

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. Information of balance sheet items

1)

Balance Sheets
December 31, 2010 And 2009
(In Thousands of New Taiwan Dollars, Except Par Value)

Assets				Liabilities and stockholders' equity					
Code	Accounting Item	2010 Amount	2009 Amount	%	Code	Accounting Item	2010 Amount	2009 Amount	%
11000	Cash and cash equivalents	\$10,719,584	\$17,657,455	(39)	21001	Call loans and due to banks	\$64,587,777	\$42,369,760	52
11500	Due from the central bank and other banks	75,287,528	72,664,003	4	22000	Financial liabilities at fair value through profit or loss	9,507,112	8,636,286	10
12000	Financial assets at fair value through profit or loss	26,367,871	16,814,781	57	22500	Securities sold under agreements to repurchase	3,067,453	1,598,045	92
12500	Securities purchased under agreements to resell	1,152,479	-	-	23000	Accounts, interest and other payables	13,908,998	21,801,805	(36)
13000	Accounts, interest and other receivables, net	41,710,760	50,884,561	(18)	23500	Deposits and remittances	915,967,872	826,352,256	11
13500	Discounts and loans, net	690,441,086	652,501,596	6	24000	Bank debentures	30,121,486	27,129,563	11
14000	Available-for-sale financial assets, net	33,083,043	31,435,940	5	25597	Other financial liabilities	729,774	2,965,155	(75)
14500	Held-to-maturity investments, net	199,083,372	123,833,228	61	29697	Other liabilities	3,048,505	3,334,965	(9)
15000	Equity investments-equity method	6,477,510	8,699,303	(26)	20000	Total liabilities	1,040,938,977	934,187,835	11
15500	Other financial assets, net	7,906,414	6,065,388	30					
18500	Net properties	8,718,774	8,889,567	(2)					
19000	Intangible assets	970,256	994,857	(2)					
19500	Other assets	4,975,772	6,106,871	(19)	31000	Capital stock	49,550,469	48,218,469	3
					31500	Capital surplus	9,206,818	8,873,818	4
					32000	Retained earnings	7,145,386	5,079,036	41
					32001	Legal reserve	3,361,034	2,746,023	22
					32003	Special reserve	282,977	-	-
					32011	Unappropriated earnings	3,501,375	2,050,036	71
					32500	Other adjustment	52,799	188,392	(72)
					32521	Cumulative translation adjustments	(220,752)	(66,530)	232
					32523	Unrealized gains (losses) on financial instruments	215,383	(31,203)	790
					32525	Unrealized gains (losses) on cash flow hedge	(26,185)	22,130	(218)
					32544	Net loss not recognized as pension cost	(945,801)	(766,159)	23
					32501	Unrealized revaluation increment on land	1,030,154	1,030,154	-
					30000	Total stockholders' equity	65,955,472	62,359,715	6
10000	Total assets	\$1,106,894,449	\$996,547,550	11		Total liabilities and stockholders' equity	\$1,106,894,449	\$996,547,550	11

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

(In Thousands of New Taiwan Dollars)

	December 31, 2010	December 31, 2009
Demand deposit	400,481,998	371,928,775
Demand deposit ratio	43.75%	45.31%
Time deposit	514,998,368	448,852,130
Time deposit ratio	56.25%	54.69%
Foreign currency deposit	145,083,927	150,996,680
Foreign currency deposit ratio	15.85%	18.40%

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, 2010	December 31, 2009
Small and medium-size enterprise loan	88,090,505	82,810,833
Small and medium-size enterprise loan ratio	12.66%	12.59%
Consumer loan	321,305,004	343,913,195
Consumer loan ratio	46.19%	52.30%

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. (Not including credit card circulation credit)

2.

