

# who we are

## Company Profile

Establishment date: May 17, 2002

### History

#### Chinatrust Financial Holding Company

The Chinatrust Financial Holding Company (hereafter the Company or CFHC) was founded on May 17, 2002 to provide integrated services to its customers and to establish an international and multi-faceted financial entity. With Chinatrust Commercial Bank (CTCB) as the flagship organization, Chinatrust Securities Company (Chinatrust Securities) and Chinatrust Insurance Brokers Company (Chinatrust Insurance) were amalgamated into one new organization in the first phase. Thereafter, subsidiaries of CFHC, Chinatrust Venture Capital Corp. (Chinatrust VC) and Chinatrust Asset Management Company (Chinatrust Asset) and Chinatrust Bills Finance Corporation were also included in the Company. The business activities of member companies are divided into two categories based on the types of clients: consumer banking and corporate banking. This integrated matrix structure comprising of both divisions and subsidiaries will enable resource-sharing and cross-selling among each unit. It will also ensure the provision of multi-faceted financial services to customers.

The main objectives of CFHC are:

- To establish Chinatrust Financial Holding Company as a trustworthy financial institution.

- To provide one-stop, comprehensive, financial services to the satisfaction of its customers.
- To be a pioneer in providing new financial products and a bellwether in the financial sector.
- To be the best run Chinese financial institution in the world.

In order to expand its channels and operational scale in banking, CFHC acquired Grand Commercial Bank in December 2003. The swiftness of the integration was unprecedented in the country's financial history: the merger was completed in December 2003 and the acquired bank was fully integrated into CFHC. In July 2004, CTCB, a subsidiary of CFHC, acquired Fengshan Credit Cooperative, successfully laying foundation for the expansion of domestic banking channels. In order to put synergies into effect more rapidly, staff members of Grand Commercial Bank and Fengshan Credit Cooperative, went through intensive in-service training to adapt to the new corporate culture and new business environment.

CFHC will continue to uphold its tenet "to maximize profitability for its shareholders". The company will map out its strategic business plans, strengthen its competitiveness, and provide more convenient business facilities and diversified financial services to its customers to become a leader in the industry as well as the best run Chinese financial institution in the world.

### Credit Ratings

Items	Agency	Credit Rating		Outlook	Additional Notes	Effective Date
		Long Term	Short Term			
International	Moody's	-	-	Stable	Issuer Rate: Baa 1	2004.9.1
	Standard & Poor's	BBB	A-3	Stable	-	2004.11.17
	Fitch	A-	F2	Stable	Individual: B/C Support: 5	2004.10.6
Domestic	Taiwan Rating	twAA-	twA-1	Stable	Credit Worthiness: Very Strong	2004.12.24
	Fitch	AA-(tw)	F1 (tw)	Stable	-	2004.10.6

## Honors Received

Best investor relations by industry among Asian Financial Services Industry	<i>Institutional Investor</i> , June 2004
Top bookrunners of Taiwan syndicated loans	<i>IFR</i> , July 2004

## Chinatrust Commercial Bank

The predecessor of Chinatrust Commercial Bank was China Securities Investment Corporation founded in 1966. Business scope covers deposit, loan, guarantee, foreign exchange, OBU, trust, credit card, debit card, securities, bonds, derivative products, receivable factoring, cash safe, electronic banking etc.

To expand its operating scale, CFHC merged with Grand Commercial Bank in December 2003 and

acquired Fengshan Credit Cooperative in October 2004. Till the end of 2004, CTCB has 111 domestic outlets and 58 overseas outlets, 2,669 domestic ATMs (among them 2,000 are installed in 7-11s). The number of ATMs it owns is much more than the next competitors. Deposit balance reached NTD1.0 trillion and total assets have exceeded NTD1.3 trillion, topping the list of private banks in Taiwan.

## Credit Ratings

Taiwan Ratings	Long Term twAA	Short Term twA-1	Outlook Stable
Moody's	Long Term A3	Short Term Prime-1	Outlook Stable
Fitch Ratings Ltd.	Long Term A	Short Term F1	Outlook Stable
Standard & Poor's	Long Term BBB+	Short Term A-2	Outlook Stable

## Honors Received

Best Foreign Exchange Bank in Taiwan Best Corporate/Institutional Internet Bank in Taiwan Best Consumer Internet Bank in Taiwan	<i>Global Finance</i> , 2004
Best Domestic Commercial Bank in Taiwan The Best Cash Management Bank in Taiwan The Best Domestic FX Bank in Taiwan Best Trade Finance Bank in Taiwan	<i>Asiamoney</i> , 2004
Awards for Excellence 2004 — Best Bank in Taiwan	<i>Euromoney</i>
Bank of the Year 2004 in Taiwan	<i>The Banker</i>
Derivatives and Risk Management House in Taiwan 2004	<i>AsiaRisk</i>
Best Domestic Investment Bank 2004, Taiwan	<i>The Asset</i>



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### Chinatrust Insurance Brokers Company

Chinatrust Insurance Brokers Company was established in February 1996 as a subsidiary of Chinatrust Commercial Bank. Its sales network includes direct mail, electronic marketing, telemarketing, OTC sales and personal sales. Insurance products cover property and casualty insurance and life insurance. Scope of property and casualty insurance includes fire insurance, employer's liability insurance, engineering insurance, motor insurance, fidelity insurance and marine cargo insurance. Scope of life insurance includes group and individual life insurance, injury insurance, health insurance, whole life insurance, endowment insurance, principal amortization insurance and annuity insurance.

