

DISCLOSURES REQUIRED BY BUREAU OF MONETARY AFFAIRS

Disclosures regulated in directives No. 89760330 and No. 89764532 issued by Bureau of Monetary Affairs are as follows:

1.

BALANCE SHEET

December 31, 2002

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Amount		Amount
Assets		Liabilities	
Cash, due from banks and due from Central Bank	\$ 87,723,230	Call loans and due to banks	\$ 52,070,588
Securities purchased - net	24,551,850	Deposits and remittances	235,996,703
Loans, discounts and bills purchased - net	185,603,909	Other	17,639,442
Long-term equity investments	8,817,462	Total liabilities	305,706,733
Net properties	4,793,116		
Non-performing loans - net	1,465,048	Stockholders' equity	
Collateral assumed	380,460	Capital stock	19,443,975
Other	17,367,332	Capital surplus	125,208
		Retained Earnings	5,526,647
		Equity adjustments	(100,156)
Total assets	\$330,702,407	Total liabilities and stockholders' equity	\$330,702,407

	Amount
Contingencies and commitments:	
Irrevocable loan commitments	\$ 1,193,526
Securities sold under agreements to repurchase	12,590,329
Guarantees provided	7,264,836
Securities purchased under agreements to resell	284,014
Unused credit lines of issued letters of credit	2,490,961
Forward contracts	45,758,538
Trust assets	40,808,630
Notional amounts of interest rate related derivative financial instruments (interest rate swaps, options, futures and forward contracts)	174,657,231

Notional amounts of foreign exchange related derivative financial instruments (currency swaps, options, futures and forward contracts)	157,242,135
Equity and commodity related derivative financial instruments	-

2.

STATEMENT OF INCOME
For the Year Ended December 31, 2002
(Amounts Expressed in Thousands of New Taiwan Dollars)

	Amount
OPERATING REVENUES	
Interest	\$11,820,136
Income from short-term bills (Note 1)	1,270,505
Income from bonds, stocks and beneficiary certificates - net (Note 2)	201,395
Service fees	954,605
Other	898,108
Total Operating Revenues	15,144,749
OPERATING EXPENSES	
Interest	6,747,246
Provision for trading and credit losses	1,213,955
Operating and administrative expenses	4,394,121
Other	138,843
Total Operating Expenses	12,494,165
OPERATING INCOME	2,650,584
NON-OPERATING INCOME	165,472
NON-OPERATING EXPENSES	55,663
INCOME BEFORE INCOME TAX	2,760,393
INCOME TAX	505,344
NET INCOME	2,255,049

Note 1: Net amount of income and loss from short-term bills. As of December 31,

2002, no allowance for market value decline was provided.

Note 2: Net amount of income and loss from bonds, stocks and beneficiary certificates.
As of December 31, 2002, no allowance for market value decline was provided.

3. Significant financial and operating profile

a. Capital adequacy ratio

Item Year	December 31, 2002	December 31, 2001
Capital adequacy ratio (Note)	12.85%	14.37%
Liability to net worth ratio	1,223.04%	1,093.88%

Note: Capital adequacy ratio = Eligible capital/Risk-based assets

b. Assets quality

(In Thousands of New Taiwan Dollars, %)

Item Year	December 31, 2002	December 31, 2001
Overdue loans (including non-performing loans)	\$3,798,045	\$ 3,421,171
Non-performing loans	2,027,366	1,894,363
Overdue loans ratio (Note)	2.015%	2.03%
Loans under surveillance	2,095,110	3,729,728
Loans under surveillance/total gross Loans	1.111%	2.215%
Allowance for credit losses	1,450,886	1,268,008

Note: Overdue loans ratio = Overdue loans (including non-performing loans)/(Gross loans + Non-performing loans). If overdue loans (including non-performing loans)/total credits, the overdue loans ratio as of December 31, 2002 and 2001 were 1.73% and 1.80%, respectively .

c. Management information

1) Profile of concentration of credit risk

(In Thousands of New Taiwan Dollars, %)

	December 31, 2002		December 31, 2001	
Loans to related parties in privity	\$4,326,511		\$3,804,016	
Ratio of loans to related parties in privity	1.97		2.00	
Ratio of pledged stock loans	1.19		1.18	
Profile of concentration of credit industry	Industry	Percentage	Industry	Percentage
	Manufacturing	8.73	Manufacturing	7.18
	Wholesaling	2.89	Wholesaling	2.42
	Finance and insurance	1.88	Finance and insurance	1.80
	Real estate and leasing	2.83	Real estate and leasing	2.86
	Government organizations	2.32	Government organizations	3.85
	Other	81.35	Other	81.89

