

Chinatrust FHC

Analyst Meeting
Financial Review of 1Q06

May 3, 2006

Investor Relations



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DISCLAIMER

THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2006 ARE PRELIMINARY. CHINATRUST FHC EXPECTS TO FILE ITS UNAUDITED INTERIM FINANCIAL STATEMENTS, WHICH ARE SUBJECT TO REVIEW BY ITS AUDITORS, WITH THE ROC SECURITIES AND FUTURES BUREAU ON OR ABOUT MAY 15, 2006.

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Outline

- **Overall financial performance review**
- **Quarterly trend of financial performance**

Strong revenue growth but mounting provisions for increasing consumer credit risks in 1Q06

NT\$ million, %	1Q06 ¹	1Q05	Change
NII	10,614	9,375	+13%
Fee	5,107	4,790	+7%
Trading & Others	3,207	1,997	+61%
Total revenue	18,928	16,162	+17%
Provisions	-11,132	-2,278	+389%
Costs	-7,252	-7,357	-1%
Pre-goodwill, pre-tax income	543	6,527	-92%
Goodwill	-	331	-
Pre-tax income	543	6,196	-91%

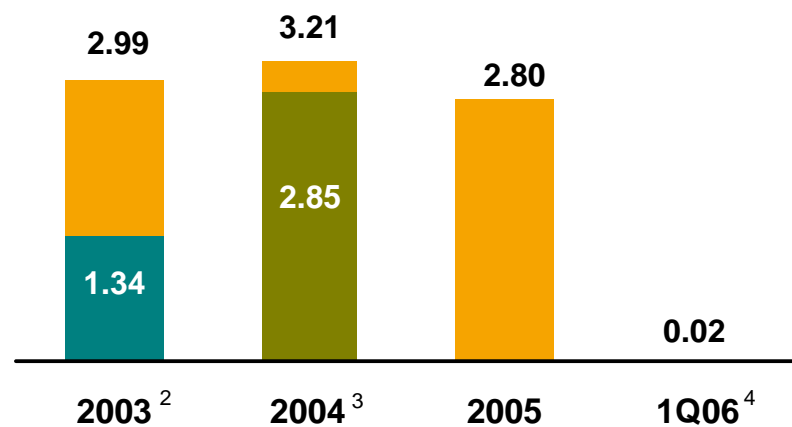
1. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

CFHC's key profitability ratios affected by high credit costs in 1Q06

Retroactively adjusted EPS¹ (pre-tax)

NT\$

■ EPS after GCB acquisition
■ EPS after an one-time provisioning in Dec. 04



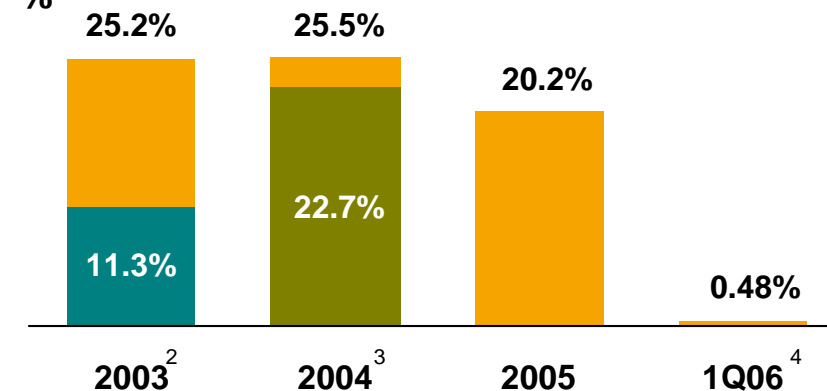
Reported EPS (pre-tax)

NT\$

2003	2004	2005	1Q06 ⁴
3.80	3.84	2.80	0.02
1.70	3.42		

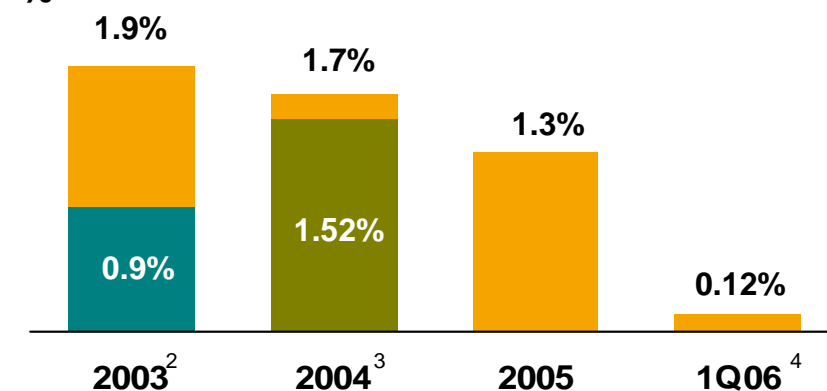
ROAE (pre-tax)

%



ROAA (pre-tax)

