6.5 Audited Individual Financial Statements for FY 2014

6.5.1 Balance Sheets

BANK OF KAOHSIUNG CO., LTD.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2014 AND 2013

Unit：NT$ Thousand

ASSETS			December 31, 2014		December 31, 2013		LIABILITIES AND SHAREHOLDERS' EQUITY			December 31, 2014		December 31, 2013	
A/C No.	Accounts	Note	Amount	%	Amount	%	A/C No.	Accounts	Note	Amount	%	Amount	%
11000	Cash & cash equivalents	6.1	$4,107,916	2	$3,329,141	1		**LIABILITIES**					
11500	Due from the Central Bank of China and other banks	6.2	23,171,136	9	23,220,274	10	21000	Due to Central Bank of China and other banks	6.16	$9,519,129	4	$15,024,665	6
12000	Financial assets at fair value through profit or loss	6.3	10,975,714	4	1,590,421	1	22000	Financial liabilities at fair value through profit or loss	6.17	23,237	–	5,621	–
14000	Available-for-sale financial assets	6.4	26,141,249	10	19,249,602	8	22500	Bills and bonds sold under agreements to repurchase	6.18	61,121	–	68,019	–
12500	Bills and bonds purchased under agreements to resell	6.5	13,385,318	5	3,460,558	1	23000	Accounts payable	6.19	2,863,920	1	2,744,219	1
13000	Accounts receivable, net	6.6	865,574	–	769,358	–	23200	Current income tax liabilities	6.7	–	–	5,813	–
13200	Current income tax assets	6.7	25,981	–	19,862	–	23500	Deposits and remittances	6.20	237,008,557	87	198,765,408	85
13500	Discounts and loans, net	6.9	182,883,017	67	178,261,475	77	24000	Bank debentures	6.21	7,000,000	3	6,000,000	3
14500	Held-to-Maturity financial assets, net	6.10	2,746,339	1	–	–	25500	Other financial liabilities	6.22	178,408	–	138,703	–
15000	Equity method's investments, net	6.11	60,597	–	59,362	–	25600	Provisions	6.23	956,097	–	855,490	–
15500	Other financial assets, net	6.12	1,448,140	1	1,566,331	1	29500	Other liabilities	6.24	149,871	–	144,849	–
18500	Property and equipment, net	6.13	2,978,157	1	2,743,677	1	20000	Total liabilities		$257,760,340	95	$223,752,787	95
19000	Intangible assets, net	6.14	64,232	–	41,205	–		**SHAREHOLDERS' EQUITY**					
19300	Deferred income tax assets, net	6.8	170,903	–	133,821	–	31000	Equity Attributable to Shareholders of the Parent					
19500	Other assets, net	6.15	66,799	–	58,742	–	31101	Ordinary share	6.25	$7,403,514	3	$7,210,492	3
							31500	Capital surplus	6.25	1,872,395	1	2,016,605	1
							32000	Retained earnings					
							32001	Legal reserve	6.25	1,458,030	1	1,393,756	1
							32003	Special reserve	6.25	86,057	–	–	–
							32005	Unappropriated earnings	6.26	494,005	–	214,246	–
								Total retained earnings		$2,038,092	1	$1,608,002	1
							32500	Other equity	6.25	16,721	–	(86,057)	–
							30000	Total equity		$11,330,722	5	$10,749,042	5
10000	**TOTAL**		$269,091,062	100	$234,501,829	100		**TOTAL**		$269,091,062	100	$234,501,829	100

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

Chairman：Toong-Min Chen　　President：Moan-Sheng Huang　　Chief Accountant：Anna Hsu

6.5.2 Income Statements

BANK OF KAOHSIUNG CO., LTD.
INDIVIDUAL STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Unit：NT$ Thousand

