

Confidential



Shin Kong Financial Holding

Company Overview

September 2007

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 for year 2007 in this presentation and the materials distributed herewith are preliminary and unaudited numbers.

Agenda

I. SKFH

II. Life Insurance Business

III. Banking Business

IV. Appendix

- SKL Premium
- SKL EV & AV Result
- SKL Real Estate Securitization

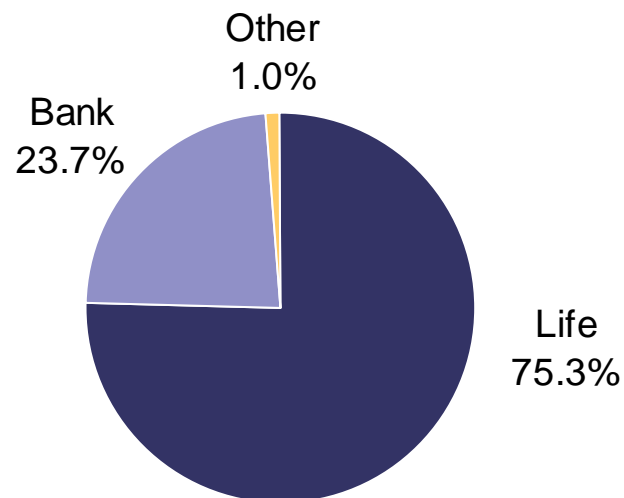
Who We Are

- Major financial holding company in Taiwan
 - Five subsidiaries including life insurance, bank, securities, asset management, and insurance brokerage
 - 2nd largest life insurer with 13% 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	2004	2005	2006
Total Assets	931.3	1,331.2	1,492.3
Shareholders' Equity	46.5	68.3	90.8
Market Value	91.0	104.1	164.6
Net Income ⁽¹⁾	6.4	7.1	5.9
ROA	0.8%	0.7%	0.4%
ROE	17.7%	12.5%	7.6%
Foreign Ownership	8.5%	22.9%	31.8%

2006 Asset Mix

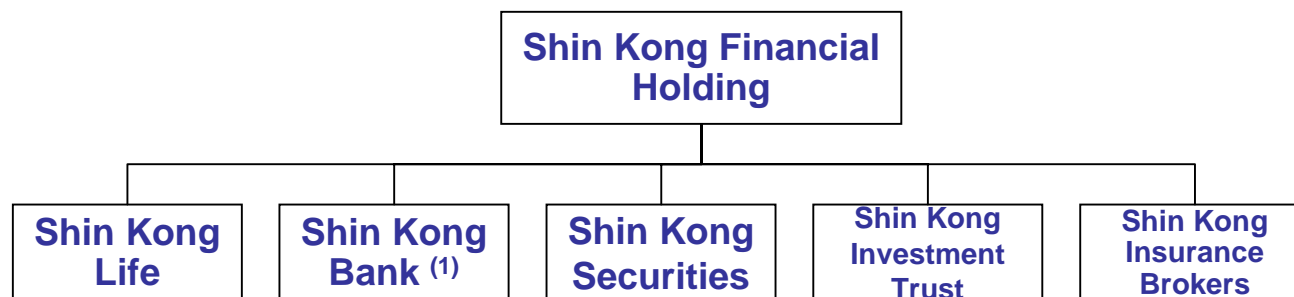


Note:

(1) Excludes minority interest income

Corporate Structure

Unique Integrated Financial Services Platform



	Shin Kong Life	Shin Kong Bank ⁽¹⁾	Shin Kong Securities	Shin Kong Investment Trust	Shin Kong Insurance Brokers
Date of Incorporation	7/1963	1/1997	12/2001	9/1992	1/2003
Assets (NT\$bn)	1,117.2	351.5	13.8	0.58	0.11
% of Group Assets	75.3%	23.7%	0.9%	< 0.1%	< 0.1%
Earnings (NT\$m)	11,771	(7,276)	596	(78)	44
Branches/Offices	360	108	7	3	1
Market Share	12.6%	1.3%	0.3%	2.4%	-

Note:

- (1) Completed integration of Macoto Bank on December 31, 2005
- (2) Shin Kong Investment Trust (SKIT) incorporated into the FHC on July 18, 2006, and merged with New Light Asset Management (SKFH's existing asset management platform) on October 9, 2006

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
- Chairman, Life Insurance Association of R.O.C.



Hsu, Victor
First VP &
CRO

- First Vice President, Chief Risk Officer & Spokesperson, Shin Kong Financial Holding
- CFO & Appointed Actuary, Shin Kong Life

Membership & others:

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



Pan, Po Tseng
President
Shin Kong Life

- President, Shin Kong Life

Experiences:

- SEVP, 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



Huang, Richard
President
Shin Kong
Investment Trust

- President, Shin Kong Investment Trust

Experiences:

- Vice President, Shin Kong Investment Trust



Lin, Shih Chi
President
Shin Kong
Securities

- President, Shin Kong Securities

Experiences:

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

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
- CFO, Shin Kong Financial Holding



Yung, Winston
CFO
Shin Kong FHC

Experience:

- Deputy CFO, Shin Kong Financial Holding
- 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)

Sound Policies and Practices to Ensure Proper Corporate Governance

Board Control

- Increasingly diversified shareholding structure with ~32% foreign ownership and ~2% employee ownership
- 2 independent non-executive Board members appointed in 2005, ahead of regulatory requirement
 - Chi-Shih Cheng: Former Head of Insurance Bureau, Ministry of Finance (independent director)
 - Lawrence J. Lau: Vice-Chancellor of the Chinese University of Hong Kong (independent supervisor)
- Plan to add one more independent director to meet regulatory requirement in the next Board election in 2008

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

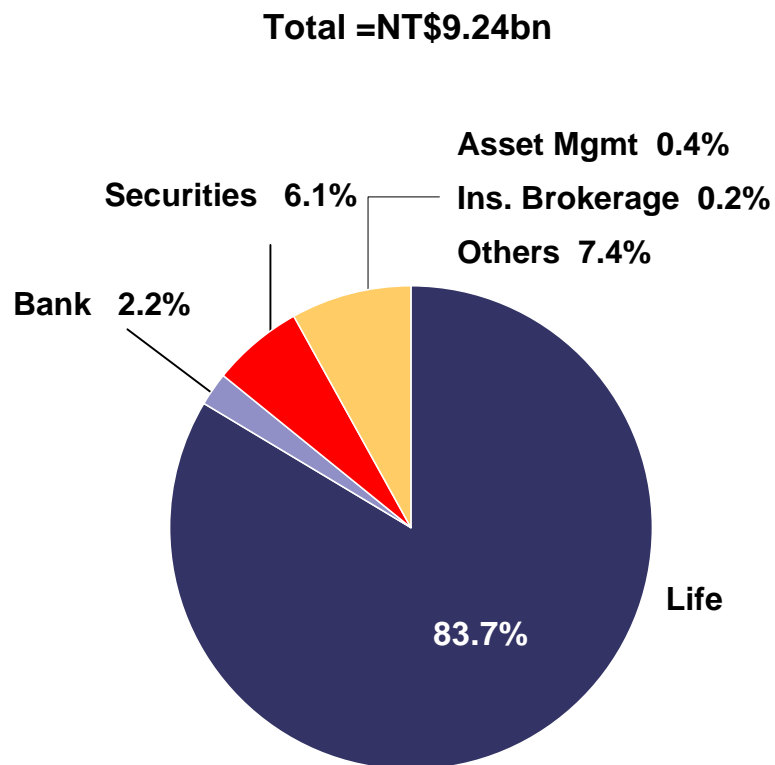
- Spokesperson and Deputy spokesperson appointed
- Upload information to public information website regularly
- Dedicated IR team established to respond to investor questions
- Quarterly result meeting to update media / investors on operational performance

SKFH – 1H 2007 Overview

- Strong first half results with after-tax profit of NT\$9.2bn, EPS NT\$1.90; profit was up 471% yoy excluding one-off items (e.g., gains from real estate securitization and impact from accounting changes)
- Profit mainly contributed by SKL, while SKB returned to profit
 - SKL: after-tax profit was NT\$7.8bn, up 116% yoy excluding one-off items (e.g., gains from real estate securitization and impact from accounting changes)
 - SKB: net income improved to NT\$202mm due to improving pre-provision operating profit (PPOP up 7% yoy) and significantly lower provision expense
 - SKSC: reported after-tax profit of NT\$572mm due to strong performance of proprietary business
 - SKIT and SKIB: stable 1H results with after-tax profit NT\$41mm and NT\$24mm respectively
- 2007 ex-dividend (and ex-right) trading date and cash dividend payout date are 8/17 and 9/14 respectively. Cash and stock dividends per share are confirmed to be NT\$0.97 and NT\$0.29

Net Income – 1H 2007

Group net income



Net income contribution

NT\$bn

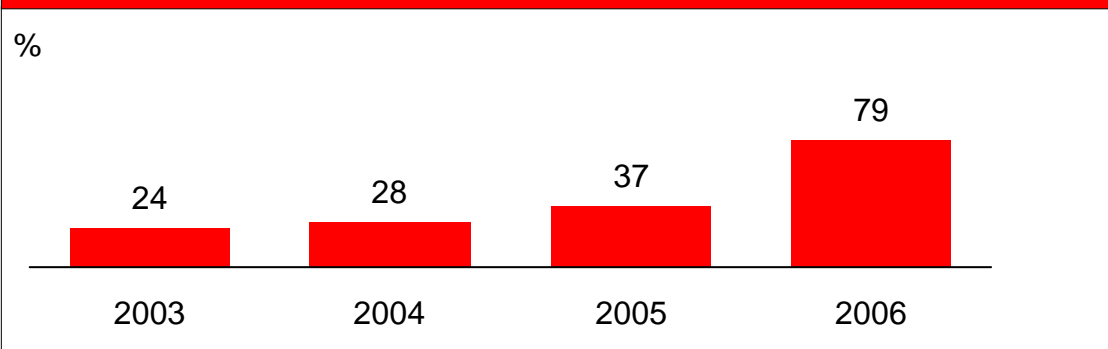
<u>Subsidiaries</u>	<u>1H 2007</u>	<u>1H 2006</u>
Shin Kong Life ⁽¹⁾	7.7	7.9
Shin Kong Bank	0.2	-2.2
Shin Kong Securities	0.56	-0.02
Shin Kong Investment Trust	0.04	-
Shin Kong Insurance Brokers	0.02	0.03
FHC and tax	0.72	0.37
Net income	9.24	6.08

Note:

