China Development Industrial Bank and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Bank required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2015 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

CHINA DEVELOPMENT INDUSTRIAL BANK

By

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March 28, 2016

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 December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2015 and 2014. 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 December 31, 2015 and 2014, and the results of their operations and their cash flows for the years ended December 31, 2015 and 2014, 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.

As stated in the Note 1 of consolidated financial report, May 1, 2015 was the date of transfer which the Bank transferred to KGI Bank of (a) all assets and liabilities associated with the commercial banking business of the Bank and (b) the Bank's holdings of shares in the Bank'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.

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2015 and 2014 on which we have issued a modified unqualified opinion thereon and an unqualified thereon, respectively.

March 28, 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
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015		2014 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 3, 4, 6 and 41)	$ 28,193,361	39	$ 11,613,412	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 7 and 42)	-	-	34,411,245	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 41)	299,609	-	53,055,918	11
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 4)	-	-	23,414,342	5
RECEIVABLES, NET (Notes 3, 4, 9, 41 and 42)	2,121,188	3	50,967,975	11
CURRENT TAX ASSETS (Notes 4, 39 and 41)	696,248	1	534,996	-
DISCOUNTS AND LOANS, NET (Notes 4, 10 and 41)	-	-	126,039,603	27
AVAILABLE-FOR-SALE FINANCIAL ASSETS (Notes 4, 11, 41 and 42)	9,182,329	13	123,649,428	26
HELD-TO-MATURITY FINANCIAL ASSETS, NET	102,564	-	-	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET (Notes 3, 4, 12 and 13)	7,969,545	11	5,630,015	1
RESTRICTED ASSETS (Notes 14 and 42)	298,982	-	348,983	-
FINANCIAL ASSETS MEASURED AT COST (Notes 3, 4 and 15)	18,870,601	26	30,157,659	6
OTHER FINANCIAL ASSETS (Notes 4, 16 and 42)	1,620,002	2	4,179,781	1
PROPERTY AND EQUIPMENT, NET (Notes 4 and 17)	1,214,475	2	1,970,655	1
INVESTMENT PROPERTY, NET (Notes 4, 18 and 42)	1,806,069	3	1,295,707	-
DEFERRED TAX ASSETS (Notes 4 and 39)	101,227	-	175,161	-
OTHER ASSETS, NET (Notes 4 and 19)	300,347	-	6,545,801	1
TOTAL	$ 72,776,547	100	$ 473,990,681	100
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from the Central Bank and banks (Notes 20 and 41)	$ -	-	$ 10,331,413	2
Financial liabilities at fair value through profit or loss (Notes 4, 8 and 41)	-	-	24,351,007	5
Securities sold under repurchase agreements (Notes 8 and 11)	-	-	63,299,830	14
Payables (Notes 3, 21 and 41)	990,323	1	3,792,116	1
Current tax liabilities (Notes 4, 39 and 41)	402,762	1	457,455	-
Deposits and remittances (Notes 22 and 41)	-	-	173,337,066	37
Bank debentures payable (Note 23)	-	-	12,540,304	3
Principal received on structured notes	-	-	60,671,951	13
Commercial paper payable, net (Notes 24 and 42)	829,322	1	1,666,202	-
Other borrowings (Notes 25, 41 and 42)	-	-	5,121,655	1
Other financial liabilities (Note 8)	396,059	1	379,912	-
Provisions (Notes 3, 4, 26 and 27)	177,910	-	446,796	-
Deferred tax liabilities (Notes 4 and 39)	241,555	-	241,555	-
Other liabilities (Notes 3, 28 and 41)	122,911	-	1,254,398	-
Total liabilities	3,160,842	4	357,891,660	76
EQUITY (Notes 3, 4 and 29)				
Equity attributable to owners of the parent				
Capital	20,603,994	29	56,603,994	12
Capital surplus	24,700,436	34	28,696,849	6
Retained earnings				
Legal reserve	22,425,309	31	19,922,597	4
Special reserve	672,736	1	672,736	-
Unappropriated earnings	4,702,128	6	8,240,117	2
Exchange differences on translation on foreign financial statements	657,557	1	(357,161)	-
Unrealized gains (losses) on available-for-sale financial assets	(4,209,915)	(6)	(161,771)	-
Total equity attributable to owners of parent	69,552,245	96	113,617,361	24
Non-controlling interests	63,460	-	2,481,660	-
Total equity	69,615,705	96	116,099,021	24
TOTAL	$ 72,776,547	100	$ 473,990,681	100

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

(With Deloitte & Touche audit report dated March 28, 2016)

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Restated)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUES (Notes 30 and 41)	$ 2,379,692	34	$ 7,593,219	63	(69)
INTEREST EXPENSES (Notes 30 and 41)	(934,704)	(13)	(2,916,238)	(24)	(68)
NET INTEREST	1,444,988	21	4,676,981	39	(69)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net (Note 31)	38,213	1	169,068	1	(77)
Gains (losses) on financial assets or liabilities measured at fair value through profit or loss, net (Note 32)	(332,541)	(5)	542,627	5	(161)
Realized gains on available-for-sale financial assets, net (Note 33)	2,572,053	37	5,781,606	48	(56)
Share of the profit of associates for using equity method (Note 3)	273,462	4	225,312	2	21
Foreign exchange gain (loss), net	329,594	5	(933,920)	(8)	135
Impairment loss on assets (Note 34)	(947,447)	(14)	(1,268,884)	(10)	(25)
Gains on financial assets measured at cost, net (Notes 15 and 35)	2,367,889	34	2,408,845	20	(2)
Gains on debt investments with no active market (Note 41)	328,230	5	3,224	-	10,081
Consulting service revenue	576,989	8	148,706	1	288
Others (Notes 36 and 41)	308,116	4	280,476	2	10
Total net revenues other than interest	5,514,558	79	7,357,060	61	(25)
TOTAL NET REVENUES	6,959,546	100	12,034,041	100	(42)
REVERSAL OF ALLOWANCE (ALLOWANCE) FOR BAD DEBTS EXPENSE AND GUARANTEE LIABILITY PROVISION	205,757	3	(29,867)	-	789

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Restated)		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OPERATING EXPENSES (Notes 3, 27, 37, 38 and 41)					
Employee benefits expense	$ (1,345,165)	(19)	$ (1,891,038)	(16)	(29)
Depreciation and amortization expense	(95,931)	(1)	(114,837)	(1)	(16)
Other general and administrative expenses	(868,830)	(13)	(945,661)	(8)	(8)
Total operating expenses	(2,309,926)	(33)	(2,951,536)	(25)	(22)
INCOME BEFORE INCOME TAX	4,855,377	70	9,052,638	75	(46)
INCOME TAX BENEFIT (EXPENSE) (Note 39)	33,574	-	(771,043)	(6)	104
NET PROFIT FOR THE YEAR	4,888,951	70	8,281,595	69	(41)
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)					
Items that will not be reclassified subsequently to profit or loss, net of tax:					
Remeasurement of defined benefit plans	(67,881)	(1)	(51,920)	-	31
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(230)	-	695	-	(133)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign financial statements	855,905	12	1,318,532	11	(35)
Unrealized losses on available-for-sale financial assets	(3,863,462)	(55)	(1,239,557)	(10)	212
Cash flow hedges	-	-	(19,568)	-	100

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Restated)		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
Share of the other comprehensive income (loss) of associates accounted for using the equity method	$ (26,824)	-	$ 176,824	1	(115)
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 39)	-	-	259,479	2	(100)
Other comprehensive income (loss), net of tax	(3,102,492)	(44)	444,485	4	(798)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,786,459	26	$ 8,726,080	73	(80)
NET PROFIT ATTRIBUTABLE TO:					
Shareholders of the parent company	$ 4,872,495	70	$ 8,309,090	69	(41)
Non-controlling interests	16,456	-	(27,495)	-	160
	$ 4,888,951	70	$ 8,281,595	69	(41)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the parent company	$ 1,770,958	26	$ 8,755,536	73	(80)
Non-controlling interests	15,501	-	(29,456)	-	153
	$ 1,786,459	26	$ 8,726,080	73	(80)
EARNINGS PER SHARE (Note 40)					
Basic	$1.49		$1.39		

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

(With Deloitte & Touche audit report dated March 28, 2016) (Concluded)

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(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 Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Cash Flow Hedges	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2014	$ 61,603,994	$ 28,704,680	$ 18,119,218	$ 620,398	$ 6,063,922	$ (1,853,060)	$ 817,210	$ 19,568	$ 114,095,930	$ 341,630	$ 114,437,560
Effect of retrospective application and retrospective restatement	-	-	-	-	(18,069)	-	-	-	(18,069)	-	(18,069)
BALANCE AT JANUARY 1, 2014 AS RESTATED	61,603,994	28,704,680	18,119,218	620,398	6,045,853	(1,853,060)	817,210	19,568	114,077,861	341,630	114,419,491
Appropriation of the 2013 earnings											
Legal reserve	-	-	1,803,379	-	(1,803,379)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	52,338	(52,338)	-	-	-	-	-	-
Cash dividends - NT$0.68 per share	-	-	-	-	(4,208,205)	-	-	-	(4,208,205)	-	(4,208,205)
	-	-	1,803,379	52,338	(6,063,922)	-	-	-	(4,208,205)	-	(4,208,205)
Net profit for the year ended December 31, 2014 as restated	-	-	-	-	8,309,090	-	-	-	8,309,090	(27,495)	8,281,595
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax as restated	-	-	-	-	(50,904)	1,495,899	(978,981)	(19,568)	446,446	(1,961)	444,485
Total comprehensive income (loss) for the year ended December 31, 2014 as restated	-	-	-	-	8,258,186	1,495,899	(978,981)	(19,568)	8,755,536	(29,456)	8,726,080
Capital reduction	(5,000,000)	-	-	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Difference between consolidation and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	-	(9,023)	-	-	-	-	-	-	(9,023)	-	(9,023)
Share-based payment	-	1,192	-	-	-	-	-	-	1,192	-	1,192
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	2,169,486	2,169,486
BALANCE AT DECEMBER 31, 2014 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	-	333	-	-	-	-	-	-	333	-	333
Cash dividends	-	(4,000,000)	-	-	-	-	-	-	(4,000,000)	-	(4,000,000)
Net profit for the year ended December 31, 2015	-	-	-	-	4,872,495	-	-	-	4,872,495	16,456	4,888,951
Other comprehensive loss for the year ended December 31, 2015, net income tax	-	-	-	-	(68,111)	1,014,718	(4,048,144)	-	(3,101,537)	(955)	(3,102,492)
Other comprehensive income (loss) for the year ended December 31, 2015	-	-	-	-	4,804,384	1,014,718	(4,048,144)	-	1,770,958	15,501	1,786,459
Capital reduction	(36,000,000)	-	-	-	-	-	-	-	(36,000,000)	-	(36,000,000)
Share-based payment	-	3,254	-	-	-	-	-	-	3,254	-	3,254
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(2,433,701)	(2,433,701)
BALANCE AT DECEMBER 31, 2015	$ 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

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

(With Deloitte & Touche audit report dated March 28, 2016)

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,855,377	$ 9,052,638
Adjustments to reconcile net profit (loss)		
Depreciation expenses	76,052	93,929
Amortization expenses	19,879	20,908
Allowance (reversal of allowance) for bad debts and losses on guarantees, net	(205,757)	29,867
Interest expense	962,567	2,953,867
Interest income	(2,770,858)	(8,198,905)
Dividend income	(1,035,157)	(1,220,791)
Share of profit of associates accounted for using equity method	(247,597)	(192,082)
Gain on disposal of investment properties	(16,003)	(92,275)
Gain on disposal of investments	(3,263,648)	(7,005,080)
Loss on financial asset impairment	922,793	1,261,362
Loss on nonfinancial asset impairment	24,654	7,522
Others	137,069	(68,712)
Changes in operating assets and liabilities		
Due from the Central Bank and other banks	10,220,645	(7,686,048)
Financial assets at fair value through profit or loss	52,711,024	(27,128,042)
Securities purchased under resell agreements	-	25,598
Receivables	40,755,337	7,018,954
Discounts and loans	126,114,314	(19,362,479)
Other financial assets	2,559,778	4,876,409
Other assets	2,913,934	(4,557,608)
Call loans from banks	(10,331,413)	3,619,793
Financial liabilities at fair value through profit or loss	(24,326,869)	14,387,533
Securities sold under repurchase agreements	(63,299,830)	(7,344,418)
Payables	(2,165,320)	(321,186)
Deposits and remittances	(173,337,066)	45,532,669
Other financial liabilities	(60,656,087)	6,042,327
Other liabilities	(1,096,959)	158,900
Cash generated from (used in) operations	(100,479,141)	11,904,650
Interest received	4,245,381	7,841,064
Dividend received	1,571,028	1,608,171
Interest paid	(1,528,682)	(2,955,092)
Income tax paid	(210,816)	(688,831)
Net cash generated from (used in) operating activities	(96,402,230)	17,709,962

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of available-for-sale financial assets	$ (22,201,876)	$ (64,295,782)
Proceeds from the sale of available-for-sale financial assets	135,564,158	55,687,931
Proceeds on sale of debt investments with no active market	999,992	57,723
Acquisition of financial assets measured at cost	(1,803,767)	(2,356,162)
Proceeds from the sale of financial assets measured at cost	9,481,566	4,462,600
Proceeds from capital return on financial assets measured at cost	184,438	372,501
Net cash inflow on acquisition of associates	(1,849,914)	(1,034,575)
Proceeds from disposal of associates	3,482	157,196
Proceeds from disposal of subsidiaries	1,589,115	-
Proceeds from capital return on investments accounted for using equity method	1,818,373	293,385
Proceeds from the disposal of investment property	261,578	301,375
Acquisition of property and equipment	(108,139)	(68,511)
Others	2,989	211,154
Net cash generated from (used in) investing activities	123,941,995	(6,211,165)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(70,000)	(184,921)
Increase (decrease) in commercial paper payable	69,657	(33,905)
Decrease in bank debentures payable	(12,750,000)	(3,500,000)
Proceeds from long-term borrowings	-	1,099,931
Payments of long-term borrowings	-	(838,702)
Cash dividends paid	(5,839,661)	(4,208,205)
Reduction of capital	(36,000,000)	(5,000,000)
Acquisition of entity interest in subsidiaries	-	(111,150)
Changes in non-controlling interest	(174,960)	2,140,030
Others	(4,000,620)	88,711
Net cash used in financing activities	(58,765,584)	(10,548,211)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	200,826	463,359
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(31,024,993)	1,413,945
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	59,218,354	57,804,409
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 28,193,361	$ 59,218,354

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CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2015 and 2014:

	December 31	
	2015	**2014**
Cash and cash equivalents in consolidated balance sheets	$ 28,193,361	$ 11,613,412
Due from the Central Bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	-	24,190,600
Securities purchased under agreements to resell qualifying as cash and cash equivalents under the definition of IAS 7	-	23,414,342
Cash and cash equivalents in consolidated statements of cash flows	$ 28,193,361	$ 59,218,354

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

(With Deloitte & Touche audit report dated March 28, 2016) (Concluded)

(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 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 assets	141,757,437	215,298,264	-	357,055,701
Other assets	-	-	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 March 28, 2016.

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

a. The amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC not yet effective

Rule No. 10310006010 and Rule No. 1030010325 issued by the FSC, stipulated that the Bank and subsidiaries should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") issued by the IASB and endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks starting January 1, 2015.

Except for the following, the initial application of the above New IFRSs has not had any material impact on the Bank and subsidiaries' accounting policies:

1) IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation - Special Purpose Entities". The Bank and subsidiaries considers whether it has control over other entities for consolidation. The Bank and subsidiaries has control over an investee if and only if it has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of its returns. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

Under IFRS 10, the Bank and subsidiaries will recognize control over CDIB Capital Asia Partners L.P. since the acquisition date. Prior to the application of IFRS 10, the Bank and subsidiaries ownership interest in CDIB Capital Asia Partners L.P. is treated as an investment in associate and thus accounted for this investment using the equity method.

The anticipated impact of the initial application of IFRS 10 is detailed as follows:

Impact on Assets, Liabilities and Equity	**Carrying Amount**	**Adjustments Arising from Initial Application**	**Adjusted Carrying Amount**
<u>December 31, 2014</u>			
Cash and cash equivalents	$ 11,515,623	$ 97,789	$ 11,613,412
Receivables, net	51,037,609	(69,634)	50,967,975
Investments accounted for using the equity method, net	7,704,106	(2,074,091)	5,630,015
Financial assets measured at cost	25,973,353	4,184,306	30,157,659
Payable	3,779,537	12,579	3,792,116
Retained earnings	28,937,706	(86,259)	28,851,447
Exchange differences translating foreign operations	(353,364)	(3,797)	(357,161)
Non-controlling interests	265,813	2,215,847	2,481,660

Impact on Total Comprehensive Income	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
For the year ended December 31, 2014			
Noninterest profits and gains, net			
Share of the profit of associates	$ 165,629	$ 59,683	$ 225,312
Gain on financial assets measured at cost, net	2,495,104	(86,259)	2,408,845
Consulting service revenue	241,976	(93,270)	148,706
Operating expense	(2,925,721)	(27,887)	(2,953,608)
Other profits and gains, net	8,450,268	-	8,450,268
Total effect on net profit for the year ended December 31, 2014	8,427,256	(147,733)	8,279,523
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign financial statements	1,322,329	(3,797)	1,318,532
Other comprehensive income, net	(874,047)	-	(874,047)
Total effect on other comprehensive income for the year ended December 31, 2014, net of income tax	$ 8,875,538	$ (151,530)	$ 8,724,008
Impact on net profit attributable to:			
Owners of the Company	$ 8,393,277	$ (86,259)	$ 8,307,018
Non-controlling interests	33,979	(61,474)	(27,495)
	$ 8,427,256	$ (147,733)	$ 8,279,523
Impact on total comprehensive income attributable to:			
Owners of the Company	$ 8,843,520	$ (90,056)	$ 8,753,464
Non-controlling interests	32,018	(61,474)	(29,456)
	$ 8,875,538	$ (151,530)	$ 8,724,008
Impact on earnings per share			
Earnings per share	$ 1.40	$ (0.01)	$ 1.39

(Concluded)

Impact on Cash Flows	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
For the year ended December 31, 2014			
Net cash inflow (outflow) from operating activities	$ 17,748,905	$ (38,943)	$ 17,709,962
Net cash outflow from investing activities	(4,073,204)	(2,137,961)	(6,211,165)
Net cash inflow (outflow) from financing activities	(12,764,058)	2,215,847	(10,548,211)
Effects of exchange rate changes on the balance of cash held in foreign currencies	404,513	58,846	463,359
Net increase in cash and cash equivalents	$ 1,316,156	$ 97,789	$ 1,413,945

2) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than in the current standards.

3) Revision to IAS 28 “Investments in Associates and Joint Ventures”

Revised IAS 28 requires when a portion of an investment in an associate meets the criteria to be classified as held for sale, that portion is classified as held for sale. Any retained portion that has not been classified as held for sale is accounted for using the equity method. Under current IAS 28, when a portion of an investment in associates meets the criteria to be classified as held for sale, the entire investment is classified as held for sale and ceases to apply the equity method.

4) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Please refer to Note 45 to the consolidated financial statements.

5) Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Bank and subsidiaries retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and share of other comprehensive income (the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. Items expected to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and share of other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method.

6) Revision to IAS 19 "Employee Benefits"

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19 in 2015, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to net defined benefit liabilities and retained earnings. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Bank and subsidiaries would elect not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

The impact for the current period is detailed as follows:

Impact on Assets, Liabilities and Equity	**December 31, 2015**
Decrease in provisions	$ 2,072
Increase in retained earnings	$ 2,072

Impact on Total Comprehensive Income	**For the Year Ended December 31, 2015**
Decrease in employee benefit	$ 2,072

The impact for the period is detailed as follows:

Impact on Assets, Liabilities and Equity	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
December 31, 2014			
Provisions	$ 430,799	$ 15,997	$ 446,796
Retained earnings	28,937,706	(15,997)	28,921,709

Impact on Total Comprehensive Income	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
For the year ended December 31, 2014			
Employee benefits	$ 1,893,110	$ (2,072)	$ 1,891,038

7) Annual Improvements to IFRSs: 2009-2011 Cycle

The amendments to IAS 1 clarify that an entity is required to present a balance sheet as at the beginning of the preceding period when a) it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassifies items in its financial statements, and b) the retrospective application, restatement or reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period. The amendments also clarify that related notes are not required to accompany the balance sheet at the beginning of the preceding period.

8) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

In accordance with the amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks for financial liabilities designated as at fair value through profit or loss, the amount of change in the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liabilities' credit risk are not subsequently reclassified to profit or loss. If the above accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

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

The Bank and subsidiaries has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" and those with undetermined effective date. In addition, the FSC announced that the Group 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, amended and revised standards and interpretations.

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)
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 4)
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
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
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 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: 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.

Note 4: 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 is permitted.

The initial application of the above New IFRSs has not had any material impact on the Bank and subsidiaries' accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

<u>Recognition and measurement of financial assets</u>

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. Neither subsequent impairment assessment is required nor gain or loss accumulated in other comprehensive income be reclassified to profit or loss.

<u>The impairment of financial assets</u>

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. 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) Amendment to IAS 36 “Recoverable Amount Disclosures for Non-financial Assets”

In issuing IFRS 13 “Fair Value Measurement”, the IASB made consequential amendment to the disclosure requirements in IAS 36 “Impairment of Assets”, introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Bank and subsidiaries is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) 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.

4) Annual Improvements to IFRSs: 2010-2012 Cycle

The amended IFRS 8 requires an entity 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.

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

5) 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.

6) IFRS 15 “Revenue from Contracts with Customers”

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, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;

- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity 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.

7) 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.

8) Annual Improvements to IFRSs: 2012-2014 Cycle

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset.

9) Amendment to IAS 1 “Disclosure Initiative”

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Group should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Group should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

10) 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.

11) 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 expects 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 it is probable 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

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with Regulations Governing the Preparation of Financial Reports by Securities Firms, “IFRS” as endorsed by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The operating cycle in the banking industry cannot be reasonably identified; thus, accounts included in the consolidated financial statements of the Bank were not classified as current or noncurrent. Nevertheless, these accounts were properly categorized in accordance with the nature of each account and sequenced according to their liquidity. Please refer to Note 46 for the maturity analysis of assets and liabilities.

Principles for Preparing Consolidated Financial Statements

The consolidated financial report includes the financial reports of the Bank and subsidiaries, and the accounting policies are applied consistently. All significant intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

The subsidiaries' accounting policies are the same as those used by the Bank.

All significant intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

The functional currency of the Bank is the New Taiwan dollars, and the consolidated financial statements are presented in New Taiwan dollars.

As of December 31, 2015 and 2014, the consolidated entities included in the consolidated financial statements included 26 and 33 companies, respectively (please refer to the attached Table 5 for details).

Foreign Currencies

The Bank recognizes foreign-currency transactions in the respective currencies in which they are denominated, while the Bank and subsidiaries other than the Bank recognize at the rates of exchange prevailing at the dates of the transactions. Foreign-currency gains or losses of the Bank are recorded in New Taiwan dollars using rates in effect at the time of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period occurred.

Nonmonetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising are recognized in profit or loss in the period occurred. Except for exchange differences arising on the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the stockholders of the parent company and noncontrolling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Bank and subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Bank and subsidiaries losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to noncontrolling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents includes commercial paper instruments and time deposits with maturities of three months or less from the date of acquisition and future excess margin are classified as cash equivalents. Their carrying amounts are similar to fair value.

Investments in Associates

An associate is an entity over which the Bank and subsidiaries have significant influence and that is not a subsidiary.

The Bank and subsidiaries use the equity method to account for their investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Bank and subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Bank and subsidiaries also recognize the changes in the Bank and subsidiaries' share of equity of associates.

Any excess of the cost of acquisition over the Bank and subsidiaries' share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Bank and subsidiaries' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Bank and subsidiaries subscribe for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Bank and subsidiaries' proportionate interest in the associate and joint venture. The Bank and subsidiaries record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Bank and subsidiaries' share of equity of associates and joint ventures. If the Bank and subsidiaries' ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Bank's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Bank's net investment in the associate), the Bank discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Bank has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Bank and subsidiaries discontinue the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Bank and subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Bank and subsidiaries transact with its associate, profits and losses resulting from the transactions with the associate are recognized in the Bank and subsidiaries' consolidated financial statements only to the extent of interests in the associate that are not related to the Bank and subsidiaries.

Financial Instruments

Financial assets and financial liabilities are recognized when the Bank and subsidiaries become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets and liabilities

All regular way purchases or sales of financial assets and liabilities are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

1) Measurement category

a) Financial assets or liabilities at fair value through profit or loss

Financial assets or liabilities are classified as at fair value through profit or loss when the financial asset or liability is either held for trading or it is designated as at fair value through profit or loss.

A financial asset or liability other than a financial asset or liability held for trading may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

i. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

ii. The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank and subsidiaries' documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets or liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset other financial liabilities are measured at amortized cost using the effective interest method. Fair value is determined in the manner described in Note 45.

Investments in equity instruments under financial assets at fair value through profit or loss that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets cannot be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

b) Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and the Bank and subsidiaries have a positive intent and ability to hold to maturity are classified as held-to-maturity financial assets. Subsequent to initial measurement, held-to-maturity financial assets are recorded at amortized cost less impairment.

c) Available-for-sale financial assets

Available-for-sale financial assets are nonderivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss that previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Bank and subsidiaries' right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets.

d) Loans and receivables

Loans and receivables are initially recognized at its fair value, which is usually the transaction price, plus significant transaction costs, service fees paid or received, premiums or discounts, etc. After initial recognition, loans and receivables shall be measured subsequently using the effective interest method in accordance with related rules. If the effect of discounting is not significant, the loans and receivables can be measured at initial undiscounted value in accordance with Regulations Governing the Preparation of Financial Reports by Public Bank.

2) Impairment of financial assets

a) Financial assets measured at amortized cost

The Bank and subsidiaries' discounts and loans, accounts receivable, interest receivable, acquired loans, and other receivables are assessed for impairment at each balance sheet date and considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the above credit losses, the estimated future cash flows of the asset have been affected. Loans and receivables that are assessed as not impaired individually are further assessed for impairment on a collective basis.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows (reflected the effect of collateral), discounted at the financial asset's original effective interest rate.

Based on the Regulatory Governing the procedures for Banking Industry to evaluate Assets and Deal with Non-performing/Non-annual loans issued by the Ministry of Finance (MOF), credit assets classified as normal (this balance should be net of the balance of borrowings by ROC government agencies from the Bank), special mention, substandard, with doubtful collectability and uncollectible or loss incurring are evaluated on the basis of the borrowers'/clients' financial condition and delinquency record on interest payments, and these assets have allowances at 1%, 2%, 10% and 50%, respectively, of outstanding credit.

Credit deemed uncollectible may be written off under the approval of the board of directors.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

b) Available-for-sale financial asset

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

c) Financial assets measured at cost

When objective evidences indicate that financial assets measured at cost are impaired, the amount of the loss is recognized as "loss on asset impairment' and cannot be reversed.

3) Derecognition of financial assets or liabilities

The Bank and subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party; and derecognize a financial liability when obligations are discharged, cancelled or they expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss; and the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

b. Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in nonderivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the contracts are not measured at fair value through profit or loss.

Securities Purchased and Sold Under Resell and Repurchase Agreements

For securities purchased under resell agreements, the payment to a counter-party is treated as a financing transaction. For securities sold under repurchase agreements, the payment by a counter-party and the related interest revenue or interest expense are recognized on the accrual basis.

Property and Equipment

Property and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss when it is probable that future economic benefits associated with the item will flow to the Bank and subsidiaries and the cost of the item can be measured reliably.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use, in which case, the land is regarded as held for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Collaterals Assumed

Collaterals assumed (recognized as other assets) are recorded at cost, which includes the price and the expenditure for placing the collateral in a position to be sold, and are evaluated at their fair value as of the end of the period. An impairment loss is recognized when the cost of collaterals exceeds the fair value.

Nonfinancial Asset Impairment

The Bank and subsidiaries evaluate the possibility of impairment loss on nonfinancial assets as of the balance sheet date. If there is sufficient objective evidence of asset impairment, the Bank and subsidiaries recognizes an impairment whenever the recoverable amount of the asset or the cash-generating unit is below the carrying amount of an asset, and this impairment loss either is charged to accumulated impairment or reduces the carrying amount of an asset directly. After the recognition of an impairment loss, the depreciation (amortization) charged to the assets should be adjusted in future years at the revised asset carrying amount (net of accumulated impairment), less its salvage value, on a systematic basis over its remaining service life. If asset impairment loss (excluding goodwill) is reversed, the increase in the carrying amount resulting from reversal is credited to current income and debited to accumulated impairment or is used to increase the carrying amount of the asset. However, loss reversal should not be more than the carrying amount (net of depreciation) had the impairment not been recognized.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Bank and subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank and subsidiaries will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability. The Bank and subsidiaries do not recognize contingent liabilities but disclose them in accordance with related rules instead.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity. The Bank and subsidiaries do not recognize contingent assets but disclose them in accordance with related rules when the inflow of economic benefits is probable.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Bank and Subsidiaries' defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the stockholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Since 2003, CDFH and its qualified subsidiaries, including the Bank, have used the linked-tax system for income tax filings. Under this system, the Bank adjusts the deferred tax assets (liabilities), income tax payable (receivable) and income tax expense (profit) on a systematic and consistent basis.

Based on the "Basic Income Tax Act," if the basic income tax is greater than the amount of regular income tax, the income tax payable should be the basic income tax. The incremental tax payable is recorded as current income tax expense.

b. Deferred tax

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits acquisition to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Bank and subsidiaries are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Bank and subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the period

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Interest and Service Fee Revenue Recognition

Interest revenue is calculated at the effective interest rate for loans and receivables net of cost and service fee. Service fees are recognized as income upon receipt or when a major part of the earnings process is completed.

Revenue is measured at the fair value of the consideration received or receivable. Interest revenue on loans and credits extended by the Bank is recorded using the accrual method. For nonperforming loans and other credits extended by the Bank, interest revenue is recognized upon collection.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Bank and subsidiaries' net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank and subsidiaries' net investment outstanding in respect of the leases.

Rental income (expense) from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the lessee's benefit from the use (consumption) of the leased asset. Contingent rents arising under operating leases are recognized as an expense in the period in which they are incurred.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Bank and subsidiaries' accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Impairment loss on loans and receivables

The Bank and subsidiaries review loan portfolios to assess impairment periodically. In determining whether an impairment loss should be recognized, the Bank and subsidiaries make judgments as to whether there are any observable data indicating an impairment loss. For the purpose of assessing impairment, the management determines the future cash flows on portfolios using estimates based on historical loss experience for financial assets grouped on the basis of similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to decrease any difference between estimated loss and actual loss.

b. Fair value of financial instruments

The fair value of non-active market or non-quoted financial instruments is determined using valuation techniques. That is, the fair value is based on observable data of similar financial instruments or valuation model. If there are no observable market parameters, the fair value of financial instruments is evaluated on the basis of appropriate assumptions. When fair values are determined through the valuation model, the model should be calibrated to ensure that all output data and the results reflect the actual market price. The models should use only observable data as much as possible. For credit risk (including that of the counter-party), management should estimate volatility and correlation.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	**2014**
Cash in banks	$ 13,339,838	$ 4,029,696
Due from other banks	12,674,958	4,794,575
Commercial paper	2,058,404	2,464,235
Other	120,161	324,906
	$ 28,193,361	$ 11,613,412

Cash and cash equivalents as of December 31, 2015 and 2014 as shown in the consolidated statement of cash flows can be reconciled to the related items in the balance sheets, please refer to the consolidated statement of cash flows for the reconciliation information.

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS

	December 31	
	2015	**2014**
Due from the Central Bank	$ -	$ 23,936,808
Call loans to banks	-	10,474,437
	$ -	$ 34,411,245

Statutory deposit reserves placed in the Central Bank of the ROC are determined at prescribed rates based on the monthly average balances of customers' New Taiwan dollar deposits. As of December 31, 2014, the reserve included $4,559,260 thousand, which were subject to withdrawal restrictions.

In addition, under a directive issued by the Central Bank of the ROC, separate foreign-currency deposit reserves are determined at prescribed rates based on balance of foreign-currency deposits. These reserves may be withdrawn anytime and are noninterest earning.

The balance of foreign-currency deposit reserve were $114,185 thousand as of December 31, 2014.

For the negotiable certificates of deposit pledged as collateral for day-term overdraft, please refer to Note 42.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
Financial assets held for trading		
Derivative instrument		
Currency swap contracts	$ -	$ 13,707,739
Interest rate swap contracts	-	4,517,404
Premiums paid on option contracts	-	2,666,253
Others	-	1,182,538
Nonderivative financial assets		
Listed and OTC stocks	111,208	433,949
Bank debentures	-	21,008,563
Corporate bonds	-	5,306,309
Convertible (exchangeable) corporate bonds	-	2,733,520
Others	-	1,265,957
	111,208	52,822,232
Financial assets designated as FVTPL		
Convertible (exchangeable) corporate bonds	188,401	233,686
Financial assets at FVTPL	$ 299,609	$ 53,055,918
Financial liabilities held for trading		
Derivative instrument		
Currency swap contracts	$ -	$ 14,393,308
Interest rate swap contracts	-	4,578,719
Premiums received on option contracts	-	2,987,359
Others	-	1,320,473
	-	23,279,859
Financial liabilities designated as FVTPL		
Bank debentures payable	-	1,071,148
Financial liabilities at FVTPL	$ -	$ 24,351,007

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

As of December 31, 2014, bank debentures issued by the Bank and designated as at FVTPL were as follows:

Bank Debenture Number	December 31, 2014	Issuance Period	Method of Paying Principal and Interests	Interest Rate
No. 940301	$ 1,050,000	May 18, 2006 - May 18, 2016	Principal due on maturity; interest payable annually	2.15%
Valuation adjustments	21,148			
	$ 1,071,148			

The contract (nominal) amounts of the Bank's outstanding derivative financial instruments as of December 31, 2015 and 2014 are summarized as follows:

	Contract Amount
	December 31, 2014
Currency swap contracts	$ 897,151,912
Interest rate swap contracts	536,720,132
Option contracts	223,947,426
Forward exchange contracts	40,037,779
Cross-currency swap contracts	28,485,909
Futures contracts	8,925,445
Non-deliverable forward contracts	3,331,462
Asset swap contracts	2,292,748
Others	213,193

As of December 31, 2014, financial assets held for trading with aggregate carrying values of $23,843,582 thousand, had been sold under repurchase agreements (recognized as securities sold under repurchase agreements).

On July 15, 2010, the Bank initiated action against Morgan Stanley & Co. International PLC ("Morgan Stanley") et al. 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 gains and losses from the transaction. The balance of US$11,977,825 ($396,059 thousand based on the exchange rate of December 31, 2015) was reclassified to "other financial liabilities." 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.

9. RECEIVABLES

	December 31 2015	December 31 2014
Acquired loans	$ 2,116,953	$ 2,648,465
Accrued incomes	394,410	375,501
Receivable from securities sold	365,865	250,223
Interest receivable	336,852	1,839,486
Accounts receivable - forfeiting	-	38,793,891
Lease receivables	-	6,718,267
Others	70,493	2,215,589
	3,284,573	52,841,422
Less: Allowance for bad debts	(1,163,385)	(1,873,447)
	$ 2,121,188	$ 50,967,975

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

	For the Years Ended December 31 2015	For the Years Ended December 31 2014
Balance, January 1	$ 1,873,447	$ 2,016,768
Reversal of allowance	(138,469)	(75,612)
Write-off of accounts receivables	-	(102,121)
Transferred to KGI Bank	(557,768)	-
Effect of exchange rate changes	(13,825)	34,412
Balance, December 31	$ 1,163,385	$ 1,873,447

For the impairment loss analysis of receivables, please refer to Note 46.

For the receivables pledged as collateral for subsidiaries' loans, please refer to Note 42.

10. DISCOUNTS AND LOANS

	December 31 2015	December 31 2014
Short-term unsecured loans	$ -	$ 11,916,104
Short-term secured loans	-	3,720,460
Medium-term unsecured loans	-	55,854,311
Medium-term secured loans	-	43,844,167
Long-term unsecured loans	-	5,779,876
Long-term secured loans	-	4,852,333
Export negotiations	-	1,895,072
Loans reclassified to nonperforming loans	-	324,015
	-	128,186,338
Less: Allowance for bad debts	-	(2,083,946)
Less: Discounts on loans	-	(62,789)
	$ -	$ 126,039,603

For the years ended December 31, 2014, the Bank carried out legal procedures required before writing off certain credits.

The Bank's changes in allowance for bad debts of discounts and loans were as follows:

	For the Years Ended December 31	
	2015	2014
Balance, January 1	$ 2,083,946	$ 1,779,774
Allowance (reversal)	(74,711)	276,127
Write off of accounts receivable	(324,015)	-
Transferred to KGI Bank	(1,681,450)	-
Effects of exchange rate changes	(3,770)	28,045
Balance, December 31	$ -	$ 2,083,946

For the impairment loss analysis of discounts and loans, please refer to Note 46.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	December 31	
	2015	2014
Listed, OTC and earning market stocks	$ 8,497,996	$ 19,616,936
Government bonds	161,308	71,771,676
Bank debentures	-	17,410,134
Corporate bonds	-	14,197,679
Others	523,025	653,003
	$ 9,182,329	$ 123,649,428

As of December 31, 2015 and 2014, government bonds held by the Bank and provided as a deposit for business operations had aggregate values of $7,193 thousand and $105,388 thousand, respectively, and unit face value of $7,000 thousand and $107,000 thousand, respectively. As of December 31, 2015 and 2014, government bonds held by the Bank and provided as a deposit for indemnity reserves had aggregate values of $49,223 thousand, and unit face value of $50,000 thousand.

For the available-for-sale financial assets pledged as collaterals for bank loans, please refer to Note 42.

For the trust contract with holding shares to capital securities company, please refer to Note 8.

As of December 31, 2014, available-for-sale financial assets, with aggregate carrying values of $36,341,191 thousand, had been sold under repurchase agreements (recognized as securities sold under repurchase agreements).

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2015		2014	
	Carrying Amount	%	Carrying Amount	%
Unlisted companies				
CDIB & Partners Investment Holding Corporation	$ 4,065,214	29	$ 4,112,713	29
CDIB Capital Asia Partners L.P.	1,314,206	-	-	-
OPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	667,550	-	702,508	-
China Development Biomedical Venture Capital Co., Ltd.	584,514	34	295,839	34
CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	585,700	-	-	-
CDIB CME Fund Ltd.	576,143	40	304,752	40
Others	176,218		214,203	
	$ 7,969,545		$ 5,630,015	

The summarized financial information in respect of the not individually material associates was set out below:

	For the Years Ended December 31	
	2015	2014
The Bank and subsidiaries' share of:		
Net profit for the year	$ 247,597	$ 192,082
Other comprehensive income (loss)	(27,053)	177,519
Total comprehensive income for the year	$ 220,544	$ 369,601

The investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2015 and 2014 was based on the associates' financial statements audited by the auditors.

The Bank had not pledged investments under equity method as collateral.

13. 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.

	December 31, 2015
Private equity investment	
Financial assets measured at cost	$ 6,891,768
Maximun exposure	$ 6,891,768

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 Corporation and its subsidiaries and external third parties.

	December 31, 2015
Private equity management	
Total assets	$ 9,351,364
Total liabilities	101,340
Investments accounted for using equity method	2,567,456
Maximun exposure	2,567,456

14. RESTRICTED ASSETS

	December 31	
	2015	2014
Stocks	$ 149,392	$ 149,392
Accounts receivable	105,447	101,800
Revenue receivable	30,287	28,127
Due from other banks	13,856	15,905
Refundable deposits	-	53,759
	$ 298,982	$ 348,983

After the filing of a certain complaint against Morgan Stanley (Note 43), 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.”

