

Confidential



**Shin Kong Financial Holding**

## Company Overview

September 2011

# Disclaimer

This presentation and the presentation materials distributed herewith include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Shin Kong Financial Holding Company (“Shin Kong FHC”) expect or anticipate will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. Shin Kong FHC’s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market shares, competition, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, cost estimates and other risks and factors beyond our control. In addition, Shin Kong FHC makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

Figures in this presentation and the presentation materials distributed herewith are preliminary numbers.

# Agenda

## I. SKFH

## II. Life Insurance Business

## III. Banking Business

## IV. Appendix

- Market opportunities
- SKL Premium
- One-off losses of CDO & CBO investment
- EV & AV Result
- SKL China Development Strategy

# Who We Are

- Major financial holding company in Taiwan
  - Subsidiaries including life insurance, bank, securities, asset management, insurance brokerage, and venture capital
  - 3rd largest life insurer by first year premiums with 7.2% market share
  - 11th largest private bank by total assets with 105 branches
- One of the few FHCs in Taiwan with significant presence in both insurance and banking

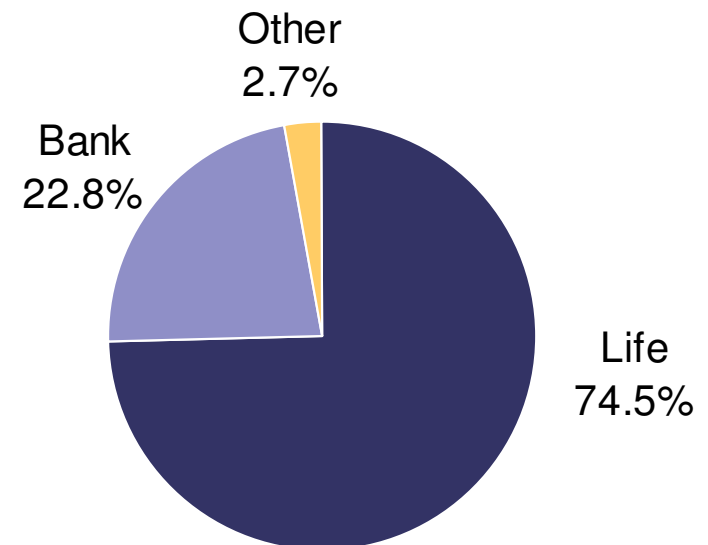
## Financial Overview

NT\$bn	2008	2009	2010
Total Assets	1,740.2	1,902.1	2,064.5
Shareholders' Equity	56.2	92.7	102.1
Market Value	55.7	104.6	1,18.1
Net Income <sup>(1)</sup>	-21.0	1.1	2.5
ROA	-1.27%	0.14%	0.22%
ROE	-28.44%	2.97%	3.74%
Foreign Ownership	22.6%	29.93%	22.72%

Note:

(1) Excludes minority interest income

## 2010 Asset Mix



# Corporate Structure

## Unique Integrated Financial Services Platform



	Shin Kong Life	Shin Kong Bank	Shin Kong Investment Trust	Shin Kong Insurance Brokers	Shin Kong Venture Capital
Date of Incorporation	7/1963	1/1997	9/1992	1/2003	4/2011
Assets (NT\$bn)	1,537.52	470.05	0.64	0.15	0.55
% of Group Assets	74.5%	22.8%	<0.1%	<0.1%	<0.1%
Earnings (NT\$m)	393	2,005	34	66	-
Branches/Offices	308	105	3	1	1
Market Share	7.2%	1.4%	1.5%	-	-

# Seasoned Management Team



**Hsu,  
Victor**

President & Spokesperson,  
Shin Kong Financial Holding

Experiences:

- First Vice President, Shin Kong Financial Holding
  - CFO, Shin Kong Life
- Membership & others:
- Director, Life Insurance Association of R.O.C.
  - Member, Financial Holding Business Committee



**Tsai,  
Jason**

President, Shin Kong Life

Experiences:

- EVP, Shin Kong Life
  - SVP, Shin Kong Life
- Membership & others:
- Executive Director, Life Insurance Management Institute of the Republic of China



**Lee,  
David**

President, Shin Kong Insurance Brokers

Experiences:

- SVP, Shin Kong Insurance Brokers
- SVP, Shin Kong Life



**Lai,  
Chin Yuan**

President, Shin Kong Bank

Experiences:

- SEVP & President of Asia-Pacific market, Mega Bank
- SEVP & General Manger of Taichung Branch, ICBC
- Director of Waterland Financial Holdings
- Director of R.O.C. Bills Finance Association



**Su,  
Eric**

President, Shin Kong Investment Trust

Experiences:

- Executive Consultant, Taipei Foundation of Finance
- CEO of Wealth Management (Banking & Securities), JS Financial Holding Co., Ltd.
- Chairman, JS Securities Investment Trust Co., Ltd.
- President, JP Morgan Fleming Asset Management (Taiwan) Ltd.

## Strong Track Record of Attracting and Integrating Outside Talent



**Chu,  
Grace**

CRO, Shin Kong Financial Holding  
CRO, Shin Kong Life

Experiences:

- Senior Vice President, Taiwan International Securities Company
- Co-Chair, Risk Control Committee, Taiwan Securities Association
- Executive Vice President, Taiwan Ratings Corporation



**Chen,  
Dennis**

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



**Lin,  
Han Wei**

SVP, Actuarial & Planning Department,  
Shin Kong Life

Experiences:

- Assistant Actuary, New York Life (USA)
- Director and Actuary, Lincoln Financial Group (USA)
- FSA
- MAAA
- CFA



**Lin,  
Sunny**

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)

# Sound Policies and Practices to Ensure Proper Corporate Governance

## Board Control

- Increasingly diversified shareholding structure with over 20% foreign ownership and ~2% employee ownership
- 3 independent non-executive Board directors appointed in 2011
  - Chi-Shih Cheng: Former Head of Insurance Bureau, Ministry of Finance
  - Wen-Chi Wu: Professor at the Chihlee Institute of Technology
  - Cheng-Yi Li: Former Director and President of Hua Nan Financial Holding Company

## Legal Compliance

- Appointed Compliance Officer to further strengthen internal risk control and legal compliance
- Compliance officer is appointed by the Board and reports to the FHC President; he submits a report to the Board on a half-yearly basis

## Internal Audit

- Chief Auditor reports directly to the Board
- One business audit every year
- One finance, risk management and compliance audit every half year

## Disclosure

- Spokesperson and Deputy spokesperson appointed
- Upload information to public information website regularly
- Dedicated IR team established to respond to investor questions
- Quarterly result meeting to update media / investors on operational performance

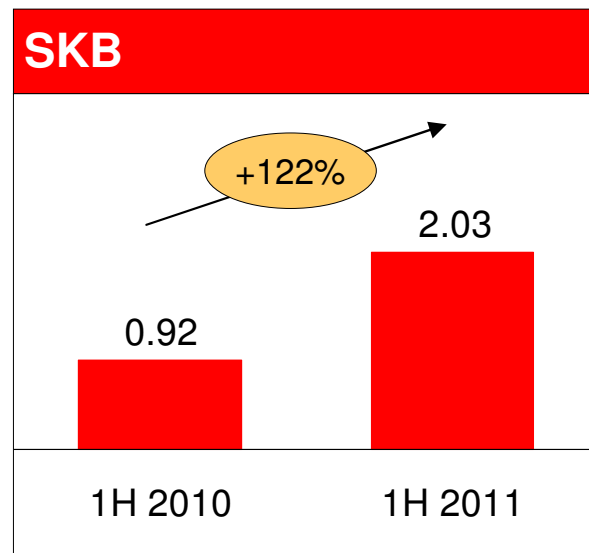
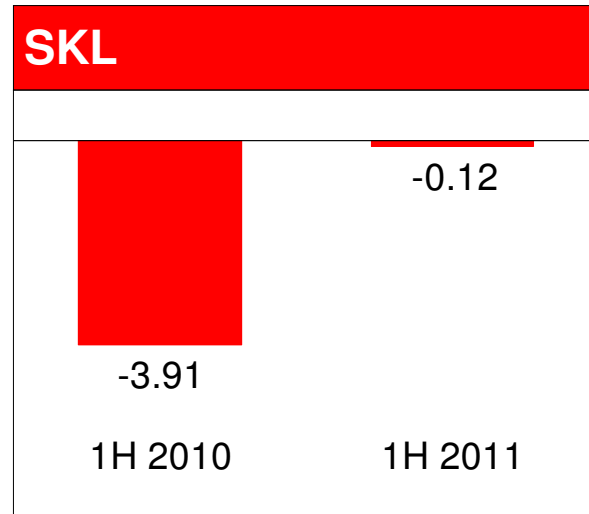
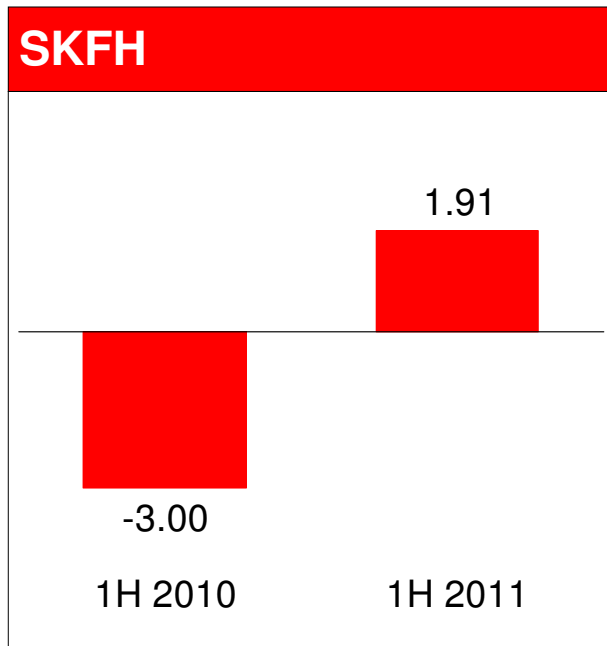


# SKFH – 1H 2011 Overview

- Although global markets remain volatile in the second quarter due to concerns in European sovereign debt crisis and signs on emerging economies growth slowing down, SKFH recorded an after-tax profit of NT\$1.91bn in 1H. EPS was NT\$0.23.
- Subsidiaries' core business remained solid
  - SKL:
    - ◆ FX hedging cost remained at 200 bps below in the medium/long term target. Total investment income increased 12.9% YoY
    - ◆ Sales of traditional products were 37.2% higher than 1H 2010, with FYP from regular premium products 40.4% higher YoY
  - SKB:
    - ◆ Asset quality continued to improve. New NPL generation was NT\$-61mn
    - ◆ Net interest income increased 16.6% YoY
- Actively deploying in overseas market
  - SKFH: SKFH expects to establish a financial leasing company in China through the venture capital subsidiary in Q4
  - SKL: SKHNA Life obtained approval from the China Insurance Regulatory Commission (CIRC) to establish its Shaanxi branch in Xi'an City

# Net Income – 1H 2011

NT\$bn



## Comments

- SKFH recorded an after-tax profit of NT\$1.91bn in 1H, NT\$4.91bn higher YoY
- SKL's cumulative after-tax loss was NT\$0.12bn for 1H
- SKB's 1H profit was 121.5% higher YoY due to widened interest spread and improvement in asset quality

# Net Income – 1H 2011

## Net income contribution

NT\$bn

Subsidiaries	Q1 2011	Q2 2011	1H 2010	1H 2011
Shin Kong Life	0.28	-0.40	-3.91	-0.12
Shin Kong Bank	1.02	1.01	0.92	2.03
Shin Kong Securities	0.00	0.00	0.07	0.00
Shin Kong Investment Trust	0.00	0.01	0.02	0.01
Shin Kong Insurance Brokers	0.02	0.02	0.04	0.04
Others <sup>(1)</sup>	-0.02	-0.03	-0.14	-0.05
<b>Net income</b>	<b>1.30</b>	<b>0.61</b>	<b>-3.00</b>	<b>1.91</b>

Note:

(1) Include other income of SKFH, income taxes, and profit from MasterLink Securities

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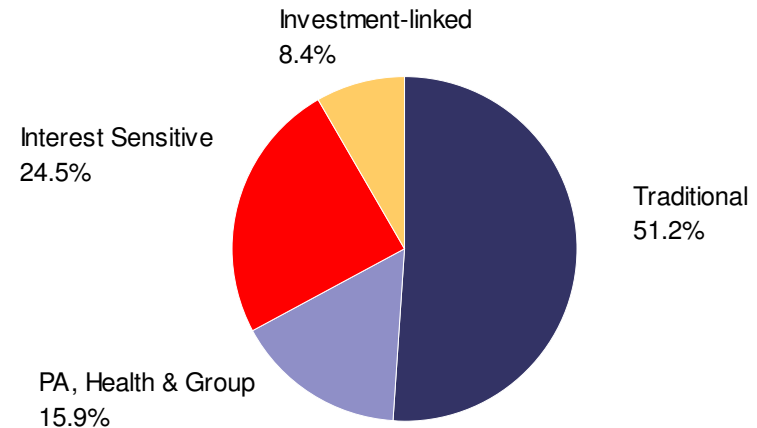
# Shin Kong Life

- 3<sup>rd</sup> largest life insurer by first year premiums in Taiwan with 7.2% market share and 3 million customers
- Strong distribution network around 10,000 agents, 308 sales offices and bancassurance relationships with over 20 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	2008	2009	2010
Total Premium	201.9	176.9	190.9
Net Income	-19.74	0.11	0.39
Total Assets	1,301.3	1,445.3	1,537.5
Shareholders' Equity	24.8	57.0	66.8
ROE <sup>(1)</sup>	-48.59%	0.26%	0.64%
ROA	-1.56%	0.01%	0.03%

## 2010 Total Premium Written



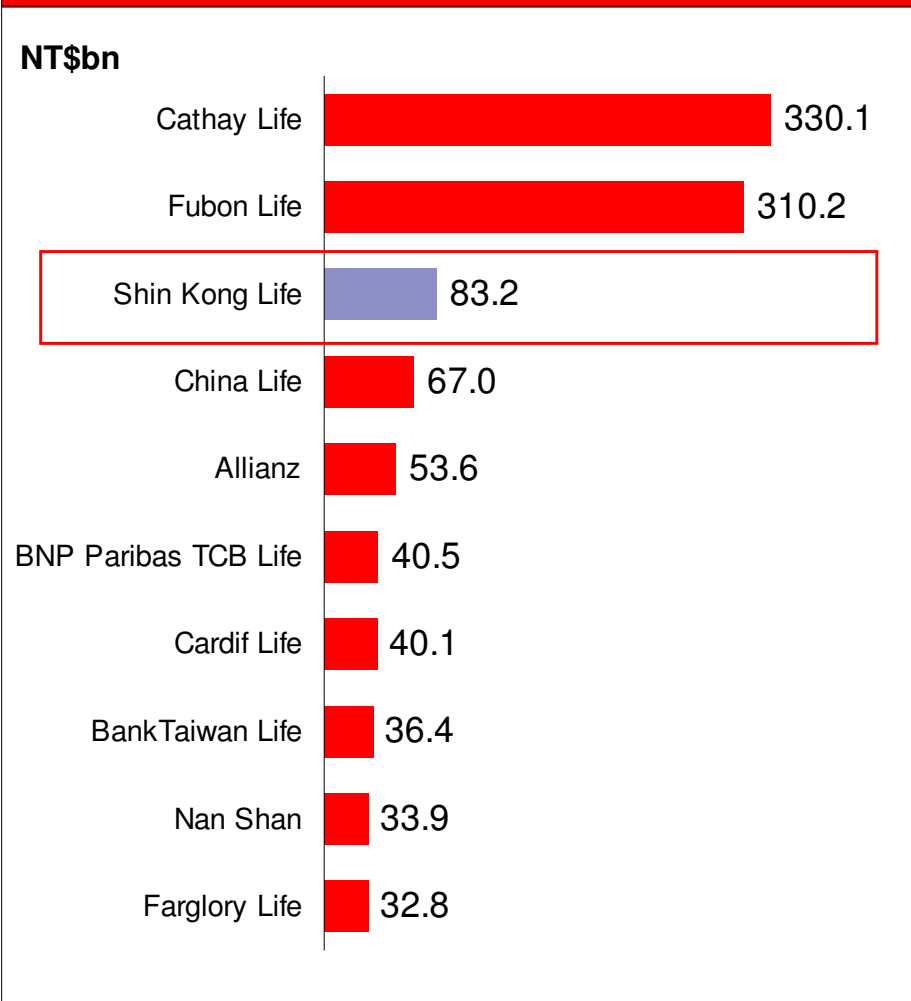
**Total Premium Written: NT\$190.9bn**

Note:

