

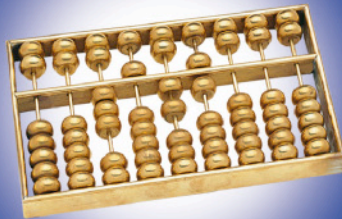


2003 ANNUAL REPORT


SinoPac Bank SinoPac

Awards from the International Media:

- Nov 2003, rated by The Asset: The Best Commercial Bank in Taiwan.
- Sep 2003, rated by Euromoney: The Best Corporate Governance Company in Taiwan.
- Sep 2003, rated by The Banker: Bank of the Year in Taiwan.
- Sep 2003, rated by Global Finance: Best Corporate/Institutional Internet Bank in Taiwan.
- Jul 2003, rated by Euromoney: The Best Bank in Taiwan.
- May 2003, rated by Asiamoney: The Best Commercial Bank in Taiwan & The Best Cash Management Bank in Taiwan.
- Jan 2003, rated by The Asset: The Best Domestic Commercial Bank in Taiwan.
- Dec 2002, rated by The Asset: Top Ten Best in Corporate Governance Asia Awards.
- Sep 2002, rated by Global Finance: The World's Best Corporate / Institutional Integrated Site, Best Corporate / Institutional Integrated Site in Asia Pacific, Best Consumer Integrated Site in Asia Pacific, Best Corporate / Institutional Internet Bank In Taiwan, Best Consumer Internet Bank in Taiwan.
- Jul 2002, rated by Euromoney: Best Commercial Bank in Taiwan and Best Corporate Governance in Taiwan.
- May 2002, rated by Asiamoney: Best Commercial Bank in Taiwan.
- Dec 2001, rated by The Asset: Best Commercial Bank in Taiwan.
- Oct 2001, rated by Commonwealth Magazine: Model Bank in Taiwan.
- May 2001, rated by Global Finance: Best Bank in Taiwan.
- Sep 2000, rated by The Banker: Bank of the Year 2000.
- Dec 1999, rated by Asiamoney: Best New Bank in Taiwan and Best Overall Managed Bank in Taiwan.
- Jul 1999, rated by Euromoney: Best Bank in Taiwan.
- Jun 1999, rated by Business Week (USA): Bank SinoPac's President Paul C. Lo listed as one of "50 Stars of Asia," Taiwan's sole banking professional.



A Customer-driven Financial Service Provider

Dynamic Growth

Execution Power

Performer of Excellence


SinoPac Bank SinoPac

2003 ANNUAL REPORT

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The Integrated Service Network of Bank SinoPac and Its Affiliates





CONTENTS

■ Office Locations	4	■ Operating Report	20
■ Financial Highlights	7	Corporate Banking	
■ A Message from the Chairman and the President	8	Retail Banking	
■ Corporate Profile	10	International Banking	
■ Board of Directors	13	Wealth Management Business	
■ Executive Officers	14	Investment Banking	
■ Bank SinoPac Group	15	Treasury Operations	
■ Economic and Monetary Review	16	Human Resources	
		Risk Management	
		Capital Adequacy	
		Summary of Credits	
		Summary of Deposits	
		Securities Investments	
		Quasi Liquid Assets	
		Foreign Exchange Business	
		Summary of Income and Expenses	
		Gains on Long Term Investments	
		Significant Events in 2003	
		■ Subsidiaries Profile	34
		■ Financial Reports	41
		■ Key Economic Indicators	120



2003 ANNUAL REPORT

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OFFICE LOCATIONS

OFFICE LOCATIONS

■ Headquarters : 9-1 Chien Kuo North Road, Section 2, Taipei 104	Tel: (02) 2508-2288	Fax: (02) 2508-3456
■ Northern Operations Center : 66 Lane 9, Sung Shan Road, Taipei 105	Tel: (02) 8761-2288	Fax: (02) 8761-2211
■ Southern Operations Center : 441 Yu Chen Road, Jwojin, Kaohsiung 813	Tel: (07) 557-5888	Fax: (07) 557-4777
■ Banking Division : B1-3F, 45 Han Ko Street, Section 1, Taipei 100	Tel: (02) 2388-1111	Fax: (02) 2381-0225
■ Trust Division : 19F, 4 Chung Hsiao West Road, Section 1, Taipei 100	Tel: (02) 2371-9998	Fax: (02) 2311-7777
■ International Division : 10F, 9-1 Chien Kuo North Road, Section 2, Taipei 104	Tel: (02) 2508-2288	Fax: (02) 2517-3473
■ Offshore Banking Unit : 3F, 9-1 Chien Kuo North Road, Section 2, Taipei 104	Tel: (02) 2508-2288	Fax: (02) 2515-5181
■ Treasury Division : 20F, 2, Chung Ching S. Road, Section 1, Taipei 100	Tel: (02) 2312-3866	Fax: (02) 2312-3067
■ Tunpei Branch : 209 Tun Hua North Road, Taipei 105	Tel: (02) 2712-7899	Fax: (02) 2719-8708
■ Taipei Branch : 9-1 Chien Kuo North Road, Section 2, Taipei 104	Tel: (02) 2508-2288	Fax: (02) 2517-2761
■ Chunghsiao Branch : 1 Lane 236 Tun Hua South Road, Section 1, Taipei 106	Tel: (02) 2778-8811	Fax: (02) 2778-1189
■ Sungshan Branch : 12 Tung Hsing Road, Taipei 105	Tel: (02) 2746-9888	Fax: (02) 8761-2259
■ Hsinyi Branch : 187 An Ho Road, Section 2, Taipei 106	Tel: (02) 2378-0707	Fax: (02) 2378-3030
■ Tungmen Branch : 189 Hsin Yi Road Section 2, Taipei 100	Tel: (02) 2392-6611	Fax: (02) 2397-2211
■ Chungshan Branch : 192 Sung Chiang Road, Taipei 104	Tel: (02) 2567-9911	Fax: (02) 2563-7047
■ Chunglun Branch : 232 Pa Te Road, Section 2, Taipei 104	Tel: (02) 2771-1199	Fax: (02) 2771-1155
■ Panchiao Branch : 186 Min Chuan Road, Panchiao 220	Tel: (02) 2968-1616	Fax: (02) 2965-4977
■ Hsinchuang Branch : 265 Hsin Tai Road, Hsinchuang 242	Tel: (02) 2992-9898	Fax: (02) 2991-1805
■ Sanchung Branch : 80 Chung Hsiao Road, Section 2, Sanchung 241	Tel: (02) 2983-3008	Fax: (02) 2984-0520
■ North Sanchung Branch : 55 Cheng Yi N, Road, San-Chung 241, Taipei	Tel: (02) 8985-2888	Fax: (02) 8985-2999
■ Luchou Branch : 160 Chung Shan 1st Road, Luchou 247	Tel: (02) 8285-0088	Fax: (02) 8285-1188
■ Shuangho Branch : 253 Chung Cheng Road, Yungho 234	Tel: (02) 2232-9988	Fax: (02) 2232-9977
■ Hsintien Branch : 260 Peh Hsin Road, Section 2, Hsintien 231	Tel: (02) 2912-7799	Fax: (02) 2911-1622
■ Tucheng Branch : 124 Hsueh Fu Road, Section 1, Tucheng 236	Tel: (02) 2266-2000	Fax: (02) 2266-5000
■ Tien Mou Branch : 249 Chung Cheng Road, Section 2, Taipei 111	Tel: (02) 2872-1177	Fax: (02) 2872-2277
■ East Taipei Branch : 66 Lane 9, Sung Shan Road, Taipei 105	Tel: (02) 2528-9999	Fax: (02) 8761-2201
■ Ta An Branch : 46 Hsin Yi Road, Section 4, Taipei 106	Tel: (02) 2704-9911	Fax: (02) 2784-9955
■ Kuting Branch : 172 Roosevelt Road, Section 2, Taipei 100	Tel: (02) 2367-2888	Fax: (02) 2369-8886
■ Nei Hu Branch : 244 Nei Hu Road, Section 1, Taipei 114	Tel: (02) 8797-6633	Fax: (02) 8797-6655
■ East Panchiao Branch : 147 Chung Shan Road, Section 2, Panchiao 220	Tel: (02) 8952-2200	Fax: (02) 8952-2211
■ Keelung Branch : 10, Ren Wu Road, Keelung 200	Tel: (02) 2423-2323	Fax: (02) 2422-9955
■ Taoyuan Branch : 51 Fu Hsing Road, Taoyuan 330	Tel: (03) 333-9000	Fax: (03) 332-5266
■ Chungli Branch : 160 Tzu Hui 3rd Street, Chungli 320	Tel: (03) 427-8988	Fax: (03) 427-8958



■ North Taoyuan Branch : 656 Chun Ji Road, Taoyuan 330	Tel: (03) 317-8889	Fax: (03) 317-9989
■ Hsinchu Branch : 295 Kuang Fu Road, Section 2, Hsinchu 300	Tel: (03) 572-8866	Fax: (03) 572-5125
■ Guanghwa Branch : 35 Tien Mei 3rd Street, Hsinchu 300	Tel: (03) 535-6688	Fax: (03) 535-5000
■ Chupei Branch : 1-2F, 87-6, Kuang Ming Leo Road, Chupei City, Hsinchu 302	Tel: (03) 553-0000	Fax: (03) 553-5866
■ Taichung Branch : 101 Tzu Yu Road, Section 1, Taichung 403	Tel: (04) 2220-5766	Fax: (04) 2223-3275
■ North Taichung Branch : 1027 Wen Hsin Road, Section 3, Taichung 406	Tel: (04) 2293-8101	Fax: (04) 2293-8102
■ South Taichung Branch : 66 Kung I Road, Section 2, Taichung 408	Tel: (04) 2323-2468	Fax: (04) 2320-4726
■ Changhua Branch : 317 Min Tsu Road, Changhua 500	Tel: (04) 726-3111	Fax: (04) 726-3065
■ Fong Yuan Branch : 139, Sanmin Road, Fong Yuan City, Taichung Country 420	Tel: (04) 2520-8966	Fax: (04) 2529-0271
■ Chiayi Branch : 338 Hsing Yeh West Road, Chiayi 600	Tel: (05) 235-7888	Fax: (05) 235-9888
■ Tainan Branch : 114 Chien Kang Road, Section 2, Tainan 702	Tel: (06) 223-2888	Fax: (06) 223-2822
■ East Tainan Branch : 163 Chang Ron Road, Section 2, Tainan 701	Tel: (06) 200-5566	Fax: (06) 200-5599
■ Yung Kang Branch : 725 Chung Hua Road, Yung Kang, Tainan 710	Tel: (06) 202-8599	Fax: (06) 202-8598
■ Kaohsiung Branch : 143 Chung Cheng 2nd Road, Kaohsiung 802	Tel: (07) 224-3733	Fax: (07) 224-5973
■ Sanmin Branch : 78 Min Tsu 1st Road, Kaohsiung 807	Tel: (07) 392-8988	Fax: (07) 392-8977
■ South Kaohsiung Branch : 100 Jong Hwa 4th Road, Kaohsiung 802	Tel: (07) 535-1111	Fax: (07) 535-1234
■ North Kaohsiung Branch : 1-2F 441 Yu Chen Road, Jwojin, Kaohsiung 813	Tel: (07) 557-5888	Fax: (07) 557-4777
■ Fengshan Branch : 366 Kuang Yuan Road, Fengshan 830	Tel: (07) 710-8866	Fax: (07) 710-2860
■ Pingtung Branch : 14, Fu Shing N. Road, Pingtung 900	Tel: (08) 732-3322	Fax: (08) 732-8701
■ Hong Kong Branch : 23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	Tel: 852-2801-2801	Fax: 852-2851-3163
■ Los Angeles Branch : Two California Plaza, 350 South Grand Avenue, Suite 1650, Los Angeles, CA 90071, U. S. A.	Tel: (213) 437-4800	Fax: (213) 437-4848
■ Vietnam Representative Office : OSIC Building 11 Floor, Unit A No. 8, Nguyen Hue Blvd., Dist. 1, HCMC	Tel: (848) 825-7612	Fax: (848) 825-7676

SUBSIDIARY LOCATIONS

■ SinoPac Leasing Co, Ltd. : 7F, 132 Nanking East Road, Section 3, Taipei 104	Tel: (02) 2778-7988	Fax: (02) 2778-7989
■ SinoPac Financial Consulting Co, Ltd. : 6F, 9-1 Chien Kuo North Road, Section 2, Taipei 104	Tel: (02) 2508-2288	Fax: (02) 2516-7313
■ SinoPac Capital Limited : 23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	Tel: 852-2801-2828	Fax: 852-2851-3918



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FAR EAST NATIONAL BANK LOCATIONS

