

Bank SinoPac

**Financial Statements for the Three Months Ended
March 31, 2003 and 2002**

Together with Independent Accountants' Review Report

Readers are advised that the original version of these financial statements is in Chinese. This English translation is solely for the readers' convenience and these financial statements do not include additional disclosures that are required for Chinese-language reports under the Criteria Governing the Preparation of Financial Reports by Securities Issuers promulgated by the Securities and Futures Commission of the Republic of China. If there is any conflict between these financial statements and the Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

English Translation of a Report Originally Issued in Chinese

Independent Accountants' Review Report

April 17, 2003

The Board of Directors and Stockholders
Bank SinoPac

We have reviewed the accompanying balance sheets of Bank SinoPac as of March 31, 2003 and 2002, and the related statements of income and cash flows for the three months then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" in the Republic of China except that described in the next paragraph. A review consists primarily of applying analytical procedures to financial data and making inquiries of bank personnel responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As stated in Note 8 to the financial statements, the carrying amounts the long-term equity investments accounted for by the equity method as of March 31, 2003 and 2002 amounted to NT\$3,024,244 thousand and NT\$10,607,561 thousand, respectively, the related investment income for the three months then ended amounted to NT\$70,537 thousand and NT\$218,368 thousand, respectively, and additional disclosure of the Bank and part of its investees stated in Note 28 to the financial statements are based on the investees' unreviewed financial statements.

Based on our reviews, except for the effects of such adjustments, if any, as might have been disclosed had we reviewed the financial statements of the investees as explained in the preceding paragraph, we are not aware of any material modifications, in all material respects, that should be made to the financial statements referred to in the first paragraph in order for them to be in conformity with Criteria Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

T N Soong & Co
An Associate Member Firm of Deloitte Touche Tohmatsu
Taipei, Taiwan
The Republic of China

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such financial statements are those generally accepted and applied in the Republic of China.

English Translation of Financial Statements Originally Issued in Chinese

BANK SINOPAC

BALANCE SHEETS

March 31, 2003 and 2002

(In Thousands of New Taiwan Dollars, Except Par Value)

ASSETS	2003		2002		LIABILITIES AND STOCKHOLDERS' EQUITY	2003		2002	
	Amount	%	Amount	%		Amount	%	Amount	%
CASH (Note 3)	\$ 80,103,972	23	\$ 24,685,818	9	LIABILITIES				
DUE FROM BANKS (Note 22)	7,727,488	2	28,797,091	10	Call loans and due to banks	\$ 53,053,489	15	\$ 23,463,251	8
DUE FROM CENTRAL BANK (Note 4)	7,689,921	2	8,450,404	3	Accounts, interest and other payables (Notes 11 and 20)	7,583,816	2	7,103,816	3
SECURITIES PURCHASED - NET (Notes 2, 5 and 22)	34,457,064	10	24,777,986	9	Acceptances payable	1,125,597	1	483,991	-
ACCOUNTS, INTEREST AND OTHER RECEIVABLES - NET (Notes 2, 6 and 22)	11,963,624	4	9,775,015	3	Deposits and remittances (Notes 12 and 22)	252,020,894	72	224,520,939	78
ACCEPTANCES (Note 2)	1,125,597	-	483,991	-	Bank debentures (Note 13)	8,500,000	2	5,000,000	2
PREPAYMENTS (Note 20)	181,419	-	497,704	-	Other liabilities (Notes 2, 19 and 20)				
LOANS, DISCOUNTS AND BILLS PURCHASED - NET (Notes 2, 7 and 22)	190,633,080	54	170,341,212	59	Deferred tax liabilities	353,975	-	220,675	-
LONG-TERM EQUITY INVESTMENTS (Notes 2, 5, 8 and 22)					Other	2,094,470	1	1,488,408	1
Equity method	8,137,322	3	10,607,561	4	Total other liabilities	2,448,445	1	1,709,083	1
Cost method	1,045,579	-	1,031,862	-	Total Liabilities	324,732,241	93	262,281,080	92
Unrealized loss	(302,911)	-	(255,346)	-	STOCKHOLDERS' EQUITY (Note 14)				
Long-term Equity Investments - Net	8,879,990	3	11,384,077	4	Capital stock, \$10 par value				
PROPERTIES (Notes 2, 9 and 23)					Authorized and issued 1,944,397,617 shares	19,443,975	5	19,443,975	7
Cost					Capital surplus (Notes 2 and 14)				
Land	1,777,147	1	1,777,147	1	Additional paid-in capital	125,030	-	125,030	-
Buildings	2,155,565	1	1,934,099	1	Gain on disposal of properties	-	-	19,866	-
Computer equipment	1,215,764	-	1,055,125	-	Donated capital	83	-	83	-
Transportation equipment	54,587	-	58,601	-	Other	95	-	2,984	-
Office and other equipment	1,253,858	-	1,158,152	-	Retained earnings (Notes 14 and 20)				
Total cost	6,456,921	2	5,983,124	2	Legal reserve	2,997,437	1	2,541,406	1
Accumulated depreciation	1,768,671	1	1,471,553	-	Special reserve	282,977	-	288,227	-
Advances on acquisitions of equipment and construction in progress	136,203	-	259,165	-	Unappropriated	2,806,584	1	2,161,465	-
Net Properties	4,824,453	1	4,770,736	2	Unrealized loss on long-term equity investments (Notes 2 and 8)	(326,092)	-	(325,921)	-
OTHER ASSETS (Notes 2 and 10)	2,697,009	1	2,281,617	1	Unrealized revaluation loss (Notes 2 and 8)	-	-	(27,501)	-
TOTAL ASSETS	\$350,283,617	100	\$286,245,651	100	Cumulative translation adjustment (Note 2)	221,287	-	235,311	-
					Treasury stock - at cost: 40,535,000 shares (Notes 2 and 15)	-	-	(500,354)	-
					Total Stockholders' Equity	25,551,376	7	23,964,571	8
					CONTINGENCIES AND COMMITMENTS (Notes 23 and 26)				
					TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$350,283,617	100	\$286,245,651	100

The accompanying notes are an integral part of the financial statements.

(With T N Soong & Co review report dated April 17, 2003)

English Translation of Financial Statements Originally Issued in Chinese

BANK SINOPAC

STATEMENTS OF INCOME

For the Three Months Ended March 31, 2003 and 2002

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2003		2002	
	Amount	%	Amount	%
OPERATING REVENUES				
Interest (Notes 2 and 22)	\$ 2,520,748	72	\$ 3,136,321	82
Service fees (Notes 2, 16 and 22)	267,645	8	212,589	5
Income from securities - net (Notes 2, 5 and 17)	421,903	12	230,320	6
Income from long-term equity investments under the equity method - net (Notes 2, 8 and 2)	150,904	4	218,368	6
Other (Note 26)	<u>134,043</u>	<u>4</u>	<u>32,004</u>	<u>1</u>
Total Operating Revenues	<u>3,495,243</u>	<u>100</u>	<u>3,829,602</u>	<u>100</u>
OPERATING COSTS AND EXPENSES				
Interest (Notes 2 and 22)	1,345,001	38	1,773,453	46
Service charges (Note 22)	49,645	1	31,442	1
Provision for trading losses	11,458	-	-	-
Foreign exchange loss - net (Note 2)	19,350	1	16,039	-
Provision for credit losses (Notes 2, 6 and 7)	270,000	8	249,996	7
Operating and administrative expenses (Notes 2, 18, 19 and 22)	1,148,728	33	1,008,507	26
Other	<u>144</u>	<u>-</u>	<u>38</u>	<u>-</u>
Total Operating Costs and Expenses	<u>2,844,326</u>	<u>81</u>	<u>3,079,475</u>	<u>80</u>
OPERATING INCOME	650,917	19	750,127	20
NONOPERATING INCOME AND GAINS (Note 22)	36,761	1	20,174	-
NONOPERATING EXPENSES AND LOSSES	<u>(26,807)</u>	<u>(1)</u>	<u>(9,222)</u>	<u>-</u>
INCOME BEFORE INCOME TAX (Note 5)	660,871	19	761,079	20
INCOME TAX (Notes 2 and 20)	<u>100,520</u>	<u>3</u>	<u>100,742</u>	<u>3</u>
NET INCOME	<u>\$ 560,351</u>	<u>16</u>	<u>\$ 660,337</u>	<u>17</u>
	2003		2002	
	Pretax	After Tax	Pretax	After Tax
EARNINGS PER SHARE (Note 21)				
Basic earnings per share	<u>\$ 0.34</u>	<u>\$ 0.29</u>	<u>\$ 0.40</u>	<u>\$ 0.35</u>

The accompanying notes are an integral part of the financial statements.

(With T N Soong & Co review report dated April 17, 2003)

BANK SINOPAC

STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2003 and 2002
(In Thousands of New Taiwan Dollars)

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 560,351	\$ 660,337
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	115,289	100,986
Provision for credit and trading losses	281,458	249,996
Provision for allowance for decline in market value of securities purchased	100,054	-
Loss on disposal of properties - net	1,241	2,450
Income from long-term equity investments under the equity method - net	(150,904)	(218,368)
Gain on sale of long-term equity investments - net	-	(3,693)
Accrued pension cost	43,044	39,832
Deferred income taxes	19,911	11,234
Increase in securities purchased - for trading purposes	(3,279,070)	(9,041,823)
Decrease in accounts, interest and other receivables	1,601,526	110,742
Increase in prepayments	(12,366)	(296,681)
Increase in accounts, interest and other payables	<u>757,511</u>	<u>833,467</u>
Net Cash Provided by (Used in) Operating Activities	<u>38,045</u>	<u>(7,551,521)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in due from banks	2,855,561	12,276,321
Decrease (increase) in due from Central Bank	3,322,035	(1,252,721)
Decrease (increase) in securities purchased - for investing purposes	(6,726,198)	1,813,627
Increase in loans, discounts and bills purchased	(3,834,123)	(3,441,441)
Proceeds from sale of long-term equity investments	83,003	17,073
Acquisition of properties	(139,870)	(128,446)
Proceeds from sales of properties	27	131
Decrease (increase) in other assets	<u>71,269</u>	<u>(9,236)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(4,368,296)</u>	<u>9,275,308</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in call loans and due to banks	982,901	(620,449)
Increase in deposits and remittances	16,024,191	6,910,890
Increase in bank debentures	1,500,000	-
Decrease in other liabilities	<u>(201,094)</u>	<u>(325,566)</u>
Net Cash Provided by Financing Activities	<u>18,305,998</u>	<u>5,964,875</u>

(Forward)

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	2003	2002
INCREASE IN CASH	\$ 13,975,747	\$ 7,688,662
CASH, BEGINNING OF PERIOD	<u>66,128,225</u>	<u>16,997,156</u>
CASH, END OF PERIOD	<u>\$ 80,103,972</u>	<u>\$ 24,685,818</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 1,336,893</u>	<u>\$ 1,980,819</u>
Income tax paid	<u>\$ 102,657</u>	<u>\$ 66,259</u>

The accompanying notes are an integral part of the financial statements.

(With T N Soong & Co review report dated April 17, 2003)

BANK SINOPAC

NOTES TO FINANCIAL STATEMENTS
(In Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. ORGANIZATION AND OPERATIONS

The Bank obtained government approval to incorporate on August 8, 1991 and started operations on January 28, 1992. The Bank is engaged in commercial banking, trust, and foreign exchange operations as prescribed by the Banking Law.

As of March 31, 2003, the Bank's operating units included Banking, Trust, International Division of the Head Office, an Offshore Banking Unit (OBU), 42 domestic branches, 2 overseas branches and 1 overseas representative office.

The operations of the Bank's Trust Department consist of: (1) planning, managing and operating of trust business; and (2) custody of non-discretionary trust fund in domestic and overseas securities and mutual funds. These operations are regulated under the Banking Law and the Trust Law.

As of March 31, 2003 and 2002, the Bank had a total of 2,104 and 1,762 employees, respectively.

