

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, 2005	As of September 30, 2004
Small and medium-size enterprise loan	\$ 29,834,600	\$ 21,859,688
Small and medium-size enterprise loan ratio	10.24%	8.52%
Consumer loan	191,745,791	148,564,129
Consumer loan ratio	65.82%	57.89%

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 September 30, 2005 and 2004
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period			Previous Period		
		Subtotal	Total	%	Subtotal	Total	%
	Operating revenues		\$ 15,567,523	100	\$ 14,783,152	100	
	Interest	\$ 11,214,634		72	\$ 7,694,939	52	
	Service fees	1,498,842		10	1,688,658	11	
	Income from securities-net	884,086		6	1,458,032	10	
	Income from long-term equity investments under equity method - net	403,009		2	347,512	2	
	Foreign exchange gain,net	1,520,704		10	3,499,235	24	
	Other	46,248		-	94,776	1	
	Operating costs and expenses		12,643,212	81	11,551,799	78	
	Interest	7,028,532		45	4,128,344	28	
	Service charges	153,543		1	171,896	1	
	Provision for credit losses	481,075		3	540,000	4	
	Operating and administrative expenses	3,963,198		26	4,127,711	28	
	Loss on derivative financial instruments transactions	999,851		6	2,583,806	17	
	Other	17,013		-	42	-	
	Operating income		2,924,311	19	3,231,353	22	
	Nonoperating income and gains		144,681	1	243,582	1	
	Nonoperating expenses and losses		(53,995)	(1)	(29,726)	-	
	Income before income tax		3,014,997	19	3,445,209	23	
	Income tax		477,413	3	484,259	3	
	Net income		\$ 2,537,584	16	\$ 2,960,950	20	
	Earnings per share (in New Taiwan dollars)		\$ 1.22		\$ 1.42		

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	September 30, 2005	September 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	1,639.24%	1,544.10%

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, 2005	September 30, 2004
Overdue loans (including nonperforming loans) (Note 1)	\$ 2,959,332	\$ 2,200,681
Nonperforming loans	2,761,406	2,148,413
Overdue loans ratio (Note 2)	1.02%	0.86%
Classified loans (Note 3)	-	871,990
Ratios of classified loans to total loans	-	0.34%
Allowance for credit losses	1,393,197	1,410,341
Write-off amounts of credits (Note 4)	260,538	699,726

Note 1: a. Before June 30, 2005, 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).

b. Since July 1, 2005, overdue loans (including non-accrual loans) represent the amounts of reported overdue loans as required by the MOF letters dated January 6, 2004 (Ref. No. Tai-Tsai-Zong-928011826).

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, 2005 and 2004 were

0.82% and 0.71%, 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; loans 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, 2005 and 2004.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	September 30, 2005		September 30, 2004	
Credit extensions to interested parties	\$4,053,194		\$3,459,481	
Ratios of credit extensions to interested parties	1.20%		1.35%	
Ratios of credit extensions secured by pledged stocks	0.12%		1.58%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Natural person	76.76%	Natural person	77.19%
	Manufacturing	9.58%	Manufacturing	9.42%
	Wholesaling and retailing	4.64%	Wholesaling and retailing	4.84%

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.

2) Information of investees of Bank SinoPac

September 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.	8,000	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 GTSM stocks.

For listed and GTSM stocks accounted for by the cost method, when the aggregate market value is lower than the total carrying amount, an allowance for decline in market value 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.

4) Matters requiring special notation

September 30, 2005

Causes (Note)	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	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 Nine Months Ended September 30, 2005	For the Nine Months Ended September 30, 2004
Return on total assets	0.84%	1.07%
Return on net worth	14.35%	17.22%
Profit margin	16.30%	20.03%

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 after income tax/Total operating revenues
 Note 4: Income before income tax represents income for the nine months ended September 30, 2005 and 2004.
 Note 5: The above ratios in each quarter's financial statements are converted into the annual rate.

- 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, 2005		For the Nine Months Ended September 30, 2004	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	4,998,839	2.79	4,280,178	0.85
Call loans (placement)	36,672,725	2.18	10,262,517	1.43
Due from Central Bank	7,460,345	1.50	7,428,252	1.57
Securities purchased	81,148,648	1.53	134,611,627	1.44
Securities purchased under agreement to resell	17,909,358	1.20	7,523,066	1.05
Loans, discounts and bills purchased	275,894,515	3.34	235,711,489	3.24
Accounts receivable from factoring	11,992,827	4.17	12,334,728	3.08
Other long-term investments	1,085,411	2.91	218,408-	-
<u>Interest-bearing liabilities</u>				
Due to other banks	83,006	4.58	66,667	0.62
Call loans (taken)	32,475,627	2.49	44,158,905	1.24
Demand deposits	61,726,671	1.04	74,235,378	0.41
Savings-demand deposits	73,175,807	0.48	68,987,228	0.48
Time deposits	136,049,430	1.49	134,378,679	0.86
Savings—time deposits	68,914,385	1.58	62,081,308	1.52
Negotiable certificates of deposit	29,848,553	1.22	28,415,981	1.00
Bank debentures	32,800,000	1.94	26,716,423	2.75
Securities sold under agreement to repurchase	16,662,874	1.26	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, 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	\$ 453,750	\$ 120,797	\$ 49,426	\$ 29,466	\$ 26,857	\$ 227,204
Liabilities	457,615	98,159	89,869	47,986	64,560	157,041
Gap	(3,865)	22,638	(40,443)	(18,520)	(37,703)	70,163
Accumulated gap	(3,865)	22,638	(17,805)	(36,325)	(74,028)	(3,865)

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, 2005	September 30, 2004
Ratio of interest-rate sensitive assets to liabilities	103.51%	86.22%
Ratio of interest-rate sensitive gap to net worth	36.74%	(134.46%)

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					
	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	122,481	\$ 4,064,911	USD	61,383	\$ 2,086,043
	JPY	6,942,763	2,034,230	JPY	1,551,475	475,372
	EUR	40,105	1,600,472	EUR	10,785	451,659
	CAD	26,200	742,229	AUD	14,739	358,006
	AUD	10,941	276,083	CAD	12,491	333,888

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.