■ Corporate Headquarters : Two California Plaza, 350 S. Grand Avenue, 41st F. Los Angeles, CA 90071 U.S.A.	Tel: (213) 687-1200	Fax: (213) 687-8511
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SOUTHERN CALIFORNIA

■ L. A. Main Office : Two California Plaza, 350 S. Grand Avenue Los Angeles, CA 90071 U.S.A.	Tel: (213) 687-1260	Fax: (213) 613-3884
■ Alhambra Office : 105 E. Valley Blvd. Alhambra, CA 91801 U.S.A.	Tel: (626) 293-3100	Fax: (626) 284-7636
■ City of Industry Office : 17870 Castleton Street,#100, City of Industry, CA 91748 U.S.A.	Tel: (626) 854-8450	Fax: (626) 854-2824
■ Irvine Office : 15333 Culver Drive,#640, Irvine, CA 92604 U.S.A.	Tel: (949) 936-1100	Fax: (949) 262-0905
■ L. A. Chinatown Office : 977 N. Broadway, Los Angeles, CA 90012 U.S.A.	Tel: (213) 687-1300	Fax: (213) 680-1535
■ Monterey Park Office : 809 S. Atlantic Blvd. #101 Monterey Park, CA 91754 U.S.A.	Tel: (626) 293-5100	Fax: (626) 284-1077
■ Newport Beach Office : 4699 Jamboree Road, Newport Beach, CA 92660 U.S.A.	Tel: (949) 442-3200	Fax: (949) 263-0418
■ Pasadena Office : 301 N. Lake Avenue, Pasadena, CA 91101 U.S.A.	Tel: (626) 397-6300	Fax: (626) 577-5526
■ Arcadia Office : 635-637 West Duarte Road Arcadia, CA 91007 U.S.A.	Tel: (626) 821-3300	Fax: (626) 821-3301

NORTHERN CALIFORNIA

■ San Francisco Main Office : 500 Montgomery Street, San Francisco, CA 94111 U.S.A.	Tel: (415) 986-2300	Fax: (415) 986-8839
■ San Francisco Chinatown Office : 711 Sacramento Street, San Francisco, CA 94108 U.S.A.	Tel: (415) 677-8540	Fax: (415) 677-8533
■ Silicon Valley Office : 2001 Gateway Place, Suite 101-E, San Jose, CA 95110 U.S.A.	Tel: (408) 487-0320	Fax: (408) 487-0333
■ Fremont Office : 46723 Fremont Boulevard Fremont, CA 94538 U.S.A.	Tel: (510) 790-8500	Fax: (510) 713-1325
■ Cupertino Office : 10465 South De Anza Boulevard Cupertino, CA 95014 U.S.A.	Tel: (408) 342-8000	Fax: (408) 342-8001
■ Oakland Office : 1423 Broadway Oakland, CA 94612 U.S.A.	Tel: (510) 267-6800	Fax: (510) 267-6801

CHINA

■ Beijing Representative Office : Scitech Tower Rm. 911 No.22. Jianguo Men Wai Ave., Beijing, China 100004	Tel: (10) 6515-9118	Fax: (10) 6515-9117
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FINANCIAL HIGHLIGHTS

(NT\$ in millions, except per share data)	2003	2002	2001	2000	1999
For the Year					
■ Pretax income	3,012	2,760	2,016	2,257	2,020
■ Net income	2,754	2,255	1,551	1,702	1,791
At the Year End					
■ Deposits and remittances	304,288	235,997	217,610	199,135	164,109
■ Loans (1)	210,582	187,069	167,150	155,295	134,776
■ Securities purchased	28,818	24,552	17,550	21,066	22,285
■ Total assets	409,994	330,702	278,429	235,057	204,129
■ Shareholders' equity	26,147	24,996	23,321	22,151	20,802
Per Share					
■ Earnings per share	1.42	1.18	0.81	0.97	1.13
■ Shareholders' equity per share	13.45	12.86	12.25	12.72	13.13
■ Dividends declared per share (2)					
– Cash dividend	0.9620	0.7810	0.4782	-	-
– Stock dividend	-	-	-	1.00	1.00
Capital Adequacy					
■ Risk-based capital ratio (BIS Ratio) (3)	10.50%	10.76%	10.47%	11.25%	12.59%

NOTE : (1) Represents total loans, discounts and bills purchased.

(2) Earnings are distributed in the following year.

(3) Based on new criteria as of January 1, 2002.



A MESSAGE FROM THE CHAIRMAN AND THE PRESIDENT



2003 was a most difficult year for the financial sector due to not only continued sluggish economic performance, but also a three-month SARS virus that hampered business dealings throughout Asia. Nevertheless, Bank SinoPac continued to improve in areas of asset quality, profitability, e-services, innovation in products and human capital. Despite the uncertainties in global economics caused by the Gulf War in early 2003, and the effects of the SARS outbreak, Bank SinoPac achieved another milestone with net profit exceeding NT\$3 billion, up 22.1% in even a down year for financial institutions.

Foremost in product and e-service innovation was the launching of our CrossPacific Account (CPA) in November 2003. We are the first Taiwan bank to introduce a cutting-edge cash management platform across Taiwan, H.K., China and the U.S. that knows no boundaries. This is the most important step yet in our goal to become "The Most Competitive Financial Institution" in the Asia-Pacific.

Under the oversight of the Ministry of Finance and the Ministry of Economic Affairs, Bank SinoPac was again a pioneer in launching its CrossPacific Account (CPA), providing a state-of-the-art cash management platform to small and medium enterprises operating across the Pacific and the Taiwan Straits. Clients can manage their accounts and transfer funds efficiently and at the lowest cost.



Paul C. Lo, Chairman

reward criteria. We expect for 2004, based on this foundation of growth, our card issuance and profitability will continue to increase, as will our card co-branding strategy.

Bank SinoPac has been in the forefront in providing personal financial services. We were able to use our highly acclaimed MMA platform to increase our customer base and revenues from home mortgages and personal loans. Our plans for 2004 call for the continued development of innovative products to expand our targeted customer base. We will co-ordinate our various selling activities to cover all levels of our targeted clientele. By forming alliances with global industry players and using our web-based technology to reduce our item processing cost by 15%, we will be a premier provider of cash management services in our CrossPacific market.

During 2003, numerous financial institutions in Taiwan began to establish wealth management units to compete in this increasingly attractive business segment. Bank SinoPac adopted a two-pronged strategic approach. Within our organization, we established a specialist team to handle all aspects of wealth management, with members receiving the training necessary for their professional licenses and to gain proficiency in handling electronic transactions. Externally, we stepped up the development of new wealth management products and provided our clients with comprehensive and individualized wealth management services. We intend to rise above the competition with these higher standards and to become a leading provider of superior services in Taiwan.



In 2003, our commercial branch, securities and capital markets activities in Hong Kong achieved a dramatic breakthrough. Our Hong Kong branch in its first full year of operations recorded profits of NT\$12 million. In January 2004, the branch relocated to the just completed International Finance Centre, the tallest building in Hong Kong. This move carries marked significance, given our goal to be recognized as a prominent international financial institution. Additionally, our Hong Kong group of companies, including SinoPac Securities (Asia) and SinoPac Capital, increased their cross-selling activities to compete for customers and to provide innovative financial services.

Again, in 2003, Bank SinoPac captured eight prestigious awards from international finance and economic journals such as Euromoney ("The Best Bank and The Best Corporate Governance Company in Taiwan"), The Banker ("Bank of the Year in Taiwan"), Global Finance ("Taiwan's Best Corporate/Institutional Internet Bank"), Asiamoney ("Best Commercial Bank and Best Cash Management Bank in Taiwan"), The Asset (Taiwan's Best Commercial Bank" and "Taiwan's Best Bank"). These awards are not only the highest recognition given for excellence in the area of financial services, but they also attest to our long-term developmental efforts to become one of the best in the Asia-Pacific region.

Our organization continues to meet challenges and drive change. In 2003, the board approved our plans for initiating significant structural changes so that all financial services are integrated into customer-centric delivery platforms. In January 2004, Bank SinoPac formally introduced the customer-driven approach to our service offerings. This includes the cross-referrals of services such as corporate banking and institutional securities sales, personal banking and credit card sales, wealth management and securities brokerage, and the cross-selling of services such as foreign exchange, guaranteed investment return products, self-managed securities accounts, and other new products. Our objective is to link up and offer all the resources of the SinoPac group to deliver superior services to meet the various financial needs of our customers. We intend to become the most competitive CrossPacific financial services organization for our customers.

Bank SinoPac recorded net income of NT\$3 billion during 2003, a 22.1% growth over 2002. Total loans were NT\$212 billion and total deposits were NT\$304 billion, a 12.5% and 29.3% increase respectively from the year before. Past-due loans were 1.43% of total loans. This percentage is a reduction from 2002. Our prominent MMA investment management accounts reached the 200,000 mark since product launch in 1999. This represents an average annual growth of 22.3%. The volume of B-to-B Accounts Receivable Purchase Service (e-factoring) reached NT\$137 billion. At the same time, there has been a tremendous development in asset management activities. Total balances of all assets under trust custody reached NT\$166 billion as of December 31, 2003. We have also made rapid advances in the development and introduction of innovative structured wealth management products and services.

In looking forward to the challenges of the new year, with the as-yet uncertain domestic and international economic outlooks, we will continue to strive to be the most competitive bank in the Asia-Pacific region by providing superior services to our clients and growth opportunities to our staff. We will also seek to provide our investors with the best possible returns by seizing appropriate growth opportunities.



Chen Pou-tsang (Angus Chen), President

Paul C. Lo
Chairman

Chen Pou-tsang
(Angus Chen)
President



Bank SinoPac is one of the new private banks licensed by the government after deregulation of banking in 1989. Its Preparatory Office started in April 1990 with major participating partners including notably Central Investment Corporation, Ruentex Textile, Southeast Soda, Fu Yi Enterprise, coordinated by Chairman Paul C. Lo. Since the initial stage of its preparation, Bank SinoPac has upheld the corporate philosophy of “Customer Service, Stability, Creating Profits, and Contribution to Society”. Bank SinoPac has always held the vision of making itself the best “Full-Service Commercial Bank in the Asia Pacific region”.

Bank SinoPac received its incorporation license from the Ministry of Finance in August 1991. It then completed all the required documentation and officially started business operations on January 28, 1992. Since then, we have spared no effort to launch customer-driven sales promotions. We set up the Trust Division and International Banking Division in 1993 and 1994, respectively; and we have rendered trust, investment, asset management, advisory consultation and outward remittance services.

Echoing the financial reforms of the government and the promulgation of financial guidelines governing financial holding companies, Bank SinoPac announced the establishment of SinoPac Holdings with National Securities Corporation and SinoPac Securities Corporation on September 28, 2001. This represents a successful example of “cross-industry integration” between a commercial bank and a securities firm in Taiwan. Since the establishment of SinoPac Holdings, we have been able to combine the resources of the three institutions and their professional services into one entity, under one brand, to provide customers “One-stop Shopping” service and yield added value performance.

Bank SinoPac has been in business for twelve years since it came into being on January 28, 1992. The bank consists of 9 divisions, 9 departments and 2 offices, 20 units in total, in its head office and International Banking Division. It conducts business operations through 44 branches in Taiwan alongside the Hong Kong Branch, Los Angeles Branch,



● Banking Division



● Pingtung Branch

Vietnam Representative Office, and Far East National Bank (a subsidiary in California, with 15 branches and a Representative Office in Beijing). Bank SinoPac has over 2,000 employees, authorized capital of NT\$19 billion, and total assets of NT\$410 billion (excluding contingent assets). Bank SinoPac is now a full-service financial services provider with locations across several continents.

Bank SinoPac positions itself as a commercial bank developing business in areas covering both consumer and corporate banking services. In addition to its traditional domestic savings and loan services, Bank SinoPac enhances its personal banking services by integrating outward investments and peripheral activities. In the year 2000, it successfully launched the Money Management Account® (known as MMA®) which integrates passbooks, loans, securities, funds and other products into one platform. In the area of corporate banking, Bank SinoPac has in recent years targeted development in the small and medium businesses oriented markets and cross-pacific banking services. Meanwhile, it has made maximum use of the B-to-B e-business fund management system (Pay-Web) and online e-Factoring high-niche products to develop e-business solutions. In 2003, it further rolled out the CrossPacific Account (CPA) to provide integrated cross-continent solutions, enabling business corporations to promptly manage funds and arrange financing across different continents through the CPA platform.

Regarding outward investments, Bank SinoPac has actively sought to structure itself as a financial services group across the Asia-Pacific ever since its incorporation. With Bank SinoPac as the hub, it integrates the business services of its investments in securities, investment trust, lease, credit cards and other peripheral industries to provide a complete financial services platform. Currently, the bank's wholly-owned subsidiaries include SinoPac Leasing Co., SinoPac Capital (Hong Kong) Ltd., Far East National Bank (USA) and SinoPac Financial Consulting Co., Ltd.