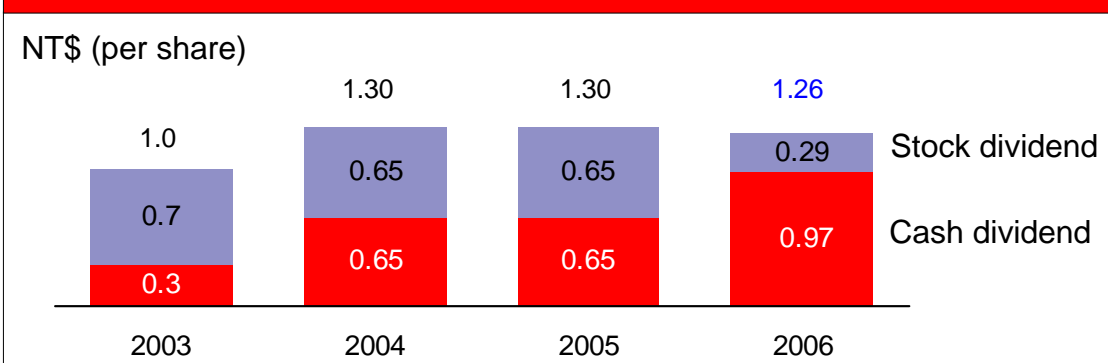
(1) Excludes minority interest income

Dividend Distribution

Cash Dividend Payout Ratio



Cash Dividend vs Stock Dividend



Comment

- Cash dividend payout ratio increased over the years
- Despite lower earnings and EPS in 2006, total dividend payout remained stable
- Long-term goal is to increase cash payout ratio and percentage of cash dividend

Agenda

I. SKFH

II. Life Insurance Business

III. Banking Business

IV. Appendix

- SKL Premium
- SKL EV & AV Result
- SKL Real Estate Securitization

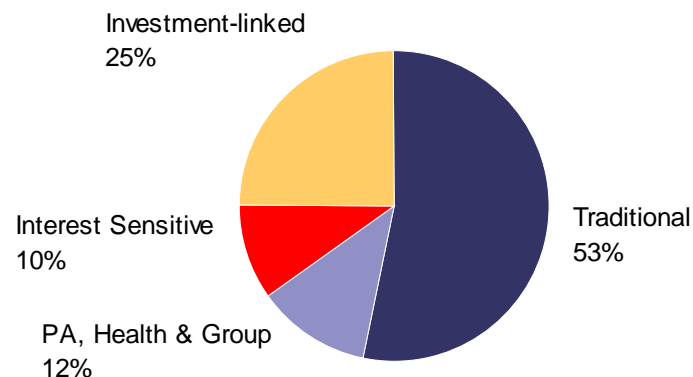
Shin Kong Life

- 2nd largest life insurer in Taiwan with 13% market share and 3 million customers
- Strong distribution network with 12,000 agents, 360 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	2004	2005	2006
Total Premium	154.6	159.0	181.5
Net Income	6.5	7.4	11.8
Total Assets	834.3	967.6	1,117.2
Shareholders' Equity	47.8	54.4	70.0
ROE ⁽¹⁾	21.8%	18.7%	21.9%
ROA	0.85%	0.82%	1.13%

2006 Total Premium Written



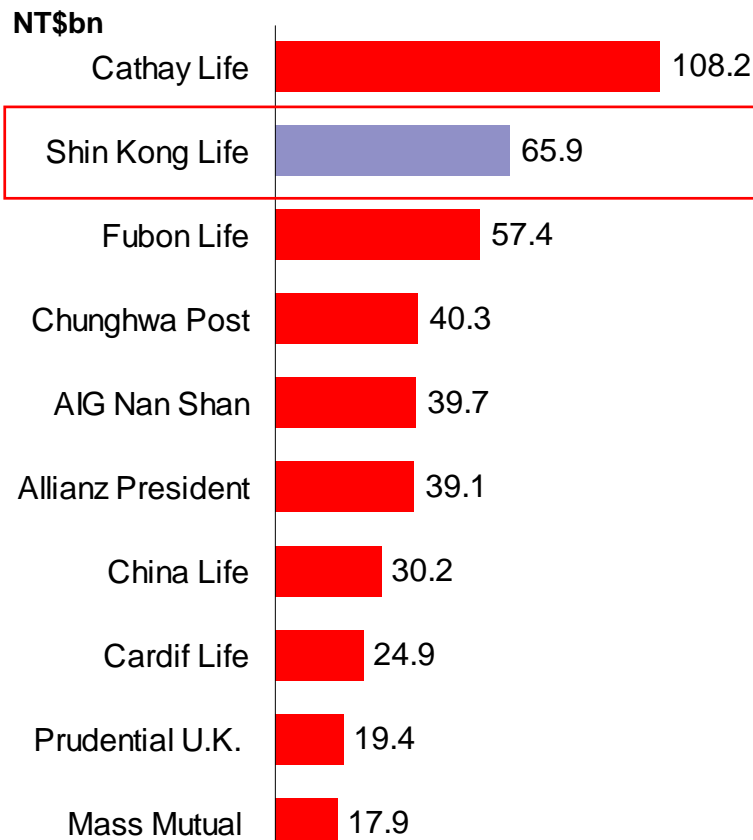
Total Premium Written: NT\$181.5 bn

Note:

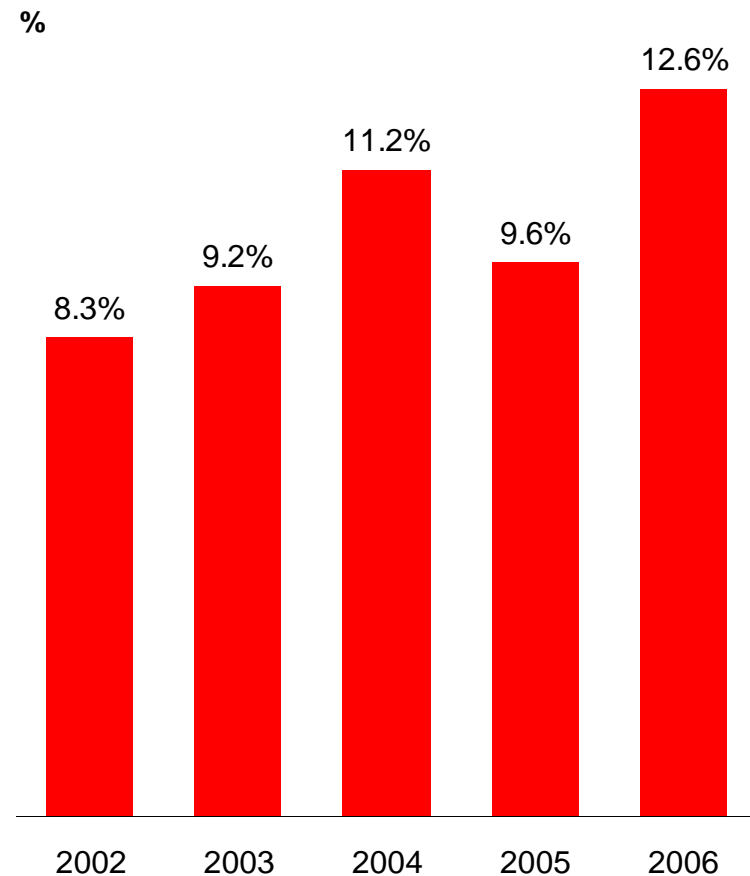
(1) Excludes preferred shares

Shin Kong Market Share

FYP of Top 10 Players – 2006



Shin Kong FYP Market Share Over Time



Awards and Recognition



Taiwan Superbrand (2006)
by Superbrands International



Information Disclosure A+
(2006, 2007)
by Securities & Futures Institute



Institutional Investor of the Year
(2006) by Finance Asia



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



National Quality Award
(2004) by MOEA
ISO National Quality Verification
(2000, 1998)



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

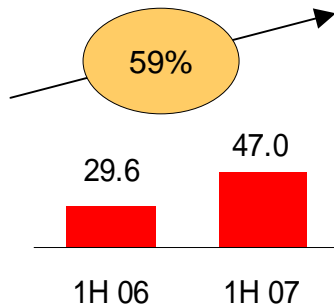
SKL – 1H 2007 Overview

- Strong growth in earnings: 1H after-tax profit was NT\$7.8bn, up 116% yoy excluding one-off items (e.g., gains from real estate securitization and impact of accounting changes). ROE was 11.6%
- Ongoing strong demand for investment-linked policies pushed FYP up by 58.7% to NT\$46.96bn, above market average of 52%. Maintained number 2 position in the market with 13% market share
- Investment-linked policies contributed 72% (VUL: 64%) of FYP. Share of traditional policies increased to 11% from 4% in Q1, and interest-sensitive and other policies accounted for 14% and 3% respectively
- Achieved robust investment return, on-track to achieve the 5% annual target. Main drivers are strong equity performance and low hedging cost. U.S. sub-prime mortgage problem did not affect Q2 investment performance. Fixed income securities are mainly AAA-rated, and exposure to U.S. sub-prime mortgage is limited (all CDOs are A-rated or above)
- 13-month persistency remains stable at ~90%. 25-month persistency improved to 77%

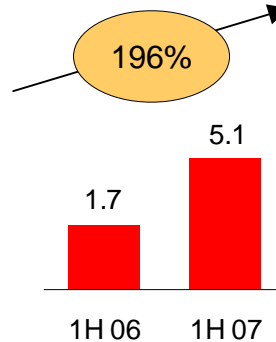
First Year Premium – 1H 2007

NT\$bn

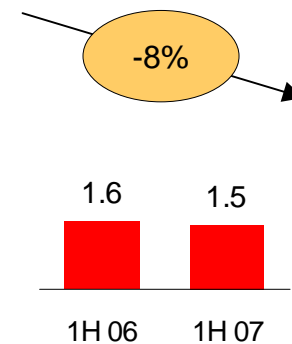
Market share 12.9%



Traditional



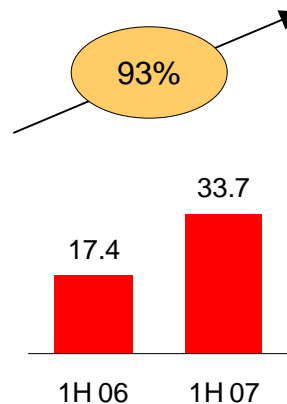
PA, Health and Group



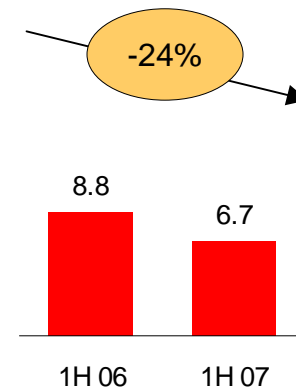
Comments

- FYP increased by 59%, above market average of 52%
- VUL contributed significant share (64%) of FYP
- Robust sales from new VUL; cumulative FYP since launch to end of June was NT\$12.7bn
- Focus on Duo-Tsair-Duo-Yih endowment and long-term care products pushed traditional sales up by 196% yoy

