34. SUPPLEMENARY DISCLOSURE

(1) Related Information on Significant Transactions

A. Cumulative balance of transfer investments stocks purchased or sold greater than NT$ 300 million or 10% of paid-in capital : None.
B. Acquisition of fixed asset greater than NT$ 300 million or 10% of paid-in capital : None.
C. Disposal of fixed assets greater than NT$ 300 million or 10% of paid-in capital : None.
D. The handling commission for the trade with the related parties are equivalent to an amount over NT$ 5 million : Nor
E. Receivables from related parties greater than NT$ 300 million or 10% of paid-in capital : Appendix 1.
F. The information for sale of non-performing loans : None.
G. Information on disposal of securitization products under “Financial Assets Securitization Provision” or “Real Estate Securitization Provision” : None.
H. Other significant trades that may affect the decision-maker who use the financial statements : None.

(2) Information on Investee Companies：

A. Information on investee companies and consolidated shareholdings : Appendix 2.
B. Lending funds to other parties：None.
C. Endorsement and guarantee for other parties：None.
D. Securities held by investee companies on Dec. 31, 2010 : None.
E. Cumulative trading volume of the identical securitie greater than NT$ 300 million or 10% of paid-in capital : Non
F. Derivative products trading of investee company : None.
G. Acquisition of fixed asset greater than NT$ 300 million or 10% of paid-in capital : None.
H. Disposal of fixed assets greater than NT$ 300 million or 10% of paid-in capital : None.
I. The handling commission for the trade with the related parties are equivalent to an amount over NT$ 5 million : N
J. Receivables from related parties greater than NT$ 300 million or 10% of paid-in capital : None.
K. The information for sale of non-performing loans : None.
L. Information on disposal of securitization products under “Financial Assets Securitization Provision” or “Real Esta Securitization Provision” : None.
M. Other significant trades that may affect the decision-maker who use the financial statements : None.

(3) Investments in Mainland China： None.

35. INFORMATION BY OPERATION DEPARTMENT

The Company has disclosed such information in its consolidated financial statements. Therefore, no such information will be disclosed in individual financial statements separately.

Appendix I

Bank of Kaohsiung Co., Ltd.
Receivables from Related Parties
December 31, 2011

Unit： NT$ Thousand

Creditor	Debtor	Relationship of the Debtor with the Bank	Balance of Receivables from Related parties	Turnover Rate	Overdue Receivables from Related Parties		Amount of Receivables Collected from Related Parties Subsequent to the Event	Provision for Credit Loss
					Amount	Handing Procedure		
Bank of Kaohsiung Co., Ltd.	Kaohsiung City Government	Major shareholder of the bank	42,458,572	Not applicable	None	Not applicable	NT$ 4,481,022 thousand have been collected up to Mar. 29, 2012. The remaining balance has not matured yet.	–

