4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

Unit：NT$

Year / Month /Date	Par Value	Authorized Capital		Paid-in Capital		Remark	
		Shares	Amount	Shares	Amount	Sources of Capital	Others
May 2015	—	1,500,000,000	15,000,000,000	740,351,387	7,403,513,870	Initial capital and capital increase by cash, by capital reserve, by special reserve, and by earnings in the past years.	—

Note: The bank did not offset any source of capital by monetary claims and skills.

B. Capital Increase Information

Unit：NT$

FY	Authorized Capital / Paid-in Capital	Remark	Authorized by the Competent Authority
1983	— 450,000,000	Initial capital	MOF,Tai-Tsai-Rong-No.18127 (Jul. 8, 1981)
1988	— 650,000,000	Capital increase NT$200 million by cash	MOF,Tai-Tsai-Rong-No.770059046 (Feb. 26, 1988)
1989	— 850,000,000	Capital increase NT$200 million by cash	MOF,Tai-Tsai-Rong-No.770430291 (Nov .23, 1988)
1990	— 1,050,000,000	Capital increase NT$200 million by cash	MOF,Tai-Tsai-Rong-No.800078016 (Mar. 2, 1991)
1994	— 1,534,740,000	1.Capital increase NT$190 million by special reserve 2.Capital increase NT$294 million and 740 thousand by cash	MOF,Tai-Tsai-Rong-No.84707685 (Mar. 27, 1995)
1996	— 2,153,079,500	Capital increase NT$618 million and 339.5 thousand by cash	MOF,Tai-Tsai-Rong-No.84377510 (Sep. 6, 1995)
1997 (1997.6.4)	— 2,367,968,260	Capital increase NT$214 million and 888.76 thousand by cash	MOF,Tai-Tsai-Rong-No.86056443 (Mar. 11, 1997)
1998 (1997.10.9)	— 3,867,968,260	Capital increase NT$1.5 billion by cash (Public solicit)	MOF,Tai-Tsai-Rong-No.86164514 (Jun. 10, 1997)
1999 (1999.3.1)	— 4,486,843,180	Capital increase NT$618 million and 874.92 thousand by special reserve	MOF,Tai-Tsai-Rong-No.87419912 (Dec. 30, 1998)
2002 (2002.8.19)	— 4,576,580,040	Capital increase NT$89 million and 736.86 thousand by earnings	MOF,Tai-Tsai-Rong-No-0910030462 (Jul. 10, 2002)
2004 (2004.8.16)	— 5,034,238,040	Capital increase NT$457 million and 658 thousand by capital reserve	MOF, Tai-Tsai-Rong-(2)-No.0930020109 (Jun. 28, 2004)
2005 (2005.6.23)	15,000,000,000 5,034,238,040	Register authorized capital	FSC, Jin-Kuan-Yin-(2)-No.0948010949 (Jul. 27, 2005)
2008 (2008.8.26)	15,000,000,000 5,257,981,950	Capital increase NT$223 million and 743.9 thousand by earnings	FSC, Jin-Kuan-Cheng-(1)-No.0970032868 (Jul. 9, 2008)
2011 (2011.8.7)	15,000,000,000 5,869,475,790	1. Capital increase NT$78 million and 869.72 thousand by earning 2.Capital increase NT$525 million and 798.19 thousand by special reserve 3.Capital increase NT$6 million and 825.93 thousand by employees' bonuses	FSC, Jin-Kuan-Cheng-No.1000031062 (Jul. 13, 2011)
2011 (2011.10.26)	15,000,000,000 7,069,475,790	Capital increase NT$1.2 billion by cash	FSC, Jin-Kuan-Cheng-No.1000040741 (Sep. 8, 2011)
2013 (2013.09.12)	15,000,000,000 7,210,491,900	1. Capital increase NT$127 million and 250.56 thousand by earning 2.Capital increase NT$13 million and 765.55 thousand by employees' bonuses	FSC, Jin-Kuan-Cheng-No.1020026476 (Jly.15, 2013)
2014 (2014.10.06)	15,000,000,000 7,210,491,900	1. Capital increase NT$43 million and262.95 thousand by earning 2.Capital increase NT$144 million and209.83 thousand by special reserve 3.Capital increase NT$5 million and549.19 thousand by employees' bonuses	FSC, Jin-Kuan-Cheng-No.1030028076 (Jly.31, 2014)