A/C No.	Accounts	Note	2014.1.1~2014.12.31		2013.1.1~2013.12.31		Change%
			Amount	%	Amount	%	
41000	Interest income		$4,613,680	137	$4,159,339	143	11
51000	Less: Interest expenses		(2,146,180)	(64)	(1,890,466)	(65)	14
49010	Net interest income	6.27	$2,467,500	73	$2,268,873	78	9
	Net Revenues Other Than Interest						
49100	Commission and fee revenues, net	6.28	$428,878	12	$393,352	13	9
49200	Gain or loss on financial assets and liabilities at fair value through profit or loss	6.29	(123,596)	(4)	55,854	2	(321)
49300	Realized gain(loss) on available-for-sale financial assets	6.30	23,502	1	58,914	2	(60)
49600	Foreign exchange gain (loss)		227,353	7	6,500	—	3,398
49700	Reversal of impairment loss on assets	6.31	88,294	3	(27,937)	(1)	416
49500	Adoption, the share of affiliates recognized under the equity method subsidiaries and joint loss.	6.11	46,168	1	44,571	2	4
49800	Other net non-interest income	6.32	65,019	2	77,668	3	(16)
49805	Net gain or loss of financial assets measured at cost	6.33	52,788	2	36,581	1	44
49813	Net investing gain or loss on debt investments without active market	6.34	89,499	3	—	—	100
	Net revenue		$3,365,405	100	$2,914,376	100	15
58200	Allowance for credit loss and loss on guarantees	6.9	(691,079)	(21)	(400,838)	(14)	72
58400	Operating expenses						
58500	Employee benefits	6.35	(1,438,057)	(43)	(1,382,784)	(47)	4
59000	Depreciation expenses and amortization	6.36	(74,668)	(2)	(74,963)	(3)	(0)
59500	Other business and administrative expenses	6.37	(659,731)	(20)	(585,914)	(20)	13
61001	Net income (loss) before income tax		$501,870	14	$469,877	16	7
61003	Income tax (expense) benefit	6.7	8,021	—	(50,772)	(2)	(116)
64000	Net income (loss)		$509,891	14	$419,105	14	22
	Other comprehensive income:						
65001	Exchange differences on translating the financial statements of foreign operations		$21,592	1	$9,475	—	128
65011	Unrealized (loss) gain on available-for-sale financial assets		84,904	3	(196,294)	(6)	143
65031	Actuarial gains and losses on defined benefit plans		(26,138)	(1)	(28,080)	(1)	(7)
65091	Income tax relating to the components of other comprehensive income		773	—	3,163	—	(76)
65000	Other comprehensive income for the period, net of income tax	6.25	$81,131	3	($211,736)	(7)	138
66000	Total Comprehensive Income For The Period		$591,022	17	$207,369	7	185
	Earnings per share (NT$):						
67500	Basic earnings per share	6.38	$0.69		$0.57		

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

Chairman：Toong-Min Chen　　President：Moan-Sheng Huang　　Chief Accountant：Anna Hsu

6.5.3 Statement of Changes in Equity

BANK OF KAOHSIUNG CO., LTD.
INDIVIDUAL STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Unit：NT$ Thousand

Item	Capital Stock	Capital Surplus	Retained Earnings				Other Equity				Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences On Translating The Financial Statements Of Foreign Operations	Unrealized Gain (Loss) on Available-for-Sale Financial Assets	Other	Total	
BALANCE, JANUARY 1, 2013	$7,069,476	$2,017,724	$1,277,895	$ —	$75,776	$1,353,671	($6,042)	$107,961	$487	$102,406	$10,543,277
Stock dividends	13,765	(1,119)	—	—	(78)	(78)	—	—	—	—	12,568
Appropriation of prior year's earnings (Note1)											
Legal reserve	—	—	115,861	—	(115,861)	—	—	—	—	—	—
Cash dividends	—	—	—	—	(14,139)	(14,139)	—	—	—	—	(14,139)
Capital increase by capitalization of earnings	127,251	—	—	—	(127,251)	(127,251)	—	—	—	—	—
Net income (loss)	—	—	—	—	419,105	419,105	—	—	—	—	419,105
Other comprehensive income For the Year Ended Dec. 31, 2013	—	—	—	—	(23,306)	(23,306)	7,864	(196,294)	—	(188,430)	(211,736)
Total comprehensive income for the period	$ —	$ —	$ —	$ —	$395,799	$395,799	$7,864	($196,294)	$ —	($188,430)	$207,369
Other	—	—	—	—	—	—	—	—	(33)	(33)	(33)
Total Changes	$141,016	($1,119)	$115,861	$ —	$138,470	$254,331	$7,864	($196,294)	($33)	($188,463)	$205,765
BALANCE, DECEMBER 31, 2013	$7,210,492	$2,016,605	$1,393,756	$ —	$214,246	$1,608,002	$1,822	($88,333)	$454	($86,057)	$10,749,042
BALANCE, JANUARY 1, 2014	$7,210,492	$2,016,605	$1,393,756	$ —	$214,246	$1,608,002	$1,822	($88,333)	$454	($86,057)	$10,749,042
Additional paid-in capital transferred to capital	144,210	(144,210)	—	—	—	—	—	—	—	—	—
Stock dividends	5,549	—	—	—	(422)	(422)	—	—	—	—	5,127
Appropriation of prior year's earnings (Note2):											—
Legal reserve	—	—	64,274	—	(64,274)	—	—	—	—	—	—
Appropriating special reserve	—	—	—	86,057	(86,057)	—	—	—	—	—	—
Cash dividends	—	—	—	—	(14,421)	(14,421)	—	—	—	—	(14,421)
Capital increase by capitalization of earnings	43,263	—	—	—	(43,263)	(43,263)	—	—	—	—	—
Net income (loss)	—	—	—	—	509,891	509,891	—	—	—	—	509,891
Other comprehensive income For the Year Ended Dec. 31, 2014	—	—	—	—	(21,695)	(21,695)	17,922	84,904	—	102,826	81,131
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ —	$ —	$ —	$ —	$488,196	$488,196	$17,922	$84,904	$ —	$102,826	$591,022
Other	—	—	—	—	—	—	—	—	(48)	(48)	(48)
Total Changes	$193,022	($144,210)	$64,274	$86,057	$279,759	$430,090	$17,922	$84,904	($48)	$102,778	$581,680
BALANCE, DECEMBER 31, 2014	$7,403,514	$1,872,395	$1,458,030	$86,057	$494,005	$2,038,092	$19,744	($3,429)	$406	$16,721	$11,330,722

Note 1: Remuneration to directors and supervisors and employee bonus was NT$4,710 thousand and $18,850 thousand, respectively.
Note 2: Remuneration to directors and supervisors and employee bonus was NT$3,300 thousand and $13,200 thousand, respectively.

