

機密



花旗環球證券投資者說明會

2007年10月12日, 台北

聲明

本簡報及同時發佈之相關資訊內含有預測性敘述。除針對已發生事實，所有對新光金控(以下簡稱新光金)未來經營業務、可能發生之事件及展望(包括但不限於預測、目標、估算和營運計劃)之敘述皆屬預測性敘述。預測性敘述會受不同因素及不確定性的影響，造成與實際情況有相當差異，這些因素包括但不限於價格波動、實際需求、匯率變動、市占率、市場競爭情況，法律、金融及法規架構的改變、國際經濟暨金融市場情勢、政治風險、成本估計等，及其他本公司控制範圍以外的風險與變數。這些預測性敘述是基於現況的預測和評估，本公司不負日後更新之責。

本簡報內容及同時發佈之相關資訊皆為公司自結財務數字。

目錄

I. 金控

II. 人壽業務

III. 銀行業務

IV. 附件 - 人壽保費資料

人壽2006年 EV/AV結果

人壽不動產證券化

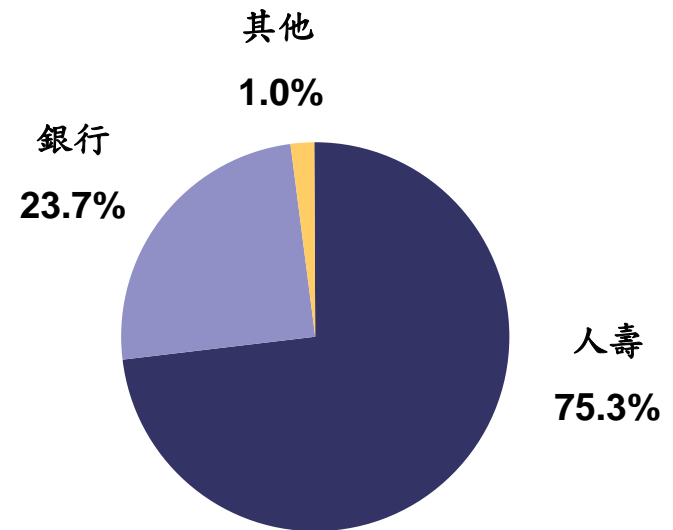
新光金控簡介

- 台灣大型金融控股公司之一
 - 子公司同時涵蓋壽險、銀行、證券、投信及保險經紀
 - 為市場第二大保險公司，市占率達13%
 - 擁有108家銀行分行，為第十大民營銀行
- 為少數台灣金融控股公司裡，同時涵蓋銀行及人壽業務

財務概況

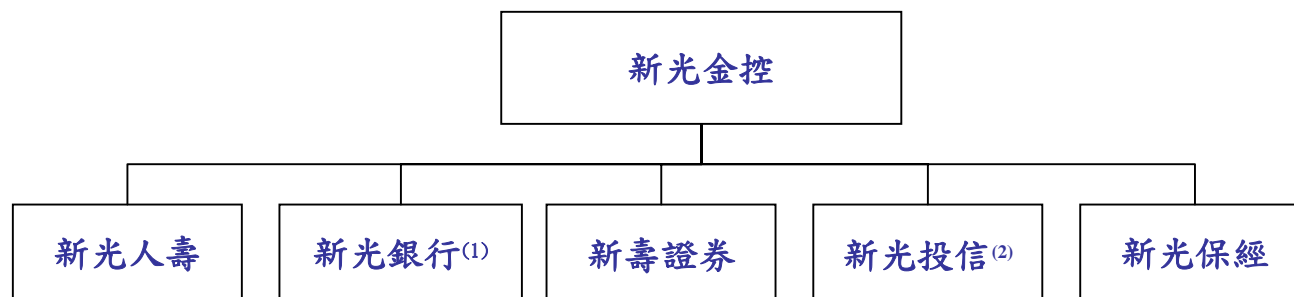
新台幣十億元	2004	2005	2006
總資產	931.3	1,331.2	1,492.3
股東權益	46.5	68.3	90.8
市值	91.0	104.1	164.6
稅後盈餘	6.4	7.1	5.9
資產報酬率	0.8%	0.7%	0.4%
股東權益報酬率	17.7%	12.5%	7.6%
外資持股比率	8.5%	22.9%	31.8%

2006年資產組合



具領導地位的多元化金融服務集團

獨特的全方位金融服務平台



成立日期	7/1963	1/1997	12/2001	9/1992	1/2003
總資產 (新台幣十億元)	1,117.2	351.5	13.8	0.58	0.11
佔集團資產比重(%)	75.3%	23.7%	0.9%	< 0.1%	< 0.1%
盈餘 (新台幣百萬元)	11,771	(7,276)	596	(78)	44
分行 / 通訊處	360	108	7	3	1
市場佔有率(%) ⁽²⁾	12.6%	1.4%	0.3%	2.4%	-

註：
 (1) 2005年12月31日 完成新光銀行與誠泰銀行合併
 (2) 新光投信於2006年7月18日併入金控，並於2006年10月9日與新昕投信（金控現有的投信公司）合併

資深經營團隊



鄭弘志
總經理

現職：

- 新光金控總經理
- 新光銀行副董事長

經歷：

- 新光人壽總經理
- 中華民國壽險公會常務理事
- 中華民國壽險管理學會理事長



許澎
首席副總經理
兼風控長

現職：

- 新光金控首席副總經理兼風控長
- 新光金控發言人
- 新光人壽財務長
- 新光人壽簽證精算師

經歷：

- 中華民國人壽保險商業同業公會理事
- 中華民國銀行商業同業公會金控業務委員會委員



潘柏錚
總經理
新光人壽

現職：

- 新光人壽總經理

經歷：

- 新光人壽資深副總經理

會員及其他

- 中華民國人壽保險商業同業公會常務理事
- 中華民國保險學會理事
- 財團法人人身保險安定基金董事



李增昌
總經理
新光銀行

現職：

- 新光銀行總經理

經歷：

- 聯信銀行總經理
- 屏東市第一信用合作社總經理



黃植原
總經理
新光投信

現職：

- 新光投信總經理

經歷：

- 新光投信 副總經理



林士喬
總經理
新壽證券

現職：

- 新壽證券總經理

經歷：

- 新昕投信執行副總經理
- 國票投顧董事長
- 國票投信董事兼總經理

成功吸引及整合外部專業人士



呂文熾
投資長
新光人壽

現職：

- 新光人壽投資長

經歷：

- 投資長兼總經理，安聯資產管理亞太洋公司
- 投資長兼總經理，東方匯理資產管理新加坡有限公司



賴敬文
副資訊長
新光金控及人壽

現職：

- 新光金控及新光人壽副資訊長

經歷：

- 美商昇陽電腦公司專業服務部經理
- 美商甲骨文公司專業服務部經理
- 中華民國資訊長協進會會員



倪健元
副投資長
新光人壽

現職：

- 新光人壽副投資長

經歷：

- 安泰人壽(台灣分公司)/ 投資長
- 美商AIG集團 誠旭投資股份有限公司副總經理

會員及其他：

- 壽險公會投資小組委員



容覺生
財務長
新光金控

現職：

- 新光金控財務長

經歷：

- 新光金控副財務長
- 麥肯錫公司副董事
- 美商皇家保險財務暨管理部經理



陳昀利
資訊長

現職：

- 新光金控資訊長
- 新光人壽資訊長

經歷：

- 美商優利系統股份有限公司業務總監
- 美商電資系統股份有限公司電子商務總監
- 智慧卡協會會員
- 中嘉協會會員



林壹珊
協理
新光銀行

現職：

- 新光銀行財務管理部協理

經歷：

- 復華銀行財富管理部協理
- 美商美林證券國際私人理財部助理副總裁
- 美商花旗銀行理財中心協理

健全的政策與執行以達到最適公司治理

董事會層級

- 多元化的股權結構，外資持股~32%及員工持股~2%左右
- 在法令尚未規定前，率先於2005年設立二位獨立董事與監察人
 - 鄭濟世(獨立董事)：前財政部保險司司長
 - 劉遵義(獨立監察人)：香港中文大學校長
- 2008年董監改選，將依法令規定增設獨立董事

法令遵循

- 指派法令遵循主管以加強內部法令遵循
- 法令遵循主管直接由董事會任命並直接向金控總經理報告；每半年向董事會呈交書面報告

內部稽核

- 總稽核直接向董事會報告
- 每年進行一次企業稽核
- 每半年針對財務、風控及法令遵循進行業務稽核

資訊透明

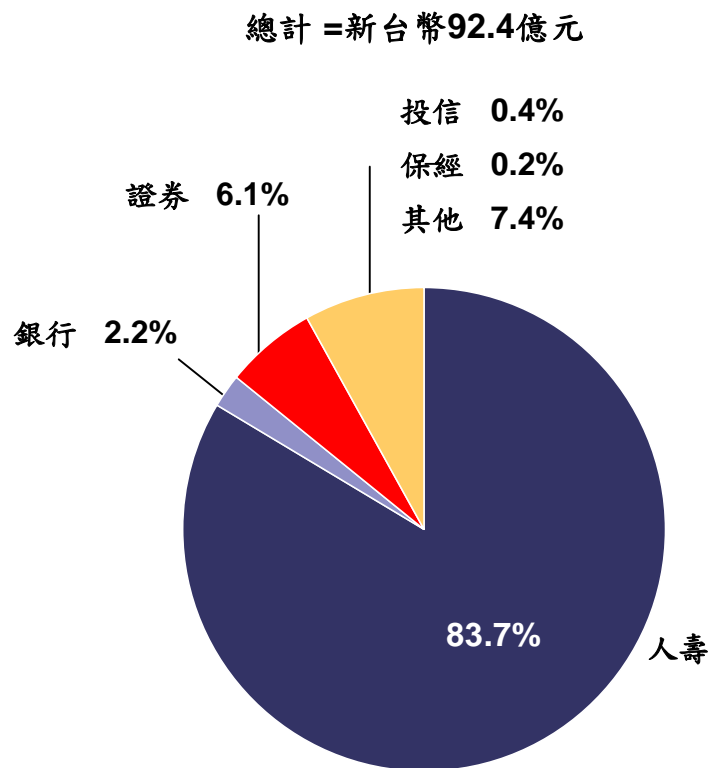
- 設立發言人及副發言人制度
- 定期上傳公開資訊於網站上
- 設立投資人關係小組回覆投資人問題
- 每季舉辦說明會對媒體及法人說明公司營運狀況

新光金控1H 2007營運概況

- 上半年營運表現亮眼，稅後盈餘達NT\$92億，EPS NT\$1.90；受惠於人壽良好獲利與銀行轉虧為盈，與去年同期相較(若不計不動產證券化投資利得及會計原則變動影響數)，成長達471%
- 獲利貢獻主要來自人壽子公司，且新光銀開始轉虧為盈
 - 新壽: 稅後盈餘達NT\$78億；受惠於保費成長及投資績效，與去年相較(若不計不動產證券化投資利得及會計原則變動影響數)，成長116%
 - 新光銀: 與去年同期相較，提存前獲利改善7%，加上提存費用大幅下滑，獲利明顯改善，稅後盈餘成長至NT\$2億
 - 新壽證: 各項業務普遍成長，尤其自營業務，稅後盈餘為NT\$5.7億
 - 新光投信及新光保經: 營運表現良好，獲利各為NT\$ 0.41億及NT\$0.24億
- 2007年除息、權交易日為8/17，現金股利發放日9/14，每股現金及股票股息發放確定分別為\$0.97及\$0.29

稅後盈餘- 1H 2007

合併稅後盈餘



子公司盈餘貢獻

新台幣十億元

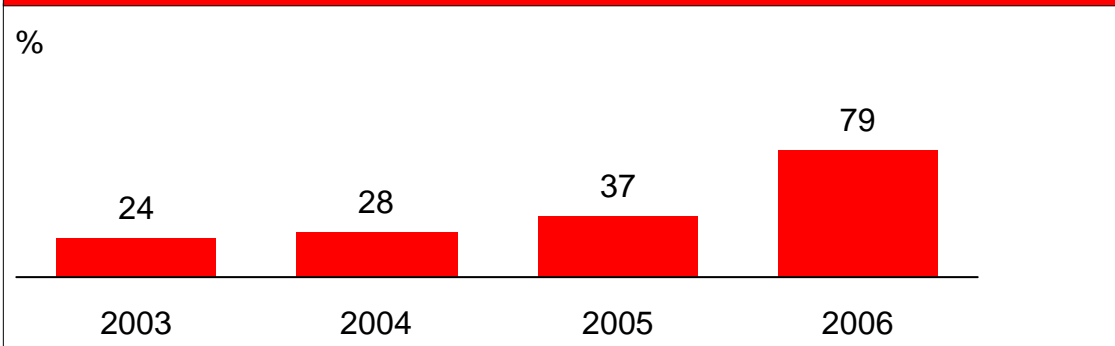
子公司	1H 2007	1H 2006
新光人壽 ⁽¹⁾	7.7	7.9
新光銀行	0.2	-2.2
新壽證券	0.56	-0.02
新光投信	0.04	-
新光保經	0.02	0.03
金控及所得稅	0.72	0.37
稅後盈餘	9.24	6.08

註:

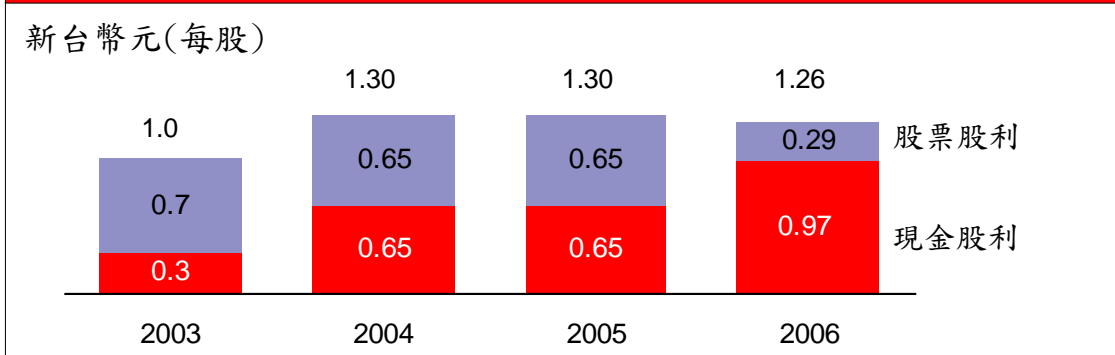
(1) 不含少數股權

股利發放

現金股利發放率



現金股利 vs 股票股利



總結

- 現金股利發放率每年持續增加
- 儘管2006年稅後盈餘及每股稅後盈餘下滑，股利發放依然持穩
- 長期目標為增加股利發放及現金股利比率

目錄

I. 金控

II. 人壽業務

III. 銀行業務

IV. 附件 - 人壽保費資料

人壽2006年 EV/AV結果

人壽不動產證券化

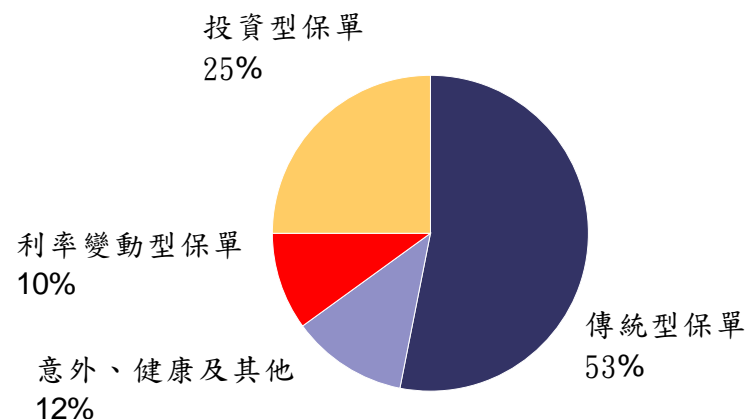
新光人壽

- 台灣第二大保險公司，擁有市佔率13%及逾3百萬客戶數
- 多樣化行銷通路，包含近12,000名專屬保險業務員、360個通訊處及20家以上的銀行通路
- 多樣化的金融產品線，包含傳統壽險、意外及健康、利率變動型及投資型保單

財務資訊

新台幣十億元	2004	2005	2006
總保費收入	154.6	159.0	181.5
稅後盈餘	6.5	7.4	11.8
總資產	834.3	967.6	1,117.2
股東權益	47.8	54.4	70.0
ROE ⁽¹⁾	21.8%	18.7%	21.9%
ROA	0.85%	0.82%	1.13%

2006 總保費收入



總保費收入: NT\$1,815億元

註:

(1) 不包含特別股股權

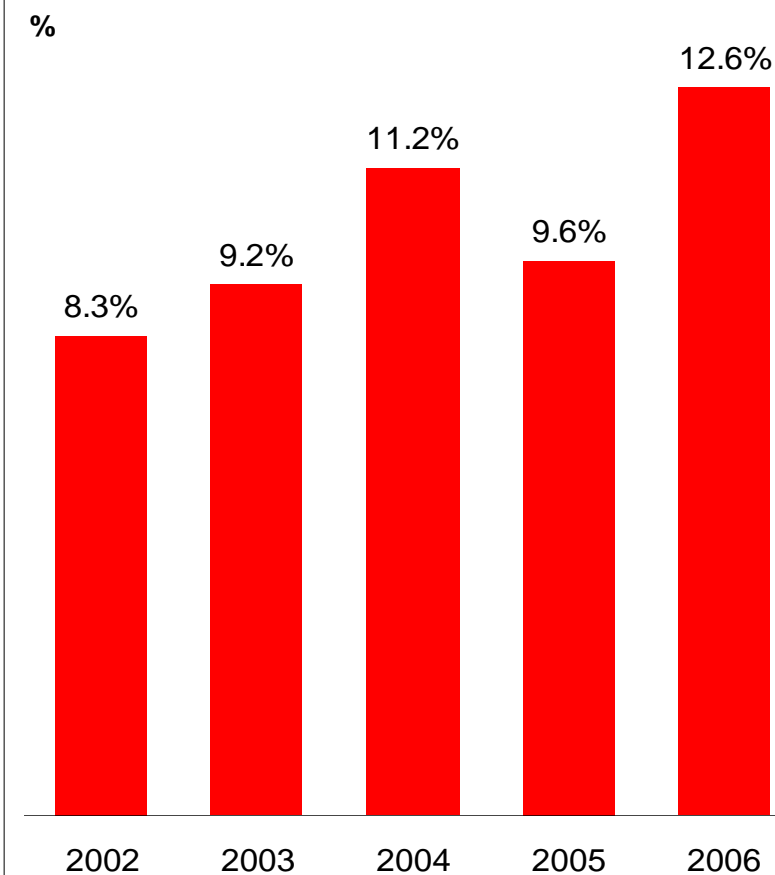
新光人壽市佔率

前十大初年度保費收入排名 - 2006

新台幣十億元



近五年初年度保費市佔率



獲得獎項及表揚



台灣超級品牌 (2006年)
國際超級品牌協會
(Superbrands International)



最佳資訊透明化 **A+**
(2006年及2007年)
證基會



最佳投資機構獎 (2006年)
亞洲投資人雜誌



保險信望愛獎
現代保險金融理財文化傳
播機構



國家品質獎 (2004年)
ISO 最佳品質認證
(2000年及1998年)
行政院



2006 第六屆國家公益獎
內政部

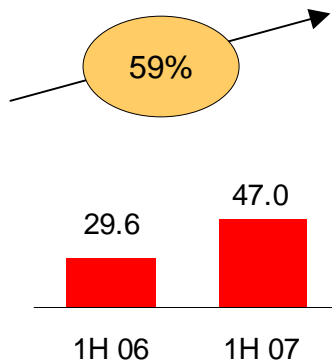
新光人壽1H 2007營運概況

- 新光人壽盈餘成長顯著，上半年稅後盈餘達NT\$78億，與去年同期相較(若不計不動產證券化投資利得及會計原則變動影響數)，成長達116%。
ROE(未年化) 11.6%
- 受益於投資型保單熱賣，初年度保費達NT\$469.61億，年成長58.7%，高於業界平均52%；同時市佔率維持業界第二名，約為13%
- 初年度保費結構以投資型保單為主，比重達72% (VUL: 64%)，另傳統型保單比重從第一季4%成長至11%，利變型保單及其他各佔14%和3%
- 受惠於國內外股市表現佳及外匯避險成本控制得宜，整體投資報酬維持在目標5%以上。海外固定收益債信評等以AAA為主，且美國次級房貸市場曝險有限(CDO信用評等至少A以上)，Q2投資收益不受其風暴影響
- 13個月繼續率維持在90%左右，25個月繼續率改善至77%