Statements of Income
Years Ended December 31, 2010 And 2009
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Item	2010	2009	%
41000	Interest revenue	\$18,254,491	\$18,307,402	-
51000	Interest expense	6,237,591	8,461,210	(26)
	Net interest	12,016,900	9,846,192	22
	Net revenues other than interest			
49100	Commissions and fee revenues, net	3,711,968	3,086,236	20
49200	Gains from financial assets and liabilities at fair value through profit or loss	441,813	802,050	(45)
49300	Realized gains from (losses on) available-for-sale financial assets	50,643	(44,360)	214
49500	Losses on equity investments-equity method, net	(742,723)	(936,764)	(21)
49600	Foreign exchange gain, net	634,415	698,594	(9)
49700	Impairment losses on assets	(347,511)	(393,722)	(12)
48005	Gains from unquoted equity instruments	45,737	34,518	33
48095	Recovery of bad debts	718,647	557,074	29
48051	Rental revenues	140,206	137,129	2
48099	Contingency losses	-	(2,189,651)	100
48017	(Losses on) gains from disposal of properties and idle assets, net	(678)	3,248,629	(100)
49800	Other net losses	(98,004)	(7,381)	1228
	Total net revenues	16,571,413	14,838,544	12
51500	Provision for bad debts	2,571,998	3,178,441	(19)
	Operating expenses	9,636,106	9,372,197	3
58500	Personnel expenses	6,029,506	5,636,322	7
59000	Depreciation and amortization	484,814	547,210	(11)
59500	Others	3,121,786	3,188,665	(2)
61001	Income before Income Tax	4,363,309	2,287,906	91
61003	Income tax expense	(861,934)	(202,749)	325
69000	Net income	\$3,501,375	\$2,085,157	68
69500	Earnings per share			
	Basic earnings per share	\$0.72	\$0.47	

Note: Based on Statement of Financial Accounting Standards (SFAS) Interpretation No. (91) 243 and 244 and No. (95) 081 issued by the Accounting Research and Development Foundation of the Republic of China, the merger of Bank SinoPac and SinoPac Card Services Co., Ltd. was treated as a reorganization and was recorded at the book value of both entities' assets and liabilities. In addition, based on Interpretation No. (95) 141, the financial statements of Bank SinoPac as of and for the year ended December 31, 2009 were retroactively restated, assuming the book values of the assets and liabilities of SinoPac Card Services Co., Ltd. were included. Thus, for the year ended December 31, 2009, the net income of Bank SinoPac included the net income of SinoPac Card Services Co., Ltd. of \$35,121.

3. Statement of capital adequacy

Capital Adequacy

(In Thousands of New Taiwan Dollars, %)

Analysis Items		Year	December 31, 2010		
			Standalone	Consolidation	
Eligible capital	Tier 1 capital		\$55,343,189	\$60,084,898	
	Tier 2 capital		18,770,866	24,584,690	
	Tier 3 capital		-	-	
	Eligible capital		74,114,055	84,669,588	
Risk-weighted assets	Credit risk	Standardized approach	573,241,752	605,474,979	
		Internal rating - based approach	N/A	N/A	
		Securitization	286,211	812,726	
	Operational risk	Basic indicator approach	26,013,713	31,791,225	
		Standardized approach/ Alternative standardized approach	N/A	N/A	
		Advanced measurement approach	N/A	N/A	
	Market risk	Standardized approach	23,193,160	23,483,560	
		Internal models approach	N/A	N/A	
	Total risk-weighted assets			622,734,836	661,562,490
	Capital adequacy rate			11.90%	12.80%
Tier 1 risk - based capital ratio			8.89%	9.08%	
Tier 2 risk - based capital ratio			3.01%	3.72%	
Tier 3 risk - based capital ratio			-	-	
Ratios of common stockholders' equity to total assets			4.48%	4.32%	
Leverage ratio			5.30%	5.47%	

Analysis Items		Year	December 31, 2009		
			Standalone	Consolidation	
Eligible capital	Tier 1 capital		\$55,794,185	\$59,325,063	
	Tier 2 capital		16,638,503	22,803,690	
	Tier 3 capital		-	-	
	Eligible capital		72,432,688	82,128,753	
Risk-weighted assets	Credit risk	Standardized approach	558,613,312	605,872,010	
		Internal rating - based approach	N/A	N/A	
		Securitization	369,894	1,239,957	
	Operational risk	Basic indicator approach	24,656,313	30,157,400	
		Standardized approach/ Alternative standardized approach	N/A	N/A	
		Advanced measurement approach	N/A	N/A	
	Market risk	Standardized approach	17,685,367	19,226,967	
		Internal models approach	N/A	N/A	
	Total risk-weighted assets			601,324,886	656,496,334
	Capital adequacy rate			12.05%	12.51%
Tier 1 risk - based capital ratio			9.28%	9.04%	
Tier 2 risk - based capital ratio			2.77%	3.47%	
Tier 3 risk - based capital ratio			-	-	
Ratios of common stockholders' equity to total assets			4.84%	4.57%	
Leverage ratio			5.69%	5.65%	

Note 1: These tables were filled according to “Regulations Governing the Capital Adequacy Ratio of Banks” and related calculation tables.

