

Chinatrust FHC

Analyst Meeting
Financial Review of 2Q05

July 28, 2005 Investor Relations
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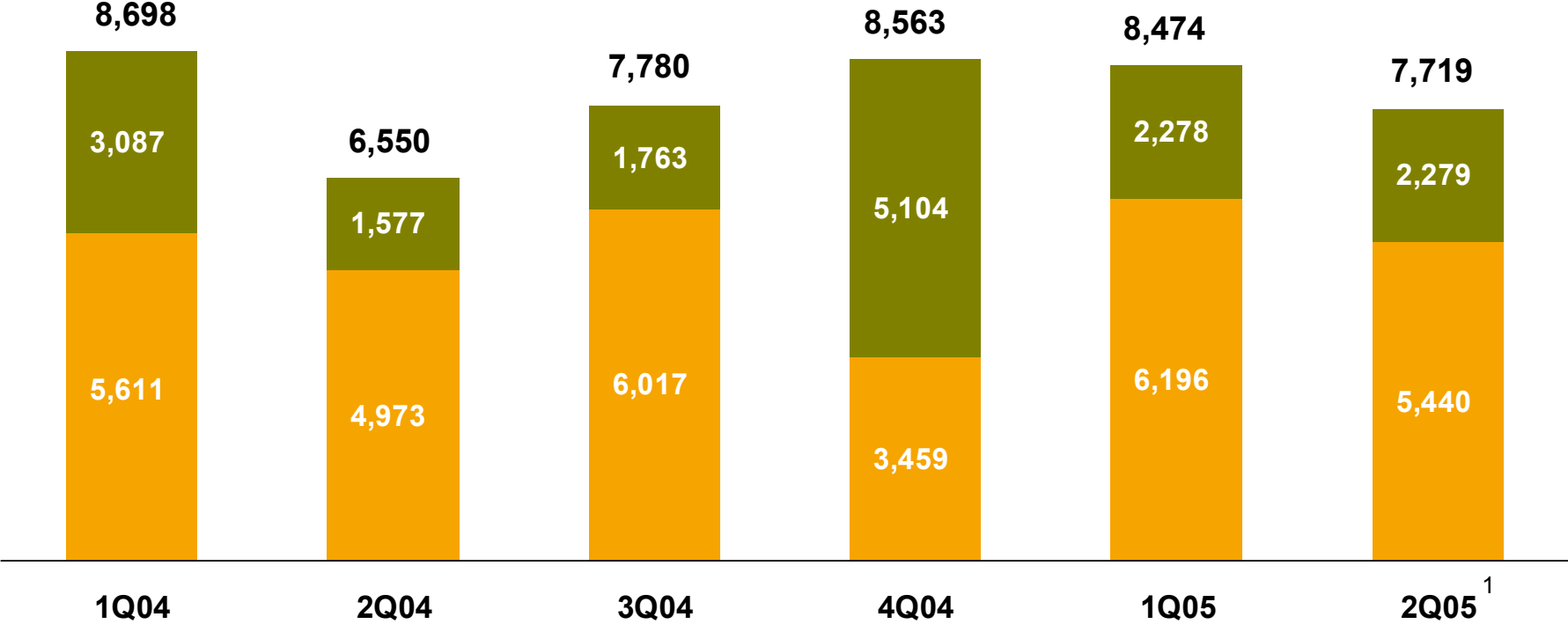
DISCLAIMER

THE FINANCIAL INFORMATION IN THESE MATERIALS AS OF AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 AUGUST 31, 2005.

Sustainable earnings capability despite slower economy in 1H05

Pre-provision profit
NT\$ million

- Provisions
- Pre-tax profit

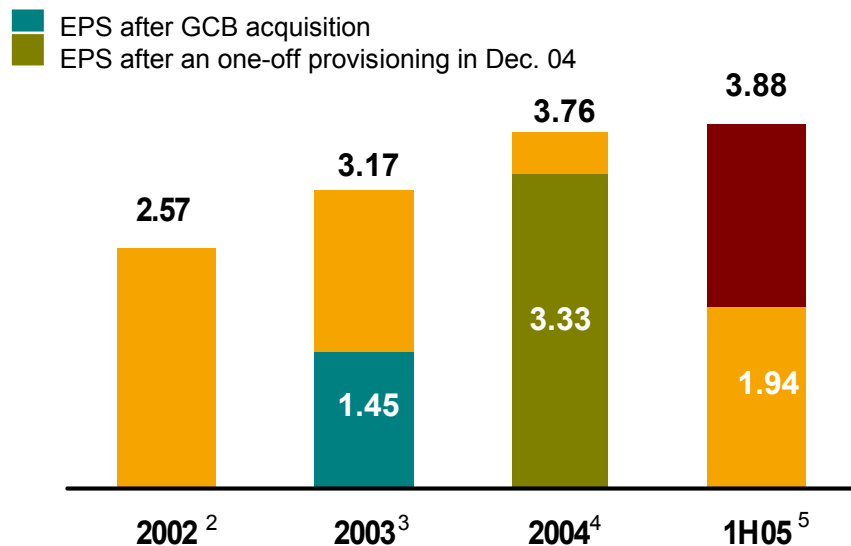


1. 2Q05's numbers are preliminary.

Key profitability ratios show sustainable earning results

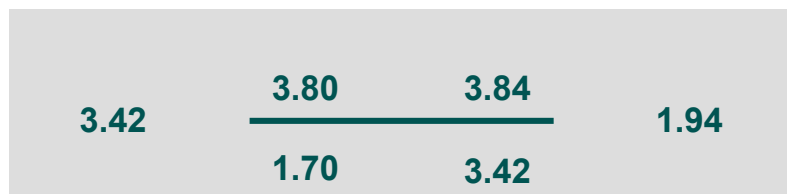
Retroactively adjusted EPS¹ (pre tax)

