

Chinatrust FHC

3rd Quarter 2004
Financials Update

October 27, 2004 Investor Relations



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Chinatrust

DISCLAIMER

THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2004 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 OCTOBER 31, 2004.

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CFHC's Financial Results

(NT\$ mm)	3Q04 ¹	2Q04	1Q04
Net interest income	8,961	8,480	8,326
Non-interest income	6,520	5,819	7,730
Operating income	15,481	14,299	16,056
Total non-interest expense	(7,560)	(7,509)	(7,119)
Pre-provision, pre-goodwill profit	7,922	6,790	8,938
Provisions	(1,664)	(1,577)	(3,087)
Goodwill amortization	(239)	(240)	(240)
Pre-tax profit	6,019	4,973	5,611

1. 3Q04's numbers are preliminary numbers.

CFHC's Key Ratios

(%)	3Q04 ¹	2Q04	1Q04	2003 ²
Fee inc. / operating inc.	30.38	33.95	28.74	25.75
Cost-to-income ratio	48.83	52.52	44.33	47.80
ROAA (after – tax) (annualized YTD earnings)	1.30	1.21	1.39	1.54
ROAE (after – tax) (annualized YTD earnings)	19.35	18.63	20.94	19.84
EPS (after-tax) (NT\$) (accumulative)	2.18	1.43	0.82	2.99
CAR ³	119.47	117.35	115.57	124.73

1. 3Q04's numbers are preliminary numbers.

2. 2003's numbers are pro forma numbers excluding the impact of Grand Commercial Bank (GCB).

3. CAR is derived by including Chinatrust outstanding convertible bonds in the calculation. CAR for 3Q04 is as of Aug. 2004.

Balance Sheet as of September 30, 2004¹ of CFHC and its subsidiaries

NT\$ million	CTCB ²	Chinatrust Insurance Brokers	Chinatrust Securities	Chinatrust Bills Finance	Chinatrust Asset Management	Chinatrust Venture Capital	CFHC (consolidated)
Assets:							
Cash and due from banks	87,897	1,228	543	8,638	4,605	405	106,006
Securities, net	214,754	210	9,367	48,320	6,625	874	321,927
Loans, net	719,213	-	-	-	-	-	768,791
A/R, net	135,837	77	161	965	2,499	1	138,724
LT investments, net	19,967	263	4	40	8,813	761	17,278
Land, premises and equipments, net	33,447	3	336	10	-	-	34,519
Others	22,480	11	1,304	149	13	15	27,237
Total assets	1,233,595	1,792	11,715	58,121	22,556	2,057	1,414,482
Liabilities:							
Deposits	954,005	-	-	-	-	-	1,018,616
Other liabilities	188,918	251	6,319	52,191	2,513	2	296,203
Total liabilities	1,142,922	251	6,319	52,191	2,513	2	1,314,818
Minority interests	-	-	-	-	-	-	55
Total stockholders' equity	90,673	1,541	5,396	5,930	20,042	2,055	99,609
Total liabilities and stockholders' equity	1,233,595	1,792	11,715	58,121	22,556	2,057	1,414,482

1. These are preliminary numbers.

2. These are numbers for CTCB on a non-consolidated basis.

P&L of CFHC and its subsidiaries for the nine months ended September 30, 2004¹

NT\$ million	CTCB ²	Chinatrust Insurance Brokers	Chinatrust Securities	Chinatrust Bills Finance	Chinatrust Asset Management	Chinatrust Venture Capital	CFHC (consolidated)
Operating income							
Net interest income	23,282	1	66	591	30	4	25,767
Fee income	12,077	1,543	300	104	-	-	14,171
LT investment income	1,361	-	-	-	-	37	357
Derivatives & FX	3,853	-	265	(57)	(13)	0	4,027
Net trading income/(loss)	285	(84)	96	134	22	19	550
Others	765	3	47	0	0	0	964
Total operating income	41,623	1,464	774	773	39	60	45,837
Operating expenses	(17,887)	(34)	(452)	(87)	(5)	(13)	(20,419)
Misc. fees & others	(618)	-	(41)	(16)	(0)	-	(680)
Business tax	(854)	(73)	(124)	(6)	-	-	(1,089)
Total operating costs	(19,360)	(107)	(617)	(109)	(5)	(13)	(22,187)
Pre-goodwill, pre-provision Profit	22,263	1,356	157	664	33	47	23,649
Goodwill expenses	(719)	-	-	-	-	-	(719)
Pre-provision Profit	21,544	1,356	157	664	33	47	22,930
Credit Loss Provisions, net	(6,246)	-	(7)	8	-	-	(6,327)
Profit Before Income Tax	15,299	1,356	149	672	33	47	16,603
Net Profit After Income Tax	12,210	996	31	598	30	53	12,819

1. These are preliminary numbers.

2. These are numbers for CTCB on a non-consolidated basis.

CTCB's Financial Results¹

(NT\$ mm)	3Q04 ²	2Q04	1Q04
Net interest income	8,073	7,649	7,560
Non-interest income	5,882	5,805	6,653
Operating income	13,955	13,454	14,213
Total non-interest expense	(6,669)	(6,703)	(5,987)
Pre-provision, pre-goodwill profit	7,286	6,751	8,226
Provisions	(1,634)	(1,547)	(3,065)
Goodwill amortization	(240)	(240)	(240)
Pre-tax profit	5,413	4,964	4,922

1. All these numbers are for CTCB on a non-consolidated basis.

2. 3Q04's numbers are preliminary numbers.