General Corporate Data

• December 31, 2003

Date of Incorporation :	January 28, 1992
Date of listing on Taiwan Stock Exchange :	June 29, 1998
Re-listing Date of SinoPac Holdings :	May 9, 2002
Paid-in capital :	NT\$ 19,443,976,170
Total shareholders' equity :	NT\$ 26,146,671,758
Number of shares issued :	1,944,397,617
Number of employees :	2,026
Auditor :	Deloitte Touche Tohmatsu
Moody's Long-term bank deposits rating :	Baa 2
Moody's Short-term bank deposits rating :	P-3
S&P Long-term credit rating :	BBB-
S&P Short-term credit rating :	A-3
Fitch Rating Long-term senior :	BBB
Fitch Rating Short-term senior :	F2
Taiwan Ratings Long-term credit :	twA
Taiwan Ratings Short-term credit :	twA-2

Major Subsidiaries
Far East National Bank (Los Angeles, USA)

Robert Oehler, President

SinoPac Leasing Corporation

Liu I-cheng (I. C. Liu), President

SinoPac Capital Limited (Hong Kong)

Chiu Tac-chiang (T. C. Chiu), President

SinoPac Financial Consulting Co., Ltd.

Mike Y. L. Lei, President



Board of Directors

• December 31, 2003



Chairman
Paul C. Lo
President,
SinoPac Holdings



Managing Director
Yin Yen-liang
Chief Executive Officer of
Ruentex Group



Managing Director
Chen Pou-tsang
(Angus Chen)
President, Bank SinoPac



Director
Lee Tien-chien
Assistant VP, Ruentex
Industries Ltd.



Director
Lee Chen-chia
Chairman of Maywufa
Co., Ltd.



Director
Lin Ying-feng
Dean, College of Commerce,
National Chengchi University



Director
Sheu Jong-ming (Ritmon J.M. Sheu)
President of Formosa Oilseed
Processing Co., Ltd.



Director
Chen Kai-yuan (Mathias K.Y. Chen)
Chairman and President of Southeast
Soda Manufacturing Co., Ltd.



Director
Huang Chung-hsing
Manager, Texas
Instruments



Director
Yeh Tien-chiang
Vice President of Ruentex
Construction & Development Co., Ltd.



Director
Chia Chen-I (C.I. Chia)
President, AnShin Card
Services Co., Ltd.



Resident Supervisor
Chang Tse-yao
Former Professor at National
Cheng Chi University



Supervisor
Huang Chuen-Su
Chairman of National
Securities



Supervisor
Hsieh Mei-yueh (Margaret Chang)
Former Chairman of JOE
Management Consultant Co., Ltd.

Note : Chang Tse-yao, Resident Supervisor of Bank SinoPac, passed away on January 23, 2004.



Executive Officers

• March 31, 2004

Chen Pou-tsang (Angus Chen)
President

Chen Chien-jung (C. J. Chen)
Senior Executive Vice President

Fang Nai-chen (Joan N. Fang)
Senior Executive Vice President

Yang Shun-fa (S.F. Yang)
Chief Auditor and General Manager Audit Division

Han Dao-wei (David Han)
Executive Vice President and General Manager Retail Banking Division

Lu Wen-yir
Executive Vice President and General Manager Corporate Banking Division

Lily Twu
Executive Vice President and General Manager Treasury Division

Ted C.Y. Liao
Executive Vice President and General Manager Investment Banking Division

Hsu Swei-yuan
Chief Secretary

Steven Sng L. H.
Senior Vice President

Huang Chi-lin
Senior Vice President and General Manager Northern Region Branches

Han Ai-mei (Amy Han)
Senior Vice President and General Manager Human Resources Division

S.B. Hsieh
Senior Vice President and General Manager Information Technology Division

Jean Wu
Senior Vice President and General Manager Hsinchu Branch and General Manager Taoyuan & Hsinchu Region Branches

Steve C. Lin
Senior Vice President and General Manager Banking Division

Pao Shu-chun
Senior Vice President and General Manager Accounting Division

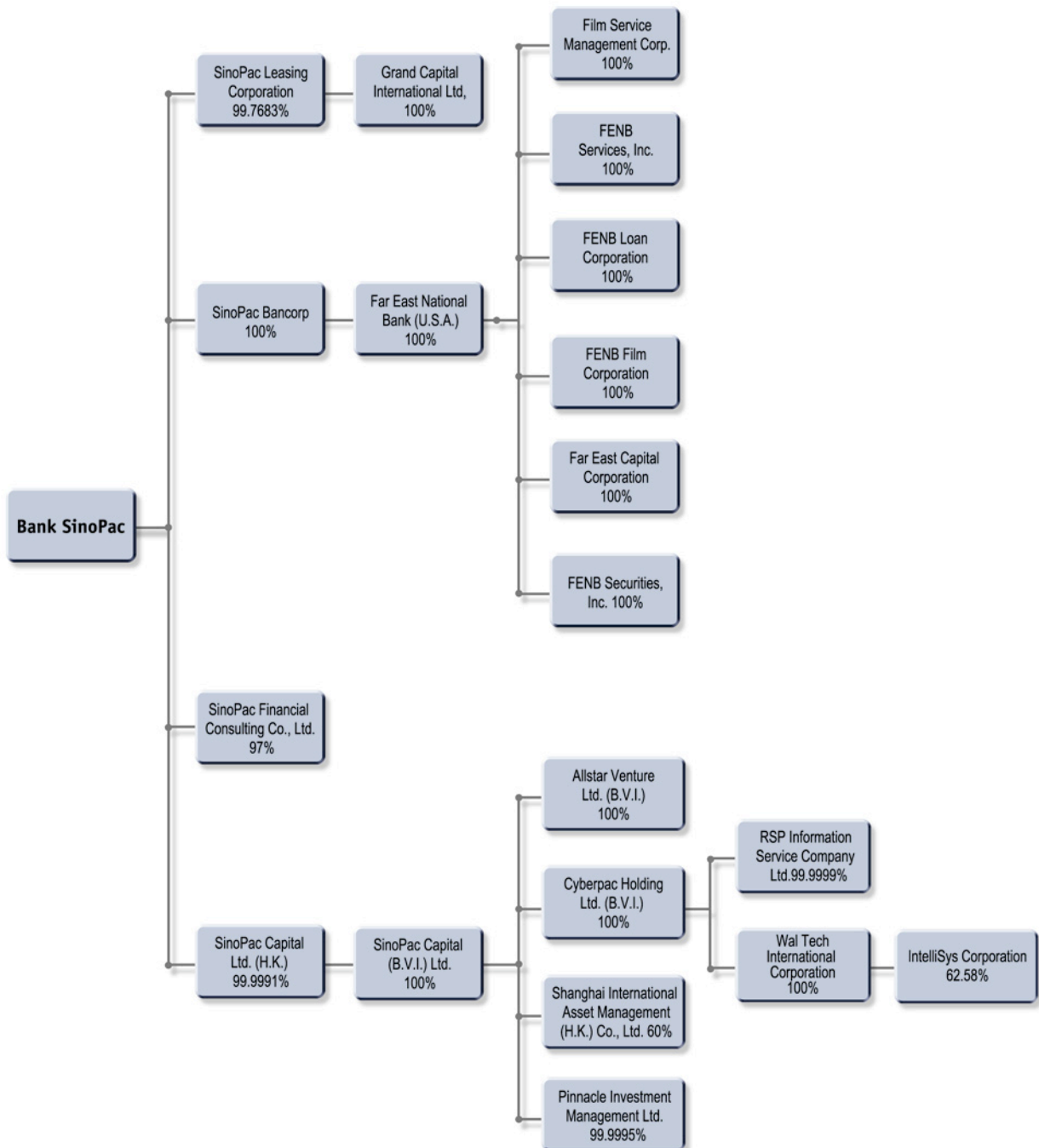
Martin Lee
Senior Vice President and General Manager Southern Region Branches

Peter C. Ma
Senior Vice President and General Manager Trust Asset Management Division

Benjamin Tien
Senior Vice President and General Manager Sungshan Branch



Bank SinoPac Group • December 31, 2003

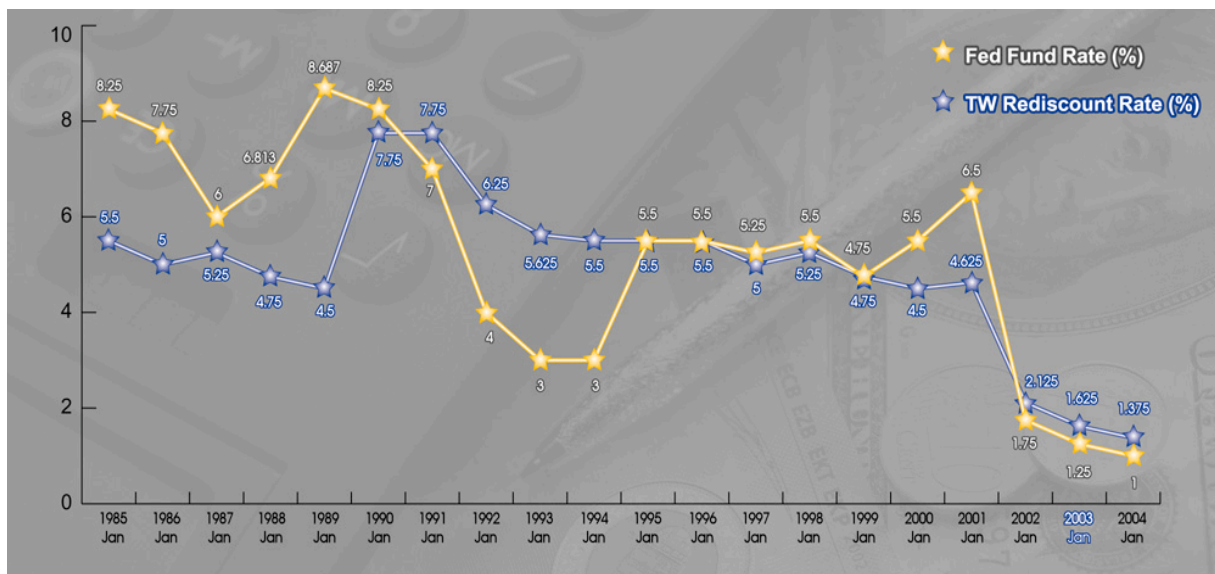




In the year 2003, the world economy started at a low point and then moved gradually upward. The US-Iraq war and Asian SARS virus broke out consecutively in the first half. The global economy rallied at a fast pace after those uncertainties faded. The major stock exchanges throughout the world bottomed out in most cases in March. On the other hand the bond markets virtually slumped in June. The American economy still played the pivotal role of being the very momentum of the world economy. Other major nations including Germany, France in Europe, and Japan and Taiwan in Asia did get rid of the prolonged slowdown as their domestic economies had positive growth amidst encouraging export performance, as a beneficiary of the upturn in the world economy.

The American economy was fundamentally still in the “Jobless Recovery” phase in 2003, meaning that unemployment still was high, but with a reduced number in the unemployed population. That was due primarily to the productivity resulting from over investment in high technology in the late 1990s. The terrorist attack in 2001, Enron and other financial scandals in 2002 and the Iraqi War in 2003 turned the situation from bad to worse. Business concerns and entrepreneurs were hesitant in hiring additional manpower and in launching new investment projects amidst the rising

Fed Fund Rate v.s. Taiwan’s Rediscount Rate



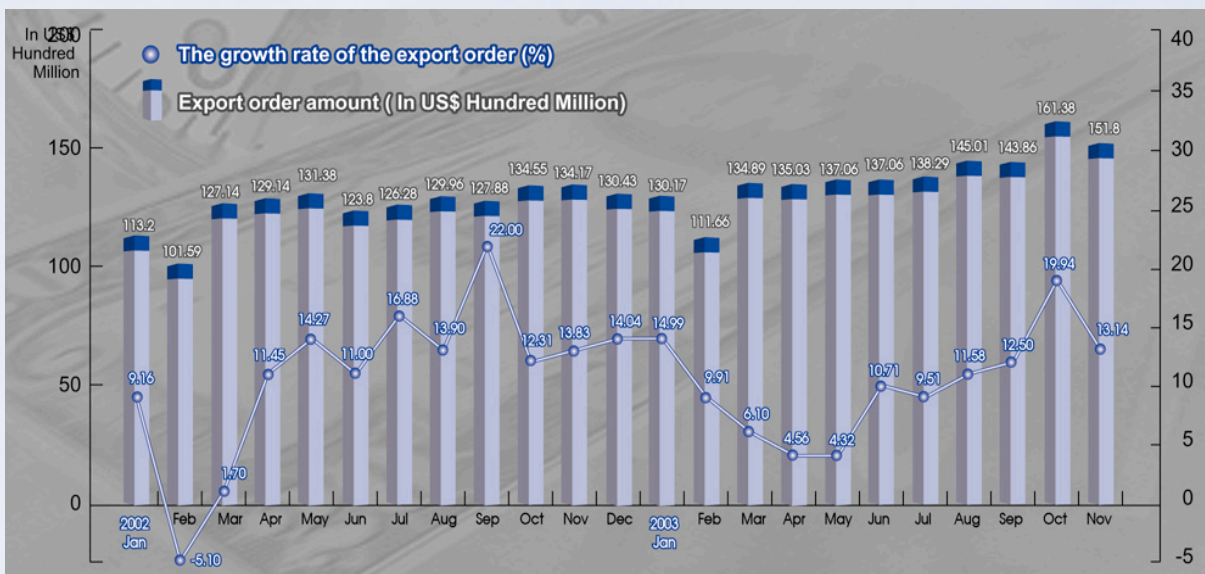
uncertainties and risks. The information technology industry largely resorted to outsourced production, making growth of the employed population in the United States more difficult.

