

Confidential



Shin Kong Financial Holding

**Credit Suisse Asian
Investment Conference**

Hong Kong, 28-31 March 2006

This material contains forward looking statements which are subject to risks, uncertainties, and assumptions. Actual results may differ from those in the forward looking statements as a result of various factors.

Agenda

- I. About SKFH**
- II. Life Insurance Business**
- III. Banking Business**
- IV. Appendix**

Who We Are

- Major financial holding company in Taiwan
 - Five subsidiaries including life insurance, bank, securities, asset management, and insurance brokerage
 - 3rd largest life insurer with 11% market share
 - 10th largest private bank with 108 branches
- One of the few FHCs in Taiwan with significant presence in both insurance and banking

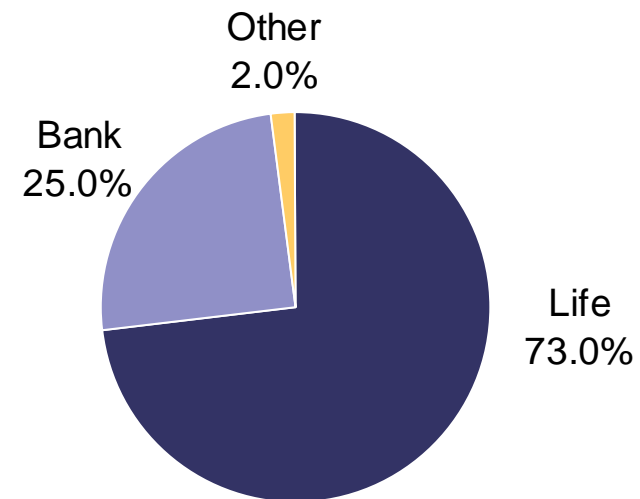
Financial Overview

NT\$ Bn	2003 ⁽¹⁾	2004	2005
Total Assets	721	931	1,331
Shareholders' Equity	27	47	68
Market Value	52	91	104
Net Income	5	6	7
ROAA	0.8%	0.7%	0.6%
ROAE	23.3%	16.6%	11.5%
Foreign Ownership	2.6%	8.5%	22.9%

Note:

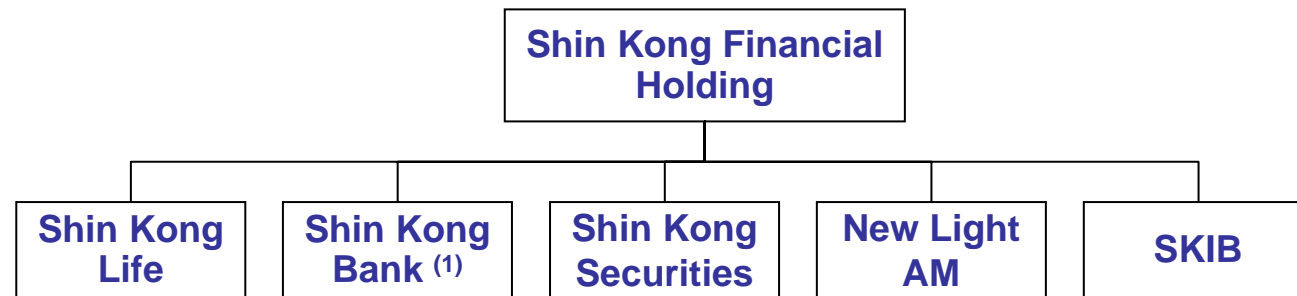
(1) Restated in 2004

2005 Asset Mix



Corporate Structure

Unique Integrated Financial Services Platform



Date of Incorporation	7/1963	1/1997	12/2001	4/2004	3/2003
Assets (NT\$Bn)	967.6	338.5	9.5	0.3	0.06
% of Group Assets	73%	25%	0.7%	< 0.1%	< 0.1%
Earnings (NT\$MM)	7,363	(259)	149	0.77	29
Branches/Offices	358	108	5	1	1
Market Share	10.9%	1.5%	0.3%	0.4%	-

Note:

(1) Completed integration of Macoto Bank on December 31, 2005

Seasoned Management Team



Cheng, Frank
President

- President, Shin Kong Financial Holding
- Vice Chairman, Shin Kong Bank

Experiences:

- President, Shin Kong Life
- SEVP, Shin Kong Life
- EVP, Shin Kong Life
- Chairman, Life Insurance Association of R.O.C.



Hsu, Victor
CFO

- CFO & EVP, Shin Kong Financial Holding
- Spokesperson, Shin Kong Financial Holding
- CFO & SEVP, Shin Kong Life
- Appointed Actuary, Shin Kong Life

Membership & others:

- Director, Life Insurance Association of R.O.C.
- Member, Financial Holding Business Committee (The Bankers Association of R.O.C.)



Pan, Po Tseng
President
Shin Kong Life

- President, Shin Kong Life

Experiences:

- SEVP, Shin Kong Life
- EVP, Shin Kong Life

Membership & others:

- Director, Life Insurance Association of R.O.C.
- Director, Insurance Society of R.O.C.
- Director, Institute for Life Insurance Safety Fund



Lee, Tseng Chang
President
Shin Kong Bank

- President, Shin Kong Bank

Experiences:

- President, United Credit Commercial Bank
- President, Pin-tong First Credit Cooperative
- Assistant Manager, Farmers Bank

Membership & others:

- Member, National Assembly of R.O.C. (1991-1996)

Seasoned Management Team (cont'd)



Hong, Frank
CMO

- Chief Marketing Officer, Shin Kong Financial Holding
- IT Director, Shin Kong Bank

Experience

- President, Macoto Bank
- Chief Marketing Officer, Walsin Lihwa



Lin, Shih Chi
President
Shin Kong Securities

- President, Shin Kong Securities

Experiences:

- EVP, New Light Asset Management
- Chairman, Waterland Securities Investment Consulting Co. Ltd.
- President & Director, Waterland Securities Asset Management Co. Ltd.

Membership & others:

- Director, Securities Investment Trust and Consulting Association of ROC. (1999~2001)
- Director, Securities Analysts Association, Taipei (2001~2004)



Lu, Eric
CRO

- Chief Risk Officer, Shin Kong Financial Holding

Experience

- President, Shin Kong Securities Co.
- President, PowerWorld Securities Co.
- AVP, IB Dept., Taiwan Securities Co.

Membership & others:

- Director, Taiwan Securities Association

Strong Track Record of Attracting and Integrating Outside Talent



Lui, Ian
CIO
Shin Kong Life

- Chief Investment Officer, Shin Kong Life
- Experience:
- CIO and Managing Director, Allianz Asset Management Asia Pacific
 - Managing Director, Indocam Singapore



Ni, Christopher
Deputy CIO
Shin Kong Life

- Deputy Chief Investment Officer, Shin Kong Life
- Experience
- Chief Investment Officer, ING/Aetna
- Membership & others:
- Investment Committee Member, Life Insurance Association



Chen, Dennis
CIO

- Chief Information Officer, Shin Kong Financial Holding
 - Chief Information Officer, Shin Kong Life
- Experiences:
- Director, Core Banking Business, Unisys Limited
 - Director, e-Business, Electronic Data Systems



Lai, Edgar
Deputy CIO

- Deputy Chief Information Officer, Shin Kong Financial Holding
- Deputy Chief Information Officer, Shin Kong Life

Experiences:

- Delivery Manager, Professional Service at Sun Micro System
- Consulting Manager, Oracle Consulting Services
- Deputy CFO, Shin Kong Financial Holding



Yung, Winston
Deputy CFO
Shin Kong FHC

Experience:

- Associate Principal, McKinsey & Co.
- Manager, Finance and Administration, Royal Insurance (Taiwan)



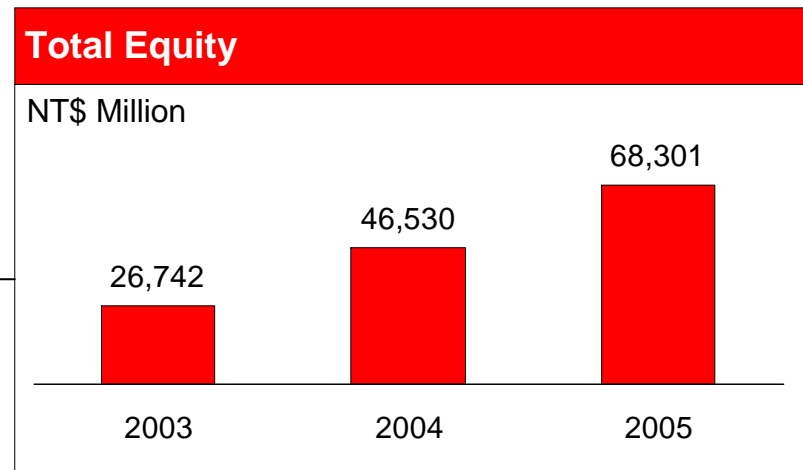
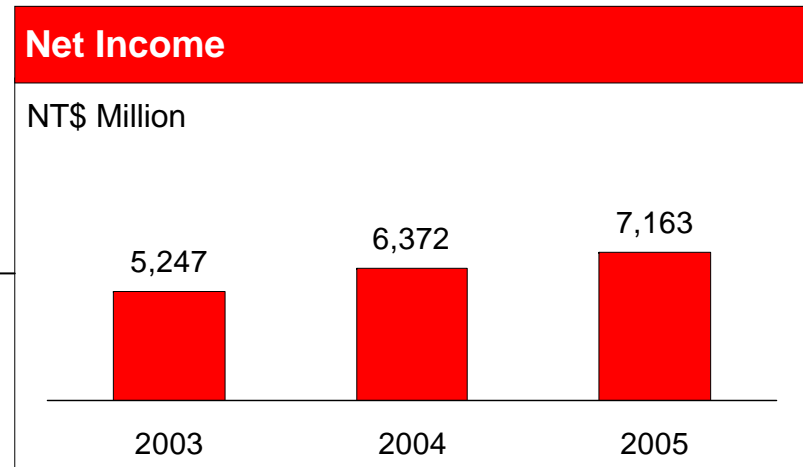
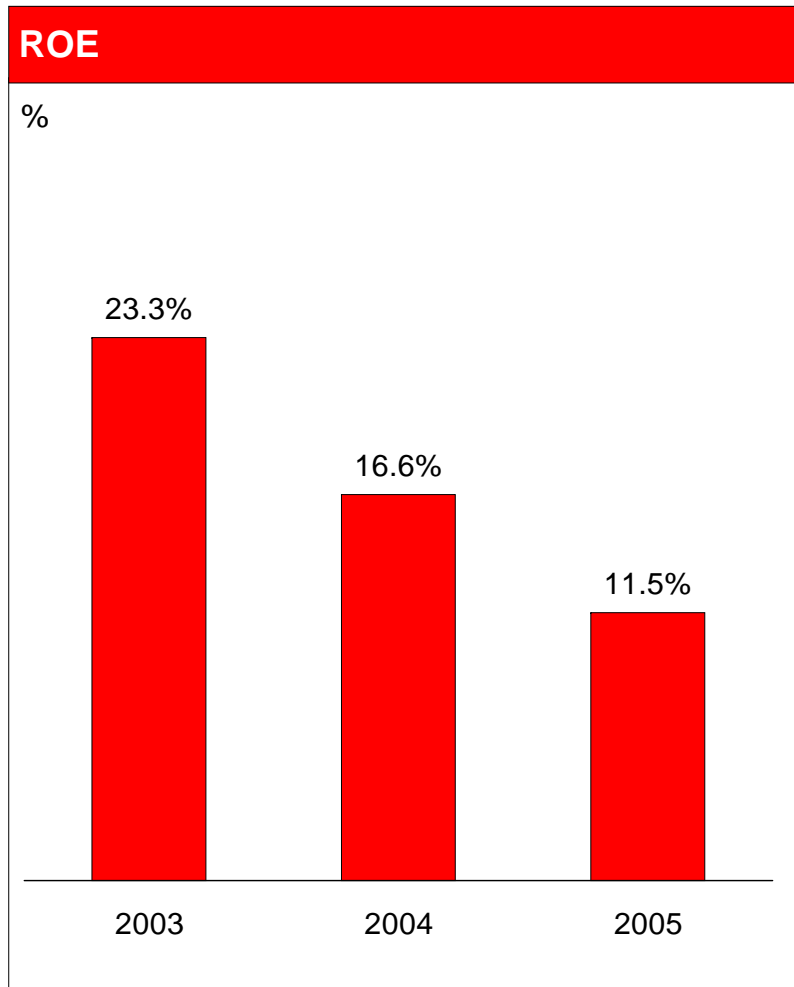
Lin, Sunny
Vice President
Shin Kong Bank

