

Chinatrust FHC

Analyst Meeting
Financial Review of 2005

February 14, 2006
Investor Relations



中國信託
Chinatrust

DISCLAIMER

THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2005 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 APRIL 30, 2006.

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Outline

➤ **2005 Financial performance review**

➤ **4Q05 Financial performance review**

Overall financial performance of CFHC in 2005

NT\$ million, %	2005 ¹	2004	Change
NII	40,570	34,970	+16%
Fee	20,105	18,905	+6%
Trading & Others	8,491	9,336	-9%
Total revenue	69,166	63,211	+9%
Provisions	-14,785	-11,531	+28%
Costs	-32,683	-30,571	+7%
Pre-goodwill, pre-tax income	21,699	21,109	+3%
Goodwill	1,324	1,050	+26%
After-tax income	16,120	15,386	+5%

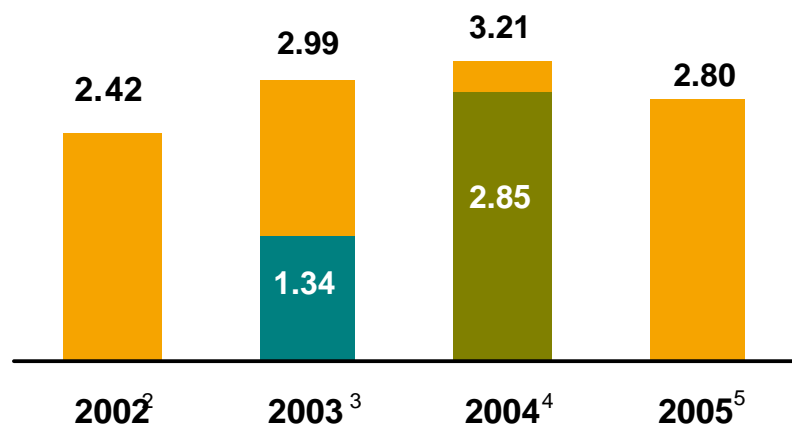
1. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

Key profitability ratios maintained sound in 2005

Retroactively adjusted EPS¹ (pre-tax)

NT\$

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



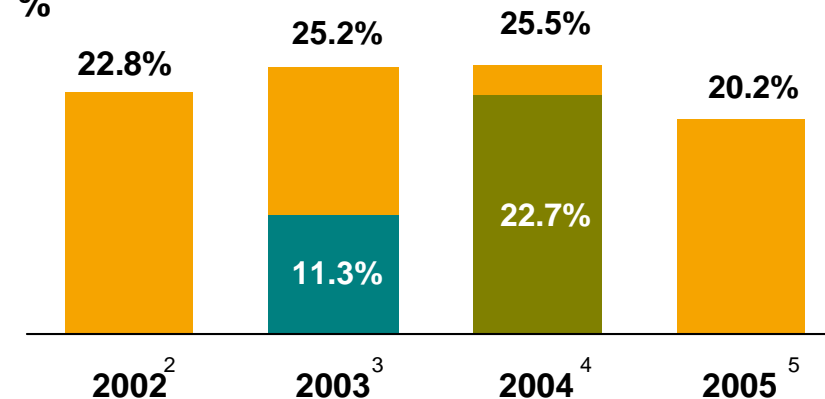
Reported EPS (pre-tax)

NT\$

2002	2003	2004	2005 ⁵
3.42	3.80	3.84	2.80
	1.70	3.42	

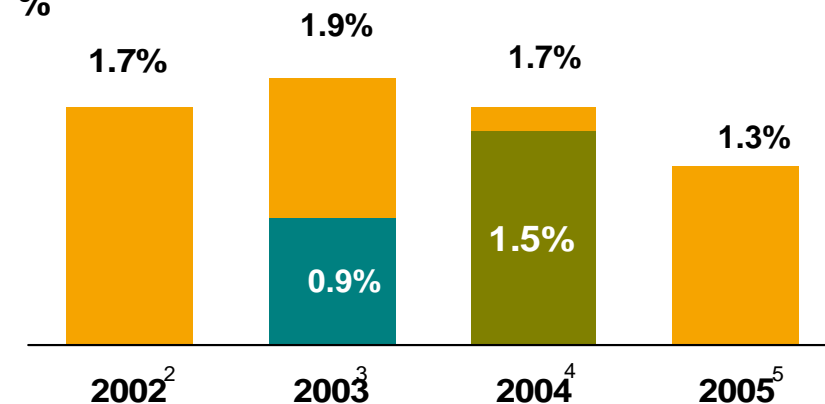
ROAE (pre-tax)

%



ROAA (pre-tax)