Note 2: The bank shall disclose the capital adequacy ratio for the current and previous period in annual financial reports. For semiannual financial report, the Bank shall disclose the capital adequacy ratio for the current period, previous period, and previous year end.

Note 3: The formula:

- 1) Eligible capital = Tier 1 capital + Tier 2 capital + Tier 3 capital.
- 2) Total risk - weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk + Capital requirement for market risk) x 12.5.
- 3) Ratio of capital adequacy = Eligible capital/Total risk - weighted assets.
- 4) Tier 1 risk - based capital ratio = Tier 1 capital/Total risk - weighted assets.
- 5) Tier 2 risk - based capital ratio = Tier 2 capital/Total risk - weighted assets.
- 6) Tier 3 risk - based capital ratio = Tier 3 capital/Total risk - weighted assets.
- 7) Ratios of common stockholders' equity to total assets = Common stock/Total assets.
- 8) Leverage ratio = Tier 1 capital/adjusted average assets (average assets – goodwill, unamortized losses on sale of non-performing loans and the amount deducted from Tier 1 capital according to “Regulations Governing the Capital Adequacy Ratio of Banks”)

4. Significant financial and operating profile

Assets quality

(In Thousands of New Taiwan Dollars, %)

Items		December 31, 2010				
		Non-Performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured	\$ 1,076,035	\$131,448,092	0.82%	\$ 600,615	55.82%
	Unsecured	1,643,974	202,185,933	0.81%	2,480,146	150.86%
Consumer loan	Mortgage (Note 4)	770,544	351,853,530	0.22%	1,014,029	131.60%
	Cash card	383	55,302	0.69%	1,875	489.56%
	Micro credit (Note 5)	102,271	6,006,876	1.70%	1,098,140	1,073.76%
	Other (Note 6)	Secured	3,050	4,124,851	0.07%	47,435
Unsecured						
Total		3,596,257	695,674,584	0.52%	5,242,240	145.77%
		Overdue Receivables	Account Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card		106,080	16,338,069	0.65%	623,272	587.55%
Account receivable - factoring with no recourse (Note 7)		10,188	18,457,780	0.06%	10,188	100.00%
Excluded NPL as a result of debt consultation and loan agreements (Note 8)		\$ 18,739				
Excluded overdue receivables as a result of debt consultation and loan agreements (Note 8)		814,563				
Excluded NPL as a result of consumer debt clearance (Note 9)		12,166				
Excluded overdue receivables as a result of consumer debt clearance (Note 9)		826,740				

		December 31, 2009					
Items		Non-Performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)	
Corporate loan	Secured	\$1,665,589	\$115,235,483	1.45%	\$ 784,019	47.07%	
	Unsecured	2,004,965	175,557,116	1.14%	2,025,158	101.01%	
Consumer loan	Mortgage (Note 4)	1,805,163	352,751,601	0.51%	952,570	52.77%	
	Cash card	1,454	72,405	2.01%	4,820	331.50%	
	Micro credit (Note 5)	371,078	8,950,068	4.15%	1,244,185	335.29%	
	Other (Note 6)	Secured	19,144	4,981,537	0.38%	49,125	256.61%
		Unsecured					
Total		5,867,393	657,548,210	0.89%	5,059,877	86.24%	
		Overdue Receivables	Account Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio	
Credit card		182,664	17,568,380	1.04%	383,360	209.87%	
Account receivable - factoring with no recourse (Note 7)		1,072,768	11,558,710	9.28%	693,408	64.64%	
Excluded NPL as a result of debt consultation and loan agreements (Note 8)		\$ 43,542					
Excluded overdue receivables as a result of debt consultation and loan agreements (Note 8)		1,089,945					
Excluded NPL as a result of consumer debt clearance (Note 9)		13,672					
Excluded overdue receivables as a result of consumer debt clearance (Note 9)		737,150					