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

Chairman：Toong-Min Chen　　President：Moan-Sheng Huang　　Chief Accountant：Anna Hsu

6.5.4 Statements of Cash Flows

BANK OF KAOHSIUNG CO., LTD.
INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Unit：NT$ Thousand

Item	2014.1.1~2014.12.31	2013.1.1~2013.12.31
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	$501,870	$469,877
Adjustments:		
Depreciation expenses	57,575	55,998
Amortization expenses	17,093	18,965
Allowance for or (reversal) of credit losses	840,932	539,667
Net (gain) or loss on financial assets and liabilities at fair value through profit or loss	123,596	(55,854)
Interest expenses	2,146,180	1,890,466
Interest income	(4,613,680)	(4,159,339)
Dividend income	(51,537)	(36,097)
Net changes in credit guarantees	29,000	36,300
Adoption, the share of affiliates recognized under the equity method subsidiaries and joint loss.	(46,168)	(44,571)
Loss (gain) on disposal and scraping of property and equipment	—	1
Loss (gain) on disposal of investments	(113,001)	(58,914)
Loss on impairment of financial assets	101,904	27,937
Impairment (reversal gain) on non-financial assets	(190,198)	—
Total income and expenses that do not affect cash flow:	($1,698,304)	($1,785,441)
Changes in operating assets and liabilities:		
Net changes in operating assets		
Increase in due from the Central Bank of China and other banks	$76,702	$675,077
Decrease (increase) in financial assets at fair value through profit or loss	(9,491,273)	(70,117)
Decrease (increase) in accounts receivable	(105,089)	129,493
Decrease (increase) in discounts and loans	(5,450,740)	(16,743,186)
Decrease (increase) in available-for-sale financial assets	(6,843,505)	(195,887)
Decrease (increase) in held-to-maturity financial assets	(2,746,339)	—
Decrease (increase) in other financial assets	202,671	(21,588)
Total net changes in operating assets	($24,357,573)	($16,226,208)
Net changes in operating liabilities		
Increase (decrease) in due to Central Bank of China and other banks	($5,505,536)	$3,088,986
Increase (decrease) in bills and bonds sold under agreements to repurchase	(6,898)	(895)
Increase (decrease) in accounts payable	106,097	(1,178,249)
Increase (decrease) in deposits and remittances	38,243,149	9,213,108
Increase (decrease) in other financial liabilities	39,705	(13,413)
Increase (decrease) in provisions for employee benefits	45,469	32,117
Total net changes in operating liabilities	$32,921,986	$11,141,654
Total net changes in operating assets and liabilities	$8,564,413	($5,084,554)
Total adjustments	$6,866,109	($6,869,995)
Net cash provided by (used in) operations	$7,367,979	($6,400,118)
Interest received	4,622,776	4,187,992
Dividends received	96,470	100,368
Interest paid	(2,127,449)	(1,909,817)
Income tax refunded (paid)	(40,220)	(23,932)
Net cash provided by (used in) operating activities	$9,919,556	($4,045,507)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from redemption of matured debt securities with no active market	$ —	$26,251
Acquisition of financial assets measured at cost	(43,000)	—
Proceeds from capital reduction of financial assets carried at cost	—	25,000
Acquisition ofproperty and equipment	(101,857)	(39,358)
Acquisition of intangible assets	(37,759)	(8,141)
Increase in other financial assets	(5,373)	—
Decrease in other financial assets	—	1,785
Increase in other assets	(12,671)	(3,587)
Net cash provided by (used in) investing activities	($200,660)	$1,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of bank debentures	$1,000,000	$2,000,000
Increase in guarantee deposit received	5,412	2,319
Decrease in other liabilities	(390)	(38,477)
Distribution of cash dividends	(14,421)	(14,139)
Net cash provided by (used in) financing activities	$990,601	$1,949,703
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH & CASH EQUIVALENTS	$21,592	$9,475
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$10,731,089	($2,084,379)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	23,037,571	25,121,950
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$33,768,660	$23,037,571
Composition of cash & cash equivalents:		
Cash and cash equivalents in consolidated balance sheets	$4,107,906	$3,329,141
Due from the Central Bank of China and other banks that meet the definition of cash & cash equivalents in IAS No.7	16,275,436	16,247,872
Bills and bonds purchased under agreements to resell that meet the definition of cash & cash equivalents in IAS No. 7	13,385,318	3,460,558
Cash and cash equivalents in consolidated statements of cash flows	$33,768,660	$23,037,571

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

Chairman：Toong-Min Chen　　President：Moan-Sheng Huang　　Chief Accountant：Anna Hsu

6.6 Financial Difficulties that Occurred to the Bank of Kaohsiung and the Related Parties for FY 2014 & up to Mar. 2015: None.