China Development Industrial Bank and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2016 and 2015 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
China Development Industrial Bank

We have audited the accompanying consolidated balance sheets of China Development Industrial Bank (the "Bank") and subsidiaries as of June 30, 2016, December 31, 2015 and June 30, 2015, and the related consolidated statements of comprehensive income for the three months ended June 30, 2016 and 2015, six months ended June 30, 2016 and 2015, and changes in equity and cash flows for the six months ended June 30, 2016 and 2015. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Regulations Governing Auditing and Attestation of Financial Statements of Institution by Certified Public Accounts and auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits 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 China Development Industrial Bank and subsidiaries as of June 30, 2016, December 31, 2015 and June 30, 2015, their consolidated financial performance for the three months ended June 30, 2016 and 2015, and their consolidated financial performance and their cash flows for the six months ended June 30, 2016 and 2015, in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of the Bank as of and for the six months ended June 30, 2016 and 2015 on which we have issued an unqualified opinion thereon, respectively.

August 29, 2016

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, performance 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated 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 independent auditors' report and consolidated financial statements shall prevail.

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2016		December 31, 2015		June 30, 2015	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 6 and 35)	$ 26,359,116	37	$ 28,193,361	39	$ 16,757,525	24
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Note 7)	253,183	-	299,609	-	334,876	-
RECEIVABLES, NET (Notes 8 and 35)	1,788,561	3	2,121,188	3	6,422,080	9
CURRENT TAX ASSETS (Notes 4, 33 and 35)	727,822	1	696,248	1	718,964	1
AVAILABLE-FOR-SALE FINANCIAL ASSETS (Notes 9 and 35)	9,201,545	13	9,182,329	13	11,237,093	16
HELD-TO-MATURITY FINANCIAL ASSETS, NET	-	-	102,564	-	102,564	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET (Notes 10 and 11)	9,110,441	13	7,969,545	11	7,616,543	11
RESTRICTED ASSETS (Note 12)	320,153	-	298,982	-	291,735	-
FINANCIAL ASSETS MEASURED AT COST (Notes 11 and 13)	18,012,662	25	18,870,601	26	21,162,423	30
OTHER FINANCIAL ASSETS (Note 14)	1,875,479	3	1,620,002	2	2,543,559	4
PROPERTY AND EQUIPMENT, NET (Note 15)	1,223,652	2	1,214,475	2	1,251,680	2
INVESTMENT PROPERTY, NET (Note 16)	1,766,671	3	1,806,069	3	1,772,058	3
DEFERRED TAX ASSETS (Notes 4 and 33)	100,736	-	101,227	-	101,851	-
OTHER ASSETS, NET (Note 17)	283,835	-	300,347	-	339,214	-
TOTAL	$ 71,023,856	100	$ 72,776,547	100	$ 70,652,165	100
LIABILITIES AND EQUITY						
LIABILITIES						
Payables (Note 18)	$ 623,370	1	$ 990,323	1	$ 802,970	1
Current tax liabilities (Notes 4, 33 and 35)	392,718	1	402,762	1	321,970	1
Commercial paper payable, net (Note 19)	779,762	1	829,322	1	829,597	1
Other financial liabilities (Note 36)	386,716	1	396,059	1	372,931	1
Provisions (Notes 4, 20 and 21)	173,952	-	177,910	-	121,420	-
Deferred tax liabilities (Notes 4 and 33)	241,555	-	241,555	-	241,555	-
Other liabilities (Notes 22 and 35)	216,392	-	122,911	-	207,685	-
Total liabilities	2,814,465	4	3,160,842	4	2,898,128	4
EQUITY (Note 23)						
Equity attributable to owners of the parent						
Capital	20,603,994	29	20,603,994	29	20,603,994	29
Capital surplus	24,701,757	35	24,700,436	34	24,699,396	35
Retained earnings						
Legal reserve	22,425,309	32	22,425,309	31	22,425,309	32
Special reserve	3,709,959	5	672,736	1	672,736	1
Unappropriated earnings	589,464	1	4,702,128	6	2,880,684	4
Exchange differences on translation on foreign financial statements	14,947	-	657,557	1	(994,576)	(1)
Unrealized gains (losses) on available-for-sale financial assets	(3,904,149)	(6)	(4,209,915)	(6)	(2,584,103)	(4)
Total equity attributable to owners of parent	68,141,281	96	69,552,245	96	67,703,440	96
Non-controlling interests	68,110	-	63,460	-	50,597	-
Total equity	68,209,391	96	69,615,705	96	67,754,037	96
TOTAL	$ 71,023,856	100	$ 72,776,547	100	$ 70,652,165	100

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

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST REVENUES (Notes 24 and 35)	$ 39,693	11	$ 572,532	37	$ 82,038	7	$ 2,230,237	55
INTEREST EXPENSES (Notes 24 and 35)	(1,891)	-	(227,462)	(15)	(3,975)	(1)	(917,630)	(23)
NET INTEREST	37,802	11	345,070	22	78,063	6	1,312,607	32
NET REVENUES OTHER THAN INTEREST								
Service fee income (loss), net (Note 25)	(10)	-	(53,253)	(3)	(18)	-	16,781	-
Losses on financial assets or liabilities measured at fair value through profit or loss, net (Note 26)	(21,762)	(6)	(201,178)	(13)	(46,425)	(4)	(306,584)	(7)
Realized gains on available-for-sale financial assets, net (Note 27)	128,377	37	1,265,801	81	195,705	16	1,867,898	46
Share of the profit of associates for using equity method	180,477	52	85,961	5	169,714	14	207,874	5
Foreign exchange gain, net	481	-	344,129	22	19,418	2	404,818	10
Impairment loss on assets (Note 28)	(518,541)	(149)	(134,727)	(9)	(565,699)	(47)	(158,074)	(4)
Gains (losses) on financial assets measured at cost, net (Notes 13 and 29)	342,241	98	(391,353)	(25)	742,708	62	237,088	6
Gain on sale of acquired loans	16,444	5	44,310	3	63,263	5	94,674	2
Gains (losses) on debt investments with no active market	(2,443)	(1)	-	-	181,989	15	-	-
Consulting service revenue (Note 35)	131,012	38	232,442	15	257,517	22	306,222	8
Others (Notes 30 and 35)	54,005	15	30,971	2	110,657	9	65,443	2
Total net revenues other than interest	310,281	89	1,223,103	78	1,128,829	94	2,736,140	68
TOTAL NET REVENUES	348,083	100	1,568,173	100	1,206,892	100	4,048,747	100
REVERSAL OF ALLOWANCE FOR BAD DEBTS EXPENSE AND GUARANTEE LIABILITY PROVISION	27,918	8	39,708	2	34,697	3	88,102	2
OPERATING EXPENSES (Notes 21, 31, 32 and 35)								
Employee benefits expense	(209,623)	(60)	(302,445)	(19)	(383,350)	(32)	(753,764)	(19)
Depreciation and amortization expense	(19,663)	(6)	(24,585)	(2)	(40,446)	(3)	(55,454)	(1)
Other general and administrative expenses	(92,578)	(26)	(227,855)	(14)	(201,742)	(17)	(488,439)	(12)
Total operating expenses	(321,864)	(92)	(554,885)	(35)	(625,538)	(52)	(1,297,657)	(32)

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2016		2015		2016		2015	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	$ 54,137	16	$ 1,052,996	67	$ 616,051	51	$ 2,839,192	70
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 33)	(15,658)	(5)	222,249	14	(20,016)	(2)	155,527	4
NET PROFIT FOR THE PERIOD	38,479	11	1,275,245	81	596,035	49	2,994,719	74
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	(40,964)	(12)	(313,183)	(20)	(573,758)	(47)	(560,638)	(14)
Unrealized gains (losses) on available-for-sale financial assets	260,221	75	(2,373,512)	(151)	217,011	18	(2,459,261)	(61)
Share of the other comprehensive income (loss) of associates accounted for using the equity method	50,183	14	(45,910)	(3)	17,419	1	(40,989)	(1)
Other comprehensive income (loss), net of tax	269,440	77	(2,732,605)	(174)	(339,328)	(28)	(3,060,888)	(76)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ 307,919	88	$ (1,457,360)	(93)	$ 256,707	21	$ (66,169)	(2)
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of parent company	$ 35,269	10	$ 1,268,757	81	$ 589,464	49	$ 2,982,940	74
Non-controlling interests	3,210	1	6,488	-	6,571	-	11,779	-
	$ 38,479	11	$ 1,275,245	81	$ 596,035	49	$ 2,994,719	74
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Shareholders of parent company	$ 306,631	88	$ (1,463,106)	(93)	$ 252,620	21	$ (76,807)	(2)
Non-controlling interests	1,288	-	5,746	-	4,087	-	10,638	-
	$ 307,919	88	$ (1,457,360)	(93)	$ 256,707	21	$ (66,169)	(2)
EARNINGS PER SHARE (Note 34)								
Basic	$ 0.02		$ 0.38		$ 0.29		$ 0.66	

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

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars Except Per Share Amount)

	Equity Attributable to Owners of Parent									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2015	$ 56,603,994	$ 28,696,849	$ 19,922,597	$ 672,736	$ 8,342,373	$ (353,364)	$ (161,771)	$ 113,723,414	$ 265,813	$ 113,989,227
Effect of retrospective application and retrospective restatement	-	-	-	-	(102,256)	(3,797)	-	(106,053)	2,215,847	2,109,794
BALANCE AT JANUARY 1, 2015 AS RESTATED	56,603,994	28,696,849	19,922,597	672,736	8,240,117	(357,161)	(161,771)	113,617,361	2,481,660	116,099,021
Appropriation of the 2014 earnings										
Legal reserve	-	-	2,502,712	-	(2,502,712)	-	-	-	-	-
Cash dividends - NT$2.83 per share	-	-	-	-	(5,839,661)	-	-	(5,839,661)	-	(5,839,661)
	-	-	2,502,712	-	(8,342,373)	-	-	(5,839,661)	-	(5,839,661)
Change in capital surplus form investments in associates and joint ventures accounted for by using equity method	-	(53)	-	-	-	-	-	(53)	-	(53)
Cash dividends	-	(4,000,000)	-	-	-	-	-	(4,000,000)	-	(4,000,000)
Net profit for the six months ended June 30, 2015	-	-	-	-	2,982,940	-	-	2,982,940	11,779	2,994,719
Other comprehensive loss for the six months ended June 30, 2015, net income tax	-	-	-	-	-	(637,415)	(2,422,332)	(3,059,747)	(1,141)	(3,060,888)
Total comprehensive income (loss) for the six months ended June 30, 2015	-	-	-	-	2,982,940	(637,415)	(2,422,332)	(76,807)	10,638	(66,169)
Capital reduction	(36,000,000)	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)
Share-based payment	-	2,600	-	-	-	-	-	2,600	-	2,600
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,441,701)	(2,441,701)
BALANCE AT JUNE 30, 2015	$ 20,603,994	$ 24,699,396	$ 22,425,309	$ 672,736	$ 2,880,684	$ (994,576)	$ (2,584,103)	$ 67,703,440	$ 50,597	$ 67,754,037
BALANCE AT JANUARY 1, 2016	$ 20,603,994	$ 24,700,436	$ 22,425,309	$ 672,736	$ 4,702,128	$ 657,557	$ (4,209,915)	$ 69,552,245	$ 63,460	$ 69,615,705
Appropriation of the 2015 earnings										
Reversal of special reserve	-	-	-	3,037,223	(3,037,223)	-	-	-	-	-
Cash dividends - NT$0.81 per share	-	-	-	-	(1,664,905)	-	-	(1,664,905)	-	(1,664,905)
	-	-	-	3,037,223	(4,702,128)	-	-	(1,664,905)	-	(1,664,905)
Net profit for the six months ended June 30, 2016	-	-	-	-	589,464	-	-	589,464	6,571	596,035
Other comprehensive income (loss) for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	(642,610)	305,766	(336,844)	(2,484)	(339,328)
Total comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	589,464	(642,610)	305,766	252,620	4,087	256,707
Share-based payment	-	1,321	-	-	-	-	-	1,321	-	1,321
Changes in non-controlling interests	-	-	-	-	-	-	-	-	563	563
BALANCE AT JUNE 30, 2016	$ 20,603,994	$ 24,701,757	$ 22,425,309	$ 3,709,959	$ 589,464	$ 14,947	$ (3,904,149)	$ 68,141,281	$ 68,110	$ 68,209,391

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

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 616,051	$ 2,839,192
Adjustments to reconcile net profit (loss)		
Depreciation expenses	31,724	43,962
Amortization expenses	8,722	11,492
Reversal of allowance for bad debts and losses on guarantees, net	(34,697)	(88,102)
Net loss on financial assets and liabilities at fair value through profit or loss	46,425	16,078
Interest expense	3,975	945,493
Interest income	(82,038)	(2,542,356)
Dividend income	(84,438)	(175,058)
Share of profit of associates accounted for using equity method	(174,919)	(183,889)
Gain on disposal of investments	(1,025,173)	(1,949,577)
Loss on financial asset impairment	564,128	148,833
Loss on nonfinancial asset impairment	1,571	9,241
Others	(1,075)	83,613
Changes in operating assets and liabilities		
Due from the Central Bank and other banks	-	10,220,645
Financial assets at fair value through profit or loss	-	52,704,964
Receivables	145,784	37,148,972
Discounts and loans	-	126,114,314
Other financial assets	300	1,564,359
Other assets	(56,909)	6,088,969
Call loans from banks	-	(10,331,413)
Financial liabilities at fair value through profit or loss	-	(24,351,007)
Securities sold under repurchase agreements	-	(63,299,830)
Payables	(360,496)	(4,085,156)
Deposits and remittances	-	(173,337,066)
Other financial liabilities	(9,343)	(60,545,256)
Other liabilities	95,956	(1,037,213)
Cash used in operations	(314,452)	(103,985,796)
Interest received	71,656	4,054,258
Dividend received	156,935	244,568
Interest paid	(3,819)	(1,512,309)
Income tax paid	(60,710)	(195,887)
Net cash used in operating activities	(150,390)	(101,395,166)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	(311,395)	(21,871,442)
Proceeds from the sale of available-for-sale financial assets	729,820	133,978,016
Acquisition of financial assets measured at cost	(772,756)	(1,311,858)
Proceeds from the sale of financial assets measured at cost	1,425,422	5,326,875

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2016	**2015**
Proceeds from capital return on financial assets measured at cost	$ 43,686	$ 75,614
Acquisition of associates	(1,253,718)	(920,193)
Proceeds from disposal of associates	36,282	-
Proceeds from disposal of subsidiaries	-	1,589,115
Proceeds from capital return on investments accounted for using equity method	-	506,219
Purchase of debt investments with no active market	(154,357)	-
Proceeds on sale of debt investments with no active market	286,196	-
Acquisition of property and equipment	(3,502)	(68,350)
Proceeds from disposal of property and equipment	204	247,717
Others	120,615	66,080
Net cash generated from investing activities	146,497	117,617,793
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	-	(70,000)
Increase (decrease) in commercial paper payable	(49,560)	69,932
Decrease in bank debentures payable	-	(12,750,000)
Cash dividend paid	(1,664,905)	(5,839,661)
Reduction of capital	-	(36,000,000)
Others	355	(3,977,500)
Net cash used in financing activities	(1,714,110)	(58,567,229)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	(116,242)	(116,227)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,834,245)	(42,460,829)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	28,193,361	59,218,354
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 26,359,116	$ 16,757,525

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

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2016 AND 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Development Industrial Bank (the "Bank") was incorporated under the Company Act and relevant regulations and started operations on May 14, 1959. Effective January 1999, the Bank was converted from a trust corporation into an industrial bank under government approval. On December 28, 2001, the Bank's stockholders exchanged their Bank holdings of shares in China Development Financial Holding Corporation (CDFH; the Bank's parent company) at a 1:1 ratio, which was approved by the Ministry of Finance (MOF). As required by the Financial Holding Company Act, CDFH's shares were listed on the Taiwan Stock Exchange after the exchange and the Bank became a wholly owned subsidiary of CDFH.

On March 2 and April 13, 2015, CDIB's board of the directors of CDIB approved the transfer to KGI Bank ("KGIB") of (a) all assets and liabilities associated with the commercial banking business of CDIB and (b) CDIB's holdings of shares in CDIB's leasing subsidiaries and in the Taiwan Financial Asset Service Corporation in accordance with Article 185 of Company Act and Article 27 of Business Mergers and Acquisitions Act. On April 16, 2015, the transaction was approved by Financial Supervisory Commission (FSC) in accordance with Rule No. 10400053521, and the chairman was authorized by the board of directors to approve the date of transfer of business on May 1, 2015.

Assets and liabilities transferred:

	Financial Market Business	Corporate Finance Business	Other Business	Amount
Assets				
Financial assets	$ 233,378,734	$ 161,800,416	$ 50,000	$ 395,229,150
Other assets	-	-	30,994	30,994
	233,378,734	161,800,416	80,994	395,260,144
Liabilities				
Financial liabilities	141,757,437	215,298,264	-	357,055,701
Other liabilities	-	-	204,443	204,443
	141,757,437	215,298,264	204,443	357,260,144
Net amount	$ 91,621,297	$ (53,497,848)	$ (123,449)	$ 38,000,000

Before the transfer of business, CDIB's industrial banking operations included certain deposit-taking, lending, investment, bank debenture issuing, securities underwriting, domestic exchange, guarantee provision, letter of credit issuing, receivable acquisition, government bond purchasing, trust operations, offshore banking, transacting derivative financial instruments and other activities under the authority approval. After the transfer of business, CDIB's industrial banking operations included securities investment, investment, financial related business, venture capital and other activities approved by the authorities.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and authorized for issue on August 29, 2016.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by FSC for application starting from 2017

Rule No. 1050026834 issued by the FSC endorsed the following IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") for application starting January 1, 2017.

New, Amended or Revised Standards and Interpretations (the "New IFRSs")	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016
Amendment to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, the initial application of the above New IFRSs in 2017 would not have any material impact on the Bank and subsidiaries' accounting policies:

1) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Bank and subsidiaries are required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2 or Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique. The amendment will be applied retrospectively.

2) IFRIC 21 “Levies”

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Bank and subsidiaries accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

The amended IFRS 8 requires the Bank and subsidiaries to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”. The amendment also clarifies that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segments’ assets are regularly provided to the chief operating decision-maker. The judgements made in applying aggregation criteria should be disclosed retrospectively upon initial application of the amendment in 2017.

When the amended IFRS 13 becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured at their invoice amounts without discounting, if the effect of not discounting is immaterial.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Bank and subsidiaries is continuously assessing the possible impact that the application of other standards and interpretations will have on the Bank and subsidiaries’ financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

b. New IFRSs in issue but not yet endorsed by the FSC

The Bank and subsidiaries have not applied the following IFRSs issued by the IASB but not yet endorsed by the FSC.

The FSC announced that the Bank and subsidiaries should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new IFRSs.

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendment to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”	January 1, 2018
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB (Note 2)
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
Amendment to IFRS 15 “Clarification to IFRS 15”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The postponement in June 2015 applies to changes introduced by the IASB in September 2014 through narrow-scope amendments to IFRS 10 and IAS 28, earlier application in permitted.

1) IFRS 9 “Financial Instruments”

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Bank and subsidiaries’ debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Bank and subsidiaries may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Bank and subsidiaries takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when the Bank and subsidiaries sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Bank and subsidiaries loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Bank and subsidiaries sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate, i.e. the Bank and subsidiaries’ share of the gain or loss is eliminated. Also, when the Bank and subsidiaries loses control of a subsidiary that does not contain a business but retains significant influence or joint control in an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the unrelated investors’ interest in the associate, i.e. the Bank and subsidiaries’ share of the gain or loss is eliminated.

3) IFRS 15 “Revenue from Contracts with Customers” and its amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, the Bank and subsidiaries shall recognize revenue by applying the following steps:

a) Identify the contract with the customer;
b) Identify the performance obligations in the contract;
c) Determine the transaction price;
d) Allocate the transaction price to the performance obligations in the contracts; and
e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 and related amendment are effective, the Bank and subsidiaries may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

4) IFRS 16 "Leases"

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Bank and subsidiaries is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Bank and subsidiaries may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Bank and subsidiaries should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Bank and subsidiaries as lessor.

