

## 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  
December 31, 2008 and 2007  
(In Thousands of New Taiwan Dollars)

Assets				Liabilities and stockholders' equity			
Code	Accounting Item	December 31, 2008	December 31, 2007	Code	Accounting Item	December 31, 2008	December 31, 2007
		Amount	Amount			Amount	Amount
			%				%
11000	Cash and cash equivalents	\$ 14,923,761	\$ 13,554,793	10	21000	Call loans and due to banks	\$ 39,155,198
11500	Due from Central Bank and other banks	90,569,206	147,868,608	(39)	22000	Financial liabilities at fair value through profit or loss	16,918,491
12000	Financial assets at fair value through profit or loss	32,281,295	28,942,915	12	22500	Securities sold under agreements to repurchase	4,426,100
12500	Securities purchased under agreements to resell	2,598,782	4,024,177	(35)	23000	Accounts, interest and other payables	24,438,371
13000	Accounts, interest and other receivables, net	36,507,900	37,182,609	(2)	23500	Deposits and remittances	795,088,535
13500	Discounts and loans, net	629,440,360	602,246,769	5	24000	Bank debentures	28,763,023
14000	Available-for-sale financial assets	23,628,091	110,506,001	(79)	24100	Bonds payable	4,950,359
14500	Held-to-maturity investments	115,762,458	2,678,079	4,223	25500	Other financial liabilities	779,569
15000	Equity investments-equity method	9,631,678	9,636,453	-	29697	Other liabilities	3,560,564
15500	Other financial assets, net	2,707,952	6,138,676	(56)	20000	Total liabilities	918,080,210
18500	Net properties	9,132,830	9,075,032	1			
19000	Intangible assets	155,736	170,054	(8)			
19500	Other assets	7,175,822	5,769,737	24			
				31000	Capital stock	44,818,469	45,851,972
				31500	Capital surplus	8,192,263	8,194,928
				32000	Retained earnings	3,029,000	6,718,463
				32521	Cumulative translation adjustments	27,956	(23,642)
				32523	Unrealized losses on financial instruments	(19,860)	(535,996)
				32544	Net loss not recognized as pension cost	(642,321)	(648,249)
				32501	Unrealized revaluation increment on land	1,030,154	1,030,154
				30000	Total shareholders' equity	56,435,661	60,587,630
10000	Total assets	\$ 974,515,871	\$ 977,793,903		Total liabilities and shareholders' equity	\$ 974,515,871	\$ 977,793,903

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

(In Thousands of New Taiwan Dollars)

	December 31, 2008	December 31, 2007
Demand deposit	\$ 282,589,688	\$ 285,949,365
Demand deposit ratio	35.57%	36.08%
Time deposit	511,790,740	506,546,120
Time deposit ratio	64.43%	63.92%
Foreign currency deposit	151,449,961	155,081,260
Foreign currency deposit ratio	19.07%	19.57%

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)

	December 31, 2008	December 31, 2007
Small and medium-size enterprise loan	\$ 71,378,798	\$ 72,764,510
Small and medium-size enterprise loan ratio	11.22%	11.96%
Consumer loan	353,340,273	352,762,963
Consumer loan ratio	55.57%	58.00%

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 Year Ended December 31, 2008 and 2007  
(In Thousands of New Taiwan Dollars)

Code	Item	Current Period	Previous Period	%
41000	Interest revenue	\$ 48,464,096	\$ 41,979,708	15
51000	Interest expense	35,964,020	28,618,093	26
	Net interest	12,500,076	13,361,615	(6)
49100	Commissions and fee revenues, net	2,746,944	4,165,689	(34)
49200	Losses from financial assets and liabilities at fair value through profit or loss	(4,208,854)	(3,669,744)	15
49300	Realized gains from available-for-sale financial assets	298,264	2,319	12.762
49500	Income from equity investments-equity method, net	152,363	1,051,208	(86)
49600	Foreign exchange gain, net	1,463,459	1,617,812	(10)
49700	Impairment losses on assets	(3,194,061)	(2,383,952)	34
48005	Gains from unquoted equity instruments	36,811	35,096	5
48095	Recovery of bad debts	473,139	390,488	21
48051	Rental revenues	145,582	141,557	3
48099	Gains from convertible bond repurchased	113,061	-	-
49800	Other net revenues	(7,261)	416,059	(102)
	Total net revenues	10,519,523	15,128,147	(30)
51500	Provision for bad debts	4,334,000	6,524,000	(34)
	Operating expenses			
58500	Personnel expenses	6,367,956	5,965,280	7
59000	Depreciation and amortization	555,516	622,319	(11)
59500	Others	3,294,968	3,400,945	(3)
	Total operating expenses	10,218,440	9,988,544	2
61001	Loss before Income Tax	(4,032,917)	(1,384,397)	191
61003	Income tax benefit	1,275,794	892,823	43
69000	Net Loss	\$(2,757,123)	\$(491,574)	461
69500	Earnings per share (in New Taiwan dollars)	\$(0.60)	\$(0.11)	

