

Yuanta Commercial Bank Co., Ltd

Meeting Minutes for the 53rd Meeting of the Ninth Board of Directors

Time : 3 : 0 0 pm, May 24, 2018 (Thursday)

Location : Conference Room, 12th Floor, No. 66, Section 1, Dunhua South Road,
Taipei City

Personnel present :	Chairman Tony Fan	Director Yu De Chuang	Director Wei Chen Ma
	Director Hsian Dao Chiu	Director Jin Long Fang	Director Song-Erh Chang
	Director Jin-Sheng Duann	Director Zhong-yuan Chen	Director Yu-Feng Ko
	Independent Director Ming-ling Hsueh	Independent Director Yin-Hua Yeh	Independent Director Chwo-Ming Yu
	Independent Director Ching-Shan Hung	Independent Director Kuang-Si Shiu	

Chairman : Chairman Tony Fan

Minute recorder : Ming-Hsuan Huang

Chairman's speech: (Omitted)

Report proposal 8

Summary : The review report of the Audit Committee on the company's 2017 business report, standalone financial statements and consolidated financial statements, and the earnings distribution statement is kindly submitted for inspection. (Proposal by the Accounting Department)

Explanatory notes :

1. The company's 2017 business report, standalone financial statements and consolidated financial statements, and the earnings distribution statement were reviewed by the 37th meeting of the 9th Audit Committee on March 20, 2018, and it is deemed that there is no non-compliance.
2. The Audit Committee's Review Report is submitted in the annex.
3. In accordance with the provisions of Article 219 of the Company Act, the supervisor shall check the various statements and books prepared by the board of directors for the shareholders' meeting, and report their opinions to the shareholders' meeting. In addition, in accordance with the provisions of Article 14-4 of the Securities and Exchange Act, if a company establishes an audit committee, the relevant provisions of the Securities and Exchange Act, the Company Act and other laws on supervisors shall apply mutatis mutandis to the Audit Committee.
4. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.
5. It is reported for inspection

Annex : Audit Committee's Review Report

Decision : Acknowledged by all present Directors.

Report proposal 9

Summary : The review report of the Audit Committee on Ta Chong Bank's 2017 business report, standalone financial statements and statement of profit or loss appropriation is kindly submitted for inspection. (Proposal by the Accounting Department)

Explanatory notes :

1. Ta Chong Bank had merged with the company on January 1, 2018. Ta Chong Bank was the dissolved company after the merger. The rights and obligations of Ta Chong Bank are generally assumed by the company.
2. Ta Chong Bank's 2017 business report, standalone financial statements and consolidated financial statements, and statement of profit or loss appropriation were reviewed by the 37th meeting of the 9th Audit Committee on March 20, 2018 and the 38th meeting of the 9th Audit Committee on April 17, 2018, respectively, and it is deemed that there is no non-compliance.
3. The Audit Committee's Review Report is submitted in the annex.
4. In accordance with the provisions of Article 219 of the Company Act, the supervisor shall check the various statements and books prepared by the board of directors for the shareholders meeting, and report their opinions to the shareholders' meeting. In addition, in accordance with the provisions of Article 14-4 of the Securities and Exchange Act, if a company establishes an audit committee, the relevant provisions of the Securities and Exchange Act, the Company Act and other laws on supervisors shall apply mutatis mutandis to the Audit Committee.
5. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.
6. It is reported for inspection.

Annex : Audit Committee's Review Report

Decision : Acknowledged by all present Directors.

Ratification proposal 1

Summary : The Bank's 2017 "Business Report" is submitted for approval. (Proposal of Business Management Department)

Explanatory notes :

1. It is handled in accordance with the provisions of Article 20 of the Company Act.
2. This proposal was passed at the 49th meeting of the 9th Board of Directors on March 22, 2018.
3. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annex : The 2017 Business Report

Resolution : Ratified by all present directors without objection.