When IFRS 16 becomes effective, the Bank and subsidiaries may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

5) Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Bank and subsidiaries expect to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Bank and subsidiaries should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Bank and subsidiaries' assets for more than their carrying amount if there is sufficient evidence that the Bank and subsidiaries will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Bank and subsidiaries is continuously assessing the possible impact that the application of other standards and interpretations will have on the Bank and subsidiaries' financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the accompanying consolidated financial statements are the same as those applied in the preparation of the Bank and subsidiaries' consolidated financial statements as of and for the year ended December 31, 2015, except for those described below.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in the accompanying interim financial report is less than that required for a full set of annual financial reports.

Basis of Preparation

As of June 30, 2016, December 31, 2015 and June 30, 2015, the consolidated entities included in the consolidated financial statements included 23, 26 and 28 companies, respectively (please refer to the attached Table 5 for details).

Retirement Benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2015.

6. CASH AND CASH EQUIVALENTS

	June 30, 2016	December 31, 2015	June 30, 2015
Due from other banks	$ 18,039,897	$ 12,674,958	$ 5,224,036
Cash in banks	7,501,703	13,339,838	8,742,649
Commercial paper	817,360	2,058,404	2,670,381
Other	156	120,161	120,459
	$ 26,359,116	$ 28,193,361	$ 16,757,525

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2016	December 31, 2015	June 30, 2015
Financial assets held for trading			
Nonderivative financial assets			
Listed and OTC stocks	$ 92,243	$ 111,208	$ 112,106
Financial assets designated as FVTPL			
Convertible (exchangeable) corporate bonds	160,940	188,401	222,770
Financial assets at FVTPL	$ 253,183	$ 299,609	$ 334,876

The Bank and subsidiaries signed a trust contract with China Trust Commercial Bank (CTBC) in August 2015. The Capital Securities Corporation (CSC) shares held by the Bank and subsidiaries trust to the CTBC. The trustee in accordance with the contract agreed disposition within the contract period.

8. RECEIVABLES

	June 30, 2016	December 31, 2015	June 30, 2015
Acquired loans	$ 1,988,676	$ 2,116,953	$ 2,595,430
Interest receivable	346,970	336,852	324,738
Accrued incomes	246,564	394,410	604,278
Receivable from securities sold	245,229	365,865	3,574,003
Others	80,758	70,493	613,126
	2,908,197	3,284,573	7,711,575
Less: Allowance for bad debts	(1,119,636)	(1,163,385)	(1,289,495)
	$ 1,788,561	$ 2,121,188	$ 6,422,080

The Bank and subsidiaries' changes in allowance for bad debts of receivables were as follows:

	For the Six Months Ended June 30	
	2016	2015
Balance, January 1	$ 1,163,385	$ 1,873,447
Reversal of allowance	(43,749)	(12,359)
Transferred to KGI Bank	-	(557,768)
Effect of exchange rate changes	-	(13,825)
Balance, June 30	$ 1,119,636	$ 1,289,495

For the impairment loss analysis of receivables, please refer to Note 38.

The Bank and subsidiaries had not pledged any receivables as collateral.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Listed, OTC and earning market stocks	$ 8,191,195	$ 8,497,996	$ 10,526,731
Government bonds	161,951	161,308	157,889
Others	848,399	523,025	552,473
	$ 9,201,545	$ 9,182,329	$ 11,237,093

As of December 31, 2015 and June 30, 2015, government bonds held by the Bank and provided as a deposit for business operations had aggregate values of $7,193 thousand and $57,151 thousand, respectively, and unit face value of $7,000 thousand and $57,000 thousand, respectively. As of June 30, 2015, government bonds held by the Bank and provided as a deposit for indemnity reserves had aggregate values of $50,110 thousand, and unit face value of $50,000 thousand.

For the trust contract with holding shares to CSC, please refer to Note 7.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2016		December 31, 2015		June 30, 2015	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Unlisted companies						
CDIB & Partners Investment Holding Corporation	$ 3,991,688	29	$ 4,065,214	29	$ 4,074,478	29
CDIB Capital Asia Partners L.P.	2,060,547	-	1,314,206	-	1,176,490	-
OPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	1,211,645	-	667,550	-	683,563	-
CDIB Biomedical Venture Capital Corporation	581,525	34	584,514	34	290,026	34
CDIB CME Fund Ltd.	577,013	40	576,143	40	580,752	40
CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	$ 557,662	-	$ 585,700	-	$ 602,430	-
Others	130,361		176,218		208,804	
	$ 9,110,441		$ 7,969,545		$ 7,616,543	

Investments accounted for using equity method and the Bank and subsidiaries' share of earnings and other comprehensive income of CDIB & Partner Investment Holding Corporation is calculated based on audited financial statements; those of other affiliates are calculated based on unaudited financial statements. Management believed that had the financial statements of these investees been unaudited, there would have been no significant effect on the consolidated financial statements.

The Bank and subsidiaries had not pledged any investments accounted for using the equity method as collateral.

11. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Private equity investment

The Bank and subsidiaries have the equities of structured entities which the Bank and subsidiaries do not have significant influence and have rights and obligations in accordance to the contract.

	June 30, 2016	December 31, 2015	June 30, 2015
Private equity investment			
Financial assets measured at cost	$ 6,556,495	$ 6,891,768	$ 7,451,200
Maximum exposure	$ 6,556,495	$ 6,891,768	$ 7,451,200

b. Private equity management

The Bank and subsidiaries have the equities of structured entities as well as the obligations to their investment and management. The Bank and subsidiaries have significant influence over the above investments.

The funds of unconsolidated structured entities are from the Bank and subsidiaries and external third parties.

	June 30, 2016	December 31, 2015	June 30, 2015
Private equity management			
Total assets	$ 14,010,151	$ 9,351,364	$ 8,950,168
Total liabilities	239,930	101,340	309,849
Investments accounted for using equity method	3,829,854	2,567,456	2,462,483
Maximum exposure	3,829,854	2,567,456	2,462,483

12. RESTRICTED ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Stocks	$ 149,392	$ 149,392	$ 149,392
Accounts receivable	120,609	105,447	97,539
Revenue receivable	35,880	30,287	30,288
Due from other banks	14,272	13,856	14,516
	$ 320,153	$ 298,982	$ 291,735

After the filing of a certain complaint against Morgan Stanley & Co. International PLC (Morgan Stanley) (Note 36), the Bank could not access the following funds in connection with transactions made with Morgan Stanley because of its unauthorized disposition: Accounts receivable, deposits, cash security on CDS contracts, available-for-sale stock investments and the related accrued revenue. Because of the inaccessibility of these funds, these financial assets reclassified as “restricted assets.”

13. FINANCIAL ASSETS MEASURED AT COST

	June 30, 2016	December 31, 2015	June 30, 2015
Unlisted stocks - common stock	$ 6,173,861	$ 6,689,830	$ 7,888,685
Unlisted overseas partnership fund	6,556,495	6,891,768	7,451,200
Others	5,282,306	5,289,003	5,822,538
	$ 18,012,662	$ 18,870,601	$ 21,162,423
Classified according to financial asset measurement categories			
Available-for-sale financial assets	$ 17,586,059	$ 18,416,795	$ 20,727,389
Financial assets at FVTPL	426,603	453,806	435,034
	$ 18,012,662	$ 18,870,601	$ 21,162,423

For the three months ended June 30, 2016 and 2015, six months ended June 30, 2016 and 2015, the Bank and subsidiaries disposed of certain financial assets measured at cost with carrying amounts of $212,757 thousand, $4,752,213 thousand, $862,718 thousand and $5,184,688 thousand, respectively, and recognized disposal gain of $286,180 thousand, loss of $431,438 thousand, gains of $683,698 thousand and $142,187 thousand, respectively.

14. OTHER FINANCIAL ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Debt instruments with no active market	$ 1,875,479	$ 1,619,702	$ 2,543,559
Time deposits with original maturities over three months	-	300	-
	$ 1,875,479	$ 1,620,002	$ 2,543,559

15. PROPERTY AND EQUIPMENT

	June 30, 2016	December 31, 2015	June 30, 2015
Land	$ 763,517	$ 744,866	$ 789,273
Buildings and facilities	426,282	429,826	412,585
Computer equipment	17,380	19,493	20,015
Transportation equipment	54	61	-
Other equipment	12,424	14,139	11,272
Leasehold improvements	3,431	5,526	10,067
	1,223,088	1,213,911	1,243,212
Prepayments for acquisition of properties	564	564	8,468
	$ 1,223,652	$ 1,214,475	$ 1,251,680

The Bank and subsidiaries' changes in property and equipment were as follows:

	Land	Buildings and Facilities	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Leased Assets	Prepayments for Acquisition of Properties	Total
Cost									
Balance at January 1, 2015	$ 1,208,416	$ 1,190,335	$ 94,869	$ 76	$ 88,799	$ 55,303	$ 120,908	$ 19,673	$ 2,778,379
Additions	-	11,001	7,330	-	1,799	1,141	30,397	16,682	68,350
Disposals	(2,927)	(38,806)	(59,134)	(76)	(33,305)	(21,968)	(151,305)	(12,837)	(320,358)
Reclassification	(416,216)	(317,728)	-	-	-	(206)	-	(15,050)	(749,200)
Effect of exchange rate changes	-	-	(328)	-	(356)	(1,082)	-	-	(1,766)
Balance at June 30, 2015	789,273	844,802	42,737	-	56,937	33,188	-	8,468	1,775,405
Accumulated depreciation									
Balance at January 1, 2015	-	(598,358)	(49,090)	(14)	(70,483)	(27,745)	(62,034)	-	(807,724)
Depreciation	-	(18,509)	(6,096)	(5)	(2,950)	(5,872)	(8,906)	-	(42,338)
Disposals	-	26,939	32,383	19	27,567	9,892	70,940	-	167,740
Reclassification	-	157,711	-	-	-	206	-	-	157,917
Effect of exchange rate changes	-	-	81	-	201	398	-	-	680
Balance at June 30, 2015	-	(432,217)	(22,722)	-	(45,665)	(23,121)	-	-	(523,725)
Balance at June 30, 2015, net	$ 789,273	$ 412,585	$ 20,015	$ -	$ 11,272	$ 10,067	$ -	$ 8,468	$ 1,251,680
Cost									
Balance at January 1, 2016	$ 744,866	$ 863,410	$ 43,380	$ 68	$ 57,807	$ 26,451	$ -	$ 564	$ 1,736,546
Additions	-	398	1,618	-	990	496	-	-	3,502
Disposals	-	(40,559)	(2,147)	-	(1,758)	(9,245)	-	-	(53,709)
Reclassification	18,651	21,416	-	-	-	-	-	-	40,067
Effect of exchange rate changes	-	-	(264)	-	(279)	(221)	-	-	(764)
Balance at June 30, 2016	763,517	844,665	42,587	68	56,760	17,481	-	564	1,725,642
Accumulated depreciation									
Balance at January 1, 2016	-	(433,584)	(23,887)	(7)	(43,668)	(20,925)	-	-	(522,071)
Depreciation	-	(22,047)	(3,445)	(7)	(2,581)	(2,516)	-	-	(30,596)
Disposals	-	40,559	1,977	-	1,724	9,245	-	-	53,505
Reclassification	-	(3,311)	-	-	-	-	-	-	(3,311)
Effect of exchange rate changes	-	-	148	-	189	146	-	-	483
Balance at June 30, 2016	-	(418,383)	(25,207)	(14)	(44,336)	(14,050)	-	-	(501,990)
Balance at June 30, 2016, net	$ 763,517	$ 426,282	$ 17,380	$ 54	$ 12,424	$ 3,431	$ -	$ 564	$ 1,223,652

The above items of property and equipment were depreciated on a straight-line basis at the following rates per annum:

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Computer equipment	3-8 years
Transportation equipment	5 years
Other equipment	
Office furniture and equipment	5-8 years
Others	10 years
Leasehold improvements	1-3 years

The Bank and subsidiaries had not pledged any property and equipment as collateral.

16. INVESTMENT PROPERTY

	June 30, 2016	December 31, 2015	June 30, 2015
Land	$ 1,524,790	$ 1,544,872	$ 1,509,599
Buildings and facilities	241,881	261,197	262,459
	$ 1,766,671	$ 1,806,069	$ 1,772,058

The changes in the Bank and subsidiaries' investment properties were as follows:

	For the Six Months Ended June 30	
	2016	2015
Cost		
Beginning balance	$ 2,384,203	$ 1,786,942
Disposal	(2,321)	(260,383)
Reclassification	(40,067)	807,527
Ending balance	2,341,815	2,334,086
Accumulated depreciation		
Beginning balance	(210,182)	(59,874)
Depreciation	(1,128)	(1,624)
Disposal	254	24,807
Reclassification	3,311	(157,711)
Ending balance	(207,745)	(194,402)
Accumulated impairment		
Beginning balance	(367,952)	(431,361)
Reversal of impairment	553	63,735
Ending balance	(367,399)	(367,626)
Carrying amount, net	$ 1,766,671	$ 1,772,058

The above items of investment properties were depreciated on a straight-line basis at the following rates per annum:

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years

The fair values of the Bank and subsidiaries' investment property as of June 30, 2016, December 31, 2015 and June 30, 2015 were $5,510,221 thousand, $5,556,202 thousand and $4,099,397 thousand, respectively.

Exception of the fair value of the Bank's investment properties as of December 31, 2015 had been performed by independent qualified professional valuer; however, management of the Bank used the valuation model that market participants would use in determining the fair value. The valuation was measured using the sales comparison approach and income approach. The former compares a subject property's characteristics with those of comparable properties which have recently sold in similar transaction; the latter is computed by taking the net operating income of the rent collected and dividing it by the capitalization rate.

All of the Bank and subsidiaries' investment properties were held under freehold interests. As of June 30, 2015, the carrying amounts of the investment properties that had been pledged by the Bank and subsidiaries to secure commercial paper of issuance are $207,325 thousand.

17. OTHER ASSETS

	June 30, 2016	December 31, 2015	June 30, 2015
Collaterals assumed	$ 117,814	$ 118,804	$ 129,559
Guarantee deposits paid	77,600	65,914	69,248
Computer software	54,048	62,781	66,467
Prepaid expense	29,916	45,141	27,337
Others	4,457	7,707	46,603
	$ 283,835	$ 300,347	$ 339,214

As of June 30, 2016, December 31, 2015 and June 30, 2015, the above collaterals were net of accumulated impairment losses of $12,445 thousand, $12,539 thousand and $11,237 thousand, respectively.

18. PAYABLES

	June 30, 2016	December 31, 2015	June 30, 2015
Accrued expenses	$ 508,574	$ 865,748	$ 579,162
Interest payable	11,920	13,660	12,959
Collection payable	4,817	5,347	73,489
Others	98,059	105,568	137,360
	$ 623,370	$ 990,323	$ 802,970

19. COMMERCIAL PAPER PAYABLE

	June 30, 2016	December 31, 2015	June 30, 2015
Commercial paper payable	$ 780,000	$ 830,000	$ 830,000
Less: Unamortized discount	(238)	(678)	(403)
	$ 779,762	$ 829,322	$ 829,597
Rate	0.90%	1.05%-1.09%	1.11%-1.12%
Last maturity date	July 2016	February 2016	July 2015

20. PROVISIONS

	June 30, 2016	December 31, 2015	June 30, 2015
Provisions for employee benefits	$ 172,431	$ 176,352	$ 119,221
Others	1,521	1,558	2,199
	$ 173,952	$ 177,910	$ 121,420

21. RETIREMENT BENEFIT PLANS

The Bank and subsidiaries' retirement benefit plans consist of defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2015 and 2014, respectively.

For the three and six months ended June 30, 2016 and 2015, the Bank and subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as employee benefits) of $1,651 thousand, $2,395 thousand, $3,303 thousand and $6,088 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as employee benefits) of $4,293 thousand, $10,057 thousand, $7,882 thousand and $16,656 thousand, respectively.

22. OTHER LIABILITIES

	June 30, 2016	December 31, 2015	June 30, 2015
Advance receipts	$ 167,405	$ 72,202	$ 107,480
Guarantee deposits received	25,612	27,029	51,659
Temporary receipts and suspense account	7,161	9,221	12,089
Others	16,214	14,459	36,457
	$ 216,392	$ 122,911	$ 207,685

23. EQUITY

a. Capital

Common stock

	June 30, 2016	December 31, 2015	June 30, 2015
Numbers of shares authorized (in thousands)	9,266,851	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,060,400	2,060,400	2,060,400
Shares issued	$ 20,603,994	$ 20,603,994	$ 20,603,994

On April 13, 2015, the Bank's board of the directors was entitled to execute stockholders' meeting functions and thus approved the reduction of the Bank's capital by $36,000,000 thousand, representing 3,600,000 thousand issued shares with NT$10 par value. The Bank's board of the directors also authorized the chairman to set the effective date of capital reduction. The Bank set the effective date of capital reduction on May 4, 2015.

b. Capital surplus

	June 30, 2016	December 31, 2015	June 30, 2015
Arising from issuance of common shares	$ 24,593,956	$ 24,593,956	$ 24,593,956
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition	98,845	98,845	98,845
Arising from share of changes in capital surplus of associates	3,169	3,169	2,783
Share-based payments awards	5,767	4,446	3,792
Arising from donations	20	20	20
	$ 24,701,757	$ 24,700,436	$ 24,699,396

The premium from shares issued in excess of par (share premium from issuance of common shares, treasury share transactions, and excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Bank has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Bank's capital surplus and once a year.

On March 28, 2016, the Bank's board of the directors and May 11, 2015, the Bank's board of the directors was entitled to execute stockholders' meeting functions. Also, according to the Article 241 of Company Act, the board of the directors approved the distribution of cash dividend of $17,500,000 thousand and $4,000,000 thousand to shareholders from capital surplus arising from issuance of common shares, respectively.

The board of the directors, was entitled to execute stockholder's meeting functions has not approve agreement of the distribution of cash dividend from capital surplus.

The capital surplus from long-term investments may not be used for any purpose.

c. Special reserve

According to Rule No. 10010000440 issued by the Financial Supervisory Commission (FSC), the Bank reclassified to special reserve the trading loss reserve of $200,000 thousand set up before December 31, 2010. This special reserve should be used only (a) for offsetting a deficit or (b) for transfer to paid-in capital when the legal reserve has reached 50% of the Bank's paid-in capital.

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", when transitioning to IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Bank's use of exemptions under IFRS 1. However, if the increase in retained earnings that resulted from all IFRSs adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed to retained earnings in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed.

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Bank appropriated for special reserve an amount of $395,150 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs.

Under Rule No. 10510001510 issued by the FSC on May 25, 2016, the Public Bank shall dispatch 2016 to 2018 annual surplus which is based on 0.5% to 1% of net income for special reserve. From fiscal year of 2017, the Bank can reverse the amount of expenditure of employees' transfer arising from financial technology development within the amount of the above special reserve.

d. Appropriation of earnings

To expand the Bank's operations and increase its profitability as well as comply with the Banking Act and relevant regulations, the Bank applies the residual dividend policy. That is, the Bank decides the time and amount of dividend allocation on the basis of relevant government regulations and the Bank's Articles of Incorporation. In principle, the Bank pays dividends in the form of cash. The cash dividends should not be more than 15% of paid-in capital when legal reserve is less than paid-in capital.

The current year's earnings will be first used to settle all taxes payable as well as cover losses of the past years. The balance will then be used to appropriate legal reserve and special reserve and to reverse a special reserve in accordance with relevant laws and regulations and the corporate charter. The remainder will then be used to pay the accrued dividends of the past years and dividend of the current year.

When the Bank's legal reserve equals its paid-in capital, or when the Bank has complied with the FSC's financial soundness requirements and has provided a legal reserve based on the Company Act, the Bank is no longer subject to the requirement for legal reserve appropriation and to the 15%-of-paid-in capital limit on cash dividend distribution.

The appropriation of earnings should be presented for approval at the shareholders' meeting in the year following, and given effect to in the financial statements of the year following the year of earnings generation.