- Note 1: For Loan business: 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.
For Credit card business: Overdue receivables are regulated by the Banking Bureau dated July 6, 2005 (Ref. No. 0944000378).
- Note 2: For Loan business: $NPL\ ratio = NPL / Total\ loans$.
For Credit card business: $Delinquency\ ratio = Overdue\ receivables / Account\ receivables$.
- Note 3: For loan business: $Coverage\ ratio = LLR / NPL$
For credit card business: $Coverage\ ratio = Allowance\ for\ credit\ losses / Overdue\ receivables$.
- Note 4: Household mortgage means the purpose of financing is to purchase, build, or fix up the dwelling and provides dwelling owned by the borrower, spouse, or children to fully secure the loan.
- Note 5: Micro credit is regulated by the Banking Bureau dated December 19, 2005 (Ref. No. 09440010950) and is excluded from credit card and cash card loans.
- Note 6: Others in consumer loans refer to secured or unsecured loans excluding mortgage, cash card, micro credit, and credit cards.
- Note 7: Account receivable - factoring with no recourse as required by the Banking Bureau letter dated July 19, 2005 (Ref. No. 094000494), provision for bad debt are recognized once no compensation are made from factoring or insurance company.
- Note 8: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt consultation and loan agreements is based on the Banking Bureau letter dated April 25, 2006 (Ref. No. 09510001270).
- Note 9: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau letter dated September 15, 2008 (Ref. No. 09700318940).

5. Management information

1) Concentration of credit extensions

December 31, 2010

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%) (Note 4)
1	A Group (Optical Products Manufacturing)	\$12,243,659	19.63%
2	B Group (Plastics)	12,003,656	19.25%
3	C Group (Computer and Peripheral Equipment)	8,397,467	13.47%
4	D Group (LCD and its Components Manufacturing)	7,471,722	11.98%
5	E Group (Computer and Peripheral Equipment)	6,482,937	10.40%
6	F Group (Trading and Consumers' Goods Industry)	5,765,269	9.25%
7	G Group (Building Material and Construction)	5,524,505	8.86%
8	H Group (Computer and Peripheral Equipment)	4,789,832	7.68%
9	I Group (Finance and Lease)	3,653,192	5.86%
10	J Group (Optoelectronic)	3,229,970	5.18%

December 31, 2009

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%) (Note 4)
1	A Group (Plastics)	\$11,876,873	21.04%
2	B Group (Computer and Peripheral Equipment)	7,685,937	13.62%
3	C Group (Trading and Consumers' Goods Industry)	5,800,000	10.28%
4	D Group (Shipping and Transportation)	5,719,674	10.13%
5	E Group (Optoelectronic)	5,269,805	9.34%
6	F Group (Cotton and Textiles)	4,903,901	8.69%
7	G Group (Non-profit Organization)	4,725,000	8.37%
8	H Group (Optoelectronic)	4,593,317	8.14%
9	I Group (Other Electronic)	4,304,639	7.63%
10	J Company (Shipping and Transportation)	2,855,806	5.06%

- Note 1: Ranking top ten groups (excluded the government or state - owned utilities) accounting to total credit consists of loans.
- Note 2: Groups were regulated in the Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings Law Article 6.
- Note 3: Total credit consists of loans were totalized each credit (included import bill negotiated, export bill negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, and nonperforming loans), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable, and grantees issued.
- Note 4: Net worth of previous year-end.

2) Information on Invested Enterprises

Year Ended December 31, 2010

(In Thousands of New Taiwan Dollars or Share, Unless Otherwise Stated)