- VP, Wealth Management, Shin Kong Bank

Experiences:

- SVP, Wealth Management, Fuhwa Bank
- AVP, Int'l Private Client Group, Merrill Lynch. (Taiwan)
- AVP, Personal Banking Center, Citibank, N.A. (Taiwan)

Profitability





2005 Group Earnings

NT\$MM	SK Life	SKB	Macoto	Others ⁽¹⁾	Total	FHC
Original (Nov. 04)	\$6,202	(\$318)	N/A	\$214	\$6,098	ROAE 12.0% EPS \$1.78
Revised (Oct. 05)	\$7,090	\$34.5	\$189.6	\$96	\$7,410	ROAE 12.9% EPS \$1.83
Actual (Dec. 05)	\$7,363	Combined (\$259)		\$59	\$7,163	ROAE 11.8% EPS \$1.74

Note:

(1) Consist of adjustment of minority interest in SKL and P&Ls from other subsidiaries and FHC

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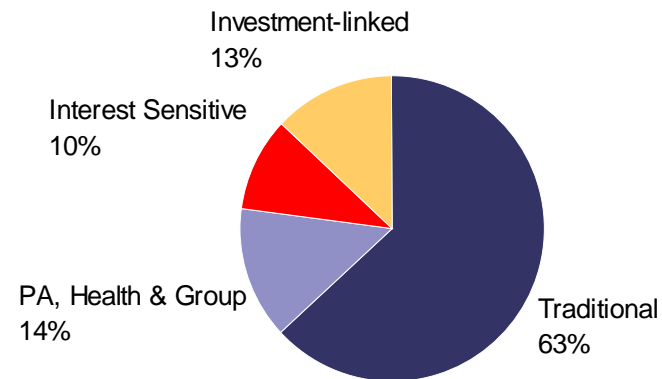
Shin Kong Life

- 3rd largest life insurer in Taiwan with 11% market share and 3 million customers
- Strong distribution network with over 12,000 agents, 350 sales offices and bancassurance relationships with over 10 banks
- Offer a wide range of life insurance products, including traditional life, accident and health, interest-sensitive and investment-linked products

Financial Overview

NT\$ Bn	2003	2004	2005
Total Premium	132.4	154.6	159.0
Net Income	5.0	6.5	7.4
Total Assets	708.7	834.3	967.6
Total Equity	32.0	47.8	54.4
ROE ⁽¹⁾	24.9%	21.8%	18.7%
ROA	0.77%	0.85%	0.82%

2005 Total Premium Written

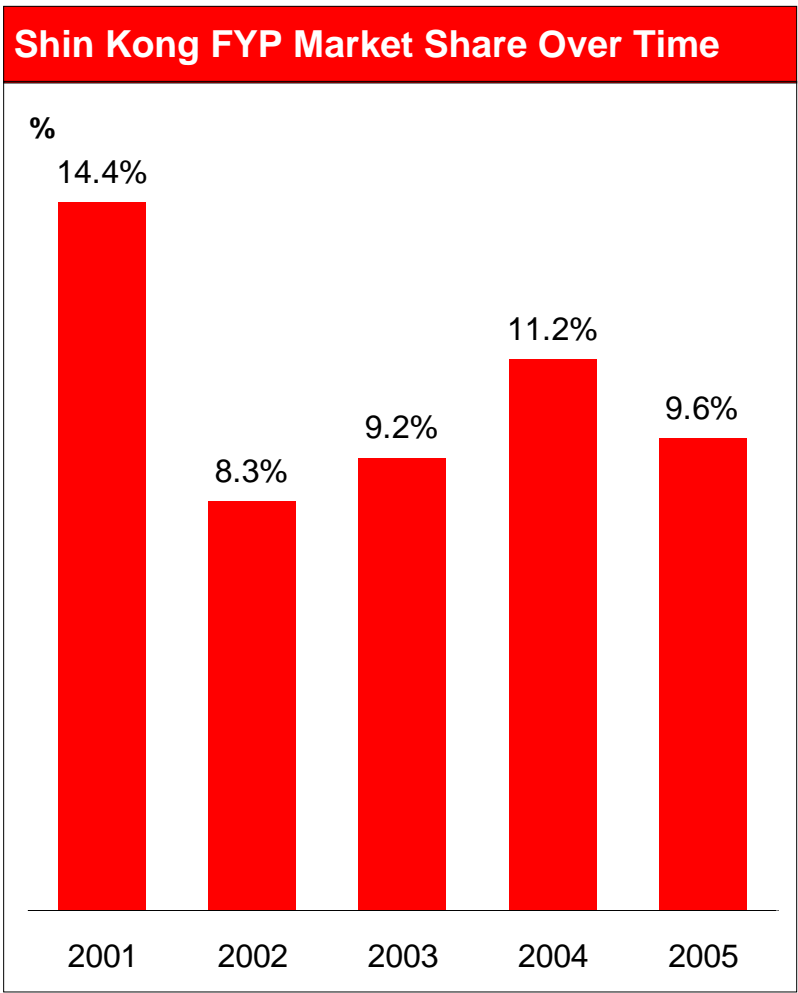
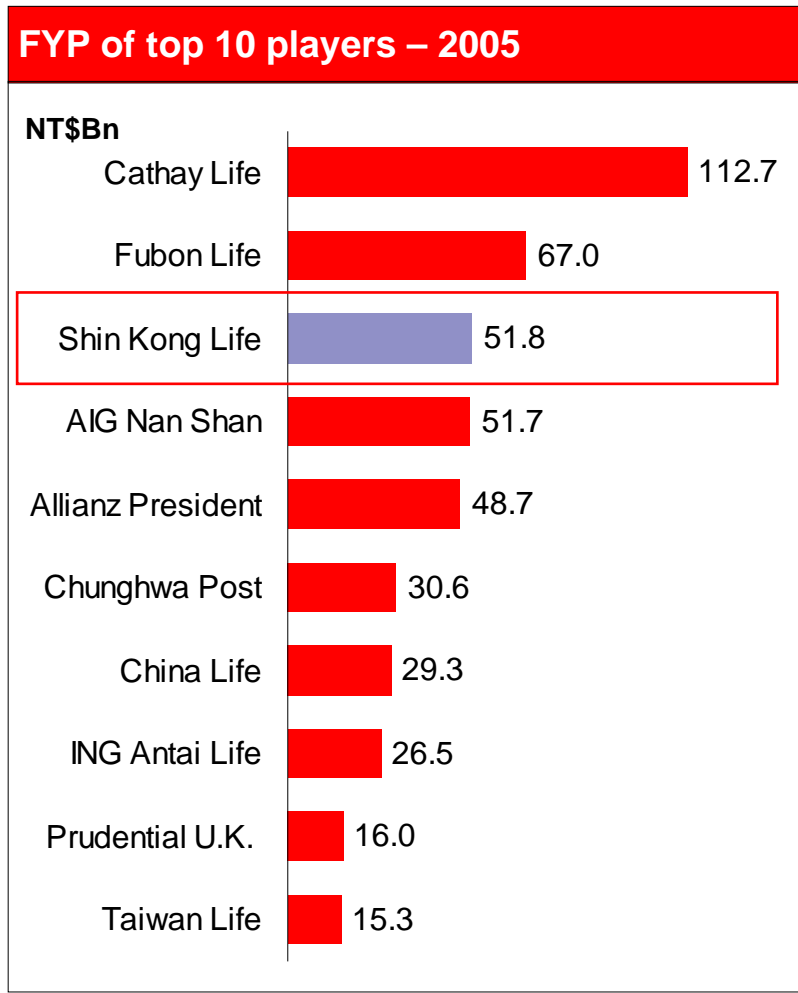


Total Premium Written: NT\$159Bn

Note:

(1) Excludes preferred shares

Shin Kong Market Share



Source Life Insurance Association of R.O.C.