Under the Financial Holding Company Act, because the Bank has only one shareholder, CDFH, the Company Act provisions on shareholders' meetings do not apply to the Bank and the board of directors is thus entitled to exercise shareholders' meeting functions.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The Bank made consequential amendments to the Company's Articles of Incorporation that approved by board of directors which entitled to execute shareholders' meeting function on December 2015. For information about the accrual basis of the employee's compensation and remuneration to directors and supervisors, please refer to employee benefits expense in Note 31.

Appropriation of the 2015 and 2014 earnings that approved by board of directors which entitled to execute shareholders' meeting function on April 25, 2016 and shareholders' meeting on May 25, 2015 respectively were as follows:

	2015	**2014**
Legal reserve	$ -	$ 2,502,712
Special reserve	3,037,223	-
Cash dividends (NT$0.81 and NT$2.83 per share)	1,664,905	5,839,661

Related information can be accessed through the Market Observation Post System (M.O.P.S.) on the Web site of the Taiwan Stock Exchange (http://emops.tse.com.tw).

24. NET INTEREST

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Interest revenues				
Due from and call loans to banks	$ 16,006	$ 35,953	$ 31,016	$ 144,477
Deposits	12,328	13,434	28,050	26,194
Securities	1,174	143,875	3,849	583,729
Discounts and loans	-	213,203	-	882,705
Accounts receivable - forfeiting	-	78,255	-	339,157
Others	10,185	87,812	19,123	253,975
	39,693	572,532	82,038	2,230,237
Interest expenses				
Deposits	-	160,163	-	634,010
Securities sold under repurchase agreements	-	23,435	-	96,359
Structured notes	-	13,724	-	61,133
Bank debentures	-	8,370	-	55,187
Others	1,891	21,770	3,975	70,941
	1,891	227,462	3,975	917,630
	$ 37,802	$ 345,070	$ 78,063	$ 1,312,607

25. SERVICE FEE INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Service fee revenues				
Syndication loans	$ -	$ -	$ -	$ 34,010
Guarantee	-	2,416	-	9,466
Participations	-	371	-	5,051
Others	-	5,352	-	38,448
	-	8,139	-	86,975
Service fee expenses				
Financial transaction	-	39,686	-	40,888
Foreign-currency business	-	2,960	-	7,000
Others	10	18,746	18	22,306
	10	61,392	18	70,194
	$ (10)	$ (53,253)	$ (18)	$ 16,781

26. GAINS (LOSSES) ON FINANCIAL ASSETS OR LIABILITIES MEASURED AT FVTPL

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Realized gain (loss)				
Derivative instruments	$ -	$ (611,084)	$ -	$ (900,285)
Debentures	-	355,495	-	595,901
Stocks	-	7,888	-	13,960
Others	-	(66)	-	(82)
	-	(247,767)	-	(290,506)
Valuation gain (loss)				
Derivative instruments	-	339,722	-	-
Debentures	(15,478)	(292,701)	(27,460)	(10,916)
Stocks	(6,284)	(498)	(18,965)	(5,162)
Others	-	66	-	-
	(21,762)	46,589	(46,425)	(16,078)
	$ (21,762)	$ (201,178)	$ (46,425)	$ (306,584)

For the three and six months ended June 30, 2015, the Bank and subsidiaries' financial assets and liabilities at FVTPL included realized loss of $310,281 thousand and $580,775 thousand, respectively, interest revenues of $76,415 thousand and $312,606 thousand, respectively, and interest expenses of $13,901 thousand and $22,337 thousand, respectively.

27. REALIZED GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Gain on stock disposal	$ 100,614	$ 646,371	$ 166,627	$ 1,147,926
Dividend income	26,383	68,165	26,383	80,739
Gain on bond disposal	-	549,156	-	636,166
Others	1,380	2,109	2,695	3,067
	$ 128,377	$ 1,265,801	$ 195,705	$ 1,867,898

28. IMPAIRMENT LOSS ON ASSETS, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Impairment loss on financial assets measured at cost	$ 344,823	$ 58,815	$ 389,898	$ 76,494
Impairment loss on available-for-sale financial assets	174,230	476	174,230	476
Impairment loss on debt instrument with no active market	-	71,863	-	71,863
Others	(512)	3,573	1,571	9,241
	$ 518,541	$ 134,727	$ 565,699	$ 158,074

29. GAINS ON FINANCIAL ASSETS MEASURED AT COST

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Gain (loss) on disposal of securities	$ 286,180	$ (431,438)	$ 683,698	$ 142,187
Dividend income	54,785	14,705	54,947	45,896
Fund capital gain distributions	597	25,052	3,108	48,423
Others	679	328	955	582
	$ 342,241	$ (391,353)	$ 742,708	$ 237,088

30. OTHER NON-INTEREST INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Rental income	$ 24,411	$ 25,275	$ 50,093	$ 44,677
Others	29,594	5,696	60,564	20,766
	$ 54,005	$ 30,971	$ 110,657	$ 65,443

31. EMPLOYEE BENEFITS AND DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Employee benefit expense				
Salaries and wages	$ 172,379	$ 244,058	$ 309,974	$ 636,454
Employee insurance	10,139	24,623	20,165	47,001
Pension	5,944	12,452	11,185	22,744
Others	21,161	21,312	42,026	47,565
	$ 209,623	$ 302,445	$ 383,350	$ 753,764
Depreciation and amortization expenses	$ 19,663	$ 24,585	$ 40,446	$ 55,454

The Bank's Articles of Incorporation provide that annual net income should be appropriated after deducting any accumulated losses and taxes and providing legal and special reserves and reversing special reserve. The remaining earnings will be used to pay the employee bonus should be more than 1%, respectively. For the six months ended June 30, 2015, the bonus to employees was $0 thousand. The bonus to employees, which were estimated on the basis of the Company's Articles of Incorporation and past experience

To be in compliance with the Company Act as amended in May 2015, the Bank made consequential amendments to the Company's Articles of Incorporation that approved by board of directors which entitled to execute shareholders' meeting function to distribute employees' compensation at the rates no less than 1% of net profit before income tax, employees' compensation. For the six months June 30, 2016, the employees' compensation was $7,509 thousand representing 1% of the base net profit.

The bonuses to employees for 2015 and 2014 which have been approved by board of directors on March 28, 2016 and board of directors which entitled to execute shareholders' meeting function on May 25, 2015, respectively, were as follows. The Bank has reported the remuneration of employees of 2015, directors and supervisors on the board of the directors, was entitled to execute stockholder's meeting functions on April 25, 2016.

	For the Six Months Ended June 30	
	2015	2014
	Cash	Cash
Bonus to employees	$ 47,000	$ 59,000

	For the Six Months Ended June 30	
	2015	2014
	Employees Compensation	Bonus to Employees
Amounts approved in board of directors' meetings	$ 47,000	$ 59,000
Amounts recognized in respective financial statements	47,000	59,000
	$ -	$ -

Related information can be accessed through the Market Observation Post System (M.O.P.S.) on the Web site of the Taiwan Stock Exchange. (http://mops.twse.com.tw/mops/web/index)

32. OTHER GENERAL ADMINISTRATIVE EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Donation	$ 4,075	$ 591	$ 34,703	$ 30,591
Rental	14,540	16,091	29,094	33,441
Taxation	20,789	61,936	28,895	118,775
Professional services	13,601	48,144	26,016	77,986
Commission	6,852	12,709	19,778	25,783
Others	32,721	88,384	63,256	201,863
	$ 92,578	$ 227,855	$ 201,742	$ 488,439

33. INCOME TAX

a. Income tax expense (benefit)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Current income tax				
Current period	$ (137,578)	$ 123,683	$ (141,631)	$ (13,442)
Prior periods	122,129	67,996	122,106	139,186
	(15,449)	191,679	(19,525)	125,744
Deferred income tax	(209)	30,570	(491)	29,783
Income tax expense (benefit)	$ (15,658)	$ 222,249	$ (20,016)	$ 155,527

b. The estimated receivables/payables resulting from the use of the linked-tax system on the Bank's consolidated tax returns were as follows:

	June 30, 2016	December 31, 2015	June 30, 2015
Tax charged to the parent company	$ 722,419	$ 690,918	$ 713,685
Tax paid to the parent company	$ 382,277	$ 248,526	$ 181,439

c. Integrated income tax

	June 30, 2016	December 31, 2015	June 30, 2015
Imputation credits accounts - the Bank	$ 43,975	$ 216,767	$ 245

The Bank's creditable tax ratios for the distribution of earnings of 2015 and 2014 were 4.61% and 6.34%.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident stockholders of the Bank was calculated based on the creditable ratio as of the date of dividend distribution.

The Bank had no unappropriated earnings generated before January 1, 1998.

d. Income tax assessments

The Bank used the linked-tax system in filing of the income tax and unappropriated earnings returns of its parent company and eligible subsidiaries.

The Bank's income tax returns through 2010 had been examined by the tax authorities. However, the Bank disagreed with the tax authorities' assessments of its 2010 tax returns and thus filed tax appeals.

Income tax returns of CDIB Capital Management Corp., China Development Asset Management Corp., CHG3, CHG4, Development Industrial Bank Asset Management Corp., formerly named ROC Strategic Company Ltd. and formerly named China Venture Management Inc. through 2014 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation through 2012 had been examined by the tax authorities. Income tax returns of CDIB Strategic Venture Fund Ltd. through 2013 had been examined by the tax authorities. However, CDIB Stragetic Venture Fund Ltd. disagreed with the tax authorities' assessments of its 2013 tax return and thus filed tax appeals.

34. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the three months ended June 30, 2016			
Net profit attributable to stockholders of parent company	$ 35,269	2,060,400	$ 0.02
For the three months ended June 30, 2015			
Net profit attributable to stockholders of parent company	$ 1,268,757	3,365,894	$ 0.38
For the six months ended June 30, 2016			
Net profit attributable to stockholders of parent company	$ 589,464	2,060,400	$ 0.29
For the six months ended June 30, 2015			
Net profit attributable to stockholders of parent company	$ 2,982,940	4,506,808	$ 0.66

35. RELATED-PARTY TRANSACTIONS

The significant transactions and relationship with related parties (in addition to those disclosed in other notes) are summarized below:

Related Party	Relationship with the Bank and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd.	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd.	Subsidiary of the parent company
Others	Other related parties (Note)

Note: CDC Finance & Leasing Corporation is no longer the subsidiary of the Bank after the transfer date of May 1, 2015.

a. Cash in bank (recognized as cash and cash equivalents)

	Amount	%
June 30, 2016		
Subsidiary of the parent company	$ 6,337,810	24
December 31, 2015		
Subsidiary of the parent company	10,720,076	38
June 30, 2015		
Subsidiary of the parent company	5,789,950	35

For the three and six months ended June 30, 2016 and 2015, the interest revenues from cash in bank were $9,811 thousand, $7,675 thousand, $22,372 thousand and $7,701 thousand, respectively.

b. Due from banks (recognized as cash and cash equivalents)

	Amount	%
June 30, 2016		
Subsidiary of the parent company	$ 17,969,384	68
Other related parties	6,292	-
December 31, 2015		
Subsidiary of the parent company	12,613,249	45
Other related parties	6,292	-
June 30, 2015		
Subsidiary of the parent company	5,114,211	31
Other related parties	6,292	-

For the three and six months ended June 30, 2016 and 2015, the interest revenues from due from banks were $16,000 thousand, $1,106 thousand, $31,010 thousand and $1,106 thousand, respectively.

c. Purchase and sale of bonds

	Purchase of Bonds	Sale of Bonds
For the six months June 30, 2015		
Subsidiary of the parent company	$ 1,583,244	$ 2,211,662

d. Interest receivables (recognized as receivables, net)

		Amount	%
June 30, 2016	$	11,653	1
December 31, 2015		11,900	1
June 30, 2015		1,399	-

e. Accrued income (recognized as receivables, net)

		Amount	%
June 30, 2016			
Other related parties	$	193,232	11
December 31, 2015			
Other related parties		65,967	3
June 30, 2015			
Other related parties		440,387	7

f. Receivables on securities sold (recognized as receivables, net)

		Amount	%
June 30, 2016	$	12,493	1
December 31, 2015		888	-
June 30, 2015		21,273	-

g. Other receivables (recognized as receivable, net)

		Amount	%
June 30, 2016	$	14,989	1
December 31, 2015		10,916	-
June 30, 2015		520,241	8

h. Receivables from parent (recognized as current tax assets)

	June 30, 2016		December 31, 2015		June 30, 2015	
	Amount	%	Amount	%	Amount	%
Parent company	$ 722,419	99	$ 690,918	99	$ 713,685	99

The receivables resulted from CDFH and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns since 2003.

i. Discounts and loans

For the three and six months ended June 30, 2015, the interest revenues from discounts and loans were $122 thousand and $398 thousand, respectively.

Balance as of December 31, 2015

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Was the Transaction Conducted at Arm's Length
Others	Other related parties	$ 100,000	$ -	$ -	$ -	-	Yes

Balance as of June 30, 2015

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Was the Transaction Conducted at Arm's Length
Others	Other related parties	$ 100,000	$ -	$ -	$ -	-	Yes

j. Stock holdings (recognized as available-for-sale financial assets)

	Amount	%
June 30, 2016	$ 160,421	2
December 31, 2015	169,918	2
June 30, 2015	241,560	-

k. Call loans from banks (recognized as due from the central bank and banks)

For the three and six months ended June 30, 2015, the interest expense for call loans from banks were $602 thousand and $1,269 thousand, respectively.

l. Short-term loans

For the three and six months ended June 30, 2015, the interest expenses for short-term loans were $235thousand and $1,029 thousand, respectively.

m. Payables to parent (recognized as current tax liabilities)

	June 30, 2016		December 31, 2015		June 30, 2015	
	Amount	%	Amount	%	Amount	%
Parent company	$ 382,277	97	$ 248,526	62	$ 181,439	56

The payables resulted from CDFH and its eligible subsidiaries adopting the linked-tax system in the tiling of tax returns since 2003.

n. Deposits and remittances

For the three and six months ended June 30, 2015, the interest expenses for deposits and remittance were $1,005 thousand and $7,823 thousand, respectively.

o. Guarantee deposits received (recognized as other liabilities)

	Amount	%
June 30, 2016		
Subsidiary of the parent company	$ 18,505	9
Parent company	2,279	1
Other related parties	1,935	1
December 31, 2015		
Subsidiary of the parent company	18,545	15
Parent company	2,279	2
Other related parties	1,935	2
June 30, 2015		
Subsidiary of the parent company	19,417	9
Parent company	2,403	1
Other related parties	2,955	1

p. Consulting service revenues

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	Amount	%	Amount	%
June 30, 2016				
Other related parties	$ 129,573	99	$ 255,161	99
June 30, 2015				
Other related parties	232,442	100	306,222	100

q. Rental revenue (recognized as noninterest profits and gains)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	Amount	%	Amount	%
2016				
Subsidiary of the parent company	$ 18,554	34	$ 37,010	33
Parent company	2,280	4	4,559	4
Other related parties	1,935	4	3,870	3
2015				
Subsidiary of the parent company	11,071	36	12,063	19
Parent company	2,402	8	4,805	7
Other related parties	2,609	8	4,523	7

The rent was based on market prices and receivable quarterly.

r. Donation (recognized as other operating and administrative expenses)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	Amount	%	Amount	%
June 30, 2016				
Other related parties	$ -	-	$ 30,000	15
June 30, 2015				
Other related parties	-	-	30,000	6

s. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2016	2015	2016	2015
Salary and short-term benefits	$ 19,949	$ 22,879	$ 41,438	$ 57,935
Post-employment benefits	192	217	384	572
Share-based payment	128	248	255	582
	$ 20,269	$ 23,344	$ 42,077	$ 59,089

The terms of transactions with related parties were similar to those for third parties, except for certain preferential interest rates for employees' savings and loans.

Based on the Banking Act 32 and 33, except for consumer loans and government loans, credits extended by the Bank to any related party were fully secured, and the other terms of these credits were similar to those for third parties.

36. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies of the Bank and subsidiaries, in addition to those disclosed in Notes 37 and 38 were summarized as follows:

a. In April 2007, the Bank and Morgan Stanley entered into a CDS contract that was tied to a synthetic collateralized debt obligation on residential mortgage-backed securities. The representations made to the Bank by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant losses to the Bank. On July 15, 2010, the Bank initiated action against Morgan Stanley to recover losses the Bank suffered as a result of its investment in a Morgan Stanley's credit default swap (CDS) product that had been tied to a synthetic collateralized debt obligation on residential mortgage-backed securities; the representations made to the Bank by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant financial losses to the Bank. As of December 31, 2010, the underlying asset pools on the CDS had been liquidated, and the Bank had recognized all the gains and losses from the transaction. The balance of US$11,978 thousand (NT$386,716 thousand based on the exchange rate of June 30, 2016) was reclassified to "other financial liabilities". The litigation had not yet been concluded as June 30, 2016. In addition, Morgan Stanley overlooked the Bank's efforts and terminated interest rate swap (IRS) contracts (nominal principal amount: KRW24,000,000 thousand) and CDS contracts (nominal principal amount: JPY586,510 thousand), the Bank reserves the right of legal proceedings.

b. Securities and Futures Investors Protection Center sued CDIB Capital Management Corp. and claimed that due to the fact that CDIB Capital Management Corp. is the corporate director of Powercom Ltd., CDIB Capital Management Corp. Inc. have but not performed sufficient audits on the contents disclosed in the financial statements which failed to comply the obligation of being a good administrator. Therefore, the plaintiff demanded compensation of $592,648 thousand and related interests from CDIB Capital Management Corp. Inc. and Powercom Ltd. CDIB Capital Management Corp. and Powercom Ltd. could not estimate the related possible loss because the case was currently pending with the Taipei District Court and the final outcome of the court is uncertain.

c. In February 2008, during a financial crisis involving Far Eastern Air Transport Limited (FEAT), nine people, including Hu, Tsui and Chen, were sued by a state prosecutor after they were investigated. Hu, the Bank's former designated representative to FEAT's board of directors, was charged by the state prosecutor of dereliction of duty as an FEAT board member, resulting in financial loss to FEAT. FEAT also initiated a civil action against Hu and the Bank, claiming that they were jointly liable for damages of $677,199 thousand plus interest. The criminal case brought by FEAT against Hu and the Bank was adjudicated on September 28, 2012, and both defendants were acquitted of the charge brought against them; thus, the civil lawsuit was also dismissed by the criminal court. FEAT disagreed with this judgment and filed for appeal of the court's decision on the Bank and Hu's criminal and civil cases, claiming that these two defendants were jointly liable for damages of $660,000 thousand plus interest. The lawsuit was adjudicated on January 28, 2016, and both defendants, Hu and the Bank, were acquitted of the charge brought against them again; the civil lawsuit was also dismissed by the criminal court of the Taiwan High Court. However, the manners of execution of the two judgements are still uncertain so that the Bank could not ascertain the final outcome of the lawsuit. In July 2013, FEAT sued Yageo Corporation Limited, Feng Dan Bai Lu Corporation Limited, Yong Chun Corporation Limited and the Bank for failing to discharge its obligations as a good administrator, resulting in embezzlement FEAT, for which FEAT demanded the payment of $100,000 thousand and interests. FEAT lost the lawsuit on December 30, 2014 claimed by the Taipei District Court and decided to appeal to Taiwan High Court. The Bank won the lawsuit on April 14, 2016 claimed by the Taiwan High Court. The Bank could not estimate the related possible loss because the final outcome of the lawsuit is uncertain.

37. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

The definitions of each hierarchy are as follows:

1) Level I fair values are quoted prices in active markets for financial instruments.

2) Level II fair values are those directly or indirectly observable inputs other than Level I quoted prices, such as the quoted prices of similar financial instruments in less active markets or price estimates arrived at through pricing models that use inputs such as interest rates, which are derived from or can be corroborated by observable market data.

