

Chinatrust FHC

2004 Financial Results

March 2005, Investor Relations



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CFHC's Financial Results

(NT\$ mm)	4Q04 ¹	3Q04	2Q04	1Q04
Net interest income	9,373	8,868	8,480	8,326
Non-interest income	7,372	6,730	5,819	7,730
Operating income	16,745	15,598	14,299	16,056
Total non-interest expense	(7,932)	(7,579)	(7,509)	(7,119)
Pre-provision, pre-goodwill profit	8,813	8,019	6,790	8,938
Provisions	(5,062)	(1,763)	(1,577)	(3,087)
Goodwill amortization	(331)	(239)	(240)	(240)
Pre-tax profit	3,420	6,017	4,973	5,611

1. 4Q04's numbers are preliminary numbers.

CFHC's Key Ratios

	4Q04 ¹	3Q04	2Q04	1Q04	2003
(%)					
Fee income / operating income	29.85	28.99	33.95	28.73	25.58
Cost-to-income ratio ²	47.37	48.59	52.52	44.33	51.39
ROAA (after – tax) (annualized YTD earnings)	1.16	1.30	1.21	1.39	0.72
ROAE (after – tax) (annualized YTD earnings)	17.23	19.35	18.63	20.94	9.47
EPS (after-tax) (NT\$) (accumulative)	2.60	2.18	1.43	0.82	1.42
CAR ³	119.27	118.75	117.35	115.57	124.73

1. 4Q04's numbers are preliminary numbers.

2. Cost-to-income ratio is derived by excluding goodwill amortization in the calculation.

3. CAR is derived by including CFHC's outstanding convertible bonds.

Balance Sheet as of December 31, 2004¹ of CFHC and its subsidiaries

NT\$ million	CTCB	Chinatrust Insurance Brokers	Chinatrust Securities	Chinatrust Bills Finance	Chinatrust Asset Management	Chinatrust Venture Capital	CFHC (consolidated)
Assets:							
Cash and due from banks	105,717	665	2,682	9,887	2,504	368	124,361
Securities, net	151,161	2,213	9,914	51,947	8,226	887	301,585
Loans, net	752,061	0	0	0	0	0	799,893
A/R, net	140,374	88	267	521	986	1	143,703
LT investments, net	56,785	263	7	40	7,851	721	15,586
Land, premises and equipments, net	33,978	3	326	10	-	-	35,003
Others	22,606	9	1,354	62	361	32	27,141
Total assets	1,262,683	3,242	14,550	62,468	19,928	2,010	1,447,271
Liabilities:							
Deposits	972,489	-	-	-	-	-	1,034,234
Other liabilities	198,791	367	9,172	56,356	231	2	312,112
Total liabilities	1,171,280	367	9,172	56,356	231	2	1,346,346
Minority interests	-	-	-	-	-	-	53
Total stockholders' equity	91,403	2,874	5,378	6,112	19,696	2,008	100,872
Total liabilities and stockholders' equity	1,262,683	3,242	14,550	62,468	19,928	2,010	1,447,271

1. These are preliminary numbers except for CTCB, which are audited and representing a non-consolidated basis.

P&L of CFHC and its subsidiaries for the 12 months ended December 31, 2004¹

NT\$ million	CTCB	Chinatrust Insurance Brokers	Chinatrust Securities	Chinatrust Bills Finance	Chinatrust Asset Management	Chinatrust Venture Capital	CFHC (consolidated)
Operating income							
Net interest income	31,735	2	90	789	39	5	35,047
Fee income	16,378	1,906	370	136	-	-	18,989
LT investment income	1,257	-	-	-	(556)	15	39
Derivatives & FX	4,685	-	499	(115)	(20)	(23)	5,162
Net trading income/(loss)	842	(77)	67	249	116	23	1,338
Others	1,318	3	63	3	890	-	2,124
Total operating income	56,215	1,835	1,088	1,061	469	20	62,698
Operating expenses	(24,821)	(50)	(642)	(128)	(20)	(16)	(27,769)
Misc. fees & others	(855)	-	(65)	(25)	(0)	-	(961)
Business tax	(1,158)	-	(183)	(8)	(18)	-	(1,410)
Total operating costs	(26,834)	(50)	(889)	(160)	(39)	(16)	(30,139)
Pre-goodwill, pre-provision Profit	29,381	1,785	199	901	430	5	32,559
Goodwill expenses	(1,050)	-	-	-	-	-	(1,050)
Pre-provision Profit	28,331	1,785	199	901	430	5	31,509
Credit Loss Provisions, net	(11,062)	-	(9)	12	(265)	-	(11,489)
Profit Before Income Tax	17,269	1,785	190	913	165	5	20,020
Net Profit After Income Tax	14,018	1,319	23	780	153	23	15,386