To help revive the American market and employment, the Bush Jr. Administration in 2003 still continually adopted loose monetary and deficit financial policies. In terms of money policy, though without any threat of inflation, the FOMC brought the Fed interest rate down to 1% on June 25, 2003. The Fed was determined to keep interest rates low for a period of time. The future rise of interest rates will depend upon the signs of the threat in inflation and the upward speed of the employment market to a better condition. So far, our forecast is still justified. We do not expect to see any increase in interest rate until the second half of 2004. In terms of financial policies, President Bush posed on January 7, 2003 the “Growth and Jobs Plan” to revive the economy and encourage consumption and investment. The



“Growth and Jobs Plan” differed from the “Stimulus Package” launched by his father in 1992 which ran into difficulty getting enforced as restricted by the Equilibrium Budget Act. The “Growth and Jobs Plan” rolled out by Bush Jr. is greater in relative scale, up to US\$350 billion in total amount. The “Growth and Jobs Plan” includes largely: (I) Encouragement of consumer expenditures-Beginning 2003, the Individual Income Tax rates in various scales are lowered by 2-3% for a period until 2006. Meanwhile, the deductible for child support is raised from US\$600 to US\$1,000. (II) Stimulus of individual and corporate investment. The maximum tax on dividend income and capital gain was lowered from 38.6% down to 15% (for a period until 2008), approximately US\$150 billion in amount. The tax credit on investment on small scale business concerns for new machinery & equipment is raised (for a three-year period, with tax credit brought from US\$25,000 up to US\$100,000). (III) Support to the unemployed by appropriating US\$20 billion to back the financially strapped state governments to provide employment-related educational & training programs and infant nursery allowance to the unemployed population so that they will be back in the employment marketplace earlier.

Results of Taiwan's Export order



Virtually stimulated by major macro-policies, the American economy significantly grew in Quarter III, 2003, at nearly a 20-year new high, up to 8.2% and continually grew in Quarter IV, 2003 and in 2004 at the rate of 4.0%~4.4%, with impressive performance in both investment and consumption in the non-government sector. Real estate markets remained prosperous. Official figures revealed by the Labor Agency indicate that the number of employed population began growing instead of continually dropping in August 2003, with the number of people employed in the non-agricultural sectors increasing by 57,000 in November 2003. The unemployment rate, at a slow pace, dropped from a 6.4% high in June down to 5.9% in November, suggesting that the tax reduction and low interest rate policies began to work. The American economy is believed to be converted from the "Jobless Recovery" into "Spontaneous Recovery". The ISM manufacturer index promulgated on January 3, 2004 significantly rose from 62.8 in November up to 66.2, way beyond the 61 mark anticipated in the market, suggesting that the manufacturing industry came back to life at a faster



pace. All these categories of indices including production, new purchase orders, backlog purchase orders, delivery speed, employment, commodity prices, export purchase orders and other categories showing signs of recovery, with only inventory and imports in a downward trend.

Notwithstanding the macroeconomy which has outperformed what was forecast, the decade-long tax-cut plan, the huge 911 anti-terrorist and Iraqi War outlays led to as much as a US\$374 billion deficit for the American Federal Government in fiscal 2003, virtually twice as much as the US\$158 billion deficit of the preceding year, as much as 3.5% of the GDP, an all-time-high since 1993. In the years ahead, defense outlays might come down. The expenditures on social security, medical insurance, medical subsidies are bound to continually rise because of the expanded life span which must be the major financial threat against the Federal Government. Other than the financial deficits, the trading deficit has continually risen to hamper the stable economic growth in the future, ignite fluctuation in major currencies of the world market and challenge the world finance from stable growth. In the United States, the trading deficit rose at a stable pace beginning in 1998, up to US\$482.9 billion in 2002, up to 4.6% of the GDP, virtually double the US\$246.7 billion recorded in 1998, and even up to the US\$410.3 all-time high during January~September 2003, making the United States the world's largest indebted nation of the world. China and Japan have been the largest definite sources to the United States. In 2002, for instance, up to 21.3% of the American deficit came from China, amounting to US\$103.1 billion, and 14.5% amounting to US\$70 billion from Japan. The two countries make up over one-third of the total American deficit.

In the wake of the significant American deficits in regular accounts and finance as well as the interest rate impact, the exchange rates of U. S. Dollars vs. major currencies tremendously pared back in 2003. The EUR/USD exchange rate shot from 1.0492 to 1.2595, up to 20% and even up to the 1.2672 new high as of January 5, 2004. The USD/JPY rate rose from 118.79 to 107.22, with 9.7% depreciation by the greenbacks. The Japanese yen appreciated at a less significant rate compared with the euro, due primarily to the active interference by the Japanese Central Bank (BOJ) with the market. As anticipated, the BOJ provided up to 20 trillion yen to intervene in the exchange market in 2003, leaving only 5-6 trillion yen disposable at the moment. The Japanese government, therefore, announced before too long ago that it resolved to make up 20 trillion yen additional budget to operate in the market. In the 2004 budget, the fund required to intervene in the exchange market will increase up to 40 trillion yen. Looking ahead to the future, the United States is believed to play the role of the growing engine as an industry-oriented nation, i.e., as the recipient for export products from other nations. The rise of the American deficits will definitely make the U. S. Dollar continually weak. In 2004, in particular, the Bush Administration is still under lingering pressure from the domestic demand for a cut in the trading deficit amidst the presidential campaign. It calls for continual close watchfulness whether or not the United States will launch added protectionism in response which tends to ignite retaliation from the trading counterparts and worsen the greenback value. The tremendous depreciation of the greenback will, meanwhile, lead to a rise in prices of gold, oil and other fundamental metals as well.

Europe underwent the slowdown in late 2002 and early 2003. Subsequently, the economy in the EU revived at a slow pace following the American economy. As anticipated, the euro-nations would have the GDP grow by 0.8% in 2003 and by 2.0% by 2004. Meanwhile, the appreciation of the euro might be adverse to their future economic



and trading performance. The two key euro economic entities—Germany and France, have both registered a surplus in foreign trade. Where the pact for stable growth was still binding and the macroeconomy was still warming up, the financial deficits, though still worsening, will not become too bad. The Japanese economy has expanded at a mild pace over the past two years, growing by 2.5% on average as of Quarter III, 2003. Its exports have played a pivotal role. In 2003, the rise of Japan's net exports resulted in 20% of the GDP growth while the 80% of GDP growth resulted from the rise of domestic demand, in particular the significant rise of enterprises' expenditures in capital property. As anticipated, Japan's economy might grow by 2.4% in 2004 from the 2.2% recorded in 2003. Amidst the bull in fundamental performance, the Japanese Yen is bound to continually appreciate while, nevertheless, intervention by the BOJ will still be the key factor regarding the size of yen appreciation. Other Asian nations, largely export-oriented, still lack momentum from their domestic demand to support growth. In 2003, therefore, Asian nations rallied behind their exports in most cases. During 2003-04, Asian nations, exclusive of Japan, are anticipated to have economies grow by 5.3% annually. Those nations, including China, Australia, India and Indonesia, are anticipated to see rapid growth in imports. China will see a rise in imports because of the trade development at a rapid pace following its entry into the WTO. Import growth in three other nations will be prompted by their powerful domestic demand. Overall, as the U. S. Dollar remains weak and Asian nations gradually recover from the SARS virus, Asian currencies will see a trend of appreciation in 2004.

Taiwan was hit hard by the SARS outbreak in 2003. Its economy, nevertheless, recovered rapidly during the second half of the year. Amidst the boom in exports, the real estate market rebounded, stimulated by low interest rates and soft housing loans. Taiwan is expected to live up to the 5% economic growth in 2004 set by the government. As U. S. Dollars remain weak, the local currency New Taiwan Dollars is expected to appreciate. While the Central Bank of China generally supports the government policy of a stable local currency, New Taiwan Dollars are expected to appreciate at a mild pace. With respect to interest rates, the Central Bank of China in general pegs to the U.S. Fed pace. The Fed is not expected to raise the interest rate until the second half of 2004. Judging from how the Central Bank of China previously managed interest rates and how the United States operates its interest rate policy, we do not expect the Central Bank of China will raise interest rates in 2004, and if it does after September 2004, the increase will not exceed 0.125%.



● Treasury Division



Corporate Banking

Since the second half of 2003, the American economy entered a period of circulatory expansion. Japan's economy has turned upward as well. Even European nations which have seen economic recovery at a slow pace have shown signs of revival. As forecast by JP Morgan Chase, the real-term GDP growth of the entire world will reach 5.4% by Quarter III 2004, a 20-year high in terms of growth in a single quarter. The OECD forecasts that next year, the thirty OECD member countries will have real-term GDP growth hit the 3.0% mark, a rate way above this year's 2.0%. By next year, world trade will grow by as high as 7.8% compared with 4.0% growth this year. As the world economy picks up, Taiwan will show growth in both indices in export orders and industrial production and see promising prospects.

On the other hand, nevertheless, potential risks might challenge the stability of the global economy. First of all, the United States has witnessed worsening current account and financial deficits which will mean tremendous pressure upon Japan, China, S. Korea and Taiwan which have held huge foreign exchange reserves and foreign trade surpluses for appreciation of their currencies against the continual rise of their exports. Next, as most countries the world over will see their economies pick up, interest rates are subject to rise. Once interest rates increase, it will make an impact upon consumption in the non-government sector and upon entrepreneur investments. Meanwhile, revival of the world economy will boost demand for raw materials, stimulate price increase and, in turn, erode profitability to bring added variables upon the stability of the world economy.

Amidst the rapid changes in industrial environments, the management in businesses will face up to equal opportunities and challenges. They must try by all available means to catch the upward trend, to accelerate deployment in internationalization, and expand business horizons. On the other hand, they must keep potential risks under control, do their best possible in fund management and take countermeasures against changes in interest rates and exchange rates. With regard to interest rate and exchange rate risks, they call for more diversified use of financial derivatives. Banks themselves are subject to intense competition themselves prompted by Taiwan's admission to the WTO membership and the ever-increasing trend towards scale and larger financial holding companies. The corporate banking team must try to break through the conventional bottleneck and provide cross-border and integrated financial services before they can attain significant growth.

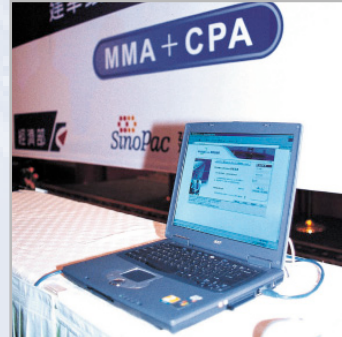
Here at Bank SinoPac, we have set a clear mission of banking development to become the best Chinese-operated bank of the Asia-Pacific Rim. In sales promotion, we will be continually building added service strongholds in the Pacific Rim, by utilizing Far East National Bank in the United States, the Los Angeles Branch, Vietnam Office and the establishment of the full-service branch at Hong Kong. So far, Bank SinoPac has been able to live up to the utmost customer satisfaction with cross-



● Settlement Counter in Fu Cheng Branch, SinoPac Securities



border and integrated services. We have set up a “Pan Asia Group” under the Corporate Banking Division to better serve our customers, in particular Taiwan-based investors, including the logistic centers in Taiwan, manufacturing bases in Vietnam, trading strongholds in Hong Kong as well as marketing teams in the United States. All our customers will benefit from our one-stop service channels.



