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I. Financial Highlights

Unit: NT\$ Million

Item	2011	2010	2009	2008	2007
Assets	5,617,990	5,481,179	5,318,735	5,048,487	4,790,730
Discounts and Loans	41,296	41,300	40,706	37,873	36,158
Funds and Investment	3,206,280	3,039,301	1,970,025	1,562,558	1,466,042
Liabilities	5,503,733	5,369,649	5,218,314	5,019,877	4,675,281
Deposits and Remittances	4,710,329	4,582,455	4,543,373	4,447,242	4,135,015
Owners' Equity	114,257	111,530	100,421	28,610	115,449
Total Income	298,184	302,858	268,629	309,123	289,352
Interest Income	90,926	81,653	82,862	125,955	115,667
Total Expenses	289,563	295,221	257,904	298,987	273,128
Interest Expense	42,764	35,319	43,182	83,547	72,421
Net Income	8,621	7,637	10,725	10,136	16,224
Return on Assets	0.16%	0.14%	0.21%	0.21%	0.34%
Return on Equity	7.64%	7.21%	16.62%	14.07%	14.10%

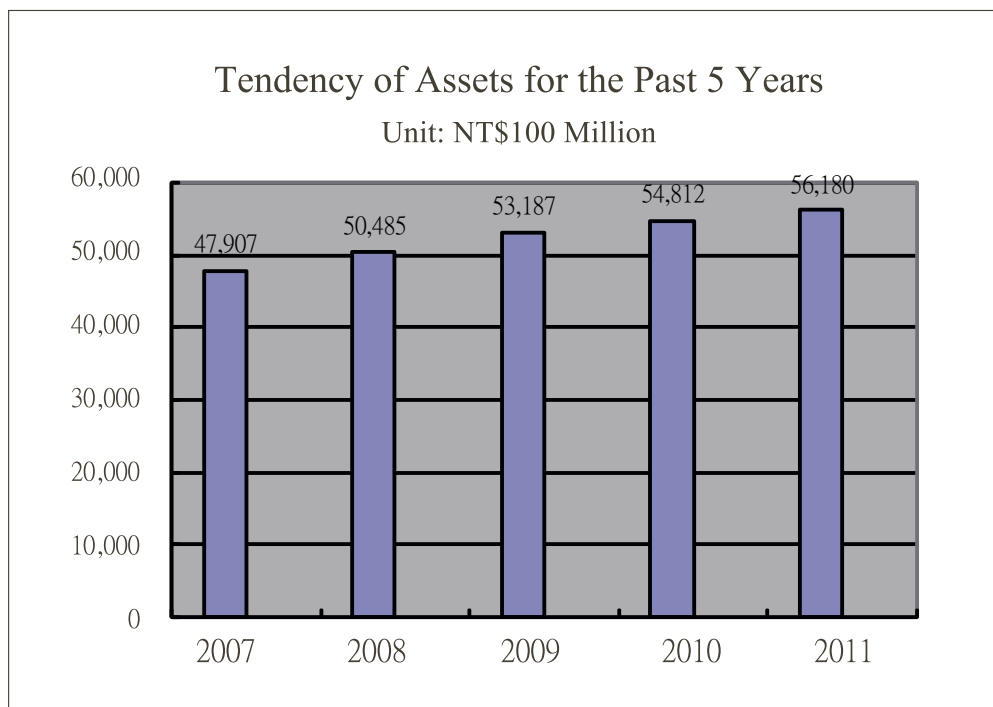
Note: 1. Return on Assets = Net Income/Average Assets