Under the Financial Holding Company Act, the Bank, National Securities Co., Ltd. (the "NSC", which was renamed as SinoPac Securities Corporation on June 9, 2002) and SinoPac Securities Co., Ltd. (the "SPS") established SinoPac Holdings (the "SPH"), a financial holding company as of May 9, 2002. The parties established the holding company to maximize the benefit of their combined capital, pool their business channel, fully harness the synergy of their diversified business operations and establish one of the most competitive organizations in the Pacific Rim. The Bank, the NSC and the SPS swapped issued shares with SPH at ratios of 1:1.0267130836, 1:1.0098971566 and 1:0.7968960296, respectively, which had been approved by the stockholders on November 19, 2001. Since May 9, 2002, the effective date of the shares swap, the Bank has become an unlisted wholly owned subsidiary of SPH which shares are traded on the Taiwan Stock Exchange (TSE).

SinoPac Securities Corporation (the "SinoPac Securities", formerly NSC) merged with SPS on July 22, 2002 with SinoPac Securities as the surviving entity after a decision reached by the board of directors of the two companies on May 9, 2002. Each share of common stock of SinoPac Securities was swapped for 1.2672884782 shares of common stock of SPS, resulting in 250,863,205 shares of common stock issued by SinoPac Securities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bank's financial statements were prepared in conformity with Criteria Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China (ROC). Since the operating cycle could not be reasonably identified in the banking industry, accounts included in the Bank's financial statements were not classified as current or non-current. Nevertheless, accounts were properly categorized according to the nature of each account, and sequenced by their liquidity. Please refer to Note 25 for maturity analysis of assets and liabilities. Significant accounting policies of the Bank are summarized below:

Basis of financial statement preparation

The accompanying financial statements include the accounts of the Head Office, OBU, all branches and representative offices. All interoffice transactions and balances have been eliminated.

Securities purchased

Securities purchased include short-term bills, stocks, beneficiary certificates, treasury bills and bonds.

Short-term bills are stated at cost (which approximates market value). Stocks, beneficiary certificates and bonds are stated at the lower of cost or market. Market prices are determined as follows: (a) listed stocks - average daily closing prices for the last month of the accounting period; (b) beneficiary certificates (open-end fund) - net asset values as of the balance sheet dates; and (c) over-the-counter stocks - average daily closing prices for the last month of the accounting period, published by GreTai Securities Market (the "OTC"); and (d) bonds - period-end reference prices published by the OTC.

Cost of securities sold is determined by the moving-average method, except that of short-term bills, which is determined by the specific identification method.

Under accounting principles generally accepted in the ROC, for applying the lower of cost or market method, the SPH's shares held by the Bank should be evaluated separately from the other listed and over-the-counter stocks.

Under a directive issued by the Ministry of Finance (the "MOF"), sales and purchases of bonds and short-term bills under agreements to repurchase or to resell are treated as outright sales or purchases.

Nonperforming loans

Under guidelines issued by the MOF, the balance of loans and other credits extended by the Bank and the related accrued interest thereon are classified as nonperforming when the loan is six months overdue. In addition, upon approval by the board of directors, those loans which are less than six months overdue will also be classified as nonperforming.

Allowance for credit losses and provision for losses on guarantees

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, and nonperforming 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 on the basis of 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 require that the minimum provision for credit losses should not be less than the aggregate of 50% of the doubtful credits and 100% of the unrecoverable credits.

Write-offs of loans falling under the MOF guidelines, upon approval by the board of directors, are offset against the recorded allowance for credit losses.

Long-term equity investments

Long-term equity investments are accounted for by the equity method if the Bank has significant influence over the investees. Under this method, investments are stated at cost plus (or minus) a proportionate share in net earnings (losses) or changes in net worth of the investees. On the acquisition date, any difference between the acquisition cost and the equity in the investee is amortized over 15 years. Long-term equity investments are accounted for by the cost method if the Bank does not have significant influence over the investees. Stock dividends result only in an increase in number of shares and are not recognized as investment income.

If an investee issues new shares and the Bank does not buy new shares in proportion to its equity in the investee, then the Bank's equity in net assets of the investee will be changed. This difference will be used to adjust the additional paid-in capital and the long-term equity investment. If the carrying value of additional paid-in capital from long-term equity investment is not enough to be offset, then the difference will be debited to the retained earnings.

For listed and over-the-counter stocks accounted for by the cost method, when the aggregate market value is lower than the total carrying amount, an allowance for market value decline is provided and the unrealized loss is charged against stockholders' equity. If a decline in the value of an unlisted stock investment is considered a permanent loss, the decline is charged to current income.

Cost of equity investments sold is determined by the weighted-average method.

For the listed stock investments reclassified from securities purchased to long-term equity investments or vice versa, when the market value is lower than the carrying amount, a realized loss for market value decline is recognized and the related cost is recorded at market value.

Properties

Properties are stated at cost less accumulated depreciation. Major renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred.

Upon sale or disposal of properties, their cost and related accumulated depreciation are removed from the accounts. Any resulting gain (loss) is credited (charged) to current income.

Under an amendment of the Company Law, starting in 2001, the gain on disposal of properties is no longer required to be transferred to capital surplus. The gain on disposal of properties obtained before this amendment had been transferred to capital surplus at the end of year, net of the applicable income tax. In compliance with related regulations, this capital surplus was reversed to retained earnings before December 31, 2002.

Depreciation is calculated by the straight-line method on the basis of service lives estimated as follows: buildings, 8 to 55 years; computer equipment, 3 to 5 years; transportation equipment, 5 years; and office and other equipment, 5 to 8 years. For assets still in use beyond their original estimated service lives, further depreciation is calculated on the basis of any remaining salvage value and the estimated additional service lives.

Collaterals assumed

Collaterals assumed are recorded at cost (included in other assets) and revalued at the lower of cost or net realizable value as of the balance sheet dates.

Derivative financial instruments

a. Foreign exchange forward contracts

Foreign-currency assets and liabilities arising from forward exchange contracts, which are mainly for accommodating customers' needs or managing the Bank's currency position, are recorded at the contracted forward rates. Gains or losses arising from the differences between the contracted forward rates and spot rates on settlement are credited or charged to current income. For contracts outstanding as of the balance sheet dates, the gains or losses arising from the differences between the contracted forward rates and the forward rates available for the remaining maturities of the contracts are credited or charged to current income. Receivables arising from forward exchange contracts are offset against related payables as of the balance sheet dates.

b. Forward rate agreements

Forward rate agreements, which are mainly for accommodating customers' needs or managing the Bank's interest rate positions, are recorded by memorandum entries at the contract dates. Gains or losses arising from the differences between the contracted interest rates and actual interest rates upon settlement or as of the balance sheet dates are credited or charged to current income.

c. Currency swap contracts

Foreign-currency spot-position assets or liabilities arising from currency swap contracts, which are mainly for accommodating customers' needs or managing the Bank's currency positions, are recorded at rates when the transactions occur. The corresponding forward-position assets or liabilities are recorded at the contracted forward rates, with receivables netted against the related payables.

The related discount or premium is amortized by the straight-line basis over the contract period.

d. Cross-currency swaps

Cross-currency swap contracts, which are for hedging purposes, are recorded at rates prevailing on the contract dates. The net interest on each settlement is recorded as an adjustment to interest revenue or expense associated with the item being hedged.

e. Options

Options bought and/or held and options written, which are mainly for accommodating customers' needs or managing the Bank's currency positions, are recorded as assets and liabilities when the transactions occur. These instruments are marked to market as of the balance sheet dates. The carrying amounts of the instruments, which are recovered either as assets or liabilities, are charged to income when they are not exercised. Gains or losses on the exercise of options are also included in current income.

f. Interest rate swaps

Interest rate swaps, which do not involve exchanges of the notional principals, are not recognized as either assets and/or liabilities on the contract dates. The swaps are entered into for accommodating customers' needs or managing the Bank's interest rate positions. The interest received or paid at each settlement date is recognized as interest income or expense. These instruments are marked to market as of the balance sheet dates.

For swaps entered into for hedging purposes, the net interest on each settlement is recorded as an adjustment to interest revenue or expense associated with the item being hedged.

g. Asset swaps

Asset swaps involve exchanging the fixed interest of convertible bonds or fixed rate notes for floating interest. In addition, asset swaps involve exchanging the fixed or floating interest of credit link notes for floating or fixed interest. These transactions are recorded by memorandum entries at the contract dates. Asset swaps are entered into for hedging purposes; they are used to hedge interest rate exposure in convertible bonds, fixed rate notes and credit link notes denominated in foreign currency. Net interest on each settlement or balance sheet date is recorded as an adjustment to interest revenue or expense associated with the bonds or notes being hedged.

h. Futures

Margin deposits paid by the Bank for interest rate futures contracts entered into for trading purposes are recognized as assets. Gains or losses resulting from marking to market and from the settlement of the interest rate futures contracts are recognized as current income.

Recognition of interest revenue and service fees

Interest revenue on loans is recorded by the accrual method. No interest revenue is recognized in the accompanying financial statements on loans and other credits extended by the Bank that are classified as nonperforming loans. The interest revenue on those loans/credits is recognized upon collection.

Under the MOF regulations, the interest revenue on credits which agreements have been reached to extend their maturities is recognized upon collection.

Service fees are recorded as revenue upon receipt or substantial completion of activities involved in the earnings process.

Pension

Pension expense is determined on the basis of actuarial calculations.

Income tax

Inter-period income tax allocation is applied, in which tax effects of deductible temporary differences and unused investment tax credits are recognized as deferred income tax assets and those of taxable temporary differences are recognized as deferred income tax liabilities. A valuation allowance is provided for deferred income tax assets that are not certain to be realized.

Adjustments of prior years' tax liabilities are included in the current year's tax provision.

Tax credits - generated from acquisitions of equipment or technology, research and development expenditures, personnel training expenditures and equity investments acquisition - are recognized as reduction of current income tax.

Income tax (10%) on unappropriated earnings is recorded as income tax in the year when the stockholders resolve the appropriation of the earnings.

Contingencies

A loss is recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. If the amount of the loss cannot be reasonably estimated or the loss is possible, the related information is disclosed in the financial statements.

Foreign-currency transactions

The Bank records foreign-currency transactions in the respective currencies in which these are denominated. Foreign-currency denominated income and expenses are translated into New Taiwan dollars at month-end rates. Foreign-currency assets and liabilities are translated into New Taiwan dollars at closing rates as of the balance sheet dates. Realized and unrealized foreign exchange gains or losses are credited or charged to current income. Gains or losses resulting from restatement at period-end of foreign-currency denominated long-term equity investments accounted for by the equity method are credited or charged to "cumulative translation adjustment" under stockholders' equity.

Treasury stock

Capital stock acquired is carried at cost and presented as a deduction from stockholders' equity. The treasury stocks acquired are to be reissued to employees. The reissuance of the treasury stocks are accounted for as follows: (a) reissue price higher than the acquisition cost - the excess is credited to additional paid-in capital on treasury stock; and (b) reissue price less than the acquisition cost - initially charged to additional paid-in capital on treasury stock with any remaining deficiency charged to retained earnings.

Reclassifications

Certain accounts for the three months ended March 31, 2002 have been reclassified to conform to the comparative period of 2003 classifications.

3. CASH	March 31	
	<u>2003</u>	<u>2002</u>
Negotiable certificates of deposit	\$ 76,990,354	\$ 21,418,234
Cash	1,586,907	1,515,259
Notes and checks in clearing	<u>1,526,711</u>	<u>1,752,325</u>
	<u>\$ 80,103,972</u>	<u>\$ 24,685,818</u>

As of March 31, 2003 and 2002, negotiable certificates of deposit aggregating \$24,071,606 and \$3,500,000, respectively, have maturities over one year and may be withdrawn momentarily.

To comply with the Central Bank's clearing system of Real-time Gross Settlement (RTGS), negotiable certificates of deposit aggregating \$13,800,000 had been provided as collateral for the daytime overdraft as of March 31, 2003, with the pledged amount which can be adjusted momentarily.

4. DUE FROM CENTRAL BANK

This account consists mainly of New Taiwan dollar (NTD) and foreign currency deposit reserves.

Under a directive issued by the Central Bank of the ROC, NTD - denominated deposit reserves are determined monthly at prescribed rates on average balances of customers' NTD - denominated deposits. These reserves included \$5,576,788 and \$5,162,963 as of March 31, 2003 and 2002, respectively, which are subject to withdrawal restrictions.