Bank SinoPac launched the CrossPacific Account (CPA)

To further help entrepreneurs boost their cross-border competitive edge, Bank SinoPac has teamed up with IBM China Research Center to integrate the banking services of all Pacific Rim strongholds. In November, we officially launched the CPA(CrossPacific Account), making available to small and medium businesses two major solutions in cross-border cash management and cross-border financing. This, again, demonstrates Bank SinoPac’s powerful performance in innovation. Thanks to the high added values available through the our CPA financial services, we won over six hundred business conglomerates joining our CPA service networks within merely two months. Meanwhile, our prominent MMAb2b website has been under regular daily use by nearly nine thousand members. In September, it was rated by Global Finance “ The Best Corporate/Institutional Internet Bank in Taiwan”. Bank SinoPac was again recognized for its leading position in terms of network banking services.

Looking ahead to the year 2004, under our new financial holdings framework, our corporate banking services will virtually remove the barriers between an investment-oriented bank and a commercial bank and integrate them into a customer-oriented financial conglomerate for value-added overall performance. In turn, we will continue to bring about new breakthroughs in corporate banking services.

Retail Banking

In the year 2003, the world economy witnessed signs of an upturn at a slow pace. The world was hit hard by the Iraqi War and the SARS epidemic. Luckily, the SARS virus was brought under control before too long. Meanwhile, both the United States and Japanese economies picked up at a significant pace, making possible a significant upturn of Taiwan exports and manufacturing. Meanwhile, as interest rates continually dropped downward and banks continually saw the interest spread narrowing, many banks saw limited profitability. We must make use of sound risk management mechanisms, solid loan culture through powerful sales teams, and use innovative products in line with a variety of automation tools to continually boost performance and functions before we can stand out amidst the tough competition.

Our popular MMA.com online service was cited in 2002 by Global Finance, an international financial publication, as the “Asia-Pacific’s Best Consumer Banking Integrated Site”, “Taiwan’s Best Consumer Internet Bank” and other honors. Bank SinoPac has emerged as a virtual reality branch bank in coordination with our MMA products and

upgraded internet channel marketing power and increased successful sales through the networks. Thanks to the 1-to-1 marketing and Data Mining mechanism, we have successfully attracted more and more clients to our networks. As an encouraging result, we have minimized branch operating costs, increased sales opportunities and improved overall performance for the entire bank that exceeds expected targets.

As deposit interest rates have been continually dropping these years, clients must, reluctantly, endure the reduced deposit interest because of volatility in other investment options. To put clients' deposits to maximum use, Bank SinoPac rolled out "interest-free mortgage loan" on July 1, 2003. As of December 31, 2003, we booked NT\$3.89 billion of these mortgages. Bank SinoPac ranks 9th in Taiwan in terms of mortgage loan volume.

As of December 31, 2003, here at Bank SinoPac, the balances of consumer banking loans came to NT\$148 billion, including 198,494 clients using investment management accounts, amounting to NT\$51 billion in deposits. Balances of loans outstanding amounted to NT\$71 billion; gross profits NT\$2 billion. The number of deposit accounts in Prestige Banking is 18,627, amounting to NT\$53 billion; the number of loan accounts is 7,289, outstanding amounting to NT\$51 billion and gross profits amounting to NT\$1 billion. Also during the year, Bank SinoPac generated NT\$240 million revenue from handling fees in fund sales and mortgage loans. Pastdue individual loans accounted for only 1.12% of total loans. During the year, a total of NT\$766 million was written off as non-performing personal banking loans, accounting for 0.52% of total personal loans. Bank SinoPac outperformed all other non-government banks in terms of profitability and overall performance.

International Banking

Foreign exchange, trade finance and OBU activities lead our international activities. Here at Bank SinoPac, we spared no effort during 2003 to help entrepreneurs in Taiwan carry out their trading activities by granting financing to meet their needs. Teaming up with Far East National Bank in the United States, we successfully developed cross-border remittance and financing services between Taiwan and the United States. Bank SinoPac obtained its OBU license from the Ministry of Finance as early as 2001. With that license, we have been approved for expanding financial transactions and activities directly with financial institutions, business concerns, organizations and individuals in Mainland China, including such activities as deposits, remittances, import & export negotiation, payment & collection services as an agent. Further in April 2003, we were approved to render services through an OBU to financial institutions, corporations and individuals in Mainland China, extending loans and factoring products. We were also approved as a bank appointed to conduct foreign exchange to render financial services between Taiwan and Mainland China with financial institutions in Mainland China and their overseas branches, covering import and export related foreign exchange services, inward and outward remittances, factoring, guarantees and other services. Our clients in Taiwan, Hong Kong and Mainland China can enjoy readily available SinoPac services in foreign exchange and trade finance .

Through the OBU, we during 2003 mainly focused on securities of overseas markets. We selected strong securities issued by superior overseas enterprises and banks as targets for investment. We invested in their corporate bonds, convertible bonds and other bonds to assure the best possible profitability in a secured transaction. Other than investment in general bonds, we also tried to make better profits under the same risk range by means of using asset



swaps. Through such strategies, we obtained the maximum possible utilization of SinoPac funds.

Also during 2003, we focused on credit derivatives and asset securitization. At the moment, we mainly invest in credit-linked bonds which meet investment guidelines. We offer tailor-made products to customers that match their investment and return criteria.

Wealth Management Business

The trust business represents the faith clients have in our professionals who manage their assets. Bank SinoPac has always tried by all available means to render the most trustworthy and expert trust services under the strictest philosophy and expertise. We have accumulated vast and extensive hands-on experience and have won widespread acclaim and support from numerous satisfied customers. We work very hard to keep up with recent changes in laws and regulations concerning trust legislation and explore new categories of trust products to meet the increasing return demands of our customers.

Based on the mode that the trust business and trust products have developed in recent years, trust products can be roughly classified into the two major categories below: (I) Trust commodity planning and design. Namely, in line with different trust demands from customers, the trust businesses design and develop varied trust products, e.g., trust on children's education, trust on personal property, insurance money trust, retirement endowment trust, last testament & will trust and the like. (II) Trust property utilization & management. Namely, the trusted financial institutions operate and manage trusted properties in the trading markets as appropriate. For instance, such trust products might include fully authorized trust investment, common trust funds, pooled management and utilization of the accounts. Here at Bank SinoPac, we have closely associated ourselves with the aforementioned trends and trust platforms. With incessant efforts, we work out a great variety of trust asset management products and integrate them under the bank-wide wealth management framework.

In 2003, our trust funds with specified purpose of investing in domestic common funds and overseas securities amounted to NT\$41 billion. Stocks, corporate bonds and other securities totaled NT\$55 billion. As the custodian bank for securities trust investment companies in raising domestic common funds, we held balances of trusts under our custody amounting to NT\$166 billion as of December 31, 2003, growing by 11.7% annually. As the trustee for bond issuance, we issued trust bonds totaling NT\$137 billion in balances. Besides, we have undertaken trust management for a variety of other property, including Collective Investment Trust Fund(CITF), custody of domestic securities invested by foreign investors, trusts by business concerns for fringe benefits of their employees and for savings trusts. Overall, the balance of all assets under trust custody totaled NT\$296 billion as of December 31, 2003, growing by 14.1% over the preceding year.

Investment Banking

The Investment Banking Division manages the Bank's investments in equity-related securities such as stocks, convertible bonds, mutual funds and other instruments in both the financial and non-financial sectors. Its goal is to integrate and administer the resources of the group's member companies and to seek profitable investment



opportunities for the Bank and its affiliates. The department provides corporate financial management consulting services, helping companies complete fund-raising projects under their own requirements. The department also manages syndication loans for companies in need of large amounts of capital and provides clients with the best fund-raising solutions.

The Bank was again cautious on stock investments in 2003. At the end of 2003, the outstanding balance of long-term stock investments stood at only NT\$641 million, mutual funds at NT\$173 million, domestic convertible bonds at NT\$631 million, and overseas convertible bonds at NT\$3 billion. In corporate financing, the bank arranged a syndicated loan of NT\$5.76 billion for Lone Star Asset Management Company in 2003.

Treasury Operations

The Treasury Department in 2003 expanded its product scope and enjoyed very strong profit growth. In addition to providing more diverse financial products and increased research in new products, the Bank has also been an active player in the markets of FX Swaps, IRS and Non-Principal Forwards.

The Bank currently trades numerous derivative securities including DF, NDF, FX Swap, FX Option, IRS, CCS, FRA, Futures, Cap/Floor, Swaption and other combination products. With respect to FX Options, the Bank has been providing quotes in the brokerage market for NTD Exchange Rate Options from 2002 and has been aggressively providing two-way market quotes from 2003, becoming a lead quote provider for domestic banks. In addition, the Bank is the only domestic bank that provides quotes for FX Options in the brokerage market. This capability has promoted significant increase of the Bank's market share for derivative securities transactions.

To ensure the depth and extensiveness of the Bank's treasury products, we are determined to grow Bank-Customer relationships and to provide customers with diverse products to enable the double-digit growth of their foreign exchange and money market portfolios.

Human Resources

Bank SinoPac regards the development and integration of human resources as one of its top priorities. Every year, we try to solicit top-caliber human resources through campus visits and develop them into a promising professional workforce. We attract senior experienced professionals from Taiwan and abroad to join SinoPac as mid- and high-level department managers. In the first half of 2003 when Taiwan was hit hard by SARS, we solicited human resources by means of online examinations, networks and phone interviews. We successfully hired nearly 150 new graduates and 140 experienced senior staff members.

Although we continually recruit newcomers, we also develop our SinoPac team members through educational & training programs and job rotation to meet our needs in human resources. In 2003, Bank SinoPac consisted of 2,026 staff members, where university and higher level graduates accounted for approximately 84% of the total. Merely 31 years in average age, SinoPac team members are young, vigorous and talented. The department/section heads and entry level staff are 4: 6 in ratio. Outstanding talented staff members are given tremendous room for promotion. As a



result, all SinoPac staff members take great pleasure in sharing the SinoPac success and regard achievements as their own.

“High-caliber human capital ” play a pivotal role behind SinoPac’s rapid and steady growth. In all educational & training programs and other activities, our goal is to develop professional skills and expertise in our staff. In 2003, we achieved an all-time high record in terms of the number of trainees satisfactorily completing our training programs. We encourage and guide SinoPac staff members who take part in government-sponsored examinations and obtain professional financial services and banking licenses. In 2003, we further teamed up with information companies to jointly build the internet and intranet network educational platforms to enable our staff members to learn free of time and place restrictions. In the aspect of control over operating risks, we provide sound training programs to the department heads concerned and launch bankwide accreditation examinations. In this continuous education environment, the entire staff will keep themselves abreast of the trends in quality of services and operating risks.

Our extensive programs in human resources development represent our long-term investment toward the SinoPac staff. This, as well, represents our ultimate goal in human resource management, to maximize returns to employees, shareholders and SinoPac itself.

Staff Education Level

• December 31, 2003

	2003		2002	
	No.	%	No.	%
Postgraduate	412	20.3	373	17.5
University	1,294	63.9	1,415	66.3
Junior College	275	13.6	305	14.3
High School	42	2.1	40	1.8
Other	3	0.1	2	0.1
Total	2,026	100	2,135	100
Training	Persons	Hours	Persons	Hours
In-house	15,662	98,838	12,711	125,441
Outside	699	11,303	429	9,878

Position and Seniority

• December 31, 2003

	2003		2002	
	No.	%	No.	%
Officer	822	40.6	658	30.8
Staff	1,204	59.4	1,477	69.2
Avg. Age	31.93		30.54	
Avg. Seniority (years)	4.15		3.38	



Risk Management

A. Credit Risk

Under the SinoPac risk management policy, we make sure that detailed market surveys and risk assessment be completed before we launch a business activity so as to select sound and accurate target markets. After target markets are chosen, we ensure meticulous enforcement of credit investigation and credit analysis. Through sound management and internal controls, we reassess our performance on a periodic basis and offer the assessment results to the sales departments for their reference and for their readjustment of the target markets in due time. Moreover, we have set up guidelines for corporate loans to assure sound enforcement of the SinoPac principles of credit compliance sound business operations, diversification of risks, adequate liquidity, and a sound asset return rate. These principles prove to be well founded and assure the superior quality of our assets.

Under our sound risk diversification policy, we have set limit quotas for loans granted to any single client, business group, industry, product and correspondent banks. Meanwhile, as we are scheduled to enforce Basel II by 2006, we will complete the establishment of the “internal credit rating risk model” (known as IRB), “e-oriented credit review system”, “risk management databases” as comprehensive tools of risk management. Meanwhile, we shall strengthen the electronics-oriented operating systems so as to assure accurate risk management system and, in turn, create superior assets in loans.

B. Market Risk:

With regard to Bank SinoPac’s market risk management, we fully conform with the SinoPac Holdings risk management policies. Through continual and stringent management steps, we thoroughly carry out the operational control mechanism. Through systematic and professional teamwork, we put trading risks under strict control every day.

