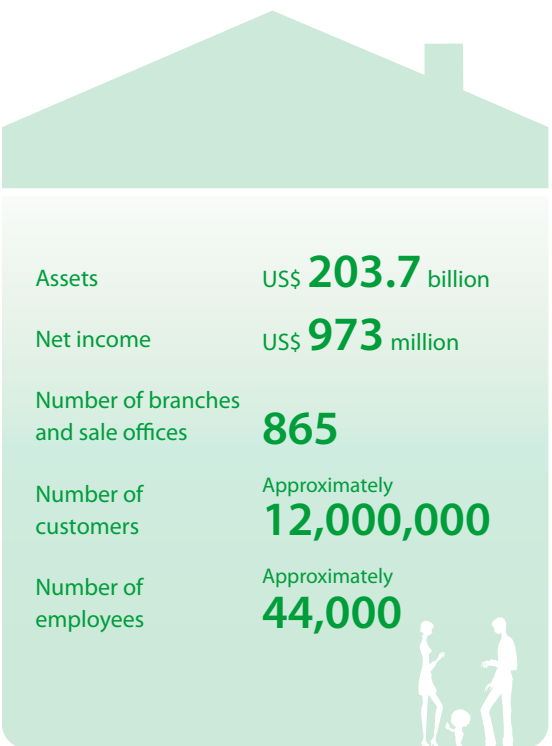
In seeking continued growth and heading towards our goal of becoming "a leading financial institutions in the Asia-Pacific region", we have identified three engines of growth - "Insurance + Banking + Asset Management" - as our core strategy to establish a firm footing in the Asia-Pacific region. Looking forward to 2014, Cathay Financial Holdings will continue to focus on delivering steady growth and maintaining our market leading position by adhering to our core values of "Integrity, Accountability and Creativity" as we strive to create maximum value for our long-term and supportive shareholders.

Chairman *Hong-Tu Tsai*



Company Profile

Reflecting the diversification and globalization of financial markets, and to provide more comprehensive services to our customers, Cathay Financial Holdings Co., Ltd. was established on December 31, 2001 with paid-in capital of US\$4.01 billion. Primary subsidiaries of Cathay Financial Holdings include Cathay Life Insurance, Cathay United Bank, Cathay Century Insurance, Cathay Securities, Cathay Securities Investment Trust and Cathay Venture, serving collectively over 12 million customers through nearly 735 business offices throughout Taiwan. Adhering to our core value of "Integrity, Accountability and Creativity", we seek to provide our customers with a diverse range of financial products and "one-stop shopping" services by integrating group resources and leveraging our extensive network of business locations and professional sales forces. As we continue to build a strong brand image, we aspire to become the most trusted and reliable financial holding company and develop ourselves into a leading financial institution in the Asia-Pacific region.

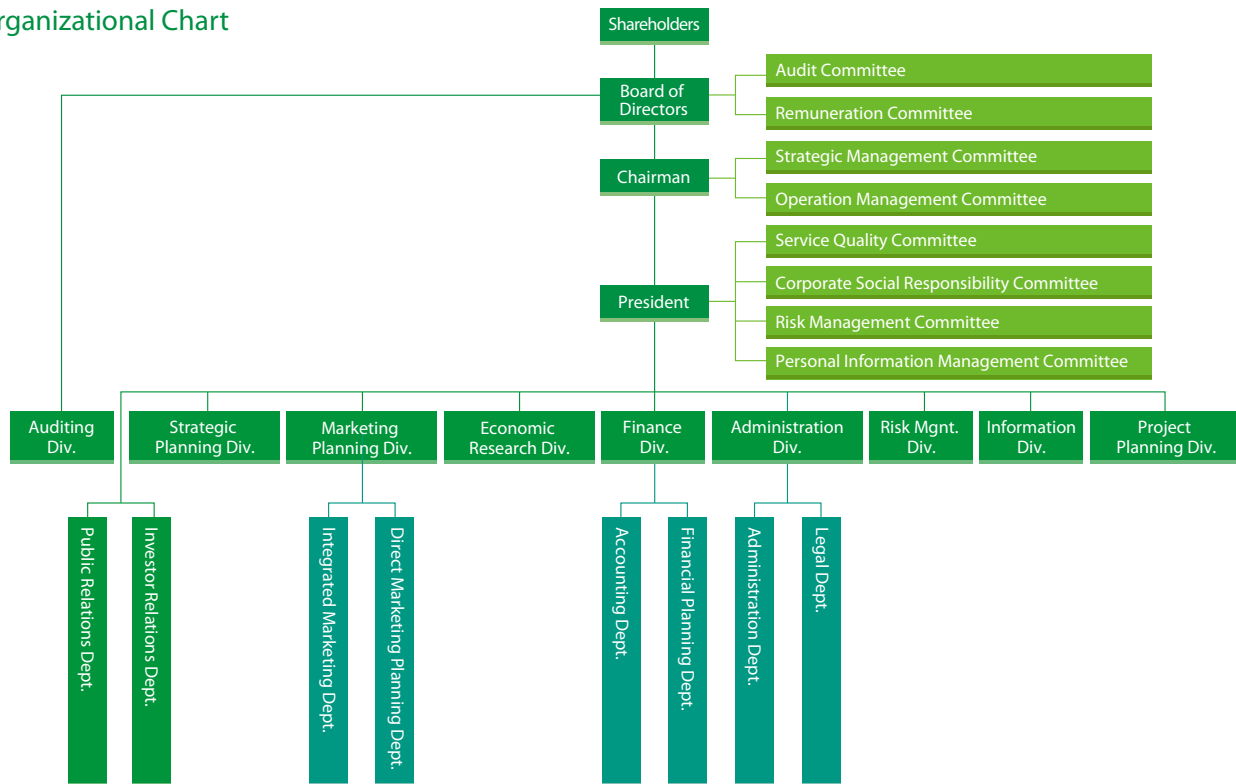


Chairman Hong-Tu Tsai



Overview of Cathay Financial Holding Co., Ltd.

Organizational Chart



Group Affiliates





Board of Directors, Independent Directors and Key Management

	Name	Education	Experience
Board of Directors	Hong-Tu Tsai	J.D., Southern Methodist University, USA	Chairman, Cathay Financial Holdings
	Cheng-Ta Tsai	B.A., Chinese Cultural University	Managing Director, Cathay Life Insurance
	Cheng-Chiu Tsai	M.A., Keio University, Japan	Chairman, Cathay Century Insurance
	Peter V. Kwok	Ph.D., UC Berkeley, USA	Chairman, CITIC Resources Holdings Limited
	Chi-Wei Joong	B.A., Kean College of New Jersey, USA	President, CMB Credit Card Center
	Tsu-Pei Chen	B.A., National Chengchi University	Chairman, Cathay United Bank
	Tiao-Kuei Huang	M.S., National Tsing Hua University	Vice Chairman, Cathay Life Insurance
	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA	President, Cathay United Bank
	Ming-Ho Hsiung	M.A., University of Iowa, USA	President, Cathay Life Insurance
	Jeff Chang	M.S., National Cheng Kung University	Chairman, Cathay Securities Investment Trust

	Name	Education	Experience
Independent Directors	Min-Houng Hong	Ph.D. Michigan State University, USA	Chairman, Panasonic Taiwan Co., Ltd.
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan	Director, Hon Hai Precision Industry Co., Ltd.
	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA	Senior Advisor for Greater China, The Blackstone Group (HK) Limited

	Position	Name	Education
Executive Officer	Chairman	Hong-Tu Tsai	J.D., Southern Methodist University, USA

	Position	Name	Education
Key Managers	President	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA
	Senior Executive Vice President	Tzung-Han Tsai	J.D., Georgetown University, USA
	Chief Auditor	Ching-Ming Pan	M.B.A., National Chengchi University
	Chief Financial Officer	Grace Chen	M.B.A., National Chengchi University
	Senior Executive Vice President	David P. Sun	M.B.A., Harvard University, USA
	Senior Executive Vice President	Alan Lee	M.B.A., National Taiwan University
	Chief Investment Officer	Sophia Cheng	M.S., Golden Gate University, USA
	Senior Executive Vice President	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA
	Chief Risk Officer	Po-Tsang Hsieh	B.A., Chinese Culture University
	Executive Vice President	Deh-Yen Weng	M.B.A., Massachusetts Institute of Technology, USA

Capital and Shares

Type of stock	Number of shares	Amount
Common stock	11,964,962,000 shares	US\$4,011,050,000 dollars

Overview of Cathay Financial Holding Co., Ltd.

2014 Business Plan

Cathay Financial Holdings is committed to maximizing value for its shareholders, customers and employees. Our future development strategies will focus on three areas: (1) continue to optimize our business structure and strengthen our foundation for growth; (2) expand our presence in China and duplicate our successful experience in Taiwan; (3) expand into Southeast Asian markets to increase our overseas earnings, and achieve our goal of being a leading financial institution in the Asia-Pacific region. Our 2014 business plan is outlined below:

1. Optimize our business structure and strength our foundation for growth:

Our strategy of building three engines of growth – insurance, banking, and asset management is taking shape as we move towards the goal of becoming a fullservice financial group. For the banking business, we will give priority to optimizing internal processes, placing greater emphasis on customer experience, and aiming to become a leading bank in providing innovative and value-added digital banking services. For the insurance business, we will continue to adjust our product structure, diversify our sales channels and seek steady returns on investment while stressing improvement in overall business performance. For the asset management business, with both Cathay Conning Asset Management Limited in Hong Kong and CDBS Cathay Asset Management in China in operation, we will focus on developing institutional and retail asset management markets in Asia. The asset management business is expected to be a force driving further growth of the Group.

2. Expand presence in China and duplicate our successful experience in Taiwan:

Cathay Life Insurance (China) and Cathay Insurance (China) will continue to strengthen their core management capabilities and build up local business teams to deepen penetration into the local markets and build our brand recognition. With respect to our banking operations, the strategies of "following Taiwanese enterprises and developing Chinese corporate clientele" have built a solid foundation for business development in the China market. The financial service platforms we have built in Shanghai, Hong Kong and Taiwan enable us to take advantage of business opportunities in the Greater China areas. With a future banking subsidiary planned for China and as our life and non-life businesses gain greater name recognition, we will try to duplicate our successful

experience in business integration and marketing in Taiwan to create operating models that differentiate us from other financial institutions.

3. Expand into Southeast Asian markets and achieve the goal of being a leading financial institution in the Asia-Pacific region:

The accumulation of corporate and personal wealth amid rapid growth of the emerging Southeast Asian markets has created tremendous demand for financial services. In order to take advantage of the emerging business opportunities



Cathay Financial Holdings received the 2013 Corporate Citizenship Award from Commonwealth Magazine.



Cathay Financial Holdings' 2013 on-campus recruitment activity.



Cathay Financial Holding's press conference for publishing results of "Public Confidence in Economy Survey."

in the Southeast Asian markets, we have set up offices in Vietnam, Cambodia, Singapore and Malaysia. In the future, we will continue to employ a variety of strategic approaches, including branch expansion, equity investments, mergers and acquisitions and strategic alliances to aggressively expand into Southeast Asia. We also plan to establish a cross-border financial service platform connecting Greater China and Southeast Asia as we strive towards our goal of becoming a leading financial institution in the Asia-Pacific region.

Capital Allocation Plan

1. Continually monitor capital allocation of the Group and make timely adjustments

In response to the volatility in global financial markets in recent years, we will pay close attention to developments in the global markets and their potential impact on the capital adequacy of each subsidiary. Taking into consideration the



Cathay Financial Holdings received the "2012 Private Sector Green Procurement" award from the Environmental Protection Administration.

Group's growth strategies, stock dividend policy, outside capital and capital needs of subsidiaries, we will actively manage our capital through capital planning and business development to maximize the capital efficiency of each subsidiary.

2. Seek optimal terms and timing for raising capital and maintain liquidity

In order to improve our capital structure and capital adequacy, we issued NT\$20 billion of subordinated bonds in 2008 and 2009, respectively. Going forward, we will continue to evaluate the markets for senior (subordinated) bonds, convertible (exchangeable) bonds, preferred stocks and global depository receipts to maintain capital flexibility. In coordination with the goal of building an onshore/offshore financial service platform, we will also seek to ensure the availability of sufficient funds to help the Group expand and become a leading financial institution in the Asia-Pacific region.

Cathay Life Insurance Co., Ltd.

Message from the President

Despite signs of global economic recovery, 2013 still marked a year of considerable challenge for the domestic life insurance market amid possible U.S. quantitative easing, China's economic slowdown, and Taiwan's low-interest environment that poses the threat of negative spread for insurers.

In the face of an intensely competitive environment, Cathay Life Insurance continues to innovate and improve its services. Embracing a customer-centric culture, we enhanced sales channel training and streamlined administrative process to provide services that aim to surpass customer expectations. We also led the industry by offering mobile insurance services. At present, 90% of our sales force has a mobile device to provide customers with a high-quality, highly-efficient mobile service experience. Nearly 80% of our new policies are underwritten through mobile devices as we take the initiative to enter the M-generation. Thanks to the concerted efforts of our employees, we reported first-year premium equivalent of US\$2.46 billion in 2013, which represented a market share of 20.7%. Our total premium income for the year amounted to US\$18.37 billion, which represented a market share of 21.2%. Both positioned us as number one in the market.

Our business performance continues to win public recognition. We are the insurance company in Taiwan that has received the highest number of medals in the "Taiwan Insurance Excellence Awards", the top honor in Taiwan's insurance industry. In 2013, we swept gold medals in all seven categories of the fifth annual "Taiwan Insurance Excellence Awards". In the 2013 Commonwealth Magazine Most Admired Company Survey, we were voted the "most admired company in Taiwan" in the insurance industry. Moreover, we are the only financial institution in Taiwan that made it on to the list of Fortune Magazine's Global 500 in 2013. We cherish these honors as they represent public recognition of our services and achievements.

In keeping with our longstanding commitment to giving back to society, we have been an avid participant in public interest activities and taken concrete actions with respect to "charity and compassion", "academic support", "arts and culture", "sports promotion", and "environmental support." Our concerns for society also extend to new immigrant groups. We held an "International Forum on New Immigrants" in 2013 that touched on education issues for the second generation of new immigrants. Our "Operation Warmth" program initiated by our employees has helped many indigenous children living in remote areas. We are also honored to be a five-time recipient of "The Sports Contribution Award" in the "Sponsorship" and "Promotion" categories from the Sports Affairs Council.

Looking to the future, guided by the principles of "Integrity, Accountability and Creativity", Cathay Life Insurance will continue to improve its organizational operations and provide customers with superior financial services as it seeks to become a lifetime partner to whom they can place their trust. Lastly, on behalf of my colleagues, I would like to extend our most heartfelt gratitude to you all.

President *Ming-Ho Hsiung*



Company Profile

Cathay Life Insurance Co., Ltd. was founded in October 1962 and listed on the Taiwan Stock Exchange in November 1964. In 2013, we recorded US\$18.37 billion in premium income and US\$136.1 billion in assets. We rank number one in the industry by market share and total assets. With more than 7.7 million customers, we are not only a premium brand in the minds of consumers, we have also won the recognition of professional institutions at home and abroad. We were the only financial institution that made it to the list of the World's Most Admired Companies of Fortune Magazine. We were also the only insurance company in the list of the Top 100 Taiwan Brands selected through an activity organized by the Bureau of Foreign Trade in conjunction with Taiwan's centennial celebration in 2011. We were further recognized in the "Taiwan Insurance Excellence Awards", the highest honor in Taiwan's insurance industry by being a five-time winner and receiving the highest number of medals.

In order to develop overseas markets, we established subsidiaries in China and Vietnam in 2005 and 2008, respectively, becoming the first Taiwan insurer with a presence in these two markets, and we plan to continue our overseas expansion efforts. Looking into the future, we will continue to seek growth and steady profits, and offer proactive services to enhance customer satisfaction as we move toward to the goal of becoming a leading financial institution in the Asia-Pacific region.



Cathay Life was chosen the 2013 "Most Admired Company in Taiwan" in insurance category by Commonwealth Magazine.



Overview of Subsidiaries

Cathay Life Insurance Co., Ltd.

Board of Directors, Independent Directors, Supervisors and Key Managers

	Name	Education	Experience
Board of Directors	Hong-Tu Tsai	J.D., Southern Methodist University, USA	Chairman, Cathay Financial Holdings
	Cheng-Ta Tsai	B.A., Chinese Cultural University	Managing Director, Cathay Life Insurance
	Cheng-Chiu Tsai	M.A., Keio University, Japan	Chairman, Cathay Century Insurance
	Tiao-Kuei Huang	M.S., National Tsing Hua University	Vice Chairman, Cathay Life Insurance
	Ming-Ho Hsiung	M.A., University of Iowa, USA	President, Cathay Life Insurance
	Fa-Te Chang	B.A., National Chung Hsing University	The Chief Representative of Greater China
	Tzung-Han Tsai	J.D., Georgetown University, USA	Executive Vice President, Cathay Life Insurance
	Chung-Yan Tsai	M.A., San Francisco State University, USA	Vice President, Cathay Real Estate Development
	Chung-Yuen Chu	M.A., Columbia University, USA	Chairman, May Foong Woolen & Worsted Textile Mill. Ltd.
	Wei-Ming Lu	Kainan Commercial & Technical School	Chairman, Seng Hong Co., Ltd.
	Han-Chang Tsai	B.A., National Chung Hsing University	Executive Vice President, Cathay Life Insurance
	Chao-Ting Lin	M.A., National Taiwan University	Executive Vice President, Cathay Life Insurance
	Name	Education	Experience
Independent Directors	Min-Houng Hong	Ph.D. in EE of Michigan State University, USA	Chairman, Panasonic Taiwan Co., Ltd
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan	Director, Hon Hai Precision Industry Co., Ltd.
	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA	Senior Advisor for Greater China, The Blackstone Group (HK) Limited
	Name	Education	Experience
Supervisors	Wan-Teh Tsai	Nisho Gakusha University, Japan	Chairman, An Teh Development Co.Ltd
	Kai-Mo Chen	National Taiwan University	Vice Chairman, Cathay General Hospital
	Chih-Ming Lin	National Taiwan University	Superintendent, Cathay General Hospital
	Position	Name	Education
Executive Officer	Chairman	Hong-Tu Tsai	J.D., Southern Methodist University, USA
	Position	Name	Education
Key Managers	President	Ming-Ho Hsiung	M.A., University of Iowa, USA
	Chief Auditor	Young-Jann Lee	M.B.A., National Taiwan University
	Executive Vice President	Tzung-Han Tsai	J.D., Georgetown University, USA
	Executive Vice President	Han-Chang Tsai	B.A., National Chung Hsing University
	Executive Vice President	Chih-Chiang Liao	B.A., National Chung Hsing University
	Executive Vice President	Chih-Jung Gong	M.B.A., China Europe International Business School
	Executive Vice President	Shan-Chi Liu	M.B.A., National Taiwan University
	Executive Vice President	Chao-Ting Lin	M.A., National Taiwan University
	Executive Vice President	Hui-Bin Wu	B.A., Chinese Culture University
	Executive Vice President	Chang-Te Chien	B.A., Feng Chia University
	Executive Vice President	Yuan-Sen Hsieh	LL.B., National Taiwan University
	Executive Vice President	Yit-Sung Wang	M.B.A., Massachusetts Institute of Technology, USA
	Chief Risk Officer	Yi-Fang Tsai	M.B.A., University of Illinois, USA



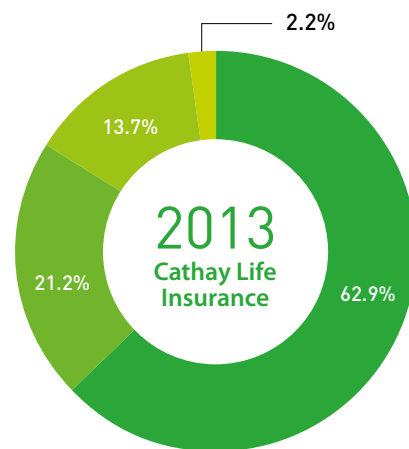
Business Scope

Life insurance and related businesses.

2013 Revenue Breakdown

2013 Revenue	Amount	% of Total
Retained earned premium income	13,951.06	62.9%
Net investment gain (loss)	4,694.34	21.2%
Insurance gain from unit-linked products	3,039.74	13.7%
Other income	492.80	2.2%
Total income	22,177.93	100.0%

(Million USD)



Cathay Life's 2013 Overseas Summit Meeting.

Cathay Life Insurance Co., Ltd.

2014 Business Plan



Cathay Life's 2013 Business Meeting.

Business Development

1. Clearly delineate the responsibility of managerial personnel at all levels, enhance the quality of new staff, strengthen the mechanism for new employee development, promote tiered education and strengthen organizational structure.
2. Expand online and mobile insurance services and improve operational efficiency to increase customer satisfaction.
3. Leverage the resources of Cathay Financial Holdings to offer one-stop financial services and improve the operating efficiency of Cathay Group.
4. Continue to seek growth in China and Vietnam markets with an emphasis on local strategies while continuing to work toward being a leading financial institution in the Asia-Pacific region.

Product Development

1. Develop innovative products in line with market demands, meet customer needs and create a premium brand.
2. Increase the sale of protection-oriented products to offer customers more protection.

3. Offer proprietary products and value-added services tailored to specific sales channels and develop more marketing channels.

Customer Service

1. Manage customers by segments to meet their varying needs and increase customer satisfaction.
2. Increase the gathering and use of customer opinions and continue to provide innovative services and improve the quality of service.
3. Keep offering proactive services to identify protection gaps for customers.
4. Leverage Group resources to cultivate VIP customers and support business development.

Back Office Support:

1. Education and training

- (1) Utilize online and mobile learning platforms and satellite video technology to provide comprehensive education resources.