Investee Company	Location	Main Businesses and Products	Balance as of December 31, 2010			Consolidated Investment				Note
			Percentage of Ownership	Carrying Amount	Investment Gains (Loss)	Shares	Imitated Shares	Total		
								Shares	Percentage of Ownership	
<u>Financial related enterprise</u>										
SinoPac Bancorp	California	Holding company	100.00%	\$ 4,718,986	\$(1,310,251)	20	-	20	100.00%	Subsidiary
SinoPac Capital Limited (H.K.)	Hong Kong	Lending and financing	100.00%	1,148,690	19,436	229,998	-	229,998	100.00%	Subsidiary
SinoPac Life Insurance Agent Co., Ltd.	Taipei	Life insurance agent	100.00%	576,769	521,171	300	-	300	100.00%	Subsidiary
SinoPac Property Insurance Agent Co., Ltd.	Taipei	Property insurance agent	100.00%	33,065	26,921	300	-	300	100.00%	Subsidiary
SinoPac Bancorp	California	Holding company	100.00%	4,578,625	-	5,800	-	5,800	100.00%	Note 2
Global Securities Finance Corporation	Taipei	Securities financing	2.63%	173,496	-	19,712	-	19,712	2.63%	
Taipei Foreign Exchange Inc.	Taipei	Foreign exchange market maker	3.43%	6,800	2,173	680	-	680	3.43%	
Taiwan Futures Exchange	Taipei	Futures exchange and settlement	1.07%	21,490	2,691	5,036	-	5,036	1.88%	
Fuh Hwa Securities Investment Trust Co., Ltd.	Taipei	Securities investment trust and consultant	4.63%	15,000	8,700	1,500	-	1,500	4.63%	
Financial Information Service Co., Ltd.	Taipei	Planning and developing the information system of across banking institution and managing the information web system	2.28%	91,000	27,300	9,100	-	9,100	2.28%	
Taiwan Asset Management Corporation	Taipei	Evaluating, auctioning, and managing for financial institutions' loan	0.28%	50,000	3,392	5,000	-	5,000	0.28%	
Mondex Taiwan Inc.	Taipei	Information process services	6.69%	4,935	-	395	-	395	6.69%	
Taiwan Financial Asset Service Co.	Taipei	Auction	5.88%	100,000	1,000	10,000	-	10,000	5.88%	
Sunny Asset Management Corp.	Taipei	Purchasing for financial institutions' loan assets	1.42%	164	110	85	-	85	1.42%	
Taiwan Depository and Clearing Co.	Taipei	Securities custodian	0.08%	4,639	371	2,232	-	2,232	0.75%	
<u>Nonfinancial related enterprise</u>										
Taiwan Television Enterprise, Ltd.	Taipei	Wireless television company	4.84%	20,983	-	13,959	-	13,959	4.98%	

Note 1: Foreign-currency amounts were translated at the exchange rate as of the balance sheet date, except for foreign-currency-denominated income and expenses, which were translated to New Taiwan dollars at the average exchange rate for the year ended December 31, 2010.

Note 2: During 2010, SinoPac Bancorp has issued 5,800 thousand additional preferred shares for cash to the bank, the bank has classified the investment as unquoted equity instruments

3) Transaction Information On Financial Instruments

1-1.Domestic Transaction Information On Financial Instruments

December 31, 2010

(In Thousands of New Taiwan Dollars)

Name of Financial Instruments		Financial Statement Account	The Costs	Appraisal Adjustment	Accumulated Impairment	The Balance of Account	Measured Method	The Origin of Fair Value
stock	Listed stock	Financial assets at fair value through profit or loss	1,292,352	13,243	0	1,305,594	Fair Value	quoted market prices in an active market
		Available-for-sale financial assets	186,810	27,308	0	214,118	Fair Value	quoted market prices in an active market
	Unlisted equity investments	Unquoted equity instruments	5,067,132	0	0	5,067,132	Amortized Cost	
Bond	Government bonds	Financial assets at fair value through profit or loss	212,250	(1,069)	0	211,182	Fair Value	quoted market prices in an active market/OTC theoretical valuation
		Available-for-sale financial assets	14,134,211	93,879	0	14,228,090	Fair Value	quoted market prices in an active market/OTC theoretical valuation
	Bank debentures	Available-for-sale financial assets	2,000,000	(1,211)	0	1,998,789	Fair Value	Discounted cash flow method
	Corporate bonds	Financial assets at fair value through profit or loss	909,600	83,884	0	993,484	Fair Value	quoted market prices in an active market/OTC Reference Interest Rate
		Available-for-sale financial assets	4,560,462	44,074	0	4,604,537	Fair Value	quoted market prices in an active market/OTC Reference Interest Rate
		Held-to-maturity investments	840,691	0	0	840,691	Amortized Cost	
others	Ecurity Instruments	Non-active market debt instruments	1,257	0	0	1,257	Amortized Cost	
	Negotiable certificates of deposit	Financial assets at fair value through profit or loss	10,000,000	751	0	10,000,751	Fair Value	quoted market prices in an active market
		Available-for-sale financial assets	590,465	(10)	0	590,455	Fair Value	quoted market prices in an active market
		Held-to-maturity investments	197,615,000	0	0	197,615,000	Amortized Cost	
	Commercial papers	Available-for-sale financial assets	4,794,872	(83)	0	4,794,788	Fair Value	quoted market prices in an active market
	Beneficiary certificates	Financial assets at fair value through profit or loss	650,417	12,893	0	663,309	Fair Value	quoted market prices in an active market

1-2 Domestic Transaction Information On Derivative Financial Instruments

December 31, 2010

(In Thousands of New Taiwan Dollars)