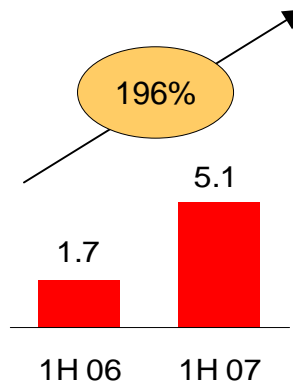
初年度保費- 1H 2007

新台幣十億元

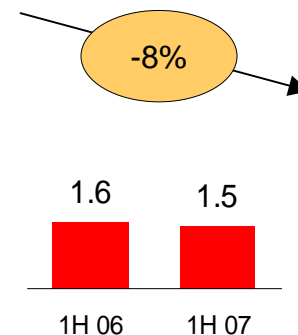
市佔率 12.9%



傳統型



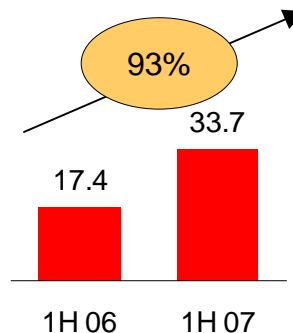
意外、健康及團險



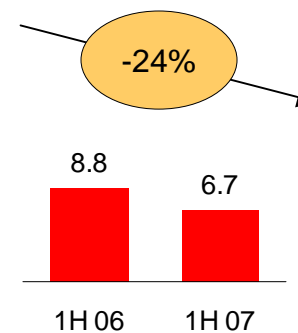
總結

- 初年度保費成長59%，超越市場整體表現(52%)
- 保費結構以VUL保單為主，佔FYP之64%
- 新VUL商品銷售成績理想，自推出至6月底，累計FYP為127億
- 受惠於多財多益及長期看護等險種銷售，傳統型保費成長196%

投資型

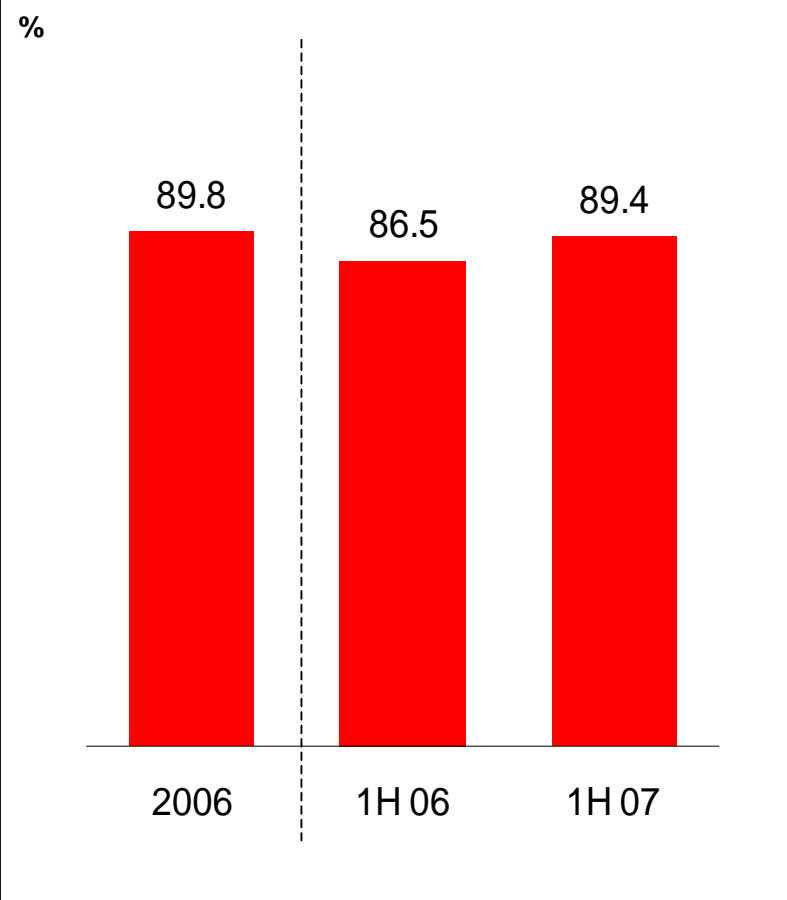


利變型

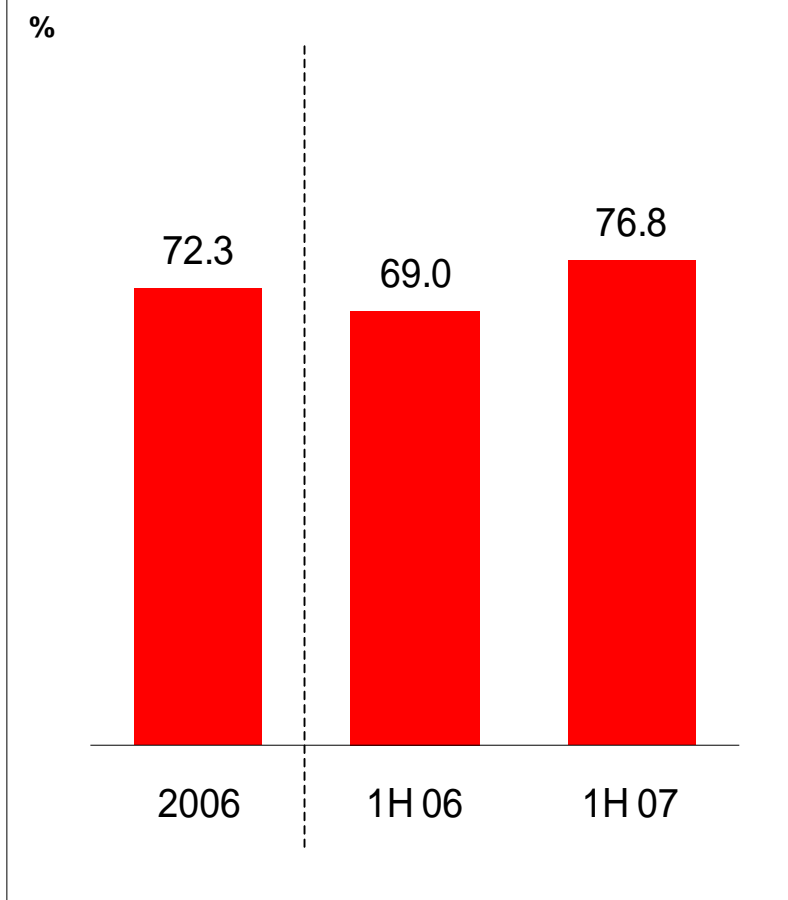


繼續率

13 個月繼續率

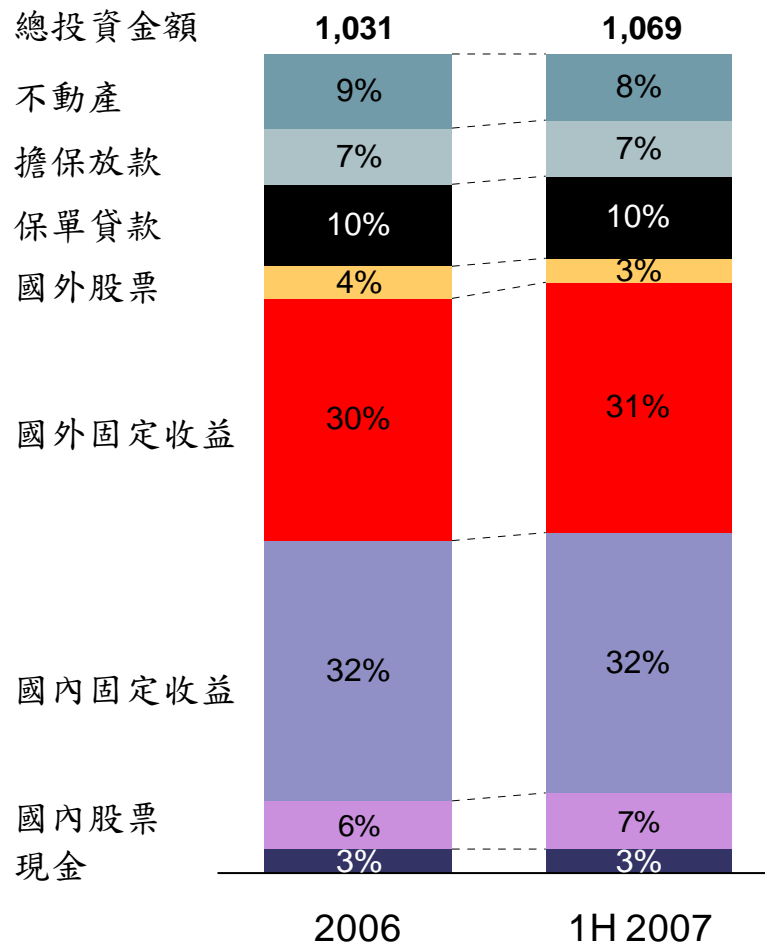
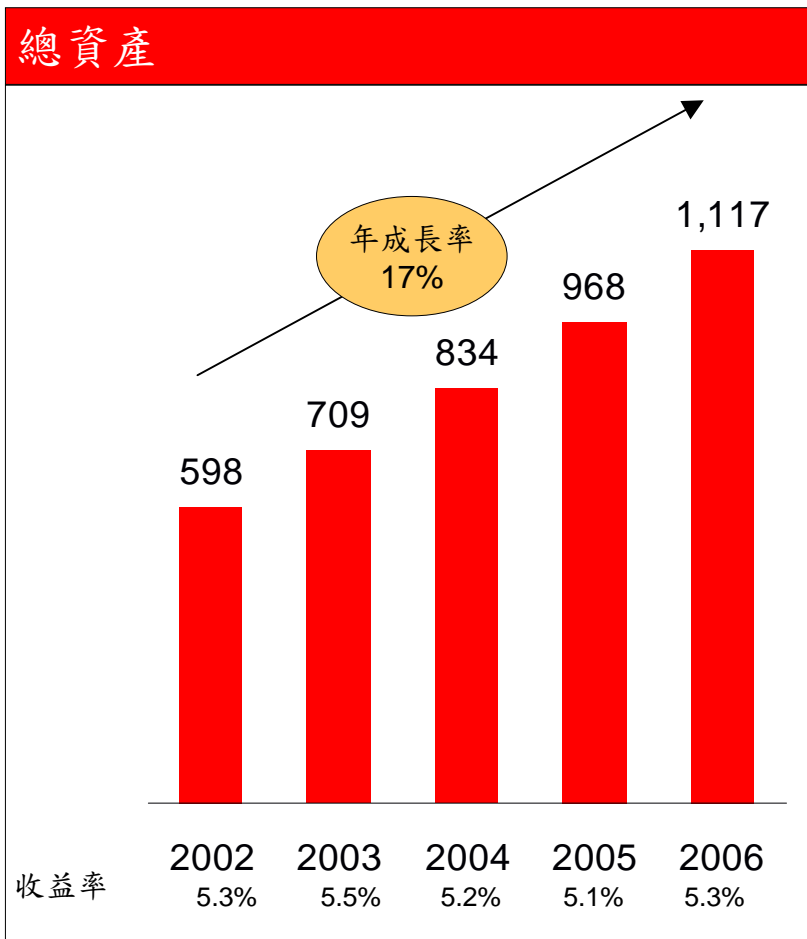


25 個月繼續率



資產配置

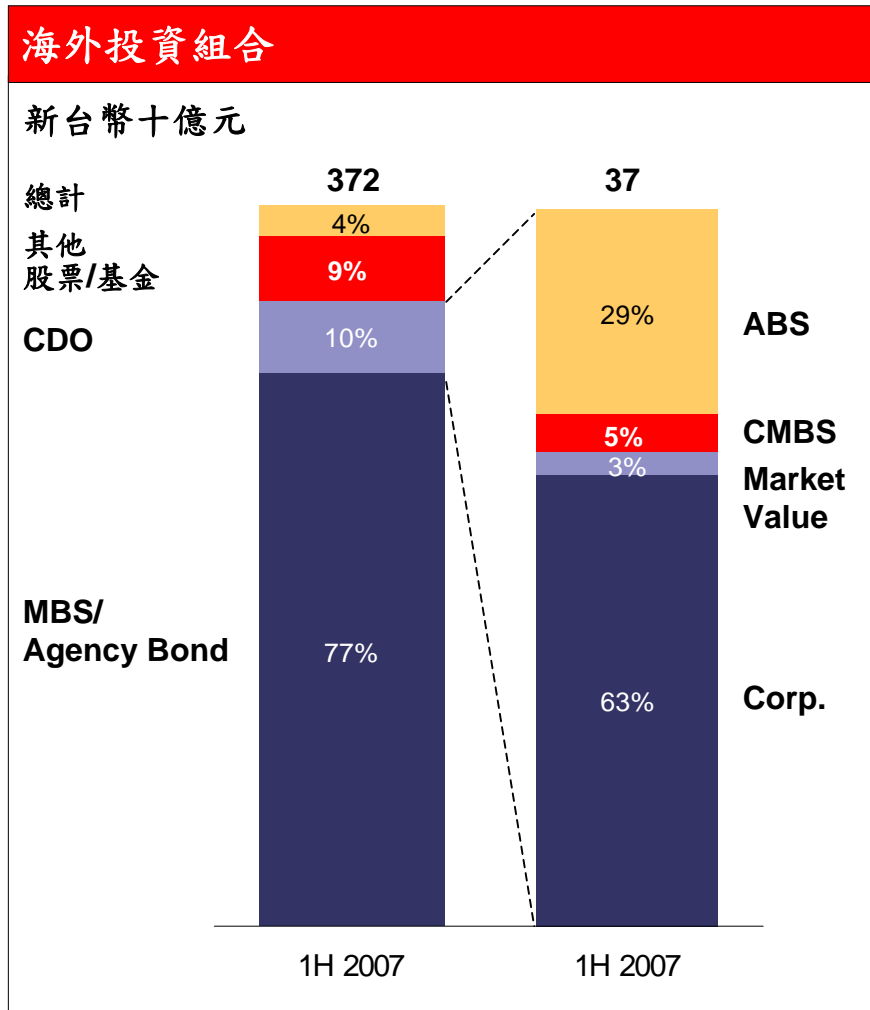
新台幣十億元



註:

(1) 因為四捨五入，所以資產組合的百分比加總不一定等於100%

海外投資組合 - 保守的信用投資部位



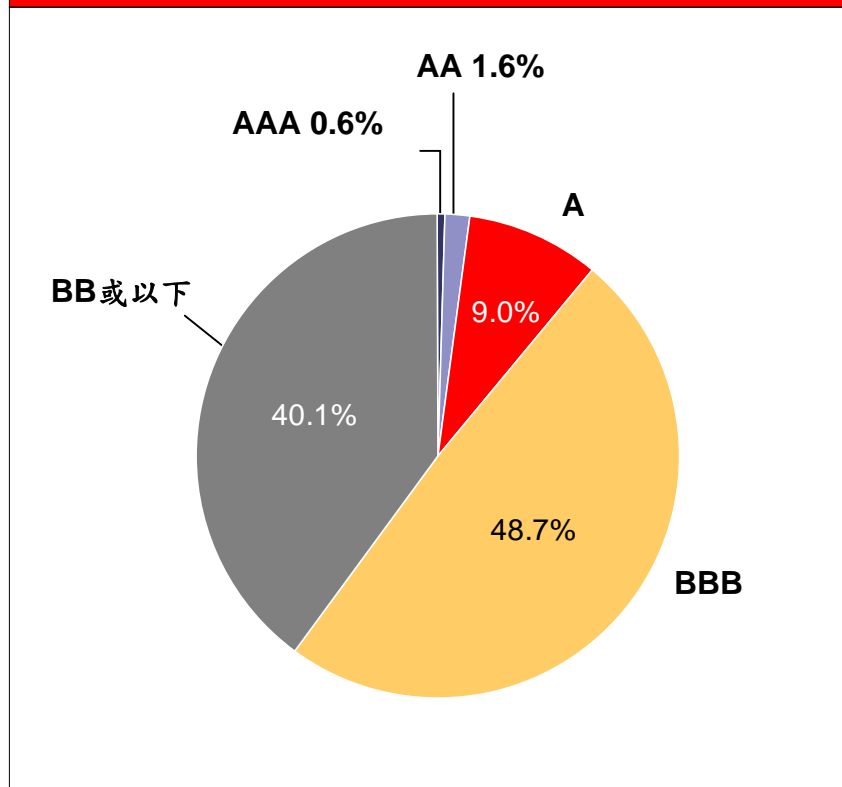
總結

- 海外投資部位以 AAA 評等為主
- CDO 部位皆有標準普爾/穆迪/惠譽等信評公司持續追蹤，目前評等至少在 A 以上
- CDO 中有 29% 由 ABS 組成，當中連結了 RMBS、CMBS 及汽車貸款等不同的資產
- ABS CDO 資產池中 37% 連結至美國次級房貸
- 所有 ABS CDO 皆由美國及歐洲一流的專業基金經理人管理
- 由於新光人壽進入 ABS CDO 市場較早，故承做 2006 年的 ABS CDO 部位非常小
- 目前 ABS CDO 繳息狀況正常，亦未被信評公司調降評等或列為負向觀察名單

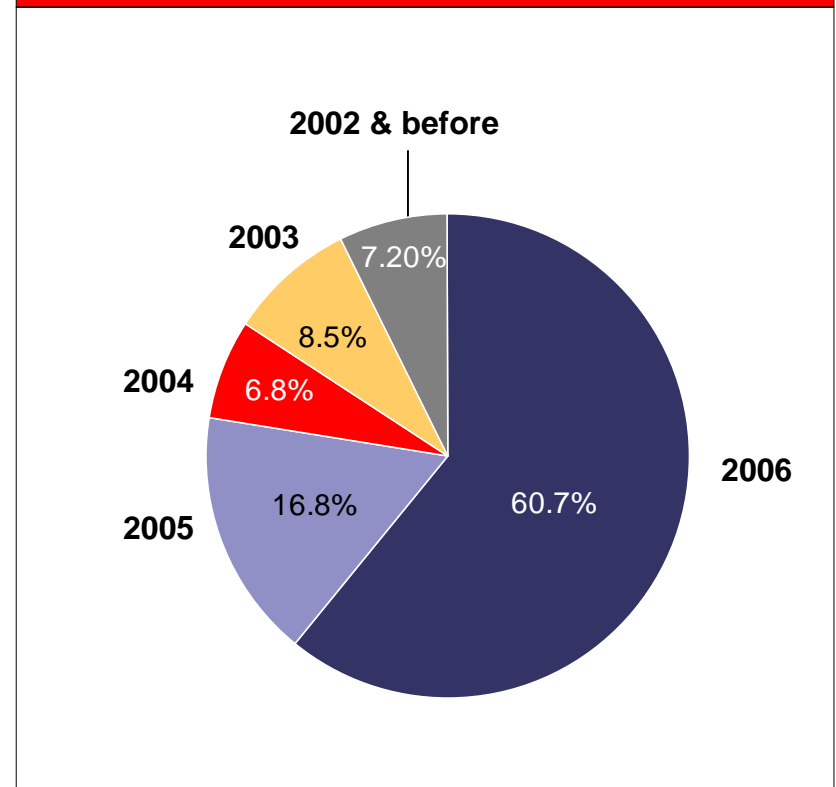
市場之次級房貸RMBS降等狀況 (May~July 07)

