

遠東

2005 Annual Report

 **Far Eastern International Bank**



遠東國際商業銀行
Far Eastern International Bank

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目錄 Table of Contents

營運績效	Financial Highlights	1
董事長嘉言	Chairman's Message	3
銀行概況	Corporate Profile	7
公司治理	Corporate Governance	11
關鍵績效成果	Key Performance Results	21
核心事業	Core Businesses	25
風險管理	Risk Management	33
股東資訊	Shareholder Information	37
財務報表	Financial Statements	45
其他資訊	Other Information	99

Financial Highlights

營運績效

營運績效

Financial Highlights

單位：新台幣佰萬元
In Millions of NT\$ Except Per Share Amounts

項目	Items	2005	2004	2003	2002	2001
資產總額	Total Assets	305,656	258,289	225,047	201,576	195,026
存款餘額	Deposits from Customers	228,011	198,768	167,522	159,141	149,205
放款、貼現及買匯-淨額	Loans, Discounts & Bills Purchased -- Net	212,214	171,911	161,057	136,602	141,651
股東權益	Shareholders' Equity	21,765	19,850	15,768	12,127	17,024
稅前利益（損失）	Pretax Income (Loss)	1,501	3,431	3,714	(5,567)	477
純益（純損）	Net Income (Loss)	1,407	3,017	3,401	(4,463)	469
每股盈餘（損失）	Earnings (Losses) Per Share	0.8	2.03	2.39	(3.11)	0.32
每股現金股利（元）	Stock or Cash Dividends Declared Per Share	0.5227	0.3922	-	0.20	0.20
每股股票股利（元）	Stock Dividends Declared Per Share	0.6273	-	-	-	-
資本適足率（%）	Capital Adequacy Ratio（%）	10.32	10.66	10.41	11.28	12.48

Chairman's Message

董事長嘉言

Chairman's Message

各位女士、先生：

回顧九十四年，國際物料能源市場受需求強勁、產油國地區政治衝突及恐怖攻擊活動等因素影響，油價持續高漲；而美國為防範通膨問題，逐步調升利率；加以不確定天災如禽流感之威脅，種種因素影響所及，國際景氣擴張力道逐步減緩，根據環球透視機構（Global Insight Inc.）資料，去年全球經濟成長率為3.5%。

反觀國內，九十四年上半年經濟表現，隨著失業情況改善，國內消費穩定增加；國內投資因民航飛機與高鐵車箱進口，拉高投資規模；惟受累於出口表現不佳，整體經濟僅成長2.73%，相較美國及鄰近亞洲國家為低。所幸下半年隨製造業生產回升與出口成長明顯改善，以及政府擴大公共建設加速推動，第4季經濟成長率推升至6.40%，全年經濟成長合計4.09%。

展望九十五年，環球透視機構預測全球經濟成長率將維持於3.5%，在全球經濟緩步成長之下，我國對外貿易可望維持平穩增勢，內需方面，在失業率持續改善下原可促進消費成長，整體而言，行政院主計處預估九十五年經濟成長率為4.25%，較九十四年之4.09%略為提升，惟國際油價波動、兩岸經貿關係等不確定因素，及去年底開始明顯化的「雙卡效應」，仍可能衝擊國內經濟情勢，希冀政府持續推動各項經濟建設，落實金融及財稅改革，創造穩定有利之投資經營環境，期讓國內經濟更加繁榮。



董事長 徐旭東

Chairman Mr. Douglas Tong Hsu

Reflecting on 2005, momentum of global recovery slowed down under the influence of strong demand for international raw materials and energy, continuous high oil prices due to political conflicts in the oil countries and terrorist activities, gradual increase of interest rates in the States to prevent inflation, as well as other uncertain disasters such as the threat of bird flu. According to Global Insight Inc., economic growth for 2005 was registered at 3.5%.

Domestically thanks to lower unemployment, steady increase of local consumption, and higher internal investment scale due to imports of civil airplanes and high-speed railway cars, local economic performance improved in the first half of 2005. With not so good result in exports Taiwan only achieved an overall economic growth of 2.73% lower than that of the U. S. and other neighboring Asian Countries. During the second half year, with rebound in the manufacturing industry, substantial improvement in export growth, and the Government promoting public works, growth for the fourth quarter jumped to 6.4%, adding up to a total annual growth of 4.09% for 2005.

Looking into 2006, Global Insight Inc. forecasts global growth will maintain at 3.5%. With gradual world economic growth, while Taiwan external trade is expected to keep its steady upward momentum, internally lower unemployment should be able to enhance consumption. As a whole, Directorate General of Budget, Accounting & Statistics, Executive Yuan predicts the nation's 2006 economic growth to be 4.25%, slightly higher than the 4.09% of 2005. However, volatile international oil prices, uncertain trade and economic relations between both sides of the Taiwan Straits, as well as the credit card and cash card disputes that began to take effect since end of last year would make inevitable impact on local economy. Hopefully the Government will continue to promote various economic construction projects, implement financial and tax reforms so as to create a steady operating environment to favor investments and prosper domestic economy.

近年來金融產業競爭日益激烈，本行為因應經營環境之劇烈變動，已發展出六大事業群之創新經營模式，使本行轉型成功；且為延續良好之績效表現，本行持續進行組織與流程改造，藉由核心事業群之專業分工管理，不但強化彈性應變的能力，更大幅提升經營效率。另一方面在政府大力推動金融改革下，各銀行紛紛積極處理呆帳，期能降低逾放比率，本行為持續提升資產品質，除重視授信品質之良窳外，過去一年亦加強打消呆帳及處理不良資產，將逾放比大幅降至2%以下。

在新的一年裡，本行將以六大核心事業群均衡發展為基準，致力於提升獲利能力及維持優良資產品質，並積極尋求策略聯盟及購併之外部成長機會。面對未來挑戰，全體同仁將秉持一貫的誠摯與穩健，持續透過組織、產品、流程、服務等創新策略的落實，為客戶提供最專業、優質之金融服務，並為股東創造最大價值及滿意度。

To cope with recent years' intense competitions and drastic changes in the industry, Far Eastern International Bank (FEIB) has developed an innovative operating model that includes six business units. The restructuring has been successful. In order to extend its good performance, the Bank continues to proceed with reorganization and process reform. With professional division of various core business units, FEIB not only enhances its flexibility and adaptability to changes, but also highly improve operating efficiency. On the other hand, as a result of the Government's financial reform, all banks have been actively dealing with their bad debts to improve non-performing loan (NPL) ratio. Aimed to keep elevating asset quality, FEIB managed to substantially drop its NPL ratio to under 2% after carefully controlling loan quality, writing off bad debts and handling bad assets during the past year.

In the coming year, FEIB is determined to accomplish balanced developments of its six core business units, increase profit earnings, maintain good asset quality, and seek for strategic alliance or merger opportunity to achieve outward growth. Facing with future challenges, all colleagues of FEIB through innovative strategies on its organization, product, process and services, are confident to offer clients with most professional, top-quality financial services and create highest value and satisfaction to our shareholders.

未來經營方針 Future Operating Goals

展望未來，本行將持續提升各事業群獲利能力，同時致力維持優良資產品質，對於九十五年度業務推展，擬訂重點營業計劃如下：

- 一、財富管理業務方面：以「客戶需求」導向為經營策略，強化整合行銷深度與廣度，積極開發各式信託產品與整合性金融商品，提供財富管理優質服務；強化保險交叉行銷功能及專業顧問式行銷，提供客戶專業保險服務。
- 二、消費金融業務方面：強化消費金融風險管理，提昇授信資產品質；擴大既有授信戶互動式精耕行銷，朝向專業化、精緻化客戶服務，以提昇顧客忠誠度增加收益。
- 三、信用卡業務方面：將藉由集團Happy Go跨業集點的優勢以及深耕現有聯名卡及認同卡來擴充卡量；同時注重Usage，提昇簽帳金額，培養循環餘額；並在有效風險管控下，利用資料庫行銷，創造新獲利契機。此外為因應雙卡風暴，將分段緊縮徵審政策；並成立中途授信部門，即時監控信用情況，加強客戶覆審機制；另外除了配合主管機關辦理債務協商，並主動提供客戶優惠還款方案。

Looking into the future, FEIB will continue to elevate profitability of its each business unit, maintain good asset quality and focus on the following operating goals for 2006:

- (1) Wealth Management: Establish a customer-oriented operating strategy, strengthen and integrate marketing efficiency, actively develop various kinds of trusts and portfolio financial products, provide quality wealth management services; and enhance insurance cross sales and professional consulting marketing to offer clients professional insurance services.
- (2) Consumer Banking Business: Strengthen consumer banking risk management, improve loan asset quality, expand interactive marketing among existing clients to offer more professional, exquisite loan services to elevate customer loyalty and increase profit gain.
- (3) Credit Card Business: Enlarge card volume through the launch of Happy Go Bonus Group Cards across different industries plus existing co-brand and identity cards, also to focus on the cards' usage to increase spending volume, cultivate revolving balance, and create new profit opportunities via database marketing with efficient risk management and control. In addition, to cope with credit and cash cards crisis, the Bank has implemented stricter auditing policy and set up midway credit department to monitor card usage and payment, strengthen client review mechanism. Apart from initiating debt negotiations in compliance with the supervising authorities, the Bank also offers cardholders preferential payment programs.



四、企業金融業務方面：加強資本市場與結構性產品之研發與推廣以滿足大型企業目標市場需求；積極擴大客戶基礎，爭取聯貸主辦行及提高客戶額度使用率以追求授信規模穩健成長；加強利基產品之推廣，深耕金融同業資金管理服務以擴大存款規模；聚焦高利差商品，提昇存放款利差，追求合理利潤；強化授信品質之控管，落實授信預警制度、動撥管制與集團授信集中管理；香港分行開行運作並透過策略聯盟加速拓展兩岸三地金融服務。

五、貿易金融業務方面：加速建立貿金規模經濟，提昇手續費收入比重；加強信用保險機制，擴大客戶基礎，降低業務風險；積極推廣供應鏈融資管理，並提供全方位電子金融產品服務及便捷的網路線上交易。

六、財務金融業務方面：藉重新建置之前中後台一貫作業系統，提供優質多元化之財務金融服務；深耕顧客基礎；金融商品開發，增進附加價值；秉持全球宏觀思維與國際著名金融同業合作；嚴控風管，創造優良利潤。

七、行政支援業務方面：將致力於總行資源整合、流程持續改善以提升效率；落實法令遵循與內稽內控之文化；導入資訊安全國際標準（ISO27001）徹底落實各項資訊安全作業制度；逐步建立全行風險管理機制，符合BASEL II之規範。

面對金融整合及國際化的挑戰，本行將秉持誠、勤、樸、慎的經營理念，冀望能憑藉前瞻的眼光掌握市場脈動，獲取市場利基，積極拓展業務版圖，持續提升經營績效與創造客戶價值，期與各位股東女士、先生共創美好未來。

(4) Corporate Banking Business: Enhance research, development and promotion of capital market and structured products to satisfy large corporate clients target market needs, enlarge client base, seek to serve as syndicate loan lead bank, elevate client usage to achieve steady growth of lending scale, promote niche products, cultivate fund management service to enlarge deposit balance, focus on high interest rate spread products, increase interest rate spread for deposit and lending to gain reasonable profit, fortify control of lending quality, implement lending pre-warning system, review on drawdown request and centralized management of group lending, and initiate operation of Hong Kong branch to expand greater China financial services.

(5) Transactional Banking Business: Speed up economy of scale of transactional banking business, increase commission income ratio, strengthen credit insurance mechanism, enlarge client base, lower business risk, promote supply chain leverage management, and provide omnidirectional e-commerce financial products plus convenient web on-line transactions.

(6) Treasury Banking Business: Provide quality and diversified treasury banking services via newly reestablished operating system, cultivate client base, develop treasury products, increase added value, cooperate with world renowned financial institutions, implement strict risk management and create good profit with global vision.

(7) Supporting/Administration Group: Exert to achieve resources integration, continue to improve operation process for higher efficiency, enhance internal auditing complying with laws and regulations, introduce ISO27001 data safety operating system, and gradually establish an overall risk management mechanism to comply with BASEL II.

Though facing with challenges from financial integration and internationalization, FEIB committed to its operating motto of sincerity, diligence, thrift and prudence, has been confident to grasp market trend and niche, further expand operation scope, continue to improve operating efficiency and create value for its clients. We look forward to the continued support from our shareholders to achieve better future and sustainable growth.

董事長

徐旭東 

Chairman Douglas Tong Hsu

謹啟

銀行基本資料 General Corporate Data

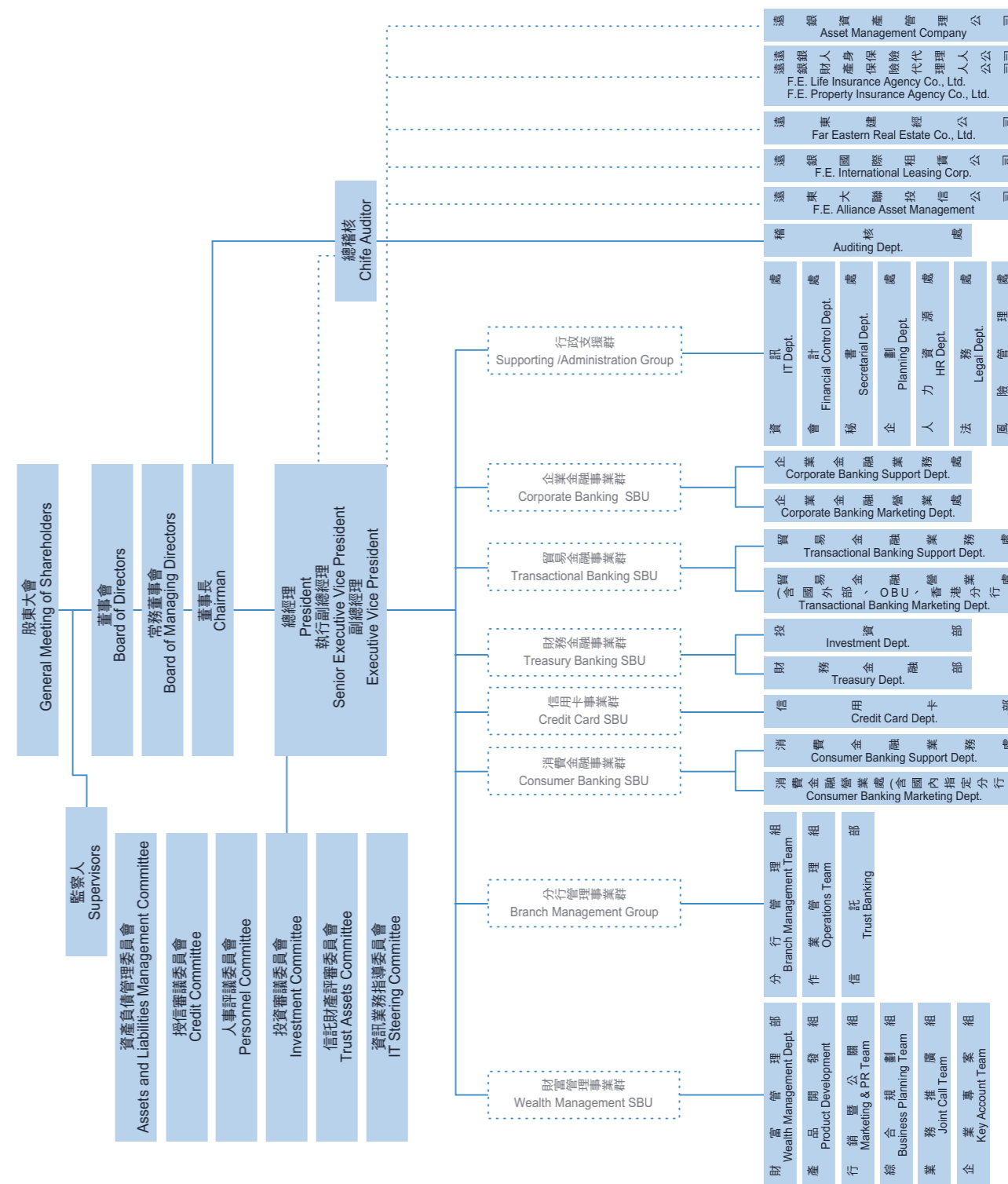


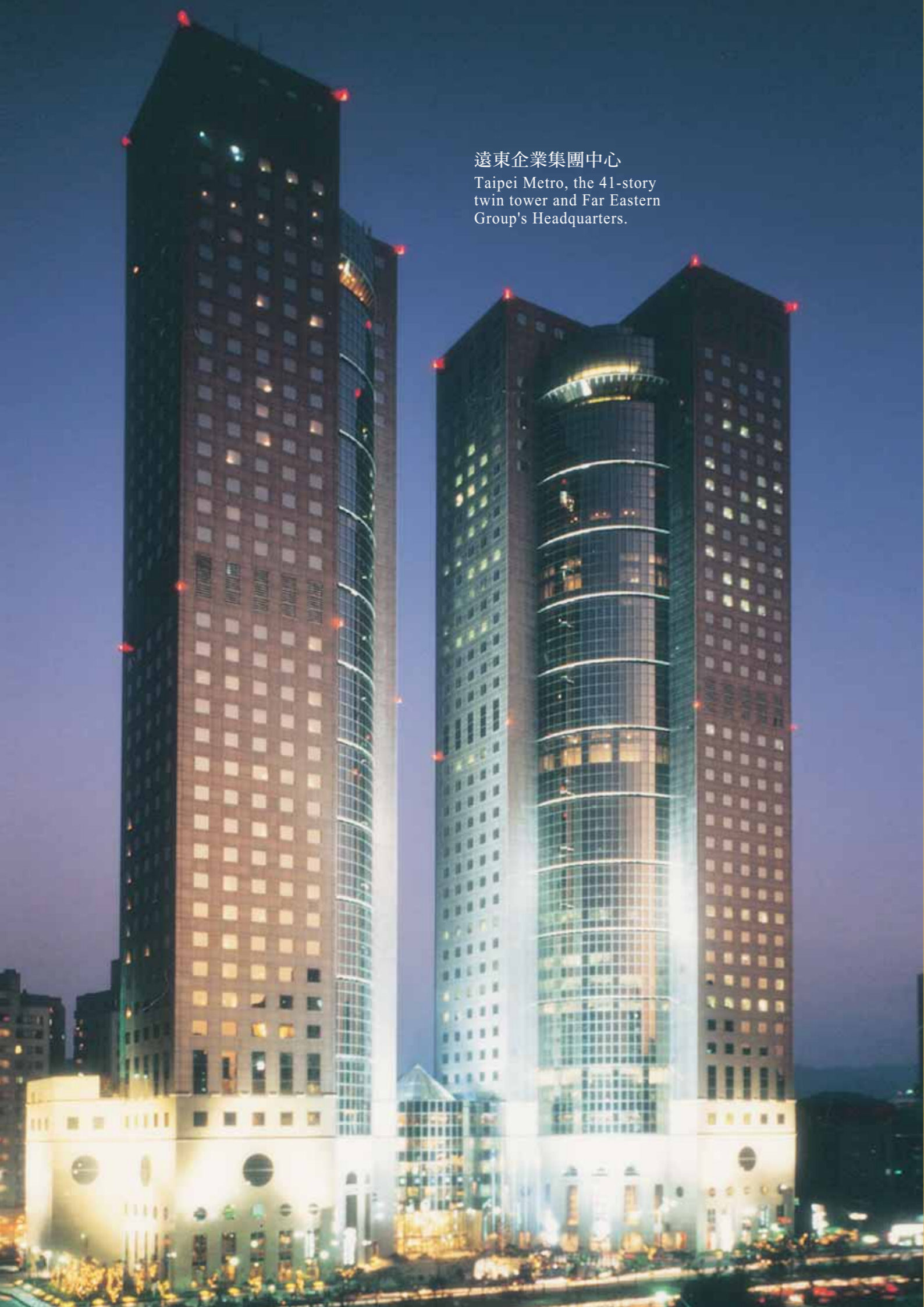
總經理 洪信德
President Mr. Eli Hong

94年12月31日 (December 31, 2005)

公司基本資料 General Corporate Data			
銀行設立日期	民國81年01月11日	Date of establishment	January 11, 1992
股票上市日期	民國87年11月27日	Date of listing on Taiwan Stock Exchange	November 27, 1998
實收股本(每股面額10元)	17,912,498,900	Paid-in Capital (Par Value NT\$10)	17,912,498,900
員工人數	2,339	Number of employees	2,339
營業據點	39	Operating units	39
簽證會計師	勤業眾信會計師事務所	Auditor	Deloitte & Touche
惠譽國際信評公司		Fitch Ratings Limited	
國際長期評等	BBB	Foreign Currency Long -Term Rating IDR	BBB
國內長期評等	A+(twn)	National Long -Term Rating	A+(twn)

銀行組織系統簡圖 FEIB Organization Chart





遠東企業集團中心
Taipei Metro, the 41-story
twin tower and Far Eastern
Group's Headquarters.

Corporate Governance

公司治理

Corporate Governance

公司治理守則 Principles for Corporate Governance

本行依據銀行業公司治理實務守則積極落實公司治理制度，透過健全之管理制度與有效之監控機制，達成本行營運目標，進而提升市場競爭力，並確保股東、員工及其他利益相關者之權益，為其創造最大價值及善盡社會責任。茲將本行遵循之公司治理原則分述如下：

1. 遵循法令並健全內部管理
2. 保障股東權益
3. 強化董事會職能
4. 發揮監察人功能
5. 尊重利益相關者權益
6. 提升資訊透明度

在本行公司治理原則之下，首先，本行均確實遵循遵守法令主管制度，建立完備之內部控制制度並有效執行，設有隸屬董事會之稽核處，以獨立超然執行內部稽核任務並定期向董事會報告；再者，本行亦依法召開股東會，透過公開資訊觀測站公告重要訊息，且與利害關係人及關係企業之業務往來均依規定辦理，以確保股東之權益；此外，董事會成員均有執行職務應具備之能力且符合法定資格條件規範，定期召開董事會，負責銀行整體經營策略與重大決策，有效監督管理階層並對股東負責，並設置各類功能性政策委員會協助各項重大政策之推行，以及選定專業獨立之勤業眾信眾信會計事務所，定期對財務狀況及內部控制實施查核；另依據法定選任程序選任監察人，且符合法定資格條件規範，得獨立行使監察權，有效監督業務執行降低經營風險；同時具備完善妥適之處理機制及溝通管道，尊重與維護員工、消費者及其他利益相關者合法之權益；最後，並設有發言人及代理發言人、建置本行專屬網站、召開法人說明會及揭露公司治理相關資訊，以提高對外資訊之透明度。

Strictly abiding by principles for corporate governance, FEIB is dedicated to achieving its operating goals through sound management system and effective auditing mechanism so as to improve competitive advantage in the market and ensure shareholders, employees and other relative benefits. The ultimate aim is to create maximum value and good corporate citizenship. The Bank's corporate governance principles are summarized as follows:

1. Comply with relevant laws and regulations and enhance internal management
2. Protect shareholders' rights and interests
3. Strengthen the powers of the Board of Directors
4. Fulfill the functions of Supervisors
5. Respect the stakeholders' rights and interests
6. Enhance information transparency

Under the principles of corporate governance, first of all FEIB strictly abided by supervising laws, has established and effectively implemented a thorough internal control system, set up Auditing Department under Board of Directors to execute independently internal auditing mission and report regularly to the Bank's Board Members and Supervisors. Furthermore, FEIB holds shareholders' meeting, openly posts important messages on public information watch station, handle businesses among interested parties and group affiliated companies totally conforming to regulations to ensure shareholders' equity. Also, fully capable and competent board members convoke regular board meetings to decide upon important strategies and policies, supervise the management and protect shareholders' interest. Various functional committees are set up to assist the promotion of each important policy. The Bank selects Deloitte & Touche to conduct independent audits, check on its financial situation and internal control. Supervisors are also appointed in accordance with rules and regulations to effectively supervise on the execution of operation and lower risk. With optimal handling mechanism and communication channel, FEIB highly respects and safeguards legal rights of employees, consumers and other interested parties. Last but not least, the Bank has set up spokesperson and acting spokesperson, exclusive website, and investors' forum to disclose information relevant to corporate governance and enhance transparency of data information.

董監事成員 Board of Directors and Supervisors

95年04月30日 (April 30, 2006)

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
董事長 Chairman	徐旭東 Mr. Douglas Tong Hsu	美國聖母大學碩士 遠東紡織股份有限公司董事長 亞洲水泥股份有限公司董事長 遠東百貨股份有限公司董事長 裕民航運股份有限公司董事長 東聯化學股份有限公司董事長 遠傳電信股份有限公司董事長 Master, University of Notre Dame, U.S.A. Chairman, Far Eastern Textile Ltd. Chairman, Asia Cement Corp. Chairman, Far Eastern Department Stores Ltd. Chairman, U-Ming Marine Transport Corp. Chairman, Orient Union Chemical Corp. Chairman, Far EasTone Telecommunications Ltd.	遠東紡織股份有限公司董事長 亞洲水泥股份有限公司董事長 遠東百貨股份有限公司董事長 裕民航運股份有限公司董事長 東聯化學股份有限公司董事長 宏遠興業股份有限公司董事 遠傳電信股份有限公司董事長 Chairman, Far Eastern Textile Ltd. Chairman, Asia Cement Corp. Chairman, Far Eastern Department Stores Ltd. Chairman, U-Ming Marine Transport Corp. Chairman, Orient Union Chemical Corp. Director, Everest Textile Ltd. Chairman, Far EasTone Telecommunications Ltd.

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
常務董事 Managing Director	王孝一 Mr. Shaw Y. Wang	中興大學工商管理系畢業 遠東紡織股份有限公司董事、首席資深副總經理 Dept. of Business Administration, National Chunghsing University Director & First Senior Executive Vice President, Far Eastern Textile Ltd.	遠東紡織股份有限公司首席資深副總經理 遠東紡織股份有限公司董事 亞洲水泥股份有限公司監察人 First Senior Executive Vice President, Far Eastern Textile Ltd. Director, Far Eastern Textile Ltd. Supervisor, Asia Cement Corp.
常務董事 Managing Director	李仲英 Mr. Chung-Ying Lee	台灣大學經濟系畢業 財政部次長 證交所董事長 交通銀行總經理 台北銀行總經理 Dept. of Economics, National Taiwan University Former Vice Minister, Ministry of Finance, R.O.C. Former Chairman, TSEC Former President, Chao Tung Bank Former President, Taipei Bank	無 None
董事 Director	席家宜 Mr. Johnny Shih	美國哥倫比亞大學電腦碩士 遠東紡織股份有限公司副董事長、總經理 Master, Columbia University, U.S.A. Vice Chairman & President, Far Eastern Textile Ltd.	宏遠興業股份有限公司董事長 遠東紡織股份有限公司副董事長、總經理 東聯化學股份有限公司副董事長 亞洲水泥股份有限公司董事 Chairman, Everest Textile Co., Ltd. Vice Chairman & President, Far Eastern Textile Ltd. Vice Chairman, Orient Union Chemical Corp. Director, Asia Cement Corp.
董事 Director	洪信德 Mr. Eli Hong	中興大學經濟系畢業 美商花旗銀行副總裁 台北區中小企銀副總經理 Dept. of Economics, National Chunghsing University Former Vice President, Citibank N.A. Taipei Branch Former Executive Vice President, International Bank of Taipei	遠東國際商業銀行總經理 遠銀資產管理股份有限公司董事長 遠東大聯證券投資信託股份有限公司董事 遠傳電信股份有限公司監察人 President, Far Eastern International Bank Chairman, Far Eastern Asset Management Corp. Director, Far Eastern Alliance Asset Management Corp. Supervisor, Far EasTone Telecommunications Ltd.
董事 Director	周添財 Mr. Thomas Chou	政治大學銀行系畢業 荷蘭銀行臺灣區副總裁兼高雄分行經理 Dept. of Banking, National Chengchi University Former Vice President, ABN AMRO Bank, Taiwan Branch	遠東國際商業銀行執行副總經理 遠銀財產及人身保險代理人股份有限公司董事 遠東大聯證券投資信託股份有限公司監察人 大中票券金融股份有限公司董事 遠東建築經理股份有限公司董事 遠銀資產管理股份有限公司董事 Senior Executive Vice President, Far Eastern International Bank Director, Far Eastern Life Insurance Agency Co. Supervisor, Far Eastern Alliance Asset Management Corp. Director, Dah Chung Bills Finance Corp. Director, Far Eastern Real Estate Co. Director, Far Eastern Asset Management Corp.