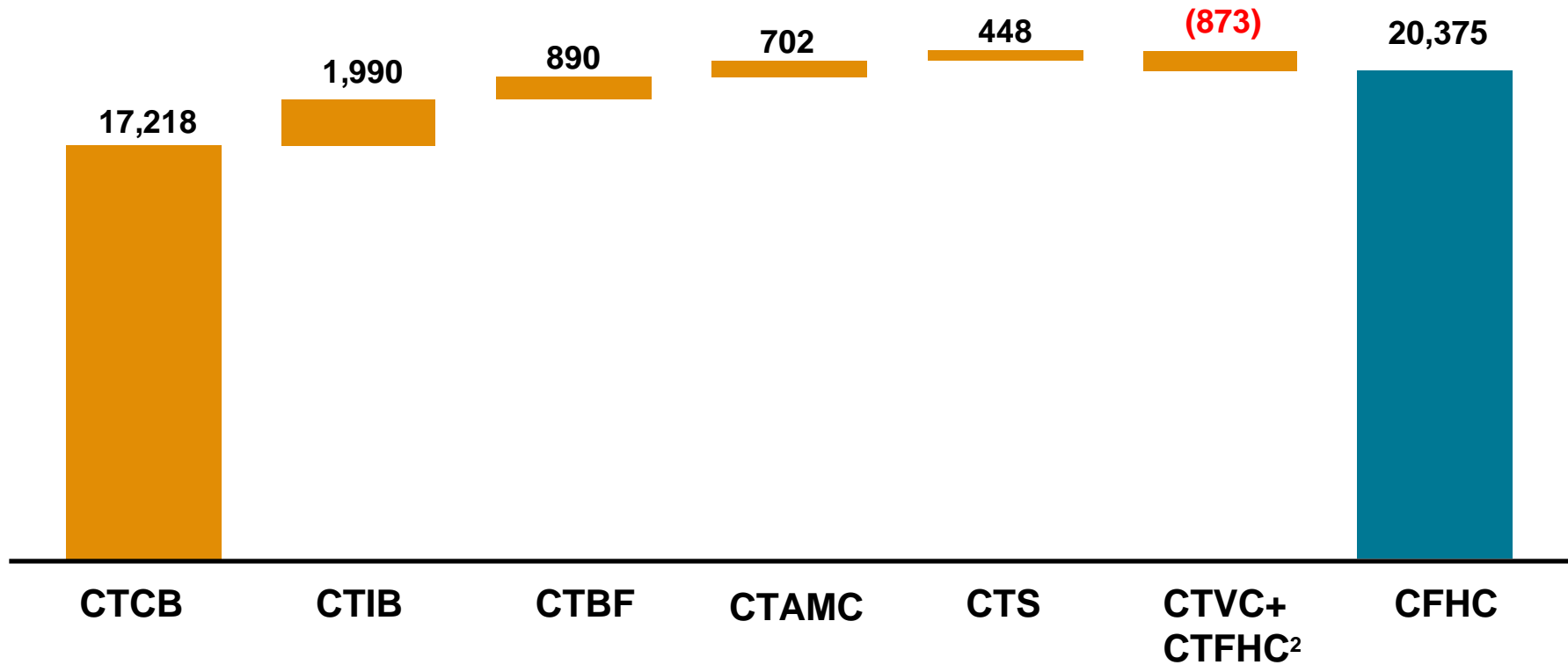
%



1. 2002, 2003 and 2004 EPS in the chart are retroactively adjusted for stock dividend payout in 2003-2005, 2004-2005 and 2005 respectively.
2. 2002 numbers are pro forma numbers assuming CFHC was formed at the beginning of the year.
3. 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.
4. 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.
5. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

CFHC's profit breakdown by legal entity in 2005

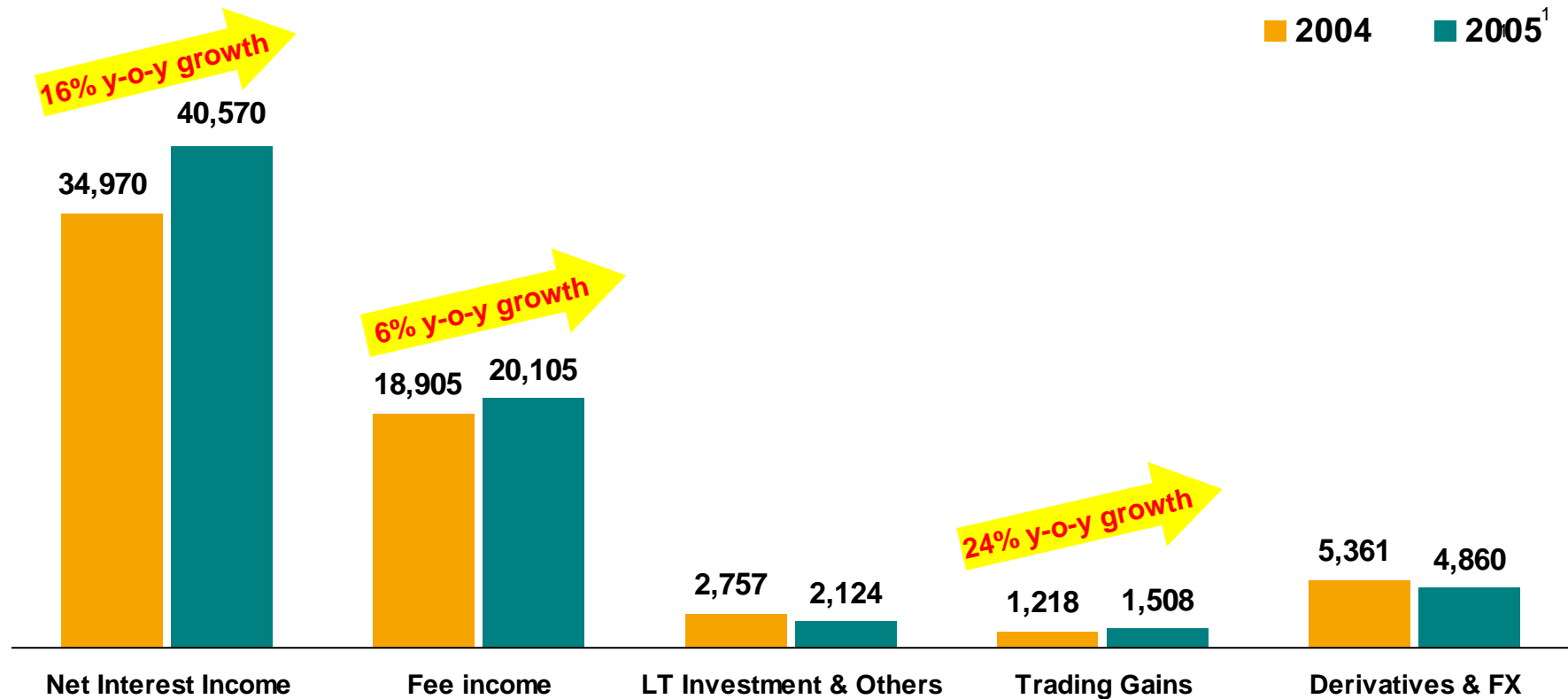
Chinatrust FHC pre-tax profit for year 2005¹
NT\$ mm