5. Significant financial and operating profile

a. Statement of capital adequacy

(In Thousands of New Taiwan Dollars)

Item	December 31, 2008	December 31, 2007
Capital adequacy ratios (Note)	10.44%	9.72%
1) Tier I capital	58,931,683	60,013,478
2) Tier II capital	15,805,433	7,992,453
3) Tier III capital	0	0
4) Capital deduction	13,900,330	10,651,450
Net (1+2+3-4)	60,836,786	57,354,481
Total risk—based assets	582,623,804	589,937,361
Ratios of debt to net worth	1,626.77%	1,513.85%

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	December 31, 2008	%	December 31, 2007	%
Over loans-Class A	\$ 7,985,852	1.26	\$ 10,904,674	1.79
Over loans-Class B	626,087	0.10	847,087	0.14
Total Overdue loans	8,611,938	1.35	11,751,762	1.93
Allowance for credit losses	6,463,059	-	5,996,151	-
Write-off amounts of credits (Note4)	3,887,730	-	6,329,300	-
Over loans with debt negotiation exempted from reporting as a non-performing loan	67,588	-	117,027	-
Over 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-accrual Loans” issued by the MOF.

Note 2: Over 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 years ended December 31, 2008 and 2007.

c. Management information

1) Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

	December 31, 2008		December 31, 2007	
Credit extensions to interested parties	\$5,738,263		\$5,668,922	
Ratios of credit extensions to interested parties	0.86 %		0.88 %	
Ratios of credit extensions secured by pledged stocks	0.53 %		0.88 %	
Industry concentration	Industry	Percentage	Industry	Percentage
	Consumer	65.68 %	Consumer	68.24 %
	Manufacturing	15.44 %	Manufacturing	13.01 %
	Wholesaling and retailing	4.52 %	Wholesaling and retailing	5.40 %

Note 1: Consist of loans and bills purchased (including import and export bill negotiations), acceptances and guarantees.

Note 2: Ratios of credit extensions to interested parties = credit extensions to interested parties/ total credit extensions.

Note 3: Ratios 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

December 31, 2008

(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	100.00
SinoPac Property Insurance Agent Co., Ltd	2,000	100.00
SinoPac Life Insurance Agent Co., Ltd	2,000	100.00
Taiwan Financial Asset Service Corp.	100,000	5.88
Mondex Taiwan Inc.	4,935	6.69

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, nonperforming loans, 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 the estimated collectibility. In accordance with the Regulations stated above, the loan assets divided into different classes subject to assets that requires special mentioned, 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.

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. Recovery of loans written off on the current year is recorded as reverse of allowance whereas recovery of loans written off on the previous years is recorded as other revenue.

#### 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. Loss reversal is credited to current income and should not be more than the carrying amount had the impairment not been recognized.

##### 3. Equity Investments-Equity Method

Equity investments are accounted for by the equity method if the Bank has significant influence over the investees. Under this method, investments are stated at cost plus (or minus) a proportionate share in net earnings (losses) or changes in net worth of the investees. Goodwill is not amortized but test annually for impairment since January 1, 2006. Until December 31, 2005, any difference between the acquisition cost and the equity in the investee is amortized over 15 years.

##### 4. 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

December 31 , 2008

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.	None
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: The Court of First Instance rules in favor of the Bank but this judgment is not a final verdict. (March 11,2008)</p>

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

d. Profitability

Item		For the Year Ended December 31, 2008	For the Year Ended December 31, 2007
Return on total assets	Before income tax	(0.41)%	(0.14)%
	After income tax	(0.28)%	(0.05)%
Return on net worth	Before income tax	(6.89)%	(2.23)%
	After income tax	(4.71)%	(0.79)%
Profit margin		(26.21)%	(3.25)%

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

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 years ended December 31, 2008 and 2007.

