

DISCLOSURES REQUIRED BY BUREAU OF MONETARY AFFAIRS

Disclosures regulated in directives No. 89760330, No. 89764532 and No. 0916000072 issued by the Ministry of Finance are as follows:

1.

BALANCE SHEET
March 31, 2003
(In Thousands of New Taiwan Dollars)

	Amount		Amount
Assets		Liabilities	
Cash, due from banks and due from Central Bank	\$ 95,521,381	Call loans and due to banks	\$ 53,053,489
Securities purchased - net	34,457,064	Deposits and remittances	252,020,894
Loans, discounts and bills purchased - net	188,944,360	Other	19,657,858
Long-term equity investments	8,879,990	Total liabilities	324,732,241
Net properties	4,824,453		
Nonperforming loans - net	1,688,720	Stockholders' equity	
Collateral assumed	414,042	Capital stock	19,443,975
Other	15,553,607	Capital surplus	125,208
		Retained earnings	6,086,998
		Equity adjustments	(104,805)
Total assets	\$350,283,617	Total liabilities and stockholders' equity	\$350,283,617

	Amount
Material contingencies and commitments:	
Undrawn loan commitments	\$ 3,917,151
Securities sold under agreements to repurchase	17,979,690
Guaranteed payments of all kinds	8,080,530
Securities purchased under agreements to resell	1,083,770
The outstanding balance of letters of credit issued on behalf of customers that are not yet drawn	2,918,435
Foreign exchange forward contracts	63,194,200
Trust assets	39,585,095
The balance of interest rate linked derivative products (interest rate swaps, options, futures and forwards)	83,553,932
The balance of foreign exchange linked derivatives products (currency swaps, options, futures and forwards)	180,565,331
Equity and commodity-linked derivatives	-

2.

STATEMENT OF INCOME
For the Three Months Ended March 31, 2003
(In Thousands of New Taiwan Dollars)

	Amount
OPERATING REVENUES	
Interest	\$ 2,520,748
Income from short-term bills (Note 1)	405,370
Income from bonds, stocks and beneficiary certificates - net (Note 2)	16,533
Service fees	267,645
Income from long-term equity investments under the equity method - net	150,904
Other	134,043
Total Operating Revenues	3,495,243
OPERATING COSTS AND EXPENSES	
Interest	1,345,001
Provision for credit and trading losses	281,458
Operating and administrative expenses	1,148,728
Other	69,139
Total Operating Costs and Expenses	2,844,326
OPERATING INCOME	650,917
NONOPERATING INCOME AND GAINS	36,761
NONOPERATING EXPENSES AND LOSSES	26,807
INCOME BEFORE INCOME TAX	660,871
INCOME TAX	100,520
NET INCOME	\$ 560,351

Note 1: Net amount of income and loss from short-term bills. As of March 31, 2003, no allowance for market value decline was provided.

Note 2: Net amount of income and loss from bonds, stocks and beneficiary certificates. As of March 31, 2003, provision for market value decline amounted to \$100,054.

3. Material financial and business summary

a. Statement of capital adequacy

Item	Year	
	March 31, 2003	March 31, 2002
Capital adequacy ratio (Note)	12.85%	14.37%
Debt to net worth ratio	1,270.90%	1,094.45%

Note: These were the Bank's standalone capital adequacy ratios as of December 31, 2003 and 2002. Capital adequacy ratio = Eligible capital/Risk-based assets. Pursuant to the Banking Law and related regulations, the capital adequacy ratio should be computed in the end of June and December, respectively.

b. Assets quality

(In Thousands of New Taiwan Dollars)

Item	Year	
	March 31, 2003	March 31, 2002
Overdue loans (including nonperforming loans)	\$ 4,085,982	\$ 3,611,701
Nonperforming loans	2,222,130	1,870,833
Overdue loans ratio (Note 1)	2.12%	2.10%
Classified loans (Note 2)	1,723,417	2,910,983
Ratios of classified loans to total loans	0.90%	1.70
Allowance for credit losses	1,502,611	1,342,637

Note 1: Overdue loans ratio = Overdue loans (including nonperforming loans)/(Outstanding loan balance + Nonperforming loans). If overdue loans (including nonperforming loans)/total credits, the overdue loans ratios as of March 31, 2003 and 2002 were 1.79% and 1.84%, respectively.