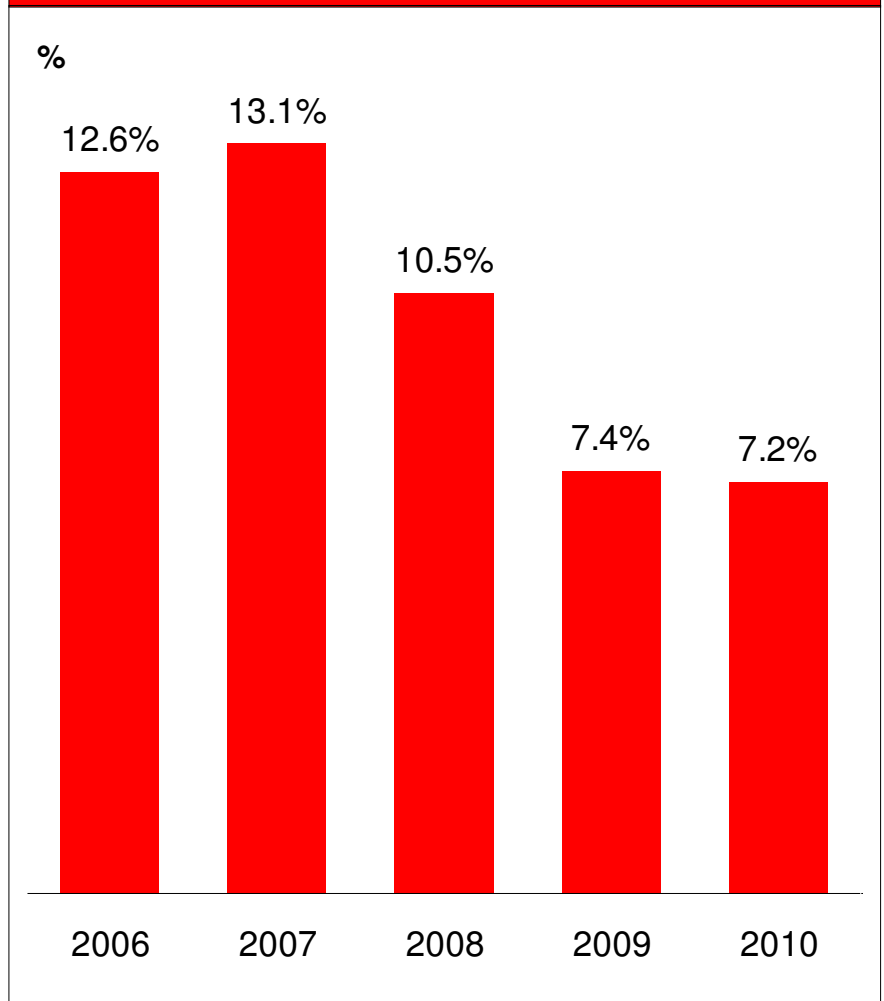
(1) Excludes preferred shares

# Shin Kong Market Share

**FYP of Top 10 Players – 2010**



**Shin Kong FYP Market Share Over Time**



# Awards and Recognition



**Taiwan Superbrand (2006)**  
by Superbrands International



**Information Disclosure A+**  
(2006, 2007, 2008, 2009, 2010)  
by Securities & Futures Institute



**Institutional Investor of the Year**  
(2006) by Finance Asia



**Taiwan Capital Markets Deal of the Year** (2009) by IFR Asia



**National Quality Award**  
(2004) by MOEA



**National Community Service Award** (2007)  
by Ministry of the Interior



**Global Views Excellent Service Award** (2008) by Taiwan Global Views Magazine



**Best IR Website in Taiwan** (2010) and **Top 5 Websites in Greater China** (2009) by IR Global Rankings

## SKL – 1H 2011 Overview

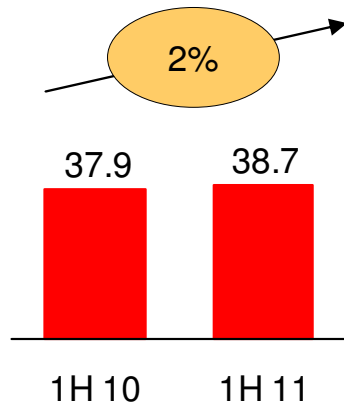
- 1H 2011 pretax and after-tax profits from SKL were NT\$0.21bn and NT\$-0.12bn respectively amid volatilities in global FX and equity markets. ROE was -0.19%.
- FYP was NT\$38.65bn, up 1.9% YoY. Market share was 7.7%.
- Traditional and investment-linked products contributed most significant shares (34.1% and 39.8% respectively) of FYP. Sales of traditional products were 37.2% higher than 1H 2010, with FYP from regular premium products 40.4% higher YoY.
- Long-term profit generation is the main consideration in product sales. For example, SKL launched a long-term care whole-life product and a foreign currency whole-life protection product to drive mortality/expense gains.
- 13-month persistency was 86.1% and 25-month persistency was 85.2%.
- 1H annualized investment return was 3.88%.
- Song-Jiang REAT was auctioned in May. A gain of NT\$2.39bn is expected to be recognized no later than Q1 2012.



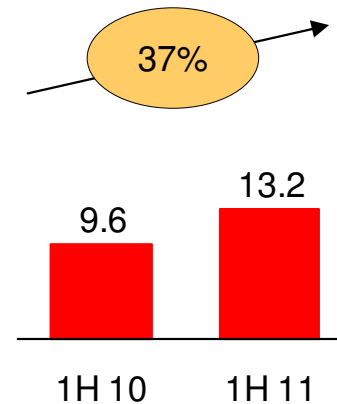
# First Year Premium – 1H 2011

NT\$bn

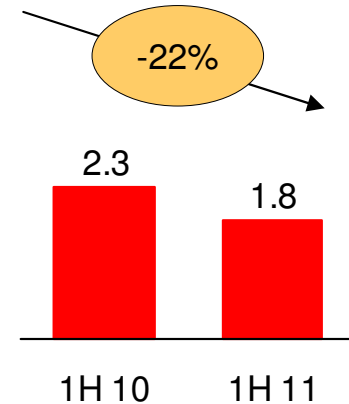
## Market share 7.7%



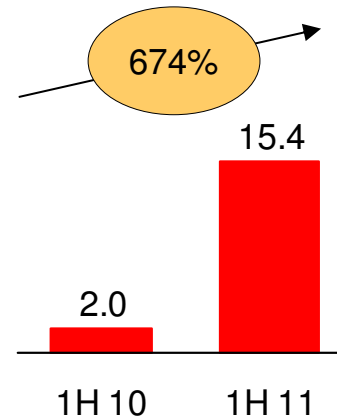
## Traditional



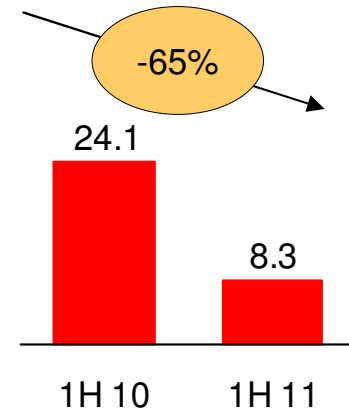
## PA, Health and Group



## Investment-linked



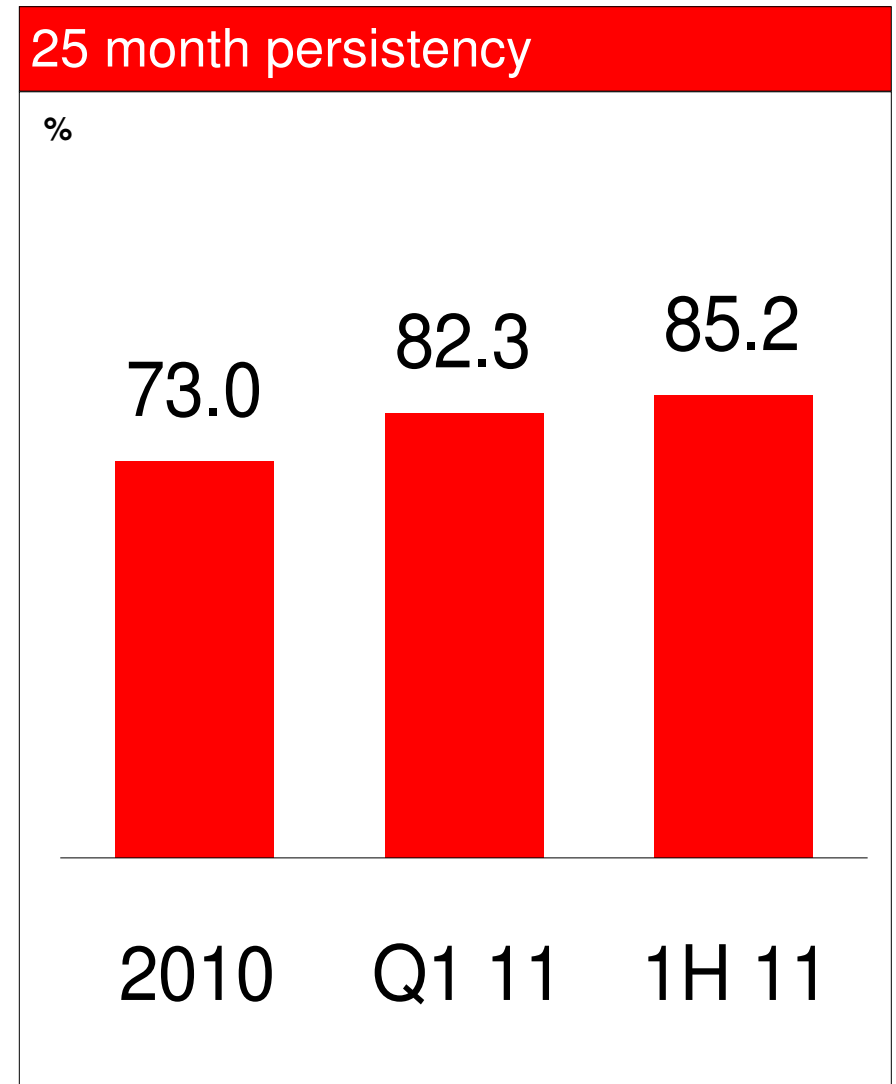
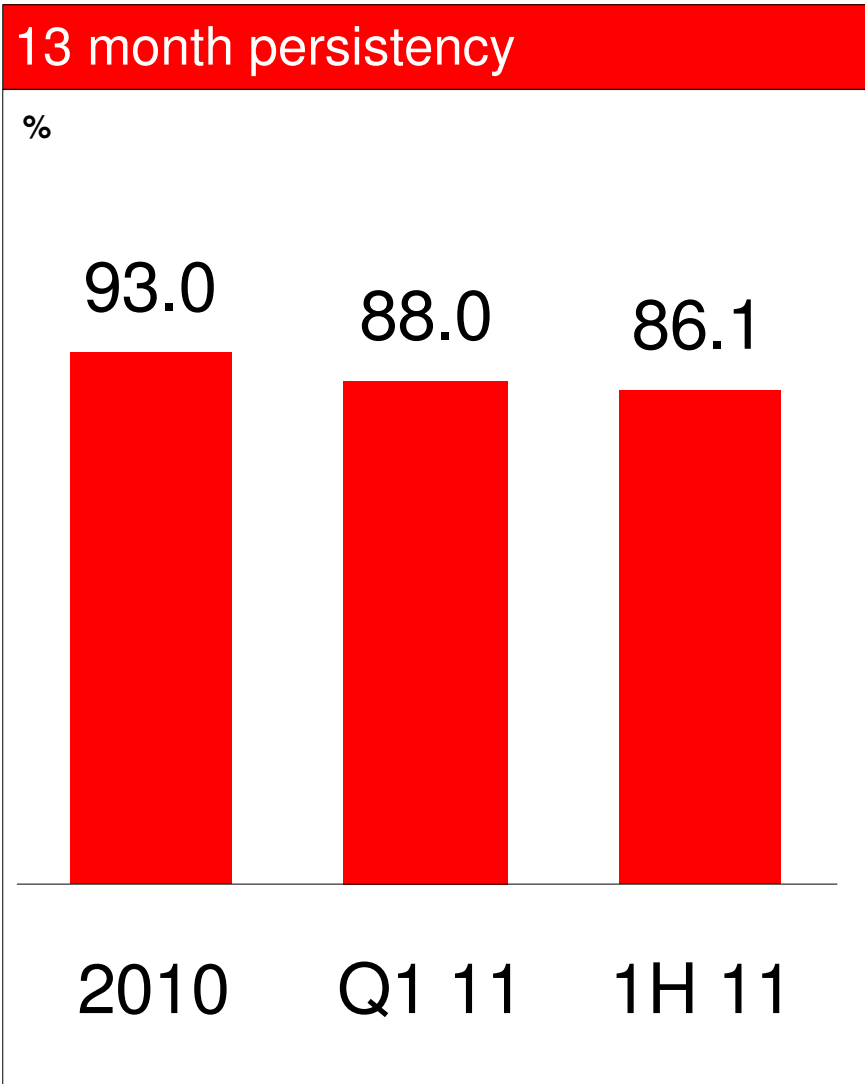
## Interest-sensitive



### Comments

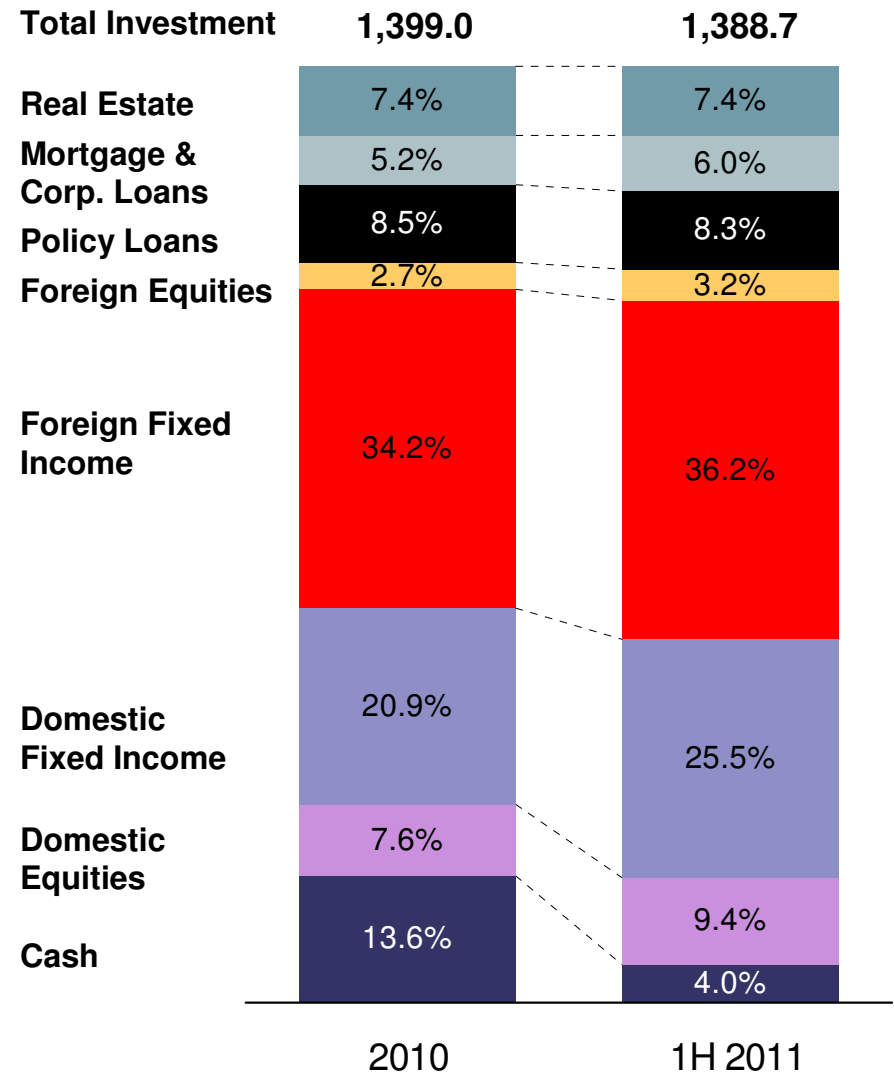
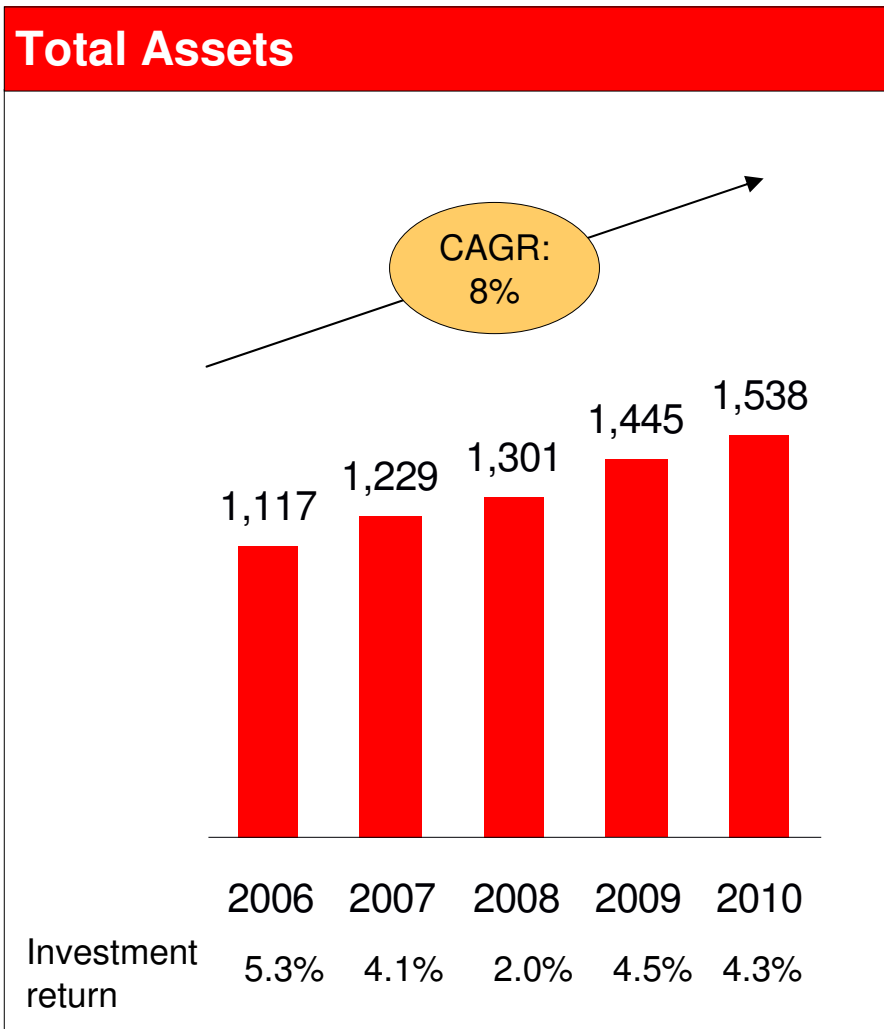
- FYP increased 2% YoY
- Traditional and investment-linked products contributed most significant shares (34% and 40% respectively) of FYP
- Long-term profit generation is the main consideration in product sales. For example, SKL launched a long-term care whole-life product and a foreign currency whole-life protection product to drive mortality/expense gains.
- Sales of traditional products were 37% higher than 1H 2010, with FYP from regular premium products 40% higher YoY. Market demand on interest-sensitive products fell due to regulation changes