市場之降等多集中於BBB以下及2006年之債券

以評等分類



以募集年期分類 (vintages)



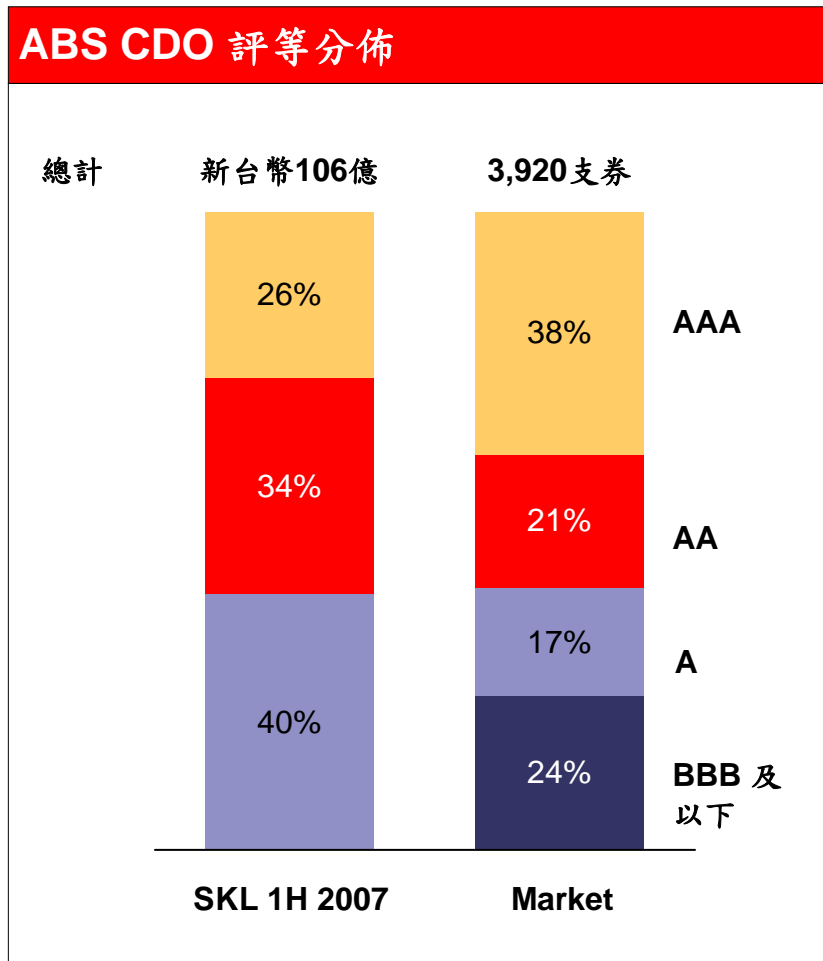
註:

(1) 合計Moody's、S&P、Fitch之降等資訊。百分比係由遭降等之次級房貸RMBS債券數目統計

資料來源: Morgan Stanley

新光人壽ABS CDO評等分佈

新光壽之部位以評等A以上及非2006年為主



總結

- 所有ABS CDO的投資評等均在A等級以上，其中60%集中在AAA與AA，提供相當穩健的本金保護
 - Moody's 1993-2006所統計之歷史7年累積損失率：
 - AAA = 0%
 - AA = 0.53%
 - A = 1.93%
- 以歷史損失率觀察，A等級以上之CDO，本金損失比率甚低

註：

(1) 新光人壽之分佈係按金額計算而市場分佈則按穆迪所追蹤之債券數計算

新光人壽投資策略

資產負債配合

- 依負債組合和資本規劃，制定策略性資產配置
- 建立經常性收益之核心投資組合
- 透過海外投資以提高收益率，並配合法令修訂，逐步提高海外投資比重達45%

資產配置多樣化

- 多樣化資產配置 (股票、信用、外匯、商品、不動產等)
- 低相關性 α 值分散策略 (量化、價值投資等)

匯率避險多元化

- 結合傳統遠期外匯避險 (currency swap, NDF) 與一籃子貨幣避險策略 (proxy hedging)，中長期配置比率約為6：4，並動態調整
- 目標為保持避險成本在200 bps以下

1H 2007

投資績效佳

- 1H 資金運用報酬率符合預期，年化報酬率達5.5%
- 美國次級房貸市場曝險有限 (CDO信評至少A以上)
- 新光人壽將持續：
 - 掌握國內外股市趨勢
 - 有效控制外匯避險成本

新光人壽2H 2007展望

- 由於新VUL商品銷售超乎預期，全年度FYP成長將會高於年初平緩成長的預定目標；但下半年受到股市及匯、利率市場的影響，對於投資型及利變型保單銷售產生不確定性，因此預期保費成長將不若上半年強勁
- 維持投資報酬5%目標，並控制避險成本於200bps以下；同時持續觀察美國房貸市場之情況
- 通路部分，兼顧業務員團隊及銀行通路均衡發展；預計銀行通路將以新光銀行為主，展現交叉銷售綜效
- 大陸合資一案，籌備處設立申請作業順利，預計近期應可取得核准，之後另需6個月時間，取得正式營業之執照
- 海外投資上限放寬，將有利於分散投資風險及提高投資收益，但仍待實施細則之公佈
- 維持VNB成長10-15%之中長期目標

目錄

I. 金控

II. 人壽業務

III. 銀行業務

IV. 附件 - 人壽保費資料

人壽2006年 EV/AV結果

人壽不動產證券化

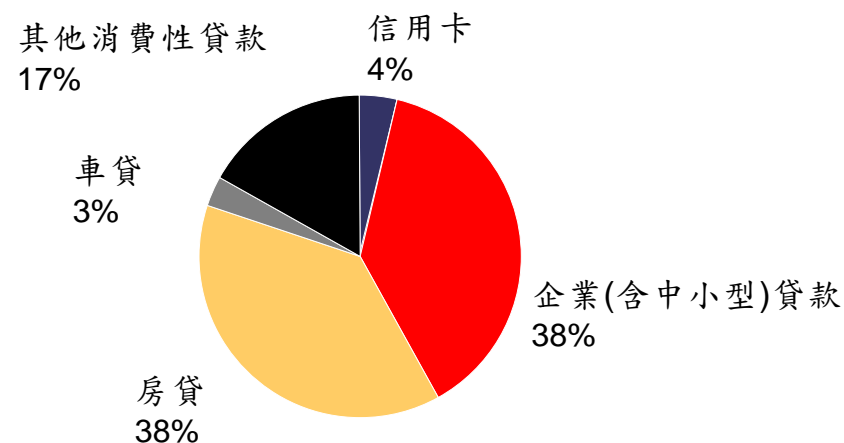
新光銀行

- 台灣第十大民營銀行
- 超過200萬的客戶群及130萬張的信用卡發卡量
- 108家銀行分行，其中50家位於台北縣市
- 提供的服務包括信用卡、房貸、車貸、存款、其他消費性貸款及企業貸款

財務資訊

新台幣十億元	2004	2005	2006
放款總額	54.34	204.76	232.31
存款總額	74.68	284.42	286.92
稅後盈餘	0.02	(0.26)	(7.28)
總資產	86.27	338.54	351.53
股東權益	10.51	19.82	19.90

2006 放款組合



總放款: NT\$2,418億元

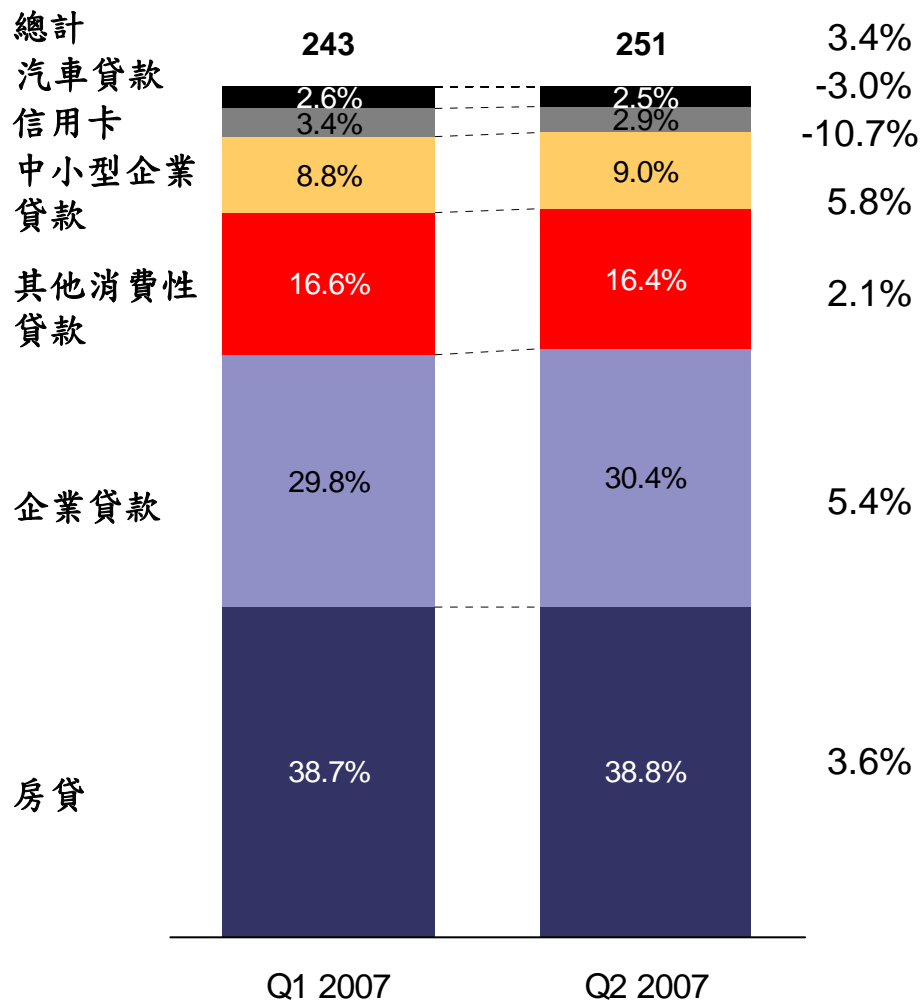
新光銀行1H 2007營運概況

- 1H 2007稅後盈餘NT\$2.02億，大致符合公司預期；雅新案一次性增提3.5億後，Q2稅後盈餘仍較上季成長18%
- Q2 提存前盈餘14.8億，比Q1大幅增加40%
- 放款餘額穩健成長，單季增加3.4%，消金/企金比重維持為60/40；另存放比持平，現為82%(含信用卡)
- 淨利息收入維持穩定，但放款利率尚未反應短率上揚因素，存放利差及淨利差第二季各下滑10bps至2.00%及1.98%水平
- 淨手續費收入單季成長58%，主要受惠於財富管理業務耀眼表現，現已佔總手續費收入比重達37%；另銀行保險(新壽)初年度保費上半年達NT\$51億
- 信用卡逾放穩定，逾放比 2.21%及呆帳覆蓋率214%，單季轉消呆帳率為5.64%；債務協商放款每月還款率穩定，累積還款率至74.52%，仍符合預期
- 資產品質維持穩定，逾放比1.94%及呆帳覆蓋率71.28%，其中房貸品質持續良好，逾放比1.13%

放款組合

新台幣十億元

季成長率



總結

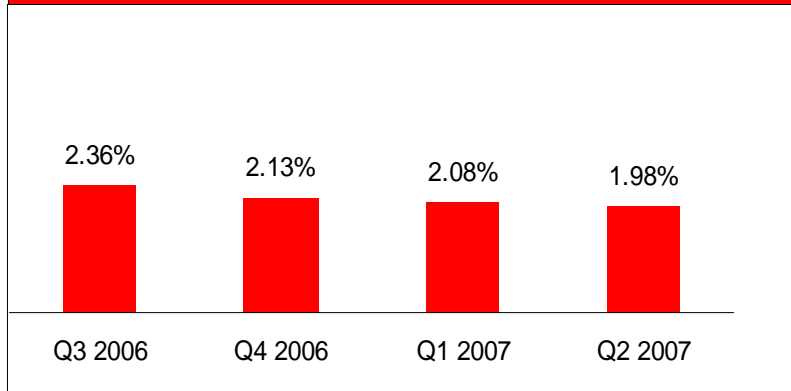
- 在更嚴謹的授信及定價政策下，第二季放款餘額穩健成長
- 房貸業務微幅增加，對於非自用及非核心都市地區放款仍採嚴格控管；
~40% 業務來自北台灣地區
- 存放比持穩，現為82% (包含信用卡)

註：

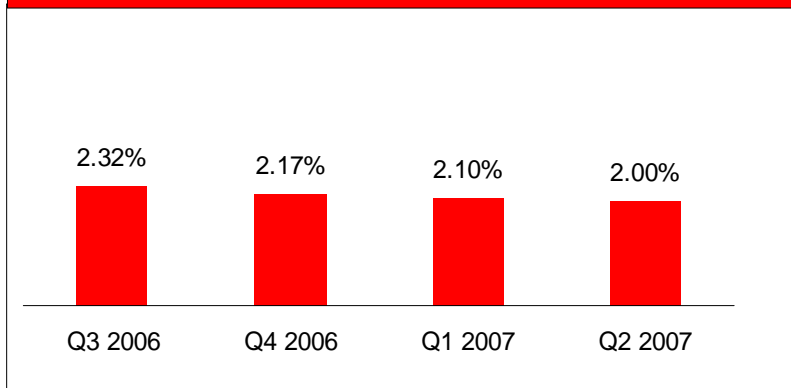
(1) 放款組合百分比因小數點進位關係相加不一定等於100%

利息收益

淨利差(NIM)



存放利差

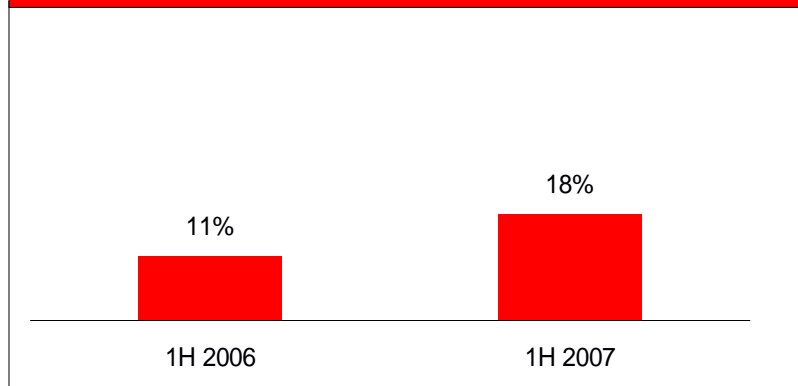


總結

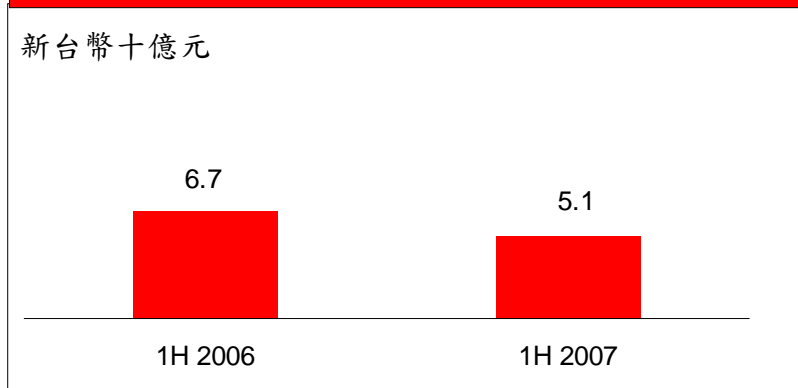
- 利差持續下滑，主要原因來自放款利率尚未完全反應短期利率上揚因素
- 新承作房貸利率持續上揚，第二季約調升15bps
- 利差仍有壓力，但放款利率將於第三季逐步上調，因此利差將可望持穩

手續費收入

淨手續費收入佔總收入比率



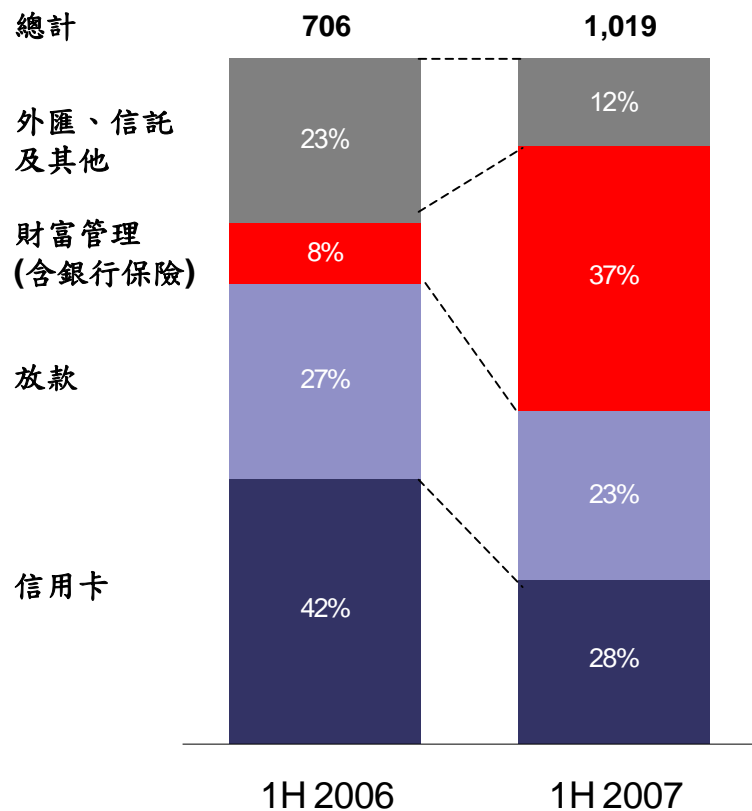
交叉銷售新壽保單 - 初年度保費



手續費收入組合

新台幣百萬元

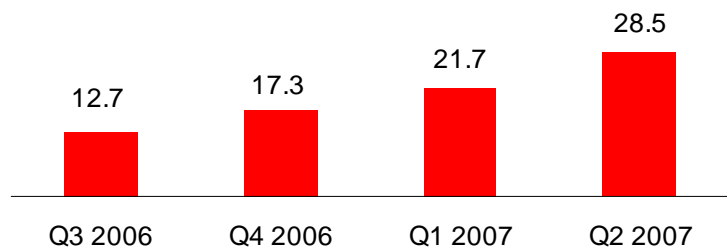
總計



財富管理

管理資產

新台幣十億元

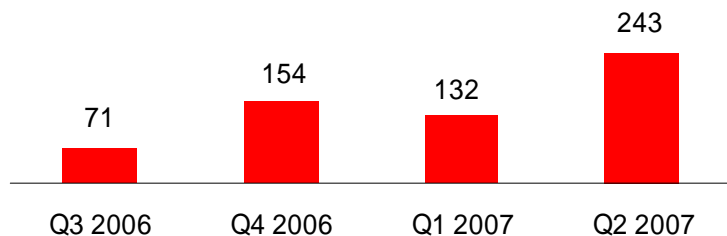


財富管理中心



財富管理手續費收入

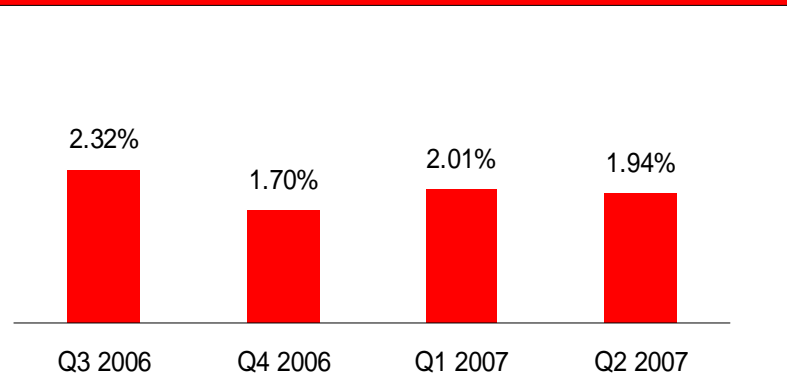
新台幣百萬元



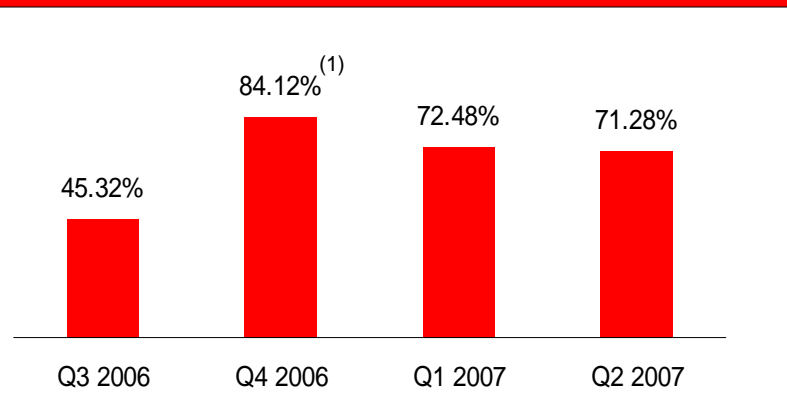
- 財富管理業務持續快速成長
 - 財富管理手續費收入佔總手續費收入比重從8%提高至37%(yoy)
 - 第二季手續費收入單季成長84% 管理資產也大幅增加31%
 - 理財專員增加至~220名，業務開始具有一定規模，有助於提供客戶更完善及量身定作之商品

