



SKFH

Q1 2019 Results Update

2019/5/30

Disclaimer

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Figures of Q1 2018 and Q1 2019 in this presentation and the presentation materials distributed herewith are reviewed numbers.

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SKFH – Q1 2019 Overview

- SKFH recorded consolidated after-tax profit of NT\$5.54bn for Q1 2019; profit attributable to SKFH was NT\$5.53bn. EPS was NT\$0.45. Consolidated shareholders' equity increased 20.9% YTD to NT\$174.78bn, and book value per share was NT\$14.27.
- Subsidiaries' core business remained robust.
 - Shin Kong Life:
 - ◆ Boosted by market recovery and lowered cost of liabilities, consolidated after-tax profit for Q1 2019 was NT\$3.85bn. Consolidated shareholders' equity was NT\$97.76bn, up 39.3% YTD.
 - ◆ FYP grew 13.2% YoY to NT\$30.27bn. Annualized cost of liabilities declined 2 bps to 4.06% compared to 2018.
 - Shin Kong Bank:
 - ◆ Pre-provision profit grew 1.1% YoY to NT\$1.81bn; consolidated after-tax was NT\$1.19bn.
 - ◆ Asset quality remained solid with NPL ratio at 0.22% and coverage ratio at 599.73%.
 - MasterLink Securities:
 - ◆ Driven by strong growth in proprietary trading business, consolidated after-tax profit rose 28.0% YoY to NT\$0.48bn.
 - ◆ Brokerage market share was 3.56%, remaining 6th place in industry.
- Life insurance EV per share of SKFH was NT\$20.1 (not including net worth of bank and other subsidiaries)
 - EV of SKL was NT\$246.3bn, including property unrealized gains of NT\$71.4bn re-appraised at year-end 2018.
 - Driven by rising business momentum, V1NB grew 5% YoY to NT\$24.1bn.

Financial Highlights – Q1 2019

	Q1 2018	Q1 2019	YoY Growth
NT\$m (except per share data), %			
Consolidated net income	16,269	5,544	-65.9%
Consolidated comprehensive income	-7,738	30,163	-
First year premium (Insurance)	26,728	30,268	13.2%
Loans (Bank)	534,272	575,429	7.7%
Consolidated total assets	3,439,945	3,778,577	9.8%
Shareholders' equity ⁽¹⁾	156,912	174,353	11.1%
Consolidated ROA	0.48%	0.15%	
Consolidated ROE	9.91%	3.47%	
Earnings per share ⁽²⁾	1.52	0.45	-70.4%

Note:

- (1) Consolidated shareholders' equity for Q1 2018 and Q1 2019 were NT\$172,444mn and NT\$174,779mn, respectively
- (2) The after-tax earnings per share (EPS) for Q1 2018 and Q1 2019 would be NT\$1.49 and NT\$0.60, respectively, if the foreign exchange volatility reserve mechanism were not adopted
- (3) Reviewed numbers

Net Income – Q1 2019

Net income contribution

NT\$bn

Subsidiaries	Q1 2018	Q1 2019	YoY Growth
Shin Kong Life	14.71	3.84	-73.9%
Shin Kong Bank	1.25	1.19	-4.9%
MasterLink Securities ⁽¹⁾	0.13	0.48	282.6%
Shin Kong Investment Trust	0.01	0.01	23.6%
Shin Kong Venture Capital International	0.02	0.01	-38.3%
Shin Kong Property Insurance Agency	0.02	0.02	5.0%
Others ⁽²⁾	-0.13	-0.02	-84.6%
Net income ⁽³⁾	16.01	5.53	-65.4%

Note:

- (1) SKFH acquired MasterLink Securities as a wholly-owned subsidiary on October 1, 2018. Prior to Q4 2018, profit of MasterLink Securities was not fully recognized
- (2) Includes other income of SKFH and income taxes
- (3) Net income attributable to SKFH
- (4) Reviewed numbers

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Shin Kong Life – Q1 2019 Overview

- Boosted by market recovery and lowered cost of liabilities, SKL posted consolidated after-tax profit of NT\$3.85bn for Q1 2019. Consolidated shareholders' equity was NT\$97.76bn, up 39.3% YTD.
- FYP for Q1 2019 increased 13.2% YoY to NT\$30.27bn, representing market share of 7.8%.
- FX policies and protection products remain marketing focus for the year. FYP of FX policies for Q1 2019 grew 6.5% YoY to NT\$16.26bn, and sales of protection products grew 24.6% YoY to NT\$1.67bn.
- Annualized cost of liabilities decreased 2 bps YTD from 4.08% to 4.06%.
- Annualized investment return for Q1 2019 was 3.68%. With growing portfolio of high-dividend yield stocks and overseas fixed incomes, recurring yield before hedging reached 3.68%, up 22 bps YoY.

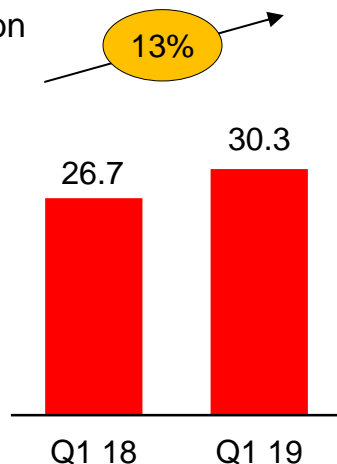
Financial Highlights – Q1 2019

	Q1 2018	Q1 2019	YoY Growth
NT\$mn, %			
First year premium	26,728	30,268	13.2%
Total premium	67,571	71,786	6.2%
Investment income	35,098	29,596	-15.7%
Consolidated net income	14,715	3,847	-73.9%
Consolidated comprehensive income	-9,297	27,562	-
Consolidated total assets	2,562,588	2,799,314	9.2%
Consolidated total shareholders' equity	101,292	97,762	-3.5%
ROE (unannualized)	15.32%	4.58%	
ROA (unannualized)	0.58%	0.14%	

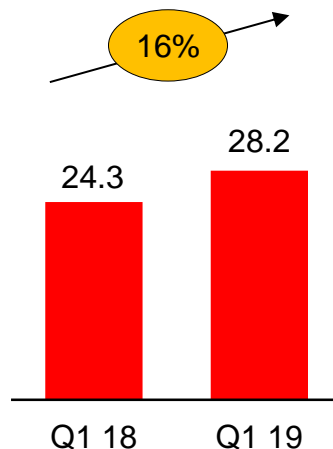
Note: Reviewed numbers

First Year Premium – Q1 2019

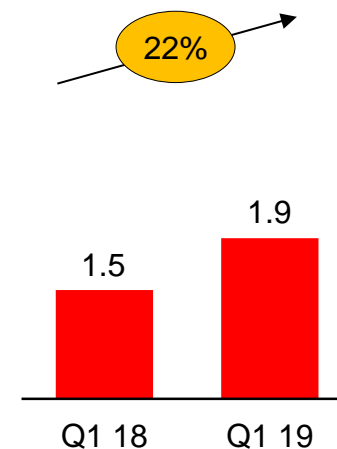
NT\$bn



Traditional (1)



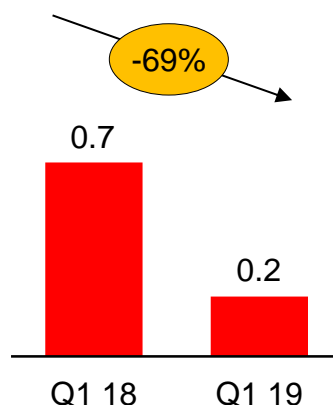
PA, Health and Group (2)



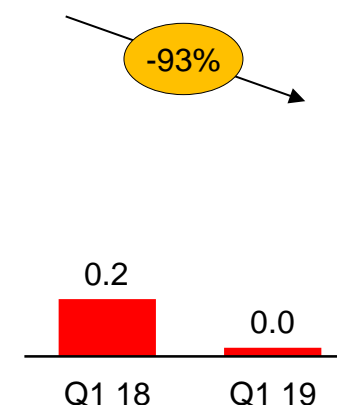
Comments

- Due to adjustment in product mix, FYP for Q1 2019 grew 13.2% YoY to NT\$30.27bn. As share of regular premium increased to 40.0%, FYPE grew 7.3% YoY to NT\$7.96bn, and FYPE/FYP was 26.3%
- FX policies remained strategic focus in 2019 with sales growing 6.5% YoY to NT\$16.26bn, accounting for 53.7% of total FYP
- FYP of health insurance reached NT\$1.05bn, 34.8% higher YoY
- FX policies and protection products to be actively promoted in 2019 to control hedging cost and enhance VNB

Investment-linked



Interest-sensitive

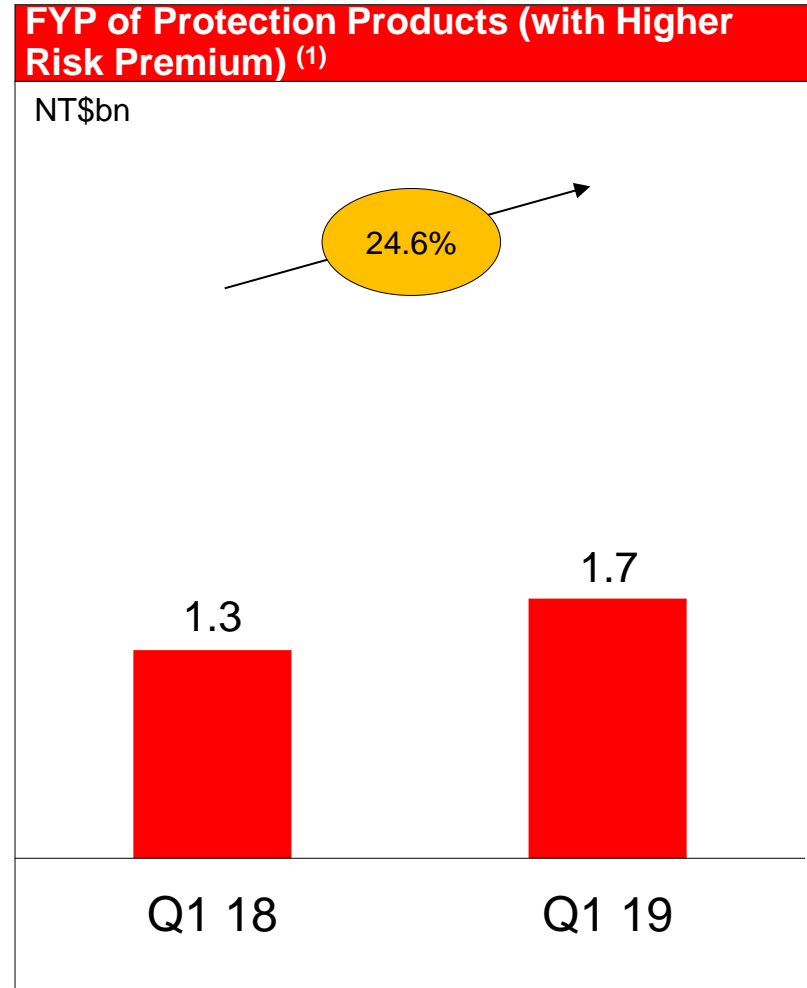
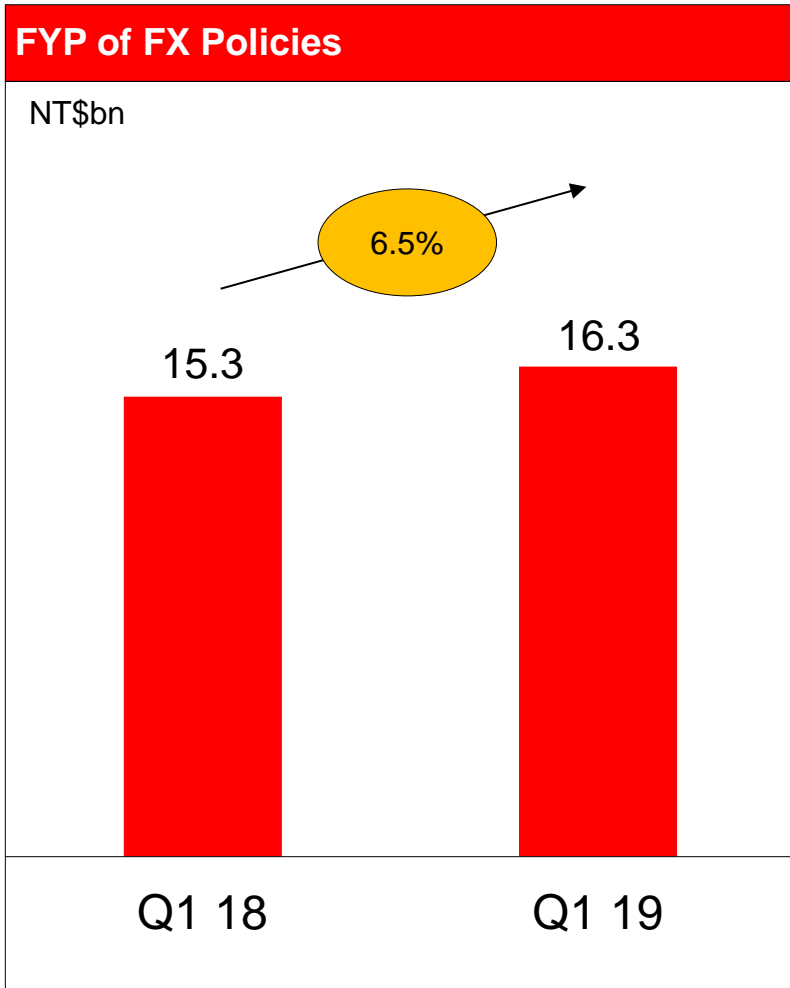