15. FINANCIAL ASSETS MEASURED AT COST

	December 31	
	2015	2014
Unlisted stocks - common stock	$ 6,689,830	$ 11,483,221
Unlisted overseas partnership fund	6,891,768	12,327,771
Others	5,289,003	6,346,667
	$ 18,870,601	$ 30,157,659
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 18,416,795	$ 25,532,224
Financial assets at FVTPL	453,806	4,625,435
	$ 18,870,601	$ 30,157,659

For the years ended December 31, 2015 and 2014, the Bank and subsidiaries disposed of certain financial assets measured at cost with carrying amounts of $7,551,693 thousand and $2,694,202 thousand, respectively, and recognized gains of $1,929,873 thousand and $1,768,398 thousand, respectively.

16. OTHER FINANCIAL ASSETS

	December 31	
	2015	2014
Debt instruments with no active market	$ 1,619,702	$ 2,655,996
Time deposits with original maturities over three months	300	924,875
Pledged time deposits	-	409,486
Others	-	189,424
	$ 1,620,002	$ 4,179,781

17. PROPERTY AND EQUIPMENT

	December 31	
	2015	2014
Land	$ 744,866	$ 1,208,416
Buildings and facilities	429,826	591,977
Computer equipment	19,493	45,779
Transportation equipment	61	62
Other equipment	14,139	18,316
Leasehold improvements	5,526	27,558
Leased assets	-	58,874
	1,213,911	1,950,982
Prepayments for acquisition of properties	564	19,673
	$ 1,214,475	$ 1,970,655

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, 2014	$ 1,208,416	$ 1,189,616	$ 104,529	$ 3,839	$ 90,764	$ 40,401	$ 95,740	$ 30,341	$ 2,763,646
Additions	-	1,087	14,544	76	1,109	13,713	25,887	12,095	68,511
Disposals	-	(4,980)	(26,985)	(3,902)	(5,327)	(471)	(719)	(2,349)	(44,733)
Reclassification	-	4,612	2,190	-	1,670	-	-	(20,414)	(11,942)
Effect of exchange rate changes	-	-	591	63	583	1,660	-	-	2,897
Balance at December 31, 2014	1,208,416	1,190,335	94,869	76	88,799	55,303	120,908	19,673	2,778,379
Accumulated depreciation									
Balance at January 1, 2014	-	(564,413)	(60,661)	(3,838)	(68,116)	(17,024)	(44,556)	-	(758,608)
Depreciation	-	(38,353)	(15,136)	(15)	(7,181)	(10,172)	(18,016)	-	(88,873)
Disposals	-	4,980	26,945	3,902	5,160	157	538	-	41,682
Reclassification	-	(572)	-	-	-	-	-	-	(572)
Effect of exchange rate changes	-	-	(238)	(63)	(346)	(706)	-	-	(1,353)
Balance at December 31, 2014	-	(598,358)	(49,090)	(14)	(70,483)	(27,745)	(62,034)	-	(807,724)
Balance at December 31, 2014, net	$ 1,208,416	$ 591,977	$ 45,779	$ 62	$ 18,316	$ 27,558	$ 58,874	$ 19,673	$ 1,970,655
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	-	30,969	10,418	68	6,539	1,151	30,397	28,597	108,139
Disposals	(2,927)	(43,352)	(61,772)	(76)	(38,214)	(29,254)	(151,305)	(12,837)	(339,737)
Reclassification	(460,623)	(314,542)	-	-	561	(206)	-	(34,869)	(809,679)
Effect of exchange rate changes	-	-	(135)	-	122	(543)	-	-	(556)
Balance at December 31, 2015	744,866	863,410	43,380	68	57,807	26,451	-	564	1,736,546

(Continued)

	Land	Buildings and Facilities	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Leased Assets	Prepayments for Acquisition of Properties	Total
Accumulated depreciation									
Balance at January 1, 2015	$ -	$ (598,358)	$ (49,090)	$ (14)	$ (70,483)	$ (27,745)	$ (62,034)	$ -	$ (807,724)
Depreciation	-	(39,420)	(9,646)	(12)	(5,289)	(10,008)	(8,906)	-	(73,281)
Disposals	-	31,485	34,860	19	32,256	16,524	70,940	-	186,084
Reclassification	-	172,709	-	-	-	206	-	-	172,915
Effect of exchange rate changes	-	-	(11)	-	(152)	98	-	-	(65)
Balance at December 31, 2015	-	(433,584)	(23,887)	(7)	(43,668)	(20,925)	-	-	(522,071)
Balance at December 31, 2015, net	$ 744,866	$ 429,826	$ 19,493	$ 61	$ 14,139	$ 5,526	$ -	$ 564	$ 1,214,475

(Concluded)

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 had not pledged any property and equipment as collateral.

18. INVESTMENT PROPERTY

	December 31	
	2015	2014
Land	$ 1,544,872	$ 1,172,005
Buildings and facilities	261,197	123,702
	$ 1,806,069	$ 1,295,707

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

	For the Years Ended December 31	
	2015	2014
Cost		
Beginning balance	$ 1,786,942	$ 2,009,002
Disposal	(270,747)	(217,448)
Reclassification	868,008	(4,612)
Ending balance	2,384,203	1,786,942

(Continued)

	For the Years Ended December 31	
	2015	**2014**
Accumulated depreciation		
Beginning balance	$ (59,874)	$ (65,025)
Depreciation	(2,771)	(5,056)
Disposal	25,172	8,348
Reclassification	(172,709)	1,859
Ending balance	(210,182)	(59,874)
Accumulated impairment		
Beginning balance	(431,361)	(432,239)
Reversal of impairment (loss on impairment)	63,409	878
Ending balance	(367,952)	(431,361)
Carrying amount, net	$ 1,806,069	$ 1,295,707

(Concluded)

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 December 31, 2015 and 2014 were $5,556,202 thousand and $2,161,108 thousand, respectively.

In addition to the fair value of the Bank's investment properties as of December 31, 2014 had not 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. The carrying amounts of the investment properties that had been pledged by the Bank and subsidiaries to secure borrowings are shown in Note 42.

19. OTHER ASSETS

	December 31	
	2015	2014
Collaterals assumed	$ 118,804	$ 153,631
Guarantee deposits paid	65,914	6,037,115
Computer software	62,781	98,652
Prepaid expense	45,141	221,033
Others	7,707	35,370
	$ 300,347	$ 6,545,801

As of December 31, 2015 and 2014, the above collaterals were net of accumulated impairment losses of $12,539 thousand and 16,280 thousand, respectively.

20. DEPOSITS FROM THE CENTRAL BANKS AND BANKS

	December 31	
	2015	2014
Call loans from banks	$ -	$ 9,547,440
Deposits from Chunghwa Post Co., Ltd.	-	783,973
	$ -	$ 10,331,413

21. PAYABLES

	December 31	
	2015	2014
Accrued expenses	$ 865,748	$ 1,207,624
Interest payable	13,660	596,510
Accounts payable factoring	-	721,471
Interest payable on interest rate swap contracts	-	372,257
Transaction cost of call options payables	-	558,160
Others	110,915	336,094
	$ 990,323	$ 3,792,116

22. DEPOSITS AND REMITTANCES

	December 31	
	2015	2014
Time deposits	$ -	$ 85,970,535
Foreign-currency time deposits	-	79,933,689
Demand deposits	-	4,286,115
Foreign-currency demand deposits	-	3,058,531
Checking deposits	-	88,196
	$ -	$ 173,337,066

23. BANK DEBENTURES PAYABLE

Name	December 31 2015	December 31 2014	Issue Year	Repayment Year	Interest Rate
No. 960101	$ -	$ 2,750,000	2008.01.09-2017.12.13	Principal due on maturity.	0%
No. 960301	-	9,000,000	2008.01.30-2015.01.30	Principal due on maturity; interest payable quarterly.	3.00%
No. 960401	-	1,000,000	2008.01.31-2015.04.30	Principal due on maturity; interest payable annually, the last payment for three months.	3.10%
Issued amount	-	12,750,000			
Unamortized discount	-	(209,696)			
Net amount	$ -	$ 12,540,304			

24. COMMERCIAL PAPER PAYABLE

	December 31 2015	December 31 2014
Commercial paper payable	$ 830,000	$ 1,667,000
Less: Unamortized discount	(678)	(798)
	$ 829,322	$ 1,666,202
Rate	1.05%-1.09%	1.11%-1.64%
Last maturity date	February 2016	February 2015

25. OTHER BORROWINGS

	December 31 2015	December 31 2014
Short-term credit borrowings	$ -	$ 2,365,236
Note issuance facility	-	1,599,331
Short-term secured borrowings	-	480,000
Long-term credit borrowings	-	338,808
Long-term secured borrowings	-	338,280
	$ -	$ 5,121,655
Rate	-	1.10%-6.77%
Last maturity date	-	August 2018

26. PROVISIONS

	December 31 2015	December 31 2014
Provisions for employee benefits	$ 176,352	$ 344,647
Provisions for guarantee liabilities	-	99,649
Others	1,558	2,500
	$ 177,910	$ 446,796

27. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Bank and domestic subsidiaries adopted a pension plan under the Labor Pension Act (the “LPA”), which is a defined contribution plan. Based on the LPA, the Bank makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. The total expenses recognized in profit or loss for the years ended December 31, 2015 and 2014 were $21,779 thousand and $34,557 thousand, respectively.

The Bank’s foreign subsidiaries adopted the defined contribution pension plans, and they recognized their contributions as pension expenses amounting to $6,638 thousand and $11,530 thousand for the years ended December 31, 2015 and 2014, respectively.

b. Defined benefit plans

The Bank and domestic subsidiaries adopted a defined benefit pension plan for all formal employees based on the Labor Standards Act. Benefit payments are based on service periods and basic salaries and wages at the time of retirement.

Under the defined benefit plan, the Bank has made monthly contributions at 13% of salaries and wages to a pension fund. In February 2006, the Bank changed the contribution rate from 13% to 4.5% and then further adjusted the contribution rate from 4.5% to 3.14% in November 2008. The fund is managed by the Employees’ Pension Reserve Supervisory Committee and deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, The Bank assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The amounts included in the consolidated balance sheets in respect of the Bank and subsidiaries’ defined benefit plans were as follows:

Amounts recognized in profit or loss in respect of these defined benefit plans were as follows:

	December 31	
	2015	**2014**
Present value of defined benefit obligation	$ 502,062	$ 700,196
Fair value of plan assets	(326,532)	(356,582)
Net defined benefit liability	$ 175,530	$ 343,614

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	$ 672,360	$ (377,049)	$ 295,311
Current service cost	9,351	-	9,351
Net interest expense (income)	11,766	(6,682)	5,084
Recognized in profit or loss	21,117	(6,682)	14,435
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,985)	(1,985)
Actuarial loss - changes in financial assumptions	6,990	-	6,990
Actuarial loss - experience adjustments	46,915	-	46,915
Recognized in other comprehensive income	53,905	(1,985)	(51,920)
Contributions from the employer	-	(18,052)	(18,052)
Benefits paid	(47,186)	47,186	-
Balance at December 31, 2014	700,196	(356,582)	343,614
Transfer to KGIB	(228,840)	5,371	(223,469)
Service cost			
Current service cost	6,330	-	6,330
Net interest expense (income)	8,453	(5,475)	2,978
Recognized in profit or loss	14,783	(5,475)	9,308
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,880)	(3,880)
Actuarial loss - changes in financial assumptions	20,412	-	20,412
Actuarial loss - experience adjustments	51,349	-	51,349
Recognized in other comprehensive income	71,761	(3,880)	67,881
Contributions from the employer	-	(21,804)	(21,804)
Benefits paid	(55,838)	55,838	-
Balance at December 31, 2015	$ 502,062	$ (326,532)	$ 175,530

Through the defined benefit plans under the Labor Standards Law, the Bank and subsidiaries is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at December 31	
	2015	2014
Discount rates	1.20%	1.65%
Expected rates of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2015
Discount rate(s)	
0.25% increase	$ (11,494)
0.25% decrease	$ 11,895
Expected rate(s) of salary increase	
0.25% increase	$ 10,388
0.25% decrease	$ (10,091)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2015	2014
The expected contributions to the plan for the next year	$ 12,867	$ 16,483
The average duration of the defined benefit obligation	8.09-18.70 years	10.00-19.53 years

28. OTHER LIABILITIES

	December 31	
	2015	2014
Advance receipts	$ 72,202	$ 751,198
Guarantee deposits received	27,029	174,071
Temporary receipts and suspense account	9,221	304,244
Others	14,459	24,885
	$ 122,911	$ 1,254,398

29. EQUITY

a. Capital

Common stock

	December 31	
	2015	2014
Numbers of shares authorized (in thousands)	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,060,400	5,660,400
Shares issued	$ 20,603,994	$ 56,603,994

On April 14, 2014, 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 $5,000,000 thousand, representing 500,000 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 September 1, 2014.

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

	December 31	
	2015	2014
Arising from issuance of common shares	$ 24,593,956	$ 28,593,956
Excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition	98,845	98,845
Arising from share of changes in capital surplus of associates	3,169	2,836
Share-based payments awards	4,446	1,192
Arising from donations	20	20
	$ 24,700,436	$ 28,696,849

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 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 $4,000,000 thousand to shareholders from capital surplus arising from issuance of common shares.

On March 28, 2016, the Bank's board of the directors according to the Article 241 of Company Act, the board of the directors draw up the distribution of cash dividend of $17,500,000 thousand to shareholders from capital surplus arising from issuance of common shares.

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.

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 37.

Appropriation of the 2014 and 2013 earnings that approved by board of directors which entitled to execute shareholders' meeting function on May 25, 2015 and shareholders' meeting on May 26, 2014 respectively were as follows:

	2014	**2013**
Legal reserve	$ 2,502,712	$ 1,803,379
Special reserve	-	52,338
Cash dividends (NT$2.83 and NT$0.68 per share)	5,839,661	4,208,205

On March 28, 2016, the board of the directors, was entitled to execute stockholder's meeting functions and thus estimate the appropriation of the 2015 earnings and bonus to employees as follows:

	2015
Legal reserve	$ -
Special reserve	3,037,223
Cash dividends (NT$0.81 per share)	1,664,905

The board of the directors, was entitled to execute stockholder's meeting functions has not approve agreement of the appropriation of the 2015 earnings.

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).

30. NET INTEREST

	For the Years Ended December 31	
	2015	**2014**
Interest revenues		
Discounts and loans	$ 882,705	$ 2,802,591
Securities	602,221	1,577,841
Accounts receivable - forfeiting	339,157	1,353,489
Due from and call loans to banks	164,781	1,193,512
Others	390,828	665,786
	2,379,692	7,593,219
Interest expenses		
Deposits	634,010	1,706,004
Securities sold under repurchase agreements	96,359	307,454
Structured notes	61,133	317,561
Bank debentures	55,187	389,350
Others	88,015	195,869
	934,704	2,916,238
	$ 1,444,988	$ 4,676,981

31. SERVICE FEE INCOME, NET

	For the Years Ended December 31	
	2015	2014
Service fee revenues		
Syndication loans	$ 34,010	$ 40,354
Guarantee	9,466	31,250
Others	46,229	143,030
	89,705	214,634
Service fee expenses		
Financial transaction	40,888	9,064
Foreign-currency business	7,000	12,850
Others	3,604	23,652
	51,492	45,566
	$ 38,213	$ 169,068

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

	For the Years Ended December 31	
	2015	2014
Realized gain (loss)		
Debentures	$ (900,285)	$ 774,044
Derivative instruments	595,901	261,954
Stocks	13,960	7,783
Others	9,229	407
	(281,195)	1,044,188
Valuation loss		
Debentures	-	(382,882)
Derivative instruments	(45,286)	(101,378)
Stocks	(6,060)	(17,367)
Others	-	66
	(51,346)	(501,561)
	$ (332,541)	$ 542,627

For the years ended December 31, 2015 and 2014, the Bank and subsidiaries' financial assets and liabilities at FVTPL included realized loss of $571,464 thousand and gain of $448,090 thousand, respectively, interest revenues of $312,606 thousand and $605,686 thousand, respectively, dividend incomes of $0 thousand and $12,987 thousand, and interest expenses of $22,337 thousand and $22,575 thousand, respectively.

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

	For the Years Ended December 31	
	2015	2014
Gain on stock disposal	$ 1,476,692	$ 4,820,957
Gain on bond disposal	644,946	331,454
Dividend income	437,858	602,442
Others	12,557	26,753
	$ 2,572,053	$ 5,781,606

34. IMPAIRMENT LOSS ON ASSETS, NET

	For the Years Ended December 31	
	2015	2014
Impairment loss on financial assets measured at cost	$ 816,652	$ 477,677
Impairment loss on debt instrument with no active market	71,863	71,862
Impairment loss on available-for-sale financial assets	34,278	665,672
Others	24,654	53,673
	$ 947,447	$ 1,268,884

35. GAINS ON FINANCIAL ASSETS MEASURED AT COST

	For the Years Ended December 31	
	2015	2014
Gain on disposal of securities	$ 1,929,873	$ 1,768,398
Dividend income	281,185	452,834
Fund capital gain distributions	109,026	152,529
Others	47,805	35,084
	$ 2,367,889	$ 2,408,845

36. OTHER NON-INTEREST INCOME, NET

	For the Years Ended December 31	
	2015	2014
Gain on sale of acquired loans	$ 190,688	$ 106,200
Rental income	89,292	67,653
Others	28,136	106,623
	$ 308,116	$ 280,476

37. EMPLOYEE BENEFITS AND DEPRECIATION AND AMORTIZATION EXPENSES

	For the Years Ended December 31	
	2015	**2014**
Employee benefit expense		
Salaries and wages	$ 1,123,123	$ 1,610,802
Employee insurance	66,355	82,973
Pension	37,725	60,522
Others	117,962	136,741
	$ 1,345,165	$ 1,891,038
Depreciation and amortization expenses	$ 95,931	$ 114,837

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 year ended December 31, 2014, the bonus to employees was $59,000 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 year ended December 31, 2015, the employees' compensation was $47,000 thousand representing 1% of the base net profit.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The bonuses to employees for 2014 and 2013 which have been approved by board of directors which entitled to execute shareholders' meeting function on May 25, 2015 and May 26, 2014, respectively, were as follows:

	For the Years Ended December 31	
	2015	**2014**
Bonus to employees	$ 59,000	$ 43,000
Amounts approved in board of directors' meetings	$ 59,000	$ 43,000
Amounts recognized in respective financial statements	59,000	43,000
	$ -	$ -

The employees' compensation in cash was $47,000 thousand, respectively, for the year ended December 31, 2015 have been proposed by the Bank's board of directors on March 28, 2016 which was as the same as the recognized amounts of financial report in 2015.

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).

38. OTHER GENERAL ADMINISTRATIVE EXPENSES

	For the Years Ended December 31	
	2015	2014
Professional services	$ 214,249	$198,214
Taxation	172,268	216,530
Postage	71,860	90,505
Rental	65,592	67,282
Donation	55,291	22,270
Commission	50,908	61,732
Computer information	44,509	45,285
Others	194,153	243,843
	$ 868,830	$ 945,661

39. INCOME TAX

a. Income tax expense (benefit)

	For the Years Ended December 31	
	2015	2014
Current income tax		
Current period	$ (21,540)	$ 623,759
Prior periods	(14,389)	166,340
	(35,929)	790,099
Deferred income tax	2,355	(19,056)
Income tax expense (benefit)	$ (33,574)	$ 771,043

The reconciliation of accounting income and current income tax expense adjustments were as follows:

	For the Years Ended December 31	
	2015	2014
Income tax expenses at the statutory rate	$ 940,183	$ 1,970,027
Permanent differences	(734,676)	(1,816,963)
Unrecognized temporary differences	(225,004)	165,116
Unrecognized loss carryforwards	-	(2,734)
Prior year's adjustments	(14,389)	166,340
Additional income tax under the Alternative Minimum Tax Act	-	287,875
Tax on unappropriated earnings	312	1,382
Income tax expenses (benefit)	$ (33,574)	$ 771,043

The applicable tax rate used above is the corporate tax rate of 17% payable by the Bank and subsidiaries in ROC, while the applicable tax rate used by subsidiaries in China is 25%. Tax rates used by other group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

As the status of 2016 appropriations of earnings is uncertain, the potential income tax consequences of 10% of 2015 unappropriated earnings are not reliably determinable.

b. Income tax recognized in other comprehensive income

Income tax benefit was composed of by the following item:

	For the Years Ended December 31	
	2015	2014
Deferred tax		
Unrealized gains on available-for-sale financial assets	$ -	$ (259,479)

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

	December 31	
	2015	2014
Tax charged to the parent company	$ 690,918	$ 530,220
Tax paid to the parent company	$ 248,526	$ 237,069

d. Deferred tax assets and liabilities

	December 31	
	2015	2014
Deferred tax assets		
Collaterals assumed	$ 63,841	$ 65,503
Loss carryforwards	36,892	109,658
Others	494	-
	$ 101,227	$ 175,161
Deferred tax liabilities		
Land value increment tax	$ 241,555	$ 241,555

e. Unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2015	2014
Loss carryforwards		
Expiry in 2018	$ 1,100,330	$ 1,100,330
Expiry in 2019	591,520	591,520
Expiry in 2021	487,389	487,389
	$ 2,179,239	$ 2,179,239

f. Integrated income tax

	December 31	
	2015	2014
Imputation credits accounts - the Bank	$ 216,786	$ 67,291

The Bank's creditable tax ratios for the distribution of earnings of 2015 and 2014 were 4.61% (estimated) 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 actual imputation credits allocated to stockholders of the Bank was based on the balance of the Imputation Credit Accounts (ICA) as of the date of dividend distribution. Therefore, the expected creditable ratio for the 2015 earnings may differ from the actual creditable ratio to be used in allocating imputation credits to the stockholders.