Investment-linked

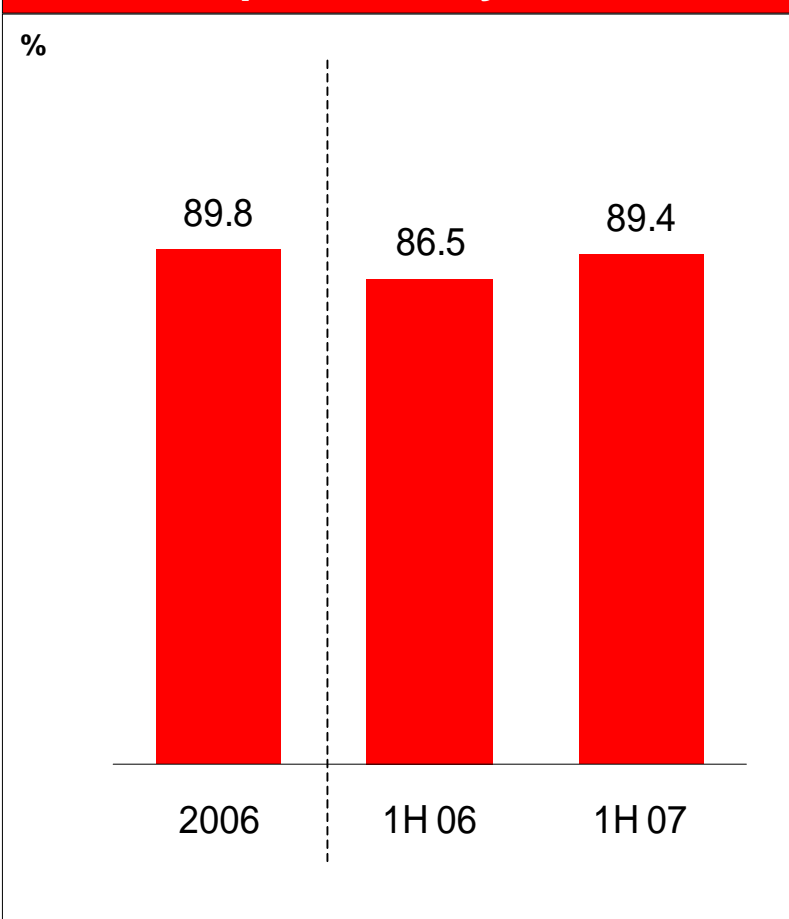


Interest-sensitive

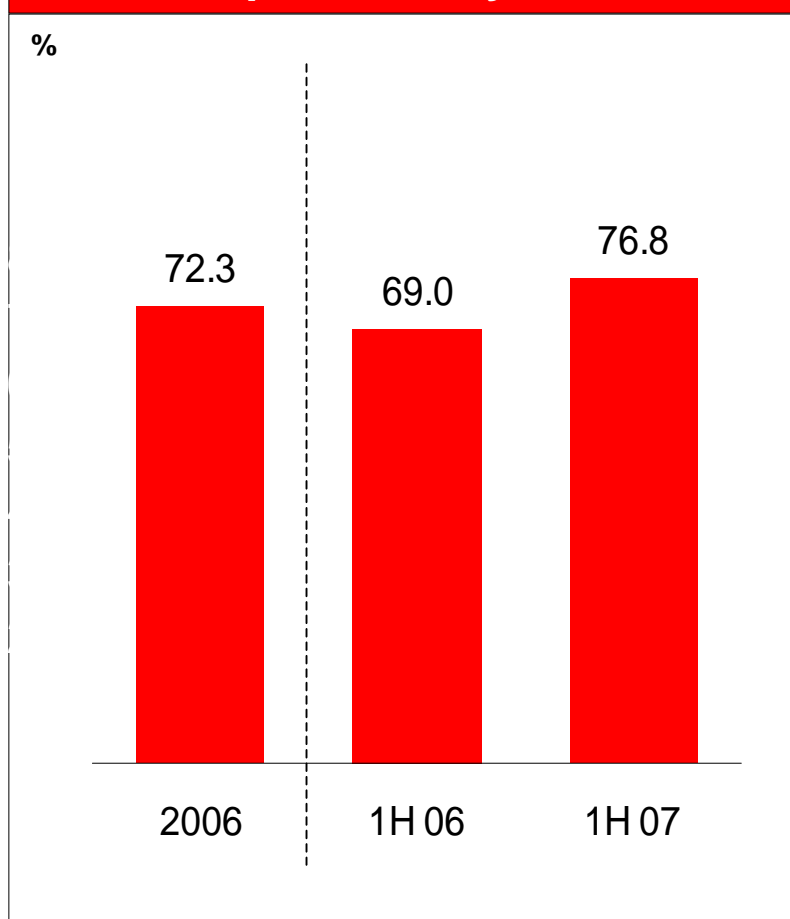


Persistency Ratio

13 month persistency

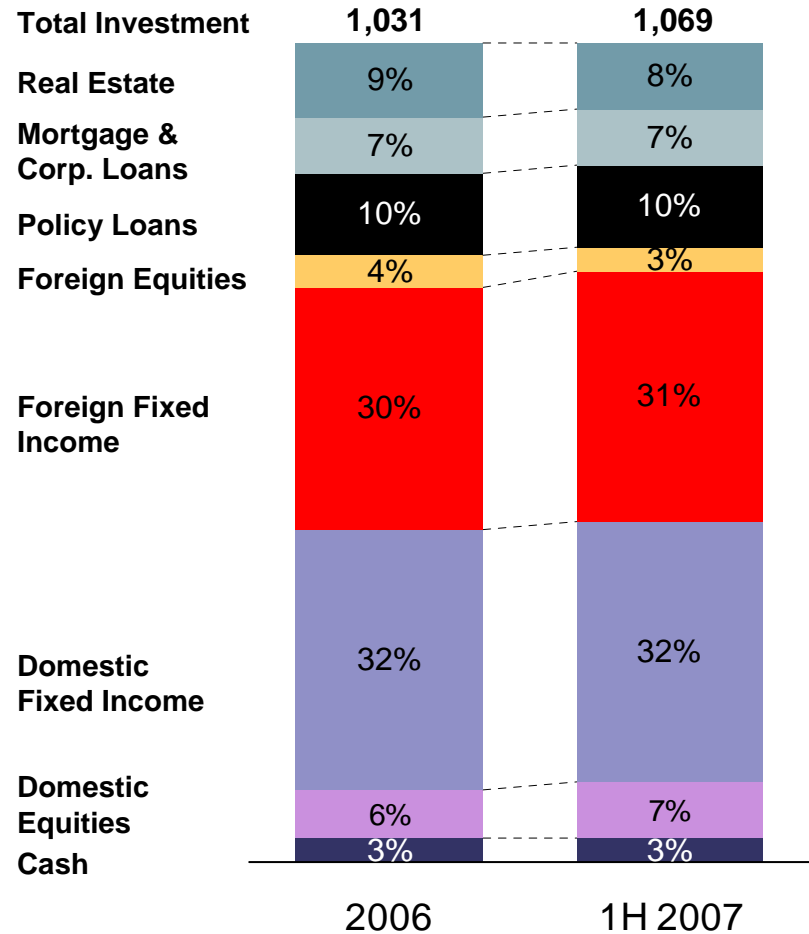
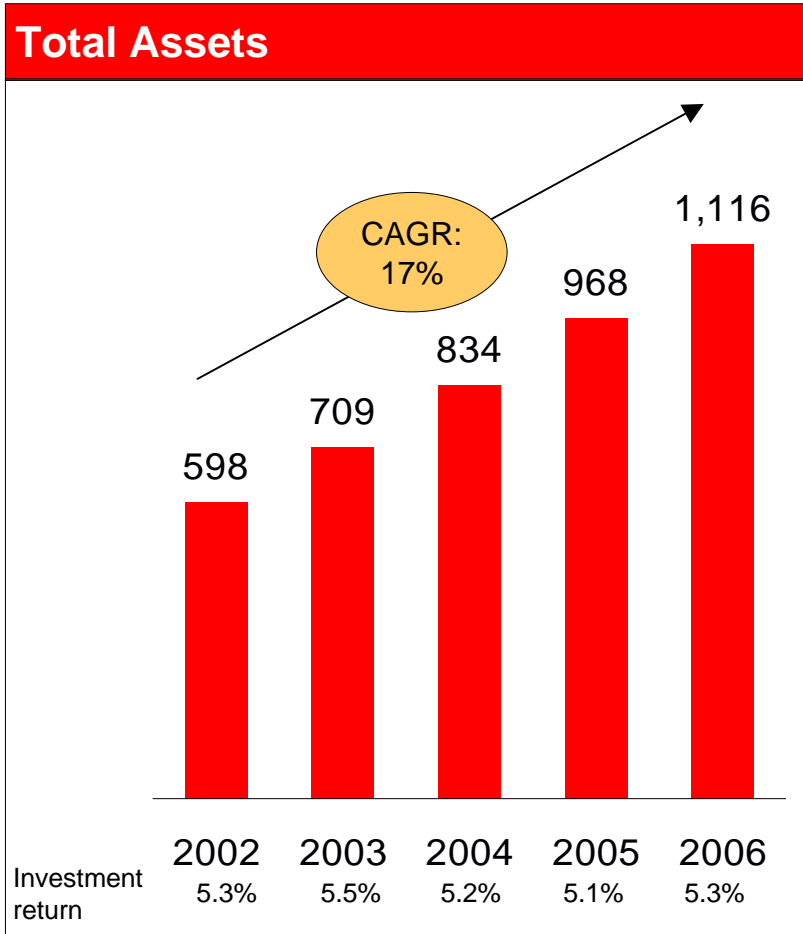


25 month persistency



Investment Portfolio

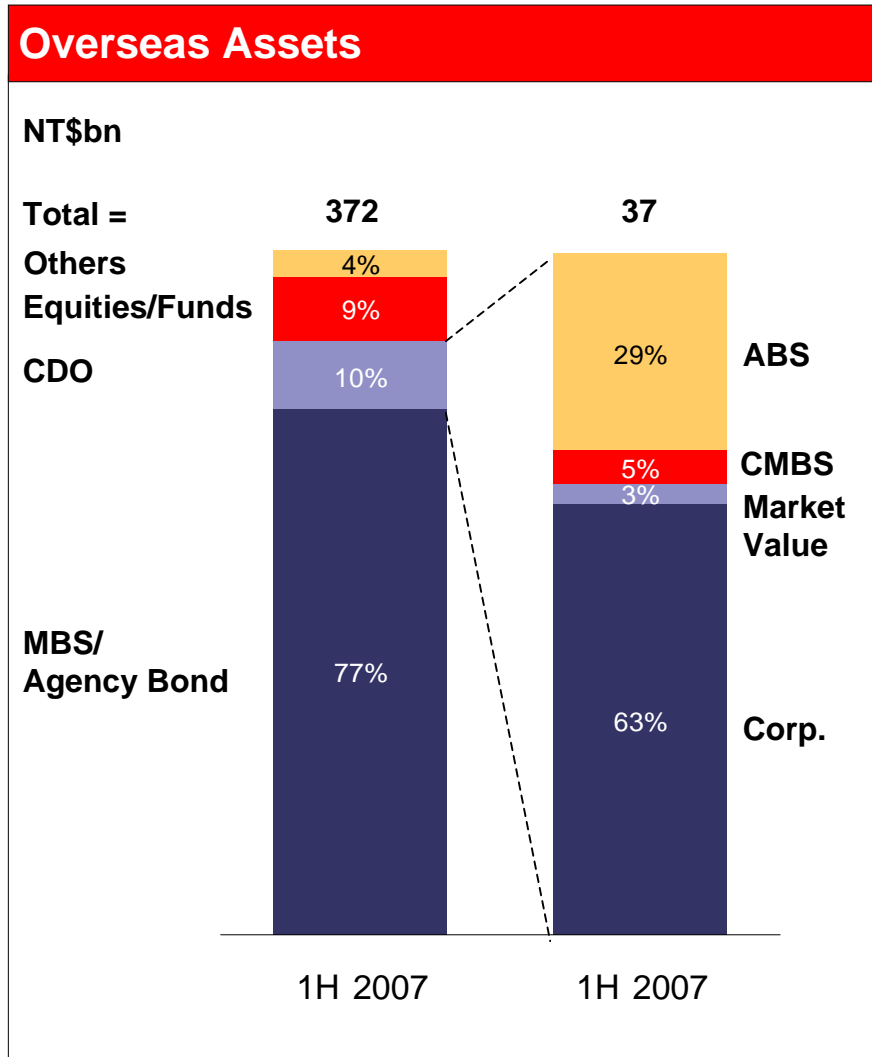
NT\$bn



Note:

