

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
June 30, 2006 and 2005
(In Thousands of New Taiwan Dollars)

Assets				Liabilities and stockholders' equity				
Code	Accounting Item	June 30, 2006	June 30, 2005	Code	Accounting Item	June 30, 2006	June 30, 2005	
		Amount	Amount			Amount	Amount	
			%				%	
11000	Cash and cash equivalents	\$9,365,613	\$6,666,644	40	21000	Call loans and due to banks	\$27,512,441	\$32,072,881
11500	Due from Central Bank and other banks	63,301,917	56,239,916	13	22000	Financial liabilities at fair value through profit or loss	3,812,779	1,208,482
12000	Financial assets at fair value through profit or loss	20,499,217	26,301,301	(22)	22500	Securities sold under agreements to repurchase	7,740,152	18,138,548
12500	Securities purchased under agreements to resell	5,942,111	23,215,845	(74)	23000	Accounts, interest and other payables	12,800,946	13,924,382
13000	Accounts, interest and other receivables, net	22,220,696	28,166,272	(21)	23500	Deposits and remittances	407,413,585	363,678,706
13500	Discounts and loans, net	306,255,200	274,067,495	12	24000	Bank debentures	36,095,048	32,800,000
14000	Available-for-sale financial assets	79,951,890	59,152,707	35	25500	Other financial liabilities	489,155	121,250
14500	Held-to-maturity investments	888,041	2,063,123	(57)	29665	Deferred tax liabilities	835,575	544,103
15000	Equity investments-equity method	8,120,980	8,429,948	(4)	29697	Other liabilities	366,109	886,620
15500	Other financial assets, net	2,453,120	569,113		20000	Total liabilities	497,065,790	463,374,972
18500	Net properties	4,855,268	4,956,748					
19500	Other assets	1,532,904	1,812,004	(15)				
					31000	Capital stock	19,728,068	20,863,392
					31500	Capital surplus	118,404	126,974
					32000	Retained earnings	8,599,597	7,613,274
					32521	Cumulative translation adjustment	(24,041)	(58,591)
					32523	Unrealized gains or loss on financial instruments	(118,861)	-
					32599	Other adjustments	-	(278,905)
					30000	Total shareholders equity	28,303,167	28,266,144
10000	Total assets	\$525,368,957	\$491,641,116			Total liabilities and shareholders' equity	\$525,368,957	\$491,641,116

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

(In Thousands of New Taiwan Dollars)

	As of June 30, 2006	As of June 30, 2005
Demand deposit	\$138,602,569	\$ 136,901,114
Demand deposit ratio	34.10%	37.68%
Time deposit	267,845,707	226,409,425
Time deposit ratio	65.90%	62.32%
Foreign currency deposit	94,901,298	82,494,810
Foreign currency deposit ratio	23.35%	22.71%

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 June 30, 2006	As of June 30, 2005
Small and medium-size enterprise loan	\$ 28,107,355	\$ 25,164,947
Small and medium-size enterprise loan ratio	9.09%	9.14%
Consumer loan	211,850,668	171,990,846
Consumer loan ratio	68.50%	62.45%

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

Code	Item	Current Period	Previous Period	%
41000	Interest revenue	\$ 10,196,927	\$ 7,467,373	37
51000	Interest expense	<u>6,661,267</u>	<u>4,296,673</u>	55
	Net interest	3,535,660	3,170,700	
49100	Commissions and fee revenues, net	879,210	769,194	14
49200	Gains (losses) from financial assets and liabilities at fair value through profit or loss	543,540	(719,017)	176
49300	Realized gains from available-for-sale financial assets	247	-	-
49400	Realized gains from held-to-maturity investments	-	1,468	(100)
49500	Income from equity investments-equity method	454,909	257,689	77
49600	Foreign exchange gains (losses), net	(36,849)	1,099,968	(103)
58089	Other provision	(39,752)	-	-
48005	Gains from unquoted equity instruments	20,312	7,502	171
49800	Other net revenues	<u>84,520</u>	<u>67,306</u>	<u>26</u>
	Total net revenues	<u>5,441,797</u>	<u>4,654,810</u>	
51500	Provision for loan losses	<u>640,248</u>	<u>320,000</u>	
	Operating expenses			
58500	Personnel expenses	1,550,104	1,418,967	9
59000	Depreciation and amortization	234,973	230,390	2
59500	Other general and administrative expenses	<u>872,762</u>	<u>854,662</u>	<u>2</u>
	Total operating expenses	<u>2,657,839</u>	<u>2,504,019</u>	
61001	Income before Income Tax	2,143,710	1,830,791	
61003	Income tax expense	<u>356,270</u>	<u>283,415</u>	<u>26</u>
61000	Income before cumulative effect of accounting changes	1,787,440	1,547,376	
63500	Cumulative effect of accounting changes	249,067	-	
69000	Net income	<u>2,036,507</u>	<u>1,547,376</u>	
69500	Earnings per share (in New Taiwan dollars)	\$1.03	\$0.74	

