



Chinatrust Financial Holding Company

Analyst Meeting

August 2004





Outline

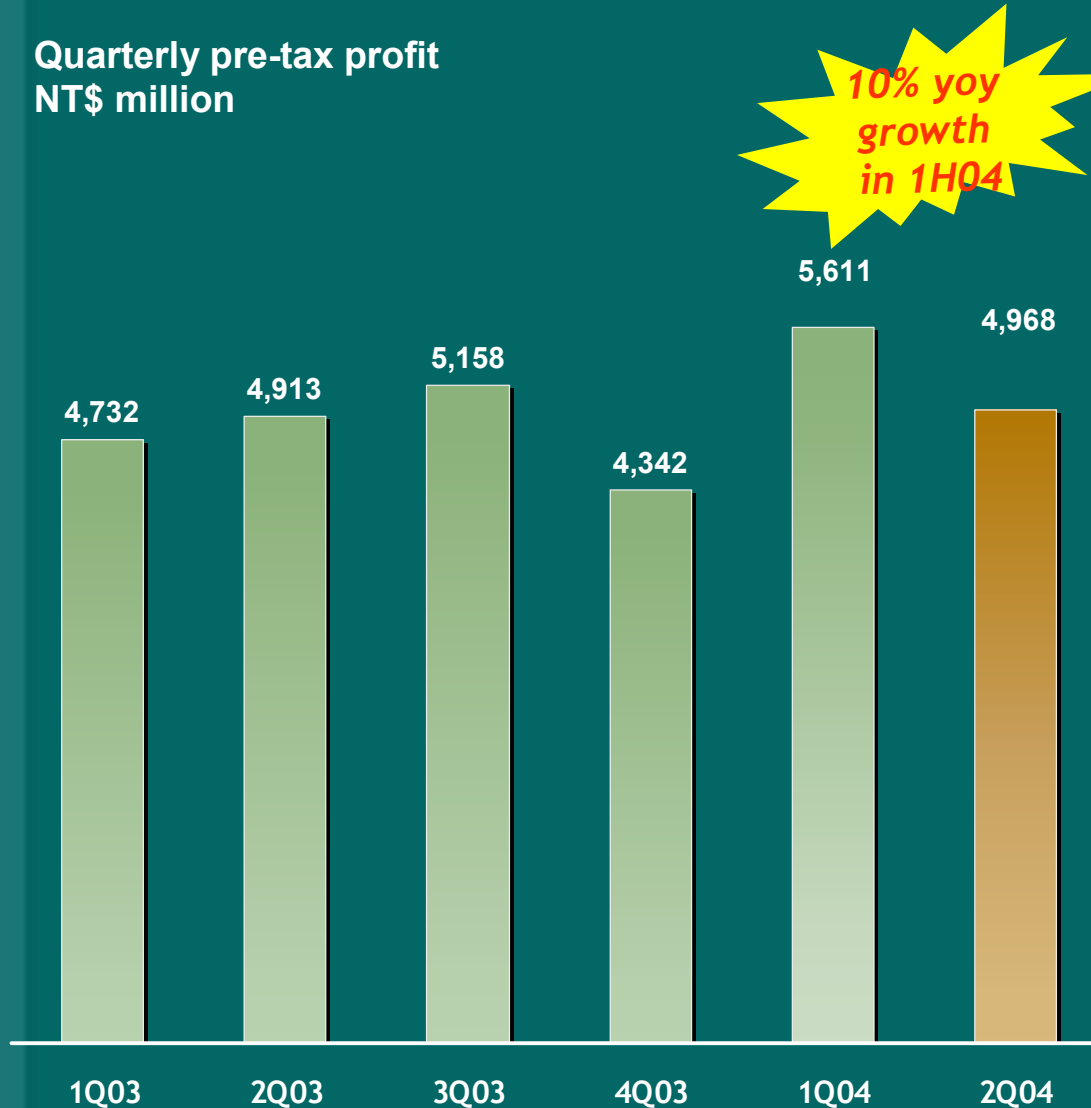
Financial review of 1H04

Non-financial Update

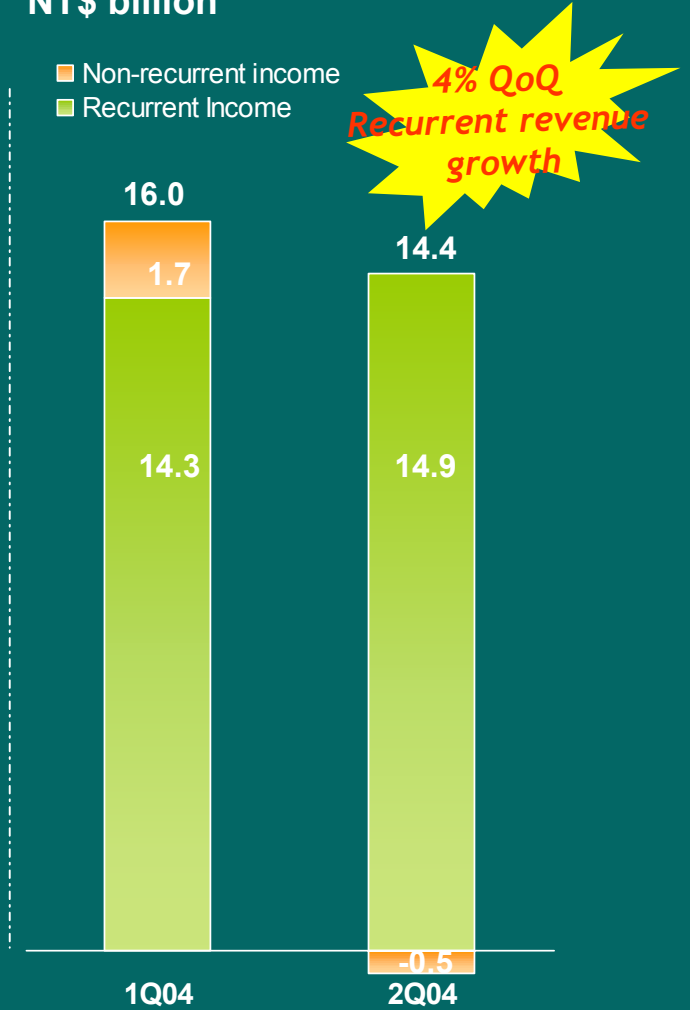


CFHC reported a 10% yoy growth in pre-tax profit in 1H04

Quarterly pre-tax profit
NT\$ million



Quarterly revenue breakdown
NT\$ billion



* Profits for 2003 are pro forma numbers excluding the one-time adjustment in relation to GCB merger.

