

## 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  
March 31, 2006 and 2005  
(In Thousands of New Taiwan Dollars)

Assets				Liabilities and stockholders' equity					
Code	Accounting Item	March 31, 2006	March 31, 2005		Code	Accounting Item	March 31, 2006	March 31, 2005	
11000	Cash and cash equivalents	\$8,555,647	\$6,971,209	23	21000	Call loans and due to banks	\$32,937,617	\$27,350,311	20
11500	Due from Central Bank and other banks	47,063,768	36,861,014	28	22000	Financial liabilities at fair value through profit or loss	2,270,721	1,513,961	50
12000	Financial assets at fair value through profit or loss	31,277,780	23,845,169	31	22500	Securities sold under agreements to repurchase	7,773,027	13,009,112	(40)
12500	Securities purchased under agreements to resell	5,743,897	17,878,926	(68)	23000	Accounts, interest and other payables	12,407,370	14,380,716	(14)
13000	Accounts, interest and other receivables, net	20,357,679	27,093,423	(25)	23500	Deposits and remittances	404,851,549	330,212,971	23
13500	Discounts and loans, net	302,589,927	272,083,741	11	24000	Bank debentures	35,451,388	32,800,000	8
14000	Available-for-sale financial assets	91,207,228	47,250,616	93	25500	Other financial liabilities	662,000	228,989	189
14500	Held-to-maturity investments	1,582,041	2,055,556	(23)	29665	Deferred tax liabilities	720,984	511,681	41
15000	Equity investments-equity method	7,898,714	8,258,563	(4)	29697	Other liabilities	224,128	890,414	(75)
15500	Other financial assets, net	1,827,767	775,497	136	20000	Total liabilities	497,298,784	420,898,155	18
18500	Net properties	4,849,320	4,903,241	(1)					
19500	Other assets	1,592,212	1,969,980	(19)					
					31000	Capital stock	19,728,068	19,443,976	1
					31500	Capital surplus	118,404	126,968	(7)
					32000	Retained earnings	7,509,645	9,805,870	(41)
					32521	Cumulative translation adjustment	(6,075)	(68,341)	91
					32523	Unrealized gains or loss on financial instruments	(102,846)	-	-
					32599	Other adjustments	-	(259,693)	100
					30000	Total shareholders' equity	27,247,196	29,048,780	(6)
10000	Total assets	\$524,545,980	\$449,946,935	17		Total liabilities and shareholders' equity	\$524,545,980	\$449,946,935	17

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

(In Thousands of New Taiwan Dollars)

	As of March 31, 2006	As of March 31, 2005
Demand deposit	\$140,277,337	\$ 133,467,916
Demand deposit ratio	34.71%	40.47%
Time deposit	263,829,776	196,290,430
Time deposit ratio	65.29%	59.53%
Foreign currency deposit	95,434,994	69,514,639
Foreign currency deposit ratio	23.62%	21.08%

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 March 31, 2006	As of March 31, 2005
Small and medium-size enterprise loan	\$ 29,588,411	\$ 26,272,713
Small and medium-size enterprise loan ratio	9.71%	9.62%
Consumer loan	206,185,016	162,532,052
Consumer loan ratio	67.69%	59.49%

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, 2006 and 2005  
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period	Previous Period	%
41000	Interest revenue	\$ 4,896,996	\$ 3,554,279	38
51000	Interest expense	<u>3,149,372</u>	<u>1,937,167</u>	63
	Net interest	1,747,624	1,617,112	8
49100	Commissions and fee revenues, net	459,061	414,134	11
49200	Gains (losses) from financial assets and liabilities at fair value through profit or loss	291,734	(658,117)	144
49500	Income from equity investments- equity method	209,208	128,524	63
49600	Foreign exchange gains (losses), net	(81,652)	827,958	(110)
49800	Other net revenues	43,171	65,269	(34)
	Total net revenues	<u>2,669,146</u>	<u>2,394,880</u>	11
51500	Provision for loan losses	<u>400,000</u>	<u>150,000</u>	167
	Operating expenses			
58500	Personnel expenses	768,858	684,526	12
59000	Depreciation and amortization	118,042	113,814	4
59500	Other general and administrative expenses	<u>427,245</u>	<u>410,238</u>	4
	Total operating expenses	<u>1,311,145</u>	<u>1,208,578</u>	8
61001	Income before Income Tax	958,001	1,036,302	(8)
61003	Income tax expense	<u>260,513</u>	<u>190,955</u>	36
61000	Income before cumulative effect of accounting changes	697,488	845,347	(17)
63500	Cumulative effect of accounting changes	249,067	-	-
69000	Net income	<u>946,555</u>	<u>845,347</u>	12
69500	Earnings per share (in New Taiwan dollars)	\$0.48	\$0.43	