(2) Increase assistance for employees to obtain licenses and permits, improve new employee development system, and implement follow-up and guidance mechanisms to enhance operational results.

2. Human resources development

(1) Develop reserve manpower programs to nurture and retain employees with potential and build a team of leaders.

(2) Carry out management competence enhancement programs to improve the quality of managerial personnel.

(3) Improve talent reserve and performance reward programs to build a professional team and boost competitiveness.

3. Operating process

(1) Continue to hone the professional skills of administrative and sales staff to improve operational efficiency.

(2) Undertake processes and organizational reengineering to enhance service and administrative efficiency that enables customers to feel the improvement of overall service quality.



Cathay Life's 2013 Employees Singing and Cheerleading Contest final.



Cathay Women Basketball Team won the 2013 WSBL championship.

2014 Operational Targets

Item	Targets
Total premium income	20,192
First-year premium equivalent	2,593

(Million USD)



Cathay Life's press conference for the launch of a new universal variable life insurance policy for couples.



Cathay Life's 2013 Employees Fun Contest.

Cathay United Bank Co., Ltd.

Message from the Chairman

The global economy moved in a positive direction at a moderate pace in 2013. As developed economies maintained a policy of quantitative easing in an effort to shed fears of recession triggered by the financial crisis, the stock markets of advanced nations, including the U.S., Europe and Japan all made gains over the prior year. However, the increasingly stringent standards for banking supervision adopted by international financial regulators put more banking businesses under greater regulatory control.

In line with Cathay United Bank's mission to create value and enrich lives and guided by the core values of "integrity, accountability and creativity", our colleagues have endeavored to provide a diversity of customer-centric products and services to meet customer needs. Cathay United Bank reported balanced and stable growth across its businesses in 2013. Our after-tax earnings in the year reached US\$482 million, the highest ever since we commenced business. In 2013, our deposit balance was US\$54.3 billion, a 4.98% increase from the end of 2012, while our loan balance reached US\$34.9 billion, up 2.73%. Cathay United Bank had 4.29 million credit cards in circulation, up 24% and positioning us as the second largest credit card issuer in the market. Our foreign currency deposits amounted to US\$9.15 billion, up 27.91% from the previous year. We also continued to maintain excellent asset quality with a 0.29% non-performing loan (NPL) ratio and a 477.53% coverage ratio. In September 2013, Cathay United Bank received a stable outlook rating from Taiwan Ratings, Standard & Poor's and Moody's Investors Service.

Cathay United Bank set up two new branches in Taiwan in 2013 to bring the total to 165 branches in the domestic market. Together with 6 branches and 4 representative offices overseas and readily accessible ATMs, Internet and mobile banking services, we have a highly convenient and extensive financial service network. In business development, we stay competitive by keeping track of market trends, building a comprehensive organizational structure, and establishing new business departments, such as private banking, structured finance and customer management. In this digital age, we led our peers by introducing mobile banking supported by four platforms. In market development, Cathay United Bank currently focuses on developing the Greater China markets. Our Shanghai Branch turned in brilliant strong performance in business growth and profits. We received approval from the Financial Supervisory Commission in November 2013 to increase the Shanghai Branch's working capital to US\$330 million. Cathay United Bank will also seek approvals to set up a subsidiary bank and more branches in China to expand our presence in the market and take advantage of the business opportunity brought by financial liberalization. Cathay United Bank is also actively expanding into Southeast Asian markets. Currently we have two subsidiaries in the region: Indovina Bank in Vietnam and Cathay United Bank (Cambodia) in Cambodia, formerly SBC Bank and which we acquired in 2013. We also plan to set up branches in Laos to extend our overseas service network and provide Taiwanese companies in the region with more convenient services. With branches in Los Angeles, Hong Kong, Singapore, Labuan (Malaysia) and Chu Lai (Vietnam) as well as representative offices in Bangkok and Manila, we will continue to deepen and broaden our overseas reach and increase our percentage of overseas earnings, while endeavoring to enhance our visibility and name recognition in international markets.

We continued to turn in a strong performance in terms of awards and rankings in 2013. We received the Technology Implementation Award, Best Data and Analytics Project Award in Taiwan, and Best Consumer Risk Management Capability in Taiwan from Asian Banker. In the AsiaMoney Magazine cash management polls, we were number one in three categories of the 2013 Best Local Cash Management Bank for Small Corporations in Taiwan and ranked in the top 3 in three categories of the Best Local Cash Management Bank for Medium Corporations in Taiwan. We were also named Taiwan Best Structured Product House in The Asset Triple A Investment Awards 2013 of The Asset, The Best Trade Bank in Taiwan by Trade Finance Magazine, and received the 2013 Taiwan M&A Award from the Taiwan Mergers & Acquisitions and Private Equity Council. Each award we have received gives us the energy and strength to challenge higher goals. We will return these public recognitions with greater ambition and action.

As a corporate member of society, we continue to fulfill our corporate social responsibility, implement corporate governance, heed environmental protection, take care of our employees, serve our customers, and support public interests to make a contribution to the balanced and sustainable development of the economy, society, and environment. Cathay United Bank's "Elevated Tree Program" has donated more than US\$3.35 million to help over 60,000 school children over the years, thanks to broad-based public support to share happiness and love. By caring for our customers and society as a whole, Cathay United Bank hopes to create a better tomorrow for everyone.

Since embarking on "Project New Heights" and undergoing systematic adjustments and inside-out transformation, we have seen preliminary results in terms of improved organizational health, business development and financial performance. However, to maintain our market leading position and competitive advantage, it takes a positive mindset, learning and innovative thinking, and agility in actions. Looking forward to 2014, we will leverage our solid foundation and group resources, remain committed to our sense of mission, and work towards our vision of being a leading financial institution in the Asia-Pacific region.

Chairman *Tsu-Pei Chen*



Company Profile

Cathay United Bank was first established on May 20, 1975 and has been providing banking services for more than 38 years. The bank was created through a merger of United World Chinese Commercial Bank and Cathay Bank on October 27, 2003, which was followed by acquisitions of Lucky Bank and China United Trust and Investment Corporation on January 1 and December 29, 2007, respectively. As of the end of 2013, Cathay United Bank had 165 branches in Taiwan, which, together with 6 overseas branches and 4 representative offices, create an Asia-Pacific financial platform that also covers Singapore, Hong Kong, Shanghai and Vietnam and provides comprehensive financial services, including corporate banking, retail banking, credit cards, wealth management, and financial planning. We have over 1,900 ATMs and an electronic banking platform that provides a variety of convenient banking services anytime, anywhere.

In terms of credit ratings, the long-term and short-term ratings of Cathay United Bank in 2013 were twAA+ and twA-1+ as rated by Taiwan Ratings; A2 and P-1 as rated by Moody's Investors Service; and A- and A-2 as rated by Standard & Poor's, all with stable outlook.



Handover ceremony of Cathay United Bank's incoming and outgoing chairmen.



Overview of Subsidiaries

Cathay United Bank Co., Ltd.

Board of Directors, Independent Directors and Key Management

	Name	Education	Experience
Board of Directors	Tsu-Pei Chen	B.A., National Chengchi University	Chairman, Cathay United Bank
	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA	President, Cathay Financial Holdings
	Alan Lee	M.B.A., National Taiwan University	Senior Executive Vice President, Cathay United Bank
	Chun-Wei Yang	B.A., National Chengchi University	Senior Executive Vice President, Cathay United Bank
	Grace Chen	M.B.A., National Chengchi University	Senior Executive Vice President, Cathay United Bank
	Chuan-Chuan Hsieh	B.A., National Taiwan University	General Auditor, Bank of Taiwan
	William C.W. Huang	M.A., University of Washington, USA	Chairman, Tai Lung Capital Inc.
	Chi-Wei Joong	B.A., Kean College of New Jersey, USA	President, CMB Credit Card Center
	Chung-Yi Teng	M.B.A., Massachusetts Institute of Technology, USA	Senior Executive Vice President, Cathay Financial Holdings
	Po-Tsang Hsieh	B.A., Chinese Culture University	Senior Executive Vice President, Cathay United Bank
	Tzung-Han Tsai	J.D., Georgetown University, USA	Senior Executive Vice President, Cathay Financial Holdings
	Tsung-Hsien Tsai	M.S., Harvard University, USA	Director, Cathay Real Estate
	Name	Education	Experience
Independent Directors	Min-Houng Hong	Ph.D. Michigan State University, USA	Chairman, Panasonic Taiwan Co., Ltd.
	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan	Director, Hon Hai Precision Industry Co., Ltd.
	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA	Senior Advisor for Greater China, The Blackstone Group (HK) Limited.
	Name	Education	Experience
Supervisors	Peggy Wang	B.A., National Taiwan University	Chairman, Cathay Futures Co., Ltd.
	Ruey-Tarng Chiang	B.A., National Taiwan University	Chief Secretary, Chunghwa Post Co., Ltd.
	Kuo-Hsim Yeh	B.A., National Taiwan University	Chairman, United National Bank
	Position	Name	Education
Executive Officer	Chairman	Tsu-Pei Chen	B.A., National Chengchi University
	Position	Name	Education
Key Managers	President	Chang-Ken Lee	M.B.A., University of Pennsylvania, USA
	Chief Auditor	Yao-Cyun Lai	M.A., Tamkang University
	Senior Executive Vice President	Grace Chen	M.B.A., National Chengchi University
	Senior Executive Vice President	Alan Lee	M.B.A., National Taiwan University
	Senior Executive Vice President	Chun-Wei Yang	B.A., National Chengchi University
	Senior Executive Vice President	Po-Tsang Hsieh	B.A., Chinese Culture University



Business Scope

1. All types of deposits (the original business license states checking deposits, current deposits, time deposits and savings deposits)
2. Issuance of bank debentures
3. Loans and credit (the original business license states short-, medium- and long-term loans, certificate of deposit loans and consumer loans)
4. Cheque discounting
5. Securities investment (the original business license states investment in government bonds, short-term bills, corporate bonds, bank debentures and corporate stocks)
6. Domestic remittances
7. Commercial draft acceptance
8. Issuance of domestic letters of credit
9. Corporate guarantee bonds
10. Domestic guarantee services (the original business license states guarantee services)
11. Payment settlement
12. Sales of government bonds/bills and corporate bonds/stocks
13. Securities underwriting (the original business license states underwriting of government bonds, treasury bills, corporate bonds and corporate stocks)
14. Securities dealing
15. Custody and warehousing services
16. Rental of safe deposit boxes
17. Agency services covered by the business scope specified on the business license or approved by competent authorities
18. Credit card services (the original business license states credit card and cash advance)
19. Brokered sales of gold bars/coins and silver coins
20. Purchases and sales of gold bars/coins and silver coins
21. Import and export foreign exchange transactions, inbound/outbound wire transfer, and foreign currency deposits, loans, and payment guarantee
22. General foreign exchange transactions, inbound/outbound wire transfer; foreign currency deposits
23. Dealing foreign currency cash and travelers cheques
24. Financial derivative commodities approved by the relevant authorities
25. Trust business authorized by the Trust Enterprise Act
26. Trust business authorized by the relevant authorities to be handled by the head office trust department
27. Non-discretionary money trust investing in foreign securities
28. Dealing of government bonds
29. Brokerage, dealing, certification, and underwriting of short-term notes and bills
30. Issuance of cash cards
31. Financial consulting for financing related businesses
32. Financial consulting for non-financing related businesses
33. Dealing in corporate bonds and financial bonds
34. Wealth management
35. Concurrent business as a securities investment consulting enterprise
36. Money trust
37. Trust of encumbrance and related security interests
38. Securities trust
39. Movable property trust
40. Real estate trust
41. Land right trust
42. Discretionary investment trust services
43. Acting as agent for issuance, transfer, registration and payment of interests or dividends of securities
44. Providing consulting services for securities issuance or offering
45. Acting as attester for issuance of stocks or bonds
46. Acting as attester for issuance of securities
47. Acting as executor of wills and managing legacies
48. Acting as trustee for issuance of bonds and providing related agent securities
49. Custody services
50. Acting as custodian of securities investment trust funds
51. Providing advisory services for investment, financial management, and real estate development

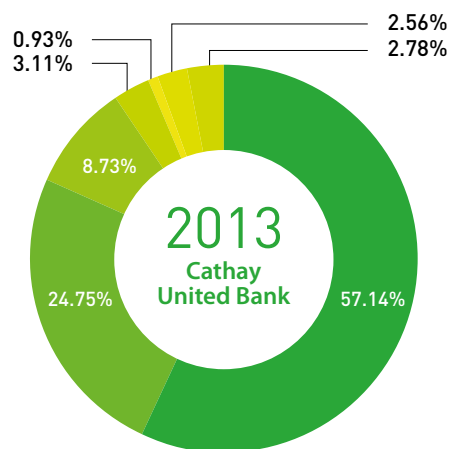
Overview of Subsidiaries

Cathay United Bank Co., Ltd.

2013 Net Operating Income Breakdown

Item	Amount	% of Total
Net interest income	701,394	57.14%
Net fee income	303,816	24.75%
Financial asset or financial liability at fair value through profit	107,181	8.73%
Realized gain on available-for-sale financial assets	38,111	3.11%
Share of gain (loss) from affiliates and joint ventures recognized by equity method	11,375	0.93%
Gain on foreign currency exchange, net	31,446	2.56%
Other non-interest income, net	34,097	2.78%
Net Operating income	1,227,420	100.00%

(thousand USD)



2014 Business Plan

Overall business direction

1. Remain committed to the principle of prudent operations, continue to improve risk management mechanisms, rigorously comply with the regulations of the relevant authorities and timely communication with front-end business development units to enhance the quality of assets and maximize shareholders' equity.
2. Guided by a customer-centric business philosophy, provide differentiated services and leverage Group resources to provide a full range of financial services and achieve annual profit targets.
3. Actively construct a core-business model and enhance the appeal of customer-centric values to maintain a market leading position, and apply the same business model in China and Southeast Asian markets to gradually achieve the goal of being a leading financial institution in the Asia-Pacific region.

International banking business

1. Actively expand our overseas business network, formulate development plans, cultivate overseas talent pools, build comprehensive platform systems and operating processes, and provide differentiated and diverse products to broaden our customer base.

2. Strengthen foreign exchange and money flow business to position the bank as a major cash management center for customers in the Greater China area and tap into the business opportunity brought about by the opening of RMB business.

Corporate banking business

1. Establish team cooperation models and strengthen the capability for product innovation to enhance the overall quality of service and develop competitive differentiation.
2. Integrate Group resources and increase cross-division and cross-subsidiary collaboration.
3. Implement risk control, step up pre-loan and post-loan asset management, and improve the quality of credit assets.

Personal banking business

1. Leverage our channels to promote deposit products and money flow services.
2. Provide customized product mix, leverage cross-selling synergies within the Group, and guide customers toward a diversified asset allocation to meet their investment needs and enhance customer retention.



3. Harness our leading position in credit cards by stressing product differentiation, utilizing social media, and deepening relationships with target groups.
4. Enhance information security and personal data protection, continue to promote integrated money flow services and optimize the application system framework.

Financial management

1. Upgrade the breadth and professional capabilities of TMU services.
2. Establish a dedicated financial service team to boost product development and innovation.
3. Actively monitor market conditions to improve returns on investment.

Automated distribution

1. Develop a variety of mobile financial services in line with the growing popularity of smart phones and to accommodate changing consumer habits.
2. Develop a variety of financial services to improve the quality and effectiveness of our banking services.

2014 Operational Targets

item	Target
Deposits	55,922,190
Loans (including revolving credit)	38,142,777
Credit cards	4,410,000 cards

(thousand USD)



Cathay United Bank established the "Private Banking Division."



Cathay United Bank Culture and Charity Foundation's "Elevated Tree Program" donation ceremony.

Cathay Century Insurance Co., Ltd.

Message from the Chairman

Following a year of major challenges in 2012, the global economy in 2013 turned for the better as major economies such as the U.S., Japan and the European countries continued to recover and China's economy started to stabilize. Taiwan's economic growth was relatively weak for the year, due mainly to worse-than-expected exports. However Taiwan's property and casualty (P&C) insurance industry was able to report 3.7% growth in 2013, largely due to a booming auto market in the latter half of year, which recorded 8.9% growth in sales as compared to the same period in 2012, and a rate hike for auto insurance. 2013 marked the 20th anniversary of Cathay Century Insurance. In the face of a demanding economic environment, significant market competitions, and challenges posed by outside sales channels, we, guided by the principle of "equal emphasis on quality and quantity", actively developed outside channels and expanded our own sales force. Through the concerted efforts of our colleagues and the assistance of our affiliates, our market share rose to 13.4% in 2013. This put us firmly in second place within the industry. However our 9.0% growth in sales outperformed all of our peers. We also maintained good performance in profits and operating efficiency. With respect to overseas markets, Cathay Insurance (China) now has 20 offices in 18 cities in China. Cathay Insurance (Vietnam) has also opened for business in major cities in Vietnam, including Ho Chi Minh City and Hanoi. In the future, aside from expanding our service network in China and Vietnam, we will continue to assess the possibility of setting up offices in other Southeast Asian countries as we march towards the goal of being a leading P&C insurance company in the Asia-Pacific region.

While we experienced rapid business growth, we also maintained a sound financial structure and rigorous risk controls, and again won the recognition of international credit rating agencies in 2013 with an "A3" rating from Moody's, "A-" from S&P, and "twAA+" from Taiwan Ratings. In order leverage our past success and build a stronger competitive foundation for the future, we, holding onto the core values of "Integrity, Accountability and Creativity", carried out organizational reform, built a new CSR core system, and continued to develop mobile tools for our workforce (including customer service, sales, and claim adjuster) in 2013 to strengthen operating efficiency, improve the quality of customer service and prepare for future business development. Our business performance was also acknowledged by international institutions. In 2013, we were named "General Insurance Company of the Year" by Asia Insurance Review and the "Best Non-life Insurance Company in Taiwan" by the World Finance Magazine. We also received the "Excellence in Insurance: Non-Life Insurance" award from the International Alternative Investment Review. The honors we received domestically in 2013 include "Excellence in Insurance Award", "Insurance Faith Hope Love Award", and "National Brand Yushan Award."

While we continue to seek to grow our business, we are equally committed to giving back to society. We participate in the public interest activities organized by Cathay Financial Holdings and make donations every year to fulfill our corporate social responsibility. We established a "public interest team" in 2012 that is responsible for providing resources to help schools improve their recreational facilities and ensure safer playgrounds for school children. In addition, to raise the awareness of schools, teachers and students to the issue of campus security, we launched an "accident-free campus" campaign to ensure that campuses are safe and secure.

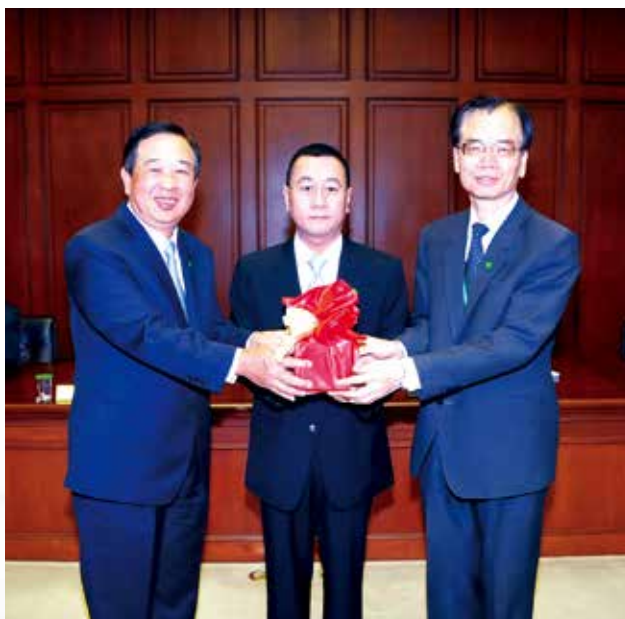
Looking forward to 2014, while we endeavor to reach new milestones, there will be greater difficulties and formidable challenges for us to overcome. We will hold onto the tenets of "equal emphasis on quality and quantity, steadfast and dependable" to step up collaboration with outside channels, while effectively boosting business quality and managing costs to seek growth in both quality (market share) and quantity (profits), and generate a strong business performance. Lastly on behalf of my colleagues, I would like to express our heartfelt gratitude to the longstanding support and assistance of the relevant authorities and our customers.

Chairman *Cheng-Chiu Tsai*

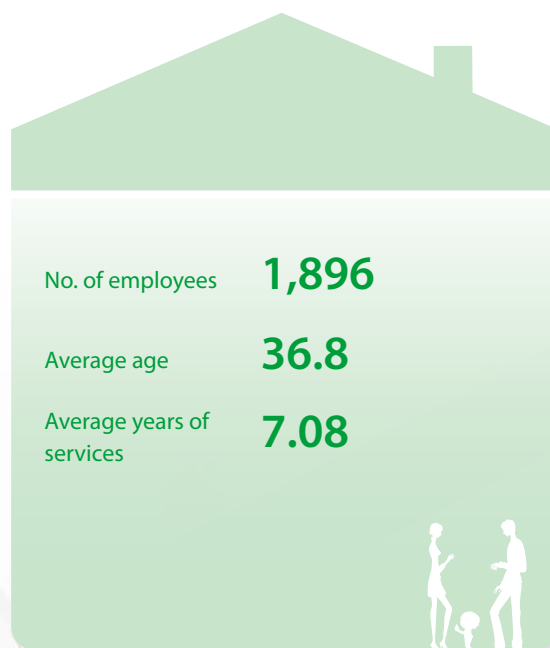


Company Profile

Cathay Century Insurance was established in 1993 and became a member of Cathay Financial Holdings in 2002. By leveraging group resources and providing customers with a full range of financial services, we have secured position as the second largest P&C insurer in Taiwan since 2007. We also seek to expand our business into foreign markets. We established a subsidiary in China and Vietnam in 2008 and 2010 respectively and have been undertaking rapid expansion in those two markets ever since. In addition to receiving ISO9001 certification for auto insurance claims and loss prevention services, we also received excellent credit ratings of "twAA+" from Taiwan Ratings, "A-" from S&P, and "A3" from Moody's. In 2013, we garnered the "Excellence in Insurance Award", "Insurance Faith Hope Love Award", and "National Brand Yushan Award", further reinforcing our recognition by the people in Taiwan as the Number 1 "Ideal Brand" in the P&C insurance industry. We also received the internationally acclaimed honor of "General Insurance Company of the Year 2013" from the Asia Insurance Review and the "Best Non-life Insurance Company in Taiwan 2013" from World Finance Magazine, proving ourselves to be a first-rate P&C insurer in Asia.



