



Shin Kong Financial

新光金控

八月份營業收入說明會
Aug. 2005 Earnings Update

Sep.16, 2005



2005年8月子公司資產分析

單位：億元

	2005年	2004年	成長率
新光金控	\$ 10,346.18	\$8,804.24	17.51%
新光人壽	9,267.28	7,884.68	17.54%
新壽証券	92.06	88.02	4.59%
新壽保經	0.50	0.28	78.57%
新昕投信	3.22	3.07	4.89%
新光銀行	951.34	732.34	29.90%



2005年1~8月營業收入分析

單位：億元

	2005年	2004年	成長率
新光金控	\$ 71.07	\$ 40.29	76.40%
新光人壽	1,631.09	1,453.06	12.25%
新壽証券	3.65	4.01	-8.97%
新壽保經	1.25	0.68	82.78%
新昕投信	0.50	-*	-
新光銀行	20.24	17.55	15.33%

*新昕投信2004年1-8月份營業收入為424.7萬元

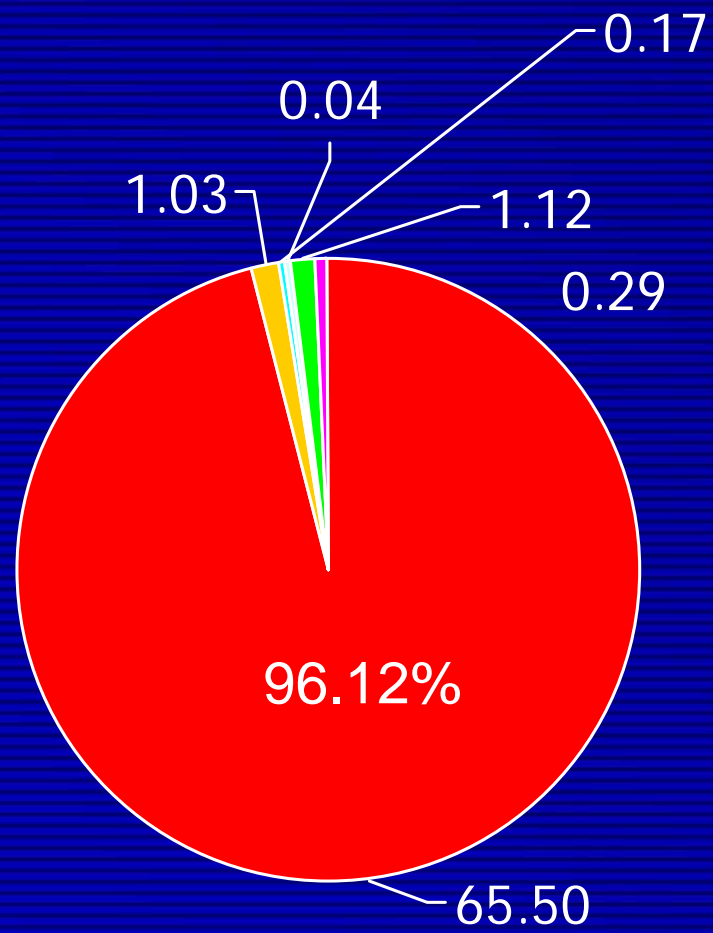


2005年1~8月子公司盈餘分析



新昕投信 0.05%

新壽証券 1.51%



0.25% 新壽保經

1.64% 新光銀行

0.43% 金控費用

新光人壽

累計盈餘合計金額：NT\$68.15億元



2005年1~8月初年度保費收入分析

單位：億元

市場佔有率：9%
(累計至七月底)