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	March 31, 2006	March 31, 2005
Capital adequacy ratios (Note)	13.01%	12.64%
1) Tier I capital	27,594,216	28,233,597
2) Tier II capital	10,889,656	9,676,087
3) Tier III capital	0	0
4) Capital deduction	367,119	3,588,786
Net (1+2+3-4)	38,116,753	34,320,898
Total risk-based assets	292,885,713	271,599,515
Ratios of debt to net worth	1,793.55%	1,569.79%

Note 1: 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	March 31, 2006	%	March 31, 2005	%
Overdue loans - Class A	\$ 3,417,835	1.12	-	-
Overdue loans - Class B	323,181	0.11	-	-
Total Overdue loans	3,741,016	1.23	-	-
Allowance for credit losses	1,900,592	0.62	1,132,755	0.41
Write-off amounts of credits (Note 4)	112,499	0.04	179,901	0.07
Overdue loans with debt negotiation exempted from reporting as a non-performing loan	-	-	-	-
Overdue receivables with debt negotiation exempted from reporting as a non-performing loan	-	-	-	-

Note 1: Overdue loans represent the amounts of reported overdue loans pursuant to "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans" issued by the MOF.

Note 2: Overdue loans - class A and class B represent the amounts of reported overdue loans as required by the Banking Bureau letters dated April 19, 2005 (Ref. No. 0941000251).

Note 3: Overdue loans ratio = Overdue loans/Outstanding loans balance.

Note 4: Write-off amounts of credits = Accumulated write-off amounts of credits for the six months ended June 30, 2006 and 2005.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	March 31, 2006		March 31, 2005	
Credit extensions to interested parties	\$ 5,276,956		\$ 3,977,641	
Ratios of credit extensions to interested parties	1.53%		1.24%	
Ratios of credit extensions secured by pledged stocks	0.10%		0.15%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Consumer	77.55%	Consumer	76.01%
	Manufacturing	9.07%	Manufacturing	9.99%
	Wholesaling and retailing	4.42%	Wholesaling and retailing	5.11%

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, 2006  
(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	99.7683
SinoPac Capital Limited	HKD 229,998	99.9991
SinoPac Financial Consulting Co., Ltd.	1,940	97.00

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 discounts and loans, accounts receivables, interest receivables, other receivables, and other financial assets, as well as guarantees and acceptances as of the balance sheet dates.

Pursuant to “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” (the “Regulations”) issued by the Banking Bureau, the Bank evaluates credit losses on the basis of its borrowers’ /clients’ financial positions, repayments for principal and interest by borrowers/clients, collateral provided, and estimated collectibility.

In accordance with the Regulations stated above, 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. Since July 2005, the Regulations amended the classification of loan assets, which divided the loan assets into different class subjects to assets that require special mention, assets that are substandard, assets that are doubtful, and assets for which there is loss. The minimum allowance for credit losses and provision for losses on guarantees for the aforementioned classes should be 2%, 10%, 50% and 100% of outstanding credits, respectively. The amendments on the classification of loan assets have no significant impact on the Bank’s financial statements.

Write-offs of loans falling under the Banking Bureau guidelines, upon approval by the board of directors, are offset against the recorded allowance for credit losses.

b) Provision for investment losses

1. Available-for-sale Financial Assets

If an available-for-sale financial asset is determined to be impaired, the accumulative unrealized loss previously recognized in equity attributable to the Bank shareholders is recognized as impairment loss and reported in income statement. For equity investments, loss reversal is adjusted to the equity attributable to the Bank shareholders. For debt investments, loss reversal is credited to current income.