Appendix II

Bank of Kaohsiung Co., Ltd.
Information on Investee Companies
December 31, 2011

Unit : thousand shares ; NT$ Thousand

Name of Investee Company	Location	Main Business	Shares Held by the Bank at Dec. 31, 2010	Book Value	The Income (Loss) Recognized in this Period	Consolidated Shareholdings of the Bank and Affiliates (Note 1)				Note
						Number of Shares	The Shares to be Held (Note 2)	Total		
								Number of Shares	%	
Finance										
Kaohsiung Bank Insurance Agency Co., Ltd.	Kaohsiung	Life Insurance Agency	100%	55,553	35,955	300	—	300	100%	Equity method's investments
Kaohsiung Bank General Insurance Agency Co., Ltd.	Kaohsiung	Non-life Insurance Agency	100%	7,383	1,474	500	—	500	100%	Equity method's investments
Taipei Forex Inc.	Taipei	Forex	3.53%	7,000	—	700	—	700	3.53%	Financial assets－cost method
Taiwan Futures Exchange Corporation	Taipei	Futures Exchange	0.30%	6,000	—	815	—	815	0.30%	Financial assets－cost method
Taiwan Financial Asset Services Co.,Ltd.	Taipei	Financial Services	2.94%	50,000	—	5,000	—	5,000	2.94%	Financial assets－cost method
Taiwan Depository & Clearing Corporation	Taipei	Depository & Clearing	0.08%	4,639	—	260	—	260	0.08%	Financial assets－cost method
Sunny Asset Management Corporation	Taipei	Asset Management	0.0058%	3	—	0.347	—	0.347	0.0058%	Financial assets－cost method
Taiwan Finance Corporation	Taipei	Finance	10.00%	516,165	—	51,617	—	51,617	10.00%	Financial assets－cost method
Waterland Securities Co.,Ltd.	Taipei	Securities	4.93%	407,830	—	42,899	—	42,899	4.93%	Financial assets－cost method
Taiwan Asset Management Corporation	Taipei	Asset Management	0.57%	100,000	—	10,000	—	10,000	0.57%	Financial assets－cost method
Financial Information Services Co.,Ltd.	Taipei City	Information Services	1.14%	45,500	—	5,119	—	5,119	1.14%	Financial assets－cost method
Non-Finance										
Taiwan High Speed Rail Corp.	Taipei	communication	0.10%	100,440	—	10,800	—	10,800	0.10%	Financial assets－cost method
Kohsiung Rapid Transit Corporation	Kaohsiung	Rapid Transit	0.50%	50,000	—	5,000	—	5,000	0.50%	Financial assets－cost method

Note 1: The shares held or to be held by the Bank or its directors, supervisors, president, vice president and investees held by the affiliates as defined in the Company Act shall be included.

Note 2: (1) The shares to be held shall mean the shares acquired upon conversion, as hypothesized, of equity securities purchased or contracted for derivative products concluded (not yet converted to equity) in accordance with the trading terms and conditions and the bank's intent to link with the reinvested enterprise's equity for the purpose of reinvestment provided in Article 74 of the Act.

(2) The "equity securities" referred to in the preceding paragraph shall mean the valuable securities referred to in Paragraph 1 of Article 11 of the Securities and Exchange Law Enforcement Rules, e.g. convertible corporate bond and warrant.

(3) The "derivative products" referred to in the preceding paragraph shall comply with the definition of derivative products referred to in Statement of Financial Accounting Standards No. 34, e.g. stock option.

6.5 Consolidated Financial Statements for the Years Ended December 31, 2011 and 2010, and Independent Auditors' Report

6.5.1 Consolidated Balance Sheets

BANK OF KAOHSIUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2011 and 2010