In addition, the foreign-currency deposit reserves are determined at prescribed rates on balances of additional foreign-currency deposits. These reserve may be withdrawn momentarily and are noninterest earnings. As of March 31, 2003 and 2002, the balances of foreign-currency deposit reserves were \$17,375 and \$490,000, respectively.

5. SECURITIES PURCHASED

	March 31	
	<u>2003</u>	<u>2002</u>
Corporate bonds	\$ 9,124,105	\$ 1,536,934
Commercial papers	7,359,856	18,916,306
Floating rate notes	6,148,638	3,242,085
Government bonds	4,510,497	545,615
Treasury bills	3,089,452	-
Listed and over-the-counter stocks	2,897,122	200
Bank debentures	1,172,698	469,944
Mutual fund beneficiary certificates	254,750	57,000
Bank acceptances	-	9,902
	<u>34,557,118</u>	<u>24,777,986</u>
Less - allowance for decline in market value	<u>100,054</u>	<u>-</u>
Net	<u>\$ 34,457,064</u>	<u>\$ 24,777,986</u>

The aggregate market values or reference prices of corporate bonds, floating rate notes, government bonds, listed and over-the-counter stocks, bank debentures and mutual fund beneficiary certificates were as follows:

	March 31	
	<u>2003</u>	<u>2002</u>
Corporate bonds	\$ 9,306,058	\$ 1,574,494
Floating rate notes	6,151,984	3,321,309
Government bonds	4,545,756	553,673
Listed and over-the-counter stocks	2,797,006	117
Bank debentures	1,186,820	472,400
Mutual fund beneficiary certificates	254,987	60,782

On May 9, 2002, the Bank, NSC and SPS have established SPH through shares swap. That is, shares of SPS held by the Bank were converted to the shares of SPH, and the Bank reclassified these shares (their market value exceeded carrying amount) from long-term equity investments to securities purchased based on its intention for holding.

As of March 31, 2003, the Bank held SPH 216,542,894 shares, with carrying amount at \$2,896,922 and market value at \$2,796,868 based on the daily average closing price in March 2003. Accordingly, allowance for decline in market value amounting to \$100,054 had been provided. In addition, under Statement of Financial Accounting Standards No. 30, "Accounting for Treasury Stock", when SPH recognizes the long-term equity investment income on the Bank, such provision should be adjusted to increase the investment income by \$100,054.

6. ACCOUNTS, INTEREST AND OTHER RECEIVABLES

	March 31	
	<u>2003</u>	<u>2002</u>
Accounts receivable	\$ 9,852,747	\$ 7,949,900
Accrued revenue	960,005	353,873
Interest receivable	910,236	1,360,841
Tax refundable	183,456	57,772
Other	<u>170,044</u>	<u>117,773</u>
	12,076,488	9,840,159
Less - allowance for credit losses	<u>112,864</u>	<u>65,144</u>
Net	<u>\$ 11,963,624</u>	<u>\$ 9,775,015</u>

The balances of the accounts receivable as of March 31, 2003 and 2002 included \$9,545,248 and \$7,788,837, respectively, representing accounts receivable from other parties in the factoring business.

7. LOANS, DISCOUNTS AND BILLS PURCHASED

	March 31	
	<u>2003</u>	<u>2002</u>
Overdraft	\$ 1,962,952	\$ 2,667,711
Short-term loans	44,475,894	37,790,870
Midterm loans	34,616,584	39,785,078
Long-term loans	107,257,679	89,038,446
Import and export negotiations	1,599,601	530,584
Bills purchased	851	327
Nonperforming loans	<u>2,222,130</u>	<u>1,870,833</u>
	192,135,691	171,683,849
Less - allowance for credit losses	1,502,611	1,342,637
Net	<u>\$ 190,633,080</u>	<u>\$ 170,341,212</u>

As of March 31, 2003 and 2002, the balances of nonaccrual loans were \$3,447,206 and \$2,579,865, respectively. The unrecognized interest revenues on nonaccrual loans amounted to \$48,493 and \$36,666 for the three months ended March 31, 2003 and 2002, respectively.

For the three months ended March 31, 2003 and 2002, the Bank had not written off credits for which legal proceedings had not been initiated.

The details of and changes in allowance for credit losses on loans, discounts and bills purchased for the three months ended March 31, 2003 and 2002, respectively, are summarized below:

	For the Three Months Ended March 31, 2003		
	For Losses on Particular Loans	For Losses on the Overall Loan Portfolio (Excluding Particular Loans)	Total
Balance, January 1	\$ 562,318	\$ 888,568	\$ 1,450,886
Provision	270,000	-	270,000
Write-off	(219,317)	-	(219,317)
Recovery of written-off credits	1,042	-	1,042
Other	<u>27,225</u>	<u>(27,225)</u>	<u>-</u>
Balance, March 31	<u>\$ 641,268</u>	<u>\$ 861,343</u>	<u>\$ 1,502,611</u>

	For the Three Months Ended March 31, 2002		
	For Losses on Particular Loans	For Losses on the Overall Loan Portfolio (Excluding Particular Loans)	Total
Balance, January 1	\$ 331,709	\$ 936,299	\$ 1,268,008
Provision	205,703	44,293	249,996
Write-off	(174,543)	-	(174,543)
Recovery of written-off credits	59	-	59
Other	<u>(882)</u>	<u>(1)</u>	<u>(883)</u>
Balance, March 31	<u>\$ 362,046</u>	<u>\$ 980,591</u>	<u>\$ 1,342,637</u>

As of March 31, 2003 and 2002, allowances for credit losses and provisions for losses on guarantees of the Bank were \$1,648,621 and \$1,510,956, respectively.

Since the second half of 2000, the economic and financial environment has been beset by many economic and non-economic difficulties from inside and outside Taiwan. As a result, the country's economic growth decelerated, investment decreased, unemployment rose, the stock market slumped, and the New Taiwan dollar depreciated in value, which in turn caused many business enterprises, including conglomerates and listed companies, failed to meet their financial obligations. To stabilize the situation, the government has taken various measures to boost economy.

With this background, the Bank's financial statements for the three months ended March 31, 2003 include provisions for possible losses and guarantee losses based on information available to the Bank, including defaults to the extent they can be determined or estimated. However, these estimates do not include any adjustments that might be required when related contingent liabilities become probable or determinable in the future.

8. LONG-TERM EQUITY INVESTMENTS

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Cost method		
Listed and over-the-counter stocks	\$ 647,029	\$ 647,029
Unlisted stocks	<u>398,550</u>	<u>384,833</u>
	1,045,579	1,031,862
Equity method - unlisted stocks	<u>8,137,322</u>	<u>10,607,561</u>
	9,182,901	11,639,423
Less - unrealized losses	<u>302,911</u>	<u>255,346</u>
Net	<u>\$ 8,879,990</u>	<u>\$ 11,384,077</u>

The total market values of listed and over-the-counter stocks were \$344,118 and \$391,683 as of March 31, 2003 and 2002, respectively.

Income (loss) from long-term equity investments for the three months ended March 31, 2003 and 2002, respectively, are summarized as follows:

	<u>For the Three Months</u>	
	<u>Ended March 31</u>	
	<u>2003</u>	<u>2002</u>
<u>Equity method</u>		
SinoPac Bancorp (Note)	\$ 80,367	\$ 45,682
SinoPac Leasing Corporation	51,494	45,809
SinoPac Securities Co., Ltd. (please see Note 5)	-	192,314
SinoPac Capital Limited	19,476	(12,089)
SinoPac Financial Consulting Co., Ltd.	(433)	379
AnShin Card Service Company Limited	-	(63,832)
SinoPac Life Insurance Agent Co., Ltd.	-	9,675
SinoPac Property Insurance Agent Co., Ltd.	-	430
Income from long-term equity investments under equity method	<u>\$ 150,904</u>	<u>\$ 218,368</u>

Note: The net income of SinoPac Bancorp for the three months ended March 31, 2003 and 2002 amounted to \$101,243 and \$75,124, respectively, were translated into New Taiwan Dollars at the average exchange rate for the respective periods. The difference between the translated net income of SinoPac Bancorp and the one recognized by the Bank was generated from some different accounting treatments between ROC GAAP and US GAAP (please see Note 28, Table 5).

The aforementioned income (loss) from long-term equity investments were recognized on the basis of investees' unreviewed financial statements for the same period, except for the investment income of SinoPac Bancorp for the three months ended March 31, 2003.

The carrying amounts of the investments accounted for by the equity method as of March 31, 2003 and 2002 totalling \$3,024,244 and \$10,607,561, respectively, and the related investment income of \$70,537 and \$218,368, respectively, for the three months then ended, were based on the investees' unreviewed financial statements for the same period. The Bank believes that any adjustments that may have to be made to these investments and investment income if such financial statements had been reviewed.

As of March 31, 2003 and 2002, the unrealized loss on long-term equity investments (included in stockholders' equity as deductions) resulting from market value decline of over-the-counter stocks held by an investee accounted for by the equity method amounted to \$23,181 and \$70,575, respectively.

As of March 31, 2003, the Bank recognized its equity in the unrealized revaluation loss of Aetna Sinopac Credit Card Co., Ltd. (which was sold to SPH in December 2002, as stated in Note 22 b.9, and renamed as AnShin Card Service Company Limited on January 3, 2003) totaling \$27,501 (included in stockholders' equity as deductions). This loss resulted from the revaluation of financial instrument contracts.

9. PROPERTIES

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Cost	\$ 6,456,921	\$ 5,983,124
Accumulated depreciation		
Buildings	329,374	260,796
Computer equipment	689,209	557,699
Transportation equipment	40,620	37,117
Office and other equipment	<u>709,468</u>	<u>615,941</u>
	<u>1,768,671</u>	<u>1,471,553</u>
	4,688,250	4,511,571
Advances on acquisition of equipment and construction in progress	136,203	259,165
Net	<u>\$ 4,824,453</u>	<u>\$ 4,770,736</u>

10. OTHER ASSETS

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Value of options purchased	\$ 1,052,792	\$ 596,774
Guarantee deposits	619,042	697,494
Collateral assumed	414,042	361,133
Suspense account	276,932	274,279
Computer system software	240,687	282,410
Other	<u>93,514</u>	<u>69,527</u>
	<u>\$ 2,697,009</u>	<u>\$ 2,281,617</u>

As of March 31, 2003 and 2002, guarantee deposits included \$241,847 and \$279,102, respectively, which were provided by government bonds and certificates of deposit.

11. ACCOUNTS, INTEREST AND OTHER PAYABLES

	March 31	
	<u>2003</u>	<u>2002</u>
Accounts payable	\$ 4,273,014	\$ 2,800,944
Notes and checks in clearing	1,526,711	1,752,325
Interest payable	1,139,417	1,642,112
Taxes payable	249,524	171,491
Accrued expenses	209,856	167,559
Collections payable	25,339	77,052
Forward exchange payable - net	-	321,009
Other	<u>159,955</u>	<u>171,324</u>
	<u>\$ 7,583,816</u>	<u>\$ 7,103,816</u>

The balances of the accounts payable as of March 31, 2003 and 2002 included \$3,897,128 and \$2,793,458, respectively, representing costs of accounts receivable acquired from other parties in the factoring business.

12. DEPOSITS AND REMITTANCES

	March 31	
	<u>2003</u>	<u>2002</u>
Checking	\$ 1,754,849	\$ 1,259,905
Demand	32,423,921	20,766,654
Savings - demand	51,887,558	50,959,233
Time	107,267,397	92,168,652
Negotiable certificates of deposit	838,900	923,000
Savings - time	57,718,100	58,326,244
Inward remittances	114,934	79,370
Outward remittances	15,235	37,881
	<u>\$ 252,020,894</u>	<u>\$ 224,520,939</u>

13. BANK DEBENTURES

	March 31		Maturity Date	Terms
	<u>2003</u>	<u>2002</u>		
First dominant bank debentures issued in 2001	\$5,000,000	\$5,000,000	2001.12.20-2006.12.20 Principal is repayable on maturity date.	Fixed interest rate of 3.08%. Interest is paid at the end of each year.
First subordinated bank debentures issued in 2002	2,000,000	-	2002.12.23-2008.03.23 Principal is repayable on maturity date.	Floating interest rate except for the first two years fixed at 2.15%. Interest is paid semiannually.
First dominant bank debentures issued in 2003	1,000,000	-	2003.02.14-2008.02.14 Principal is repayable on maturity date.	3.65% minus 6-month LIBOR. Interest is paid semiannually.
Second dominant bank debentures issued in 2003	500,000	-	2003.03.19-2008.09.19 Principal is repayable on maturity date.	3.48% minus 6-month LIBOR. Interest is paid semiannually.
	<u>\$8,500,000</u>	<u>\$5,000,000</u>		

14. STOCKHOLDERS' EQUITY

a. Capital surplus

Under the Company Law, the component of capital surplus arising from issuance of shares in excess of par value and donation can, except in the year it arises, be transferred to common stock, if approved by stockholders.