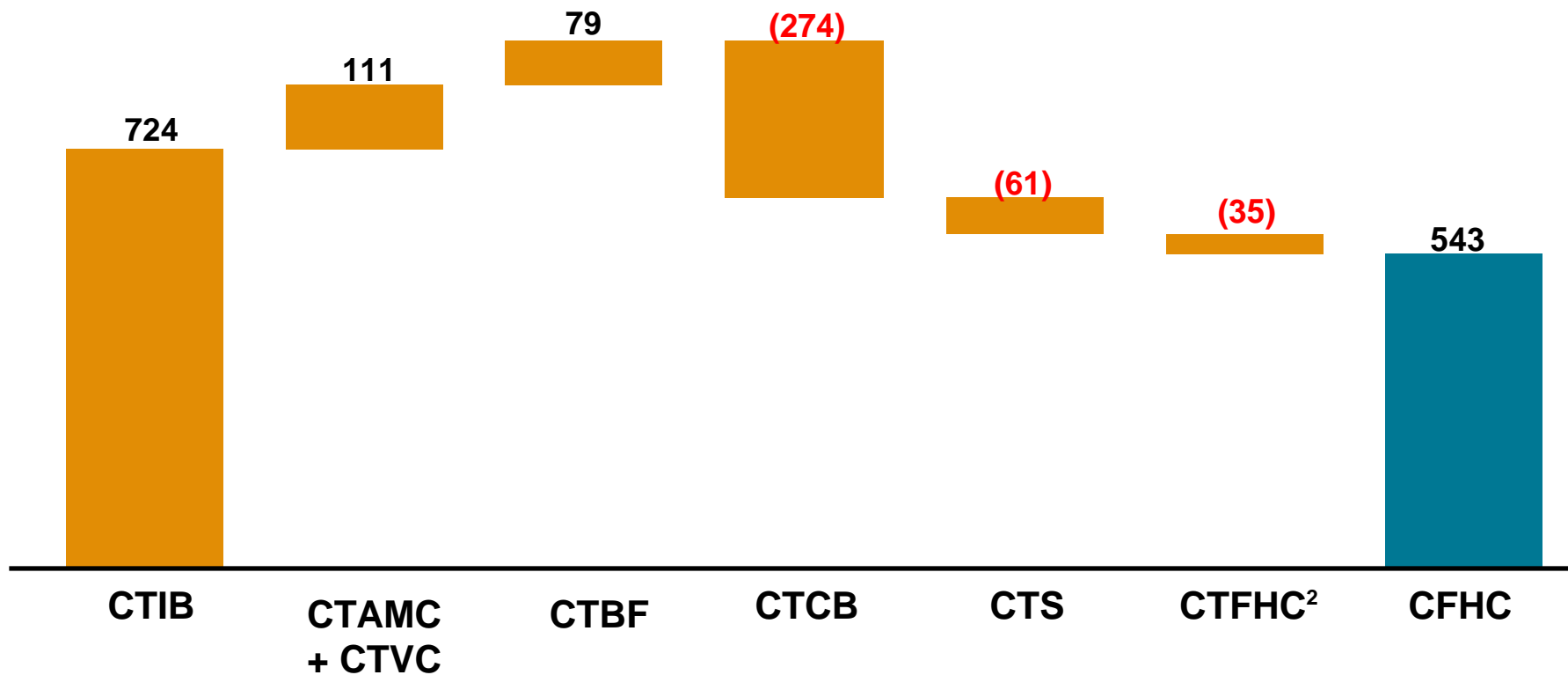
%



1. 2003 and 2004 EPS in the chart are retroactively adjusted for stock dividend payout in 2004-2005 and 2005 respectively.
2. 2003 numbers are calculated both as including (blue bar) and excluding (orange bar) the one-time adjustment as a result of our merger with GCB.
3. 2004 numbers are calculated both as including (green bar) and excluding (orange bar) the one-time additional provisioning as a result of our merger with FCC.
4. 2006 numbers are preliminary and have yet to be reviewed by our auditors.

CFHC's pre-tax profit breakdown by legal entity in 1Q06

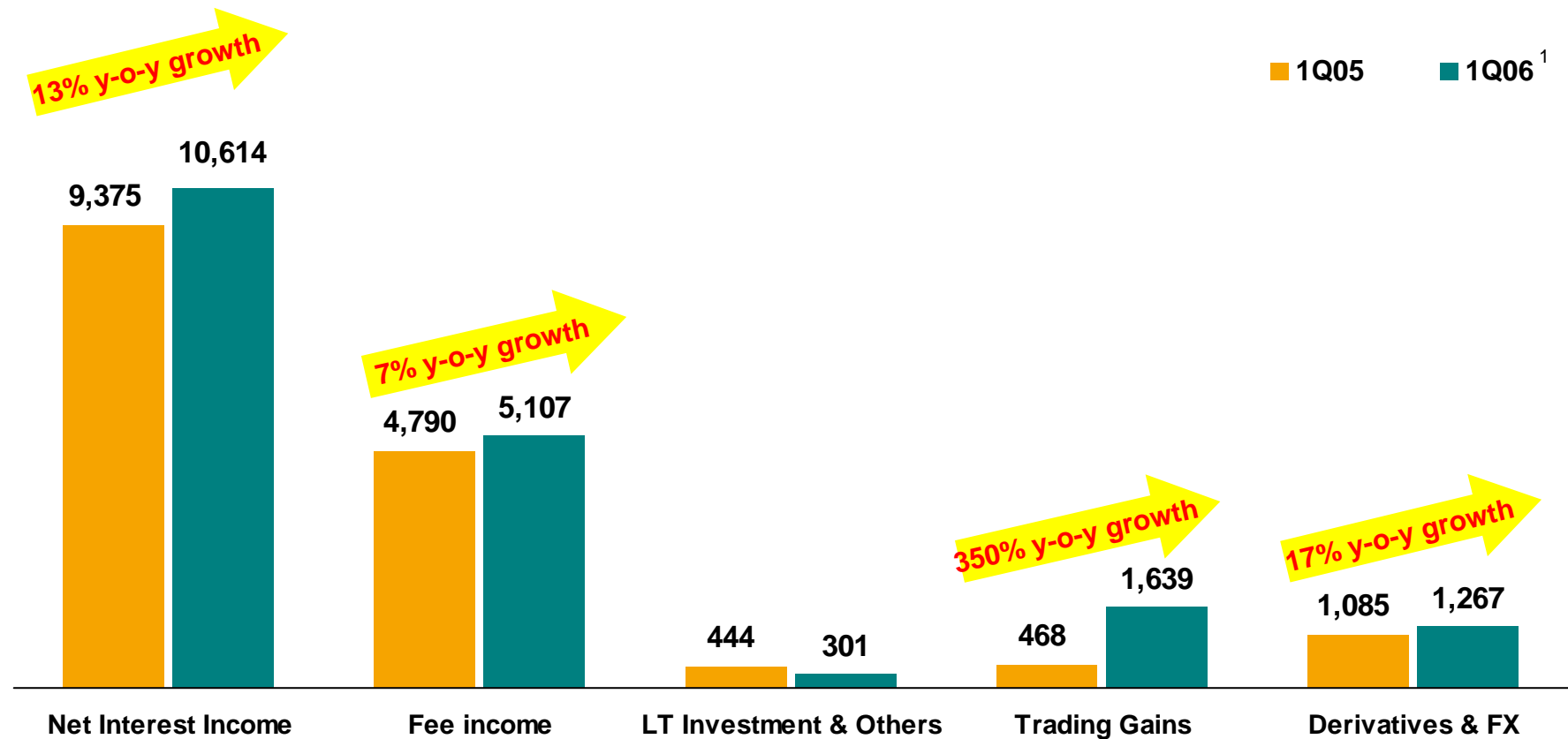
Chinatrust FHC pre-tax profit in 1Q06¹
NT\$ mm



1. CFHC's numbers are presented on a consolidated basis. These numbers are preliminary and have yet to be reviewed by our auditors.
2. CTFHC (on a non-consolidated basis) and adjustment items in relation to compiling the consolidated statement.