(1) Due to rounding, asset allocation figures may not add up to 100%

Overseas Assets – Prudent Credit Exposure



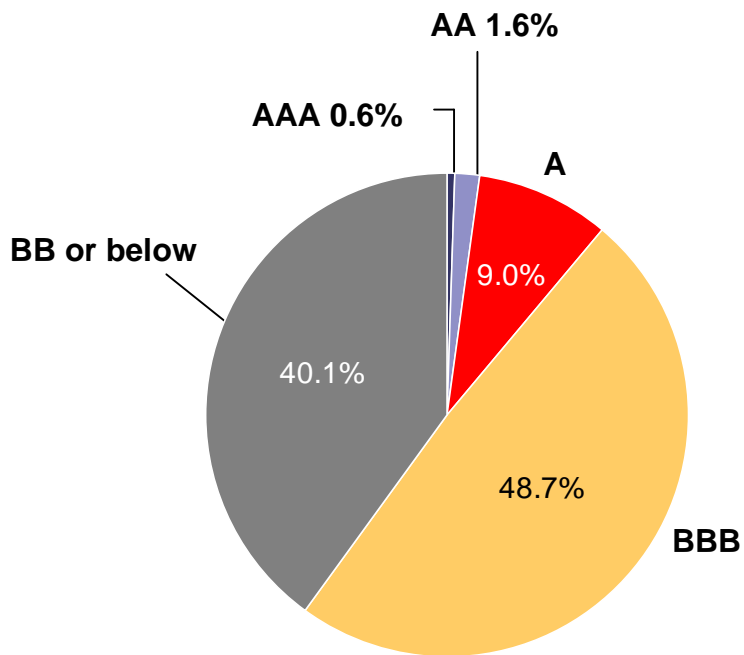
Comments

- Majority of overseas assets are AAA rated
- All CDOs are continuously rated by S&P/Moody's/Fitch and have rating of A or above
- 29% of CDOs are referenced to Asset Back Securities which consist of diversified set of collaterals such as RMBS, CMBS, Auto Loans, etc.
- 37% of ABS CDO assets are referenced to U.S. sub-prime
- All ABS CDOs are managed by first tier external fund managers in US/Europe
- ABS CDOs are mostly bought before 2006, and exposure to riskier 2006 vintage is limited
- All ABS CDOs are paying interests normally, and no downgrade or negative watch has been reported

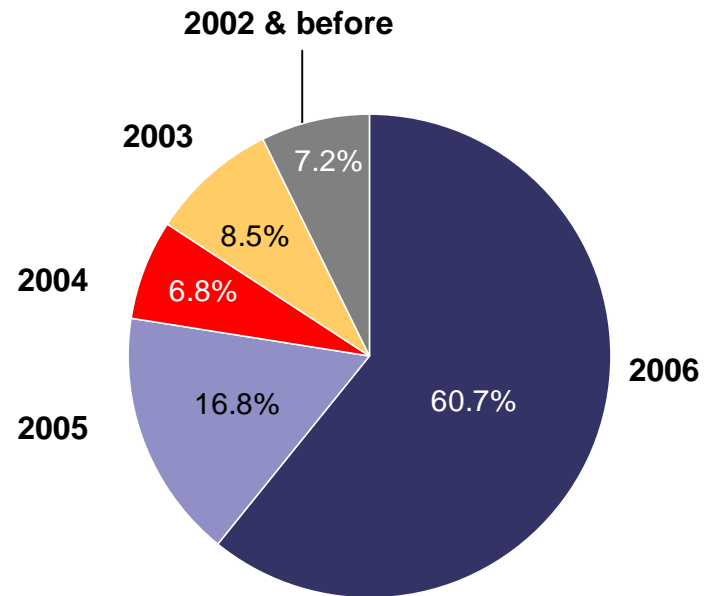
Market Downgrades of Subprime RMBS (May~July 07)

Market downgrades have been concentrated on bonds rated BBB or below and from 2006 vintage

Rating distribution



Vintage distribution



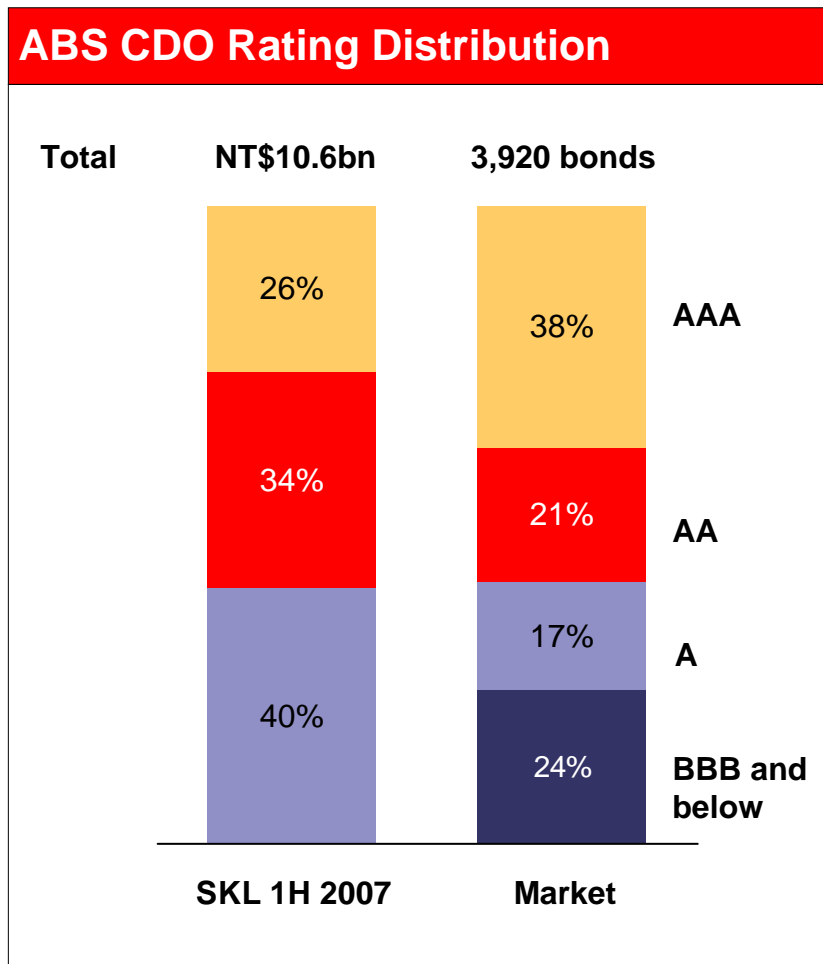
Note:

(1) Percentages calculated from number of RMBSes downgraded by Moody's, S&P, and Fitch combined

Source: Morgan Stanley

ABS CDO Rating Distribution

All ABS CDOs held by SKL are A-rated or above and most are from non-2006 vintages



Comment

- All ABS CDOs are A-rated or above, of which 60% are AAA or AA rated with reliable principle protection
- Historical 7-year cumulative loss rate by Moody's (1993-2006):
 - AAA = 0%
 - AA = 0.53%
 - A = 1.93%

Historically, loss rates of CDOs rated A or above are extremely low

Note:

(1) SKL distribution is calculated based on amount while market distribution is based on number of bonds tracked by Moody's

Investment Strategy

Strong ALM Discipline

- Develop Strategic Asset Allocation based on liability profile and capital budget
- Build core portfolio of recurring income
- Achieve yield pick-up through overseas investments; plan to increase overseas investment to 45% after detailed regulations are released

Well-diversified Portfolio

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

Cost-effective Currency Hedging

- Flexible use of traditional (currency swaps, NDFs) and proxy hedging strategies; maintain 60/40 mix in medium to long term
- Target hedging cost at 200 bps or below

Solid Investment Return for 1H 2007

- Investment return for 1H 07 was 5.5%, in-line with Company expectation
- Limited sub-prime exposure (CDO rated A or above)
- Going forward, SKL will:
 - Closely monitor trends of domestic/foreign equity markets
 - Effectively manage currency hedging costs

SKL – 2H 2007 Outlook

- Due to better-than-expected sales from new VUL product, 2007 FYP likely to exceed original forecast of flat growth. However, growth in 2H likely to be slower than 1H due to uncertainties in the equity, currency, and interest rate markets (which may affect sales of investment-linked and interest-sensitive products)
- Maintain 5% investment return target and effectively control hedging cost at 200 bps or below. Continue to closely monitor developments in U.S. mortgage market
- Develop both agency and bancassurance channels. SKB continues to provide a strong cross-selling platform for bancassurance
- Expect to receive regulatory approval to set up preparatory office for China JV in the near future; permission to set up operation requires another 6 months
- Raising of overseas investment cap will help diversify risk and enhance investment return. Execution must wait till detailed regulations are released
- Aim to grow VNB by 10~15% in the medium term