# Persistence Ratio



# Investment Portfolio

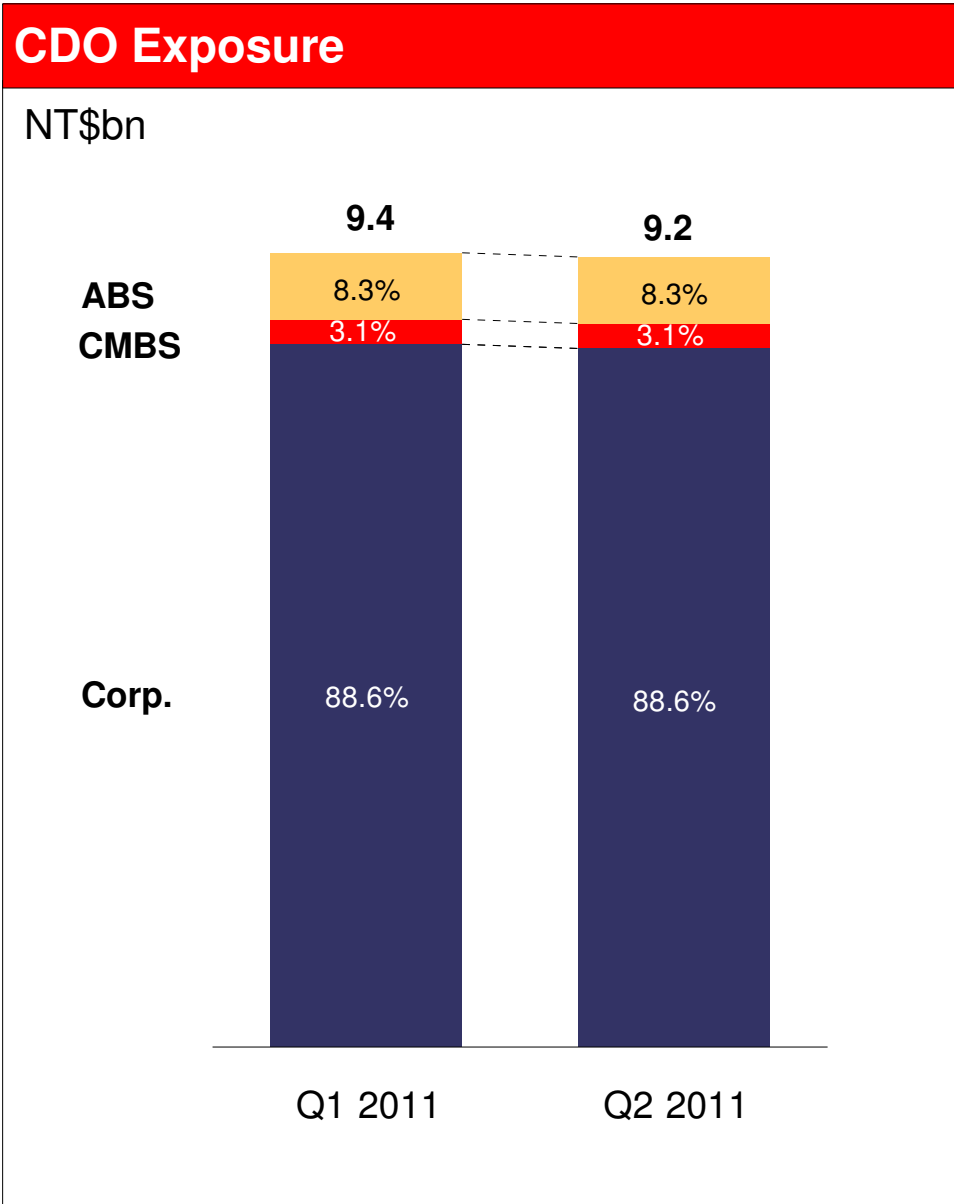
NT\$bn



Note:

- (1) Due to rounding, asset allocation figures may not add up to 100%
- (2) Includes capital gains and FX hedging cost

# CDO Exposure

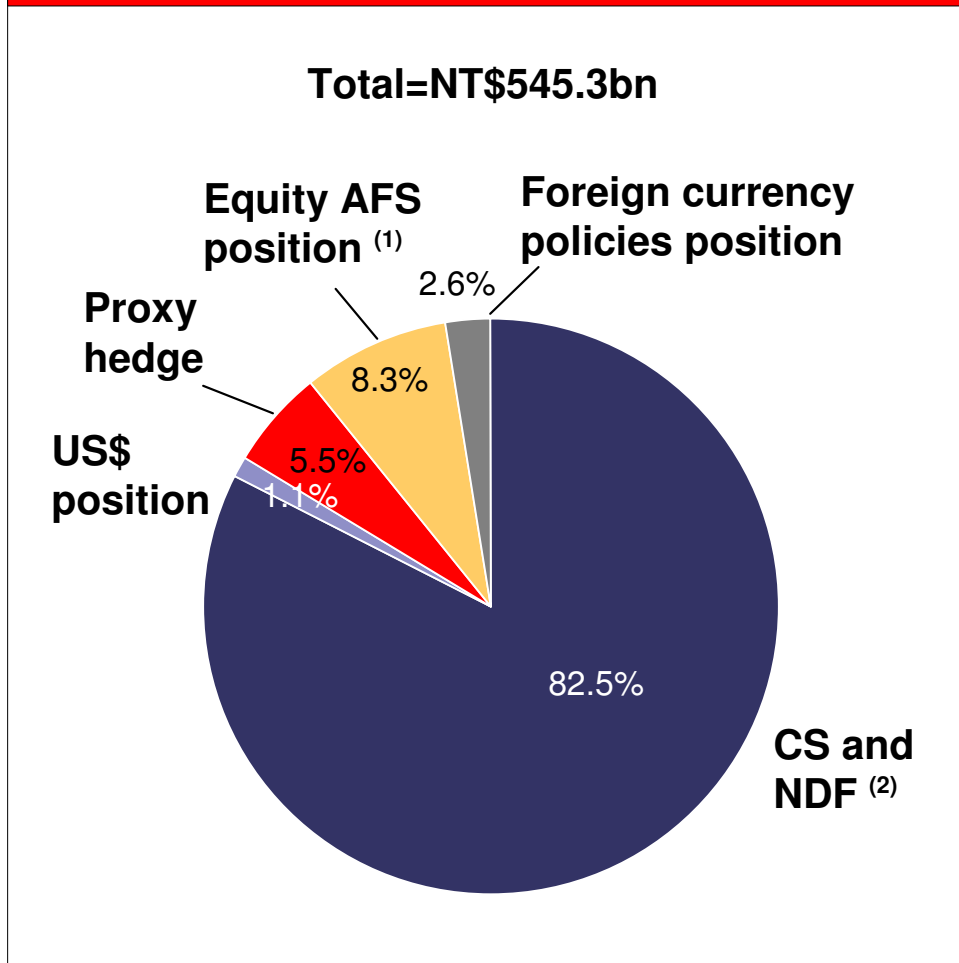


## Comments

- Overall exposure was NT\$9.23bn
- Accounting treatment is 'no active market'
- Policy is to conduct impairment test when there is significant deterioration in credit quality (downgrade by more than 5 notches or to non-investment grade). In 1H 2011, no loss was recognized
- A NT\$0.1bn disposal gain from a Corporate CDO was recognized in 1H 2011.

# Hedging Strategy

## Mix of Hedging Strategies Used



## Comments

- Share of traditional hedges controlled within the target range of 70~90%
- Proxy hedging reduced to 5.5%
- Available for sale position in foreign equities accounted for 8.3% of the portfolio and was not marked to market in income statement

Note:

(1) Available for sale position

(2) Currency swaps and non-delivery forwards

# Investment Strategy

## Strong ALM Discipline

- Develop Strategic Asset Allocation based on liability profile and capital budget
- Build core portfolio of recurring income
- Achieve diversification and yield pick-up through overseas investments; share of overseas investment maintained between 35~40%

## Well-diversified Portfolio

- Diversification by asset class (equity, credit, currency, commodity, real estate)
- Diversification by strategy for uncorrelated sources of alpha (high dividend yield, value, etc.)

## Cost-effective Currency Hedging

- Target share of traditional hedges at 70~90% in the medium/long term
- Target hedging cost at 200 bps or below in the medium/long term

## Enhance Investment Risk Management

- Manage/control investment risk by prudent SAA and TAA ranges
- Utilize the Algo system for real-time investment risk management

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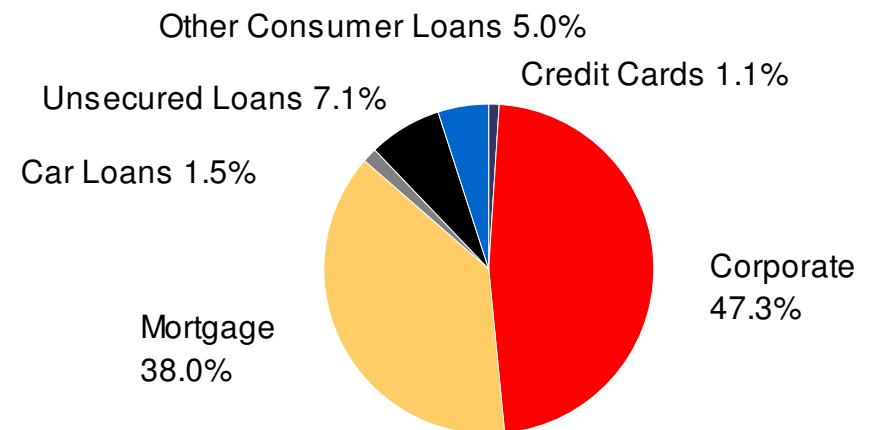
# Shin Kong Bank

- 11th largest private bank by total assets in Taiwan
- Over 2 million customers and 105 branches with 51 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
- Established a representative office in Ho Chi Minh City, Vietnam in 2007.
- Hong Kong branch was officially opened for operations in May, 2011.

## Financial Overview

NT\$bn	2008	2009	2010
Total Loans	283.99	287.03	329.76
Total Deposits	356.19	375.07	413.11
Net Income	0.23	0.56	2.00
Total Assets	404.03	422.86	470.19
Shareholders' Equity	20.61	22.26	24.52

## 2010 Loan Breakdown



**Total Loan: NT\$329.76bn<sup>(1)</sup>**

Note:

(1) Includes credit cards revolving balance but excludes overdue receivables



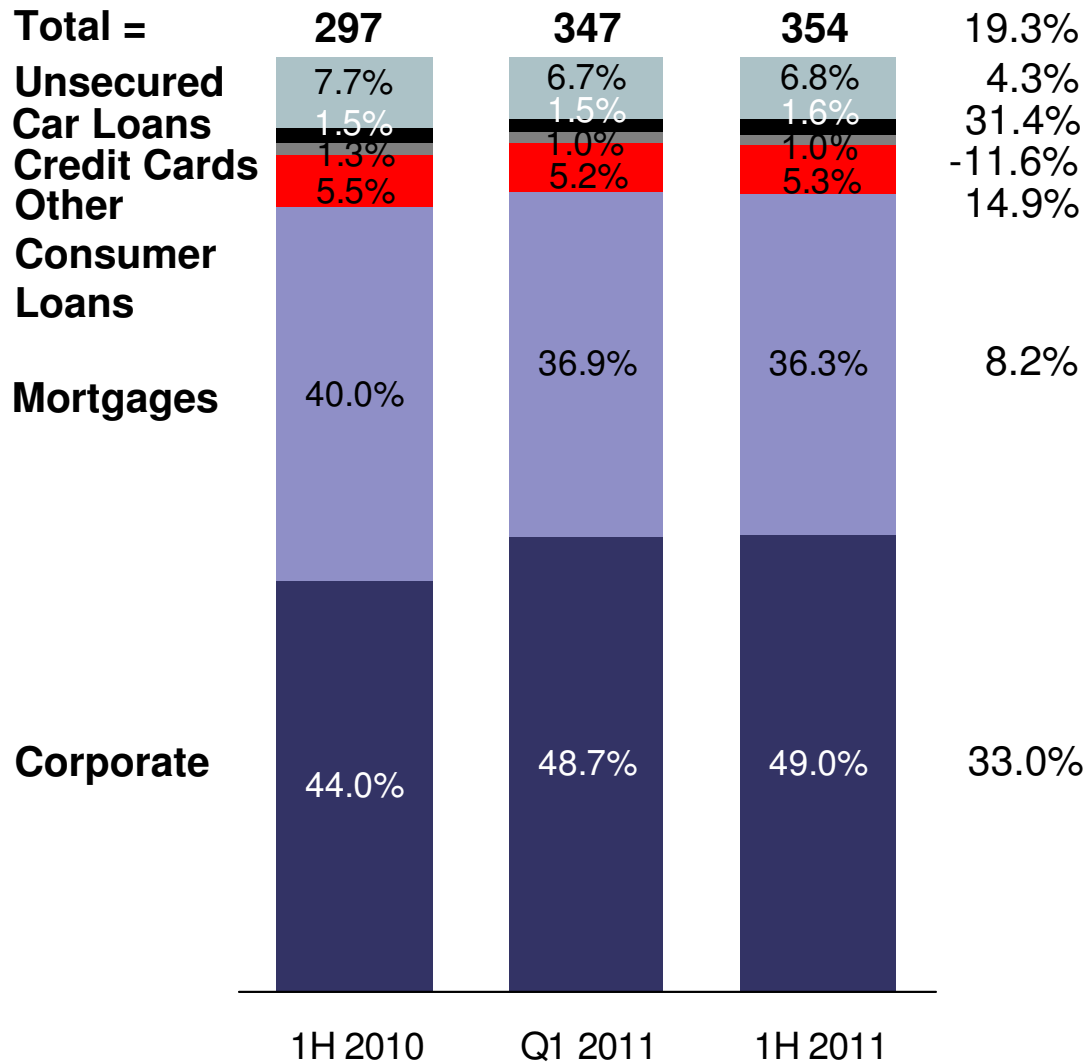
## SKB – 1H 2011 Overview

- After-tax profit for 1H 2011 was NT\$2.03bn (up 121.5% YoY); net interest income for Q2 was NT\$1.76bn, up 16.5% YoY; pre-provision profit increased 19.2% QoQ to NT\$1.01bn.
- Loan balance increased to NT\$354.25bn (up 19.3% YoY); deposit balance increased to NT\$429.12bn (up 17.9% YoY). L/D ratio was 82.1% (incl. credit cards balance).
- NIM for Q2 2011 was 1.57%, higher than 1.56% for Q1 2011.
- Despite volatilities in global markets, wealth management income for 1H 2011 was NT\$404mn, up 7.0% YoY. SKB achieved bancassurance cross-sales of NT\$6.44bn in 1H 2011, accounting for 51.1% of SKL bancassurance premium.
- Credit card NPL ratio decreased to 0.20% and coverage ratio was 398.85%.
- Asset quality improved with overall NPL and coverage at 0.38% (Q1 2011: 0.46%) and 208.93% (Q1 2011: 168.84%) respectively. NPL ratio for mortgages remained low at 0.24% (Q1 2011: 0.29%).