2. Held-to-Maturity Investments

If a held-to-maturity financial asset is determined to be impaired, the impairment loss is recognized and reported in income statement. For equity investments, loss reversal is adjusted to the equity attributable to the Bank's shareholders. For debt investments, loss reversal is credited to current income.

3. Other Financial Assets

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measure, are measured at cost. If there is objective evidence that a financial asset is impaired, an impairment loss is recognized and reversal of impairment loss is prohibited.

4) Matters requiring special notation

March 31, 2006

Causes	Summary and Amount
<p>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.</p>	<p>None</p>
<p>Within the past one year, a fine was levied on Bank SinoPac for violations of the related regulations</p>	<p>None</p>
<p>Within the past one year, misconduct occurred that resulted in the Financial Supervisory Commission imposing strict corrective measures.</p>	<p>1. The Financial Supervisory Commission (FSC) imposed strict corrective measures on the factory business transacted at Tunpei Branch on July 13, 2005. FSC consider the Tunpei Branch helped the client increase bank deposits in false, window dress the financial statements and insufficient disclosure with respect to letters for confirmation on bank deposits with restricted usage from auditors. On December 23, 2005, FSC restricted the Bank for accepting any factoring business from new clients and only dealing within the credit limited for existing clients for the period of January to June 2006. The Bank has filing the appeal on the matter of punishment, and asked the related business units follow the rulings established by FSC. For the disclosure requirement, the Bank has set up a standard operating procedure for all business units to follow.</p> <p>2. 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 FSC 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.</p>

<p>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.</p>	<p>None</p>
<p>Other</p>	<p>Cause of the case: The Securities and Futures Investors Protection Center (SFIPC) added the Bank and SPL as additional defendants for joint and several compensation liabilities to the Procomp Informatics Ltd. case on the ground that Procomp Informatics Ltd. provided US\$10 million deposit with the Bank’s Sunshan Branch and limited the usage as a condition for short-term loan to Addie International Limited granted by SPL.</p> <p>The value of the object of litigation: \$4,470,000 thousand.</p> <p>Period to bring up a litigation state - first session was August 1, 2005.</p> <p>Main parties: SFIPC, Procomp Informatics Ltd., Yeh Shu-Fei, the Bank and SPL.</p> <p>Status: Under the investigation on first court instance.</p>

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

d. Profitability

Item		For the Three Months Ended March 31, 2006	For the Three Months Ended March 31, 2005
Return on total assets	Before income tax	0.73%	0.90%
	After income tax	0.72%	0.73%
Return on net worth	Before income tax	13.97%	14.47%
	After income tax	13.81%	11.81%
Profit margin		35.46%	35.30%

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

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

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

Note 4: Income before (after) income tax represents income for the Three months ended March 31, 2006 and 2005.

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, 2006		For the Three Months Ended March 31, 2005	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	4,063,015	4.75	5,347,374	2.27
Call loans (placement)	47,928,864	2.89	31,633,366	2.25
Due from the Central Bank	8,469,539	1.50	7,244,397	1.50
Financial assets at fair value through profit or loss	38,568,548	1.81	-	-
Available-for-sale financial asset	69,628,745	1.54	-	-
Securities purchased	-	-	70,406,775	1.46
Securities purchased under agreement to resell	11,041,809	1.41	17,689,420	1.12
Discounts and loans	300,928,322	3.58	270,832,832	3.29
Accounts receivable - factoring	9,840,907	5.10	12,776,741	4.02
Held-to-maturity investments	3,056,284	2.12	-	-
Other financial assets	26,799,270	-	-	-
Other long-term investments	-	-	1,409,836	0.92
<u>Interest-bearing liabilities</u>				
Due to other banks	3,901,241	2.08	64,367	1.03
Call loans (taken)	22,947,491	3.03	29,498,266	2.00
Demand deposits	104,732,823	0.93	83,604,910	0.65
Savings-demand deposits	79,858,674	0.48	74,291,801	0.47
Time deposits	242,399,997	1.59	149,310,284	1.14
Savings—time deposits	76,330,121	1.92	66,465,146	1.53
Negotiable certificates of deposit	21,445,841	1.47	24,256,258	1.12
Bank debentures	35,800,000	1.36	32,800,000	2.20
Securities sold under agreement to repurchase	11,450,485	2.24	15,539,500	1.20