Agenda

I. SKFH

II. Life Insurance Business

III. Banking Business

IV. Appendix

- SKL Premium
- SKL EV & AV Result
- SKL Real Estate Securitization

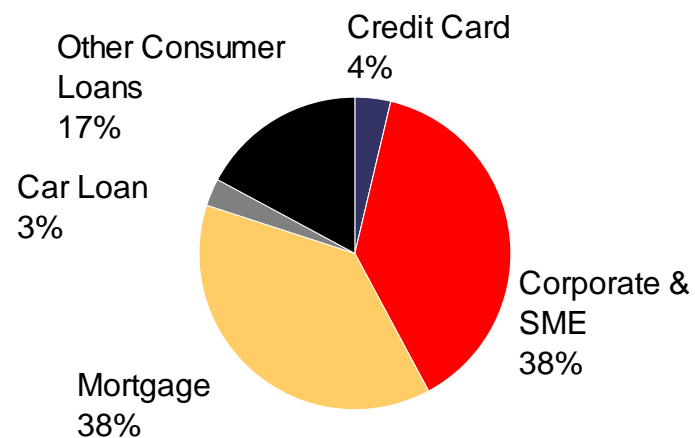
Shin Kong Bank

- 10th largest private bank in Taiwan
- Over 2 million customers and 1.3 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	2004	2005	2006
Total Loans	54.34	204.76	232.31
Total Deposits	74.68	284.42	286.92
Net Income	0.02	(0.26)	(7.28)
Total Assets	86.27	338.54	351.53
Shareholders' Equity	10.51	19.82	19.90

2006 Loan Breakdown



Total Loan: NT\$242bn⁽¹⁾

Note:

(1) Includes credit card revolving balance

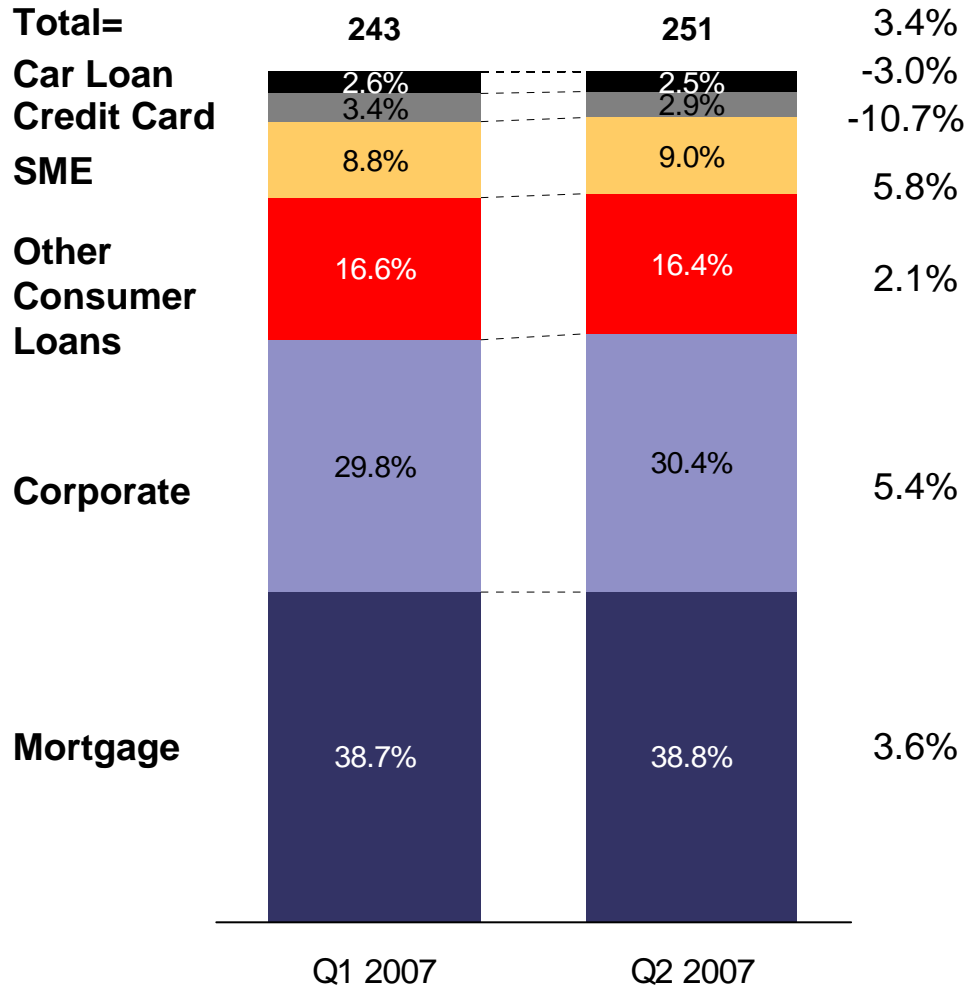
SKB – 1H 2007 Overview

- 1H net income was NT\$202mm, in line with Company expectation; despite one-time bad debt provision of \$350mm taken for Ya Hsin Industrial Co., Q2 net income improved by 18% (QoQ)
- Q2 pre-provision operating profit (PPOP) improved by 40% (QoQ) to NT\$1.48bn
- Loan balance increased 3.4% in Q2 and mix between consumer and corporate loans remained stable at 60/40; L/D ratio remained high at 82%
- Quarterly net interest income remained stable. Rising short-term rate has not flowed through to lending rate, and net interest spread and NIM have tightened by 10 bps to 2.00% and 1.98%
- Quarterly net fee income grew by 58%, mostly driven by wealth management (~37% of total fee income). NT\$5.1bn bancassurance cross-sales achieved in the first six months
- Credit card NPL and LLR coverage ratios remained healthy at 2.21% and 214%. Monthly repayment for restructured debts (DRP) remained stable. Cumulative repayment rate reached 74.52%, in line with expectation
- Overall NPL and coverage ratios were 1.94% and 71.28%. NPL ratio for mortgage portfolio remained low at 1.13%

Loan Mix

NT\$bn

QoQ Growth



Comments

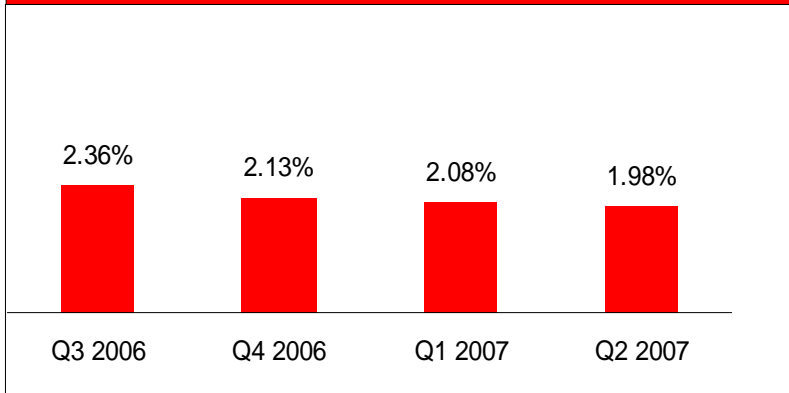
- Achieved stable loan growth in Q2 despite stringent policies on credit and pricing
- Low growth in mortgage due to tight control over properties for investment purpose and at non-core locations. ~40% of new business comes from Greater Taipei area
- L/D ratio remained high at 82%

Note:

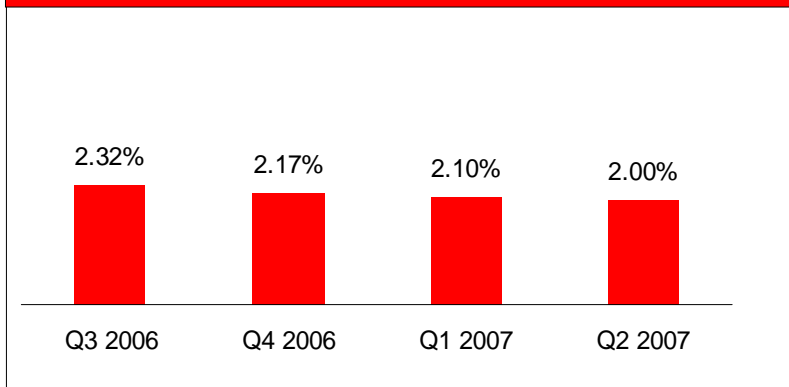
(1) Due to rounding, loan mix figures may not add up to 100%

Interest Yield

Net Interest Margin



Net Interest Spread

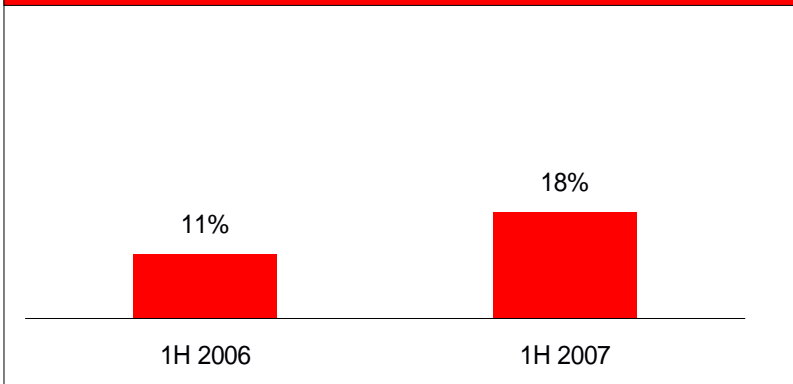


Comments

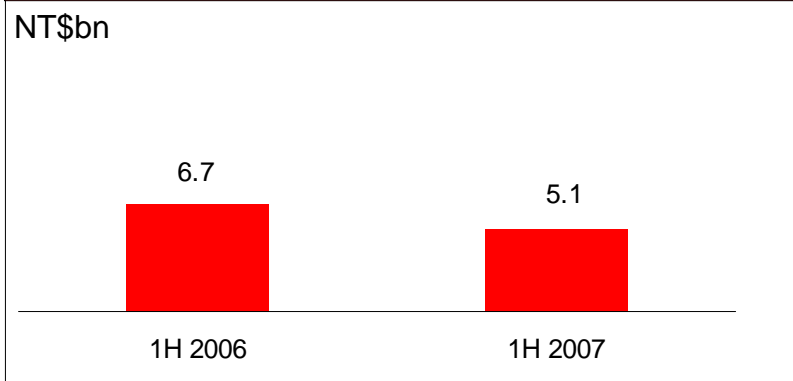
- Lending rates fail to move up with short-term rate hikes, leading to lower interest margin
- New mortgage rate continued to improve, up 15 bps in Q2
- Interest margin remains under pressure but will stabilize as lending rates move up in Q3