# Loan Mix

NT\$bn

## YoY Growth



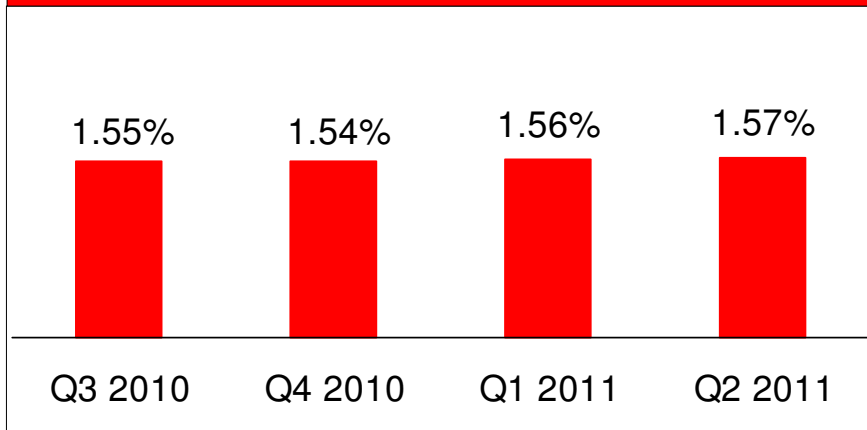
## Comments

- Loan balance increased to NT\$354.25bn (up 19.3% YoY)
- Mortgages achieved stable growth under stringent credit policies; NPL ratio for mortgages was low at 0.24%
- L/D ratio was 82.1% (incl. credit cards balance)

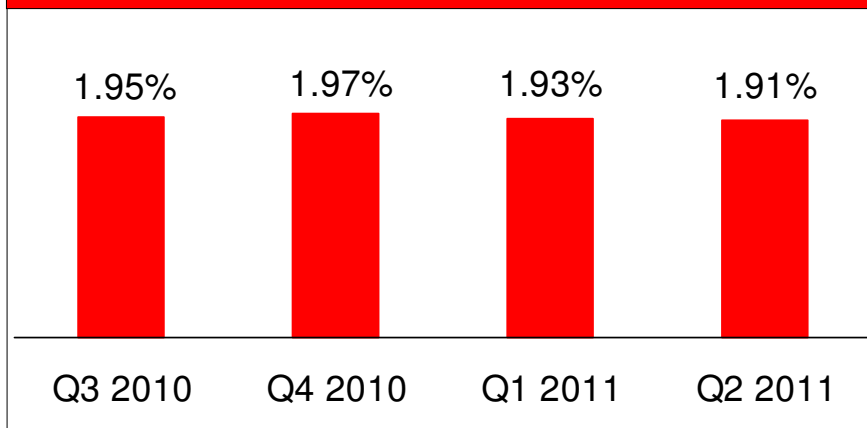
Note: Due to rounding, loan mix may not add up to 100%

# Interest Income

## Net Interest Margin



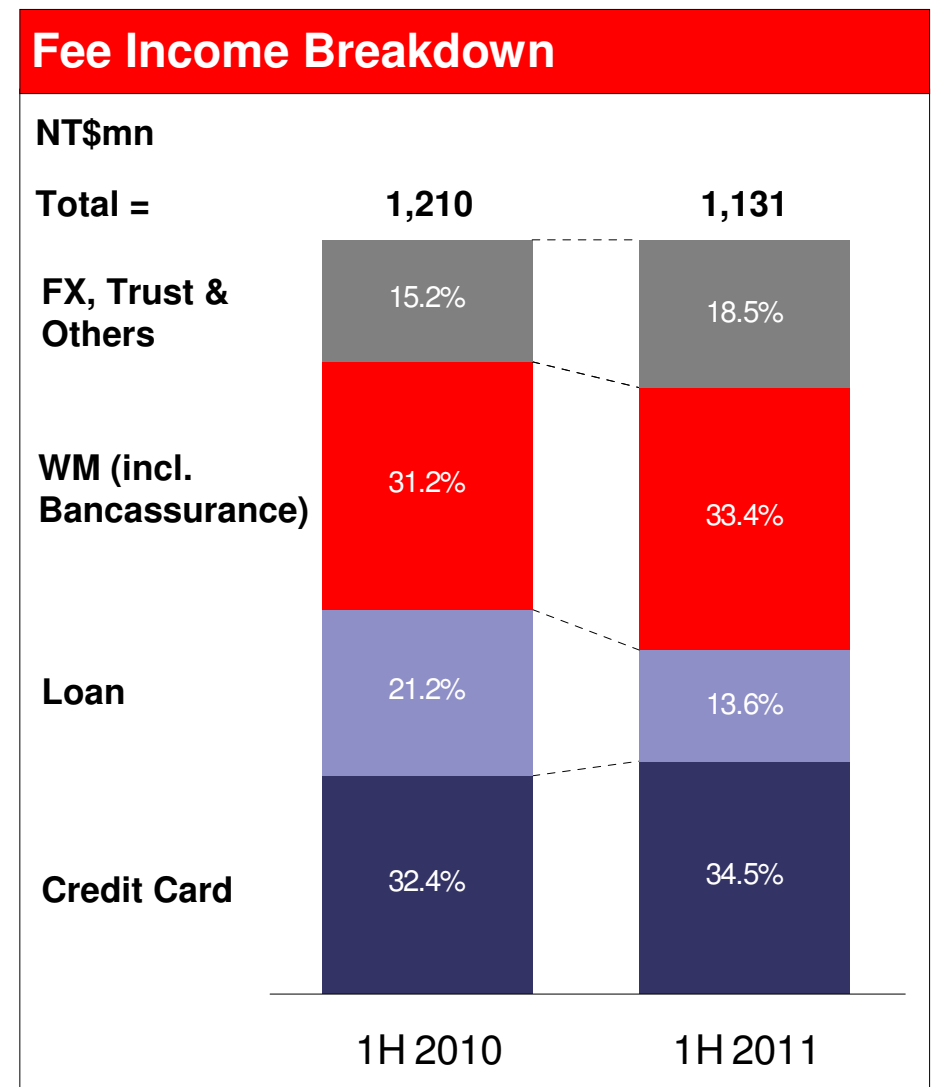
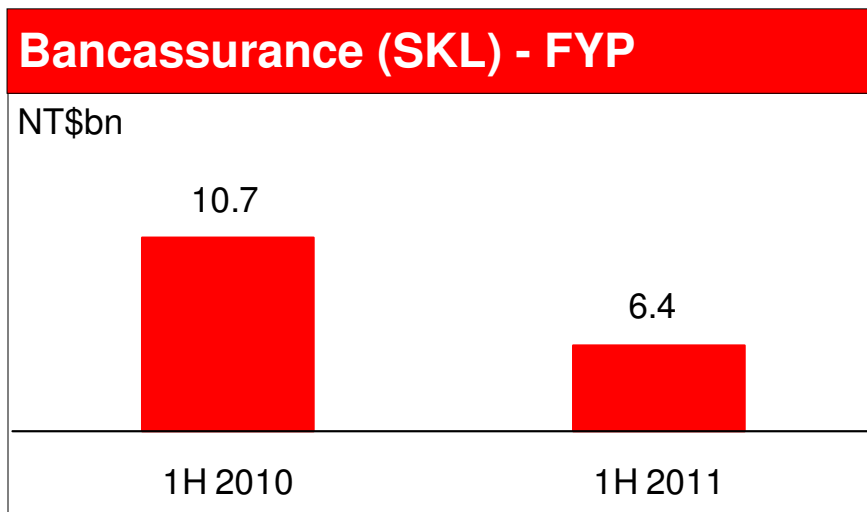
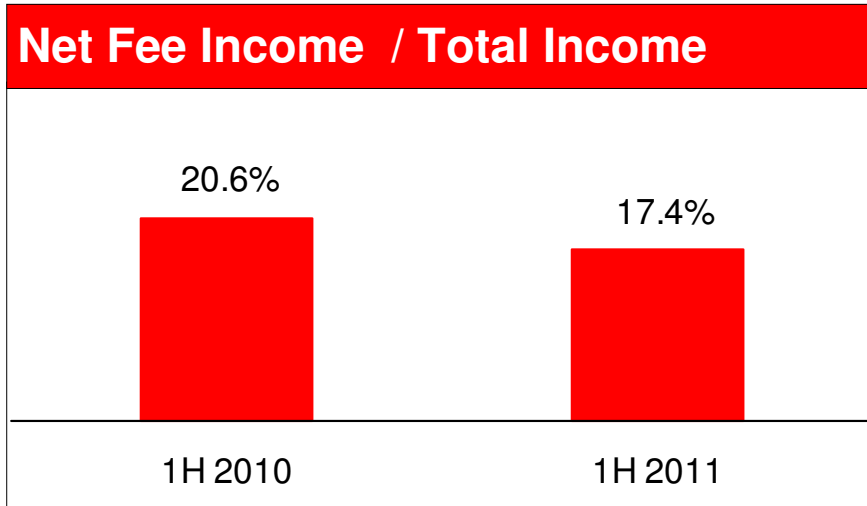
## Net Interest Spread



## Comments

- NIM for Q2 2011 was 1.57%
- NIM is expected to further increase if Central Bank raises rates
- SKB will continue to :
  - Strengthen relations with corporate customers and increase fee income through GEB, TMU, syndicated loans and factoring business
  - Develop cash management to increase demand deposits and lower cost of funds , and
  - Develop SME and consumer loans with appropriate risk control to enhance interest income

# Fee Income

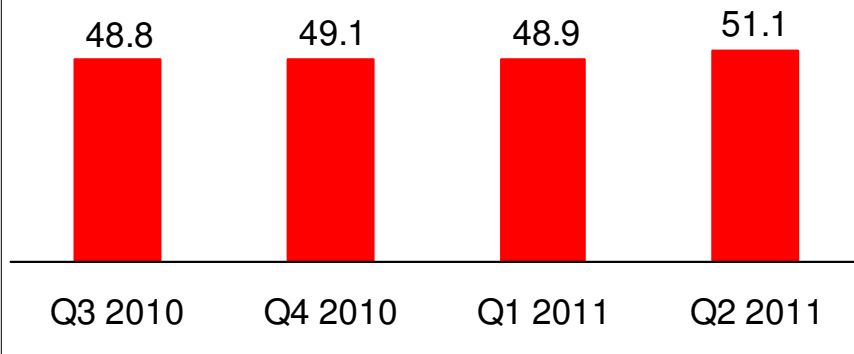


Note: Due to rounding, fee income breakdown may not add up to 100%

# Wealth Management

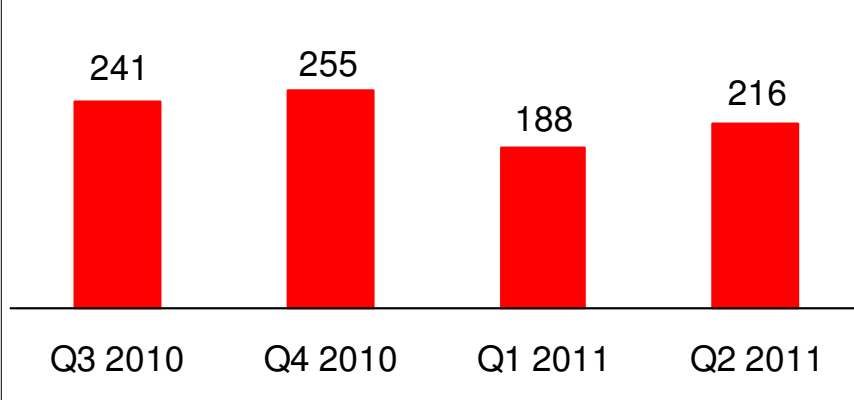
## AUM

NT\$bn



## WM Income

NT\$m



Note:

- (1) Wealth management income includes income from structured deposits
- (2) Income figure for each quarter is adjusted due to rounding

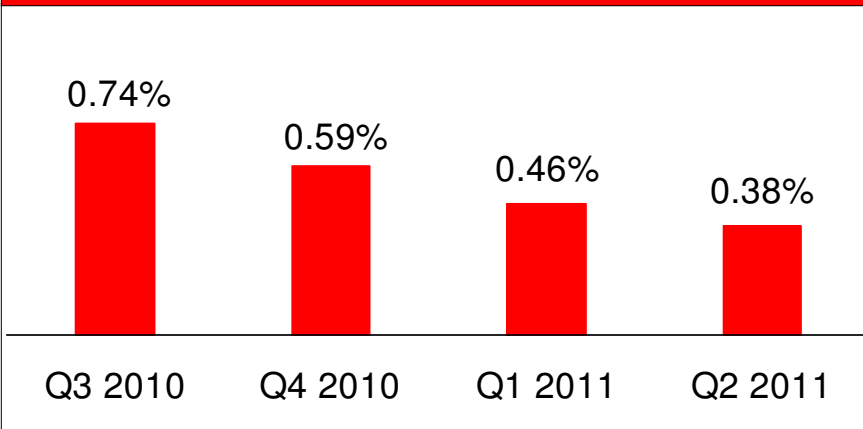
## Wealth Management Center



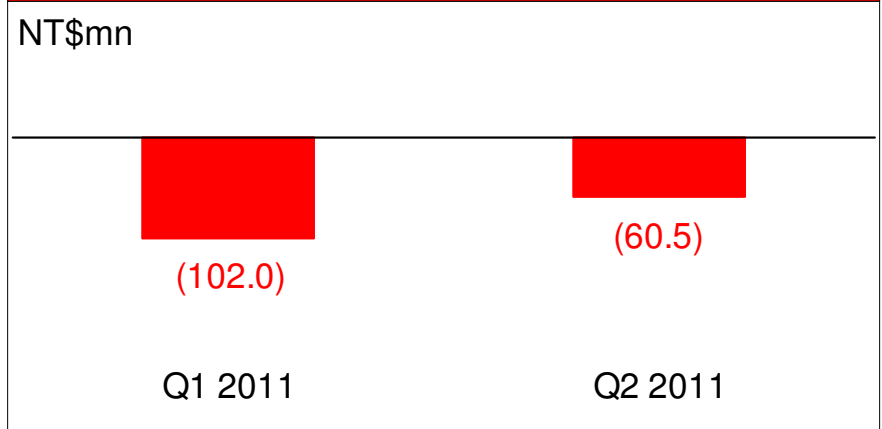
- Despite volatilities in global markets, wealth management income for 1H 2011 was NT\$404mn, up 7.0% YoY
- Fee income from wealth management accounted for 33.4% of total fee income
- Sales focuses were on mutual funds, insurance, and foreign securities. Sales of mutual funds and foreign securities are expected to grow
- Structure notes designed for high net worth clients with comprehensive investment experience were launched in July and will contribute to fee income growth