資產品質

逾放比率



呆帳覆蓋比率



總結

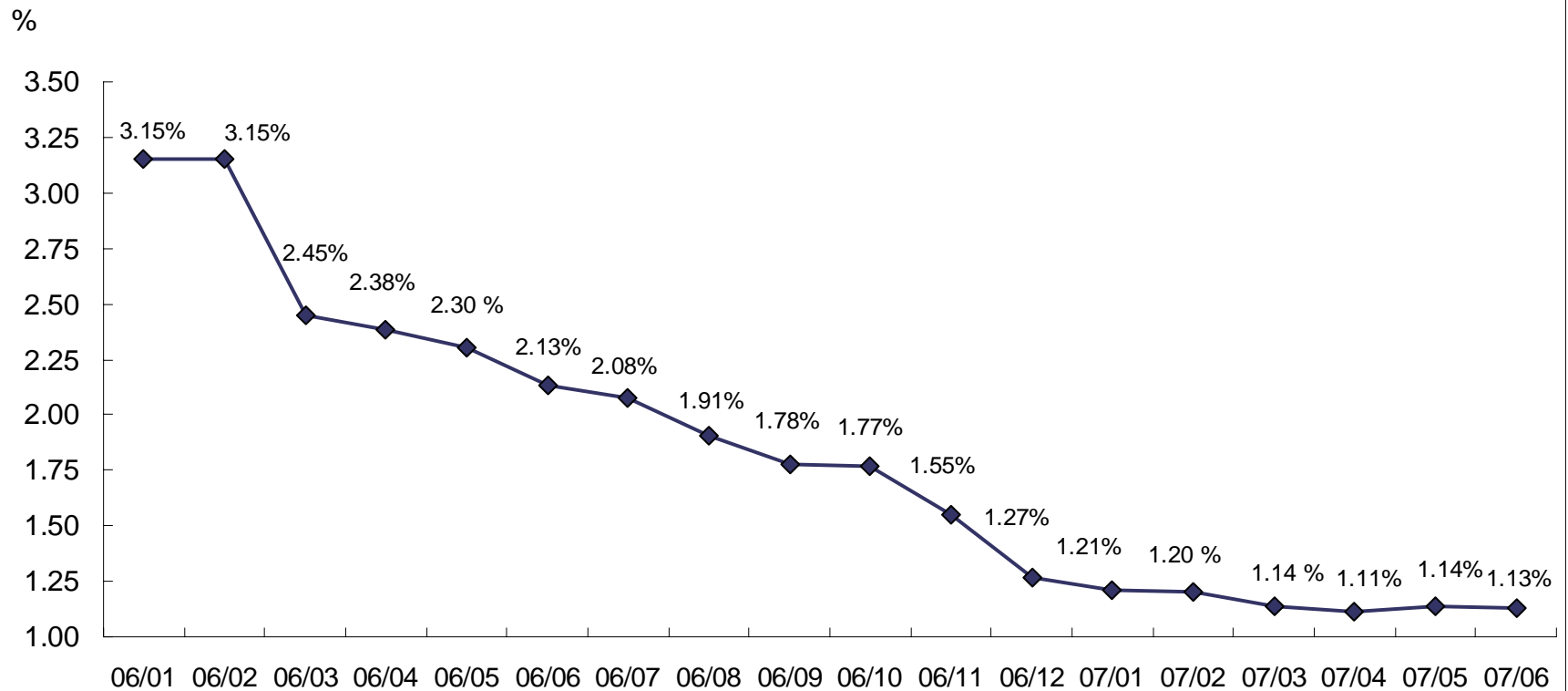
- 第二季放款品質維持良好
- 放款逾放比仍控制於2%左右，其中房貸品質持續穩健，逾放比自第一季1.14%降低至1.13%
- 呆帳覆蓋率維持高水平，僅較第一季小幅下滑
- 債務協商之累積繳款率為74.52%，大致符合公司預期；暫無受到消費者債務清理條例影響

註：

(1) 2006年底一次性提存44.7億

房貸逾放比率

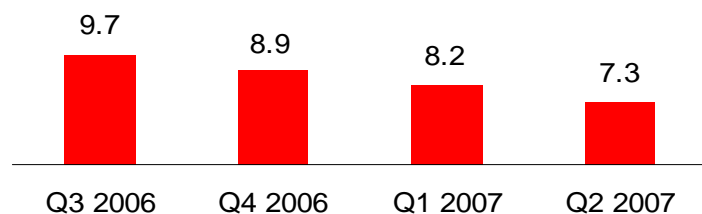
逾放比(3個月以上含催收款)



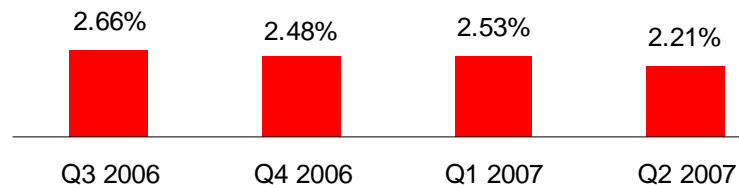
信用卡品質

循環餘額

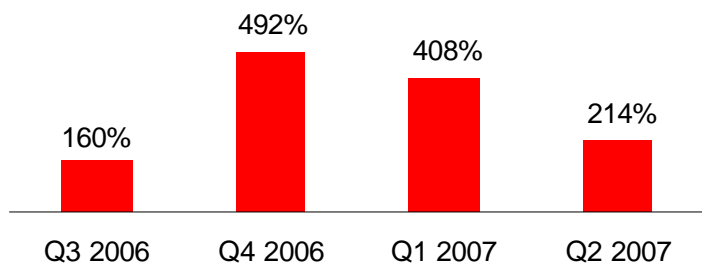
新台幣十億元



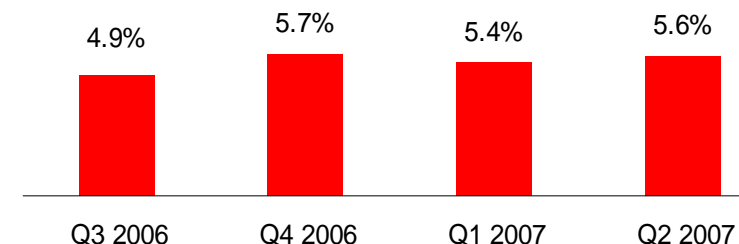
90天逾放比



信用卡呆帳覆蓋率 (1)



轉銷呆帳比率 (2)



註:

- (1) 實際呆帳準備 / 逾期放款
 (2) 未年化

新光銀行2H 2007展望

- 放款業務將以兼顧淨利差及風險考量，放款成長目標約10~15%
- 受惠於手續費業務推動，預期提存前獲利將持續穩定增長
- 淨利差預估將逐漸回穩，第三季放款利率可望逐步反應央行調息
- 財富管理業務隨著理財專員增加及產品平台更趨完善，國人理財需求暢旺，業務成長力道可望增強，相關手續費收入預期會超越5億元之目標
- 信用卡品質逐漸改善，下半年打消呆帳應可減緩；債務協商貸款金額不大，對於壞帳損失在可控制範圍
- 放款品質保持穩健，房貸授信因審核嚴謹及經濟、就業市場穩定，所以品質將維持良好。呆帳覆蓋率因去年一次性呆帳提存大幅提升後，將呈微幅下滑趨勢，但仍維持於公司中期目標50%水平以上
- 通過消費者債務清理條例，但規範較市場預期嚴謹，可望減少消費者道德風險，及降低房貸放款的不確定性

目錄

I. 金控

II. 人壽業務

III. 銀行業務

IV. 附件 - 人壽保費資料

人壽2006年 EV/AV結果

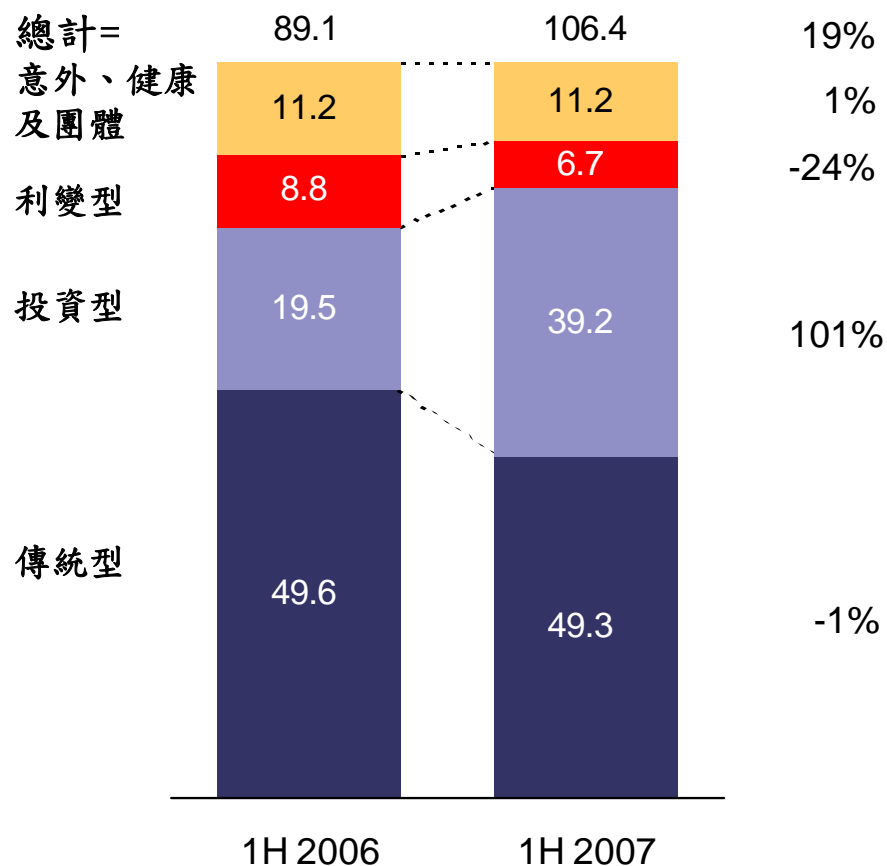
人壽不動產證券化

人壽總保費

新台幣十億元

市佔率 = 11.6%

年成長

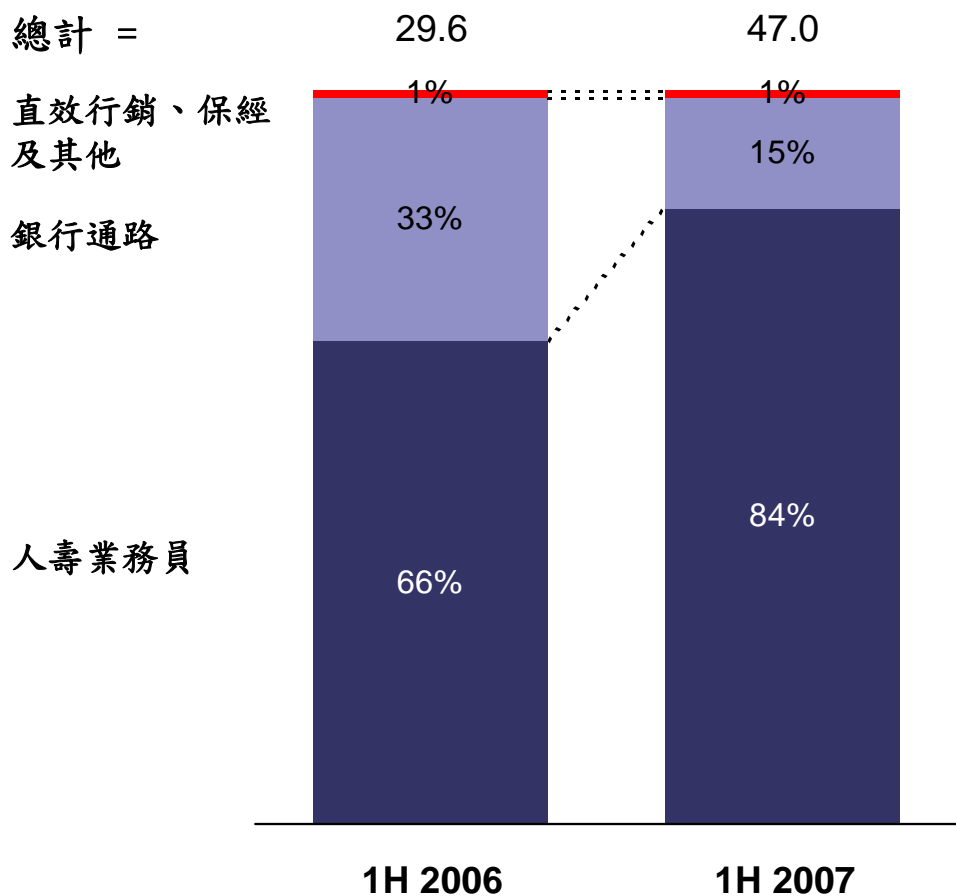


總結

- 總保費成長持續強勁，主要來自FYP成長
- 因投資型保單熱賣，非固定利率保險(如投資型及利變型商品)佔率達43%
- 傳統型及相關保單佔率為57%，大多來自續年度保費

人壽初年度保費－行銷通路

新台幣十億元



總結

- 業務隊伍佔率提高(適合推展傳統型及投資型等保單)，反應上半年以投資型商品銷售為主的保費結構
- 銀行保險通路仍以新光銀行為主，佔其初年度保費約70%

人壽初年度保費－繳費型態

新台幣十億元

1H 2007	躉繳	定期繳	彈性繳	總計
傳統型	0.09	5.02		5.11
投資型				
VUL (基金)			30.21	30.21
結構債商品	3.45			3.45
利變型				
年金	4.29		0.01	4.30
壽險			2.40	2.40
意外、健康及其他		1.49		1.49
總計	7.83	6.51	32.62	46.96

人壽- 隱含價值、精算價值與新契約價值

新台幣十億元

	2005.12	2006.12	成長率
調整後資產淨值(NAV)	84.6	100.3	18.6%
有效契約價值(VIF)	38.3	44.2	15.4%
資金成本(COC)	34.6	29.3	-15.3%
隱含價值(EV)	88.3	115.2	30.5%
1年新契約價值(VNB)	7.9	8.9	12.7%
精算價值(AV) - 5年新契約	113.3	143.0	26.2%
精算價值(AV) - 20年新契約	143.0	170.4	19.2%

人壽- 隱含價值

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

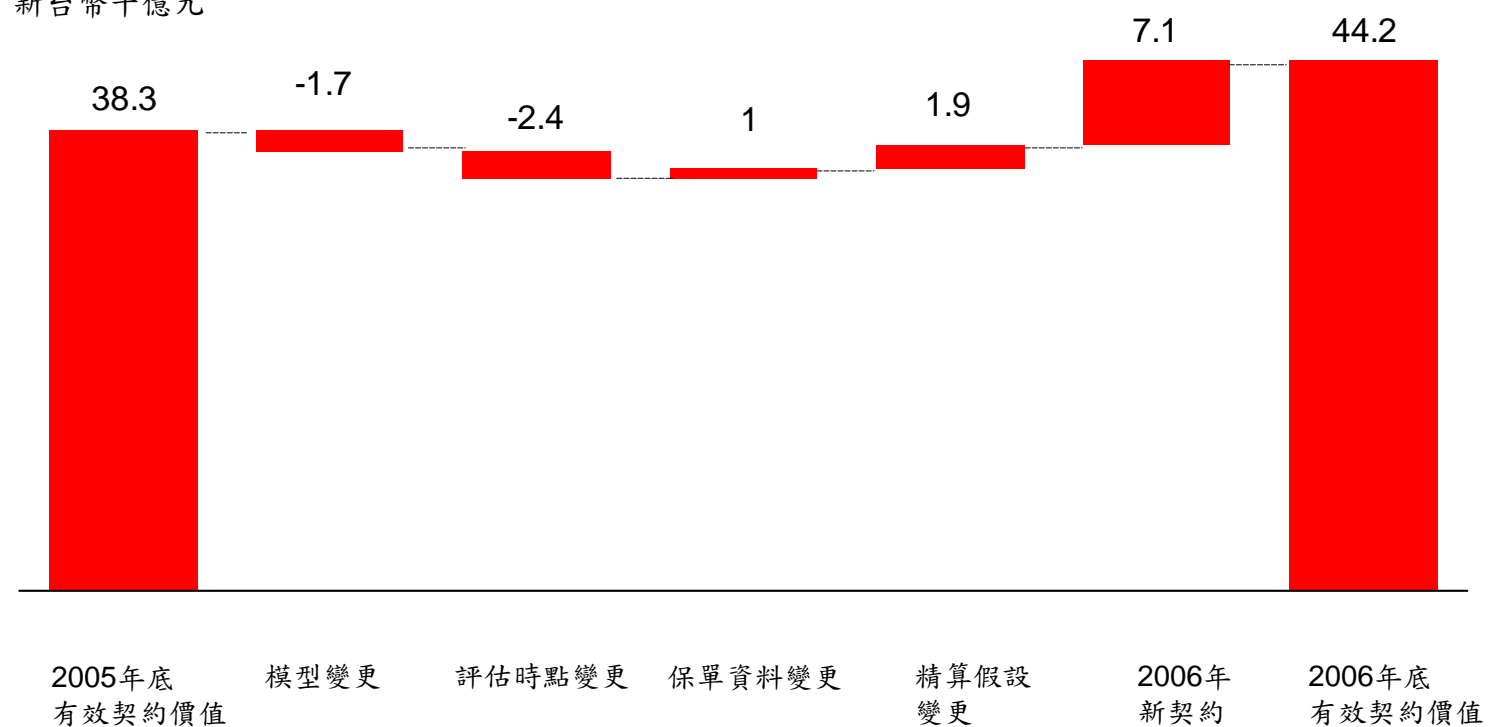
人壽- 精算價值

Unit: NT\$Bn Valn Date: 31 Dec, 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 4.8%	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