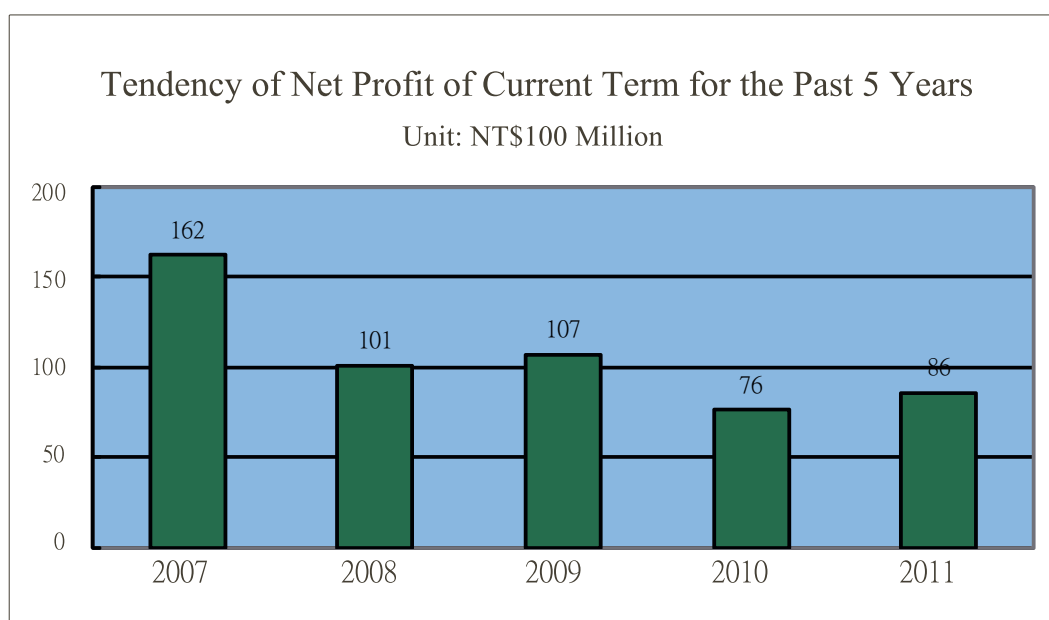
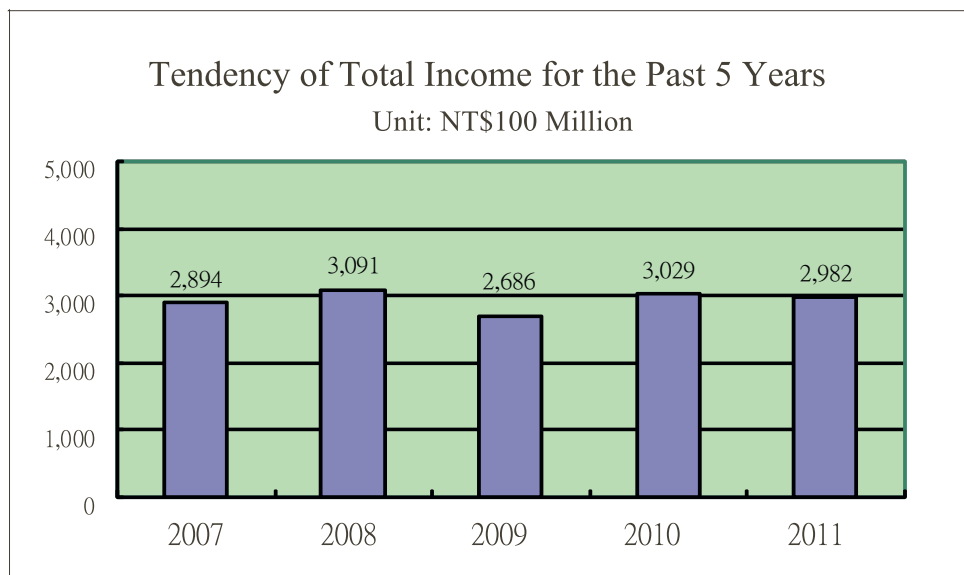
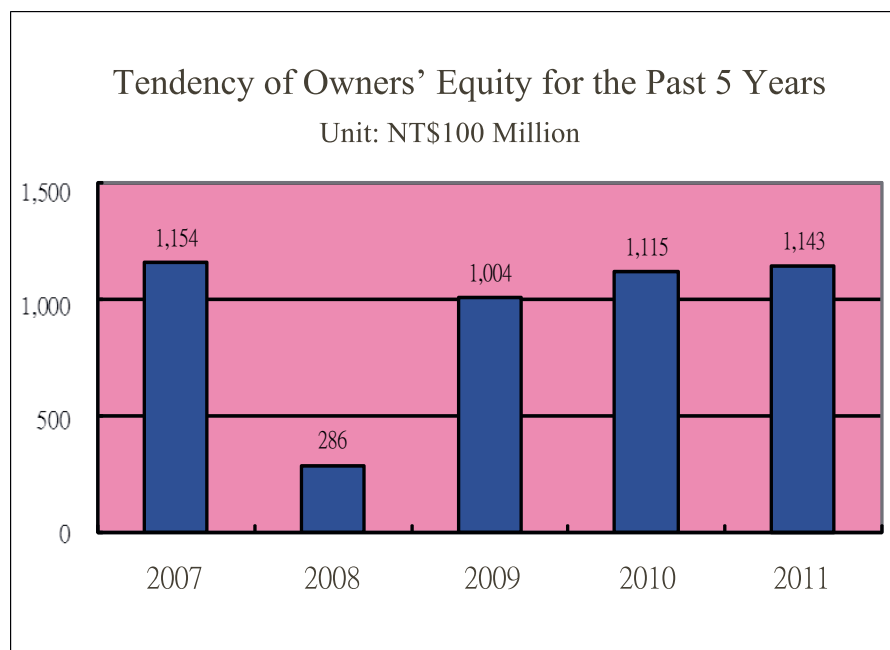
2. Return on Equity= Net Income/Average Equity

3. Total income includes Cumulative Effect of Accounting Principle Changes

4. Total expenses include income tax

5. To comply with the "Regulations Governing the Preparation of Financial Reports by Insurance Industry", 2011 insurance provision net changes were listed under the operation cost and 2007-2010 total revenues and expenditures have been recategorized accordingly.