	<u>2005</u>		<u>2004</u>		YoY Growth
傳統壽險	\$107.8	34.1%	\$67.6	22.2%	59.4%
個人傷害、健康、意外 及其他	\$21.8	6.9%	\$22.4	7.4%	-2.7%
投資型保險	<u>\$71.6</u>	<u>22.6%</u>	<u>\$27.5</u>	<u>9.0%</u>	<u>160.7%</u>
小計	<u>\$201.1</u>	<u>63.6%</u>	<u>\$117.5</u>	<u>38.6%</u>	<u>71.2%</u>
利率變動型年金 / 壽險	<u>\$114.8</u>	<u>36.4%</u>	<u>\$187.3</u>	<u>61.4%</u>	<u>-38.7%</u>
合計	<u>\$316.0</u>	<u>100%</u>	<u>\$304.8</u>	<u>100%</u>	<u>3.7%</u>



2005年1~8月總保費收入分析

單位：億元

市場佔有率： 10.9%
(累計至七月底)

	<u>2005</u>		<u>2004</u>		YoY Growth
傳統壽險	\$678.0	66.9%	\$615.8	63.4%	10.1%
個人傷害、健康、意外及其他	\$144.2	14.2%	\$139.1	14.3%	3.7%
投資型保險	<u>\$76.1</u>	<u>7.5%</u>	<u>\$27.4</u>	<u>2.8%</u>	<u>177.8%</u>
小計	<u>\$898.3</u>	<u>88.6%</u>	<u>\$782.3</u>	<u>80.5%</u>	<u>14.8%</u>
利率變動型年金/壽險	<u>\$114.9</u>	<u>11.4%</u>	<u>\$189.4</u>	<u>19.5%</u>	<u>-39.3%</u>
合計	<u>\$1,013.2</u>	<u>100%</u>	<u>\$971.7</u>	<u>100%</u>	<u>4.3%</u>