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	June 30, 2006	June 30, 2005
Capital adequacy ratios (Note)	12.78%	11.63%
1) Tier I capital	28,302,871	28,266,143
2) Tier II capital	9,534,685	8,227,118
3) Tier III capital	0	0
4) Capital deduction	274,887	3,625,860
Net (1+2+3-4)	37,562,670	32,867,401
Total risk-based assets	293,844,100	282,579,747
Ratios of debt to net worth	1,756.22%	1,639.33%

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	June 30, 2006	%	June 30, 2005	%
Overdue loans - Class A	\$ 3,717,396	1.2	-	-
Overdue loans - Class B	298,048	0.10	-	-
Total Overdue loans	4,015,444	1.30	-	-
Allowance for credit losses	1,841,774	0.60	1,358,442	0.50
Write-off amounts of credits (Note 4)	412,310	0.64	199,629	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)

	June 30, 2006		June 30, 2005	
Credit extensions to interested parties	\$ 4,479,736		\$ 4,197,864	
Ratios of credit extensions to interested parties	1.27%		1.30%	
Ratios of credit extensions secured by pledged stocks	0.11%		0.14%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Consumer	78.64%	Consumer	78.57%
	Manufacturing	9.06%	Manufacturing	9.11%
	Wholesaling and retailing	3.94%	Wholesaling and retailing	3.85%

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, 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

June 30, 2006

Causes	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.	<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 Financial Supervisory Commission (FSC) commented on business examination of the Bank's subsidiary – SinoPac Capital Limited. The FSC opined that it was inappropriate to determine the distribution of directors' compensation and performance bonus by the chairman solely without obtaining the approval of the board of directors, and imposed strict corrective measures on June 30, 2006. The Bank had revised it by-laws that such case will be concurred by the board of directors after obtaining the approval from its parent company (SinoPac Holdings).</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.	None

Other	<p>1. 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: \$4,467,129 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> <p>2. Cause of the case: The SFIPC is believed by investors to be filing a lawsuit against the Bank in the ground that National Aerospace Fasteners Corporation provided accounts receivable - factoring with the Bank's Tunpei Branch to window-dress its financial statements. The SFIPC claims the Bank as a joint tortfeasor and files lawsuit against the Bank and all other parties for compensation.</p> <p>The value of the object of litigation: \$457,902 thousand.</p> <p>Period to bring up a litigation state - first session was April 21, 2006.</p> <p>Main parties: SFIPC, National Aerospace Fasteners Corporation, the Bank and Su Ming Yu, etc.</p> <p>Status: Under the investigation on first court instance.</p>
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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, 2006	For the Six Months Ended June 30, 2005
Return on total assets	Before income tax	0.45%	0.38%
	After income tax	0.39%	0.32%
Return on net worth	Before income tax	8.50%	6.48%
	After income tax	7.29%	5.48%
Profit margin		37.42%	33.24%

Note 1: $\text{Return on total assets} = \text{Income before (after) income tax} / \text{Average total assets}$

Note 2: $\text{Return on net worth} = \text{Income before (after) income tax} / \text{Average net worth}$

Note 3: $\text{Profit margin} = \text{Income after income tax} / \text{Total operating revenues}$