Fee Income

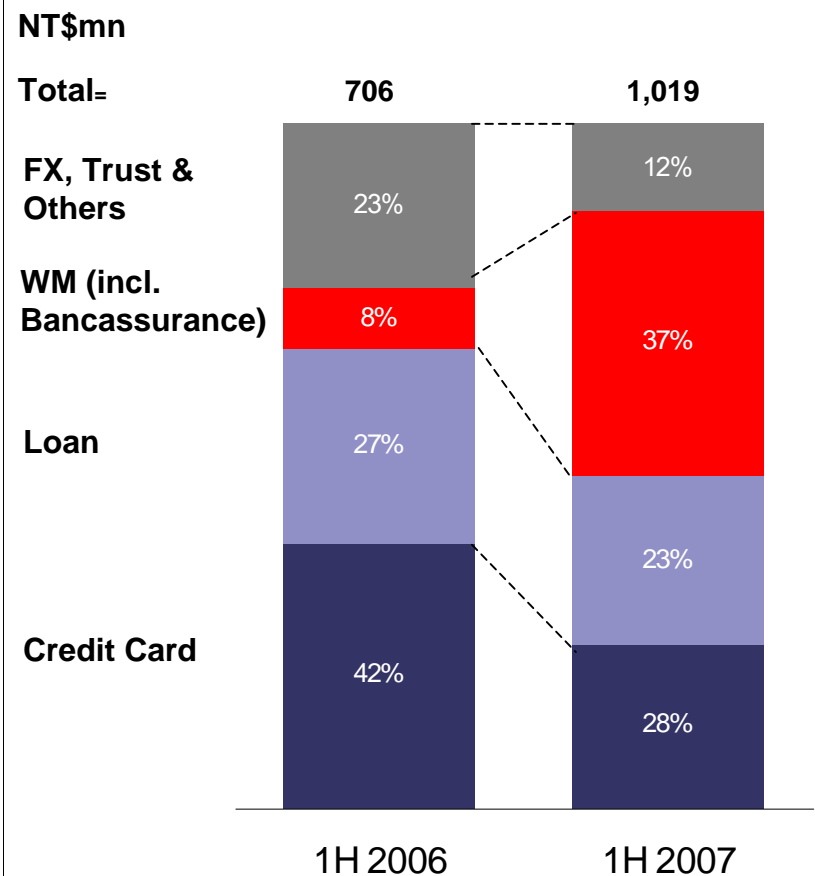
Net Fee Income / Total Income



Bancassurance (SKL) - FYP



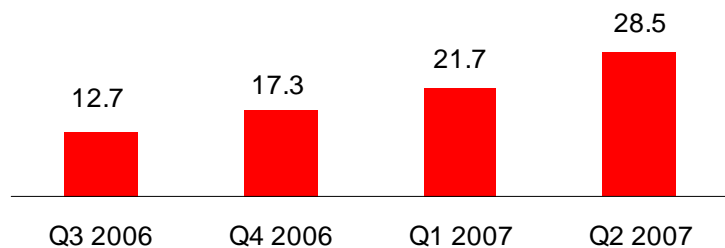
Fee Income Breakdown



Wealth Management

AUM

NT\$bn

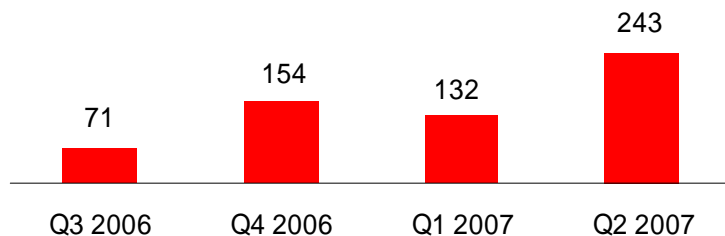


Wealth Management Center



WM Fee Income

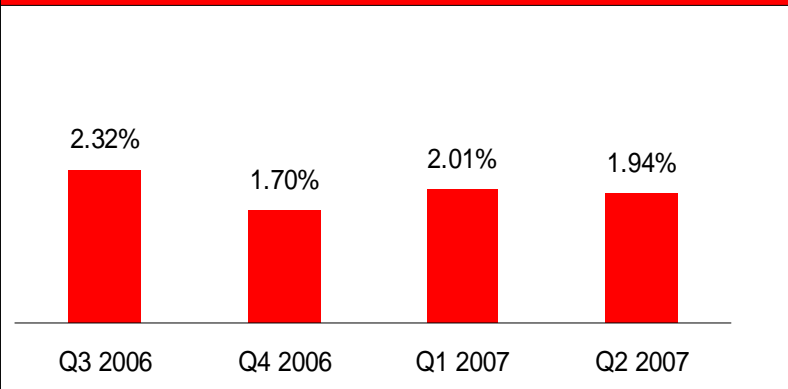
NT\$m



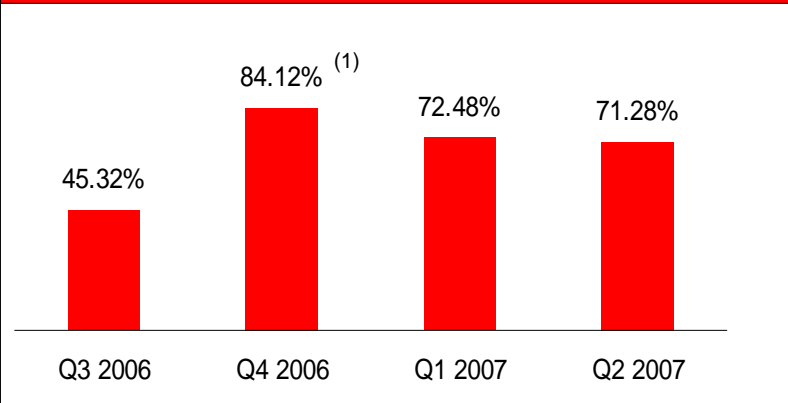
- Significant progress in wealth management
 - WM accounted for 37% of total fee income, up from 8% in 1H 06
 - Fee income and AUM expanded by 84% and 31% respectively compared to Q1 07
 - Sales force increased to ~220 AOs; reached critical scale to provide more comprehensive and tailor-made products

Asset Quality

NPL Ratio



Coverage Ratio



Comments

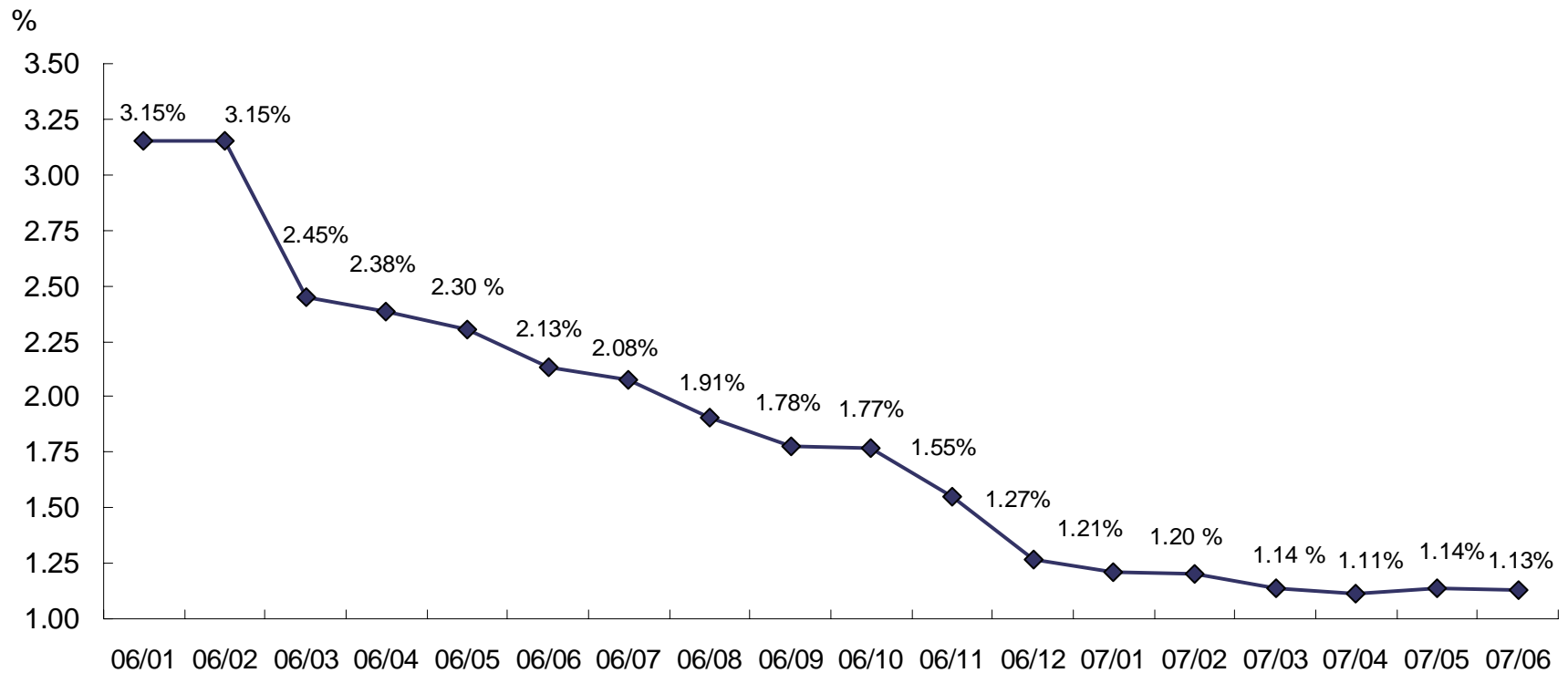
- Overall loan quality remained good in Q2
- NPL controlled at ~2%; NPL of mortgage improved to 1.13% from 1.14% in Q1
- Coverage ratio slightly lower than Q1 but remained at a high level
- Cumulative repayment rate of DRP at 74.52%, in line with Company expectation; no impact from passage of CDSA observed so far

Note:

(1) Took NT\$4.47bn one-time provision at year-end 2006

NPL Ratio for Mortgage Loan

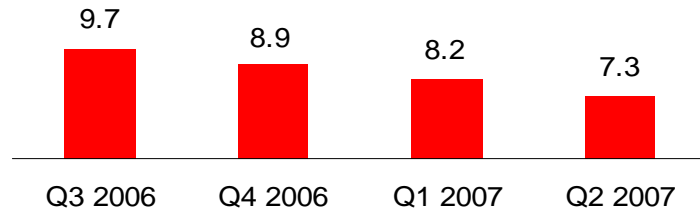
3-month NPL Ratio



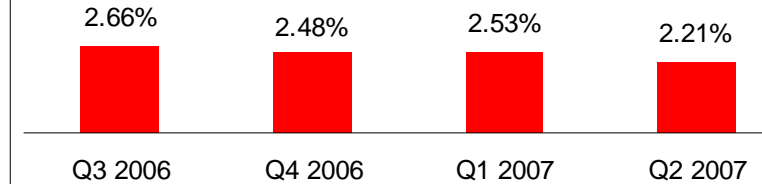
Credit Cards Metrics

Revolving Balance

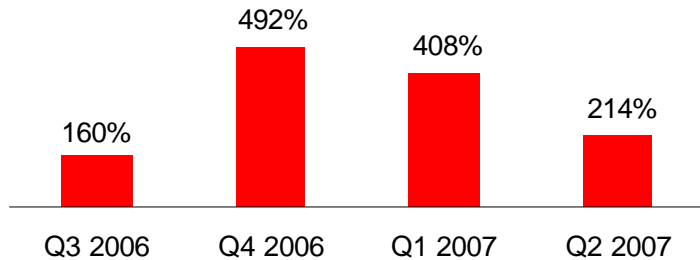
NT\$bn



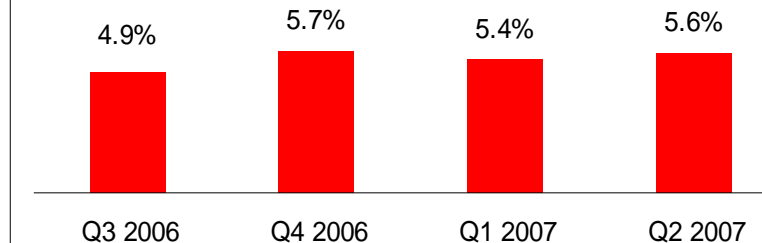
90-day NPL



Coverage Ratio (1)