Note:

(1) Includes interest-sensitive life insurance

(2) Long-term disability policies are classified as health insurance

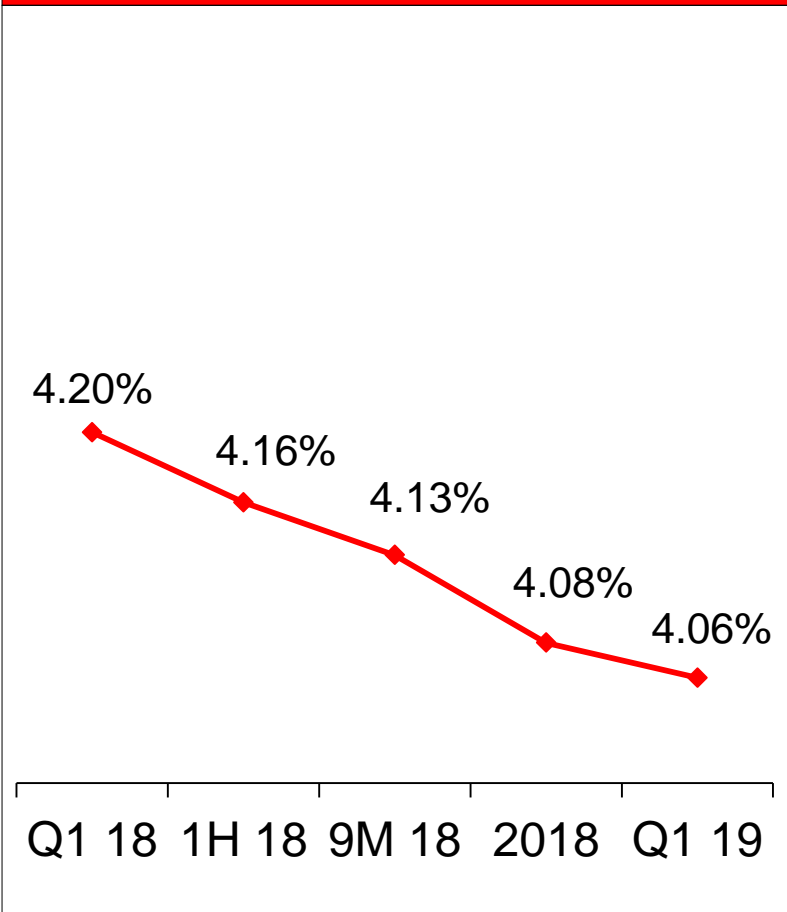
Continued Promotion for Focus Products



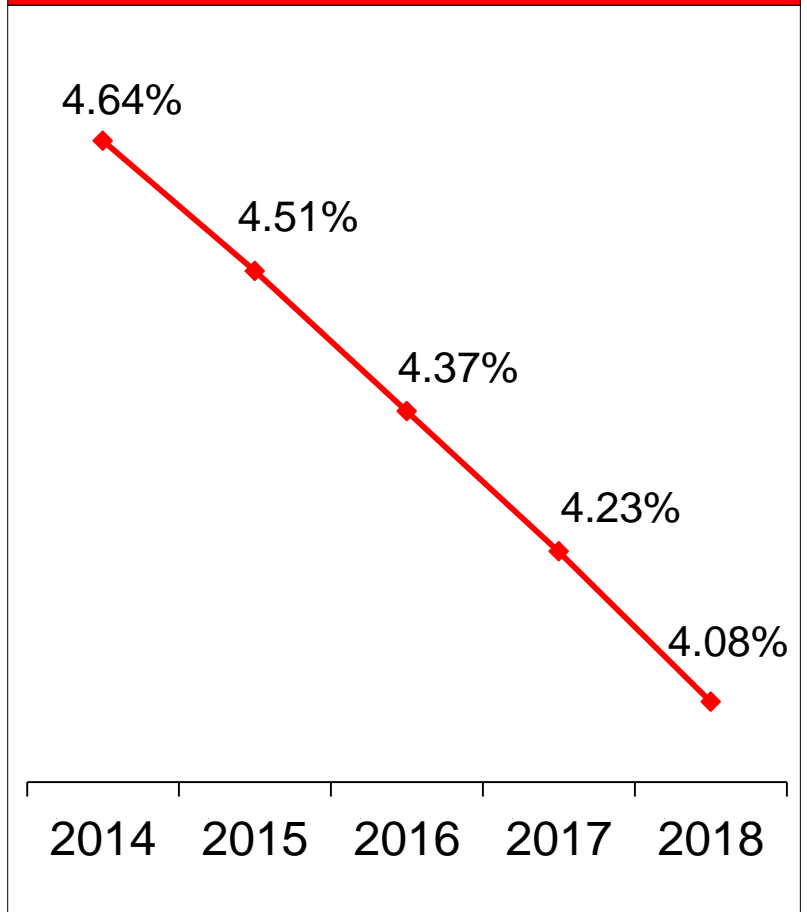
Note:
(1) Only including protection products with higher risk premium

Cost of Liabilities

Cost of Liabilities (quarterly)

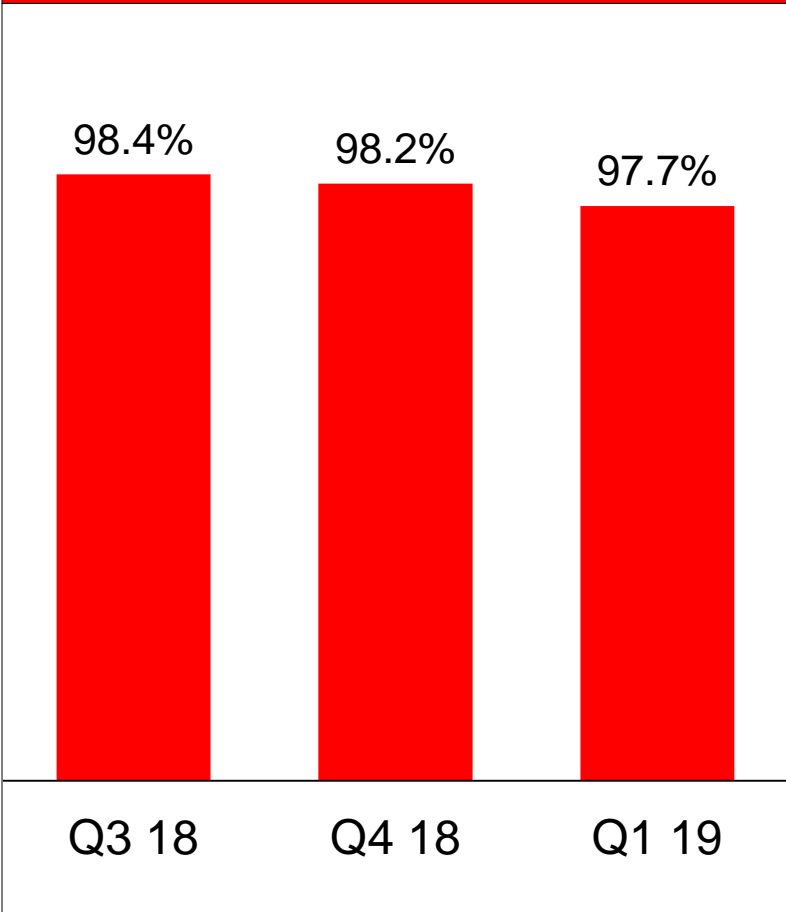


Cost of Liabilities (annual)