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

Increased revenue was mainly attributable to growth in core business in 2005

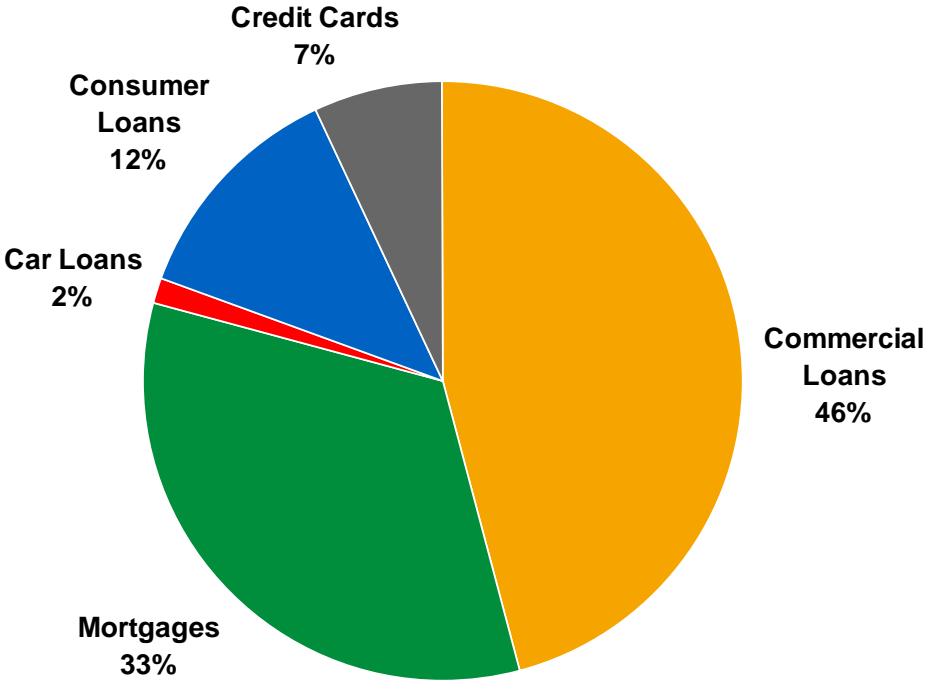
Revenue Breakdown
NT\$ mm



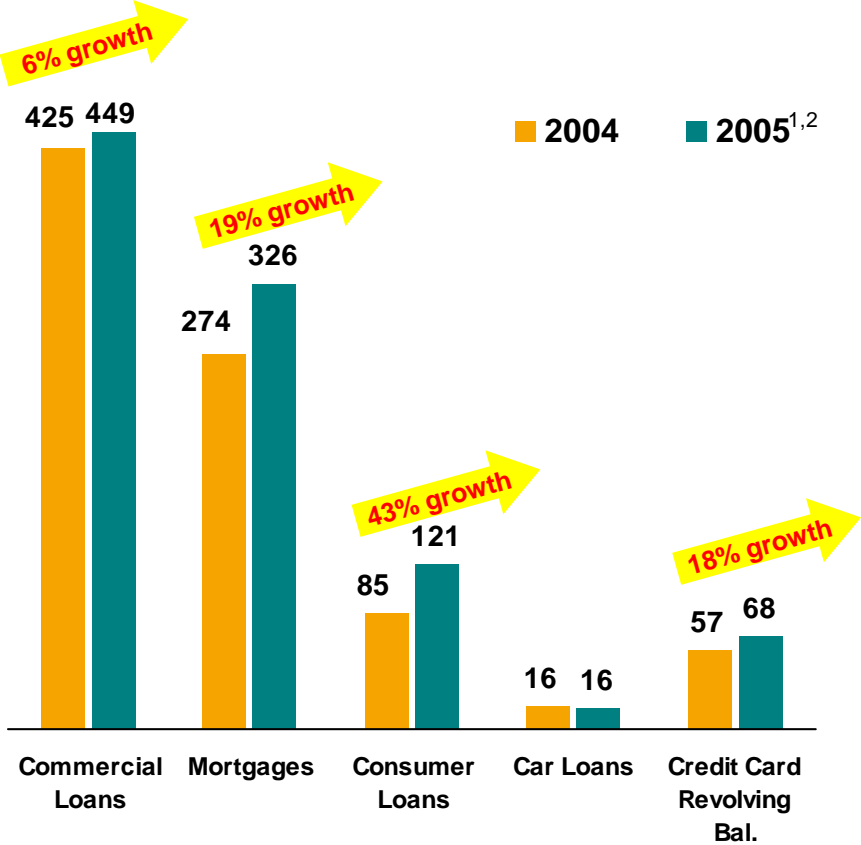
1. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

Sustainable loan growth with unsecured personal loans represent less than 20% of total portfolio

