

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

Assets				Liabilities and stockholders' equity				
Code	Accounting Item	September 30, 2006	September 30, 2005	Code	Accounting Item	September 30, 2006	September 30, 2005	
		Amount	Amount			Amount	Amount	
							%	
11000	Cash and cash equivalents	\$9,751,063	\$6,800,913	43	21000	Call loans and due to banks	\$56,316,295	\$46,142,619
11500	Due from Central Bank and other banks	50,638,312	48,901,501	4	22000	Financial liabilities at fair value through profit or loss	3,078,942	1,269,835
12000	Financial assets at fair value through profit or loss	28,937,682	14,234,036	103	22500	Securities sold under agreements to repurchase	6,853,864	8,834,637
12500	Securities purchased under agreements to resell	4,288,704	5,390,327	(20)	23000	Accounts, interest and other payables	22,021,371	12,406,976
13000	Accounts, interest and other receivables, net	36,995,795	22,893,089	62	23500	Deposits and remittances	426,537,611	352,604,283
13500	Discounts and loans, net	308,088,524	289,747,427	6	24000	Bank debentures	36,010,888	32,800,000
14000	Available-for-sale financial assets	124,476,391	77,207,890	61	25000	Other financial liabilities	449,687	121,250
14500	Held-to-maturity investments	985,264	2,161,213	(54)	29665	Deferred tax liabilities	816,163	594,904
15000	Equity investments-equity method	8,533,085	8,842,842	(4)	29697	Other liabilities	396,662	965,662
15500	Other financial assets, net	2,699,857	631,332		20000	Total liabilities	552,481,448	455,740,186
18500	Net properties	4,781,662	4,965,031					
19500	Other assets	1,576,636	1,766,472	(11)				
					31000	Capital stock	19,728,068	19,728,068
					31500	Capital surplus	118,404	120,257
					32000	Retained earnings	9,423,604	8,143,624
					32521	Cumulative translation adjustment	44,583	95,568
					32523	Unrealized gains or loss on financial instruments	(43,132)	-
					32599	Other adjustments	-	(285,610)
					30000	Total shareholders equity	29,271,527	27,801,907
10000	Total assets	\$581,759,975	\$483,549,073			Total liabilities and shareholders' equity	\$581,759,975	\$483,549,073

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

(In Thousands of New Taiwan Dollars)

	September 30, 2006	September 30, 2005
Demand deposit	\$138,069,280	\$ 132,084,171
Demand deposit ratio	32.44%	37.50%
Time deposit	287,589,540	220,111,102
Time deposit ratio	67.56%	62.50%
Foreign currency deposit	101,072,132	80,498,967
Foreign currency deposit ratio	23.74%	22.86%

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)

	September 30, 2006	September 30, 2005
Small and medium-size enterprise loan	\$ 26,325,055	\$ 29,834,600
Small and medium-size enterprise loan ratio	8.49%	10.24%
Consumer loan	213,528,823	191,745,791
Consumer loan ratio	68.83%	65.82%

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

Code	Item	Current Period	Previous Period	%
41000	Interest revenue	\$ 16,129,565	\$ 11,852,240	36
51000	Interest expense	10,704,939	7,028,532	52
	Net interest	5,424,626	4,823,708	
49100	Commissions and fee revenues, net	1,287,225	1,345,299	(4)
49200	Gains (losses) from financial assets and liabilities at fair value through profit or loss	260,931	(767,631)	134
49300	Realized gains from available-for-sale financial assets	12,261	-	-
49400	Realized gains from held-to-maturity investments	-	1,469	(100)
49500	Income from equity investments-equity method	673,561	403,009	67
49600	Foreign exchange gains (losses), net	182,624	1,520,704	(88)
58089	Other provision	(39,752)	-	-
48005	Gains from unquoted equity instruments	34,948	3,625	864
49800	Other net revenues	117,556	128,118	(8)
	Total net revenues	7,953,980	7,458,301	
51500	Provision for loan losses	840,248	480,107	
	Operating expenses			
58500	Personnel expenses	2,333,517	2,272,956	3
59000	Depreciation and amortization	348,785	348,881	-
59500	Other general and administrative expenses	1,326,897	1,341,360	(1)
	Total operating expenses	4,009,199	3,963,197	
61001	Income before Income Tax	3,104,533	3,014,997	
61003	Income tax expense	493,086	477,413	3
61000	Income before cumulative effect of accounting changes	2,611,447	2,537,584	
63500	Cumulative effect of accounting changes	249,067	-	
69000	Net income	2,860,514	2,537,584	
69500	Earnings per share (in New Taiwan dollars)	\$1.45	\$1.22	

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	September 30, 2006		September 30, 2005	
	Amount	Overdue Loans/ Outstanding Loan Balance	Amount	Overdue Loans/ Outstanding Loan Balance
Overdue loans - class A	\$ 3,665,925	1.18%	\$ 2,759,283	0.95%
Overdue loans - class B	445,144	0.14%	200,049	0.07%
Total overdue loans	4,111,069	1.33%	2,959,332	1.02%
Overdue loans with debt negotiation exempted from reporting as a non-performing loan	498	-	-	-
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: Overdue loans and receivables with debt negotiated terms which have been performed are exempted from reporting as non-performing loan under the requirement issued by the Banking Bureau dated April 25, 2006 (Ref. No. 09510001270).