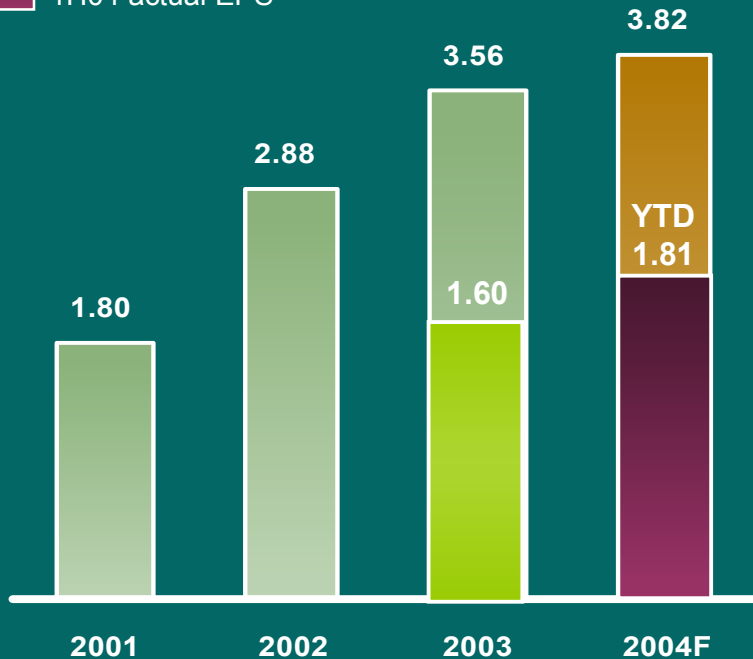
** 2Q04's numbers are preliminary numbers.



Continuous delivery of consistent earning results

Earning per share* (pre tax)
NT\$

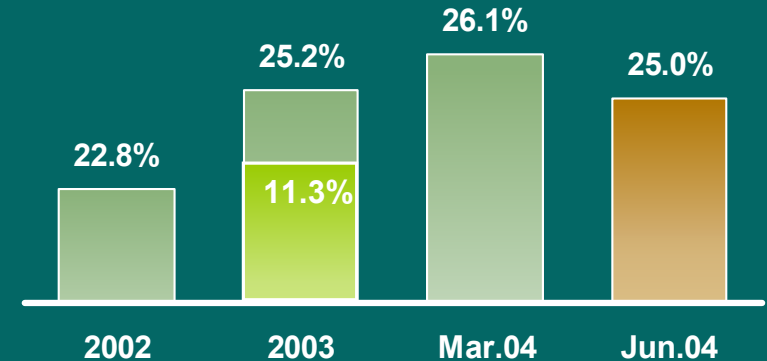
CFHC reported EPS
1H04 actual EPS



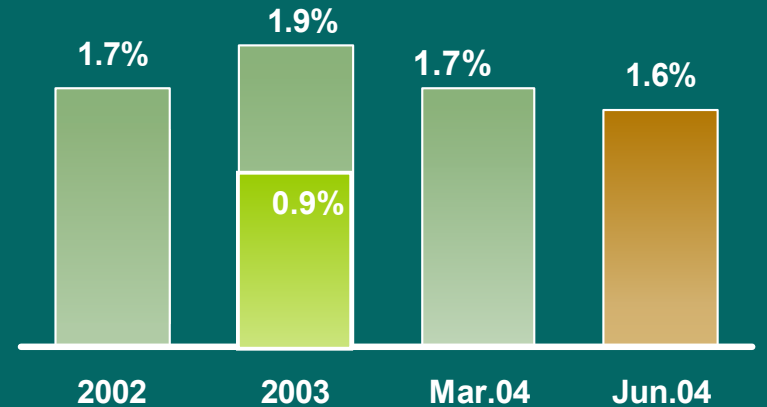
Reported EPS

| | | | |
|------|------|------|------|
| 2.13 | 3.42 | 3.80 | 3.82 |
| | | 1.70 | 1.92 |

ROAE (pre tax)
%



ROAA (pre tax)
%



*All EPS in the chart are based on retroactively adjusted weighted average number of common shares outstanding in 2004F.

**2001 and 2002's numbers are pro forma numbers assuming CFHC was formed at the beginning of the year.

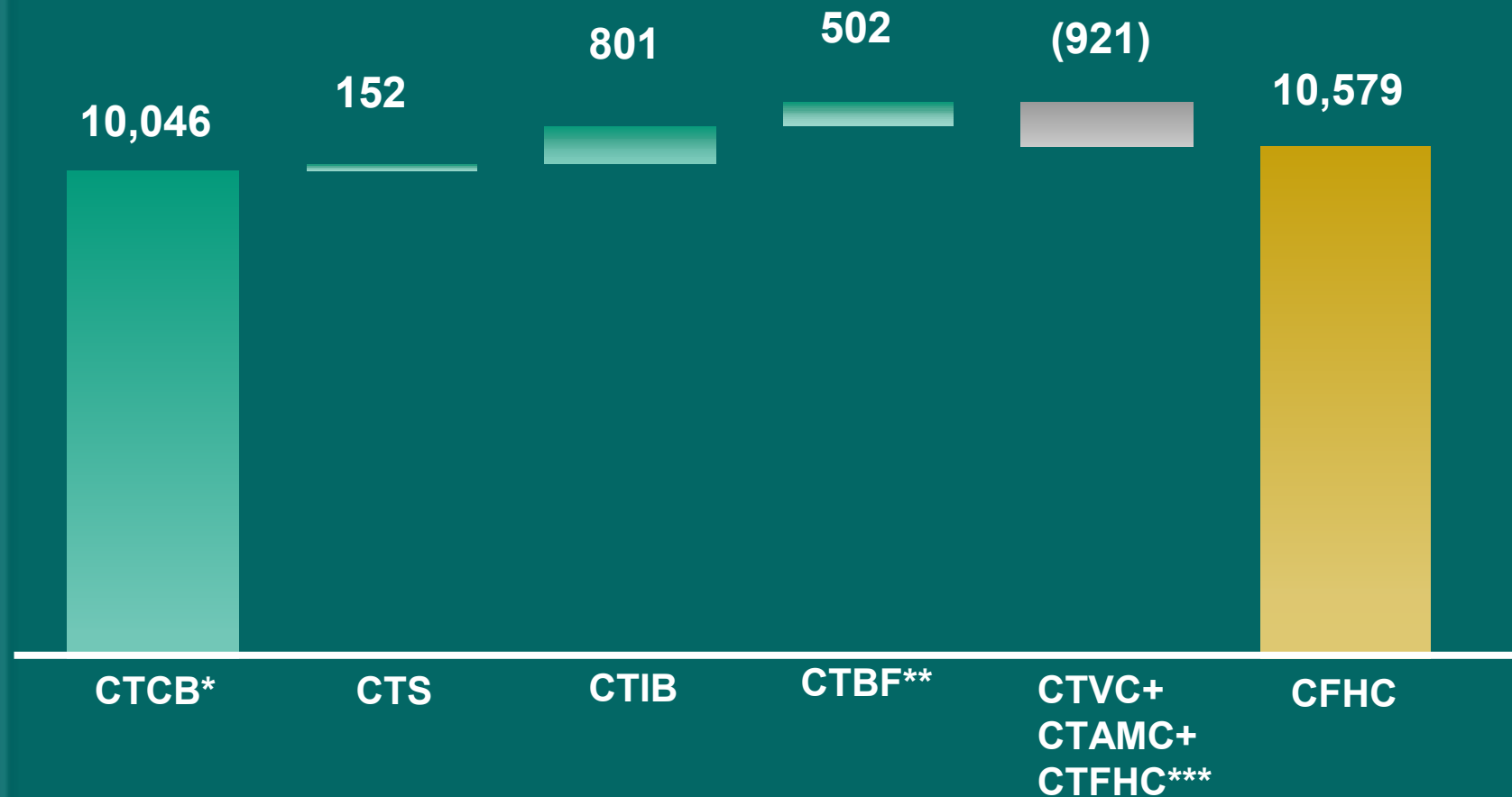
***2003's numbers are both numbers including the GCB merger impact (short bar) and excluding the GCB merger impact (tall bar).