Item	Notional amount	Financial statement account	The balance of account	Valuation losses or gain	The Origin of Fair Value
Interest rate related contract	311,153,423	Financial Instruments at fair value through profit or loss	(104,328)	207,012	quoted market prices in an active market / Measurement of valuation approach /Interbank valuation
Exchange rate related contract	187,311,220	Financial Instruments at fair value through profit or loss	248,676	192,289	Interbank valuation/Measurement of valuation approach
Securities related contract	18,722	Financial Instruments at fair value through profit or loss	-	(169)	quoted market prices in an active market /Interbank valuation
Commodity related contract	111,291	Financial Instruments at fair value through profit or loss	(1,716)	(496)	Interbank valuation
Credit related contract	2,100,000	Financial Instruments at fair value through profit or loss	-	2,566	Measurement of valuation approach /Interbank valuation
Others	-		-	-	NA

2-1. Overseas Transaction Information On Financial Instruments

December 31, 2010

(In Thousands of New Taiwan Dollars)

Name of Financial Instruments		Financial Statement Account	The Costs	Appraisal Adjustment	Accumulated Impairment	The Balance of Account	Measured Method	The Origin of Fair Value	Country
Bond	Government bonds	Held-to-maturity investments	187,544	0	0	187,544	Fair Value	quoted market prices in an active market	
		Held-to-maturity investments	105,568	0	0	105,568	Amortized Cost		
	Bank debentures	Financial assets at fair value through profit or loss	2,370,576	8,359	0	2,378,935	Fair Value	quoted market prices in an active market	
		Available-for-sale financial assets	4,351,163	155	0	4,351,319	Fair Value	quoted market prices in an active market	
		Held-to-maturity investments	100,030	0	0	100,030	Amortized Cost		
	Corporate bonds	Financial assets at fair value through profit or loss	291,520	(8,230)	0	283,290	Fair Value	Interbank valuation	
		Available-for-sale financial assets	1,711,646	(2,194)	0	1,709,452	Fair Value	quoted market prices in an active market	
	Convertible bonds	Financial assets at fair value through profit or loss	610,740	(57,221)	0	553,518	Fair Value	quoted market prices in an active market	
		Financial assets at fair value through profit or loss HON HAI CO LTD,TW	291,520	0	0	291,520	Fair Value	quoted market prices in an active market	
	Floating rate notes	Held-to-maturity investments	75,027	0	0	75,027	Amortized Cost		
Agency Bond	Available-for-sale financial assets / Kreditanstalt Fur Wiederaufbau (KFW)/DE	582,785	8,711	0	591,496	Fair Value	quoted market prices in an active market	DE	
others	Security Instruments	Financial assets at fair value through profit or loss	369,381	(368,474)	0	907	Fair Value	Interbank valuation	
		Held-to-maturity investments	13,751	0	0	13,751	Amortized Cost	Interbank valuation	
		Non-active market debt instruments	80,809	0	0	80,809	Amortized Cost	Interbank valuation	
	Negotiable certificates of deposit	Held-to-maturity investments	145,760	0	0	145,760	Amortized Cost		

2-2 Overseas Transaction Information On Derivative Financial Instruments

December 31, 2010

(In Thousands of New Taiwan Dollars)

Item	Notional amount	Financial statement account	The balance of account	Valuation losses or gain	The Origin of Fair Value
Interest rate related contract	620,733,243	Financial Instruments at fair value through profit or loss	168,325	(221,039)	quoted market prices in an active market / Measurement of valuation approach / Interbank valuation
	5,147,838	Hedged derivative financial Instruments	(62,105)	55,694	
Exchange rate related contract	627,238,272	Financial Instruments at fair value through profit or loss	713,195	(30,908)	Interbank valuation/Measurement of valuation approach
	1,000,000	Hedged derivative financial Instruments	(49,612)	31,702	
Securities related contract	18,722	Financial Instruments at fair value through profit or loss	-	169	quoted market prices in an active market /Interbank valuation
Commodity related contract	169,694	Financial Instruments at fair value through profit or loss	1,898	639	Interbank valuation
Credit related contract	1,100,000	Financial Instruments at fair value through profit or loss	-	(36,560)	Measurement of valuation approach / Interbank valuation
Others	-		-	-	NA

4) Overdue loans and impairment loss policy

Under guidelines issued by the Banking Bureau of Financial Supervisory Commission (the Banking Bureau), the balance of loans and other credits extended by the Bank and the related accrued interest thereon are classified as nonperforming when the loan is overdue and shall be authorized by a resolution passed by the board of directors.