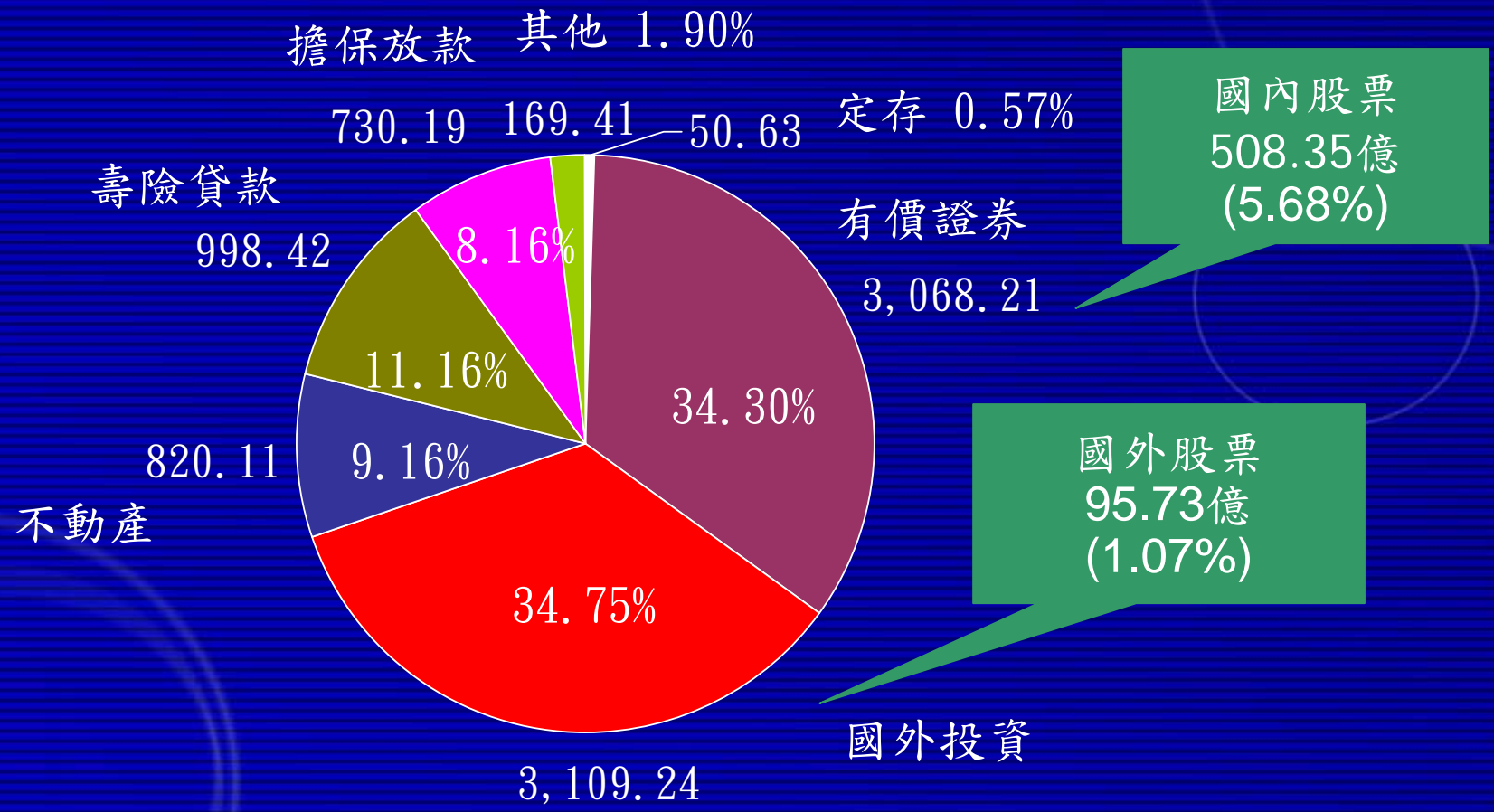
新光人壽-2005年1~8月營業收入分析

單位：億元

項 目		期 間	94年度	93年度	增減金額	增減比率 %	
營 業 收 入	保費收入	累 計 至 八 月 底	一 次 保 費	231.50	264.19	(32.69)	-12.37%
			二 次 保 費	692.29	667.46	24.83	3.72%
			團 體 險	7.85	7.39	0.45	6.11%
			意 外 險	4.75	5.19	(0.44)	-8.43%
			小 計	936.39	944.24	(7.84)	-0.83%
	投 資 型 商 品 收 益		91.73	30.06	61.67	205.14%	
	保 險 業 務 收 入		248.04	231.96	16.08	6.93%	
	資 金 運 用 收 益		354.94	246.80	108.14	43.82%	
	合 計		1,631.09	1,453.06	178.04	12.25%	



新光人壽-2005年8月資產配置



總投資金額：NT\$8,946.21億元



新光銀行-2005年8月營運資訊

單位：億元	<u>2005.8</u>	<u>2004.8</u>
存款	\$823.14	\$669.50
放款	\$674.24	\$535.89
存放比率	81.91%	80.04%
存放利差	2.43%	2.10%
逾期放款	\$16.23	\$13.78
逾期放款比率	2.04%	3.36%
備抵呆帳覆蓋率	52.35%	32.84%
資本適足率	14.84%*	10.73%**

*係自結數，尚未經會計師簽證

**經會計師簽證基準日為93年12月31日



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誠泰銀行-2005年8月營運資訊

	<u>2005.8</u>	<u>2004.8</u>
單位：億元		
存款	\$1,968.45	\$1,851.49
放款	\$1,426.19	\$1,334.47
存放比率	79.33%	81.12%
存放利差	3.47%	3.60%
逾期放款	\$45.51	\$54.99
廣義逾期放款比率	3.19%	5.05%
資本適足率	9.69%*	9.2%*
盈餘 (1~8月, 2005)	\$14.40	
總資產	\$2,425.57	\$2,333.75
營業收入	\$85.00	\$75.85

*係分別為94.6.30及93.6.30之數字



APPENDIX

Merger Synergies with Macoto



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”) and Macoto Bank (“Macoto”) 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 and Macoto’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 and Macoto make the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.