Targeting credit and market risks which might occur in financial operations, we adopt the following sound trading and risk management systems that SinoPac has established for control of exchange rate and interest rate related financial products:

1. Control over the trading limit: Every year, we review authorized limits for various products, limits to the trading counterparts, categories and limits on tellers. The authorized limits are approved by the board of directors and executives before being put into force. We review business operations daily and take immediate countermeasures whenever authorized limits are exceeded.
2. Control over price risks: On the update of various products, status at end of a day, market price assessment, control over stop and reverse (SAR) or Cut-Loss, trading sensitivity analysis (e.g., Duration, BPV, Delta, Vega and such figures), profitability of various products traded by tellers, we can obtain accurate figures through the control systems and provide them to department heads for reference every day.
3. Through the risk value assessment system, we calculate the “Value at Risk” of the trading every day and provide the findings to the risk management unit as reference. Other than the requirements under the “Basel Capital Accord”, we will further enhance the operations regarding capital deployment, performance rating and strengthened risk management.

Over the past year, our Hong Kong Branch has been increasingly vigorously in financial operations. With close teamwork, it has successfully controlled SinoPac’s overseas branch market risks.



As of December 31, 2003, Bank SinoPac held fixed gain oriented bonds in New Taiwan Dollars amounting to NT\$3 billion, with approximately NT\$3 million in value of risk (VaR). The sensitivity analysis for price change of 1 basis point came to -NT\$400,000. Meanwhile, Bank SinoPac held a total of NT\$272 billion of the contracts in forward interest rate agreements, interest rate swap, foreign exchange options and such derivatives with approximately NT\$8 million in value of risk (VaR). The value of risk (VaR) in trading-oriented derivatives came to approximately NT\$13 million.

Capital Adequacy		• In NT\$ millions		
	2003/12/31		2002/12/31	
	Bank SinoPac	Consolidated (*)	Bank SinoPac	Consolidated (*)
Capital				
Tier I	22,388	24,248	21,377	22,886
Tier II	4,463	5,535	2,322	2,794
Tier III	-	-	-	-
Ratio				
Tier I	10.33%	8.55%	11.59%	9.59%
Tier II	2.06%	1.95%	1.26%	1.17%
Tier III	-	-	-	-
Total	12.39%	10.50%	12.85%	10.76%

* The consolidated data include the accounts of Bank SinoPac, Far East National Bank, SinPac Leasing, SinoPac Capital and SinoPac Financial Consulting.

Summary of Credits

Breakdown by Business Segment		• In NT\$ millions		
	2003/12/31		2002/12/31	
	Amount	%	Amount	%
Corporate	110,644	42.5	82,469	37.6
Loans	62,291	23.9	51,601	23.5
Bills & Bonds	12,469	4.8	9,509	4.3
Guarantees & Acceptances	14,753	5.7	11,080	5.1
Factoring	14,737	5.7	6,970	3.2
Derivatives	6,394	2.4	3,309	1.5
Individual	149,835	57.5	136,847	62.4
Loans	149,835	57.5	136,847	62.4
Total Credit Exposure	260,479	100	219,316	100.0
Growth Rate		18.8%		15.4%

* Loans figures include, discounts, and bills purchased.

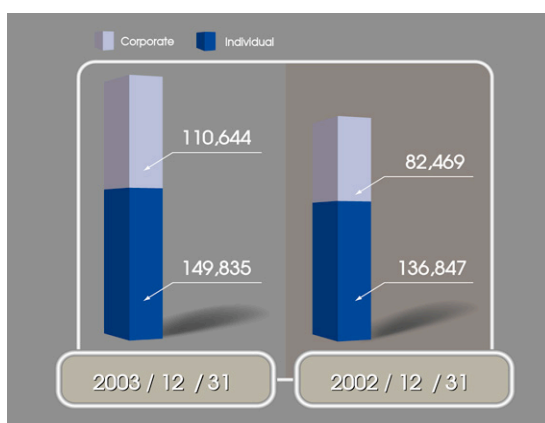
** Bills are short-term papers which we buy in OBU operations. Bonds mean corporate bonds where we undertake credit risk through outright-buy or asset swap.

Corporate Credit Exposure-Distribution by Industry • In NT\$ millions

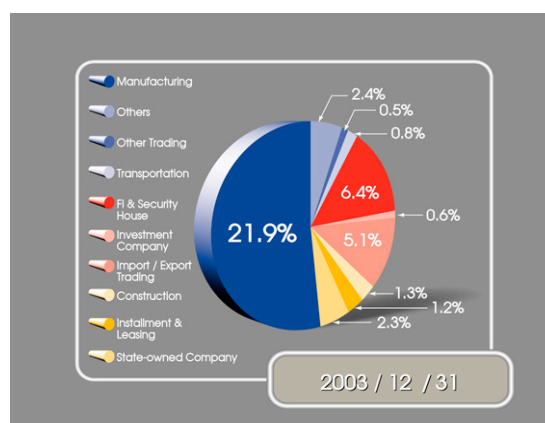
	2003 / 12 / 31		2002 / 12 / 31	
	Amount	%	Amount	%
Manufacturing	57,062	21.9	40,074	18.3
State-owned Company	5,882	2.3	7,935	3.6
Construction	3,382	1.3	4,376	2.0
Installment & Leasing	3,133	1.2	2,061	0.9
Import / Export Trading	13,365	5.1	7,768	3.5
Investment Company	1,432	0.6	1,258	0.6
FI & Security House	16,538	6.4	11,613	5.3
Transportation	2,171	0.8	1,886	0.9
Other Trading	1,396	0.5	633	0.3
Others	6,283	2.4	4,865	2.2
Total	110,644	42.5	82,469	37.6

* Total credit exposures include all credit facilities: loans, bills & bonds, guarantees & acceptances, factoring and derivatives.

Breakdown by Business Segment



Corporate Credit Exposure-Distribution by Industry



Corporate Credit Exposure - Manufacturing Industry Breakdown • In NT\$ millions

	2003 / 12 / 31		2002 / 12 / 31	
	Amount	%	Amount	%
Iron & Steel	4,320	1.6	3,011	1.4
Textile	3,578	1.4	3,467	1.6
Electronics	29,889	11.5	21,621	9.9
Electric Appliances	9,325	3.6	5,198	2.4
Chemical	7,099	2.7	4,916	2.2
Food	760	0.3	896	0.4
Others	2,091	0.8	965	0.4
Total	57,062	21.9	40,074	18.3

**Individual Credit Exposure**

• In NT\$ millions

	2003/12/31		2002/12/31	
	Amount	%	Amount	%
Mortgage Loans	141,859	54.5	131,769	60.1
Auto Loans	848	0.3	376	0.2
Others	7,128	2.7	4,702	2.1
Total	149,835	57.5	136,847	62.4

Breakdown by Tenor and Security

• In NT\$ millions

	2003/12/31		2002/12/31	
	Amount	%	Amount	%
1 year or less	81,579	31.3	58,488	26.7
Over 1 year to 7 years	57,504	22.1	54,297	24.7
Over 7 years	121,396	46.6	106,531	48.6
Total	260,479	100	219,316	100.0
Secured	171,694	65.9	150,691	68.7
Unsecured	88,785	34.1	68,625	31.3
Total	260,479	100	219,316	100.0

Summary of Overdue Credits

• In NT\$ millions

	2003/12/31	2002/12/31
	Amount	Amount
Overdue Credits	883	1,771
Non-Performing Loans	2,840	2,027
Total Overdue Credits	3,723	3,798
Loans under Surveillance	832	2,095
Loans under Surveillance / Total Loans	0.39%	1.11%
Total Overdue / Total Credits	1.43%	1.73%
Total Overdue / Total Loans	1.76%	2.01%
Provision for Credit Losses	1,505	1,200
Charge-Off	1,472	1,038
Other Real Estate Owned	1,337	380
Bad Debt Reserve		
-Loans	1,545	1,451
-Guarantee Contingent Liabilities	33	33
-Other Receivables	50	113
Total Bad Debt Reserve	1,628	1,597
Bad Debt Reserve / Non-Performing Loans	57%	79%

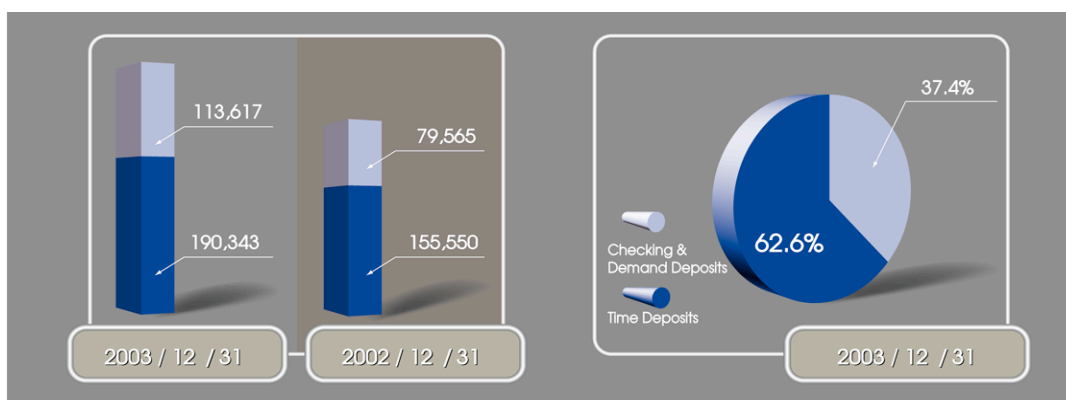
* Delinquent Loans are Credits with respect to which (i) payments of principal are more than three months past due, (ii) payments of interest are more than six months past due if payments of principal have not become past due or (iii) an installment is more than six months past due; and Non-performing Loans are Credits with respect to which (i) payments of principal or interest are more than six months past due or (ii) legal action for repayment has been instituted against the customer or the collateral securing such Credit.

Summary of Deposits

• In NT\$ millions

	2003 / 12 / 31		2002 / 12 / 31	
	Amount	%	Amount	%
Checking Deposits	4,413	1.4	1,587	0.7
Demand Deposits	18,077	6.0	14,261	6.1
Foreign Currency Demand Deposits	30,452	10.0	14,901	6.3
Savings-Demand Deposits	60,675	20.0	48,816	20.8
Subtotal	113,617	37.4	79,565	33.9
Time Deposits	95,389	31.4	77,998	33.1
Foreign Currency Time Deposits	34,623	11.4	19,390	8.3
Savings-Time Deposits	60,331	19.8	58,162	24.7
Subtotal	190,343	62.6	155,550	66.1
Total Deposits	303,960	100	235,115	100
Loan to Deposit Ratio	70%		80%	

Summary of Deposits



Securities Investments

• In NT\$ millions

	2003 / 12 / 31	2002 / 12 / 31
Commercial Paper	16,999	9,379
Bank Acceptances	-	-
Treasury Bills	719	3,940
Government & Corporate Bonds	7,589	8,184
Beneficiary Certificates	614	152
Listed Stocks (*)	2,897	2,897
Price Decline Reserve	-	-
Total	28,818	24,552

* As of 2003.12.31, the balance includes SinoPac Holdings' stock worth NTD 2,897 million.



Quasi-Liquid Assets

• In NT\$ millions

	2003 / 12 / 31	2002 / 12 / 31
Cash & Near Cash	90,824	66,128
Inter-bank Assets	30,207	21,595
Security Investments	28,818	24,552
Total	149,849	112,275
Quasi Liquid Ratio	36.5%	34.0%

Foreign Exchange Business

• In US\$ millions

	2003	2002
Export Negotiation & Collection	1,180	645
Letters of Credit & D/P, D/A	1,061	662
Inward Remittances	18,018	9,888
Outward Remittances	15,718	9,089
Bills Collection & Purchases	21	19
Cash & Travelers' Checks	58	67
Total	36,056	20,370

Summary of Income and Expenses

• In NT\$ millions

	2003		2002	
	Amount	%	Amount	%
Interest Income	9,629		11,218	
Interest on Money Market Instruments	1,556		1,856	
Interest Expense	5,091		6,747	
Net Interest Income	6,094	79.4	6,327	90.0
Provision for Credit Losses	1,505	19.6	1,200	17.0
Provision for Trading Loss	-	-	14	0.2
Net Interest Income after Provision for Credit Loss & Trading Loss	4,589	59.8	5,113	72.8
Fee Income (Net)	1,147	14.9	816	11.6
Capital Gain on Short Term Paper etc. (Net)	611	8.0	223	3.2
Capital Gain (Loss) on Stocks Trading (Net)	170	2.2	(5)	(0.1)
Gain on Long Term Equity Investment under The Equity Method (Net)	640	8.3	479	6.3
Foreign Exchange Gain (Net)	(568)	(7.4)	126	1.8
Other Operating Income (Net)	1,088	14.2	293	4.6
Operating Income	7,677	100.0	7,045	100.0
Operating and Administrative Expenses	4,786	62.3	4,394	62.4
Operating Profit	2,891	37.7	2,651	37.6
Non-operating Income (Net)	121	1.6	109	1.5
Net Profit before Income Tax	3,012	39.2	2,760	39.2
Income Tax	258	3.4	505	7.2
Net Profit	2,754	35.9	2,255	32.0



Gains on Long Term Investments				• In NT\$ millions		
	2003/12/31			2002/12/31		
	Amount	Holding%	Gain	Amount	Holding%	Gain
Equity Method						
SinoPac Bancorp	5,259.1	100.00	342.6	5,033.0	100.00	290.2
SinoPac Leasing	2,163.5	99.77	162.7	2,040.7	99.77	143.3
Rocorp Holding	-	-	-	3.5	33.33	-
SinoPac Securities	-	-	-	-	-	172.4
SinoPac Capital Ltd.	1,021.1	99.99	134.4	898.6	99.99	(42.9)
SinoPac Financial Consulting	2.2	97	(0.003)	3.3	97.00	1.3
AnShin Card Services	-	-	-	-	-	(202.6)
SinoPac Life Insurance Agent	-	-	-	79.5	97.00	77.4
SinoPac Property Insurance Agent	-	-	-	3.8	97.00	1.8
Sub-total	8,445.9		639.7	8,062.4		440.9
Cost Method	1,024.8		17.0	1,045.6		6.2
Less: Allowance for market value decline	281.5			(290.5)		
Total	9,189.2		656.7	8,817.5		447.1

Significant Events in 2003



Bank SinoPac was honored by "The Asset" as the "Best Commercial Bank in Taiwan".