C. Type of Stock

2015. 5

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stocks	740,351,387	759,648,613	1,500,000,000	Listed on the TSE

4.1.2 Status of Shareholders

2015.4.18

Item	Government Agencies	Financial Institutions	Other Juridicial Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	5	47	21,873	76	22,002
Shareholding	334,328,165	4,420,043	56,708,417	309,316,844	35,577,918	740,351,387
Percentage	45.16	0.60	7.66	41.79	4.79	100.00

4.1.3 Shareholding Distribution Status

A. Common Shares (The Par Value for each share is NT$10)

2015.4.18

Class of Shareholding (Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 — 999	8,306	1,841,613	0.25
1,000 — 5,000	7,679	21,443,961	2.90
5,001 — 10,000	2,116	14,377,711	1.94
10,001 — 15,000	1,233	14,961,711	2.02
15,001 — 20,000	575	9,964,854	1.35
20,001 — 30,000	730	17,511,379	2.37
30,001 — 50,000	509	19,624,029	2.65
50,001 — 100,000	391	26,597,635	3.59
100,001 — 200,000	243	33,038,769	4.46
200,001 — 400,000	96	25,072,787	3.39
400,001 — 600,000	46	21,620,948	2.92
600,001 — 800,000	25	17,303,797	2.34
800,001 — 1,000,000	10	8,951,608	1.21
Over 1,000,001	43	508,040,585	68.61
Total	22,002	740,351,387	100.00

B. Preferred Shares：None.

4.1.4 List of Major Shareholders

2015.4.18

Shareholders's Name	Shareholding	
	Shares	Percentage
Kaohsiung City Government	334,328,165	45.16
Jinn Her Enterprise Co., Ltd.	37,268,195	5.03
Chun-Chin Shih	19,536,424	2.64
Mei-Yuan Yu	16,002,862	2.16
Yung-Yu Tsai	10,055,200	1.36
Foundation Kaohsiung Jinn Her social welfare charity foundations	7,206,000	0.97
Citigroup (Taiwan) commercial banks entrusted with the custody dimensional assessment of emerging market investment fund accounts	6,214,211	0.84
Chien-Fu Kan	5,000,000	0.68
Xi-Hui Chen	4,695,852	0.63
Xiong-Tian Tsai	4,164,798	0.56

Note:Major shareholder means who owns more than 1% of the Bank's outstanding shares or is one of the top ten shareholders.

4.1.5 Market Price, Net Worth, Earnings, and Dividends Per Share for the Past Two Years

Unit：NT$

Item \ FY			2013	2014	2015.3.31
Market Price Per Share (Note 1)	Highest		9.93	9.88	9.28
	Lowest		9.01	8.78	8.97
	Average		9.49	9.39	9.11
Net Worth Per Share (Note 2)	Before Distribution		14.91	15.30	15.53
	After Distribution		14.89	—	—
Earnings Per Share	Weighted Average Shares		720,246,199	739,981,441	740,351,387
	Diluted Earnings Per Share		0.58	0.69	0.22
	Adjusted Diluted Earnings Per Share		0.57	—	—
Dividends Per Share	Cash Dividend		0.02	0.03	—
	Stock Dividends	Dividends from Retained Earnings	0.06	0.47	—
		Dividends from Capital Surplus	0.20	0	—
	Accumulated Undistributed Dividends		0	0	—
Return on Investment	Price / Earnings Ratio (Note 3)		16.36	13.61	—
	Price / Dividend Ratio (Note 4)		474.50	313.00	—
	Cash Dividend Yield Rate (%) (Note 5)		0.21	0.32	—

Note: 1. The highest and lowest market prices each year. The average market price each year is computed with trading value and volume of the corresponding year.
2. The computation is based on the total shares outstanding at the end of the year and approved appropriation in the subsequent Shareholders' Meeting.
3. Price / Earnings ratio = Average Market Price / Earnings per Share.
4. Price / Dividend ratio = Average Market Price / Cash dividends per Share.
5. Cash Dividend Yield Rate = Cash Dividend per Share / Average Market Price

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy：Please refer to page 131 for "Notes to Financial Statements Ⅵ 25 Retained Earnings and Dividend Policy".