# Asset Quality

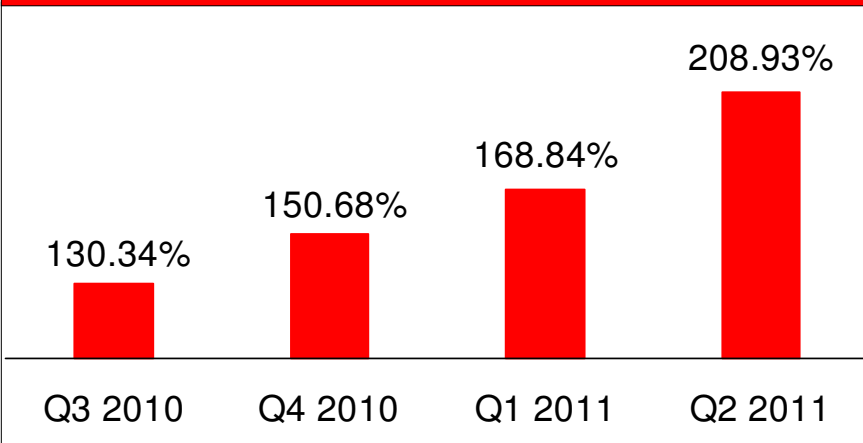
## NPL Ratio



## New NPL Generation



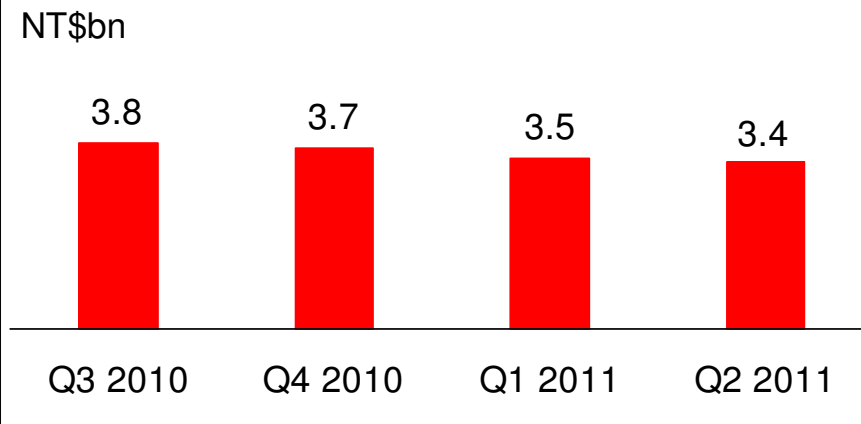
## Coverage Ratio



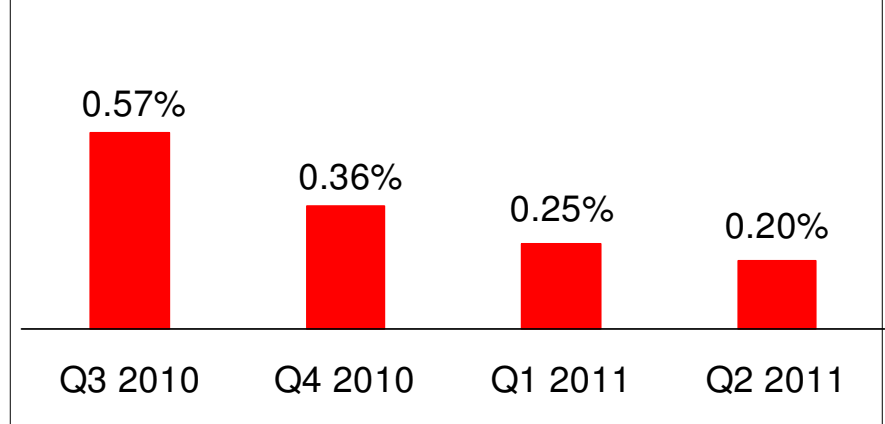
- Asset quality continued to improve with overall NPL at 0.38%
- NPL ratio for mortgages was low at 0.24%
- Coverage was 208.93% - further improved from 168.84% in Q1 2011
- New NPL generated in Q2 2011 were NT\$-61mn

# Credit Cards Metrics

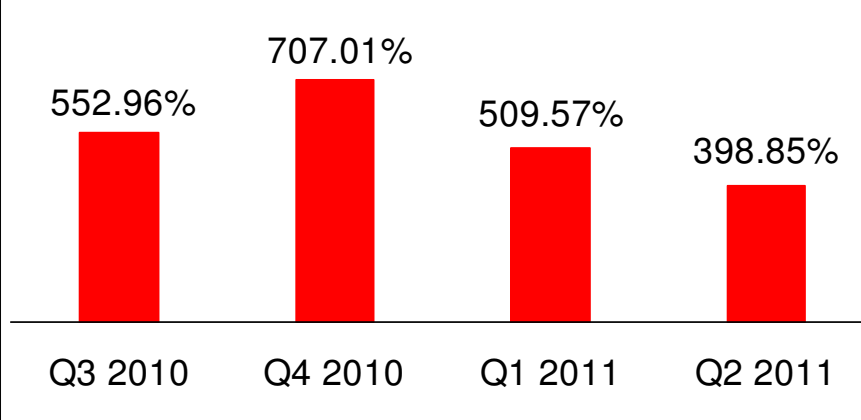
## Revolving Balance



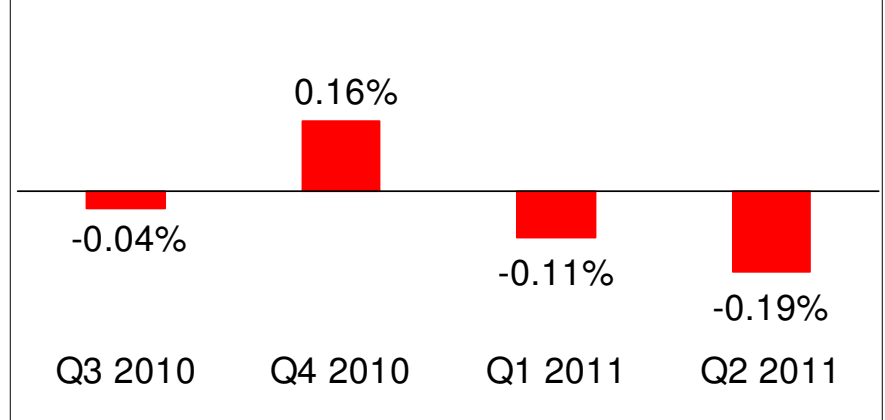
## 90-day NPL



## Coverage Ratio (1)



## Charge-off Ratio (2)



Note:

(1) Actual reserves / NPL

(2) Unannualized numbers

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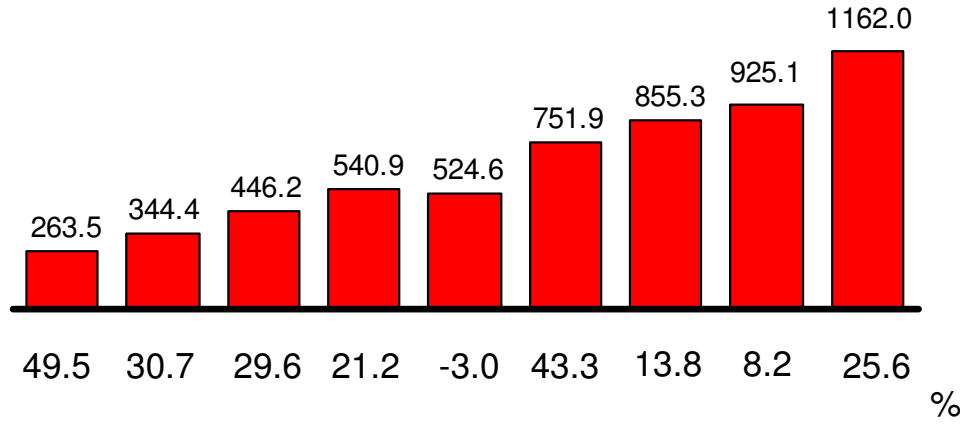
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- EV & AV Result
- SKL China Development Strategy