Handover ceremony of Cathay Century Insurance's incoming and outgoing presidents.



Overview of Subsidiaries

Cathay Century Insurance Co., Ltd.

Board of Directors, Independent Directors and Key Management

	Name	Education	Experience
Board of Directors	Cheng-Chiu Tsai	M.A., Keio University, Japan	Chairman, Cathay Century Insurance
	Fa-Te Chang	B.A., National Chung Hsing University	Chief Representative for Greater China, Cathay Life Insurance
	J.H. Hsu	M.B.A., National Chengchi University	Chairman, Cathay Insurance Co., Ltd (China)
	Min-Yang Wu	M.A., Georgia State University, USA	President, Cathay Century Insurance
	K.C. Tsai	College	Chairman, Central Construction Co., Ltd.
	Chu-Yao Lu	BA, Shih Hsin University	President, Wen Yi Investment Co., Ltd.
	T. James Yang	M.A., UC Irvine, USA	Executive Vice President, Cathay Century Insurance
	Name	Education	Experience
Independent Directors	Min-Houng Hong	Ph.D. Michigan State University, USA	Chairman, Panasonic Taiwan Co., Ltd.
	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA	Senior Advisor for Greater China, The Blackstone Group (HK) Limited.
	Name	Education	Experience
Supervisors	R.C. Sun	Tainan Commercial College	Chairman, Sun Chuan Enterprise Ltd.
	Ching-Tien Su	National Taipei Teachers College	Chairman, Royal Construction Corp.
Executive Officer	Position	Name	Education
	Chairman	Cheng-Chiu Tsai	M.A., Keio University, Japan
Key Managers	Position	Name	Education
	President	Min-Yang Wu	M.A., Georgia State University, USA
	Executive Vice President	T. James Yang	M.A., UC Irvine, USA
	Chief Auditor	Chih-I Yu	B.A., National Taiwan University
	Executive Vice President	Pin-Yao Lin	M.B.A., National Chengchi University
	Executive Vice President	Jin-Chou Chen	M.A., Peking University

Business Scope

All types of non-life insurance (including motor, fire, marine, engineering, health, accident, and other liability and property) and related businesses.



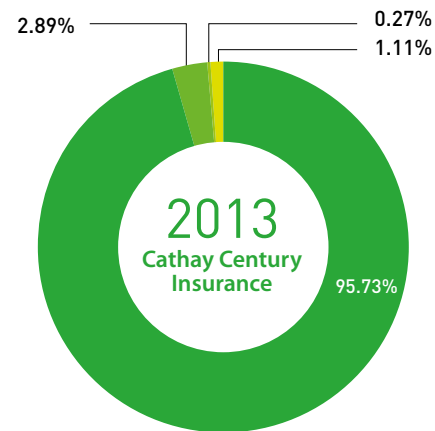
Cathay Century Insurance was honored in the "Excellence in Insured Award."



2013 Revenue Breakdown

Item	Amount	% of Total
Retained earned premium income	418.57	95.73
Reinsurance commission income	12.65	2.89
Fees income	1.18	0.27
Net investment gain (loss)	4.85	1.11
Total income	437.25	100

(Million USD)



2014 Business Plan

Objective 1: Streamline organizational structure and enhance the performance of our sales force

- 1.Adjust our internal organization in line with our development objectives, improve business development through division of labor, and open up job promotion channels for all types of specialists.
- 2.Accelerate the recruitment of high-output sales personnel and expand in-house sales force to broaden our sales network.
- 3.Actively seek opportunities to partner with outside channels to develop new outlets and increase channel value, and design simple project-based products to speed up channel development.

Objective 2: Enhance service value and promote brand image

- 1.Construct optimal core systems to enhance work efficiency and develop a variety of mobile devices to boost all-around service quality and efficiency.
- 2.Build a loss prevention service network to assist policyholders in risk planning and accident prevention, thereby increasing the added value of policies.
- 3.Leverage media channels to promote positive images of the company, such as posting thank-you letters from policyholders and awards received by the company.

Objective 3: Strengthen development of personnel cultivation and expand overseas network

- 1.Enhance the depth and breadth of the development of our personnel and establish a comprehensive personnel reserve system to accommodate future business development needs.
- 2.Plan support measures that enhance employees' sense of belonging and cohesion and increase fellowship among employees to become a benchmark for the best company to work for.
- 3.Further develop the insurance markets in China and Vietnam, and take a prudent approach to expanding in overseas markets, including maintaining strict quality control, and enhancing business performance in those markets.

Objective 4: Step up risk management and improve profitability

- 1.Enhance loss prevention techniques, increase reinsurance capacity, and continuously refine risk quantification techniques to improve risk management performance.
- 2.Strengthen business quality control and effectively control costs and expenses to improve the profitability of our core business.
- 3.Continue to improve our investment strategies and gradually increase the share of securities that offer stable income and good liquidity in the investment portfolio to optimize our investment of funds.

2014 Operational Targets

Premium income: US\$620 million

Cathay Securities Corporation

Message from the Chairman

Year 2013 can be characterized as a "back on track" year as more clear signs show that the global economy, the financial market and Taiwan's capital market are gradually heading in the right directions. Impacted by the stock capital gain tax controversy in 2012, Taiwan's capital market was on the mend in 2013 as the economic outlook turned positive and the relevant authority paid more attention to market stimulus measures. The daily average trading value on TWSE and GTSM in 2013 bounced back to US\$3,252 million in 2013, and the TAIEX gained 11.6% for the year to close at 8,612, up from 7,700 at the beginning of the year. While the market got back on track, securities firms also recorded improved profitability, and a few new bright spots were observed in business innovation. Although the prospects are positive and vibrant, the road back will not necessarily be quick and smooth. Our optimistic expectations are tinged with a shade of caution amid a number of uncertainties, including whether Taiwan is resolved to be more open-minded with respect to economic development and is committed to financial reform and deregulation, whether China's economy will slow down, and whether the U.S. and European economic recoveries will slow down, to name a few.

Against the backdrop of a wavering macro-environment, our adherence to the spirit of "Integrity, Accountability and Creativity" has produced positive results. In 2013, Cathay Securities was conferred with the National Brand Yushan Award, the first and the only securities firm to receive this special honor. While we increased the spotlight on the name Cathay Securities by winning prestigious awards, we also turned in impressive performance on many of our businesses. The market share of our brokerage business recorded a new high for the fifth year in a row rose to 1.19% for the whole year, growing 17% as compared to the year 2012. In our underwriting business, we underwrote 14 IPO and SPO cases, also achieving a new high and ranking No. 5 in the market in terms of number of cases submitted, and demonstrating our ambition to be a strong market contender. In our warrant issuance business, we are No. 1 in the market in terms of average sales per issue. Our sub-brokerage business that started in 2012 saw its trading value increase to US\$784 million in 2013, garnering us a place in the top 10 in the first full year of business. While we turn in brilliant strong business performance, we continued to pay attention to providing services commensurate with the needs of our customers. We introduced a series of innovative services, including mobile office, "Cathay Genie" App, and push notification services in the hope of providing our customers with better integrated, digital securities services.

Looking forward to 2014, as the market environment improves, we need more concrete results to showcase our transformation. Therefore, Cathay Securities will stress the spirit of "implementation." In the past year, we have not only gained more experience in each of our businesses, but also developed many innovative ideas and targets through research and experimentation. Year 2014 will be the time to see whether our plans and efforts will bear fruit. For our brokerage business, we set three goals for actions - strengthen cross-selling within the Group, improve the service quality of our mobile trading platform, and provide diverse products. For the institutional brokerage business, we aim to improve the level of service and research quality for institutional clients, and plan the securities lending business for the Group. With respect to underwriting, our underwriting team will tap into the Group resources more systematically and actively develop the business of serving overseas companies that plan to list on Taiwan's stock market. With regards to financial trading, we hope to expand the issuance and trading sizes of financial products, and actively develop new products to create more opportunities for profit. In new business and new market development, we plan to establish a financial consulting firm in China to provide clients in Greater China with better services. We also plan to set up an offshore securities unit (OSU) to offer clients a greater variety of products.

Through the concerted efforts of all our colleagues, we again soared amid an adverse environment in 2013. To become better, bigger and more distinguished in the market, we cannot stay contented, for these are not our only goals. We want to see the smile of approval from our customers, win the respect of our peers, and surpass ourselves. Lastly on behalf of my colleagues, I would like to express our heartfelt gratitude for the longstanding support of our shareholders and the Group. In 2014, we must live up to expectations by continuing to build a solid foundation, embrace changes and turn challenges into opportunities as we aspire to excel in a highly competitive market.

Chairman *Shih-Ting Chu*



Company Profile

Cathay Securities Corporation is a member of Cathay Financial Holdings. We have paid-in capital of US\$133 million, 502 employees and an operational network composed of a head office, nine branches, and 24 securities counters. Our businesses cover brokerage, underwriting, proprietary trading, and the issuance of financial derivatives.

In 2014, we will focus on the following business operations: With respect to retail brokerage, we will step up collaboration with other subsidiaries under Cathay Financial Holdings in cross-selling, set up more business counters to guide customer traffic, and through sub-brokerage and OSU services, set up a platform to provide a wide variety of products to offer customers comprehensive wealth management services. We will also push for e-services, using digital marketing to promote trading, enriching our website content and increasing its practicality to enhance customer retention, and use cloud technology to render the trading platform more user-friendly. With respect to institutional brokerage, we will enhance the quality of our research, offer custom-made services to increase orders placed by institutional investors, expand the securities lending business, and seek more foreign long fund and FINI clients. With respect to financial products, we will step up the marketing of our warrant business to increase turnover. With respect to bond operations, we will maintain the financial consultant business model, and develop the Formosa bond business in line with the relevant authority's relaxation of the issuance of RMB-denominated bonds in Taiwan by Chinese companies. With respect to proprietary trading, we will improve our arbitrage strategies, participate more actively in options market making, and develop high-frequency trading strategies. With respect to underwriting, we will leverage Group resources to win more benchmark cases and overseas clients that plan to list on Taiwan's stock market. We also plan to establish a financial consulting firm in Shanghai to offer a variety of services for clients in Greater China area, including private placements, mergers and acquisitions, and listings in Taiwan.

Looking into the future, we will continue to hold onto the core values of the Group, "Integrity, Accountability and Creativity", and prudently promote various businesses.



Cathay Securities assisted Eslite spectrum Corp in listing on GTSM.

No. of employees	502
Average age	38
Average years of services	3.5



Overview of Subsidiaries

Cathay Securities Corporation

Board of Directors, Independent Directors and Key Management

	Name	Education	Experience
Board of Directors	Shih-Ting Chu	M.A., National Taiwan University	Chairman, Cathay Securities Corporation
	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA	President, Cathay Securities Corporation
	Tsu-Jien Cheng	B.A., Hamilton College, USA	Senior Vice President, Cathay Securities Corporation
	Hung-Huei Liao	M.A., National Taiwan University	Senior Vice President, Cathay Securities Corporation
	Jinn-Shing Leou	M.A., University of Iowa, USA	Chairman, Cathay Securities Corporation
	Name	Education	Experience
Independent Directors	Tsing-Yuan Hwang	Ph.D. Candidate, Nihon University, Japan	Director, Hon Hai Precision Industry
	Andrew Ming-Jian Kuo	M.B.A., Baruch College, City University of New York, USA	Senior Advisor for Greater China, The Blackstone Group (HK) Ltd.
	Name	Education	Experience
Supervisors	Wan-Chie Ma	M.A., Tamkang University	Supervisor, Cathay Securities
	Chi-Chang Huang	M.A., Columbia University, USA	Senior Vice President, Cathay United Bank
	Position	Name	Education
Executive Officer	Chairman	Shih-Ting Chu	M.A., National Taiwan University
		Position	Name
Key Managers	President	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA
	Senior Vice President	Tsu-Jien Cheng	B.A., Hamilton College, USA
	Senior Vice President	Hung-Huei Liao	M.A., National Taiwan University
	Senior Vice President	Chen-Hung Lin	M.A., National Kaohsiung First University of Science and Technology

Business Scope

- Securities underwriting
- Dealing of securities on central exchange
- Brokerage trading of securities on central exchange
- Dealing of over-the-counter securities
- Brokerage trading of over-the-counter securities
- Margin financing and stock lending
- Registrar and transfer services
- Securities lending (except for book-entry central government bonds)
- Wealth management - financial products advisory or sales services
- Brokerage trading of foreign securities--sub-broker
- Introducing futures brokering
- Futures business
- Other securities-related businesses approved by the regulator



2014 Business Plan

1. Step up collaboration with other subsidiaries within the Group in cross-selling, set up more business counters and strengthen customer relationships.
2. Develop more product lines, boost the professional knowhow of our sales force, and establish a high-end asset management team.
3. Enhance digital marketing, incorporate cloud technology for the construction of a push subscription center, and to real-time account and stock selection functions.
4. Improve research quality and custom-made services, maintain relationship with institutional clients, expand the securities lending business, and develop long fund and FINI clients.
5. Select premium underlying securities for warrants, boost warrant units on the market, and develop multiple trading strategies to increase rate of return.
6. Seek more business serving overseas companies that plan to list stocks in Taiwan and develop M&A consulting business.

2014 Operational Targets

Item	Targets
Market share of brokerage business	1.41%
Number of lead underwriting cases	12
Number of warrants issued	660



Cathay Securities co-hosted the "2014 Economic Trends Forum."



Cathay Securities received the National Brand Yushan Award.



Cathay Securities honored outstanding employees in 2013.



Cathay Securities' 2013 energy conservation campaign.

Cathay Securities Investment Trust Co., Ltd.

Message from the Chairman

In 2013, the global equity and fixed income markets vacillated after the first half of the year as the U.S. Federal Reserve decided to taper its quantitative easing and funds withdrew from emerging markets. Although the trend of global economic recovery seemed set, the process was replete with challenges. Taiwan underperformed in comparison with its neighboring countries in terms of economic growth. With the Cross-Strait Agreement on Trade in Service with China still pending in the Legislative Yuan, Taiwan is not able to reap additional benefits from economic cooperation with China in the short run. The municipal election to be held in November 2014 adds more political uncertainty. Fortunately with the global economic rebound gathering force beginning in the second half of 2013, the International Monetary Fund (IMF) upgraded its 2014 growth forecasts for the world and major economies to a varying degree. With the world growth forecast increased to 3.7%, the equity and fixed income markets of developed countries are expected to be the main playing fields among the global financial markets.

Total assets under the management of Cathay Securities Investment Trust ("CIST") has grown from US\$12.67 billion in 2012 to US\$14.22 billion in 2013, securing our position as the largest securities investment trust company in Taiwan. Our "China focus" business strategy in 2013 worked out brilliantly. We turned in exceptional performance in our China stock funds. We are the first in the industry to invest directly in China's fixed-income funds, also the first securities investment trust company to be granted a license to trade in China's inter-bank bond market. Our joint venture in China, CDBS Cathay Asset Management Co. commenced business on September 12, 2013, and its first fund was raised on December 23, 2013, demonstrating CSIT's ability to capture opportunities in China's capital market and to offer clients profitable RMB products. CSIT will continue to adopt a "China Focus" strategy and launch a variety of funds with Greater China themes via QFII and RQFII schemes to establish a firm footing in Taiwan while making headway into China and become an expert in investment in Greater China markets.

CSIT employees have been working with diligence and self-discipline ever since CSIT began business. Through unceasing efforts to improve customer service and operating procedures, the asset management service CSIT offers have won the trust and recognition of investors. The extensive product lines established by CSIT over the years offer customers a wide variety of quality choices. Looking into the future, CSIT will continue to focus on its core competencies. Guided by the strategic direction of turning asset management into the third profit engine of the Group, we will continue to strengthen our existing foundation and create a virtuous cycle. Moreover, we will leverage Group resources to maximize results and improve our integrated marketing with the banking and insurance subsidiaries to achieve rapid growth.

Cathay Financial Holdings has long been a synonym for solidity, reliability and steadfastness in the minds of the people in Taiwan. With the strong support and positive image of the Group, CSIT has been able to grow and flourish in a short dozen years. We will adhere to the Group's core value of "Integrity, Accountability and Creativity" to provide customers with the best asset management service.

Lastly, on behalf of my colleagues, I would like to express our heartfelt gratitude for the longstanding support and assistance of the relevant authorities and our customers. We will continue to enhance our business performance and company value, create niche products and provide customers with full-fledged and in-depth services to set a solid foundation for creating a third profit engine for Cathay Financial Holdings.

Chairman *Jeff Chang*



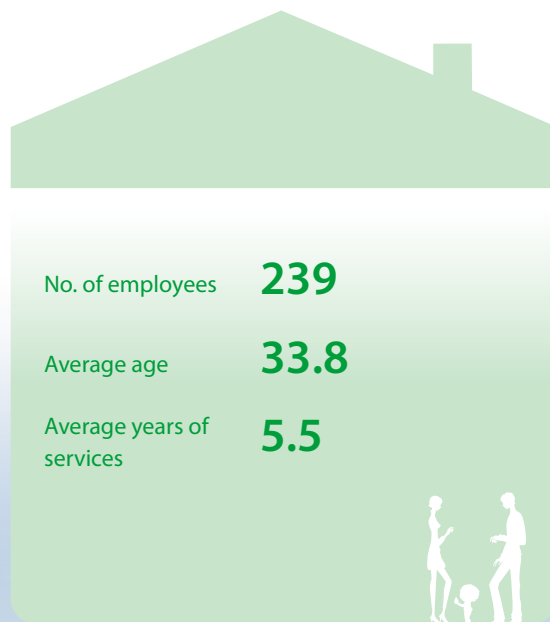
Company Profile

Cathay Securities Investment Trust ("CSIT") was established in February 2000 and is now a wholly-owned subsidiary of Cathay Financial Holdings. We have paid-in- capital of US\$50 million, 239 employees and a business network composed of Taipei Head Office and Hsinchu, Taichung and Kaohsiung Branches. Our businesses cover securities investment trust, discretionary investment, securities investment consultant, futures trust and other businesses approved by the regulatory authorities. Assets under our management, including publicly offered funds, privately placed funds, CTA funds and discretionary accounts, total US\$14.22 billion in value, the highest in the industry. We have a professional team comprising 72 researchers (including fund managers) with on average ten years and five months of experience in related fields. We have won more than 32 domestic and foreign fund awards since 2005.

In 2014, we will continue to harness our business operations and strengthen collaboration with other members of the Cathay Financial Holdings in the hope to create together maximum value for the Cathay Group as a whole.



CSIT sponsored Wei-Yin Chen baseball camp.



Cathay Securities Investment Trust Co., Ltd.

Directors, Supervisors, and Key Managers

	Name	Education	Experience
Board of Directors	Jeff Chang	M.S., National Cheng Kung University	Chairman, Cathay Securities Investment Trust
	Andy Chang	M.B.A., National Central University	President, Cathay Securities Investment Trust
	Peter Chiang	B.A., National Chung Hsing University	Senior Vice President, Cathay Securities Investment Trust
	Solon Huang	M.A., National Taiwan University	Senior Vice President, Cathay Securities Investment Trust
	Yit-Sung Wang	M.B.A., Massachusetts Institute of Technology, USA	Executive Vice President, Cathay Life Insurance

	Name	Education	Experience
Supervisors	Rui-Hong Hong	B.A., Soochow University	Manager of Accounting Department, Financial Division, Cathay Financial Holdings

	Position	Name	Education
Executive Officer	Chairman	Jeff Chang	M.S., National Cheng Kung University

	Position	Name	Education
Key Managers	President	Andy Chang	M.B.A., National Central University
	Senior Vice President	Peter Chiang	B.A., National Chung Hsing University
	Senior Vice President	Solon Huang	M.F., National Taiwan University
	Vice President	Jing-Hui Hsieh	M.B.A., National Central University
	Vice President	Y. H. Chang	B.A., Tunghai University
	Vice President	Hui-Huan Hsieh	M.B.A., Mankato State University, USA
	Senior manager	Chia-Lin Yang	M.A., National Chengchi University



Business Scope

1. Securities investment trust business.
2. Discretionary investment business.
3. Securities investment consultant business.
4. Futures trust business.
5. Other business approved by the Financial Supervisory Commission.

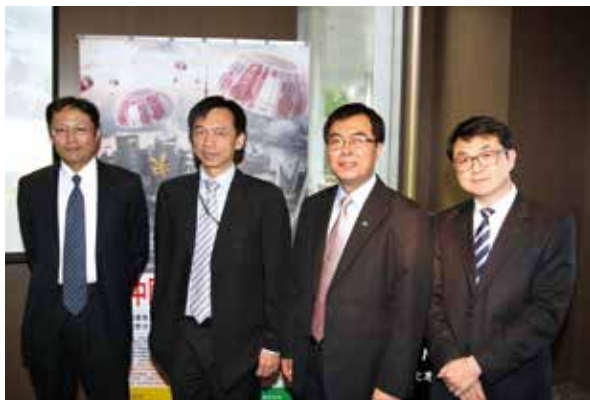
2014 Business Plan

1. Develop new products and investment strategies to provide customers with the best products that meet their needs.

2. Seek long-term, stable and outstanding performance in fund management and for discretionary account customers.
3. Integrate group resources to actively develop related businesses.
4. Seek opportunities in China's wealth management market through equity investment in Chinese fund management firms.