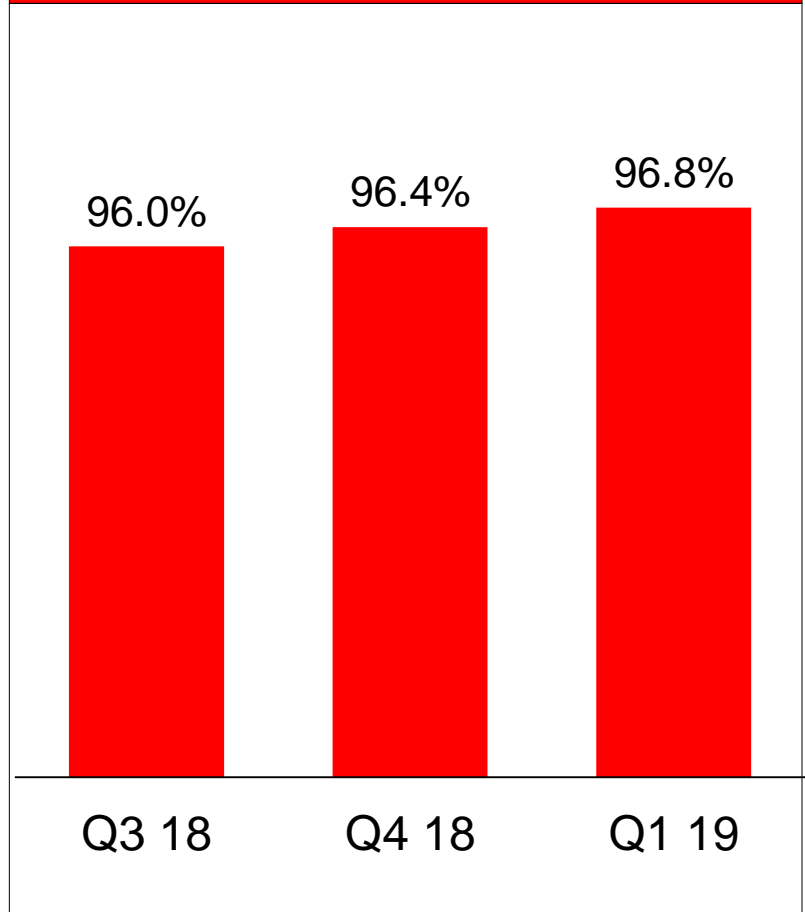


Persistency Ratio

13 Month Persistency

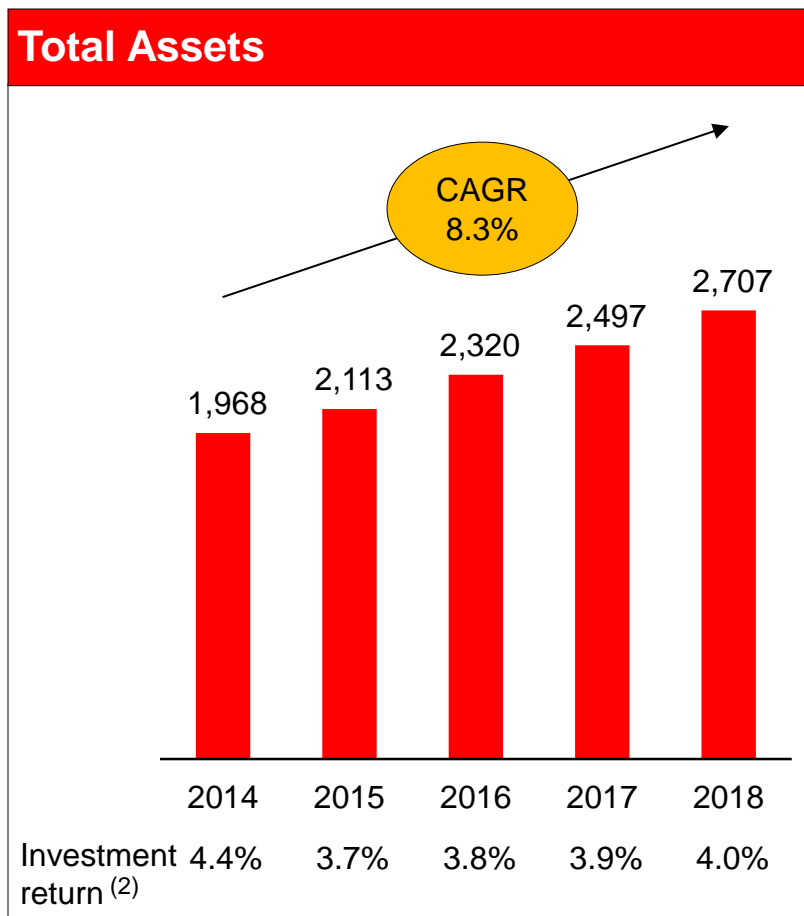


25 Month Persistency



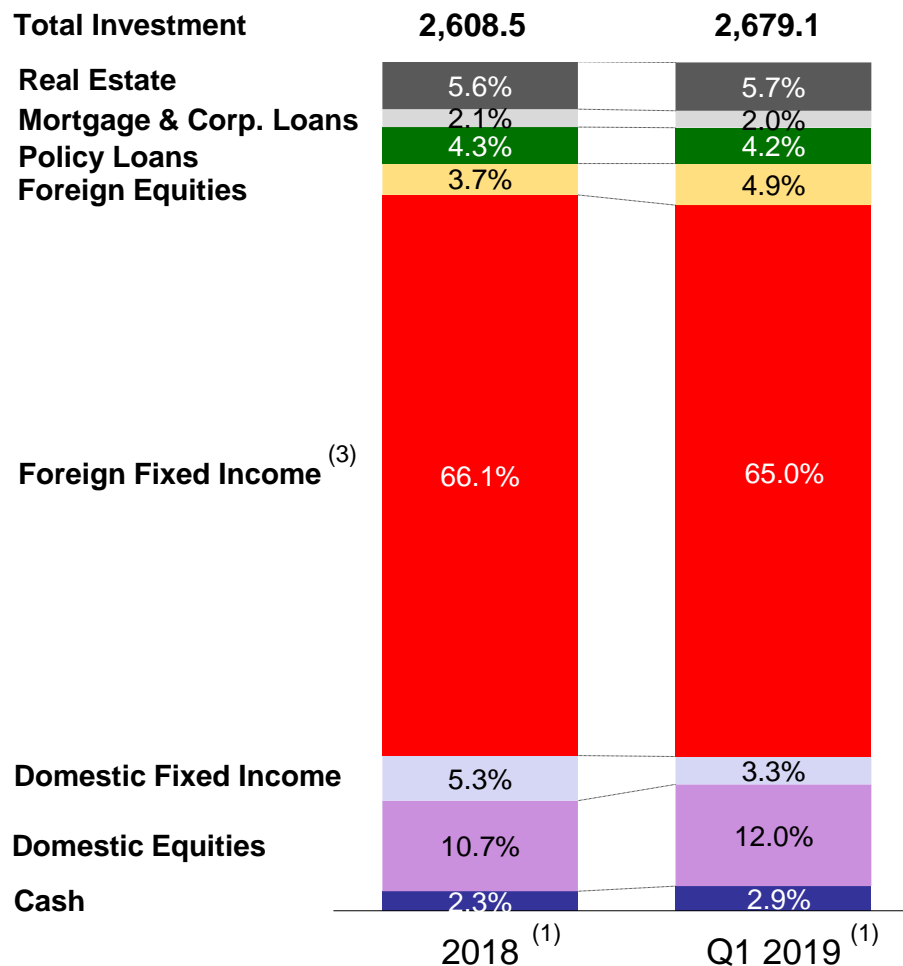
Investment Portfolio

NT\$bn



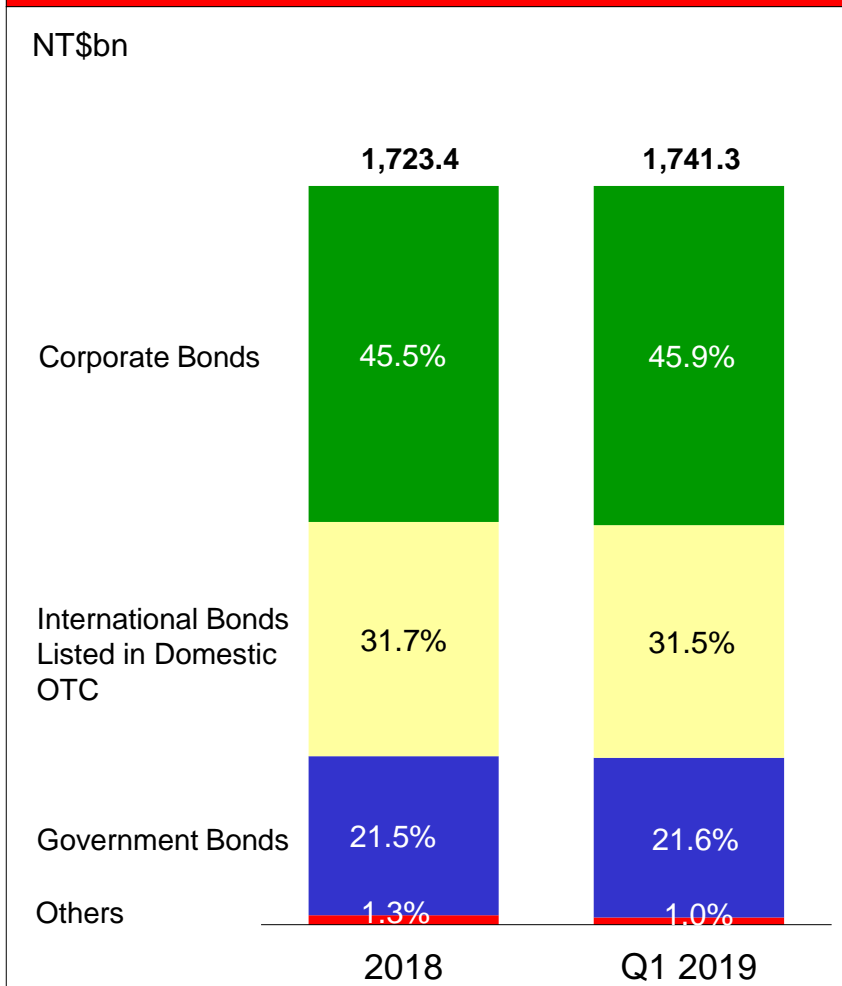
Note:

- (1) Due to rounding, asset allocation figures may not add up to 100%
- (2) Includes capital gains and FX hedging cost
- (3) Includes international bonds listed in domestic OTC

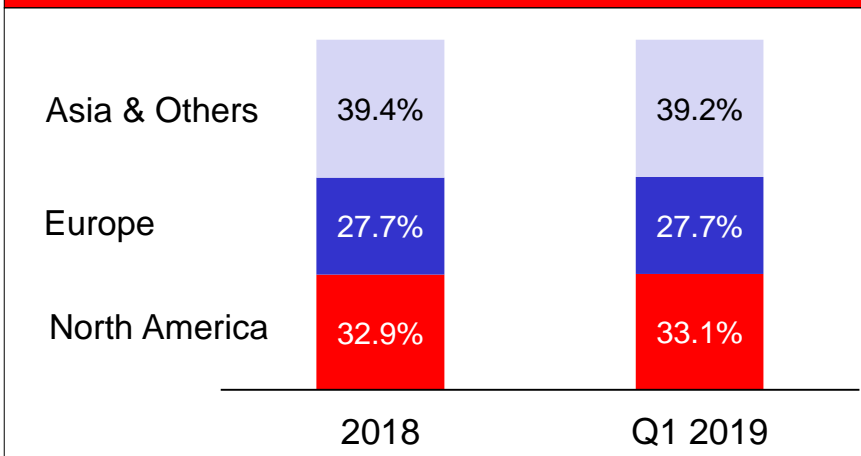


Overseas Fixed Income

Overseas Fixed Income Portfolio



Overseas Fixed Income by Region

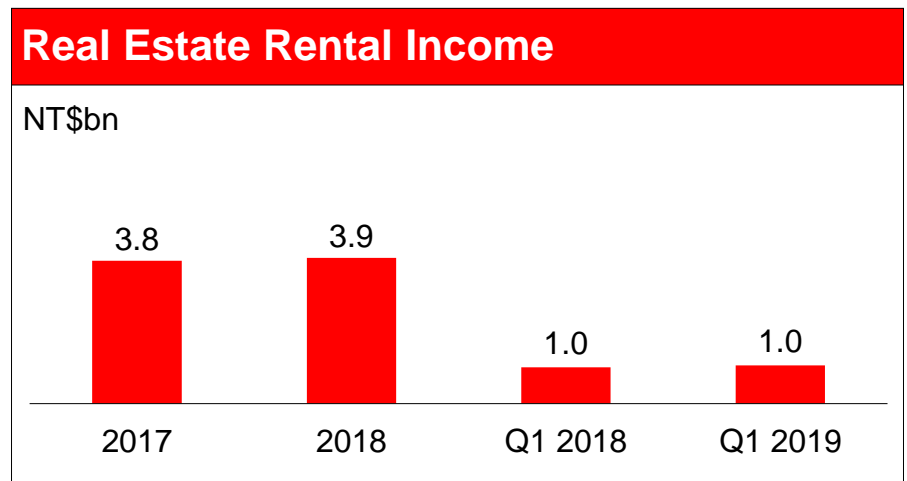
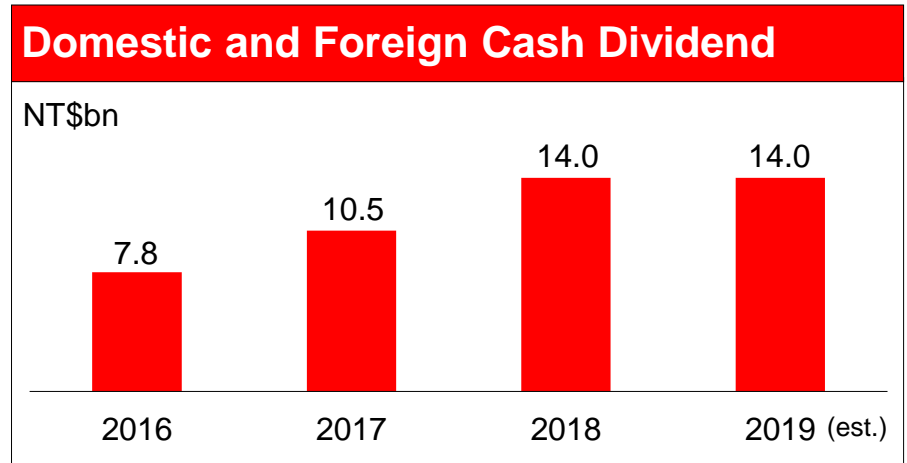
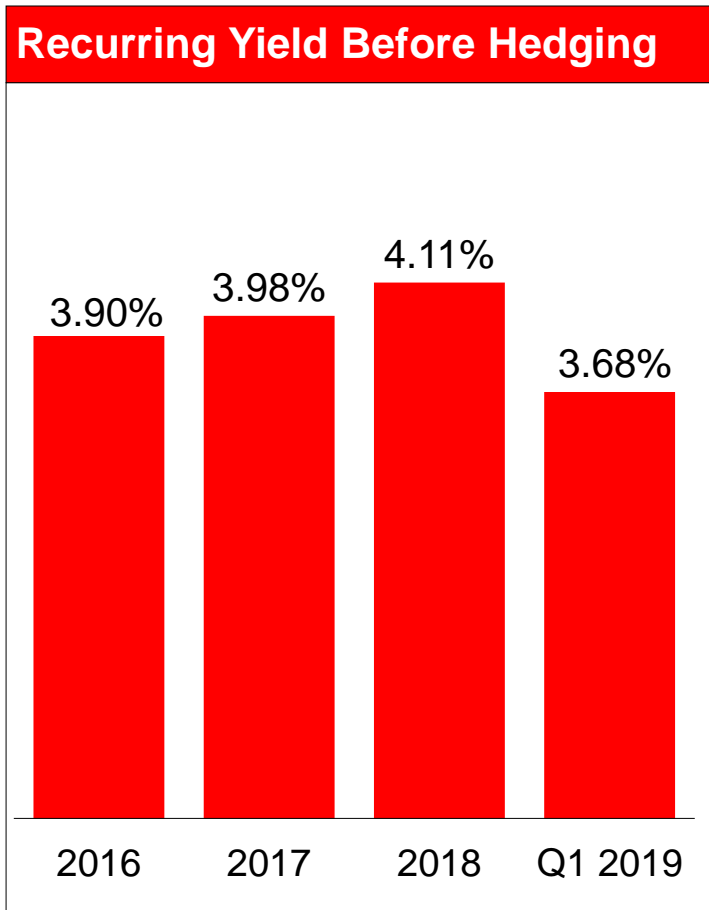


Comments

- Overseas fixed income position mainly deployed in corporate bonds and emerging market USD government bonds
- Average yield before hedging of overseas fixed incomes was around 4.8% for Q1 2019
- SKL holds corporate bonds with stable credit quality across sectors, including communication, consumer, utilities and financials