NT\$



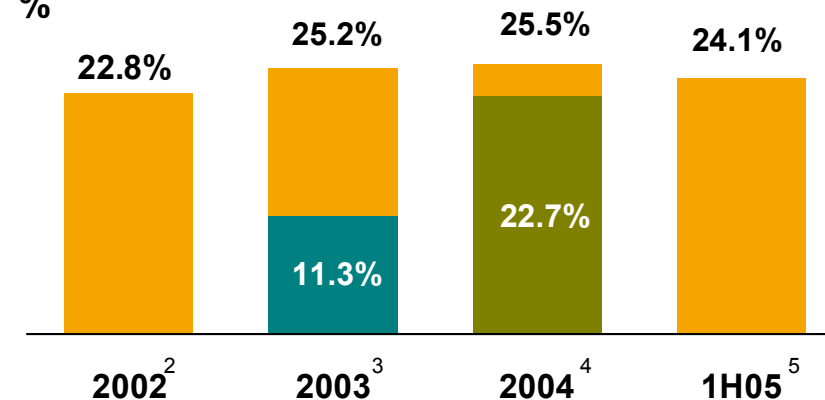
Reported EPS (pre tax)

NT\$



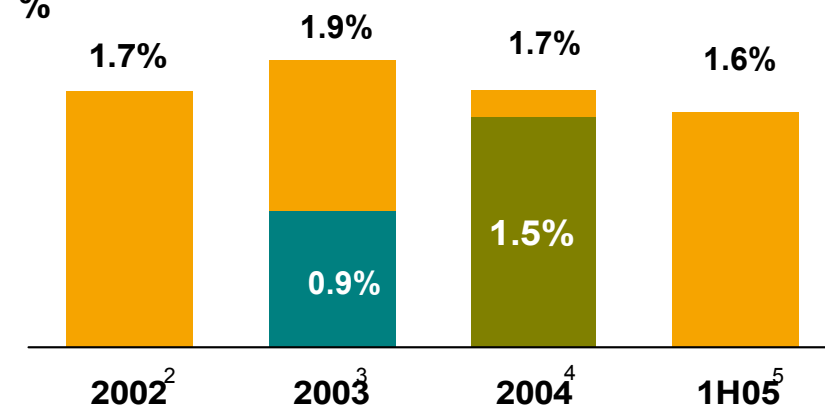
ROAE (pre tax)

%



ROAA (pre tax)

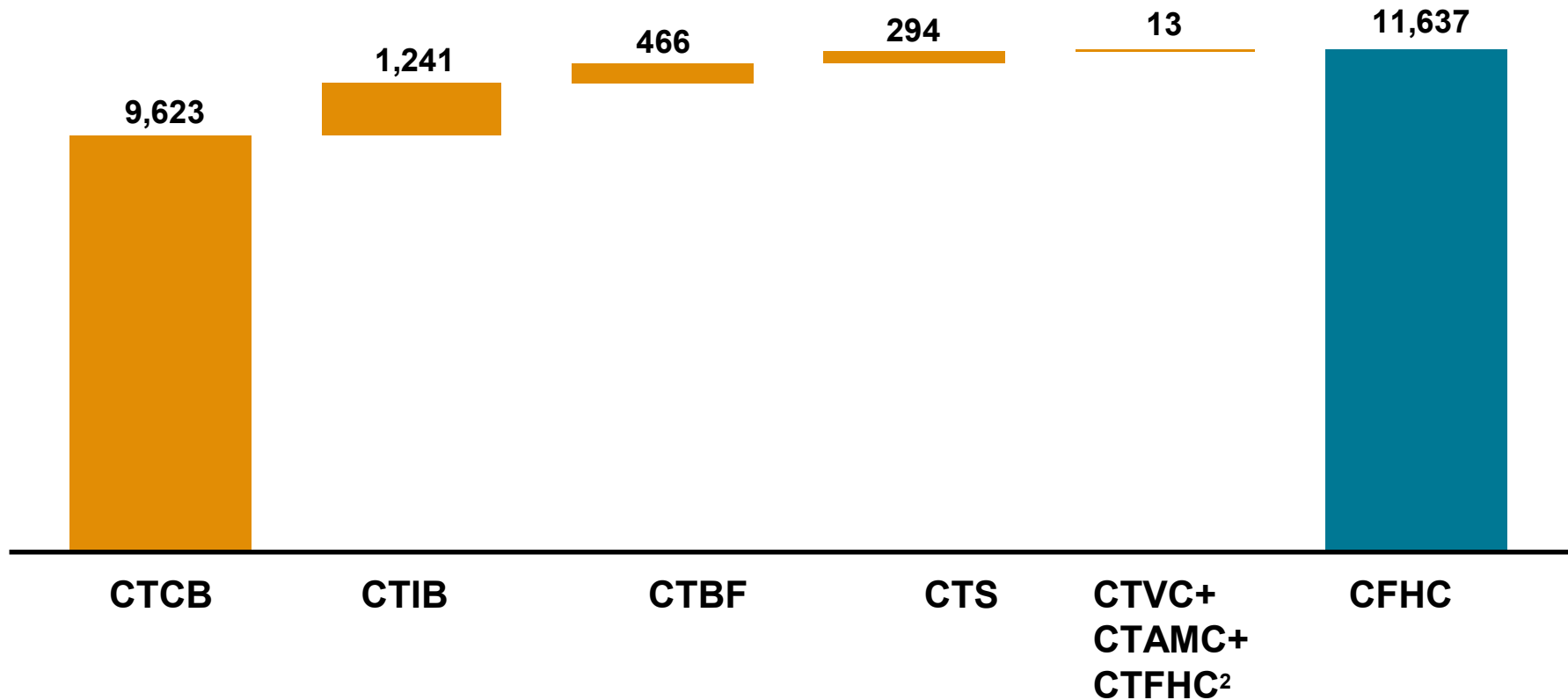
%



1. 2002's and 2003's EPS in the chart are retroactively adjusted for stock dividend payout in 2003-2004 and 2004, respectively .
2. 2002's numbers are pro forma numbers assuming CFHC was formed at the beginning of the year.
3. 2003's numbers are shown including the impact of the one-time adjustment in relation to GCB (blue bar) and excluding the impact of the one-time adjustment in relation to GCB (orange bar).
4. 2004's numbers are shown including the impact of the one-off additional provisioning in Dec.04 (green bar) and excluding the impact of the one-off additional provisioning in Dec. 04 (orange bar).
5. EPS of \$3.88 is an annualized EPS for 2005 deriving from 1H05's number. 1H05's numbers are preliminary.