Awards and Recognition



National Quality Award (2004) by MOEA

ISO National Quality Verification (2000, 1998)



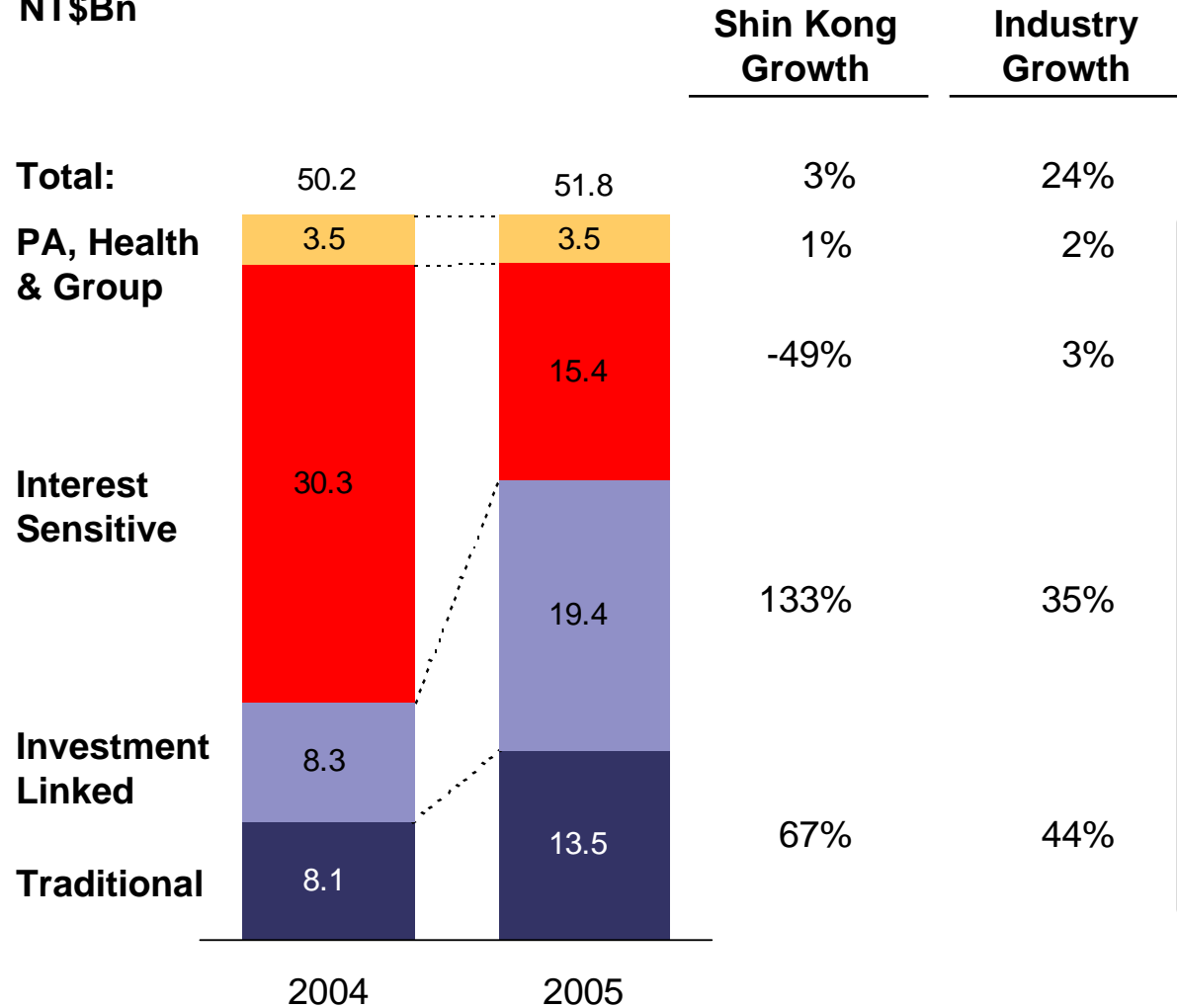
Insurance Faith, Hope and Love Award by Risk Management & Insurance Media Group

- Best Communication Award (2005)
- Group Faith Award (2004, 2003, 2002, 2001) for Achievement
- Group Love Award (2004, 2003, 2002, 2001, 2000, 1999) for Charity
- Group Hope Award (2002) for Professionalism
- Best Product Innovation Award (2002, 1999)
- Professional Faith Award (2002, 2001) for Individual Achievement



First Year Premium – 2005

NT\$Bn

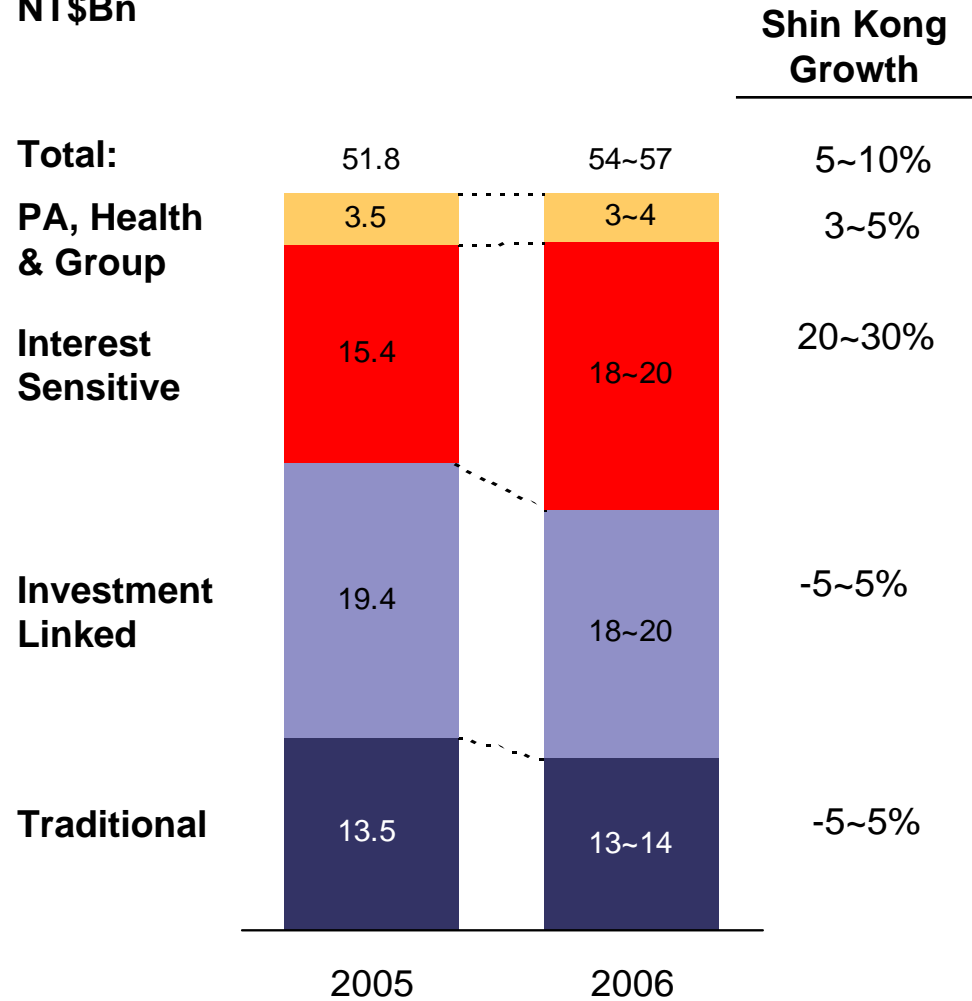


Comments

- Robust growth in traditional products, mainly driven by 6-year policies
- Ongoing strong demand for investment-linked products
- Share of interest-sensitive annuities successfully controlled at ~35% of overall portfolio

First Year Premium Forecast – 2006

NT\$Bn



Comments

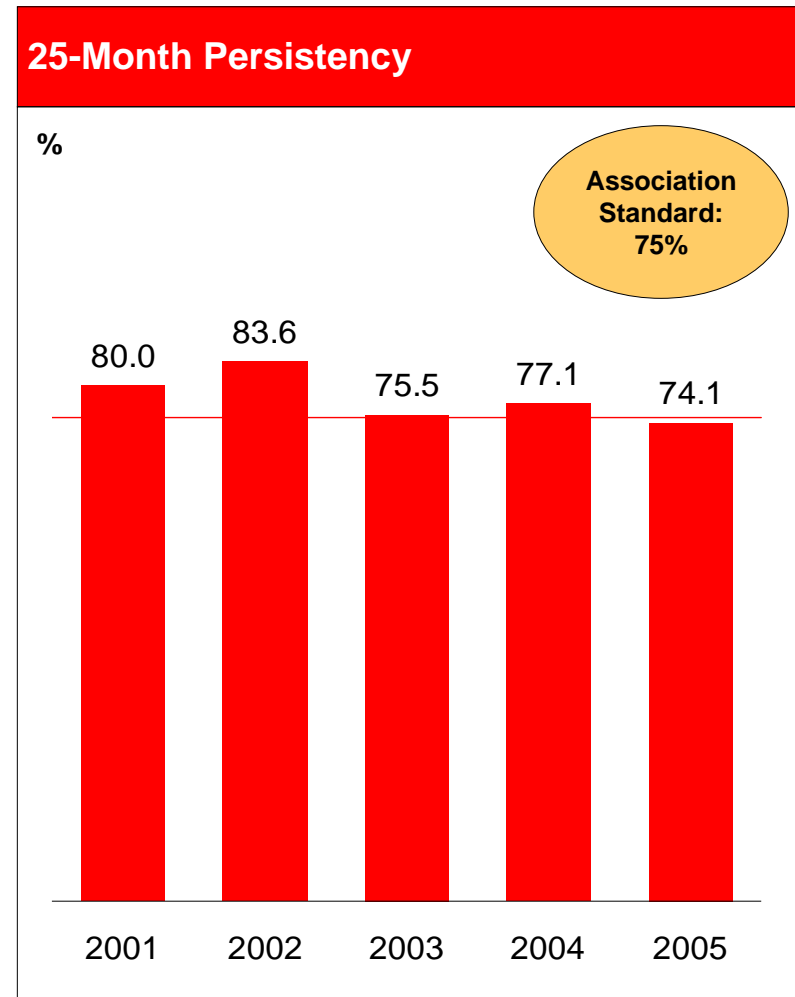
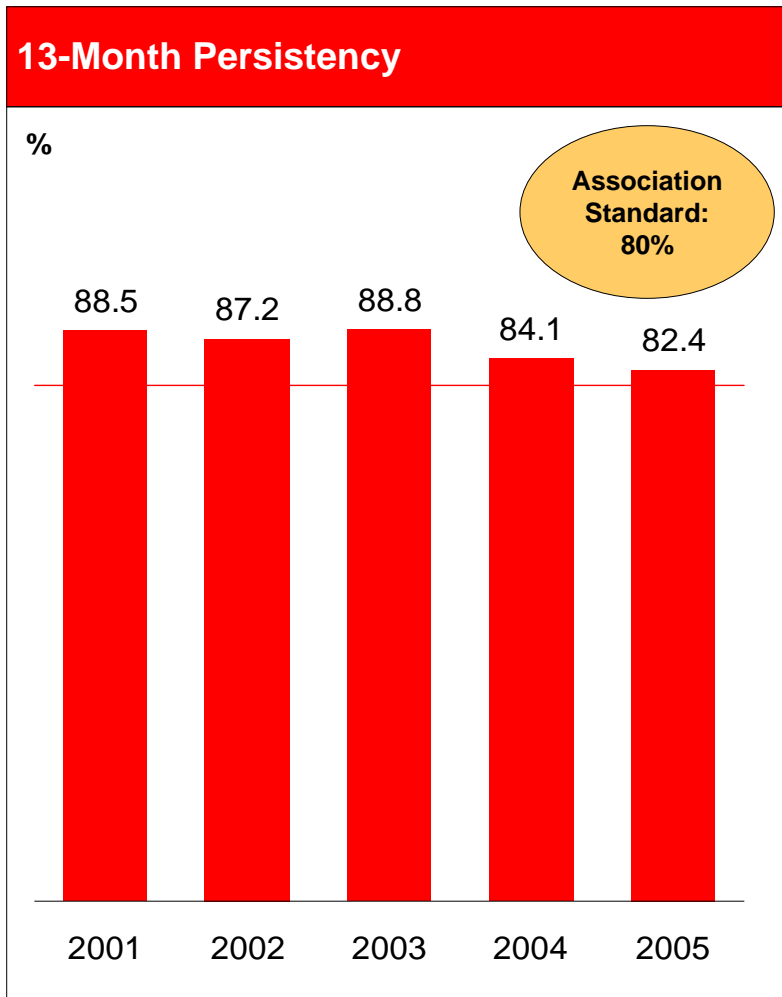
- Maintain balanced product mix
 - Sustain sales in profitable traditional products
 - Inject protection element to investment-linked and interest sensitive products
- Pursue in-house agency consolidation and leverage Shin Kong Bank branch network to boost productivity
- Enhance expense and morality gains through tighter costs and claims control

