

. *Financial Reports*

Condensed Six-year Financial Statements

Financial Report of Bank SinoPac*

**Consolidated Financial Statement of Bank SinoPac
And Subsidiaries***

Six-year Financial Ratios of Bank SinoPac

* Posted on www.banksinopac.com.tw
<Investor Relations\Financial Statements>

Condensed Six-year Financial Statements

Balance Sheets

At December 31 (In NT\$ thousands)	2001	2000	1999	1998	1997	1996
Cash and due from banks	65,268,251	32,405,318	20,578,125	30,725,644	24,143,589	13,494,770
Loans, discounts and bills purchased, net	167,149,766	155,294,627	134,775,703	119,610,533	113,127,322	87,083,238
Securities purchased, net	17,549,790	21,066,260	22,284,561	27,441,343	17,863,310	10,961,482
Long-term equity investments	11,196,238	9,708,583	6,090,555	4,176,118	3,799,334	148,562
Properties, net	4,731,962	4,381,585	4,332,500	3,823,821	2,507,947	2,421,432
Other assets	12,372,952	11,897,872	15,407,820	4,884,138	4,989,915	2,054,717
Acceptances	159,748	302,670	659,638	941,695	5,308,381	5,715,376
Deposits and remittances	217,610,049	199,134,585	164,108,727	160,700,916	138,174,952	98,553,220
Call loans and due to banks	24,083,700	5,553,560	9,874,841	3,621,987	6,234,900	2,678,476
Short-term borrowings	-	-	-	-	300,000	-
Other liabilities	13,253,932	7,914,924	8,683,723	6,860,181	6,036,639	2,565,995
Acceptances payable	159,748	302,670	659,638	941,695	5,308,381	5,715,376
Capital stocks	19,443,975	17,576,638	15,846,060	15,189,000	12,238,130	10,743,200
Capital surplus	147,963	962,988	1,487,201	2,104,784	1,103,828	9,054
Retained earnings	4,330,761	3,913,843	3,477,311	2,389,584	2,340,414	1,614,256
Unrealized loss on long-term investments	(302,530)	(221,716)	-	(202,148)	-	-
Unrealized revaluation loss	(35,746)	-	-	-	-	-
Translation adjustment	237,209	115,398	(8,599)	(2,707)	2,554	-
Treasury stock	(500,354)	(195,975)	-	-	-	-
Total assets	278,428,707	235,056,915	204,128,902	191,603,292	171,739,798	121,879,577
Total liabilities	255,107,429	212,905,739	183,326,929	172,124,779	156,054,872	109,513,067
Total stockholders' equity	23,321,287	22,151,176	20,801,973	19,478,513	15,684,926	12,366,510

Statements of Income

Years ended December 31 (In NT\$ thousands, except earnings per share)	2001	2000	1999	1998	1997	1996
Operating revenues	16,361,322	16,095,633	15,208,370	14,216,206	11,608,807	8,798,508
Operating expenses	14,510,804	13,880,797	13,188,203	12,917,520	10,089,585	7,780,871
Operating income	1,850,518	2,214,836	2,020,167	1,298,686	1,519,222	1,017,637
Nonoperating income, net	165,297	42,432	(32)	11,829	24,843	19,615
Pretax income	2,015,815	2,257,268	2,020,135	1,310,515	1,544,065	1,037,252
Net income	1,551,126	1,701,693	1,790,521	1,005,308	1,236,862	848,436
Earnings per share	0.81	0.88	0.92	0.52	0.64	0.44

FINANCIAL REPORT OF BANK SINOPAC

Independent Auditors' Report

The Board of Directors and Stockholders


Bank SinoPac

We have audited the accompanying balance sheets of Bank SinoPac as of December 31, 2001 and 2000 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with regulations for auditing and certification of financial statements of financial institution by certified accountants and auditing standards generally accepted in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bank SinoPac as of December 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended, in conformity with guidelines for securities issuers' financial reporting and accounting principles generally accepted in the Republic of China.

We have also audited the consolidated financial statements of Bank SinoPac as of and for the years ended December 31, 2001 and 2000, on which we have issued an unqualified opinion thereon.



February 5, 2002

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

BANK SINOPAC

Balance Sheets

December 31, 2001 and 2000 (Amounts Expressed in Thousands of New Taiwan Dollars, Except Par Value of Capital Stock)

	2001		2000	
	Amount	%	Amount	%
ASSETS				
CASH (Note 3)	\$ 16,997,156	6	\$ 6,189,736	3
DUE FROM BANKS (Note 21)	41,073,412	15	18,651,392	8
DUE FROM CENTRAL BANK (Note 4)	7,197,683	2	7,564,190	3
SECURITIES PURCHASED - NET (Notes 2, 5 and 21)	17,549,790	6	21,066,260	9
ACCEPTANCES	159,748	-	302,670	-
ACCOUNTS, INTEREST AND OTHER RECEIVABLES - NET (Notes 2, 6 and 21)	9,885,758	4	9,131,783	4
PREPAID EXPENSES (Note 20)	201,023	-	249,612	-
LOANS, DISCOUNTS AND BILLS PURCHASED-NET (Notes 2, 7 and 21)	167,149,766	60	155,294,627	66
LONG-TERM EQUITY INVESTMENTS-NET (Notes 2 and 8)	11,196,238	4	9,708,583	4
PROPERTIES (Notes 2, 9 and 22)				
Cost				
Land	1,777,147	1	1,662,671	1
Buildings	1,921,906	1	1,730,915	1
Computer equipment	1,056,054	-	926,357	-
Transportation equipment	59,276	-	62,926	-
Office and other equipment	1,127,507	-	1,028,633	-
Total cost	5,941,890	2	5,411,502	2
Accumulated depreciation	1,426,885	-	1,149,066	-
	4,515,005	2	4,262,436	2
Advances on acquisitions of equipment and construction in progress	216,957	-	119,149	-
Net Properties	4,731,962	2	4,381,585	2
OTHER ASSETS (Notes 2, 10 and 22)	2,286,171	1	2,516,477	1
TOTAL ASSETS	\$278,428,707	100	\$ 235,056,915	100
LIABILITIES AND STOCKHOLDERS' EQUITY				
LIABILITIES				
Call loans and due to banks	24,083,700	9	5,553,560	3
Acceptances payable	159,748	-	302,670	-
Accounts, interest and other payables (Notes 11 and 20)	6,270,349	2	6,935,084	3
Deposits and remittances (Notes 12 and 20)	217,610,049	78	199,134,585	85
Bank debentures (Note 13)	5,000,000	2	-	-
Other liabilities (Notes 2, 19 and 20)	1,983,583	1	979,840	-
Total Liabilities	255,107,429	92	212,905,739	91
STOCKHOLDERS' EQUITY				
Capital stock, \$10 par value				
Authorized- 1,944,397,617 shares in 2001 and 1,977,663,890 shares in 2000				
Issued- 1,944,397,617 shares in 2001 and 1,757,663,890 shares in 2000	19,443,975	7	17,576,638	7
Capital surplus:				
Additional paid-in capital	125,030	-	946,145	-
Gain on disposal of properties	19,866	-	16,489	-
Donated capital	83	-	83	-
Other	2,984	-	271	-
Retained earnings:				
Legal reserve	2,541,406	1	2,034,866	1
Special reserve	288,227	-	190,508	-
Unappropriated	1,501,128	-	1,688,469	1
Unrealized loss on long-term equity investments	(302,530)	-	(221,716)	-
Unrealized revaluation loss	(35,746)	-	-	-
Cumulative translation adjustment	237,209	-	115,398	-
Treasury stock-at cost: 40,535,000 shares in 2001 and 16,538,000 shares in 2000	(500,354)	-	(195,975)	-
Total Stockholders' Equity	23,321,278	8	22,151,176	9
CONTINGENCIES AND COMMITMENTS (Notes 22 and 26)				
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 278,428,707	100	\$ 235,056,915	100

The accompanying notes are an integral part of the financial statements.

BANK SINOPAC**Statements Of Income**

For the Years Ended December 31, 2001 and 2000 (Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2001		2000	
	Amount	%	Amount	%
OPERATING REVENUES				
Interest (Note 2)	\$ 14,149,533	86	\$ 14,017,185	87
Service fees (Notes 2, 16 and 21)	691,706	4	775,463	5
Income from securities - net (Notes 2 and 17)	1,291,937	8	506,824	3
Equity in net income of investee companies - net (Notes 2 and 8)	-	-	473,684	3
Foreign exchange gain - net (Note 2)	89,301	1	261,857	2
Other (Note 21)	138,845	1	60,620	-
Total Operating Revenues	16,361,322	100	16,095,633	100
OPERATING EXPENSES				
Interest (Note 2)	9,389,245	58	9,746,008	60
Service charges (Note 21)	107,479	1	135,243	1
Equity in net loss of investee companies-net (Notes 2 and 8)	42,247	-	-	-
Provision for credit losses (Notes 2, 6 and 7)	1,000,000	6	500,778	3
Operating and administrative expenses (Notes 2, 18, 19 and 21)	3,971,216	24	3,488,855	22
Other	617	-	9,913	-
Total Operating Expenses	14,510,804	89	13,880,797	86
OPERATING INCOME	1,850,518	11	2,214,836	14
NON-OPERATING INCOME (EXPENSES)				
Income (Note 21)	214,122	1	89,668	-
Expenses	(48,825)	-	(47,236)	-
Non-operating Income - Net	165,297	1	42,432	-
INCOME BEFORE INCOME TAX	2,015,815	12	2,257,268	14
INCOME TAX (Notes 2 and 20)	464,689	3	555,575	3
NET INCOME	\$ 1,551,126	9	\$ 1,701,693	11
EARNINGS PER SHARE				
Based on weighted average shares outstanding: 1,919,569,570 shares in 2001 and 1,755,892,445 shares in 2000	<u>\$ 0.81</u>		<u>\$ 0.97</u>	
Based on 1,944,397,617 shares - after retroactive adjustment for 2000 stock dividends			<u>\$ 0.88</u>	

The accompanying notes are an integral part of the financial statements.

BANK SINOPAC**Statements Of Changes In Stockholders' Equity**

	CAPITAL STOCK (Note 14)		CAPITAL SURPLUS (Notes 2 and 14)				Total
	Shares (In Thousands)	Amount	Additional Paid-in Capital	Gain on Disposal of Properties	Donated Capital	Other	
BALANCE, JANUARY 1, 2000	1,584,606	\$15,846,060	\$ 1,470,808	\$ 16,310	\$ 83	\$ -	\$ 1,487,201
Appropriation of 1999 earnings:							
Legal reserve	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-
Stock dividends - \$1 per share, effected on July 23, 2000	158,461	1,584,606	(524,663)	-	-	-	(524,663)
Remuneration to directors and supervisors	-	-	-	-	-	-	-
Bonus to employees	14,597	145,972	-	-	-	-	-
Net income for 2000	-	-	-	-	-	-	-
Reclassification of gain on sale of properties to capital surplus	-	-	-	179	-	-	179
Unrealized loss on long-term equity investments	-	-	-	-	-	-	-
Change in translation adjustment on long-term equity investments	-	-	-	-	-	-	-
Transfer of gain on sale of properties to capital surplus recognized from investees under the equity method	-	-	-	-	-	271	271
Difference adjustment between the equity in net assets for the investments and the book value from long-term equity investments	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2000	1,757,664	17,576,638	946,145	16,489	83	271	962,988
Appropriation of 2000 earnings:							
Legal reserve	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-
Stock dividends - \$1 per share, effected on July 23, 2001	174,113	1,741,126	(821,115)	-	-	-	(821,115)
Remuneration to directors and supervisors	-	-	-	-	-	-	-
Bonus to employees	12,621	126,211	-	-	-	-	-
Net income for 2001	-	-	-	-	-	-	-
Reclassification of gain on sale of properties to capital surplus	-	-	-	3,377	-	-	3,377
Unrealized loss on long-term equity investments	-	-	-	-	-	-	-
Unrealized revaluation loss recognized from investees under the equity method	-	-	-	-	-	-	-
Change in translation adjustment on long-term equity investments	-	-	-	-	-	-	-
Transfer of gain on sale of properties to capital surplus recognized from investees under the equity method	-	-	-	-	-	950	950
Difference adjustment between the equity in net assets for the investments and the book value from long-term equity investments	-	-	-	-	-	1,763	1,763
Treasury stock	-	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2001	1,944,398	\$ 19,443,975	\$ 125,030	\$ 19,866	\$ 83	\$ 2,984	\$ 147,963

The accompanying notes are an integral part of the financial statements.