2014 Operational Targets

Assets: US\$14.54 billion



CSIT's press conference for the launch of China Umbrella Fund.



CSIT donated ambulance to Taipei Foundation of Finance.



CSIT won the 2013 Lipper Fund Awards Taiwan.



CSIT focused on the development of its China Stock Investment Department.

Overview of Subsidiaries

Cathay Venture Inc.

Company Profile

The Company's main businesses are investing in unlisted companies with growth potential, and assisting in the development of those companies for the purpose of maximizing return on investment.

Business Scope

Venture capital business.

Directors, Supervisors, and Key Managers

Position	Name	Education	Experience
Chairman	Jen-Ho Chang	M.Sc., Warwick University, UK	Chairman, Symphox Information
Board of Directors	Tzung-Han Tsai	J.D., Georgetown University, USA	Senior Executive Vice President, Cathay Financial Holdings, Executive Vice President, Cathay Life Insurance
Board of Directors	Alan Lee	M.B.A., National Taiwan University	Senior Executive Vice President, Cathay Financial Holdings, Senior Executive Vice President, Cathay United Bank
Board of Directors	Shan-Chi Liu	M.B.A., National Taiwan University	Chairman, Cathay Securities Investment Consulting, Executive Vice President, Cathay Life Insurance
Board of Directors	Chuan-Yen Hu	M.B.A., University of Wisconsin, USA	President, Cathay Venture
Supervisors	Shun-Yu Chuang	M.B.A., Massachusetts Institute of Technology, USA	President, Cathay Securities Corporation

Chief Executive Officer and Key Managers

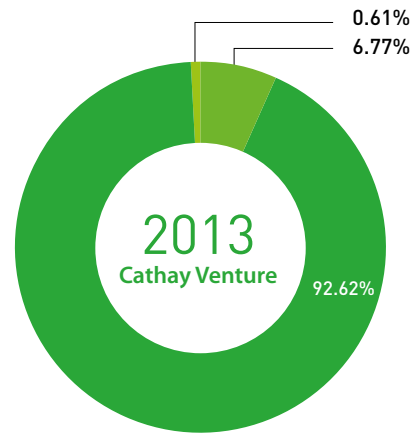
Position	Name	Education
Chairman	Jen-Ho Chang	M.Sc., Warwick University, UK
President	Chuan-Yen Hu	M.B.A., University of Wisconsin, USA



2013 Revenue Breakdown

Item	Amount	% of Total
Management consulting fees	671.14	6.77
Securities sales and investment income	9,188.08	92.62
Interest and other income	60.70	0.61
Total	9,919.92	100.00

(thousand USD)



2014 Business Plan

Target regions:

Focus on companies in Greater China Area that plan to list on Taiwan's stock exchange.

Target industries:

China's consumer market, cloud computing, biotech and healthcare.

Target stages:

Mainly companies in the expansion stage with the potential to gradually increase the amount of investment in individual cases.



Overseas Branches and Offices

● Cathay Life

Cathay Life Insurance Co., Ltd. (China) Shanghai Headquarters

Address: 11F, No. 88, Jin-Mao Tower, Century Ave., Pudong New Area, Shanghai, PRC
ZIP: 200121
Tel: 86-21-61006168(main line)
Fax: 86-21-61001682
Website: www.cathaylife.cn

Cathay Life Insurance Co., Ltd.(China) Jiangsu Branch

Address: 20 F, Building A, Jin Shan Building, No. 8, Shanxi Rd., Gulou District, Nanjing, Jiangsu, PRC
ZIP: 210009
Tel: 86-25-83718688(main line)
Fax: 86-25-83197171

Cathay Life Insurance Co., Ltd.(China) Zhejiang Branch

Address: 10F, Sanxin Yinzuo, No. 72, Chiu Tao No. Road, Jiang Gang District, Hangzhou, Zhejiang, PRC
ZIP: 310020
Tel: 86-571-28039899(main line)
Fax: 86-571-28033189

Cathay Life Insurance Co., Ltd.(China) Fujian Branch

Address: Room 01, Floor 10, Dong Ta Building of Lijia Square, No. 8 of Yangqiao East Road, Guxi Street, Gulou District, Fuzhou City
ZIP: 350003
Tel: 86-591-87401668(main line)
Fax: 86-591-87824373

Cathay Life Insurance Co., Ltd.(China) Beijing Branch

Address: 4F, Jiahe Guoxing Building, No. 15, Baiqiao Boulevard, Dongcheng District, Beijing, PRC
ZIP: 100062
Tel: 86-10-59620678(main line)
Fax: 86-10-59620988

Cathay Life Insurance Co., Ltd.(China) Shandong Branch

Address: Room615, 6F SK Modern City, No. 29, Luoyuan Street, Lower District, Chinan, Shandong Province, PRC
ZIP: 250014
Tel: 86-531-86931688(main line)
Fax: 86-531-81671168

Cathay Life Insurance Co., Ltd.(China) Guangdong Branch

Address: 5F No. 233, Dongfeng Xi Road, Yuexiu District, Guangzhou City, Guangdong Province, PRC (Qianshu Panfu Building)
ZIP: 510180
Tel: 86-20-83545288(main line)
Fax: 86-20-83553405

Cathay Life Insurance Co., Ltd.(China) Liaoning Branch

Address: Mingshang Headquarters Plaza, 14F, No.51, North Station Road, Shenhe District, Shenyang, Liaoning Province, PRC
ZIP: 110013
Tel: 86-24-22566866 (main line)
Fax: 86-24-22566766

Cathay Life Insurance Co., Ltd.(China) Tianjin Branch

Address: 11F, Building B1, Jun Lung Square at No. 85, Nanjing Road, Hoping District, Tianjin, PRC
ZIP: 300040
Tel: 86-22-58366900
Fax: 86-22-58366909

Cathay Life Insurance Co., Ltd.(China) Xiamen Branch

Address: 16F, Building A, Sinotrans Operation Center, No. 1032, Xia He Road, Si Ming District, Xiamen, Fujian, PRC
ZIP: 361001
Tel: 86-592-2276136
Fax: 86-592-2276135

Beijing Representative Office

Address: Unit 02, 6F, Building B, Parkview Green Building, No. 9, Dongdaqiao Road, Chaoyang District, Beijing, PRC
ZIP: 100020
Tel: 86-10-83913425
Fax: 86-10-83913427

Hong Kong Representative Office

Address: 20F, LHT Tower, 31 Queen's Road Central, Central, Hong Kong
Tel: 852-2877-5488 ext123
Fax: 852-2527-0966

Tokyo Office

Address: 10F KN Ginza Building, 1-15-6, Ginza, Chou-Ku, Tokyo
Tel: 81-3-3566-3199
Fax: 81-3-3566-3099

Cathay Life Insurance (Vietnam) Co., Ltd. (Ho Chi Minh City Head Office)

Address: The World Center Building 9th floor, 46-48-50 Pham Hong Thai Street, District 1, Ho Chi Minh City, Vietnam
Tel: 84-8-6255 6699
Fax: 84-8-6255 6399
Website: www.cathaylife.com.vn

Cathay Life Insurance (Vietnam) Co., Ltd. Hanoi Branch

Address: 167 Bui Thi Xuan, Hai Ba Trung Dist., Hanoi City
Tel: 84-4-6278 7888
Fax: 84-4-6278 7887

Cathay Life Insurance (Vietnam) Co., Ltd. Da Nang Branch

Address: 6th floor, Sacombank Building, 130-132 Bach Dang Street, Hai Chau District, Da Nang City
Tel: 84-511-6252 888
Fax: 84-511-6253 288

Cathay Life Insurance (Vietnam) Co., Ltd. Can Tho Branch

Address: 2nd floor, Hanh Phuc Building, 130-132 Bach Dang Street, Thach Street, Ninh Kieu District, Can Tho City
Tel: 84-710-625 1999
Fax: 84-710-620 0160

Cathay Life Insurance (Vietnam) Co., Ltd. Dong Nai Branch

Address: 42C Nguyen Ai Quoc, Tan Tien Ward, Bien Hoa, Dong Nai City
Tel: 84-61-629 3558
Fax: 84-61-629 2575

Cathay Life Insurance (Vietnam) Co., Ltd. Hai Phong Branch

Address: 4th floor Sacombank Building, 62- 64 Ton Duc Thang Street, Le Chan District, Hai Phong City
Tel: 84-31-625 5160
Fax: 84-31-625 5150

● Cathay United Bank

Los Angeles Agency

Address: 707 Wilshire Blvd., Suite 3200, Los Angeles, CA 90017, U.S.A.
Tel: 1-213-2431234
Fax: 1-213-627-6817

Labuan Branch

Address: Level 3(C), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000, Labuan F. T., Malaysia
Tel: 60-87-452168
Fax: 60-87-453678

Hong Kong Branch

Address: 20th Floor, LHT Tower, No.31 Queen's Road Central, Central, Hong Kong
Tel: 852-2877-5488
Fax: 852-2527-0966

Singapore Branch

Address: 6 Raffles Quay, #20-06, Singapore 048580
Tel: 65-6593-9280
Fax: 65-6324-1959

Shanghai Branch

Address: Suite 1905, BEA Finance Tower, No.66 Huayuanshiqiao Road, Pudong New District, Shanghai 200120 China
Tel: 86-21-6886-3785
Fax: 86-21-6886-3787

Chu Lai Branch, Vietnam

Address: No. 123, Tran Quy Cap, Tam Ky Town, Quang Nam Province, Vietnam
Tel: 845-10-3813035~42
Fax: 845-10-3813043~44

Kuala Lumpur Marketing Office

Address: Lot 13A, 13th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250, Kuala Lumpur, Malaysia
Tel: 60-3-2070-6729
Fax: 60-3-2078-9057

Manila Representative Office

Address: Unit 5A, 5/F, Citibank Center 8741 Paseo de Roxas Makati City 1200, Metro Manila Philippines
Tel: 63-2-751-1161
Fax: 63-2-751-1163

Bangkok Representative Office

Address: 13 Fl. Sathorn City Tower 175, South Sathorn Rd. Tungmahamek, Sathorn Bangkok 10120, Thailand
Tel: 66-2-679-5316~7
Fax: 66-2-679-5318

Cathay Financial Holdings

The Year in Review 2013

January

- Cathay Century Insurance held its 2013 January sales executive meeting.
- Cathay Life Insurance held its 2013 Annual Sales Meeting.
- Cathay United Bank issued iEasy Debit Card.
- Cathay United Bank Ming Chen Branch commenced business, becoming the first bank branch to install solar panels to support green energy.
- Cathay Insurance (China) was granted approval to offer auto liability insurance.
- Qingdao Sales Office of Cathay Insurance (China) received approval to commence business.

February

- Cathay Securities' trading platform was renamed "Cathay Genie" and Cathay Securities released its new order placement App for iPhone.
- Cathay Life Insurance was certified for Taiwan TrainQuali System (TTQS).
- Cathay Charity Foundation held the Cathay Model Volunteers Commendation Meeting.
- Cathay Century Insurance introduced "Taiwan's first cross-domain disaster prevention industry platform."
- Cathay Securities issued Cathay AB (03040F), the first warrant in Taiwan linked to H shares.

March

- Cathay Charity Foundation initiated the "New Immigrant and Children Happiness Programme."
- Cathay United Bank arranged a US\$60 million syndicated loan for Vietnam Airline.
- Cathay United Bank established a "Private Banking Division."
- Cathay Financial Holdings sponsored the "2013 World Baseball Classic."
- Cathay Century Insurance and the Taiwan Association of Disaster Prevention Industry (TADPI), National Taiwan University of Science and Technology, and Sinotech co-hosted the TADPI inaugural meeting and the 2013 First Taiwan Disaster Prevention Technology Forum.

April

- Cathay Century Insurance hosted the "International Logistics and Loss Prevention Forum."
- Cathay Financial Holdings donated RMB 7 million to earthquake victims in Ya'an, Sichuan.
- Cathay Century Insurance pioneered volunteer group insurance to offer protection to New Taipei City school volunteers.
- Cathay Insurance (China) received regulatory approval to increase the capital of its subsidiary in China by RMB 100 million in 2013 and 2014, respectively, totaling RMB 200 million.
- Cathay Insurance held its 2013 Tokyo Summit.

May

- The "2013 Cathay Create Your Dream Programme" hosted the 3-on-3 high school basketball final.
- The "2013 Cathay Customers' Children Scholarship Programme" held a lot drawing ceremony.
- Cathay United Bank offered "Quick Loan" online services.
- Cathay Life Insurance passed the review of the Financial Planning Association of Taiwan to become the first financial institution in Taiwan certified for CFP (certified financial planner) training.

June

- Cathay Financial Holdings held its 2013 Annual General Meeting.
- Cathay United Bank was named sole provider of ATM service at the Taipei MRT Danfeng Station and Huilong Station that commenced service in June 2013.
- Cathay United Bank started to provide one-time password (OTP) service that is easy to use and provides increased security.
- Cathay United Bank led the pack introducing OTA (Over The Air) download of mobile credit card service to offer customers the chance to experience the convenience of NFC-enabled credit card payment.
- Cathay Securities appointed Shun-Yu Chuang as president.

July

- CDBS Cathay Asset Management Co., Ltd., a joint venture of Cathay Securities Investment Trust and China Development Bank Securities



Cathay Securities won awards in Taiwan's Best Financial Planner.



Cathay Life and Gloria Hotel Group signed a cooperation agreement on the development of Taiwan's first mega outlet.



Cathay Century Insurance's "Accident-free Campus" activity.



Press conference for the launch of "Cathay United Bank COSTCO Card."



Cathay Financial Holdings received the 2013 Corporate Citizenship Award from Commonwealth Magazine.



Cathay Century Insurance was named the "General Insurance Company of the Year 2013" from the Asia Insurance Review.

(CDBS) was approved for establishment by the China Securities Regulatory Commission.

- President of Cathay Century Insurance J.H. Hsu was appointed chairman of Cathay Insurance (China). His position at Cathay Century was succeeded by Min-Yang Wu.
- Cathay United Bank chairman Gregory K.H. Wang retired. He was succeeded by Tsu-Pei Chen.
- Cathay Charity Foundation hosted the "2013 Cathay Kids Camp."
- Cathay United Bank's "Integrated Hong Kong Account" was approved by the HKMA. This account offers integrated inquiry and fast remittance service for accounts in Hong Kong and Taiwan starting on July 1, 2013.
- Cathay United Bank's "My Bill", a bill payment platform, went online. This integrated payment portal, designed by taking customer payment habits into consideration, makes online payment more convenient.
- The Financial Supervisory Commission approved a capital increase of NT\$130 million (90 billion Vietnamese Dong) for Cathay Insurance (Vietnam).

August

- The "Cathay United Bank COSTCO Card" was officially launched.
- Cathay Group hosted the "2013 Cathay's Jeremy Lin Basketball Training Camp."
- Cathay United Bank set up a "Customer Relationship Management Department" to analyze customer characteristics and needs, take advantage of marketing opportunities and create a great customer experience.
- Cathay Century Insurance held a "Construction Loss Prevention and Risk Management Forum."

September

- Cathay United Bank introduced "QR Code" and "Easy Go" to offer a full range of mobile payment services.
- CDBS Cathay Asset Management Co., Ltd., a joint venture of Cathay Securities Investment Trust and China Development Bank Securities (CDBS), a subsidiary of China Development Bank commenced business in Beijing.
- Cathay Life Insurance and Gloria Hotel Group held a contract signing press conference for the HSR Taoyuan Station Manufacturing Zone Project.
- Cathay Century Insurance launched "My MobiCare", the first APP with the blessing of Dajia Matzu in Taiwan.
- Cathay Financial Holdings introduced an app that offers the latest promotional activities of Cathay Financial Holdings subsidiaries to provide members with an innovative log-in procedure and custom-made information functions.

October

- Cathay Charity Foundation hosted the "2013 International Forum for New Immigrants."
- Cathay Securities was awarded a bronze medal for "TTQS Training Quality."
- Cathay United Bank's business plan for "online transaction pay platform" was approved by the Financial Supervisory Commission. The approval provides Cathay United Bank with the legal basis to develop a third-party payment service.
- Cathay United Bank Culture and Charity Foundation held the second

donation ceremony for 2013 "Elevated Tree Program", offering financial aids to 4,313 underprivileged junior high and elementary students in 125 schools in Ilan County, Yunlin County, Changhua County, Chiayi County and Nantou County.

November

- Cathay United Bank was named the sole provider of ATM service at Taipei MRT Xinyi Line stations that commenced service in November 2013.
- Cathay United Bank installed automated voice ATM at six self-service banks located at Taipei MRT stations to provide high quality and convenient financial services to the visually impaired.
- Cathay Century Insurance published the 20th anniversary special commemorative issue - Leap 20, Cathay at New Height.
- Cathay Securities collaborated with IC Broadcasting in Hsinchu on the "2013 Energy Saving Movement" that called on employees to donate items to help school children in remote areas.
- Cathay Securities held the "2013 Employees of the Year" award ceremony.

December

- Cathay Charity Foundation held the award ceremony for 2013 Wan-Lin Tsai Memorial Scholarship.
- Cathay United Bank ETC Card and automatic refill service went online.
- Cathay Century Insurance offered the first "eco-friendly auto insurance" in the market.
- Cathay Securities and Business Today Weekly co-hosted the "2014 Economic Trends Forum."

Credit Ratings

Company	Moody's	S & P	Taiwan
Cathay Financial Holdings	Baa3	BBB+	twAA
Cathay Life Insurance	Baa2	A-	twAA+
Cathay United Bank	A2/P-1	A-/A-2	twAA+/twA-1+
Cathay Century Insurance	A3	A-	twAA+
Cathay Securities	N.A.	N.A.	twA+

*Credit rating information is as of January 2014

Cathay Financial Holdings

2013 Honors and Accolades



Cathay Group won Next Magazine's Top Service Award.

January

- The Cathay Women's Basketball Team won the WSBL champion for the 20th consecutive year.

February

- Cathay United Bank won an award for "Best Financing Project in China 2012" (Shandong Hongqiao syndicated loan) by IFR Asia.

March

- Mutual funds for which Cathay Securities Investment Consulting served as a general agent won four awards in the 2013 Lipper Fund Awards Taiwan.
- Cathay Financial Holdings won four awards from the "Insurance Dragon and Phoenix Award", including excellence in the "life insurance company office staff category" and "life insurance company field work" categories for Cathay Life Insurance, outstanding award in the "financial holding company" category for Cathay Financial Holdings, and outstanding award in the "non-life insurance company" category for Cathay Century Insurance.
- The Cathay Small and Medium Cap Fund of Cathay Securities Investment Trust won a 2013 Lipper Fund Awards Taiwan.

April

- In the "Young Generation Brand Survey" published by 30 Magazine, Cathay Life Insurance won awards for the fourth straight year, winning in both the "Most Favorable Brand" and the "Brand That You Like to Own Most" categories.
- Cathay Charity Foundation received the "Outstanding Social Organization in Blood Donation" award for the 12th time from the Ministry of the Interior.
- Cathay Financial Holdings ranked No. 610 on the Forbes Global 2000 list, and No. 21 in the Life & Health Insurance industry category, the top performer in the Taiwan financial industry.
- Cathay United Bank selected by The Asian Banker for Best Consumer Risk Management Capability in Taiwan.

May

- Cathay Financial Holdings won the CSR Award from Global Views Monthly for its green finance.
- Cathay Financial Holdings again ranked No. 1 among financial institutions in Taiwan in Top 1000 Companies in Greater China by Business Today Weekly.
- Commonwealth Magazine published the results of its Top 2000 Enterprises Survey: Cathay Life Insurance again ranked No. 1 in the Top 100 Financial Institutions in Taiwan, while Cathay Financial Holdings ranked No. 1 among the 16 financial holding companies by net income.
- Cathay United Bank received the 15th Golden Peak Award of Outstanding Enterprises of the Year - Top Ten Outstanding Products.

June

- Cathay United Bank was named The Best Trade Bank in Taiwan 2013 by Trade Finance Magazine.
- Cathay United Bank won the Best Data and Analytics Project Award in Taiwan from The Asian Banker, the only bank in Taiwan to receive this award.
- Cathay United Bank ranked No. 6 in the "2013 Digital Service Survey" conducted by Digital Times.

July

- Cathay Financial Holdings was again honored in the "2013 Taiwan Insurance Excellence Award". Cathay Life Insurance and Cathay Century together garnered 12 awards, the highest in the industry:
 - ① Cathay Life Insurance was the biggest winner for the fifth straight year. This year, Cathay Life Insurance swept all seven awards, winning the gold medals in "life insurance", "customer service", "personnel training", "product innovation", "information applications", "risk management", and "public interest" categories, the only life insurance company that was named "champion" in seven categories by the judges.
 - ② Cathay Century Insurance won three gold medals in "customer



Cathay Group garnered 12 awards at the Taiwan Insurance Excellence Award.



Cathay swept five gold medals in the 2013 Consumer Financial Service Brand Award.



Cathay Life Insurance and Cathay Century Insurance were respectively named "Life Insurance Company of the Year 2013, Taiwan" and "Non-Life Insurance Company of the Year 2013, Taiwan" by the World Finance Magazine.

service", "personnel training" and "information applications", and two silver medals in "property insurance" and "risk management".