Merger with Macoto – Overview

Price	NT\$20.00Bn NT\$28.20 per Macoto Bank share (“Macoto”)
Consideration Paid	662MM Shin Kong FHC common shares
Price / 2004 Book Value	1.83x
Transaction Structure	Share exchange between Shin Kong FHC and Macoto
Exchange Ratio	1.0713 Macoto share per Shin Kong FHC share
Anticipated Closing	3 October, 2005



Transaction Rationale

- **Significantly strengthens FHC's scale overall and in the banking business**
 - 7th largest FHC with combined assets of NT\$1158.8bn
 - 11th largest non-government bank with combined assets of NT\$314bn
 - 7th largest credit card business with total 1.4MM cards in circulation
 - Approximately 8MM customer base

- **Good fit with Shin Kong's existing operation**
 - Enhances Shin King's consumer orientation
 - Expands our distribution footprint
 - 108 bank branches of which 50 in the greater Taipei area (limited overlap with existing SKB branches)
 - 322 sales points from SKL island-wide network
 - Approximately 25,000 SKL experienced agents

Note 1 Acquisition proposal has been approved by AGM and expected to complete on 3 October, 05

2 Based on 2004 figures



Significant Synergies Potential

■ Sale of Insurance/ Wealth Management products through bank channels

- Currently approximately 60% of new premiums are sold through third party banks⁽¹⁾
- SKB has contributed more than 5% of bancassurance business since Jan.
- Expect Macoto to capture reasonable share going forward⁽²⁾

■ Sale of credit cards/ consumer finance products to Shin Kong Life customers

- Combined customer base of approximately 8MM
- Reduced marketing costs from consolidating credit card efforts

■ Cost savings from bank consolidation

- Leverage Macoto's IT system
 - Savings of 2.5 years of development time and \$500MM investment
- Elimination of duplicated functions and consolidation of back-office / co-location
- Reduced funding cost / strengthened credit rating

■ Intangible synergies

- Improved brand perception of Macoto as part of the larger Shin Kong group
- Improved ability to retain management talent and employees

(1) 2004 figure



Integration Process



Phrase I- Preparation

- Task force formation
- Integration planning
- IT planning
- Cross-selling

Phrase II- Initial Implementation

- Refined synergy calculation
- Harmonization of policies, products and practices