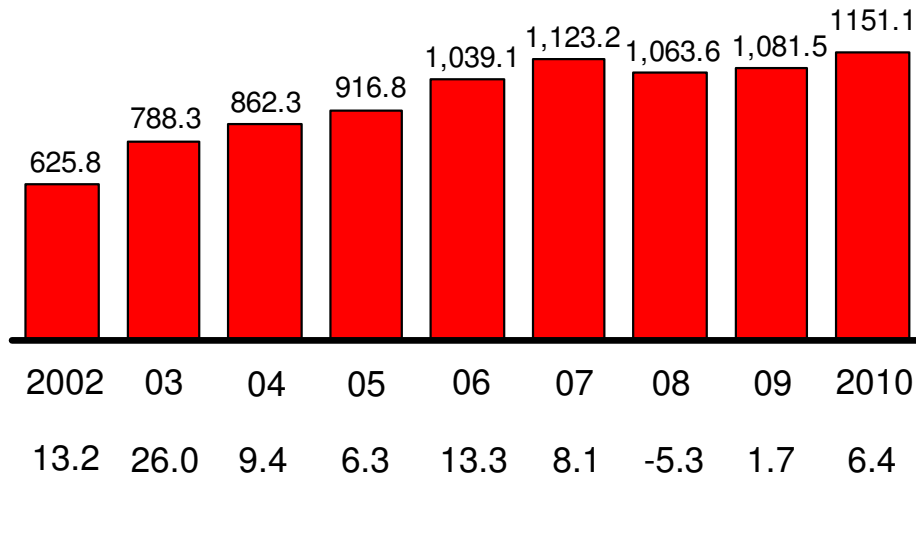


# Insurance opportunity: High growth driven by new products and channels

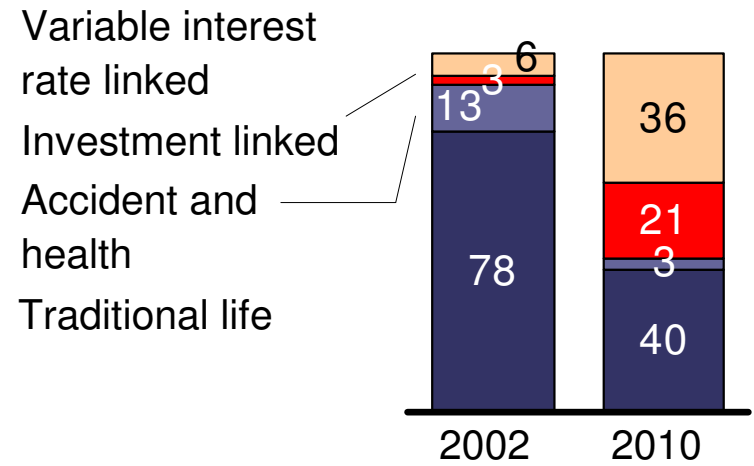
**Life FYP**  
NT\$bn



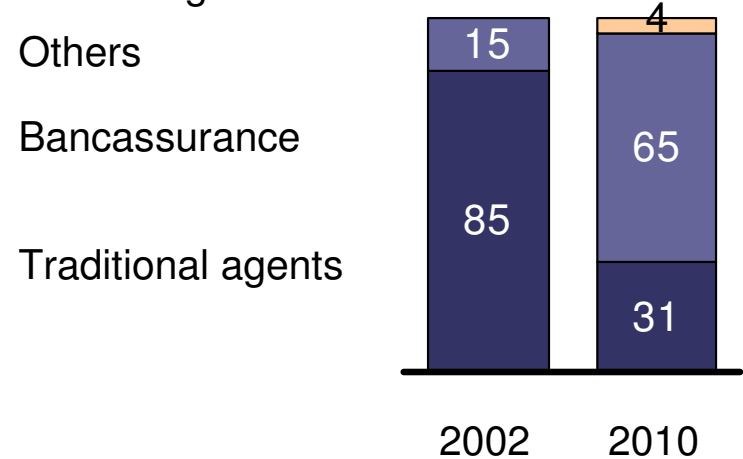
**Life renewal premium**  
NT\$bn



**New business breakdown**  
Percentage



**New business channel mix**  
Percentage

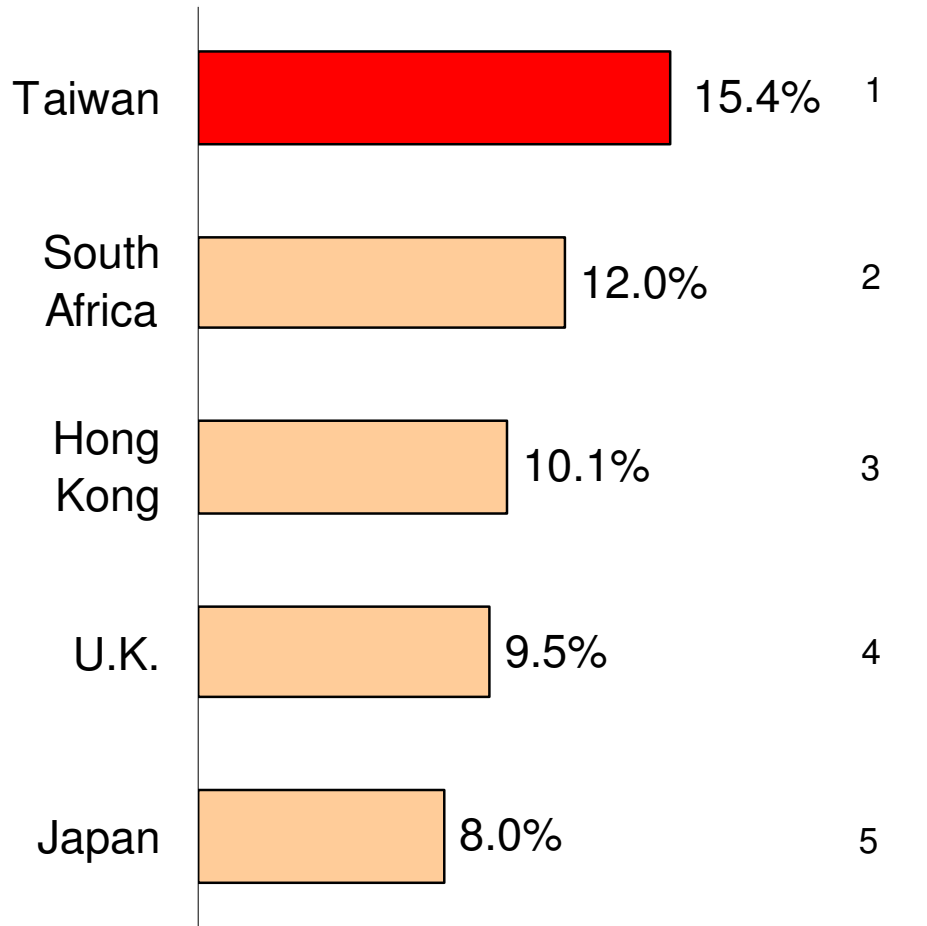


Source: Insurance Institute

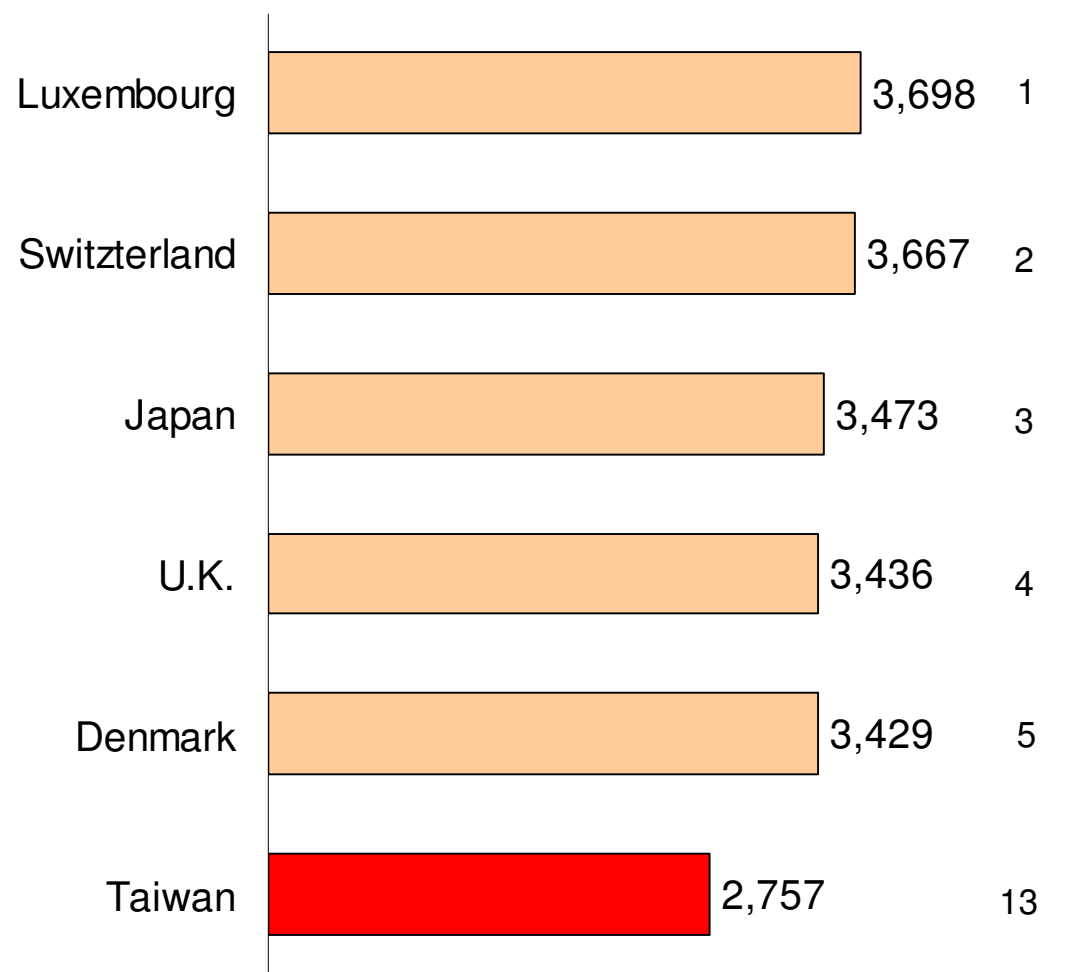
*Insurance opportunity:*

# High penetration but low density

**Life Insurance Premiums/GDP, %**      **Rank**



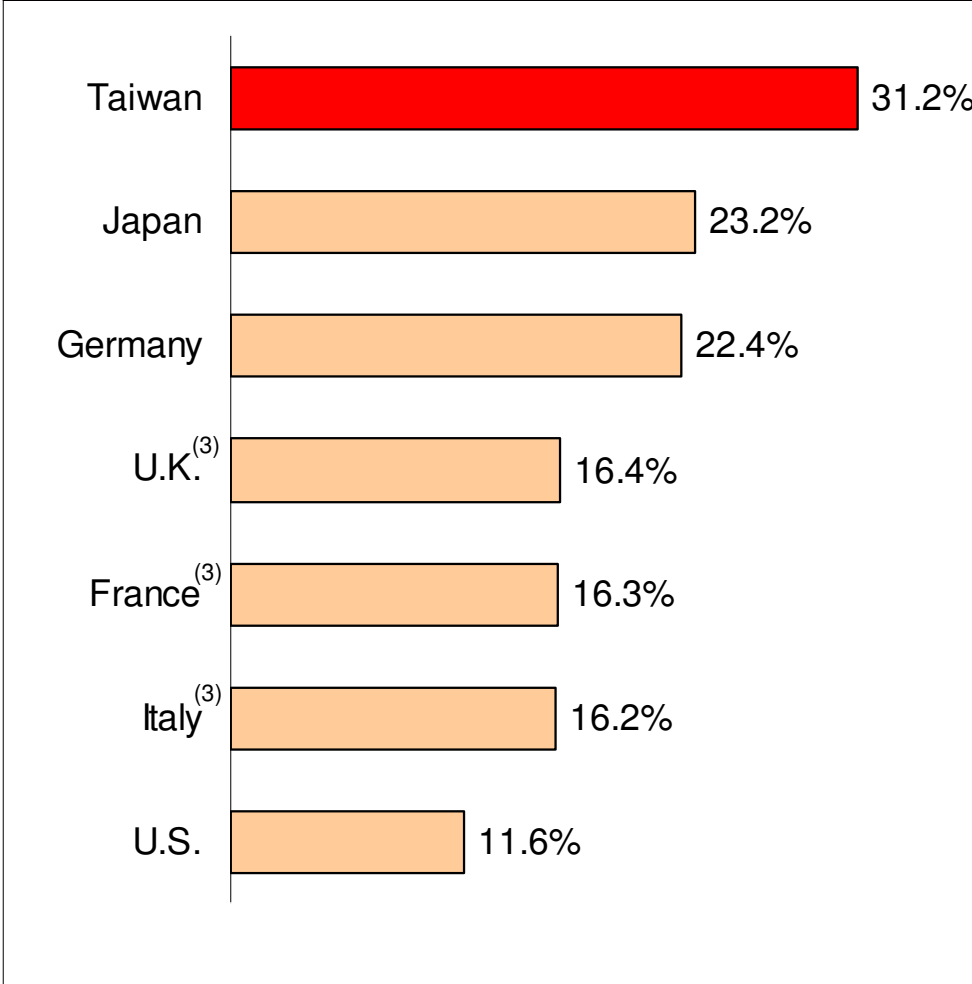
**Life insurance expense per capita, US\$**      **Rank**



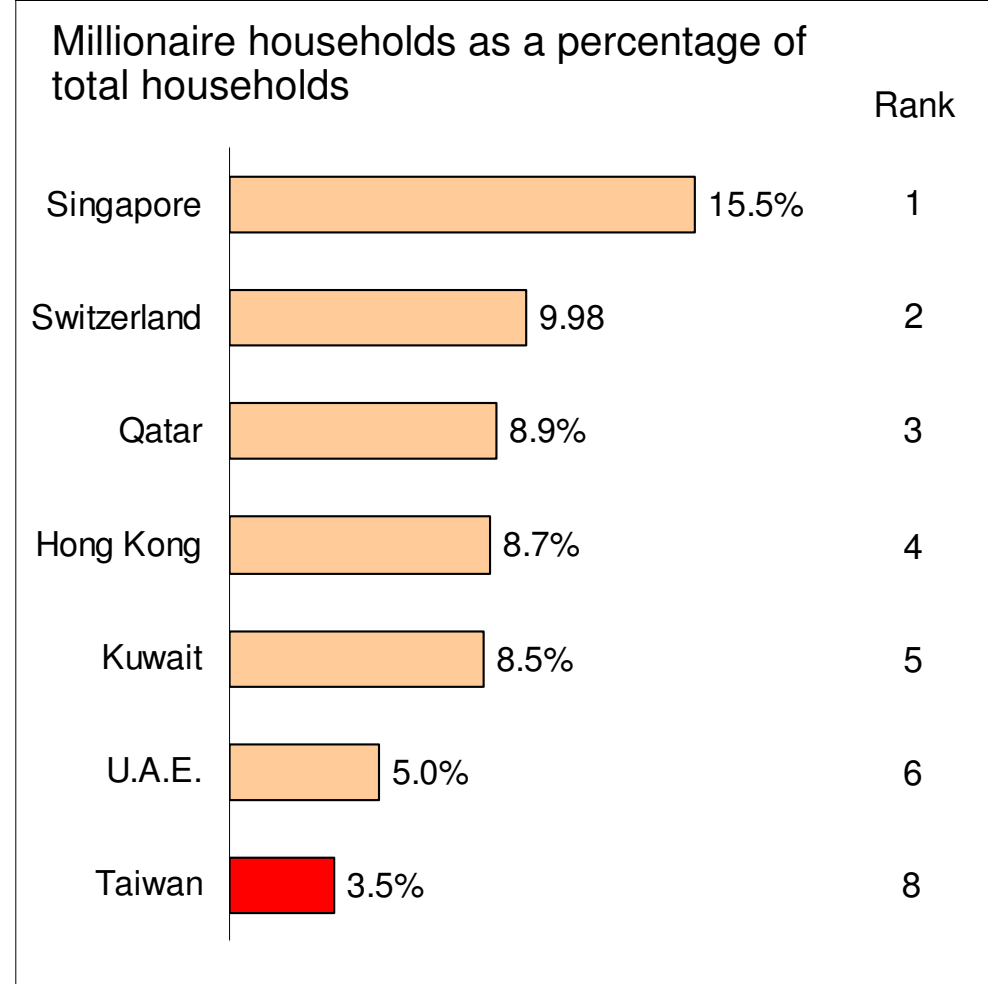
*Wealth management opportunity:*

# High savings rate and wealth concentration

## Savings rate <sup>(1)</sup>



## Concentration of wealth <sup>(2)</sup>



Footnote: (1) Source: National Statistics, Taiwan; BEA (USA), International Financial Statistics (IMF), Monthly Statistics of Japan, 2010

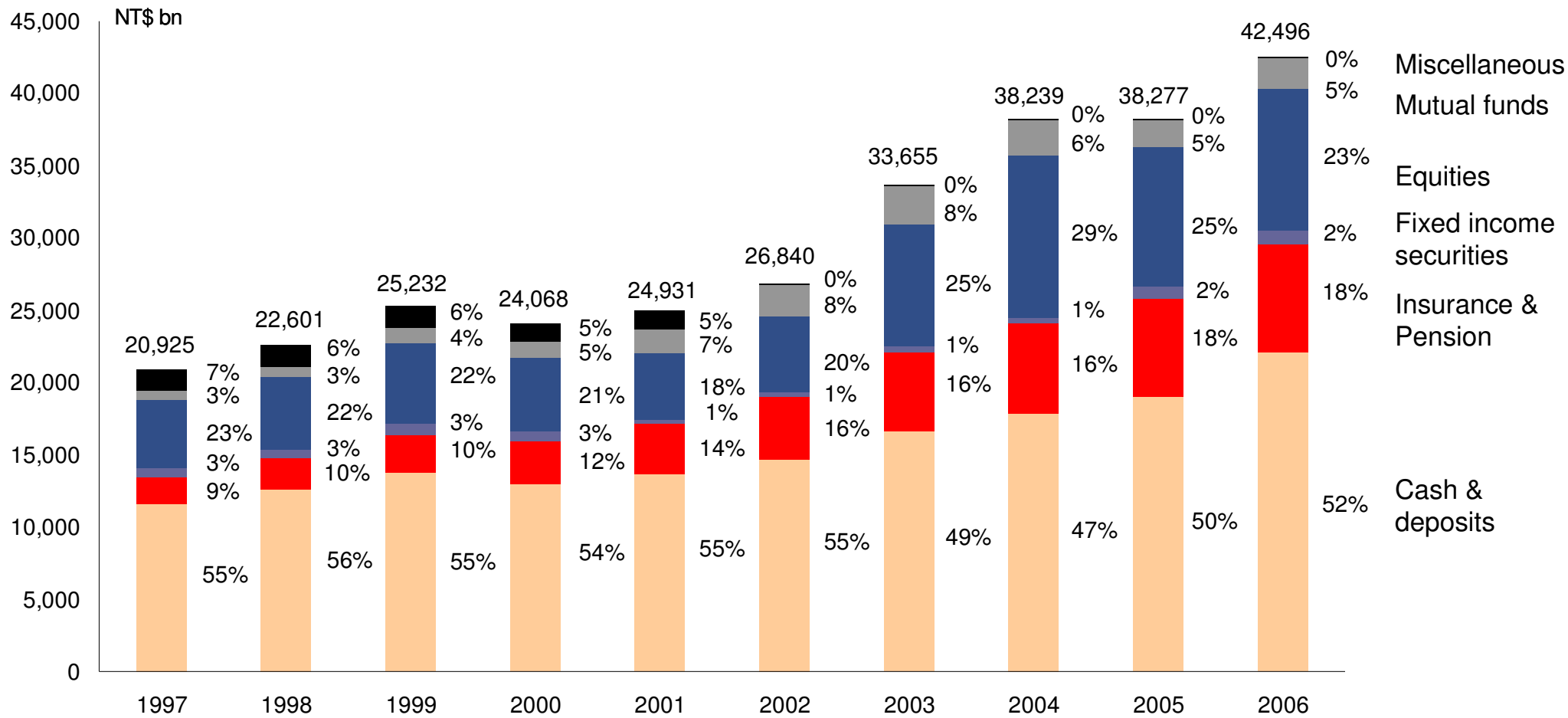
(2) Source: BCG global wealth market-sizing database, 2011

(3) 2009 data

*Wealth management opportunity:*

# Asset migration away from deposits

Taiwanese household assets (NT\$bn, Percent)



Source: CBC, Citigroup Investment Research

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# SP / RP Breakdown

NT\$bn

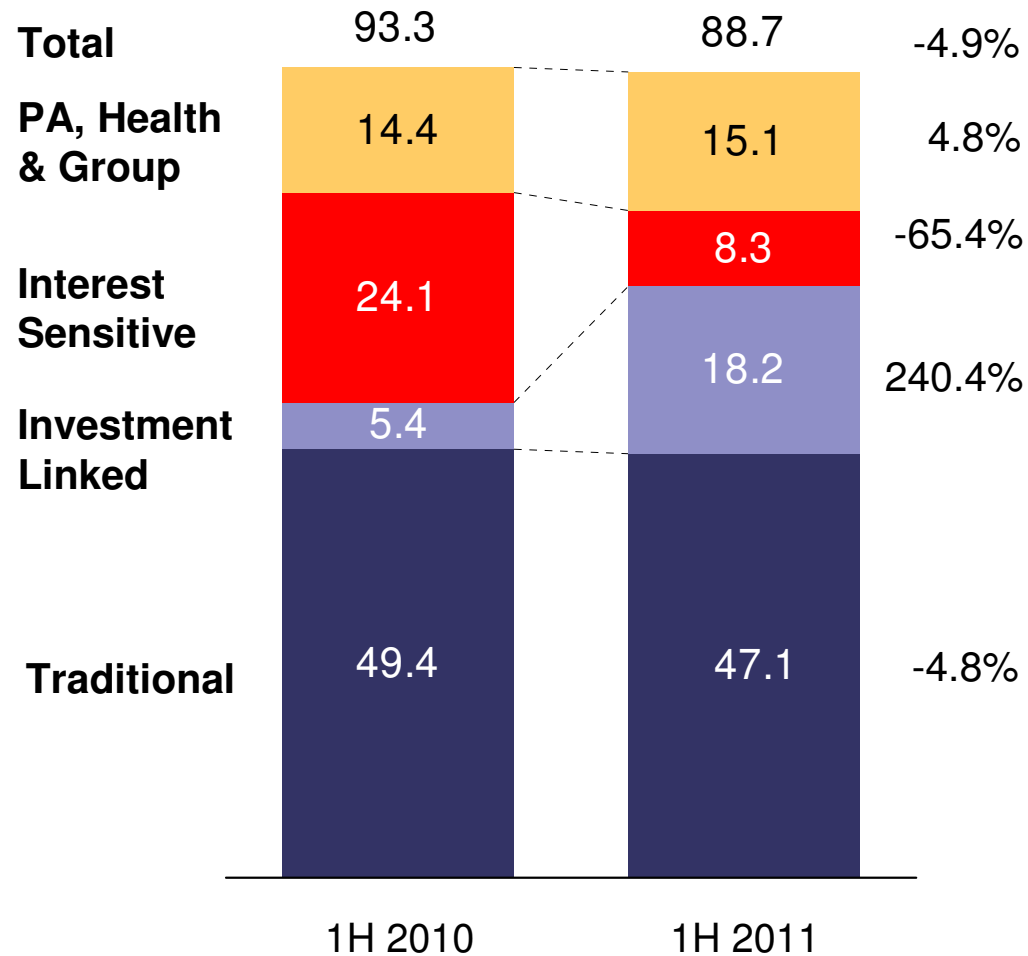
1H 2011 FYP	Single Premium	Regular Premium	Flexible Payment	Total
Traditional	8.79	4.38		13.17
Investment-linked				
VUL			0.81	0.81
Structured note	14.58			14.58
Interest Sensitive				
Annuity	7.64		0.04	7.68
Life			0.64	0.64
PA, health and others		1.78		1.78
<b>Total</b>	<b>31.01</b>	<b>6.16</b>	<b>1.49</b>	<b>38.65</b>
<b>Share</b>	<b>80.2%</b>	<b>15.9%</b>	<b>3.9%</b>	<b>100.0%</b>