- Cathay United Bank was named champion in "customer satisfaction in wealth management", "customer satisfaction with wealth planner", and No. 1 in "Best Risk Management Award" and "Best Product Award" in the "2013 Wealth Management Bank Ranking" conducted by Business Today Weekly.
- Cathay Life Insurance was named "Best Insurance Company in Taiwan 2013" by International Finance.
- Cathay Life Insurance was selected to Fortune Magazine's Global 500 2013, the only Taiwan financial institution selected.
- In the Asia Money cash management polls, Cathay United Bank was ranked No. 1 in three categories of 2013 Best Local Cash Management Bank for Small Corporations in Taiwan and ranked in the top 3 in three categories of Best Local Cash Management Bank for Medium Corporations in Taiwan.

August

- In the 2013 Insurance Faith Hope Love Award, Cathay Life Insurance won 6 awards and was a nominee in six other categories; Cathay Century Insurance won 5 awards and was a nominee in two other categories for a total of 11 awards and 8 select nominees.
- Cathay Financial Holdings received the CSR Green Growth Award from the British Standards Institution.
- Cathay Financial Holdings received the Corporate Citizenship Award from Commonwealth Magazine.
- Cathay United Bank was named Taiwan's Best Structured Products House in The Asset Triple A Investment Awards 2013.

September

- Cathay Financial Holdings received the 2013 Best Companies to Work For Award from the Department of Labor, Taipei City Government.
- Cathay Financial Holdings and subsidiaries completed the greenhouse gas inventory, for which, Cathay Financial Holdings was ISO14064-1 certified by BSI, and named the "Energy Management System Model Enterprise" by the Bureau of Energy, MOEA.
- Cathay Life Insurance received "The Fifth Sports Contribution Award" in sponsorship and promotional effort categories conferred by the Sports Affairs Council, Executive Yuan.
- Cathay Financial Holdings received the "2012 Private Sector Green Procurement" award from the Environmental Protection Administration.
- In the "Non-Life Insurance Purchase and Satisfaction Questionnaire Survey of Top 1000 Enterprises", Cathay Century Insurance was rated "excellent" in "Best Image" and "outstanding" in "Best After-Sales Service", "Best Sales" and "Most Highly Recommended" categories.

October

- In the Next Media Magazine's 10th Top Service Award, Cathay Life Insurance and Cathay United Bank were named No. 1 in the life insurance and banking categories respectively. Cathay Life Insurance has won this honor ten consecutive years.
- Cathay Century Insurance and Cathay Securities were honored in the "Tenth National Brand Yushan Award":
 - ① Cathay Century Insurance won two awards - "Outstanding Enterprise" and "Best Product."
 - ② Cathay Securities was conferred with the National Brand Yushan Award - Outstanding Enterprise, the only securities firm to receives

this special honor.

- Cathay Life Insurance received the "Taipei City Green Building Certification", in recognition of its energy saving efforts.
- Cathay Life Insurance was honored as No. 1 in the insurance category of 2013 "Best Enterprises in Taiwan."
- Cathay United Bank's acquisition of SBC Bank in Cambodia was named Deal of the Year in the 2013 MAPECT Taiwan M&A Awards.

November

- In the latest report released by Carbon Disclosure Project, the carbon disclosure score of Cathay Financial Holdings rose sharply in 2013 and was the highest score received by financial institutions in Taiwan.
- Cathay Life Insurance and Cathay Century Insurance were respectively named "Life Insurance Company of the Year 2013, Taiwan" and "Non-Life Insurance Company of the Year 2013, Taiwan" by the World Finance Magazine.
- Cathay Century Insurance was named General Insurance Company of the Year 2013 in an award ceremony held in Singapore by the Asia Insurance Review.
- In the "2013 Insurance Quality Award" ceremony hosted by Risk Management, Insurance and Finance Magazine, Cathay Life Insurance won four excellence awards in the categories of "Best Recognized", "Best Recommended", "Best Salesperson", and "Best Claim Service."
- Cathay United Bank was No. 3 in the "Best Brand Awards" of Business Today Weekly.
- Cathay United Bank received the Innovative Product Design of the Year in the 11th Golden Torch Awards (Outstanding Enterprises) organized by the Outstanding Enterprise Manager Association ROC.
- Cathay United Bank was conferred with the "e-Payment Outstanding Contribution Award" at the 2013 Annual Meeting of Financial Information Systems.

December

- Cathay Century Insurance received the "Excellence in Insurance: Non-Life Insurance" award from the International Alternative Investment Review.
- In the winner list of "2013 Consumer Financial Service Brand Award" published by Wealth Magazine Biweekly, Cathay Life Insurance swept four gold medals (No. 1) as the "Best Life Insurance Company", and "Best Service", "Best Product" and "Best Image" in the "domestic life insurance company" category. Cathay United Bank won the gold medal (No. 1) as the "Best Wealth Management Bank."
- In the "29th Consumer Ideal Brand" winner list published by Management Magazine, Cathay Financial Holdings was the No. 1 "Consumer Ideal Brand" for the sixth year in a row. Cathay Life Insurance was also No. 1 in the minds of consumers for the fifteenth straight year.
- Cathay Securities and Futures Academy won the "Outstanding Performance Award" in the 2nd Annual Taiwan's Best Financial Planner (group category) organized by Taiwan Registered Financial Planners.





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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

The Board of Directors and Shareholders
Cathay Financial Holding Co., Ltd.

We have audited the accompanying consolidated balance sheets of Cathay Financial Holding Co., Ltd. (the "Company") and its subsidiaries as of 31 December 2013, 31 December 2012, and 1 January 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants" and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statement. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial positions of the Company and its subsidiaries as of 31 December 2013, 31 December 2012 and 1 January 2012, and the consolidated results of their operations and their cash flows for the years ended 31 December 2013 and 2012, in conformity with the requirements of the "Regulations Governing the Preparation of Financial Reports by Financial Holding Companies", "Regulation Governing the Preparation of Financial Reports by Securities Issuers" and "International Financial Reporting Standards", "International Accounting Standards", "Interpretations developed by the International Financial Reporting Interpretations Committee" as endorsed by Financial Supervisory Commission of the Republic of China.

Ernst & Young
Taipei, Taiwan
The Republic of China
14 March 2014

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdiction. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. and Subsidiaries Consolidated Balance Sheets

As at 31 December 2013, 31 December 2012 and 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NTS	US\$	NTS	US\$	NTS	US\$
Assets						
Cash and cash equivalents	\$331,666,078	\$11,118,541	\$313,663,386	\$10,797,363	\$334,863,114	\$11,062,541
Due from the Central Bank and call loans to banks	151,945,066	5,093,700	109,003,762	3,752,281	100,101,541	3,306,955
Financial assets at fair value through profit or loss	244,023,246	8,180,464	146,746,672	5,051,520	84,261,163	2,783,653
Available-for-sale financial assets -net	1,357,106,776	45,494,696	1,302,743,262	44,844,863	1,348,697,428	44,555,581
Derivative financial assets for hedging	1,300,914	43,611	2,362,366	81,321	3,425,140	113,153
Securities purchased under agreements to resell	12,960,817	434,489	15,749,244	542,142	11,617,967	383,811
Receivables -net	169,590,966	5,685,248	109,911,278	3,783,521	93,001,582	3,072,401
Current income tax assets	5,585,301	187,238	3,597,490	123,838	3,456,783	114,198
Assets held for sale -net	68,479	2,296	-	-	-	-
Loans -net	1,667,391,682	55,896,469	1,521,712,123	52,382,517	1,493,694,284	49,345,698
Reinsurance assets -net	5,740,684	192,447	14,641,999	504,028	14,366,255	474,604
Held-to-maturity financial assets -net	54,970,153	1,842,781	24,380,985	839,277	21,955,565	725,324
Investments accounted for using the equity method -net	3,153,320	105,710	2,235,874	76,966	2,377,392	78,540
Other financial assets -net	1,724,797,817	57,820,912	1,605,300,209	55,259,904	1,258,706,263	41,582,632
Investment properties -net	191,023,573	6,403,740	171,103,918	5,889,980	167,912,183	5,547,149
Property and equipment -net	104,306,810	3,496,708	114,634,059	3,946,095	91,171,304	3,011,936
Intangible assets -net	9,223,432	309,200	9,393,007	323,339	9,337,507	308,474
Deferred tax assets -net	15,038,697	504,147	19,046,245	655,637	15,428,347	509,691
Other assets -net	26,963,277	903,898	24,726,997	851,187	25,017,986	826,494
Total assets	\$6,076,857,088	\$203,716,295	\$5,510,952,876	\$189,705,779	\$5,079,391,804	\$167,802,835
Liabilities & equity						
Liabilities						
Due to the Central Bank and call loans from banks	\$56,985,225	\$1,910,333	\$56,934,246	\$1,959,871	\$62,275,073	\$2,057,320
Bankers acceptances and funds borrowed	1,497,500	50,201	1,456,800	50,148	1,514,500	50,033
Financial liabilities at fair value through profit or loss	28,754,621	963,950	9,086,346	312,783	23,136,143	764,326
Derivative financial liabilities for hedging	5,148	173	-	-	-	-
Securities sold under agreements to repurchase	60,931,600	2,042,628	22,046,517	758,916	14,686,609	485,187
Commercial paper payable -net	10,050,000	336,909	5,540,000	190,706	8,720,000	288,074
Payables	37,548,440	1,258,747	60,740,926	2,090,910	44,204,197	1,460,330
Current income tax liabilities	37,003	1,240	104	4	2,041,027	67,427
Deposits	1,585,031,001	53,135,468	1,458,392,976	50,202,856	1,414,421,828	46,726,853
Bonds payable	92,417,213	3,098,130	89,831,007	3,092,289	76,023,825	2,511,524
Provisions	3,477,440,832	116,575,288	3,175,688,291	109,318,013	2,880,403,214	95,157,027
Other financial liabilities -net	413,414,217	13,859,008	348,229,937	11,987,261	305,766,443	10,101,303
Deferred tax liabilities	12,771,382	428,139	16,307,882	561,373	14,033,366	463,606
Other liabilities	14,712,855	493,223	18,548,681	638,509	12,817,284	423,432
Total liabilities	5,791,597,037	194,153,437	5,262,803,713	181,163,639	4,860,043,509	160,556,442
Equity attributable to owners of parent						
Capital stock						
Common stock	119,649,621	4,011,050	108,653,851	3,740,236	103,575,096	3,421,708
Capital surplus	89,063,184	2,985,692	78,508,148	2,702,518	78,508,148	2,593,596
Retained earnings						
Legal reserve	16,922,773	567,307	15,222,599	524,014	14,105,459	465,988
Special reserve	7,072,630	237,098	4,078,065	140,381	4,078,065	134,723
Undistributed earnings	28,287,695	948,297	19,290,840	664,056	14,449,857	477,366
Other equity	20,083,810	673,275	25,823,918	888,947	7,760,904	256,389
Treasury stock	-	-	(7,179,872)	(247,156)	(7,179,872)	(237,194)
Non-controlling interests	4,180,338	140,139	3,751,614	129,144	4,050,638	133,817
Total equity	285,260,051	9,562,858	248,149,163	8,542,140	219,348,295	7,246,393
Total liabilities and equity	\$6,076,857,088	\$203,716,295	\$5,510,952,876	\$189,705,779	\$5,079,391,804	\$167,802,835

(The exchange rates provided by the Federal Reserve Bank of New York on 31 December 2013, 31 December 2012 and 1 January 2012 were NT\$29.83, NT\$29.05 and NT\$30.27 to US\$1.00)

The accompanying notes are an integral part of these unaudited consolidated financial statements.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. and Subsidiaries Consolidated Statements of Comprehensive Income

For the year ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$128,608,655	\$4,311,386	\$126,231,055	\$4,345,303
Less: Interest expenses	(14,073,643)	(471,795)	(13,504,477)	(464,870)
Net interest income	114,535,012	3,839,591	112,726,578	3,880,433
Net income other than interest				
Net commission and handling fee	764,649	25,634	2,207,218	75,980
Net premiums from insurance business	213,301,740	7,150,578	226,883,585	7,810,106
(Losses) gains on financial assets and liabilities at fair value through profit or loss	(28,805,639)	(965,600)	26,982,554	928,831
Gains from investment properties	6,303,080	211,300	6,245,091	214,977
Realized gains on available-for-sale financial assets	34,263,540	1,148,627	28,280,425	973,509
Realized gains (losses) on held-to-maturity financial assets	3,134	105	(19,073)	(657)
Gains (losses) on foreign exchange	35,548,670	1,191,709	(34,483,636)	(1,187,044)
Impairment losses on assets	(192,262)	(6,445)	(225,360)	(7,758)
Share of profit of associates and joint ventures accounted for using equity method	157,038	5,264	(49,589)	(1,707)
Net other non-interest gains	6,998,320	234,607	8,554,173	294,465
Total income	382,877,282	12,835,310	377,101,966	12,981,135
Bad debt expenses and provision for premiums reserve	(1,487,407)	(49,863)	(3,172,861)	(109,221)
Changes in insurance liabilities and provisions	(293,569,577)	(9,841,421)	(306,442,777)	(10,548,805)
Operating expenses				
Employee benefits expenses	(34,297,866)	(1,149,777)	(32,723,638)	(1,126,459)
Depreciation and amortizations expenses	(4,483,291)	(150,295)	(4,448,024)	(153,116)
Other general and administration expenses	(17,068,090)	(572,179)	(14,600,127)	(502,586)
Subtotal	(55,849,247)	(1,872,251)	(51,771,789)	(1,782,161)
Profit before income tax from continuing operations	31,971,051	1,071,775	15,714,539	540,948
Income tax (expense) benefit	(2,950,940)	(98,925)	457,390	15,745
Net Income	29,020,111	972,850	16,171,929	556,693
Other comprehensive income				
Exchange differences resulting from translating the financial statements of a foreign operation	733,397	24,586	(959,568)	(33,032)
Unrealized (losses) gains from available-for-sale financial assets	(6,879,955)	(230,639)	21,002,969	722,994
Losses on cash flow hedges	(714,659)	(23,958)	(852,519)	(29,347)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(14,204)	(476)	(24,244)	(834)
Income tax relating to the components of other comprehensive income	1,237,702	41,492	(1,197,137)	(41,210)
Other comprehensive income, net of tax	(5,637,719)	(188,995)	17,969,501	618,571
Total comprehensive income	\$23,382,392	\$783,855	\$34,141,430	\$1,175,264
Net income attributable to:				
Owners of parent	\$28,815,775	\$966,000	\$16,115,633	\$554,755
Non-controlling interests	204,336	6,850	56,296	1,938
Subtotal	\$29,020,111	\$972,850	\$16,171,929	\$556,693
Total comprehensive income attributable to:				
Owners of parent	\$23,075,667	\$773,572	\$34,178,647	\$1,176,545
Non-controlling interests	306,725	10,283	(37,217)	(1,281)
Subtotal	\$23,382,392	\$783,855	\$34,141,430	\$1,175,264
Earnings per share (expressed in dollars)				
Basic earnings per share:				
Net income	\$2.50	\$0.08	\$1.41	\$0.05
Diluted earnings per share:				
Net income	\$2.50	\$0.08	\$1.41	\$0.05

(The exchange rates provided by the Federal Reserve Bank of New York on 31 December 2013 and 2012 were NT\$29.83 and NT\$29.05 to US\$1.00)
The accompanying notes are an integral part of these consolidated financial statements.

English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. and Subsidiaries

Statements of changes in equity

For the year ended 31 December 2013 and 2012
(Expressed in thousands of dollars)

Items	Equity attributable to owners of parent																								Non-controlling interests	Total equity	
	Capital stock		Retained earnings				Other equity								Total												
	Common stock		Capital surplus		Legal reserve		Special reserve		Undistributed earnings		Exchange differences resulting from translating the financial statements of a foreign operation		Unrealized gains from available-for-sale financial assets		Gains on cash flow hedges		Others		Treasury stock								
	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$					
Balance on 1 January 2012	\$103,575,096	\$3,565,408	\$78,508,148	\$2,702,518	\$14,105,459	\$485,558	\$4,078,065	\$140,381	\$14,449,857	\$497,413	\$(378,126)	\$(13,016)	\$6,454,007	\$222,169	\$1,686,208	\$58,045	\$(1,185)	\$(41)	\$(7,179,872)	\$(247,156)	\$215,297,657	\$7,411,279	\$4,050,638	\$139,437	\$219,348,295	\$7,550,716	
Appropriations and distribution for 2011																											
Legal reserve	-	-	-	-	1,117,140	38,456	-	-	(1,117,140)	(38,456)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	-	(5,078,755)	(174,828)	-	-	-	-	-	-	-	-	-	-	(5,078,755)	(174,828)	-	-	(5,078,755)	(174,828)	
Stock dividend	5,078,755	174,828	-	-	-	-	-	-	(5,078,755)	(174,828)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the year ended 31 December 2012	-	-	-	-	-	-	-	-	16,115,633	554,755	-	-	-	-	-	-	-	-	-	-	16,115,633	554,755	56,296	1,938	16,171,929	556,693	
Other comprehensive income for the year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	(703,971)	(24,233)	19,476,556	670,449	(709,526)	(24,424)	(45)	(2)	-	-	18,063,014	621,790	(93,513)	(3,219)	17,969,501	618,571	
Comprehensive income for the year ended 31 December 2012	-	-	-	-	-	-	-	-	16,115,633	554,755	(703,971)	(24,233)	19,476,556	670,449	(709,526)	(24,424)	(45)	(2)	-	-	34,178,647	1,176,545	(37,217)	(1,281)	34,141,430	1,175,264	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(261,807)	(9,012)	(261,807)	(9,012)	
Balance on 31 December 2012	\$108,653,851	\$3,740,236	\$78,508,148	\$2,702,518	\$15,222,599	\$524,014	\$4,078,065	\$140,381	\$19,290,840	\$664,056	\$(1,082,097)	\$(37,249)	\$25,930,563	\$892,618	\$976,682	\$33,621	\$(1,230)	\$(43)	\$(7,179,872)	\$(247,156)	\$244,397,549	\$8,412,996	\$3,751,614	\$129,144	\$248,149,163	\$8,542,140	
Balance on 1 January 2013	\$108,653,851	\$3,642,436	\$78,508,148	\$2,631,852	\$15,222,599	\$510,312	\$4,078,065	\$136,710	\$19,290,840	\$646,692	\$(1,082,097)	\$(36,276)	\$25,930,563	\$869,278	\$976,682	\$32,742	\$(1,230)	\$(41)	\$(7,179,872)	\$(240,693)	\$244,397,549	\$8,193,012	\$3,751,614	\$125,767	\$248,149,163	\$8,318,779	
Special reserve provision in accordance with ruling no. 10202508140 issued by the Financial Supervisory Commission, ROC	-	-	-	-	-	-	2,994,565	100,388	(2,994,565)	(100,388)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Appropriations and distribution for 2012																											
Legal reserve	-	-	-	-	1,700,174	56,995	-	-	(1,700,174)	(56,995)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	-	-	-	-	(7,465,770)	(250,277)	-	-	-	-	-	-	-	-	-	-	(7,465,770)	(250,277)	-	-	(7,465,770)	(250,277)	
Stock dividend	7,465,770	250,277	-	-	-	-	-	-	(7,465,770)	(250,277)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net income for the year ended 31 December 2013	-	-	-	-	-	-	-	-	28,815,775	966,000	-	-	-	-	-	-	-	-	-	-	28,815,775	966,000	204,336	6,850	29,020,111	972,850	
Other comprehensive income for the year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	554,063	18,574	(5,700,072)	(191,085)	(594,376)	(19,926)	277	9	-	-	(5,740,108)	(192,428)	102,389	3,433	(5,637,719)	(188,995)	
Comprehensive income for the year ended 31 December 2013	-	-	-	-	-	-	-	-	28,815,775	966,000	554,063	18,574	(5,700,072)	(191,085)	(594,376)	(19,926)	277	9	-	-	23,075,667	773,572	306,725	10,283	23,382,392	783,855	
Increase in cash capital	3,530,000	118,337	9,178,000	307,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,708,000	426,014	-	-	12,708,000	426,014	
Value difference between price of subsidiary stock paid and book value	-	-	29,142	977	-	-	-	-	(192,641)	(6,458)	-	-	-	-	-	-	-	-	-	-	(163,499)	(5,481)	-	-	(163,499)	(5,481)	
Share-based payment transaction	-	-	203,408	6,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203,408	6,819	-	-	203,408	6,819	
Other	-	-	1,144,486	38,367	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,179,872	240,693	8,324,358	279,060	-	-	8,324,358	279,060	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,999	4,089	121,999	4,089	
Balance on 31 December 2013	\$119,649,621	\$4,011,050	\$89,063,184	\$2,985,692	\$16,922,773	\$567,307	\$7,072,630	\$237,098	\$28,287,695	\$948,297	\$(528,034)	\$(17,702)	\$20,230,491	\$678,193	\$382,306	\$12,816	\$(953)	\$(32)	-	-	\$281,079,713	\$9,422,719	\$4,180,338	\$140,139	\$285,260,051	\$9,562,858	

Note1: The remuneration of directors and supervisors NT\$5,400(US\$186) thousands, employee bonus NT\$1,016(US\$35) thousands were recorded as operating cost and expense in 2011.