This distribution can be made only once a year and within other specified limits. These restrictions are in accordance with regulations issued by Securities and Futures Commission (the SFC).

Capital surplus arising from equity-accounted long-term equity investment cannot be distributed for any purpose.

b. Retained earnings

The Bank's Articles of Incorporation provide that the Bank may declare dividends or make other distributions from earnings after it has:

- 1) Deducted any deficit of prior years;
- 2) Paid all outstanding taxes;
- 3) Set aside 30% of such earnings as legal reserve;
- 4) Set aside any special reserve or retained earnings allocated at its option
- 5) Allocated at least 1% of the remaining earnings as employee bonus.

Distribution of earnings should be proposed by the board of directors and approved by the stockholders.

To comply with the Bank's globalization strategy, strengthen its market position, integrate its diversified business operation and be a major local bank, the Bank has adopted the "Balanced Dividend Policy". Under this policy, dividends available for distribution are determined by referring to its capital adequacy ratio (CAR). Cash dividends may be declared if the Bank's CAR is above 12% and stock dividends may be declared if the CAR is equal to or less than 12%. However, the Bank may make a discretionary cash distribution even if the CAR is below 12%, if approved at the stockholders' meeting, for the purpose of maintaining the cash dividends at a certain level in any given year.

Cash dividends and cash bonus are paid when approved by the stockholders, while the distribution of stock dividends requires the additional approval of the authorities.

Under the Company Law, the appropriation for legal reserve is made until the reserve equals the aggregate par value of the outstanding capital stock of the Bank. This reserve is only used to offset a deficit, or, when its balance reaches 50% of aggregate par value of the outstanding capital stock of the Bank, up to 50% thereof can be distributed as stock dividends. In addition, the Banking Law provides that, before the balance of the reserve reaches the aggregate par value of the outstanding capital stock, annual cash dividends, remuneration to directors and supervisors and bonus to employees should not exceed 15% of aggregate par value of the outstanding capital stock of the Bank.

Under the Financial Holding Company Act, the board of directors is entitled to execute the authority of stockholders' meeting, which is under no jurisdiction of the related regulations in the Company Law.

On April 7, 2003 and May 9, 2002, the board of directors resolved the appropriation of 2002 and 2001 earnings respectively, as follows:

	<u>2002</u>	<u>2001</u>
Legal reserve	\$ 673,870	\$ 456,031
Remuneration to directors and supervisors	38,000	21,423
Bonus to employees - cash	15,724	139,251
Cash dividends	<u>1,518,639</u>	<u>910,489</u>
	<u>\$ 2,246,233</u>	<u>\$ 1,527,194</u>

Cash dividends for the appropriation of 2002 and 2001 earnings were NT\$0.781 and NT\$0.4782 per share, respectively.

The information on the resolved earnings appropriation can be viewed at the Taiwan Securities Exchange Corporation Market Observation Post System (M.O.P.S.) Website.

15. TREASURY STOCK

(Shares in thousands)

<u>Reasons of Repurchase</u>	<u>Shares at Beginning of the Period</u>	<u>Shares Increased During the Period</u>	<u>Shares Decreased During the Period</u>	<u>Shares at Ending of the Period</u>
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For the three months ended March 31, 2002

Reissuance to employees	40,535	-	-	40,535
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Under the Securities and Exchange Law, the Bank is prohibited from acquiring treasury stock in excess of 10% of the total shares issued and from incurring a purchase cost exceeding the total of the retained earnings and capital surplus (additional paid-in capital in excess of par value, capital surplus arising from gains on disposal of properties and donated capital). In addition, the Bank is prohibited from using the treasury stock to secure any of its obligations and to exercise the rights of a stockholder in respect to those treasury stock.

Treasury stock of 40,535,000 shares repurchased by the Bank before the date of record for shares swap had been transferred to SPH's stock with 41,617,816 shares. As of September 23, 2002, the treasury stock had been transferred to employees at NT\$11.84 per share.

16. SERVICE FEES

	For the Three Months Ended March 31	
	2003	2002
Factoring and financing	\$ 73,592	\$ 59,986
Custody	38,315	30,698
Mutual funds and structure notes	36,267	37,360
Loan documentation fee	13,830	10,059
Index linked mortgage conversion	9,593	-
Guarantees	7,270	7,960
Trust	4,395	3,207
Other	84,383	63,319
	<u>\$ 267,645</u>	<u>\$ 212,589</u>

17. INCOME FROM SECURITIES - NET

	For the Three Months Ended March 31	
	2003	2002
Short-term bills		
Capital gain - net	\$ 3,069	\$ 11,594
Interest revenue	402,301	227,898
	<u>405,370</u>	<u>239,492</u>
Bonds		
Capital gain (loss) - net	118,492	(22,781)
Stocks and mutual fund beneficiary certificates		
Capital gain (loss) - net	(1,905)	13,609
Provision for allowance for decline in market value	(100,054)	-
	<u>(101,959)</u>	<u>13,609</u>
	<u>\$ 421,903</u>	<u>\$ 230,320</u>

18. OPERATING AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended March 31	
	2003	2002
Personnel expenses		
Salaries and wages	\$ 374,462	\$ 326,967
Bonus and rewards	162,254	129,161
Pension	43,044	39,832
Labor insurance and national health insurance	29,130	22,082
Other	17,249	15,356
Depreciation	95,672	83,806
Rental	92,467	78,468
Taxes other than income tax	69,736	74,651
Professional service charges	50,451	50,136
Postage	23,587	21,231
Repair and maintenance	21,021	22,659
Promotion	20,324	12,958

(Forward)

	For the Three Months	
	Ended March 31	
	<u>2003</u>	<u>2002</u>
Amortization	\$ 19,617	\$ 17,180
Insurance	18,498	16,627
Other	<u>111,216</u>	<u>97,393</u>
	<u>\$ 1,148,728</u>	<u>\$ 1,008,507</u>

19. PENSION

The Bank has a noncontributory pension plan covering all regular employees. The Bank makes monthly contributions, equal to 7% of employee salaries, to the pension fund. In addition, non-management employees also contribute a compulsory amount equivalent to 4% of their salaries to the fund. Benefits are based on length of service and average monthly salary upon retirement. Also, the employees will receive their cumulative contributions, if any, and the interest thereon.

a. The changes in the pension fund are summarized below:

	For the Three Months	
	Ended March 31	
	<u>2003</u>	<u>2002</u>
Balance, January 1	\$ 894,432	\$ 733,237
Contributions	66,843	59,672
Benefits paid	(8,770)	(21,797)
Interest income	7,378	8,640
Balance, March 31	<u>\$ 959,883</u>	<u>\$ 779,752</u>

The ending balances as of March 31, 2003 and 2002 consisted of:

	March 31	
	<u>2003</u>	<u>2002</u>
	Contributions by the Bank	\$ 591,417
Contributions by employees	<u>368,466</u>	<u>308,386</u>
	<u>\$ 959,883</u>	<u>\$ 779,752</u>

b. The changes in the accrued pension cost are summarized below:

	For the Three Months Ended March 31	
	<u>2003</u>	<u>2002</u>
Balance, January 1	\$ 76,813	\$ 34,582
Provision	43,044	39,832
Contributions	(42,587)	(38,444)
Balance, March 31	<u>\$ 77,270</u>	<u>\$ 35,970</u>

Pension expenses amounted to \$43,044 and \$39,832 for the three months ended March 31, 2003 and 2002, respectively.

20. INCOME TAX

a. The components of income tax were as follows:

	For the Three Months Ended March 31	
	<u>2003</u>	<u>2002</u>
Current income tax payable	\$ -	\$ 41,415
Separation taxes on short-term bills interest revenue	82,229	45,732
Foreign income taxes over limitation	-	2,361
Change in deferred income taxes	19,911	11,234
Prior year's adjustment	(1,620)	-
Income tax	<u>\$ 100,520</u>	<u>\$ 100,742</u>

Income tax is based on taxable income from all sources. Foreign income taxes paid are creditable against the domestic income tax obligations to the extent of domestic income tax applicable to the foreign-source income.

b. Reconciliation of tax on pretax income at statutory rate and current income tax payable:

	For the Three Months Ended March 31	
	<u>2003</u>	<u>2002</u>
Tax on pretax income at 25% statutory rate	\$ 165,218	\$ 190,260
Add (deduct) tax effects of:		
Tax-exempt loss (income)	3,575	(1,066)
Permanent difference	(150,138)	(139,237)
Temporary difference	(32,059)	(7,465)
Investment tax credit	(1,911)	(1,077)
Loss carryforward	<u>15,315</u>	<u>-</u>
Current income tax payable	<u>\$ -</u>	<u>\$ 41,415</u>

- c. Deferred income tax assets (liabilities) consisted of the tax effects of the following:

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Investment income under the equity method	(\$ 339,905)	(\$ 219,825)
Unrealized gain	(<u>14,070</u>)	(<u>850</u>)
Deferred income tax liabilities	(\$ <u>353,975</u>)	(\$ <u>220,675</u>)
Loss carryforward	\$ 15,315	\$ -
Other	<u>373</u>	<u>1,615</u>
Deferred income tax assets	<u>\$ 15,688</u>	<u>\$ 1,615</u>

- d. The related information under the integrated income tax system was as follows:

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Balances of imputed tax credit account	<u>\$ 213,896</u>	<u>\$ 173,849</u>

The estimated creditable tax ratio for earnings in 2002 is 8.31%, which is based on estimated imputed tax credit before dividend distribution in 2003.

The actual creditable tax ratio for earnings in 2001 was 12.67%.

The tax credit allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date. Accordingly, 2002 estimated tax credit ratio may change because the actual tax credit may differ from the estimated tax credit.

- e. Income tax payable (included in other payables) as of March 31, 2002 were net of prepayments of \$6,037. Income tax returns through 2000, except those for 1996 and 1999, had been examined by the tax authorities. On the income tax returns for 1994, 1995, 1997, 1998 and 2000, the tax authorities denied the creditability of 10% withholding tax on interest income on bonds totaling \$69,766, which pertained to the period those bonds were held by other investors. The Bank had appealed the decision of the tax authorities.

A reinvestigation was made, resulting in the rescinding of a decision on the tax return for 1994. Income tax returns for 1996, 1999 and 2001 also reflected reduction in income tax obligations were reduced to \$41,443 attributable to similar type of withholding taxes; which returns were not yet examined by the tax authorities. However, the Bank had accrued liabilities and written-off any assets recognized related to the foregoing withholding taxes totaling \$111,209 as a part of income tax expense in 2001.