Unit : NT$ Thousand

ASSETS			2011.12.31	2010.12.31	Comparison	LIABILITIES & STOCKHOLDERS' EQUITY			2011.12.31	2010.12.31	Comparison
A/C No	Account	Note	Amount	Amount	(%)	A/C No	Account	Note	Amount	Amount	(%)
11000	Cash & cash equivalents	4	$ 2,840,102	$ 2,015,944	40.88	21000	Due to CBC & banks		$ 11,511,596	$ 12,605,479	(8.68)
11500	Due from CBC and lend to banks	5	24,134,482	26,873,546	(10.19)	22000	Financial liabilities at fair value through income statement	2.6	3,837	15,110	(74.61)
12000	Financial assets at fair value through income statement	2.6	1,615,849	1,104,409	46.31	22500	Bills and bonds sold under repurchased agreements	2	103,207	140,745	(26.67)
12500	Bill and bonds purchased under resale agreements	2	5,878,341	2,791,063	110.61	23000	Accounts payables	14	3,386,690	2,834,121	19.50
13000	Accounts receivable—net	2.7	975,800	976,413	(0.06)	23500	Deposits & remittances	15	193,866,022	185,091,512	4.74
13500	Discounts & loans—net	2.8	166,215,870	162,193,890	2.48	24000	Financial bonds payable	16	4,000,000	4,000,000	—
14000	Available-for-sale financial assets—net	2.9	11,748,424	5,094,124	130.63	25000	Pension payable	2.17	304,726	253,200	20.35
14500	Held-to-Maturity financial assets	2.10	5,566,536	7,695,041	(27.66)	25500	Other financial liabilities	2.18	195,150	207,289	(5.86)
15500	Other financial assets—net	2.11	1,830,973	3,047,938	(39.93)	29500	Other liabilities	2.19	108,342	129,187	(16.14)
						20000	Total liabilities		$ 213,479,570	$ 205,276,643	4.00
	Property and equipment cost						Stockholders' equity				
18501	Land		$ 1,231,286	$ 1,231,286	—	31001	Capital	20	$ 7,069,476	$ 5,257,982	34.45
18521	Buildings		1,239,159	1,239,159	—	31500	Capital surplus	21	2,017,724	2,542,403	(20.64)
18531	Machinery & equipment		622,593	601,047	3.58		Retained earnings				
18541	Transportation equipment		22,835	24,241	(5.80)	32001	Legal reserve		$ 1,642,841	$ 1,604,713	2.38
18551	Miscellaneous equipment		95,488	95,453	0.04	32003	Special reserve		41,937	25,034	67.52
18561	Leasehold improvement		232,563	232,563	—	32011	Unapprcpriate retained earnings	22	(406,883)	155,551	(361.58)
185x1	Total cost		$ 3,443,924	$ 3,423,749	0.59	32000	Total retained earnings		$ 1,277,895	$ 1,785,298	(28.42)
185x4	Less : accumulated depreciation		(1,241,478)	(1,186,969)	4.59		Other stockholders' equity				
18571	Unfinished construction and ordered spare parts		130	—	100.00	32523	On unrealized income on available-for-sale financial assets		($2,384)	($25,787)	(90.75)
18500	Property and equipment cost—net	2.12	$ 2,202,576	$ 2,236,780	(1.53)	32599	Other adjustment on stockholder's equity		521	(824)	163.23
19000	Intangible assets	2	$ 62,565	$ 58,993	6.05	32500	Total other stockholders' equity		($1,863)	($26,611)	(93.00)
19500	Other assets	2.13	771,284	747,574	3.17	38000	Total of holding company stockholders' equity		$ 10,363,232	$ 9,559,072	8.41
10000	Total assets		$ 223,842,802	$ 214,835,715	4.19		Total liabilities & stockholders' equity		$ 223,842,802	$ 214,835,715	4.19

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

Chairman : Hsian Chung Tsai　　President : Wu-Hu Chung　　Chief Accountant : Ming-Hung Wu

6.5.2 Consolidated Income Statements

BANK OF KAOHSIUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

Unit：NT$ Thousand

A/C No	Item	Note	2011.01.01-2011.12.31	2010.01.01-2010.12.31	Comparison (%)
41000	Interest income	2	$3,750,650	$3,096,294	21.13
51000	Interest expense		(1,762,138)	(1,307,476)	34.77
	Net interest revenue		$1,988,512	$1,788,818	11.16
	Net non-interest revenue				
49100	Net commission & service fees	2.23	$409,314	$445,276	(8.08)
49200	Gain (loss) in financial assets and liabilities at fair value through income statement	2.6	118,705	(32,949)	460.27
49300	Gain (loss) on available-for-sale financial assets	2	2,291	70,312	(96.74)
49400	Realized (loss) profit from financial assets held to maturity	2.10	80,275	13,964	474.87
49600	Gain (loss) on foreign exchange	2	(105,552)	80,420	(231.25)
49700	Gain (loss) on assets impairment	2	(418,200)	(216,734)	92.96
48095	Recovery of credit loss and overdue loan.	2	216,041	173,800	24.30
49800	Other net non-interest revenue (loss)		40,140	28,564	40.53
4xxxx	Net revenue		$2,331,526	$2,351,471	(0.85)
51500	Credit loss expenses	2.8	(898,790)	($307,926)	191.89
	Operating expenses				
58500	Personnel service expenses	24	($1,247,886)	($1,270,888)	(1.81)
59000	Depreciation & amortization	24	(83,432)	(83,169)	0.32
59500	Other operating & administrative expenses		(522,438)	(477,218)	9.48
61001	Income (loss) before tax		($421,020)	$212,270	(298.34)
61003	Income tax (expenses) benefit	2.25	(12,323)	(85,176)	(85.53)
69600	Consolidated total profit (loss)		($433,343)	$127,094	(440.96)
69600	Consolidated total profit (loss) belong to：				
69601	Shareholder of holding company		($433,343)	$127,094	(440.96)
69603	Minor equity		—	—	
	Consolidated net profit (loss)		($433,343)	$127,094	(440.96)
69500	Consolidated basic earnings per share (NT$)		After tax	After tax	
	Shareholder of holding company	26	($0.71)	$0.22	(422.73)
	Minor equity			—	
	Consolidated net profit (loss)	26	($0.71)	$0.22	(442.73)