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

g. 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 2007 and 2010 tax returns and thus filed tax appeals.

Income tax returns of China Venture Management Inc., China Development Asset Management Corp., CHG3, CHG4, Development Industrial Bank Asset Management Corp. and CDIB Capital Management Corp. (formerly named CDIB Equity Inc.) through 2013 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation through 2012 had been examined by the tax authorities. However, CDIB venture Capital Corporation disagreed with the tax authorities' assessments of its 2010 tax return and thus filed tax appeals.

40. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the year ended December 31, 2015			
Net profit attributable to stockholders of parent company	$ 4,872,495	3,273,550	$ 1.49
For the year ended December 31, 2014			
Net profit attributable to stockholders of parent company	$ 8,309,090	5,993,276	$ 1.39

41. 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 (Note 1)
Others	Other related parties (Note 2)

Note 1: Since CDFH acquired 100% equity in KGI Commercial Bank Co., Ltd. through a share swap, it become the related party.

Note 2: 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	%
December 31, 2015		
Subsidiary of the parent company	$ 10,720,076	38
December 31, 2014		
Subsidiary of the parent company	14,594	-
Other related parties	442	-

For the years ended December 31, 2015 and 2014, the interest revenues from cash in bank were $20,091 thousand and $1 thousand, respectively.

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

	Amount	%
December 31, 2015		
Subsidiary of the parent company	$ 12,613,249	45
Other related parties	6,292	-
December 31, 2014		
Subsidiary of the parent company	113,343	1
Other related parties	14,886	-

For the years ended December 31, 2015 and 2014, the interest revenues from due from banks were $16,047 thousand and $0 thousand.

c. Futures contracts (recognized as cash and cash equivalents)

	Amount	%
December 31, 2014	$ 35,725	-

d. Purchase and sale of bonds

	Purchase of Bonds	Sale of Bonds
<u>For the year ended December 31, 2015</u>		
Subsidiary of the parent company	$ 1,583,244	$ 2,211,662
<u>For the year ended December 31, 2014</u>		
Subsidiary of the parent company	5,289,157	3,947,399
Other related parties	-	100,053

e. Purchase and sale of securities

	Purchase of Securities	Sale of Securities
<u>For the year ended December 31, 2015</u>		
Subsidiary of the parent company	$ -	$ 13,860
<u>For the year ended December 31, 2014</u>		
Other related parties	111,150	-

f. Accrued income (recognized as receivables, net)

	Amount	%
December 31, 2015	$ 65,967	3

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

	Amount	%
December 31, 2015	$ 888	-
December 31, 2014	34,799	-

h. Other receivables (recognized as receivable, net)

	Amount	%
December 31, 2015	$ 10,916	-

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

	December 31			
	2015		2014	
	Amount	%	Amount	%
Parent company	$ 690,918	99	$ 530,220	99

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

j. Discounts and loans

For the years ended December 31, 2015 and 2014, the interest revenues from discounts and loans were $398 thousand and $1,454 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 December 31, 2014

(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
Employees' consumer loans	-	$ 53	$ -	$ -	$ -	-	Yes
Others	Other related parties	700,000	-	-	-	-	Yes

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

	Amount	%
December 31, 2015	$ 169,918	2
December 31, 2014	208,526	-

l. Call loans from banks (recognized as call loans from banks)

For the years ended December 31, 2015 and 2014, the interest expense for call loans from banks were $1,269 thousand and $8,824 thousand, respectively.

m. Payables for securities purchased (recognized as payables)

	Amount	%
December 31, 2014	$ 18,629	-

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

	December 31			
	2015		2014	
	Amount	%	Amount	%
Parent company	$ 248,526	62	$ 237,069	52

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

o. Deposits and remittances

	Amount	%	Interest Rate (%)
December 31, 2014	$ 5,197,194	3	0-6.50

For the years ended December 31, 2015 and 2014, the interest expenses for deposits and remittance were $7,823 thousand and $42,760 thousand, respectively.

p. Short-term borrowings (recognized as other loans)

	Amount	%
December 31, 2014	$ 134,297	3

For the years ended December 31, 2015 and 2014, the interest expenses for short-term loans were $1,029 thousand and $803 thousand, respectively.

q. Guarantee deposits received (recognized as other liabilities)

	Amount	%
December 31, 2015	$ 22,760	19
December 31, 2014	5,427	-

r. Consulting service revenues (recognized as noninterest profits and gains)

	For the Years Ended December 31			
	2015		2014	
	Amount	%	Amount	%
Other related parties	$ 570,426	99	$ 75,728	51

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

	Amount	%
2015		
Subsidiary of the parent company	$ 48,241	16
Other related parties	9,780	3
Parent company	9,343	3
2014		
Parent company	10,082	4
Other related parties	7,657	3
Subsidiary of the parent company	992	-

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

	Amount	%
2015	$ 54,000	6
2014	20,000	2

u. Outstanding derivative financial instruments

December 31, 2014

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	**Balance**
Other related parties	Currency swap contracts	February 7, 2014 - July 21, 2015	$ 12,208,213	$ (400,616)	Financial assets held for trading	$ 27,325
					Financial liabilities held for trading	454,734
Subsidiaries of the parent company	Interest rate swap contracts	April 1, 2010 - September 23, 2015	800,000	(5,403)	Financial assets held for trading	2,140
	Asset swap option contracts	April 17, 2014 - July 14, 2017	103,900	(6,844)	Financial liabilities held for trading	6,844
	Asset swap-interest rate swap contracts	April 17, 2014 - July 30, 2017	103,900	2,071	Financial assets held for trading	2,071
	Equity option contracts	January 13, 2014- October 27, 2015	7,832,000	853,057	Financial assets held for trading	1,019,026
	Currency option contracts	November 4, 2014- June 15, 2015	532,457	3,870	Financial assets held for trading	3,870

v. Compensation of key management personnel

	For the Years Ended December 31	
	2015	**2014**
Salary and short-term benefits	$ 109,443	$ 136,399
Post-employment benefits	926	1,929
Share-based payment	867	324
	$ 111,236	$ 138,652

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.

42. PLEDGED ASSETS

The following assets had been (a) pledged to various financial institutions as guarantees and collaterals for long-term loans, short-term loans, commercial paper payables, overdraft; and (b) required by the Central Bank for posting a bid bond and as a guarantee deposit for the bills business.

	December 31	
	2015	**2014**
Available-for-sale financial assets - bonds and stocks	$ 149,392	$ 160,800
Investment property, net	-	244,226
Lease receivables	-	3,098,130
Restricted assets - impound account	-	53,759
Other financial assets - pledged time deposits	-	409,486

To comply with the Central Bank's clearing system requirements for real-time gross settlement (RTGS), the Bank pledged negotiable certificates of deposit aggregating $0 thousand, $11,300,000 thousand as of December 31, 2015 and 2014, respectively, as collaterals for day-term overdraft. The pledged amounts may be adjusted anytime.

43. COMMITMENTS AND CONTINGENCIES

As of December 31, 2015, commitments and contingencies of the Bank and subsidiaries, in addition to those disclosed in Notes 45 and 46 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 litigation against Morgan Stanley, et al., in the Supreme Court of the State of New York, County of New York. The litigation had not yet been concluded as of December 31, 2015.

b. Securities and Futures Investors Protection Center sued China Development Industrial Bank Capital Management Corp. (CDIB Capital Management Corp., formerly named CDIB Equity Inc.) 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 CDIB, 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 CDIB 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 could not estimate the related possible loss because the final outcome of the lawsuit is uncertain.

44. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

The China Development Managing and Consulting Corp. acquired 11.14% interest of CDC Finance& Leasing Corp. by cash on April 7, 2014. This transaction was accounted for as an equity transaction.

	Amount
Consideration paid in cash	$ (111,150)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	102,127
Differences arising from equity transaction	$ (9,023)
Line items adjusted for equity transaction	
Capital surplus - difference between consideration and carrying amounts adjusted due to a change in percentage of ownership of a subsidiary	$ (9,023)

45. 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:

December 31, 2015

(In Thousands of New Taiwan Dollars)

	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	51,351	109,957	-	161,308

December 31, 2014

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 433,949	$ -	$ -	$ 433,949
Bond investments	29,098,743	1,204,911	-	30,303,654
Others	10,695	-	-	10,695
Financial assets designated as at FVTPL	-	-	233,686	233,686
Available-for-sale financial assets				
Stock investments	19,612,027	644,331	-	20,256,358
Bond investments	32,051,923	71,016,412	311,154	103,379,489
Others	13,581	-	-	13,581
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	-	1,071,148	-	1,071,148
Derivative financial instruments				
Financial assets				
Financial assets at FVTPL	58,976	20,020,239	1,994,719	22,073,934
Financial liabilities				
Financial liabilities at FVTPL	-	21,164,900	2,114,959	23,279,859

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.

Fair values of derivative instruments without quoted market prices are based on estimates using discounted cash flow techniques, Black-Scholes model, binomial pricing or Monet Carlo simulation, etc.

The fair values of forward exchange contracts are estimated on the basis of forward rates quoted by Reuters. Fair values of interest rate derivative products are estimated on the basis of market interest rates, quotations by Reuters or Bloomberg through the models mentioned above, except those of structured financial products, of which fair values are estimated on the basis of market quotations provided by the counter-party.

3) Fair value adjustment

a) The limitation of valuation techniques and uncertain inputs

Valuation techniques incorporate assumptions are dependent on the instrument type and available market data. However, certain model inputs may be less readily determinable from valuation techniques. In these circumstances, valuation model would adopt additional parameters and/or model assumptions such as model risk or Liquidity Risk and so on, to make fair value adjustment. According to our policies of Valuation management and relevant control procedure, the Bank's management considers that Valuation adjustments are necessary and appropriate. To accepted approaches and principles for the making the appropriate adjustments, all parameters and price information should be evaluated thoroughly and rely on the market.

b) Credit risk valuation adjustment

Credit risk valuation consists of credit valuation adjustment and debit valuation adjustment.

Credit valuation adjustment adopts for derivative contracts trading in other than exchange market, over-the-counter, and reflects the non-performance risk of counter party on fair value.

Debit valuation adjustment adopts for derivative contracts trading in other than exchange market, over-the-counter, and reflects the non-performance risk of the Group on fair value.

The Bank calculated credit valuation adjustment based on international ratings and rating models of Probability of Default (PD) and Loss Given Default (LGD) multiplying Exposure at Default (EAD). On the contrary, the Bank calculated debit valuation adjustment based on the PD of the Bank (under the condition of no county default), in consideration of LGD multiplying EAD.

The Bank calculate EAD based on mark-to-market fair value of OTC derivative instruments.

The Bank calculated EAD based on the mark to market value of OTC derivative instruments. The Bank takes 60% as the PD of counter parties according to the guideline issued by TWSE.

The Bank takes credit risk valuation adjustment into valuation of the fair value of financial instruments, thus reflect the credit quality of counter parties and the Group.

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

The main reason for hierarchy transfer of financial instrument is due to changes of market liquidity in 2014 affected partly valuation sources of some holding government bond.

	2014	
	From Level I to Level II	**From Level II to Level I**
Financial assets at FVTPL - bond investments	$ 714,658	$ -
Available-for-sale financial assets - bond investments	8,001,566	-

5) Reconciliation of Level III items of financial instruments

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

For the Year Ended December 31, 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	(45,285)	-	-	-	-	188,401
Available-for-sale financial assets	311,154	(8,247)	-	-	(302,907)	-	-

For the Year Ended December 31, 2014

(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	$ 1,122,097	$ 1,225,088	$ 10,534	$ -	$ (176,512)	$ (186,488)	$ 1,994,719
Financial assets designated as FVTPL	237,898	(4,212)	-	-	-	-	233,686
Available-for-sale financial assets	290,515	20,639	-	-	-	-	311,154
Derivative financial assets for hedging	19,568	-	-	-	(19,568)	-	-

a) The main reason of recognition on items or date movement of financial instruments is policies of enterprise.

b) Level III securities turn into Level II one resulted from that observable data is available.

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

For the Year Ended December 31, 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)	$ -	$ -

For the Year Ended December 31, 2014

(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	$ 1,059,565	$ 1,330,637	$ 5,156	$ -	$ (210,469)	$ (69,930)	$ 2,114,959

a) The main reason of recognition on items or date movement of financial instruments is policies of enterprise.

b) Level III securities turn into Level II one resulted from that observable data is available.

The total losses for the years ended December 31, 2015 and 2014 included loss of $755,071 thousand and $429,655 thousand relating to assets and liabilities measured at fair value on Level III fair value measurement and held at the end of reporting date.

6) 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 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.

7) Pricing process of level III fair value

The Bank's risk management department is in charge of conducting independent verification by independent sources to make valuations more close to market status and confirm that the source of information is independent, reliable, consistent with other resources and representative of exercise price. Besides, the department corrects pricing model periodically, implementing retrospective testing, update information and inputs that pricing model needed and other essential fair value adjustment to insure outcomes are reasonable. Investment Property is valued by the Bank and subsidiaries based on Financial Supervisory Commission'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

1) Fair value information of financial instruments

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

2) Fair value hierarchy of financial instruments

December 31, 2015

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Non-financial assets				
Investment properties	$ -	$ -	$ 5,556,202	$ 5,556,202

December 31, 2014

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Non-financial assets				
Investment properties	$ -	$ -	$ 2,161,108	$ 2,161,108

3) Measurement technique

a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to other banks, securities purchased under resell agreements, receivables, held-to-maturity financial assets, restricted assets, other financial assets, guarantee deposits paid, due to the Central Bank and other banks, funds borrowed from the Central Bank and other banks, securities sold under repurchase agreements, commercial paper payable, payables, deposits and remittances, other financial liabilities and guarantee deposits received and remittances approximate their fair values because of the short maturities of these instruments.

b) 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 Corporation and subsidiaries do not disclose their fair value.

c) Loan rate usually uses base rate (floating rate) because it can reflect market rate. Thus, using its carrying amount to consider the probability of repossession and estimate its fair value is reasonable.

d) For fair value measurement of investment property, please refer to Note 18.

46. 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 market, credit, 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

1) Sources and definition of credit risk

The Bank is exposed to credit risk due to default on contracts by borrowers, debtors or counter-parties and changes in credit quality. Financial assets contracts held by the Bank may entail risks of loss arising from loans, issuer of financial instruments, counter-parties, and underlying assets.

2) Management policies of credit risk

a) Strategy and objectives

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. The Bank offers client different products mixes based on their individual risk levels and with duration, risk mitigation, and graded pricing strategies to strengthen the credit review system. Through a regular review and adjustment of the portfolio structure, the Bank can achieve symmetry of the overall business risk and reward.

b) Policies and procedures

To have a common-language credit risk management, definition, communication and measurement, the Bank sets credit risk management policies to manage credit risk in accordance with international standards and CDFH's risk management policies. The procedures for the Bank's credit risk policy development are as follows:

Business units develop business strategies and objectives based on asset sizes. Management units and risk management units assess risks related to these strategies and objectives and then submit them to the Board for approval.

3) Mitigation of risks or hedging of credit risk/monitoring mechanism of risk avoidance and mitigation instruments

Considering asset hedge market and liquidity, the Bank takes the necessary risk reduction strategies, mainly on corporate finance, for assets with doubt or a long period of duration, including methods adopted to increase collaterals. Collaterals have been appraised regularly by an assessment unit to ensure their continued effectiveness. If a client is found to have bad credit factors, the Bank will strengthen the monitoring of this credit and demand at the appropriate time an early repayment or additional collateral to mitigate risks. For cases with poor credit ratings, in addition to collateral requirements and financial restrictions, the Bank will avoid if their transaction terms and profitability cannot reflect risk costs. In addition, the Bank develops different credit limits for counter-parties involved in derivative transactions and enters into collateral support agreements with counter-parties to ensure that risks are under control.

4) Maximum exposure to credit risk

Except for the following statement, the Bank's maximum amount of credit risk exposure was equal to its book value.

The amounts of financial contracts with off-balance-sheet credit risks as of December 31, 2015 and 2014 were as follows:

	December 31	
Items	**2015**	**2014**
Off-balance-sheet commitments and guarantees	$ -	$ 14,755,597

Many credit commitments are expected to expire without being drawn upon; thus, the total commitment amounts do not necessarily represent future cash requirements. The maximum amount of credit risk exposure is reference coefficient of customer credit risk. The total potential loss is equal to the above amounts, excluding the value of any collateral, if related commitments are completely drawn upon and the counter-parties default on contracts.

5) Concentrations of credit risk exposure

Concentrations of credit risk exist when changes in economic, industry or other conditions similarly affect groups of counter-parties whose aggregate credit exposure is material in relation to the Bank's total credit exposure. For its protection, the Bank maintains a diversified portfolio, does not limit its exposure to any one geographic region, country or individual creditor, and monitors the exposure continually.

As of December 31, 2015 and 2014, the Bank's most significant concentrations of credit risk were as follows:

a) Credit risk profile by counter-party

	December 31, 2015		December 31, 2014	
	Amount	**%**	**Amount**	**%**
Private sector	$ -	-	$ 127,992,280	99.85
State-operated enterprises	-	-	191,300	0.15
Consumer	-	-	2,758	-
Total	$ -	-	$ 128,186,338	100.00

b) Credit risk profile by industry sector

	December 31, 2015		December 31, 2014	
	Amount	**%**	**Amount**	**%**
Electricity industry	$ -	-	$ 28,664,694	22.36
Chemistry	-	-	12,155,329	9.48
Information and communication industry	-	-	6,251,280	4.88
Others	-	-	81,115,035	63.28
Total	$ -	-	$ 128,186,338	100.00

6) Credit quality and impairment assessment

Some financial assets such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, securities purchased under resell agreements, parts of receivables (including dividend receivable, interest receivable on bonds, spot foreign remittances receivable, and interest receivable on interest rate swap contracts) 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 discounts and loans and receivables

December 31, 2015	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	
Receivables	$ -	$ -	$ -	$ -	$ -	$ 2,404,132	$ 2,404,132	$ 194,780	$ 968,605	$ 1,240,747
Discounts and loans	-	-	-	-	-	-	-	-	-	-

December 31, 2014	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	
Receivables	$ 45,656,810	$ -	$ 1,039,894	$ 46,696,704	$ -	$ 3,158,725	$ 49,855,429	$ 415,334	$ 1,458,113	$ 47,981,982
Discounts and loans	110,533,565	16,616,703	626,335	127,776,603	-	409,735	128,186,338	858,738	1,225,208	126,102,392

Note: The total of discounts and loans is the original amount without the adjustments for premiums or discounts.

b) The credit analysis of discounts not impaired and past due and loans based on internal rating standards are as follows:

December 31, 2014	Neither Past Due Nor Impaired			
	Good/Moderate	Substandard	Unrated	Total
Consumer finance				
Micro credit	$ -	$ -	$ 2,758	$ 2,758
Corporate banking				
Secured	44,335,380	7,995,860	-	52,331,240
Unsecured	66,198,185	8,620,843	623,577	75,442,605
Total	110,533,565	16,616,703	626,335	127,776,603

Note: The total amount is the original amount without the nonperforming loans and the adjustments for premiums or discounts.

c) Credit analysis of marketable securities

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.