CTCB remained the key contributor, however, profits from other subsidiaries have improved

Chinatrust FHC pre-tax income in 1H05¹
NT\$ mm

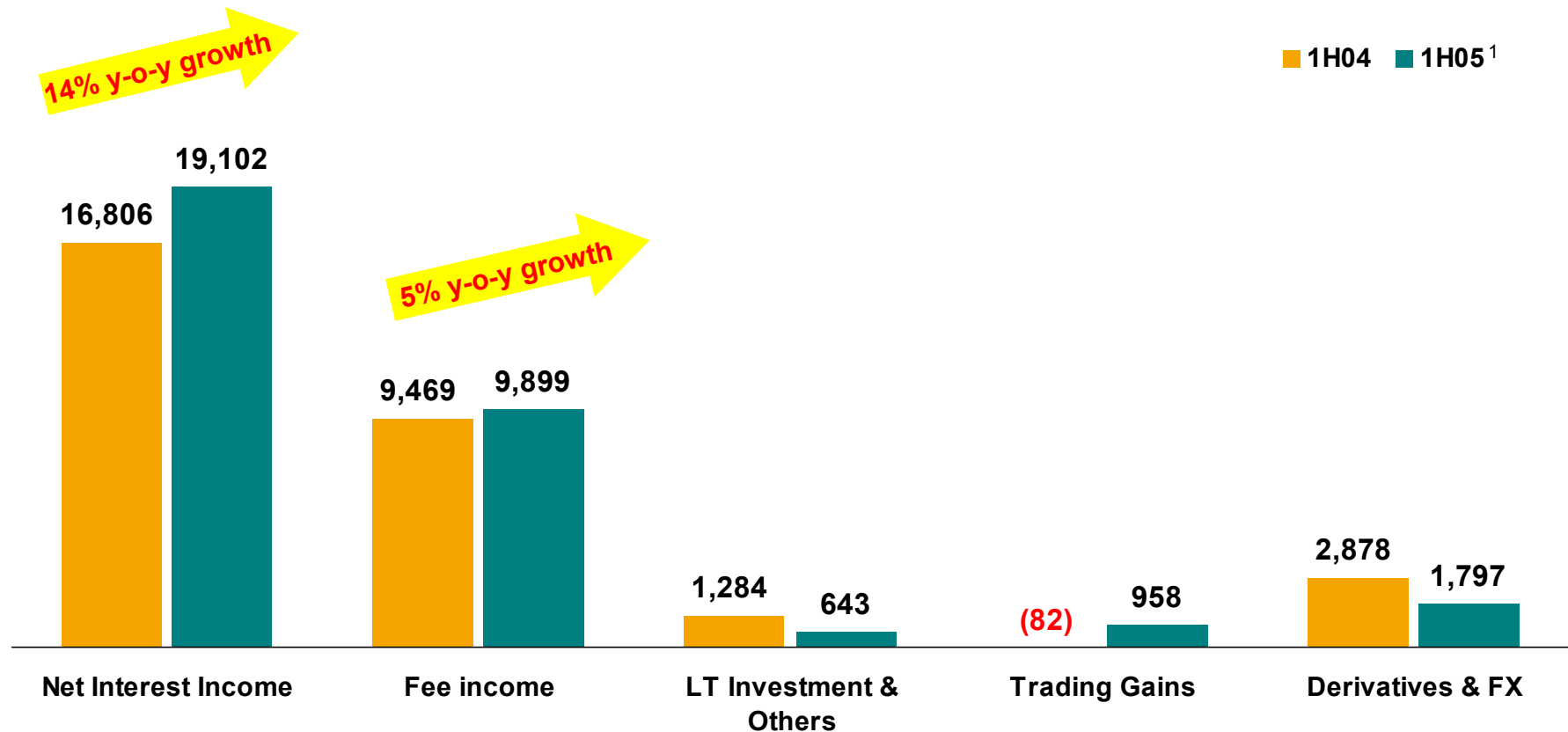


1. These numbers are preliminary numbers for CFHC on a consolidated basis.

2. Sum of pre-tax profit of CTVC, CTAMC, CTFHC (on a non-consolidated basis) and adjustment items.

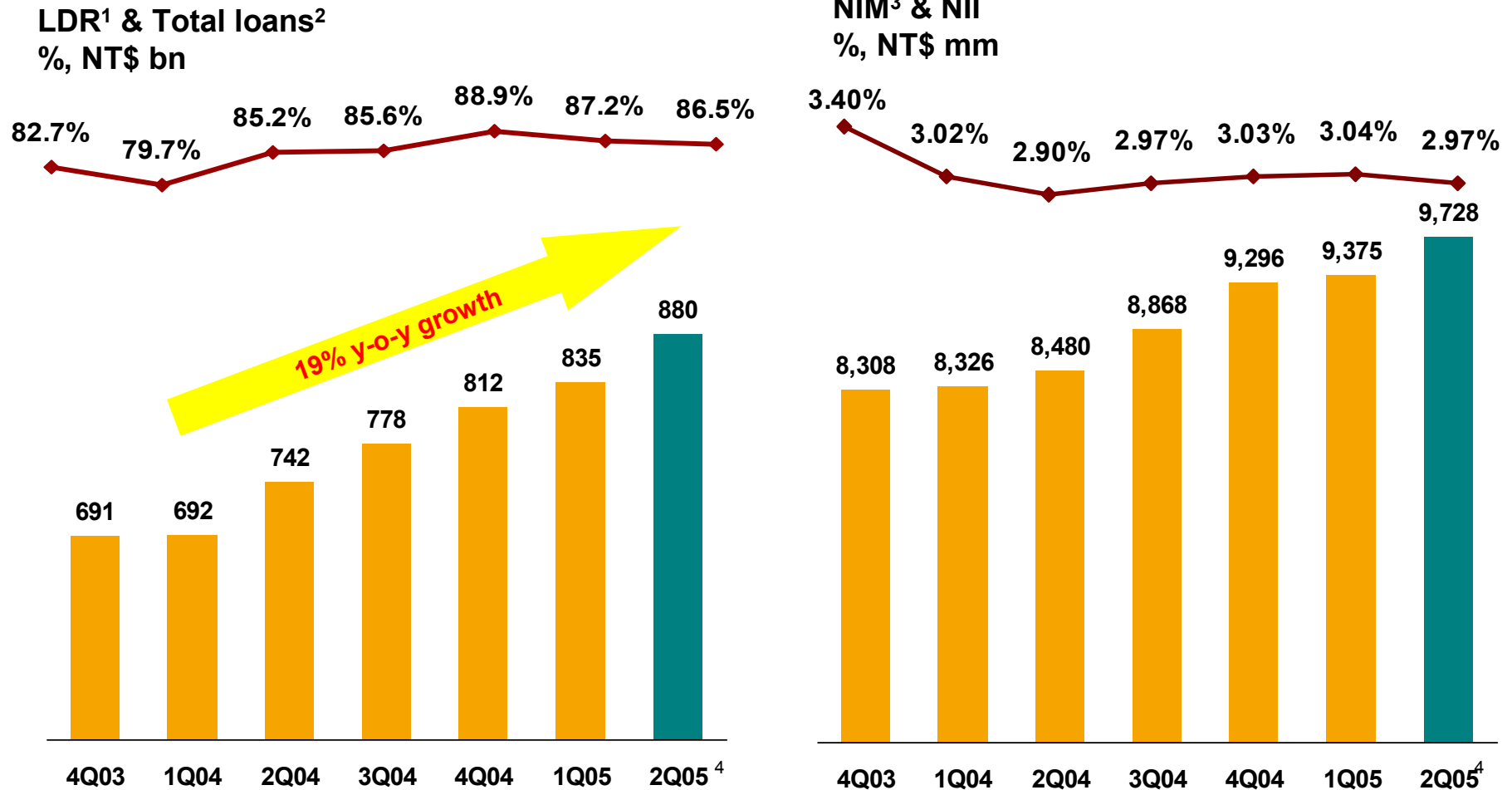
Steady growth from core business despite lower market related income

Revenue Breakdown
NT\$ mm



1. 1H05's numbers are preliminary.