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

Chairman：Hsian Chung Tsai　President：Wu-Hu Chung　Chief Accountant：Ming-Hung Wu

6.5.3 Consolidated Statements of Changes in Stockholders' Equity

BANK OF KAOHSIUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

Unit : NT$ Thousand

Item	Common Stock	Capital Surplus	Retained Earnings				Adjustments on Equity			Sum
			Legal Reserve	Special Reserve	Unappropriated Earnings	Sum	Unrealized income on financial products	Other	Sum	
Balance, January 1, 2010	$ 5,257,982	$ 2,542,403	$ 1,581,788	$ –	$ 76,416	$ 1,658,204	($ 24,320)	($ 714)	($ 25,034)	$ 9,433,555
Consolidated total profit (loss)	–	–	–	–	127,094	127,094	–	–	–	127,094
Appropriation & distribution of earnings (Note 1)										
Legal reserve	–	–	22,925	–	(22,925)	–	–	–	–	–
Special reserve	–	–	–	25,034	(25,034)	–	–	–	–	–
increase (Decrease) on unrealized income on available-for-sale financial assets	–	–	–	–	–	–	(1,467)	–	(1,467)	(1,467)
Other (Note 10)	–	–	–	–	–	–	–	(110)	(110)	(110)
Total on change	$ –	$ –	$ 22,925	$ 25,034	$ 79,135	$ 127,094	($ 1,467)	($ 110)	($ 1,577)	$ 125,517
Balance, December 31, 2010	$ 5,257,982	$ 2,542,403	$ 1,604,713	$ 25,034	$ 155,551	$ 1,785,298	($ 25,787)	($ 824)	($ 26,611)	$ 9,559,072
Balance, January 1, 2011	$ 5,257,982	$ 2,542,403	$ 1,604,713	$ 25,034	$ 155,551	$ 1,785,298	($ 25,787)	($ 824)	($ 26,611)	$ 9,559,072
Capital in crease by capital reserve	525,798	(525,798)	–	–	–	–	–	–	–	–
Employees bouns – in stock	6,826	1,119	–	–	–	–	–	–	–	7,945
Consolidated total profit (loss)	–	–	–	–	(433,343)	(433,343)	–	–	–	(433,343)
Appropriation & distribution of earnings(Note 2)										
Recognized Legal reserve	–	–	38,128	–	(38,128)	–	–	–	–	–
Recognized Special reserve	–	–	–	1,577	(1,577)	–	–	–	–	–
Distribute a cash dividend	–	–	–	–	(10,516)	(10,516)	–	–	–	(10,516)
Capital increase by earnings	78,870	–	–	–	(78,870)	(78,870)	–	–	–	–
Capital increase by cash	1,200,000	–	–	–	–	–	–	–	–	1,200,000
increase (Decrease) on unrealized income on available-for-sale financial assets	–	–	–	–	–	–	23,403	–	23,403	23,403
Other (Note 10 & 19)	–	–	–	15,326	–	15,326	–	1,345	1,345	16,671
Total on change	$1,811,494	($524,679)	$38,128	$16,903	($562,434)	($507,403)	$23,403	$1,345	$24,748	$804,160
Balance, December 31, 2011	$7,069,476	$2,017,724	$1,642,841	$41,937	($406,883)	$1,277,895	($2,384)	$521	($1,863)	$10,363,232

Note1 : Both Directors & supervisors' remunerations and Employees' bonus were zero.
Note2 : Both Directors & supervisors' remunerations and Employees' bonus were $2,000 thousand and $8,000 thousand.