December 31, 2014	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	$ 103,068,335	$ -	$ -	$ 103,068,335	$ -	$ -	$ 103,068,335	$ -	$ 103,068,335

Note 1: Available-for-sale financial assets other than the above investment in bonds have an initial cost of $21,874,206 thousand, loss on valuation of $1,224,941 thousand and accumulated impairment of $68,172 thousand.

Note 2: Financial assets measured at cost have an initial cost of $31,807,057 thousand and accumulated impairments of $1,649,398 thousand.

Note 3: Debt instruments with no active markets have initial costs of $2,802,168 thousand and accumulated impairments of $146,172 thousand.

7) Impairment of discounts and loans and receivables

Items		Discounts and Loans		Allowance for Bad Debts	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
With objective evidence of impairment	Assessment of individual impairment	$ -	$ 5,588,794	$ -	$ 858,738
With no objective evidence of impairment	Assessment of collective impairment	-	122,597,544	-	1,225,208

Items		Receivables		Allowance for Bad Debts	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
With objective evidence of impairment	Assessment of individual impairment	$ 1,263,179	$ 1,991,952	$ 194,780	$ 415,334
With no objective evidence of impairment	Assessment of collective impairment	1,140,953	47,863,477	968,605	1,458,113

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

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

9) Management policies of collaterals assumed

The Bank and subsidiaries' collaterals assumed were mainly land and buildings. As of December 31, 2015 and 2014, the carrying amounts of the collaterals were $118,804 thousand and $153,631 thousand, respectively. Collaterals assumed are classified as other assets in the consolidated balance sheets.

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

a) Asset quality of overdue loans and receivable

Item			December 31, 2014				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ -	$ 52,416,960	-	$ 976,048	-
	Unsecured		324,015	75,766,620	0.43	1,107,870	341.92
Consumer loan	Mortgage (Note 4)		-	-	-	-	-
	Cash card		-	-	-	-	-
	Micro credit (Note 5)		-	2,758	-	28	-
	Other (Note 6)	Secured	-	-	-	-	-
		Unsecured					
Total			324,015	128,186,338	0.25	2,083,946	643.16
			Overdue Receivable	Account Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card (Note 7)			-	-	-	-	-
Account receivable - factored without recourse (Note 8)			-	1,108,976	-	11,090	-

Note 1: Overdue loans represent the amounts of overdue loans reported in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" issued by the Ministry of Finance.

Note 2: NPL ratio = NPL/Total loans.

Note 3: Coverage ratio = LLR/NPL.

Note 4: Home mortgage refers to financing obtained to buy, build, or fix houses owned by the borrower or the borrower's spouse or children, with the house used as loan collateral.

Note 5: Micro credit is covered by a Banking Bureau pronouncement dated December 19, 2005 (Ref. No. 09440010950) and is excluded from credit card and cash card loans.

Note 6: "Others" under consumer loans refers to secured or unsecured loans other than mortgage loans, cash cards, micro credit, and credit cards.

Note 7: The Bank does not engage in the credit card business.

Note 8: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), allowance for bad debt is recognized once no compensation is made by a factor or insurance company within three months for accounts receivable factored without recourse.

Note 9: The Bank had no disclosures to make as regards the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 10: The Bank had no disclosures to make as regards the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940).

b) Excluded overdue loans and receivables: None.

c) Concentration of credit risk

December 31, 2014

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking (Note 1)	**Group (Industry Category) (Note 2)**	**Total Credit (Note 3)**	**Percentage of Net Worth**
1	A Group (011700 petroleum and coal products manufacturing)	$ 8,810,256	7.75
2	B Group (016022 cable and other pay programs broadcasting)	4,551,280	4.00
3	C Group (011850 artificial fiber manufacturing)	4,044,000	3.56
4	D Group (016700 real estate development)	3,872,522	3.41
5	E Group (012641 LCD and related components manufacturing)	3,562,109	3.13
6	F Group (010319 manufacture of computers, electronic and optical products)	3,453,744	3.04
7	G Group (017112 engineering activities and related technical consultancy)	2,944,758	2.59
8	H Group (012611 IC manufacturing)	2,566,170	2.26
9	I Group (012630 Manufactured of Bare Printed Cirtuit Boards)	2,477,067	2.18
10	J Group (010315 manufacture of other non-metallic mineral products)	1,932,978	1.70

Note 1: The list shows rankings of the top 10 borrowers by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the Group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China of the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Under Article 6 of the "Supplementary Provisions to the Taiwan Stock Exchange Corporation criteria for the Review of Securities Listings", "Group" refers to the entity that has a controlling or subordinate relationship with the counter-party that obtained loans from the Bank.

Note 3: Credit balance means the sum of all the loans (including import bills negotiated, export bills negotiated, discounts, overdrafts, short-term secured and unsecured loans, marginal receivables, medium-term secured and unsecured loans, long-term secured and unsecured loans, and overdue receivables), exchange bills negotiated, accounts receivable factored without recourse, acceptances receivable, and guarantees issued.

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, due from the Central Bank and other banks, financial assets at fair value through profit or loss, discounts, loans, 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)

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)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ 4,555,100	$ 215,704	$ 259,430	$ 253,740	$ -	$ 5,283,974
Securities sold under repurchase agreements	7,058,297	-	-	-	-	7,058,297
Payables	305,475	41,911	18,655	1,038	-	367,079
Deposits and remittances	20,573,553	26,176,002	40,443,980	4,567,915	4,668	91,766,118
Bank debentures payable	10,071,148	-	1,000,000	-	2,750,000	13,821,148
Other capital outflow on maturity	748,807	373,762	13,205	6,026	1,328,265	2,470,065
Subtotal	$ 43,312,380	$ 26,807,379	$ 41,735,270	$ 4,828,719	$ 4,082,933	$ 120,766,681

(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)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Call loans from banks	$ 135,000	$ -	$ -	$ -	$ -	$ 135,000
Securities sold under repurchase agreements	728,574	857,481	187,119	-	-	1,773,174
Payables	1,291	1,507	926	483	-	4,207
Deposits and remittances	1,912,304	210,908	300,092	119,167	-	2,542,471
Other capital outflow on maturity	20,966	2,525	197	-	11,995	35,683
Subtotal	$ 2,798,135	$ 1,072,421	$ 488,334	$ 119,650	$ 11,995	$ 4,490,535

4) Maturity analysis of derivative instruments

a) Net settled derivative instruments

Net settled derivative instruments of the Bank include:

Equity derivatives instruments: Equity option.

Assessment of contractual maturities was a basis of understanding derivative instruments presented in the consolidated balance sheet. Amounts disclosed in the table are based on as the contractual cash flows; thus, some amounts will not match those in the consolidated balance sheets. Maturity analyses of net settled derivative instruments were as follows:

(In Thousands of New Taiwan Dollars)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at FVTPL						
Equity derivatives instruments	$ 4,665	$ -	$ -	$ -	$ -	$ 4,665

b) Gross settled derivative instruments

Gross settled derivative instruments of the Bank include:

i. Foreign currency derivatives instruments: Foreign currency future contracts, currency swap contracts and forward exchange contracts.

ii. Interest rate derivatives instruments: Interest rate swap contracts, cross-currency swap contracts, asset swap contracts and interest rate future contracts.

The following tables show the cash outflows on the Bank's gross-settled derivative instruments by period from the consolidated balance sheet dates to contract maturity dates. Assessment of contractual maturities was a basis of understanding derivative instruments presented in the consolidated balance sheets. Amounts disclosed in the tables were based on the contractual cash flows; thus, some amounts will not match those in the consolidated balance sheets. Maturity analyses of gross settled derivative instruments were as follows:

(In Thousands of New Taiwan Dollars)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at FVTPL						
Foreign currency derivatives instruments						
Cash outflow	$ (147,438,705)	$ (184,409,292)	$ (38,203,727)	$ (28,640,724)	$ -	$ (398,692,448)
Cash inflow	136,466,137	185,324,338	58,780,013	28,041,051	-	408,611,539
Interest rate derivative instruments						
Cash outflow	(1,698,393)	(1,398,701)	(9,942,210)	(4,142,367)	(52,040,127)	(69,221,798)
Cash inflow	188,739	1,338,243	8,316,423	900,000	1,241,199	11,984,604
Cash outflow subtotal	(149,137,098)	(185,807,993)	(48,145,937)	(32,783,091)	(52,040,127)	(467,914,246)
Cash inflow subtotal	136,654,876	186,662,581	67,096,436	28,941,051	1,241,199	420,596,143
Net cash flow	$ (12,482,222)	$ 854,588	$ 18,950,499	$ (3,842,040)	$ (50,798,928)	$ (47,318,103)

(In Thousands of U.S. Dollars)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at FVTPL						
Foreign currency derivatives instruments						
Cash outflow	$ (6,161,353)	$ (6,294,339)	$ (1,959,846)	$ (1,015,204)	$ -	$ (15,430,742)
Cash inflow	6,530,571	6,241,225	1,294,217	1,051,239	-	15,117,252
Interest rate derivative instruments						
Cash outflow	(31,961)	(88,811)	(91,544)	(48,329)	(97,808)	(358,453)
Cash inflow	31,715	57,856	88,893	18,140	40,000	236,604
Cash outflow subtotal	(6,193,314)	(6,383,150)	(2,051,390)	(1,063,533)	(97,808)	(15,789,195)
Cash inflow subtotal	6,562,286	6,299,081	1,383,110	1,069,379	40,000	15,353,856
Net cash flow	$ 368,972	$ (84,069)	$ (668,280)	$ 5,846	$ (57,808)	$ (435,339)

5) Maturity analysis of off-balance sheet items

The following table sorts the Bank's off-balance sheet items by period from the consolidated balance sheet dates to contract maturity dates. Amounts disclosed in the table were based on as the contractual cash flows; thus some amounts will not match those in the consolidated balance sheets.

(In Thousands of New Taiwan Dollars)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees, and letters of credit	$ 770,777	$ 1,272,047	$ 824,525	$ 2,241,210	$ 9,647,038	$ 14,755,597

6) Maturity analysis of lease commitments and capital outflow commitments

The Bank and subsidiaries' lease commitments included operating leases and finance leases. Operating lease commitments were the future minimum payments under noncancellable operating lease where the Bank or its subsidiary is the lessee or lessor. The maturity analyses of lease commitments and capital outflow commitments are as follows:

(In Thousands of New Taiwan Dollars)

December 31, 2014	Within 1 Year	1- 5 Years	Over 5 Years	Total
Financial lease gross incomes (lessor)	$ 3,803,497	$ 3,506,051	$ -	$ 7,309,548
Financial lease present value incomes (lessor)	3,447,214	3,271,053	-	6,718,267

7) 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)

December 31, 2015	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 884,933	$ 713,673	$ 12,205,182	$ 513,495	$ 1,109,081	$ 55,552,135	$ 70,978,499
Cash outflow	50,626	7,532	166,209	4,956	6,660	69,400,808	69,636,791
Gap	834,307	706,141	12,038,973	508,539	1,102,421	(13,848,673)	1,341,708

(In Thousands of New Taiwan Dollars)

December 31, 2014	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 90,433,015	$ 152,257,282	$ 206,757,042	$ 81,932,528	$ 43,649,775	$ 121,793,742	$ 696,823,384
Cash outflow	67,049,956	132,561,787	225,263,197	105,298,185	58,947,274	199,327,243	788,447,642
Gap	23,383,059	19,695,495	(18,506,155)	(23,365,657)	(15,297,499)	(77,533,501)	(91,624,258)

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

(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
Cash inflow	$ 34	$ -	$ -	$ -	$ 1,208	$ 1,242
Cash outflow	-	-	-	-	45,467	45,467
Gap	34	-	-	-	(44,259)	(44,225)

(In Thousands of U.S. Dollars)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Cash inflow	$ 8,183,423	$ 7,064,215	$ 2,047,725	$ 2,062,273	$ 1,168,346	$ 20,525,982
Cash outflow	9,139,587	7,717,169	2,858,597	1,624,469	892,844	22,232,666
Gap	(956,164)	(652,954)	(810,872)	437,804	275,502	(1,706,684)

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 on financial assets held for trading.

2) Risk management policies

To have a common-language of market risk management, definition, communication and measurement, the Bank has developed "Market Risk Policy" based on Regulations Governing the Capital Adequacy Ratio of Banks and on market risk calculation tables announced by FSC, international standards, and CDFH's market risk management policy framework.

The "Market Risk Policy" is applicable to "Trading Book" positions defined by the Regulations Governing the Capital Adequacy Ratio of Banks related market risk calculation tables and the Bank's book management approach to financial instrument handling.

Following the "Market Risk Policy", the Bank sets up the "Market Risk Management Procedure to Trading Activities" to manage market risk throughout the Firm. This procedure includes risk identification and assessment, risk measurement, risk monitoring and response, risk reporting and contingency management processes.

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

The Bank's market risk limits include position sensitivities, stop-loss limits, Value-at-Risk (VaR).

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 profit or loss on trading positions, limits usage, stress testing, trading portfolio risk assessment, as well as significant exception if any.

The risk management unit of the Bank independently performs daily market risk limit controls, and monthly reports to both the Risk Management Committee and CDFH's Risk Management Committee. Besides, the above reports are regularly presented to the Board for reference.

4) Mitigation of risks or hedging of market risk

The Bank's market risk positions or hedging positions are marked to market on a daily base through techniques such as model evaluation. All market parameters are updated at least daily in accordance with changes in market conditions. Market Risk Limits are regularly reviewed and controlled based on the revaluation results.

5) Valuation techniques of market risk

The Bank uses the VaR model and/or stress testing to evaluate the potential and/or extreme risk of trading portfolios. Through variations of the assumptions on market conditions, these techniques can be used to assess the market risk of positions held and the maximum expected loss.

VaR is calculated using a one-day time horizon with a 95% confidence level.

	December 31, 2015			December 31, 2014		
	Average	Highest	Lowest	Average	Highest	Lowest
Value at risk of foreign exchange rate	$ -	$ -	$ -	$ 8,322	$ 17,544	$ 1,955
Value at risk of interest rate	-	-	-	65,735	100,306	6,725
Value at risk of equity stocks	-	-	-	15,416	18,764	12,103
Total value at risks	-	-	-	69,064	-	-

6) 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)

	December 31, 2015		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 277,125	33.066	$ 9,163,406
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	18,379	33.066	607,724

	December 31, 2014		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 4,545,083	31.718	$ 144,160,953
RMB	2,245,478	5.103	11,459,573
HKD	280,055	4.090	1,145,342
EUR	21,178	38.550	816,398
AUD	12,695	25.960	329,557
JPY	1,171,895	0.265	310,786
KRW	6,202,560	0.029	180,339
Nonmonetary items			
HKD	446,456	4.090	1,825,869
RMB	20,364	5.103	103,918
Investments accounted for using the equity method			
RMB	137,655	5.103	702,508

(Continued)

	December 31, 2014		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
<u>Financial liabilities</u>			
Monetary items			
USD	$ 3,253,661	31.718	$ 103,199,634
RMB	1,597,356	5.103	8,151,944
NZD	17,638	24.853	438,346
EUR	9,844	38.550	379,477
AUD	10,141	25.960	263,250
JPY	920,698	0.265	244,169
KRW	5,504,389	0.029	160,040
ZAR	37,845	2.740	103,687

(Concluded)

7) 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)

December 31, 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	$ 12,623,859	$ -	$ -	$ 161,308	$ 12,785,167
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	12,623,859	-	-	161,308	12,785,167
Net worth					68,478,629
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					19

December 31, 2014

(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	$ 115,356,492	$ 5,359,256	$ 383,709	$ 76,625,179	$ 197,724,636
Interest rate-sensitive liabilities	71,204,777	38,250,410	4,560,290	3,825,816	117,841,293
Interest rate sensitivity gap	44,151,715	(32,891,154)	(4,176,581)	72,799,363	79,883,343
Net worth					110,436,045
Ratio of interest rate-sensitive assets to liabilities (%)					168
Ratio of interest rate-sensitive gap to net worth (%)					72

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)

December 31, 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	$ 34	$ -	$ -	$ -	$ 34
Interest rate-sensitive liabilities	-	-	-	-	-
Interest rate sensitivity gap	34	-	-	-	34
Net worth					31,612
Ratio of interest rate-sensitive assets to liabilities (%)					-
Ratio of interest rate-sensitive gap to net worth (%)					-

December 31, 2014

(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	$ 1,985,592	$ 456,352	$ 660,575	$ 1,843,532	$ 4,946,051
Interest rate-sensitive liabilities	3,844,267	487,211	119,167	-	4,450,645
Interest rate sensitivity gap	(1,858,675)	(30,859)	541,408	1,843,532	495,406
Net worth					105,291
Ratio of interest rate-sensitive assets to liabilities (%)					111
Ratio of interest rate-sensitive gap to net worth (%)					471

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).

e. Offsetting financial assets and financial liabilities

CDIB has no transactions of financial instruments that correspond to the provisions of IAS 32-42, but there are enforceable master netting arrangements or similar agreements signed with counterparty, and the financial assets and financial liabilities can be offset when both sides of the transaction have decided to, but gross settlements if not. One can choose net settlement if the other side of the transaction is in breach of the contract.

Related information of offsetting financial assets and financial liabilities are as follows:

December 31, 2014						
Financial Assets under Offsetting, Net Settlement Contracts or Similar Agreements						
Item	**Recognized Financial Assets - Gross Amount (a)**	**Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount (b)**	**Recognized Financial Assets - Net Amount (c)=(a)-(b)**	**Related Amount Not Netted on the Balance Sheet (d)**		**Net Amount (e)=(c)-(d)**
				Financial Instruments (Note)	**Cash Received as Collaterals**	
Derivative instruments	$ 22,073,934	$ -	$ 22,073,934	$ 6,649,308	$ 141,921	$ 15,282,705
Notes and bonds issued under repurchase agreements	23,414,342	-	23,414,342	23,414,342	-	-
	$ 45,488,276	$ -	$ 45,488,276	$ 30,063,650	$ 141,921	$ 15,282,705

Note: Including netting settlement agreement and non-cash financial collaterals.

December 31, 2014						
Financial Liabilities under Offsetting, Net Settlement Contracts or Similar Agreements						
Item	Recognized Financial Liabilities - Gross Amount (a)	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount (b)	Recognized Financial Liabilities - Net Amount (c)=(a)-(b)	Related Amount Not Netted on the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	$ 23,279,859	$ -	$ 23,279,859	$ 6,649,308	$ 5,884,374	$ 10,746,177
Notes and bonds issued under repurchase agreement	63,299,830	-	63,299,830	63,299,830	-	-
	$ 86,579,689	$ -	$ 86,579,689	$ 69,949,138	$ 5,884,374	$ 10,746,177

Note: Including netting settlement agreement and non-cash financial collaterals.

47. 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			December 31, 2015	December 31, 2014
Eligible capital	Common stockholders' equity		$ 14,497,173	$ 45,327,171
	Other Tier 1 capital		-	-
	Tier 2 capital		-	-
	Eligible capital		14,497,173	45,327,171
Risk-weighted assets	Credit risk	Standardized approach	4,880,609	213,061,881
		Internal rating-based approach	N/A	N/A
		Securitization	-	-
	Operational risk	Basic indicator approach (Note4)	6,668,563	12,540,050
		Standardized approach/alternative standardized approach	N/A	N/A
		Advanced measurement approach	N/A	N/A
	Market risk	Standardized approach	1,795,975	30,065,413
		Internal model approach	N/A	N/A
	Total risk-weighted assets		13,345,147	255,667,344
Capital adequacy ratio			108.63%	17.73%
Ratio of common stockholders' equity to risk-weighted assets			108.63%	17.73%
Ratio of Tier 1 capital to risk-weighted assets			108.63%	17.73%
Leverage ratio			89.92%	7.71%

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.