人壽-有效契約價值變動分析

2005年與2006年的變化差異

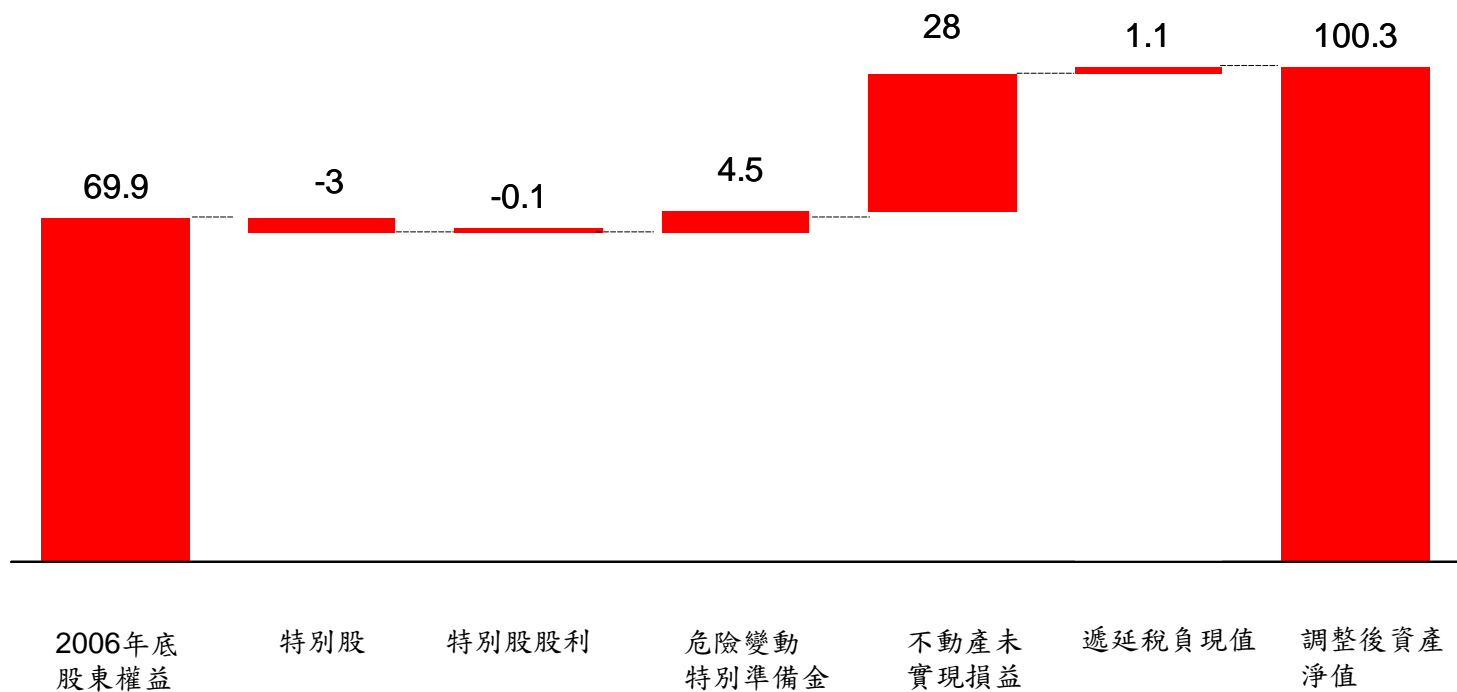
新台幣十億元



人壽- 資產淨值的調整

股東權益調整項目

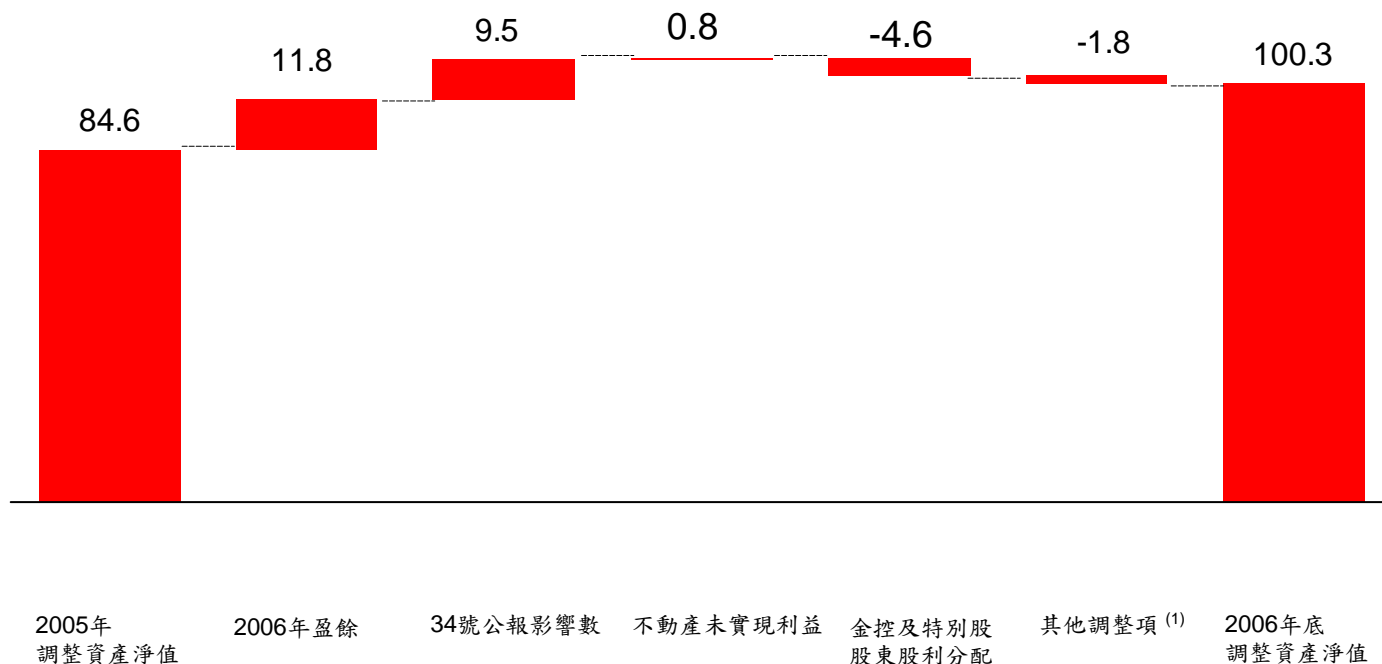
新台幣十億元



人壽- 資產淨值的調整

2005年與2006年的變化差異

單位:十億元



Note:

(1) 包括特別股股利、危險變動特別金準備、遞延稅負現值等項目。

人壽- 不動產證券化

- 創造持續性的管理費收入
- 具有稅賦優惠
- 實現資本利得
- 增進穩定的獲利

	CMBS#1	CMBS#2	REIT#1	CMBS#3
發行日	01/10/05	06/22/05	12/26/05	02/08/07
發行總額	\$28 億	\$31 億	\$113 億	\$14 億
自留	56% ⁽¹⁾	46% ⁽¹⁾	20%	40% ⁽¹⁾
持有資產	1棟辦公大樓	1棟辦公大樓	2棟辦公大樓, 1棟百貨大樓, 1棟商務型住宅	3棟辦公大樓
類型	債券型 (@2.85%) ⁽²⁾	債券型 (@2.69%) ⁽²⁾	股權型	債券型 (@2.25%) ⁽²⁾
年期	5年	7年	不適用	5年
資本利得	\$7.9 億	\$7.3 億	\$35 億 ⁽³⁾	\$5.7 億 ⁽⁴⁾

註：

- (1) 保留CMBS股權的部份, 如此一來可以有效維持經濟效益及增加持有的潛在獲利
- (2) 加權平均成本
- (3) 當資產移轉完成後於2006年1月入帳
- (4) 分四年認列入帳

Website : www.skfh.com.tw

E-mail : ir@skfh.com.tw

Confidential



Shin Kong Financial Holding

Citi Taiwan Investor Conference 2007

October 12, Taipei

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

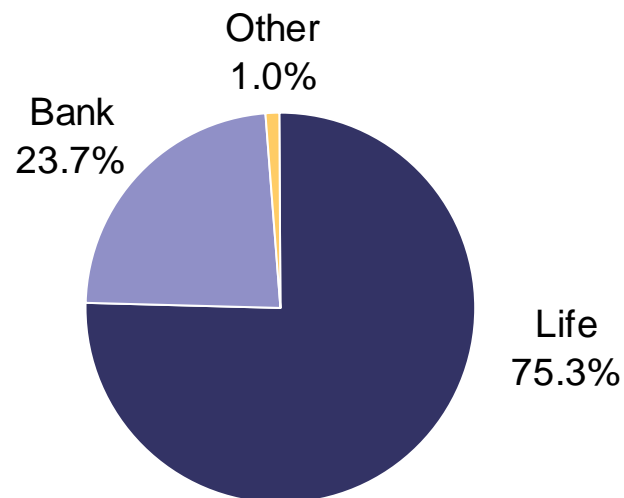
Who We Are

- 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

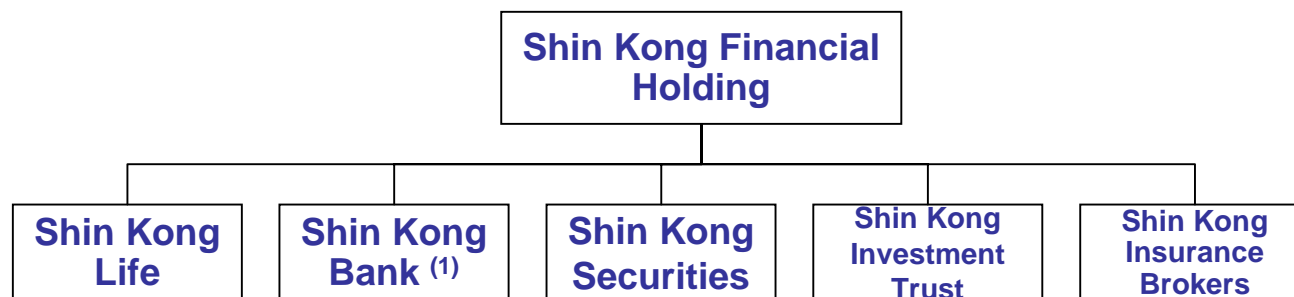


Note:

(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
- Managing Director, Life Insurance Association of Taiwan (R.O.C.)
- Chairman, Life Insurance Management Institute of Taiwan (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

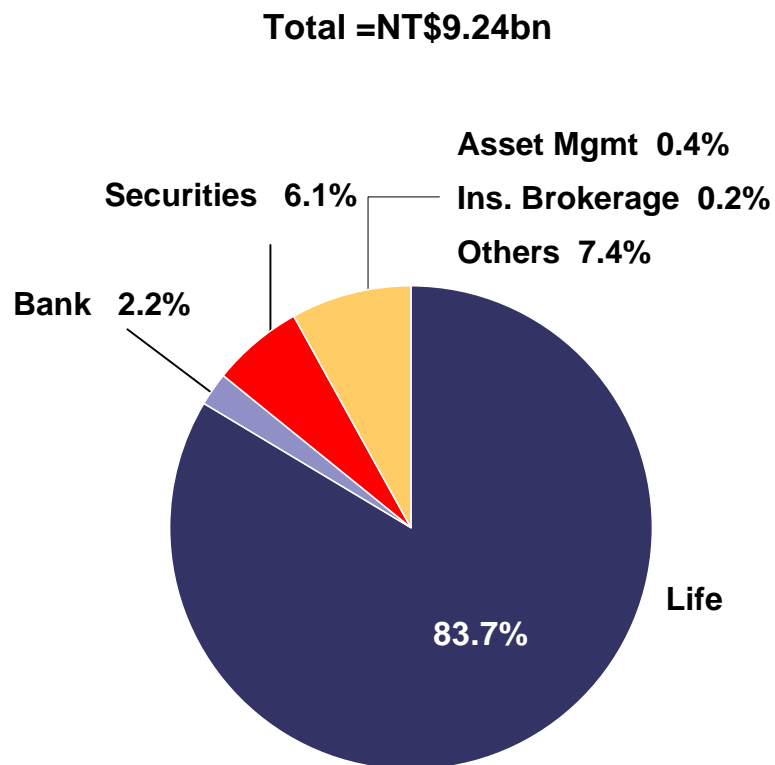
- Spokesperson and Deputy spokesperson appointed
- Upload information to public information website regularly
- Dedicated IR team established to respond to investor questions
- Quarterly result meeting to update media / investors on operational performance

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

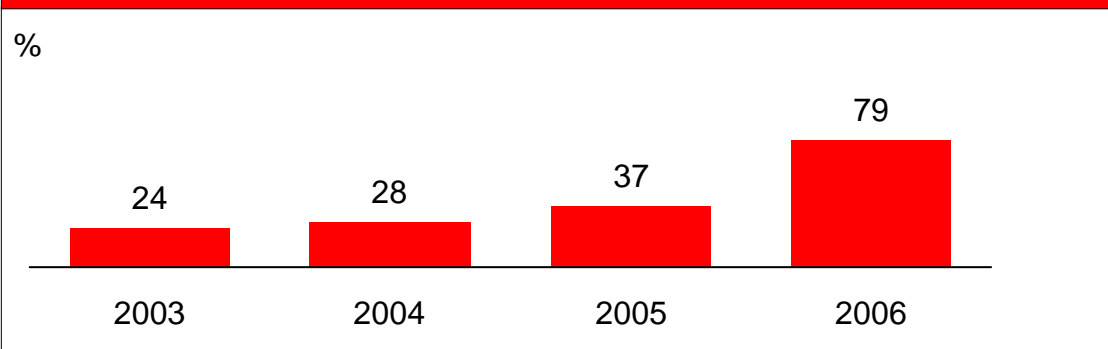
<u>Subsidiaries</u>	<u>1H 2007</u>	<u>1H 2006</u>
Shin Kong Life ⁽¹⁾	7.7	7.9
Shin Kong Bank	0.2	-2.2
Shin Kong Securities	0.56	-0.02
Shin Kong Investment Trust	0.04	-
Shin Kong Insurance Brokers	0.02	0.03
FHC and tax	0.72	0.37
Net income	9.24	6.08

Note:

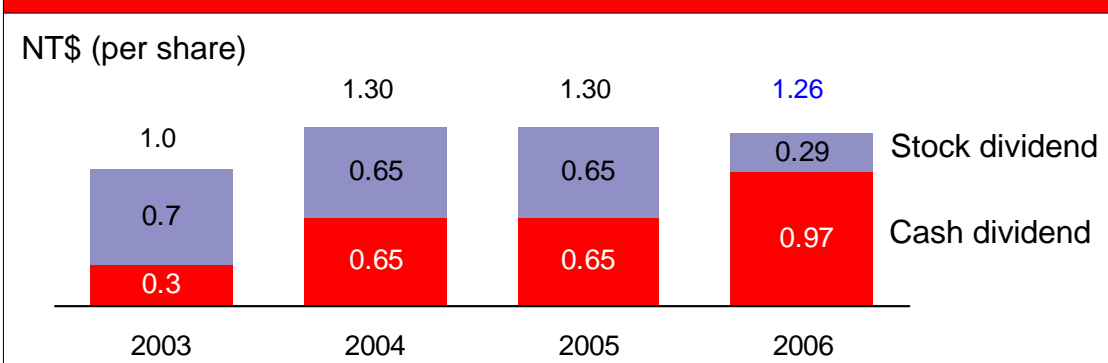
(1) Excludes minority interest income

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

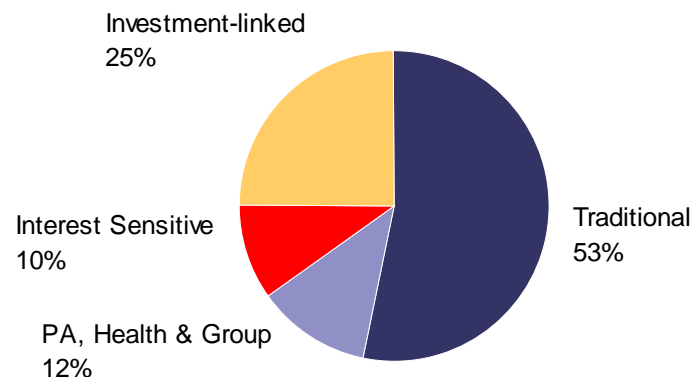
Shin Kong Life

- 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



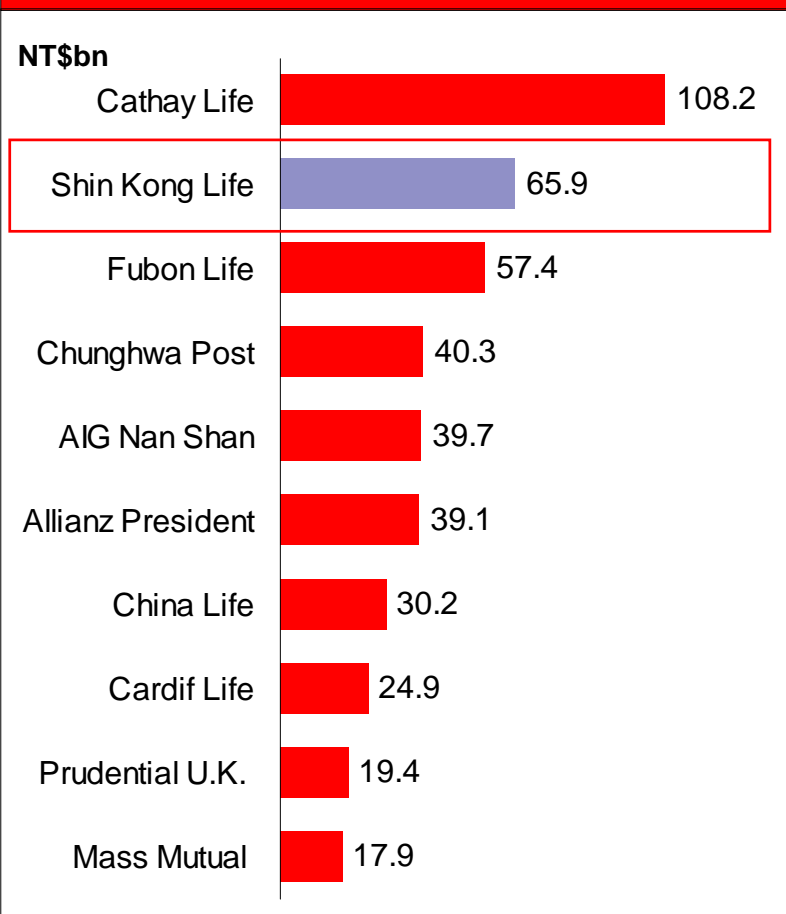
Total Premium Written: NT\$181.5 bn

Note:

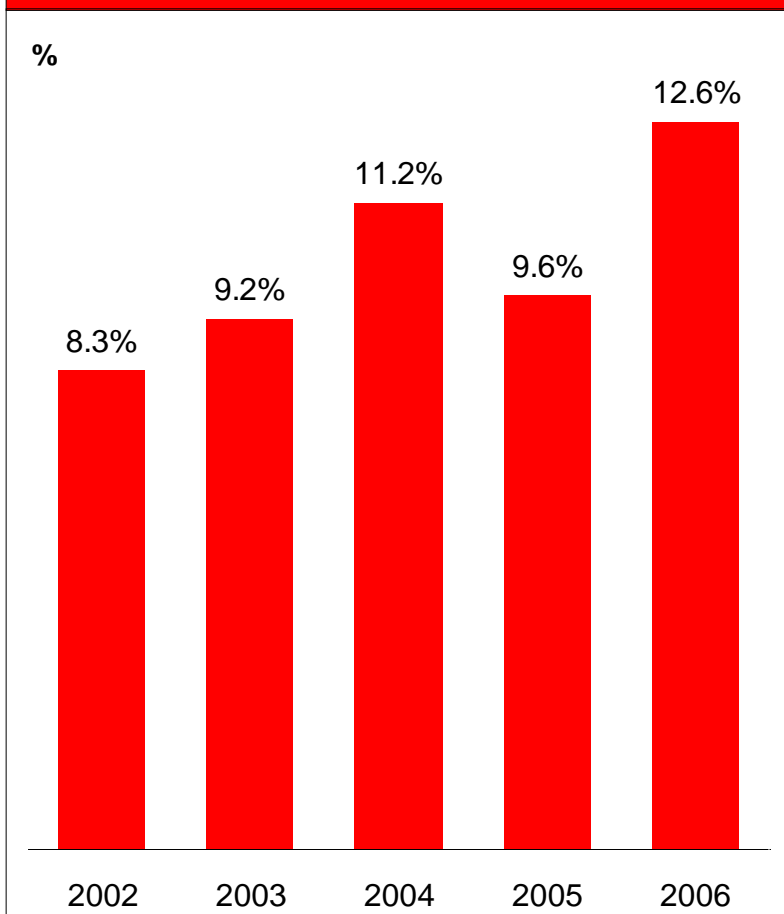
(1) Excludes preferred shares

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

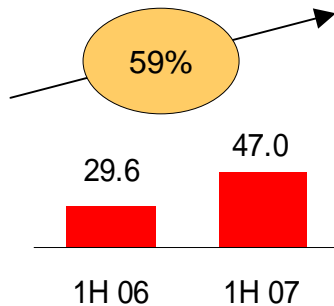
SKL – 1H 2007 Overview

- 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%

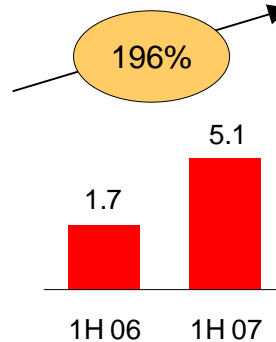
First Year Premium – 1H 2007

NT\$bn

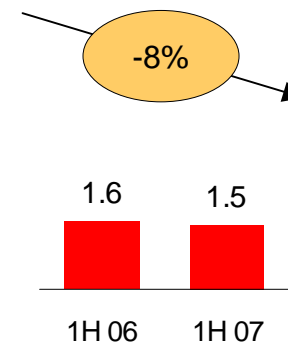
Market share 12.9%



Traditional



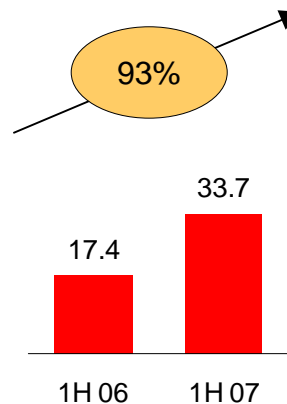
PA, Health and Group



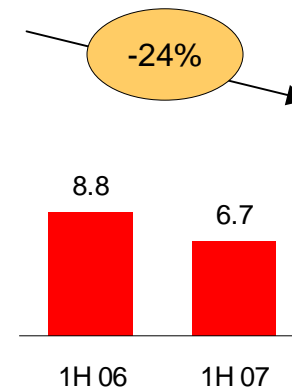
Comments

- 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

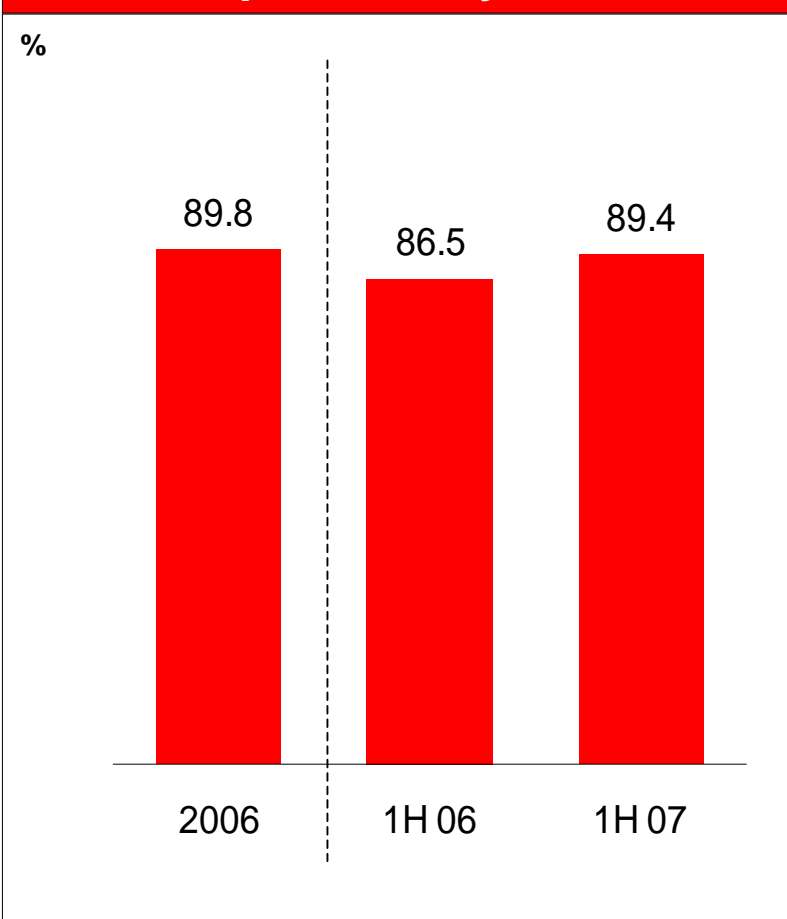


Interest-sensitive

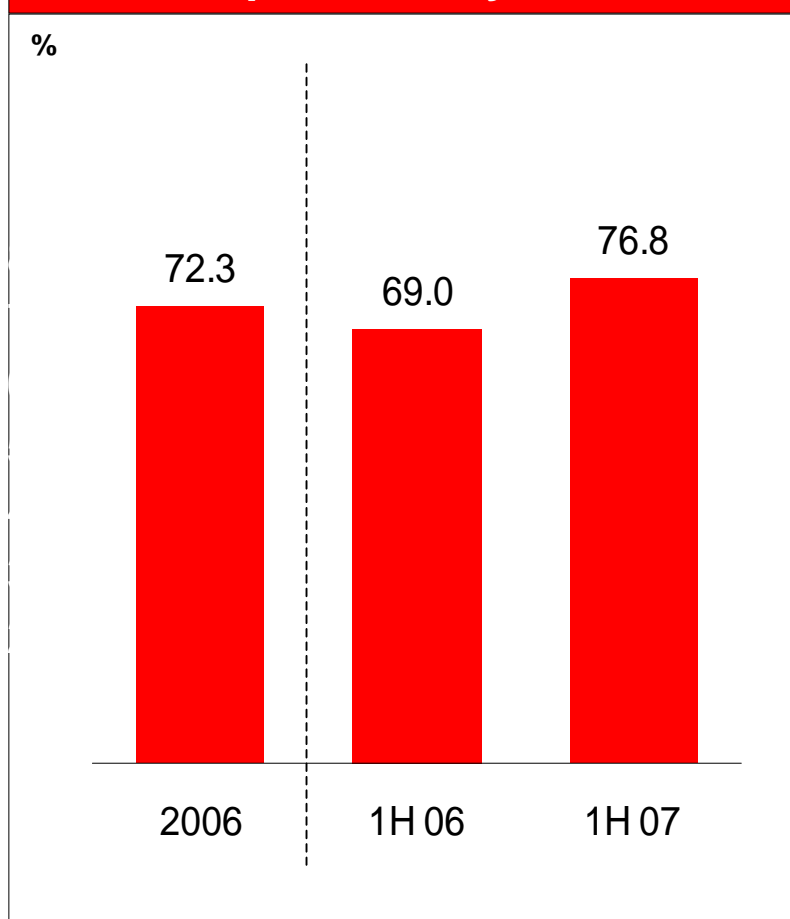


Persistency Ratio

13 month persistency

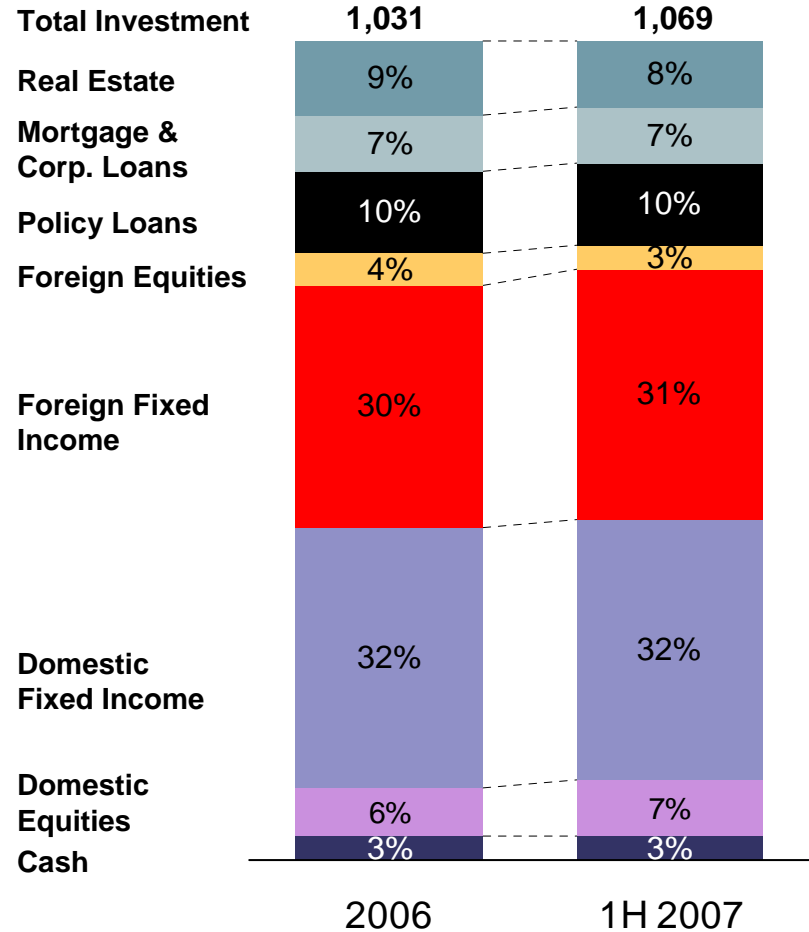
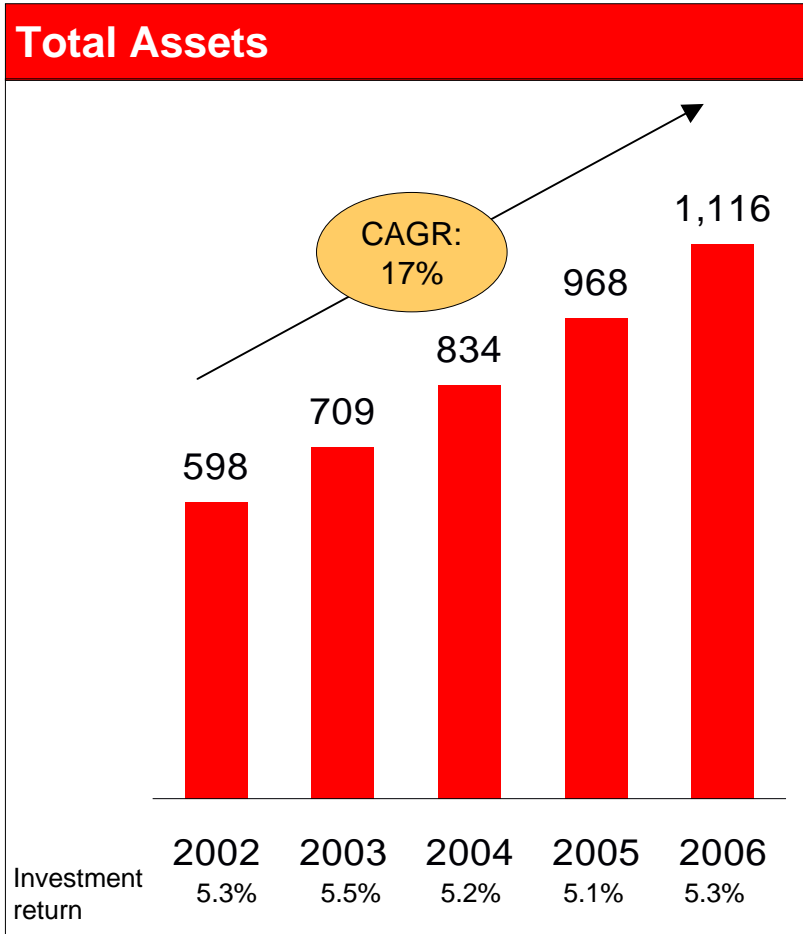


25 month persistency



Investment Portfolio

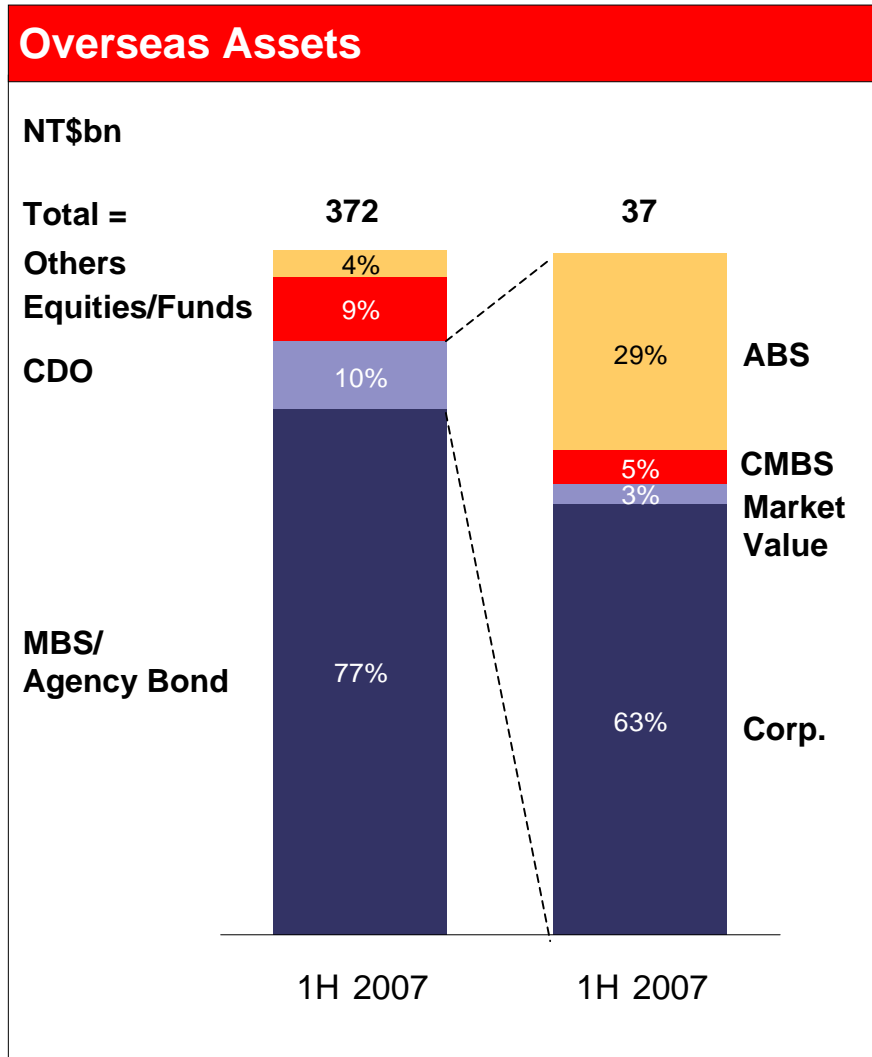
NT\$bn



Note:

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

Overseas Assets – Prudent Credit Exposure



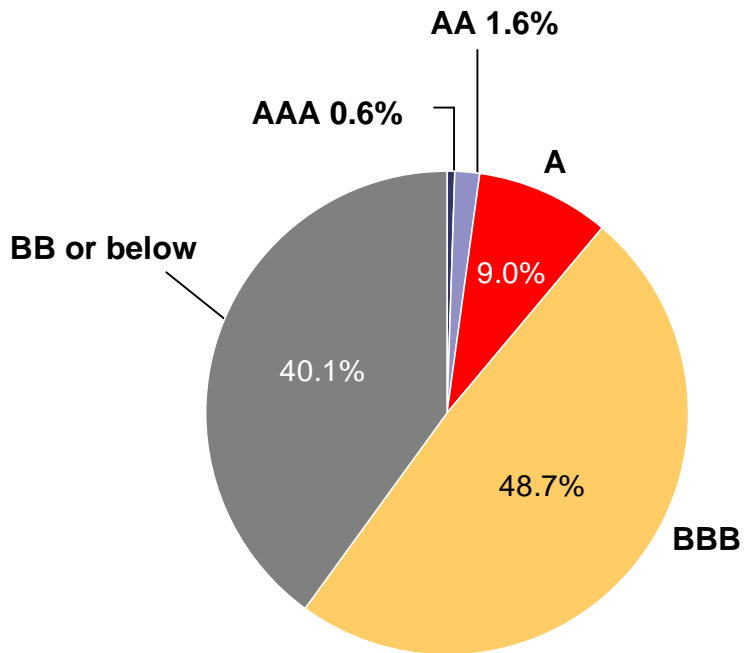
Comments

- 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

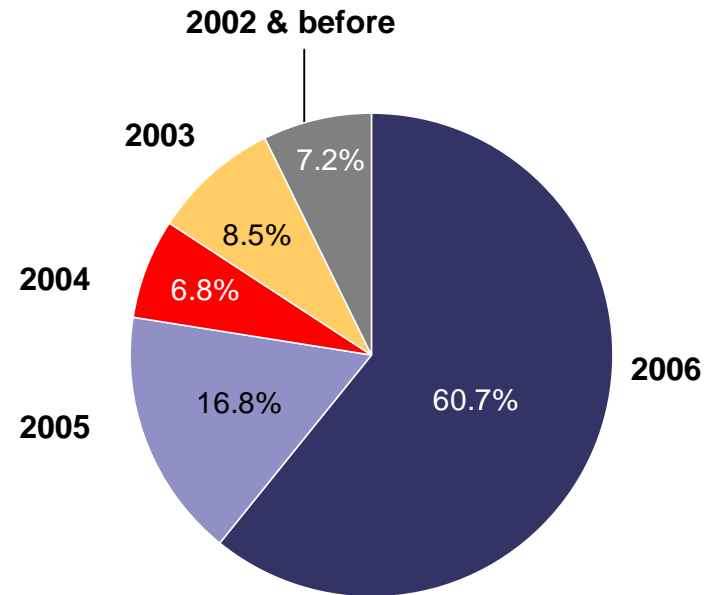
Market Downgrades of Subprime RMBS (May~July 07)