Corporate Governance

95年04月30日 (April 30, 2006)

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
董事 Director	侯金英 Ms. Ching-Ing Hou	美國范德堡大學經濟碩士 政治大學銀行學系教授 Master, Vanderbilt University, U.S.A. Professor, Dept. of Money and Banking, National Chengchi University	臺灣金融研訓院董事長 Chairman, Taiwan Academy of Banking and Finance
董事 Director	武冠雄 Mr. K. H. Wu	國防研究院 政治大學經濟系畢業 外貿協會副董事長 National Defense Institute Dept. of Economics, National Chengchi University Deputy Chairman, Chief External Trade Development Council	海外投資開發股份有限公司董事長 中華民國國際經濟合作協會資深顧問 Chairman, Overseas Investment Development Co. Senior Advisor, Chinese International Economic Cooperation Association
常駐監察人 Resident Supervisor	鍾聰明 Mr. Tsung-Ming Chung	政治大學企管碩士 勤業會計師事務所會計師 MBA, National Chengchi University CPA, T. N. Soong & Co	順達科技股份有限公司董事長 華上光電股份有限公司副董事長 東貝光電科技股份有限公司董事 昆盈企業股份有限公司董事 華冠通訊股份有限公司董事 台灣大哥大股份有限公司監察人 致茂電子股份有限公司監察人 Chairman, Dynapack Corp. Vice Chairman, Arima Optoelectronics Corp. Director, Unity Opto Technology Co., Ltd. Director, KYE Systems Corp. Director, Arima Communication Corp. Supervisor, Taiwan Mobile Co., Ltd. Supervisor, Chroma Ate Inc.
監察人 Supervisor	許士軍 Dr. Shi-Chun Hsu	美國密西根大學企管博士 台灣大學首任管理學院院長 高雄銀行董事長 Ph.D., University of Michigan Founding Dean, College of Management, National Taiwan University Former Chairman, Bank of Kaohsiung	聯華電子股份有限公司董事 智原科技股份有限公司董事 元智大學遠東管理講座教授 Director, United Microelectronics Corp. Director, Faraday Technology Corp. Far Eastern Group Chair Professor of Management, Yuan Ze University
監察人 Supervisor	俞明德 Dr. Min-Teh Yu	美國俄亥俄州大學經濟博士 中央大學財務管理系系主任暨所長 亞洲開發銀行顧問 Ph.D., Ohio State University Former Dept. Chairman, Financial Management Dept., National Central University Advisor, Asian Development Bank	靜宜大學校長 President, Providence University



董監事成員

Board of Directors and Supervisors

前排由左至右 (Seated From Left to Right)

後排由左至右 (Standing Form Left to Right)

常務董事 李仲英 Managing Director Mr. Chung-Ying Lee
董事 侯金英 Director Ms. Ching-Ing Hou
董事長 徐旭東 Chairman Mr. Douglas Tong Hsu
董事 武冠雄 Director Mr. K.H. Wu

董事 周添財 Director Mr. Thomas Chou
董事 洪信德 Director Mr. Eli Hong
監察人 許士軍 Supervisor Dr. Shi-Chun Hsu
常務董事 王孝一 Managing Director Mr. Shaw Y. Wang
常駐監察人 鍾聰明 Resident Supervisor Mr. Tsung-Ming Chung
監察人 俞明德 Supervisor Dr. Min-Teh Yu

國際化 / 雙文化經營團隊 Bi-Cultural Management Team

95年04月30日 (April 30, 2006)

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
總經理 President	洪信德 Mr. Eli Hong	中興大學經濟系畢業 美商花旗銀行副總裁 台北區中小企銀副總經理 Dept. of Economics, National Chunghsing University Former VP, Citibank N.A. Taipei Branch Former EVP, International Bank of Taipei	遠銀資產管理股份有限公司董事長 遠東大聯證券投資信託股份有限公司董事 遠傳電信股份有限公司監察人 Chairman, Far Eastern Asset Management Corp. Director, Far Eastern Alliance Asset Management Corp. Supervisor, Far EasTone Telecommunications Ltd.
執行副總經理兼人力資源處處長 Senior Executive Vice President, Head of Human Resources Dept.	周添財 Mr. Thomas Chou	政治大學銀行系畢業 荷蘭銀行臺灣區副總裁兼高雄分行經理 Dept. of Banking, National Chengchi University Former VP, ABN AMRO Bank, Taiwan Branch	遠銀財產及人身保險代理人股份有限公司董事 遠東大聯證券投資信託股份有限公司監察人 大中票券金融股份有限公司董事 遠東建築經理股份有限公司董事 遠銀資產管理股份有限公司董事 Director, Far Eastern Life Insurance Agency Co. Supervisor, Far Eastern Alliance Management Co., Ltd. Director, Dah Chung Bills Finance Corp. Director, Far Eastern Real Estate Co., Ltd. Director, Far Easter Asset Management Corp.



Corporate Governance

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
副總經理及遠銀資產管理(股)公司總經理 Executive Vice President, President of Far Eastern Asset Management Corp.	王恒彥 Mr. John H. Wang	政治大學企業管理碩士 美商花旗銀行副理 美商西雅圖銀行副總裁 中國農民銀行顧問 台新銀行協理 大安銀行副總經理 中華商業銀行副總經理 MBA, National Chengchi University Former Assistant Manager, Citibank N.A., Taipei Branch Former VP, Seafirst Bank, H. O. Former Consultant, The Farmers Bank of China Former SVP, Taishin International Bank Former EVP, Ta-An Commercial Bank Former EVP, The Chinese Bank	遠銀資產管理股份有限公司董事 遠龍不銹鋼股份有限公司董事長 Director, Far Eastern Asset Management Corp. Chairman, Yuan Lung Stainless Steel Co., Ltd.
副總經理兼企業金融營業處處長及貿易金融營業處處長 Executive Vice President, Head of the Corporate Banking Marketing Department and Transactional Banking Marketing Dept.	林建忠 Mr. Jiann-Jong Lin	美國路易斯安那州大學財務管理碩士 美商花旗銀行副理 美商第一聯美銀行助理副總裁 台北區中小企業銀行經理 M. S., Louisiana State University U.S.A. Former Assistant Manager of Citibank, N.A., Taipei Branch Former AVP of First Interstate Bank of California, Taipei Branch Former Senior VP, International Bank of Taipei	旭瑋實業股份有限公司董事 Director, Hsu Wei Industry Co., Ltd.
副總經理兼財務金融部經理及投資部經理 Executive Vice President, Head of the Treasury Banking SBU	廖呂斌 Mr. Ben Liao-Ru	美國國際管理學院國際管理碩士 中國輸出入銀行副科長 道明銀行台北分行副總經理 比利時聯合銀行台北分行副總經理 MIM, Thunderbird, American Graduate School of International Management, U.S.A. Former Assistant Division Chief, Export-Import Bank of the Republic of China Former VP, Toronto Dominion Bank, Taipei Branch Former Head of Treasury Department, Kredietbank N.V., Taipei Branch	無 None
副總經理主管消費金融事業群 Executive Vice President, Head of the Consumer Banking SBU	劉遇春 Mr. Spring Lieu	美國南卡羅萊納州大學國際企業管理碩士 美商花旗銀行台北分行助理副總裁 台北區中小企業銀行國外部副理 Master of International Business, University of South Carolina, U.S.A. Former AVP, Citibank N.A., Taipei Branch Former VP of International Banking Department, International Bank of Taipei	遠銀財產保險代理人股份有限公司董事 遠銀人身保險代理人股份有限公司董事 Director, Far Eastern Property Insurance Agency Co. Director, Far Eastern Life Insurance Agency Co.

職稱 Title	姓名 Name	主要學(經)歷 Major Educational (Professional) Background	目前兼任本行及其他公司之職務 Other Current Positions
副總經理主管財富管理事業群 Executive Vice President, Head of the Wealth Management SBU	喻芝蘭 Ms. Lan Yuh	美國紐約佩斯大學企業管理碩士 美商花旗銀行助理副總裁 遠傳電信副總經理 MBA, Pace University of New York, U.S.A. Former AVP, Citibank N.A., Taipei Branch Former Executive Vice President, Far EasTone Telecommunications Ltd.	遠東大聯證券投資信託股份有限公司董事 遠銀財產保險代理人股份有限公司董事長 遠銀人身保險代理人股份有限公司董事長 Director, Far Eastern Alliance Asset Management Corp. Director, Far Eastern Property Insurance Agency Co. Chairman, Far Eastern Life Insurance Agency Co.
特別助理 Special Assistant	劉龍光 Mr. Lonnie Liu	美國紐約大學資訊管理碩士 信孚銀行專案經理 美國紐約銀行經理 KPMG顧問公司亞太區經理 南山人壽公司副總經理 Master of Information Systems, New York University, U.S.A. Former Project Manager, Bankers Trust Former Manager, New York Bank Former Manager, KMPG Consulting, Asia Pacific Former EVP, Nan Shan Life Insurance Company Ltd.	遠銀財產保險代理人股份有限公司董事 遠銀人身保險代理人股份有限公司董事 Director, Far Eastern Property Insurance Agency Co. Director, Far Eastern Life Insurance Agency Co.
特別助理 Special Assistant	廖國棟 Mr. James Liao	台灣大學商學系畢業 華南銀行辦事員 台灣第一信託投資公司執行副總經理 泰盛投資公司總經理 Department of Commerce, National Taiwan University Clerk, Hua Nan Bank EVP, Taiwan First Investment & Trust Co. General Manager, Hongpai Investment Co.	無 None





本行總經理及高階主管

前排由左至右 (Seated From Left to Right)

副總經理 王恒彥 Executive Vice President Mr. John H. Wang
 執行副總經理 周添財 Senior Executive Vice President Mr. Thomas Chou
 總經理 洪信德 President Mr. Eli Hong
 副總經理 喻芝蘭 Executive Vice President Ms. Lan Yuh

Bi-Cultural Management Team

後排由左至右 (Standing From Left to Right)

副總經理 林建忠 Executive Vice President Mr. Jiann-Jong Lin
 副總經理 廖呂斌 Executive Vice President Mr. Ben Liao-Ru
 副總經理 劉遇春 Executive Vice President Mr. Spring Lieu
 特助 廖國棟 Special Assistant Mr. James Liao
 特助 劉龍光 Special Assistant Mr. Lonnie Liu

政策委員會 Policy Committees

1. 資產負債管理委員會

本行為強化資產負債管理，健全資產負債結構，特設置資產負債管理委員會，負責審議本行資產負債組合及管理政策，並研判未來利率、匯率及金融情勢之發展趨勢，以決定本行存款、放款、外匯及投資業務之經營策略。

1. Assets and Liabilities Management Committee

To strengthen its assets and liabilities management and structure, FEIB established the Assets and Liabilities Management Committee to handle and review the Bank's assets and liabilities portfolio and management policy, study future interest rate, exchange rate and financial situation to decide on the operating strategies of our deposits, loans, foreign exchanges and investments businesses.

2. 授信審議委員會

本行為拓展業務，提昇授信品質及增進工作效能，特設置授信審議委員會，負責審議全行超過授權經理核定範圍之授信案件。該委員會就授信案件之風險及收益等要素綜合評估並充分討論後，作成適切之結論，以提呈副總經理、總經理或常務董事會作最後之授信決策。

2. Credit Committee

To expand business, improve credit quality and working efficiency, FEIB has set up the Credit Committee to handle and review credit cases with amounts exceeding President's authorization. This Committee serves to evaluate and discuss in details about risk and gain of such loan cases and then make optimal conclusions to present to the Executive Vice Presidents, President or Board of Managing Directors for final approval.

3. 人事評議委員會

本行為建立職員管理之升遷獎懲制度，拔擢優秀人才，增進工作效率，特設置人事評議委員會，負責審議全行人力資源規劃、人事規章、升遷、獎懲情事，作成結論提董事會核定後辦理。

3. Personnel Committee

To set up a proper system of reward and reprimanding, select and promote outstanding talents, and enhance working efficiency, FEIB establishes the Personnel Committee to review the whole Bank's human resource planning, personnel regulations, promotions, rewarding and reprimanding, making conclusions to present to the Board of Directors for approval and handling.

4. 投資審議委員會

本行為訂定投資決策，掌握投資效益，特設置投資審議委員會，負責訂定短期有價證券之投資決策，並審理各項專案投資計劃，作成結論提董事會核定後辦理。

4. Investment Committee

In order to formulate investment policy and guarantee investment profit, FEIB has formed the Investment Committee to draw on the investment policy of short-term bills as well as review all project investment cases and then make conclusion to present to the Board of Directors for approval and execution.

5. 信託財產評審委員會

本行為拓展信託業務，特設置信託財產評審委員會，以評審信託財產為目的，評審範圍包括運用信託資金從事信託財產之交易事項、委託人信託資金所購置各信託戶之財產、其他法令或主管機關規定應評審之事項。

5. Trust Assets Committee

To expand its trust assets business, FEIB established the Trust Assets Committee to mainly review trust assets. The scope of review includes transactions of trust assets, consignor's trust assets and their respective purchased assets, as well as other regulations concerned or items that are deemed necessary to be reviewed by the supervisory organization.

6. 資訊業務指導委員會

本行為建構全方位金融服務需求，特設置資訊業務指導委員會，負責研判資訊系統發展趨勢，審議全行資訊系統架構建置，並配合本行業務發展，提議、監督資訊業務系統開發，作成結論呈董事會核定後辦理。

6. IT Steering Committee

To meet the Bank's diversified and omnidirectional financial service needs, FEIB has formed the IT Steering Committee to study IT system development trend, and review the whole Bank's IT operating system setup. In accordance with our business developments, this Committee will make proposition, supervise IT system development, and then present conclusions for the Board of Directors' approval and handling.





n 2005

Fair Eastern International Bank

關鍵績效成果

Key Performance Results

Key Performance Results

全行經營效能 Operating Efficiency

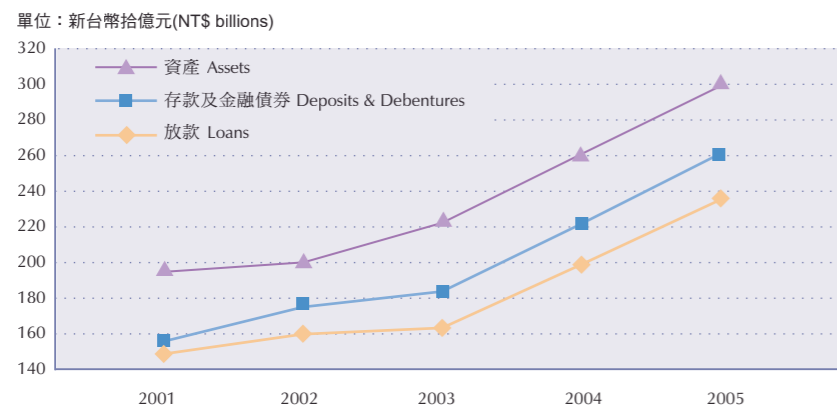
在穩定成長及穩健資產負債管理的經營理念下，本行九十四年底總資產新台幣（以下同）305,656百萬元，成長率18.34%。截至九十四年底，本行存款餘額(含同業存款)為233,468百萬元，成長17.25%。

截至九十四年底，本行放款餘額（含信用卡之循環信用餘額及貸放產品）為236,319百萬元，與九十三年底相較，成長18.66%；授信業務包含放款、保證、承兌及信用狀合計為254,752百萬元，比九十三年底成長18.57%。

Under the operating philosophy of maintaining steady growth and sound assets and liabilities management, FEIB registered in 2005 total assets of NT\$305,656 million, 18.34% up from 2004. Total amount for deposits (including due to banks) increased 17.25% to NT\$233,468 million.

As of the end of 2005, FEIB's outstanding loan (including credit card revolving balance and loan products) was NT\$236,319 million, up 18.66% as compared to that of 2004. Lending business including loan, guarantee, acceptance and L/C grew 18.57% to NT\$254,752 million.

成長及穩健資產負債管理
Assets and Liabilities Management



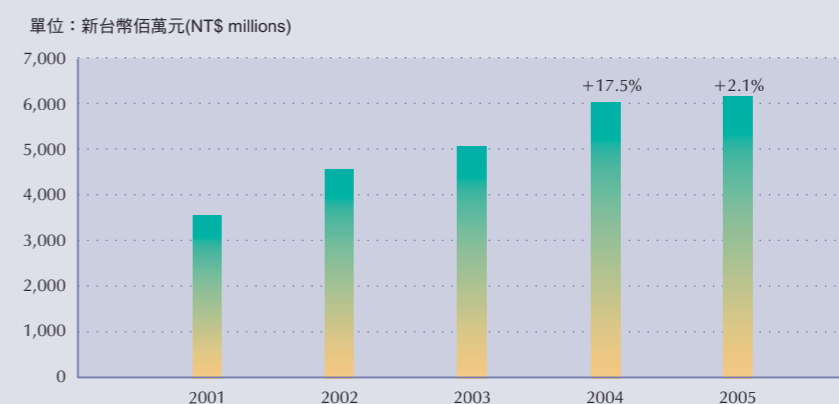
註：放款含信用卡循環餘額及貸放產品。
* : Loans including credit card revolving balance and loan products.

損益狀況 Income

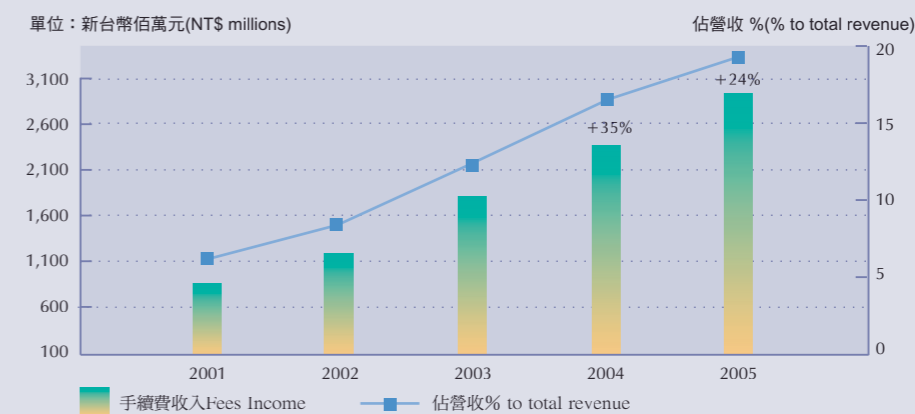
本行九十四年度營業收入新台幣（以下同）160.38億元，成長率為23%，其中利息收入113.63億元，成長率為17%；手續費收入29.36億元，成長率為24%。全年稅前利益為15.01億元，稅後純益為14.07億元，每股盈餘0.80元。

FEIB's operating revenues grew 23% year-on-year in 2005 to NT\$16.038 billion, among which interest income stood at NT\$11.363 billion, up 17% and fees income was NT\$2.936 billion, up 24%. Pretax income was NT\$1.501 billion, after-tax net income was NT\$1.407 billion, and earnings per share were NT\$0.80.

淨利息收入
Net Interest Income



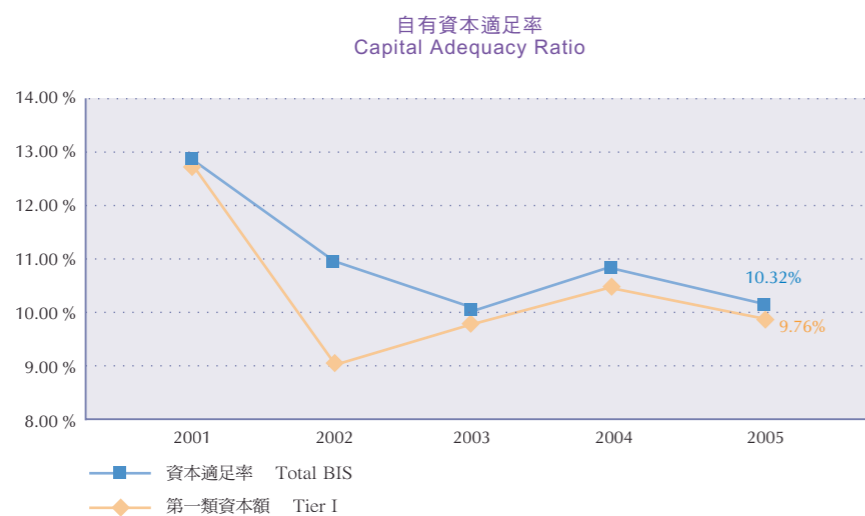
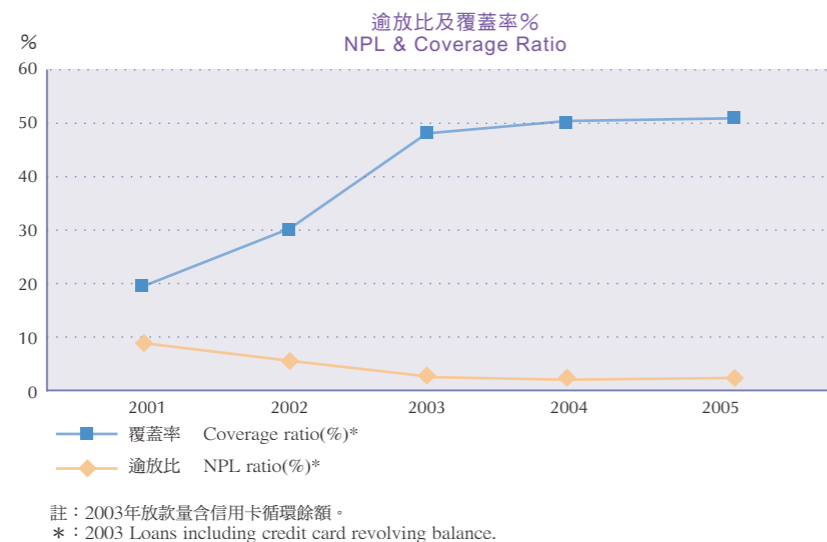
手續費收入
Fees Income



資產品質 Asset Quality

本行為改善資產品質達到財務報表高度透明化之世界潮流，於九十四年度共計提存備抵呆帳55.47億元，較去年增加22.3億元，以因應消費者無擔保放款之信用風險。逾放比率從九十三年度之2.49%下降至1.83%，壞帳覆蓋率從九十三年度之47.67%上升至50.69%，資產品質符合金管會優質銀行定義。本行財務結構健全，九十四年度之自有資本與風險性資產比率為10.32%，其中主要資本類（TIER 1）9.76%。

To improve asset quality and comply with world trend requiring highly transparent financial statement, FEIB's allowance for bad debts in 2005 was NT\$5.547 billion, up NT\$2.23 billion than a year ago, to cope with risk of unsecured loans. While NPL ratio dropped to 1.83% from 2.49% of 2004, coverage ratio grew from 47.67% to 50.69%, showing that the Bank's asset quality rates it as reliable bank by the Financial Supervisory Commission, Executive Yuan. With sound financial structure, FEIB's total BIS ratio in 2005 was 10.32%, among which TIER 1 reached 9.76%.



Core Businesses

核心事業

Core Businesses



跨世紀名琴名弓大展 An exclusive exhibit at National Concert Hall of famous Italian classical violins

2. 保代業務

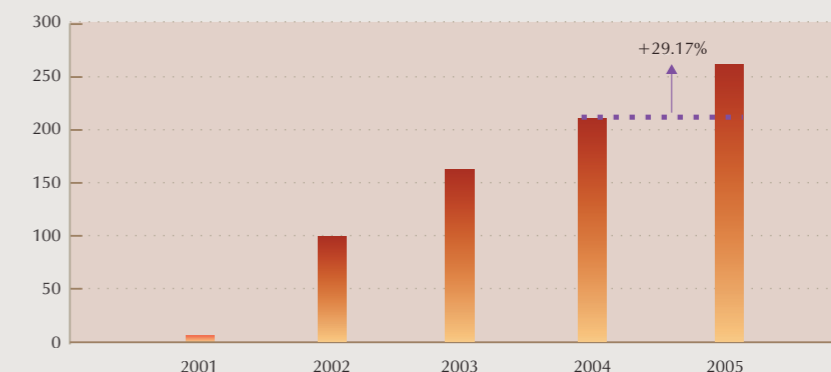
截至九十四年底，遠銀保險代理人代收保費收入合計為新台幣20.9億元，較九十三年度成長103.07%；營業收入較九十三年度成長29.17%。

2. Insurance Agency

As of the end of 2005, FEIB's insurance agency income surged 103.07% to NT\$2.09 billion. Revenue grew 29.17% compared to the previous year.

保代佣金收入
Insurance Agency Revenue Status

單位：新台幣佰萬元(NT\$ millions)



财富管理業務 (含信託、保代業務) Wealth Management (including trust and insurance agency business)

1. 信託業務

九十四年度依特定用途及代收付方式銷售國內外共同基金及投資理財商品 (含國際金融業務分行)，總計承作金額為新台幣203億元；截至九十四年底信託資產餘額 (含國際金融業務分行) 為241億元，較九十三年度成長24.52%；手續費收入較九十三年度成長12.60%。

1. Trust Business

In 2005, FEIB's mutual funds and portfolio sales, both from non-discretionary trust and acting as agency (including OBU), totaled NT\$20.3 billion. As of the end of 2005, the Bank's assets under trust (including OBU) totaled NT\$24.1 billion, up 24.52% than a year ago. Fees income grew 12.60% than that of 2004.