II. Condensed Balance Sheets and Income Statements for the Past 5 Years

Condensed Balance Sheets

Unit: NT\$ 1,000

Item	2011	2010	2009	2008	2007	
Cash and Due from Banks	467,364,855	507,757,484	779,279,331	913,632,363	1,081,870,182	
Due from Central Bank	1,753,654,182	1,755,756,167	2,399,944,883	2,325,582,003	2,030,503,759	
Financial Assets at Fair Value through Income Statement--Net	1,404,470	12,101,491	3,126,470	57,771,367	18,286,766	
Reverse REPO	4,927,739	3,580,315	3,391,993	11,096,964	21,771,225	
Discounts and Loans	41,296,204	41,300,091	40,706,422	37,872,854	36,158,062	
Funds and Investments	3,206,279,645	3,039,301,167	1,970,024,964	1,562,557,584	1,466,042,312	
Fixed Assets -- Net	83,835,582	76,155,451	76,305,462	76,629,806	77,097,196	
Other Assets	59,227,362	45,227,217	45,955,108	63,344,050	59,000,752	
Deposits and Remittances	4,710,328,907	4,582,454,865	4,543,373,127	4,447,242,318	4,135,015,495	
Operational Reserve	689,327,100	646,555,490	577,078,566	438,671,102	431,995,566	
REPO	7,811,374	27,920,950	-	15,613,074	-	
Other Liabilities	96,265,947	112,717,770	97,861,892	118,350,502	108,270,084	
Capital	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000	
Capital Reserve	27,107,576	27,107,576	27,107,576	27,107,576	27,107,576	
Retained Earnings	Before Distribution	36,929,208	33,718,496	34,561,577	31,001,898	32,858,546
	After Distribution	-	27,990,708	26,081,445	23,836,768	20,866,358
Other Owners' Equity	10,219,927	16,432,024	7,232,027	(62,334,349)	27,475,175	
Assets	5,617,990,039	5,481,179,383	5,318,734,633	5,048,486,991	4,790,730,254	
Liabilities	Before Distribution	5,503,733,328	5,363,921,287	5,209,833,453	5,012,711,866	4,663,288,957
	After Distribution	-	5,369,649,075	5,218,313,585	5,019,876,996	4,675,281,145
Owners' Equity	Before Distribution	114,256,711	117,258,096	108,901,180	35,775,125	127,441,297
	After Distribution	-	111,530,308	100,421,048	28,609,995	115,449,109

Note: 2011 retained earnings is a figure before dividends.