Note 2: Loans subject to observation are medium and long-term loans repayable in installments repayment on which is delinquent for more than three months but less than six months; other loans(the repayment of) principal on which is overdue by less than three months and interest thereon is overdue by more than three months but less than six months that would normally be required to be reported as an overdue loan but for having been exempted from such reporting (including loans for which an agreement has been reached to repay such loan in installments, loans for which a credit insurance fund will cover such repayment (as evidenced by) a sufficient certificate of deposit or reserve, loans for which repayment has, by agreement, been extended due to the September 21, 1999 earthquake, loans for which the collateral has been sold at auction and the proceeds of such auction are yet to be distributed, and loans extended under other approved exempt loan programs.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

	March 31, 2003		March 31, 2002	
Credit extensions to interested parties	\$4,224,398		\$3,834,345	
Ratio of credit extensions to interested parties	1.86		1.96	
Ratio of credit extensions secured by pledged stock	1.03		1.09	
Industry concentration	Industry	Percentage	Industry	Percentage
	Manufacturing	8.13	Manufacturing	7.39
	Wholesaling	3.02	Wholesaling	2.71
	Finance and insurance	2.60	Finance and insurance	1.82
	Real estate and leasing	2.65	Real estate and leasing	2.88
	Government organizations	1.71	Government organizations	3.81
	Natural person	79.41	Natural pension	78.37
	Other	2.48	Other	3.02

2) Information of investees

March 31, 2003

(In Thousands of New Taiwan Dollars and Respective Foreign Currencies, %)

Name of Investee	Original Investment Amount	Percentage of Ownership
SinoPac Bancorp	US\$112,306	100.00
Rocorp Holding S. A.	3,531	33.33
SinoPac Leasing Corporation	999,940	99.77
SinoPac Capital Limited	HK\$229,998	99.99
SinoPac Financial Consulting Co., Ltd.	1,940	97.00
Fuh-Hwa Investment Trust Co., Ltd.	24,000	7.77
Mondex Taiwan Inc.	25,000	6.47

Note: Only include percentage of ownership above 5%.

3) Policy of provision on credit losses

In determining the allowance for credit losses and provision for losses on guarantees, the Bank evaluates the losses on particular loans and overall credit portfolio, considering the balances of loans, discounts and bills purchased, accounts, interest and other receivables, 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.

4) Matters requiring special notation

March 31, 2003

	Summary and Amount
Within the past one year, a responsible person or professional employee, in the course of business, violated the law, resulting in an indictment by a prosecutor.	A former employee of the Bank was prosecuted by district attorney for violating the related regulations of the Banking Law. The prosecution was still judged by the District Court while the claim was recovered in succession. The loss estimates around \$1,295.
Within the past one year, a fine was levied on the Bank for violations of the Banking Law.	None
Within the past one year, misconduct occurred that resulted in the Ministry of Finance imposing strict corrective measures.	None
Within the past one year, the loss from one incident or the total losses from employee corruption, periodic events of a material nature, or failure to abide by the "Guidelines for the Maintenance of Soundness of Financial Institutions" exceeded NT\$50 million dollars.	None
Others	None

Note: The term "within the past one year" means the one year prior to the balance sheet date.

4. Profitability

Item	Year	For the Three Months Ended March 31, 2003	For the Three Months Ended March 31, 2002
	Return on assets		0.78%
Return on net worth		10.46%	12.88%
Profit margin		18.91%	19.87%

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

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

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

Note 4: Income before income tax represents the income for the three months ended March 31, 2003.

The quarterly profitability data listed above is expressed on an annual basis.

5. Liquidity

MATURITY ANALYSIS OF ASSETS AND LIABILITIES
March 31, 2003

(In Thousands of New Taiwan Dollars)

	Total	Amount for the Remaining Period Prior to the Maturity Date				
		0-30 Days	31-90 Days	91-180 Days	181 Days to One Year	Over One Year
Assets	\$322,511,000	\$ 50,470,000	\$ 37,468,000	\$ 32,006,000	\$ 25,716,000	\$176,851,000
Liabilities	325,312,000	85,871,000	46,129,000	45,608,000	47,664,000	100,060,000
Gap	(2,801,000)	(35,401,000)	(8,661,000)	(13,602,000)	(21,928,000)	76,791,000
Accumulated gap	(2,801,000)	(35,401,000)	(44,062,000)	(57,664,000)	(79,592,000)	(2,801,000)

Note: The above amounts include only New Taiwan Dollar amounts held in the onshore branch (i.e. excludes foreign currency).

6. Market risk sensitivity

Item	Year	March 31, 2003	March 31, 2002
	Ratio of interest-rate sensitive assets to liabilities		83.82%
Ratio of interest-rate sensitive gap to net worth		74.12%	(36.92%)

Note 1: Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets/ Interest-rate sensitive liabilities (with maturity of less than one year in New Taiwan Dollars)

Note 2: Interest-rate sensitive gap = Interest-rate sensitive assets – Interest-rate sensitive liabilities