21. EARNINGS PER SHARE

The numerators and denominators used in computing earnings per shares (EPS) are summarized as follows:

	Numerator (Amounts)		Denominator (Shares in Thousands)	EPS (NT\$)	
	Pretax	After tax		Pretax	After tax
For the three months ended <u>March 31, 2003</u>					
Basic EPS					
Net income belongs to common stockholders	<u>\$ 660,871</u>	<u>\$ 560,351</u>	<u>1,944,398</u>	<u>\$ 0.34</u>	<u>\$ 0.29</u>
For the three months ended <u>March 31, 2002</u>					
Basic EPS					
Net income belongs to common stockholders	<u>\$ 761,079</u>	<u>\$ 660,337</u>	<u>1,903,863</u>	<u>\$ 0.40</u>	<u>\$ 0.35</u>

22. RELATED-PARTY TRANSACTIONS

Significant transactions between the Bank and related parties are summarized as follows:

a. Related parties

Name	Relationship with the Bank
SinoPac Holdings (SPH)	Parent company
SinoPac Securities Corporation (SinoPac Securities)	Wholly owned subsidiary of SPH
SinoPac Call Center Co., Ltd. (SinoPac Call Center)	Wholly owned subsidiary of SPH
SinoPac Life Insurance Agent Co., Ltd. (SPLIA)	Wholly owned subsidiary of SPH
SinoPac Property Insurance Agent Co., Ltd. (SPPIA)	Wholly owned subsidiary of SPH
AnShin Card Services Company Limited (AnShin Card Services)	Investee accounted for by the equity method of SPH
Far East National Bank (FENB)	Overseas grandson company of the Bank
SinoPac Leasing Corporation (SPL)	Subsidiary
Grand Capital International Limited (Grand Capital)	Subsidiary of SPL
China Television Co., Ltd. (China Television)	The Bank is a director of the company
Ruentex Industries Ltd. (Ruentex Industries)	Related party in substance
Wal Tech International Corporation (Wal Tech International)	Affiliate
Other	The Bank's directors, supervisors and their relatives, managers, the investees accounted for by the equity method and the subsidiaries of the Bank, etc.

b. Significant transactions between the Bank and the related parties

1) Loans and discounts

	<u>Ending Balance of the Period</u>	<u>% of Total</u>	<u>Interest Rate</u>	<u>Interest Revenue</u>	<u>% of Total</u>
For the three months ended March 31, 2003	\$ 2,095,638	1.1%	1.55%-12.35%	\$ 13,561	0.54%
For the three months ended March 31, 2002	1,956,755	1.1%	2.44%-12.90%	13,477	0.43%

2) Deposits

	<u>Ending Balance of the Period</u>	<u>% of Total</u>	<u>Interest Rate</u>	<u>Interest Expense</u>	<u>% of Total</u>
For the three months ended March 31, 2003					
- SPH	\$ 5,403,822	2.1%	0%-2.00%	\$ 18,974	1.41%
- Other	1,417,058	0.6%	0%-6.575%	60,965	4.53%
For the three months ended March 31, 2002	1,772,508	0.8%	0%-7.55%	4,630	0.26%

3) Due from banks and other receivables

	<u>Amount</u>		<u>% of Total</u>	
	<u>March 31</u>		<u>March 31</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Due from banks - FENB	\$ 64,005	\$ 34,535	0.8%	0.1%
Other receivables	2,675	-	-	-

4) Guarantees

As of March 31, 2003 and 2002, the Bank had provided guarantees on commercial papers issued by Wal Tech International and SinoPac Securities. The aggregate face amounts were as follows:

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Wal Tech International	\$ 119,000	\$ 34,000
SinoPac Securities	<u>45,000</u>	<u>-</u>
	<u>\$ 164,000</u>	<u>\$ 34,000</u>

Guarantees and credits on Wal Tech International were collateralized by the following assets provided by SPL, Wal Tech International and Grand Capital:

	<u>March 31</u>	
	<u>2003</u>	<u>2002</u>
Properties - carrying amount	<u>\$ 1,548,508</u>	<u>\$ 1,482,942</u>

Guarantees and credits on SinoPac Securities were collateralized by the following:

	<u>March 31, 2003</u>
Properties and leased assets - carrying amount	\$ 1,202,098
Certificates of deposit	<u>1,130,000</u>
	<u>\$ 2,332,098</u>

5) Revenues, expenses and outright sales/purchases of bonds and bills

	<u>Amount</u>		<u>% of Total</u>	
	<u>For the Three Months</u>		<u>For the</u>	
	<u>Ended March 31</u>		<u>Three Months</u>	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Service fees	\$ 3,047	\$ 980	1.14%	0.46%
Service charges	4,767	-	9.60%	-
Project popularizing expense	2,641	-	12.99%	-
Outright sales/purchases of bonds and bills				
SinoPac Securities				
Trading amount of outright purchases	-	1,619,491	-	-
Trading amount of outright sales	-	841,783	-	-

6) Bills sold under agreements to repurchase

	<u>March 31</u>	
	<u>Face Amount</u>	<u>Trading Amount</u>
SPH	<u>\$ 130,000</u>	<u>\$ 129,238</u>

7) Lease

a) The Bank as a lessee

The Bank leased certain office premises from related parties under several contracts for various periods ranging from one to six years, with rentals paid monthly. The related information was summarized as follows:

<u>lessor</u>	<u>Rental Expenses</u>		<u>% of Total</u>		<u>Tenancy</u>	<u>Lease Terms</u>
	<u>For the</u>		<u>For the</u>			
	<u>Three Months</u>		<u>Three Months</u>			
	<u>Ended March 31</u>		<u>Ended March 31</u>			
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>		
China Television	\$ 2,488	\$ 2,488	2.69%	3.17%	2001.07-2004.07	Rentals paid monthly
SPL	1,666	1,666	1.80%	-	2002.08-2007.07	Rentals paid monthly
Ruentex Industries	879	799	0.95%	1.02%	2000.10-2005.09	Rentals paid monthly
SinoPac Securities	773	-	0.84%	-	-	Rentals paid monthly

b) The Bank as a lessor

Lessee	Rental Income		% of Total		Tenancy	Lease Terms
	For the		For the			
	Three Months	Three Months	Three Months	Three Months		
	Ended March 31	Ended March 31	Ended March 31	Ended March 31		
	2003	2002	2003	2002		
SinoPac Securities	\$ 389	\$ 389	25.79%	74.95%	1999.07-2006.07	Rentals received monthly
SinoPac Call Center	324	-	21.51%	-	2003.01-2005.12	Rentals received monthly

8) Professional advisory charges

The Bank had entered into several professional advisory contracts with its investees. The professional advisory charges paid for the three months ended March 31, 2003 and 2002 amounted to \$30,508 and \$23,164, respectively.

9) Due from affiliates

On May 1, 2000, the Bank transferred its credit card business to AnShin Card Services for a total consideration of \$3,823,798, which had been received as of December 31, 2001.

The compensation received by the Bank for its credit card accounts and the personnel of its credit card business was recognized as income over five years in the case of the credit card accounts and over three years in the case of the transfer price for the related personnel. The related income recognized from this transaction amounted to \$7,084 for the three months ended March 31, 2002.

In December 2002, the Bank sold its shares in AnShin Card Services to SPH for a total consideration of \$181,238, which had been received before December 31, 2002. The Bank had recognized a loss of \$38,451 on sale of long-term equity investments as well as fully recognized the related deferred income upon the share transfer.

As of March 31, 2003 and 2002, the Bank's receivable to AnShin Card Services amounted to \$27,454, and \$46,023, respectively.

10) Asset transactions

In January 2003, the Bank sold its shares in SPLIA and SPPIA to SPH for considerations of \$79,452 and \$3,801, respectively, which had been received before March 31, 2003.

The terms of the transactions with related parties are similar to those with unrelated parties, except for the preferential interest rates offered to employees for savings and loans of up to prescribed limits.

In compliance with the Banking Law, credits extended by the Bank to any related party - except for consumer and government loans - should be fully secured, and the terms of credits extended to related parties should be similar to those extended to unrelated parties.

23. CONTINGENCIES AND COMMITMENTS

In addition to those disclosed in Note 26, financial instruments, contingencies and commitments of the Bank, are summarized as follows:

a. Lease contract

The Bank leases certain office premises under several contracts for various periods ranging from one to seven years, with rentals payable monthly, quarterly or semiannually. The rentals for the next five years are as follows:

<u>Year</u>	<u>Amount</u>
April 1 to December 31, 2003	\$ 170,050
2004	211,602
2005	119,011
2006	104,251
2007	66,656

Rentals for the years beyond 2007 amount to \$19,414, the present value of which is about \$18,357 as discounted at the Bank's one-year time deposit rate of 1.10% on April 1, 2003.

b. Land and buildings purchase contract

In January 2001, the Bank entered into contracts to buy land and buildings located in Taipei for business purposes. The purchase cost was \$199,900, of which \$198,830 had already been paid as of March 31, 2003.

c. Equipment purchase contract

The Bank entered into contracts to buy computer hardware and software for \$134,269, of which \$63,665 had already been paid as of March 31, 2003.

d. Interior decoration contract

The Bank entered into contracts to do interior decoration of its premises for \$94,860, of which \$72,538 had already been paid as of March 31, 2003.

e. Short-term bills and bonds sold under agreements to repurchase

As of March 31, 2003, short-term bills and bonds with a total face amount of \$17,624,800 were sold under agreements to repurchase at \$17,979,690 between April and July 2003.

f. Short-term bills purchased under agreements to resell

As of March 31, 2003, short-term bills with a total face amount of \$1,090,000 were purchased under agreements to resell at \$1,083,770 between April and May 2003.

24. AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average balance is calculated by the daily average balance of interest-earning assets and interest-bearing liabilities.

	For the Three Months Ended March 31			
	2003		2002	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Cash - negotiable certificates of deposit	\$ 70,028,500	1.20	\$ 19,637,426	2.33
Due from banks	3,153,292	1.12	2,169,081	1.65
Call loans (placement)	5,017,950	1.34	32,860,675	2.92
Due from Central Bank	5,516,838	2.19	5,010,905	2.50
Securities purchased	29,287,625	2.73	23,479,416	3.60
Loans, discounts and bills purchased	186,242,524	4.48	165,206,843	6.18
<u>Interest-bearing liabilities</u>				
Due to banks	2,391	0.54	5,057	1.05
Call loans (taken)	50,436,018	1.28	24,999,467	2.05
Demand deposits	28,986,396	0.58	18,633,742	1.18
Savings - demand deposits	50,775,621	0.89	49,113,244	2.32
Time deposits	103,662,901	1.58	93,296,989	2.47
Savings - time deposits	58,048,240	2.26	57,693,544	3.58
Negotiable certificates of deposit	843,880	1.76	1,162,744	2.56

25. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The maturity of assets and liabilities of the Bank is based on the remaining period from balance sheet dates. The remaining period to maturity is based on maturity dates specified under agreements, and, in cases where there are no specified maturity dates, based on expected dates of collection.

	March 31, 2003			
	Due in One Year	Due Between One Year and Five Years	Due After Five Years	Total
<u>Assets</u>				
Cash	\$ 80,103,972	\$ -	\$ -	\$ 80,103,972
Due from banks	7,727,488	-	-	7,727,488
Due from Central Bank	7,689,921	-	-	7,689,921
Securities purchased	34,557,118	-	-	34,557,118
Receivables	13,202,085	-	-	13,202,085
Loans, discounts and bills purchased (excluding nonperforming loans)	<u>55,841,561</u>	<u>15,257,250</u>	<u>118,814,750</u>	<u>189,913,561</u>
	<u>\$ 199,122,145</u>	<u>\$ 15,257,250</u>	<u>\$ 118,814,750</u>	<u>\$ 333,194,145</u>

(Forward)

	March 31, 2003			
	Due in One Year	Due Between One Year and Five Years	Due After Five Years	Total
<u>Liabilities</u>				
Call loans and due to banks	\$ 53,053,489	\$ -	\$ -	\$ 53,053,489
Payables	8,709,413	-	-	8,709,413
Deposits and remittances	222,422,644	29,598,250	-	252,020,894
Bank debentures	-	8,000,000	500,000	8,500,000
	<u>\$ 284,185,546</u>	<u>\$ 37,598,250</u>	<u>\$ 500,000</u>	<u>\$ 322,283,796</u>

	March 31, 2002			
	Due in One Year	Due Between One Year and Five Years	Due After Five Years	Total
<u>Assets</u>				
Cash	\$ 24,685,818	\$ -	\$ -	\$ 24,685,818
Due from banks	28,797,091	-	-	28,797,091
Due from Central Bank	8,450,404	-	-	8,450,404
Securities purchased	24,777,986	-	-	24,777,986
Receivables	10,324,150	-	-	10,324,150
Loans, discounts and bills purchased (excluding nonperforming loans)	53,435,604	25,275,690	91,101,722	169,813,016
	<u>\$ 150,471,053</u>	<u>\$ 25,275,690</u>	<u>\$ 91,101,722</u>	<u>\$ 266,848,465</u>

<u>Liabilities</u>				
Call loans and due to banks	\$ 23,463,251	\$ -	\$ -	\$ 23,463,251
Payables	7,587,807	-	-	7,587,807
Deposits and remittances	217,695,792	6,825,147	-	224,520,939
Bank debentures	-	5,000,000	-	5,000,000
	<u>\$ 248,746,850</u>	<u>\$ 11,825,147</u>	<u>\$ -</u>	<u>\$ 260,571,997</u>

26. FINANCIAL INSTRUMENTS

a. Derivative financial instruments

The Bank engages in derivative transactions mainly for accommodating customers' needs and managing its exposure positions. It also enters into cross-currency swaps, interest rate swaps and asset swaps to hedge the effects of foreign exchange or interest rate fluctuations on its foreign-currency net assets. The Bank's strategy is to hedge most of the market risk exposures using hedging instruments with market value changes that have a highly negative correlation with the changes in the market of the exposures being hedged. The Bank also reassesses the hedge effectiveness of these instruments periodically.