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

Chairman : Hsian Chung Tsai　　President : Wu-Hu Chung　　Chief Accountant : Ming-Hung Wu

6.5.4 Consolidated Statements of Cash Flows

BANK OF KAOHSIUNG CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 and 2010

Unit：NT$ Thousand

Item	2011.01.01-2011.12.31	2010.01.01-2010.12.31
Cash flows from operating activities		
Consolidated total profit (loss)	($433,343)	$127,094
Adjustments		
Depreciation	67,870	65,775
Amortization	15,562	17,394
Credit loss expenses	898,790	307,926
Financial assets premium (discount) amortization	(7,761)	(40,824)
Loss (gain) on sale and discard of property and equipment	153	498
Loss (gain) on sale investments	(74,899)	(30,110)
Loss (gain) on unrealized evaluation of financial assets and liabilities	1,088	19,251
Loss on Financial assets impairment	418,200	216,734
Total on adjustments	$1,319,003	$556,644
Net changed of Operating assets and liabilities		
Net changed of Operating assets		
Decrease（increase）on financial assets for trading purposes	($523,801)	$1,016,690
Decrease (increase) in accounts receivable	(5,785)	(187,030)
Decrease（increase）on deferred income tax assets	(8,099)	55,100
Total on changed of Operating assets	($537,685)	$884,760
Net changed of Operating liabilities:		
Increase (decrease) in accounts payable	$560,076	($590,326)
Increase (decrease) in tax payable	438	1,025
Increase （decrease）on accrued pension debt	51,526	31,751
Total on changed of Operating liabilities	$612,040	($557,550)
Total on changed of Operating assets and liabilities	$74,355	$327,210
Net cash provided by / (used in) operating activities	$960,015	$1,010,948
Cash flows from investing activities		
Acquisition of Available-for-sale financial assets	($22,678,301)	($7,632,441)
Proceeds from sale of Available-for-sale financial assets	16,029,754	6,429,097
Due repays principal of bond products investment without market price	790,425	400,143
Acquisition of Held-to-Maturity financial assets	(744,568)	(3,766,564)
Proceeds from sale of Held-to-Maturity financial assets	1,704,575	1,377,156
Repayment of principal upon maturity of held-to-maturity financial assets	1,268,480	131,929
Acquisition of property and equipment	(33,940)	(18,250)
Proceeds from sale of property and equipment	121	—
Increase on deferred expenses	(6,430)	—
Acquisition in intangible assets	(16,952)	(4,330)
Decrease（increase） in due from CBC and lend to banks	2,739,064	(4,384,076)
Decrease（increase） in discounts & loans	(4,925,768)	(24,240,484)
Decrease (increase) on bills and bonds purchased under resale agreements	(3,087,278)	1,103,913
Decrease（increase） in other financial assets	7,761	(84,686)
Decrease（increase） in other assets	(11,532)	4,319
Net cash provided by / (used in) investing activities	($8,964,589)	($30,684,274)
Cash from financial activities		
Increase (decrease) on bills and bonds sold under repurchase agreements	($37,538)	(73,029)
Increase (decrease) in other financial liabilities	(12,139)	(77,604)
Increase (decrease) in other liabilities	8,298	11,334
Distribute a cash dividend	(10,516)	—
Capital increase by cash	1,200,000	—
Increase (decrease) in due to CBC & banks	(1,093,883)	2,057,245
Increase (decrease) in deposits & remittances	8,774,510	27,225,760
Net cash (used in) / provided by financial activities	$8,828,732	$29,143,706
Net increase (Decrease) in cash & cash equivalents	$824,158	($529,620)
Balance of cash & cash equivalents at the beginning of year	2,015,944	2,545,564
Balance of cash & cash equivalents at the end of year	$2,840,102	$2,015,944
Supplementary disclosures of cash flow information		
Interest paid during the period excluding interest capitalized	$1,700,360	$1,287,054
Income tax paid	$30,857	$29,051
Loss (gain) on unrealized evaluation of financial products	($23,403)	$1,467

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

Chairman：Hsian Chung Tsai　President：Wu-Hu Chung　Chief Accountant：Ming-Hung Wu

6.6 Financial Difficulties that Occurred to the Bank of Kaohsiung and the Related Parties for FY 2011 & up to Mar. 2012： None.