In response to the trend of liberalization and globalization of financial services, Chinatrust Insurance Brokers Company actively forms alliance with other insurance companies, integrating and improving professional insurance capabilities. Using multi-faceted risk management and a platform of insurance products, the company provides a series of service products, such as banking, bills and securities trading, to fulfill the company's obligation in offering the best finance management services to the customers.

### Chinatrust Securities Company

Chinatrust Securities Company is a comprehensive securities company. Besides assisting institutional clients in raising funds from the capital markets, Chinatrust Securities is also actively developing its brokerage and futures businesses in order to offer its clients a full dimension of securities services.

The underwriting business of Chinatrust Securities consists mainly of two areas: one is consulting services to companies in preparation for Initial Public Offerings (IPO) on the Taiwan Stock Exchange (TSE) or Over-The-

Counter (OTC) trading, and the other is corporate finance services to OTC companies seeking capital market financing. For IPO consulting services, Chinatrust Securities assists its clients in specialized areas such as public offering, audit and evaluation of internal control, capital and governance structure planning, transfer agent planning as well as underwriting of the initial publicly offered shares. In addition, Chinatrust Securities helps its clients switching from OTC to TSE, mergers for companies listed on the TSE and OTC, and recommendations on emerging stocks. On the corporate finance front, Chinatrust Securities provides planning and underwriting services for capital markets financing, shareholding dilution, and mergers through instruments including cash capital financing of common and preferred stocks, secondary public offering of shares, issuing of convertible corporate bonds or corporate bonds with warrants according to the investment plan or capital requirements of the listed companies.

On its own operational front, Chinatrust Securities is actively engaged in various trading businesses relating to warrants and derivative products besides operations concerning stocks, bonds and futures products. The company also expects to provide customized derivative products of well-rounded financial services.

In addition to the headquarters, the company currently has 6 branch offices providing brokerage services of the securities and futures listed on TSE, OTC, and Taiwan Futures Exchange. The 6 branch offices include Chung-Hsiao, Chi-Hsien, Ching-Nien, Yung-Kang, Wen-Hsing, and Hsinchu. In May 2003, Chinatrust Securities officially began its electronic trading services. It is the company's hope that through various channels including Internet and telephone, clients would be able to place orders in a safer and more comfortable trading environment.

### Credit Ratings

Fitch Ratings Ltd.	Long Term BBB+	Short Term F2	Outlook Stable
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## Honors Received

Top bookrunners of NTD bonds	<i>IFR</i> , July 2004
2004 Taiwan Bond House	<i>IFR</i>

### Chinatrust Venture Capital Corp.

Founded in March, 2003, Chinatrust Venture Capital Corp. is CFHC's first venture capital investment company. Its investment mainly goes to industries such as information technology, telecommunications, biochemistry and healthcare. Special emphasis has been placed on high payback and high risk start-up enterprise investments. Leveraging on Chinatrust's vast client base and marketing professionals, Chinatrust Venture Capital Corp. aims to provide corporate customers with a total solution for company development and be their valued partner for venture capital at the same time.

### Chinatrust Asset Management Company

Chinatrust Asset Management Company was established in May, 2003. The main business objective of this company is to capture potential business opportunities from restructuring of the vast amount of non-performing assets resulting from Taiwan's continuing financial reform. Its operations include acquisitions of financial bad debts from financial institutions as well as management and processing of financial debt assets for financial institutions. With its expertise in credit granting and loans collection and other related areas, Chinatrust Asset Management Company focuses on strengthening its position in the domestic NPL/non-performing assets market through strategic alliances with world-renowned business institutions.

In 2005, in addition to committing more investment in restructuring NPL related businesses in collabo-

ration with various high-profile foreign business institutions, Chinatrust Asset will participate in handling NPLs and to proactively help the disposal of the bad assets of the group. In order to promptly react to the trend of globalization and international financing, and to further develop its international businesses, Chinatrust Asset Management Company will participate in NPL restructuring projects both domestically and offshore in 2005. Apart from conforming to domestic financial reform policies, Chinatrust Asset Management Company also expects to acquire additional expertise in managing NPL from its global counterparts in order to enhance its business acumen and professionalism.

### Chinatrust Bills Finance Corporation

Chinatrust Bills Finance Corporation was founded in 1995 to cooperate with the government in energizing the market, assist enterprises, and help the public with use of short-term funding. Its main categories of business include brokerage and proprietary trading of short-term bills, underwriting, certification, guarantee and endorsement of commercial paper, and proprietary trading of government bonds. In March 2004, Chinatrust Bills Finance became a member of Chinatrust Financial Holding Company. In the future, Chinatrust Bills Finance will do its best to expand customer base of bill trading and launch various new types of business in order to achieve the goals of operating as a whole and sustainable operation as well as becoming a professional bill trading house.

## Credit Ratings

Fitch Ratings Ltd.	Long Term A-	Short Term F2	Outlook Stable
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