Strong loan growth momentum continued into 2Q05 and has driven up NII



Note: All these numbers are for CTCB on a consolidated basis, except for NIMs which representing on a non-consolidated basis.

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

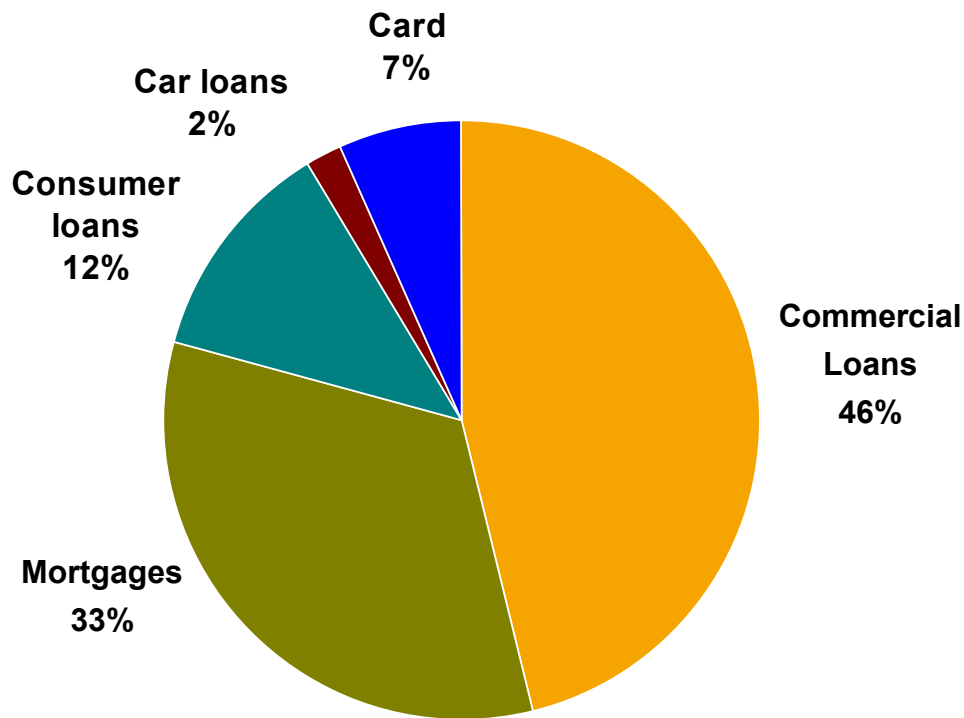
2. Total loans include both performing and non-accrual loans.

3. NIMs are quarterly numbers and are for CTCB on a non-consolidated basis .

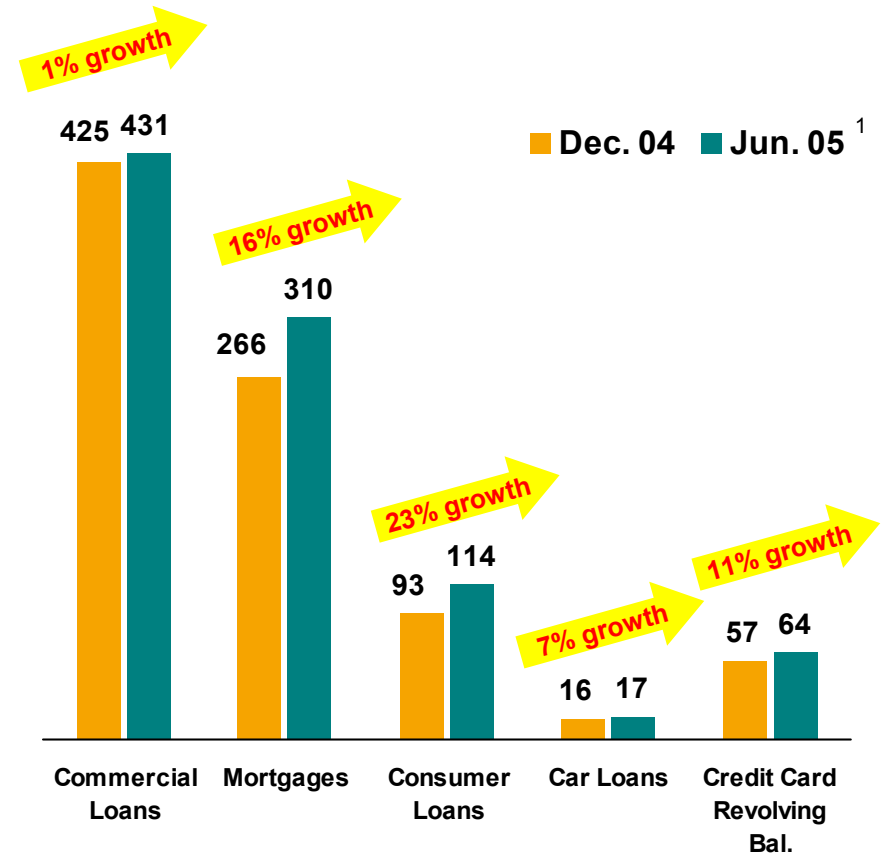
4. 2Q05's numbers are preliminary.