Nonperforming loans reclassified from loans are classified as discounts and loans; otherwise, they are classified as other financial assets.

The Bank assesses the collectability 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 date.

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.

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 stockholders. For debt investments, loss reversal is credited to current income.

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.

Investments in equity instruments without quoted market prices in an active market and whose fair value cannot be reliably measured are measured at their original cost. If there is objective evidence that the asset is impaired, an impairment loss is recognized and a reversal of the impairment loss is prohibited.

5) Matters requiring special notation

December 31, 2010

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>The Executive Yuan's Financial Supervisory Commission (FSC) fined Bank SinoPac NT \$2 million on May 6, 2010 in accordance with the Article 129 of the Banking Act, for a former employee embezzling customers' money, which is a defect in internal control and Bank SinoPac violated the Article 45-1 of the Banking Act. Besides, The employee was dismissed by Bank SinoPac under FSC's command, in accordance with Article 61-1 of the Banking Act. The missing item has been improved.</p> <p>FSC fined Bank SinoPac NT \$4 million on May 18, 2010 in accordance with the Article 60 of the Financial Holding Company Act, for the financial consultancy contract between Bank SinoPac and the related party-SinoPac Securities Corp. The contract needed to be resolved under a special resolution by board meeting of a majority member in accordance with the Article 45 of the Act, but Bank SinoPac violated the Act above. Thus, Bank SinoPac has reviewed and improved the controlling mechanism and procedures of non-lending transactions with related parties and now in process.</p> <p>The Financial Supervisory Commission (FSC) has imposed an administrative fine of NT\$1 million upon the Bank' s violation Article 12-1, paragraph 1 of the Banking Act, which provided that when a bank conducts a car loan, and obtains sufficient collateral to cover the loan, it is not allowed to require that the borrower provide a joint and several guarantor for any reason whatsoever. The amount of the fine was set in accordance with Article 132 of the Banking Act.</p>

Causes	Summary and Amount
Within the past one year, a fine was levied on Bank SinoPac for violations of the related regulations	<p>The Financial Supervisory Commission (FSC) has imposed an administrative fine of NT\$1 million upon the Bank' s violation Article 75, paragraph 2 of the Banking Act, which provided that when the branches apply for the movement or restructure of the property, plant and equipment (PPE), the branches lease over 50 %of the PPE, which were held for own use originally, to the third parties. The amount of the fine was set in accordance with Article 130 Section 4 of the Banking Act,and then the bank is improving.</p> <p>The Financial Supervisory Commission (FSC) has imposed an administrative fine of NT\$200 thousands upon the Bank' s violation Article 33 of the Rules Governing the Business of Electronic Stored Value Card Issuers, which provided that the Bank grants the storage money to the cash card holder as promotion. The bank has been improved.</p>
Within the past one year, misconduct occurred that resulted in the controlling organization imposing strict corrective measures.	None
Within the past one year, disciplinary action in the controlling organization Banking Law Article 61.	The related missing regarding to Hong Kong branch, on behalf of its clients, purchasing the financial productions issued by PEM Group were corrected by the Financial Supervisory Commission (FSC) according to the Article 61-1, paragraph 1 of the Banking Act. This violation results in the cease of partial trusting operating for 6 months. The bank has been improved.
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

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

6. Profitability

Item		(%)	
		Year Ended December 31, 2010	Year Ended December 31, 2009
Return on total assets	Before income tax	0.41	0.23
	After income tax	0.33	0.21
Return on net worth	Before income tax	6.80	3.85
	After income tax	5.46	3.51
Profit margin		21.13	14.05

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 net revenues

Note 4: Income before (after) income tax represents income for the years ended December 31, 2010 and 2009.

7. Average balances were calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

(In Thousands of New Taiwan Dollars)