For the Years Ended December 31, 2001 and 2000 (Amounts Expressed in Thousands of New Taiwan Dollars, Except Dividends Per Share)

RETAINED EARNINGS (Notes 14 and 20)				UNREALIZED LOSS ON LONG-TERM EQUITY INVESTMENTS (Notes 2 and 8)	UNREALIZED REVALUATION LOSS (Notes 2 and 8)	CUMULATIVE TRANSLATION ADJUSTMENT (Note 2)	TREASURY STOCK (Notes 2 and 15)	TOTAL STOCKHOLDERS' EQUITY
Legal Reserve	Special Reserve	Unappropriated	Total					
\$ 1,497,868	\$ 181,909	\$ 1,797,534	\$ 3,477,311	\$ -	\$ -	(\$ 8,599)	\$ -	\$20,801,973
536,998	-	(536,998)	-	-	-	-	-	-
-	8,599	(8,599)	-	-	-	-	-	-
-	-	(1,059,943)	(1,059,943)	-	-	-	-	-
-	-	(24,940)	(24,940)	-	-	-	-	(24,940)
-	-	(162,109)	(162,109)	-	-	-	-	(16,137)
-	-	1,701,693	1,701,693	-	-	-	-	1,701,693
-	-	(179)	(179)	-	-	-	-	-
-	-	-	-	(221,716)	-	-	-	(221,716)
-	-	-	-	-	-	123,997	-	123,997
-	-	(271)	(271)	-	-	-	-	-
-	-	(17,719)	(17,719)	-	-	-	-	(17,719)
-	-	-	-	-	-	-	(195,975)	(195,975)
2,034,866	190,508	1,688,469	3,913,843	(221,716)	-	115,398	(195,975)	22,151,176
506,540	-	(506,540)	-	-	-	-	-	-
-	97,719	(97,719)	-	-	-	-	-	-
-	-	(920,011)	(920,011)	-	-	-	-	-
-	-	(21,647)	(21,647)	-	-	-	-	(21,647)
-	-	(140,708)	(140,708)	-	-	-	-	(14,497)
-	-	1,551,126	1,551,126	-	-	-	-	1,551,126
-	-	(3,377)	(3,377)	-	-	-	-	-
-	-	-	-	(80,814)	-	-	-	(80,814)
-	-	-	-	-	(35,746)	-	-	(35,746)
-	-	-	-	-	-	121,811	-	121,811
-	-	(950)	(950)	-	-	-	-	-
-	-	(47,515)	(47,515)	-	-	-	-	(45,752)
-	-	-	-	-	-	-	(304,379)	(304,379)
\$ 2,541,406	\$ 288,227	\$ 1,501,128	\$ 4,330,761	(\$ 302,530)	(\$ 35,746)	\$ 237,209	(\$ 500,354)	\$23,321,278

BANK SINOPAC**Statements Of Cash Flows**

For the Years Ended December 31, 2001 and 2000 (Amounts Expressed in Thousands of New Taiwan Dollars)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,551,126	\$ 1,701,693
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	377,658	340,017
Provision for credit losses	1,000,000	500,778
Provision for (reversal of allowance for) decline in market value of securities purchased	(10,339)	10,339
Loss on disposal of properties - net	9,882	11,791
Equity in net loss (net income) of investee companies - net	72,695	(453,607)
Gain on sale of long-term equity investments	(571)	(12,068)
Accrued pension cost	138,210	90,740
Deferred income taxes	64,986	70,600
Decrease (increase) in securities purchased - for trading purposes	(37,368)	1,013,320
Decrease (increase) in accounts, interest and other receivables	(669,742)	4,677,933
Decrease (increase) in prepaid expenses	48,589	(111,913)
Decrease in accounts, interest and other payables	(650,782)	(1,359,004)
Net Cash Provided by Operating Activities	1,894,344	6,480,619
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in due from banks	(22,422,020)	(10,168,940)
Decrease (increase) in due from Central Bank	366,507	(715,044)
Increase in loans, discounts and bills purchased	(12,855,139)	(21,015,961)
Decrease (increase) in securities purchased - for investing purposes	3,564,177	(227,861)
Increase in other assets	(100,010)	(1,033,373)
Increase in long-term equity investments	(1,364,109)	(2,857,835)
Proceeds from sale of long-term equity investments	2,656	122,628
Acquisition of properties	(744,731)	(569,175)
Proceeds from sales of properties	1,731	31,761
Net Cash Used in Investing Activities	(33,550,938)	(36,433,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits and remittances	18,475,464	35,025,858
Increase in bank debentures	5,000,000	-
Increase (decrease) in call loans and due to banks	18,530,140	(4,321,281)
Increase in other liabilities	798,933	428,865
Remuneration to directors, supervisors and bonus to employees	(36,144)	(41,077)
Acquisition of treasury stock	(304,379)	(195,975)
Net Cash Provided by Financing Activities	42,464,014	30,896,390
INCREASE IN CASH	10,807,420	943,209
CASH, BEGINNING OF YEAR	6,189,736	5,246,527
CASH, END OF YEAR	\$ 16,997,156	\$ 6,189,736
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 9,768,073	\$ 9,386,377
Income tax paid	\$ 581,128	\$ 374,124
NON-CASH INVESTING ACTIVITIES		
Reclassification of stock investment from securities purchased to long-term equity investments	\$ -	\$ 364,539

The accompanying notes are an integral part of the financial statements.

BANK SINOPAC

NOTES TO FINANCIAL STATEMENTS

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Stated)

1. ORGANIZATION AND OPERATIONS

The Bank obtained government approval to incorporate on August 8, 1991, and commenced operations on January 28, 1992. The Bank is engaged in commercial banking, trust, and foreign exchange operations as prescribed by the Banking Law.

As of December 31, 2001, the Bank's operating units include Banking, Trust, International Division of the Head Office, an Offshore Banking Unit (OBU), forty domestic branches, one overseas branch and two overseas representative offices.

The operations of the Bank's Trust Department consist of: (1) planning, managing and operating of trust business; (2) custodianship of non-discretionary trust fund in domestic and overseas securities and mutual funds. The foregoing operations are regulated under the Banking Law and Trust Law.

The Bank's shares of stock are traded on the Taiwan Stock Exchange.

The Bank, National Securities Co., Ltd. (the "NSC") and SinoPac Securities Co., Ltd. (the "SPS") planned, pursuant to the Financial Holding Company Law, to establish a financial holding company (the "Holding Co."). The parties planned to establish the Holding Co. in order to maximize the benefit of their combined capital, pool their business channel, fully harness the synergy of their diversified business operations and in order to establish one of the most competitive organization in the Pacific Rim. The Bank, the NSC and the SPS will exchange stocks with the Holding Co. at ratios of 1:1.0267130836, 1:1.0098971566 and 1:0.7968960296, respectively, which has been approved both by stockholders on November 19, 2001 and by the Ministry of Finance (MOF) on November 28, 2001.

2. SIGNIFICANT ACCOUNTING POLICIES

The Bank's significant accounting policies, which conform to accounting principles generally accepted in the Republic of China, are summarized below:

Basis of financial statement preparation

The accompanying financial statements include the accounts of the Head Office, OBU, all branches and representative offices. All inter-office transactions and balances have been eliminated.

Securities purchased

Securities purchased include short-term bills, stocks, beneficiary certificates and bonds.

Short-term bills are stated at cost (which approximates market value). Stocks, beneficiary certificates and bonds are stated at the lower of cost or market. Market prices are determined as follows: (a) listed stocks - average daily closing prices for the last month of the accounting period; (b) beneficiary certificates (open-end fund) - net asset values at the balance sheet date; and (c) over-the-counter stocks - average daily closing prices for the last month of the accounting period, published by the Republic of China (ROC) Over the Counter Securities Exchange (the OTC Exchange); and (d) bonds - period-end reference prices published by the OTC Exchange.

Cost of securities sold is determined using the moving-average method, except that of short-term bills, which is determined using the specific identification method.

Sales and purchases of bonds and short-term bills under agreements to repurchase or resell are, pursuant to a directive issued by the MOF treated as outright sales.

Non-performing loans

The balance of overdue loans and other credits extended by the Bank and the related accrued interest are classified as non-performing loans in accordance with guidelines issued by the MOF.

Allowance for credit losses

Allowances for losses on loans, discounts, bills purchased, accounts, interest and other receivables and non-performing loans are provided based on a review of their collectibility.

Balances of uncollectible accounts are written-off against allowance for credit losses upon approval of such write-offs by the board of directors.

Long-term equity investments

Long-term equity investments are accounted for by the equity method if the Bank has significant influence over the investees. Investments accounted for by the equity method are stated at cost plus (or minus) a proportionate share in net earnings (losses) or changes in net worth of the investees. Any difference between the acquisition cost and the equity of the investee acquired at the time of investment is amortized over 15 years. Long-term equity investments are accounted for by the cost method if the Bank does not have significant influence over the investees. Stock dividends result only in an increase in number of shares and are not recognized as investment income.

If an investee issues new shares and the Bank does not purchase new shares proportionately, then the investment percentage, and therefore the equity in net assets for the investment, will be changed. Such difference shall be used to adjust the additional paid-in capital and the long-term equity investment. If the book value of additional paid-in capital from long-term equity investment is not enough to be offset, then the difference shall be debited to the retained earnings.

For listed and over-the-counter stocks accounted for by the cost method, when the aggregate market value is lower than the total carrying value, an allowance for market value decline is provided and the unrealized loss is charged against stockholders' equity.

Cost of equity investments sold is determined by the weighted-average method.

For the listed stock investments reclassified from securities purchased to long-term equity investments, when the market value is lower than the carrying value, a realized loss for market value decline is recognized and recorded at market value.

Properties

Properties are stated at cost less accumulated depreciation. Major renewals and betterments are capitalized, while repairs and maintenance are expensed as incurred.

Upon sale or disposal of properties, their cost and related accumulated depreciation are removed from the respective accounts. Any resulting gain is credited to current income and then transferred to capital surplus at the end of the year, net of the applicable income tax. The gain on disposal of properties is not required to transfer to capital surplus since November 12, 2001, the date of the announcement of Amendment of Company Law. Any resulting loss is charged to current income.

Depreciation is calculated by the straight-line method based on estimated service lives which range as follows: Buildings, 8 to 55 years; computer equipment, 3 to 5 years; transportation equipment, 5 years; office and other equipment, 5 to 8 years. For assets still in use

beyond their original estimated service lives, further depreciation is calculated on the basis of the estimated additional service lives.

Collaterals assumed

Collaterals assumed are recorded at cost (included in other assets) and revalued by the lower of cost or net realizable value as of the balance sheet dates.

Provisions for losses on guarantees

Provisions for losses on guarantees and acceptances (included in other liabilities) are provided based on a review of their collectibility.

Derivative financial instruments

a. Foreign exchange forward contracts

Foreign-currency assets and liabilities arising from forward exchange contracts, which are mainly to accommodate customers' needs or to manage the Bank's currency positions, are recorded at the contracted forward rates. Gains or losses arising from the differences between the contracted forward rates and spot rates at settlement are credited or charged to current income. For contracts outstanding as of the balance sheet dates, the gains or losses arising from the differences between the contracted forward rates and the forward rates available for the remaining maturities of the contracts are credited or charged to current income. Receivables arising from forward exchange contracts are offset against related payables as of the balance sheet dates.

b. Forward rate agreements

Forward rate agreements, which are mainly to accommodate customers' needs or to manage the Bank's currency positions, are recorded by memorandum entries at the contract dates. Gains or losses arising from the differences between the contracted interest rates and actual interest rates upon settlement or as of the balance sheet dates are credited or charged to current income.

c. Currency swap contracts

Foreign-currency spot-position assets or liabilities arising from currency swap contracts, which are mainly to accommodate customers' needs or to manage the Bank's currency positions, are recorded at spot rates when the transactions occur, while the corresponding forward-position assets or liabilities are recorded at the contracted forward rates; with receivables netted against the related payables.

The related discount or premium is amortized by the straight-line basis over the contract period.

d. Cross currency swap

Cross currency swap contracts, which are intended for hedging purpose, are recorded at spot rates of the contract dates. The net interest upon each settlement is recorded as adjustment to the revenue or expense associated with the item being hedged.

Cross currency swaps contracts entered into to accommodate customers' needs or to manage the Bank's interest rate positions, the interest differentials to be received or paid at settlement are recognized as interest income or expense and are marketed to market as of the balance sheet dates.

e. Options

Options bought and/or held and options written, which are mainly to accommodate customers' needs or to manage the Bank's currency positions, are recorded as assets and liabilities when the transactions occur. These instruments are marked to market as of the balance sheet dates. The carrying values of the instruments, which are recovered either as assets or liabilities, are charged to income when they are not exercised. Gains or losses on the exercise of options are also included in income.

f. Interest rate swaps

Interest rate swaps, which do not involve exchanges of the notional principals, are not recognized as either assets and/or liabilities on the contract dates. The swaps were entered into to accommodate customers' needs or to manage the Bank's interest rate positions. The interest received or paid at each settlement date are recognized as interest income or expense. The instruments are marked to market as of the balance sheet dates.

