IV. Capital Overview

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
2012.05.31	—	1,500,000,000	15,000,000,000	706,947,579	7,069,475,790	Initial capital and capital increase by cash, by capital reserve, by special reserve, and by earnings in the past years.	—

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 (1997.06.04)	— 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 (1997.10.09)	— 3,867,968,260	Capital increase NT$1.5 billion by cash (Public solicit)	MOF,Tai-Tsai-Rong-No.86164514（Jun. 10, 1997）
1999 (1999.03.01)	— 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 (2002.08.19)	— 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 (2004.08.16)	— 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 (2005.06.23)	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 (2011.08.07)	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-(1)-No.1000031062(Jul. 13, 2011)
2011 (2011.10.26)	15,000,000,000	Capital increase NT$1.2 billion by cash	FSC, Jin-Kuan-Cheng-(1)-No.1000040741(Sep. 8, 2011)

C. Type of Stock

2012.05.31

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stocks	706,947,579	793,052,421	1,500,000,000	Listed on the TSE

Note: The Bank never applies for offering and issuing securities by the shelf registration system

4.1.2 Status of Shareholders

2012.04.23

Item	Government Agencies	Financial Institutions	Other Juridicial Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	3	7	46	24,196	72	24,324
Shareholding	320,118,843	33,984,338	36,886,856	285,340,144	30,617,398	706,947,579
Percentage	45.28	4.80	5.22	40.37	4.33	100.00

4.1.3 Shareholding Distribution Status

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

2012.04.23

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1－ 999	8,067	1,750,988	0.25
1,000－ 5,000	9,155	24,751,447	3.50
5,001－ 10,000	2,568	17,769,187	2.51
10,001－ 15,000	1,622	19,834,288	2.81
15,001－ 20,000	665	11,670,293	1.65
20,001－ 30,000	818	19,813,155	2.80
30,001－ 50,000	582	22,483,644	3.18
50,001－ 100,000	430	29,583,511	4.18
100,001－ 200,000	222	31,130,508	4.40
200,001－ 400,000	105	29,564,689	4.18
400,001－ 600,000	26	12,623,647	1.79
600,001－ 800,000	20	13,912,113	1.97
800,001－1,000,000	10	9,040,473	1.28
Over 1,000,001	34	463,019,636	65.50
Total	24,324	706,947,579	100.00

B. Preferred Shares：None.

4.1.4 List of Major Shareholders

2012.04.23

Shareholders's Name	Shareholding	
	Shares	Percentage
Kaohsiung City Government	320,094,217	45.28
Jinn Her Enterprise Co., Ltd.	23,521,348	3.33
Chun-Chin Shih	18,704,666	2.65
Mei-Yuan Yu	15,321,545	2.17
Fubon Life Insurance Co., Ltd.	10,000,000	1.41
Global Life Insurance Co., Ltd.	6,485,000	0.92
China Life Insurance Co., Ltd.	5,733,325	0.81
Nian Shan Life Insurance Co., Ltd.	5,547,541	0.78
Chien-Fu Kan	5,482,000	0.78
Citi Bank Taiwan was commissioned and management investor account of Dimension emerging market estimate fund	5,078,397	0.72

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			2010	2011	2012.03.31
Market Price Per Share (Note 1)	Highest		16.40	17.00	9.99
	Lowest		9.60	8.18	9.01
	Average		11.82	12.00	9.07
Net Worth Per Share (Note 2)	Before Distribution		18.18	14.66	14.87
	After Distribution		18.16	—	—
Earnings Per Share	Weighted Average Shares		525,798,195	606,549,400	706,947,579
	Diluted Earnings Per Share		0.24	(0.71)	0.17
	Adjusted Diluted Earnings Per Share		0.22	(0.71)	—
Dividends Per Share	Cash Dividend		0.02	0	—
	Stock Dividends	Dividends from Retained Earnings	0.15	0	—
		Dividends from Capital Surplus	1.00	0	—
	Accumulated Undistributed Dividends		0.00	0	—
Return on Investment	Price / Earnings Ratio (Note 3)		61.21	(16.90)	—
	Price / Dividend Ratio (Note 4)		734.50	0	—
	Cash Dividend Yield Rate (%) (Note 5)		0.14	0	—

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 88 for “Notes to Financial Statements 23.RETAINED EARNINGS”.

B. Proposed Distribution of Dividend for FY 2011：None.

4.1.7 The Impact of Stock Dividend Distribution Resolved by the 2012 Shareholders’ Meeting on the Bank’s Operating Performance and Earnings Per Share (EPS)：None.

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 88 for “Notes to Financial Statements 23. RETAINED EARNINGS”.

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

This Bank’s 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 2011 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$ 0.

Directors’ and supervisors’ remuneration： NT$ 0.