SP / RP Breakdown – 2005

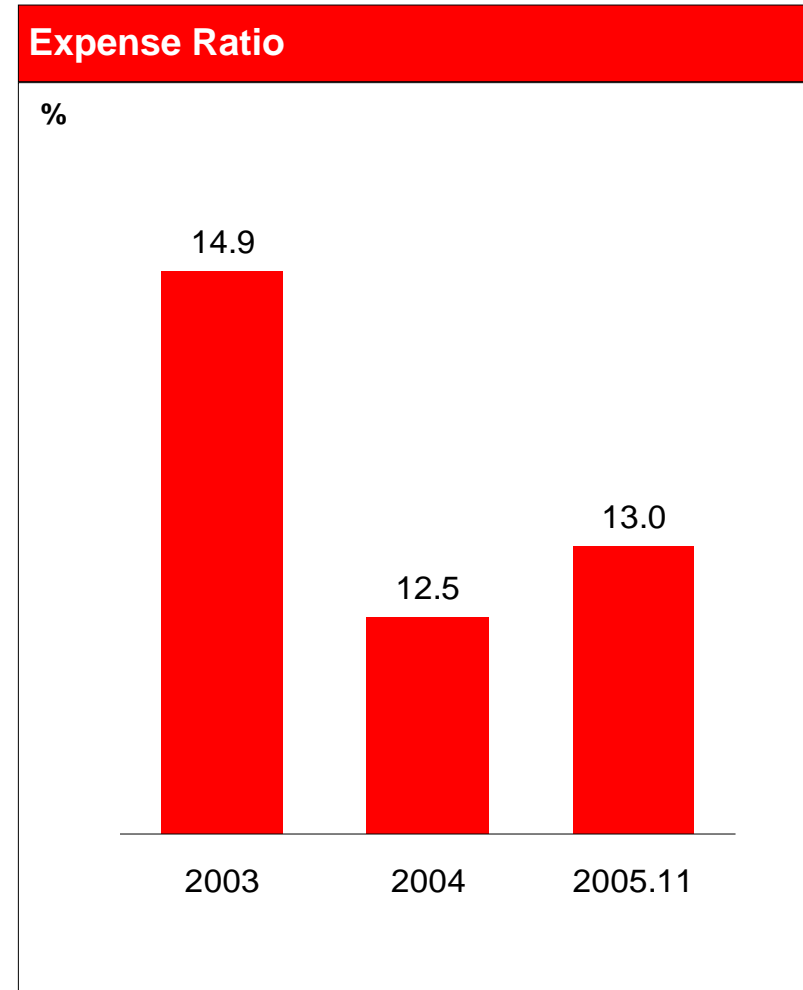
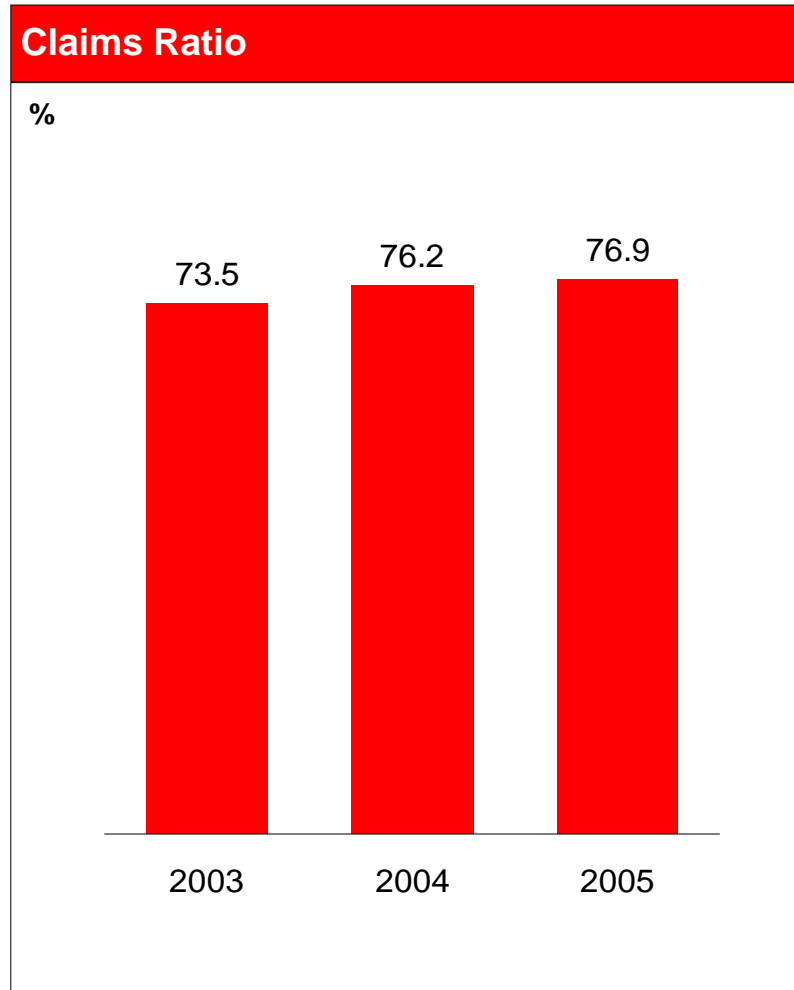
First Year Premium, NT\$Bn

	Single Premium	Regular Premium	Flexible Payment	Total
Traditional		13.5		13.5
Investment-linked				
VUL			12.1	12.1
Structured note	7.2			7.2
Interest Sensitive				
Annuity	6.5		3.5	10.0
Life			5.4	5.4
PA, health and others		3.5		3.5
Total	13.7	17.0	21.0	51.7