Recognition of interest revenue and service fees

Interest revenue on loans is recorded using the accrual method. No interest revenue is recognized in the accompanying financial statements on loans and other credits extended by the Bank that are classified as non-performing loans. The interest revenue on those loans/credits is recognized upon collection.

Pursuant to the regulations of MOF, the interest revenue on credits covered by agreements that extend their maturities is recognized upon collection.

Service fees are recorded as income upon receipt and substantial completion of activities involved in the earnings process.

Pension

Pension expense is determined based on actuarial calculations.

Income tax

Interperiod income tax allocation is applied, whereby tax effects of deductible temporary differences. Unused investment tax credits are recognized as deferred income tax assets and these of taxable temporary differences are recognized as deferred income tax liabilities. A valuation allowance is provided for deferred income tax assets that are not certain to be realized.

Adjustments of prior years' tax liabilities are included in the current year's tax provision.

Income tax (10%) on unappropriated earnings is recorded as income tax in the year when the shareholders resolve the appropriation of the earnings.

Contingencies

A loss is recognized when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. If the amount of the loss cannot be reasonably estimated and the loss is possible and remote, the related information is disclosed in the financial statements.

Foreign-currency transactions

The Bank records foreign-currency transactions in the respective currencies in which these are denominated. Foreign-currency denominated income and expenses are translated into New Taiwan dollars at month end at spot rates. Foreign-currency assets and liabilities are translated into New Taiwan dollars at closing rates as of the balance sheet dates. Realized and unrealized foreign exchange gains or losses are credited or charged to current income. Gains or losses resulting from restatement of period-end foreign-currency denominated long-term equity investments accounted for by the equity method are credited or charged to "cumulative translation adjustment" under stockholders' equity.

Treasury stock

Capital stock acquired is carried at cost and reflected as a separate deduction from stockholders' equity.

Reclassifications

Certain accounts of 2000 have been reclassified to conform to 2001 classification. In addition, pursuant to a directive issued by the Accounting Research and Development Foundation of R.O.C., the cash flows in due from Central Bank and due from banks of 2000 have been reclassified to investing activities to conform to 2001 classification.

3.CASH

	December 31	
	<u>2001</u>	<u>2000</u>
Negotiable certificates of deposit	\$ 15,247,337	\$ 3,502,162
Cash	1,360,096	1,243,230
Notes and checks in clearing	389,723	1,444,344
	<u>\$ 16,997,156</u>	<u>\$ 6,189,736</u>

As of December 31, 2001 and 2000, negotiable certificates of deposit aggregating \$3,500,000 and \$500,000, respectively, have maturities over one year and may be withdrawn momentarily.

4.DUE FROM CENTRAL BANK

This account consists mainly of New Taiwan dollar - denominated deposit reserves required by law, which are determined monthly at prescribed rates on average balances of customers' New Taiwan dollar - denominated deposits. These reserves include \$4,726,084 and \$5,883,216 as of December 31, 2001 and 2000, respectively, which are subject to withdrawal restrictions.

Pursuant to a directive issued by the Central Bank of the ROC, the foreign-currency denominated deposit reserves are required, which are determined at prescribed rates on balances of additional foreign-currency denominated deposit starting December 8, 2000. These reserves amounted to \$428,738 as of December 31, 2001, may be withdrawn momentarily and are non-interest earning.

5.SECURITIES PURCHASED

	December 31	
	<u>2001</u>	<u>2000</u>
Commercial paper	\$ 11,608,372	\$ 12,752,755
Corporate bonds	1,657,645	3,882,086
Floating rate notes	1,507,699	326,482
Government bonds	1,268,095	3,221,427
Bank debentures	810,380	38,034
Beneficiary certificates	687,000	777,000
Bank acceptances	10,399	9,865
Listed and over-the-counter stocks	200	68,950
	<u>17,549,790</u>	<u>21,076,599</u>
Less - allowance for decline in market value	-	10,339
Net	<u>\$ 17,549,790</u>	<u>\$ 21,066,260</u>

The aggregate market values or reference prices of corporate bonds, government bonds, beneficiary certificates, listed and over-the-counter stocks and bank debentures are as follows:

	December 31	
	2001	2000
Corporate bonds	\$ 1,821,539	\$ 3,996,343
Government bonds	1,290,843	3,275,317
Mutual fund beneficiary certificates	701,915	721,769
Listed and over-the-counter stocks	99	48,656
Bank debentures	830,476	39,159

6. ACCOUNTS, INTEREST AND OTHER RECEIVABLES

	December 31	
	2001	2000
Accounts receivable	\$ 8,236,446	\$ 7,087,782
Interest receivable	1,317,970	1,206,483
Accrued revenue	254,804	345,934
Refundable tax receivable	57,772	112,227
Other	83,909	466,059
	9,950,901	9,218,485
Less - allowance for credit losses	65,143	86,702
Net	\$ 9,885,758	\$ 9,131,783

The balance of the accounts receivable as of December 31, 2001 and 2000 included \$8,060,950 and \$6,280,328, respectively, representing costs of accounts receivable acquired from other parties in the normal course of business. Also, as of December 31, 2000, the balance of accounts receivable included \$758,477 that arose from the transfer of the Bank's credit card business to Aetna Sinopac Credit Card Co., Ltd.

7. LOANS, DISCOUNTS AND BILLS PURCHASED

	December 31	
	2001	2000
Overdrafts	\$ 2,917,759	\$ 2,988,829
Short-term loans	35,016,458	39,166,884
Mid-term loans	40,793,583	38,990,983
Long-term loans	87,387,440	73,933,779
Import and export negotiations	407,653	696,091
Bills purchased	518	2,629
Non-performing loans	1,894,363	790,672
	168,417,774	156,569,867
Less - allowance for credit losses	1,268,008	1,275,240
Net	\$167,149,766	\$155,294,627

The balance of loans as of December 31, 2001 and 2000 where accrual of interest revenues were discontinued amounted to \$2,552,414 and \$790,672, respectively. The unrecognized interest revenue on these loans amounted to \$174,296 and \$89,638 for the year ended December 31, 2001 and 2000, respectively.

For the years ended December 31, 2001 and 2000, the Bank had not written off credits without any legal proceedings having been initiated.

The detail and changes in allowance for credit losses of loans, discounts and bills purchased are summarized below:

	For the Year Ended December 31, 2001		
	Specific Risk	General Risk	Total
Balance, beginning of year	\$ 390,707	\$ 884,533	\$ 1,275,240
Provision	1,000,000	-	1,000,000
Write-off	(1,046,760)	-	(1,046,760)
Recovery of written-off credits	11,832	-	11,832
Reclassifications	(24,070)	51,766	27,696
Balance, end of year	\$ 331,709	\$ 936,299	\$ 1,268,008

	For the Year Ended December 31, 2000		
	Specific Risk	General Risk	Total
Balance, beginning of year	\$ 456,884	\$ 738,397	\$ 1,195,281
Provision	272,645	226,812	499,457
Write-off	(426,503)	-	(426,503)
Recovery of written-off credits	7,005	-	7,005
Reclassifications	80,676	(80,676)	-
Balance, end of year	\$ 390,707	\$ 884,533	\$ 1,275,240

As of December 31, 2001 and 2000, allowance for credit losses of the Bank were \$1,436,326 and \$1,464,882, respectively

Since the third quarter of 2000, the economic and financial environment has been beset by many economic and noneconomic difficulties from inside and outside Taiwan. Thus, the country's economic growth has decelerated, investment is reduced, unemployment has risen, the stock market is bearish, and the New Taiwan dollar devaluated. Certain business enterprises, including conglomerates and listed companies, failed to meet their obligations when these obligations became due. To stabilize the situation, the government has taken various economy-boosting measures.

Against this background, the Bank's financial statements for the year ended December 31, 2001 include provisions for possible losses and guarantee losses based on information available to the Bank, including defaults to the extent they can be determined or estimated. However, these estimates do not include any adjustments that might be required when related contingent liabilities become probable or determinable in the future.

8. LONG-TERM EQUITY INVESTMENTS

	December 31	
	2001	2000
Cost method		
Listed and over-the-counter stocks	\$ 647,029	\$ 649,104
Unlisted stocks	387,703	237,713
	1,034,732	886,817
Equity method - unlisted stocks	10,388,982	8,977,538
	11,423,714	9,864,355
Less - unrealized losses	227,476	155,772
Net	\$ 11,196,238	\$ 9,708,583

The total market values of listed and over-the-counter stocks were \$419,553 and \$493,332 as of December 31, 2001 and 2000, respectively.

The investments in China Television Co., Ltd. was reclassified in September 2000 from securities purchased (short-term) to long-term equity investments.

The Bank acquired 92.28% equity interest in SinoPac Securities Co., Ltd. from SinoPac Leasing Corporation (a subsidiary of the Bank) in September 2000 at an acquisition cost of \$2,502,431. The fair values of assets and liabilities of SinoPac Securities Co., Ltd. and acquisition cost are summarized as follows:

Cash and cash equivalents	\$ 1,476,149	Commercial paper payable	(1,083,452)
Short-term investments	228,677	Securities sold under agreements	
Securities purchased under agreements to resell	1,912,489	to repurchase	(8,906,070)
Securities - dealing and underwriting	8,568,374	Other liabilities	(283,720)
Long-term equity investments	222,433	Net assets	2,711,780
Properties	244,851	Ownership acquired	92.28%
Other assets	782,049	Acquisition cost	\$ 2,502,431
Short-term borrowings	(450,000)		

SinoPac Bancorp is a holding company established by the Bank in the United States to acquire and hold a 100% equity interest in Far East National Bank ("FENB"), Los Angeles, California, USA.

Except SinoPac Bancorp, SinoPac Leasing Corporation and SinoPac Securities Co., Ltd., the operating revenues and total assets of the other five subsidiaries - SinoPac Securities Investment Advisory Corp., SinoPac Capital Limited, SinoPac Financial Consulting Co., Ltd., SinoPac Life Insurance Agent Co., Ltd. and SinoPac Property Insurance Agent Co., Ltd. - are individually less than 10%, and are in aggregate less than 30%, of those of the Bank. Accordingly, only the accounts of SinoPac Bancorp, SinoPac Leasing Corporation and SinoPac Securities Co., Ltd. are included in the Bank's consolidated financial statements.

The carrying amounts of the investments accounted for using the equity method as of December 31, 2001 and 2000, and the related investment income of \$72,695 and \$453,607, respectively, for the years then ended, were based on the investees' audited financial statements, except for those of Rocorp Holding S.A., SinoPac Financial Consulting Co., Ltd., SinoPac Life Insurance Agent Co., Ltd. and SinoPac Property Insurance Agent Co., Ltd. which were based on the investees' unaudited financial statements. The Bank believes that any adjustments, if any, may have to be made to these investments and investment income if such financial statements had been audited is not material.

As of December 31, 2001 and 2000, the unrealized loss on long-term equity investments resulted from decline in market value of listed stocks held by an investee accounted for using the equity method amounted to \$75,054 and \$65,944, respectively.

The Bank recognized its equity in the unrealized revaluation loss of Aetna Sinopac Credit Card Co., Ltd. totaling \$35,746. Such unrealized revaluation loss results from the revaluation of financial instrument contracts.

9.PROPERTIES

	December 31	
	<u>2001</u>	<u>2000</u>
Cost	\$ 5,941,890	\$ 5,411,502
Accumulated depreciation		
Buildings	246,337	197,153
Computer equipment	548,462	420,043
Transportation equipment	35,644	31,145
Office and other equipment	596,442	500,725
	<u>1,426,885</u>	<u>1,149,066</u>
	4,515,005	4,262,436
Advances on acquisitions of equipment and construction in progress	216,957	119,149
Net	<u>\$ 4,731,962</u>	<u>\$ 4,381,585</u>

10.OTHER ASSETS

	December 31	
	<u>2001</u>	<u>2000</u>
Value of option purchased	\$ 780,838	\$ -
Guarantee deposits	677,699	1,859,084
Collateral assumed	256,258	215,061
Computer system software - net	249,086	104,583
Suspense account	179,196	114,727
Miscellaneous	143,094	223,022
	<u>\$ 2,286,171</u>	<u>\$ 2,516,477</u>

Guarantee deposits included, as of December 31, 2001 and 2000, \$240,280 and \$1,496,620, which were in the form of government bonds and bank debentures instead of cash.

11.ACCOUNTS, INTEREST AND OTHER PAYABLES

	December 31	
	<u>2001</u>	<u>2000</u>
Accounts payable	\$ 3,315,855	\$ 2,673,313
Interest payable	1,677,159	2,077,230
Notes and checks in clearing	389,723	1,444,344
Forward exchange payable - net	300,443	-
Accrued expenses	262,905	223,625
Tax payable	115,725	240,882
Other	208,539	275,690
	<u>\$ 6,270,349</u>	<u>\$ 6,935,084</u>

The balance of the accounts payable as of December 31, 2001 and 2000 included \$3,292,308 and \$2,653,344, respectively, representing costs of accounts receivable acquired from other parties in the normal course of business.