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

Rating distribution



Vintage distribution



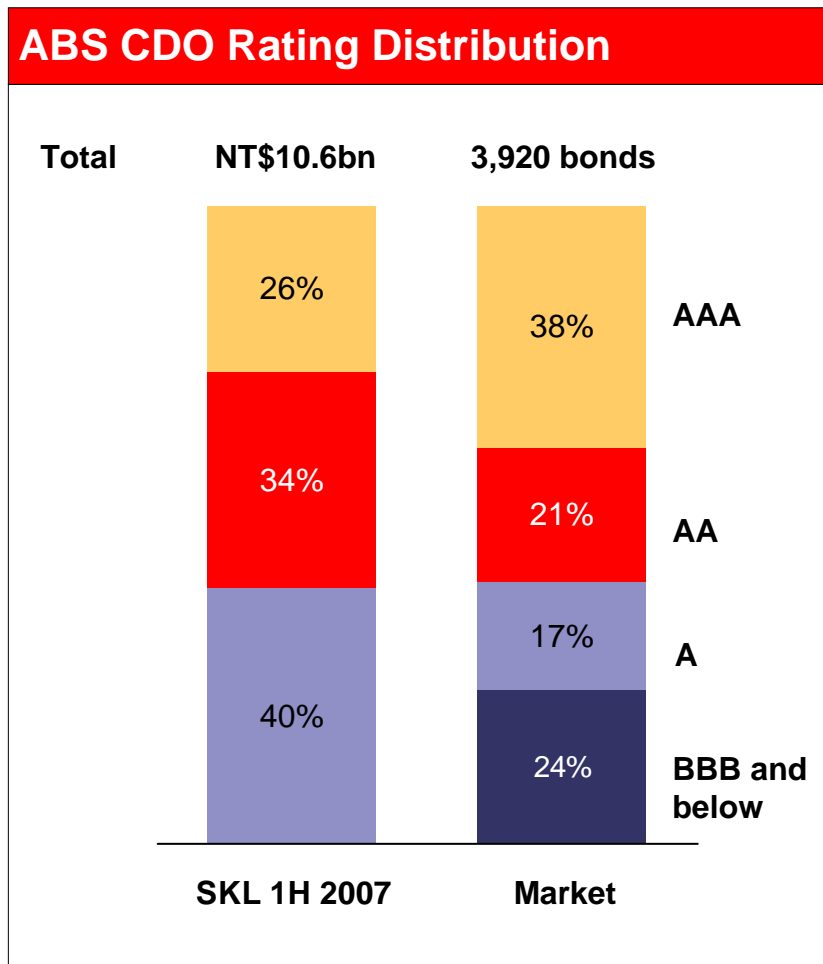
Note:

(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

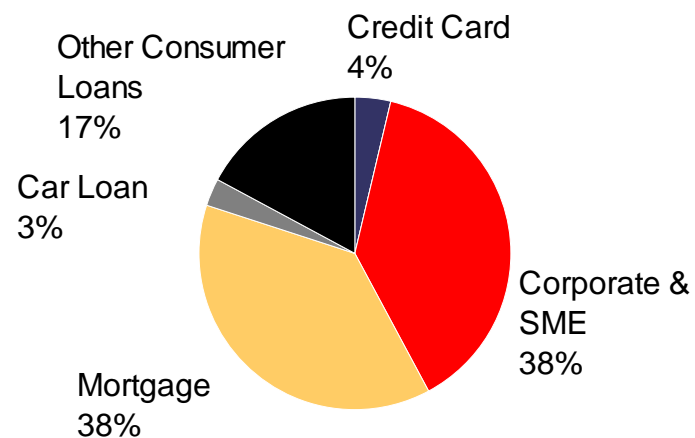
Shin Kong Bank

- 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

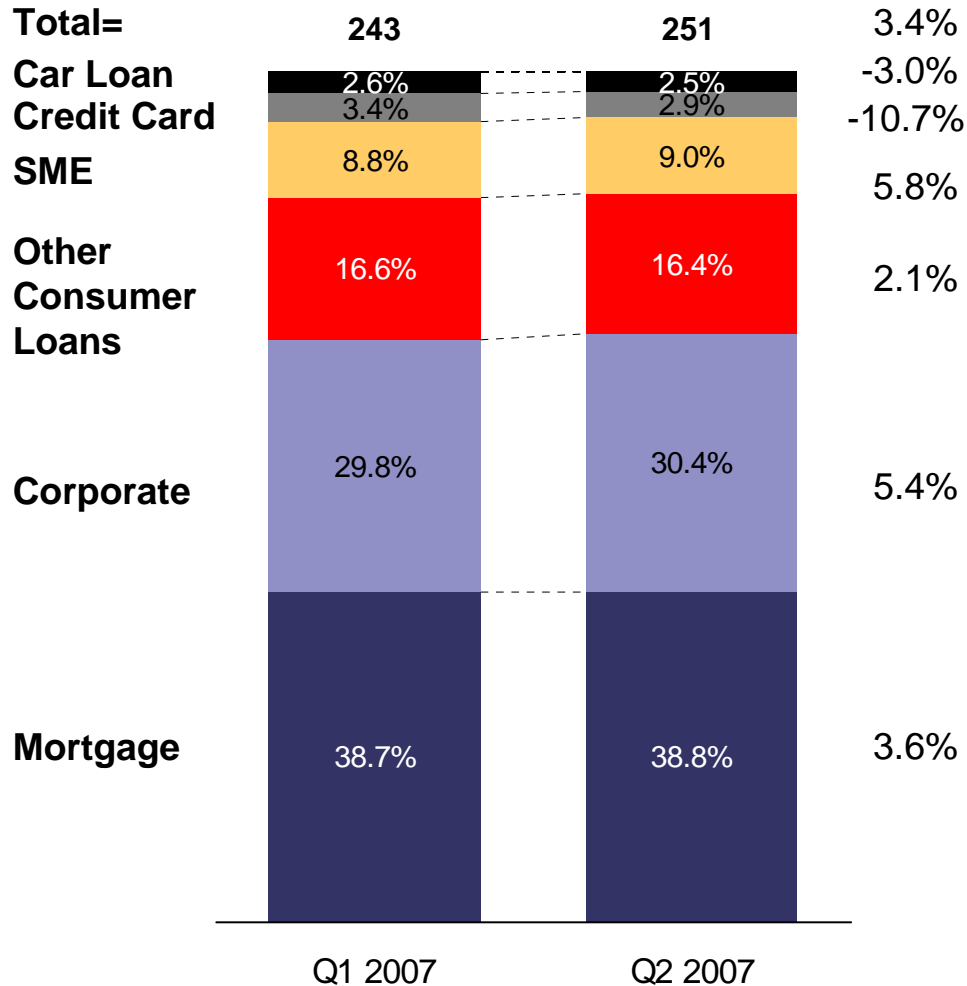
SKB – 1H 2007 Overview

- 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

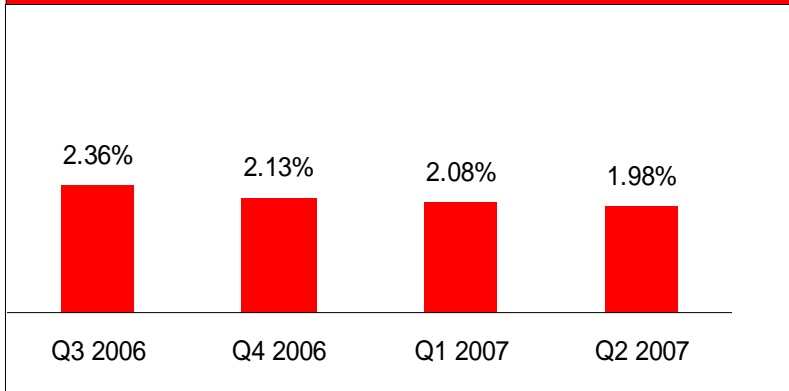
- Achieved stable loan growth in Q2 despite stringent policies on credit and pricing
- Low growth in mortgage due to tight control over properties for investment purpose and at non-core locations. ~40% of new business comes from Greater Taipei area
- L/D ratio remained high at 82%

Note:

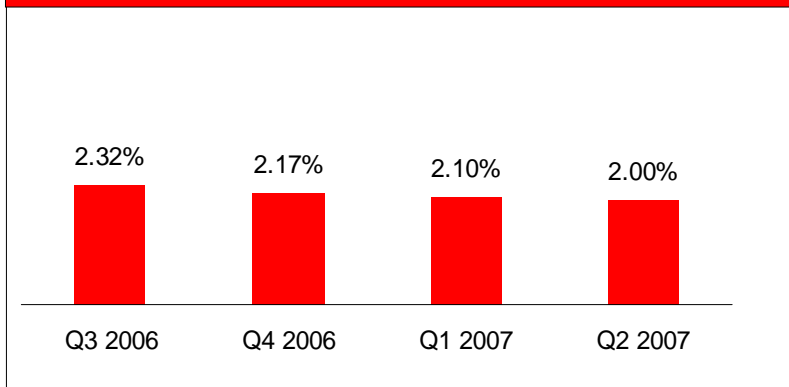
(1) Due to rounding, loan mix figures may not add up to 100%

Interest Yield

Net Interest Margin



Net Interest Spread

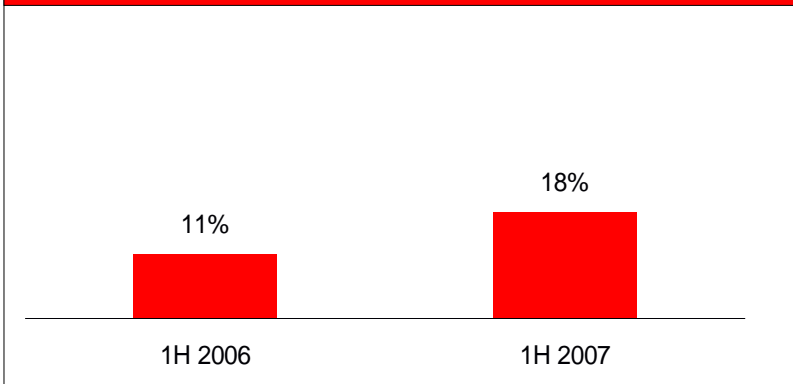


Comments

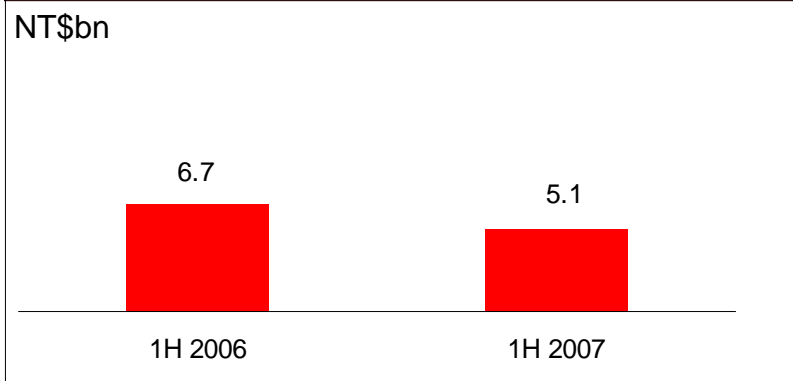
- Lending rates fail to move up with short-term rate hikes, leading to lower interest margin
- New mortgage rate continued to improve, up 15 bps in Q2
- Interest margin remains under pressure but will stabilize as lending rates move up in Q3

Fee Income

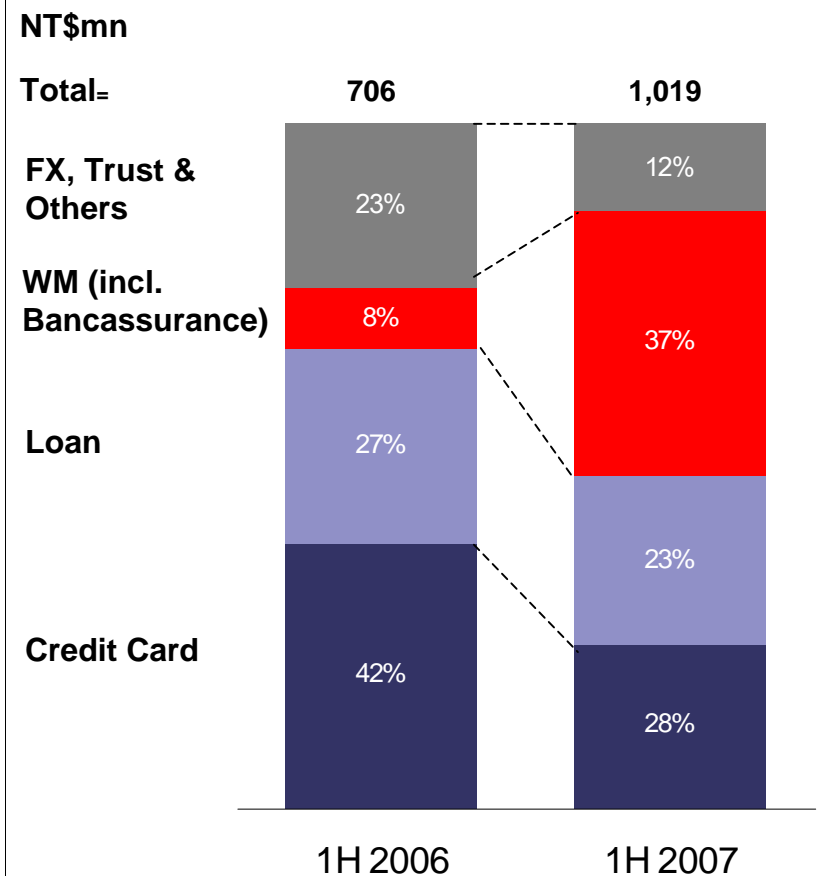
Net Fee Income / Total Income



Bancassurance (SKL) - FYP



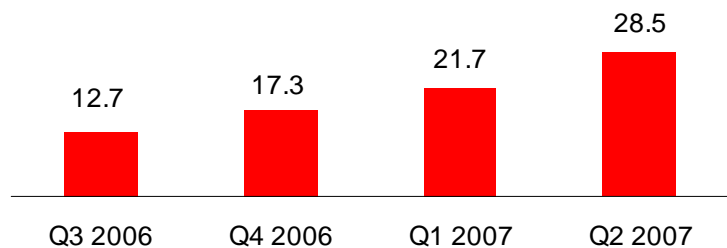
Fee Income Breakdown



Wealth Management

AUM

NT\$bn

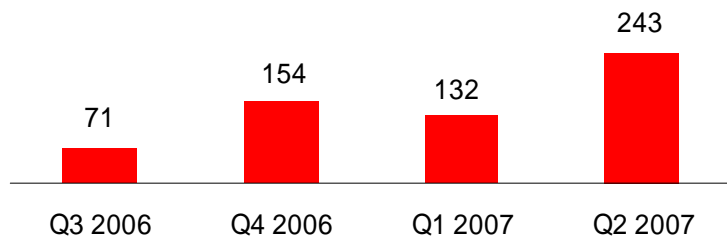


Wealth Management Center



WM Fee Income

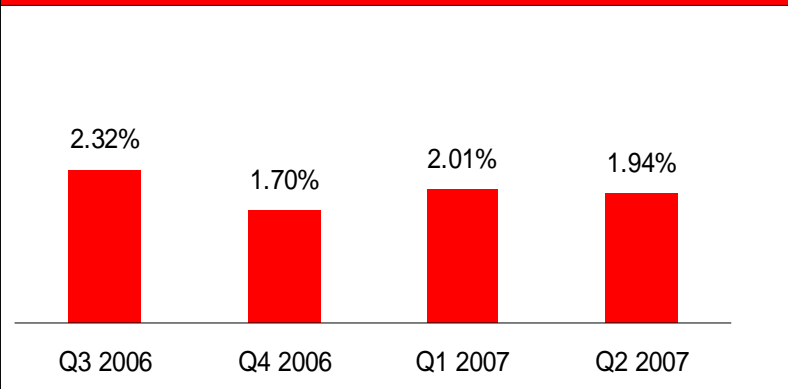
NT\$m



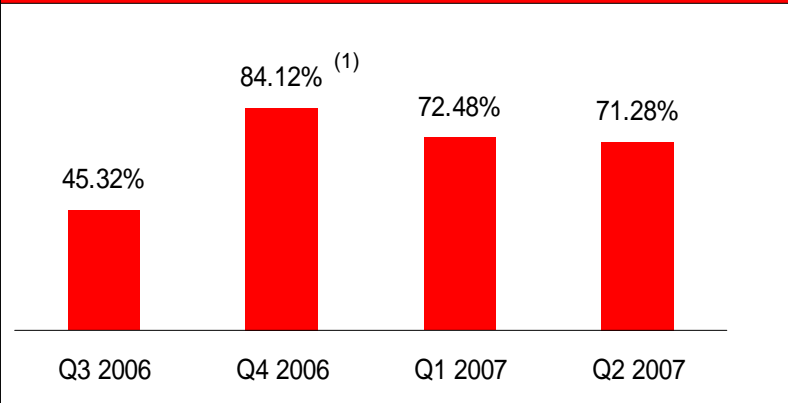
- Significant progress in wealth management
 - WM accounted for 37% of total fee income, up from 8% in 1H 06
 - Fee income and AUM expanded by 84% and 31% respectively compared to Q1 07
 - Sales force increased to ~220 AOs; reached critical scale to provide more comprehensive and tailor-made products

Asset Quality

NPL Ratio



Coverage Ratio



Comments

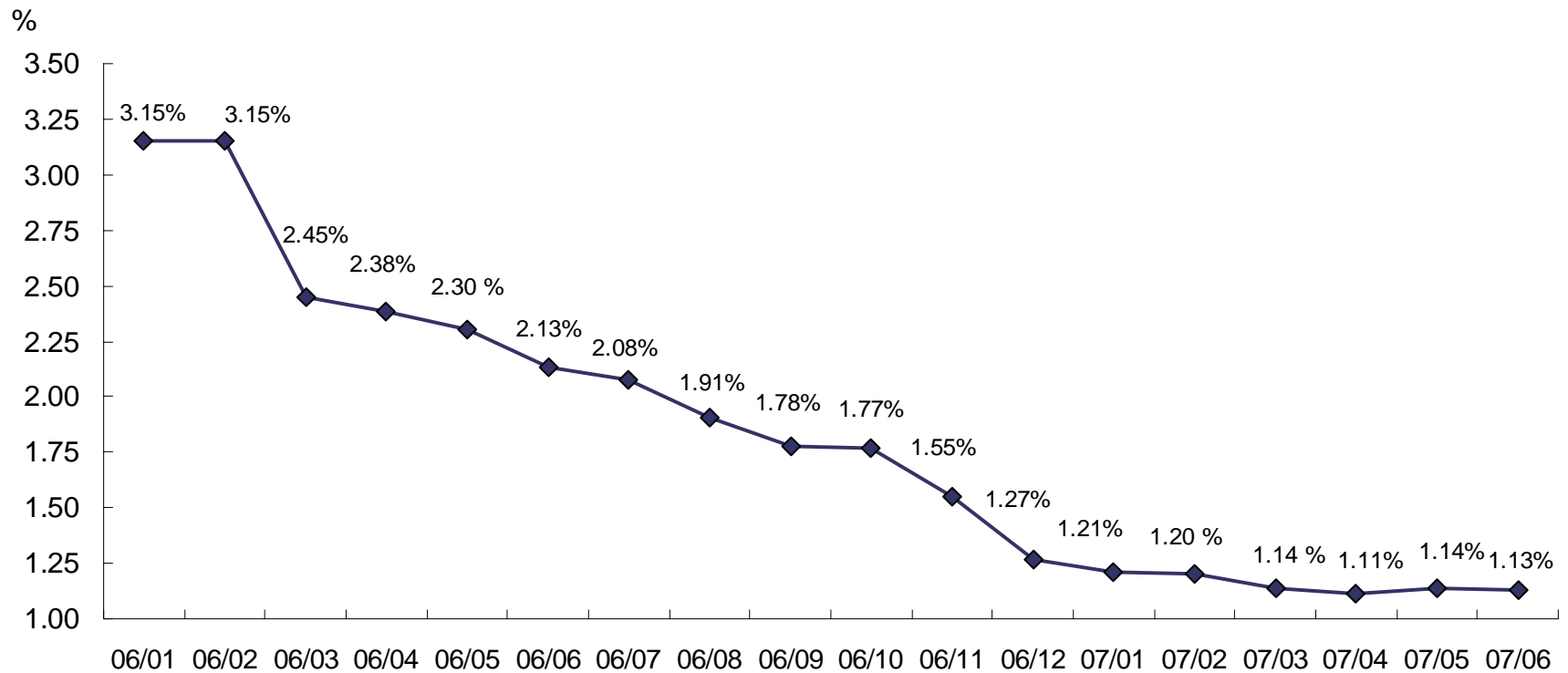
- Overall loan quality remained good in Q2
- NPL controlled at ~2%; NPL of mortgage improved to 1.13% from 1.14% in Q1
- Coverage ratio slightly lower than Q1 but remained at a high level
- Cumulative repayment rate of DRP at 74.52%, in line with Company expectation; no impact from passage of CDSA observed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