Loan breakdown (incl. credit card revolving balances) as of Dec. 2005^{1,2}
%



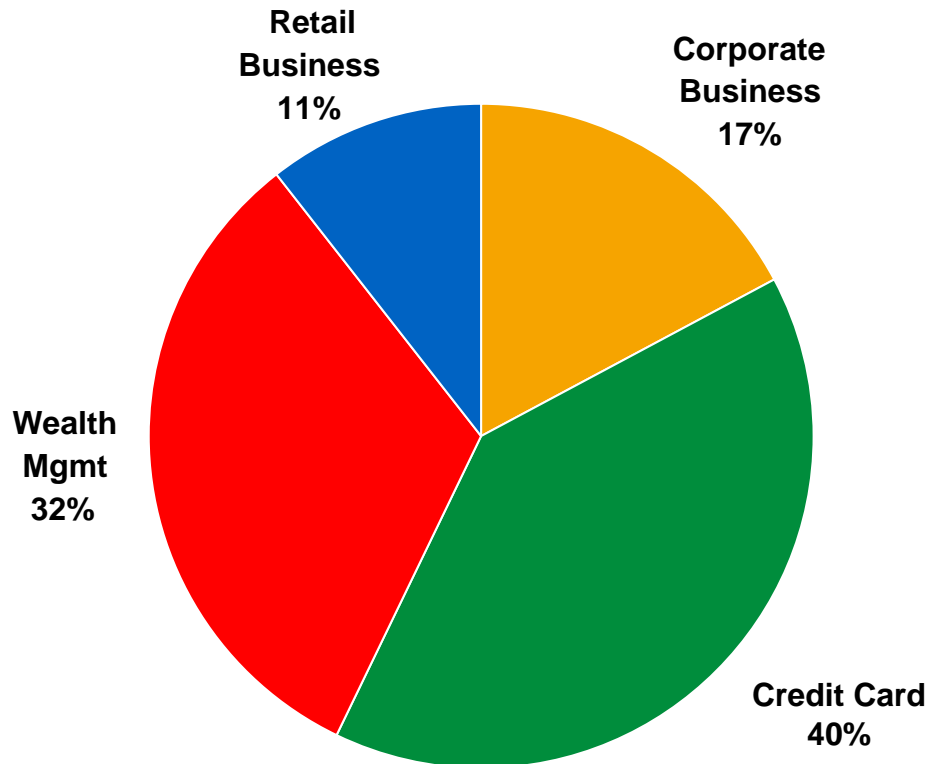
YTD loan growth
%, NT\$ bn



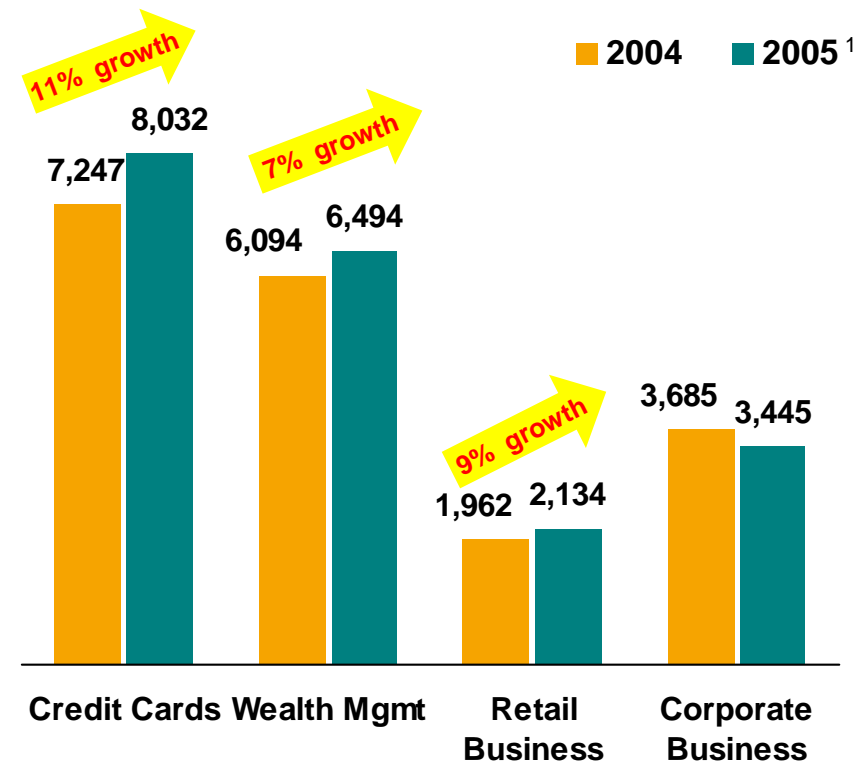
Note: These are CTCB's numbers and are presented on a consolidated basis.
 1. These numbers exclude non-accrual loans.
 2. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

Fee income to total revenue stood stable at approximately 30% in 2005

Fee income breakdown as of Dec. 05¹
%



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

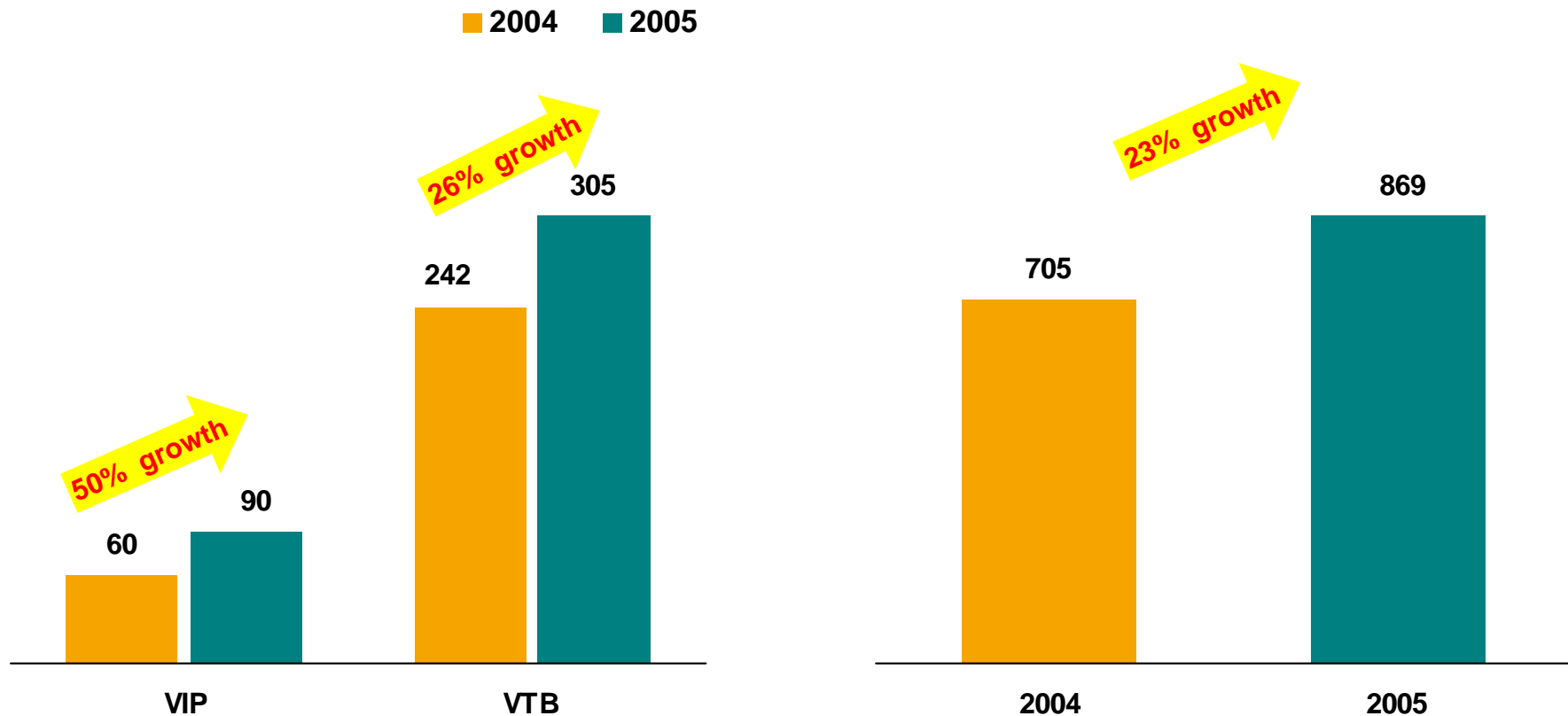


1. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

Growing affluent customers and AUM under wealth management group in 2005

Y-o-Y growth in affluent customer base¹
Unit: thousand

Y-o-Y growth in AUM^{1,2}
NT\$ bn



Note: These numbers are internal data only.

1. VIP are customer with financial assets more than NT\$3mm with the bank and VTB are customers with financial assets more than NT\$0.5 mm.