基金銷售金額及手續費收入
Mutual Funds Sales & Fees Income

單位：新台幣佰萬元(NT\$ millions)



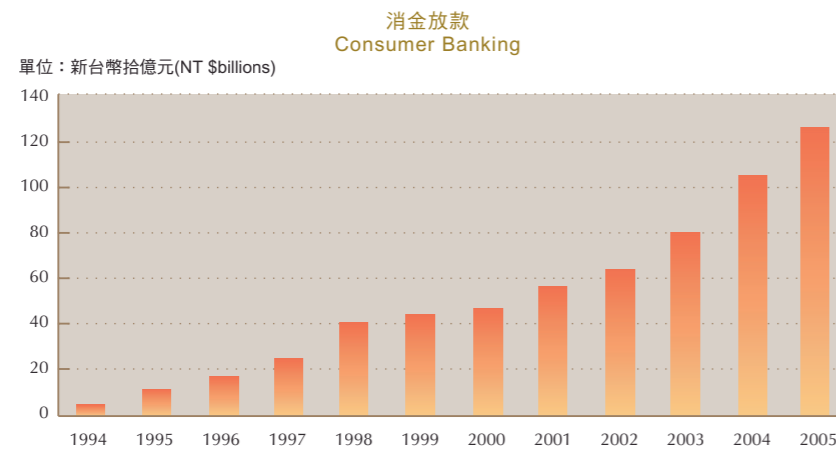
金融展 - 財富人生博覽會
Financial Exhibition - "Wealth Management Life Exposition"

Core Businesses

消費金融業務 Consumer Banking

九十四年底消費金融授信餘額合計為新台幣1,301億元（含房貸、信貸、汽貸、分期付款業務），較九十三年度成長24.63%，其中房貸業務較去年成長約17.52%。

As of the end of 2005, FEIB's outstanding consumer banking loan grew 24.63% to NT\$130.1 billion (including mortgage loan, personal loan, automobile loan and installation), among which mortgage loan increased 17.25% year on year.



信用卡業務 Credit Card

本行信用卡九十四年底有效卡達83萬2仟餘卡；簽帳金額約為新台幣245.7億元；年底循環餘額約191.8億元，較去年負成長17.45%。

As of the end of 2005, the number of cards in force issued by FEIB reached more than 832,000 cards. Spending volume for 2005 totaled some NT\$24.57 billion and revolving balance at end 2005 was around NT\$19.18 billion, down 17.45% year on year.



ETC 卡上市記者會 Launched ETC Card.

企業金融業務 Corporate Banking

九十四年底企業金融授信餘額合計為新台幣987億元，較九十三年度成長18.61%。

As of the end of 2005, FEIB's outstanding corporate banking lending totaled NT\$98.7 billion, a growth of 18.61% as compared to the previous year.

貿易金融業務 Transactional Banking

九十四年度全行外匯業務量約197億美元，較九十三年度成長4.79%；全行應收帳款業務承作量約為新台幣257億元，較九十三年度成長55.76%。

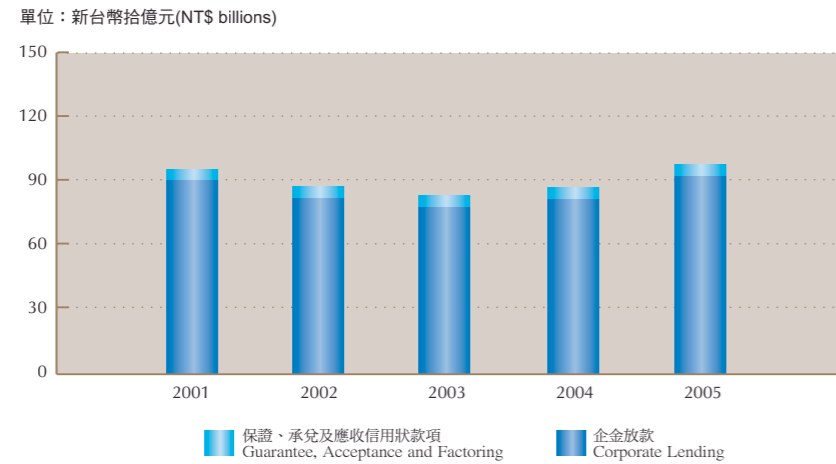
FEIB's foreign exchange volume grew 4.79% to US\$19.7 billion in 2005. Factoring business stood at NT\$25.7 billion, a remarkable growth of 55.76% than a year ago.



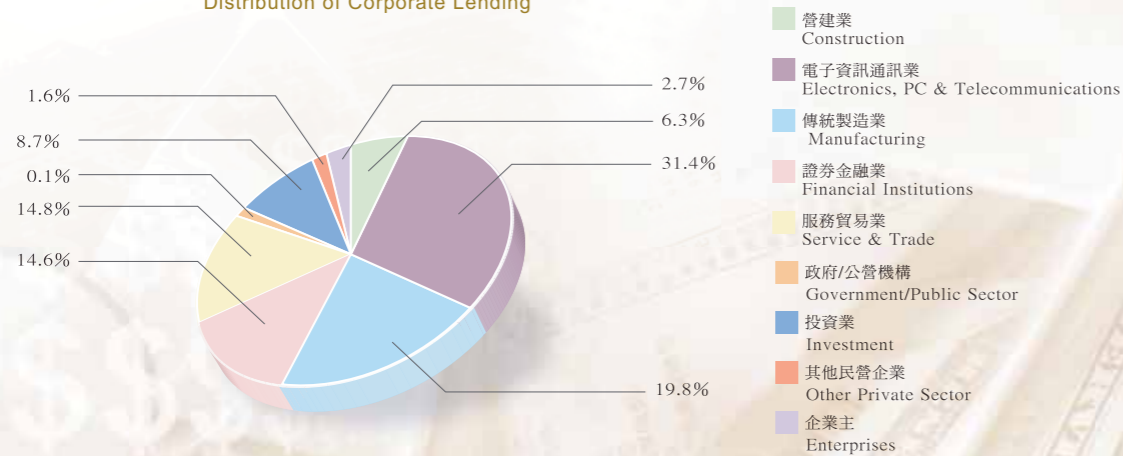
聯合授信案簽約典禮 syndication signing ceremony

Core Businesses

企買金授信業務
Corporate Lending



企買金授信行業別比重
Distribution of Corporate Lending



財務金融業務(含投資業務) Treasury Banking (including Investments)

本行截至九十四年底買入債券餘額為新台幣165億元；九十四年度以預購預售遠匯、換匯及選擇權為主之衍生性金融商品承作量達115.36億美元；承作可轉換公司債業務，買入票券餘額及資產交換部位合計為新台幣44.12億元。

As of the end of 2005, FEIB's outstandings of bills purchased amounted to NT\$16.5 billion. Derivatives focusing mostly in FX forward contract (forward purchase & forward sale), swaps and options reached US\$11.536 billion; convertible bonds and asset swap undertaken by FEIB reached NT\$4.412 billion.

財金營運概況
Gross Profit-Treasury



外匯保證金交易說明會 Margin Trading Seminar



Far Eastern International Bank



in 2005

Risk Management

風險管理

風險管理組織架構及政策 Risk Management Structure and Policy

目前風險管理處對企業金融及貿易金融(非專案辦法之授信案)事業群採直接管理,包括事前審核及事後管理;對信用卡、貿易金融、消費金融、財務金融等事業群採分權監管,其中信用卡、消費金融事業群均設有徵審單位負責事前審核及催收單位負責逾期處理;貿易金融事業群設徵審小組負責審核符合貿易融資及應收帳款專案辦法者。而各事業群有關授信準則、程序、辦法、新產品開發、人員授權等,需先由風管處審查,再行呈核,使本行風險管理具集中控制效果且兼顧各事業群之作業效率。

為因應金融環境改變,加強風險控管,未來貿易金融事業群徵審單位及財務金融部中台將隸屬風險管理處;信用卡及消費金融事業群之徵審部門亦將歸屬獨立之消金風控部門,使本行風險控管機制更加完善。

Currently the Risk Management Department manages directly (the non special-project lending cases of) Corporate Banking SBU and Transactional Banking SBU, either through advance preview and afterward management. This Department also supervises operations of Credit Card, Transactional Banking, Consumer Banking, and Treasury Banking SBUs. Under Consumer Banking SBU there is an auditing unit to audit advance preview and collection unit to handle overdue loans. Under Transactional Banking SBU there is an auditing team to review transactional financing and collection measures for special project lending cases. All lending guidelines, procedures, methods, new product developments, clerk authorization before submission should first be reviewed by the Risk Management Department to achieve centralized control of the Bank's risk management and enhance operating efficiency of each SBU.

To cope with the changing financial environment and fortify risk management, the middle office under Transactional Banking SBU and Treasury Banking SBU will subordinate to the Risk Management Department. Auditing and review divisions of Credit Card and Consumer Banking SBUs will also be attached to independent consumer banking risk management department so as to achieve more comprehensive risk management mechanism of the Bank.

各項風險管理之政策及原則 Risk Management Policy and Principles

(一) 信用風險管理

1. 企業金融業務

對企業金融事業群之風險管理策略包括維持授信行業別之適當比重、維持集團企業授信之適當比重以分散風險。並定期或視必要性依據經濟走勢、產業趨勢及本行經營政策調整上述各項比重。

2. 消費金融業務

依據各種產品資金取得成本、作業成本、風險程度,事先估計各項產品應有之實質收益率,透過組織專業化、集中化、流程管理制度化,有效管理消費金融授信資產組合的風險,以達到穩健成長的目標。

3. 信用卡業務

盱衡經濟情勢發展及市場同業狀況,每年度更新徵審標準,並送常董會核可後施行。定期藉由持卡人行為分析,重新檢討持卡人風險等級、調整授權核准率、及早期預警等各參數。

□. Credit Risk Management

1. Corporate Banking

Risk management strategies as regard to the Corporate Banking SBU include maintaining proper lending distribution by industries and among Group companies to dispense risk. Regularly adjust when necessary the above distribution in accordance with economic performance, industry trend and operating policy.

2. Consumer Banking

Pre-evaluate profit ratio of each product based on its acquiring cost, operating cost and risk degree. Through professional, centralized, streamlined and systematic management, effectively control risk of consumer lending portfolio so as to achieve steady growths.

3. Credit Card

Compliant with economic development and credit market situation, adjust annually the credit review standard and submit to the Board of Managing Directors for approval. Regularly review cardholders' risk degree, enforce behavior analysis so as to adjust authorization and approval rate and implement pre-warning measures.

4. 財務金融業務

依本行「同業外匯交易、外幣拆放、衍生品及債券交易額度訂定辦法」,視各銀行之世界排名、財務狀況、與本行之業務往來情形及各不同國家之風險等級,分別訂定「金融同業交易額度」及「金融同業國家風險限額」,於提報本行常董會通過後適用,並每年定期覆核、更新。一般客戶之交易額度則依本行授信審查程序,由常董會核給適當之「金融交易額度」。

(二) 市場及流動性風險管理

本行從事各項衍生性金融商品交易,多以軋平部位為原則,以降低市場風險及流動性風險;未軋平之部位以市場價格重評估,隨時檢視即時部位及損益,依本行「交易室業務授權準則」規範,明確對不同職級人員及交易室訂定各項交易之部位限額及停損限額,並由作業部門定期追蹤查核,將風險控制於本行可容忍範圍內。同時此準則中明訂利率敏感性及流動性期差限額,每週編製利率敏感性及流動性期差報表,定期查核評估,於資金會議中檢討。透過投資組合及利率敏感性資產負債之管理,有效管理利率風險。

(三) 作業風險管理

為加強本行內部控制藉以防止弊端之發生,建立各單位「自行查核」制度,並由稽核處定期至各單位辦理「一般查核」與「專案查核」;同時本行設有「遵守法令主管」制度,督導全行確實遵循法令。

4. Treasury Banking

Compliant with FEIB's "Limit regulations concerning foreign exchange business, foreign currency placement and taken, derivatives, bonds and bills transactions among financial institutions", draw up "Credit Limit of Financial Institutions" and "Country Limit of Financial Institutions" in accordance with each trading bank's world ranking, financial situation, business connection, and risk rating in each country, then submit to the Board of Managing Directors for approval and application. Proper "Credit Limit" is given by the Board of Managing Directors after reviewing and renewing each year the clients' credit limit guided by the Bank's lending review procedures.

II. Market and Liquidity Risk Management

When dealing with all derivative financial products, FEIB aims to square positions so as to lower market and liquidity risk. The Bank should review market price of the un-squared positions, evaluate their respective gains or losses, enforce specific stop-loss limits for all positions to different levels of clerks and trading offices in accordance with FEIB's "Authorization Guidelines for Trading Office Business", do regular follow-up checking by the operating units, and thus control risk within reasonable range. The limit of interest rate sensitivity and liquidity gap should also be stipulated, made into charts and reviewed on a weekly basis to be discussed and evaluated at the investment fund meetings to effectively control interest rate risk by smart portfolio and the asset-liability management of interest rate sensitivity.

III. Operating Risk Management

To strengthen the Bank's internal controls and prevent operating risk, FEIB has established "self-auditing" system and enforce the Auditing Department to implement "general auditing" and "special auditing" at each business unit. The Bank also performs a "Compliance Officer System" to supervise the whole Bank's strictly abiding to the regulations.





Far Eastern International Bank

in 2005

Shareholder Information

股東資訊

股份及股利 Shares and Dividends

(一) 股本來源 Source of Capital

95年4月30日 (April 30, 2006)

股份種類 Type of Shares	核定股本 Authorized Capital			備註 Note
	流通在外股份 Outstanding Shares	未發行股份 Non-issued Shares	合計 Total	
普通股 Common Shares	1,791,249,890股 shares	208,750,110股 shares	2,000,000,000股 shares	上市銀行股票 Listed on the TSE

(二) 股東結構 Shareholder Structure

95年4月30日 (April 30, 2006)

數量 Quantity	股東結構 Shareholder Structure	政府機構 Government Institution	金融機構 Financial Institution	其他法人 Other Legal Person	個人 Individual	外國機構及外人 Foreign Institution and Foreigner	合計 Total
人數 No.		2	9	151	74,683	77	74,922
持有股數 Number of Shares		1,062,992	65,331,987	877,712,042	733,894,418	113,248,451	1,791,249,890
持股比例 Percentage		0.06%	3.65%	49.00%	40.97%	6.32%	100.00%

(三) 股權分散情形 Shares Diversification

每股面額十元 Par Value NT\$10

95年4月30日 (April 30, 2006)

持股分級 Number of Shares Slot	股東人數 Number of Shareholders	持有股數 Number of Shares	持股比例 Percentage
1至 999股	29,505	7,311,675	0.41%
1,000至 5,000股	22,959	49,681,695	2.78%
5,001至 10,000股	7,801	52,661,875	2.94%
10,001至 15,000股	7,213	88,295,465	4.93%
15,001至 20,000股	1,550	26,954,363	1.50%
20,001至 30,000股	2,084	49,298,836	2.75%
30,001至 40,000股	921	31,353,981	1.75%
40,001至 50,000股	571	25,646,194	1.43%
50,001至 100,000股	1,239	84,240,410	4.70%
100,001至 200,000股	576	77,195,261	4.31%
200,001至 400,000股	245	66,521,294	3.71%
400,001至 600,000股	83	40,614,987	2.27%
600,001至 800,000股	32	22,335,490	1.25%
800,001至 1,000,000股	14	12,827,742	0.72%
1,000,001股以上	129	1,156,310,622	64.55%
合計 Total	74,922	1,791,249,890	100%

(四) 主要股東名單 Major Shareholders

95年4月30日 (April 30, 2006)

主要股東名稱 Major Shareholders	股份 Shares	持有股數 Number of Shares	持股比例 Percentage
裕元投資股份有限公司 Yu Yuan Investment Corp.		126,561,827	7.07%
裕利投資股份有限公司 Yu Li Investment Corp.		116,936,919	6.53%
鼎元國際投資股份有限公司 Ding Yuan International Investment Corp.		70,489,934	3.94%
遠東紡織股份有限公司 Far Eastern Textile Ltd.		69,728,235	3.89%
東聯化學股份有限公司 Orient Union Chemical Corp.		46,361,007	2.59%
亞洲水泥股份有限公司 Asia Cement Corp.		46,359,853	2.59%
誠靜投資股份有限公司 Chen Gin Investment Corp.		44,780,886	2.50%
德勤投資股份有限公司 Der-Chin Enterprise Corporation		29,946,118	1.67%
王島島 Wang Dao-Dao		25,739,320	1.44%
渣打銀行託管美國GMO國外基金投資專戶 GMO Overseas Fund Investment Account, Charter Bank		25,671,305	1.43%
亞洲投資股份有限公司 Asia Investment Corp.		24,565,153	1.37%
東富投資股份有限公司 Tung Fu Investment Corp.		23,347,348	1.30%
遠東百貨股份有限公司 Far Eastern Department Stores Ltd.		22,082,849	1.23%
開元國際投資股份有限公司 Kai Yuan International Investment Corp.		20,263,222	1.13%
大聚化學纖維股份有限公司 Ta Juh Chemical Fibers Co., Ltd.		18,578,000	1.04%
百揚投資股份有限公司 By-Yang Investment Co., Ltd.		18,024,963	1.01%

註：係列明股權比例達百分之一以上股東。

Note: Listed above are shareholders with more than 1% of shares.



Shareholder Information

信用評等 Credit Ratings

本行委託惠譽國際信用評等公司 (FitchRatings) 進行信用評等事宜，惠譽公司為全球前三大信用評等機構，其評等結果獲得全球各大主管機關之認可。九十五年三月二十七日公佈國際長期評等BBB、國際短期評等F3；國內長期評等A+(twn)、國內短期評等F1(twn)。歷年來本行評等結果均符合主管機關投資等級之評等規定，係屬投資等級穩健之金融機構。

The Bank has been rated and well recognized by the renowned FitchRatings, among the world's top three largest credit agencies. The rating record announced on March 27, 2006 reads as follows: foreign currency long-term IDR BBB, foreign currency short-term F3, national long term A+ (twn), and national short term F1 (twn). We have been considered a stable financial institution of investment grade.

評等項目(Ratings)		2003/2/11	2004/1/29	2004/7/22	2005/3/3	2006/3/27
國際評等 Foreign Currency Rating	短期 Short-term	F3	F3	F3	F3	F3
	長期 Long-term	BBB-	BBB-	BBB	BBB	BBB
	展望 Outlook	Stable	Positive	Stable	Stable	Negative
國內評等 National Rating	短期 Short-term	F2(twn)	F2(twn)	F1(twn)	F1(twn)	F1(twn)
	長期 Long-term	A-(twn)	A-(twn)	A(twn)	A+(twn)	A+(twn)
個別評等 Individual Rating		C/D	C	C	C	C
支援評等 Support Rating		4	4	4	4	4

財務概況 Financial Profile

(一)簡明資產負債表 Simplified Assets and Liabilities

單位：新台幣仟元 (NT\$ thousands)

項目 Items	年度 Year	最近五年度財務資料 Five-Year Financial Statements				
		2005	2004	2003	2002	2001
現金及約當現金、存放央行及銀行同業 Cash and Cash equivalents, Due from Banks & the Central Bank of China		\$21,420,425	\$19,137,209	\$29,525,033	\$16,209,886	\$20,066,962
買入票券及證券 Securities Purchased		22,741,218	19,529,855	12,274,647	4,417,884	2,019,859
買匯、貼現及放款 Loan, Discounts & Bills Purchased		212,214,005	171,910,648	161,057,311	136,601,563	141,650,774
應收款項 Receivables		29,122,195	33,232,344	6,705,109	23,555,294	13,122,499
長期投資 Long-term Investments		14,345,873	5,720,013	7,104,560	13,526,960	13,342,846
固定資產 Properties		2,629,886	2,511,877	2,393,015	2,303,067	2,329,154
其他資產 Other Assets		3,182,365	6,246,863	5,987,486	4,961,383	2,494,064
央行及銀行同業存款 Due to Banks		16,854,575	7,720,944	10,644,837	8,707,281	14,131,355
存款及匯款 Deposits & Remittances		228,052,878	198,801,291	167,534,950	159,151,544	149,252,244
央行及同業融資、應付金額債券 Bank Debentures		29,000,000	21,000,000	17,000,000	10,000,000	5,000,000
其他負債 Other Liabilities		9,983,996	10,916,747	14,099,553	11,589,877	9,618,877
股本 Capital Stock		17,912,499	15,867,008	15,248,154	15,248,154	15,248,154
資本公積 Capital Surplus		1,197,314	685,486	19	204,217	205,886
保留盈餘 Retained Earnings	分配前 Before Distribution	2,644,599	3,286,883	897,399	(2,708,265)	2,065,927
	分配後 After Distribution	-	1,237,244	269,915	(2,504,067)	1,753,267
股東權益其他項目 Shareholders' Equity and Other Items		10,106	10,450	(377,751)	(616,771)	(496,285)
資產總額 Total Assets		305,655,967	258,288,809	225,047,161	201,576,037	195,026,158
負債總額 Total Liabilities	分配前 Before Distribution	283,891,449	238,438,982	209,279,340	189,448,702	178,002,476
	分配後 After Distribution	-	239,392,996	209,906,824	189,448,702	178,315,136
股東權益總額 Total Shareholders' Equity	分配前 Before Distribution	21,764,518	19,849,827	15,767,821	12,127,335	17,023,682
	分配後 After Distribution	-	18,895,813	15,140,337	12,127,335	16,711,022
會計師查核意見 Independent Auditors' Report		無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion
會計師姓名 Name of Auditors	王小蕙 Wang Hsiao-Huei	范有偉 Fan Yu-Wei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei
	郭慈容 Kuo Tze-Jun	陳清祥 Chen Ching-Hsian	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan



Shareholder Information

(二) 簡明損益表 Simplified Statements of Income

單位：新台幣仟元 (NT\$ thousands)

項目 Item	年度 Year	最近五年度財務資料(註) Five-Year Financial Statements (Note)				
		2005	2004	2003	2002	2001
營業收入 Total Operating Income		\$16,037,528	\$13,044,311	\$12,276,460	\$11,147,843	\$ 12,410,438
營業支出 Total Operating Costs and Expenses		14,548,275	9,608,922	8,534,316	16,701,869	11,990,817
營業損益 Operating Income (Loss)		1,489,253	3,435,389	3,742,144	(5,554,026)	419,621
營業外損益 Non-Operating Income (Loss)		11,885	(4,422)	(28,043)	(13,170)	57,074
本期損益 Net Income (Loss)		1,407,355	3,016,968	3,401,466	(4,463,201)	469,130
每股盈餘(元) EPS (NT\$)		0.80元	2.03元	2.39元	(3.11元)	0.32元

註：上列各年度財務資料均經會計師查核簽證。

Note: The above financial statements have all been approved by independent auditors.

(三) 最近五年度財務分析 Five-Year Financial Analysis

分析項目 Analysis Items	年度 Year	最近五年度財務分析 Five-Year Financial Analysis				
		2005	2004	2003	2002	2001
經營能力 Operating Efficiency	存放比率(%) Ratio of Loans to Deposits (%)	93.95	87.53	97.38	87.13	95.98
	逾放比率(%) Non-Performing Loan Ratio (%)	1.829	2.312	2.290	4.254	5.986
	利息支出占年平均存款餘額比率 Interest Expenses to Average Deposit Balances (%)	1.49	1.18	1.51	2.49	4.40
	利息收入占年平均放款餘額比率 Interest Income to Average Loan Balances (%)	3.64	3.66	5.65	5.51	6.99
	總資產週轉率(次) Total Assets Turnover (times)	0.06	0.05	0.06	0.06	0.07
	員工平均營業收入 Average Operating Revenue per Employee (NT\$ thousands)	8,836	8,072	8,472	8,326	10,033
	員工平均獲利額 Average Profit per Employee (NT\$ thousands)	755	1,867	2,347	(3,333)	379
獲利能力 Profitability	第一類資本報酬率(%) Return on Tier 1 Capital	7.21	19.27	25.68	-36.48	2.74
	資產報酬率(%) Return on Assets (%)	0.50	1.25	1.59	(2.25)	0.26
	股東權益報酬率(%) Return on Shareholder's Equity (%)	6.76	16.94	24.39	(30.62)	2.74
	純益率(%) Net Income Ratio (%)	8.78	23.13	27.71	(40.04)	3.78
	每股盈餘(元) Earnings per Share (NT\$)	0.80	2.03	2.39	(3.11)	0.32
成長率 Growth	資產成長率(%) Asset Growth Rate (%)	18.34	14.77	11.64	3.36	15.43
	獲利成長率(%) Earnings Growth Rate (%)	-56.25	-7.62	166.71	-1267.87	-6.60
流動準備比率(%) Liquidity Reserve Ratio (%)		21.27	16.40	8.21	8.51	11.02
資本適足性 Capital Adequacy	第一類資本總額(百萬) Tier 1 Capital	21,765	19,850	15,768	13,157	17,366
	自有資本淨額(百萬) Capital	22,997	20,626	16,821	16,229	16,943
	風險性資產總額(百萬) Risk Weighted Assets (NT\$ millions)	222,922	193,570	161,629	143,842	135,752
	資本適足率(%) Capital Adequacy Ratio (%)	10.32	10.66	10.41	11.28	12.48
	第一類資本占風險性資產之比率(%) Tier 1 Capital as a Percentage of Risk Weighted Assets (%)	9.76	10.25	9.76	9.15	12.79
	第二類資本占風險性資產之比率(%) Tier 2 Capital as a Percentage of Risk Weighted Assets (%)	1.41	1.55	2.18	3.01	0.56
	第三類資本占風險性資產之比率(%) Tier 3 Capital as a Percentage of Risk Weighted Assets (%)	-	-	-	-	-
	普通股權益占總資產比率 Ratio of Common Stock's Equity to Total Assets (%)	7.12	7.69	7.01	6.02	8.73
利害關係人擔保授信總額 Total Secured Loans to Related Parties	4,418,459	4,462,930	3,400,537	3,788,480	4,327,534	
利害關係人擔保授信總額占授信總額之比率 Total Secured Loans to Related Parties as a Percentage of Total Loans (%)	1.92	2.39	1.92	2.60	2.88	
營運規模 Operating Scale	資產市占率 Assets market share (%)	0.98	0.86	0.80	0.78	0.76
	淨值市占率 Equity Market Share (%)	1.51	1.13	0.97	0.75	0.95
	存款市占率 Deposit Market Share (%)	0.98	0.99	0.82	0.82	0.78
	放款市占率 Loan Market Share (%)	1.14	0.99	1.04	0.94	0.96





in 2005

Far Eastern International Bank

Shareholder Information

股東資訊

股份及股利 Shares and Dividends

(一) 股本來源 Source of Capital

95年4月30日 (April 30, 2006)

股份種類 Type of Shares	核定股本 Authorized Capital			備註 Note
	流通在外股份 Outstanding Shares	未發行股份 Non-issued Shares	合計 Total	
普通股 Common Shares	1,791,249,890股 shares	208,750,110股 shares	2,000,000,000股 shares	上市銀行股票 Listed on the TSE

(二) 股東結構 Shareholder Structure

95年4月30日 (April 30, 2006)

數量 Quantity	股東結構 Shareholder Structure	政府機構 Government Institution	金融機構 Financial Institution	其他法人 Other Legal Person	個人 Individual	外國機構及外人 Foreign Institution and Foreigner	合計 Total
人數 No.		2	9	151	74,683	77	74,922
持有股數 Number of Shares		1,062,992	65,331,987	877,712,042	733,894,418	113,248,451	1,791,249,890
持股比例 Percentage		0.06%	3.65%	49.00%	40.97%	6.32%	100.00%

(三) 股權分散情形 Shares Diversification

每股面額十元 Par Value NT\$10

95年4月30日 (April 30, 2006)

持股分級 Number of Shares Slot	股東人數 Number of Shareholders	持有股數 Number of Shares	持股比例 Percentage
1至 999股	29,505	7,311,675	0.41%
1,000至 5,000股	22,959	49,681,695	2.78%
5,001至 10,000股	7,801	52,661,875	2.94%
10,001至 15,000股	7,213	88,295,465	4.93%
15,001至 20,000股	1,550	26,954,363	1.50%
20,001至 30,000股	2,084	49,298,836	2.75%
30,001至 40,000股	921	31,353,981	1.75%
40,001至 50,000股	571	25,646,194	1.43%
50,001至 100,000股	1,239	84,240,410	4.70%
100,001至 200,000股	576	77,195,261	4.31%
200,001至 400,000股	245	66,521,294	3.71%
400,001至 600,000股	83	40,614,987	2.27%
600,001至 800,000股	32	22,335,490	1.25%
800,001至 1,000,000股	14	12,827,742	0.72%
1,000,001股以上	129	1,156,310,622	64.55%
合計 Total	74,922	1,791,249,890	100%

(四) 主要股東名單 Major Shareholders

95年4月30日 (April 30, 2006)

主要股東名稱 Major Shareholders	股份 Shares	持有股數 Number of Shares	持股比例 Percentage
裕元投資股份有限公司 Yu Yuan Investment Corp.		126,561,827	7.07%
裕利投資股份有限公司 Yu Li Investment Corp.		116,936,919	6.53%
鼎元國際投資股份有限公司 Ding Yuan International Investment Corp.		70,489,934	3.94%
遠東紡織股份有限公司 Far Eastern Textile Ltd.		69,728,235	3.89%
東聯化學股份有限公司 Orient Union Chemical Corp.		46,361,007	2.59%
亞洲水泥股份有限公司 Asia Cement Corp.		46,359,853	2.59%
誠靜投資股份有限公司 Chen Gin Investment Corp.		44,780,886	2.50%
德勤投資股份有限公司 Der-Chin Enterprise Corporation		29,946,118	1.67%
王島島 Wang Dao-Dao		25,739,320	1.44%
渣打銀行託管美國GMO國外基金投資專戶 GMO Overseas Fund Investment Account, Charter Bank		25,671,305	1.43%
亞洲投資股份有限公司 Asia Investment Corp.		24,565,153	1.37%
東富投資股份有限公司 Tung Fu Investment Corp.		23,347,348	1.30%
遠東百貨股份有限公司 Far Eastern Department Stores Ltd.		22,082,849	1.23%
開元國際投資股份有限公司 Kai Yuan International Investment Corp.		20,263,222	1.13%
大聚化學纖維股份有限公司 Ta Juh Chemical Fibers Co., Ltd.		18,578,000	1.04%
百揚投資股份有限公司 By-Yang Investment Co., Ltd.		18,024,963	1.01%

註：係列明股權比例達百分之一以上股東。

Note: Listed above are shareholders with more than 1% of shares.