12. DEPOSITS AND REMITTANCES

	December 31	
	<u>2001</u>	<u>2000</u>
Checking	\$ 1,328,843	\$ 1,811,994
Demand	19,315,693	14,353,264
Savings - demand	44,983,013	34,050,860
Time	92,593,365	87,366,622
Negotiable certificates of deposit	2,140,900	5,558,200
Savings - time	57,005,091	55,922,867
Inward remittances	215,710	48,848
Outward remittances	27,434	21,930
	<u>\$ 217,610,049</u>	<u>\$ 199,134,585</u>

13. BANK DEBENTURE

The Bank issued on December 20, 2001 5-year bank debentures with total face value of \$5,000,000. This instrument bears fixed annual interest rate of 3.08%. The annual interest payment will be paid in the end of every year.

14. STOCKHOLDERS' EQUITY

a. Capital stock

On September 13, 1999, the stockholders approved the issuance of 220,000,000 shares at the par value of \$10 in the form of Global Depositary Receipts (GDR). The issuance of the GDR was approved by the Securities and Futures Commission (the "SFC"). However, the Bank decided to withdraw the issuance plan of the GDR and also obtained the SFC's approval on August 2, 2001.

b. Capital surplus

According to the Company Law, the component of capital surplus arising from issuance of shares in excess of par value and donation can be appropriated transfer to the common stock with the approval of stockholders.

The component of capital surplus arising from issuance of shares in excess of par value can, except in the year it arises, be distributed as stock dividends. Such distribution can be made only once a year and within other specified limits. The foregoing restrictions are in accordance with regulations issued by the SFC.

The component of capital surplus arising from equity-accounted long-term equity investment can not be distributed for any purpose.

c. Retained earnings

The Bank's Articles of Incorporation provide that the following should be appropriated from the annual net income, less any deficit:

- 1) 30% as legal reserve;
- 2) Special reserve or amount to be retained; and
- 3) Dividends to stockholders, compensation to directors and supervisors, and bonus to employees at 85%, 2% and 13%, respectively, of the remainder.

A special reserve is appropriated from the balance of the retained earnings at an amount that is equivalent to the debit balance of accounts in the stockholders' equity section (such as cumulative translations adjustment account and unrealized loss of long-term

equity investments but excluding the balance of treasury stocks) pursuant to a directive issued by the SFC. The balance of the special reserve is adjusted to reflect the balance of the related accounts at the balance sheet dates.

The dividend policy of the Bank is influenced by its strategy to be player in the global marketplace and its pursuit of growth, and, therefore, needs substantial capital to support those strategies. Thus, the type and percentage of dividends are determined as follows:

- 1) Where the Bank's capital is less than \$30,000,000, only stock dividends are distributed; and
- 2) Where the Bank's capital reaches \$30,000,000, it will only distribute stock dividends if its capital adequacy ratio (the "CAR") is less than 12%. The Bank may pay cash dividends when its CAR is at least 12% but only to the extent that such declaration will not reduce the CAR to less than 12%. Stock dividends are distributed in lieu of cash dividends when the equivalent cash dividend is less than NT\$1 per share.

The type of bonus to employees should be determined as regulated by the Bank.

Cash dividends and cash bonus are paid when approved by the stockholders, while the distribution of stock dividends requires the approval of the authorities (in addition to the approval of the stockholders).

The appropriations and the disposition of the remaining net income, as well as other allocations of earnings, are approved by the stockholders in the following year and given effect to in the financial statements of that year.

Under the Company Law, the aforementioned appropriation for legal reserve is made until the reserve equals the aggregate par value of the outstanding capital stock of the Bank. This reserve is only used to offset a deficit, or, when its balance reaches 50% of aggregate par value of the outstanding capital stock of the Bank, up to 50% thereof can be distributed as stock dividends. In addition, the Banking Law provides that, when the balance of the reserve, annual cash dividends, compensation to directors and supervisors and bonus to employees should not exceed 15% of aggregate par value of the outstanding capital stock of the Bank.

Under the Integrated Income Tax System, non-corporate and ROC-resident stockholders are allowed tax credits for the income tax paid by the Bank on earnings generated in 1998 and onwards.

15. TREASURY STOCK

Reasons of Redeem	(Shares in thousands)			
	Beginning of Year	Increase	Decrease	End of Year
2001				
Re-issuance to employees	16,538	23,997	-	40,535
2000				
Re-issuance to employees	-	16,538	-	16,538

The Bank is prohibited under the Securities and Exchange Law to acquire treasury stock in excess of 10% of the total shares issued and limited the purchase cost not to exceed the combined total of the retained earnings, additional paid-in capital in excess of par value, capital surplus arising from gains on disposal of properties and donated capital. In addition, the Bank is prohibited from using the treasury stock to secure any of its obligations and to exercise the rights of a stockholder in respect to those treasury stock.

For the years ended December 31, 2001 and 2000, the highest number of shares of treasury stock held by the Bank were 40,535,000 shares and 16,538,000 shares, respectively, and the highest balance of treasury stock were \$500,467 and \$195,975, respectively.

16.SERVICE FEES

	For the Years Ended December 31	
	2001	2000
Factoring and financing	\$ 191,500	\$ 184,956
Mutual funds	111,997	129,923
Custody	70,226	50,213
Guarantees	45,779	55,865
Loan documentation fee	43,343	47,119
Structured Notes	31,334	-
Other	197,527	307,387
	<u>\$ 691,706</u>	<u>\$ 775,463</u>

17.INCOME (LOSS) FROM SECURITIES - NET

	For the Years Ended December 31	
	2001	2000
Short-term bills		
Capital gain - net	\$ 3,780	\$ 4,324
Interest revenue	844,655	1,097,171
Provision for decline in market value	-	(6)
	<u>848,435</u>	<u>1,101,489</u>
Bond		
Capital gain - net	468,837	154,540
Stock		
Capital loss - net	(26,255)	(759,762)
Dividends	920	20,890
Provision for decline in market value	-	(10,333)
	<u>(25,335)</u>	<u>(749,205)</u>
	<u>\$ 1,291,937</u>	<u>\$ 506,824</u>

18.OPERATING AND ADMINISTRATIVE EXPENSES

	For the Years Ended December 31	
	2001	2000
Salaries and wages	\$ 1,747,678	\$ 1,476,990
Depreciation and amortization	377,658	340,017
Taxes other than income tax	334,942	358,603
Rental	295,856	265,869
Professional service charges	227,652	96,832
Insurance	145,858	128,632
Postage	102,412	102,161
Other	739,160	719,751
	<u>\$ 3,971,216</u>	<u>\$ 3,488,855</u>

19.PENSION

The Bank has a defined benefit noncontributory pension plan covering all regular employees. The Bank makes monthly contributions, equal to 7% of employee salaries, to the pension fund. In addition, non-management employees also contribute a compulsory amount equivalent to 4% of their salaries to the fund. The employees will receive benefits upon retirement computed based on length of services and average monthly salary upon retirement. Also, the employees will receive their cumulative contributions, if any, and the interest thereon.

a.The changes in the pension fund are summarized below:

	For the Years Ended December 31	
	2001	2000
Balance, January 1	\$ 550,471	\$ 389,564
Contributions	167,207	149,317
Benefits paid	(39,021)	(22,735)
Interest income	54,580	34,325
Balance, December 31	<u>\$ 733,237</u>	<u>\$ 550,471</u>
The ending balances consist of:		
Contributions by the bank	\$ 443,607	\$ 333,817
Contributions by employees	289,630	216,654
	<u>\$ 733,237</u>	<u>\$ 550,471</u>

b.Net pension costs for the years ended December 31, 2001 and 2000 are summarized below:

	2001	2000
Service cost	\$ 124,170	\$ 77,264
Interest cost	30,448	23,800
Expected return on plan assets	(22,774)	(17,962)
Net amortization and deferral	6,366	7,638
Net pension cost	<u>\$ 138,210</u>	<u>\$ 90,740</u>

c.The reconciliation of the funded status of the plan and accrued pension cost as of December 31, 2001 and 2000 are as follows:

	2001	2000
Benefit obligation		
Vested benefit obligation	\$ 63,868	\$ 39,093
Nonvested benefit obligation	336,055	237,777
Accumulated benefit obligation	399,923	276,870
Additional benefits based on future salaries	361,884	184,652
Projected benefit obligation	761,807	461,522
Fair value of plan assets	(443,607)	(335,214)
Funded status	318,200	126,308
Unrecognized net transition obligation	(44,796)	(49,773)
Unrecognized prior service cost	(940)	(1,068)
Unrecognized pension loss	(237,882)	(72,639)
Additional liabilities	-	-
Accrued pension cost	<u>\$ 34,582</u>	<u>\$ 2,828</u>

d. Vested benefit	\$ 139,714	\$ 83,885
e. Actuarial assumptions		
1) Discount rate used in determining present values	5.0%	6.5%
2) Future salary increase rate	5.0%	5.5%
3) Expected rate of return on plan assets	5.0%	6.5%

20. INCOME TAX

a. The compositions of income tax are as follows:

	For the Years Ended December 31	
	2001	2000
Income tax expense - current	\$ 241,317	\$ 477,241
Foreign income taxes over limitation	-	2,839
Income tax expense - deferred	64,986	70,600
Prior year's adjustment	14,073	4,895
Tax on unappropriated earnings (10%)	28,964	-
Withholding tax on interest income on bonds attributable to period that those bonds were held by other investors	115,349	-
Income tax	<u>\$ 464,689</u>	<u>\$ 555,575</u>

Income tax is based on taxable income from all sources. Foreign income taxes paid are creditable against the domestic income tax obligations to the extent of domestic income tax applicable to the foreign-source income.

b. Reconciliation of tax on income before income tax at statutory rate and income tax expense - current:

Income tax expense on income before income at tax 25% statutory rate	\$ 503,944	\$ 564,307
Add (deduct) tax effects of:		
Tax-exempt income	(103,800)	170,678
Permanent difference	(106,034)	(159,005)
Temporary difference	(45,304)	(53,928)
Investment tax credit	(7,489)	(44,811)
Income tax expense - current	<u>\$ 241,317</u>	<u>\$ 477,241</u>

c. Net deferred income tax assets (liabilities) as of December 31, 2001 and 2000 consist of the tax effects of the following:

	December 31	
	2001	2000
Contribution to employees welfare fund	\$ -	\$ 1,701
Equity in net income of investee companies	(228,894)	(187,931)
Unrealized foreign exchange	(3,554)	(17,083)
Other	24,622	60,473
	<u>(\$ 207,826)</u>	<u>(\$ 142,840)</u>

d. The related information under the Integrated Income Tax System is as follows:

Balances of imputed tax credit account	<u>\$ 142,411</u>	<u>\$ 118,069</u>
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The projected ratio for 2001 of imputed tax credit to earnings is 14.14%, which is based on projected imputed tax credit before dividend distribution in 2002.

The actual ratio for 2000 of imputed tax credit to earnings was 24.79%.

The tax credit allocated to stockholders are based on the balance of Imputation Credit Account (ICA) on the dividend distribution date. Accordingly, 2001 projected tax credit ratio may change because the actual tax credit may differ from the projected tax credit.

- e. Income tax payable (included in other payables) as of December 31, 2001 and 2000 were net of prepayments of \$94,595 and \$59,917, respectively. Income tax returns of up to 1998 had been examined by the tax authorities except 1996. As a result of those examination, in the income tax returns for 1994, 1995, 1997 and 1998 tax returns, the tax authorities had denied the creditability of 10% withholding tax on interest income on bonds totaling \$57,721 that is attributable to period those bonds were held by other investors. The income tax returns for 1996, 1999 and 2000 also reflected reduction in income tax obligations totaling \$32,813 attributable to similar type of withholding taxes; which returns were not yet examined by the tax authorities. The Bank has similar withholding tax amounting to \$24,815 in 2001. The Bank has appealed the decision of the tax authorities to deny the creditability of those type of withholding taxes. However, the Bank has accrued liabilities and has written -off any assets recognized related to the foregoing withholding taxes as part of income tax expense in 2001.