Condensed Income Statement

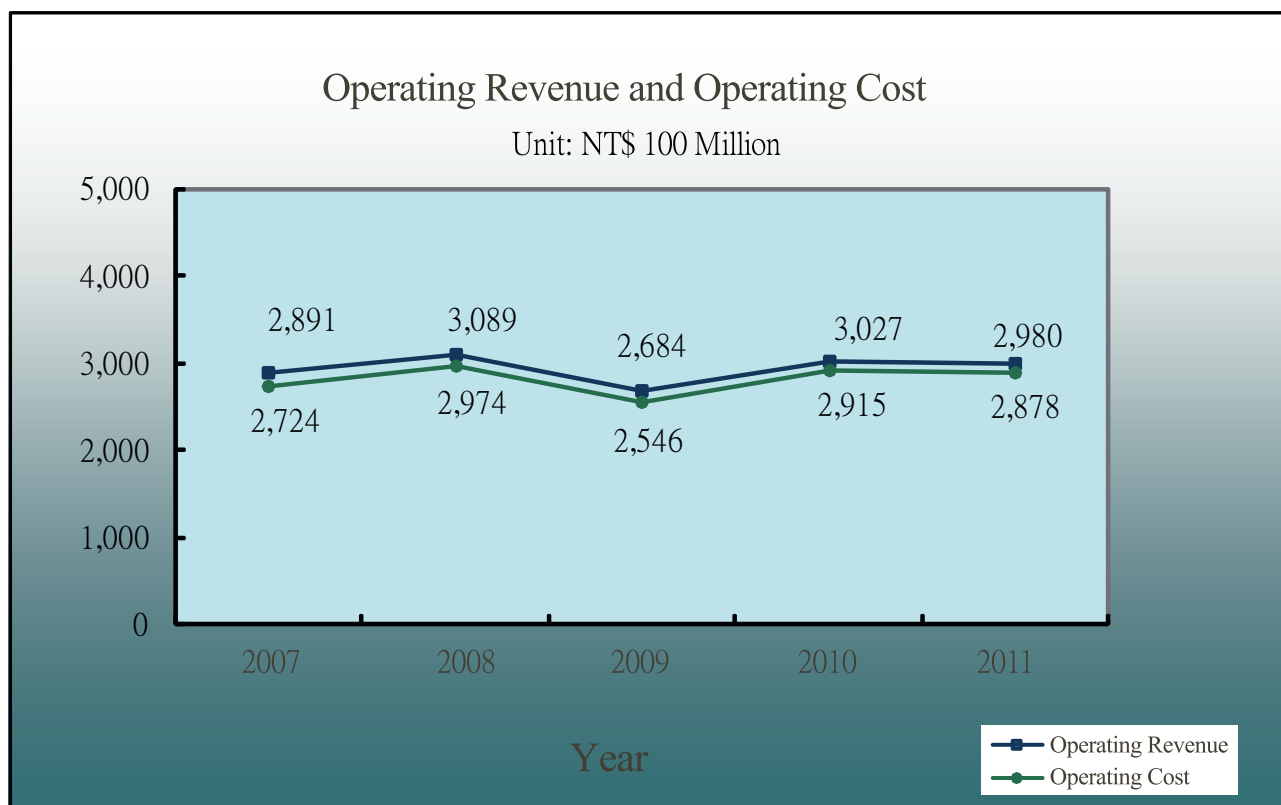
Unit: NT\$ 1,000

Item	2011	2010	2009	2008	2007
Operating Revenue	298,024,032	302,684,132	268,409,105	308,890,537	289,075,512
Operating Cost	287,760,305	291,502,423	254,589,922	297,405,887	272,354,335
Operating Profit	10,263,727	11,181,709	13,819,183	11,484,650	16,721,177
Non-operating Profit (Loss)	24,538	(21,630)	59,693	(26,445)	(36,718)
Income before Taxes	10,288,265	11,160,079	13,878,876	11,458,205	16,684,459
Income Tax Expenses	1,667,433	3,523,028	3,154,067	1,322,665	460,588

VII. Financial Statement

Net Income before Cumulative Effect of Accounting Principle Changes	8,620,832	7,637,051	10,724,809	10,135,540	16,223,871
Cumulative Effect of Accounting Principle Changes	-	-	-	-	-
Net Income	8,620,832	7,637,051	10,724,809	10,135,540	16,223,871
Earnings per Share (NT\$)	2.16	1.91	2.68	2.53	4.06

Note: To comply with the "Regulations Governing the Preparation of Financial Reports by Insurance Industry", 2011 insurance provision net changes were listed under the operation cost and 2007-2010 total revenues and expenditures have been recategorized accordingly.

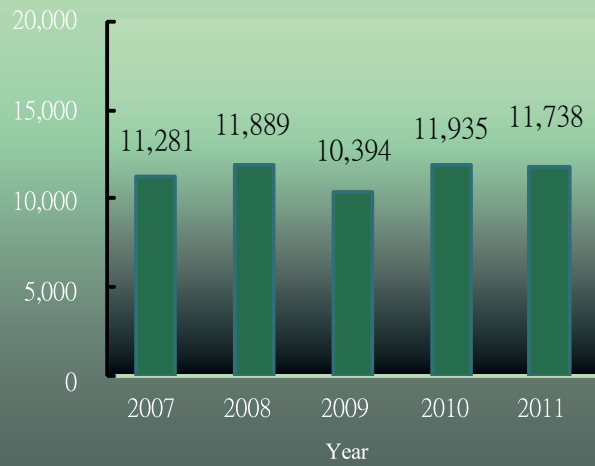


III. Financial Analysis for the Past 5 Years

Item	2011	2010	2009	2008	2007
Operating Capability	Turnover of Total Assets (time)	0.05	0.06	0.05	0.06
	Average Operating Revenue per Employee (NT\$1,000)	11,738	11,935	10,394	11,889
	Average Earnings per Employee (NT\$1,000)	340	301	415	390
Profitability	Return on Assets(%)	0.16	0.14	0.21	0.21
	Return on Stockholders' Equity(%)	7.64	7.21	16.62	14.07
	Net Income Ratio(%)	2.89	2.52	3.73	2.25
	Earning per share(NT\$)	2.16	1.91	2.68	2.53
Growth Rate	Asset Growth Rate	2.50	3.05	5.35	5.38
	Profit Growth Rate	(7.81)	(19.59)	21.13	(31.32)