Shareholder Information

信用評等 Credit Ratings

本行委託惠譽國際信用評等公司 (FitchRatings) 進行信用評等事宜，惠譽公司為全球前三大信用評等機構，其評等結果獲得全球各大主管機關之認可。九十五年三月二十七日公佈國際長期評等BBB、國際短期評等F3；國內長期評等A+(twn)、國內短期評等F1(twn)。歷年來本行評等結果均符合主管機關投資等級之評等規定，係屬投資等級穩健之金融機構。

The Bank has been rated and well recognized by the renowned FitchRatings, among the world's top three largest credit agencies. The rating record announced on March 27, 2006 reads as follows: foreign currency long-term IDR BBB, foreign currency short-term F3, national long term A+ (twn), and national short term F1 (twn). We have been considered a stable financial institution of investment grade.

評等項目(Ratings)		2003/2/11	2004/1/29	2004/7/22	2005/3/3	2006/3/27
國際評等 Foreign Currency Rating	短期 Short-term	F3	F3	F3	F3	F3
	長期 Long-term	BBB-	BBB-	BBB	BBB	BBB
	展望 Outlook	Stable	Positive	Stable	Stable	Negative
國內評等 National Rating	短期 Short-term	F2(twn)	F2(twn)	F1(twn)	F1(twn)	F1(twn)
	長期 Long-term	A-(twn)	A-(twn)	A(twn)	A+(twn)	A+(twn)
個別評等 Individual Rating		C/D	C	C	C	C
支援評等 Support Rating		4	4	4	4	4

財務概況 Financial Profile

(一) 簡明資產負債表 Simplified Assets and Liabilities

單位：新台幣仟元 (NT\$ thousands)

項目 Items	年度 Year	最近五年度財務資料 Five-Year Financial Statements				
		2005	2004	2003	2002	2001
現金及約當現金、存放央行及銀行同業 Cash and Cash equivalents, Due from Banks & the Central Bank of China		\$21,420,425	\$19,137,209	\$29,525,033	\$16,209,886	\$20,066,962
買入票券及證券 Securities Purchased		22,741,218	19,529,855	12,274,647	4,417,884	2,019,859
買匯、貼現及放款 Loan, Discounts & Bills Purchased		212,214,005	171,910,648	161,057,311	136,601,563	141,650,774
應收款項 Receivables		29,122,195	33,232,344	6,705,109	23,555,294	13,122,499
長期投資 Long-term Investments		14,345,873	5,720,013	7,104,560	13,526,960	13,342,846
固定資產 Properties		2,629,886	2,511,877	2,393,015	2,303,067	2,329,154
其他資產 Other Assets		3,182,365	6,246,863	5,987,486	4,961,383	2,494,064
央行及銀行同業存款 Due to Banks		16,854,575	7,720,944	10,644,837	8,707,281	14,131,355
存款及匯款 Deposits & Remittances		228,052,878	198,801,291	167,534,950	159,151,544	149,252,244
央行及同業融資、應付金額債券 Bank Debentures		29,000,000	21,000,000	17,000,000	10,000,000	5,000,000
其他負債 Other Liabilities		9,983,996	10,916,747	14,099,553	11,589,877	9,618,877
股本 Capital Stock		17,912,499	15,867,008	15,248,154	15,248,154	15,248,154
資本公積 Capital Surplus		1,197,314	685,486	19	204,217	205,886
保留盈餘 Retained Earnings	分配前 Before Distribution	2,644,599	3,286,883	897,399	(2,708,265)	2,065,927
	分配後 After Distribution	-	1,237,244	269,915	(2,504,067)	1,753,267
股東權益其他項目 Shareholders' Equity and Other Items		10,106	10,450	(377,751)	(616,771)	(496,285)
資產總額 Total Assets		305,655,967	258,288,809	225,047,161	201,576,037	195,026,158
負債總額 Total Liabilities	分配前 Before Distribution	283,891,449	238,438,982	209,279,340	189,448,702	178,002,476
	分配後 After Distribution	-	239,392,996	209,906,824	189,448,702	178,315,136
股東權益總額 Total Shareholders' Equity	分配前 Before Distribution	21,764,518	19,849,827	15,767,821	12,127,335	17,023,682
	分配後 After Distribution	-	18,895,813	15,140,337	12,127,335	16,711,022
會計師查核意見 Independent Auditors' Report		無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion	無保留意見 Unqualified Opinion
會計師姓名 Name of Auditors	王小蕙 Wang Hsiao-Huei	范有偉 Fan Yu-Wei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei	王小蕙 Wang Hsiao-Huei
	郭慈容 Kuo Tze-Jun	陳清祥 Chen Ching-Hsian	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan	王金山 Wang Jin-Shan



Shareholder Information

(二) 簡明損益表 Simplified Statements of Income

單位：新台幣仟元 (NT\$ thousands)

項目 Item	年度 Year	最近五年度財務資料(註) Five-Year Financial Statements (Note)				
		2005	2004	2003	2002	2001
營業收入 Total Operating Income		\$16,037,528	\$13,044,311	\$12,276,460	\$11,147,843	\$ 12,410,438
營業支出 Total Operating Costs and Expenses		14,548,275	9,608,922	8,534,316	16,701,869	11,990,817
營業損益 Operating Income (Loss)		1,489,253	3,435,389	3,742,144	(5,554,026)	419,621
營業外損益 Non-Operating Income (Loss)		11,885	(4,422)	(28,043)	(13,170)	57,074
本期損益 Net Income (Loss)		1,407,355	3,016,968	3,401,466	(4,463,201)	469,130
每股盈餘(元) EPS (NT\$)		0.80元	2.03元	2.39元	(3.11元)	0.32元

註：上列各年度財務資料均經會計師查核簽證。

Note: The above financial statements have all been approved by independent auditors.

(三) 最近五年度財務分析 Five-Year Financial Analysis

分析項目 Analysis Items	年度 Year	最近五年度財務分析 Five-Year Financial Analysis				
		2005	2004	2003	2002	2001
經營能力 Operating Efficiency	存放比率(%) Ratio of Loans to Deposits (%)	93.95	87.53	97.38	87.13	95.98
	逾放比率(%) Non-Performing Loan Ratio (%)	1.829	2.312	2.290	4.254	5.986
	利息支出占年平均存款餘額比率 Interest Expenses to Average Deposit Balances (%)	1.49	1.18	1.51	2.49	4.40
	利息收入占年平均放款餘額比率 Interest Income to Average Loan Balances (%)	3.64	3.66	5.65	5.51	6.99
	總資產週轉率(次) Total Assets Turnover (times)	0.06	0.05	0.06	0.06	0.07
	員工平均營業收入 Average Operating Revenue per Employee (NT\$ thousands)	8,836	8,072	8,472	8,326	10,033
	員工平均獲利額 Average Profit per Employee (NT\$ thousands)	755	1,867	2,347	(3,333)	379
獲利能力 Profitability	第一類資本報酬率(%) Return on Tier 1 Capital	7.21	19.27	25.68	-36.48	2.74
	資產報酬率(%) Return on Assets (%)	0.50	1.25	1.59	(2.25)	0.26
	股東權益報酬率(%) Return on Shareholder's Equity (%)	6.76	16.94	24.39	(30.62)	2.74
	純益率(%) Net Income Ratio (%)	8.78	23.13	27.71	(40.04)	3.78
	每股盈餘(元) Earnings per Share (NT\$)	0.80	2.03	2.39	(3.11)	0.32
成長率 Growth	資產成長率(%) Asset Growth Rate (%)	18.34	14.77	11.64	3.36	15.43
	獲利成長率(%) Earnings Growth Rate (%)	-56.25	-7.62	166.71	-1267.87	-6.60
流動準備比率(%) Liquidity Reserve Ratio (%)		21.27	16.40	8.21	8.51	11.02
資本適足性 Capital Adequacy	第一類資本總額(百萬) Tier 1 Capital	21,765	19,850	15,768	13,157	17,366
	自有資本淨額(百萬) Capital	22,997	20,626	16,821	16,229	16,943
	風險性資產總額(百萬) Risk Weighted Assets (NT\$ millions)	222,922	193,570	161,629	143,842	135,752
	資本適足率(%) Capital Adequacy Ratio (%)	10.32	10.66	10.41	11.28	12.48
	第一類資本占風險性資產之比率(%) Tier 1 Capital as a Percentage of Risk Weighted Assets (%)	9.76	10.25	9.76	9.15	12.79
	第二類資本占風險性資產之比率(%) Tier 2 Capital as a Percentage of Risk Weighted Assets (%)	1.41	1.55	2.18	3.01	0.56
	第三類資本占風險性資產之比率(%) Tier 3 Capital as a Percentage of Risk Weighted Assets (%)	-	-	-	-	-
	普通股權益占總資產比率 Ratio of Common Stock's Equity to Total Assets (%)	7.12	7.69	7.01	6.02	8.73
利害關係人擔保授信總餘額 Total Secured Loans to Related Parties	4,418,459	4,462,930	3,400,537	3,788,480	4,327,534	
利害關係人擔保授信總餘額占授信總餘額之比率 Total Secured Loans to Related Parties as a Percentage of Total Loans (%)	1.92	2.39	1.92	2.60	2.88	
營運規模 Operating Scale	資產市占率 Assets market share (%)	0.98	0.86	0.80	0.78	0.76
	淨值市占率 Equity Market Share (%)	1.51	1.13	0.97	0.75	0.95
	存款市占率 Deposit Market Share (%)	0.98	0.99	0.82	0.82	0.78
	放款市占率 Loan Market Share (%)	1.14	0.99	1.04	0.94	0.96





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Far Eastern International Bank

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Financial Statements

財務報表

財務報表

Financial Statements

Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern International Bank

We have audited the accompanying balance sheets of the Far Eastern International Bank (the "Bank") as of December 31, 2004 and 2005, and the related statements of income, changes in shareholders' 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 the Rules Governing the Audit of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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 the Bank as of December 31, 2004 and 2005, and of the results of its operations and its cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Public Bank and accounting principles generally accepted in the Republic of China.

Our audit also comprehended the translation of the 2005 New Taiwan dollar amounts into U.S. dollar amounts and; in our opinion, such translation has been made in conformity with the basis stated in Note 4. Such U.S. dollar amounts are presented solely for the convenience of readers.

Under Regulations Governing the Preparation of Financial Reports by Public Banks, we have also audited the consolidated financial statements of the Bank as of December 31, 2005, and for the years then ended, on which we have issued a modified unqualified opinion thereon in our report dated March 10, 2006.

Deloitte + Touche

March 10, 2006

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.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

FAR EASTERN INTERNATIONAL BANK

BALANCE SHEETS
DECEMBER 31, 2004 AND 2005
(In Thousands of New Taiwan Dollars, Except Par Value)

	2004 NTS	2005 NTS	2005 US\$ (Note 4)
ASSETS			
CASH AND CASH EQUIVALENTS	3,653,406	3,657,708	111,346
DUE FROM BANKS AND THE CENTRAL BANK	15,483,803	17,762,717	540,722
SECURITIES PURCHASED, NET	19,529,855	22,741,218	692,275
RECEIVABLES, NET	33,232,344	29,122,195	886,520
LOANS, DISCOUNTS AND BILLS PURCHASED, NET	171,910,648	212,214,005	6,460,092
LONG-TERM INVESTMENTS, NET	3,017,170	4,311,070	131,235
Long-term equity investments	320,829	672,604	20,425
Equity method	3,337,999	4,983,674	151,710
Cost method	2,382,014	9,362,199	284,998
Total long-term equity investments	5,720,013	14,345,873	436,208
Long-term bond investments			
Long-term investments, net			
PROPERTIES			
Cost	1,147,982	1,151,904	35,065
Land	912,656	949,184	28,894
Buildings and improvements	800,484	852,223	25,943
Computer equipment	30,807	30,579	911
Transportation equipment	942,083	1,079,386	32,858
Miscellaneous equipment	3,834,012	4,063,276	123,691
Total cost	1,391,931	1,567,015	47,202
Less: Accumulated depreciation	2,442,081	2,496,261	75,989
Prepayments for properties	69,796	133,625	4,068
Net properties	2,511,872	2,629,886	80,057
OTHER ASSETS	2,12,19,24,26	6,246,863	3,182,365
TOTAL	\$ 258,288,802	\$ 305,655,967	\$ 9,304,596
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to banks	7,720,944	16,854,575	513,077
Bonds sold under repurchase agreement	759,361	2,414,518	73,501
Payables and advances	4,374,108	5,608,876	170,742
Deposits and remittances	198,801,291	228,052,878	6,942,249
Bank debentures	21,000,000	29,000,000	882,801
Convertible bonds	2,073,009	608,546	18,525
Other liabilities	3,710,269	1,352,056	41,158
Total liabilities	238,438,982	283,891,449	8,642,053
SHAREHOLDERS' EQUITY			
Capital stock, \$10 par value, Authorized - 2,000,000 thousand shares Issued - 1,586,701 thousand shares in 2004 and 1,791,250 thousand shares in 2005	15,867,008	17,912,499	545,282
Capital surplus	583,916	1,095,783	33,357
Additional paid-in capital	101,531	101,531	3,091
Treasury stock	19	19	-
From long-term equity investments	685,486	1,197,314	36,438
Total capital surplus	269,220	1,174,310	35,747
Retained earnings	3,017,663	1,470,289	44,758
Legal reserve	3,286,883	2,644,599	80,505
Unappropriated earnings	10,450	10,106	308
Total retained earnings	19,849,827	21,764,518	662,541
Cumulative translation adjustments			
Total shareholders' equity			
CONTINGENT LIABILITIES AND COMMITMENTS			
			2,24,26
TOTAL	\$ 258,288,802	\$ 305,655,967	\$ 9,304,596

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



Financial Statements

FAR EASTERN INTERNATIONAL BANK

STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2004 AND 2005 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Notes	2004		2005	
		NTS	NTS	NTS	US\$ (Note 4)
OPERATING INCOME					
Interest	2,24,29	\$ 9,684,458	\$ 11,363,433	\$	345,919
Service fees	2	2,362,914	2,936,298		89,385
Gains on sale of securities purchased	2	343,910	423,017		12,877
Income from long-term equity investments	2,9,10	234,668	746,701		22,731
Other	2,29	418,361	568,079		17,293
Total operating income		13,044,311	16,037,528		488,205
OPERATING COSTS AND EXPENSES					
Interest	29	3,571,618	5,119,140		155,834
Service charges	24	906,619	860,139		26,184
Provisions for possible losses	2,9	1,179,243	4,368,679		132,989
Operating and administrative expenses	18,21,24,26	3,780,053	4,200,317		127,863
Other	2	171,389	-		-
Total operating costs and expenses		9,608,922	14,548,275		442,870
OPERATING INCOME		3,435,389	1,489,253		45,335
NONOPERATING INCOME AND GAINS		64,804	69,015		2,101
NONOPERATING EXPENSES AND LOSSES		69,226	57,130		1,739
INCOME BEFORE INCOME TAX		3,430,967	1,501,138		45,697
INCOME TAX EXPENSES	2,19	413,999	93,783		2,855
NET INCOME		\$ 3,016,968	\$ 1,407,355		\$ 42,842

Notes	2004 (NTS)		2005 (NTS)		2005 (US\$)	
	Before Tax	After Tax	Before Tax	After Tax	Before Tax	After Tax
EARNINGS PER SHARE						
Primary earnings per share	17,22	\$ 2.19	\$ 1.93	\$ 0.85	\$ 0.80	\$ 0.03
Diluted earnings per share	17,22	\$ 1.92	\$ 1.69	\$ 0.82	\$ 0.77	\$ 0.02

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

FAR EASTERN INTERNATIONAL BANK

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2004 AND 2005 (In Thousands of New Taiwan Dollars, Except Par Value and Dividend Per Share)

	Capital Stock (\$10 Par Value) (Notes 17, 20 and 23)		Additional Paid-in Capital (Note 17)		From Treasury Stock (Notes 2, 20 and 23)		Retained Earnings (Note 20)		Total	Cumulative Translation Adjustments (Note 2)	Treasury Stock (Notes 2, 20 and 23)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Legal Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2004	2,000,000,000	1,524,815,400	\$ 15,248,154	\$ -	-	-	\$ -	\$ 807,399	\$ 10,722	\$ (388,473)	\$ 15,767,821	
Appropriation of prior years' earnings	-	-	-	-	-	-	-	269,220	-	-	-	
Legal reserve	-	-	-	-	-	-	-	(37,649)	-	-	(37,649)	
Bonus to employees - cash	-	-	-	-	-	-	-	(12,550)	-	-	(12,550)	
Remuneration to directors and supervisors	-	-	-	-	-	-	-	(577,283)	-	-	(577,283)	
Cash dividends - \$0.3922 per share	-	-	-	-	-	-	-	695	-	-	695	
Balance after the appropriations	2,000,000,000	1,524,815,400	15,248,154	-	19	19	269,220	695	10,722	(388,473)	15,140,337	
Cancellation of treasury stock	-	-	(26,579,000)	-	-	-	-	-	-	164,259	137,679	
Transfer of treasury stocks to employees	-	-	-	-	101,531	-	-	-	(641)	224,214	123,643	
Translation adjustments - offshore banking unit	-	-	-	-	-	-	-	-	-	-	-	
Translation adjustments for foreign-currency long-term equity investments	-	-	-	-	-	-	-	-	156	-	156	
Translation adjustments from long-term equity investments	-	-	-	-	-	-	-	-	213	-	213	
Conversion of bonds into common stock	-	-	88,464,428	884,644	-	-	583,936	-	-	-	1,468,580	
Net income in 2004	-	-	-	-	-	-	583,936	3,016,968	-	-	3,016,968	
BALANCE, DECEMBER 31, 2004	2,000,000,000	1,586,700,828	15,867,008	583,936	19	19	685,486	3,017,663	10,450	-	19,849,827	
Appropriation of prior years' earnings	-	-	-	-	-	-	-	905,090	-	-	-	
Legal reserve	-	-	-	-	-	-	-	(55,899)	-	-	(55,899)	
Bonus to employees - cash	-	-	-	-	-	-	-	(67,079)	-	-	(67,079)	
Remuneration to directors and supervisors	-	-	-	-	-	-	-	(40,993)	-	-	(40,993)	
Cash dividends - \$0.5227 per share	-	-	-	-	-	-	-	(857,122)	-	-	(857,122)	
Stock dividends - \$0.6273 per share	-	-	102,854,595	1,028,536	-	-	-	(1,028,536)	-	-	-	
Balance after the appropriations	2,000,000,000	1,696,263,332	16,962,633	583,936	19	19	685,486	62,934	10,450	(59)	18,895,813	
Translation adjustments - offshore banking unit	-	-	-	-	-	-	-	-	(89)	-	(89)	
Translation adjustments for foreign-currency long-term equity investments	-	-	-	-	-	-	-	-	131	-	131	
Translation adjustments from long-term equity investments	-	-	-	-	-	-	-	-	(416)	-	(416)	
Conversion of bonds into common stock	-	-	94,986,558	949,866	-	-	511,847	-	-	-	1,461,713	
Net income in 2005	-	-	-	-	-	-	511,847	1,407,355	-	-	1,407,355	
BALANCE, DECEMBER 31, 2005	2,000,000,000	1,791,249,890	17,912,492	\$1,025,783	\$101,531	\$101,531	\$1,174,310	\$1,407,282	\$10,106	\$-	\$21,764,318	

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



Financial Statements

FAR EASTERN INTERNATIONAL BANK

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2004 AND 2005 (In Thousands of New Taiwan Dollars)

	2004	2005	
	NTS	NTS	US\$ (Note 4)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 3,016,968	\$ 1,407,355	\$ 42,842
Provision for possible losses	1,179,243	4,368,679	132,989
Recovery of written-off credits	2,138,220	1,178,208	35,866
Depreciation and amortization	214,806	239,696	7,297
Amortization of premium on bond investments	57,444	91,794	2,794
Provision for possible losses on securities purchased	-	15,576	474
Provision for possible losses on foreign bond investments	20,276	63,514	1,933
Provision for retirement benefits	47,056	42,198	1,285
Gain on disposal of long-term equity investments	(12,602)	(40,697)	(1,239)
Net loss on disposal of properties	2,758	2,096	64
Net (gain) loss on disposal of collaterals assumed	4,040	(203)	(6)
Impairment losses of collaterals assumed	49,000	50,000	1,522
Investment income recognized by the equity method	(212,828)	(867,266)	(26,401)
Cash dividends and remuneration received from investments accounted for by the equity method	127,527	135,688	4,131
Loss on long-term equity investment under the cost method	-	173,600	5,285
Decrease in deferred income tax	385,119	12,883	392
Increase in securities purchased - for trading purposes	(7,255,208)	(3,226,939)	(98,233)
Decrease (increase) in other receivables	(4,028,711)	2,534,034	77,140
Increase (decrease) in payables and advances	(305,506)	1,479,800	45,047
Net cash provided by (used in) operating activities	(4,572,398)	7,660,016	233,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in due from banks and the Central Bank	9,158,043	(2,278,914)	(69,373)
Increase in loans, discounts and bills purchased	(37,287,748)	(44,573,454)	(1,356,878)
Acquisition of properties	(336,715)	(356,780)	(10,861)
Proceeds from disposal of properties	5,677	119	4
Proceeds from disposal of collaterals assumed	437,299	155,420	4,731
Proceeds from disposal of long-term equity investments	319,939	-	-
Increase in long-term equity investments	(1,000,000)	(1,088,001)	(33,120)
Decrease (increase) in long-term bond investments	2,141,769	(7,123,611)	(216,853)
Decrease (increase) in other assets	(1,105,422)	2,843,593	86,562
Net cash used in investing activities	(27,667,158)	(52,421,628)	(1,595,788)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in due to banks	(2,923,893)	9,133,631	278,041
Increase in deposits and remittances	31,266,341	29,251,587	890,459
Increase (decrease) in bonds sold under repurchase agreements	(1,628,073)	1,655,157	50,385

(Continued)

	2004	2005	
	NTS	NTS	US\$ (Note 4)
Increase (decrease) in other liabilities	\$ 852,279	\$ (2,323,036)	\$ (70,716)
Increase in bank debentures	4,000,000	8,000,000	243,531
Proceeds from transfer of treasury stocks to employees	224,214	-	-
Cash dividends	(577,285)	(857,058)	(26,090)
Remuneration to directors and supervisors and bonus to employees	(50,199)	(96,892)	(2,950)
Net cash provided by financing activities	31,163,384	44,763,389	1,362,660
EFFECTS OF EXCHANGE RATE CHANGES	(153,609)	2,525	77
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,229,781)	4,302	131
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,883,187	3,653,406	111,215
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 3,653,406	\$ 3,657,708	\$ 111,346
SUPPLEMENTAL DISCLOSURE OF CASH FLOW			
Interest paid	\$ 3,557,534	\$ 4,687,344	\$ 142,689
Income tax paid	\$ 47,520	\$ 69,034	\$ 2,101
NONCASH INVESTING AND FINANCING ACTIVITIES			
Conversion of bonds into common stock	\$ 1,468,580	\$ 1,461,713	

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

(Concluded)



FAR EASTERN INTERNATIONAL BANK

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2004 AND 2005
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Far Eastern International Bank ("the Bank") obtained its license on January 11, 1992 and started business operations on April 11, 1992. The Bank engages in (a) receiving deposits and extending loans and guarantees; (b) issuing letters of credit and handling remittances; (c) acting as an agent for trading government bonds, corporate bonds and bank debentures; and (d) doing other businesses permitted by the Banking Law and related regulations.

As of December 31, 2005, the Bank operated a Business Department, International Department, Trust Department, Credit Card Department, Offshore Banking Unit, and 35 domestic branches, as well as a representative office in Hong Kong.

The operations of the Bank's Trust Department include pecuniary trust, securities trust, real estate trust, creditor's right of money or guarantees trust, movable property trust and the ground right trust and the relative operations. These operations are regulated under the Banking Law and Trust Enterprise Law.

The Bank's capital shares are listed on the Taiwan Stock Exchange.

As of December 31, 2004 and 2005, the Bank had 2,072 and 2,340 employees, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Bank's financial statements have been prepared in conformity with the Guidelines Governing the Preparation of Financial Reports by Public Bank and accounting principles generally accepted in the Republic of China. Under these guidelines and principles, the Bank should make certain estimates and assumptions that could affect the amounts of the allowance for possible losses, depreciation, impairment, pension and provision for losses on guarantees. Actual results could differ from these estimates.

Since the operating cycle could not be reasonably identified in the banking industry, accounts included in the Bank's financial statements were not classified as current or noncurrent. Nevertheless, accounts were properly categorized according to the nature of each account and sequenced by their liquidity. Please refer to Note 28 for maturity analysis of assets and liabilities.