3) Level III refers to inputs that are not based on observable market data.

b. Fair value hierarchy of financial instruments

1) The fair value hierarchy of financial instruments were as follows:

June 30, 2016

(In Thousands of New Taiwan Dollars)

Measured at fair value used by repetitive basis	Level I	Level II	Level III	Total
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 92,243	$ -	$ -	$ 92,243
Financial assets designated as at FVTPL	-	-	160,940	160,940
Available-for-sale financial assets				
Stock investments	8,191,195	580,588	267,811	9,039,594
Bond investments	-	161,951	-	161,951

December 31, 2015

(In Thousands of New Taiwan Dollars)

Measured at fair value used by repetitive basis	Level I	Level II	Level III	Total
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 111,208	$ -	$ -	$ 111,208
Financial assets designated as at FVTPL	-	-	188,401	188,401
Available-for-sale financial assets				
Stock investments	8,497,996	523,025	-	9,021,021
Bond investments	-	161,308	-	161,308

June 30, 2015

(In Thousands of New Taiwan Dollars)

Measured at fair value used by repetitive basis	Level I	Level II	Level III	Total
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 112,106	$ -	$ -	$ 112,106
Financial assets designated as at FVTPL	-	-	222,770	222,770
Available-for-sale financial assets				
Stock investments	10,515,138	537,209	-	11,052,347
Bond investments	-	157,889	-	157,889
Others	26,857	-	-	26,857

2) Financial instruments measured at fair value

For financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, fair value is determined at quoted market prices. When market prices of the Bank and subsidiaries' various financial instruments are not readily available, fair values are estimated by using appropriate valuation models or other banks' transaction prices. The information the Bank and subsidiaries use for fair value estimation is consistent with that generally used in the market.

3) Movement of financial instrument hierarchy between Level I and Level II

The main reason for hierarchy transfer of the Bank and subsidiaries' financial instrument is due to changes of market liquidity in six months ended June 30, 2015 affected partly valuation sources of some holding government bond.

	For the Six Months Ended June 30, 2015	
	From Level I to Level II	**From Level II to Level I**
Available-for-sale financial assets - bond investments	$ 50,628	$ -

The Bank and subsidiaries had not transfer of financial instrument from Level I to Level II or from Level II to Level I in the six months ended 2016.

4) Reconciliation of Level III items of financial instruments

The movements of financial assets with Level III fair value were as follows:

For the Six Months Ended June 30, 2016

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level III	Sale, Disposal or Settlement	Transfer from Level III	
Financial assets at FVTPL							
Financial assets designated as FVTPL	$ 188,401	$ (27,461)	$ -	$ -	$ -	$ -	$ 160,940
Available-for-sale financial assets	-	-	267,811	-	-	-	267,811

For the Six Months Ended June 30, 2015

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level III	Sale, Disposal or Settlement	Transfer from Level III	
Financial assets at FVTPL							
Financial assets held for trading	$ 1,994,719	$ 194,330	$ 137,461	$ -	$ (2,326,510)	$ -	$ -
Financial assets designated as FVTPL	233,686	(10,916)	-	-	-	-	222,770
Available-for-sale financial assets	311,154	(8,247)	-	-	(302,907)	-	-

The movements of financial liabilities with Level III fair value were as follows:

For the Six Months Ended June 30, 2015

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level III	Sale, Disposal or Settlement	Transfer from Level III	
Financial liabilities held for trading	$ 2,114,959	$ 916,588	$ 512,851	$ -	$ (3,544,398)	$ -	$ -

The total gain or losses for the three and six months ended June 30, 2016 and 2015 included loss of $15,478 thousand, $230,032 thousand, $27,460 thousand and $720,702 thousand relating to assets and liabilities measured at fair value on Level III fair value measurement and held at the end of reporting date.

5) Quantitative information about significant unobservable inputs (Level 3)

The explanation of quantitative information about Level 3 security investments of the Bank and subsidiaries were as follows:

	Fair Value at June 30, 2016	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Item measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL	$ 160,940	Comparative Market Pricing Technique	Income multiplier Lack of liquidity discount	3.75 15%	According to condition of contract, fair value of asset may be higher or lower.
Available-for-sale financial assets	267,811	Recently completed the Transaction Pricing Technique	-	-	-

	Fair Value at December 31, 2015	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Item measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL	$ 188,401	Comparative Market Pricing Technique	Income multiplier Lack of liquidity discount	3.75 15%	According to condition of contract, fair value of asset may be higher or lower.

	Fair Value at June 30, 2015	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Item measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL	$ 222,770	Comparative Market Pricing Technique	Income multiplier Lack of liquidity discount	3.75 15%	According to condition of contract, fair value of asset may be higher or lower.

6) Pricing process of level III fair value

The Bank and subsidiaries' pricing models and condition assumptions conform to those generally used in the market and are commonly recognized by the industry as bases for measuring fair value. Further, the Bank and subsidiaries verifies whether the sources of the information are independent or whether the information itself reasonably reflects prices in normal circumstances, and also examines and adjusts fair value periodically to insure that valuation results are reasonable.

Investment Property is valued by the Bank and subsidiaries based on FSC's declaration of valuation method and parameters or committed to appraisers to make valuation.

c. Fair value of financial instruments not carried at fair value

Financial instruments measured at cost, excluding investment properties, investments accounted for using equity method - unlisted stocks and financial assets measured at cost, have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

Investments accounted for using the equity method - unlisted stocks and financial assets measured at cost both are unlisted financial assets, which have no quoted market prices in an active market owing to the variation interval of the estimate of the fair value is not quite small and the possibilities of the estimates in the interval cannot be assessed reasonably. The fair value cannot be reliably measured, thus the Bank and subsidiaries do not disclose their fair value.

38. FINANCIAL RISK MANAGEMENT

a. Risk management policies and framework

The Bank has established its risk management policies, which combine business management and risk management to form a corporate culture and business strategies that place a fundamental importance on risk management. The results of quantified and qualified risk management measures serve as a reference for formulating business strategies. The board of directors has approved the documentation of both overall and specific risk management policies, including business, operational and liquidity risks.

The Bank has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. The Bank also has a risk management department to plan and manage the risk management system and provide related information to the management and the board of directors.

b. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Bank. As at the end of the reporting period, the Bank's maximum exposure to credit risk which will cause a financial loss to the Bank due to failure of counterparties to discharge an obligation could be the same as the carrying amount.

For the objectives to enhance stockholder value and to ensure degree of risk tolerance, the Bank's credit risk strategy focuses on superior credit quality assets.

1) Credit quality assessment

Some the Bank and subsidiaries' financial assets such as cash and cash equivalents, financial assets at fair value through profit or loss, receivables and refundable deposits are regarded as having very low credit risk because of the good credit rating of counter-parties.

In addition to the above, the credit analyses of other financial assets were as follows:

a) Credit quality analysis for receivables

(In Thousands of New Taiwan Dollars)

June 30, 2016	Neither Past Due Nor Impaired				Overdue But Not Yet Impaired (B)	Impairment Amount (C)	Total (A)+(B)+(C)	Loss Recognized (D)		Net Total (A)+(B)+(C)-(D)
	Good/Moderate	Substandard	Unrated	Subtotal (A)				With Objective Evidence of Impairment	With No Objective Evidence of Impairment	
June 30, 2016	$ -	$ -	$ -	$ -	$ -	$ 2,272,781	$ 2,272,781	$ 131,113	$ 988,523	$ 1,153,145
December 31, 2015	-	-	-	-	-	2,404,132	2,404,132	194,780	968,605	1,240,747
June 30, 2015	-	-	-	-	-	2,892,662	2,892,662	306,571	982,924	1,603,167

b) Credit quality analysis of marketable securities

(In Thousands of New Taiwan Dollars)

June 30, 2016	Neither Past Due Nor Impaired				Overdue But Not Yet Impaired (B)	Impairment Amount (C)	Total (A)+(B)+(C)	Impairment Loss Recognized (D)	Net Total (A)+(B)+(C)-(D)
	Good/Moderate	Substandard	Unrated	Subtotal (A)					
Available-for-sale financial assets Investment in bonds	$ 161,951	$ -	$ -	$ 161,951	$ -	$ -	$ 161,951	$ -	$ 161,951

Note 1: Available-for-sale financial assets other than the above investment in bonds have an initial cost of $13,859,183 thousand, loss on valuation of $4,635,933 thousand and accumulated impairment of $183,656 thousand.

Note 2: Financial assets measured at cost have an initial cost of $20,309,290 thousand and accumulated impairments of $2,296,628 thousand.

Note 3: Debt instruments with no active markets have initial costs of $2,093,514 thousand and accumulated impairments of $218,035 thousand.

(In Thousands of New Taiwan Dollars)

December 31, 2015	Neither Past Due Nor Impaired				Overdue But Not Yet Impaired (B)	Impairment Amount (C)	Total (A)+(B)+(C)	Impairment Loss Recognized (D)	Net Total (A)+(B)+(C)-(D)
	Good/Moderate	Substandard	Unrated	Subtotal (A)					
Available-for-sale financial assets Investment in bonds	$ 161,308	$ -	$ -	$ 161,308	$ -	$ -	$ 161,308	$ -	$ 161,308

Note 1: Available-for-sale financial assets other than the above investment in bonds have an initial cost of $13,923,194 thousand, loss on valuation of $4,867,019 thousand and accumulated impairment of $35,154 thousand.

Note 2: Financial assets measured at cost have an initial cost of $20,996,006 thousand and accumulated impairments of $2,125,405 thousand.

Note 3: Debt instruments with no active markets have initial costs of $1,837,737 thousand and accumulated impairments of $218,035 thousand.

Note 4: Held-to-maturity financial assets measured at cost have an initial cost of $102,564 thousand.

(In Thousands of New Taiwan Dollars)

June 30, 2015	Neither Past Due Nor Impaired				Overdue But Not Yet Impaired (B)	Impairment Amount (C)	Total (A)+(B)+(C)	Impairment Loss Recognized (D)	Net Total (A)+(B)+(C)-(D)
	Good/Moderate	Substandard	Unrated	Subtotal (A)					
Available-for-sale financial assets									
Investment in bonds	$ 157,889	$ -	$ -	$ 157,889	$ -	$ -	$ 157,889	$ -	$ 157,889

Note 1: Available-for-sale financial assets other than the above investment in bonds have an initial cost of $14,576,222 thousand, loss on valuation of $3,428,370 thousand and accumulated impairment of $68,648 thousand.

Note 2: Financial assets measured at cost have an initial cost of $22,838,345 thousand and accumulated impairments of $1,675,922 thousand.

Note 3: Debt instruments with no active markets have initial costs of $2,761,594 thousand and accumulated impairments of $218,035 thousand.

2) Impairment of receivables

(In Thousands of New Taiwan Dollars)

Items		Receivables			Allowance for Bad Debts		
		June 30, 2016	**December 31, 2015**	**June 30, 2015**	**June 30, 2016**	**December 31, 2015**	**June 30, 2015**
With objective evidence of impairment	Assessment of individual impairment	$ 1,126,068	$ 1,263,179	$ 1,725,011	$ 131,113	$ 194,780	$ 306,571
With no objective evidence of impairment	Assessment of collective impairment	1,146,713	1,140,953	1,167,651	988,523	968,605	982,924

Note: The amounts of receivables do not include the amounts of allowance and adjustments for discounts (premiums).

3) The Bank and subsidiaries had no overdue but not yet impaired financial assets.

4) Management policies of collaterals assumed

The Bank and subsidiaries' collaterals assumed were mainly land and buildings. As of June 30, 2016, December 31, 2015 and June 30, 2015, the carrying amounts of the collaterals were $117,814 thousand, $118,804 thousand and $129,559 thousand, respectively. Collaterals assumed are classified as other assets in the consolidated balance sheets.

5) Disclosures required by the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Asset quality of overdue loans and receivables: None.

b) Excluded overdue loans and receivables: None.

c) Concentration of credit risk: None.

c. Liquidity risk

1) Source and definition of liquidity risk

Liquidity risk is defined as the Bank is unable to meet its obligation for the asset funding within a reasonable time, which causes the risk of earnings or economic capital loss.

2) Management policies

Pursuant to liquidity risk control, the Bank calculates the maximum cumulative cash outflow (maximum cumulative outflows, or MCO) to monitor daily funding gap by each major currency. There were various measures such as valuating possible future capital requirements and deconcentration of capital sources, to assure the Bank could acquire capital at any time and have the ability to pay liabilities when due, and to maintain adequate liquidity at best cost to volume.

3) Maturity gap analysis of financial assets and nonderivative financial liabilities held for liquidity purpose

a) Financial assets held for liquidity management

The Bank holds cash and highly liquid and high grade carry assets to pay off obligations and meet the potential emergency funding events. That is the assets held for liquidity management include cash and cash equivalents, financial assets at fair value through profit or loss, and available-for-sale financial assets.

b) Nonderivative financial liabilities

The following tables show the cash outflows of the Bank's nonderivative financial liabilities based on the duration of contract maturities. The amounts disclosed were based on contractual cash flows; therefore, some of them will not relatively match with those shown on the consolidated balance sheets.

(In Thousands of New Taiwan Dollars)

June 30, 2016	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Bank debentures payable	-	-	-	-	-	-
Other capital outflow on maturity	14,075	70,952	2,618	246,722	768,472	1,102,839
Subtotal	$ 14,075	$ 70,952	$ 2,618	$ 246,722	$ 768,472	$ 1,102,839

(In Thousands of New Taiwan Dollars)

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Bank debentures payable	-	-	-	-	-	-
Other capital outflow on maturity	58,158	166,209	4,956	6,660	922,179	1,158,162
Subtotal	$ 58,158	$ 166,209	$ 4,956	$ 6,660	$ 922,179	$ 1,158,162

(In Thousands of New Taiwan Dollars)

June 30, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Bank debentures payable	-	-	-	-	-	-
Other capital outflow on maturity	29,107	3,711	2,825	124,879	842,214	1,002,736
Subtotal	$ 29,107	$ 3,711	$ 2,825	$ 124,879	$ 842,214	$ 1,002,736

(In Thousands of U.S. Dollars)

June 30, 2016	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Other capital outflow on maturity	-	-	-	-	13,855	13,855
Subtotal	$ -	$ -	$ -	$ -	$ 13,855	$ 13,855

(In Thousands of U.S. Dollars)

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Other capital outflow on maturity	-	-	-	-	13,855	13,855
Subtotal	$ -	$ -	$ -	$ -	$ 13,855	$ 13,855

(In Thousands of U.S. Dollars)

June 30, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ -	$ -	$ -	$ -	$ -	$ -
Securities sold under repurchase agreements	-	-	-	-	-	-
Payables	-	-	-	-	-	-
Deposits and remittances	-	-	-	-	-	-
Other capital outflow on maturity	-	-	-	11,695	13,855	25,550
Subtotal	$ -	$ -	$ -	$ 11,695	$ 13,855	$ 25,550

4) Regulations Governing the Preparation of Financial Reports by Public Banks, and the required disclosures are summarized as follows:

a) Maturity analysis of New Taiwan dollars of the Bank

(In Thousands of New Taiwan Dollars)

June 30, 2016	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 1,162,931	$ 12,615,261	$ 1,483,251	$ 516,430	$ 396	$ 50,195,493	$ 65,973,762
Cash outflow	831	13,244	70,952	2,618	246,722	68,912,512	69,246,879
Gap	1,162,100	12,602,017	1,412,299	513,812	(246,326)	(18,717,019)	(3,273,117)

(In Thousands of New Taiwan Dollars)

June 30, 2015	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 5,085,555	$ 388,752	$ 2,651,643	$ 1,987,202	$ 396	$ 58,913,379	$ 69,026,927
Cash outflow	13,719	15,388	3,711	2,825	124,879	67,609,494	67,770,016
Gap	5,071,836	373,364	2,647,932	1,984,377	(124,483)	(8,696,115)	1,256,911

b) Maturity analysis of U.S. dollars of the Bank

(In Thousands of U.S. Dollars)

June 30, 2016	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 34	$ 110,085	$ -	$ -	$ 1,208	$ 111,327
Cash outflow	-	-	-	-	13,855	13,855
Gap	34	110,085	-	-	(12,647)	(97,472)

(In Thousands of U.S. Dollars)

June 30, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 11,756	$ -	$ -	$ -	$ 1,208	$ 12,964
Cash outflow	-	-	-	11,695	45,538	57,233
Gap	11,756	-	-	(11,695)	(44,330)	(44,269)

d. Market risk

1) Source and definition of market risk

Market risk is defined as an unfavorable change in macroeconomic and financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss.

2) Risk management policies

To have a common-language of market risk management, definition, communication and measurement, the Bank has developed "Market Risk Policy" and "Business Risk control Policy" based on CDFH's market risk management policy framework.

3) The procedure of market risk measuring, monitoring, and reporting

Risk factors analyzed through the Bank's risk measurement systems are sufficient to determine all market risks of trading positions on balance sheet, including interest rates risk, foreign exchange risk, equity risk and commodity risk, as well as volatility risks which arise out of the option transactions.

The Bank's market risk report includes limits usage, trading portfolio risk assessment.

The risk management unit of the Bank independently performs daily market risk limit controls, regular disclosure of positions, prices and profit or loss and monthly reports to both the management and the public.

4) Foreign currency rate risk information

The financial assets and liabilities denominated in foreign currency and with material influence on the Bank and subsidiaries were as follows:

(In Thousands of Foreign currencies/New Taiwan Dollars)

	June 30, 2016		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 257,415	32.286	$ 8,310,887
HKD	136,572	4.161	568,305
RMB	66,441	4.848	322,127
KRW	6,950,819	0.028	194,498
JPY	427,496	0.314	134,319
Investments accounted for using the equity method			
USD	63,960	32.286	2,065,027
RMB	368,097	4.848	1,784,645
Financial liabilities			
Monetary items			
USD	16,314	32.286	526,725

	December 31, 2015		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 277,091	33.066	$ 9,162,288
HKD	128,796	4.266	549,495
RMB	46,867	5.033	238,862
KRW	6,146,111	0.028	172,816
Investments accounted for using the equity method			
USD	39,808	33.066	1,316,305
RMB	252,073	5.033	1,266,917
Financial liabilities			
Monetary items			
USD	20,256	33.066	669,786

	June 30, 2015		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 194,356	31.070	$ 6,038,647
HKD	137,129	4.008	549,598
EUR	6,955	34.697	241,317
RMB	47,886	5.007	239,765
KRW	5,828,858	0.028	162,316
JPY	427,028	0.254	108,508
Nonmonetary items			
HKD	29,977	4.008	112,131
Investments accounted for using the equity method			
RMB	256,701	5.007	1,285,300
USD	38,050	31.070	1,182,229
Financial liabilities			
Monetary items			
USD	223,684	31.070	6,949,858

5) Disclosures required by the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Analysis of interest rate-sensitive assets and liabilities (New Taiwan dollars)

June 30, 2016

(In Thousands of New Taiwan Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 14,428,352	$ -	$ -	$ 161,951	$ 14,590,303
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	14,428,352	-	-	161,951	14,590,303
Net worth					68,144,039
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					21.41

June 30, 2015

(In Thousands of New Taiwan Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 4,657,375	$ -	$ -	$ 516,328	$ 5,173,703
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	4,657,375	-	-	516,328	5,173,703
Net worth					66,767,280
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					7.75

Note 1: The above amounts included only New Taiwan dollar amounts held in the domestic and overseas branches (i.e., excluding foreign currencies).

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities are in New Taiwan dollars).

b) Analysis of interest rate-sensitive assets and liabilities (U.S. dollars)

June 30, 2016

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 110,034	$ -	$ -	$ -	$ 110,034
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	110,034	-	-	-	110,034
Net worth					-
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					-

June 30, 2015

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 11,756	$ -	$ -	$ -	$ 11,756
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	11,756	-	-	-	11,756
Net worth					31,683
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					37.11

Note 1: The above amounts included only U.S. dollar amounts held in the domestic and overseas branches and OBU (i.e., excluding contingency assets and liabilities).

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities are in U.S. dollars).

6) Other price risk

The bank and subsidiaries were exposed to equity price risk through its investments in principal investment business. The bank manages this exposure by setting risk acceptance limitation concerning industry, country, affiliated groups, and the same group.