Note2: The remuneration of directors and supervisors NT\$5,400(US\$181) thousands, employee bonus NT\$1,494(US\$50) thousands were recorded as operating cost and expense in 2012.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. and Subsidiaries

Statements of cash flows

For the year ended 31 December 2013 and 2012

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31		Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$		NT\$	US\$	NT\$	US\$
Cash flows from operating activities					Cash flows from investing activities				
Profit before income tax from continuing operations	\$31,971,051	\$1,071,775	\$15,714,539	\$540,948	Acquisition of financial assets at fair value through profit or loss	(225,000)	(7,543)	(914,092)	(31,466)
Adjustments:					Disposal of financial assets at fair value through profit or loss	475,769	15,949	638,323	21,973
Income and other adjustments with no cash flow effects					Acquisition of financial assets available for sale	(869,608,189)	(29,152,135)	(644,166,777)	(22,174,416)
Depreciation expenses	4,111,027	137,815	4,017,406	138,293	Disposal of financial assets available for sale	832,967,391	27,923,815	741,263,110	25,516,802
Amortizations expenses	372,264	12,480	430,618	14,823	Acquisition of bond investments with no active market	(577,531,969)	(19,360,777)	(681,594,061)	(23,462,790)
Bad debt expense	1,487,407	49,863	3,172,861	109,221	Disposal of bond investments with no active market	381,368,341	12,784,725	385,251,198	13,261,659
Net losses (gains) on financial assets and liabilities at fair value through profit or loss	33,184,214	1,112,444	(24,847,377)	(855,331)	Due repays principal of bond investments with no active market	208,750	6,998	-	-
Interest expenses	14,073,643	471,795	13,504,477	464,870	Acquisition of financial assets held to maturity	(1,959,653)	(65,694)	(737,811)	(25,398)
Interest revenue	(128,608,655)	(4,311,386)	(126,231,055)	(4,345,303)	Disposal of financial assets held to maturity	848,650	28,449	633,710	21,815
Dividend income	(14,644,454)	(490,931)	(12,845,176)	(442,175)	Due repays principal of financial assets held to maturity	200,000	6,705	-	-
Net changes in insurance liabilities and provisions	295,470,955	9,905,161	290,955,128	10,015,667	Acquisition of investments accounted for using the equity method	(472,953)	(15,855)	(59,120)	(2,035)
Net changes of other liabilities and provisions	6,211,326	208,224	4,270,856	147,017	Disposal of investments accounted for using the equity method	217,537	7,293	-	-
Revaluation gains on bonds payable	-	-	(207,604)	(7,147)	Acquisition of subsidiary	(338,612)	(11,351)	(654,930)	(22,545)
Share of gain of associates and joint ventures accounted for using the equity method	(157,038)	(5,264)	(49,589)	(1,707)	Disposal of subsidiary	(465,975)	(15,621)	-	-
Losses (gains) on disposal or scrapping of property and equipment	5,384	180	(1,618,248)	(55,706)	Cash returned by capital deduction from investments accounted for using equity method	13,067	438	49,288	1,697
(Gains) losses on disposal of investment properties	144,560	4,846	(295,672)	(10,178)	Acquisition of property and equipment	(2,036,594)	(68,273)	(4,575,240)	(157,495)
Gains on disposal of investments	(30,814,956)	(1,033,019)	(20,746,094)	(714,151)	Disposal of property and equipment	28,596	959	1,926,601	66,320
Gains on disposal of investments accounted for using the equity method	(131,174)	(4,397)	-	-	Increase in operating deposit	(50,000)	(1,676)	(5,000)	(172)
Impairment losses on financial assets	206,620	6,926	225,360	7,758	Decrease in operating deposit	25,000	838	-	-
Impairment losses on non-financial assets	25,825	866	-	-	Increase in clearing and settlement funds	(2,121)	(71)	(7,000)	(241)
Reversal of impairment losses on non-financial assets	(40,183)	(1,347)	-	-	Decrease in clearing and settlement funds	9,615	322	-	-
Unrealized foreign exchange losses	14,746	494	104,464	3,596	Increase in guarantee deposits paid	(15,905)	(533)	(136,482)	(4,698)
Losses on redeeming corporate bonds payable	203,372	6,818	-	-	Decrease in guarantee deposits paid	9	-	-	-
Loss on disposal of foreclosed collaterals	-	-	(1,000)	(34)	Acquisition of intangible assets	(162,297)	(5,441)	(120,287)	(4,141)
Subtotal	181,114,883	6,071,568	129,839,355	4,469,513	Disposal of foreclosed collaterals	-	-	1,000	34
Changes in operating assets and liabilities					Net cash flows from consolidating	-	-	687,361	23,661
Changes in operating assets					Acquisition of investment properties	(11,646,282)	(390,422)	(26,716,416)	(919,670)
Increase in due from the Central Bank and call loans to banks	(4,890,404)	(163,942)	(789,914)	(27,191)	Disposal of investment properties	261	9	764,528	26,318
Increase in financial assets at fair value through profit or loss	(82,415,269)	(2,762,832)	(5,126,838)	(176,483)	Increase in other assets	(2,649,307)	(88,814)	(412,962)	(14,216)
Increase in available-for-sale financial assets	(726,378)	(24,351)	(11,972,620)	(412,138)	Dividends received	58,936	1,976	86,325	2,972
Decrease in derivative financial assets for hedging	346,794	11,626	210,255	7,238	Net cash used in investing activities	(250,742,935)	(8,405,730)	(228,798,734)	(7,876,032)
Increase in accounts receivable	(56,245,768)	(1,885,544)	(10,824,568)	(372,618)	Cash flows from financing activities				
Increase in loans	(146,695,438)	(4,917,715)	(32,010,767)	(1,101,920)	Increase (decrease) in funds borrowed from Central Bank and banks	3,099,980	103,921	(57,700)	(1,986)
Decrease (increase) in reinsurance contract assets	8,959,387	300,348	(317,244)	(10,921)	Increase in commercial paper payable	121,360,000	4,068,387	102,210,000	3,518,416
Increase in financial assets held to maturity	(29,691,246)	(995,348)	(2,380,214)	(81,935)	Decrease in commercial paper payable	(116,850,000)	(3,917,197)	(105,390,000)	(3,627,883)
Decrease (increase) in other financial assets	131,525,498	4,409,169	(12,366,985)	(425,714)	Issuance of corporate bonds	-	-	7,584,599	261,088
(Increase) decrease in other assets	(631,254)	(21,162)	783,810	26,981	Redemption of corporate bonds	(1,299,728)	(43,571)	-	-
Subtotal	(180,464,078)	(6,049,751)	(74,795,085)	(2,574,701)	Issuance of bank debentures	9,898,582	331,833	6,561,927	225,884
Changes in operating liabilities					(Decrease) increase in bills and bonds sold under agreements to repurchase	(297,268)	(9,965)	96,111	3,308
Decrease in due to the Central Bank and call loans from banks	(177,381)	(5,946)	(4,678,314)	(161,044)	(Decrease) increase in other liabilities	(201,355)	(6,750)	230,617	7,939
Decrease in financial liabilities at fair value through profit or loss	(26,292,724)	(881,419)	(46,760,117)	(1,609,643)	Payment of cash dividends	(7,487,212)	(250,996)	(5,078,755)	(174,828)
Increase in derivative financial liabilities for hedging	5,148	173	-	-	Increase in cash capital	12,708,000	426,014	-	-
Increase in securities purchased under agreements to resell	39,182,351	1,313,522	7,263,797	250,045	Exercise of employee stock options	203,408	6,819	-	-
(Decrease) increase in payables	(25,450,568)	(853,187)	15,149,186	521,487	Net cash flows from financing activities	21,134,407	708,495	6,156,799	211,938
Increase in deposits	125,951,868	4,222,322	42,950,993	1,478,519	Effects of exchange rate changes on cash and cash equivalents	595,059	19,948	(1,317,001)	(45,336)
(Decrease) increase in provisions for the liabilities of employee benefits	(9,343)	(313)	102,119	3,515	Increase (decrease) in cash and cash equivalents	56,297,646	1,887,283	(9,145,203)	(314,809)
Decrease in reserves for the operations and liabilities	(59,443)	(1,993)	(24,254)	(835)	Cash and cash equivalents at the beginning of periods	397,388,554	13,321,775	406,533,757	13,994,277
Increase in other financial liabilities	18,718,967	627,521	6,815,118	234,600	Cash and cash equivalents at the end of periods	\$453,686,200	\$15,209,058	\$397,388,554	\$13,679,468
(Decrease) increase in other liabilities	(3,502,203)	(117,406)	6,243,617	214,927					
Subtotal	128,366,672	4,303,274	27,062,145	931,571					
Subtotal of Changes in operating assets and liabilities	(52,097,406)	(1,746,477)	(47,732,940)	(1,643,130)	The components of cash and cash equivalents				
Subtotal of Adjustment	129,017,477	4,325,091	82,106,415	2,826,383	Cash and cash equivalents presented in balance sheet	\$331,666,078	\$11,118,541	\$313,663,386	\$10,797,363
Cash generated from operations	160,988,528	5,396,866	97,820,954	3,367,331	Due from the Central Bank and call loans to banks satisfied the definition of cash and cash equivalents under IAS No.7	109,059,305	3,656,028	67,975,924	2,339,963
Interest received	126,248,334	4,232,261	122,551,324	4,218,634	Bills sold under agreements to resell satisfied the definition of cash and cash equivalents under IAS No.7	12,960,817	434,489	15,749,244	542,142
Dividends received	14,799,076	496,114	12,918,510	444,699	Cash and cash equivalents at the end of periods	\$453,686,200	\$15,209,058	\$397,388,554	\$13,679,468
Interest paid	(13,294,354)	(445,670)	(13,799,032)	(475,010)					
Income taxes paid	(3,430,469)	(115,001)	(4,678,023)	(161,033)					
Net cash flows from operating activities	285,311,115	9,564,570	214,813,733	7,394,621					

English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd.

Balance Sheets

As of 31 December 2013 and 2012 and as of 1 January 2012

(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$3,464,767	\$116,151	\$6,482,973	\$223,166	\$2,924,780	\$96,623
Available-for-sale financial assets -net	556,865	18,668	529,796	18,237	539,279	17,816
Securities purchased under agreements to resell	465,060	15,590	658,625	22,672	1,196,746	39,536
Receivables -net	3,731,473	125,091	2,858,180	98,388	1,750,250	57,821
Current income tax assets	5,584,675	187,217	3,596,184	123,793	3,456,783	114,198
Held-to-maturity financial assets -net	31,000,000	1,039,222	31,000,000	1,067,126	31,000,000	1,024,116
Investments accounted for using the equity method -net	289,858,824	9,717,024	252,843,493	8,703,735	225,713,099	7,456,660
Property and equipment -net	6,245	209	4,739	163	3,645	120
Intangible assets -net	-	-	-	-	62	2
Deferred tax assets -net	1,265,131	42,412	967,668	33,310	1,947,099	64,325
Other assets -net	170,126	5,703	161,978	5,576	163,329	5,396
Total assets	\$336,103,166	\$11,267,287	\$299,103,636	\$10,296,166	\$268,695,072	\$8,876,613
Liabilities & equity						
Liabilities						
Financial liabilities at fair value through profit or loss	\$-	\$-	\$549,745	\$18,924	\$-	\$-
Commercial paper payable -net	5,960,000	199,799	-	-	6,430,000	212,422
Payables	8,340,650	279,606	5,940,873	204,505	4,074,477	134,605
Current income tax liabilities	37,003	1,241	-	-	2,029,249	67,038
Bonds payable	40,000,000	1,340,932	47,312,376	1,628,653	40,000,000	1,321,440
Provisions	671,562	22,513	864,469	29,758	860,555	28,429
Deferred tax liabilities	1	-	35,202	1,212	460	15
Other liabilities	14,237	477	3,422	118	2,674	88
Total liabilities	55,023,453	1,844,568	54,706,087	1,883,170	53,397,415	1,764,037
Equity						
Capital stock						
Common stock	119,649,621	4,011,050	108,653,851	3,740,236	103,575,096	3,421,708
Capital surplus	89,063,184	2,985,692	78,508,148	2,702,518	78,508,148	2,593,596
Retained earnings						
Legal reserve	16,922,773	567,307	15,222,599	524,014	14,105,459	465,988
Special reserve	7,072,630	237,098	4,078,065	140,381	4,078,065	134,723
Undistributed earnings	28,287,695	948,297	19,290,840	664,056	14,449,857	477,366
Other equity	20,083,810	673,275	25,823,918	888,947	7,760,904	256,389
Treasury stock	-	-	(7,179,872)	(247,156)	(7,179,872)	(237,194)
Total equity	281,079,713	9,422,719	244,397,549	8,412,996	215,297,657	7,112,576
Total liabilities and equity	\$336,103,166	\$11,267,287	\$299,103,636	\$10,296,166	\$268,695,072	\$8,876,613



English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. Statements of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earning per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Income				
Gains on investment-equity method	\$31,272,817	\$1,048,368	\$16,979,092	\$584,478
Other operating income	1,081,922	36,270	1,195,048	41,138
	<u>32,354,739</u>	<u>1,084,638</u>	<u>18,174,140</u>	<u>625,616</u>
Expenses and loss				
Operating expenses	(777,226)	(26,055)	(466,002)	(16,041)
Other expenses and losses	(3,064,775)	(102,742)	(1,721,670)	(59,266)
	<u>(3,842,001)</u>	<u>(128,797)</u>	<u>(2,187,672)</u>	<u>(75,307)</u>
Profit before income tax from continuing operations	28,512,738	955,841	15,986,468	550,309
Income tax benefit	303,037	10,159	129,165	4,446
Net Income	<u>28,815,775</u>	<u>\$966,000</u>	<u>16,115,633</u>	<u>\$554,755</u>
Other comprehensive income				
Unrealized gains from available-for-sale financial assets	48,505	\$1,626	(9,483)	\$(326)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(5,779,447)	(193,746)	18,065,510	621,876
Income tax relating to the components of other comprehensive income	(9,166)	(308)	6,987	241
Other comprehensive income, net of tax	<u>(5,740,108)</u>	<u>(192,428)</u>	<u>18,063,014</u>	<u>621,791</u>
Total comprehensive income	<u>\$23,075,667</u>	<u>\$773,572</u>	<u>\$34,178,647</u>	<u>\$1,176,546</u>
Earnings per share (expressed in dollars)				
Basic earnings per share:				
Net income	<u>\$2.50</u>	<u>\$0.08</u>	<u>\$1.41</u>	<u>\$0.05</u>
Diluted earnings per share:				
Net income	<u>\$2.50</u>	<u>\$0.08</u>	<u>\$1.41</u>	<u>\$0.05</u>

English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd. Statements of Changes in Equity

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars)

Items	Equity attributable to owners of parent																				Total equity	
	Capital stock				Retained earnings						Other equity						Treasury stock					
	Common stock		Capital surplus		Legal reserve		Special reserve		Undistributed earnings		Exchange differences resulting from translating the financial statements of a foreign operation		Unrealized gains from available-for-sale financial assets		Gains on cash flow hedges				Others			
	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$	NT\$	US\$		
Balance on 1 January 2012	\$103,575,096	\$3,565,408	\$78,508,148	\$2,702,518	\$14,105,459	\$485,558	\$4,078,065	\$140,381	\$14,449,857	\$497,413	\$(378,126)	\$(13,016)	\$6,454,007	\$222,169	\$1,686,208	\$58,045	\$(1,185)	\$(41)	\$(7,179,872)	\$(247,156)	\$215,297,657	\$7,411,278
Appropriations and distribution for 2011																						
Legal reserve					1,117,140	38,456			(1,117,140)	(38,456)											-	-
Cash dividends									(5,078,755)	(174,828)											(5,078,755)	(174,828)
Stock dividend	5,078,755	174,828							(5,078,755)	(174,828)											-	-
Net income for the year ended 31 December 2012									16,115,633	554,755											16,115,633	554,755
Other comprehensive income for the year ended 31 December 2012	-	-	-	-	-	-	-	-	-	-	(703,971)	(24,233)	19,476,556	670,449	(709,526)	(24,424)	(45)	(2)	-	-	18,063,014	621,791
Comprehensive income for the year ended 31 December 2012	-	-	-	-	-	-	-	-	16,115,633	554,755	(703,971)	(24,233)	19,476,556	670,449	(709,526)	(24,424)	(45)	(2)	-	-	34,178,647	1,176,546
Balance on 31 December 2012	\$108,653,851	\$3,740,236	\$78,508,148	\$2,702,518	\$15,222,599	\$524,014	\$4,078,065	\$140,381	\$19,290,840	\$664,056	\$(1,082,097)	\$(37,249)	\$25,930,563	\$892,618	\$976,682	\$33,621	\$(1,230)	\$(43)	\$(7,179,872)	\$(247,156)	\$244,397,549	\$8,412,996
Balance on 1 January 2013	\$108,653,851	\$3,642,436	\$78,508,148	\$2,631,852	\$15,222,599	\$510,312	\$4,078,065	\$136,710	\$19,290,840	\$646,692	\$(1,082,097)	\$(36,276)	\$25,930,563	\$869,278	\$976,682	\$32,742	\$(1,230)	\$(41)	\$(7,179,872)	\$(240,693)	\$244,397,549	\$8,193,012
Special reserve provision in accordance with ruling no. 10202508140 issued by the Financial Supervisory Commission, ROC							2,994,565	100,388	(2,994,565)	(100,388)												
Appropriations and distribution for 2012																						
Legal reserve					1,700,174	56,995			(1,700,174)	(56,995)											-	-
Cash dividends									(7,465,770)	(250,277)											(7,465,770)	(250,277)
Stock dividend	7,465,770	250,277							(7,465,770)	(250,277)											-	-
Net income for the year ended 31 December 2013									28,815,775	966,000											28,815,775	966,000
Other comprehensive income for the year ended 31 December 2013	-	-	-	-	-	-	-	-	-	-	554,063	18,574	(5,700,072)	(191,085)	(594,376)	(19,926)	277	9	-	-	(5,740,108)	(192,428)
Comprehensive income for the year ended 31 December 2013	-	-	-	-	-	-	-	-	28,815,775	966,000	554,063	18,574	(5,700,072)	(191,085)	(594,376)	(19,926)	277	9	-	-	23,075,667	773,572
Increase in cash capital	3,530,000	118,337	9,178,000	307,677																	12,708,000	426,014
Value difference between price of subsidiary stock paid and book value			29,142	977					(192,641)	(6,458)											(163,499)	(5,481)
Share-based payment transaction			203,408	6,819																	203,408	6,819
Other			1,144,486	38,367															7,179,872	240,693	8,324,358	279,060
Balance on 31 December 2013	\$119,649,621	\$4,011,050	\$89,063,184	\$2,985,692	\$16,922,773	\$567,307	\$7,072,630	\$237,098	\$28,287,695	\$948,297	\$(528,034)	\$(17,702)	\$20,230,491	\$678,193	\$382,306	\$12,816	\$(953)	\$(32)	\$-	\$-	\$281,079,713	\$9,422,719

Note1: The remuneration of directors and supervisors NT\$5,400(US\$186) thousands, employee bonus NT\$1,016(US\$35) thousands were recorded as operating cost and expense in 2011.

Note2: The remuneration of directors and supervisors NT\$5,400(US\$181) thousands, employee bonus NT\$1,494(US\$50) thousands were recorded as operating cost and expense in 2012.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Financial Holding Co., Ltd.