2. AUM includes customers' deposits, mutual funds, structured products and bacassurance products with the bank.

Outline

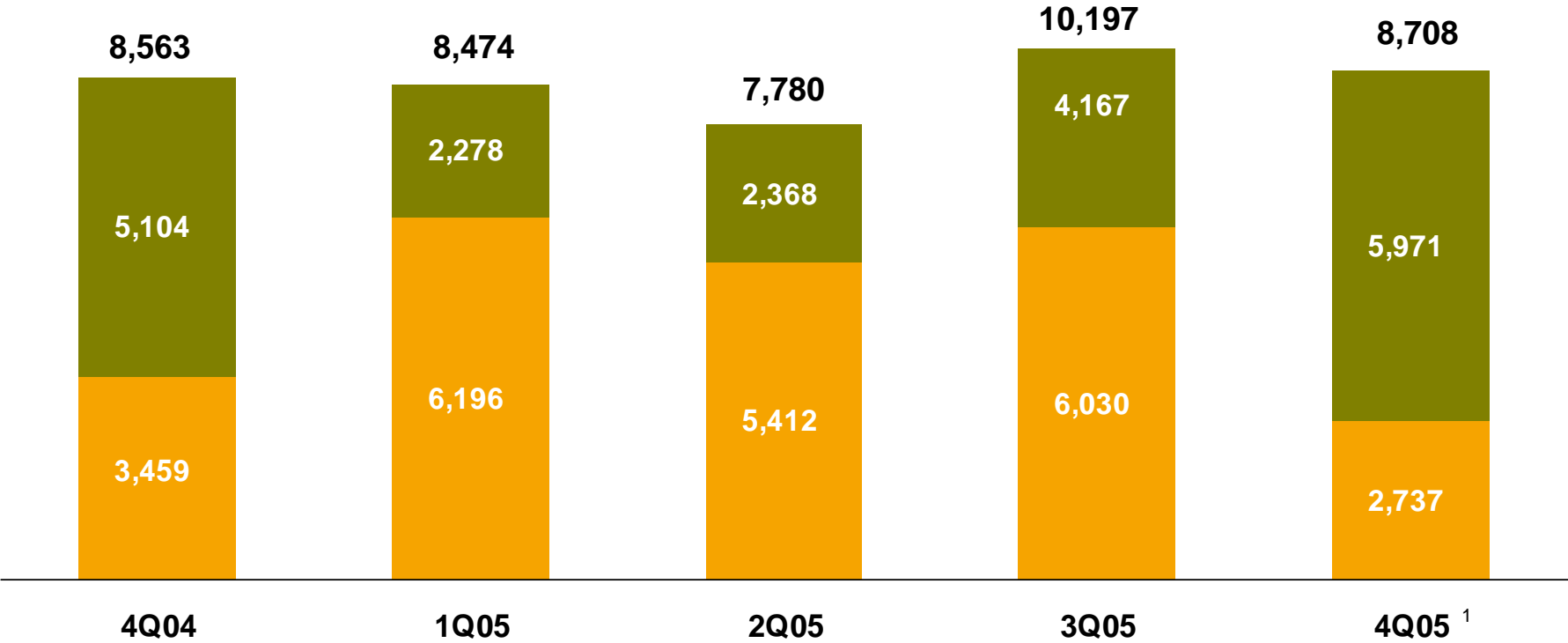
➤ **2005 Financial performance review**

➤ **4Q05 Financial performance review**

Sustainable pre-provision earnings but higher provision charge in 4Q05

Pre-provision profit
NT\$ mm

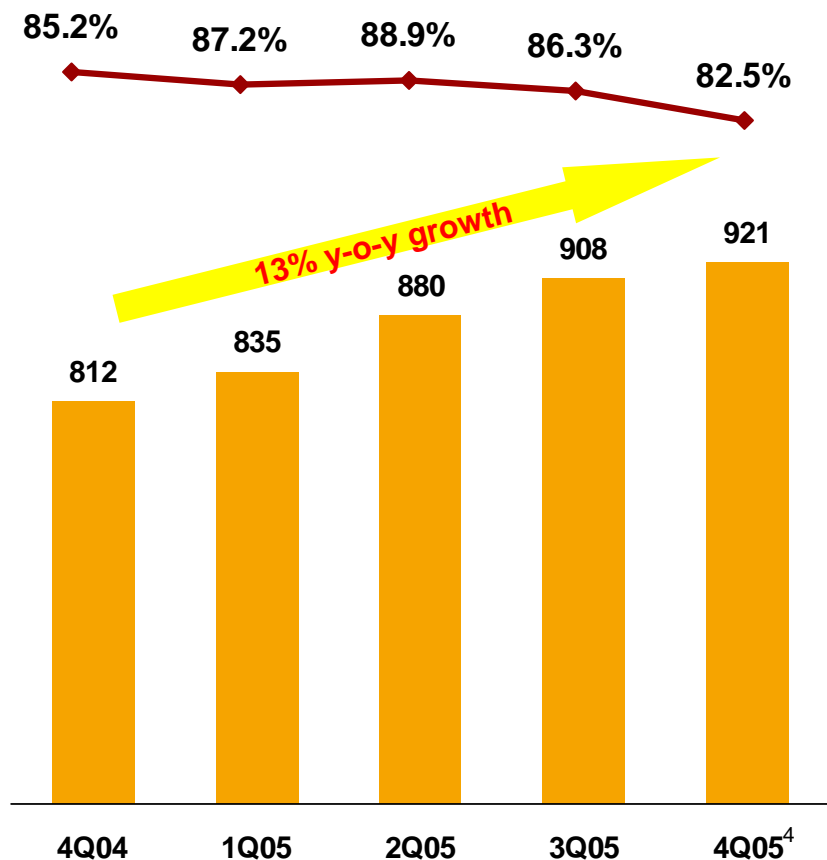
- Provisions
- Pre-tax profit



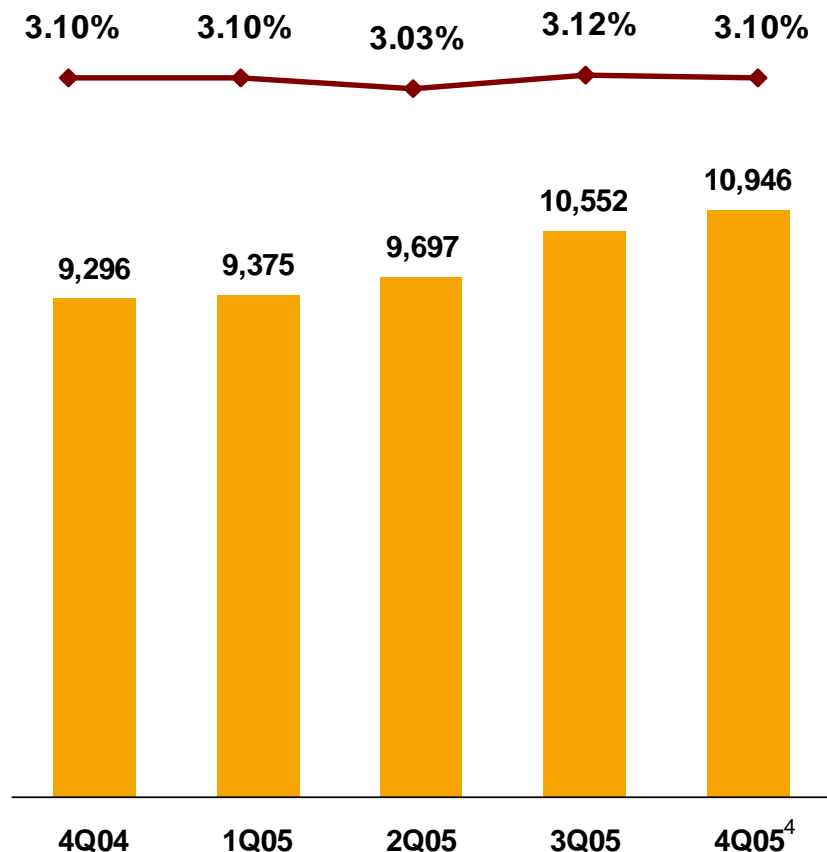
1. 4Q05 numbers are preliminary and have yet to be reviewed by our auditors.