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 Years Ended December 31			
	2008		2007	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from the Central Bank and other banks	\$ 38,155,413	2.00	\$ 47,877,968	2.40
Call loans to banks	55,705,046	3.07	69,810,206	4.56
Financial assets at fair value through profit or loss	17,794,704	2.79	64,542,094	2.51
Securities purchased under agreements to resell	4,626,625	1.79	6,059,931	1.69
Available-for-sale financial assets	82,870,849	2.28	93,194,005	2.08
Discounts and loans	623,483,848	3.47	594,775,486	3.63
Accounts receivable - factoring	13,068,600	3.90	10,928,917	5.43
Held-to-maturity investments	61,781,414	2.20	2,672,858	5.82
Other financial assets	1,599,649	1.59	5,430,907	5.58
<u>Interest-bearing liabilities</u>				
Due to the Central Bank and other banks	20,746,451	2.58	12,112,821	2.45
Call loans	24,784,269	3.02	43,600,649	3.94
Securities sold under agreements to repurchase	5,950,548	1.77	11,367,842	2.25
Demand	103,364,091	0.54	106,444,871	1.38
Savings - demand	160,042,305	0.60	167,849,884	0.58
Time	280,321,806	2.54	244,649,784	2.99
Savings - time	217,848,225	2.51	206,328,389	2.25
Negotiable certificates of deposit	16,789,683	2.13	32,892,490	1.88
Bank debentures	33,125,821	2.27	30,812,623	1.14
Other liabilities - appropriated loan fund	481,544	1.03	492,141	0.95
Bonds payable	5,430,054	-	5,771,552	-

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)

December 31, 2008

(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	\$879,838,484	\$183,297,256	\$115,345,463	\$90,272,261	\$42,252,252	\$448,671,252
Main capital outflow on maturity	887,859,861	143,018,949	150,799,018	137,670,252	157,979,458	298,392,184
Gap	(8,021,377)	40,278,307	(35,453,555)	(47,397,991)	(115,727,206)	150,279,068

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)

December 31, 2008

(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	\$7,803,930	\$3,261,864	\$2,152,463	\$1,485,101	\$ 363,982	\$ 540,520
Main capital outflow on maturity	7,989,572	3,599,750	1,678,039	1,272,155	584,860	854,768
Gap	(185,642)	(337,886)	474,424	212,946	( 220,878)	( 314,248)

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.

g. Interest-rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

December 31, 2008

(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	\$593,282,146	\$45,529,372	\$28,223,534	\$36,361,363	\$703,396,415
Interest-rate sensitive liabilities	294,095,392	283,193,247	100,064,964	10,888,121	688,241,724
Interest-rate sensitive gap	299,186,754	(237,663,875)	(71,841,430)	25,473,242	15,154,691
Net worth					60,373,536
Ratio of interest-rate sensitive assets to liabilities					102.20%
Ratio of interest-rate sensitive gap to net worth					25.10%

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

Note 4: Interest-rate sensitive gap = Interest-rate sensitive assets – Interest-rate sensitive liabilities.

Interest Rate Sensitivity (USD)

December 31, 2008

(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	\$4,684,633	\$393,819	\$156,469	\$323,286	\$5,558,207
Interest-rate sensitive liabilities	2,539,396	1,829,780	185,757	130	4,555,063
Interest-rate sensitive gap	2,145,237	(1,435,961)	(29,288)	323,156	1,003,144
Net worth					32,755
Ratio of interest-rate sensitive assets to liabilities					122.02%
Ratio of interest-rate sensitive gap to net worth					3,062.57%

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

Note 4: Interest-rate sensitive gap = Interest-rate sensitive assets – Interest-rate sensitive liabilities.

h. Net positions of major foreign-currency

Net positions of major foreign-currency with market risk	December 31					
	2008			2007		
	Foreign-Currency Amounts(in Thousand)	New Taiwan Dollar Amounts(in Thousand)		Foreign-Currency Amounts(in Thousand)	New Taiwan Dollar Amounts(in Thousand)	
USD	42,191	1,386,386	USD	174,540	5,662,610	
HKD	178,969	758,818	HKD	895,936	3,726,637	
CNY	132,753	639,200	JPY	5,454,933	1,580,785	
MOP	41,357	170,245	EUR	11,645	556,667	
INR	146,266	99,212	MOP	47,900	193,437	

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.