1. These are preliminary numbers except for CTCB , which are audited and representing a non-consolidated basis.

CTCB's Financial Results¹

(NT\$ mm)	4Q04	3Q04	2Q04	1Q04
Net interest income	8,453	8,073	7,649	7,560
Non-interest income	6,139	5,883	5,805	6,653
Operating income	14,592	13,956	13,454	14,213
Total non-interest expense	(7,474)	(6,670)	(6,703)	(5,987)
Pre-provision, pre-goodwill profit	7,118	7,286	6,751	8,226
Provisions	(4,817)	(1,634)	(1,547)	(3,065)
Goodwill amortization	(331)	(239)	(240)	(240)
Pre-tax profit	1,970	5,413	4,964	4,922

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

CTCB's Key Ratios¹

(%)	4Q04	3Q04	2Q04	1Q04	2003
Net interest margin (YTD)	2.98	2.96	2.91	2.97	3.70
Fee income / operating income	29.47	27.81	32.35	27.04	23.49
Cost-to-income ratio ²	51.22	47.79	49.82	42.12	49.79
NPL ratio (broad base)	1.86	1.74	1.87	2.29	2.45
CAR	10.70	10.79	10.81	10.80	10.37

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

2. Cost-to-income ratio is derived by excluding goodwill amortization in the calculation.

CTCB's Balance Sheet - Unconsolidated

NT\$ million	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003	Growth (%) y-o-y
Assets:						
Cash and due from banks	105,717	87,777	80,471	94,243	90,926	16.27%
Securities, net	151,161	168,740	200,819	230,392	167,074	-9.52%
Loans, net	752,061	719,213	685,626	635,216	630,831	19.22%
A/R, net	140,374	135,837	136,956	126,368	121,185	15.83%
LT investments, net	56,785	65,983	60,319	59,219	24,442	132.33%
Land, premises and equipments, net	33,978	33,447	33,434	33,428	33,425	1.66%
Others	22,606	22,597	25,774	26,564	24,542	-7.89%
Total assets	1,262,683	1,233,595	1,223,399	1,205,432	1,092,425	15.59%
Liabilities:						
Deposits	972,489	954,005	915,610	910,445	881,376	110.34%
Other liabilities	198,791	188,918	222,571	206,507	127,225	156.25%
Total liabilities	1,171,280	1,142,922	1,138,181	1,116,953	1,008,602	116.13%
Total stockholders' equity	91,403	90,673	85,217	88,478	83,823	109.04%
Total liabilities and stockholders' equity	1,262,683	1,233,595	1,223,399	1,205,431	1,092,425	115.59%

CTCB's P&L - Unconsolidated

NT\$ million	4Q04	3Q04	2Q04	1Q04	2004	2003	Growth (%) y-o-y
Recurrent operating income							
Net interest income	8,453	8,073	7,649	7,560	31,735	28,322	12.05%
Fee income	4,301	3,881	4,353	3,843	16,378	10,858	50.84%
LT investment income	17	297	326	618	1,257	2,259	-44.36%
Derivatives & FX	832	1,004	1,407	1,442	4,685	2,555	83.37%
Others	432	280	246	359	1,318	474	178.06%
Total recurrent operating income	14,035	13,536	13,980	13,822	55,373	44,468	24.52%
Non-recurrent operating income							
Trading income/(loss) - equity	(25)	11	(176)	210	20	1,141	-98.25%
Trading income/(loss) - fixed income	307	332	264	250	1,153	1,247	-7.47%
Reversal of allowance for market decline /(unrealized loss) & others	275	77	(614)	(69)	(331)	(636)	-47.99%
Total non-recurrent operating income	557	420	(526)	391	842	1,751	-51.89%
Operating revenue	14,592	13,955	13,454	14,213	56,215	46,219	21.63%
Non interest expenses							
Operating expenses	(6,934)	(6,206)	(6,209)	(5,472)	(24,821)	(20,968)	18.37%
Misc. fees & others	(237)	(187)	(203)	(229)	(855)	(1,053)	-18.82%
Business tax	(304)	(277)	(291)	(286)	(1,158)	(989)	17.12%
Total non-interest expenses	(7,474)	(6,669)	(6,703)	(5,987)	(26,834)	23,208	16.62%
Pre-goodwill, pre-provision profit	7,118	7,286	6,751	8,226	29,381	(23,010)	26.60%
Goodwill expenses	(331)	(240)	(240)	(240)	(1,050)	(3,000)	-65.00%
Pre-provision profit	6,787	7,047	6,511	7,986	28,331	20,208	40.20%
Credit loss provisions, net	(4,817)	(1,634)	(1,547)	(3,065)	(11,062)	(12,475)	-11.32%
Net profit before income tax	1,970	5,413	4,964	4,922	17,269	7,734	123.30%
Net profit after income tax	1,808	4,502	3,568	4,141	14,018	7,276	92.68%