Favorable loan mix with faster loan growth from consumer lending products

Loan breakdown (incl. credit card revolving bal.)
as of Jun. 2005
%



YTD loan growth
%, NT\$ bn

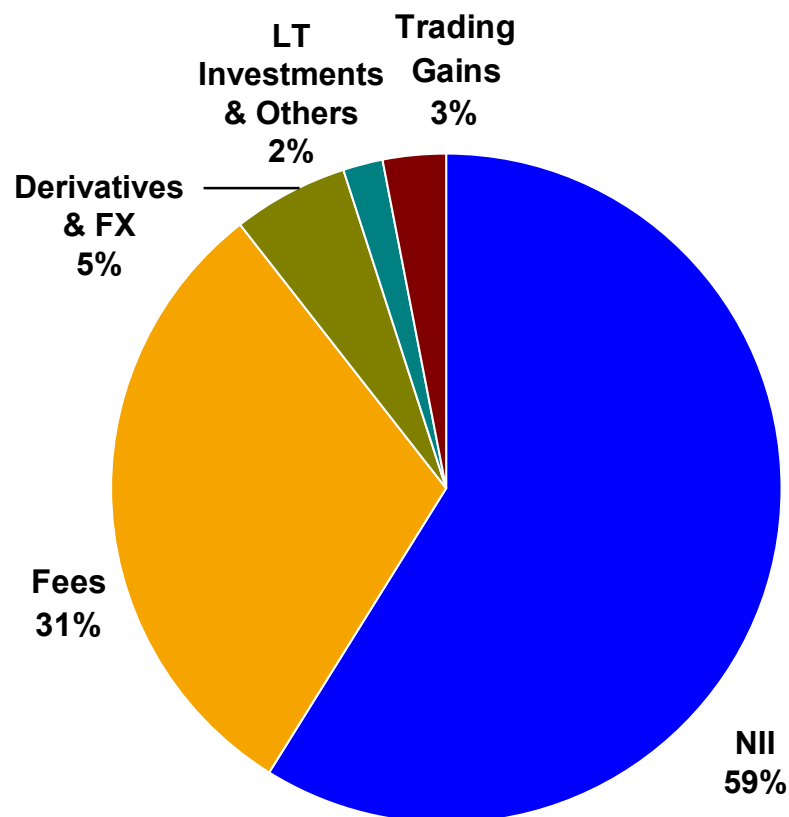


Note: All these numbers are for performing loans of CTCB on a consolidated basis.

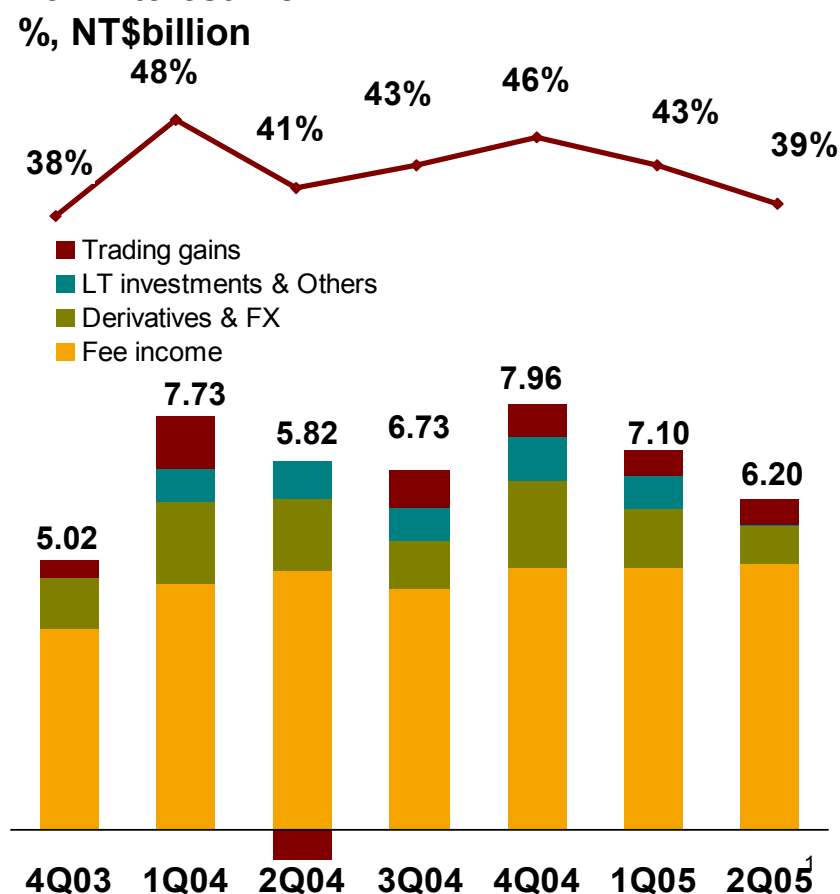
1. Jun. 2005's numbers are preliminary.