**** 2Q04's numbers are preliminary numbers



CTCB remained the major contributor under the bank-centric business model

Chinatrust FHC 1H04 pre-tax income (consolidated)
NT\$ million



* CTCB's pro forma profit excluding CTBF's earnings for Jan-Feb 2004.

** CTBF's profit for Jan - Jun 2004.

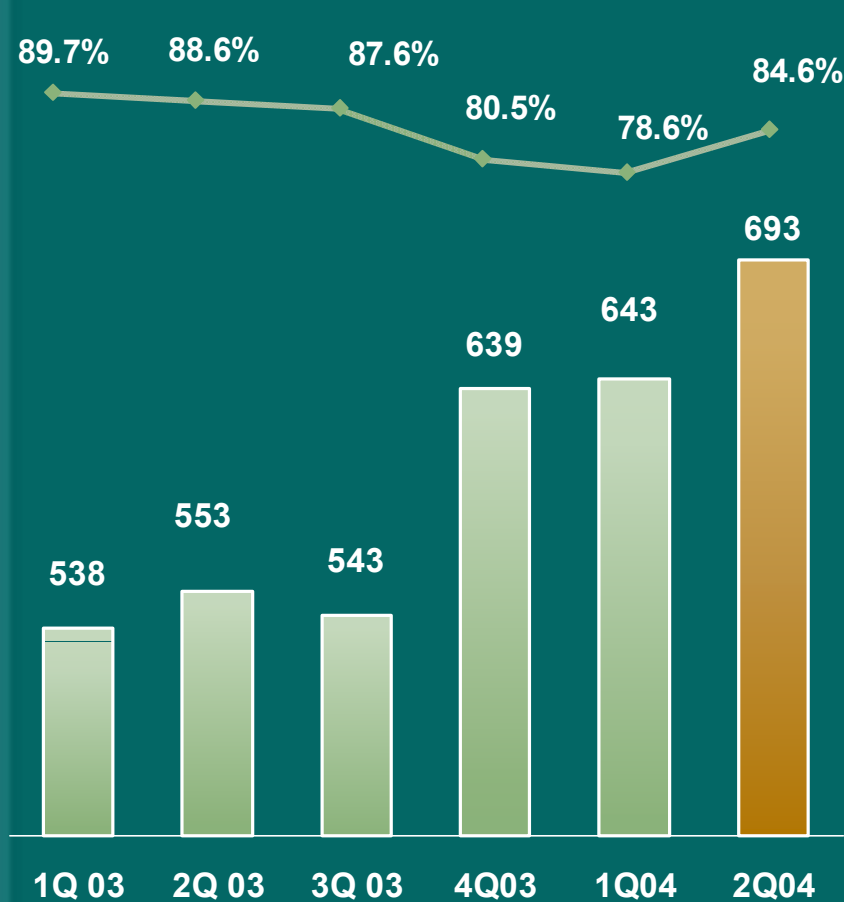
***CTFHC's profit on a standalone basis.

****These numbers are preliminary numbers.

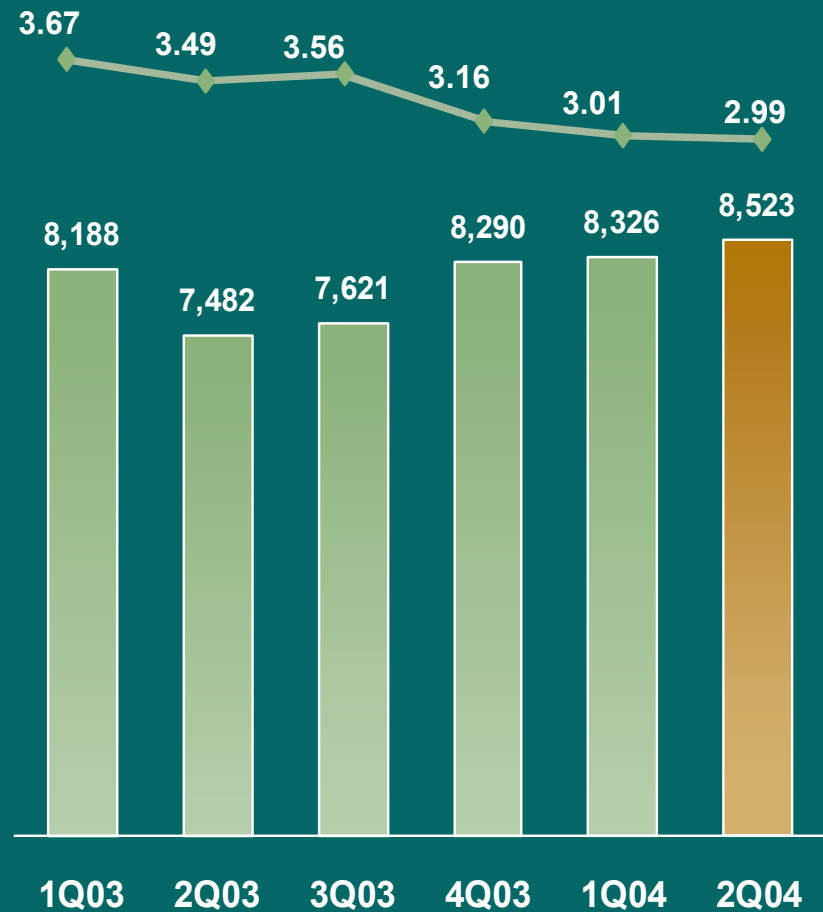


Strong loan growth momentum led to increased NII

Total loans & LDR
NT\$ billion, %



NII* & NIM
NT\$ million, %



*NII of CFHC.

**NIM are monthly numbers for CTCB. 2004's numbers are derived by removing the impact of Repos.

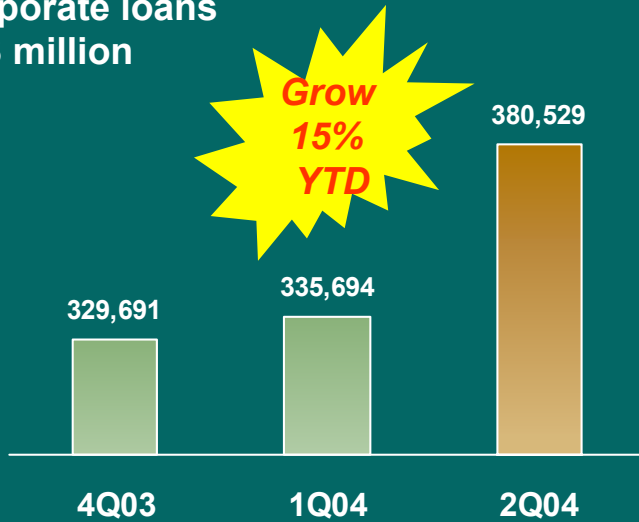
***Total loans of CTCB, which include performing and non-accrual loans.