CTCB's Loan Breakdown - Unconsolidated

NT\$ million	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003	Growth (%) y-o-y
Corporate loans						
Manufacturing	80,096	83,326	76,539	77,338	77,338	3.57%
Commerce & services	67,214	69,967	71,830	55,267	55,267	21.62%
Govt & non-profit org.	35,543	43,164	43,578	33,912	33,912	4.81%
Construction & real estate	31,682	31,742	36,182	34,743	34,743	-8.81%
Finance & insurance	36,584	32,703	35,749	36,279	36,279	0.84%
Others	20,685	18,923	18,462	18,087	17,701	16.84%
NTD loans	271,803	279,825	282,340	255,626	255,240	6.49%
Foreign currency loans	104,490	104,593	98,189	74,449	74,449	40.35%
Sub-total	376,293	384,418	380,529	330,074	329,689	14.14%
Consumer loans						
Mortgages	266,187	240,181	222,763	217,993	217,285	22.51%
Car loans	15,948	12,607	10,280	9,671	9,210	73.16%
Unsecured loans	92,705	80,559	70,583	68,651	70,209	32.04%
Sub-total	374,839	333,347	303,626	296,318	296,704	26.33%
Others (i.e. exchange bills negotiated and discounted)	24	17	8	5	5	370.84%
Non-accrual account	12,243	9,591	8,858	12,361	12,361	-0.96%
Total loans	763,398	727,374	693,022	638,759	638,759	19.51%

1. Both corporate loans breakdown by industries and consumer loans breakdown by products not include non-accrual loans.

CTCB's Deposit Breakdown - Unconsolidated

NT\$ million	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003	Growth (%) y-o-y
Deposits						
Checking & demand deposits	69,495	76,200	71,178	71,614	77,681	-10.54%
Demand saving deposits	234,998	235,471	227,538	243,287	211,579	11.07%
Sub-total	304,494	311,671	298,715	314,900	289,260	5.27%
Time & savings						
Time deposits (incl. CD & govt. deposits, etc)	292,686	268,926	252,099	237,651	231,952	26.18%
Time saving deposits	240,043	233,582	228,950	234,098	245,213	-2.11%
Sub-total	532,729	502,507	481,050	471,749	477,165	11.64%
Remittances	319	371	323	336	347	-8.06%
Foreign currency deposits	134,947	139,455	135,523	123,461	114,604	17.75%
Total deposits	972,489	954,005	915,610	910,445	881,376	10.34%

CTCB's Spread & NIM - Unconsolidated

%	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003	Chg (bp) y-o-y
NTD						
Lending rate	4.14%	4.18%	4.25%	4.36%	4.82%	-68bp
Deposit rate	0.92%	0.93%	0.95%	0.98%	1.25%	-33bp
NTD spread*	3.22%	3.25%	3.30%	3.38%	3.57%	-36bp
NTD & foreign currency						
Lending rate	3.95%	3.97%	4.04%	4.17%	4.55%	-60bp
Deposit rate	0.93%	0.92%	0.94%	0.97%	1.22%	-29bp
Overall spread ¹	3.02%	3.04%	3.10%	3.20%	3.33%	-31bp
NIM ²						
NIM	2.98%	2.96%	2.91%	2.97%	3.70%	-72bp

1. Both NTD spread and Overall spread quoted above exclude credit card receivables in the calculation.

2. For 2004, NIM was derived by including Repos in the calculation.

CTCB's NII & Fee Breakdown - Unconsolidated

NII Breakdown

NT\$ million	4Q04	3Q04	2Q04	1Q04	2004	2003	Growth (%)
							y-o-y
Loan interest & other interest	7,824	7,163	6,742	6,885	28,614	25,606	11.75%
Revolving interest	2,709	2,623	2,432	2,439	10,202	10,105	0.96%
Bond interest income	795	941	990	795	3,521	2,184	61.24%
Interest expenses	(2,874)	(2,654)	(2,515)	(2,558)	(10,601)	(9,572)	10.74%
Net interest income	8,453	8,073	7,649	7,560	31,735	28,322	12.05%