Continuous loan growth and stable NIM was observed for CTCB in 4Q05

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



Quarterly NIM³ & Quarterly NII
%, NT\$ mm



Note: These numbers are presented on a consolidated basis.

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

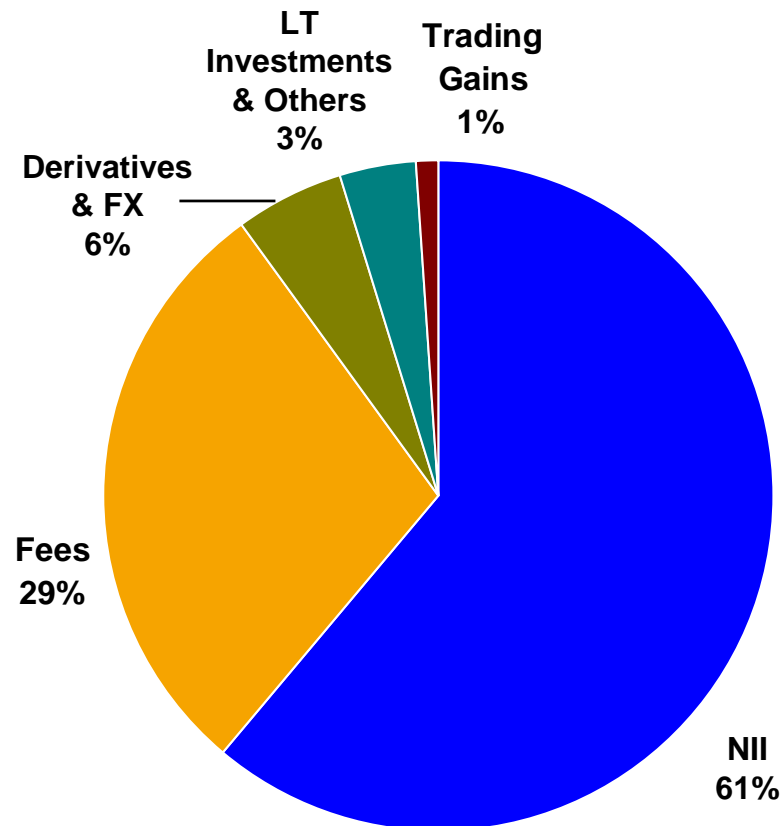
2. Total loans include both performing and non-accrual loans.

3. The quarterly NIMs are internal data only.

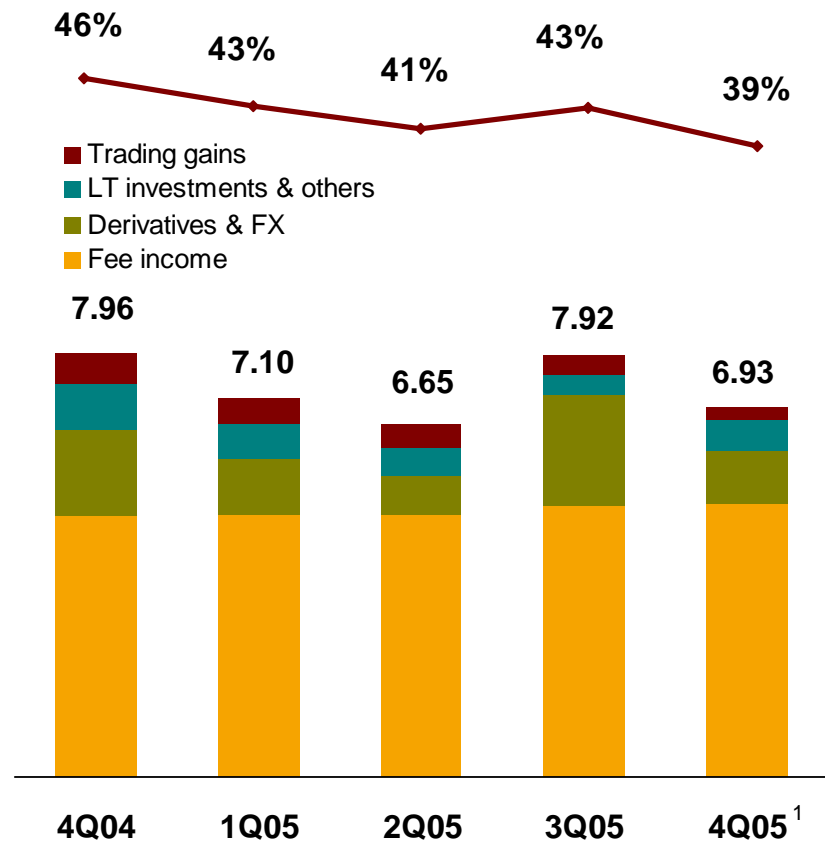
4. 4Q05 numbers are preliminary and have yet to be reviewed by our auditors.