Ratification proposal 2

Summary : The company's 2017 CPA audited and attested standalone financial statements and consolidated financial statements of the company and its subsidiaries are submitted for approval. (Proposal by the Accounting Department)

Explanatory notes :

1. The company's 2017 standalone financial statements and consolidated financial statements of the company and its subsidiaries were reviewed and approved at the 49th meeting of the 9th board of directors on March 22, 2018. In addition, the audits were completed by CPAs from PwC Taiwan, Guo Bai-ru and Chen Xian-yi, issuing an unmodified opinion audit report.
2. The company's 2017 CPA audited and attested standalone financial statements and consolidated financial statements of the company and its subsidiaries have been reviewed by the Audit Committee, and it is deemed that there is no non-compliance. The review report has been issued.
3. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annexes :

1. The company's 2017 CPA audited and attested standalone financial statements
3. The 2017 CPA audited and attested consolidated financial statements of the company and its subsidiaries

Resolution : Ratified by all present directors without objection.

Ratification proposal 3

Summary : The company's 2017 earnings distribution proposal is submitted for approval.
(Proposal by the Accounting Department)

Explanatory notes :

1. The earnings distribution statement is proposed in accordance with Article 34-1 of the Articles of Association of the Company, and the detailed explanation is as follows :
 - (1) The company's 2017 opening retained earnings was 0 (hereinafter the same) New Taiwan Dollar, minus the 2017 "re-measurement of defined benefit plan" of NT\$34,049,683 which was calculated by actuaries in accordance with International Accounting Standards No. 19 "Employee Benefits," and the cumulative loss was NT\$34,049,683 after adjustment.
 - (2) Based on the 2017 CPA audited and attested net income after tax of NT\$6,743,006,670, after first offsetting the adjusted cumulative loss of NT\$ 34,049,683, the net amount was NT\$6,708,956,987, and 30%, amounted to NT\$ 2,012,687,096, was contributed to the legal reserve.
 - (3) In accordance with the provisions of Paragraph 1, Article 41 of the Securities and Exchange Act and the Letter Jin-Guan-Zheng-Fa-Zi No. 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, for the reduction in the 2017 "net deduction of other shareholders' equity in the accounts," the reversal of special reserve was NT\$ 479,788,636. In accordance with the provisions of the Decree Jin-Guan-Yin-Fa-Zi No. 10510001510 issued on May 25, 2016 by the Financial Supervisory Commission, in order to respond to the development of financial technology and protect the rights and interests of domestic banking personnel, after the net income after tax of NT\$6,743,006,670 was used to offset the cumulative loss of NT\$34,049,683, the net amount was NT\$6,708,956,987, and 0.5% of it, amounted to NT\$33,544,785, was contributed to the special reserve. The total reversal of special reserve was NT\$446,243,851.
 - (4) After the 2017 net income after tax was used to offset the "adjusted cumulative loss," minus the contribution to the "legal reserve" and plus the "reversal of special reserve," the available earnings for distribution was NT\$5,142,513,742.
 - (5) The company's dividend distribution is in line with the current year's earnings and to maintain the soundness and stability of the company's financial structure. It is proposed to distribute all of the earnings to shareholders' cash dividends for the amount of NT\$ 5,142,513,742. Based on the company's current 7,394,038,982 shares issued, the cash dividend per share is NT\$ 0.6954945.

2. After the aforementioned earnings distribution proposal passes by the resolution of the (2018) Board of Directors (representing the responsibility and powers of the shareholders meeting), the chairman is authorized to separately set a record date for cash dividend distribution and other related distribution matters.
3. The proposal has been reviewed by the Audit Committee, and it is deemed that there is no non-compliance. The review report has been issued.
4. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annex : 2017 Earnings Distribution Statement

Resolution : Ratified by all present directors without objection.