Non-interest income to revenue ratio stood at around 40% in 1H05

Total Revenue breakdown for 1H05¹
%



Non-interest inc./ Total revenue ratio² & Total non-interest inc.
%, NT\$billion

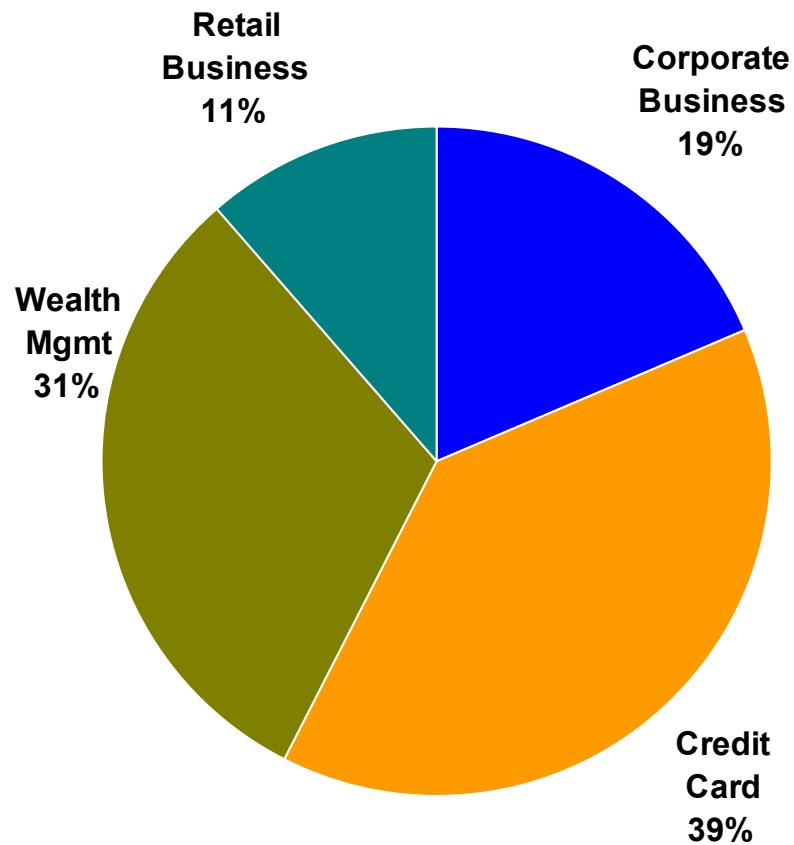


1. 1H05's numbers are preliminary.

2. Non-interest inc.-to-total operating inc. ratios are derived using quarterly numbers of CFHC.

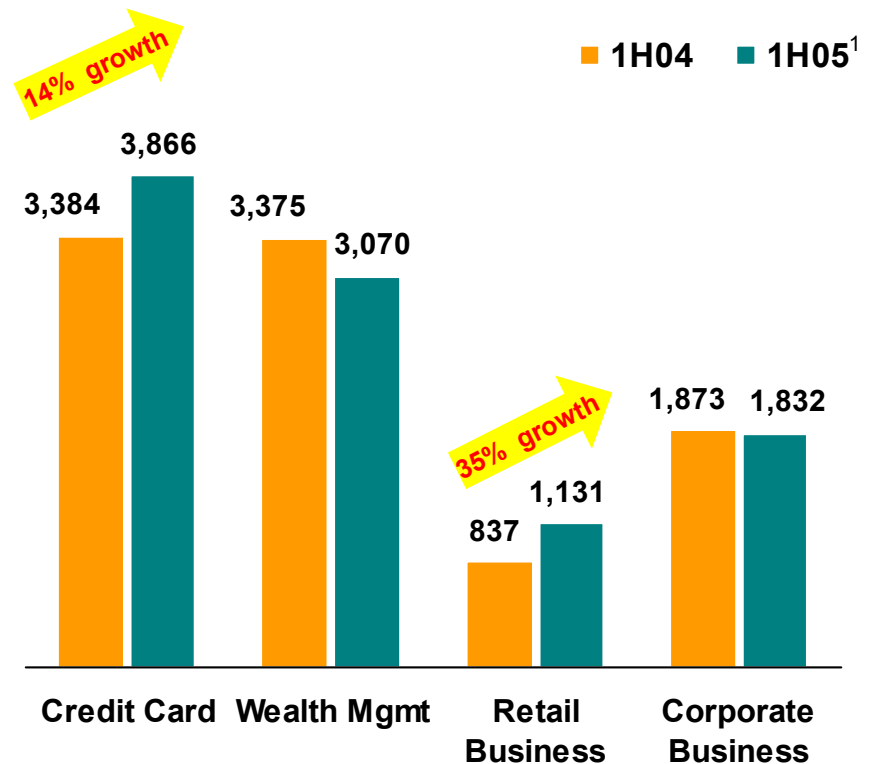
Fee income to total revenue further improved to 31%

Fee income breakdown for 1H05¹
%



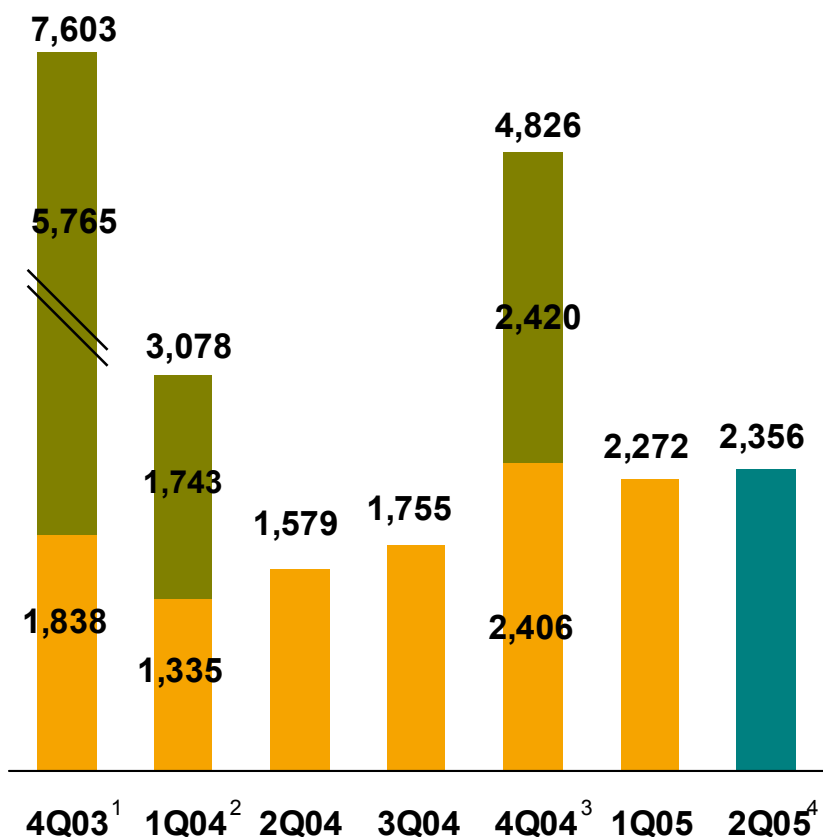
1. 1H05's numbers are preliminary.