If equity prices had been 1% higher/lower, the post-tax other comprehensive income for the six months ended June 30, 2016 and 2015 would increase/decrease by $90,396 thousand and $110,792 thousand, respectively, as a result of the changes in fair value of available-for-sale shares.

39. CAPITAL MANAGEMENT

a. Objectives

The Bank's eligible capital should be higher than the statutorily required capital and should meet the authorities' minimum requirements for capital adequacy ratio. This is the fundamental principle of capital management.

Capital is needed to cover any future losses. Capital management is the main tool of financial institutions for developing business and risk management strategies. To effectively manage the Bank's capital as well as meet the regulatory authorities' minimum requirements, the Bank follows the principle "Capital bears risk as well as requires compensation"; thus, under an effective capital management framework, the Bank balances risk control and business development and achieves the business objective of maximizing stockholder value.

b. Capital management procedures

The Bank had met the authorities' minimum requirements for capital adequacy ratio and reported to the authorities quarterly. Eligible capital is calculated in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks."

c. Capital adequacy ratio

(In Thousands of New Taiwan Dollars, %)

Items		Year	June 30, 2016	December 31, 2015	June 30, 2015
Eligible capital	Common stockholders' equity		$ 19,547,979	$ 14,497,173	$ 8,054,633
	Other Tier 1 capital		-	-	-
	Tier 2 capital		-	-	-
	Eligible capital		19,547,979	14,497,173	8,054,633
Risk-weighted assets	Credit risk	Standardized approach	5,640,710	4,880,609	4,749,799
		Internal rating-based approach	N/A	N/A	N/A
		Securitization	-	-	-
	Operational risk	Basic indicator approach (Note 4)	6,668,563	6,668,563	12,540,050
		Standardized approach/alternative standardized approach	N/A	N/A	N/A
		Advanced measurement approach	N/A	N/A	N/A
	Market risk	Standardized approach	3,567,188	1,795,975	1,711,754
		Internal model approach	N/A	N/A	N/A
	Total risk-weighted assets		15,876,461	13,345,147	19,001,603
Capital adequacy ratio			123.13%	108.63%	42.39%
Ratio of common stockholders' equity to risk-weighted assets			123.13%	108.63%	42.39%
Ratio of Tier 1 capital to risk-weighted assets			123.13%	108.63%	42.39%
Leverage ratio			92.77%	89.92%	80.41%

Note 1: The above table was filled in accordance with the "Regulations Governing the Capital Adequacy Ratio of Banks" and related calculation tables.

Note 2: The Bank should disclose the capital adequacy ratios of the current and previous periods in annual financial reports. For semiannual financial reports, the Bank should disclose the capital adequacy ratios of the current and previous periods, and of the previous year-end.

Note 3: The formulas used in calculating the above table entries were as follows:

1) Eligible capital = Common stockholder's equity + Other Tier 1 capital + Tier 2 capital.

2) Total risk-weighted asset = Risk-weighted assets for credit risk + (Capital requirement for operational risk + Capital requirements for market risk) × 12.5.

3) Capital adequacy ratio = Eligible capital/Total risk-weighted assets.

4) Ratio of common stockholders' equity to risk-weighted assets = Common stock/Total risk-weighted assets.

5) Ratio of Tier 1 capital to risk-weighted assets = (Stockholders' equity + Other Tier 1 capital)/Total risk-weighted assets.

6) Leverage ratio = Tier 1 capital/Total exposure.

Note 4: Included the amount of change from transfer of business.

40. TRUST BUSINESS OPERATIONS UNDER THE TRUST ENTERPRISES ACT

a. The balance sheets and income statements of the trust accounts and trust property accounts were as follows:

The Bank will not engage in trust operations from the date of transfer of business on May 1, 2015.

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Four Months Ended April 30, 2015
Trust income and gains	
Gain on financial assets at FVTPL, net	$ 225,466
Interest income	15,721
Rental income	1,025
Total trust income and gains	242,212
Trust expenses	
Interest expenses	19,635
Trust administrative	188
Other expenses	34
Total trust expenses	19,857
Net income before income tax	$ 222,355

b. Trust business operations under the Trust Enterprises Act: Please refer to Note 1 to the consolidated financial statements.

41. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM INTERCOMPANY COOPERATION AND RESOURCE SHARING

For the cooperation and resource sharing between China Development Financial Holding Corporation, the Bank's parent, and subsidiaries, please refer to Note 35 to the consolidated financial statements.

42. PROFITABILITY

(%)

Items		June 30, 2016	June 30, 2015
Return on total assets	Before income tax	1.71	2.09
	After income tax	1.66	2.20
Return on net worth	Before income tax	1.79	6.18
	After income tax	1.73	6.52
Profit margin		49.39	73.97

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on net worth = Income before (after) income tax/Average net worth.

Note 3: Profit margin = Income after income tax/Total operating revenues.

Note 4: Income before (after) income tax means income accumulated from January of the current period to the current period.

43. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Bank and subsidiaries:

1) Financing provided: The Bank: Not applicable. For information on other subsidiaries: None.

2) Collaterals/guarantees provided: The Bank: Not applicable. For information on other subsidiaries: None.

3) Marketable securities held: The Bank: Not applicable. For information on other subsidiaries, please refer to Table 1 (attached).

4) Subsidiaries are acquired and disposed of, at cost or price of at least NT$300 million or 10% of the issued capital (subsidiaries acquired and disposed of marketable securities, at cost or price of at least NT$300 million or 10% of the issued capital): Please refer to Table 2 (attached).

5) Acquisition of individual real estate at cost of at least NT$300 million or 10% of the issued capital: None.

6) Disposal of individual real estate at price of at least NT$300 million or 10% of the issued capital: The Bank: None.

7) Discount on service fees received from related parties amounting to NT$5 million: None.

8) Receivables from related parties amounting to NT$300 million or 10% of the issued capital: Please refer to Note 35 to the consolidated financial statements and Table 3 (attached).

9) Sold nonperforming loans: Please refer to Table 4 (attached).

10) Financial asset securitization: None.

11) Other significant transactions which may affect the decisions of the consolidated financial statements users: None.

12) The information of investees: Table 6 (attached).

13) Derivative transactions: None.

b. Investments in Mainland China: Please refer to Table 7 (attached).

c. Business relationships and significant transactions among the Bank and subsidiaries. Please refer to Table 8 (attached).

44. SEGMENT INFORMATION

The reportable segments of the Bank and subsidiaries are the principal investment business, financial market business and corporate banking business. The principal investment business includes principal investments, equity-related financial product investments and trading business. The financial market business includes the distribution of funds, issuance of bank debentures, money market, foreign exchange, bond market, products, equity, other financial market-related products and transactions and of derivative products; and corporate banking business includes deposits, remittance and corporate lending.

There was no inconsistency between the accounting policies of the operating segment and the accounting policies described in Note 4. The Bank and subsidiaries use net profit before income tax as the measurement for segment profit and the basis of performance assessment. The net revenue, net profit before income tax, assets and liabilities are composed of direct attributed and allocated revenues and expenses. The revenue and expenses between the operating segments are netted off.

a. Segment revenues and results

Following is an analysis of the Bank and subsidiaries' operating revenue and results by reportable segment:

	Principal Investment Business	Financial Market Business	Corporate Banking Business	Others	Total
For the three months ended June 30, 2016					
Interest profit, net	$ 21,741	$ -	$ -	$ 16,061	$ 37,802
Net revenue (loss) - intersegment	(111,401)	-	-	111,401	-
Noninterest profits and gains, net	211,114	-	-	99,167	310,281
Net revenue	121,454	-	-	226,629	348,083
Reversal of allowance for bad debts and losses on guarantees	27,918	-	-	-	27,918
Operating expenses	(215,029)	-	-	(106,835)	(321,864)
Income (loss) before income tax	(65,657)	-	-	119,794	54,137
Income tax expense	(10,414)	-	-	(5,244)	(15,658)
Net profit (loss)	$ (76,071)	$ -	$ -	$ 114,550	$ 38,479

(Continued)

	Principal Investment Business	Financial Market Business	Corporate Banking Business	Others	Total
For the three months ended June 30, 2015					
Interest profit (loss), net	$ 67,131	$ 147,360	$ 164,095	$ (33,516)	$ 345,070
Net revenue (loss) - intersegment	(140,197)	(82,171)	(48,997)	271,365	-
Noninterest profits and gains (losses), net	102,829	1,111,135	21,298	(12,159)	1,223,103
Net revenue	29,763	1,176,324	136,396	225,690	1,568,173
Reversal of allowance (allowance) for bad debts and losses on guarantees	49	4,532	37,644	(2,517)	39,708
Operating expenses	(218,260)	(28,776)	(33,619)	(274,230)	(554,885)
Income (loss) before income tax	(188,448)	1,152,080	140,421	(51,057)	1,052,996
Income tax benefit (expense)	(18,278)	-	(2,660)	243,187	222,249
Net profit (loss)	$ (206,726)	$ 1,152,080	$ 137,761	$ 192,130	$ 1,275,245

(Concluded)

	Principal Investment Business	Financial Market Business	Corporate Banking Business	Others	Total
For the six months ended June 30, 2016					
Interest profit, net	$ 46,587	$ -	$ -	$ 31,476	$ 78,063
Net revenue (loss) - intersegment	(229,743)	-	-	229,743	-
Noninterest profits and gains, net	984,974	-	-	143,855	1,128,829
Net revenue	801,818	-	-	405,074	1,206,892
Reversal of allowance for bad debts and losses on guarantees	34,697	-	-	-	34,697
Operating expenses	(396,798)	-	-	(228,740)	(625,538)
Income before income tax	439,717	-	-	176,334	616,051
Income tax expense	(14,772)	-	-	(5,244)	(20,016)
Net profit	$ 424,945	$ -	$ -	$ 171,090	$ 596,035
For the six months ended June 30, 2015					
Interest profit (loss), net	$ 113,845	$ 461,863	$ 773,280	$ (36,381)	$ 1,312,607
Net revenue (loss) - intersegment	(229,235)	(215,699)	(58,082)	503,016	-
Noninterest profits and gains (losses), net	1,366,116	1,248,978	150,556	(29,510)	2,736,140
Net revenue	1,250,726	1,495,142	865,754	437,125	4,048,747
Reversal of allowance for bad debts and losses on guarantees	168	358	87,358	218	88,102
Operating expenses	(435,785)	(133,558)	(215,193)	(513,121)	(1,297,657)
Income (loss) before income tax	815,109	1,361,942	737,919	(75,778)	2,839,192
Income tax benefit (expense)	(38,861)	-	(6,084)	200,472	(155,527)
Net profit	$ 776,248	$ 1,361,942	$ 731,835	$ 126,694	$ 2,994,719

b. Segment assets and liabilities

	Principal Investment Business	Financial Market Business	Corporate Banking Business	Others	Total
June 30, 2016					
Assets	$ 50,513,898	$ -	$ -	$ 20,509,958	$ 71,023,856
Liabilities	$ 1,305,982	$ -	$ -	$ 1,508,483	$ 2,814,465
December 31, 2015					
Assets	$ 57,523,921	$ -	$ -	$ 15,252,626	$ 72,776,547
Liabilities	$ 1,537,448	$ -	$ -	$ 1,623,394	$ 3,160,842
June 30, 2015					
Assets	$ 62,840,982	$ -	$ -	$ 7,811,183	$ 70,652,165
Liabilities	$ 1,503,379	$ -	$ -	$ 1,394,749	$ 2,898,128

TABLE 1

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Capital Management Inc.	Stocks							
	Tong Hsing Electronic Industries, Ltd.	-	Available-for-sale financial assets	660,000	$ 74,910	0.41	$ 74,910	
	Aten International Co., Ltd.	-	Available-for-sale financial assets	65,660	5,712	0.05	5,712	
	Powertech Industrial Co., Ltd.	-	Available-for-sale financial assets	199,229	2,600	0.18	2,600	
	Victory Circuit Co., Ltd.	-	Available-for-sale financial assets	101,240	1,182	0.14	1,182	
	Giga Solution Tech. Co., Ltd.	-	Available-for-sale financial assets	440,916	8,245	0.37	8,245	
	Pili International Multimedia Co., Ltd.	-	Available-for-sale financial assets	300,000	32,850	0.68	32,850	
	Initio Corporation	-	Financial assets measured at cost	93,285	684	0.52	725	
	Arcoa Communication Co., Ltd.	-	Financial assets measured at cost	783,000	7,493	0.58	19,182	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	235,474	4,485	0.70	1,695	
	EVA Technologies Co., Ltd.	-	Financial assets measured at cost	744,058	12,060	1.44	7,361	
	Luminous Town Electric Co., Ltd.	-	Financial assets measured at cost	1,442,883	13,645	2.16	14,759	
	MCM Stamping Co., Ltd.	-	Financial assets measured at cost	70,000	2,100	0.22	361	
	Progate Group Corporation	-	Financial assets measured at cost	27,274	325	0.08	299	
	CDIB Private Equity (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	51,900,000	240,563	100.00	240,563	
	CDIB CME Fund Ltd.	Associate	Investments accounted for using the equity method	1,500,000	14,498	1.00	14,498	
	CDIB Biomedical Venture Capital Corporation	Associate	Investments accounted for using the equity method	1,750,000	16,961	1.00	16,961	
	CDIB Innovation Advisors Corporation Limited	Subsidiary	Investments accounted for using the equity method	1,200,000	11,694	60.00	11,694	
CDIB Private Equity (Hong Kong) Corporation Limited	Stocks							
	CDIB Private Equity Management Corporation	Subsidiary	Investments accounted for using the equity method	-	HK$ 15,095	100.00	HK$ 15,095	
	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Subsidiary	Investments accounted for using the equity method	-	HK$ 6,792	65.00	HK$ 6,792	
	CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 366	4.33	HK$ 366	
	CPEC Huachung Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK$ 7,990	56.00	HK$ 7,990	
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Stocks							
	CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	RMB 6,764	93.34	RMB 6,764	
CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Fund							
	CPEC Huachuang Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	RMB 3,894	-	RMB 3,894	
CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund							
	CPEC Huachung Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	RMB 7,080	-	RMB 7,080	
CDIB Venture Capital Corporation	Stocks							
	Aten International Co., Ltd.	-	Available-for-sale financial assets	2,283,567	198,670	1.91	198,670	
	Anpec Electronics Corporation	-	Available-for-sale financial assets	3,709,011	89,573	3.69	89,573	
	Macroblock, Inc.	-	Available-for-sale financial assets	250,000	18,350	0.77	18,350	
	Taihan Precision Technology Co., Ltd.	-	Available-for-sale financial assets	4,117,158	42,818	6.56	42,818	
	Dynamic Electronics Co., Ltd.	-	Available-for-sale financial assets	3,285,131	29,500	1.17	29,500	
	Formosa Advanced Technologies Co., Ltd.	-	Available-for-sale financial assets	100,000	2,270	0.02	2,270	
	Chicony Power Technology Co., Ltd.	-	Available-for-sale financial assets	4,008,322	143,899	1.08	143,899	
	Solartech Energy Corp.	-	Available-for-sale financial assets	5,215,328	91,272	1.41	91,272	
	Neo Solar Power Corp.	-	Available-for-sale financial assets	4,555,307	76,154	0.44	76,154	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
	Lextar Electronics Corp.	-	Available-for-sale financial assets	2,608,065	$ 42,120	0.45	$ 42,120	
	Gallant Precision Machine Co., Ltd.	-	Available-for-sale financial assets	1,247,499	20,896	0.76	20,896	
	Shin Zu Shing Co., Ltd.	-	Available-for-sale financial assets	613,462	64,720	0.34	64,720	
	Chipsip Technology Co., Ltd.	-	Available-for-sale financial assets	428,928	1,759	1.02	1,759	
	Sunfun Info Co., Ltd.	-	Available-for-sale financial assets	810,000	25,920	5.73	25,920	
	ASRock Inc.	-	Available-for-sale financial assets	424,462	16,957	0.37	16,957	
	Share Hope Medicine Co., Ltd.	-	Available-for-sale financial assets	223,663	8,969	0.30	8,969	
	Hotron Precision Electronic Industrial Co., Ltd.	-	Available-for-sale financial assets	1,273,387	37,692	2.01	37,692	
	ADDA Corp.	-	Available-for-sale financial assets	4,015,430	25,699	2.75	25,699	
	Topoint Technology Co., Ltd.	-	Available-for-sale financial assets	2,513,383	53,158	1.58	53,158	
	Aces Connectors Co., Ltd.	-	Available-for-sale financial assets	2,850,421	72,543	2.30	72,543	
	China Communications Media Group Co., Ltd.	-	Available-for-sale financial assets	1,110,000	24,254	2.93	24,254	
	FocalTech Corporation, Ltd.	-	Available-for-sale financial assets	495,352	13,325	0.17	13,325	
	Sino-American Silicon Products Inc.	-	Available-for-sale financial assets	2,594,562	93,534	0.45	93,534	
	Enterex International Limited	-	Available-for-sale financial assets	2,500,000	119,750	2.49	119,750	
	Trea Xtal Technology Corp.	-	Available-for-sale financial assets	4,250,961	3,953	2.23	3,953	
	HIM International Music Inc.	-	Available-for-sale financial assets	1,136,960	139,278	2.66	139,278	
	Capital Securities Corporation	-	Available-for-sale financial assets	884,887	7,274	0.04	7,274	
	Andes Technologies Co., Ltd.	-	Available-for-sale financial assets	930,385	49,692	2.58	49,692	
	Newmax Technology Co., Ltd.	-	Available-for-sale financial assets	743,847	17,108	0.73	17,108	
	Global Sweeteners Holdings Ltd.	-	Available-for-sale financial assets	6,400,000	10,919	0.42	10,919	
	Victory Circuit Co., Ltd.	-	Available-for-sale financial assets	202,480	11,790	0.29	11,790	
	Strong LED Lighting Systems (Cayman) Co., Ltd.	-	Available-for-sale financial assets	2,990,000	85,215	8.08	85,215	
	Shane Global Holding Inc.	-	Available-for-sale financial assets	1,715,700	104,570	1.72	104,570	
	Dee Van Enterprise Co., Ltd.	-	Financial assets measured at cost	1,408,659	35,751	2.01	20,003	
	Yenyo Technology Co., Ltd.	-	Financial assets measured at cost	500,000	5,250	1.24	4,692	
	Chain Yarn Co., Ltd.	-	Financial assets measured at cost	843,653	11,504	0.55	4,564	
	Compliance Certification Services Inc.	-	Financial assets measured at cost	749,271	15,000	2.12	18,957	
	Kentec Inc.	-	Financial assets measured at cost	1,512,000	45,720	1.64	31,811	
	Top Green Technologies Inc.	-	Financial assets measured at cost	2,000,000	16,667	0.89	11,011	
	Biodenta Corporation	-	Financial assets measured at cost	1,299,999	32,500	3.10	13,000	
	M2Communication, Inc.	-	Financial assets measured at cost	5,090,000	74,610	17.13	103,416	
	Jochu Technology Co., Ltd.	-	Financial assets measured at cost	3,725,007	107,176	4.48	40,230	
	STL Technology Co., Ltd.	-	Financial assets measured at cost	7,002,053	255,605	9.96	85,882	
	Interactive Digital Technologies Inc.	-	Financial assets measured at cost	2,881,000	59,195	6.86	123,019	
	Luxtaltek Corporation	-	Financial assets measured at cost	124,474	2,197	0.20	522	
	Excelsior Medical Co., Ltd.	-	Financial assets measured at cost	33,000	146,075	4.81	190,183	
	Hartec Asia Pte. Ltd.	-	Financial assets measured at cost	2,800,000	99,603	10.23	93,603	
	GSD Technologies Co., Ltd.	-	Financial assets measured at cost	5,841,702	108,946	19.47	250,087	
	Shengzhuang Holding Limited	-	Financial assets measured at cost	610,590	151,150	6.11	224,654	
	Dyaco Co., Ltd.	-	Financial assets measured at cost	5,575,500	175,230	6.80	280,169	
	Fukuta Co., Ltd.	-	Financial assets measured at cost	1,400,000	119,000	4.91	166,123	
	DL-tek Co., Ltd.	-	Financial assets measured at cost	3,697,639	51,100	1.04	59,578	
	Cvie Therapeutics Limited	-	Financial assets measured at cost	846,351	40,262	4.15	40,353	
	Zentera Systems, Inc. - preferred stock	-	Financial assets measured at cost	1,324,503	61,900	39.35	91,697	(Note 4)
	Greenvines Biotech Co., Ltd.	-	Financial assets measured at cost	136,363	12,000	13.11	12,880	
	AMPAK Technology Inc.	-	Financial assets measured at cost	1,208,650	24,795	1.44	21,115	
	Azotek Co., Ltd.	-	Financial assets measured at cost	824,500	27,645	-	18,467	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets measured at cost	1,500,000	33,000	4.22	29,884	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	630,518	8,995	1.87	4,539	
	Greatland Electronics Taiwan Ltd.	-	Financial assets measured at cost	1,920,000	6,720	5.50	35,285	
	CBA Sports International Ltd.	-	Financial assets measured at cost	514,821	78,046	-	34,952	
	Derbysoft Holdings Limited-preferred stock A	-	Financial assets measured at cost	28,000,000	91,938	45.78	194,226	(Note 4)
	Derbysoft Holdings Limited-preferred stock B	-	Financial assets measured at cost	4,643,469	15,297	9.26	32,210	(Note 4)
	Crown Bioscience, International	-	Financial assets measured at cost	1,651,886	47,793	1.26	90,854	
	Cvie Therapeutics Company Limited	-	Financial assets measured at cost	560,000	21,708	4.15	35,198	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets measured at cost	11,167,513	73,874	40.74	72,893	(Note 4)