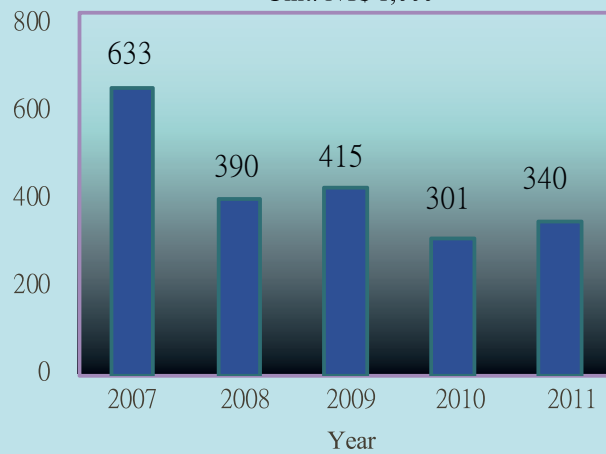
Average Operating Revenue per Employee

Unit: NTS 1,000



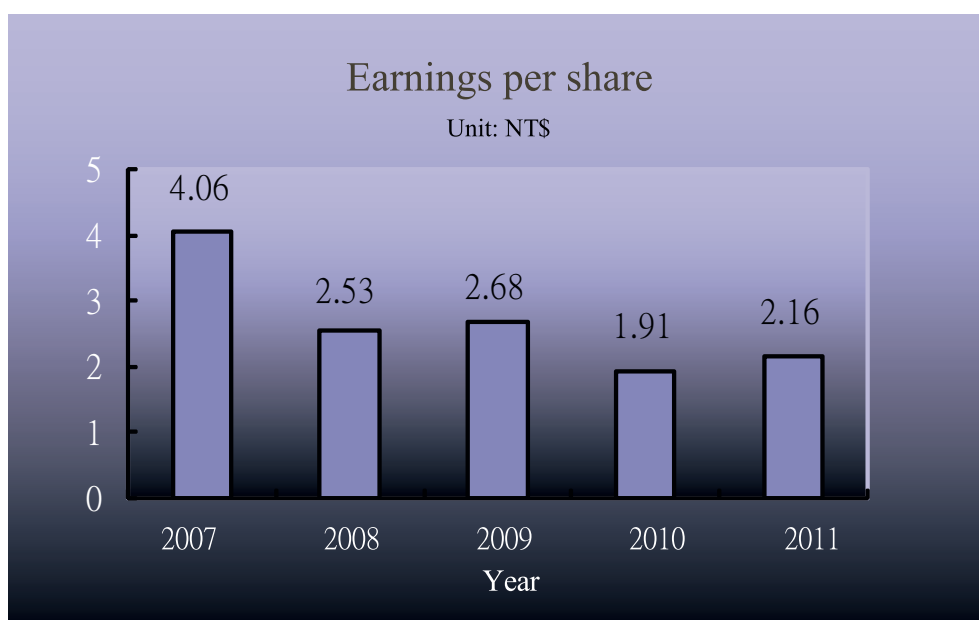
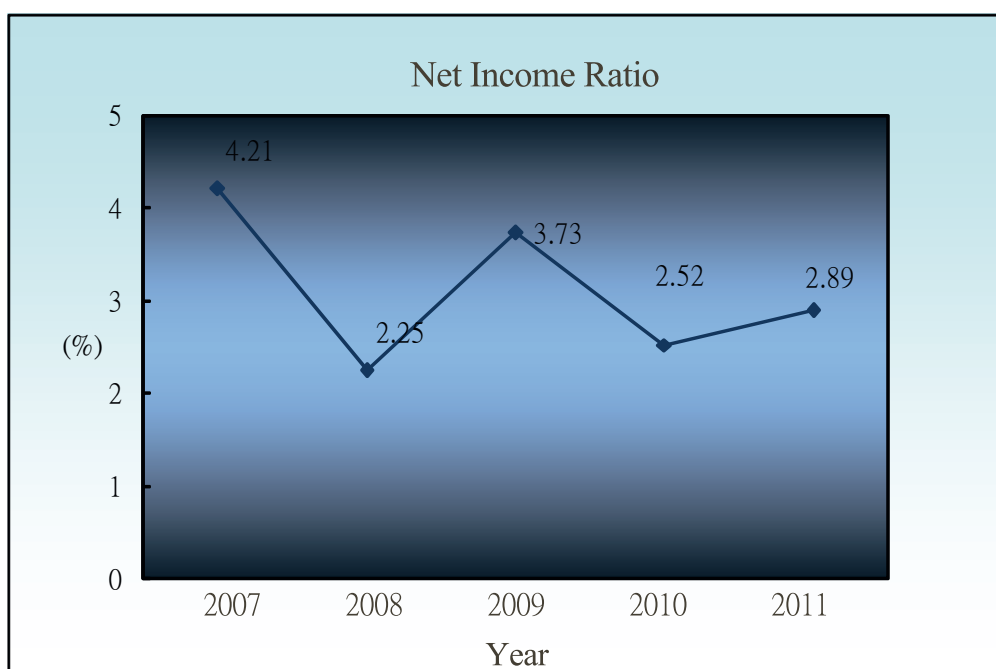
Average Earning per Employee