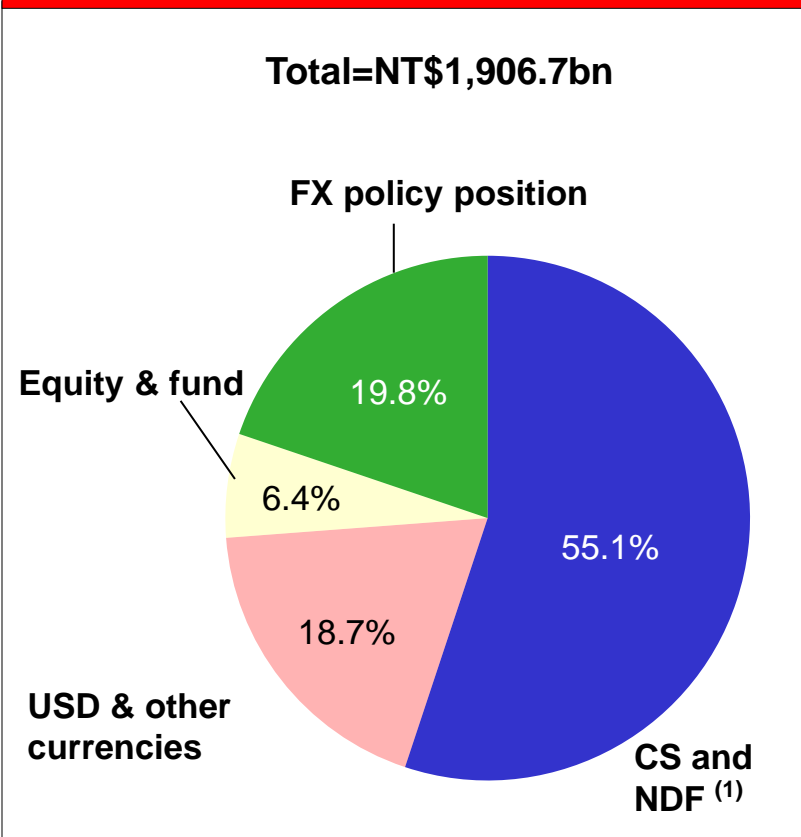
Note: Due to rounding, asset allocation figures may not add up to 100%

Recurring Income



Hedging Strategy

Mix of Hedging Strategies Used

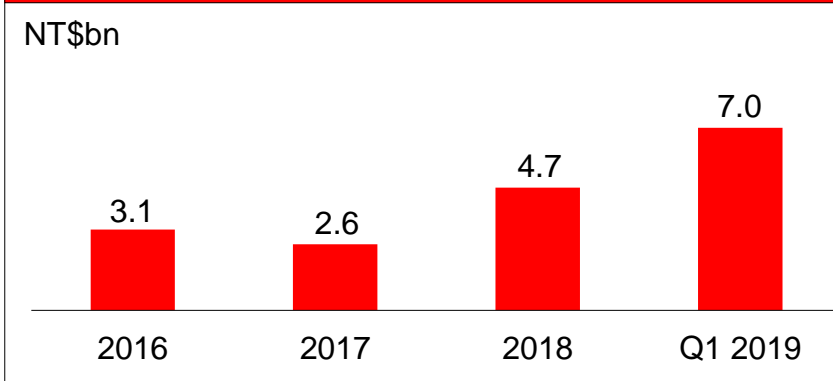


Note:

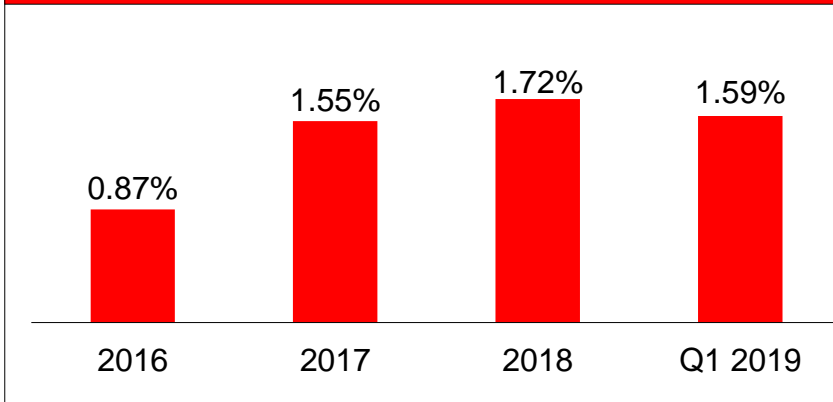
(1) Currency swaps and non-delivery forwards

(2) Due to rounding, figures may not add up to 100%

FX Volatility Reserve



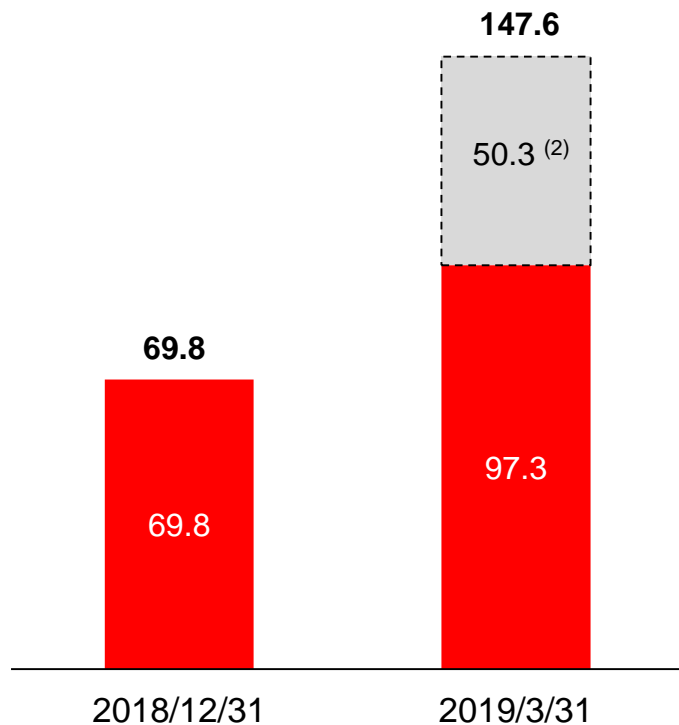
Hedging Cost



Equity-to-Asset Ratio (E/A Ratio)

Book Value of SKL ⁽¹⁾

NT\$bn



Comments

- As of Q1 2019, SKL's book value increased NT\$27.5bn YTD, driving up E/A ratio to 3.5%
- Unrealized gain on investment properties was NT\$50.3bn at end of 2018. If investment properties were recognized at fair value, SKL's book value in Q1 2019 would reach NT\$147.6bn, while E/A ratio increased from 3.5% to 5.3%

Note:

(1) Stand-alone book value of SKL

(2) SKL's book value would increase NT\$50.3bn if investment properties were recognized at fair value at end of 2018

Investment Strategy

Strong ALM Discipline

- Promote FX policies to control hedging cost and enhance recurring income
- Develop Strategic Asset Allocation based on liability profile and capital budget

Well-diversified Portfolio

- Diversification by asset class (equity, credit, currency, commodity, real estate)
- Achieve diversification and yield pick-up through overseas investments. Continue to deploy in investment grade bonds to grow interest income
- Invest in low beta, high-dividend yield stocks classified as FVOCI for cash dividend income

Cost-effective Currency Hedging

- Dynamically adjust FX hedging ratio
- Continuously increase balance of FX volatility reserve according to changes in laws and regulations

Enhance Investment Risk Management

- Consider current situations and characteristics of asset and liability to effectively manage overall investment risks through stringent SAA and TAA plans
- Enhance VAR models under risk management system to cope with changes in financial markets and strictly manage market, credit and business risks

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SKB – Q1 2019 Overview

- Consolidated net income for Q1 2019 was NT\$1.19bn, flat with Q1 2018, excluding one-off deferred tax benefit due to Taiwan tax reform.
- Corporate lending continued to expand in Q1 2019, with balance up 3.1% YTD. Loan balance as of Q1 2019 was NT\$575.43bn, up 1.5% YTD.
- Deposit attracted to drive growth in all business units. Loan-to-deposit ratio (incl. credit card balance) decreased to 74.5%. NIM for Q1 2019 lowered 3 bps QoQ to 1.49%; NIS lowered 3 bps QoQ to 1.86%.
- Wealth management income for Q1 2019 reached NT\$560mn, up 2.9% YoY. Sales momentum came from bancassurance, with fee income up 29.3% YoY.
- BIS was 14.38%, same as previous quarter; Tier 1 ratio increased 3 bps QoQ to 11.54%.
- Asset quality remained solid. NPL ratio for Q1 2019 was 0.22%, and coverage ratio rose from 570.15% to 599.73% in Q1 2019. Both ratios were better than industry average.

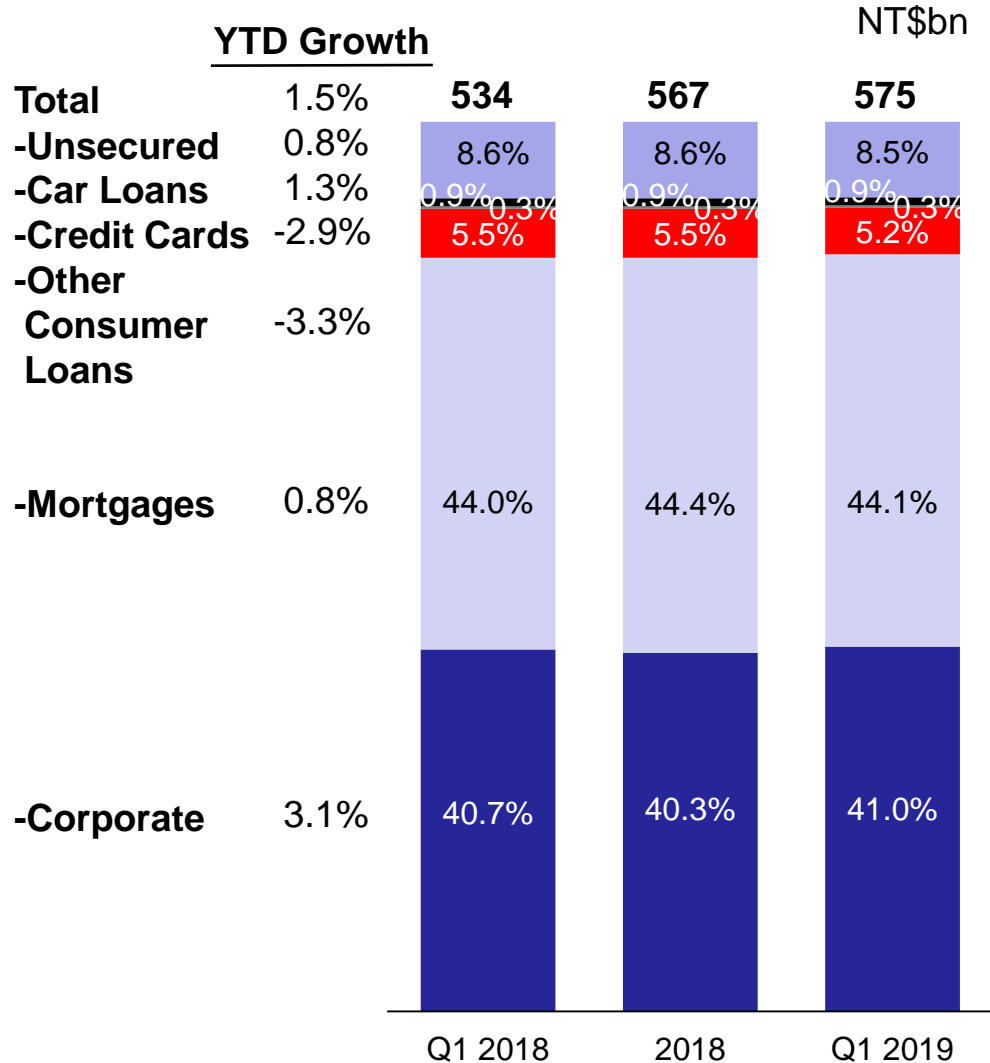
Net Income – Q1 2019

	Q1 2018	Q1 2019	YoY Growth
NT\$m, %			
Net interest income	2,895	2,878	-0.6%
Net fee income	828	814	-1.6%
Investment income and other income	174	274	58.0%
Operating expense	-2,103	-2,153	2.4%
Pre-provision operating income	1,794	1,814	1.1%
Provision expense	-357	-367	2.9%
Income tax benefit (expense)	-185	-256	38.6%
Consolidated Net Income	1,252	1,191	-4.9%

Note:

- (1) Total may not add up exactly due to rounding
- (2) Reviewed numbers

Loan Mix

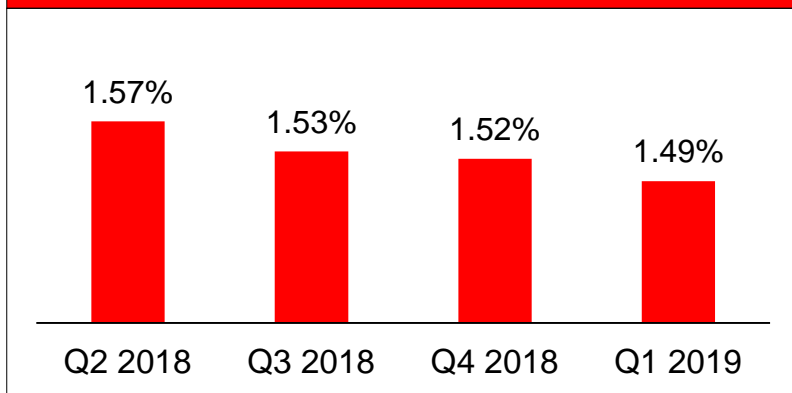


Comments

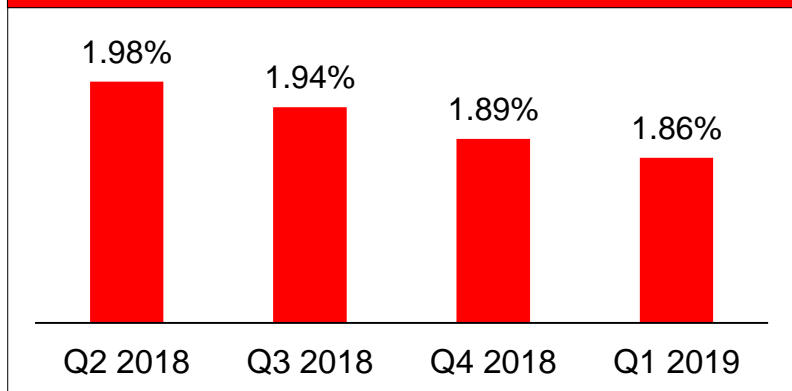
- Loan balance as of Q1 2019 was NT\$575.43bn, up 1.5% YTD. Loan growth targeted at 6% for 2019
- Corporate loans increased 3.1% YTD; growth mainly came from large corporate and overseas syndicated loans, up 7.0% and 8.6%, respectively.

