

DISCLOSURE REQUIRED BY BUREAU OF MONETARY AFFAIRS

Disclosures regulated in directives No. 89760330, No. 89764532 and No. 0936000140 issued by the Ministry of Finance were as follows:

1.

Balance Sheet
September 30, 2004 and 2003
(In Thousands of New Taiwan Dollars)

Assets				Liabilities and stockholders' equity			
Code	Accounting Item	September 30, 2004	September 30, 2003	Code	Accounting Item	September 30, 2004	September 30, 2003
		Amount	%			Amount	%
1100	Cash and cash equivalent	\$ 7,746,617	2	2120	Call loans and due to banks	\$ 31,568,712	7
1110	Due from Central Bank and Banks	27,086,654	6	2105	Securities sold under agreements to repurchase	9,706,643	2
1130	Securities purchased-Net	90,472,414	20	2143	Accounts payables	12,658,073	3
1144	Accounts receivables-Net	27,365,488	6	2152	Acceptances payable	3,169,819	1
1154	Acceptances	3,169,819	1	2360	Deposits and remittances	327,316,658	73
1220	Securities purchased under agreements to resell	15,446,775	4	2370	Bank debentures	32,800,000	7
13XX	Loans, discounts and bills purchased - net	255,220,554	57	28XX	Other	2,775,110	1
14XX	Long-term equity investments	10,417,406	2		Total liabilities	419,995,015	94
15XX	Net properties	4,831,406	1	3101	Capital stock	19,443,976	4
18XX	Other	5,437,840	1	32XX	Capital surplus	125,208	-
				33XX	Retained earnings	7,741,403	2
					Equity adjustments		
				3401	Unrealized loss on long-term investments	(282,100)	(375,453)
					Cumulative translation adjustment	171,471	150,815
					Total shareholder equity	27,199,958	6
					Total liabilities and shareholders' equity	\$447,194,973	100
	Total assets	\$447,194,973	100			\$384,916,051	100

2. Ratio of demand deposit, time deposit and foreign currency deposit to total deposit

(In Thousands of New Taiwan Dollars)

	As of September 30, 2004	As of September 30, 2003
Demand deposit	\$129,741,668	\$ 105,271,663
Demand deposit ratio	39.73%	35.75%
Time deposit	196,855,833	189,256,033
Time deposit ratio	60.27%	64.25%
Foreign currency deposit	61,708,397	57,062,522
Foreign currency deposit ratio	18.89%	19.37%

Note 1: Demand deposit ratio = Demand deposit/Total deposit.

Time deposit ratio = Time deposit/Total deposit

Foreign currency deposit ratio = Foreign currency deposit/Total deposit

Note 2: Demand deposit and time deposit shall include foreign currency deposit and government deposit.

Note 3: Postal office deposit shall be excluded.

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

(In Thousands of New Taiwan Dollars)

	As of September 30, 2004	As of September 30, 2003
Small and medium-size enterprise loan	\$ 2,584,698	\$ 1,106,126
Small and medium-size enterprise loan ratio	1.01%	0.53%
Consumer loan	148,564,129	131,528,046
Consumer loan ratio	57.89%	62.61%

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 Nine Months Ended September 30, 2004 and 2003
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period			Previous Period		
		Subtotal	Total	%	Subtotal	Total	%
	Operating revenues		\$ 14,783,152	100	\$ 11,429,150	100	
	Interest income	\$ 7,694,939		52	\$ 7,268,533	64	
	Service fees	1,688,658		11	969,526	8	
	Income from securities-net	1,458,032		10	1,999,957	17	
	Income from long-term equity investments under equity method - net	347,512		2	533,300	5	
	Foreign exchange gain	3,499,235		24	-	-	
	Other	94,776		1	657,834	6	
	Operating expense		11,551,799	78	8,909,266	78	
	Interest expense	4,128,344		28	3,842,506	34	
	Service charges	171,896		1	163,711	1	
	Provision for trading losses	-		-	49,684	-	
	Provision for credit losses	540,000		4	1,090,000	10	
	Operating and administrative expense	4,127,711		28	3,551,765	31	
	Foreign exchange loss	-		-	211,329	2	
	Other	2,583,848		17	271	-	
	Operating income		3,231,353	22	2,519,884	22	
	Nonoperating income and gains		243,582	1	101,836	1	
	Nonoperating expenses and losses		(29,726)	-	(42,684)	-	
	Income before income tax		3,445,209	23	2,579,036	23	
	Income tax		(484,259)	(3)	(297,300)	(3)	
	Net income		\$ 2,960,950	20	\$ 2,281,736	20	
	Earnings per share (in New Taiwan dollars)		\$ 1.52		\$ 1.17		