Note 4: Income before (after) income tax represents income for the Six months ended June 30, 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 Six Months Ended June 30, 2006		For the Six Months Ended June 30, 2005	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	4,793,038	4.66	5,113,621	2.48
Call loans (placement)	33,905,023	3.97	33,265,366	2.02
Due from the Central Bank	8,651,842	1.50	7,311,159	1.50
Financial assets at fair value through profit or loss	31,954,249	2.26	-	-
Available-for-sale financial asset	72,859,715	1.57	-	-
Securities purchased	-	-	78,217,858	1.45
Securities purchased under agreement to resell	12,218,455	1.41	18,184,786	1.16
Discounts and loans	294,573,030	3.70	271,861,210	3.30
Accounts receivable - factoring	8,839,336	5.16	11,982,011	4.09
Held-to-maturity investments	1,486,526	4.15	-	-
Other financial assets	1,191,639	5.95		
Other long-term investments	-	-	1,080,967	2.91
<u>Interest-bearing liabilities</u>				
Due to other banks	3,899,903	2.10	86,518	4.01
Call loans (taken)	20,441,304	3.79	29,444,902	2.16
Demand deposits	52,682,151	1.87	91,339,907	0.63
Savings-demand deposits	79,948,531	0.48	73,234,742	0.48
Time deposits	156,693,427	2.56	101,165,419	1.82
Savings—time deposits	77,393,337	1.93	67,996,528	1.55
Negotiable certificates of deposit	20,507,871	1.47	29,991,856	1.19
Bank debentures	35,819,776	1.32	32,800,000	2.05
Securities sold under agreement to repurchase	9,339,637	2.60	16,489,085	1.15
Financial liabilities at fair value through profit or loss	622,064	2.70	-	-

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)

June 30, 2006

(In Thousands of New Taiwan Dollars)

	Total	The Amount of Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Main capital inflow on maturity	\$509,016,274	\$165,627,177	\$32,468,431	\$46,107,481	\$36,466,626	\$228,346,558
Main capital outflow on maturity	512,933,456	98,930,511	99,270,793	86,806,032	118,165,183	109,760,938
Gap	(3,917,182)	66,696,666	(66,802,362)	(40,698,551)	(81,698,557)	118,585,620

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)

June 30, 2006

(In Thousands of U.S. Dollars)

	Total	The Amount of Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$7,268,813	\$2,326,548	\$2,034,407	\$1,109,524	\$1,682,174	\$ 116,160
Capital outflow on maturity	7,358,129	2,813,900	1,618,646	1,613,277	1,306,570	5,736
Gap	(89,316)	(487,352)	415,761	(503,753)	375,604	110,424

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)

June 30, 2006

(In Thousands of U.S. Dollars)

	Total	The Amount of Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$2,847,815	\$1,171,324	\$ 698,287	\$ 392,987	\$ 501,320	\$ 83,897
Capital outflow on maturity	2,869,766	1,196,479	730,564	482,992	458,784	947
Gap	(21,951)	(25,155)	(32,277)	(90,005)	42,536	82,950

g. Interest-rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

June 30, 2006

(In Thousands 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	\$350,881,806	\$16,195,216	\$9,438,572	\$17,117,519	\$393,633,113
Interest-rate sensitive liabilities	160,286,603	132,414,881	49,531,378	15,406,400	357,639,262
Interest-rate-sensitive gap	190,595,203	(116,219,665)	(40,092,806)	1,711,119	35,993,851
Net worth					28,059,172
Ratio of interest-rate sensitive assets to liabilities					110.06%
Ratio of interest-rate sensitive gap to net worth					128.28%

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)

June 30, 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	\$2,328,050	\$ 175,018	\$ 73,914	\$ 147,707	\$2,724,689
Interest-rate sensitive liabilities	1,655,715	1,251,640	147,273	721	3,055,349
Interest-rate-sensitive gap	672,335	(1,076,622)	(73,359)	146,986	(330,660)
Net worth					3,947
Ratio of interest-rate sensitive assets to liabilities					89.18%
Ratio of interest-rate sensitive gap to net worth					(8,377.5%)

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

	June 30			
	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	JPY 5,316,944	\$1,502,568	USD 14,147	\$ 447,311
	USD 17,007	551,016	THB 569,505	436,184
	CNY 117,529	476,427	JPY 1,505,524	431,333
	CHF 10,277	269,992	CAD 10,375	266,436
	EUR 5,258	216,587	HKD 16,137	66,381

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.