Interest Income

Net Interest Margin



Net Interest Spread

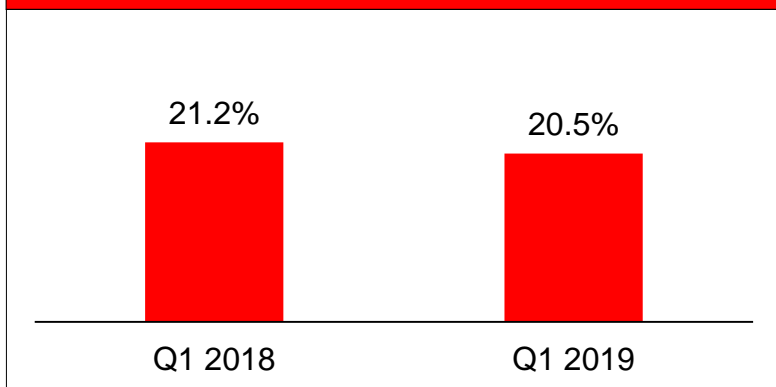


Comments

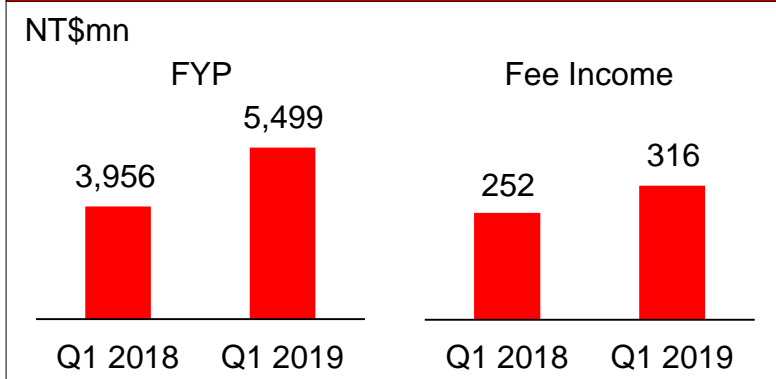
- NIM and NIS for Q1 2019 were 1.49% and 1.86%, respectively
- Maintaining NIM and NIS at similar level of 2018 expected to be challenging due to loan market competition
- SKB will continue to:
 - Increase demand deposit to lower cost of funds
 - Stably expand investments and overseas loans to sustain interest spread
 - Continuously promote foreign deposit to expand wealth management and overseas business

Fee Income

Net Fee Income / Total Income

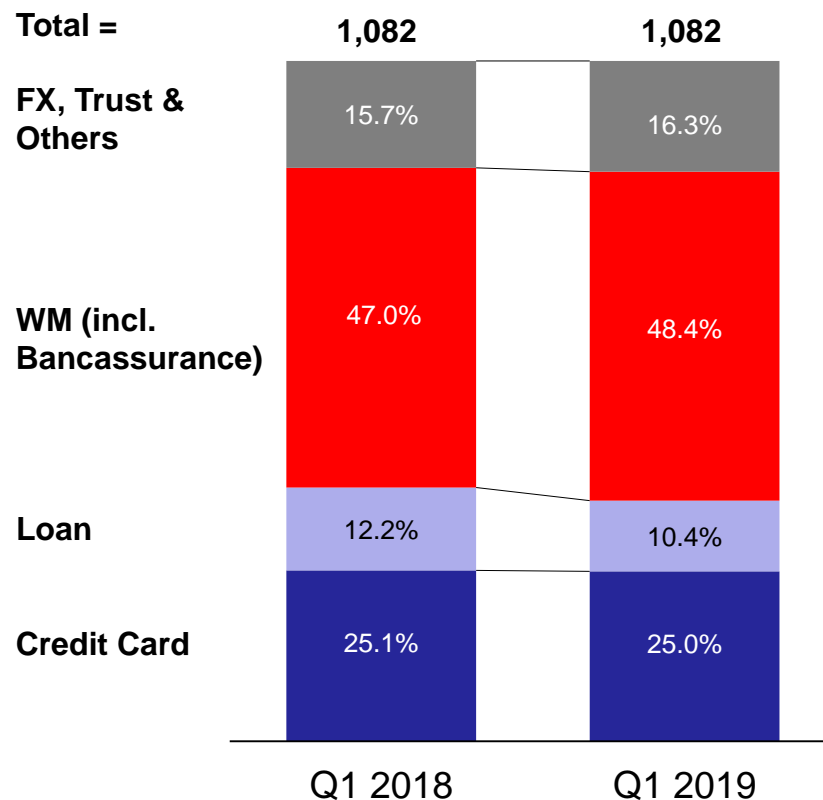


Bancassurance



Fee Income Breakdown

NT\$m



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

Wealth Management

Wealth Management Income Breakdown

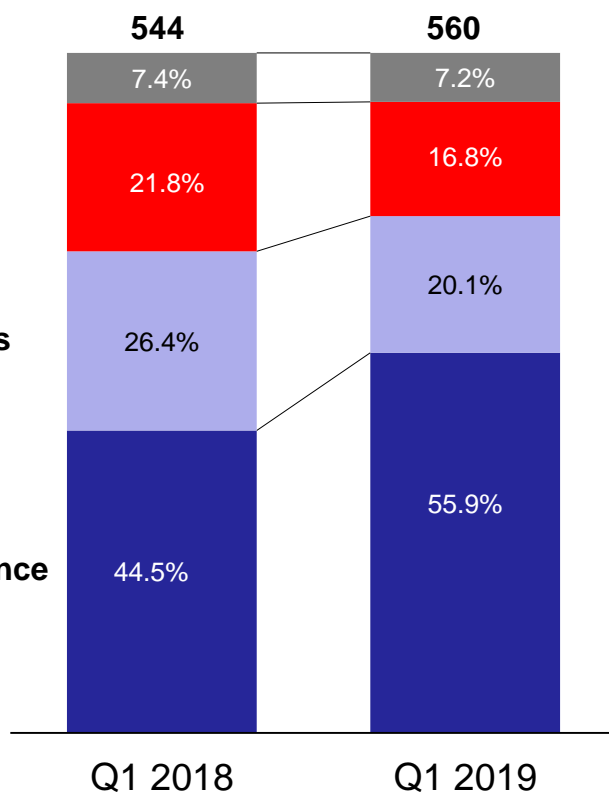
NT\$m

Total =
Others

Overseas
Securities

Mutual funds

Bancassurance



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

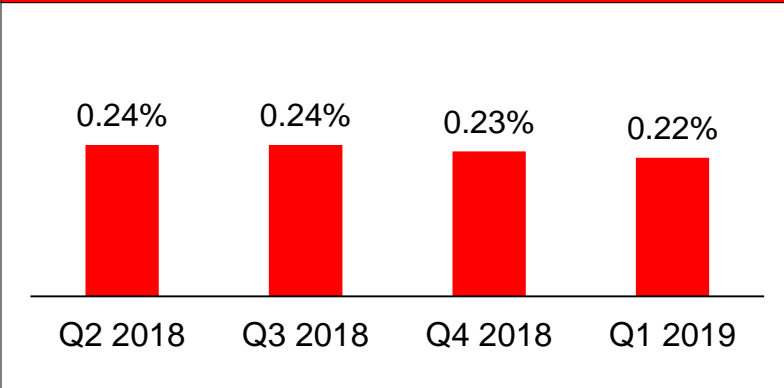
Wealth Management Center



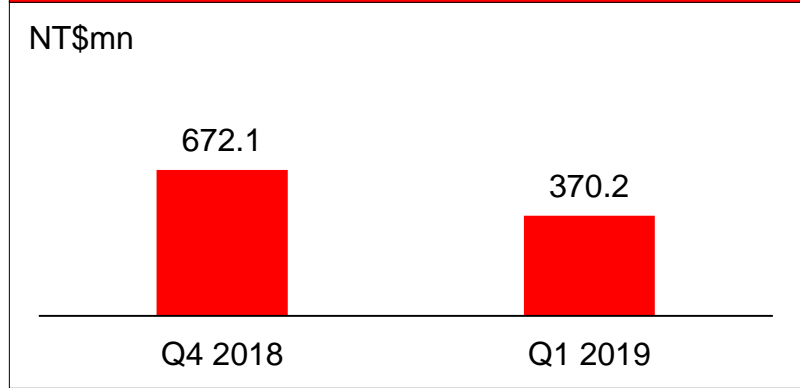
- Drove wealth management income up to NT\$560mn, 2.9% higher YoY, by momentum from bancassurance fee income growing 29.3% YoY
- Actively promote higher margin products including regular premium and FX policies and boost sales of investment products to achieve double-digit growth in wealth management income in 2019
- Promote preferential interest deposits and conduct online marketing campaigns with client segmentation, to attract new funds and expand client base