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
	FUNP Co., Ltd. - preferred stock	-	Financial assets measured at cost	400,000	$ 48,283	20.00	$ 54,890	(Note 4)
	Handa Pharmaceuticals Inc. - preferred stock	-	Financial assets measured at cost	3,000,000	96,000	30.00	96,000	(Note 4)
	Fiiser Inc. - preferred stock	-	Financial assets measured at cost	878,029	48,585	100.00	48,429	(Note 4)
	CDIB Venture Capital (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	545,000,000	2,078,222	100.00	2,078,222	
	Option							
	CBA Sports International Limited	-	Financial assets measured at cost	-	142,819	-	163,112	
	Convertible (exchangeable) corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	-	160,940	-	160,940	
CDIB Venture Capital (Hong Kong) Corporation Limited	Stocks							
	CPEC Huakai Private Equity (Fujian) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	HK$ 16,843	70.00	HK$ 16,843	
	Fund							
	CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 282,928	-	HK$ 282,928	
	CPEC Huachuang Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK$ 133,163	-	HK$ 133,163	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	RMB 2,447	20.00	RMB 2,447	
CDIB Capital Investment I Limited	Stocks							
	Subicvest Inc.	Subsidiary	Investments accounted for using the equity method	200,000	US$ 80	100.00	US$ 80	
	Samson Holding Ltd.	-	Available-for-sale financial assets	2,635,000	US$ 285	0.09	US$ 285	
	Da Chan Food (Asia) Ltd.	-	Available-for-sale financial assets	48,210,000	US$ 5,157	4.74	US$ 5,157	
	Global Sweeteners Holdings Ltd.	-	Available-for-sale financial assets	28,000,000	US$ 1,480	1.83	US$ 1,480	
	CCAP Best Logistics Holdings Limited	-	Available-for-sale financial assets	1,000	US$ 5,056	11.11	US$ 5,056	
	B&M Holdings, Inc.	-	Financial assets measured at cost	199,999	US$ 8,828	10.00	US$ 10,471	
	BP SCI, LLC	-	Financial assets measured at cost	30,000	US$ 3,000	18.61	US$ 4,848	
	BP SCI, LLC - preferred stock	-	Financial assets measured at cost	12,000	US$ 12,000	18.61	US$ 19,393	(Note 4)
	Great Team Backend Foundry Inc. - preferred stock	-	Financial assets measured at cost	1,636,800	US$ 818	1.91	US$ 949	(Note 4)
	Touch Media International Holdings - preferred stock - B	-	Financial assets measured at cost	8,097,973	US$ 4,426	60.44	US$ 4,710	(Note 4)
	Rock Mobile (Cayman) Co. - preferred stock - C	-	Financial assets measured at cost	840,336	US$ 1,000	3.26	US$ 961	(Note 4)
	Fund							
	CDIB Capital Asia Partners L.P.	Associate	Investments accounted for using the equity method	-	US$ 63,822	-	US$ 63,822	
	Carlyle Asia Partners II, L.P.	-	Financial assets measured at cost	-	US$ 5,966	-	US$ 3,323	
	Ripley Cable Holdings I, L.P.	-	Financial assets measured at cost	-	US$ 540	-	US$ 9,611	
	Calera XV, LLC	-	Financial assets measured at cost	-	US$ 2,293	-	US$ 3,411	
	Option							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets measured at cost	-	US$ 1,785	-	US$ 10,783	
	Mestay Cayman Islands Limited	-	Financial assets measured at cost	-	US$ 304	-	US$ 304	
	Convertible (exchangeable) corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Debt instruments with no active markets	-	US$ 4,368	-	US$ 4,219	
	Mestay Cayman Islands Limited	-	Debt instruments with no active markets	-	US$ 4,696	-	US$ 4,696	
	Corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Debt instruments with no active markets	-	US$ 6,398	-	US$ 6,828	
Subicvest, Inc.	Stocks							
	SPEC Protertices, Inc.	-	Financial assets measured at cost	242,683	PHP 2,590	3.44	PHP 2,590	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Capital Investment II Limited	Stocks							
	Neo-neon Holdings Ltd.	-	Available-for-sale financial assets	14,000,000	US$ 1,895	0.72	US$ 1,895	
	Indostar Capital	-	Financial assets measured at cost	992,674	US$ 9,927	4.53	US$ 19,372	
	Indostar Everstone - preferred stock	-	Financial assets measured at cost	992,332	US$ 9,923	9.37	US$ 19,274	(Note 4)
	Sungjoo Design Tech & Distribution Inc. - preferred stock A	-	Debt instruments with no active markets	3,334	US$ 11,545	50.01	US$ 11,219	(Note 4)
	CBA Sports International Ltd.	-	Financial assets measured at cost	508,929	US$ 2,733	0.89	US$ 1,070	
	Option							
	Sungjoo Design Tech & Distribution Inc.	-	Financial assets measured at cost	-	US$ 1,833	-	US$ 13,226	
	CBA Sports International Ltd.	-	Financial assets measured at cost	-	US$ 4,867	-	US$ 4,994	
	Fund							
	Miare Asset Partners Private Equity Fund VII	-	Financial assets measured at cost		US$ 19,868	-	US$ 40,441	
CDIB Global Markets Limited	Stocks							
	Light Sciences Oncology, Inc.	-	Financial assets measured at cost	250,000	US$ 6	0.28	US$ -	
	Sonics, Inc. - preferred stock-B	-	Financial assets measured at cost	114,359	US$ 333	14.74	US$ 333	(Note 4)
	Microfabrica, Inc. - Preferred Series B	-	Financial assets measured at cost	13,091	US$ 27	0.12	US$ 22	(Note 4)
	Microfabrica, Inc. - Preferred Series AC	-	Financial assets measured at cost	7,749	US$ 13	0.48	US$ 13	(Note 4)
	Optoplex Corporation - preferred stock-A	-	Financial assets measured at cost	7,956	US$ 23	0.42	US$ 5	(Note 4)
	Optoplex Corporation - preferred stock-B	-	Financial assets measured at cost	20,602	US$ 31	0.75	US$ 13	(Note 4)
	Optoplex Corporation - common stock		Financial assets measured at cost	55	US$ -	-	US$ -	
	Gopro Inc.	-	Available-for-sale financial assets	51,878	US$ 561	0.04	US$ 561	
	Flemingo International (BVI) Ltd. - preferred stock	-	Debt instruments with no active markets	834	US$ 19,980	39.94	US$ 34,139	(Note 4)
	Fund							
	Tenaya Capital V, L.P.	-	Financial assets measured at cost	-	US$ 5,460	-	US$ 4,518	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets measured at cost	-	US$ 3,679	-	US$ 4,005	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets measured at cost	-	US$ 7,865	-	US$ 5,935	
	THL Equity Fund VI Investors (Clear Channel), L.P.	-	Financial assets measured at cost	-	US$ 12,476	-	US$ 3,119	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 4,979	-	US$ 7,090	
	Tenaya Capital VI, L.P.	-	Financial assets measured at cost	-	US$ 6,044	-	US$ 6,044	
	GS TDN Investors Offshore, L.P.	-	Financial assets measured at cost	-	US$ 21,000	-	US$ 12,216	
	CX Partners Fund Alpha Limited	-	Financial assets measured at cost	-	US$ 10,065	-	US$ 11,950	
	Carlyle Asia Partners III, L.P.	-	Financial assets measured at cost	-	US$ 6,891	-	US$ 8,604	
	Riverwood Capital Partners, L.P.	-	Financial assets measured at cost	-	US$ 8,908	-	US$ 10,614	
	ECP II (Cayman) Ltd. A	-	Financial assets measured at cost	-	US$ 6,825	-	US$ 7,513	
	Sino-Century China Private Equity II L.P.	-	Financial assets measured at cost	-	US$ 520	-	US$ 384	
	KKR Asian Fund II L.P.	-	Financial assets measured at cost	-	US$ 3,761	-	US$ 4,862	
	Carlyle Giovanna Partners, L.P.	-	Financial assets measured at cost	-	US$ 14,750	-	US$ 67,137	
	Industry Ventures Fund VI, L.P.	-	Financial assets measured at cost	-	US$ 4,299	-	US$ 4,941	
	Formation8 Partners Fund I, L.P.	-	Financial assets measured at cost	-	US$ 2,258	-	US$ 5,792	
	Carlyle Asia Partners IV, L.P.	-	Financial assets measured at cost	-	US$ 10,065	-	US$ 9,122	
	Blue Point Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 4,299	-	US$ 4,845	
	Riverwood Capital Partners II, L.P.	-	Financial assets measured at cost	-	US$ 5,404	-	US$ 4,561	
	Huaxing Capital Partners II, L.P.	-	Financial assets measured at cost	-	US$ 3,688	-	US$ 3,648	
	THL Equity Fund VI Investors (Ceridian) L.P.	-	Financial assets measured at cost	-	US$ 5,000	-	US$ 5.000	
CDIB Capital International Corporation	Stocks							
	CDIB Capital International (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	15,400,000	US$ 5,711	100.00	US$ 5,711	
	CDIB Capital International (Korea) Corporation	Subsidiary	Investments accounted for using the equity method	1,848,000	US$ 5,354	100.00	US$ 5,354	
	CDIB Capital International (USA) Corporation	Subsidiary	Investments accounted for using the equity method	8,000,000	US$ 1,525	100.00	US$ 1,525	
	CDIB Capital Asia Partners Limited	Subsidiary	Investments accounted for using the equity method	-	US$ (36)	100.00	US$ (36)	
CDIB Biotech USA Investment Co., Ltd.	Stocks							
	Confor MIS-common stock	-	Available-for-sale financial assets	32,639	US$ 12	0.08	US$ 221	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2016				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
China Development Asset Management Corp.	Stocks							
	Development Industrial Bank Asset Management Corp.	Subsidiary	Investments accounted for using the equity method	2,000,000	$ 111,581	100.00	$ 111,581	
	Chung Hwa Growth 3 Asset Management Corp.	Subsidiary	Investments accounted for using the equity method	226,000,000	2,493,201	100.00	2,493,201	
	Chung Hwa Growth 4 Asset Management Corp.	Subsidiary	Investments accounted for using the equity method	19,000,000	200,730	100.00	200,730	
	Pine Street Asset Management Corp.	-	Financial assets measured at cost	3,886,190	46,031	12.25	46,031	
	Waterland Securities Co., Ltd.	-	Financial assets measured at cost	9,748,769	8,672	1.07	104,764	

Note 1: The Corporation and subsidiaries recognized the related income or loss of investees as required by regulations. For decline in value that was other than temporary, investment loss was recognized.

Note 2: The amounts were net of allowance for losses.

Note 3: Market prices of listed and OTC stocks were calculated at the closing prices of June 30, 2016. The net assets values of unlisted stocks, on which the Bank recognized its investment incomes in the current year, were calculated on the basis of audited financial statements of the same period of the holding company or the net assets values of the investees, market values of emerging stocks, the cost of acquiring an investee's newly issued shares or book value of the investees. However, the net asset values of investees do not represent the value of unlisted stocks on the balance sheet date.

Note 4: The market value or net worth of preferred stock is equal to the ratio of preferred shares held to the number of preferred shares outstanding multiplied by the total market value or total net worth of all of investee's common and preferred shares.

Note 5: No securities were treated as collaterals or warrants.

Note 6: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

(Concluded)

TABLE 2

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
(THE BANK'S SUBSIDIARIES AMOUNTING TO NT$300 MILLION OR 10% OF THE ISSUED CAPITAL)
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Face Value/Units	Amount
China Development Industrial Bank (The Bank)	Stock													
	CDIB Venture Capital Corporation	Investment accounted for using the equity method	-	-	822,790,915	$ 7,754,037	54,000,000	$ 486,982 (Note 1)	-	$ -	$ -	$ -	876,790,915	$ 8,241,019
	China Development Asset Management Corp.	Investment accounted for using the equity method	-	-	400,000,000	4,509,009	-	-	200,000,000	-	2,143,387 (Note 2)	-	200,000,000	2,365,622
	CDIB Capital Management Corporation	Investment accounted for using the equity method	-	-	73,093,889	989,009	-	-	40,000,000	-	402,240 (Note 3)	-	33,093,889	586,769
China Development Asset Management Corp.	Stock													
	Development Industrial Bank Asset Management Corp.	Investment accounted for using the equity method	-	-	120,000,000	1,389,860	-	-	118,000,000	-	1,278,279 (Note 4)	-	2,000,000	111,581
	Chung Hwa Growth 3 Asset Management Corp.	Investment accounted for using the equity method	-	-	300,000,000	3,347,955	-	-	74,000,000	-	854,754 (Note 5)	-	226,000,000	2,493,201
CDIB Venture Capital Corporation	Stock													
	CDIB Venture Capital (Hong Kong) Corporation Limited	Investment accounted for using the equity method	-	-	420,000,000	1,582,533	125,000,000	495,689 (Note 6)	-	-	-	-	545,000,000	2,078,222
CDIB Venture Capital (Hong Kong) Corporation Limited	Fund													
	CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Investment accounted for using the equity method	-	-	-	HK$ 152,034	-	HK$ 130,894 (Note 7)	-	-	-	-	-	HK$ 282,928
CDIB Capital Investment I Limited	Fund													
	Calera XV, LLC	Financial assets measured at cost	-	-	-	US$ 15,173	-	US$ 61	-	US$ 18,105	US$ 12,941	US$ 5,164	-	US$ 2,293
	CDIB Capital Asia Partner Fund	Investment accounted for using the equity method	-	-	-	US$ 39,745	-	US$ 24,077 (Note 8)	-	-	-	-	-	US$ 63,822

Note 1: Consists of $540,000 thousand from new issue, cash dividends of $40,696 thousand, exchange loss on translating foreign operations of $79,195 thousand, investment gain $17,221 thousand, unrealized gain on available-for-sale financial assets of $49,572 thousand and additional paid-in capital increase $60 thousand.

Note 2: Consists of reduction of the Corporation's capital of $2,000,000 thousand, cash dividends of $196,937 thousand, investment gain $53,529 thousand and additional paid-in capital increase $21 thousand.

Note 3: Consists of reduction of the Corporation's capital of $400,000 thousand, cash dividends of $74,689 thousand, investment gain $26,528 thousand, exchange loss on translating foreign operations of $11,665 thousand, unrealized gain on available-for-sale financial assets of $33,548 thousand and additional paid-in capital increase $24,038 thousand.

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Note 4: Consists of reduction of the Corporation's capital of $1,180,000 thousand, cash dividends of $11,409 thousand, cash dividends granted by legal reserve of $90,000 thousand and investment gain $3,130 thousand.

Note 5: Consists of reduction of the Corporation's capital of $740,000 thousand, cash dividends of $167,713 thousand and investment gain $52,959 thousand.

Note 6: Consists of $536,250 thousand from new issue, exchange loss on translating foreign operations of $79,195 thousand and investment gain $38,634 thousand.

Note 7: Consists of HK$122,451 thousand from new issue, exchange loss on translating foreign operations of HK$4,649 thousand and investment gain HK$13,092 thousand.

Note 8: Consists of US$20,812 thousand from new issue, and investment gain US$3,265 thousand.

Note 9: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

TABLE 3

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
China Development Industrial Bank	China Development Financial Holding Corporation	Parent company	$ 722,419	-	$ -	-	$ -	$ -

TABLE 4

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

SOLD NONPERFORMING LOANS
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

1. Summary of sold nonperforming loans

Transaction Date	Counter Party	Type of Loans	Carrying Value (Note 1)	Selling Price	Disposal Gain (Loss) (Note 2)	Other Condition	Relationship of Counter-party with the Subsidiaries
2016.02.19	A	Unsecured loans	$ 1,601	$ 10,500	$ 8,899	-	-
2016.02.19	B	Unsecured loans	864	1,500	636	-	-
2016.02.19	C	Real estate mortgages	3,071	3,684	613	-	-
2016.03.14	D	Real estate mortgages	1,479	2,100	621	-	-
2016.03.14	E	Real estate mortgages	-	300	300	-	-
2016.04.27	F	Real estate mortgages	9,080	13,500	4,420	-	-

Note 1: Carrying value = Original amount - Allowance for bad debts

Note 2: Disposal gain (loss) is including the gain on reversal of allowance for bad debts.

2. Sale of nonperforming loans exceeding NT$1 billion (excluding related-party transactions): For the Corporation and subsidiaries: None.

TABLE 5

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2016

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
China Development Industrial Bank (The Bank)	China Venture Management Inc.	Management company of venture fund	-	-	100.00	
	R.O.C. Strategic Company Ltd.	Venture fund	-	-	100.00	
	CDIB Capital Management Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	CDIB Strategic Venture Fund Ltd.	Venture fund	-	-	100.00	
	China Development Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	CDIB Global Markets I Limited	Venture fund	-	100.00	100.00	
	CDIB Global Markets Limited (formerly named CDIB Global Markets II Limited)	Venture fund	100.00	100.00	100.00	
	CDIB Global Markets III Limited	Venture fund	-	100.00	100.00	
	CDIB Capital Investment I Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital International Corporation	Management company of venture fund	100.00	100.00	100.00	
China Development Asset Management Corp.	Development Industrial Bank Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	Chung Hwa Growth 3 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	Chung Hwa Growth 4 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Management of private equity fund	100.00	100.00	100.00	(Note)
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
CDIB Venture Capital (Hong Kong) Corporation Limited	CDIB Private Equity Management Corporation	Management and consulting	-	100.00	100.00	
	CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	70.00	70.00	70.00	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	-	56.00	56.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
CPEC Huakai Private Equity (Fujian) Co., Ltd.	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	20.00	20.00	20.00	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Innovative Advisors Corporation Limited	Management and consulting	60.00	60.00	-	
CDIB Private Equity (Hong Kong) Corporation Limited	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	65.00	65.00	65.00	
	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	4.33	4.53	4.53	
	CDIB Private Equity Management Corporation	Management and consulting	100.00	-	-	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	56.00	-	-	
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	93.34	93.02	93.02	

Note: CDIB Capital Asia Partners Limited conducted registration of establishment on March 21, 2014, however, CDIB had not invested any capital as of June 30, 2016.

Unconsolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2016	December 31, 2015	June 30, 2015	
China Development Industrial Bank	CDIB Biotech USA Investment Co., Ltd.	Venture fund	50.00	50.00	50.00	As of June 30, 2016, CDIB's investment in CDIB Biotech USA Investment Co., Ltd. of CDIB had amounted to $14,818 thousand; CDIB Biotech USA Investment Co., Ltd. was approbated to liquidate by the Board of Director on April 20, 2008, therefore, CDIB Biotech USA Investment Co., Ltd. was not included in the consolidated financial statement.
CDIB Capital Investment I Limited	Subicvest Inc.	Leasing	100.00	100.00	100.00	As of June 30, 2016, CDIB Capital Investment I Limited's investment in Subicvest Inc. of CDIB Capital Investment I Limited had amounted to US$80 thousand; Subicvest Inc. was approbated to liquidate by the Board of Director on May 24, 2016, therefore, Subicvest was not included in the consolidated financial statement.