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	September 30, 2004	September 30, 2003
1) Tier I capital	\$26,303,211	\$24,843,456
2) Tier II capital	8,461,928	4,741,848
3) Tier III capital	-	-
4) Capital deduction	3,759,901	3,663,966
Net (1+2+3-4)	31,005,238	25,921,338
Total risk—based assets	278,622,534	198,675,119
Capital adequacy ratios (Note)	11.13%	13.05%
Ratios of debt to net worth	1,544.10%	1,404.72%

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.

b. Assets quality

(In Thousands of New Taiwan Dollars)

Item	September 30, 2004	September 30, 2003
Overdue loans (including nonperforming loans) (Note 1)	\$ 2,200,681	\$ 4,235,083
Nonperforming loans	2,148,413	2,684,479
Overdue loans ratio (Note 2)	0.86%	2.02%
Classified loans (Note 3)	871,990	1,072,091
Ratios of classified loans to total loans	0.34%	0.51%
Allowance for credit losses	1,410,341	1,991,133
Write-off amounts of credits (Note 4)	699,726	591,079

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 September 30, 2004 and 2003 were 0.71% and 1.71%, 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 nine months ended September 30, 2004 and 2003.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	September 30, 2004		September 30, 2003	
Credit extensions to interested parties	\$3,459,481		\$4,200,322	
Ratios of credit extensions to interested parties	1.35%		1.91%	
Ratios of credit extensions secured by pledged stocks	1.58%		0.33%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Natural person	77.19%	Natural person	79.22%
	Manufacturing	9.42%	Manufacturing	7.67%
	Wholesaling	4.84%	Wholesaling	3.17%

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

September 30, 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%
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

September 30, 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.	In 2002, a former employee, Mr. Wang, who was sued by the Bank for violating the Bank Law, was prosecuted by the District Attorney. Mr. Wang was sentenced to limited imprisonment on April 7, 2004 and his appeal to the Supreme Court to reverse this sentence was rejected on June 17, 2004. 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 NT\$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 Nine Months Ended September 30, 2004	For the Nine Months Ended September 30, 2003
Return on total assets	1.07%	0.96%
Return on net worth	17.22%	13.06%
Profit margin	20.03%	19.96%

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 nine months ended September 30, 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 Nine Months Ended September 30,2004		For the Nine Months Ended September 30,2003	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from banks	4,280,178	0.85	3,858,893	1.29
Call loans (placement)	10,262,517	1.43	7,342,360	1.18
Due from Central Bank	7,428,252	1.57	5,667,925	1.89
Securities purchased	134,611,627	1.44	108,322,407	1.95
Securities purchased under agreement to resell	7,523,066	1.05	-	-
Loans, discounts and bills purchased	235,711,489	3.24	192,124,006	4.04
Accounts receivable from factoring	12,334,728	3.08	5,164,384	3.73
Other long-term investments	218,408	-	104,972	7.55
<u>Interest-bearing liabilities</u>				
Due to banks	66,677	0.62	7,275	0.06
Call loans (taken)	44,158,905	1.24	52,054,706	1.19
Demand deposits	74,235,378	0.41	33,085,105	0.63
Savings-demand deposits	68,987,228	0.48	53,188,848	0.71
Time deposits	134,378,679	0.86	107,539,358	1.35
Savings—time deposits	62,081,308	1.52	58,025,046	2.04
Negotiable certificates of deposit	28,415,981	1.00	856,520	0.94
Bank debentures	26,716,423	2.75	10,544,322	2.59
Securities sold under agreement to repurchase	11,658,915	0.97	-	-

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
September 30, 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	\$ 417,550	\$ 115,301	\$ 62,352	\$ 20,877	\$ 22,721	\$ 196,299
Liabilities	417,624	169,040	60,417	60,271	57,777	70,119
Gap	(74)	(53,739)	1,935	(39,394)	(35,056)	126,180
Accumulated gap	(74)	(53,739)	(51,804)	(91,198)	(126,254)	(74)

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

g. Interest-rate sensitivity information

Item	September 30, 2004	September 30, 2003
Ratio of interest-rate sensitive assets to liabilities	86.22%	89.96%
Ratio of interest-rate sensitive gap to net worth	(134.46)%	(91.51)%

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

	September 30			
	2004		2003	
	Foreign- currency Amounts (in Thousand)	New Taiwan Dollar Amounts (in Thousand)	Foreign- currency Amounts (in Thousand)	New Taiwan Dollar Amounts (in Thousand)
Net positions of major foreign-currency with market risk	USD 61,383	\$ 2,086,043	USD 17,547	\$ 592,546
	JPY 1,551,475	475,372	CHF 13,847	354,911
	EUR 10,785	451,659	THB 396,923	335,678
	AUD 14,739	358,006	KRW9,405,408	276,519
	CAD 12,491	333,888	HKD 31,042	135,397

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.