Unit: NTS 1,000



Return on Assets





IV. Supervisors' Audit Report

2011 Supervisors' Audit Report for Chunghwa Post Co., Ltd.

Chunghwa Post Co., Ltd. has duly submitted the business report, financial statements and a dividend distribution proposal for 2011 prepared by the company's board of directors. Pursuant to Article 20 of the Company Act, certified public accountant Y.C. Mei at KPMG Certified Public Accountants, upon request, has completed his audit on these financial statements. We, the supervisors, have reviewed the above mentioned business report, financial statements as well as the audit report of the CPA. We agreed with the opinion of the CPA and have found them to be consistent with the company's financial status and operational results. Therefore, pursuant to Article 219 of the company Act, Article 12 of the Regulations Governing Postal Remittances and Savings Operations, we issue this audit report.

To
Ministry of Transportation and Communications

C.C. Wu
Supervisors:H.Y. Huang
M.H. Yang

March 23, 2012

V. Financial Statements for the Most Recent Fiscal Year

Independent Auditors' Report

The Board of Directors
Chunghwa Post Co., Ltd.

We have audited the accompanying balance sheets of Chunghwa Post Co., Ltd. as of December 31, 2011 and 2010, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Chunghwa Post Co., Ltd. as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended, in conformity with government regulations, the requirements of "Business Entity Accounting Act" and "Regulation on Business Entity Accounting Handling" with respect to financial accounting standards, and accounting principles generally accepted in the Republic of China.

As stated in notes 2(a) and 3(c) to the financial statements, the financial statements of Chunghwa Post Co., Ltd. are based on the amounts audited by the Ministry of Audit of the Control Yuan. The accounts of Chunghwa Post Co., Ltd. as of and for the year ended December 31, 2010, have been examined by the Executive Yuan and the Ministry of Audit of the Control Yuan, and the adjustments from this examination have been recognized retroactively in the accompanying financial statements for 2010.

KPMG
CPA: Mei, Yuan-Chen

March 23, 2012

CHUNGHWA POST CO., LTD.

Balance Sheets

December 31, 2011 and 2010
(Expressed in thousands of New Taiwan dollars)

	2011		2010 (accounts examined by MOA, note 3(c))	
	Amount	%	Amount	%
Assets				
Cash and due from banks (note 4(a))	\$ 467,364,855	8	507,757,484	9
Due from Central Bank (note 4(b))	1,753,654,182	31	1,755,756,167	32
Financial assets measured at fair value through profit or loss, net (notes 4(c) and 4(d))	1,404,470	-	12,101,491	-
Bonds bought under resell agreements	4,927,739	-	3,580,315	-
Receivables, net (note 4(e))	54,544,320	1	43,880,454	1
Loans, net (notes 4(f) and 5)	41,296,204	1	41,300,091	1
Available-for-sale financial assets, net (note 4(c))	396,331,666	7	412,780,787	8
Held-to-maturity financial assets (note 4(c))	2,668,345,805	48	2,454,796,371	45
Investments under equity method, net (note 4(h))	55,075	-	52,127	-
Debt investments without active market (note 4(c))	135,410,081	3	166,013,076	3
Other financial assets (note 4(c))	5,095,745	-	4,605,863	-
Real estate investments (note 4(i))	1,041,273	-	1,052,943	-
Property and equipment, net (note 4(j))	83,835,582	1	76,155,451	1
Prepaid expenses (note 4(s))	3,336,063	-	348,230	-
Other assets, net (notes 4(k) and 4(r))	1,346,979	-	998,533	-
Total assets	\$ 5,617,990,039	100	5,481,179,383	100
Liabilities and Stockholders' Equity				
Due to banks	\$ 10,715,000	-	39,755,000	1
Financial liabilities measured at fair value through profit or loss (notes 4(c) and 4(d))	4,629,370	-	139,838	-
Bonds sold under repurchase agreements (note 4(l))	7,811,374	-	27,920,950	1
Payables (notes 4(m) and 5)	73,853,625	1	70,045,783	1
Deposits and remittances (note 4(n))	4,710,328,907	84	4,582,454,865	83
Accrued pension liability (note 4(q))	3,300,000	-	720,813	-
Operating reserves (note 4(o))	689,327,100	13	646,555,490	12
Other liabilities (notes 4(p))	3,767,952	-	2,056,336	-
Total liabilities	5,503,733,328	98	5,369,649,075	98
Stockholders' equity (note 4(s))				
Common stock	40,000,000	1	40,000,000	1
Capital surplus	27,107,576	-	27,107,576	-
Retained earnings:				
Legal reserve	26,260,864	1	26,260,864	1
Special reserve	2,051,860	-	1,729,844	-
Unappropriated earnings	8,616,484	-	-	-
	36,929,208	1	27,990,708	1
Other:				
Unrealized gains on available-for-sale financial assets	566,600	-	14,470,747	-
Unrealized land revaluation increment (note 4(j))	9,653,327	-	2,682,090	-
Unrecognized pension cost (note 4(q))	-	-	(720,813)	-
	10,219,927	-	16,432,024	-
Total stockholders' equity	114,256,711	2	111,530,308	2
Commitments and contingencies (note 7)				
Total liabilities and stockholders' equity	\$ 5,617,990,039	100	5,481,179,383	100