*** When deriving CTCB's LDR, credit card account receivables are included in the calculation.

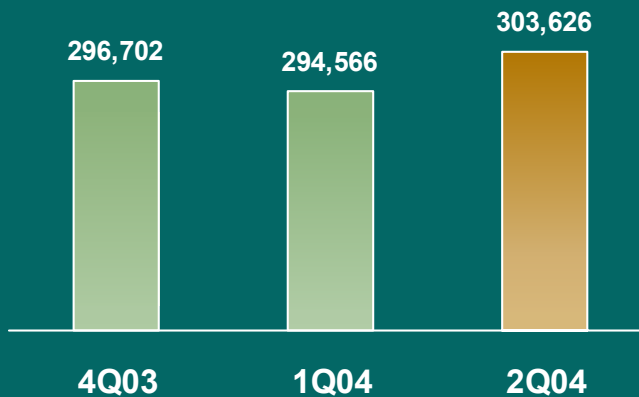


Robust corporate loan growth of 15% plus, YTD

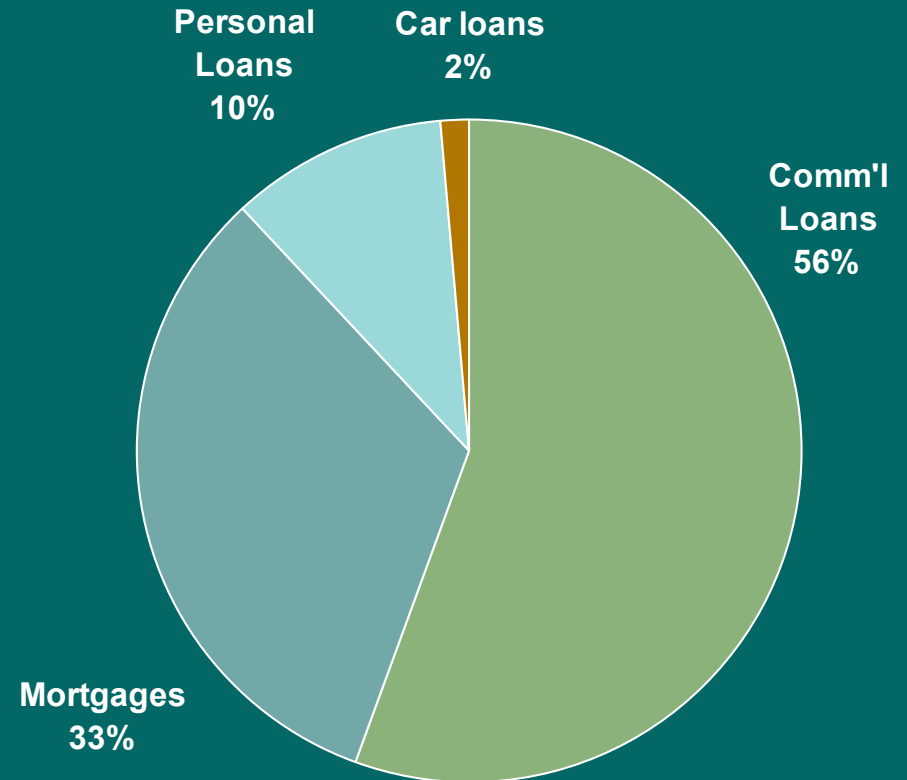
Corporate loans
NT\$ million



Retail loans
NT\$ million



Loan breakdown as of June. 04
%

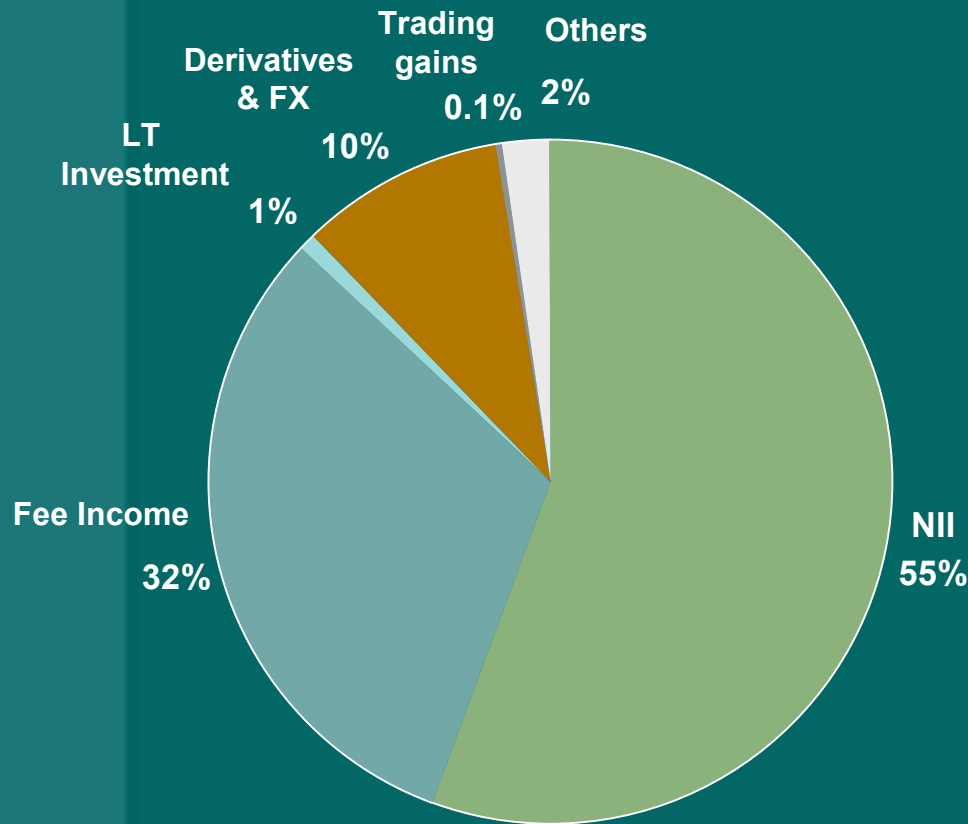


* This is loan breakdown of performing loans only