Ratification proposal 4

Summary : Ta Chong Bank's 2017 "Business Report" is submitted for approval. (Proposal of Business Management Department)

Explanatory notes :

1. Ta Chong Bank's 2017 "Business Report" was submitted to and approved by the Bank's 31st meeting of the 10th Board of Directors on December 29, 2017 (please refer to Annex 1 for details). However, the financial figures disclosed in the "Business Report" submitted referred to Ta Chong Bank's preliminary financial amounts as of the end of November 2017. In order to comply with the provisions of Article 228 of the Company Act, this "Business Report" revised the relevant financial figures to the 2017 financial statement figures (including the financial figures re-prepared in 2016) audited and attested by CPA, and revised the implementation results of the business strategy and the central bank's interest spread as the data at the end of 2017. In addition, the actual cancellation date of Ta Chong Bank's credit rating was also revised. Please refer to Annex 2 and Annex 3 for the revised comparison table and the revised "Business Report."
2. In accordance with the provisions of Article 228 of the Company Act, the "business report" shall be submitted to the supervisors for review 30 days prior to the regular shareholders meeting. Since Ta Chong Bank and the Bank completed the merger on January 1, 2018, and in accordance with the provisions of Paragraph 3, Article 14-4 and Article 14-5 of the Securities and Exchange Act, Ta Chong Bank's 2017 "Business Report" was submitted to the Bank's 38th meeting of the 9th Audit Committee on April 17, 2018 for review, and the resolution of "approved and submitted to the Board of Directors for resolution" was made.
3. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annexes :

1. The Meeting Minutes for the 31st Meeting of the 10th Board of Directors of Ta Chong Bank
2. The comparison table for the revision of Ta Chong Bank's 2017 "Business Report"
3. The revised 2017 "Business Report" of Ta Chong Bank

Resolution : Ratified by all present directors without objection.

Ratification proposal 5

Summary : Ta Chong Bank's 2017 CPA audited and attested standalone financial statements and consolidated financial statements of Ta Chong Bank and its subsidiaries are submitted for approval. (Proposal by the Accounting Department)

Explanatory notes :

1. Ta Chong Bank merged with the company on January 1, 2018. Ta Chong Bank was the dissolved company after the merger. The rights and obligations of Ta Chong Bank are generally assumed by the company.
2. Ta Chong Bank's 2017 standalone financial statements and consolidated financial statements of Ta Chong Bank and its subsidiaries were reviewed and approved at the 49th meeting of the 9th board of directors on March 22, 2018. In addition, the audits were completed by CPAs from PwC Taiwan, Guo Bai-ru and Chen Xian-yi, issuing an unmodified opinion audit report.
3. Ta Chong Bank's 2017 CPA audited and attested standalone financial statements and consolidated financial statements of Ta Chong Bank and its subsidiaries were reviewed by the Audit Committee, and it is deemed that there is no non-compliance. The review report has been issued.
4. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annexes :

1. Ta Chong Bank's 2017 CPA audited and attested standalone financial statements
2. The 2017 CPA audited and attested consolidated financial statements of Ta Chong Bank and its subsidiaries

Resolution : Ratified by all present directors without objection.

Ratification proposal 6

Summary : The proposal of Ta Chong Bank's 2017 profit or loss appropriation is submitted for approval. (Proposal by the Accounting Department).

Explanatory notes :

1. Ta Chong Bank merged with the company on January 1, 2018. Ta Chong Bank was the dissolved company after the merger. The rights and obligations of Ta Chong Bank are generally assumed by the company.
2. Ta Chong Bank had no distributable earnings for distribution in 2017. The 2017 statement of profit or loss appropriation is as attached.
3. The proposal has been reviewed by the Audit Committee, and it is deemed that there is no non-compliance. The review report has been issued.
4. Because Yuanta Financial Holdings Co., Ltd. holds 100% of the company's shares, in accordance with the provisions of Paragraph 1, Article 128-1 of the "Company Act" and Paragraph 1, Article 15 of the "Financial Holding Company Act," the responsibilities and powers of the shareholders' meeting shall be exercised by the board of directors, and it is so stated.

Annex : Ta Chong Bank's 2017 statement of profit or loss appropriation

Resolution : Ratified by all present directors without objection.

Adjourn : 7:20 pm

Chairman : Tony Fan

Minute recorder : Ming-Hsuan Huang