B. The FY 2015 shareholders meeting has resolved to distribute dividends in the following order:

The Banks expect to distribute a cash dividend of NT$0.03, a stock dividend of NT$0.47，total of NT$0.50 per share to shareholders for FY 2014. Remuneration to directors and supervisors shall be disributed by way of cash，employees bonus shall be disributed by way of stock for raising the Banks capital.

4.1.7 The Impact of Stock Dividend Distribution Resolved by the 2015 Shareholders Meeting on the Banks Operating Performance and Earnings Per Share (EPS):

The 2015 shareholders meeting will resolve to distribute stock dividends total of NT$ 347.97 million, which means that the stock dividend ratio is 4.7% (47 new shares to 1,000 existing shares). The EPS after stock dividend distribution will be NT$ 0.66. Compared with the basic EPS NT$0.69 , there will be no significant impact on the EPS. Stock dividend dictribution has no impact on the Bank's operating performance yet.

4.1.8 Employees Bonus and Directors and Supervisors Remuneration

A.Information relating to employee bonus and directors and supervisors remuneration in the Articles of Incorporation please refer to page 131 for "Notes to Financial Statements 25 Retained Earnings and Dividend Policy".

B. (1) Estimate foundation of employee bonus and directors and supervisors remuneration:

This Banks management estimated employee bonus and remuneration to directors / supervisors pursuant to the Articles of Incorporation and the resolutions for distribution of employee bonus and remuneration to directors/supervisors of shareholders' meeting of the previous years.

(2) The accounting treatment of the discrepancy, if any, between the actual distributed amount of employees stock bonus and estimated figure thereof:

The difference shall be identified as accounting change. The accounts will be adjusted in the same with resolution of shareholders' meeting and stated as income for the current period.

C. Profit distribution of year 2014 approved in Board of Directors meeting for employee bonus and directors and supervisors remuneration:

(1) Recommended distribution of employee bonus and directors and supervisors remuneration:

Employees bonus – in cash: NT$ 0.
Employees bonus – in stock: NT$ 32,904,505.
Directors' and supervisors' remuneration: NT$ 8,226,126.

(2) The amount distributed employees stock bonus, and the percentage to after-tax net income plus total employees bonus for FY 2014 is NT$32,904,505 and 6.06% respectively.

(3) Earnings per share after the distribution of employees bonus and remuneration to directors and supervisors for FY 2014：EPS NT$0.69.

D. Earnings distribution to employees bonus and remunerations to directors and supervisors for FY 2013 corresponded with the decision of the Board of Director.

(1) Earnings distribution for employee bonus for FY 2013: NT$ 5,127,460, Shares 554,919 and Price 9.24.

(2) Remuneration to directors and supervisors appropriated from retained earnings for FY 2013: NT$ 1,281,865.

4.1.9 Buyback of Treasury Stock：None.

4.2 Financial Bonds, Preferred Stocks, Overseas Depository Receipts, Employees Stock Options Receipts, Merger and Acquisitions

4.2.1 Financial Bonds

Unit：NT$

Item	Subordinate debt (1)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-(2)-No.09700499970 (Dec. 22, 2008)
Date of Issuance	Jan. 20, 2009
Par	10 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	3 billion
Interest	Fixed rate 3.40%
Tenor	7 years, maturity date：Jan. 20, 2016
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Grand Cathay securities, Mega securities, Yuan Ta securities, Jih Sun securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	3 billion
Year 2008 Paid-in Capital	5.2 billion 57.98million 1 thousand 9 hundred and fifty
Year 2008 Total Stockholders' Equity	9.3 billion 55.29 million 3 thousand 3 hundred and eighty nine.
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	42.76%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB, Dec. 13, 2011.