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

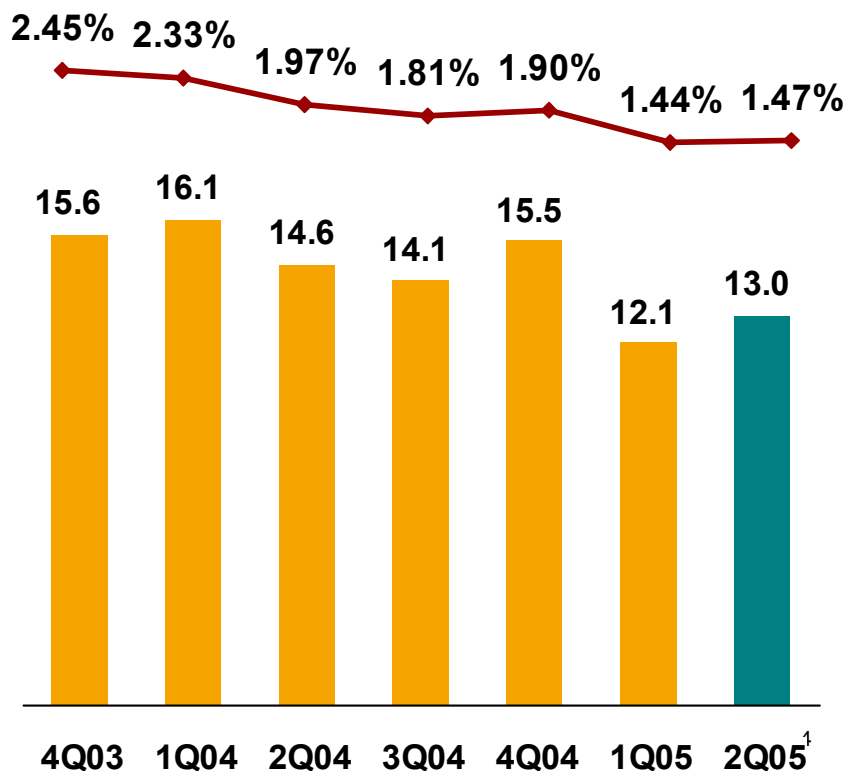


CTCB's asset quality remained superior with broad base NPL at 1.47%

Provisioning expenses
NT\$ million



Broad Base NPL ratios⁵ & Broad Base NPL
%, NT\$ billion



Note: All these numbers are for CTCB on a consolidated basis.

1. For 4Q03, total provision charge is NT\$7,603 mm including GCB or NT\$1,838 mm excluding GCB.

2. For 1Q04, total provision is NT\$3,078 mm, of which NT\$1,743mm related to GCB's portfolio.

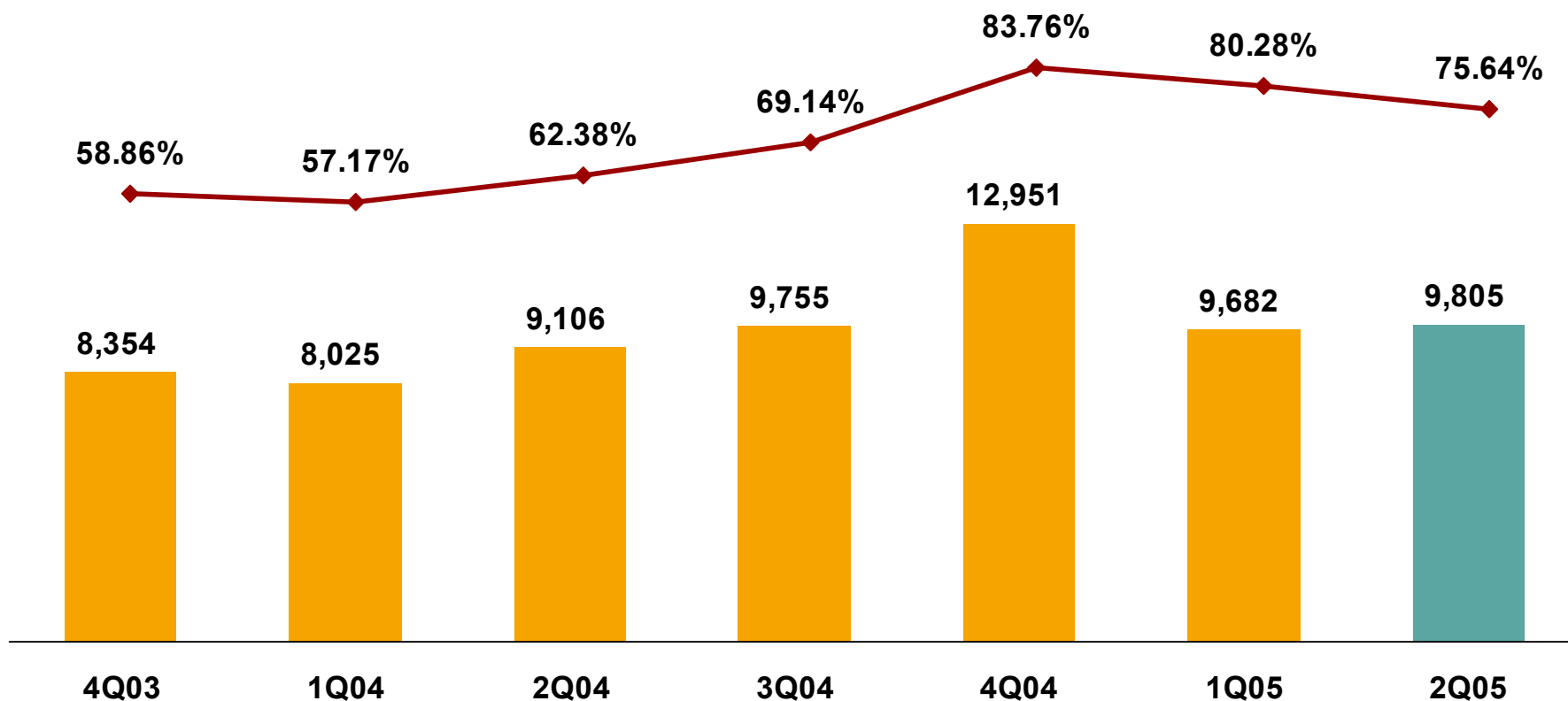
3. For 4Q04, total provision is NT\$4,826mm, of which NT\$2,420 mm is an one-off additional provisioning mainly relating to FCC's portfolio.

