

3. Ratio of small and medium-size enterprise loan and consumer loan to total loan

(In Thousands of New Taiwan Dollars)

	As of March 31, 2004	As of March 31, 2003
Small and medium-size enterprise loan	\$ 1,689,325	\$ 1,132,137
Small and medium-size enterprise loan ratio	0.75%	0.59%
Consumer loan	133,563,870	121,703,392
Consumer loan ratio	59.47%	63.34%

Note 1: Small and medium-size enterprise loan ratio = Small and medium-size enterprise loan/Total loan.

Consumer loan ratio = Consumer loan/Total loan.

Note 2: Small and medium-size enterprises are defined in the standards for identifying small or medium-size enterprise promulgated by Ministry of Economics Affairs.

Note 3: Consumer loan shall include housing loan, house repairing loan and car loan, union welfare loan and other personal consumer loan.

4.

Statement of Income
For The Three Months Ended March 31, 2004 and 2003
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period			Previous Period		
		Subtotal	Total	%	Subtotal	Total	%
	Operating revenues		\$ 4,639,164	100	\$ 3,495,243	100	
	Interest income	\$ 2,381,241		51	\$ 2,520,748	72	
	Service fees	602,975		13	267,645	8	
	Income from securities-net	511,951		11	421,903	12	
	Income from long-term equity investments under equity method - net	83,065		2	150,904	4	
	Foreign exchange gain	1,056,139		23	-	-	
	Other	3,793		-	134,043	4	
	Operating expense		3,630,850	79	2,844,326	81	
	Interest expense	1,241,725		27	1,345,001	38	
	Service charges	71,181		2	49,645	1	
	Provision for credit and trading losses	330,000		7	281,458	8	
	Operating and administrative expense	1,330,386		29	1,148,728	33	
	Foreign exchange loss	-		-	19,350	1	
	Other	657,558		14	144	-	
	Operating income		1,008,314	21	650,917	19	
	Nonoperating income and gains		83,018	2	36,761	1	
	Nonoperating expenses and losses		(7,273)	-	(26,807)	1	
	Income before income tax		1,084,059	23	660,871	19	
	Income tax		(148,680)	3	(100,520)	3	
	Net income		\$ 935,379	20	\$ 560,351	16	
	Earnings per share (in New Taiwan dollars)		\$ 0.48		\$ 0.29		

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	March 31, 2004	March 31, 2003
1) Tier I capital	\$26,143,866	\$24,977,464
2) Tier II capital	4,463,024	2,321,711
3) Tier III capital	-	-
4) Capital deduction	3,755,878	3,600,744
Net (1+2+3+4)	26,851,012	23,698,431
Total risk—based assets	216,730,585	184,397,046
Capital adequacy ratios (Note)	12.39%	12.85%
Ratios of debt to net worth	1,599.97%	1,270.90%

Note: Capital adequacy ratio = Eligible capital/Risk-based assets. Pursuant to the Banking Law and related regulations, the capital adequacy ratio should be computed at the end of June and December, respectively, thus the aforementioned figures were the capital adequacy ratios as of December 31, 2003 and 2002, respectively.

b. Assets quality

(In Thousands of New Taiwan Dollars)

Item	March 31, 2004	March 31, 2003
Overdue loans (including nonperforming loans) (Note 1)	\$ 3,331,121	\$ 4,085,982
Nonperforming loans	2,503,597	2,222,130
Overdue loans ratio (Note 2)	1.48%	2.12%
Classified loans (Note 3)	469,060	1,723,417
Ratios of classified loans to total loans	0.21%	0.90%
Allowance for credit losses	1,617,860	1,502,611
Write-off amounts of credits (Note 4)	263,479	219,317

Note 1: Overdue loans (including non-accrual loans) represent the amounts of reported overdue loans as required by the MOF letters dated February 16, 1994 (Ref. No. Tai-Tsai-Zong-832292834) and December 1, 1997 (Ref. No. Tai-Tsai-Zong-86656564).

Note 2: Overdue loans ratio = Overdue loans (including nonperforming loans)/(Outstanding loan balance + Nonperforming loans). If overdue loans (including nonperforming loans)/total credits, the overdue loans ratio as of March 31, 2004 and 2003 were 1.20% and 1.79%, respectively.

Note 3: Loans subject to observation are mid-term 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.

Note 4: Write-off amounts of credits = Accumulated write-off amounts of credits for the three months ended March 31, 2004 and 2003.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	March 31, 2004		March 31, 2003	
Credit extensions to interested parties	\$4,439,160		\$4,224,398	
Ratios of credit extensions to interested parties	1.60%		1.86%	
Ratios of credit extensions secured by pledged stocks	0.47%		1.03%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Natural person	76.64%	Natural person	79.41%
	Manufacturing	8.03%	Manufacturing	8.13%
	Wholesaling	4.34%	Wholesaling	3.02%

Note 1: Consist of loans, discounts and bills purchased (including import and export bill negotiations), acceptances and guarantees.

Note 2: Ratio of credit extensions to interested parties = credit extensions to interested parties/total credit extensions.

Note 3: Ratio of credit extensions secured by pledged stocks = credit extensions secured by pledged stocks/total credit extensions.

Note 4: The amounts of credit extensions to interested parties are required to be computed pursuant to the Banking Law.

Note 5: Consist of the following industries required by the Central Bank: agriculture, forestry, fishing and grazing; mining and soil excavation; manufacturing; utility and gas; construction; wholesale, retail, food and beverage; shipping, storage and communications; finance, insurance and real estate; general services and other.