Persistence Ratio

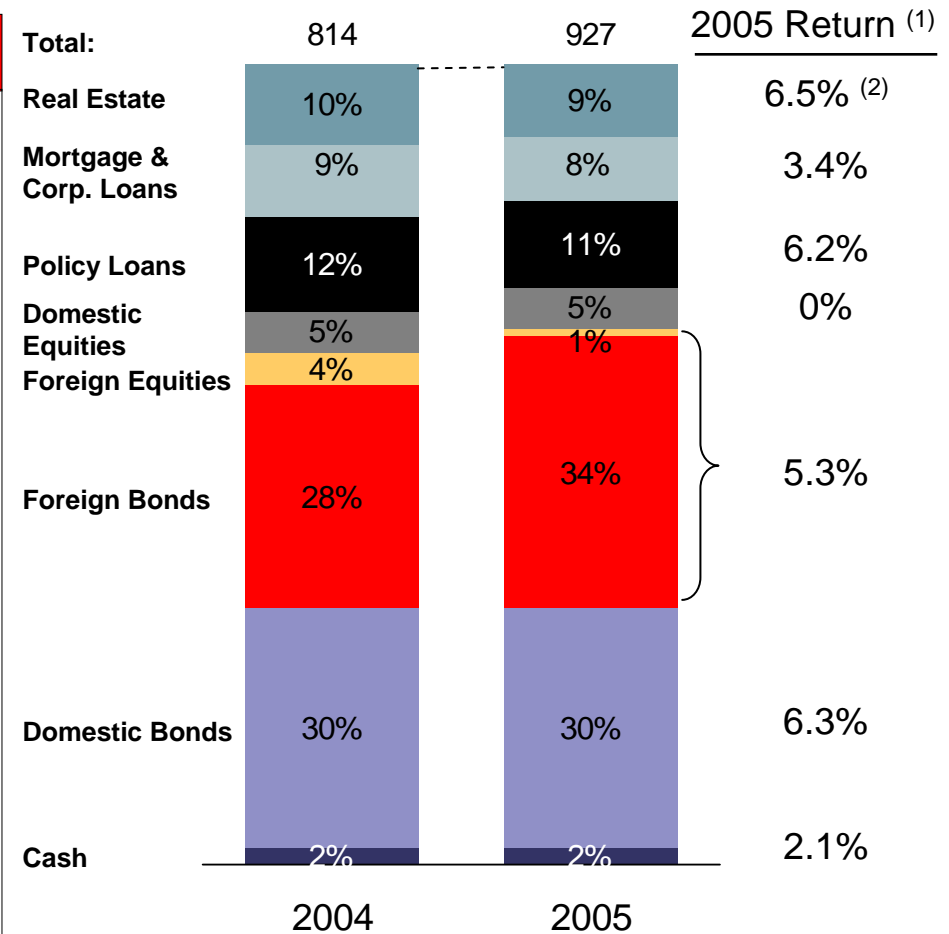
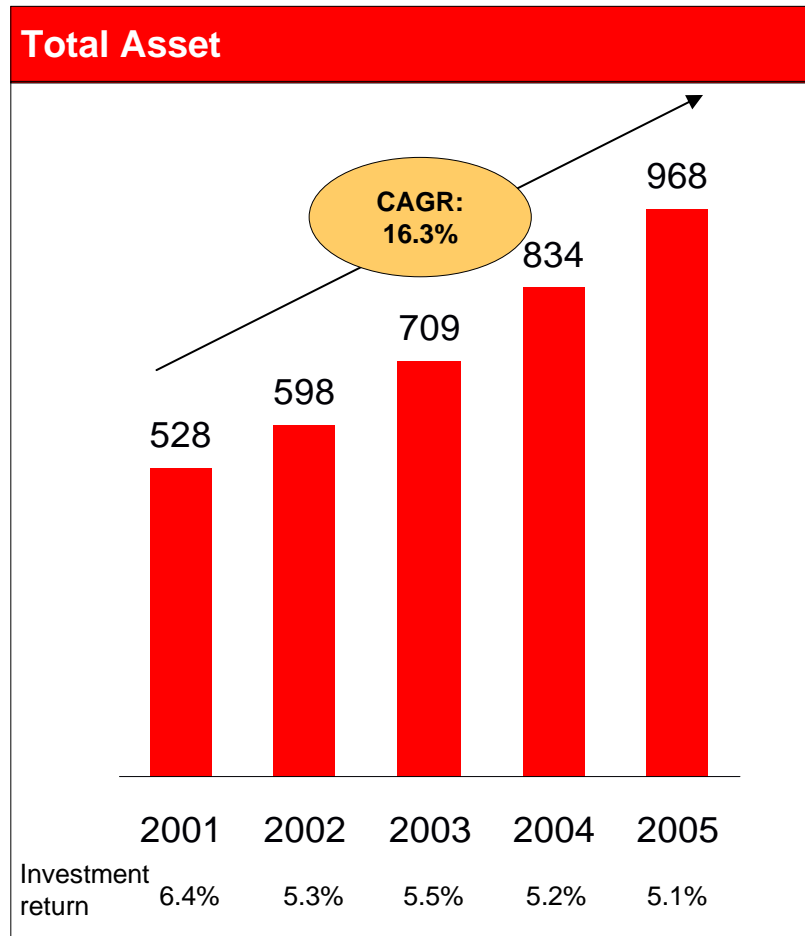


Claims and Expense Ratios



Investment Portfolio

NT\$Bn



Notes:

- (1) Includes capital gains
- (2) Includes \$1.5Bn gains from securitization

Real Estate Securitization

- Create recurring management fees
- Obtain special tax treatment
- Unlock value in balance sheet
- Ensure earnings stability

	CMBS#1	CMBS#2	REIT#1
Issue Date	01/10/05	06/22/05	12/26/05
Total Size	\$2.8 bn	\$3.1 bn	\$11.3 bn
Retention	56% ⁽¹⁾	46% ⁽¹⁾	20%
Underlying Asset(s)	1 Office building	1 Office building	2 Office Buildings, 1 Department Store, 1 Service Apartment Complex
Type	Debt Financing at 2.85% ⁽²⁾	Debt Financing at 2.69% ⁽²⁾	Equity Financing
Term	5yr	7yr	N/A
Capital Gain	\$0.79 bn	\$0.73 bn	\$3.5 bn ⁽³⁾

Notes:

- (1) Retained equity tranches of CMBS deals, therefore effectively maintain economic ownership and capital appreciation potential of the properties
- (2) Weighted average cost
- (3) Credited in January 2006 when asset transfer was completed

Portfolio Management Strategy

- **Enforce strong Asset-Liability-Management Discipline**
 - Develop Strategic Asset Allocation limits based on liability profile and capital budget
- **Build core portfolio of recurring income**
 - From fixed income securities, dividend-oriented stocks, rental properties, policy loans and mortgage loans
 - Yield pick-up through overseas investments (e.g., 30-Year Mortgage Backed Securities @6% and above)
- **Target recurring stream of capital gains from diversified sources**
 - Diversification by asset class (equity, credit, currency, commodity)
 - Diversification by strategy for uncorrelated sources of alpha (quantitative, value, etc.)
- **Manage increase in currency hedging costs**
 - Reduce traditional currency swap to 80% of foreign assets
 - Pursue natural diversification of remaining assets
 - Adopt “proxy hedging” to achieve good hedging effectiveness at low cost

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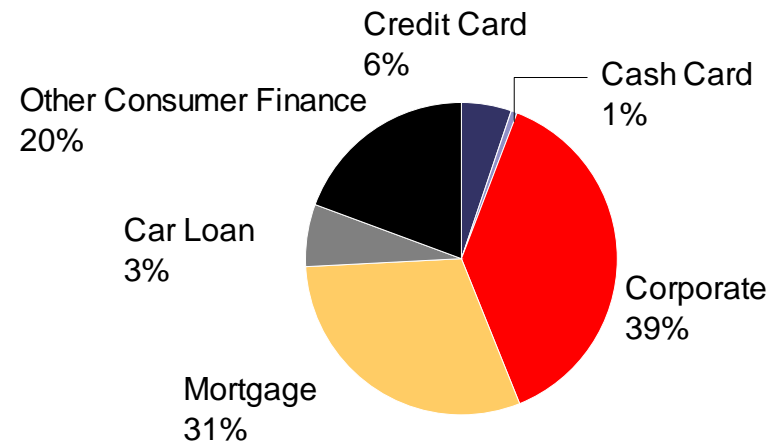
Shin Kong Bank

- 10th largest private bank in Taiwan
- Over 2 million customers and 1.5 million credit cards outstanding
- 108 branches with over 50 located in the Greater Taipei area
- Offer a wide range of banking products including credit cards, mortgages, auto loans, deposits, other consumer finance and corporate products

Financial Overview

NT\$Bn	2003	2004	2005
Total Loans	52.20	54.34	207.10
Total Deposits	64.64	74.68	289.44
Net Profit	(2.00)	0.02	(0.25)
Total Assets	69.26	86.27	338.53
Total Equity	3.44	10.51	19.81

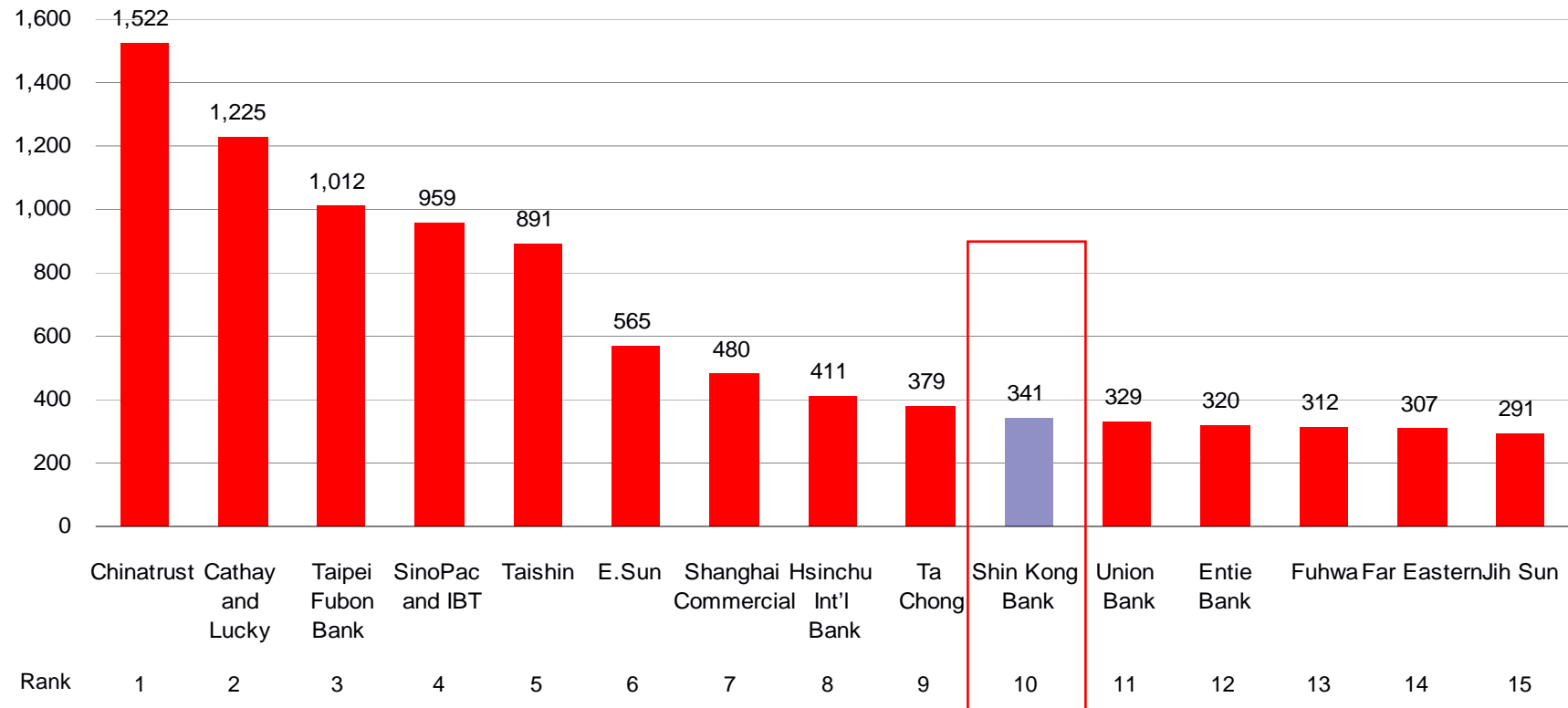
2005 Loan Breakdown



Total Loan: NT\$221Bn

Market Position

Private Banks by Asset Size (1) NT\$Bn



Source Banking Bureau as of December 2005

Note:

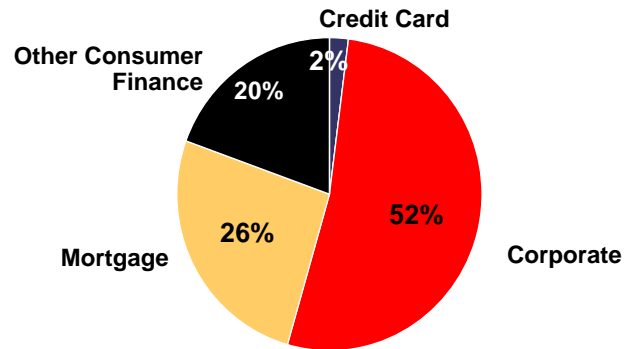
(1) Banking assets only

Loan Mix

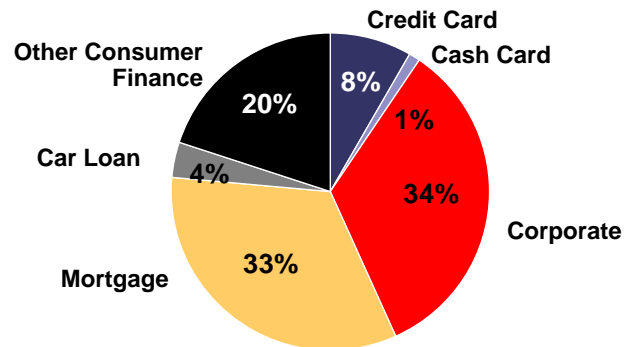
Loan balance



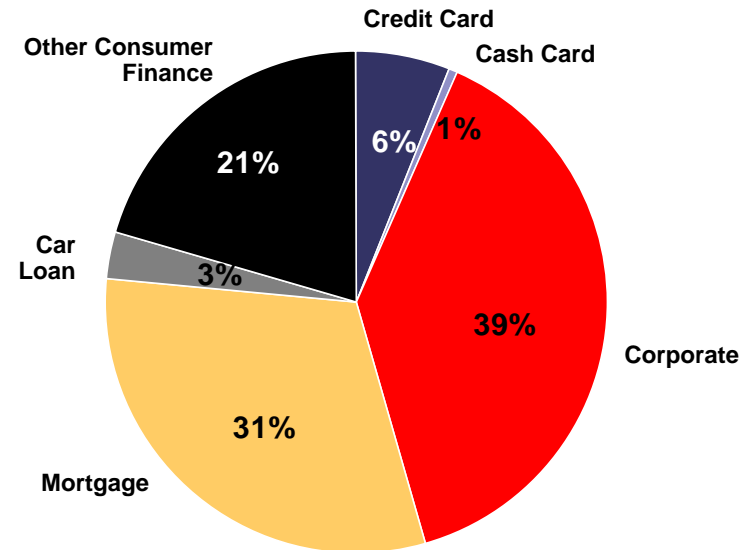
Shin Kong Bank (Total = NT\$69Bn) ⁽¹⁾



Macoto Bank (Total = NT\$154Bn) ⁽¹⁾



Combined (Total = NT\$221Bn) ⁽²⁾



Notes:

(1) As of November 2005

(2) As of December 2005

Branch Network

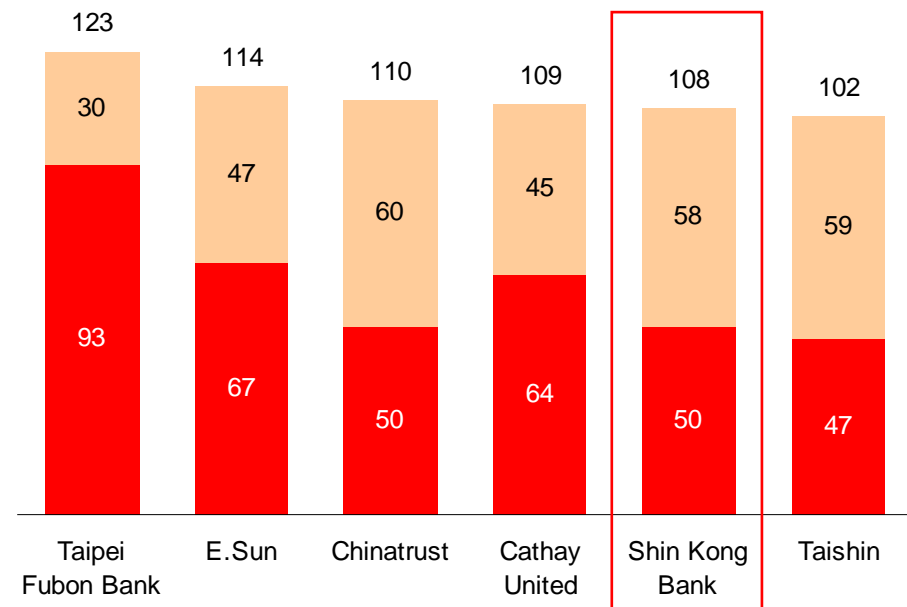
With focus on the Taipei and Greater Taipei area

Branch Distribution

	Shin Kong Bank	Macoto Bank	Total
North	8	53	60
Greater Taipei	5	45	50
South	7	13	20
East	0	2	2
Central	13	12	25
Total (Domestic)	28	80	108
Hong Kong	0	1	1
Total	28	81	109

Private Bank Branch Distribution Network

Bank Branches

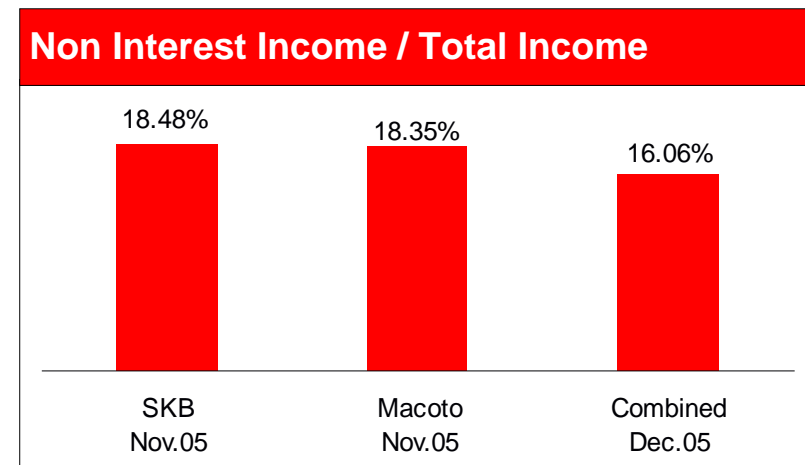
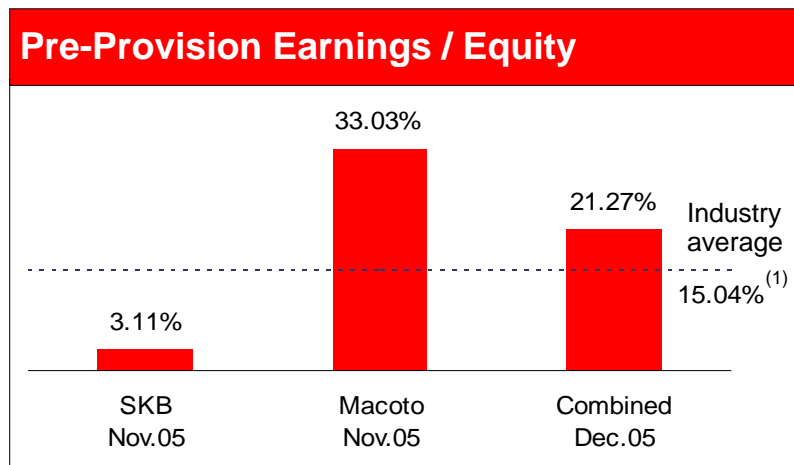
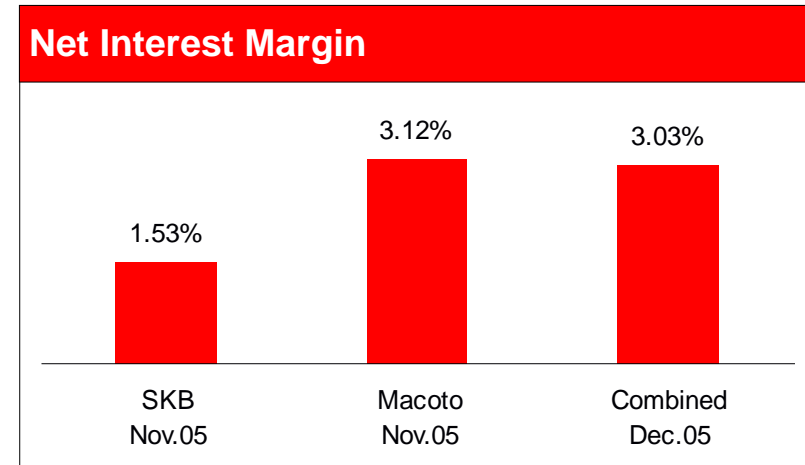
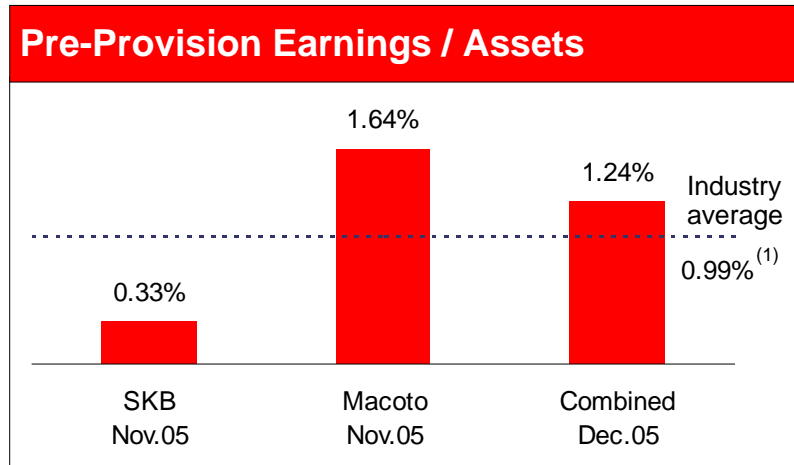