Asset Quality

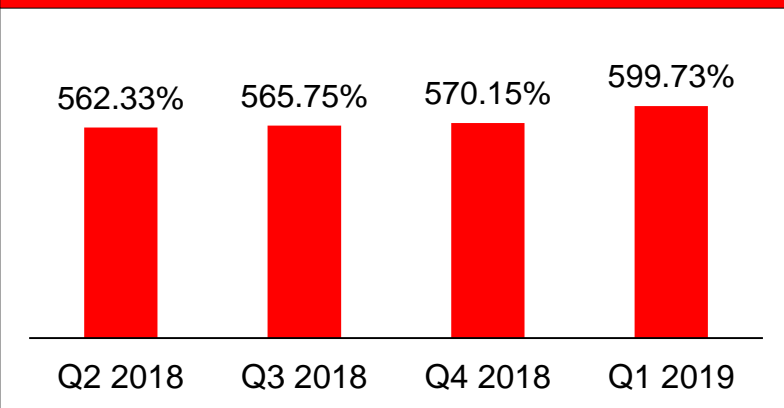
NPL Ratio



New NPL Generation



Coverage Ratio

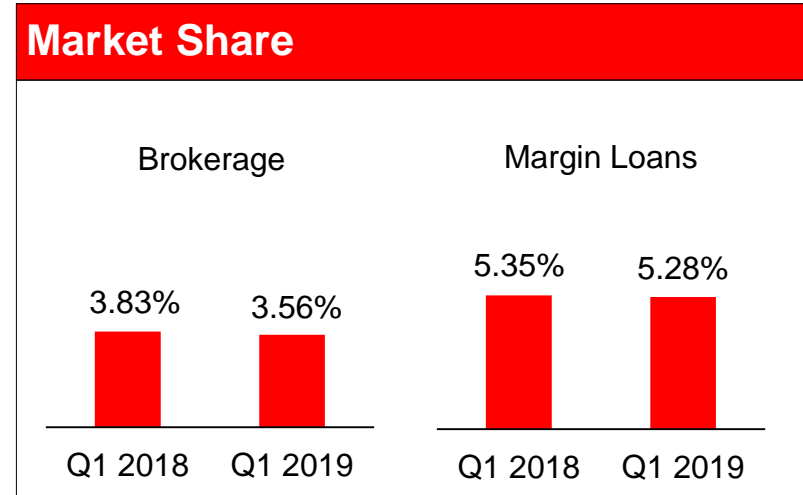
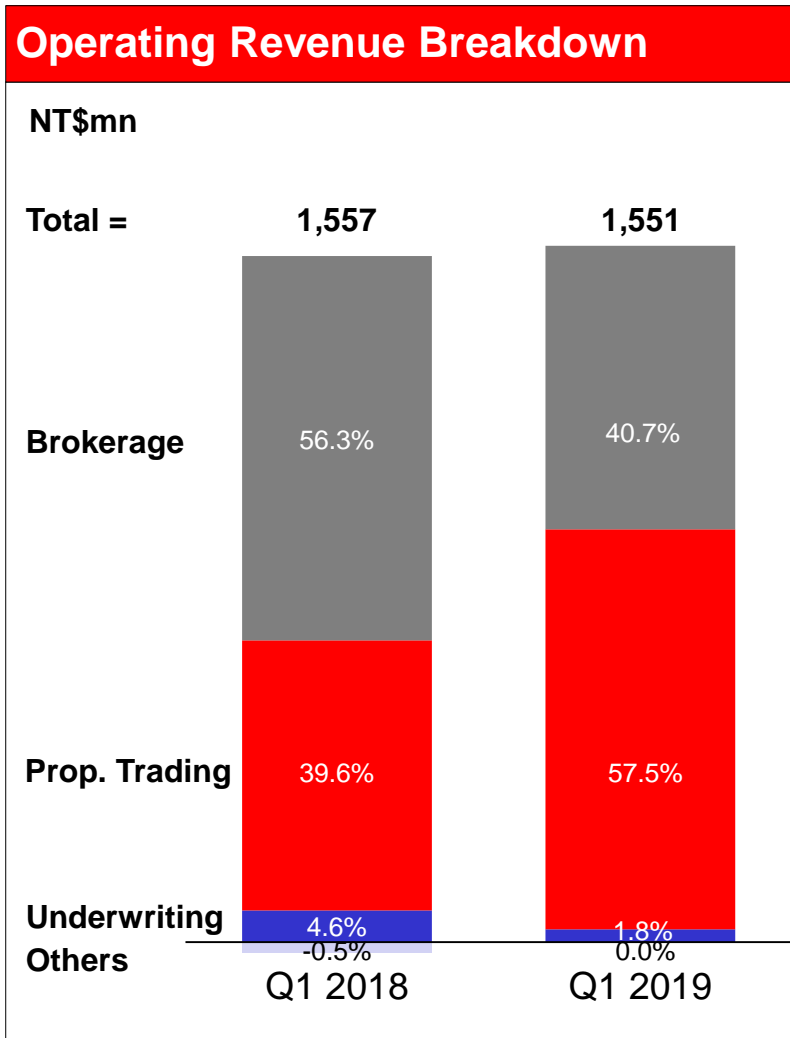


- New NPL generated in Q1 2019 was NT\$370mn, NT\$302mn less than previous quarter
- Asset quality remained solid. NPL ratio and coverage ratio for Q1 2019 were 0.22% and 599.73%, both better than industry average

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MasterLink Securities – Q1 2019 Overview



- Boosted by strong growth in proprietary trading business, consolidated after-tax profit rose 28.0% YoY to NT\$0.48bn
- Proprietary trading income grew 44.5% YoY to NT\$0.89bn, driven by interest and disposal gains from fixed incomes, up 113.3% YoY
- Brokerage market share was 3.56%, ranked 6th place in industry. Due to decline of NT\$27.4bn in average daily turnover, brokerage income decreased 28.0% YoY to NT\$0.63bn

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

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SKL – EV & AV Results

Considering that Statutory Net Worth of Q1 2019 increased to NT\$97.3bn, EV in 2018 would have been no lower than EV in 2017

Unit: NT\$bn

	2017.12	2018.12	YoY growth
In-force business investment yield	NTD 3.83%~5.10% USD 4.45%~5.62% Equivalent investment yield: 4.42% (rolling over to 2018 : 4.48%)	NTD 3.47%~5.00% USD 4.70%~5.60% Equivalent investment yield: 4.30%	--
Future one year's new business investment yield	NTD 3.50%~5.10% USD 4.43%~5.62%	NTD 3.34%~5.00% USD 4.43%~5.60%	--
Adjusted NAV	167.2	151.6	-9%
VIF	160.5	176.2	10%
COC	74.1	81.5	10%
EV	253.6	246.3	-3%
EV / per share (SKL / SKFH)	43.7 / 24.9	42.5 / 20.1	--
V1NB	23.0	24.1	5%
AV – 5 years NB	343.9	341.0	-1%
5-year AV / per share (SKL / SKFH)	59.3 / 33.7	58.8 / 27.9	--
AV – 20 years NB	452.2	454.7	1%
20-year AV / per share (SKL / SKFH)	78.0 / 44.4	78.4 / 37.2	--

Note: Based on SKL's outstanding shares of 5.80bn as of the end of 2018 (5.80bn as of the end of 2017)

Based on SKFH's outstanding shares of 12.23bn as of the end of 2018 (10.19bn as of the end of 2017)

SKL – Estimate of Embedded / Appraisal Value

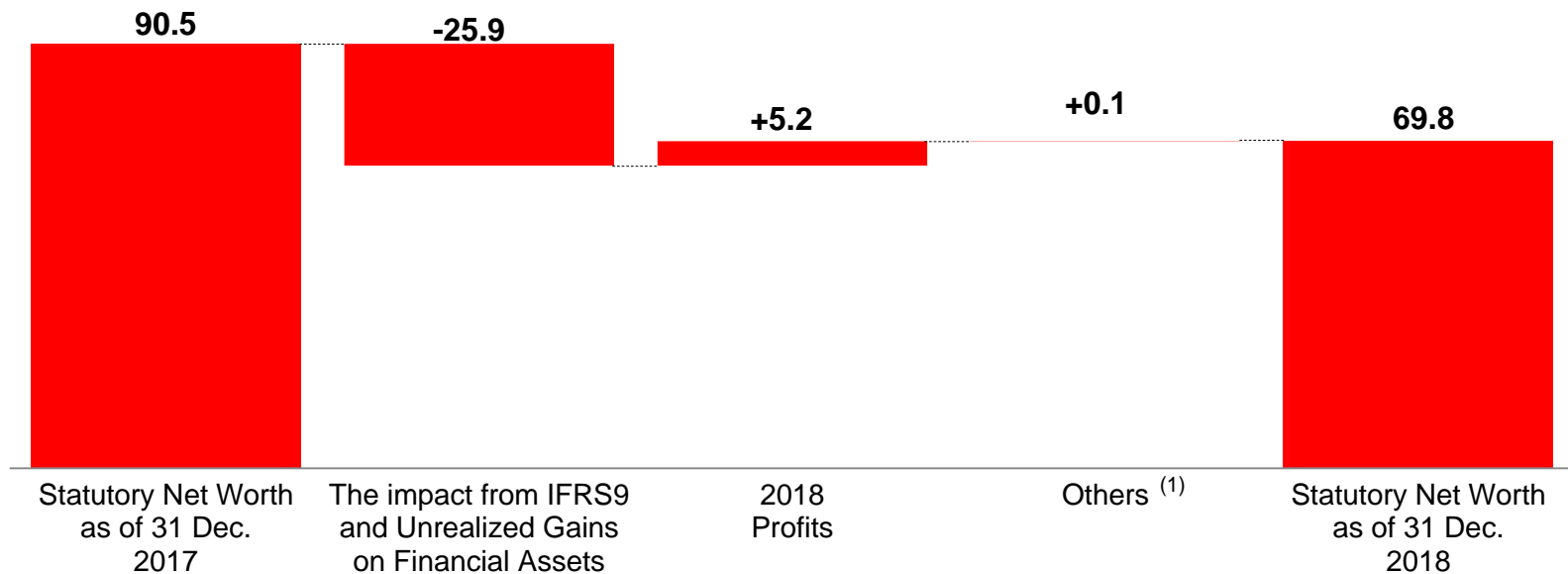
Unit: NT\$bn Valn Date: 31 Dec. 2018 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		VIF NTD 3.47%~5.00% USD 4.70%~5.60% V1NB NTD 3.34%~5.00% USD 4.43%~5.60% RDR 10.5%	All else equal except	
	Inv Return -0.25%	Inv Return +0.25%		RDR -1.0%	RDR +1.0%
Adjusted NAV	151.6	151.6	151.6	151.6	151.6
VIF	125.3	225.5	176.2	205.0	153.0
Cost of Capital (COC)	84.0	79.0	81.5	76.2	85.8
EV after COC	192.9	298.1	246.3	280.4	218.7
V1NB after COC	22.9	25.2	24.1	27.6	21.2
AV (5 years NB)	283.0	397.4	341.0	388.9	302.1
AV (20 years NB)	391.1	516.5	454.7	519.0	402.0

Note: Figures may not add up exactly due to rounding

SKL – Analysis of Change in Net Worth

**Changes between 31 Dec. 2017 and 31 Dec. 2018
broken down by components**

NT\$bn



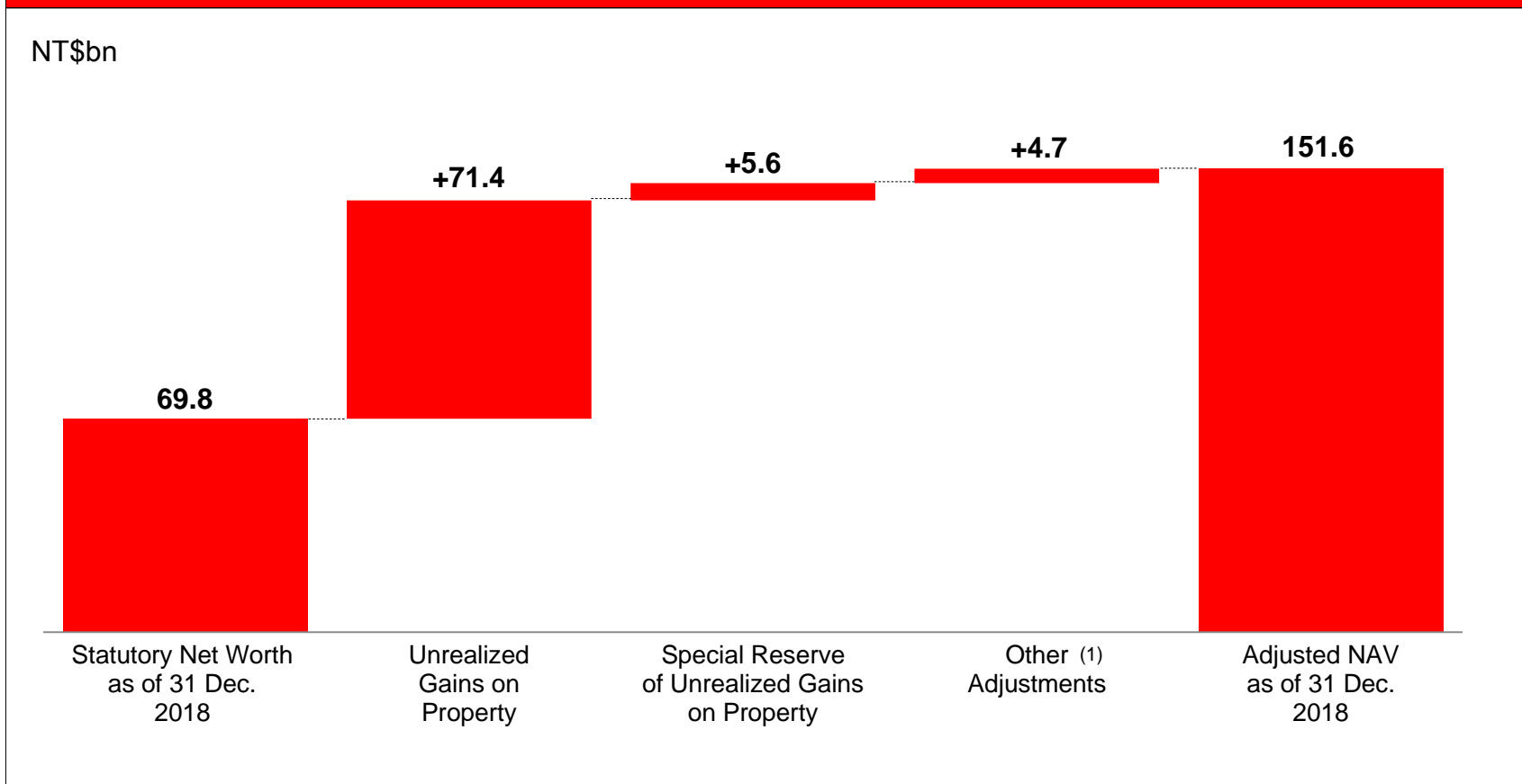
Note:

(1) Including remeasurement of defined benefit plans and other items

(2) Figures may not add up exactly due to rounding

SKL – Adjusted NAV

Adjustments to Statutory Net Worth at 31 Dec. 2018



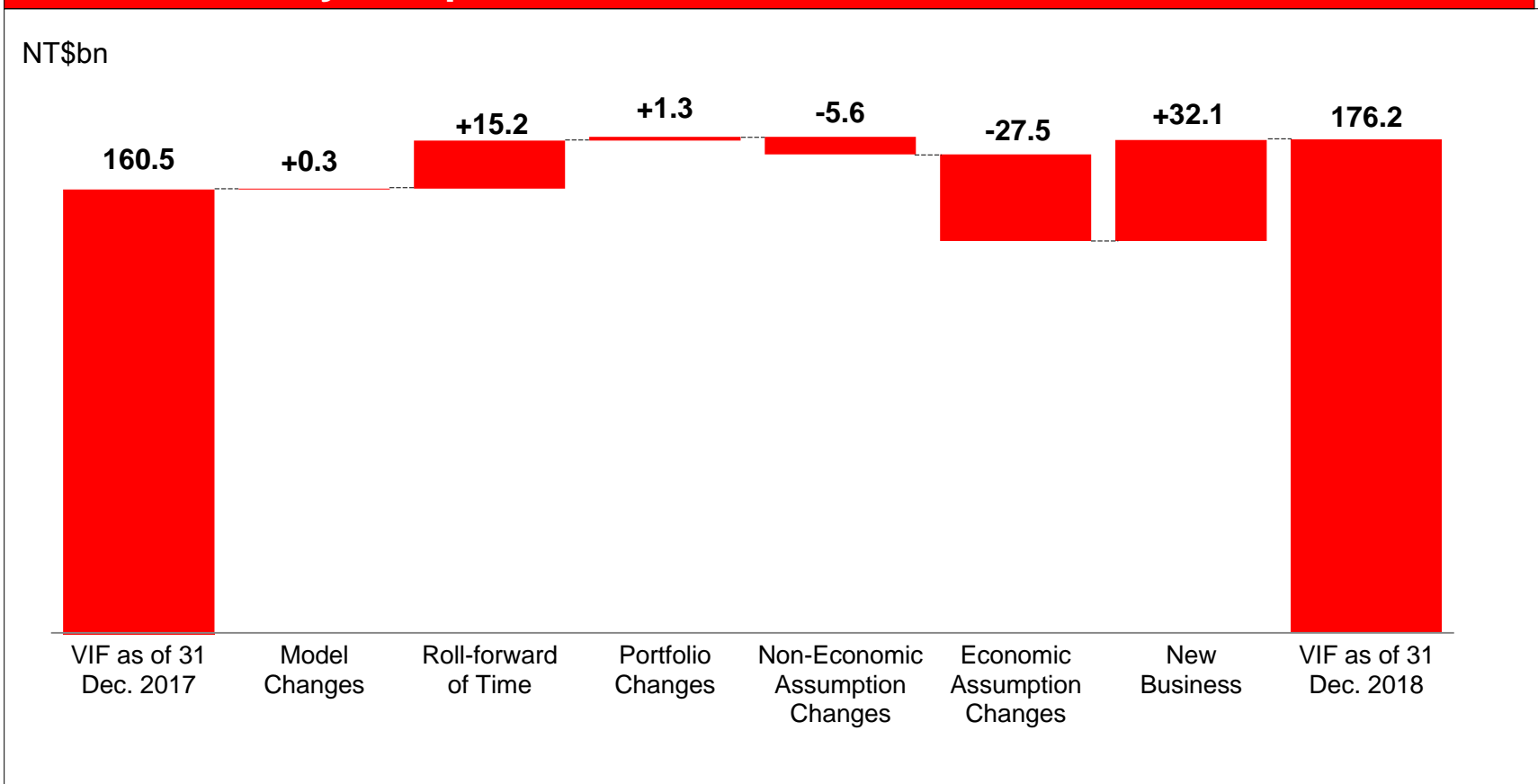
Note:

(1) Including foreign exchange volatility reserve and other items

(2) Figures may not add up exactly due to rounding

SKL – Analysis of Change in VIF

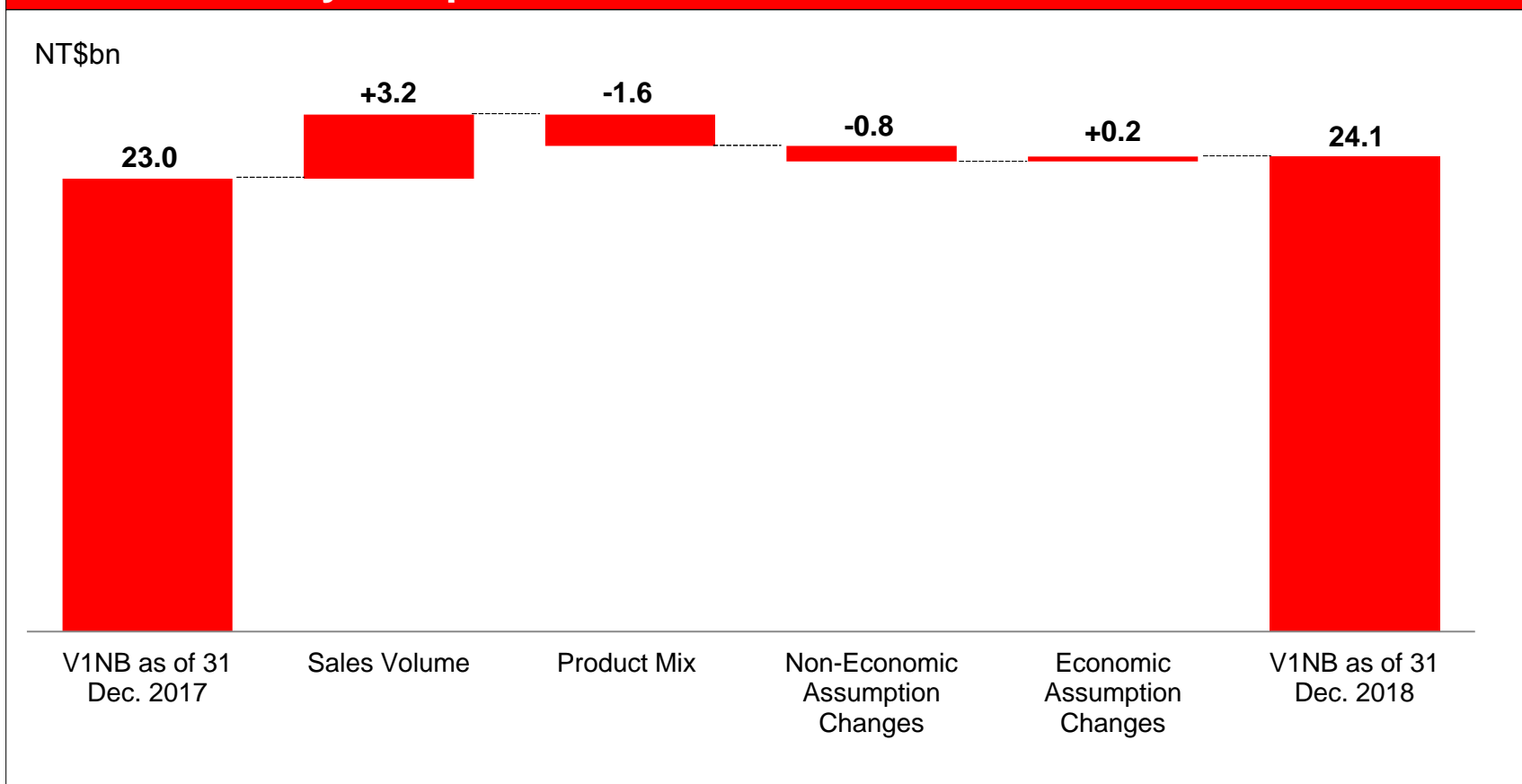
**Changes between 31 Dec. 2017 and 31 Dec. 2018
broken down by components**



Note: Figures may not add up exactly due to rounding

SKL – Analysis of Change in V1NB

**Changes between 31 Dec. 2017 and 31 Dec. 2018
broken down by components**



Note: Figures may not add up exactly due to rounding

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- **Life Premium Summary**
- Capital Adequacy

SP / RP Breakdown

NT\$bn

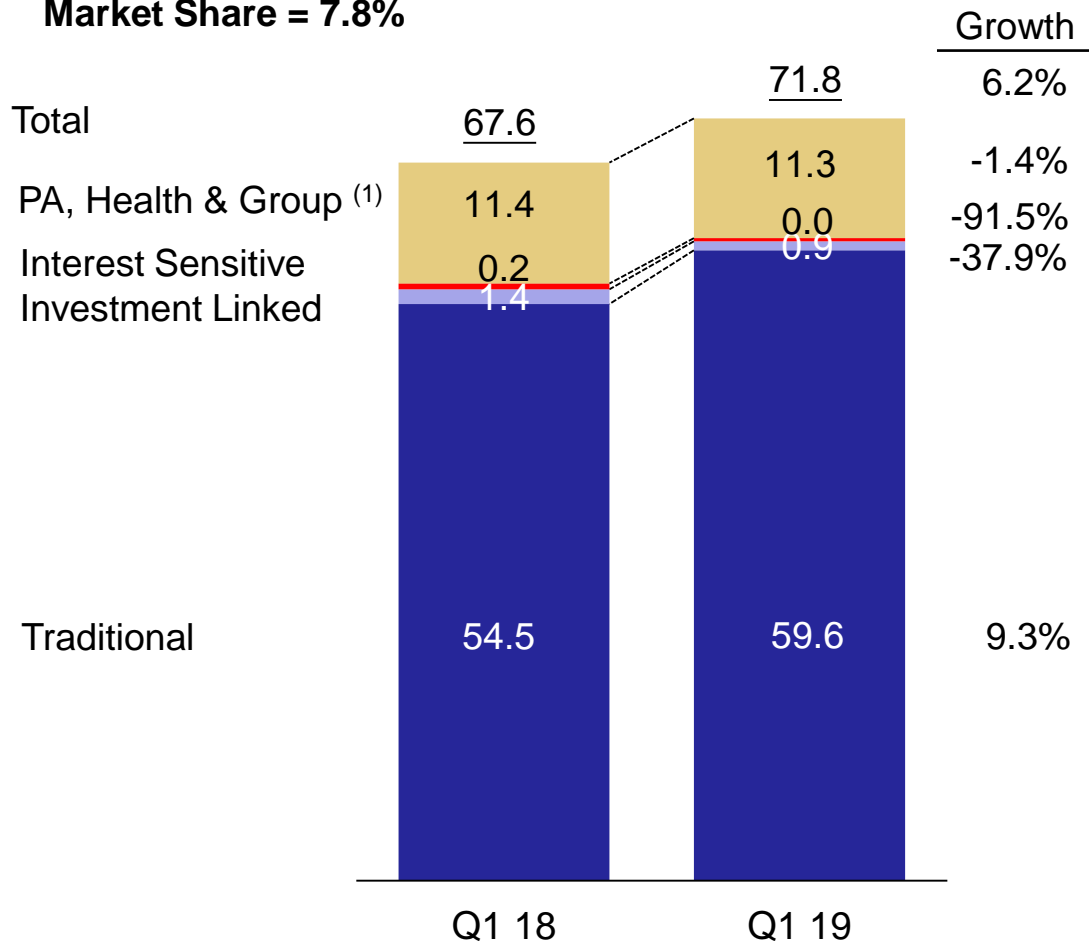
Q1 2019 FYP	Single Premium	Regular Premium	Flexible Payment	Total
Traditional	17.94	10.25		28.18
Investment-linked				
VUL / VA		0.01	0.20	0.21
Structured note				
Interest sensitive				
Annuity / UL	0.01		0.00	0.01
PA, health and others		1.86		1.86
Total	17.95	12.12	0.20	30.27
Share	59.3%	40.0%	0.7%	100.0%

Note: Total may not add up exactly due to rounding

Total Premium – Q1 2019

NT\$bn

Market Share = 7.8%



Comments

- Driven by FYP of traditional products up 15.9% YoY, total premium of traditional products grew 9.3% YoY. Overall total premium grew 6.2% YoY
- Total premium of FX policies for Q1 2019 reached NT\$24.65bn, 13.8% higher YoY

Note:

(1) Long-term disability policies are classified as health insurance

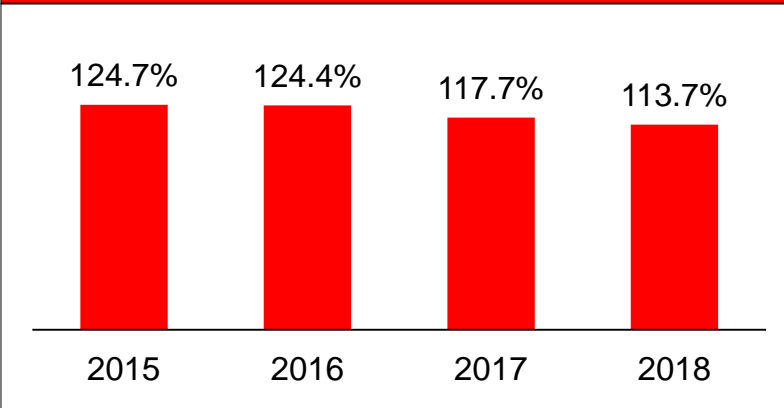
(2) Total may not add up exactly due to rounding