CFHC observed strong growth in various revenue items in 1Q06

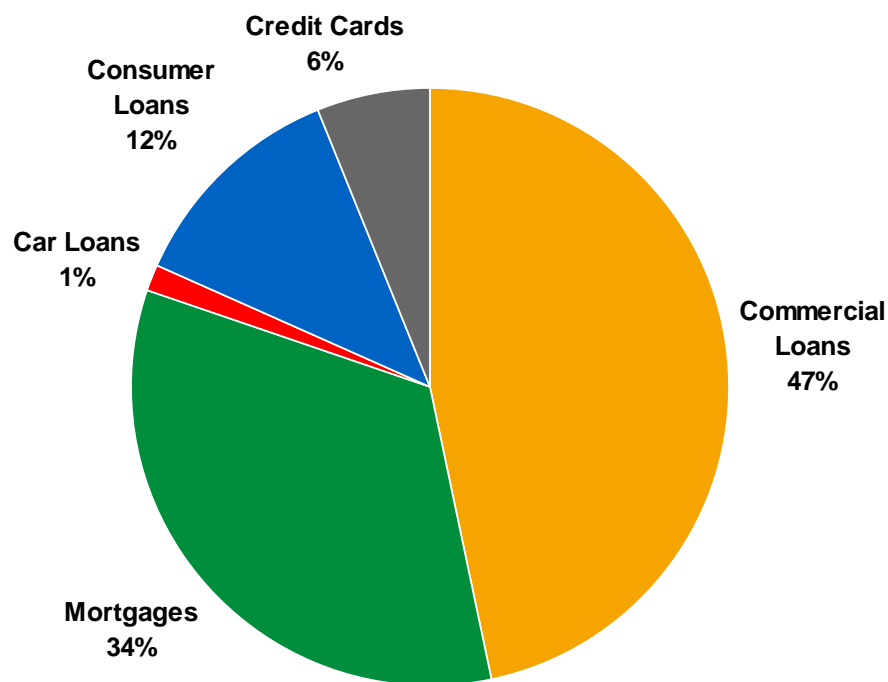
Revenue Breakdown
NT\$ mm



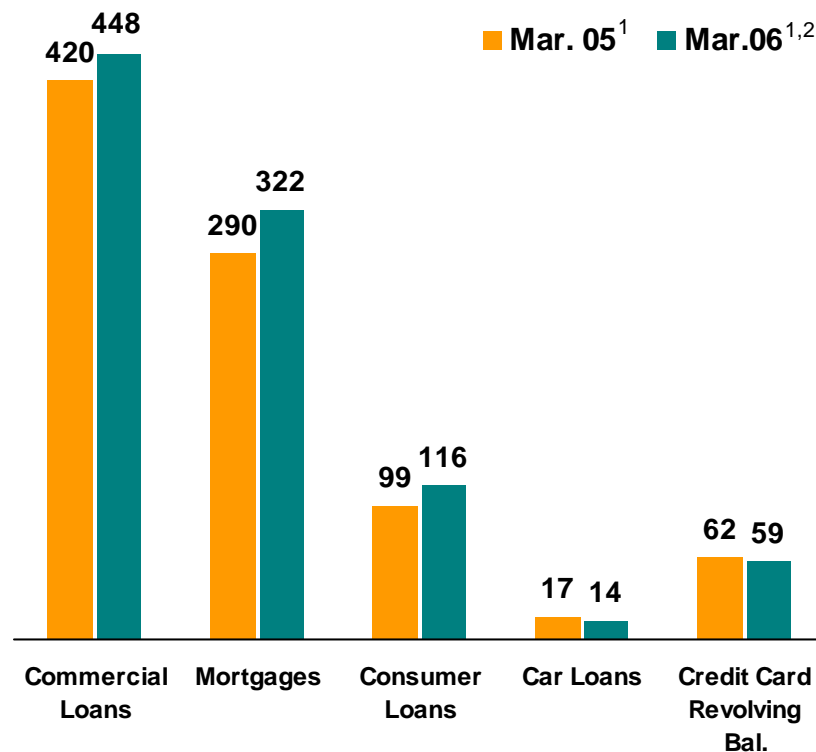
1. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

Interest income generated from a diversified loan portfolio in 1Q06

Loan breakdown (incl. credit card revolving balance) as of Mar. 2006^{1,2}
%



YoY loan growth
%, NT\$ bn



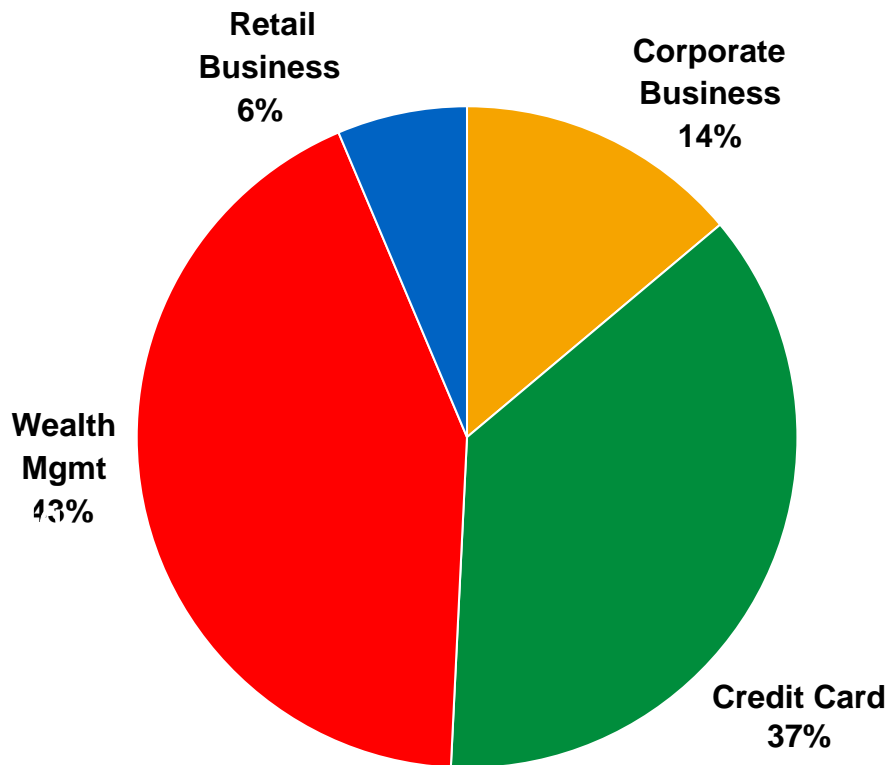
Note: These are CTCB's numbers and are presented on a consolidated basis.

1. These numbers exclude non-accrual loans.

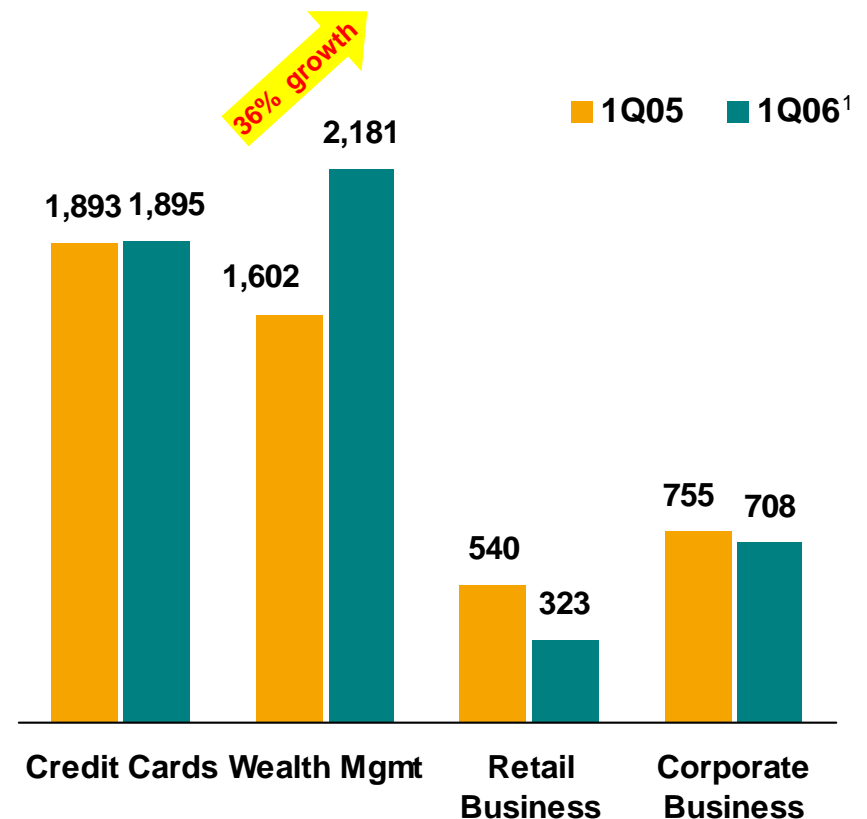
2. 2006 numbers are preliminary and have yet to be reviewed by our auditors.