Bank SinoPac relocated its Banking Division.



Bank SinoPac and Deutsche Bank signed Memorandum to launch CPPI (Constant Proportion Portfolio Insurance) products.



Bank SinoPac Pingtung Branch relocated its office.



Bank SinoPac was rated by Asiamoney as "Best Commercial Bank in Taiwan" and the "Best Cash Management Bank in Taiwan".



Bank SinoPac teamed up with Philharmonic Radio Taipei Co. Ltd. to sponsor "SinoPac & Philharmonic Awards to Elite in Music".



Joint Press Conference of Bank SinoPac and Deutsche Bank



2003 Young Artist Showcase



Bank SinoPac teamed up with ET-Mall.com, rendering online financial services to nearly one thousand ET.Mall.Com vendors in concert with department stores and banking systems.



Bank SinoPac was rated by "Euromoney" as the "Best Bank in Taiwan".



Bank SinoPac Keelung Branch relocated to new offices.



Bank SinoPac teamed up with Allianz Dresdner Asset Management to announce that Allianz Dresdner Asset Management will serve Bank SinoPac as one of the key consultants in the wealth management field.



Bank SinoPac was honored by "Global Finance" as the "Best Corporate/Institutional Internet Bank in Taiwan".



Bank SinoPac was selected by "The Banker" as "Bank of the Year in Taiwan".



Bank SinoPac was rated by "Euromoney" as the "Best Corporate Governance Company in Taiwan".



Bank SinoPac, Fengyuan Branch held its grand opening.



Bank SinoPac Chupei Branch held its grand opening.



Bank SinoPac was judged by "The Asset" as the "Best Commercial Bank in Taiwan".



Bank SinoPac launched the CPA (CrossPacific Account), spearheading the entire banking field as Taiwan's first bank providing cross-border integrated banking service platforms, helping small and medium businesses in the Pacific Rim manage their financial activities.



Bank SinoPac was awarded by Euromoney as "The Best Bank in Taiwan"



Bank SinoPac Signed consultancy memorandum with ADAM



Bank SinoPac launched the Cross-Pacific Account (CPA)

SUBSIDIARIES PROFILE



FAR EAST NATIONAL BANK

FAR EAST NATIONAL BANK (“FENB”) was founded in 1974 as the first federal-chartered Asian American bank in the United States. The Bank was acquired in August of 1997 by Bank SinoPac of Taipei, Taiwan.

In the past few years, FENB has successfully transformed itself into a full-fledged commercial bank through adapting its organizational structure to include increases in staff and capital investment. Both corporate and individual banking services are provided through a total of 15 branches in Los Angeles, Orange County, San Francisco, Oakland, and the Silicon Valley, along with an overseas Beijing Representative Office. FENB also has a special strategic relationship with First Sino Bank in Shanghai. Additionally, FENB is applying for its first overseas branch license in Vietnam. Far East National Bank now has more than 300 employees with total assets of more than US\$1.7 billion.



Far East National Bank is an important service provider for U.S.-based businesses interested in expanding their products and services into and from Taiwan, Hong Kong, China and Vietnam. FENB provides a unique network on both sides of the Pacific Rim, facilitating our unparalleled ability to integrate our clients’ international business interests.

To provide more diversified and expanded financial services to our customers, **FENB SECURITIES, INC.** was established on July 1, 2001. FENB Securities is dedicated to providing professional and personalized investment services to assist clients in meeting their financial goals. Products include US stocks, US bonds, mutual funds, annuities, life insurances and Taiwan stocks.

FENB also offers corporate advisory and capital services through the Bank’s wholly-owned subsidiary, **FAR EAST CAPITAL CORPORATION**. Far East Capital Corporation engages in corporate advisory services to emerging and high-growth companies and obtains corporate mandates to raise equity capital, senior debt, mezzanine debt, and equity capital in support of client business plans.



Far East National Bank continues to expand and direct its operation scale towards CrossPacific Financial Services and becoming a regional bank with a focus on North America and the Pacific Rim. www.fenb-us.com.

● **Far East National Bank offers the following products and services:**

COMMERCIAL FACILITIES

- * Working Capital
- * Trade Finance
- * Small Business Loan
- * Real Estate
- * Construction
- * Specialized Structured Financing

INTERCONTINENTAL

FINANCIAL SERVICES (ICFS)

- * Professional staff to assist customers’ personalized banking and investment needs in Taiwan, China and the U.S.
- * CrossPacific Account (CPA)

TREASURY SERVICES

- * Full support to business owners, CEOs, or treasurers involving foreign exchange
- * Foreign Currency Deposits
- * Interest Rate Risk Hedging
- * Investment



CASH MANAGEMENT

- * Integrated Funds Management
- * ACH
- * Deposit Reporting
- * Controlled Disbursement

DEPOSITS

- * Checking
- * Savings
- * Money Market
- * Time Certificate of Deposit

INTERNET BANKING

- * Account Management
- * Bill Payment

CORPORATE ADVISORY

- * Fee-based corporate advisory tailored for the special circumstances of emerging companies

CONSUMER LENDING

- * Auto Loans
- * Credit Cards
- * Home Equity Lines of Credit & Loan
- * Mortgages
- * Money Management Account (MMA)



SINOPAC CAPITAL LTD. (HK)

SinoPac Capital Limited started up business operations in Hong Kong in June 1999, as Bank SinoPac’s first overseas stronghold in Asia. Other than investment in its own business lines, it mainly provides small and medium businesses with their required working capital, structural asset oriented financing. It also helps business concerns carry out restructuring through strategic loans.

SinoPac Capital Limited deals with potential risks amidst the small and medium businesses, in particular watchfulness to minimize possible risks as it lives up to customer satisfaction in their needs. Amidst the SinoPac conglomerate, SinoPac Capital Limited is specifically positioned. Under the customer-oriented policy, it coordinates marketing for cross-border products to make integral financing services available to customers. It is acknowledged as the flagship outlet of the entire SinoPac Group rendering direct or structural financial services.



SINOPAC LEASING CORPORATION

SinoPac Leasing Corporation (formerly known as Bank SinoPac Leasing Corporation), incorporated in September 1997, functions as a prominent player in rendering financing services to small and medium businesses.

Primarily, SinoPac Leasing Corporation serves small and medium businesses through leasing of machinery & equipment, supplies, trading in installments and real estate leasing. In line with the needs of small and medium businesses to develop their overseas subsidiaries, SinoPac Leasing Corporation is also a channel for providing factoring services.

With sound positioning and appropriate strategies, SinoPac Leasing Corporation has successfully developed its business and expanded its organization. Within merely six years, it has gained market share in the financing to small and medium businesses, and is a significant player among the SinoPac Group.





SINOPAC FINANCIAL CONSULTING CORPORATION

Incorporated in July 1999, SinoPac Financial Consulting Co., Ltd. integrates the human resources, know-how, experiences and expertise of the SinoPac Group to help customers effectively obtain or utilize their financial resources. Through its services, customers will gain added momentum to grow and develop.

In the fields of fund raising and utilization, SinoPac Financial Consulting Co., Ltd. specifically stresses case planning on the shareholding tools and credit tools (including general bank credits, leasing and such non-bank credit).

● **Business lines: consultation, planning and brokerage services, including notably the following, as required for business concerns:**

- * Found brand new business undertakings.
- * Raise funds.
- * Dispose non-performing assets.
- * Launch M&A and strive for strategic alliance.
- * Launch investment at home and abroad.

● **The aforementioned services are accomplished through measures enumerated below:**

- * Market survey, competitive edge analysis and strategic development.
- * Anticipation of sales target, financial estimate and working-out of financial statements.
- * Corporation and shareholding evaluation.
- * Feasibility study, draw-up of business and investment prospectus.
- * Seeking investment or trading counterparts.
- * Seeking investment or trading targets.
- * Planning for financing.



Operation Information

• Expressed in millions of NTD, except EPS

Company	Paid-in Capital	Total Assets	Total Liabilities	Stockholders' Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (After Tax)	Earnings Per Share (After Tax)
Bank SinoPac	19,444	409,994	383,847	26,147	15,077	2,890	2,754	1.42
SinoPac Bancorp(Note 2)	3,816	55,862	50,515	5,347	3,119	677	442	22,097.50
SinoPac Leasing Corporation	1,600	5,499	3,548	1,951	861	122	171	1.07
SinoPac Capital Ltd. (HK)	1,007	5,996	4,891	1,105	504	209	161	0.70
SinoPac Financial Consulting Co., Ltd.	2	2	0	2	3	0	0	0.08
Far East National Bank	3,830	55,921	50,637	5,284	2,686	1,886	457	2,608.80
Far East Capital Corporation	119	121	51	70	3	0.5	(15)	(42.09)
FENB Securities, Inc.	24	62	27	35	37	36	21	8,598.88
FENB Film Corporation	0.03	37	116	(79)	0	(0.3)	(22)	(217,865.77)
FENB Loan Corporation	0.03	37	72	(35)	0	(37)	(22)	(219,589.25)



Company	Paid-in Capital	Total Assets	Total Liabilities	Stockholders' Equity	Total Operating Revenue	Operating Income (Loss)	Net Income (After Tax)	Earnings Per Share (After Tax)
FENB Services, Inc.	0.03	0.03	0	0.03	0	(0.001)	(0.001)	(8.6)
Film Service Management Corporation	0.003	0.003	0	0.003	0	0	0	0
Grand Capital International Limited	1,016	6,493	5,077	1,416	618	140	96	3.21
SinoPac Capital (B.V.I.) Ltd.	151	405	0	405	41	41	41	9.02
Shanghai International Asset Management (Hong Kong) Co., Ltd.	35	40	0	40	36	1	1	0.11
Allstar Venture Ltd. (B.V.I.)	0	501	684	(183)	34	(36)	(51)	(25,296,037)
Cyberpac Holding Ltd. (B.V.I.)	136	386	342	44	71	(7)	(13)	(3.25)
Pinnacle Investment Management Limited	7	4	0	4	0.02	(0.25)	(0.25)	(1.26)
RSP Information Service Company Ltd.	4	3	0	3	0	(1)	(1)	(0.99)
Wal Tech International Corporation	265	602	412	190	101	(0.04)	(13)	(0.47)
IntellSys Corporation	165	311	110	201	155	9	8	0.52

Note1: Exchange Rate : USD/NTD : 33.978 ; HKD/NTD : 4.3769

Note2: The amount were based on consolidated financial statements.