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 (In TWD Dollars)

March 31, 2006

(In Millions of New Taiwan Dollars)

	Total	The Amount of Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Main capital inflow on maturity	\$ 494,829	\$160,011	\$42,095	\$20,360	\$ 33,427	\$ 238,936
Main capital outflow on maturity	497,623	103,775	83,798	88,934	110,966	110,150
Gap	(2,794)	56,236	(41,703)	(68,574)	(77,539)	128,786

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

Maturity Analysis of Assets and Liabilities (In U.S. Dollars)

March 31, 2006

(In Thousands of U.S. Dollars)

	Total	The Amount of Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$6,617,552	\$2,251,702	\$1,469,307	\$1,141,454	\$1,631,996	\$ 123,363
Capital outflow on maturity	6,747,858	2,299,309	1,312,197	1,133,248	1,562,534	440,570
Gap	(130,306)	(47,607)	156,840	8,206	69,462	(317,207)

Note A: The above amounts are book value held by the onshore branches and offshore banking unit of the Bank in U.S. dollars, without off-balance amounts (for example, the issuance of negotiable certificate of deposits, bonds or stocks).

Note B: If the overseas assets amounting to at least 10% of the total assets, there should be additional disclosures.

Maturity Analysis of Assets and Liabilities (Offshore)

March 31, 2006

(In Thousands of U.S. Dollars)

	Total	The Amount of Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$1,213,724	\$584,886	\$ 153,167	\$ 186,381	\$ 101,008	\$ 188,282
Capital outflow on maturity	1,226,116	710,065	313,014	171,393	30,287	1,357
Gap	(12,392)	(125,179)	(156,847)	14,988	70,721	186,925

g. Interest-rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

March 31, 2006

(In Millions of New Taiwan Dollars, %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-rate sensitive assets	\$ 360,266	\$ 13,342	\$ 9,829	\$ 17,647	\$ 401,084
Interest-rate sensitive liabilities	159,350	128,500	55,536	14,611	357,997
Interest-rate-sensitive gap	200,916	(115,158)	(45,707)	3,036	43,087
Net worth					28,812
Ratio of interest-rate sensitive assets to liabilities					112.04%
Ratio of interest-rate sensitive gap to net worth					149.55%

Note 1: The above amounts included only New Taiwan dollar amounts held by the onshore branches of the Bank (i.e., excluding foreign currency).

Note 2: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest-earnings assets and interest-bearing liabilities are affected by interest-rate changes.

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

Note 4: Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets/Interest-rate sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitivity (USD)

March 31, 2006

(In Thousands of U.S. Dollars, %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-rate sensitive assets	\$1,905,123	\$ 196,507	\$ 44,786	\$ 219,323	\$2,365,739
Interest-rate sensitive liabilities	2,156,058	934,999	118,994	1,878	3,211,929
Interest-rate-sensitive gap	(250,935)	(738,492)	(74,208)	217,445	(846,190)
Net worth					2,571
Ratio of interest-rate sensitive assets to liabilities					73.65%
Ratio of interest-rate sensitive gap to net worth					(32,912.87%)

Note 1: The above amounts include only USD amounts held by the onshore branches, OBU and offshore branches of the Bank, excludes contingent assets and contingent liabilities.

Note 2: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest-earnings assets and interest-bearing liabilities are affected by interest-rate changes.

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

Note 4: Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets/Interest-rate sensitive liabilities (in U.S. dollars)

h. Net positions of major foreign-currency

	March 31			
	2006		2005	
	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	NZD 50,069	\$997,417	USD 42,412	\$ 1,337,240
	JPY 1,559,027	430,759	JPY 4,169,329	1,229,535
	CAD 12,098	338,500	KRW 5,352,750	166,471
	USD 6,601	214,268	HKD 33,328	134,737
	EUR 4,524	178,190	NZD 3,129	70,181

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.