2) Information of investees of Bank SinoPac

March 31, 2004
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Name of Investee	Original Investment Amount	Percentage of Ownership
SinoPac Bancorp	USD 112,306	100.00%
SinoPac Leasing Corporation	999,940	99.77%
SinoPac Capital Limited	HKD 229,998	99.99%
SinoPac Financial Consulting Co., Ltd.	1,940	97.00%
Fuh-Hwa Investment Trust Co., Ltd.	24,000	7.61%
Mondex Taiwan Inc.	25,000	6.47%

Note: Only include percentage of ownership above 5%.

3) Policy of provisions on credit and investment losses

a) 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 assesses the collectibility on 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.

Pursuant to “The Rules for Bank Asset Evaluation, Loss Reserve Provision, and Disposal of Overdue Loans and Bad Debts” (the Rules) issued by the MOF, the Bank evaluates credit losses on the basis of its borrowers’/clients’ financial positions, the Bank prior experiences, repayments for principal and interest by borrowers/clients, collateral provided, and estimated collectibility.

The Bank assesses losses on particular loans in accordance with the Rules stated above. The Rules provide 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.

b) Provision for investment losses

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.

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.

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.

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.

4) Matters requiring special notation

March 31, 2004

Causes (Note 1)	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.	None
Within the past one year, a fine was levied on Bank SinoPac for violations of the related regulations (Note 2)	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 NTS\$50 million dollars.	None
Other	None

Note 1: The term "within the past one year" means the one year prior to the balance sheet date.

Note 2: The term "a fine levied on the Bank for violations of the related regulations within the past one year" means a fine levied by Bureau of Monetary Affairs, Securities and Futures Commission or Department of Insurance.

d. Profitability

Item	For the Three Months Ended March 31, 2004	For the Three Months Ended March 31, 2003
Return on total assets	1.00%	0.78%
Return on net worth	16.28%	10.46%
Profit margin	23.37%	18.91%

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

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 income for the three months ended March 31, 2004 and 2003.

Note 5: The profitability data listed above is expressed on an annual basis.

- e. Information of average amount and average interest rate of interest-earning assets and interest-bearing liabilities

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2004		For the Three Months Ended March 31, 2003	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from banks	3,651,765	0.62	3,153,292	1.12
Call loans (placement)	8,534,352	1.16	5,017,950	1.34
Due from Central Bank	6,791,104	1.75	5,516,838	2.19
Securities purchased	142,481,650	1.45	99,316,125	1.65
Securities purchased under agreement to resell	4,367,484	1.24	-	-
Loans, discounts and bills purchased	214,022,235	3.34	186,242,524	4.48
Accounts receivable from factoring	12,186,301	4.34	5,404,995	4.01
<u>Interest-bearing liabilities</u>				
Due to banks	54,205	0.38	2,391	0.54
Call loans (taken)	43,302,971	1.10	50,436,018	1.28
Demand deposits	60,248,672	0.46	28,986,396	0.58
Savings-demand deposits	67,645,753	0.54	50,775,621	0.89
Time deposits	124,959,112	0.87	103,662,901	1.58
Savings—time deposits	60,988,677	1.56	58,048,240	2.26
Negotiable certificates of deposit	24,828,803	1.01	843,880	1.76
Securities sold under agreement to repurchase	11,756,767	0.98	-	-

Note 1: Average amounts are calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

Note 2: Interest-earning assets and interest-bearing liabilities should be properly categorized according to accounts or the nature of each account.

- f. Liquidity

Maturity Analysis of Assets and Liabilities
March 31, 2004

(In Millions 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	\$ 412,744	\$ 72,578	\$ 44,797	\$ 76,287	\$ 47,336	\$ 171,746
Liabilities	416,488	145,252	54,054	84,130	67,312	65,740
Gap	(3,744)	(72,674)	(9,257)	(7,843)	(19,976)	106,006
Accumulated gap	(3,744)	(72,674)	(81,931)	(89,774)	(109,750)	(3,744)

Note: The above amounts include only New Taiwan Dollar amounts held by the onshore branches of the Bank (i.e. excludes foreign currency).

g. Market risk sensitivity

Item	March 31, 2004	March 31, 2003
Ratio of interest-rate sensitive assets to liabilities	93.30%	83.82%
Ratio of interest-rate sensitive gap to net worth	68.19%	74.12%

Note 1: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest-earnings assets and interest-bearing liabilities are affected by the change of interest rates.

Note 2: Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets/Interest-rate sensitive liabilities (with maturities of less than one year in New Taiwan dollars).

Note 3: Interest-rate sensitive gap = Interest-rate sensitive assets – Interest-rate sensitive liabilities

h. Net positions of major foreign-currency

	March 31			
	2004		2003	
	Foreign-currency	New Taiwan Dollar	Foreign-currency	New Taiwan Dollar
	Amounts (in Thousand)	Amounts (in Thousand)	Amounts (in Thousand)	Amounts (in Thousand)
Net positions of major foreign-currency with market risk	USD 395,843	\$13,070,744	USD 83,850	\$ 2,914,029
	MYR 186,903	1,624,093	JPY 755,015	220,993
	EUR 25,780	1,042,037	GBP 3,177	177,061
	JPY 3,211,689	1,020,675	EUR 3,615	131,486
	HKD 97,531	413,132	NZD 5,135	93,896

Note 1: “Major foreign currencies” mean the top five currencies with largest positions.

Note 2: “Net position of major foreign currencies” shall mean the absolute net value of each currency.