

Confidential



**Shin Kong Financial Holding**

Update on Strategic Partnership

October 21, 2008

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

# Transaction Summary/Update

Strategic Investor	Dai-ichi Life Insurance Company	
Transaction	<ol style="list-style-type: none"> <li>1. Total capital raised will be NT\$8bn (through private placements)</li> <li>2. Dai-ichi Life will invest in SKFH common shares up to 14.9% of shares outstanding (including its existing shareholding about 6%)</li> <li>3. If the investment in SKFH common shares is less than NT\$8bn, residual amount will be invested in preferred shares of SKL</li> </ol>	
Issuer	SKFH	SKL
Type of Capital	Common Shares	Preferred Shares
Purchase price	Market Price (3 month average prior to pricing day)	Face Value
Other Relevant Terms	N.A.	<ol style="list-style-type: none"> <li>1. 7 years tenure callable after 5</li> <li>2. 8% coupon (tentative) cumulative</li> </ol>
Required Approvals	<ol style="list-style-type: none"> <li>1. Board of Directors</li> <li>2. Special General Shareholders Meeting (October 31, 2008)</li> <li>3. Other relevant authorities</li> </ol>	<ol style="list-style-type: none"> <li>1. Board/ Shareholders meetings at SKL level</li> <li>2. Other relevant authorities</li> </ol>

# Impact on Financial Ratios

%	Before (2008/06/30)	After	
		Issue sub-debt NT\$4.7bn and inject into SKL	Issue sub-debt NT\$4.7bn, capital raising NT\$8bn and inject into SKL (including issuance of SKL preferred shares)
Life RBC	222	246	286
FHC CAR	94	101	114
Debt/Equity	26	32	29~30
DLR	117	124	122
Dilution(EPS)	-	-	<9%

- Improve FHC CAR and LIFE RBC significantly
- Help lower overall debt/equity ratio
- Limited dilution of up to ~9%