Non-interest income to revenue ratio at 39% in 4Q05 due to lower market related income

Total revenue breakdown for 4Q05¹
%



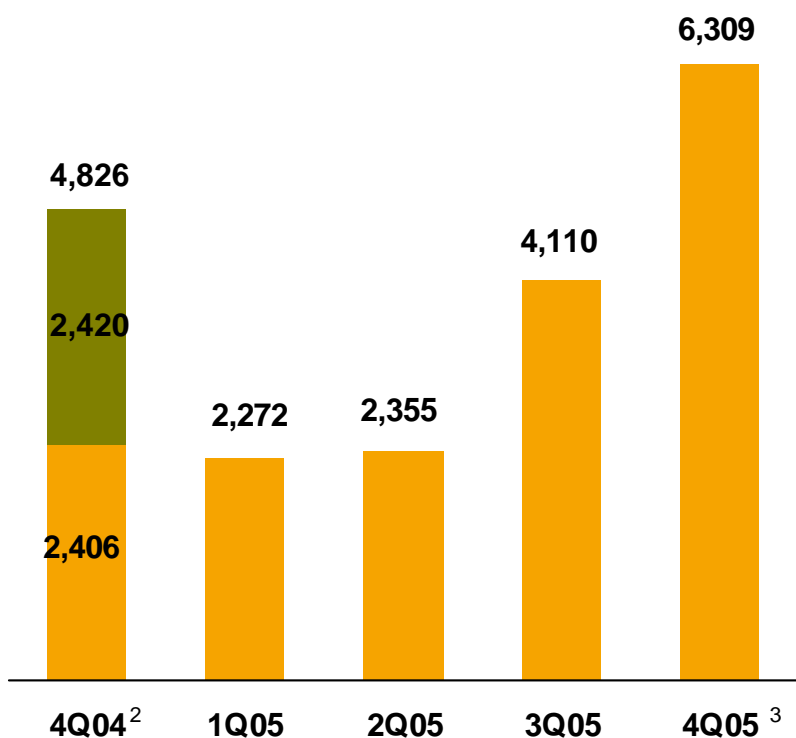
Quarterly non-interest income to total revenue ratios & quarterly total non-interest income
%, NT\$ bn



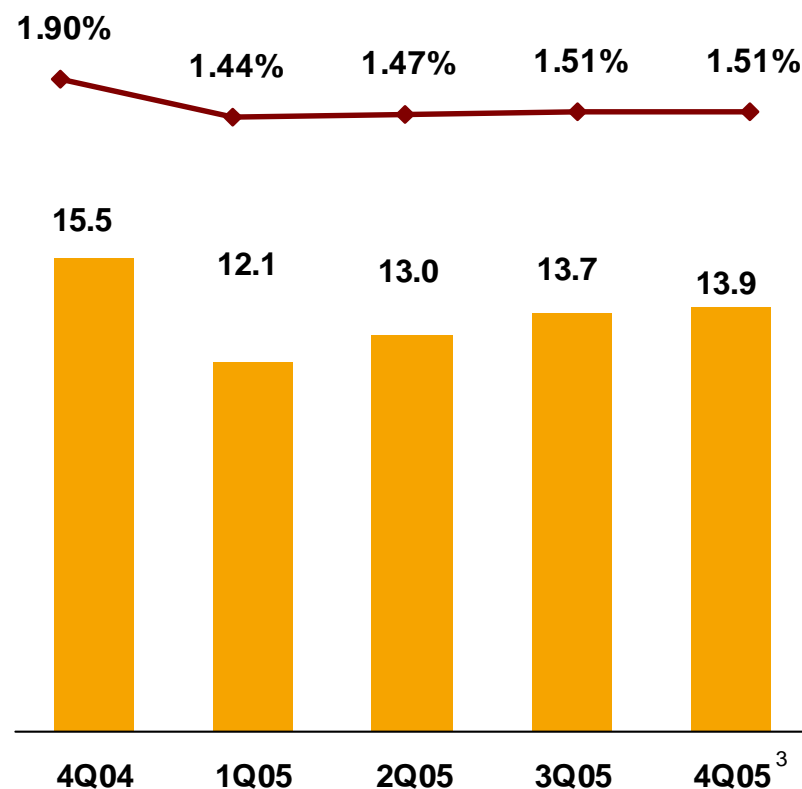
¹. 4Q05 numbers are preliminary and have yet to be reviewed by our auditors.

CTCB's 90-day NPL ratio remained healthy at 1.5%¹

Provisioning expenses
NT\$ mm



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



Note: These numbers are presented 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.

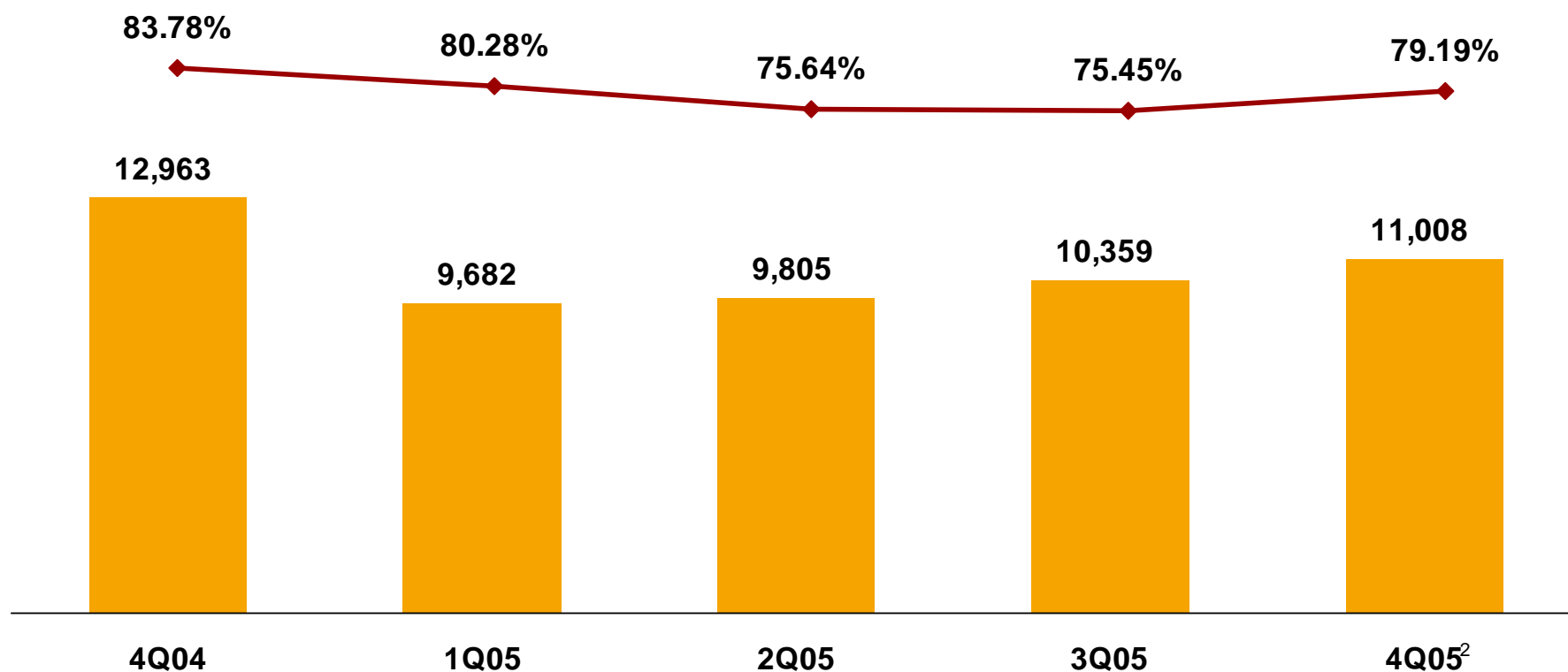
We have not restated the amount of our NPLs prior to July 1, 2005 to reflect the new guidelines.