48. 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:

Balance Sheets of Trust Accounts

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2014	Liabilities	December 31, 2014
Bank deposits	$ 585,031	Payables	$ 2,210
Financial assets at fair value through profit or loss	5,076,358	Other liabilities	1,280,000
		Trust capital	6,500,406
Financial assets measured at cost	1,400,000	Reserve and retained earnings	
		Accumulated deficit	1,156,851
Real estate, net	797,943	Appropriation of income	(100,391)
Other assets	1,117,998	Net income	138,254
		Total capital surplus and related earnings	1,194,714
Total	$ 8,977,330	Total	$ 8,977,330

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Years Ended December 31	
	2015	2014
Trust income and gains		
Gain on financial assets at FVTPL, net	$ 225,466	$ -
Interest income	15,721	73,483
Rental income	1,025	12,098
Dividend income	-	150,406
Total trust income and gains	242,212	235,987
Trust expenses		
Interest expenses	19,635	45,645
Trust administrative	188	4,197
Loss on financial assets at FVTPL, net expense	-	45,579
Other expenses	34	2,312
Total trust expenses	19,857	97,733
Net income before income tax	$ 222,355	$ 138,254

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

The above income from trust operations were excluded from CDIB's income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	**December 31, 2014**
Bank deposits	$ 585,031
Financial assets at FVTPL	5,076,358
Financial assets measured at cost	1,400,000
Real estate, net	797,943
Payments for others	1,115,230
Other assets	2,768
	$ 8,977,330

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

49. 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 41 to the consolidated financial statements.

50. PROFITABILITY

(%)

Items		**December 31**	
		2015	**2014**
Return on total assets	Before income tax	1.78	2.04
	After income tax	1.79	1.87
Return on net worth	Before income tax	5.23	7.85
	After income tax	5.27	7.18
Profit margin		70.25	68.82

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.

51. 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 41 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: Please refer to Notes 8, 45 and 46 to the consolidated financial statements.

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).

52. 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 year ended December 31, 2015					
Interest profit, net	$ 175,133	$ 461,863	$ 773,280	$ 34,712	$ 1,444,988
Net revenue (loss) - intersegment	(483,143)	(215,699)	(58,082)	756,924	-
Noninterest profits and gains, net	3,746,597	1,248,978	150,556	368,427	5,514,558
Net revenue	3,438,587	1,495,142	865,754	1,160,063	6,959,546
Reversal of allowance for bad debts and losses on guarantees, net	116,456	358	87,358	1,585	205,757
Operating expenses	(1,100,911)	(133,558)	(215,193)	(860,264)	(2,309,926)
Income before income tax	2,454,132	1,361,942	737,919	301,384	4,855,377
Income tax benefit (expense)	(67,514)	-	(6,084)	107,172	33,574
Net profit	$ 2,386,618	$ 1,361,942	$ 731,835	$ 408,556	$ 4,888,951
For the year ended December 31, 2014					
Interest profit (loss), net	$ 140,704	$ 1,544,719	$ 3,000,719	$ (9,161)	$ 4,676,981
Net revenue (loss) - intersegment	(362,313)	(128,788)	(403,946)	895,047	-
Noninterest profits and gains (losses), net	6,915,563	(89,262)	290,846	239,913	7,357,060
Net revenue	6,693,954	1,326,669	2,887,619	1,125,799	12,034,041
Reversal of allowance (allowance) for bad debts and losses on guarantees, net	50,143	1,284	(177,955)	96,661	(29,867)
Operating expenses	(1,199,221)	(327,556)	(714,497)	(710,262)	(2,951,536)
Income before income tax	5,544,876	1,000,397	1,995,167	512,198	9,052,638
Income tax benefit (expense)	(340,757)	-	(2,202)	(428,084)	(771,043)
Net profit	$ 5,204,119	$ 1,000,397	$ 1,992,965	$ 84,114	$ 8,281,595

b. Segment assets and liabilities

	Principal Investment Business	Financial Market Business	Corporate Banking Business	Others	Total
December 31, 2015					
Assets	$ 57,523,921	$ -	$ -	$ 15,252,626	$ 72,776,547
Liabilities	$ 1,537,448	$ -	$ -	$ 1,623,394	$ 3,160,842
December 31, 2014					
Assets	$ 70,170,948	$ 214,006,828	$ 174,200,593	$ 15,612,312	$ 473,990,681
Liabilities	$ 1,689,482	$ 171,574,418	$ 179,736,420	$ 4,891,340	$ 357,891,660

c. Geographical information

The Bank and subsidiaries' revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	For the Years Ended December 31	
	2015	**2014**
Taiwan	$ 4,279,047	$ 9,980,459
British Virgin Islands	1,224,025	855,567
Malaysia	483,605	468,406
China	287,561	277,696
Hong Kong	202,067	232,056
Grand Cayman	395,164	137,632
Others	88,077	82,225
	$ 6,959,546	$ 12,034,041

d. Information about major customers

No revenue from any individual customer exceeded 10% of the Bank and subsidiaries' revenue in 2015 and 2014.

TABLE 1

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Capital Management Corp. (formerly CDIB Equity Inc.)	Stocks							
	Tong Hsing Electronic Industries, Ltd.	-	Available-for-sale financial assets	660,000	$ 50,622	0.41	$ 50,622	
	Aten International Co., Ltd.	-	Available-for-sale financial assets	65,660	4,622	0.05	4,622	
	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	1,659	0.17	1,659	
	Giga Solution Tech. Co., Ltd.	-	Available-for-sale financial assets	440,916	8,884	0.37	8,884	
	Pili International Multimedia Co., Ltd.	-	Available-for-sale financial assets	300,000	23,790	0.68	23,790	
	Initio Corporation	-	Financial assets measured at cost	93,285	684	0.52	613	
	Arcoa Communication Co., Ltd.	-	Financial assets measured at cost	783,000	7,493	0.58	17,326	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	235,474	4,485	0.70	924	
	EVA Technologies Co., Ltd.	-	Financial assets measured at cost	744,058	12,060	1.44	6,769	
	Luminous Town Electric Co., Ltd.	-	Financial assets measured at cost	1,442,883	13,645	2.16	17,222	
	MCM Stamping Co., Ltd.	-	Financial assets measured at cost	70,000	2,100	0.22	1,080	
	Progate Group Corporation	-	Financial assets measured at cost	27,274	325	0.08	269	
	CDIB Private Equity (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using equity method	51,900,000	219,725	100.00	219,725	
	CDIB CME Fund Ltd.	Subsidiary	Investments accounted for using equity method	1,500,000	14,476	1.00	14,476	
	CDIB Biomedical Venture Capital Corporation	Subsidiary	Investments accounted for using equity method	1,750,000	17,048	1.00	17,048	
	CDIB Innovation Advisors Corporation Limited	Subsidiary	Investments accounted for using equity method	1,200,000	11,999	60.00	11,999	
CDIB Private Equity (Hong Kong) Corporation Limited	Stocks							
	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Subsidiary	Investments accounted for using equity method	-	HK$ 5,685	65.00	HK$ 5,685	
	CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using equity method	-	HK$ 220	4.53	HK$ 220	
CPEC Huachuang Private Equity (Kunshan) Co., Ltd.	Stock							
	CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using equity method	-	RMB 3,826	93.02	RMB 3,826	
CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	Fund							
	CPEC Huachuang Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using equity method	-	RMB 3,935	-	RMB 3,935	
CDIB Venture Capital Corporation	Stocks							
	Iron Force Industrial Co., Ltd.	-	Available-for-sale financial assets	100,000	15,800	0.13	15,800	
	Aten International Co., Ltd.	-	Available-for-sale financial assets	2,283,567	160,763	1.91	160,763	
	Anpec Electronics Corporation	-	Available-for-sale financial assets	3,709,011	87,718	3.69	87,718	
	Macroblock, Inc.	-	Available-for-sale financial assets	250,000	10,900	0.77	10,900	
	Taihan Precision Technology Co., Ltd.	-	Available-for-sale financial assets	4,117,158	33,843	6.56	33,843	
	Dynamic Electronics Co., Ltd.	-	Available-for-sale financial assets	3,285,131	30,387	1.17	30,387	
	Formosa Advanced Technologies Co., Ltd.	-	Available-for-sale financial assets	100,000	2,025	0.02	2,025	
	Chicony Power Technology Co., Ltd.	-	Available-for-sale financial assets	4,008,322	168,350	1.09	168,350	
	Solartech Energy Corp.	-	Available-for-sale financial assets	5,215,328	101,717	1.41	101,717	
	Neo Solar Power Corp.	-	Available-for-sale financial assets	2,337,996	49,067	0.27	49,067	
	Lextar Electronics Corp.	-	Available-for-sale financial assets	2,608,065	44,859	0.43	44,859	
	Gallant Precision Machine Co., Ltd.	-	Available-for-sale financial assets	1,247,499	21,519	0.76	21,519	
	Shin Zu Shing Co., Ltd.	-	Available-for-sale financial assets	613,462	77,603	0.34	77,603	
	Hua Jung Co., Ltd.	-	Available-for-sale financial assets	2,021,275	10,773	1.13	10,773	
	Chipsip Technology Co., Ltd.	-	Available-for-sale financial assets	428,928	3,689	1.02	3,689	
	Sunfun Info Co., Ltd.	-	Available-for-sale financial assets	810,000	20,331	6.36	20,331	
	ASRock Inc.	-	Available-for-sale financial assets	424,462	16,894	0.37	16,894	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Venture Capital Corporation	Stocks							
	Share Hope Medicine Co., Ltd.	-	Available-for-sale financial assets	223,663	$ 10,456	0.36	$ 10,456	
	Hotron Precision Electronic Industrial Co., Ltd.	-	Available-for-sale financial assets	1,273,387	19,929	2.01	19,929	
	ADDA Corp.	-	Available-for-sale financial assets	4,015,430	26,422	2.75	26,422	
	Topoint Technology Co., Ltd.	-	Available-for-sale financial assets	2,513,383	57,933	1.58	57,933	
	Aces Connectors Co., Ltd.	-	Available-for-sale financial assets	2,850,421	81,665	2.30	81,665	
	China Communications Media Group Co., Ltd.	-	Available-for-sale financial assets	1,110,000	44,733	2.93	44,733	
	Focal Tech Corporation, Ltd.	-	Available-for-sale financial assets	495,352	16,916	0.17	16,916	
	Sino-American Silicon Products Inc.	-	Available-for-sale financial assets	2,594,562	121,296	0.45	121,296	
	Enterex International Limited	-	Available-for-sale financial assets	3,750,000	109,500	3.73	109,500	
	Trea Xtal Technology Corp.	-	Available-for-sale financial assets	4,250,961	9,182	2.23	9,182	
	HIM International Music Inc.	-	Available-for-sale financial assets	1,136,960	124,497	2.68	124,497	
	Capital Securities Corporation	-	Available-for-sale financial assets	884,887	8,769	0.04	8,769	
	Andes Technologies Co., Ltd.	-	Available-for-sale financial assets	930,385	68,579	2.59	68,579	
	Newmax Technology Co., Ltd.	-	Available-for-sale financial assets	743,847	12,645	0.73	12,645	
	Global Sweeteners Holdings Ltd.	-	Available-for-sale financial assets	6,400,000	4,806	0.42	4,806	
	Victory Circuit Co., Ltd.	-	Available-for-sale financial assets	202,480	12,744	0.34	12,744	
	Dee Van Enterprise Co., Ltd.	-	Financial assets measured at cost	1,408,659	35,751	2.01	16,411	
	Allied Biotech Corp.	-	Financial assets measured at cost	2,750,000	27,500	2.91	35,750	
	Yenyo Technology Co., Ltd.	-	Financial assets measured at cost	500,000	5,250	1.24	4,638	
	Chain Yarn Co., Ltd.	-	Financial assets measured at cost	843,653	11,504	0.55	5,737	
	Compliance Certification Services Inc.	-	Financial assets measured at cost	749,271	15,000	2.12	21,324	
	Kentec Inc.	-	Financial assets measured at cost	1,512,000	45,720	1.64	29,839	
	Top Green Technologies Inc.	-	Financial assets measured at cost	2,000,000	20,000	0.89	10,153	
	Biodenta Corporation	-	Financial assets measured at cost	4,333,333	32,500	3.32	24,267	
	M2Communication, Inc.	-	Financial assets measured at cost	5,090,000	74,610	17.13	124,126	
	Jochu Technology Co., Ltd.	-	Financial assets measured at cost	3,725,007	107,176	4.48	38,368	
	STL Technology Co., Ltd.	-	Financial assets measured at cost	7,002,053	255,605	9.95	46,942	
	Interactive Digital Technologies Inc.	-	Financial assets measured at cost	2,881,000	59,195	6.86	115,211	
	Luxtaltek Corporation	-	Financial assets measured at cost	124,474	2,197	0.20	612	
	Excelsior Medical Co., Ltd.	-	Financial assets measured at cost	33,000	146,075	4.81	218,242	
	Strong LED Lighting Systems (Cayman) Co., Ltd.	-	Financial assets measured at cost	2,990,000	44,445	9.09	89,089	
	Hartec Asia Pte. Ltd.	-	Financial assets measured at cost	2,800,000	99,603	10.23	85,154	
	GSD Technologies Co., Ltd.	-	Financial assets measured at cost	5,841,702	108,946	19.47	198,169	
	Shengzhuang Holding Limited	-	Financial assets measured at cost	610,590	151,150	6.11	202,498	
	Crown Bioscience, International	-	Financial assets measured at cost	6,076,476	105,485	2.59	161,679	
	Dyaco Co., Ltd.	-	Financial assets measured at cost	5,575,500	175,230	6.80	176,743	
	Fukuta Co., Ltd.	-	Financial assets measured at cost	1,400,000	119,000	4.91	132,025	
	DL-tek Co., Ltd.	-	Financial assets measured at cost	3,697,639	51,100	1.05	52,650	
	Cvie Therapeutics Limited.	-	Financial assets measured at cost	1,302,647	61,969	4.15	66,667	
	Zentera Systems, Inc.-preferred stock	-	Financial assets measured at cost	1,324,503	61,900	17.98	117,601	(Note 4)
	Greenvines Corporation	-	Financial assets measured at cost	136,363	12,000	13.11	17,437	
	AMPAK Technology Inc.	-	Financial assets measured at cost	1,208,650	24,795	1.44	32,005	
	Azotek Co., Ltd.	-	Financial assets measured at cost	824,500	27,645	1.65	10,136	
	Evervision Electronics Co., Ltd.	-	Financial assets measured at cost	476,977	10,406	2.59	8,058	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets measured at cost	1,500,000	33,000	0.60	5,027	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	630,518	8,995	1.87	2,474	
	Greatland Electronics Taiwan Ltd.	-	Financial assets measured at cost	1,920,000	6,720	5.50	20,517	
	Cando Corporation	-	Financial assets measured at cost	4,848,058	2,473	1.24	2,495	
	CBA Sports International Ltd.	-	Financial assets measured at cost	514,821	78,046	-	62,277	
	Derbysoft Holdings Limited-preferred stock A	-	Financial assets measured at cost	28,000,000	91,938	45.78	103,325	(Note 4)
	Derbysoft Holdings Limited-preferred stock B	-	Financial assets measured at cost	4,643,469	15,297	9.26	17,135	(Note 4)
	CDIB Venture Capital (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using equity method	420,000,000	1,582,533	100.00	1,582,533	
	Options							
	CBA Sports International Ltd.	-	Financial assets measured at cost	-	142,819	-	290,628	
	Convertible (exchangeable) corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	-	188,401	-	188,401	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2015 Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	Note
CDIB Venture Capital (Hong Kong) Corporation Limited	Stocks							
	CDIB Private Equity Management Corporation	Subsidiary	Investments accounted for using equity method	-	HK$ 13,527	100.00	HK$ 13,527	
	CPEC Huakai Private Equity (Fujian) Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	HK$ 15,051	70.00	HK$ 15,051	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using equity method	-	HK$ 7,862	56.00	HK$ 7,862	
	Fund							
	CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using equity method	-	HK$ 152,034	-	HK$ 152,034	
	CPEC Huachuang Private (Kushan) Enterprise (Limited Partnership)	Associate	Investments accounted for using equity method	-	HK$ 136,235	-	HK$ 136,235	
CPEC Huakai Private Equity (Fujian) Co., Ltd.	Stock							
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using equity method	-	RMB 2,380	20.00	RMB 2,380	
CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund							
	CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using equity method	-	RMB 3,756	-	RMB 3,756	
CDIB Capital Investment I Limited	Stocks							
	Subicvest, Inc.	Subsidiary	Investments accounted for using equity method	200,000	US$ 81	100.00	US$ 81	
	Samson Holding Ltd.	-	Available-for-sale financial assets	9,868,000	US$ 1,222	0.32	US$ 1,222	
	DaChan Food (Asia) Ltd.	-	Available-for-sale financial assets	48,210,000	US$ 5,474	4.74	US$ 5,474	
	Global Sweeteners Holdings Ltd.	-	Available-for-sale financial assets	28,000,000	US$ 636	1.83	US$ 636	
	B&M Holdings, Inc.	-	Financial assets measured at cost	199,999	US$ 8,828	10.00	US$ 9,723	
	BP SCI, LLC	-	Financial assets measured at cost	30,000	US$ 3,000	18.61	US$ 4,342	
	BP SCI, LLC-preferred Stock	-	Financial assets measured at cost	12,000	US$ 12,000	18.61	US$ 17,369	(Note 4)
	Great Team Backend Foundry Inc.-preferred stock	-	Financial assets measured at cost	1,636,800	US$ 818	1.91	US$ 817	(Note 4)
	Touch Media International Holdings-preferred stock -B	-	Financial assets measured at cost	8,097,973	US$ 8,826	60.44	US$ 8,826	(Note 4)
	Rock Mobile (Cayman) Co.-preferred stock-C	-	Financial assets measured at cost	840,336	US$ 1,000	3.26	US$ 845	(Note 4)
	Fund							
	CDIB Capital Asia Partners L.P.	Associate	Investments accounted for using equity method	-	US$ 39,745	-	US$ 39,745	
	Carlyle Asia Partners II, L.P.	-	Financial assets measured at cost	-	US$ 9,570	-	US$ 6,356	
	Ripley Cable Holdings I, L.P.	-	Financial assets measured at cost	-	US$ 540	-	US$ 2,702	
	Calera XV, LLC	-	Financial assets measured at cost	-	US$ 15,173	-	US$ 21,600	
	Option							
	Garden Fresh (HK) Fruit&Vegetable Beverage Co., Ltd.	-	Financial assets measured at cost	-	US$ 2,705	-	US$ 17,377	
	Convertible (exchangeable) corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Debt instruments with no active markets	-	US$ 6,619	-	US$ 6,479	
Subicvest, Inc.	Stock							
	SPEC Protertices, Inc.	-	Financial assets measured at cost	242,683	PHP 2,590	3.44	PHP 2,590	
CDIB Capital Investment II Limited	Stocks							
	Neo-neon Holdings Ltd.	-	Available-for-sale financial assets	14,000,000	US$ 1,897	0.72	US$ 1,897	
	Indostar Capital	-	Financial assets measured at cost	992,674	US$ 9,927	4.53	US$ 18,932	
	Indostar Everstone-preferred Stock	-	Financial assets measured at cost	992,332	US$ 9,923	9.37	US$ 18,837	(Note 4)
	Sungjoo Design Tech ＆ Distribution Inc. -preferred stock A	-	Debt instruments with no active markets	3,334	US$ 11,545	50.01	US$ 11,007	(Note 4)
	CBA Sports International Ltd.	-	Financial assets measured at cost	508,929	US$ 2,733	0.89	US$ 1,862	
	Option							
	Sungjoo Design Tech & Distribution Inc.	-	Financial assets measured at cost	-	US$ 1,833	-	US$ 12,108	
	CBA Sports International Ltd.	-	Financial assets measured at cost	-	US$ 4,867	-	US$ 8,689	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2015 Shares/Face Value/Units	December 31, 2015 Carrying Value (Note 2)	December 31, 2015 Percentage of Ownership	December 31, 2015 Market Value or Net Asset Value (Note 3)	Note
CDIB Capital Investment II Limited	Fund							
	Miare Asset Partners Private Equity Fund VII	-	Financial assets measured at cost	-	US$ 19,971	-	US$ 42,099	
CDIB Global Markets I Limited	Stock							
	Light Sciences Oncology, Inc.	-	Financial assets measured at cost	250,000	US$ 6	0.28	US$ 1	
	Fund							
	Tenaya Capital V, L.P.	-	Financial assets measured at cost	-	US$ 5,460	-	US$ 4,553	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets measured at cost	-	US$ 3,782	-	US$ 3,550	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets measured at cost	-	US$ 8,298	-	US$ 4,171	
	THL Equity Fund VI Investors (Clear Channel), L.P.	-	Financial assets measured at cost	-	US$ 12,476	-	US$ 4,990	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 3,838	-	US$ 4,905	
	Tenaya Capital VI, L.P.	-	Financial assets measured at cost	-	US$ 5,765	-	US$ 6,001	
CDIB Global Markets II Limited	Stocks							
	Gopro, Inc.	-	Available-for-sale financial assets	51,878	US$ 939	0.04	US$ 939	
	Globant S.A.	-	Available-for-sale financial assets	10,549	US$ 396	-	US$ 396	
	Flemingo International (BVI) Ltd.-preferred stock	-	Debt instruments with no active markets	834	US$ 19,980	39.94	US$ 32,630	(Note 4)
	Fund							
	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$ 9,991	-	US$ 12,437	
	Carlyle Asia Partners III, L.P.	-	Financial assets measured at cost	-	US$ 7,511	-	US$ 7,253	
	Riverwood Capital Partners, L.P.	-	Financial assets measured at cost	-	US$ 10,038	-	US$ 12,190	
	ECP II (Cayman) Ltd. A	-	Financial assets measured at cost	-	US$ 6,675	-	US$ 7,341	
	Sino-Century China Private Equity II L.P.	-	Financial assets measured at cost	-	US$ 520	-	US$ 391	
	KKR Asian Fund II L.P.	-	Financial assets measured at cost	-	US$ 2,653	-	US$ 3,250	
	Carlyle Giovanna Partners, L.P.	-	Financial assets measured at cost	-	US$ 14,750	-	US$ 38,338	
	Industry Ventures Fund VI, L.P.	-	Financial assets measured at cost	-	US$ 4,303	-	US$ 5,094	
	Formation8 Partners Fund I, L.P.	-	Financial assets measured at cost	-	US$ 2,133	-	US$ 4,994	
CDIB Global Markets III Limited	Stocks							
	Sonics, Inc.-preferred stock-B	-	Financial assets measured at cost	114,359	US$ 333	14.74	US$ 251	(Note 4)
	Microfabrica, Inc. -Preferred Series B	-	Financial assets measured at cost	13,091	US$ 27	0.12	US$ 18	(Note 4)
	Microfabrica, Inc. -Preferred Series AC	-	Financial assets measured at cost	7,749	US$ 13	0.48	US$ 10	(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$ 14	(Note 4)
	Fund							
	Carlyle Asia Partners IV, L.P.	-	Financial assets measured at cost	-	US$ 9,998	-	US$ 8,721	
	Blue Point Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 3,275	-	US$ 3,509	
	Riverwood Capital Partnrts II, L.P.	-	Financial assets measured at cost	-	US$ 4,719	-	US$ 3,975	
CDIB Capital International Corporation	Stocks							
	CDIB Capital International (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using equity method	15,400,000	US$ 5,440	100.00	US$ 5,440	
	CDIB Capital International (Korea) Corporation	Subsidiary	Investments accounted for using equity method	1,848,000	US$ 5,191	100.00	US$ 5,191	
	CDIB Capital International (USA) Corporation	Subsidiary	Investments accounted for using equity method	8,000,000	US$ 1,494	100.00	US$ 1,494	
	CDIB Capital Asia Partners Limited	Subsidiary	Investments accounted for using equity method	-	US$ (34)	100.00	US$ (34)	
CDIB Biotech USA Investment Co., Ltd.	Stocks							
	Amphastar Pharmaceuticals, Inc.	-	Available-for-sale financial assets	40,000	US$ 569	0.11	US$ 569	
	Confor MIS-common stock	-	Available-for-sale financial assets	306,707	US$ 5,303	0.78	US$ 5,303	
China Development Asset Management Corp.	Stocks							
	Development Industrial Bank Asset Management Corp.	Subsidiary	Investments accounted for using equity method	120,000,000	1,389,860	100.00	1,389,860	
	Chung Hwa Growth 3 Asset Management Corp.	Subsidiary	Investments accounted for using equity method	300,000,000	3,347,955	100.00	3,347,955	
	Chung Hwa Growth 4 Asset Management Corp.	Subsidiary	Investments accounted for using equity method	27,000,000	282,858	100.00	282,858	
	Pine Street Asset Management Corp.	-	Financial assets measured at cost	3,886,190	46,795	12.25	46,918	
	Waterland Securities Co., Ltd.	-	Financial assets measured at cost	9,748,769	8,672	1.07	102,224	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2015				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
Chung Hwa Growth 3 Asset Management Corp.	Bonds Bank of Kaohsiung -subordinated bank debenture	-	Held-to-maturity financial assets	100,000,000	$ 102,564	-	$ 102,564	