Charge-off Ratio (2)



Note:

- (1) Actual reserves / NPL
- (2) Unannualized numbers

SKB – 2H 2007 Outlook

- Target loan growth of 10~15% balancing NIM and risk considerations
- Growth in PPOP expected to continue driven by fee-based business
- NIM likely to stabilize as impact of Central Bank rate hikes flow through to lending rates in Q3
- Growth momentum of wealth management expected to strengthen as market demand, number of AOs and products increase; WM fee income likely to exceed target NT\$500mm
- Credit card write-offs expected to reduce driven by improvement in credit quality. Potential future losses likely to be within control as DRP balance is relatively small
- Overall loan quality remains healthy. Stringent credit policies and stable economy and employment situation help maintain loan quality of mortgages. Coverage ratio will gradually decline since one-time provision taken at the end of 2006, but will remain above Company's medium term target of 50%
- CDSA passed is less lenient to consumers than previously anticipated. Risk of moral hazard and uncertainty of mortgage loan could hopefully be reduced

Agenda

- I. SKFH
- II. Life Insurance Business
- III. Banking Business

IV. Appendix

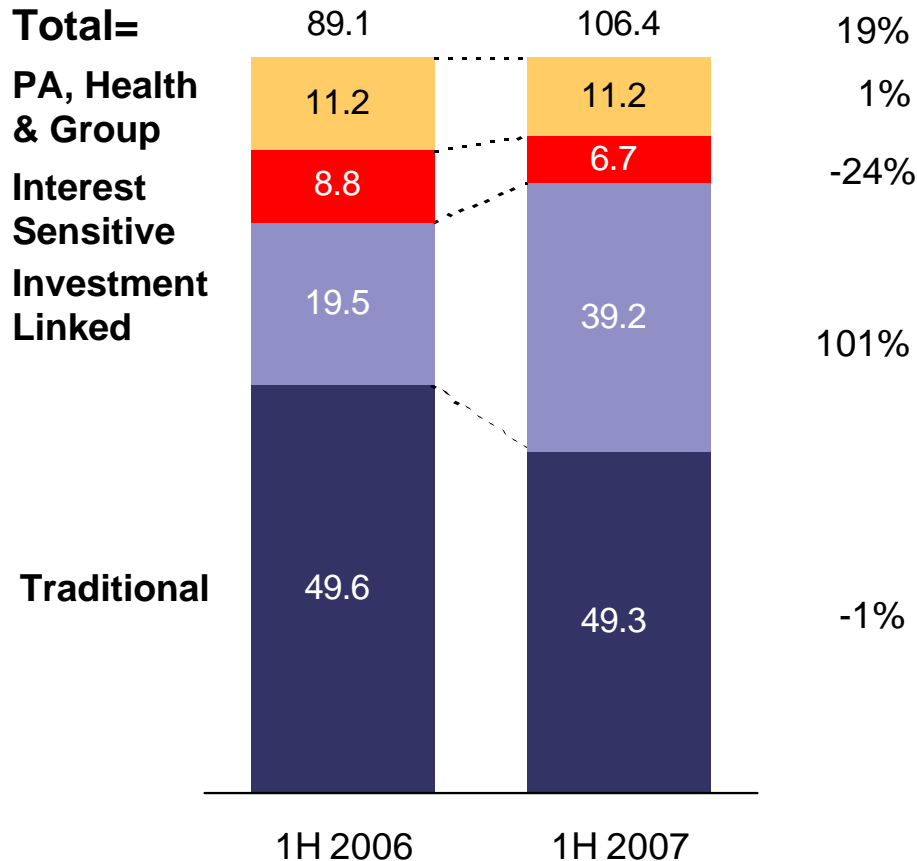
- SKL Premium
- SKL EV & AV Result
- SKL Real Estate Securitization

SKL - Total Premium – 1H 2007

NT\$bn

Market Share = 11.6%

Growth

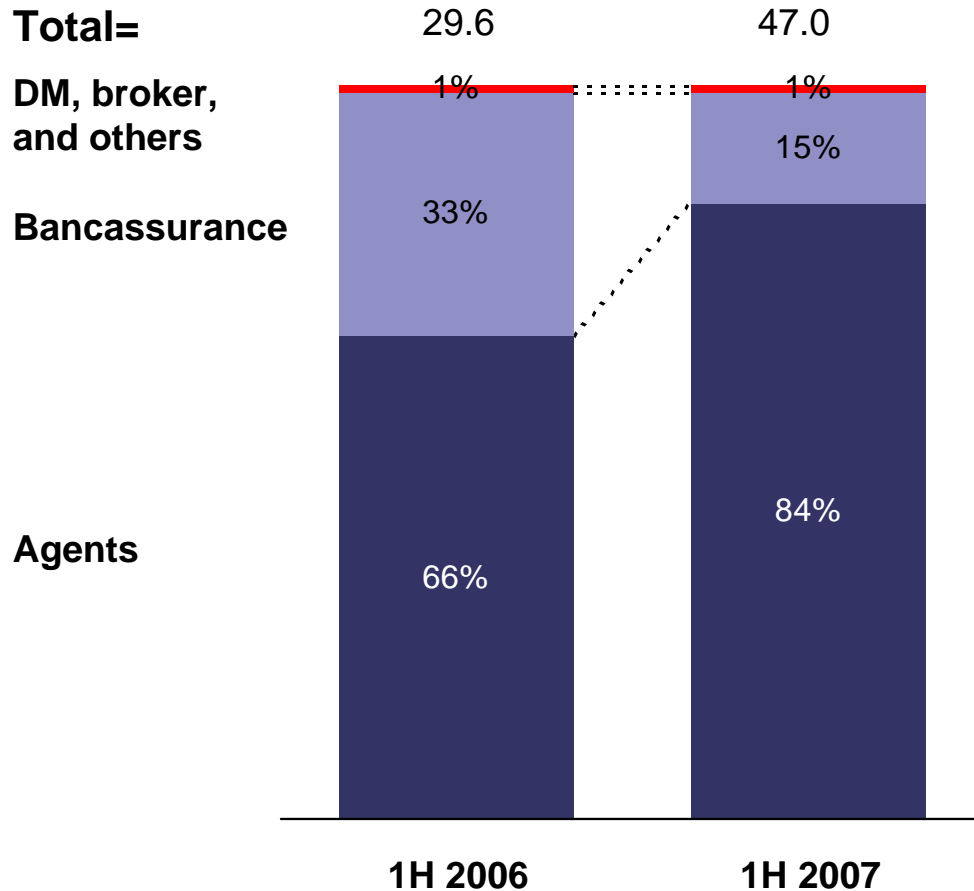


Comments

- Strong growth in total premium, mainly driven by increase in FYP
- Share of variable rate products increased to 43%, driven by robust sales in investment-linked policies
- Traditional and related policies (mostly recurring premium) accounted for 57% of total premiums

SKL - FYP by Channel

NT\$bn



Comments

- Share of agency channel (preferred channel for sales of traditional and investment-linked products) increased, driven by strong sales in investment-linked policies
- SKB accounted for 70% of bancassurance premium

SKL - SP / RP Breakdown – 1H 2007

NT\$bn

1H 2007 FYP	Single Premium	Regular Premium	Flexible Payment	Total
Traditional	0.09	5.02		5.11
Investment-linked				
VUL			30.21	30.21
Structured note	3.45			3.45
Interest Sensitive				
Annuity	4.29		0.01	4.30
Life			2.40	2.40
PA, health and others		1.49		1.49
Total	7.83	6.51	32.62	46.96

SKL - EV & AV Result

Unit: NT\$bn

	2005.12	2006.12	YoY growth
Adjusted NAV	84.6	100.3	18.6%
VIF	38.3	44.2	15.4%
COC	34.6	29.3	-15.3%
EV	88.3	115.2	30.5%
V1NB	7.9	8.9	12.7%
AV (5 years NB)	113.3	143.0	26.2%
AV (20 years NB)	143.0	170.4	19.2%

SKL - Estimate of Embedded Value Results

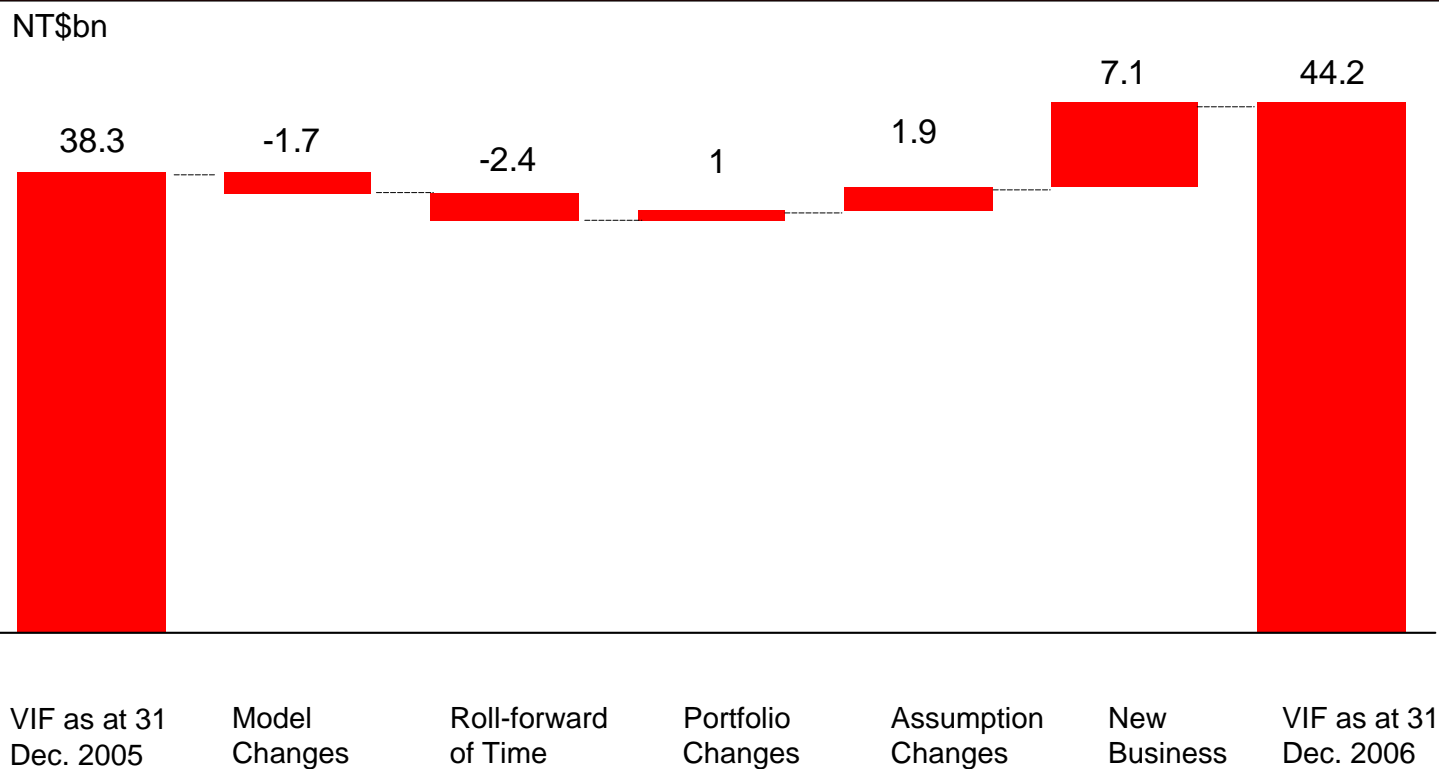
Unit: NTD bn Valn Date: 31 December 2006 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except:		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except:	
	Inv Return 4.80%	Inv Return 5.30%		RDR 10.90%	RDR 12.90%
Net Worth	100.3	100.3	100.3	100.3	100.3
VIF	20.5	65.0	44.2	48.1	41.0
EV (before COC)	120.8	165.3	144.5	148.4	141.3
Cost of Capital (COC)	29.9	28.6	29.3	28.0	30.3
EV (after COC)	90.9	136.7	115.2	120.4	111.0