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

The Bank's significant accounting policies are summarized as follows:

Securities Purchased

Securities purchased are carried at the lower of aggregate cost or market. The cost of short-term transactions instruments sold is determined by the specific identification method; but stocks and bonds sold are determined by the moving-average method.

Repurchased and resold bond transactions are treated as financing transactions.

Delinquent Accounts

In accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans" (the Regulations) issued by the Banking Bureau under the Financial Supervisory Commission of the Executive Yuan, overdue loans and other credits extended by the Bank and the related accrued interest are classified as delinquent accounts upon approval by the Board of Directors.

Allowance for Possible Losses

In determining the allowance for credit losses and losses on guarantees, the Bank evaluates the risks on particular loans and overall credit portfolio, considering the balances and general collectibility of loans, discounts and bills purchased, interest, other receivables, and delinquent accounts, as well as guarantees and acceptances as of the balance sheet dates.

The Bank evaluates losses on particular loans on the basis of borrowers' credit limit, principal and interests payment capacity, and estimated value of collateral in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrued Loans" (the "Regulations"). The Regulations require that loans be classified according to levels of collectibility, provisions be made for outstanding credits at specific percentages.

Nonperforming loans were written off upon approval by the Board of Directors.

Long-term Investments

An investment is accounted for by the equity method when the Bank's equity exceeds 20% of the investee's shareholding. Under this method, the investment is stated at cost and later adjusted for the Bank's equity in the investee's net earnings (or net losses). The difference between the acquisition cost and the Bank's equity in an investee's net assets when the investment is acquired or when the equity method is first adopted, is amortized over five years. Cash dividends received are treated as a reduction of investment cost.

Other long-term equity investments are accounted for at cost. Cash dividends received after the year of acquisition are treated as investment income. The carrying values of investment with no quoted market prices are reduced by amounts attributable to other than temporary decline of market value below carrying value, with the decline charged to current income.

For both equity-method and cost-method investments, stock dividends result only in an increase in the number of shares and are not recognized as investment income. Cost of investments sold is determined by the moving-average method.

Bond investments are also accounted for at cost. Premiums or discounts on the bonds are amortized by the straight-line method over the remaining maturity periods. Amortizations are added to or deducted from interest income. The cost of bond investments sold is determined by the moving-average method.

An allowance for possible losses on foreign bond investments is based on the actual evaluation of the foreign bond investment risk.

Properties

Properties are stated at cost less accumulated depreciation and impairment. Improvements and major renewals are capitalized while repairs and maintenance are expensed currently.



Depreciation is computed using the straight-line method over these estimated service lives: buildings and improvements, 5 to 55 years; computer equipment, 3 to 7 years; transportation equipment, 3 to 7 years; and miscellaneous equipment, 3 to 20 years. Properties that have reached their full residual values but are still being used are depreciated over their newly estimated service lives.

Upon sale or disposal of properties, cost, accumulated depreciation and impairment are removed from the accounts, and any gain or loss is credited or charged to nonoperating income.

Collaterals Assumed

Collaterals assumed are accounted at cost and allowance for impairment is based on the fair value of the collaterals assumed.

Deferred Charges

Deferred charges are accounted by obtaining cost, and amortized by the straight-line method over the period of validity.

Convertible Bonds

The bond issue costs are deferred and amortized over the issuance period.

When the bonds are converted into the Bank's stocks, the amount of carrying amount of the bonds in excess of the par value of the Bank's stocks net with unamortized bond issue cost are treated as additional paid-in capital.

Pension Cost

The bank has two types of pension plans: defined benefit and defined contribution.

The Bank recognizes pension costs under defined benefit plan based on actuarial calculations. Unrecognized net transition obligation and unrecognized prior service cost are amortized over 26 and 23 years, respectively.

Under the defined contribution plan, the Bank's required monthly contributions to employees' individual pension accounts at specific percentage of salaries and wage are recognized as pension costs.

Treasury Stock

Treasury stock is recorded at cost and treated as a deduction to arrive at stockholders' equity. When disposing treasury stock, if the disposal value is greater than the carrying value, the difference is recorded as capital surplus and if the disposal value is lower than the carrying value, the difference is offset by capital surplus that resulted from other treasury stock transactions with any remaining deficiency charged to unappropriated earnings.

If the carrying value of treasury stock being retired is less than the sum of its aggregate par value on stock, the difference is credited to capital surplus from treasury stock transactions.

Income Tax

Provision for income tax represents income tax paid and payable for the current year plus the changes in the deferred income tax assets and liabilities during the year. Deferred income taxes are recognized for tax effects of temporary differences, unused tax credits and operating loss carryforwards. A valuation allowance is provided for deferred tax assets that are not certain to be realized.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax expenses.

Income taxes (10%) on unappropriated earnings are recorded as expense in the year when the shareholders resolve to retain the earnings.

Income tax credits for certain research and development expenditures, personnel training expenses are recognized in the period when acquisitions or expenses occur.

Foreign-currency Transactions

The Bank records foreign-currency transactions in their respective currencies. Except the Offshore Banking Unit (OBU), gains or losses resulting from foreign currency transactions are recorded in New Taiwan dollars at spot rate. Foreign-currency assets and liabilities are translated into New Taiwan dollars at month-end prevailing rate. Unrealized foreign exchange gains or losses are credited or charged to current income.

Exchange differences resulting from the translation of OBU's period-end net assets are treated as "cumulative translation adjustment" under shareholders' equity.

Derivative Financial Instruments

a. Forward exchange contracts

Forward exchange contracts, which are used for trading purposes, are recorded at the contracted forward rate. Upon settlement, gains or losses resulting from the difference between the spot rate on the settlement date and the contracted forward rate are credited or charged to income. At year-end, gains or losses on outstanding forward contracts arising from the differences between the forward rate available for the remaining period of each contract and the contracted forward rate are credited or charged to income; also, the balances of receivable and payable accounts are netted out, and the resulting amount is classified as an asset or a liability.

b. Currency swaps contracts

Currency swaps contracts, which are used for trading purposes, are recorded at spot rates on the transaction dates, and the corresponding forward-position assets or liabilities are recorded at the contracted forward rates. The difference between the spot rate and the forward rate is amortized on the straight-line basis over the contract period and recorded as interest income or interest expense. At year-end, the balances of receivables and payables are netted out, and the resulting amount is classified as an asset or a liability.

c. Cross-currency swaps (CCS) contracts

Cross-currency swaps (CCS) contracts, which are used for nontrading purposes, are recorded at the contracted forward rates. The related discounts or premiums are amortized on the straight-line basis over the contract period. Net interests upon each contract are recorded as adjustments to revenue or expense of the items being hedged.

d. Options contracts

Premiums paid and received for options, which are used for trading purposes, are recorded as assets and liabilities, respectively. Gains or losses on the exercise of options are credited or charged to current income. Options outstanding on the balance sheet date are marked to market, and the resulting gains or losses are recognized currently.



e. Interest rate swap contracts

The interest received or paid on each settlement or interest accrued on the balance sheet date for interest rate swaps contracts, which are used to accommodate customers' needs or to manage the Bank's currency positions, is recorded as revenue or expense. The contracts were valued by the fair value method.

f. Convertible bonds for asset swap contracts

Asset swaps contracts involve the exchange of interest payments on fixed-rate bonds and stock conversion rights of convertible bonds with floating-rate interest. Gains or losses arising from the differences between these rates are recorded as adjustments to interest income or expense associated with the hedged bonds.

Interest Income and Service Fees

Interest income on loans is recorded on the accrual basis. For delinquent accounts, interest income is recognized only when collection on these obligations is made. Under the regulations of the Banking Bureau, Financial Supervisory Commission, Executive Yuan, the interest income on credits covered by agreements that extend their maturity is recorded as deferred income and recognized upon collection.

Service fees are recorded as income upon receipt or when the related services are substantially completed.

Contingencies

A loss should be recognized if 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 loss is possible but the amount of loss cannot be reasonably estimated, a footnote disclosure of the situation that might give rise to the loss should be made.

Asset Impairment

Since 2005, the impairment on long-term equity investments, properties, collaterals assumed and deferred charges should be recognized whenever the recoverable amount of a asset or the cash-generating units of assets is below the carrying amount. If asset impairment is reversed, the increase in the carrying amount resulting from the reversal is credited to current income. However, loss reversal should not exceed the carrying amount (net of depreciation or amortization) had the impairment not been recognized.

Reclassifications

Certain 2004 accounts have been reclassified to be consistent with the 2005 financial statement presentation.

3. ACCOUNTING CHANGE

Effective 2005, the Bank began applying ROC Statement of Financial Accounting Standards No. 35 "Accounting for Asset Impairment". This accounting change had no significant effect on the 2005 financial statements.

4. TRANSLATION INTO U.S. DOLLARS

The financial statements are stated in New Taiwan dollars. The translations of the 2005 of the New Taiwan dollar amounts into U.S. dollar amounts are included solely for the convenience of readers, using the rate of NT\$32.85 to US\$1.00, the average of the buying and selling exchange rates quoted by the Bank of Taiwan on December 31, 2005. The convenience translations should not be construed as representations that the New Taiwan dollar amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other exchange rate.

5. CASH AND CASH EQUIVALENTS

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Cash on hand	\$ 1,206,108	\$ 1,313,428	\$ 39,983
Checks for clearing	800,413	1,246,921	37,958
Due from banks	1,646,885	1,097,359	33,405
	<u>\$ 3,653,406</u>	<u>\$ 3,657,708</u>	<u>\$ 111,346</u>

6. DUE FROM BANKS AND THE CENTRAL BANK

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Call loans to banks	\$ 7,275,040	\$ 8,903,110	\$ 271,023
N.T. dollar deposit reserve - Type A	3,748,881	3,864,539	117,642
N.T. dollar deposit reserve - Type B	4,238,508	4,767,608	145,133
Financial Information Service Co., Ltd. account	200,628	206,108	6,274
Foreign-currency deposit reserve	20,746	21,352	650
	<u>\$ 15,483,803</u>	<u>\$ 17,762,717</u>	<u>\$ 540,722</u>

The N.T. dollar deposit reserves are required by law and determined at prescribed rates for average deposit balances. The Type B reserve cannot be withdrawn and is adjusted on the monthly basis.

Foreign-currency deposit reserves are required by law and determined at prescribed rates for average deposit balances. The reserve may be withdrawn at any time and earn no interest.



7. SECURITIES PURCHASED

	December 31		
	2004 NTS	2005 NTS	US\$ (Note 4)
Negotiable certificates of deposits	\$ 13,400,000	\$ 16,500,000	\$ 502,283
Convertible corporate bonds	3,377,466	4,445,112	135,316
Government bonds	153,759	970,630	29,547
Listed and over-the-counter stocks	607,651	565,927	17,228
Mutual funds	330,000	275,125	8,375
Commercial paper	847,608	-	-
Securities purchased under resell agreements	813,371	-	-
	19,529,855	22,756,794	692,749
Less: Allowance for decline in value	-	15,576	474
	<u>\$ 19,529,855</u>	<u>\$ 22,741,218</u>	<u>\$ 692,275</u>

The market value or reference prices of the above securities purchased as of December 31, 2004 and 2005 were as follows:

	December 31		
	2004 NTS	2005 NTS	US\$ (Note 4)
Negotiable certificates of deposits	\$ 13,400,000	\$ 16,499,463	\$ 502,267
Convertible corporate bonds	3,395,687	4,445,922	135,340
Government bonds	153,461	966,007	29,407
Listed and over-the counter stocks	622,875	547,630	16,671
Mutual funds	329,184	282,196	8,590
Commercial paper	846,396	-	-

As of December 31, 2004 and 2005, negotiable certificates of deposits of \$4,100,000 thousand and \$3,650,000 thousand had been provided as collateral for the day-term overdraft required upon joining the Central Bank's clearing system of real-time gross settlement (RTGS). The pledged amount is adjustable according to the overdraft amount.

8. RECEIVABLES

	December 31		
	2004 NTS	2005 NTS	US\$ (Note 4)
Credit card	\$ 28,507,879	\$ 23,703,548	\$ 721,569
Factoring	2,700,396	4,072,578	123,975
Interest	583,874	871,622	26,533
Acceptances	994,197	755,408	22,996
Share in foreclosed assets auctioned off	137,990	372,783	11,348
Forward exchange contracts receivable	38,571	270,531	8,235
Others	536,193	637,438	19,405
	33,499,100	30,683,908	934,061
Less: Allowance for possible losses	266,756	1,561,713	47,541
	<u>\$ 33,232,344</u>	<u>\$ 29,122,195</u>	<u>\$ 886,520</u>

9. LOANS, DISCOUNTS AND BILLS PURCHASED

	December 31		
	2004 NTS	2005 NTS	US\$ (Note 4)
Bills purchased and discounts	\$ 678,065	\$ 766,724	\$ 23,340
Short-term loans	34,262,256	48,112,768	1,464,620
Medium-term loans	47,352,311	61,024,750	1,857,679
Long-term loans	88,749,995	101,795,263	3,098,790
Delinquent accounts	2,932,605	2,500,574	76,121
	173,975,232	214,200,079	6,520,550
Less: Allowance for possible losses	2,064,584	1,986,074	60,458
	<u>\$ 171,910,648</u>	<u>\$ 212,214,005</u>	<u>\$ 6,460,092</u>

As of December 31, 2004 and 2005, the balances of loans without accruing interest were \$2,932,605 thousand and \$2,500,574 thousand, respectively. For loans that became delinquent accounts, the deferred interest incomes were \$184,175 thousand and \$105,946 thousand for the years ended December 31, 2004 and 2005, respectively.

In 2004 and 2005, the Bank had written off certain credits only after completing the required legal procedures.

The changes in the allowance for possible losses on receivables, loans, discounts and bills purchased are summarized below:

	NTS			
	Receivables	Loans, Discounts and Bill Purchased		Total
		Specific Risk	General Risk	
Balance, January 1, 2004	\$ 74,040	\$ 1,694,794	\$ 379,518	\$ 2,148,352
Provision (reversal)	1,789,756	(964,994)	352,381	1,177,143
Write-off	(1,899,930)	(1,228,416)	-	(3,128,346)
Recovery	107,057	2,031,163	-	2,138,220
Reclassification	195,833	(195,833)	-	-
Effects of currency translation	-	-	(4,029)	(4,029)
Balance, December 31, 2004	<u>\$ 266,756</u>	<u>\$ 1,336,714</u>	<u>\$ 727,870</u>	<u>\$ 2,331,340</u>
Balance, January 1, 2005	\$ 266,756	\$ 1,336,714	\$ 727,870	\$ 2,331,340
Provision (reversal)	4,316,505	235,101	(201,825)	4,349,781
Write-off	(3,273,408)	(1,040,800)	-	(4,314,208)
Recovery	251,860	926,348	-	1,178,208
Effects of currency translation	-	-	2,666	2,666
Balance, December 31, 2005	<u>\$ 1,561,713</u>	<u>\$ 1,457,363</u>	<u>\$ 528,711</u>	<u>\$ 3,547,787</u>



Financial Statements

10. LONG-TERM INVESTMENTS

	December 31				% of Ownership
	2004		2005		
	NTS	% of Ownership	NTS	US\$ (Note 4)	
Equity investments					
Equity method					
Far Eastern Asset Management Co., Ltd.	\$ 1,018,763	100.00	\$ 2,755,422	\$ 83,879	100.00
Dah Chung Bills Finance Corp.	1,198,227	22.56	1,232,627	37,523	22.56
Far Eastern Alliance Asset Management Co., Ltd.	161,516	59.99	190,700	5,805	60.00
Far Eastern Life Insurance Agency Co., Ltd.	89,585	100.00	108,322	3,298	100.00
Far Eastern Technical Consultants Co., Ltd.	9,814	30.00	12,005	365	30.00
Far Eastern Property Insurance Agency Co., Ltd.	3,759	100.00	7,757	236	100.00
Far Eastern International Finance Corp.	4,106	100.00	4,237	129	100.00
Far Eastern International Leasing Corp.	531,400	39.90	-	-	-
	<u>3,017,170</u>		<u>4,311,070</u>	<u>131,235</u>	
Cost method					
Far Eastern International Leasing Corp.	-	-	525,375	15,993	16.80
Cheng I Food Co., Ltd.	46,529	8.15	46,529	1,417	8.15
Financial Information Service Co., Ltd.	45,500	1.14	45,500	1,385	1.14
ERA Communications Co., Ltd.	200,000	3.70	45,000	1,370	1.37
Mondex Taiwan Co., Ltd.	25,000	6.47	6,400	195	6.47
An Feng Enterprise Co., Ltd.	3,000	10.00	3,000	91	10.00
Taipei Forex Inc.	800	0.40	800	24	0.40
	<u>320,829</u>		<u>672,604</u>	<u>20,475</u>	
	<u>3,337,999</u>		<u>4,983,674</u>	<u>151,710</u>	
Bond investments					
Government bonds	1,917,637		9,005,505	274,140	
Floating-rate notes	450,407		410,340	12,491	
Foreign corporate bonds	159,585		161,504	4,916	
	<u>2,527,629</u>		<u>9,577,349</u>	<u>291,547</u>	
Less: Allowance for possible loss on foreign bond investments	<u>145,615</u>		<u>215,150</u>	<u>6,549</u>	
	<u>2,382,014</u>		<u>9,362,199</u>	<u>284,998</u>	
	<u>\$ 5,720,013</u>		<u>\$ 14,345,873</u>	<u>\$ 436,708</u>	

In January 2005, the Bank did not subscribe for the newly issued shares of Far Eastern International Leasing Corp.; thus, the Bank's holdings in the investee decreased from 39.9% to 16.80% and the accounting treatment for this investment was changed from the equity method to the cost method.

In July 2005, the Bank acquired all of the newly issued shares of Far Eastern Asset Management Co., Ltd. for \$1,000,000 thousand.

In July and December of 2005, Far Eastern Alliance Asset Management Co., Ltd. reduced its capital to offset its deficit and then had a capital injection by issuing new shares. The Bank's holding cost was increased by \$88,001 thousand; however, decreased by 544 thousand shares. The Bank's shareholdings increased from 59.99% to 60.00%.

In August 2005, ERA Communications Co., Ltd. reduced its capital to offset its deficit and then had a capital injection by issuing new shares. The Bank recognized its investment loss in \$155,000 thousand. However, the Bank did not subscribe for any newly issued shares, the Bank's shareholdings decreased from 3.7% to 1.37%.

In July 2005, Mondex Taiwan Co., Ltd. reduced its capital to offset its deficit. Thus, the Bank recognized its investment loss in \$18,600 thousand.

In December 2004, the Bank transformed its debt from Cheng I Food Co., Ltd. into 4,563 thousand shares at their face value of \$46,529 thousand.

The carrying value of the equity-method investments as of December 31, 2004 and 2005 was based on audited financial statements of investees for the same period as the Bank, except for 2004 and 2005 financial figures of Far Eastern International Finance Corp., which were based on unaudited financial statements.

All subsidiaries were included in the consolidated financial statements for the year ended December 31, 2005.

As of December 31, 2005, bond investments of \$188,500 thousand had been pledged for various purposes (Note 25).

11. PROPERTIES

Accumulated depreciation consisted of:

	December 31		
	2004 NTS	2005 NTS	2005 US\$ (Note 4)
Buildings and improvements	\$ 250,608	\$ 281,631	\$ 8,573
Computer equipment	412,653	480,048	14,613
Transportation equipment	27,170	28,854	878
Miscellaneous equipment	701,500	776,482	23,638
	<u>\$ 1,391,931</u>	<u>\$ 1,567,015</u>	<u>\$ 47,702</u>

As of December 31, 2004 and 2005, property insurance amounted to about \$1,530,193 thousand and \$1,777,904 thousand, respectively. No interest was capitalized in 2004 and 2005.

12. OTHER ASSETS

	December 31		
	2004 NTS	2005 NTS	2005 US\$ (Note 4)
Collaterals assumed - allowance for impairment of \$232,626 thousand and \$268,187 thousand as of December 31, 2004 and 2005	\$ 1,513,799	\$ 1,319,485	\$ 40,167
Refundable deposits	1,007,120	688,556	20,961
Deferred income tax (Note 19)	624,277	611,394	18,612
Option value purchased	2,828,670	358,695	10,919
Deferred charges	272,997	203,862	6,206
Others	-	373	11
	<u>\$ 6,246,863</u>	<u>\$ 3,182,365</u>	<u>\$ 96,876</u>

As of December 31, 2004 and 2005, portions of refundable deposit \$755,795 thousand and \$392,229 thousand, respectively, had paid to enhance the credit limit with the Bank's counter-parties.



財務報表

Financial Statements

13. DUE TO BANKS

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Call loans from banks	\$ 7,336,602	\$ 11,304,636	\$ 344,129
Due to banks	349,510	5,457,603	166,137
Overdraft	6,641	54,513	1,660
Due to the Central Bank	28,191	37,823	1,151
	<u>\$ 7,720,944</u>	<u>\$ 16,854,575</u>	<u>\$ 513,077</u>

14. PAYABLES AND ADVANCES

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Checks for clearing	\$ 800,413	\$ 1,246,921	\$ 37,958
Accrued interest	791,578	1,245,167	37,905
Factoring	624,043	1,026,326	31,243
Acceptance	994,197	755,408	22,996
Accrued bonus	380,752	407,844	12,415
Settlement of securities	46,838	141,778	4,316
Accrued expenses	118,077	125,353	3,816
Advances from loan client	93,281	122,084	3,716
Others	524,929	537,995	16,377
	<u>\$ 4,374,108</u>	<u>\$ 5,608,876</u>	<u>\$ 170,742</u>

15. DEPOSITS AND REMITTANCES

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Checking	\$ 2,120,896	\$ 2,402,215	\$ 73,127
Demand	16,899,261	16,651,099	506,883
Time	76,869,385	93,662,782	2,851,226
Negotiable certificates of deposit	14,530,000	8,734,000	265,875
Demand savings	28,318,367	31,001,953	943,743
Time savings	60,030,180	75,558,577	2,300,109
Remittances	33,202	42,252	1,286
	<u>\$ 198,801,291</u>	<u>\$ 228,052,878</u>	<u>\$ 6,942,249</u>

16. BANK DEBENTURES

Item	The Issuing Period	Note	December 31		
			2004	2005	
			NTS	NTS	US\$ (Note 4)
Subordinated bank debentures - five year maturity; 1 st of first issue in 2002	2002.06.28-2007.06.28	Interest payable on June 28 each year; floating interest rate	\$ 2,000,000	\$ 2,000,000	\$ 60,883
Subordinated bank debentures - five year maturity; 2 nd of first issue in 2002	2002.07.31-2007.07.31	Interest payable on January 31 and July 31 each year; floating interest rate	3,000,000	3,000,000	91,324
Senior bank debentures - five year maturity; first issue in 2003	2003.02.11-2008.02.11	Interest payable on February 11 and August 11 each year; floating interest rate at 4.6% less 6 months' LIBOR	2,000,000	2,000,000	60,883
Senior bank debentures - five year maturity; second issue in 2003	2003.07.18-2008.07.18	Interest payable on July 18 each year; 1.42% interest	1,500,000	1,500,000	45,662
Senior bank debentures - five year maturity; third issue in 2003	2003.09.05-2008.09.05	Interest payable on March 5 and September 5 each year; floating interest rate	700,000	700,000	21,309
Senior bank debentures - five year maturity; fourth issue in 2003	2003.10.17-2008.10.17	A.B.D.E.F. coupons: Interest payable quarterly; C.G.H.I. coupons: Interest payable on October 17 each year; 2.20%-2.25% interest	2,100,000	2,100,000	63,927
Senior bank debentures - five and half year maturity; fourth issue in 2003	2003.10.17-2009.04.17	Interest payable on April 17 and October 17 each year; floating interest rate	700,000	700,000	21,309
Senior bank debentures - five year maturity; first issue in 2004	2004.03.25-2009.03.25	A.B.C.D.E.F. coupons: Interest payable quarterly; G coupon: Interest payable half a year; floating interest rate	1,800,000	1,800,000	54,795
Senior bank debentures - five year maturity; second issue in 2004	2004.05.14-2009.05.14	Interest payable on May 14 and November 14 each year; floating interest rate	1,200,000	1,200,000	36,530
Senior bank debentures - five year maturity; third issue in 2004	2004.07.07-2009.07.07	A.B.C.D. coupons: Interest payable quarterly; floating interest rate; E.F.G.H.I.J.K. coupons: Interest payable quarterly; 2.50%-2.52% interest	3,000,000	3,000,000	91,324
Senior bank debentures - five year maturity; fourth issue in 2004	2004.12.22-2009.12.22	Interest payable on December 22 each year; 2.25% interest	3,000,000	3,000,000	91,324
Senior bank debentures - five year maturity; first issue in 2005	2005.03.30-2010.03.30	Interest payable quarterly; 2.00%-2.05% interest	-	2,000,000	60,883
Senior bank debentures - five year maturity; second issue in 2005	2005.04.11-2010.04.11	Interest payable quarterly; 2.09%-2.10% interest	-	1,000,000	30,441

(Continued)



Item	The Issuing Period	Note	December 31		
			2004 NTS	2005 NTS	2005 US\$ (Note 4)
Senior bank debentures - five year maturity; third issue in 2005	2005.05.05-2010.05.05	Interest payable on May 5 each year; 2.02% interest	\$ -	\$ 2,000,000	\$ 60,883
Senior bank debentures - ten year maturity; fourth issue in 2005	2005.08.26-2015.08.26	Interest payable on August 26 each year; 2.30% interest	-	3,000,000	91,324
			<u>\$ 21,000,000</u>	<u>\$ 29,000,000</u>	<u>\$ 382,801</u>

17. CONVERTIBLE BONDS PAYABLE

The Bank issued US\$110,000,000 in Euro convertible bonds on July 31, 2003. As of December 31, 2004 and 2005, the convertible bonds payable were \$2,073,009 thousand (US\$64,950 thousand) and \$608,546 thousand (US\$18,525 thousand), respectively.

Issue terms of the Bonds are as follows:

- Aggregate issue size: US\$110,000 thousand (including an additional issue amounting to US\$10,000 thousand)
- Issue denomination: US\$1,000
- Issue price: 100% of par (the par value is also the bond issue price)
- Issue period: Five years.
- Coupon rate: 0% per annum.
- Conversion securities: The Bonds will be convertible into newly issued common stocks of the Bank.
- Conversion period: Except in the event that Bonds are previously redeemed, purchased, converted or cancelled and during the Closed Period (as defined in the trust deed), holders of the Bond have the right to require the Bank to redeem all or any portion of the Bonds from January 27, 2004 to July 16, 2008.
- Conversion price: The number of common stocks to be delivered upon conversion of the Bonds will be determined by dividing the principal amount of the Bonds by the conversion price at the fixed exchange rate of NT\$34.404=US\$1.00 in effect on the conversion date. At a conversion price per share of NT\$17.52 and adjusted conversion price per share of NT\$15.93 since July 17, 2005.
- Redemption at the options of the Bond's holders: Holders of the Bonds have the right to require the Bank to redeem all or any portion of the Bonds.
 - On July 25, 2005.
 - If the common stocks of the Bank officially cease to be listed on the Taiwan Stock Exchange (TSE) for a period of at least five consecutive trading days.
 - There is a Change of Control (as defined in the trust deed, such as the changes in the majority directors of the Bank) of the Bank.