Statements of Cash Flows

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Cash flows from operating activities				
Profit before income tax from continuing operations	\$28,512,738	\$955,841	\$15,986,468	\$550,309
Adjustments :				
Income and other adjustments with no cash flow effects				
Depreciation	1,322	44	1,136	39
Amortizations	-	-	62	2
Net losses on financial assets and liabilities at fair value through profit or loss	1,685,578	56,506	-	-
Interest expense	1,226,551	41,118	1,216,799	41,886
Interest income	(1,001,814)	(33,584)	(979,295)	(33,711)
Unrealized foreign exchange loss on bonds payable	-	-	(207,604)	(7,147)
Share of loss of associates and joint ventures accounted for using the equity method	(31,272,817)	(1,048,368)	(16,979,092)	(584,478)
Loss on disposal of property and equipment	133	4	17	-
Effects of exchange rate changes	36,003	1,207	31,928	1,099
Losses on redeeming corporate bonds payable	203,372	6,818	-	-
Changes in operating assets and liabilities				
Decrease in available-for-sale financial assets	21,436	719	-	-
Decrease (increase) in accounts receivable	31,854	1,068	(181,032)	(6,232)
(Increase) Decrease in other assets	(6,247)	(209)	2,140	74
(Decrease) Increase in financial liabilities at fair value through profit or loss	(182,100)	(6,105)	461,772	15,896
Increase in payables	2,398,255	80,397	1,866,943	64,266
(Decrease) increase in provision	(192,907)	(6,467)	3,914	135
Increase in other liabilities	11,963	401	576	20
Cash generated from operations				
Interest received	96,667	3,241	52,397	1,804
Interest paid	(1,171,061)	(39,258)	(1,193,821)	(41,095)
Income taxes received	(1,990,282)	(66,721)	(1,018,325)	(35,054)
Net cash used in operating activities	(1,591,356)	(53,348)	(935,017)	(32,187)
Cash flows from investing activities				
Acquisition of investments accounted for using the equity method	(89,010)	(2,984)	(59,120)	(2,035)
Acquisition of property and equipment	(2,960)	(99)	(2,247)	(77)
Increase in other assets	(1,901)	(64)	(789)	(27)
Dividends received	405,535	13,595	8,173,321	281,353
Net cash used in investing activities	311,664	10,448	8,111,165	279,214
Cash flows from financing activities				
Increase in commercial paper payable	25,560,000	856,855	-	-
Decrease in commercial paper payable	(19,600,000)	(657,057)	(6,430,000)	(221,343)
Issuance of corporate bonds	-	-	7,584,599	261,088
Redemption of corporate bonds	(1,299,728)	(43,571)	-	-
Payment of cash dividends	(7,465,770)	(250,277)	(5,078,755)	(174,828)
Increase in cash capital	12,708,000	426,014	-	-
Exercise of employee stock options	203,408	6,819	-	-
Acquisition of subsidiary	(12,001,986)	(402,346)	(199,992)	(6,884)
Net cash flows from financing activities	(1,896,076)	(63,563)	(4,124,148)	(141,967)
Effects of exchange rate changes on cash and cash equivalents	(36,003)	(1,207)	(31,928)	(1,099)
(Decrease) Increase in cash and cash equivalents	(3,211,771)	(107,670)	3,020,072	103,961
Cash and cash equivalents at the beginning of periods	7,141,598	239,411	4,121,526	141,877
Cash and cash equivalents at the end of periods	\$3,929,827	\$131,741	\$7,141,598	\$245,838
The components of cash and cash equivalents				
Cash and cash equivalents presented in balance sheet	\$3,464,767	\$116,151	\$6,482,973	\$223,166
Bills sold under agreements to resell satisfied the definition of cash and cash equivalents under IAS No.7	465,060	15,590	658,625	22,672
Cash and cash equivalents at the end of periods	\$3,929,827	\$131,741	\$7,141,598	\$245,838

English Translation of Financial Statements Originally Issued in Chinese

Cathay Life Insurance Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$280,220,355	\$9,393,911	\$362,775,487	\$12,487,969	\$372,053,961	\$12,291,178
Receivables	47,362,820	1,587,758	57,308,138	1,972,741	43,396,730	1,433,655
Financial asset at fair value through profit or loss	73,022,597	2,447,958	72,429,213	2,493,260	59,720,607	1,972,931
Available-for-sale financial assets	1,272,046,334	42,643,189	1,221,734,264	42,056,257	1,285,475,290	42,466,974
Derivative financial assets for hedging	453,713	15,210	1,142,094	39,315	1,957,846	64,679
Investments accounted for using the equity method	8,957,717	300,292	7,144,025	245,922	4,016,883	132,702
Investment in debt securities with no active market	1,020,141,716	34,198,516	814,453,830	28,036,276	511,804,264	16,907,970
Other financial assets	40,900,000	1,371,103	23,500,000	808,950	13,300,000	439,379
Investment property	230,203,549	7,717,182	212,205,973	7,304,853	209,236,539	6,912,340
Loans	635,816,106	21,314,653	518,169,293	17,837,153	491,396,629	16,233,784
Reinsurance contract assets	327,397	10,975	9,162,513	315,405	9,165,603	302,795
Property and equipment	35,862,947	1,202,244	44,800,678	1,542,192	23,321,301	770,443
Intangible assets	102,258	3,428	147,816	5,088	267,387	8,833
Deferred tax assets	12,221,216	409,696	16,106,670	554,447	11,989,836	396,096
Other assets	17,185,550	576,116	15,417,746	530,731	16,816,920	555,564
Separate account product assets	375,890,055	12,601,075	329,200,798	11,332,213	293,555,522	9,697,903
Total assets	\$4,050,714,330	\$135,793,306	\$3,705,698,538	\$127,562,772	\$3,347,475,318	\$110,587,226
Liabilities						
Payables	\$18,300,775	\$613,502	\$37,262,033	\$1,282,686	\$22,003,803	\$726,918
Financial liability at fair value through profit or loss	16,148,024	541,335	2,079,457	71,582	17,468,901	577,103
Derivative financial liabilities for hedging	5,148	173	-	-	-	-
Preferred stock liability	30,000,000	1,005,699	30,000,000	1,032,702	30,000,000	991,080
Insurance liability	3,375,731,754	113,165,664	3,078,719,365	105,980,013	2,784,180,591	91,978,216
Reserve for insurance contract with feature of financial instruments	52,911,209	1,773,758	56,461,371	1,943,593	60,624,750	2,002,800
Foreign exchange volatility reserve	10,482,181	351,397	4,270,856	147,017	-	-
Liability reserve	3,919,223	131,385	3,812,483	131,239	3,645,727	120,440
Deferred tax liability	12,186,951	408,547	15,390,603	529,797	12,913,791	426,620
Other liability	8,576,689	287,519	11,301,227	389,027	6,127,871	202,440
Separate account product liabilities	375,890,055	12,601,075	329,200,798	11,332,213	293,555,522	9,697,903
Total liabilities	3,904,152,009	130,880,054	3,568,498,193	122,839,869	3,230,520,956	106,723,520
Stockholders' equity						
Capital stock	53,065,274	1,778,923	53,065,274	1,826,688	53,065,274	1,753,065
Capital surplus	13,038,791	437,103	13,009,649	447,836	13,009,649	429,787
Retained earnings	62,110,355	2,082,144	46,655,662	1,606,046	44,013,308	1,454,024
Others	18,347,901	615,082	24,469,760	842,333	6,866,131	226,830
Total stockholders' equity	146,562,321	4,913,252	137,200,345	4,722,903	116,954,362	3,863,706
Total liabilities and stockholders' equity	\$4,050,714,330	\$135,793,306	\$3,705,698,538	\$127,562,772	\$3,347,475,318	\$110,587,226

Cathay Life Insurance Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$661,567,708	\$22,177,932	\$682,581,303	\$23,496,775
Operating costs	(629,986,028)	(21,119,210)	(666,794,574)	(22,953,342)
Operating expenses	(16,491,935)	(552,864)	(16,442,717)	(566,014)
Operating profit (loss)	15,089,745	505,858	(655,988)	(22,581)
Non-operating income and expenses	1,152,106	38,622	966,815	33,281
Profit from continuing operations before income tax	16,241,851	544,480	310,827	10,700
Income tax (expense) benefit	(787,158)	(26,388)	2,331,527	80,259
Net income	15,454,693	518,092	2,642,354	90,959
Other comprehensive (loss) income	(6,121,859)	(205,225)	17,603,629	605,977
Total comprehensive income	\$9,332,834	\$312,867	\$20,245,983	\$696,936
Primary earnings per share	\$2.91	\$0.10	\$0.50	\$0.02



English Translation of Financial Statements Originally Issued in Chinese

Cathay Century Insurance Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$6,998,187	\$234,602	\$5,025,506	\$172,995	\$6,159,377	\$203,481
Receivables	3,540,497	118,689	3,160,638	108,800	2,794,727	92,327
Financial asset at fair value through profit or loss	1,172,111	39,293	385,460	13,269	454,960	15,030
Available-for-sale financial assets	6,391,927	214,279	7,750,552	266,800	5,281,500	174,480
Derivative financial assets for hedging	10,022	336	17,134	590	28,521	942
Investments accounted for using the equity method	825,721	27,681	679,562	23,393	1,055,058	34,855
Investment in debt securities with no active market	1,897,332	63,605	1,172,459	40,360	1,120,809	37,027
Held-to-maturity financial assets	1,668,787	55,943	2,512,011	86,472	2,408,714	79,574
Loans	422,521	14,164	522,080	17,972	551,965	18,235
Reinsurance contract assets	4,388,987	147,133	5,118,300	176,189	4,926,962	162,767
Property and equipment	202,393	6,785	101,738	3,502	136,795	4,519
Intangible assets	10,110	339	21,323	734	25,292	835
Deferred tax assets	77,223	2,589	80,750	2,780	105,494	3,485
Other assets	655,369	21,970	780,458	26,866	574,030	18,964
Total assets	\$28,261,187	\$947,408	\$27,327,971	\$940,722	\$25,624,204	\$846,521
Liabilities						
Payables	\$2,333,838	\$78,238	\$2,098,220	\$72,228	\$1,946,257	\$64,297
Financial liability at fair value through profit or loss	28,352	950	-	-	45,000	1,487
Preferred stock liability	1,000,000	33,523	1,000,000	34,423	1,000,000	33,036
Insurance liability	19,159,600	642,293	19,080,300	656,809	18,445,490	609,365
Liability reserve	236,272	7,921	247,950	8,535	259,488	8,572
Deferred tax liability	24,404	818	17,949	618	20,118	665
Other liability	317,734	10,652	366,509	12,617	198,453	6,556
Total liabilities	23,100,200	774,395	22,810,928	785,230	21,914,806	723,978
Stockholders' equity						
Capital stock	2,721,879	91,246	2,522,950	86,849	2,317,006	76,545
Capital surplus	1,929	65	1,929	66	1,929	64
Retained earnings	2,532,547	84,899	1,956,035	67,333	1,466,759	48,456
Others	(95,368)	(3,197)	36,129	1,244	(76,296)	(2,522)
Total stockholders' equity	5,160,987	173,013	4,517,043	155,492	3,709,398	122,543
Total liabilities and stockholders' equity	\$28,261,187	\$947,408	\$27,327,971	\$940,722	\$25,624,204	\$846,521

Cathay Century Insurance Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$13,043,250	\$437,253	\$11,538,906	\$397,209
Operating costs	(7,786,817)	(261,040)	(6,871,426)	(236,538)
Operating expenses	(4,249,666)	(142,463)	(3,772,923)	(129,877)
Operating profit	1,006,767	33,750	894,557	30,794
Non-operating income and expenses	(13,013)	(436)	(1,141)	(39)
Profit from continuing operations before income tax	993,754	33,314	893,416	30,755
Income tax expense	(218,313)	(7,319)	(198,196)	(6,823)
Net income	775,441	25,995	695,220	23,932
Other comprehensive income	(131,497)	(4,408)	112,425	3,870
Total comprehensive income	\$643,944	\$21,587	\$807,645	\$27,802
Primary earnings per share	\$2.85	\$0.10	\$2.55	\$0.09

English Translation of Financial Statements Originally Issued in Chinese

Cathay Life Insurance Company (China) Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$1,352,570	\$45,343	\$1,792,193	\$61,693	\$947,369	\$31,297
Receivables	264,320	8,861	399,447	13,750	404,156	13,352
Financial asset at fair value through profit or loss	870,101	29,169	370,475	12,753	272,778	9,011
Available-for-sale financial assets	2,442,558	81,883	4,652,993	160,172	5,606,267	185,209
Investment in debt securities with no active market	3,208,260	107,551	2,450,786	84,364	3,224,375	106,520
Held-to-maturity financial assets	1,619,138	54,279	-	-	-	-
Loans	36,277	1,216	32,347	1,114	19,403	641
Reinsurance contract assets	356,060	11,936	7,683	265	8,525	282
Property and equipment	131,182	4,398	128,242	4,415	154,889	5,117
Intangible assets	81,713	2,739	94,237	3,244	113,833	3,761
Other assets	1,226,970	41,132	1,195,782	41,163	1,223,657	40,425
Separate account product assets	362,681	12,158	356,448	12,270	495,490	16,369
Total assets	\$11,951,830	\$400,665	\$11,480,633	\$395,203	\$12,470,742	\$411,984
Liabilities						
Short-term debt	\$-	\$-	\$297,268	\$10,233	\$201,158	\$6,645
Payables	916,486	30,723	714,954	24,611	491,420	16,235
Reserve for insurance contract						
with feature of financial instruments	4,685,239	157,065	4,889,501	168,314	6,259,961	206,804
Insurance liability	4,467,636	149,770	3,634,056	125,097	3,140,782	103,759
Other liability	37,277	1,250	19,354	666	79,143	2,615
Separate account product liabilities	362,681	12,158	356,448	12,270	495,490	16,369
Total liabilities	10,469,319	350,966	9,911,581	341,191	10,667,954	352,427
Stockholders' equity						
Capital stock	5,134,155	172,114	5,134,155	176,735	5,134,155	169,612
Retained earnings	(3,999,590)	(134,079)	(3,916,879)	(134,832)	(3,629,795)	(119,914)
Others	347,946	11,664	351,776	12,109	298,428	9,859
Total stockholders' equity	1,482,511	49,699	1,569,052	54,012	1,802,788	59,557
Total liabilities and stockholders' equity	\$11,951,830	\$400,665	\$11,480,633	\$395,203	\$12,470,742	\$411,984

Cathay Life Insurance Company (China) Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$2,617,974	\$87,763	\$2,740,637	\$94,342
Operating costs	(1,773,299)	(59,447)	(1,773,656)	(61,055)
Operating expenses	(929,400)	(31,156)	(1,214,138)	(41,795)
Operating profit	(84,725)	(2,840)	(247,157)	(8,508)
Non-operating income and expenses	2,013	67	231	8
Profit from continuing operations before income tax	(82,712)	(2,773)	(246,926)	(8,500)
Income tax expenses	-	-	(40,158)	(1,382)
Net income	(82,712)	(2,773)	(287,084)	(9,882)
Other comprehensive income	(3,830)	(128)	53,348	1,836
Total comprehensive income	\$(86,542)	\$(2,901)	\$(233,736)	\$(8,046)
Primary earnings per share	Note	Note	Note	Note

Note: Cathay Life Insurance Company (China) is a limited company, there is no information about earnings per share.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Life Insurance Company (Vietnam) Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$289,253	\$9,697	\$615,771	\$21,197	\$467,388	\$15,441
Receivables	202,001	6,772	79,948	2,752	76,916	2,541
Available-for-sale financial assets	2,863,231	95,985	932,943	32,115	947,621	31,305
Loans	11,456	384	9,305	320	4,590	152
Property and equipment	6,096	204	18,322	631	32,810	1,084
Intangible assets	119	4	5,742	198	13,413	443
Other assets	47,203	1,582	43,714	1,505	65,103	2,151
Total assets	\$3,419,359	\$114,628	\$1,705,745	\$58,718	\$1,607,841	\$53,117
Liabilities						
Payables	\$11,837	\$397	\$14,581	\$502	\$27,601	\$912
Insurance liability	380,516	12,756	305,830	10,528	238,075	7,865
Total liabilities	392,353	13,153	320,411	11,030	265,676	8,777
Stockholders' equity						
Capital stock	3,424,930	114,815	1,940,080	66,784	1,940,080	64,093
Retained earnings	38,869	1,303	(81,404)	(2,802)	(75,371)	(2,490)
Others	(436,793)	(14,643)	(473,342)	(16,294)	(522,544)	(17,263)
Total stockholders' equity	3,027,006	101,475	1,385,334	47,688	1,342,165	44,340
Total liabilities and stockholders' equity	\$3,419,359	\$114,628	\$1,705,745	\$58,718	\$1,607,841	\$53,117

Cathay Life Insurance Company (Vietnam) Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$399,065	\$13,378	\$340,863	\$11,734
Operating costs	(107,412)	(3,601)	(126,534)	(4,356)
Operating expenses	(170,744)	(5,724)	(220,672)	(7,596)
Operating profit (loss)	120,909	4,053	(6,343)	(218)
Non-operating income and expenses	8	-	(1,911)	(66)
Profit (loss) from continuing operations before income tax	120,917	4,053	(8,254)	(284)
Income tax (expense) benefit	(644)	(21)	2,221	76
Net income (loss)	120,273	4,032	(6,033)	(208)
Other comprehensive income	36,549	1,225	49,202	1,694
Total comprehensive income	\$156,822	\$5,257	\$43,169	\$1,486
Primary earnings per share	Note	Note	Note	Note

Note: Cathay Life Insurance Company (Vietnam) is a limited company, there is no information about earnings per share.

English Translation of Financial Statements Originally Issued in Chinese

Lin Yuan (Shanghai) Real Estate Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Current assets	\$196,079	\$6,573	\$410,172	\$14,120	\$3,773,774	\$124,670
Receivables	8,261	277	-	-	-	-
Investment property-net	2,902,082	97,287	-	-	-	-
Property and equipment	669,349	22,439	3,276,008	112,771	-	-
Other assets	-	-	1,246	43	-	-
Total assets	\$3,775,771	\$126,576	\$3,687,426	\$126,934	\$3,773,774	\$124,670
Liabilities						
Current liability	\$675	\$23	\$5,377	\$185	\$-	\$-
Other liability	18,472	618	-	-	-	-
Total liabilities	19,147	641	5,377	185	-	-
Stockholders' equity						
Capital stock	3,773,774	126,509	3,773,774	129,906	3,773,774	124,670
Retained earnings	(194,090)	(6,506)	(57,489)	(1,979)	-	-
Others	176,940	5,932	(34,236)	(1,178)	-	-
Total stockholders' equity	3,756,624	125,935	3,682,049	126,749	3,773,774	124,670
Total liabilities and stockholders' equity	\$3,775,771	\$126,576	\$3,687,426	\$126,934	\$3,773,774	\$124,670

Lin Yuan (Shanghai) Real Estate Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$17,141	\$575	\$128	\$4
Operating costs	-	-	-	-
Operating expenses	(155,861)	(5,225)	(57,605)	(1,983)
Operating loss	(138,720)	(4,650)	(57,477)	(1,979)
Non-operating income and expenses	2,120	71	(13)	-
Profit (loss) from continuing operations before income tax	(136,600)	(4,579)	(57,490)	(1,979)
Income tax expense	-	-	-	-
Net loss	(136,600)	(4,579)	(57,490)	(1,979)
Other comprehensive income	211,176	7,079	(34,236)	(1,179)
Total comprehensive income	\$74,576	\$2,500	\$(91,726)	\$(3,158)
Primary earnings per share	Note 1	Note 1	Note 1	Note 1

Note 1 : Lin Yuan (Shanghai) Real Estate Co., Ltd. is a limited company, there is no information about earnings per share.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Insurance Co., Ltd (China) Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$1,101,188	\$36,916	\$405,943	\$13,974	\$430,906	\$14,236
Receivables	141,935	4,758	141,039	4,855	122,736	4,055
Financial asset at fair value through profit or loss	139,915	4,691	51,813	1,784	164,496	5,434
Available-for-sale financial assets	842,974	28,259	653,940	22,511	616,117	20,354
Investment in debt securities with no active market	74,208	2,488	70,112	2,413	72,187	2,385
Reinsurance contract assets	493,754	16,552	308,462	10,618	223,672	7,389
Property and equipment	74,974	2,513	44,380	1,528	38,511	1,272
Intangible assets	18,176	609	6,998	241	393	13
Other assets	661,007	22,159	403,365	13,885	415,795	13,736
Total assets	\$3,548,131	\$118,945	\$2,086,052	\$71,809	\$2,084,813	\$68,874
Liabilities						
Payables	\$268,756	\$9,010	\$119,446	\$4,112	\$153,395	\$5,068
Insurance liability	2,465,042	82,636	1,292,161	44,480	611,915	20,215
Other liability	114,110	3,825	73,865	2,543	61,363	2,027
Total liabilities	2,847,908	95,471	1,485,472	51,135	826,673	27,310
Stockholders' equity						
Capital stock	2,717,129	91,087	1,745,942	60,101	1,745,942	57,679
Retained earnings	(2,158,102)	(72,347)	(1,265,328)	(43,557)	(616,335)	(20,361)
Others	141,196	4,734	119,966	4,130	128,533	4,246
Total stockholders' equity	700,223	23,474	600,580	20,674	1,258,140	41,564
Total liabilities and stockholders' equity	\$3,548,131	\$118,945	\$2,086,052	\$71,809	\$2,084,813	\$68,874

Cathay Insurance Co., Ltd (China) Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$1,752,590	\$58,753	\$855,733	\$29,457
Operating costs	(1,679,403)	(56,299)	(920,189)	(31,676)
Operating expenses	(987,746)	(33,113)	(576,451)	(19,843)
Operating loss	(914,559)	(30,659)	(640,907)	(22,062)
Non-operating income and loss	21,785	730	(8,085)	(278)
Loss from continuing operations before income tax	(892,774)	(29,929)	(648,992)	(22,340)
Income tax (expenses) benefit	-	-	-	-
Net loss	(892,774)	(29,929)	(648,992)	(22,340)
Other comprehensive income	21,230	712	(8,567)	(295)
Total comprehensive income	\$(871,544)	\$(29,217)	\$(657,559)	\$(22,635)
Primary earnings per share	Note	Note	Note	Note

Note : Cathay Century (China) is a limited company, there is no information about earnings per share.

English Translation of Financial Statements Originally Issued in Chinese

Cathay Insurance Co., Ltd (Vietnam) Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$95,397	\$3,198	\$245,601	\$8,454	\$335,784	\$11,093
Receivables	43,082	1,444	34,975	1,204	33,426	1,104
Investment in debt securities with no active market	82,200	2,756	80,700	2,778	-	-
Held-to-maturity financial assets -net	287,150	9,626	-	-	-	-
Reinsurance contract assets	174,485	5,849	42,774	1,473	10,276	340
Property and equipment	25,998	872	38,271	1,317	50,495	1,668
Intangible assets	745	25	7,434	256	11,638	384
Other assets	24,860	833	16,766	577	15,733	520
Total assets	\$733,917	\$24,603	\$466,521	\$16,059	\$457,352	\$15,109
Liabilities						
Payables	\$28,970	\$971	\$19,796	\$681	\$16,068	\$531
Liability reserve	228,948	7,675	68,138	2,346	18,568	614
Deferred tax liability	1	-	356	12	2,193	72
Other liability	1,218	41	449	16	-	-
Total liabilities	259,137	8,687	88,739	3,055	36,829	1,217
Stockholders' equity						
Capital stock	645,585	21,642	517,502	17,814	517,502	17,096
Retained earnings	(67,778)	(2,272)	(34,576)	(1,190)	(4,907)	(162)
Others	(103,027)	(3,454)	(105,144)	(3,620)	(92,072)	(3,042)
Total stockholders' equity	474,780	15,916	377,782	13,004	420,523	13,892
Total liabilities and stockholders' equity	\$733,917	\$24,603	\$466,521	\$16,059	\$457,352	\$15,109

Cathay Insurance Co., Ltd (Vietnam) Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$100,845	\$3,381	\$67,586	\$2,327
Operating costs	(43,557)	(1,460)	(21,077)	(726)
Operating expenses	(90,645)	(3,039)	(77,983)	(2,684)
Operating loss	(33,357)	(1,118)	(31,474)	(1,083)
Non-operating income and expenses	(205)	(7)	7	-
Loss from continuing operations before income tax	(33,562)	(1,125)	(31,467)	(1,083)
Income tax benefit	360	12	1,798	62
Net loss	(33,202)	(1,113)	(29,669)	(1,021)
Other comprehensive income	2,117	71	(13,072)	(450)
Total comprehensive income	\$(31,085)	\$(1,042)	\$(42,741)	\$(1,471)
Primary earnings per share	Note	Note	Note	Note

Note : Cathay Century (Vietnam) is a limited company, there is no information about earnings per share.