■ # Bank Branches in Greater Taipei ■ # Bank Branches in other Regions

Source Banking Bureau

Profitability

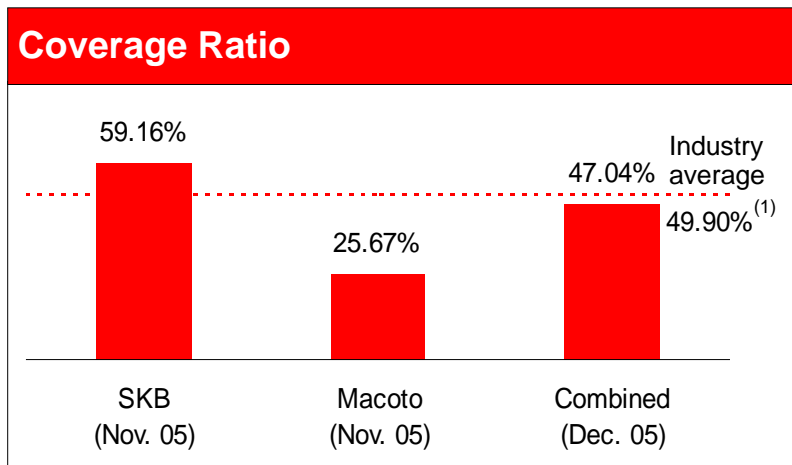
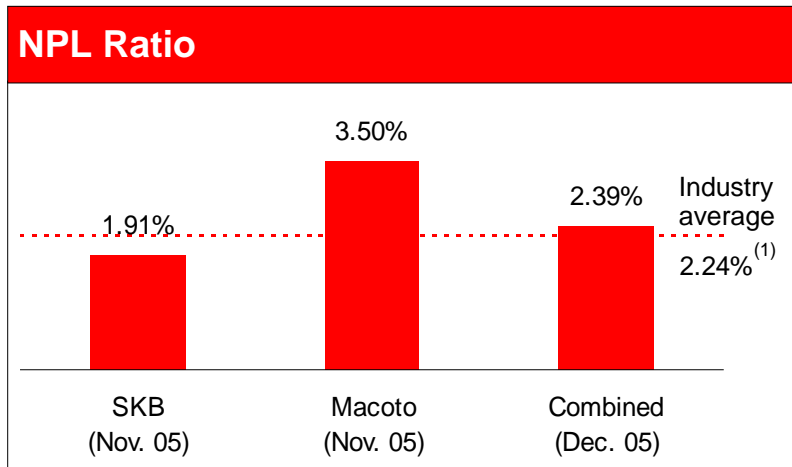
Percent



Note:

(1) Source: Banking Bureau, FSC, September 2005

Asset Quality



Comments

- NPL and coverage ratios significantly improved post integration
- Additional provision of NT\$1.2Bn taken in 2005 to increase coverage from 25.7% to 47.0%
- Plan is to maintain NPL under 2.5% and coverage above 40% in the near term and improve further going forward

Note:

(1) Source: Banking Bureau, FSC, December 2005

Financial Summary

NT\$MM	Macoto Bank			Combined
	2002	2003	2004	2005
Net Interest Income	5,452	5,811	6,674	8,825
Net Non-Interest Income	624	1,636	1,918	1,881
Operating Expenses	(3,728)	(4,083)	(4,740)	(6,492)
Pre-Provision Income	2,453	3,779	4,244	4,402
Provisions	(1,204)	(2,550)	(3,011)	(4,729)
Amortization of NPL Losses	(1,000)	(1,000)	(1,000)	-
Pre-tax Income	249	229	233	(326)
Tax	(85)	(46)	(27)	68
Reported Net Income	164	183	206	(258)
Net Interest Margin	4.07%	3.57%	3.67%	3.03%
Non-Interest Income / Total Income	10.27%	21.97%	22.33%	16.06%
Cost / Income	61.35%	54.82%	55.16%	60.64%
Broad-Based NPL Ratio	10.23%	6.36%	4.26%	2.39%
Broad-Based Coverage Ratio	10.76%	20.62%	24.39%	47.04%
Pre-Provision RoA	1.43%	1.75%	1.87%	1.24%
Pre-Provision RoE	22.88%	35.87%	38.86%	21.27%

2006 Business Plan

- **Targeted loan growth of 13% with corporate business as primary driver**
- **Corporate banking: grow through leveraging FHC brand name and resources**
 - More capacity to participate in syndicated loans and offer credit lines to large corporates
 - Expansion in SME segment by employing Macoto's expertise and experience
- **Consumer banking: monitor situation and prepare for future growth**
 - Moderate growth in consumer loans (7%), mainly through cross-selling to insurance customer base
 - More stringent credit card issuance standards and higher cost efficiency
 - Consumer credit situation expected to peak in 1H2006
- **Wealth management: launch new business model**
 - New license granted and flagship branches established in prime locations
 - New organization and incentive program to encourage cross-selling
- **Improve asset quality through adoption of modern risk management practices and organizational changes**

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SKL - Embedded Value Results

Unit: NT\$Bn Valn Date: 30 June 2004 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except	
	Inv Return 4.05%	Inv Return 6.05%		RDR 10.90%	RDR 12.90%
Net Worth	63.9	63.9	63.9	63.9	63.9
VIF	(29.1)	95.2	34.1	36.6	31.9
EV (before COC)	34.8	159.1	98.0	100.5	95.8
Cost of Capital (COC)	38.9	33.1	36.0	35.2	36.7
EV (after COC)	(4.1)	126.0	62.0	65.3	59.1

Notes:

- (1) COC(Cost of Capital) reflects the opportunity cost of holding the statutory required capital. Annual COC equals RBC * (RDR – after tax investment return)
- (2) Valn Date: Valuation Date; RBC= Risk-Based Capital; RDR= Risk Discount Rate

SKL - Estimate of Appraisal Value Results

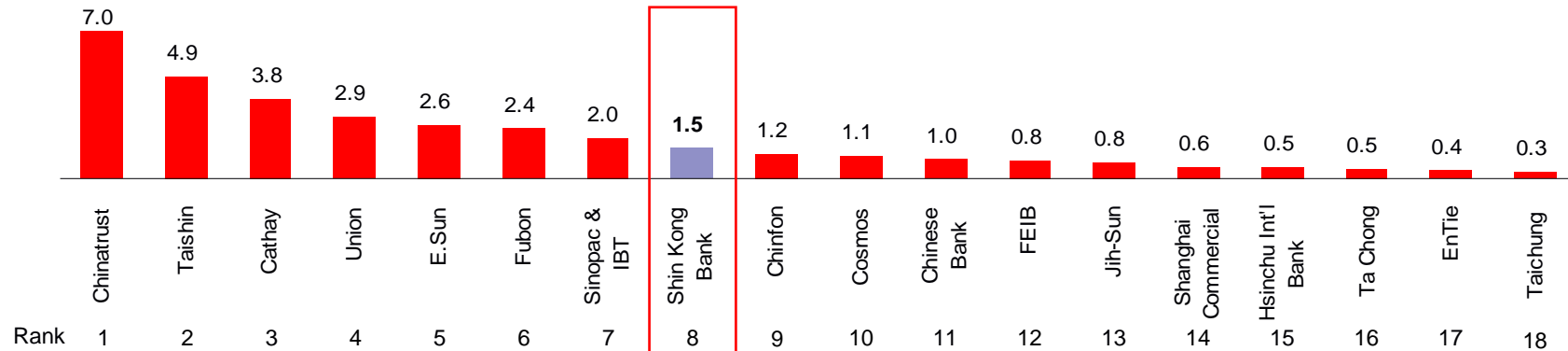
Unit: NT\$Bn Valn Date: 30 June, 04 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except	
	Inv Return 4.05%	Inv Return 6.05%		RDR 10.90%	RDR 12.90%
Net Worth	63.9	63.9	63.9	63.9	63.9
VIF	(29.1)	95.2	34.1	36.6	31.9
Cost of Capital(COC)	38.9	33.1	36.0	35.2	36.7
EV after COC	(4.1)	126.0	62.0	65.3	59.1
VNB after COC	7.5	14.9	11.2	12.4	10.2
After COC					
AV (5 years NB)	22.1	168.0	94.1	101.0	88.3
AV (20 years NB)	45.5	222.3	134.9	146.0	125.5

Notes:

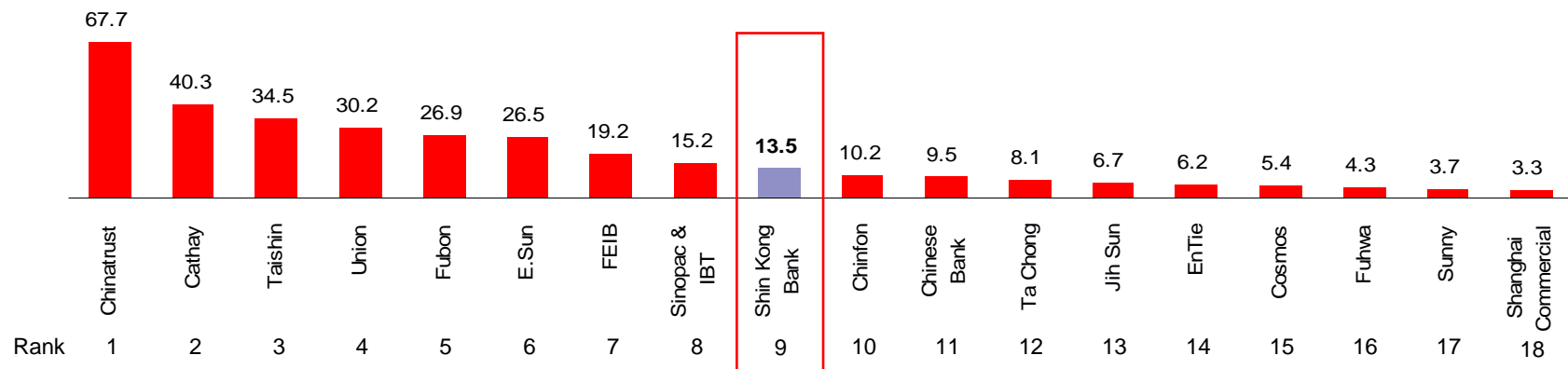
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- (2) Valn Date: Valuation Date; RBC= Risk-Based Capital; RDR= Risk Discount Rate