# Total Premium – 1H 2011

NT\$bn

Market Share = 8.1%

Growth

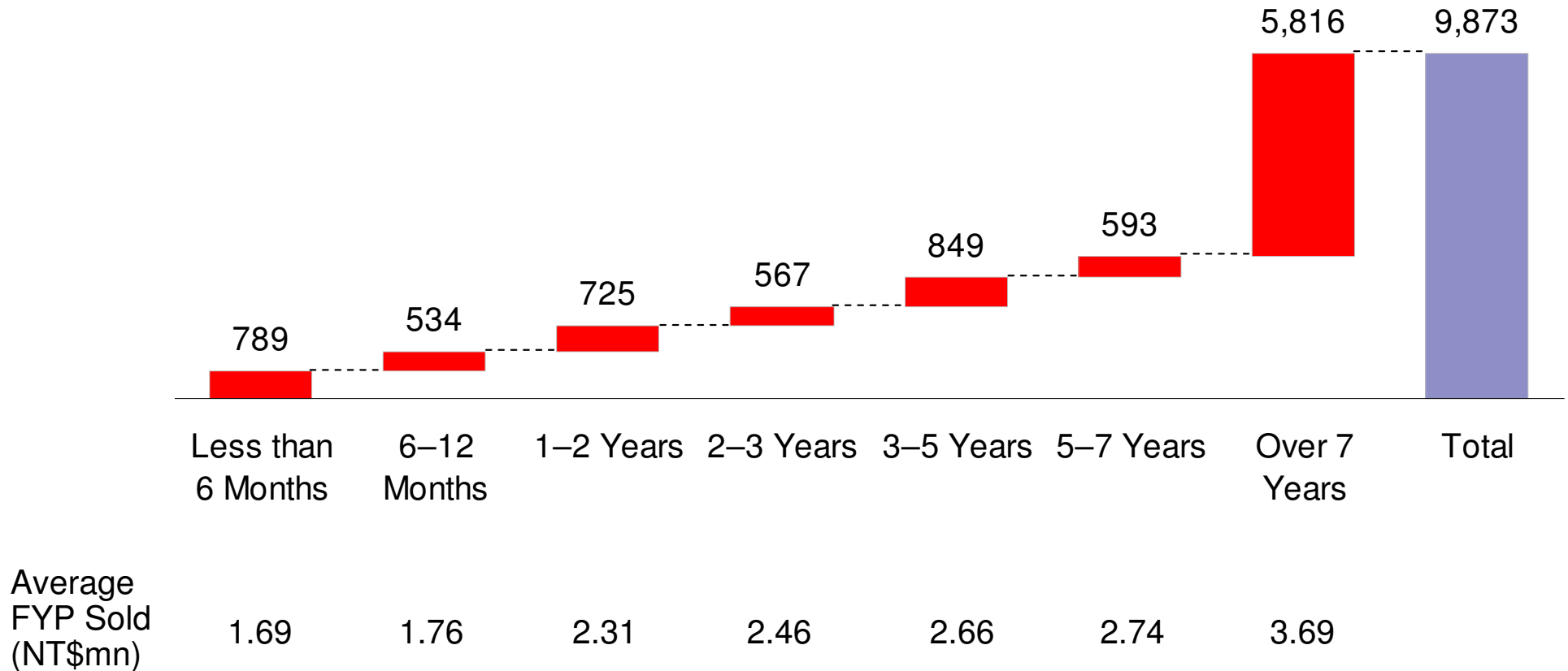


## Comments

- Total premium went down 4.9% YoY
- Total premium of interest-sensitive product declined due to regulation changes caused market demand fell
- PA, Health & Group and investment-linked products grew compared to 1H 2010

# Agent Number and Productivity by Tenure

2010





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# Summary of CDO/CBO Losses

Reflected in Income Statement

Impairment Loss Recognized (NT\$bn)	2007	1H 2008	2H 2008	1H 2009	2H 2009	1H 2010	2H 2010	1H 2011	Total
<b>ABS CDOs</b>	1.88	3.20	0.74	1.75	0.09	0.64	-	-	8.30
<b>CBOs</b>	1.03	1.37	-	-	0.70	-	-	-	3.10
<b>CMBS CDOs</b>	-	0.13	-	0.97	-	-	-	-	1.10
<b>Corporate CDOs</b>	-	-	1.40	0.09	-	0.29	0.13	-	1.91
<b>Total</b>	2.91	4.70	2.14	2.81	0.79	0.93	0.13	-	14.41

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# SKL - EV & AV Results

Unit : NT\$bn

	2009.12	2010.12	YoY growth
Adjusted NAV	97.7	148.5	52.0%
VIF	43.7	62.3	42.6%
COC	31.3	34.8	11.2%
EV	110.1	176.0	59.9%
EV / per share (SKL / SKFH)	22.1 / 14.0	32.3 / 20.9	-
V1NB	13.1	12.6	-3.8%
AV – 5 years NB	158.4	219.8	38.8%
5-year AV / per share (SKL / SKFH)	31.8 / 20.1	40.3 / 26.1	-
AV – 20 years NB	220.7	281.6	27.6%
20-year AV / per share (SKL / SKFH)	44.3 / 28.0	51.6 / 33.4	-

Note:

(1) Based on SKFH's outstanding shares of 8.44bn as of the end of 2010

# SKL - Estimate of Embedded/Appraisal Value

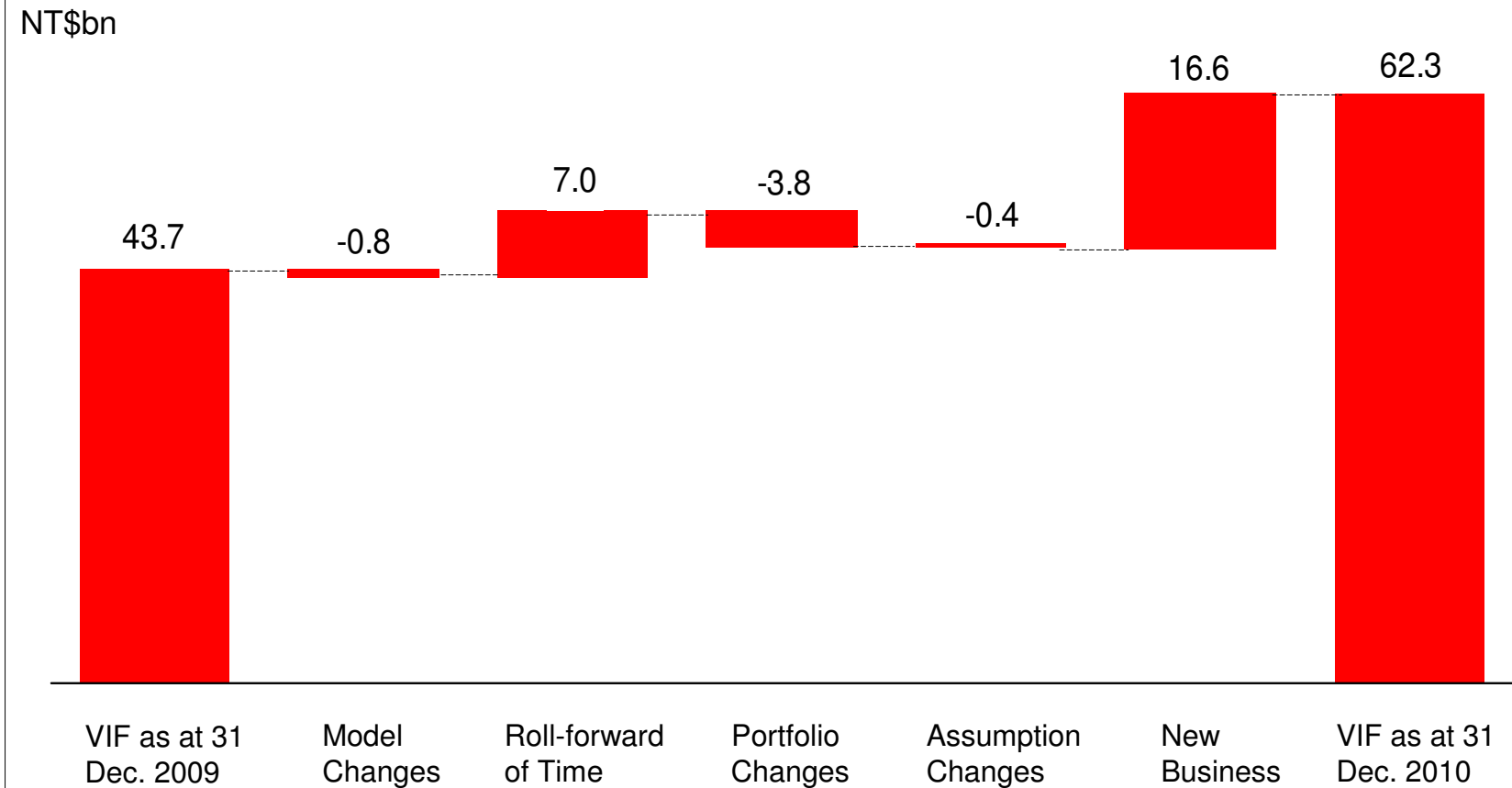
Unit: NT\$bn Valn Date: 31 Dec, 10 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		Inv Return 3.90% ~ 5.43% (Interest Sensitive Business 3.53% ~ 5.04%) RDR 10%	All else equal except	
	Inv Return - 0.25%	Inv Return + 0.25%		RDR - 1.0%	RDR + 1.0%
Adjusted NAV	148.5	148.5	<b>148.5</b>	148.5	148.5
VIF	28.2	95.9	<b>62.3</b>	73.6	53.5
Cost of Capital (COC)	37.2	32.5	<b>34.8</b>	31.8	37.1
<b>EV after COC</b>	<b>139.5</b>	<b>211.9</b>	<b>176.0</b>	<b>190.2</b>	<b>164.9</b>
<b>V1NB after COC</b>	<b>11.7</b>	<b>13.5</b>	<b>12.6</b>	<b>14.2</b>	<b>11.3</b>
<b>AV (5 years NB)</b>	<b>179.8</b>	<b>259.1</b>	<b>219.8</b>	<b>241.2</b>	<b>202.7</b>
<b>AV (20 years NB)</b>	<b>236.4</b>	<b>326.1</b>	<b>281.6</b>	<b>319.7</b>	<b>251.6</b>

Note:

(1) Figures may not add up exactly due to rounding.

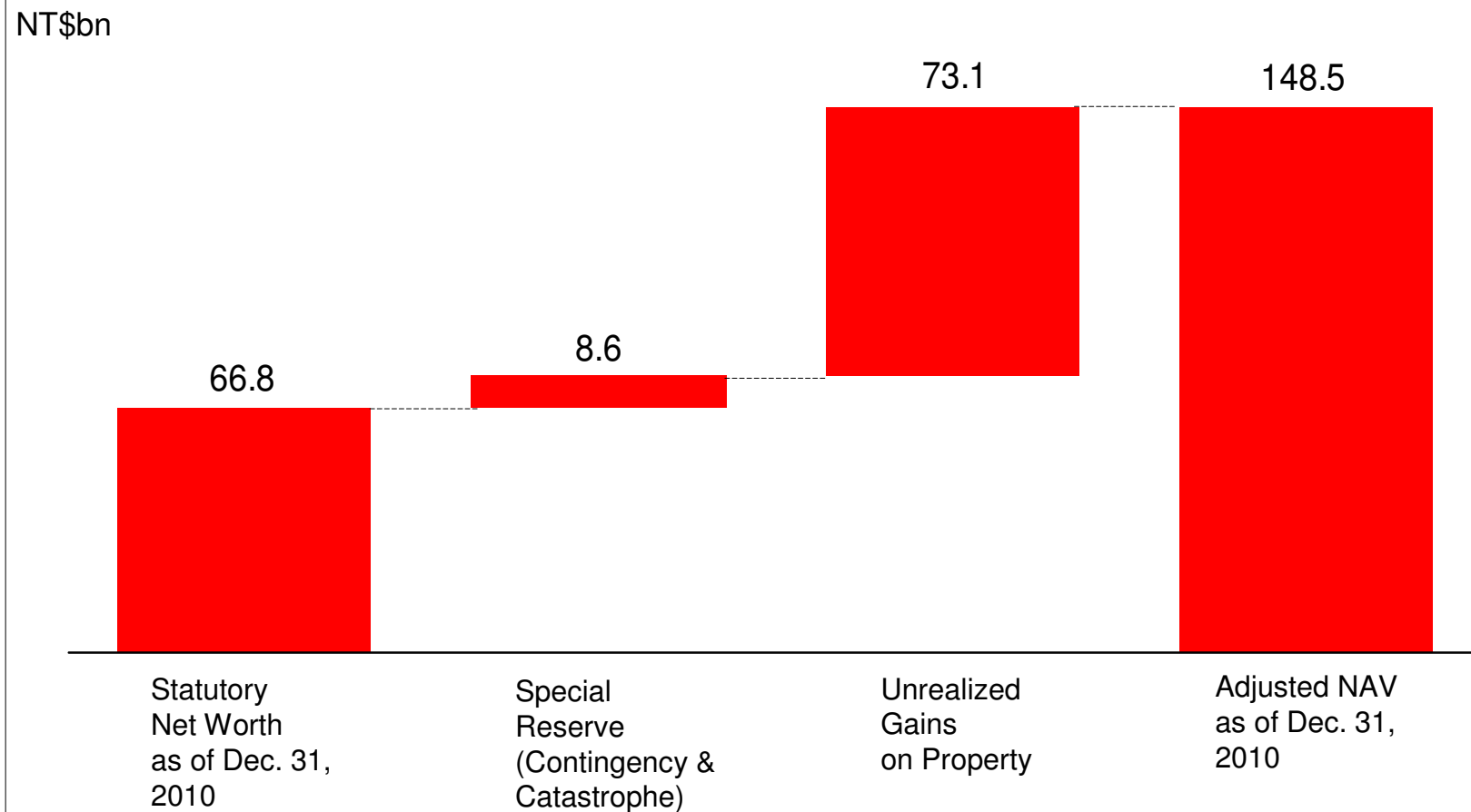
# SKL - Analysis of Change in VIF

## Changes between 31 Dec. 2009 and 31 Dec. 2010 broken down by components

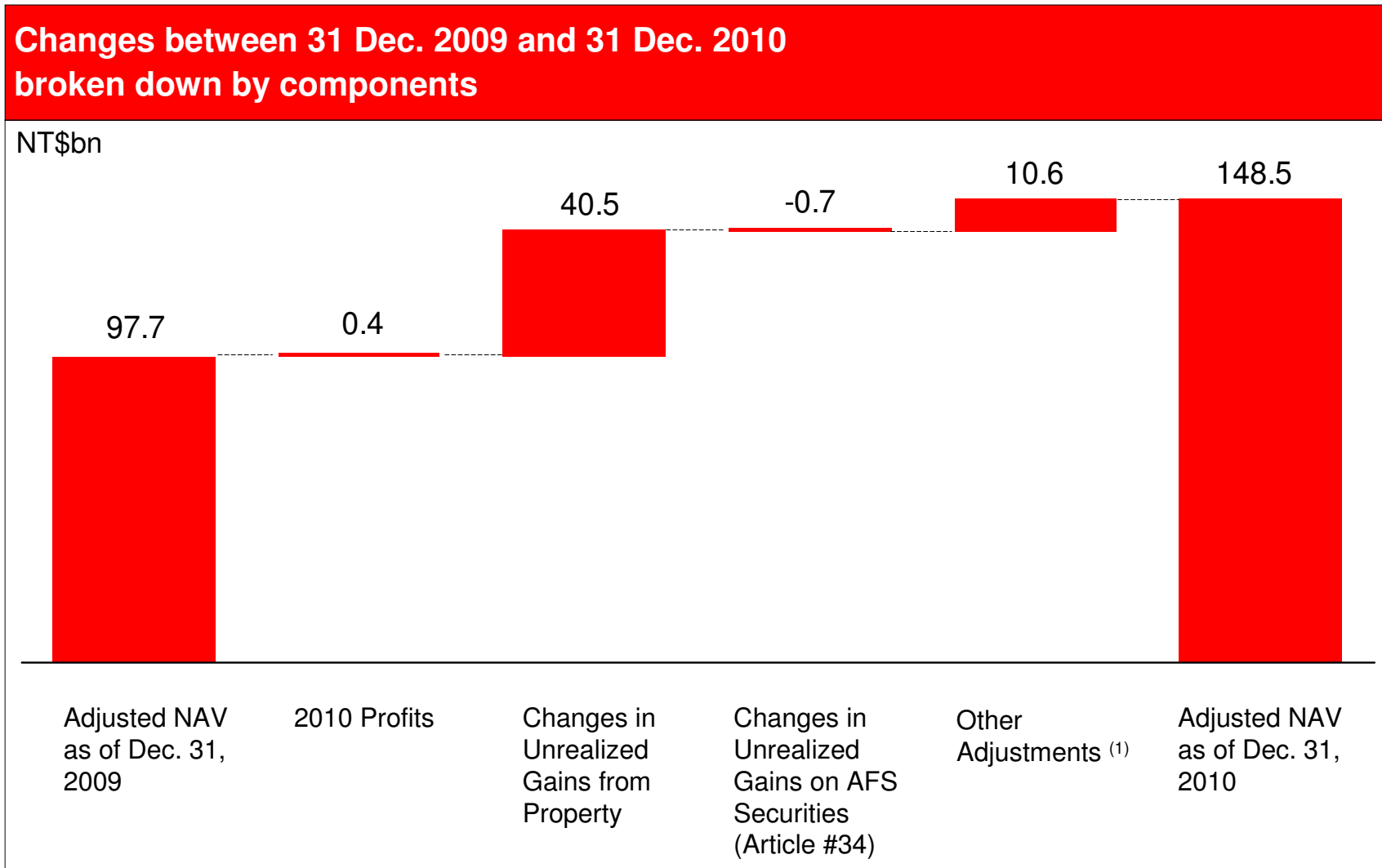


# SKL - Adjusted NAV

## Adjustments to Statutory Net Worth at 31 Dec. 2010



# SKL - Analysis of Change in NAV



Note:

(1) Included capital injection, changes in special reserve (contingency & catastrophe), and other items.



