

Yuanta Commercial Bank Co., Ltd

Meeting Minutes for the 79th Meeting of the Ninth Board of Directors

Time : 2 : 0 0 pm, May 23, 2019 (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 10:

Summary : The review report of the Audit Committee on the company's 2018 business report, standalone financial statements and consolidated financial statements, and earnings distribution statement is kindly submitted for inspection. (Proposal by the Accounting Department)

Explanatory notes :

1. The company's 2018 business report, standalone financial statements and consolidated financial statements, and earnings distribution statement were reviewed by the 56th meeting of the 9th Audit Committee on March 14, 2019, 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.

Ratification proposal 1

Summary : The Bank's 2018 "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. The content of the "Business Report" is mainly based on the provisions of the "Regulations Governing Information to be Published in Annual Reports of Banks" and includes the following four major items:
 - (1) The 2018 Business Report : In 2018, the Bank made organizational adjustments in accordance with external regulations and in response to business development needs after the merger with Ta Chong Bank. In addition, in terms of operating performance, net income after tax in 2018 reached NT\$8.608 billion. Excluding the recognized asset impairment loss from the impairment test on the listed goodwill in accordance with International Accounting Standard No. 36 "Impairment of Assets" in December 2018, the cumulative net income after tax was NT\$10.024 billion, an increase of NT\$2.126 billion from 2017, with a growth rate of 27%.
 - (2) The influence of the external competitive environment, the regulatory environment and the macro business environment: The Bank has processed necessary adjustments and relevant internal regulatory amendments for the competent authorities' amendments to the regulations on internal control and audit system, and financial institutions' AML. Regarding the financial supervision sandbox and the open policy of pure online banking, the Bank will continue to pay attention to market dynamics and optimize the functions and services of the digital financial platform to meet customer needs.
 - (3) Credit rating results: According to the results announced by Taiwan Ratings and Fitch Ratings in 2018, all of the Bank's ratings were the same as those of the previous year, maintaining a stable and good performance.
 - (4) The 2019 business plan and future outlook: In 2019, the Bank will continue to expand its business scale, balance its business and profit structure, and implement various risk control and legal compliance mechanisms as its main development goals.
3. This proposal was passed at the 74th meeting of the 9th Board of Directors on March 14, 2019.
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 : Yuanta Commercial Bank 2018 Business Report

Resolution : Ratified by all present Directors without objection.

Ratification proposal 2

Summary : The company's 2018 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 2018 standalone financial statements and consolidated financial statements of the company and its subsidiaries were reviewed and approved at the 74th meeting of the 9th board of directors on March 14, 2019. In addition, the audits were completed by CPAs from PwC Taiwan, Guo Bai-ru and Chen Xian-yi, issuing an unmodified opinion audit report with emphasis-of-matter paragraphs and an unqualified opinion audit report with emphasis-of-matter paragraphs and other-matter paragraphs, respectively.
2. The company's 2018 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.

Annex :

1. The company's 2018 CPA audited and attested standalone financial statements
2. The 2018 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 2018 earnings distribution proposal is submitted for approval.
(Proposal by the Accounting Department)

Explanatory notes :

1. It is handled in accordance with Article 34-1 of the Articles of Association of the Company. The proposed earnings distribution statement is shown in the annex, and the detailed explanation is as follows :
 - (1) The company's 2018 opening retained earnings was 0 (hereinafter the same) New Taiwan Dollar. However, the company has adopted IFRS 9 "Financial Instruments" since 2018, resulting in a decrease of NT\$2,471,313,241 in the retained earnings on January 1, 2018. The opening cumulative loss was NT\$2,471,313,241 after adjustment.
 - (2) Based on the company's 2018 "net loss from the disposal of equity instruments measured at fair value through other comprehensive income" of NT\$277,920,553, plus the 2018 "re-measurement of defined benefit plan" of NT\$5,080,281 which was calculated by actuaries in accordance with International Accounting Standards No. 19 "Employee Benefits," and plus the adjustment opening cumulative loss of NT\$ 2,471,313,241, the adjusted cumulative loss was NT\$ 2,744,153,513.
 - (3) Based on the 2018 CPA audited and attested net income after tax of NT\$8,607,599,791, after first offsetting the adjusted cumulative loss of NT\$ 2,744,153,513, the net amount was NT\$5,863,446,278, and 30%, amounted to NT\$ 1,759,033,883, was contributed to the legal reserve.
 - (4) 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\$8,607,599,791 was used to offset the cumulative loss of NT\$2,744,153,513, the net amount was NT\$5,863,446,278, and 0.5% of it, amounted to NT\$29,317,231, was contributed to the special reserve.
 - (5) After the 2018 net income after tax was used to offset the "adjusted cumulative loss," and contribute to the "legal reserve" and the "special reserve," the available earnings for distribution was NT\$4,075,095,164.
 - (6) 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\$ 4,075,095,164. Based on the company's current 7,394,038,982 shares issued, the cash dividend per share is NT\$ 0.55113249.

2. After the aforementioned earnings distribution proposal passes by the resolution of the (2019) 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 : 2018 Earnings Distribution Statement

Resolution : Ratified by all present directors without objection.

Adjourn : 6:15 pm

Chairman : Tony Fan

Minute recorder : Ming-Hsuan Huang