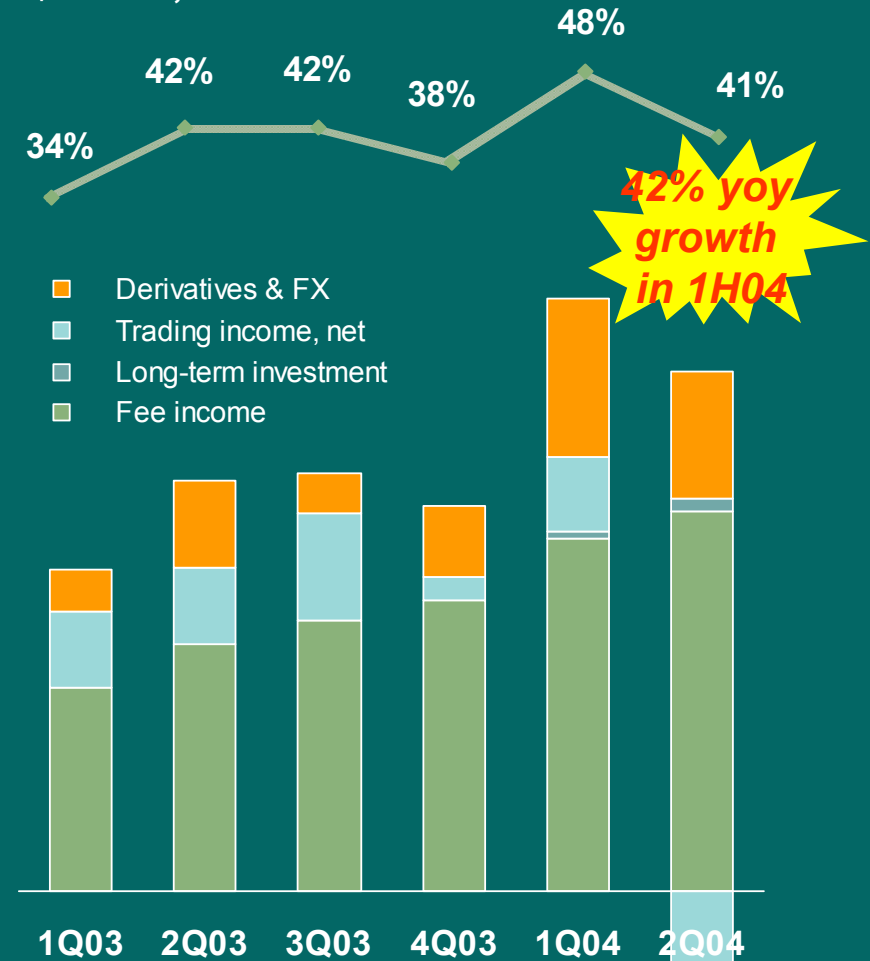


Total non-interest income remained high amid weak equity market

Total Revenue breakdown as of Jun. 04
%



Total non-interest income v.s. Non-interest inc. / total operating inc.
NT\$million, %

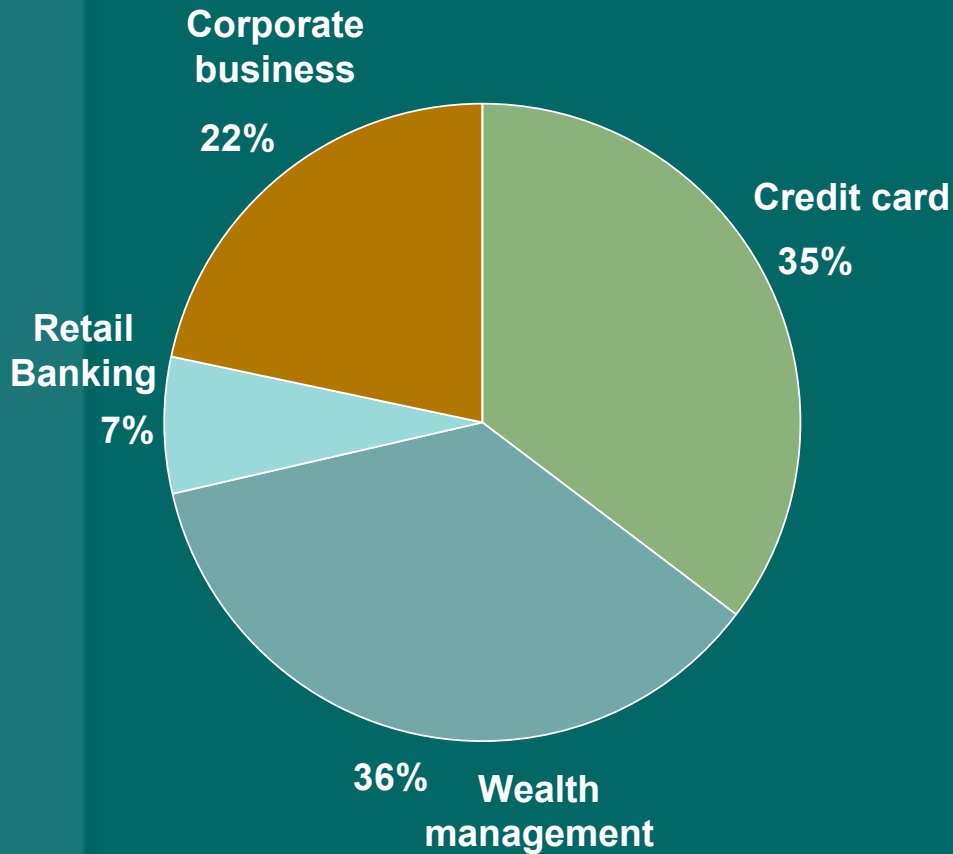


*2Q04's numbers are preliminary numbers.



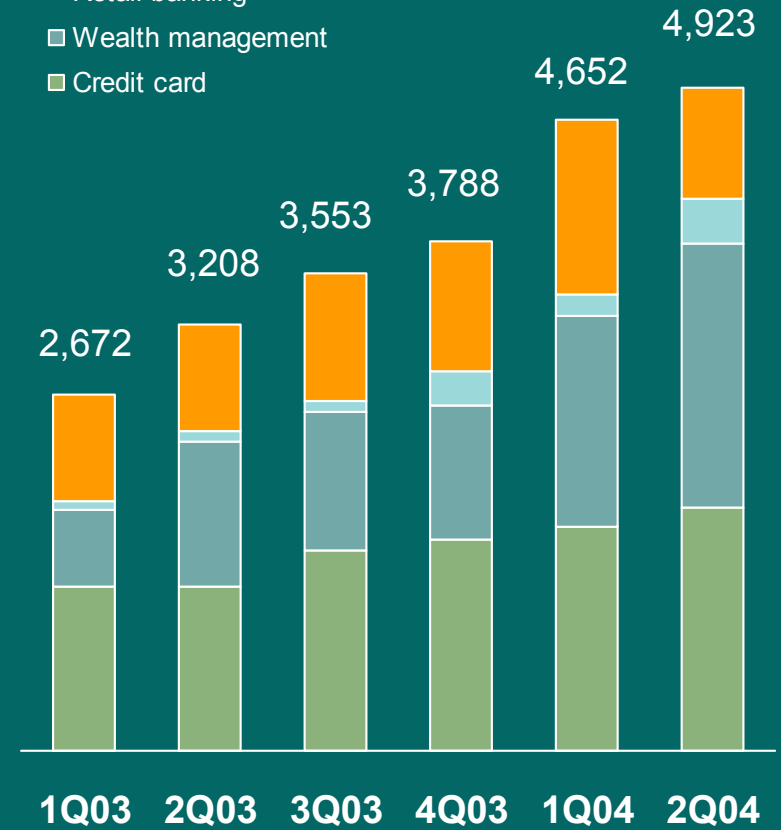
Fee income to total operating income hit 35% in 2Q04