2. For 4Q04, total provisions are NT\$4,817mm, of which NT\$2,420mm is an one-time additional provision relating primarily to FCC's portfolio.

3. 4Q05 numbers are preliminary and have yet to be reviewed by our auditors.

CTCB's NPL coverage ratio stood superior and well above the industry level at 79%¹

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



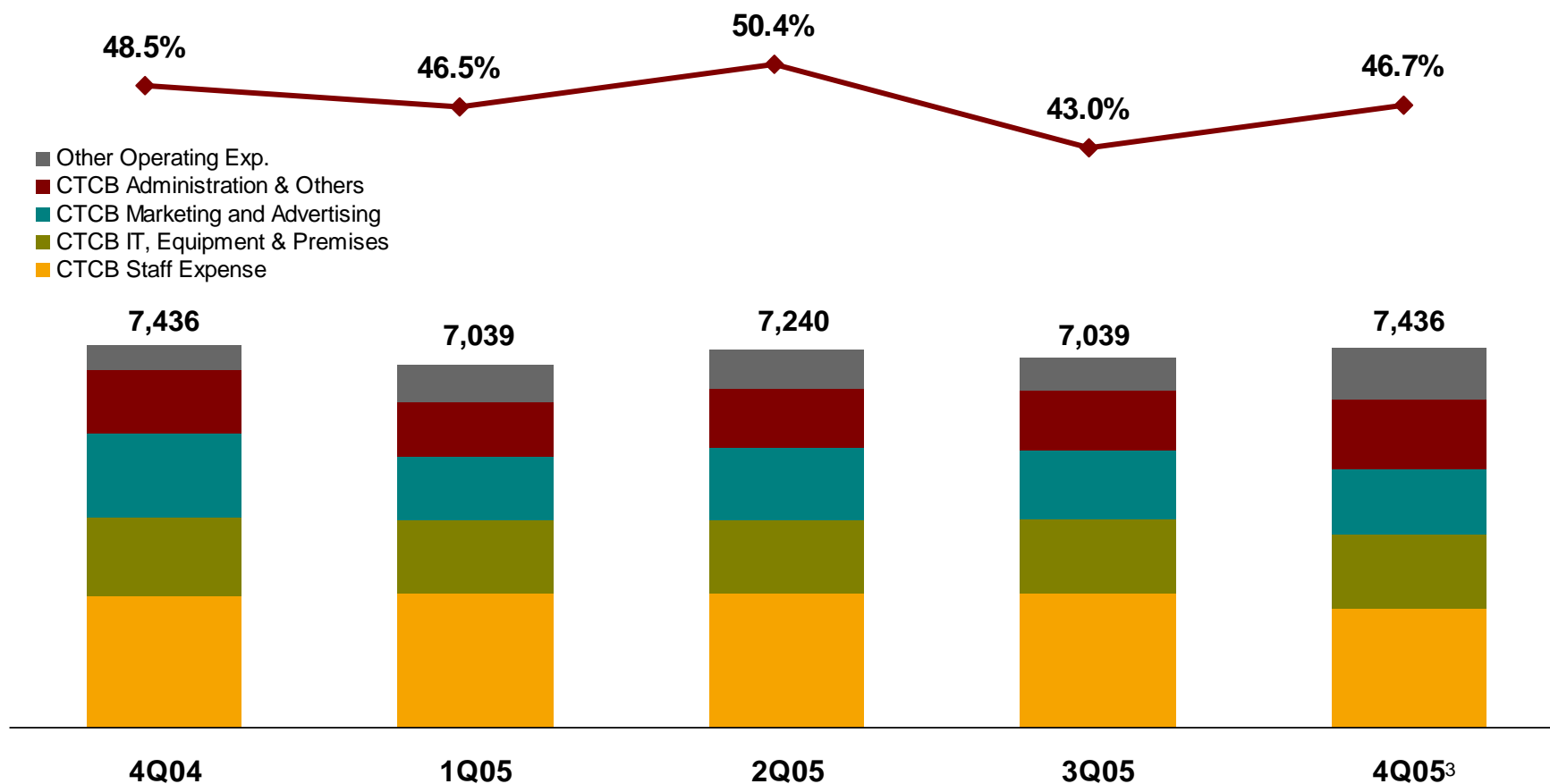
Note: These numbers are presented on a consolidated basis.

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. 2005 numbers are preliminary and have yet to be reviewed by our auditors.

4Q05's efficiency ratio fell within expectation in 4Q05

Quarterly efficiency ratios^{1,2} & 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. Efficiency ratio of 4Q05 is adjusted for a one-time event associated with property transaction. In the absence of this adjustment, the efficiency ratio for 4Q05 is 49.4%.

3. 4Q05 numbers are preliminary and have yet to be reviewed by our auditors

Thank You



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