Note:

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

NPL Ratio for Mortgage Loan

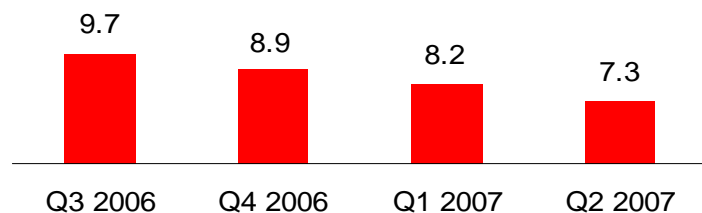
3-month NPL Ratio



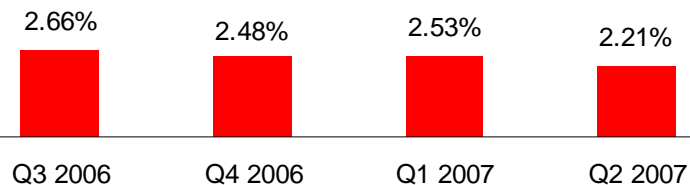
Credit Cards Metrics

Revolving Balance

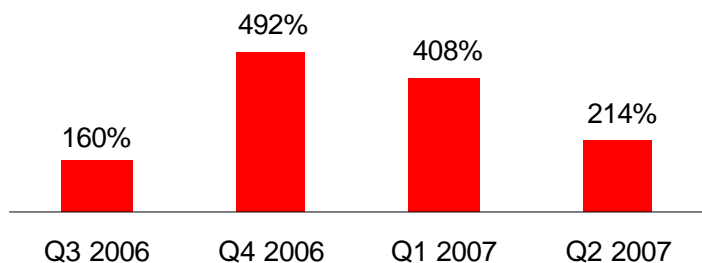
NT\$bn



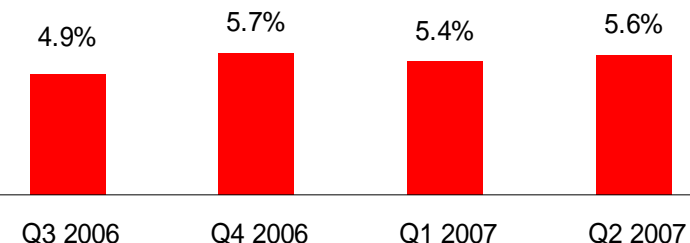
90-day NPL



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

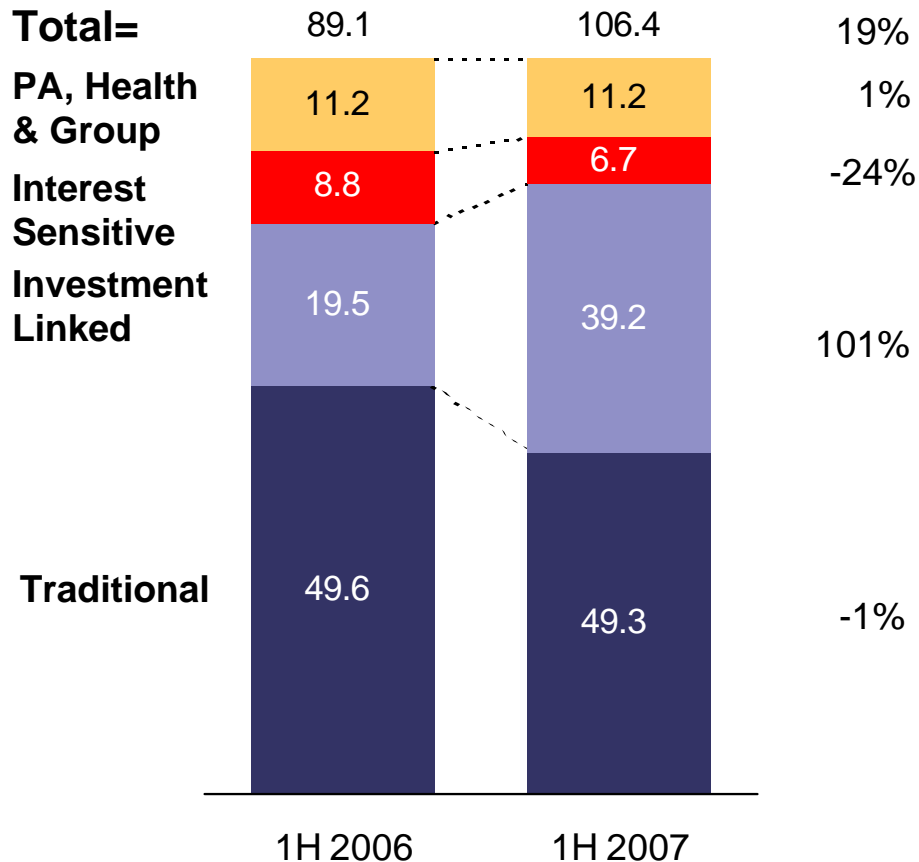
- SKL Premium
- SKL EV & AV Result
- SKL Real Estate Securitization

SKL - Total Premium – 1H 2007

NT\$bn

Market Share = 11.6%

Growth

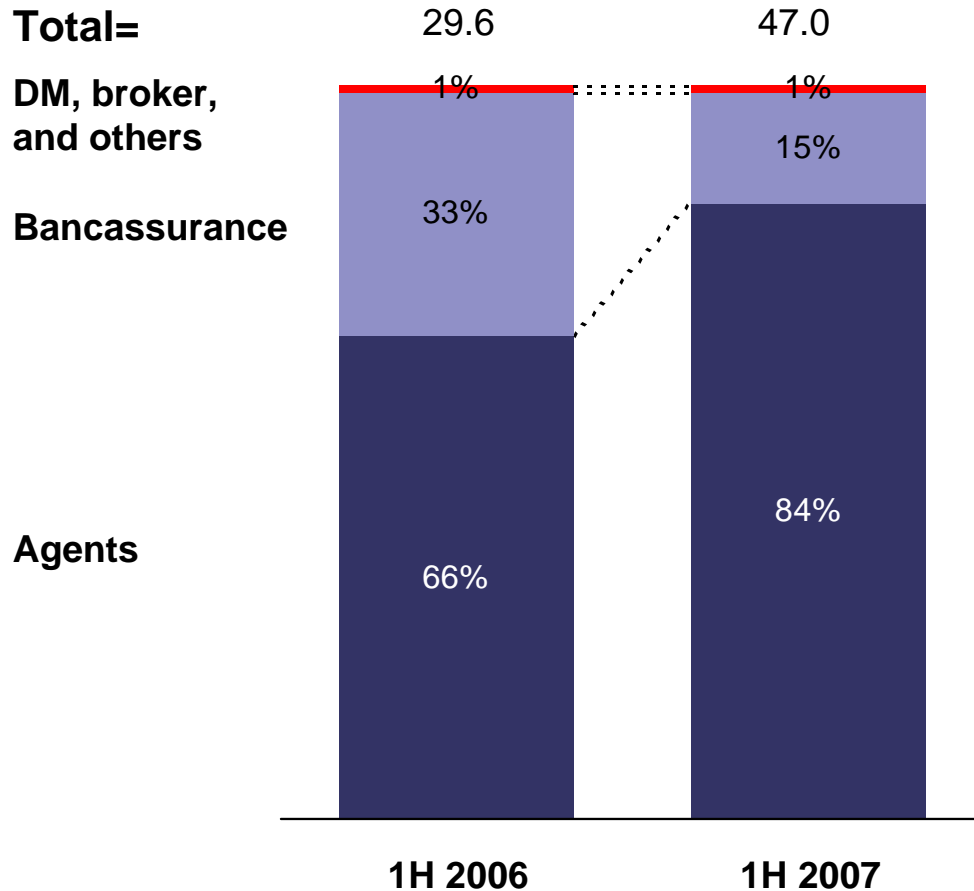


Comments

- 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

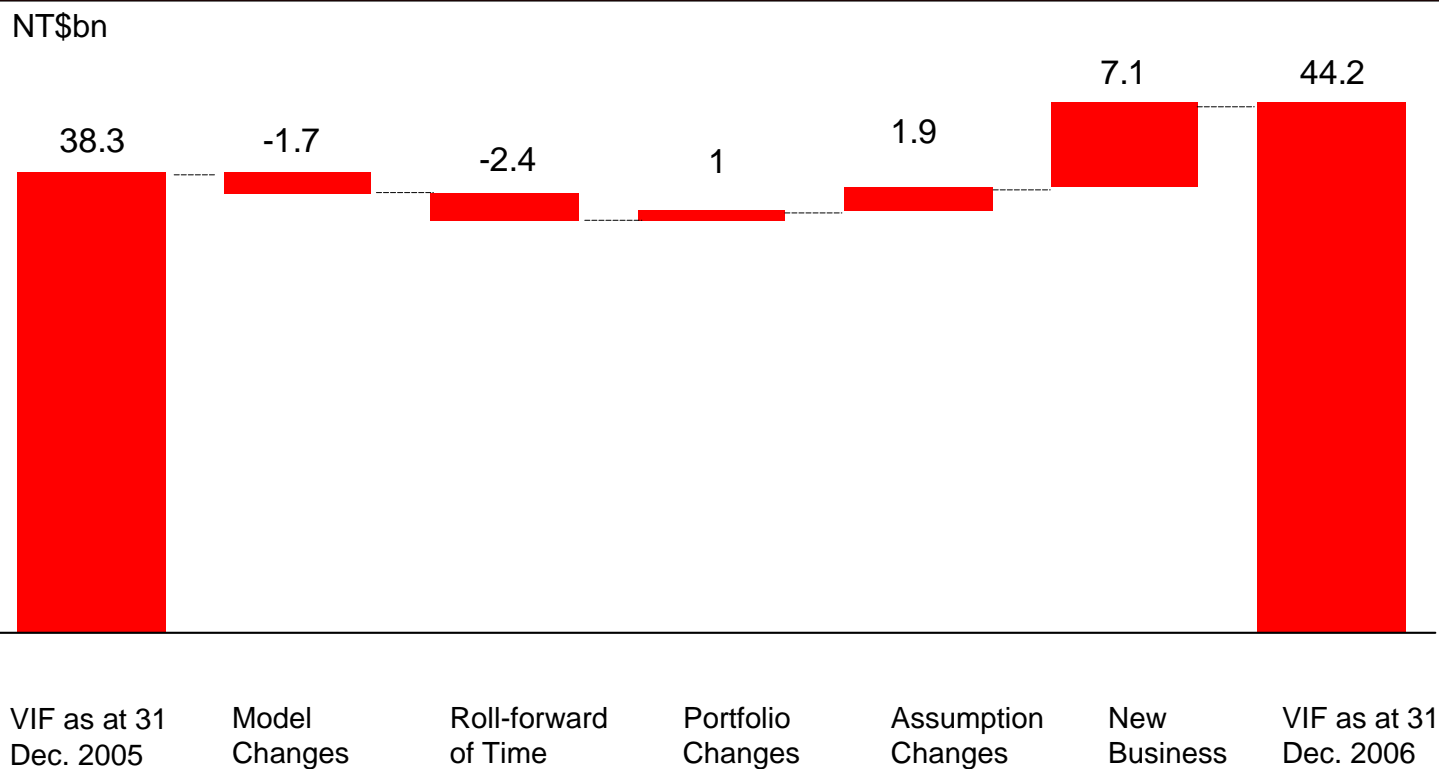
Unit: NTD bn Valn Date: 31 December 2006 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except:		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except:	
	Inv Return 4.80%	Inv Return 5.30%		RDR 10.90%	RDR 12.90%
Net Worth	100.3	100.3	100.3	100.3	100.3
VIF	20.5	65.0	44.2	48.1	41.0
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

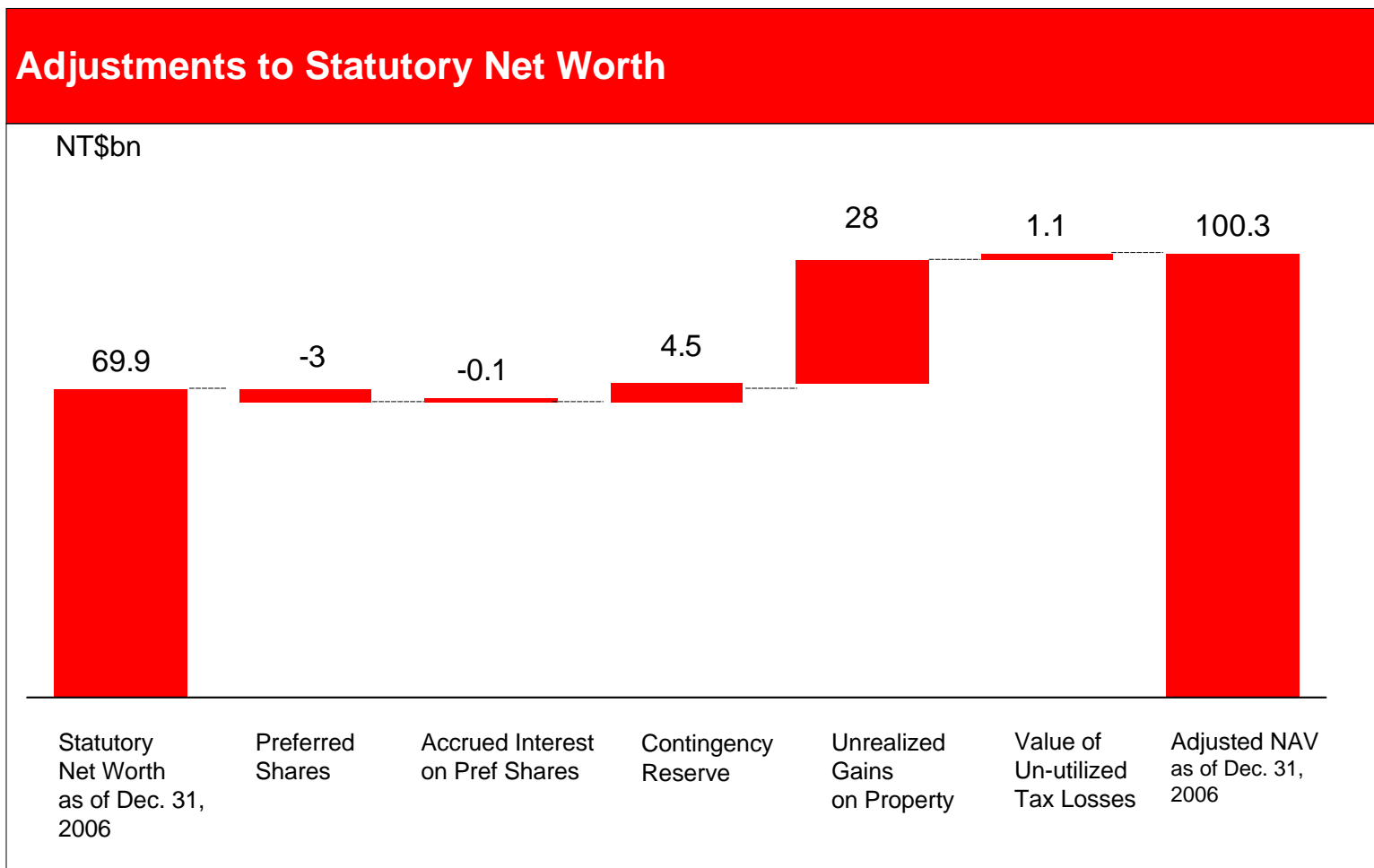
Unit: NT\$bn Valn Date: 31 Dec, 06 Solvency Basis: 200% RBC			Base Case Scenario		
	All else equal except		Inv Return 5.05% p.a. RDR 11.90% p.a.	All else equal except	
	Inv Return 4.8%	Inv Return 5.3%		RDR 10.90%	RDR 12.90%
Net Worth	100.3	100.3	100.3	100.3	100.3
VIF	20.5	65.0	44.2	48.1	41.0
Cost of 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**

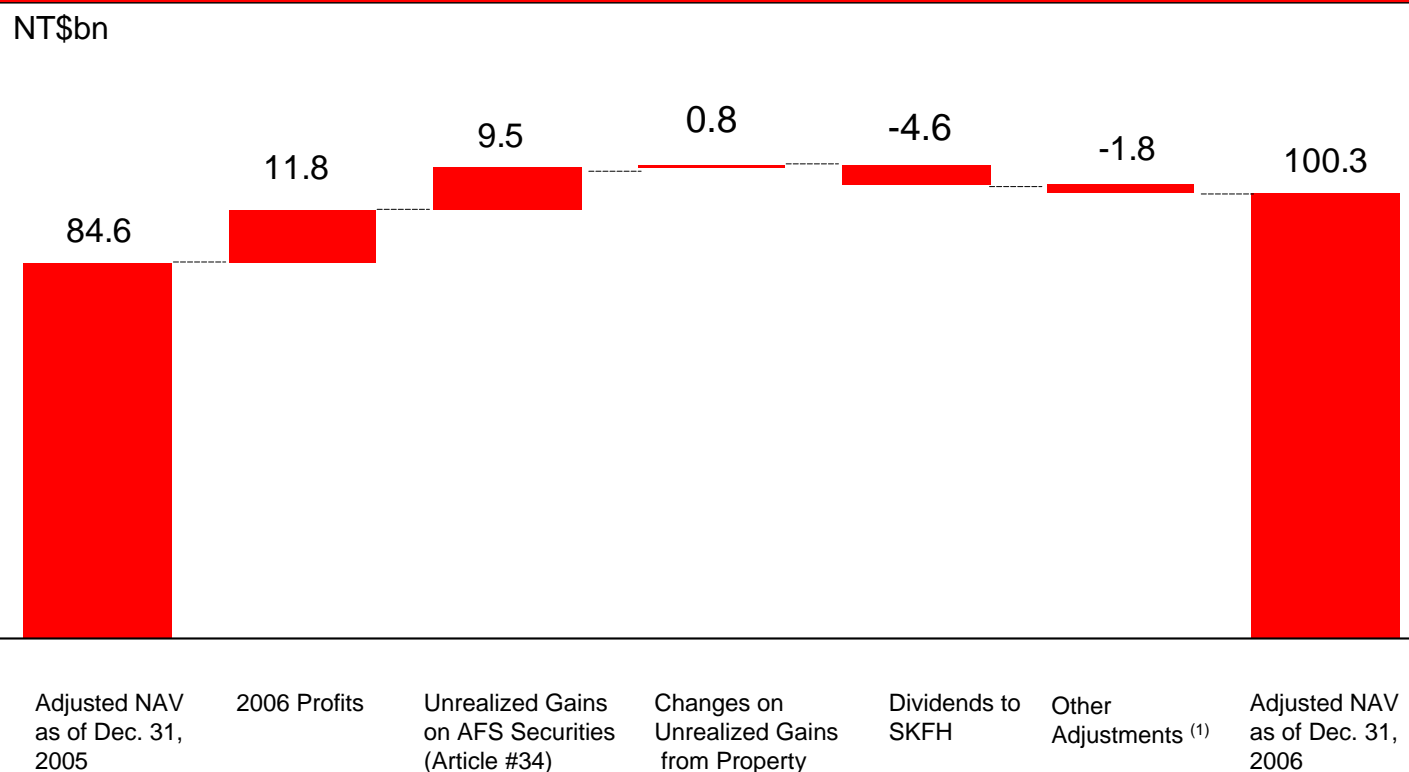


SKL – Adjusted NAV



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