Strong fee income growth from wealth management business in 1Q06

Fee income breakdown in 1Q06¹
%



Y-o-Y fee income growth
%, NT\$ mm



1. 2006 numbers are preliminary and have yet to be reviewed by our auditors.

Outline

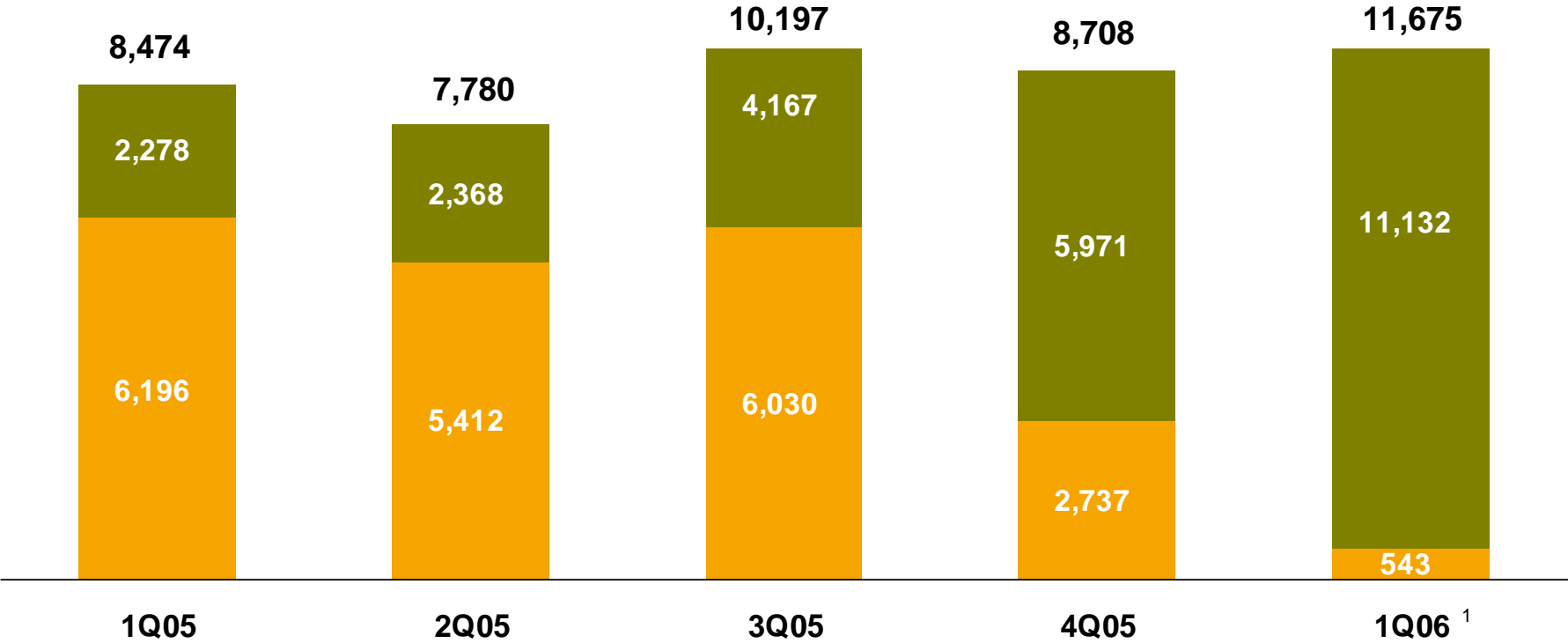
➤ **Overall financial performance review**