2) Information of investees

December 31, 2002

(In Thousands of New Taiwan Dollars, %)

Names of Investees	Original Investment Amount	Percentage of Ownership
SinoPac Bancorp	\$ 3,328,915	100.00
Rocorp Holding S. A.	3,531	33.33
SinoPac Leasing Corporation	999,940	99.77
SinoPac Capital Limited	1,001,108	99.99
SinoPac Financial Consulting Co., Ltd.	1,940	97.00
SinoPac Life Insurance Agent Co., Ltd.	1,940	97.00
SinoPac Property Insurance Agent Co., Ltd.	1,940	97.00
Fuh-Hwa Investment Trust Co., Ltd.	24,000	7.77
Mondex Taiwan Inc.	25,000	6.47

Note: Only those with ownership of 5% or more are listed.

3) Policy of provision on credit losses

In determining the allowance for credit losses and provision for losses on guarantees, the Bank evaluates the losses on particular loans and overall credit portfolio considering the balances of loans, discounts and bills purchased, accounts, interest and other receivables, non-performing loans, as well as guarantees and acceptances as of the balance sheet dates.

Losses on overall credit portfolio are assessed on the basis of the Bank's prior experiences.

The Bank evaluates losses on particular loans based on its borrowers/clients' credit limit, collateral provided and estimated level of collectibility in accordance with "The Rules for Bank Asset Evaluation, Loss Reserve Provision, and Disposal of Overdue Loans and Bad Debts" (the "Rules") issued by the MOF. The Rules

provide that the minimum amount requirement of provision for credit losses shall be equal to the aggregate of 50% of the doubtful credits and 100% of the unrecoverable credits.

Write-offs of specific loans under the MOF guidelines, upon approved by the board of directors, are offset against the recorded allowance for loan losses.

4) Exceptional items

December 31, 2002

	Causes and Amounts
Director or staff of the Bank are prosecuted by distric attorney general due to violating laws and regulations concerned with operation in the latest year	A former employee of the Bank was prosecuted by distric attorney for violating the related regulations of the Banking Law. The prosecution was still judged by the District Court while the claim was recovered in succession. The loss estimates around \$1,400.
Events violate the Banking Law and the Bank are fined in the latest year	None
Violations which are serious and corrected by the Ministry of Finance in the latest year	None
Events due to employee fraud, major accidents, violations of rules provided in the "Notice to financial institutions about safeguarding", which result in losses of over NT\$50 million dollars in one or total count	None
Others	None

4. Profitability

Item	Year	For the Year Ended December 31, 2002	For the Year Ended December 31, 2001
Return on total assets (Note 1)		0.91%	0.79%
Return on net worth (Note2)		11.43%	8.87%
Profit margin (Note 3)		18.23%	12.32%

Note 1: Return on assets = Income before income tax/Average total assts

Note 2: Return on net worth = Income before income tax/Average net worth

Note 3: Profit margin = Income before income tax/Total operating revenues

5. Liquidity

MATURITY ANALYSIS OF ASSETS AND LIABILITIES

December 31, 2002

(In Thousands of New Taiwan Dollars)

	Total	Amounts of Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to One Year	Over One Year
Assets	\$305,614	\$ 43,856	\$ 27,646	\$ 27,886	\$ 37,135	\$169,091
Liabilities	307,031	88,792	41,802	36,820	44,066	95,551
Gap	(1,417)	(44,936)	(14,156)	(8,934)	(6,931)	73,540
Accumulated gap	(1,417)	(44,936)	(59,092)	(68,026)	(74,957)	(1,417)

Note: The above amounts only included New Taiwan Dollars (excluding foreign currency) of the Head Office and all domestic branches.

6. Sensibility of market risk

Item	Year	
	December 31, 2002	December 31, 2001
Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities	80.34%	67.33%
Ratio of interest-rate-sensitive gap to net worth	30.28%	(65.56%)

Note 1: Ratio of interest-rate-sensitive assets to interest-rate-sensitive liabilities = Interest-rate-sensitive assets/Interest-rate-sensitive liabilities (Which were in New Taiwan Dollars and will mature within one year)

Note 2: Interest-rate-sensitive gap = interest-rate-sensitive assets — Interest-rate-sensitive liabilities