(Concluded)

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

INFORMATION ON INVESTED ENTERPRISES
JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

Investee Company	Location	Main Business	Percentage of Ownership	Carrying Value	Investment Gain (Loss)	Consolidated Investment (Note 1)				Note
						Present Shares	Virtual Shares (Note 2)	Total		
								Shares	Percentage of Ownership	
Available-for-sale financial assets										
Financial industry - related										
China Development Financial Holding Corporation	Taiwan	Financial Holding	0.14	$ 160,421	$ 10,323	351,337,666	170,000	351,507,666	2.33	
Nonfinancial industry - related										
Chipbond Technology Corporation	Taiwan	Manufacture, packaging and testing of semi-conductors	1.23	327,219	-	7,971,229	-	7,971,229	1.23	
King Yuan Electronics Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.70	231,931	-	8,123,695	-	8,123,695	0.70	
Inotera Memories, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.06	106,424	-	4,240,000	-	4,240,000	0.06	
Formosa Advanced Technologies Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.46	45,786	-	2,117,000	-	2,117,000	0.48	
Transcend Information Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.86	359,684	-	3,685,287	-	3,685,287	0.86	
Chipsip Technology Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	4.56	7,903	-	2,344,216	-	2,344,216	5.58	
Aspeed Technology Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.42	40,014	-	134,276	-	134,276	0.42	
FocalTech Corporation Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	1.21	95,981	-	4,063,413	-	4,063,413	1.38	
Sino-America Silicon Products Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.59	123,434	-	6,089,918	-	6,089,918	1.05	
GlobalWafers Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.79	208,350	-	2,918,072	-	2,918,072	0.79	
Topoint Technology Co., Ltd.	Taiwan	Metal processing	0.94	31,575	-	4,006,293	-	4,006,293	2.51	
De Poan Pneumatic Corp.	Taiwan	Metal processing	4.06	30,244	-	2,093,000	-	2,093,000	4.06	
China Metal Products Co., Ltd.	Taiwan	Electric machinery	3.24	421,730	-	12,490,003	-	12,490,003	3.24	
Sharehope Medicine Co., Ltd.	Taiwan	Wholesale trade	2.62	78,036	-	2,169,693	-	2,169,693	2.92	
Tong Hsing Electronic Industries, Ltd.	Taiwan	Photoelectric Materials and Components Manufacturing	0.86	158,928	60	2,060,248	-	2,060,248	1.26	
Epistar Corporation	Taiwan	Photoelectric Materials and Components Manufacturing	0.22	55,569	-	2,442,607	-	2,442,607	0.22	
Lextar Electronics Corp.	Taiwan	Photoelectric Materials and Components Manufacturing	1.89	178,297	-	13,648,130	-	13,648,130	2.34	
InnoLux Display Corporation	Taiwan	Photoelectric Materials and Components Manufacturing	0.09	96,474	-	8,970,486	-	8,970,486	0.09	
Tera Xtal Technology Co., Ltd.	Taiwan	Photoelectric Materials and Components Manufacturing	0.71	1,263	-	5,608,933	-	5,608,933	2.94	
Green Energy Technology Inc.	Taiwan	Manufacture of solar cells	0.09	8,211	-	371,561	-	371,561	0.09	
Solartech Energy Corp.	Taiwan	Manufacture of solar cells	2.12	149,288	-	13,072,594	-	13,072,594	3.52	
Neo Solar Power Corp.	Taiwan	Manufacture of solar cells	1.38	237,094	10	18,567,731	-	18,567,731	1.82	
Eversol Corp.	Taiwan	Manufacture of solar cells	2.50	7,927	-	7,015,000	-	7,015,000	2.50	
Entery Industrial Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	13.60	29,770	(143,640)	13,940,000	-	13,940,000	13.60	
Aces Electronic Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	0.92	28,873	-	3,984,904	-	3,984,904	3.22	
Hotron Precision Electronic Industrial Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	8.44	158,595	-	6,631,324	-	6,631,324	10.45	
Copartner Tech. Corp.	Taiwan	Manufacture of other electronic parts and components	12.97	152,687	-	11,024,340	-	11,024,340	12.97	
Dynamic Electronics Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	3.54	89,342	-	13,234,137	-	13,234,137	4.71	
ShineMore Technology Materials Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	0.11	361	-	84,035	-	84,035	0.11	
Qisda Corporation	Taiwan	Manufacture of computers and peripheral equipment	7.60	1,703,967	500	149,486,092	-	149,486,092	7.60	
Darfon Electronics Corp.	Taiwan	Manufacture of computers and peripheral equipment	0.70	41,941	-	2,081,442	-	2,081,442	0.70	
Aten International Co., Ltd.	Taiwan	Manufacture of computers and peripheral equipment	1.29	134,085	-	3,890,438	-	3,890,438	3.26	
ADDA Corporation	Taiwan	Manufacture of computers and peripheral equipment	5.11	47,758	-	11,477,554	-	11,477,554	7.86	
Gallant Precision Machine Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	5.27	145,882	-	9,956,857	-	9,956,857	6.03	
Utechzone Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	4.55	85,578	-	2,778,496	-	2,778,496	4.55	
Chime Ball Technology Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	1.29	23,792	-	497,750	-	497,750	1.29	
Super Dragon Technology Co., Ltd.	Taiwan	Water supply and remediation activities	1.14	15,706	-	1,176,512	-	1,176,512	1.14	
Powertech Industrial Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	3.43	48,449	371	3,911,825	-	3,911,825	3.61	
Chunghwa Chemical Synthesis & Biotech. Co., Ltd.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	0.86	21,082	60	669,255	-	669,255	0.86	
Coland Holdings Limited	Grand Cayman	Manufacture of pharmaceuticals and medicinal chemical products	0.72	25,937	-	561,402	-	561,402	0.72	
Transasia Airways Corporation	Taiwan	Transportation and storage	4.40	179,046	-	27,888,806	-	27,888,806	4.40	
Taiwan Hon Chuan Enterprise Co., Ltd.	Taiwan	Manufacture of rubber and plastic materials	0.25	35,487	854	755,004	-	755,004	0.26	
Donpon Precison Inc.	Taiwan	Manufacture of rubber and plastic materials	6.82	85,598	7,153	6,793,493	-	6,793,493	6.82	
Taihan Precision Technology Co., Ltd.	Taiwan	Manufacture of rubber and plastic materials	3.64	23,726	-	6,398,545	-	6,398,545	10.20	
Magnate Technology Corp.	Taiwan	Manufacture of transport equipment and parts	3.50	61,693	-	1,892,414	-	1,892,414	3.50	

(Continued)

Investee Company	Location	Main Business	Percentage of Ownership	Carrying Value	Investment Gain (Loss)	Consolidated Investment (Note 1)				Note
						Present Shares	Virtual Shares (Note 2)	Total		
								Shares	Percentage of Ownership	
Kuangli Photoelectric Technology Co., Ltd.	Taiwan	Manufacture of other non-metallic mineral products	11.45	$ 51,251	$ -	5,224,326	-	5,224,326	11.45	
Pili International Multimedia Co., Ltd.	Taiwan	Motion picture, video and television programmer production, sound recording and music publishing activities	2.81	135,014	-	1,533,000	-	1,533,000	3.49	
Sunko Ink Co., Ltd.	Taiwan	Industrial Chemical Manufacturing	6.59	226,509	-	14,660,788	-	14,660,788	6.59	
Investments accented for using equity method										
Financial industry - related										
China Development Asset Management Corporation	Taiwan	Financial institution creditor's right (money) Purchase and management	100.00	2,365,622	53,529	200,000,000	-	200,000,000	100.00	
Nonfinancial industry - related										
CDIB Venture Capital Corporation	Taiwan	Venture fund	100.00	8,241,019	41,133	876,790,915	-	876,790,915	100.00	
CDIB Capital Investment I Limited	British Virgin Islands	Venture fund	100.00	6,504,519	260,990	132,800,000	-	132,800,000	100.00	
CDIB Global Markets Limited	Malaysia	Venture fund	100.00	7,572,970	73,402	339,392	-	339,392	100.00	
CDIB Capital Investment II Limited	British Virgin Islands	Venture fund	100.00	2,270,792	(23,249)	80,000,000	-	80,000,000	100.00	
CDIB Biotech USA Investment Co., Ltd.	British Virgin Islands	Venture fund	50.00	14,818	-	3,060,000	-	3,060,000	50.00	
CDIB Capital International Corporation	Grand Cayman	Venture fund management	100.00	714,976	131,970	4,700,000	-	4,700,000	100.00	
CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Fund management activities	28.04	4,480	(336)	112,500	-	112,500	28.04	
CDIB Biomedical Venture Capital Corporation	Taiwan	Venture fund	33.29	564,564	(2,806)	60,000,000	-	60,000,000	34.29	
CDIB CME Fund Ltd.	Taiwan	Venture fund	38.80	562,515	(7,724)	59,700,000	-	59,700,000	39.80	
CDIB & Partners Investment Holding Corporation	Taiwan	Investment	28.71	3,991,688	24,539	367,200,000	-	367,200,000	33.66	
CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	20.00	58,494	(645)	6,674,181	-	6,674,181	21.20	
Tuntex Gas Corporation	Taiwan	Electricity and gas supply	47.30	50,000	-	104,066,400	-	104,066,400	47.30	
CDIB Capital Management Corp.	Taiwan	venture capital fund management	100.00	586,769	26,528	33,093,889	-	33,093,889	100.00	
Financial assets measured at cost										
Financial industry - related										
Taiwan Stock Exchange Corp.	Taiwan	Other securities	7.00	8,400	62	55,608,906	-	55,608,906	8.42	
Taiwan Futures Exchange Co., Ltd.	Taiwan	Other futures	0.51	10,250	-	18,369,733	-	18,369,733	6.18	
Nonfinancial industry - related										
Dabomb Protein Corp.	Taiwan	Manufacture of food, beverages and tobacco	13.94	90,000	-	3,229,200	-	3,229,200	13.94	
Chain Yarn Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	10.30	222,642	-	16,671,977	-	16,671,977	10.85	
Solar Fine Chemical Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	10.83	61,960	-	4,828,064	-	4,828,064	10.83	
Orgchem Technologies, Inc.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	1.86	49,000	-	1,067,220	-	1,067,220	1.86	
EChem Hightech Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	11.69	27,720	-	2,047,913	-	2,047,913	11.69	
Nytex Composites Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	1.14	10,263	-	908,322	-	908,322	1.14	
Beauty Essentials International Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	8.86	179,045	-	86,503,067	-	86,503,067	8.86	
Hair O' right International Corp.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	9.02	89,120	-	1,696,707	-	1,696,707	9.02	
Nan Pao Technology Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & wholesale of chemical materials and chemical products	1.30	105,000	-	1,207,500	-	1,207,500	1.30	
5V Technologies Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.99	10,172	-	159,435	-	159,435	0.99	
Beyond Innovation Technology Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	6.27	41,289	-	2,984,756	-	2,984,756	8.84	
Initio Corporation	Taiwan	Manufacture, packaging and testing of semi-conductors	2.72	3,599	-	584,010	-	584,010	3.24	
Subtron Technology Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	4.17	193,819	-	12,316,000	-	12,316,000	4.17	
Terawins, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	6.30	27,173	-	1,913,996	-	1,913,996	6.30	
Mosart Semiconductor Corp.	Taiwan	Manufacture, packaging and testing of semi-conductors	10.57	60,056	-	2,731,098	-	2,731,098	10.57	
Aptos Technology Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	7.21	319,933	-	10,620,446	-	10,620,446	7.21	
Asia Pacific Microsystems, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.86	6,407	(4,271)	1,161,710	-	1,161,710	0.86	
Feature Integration Technology, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	4.03	52,585	1,342	1,341,803	-	1,341,803	4.03	

(Continued)

Investee Company	Location	Main Business	Percentage of Ownership	Carrying Value	Investment Gain (Loss)	Consolidated Investment (Note 1)				Note
						Present Shares	Virtual Shares (Note 2)	Total		
								Shares	Percentage of Ownership	
LeFram Technology Corp.	Taiwan	Manufacture, packaging and testing of semi-conductors	17.48	$ 54,757	$ 12	7,484,454	-	7,484,454	17.48	
Yenyo Technology Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	9.91	42,000	-	4,500,000	-	4,500,000	11.15	
Orient Pharma Co., Ltd.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	2.60	55,307	-	2,890,597	-	2,890,597	2.63	
Vita Genomics, Inc.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	0.13	1,413	-	141,310	-	141,310	0.13	
PlexBio Co., Ltd.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	6.97	88,650	-	3,546,000	-	3,546,000	6.97	
JHL Biotech, Inc.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	11.12	365,591	-	21,208,844	-	21,208,844	11.15	
Foresee Pharmaceuticals Co., Ltd.	Taiwan	Professional, scientific and technical activities	5.11	152,857	-	4,867,291	-	4,867,291	6.76	
Samara Capital Partners Fund I Limited	India	Trusts, funds and other financial vehicles	-	211,697	-	-	-	-	-	
Arch Venture Fund V, L.P.	USA	Trusts, funds and other financial vehicles	-	27,837	-	-	-	-	-	
CommLaunch Ventures L.P.	Israel	Trusts, funds and other financial vehicles	-	40,092	-	-	-	-	-	
Platinum Venture Capital L.P.	Israel	Trusts, funds and other financial vehicles	-	6,492	-	-	-	-	-	
The Asia Java Fund PTE Ltd.	Singapore	Trusts, funds and other financial vehicles	11.34	6	-	2,111	-	2,111	11.34	
Forward Ventures IV, L.P.	USA	Trusts, funds and other financial vehicles	-	15,719	-	-	-	-	-	
Forward Venture V, L.P.	USA	Trusts, funds and other financial vehicles	-	64,388	-	-	-	-	-	
Mpm Bioventures III L.P.	USA	Trusts, funds and other financial vehicles	-	72,552	-	-	-	-	-	
Sanderling Ventures V Co-Investment Fund	USA	Trusts, funds and other financial vehicles	-	32,535	-	-	-	-	-	
Ca-Hire Co-Investment, L.P. - Coates Hire Funding	Grand Cayman	Trusts, funds and other financial vehicles	-	135,062	-	-	-	-	-	
THL Equity Fund VI Investors (Ceridian), L.P.	USA	Trusts, funds and other financial vehicles	-	238,636	-	-	-	-	-	
Power Venture Co.	Taiwan	Investing and venture fund	5.68	10,169	-	1,016,909	-	1,016,909	5.68	
Vision Venture Capital Fund, Inc.	Taiwan	Investing and venture fund	7.03	3,257	-	325,653	-	325,653	7.03	
Riselink Venture Capital Corp.	Taiwan	Investing and venture fund	12.50	91,089	-	9,108,855	-	9,108,855	12.50	
Apex Venture Capital Corporation	Taiwan	Investing and venture fund	2.80	6,561	-	656,074	-	656,074	2.80	
Overseas Investment & Development Corp.	Taiwan	Construction	2.89	26,000	30	2,600,000	-	2,600,000	2.89	
Vita Genomics, Inc.	Taiwan	Professional, scientific and technical activities	0.42	8,587	-	858,690	-	858,690	0.42	
Core Pacific City Co., Ltd.	Taiwan	Retail trade	1.41	140,625	-	22,500,000	-	22,500,000	1.41	
Yih Dah Co., Ltd.	Taiwan	Retail trade	19.89	-	(153,354)	13,746,864	-	13,746,864	19.89	
Leyou, Inc.	Grand Cayman	Retail trade	5.07	450,150	-	-	663,958,732	663,958,732	5.07	
Arcoa Communication Co., Ltd.	Taiwan	Retail trade	5.64	101,207	-	8,350,424	-	8,350,424	6.22	
Insrea Game Center Corp.	Taiwan	Publishing activities	17.65	8,610	-	3,000,000	-	3,000,000	17.65	
Lager Network Technologies Inc.	Taiwan	Publishing activities	5.00	30,000	-	1,500,000	-	1,500,000	5.00	
Compliance Certification Services Inc.	Taiwan	Professional, scientific and technical activities	6.36	45,000	-	2,997,085	-	2,997,085	8.48	
Excelsior Medical Co., Ltd.	Taiwan	Human health and social work activities	4.81	147,857	3,196	66,000	-	66,000	9.62	
Jochu Technology Co., Ltd.	Taiwan	Metal processing	5.70	145,462	-	8,505,470	-	8,505,470	10.22	
TopGreen Technology Co., Ltd.	Taiwan	Metal processing	1.94	22,500	-	814,377	-	814,377	1.94	
Wai-Gin Industrial Co., Ltd.	Taiwan	Metal processing	3.44	11,106	-	1,170,000	-	1,170,000	3.44	
YIEH United Steel Corp.	Taiwan	Metal processing	0.70	142,990	-	17,582,136	-	17,582,136	0.70	
UP Scientech Materials Corp.	Taiwan	Metal processing	6.85	252,200	-	4,651,344	-	4,651,344	6.85	
Kaohsiung Rapid Transit Co., Ltd.	Taiwan	Transportation and storage	1.38	39,703	-	3,845,330	-	3,845,330	1.38	
HCT Logistics Co., Ltd.	Taiwan	Transportation and storage	1.97	113,705	-	4,920,876	-	4,920,876	1.97	
Jouge Technology Co., Ltd.	Taiwan	Photoelectric Materials and Components Manufacturing	9.68	32,625	(10,750)	1,568,700	-	1,568,700	9.68	
Gloria Solar International Holding, Inc.	Grand Cayman	Photoelectric Materials and Components Manufacturing	3.43	17,920	-	4,000,000	-	4,000,000	3.43	
Luxtaltek Corporation	Taiwan	Photoelectric Materials and Components Manufacturing	2.47	27,094	-	1,659,662	-	1,659,662	2.67	
Elit Fine Ceramics Co., Ltd.	Taiwan	Photoelectric Materials and Components Manufacturing	11.63	80,000	-	5,000,000	-	5,000,000	11.63	
Axuntek Solar Energy Co., Ltd.	Taiwan	Photoelectric Materials and Components Manufacturing	6.06	13,200	-	880,000	-	880,000	6.06	
Kentec Inc.	Taiwan	Photoelectric Materials and Components Manufacturing	0.91	25,400	-	2,352,000	-	2,352,000	2.55	
Lightel Technologies, Inc.	USA	Electronic and Optical Products Manufacturing	11.27	89,700	-	-	3,000,000	3,000,000	11.27	
Vactronics Technologies, Inc.	Taiwan	Photoelectric Materials and Components Manufacturing	5.46	48,060	-	2,375,533	-	2,375,533	5.46	
Cando Corporation	Taiwan	Photoelectric Materials and Components Manufacturing	3.97	-	(7,903)	21,425,050	-	21,425,050	5.49	
MEC Imex Inc.	Taiwan	Manufacture of other electronic parts and components	10.52	107,853	-	4,802,000	-	4,802,000	10.52	
Dee Van Enterprise Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	6.04	120,761	60	5,634,638	-	5,634,638	8.05	
Hua Jie (Taiwan) Corp.	Taiwan	Manufacture of other electronic parts and components	6.45	13,395	-	1,300,403	-	1,300,403	6.45	
Sunshine PV Corp.	Taiwan	Manufacture of solar cells	4.67	31,871	-	3,187,128	-	3,187,128	4.67	
Sun Q Solar Corporation	Taiwan	Manufacture of solar cells	17.26	-	-	19,000,000	-	19,000,000	17.26	
Top Green Energy Technologies Inc.	Taiwan	Manufacture of solar cells	12.99	292,333	-	31,233,333	-	31,233,333	13.88	
Tak Technology Co., Ltd.	Taiwan	Manufacture of electronic passive devices	4.14	2,665	-	2,467,706	-	2,467,706	4.14	
Luminous Town Electric Co., Ltd.	Taiwan	Manufacture of electronic passive devices	13.80	87,209	-	10,664,632	-	10,664,632	15.96	
EVA Technologies Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	10.43	97,940	-	6,120,399	-	6,120,399	11.87	
Microprogram Information Co., Ltd.	Taiwan	Manufacture of electronic and optical products	7.95	68,000	-	2,550,000	-	2,550,000	7.95	
Topview Technology Corp.	Taiwan	Manufacture of electronic and optical products	7.47	40,346	120	2,046,428	-	2,046,428	9.74	
Eastern Electronic Co., Ltd.	Taiwan	Manufacture of electronic and optical products	6.47	46,598	60	4,348,680	-	4,348,680	6.47	