	Years Ended December 31			
	2010		2009	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Due from the Central Bank and other banks	\$ 23,082,597	0.47	\$ 21,414,356	0.45
Call loans to banks	40,307,671	0.55	61,297,800	0.83
Financial assets at fair value through profit or loss	10,276,265	1.32	10,610,750	2.36
Securities purchased under agreements to resell	447,723	0.60	348,754	0.66
Available-for-sale financial assets	32,549,317	1.58	34,796,047	1.37
Discounts and loans	682,467,204	1.96	614,325,734	1.99
Accounts receivable - factoring	10,108,943	1.24	5,448,921	2.33
Credit card receivable	10,911,492	14.04	8,133,516	14.00
Held-to-maturity investments	153,306,904	0.69	127,803,927	0.78
Other financial assets	244,545	0.56	294,292	1.74
<u>Interest-bearing liabilities</u>				
Due to the Central Bank and other banks	20,251,695	1.09	21,120,532	1.21
Call loans	28,453,856	0.45	16,308,259	0.58
Securities sold under agreements to repurchase	5,212,519	0.27	3,287,738	0.17
Demand	152,238,104	0.11	129,608,640	0.12
Savings - demand	216,534,844	0.36	186,606,253	0.41
Time	274,021,367	0.64	259,335,393	0.96
Savings - time	183,026,392	1.03	193,527,084	1.50
Negotiable certificates of deposit	26,874,832	0.42	8,134,774	0.62
Bank debentures	25,881,274	2.06	30,281,084	2.27
Other liabilities - appropriated loan fund	466,408	0.92	476,742	1.01
Bonds payable	-	-	4,583,963	-

Note : Average amounts are calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

8. Market risk sensitivity

1) Liquidity

Maturity Analysis of Assets and Liabilities

December 31, 2010

(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	\$1,030,091,195	\$ 283,229,450	\$ 107,231,626	\$ 50,842,700	\$ 62,875,354	\$ 525,912,065
Main capital outflow on maturity	1,046,936,915	179,917,469	151,193,270	147,666,839	177,040,261	391,119,076
Gap	(16,845,720)	103,311,981	(43,961,644)	(96,824,139)	(114,164,907)	134,792,989

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

Maturity Analysis of Assets and Liabilities

December 31, 2010

(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	\$ 10,228,006	\$ 4,074,129	\$ 1,785,942	\$ 1,255,606	\$ 695,044	\$ 2,417,285
Main capital outflow on maturity	10,157,520	4,823,018	1,617,138	814,395	469,240	2,433,729
Gap	70,486	(748,889)	168,804	441,211	225,804	(16,444)

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 amount to at least 10% of the total assets, there should be additional disclosures.

2) Interest-rate sensitivity information

Interest Rate Sensitivity

December 31, 2010

(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	\$ 718,744,753	\$ 23,992,534	\$ 53,180,435	\$ 58,321,712	\$ 854,239,434
Interest-rate sensitive liabilities	380,102,084	372,965,474	48,432,914	18,834,629	820,335,101
Interest-rate sensitive gap	338,642,669	(348,972,940)	4,747,521	39,487,083	33,904,333
Net worth					67,173,893
Ratio of interest-rate sensitive assets to liabilities					104.13%
Ratio of interest-rate sensitive gap to net worth					50.47%

Note 1: The above amounts include only New Taiwan dollar amounts held by the onshore branches of the Bank (i.e. exclude foreign currency). In compliance with Central Bank's supervision policies, the above data is prepared for off-site monitoring by 15th of next month.

Note 2: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest-earnings assets and interest-bearing liabilities 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

December 31, 2010

(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	\$4,695,772	\$ 184,876	\$ 173,594	\$ 185,571	\$5,239,813
Interest-rate sensitive liabilities	2,567,962	2,657,158	185,024	411	5,410,555
Interest-rate sensitive gap	2,127,810	(2,472,282)	(11,430)	185,160	(170,742)
Net worth					58,114
Ratio of interest-rate sensitive assets to liabilities					96.84%
Ratio of interest-rate sensitive gap to net worth					(293.81%)

Note 1: The above amounts include only USD amounts held by the onshore branches, OBU and offshore branches of the Bank, and exclude contingent assets and contingent liabilities. In compliance with Central Bank's supervision policies, the above data is prepared for off-site monitoring by 15th of next month.

Note 2: Interest-rate sensitive assets and liabilities mean the revenues or costs of interest-earnings assets and interest-bearing liabilities 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)

3) Net positions of major foreign-currency

	December 31					
	2010			2009		
	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	CNY	609,346	2,695,484	USD	36,392	1,165,638
	THB	767,973	745,771	HKD	202,180	835,155
	USD	19,279	562,020	CNY	65,525	307,428
	MOP	51,269	186,680	CAD	9,614	293,098
	EUR	3,304	128,733	MYR	25,879	242,020

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.

9. Others

Please refer to the Chinese version in http://www.banksinopac.com.tw/bsp/investor/qr_pdf/10r-q4.pdf.