The Bank is exposed to credit risk in the event of default on contracts by counter-parties. The Bank enters into contracts with customers that have satisfied the credit approval process and have provided the necessary collateral. The transactions are then made within each customer's credit limit, and guarantee deposits may be required, depending on the customers' credit standing. Transactions with other banks are made within the trading limit set for each bank on the basis of the bank's credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses. In addition, the Bank has entered into futures contracts with London International Financial Futures and Options Exchange (LIFFE) and therefore, no significant credit risk is expected.

The contract amounts (or notional amounts), credit risks and fair values of outstanding contracts were as follows:

Financial Instruments	March 31, 2003			March 31, 2002		
	Contract (Notional)	Credit Risk	Fair Value	Contract (Notional)	Credit Risk	Fair Value
	Amount			Amount		
For hedging purposes:						
Interest rate swap contracts	\$ 3,061,000	\$ 42,277	(\$ 52,532)	\$ -	\$ -	\$ -
Cross-currency swap contracts	-	-	-	700,000	4,742	4,742
For the purposes of accommodating customers' needs or managing the Bank's exposures:						
Forward contracts						
- Buy	34,523,445	185,654	164,178	13,618,937	48,187	17,586
- Sell	28,670,755	220,758	91,732	18,922,608	54,510	(42,398)
Forward rate agreements						
- Buy	12,825,471	232	(17,523)	24,550,000	13,687	6,731
- Sell	18,453,306	23,056	19,499	23,200,000	11,069	(4,561)
Currency swap contracts	57,845,778	294,993	(289,841)	68,386,643	224,916	(211,364)
Interest rate swap contracts	42,414,025	480,682	(45,759)	38,841,000	165,188	(24,263)
Interest rate futures contracts						
Long position	6,800,130	1,661	1,661	-	-	-

Financial Instruments	March 31, 2003			March 31, 2002		
	Contract (Notional)	Credit Risk	Value of Options Purchased/ Written	Contract (Notional)	Credit Risk	Value of Options Purchased/ Written
	Amount			Amount		
For the purposes of accommodating customers' needs or managing the Bank's exposures:						
Options						
- As buyer	\$ 63,418,008	\$ 336,595	\$ 1,052,792	\$ 56,585,254	\$ 425,325	\$ 596,774
- As seller	59,301,545	-	1,040,753	56,960,628	-	607,294

The fair value of each contract is determined using the quotations from Reuters Information System. The fair value of each future contract refers to the closing price published by LIFFE as of the balance sheet date.

As of March 31, 2003 and 2002, the Bank entered into asset swap contracts for hedging purposes, with notional amounts at \$6,088,375 and \$1,382,150, respectively. The Bank entered into these contracts with counter-parties are with good splendid worldwide ranking and credit rating, thus, no significant credit risk is expected.

The notional amounts of derivative contracts are used solely for the purpose of calculating receivables and payables to all contract parties. Thus, the notional amount does not represent the actual cash inflows or outflows. The possibility that derivative financial instruments held or issued by the Bank cannot be sold at reasonable prices is remote; thus, no significant cash demand is expected.

The gains and losses on derivative financial instruments for the three months ended March 31, 2003 and 2002 were as follows:

	Account	For the Three Months Ended March 31	
		2003	2002
For hedging purposes:			
Cross-currency swap contracts			
- Realized	Interest revenue	\$ -	\$ 23,853
	Interest expense	-	(11,725)
Interest rate swap contracts			
- Realized	Interest revenue	1,466	-
For the purposes of accommodating customers' needs or managing the Bank's exposures:			
Forward contracts			
- Realized	Foreign exchange gain	2,620	315
- Unrealized	Foreign exchange gain (loss)	(38,950)	39,102
Forward rate agreements			
- Realized	Income (loss) from derivative financial transactions	(1,913)	2,741
- Unrealized	Income (loss) from derivative financial transactions	1,285	(5,376)
Currency swap contracts			
- Realized	Interest revenue	93,757	61,069
	Interest expense	(83,090)	(53,474)
Interest rate swap contracts			
- Realized	Interest revenue	147,065	112,171
	Interest expense	(161,872)	(122,813)
- Unrealized	Income from derivative financial transactions	14,244	12,384
Options contracts			
- Realized	Income from derivative financial transactions	94,782	21,699
	Foreign exchange gain (loss)	20,916	(7,868)
- Unrealized	Income (loss) from derivative financial transactions	16,821	(8,815)
Interest rate futures contracts			
- Realized	Income from derivative financial transactions	280	-
- Unrealized	Income from derivative financial transactions	1,661	-

Income from derivative financial transactions - net (included in other operating revenue) for the three months ended March 31, 2003 and 2002 were \$127,160 and \$22,633, respectively.

b. Fair value of nonderivative financial instruments

	March 31, 2003		March 31, 2002	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets - with fair values approximating carrying amounts	\$ 108,610,602	\$ 108,610,602	\$ 72,192,319	\$ 72,192,319
Securities purchased	34,457,064	34,691,919	24,777,986	24,908,983
Loans, discounts and bills purchased	190,633,080	190,633,080	170,341,212	170,341,212
Long-term equity investments	8,879,990	8,879,990	11,384,077	11,384,077
Guarantee deposits	619,042	626,767	697,494	698,326
<u>Liabilities</u>				
Financial liabilities - with fair values approximating carrying amounts	61,762,902	61,762,902	31,051,058	31,051,058
Deposits and remittances	252,020,894	252,020,894	224,520,939	224,520,939
Bank debentures	8,500,000	8,500,000	5,000,000	5,000,000
Other liabilities	134,140	134,140	74,008	74,008

Methods and assumptions applied in estimating the fair values of nonderivative financial instruments are as follows:

- 1) The carrying amounts of cash, due from banks, due from Central Bank, acceptances, receivables, call loans and due to banks, acceptances payable, remittances and payables approximate their fair values because of the short maturities of these instruments.
- 2) The fair values of securities purchased and long-term equity investments are based on their market prices if these market prices are available. Otherwise, fair values are estimated at their carrying amounts.
- 3) Loans, discounts and bills purchased, deposits, bank debentures and funds received for subloans are interest-earning assets and interest-bearing liabilities. Thus, their carrying amounts represent fair values. Fair value of nonperforming loans is based on the carrying amount, which is net of allowance for credit losses.
- 4) The fair values of government bonds submitted as guarantee deposits are based on market values while those of certificates of deposit are estimated at their carrying amounts. Fair values of other guarantee deposits and guarantee deposits received are estimated at their carrying amounts since these deposits do not have due dates.

Certain financial instruments and all nonfinancial instruments are excluded from disclosure requirement. Accordingly, the aggregate fair values presented above do not represent the total values of the Bank.

c. Off-balance-sheet credit risks

The Bank has significant credit commitments principally relating to customer financing activities. The terms of most of the credit commitments are under seven years. For the three months ended March 31, 2003 and 2002, the interest rates of the loans ranged from 0.20% to 20.00%, and from 0.42% to 12.90%, respectively. The Bank also issues financial guarantees and standby letters of credit to guarantee a customer obligations to a third party. The terms of these guarantees are usually one year, and their maturity dates are not concentrated in any particular period.

The contract amounts of financial instruments with off-balance-sheet credit risk as of March 31, 2003 and 2002 were as follows:

	March 31	
	2003	2002
Financial guarantees and standby letters of credit	\$ 10,998,965	\$ 10,449,895
Undrawn loan commitments	3,917,151	1,001,222

Since most of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash demands. The Bank's maximum credit risk relative to these commitments is the amount of the commitment assuming that the customer uses the full amount of the commitment and the related collateral or other security turns out to be worthless.

The Bank makes credit commitments and issues financial guarantees and standby letters of credit only after careful evaluation of customers' creditworthiness. On the basis of the result of the credit evaluation, the Bank may require collateral before drawings are made against the credit facilities. As of March 31, 2003 and 2002, ratios of secured loans to total loans were about 76% and 78%, respectively. Collaterals held vary but may include cash, inventories, marketable securities, and other property. When the customers default, the Bank will, as required by circumstances, foreclose the collateral or execute other rights arising out of the guarantees given.

27. INFORMATION ON CONCENTRATIONS OF RISK

The Bank has no credit risk concentration arising from any counter-party or groups of counter-parties engaged in similar business activities. Industries that accounted for 5% or more of the outstanding loans as of March 31, 2003 and 2002 were as follows:

	March 31			
	2003		2002	
	Amount	%	Amount	%
Natural person	\$ 139,485,297	73	\$ 123,668,648	72
Foreign corporation	15,535,710	8	13,890,838	8
Manufacturing	15,481,725	8	11,239,177	7

The net positions on foreign-currency transactions as of March 31, 2003 and 2002 were insignificant.

28. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the SFC for the Bank and investees:

- 1) Financing provided: Table 1;
- 2) Endorsement/guarantee provided: Table 2;
- 3) Marketable securities held: Table 3;
- 4) Marketable securities acquired and disposed of, at costs or prices of at least NT\$100 million or 20% of the issued capital: Table 4;
- 5) Acquisition of individual real estate at costs of at least NT\$100 million or 20% of the issued capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$100 million or 20% of the issued capital: None;
- 7) Total purchase from or sales to related -parties amounting to at least NT\$100 million or 20% of the issued capital: Not applicable;
- 8) Receivables from related parties amounting to NT\$100 million or 20% of the issued capital: None;
- 9) Names, locations, and other information of investees on which the Bank exercises significant influence: Table 5;
- 10) Derivative financial transactions: The derivative financial instruments of the Bank are disclosed in Note 26, and the derivative transactions of Far East National Bank ("FENB", a wholly owned subsidiary of SinoPac Bancorp, which is a wholly owned subsidiary of the Bank) are summarized below:

FENB engages in derivative transactions mainly for accommodating customers' needs and managing its exposure positions.

FENB is exposed to credit risk if the counter-parties default on the contracts on maturity date. FENB enters into contracts with customers that have satisfied its credit approval process and have provided the necessary collateral. Transactions are made within each customer's credit line; guarantee deposits may be required, depending on the customer's credit standing. Transactions with other banks are made within the trading limit set for each bank based on the bank's credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses.

The contract amounts (or notional amounts), credit risks and fair values of outstanding contracts were as follows:

Financial Instruments	March 31, 2003			March 31, 2002		
	Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value
For the purpose of accommodating customers' needs or managing its exposures:						
Forward contracts						
- Buy	\$ 139,000	\$ 8,340	\$ 4,513	\$9,037,000	\$ 302,400	(\$ 11,325)
- Sell	139,000	8,340	(4,505)	9,037,000	302,050	5,348

Financial Instruments	March 31, 2003			March 31, 2002		
	Contract (Notional) Amount	Credit Risk	Value of Options Purchased/ Written	Contract (Notional) Amount	Credit Risk	Value of Options Purchased/ Written
Options						
- As buyer	\$ -	\$ -	\$ -	\$4,200,000	\$ -	\$ -
- As seller	-	-	-	4,200,000	-	-

The fair value of each contract is determined on the basis of quotations from Reuters or Telerate Information System.

The notional amounts of derivative contracts are used solely for the purpose of calculating receivables and payables to all contract parties. Thus, the notional amount does not represent the actual cash inflows or outflows. The possibility that derivative financial instruments held or issued by FENB cannot be sold at reasonable prices is remote; thus, no significant cash demand is expected.

The gains and losses on derivative transactions for the three months ended March 31, 2003 and 2002 were insignificant.

- b. Information related to investment in Mainland China: None.