➤ **Quarterly trend of financial performance**

Sustainable pre-provision profit despite mounting provisions in 1Q06

Pre-provision profit
NT\$ mm

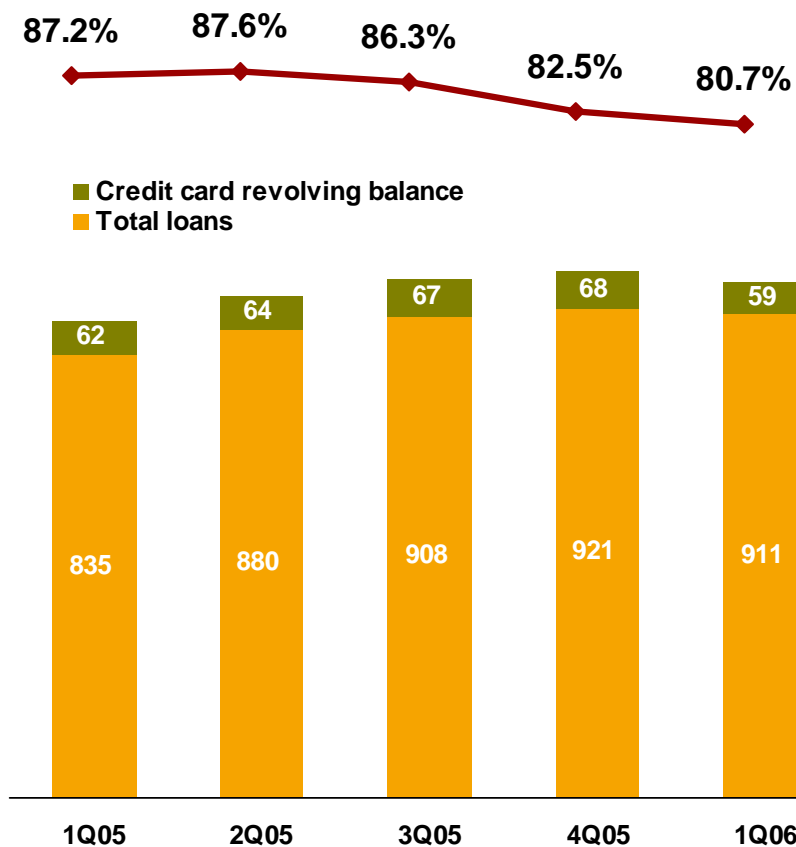
- Provisions
- Pre-tax profit



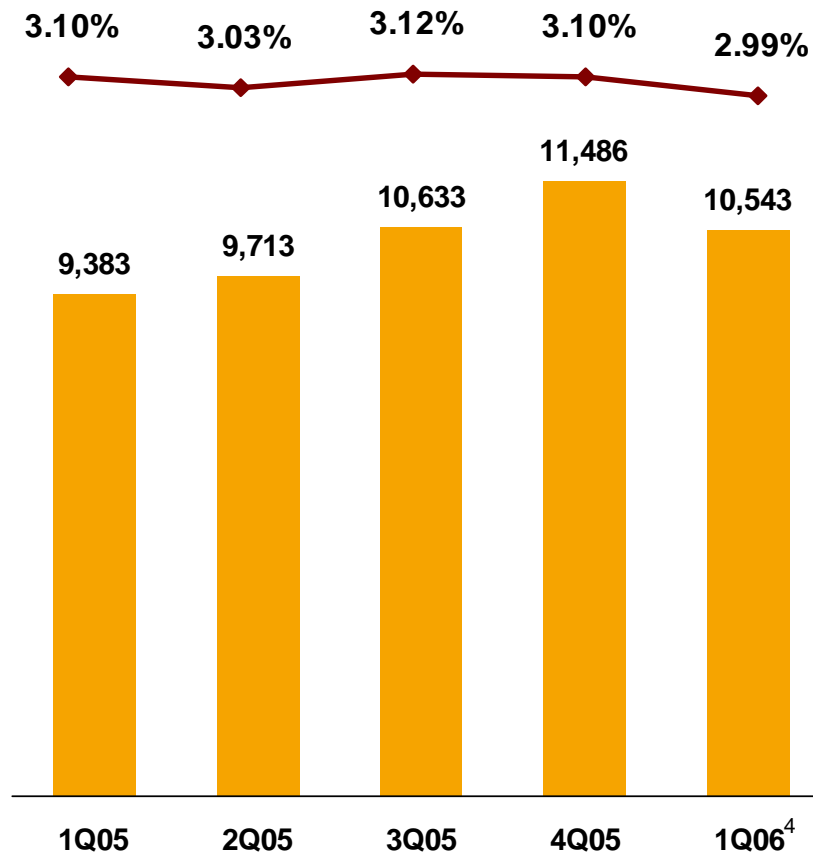
1. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

NIM slightly narrowed due to shrinking lending portfolio in 1Q06

YTD LDR¹ & total lending outstanding²
%, NT\$ bn



Quarterly NIM³ & Quarterly NII
%, NT\$ mm



Note: These numbers are presented for CTCB on a consolidated basis.

1. When calculating CFHC's LDR, credit card account receivables are included.

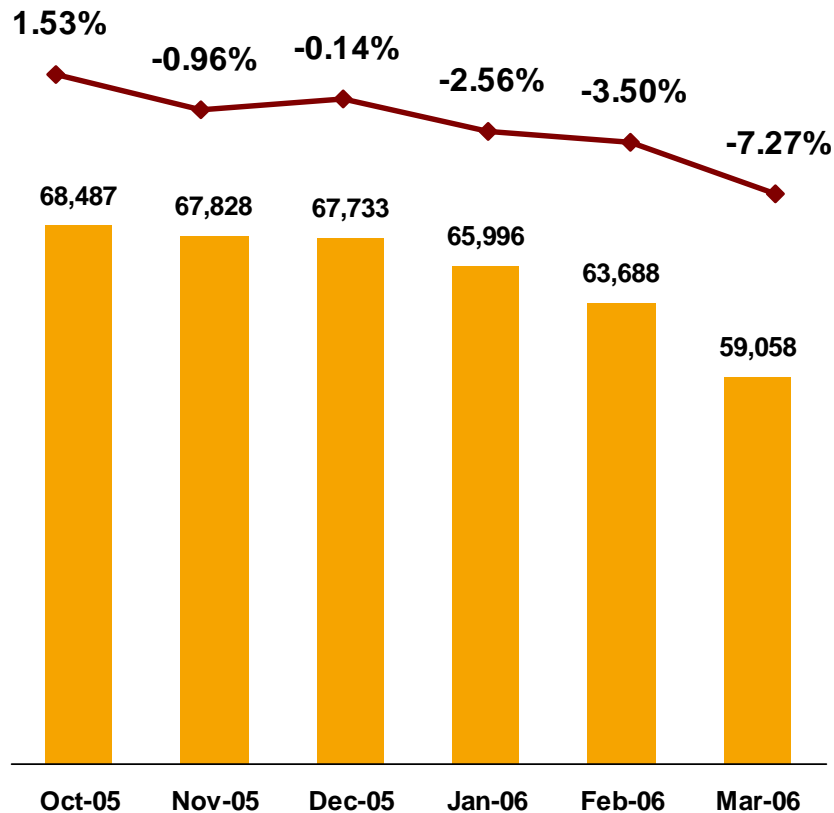
2. Total loans include both performing and non-accrual loans and credit card revolving balance.

3. The quarterly NIMs are internal data only.

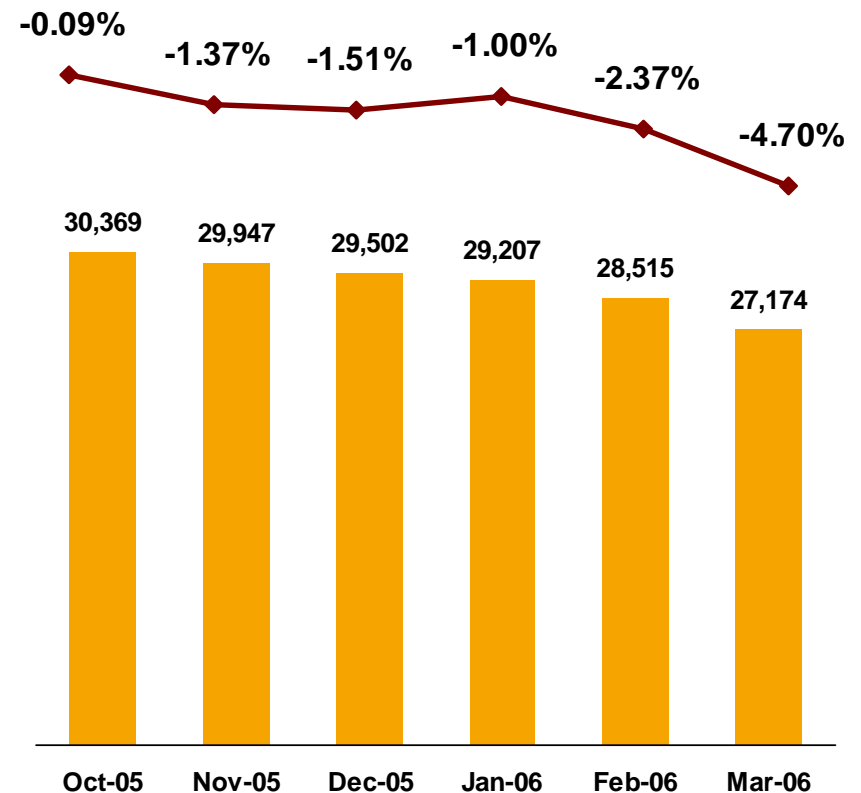
4. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

Shrinking card portfolios through tightened credit policy and aggressive write-offs