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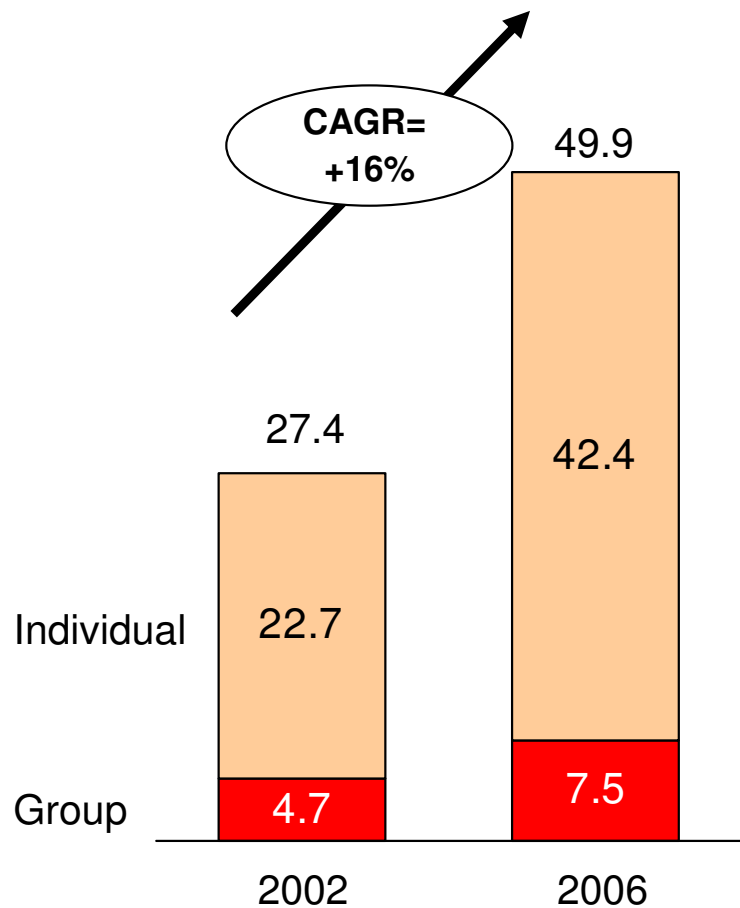
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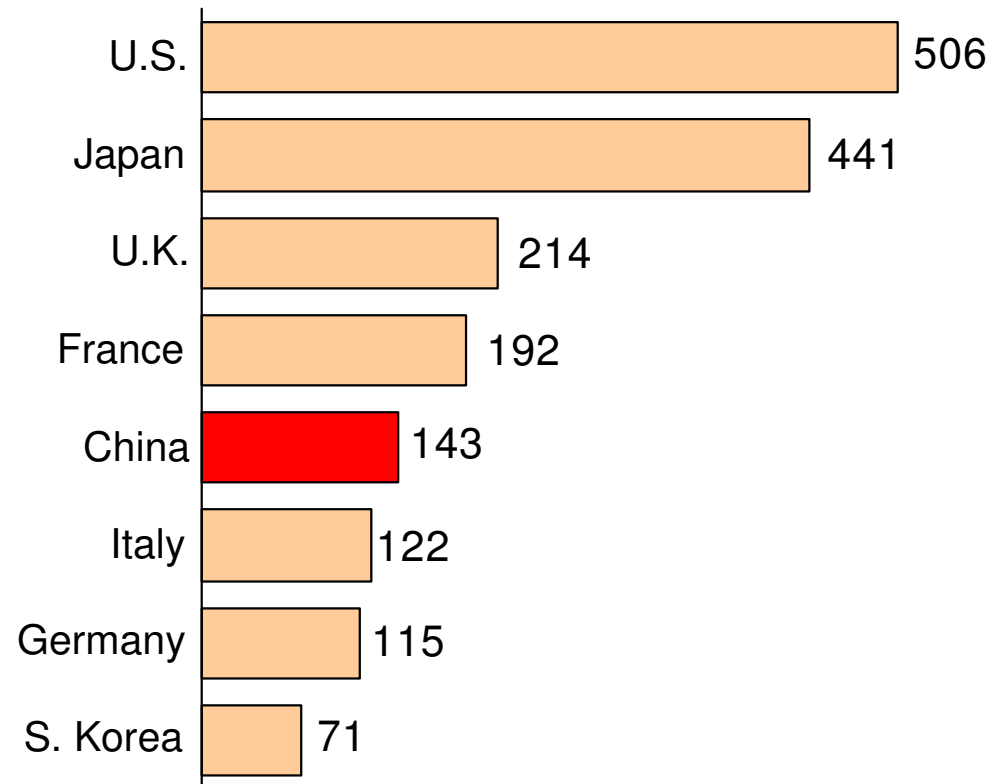
# China insurance market is growing rapidly and ranked number 5 in the world

US\$bn

**Total life premium**



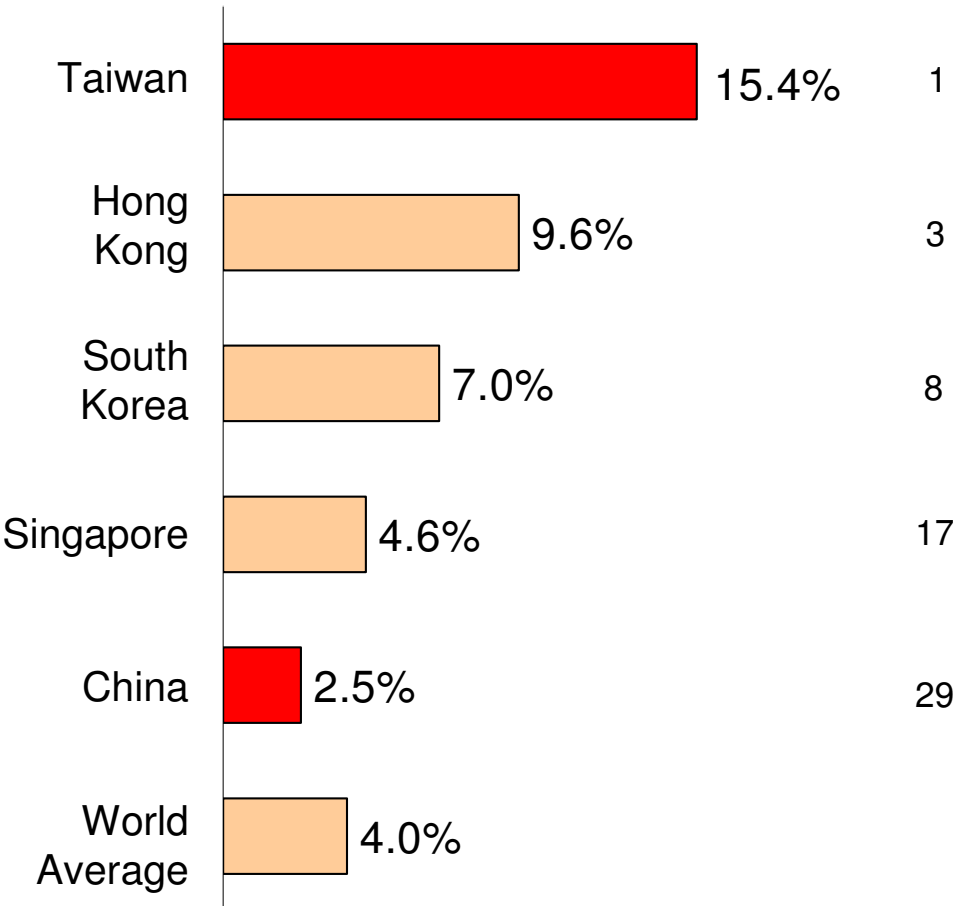
**Total life premium 2010**



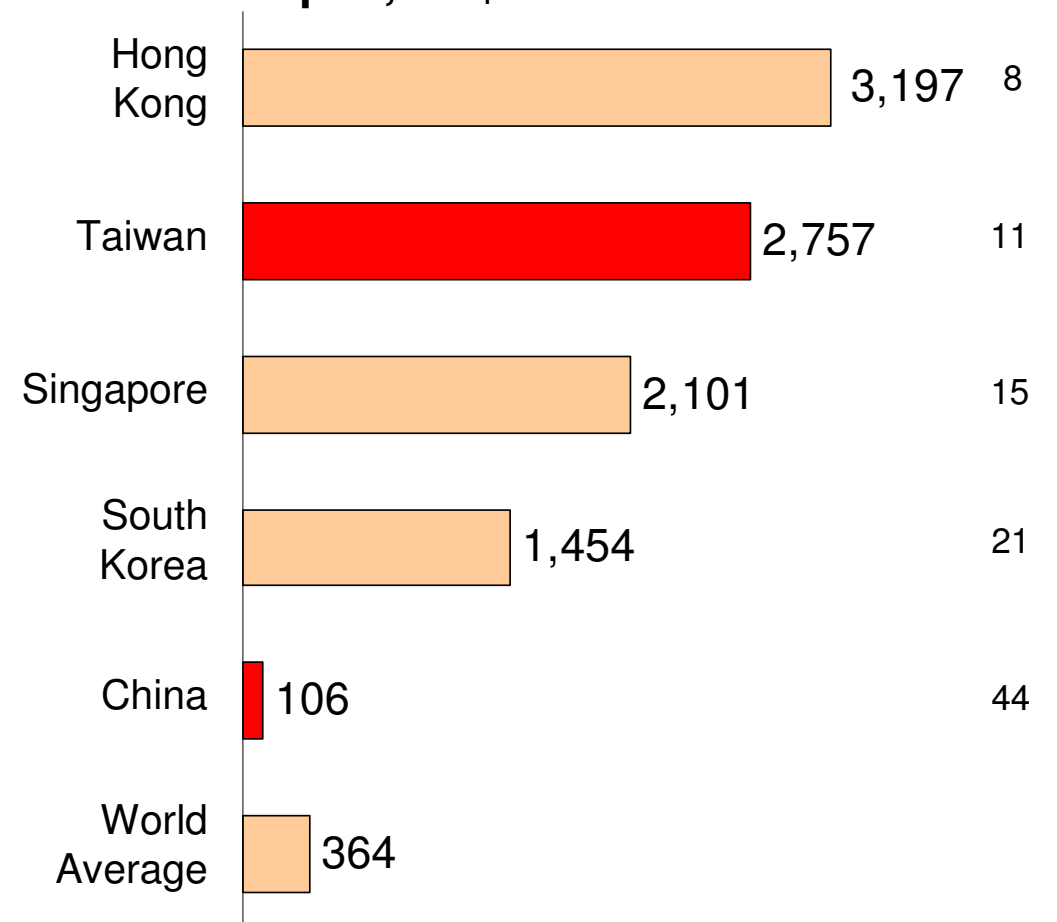
Source: China Insurance Year Book, Swiss Re, Sigma No.2/2011

# Low Penetration and Density

**Life Insurance Premium/GDP, % Rank**

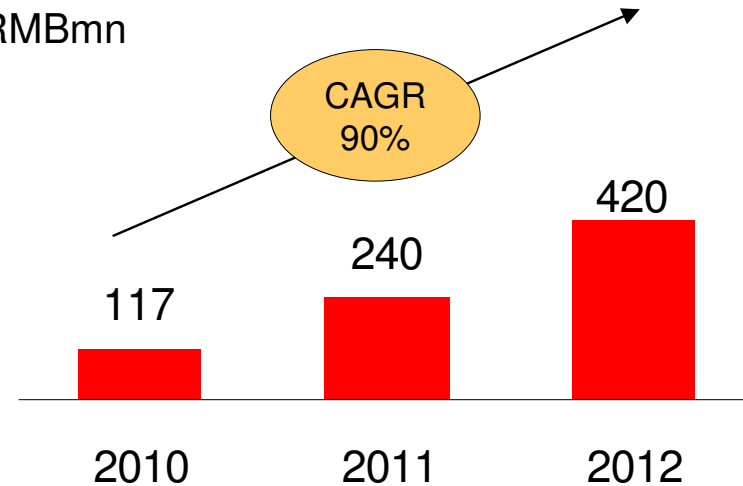


**Life Insurance Premium per capita, US\$ Rank**



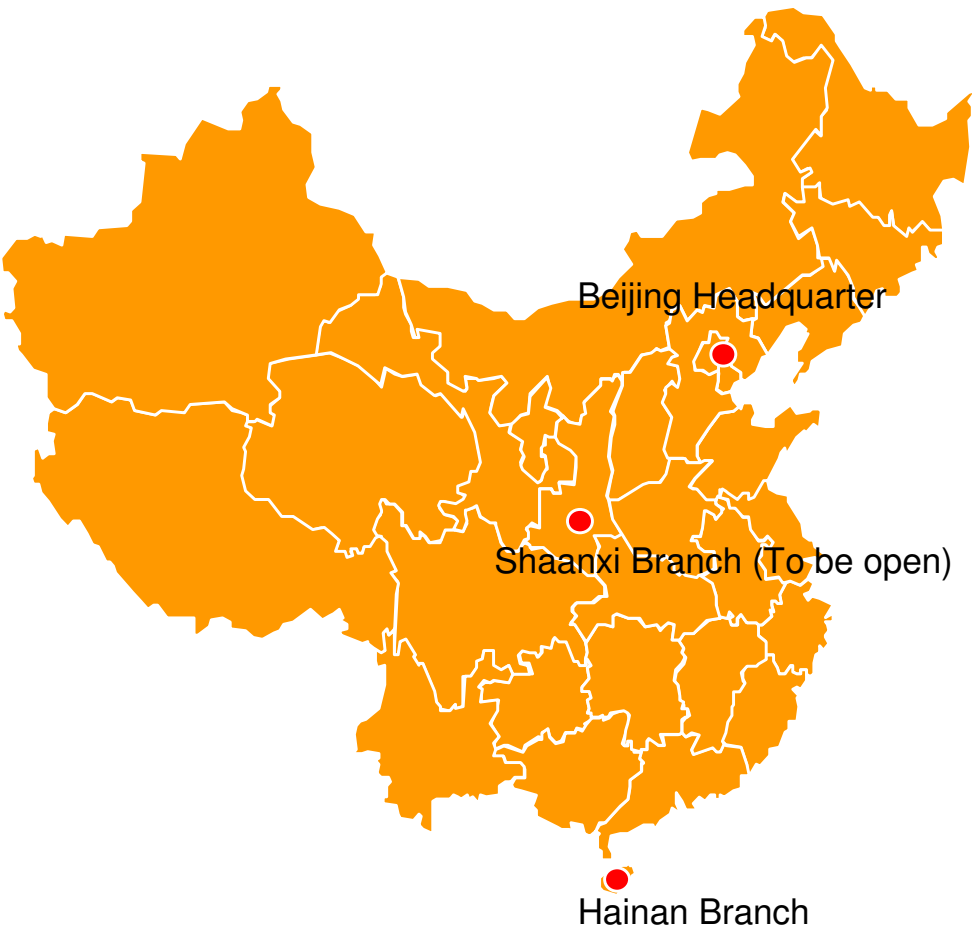
# Shin Kong - HNA Life Started Operation

**3 Year Total Premium Target**  
RMBmn



## SKHNA Life Started Operation in April 2009

- Focus on agency and bancassurance channels:
  - Around 150 agents as of Dec. 2010
  - Signed bancassurance agreements with Shanghai Pudong Development Bank, ICBC, and others to kick-start the bancassurance channel
- Target to establish one new branch per year:
  - Cities with direct flights to Taiwan are prioritized
  - Cities with airports managed by HNA will provide additional advantage
  - In December 2011, Hainan branch was officially opened for operations in Haikou City.
  - In May 2011, SKHNA Life obtained approval from the China Insurance Regulatory Commission to launch Shaanxi branch operations
- Leverage tourism to Taiwan and Shin Kong Group's medical/entertainment resources



# Joint Venture Partner – HNA Group



- Hainan Airlines Group (HNA Group) is one of China's top-four aviation consortiums. In addition to its core Hainan airlines business, the group is involved in China Xinhua Airlines, Changan Airlines, and Shanxi Airlines
- As of the end of 2010, total assets was about RMB 201.5 billion yuan
- Hainan Airlines' B shares were listed in the Shanghai Stock Exchange in 1997, while its A shares were listed in 1999
- Total employees are above 90,000 in HNA Group
- Group headquarters is in Haikou and Beijing will be the future operation center
- HNA Group brings together air transport, airport management, hotel, travel, retail and other related businesses, with operations in Hainan, Beijing, Shanghai, Guangzhou, Xian, and Tianjin

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