Credit Cards Ranking

**Private Banks by Cards in Circulation
NT\$MM**

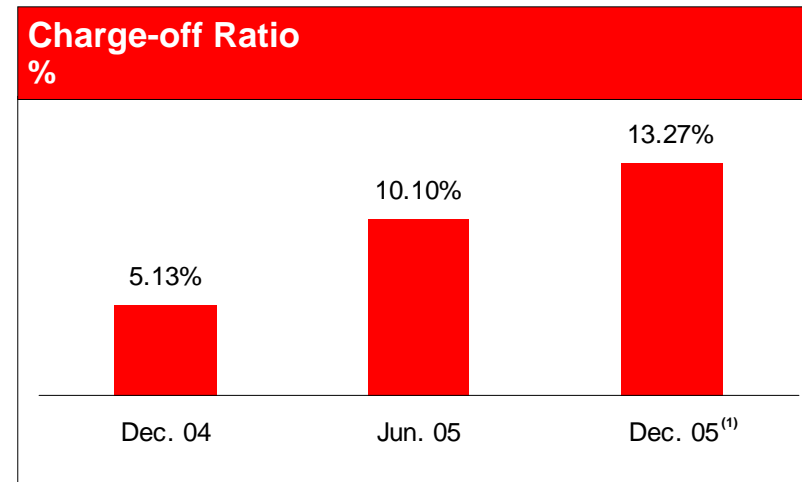
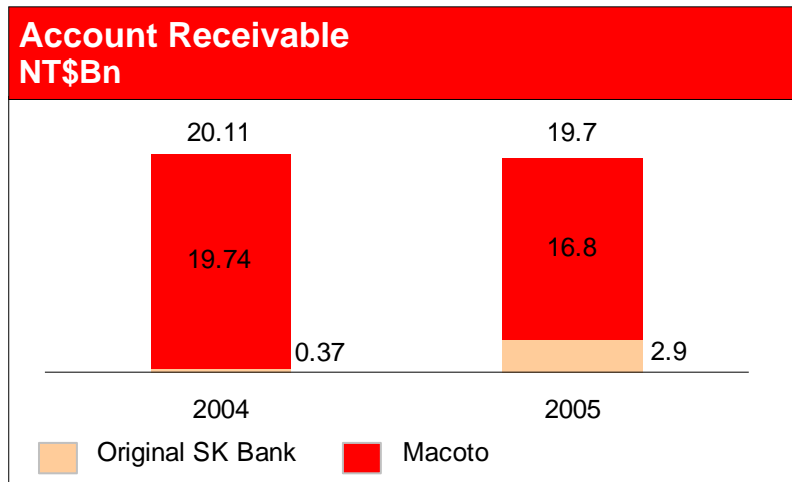
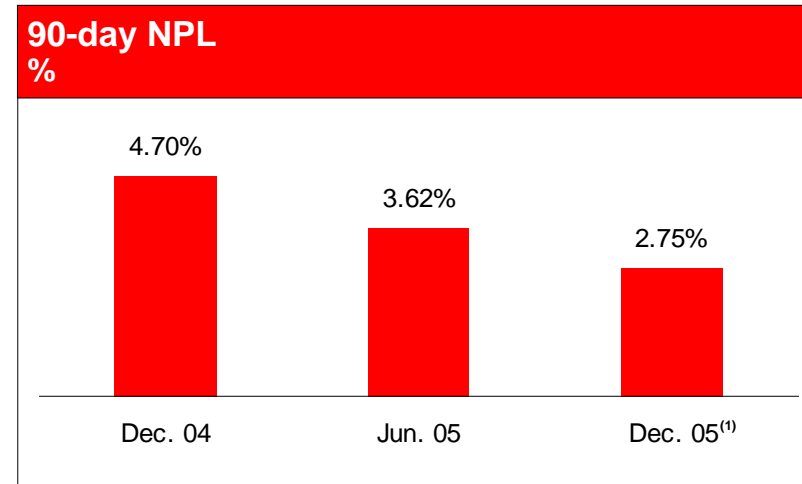
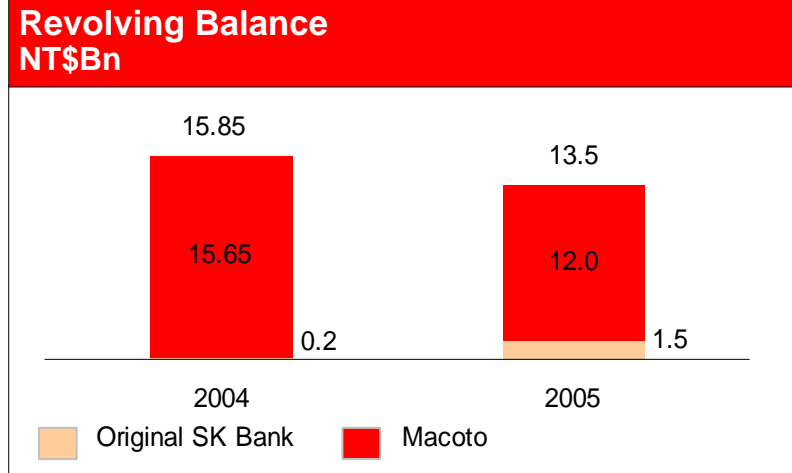


**Private Banks by Revolving
NT\$Bn**



Source Banking Bureau as of December 2005

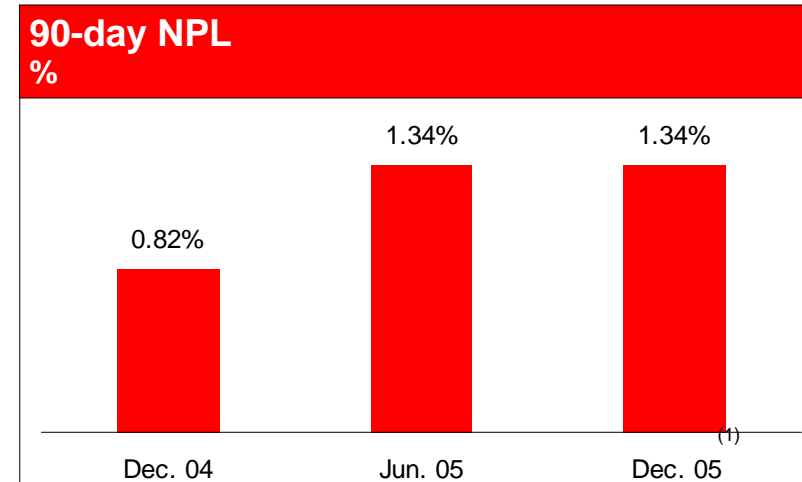
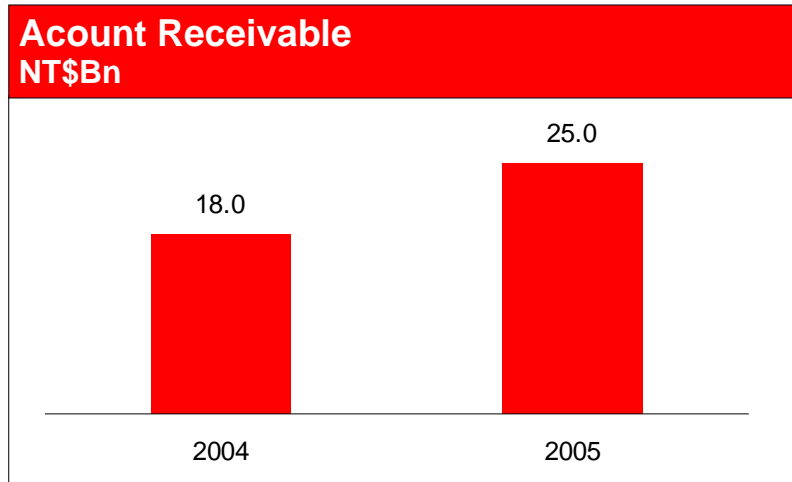
Credit Cards Metrics



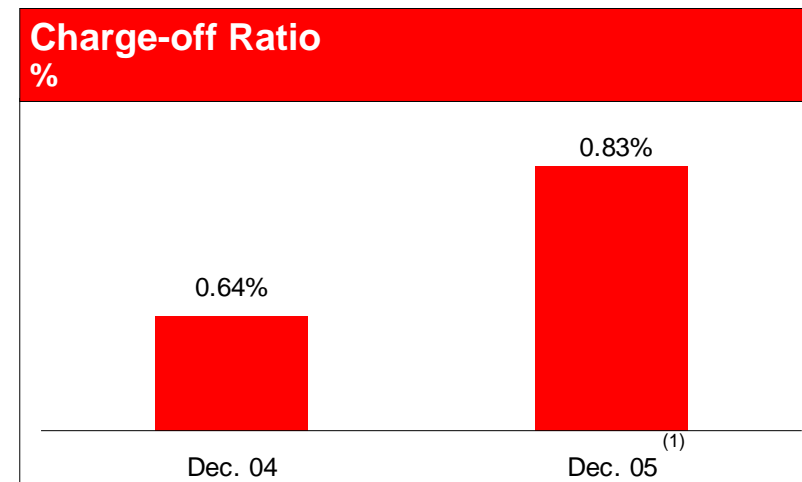
Note:

(1) Combined bank

Other Unsecured Consumer Loan



- Consist mainly of installment loans sourced through branch AOs
- Tight credit approval process – 5 verification calls are made on every application
- Over 70% of cases are “secured” by guarantors and secondary claims to mortgages



Note:

(1) Combined bank

Macoto – Summary Financials

	Macoto Bank			Combined
NT\$MM	2002	2003	2004	2005
Cash and Cash Equivalents	3,671	3,382	2,922	10,017
Total Loans ⁽¹⁾	103,125	123,889	134,326	204,769
Total Assets	171,737	215,886	227,503	338,539
Total Deposits	148,476	170,025	190,769	289,443
Shareholders' Equity	10,534	10,719	10,921	19,818
Loans ⁽¹⁾ / Deposits	69.46%	72.87%	70.41%	70.75%
Equity / Assets	6.13%	4.97%	4.80%	5.85%
Gross Tier I Ratio	7.69%	6.32%	6.39%	8.27%
BIS	11.28%	9.33%	9.69%	10.56%

Notes:

(1) Excludes NPL & card debts