- Redemption at the options of the Bank: The Bank has the right to require the holders of the Bonds to redeem all or any portion of the Bonds.
 - The Bank may redeem the Bonds at early redemption value in whole or in part, beginning August 15, 2005 to July 30, 2008 after the issue date, provided that the closing price of the common stocks on the TSE translated into U.S. dollars at the prevailing rate for a period of 30 consecutive trading days is at least 130% of the conversion price then in effect translated into U.S. dollars at a pre-determined exchange rate set on the pricing date.
 - The Bank may redeem the Bonds at any time in whole but not in part at an early redemption value if at least 90% in principal amount of the Bonds have already been redeemed, converted, or purchased and cancelled.
 - If as a result of changes relating to tax laws in the Republic of China, the Bank becomes obligated to pay any additional amounts

- Redemption method: Unless previously redeemed, purchased and cancelled or converted, the Bonds will be redeemed on the maturity date at 100% of par value.

- Trading spot: The Bonds were listed on the Luxembourg Stock Exchange.

From January 27, 2004 to December 31, 2005, the Bonds amounting to US\$91,475 thousand were converted into 183,451 thousand common stocks and transformed \$1,095,783 thousand capital surplus.

18. PENSION PLAN

Under the Labor Pension Act (the "Act"), which took effect on July 1, 2005 and the Labor Standards Law, the Bank has pension plans for all regular employees.

Under the Labor Standards Law, the Bank contributes an amount equal to 2% of salaries and wages paid each month to a pension fund (the Fund). The Fund is administered by a pension fund monitoring committee (the Committee) and deposited in the Committee's name in the Central Trust of China.

The Act provides for a defined contribution benefit plan. Under this plan, the service years of employees who were subject to the Labor Standards Law before the enforcement of the Act and then chose to be subject to the pension mechanism under the Act were not cancelled. However, those hired on or after July 1, 2005 automatically become subject to the Act. Based on the Act, the amount of the Bank's monthly contributions to the employees' individual pension accounts since July 1, 2005 is at 6% of salaries and wages. For the six months ended December 31, 2005, the Bank recognized a defined contribution pension cost of \$34,256 thousand.

Other defined benefit pension information is summarized as follows:

- Net periodic pension cost

	2004		2005	
	NTS	NTS	NTS	US\$ (Note 4)
Service cost	\$ 59,683	\$ 51,485	\$ 1,567	
Interest cost	14,233	17,995	548	
Amortization of unrecognized benefit obligations at transition and prior service cost	1,174	1,174	36	
Projected return on plan assets	(3,482)	(4,391)	(134)	
Pension cost	<u>\$ 71,608</u>	<u>\$ 66,263</u>	<u>\$ 2,017</u>	



b. Reconciliation of pension fund contributions and accrued pension liabilities

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Benefit obligation			
Vested benefit obligation	\$ -	\$ (13,714)	\$ (417)
Non-vested benefit obligation	(349,160)	(431,503)	(13,136)
Accumulated benefit obligation	(349,160)	(445,217)	(13,553)
Effects on employees' future salary level	(171,746)	(217,574)	(6,623)
Projected benefit obligation	(520,906)	(662,791)	(20,176)
Fair value of plan assets	111,006	140,295	4,271
Pension fund contribution	(409,900)	(522,496)	(15,905)
Unrecognized net transition obligation	11,554	10,875	331
Unrecognized prior service cost	8,779	8,284	252
Unrecognized net loss	45,777	129,118	3,930
Accrued pension liabilities	\$ (343,790)	\$ (374,219)	\$ (11,392)
Vested benefit	\$ -	\$ 14,852	\$ 452

c. Actuarial assumptions for pension obligation

	2004	2005
Discount rate	3.5%	2.75%
Incremental rate for employees' future salary level	2.5%	2.5%
Expected rate of return on plan asset	3.5%	2.75%

d. Summary of changes in the pension fund

	2004	2005	
	NTS	NTS	US\$ (Note 4)
Balance, beginning of year	\$ 90,046	\$ 111,006	\$ 3,379
Contributions	22,947	27,479	837
Interest income	1,196	1,810	55
Payments	(3,183)	-	-
Balance, end of year	\$ 111,006	\$ 140,295	\$ 4,271

19. INCOME TAX EXPENSE

a. To reconciliation of income tax based on pretax accounting income at statutory income tax rate and income tax expense was as follows:

	2004	2005	
	NTS	NTS	US\$ (Note 4)
Tax on pretax income at statutory income tax rate (25%)	\$ 857,742	\$ 375,284	\$ 11,424
Tax effects of offshore business unit	(35,898)	(16,482)	(502)
Add (deduct) tax effects of:			
Permanent differences	(105,672)	(326,306)	(9,933)
Temporary differences	77,901	(79,776)	(2,428)
Current year's income tax	794,073	47,852	1,457
Separate tax on interest of short-term negotiable instruments	(28,890)	(47,852)	(1,457)
Income tax (10%) on unappropriated earnings	-	65,328	1,988
Investment tax credit	(5,345)	(41,197)	(1,254)
Loss carryforwards	(759,838)	-	-
Income tax currently payable	-	24,131	734
Withholding tax	(18,630)	(20,666)	(629)
Currently payable (refundable income tax)	\$ (18,630)	\$ 3,465	\$ 105

b. Income tax consisted of:

	2004	2005	
	NTS	NTS	US\$ (Note 4)
Current year's income tax	\$ 794,073	\$ 47,852	\$ 1,457
Unappropriated earnings	-	65,328	1,988
Change in deferred income tax	(375,063)	(24,864)	(757)
Investment tax credit	(5,000)	(5,000)	(152)
Prior year's adjustments	(11)	10,467	319
Income tax expenses	\$ 413,999	\$ 93,783	\$ 2,855

c. Deferred income tax assets (calculated at 25% rate) consisted of:

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Unused loss carryforwards	\$ 414,130	\$ 554,369	\$ 16,876
Amortization of premium on bonds investment	-	27,550	838
Unrealized loss (gain) on exchange	62,786	(40,354)	(1,228)
Unrealized gain on derivatives	-	(47,872)	(1,457)
Unrealized loss on impairment of collaterals assumed	58,156	67,047	2,041
Provision for pension cost over limit	52,459	60,113	1,830
Unused investment tax credits	36,543	-	-
Others	203	241	7
	624,277	621,094	18,907
Less: Allowance	-	9,700	295
	\$ 624,277	\$ 611,394	\$ 18,612



Financial Statements

d. Information on the Integrated Income Tax System is as follows:

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Period-end balance of imputed tax credit	\$ 57,142	\$ 37,500	\$ 1,142

The actual creditable tax ratio for the distribution of the 2004 earnings was 3.44%. The estimated creditable tax ratio for the distribution of 2005 earnings is 1.45%.

The tax credits allocated to shareholders are based on the balance of the imputation credit account (ICA) on the dividend distribution date. There is no unappropriated earnings belong to the years before 1997.

f. As of December 31, 2005, the Bank had unused loss carryforwards, with expiry years as follows:

	Unused Loss Carryforward	
	NTS	US\$
2007 (assessed)	\$ 459,237	\$ 13,980
2010 (estimated)	95,132	2,896

g. Income tax returns through 2002 had been assessed by the tax authorities. For the Bank's 2000 to 2002 income tax returns, the tax authorities denied the interest income on the amortization of \$110,201 thousand in premium on bond investments. The Bank appealed this denial but nevertheless recognized \$27,550 thousand as related income tax expense.

20. SHAREHOLDERS' EQUITY

The Bank's Articles of Incorporation provide that the annual net income (less accumulated losses, if any) must be appropriated as follows:

- a. 30% as legal reserve;
- b. Special reserve at a percentage based on the relevant law or regulations; and
- c. Portion to be retained on the basis of operational needs.
- d. Any remainder:
- | | % |
|---|------------|
| Bonus to shareholders | 92 |
| Remuneration to directors and supervisors | 2 |
| Bonus to employees | 6 |
| | <u>100</u> |

The dividend policy of the Bank is to distribute at least 10% of the appropriated earnings as cash dividends. This policy will be evaluated and adjusted in the future after taking into account factors such as the level of its future operations and investment requirement. The Banking Law provides that cash dividends and bonuses may not exceed 15% of paid-in capital if the legal reserve has not equaled the paid-in capital.

Because treasury stocks amounting to \$265,790 thousand had not been transacted within the required deadline, the board of directors approved the cancellation of these shares on August 3, 2004, and capital surplus from this cancellation was \$101,531 thousand.

On April 16, 2004 and May 18, 2005, the shareholders' meeting, approved the appropriation of 2003 and 2004 earnings as follows:

	2003		2004			
	Earning Appropriation	Dividends Per Share (in Dollars)	Earnings Appropriation	Dividends Per Share (in Dollars)		
	NTS	NTS	NTS	US\$ (Note 4)	NTS	US\$ (Note 4)
Offset of deficit against net income	\$ 2,504,067	\$ -	\$ -	\$ -	\$ -	\$ -
Legal reserve	269,220	-	905,090	27,552	-	-
Cash dividends (Note)	577,285	0.3922	857,122	26,092	0.5227	0.0159
Stock dividends (Note)	-	-	1,028,546	31,310	0.6273	0.0191
Remuneration to directors and supervisors	12,550	-	40,993	1,248	-	-
Bonus to employees - cash	37,649	-	55,899	1,702	-	-
Bonus to employees - stock	-	-	67,079	2,042	-	-
	<u>\$ 3,400,771</u>	<u>\$ 0.3922</u>	<u>\$ 2,954,729</u>	<u>\$ 89,946</u>	<u>\$ 1,1500</u>	<u>\$ 0.0350</u>

Note: There were differences between the actual outstanding shares and expected outstanding shares on dividends and ex-right distribution date. The shareholders' cash dividends and stock dividends increased from NT\$0.5 to NT\$0.5227 and from NT\$0.6 to NT\$0.6273 respectively, in 2004. The shareholders' stock dividends decreased from NT\$0.395 to NT\$0.3922 in 2003.

Had the bonus to employees and remuneration to directors and supervisors been expensed in 2003 and 2004 instead of being accounted for as earnings distributions, the pro forma basic EPS of net income of 2003 and 2004 would have decreased from NT\$2.35 to NT\$2.39 and from NT\$1.82 to NT\$1.93.

Under the Company Law, the appropriation for legal reserve must be made until the reserve equals paid-in capital. The reserve may be used only to reduce or offset deficit. When the amount of the legal reserve shall have aggregated up to 50% of the paid-in capital, and one half of the amount of such legal reserve may be capitalized.

As of March 10, 2006, the date of the accompany auditors report, the appropriation of the 2005 earnings had not been resolved by the board of directors. The resolution on this appropriation will be announced through the Market Observation Post System on the Web site of the Taiwan Stock Exchange.

Under the Integrated Income Tax System, which took effect on January 1, 1998, R.O.C.-resident shareholders will be allocated a tax credit for the income tax paid by the Bank on earnings generated since 1998, which is maintained in the imputation credit account (ICA). The allocation of income tax credits is based on a creditable tax ratio, which is determined on the dividend ex-right date by dividing the ICA balance by the amount of unappropriated earnings.

The Bank's foreign shareholders are not entitled to the tax credit described above, except those related to 10% income taxes on unappropriated earnings actually paid by the Bank. The foreign shareholders' share in such tax will be used to reduce the final withholding tax on their dividends.

Capital Surplus

Under the Company Law, capital surplus may only be used to offset a deficit. However, the capital surplus from the issue of stock in excess of par value (including treasury stock) may be capitalized and transferred to capital but subject to a specified limit and only once a year. Capital surplus resulted from an equity-method investee's surplus may not be capitalized.



Financial Statements

21. PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

	2004		2005	
	NTS	NTS	NTS	US\$ (Note 4)
Personnel expenses				
Salary and bonus	\$ 1,485,528	\$ 1,680,546	\$	51,158
Insurance	95,471	115,928		3,529
Pension	70,304	104,543		3,182
Others	89,271	118,717		3,614
Subtotal	1,740,574	2,019,734		61,483
Depreciation	213,439	237,580		7,232
Amortization	1,367	2,116		65
	<u>\$ 1,955,380</u>	<u>\$ 2,259,430</u>	<u>\$</u>	<u>68,780</u>

22. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share (EPS) were as follows:

	NTS (Numerator)		Thousands Shares (Denominator)	EPS (NT Dollars)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>2004</u>					
Basic EPS					
Net income	<u>\$ 3,430,967</u>	<u>\$ 3,016,968</u>			
Net income	\$ 3,430,967	\$ 3,016,968	1,565,617	<u>\$ 2.19</u>	<u>\$ 1.93</u>
Convertible bonds	<u>9,728</u>	<u>7,296</u>	<u>223,053</u>		
Diluted EPS	<u>\$ 3,440,695</u>	<u>\$ 3,024,264</u>	<u>1,788,670</u>	<u>\$ 1.92</u>	<u>\$ 1.69</u>
<u>2005</u>					
Basic EPS					
Net income	<u>\$ 1,501,138</u>	<u>\$ 1,407,355</u>			
Net income	\$ 1,501,138	\$ 1,407,355	1,756,587	<u>\$ 0.85</u>	<u>\$ 0.80</u>
Convertible bonds	<u>3,254</u>	<u>2,440</u>	<u>71,040</u>		
Diluted EPS	<u>\$ 1,504,392</u>	<u>\$ 1,409,795</u>	<u>1,827,627</u>	<u>\$ 0.82</u>	<u>\$ 0.77</u>

The denominator of earnings per share in 2004 was adjusted for the effect of earnings capitalization.

23. TREASURY STOCK OF COMMON STOCK (DECEMBER 31, 2005: NONE)

Reason for repurchase	Changes in Treasury Stock (Thousand Shares)			
	Beginning Balance	Acquisition	Disposal	Ending Balance
Transfer to employees				
For the year ended December 31, 2004	<u>63,334</u>	<u>-</u>	<u>63,334</u>	<u>-</u>

The Securities and Exchange Law states that the treasury stock purchased should not exceed 10% of total shares issued and the purchase cost should not exceed the sum of total retained earnings, capital surplus in excess of par value and realized capital surplus at time of purchase. In addition, treasury stock should not be pledged and the Bank should not exercise shareholders' rights on the stock.

In 2004, 26,579 thousand shares of treasury stock were canceled due to not being transferred within a certain period (Note 20), and 36,755 thousand shares were transferred to the Bank's employees at the acquisition cost.

24. RELATED-PARTY TRANSACTIONS

The Bank has business transactions with the following related parties:

Related Party	Relationship with the Bank
Far Eastern Asset Management Co., Ltd.	Subsidiary
Far Eastern Electronic Toll Collection Co., Ltd.	Common chairman
Far Eastern Textile Ltd.	Common chairman
Asia Cement Corporation	Common chairman
Far Eastern Department Store Corp.	Common chairman
U-Ming Marine Transport Corp.	Common chairman
Yuan-Je University	Common chairman
Yuan Ding Co., Ltd.	Common chairman
Yuan Ding Investment Co., Ltd.	Common chairman
By Ding Investment Co., Ltd.	Common chairman
Feds Asia Pacific Development Ltd.	Common chairman
Far Eastone Telecommunications Co., Ltd.	Common chairman
U-Ming Hong Kong Corp.	Common chairman
Other	Bank's supervisors and managers and relatives of the Bank's chairman

Significant transactions and account balances with the above parties are summarized as follows:

a. Loans

For the year

	2004			
	Year Ended Balance NTS	Credit Line NTS	Interest Rate	Interest NTS
Far Eastern Textile Ltd.	\$ 870,296	\$ 1,500,000	1.35%	\$ 5,332
U-Ming Hong Kong Corp.	478,755	478,755	1.80313%- 3.1750%	10,078
Far Eastern Department Store Corp.	350,000	500,000	1.35%	761
By-Ding Investment Co., Ltd.	300,000	300,000	1.35%-1.40%	1,118
Feds Asia Pacific Development Ltd.	121,220	181,830	2.5846%	2,086
Yuan Ding Investment Co.	109,000	1,000,000	1.35%	918
Asia Cement Corporation	100,000	500,000	1.35%	4
U-Ming Marine Transport Corp.	65,000	98,000	1.35%	13
Yuan-Je University	53,647	335,000	2.80%	1,627
Far Eastone Telecommunication Co., Ltd.	34,000	217,200	2.5423%	1,204
Others	<u>39,990</u>	<u>46,530</u>	<u>2.37%-4.05%</u>	<u>1,023</u>
	<u>\$ 2,521,908</u>			



Financial Statements

	2005						
	Year-end Balance		Credit Line		Interest Rate	Interest	
	NTS	US\$ (Note 4)	NTS	US\$ (Note 4)		NTS	US\$ (Note 4)
Far Eastern Asset Management Co., Ltd.	\$ 870,000	\$ 26,484	\$ 1,000,000	\$ 30,441	1.79%-1.80%	\$ 1,688	\$ 51
Far Eastern Textile Ltd.	504,449	15,356	1,500,000	45,662	1.53%	6,909	210
Far Eastern Department Store Corp.	500,000	15,221	500,000	15,221	1.54%	2,245	68
Asia Cement Corporation	364,838	11,106	500,000	15,221	1.55%	971	30
U-Ming Hong Kong Corp.	147,825	4,500	492,750	15,000	5.15438%	12,228	372
Feds Asia Pacific Development Ltd.	60,610	1,845	181,830	5,535	2.87%	2,346	71
Other	30,082	916	45,402	1,382	2.21%-4.42%	697	21
	<u>\$ 2,477,804</u>	<u>\$ 75,428</u>					

Under the Banking Law, except for consumer loans, credits extended to any related party should be fully secured, and the terms of credits should be no superior than those extended to third parties.

b. Export bills negotiation

	2004		2005			
	NTS		NTS		US\$ (Note 4)	
	Year-end Balance	Credit Line	Year-end Balance	Credit Line	Year-end Balance	Credit Line
Far Eastern Textile Ltd.	\$ 105,372	\$ 1,500,000	\$ 47,062	\$ 1,500,000	\$ 1,433	\$ 45,662

c. Guarantees

Far Eastone Telecommunication Co., Ltd.	\$ 32,243	\$ 97,200	\$ -	\$ -	\$ -	\$ -
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d. Letters of credit issued

Far Eastern Textile Ltd.	\$ -	\$ -	\$ 19,681	\$ 1,500,000	\$ 599	\$ 45,662
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e. Deposits

	December 31				
	2004		2005		
	NTS	Interest Rate	NTS	US\$ (Note 4)	Interest Rate
Total balances	\$ 12,706,943	0%-7.25%	\$ 17,428,646	\$ 530,552	0%-7.25%

Each related party's balance did not exceed 5% of total deposits.

f. Operating and administrative expenses

	The Years Ended December 31					
	2004		2005			
	NTS	%	NTS	US\$ (Note 4)	%	
Rental - Yuan Ding Co., Ltd.	\$ 79,226	2	\$ 79,589	\$ 2,423	2	
Other	69,688	2	6,251	190	-	
	<u>\$ 148,914</u>	<u>4</u>	<u>\$ 85,840</u>	<u>\$ 2,613</u>	<u>2</u>	

- g. In June 2004, the Bank signed a contract with Far Eastern Asset Management Co., Ltd. for the latter to manage part of the Bank's delinquent credit and collaterals. The Bank should pay management and service fees based on the contract. The management fee, calculated at a percentage of the credit rights balance, was paid on the contract date and amortized over the average credit recovery period. The monthly service fee is calculated at a percentage of the recovering balance of the credit. In 2004 and 2005, the transaction balances were as follows:

	The Years Ended December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Service charges	\$ 31,160	\$ 70,044	\$ 2,132
Operating and administrative expenses	6,355	10,894	332

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Other assets - deferred charges	\$ 26,326	\$ 15,433	\$ 470
Accrued expenses	7,449	22,454	684

- h. In January 2005, the Bank signed a contract with Far Eastern Electronic Toll Collection Co., Ltd. (FETC) to launch a co-brand credit card in connection with the electronic toll collection system on high ways. The Bank should pay FETC the cost of on board unit for its cardholders and \$7,339 thousand had been paid in 2005.

25. PLEDGED ASSETS

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Negotiable certificates of deposits - securities purchased	\$ 4,100,000	\$ 3,650,000	\$ 111,111
Bonds - long-term investment	313,400	188,500	5,738
	<u>\$ 4,413,400</u>	<u>\$ 3,838,500</u>	<u>\$ 116,849</u>

The above-listed pledged assets have been provided as collaterals for the day-term overdraft upon joining the Central Bank's clearing system of real-time gross settlement (RTGS, Note 7), for the provisional seizure of debtors' assets and for credit card transaction reserves.

26. CONTINGENT LIABILITIES AND COMMITMENTS

In addition to Note 29, the Bank's regular contingency liabilities and commitments as of December 31, 2005 are summarized as follows:

- a. As of December 31, 2005, bonds with a total value of \$2,414,518 thousand was sold under agreements to repurchase for \$2,415,264 thousand by January 5, 2006.



- b. The Bank leases part of its office premises under agreements (the relative refundable deposits was \$63,162 thousand) that will expire between 2006 and 2010.

Minimum rentals for the next five years are summarized as follows, excluding imputed interest:

Year	NTS	US\$
2006	\$ 209,511	\$ 6,378
2007	70,495	2,146
2008	54,578	1,661
2009	30,447	927
2010	672	20

- c. Balance sheet of trust accounts and trust accounts property

Balance Sheets of Trust Accounts

Assets	2004		2005		Liabilities	2004		2005	
	NTS	NTS	US\$	NTS		US\$	NTS	US\$	
Bank deposit	\$ -	\$ 7,027	\$ 214	Trust capital	\$ 19,322,940	\$ 24,106,450	\$ 733,651		
Short-term investments	19,322,940	23,638,107	719,577	Reserve and deficit	-	(39,435)	(1,200)		
Account receivable	-	11	-						
Realty, net	-	415,870	12,660						
Total	\$ 19,322,940	\$ 24,061,015	\$ 732,451	Total	\$ 19,322,940	\$ 24,061,015	\$ 732,451		

Trust Account Properties

Investment Portfolio	2004		2005	
	NTS	NTS	US\$	US\$
Bank deposit	\$ -	\$ 7,027	\$ 214	
Short-term investment				
Funds	18,982,239	22,349,740	680,357	
Bonds	-	963	29	
Common stocks	340,701	1,287,404	39,191	
Account receivable	-	11	-	
Realty, net				
Land	-	348,753	10,617	
Building	-	67,117	2,043	
Total	\$ 19,322,940	\$ 24,061,015	\$ 732,451	

As of December 31, 2005, \$237,001 thousand of "short-term investment - funds" were invested through Offshore Banking Unit (OBU) non-discretionary trust account, and were booked under OBU's account. As of December 31, 2004, OBU non-discretionary trust business was not provided to clients yet.

27. AVERAGE BALANCE AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

	2004		2005		
	Average Balance	Average Rate %	Average Balance	Average Balance	Average Rate %
	NTS		NTS	US\$ (Note 4)	
<u>Interest-earning assets</u>					
Cash - due from banks	\$ 1,544,979	1.27	\$ 826,812	\$ 25,169	3.18
Due from banks and the Central Bank	11,266,049	1.39	15,209,765	463,007	1.83
Securities purchased	1,178,076	1.33	1,495,391	45,522	2.11
Loans, discounts and bills purchased	149,968,916	3.67	186,020,566	5,662,727	4.00
Credit card revolving balances (Note)	21,886,807	15.91	21,097,489	642,237	16.69
Long-term investments - bonds	4,566,800	2.46	5,221,786	158,958	2.14
<u>Interest-bearing liabilities</u>					
Due to banks	8,596,856	1.63	14,035,830	427,270	3.09
Bonds sold under repurchase agreement	1,625,295	0.79	2,530,742	77,039	1.20
Demand deposits	38,555,403	0.51	44,489,348	1,354,318	0.62
Time deposits	117,582,214	1.41	151,206,249	4,602,930	1.76
Negotiable certificates of deposit	16,581,947	1.11	9,195,521	279,925	1.29
Bank debentures	18,646,416	3.46	25,593,190	779,093	2.26
Convertible bonds payable	3,240,261	-	1,149,125	34,981	-

Average balance is calculated by daily balances of interest-earning assets and interest-bearing liabilities.

Note: The credit card revolving balances were treated as loans before October 2004, and were required to be treated as receivables since after.

28. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

	December 31, 2004			
	Due in One Year	Due Between after One Year and Seven Years	Due After Seven Years	Total
	NTS	NTS	NTS	NTS
<u>Assets</u>				
Cash and cash equivalents	\$ 3,653,406	\$ -	\$ -	\$ 3,653,406
Due from banks and the Central Bank	15,483,803	-	-	15,483,803
Securities purchased	16,420,570	2,955,526	153,759	19,529,855
Receivables	33,499,100	-	-	33,499,100
Loans, discounts and bills purchased	51,811,235	37,935,088	84,228,909	173,975,232
Long-term investments - bonds	117,469	1,352,592	1,057,568	2,527,629
	\$ 120,985,583	\$ 42,243,206	\$ 85,440,236	\$ 248,669,025

(Continued)



	December 31, 2004			
	Due in One Year NTS	Due Between after One Year and Seven Years NTS		Total NTS
		Due After Seven Years NTS	Due After Seven Years NTS	
Liabilities				
Due to banks	\$ 7,720,944	\$ -	\$ -	\$ 7,720,944
Bonds sold under repurchase agreement	759,361	-	-	759,361
Payables and advances	4,374,108	-	-	4,374,108
Deposits and remittances	181,796,490	17,004,801	-	198,801,291
Bank debentures	-	21,000,000	-	21,000,000
Convertible bonds payable	-	2,073,009	-	2,073,009
	<u>\$ 194,650,903</u>	<u>\$ 40,077,810</u>	<u>\$ -</u>	<u>\$ 234,728,713</u>

	December 31, 2005					
	Due in One Year NTS	Due Between After One Year and Seven Years NTS		Due After Seven Years NTS	Total NTS	US\$ (Note 4)
		Due After Seven Years NTS	Due After Seven Years NTS			
Assets						
Cash and cash equivalents	\$ 3,657,708	\$ -	\$ -	\$ 3,657,708	\$ 111,346	
Due from banks and the Central Bank	17,762,717	-	-	17,762,717	540,722	
Securities purchased	17,437,717	5,319,077	-	22,756,794	692,749	
Receivables	30,664,332	-	-	30,664,332	933,465	
Loans, discounts and bills purchased	64,446,822	51,266,368	98,506,465	214,219,655	6,521,147	
Long-term investments - bonds	507,389	7,469,676	1,600,284	9,577,349	291,547	
	<u>\$ 134,476,685</u>	<u>\$ 64,055,121</u>	<u>\$ 100,106,749</u>	<u>\$ 298,638,555</u>	<u>\$ 9,090,976</u>	

	December 31, 2005				
	Due in One Year NTS	Due Between After One Year and Seven Years NTS		Due After Seven Years NTS	Total NTS
		Due After Seven Years NTS	Due After Seven Years NTS		
Liabilities					
Due to banks	\$ 16,854,575	\$ -	\$ -	\$ 16,854,575	\$ 513,077
Bonds sold under repurchase agreement	2,414,518	-	-	2,414,518	73,501
Payables and advances	5,608,876	-	-	5,608,876	170,742
Deposits and remittances	212,222,547	15,830,331	-	228,052,878	6,942,249
Bank debentures	-	26,000,000	3,000,000	29,000,000	882,801
Convertible bonds payable	-	608,546	-	608,546	18,525
	<u>\$ 237,100,516</u>	<u>\$ 42,438,877</u>	<u>\$ 3,000,000</u>	<u>\$ 282,539,393</u>	<u>\$ 8,600,895</u>

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

29. FINANCIAL INSTRUMENTS

a. Derivative financial instruments

- The Bank engages in derivative transactions mainly to accommodate customers' needs and to manage its own exposure positions. It also enters into cross-currency swaps, interest rate swaps, foreign-currency swaps and convertible bond assets swaps to hedge the effects of foreign exchange or interest rate fluctuations on its net assets, net liabilities or commitments. The Bank's strategy is to hedge most of the market risk through hedging instruments with market value fluctuations that have a highly negative correlation with those of the hedged items. The Bank evaluates the hedging effectiveness of the instruments periodically.
- As of December 31, 2004 and 2005, the contract (notional) amounts, credit risk and fair values of outstanding contracts were as follows:

Financial Instruments	NTS					
	December 31					
	2004		2005			
Contract (Notional) Amount	Credit Risk	Fair Value	Contract (Notional) Amount	Credit Risk	Fair Value	
For hedging purposes:						
Cross-currency swaps contracts	\$ 4,515,568	\$ 195,279	\$ 163,817	\$ 3,199,788	\$ 49,489	\$ 46,117
Interest rate swap contracts	18,500,000	222,138	142,650	25,300,000	293,958	13,732
Currency swaps contracts	1,536,212	10,654	10,478	7,763,628	65,408	44,290
Convertible bond for asset swap contracts	1,021,594	4,532	(28,739)	4,663,800	1,813	(72,297)
For trading purposes:						
Forward exchange contracts	9,689,460	94,827	(105,140)	5,591,603	29,530	(5,546)
Currency swaps contracts	5,976,722	549	(100,761)	13,889,675	256,948	151,438
Foreign-currency forward options contracts	126,033,787	2,920,861	(17,954)	15,896,649	342,215	-
Interest rate swap options contracts	159,585	488	-	-	-	-
Convertible bonds options contracts	3,492,436	40,228	(178,501)	8,971,300	16,480	(320,194)
Interest rate swap contracts	5,610,870	27,654	(10,917)	9,677,327	18,938	684

The Bank is exposed to credit risk from counter-parties' default on contracts. The Bank enters into contracts with customers that have satisfied its credit approval process and have provided necessary collaterals. Transactions are made within each customer's credit limit, and guarantee deposits 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 its credit rating and worldwide ranking. The Bank does not expect any significant risk to occur.