BANK SINOPAC AND INVESTEES
 FINANCING PROVIDED
 For the Three Months Ended March 31, 2003
 (In Thousands of New Taiwan Dollars)

No.	Financing Name	Counter-party	Financial Statement Account	Maximum Balance for the Period	Ending Balance	Interest Rate	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits
											Item	Value		
5	Intellisys Corp.	Intellisoft Corporation	Temporary payments	\$ 563	\$ 563	-	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 20,000	\$ 49,500
		Intellisys Shanghai Corporation	Temporary payments	296	296	-	Short-term financing	-	Working capital	-	-	-	20,000	49,500

Note: The stockholders of Intellisys Corp. approved the limit on total financing amounts up to 30% of the net asset value of Intellisys Corp., and the limit on individual financing amounts is up to \$20,000.

BANK SINOPAC AND INVESTEES

ENDORSEMENT/GUARANTEE PROVIDED
For the Three Months Ended March 31, 2003
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantee Provider	Counter-party		Limits on Individual Endorsement/Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Endorsement/Guarantee Amount Collateralized by Properties	Ratio of Accumulated Amount of Endorsement/Guarantee to Net Asset Value of the Latest Financial Statement (Note 4)	Maximum Endorsement/Guarantee Amounts Allowable
		Name	Nature of Relationship						
1	SinoPac Leasing Corporation	Grand Capital International Limited	Subsidiary	(Note 2)	\$2,052,555	\$2,052,555	\$ -	109%	(Note 3)
		Wal Tech International Corporation	Affiliate company	(Note 2)	409,500	409,500	-	22%	(Note 3)

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: The limit on individual endorsement or guarantee amount is up to 200% of the net asset value (Note 4) of the Corporation. But no limit applied on any subsidiary of the Corporation. As of March 31, 2003, the limit was \$3,774,396.

Note 3: The maximum amount of endorsement or guarantee amounts is up to 500% of the net asset value (Note 4) of the Corporation. But no limit applied on any subsidiary of the Corporation. As of March 31, 2003, the maximum allowance was \$9,435,991.

Note 4: The net asset value of SinoPac Leasing Corporation was based on its unreviewed financial statements as of March 31, 2003.

BANK SINOPAC AND INVESTEES

MARKETABLE SECURITIES HELD

March 31, 2003

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2003				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Bank SinoPac	<u>Stock</u>							
	SinoPac Bancorp	Subsidiary	Long-term equity investments	20	\$ 5,113,078	100.00%	\$ 5,113,078	Note 5
	Rocorp Holding S.A.	Investee accounted for by the equity method	Long-term equity investments	0.11	3,531	33.33%	3,531	Note 6
	SinoPac Leasing Corporation	Subsidiary	Long-term equity investments	149,652	2,099,885	99.77%	1,882,826	Note 4
	SinoPac Capital Limited	Subsidiary	Long-term equity investments	229,998	917,977	99.9991%	917,977	Note 4
	SinoPac Financial Consulting Co., Ltd.	Subsidiary	Long-term equity investments	194	2,851	97.00%	2,825	Note 4
	Ruentex Industries Ltd.	Supervisor of Bank SinoPac and an investee accounted for by the cost method	Long-term equity investments	11,452	165,486 (Note 3)	1.45%	171,625	Note 2
	Mega Financial Holding Company	Investee accounted for by the cost method	Long-term equity investments	3,998	110,732 (Note 3)	0.04%	65,516	Note 2
	Vate Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	186	6,272 (Note 3)	0.25%	1,000	Note 2
	China Television Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	12,468	364,539 (Note 3)	3.42%	105,977	Note 2
	Global Securities Finance Corp.	Investee accounted for by the cost method	Long-term equity investments	11,719	100,000	1.56%	133,697	Note 4
	Z-Com, Inc.	Investee accounted for by the cost method	Long-term equity investments	1,040	13,230	1.58%	11,256	Note 4
	Taipei Forex Inc.	Investee accounted for by the cost method	Long-term equity investments	80	800	0.40%	1,225	Note 4
	Taiwan Future Exchange Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	899	8,990	0.45%	10,650	Note 4
	Taiwan Leader Advanced Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	1,103	16,554	1.07%	9,595	Note 5
	Apack Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	1,694	14,476	1.31%	12,736	Note 4
	Fuh-Hwa Investment Trust Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	2,400	24,000	7.77%	33,899	Note 4
	Financial Information Services Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	4,550	45,500	1.14%	67,132	Note 4
	Taiwan Asset Management Corporation	Investee accounted for by the cost method	Long-term equity investments	5,000	50,000	0.28%	50,740	Note 5
	Taiwan Financial Asset Service Corporation	Investee accounted for by the cost method	Long-term equity investments	5,000	50,000	2.94%	50,725	Note 4
Prudence Venture Investment Corporation	Investee accounted for by the cost method	Long-term equity investments	5,000	50,000	2.50%	49,954	Note 4	
Mondex Taiwan Inc.	Investee accounted for by the cost method	Long-term equity investments	2,000	25,000	6.47%	15,995	Note 4	
SinoPac Bancorp	<u>Stock</u>							
	Far East National Bank	Subsidiary	Long-term equity investments	175	5,169,244	100.00%	5,169,244	Note 5

(Forward)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2003				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Far East National Bank	<u>Stock</u>							
	Far East Capital Corporation	Subsidiary	Long-term equity investments	350	\$ 79,199	100.00%	\$ 79,199	Note 5
	FENB Securities, Inc.	Subsidiary	Long-term equity investments	2.5	18,594	100.00%	18,594	Note 5
	FENB Loan Corp.	Subsidiary	Long-term equity investments	0.1	(14,045)	100.00%	(14,045)	Note 5
	FENB Film Corp.	Subsidiary	Long-term equity investments	0.1	(53,611)	100.00%	(53,611)	Note 5
	Federal Reserve Bank	Investee accounted for by the cost method	Long-term equity investments	65	112,293	-	112,293	Note 6
	Federal Home Loan Bank	Investee accounted for by the cost method	Long-term equity investments	76	264,152	-	264,152	Note 6
	Southern California Business Development Corporation (SCBDC)	Investee accounted for by the cost method	Long-term equity investments	40	1,390	-	1,390	Note 6
	California Economic Development Lending Initiative (CEDLI)	Investee accounted for by the cost method	Long-term equity investments	50	1,738	-	1,738	Note 6
	<u>Fund</u>							
	Genesis L.A. Real Estate Fund LLC	-	Long-term investments	-	47,025	-	47,025	Note 6
	California Tax Credit Fund LLC	-	Long-term investments	-	28,516	-	28,516	Note 6
	Bay Area Smart Growth Fund LLC	-	Long-term investments	-	22,499	-	22,499	Note 6
Far East Capital Corporation	<u>Stock (common stock)</u>							
	Metropolis Digital	Investee accounted for by the cost method	Long-term equity investments	1,257	4,369	8.00%	4,369	Note 6
	Hollywood International Financial Inc.	Investee accounted for by the cost method	Long-term equity investments	0.3	10	15.10%	-	Note 4
	PCRS Capital Partners, LLC	Investee accounted for by the cost method	Long-term equity investments	-	2,182	4.00%	2,182	Note 6
	TVIA, Inc.	Investee accounted for by the cost method	Long-term equity investments	33	8,687	0.20%	741	Note 7
	<u>Stock (preferred stock)</u>							
	AgraQuest, Inc.	-	Long-term equity investments	100	8,166	0.80%	8,166	Note 6
	iPhysician Net, Inc.	-	Long-term equity investments	115	14,126	0.30%	14,126	Note 6
	Silicon Motion, Inc.	-	Long-term equity investments	61	8,688	0.20%	8,688	Note 6
	Softknot Corporation	-	Long-term equity investments	250	6,952	2.00%	6,952	Note 6
Zone Reactor, Inc.	-	Long-term equity investments	300	2,085	1.50%	2,085	Note 6	
SinoPac Leasing Corporation	<u>Stock</u>							
	Grand Capital International Limited	Subsidiary	Long-term equity investments	29,900	1,376,182	100.00%	1,376,182	Note 4
	Bank of Overseas Chinese	Investee accounted for by the cost method	Long-term equity investments	4,829	29,914	0.29%	31,485	Note 2
	Chain Yarn Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	1,969	38,444	1.90%	24,170	Note 4
	Tekcon Electronics Corp.	Investee accounted for by the cost method	Long-term equity investments	832	20,768	1.51%	6,841	Note 4
	Global Securities Finance Corp.	Investee accounted for by the cost method	Long-term equity investments	1,423	15,664	0.19%	16,284	Note 4
	Z-Com, Inc.	Investee accounted for by the cost method	Long-term equity investments	330	6,600	0.50%	3,573	Note 4
	Walton Advanced Engineering, Inc.	Investee accounted for by the cost method	Long-term equity investments	1,528	23,616	0.34%	12,968	Note 4
Telexpress Corp.	Investee accounted for by the cost method	Long-term equity investments	525	7,835	5.00%	5,304	Note 5	
Grand Capital International Limited	<u>Venture fund</u>							
World Wide Multimedia L.P.	-	Long-term investments	0.005	59,191	16.67%	51,448	Note 4	

(Forward)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2003				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
SinoPac Capital Limited	<u>Stock (preferred stock)</u>							
	@Network, Inc.	-	Long-term equity investments	106	\$ 10,425	0.49%	\$ 10,425	Note 6
	Best 3C. Com, Inc.	-	Long-term equity investments	600	15,638	1.85%	15,638	Note 6
	e21 Corp.	-	Long-term equity investments	200	10,425	0.79%	10,425	Note 6
	Netvista (B.V.I.) Holding Company Ltd.	-	Long-term equity investments	600	10,425	3.30%	10,425	Note 6
	<u>Stock (common stock)</u>							
	Ciphergen Biosystems, Inc.	Investee accounted for by the cost method	Long-term equity investments	45	9,928	0.17%	9,928	Note 6
	<u>Stock</u>							
	SinoPac Capital (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	4,450	140,637	100.00%	140,637	Note 4
	Shanghai Land Holding Ltd.	-	Short-term investments	400	1,443	0.01%	1,069	Note 2
	ASM Pacific	-	Short-term investments	250	18	0.07%	21,106	Note 2
	Phoenix TV	-	Short-term investments	5,000	17,622	0.10%	17,821	Note 2
	TPV Holdings	-	Short-term investments	1,060	11,956	0.08%	9,917	Note 2
	Sino Golf	-	Short-term investments	8,044	31,732	2.66%	34,045	Note 2
	Guangdong Kelon	-	Short-term investments	4,467	23,023	0.97%	22,090	Note 2
	BEP International Holding	-	Short-term investments	5,450	17,102	2.27%	17,482	Note 2
	Haier-CCT	-	Short-term investments	40,000	35,474	0.40%	48,115	Note 2
	Hong Kong Exchange	-	Short-term investments	1,000	39,751	0.10%	38,982	Note 2
	UTStarcom	-	Short-term investments	80	50,767	0.07%	56,184	Note 2
	<u>Bond</u>							
	Chiam International	-	Short-term investments	US\$ 2,000	69,500	-	69,500	Note 7
	<u>Convertible bill and bond</u>							
	Sino-Wood Partners	-	Short-term investments	US\$ 1,000	34,750	-	34,750	Note 2
Sinbon Electronics Co., Ltd.	-	Short-term investments	US\$ 1,000	34,750	-	34,793	Note 2	
Micro Star Int'l Co., Ltd.	-	Short-term investments	US\$ 3,000	104,250	-	107,319	Note 2	
Siliconware Precision	-	Short-term investments	US\$ 1,000	34,750	-	35,125	Note 2	
Hannstar Display	-	Short-term investments	US\$ 3,000	104,250	-	102,730	Note 2	
<u>Other</u>								
U.S. Stock Portfolio Investment	-	Short-term investments	-	69,500	-	62,769	Note 2	
SinoPac Capital (B.V.I.) Ltd.	<u>Stock</u>							
Cyberpac Holding Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	4,000	42,093	100.00%	42,093	Note 4	
Allstar Venture Ltd. (B.V.I.)	Subsidiary	Long-term equity investments	0.002	(141,734)	100.00%	(141,734)	Note 4	
Shanghai International Asset Management (Hong Kong) Co., Ltd.	Subsidiary	Long-term equity investments	4,800	32,450	60.00%	23,986	Note 4	
Pinnacle Investment Management Ltd.	Subsidiary	Long-term equity investments	200	4,303	99.9995%	4,303	Note 4	
Cyberpac Holding Ltd. (B.V.I.)	<u>Venture fund</u>							
3V Source One LP	-	Long-term investments	2,000	71,006	71.43%	71,006	Note 6	