Unit：NT$

Item	Subordinate debt (2)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-Guo-No.10200181590 (July 9, 2013)
Date of Issuance	Aug. 6, 2013
Par	5 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	1.3 billion
Interest	Fixed rate 2.10%
Tenor	7 years, maturity date：Aug. 6, 2020
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Sino Pac securities, Yuan Ta securities, Master Link securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	1.3 billion
Year 2012 Paid-in Capital	7.0 billion 69.47million 5 thousand 7 hundred and ninety
Year 2012 Total Stockholders' Equity	10.9 billion 4.61 million 3 thousand 9 hundred and ten
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	48.60%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB-, July 29, 2013.

Unit：NT$

Item	Subordinate debt (3)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-Guo-No.10200181590 (July 9, 2013)
Date of Issuance	Sep. 5, 2013
Par	1 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	0.7 billion
Interest	Fixed rate 2.10%
Tenor	7 years, maturity date：Sep. 5, 2020
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Sino Pac securities, Yuan Ta securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	0.7 billion
Year 2012 Paid-in Capital	7.0 billion 69.47million 5 thousand 7 hundred and ninety
Year 2012 Total Stockholders' Equity	10.9 billion 4.61 million 3 thousand 9 hundred and ten
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	55.02%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB-, Aug. 29, 2013.

Unit：NT$

Item	Subordinate debt (4)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-Guo-No.10200341440 (Dec. 10, 2013)
Date of Issuance	Mar. 25, 2014
Par	10 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	1.2 billion
Interest	Indicator Rate (Note) +0.85% Floating Interest Rate
Tenor	7 years, maturity date：Mar. 25, 2021
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Sino Pac securities, Yuan Ta securities, Master Link securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	1.2 billion
Year 2013 Paid-in Capital	7.2 billion 10.49 million 1 thousand and 9 hundred.
Year 2013 Total Stockholders' Equity	10.7 billion49.04 million 1 thousand 9 hundred and seventy.
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	66.98%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB-, Dec. 20, 2013.

Note: The indicator rate means the three-month Taipei Inter Bank Offer Rate (TAIBOR) posted on the website of the Bankers Association (http://www.ba.org.tw) in the TAIBOR section, at the time that is 2 Taipei business days prior to the start of the relevant interest period.

Unit：NT$

Item	Subordinate debt (5)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-Guo-No.10200341440 (Dec. 10, 2013)
Date of Issuance	Oct. 29, 2014
Par	10 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	0.65 billion
Interest	Fixed rate 2.35%
Tenor	7 years, maturity date：Oct. 29, 2021
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Yuan Ta securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	0.65 billion
Year 2013 Paid-in Capital	7.2 billion 10.49 million 1 thousand and 9 hundred.
Year 2013 Total Stockholders' Equity	10.7 billion49.04 million 1 thousand 9 hundred and seventy.
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	63.73%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB-, Oct. 21, 2014.

Unit：NT$

Item	Subordinate debt (6)
Date & No Approved by the Central Competent Authority	FSC, Jin-Kuan-Yin-Guo-No.10200341440 (Dec. 10, 2013)
Date of Issuance	Dec. 23, 2014
Par	10 million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	0.15 billion
Interest	Fixed rate 2.35%
Tenor	7 years, maturity date：Dec. 3, 2021
Senior / Subordinate debt	Subordinate debt
Guarantor	None
Trustee	None
Underwriter	Sino Pac securities
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in lump sum upon maturity
Outstanding Balance	0.15 billion
Year 2013 Paid-in Capital	7.2 billion 10.49 million 1 thousand and 9 hundred.
Year 2013 Total Stockholders' Equity	10.7 billion49.04 million 1 thousand 9 hundred and seventy.
Performance	Normal
Redemption or Early Exercise Term	None
Convertible and Swap Term	None
Restricted Clause	None
Fund Utilization Plans	Corporate with Medium and Long Term Loans
Ratio of the Registered Value of Issue plus Outstanding Balance against the Net Value after Settlement of the Year previous to the Year of Issue (%)	65.12%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	Taiwan Ratings Corp. Ratings：twBBB-, Nov. 24, 2014.

4.2.2 Preferred Stocks, Overseas Depository Receipts, Employees Share Options Receipts, Merger & Acquisitions：None.

4.3 Financing Plans and Implementation

4.3.1 Finance Plans

Up to Q1 of 2015, with respect to each uncompleted public issue or private placement of securities and financial debentures, and to such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits：None.

4.3.2 Implementation：None.