Fee income breakdown as of June 2004
%



Total fee income
NT\$ million

- Corporate business
- Retail banking
- Wealth management
- Credit card

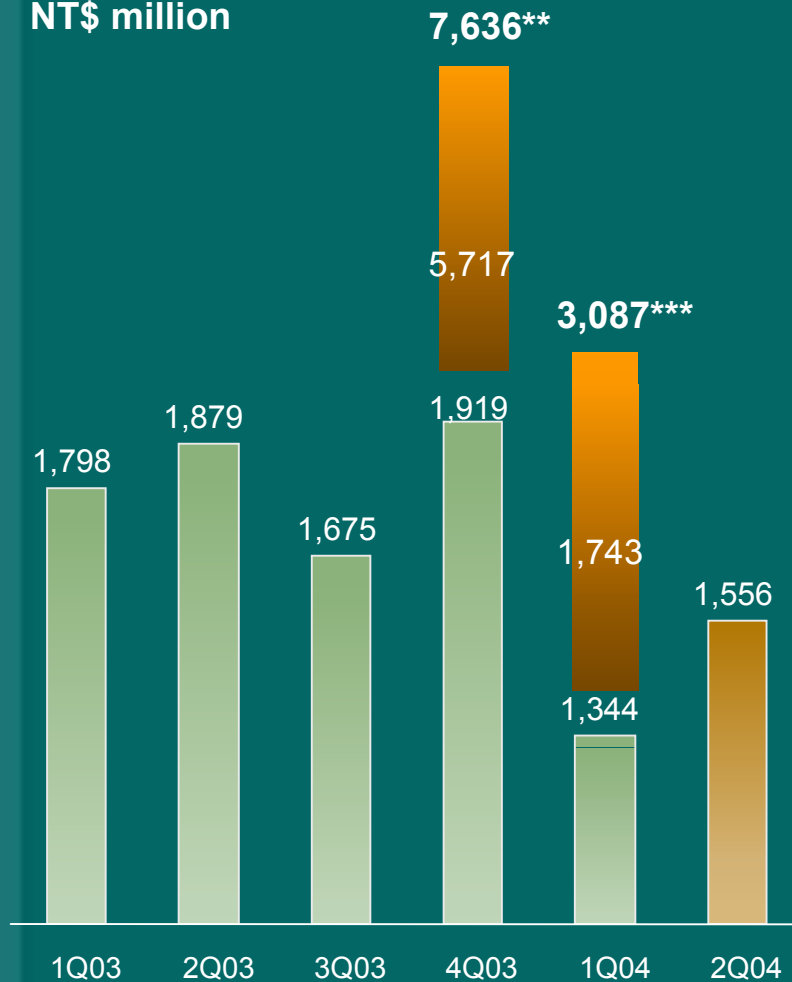


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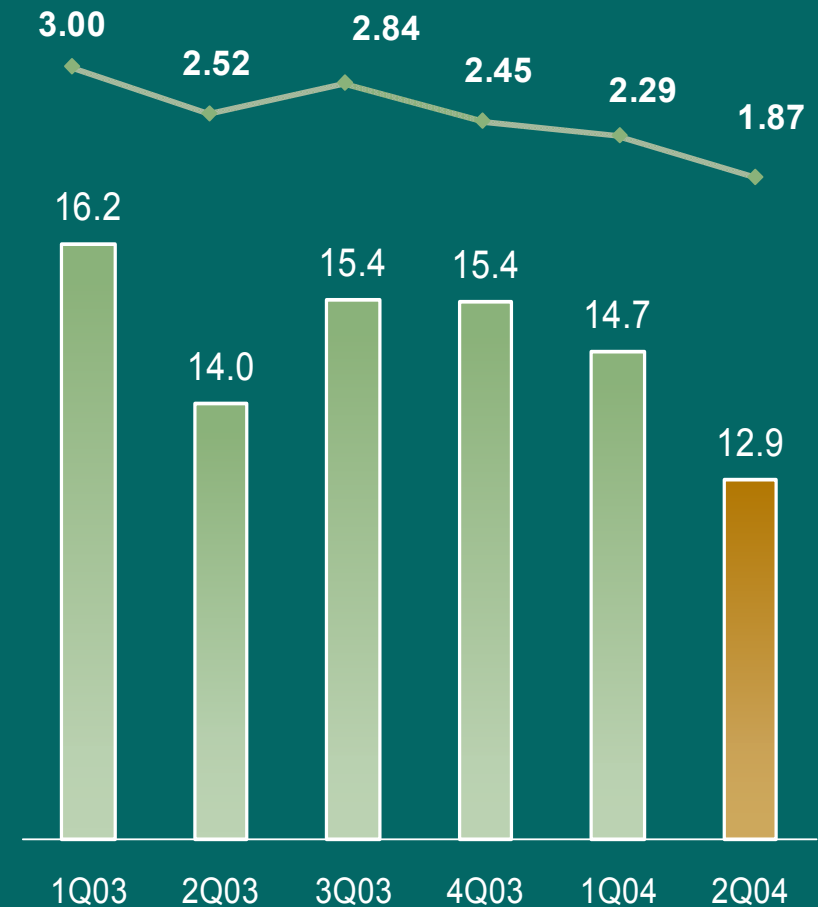


Strong asset quality with broad base NPL cut down to 1.87%

Provisioning expenses*
NT\$ million



NPL (incl. loans under surveillance) & NPL ratios
NT\$ billion, %



*These are provision changes of CFHC.