21. RELATED PARTY TRANSACTIONS

Significant transactions with related parties, which include directors, supervisors and their relatives, managers, the investees accounted for by the equity method and the subsidiaries of the Bank, are summarized as follows:

a. Credit extended, deposits taken and placed and due from affiliates

	Amount	% to Total	Interest/Fee Rate (%)
<u>December 31, 2001</u>			
Deposits	\$ 1,749,767	0.80	0-13.00
Loans and discounts	1,741,436	1.00	2.38-8.30
Due from banks	448,199	1.10	-
 <u>December 31, 2000</u>			
Deposits	\$ 2,099,337	1.10	0-13.00
Loans and discounts	1,105,365	0.70	5.00-11.00
Call loans and due from banks	467,495	2.50	-
Other receivables	6,015	-	-
Loan purchased	US\$11,892	0.30	-

None of the related parties individually accounts for 10% or more of the respective account balances.

b. Service fees and service charges

	For the Years Ended December 31			
	2001		2000	
	Amount	%	Amount	%
Service fees	\$ 2,613	0.38	\$ 4,920	0.60
Service charges	1,866	1.74	12,672	2.10
Outright sales and purchases of bonds - SinoPac Securities Co., Ltd.				
Trading amount of outright Purchases of bonds	14,050,887	-	3,415,541	-
Trading amount of outright sales of bonds	13,988,318	-	3,539,033	-

None of the related parties individually accounts for 10% or more of the respective account balances.

c. Lease

The Bank leases certain office premises from China Television Co., Ltd. (the Bank is a director of the China Television Co., Ltd.) for a three-year period ending July 2004. Rent for the year ended December 31, 2001 was \$4,422.

The Bank leases certain office premises from Su Kwang Hui (son of a director of the Bank before April 18, 2001) for a five-year period ending December 2003. Rentals for the years ended December 31, 2001 and 2000 were \$6,286 and \$6,114, respectively.

The Bank leases certain office premises to SinoPac Securities Co., Ltd. (a subsidiary of the Bank) for a seven-year period ending July 2006. Rentals received for the years ended December 31, 2001 and 2000 were \$1,684 and \$1,554, respectively.

The Bank leases certain office premises from Ruentex Construction & Development Co., Ltd. (an affiliate) for a five-year period ending September 2005. Rental for the years ended December 31, 2001 and 2000 were \$3,842 and \$761, respectively.

The Bank leased an office premise from Hung-Guan Real Estate Development Corporation. Since the said property has been purchased by SinoPac Leasing Corporation (a subsidiary of the Bank), rights on the remaining term of the related lease agreement (that is until July 2002) was assigned to SinoPac Leasing Corporation. The rentals were paid monthly to SinoPac Leasing Corporation and the rent for the year ended December 31, 2001 was \$4,060.

d. Guarantee and securities purchased

As of December 31, 2000, the Bank had provided guarantees on commercial paper, with aggregate face values of \$846,000, issued by SinoPac Leasing Corporation (a subsidiary of the Bank), and as of December 31, 2001 and 2000 with aggregate face values of \$35,000 and \$96,000, respectively, issued by Wal Tech International Corporation (an affiliate). The guarantees are collateralized by the following:

	December 31	
	2001	2000
Properties - book value	\$ 1,142,935	\$ -
Post- dated checks	-	629,364
Certificates of deposit	-	550,800
	<u>\$ 1,142,935</u>	<u>\$ 1,180,164</u>

e. Professional advisory charges

The Bank entered into an investment advisory contract with SinoPac Securities Investment Advisory Corp. (a subsidiary of the Bank). The contract expired on December 31, 2001 and is renewable. The advisory charges paid for the years ended December 31, 2001 and 2000 were \$22,050 and \$31,500, respectively.

The Bank paid SinoPac Capital Limited professional advisory fees amounting to \$4,867 for the year ended December 31, 2001.

f. Due from affiliates

On May 1, 2000, the Bank transferred its credit card business to Aetna Sinopac Credit Card Co., Ltd., for a total consideration of \$3,823,798; which consideration has been received as of December 31, 2001.

The compensation received by the Bank for its credit card accounts and the personnel of its credit card business was recognized as income over five years in the case of the credit card accounts and over three years in the case of the transfer price for the related personnel. The interest income on the unpaid portion of the aggregate transfer price amounted to \$18,530 and \$82,055 for the years ended December 31, 2001 and 2000, respectively. For the years ended December 31, 2001 and 2000, the amortization of the compensation for the transfer of the credit card accounts and personnel amounted to \$151,911 and \$41,640, respectively.

g. Sale and repurchase of the software rights

The Bank, in September 2000, had entered into contracts with SinoPac Leasing Corporation to sell its rights to distribute the “CRMS DW Technology” software for a consideration amounting to \$46,788. There’s no gain (loss) arising from that transaction. The Bank repurchased aforementioned software rights in December 2001, the repurchase amount totaling \$39,302.

h. Loan and buildings purchase contract

In January 2001, the Bank entered into a contract with Fu-I Co., Ltd. (the chairman of Fu-I Co., Ltd. was a director of the Bank before April 18, 2001) to purchase land and a building located in Taipei for business purposes. The purchase cost was \$199,900, of which \$44,990 has already been paid as of December 31, 2001.

The terms of the transactions with related parties are similar to those with non-related parties except for the preferential interest rates for savings and loans of up to prescribed limits made available to employees.

In compliance with the Banking Law, except for customer loans, credits extended by the Bank to any related party should be fully secured, and the terms of credits extended to related parties should be similar to those extended to non-related parties.

22. CONTINGENCIES AND COMMITMENTS

Financial instruments, contingencies and commitments of the Bank, in addition to those disclosed in Note 26, are summarized as follows:

a. Lease contract

The Bank leases certain office premises under several contracts for various periods ranging from one year to six years, with rentals paid monthly, quarterly or semi-annually. Future rentals for the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2002	\$ 184,607
2003	156,188
2004	141,541
2005	46,004
2006	35,958

Rentals for the years beyond 2006 amount to \$818, the present value of which is about \$716 as discounted at the Bank’s one-year time deposit rate of 2.70% on January 1, 2002.

b. Land and buildings purchase contract

In January 2001, the Bank entered into contracts to purchased land and buildings located in Taipei for business purposes. The purchase cost was \$199,900, of which \$44,990 has already been paid as of December 31, 2001. (Please see Note 21.h)

c. Equipment purchase contract

The Bank entered into contracts to purchase computer hardware and software for \$123,521, of which \$81,463 has already paid as of December 31, 2001.

d. Renovation agreement

The Bank entered into contracts to renovate office premises for \$156,797, of which \$135,494 was already paid as of December 31, 2001.

e.Short-term bills and bonds sold under agreements to repurchase

The As of December 31, 2001, short-term bills and bonds with a total face value of \$12,925,400 were sold under agreements to repurchase at \$13,633,926 between January and March 2002.

f.Short-term bills purchased under agreements to resell

As of December 31, 2000, short-term bills with a total face value of \$1,770,000 were purchased under agreements to resell at \$1,762,019 between January and July 2002.

23.CAPITAL ADEQUACY RATIO

The Banking Law and related regulations require that the Bank maintain a capital adequacy ratio of at least 8%. Pursuant to such law and regulations, if the Bank's capital adequacy ratio falls below 8%, the MOF may impose certain restrictions on the level of the cash dividends that the Bank can declare or, in certain conditions, totally prohibits the Bank from declaring cash dividends.

As of December 31, 2001 and 2000, the Bank's capital adequacy ratio were 14.37% and 14.34%, respectively.

24.AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average balance is calculated by the daily average balance of interest earning assets and interest bearing liabilities.

	For the Years Ended December 31			
	2001		2000	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Cash - negotiable certificates of deposit	\$ 8,757,933	2.36	\$ 5,958,860	5.14
Due from banks	1,470,606	3.24	1,014,009	5.38
Call loans (placement)	30,248,614	4.63	7,981,135	6.72
Due from central bank	5,818,604	3.69	5,698,888	3.60
Securities purchased	21,473,623	6.73	22,275,924	6.11
Loans, discounts and bills purchased	158,425,153	7.13	147,883,280	8.00
<u>Interest-bearing liabilities</u>				
Due to banks	\$ 7,244	2.01	\$ 13,407	4.42
Call loans (borrow)	22,138,610	3.58	9,692,637	5.66
Demand	15,368,546	1.94	12,336,424	3.03
Savings	37,655,306	3.54	33,131,460	4.24
Time	87,261,912	4.12	78,003,795	5.24
Time-savings	59,009,564	4.74	51,416,972	5.26
Negotiable certificates of deposit	4,709,635	4.46	5,305,015	5.12

25.MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The maturity of assets and liabilities of the Bank is based on the remaining period from balance sheet dates. The remaining period to maturity is based on maturity dates specified under agreements, and, if cases where there are no specified maturity dates, based on expected dates of collection.

	December 31, 2001			
	Due in One Year	Due between One Year and Five Years	Due after Five Years	Total
Assets				
Cash	\$ 16,997,156	\$ -	\$ -	\$ 16,997,156
Due from banks	41,073,412	-	-	41,073,412
Due from Central Bank	7,197,683	-	-	7,197,683
Securities purchased	17,549,790	-	-	17,549,790
Receivables	10,110,649	-	-	10,110,649
Loans, discounts and bills purchased (excluding non-performing loans)	49,409,411	25,699,000	91,415,000	166,523,411
	<u>\$ 142,338,101</u>	<u>\$ 25,699,000</u>	<u>\$ 91,415,000</u>	<u>\$ 259,452,101</u>
Liabilities				
Call loans and due to banks	\$ 24,083,700	\$ -	\$ -	\$ 24,083,700
Payables	6,430,097	-	-	6,430,097
Deposits and remittances	211,175,049	6,435,000	-	217,610,049
Bank debentures	-	5,000,000	-	5,000,000
	<u>\$ 241,688,846</u>	<u>\$ 11,435,000</u>	<u>\$ -</u>	<u>\$ 253,123,846</u>
December 31, 2000				
	Due in One Year	Due between One Year and Five Years	Due after Five Years	Total
Assets				
Cash	\$ 6,189,736	\$ -	\$ -	\$ 6,189,736
Due from banks	18,651,392	-	-	18,651,392
Due from Central Bank	7,564,190	-	-	7,564,190
Securities purchased	21,076,599	-	-	21,076,599
Receivables	9,521,155	-	-	9,521,155
Loans, discounts and bills purchased (excluding non-performing loans)	47,815,813	28,464,466	79,498,916	155,779,195
	<u>\$ 110,818,885</u>	<u>\$ 28,464,466</u>	<u>\$ 79,498,916</u>	<u>\$ 218,782,267</u>
Liabilities				
Call loans and due to banks	\$ 5,553,560	\$ -	\$ -	\$ 5,553,560
Payables	7,237,754	-	-	7,237,754
Deposits and remittances	193,978,136	5,156,449	-	199,134,585
	<u>\$ 206,769,450</u>	<u>\$ 5,156,449</u>	<u>\$ -</u>	<u>\$ 211,925,899</u>

26.FINANCIAL INSTRUMENTS

a. Derivative financial instruments

The Bank is engaged in derivative transactions mainly to accommodate customers' needs and to manage its exposures/positions. It also enters into cross currency swap to hedge the effects of foreign exchange or interest rate fluctuations on its foreign-currency net assets. The Bank's strategy is to hedge most of its market risk exposures using hedging instruments whose changes in market value have a highly negative correlation with the changes in the market of the exposures being hedged. The Bank also assesses the hedge effectiveness of the instruments periodically.

The Bank is exposed to credit risk in the event of nonperformance of the counterparties to the contracts. The Bank enters into contracts with customers that have satisfied the credit approval process and have provided the necessary collateral. The transactions are then made within each customer's credit limits and guarantees deposit may be required, depending on the customers' credit standing. Transactions with other banks are made within the trading limit set for each bank based on the bank's credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses.

The contract amounts (or notional amounts), credit risk and market values of outstanding contracts are as follows:

	December 31					
	2001			2000		
	Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value
Financial Instruments						
For hedging purposes:						
Cross currency swap contracts	\$ 2,099,940	\$ 14,667	\$ 14,667	\$ 1,979,520	\$ 4,181	(\$ 136)
For the purpose of accommodating customers' needs or managing its exposure :						
Forward contracts - Buy	14,766,748	126,822	87,537	1,215,293	49,798	49,312
- Sell	18,755,980	48,681	(151,451)	5,789,557	12,873	(186,515)
Forward rate agreements - Buy	16,294,506	2,851	(8,386)	700,000	132	87
- Sell	15,994,506	19,900	15,932	1,900,000	52	(217)
Currency swap contracts	52,436,363	433,394	(161,912)	18,007,385	465,828	240,825
Interest rate swap contracts	28,560,700	190,068	(63,936)	8,410,074	82,732	37,118
Options - As buyer	30,632,833	369,608	276,526	9,014,232	55,754	(26,595)
- As seller	29,782,357	-	(255,616)	9,287,736	-	31,976

The fair value of each contract is determined using the quotation from Reuters or Telerate Information System.

As of December 31, 2001 and 2000, the Bank entered into asset swap contracts for hedging purpose in which the notional amounts were \$1,572,855 and \$2,733,387, respectively.

The Bank has entered into certain derivative contracts in which the notional amounts are used solely as a basis for calculating the amounts receivable and payable under the contracts. Thus, the notional amount does not represent the potential cash inflows or outflows. The possibility that derivative financial instruments held or issued by the Bank can not be sold with reasonable price is minimal; accordingly, no significant cash demand is expected.