Concise Company Profile

• Expressed in millions of NTD, USD, or HKD

Company	Date of Incorporation	Address	Capital	Main Business
Bank SinoPac	1992.01	B1-3F, 45, Han Ko Street, Sec. 1, Taipei, Taiwan, R.O.C.	19,444	Commercial bank
SinoPac Bancorp	1997.06	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 112	Stock holding Company
SinoPac Leasing Corporation	1997.09	7F, 132, 136, Nanking E. Road, Sec. 3, Taipei, Taiwan, R.O.C.	1,600	Engaged in leasing of aircraft and machinery equipment
SinoPac Capital Ltd. (HK)	1999.01	23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	HKD 230	Lending and financing
SinoPac Financial Consulting Co., Ltd.	1999.07	6F, 9-1 Chien Kuo N. Road, Sec. 2, Taipei, Taiwan, R.O.C.	2	Investment advisory and business management advisory
Far East National Bank	1974.12	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 113	Commercial bank
Far East Capital Corporation	1988.09	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 4	Investment bank
FENB Securities, Inc.	2000.09	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 0.7	Brokerage of securities



Company	Date of Incorporation	Address	Capital	Main Business
FENB Film Corporation	2001.05	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 0.001	Motion Picture Assets Management
FENB Loan Corporation	2001.05	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 0.001	Asset Management Corporation
FENB Services, Inc.	2003.01	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 0.001	Investment corporation
Film Service Management Corporation	2003.05	350 S. Grand Avenue, 41st Floor, Los Angeles, California 90071	USD 0.0001	Film management & advisory business
Grand Capital International Limited	1998.01	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD 29.9	Oversea trading, leasing, lending and financing
SinoPac Capital (B.V.I.) Ltd.	1999.10	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	USD 4	Financial advisory
Shanghai International Asset Management (Hong Kong) Co., Ltd.	1993.02	Suite 4412-13 Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong	HKD 8	Asset management corporation
Allstar Venture Ltd. (B.V.I.)	2000.12	P.O. Box 901, East Asia Chambers, Road Town, Tortola, British Virgin Islands	USD 0.000002	Investment corporation
Cyberpac Holding Ltd. (B.V.I.)	2000.12	P.O. Box 901, East Asia Chambers, Road Town, Tortola, British Virgin Islands	USD 4	Investment and advisory business
Pinnacle Investment Management Limited	2001.03	23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	USD 0.2	Investment management, trust, consultation
RSP Information Service Company Ltd.	2003.02	23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong	HKD 1	General trading & providing internet-based service
Wal Tech Intermination Corporation	1999.12	8F, 132, 136, Nanking E. Road, Sec. 3, Taipei, Taiwan, R.O.C.	265	Leasing, international trading, and sale of machinery
IntelliSys Coproration	1993.06	6F-5, 205, Tun Hua S. Road, Sec. 1, Taipei, Taiwan, R.O.C.	165	equipment System integration consulting

Directors, Supervisors, and Presidents

Company	Titles	Name	Nominating Legal Entity	Number of shares held by the legal entity		Shares held by the directors, supervisors, or presidents	
				No. of shares	Percentage	No. of shares	Percentage
Bank SinoPac	Chairman	Paul C. Lo	SinoPac Holdings	1,944,397,617	100%	0	-
	Managing Director	Yin Yen-liang	SinoPac Holdings	1,944,397,617	100%	0	-
	Managing Director	Chen Pou-tsang (Angus Chen)	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Lee Tien-chien	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Lee Chen-chia	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Lin Ying-feng	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Sheu Jong-ming	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Chen Kai-yuan	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Huang Chung-hsing	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Yeh Tien-chieng	SinoPac Holdings	1,944,397,617	100%	0	-
	Director	Chia Chen-l (C.I. Chia)	SinoPac Holdings	1,944,397,617	100%	0	-
	Resident Supervisor	Chang Tse-yao	SinoPac Holdings	1,944,397,617	100%	0	-
	Supervisor	Huang Chuen-su	SinoPac Holdings	1,944,397,617	100%	0	-



Company	Titles	Name	Nominating Legal Entity	Number of shares held by the legal entity		Shares held by the directors, supervisors, or presidents	
				No. of shares	Percentage	No. of shares	Percentage
	Supervisor	Hsieh Mei-yueh	SinoPac Holdings	1,944,397,617	100%	0	-
	President	Chen Pou-tsang (Angus Chen)				0	-
SinoPac Bancorp	Chairman	Paul C. Lo	Bank SinoPac	20,000	100%	0	-
	Director	Chen Pou-tsang (Angus Chen)	Bank SinoPac	20,000	100%	0	-
	Director	Chia Chen-l (C.I. Chia)	Bank SinoPac	20,000	100%	0	-
	President	Paul C. Lo				0	-
SinoPac Leasing Corporation	Chairman	Paul C. Lo	Bank SinoPac	159,629,247	99.768%	1,596	0.001%
	Director	Liu I-cheng	Bank SinoPac	159,629,247	99.768%	242,383	0.151%
	Director	Cheng Chuan-jay	Bank SinoPac	159,629,247	99.768%	0	-
	Director	Chen Chien-jung (C.J. Chen)	Bank SinoPac	159,629,247	99.768%	1,596	0.001%
	Director	Chen Pou-tsang (Angus Chen)	Bank SinoPac	159,629,247	99.768%	1,596	0.001%
	Supervisor	Chi Chien (James Chi)	Bank SinoPac	159,629,247	99.768%	1,596	0.001%
	President	Liu I-cheng				242,383	0.151%
SinoPac Capital Ltd. (HK)	Chairman	Paul C. Lo	Bank SinoPac	229,998,000	99.9991%	1,000	0.0004%
	Managing Director & President	Chiu Tac-chiang	Bank SinoPac	229,998,000	99.9991%	1,000	0.0004%
SinoPac Financial Consulting Co., Ltd.	Chairman	Mike Y. L. Lei	Bank SinoPac	194,000	97%	0	-
	Director	Chen Chien-jung (C.J. Chen)	Bank SinoPac	194,000	97%	0	-
	Director	Steve C. Lin	Bank SinoPac	194,000	97%	0	-
	Supervisor	Yang Shun-fa	Bank SinoPac	194,000	97%	0	-
	President	Mike Y. L. Lei				0	-
Far East National Bank	Chairman	Paul C. Lo	SinoPac Bancorp	180,000	100%	0	-
	Director	Sheu Jong-ming	SinoPac Bancorp	180,000	100%	0	-
	Director	Chen Pou-tsang (Angus Chen)	SinoPac Bancorp	180,000	100%	0	-
	Director	Eugene Hong	SinoPac Bancorp	180,000	100%	0	-
	Director	Robert Chang	SinoPac Bancorp	180,000	100%	0	-
	Director	Robert Oehler	SinoPac Bancorp	180,000	100%	0	-
	Director	Howard Gould	SinoPac Bancorp	180,000	100%	0	-
	President	Robert Oehler				0	-
Far East Capital Corporation	Chairman	Robert Oehler	Far East National Bank	350,000	100%	0	-
	Director	Jeffrey Ball	Far East National Bank	350,000	100%	0	-
	Director	Edmond Hon	Far East National Bank	350,000	100%	0	-
	Director	Edward Kuo	Far East National Bank	350,000	100%	0	-
	Director	Glenn Yee	Far East National Bank	350,000	100%	0	-
	Director	Chen Chien-jung (C.J. Chen)	Far East National Bank	350,000	100%	0	-
	President	Edmond Hon				0	-
FENB Securities, Inc.	Chairman	Eugene Hong	Far East National Bank	2,500	100%	0	-
	Director	Chen Chien-jung (C. J. Chen)	Far East National Bank	2,500	100%	0	-
	Director	Richard Chang	Far East National Bank	2,500	100%	0	-
	Director	Joseph Lee	Far East National Bank	2,500	100%	0	-
	Director	Robert Oehler	Far East National Bank	2,500	100%	0	-
	President	Joseph Lee				0	-
FENB Film Corporation	Director	Robert Oehler	Far East National Bank	100	100%	0	-
	Director	Steve Butcher	Far East National Bank	100	100%	0	-
	President	Steve Butcher				0	-
FENB Loan Corporation	Director	Robert Oehler	Far East National Bank	100	100%	0	-
	Director	Steve Butcher	Far East National Bank	100	100%	0	-
	President	Steve Butcher				0	-
FENB Services, Inc	Director	Robert Oehler	Far East National Bank	100	100%	0	-
	Director	Edward Kuo	Far East National Bank	100	100%	0	-
	Director	Jeffrey Ball	Far East National Bank	100	100%	0	-
	Director	Steve Butcher	Far East National Bank	100	100%	0	-



Company	Titles	Name	Nominating Legal Entity	Number of shares held by the legal entity		Shares held by the directors, supervisors, or presidents	
				No. of shares	Percentage	No. of shares	Percentage
Film Service Management Corp.	Director	Robert Oehler	Far East National Bank	100	100%	0	-
	Director	Steve Butcher	Far East National Bank	100	100%	0	-
	President	Robert Oehler					
Grand Capital International Limited	Sole Director	Liu I-cheng	SinoPac Leasing Co., Ltd.	29,900,000	100%	0	-
SinoPac Capital (B. V. I.) Ltd.	Chairman	Paul C. Lo	SinoPac Capital Ltd.(HK)	4,450,001	100%	0	-
	Director	Chiu Tac-chiang	SinoPac Capital Ltd.(HK)	4,450,001	100%	0	-
Shanghai International Asset Management (Hong Kong) Co., Ltd.	Chairman	Zhou You-dao	A.T.S. CO., Ltd.	3,200,000	40%	0	-
	Director	Chen Chi-chuan	SinoPac Capital (B.V.I.)Ltd.	4,800,000	60%	0	-
	Director	Cai Nong-ru	A.T.S. CO., Ltd.	3,200,000	40%	0	-
	Director	Chen Ting-ko	SinoPac Capital (B.V.I.)Ltd.	4,800,000	60%	0	-
	Director	Hu Jing-gang	A.T.S. CO., Ltd.	3,200,000	40%	0	-
	Director	Liu Hsing-yen	SinoPac Capital (B.V.I.)Ltd.	4,800,000	60%	0	-
	Director	Chiu Tac-chiang	SinoPac Capital (B.V.I.)Ltd.	4,800,000	60%	0	-
	Director	Xue Wan-xiang	A.T.S. CO., Ltd.	3,200,000	40%	0	-
	Director	Wu Choi-sun	SinoPac Capital (B.V.I.)Ltd.	4,800,000	60%	0	-
	Director	Lin Bin	A.T.S. CO., Ltd.	3,200,000	40%	0	-
Allstar Venture Ltd. (B. V. I.)	Director	Chen Chien-jung (C. J. Chen)	SinoPac Capital (B.V.I.)Ltd.	2	100%	0	-
	Director	Hsu Swee-yuan	SinoPac Capital (B.V.I.)Ltd.	2	100%	0	-
Cyberpac Holding Ltd. (B. V. I.)	Director	Chen Chien-jung (C. J. Chen)	SinoPac Capital (B.V.I.)Ltd.	4,000,000	100%	0	-
	Director	Hsu Swee-yuan	SinoPac Capital (B.V.I.)Ltd.	4,000,000	100%	0	-
Pinnacle investment Management Limited	Director	Chang Beng-an	SinoPac Capital (B.V.I.)Ltd.	199,999	99.9995%	1	0.0005%
	Director	Chen Chien-jung (C. J. Chen)	SinoPac Capital (B.V.I.)Ltd.	199,999	99.9995%	0	-
	Director	Man Suet-ying	SinoPac Capital (B.V.I.)Ltd.	199,999	99.9995%	0	-
	Director	Wang Ching	SinoPac Capital (B.V.I.)Ltd.	199,999	99.9995%	0	-
RSP Information Service Company Ltd.	Director	Chiu Tac-chiang	Cyberpac Holding Ltd.(B.V.I.)	999,999	99.9999%	1	0.0001%
	Director	K.H. Mak	Cyberpac Holding Ltd.(B.V.I.)	999,999	99.9999%	0	-
Wal Tech International Corporation	Chairman	Yeh Juei-sheng	Cyberpac Holding Ltd.(B.V.I.)	26,500,000	100%	0	-
	Director	C.S. Pien	Cyberpac Holding Ltd.(B.V.I.)	26,500,000	100%	0	-
	Director	Sabine Chen	Cyberpac Holding Ltd.(B.V.I.)	26,500,000	100%	0	-
	Supervisor	Gloria Hou	Cyberpac Holding Ltd.(B.V.I.)	26,500,000	100%	0	-
	President	Yeh Juei-sheng				0	-
IntelliSys Corporation	Chairman	Bill Yang	Wal Tech International Corporation	10,325,700	62.58%	0	-
	Director	Fang Nai-chen (Joan N.Fang)	Wal Tech International Corporation	10,325,700	62.58%	0	-
	Director	Chen Chien-jung (C. J. Chen)	Wal Tech International Corporation	10,325,700	62.58%	0	-
	Director	Dennis Lee	Wal Tech International Corporation	10,325,700	62.58%	0	-
	Director	Charlie Koo				1,544,863	9.36%
	Supervisor	Kevin H. Peng	Wal Tech International Corporation	10,325,700	62.58%	0	-
	Supervisor	S. B. Hsieh	Wal Tech International Corporation	10,325,700	62.58%	0	-
	President	Rufus R. H. Hsu				104,340	0.63%

Note : Chang Tse-yao, Resident Supervisor of Bank SinoPac, passed away on January 23, 2004.