The fair value of each contract is determined on the quotation from Reuters or the Associated Press.

The Bank engages in certain derivative contracts 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 for the Bank. The possibility that derivative financial instruments held or issued by the Bank cannot be sold at a reasonable price is considered minimal; no significant additional cash demand is expected.



3) Gains and losses on derivative transactions were as follows:

	2004		2005	
	NTS	NTS	NTS	US\$ (Note 4)
Cross-currency swaps contracts				
Interest income	\$ 55,392	\$ 82,086	\$	2,499
Interest expense	68,684	157,895		4,807
Interest rate swap contracts				
Interest income	221,909	165,438		5,036
Interest expense	2,761	43,491		1,324
Net gain	6,979	4,670		142
Currency swaps contracts				
Interest income	41,738	73,395		2,234
Interest expense	70,933	146,763		4,468
Foreign-currency forward options contracts				
Net gain	411,646	131,346		3,998
Convertible bonds options contracts				
Net gain (loss)	(62,438)	82,333		2,506
Convertible bond for asset swap contracts				
Interest income	18,034	19,048		580
Interest expense	5,366	77,580		2,362

b. Fair value of nonderivative financial instruments

	December 31					
	2004		2005			
	Carrying Amount	Fair Value	Carrying Amount		Fair Value	
	NTS	NTS	NTS	US\$	NTS	US\$ (Note 4)
Assets						
Financial assets - with fair values approximating carrying amounts	\$ 225,190,741	\$ 225,190,741	\$ 263,379,133	\$ 8,017,630	\$ 263,379,133	\$ 8,017,630
Securities purchased, net	19,529,855	9,560,974	22,741,218	692,275	22,741,218	692,275
Long-term investments, net	5,720,013	5,896,597	14,345,873	436,708	14,586,233	441,025
	<u>\$ 250,440,609</u>	<u>\$ 240,648,312</u>	<u>\$ 300,466,224</u>	<u>\$ 9,146,613</u>	<u>\$ 300,706,584</u>	<u>\$ 9,151,930</u>
Liabilities						
Financial liabilities - with fair values approximating carrying amounts	\$ 234,728,713	\$ 214,728,713	\$ 282,535,928	\$ 8,600,789	\$ 282,535,928	\$ 8,600,789

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

- 1) The carrying amounts of cash and cash equivalents, due from banks and the Central Bank, receivables, refundable deposits, due to banks, and payables and advances approximate their fair values because of the short maturities of these instruments.
- 2) The fair values of securities purchased and long-term investments are based on their market prices. Otherwise, fair values are estimated at their carrying amounts.
- 3) Loans, discounts and bills purchased, deposits and remittances, bonds sold under repurchase agreement, bank debentures and convertible bonds are interest-bearing financial assets and liabilities of a short term nature or the majority bearing interest at adjustable rates. The carrying amount represents their fair value.

Certain financial instruments and all nonfinancial instruments are excluded from disclosing their fair value. The aggregate fair value disclosed above does not represent the Bank's underlying value.

c. Financial instruments with off-balance-sheet credit risks

The Bank's significant credit commitments refer mainly to loan and credit card agreements. Loan interest rates ranged from 2.72% to 4.72% in 2004 and from 2.55% to 4.98% in 2005. The highest interest rate for credit cards was 19.71% in both 2004 and 2005. The Bank also issues financial guarantees and standby letters of credit to secure the performance of customer obligations to third parties. The expiration dates are not concentrated in any particular period.

The contract amounts of financial instruments with off-balance-sheet credit risks were as follows:

	December 31		
	2004	2005	
	NTS	NTS	US\$ (Note 4)
Irrevocable loan commitments	\$ 995,000	\$ 1,400,221	\$ 42,625
Financial guarantees and standby letters of credit	14,697,649	17,677,935	538,141
Unused portion of credit card limit	95,558,414	87,117,347	2,651,974

Since not all of the commitments are expected to be drawn upon before its expiration, the total commitment amounts do not necessarily represent future cash requirements and credit risks for the Bank.

The Bank makes credit commitments and issues financial guarantees and standby letters of credit only after careful evaluation of customers' creditworthiness. On the basis of the credit evaluation, the Bank may require collaterals before the credit facilities are drawn upon. As of December 31, 2004 and 2005, collateralized loans were 58.72% and 60.84%, respectively, of total loans. Collaterals may include real estate property, negotiable certificates of deposit, marketable securities, and other property. If customers default, the Bank will, as the case may require, foreclose the collaterals or execute other rights on the credit given.

The Bank may not require collaterals to acquire credit cards but may adjust credit cardholders' lines of credit on the basis of the result of periodic credit evaluation.

d. Concentration of credit risk

There is concentration of credit risks when the counter-parties to the financial instruments are only a few customers or when customers engaging in commercial activities based on similar economic characteristics that affect their ability of fulfilling obligations by the same economic or other events. Industries that account for 10% or more of the outstanding loans as of December 31, 2004 and 2005 are listed below:

	December 31				
	2004		2005		
	NTS	%	NTS	US\$ (Note 4)	%
Domestic					
Manufacturing	\$ 28,355,131	17	\$ 28,839,176	\$ 877,905	14
Individuals	107,020,739	63	132,516,325	4,033,982	63



e. The net positions on major foreign currencies were as follows:

Currency	December 31	
	2004	2005
YEN (thousands)	\$ 1,482,878	\$ 58,374
USD (thousands)	56,909	68,892
EUR (thousands)	(13,045)	10,333

30. MAJOR RISK EXPOSURE SITUATIONS, MANAGEMENT POLICY AND PRACTICE OF CREDIT RISK, MARKET RISK, LIQUIDITY RISK, OPERATING RISK AND LEGAL RISK

a. Credit risks

1) Loans asset quality

	December 31		
	2004 NTS	2005 NTS	2005 US\$ (Note 4)
Nonperforming loans	\$ 4,023,097	\$ 3,917,944	\$ 119,268
Delinquent accounts	2,932,605	2,500,574	76,121
NPL ratio	2.312%	1.829%	1.829%
Loans under surveillance	307,576	-	-
Ratio of loans under surveillance to total loans	0.177%	-	-
Allowance for possible losses	2,064,584	1,986,074	60,459
Write-off (excluded credit card receivables)	1,228,416	1,040,800	31,683

Note 1: Nonperforming loans:

- Before June 30, 2005, the disclosures of nonperforming loans are in compliance with Ministry of Finance directive No. 832292834 and No. 86656564.
- After July 1, 2005, the disclosures of nonperforming loans are in compliance with Ministry of Finance directive No. 0928011826.

Note 2: NPL ratio: Nonperforming loans/Gross loans outstanding

Note 3: Loans under surveillance were defined (only using before June 30, 2005) as follows:

- Medium and long-term installment loans for which repayments have been delinquent for more than three months but less than six months;
- Overdue loans, which are loans with principal repayment overdue by less than three months and interest thereon is overdue by more than three months but less than six months;
- Loans exempted from such reporting, including loans for which an agreement has been reached to extend the repayment period for installement payments; loans for which a credit insurance fund will cover such repayment (as evidenced by a sufficient certificate of deposit or reserve), loans for which the period for a one-time or lump sum loan repayment has been extended; and loans extended under other approved exempt loan programs.

Note 4: Write off: It shall disclosure the whole year's accumulative amount of write off.

2) Concentration of credit extensions:

Items	December 31, 2004	December 31, 2005		
	NTS	NTS	US\$ (Note 4)	
Credit extensions to interest parties	\$4,462,930	\$4,418,459	\$134,504	
Ratios of credit extensions to interest parties	2.391%	1.917%		
Ratios of credit extensions secured by pledged stocks	4.11%	4.05%		
Industry concentration (the three industries with the highest industry credit ratios)	Industry	Percentage	Industry	Percentage
	Manufacturing	13.61%	Manufacturing	14.89%
	Finance and insurance	5.34%	Finance and insurance	5.33%
	Wholesale and retail	3.67%	Wholesale and retail	3.02%

Note: a) Total credits include bills, discounts and loans (including those for import and export negotiations), acceptances and guarantees.

b) Ratio of credit extensions to interest parties: Credit extensions to interest parties ÷ Total credits.

Interest parties are defined by the Banking Law.

c) Ratio of credit extensions secured by pledged stocks: Credit extensions secured by pledged stocks/Total credits

3) Policy on the provision for credit losses: Note 2.

4) Concentrations of risk: Notes 26 and 29.

b. Market risk:

1) Average balance and average interest rate of interest-earning assets and interest-bearing liabilities: Note 27.

2) Market risk sensitivity

	December 31	
	2004	2005
Ratio of interest rate-sensitive assets to liabilities	101.82%	101.56%
Ratio of interest rate-sensitive gap to net worth	15.76%	14.26%

Note: a) Interest-rate-sensitive assets and liabilities are the cost or revenue of interest earning assets and interest-bearing liabilities that would be affected by interest rate fluctuations.

b) Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (Foreign-currency assets and liabilities are excluded, with maturities of less than one year).

c) Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.



3) The net positions of the main foreign-currency transactions: Note 29.

c. Liquidity risk:

1) Profitability

	2004	2005
Return on total assets	1.42%	0.53%
Return on net worth	19.27%	7.21%
Profit margin	26.30%	9.36%

Note: a) Return on total assets = Income before income tax/Average total assets

b) Return on net worth = Income before income tax/Average net worth

c) Profit margin = Income before income tax/Total operating revenues

2) Maturity analysis of assets and liabilities

December 31, 2005

	Total	Amount for the Remaining Period Before the Maturity Date				
		Day 0-30	Day 31-90	Day 91-180	Day 181 - One Year	Over One Year
Assets	\$ 274,119,076	\$ 48,093,035	\$ 19,580,094	\$ 6,778,432	\$ 8,746,912	\$ 190,920,603
Liabilities	245,541,187	70,142,991	24,901,647	27,745,960	77,893,680	44,856,909
Gap	28,577,889	(22,049,956)	(5,321,553)	(20,967,528)	(69,146,768)	146,063,694
Accumulated gap	28,577,889	(22,049,956)	(27,371,509)	(48,339,037)	(117,485,805)	28,577,889

Note: The above amounts excluded foreign-currency assets and liabilities.

d. Operating risk and law risk matters

Matters Requiring Special Notation
December 31, 2005

	Summary and Amount
Within the past one year, a responsible person or professional employee violated the law in the course of business, resulting in an indictment by a prosecutor.	None
Within the past one year, a fine was levied on the Bank for violations of the Banking Law.	None
Within the past one year, misconduct occurred that resulted in the Ministry of Finance's imposing strict corrective measures.	None
Within the past one year, the loss from one incident or the total losses from employee corruption, workplace accidents, or failure to abide by the "Guidelines for the Maintenance of Soundness of Financial Institutions" exceeded \$50,000 thousand.	None
Others	None

31. CAPITAL ADEQUACY RATIO

	December 31	
	2004	2005
Capital adequacy ratio	10.66%	10.32%
Ratio of debt to net worth	1,201.21%	1,304.38%

Note: Capital adequacy ratio = Eligible capital/Risk-based assets. Under the Banking Law and related regulations No. 0090345106 issued by the Ministry of Finance, the capital adequacy ratio should be computed on June 30 and December 31.

32. BORROWERS, GUARANTERS OR COLLATERAL PROVIDERS AS INTEREST PARTIES

Category	Account Volume	December 31, 2005		Possibility of Loss (Note c)
		NTS	US\$ (Note 4)	
Consumer loans (Note a)	426	\$ 168,837	\$ 5,140	-
Employees' residential mortgage loans	239	610,020	18,570	-
Other loans to interest parties (Note b)	142	3,639,602	110,795	-
Loans with guarantors being interest parties	240	692,155	21,070	-
Loans with collateral providers being interest parties	337	3,130,977	95,311	-

Note: a. The consumer loans are defined by Article 32 of the Banking Law.

b. Consumer loans and employees' residential mortgage loans are not included.

c. Disclosing the evaluation loss, if the possibility of loss is significant.

d. All of the interest parties mentioned above are subject to Article 33-1 of the Banking Law.

33. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau as of December 31, 2005 of the Bank and subsidiaries:

1) Financing provided: None

2) Endorsement/guarantee provided: None

3) Marketable securities held: Table 1 (attached)

4) Marketable securities acquired and disposed of, at cost or price over NT\$300 million or 10% of the issued capital: Table 2 (attached)

5) Acquisition of individual real estate at costs of over NT\$300 million or 10% of the paid-in capital: Table 3 (attached)

6) Disposal of individual real estate at price of over NT\$300 million or 10% of the paid-in capital: Table 4 (attached)

7) Service fee discounts of at least NT\$5 million to related parties: None.



Financial Statements

- 8) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: None.
- 9) On sale of nonperforming loans to over NT\$5,000 million: None.
- 10) Names, locations, and other information of investees on which the Bank exercises significant influence: Table 5 (attached)
- 11) Derivative financial transactions: Note 29.
- b. Information on investment in Mainland China: None.

TABLE I

FAR EASTERN INTERNATIONAL BANK AND INVESTEES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2005
(In Thousands of New Taiwan Dollars)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	Shares/Units (in Thousands)	December 31, 2005 Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	Note
Far Eastern International Bank	Equity	Equity-method investee	Long-term investments	\$ 1,500	12,005	30.00	\$ 12,005	Note 1
	Far Eastern Technical Consultants Co., Ltd.	Equity-method investee	Long-term investments	97,657	1,232,627	22.56	1,294,352	Note 1
	Dah Chung Bills Finance Corp.	Equity-method investee	Long-term investments	200,000	2,755,422	100.00	2,755,422	Note 1
	Far Eastern Asset Management Co., Ltd.	Subsidiary	Long-term investments	77,000	4,237	100.00	4,237	Note 2
	Far Eastern International Finance Corp.	Subsidiary	Long-term investments	18,000	190,700	60.00	190,700	Note 1
	Far Eastern Alliance Asset Management Co., Ltd.	Subsidiary	Long-term investments	1,415	108,322	100.00	108,322	Note 1
	Far Eastern Life Insurance Agency Co., Ltd.	Subsidiary	Long-term investments	350	7,757	100.00	7,757	Note 1
	Far Eastern Property Insurance Agency Co., Ltd.	Subsidiary	Long-term investments	49,708	525,375	16.08	-	Note 1
	Far Eastern International Leasing Corp.	-	Long-term investments	1,737	45,000	1.37	-	-
	ERA Communications Co., Ltd.	-	Long-term investments	4,550	45,500	1.14	-	-
	Financial Information Service Co., Ltd.	-	Long-term investments	640	6,400	6.47	-	-
	Mondex Taiwan Co., Ltd.	-	Long-term investments	300	3,000	10.00	-	-
	An Feng Enterprise Co., Ltd.	-	Long-term investments	80	800	0.40	-	-
	Taipei Forex Inc.	-	Long-term investments	4,653	46,529	8.15	-	-
	Cheng I Food Co., Ltd.	-	Long-term investments	-	-	-	-	-
Far Eastern Asset Management Co., Ltd.	Equity	Subsidiary	Long-term investments	200,000	3,328,678	100.00	3,328,678	Note 1
	Far Dragon Stainless Steel Co., Ltd. Dragon Steel Co., Ltd.	-	Long-term investments	50,000	613,281	2.00	-	Note 3

Note 1: The carrying value of equity investments was based on audited financial statements for the same period.

Note 2: The carrying value of equity investments was based on unaudited financial statements for the same period.

Note 3: Far Eastern Asset Management Co., Ltd. sold preferred shares and common shares of Dragon Steel Co., Ltd., then acquired new issue shares by subscribing for 50,000 thousand shares. The carrying value \$613,281 thousands of investment in Dragon Steel Co., Ltd. was the subscribing \$675,000 thousand net with \$61,719 thousand of deferred gain on disposal of long-term investment.



財務報表

Financial Statements

TABLE 2

FAR EASTERN INTERNATIONAL BANK AND INVESTEES
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COST OR PRICE OF OVER NT\$300 MILLION OR 10% OF THE ISSUED CAPITAL.
YEAR ENDED DECEMBER 31, 2005
(In Thousands of New Taiwan Dollars, Except Amount Per Share)

Company	Type and Issuer of Marketable Securities	Financial Statement Account	Counter-party	Beginning Balance		Acquisition		Disposal			Ending Balance		
				Shares/Units (in Thousands)	Amount	Shares/Units (in Thousands)	Amount	Shares/Units (in Thousands)	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Units (in Thousands)	Amount
Far Eastern Asset Management Co., Ltd.	Dragon Steel Co., Ltd.	Long-term investments	Yun-Hung Investment Co., Ltd.	31,130	\$ 308,299	6,813 (Note 1)	\$ -	38,143	\$ 513,383	\$ 308,299	\$ 205,084 (Note 2)	-	\$ -
		Long-term investments	Dragon Steel Co., Ltd.	-	-	50,000	675,000 (Note 3)	-	-	61,719 (Note 2)	-	50,000	613,281

Note 1: This amount represents stock dividend received.

Note 2: A gain of \$205,084 thousand on disposal included an unrealized gain of \$61,719 thousand on the disposal of a long-term investment.

Note 3: In June 2005, Far Eastern Asset Management Co., Ltd. acquired 50,000 thousand shares of the newly issued shares of Dragon Steel Co., Ltd. at NT\$13.5 per share.



TABLE 3

FAR EASTERN INTERNATIONAL BANK
ACQUISITION OF INDIVIDUAL REAL ESTATES AT COST OF OVER NT\$100 MILLION OR 20% OF THE ISSUED CAPITAL.
YEAR ENDED DECEMBER 31, 2005
(In Thousands of New Taiwan Dollars)

Company	Property	Transaction Date	Amount of Transaction	Status of Payment	Counter-party	Relationship	Prior Period's Transaction of Related Counter-party		Price Reference	Purpose of Acquisition	Other Acquisition Terms
							Owner	Date of Transfer			
Far Eastern Asset Management Co., Ltd.	Collaterals assumed - land, building and machinery	2005.10.05	\$ 2,915,500	Collaterals assumed by court auction procedure.	-	-	-	-	The price appraised by court.	To realize rights on credit	-



財務報表

Financial Statements

TABLE 4

FAR EASTERN INTERNATIONAL BANK AND INVESTEES
DISPOSAL OF INDIVIDUAL REAL ESTATES AT PRICE OF OVER NTS160 MILLION OR 20% OF THE ISSUED CAPITAL
YEAR ENDED DECEMBER 31, 2005
(In Thousands of New Taiwan Dollars, Except Amounts Per Share)

Company	Property	Transaction Date	Acquisition Date	Carrying Value	Transaction Value	Payment Terms	Gain (Loss) on Disposal	Counter-party	Relationship	Purpose of Disposal	Price Reference	Other Acquisition Terms
Far Eastern Asset Management Co., Ltd.	Collaterals assumed - land, building and machinery	2005.12.19	2005.10.05	\$2,928,541 (Note 1)	Note 1	Note 1	Note 1	Far Dragon Stainless Steel Co., Ltd.	Subsidiary	Note 1	Note 2	-

Note 1: Far Eastern Assets Management Co., Ltd. spun off the collaterals assumed to Far Dragon Stainless Steel Co., Ltd. ("Far Dragon") to exchange for Far Dragon's common shares amounting to 160 thousand shares and with a par value of NT\$10.00. These shares were issued at a premium of NT\$38.30.

Note 2: The reference price was calculated at the book value of the collaterals assumed as of the spin-off.

TABLE 5

FAR EASTERN INTERNATIONAL BANK AND INVESTEES
NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES ON WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
DECEMBER 31, 2005
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2005		Net Income (Losses) of the Investee	Gains (Losses) Recognized by Investor	Note	
				Dec. 31, 2005	Dec. 31, 2004	Shares (Thousands)	Percentage of Ownership				Carrying Value
Far Eastern International Bank	Far Eastern Technical Consultants Co., Ltd.	33F, No. 207 Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Real estate management	\$ 15,000	\$ 15,000	1,500	30.00	\$ 7,402	\$ 2,190	Note 1	
	Far Eastern Alliance Asset Management Co., Ltd.	7F, No. 207 Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Securities investment trust funds	371,154	283,153	18,000	60.00	190,700	(98,042)	Note 1	
	Far Eastern Life Insurance Agency Co., Ltd.	2F, No. 38 Roosevelt Road, Sec. 1, Taipei, Taiwan	Life insurance agent	2,027	2,027	1,415	100.00	108,322	80,389	Note 1	
	Far Eastern Property Insurance Agency Co., Ltd.	6F-3, No. 189 Yan Ping South Road, Taipei, Taiwan	Property insurance agent	2,000	2,000	350	100.00	7,757	4,129	Note 1	
	Dah Chung Bills Finance Corp.	12F, No. 116 Nanjing East Road, Sec. 2, Taipei, Taiwan	Underwriting, dealing and brokering of short-term bills	1,026,537	1,026,537	97,657	22.56	1,232,627	379,813	Note 1	
	Far Eastern Asset Management Co., Ltd.	4F-1, No. 267 Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Purchase, evaluation, auction and management of creditor's rights of financial institutions	2,000,000	1,000,000	200,000	100.00	2,755,422	736,659	Note 1	
	Far Eastern International Finance Corp.	11F, Lippo Leighton Tower, Room A, 103-109, Leighton Road Causeway Bay, HK.	Asset management and investments	3,950	3,950	77,000	100.00	4,237	-	Note 2	
	Far Eastern Asset Management Co., Ltd.	Far Dragon Stainless Steel Co., Ltd.	10F, No. 49 Jhuohsing 4th Rd., Sincing District, Kaohsiung, Taiwan	Stainless steel plant	3,328,541	-	200,000	100.00	3,328,678	137	Note 1
					-	-	-	-	-	-	-

Note 1: The investment income was determined on the basis of investees' audited financial statements for the same period.

Note 2: The investment income was determined on the basis of investees' unaudited financial statements for the same period.



Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern International Bank and Subsidiaries

We have audited the accompanying consolidated balance sheet of the Far Eastern International Bank (the "Bank") and subsidiaries as of December 31, 2005, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and 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 audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Bank as of December 31, 2005, and of the results of its operations and its cash flows for the year then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Public Bank and accounting principles generally accepted in the Republic of China.

Our audit also comprehended the translation of the 2005 New Taiwan dollar amounts into U.S. dollar amounts and; in our opinion, such translation has been made in conformity with the basis stated in Note 4. Such U.S. dollar amounts are presented solely for the convenience of readers.

As disclosed in Note 2 to the accompanying consolidated financial statements, effective January 1, 2005, Far Eastern International Bank and subsidiaries adopted the amendment of Statement of Financial Accounting Standards (the "Standards") No. 7, "Consolidated Financial Statements," in the Republic of China. Thus, the consolidated financial statements prepared as an individual for all controlled invested companies just for and from the year ended December 31, 2005. On the other hand, according to the "Standards" No. 7, the consolidated financial statements do not have to re-consolidate for the year ended December 31, 2004. The Bank and subsidiaries' financial statements were not consolidated for the year ended December 31, 2004. Hence, the attached audited financial statements with comparative figures for the year ended December 31, 2004, were the non-consolidated financial statements.

Deloitte + Touche

March 10, 2006

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.

For the convenience of readers, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.