Monthly growth trend in credit card lending & credit card lending outstanding^{1,2}
%, NT\$ mm



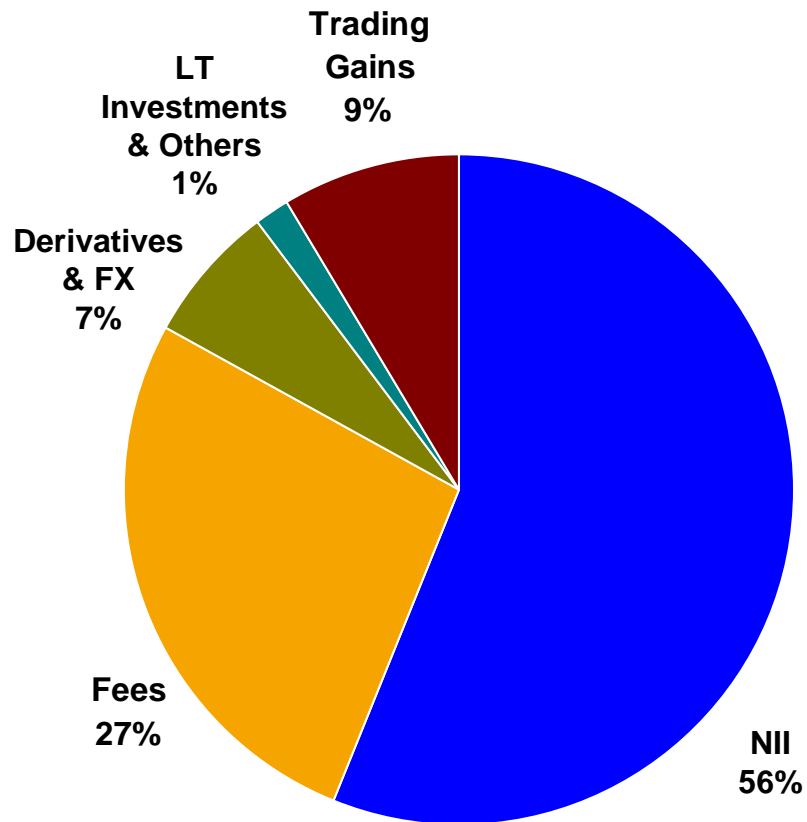
Monthly growth trend in cash card loan & cash card loan outstanding^{1,2}
%, NT\$ mm



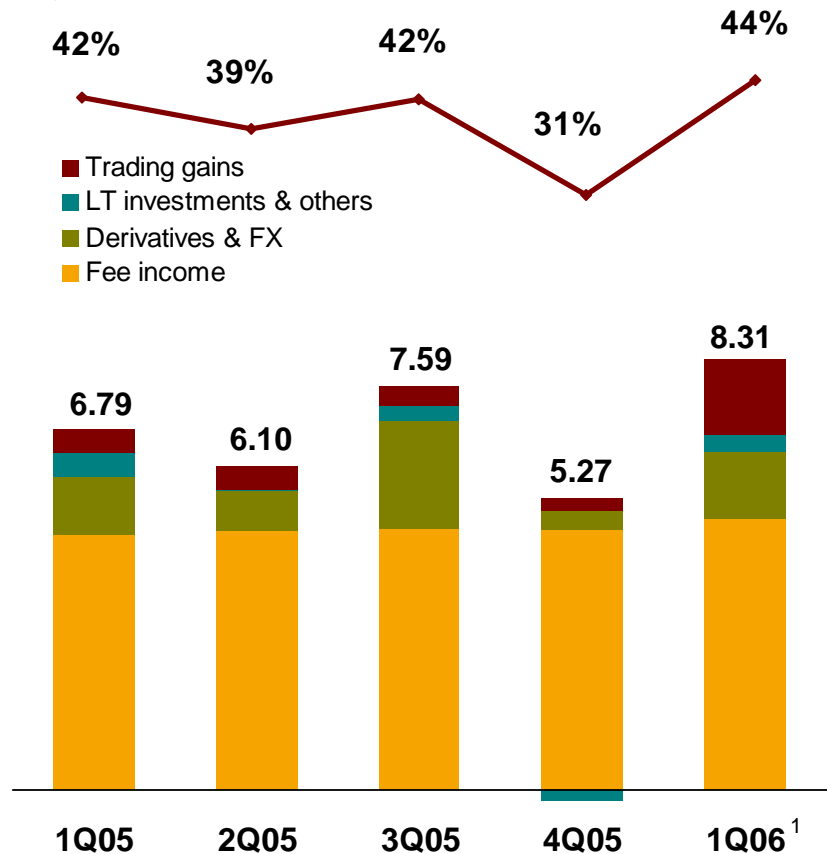
1. These numbers include non-accrual loans.
2. These numbers are preliminary and have yet to be reviewed by our auditors.

Higher non-interest income in 1Q06 mainly due to increasing market related income

Total revenue breakdown for 1Q06¹
%



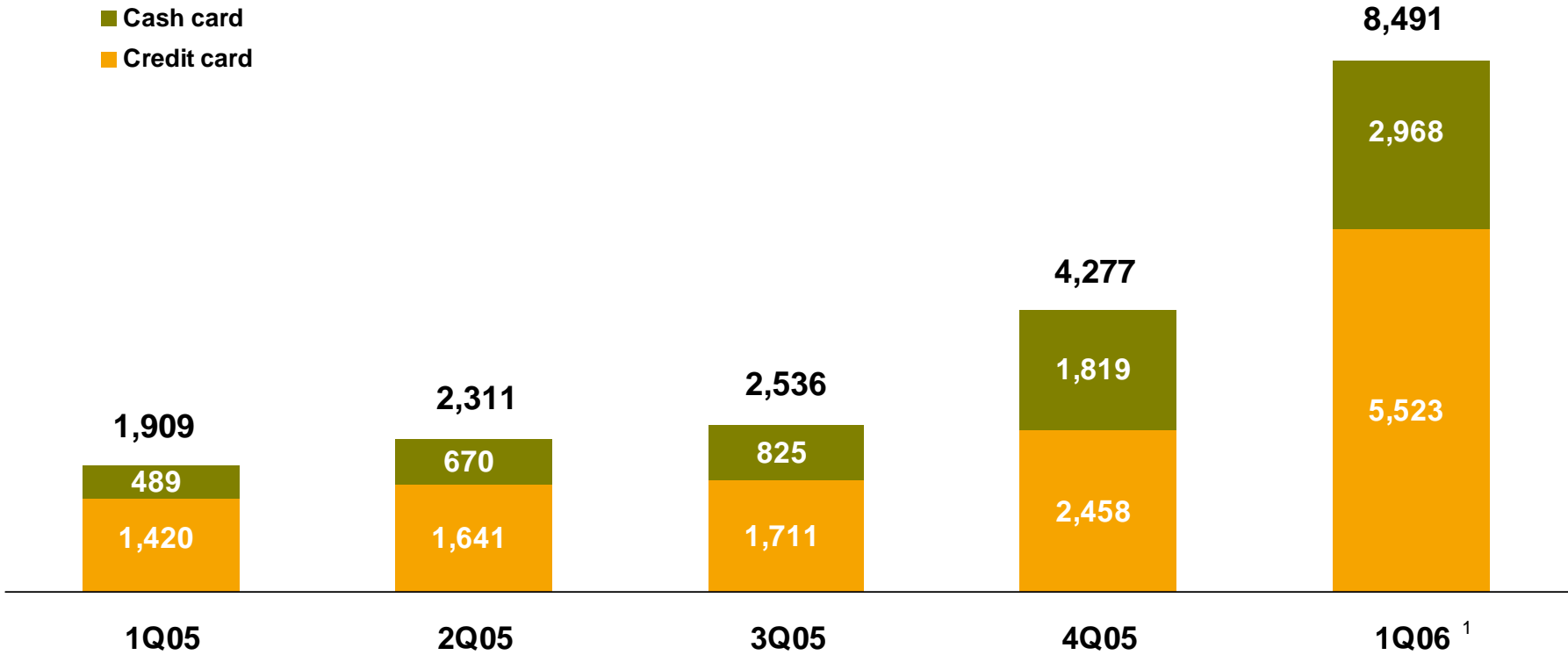
Quarterly non-interest income to total revenue ratios & quarterly total non-interest income
%, NT\$ bn