The gains and losses on derivative financial instruments for the years ended December 31, 2001 and 2000 were not significant.

b. Fair value of non-derivative financial instruments

	December 31			
	2001		2000	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Financial assets - with fair values				
approximating carrying amounts	\$ 75,313,757	\$ 75,313,757	\$ 41,839,771	\$ 41,839,771
Securities purchased	17,549,790	17,771,342	21,066,260	21,170,346
Loans, discounts and bills				
purchased	167,149,766	167,149,766	155,294,627	155,294,627
Long-term equity investments	11,196,238	11,196,238	9,708,583	9,708,583
Other assets - guarantee deposits	677,699	678,494	1,859,084	1,871,418
Liabilities				
Financial liabilities - with fair				
values approximating carrying				
amounts	\$ 30,513,797	\$ 30,513,797	\$ 12,791,314	\$ 12,791,314
Deposits and remittances	217,610,049	217,610,049	199,134,585	199,134,585
Bank debentures	5,000,000	5,000,000	-	-
Other liabilities	77,178	77,178	68,798	68,798

Methods and assumptions applied in estimating the fair values of non-derivative financial instruments are as follows:

- 1) The carrying amounts of cash, due from banks, due from Central Bank, acceptances, receivables, call loans and due to banks, acceptances payable, and payables remittances approximate their fair values because of the short maturities of these instruments.
- 2) The fair values of securities purchased and long-term equity investments are based on their market prices, if such market prices are available. Otherwise, fair values are estimated at their carrying amounts.
- 3) Loans, discounts and bills purchased, deposits and remittances, bank debentures, and funds received for subloans are interest-earning assets and interest-bearing liabilities. Thus, their carrying amounts represent fair values. Fair value of non-performing loans is based on the carrying amount, which is net of allowance for bad debt.
- 4) The fair values of government bonds and bank debentures submitted as guarantee deposits are based on market values. Fair values of other guarantee deposits are estimated at their carrying amount as such deposits do not have specific due dates.

Certain financial instruments and all nonfinancial instruments are excluded from disclosure of fair value. Accordingly, the aggregate fair values presented do not represent the underlying value of the Bank.

c. Off-balance-sheet credit risks

The Bank has significant credit commitments principally relating to customer financing activities. The terms of most of the credit commitments are under seven years. For the year ended December 31, 2001, the interest rates of the loans range from 0.63% to 11.25%. The Bank also issues financial guarantees and standby letters of credit to guarantee the performance of a customer obligations to a third party. The terms of these guarantees are usually one year, and their maturity dates are not concentrated in any particular period.

The contract amounts of financial instruments with off-balance-sheet credit risks as of December 31, 2001 and 2000 are as follows:

	December 31	
	2001	2000
Irrevocable loan commitments	\$ 913,317	\$ 1,323,702
Financial guarantees and standby letters of credit	11,071,599	12,998,621

Since most of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Bank's maximum credit risk relative to these commitments is the amount of the commitment assuming that the customer uses the full amount of the commitment and the related collateral or other security turn out to be worthless.

The Bank makes credit commitments and issues financial guarantees and standby letters of credit only after careful evaluation of customers' creditworthiness. Based on the result of the credit evaluation, the Bank may require collateral before drawings are made against the credit facilities. As of December 31, 2001 and 2000, secured loans amounted to about 79% and 80% of the total loans. Collaterals held vary but may include cash, inventories, marketable securities, and other property. When the customers default, the Bank will, as required by circumstances foreclose the collateral or execute other rights arising out of the guarantees given.

27. INFORMATION ON CONCENTRATIONS OF RISK

The Bank has no credit risk concentration arising from any individual counterparty or groups of counterparties engaged in similar business activities. Industries which account for 5% or more of the outstanding loans as of December 31, 2001 and 2000 are as follows:

	December 31	
	2001	2000
Natural person	\$ 123,678,448	\$ 115,234,057
Manufacturing	11,489,773	12,586,331
Foreign corporation	11,642,783	9,138,384
Governmental organization	7,745,102	3,938,677

The net positions on foreign-currency transactions as of December 31, 2001 and 2000 are not significant.

28. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the SFC for the Bank and affiliates:

- 1) Financing provided: None;
- 2) Collateral/guarantee provided: Please see Table 1;
- 3) Marketable securities held: Please see Table 2;
- 4) Marketable securities acquired and disposed of, at costs or prices of at least NT\$100 million or 20% of the issued capital: Please see Table 3;
- 5) Acquisition of individual real estate at costs of at least NT\$100 million or 20% of the issued capital: Please see Table 4;
- 6) Disposal of individual real estate at prices of at least NT\$100 million or 20% of the issued capital: None;
- 7) Total purchase from or sales to related parties amounting to at least NT\$100 million or 20% of the issued capital: None;
- 8) Receivables from related parties amounting to NT\$100 million or 20% of the issued capital: None;
- 9) Names, locations, and other information of investees on which the Bank exercises significant influences: Please see Table 5;

10) Derivative financial transactions: The derivative financial instruments of the Bank are disclosed in Note 26, and the derivative transactions of Far East National Bank (“FENB”, a wholly-owned subsidiary of SinoPac Bancorp, which is a wholly-owned subsidiary of the Bank) are summarized below:

FENB is engaged in derivative transactions mainly to accommodate customers’ needs and to manage its exposure positions.

FENB is exposed to credit risk in the event of nonperformance by the counterparties to the contracts on maturity. FENB enters into contracts with customers that have satisfied its credit approval process and those that have provided the necessary collaterals. Transactions are made within each customer’s credit lines; guarantees deposit may be required, depending on the customer’s credit standing. Transactions with other banks are made within the trading limit set for each bank based on the bank’s credit rating and its worldwide ranking. The associated credit risk has been considered in the evaluation of provision for credit losses.

The contract amounts (or notional amounts), credit risk and fair values of outstanding contracts are as follows:

Financial Instruments	December 31, 2001			December 31, 2000		
	Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value
For the purpose of accommodating customers’ needs or managing its exposure: Forward contracts						
- Buy	\$ 5,257,114	\$ 373,271	(\$ 42,774)	\$ 178,031	\$ 47	(\$ 12,662)
- Sell	5,253,051	373,169	32,011	171,344	6,392	6,360

The fair value of each contract is determined based on the quotes from Reuters or Telerate Information System.

FENB entered into certain derivative contracts in which the notional amounts are used solely as a basis for calculating the amounts receivable and payable under the contracts. Thus, the notional amount does not represent actual cash inflows or outflows. The possibility that derivative financial instruments held or issued by FENB can not be sold at reasonable price is minimal; accordingly, no significant cash demand is expected.

The gains and losses on derivative transactions for the years ended December 31, 2001 and 2000 are not significant.

b. Information related to investment in Mainland China: None.

29. SEGMENT OF GEOGRAPHIC INFORMATION

The Bank is engaged only in banking activities as prescribed by the Banking Law and has no single customer that accounts for 10% or more of the Bank’s operating revenues. All operating overseas units individually represent less than 10% of the Bank’s operating revenues and 10% of its total assets. Accordingly, no segment and geographic information is required to be disclosed.

TABLE1 BANK SINOPAC AND INVESTEEES
COLLATERAL/GUARANTEE PROVIDED

December 31, 2001 (Amounts in Thousand New Taiwan Dollars)

No.	Collaterals/ Guarantees Provider	Counterparty		Limits on Individual Collateral or Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Carrying Value (As of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Guarantee to Net Asset Value of the Latest Financial Statement (Note 4)	Maximum Collateral/ Guarantee Amounts Allowable
		Name	Relationship						
1	SinoPac Leasing Corporation	Grand Capital International Limited	Subsidiary	Note 2	\$ 2,461,030	\$ 1,586,510	\$ -	93%	Note 3
		Wal Tech International Corporation	Affiliate Company	Note 2	698,000	315,000	-	19%	Note 3

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: Except for no limitation applied on any subsidiaries of the Corporation, the limit on individual collateral or guarantee amounts is up to 200% of the net asset value (Note 4) of the Corporation. As of December 31, 2001, the limit amounts was \$3,405,008.

Note 3: Except for no limitation applied on any subsidiaries of the Corporation, the maximum amount of collateral or guarantee amounts allowance is up to 500% of the net asset value (Note 4) of the Corporation. As of December 31, 2001, the maximum allowance was \$8,512,520.

Note 4: The net asset value of SinoPac Leasing Corporation was based on the audited financial statements as of December 31, 2001.

TABLE2 BANK SINOPAC AND INVESTEEES
MARKETABLE SECURITIES HELD

December 31, 2001 (Amounts in Thousand New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship	Account of Financial Statement	December 31, 2001				Note
				Shares/Units/ Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 2)	
Bank SinoPac	Stock							
	SinoPac Bancorp	Subsidiary	Long-term equity investments	20	\$ 4,425,056	100.00%	\$ 4,425,056	Note 5
	Rocorp Holdings S.A.	An investee accounted for by the equity method	Long-term equity investments	0.11	3,531	33.33%	3,531	Note 4
	SinoPac Leasing Corporation	Subsidiary	Long-term equity investments	149,652	1,915,785	99.77%	1,698,559	Note 5
	SinoPac Securities Investment Advisory Co., Ltd.	Subsidiary	Long-term equity investments	994	10,510	99.40%	10,510	Note 5
	SinoPac Capital Limited	Subsidiary	Long-term equity investments	229,998	951,699	99.99%	951,699	Note 5
	SinoPac Financial Consulting Co., Ltd.	Subsidiary	Long-term equity investments	194	2,729	97.00%	2,729	Note 4
	SinoPac Securities Co., Ltd.	Subsidiary	Long-term equity investments	256,127	2,725,023	80.56%	2,725,023	Note 5
	Aetra SinoPac Credit Card Co., Ltd.	An investee accounted for by the equity method	Long-term equity investments	81,104	349,264	49.76%	349,264	Note 5
	SinoPac Life Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	194	2,657	97.00%	2,657	Note 4
	SinoPac Property Insurance Agent Co., Ltd.	Subsidiary	Long-term equity investments	194	2,728	97.00%	2,728	Note 4
	Ruentex Textile Co., Ltd.	Supervisor of the Bank and an investee accounted for by the cost method	Long-term equity investments	11,452	165,486 (Note 3)	1.45%	201,344	Note 2
	Chiao Tung Bank Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	3,622	110,732 (Note 3)	0.13%	75,473	Note 2
	Vate Technology Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	496	6,272 (Note 3)	0.25%	2,559	Note 2
	China Television Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	12,468	364,539 (Note 3)	3.40%	140,177	Note 2
	Global Securities Finance Corp.	An investee accounted for by the cost method	Long-term equity investments	11,719	100,000	1.56%	125,551	Note 4

Name of Held Company	Type and Name of Marketable Securities	Relationship	Account of Financial Statement	December 31, 2001				Note
				Shares/Units/ Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 2)	
	Z-Com, Inc.	An investee accounted for by the cost method	Long-term equity investments	1,200	\$ 16,800	2.00%	\$ 15,470	Note 4
	Taipei Forex Inc.	An investee accounted for by the cost method	Long-term equity investments	80	800	0.40%	1,078	Note 4
	Taiwan International Merchantile Exchange Corp.	An investee accounted for by the cost method	Long-term equity investments	899	8,990	0.45%	9,504	Note 5
	Taiwan Leader Advanced Technology Co., Ltd. (Formerly Taiwan Leader Copper Clad Laminate Co., Ltd.)	An investee accounted for by the cost method	Long-term equity investments	1,050	16,554	1.07%	11,791	Note 4
	Apack Technology Inc.	An investee accounted for by the cost method	Long-term equity investments	2,485	25,059	1.31%	17,542	Note 4
	Fuh-Hwa Investment Trust Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	2,400	24,000	7.89%	31,028	Note 5
	Financial Information Services Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	4,550	45,500	1.14%	63,413	Note 4
	Taiwan Asset Management Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	0.28%	50,224	Note 4
	Taiwan Financial Asset Service Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	3.33%	50,000	Note 6
	Prudence Venture Investment Corporation	An investee accounted for by the cost method	Long-term equity investments	5,000	50,000	2.50%	50,411	Note 4
SinoPac Bancorp	Stock							
	Far East National Bank	Subsidiary	Long-term equity investments	170	4,367,729	100.00%	4,367,729	Note 5
Far East National Bank	Stock							
	Far East Capital Corporation	Subsidiary	Long-term equity investments	350	82,875	100.00%	82,875	Note 5
	FENB Securities, Inc.	Subsidiary	Long-term equity investments	3	6,513	100.00%	6,513	Note 5
	FENB Loan Corp.	Subsidiary	Long-term equity investments	0.1	35	100.00%	35	Note 5
	FENB Film Corp.	Subsidiary	Long-term equity investments	0.1	35	100.00%	35	Note 5
	Federal Reserve Bank	An investee accounted for by the cost method	Long-term equity investments	62	107,848	-	107,848	Note 5
	Federal Home Loan Bank	An investee accounted for by the cost method	Long-term equity investments	98	341,240	-	341,240	Note 5
	Southern California Business Development Corporation (SCBDC)	An investee accounted for by the cost method	Long-term equity investments	40	1,400	-	1,400	Note 5
	California Economic Development Lending Initiative (CEDLI)	An investee accounted for by the cost method	Long-term equity investments	50	1,750	-	1,750	Note 6
	Fund							
	Genesis L.A. Real Estate Fund LLC	-	Long-term investments	-	22,976	-	22,976	Note 6
	California Tax Credit Fund LLC	-	Long-term investments	-	31,092	-	31,092	Note 6
	Bay Area Smart Growth Fund LLC	-	Long-term investments	-	1,007	-	1,007	Note 6
Far East Capital Corporation	Stock (common stock)							
	Grant Financial Group (Aegis)	An investee accounted for by the cost method	Long-term equity investments	154	3,762	1.40%	3,762	Note 6
	Metropolis Digital	An investee accounted for by the cost method	Long-term equity investments	1,257	8,801	8.00%	8,801	Note 6
	Hollywood International Finance Inc.	An investee accounted for by the cost method	Long-term equity investments	0.302	11	15.10%	(1,398)	Note 4
	PCRS Capital Partners LLC	An investee accounted for by the cost method	Long-term equity investments	-	3,500	4.00%	3,500	Note 6
	TVIA, Inc.	An investee accounted for by the cost method	Long-term equity investments	33	8,750	0.20%	2,030	Note 7
	Soffknot Corporation	An investee accounted for by the cost method	Long-term equity investments	9	2	-	2	Note 6