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 December 31, 2015. 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 CDIB Industrial Bank 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 YEAR ENDED DECEMBER 31, 2015
(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 Management Consulting Corporation	Investment accounted for using equity method	KGI Bank	Subsidiary	153,171,873	$ 1,655,048	-	$ -	153,171,873	$ 1,589,115	$ 1,565,817 (Note 1)	$ 23,298	-	$ -
	R.O.C. Strategic Company Ltd.	Investment accounted for using equity method	CDIB Venture Capital Corporation	Subsidiary	97,300,000	1,047,662	-	-	97,300,000	-	1,047,662 (Note 2)	-	-	-
	CDIB Strategic Venture Fund Ltd.	Investment accounted for using equity method	CDIB Venture Capital Corporation	Subsidiary	152,200,000	3,133,528	-	-	152,200,000	-	3,133,528 (Note 3)	-	-	-
	Star Energy Power Corp.	Financial assets measured at cost	-	-	30,000,000	300,000	-	-	30,000,000	648,773	300,000	348,773	-	-
	Cleanaway Company Limited	Available-for-sale financial assets	-	-	2,040,000	298,860	-	-	2,040,000	374,381	308,225	66,156	-	-
	Taiwan High Speed Rail Corporation - preferred stock	Debt measurements with no active market	-	-	107,526,000	999,992	-	-	107,526,000	999,992	999,992	-	-	-
CDIB Venture Capital Corporation	Stock													
	CDIB Venture Capital (Hong Kong) Corporation Limited	Investment accounted for using equity method	-	-	270,000,000	996,622	150,000,000	585,911 (Note 4)	-	-	-	-	420,000,000	1,582,533
	Deanfa Corporation - preferred stock	Financial assets measured at cost	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Affiliates	901,963	255,383	-	-	901,963	305,117	255,383	49,734	-	-
	Twi Pharmaceuticals, Inc.	Available-for-sale financial assets	-	-	2,268,260	149,642	-	-	2,268,260	459,029	149,642	309,387	-	-
	Victory New Materials Limited Company	Available-for-sale financial assets	-	-	3,386,613 (Note 5)	353,901 (Note 5)	-	-	3,386,613	309,301	353,901	(44,600)	-	-
CDIB Venture Capital (Hong Kong) Corporation Limited	Fund													
	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Investment accounted for using equity method	-	-	-	-	-	HK$ 136,235 (Note 6)	-	-	-	-	-	HK$ 136,235
CDIB Capital Investment I Limited	Fund													
	CDIB Capital Asia Partners L.P.	Investment accounted for using equity method	-	-	-	US$ 65,392	-	-	-	-	US$ 25,647 (Note 7)	-	-	US$ 39,745
	Ripley Cable Holdings I, L.P	Financial assets measured at cost	-	-		US$ 6,556	-	-		US$ 30,868	US$ 6,016	US$ 24,852		US$ 540
CDIB Global Market I Limited	Fund													
	KKR 2006 Fund L.P.	Financial assets measured at cost	-	-	-	US$ 17,625	-	US$ 18	-	US$ 16,679	US$ 17,643	(US$ 964)	-	-
	Sun Capital Partners V, L.P.	Financial assets measured at cost	-	-	-	US$ 12,521	-	US$ 295	-	US$ 13,141	US$ 12,816	US$ 325	-	-
	Silver Lake Partners III, L.P.	Financial assets measured at cost	-	-	-	US$ 11,617	-	US$ 20	-	US$ 11,392	US$ 11,637	(US$ 245)	-	-
CDIB Global Market II Limited	Fund													
	Clayton, Dubilier & Rice Fund VIII, L.P.	Financial assets measured at cost	-	-	-	US$ 7,444	-	US$ 24	-	US$ 10,852	US$ 7,468	US$ 3,384	-	-
CDIB Global Market III Limited	Fund													
	New Mountain Partners III, L.P.	Financial assets measured at cost	-	-	-	US$ 10,828	-	US$ 53	-	US$ 13,438	US$ 10,881	US$ 2,557	-	-

Note 1: Consists of $48,779 thousand cash dividends, exchange loss on translating foreign operations of $58,221 thousand, investment gain of $19,983 thousand, unrealized loss on available-for-sale financial assets of $2,182 thousand, additional paid-in capital increase $32 thousand and sold investment cost $1,476,586 thousand.

Note 2: Consists of reduction of the Corporation's capital of $500,000 thousand on June 12, 2015. The effective date of the merger between R.O.C. Strategic Company Ltd. and CDIB Venture Capital Corporation was November 1, 2015. CDIB Venture Capital Corporation was the survivor company after the merger.

Note 3: Consists of reduction of the Corporation's capital of $1,000,000 thousand on June 12, 2015. The effective date of the merger between CDIB Strategic Venture Fund Ltd. and CDIB Venture Capital Corporation was November 1, 2015. CDIB Venture Capital Corporation was the survivor company after the merger.

Note 4: Consists of $606,300 thousand from new issue, exchange loss on translating foreign operations of $11,295 thousand and investment loss of $9,094 thousand.

(Continued)

Note 5: Because of the above reasons of note two and three, it is the total number of common stock or total cost held by R.O.C. Strategic Company Ltd. and CDIB Strategic Venture Fund Ltd. respectively.

Note 6: Consists of HK$148,832 thousand from new issue, exchange loss on translating foreign operations of HK$9,844 thousand and investment loss HK$2,753 thousand.

Note 7: Consists of reduction of the Bank's capital of US$32,556 thousand, investment gain US$5,777 thousand and adjustments of retained earnings US$1,132 thousand.

Note 8: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

(Concluded)

TABLE 3

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
DECEMBER 31, 2015
(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	$ 690,918	-	$ -	-	$ -	$ -

TABLE 4

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

SOLD NONPERFORMING LOANS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

1. Summary of sold nonperforming loans

Transaction Date	Counter Party	Type of Loans	Carrying Value (Note)	Selling Price	Disposal Gain (Loss)	Other Condition	Relationship of Counter-party with the Subsidiaries
2015.03.24	A	Real estate mortgages	$ 6,662	$ 9,060	$ 2,398	-	-
2015.07.17	B	Real estate mortgages	9,065	17,100	8,035	-	-
2015.07.17	C	Real estate mortgages	-	200	200	-	-
2015.07.17	D	Real estate mortgages	-	200	200	-	-
2015.07.17	E	Real estate mortgages	4,042	5,300	(3,261)	-	-
2015.07.17	F	Real estate mortgages	1,670	1,700	(1)	-	-
2015.09.16	G	Real estate mortgages	1,560	1,560	-	-	-
2015.09.17	H	Real estate mortgages	147,620	225,000	19,053	-	-
2015.09.25	I	Real estate mortgages	13,019	14,009	(2,185)	-	-
2015.09.25	J	Real estate mortgages	50,217	53,822	(6,858)	-	-
2015.09.25	K	Real estate mortgages	53,936	57,509	(5,615)	-	-
2015.09.25	L	Real estate mortgages	-	280	280	-	-
2015.09.25	M	Real estate mortgages	-	380	380	-	-
2015.09.25	N	Real estate mortgages	-	380	380	-	-
2015.09.25	O	Real estate mortgages	-	240	240	-	-
2015.09.25	P	Real estate mortgages	-	380	380	-	-
2015.12.01	Q	Real estate mortgages	-	550	550	-	-
2015.12.01	R	Real estate mortgages	-	70	70	-	-
2015.12.16	S	Real estate mortgages	2,376	2,700	324	-	-
2015.12.29	T	Common stock mortgages	-	552	552	-	-

Note: Carrying value = Original amount - 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
DECEMBER 31, 2015

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership		Note
			December 31, 2015	December 31, 2014	
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 Corp. (formerly named CDIB Equity Inc.)	Management company of venture fund	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	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	
	CDIB Management Consulting Corporation	Management and consulting	-	100.00	
	CDIB Global Markets I Limited	Venture fund	100.00	100.00	
	CDIB Global Markets II Limited	Venture fund	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	
	CDIB Capital Investment II Limited	Venture fund	100.00	100.00	
	CDIB Capital International Corporation	Management company of venture fund	100.00	100.00	
CDIB Capital Investment I Limited	Subicvest Inc.	Leasing	100.00	100.00	
	CDIB Capital Asia Partners L.P.	Private equity fund	(Note 1)	(Note 1)	
CDIB Capital Asia Partners L.P.	CBTL Holdings Corporation	Venture fund	(Note 1)	100.00	
CDIB Management Consulting Corporation	CDC Finance & Leasing Corp.	Leasing	-	76.04	
	CDIB International Leasing Corp.	Leasing	-	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	
	Chung Hwa Growth 3 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	
	Chung Hwa Growth 4 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Management company of venture fund	100.00	100.00	
	CDIB Capital International (USA) Corporation	Management company of venture fund	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Management company of venture fund	100.00	100.00	
	CDIB Capital Asia Partners Limited	Management of private equity fund	100.00	100.00	(Note 2)
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership December 31, 2015	Percentage of Ownership December 31, 2014	Note
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	
	CPEC Huachung private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	56.00	56.00	
CPEC Huakai Private Equity (Fujian) Co., Ltd.	CPEC Huachung private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	20.00	20.00	
CDIB Capital Management Corporation (formerly CDIB Equity Inc.)	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	
	CDIB Innovation Advisors Corporation Limited	Management and consulting	60.00	-	
CDIB Private Equity (Hong Kong) Corporation Limited	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	65.00	65.00	
	CPEC Huachuang private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	4.53	4.53	
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	CPEC Huachuang private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	93.02	93.02	

Note 1: Under IFRS 10, the Bank will recognize control over CDIB Capital Asia Partners L.P. and CBTL Holdings Corporation, a wholly owned subsidiary of CDIB Asia Partners L.P. since the acquisition date. But prior to the application of IFRS 10, the subsidiary of the Bank's ownership interest in both of the companies are treated as investments in associate and thus accounted the investments as investments accounted for using the equity method. The Bank no longer has control over neither of the Company due to the decrease of the percentage owned by the Bank since March 31, 2015.

Note 2: CDIB conducted registration of establishment on March 21, 2014, however, as of December 31, 2015, CDIB had not invested capital.

Unconsolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership December 31, 2015	Percentage of Ownership December 31, 2014	Note
The Bank	CDIB Biotech USA Investment Co., Ltd.	Venture fund	50.00	50.00	As of December 31, 2015, 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.

(Concluded)

TABLE 6

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

INFORMATION ON INVESTED ENTERPRISES
DECEMBER 31, 2015
(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)	Shares	Percentage of Ownership	
Available-for-sale financial assets										
Financial industry - related										
China Development Financial Holding Corporation	Taiwan	Financial holding	0.14	$ 169,918	$ 12,388	347,254,711	-	347,254,711	2.29	
Nonfinancial industry - related										
Chipbond Technology Corporation	Taiwan	Manufacture, packaging and testing of semi-conductors	1.23	379,032	30,178	7,971,229	-	7,971,229	1.23	
King Yuan Electronics Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.79	198,900	19,998	9,229,695	-	9,229,695	0.79	
Inotera Memories, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.06	118,508	-	4,240,000	-	4,240,000	0.06	
Formosa Advanced Technologies Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.46	40,844	2,857	2,117,000	-	2,117,000	0.48	
Transcend Information Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	1.23	455,434	44,759	5,350,886	-	5,350,886	1.24	
Chipsip Technology Co., Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	4.56	16,471	-	2,344,216	-	2,344,216	5.58	
Aspeed Technology Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.42	45,184	783	134,276	-	134,276	0.42	
FocalTech Corporation Ltd.	Taiwan	Manufacture, packaging and testing of semi-conductors	1.22	121,849	1,584	4,063,413	-	4,063,413	1.39	
Sino-America Silicon Products Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.59	160,070	6,163	6,085,662	-	6,085,662	1.05	
Global Wafers Co., Ltd. Taiwan	Taiwan	Manufacture, packaging and testing of semi-conductors	0.79	226,442	10,876	2,918,072	-	2,918,072	0.79	
Topoint Technology Co., Ltd.	Taiwan	Metal processing	2.17	79,774	4,231	5,974,293	-	5,974,293	3.75	
De Poan Pneumatic Corp.	Taiwan	Metal processing	4.06	34,116	-	2,093,000	-	2,093,000	4.06	
China Metal Products Co., Ltd.	Taiwan	Metal processing	3.24	302,180	18,735	12,490,003	-	12,490,003	3.24	
Sharehope Medicine Co., Ltd.	Taiwan	Wholesale trade	4.29	125,104	1,242	2,899,693	-	2,899,693	4.65	
Tong Hsing Electronic Industries, Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	0.86	107,399	9,321	2,060,248	-	2,060,248	1.26	
Epistar Corporation	Taiwan	Manufacture of basic metals and fabricated metal products	0.22	62,286	2,026	2,442,607	-	2,442,607	0.22	
Lextar Electronics Corp.	Taiwan	Manufacture of basic metals and fabricated metal products	1.83	189,889	11,704	13,648,130	-	13,648,130	2.26	
InnoLux Display Corporation	Taiwan	Manufacture of basic metals and fabricated metal products	0.09	88,791	6,270	8,970,486	-	8,970,486	0.09	
Tera Xtal Technology Co., Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	0.71	2,933	-	5,608,933	-	5,608,933	2.94	
Green Energy Technology Inc.	Taiwan	Manufacture of solar cells	0.09	8,676	-	371,561	-	371,561	0.09	
Solartech Energy Corp.	Taiwan	Manufacture of solar cells	2.12	159,503	786	13,072,594	-	13,072,594	3.52	
Neo Solar Power Corp.	Taiwan	Manufacture of solar cells	1.63	321,136	2,804	16,350,420	-	16,350,420	1.91	
Eversol Corp.	Taiwan	Manufacture of solar cells	2.50	14,100	-	7,015,000	-	7,015,000	2.50	
Acbel Polytech Inc.	Taiwan	Manufacture of other electronic parts and components	0.65	78,458	7,730	3,374,521	-	3,374,521	0.65	
Entery Industrial Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	13.60	59,035	-	13,940,000	-	13,940,000	13.60	
Aces Electronic Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	0.92	32,503	1,361	3,984,904	-	3,984,904	3.22	
Hotron Precision Electronic Industrial Co., Ltd.	Taiwan	Manufacture of other electronic parts and components	8.44	83,852	2,706	6,631,324	-	6,631,324	10.45	
Copartner Tech. Corp.	Taiwan	Manufacture of other electronic parts and components	12.97	130,638	11,024	11,024,340	-	11,024,340	12.97	
Microcosm Technology, Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	1.34	8,619	(3,920)	1,109,220	-	1,109,220	1.34	
Dynamic Electronics Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	3.54	92,028	-	13,234,137	-	13,234,137	4.71	
ShineMore Technology Materials Co., Ltd.	Taiwan	Manufacture of bare printed circuit boards and the assembly	4.88	18,454	-	3,713,035	-	3,713,035	4.88	
Qisda Corporation	Taiwan	Manufacture of computers and peripheral equipment	7.60	1,636,705	92,867	149,489,321	-	149,489,321	7.60	
Darfon Electronics Corp.	Taiwan	Manufacture of computers and peripheral equipment	0.70	40,068	732	2,081,442	-	2,081,442	0.70	
Aten International Co., Ltd.	Taiwan	Manufacture of computers and peripheral equipment	1.29	108,501	8,785	3,891,944	-	3,891,944	3.26	
ADDA Corporation	Taiwan	Manufacture of computers and peripheral equipment	5.11	49,101	-	11,477,554	-	11,477,554	7.86	
Gallant Precision Machine Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	5.27	150,236	7,234	9,956,857	-	9,956,857	6.03	
Utechzone Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	4.55	80,854	1,387	2,778,496	-	2,778,496	4.55	
Chime Ball Technology Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	1.29	30,014	2,240	497,750	-	497,750	1.29	
Super Dragon Technology Co., Ltd.	Taiwan	Water supply and remediation activities	1.14	14,765	-	1,176,512	-	1,176,512	1.14	
Powertech Industrial Co., Ltd.	Taiwan	Manufacture of electrical and machinery equipment	3.40	48,449	1,114	3,911,825	-	3,911,825	3.59	
Chunghwa Chemical Synthesis & Biotech. Co., Ltd.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	4.77	145,975	2,412	3,700,255	-	3,700,255	4.77	
Coland Holdings Limited	Grand Cayman	Manufacture of pharmaceuticals and medicinal chemical products	0.72	30,877	2,030	561,402	-	561,402	0.72	
Transasia Airways Corporation	Taiwan	Transportation and storage	6.17	326,226	3,927	39,115,806	-	39,115,806	6.17	
Taiwan Hon Chuan Enterprise Co., Ltd.	Taiwan	Manufacture of rubber and plastic materials	0.43	62,402	3,778	1,337,004	-	1,337,004	0.43	
Donpon Precison Inc.	Taiwan	Manufacture of rubber and plastic materials	6.82	93,071	3,706	6,793,493	-	6,793,493	6.82	