Contents

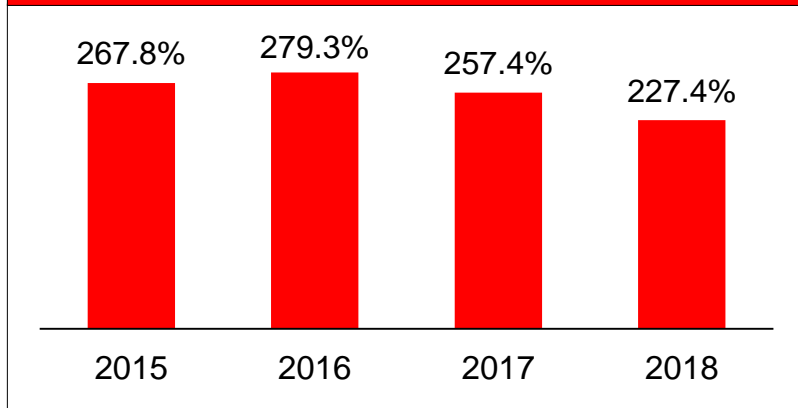
- I. SKFH
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Capital Adequacy

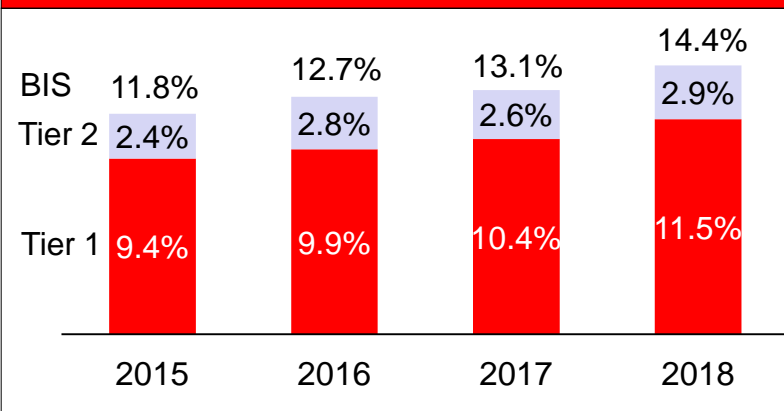
CAR of SKFH



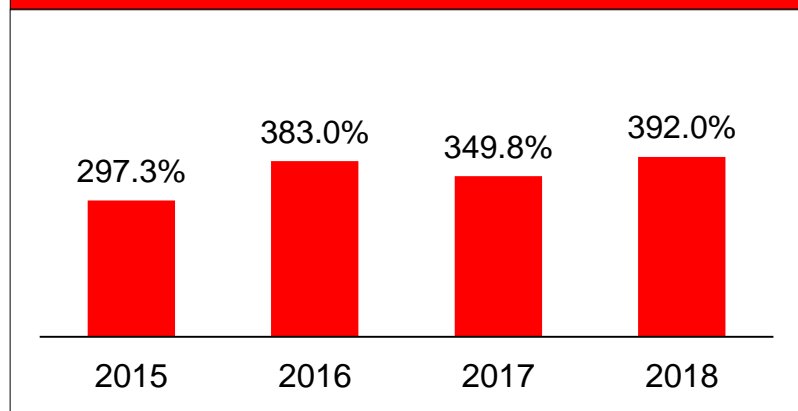
RBC of Shin Kong Life



BIS of Shin Kong Bank



BIS of MasterLink Securities





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Shin Kong Financial Holding

Financial Summary

(NT\$mn)

Income Statement Data	2017	2018	2018/2017		Q1 2018	Q1 2019	Q1 19/Q1 18	
				%				%
Net interest income	(191)	(135)	-29.0%		(45)	(37)		-18.7%
Income from subsidiaries								
Shin Kong Life	6,918	5,207	-24.7%		14,707	3,835		-73.9%
Shin Kong Bank	4,059	5,215	28.5%		1,252	1,191		-4.9%
MasterLink Securities	315	169	-46.5%		125	480		282.6%
Shin Kong Investment Trust	31	19	-37.7%		6	7		23.6%
Shin Kong Venture Capital International	53	64	19.0%		16	10		-38.3%
Shin Kong Property Insurance Agency	56	57	2.4%		17	17		5.0%
Total income from subsidiaries	11,433	10,731	-6.1%		16,123	5,540		-65.6%
Other income	247	49	-80.2%		16	17		6.7%
Administrative and general expenses	(522)	(341)	-34.7%		(60)	(74)		22.7%
Income tax benefit (expense)	(436)	(550)	26.2%		(25)	85		-446.7%
Net income	10,531	9,754	-7.4%		16,010	5,532		-65.4%
Other comprehensive income (loss), after tax	9,434	(46,022)	-587.8%		(24,093)	24,615		-202.2%
Total comprehensive income (loss)	19,965	(36,268)	-281.7%		(8,083)	30,147		-473.0%

Balance Sheet Data	2017	2018	2018/2017		Q1 2018	Q1 2019	Q1 19/Q1 18	
				%				%
Long term investment	153,482	155,694	1.4%		165,147	185,848		12.5%
Total assets	3,384,388	3,648,467	7.8%		3,439,945	3,778,577		9.8%
Shareholders' equity (excl. non-controlling interest)	141,310	144,207	2.0%		156,912	174,353		11.1%

Note:

(1) Numbers have been reviewed by the auditors.

Shin Kong LifeFinancial Summary
(NT\$m)

Income Statement Data (Consolidated)	2018/2017			Q1 19/Q1 18		
	2017	2018	%	Q1 2018	Q1 2019	%
Premium income	275,305	300,491	9.1%	66,145	70,986	7.3%
Investment income						
Interest income	77,226	85,365	10.5%	19,525	22,841	17.0%
Gains on investments in securities	31,232	42,383	35.7%	22,193	12,987	-41.5%
Gains on real estate investments	3,849	3,921	1.9%	973	1,028	5.7%
FX	(22,959)	(27,008)	17.6%	(7,949)	(5,040)	-36.6%
FX gain or loss	(87,152)	35,028	-140.2%	(27,082)	6,383	-123.6%
Hedging	64,193	(62,037)	-196.6%	19,133	(11,424)	-159.7%
FX Reserve	555	(2,183)	-493.5%	427	(2,293)	-636.8%
Expected credit losses	(26)	(374)	1345.0%	(72)	73	-201.6%
Other investment impairment loss		(1,821)				
Total Investment income	89,877	100,282	11.6%	35,098	29,596	-15.7%
Other operating income	1,700	1,842	8.4%	737	654	-11.3%
Provisions for reserves						
Provisions	(320,849)	(348,384)	8.6%	(78,035)	(82,798)	6.1%
Recoveries	120,263	133,808	11.3%	26,818	28,586	6.6%
Total provisions for reserves, net	(200,586)	(214,576)	7.0%	(51,217)	(54,212)	5.8%
Insurance payments	(133,935)	(154,775)	15.6%	(33,135)	(35,252)	6.4%
Commission expenses	(11,480)	(11,189)	-2.5%	(2,930)	(3,007)	2.6%
Separate account revenues	7,782	2,779	-64.3%	104	3,531	3301.4%
Separate account expenses	(7,782)	(2,779)	-64.3%	(104)	(3,531)	3301.4%
General and administrative expenses	(13,730)	(15,119)	10.1%	(3,685)	(3,441)	-6.6%
Other operating costs and expenses	(2,214)	(2,375)	7.2%	(624)	(678)	8.6%
Operating income	4,937	4,583	-7.2%	10,388	4,647	-55.3%
Non-operating income and expenses	(404)	(416)	3.0%	(2)	(2)	-32.4%
Income taxes	2,438	1,096	-55.0%	4,330	(798)	-118.4%
Net income	6,972	5,263	-24.5%	14,715	3,847	-73.9%
Other comprehensive income (loss), after tax	9,798	(45,576)	-565.1%	(24,012)	23,715	-198.8%
Total comprehensive income (loss)	16,770	(40,313)	-340.4%	(9,297)	27,562	-396.5%

Balance Sheet Data	2018/2017			Q1 19/Q1 18		
	2017	2018	%	Q1 2018	Q1 2019	%
Total assets	2,496,691	2,707,437	8.4%	2,562,589	2,799,314	9.2%
Total shareholders' equity	90,801	70,200	-22.7%	101,292	97,762	-3.5%

Note:

(1) Numbers have been reviewed by the auditors.

Shin Kong Bank

Financial Summary

(NT\$m)

Income Statement Data	2018/2017			Q1 2018		Q1 2019	Q1 19/Q1 18
	2017	2018	%	Q1 2018	Q1 2019		%
Interest income	15,516	17,012	9.6%	4,077	4,415		8.3%
Interest expense	(4,325)	(5,188)	19.9%	(1,182)	(1,537)		30.0%
Net interest income	11,191	11,824	5.7%	2,895	2,878		-0.6%
Fee income	4,247	4,241	-0.1%	1,082	1,082		0.0%
Fee expense	(1,044)	(1,029)	-1.4%	(254)	(268)		5.5%
Net fee income	3,203	3,212	0.3%	828	814		-1.6%
Gains on bill & securities	938	149	-84.1%	79	103		30.2%
Gains on foreign exchange, net	(3)	870	-31126.6%	116	155		33.3%
Other gains or losses, net	108	57	-47.0%	(21)	17		-179.6%
Operating expense	(8,250)	(8,395)	1.8%	(2,103)	(2,153)		2.4%
Pre-provision income or loss	7,187	7,717	7.4%	1,794	1,814		1.1%
Provision expense	(2,322)	(1,482)	-36.2%	(357)	(367)		2.9%
Income tax (expense) benefit	(806)	(1,020)	26.4%	(185)	(256)		38.6%
Net income	4,059	5,215	28.5%	1,252	1,191		-4.9%
Other comprehensive income (loss), after tax	(269)	(341)	26.8%	(137)	637		-565.8%
Total comprehensive income (loss)	3,790	4,875	28.6%	1,116	1,828		63.9%

Balance Sheet Data	2018/2017			Q1 2018		Q1 2019	Q1 19/Q1 18
	2017	2018	%	Q1 2018	Q1 2019		%
Total assets	812,488	871,072	7.2%	825,621	903,191		9.4%
Total shareholders' equity	52,488	59,534	13.4%	53,275	61,363		15.2%
Total loans, net ⁽¹⁾	527,759	559,021	5.9%	526,493	567,124		7.7%
Total deposits	712,253	741,670	4.1%	724,612	763,762		5.4%

Operating Metrics	2017	2018	Q1 2018	Q1 2019
Fee income ratio	20.7%	19.9%	21.2%	20.5%
Cost income ratio	53.2%	51.8%	53.7%	54.0%
Loan/deposit ratio (excl. credit card)	74.1%	75.4%	72.6%	74.2%
Loan/deposit ratio (incl. credit card)	74.3%	75.6%	72.9%	74.5%
Net interest margin	1.57%	1.54%	1.55%	1.49%
Net interest spread	1.96%	1.94%	1.97%	1.86%
ROAE	7.98%	9.31%	2.37%	1.97%
ROAA	0.51%	0.62%	0.15%	0.13%

Note:

(1) Excludes credit cards but include overdue receivables.

(2) Numbers have been reviewed by the auditors.

MasterLink Securities

Financial Summary

(NT\$m)

Income Statement Data (Consolidated)	2018/2017			Q1 19/Q1 18		
	2017	2018	%	Q1 2018	Q1 2019	%
Brokerage commissions and fees	2,313	2,642	14.3%	670	486	-27.4%
Security lending income	78	82	5.2%	18	16	-7.3%
Underwriting commissions and fees	200	148	-26.0%	59	15	-75.0%
Wealth management commissions and fees	14	21	53.9%	4	3	-25.9%
Gains (Loss) on securities and valuation	1,988	82	-95.9%	306	1,275	316.7%
Gains (Loss) on warrants issued	(274)	595	-317.2%	160	(56)	-134.8%
Gains (Loss) on derivative instruments	(782)	20	-102.5%	5	(518)	-10104.6%
Stock affairs agent fees	53	55	3.5%	13	13	-1.3%
Interest income	1,160	1,398	20.5%	328	321	-2.2%
Other income	171	42	-75.1%	(7)	(5)	-32.4%
Total operating revenue	4,920	5,085	3.3%	1,557	1,551	-0.4%
Fee expenses	(399)	(461)	15.6%	(126)	(93)	-26.0%
Financial costs	(249)	(380)	52.8%	(80)	(114)	41.9%
Other operating costs and expenses	(3,361)	(3,530)	5.0%	(952)	(864)	-9.2%
Total operating expenses	(4,009)	(4,372)	9.1%	(1,158)	(1,071)	-7.5%
Operating income	911	713	-21.8%	399	480	20.2%
Non-operating gains or loss	159	160	0.6%	22	81	265.7%
Income tax (expense) benefit	(128)	(41)	-67.5%	(46)	(81)	74.6%
Net income	942	831	-11.8%	375	480	28.0%
Other comprehensive income (loss), after tax	(235)	156	-166.2%	132	246	86.0%
Total comprehensive income (loss)	707	987	39.5%	507	726	43.1%

Balance Sheet Data	2018/2017			Q1 19/Q1 18		
	2017	2018	%	Q1 2018	Q1 2019	%
Total assets	95,954	99,948	4.2%	111,058	111,923	0.8%
Total shareholders' equity	21,505	22,865	6.3%	22,714	23,590	3.9%

Note:

(1) Numbers have been reviewed by the auditors.