English Translation of Financial Statements Originally Issued in Chinese

Cathay United Bank Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NTS	US\$	NTS	US\$	NTS	US\$
Assets						
Cash and cash equivalents	\$66,775,540	\$2,238,536	\$33,496,114	\$1,153,050	\$29,191,573	\$964,373
Due from the Central Bank and call loans to banks	140,479,847	4,709,348	98,844,688	3,402,571	88,690,435	2,929,978
Financial assets at fair value through profit or loss	162,997,211	5,464,204	67,796,967	2,333,803	21,799,721	720,176
Derivative financial assets for hedging	837,179	28,065	1,203,138	41,416	1,438,773	47,531
Securities purchased under agreements to resell	7,645,763	256,311	-	-	2,308,788	76,273
Receivables-net	120,044,971	4,024,303	50,728,353	1,746,243	45,578,346	1,505,727
Assets held for sale -net	68,479	2,296	-	-	-	-
Discounts and loans-net	1,013,723,116	33,983,343	986,516,412	33,959,257	984,101,470	32,510,785
Available-for-sale financial assets	67,046,565	2,247,622	63,186,407	2,175,091	47,322,633	1,563,351
Held-to-maturity financial assets	50,711,678	1,700,023	20,542,870	707,156	18,176,146	600,467
Investments accounted for using the equity method	5,836,126	195,646	5,038,973	173,459	4,696,999	155,170
Other financial assets-net	22,154	743	13,619	469	3,402,027	112,389
Investment in debt securities with no active market	280,272,013	9,395,642	424,043,663	14,597,028	425,140,266	14,044,938
Property and equipment-net	21,993,135	737,282	21,896,653	753,757	22,908,689	756,812
Investment property-net	2,716,584	91,069	2,725,846	93,833	3,069,511	101,404
Intangible assets-net	7,045,413	236,186	7,164,320	246,620	7,277,073	240,406
Deferred tax assets	1,446,243	48,483	1,533,293	52,781	976,257	32,252
Other assets-net	7,143,444	239,472	4,542,369	156,364	2,759,593	91,166
Total assets	\$1,956,805,461	\$65,598,574	\$1,789,273,685	\$61,592,898	\$1,708,838,300	\$56,453,198
Liabilities						
Due to the Central Bank and call loans from banks	\$50,630,112	\$1,697,288	\$51,891,103	\$1,786,269	\$53,815,904	\$1,777,863
Funds borrowed from the Central Bank and other banks	1,497,500	50,201	1,456,800	50,148	1,514,500	50,033
Financial liabilities at fair value through profit or loss	11,271,187	377,847	4,967,738	171,006	4,835,152	159,734
Securities sold under agreements to repurchase	58,681,600	1,967,201	20,369,249	701,179	13,546,462	447,521
Payables	14,795,810	496,004	21,225,349	730,649	19,794,819	653,942
Deposits and remittances	1,596,302,557	53,513,328	1,520,735,366	52,348,894	1,469,487,309	48,545,996
Financial debentures payable	52,417,213	1,757,198	42,518,631	1,463,636	33,115,240	1,093,995
Other financial liabilities	36,145,158	1,211,705	17,426,191	599,869	10,611,073	350,548
Liability reserve	2,035,564	68,239	2,009,384	69,170	2,075,802	68,576
Deferred tax liability	495,694	16,617	522,282	17,979	513,965	16,979
Other liability	4,719,433	158,211	4,114,007	141,618	3,102,657	102,500
Total liabilities	1,828,991,828	61,313,839	1,687,236,100	58,080,417	1,612,412,883	53,267,687
Stockholders' equity						
Capital stock	64,668,494	2,167,901	52,277,026	1,799,553	52,277,026	1,727,024
Capital surplus	23,971,498	803,604	15,213,292	523,693	15,213,292	502,587
Retained earnings	38,191,471	1,280,304	33,143,894	1,140,926	27,898,221	921,646
Others	982,170	32,926	1,403,373	48,309	1,036,878	34,254
Total stockholders' equity	127,813,633	4,284,735	102,037,585	3,512,481	96,425,417	3,185,511
Total liabilities and stockholders' equity	\$1,956,805,461	\$65,598,574	\$1,789,273,685	\$61,592,898	\$1,708,838,300	\$56,453,198

English Translation of Financial Statements Originally Issued in Chinese

Cathay United Bank Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$32,973,623	\$1,105,385	\$31,623,239	\$1,088,580
Interest expenses	(12,051,044)	(403,991)	(11,211,121)	(385,925)
Net interest income	20,922,579	701,394	20,412,118	702,655
Non-interest income	15,691,348	526,026	13,704,691	471,762
Net income	36,613,927	1,227,420	34,116,809	1,174,417
Bad debt expense and reserve for loss on guarantees	(577,765)	(19,369)	(2,050,285)	(70,578)
Operating expenses	(19,681,255)	(659,781)	(17,418,700)	(599,611)
Profit from continuing operations before income tax	16,354,907	548,270	14,647,824	504,228
Income tax expenses	(1,967,000)	(65,940)	(1,581,754)	(54,449)
Net income	14,387,907	482,330	13,066,070	449,779
Other comprehensive income	(421,203)	(14,120)	366,495	12,616
Total comprehensive income	\$13,966,704	\$468,210	\$13,432,565	\$462,395
Primary earnings per share	\$2.31	\$0.08	\$2.13	\$0.07



English Translation of Financial Statements Originally Issued in Chinese

Indovina Bank Limited Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Cash and cash equivalents	\$571,307	\$19,152	\$816,727	\$28,114	\$960,865	\$31,743
Due from the Central Bank and call loans to banks	12,450,373	417,378	12,698,859	437,138	13,531,406	447,024
Financial assets at fair value through profit or loss	62,346	2,090	140,920	4,851	114,388	3,779
Available-for-sale financial assets	861,559	28,882	768,190	26,444	516,801	17,073
Receivables-net	793,781	26,610	369,539	12,721	332,407	10,981
Discounts and loans-net	16,301,693	546,486	15,808,657	544,188	17,824,324	588,844
Held-to-maturity financial assets	683,400	22,910	1,126,103	38,764	1,170,705	38,675
Property and equipment-net	403,407	13,524	281,343	9,685	226,957	7,498
Intangible assets-net	5,216	175	10,001	344	15,576	516
Deferred tax assets-net	171	6	15,769	543	12,048	398
Other assets-net	416,020	13,946	353,101	12,155	376,835	12,449
Total assets	\$32,549,273	\$1,091,159	\$32,389,209	\$1,114,947	\$35,082,312	\$1,158,980
Liabilities						
Due to the Central Bank and call loans from banks	\$7,570,029	\$253,772	\$8,116,896	\$279,411	\$10,606,785	\$350,406
Payables	427,360	14,326	1,295,180	44,584	580,070	19,163
Current income tax liabilities	43,062	1,444	26,548	914	46,384	1,532
Deposits and remittances	17,453,353	585,094	17,219,063	592,739	14,541,878	480,406
Financial debentures payable	-	-	-	-	2,908,585	96,088
Deferred tax liability	58,961	1,977	19,949	687	-	-
Other liability	118,528	3,973	75,672	2,605	100,268	3,313
Total liabilities	25,671,293	860,586	26,753,308	920,940	28,783,970	950,908
Stockholders' equity						
Capital stock	6,094,911	204,322	5,269,493	181,394	5,269,493	174,083
Retained earnings	1,141,007	38,250	932,848	32,112	1,354,678	44,753
Others	(357,938)	(11,999)	(566,440)	(19,499)	(325,829)	(10,764)
Total stockholders' equity	6,877,980	230,573	5,635,901	194,007	6,298,342	208,072
Total liabilities and stockholders' equity	\$32,549,273	\$1,091,159	\$32,389,209	\$1,114,947	\$35,082,312	\$1,158,980

Indovina Bank Limited Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1-2013.12.31		2012.1.1-2012.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$2,073,619	\$69,515	\$2,403,026	\$82,720
Interest expenses	(1,147,918)	(38,482)	(1,534,973)	(52,839)
Net interest income	925,701	31,033	868,053	29,881
Non-interest income	156,005	5,230	155,085	5,339
Net income	1,081,706	36,263	1,023,138	35,220
Bad debt expense and reserve for loss on guarantees	54,701	1,834	(75,353)	(2,594)
Operating expenses	(432,374)	(14,495)	(415,428)	(14,300)
Profit from continuing operations before income tax	704,033	23,602	532,357	18,326
Income tax expenses	(201,104)	(6,742)	(132,892)	(4,575)
Net income	502,929	16,860	399,465	13,751
Other comprehensive income	208,502	6,990	(240,611)	(8,283)
Total comprehensive income	\$711,431	\$23,850	\$158,854	\$5,468
Primary earnings per share	Note	Note	Note	Note

Note : Indovina Bank is a limited company, there is no information about earnings per share.

English Translation of Financial Statements Originally Issued in Chinese

Cathay United Bank (Cambodia) Corporation Limited Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31	
	NT\$	US\$	NT\$	US\$
Assets				
Cash and cash equivalents	\$909,957	\$30,505	\$678,535	\$23,357
Due from the Central Bank and call loans to banks	392,546	13,159	519,496	17,883
Available-for-sale financial assets	766	26	-	-
Receivables-net	59,212	1,985	52,289	1,800
Discounts and loans-net	1,080,512	36,222	858,125	29,540
Other financial assets-net	-	-	728	25
Property and equipment-net	136,791	4,586	136,718	4,706
Intangible assets-net	7,647	256	5,971	206
Other assets-net	121,802	4,083	27,248	938
Total assets	\$2,709,233	\$90,822	\$2,279,110	\$78,455
Liabilities				
Due to the Central Bank and call loans from banks	\$179,847	\$6,029	\$143	\$5
Payables	52,664	1,765	38,488	1,325
Current income tax liabilities	1,175	39	-	-
Deposits and remittances	2,104,552	70,552	1,819,637	62,638
Other liability	607	20	5,183	178
Total liabilities	2,338,845	78,405	1,863,451	64,146
Stockholders' equity				
Capital stock	494,836	16,589	495,312	17,050
Retained earnings	(133,869)	(4,488)	(79,552)	(2,738)
Others	9,421	316	(101)	(3)
Total stockholders' equity	370,388	12,417	415,659	14,309
Total liabilities and stockholders' equity	\$2,709,233	\$90,822	\$2,279,110	\$78,455

Cathay United Bank (Cambodia) Corporation Limited Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Interest income	\$99,314	\$3,329	\$101,009	\$3,477
Interest expenses	(32,142)	(1,077)	(20,574)	(708)
Net interest income	67,172	2,252	80,435	2,769
Non-interest income	58,109	1,948	55,507	1,911
Net income	125,281	4,200	135,942	4,680
Bad debt expense and reserve for loss on guarantees	(18,446)	(618)	(8,782)	(302)
Operating expenses	(166,962)	(5,597)	(118,952)	(4,095)
(Loss) profit from continuing operations before income tax	(60,127)	(2,015)	8,208	283
Income tax benefit (expenses)	3,463	116	(1,642)	(57)
Net (loss) income	(56,664)	(1,899)	6,566	226
Other comprehensive income	9,522	319	(101)	(3)
Total comprehensive income	\$(47,142)	\$(1,580)	\$6,465	\$223
Primary earnings per share	\$(2.11)	\$(0.07)	\$0.36	\$0.01

Note : CUBC Bank was incorporated into the consolidated financial statement of a subsidiary on 13 December 2012.



English Translation of Financial Statements Originally Issued in Chinese

Cathay Securities Corporation Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Current assets	\$15,409,801	\$516,587	\$14,366,771	\$494,553	\$11,054,330	\$365,191
Available-for-sale financial assets	18	1	18	1	18	1
Investments accounted for using the equity method	988,147	33,126	783,254	26,962	775,924	25,633
Property and equipment	163,055	5,466	113,495	3,907	43,984	1,453
Intangible assets	27,861	934	12,128	418	8,477	280
Deferred tax assets	5,774	194	313,808	10,802	372,615	12,310
Other non-current assets	473,524	15,874	445,340	15,330	340,751	11,257
Total assets	\$17,068,180	\$572,182	\$16,034,814	\$551,973	\$12,596,099	\$416,125
Liabilities						
Current liability	\$12,000,481	\$402,296	\$11,061,728	\$380,782	\$7,824,487	\$258,490
Deferred tax liability	253	8	317,912	10,944	519,047	17,147
Other non-current liability	8,353	280	7,823	269	8,650	286
Total liabilities	12,009,087	402,584	11,387,463	391,995	8,352,184	275,923
Stockholders' equity						
Capital stock	3,982,027	133,491	3,866,660	133,104	3,700,000	122,233
Capital surplus	291,766	9,781	291,766	10,044	258,434	8,538
Retained earnings	587,576	19,698	479,456	16,504	286,788	9,474
Others	197,724	6,628	9,469	326	(1,307)	(43)
Total stockholders' equity	5,059,093	169,598	4,647,351	159,978	4,243,915	140,202
Total liabilities and stockholders' equity	\$17,068,180	\$572,182	\$16,034,814	\$551,973	\$12,596,099	\$416,125

Cathay Securities Corporation Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Revenues	\$1,435,627	\$48,127	\$1,112,281	\$38,289
Service fee expenses	(48,073)	(1,611)	(35,428)	(1,220)
Employee benefit expenses	(573,592)	(19,229)	(470,940)	(16,211)
Share of the profit of associates and joint ventures accounted for using the equity method	36,139	1,211	30,532	1,051
Operating expenses	(639,849)	(21,450)	(477,504)	(16,437)
Non-operating income and expenses	21,475	720	21,831	750
Profit from continuing operations before income tax	231,727	7,768	180,772	6,222
Income tax (expenses) benefit	(8,240)	(276)	11,896	410
Net income	223,487	7,492	192,668	6,632
Other comprehensive income	188,255	6,311	10,776	371
Total comprehensive income	\$411,742	\$13,803	\$203,444	\$7,003
Primary earnings per share	\$0.56	\$0.02	\$0.50	\$0.02

English Translation of Financial Statements Originally Issued in Chinese

Cathay Venture Inc. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Current assets	\$398,984	\$13,375	\$663,149	\$22,828	\$474,206	\$15,666
Available-for-sale financial assets	2,370,304	79,461	1,207,167	41,555	1,270,761	41,981
Investment in debt securities with no active market	-	-	-	-	34,000	1,123
Investments accounted for using the equity method	64,028	2,146	228,616	7,870	232,645	7,686
Property and equipment	479	16	306	10	513	17
Deferred tax assets	13,325	447	18,881	650	15,396	509
Other non-current assets	837	28	680	23	680	22
Total assets	\$2,847,957	\$95,473	\$2,118,799	\$72,936	\$2,028,201	\$67,004
Liabilities						
Current liability	\$5,331	\$179	\$4,874	\$168	\$4,508	\$149
Deferred tax liability	4,704	158	3,216	111	-	-
Other non-current liability	1,207	40	478	16	4,381	145
Total liabilities	11,242	377	8,568	295	8,889	294
Stockholders' equity						
Capital stock	2,000,000	67,047	2,000,000	68,847	1,895,224	62,611
Retained earnings	242,128	8,117	205,204	7,064	181,768	6,005
Others	594,587	19,932	(94,973)	(3,270)	(57,680)	(1,906)
Total stockholders' equity	2,836,715	95,096	2,110,231	72,641	2,019,312	66,710
Total liabilities and stockholders' equity	\$2,847,957	\$95,473	\$2,118,799	\$72,936	\$2,028,201	\$67,004

Cathay Venture Inc. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$295,911	\$9,920	\$230,796	\$7,945
Operating cost	(86,944)	(2,915)	(49,777)	(1,714)
Operating expenses	(10,135)	(340)	(6,986)	(241)
Non-operating income and expenses	319	11	400	14
Profit from continuing operations before income tax	199,151	6,676	174,433	6,004
Income tax (expenses) benefit	(5,556)	(186)	4,027	139
Net income	193,595	6,490	178,460	6,143
Other comprehensive income	689,560	23,116	(37,293)	(1,284)
Total comprehensive income	\$883,155	\$29,606	\$141,167	\$4,859
Primary earnings per share	\$0.97	\$0.03	\$0.89	\$0.03



English Translation of Financial Statements Originally Issued in Chinese

Cathay Securities Investment Trust Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Current assets	\$1,681,323	\$56,363	\$1,677,761	\$57,754	\$1,664,561	\$54,991
Available-for-sale financial assets	143,232	4,802	128,032	4,407	118,147	3,903
Held-to-maturity financial assets	-	-	200,000	6,885	200,000	6,607
Investment in debt securities with no active market	2,500	84	11,250	387	8,750	289
Investments accounted for using the equity method	298,036	9,991	-	-	-	-
Property and equipment	18,466	619	19,952	687	24,048	794
Intangible assets	15,191	509	10,475	361	10,376	343
Deferred tax assets	9,614	322	9,406	324	9,278	307
Other non-current assets	277,676	9,309	244,064	8,401	187,672	6,200
Total assets	\$2,446,038	\$81,999	\$2,300,940	\$79,206	\$2,222,832	\$73,434
Liabilities						
Current liability	\$261,437	\$8,764	\$183,517	\$6,317	\$155,243	\$5,129
Other non-current liability	152,978	5,128	121,447	4,181	54,575	1,803
Total liabilities	414,415	13,892	304,964	10,498	209,818	6,932
Stockholders' equity						
Capital stock	1,500,000	50,285	1,500,000	51,635	1,500,000	49,554
Capital surplus	13,908	466	13,908	479	13,908	459
Retained earnings	500,730	16,786	480,079	16,526	506,653	16,738
Others	16,985	570	1,989	68	(7,547)	(249)
Total stockholders' equity	2,031,623	68,107	1,995,976	68,708	2,013,014	66,502
Total liabilities and stockholders' equity	\$2,446,038	\$81,999	\$2,300,940	\$79,206	\$2,222,832	\$73,434

Cathay Securities Investment Trust Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Operating income	\$1,248,468	\$41,853	\$1,111,684	\$38,268
Operating expenses	(907,030)	(30,407)	(802,173)	(27,613)
Operating gross profit	341,438	11,446	309,511	10,655
Non-operating income and expenses	(12,060)	(404)	22,833	786
Profit from continuing operations before income tax	329,378	11,042	332,344	11,441
Income tax expenses	(59,862)	(2,007)	(56,242)	(1,936)
Net income	269,516	9,035	276,102	9,505
Other comprehensive income	14,996	503	9,536	328
Total comprehensive income	\$284,512	\$9,538	\$285,638	\$9,833
Primary earnings per share	\$1.80	\$0.06	\$1.84	\$0.06

English Translation of Financial Statements Originally Issued in Chinese

Cathay Futures Co., Ltd. Condensed Balance Sheet

As of 31 December 2013 and 2012 and as of 1 January 2012
(Expressed in thousands of dollars)

Items	2013.12.31		2012.12.31		2012.1.1	
	NT\$	US\$	NT\$	US\$	NT\$	US\$
Assets						
Current assets	\$2,876,356	\$96,425	\$2,516,674	\$86,632	\$2,460,133	\$81,273
Available-for-sale financial assets	222,738	7,467	30,500	1,050	30,500	1,008
Property and equipment	59,267	1,987	59,026	2,032	53,485	1,767
Investment property	255,826	8,576	256,364	8,825	256,902	8,487
Intangible assets	2,212	74	1,311	45	1,602	53
Other non-current assets	169,110	5,669	151,316	5,209	139,096	4,595
Total assets	\$3,585,509	\$120,198	\$3,015,191	\$103,793	\$2,941,718	\$97,183
Liabilities						
Current liability	\$2,595,410	\$87,007	\$2,230,013	\$76,765	\$2,163,850	\$71,485
Deferred tax liability	412	14	412	14	432	14
Other non-current liability	1,447	48	1,439	49	1,439	48
Total liabilities	2,597,269	87,069	2,231,864	76,828	2,165,721	71,547
Stockholders' equity						
Capital stock	650,000	21,790	650,000	22,375	650,000	21,473
Retained earnings	148,028	4,962	133,327	4,590	125,997	4,163
Others	190,212	6,377	-	-	-	-
Total stockholders' equity	988,240	33,129	783,327	26,965	775,997	25,636
Total liabilities and stockholders' equity	\$3,585,509	\$120,198	\$3,015,191	\$103,793	\$2,941,718	\$97,183

Cathay Futures Co., Ltd. Condensed Statement of Comprehensive Income

For the years ended 31 December 2013 and 2012
(Expressed in thousands of dollars, except earnings per share)

Items	2013.1.1~2013.12.31		2012.1.1~2012.12.31	
	NT\$	US\$	NT\$	US\$
Income	\$122,151	\$4,095	\$103,185	\$3,552
Expenses	(134,691)	(4,515)	(111,458)	(3,837)
Operating loss	(12,540)	(420)	(8,273)	(285)
Non-operating income and expenses	53,126	1,781	43,078	1,483
Profit from continuing operations before income tax	40,586	1,361	34,805	1,198
Income tax expenses	(4,443)	(149)	(4,271)	(147)
Net income	36,143	1,212	30,534	1,051
Other comprehensive income	190,212	6,376	-	-
Total comprehensive income	\$226,355	\$7,588	\$30,534	\$1,051
Primary earnings per share	\$0.56	\$0.02	\$0.47	\$0.02

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Investors should consult professional advisers for risk
Assessment and are responsible for the outcomes of their investment
Decisions. Any reprint or quote from this
Publication requires prior written consent of the company





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