(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)	Shares	Percentage of Ownership	
Taihan Precision Technology Co., Ltd.	Taiwan	Manufacture of rubber and plastic materials	3.64	$ 18,753	$ -	6,398,545	-	6,398,545	10.20	
Magnate Technology Corp.	Taiwan	Manufacture of transport equipment and parts	4.63	83,213	4,170	2,506,414	-	2,506,414	4.63	
Kuangli Photoelectric Technology Co., Ltd.	China	Manufacture of other non-metallic mineral products	11.45	53,549	13,398	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	97,777	1,730	1,533,000		1,533,000	3.49	
Investments accounted for using equity method										
Financial industry - related										
China Development Asset Management Corporation	Taiwan	Financial institution creditor's right (money) purchase and management	100.00	4,509,009	206,111	400,000,000	-	400,000,000	100.00	
Nonfinancial industry - related										
CDIB Venture Capital Corporation	Taiwan	Venture fund	100.00	7,754,037	248,496	822,790,915	-	822,790,915	100.00	
CDIB Global Markets III Limited	British Virgin Islands	Venture fund	100.00	1,789,079	(248,681)	75,451,771	-	75,451,771	100.00	
CDIB Capital Investment I Limited	British Virgin Islands	Venture fund	100.00	7,484,292	1,062,606	132,800,000	-	132,800,000	100.00	
CDIB Global Markets II Limited	Malaysia	Venture fund	100.00	5,427,477	338,163	200,000	-	200,000	100.00	
CDIB Capital Investment II Limited	British Virgin Islands	Venture fund	100.00	2,349,107	(20,899)	80,000,000	-	80,000,000	100.00	
CDIB Global Markets I Limited	British Virgin Islands	Venture fund	100.00	2,959,115	91,637	76,222,871	-	76,222,871	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	595,816	179,814	4,700,000	-	4,700,000	100.00	
CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Fund management activities	28.04	4,830	(1,961)	112,500	-	112,500	28.04	
CDIB Biomedical Venture Capital Corporation	Taiwan	Venture fund	33.29	567,466	(10,802)	60,000,000	-	60,000,000	34.29	
CDIB CME Fund Ltd.	Taiwan	Investing and venture fund	38.80	561,667	(6,686)	59,700,000	-	59,700,000	39.80	
CDIB & Partners Investment Holding Corporation	Taiwan	Investing and venture fund	28.71	4,065,214	104,036	367,200,000	-	367,200,000	33.66	
CDIB Bioscience Ventures I, Inc.	Taiwan	Investing and venture fund	20.00	60,697	10,753	6,674,181	-	6,674,181	21.20	
United Development Corporation	Taiwan	Professional, scientific and technical activities	50.00	45,873	7,446	2,599,394	-	2,599,394	50.00	
Tuntex Gas Corporation	Taiwan	Electricity and gas supply	47.30	50,000	-	104,066,400	-	104,066,400	47.30	
CDIB Capital Management Corp. (formerly named CDIB Equity, Inc.)	Taiwan	venture capital fund management	100.00	989,009	82,131	73,093,889	-	73,093,889	100.00	
Financial assets measured at cost										
Financial industry - related										
Taiwan Stock Exchange Corp.	Taiwan	Other securities	7.00	8,400	67,827	55,380,954	-	55,380,954	8.39	
Taiwan Futures Exchange Co., Ltd.	Taiwan	Other futures	0.51	10,250	2,897	18,189,253	-	18,189,253	6.12	
Nonfinancial industry - related										
Dabomb Protein Corp.	Taiwan	Manufacture of food, beverages and tobacco	14.50	90,000	1,309	3,229,200	-	3,229,200	14.50	
Allied Biotech Corp.	Taiwan	Manufacture of food, beverages and tobacco	2.91	27,500	-	5,500,000	-	5,500,000	5.81	
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	
Kuo Ching Chemical Co., Ltd.	Taiwan	Manufacture of petroleum and coal products & Wholesale of chemical materials and chemical products	10.19	69,771	8,561	9,249,709	-	9,249,709	10.19	
Orgchem Technologies, Inc.	Taiwan	Manufacture of petroleum and coal products & Wholesale of chemical materials and chemical products	1.86	49,000	1,067	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	1.70	15,348	-	1,358,322	-	1,358,322	1.70	
Beauty Essentials International Ltd.	Taiwan	Manufacture of petroleum and coal products & Wholesale of chemical materials and chemical products	8.86	179,045	5,719	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	934	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	2,875	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	

(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)	Shares	Percentage of Ownership	
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	8,070	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	1,174	2,731,098	-	2,731,098	10.57	
Aptos Technology Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	7.15	319,933	-	10,620,446	-	10,620,446	7.15	
Apm Communication, Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	0.75	-	(3,000)	60,000	-	60,000	0.75	
Global Wafers Co., Ltd. Taiwan	Taiwan	Manufacture, packaging and testing of semi-conductors	0.86	10,678	-	1,161,710	-	1,161,710	0.86	
ADL Engineering Inc.	Taiwan	Manufacture, packaging and testing of semi-conductors	4.03	52,585	890	1,341,803	-	1,341,803	4.03	
LeFram Technology Corp.	Taiwan	Manufacture, packaging and testing of semi-conductors	17.48	54,757	4,552	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	-	4,423,557	-	4,423,557	2.62	
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	7.09	90,000	-	3,600,000	-	3,600,000	7.09	
JHL Biotech, Ltd.	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	12.65	413,228	-	23,915,844	-	23,915,844	12.65	
Foresee Pharmaceuticals Co., Ltd	Taiwan	Manufacture of pharmaceuticals and medicinal chemical products	6.23	172,205	-	4,147,477	-	4,147,477	6.23	
Samara Capital Partners Fund I Limited	India	Trusts, funds and other financial vehicles	-	215,985	-	-	-	-	-	
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	-	18,939	-	-	-	-	-	
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	-	245,313	-	-	-	-	-	
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	840	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	153,429	300	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	11,351	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	3,207	2,997,085	-	2,997,085	8.48	
Excelsior Medical Co., Ltd.	Taiwan	Human health and social work activities	4.81	147,857	5,181	66,000	-	66,000	9.62	
Jochu Technology Co., Ltd.	Taiwan	Metal processing	5.70	145,462	1,028	8,501,390	-	8,501,390	10.21	
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	0.82	147,395	-	18,123,809	-	18,123,809	0.82	
UP Scientech Materials Corp.	Taiwan	Metal processing	6.85	252,200	4,410	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	7,381	4,920,876	-	4,920,876	1.97	
Jouge Technology Co., Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	9.68	47,975	-	2,614,500	-	2,614,500	9.68	
Gloria Solar International Holding, Inc.	Grand Cayman	Manufacture of basic metals and fabricated metal products	3.43	17,920	(128,624)	4,000,000	-	4,000,000	3.43	
Evervision Electronics Co., Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	8.22	7,571	52	1,999,273	-	1,999,273	10.84	
Luxtaltek Corporation	Taiwan	Manufacture of basic metals and fabricated metal products	2.47	27,094	-	1,659,662	-	1,659,662	2.67	
Elit Fine Ceramics Co., Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	13.70	80,000	-	5,000,000	-	5,000,000	13.70	
Axuntek Solar Energy Co., Ltd.	Taiwan	Manufacture of basic metals and fabricated metal products	6.06	13,200	-	880,000	-	880,000	6.06	
Kentec Inc.	Taiwan	Manufacture of basic metals and fabricated metal products	0.91	25,400	-	2,352,000	-	2,352,000	2.55	
Lightel Technologies, Inc.	USA	Manufacture of basic metals and fabricated metal products	11.27	89,700	-	-	3,000,000	3,000,000	11.27	
Vactronics Technologies, Inc.	Taiwan	Manufacture of basic metals and fabricated metal products	5.46	48,060	-	2,375,533	-	2,375,533	5.46	
Cando Corporation	Taiwan	Manufacture of basic metals and fabricated metal products	3.97	7,903	(22,003)	21,425,050	-	21,425,050	5.49	
Aerovision Avionics, Inc.	Taiwan	Manufacture of basic metals and fabricated metal products	5.46	-	311	2,070,000	-	2,070,000	5.46	

(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)	Shares	Percentage of Ownership	
MEC Imex Inc.	Taiwan	Manufacture of other electronic parts and components	10.52	$ 107,853	$ (136,613)	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	619	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	5.15	31,871	(27,755)	5,962,600	-	5,962,600	5.15	
Sun Q Solar Corporation	Taiwan	Manufacture of solar cells	17.26	-	(122,016)	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	-	4,935,413	-	4,935,413	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	1,058	2,550,000	-	2,550,000	7.95	
Topview Technology Corp.	Taiwan	Manufacture of electronic and optical products	7.47	40,346	4,200	1,999,000	-	1,999,000	9.52	
Eastern Electronic Co., Ltd.	Taiwan	Manufacture of electronic and optical products	6.47	46,598	3,292	4,348,680	-	4,348,680	6.47	
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	21,485	-	2,043,800	-	2,043,800	6.19	
Dragon Jet Corporation	Taiwan	Manufacture of computers and peripheral equipment	4.77	178,450	2,150	4,300,000	-	4,300,000	4.77	
SercoNet Ltd.	Israel	Information service activities	0.42	-	(579)	-	1,972,565	1,972,565	0.42	
BOLT Solutions Inc.	Israel	Information service activities	0.11	-	(587)	-	18,641	18,641	0.11	
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	7.75	191,968	-	12,457,934	-	12,457,934	17.70	
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	-	30,621,980	-	30,621,980	15.04	
Amia Co., Ltd.	Japan	Water supply and remediation activities	9.54	210,000	1,845	6,018,195	-	6,018,195	9.57	
Eastern Power and Electric Company Limited	Thailand	Electricity and gas supply	12.00	295,572	32,733	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	3.83	37,500	(87,500)	9,333,333	-	9,333,333	7.16	
Notal Vision Inc.	Taiwan	Manufacture of furniture and other manufacturing	0.50	-	(5,032)	-	235,965	235,965	0.50	
Healthstream Taiwan Inc.	Taiwan	Manufacture of furniture and other manufacturing	13.96	59,980	-	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	5,978	(7,293)	1,670,900	-	1,670,900	6.47	
Genoa Color Technologies Ltd.	Israel	Motion picture, video and television programmer production, sound recording and music publishing activities	0.13	-	(25)	156	-	156	0.13	
Genoa Color Technologies Ltd. - 特	Israel	Motion picture, video and television programmer production, sound recording and music publishing activities	0.60	-	(301)	-	1,883	1,883	0.60	
Engineering and IP Advanced Technologies Ltd	Israel	Computer system design services	-	2	6	4,216	-	4,216	-	
Engineering and IP Advanced Technologies Ltd. - 特	Israel	Computer system design services	0.32	2,354	9,074	-	6,392,765	6,392,765	0.32	
Zend Technologies Ltd.	Israel	Computer system design services	0.42	-	(2,258)	-	1,972,565	1,972,565	0.42	
Panorama Software Inc.	Canada	Computer system design services	0.03	-	(290)	-	2,009	2,009	0.03	
Debt instruments with no active market										
Nonfinancial industry - related										
China TMK Battery Systems Inc.	USA	Electromechanical and environmental projects	8.87	-	(71,863)	-	5,000,000	5,000,000	8.87	
Belta (Cayman) Holding Company	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
DECEMBER 31, 2015
(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, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
China Healthcare Multi-services, Inc.	Third party medical services under emergency	RMB 41,192 thousand	Note 1. c.	US$ 1,871 thousand	$ -	$ -	US$ 1,871 thousand	(Note 3)	10.76	$ -	$ 59,591	$ -
China Peptides (Wuhan) Co., Ltd.	Sale and R&D protein drugs	US$ 15,000 thousand	Note 1. c.	US$ 2,262 thousand	US$ 726 thousand (Note 11)	-	US$ 2,988 thousand	(Note 3)	13.97	-	90,971	-
JHL Biotech, Inc. (Wuhan)	R&D protein drugs	RMB 50,000 thousand	Note 1. c.	US$ 734 thousand	-	-	US$ 734 thousand	(Note 3)	8.00	-	22,118	-
Beauty Essential International Ltd.	Sale and R&D the cosmetic	US$ 2,000 thousand	Note 1. c.	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. c.	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. c.	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. c.	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. c.	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. c.	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. c.	US$ 1	-	-	US$ 1	(Note 3)	6.75	-	-	-
Strong LED Lighting Systems (Suzhou) Corporation	LED lighting system	US$ 10,000 thousand	Note 1. c.	US$ 1,260 thousand	-	-	US$ 1,260 thousand	(Note 3)	9.09	-	37,334	-
Great Team Backend Foundry (Dongguan) Ltd.	Analog IC testing and packaging	US$ 87,070 thousand	Note 1. c.	US$ 228 thousand	-	-	US$ 228 thousand	(Note 3)	1.79	-	7,539	-
Touch Equipment Leasing (Shanghai) Co., Ltd.	Mobile interactive LCD equipment leasing	US$ 8,000 thousand	Note 1. c.	US$ 669 thousand	-	-	US$ 669 thousand	(Note 3)	9.61	-	22,121	-
Touch Multimedia Technology (Shanghai) Co., Ltd.	Multimedia technology, network technology, computer software development, design production and sales	RMB 114,660 thousand	Note 1. c.	US$ 1,080 thousand	-	-	US$ 1,080 thousand	(Note 3)	9.61	-	35,711	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
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. c.	EUR 140 thousand	$ -	$ -	EUR 140 thousand	(Note 3)	5.00	$ -	$ 5,060	$ -
Chengdu Le Me Shi Jia Trading Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service	US$ 21,500 thousand	Note 1. c.	US$ 699 thousand	US$ 248 thousand	-	US$ 947 thousand	(Note 3)	2.16	-	7,730	-
Chengdu Le Me Shi Jia Information Technology Co., Ltd.	Furniture wholesale, metal building materials wholesale and transport service	US$ 1,400 thousand	Note 1. c.	US$ 33 thousand	US$ 22 thousand	-	US$ 55 thousand	(Note 3)	2.16	-	449	-
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. c.	RMB 1,016 thousand	RMB 2,467 thousand	-	RMB 3,483 thousand	(Note 3)	2.16	-	4,328	-
Tianjin Mu 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. c.	US$ 42 thousand	-	-	US$ 42 thousand	(Note 3)	2.16	-	340	-
CDIB Private Equity Management Corporation	Management and consulting	US$ 4,000 thousand	Note 1. b.	US$ 4,000 thousand	-	-	US$ 4,000 thousand	$ 22,175	100.00	22,175	57,710	-
CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	RMB 10,000 thousand	Note 1. b.	RMB 7,000 thousand	-	-	RMB 7,000 thousand	30,519	70.00	21,351	64,214	-
CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	RMB 12,000 thousand	Note 1. b.	RMB 6,720 thousand	-	-	RMB 6,720 thousand	(316)	70.00	(221)	41,928	-
CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment	RMB 400,000 thousand	Note 1. b.	RMB 141,200 thousand	-	-	RMB 141,200 thousand	(71,847)	-	(25,144)	228,970	-
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	RMB 7,000 thousand	Note 1. b.	RMB 4,550 thousand	-	-	RMB 4,550 thousand	3,388	65.00	2,201	24,253	-
CPEC Huachuang Private Equity Management (Kushan) Enterprise (Limited Partnership)	Management and consulting	RMB 4,300 thousand	Note 1. b.	RMB 195 thousand	-	-	RMB 195 thousand	(603)	65.00	(392)	20,203	-
CPEC Huachuang Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment	RMB 389,160 thousand	Note 1. c.	-	RMB 121,400 thousand	-	RMB 121,400 thousand	(32,184)	-	(10,505)	170,655	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
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. c.	US$ 16,612 thousand	$ -	$ -	US$ 16,612 thousand	(Note 3)	0.94	$ -	$ 549,300	$ -
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. c.	US$ 4,371 thousand	-	-	US$ 4,371 thousand	(Note 3)	0.94	-	144,537	-
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. c.	US$ 875 thousand	-	-	US$ 875 thousand	(Note 3)	0.94	-	28,922	-
Shanghai OOH Advertising Co., Ltd.	Domestic and foreign advertisement design, production, releases and agent	US$ 400 thousand	Note 1. c.	US$ 174 thousand	-	-	US$ 174 thousand	(Note 3)	0.94	-	5,755	-
GSD Industrial Co., Ltd.	Pumps manufacture and sale	RMB 50,000 thousand	Note 1. c.	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. c.	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. c.	US$ 202 thousand	US$ 135 thousand	-	US$ 337 thousand	(Note 3)	13.48	-	10,455	-
Guohui (China) Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories	HK$ 313,432 thousand	Note 1. c.	US$ 1,750 thousand	-	-	US$ 1,750 thousand	(Note 3)	7.73	-	57,868	-
Fujian Guohui Footwear Co., Ltd.	Manufacturing and sale sport apparel, footwear and accessories	HK$ 195,686 thousand	Note 1. c.	US$ 1,357 thousand	-	-	US$ 1,357 thousand	(Note 3)	7.73	-	44,869	-

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$4,405,318	US$255,283 thousand	$56,133,700

(Continued)

Note 1: The investment types are as follows:

a. Remittances through a third place.
b. Reinvested through a new founded company at a third place.
c. Reinvested through an investee company at a third place.
d. Direct investments.
e. 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 Company, therefore the Corporation cannot acquire the related financial information.

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

Note 5: The Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation 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 Corporation formerly indirectly invested in China Petides (Wuhan) Co., Ltd. through its subsidiary's investment in JHL, Biotech, Ltd. JHL Biotech, Ltd. increased shares in this investment by its own capital. As a result, outward remittance are proportionally recognized rather than actual remitted amount.

Note 12: The Corporation 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 13: The Corporation was approved by China Securities Regulatory Commission on May 18, 2001 and had registration certificate on July 5, 2001.

Note 14: The Corporation was approved by China Securities Regulatory Commission on March 27, 2002 and had registration certificate on June 17, 2002.

(Concluded)

TABLE 8

CHINA DEVELOPMENT INDUSTRIAL BANK AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Content of Transaction (Note 5)			
				Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
1	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	c	Other operating and administrative expenses	$ 259,778	Note 4	3.73
2	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	c	Administrative revenue	259,778	Note 4	3.73
1	CDIB Capital International Corporation	CDIB Global Markets II Limited	c	Administrative revenue	120,692	Note 4	1.73
3	CDIB Global Markets II Limited	CDIB Capital International Corporation	c	Other operating and administrative expenses	120,692	Note 4	1.73

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.