4. 2Q05's numbers are preliminary.

5. NPL ratios are calculated by using broad base NPL (i.e., including loans under surveillance).

CTCB's broad base loan loss coverage remained far above industry level at 75%

Broad Base LLR¹ ratios & LLR² %, NT\$million



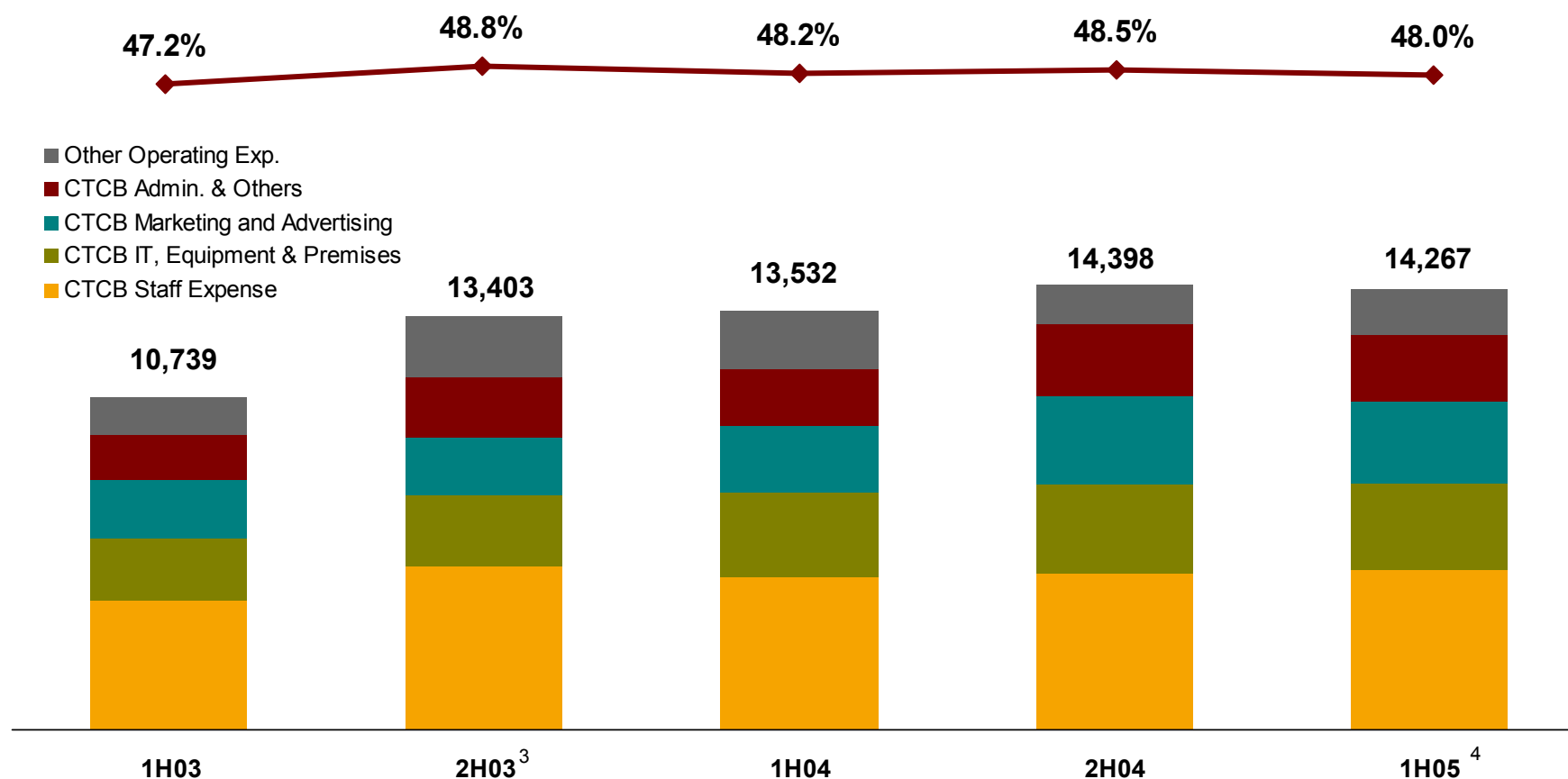
Note: All these numbers are for CTCB on a consolidated basis. 2Q05's numbers are preliminary.

1. These loan loss reserves (LLR) include reserves for guarantee loss of CTCB.

2. LLR ratios are calculated by using broad base NPL. When deriving CTCB's LLR ratio, reserves for guarantee loss are included in the calculation.

Cost-to-income ratio in 1H05 remained stable at 48%

Efficiency ratios^{1,2} & Operating expenses
%, NT\$ million



1. Efficiency ratios are derived by dividing Total Non-interest Expense (excluding goodwill amortization) by Pre-provision Operating Revenue.

2. Efficiency ratios are derived using semi-yearly numbers of CFHC. Annually cost-to-income ratio was 48.36% for 2004.

3. 2H03's efficiency ratio was derived excluding the impact of GCB.

4. 1H05's numbers are preliminary.

Thank You



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