CTCB's Key Ratios¹

(%)	3Q04 ²	2Q04	1Q04	2003
Net interest margin ³ (YTD)	2.96	2.91	2.97	3.58
Fee inc. / operating inc.	27.81	32.35	27.04	23.62
Cost-to-income ratio	47.79	49.82	42.12	46.98 ⁴
NPL ratio (broad base)	1.74	1.87	2.29	2.01
CAR ⁵	10.70	10.81	10.80	10.37

1. All these numbers are for CTCB on a non-consolidated basis.

2. 3Q04's numbers are preliminary numbers.

3. NIM for 2003 excludes Repos in the calculation.

4. This number is pro forma number, excluding the impact of GCB.

5. CAR for 3Q04 is as of Aug. 2004.

CTCB's Balance Sheet - Unconsolidated

NT\$ million	Sep. 04 ¹	Jun. 04	Mar. 04	Dec. 2003	Growth (%) Yr -to-Sep.
Assets:					
Cash and due from banks	87,897	80,471	94,243	90,926	-3.33%
Securities, net	214,754	242,279	270,702	167,074	28.54%
Loans, net	719,213	685,626	635,216	630,831	14.01%
A/R, net	135,837	136,956	126,368	121,179	12.10%
LT investments, net	19,967	18,861	18,910	24,442	-18.31%
Land, premises and equipments, net	33,447	33,434	33,428	33,425	0.07%
Others	22,480	25,773	26,564	24,549	-8.43%
Total assets	1,233,595	1,223,399	1,205,432	1,092,425	12.92%
Liabilities:					
Deposits	954,005	915,610	910,445	881,376	8.24%
Other liabilities	188,918	222,571	206,507	127,225	48.49%
Total liabilities	1,142,922	1,138,181	1,116,953	1,008,602	13.32%
Total stockholders' equity	90,673	85,217	88,478	83,823	8.17%
Total liabilities and stockholders' equity	1,233,595	1,223,399	1,205,431	1,092,425	12.92%

1. Sep. 04's numbers are preliminary numbers.

CTCB's P&L - Unconsolidated

NT\$ million	3Q04 ¹	2Q04	1Q04	'04 YTD ²	'03 YTD	Growth (%) y-o-y
Recurring operating income						
Net interest income	8,073	7,649	7,560	23,282	21,216	9.74%
Fee income	3,881	4,353	3,843	12,077	7,875	53.36%
LT investment income	357	353	651	1,361	1,954	-30.32%
Derivatives & FX	1,005	1,406	1,442	3,853	1,564	146.40%
Others	220	219	326	765	320	139.25%
Total recurring operating income	13,536	13,980	13,822	41,338	32,927	25.55%
Non-recurring operating income						
Trading income/(loss) - equity	11	(176)	210	45	1,156	-96.13%
Trading income/(loss) - fixed income	332	264	250	846	1,463	-42.17%
Reversal of allowance for market decline /(unrealized loss) & others	77	(614)	(69)	(606)	(638)	-5.08%
Total non-recurrent operating income	420	(526)	391	285	1,981	-85.61%
Operating revenue	13,955	13,454	14,213	41,623	34,908	19.24%
Non interest expenses						
Operating expenses	(6,206)	(6,209)	(5,472)	(17,887)	(14,502)	23.34%
Misc. fees & others	(187)	(203)	(229)	(618)	(780)	-20.80%
Business tax	(277)	(291)	(286)	(854)	(745)	14.68%
Total non-interest expenses	(6,669)	(6,703)	(5,987)	(19,360)	(16,028)	20.79%
Pre-goodwill, pre-provision profit	7,286	6,751	8,226	22,263	18,880	17.92%
Goodwill expenses	(240)	(240)	(240)	(719)	0	-
Pre-provision profit	7,047	6,511	7,986	21,544	18,880	14.11%
Credit loss provisions, net	(1,634)	(1,547)	(3,065)	(6,246)	(4,990)	25.16%
Net profit before income tax	5,413	4,964	4,922	15,299	13,890	10.14%
Net profit after income tax	4,502	3,611	4,097	12,210	11,155	9.46%

1. 3Q04's and 2004 YTD's numbers are preliminary numbers.

Thank You



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