Financial Statements

FAR EASTERN INTERNATIONAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2005 (WITH COMPARATIVE FIGURES FOR 2004) (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2004 NTS	2005 NTS	US\$
OPERATING INCOME			
Interest	\$ 9,684,458	\$ 11,364,150	\$ 345,941
Service fees	2,362,914	2,936,298	89,385
Gains on sale of securities purchased	343,910	423,017	12,877
Income from long-term equity investments	234,668	144,836	4,409
Gain from acquired loans sold	-	770,880	23,467
Other	418,361	925,861	28,184
Total operating income	13,044,311	16,565,042	504,263
OPERATING COSTS AND EXPENSES			
Interest	3,571,618	5,120,847	155,886
Service charges	906,619	790,095	24,052
Provisions for possible losses	1,179,243	4,372,279	133,098
Operating and administrative expenses	3,780,053	4,552,197	138,575
Other	171,389	-	-
Total operating costs and expenses	9,608,922	14,835,418	451,611
OPERATING INCOME	3,435,389	1,729,624	52,652
NONOPERATING INCOME AND GAINS	64,804	71,271	2,169
NONOPERATING EXPENSES AND LOSSES	69,226	106,741	3,249
INCOME BEFORE INCOME TAX	3,430,967	1,694,154	51,572
INCOME TAX EXPENSE	413,999	326,025	9,924
CONSOLIDATED NET INCOME	\$ 3,016,968	\$ 1,368,129	\$ 41,648
ATTRIBUTE TO:			
Shareholders of parent company	\$ 3,016,968	\$ 1,407,355	\$ 42,842
Minority interest	-	(39,226)	(1,194)
	\$ 3,016,968	\$ 1,368,129	\$ 41,648

(Continued)

FAR EASTERN INTERNATIONAL BANK AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2005 (WITH COMPARATIVE FIGURES FOR 2004) (In Thousands of New Taiwan Dollars, Except Par Value)

	2004 NTS	2005 NTS	US\$
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 3,653,406	\$ 3,888,988	\$ 118,386
DUE FROM BANKS AND THE CENTRAL BANK	15,483,803	17,762,717	540,722
SECURITIES PURCHASED, NET	19,529,855	22,755,218	692,701
RECEIVABLES, NET	33,232,344	29,045,949	884,199
LOANS, DISCOUNTS AND BILLS PURCHASED, NET	171,910,648	211,344,005	6,433,607
LONG-TERM INVESTMENTS, NET			
Long-term equity investments	3,017,170	1,244,632	37,889
Equity method	320,829	1,285,885	39,144
Cost method	3,337,999	2,530,517	77,033
Total long-term equity investments	6,675,998	5,061,034	154,066
Long-term bond investments	2,382,014	9,362,199	284,928
Long-term investments, net	5,720,013	11,892,716	362,031
PROPERTIES			
Cost	1,147,982	1,648,604	50,186
Land	912,656	1,125,780	34,270
Buildings and improvements	800,484	832,223	25,943
Computer equipment	30,807	30,579	931
Transportation equipment	942,083	1,132,916	34,487
Miscellaneous equipment	3,834,012	4,790,102	145,817
Total cost	1,391,931	1,602,372	48,278
Less: Accumulated depreciation	2,442,081	3,187,730	97,039
Construction in process	-	2,255,245	68,653
Prepayments for properties	69,796	133,625	4,068
Net properties	2,511,877	5,576,600	169,760
OTHER ASSETS	6,246,863	3,967,887	120,788
TOTAL	\$ 258,288,809	\$ 306,234,080	\$ 9,372,194
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to banks	\$ 7,720,944	\$ 16,854,575	\$ 513,077
Short-term debts	-	50,000	1,522
Short-term notes and bills payable	759,361	770,000	23,440
Bonds sold under repurchase agreement	4,374,108	2,414,518	73,501
Payables and advances	198,801,291	5,890,823	179,325
Deposits and remittances	21,000,000	227,395,437	6,922,235
Bank debentures	2,073,009	29,000,000	882,801
Convertible bonds	3,710,269	608,546	18,525
Other liabilities	238,438,982	1,358,530	41,356
Total liabilities	238,438,982	284,342,429	8,655,784
SHAREHOLDERS' EQUITY			
Capital stock, \$10 par value, shareholders' equity of parent company	15,867,008	17,912,499	545,282
Authorized - 2,000,000 thousand shares Issued - 1,586,701 thousand shares in 2004 and 1,791,250 thousand shares in 2005			
Capital surplus	583,936	1,095,783	33,357
Treasury stocks	101,531	101,531	3,091
From long-term equity investments	19	-	-
Total capital surplus	685,486	1,197,314	36,448
Retained earnings	269,220	1,174,310	35,747
Legal reserve	3,017,663	1,470,289	44,758
Unappropriated earnings	3,286,883	2,644,599	80,505
Total retained earnings	10,450	10,106	308
Cumulative translation adjustments	19,849,827	21,764,518	662,543
Total shareholders' equity of parent company	19,849,827	21,764,518	662,543
Minority interest	-	127,133	3,869
Total shareholders' equity	19,849,827	21,891,651	666,412
CONTINGENT LIABILITIES AND COMMITMENTS	\$ 258,288,809	\$ 306,234,080	\$ 9,372,194
TOTAL			

The accompanying notes are an integral part of the financial statements.
(With Deloitte & Touche audit report dated March 10, 2006)



Financial Statements

EARNINGS PER SHARE

Primary earnings per share
Diluted earnings per share

	2004 (NTS)		2005 (NTS)		2005 (US\$)	
	Before Tax	After Tax	Before Tax	After Tax	Before Tax	After Tax
Primary earnings per share	\$ 2.19	\$ 1.93	\$ 0.85	\$ 0.80	\$ 0.03	\$ 0.02
Diluted earnings per share	\$ 1.92	\$ 1.69	\$ 0.82	\$ 0.77	\$ 0.02	\$ 0.02

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

(With Deloitte & Touche audit report dated March 10, 2006)

(Concluded)

FAR EASTERN INTERNATIONAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2005
(WITH COMPARATIVE FIGURES FOR 2004)

(In Thousands of New Taiwan Dollars, Except Par Value and Dividend Per Share)

	Capital Stock (\$10 Par Value) (Notes 19, 20 and 25)		Additional Paid-in Capital (Note 19)		Retained Earnings (Note 21)		Cumulative Translation Adjustments (Note 2)	Treasury Stock (Notes 2, 22 and 25)	Total Shareholders' Equity
	Authorized Shares	Issued Shares	Amount	Total	Legal Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2004	2,000,000,000	1,524,815,400	\$ 15,248,154	\$ -	\$ 19	\$ 897,399	\$ 10,722	\$ (388,473)	\$ 15,767,821
Appropriation of prior years' earnings	-	-	-	-	-	(269,220)	-	-	-
Legal reserve	-	-	-	-	-	(37,649)	-	-	(37,649)
Bonus to employees - cash	-	-	-	-	-	(12,550)	-	-	(12,550)
Remuneration to directors and supervisors	-	-	-	-	-	(577,283)	-	-	(577,283)
Cash dividends - \$0.3922 per share	-	-	-	-	-	695	-	-	695
Balance after the appropriation	-	-	-	-	19	269,220	10,722	(388,473)	15,140,337
Cancellation of treasury stock	-	1,524,815,400	15,248,154	-	19	-	-	164,259	234,214
Transfer of treasury stocks to employees	-	(26,579,000)	(265,790)	-	101,531	-	(641)	224,214	234,214
Transfer of treasury stocks to common stock	-	-	-	-	-	-	-	-	-
Translation adjustments - offshore banking unit	-	-	-	-	-	-	-	-	-
Translation adjustments for foreign-currency long-term equity investments	-	-	-	-	-	-	-	-	-
Translation adjustments from long-term equity investments	-	-	-	-	-	-	-	156	156
Conversion bonds into common stocks	-	88,464,428	884,644	583,936	-	-	213	-	1,468,580
Net income in 2004	-	-	-	-	-	3,016,968	-	-	3,016,968
BALANCE, DECEMBER 31, 2004	2,000,000,000	1,586,700,828	\$ 15,867,008	\$ 583,936	\$ 19	\$ 3,017,663	\$ 10,450	\$ -	\$ 19,849,827
Appropriation of prior years' earnings	-	-	-	-	-	(905,090)	-	-	-
Legal reserve	-	-	-	-	-	(55,899)	-	-	(55,899)
Bonus to employees - cash	-	-	-	-	-	(67,079)	-	-	(67,079)
Remuneration to directors and supervisors	-	-	-	-	-	(40,993)	-	-	(40,993)
Cash dividends - \$0.5227 per share	-	-	-	-	-	(857,122)	-	-	(857,122)
Stock dividends - \$0.0275 per share	-	102,854,595	1,028,546	-	19	-	-	-	18,895,813
Balance after the appropriations	-	1,696,263,332	16,962,633	583,936	101,531	62,934	10,450	-	18,895,813
Effect of first consolidation	-	-	-	-	-	-	-	-	-
Translation adjustments - offshore banking unit	-	-	-	-	-	-	-	-	-
Translation adjustments for foreign-currency long-term stock investments	-	-	-	-	-	-	-	-	-
Translation adjustments from long-term equity investments	-	-	-	-	-	-	-	-	-
Conversion bonds into common stocks	-	94,986,558	949,866	511,847	(19)	-	131	-	1,461,713
Issuance of common stock for cash - minority interest	-	-	-	-	-	-	-	-	58,637
Consolidated net income in 2005 attributed to parent company	-	-	-	-	-	1,407,355	-	-	1,407,355
Consolidated net income in 2005 attributed to minority interest	-	-	-	-	-	-	-	-	(39,226)
BALANCE, DECEMBER 31, 2005	2,000,000,000	1,729,249,890	\$ 17,912,492	\$ 1,055,783	\$ 101,531	\$ 1,407,282	\$ 10,106	\$ -	\$ 21,892,651

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

(With Deloitte & Touche audit report dated March 10, 2006)

Financial Statements

FAR EASTERN INTERNATIONAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2005 (WITH COMPARATIVE FIGURES FOR 2004) (In Thousands of New Taiwan Dollars)

	2004	2005	
	NTS	NTS	US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 3,016,968	\$ 1,407,355	\$ 42,842
Provision for possible losses	1,179,243	4,368,679	132,989
Recovery of written-off credits	2,138,220	1,178,208	35,866
Depreciation and amortization	214,806	239,696	7,297
Amortization of premium on bond investments	57,444	91,794	2,794
Provision for possible losses of securities	-	15,576	474
Provision for possible losses of foreign bond investments	20,276	63,514	1,933
Provision for retirement benefits	47,056	42,198	1,285
Gain on disposal of long-term equity investments	(12,602)	(40,697)	(1,239)
Net loss on disposal of properties	2,758	2,096	64
Net (gain) loss on disposal of collaterals assumed	4,040	(203)	(6)
Impairment losses of collaterals assumed	49,000	50,000	1,522
Investment income recognized by the equity method	(212,828)	(867,266)	(26,401)
Cash dividends and remuneration received from investments accounted for by the equity method	127,527	135,688	4,131
Loss on long-term equity investment under the cost method	-	173,600	5,285
Decrease in deferred income tax	385,119	12,883	392
Increase in securities purchased - for trading purposes	(7,255,208)	(3,226,939)	(98,233)
Decrease (increase) in other receivables	(4,028,711)	2,534,034	77,140
Increase (decrease) in payables and advances	(305,506)	1,479,800	45,047
Net cash provided by (used in) operating activities	<u>(4,572,398)</u>	<u>7,660,016</u>	<u>233,182</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in due from banks and the Central Bank of China	9,158,043	(2,278,914)	(69,373)
Increase in loans, discounts and bills purchased	(37,287,748)	(44,573,454)	(1,356,878)
Acquisition of properties	(336,715)	(356,780)	(10,861)
Proceeds from disposal of properties	5,677	119	4
Proceeds from disposal of collaterals assumed	437,299	155,420	4,731
Proceeds from disposal of long-term equity investments	319,939	-	-
Increase in long-term equity investments	(1,000,000)	(1,088,001)	(33,120)
Decrease (increase) in long-term bond investments	2,141,769	(7,123,611)	(216,853)
Decrease (increase) in other assets	(1,105,422)	2,843,593	86,562
Net cash used in investing activities	<u>(27,667,158)</u>	<u>(52,421,628)</u>	<u>(1,595,788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in due to banks	(2,923,893)	9,133,631	278,041
Increase in deposits and remittances	31,266,341	29,251,587	890,459
Increase (decrease) in bonds sold under repurchase agreements	(1,628,073)	1,655,157	50,385

(Continued)

	2004	2005	
	NTS	NTS	US\$
Increase (decrease) in other liabilities	\$ 852,279	\$ (2,323,036)	\$ (70,716)
Increase in bank debentures	4,000,000	8,000,000	243,531
Proceeds from transfer of treasury stocks to employees	224,214	-	-
Cash dividends	(577,285)	(857,058)	(26,090)
Remuneration to directors and supervisors and bonus to employees	(50,199)	(96,892)	(2,950)
Net cash provided by financing activities	<u>31,163,384</u>	<u>44,763,389</u>	<u>1,362,660</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>(153,609)</u>	<u>2,525</u>	<u>77</u>
EFFECTS OF FIRST CONSOLIDATE	<u>-</u>	<u>231,280</u>	<u>7,040</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,229,781)</u>	<u>235,582</u>	<u>7,171</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,883,187</u>	<u>3,653,406</u>	<u>111,215</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,653,406</u>	<u>\$ 3,888,988</u>	<u>\$ 118,386</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW			
Interest paid	\$ 3,557,534	\$ 4,687,344	\$ 142,689
Income tax paid	\$ 47,520	\$ 69,034	\$ 2,101
NONCASH INVESTING AND FINANCING ACTIVITIES			
Conversion of bonds into common stocks	<u>\$ 1,468,580</u>	<u>\$ 1,461,713</u>	

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

(With Deloitte & Touche audit report dated March 10, 2006)

(Concluded)





in 2005

Far Eastern International Bank

Other Information

其他資訊

遠東商銀2005年度大事記要

1/6~1/9	本行六大事業群與遠傳、遠銀保代、遠東大聯投信等關係企業聯合參加「2005財富人生博覽會」金融大展。
1/11	獲金管會核准以信託關係兼營證券投資顧問業務辦理全權委託投資業務及不動產信託業務。
2/25	獲金管會核准於「有價證券信託」業務項下辦理「特定、指定及不指定營運範圍或方法之單獨管理運用有價證券信託」業務。
2/26	假新莊體育館舉辦本行「2005行慶暨誓師大會」活動，圓滿成功。
3/16	本行加入中華民國證券投資信託暨顧問商業同業公會。
4/27	假遠東國際大飯店舉辦遠銀「法人說明會」，過程圓滿順利。
5/18	假台北空軍官兵活動中心介壽堂舉辦遠銀九十四年度股東常會。
5/27	信用卡事業群舉辦第二屆世界卡無限卡高爾夫菁英邀請賽，凝聚高消費卡友向心力，提昇遠銀形象。
6/1~30	本行與鼎鼎聯合行銷公司及關係企業共同推出「HAPPY GO快樂護照」活動，推廣集團快樂購集點卡。
8/23	延攬廖特別助理國棟為總經理室特別助理，負責建置全行風險管理制度。
9/12	高雄亞企分行遷址高雄市苓雅區四維二路96號1、2樓並更名為高雄文化中心分行。
10/28	本行獲得香港管理局核發全功能業務分行執照，為近二年半首家獲得核准設立香港分行之台灣銀行，將整合集團資源運用e化平台，深耕兩岸三地客戶。
11/21	獲金管會核准辦理財富管理業務。
12/9,11~14	本行、陳瑞政提琴工作室、台灣絃樂團假國家音樂廳共同舉辦「跨世紀名琴名弓大展」，獨家引進義大利名琴三大家族價值數十億之提琴數十把來台展出，展覽門票所得全數捐贈羅慧夫顱顏基金會。
12/18	消費金融事業群台南區域中心正式成立。
12/21	經理人異動： 1.總行鄭瑞文經理升任代理協理。 2.企業金融業務處黃璟章處長升任代理協理。 3.企業金融營業處丁平舜經理升任代理協理。 4.企業金融營業處李文超經理升任代理協理。 5.企業金融營業處邱冠倫經理升任代理協理。 6.企業金融營業處張火旺經理升任代理協理。 7.企業金融營業處吳璽平專門委員升任代理協理。 8.財富管理事業群分行管理組魏秀章經理升任代理協理。
12/23	行政支援群陳副總經理國聯屆齡退休，由周執行副總經理添財接替擔任本行發言人，林副總經理建忠擔任代理發言人。

Significant Events of FEIB in 2005

January 6~9	FEIB's six SBUs, Far EastTone Telecommunications, Far Eastern Insurance Agency, and Far Eastern Alliance Asset Management jointly attended "2005 Wealth Management Life Exposition" Financial exhibition.
January 11	Granted by Financial Supervisory Commission to conduct fully authorized investment property trust businesses as a trust related and securities investment consulting bank.
February 25	Granted by Financial Supervisory Commission to conduct under the "securities trust" business item "specific, assigned and non-assigned or method of trust business for independent management and use of securities" .
February 26	Held the delightful "2005 Anniversary Celebration and CSR Rally" at Hsin Chuang Stadium.
March 16	FEIB joins Chinese Association for Securities Investment Trust and Consulting Business, ROC.
April 27	Successful "Investors'Forum" of FEIB held at Far Eastern Plaza Hotel.
May 18	2005 Stockholders'Meeting held at Taipei.
May 27	Credit Card SBU sponsored the second World Card and Infinity Card Elites Golf Tournament to enhance customer loyalty and improve Bank image.
June 1~30	Launched "HAPPY GO Passport" with Ding Ding Integrated Marketing Service Co. to promote the Group's bonus point cards.
August 23	Employs James Liao as Special Assistant to the President to set up the whole Bank's risk management system.
September 12	Kaohsiung Asia World Branch moved to 1st & 2nd Floors, 96, Se Wei 2nd Road, and renamed as Kaohsiung Cultural Center Branch.
October 28	Granted a full-function branch license by Hong Kong Monetary Authority to integrate Group resources via e-banking workstation to cultivate cross-Straits clients.
November 21	Granted by Financial Supervisory Commission to conduct wealth management businesses.
December 9,11~14	FEIB, Chen Rue-Cheng Violin Studio, and Taiwan String Orchestra co-sponsored "The Art of Life of Music" , an exclusive exhibit at National Concert Hall of 30 famous Italian classical violins and more than 30 French bows with billions of dollars'worth. Gains of admission were all donated to the Noorhoff Craniofacial Foundation.
December 18	Consumer Banking SBU Tainan District Center was formally established.
December 21	Promotions of Managers: 1.Manager Cheng Jui-Wen of Head Office promoted as Acting Deputy Executive Vice President. 2.Corporate Banking Support Department Head Huang Jin-Chang promoted as Acting Deputy Executive Vice President. 3.Corporate Banking Marketing Department Manager Ting Ping-Shuan promoted as Acting Deputy Executive Vice President. 4.Corporate Banking Marketing Department Manager Lee Wen-Chao promoted as Acting Deputy Executive Vice President. 5.Corporate Banking Marketing Department Manager Chiu Kwan-Lun promoted as Acting Deputy Executive Vice President. 6.Corporate Banking Marketing Department Manager Chang Hou-Wan promoted as Acting Deputy Executive Vice President. 7.Corporate Banking Marketing Department Senior VP Wu Kuen-Ping promoted as Acting Deputy Executive Vice President. 8.Wealth Management SBU Branch Management Team Manager Wei Hsiu-Chang promoted as Acting Deputy Executive Vice President.
December 23	Executive Vice President Julius Chen of Supporting/Administration Group retired at age, succeeded by Senior Executive Vice President Thomas Chou as the Bank's spokesperson, and Executive Vice President Jiann-Jong Lin as acting spokesperson.



遠東國際商業銀行各營業單位地址及電話表

單位	地址	電話
總行	台北市敦化南路二段207號26、27樓	(02) 2378-6868
營業部	台北市敦化南路二段207號1樓	(02) 2378-6868
國外部	台北市重慶北路一段30號2樓	(02) 2550-8811
信託部	台北市襄陽路1號5樓	(02) 2312-3636
信用卡部	台北縣板橋市文化路二段182巷3弄33號	(02) 8073-1166
台北襄陽分行	台北市襄陽路1號	(02) 2381-4567
台北逸仙分行	台北市基隆路一段200號之3	(02) 2722-9558
台北松江分行	台北市松江路165號	(02) 2505-5533
台北民權分行	台北市民權西路104之1號	(02) 2553-9966
台北松山分行	台北市南京東路五段171號	(02) 8787-6668
台北南門分行	台北市羅斯福路一段40號	(02) 2392-6955
台北重慶分行	台北市重慶北路一段30號	(02) 2550-6600
台北忠孝分行	台北市忠孝東路一段112號	(02) 2327-8898
台北永吉分行	台北市信義區中坡北路7號	(02) 8785-5788
板橋南雅分行	台北縣板橋市南雅南路二段172號	(02) 2963-3339
板橋文化分行	台北縣板橋市文化路二段1號	(02) 2255-6499
三重分行	台北縣三重市福德北路46號	(02) 8973-1133
永和分行	台北縣永和市福和路222號	(02) 2232-6500
台北新莊分行	台北縣新莊市復興路一段209號	(02) 8991-3366
新莊富國分行	台北縣新莊市富國路6號	(02) 2901-6868
新店分行	台北縣新店市北新路三段98號	(02) 2910-6060
桃園分行	桃園市南華街78號	(03) 339-6339
桃園大興分行	桃園市大興西路二段6號	(03) 301-8966
林口分行	桃園縣龜山鄉復興一路227號	(03) 397-3888
中壢分行	中壢市延平路372號	(03) 427-9696
新竹林森分行	新竹市林森路216號	(03) 524-6668
新竹科園分行	新竹市科學園區園區二路11號3樓	(03) 579-8833
竹北分行	新竹縣竹北市光明六路41號	(03) 553-6699
台中公益分行	台中市公益路367號	(04) 2328-8666
台中文心分行	台中市文心路四段698號	(04) 2230-6689
台中自由分行	台中市自由路二段131號	(04) 2225-2008
台南分行	台南市東門路二段2號	(06) 208-9898
永康分行	台南縣永康市中正北路37號	(06) 253-0400
高雄五福分行	高雄市五福四路83號	(07) 533-3820
高雄中正分行	高雄市中正四路49號	(07) 251-8199
高雄文化中心分行	高雄市苓雅區四維二路96號	(07) 715-5678
台北農安簡易型分行	台北市農安街12-1號	(02) 2592-2255
台北金湖簡易型分行	台北市民權東路六段495號	(02) 2630-5788
板橋四川簡易型分行	台北縣板橋市四川路一段389號1樓	(02) 7738-6868
桃園武陵簡易型分行	桃園市中山路939號1樓	(03) 392-1218
香港分行	香港銅鑼灣禮頓道103號力寶禮頓大廈11樓	852-2882-1979

Operating Locations

Operating Unit	Address	Telephone Number
Head Office	26 & 27F, No. 207, Tun Hwa S. Rd., Sec. 2, Taipei 106, Taiwan	(02) 2378-6868
Business Department	1F, No. 207, Tun Hwa S. Rd., Sec. 2, Taipei 106, Taiwan	(02) 2378-6868
International Banking Department	2F, No. 30, Chungching N. Rd., Sec. 1, Taipei 103, Taiwan	(02) 2550-8811
Trust Banking Department	5F, No. 1, Shiangyang Rd., Taipei 100, Taiwan	(02) 2312-3636
Credit Card Department	No. 33, Alley 3, Lane 182, Wenhua Rd., Sec. 2, Banchiau City, Taipei County 220, Taiwan	(02) 8073-1166
Taipei Shiangyang Branch	1F, No. 1, Shiangyang Rd., Taipei 100, Taiwan	(02) 2381-4567
Taipei Yishen Branch	No. 200-3, Keelung Rd., Sec. 1, Taipei 110, Taiwan	(02) 2722-9558
Taipei Sunjiang Branch	No. 165, Sungjiang Rd., Taipei 104, Taiwan	(02) 2505-5533
Taipei Minchiuan Branch	No. 104-1, Minchiuan W. Rd., Taipei 103, Taiwan	(02) 2553-9966
Taipei Sungshan Branch	No. 171, Nanjing E. Rd., Sec. 5, Taipei 105, Taiwan	(02) 8787-6668
Taipei Nanmen Branch	No. 40, Roosevelt Road, Sec. 1, Taipei 100, Taiwan	(02) 2392-6955
Taipei Chungching Branch	No. 30, Chungching N. Rd., Sec. 1, Taipei 103, Taiwan	(02) 2550-6600
Taipei Jungshiau Branch	No. 112, Jungshiau E. Rd., Sec. 1, Taipei 100, Taiwan	(02) 2327-8898
Taipei Yungji Branch	No. 7, Jungpo N. Rd., Taipei 110, Taiwan	(02) 8785-5788
Banchiau Nanya Branch	No. 172, Nanya S. Rd., Sec. 2, Banchiau City, Taipei County 220, Taiwan	(02) 2963-3339
Banchiau Wenhua Branch	No. 1, Wenhua Rd., Sec. 2, Banchiau City, Taipei County 220, Taiwan	(02) 2255-6499
Sanchung Branch	No. 46, Fude N. Rd., Sanchung City, Taipei County 241, Taiwan	(02) 8973-1133
Yunghe Branch	No. 222, Fuhe Rd., Yunghe City, Taipei County 234, Taiwan	(02) 2232-6500
Taipei Shinjuang Branch	No. 209, Fushing Rd., Shinjuang City, Taipei County 242, Taiwan	(02) 8991-3366
Shinjuang Fu-guo Branch	No. 66, Fuguo Rd., Shinjuang City, Taipei County 242, Taiwan	(02) 2901-6868
Taipei Sindian Branch	No. 98, Pei-Hsin Rd., Sec. 3, Sindian City, Taipei Hsien, Taiwan	(02) 2910-6060
Taoyuan Branch	No. 78, Nanhua St., Taoyuan City 330, Taiwan	(03) 339-6339
Taoyuan Dashing Branch	No. 6, Dashing W. Rd., Sec. 2, Taoyuan City 330, Taiwan	(03) 301-8966
Linkuo Branch	No. 227, Fushing 1st Rd., Gueishan Shiang, Taoyuan County 333, Taiwan	(03) 397-3888
Jungli Branch	No. 372, Yanping Rd., Jungli City, Taoyuan County 320, Taiwan	(03) 427-9696
Hsinchu Linsen Branch	No. 216, Linsen Rd., Hsinchu City 300, Taiwan	(03) 524-6668
Hsinchu Science Based Industrial Park Branch	3F, No. 11, Yuanchiu 2nd Rd., Hsinchu City 300, Taiwan	(03) 579-8833
Jubei Branch	No. 41, Guangming 6th Rd., Jubei City, Hsinchu County 302, Taiwan	(03) 553-6699
Taichung Gungyi Branch	No. 367, Gungyi Rd., Taichung 403, Taiwan	(04) 2328-8666
Taichung Wenshin Branch	No. 698, Wenshin Rd., Sec. 4, Taichung 404, Taiwan	(04) 2230-6689
Taichung Tzyou Branch	No. 131, Tzyou Rd., Sec. 2, Taichung 400, Taiwan	(04) 2225-2008
Tainan Branch	No. 2, Dungmen Rd., Sec. 2, Tainan 701, Taiwan	(06) 208-9898
Yungkang Branch	No. 37, Jungjeng N. Rd., Yungkang City, Tanan County 710, Taiwan	(06) 253-0400
Kaohsiung Wufu Branch	No. 83, Wufu 4th Rd., Kaohsiung 803, Taiwan	(07) 533-3820
Kaohsiung Jungjeng Branch	No. 49, Jungjeng 4th Rd., Kaohsiung 801, Taiwan	(07) 251-8199
Kaohsiung Cultural Center Branch	No. 96, Se Wei 2nd Rd., Kaohsiung 802, Taiwan	(07) 715-5678
Taipei Nung-an Branch	1F, No. 12-1, Nung-an St., Taipei 104, Taiwan	(02) 2592-2255
Taipei Jinhui Branch	1F, No. 495, Minchiuan E. Rd., Sec. 6, Taipei 114, Taiwan	(02) 2630-5788
Banchiao Sichuan Branch	1F, No. 389, Sichuan Rd., Sec. 1, Banchiau City, Taipei County 220, Taiwan	(02) 7738-6868
Taoyuan Wuling Branch	1F, No. 939, Jungshan Rd., Taoyuan City, Taoyuan City 330, Taiwan	(03) 392-1218
Hong Kong Branch	11/Floor, Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	852-2882-1979





遠東國際商業銀行股份有限公司



董事長

徐旭東