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars)

	September 30, 2006		September 30, 2005	
Credit extensions to interested parties	\$ 4,972,975		\$ 4,053,194	
Ratios of credit extensions to interested parties	1.39%		1.20%	
Ratios of credit extensions secured by pledged stocks	0.13%		0.12%	
Industry concentration	Industry	Percentage	Industry	Percentage
	Consumer	79.56%	Consumer	76.76%
	Manufacturing	9.07%	Manufacturing	9.58%
	Wholesaling and retailing	3.58%	Wholesaling and retailing	4.64%

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, 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

September 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: \$4,470,000 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> <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: \$450,000 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 Nine Months Ended September 30, 2006	For the Nine Months Ended September 30, 2005
Return on total assets	Before income tax	0.60%	0.63%
	After income tax	0.52%	0.53%
Return on net worth	Before income tax	11.73%	10.76%
	After income tax	10.06%	9.06%
Profit margin		35.96%	34.02%

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 Nine months ended September 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 Nine Months Ended September 30, 2006		For the Nine Months Ended September 30, 2005	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from other banks	5,173,548	4.64	4,998,839	2.79
Call loans (placement)	40,459,283	3.44	36,672,725	2.18
Due from the Central Bank	8,704,071	1.50	7,460,345	1.50
Financial assets at fair value through profit or loss	28,755,197	2.40	-	-
Available-for-sale financial asset	85,444,241	1.64	-	-
Securities purchased	-	-	81,148,648	1.53
Securities purchased under agreement to resell	10,833,580	1.44	17,909,358	1.20
Discounts and loans	298,685,596	3.72	275,894,515	3.34
Accounts receivable - factoring	9,963,973	5.35	11,992,827	4.17
Held-to-maturity investments	1,457,508	3.68	-	-
Other financial assets	1,328,014	6.36	-	-
Other long-term investments	-	-	1,085,411	2.91
<u>Interest-bearing liabilities</u>				
Due to other banks	3,784,284	2.16	83,006	4.58
Call loans (taken)	25,592,626	3.85	32,475,627	2.49
Demand deposits	53,489,576	1.87	61,726,671	1.04
Savings-demand deposits	79,225,914	0.48	73,175,807	0.48
Time deposits	164,067,109	2.58	136,049,430	1.49
Savings—time deposits	78,230,285	1.96	68,914,385	1.58
Negotiable certificates of deposit	21,654,903	1.51	29,848,553	1.22
Bank debentures	35,832,801	1.30	32,800,000	1.94
Securities sold under agreement to repurchase	9,661,964	2.53	16,662,874	1.26
Financial liabilities at fair value through profit or loss	472,796	2.36	-	-

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)

September 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	\$536,598,978	\$132,525,277	\$ 48,625,437	\$ 53,644,148	\$ 58,570,238	\$243,233,878
Main capital outflow on maturity	538,080,486	117,250,494	92,898,520	105,551,668	114,709,716	107,670,088
Gap	(1,481,508)	15,274,783	(44,273,083)	(51,907,520)	(56,139,478)	135,563,790

Note: The above amounts included only New Taiwan dollar amounts held in the onshore branches of the Bank (i.e. excludes foreign currency).

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

September 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
Main capital inflow on maturity	\$ 7,598,204	\$ 2,419,607	\$ 1,883,705	\$ 1,754,822	\$ 1,401,707	\$ 138,363
Main capital outflow on maturity	7,666,957	3,112,642	1,698,388	1,174,457	1,246,975	434,495
Gap	(68,753)	(693,035)	185,317	580,365	154,732	(296,132)

Note 1: 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 2: 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)

September 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	\$2,958,868	\$1,116,341	\$ 648,559	\$ 335,507	\$ 760,924	\$ 97,537
Capital outflow on maturity	2,965,907	1,207,039	733,868	387,231	619,856	17,913
Gap	(7,039)	(90,698)	(85,309)	(51,724)	141,068	79,624

g. Interest-rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

September 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	\$328,500,283	\$39,025,857	\$36,063,070	\$14,156,210	\$417,745,420
Interest-rate sensitive liabilities	173,252,555	141,269,031	42,134,416	16,601,508	373,257,510
Interest-rate-sensitive gap	155,247,728	(102,243,174)	(6,071,346)	(2,445,298)	44,487,910
Net worth					28,909,869
Ratio of interest-rate sensitive assets to liabilities					111.92%
Ratio of interest-rate sensitive gap to net worth					153.88%

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)
September 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	\$ 2,393,624	\$ 281,004	\$ 226,593	\$ 175,788	\$ 3,077,009
Interest-rate sensitive liabilities	2,647,699	1,202,004	227,831	431,451	4,508,985
Interest-rate-sensitive gap	(254,075)	(921,000)	(1,238)	(255,663)	(1,431,976)
Net worth					5,890
Ratio of interest-rate sensitive assets to liabilities					68.24%
Ratio of interest-rate sensitive gap to net worth					(24,311.99%)

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

	September 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	JPY 3,151,775	\$883,758	USD 122,481	\$ 4,064,911
foreign-currency with	EUR 15,251	639,774	JPY 6,942,763	2,034,230
market risk	HKD 45,597	193,714	EUR 40,105	1,600,472
	USD 4,771	157,924	CAD 26,200	742,229
	CNY 25,787	107,940	AUD 10,941	276,083

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.