(Forward)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2003				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Allstar Venture Ltd. (B.V.I.)	<u>Stock</u>							
	Wal Tech International Corporation	Subsidiary	Long-term equity investments	26,500	\$ 203,057	100.00%	\$ 197,658	Note 4
	RSP Information Service Company Limited	Subsidiary	Long-term equity investments	999,999	4,456	99.9999%	4,456	Note 6
	Telexpress Corp.	Investee accounted for by the equity method	Long-term equity investments	3,900	50,259	34.21%	34,302	Note 4
	Hollywood International Finance Inc.	Investee accounted for by the cost method	Long-term equity investments	0.098	3	4.90%	-	Note 4
	<u>Venture fund</u>							
	InveStar Excelsus Venture Capital (Int'l) Inc., LDC	-	Long-term investments	2,220	84,893	6.25%	84,893	Note 6
	UOB	-	Long-term investments	26	77,539	8.62%	80,054	Note 4
	MDS Life Sciences Technology Fund	-	Long-term investments	50	117,731	25.00%	108,886	Note 4
	Bio Asia Investment, LLC/BDF II	-	Long-term investments	-	36,229	2.30%	44,559	Note 4
	NAVF II	-	Long-term investments	-	46,756	2.07%	29,746	Note 4
	<u>Stock (common stock)</u>							
	Ardent Pharmaceutica, Inc.	Investee accounted for by the cost method	Long-term equity investments	143	17,762	0.58%	763	Note 4
	TVIA, Inc.	Investee accounted for by the cost method	Long-term equity investments	167	10,205	0.75%	3,714	Note 7
	DiCon Fiberoptics, Inc.	Investee accounted for by the cost method	Long-term equity investments	221	34,744	0.20%	34,744	Note 6
	<u>Stock (preferred stock)</u>							
	Sunol Molecular Corp.	-	Long-term equity investments	100	17,538	0.92%	17,538	Note 6
	Phytoceutica, Inc.	-	Long-term equity investments	200	17,925	1.10%	17,925	Note 6
	Selective Genetics, Inc.	-	Long-term equity investments	50	10,788	0.43%	10,788	Note 6
Immusol, Inc.	-	Long-term equity investments	75	10,657	0.16%	10,657	Note 6	
Virtual Silicon Technology, Inc.	-	Long-term equity investments	120	10,649	0.31%	10,649	Note 6	
BioAgri Corp.	-	Long-term equity investments	63	10,425	1.08%	10,425	Note 6	
Divio, Inc.	-	Long-term equity investments	125	17,442	0.64%	17,442	Note 6	
Wal Tech International Corporation	<u>Stock (common stock)</u>							
	Intellisys Corp.	Subsidiary	Long-term equity investments	10,326	242,455	62.58%	121,666	Note 4
	Multiwin Asset Management Co., Ltd.	Investee accounted for by the equity method	Long-term equity investments	1,800	8,864	30.00%	10,722	Note 4
	Monmon Medza Technology Co., Ltd.	Investee accounted for by the equity method	Long-term equity investments	598	3,137	32.39%	2,987	Note 4
	Fu Po Electronics Corporation	Investee accounted for by the cost method	Long-term equity investments	1,650	29,700	1.50%	13,768	Note 4
	Webi & Neti Internet Services Inc.	Investee accounted for by the cost method	Long-term equity investments	63	625	2.63%	392	Note 4
	YesMobile Ltd.	Investee accounted for by the cost method	Long-term equity investments	400	12,000	2.00%	2,451	Note 4
	SynTest Technologies, Inc., Taiwan	Investee accounted for by the cost method	Long-term equity investments	79	10,598	0.35%	480	Note 5
	Taiwan Leader Advanced Technology Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	1,575	15,000	1.53%	13,729	Note 5
	Ruentex Resources Integration Co., Ltd.	A subsidiary of Bank SinoPac's supervisor and Investee accounted for by the cost method	Long-term equity investments	2,361	24,114	2.47%	21,568	Note 5

(Forward)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Financial Statement Account	March 31, 2003				Note
				Shares/Units/ Face Amount (In Thousand)	Carrying Amount (Note 1)	Percentage of Ownership	Market Value or Net Asset Value (Note 1)	
Intellisys Corp.	Media Reality Technologies, Inc.	Investee accounted for by the cost method	Long-term equity investments	800	\$ 13,598	1.78%	\$ 8,775	Note 5
	Advanced Power Electronics Corp.	Investee accounted for by the cost method	Long-term equity investments	660	14,520	1.32%	9,246	Note 4
	Nanya PCB Corporation	Investee accounted for by the cost method	Long-term equity investments	1,519	93,080	0.32%	26,915	Note 4
	ENE Technology Inc.	Investee accounted for by the cost method	Long-term equity investments	765	29,996	3.22%	10,079	Note 4
	SonicEdge Industries Corporation	Investee accounted for by the cost method	Long-term equity investments	580	14,500	2.99%	5,133	Note 4
	Maximum Venture I, Inc., Taiwan	Investee accounted for by the cost method	Long-term equity investments	7,000	70,350	8.33%	60,025	Note 5
	SinoPac Financial Consulting Co., Ltd.	Investee accounted for by the cost method	Long-term equity investments	6	91	3.00%	87	Note 4
	<u>Stock (preferred stock)</u> Silicon Motion Inc.	-	Long-term equity investments	90	12,522	0.11%	12,522	Note 6
	<u>Beneficiary certificate</u> KGI Pioneer Fund	-	Short-term investments	200	2,000 (Note 3)	-	1,500	Note 7
	Apollo Fund	-	Short-term investments	15	100 (Note 3)	-	73	Note 7
<u>Stock</u> Orion Financial Tech. Ltd.	Investee accounted for by the cost method	Long-term equity investments	81	525	2.31%	300	Note 4	

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: Market prices of listed and over-the-counter stocks were determined by average daily closing prices in March 2003.

Note 3: The amounts were before deducting related unrealized losses.

Note 4: Net asset values were based on the investees' unaudited or unreviewed financial statements for the latest period.

Note 5: Net asset values were based on the investees' audited or reviewed financial statements for the latest period.

Note 6: Net asset values were based on the carrying amounts.

Note 7: Market prices were determined at the closing prices on March 31, 2003.

BANK SINOPAC AND INVESTEES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL

For the Three Months Ended March 31, 2003

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units/ Face Amount (in Thousand)	Amount	Shares/ Units/ Face Amount (in Thousand)	Amount (Note)	Shares/ Units/ Face Amount (in Thousand)	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares/ Units/ Face Amount (in Thousand)	Amount (Note)
SinoPac Capital Limited	<u>Convertible bill and bond</u> Hannstar Display	Short-term investments	-	-	-	\$ -	US\$ 3,000	\$ 104,250	-	\$ -	\$ -	\$ -	US\$ 3,000	\$ 104,250

Note: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

BANK SINOPAC AND INVESTEEES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
For the Three Months Ended March 31, 2003
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2003			Net Income (Loss) of the Investee (Note 2)	Investment Gains (Loss)	Note
				March 31, 2003 (Note 1)	December 31, 2002 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Amount (Note 2)			
Bank SinoPac	SinoPac Bancorp Rocorp Holding S.A.	California	Stock holding	US\$ 112,306	US\$ 112,306	20	100.00	\$ 5,113,078	\$ 101,243	\$ 80,367	Subsidiary Investee under significant influence held by the Bank
		Luxembourg	Stock holding	3,531	3,531	0.11	33.33	3,531	-	-	
	Taipei	Leasing aircraft and machinery equipment	999,940	999,940	149,652	99.77	2,099,885	51,613	51,494	Subsidiary	
	Hong Kong	Lending and financing	HK\$ 229,998	HK\$ 229,998	229,998	99.9991	917,977	33,309	19,476	Subsidiary	
	SinoPac Financial Consulting Co., Ltd.	Taipei	Investment advisory and business management advisory	1,940	1,940	194	97.00	2,851	(446)	(433)	Subsidiary
SinoPac Bancorp	Far East National Bank	California	Commercial bank	US\$ 107,306	US\$ 107,306	175	100.00	5,169,244	107,381		Grandson corp.
Far East National Bank	Far East Capital Corporation FENB Securities, Inc. FENB Loan Corp. FENB Film Corp.	California	Investment bank	US\$ 3,500	US\$ 3,500	350	100.00	79,199	(2,829)		Great-grandson corp.
		California	Securities brokerage	US\$ 25	US\$ 25	2.5	100.00	18,594	4,865		Great-grandson corp.
		California	Asset management brokerage	US\$ 1	US\$ 1	0.1	100.00	(14,045)	-		Great-grandson corp.
		California	Motion picture asset management	US\$ 1	US\$ 1	0.1	100.00	(53,611)	-		Great-grandson corp.
SinoPac Leasing Corporation	Grand Capital International Limited	British Virgin Islands	Oversea trading, leasing, lending and financing	US\$ 29,900	US\$ 29,900	29,900	100.00	1,376,182	31,255		Grandson corp.
SinoPac Capital Limited	SinoPac Capital (B.V.I.) Ltd.	British Virgin Islands	Financial advisory	US\$ 4,450	US\$ 4,450	4,450	100.00	148,302	15,230		Grandson corp.
SinoPac Capital (B.V.I.) Ltd.	Cyberpac Holding Ltd. (B.V.I.) Allstar Venture Ltd. (B.V.I.) Shanghai International Asset Management (Hong Kong) Co., Ltd. Pinnacle Investment Management Ltd.	British Virgin Islands	Investment and advisory	US\$ 4,000	US\$ 4,000	4,000	100.00	50,038	(11,149)		Great-grandson corp.
		British Virgin Islands	Investment	US\$ 0.002	US\$ 0.002	0.002	100.00	(141,734)	(6,167)		Great-grandson corp.
		Hong Kong	Asset management	HK\$ 10,000	HK\$ 10,000	4,800	60.00	32,450	630		Great-grandson corp.
		Hong Kong	Asset management	US\$ 200	US\$ 200	200	99.9995	4,303	(163)		Great-grandson corp.
Cyberpac Holding Ltd. (B.V.I.)	Wal Tech International Corporation Telexpress Corp.	Taipei	Leasing, international trading, and sale of machinery equipment	\$ 272,182	\$ 272,160	26,500	100.00	203,057	(5,103)		Great-great-grandson corp.
		Cayman Islands	Investment	US\$ 1,560	US\$ 1,560	3,900	34.21	50,259	(3,206)		Investee under significant influence held by the Bank's great-grandson corp.
	RSP Information Service Company Limited	Hong Kong	General trading and providing internet - based service	HK\$ 999.999	HK\$ -	999.999	99.9999	4,456	-		Great-great- grandson corp.

(Forward)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2003			Net Income (Loss) of the Investee (Note 2)	Investment Gains (Loss)	Note
				March 31, 2003 (Note 1)	December 31, 2002 (Note 1)	Shares (Thousand)	Percentage of Ownership (%)	Carrying Amount (Note 2)			
Wal Tech International Corporation	Intellisys Corp.	Taipei	Computer and peripheral system integration engineering, software development and design	\$ 258,836	\$ 258,836	10,326	62.58	\$ 244,455	\$ 4,456	Great-great-great-grandson corp. Investee under significant influence held by the Bank's great-great-grandson corp. Investee under significant influence held by the Bank's great-great-grandson corp.	
	Mutiwin Asset Management Co., Ltd.	Taipei	Asset management	18,000	18,000	1,800	30.00	8,864	1,435		
	Monmon Medza Technology	Taipei	Software products retail and distribution	5,980	5,980	598	32.39	2,987	(1,378)		

Note 1: The original investment amounts were expressed in respective foreign currencies denominated.

Note 2: Foreign-currency amounts were translated at the exchange rate as of the balance sheet date, except for foreign-currency-denominated income and expenses, which were translated to New Taiwan dollars at the average exchange rate in March 2003.