¹. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

Growing provisions for credit card and cash card portfolios in 1Q06

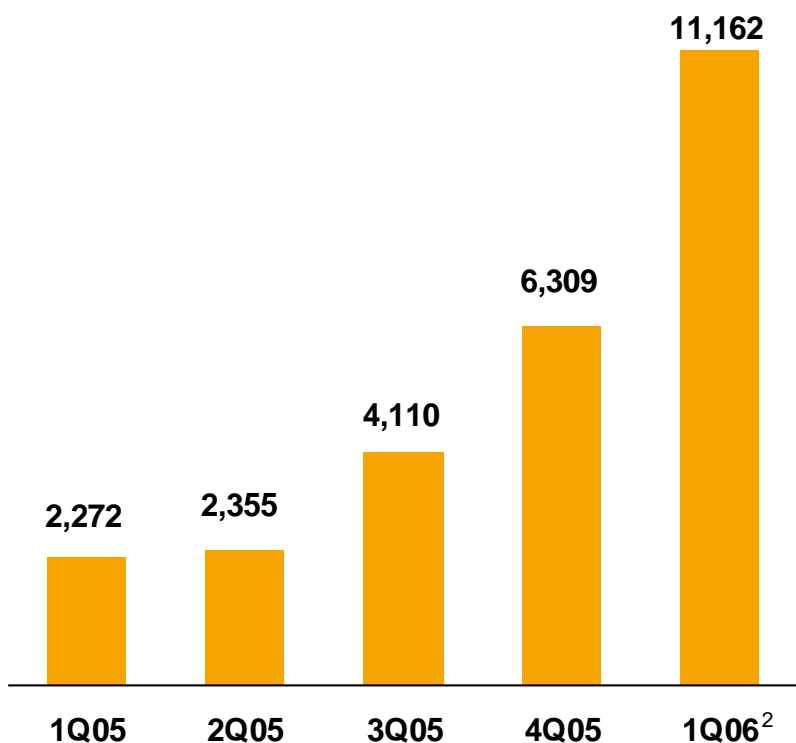
Gross provisions
NT\$ mm



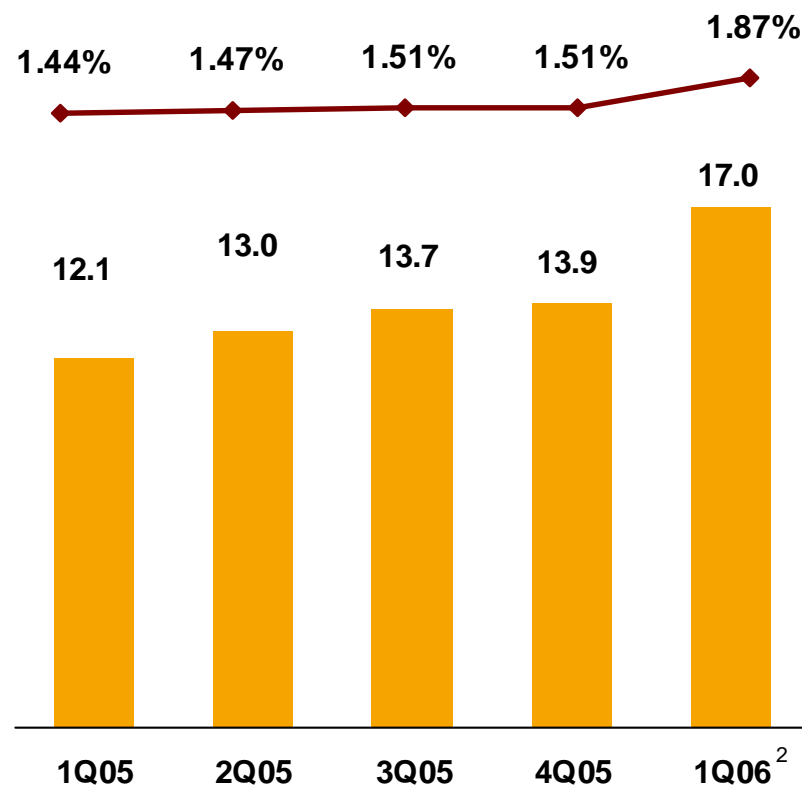
1. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

CTCB's 90-day NPL ratio still stood healthy at 1.9%¹ amid mounting provisions

Provisions
NT\$ mm



90-day NPL ratios & 90-day NPLs outstanding
%, NT\$ bn



Note: These numbers are presented for CTCB on a consolidated basis.

