

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

(In Thousands of New Taiwan Dollars)

	As of June 30, 2005	As of June 30, 2004
Small and medium-size enterprise loan	\$ 25,164,947	\$ 18,928,888
Small and medium-size enterprise loan ratio	9.14%	7.57%
Consumer loan	171,990,846	141,778,065
Consumer loan ratio	62.45%	56.72%

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 Six Months Ended June 30, 2005 and 2004
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period			Previous Period		
		Subtotal	Total	%	Subtotal	Total	%
	Operating revenues		\$ 9,837,231	100	\$ 10,021,080	100	
	Interest income	\$ 7,088,294		72	\$ 4,885,483	49	
	Service fees	863,936		9	1,197,276	12	
	Income from securities-net	510,693		5	1,124,678	11	
	Income from long-term equity investments under equity method - net	257,689		3	246,375	2	
	Foreign exchange gain,net	1,099,968		11	2,555,861	26	
	Other	16,651		-	11,407	-	
	Operating expense		8,055,397	82	7,868,431	79	
	Interest expense	4,296,673		44	2,628,918	26	
	Service charges	94,742		1	125,412	1	
	Provision for credit losses	322,968		3	540,000	6	
	Operating and administrative expenses	2,504,019		25	2,642,665	27	
	Loss on derivative financial instruments transactions	836,986		9	1,931,399	19	
	Other	9		-	37	-	
	Operating income		1,781,834	18	2,152,649	21	
	Nonoperating income and gains		98,970	1	198,633	2	
	Nonoperating expenses and losses		(50,013)	-	(22,963)	-	
	Income before income tax		1,830,791	19	2,328,319	23	
	Income tax		283,415	3	249,235	2	
	Net income		\$ 1,547,376	16	\$ 2,079,084	21	
	Earnings per share (in New Taiwan dollars)		\$ 0.74		\$ 1.00		

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	June 30, 2005	June 30, 2004
1) Tier I capital	\$28,266,143	\$26,303,211
2) Tier II capital	8,227,118	8,461,968
3) Tier III capital	-	-
4) Capital deduction	3,625,860	3,759,901
Net (1+2+3-4)	32,867,401	31,005,238
Total risk—based assets	282,579,747	278,622,534
Capital adequacy ratios (Note)	11.63%	11.13%
Ratios of debt to net worth	1,639.33%	1,706.01%

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	June 30, 2005	June 30, 2004
Overdue loans (including nonperforming loans) (Note 1)	\$ 2,888,593	\$ 2,589,581
Nonperforming loans	1,956,778	2,091,849
Overdue loans ratio (Note 2)	1.05%	1.04%
Classified loans (Note 3)	373,249	790,429
Ratios of classified loans to total loans	0.13%	0.32%
Allowance for credit losses	1,358,442	1,577,932
Write-off amounts of credits (Note 4)	199,629	521,797

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 June 30, 2005 and 2004 were 0.90% and 0.83%, 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 Six months ended June 30, 2005 and 2004.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	June 30, 2005		June 30, 2004	
Credit extensions to interested parties	\$4,197,864		\$3,704,784	
Ratios of credit extensions to interested parties	1.30%		1.19%	
Ratios of credit extensions secured by pledged stocks	0.14%		0.17%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Natural person	78.57%	Natural person	76.06%
	Manufacturing	9.11%	Manufacturing	9.96%
	Wholesaling	3.85%	Wholesaling	4.30%

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

June 30, 2005
(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, structured instruments and bonds are stated at the lower of cost or market value. 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) GreTai Securities Market (the "GTSM") stocks - average daily closing prices for the last month of the accounting period, published by the GTSM; and (d) bonds - period-end reference prices published by the GTSM; (e) structured instruments - period-end prices quoted by counter party.

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

June 30, 2005

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 Financial Supervisory Commission imposing strict corrective measures.	The Bank's affiliate company, Grand Capital International Limited (Grand Capital), had granted short-term loans to Addie International Limited. On October 26, 2004, the Financial Supervisory Commission imposed strict corrective measure on the significant weakness of Grand Capital's related controls. Some employees involved in the significant weakness of the aforementioned loans had been punished, and the Bank had followed the FSC's instructions to strengthen the investees' management.
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 : The term "within the past one year" means the one year prior to the balance sheet date.

d. Profitability

Item	For the Six Months Ended June 30, 2005	For the Six Months Ended June 30, 2004
Return on total assets	0.76%	1.05%
Return on net worth	12.96%	17.76%
Profit margin	15.73%	20.75%

Note 1: Return on total 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 income for the Six months ended June 30, 2005 and 2004.
 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 Six Months Ended June 30, 2005		For the Six Months Ended June 30, 2004	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	5,113,621	2.48	4,019,372	0.68
Call loans (placement)	33,265,366	2.02	9,951,635	1.17
Due from Central Bank	7,311,159	1.50	7,209,337	1.61
Securities purchased	78,217,858	1.45	149,658,501	1.41
Securities purchased under agreement to resell	18,184,786	1.16	4,891,485	1.10
Loans, discounts and bills purchased	271,861,210	3.30	225,187,262	3.27
Accounts receivable from factoring	11,982,011	4.09	11,663,586	4.03
Other long-term investments	1,080,967	2.91	-	-
<u>Interest-bearing liabilities</u>				
Due to other banks	86,518	4.01	70,467	0.48
Call loans (taken)	29,444,902	2.16	45,452,641	1.14
Demand deposits	91,339,907	0.63	69,018,406	0.42
Savings-demand deposits	73,234,742	0.48	68,849,430	0.50
Time deposits	101,165,419	1.82	135,234,826	0.84
Savings—time deposits	67,996,528	1.55	61,404,319	1.54
Negotiable certificates of deposit	29,991,856	1.19	28,375,387	1.01
Bank debentures	32,800,000	2.05	24,520,330	2.74
Securities sold under agreement to repurchase	16,489,085	1.15	12,455,173	0.96

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
June 30, 2005

(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	\$ 475,054	\$ 159,905	\$ 39,065	\$ 19,146	\$ 18,943	\$ 238,445
Liabilities	477,800	114,716	93,604	59,362	53,602	156,516
Gap	(2,296)	45,189	(54,539)	(40,216)	(34,659)	81,929
Accumulated gap	(2,296)	45,189	(9,350)	(49,566)	(84,225)	(2,296)

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	June 30, 2005	June 30, 2004
Ratio of interest-rate sensitive assets to liabilities	96.31%	88.00%
Ratio of interest-rate sensitive gap to net worth	38.97%	134.10%

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

	June 30					
	2005			2004		
	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 14,147	\$ 447,311		USD 2,221	\$ 75,030	
	THB 569,505	436,184		JPY 3,764,532	1,169,640	
	JPY 1,505,524	431,333		MYR 103,465	919,617	
	CAD 10,375	266,436		EUR 17,266	705,909	
	HKD 16,137	66,381		AUD 4,824	112,411	

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.