(2) The amount distributed employees’ stock bonus, and the percentage to after-tax net income plus total employees’ bonus for FY 2011 is NT$0 and 0% respectively.

(3) Earnings per share after the distribution of employees’ bonus and remuneration to directors and supervisors for FY 2011：EPS NT$(0.71).

D. Earnings distribution to employees' bonus & remunerations to directors and supervisors for FY 2010 corresponded with the decision of the Board of Director.

(1) Earnings distribution for employee bonus amounted to NT$7,945,394 for FY 2010. Name list of managers entitled for the distribution were as follows:

Title	Name	Title	Name	Title	Name
President	Wu-Hu Chung	General Manager	Ming-Jong Su	General Manager	Chung-Chen Lin
Exce. Vice President	Chun-Ching Ko	General Manager	Yuan-Chin Shiang	General Manager	Ching-Tsan Chen
Exce. Vice President	Yi-Jong Liou	General Manager	Jung-Tai Chang	General Manager	Min-Cheng Wu
Chief Auditor	Shing-Dieh Liu	General Manager	Chin-Tzay Yan	General Manager	Wei-Min Wu
Vice Chief Auditor and Chief Auditor	Tai-Yang Lu	General Manager	Chung-Hui Wang	General Manager	Lien-Te Hsu
Chief Secretary	Tsui-Mei Hsu	General Manager	Yi-Chen Yu	General Manager	Hueng-Fen Yen
Vice President and General Manager	Ming-Hung Wu	General Manager	Yen-Ching Hsien	General Manager	Wen-Lueh Su
Vice President and General Manager	Johnson Huangt	General Manager	Li-Hwa Chen	General Manager	Aaron Ting
Vice President and General Manager	Ting-Lien Lin	General Manager	Jin-Biau Tsai	General Manager	Duncan Tsai
Vice President and General Manager	Jin-Ann Wang	General Manager	Chuan-Pin Kao	General Manager	Hsien-Cheng Huang
Vice President and General Manager	Mei-Ling Chen	General Manager	Chi-Jen Lin	General Manager	Shen-Wen Guo
Vice President and General Manager	Liu-Nan Chen	General Manager	Shiu-Hui Liu	General Manager	Wen-Hau Sher
Vice President and General Manager	Te-Chin Chou	General Manager	Ying-Chung Lin	General Manager	Hsien-Chung Liao
Vice President and General Manager	Chao-Shen Tsai	General Manager	Wen-Chang Lee	General Manager	Chiu-Chin Huang
Vice President and General Manager	I-Fen Chen	General Manager	Chi-Chang Chen	General Manager	Don Huang
Vice President and General Manager and OBU, General Manager	J. C. Shou-Jen Chen	General Manager	Ju-Chen Lu	General Manager	Chuck Chen
Vice President and General Manager	Trey-Shin Lee	General Manager	Shih-Hung Huang	General Manager	Mei-Chu Chang
General Manager	Anna Hsu	General Manager	Cia-Cheng Wu	General Manager	Hwa-Jen Lee
General Manager	Pi-Jung Ko	General Manager	An-Ho Liu	General Manager	Yeh-Shing Wang

(2) Remuneration to directors and supervisors appropriated from retained earnings for FY 2010 amounted to NT$1,986,348.

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.09600178130 (May 08, 2007)
Date of Issuance	Jun. 12, 2007
Par	10 Million
Place of Issuance and Trade	Republic of China
Currency	New Taiwan Dollars
Price of Issuance	100%
Total Amount	1 Billion
Interest	Indicator Rate (Note) +0.40% Floating Interest Rate
Tenor	7 Years, Maturity Date：Jun. 12, 2014
Senior / Subordinate debt	Subordinate Debt
Guarantor	None
Trustee	None
Underwriter	Standard Chartered Bank, Taipei Branch
Certified Lawyers	None
Certified Public Accountants	None
Certification Institution	None
Repayment	Repayment in Lump Sum Upon Maturity
Outstanding Balance	1 Billion
Year 2006 Paid-in Capital	5 Billion 34.23 Million 8 Thousand and Forty
Year 2006 Total Stockholders' Equity	10.6 Billion 8.41 Million 2 Thousand 6 Hundred and Twenty Four
Performance	Normal
Redemption or Early Exercise Term	None
Convertible & 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（%）	13.20%
Whether Include Qualified Capital and the Corresponding Category	Tier 2
Credit Rating Agency, Date and Rating	None

Note：The indicator rate means 90-day NTD secondary commercial paper rate that appears on Reuters page 6165 for the fixing at 11:00 am Taipei time, 2 Taipei business days prior to the start of the relevant interest period, which shall be reset per three months.

Unit：NT$

Item	Subordinate debt (2)
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, Yuanta securities, **JIHSUN** 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：twA-, Jan. 13, 2009

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 2012, 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.