Name of Held Company	Type and Name of Marketable Securities	Relationship	Account of Financial Statement	December 31, 2001				Note
				Shares/Units/ Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 2)	
	Stock (preferred stock)							
	AgraQuest, Inc.	An investee accounted for by the cost method	Long-term equity investments	100	\$ 8,225	0.80%	\$ 8,225	Note 6
	iPhysician Net, Inc.	An investee accounted for by the cost method	Long-term equity investments	88	12,355	0.30%	12,355	Note 6
	Silicon Motion Inc.	An investee accounted for by the cost method	Long-term equity investments	61	8,750	0.20%	8,750	Note 6
	Click2Asia, Inc.	An investee accounted for by the cost method	Long-term equity investments	60	-	0.20%	-	Note 6
	2NetFX, Inc.	An investee accounted for by the cost method	Long-term equity investments	450	-	3.60%	-	Note 6
	Softknot Corporation	An investee accounted for by the cost method	Long-term equity investments	250	7,000	2.00%	7,000	Note 6
	Netfront Communications, Inc.	An investee accounted for by the cost method	Long-term equity investments	1,032	-	1.20%	-	Note 6
	Zone Reactor, Inc.	An investee accounted for by the cost method	Long-term equity investments	300	5,250	1.50%	5,250	Note 6
SinoPac Leasing Corporation	Stock							
	Grand Capital International Limited	Subsidiary	Long-term equity investments	29,900	1,231,435	100.00%	1,231,435	Note 5
	Bank of Overseas Chinese	An investee accounted for by the cost method	Long-term equity investments	5,482	78,538 (Note 3)	0.33%	10,309	Note 2
	Chain Yarn Co., Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,969	38,444	1.90%	20,143	Note 4
	Tekcon Electronics Corp.	An investee accounted for by the cost method	Long-term equity investments	832	20,768	1.51%	7,535	Note 4
	Global Securities Finance Corporation	An investee accounted for by the cost method	Long-term equity investments	1,423	15,664	0.19%	15,291	Note 4
	Z-Com, Inc.	An investee accounted for by the cost method	Long-term equity investments	300	6,600	0.50%	3,868	Note 4
	Walsin Advanced Electronics Ltd.	An investee accounted for by the cost method	Long-term equity investments	1,528	23,616	0.50%	17,790	Note 4
Grand Capital International Limited	Venture fund							
	World Wide Multimedia L.P.	-	Long-term investments	0.005	87,498	16.34%	86,888	Note 4
	Stock (preferred stock)							
	Silicon Motion Inc.	An investee accounted for by the cost method	Long-term equity investments	88	10,500	0.35%	10,500	Note 6
	@Network, Inc.	An investee accounted for by the cost method	Long-term equity investments	106	10,500	0.54%	10,500	Note 6
	Best 3C. Com, Inc.	An investee accounted for by the cost method	Long-term equity investments	600	15,749	1.85%	15,750	Note 6
	e21 Corp.	An investee accounted for by the cost method	Long-term equity investments	200	10,500	0.79%	10,500	Note 6
	Netvista (B.V.I.) Holding Company, Ltd.	An investee accounted for by the cost method	Long-term equity investments	600	10,500	3.30%	10,500	Note 6
	Ciphergen Biosystems Inc.	An investee accounted for by the cost method	Long-term equity investments	45	9,999	0.22%	9,999	Note 6
	Convertible bond							
	Macronix Int'l Co.	-	Short-term investments	\$ 17,500	17,551	-	20,478	Note 7
SinoPac Securities Co., Ltd.	Stock							
	SinoPac Asset Management Corp. (B.V.I.)	Subsidiary	Long-term equity investments	16,000	531,265	100.00%	531,265	Note 5
	SinoPac Future Co., Ltd.	Subsidiary	Long-term equity investments	19,994	200,642	99.97%	200,642	Note 5
SinoPac Asset Management Corp. (B.V.I.)	Stock							
	SinoPac Securities (H.K.) Limited	Subsidiary	Long-term equity investments	25,000	98,944	100.00%	98,944	Note 5
	SP Asset Management Co., Ltd.	Subsidiary	Long-term equity investments	6,000	214,685	100.00%	214,685	Note 5

Name of Held Company	Type and Name of Marketable Securities	Relationship	Account of Financial Statement	December 31, 2001				Note
				Shares/Units/ Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 2)	
SP Asset Management Co., Ltd.	Convertible bond D-LINK CORP.	-	Short-term investments	\$ 104,651	\$ 104,997	-	\$ 104,997	Note 9
SinoPac Future Co., Ltd.	Stock Taiwan International Merchantile Exchange Corp.	An investee accounted for by the cost method	Long-term equity investments	1	10	-	11	Note 5
	Government bond A89105	-	Short-term investments	\$ 50,000	58,203	-	56,275	Note 8
	A89106	-	Short-term investments	\$ 50,000	56,906	-	58,597	Note 8
	A90102	-	Short-term investments	\$ 50,000	4,635	-	4,635	Note 9
	Beneficiary NITC Bond Fund	-	Short-term investments	106	16,000	-	16,005	Note 8
SinoPac Capital Limited	Stock SinoPac Capital (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	4,450	162,543	100.00%	162,543	Note 5
	Convertible bill Silicon Magic Corporation	-	Short-term investments	-	105,026	-	105,026	Note 6
	Harbin Brewery Group Limited	-	Short-term investments	-	35,008	-	35,008	Note 6
SinoPac Capital (B.V.I.) Ltd.	Stock Cyberpac Holding Ltd. (Formerly SinoCap Partners Ltd.)	Subsidiary	Long-term equity investments	0.002	(38,675)	100.00%	(38,675)	Note 5
	Allstar Venture Ltd.	Subsidiary	Long-term equity investments	0.002	(101,058)	100.00%	(101,058)	Note 5
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Subsidiary	Long-term equity investments	4,800	35,800	60.00%	23,150	Note 4
	Pinnacle Investment Management Ltd.	Subsidiary	Long-term equity investments	200	5,593	99.9995%	5,593	Note 4
Cyberpac Holding Ltd. (Formerly SinoCap Partners Ltd.)	Venture fund Source One Venture Fund	-	Long-term investments	2,000	71,515	71.43%	71,515	Note 6
	Stock Wal Tech International Corporation	Subsidiary	Long-term equity investments	4,997	30,007	99.94%	24,034	Note 5
	BSP Venture Management (B.V.I.) Ltd.	Subsidiary	Long-term equity investments	50	1,186	100.00%	1,186	Note 4
	Telexpress Corp.	An investee accounted for by the equity method	Long-term equity investments	3,900	52,306	34.21%	34,082	Note 5
	Hollywood International Finance Inc.	An investee accounted for by the cost method	Long-term equity investments	0.098	3	4.90%	(454)	Note 4
Allstar Venture Ltd.	Venture fund InveStar Excelsus Venture Capital (Int'l) Inc., LDC	-	Long-term investments	2,220	85,501	6.91%	74,802	Note 4
	UOB	-	Long-term investments	26	78,094	8.62%	78,094	Note 6
	MDS Life Sciences Technology Fund	-	Long-term investments	50	113,877	2.67%	113,877	Note 6
	Bio Asia Investment, LLC/BDF II	-	Long-term investments	-	27,739	2.30%	27,739	Note 6
	NAVF II	-	Long-term investments	-	33,092	2.07%	29,348	Note 4
	Stock (common stock) Ardent Pharmaceutica, Inc. (Formerly Delta Pharmaceutica, Inc.)	An investee accounted for by the cost method	Long-term equity investments	143	17,890	0.58%	7,257	Note 4
	TVIA, Inc.	An investee accounted for by the cost method	Long-term equity investments	167	10,278	0.76%	7,714	Note 4
	Dicon Fiberoptics, Inc.	An investee accounted for by the cost method	Long-term equity investments	221	34,993	0.20%	34,993	Note 6
	Divio Inc.	An investee accounted for by the cost method	Long-term equity investments	125	17,500	0.76%	2,222	Note 4
	Stock (preferred stock) Sunol Molecular Corp.	An investee accounted for by the cost method	Long-term equity investments	100	17,664	0.92%	17,664	Note 6
	Phytoceutica, Inc.	An investee accounted for by the cost method	Long-term equity investments	200	18,054	1.10%	18,054	Note 6

Name of Held Company	Type and Name of Marketable Securities	Relationship	Account of Financial Statement	December 31, 2001				Note
				Shares/Units/ Face Value (In Thousand)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value (Note 2)	
Wal Tech International Corporation	Selective Genetics, Inc.	An investee accounted for by the cost method	Long-term equity investments	50	\$ 10,865	0.54%	\$ 10,865	Note 6
	Immusol, Inc.	An investee accounted for by the cost method	Long-term equity investments	75	10,734	0.15%	10,734	Note 6
	Virtual Silicon Technology, Inc.	An investee accounted for by the cost method	Long-term equity investments	120	10,725	0.62%	10,725	Note 6
	BioAgri Corp.	An investee accounted for by the cost method	Long-term equity investments	60	10,500	0.90%	10,500	Note 6
	Stock							
	Multiwin Asset Management Co., Ltd.	An investee accounted for by the equity method	Long-term equity investments	1,800	8,038	30.00%	9,976	Note 5
	Monmon Medza Technology Co., Ltd.	An investee accounted for by equity method	Long-term equity investments	598	6,028	32.39%	6,028	Note 4
	Intellisys Corp.	An investee accounted for by the cost method (Note 10)	Long-term equity investments	2,970	138,027	18.00%	34,710	Note 4
	Medigen Biotechnology Corp.	An investee accounted for by the cost method	Long-term equity investments	1,119	11,190	0.95%	9,407	Note 4
	Fu Po Electronics Corporation	An investee accounted for by the cost method	Long-term equity investments	1,650	29,700	1.83%	16,559	Note 4
	Webi & Neti Internet Services Inc.	An investee accounted for by the cost method	Long-term equity investments	250	5,000	2.63%	1,276	Note 4
	YesMobile Ltd.	An investee accounted for by the cost method	Long-term equity investments	400	12,000	2.00%	4,256	Note 4
	SynTest Technologies, Inc., Taiwan	An investee accounted for by the cost method	Long-term equity investments	79	10,598	0.35%	811	Note 4
	Taiwan Leader Advanced Technology Co., Ltd. (Formerly Taiwan Leader Copper Clad Laminate Co., Ltd.)	An investee accounted for by the cost method	Long-term equity investments	1,575	15,000	1.53%	16,860	Note 4
	Runhorn Preftech Engineering Co., Ltd.	A Subsidiary of the Bank's Supervisor and an investee accounted for by the cost method	Long-term equity investments	4,000	40,000	10.00%	22,039	Note 4
	Media Reality Technologies, Inc.	An investee accounted for by the cost method	Long-term equity investments	800	13,598	2.05%	9,549	Note 4
	Advanced Power Electronics Corp.	An investee accounted for by the cost method	Long-term equity investments	660	14,520	1.32%	8,647	Note 4
Nanya PCB Corporation	An investee accounted for by the cost method	Long-term equity investments	237	14,304	0.05%	732	Note 4	

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: Market prices of listed and over-the-counter stocks were determined by average daily closing prices for the last month of the accounting period.

Note 3: The amounts were before deducting related unrealized losses.

Note 4: Net asset values were based on the investees' unaudited or unreviewed financial statements for the latest period.