**For 4Q03, total provision charge is NT\$7,636 mm if including GCB or NT\$1,919 mm if excluding GCB

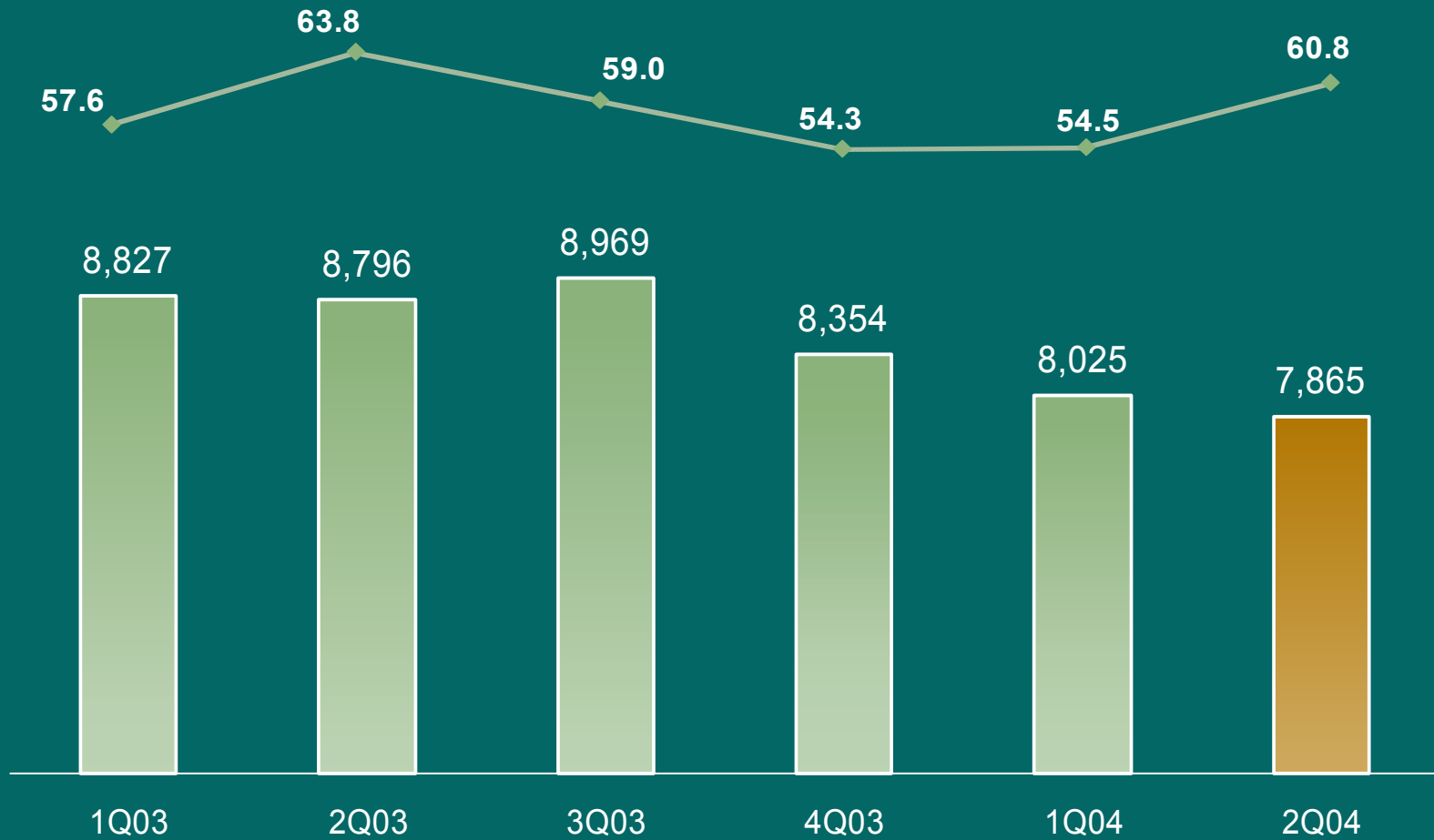
***1Q04, total provision is 3,087mm, included 1,743mm for GCB portfolio

****NPL ratios are calculated by using broad based definition of NPL.



Loan loss coverage remained sufficient and further improved to 61%

LLR & LLR ratios
NT\$million, %



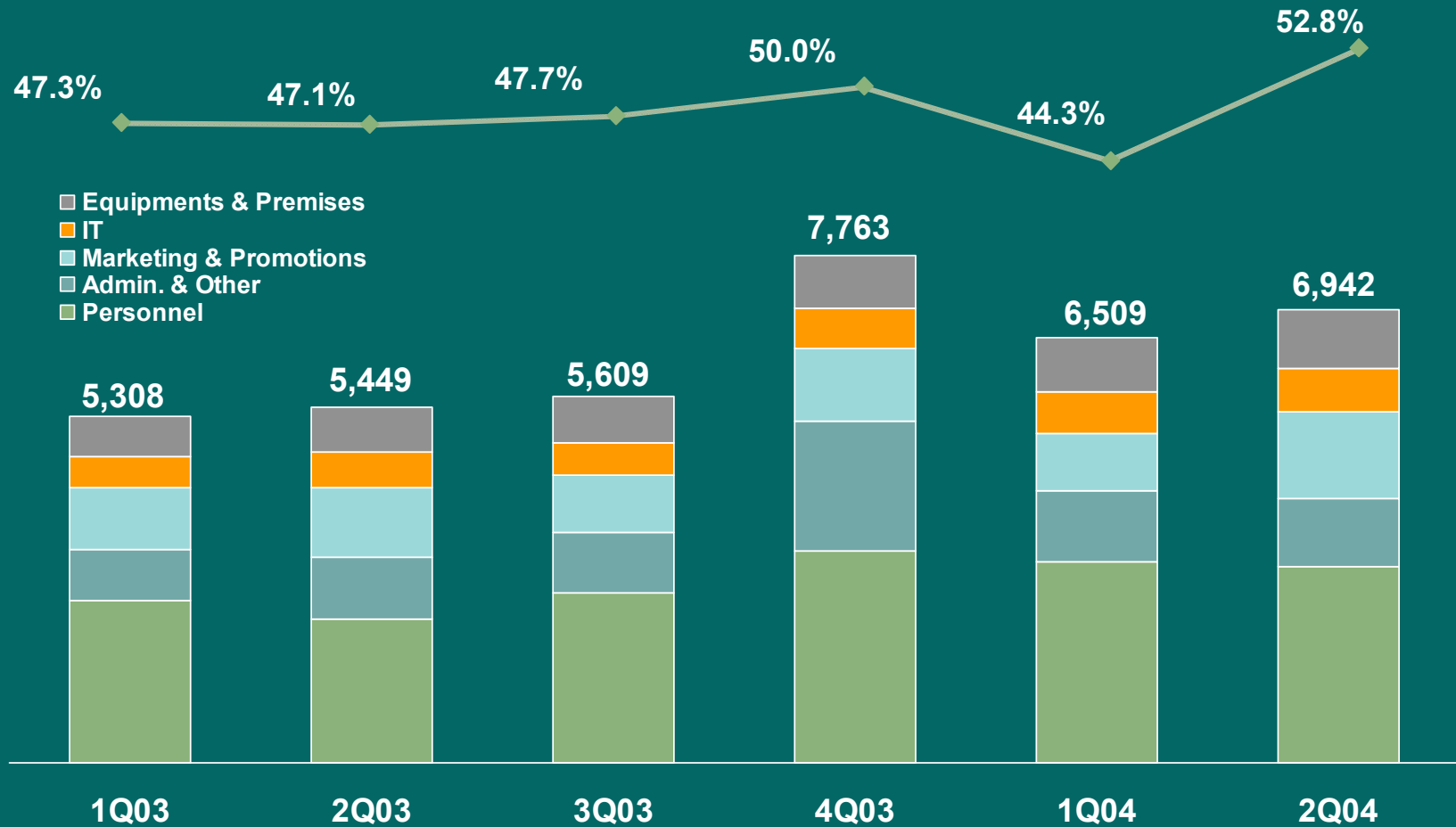
*These are loan loss reserves including reserves for guarantee loss of CTCB.

**LLR ratios are calculated by using broad based definition of NPL. When deriving LLR ratio, reserves for guarantee loss are included in the calculation.



Despite increase in Marketing & Promotions in 2Q04, YTD cost to income ratio was within expectation

Total operating expense & efficiency ratio
NT\$ million, %



* 2Q04's numbers are preliminary numbers.