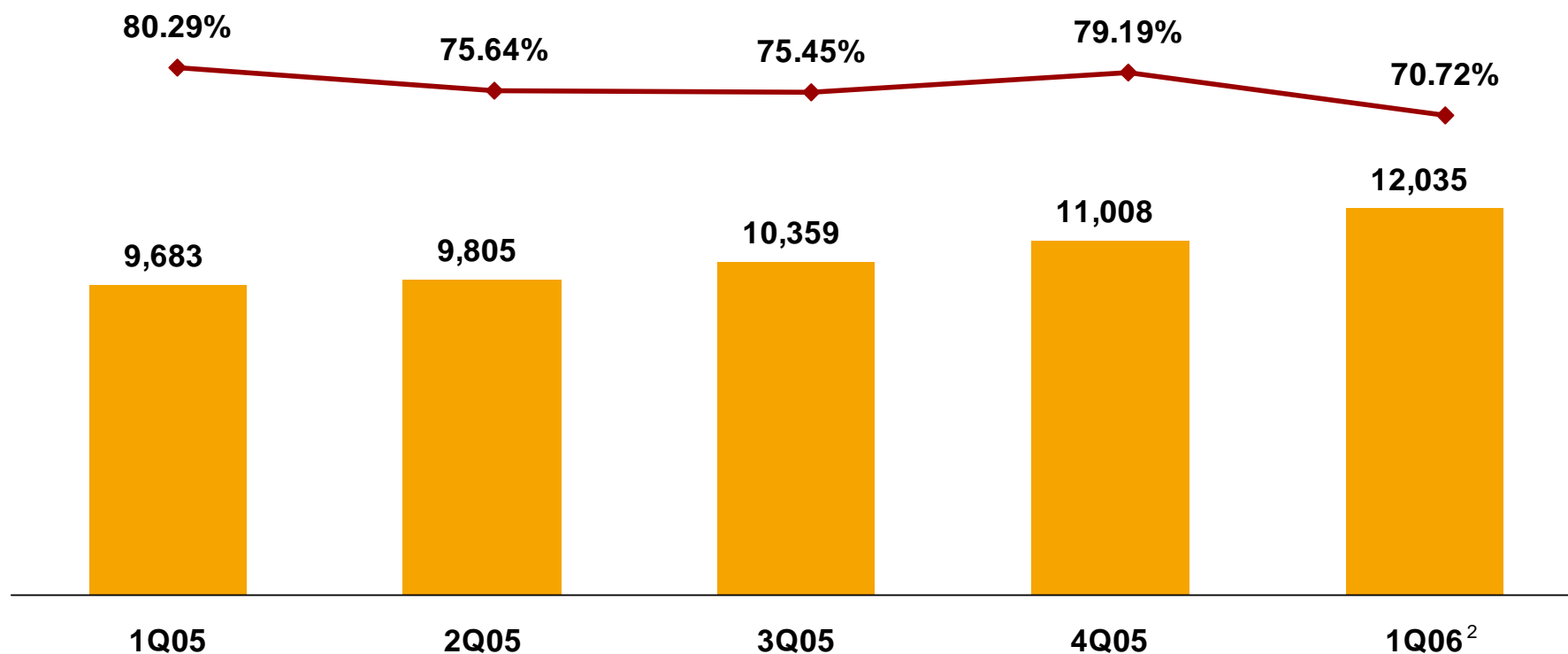
1. In accordance with new FSC guidelines effective from July 1, 2005, we have used a more inclusive definition when defining our NPLs since 3Q05.

We have not restated the amount of our NPLs prior to July 1, 2005 to reflect the new guidelines.

2. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors.

CTCB's NPL coverage ratio stood well above the industry level at 71%¹

90-day NPL coverage ratios & loan loss reserves outstanding
%, NT\$ mm



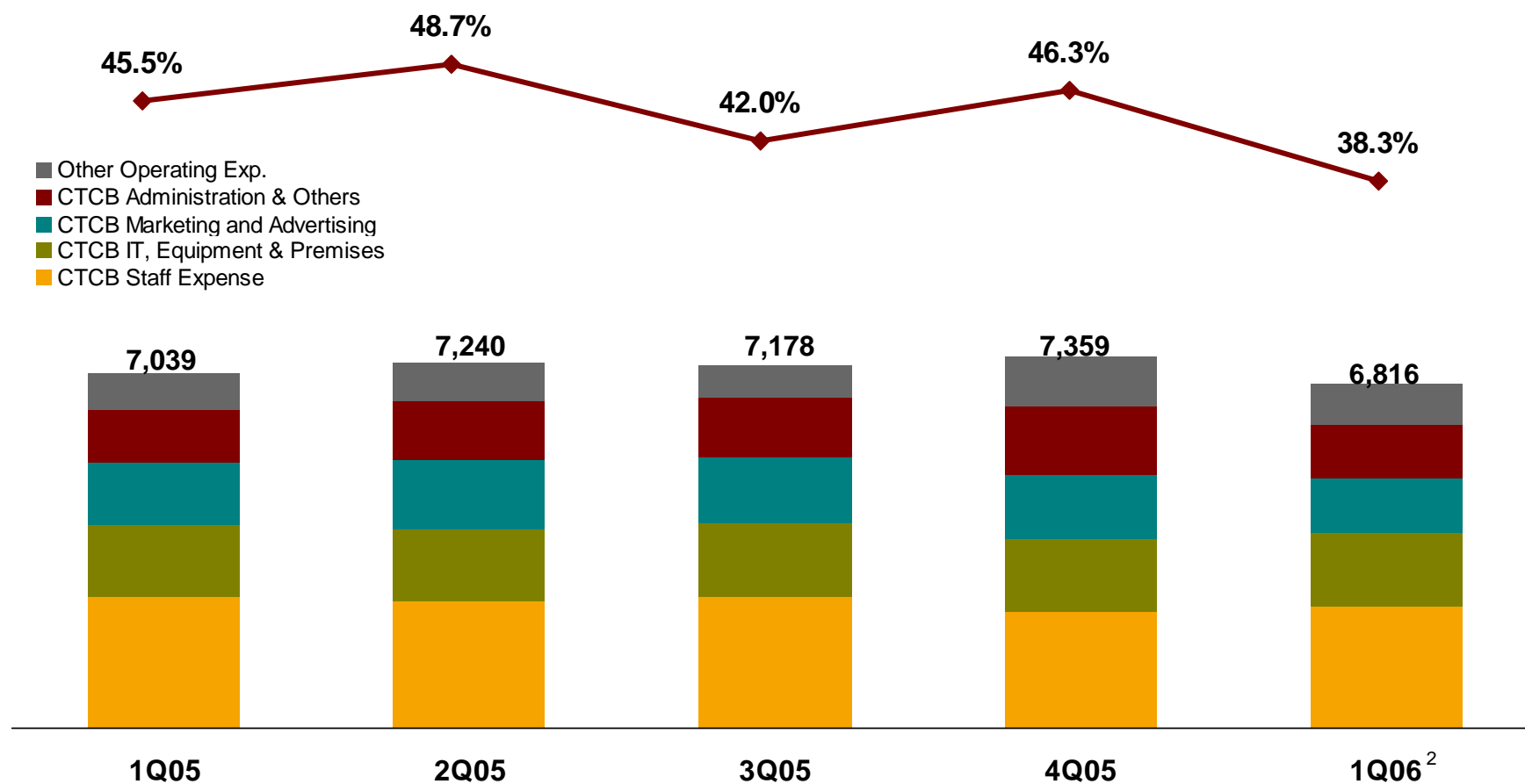
Note: These numbers are presented for CTCB on a consolidated basis.

1. In accordance with new FSC guidelines effective from July 1, 2005, we have used a more inclusive definition when defining our NPLs and reserves since 3Q05. We have not restated the amount of our NPLs and reserves prior to July 1, 2005 to reflect the new guidelines.

2. 2006 numbers are preliminary and have yet to be reviewed by our auditors.

Improved efficiency ratio in 1Q06 for lower marketing and administration related expenses

Quarterly efficiency ratios¹ & quarterly operating expenses
%, NT\$ mm



1. Efficiency ratios are derived by dividing Total Non-interest Expense (excluding goodwill amortization) by Pre-provision Operating Revenue.

2. 1Q06 numbers are preliminary and have yet to be reviewed by our auditors

Thank You



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