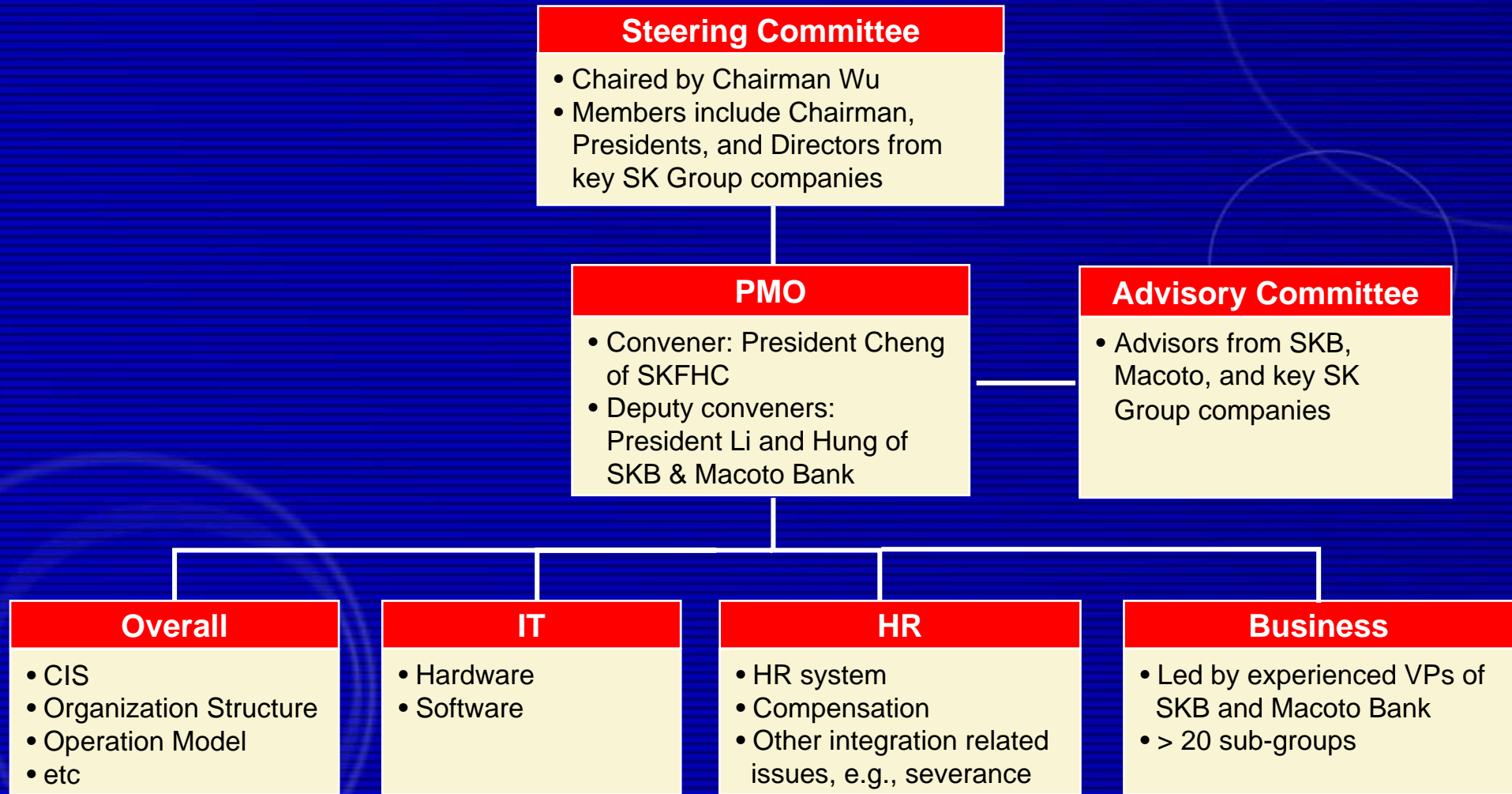
Phrase III- Full Implementation

(1) Annual shareholders' meeting for SKFHC and Macoto Bank

(2) Date of share swap. Pricing period: July 21 - Sept. 2, 2005



Overall Integration Structure





Synergy Calculation – Overview

Unit: NTD million

		2006		2007		2008	
		Low	High	Low	High	Low	High
Cross-Selling	Bancassurance	29	36	75	94	129	162
	Credit Life to Credit Card	6	12	16	33	23	46
	Credit Life to unsecured p. loan	0	1	1	2	1	2
	Credit Life to Cash Card	0	0	0	1	1	1
	Mortgage Life	3	8	3	9	3	10
	Auto Life	0	1	0	1	0	1
	Travel Accident to Forex	1	2	1	2	1	2
	Credit Card			133	211	193	302
	Securities accounts to bank customers	3	6	7	14	9	18
	Asset Management to bank customers	11	11	11	12	12	13
Funding Cost	Saving in sub-debt	7	8	79	101	79	101
	Saving in deposit rate	93	93	93	93	93	93
Operating Cost	Marketing Expense	150	170	150	170	150	170
	Procurement	9	15	9	15	9	15
	Staff cost	40	60	40	60	40	60
	Office	5	10	10	20	10	20
Integration cost		(350)	(200)				