SKL - Estimate of Appraisal Value Results

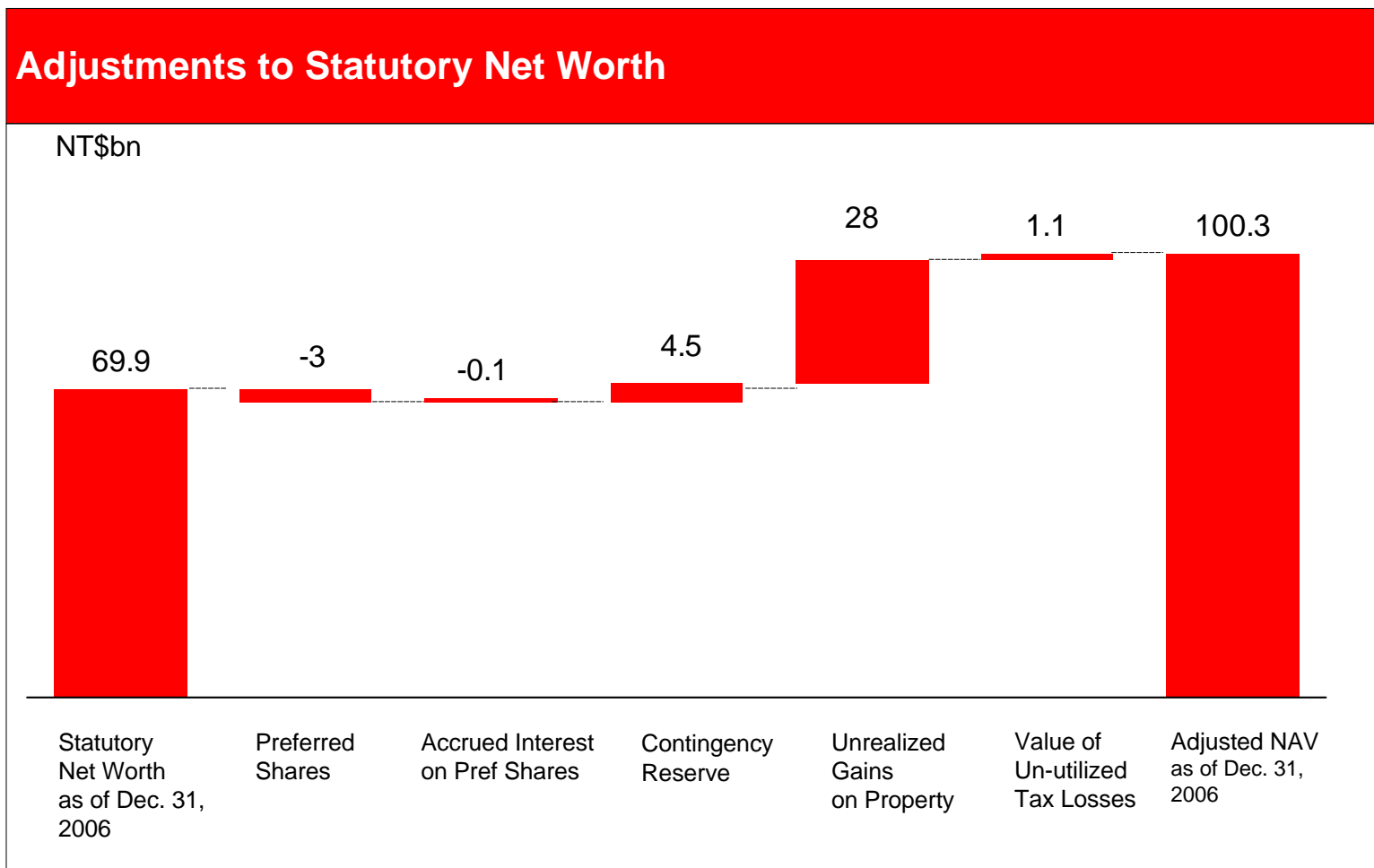
Unit: NT\$bn Valn Date: 31 Dec, 06 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except	
	Inv Return 4.8%	Inv Return 5.3%		RDR 10.90%	RDR 12.90%
Net Worth	100.3	100.3	100.3	100.3	100.3
VIF	20.5	65.0	44.2	48.1	41.0
Cost of Capital(COC)	29.9	28.6	29.3	28.0	30.3
EV after COC	90.9	136.7	115.2	120.4	111.0
V1NB after COC	8.4	9.4	8.9	9.7	8.3
AV (5 years NB)	117.2	166.0	143.0	151.3	136.2
AV (20 years NB)	142.6	195.4	170.4	184.2	159.2

SKL - Change in VIF before COC

**Changes between 31 Dec. 2005 and 31 Dec. 2006
broken down by components**

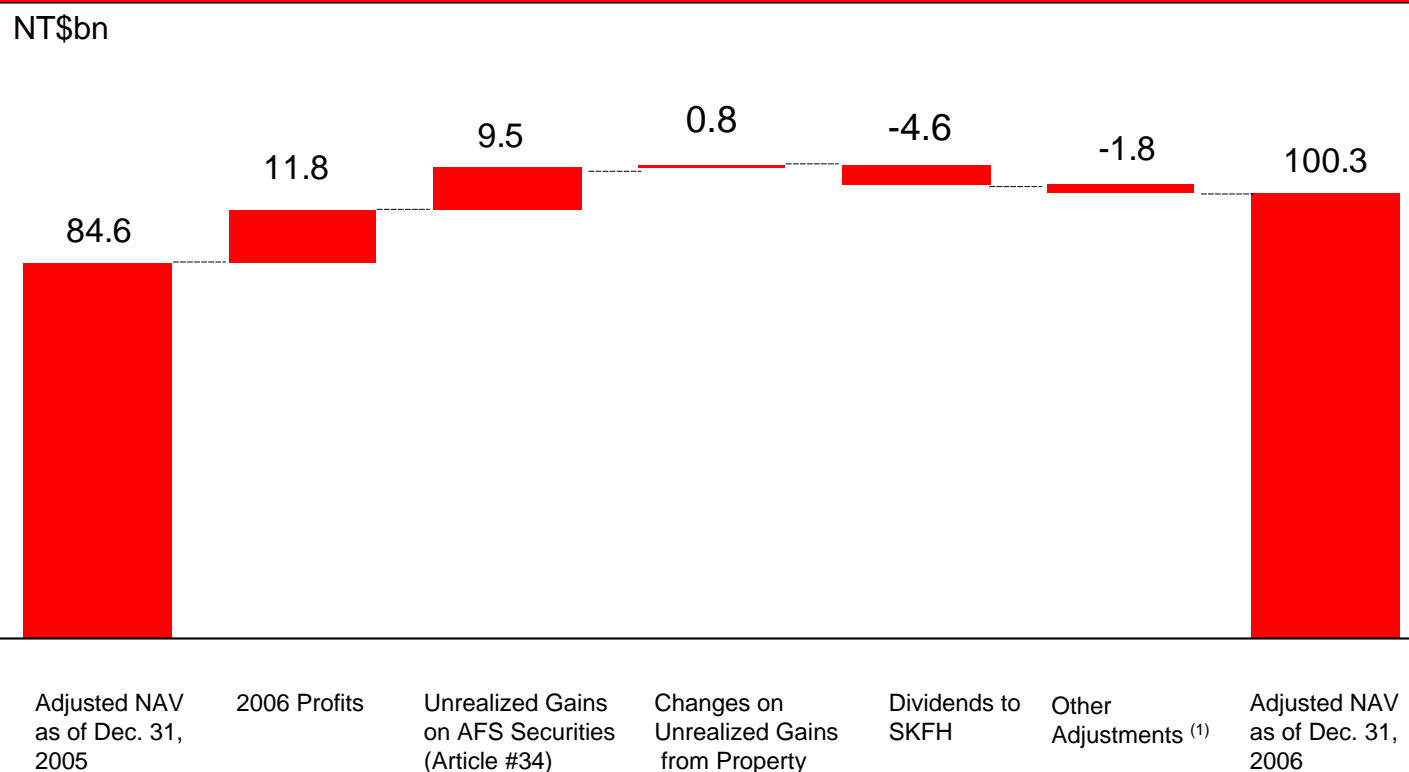


SKL – Adjusted NAV



SKL - Adjusted NAV

Changes between 31 Dec. 2005 and 31 Dec. 2006 broken down by components



Note:

(1) Included changes in preferred dividends, contingency reserve, value of un-utilized tax losses, and other items.

SKL - 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	CMBS#3
Issue Date	01/10/05	06/22/05	12/26/05	02/08/07
Total Size	\$2.8 bn	\$3.1 bn	\$11.3 bn	\$1.4 bn
Retention	56% ⁽¹⁾	46% ⁽¹⁾	20%	40% ⁽¹⁾
Underlying Asset(s)	1 Office Building	1 Office Building	2 Office Buildings, 1 Department Store, 1 Service Apartment Complex	3 Office Buildings
Type	Debt Financing at 2.85% ⁽²⁾	Debt Financing at 2.69% ⁽²⁾	Equity Financing	Debt Financing at 2.25% ⁽²⁾
Term	5yr	7yr	N/A	5yr
Capital Gain	\$0.79 bn	\$0.73 bn	\$3.5 bn ⁽³⁾	0.57bn ⁽⁴⁾

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
- (4) To be recognized over four years

Website : www.skfh.com.tw

E-mail : ir@skfh.com.tw