CHUNGHWA POST CO., LTD.

Income Statements

For the years ended December 31, 2011 and 2010
(Expressed in thousands of New Taiwan dollars, except earnings per share)

	2011		2010 (accounts examined by MOA, note 3(c))	
	Amount	%	Amount	%
Operating revenues:				
Postal revenue (note 4(u))	\$ 25,070,244	8	24,448,498	8
Interest income (notes 4(a) and 4(b))	90,925,999	31	81,653,398	27
Insurance premiums (note 4(v))	162,504,438	55	165,969,754	55
Service fee income (note 5)	2,402,763	1	2,370,361	1
Gain on valuation of financial assets and liabilities (notes 4(c) and 4(d))	-	-	8,292,147	3
Investment income	3,283,773	1	19,177,103	6
Exchange gain	12,870,101	4	-	-
Other operating revenues	966,714	-	772,871	-
	<u>298,024,032</u>	<u>100</u>	<u>302,684,132</u>	<u>100</u>
Operating costs				
Postal cost	19,892,453	7	19,588,766	6
Interest expenses	42,764,170	14	35,319,096	12
Claims and benefits	133,004,246	45	108,794,341	36
Change in insurance reserves	43,089,279	14	69,469,753	23
Loss on valuation of financial assets and liabilities (notes 4(c) and 4(d))	17,631,496	6	-	-
Exchange loss	-	-	30,904,923	10
Other operating cost	2,079,670	1	1,825,211	1
	<u>258,461,314</u>	<u>87</u>	<u>265,902,090</u>	<u>88</u>
Gross profit	<u>39,562,718</u>	<u>13</u>	<u>36,782,042</u>	<u>12</u>
Operating expenses				
Personnel expenses	22,653,133	8	18,929,312	6
Depreciation and amortization expenses	1,641,772	1	1,761,025	1
Other general and administrative expenses	5,004,086	2	4,909,996	2
Total operating expenses	<u>29,298,991</u>	<u>11</u>	<u>25,600,333</u>	<u>9</u>
Operating income	<u>10,263,727</u>	<u>2</u>	<u>11,181,709</u>	<u>3</u>
Nonoperating income (note 4(h))	<u>159,830</u>	<u>-</u>	<u>174,332</u>	<u>-</u>
Nonoperating expenses	<u>135,292</u>	<u>-</u>	<u>195,962</u>	<u>-</u>
Net income before income tax	10,288,265	2	11,160,079	3
Income tax expense (note 4(r))	1,667,433	1	3,523,028	1
Net income	<u>\$ 8,620,832</u>	<u>1</u>	<u>7,637,051</u>	<u>2</u>
	Before	After	Before	After
	income tax	income tax	income tax	income tax
Primary earnings per share (note 4(t))	<u>\$ 2.57</u>	<u>2.16</u>	<u>2.79</u>	<u>1.91</u>

CHUNGHWA POST CO., LTD.