	2006	2007	2008	Three Year Total
Low		629	753	1,371
High	205	837	1,017	2,059



Additional Benefits – Operational Improvement

Preliminary Hypotheses on Key Improvement Areas

Risk management

- Develop modern risk management practices
- Implement Basel II

Branch network productivity

- Increase branch productivity

Credit cards

- Increase utilization
- Control risk



**Opportunities
to increase
profitability**

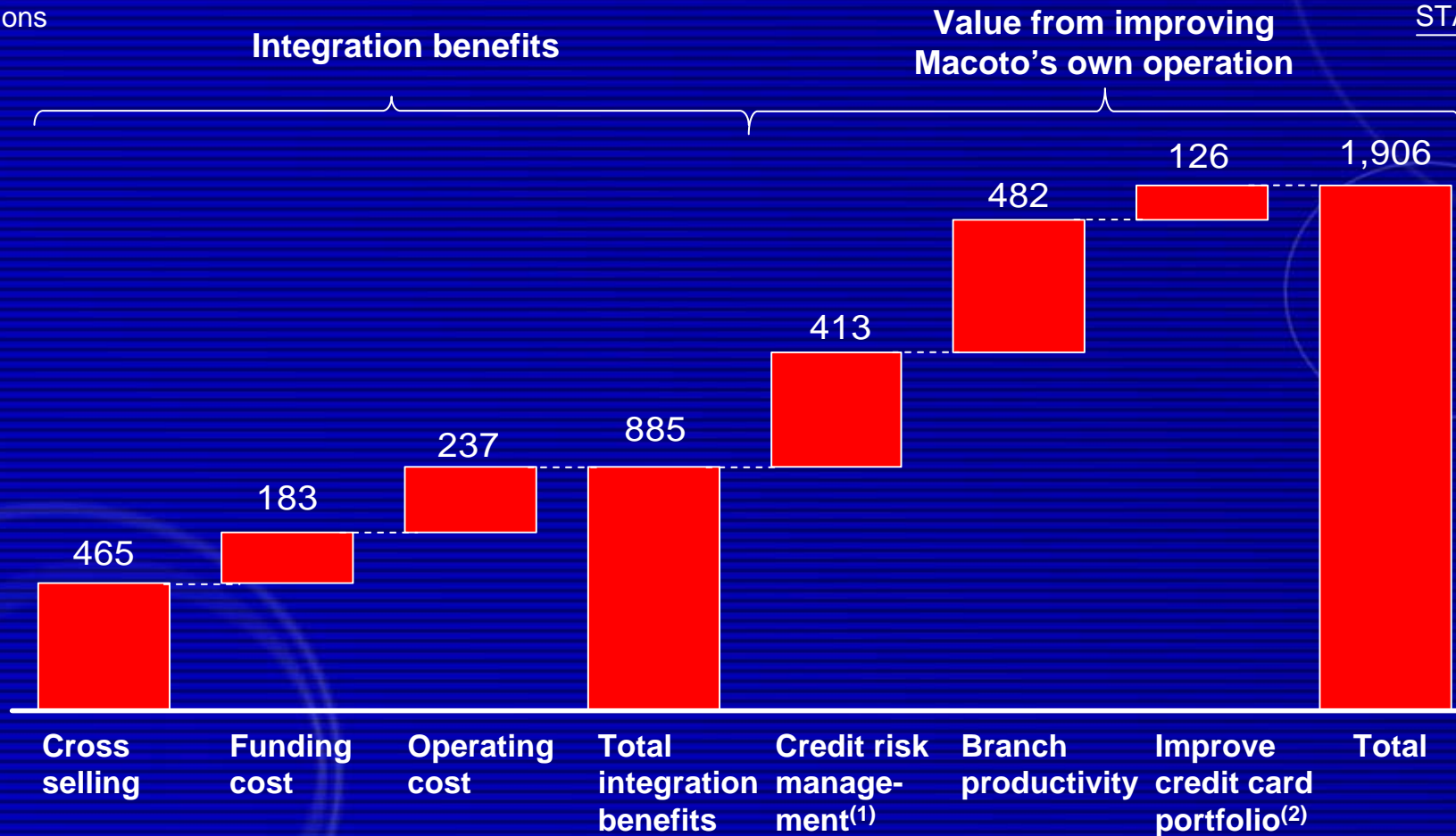


Additional Benefits – Operational Improvement

Potential value capture
NTD millions

ASSUME STEADY
STATE IN 3 YEARS

PRELIMINARY



(1) Decrease NPL% by 40bps in line with industry average

(2) Increase utilization (i.e., transaction fee per card) to market average (Jan – May 05 data)

Source: Banking Bureau, Central Bank, Boston Consulting Group