(Continued)

Investee Company	Location	Main Business	Percentage of Ownership	Carrying Value	Investment Gain (Loss)	Consolidated Investment (Note 1)				Note
						Present Shares	Virtual Shares (Note 2)	Total		
								Shares	Percentage of Ownership	
Aonvision Technology Corp.	Taiwan	Manufacture of electronic and optical products	11.71	$ -	$ (45,075)	1,803,000	-	1,803,000	11.71	
Everest Display Inc.	Taiwan	Manufacture of electronic and optical products	6.19	4,297	(17,188)	2,043,800	-	2,043,800	6.19	
Dragon Jet Corporation	Taiwan	Manufacture of computers and peripheral equipment	4.77	178,450	-	4,300,000	-	4,300,000	4.77	
Logitech Inc.	Taiwan	Manufacture of electrical and machinery equipment	10.69	23,862	-	2,965,248	-	2,965,248	10.69	
STL Technology Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	7.76	191,968	-	12,457,934	-	12,457,934	17.71	
E-One Moli Energy Corp.	Taiwan	Manufacture of electrical and machinery equipment	2.40	105,234	-	6,035,000	-	6,035,000	2.40	
Gold Peak Industries (Taiwan) Ltd.	Taiwan	Manufacture of electrical and machinery equipment	15.04	173,341	-	30,616,980	-	30,616,980	15.04	
Amia Co., Ltd.	Taiwan	Water supply and remediation activities	9.54	210,000	-	6,022,195	-	6,022,195	9.57	
Eastern Power and Electric Company Limited	Thailand	Electricity and gas supply	12.00	295,572	24,937	3,201,019	-	3,201,019	12.00	
General Life Biotechnology Co., Ltd.	Taiwan	Manufacture of furniture and other manufacturing	8.40	54,000	-	2,520,000	-	2,520,000	8.40	
Biodenta Corporation	Taiwan	Manufacture of furniture and other manufacturing	3.58	37,500	-	2,799,999	-	2,799,999	6.68	
Healthstream Taiwan Inc.	Taiwan	Manufacture of furniture and other manufacturing	13.96	59,980	1,958	4,774,523	-	4,774,523	13.96	
Apexigen, Inc.	USA	Manufacture of pharmaceuticals and medicinal chemical products	5.62	75,847	-	-	4,970,588	4,970,588	5.62	
Awise Fiber Technology Co., Ltd.	Taiwan	Manufacture of transport equipment and parts	19.14	43,750	-	3,500,000	-	3,500,000	19.14	
Motive Power Industry Co., Ltd.	Taiwan	Manufacture of transport equipment and parts	10.00	141,000	-	10,000,000	-	10,000,000	10.00	
China Sea Products Dev. Co.	Taiwan	Agriculture, forestry, fishing and animal husbandry	6.47	4,993	(26)	646,884	-	646,884	6.47	
Engineering and IP Advanced Technologies Ltd.	Israel	Computer system design services	-	2	-	4,216	-	4,216	-	
Engineering and IP Advanced Technologies Ltd.-Preferred stock	Israel	Computer system design services	0.32	2,354	162	-	6,392,765	6,392,765	0.32	
<u>Debt instruments with no active market</u>										
<u>Nonfinancial industry - related</u>										
Belta (Cayman) Holding Company Ltd. - Corporate Bond	Grand Cayman	Services	19.26	358,439	-	-	35,781	35,781	19.26	

Note 1: All present shares or virtual shares of the Bank, directors, supervisors, the Bank's managers, and affiliates should be included.

Note 2: (1) Virtual shares are acquired under the hypothesis that equity-type securities and derivative financial instrument contracts are transferred to common shares. Based on the transaction terms or the holding purposes of the Bank, the two types of investments are linked to the equity of investees, which are recognized as investments accounted for using equity method, available-for-sale financial assets and financial assets measured at cost, to comply with Article 74 of the Securities and Exchange Act. (2) Equity-type securities are securities regulated by Article 11 of the Securities and Exchange Act Enforcement Rules, such as convertible bonds and warrants. (3) Financial instrument contracts are those defined under International Accounting Standard 39 "Accounting for Financial Instruments," such as stock options.

(Concluded)

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2016
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2016 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow						
China Healthcare Multi-services, Inc.	Third party medical services under emergency	RMB 41,192 thousand	Note 1,b,1)	US$ 1,871 thousand	$ -	US$ 1,871 thousand	$ -	(Note 3)	-	$ -	$ -	$ -
China Peptides (Wuhan) Co., Ltd.	Sale and R&D protein drugs	US$ 15,000 thousand	Note 1,b,2)	US$ 2,988 thousand	-	US$ 2,988 thousand	-	(Note 3)	-	-	-	-
JHL Biotech, Inc. (Wuhan)	R&D protein drugs	RMB 50,000 thousand	Note 1,b,2)	US$ 734 thousand	-	US$ 734 thousand	-	(Note 3)	-	-	-	-
Beauty Essential International Ltd.	Sale and R&D the cosmetic	US$ 2,000 thousand	Note 1,b,3)	US$ 2,262 thousand	-	-	US$ 2,262 thousand	(Note 3)	8.86	-	67,521	-
Derby Software (Shanghai) Co., Ltd.	The next-generation electronic distribution channel operator serving China's hotel industry	US$ 10,000 thousand	Note 1,b,4)	US$ 2,800 thousand	-	-	US$ 2,800 thousand	(Note 3)	41.69 (Note 6)	-	91,938	-
	The next-generation electronic distribution channel operator serving China's hotel industry	US$ 10,000 thousand	Note 1,b,4)	US$ 464 thousand	-	-	US$ 464 thousand	(Note 3)	9.26 (Note 6)	-	15,297	-
Triplex International Biosciences (Fujian)	Manufacture, sale and R&D medical diagnostic reagents and instruments	US$ 35,200 thousand	Note 1,b,5)	US$ 1,400 thousand	-	-	US$ 1,400 thousand	(Note 3)	1.66	-	45,003	-
Solar PV Corp.	Solar cell manufacture and sell	US$ 79,940 thousand	Note 1,b,6)	US$ 11,400 thousand	-	-	US$ 11,400 thousand	(Note 3)	9.14	-	339,711	-
Hartec Technology (Kunshan) Co., Ltd.	NB EMI sputtering	US$ 17,130 thousand	Note 1,b,7)	US$ 3,000 thousand	-	-	US$ 3,000 thousand	(Note 3)	10.23	-	99,603	-
Unifun Computer (Shanghai) Co., Ltd.	Internet service provider	US$ 8,000 thousand	Note 1,b,8)	US$ 1	-	-	US$ 1	(Note 3)	6.75	-	-	-
Great Team Backend Foundry (Dongguan) Ltd.	Analog IC testing and packaging	US$ 87,070 thousand	Note 1,b,9)	US$ 228 thousand	-	-	US$ 228 thousand	(Note 3)	1.79	-	7,361	-
Touch Equipment Leasing (Shanghai) Co., Ltd.	Mobile interactive LCD equipment leasing	US$ 8,000 thousand	Note 1,b,9)	US$ 669 thousand	-	-	US$ 669 thousand	(Note 3)	9.61	-	21,599	-
Touch Multimedia Technology (Shanghai) Co., Ltd.	Multimedia technology, network technology, computer software development, design production and sales	RMB 114,660 thousand	Note 1,b,9)	US$ 1,080 thousand	-	-	US$ 1,080 thousand	(Note 3)	9.61	-	34,869	-
MCM (Beijing) Commercial Co., Ltd.	Apparel, jewelry, watches, perfumes, cosmetics, glasses, bags, leather goods wholesale and retail; import and export of goods	EUR 4,460 thousand	Note 1,b,10)	EUR 140 thousand	-	-	EUR 140 thousand	(Note 3)	5.00	-	5,023	-
Chengdu Le Me Shi Jia Trading Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service	US$ 25,000 thousand	Note 1,b,9)	US$ 882 thousand	-	-	US$ 882 thousand	(Note 3)	2.16	-	7,031	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2016 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow						
Chengdu Le Me Shi Jia Information Technology Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service	US$ 1,400 thousand	Note 1,b,9)	US$ 33 thousand	$ -	$ -	US$ 33 thousand	(Note 3)	2.16	$ -	$ 263	$ -
Tianjin Mei Wei Information Technology Co., Ltd.	Computer IT consulting and technical services; computer hardware and software development; furniture, building materials, daily commodities, hardware wholesale; enterprise management consulting; enterprise planning and international transport agent	RMB 104,222 thousand	Note 1,b,9)	RMB 1,016 thousand	-	-	RMB 1,016 thousand	(Note 3)	2.16	-	1,216	-
Tianjin Mu Yuan Household Trading Co., Ltd.	Household items; furniture, building materials, daily commodities, hardware wholesale; enterprise management consulting; enterprise planning and international transport agent	US$ 500 thousand	Note 1,b,9)	US$ 42 thousand	-	-	US$ 42 thousand	(Note 3)	2.16	-	332	-
CDIB Private Equity Management Corporation	Management and consulting	US$ 4,000 thousand	Note 1,b,12)	US$ 4,000 thousand	-	-	US$ 4,000 thousand	$ 7,467	100.00	7,467	62,814	-
CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	RMB 10,000 thousand	Note 1,b,11)	RMB 7,000 thousand	-	-	RMB 7,000 thousand	12,159	70.00	8,511	70,089	-
CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	RMB 12,000 thousand	Note 1,b,11),12)	RMB 6,720 thousand	-	-	RMB 6,720 thousand	1,680	70.00	1,176	41,529	-
CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment	RMB 700,000 thousand	Note 1,b,11),12)	RMB 141,200 thousand	RMB 105,900 thousand	-	RMB 247,100 thousand	161,551	-	56,543	1,211,645	-
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	RMB 7,000 thousand	Note 1,b,12)	RMB 4,550 thousand	-	-	RMB 4,550 Thousand	7,797	65.00	5,068	28,264	-
CPEC Huachuang Private Equity Management (Kushan) Enterprise (Limited Partnership)	Management and consulting	RMB 7,500 thousand	Note 1,b,12)	RMB 195 thousand	RMB 130 thousand	-	RMB 325 thousand	(330)	65.00	(214)	22,839	-
CPEC Huachuang Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment	RMB 389,160 thousand	Note 1,b,11),12)	RMB 121,400 thousand	-	-	RMB 121,400 thousand	(19,957)	-	(6,155)	557,662	-
Focus Multimedia Technology (Shanghai) Co., Ltd.	LCD advertising and multimedia network information systems software R&D; multimedia network engineering design consultancy; market research and intermediary service; LCD displays and related electronic product manufacture, assembling, integrating, packing and sale	US$ 38,000 thousand	Note 1,b,13)	US$ 16,612 thousand	-	-	US$ 16,612 thousand	(Note 3)	0.94	-	536,342	-
Focus (China) Information Technology Co., Ltd.	LCD advertising, software and hardware of computers manufacture and sale, and network technology design and development; computer integrated design, debugging and maintenance; self-developed technological achievement transfer; related technologies consultancy and technical service	US$ 10,000 thousand	Note 1,b,13)	US$ 4,371 thousand	-	-	US$ 4,371 thousand	(Note 3)	0.94	-	141,128	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2016	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2016 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2016	Accumulated Inward Remittance of Earnings as of June 30, 2016
					Outflow	Inflow						
Chi Zhong Information Technology (Shanghai) Co., Ltd.	LCD advertising, software and hardware of computers manufacture and sale, and network technology design and development; computer integrated design, debugging and maintenance; self-developed technological achievement transfer; related technologies consultancy and technical service	US$ 10,000 thousand	Note 1,b,13)	US$ 875 thousand	$ -	$ -	US$ 875 thousand	(Note 3)	0.94	$ -	$ 28,240	$ -
Shanghai OOH Advertising Co., Ltd.	Domestic and foreign advertisement design, production, releases and agent	US$ 400 thousand	Note 1,b,13)	US$ 174 thousand	-	-	US$ 174 thousand	(Note 3)	0.94	-	5,620	-
GSD Industrial Co., Ltd.	Pumps manufacture and sale	RMB 50,000 thousand	Note 1,b,14)	US$ 2,235 thousand	-	-	US$ 2,235 thousand	(Note 3)	19.86	-	68,353	-
Shengzhuang Co., Ltd.	Cosmetics sales	RMB 54,300 thousand	Note 1,b,15)	US$ 5,000 thousand	-	-	US$ 5,000 thousand	(Note 3)	5.44	-	151,150	-
Lightel Technologies Inc.	Fiber optic components, fiber optic equipment and instruments and LED lamps	US$ 3,100 thousand	Note 1,b,16)	US$ 337 thousand	-	-	US$ 337 thousand	(Note 3)	13.48	-	10,076	-
Guohui (China) Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories	HK$ 313,432 thousand	Note 1,b,10),17)	US$ 1,750 thousand	-	-	US$ 1,750 thousand	(Note 3)	7.73	-	56,502	-
Fujian Guohui Footwear Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories	HK$ 195,686 thousand	Note 1,b,10),17)	US$ 1,357 thousand	-	-	US$ 1,357 thousand	(Note 3)	7.73	-	43,811	-
Stonehenge Indutrial Holding Ltd.	Business in research, development and manufacture of electro optic technology, process on TFT-LCD optical, functional film material, and production and marketing of other plastic product	HK$ 452,805 thousand	Note 1,b,9)	-	US$ 1,485 thousand	-	US$ 1,485 thousand	(Note 3)	4.05	-	47,945	-
Hangzhou Huatong Industries Inc.	Business in sofa manufacture and sale; slipcover and leather products; the clothing; fur products; plush products; toys sale and doing wholesale and import business in furniture	US$ 32,000 thousand	Note 1,b,9),18)	-	US$ 9,718 thousand	US$ 343 thousand	US$ 9,375 thousand	(Note 3)	6.98	-	304,963	11,074
Hangzhou Rilong Leather Co., Ltd.	Business in toys sale and doing wholesale and import business in furniture	US$ 1,000 thousand	Note 1,b,9),18)	-	US$ 20	-	US$ 20	(Note 3)	7.20	-	-	-

Accumulated Investment in Mainland China as of June 30, 2016	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$4,978,961	US$258,305 thousand	$56,082,468

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third place by:

1) China Healthcare Multi-Service, Inc.
2) JHL Biotech, Inc.
3) Beauty Essentials International Ltd.

(Continued)

4) Derbysoft Holdings Limited.
5) Capital Excel Investments Limited.
6) Solar PV Corporation
7) Hartec Asia Pte Ltd.
8) Sunfun Info Co., Ltd.
9) CDIB Capital Investment I Limited.
10) CDIB Capital Investment II Limited.
11) CDIB Venture Capital (Hong Kong) Corporation Limited.
12) CDIB Private Equity (Hong Kong) Corporation Limited.
13) CDIB Global Markets Limited.
14) GSD Technologies Co., Ltd.
15) Shengzhuang Holdings Limited.
16) Lightel Technologies, Inc.
17) CBA Sport International Limited.
18) Shane Global Holding Inc.

c. Other.

Note 2: The column "Investment Gain" should state clearly:

a. If there were no gains or losses during preparation.

b. Income recognition was based on the:

1) Financial statements reviewed by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
2) Financial statements reviewed by the CPA firm of the parent company in Taiwan;
3) Other.

c. If information of net income (loss) of the investee is not available.

Note 3: Investee Company was not significantly influenced by the Bank, therefore the Bank cannot acquire the related financial information.

Note 4: Investment amount authorized or soon authorized by Investment Commission, MOEA.

Note 5: The Bank indirectly invested in Changshu Everbright Material Technology Co., Ltd. through its subsidiary's investment in Ferro China on which the Corporation fully impaired and recognized an impairment loss in 2008.

Note 6: The ratios of investees' preferred stock A or B held by subsidiaries was calculated by dividing the number of held preferred shares by the number of preferred shares outstanding.

Note 7: The Bank formerly indirectly invested in Wuxi Paiho Testiles Co., Ltd. and Dongguan Paihong Corporation Ltd. through its subsidiary's investment in Paiho Shih Holdings Corporation. Because Paiho Shih Holdings Corporation has been listed on the Taiwan Stock Exchange on August 17, 2011, refer to its financial report for the information.

Note 8: The Bank formerly indirectly invested in Focal Tech System Co., Ltd. through its subsidiary's investment in Focal Tech Corporation Ltd. has been listed on the Taiwan Stock Exchange on November 8, 2013, refer to its financial report for the information.

Note 9: The Bank formerly indirectly invested in Kunshan Xinkuangtai Photoelectric Technology Co., Ltd. and Taizhou Kuangli Photoelectric Technology Co., Ltd. through its subsidiary's investment in Kuangli Photoelectric Technology Co., Ltd. has been listed on the Taiwan Stock Exchange on October 31, 2014, refer to its financial report for the information.

Note 10: The Bank formerly indirectly invested in Yangzhou Enteres Auto Parts Manufacturing Co., Ltd., Yanghou Enteres Industrial Co., Ltd. Yangzhou Enterex Automotive Air-Conditioning Industrial Co., Ltd. and Yangzhou Enterex Auto Parts Distribution Co., Ltd. through its subsidiary investment in Enteres International Limited has been listed on the Taiwan Stock Exchange on October 16, 2014, refer to its financial report for the information.

Note 11: The Bank formerly indirectly invested in Jinjiang Chandra Shoes Industry Co., Ltd. through its subsidiary's investment in Victory New Materials limited company has been listed on the Taiwan Stock Exchange on January 14, 2014, refer to its financial report for the information.

Note 12: The Bank formerly indirectly invested in Strong LED Lighting Systems (Suzhou) Corporation through its subsidiary's investment in Strong LED Lighting Systems (Cayman) Co., Ltd. has been listed on the Taipei Exchange on June 30, 2016, refer to its financial report for the information.

Note 13: The Bank's subsidiary, CDIB Private Equity (Hong Kong) Corporation Limited, spent US$1,313 thousand of equity fund acquiring 100% stock right of CDIB Private Equity Management Corporation formerly invested by its subsidiary, CDIB Venture Capital (Hong Kong) Corporation Limited, and the acquiring price become the newly authorized amount.

The Bank's subsidiary, CDIB Private Equity (Hong Kong) Corporation Limited, spent US$1,059 thousand of equity fund acquiring 56% stock right of CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership) formerly invested by its subsidiary, CDIB Venture Capital (Hong Kong) Corporation Limited, and the acquiring price become the newly authorized amount.

(Concluded)

TABLE 8

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2016
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
1	CDIB Capital International Corporation	CDIB Global Markets Limited	c	Consulting service revenue	$ 101,161	Note 4	8.38%
2	CDIB Global Markets Limited	CDIB Capital International Corporation	c	Other operating and administrative expense	101,161	Note 4	8.38%
1	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	c	Consulting service revenue	110,763	Note 4	9.18%
3	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	c	Other operating and administrative expense	110,763	Note 4	9.18%

Note 1: The consolidated entities are identified in the No. column as follows: Parent company - 0; subsidiaries - numbered from 1 by company.

Note 2: Transaction flows are as follows: (a) from parent to subsidiary; (b) from subsidiary to parent; and (c) between subsidiaries.

Note 3: The ratio is calculated as follows: For asset and liability accounts - transaction amount in the ending period/total consolidated assets; for income and expense accounts - transaction amount in the midterm/total consolidated net profit.

Note 4: The transaction criteria for related parties are similar to those for third parties.

Note 5: Transactions each amounted to at least NT$100 million.