Statements of Changes in Stockholders' Equity

For the years ended December 31, 2011 and 2010
(Expressed in thousands of New Taiwan dollars)

	Common Stock	Capital Surplus	Retained Earnings			Unrealized Gains (Losses) on Financial Assets	Unrealized Land Revaluation Increment	Unrecognized Pension Cost	Total
			Legal Reserve	Special Reserve	Unappropriated Earnings				
Beginning balance as of January 1, 2010 (examined by MOA)	\$ 40,000,000	27,107,576	24,351,601	1,729,844	-	4,841,057	2,683,705	(292,735)	100,421,048
Decrease in unrealized land revaluation increment	-	-	-	-	-	-	(1,615)	-	(1,615)
Changes in unrealized gains on available-for-sale financial assets	-	-	-	-	-	9,629,690	-	-	9,629,690
Increase in unrecognized pension cost	-	-	-	-	-	-	-	(428,078)	(428,078)
Net income for 2010	-	-	-	-	7,637,051	-	-	-	7,637,051
Distribution of earnings	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	1,909,263	-	(1,909,263)	-	-	-	-
Dividends to the government	-	-	-	-	(5,727,788)	-	-	-	(5,727,788)
Balance as of December 31, 2010 (examined by MOA, note 3(c))	40,000,000	27,107,576	26,260,864	1,729,844	-	14,470,747	2,682,090	(720,813)	111,530,308
Special earnings reserve transferred from securities trading losses reserve	-	-	-	317,668	-	-	-	-	317,668
Special earnings reserve caused by the income from the withdrawal of special reserve	-	-	-	3,034	(3,034)	-	-	-	-
Increase in unrealized land revaluation increment	-	-	-	-	-	-	6,971,237	-	6,971,237
Changes in unrealized gains on available-for-sale financial assets	-	-	-	-	-	(13,904,147)	-	-	(13,904,147)
Decrease in unrecognized pension cost	-	-	-	-	-	-	-	720,813	720,813
Special reserve for catastrophe and risk volatility	-	-	-	1,314	(1,314)	-	-	-	-
Net income for 2011	-	-	-	-	8,620,832	-	-	-	8,620,832
Balance as of December 31, 2011	\$ 40,000,000	27,107,576	26,260,864	2,051,860	8,616,484	566,600	9,653,327	-	114,256,711

CHUNGHWA POST CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2011 and 2010

(Expressed in thousands of New Taiwan dollars)

	2011	2010 (accounts examined by MOA, note 3(c))
Cash flows from operating activities:		
Net income	\$ 8,620,832	7,637,051
Adjustments:		
Depreciation and amortization	2,431,217	2,485,907
Provision for bad debt expense	76,761	6,969
Provision for operating reserve and others	43,089,278	69,476,924
Investment income under equity method	(10,455)	(8,342)
Cash dividends received from long-term investments under equity method	7,507	5,959
Loss on sale of property and equipment	29,810	20,201
Loss (gain) on valuation of financial assets and liabilities	17,631,496	(8,292,147)
Changes in operating assets:		
Decrease (increase) in financial assets held for trading	(330,683)	515,086
Increase in bonds bought under resell agreements	(1,347,424)	(188,322)
Decrease (increase) in receivables	(10,678,476)	112,160
Increase in deferred income tax assets	(423,263)	(303,924)
Increase in other financial assets	(489,191)	(260,473)
Decrease in prepaid expenses	4,927	23,206
Changes in operating liabilities:		
Increase (decrease) in due to banks	(29,040,000)	26,640,000
Increase (decrease) in financial liabilities held for trading	14,706	(2,740)
Increase (decrease) in bonds sold under repurchase agreements	(20,109,576)	27,920,950
Increase (decrease) in payables	3,982,128	(7,270,028)
Increase in accrued pension liability	3,300,000	-
Increase (decrease) in advance collections	820,618	(49,580)
Increase in other liabilities	27,586	8,161
Net cash provided by operating activities	<u>17,607,798</u>	<u>118,477,018</u>
Cash flows from investing activities:		
Decrease in available-for-sale financial assets	2,526,809	20,910,624
Decrease in debt investments without active market	28,764,819	122,959,988
Increase in held-to-maturity financial assets	(213,840,224)	(1,204,333,294)
Acquisition of property and equipment	(1,927,395)	(1,610,354)
Proceeds from disposal of property and equipment	44,620	38,633
Decrease in due from Central Bank	2,101,985	644,188,716
Increase in loans	(58,955)	(596,125)
Increase in other assets	(332,619)	(367,352)
Net cash used in investing activities	<u>(182,720,960)</u>	<u>(418,809,164)</u>
Cash flows from financing activities:		
Prepaid dividends to government	(2,992,760)	(5,567,039)
Distribution of cash dividends to government	(160,749)	(4,704,400)
Increase in deposits and remittances	127,874,042	39,081,738
Net cash provided by financing activities	<u>124,720,533</u>	<u>28,810,299</u>
Net decrease in cash and due from banks	(40,392,629)	(271,521,847)
Cash and equivalents at beginning of year	507,757,484	779,279,331
Cash and equivalents at end of year	<u>\$ 467,364,855</u>	<u>507,757,484</u>
Supplementary disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 39,736,317</u>	<u>37,312,475</u>
Cash paid during the year for income tax	<u>\$ 4,982,242</u>	<u>4,249,908</u>