** Efficiency ratios are quarterly numbers of CFHC. YTD cost-to-income ratio is 48.4% for 1H04.

***4Q03's efficiency ratio was derived assuming GCB was not merged.



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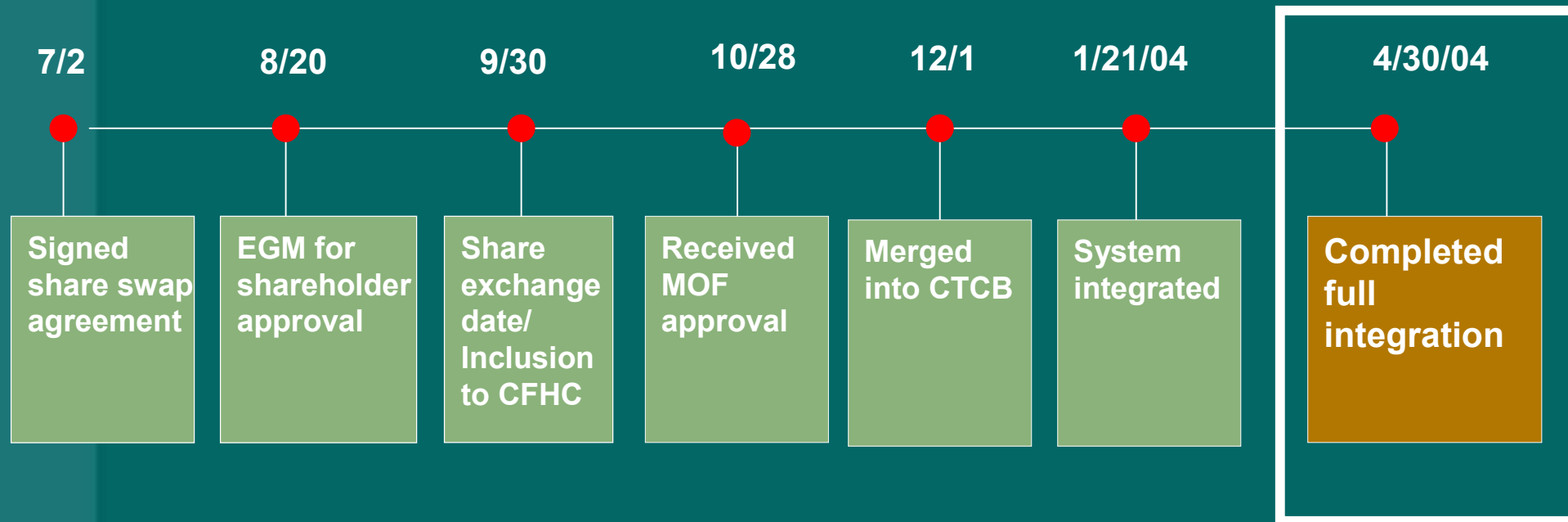
Financial review of 1H04

Non-financial Update



GCB was fully integrated by April 2004

➤ Integration schedule of GCB

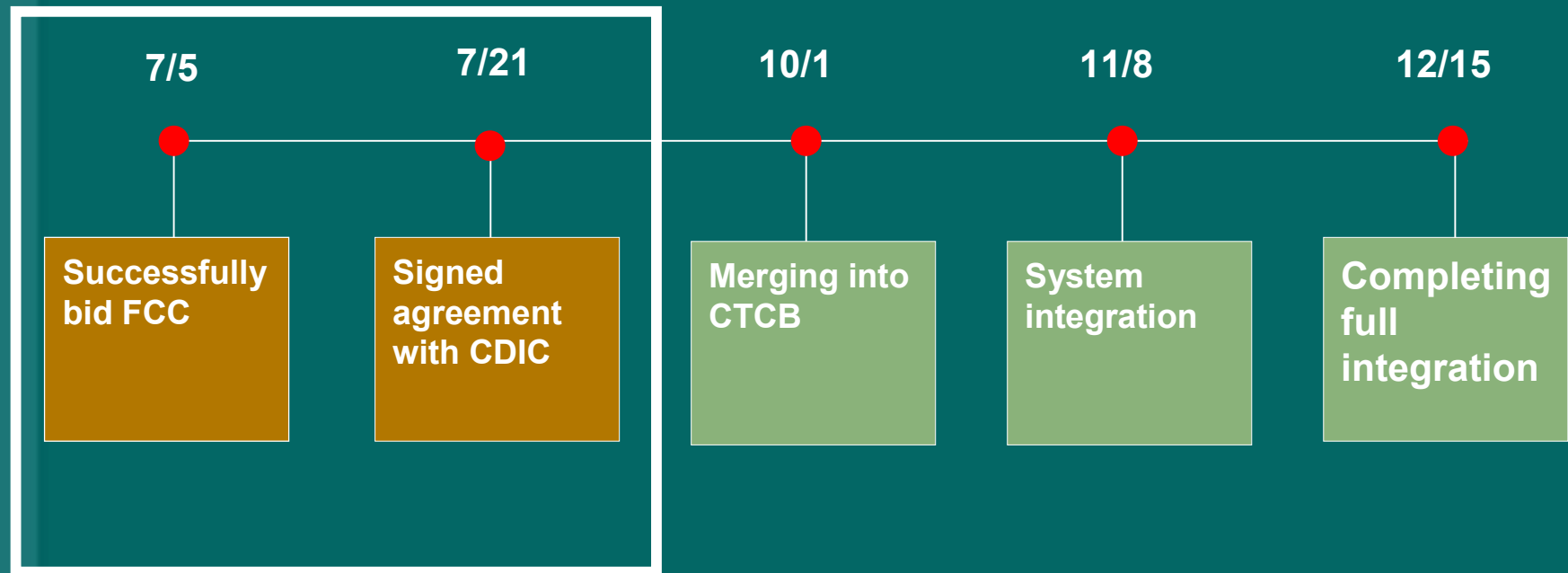


- Net headcount reduction: 591 people (~40% of GCB's employees)
(i.e. total early retired employees deducted new recruited employees)
- Annual personnel cost savings: NT\$500~600 mm



CTCB successfully bid Fengshan Credit Cooperative on July 5, 2004

➤ Integration plan of FCC



Other status of FCC:

- Total assets: NT\$12bn; total deposits: NT\$13.8bn; net worth: -NT\$1.8bn
- 10 branch licenses (among them 6 are re-locatable); total employees: 141
- Pro forma ratios of the combined entity as of Jun. 2004 by MoF definition:
NPL ratio: 1.85%; coverage ratio: 60.48%



Major announcements in 2Q04

- **Cash dividend payout for year 2003:**
 - ✓ Cash payout: NT\$1.09953 / per common stock
 - ✓ Ex-dividend date: July 12, 2004
 - ✓ Record date: July 18, 2004
 - ✓ Payment date: August 4, 2004

- **ECB conversion price adjusted to cash dividend payout :**
 - ✓ New conversation price: NTD\$31.302
 - ✓ Effective date: July 18, 2004



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Thank You



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