Note 5: Net asset values were based on the investees' audited or reviewed financial statements for the latest period.

Note 6: Net asset values were based on the carrying value.

Note 7: Market prices were determined by average closing prices of the last month of the accounting period from quotations of Bloomberg.

Note 8: Market prices were determined by closing prices or net asset values of funds as of December 31, 2001.

Note 9: Market prices were based on costs of bonds.

Note 10: The chairman (formerly a representative of the held company) of the investee were discharged on May 31, 2001. The related investment income recognized under the equity method were recorded to May 31, 2001.

TABLE 3 BANK SINOPAC AND INVESTEEES**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL**

For The Years Ended December 31, 2001 (Amounts in Thousand New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Account of Financial Statement	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		
					Shares/Units/ Face Value (In Thousand)	Amount	Shares/Units/ Face Value (In Thousand)	Amount	Shares/Units/ Face Value (In Thousand)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units/ Face Value (In Thousand)	Amount	
Bank SinoPac	Stock														
	SinoPac Securities Co., Ltd.	Long-term equity investments	-	-	197,109	\$2,294,238	59,018	\$ 430,785 (Note 2)	-	\$ -	\$ -	\$ -	-	256,127	\$2,725,023
	SinoPac Capital Limited	Long-term equity investments	-	-	109,998	497,145	120,000	454,554 (Note 2)	-	-	-	-	-	229,998	951,699
	Aetna Sinopac Credit Card Co., Ltd.	Long-term equity investments	-	-	50,097	302,050	31,007	47,214 (Note 2)	-	-	-	-	-	81,104	349,264
SinoPac Securities Co., Ltd.	Stock														
	SinoPac Asset Management Corp. (B.V.I.)	Long-term equity investments	-	-	7,000	230,351	9,000	300,914 (Note 2)	-	-	-	-	-	16,000	531,265
	SinoPac Future Co., Ltd.	Long-term equity investments	-	-	-	-	19,994	200,642 (Note 2)	-	-	-	-	-	19,994	200,642
SinoPac Future Co., Ltd.	Beneficiary														
	Phoenix Bond Fund	Short-term investments	-	-	-	-	9,487	127,000	9,487	128,096	127,000	1,096	-	-	-
SinoPac Asset Management Corp. (B.V.I.)	Convertible bond														
	D-LINK CORP.	Short-term investments	SP Asset Management Co., Ltd.	Subsidiary	-	-	\$ 104,651	104,577	\$ 104,651	104,997	104,577	420	-	-	-
	Stock														
	SP Asset Management Co., Ltd.	Long-term equity investments	-	-	-	-	6,000	214,685 (Note 2)	-	-	-	-	-	6,000	214,685
SP Asset Management Co., Ltd.	Convertible bond														
	D-LINK CORP.	Short-term investments	SinoPac asset Management Corp. (B.V.I.)	Parent company	-	-	\$ 104,651	104,997	-	-	-	-	-	\$ 104,651	104,997
SinoPac Capital (B.V.I.) Ltd.	Stock														
	Alaska Seafood International, LLC	Long-term equity investments	-	-	-	83,554	15	282,723	15	366,277	366,277	-	-	-	-
Aetna Sinopac Credit Card Co., Ltd.	Beneficiary														
	JF Taiwan First Bond Fund	Short-term investments	-	-	803	10,000	119,661	1,537,000	120,464	1,548,101	1,547,000	1,101	-	-	-
	Taiyu Long Review Bond Fund	Short-term investment	-	-	-	-	233,593	2,496,000	233,593	2,499,284	2,496,000	3,284	-	-	-

Note 1: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rate as of the balance sheet date.

Note 2: Consist of acquisition costs, stock dividend, investment income recognized under the equity method and cumulative translation adjustments.

TABLE4 BANK SINOPAC AND INVESTEEES**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL**

For The Year Ended December 31, 2001 (Amounts in Thousand New Taiwan Dollars)

Company Name	Property	Transaction Date	Amount of Transaction	Status of Payment	Counterparty	Relationship	Prior Period's Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Acquisition Terms
							Owner	Relationship	Date of Transfer	Amount			
Bank SinoPac	Land and buildings	2001.01.18	\$ 199,900	\$44,990 of the transaction amount had been paid	Fu I Industrial Co., Ltd.	The president of the company was a director of the Bank (Note)	-	-	-	-	Appraisal report issued by professional organization. Reference Price: \$219,414	For operating use	None
SinoPac Leasing Corporation	Land and buildings	2001.05.08	583,100	Paid	Shing Yeh Construction & Development Co., Ltd.	None					Appraisal report issued by professional organization. Reference Price: \$700,650	For rent	None
	Land and buildings	2001.06.27	344,335	Paid	Ruentex Construction & Development Co., Ltd.	An affiliate	Cheng-Zheng-Jie.	Director of the Bank	77.04.03	88,785	Appraisal report issued by professional organization. Reference Price: \$358,685	For rent	None
							Rentex	The investee of the company was a director of the Bank	77.12.31	123,523			

Note: The director was discharged on April 18, 2001.

TABLE5 BANK SINOPAC AND INVESTEEES**NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE**

For The Years Ended December 31, 2001 (Amounts in Thousand New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2001			Net Income (Losses) of the Investee	Recognized Gains (Losses) on Investment	Note
				December 31, 2001	December 31, 2000	Shares (Thousand)	Percentage of Ownership(%)	Carrying Value			
Bank SinoPac	SinoPac Bancorp	California	Bank holding Company	\$ 2,979,015	\$ 2,979,015	20	100.00	\$ 4,425,056	\$ 188,645	\$ 188,645	
	Rocorp Holding S.A.	Luxembourg	Stock holding Company	3,531	3,531	0.11	33.33	3,531	-	-	
	SinoPac Leasing Corporation	Taipei	Engaged in leasing of aircraft and machinery equipment	999,940	999,940	149,652	99.77	1,915,785	62,855	50,467	
	SinoPac Securities Investment Advisory Co., Ltd.	Taipei	Securities analysis and investment advisory	9,940	9,940	994	99.40	10,510	355	316	
	SinoPac Capital Limited	Hong Kong	Lending and financing	1,001,108	467,588	229,998	99.99	951,699	(106,169)	(106,167)	

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2001			Net Income (Losses) of the Investee	Recognized Gains (Losses) on Investment	Note
				December 31, 2001	December 31, 2000	Shares (Thousand)	Percentage of Ownership(%)	Carrying Value			
	SinoPac Financial Consulting Co., Ltd.	Taipei	Investment advisory and business management advisory	\$ 1,940	\$ 1,940	194	97.00	\$ 2,729	\$ 745	\$ 722	
	SinoPac Securities Co., Ltd.	Taipei	Brokerage, dealing, and underwriting of securities	2,944,784	2,502,431	256,127	80.56	2,725,023	9,522	20,733	
	Aetna Sinopac Credit Card Co., Ltd.	Taipei	Credit card business	811,037	500,970	81,104	49.76	349,264	(459,150)	(228,775)	
	SinoPac Life Insurance Agent Co., Ltd.	Taipei	Life insurance agent	1,940	1,940	194	97.00	2,657	625	606	
	SinoPac Property Insurance Agent Co., Ltd.	Taipei	Property insurance agent	1,940	1,940	194	97.00	2,728	781	758	
SinoPac Bancorp	Far East National Bank	California	Commercial bank	3,594,902	3,594,902	170	100.00	4,367,729	204,494	204,494	(Note 2)
Far East National Bank	Far East Capital Corporation	California	Investment bank	122,497	122,497	350	100.00	82,875	(11,511)	(11,511)	(Note 3)
	FENB Securities, Inc.	California	Brokerage of securities	875	875	3	100.00	6,513	3,024	3,024	(Note 3)
	FENB Loan Corp.	California	Asset Management Corporation	35	-	0.1	100.00	35	-	-	(Note 3)
	FENB Film Corp.	California	Motion Picture Assets Management	35	-	0.1	100.00	35	-	-	(Note 3)
SinoPac Leasing Corporation	Grand Capital International Limited	British Virgin Islands	Oversea trading, leasing, lending and financing	914,066	914,066	29,900	100.00	1,231,435	57,440	57,440	(Note 4)
SinoPac Securities Co., Ltd.	SinoPac Asset Management Corp. (B.V.I.)	British Virgin Islands	Securities brokerage and investment advisory	524,857	217,344	16,000	100.00	531,265	(27,187)	(27,187)	(Note 5)
	SinoPac Future Co., Ltd.	Taipei	Brokage of Futures	199,940	-	19,994	99.97	200,642	703	702	(Note 5)
SinoPac Asset Management Corp. (B.V.I.)	SinoPac Securities (H.K.) Limited	Hong Kong	Securities brokerage, investment advisory, fund management and security business	108,482	19,920	25,000	100.00	98,944	(11,920)	(11,920)	(Note 6)
	SP Asset Management Co., Ltd.	British Virgin Islands	Securities brokerage, investment advisory and consulting business	208,621	-	6,000	100.00	200,634	(9,050)	(9,050)	(Note 6)
SinoPac Capital Limited	SinoPac Capital (B.V.I.) Ltd.	British Virgin Islands	Financial advisory	155,745	155,745	4,450	100.00	162,543	(36,104)	(36,104)	(Note 7)
SinoPac Capital (B.V.I.) Ltd.	Cyberpac Holding Ltd. (Formerly SinoCap Partners Ltd.)	British Virgin Islands	Investment and advisory business	0.070	0.070	0.002	100.00	(38,675)	(34,155)	(34,155)	(Note 8)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2001			Net Income (Losses) of the Investee	Recognized Gains (Losses) on Investment	Note
				December 31, 2001	December 31, 2000	Shares (Thousand)	Percentage of Ownership(%)	Carrying Value			
	Allstar Venture Ltd.	British Virgin Islands	Investment corporation	\$ 0.070	\$ 0.070	0.002	100.00	(\$ 101,058)	(\$ 97,055)	(\$ 97,055)	(Note 8)
	Shanghai International Asset Management (Hong Kong) Co., Ltd.	Hong Kong	Asset management corporation	39,496	39,496	4,800	60.00	35,800	(606)	(3,487)	(Note 8)
	Pinnacle Investment Management Ltd.	Hong Kong	Asset management corporation	7,000	-	200	99.9995	5,593	(1,360)	(1,360)	(Note 8)
Cyberpac Holding Ltd. (Formerly SinoCap Partners Ltd.)	Wal Tech International Corporation	Taipei	Leasing, international trading, and sale of machinery equipment	53,974	53,974	4,997	99.94	30,007	(25,334)	(25,738)	(Note 9)
	BSP Venture Management (B.V.I.) Ltd.	British Virgin Islands	Investment management corporation	1,750	-	50	100.00	1,186	(546)	(546)	(Note 9)
	Telexpress Corp.	Cyman Islands	Investment corporation	54,598	-	3,900	34.21	52,306	410	(873)	(Note 9)
Wal Tech International Corporation	Mutiwin Asset Management Co., Ltd.	Taipei	Asset management corporation	18,000	18,000	1,800	30.00	8,038	(15,479)	(4,644)	(Note 10)
	Monmon Medza Technology Taipei Co., Ltd.	Taipei	Software products retail and distribution service	598	-	598	32.39	6,028	(3,079)	(1,458)	(Note 10)

Note 1: Except foreign-currency and income-related accounts were translated to New Taiwan dollars at the average rate in 2001, other foreign-currency amounts were translated at the exchange rate as of the balance sheet date.

Note 2: A subsidiary of SinoPac Bancorp, and the investment information of percentage of ownership and the carrying value is related to SinoPac Bancorp.

Note 3: A subsidiary of Far East National Bank, and the investment information of percentage of ownership and the carrying value is related to Far East National Bank.

Note 4: A subsidiary of SinoPac Leasing Corporation, and the investment information of percentage of ownership and the carrying value is related to SinoPac Leasing Corporation.

Note 5: A subsidiary of SinoPac Securities Co., Ltd., and the investment information of percentage of ownership and the carrying value is related to SinoPac Securities Co., Ltd.

Note 6: A subsidiary of SinoPac Asset Management Corp., (B.V.I.) and the investment information of percentage of ownership and the carrying value is related to SinoPac Asset Management Corp. (B.V.I.).

Note 7: A subsidiary of SinoPac Capital Limited, and the investment information of percentage of ownership and the carrying value is related to SinoPac Capital Limited.

Note 8: A subsidiary of SinoPac Capital (B.V.I.) Ltd., and the investment information of percentage of ownership and the carrying value is related to SinoPac Capital (B.V.I.) Ltd.

Note 9: A subsidiary of Cyberpac Holding Ltd. (Formerly SinoCap Partners Ltd.), and the investment information of percentage of ownership and the carrying value is related to Cyberpac Holding Ltd.

Note 10: An investee of Wal Tech International Corporation, and the investment information of percentage of ownership and the carrying value is related to Wal Tech International Corporation.