Fee Breakdown

NT\$ million	4Q04	3Q04	2Q04	1Q04	2004	2003	Growth (%)
							y-o-y
Fees from credit card	1,977	1,886	1,766	1,617	7,247	5,338	35.77%
Banking fees & commissions	1,174	1,101	884	1,106	4,265	2,633	62.00%
Trust fee income (incl. mutual fund sales)	1,111	878	1,684	991	4,664	2,631	77.29%
Others	39	17	17	129	202	257	-21.60%
Total fee income	4,301	3,881	4,353	3,843	16,378	10,858	50.83%

CTCB's Asset Quality - Unconsolidated

NT\$ million	4Q04	3Q04	2Q04	1Q04	2004	2003	Chg (%) y-o-y
Non-performing loans - beginning	10,167	9,728	11,011	10,525	10,525	13,511	-22.10%
New NPL influx, net of recovery	13,215	1,186	(52)	3,846	18,196	10,429	74.47%
Write-offs	(10,723)	(747)	(1,232)	(3,360)	(16,062)	(13,415)	19.73%
Non-performing loans - ending	12,659	10,167	9,728	11,011	12,659	10,525	20.28%
Loans under surveillance - ending	1,532	2,478	3,216	3,706	1,532	5,094	-69.93%
Provisions for credit loss							
Provision for loan loss	4,283	1,120	910	3,166	9,480	11,256	-15.78%
Provision for credit card loss	1,056	1,222	871	861	4,010	3,237	23.89%
Others (incl. guarantee)	203	(54)	(50)	(153)	(54)	264	-120.57%
Collection	(726)	(654)	(185)	(809)	(2,373)	(2,282)	4.00%
Total provisions	4,817	1,634	1,547	3,065	11,062	12,475	-11.32%
Reserves for bad debt loss - beginning							
Provisions for bad debt loss	8,161	7,396	7,712	7,928	7,928	8,619	-8.02%
Bad debt write-offs & other deductions	8,089	1,519	912	3,165	13,685	12,812	6.81%
Accumulative translation adjustment - FX	(4,872)	(757)	(1,235)	(3,360)	(10,224)	(13,415)	-23.79%
Total reserves for bad debt loss - ending	(41)	2	7	(21)	(52)	(88)	-40.91%
Reserves for bad debt loss - ending	11,337	8,161	7,396	7,712	11,337	7,928	43.00%
Reserves for guarantee loss - ending	441	419	470	313	441	426	3.52%
Total reserves	11,778	8,580	7,866	8,025	11,778	8,354	40.99%
Chg (bp;pp)							
	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003		y-o-y
NPL Ratio (%)	1.66%	1.40%	1.40%	1.71%	1.65%		1bp
Corporate loans (%)	2.24%	1.91%	1.77%	2.30%	1.93%		31bp
Consumer loans (%)	1.07%	0.81%	0.94%	1.04%	1.31%		-24bp
NPL ratio under broad base definition	1.86%	1.74%	1.87%	2.30%	2.45%		-59bp
Coverage ratio (%)	93.04%	84.39%	80.85%	72.88%	79.37%		14p.p.
Coverage ratio - NPL in broad base definition (%)	83.00%	67.85%	60.77%	54.53%	53.49%		30p.p.

CTCB's Credit Card Business

Credit Card Business

In millions / %	Dec. 04	Sep. 04	Jun. 04	Mar. 04	2003	Chg (%;bp) y-o-y
Card in circulation	6.88	6.58	6.19	6.00	5.80	18.63%
Card consumption	278,053	202,261	130,897	61,096	226,805	22.63%
Revolving balance	57,425	55,114	51,554	51,384	50,135	14.54%
Credit card receivables (incl. non-accrual account)	90,719	84,323	81,509	72,288	75,663	19.90%
Reserves for credit card loss	2,040	1,913	1,754	1,629	1,573	29.68%
Coverage ratio (over 90 days overdue)	113.88%	109.58%	98.75%	101.58%	93.02%	21p.p.
Delinquency ratio (30 - 150 days overdue)	2.38%	2.54%	2.38%	2.48%	2.37%	1bp
Charge off ratio (over 150 days overdue) ¹	3.12%	3.06%	2.92%	2.91%	3.25%	-13bp

1. Defined as the amount of credit card receivables that are overdue by more than 150 days (less the current period recoveries) divided by the average of the month-end balances of total credit card receivables for the period.

Thank You



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