Minute for the 2015 Annual Meeting of Shareholders

Taiwan Business Bank

Date: June 26, 2015, Friday, at 9:00 a.m.

Venue: 17th Floor, No. 30, Ta-Cheng Street, Taipei
Auditorium of the Headquarter, Taiwan Business Bank

Attendees: (to refer to the register of attendance)

Chair: Tien Chang Huang, Chairman of the Board of Directors, Taiwan Business Bank

Meeting Procedure

I. Welcome/ Introduction

Meeting is to commence as the shareholding of shareholders present has met the regulatory requirement.

II. Opening Remarks by Chairman

III. Report Matter

(1) Report the business operation of the Bank in 2014.

(2) Audit Committee's Review Report on 2014 financial statements

(3) Report the amendments to Rules of Board of Directors' Meeting of Taiwan Business Bank.

IV. Recognition Matter

(1) 2014 financial statements are presented

(2) 2014 Statement of Surplus Allocation is presented

V. Discussion Matter

(1) Issue fresh stocks through capitalization of 2014 earnings.

(2) Amend "Articles of Incorporation of Taiwan Business Bank".

VI. Election Matter

Elect Directors of 14th Board of Taiwan Business Bank.

VII. Other Matter

Lift non-competition clause binding directors.

VIII. Special Motions

IX. Adjournment

Report Matter

I. Report the business operation of the Bank in 2014.

Explanation:

Please refer to the Meeting Handbook.

Resolved, the reports were acknowledged without objection.

II. Audit Committee's Review Report on 2014 financial statements.

Explanation:

Please refer to the Meeting Handbook.

Resolved, the statements were acknowledged without objection.

III. Report the amendments to Rules of Board of Directors' Meeting of Taiwan Business Bank.

Explanation:

1. The rules were revised in 2014 and approved by 19th Board of Directors Meeting of the 13th Board of Directors in line with the Regulations Governing Procedures for Board of Directors Meetings of Public Companies by the Financial Supervisory Commission.
2. Please refer to comparison table in meeting Handbook for details.

Resolved, the amendments were acknowledged without objection.

Recognition Matter

Explanation:

I. 2014 financial statements are presented and respectfully submitted for recognition.

Explanation:

The Bank's financial statements, which include Reports on Business Operations (see Meeting Handbook), Balance Sheets, Statements of Comprehensive Income, Statements of Equity Change, and Statements of Cash Flows, had been submitted to the 21st Temporary Board of Directors Meeting of the 13th Board of Directors. Please refer to the Meeting Handbook.

Shareholder (No. 10973) offered his opinion about improvement of NPL ratio and Coverage ratio.

With the explanation from the Chairman, the shareholder had no more objections.

Resolved, the statements were approved as submitted.

Taiwan Business Bank Business Operation Report

Despite the support for continued global economic recovery in 2014 provided by such positive factors as the stable growth of the American economy, the fall in oil prices, and continued loose-money policies in the major economies, the impact of abnormal weather early in the year, the Ukraine crisis and other geopolitical conflicts, faltering recovery in the euro zone, the blow to domestic demand in Japan caused by the consumption tax hike, and the slowdown in economic growth in China encumbered the momentum for economic expansion and global growth for the year fell below expectations. According to data released by Global Insight in February 2015, the global economy grew by only 2.8% in 2014.

In the first quarter of 2014, the upturn in domestic corporate profits and the payment of increased year-end and performance bonuses bolstered stock-market transactions in the first quarter of 2014, and income and wealth effects stimulated a growth in private consumption; this, plus a growth in exports of electronic products, machinery, and basic metals, pushed Taiwan's economic growth rate for the quarter to 3.41%. The rate rose to 3.87% in the second quarter, mainly because of a gradual improvement in employment and a continued rise in salaries. In addition, both the value and volume of stock-market transactions increased, supporting an ongoing warming up of private consumption, and the addition of new flight routes along with the establishment of new budget airlines by the aviation industry led to a continuing increase in private investment. There was also an ongoing growth in exports of electronic products, machinery, and basic metals. In the third quarter car dealers marketed their products vigorously, adding impetus to car sales, and the first half's momentum for growth in private consumption continued. In the area of private investment, domestic airlines continued increasing their fleets and semiconductor companies vigorously expanded capacity, pushing the economic growth rate to 4.32%. In the fourth quarter, consumer confidence suffered a short-term setback from a rash of food safety incidents; but an increase in employment fostered a stable growth in private consumption, and investment in advanced processes by semiconductor companies and in the installation of 4G network equipment by telecoms operators brought about an increased growth in private investment and the continuation of growth momentum, resulting in a growth rate of 3.35%. According to the Directorate General of Budget, Accounting and Statistics, Taiwan's economic growth rate for the year as a whole was 3.74%. With the global economy growing at a moderate rate and commodity prices remaining stable, the Central Bank kept the policy interest rate unchanged in 2014. The New Taiwan dollar evidenced a slight rising trend against the U.S. dollar in the first half of 2014, but the U.S. dollar strengthened in the fourth quarter following the announcement that the policy of quantitative easing (QE) would come to an end in America. In addition, the depreciation of the Japanese yen brought on a depreciation of other Asian currencies. At the end of the year the NT dollar was trading at NT$31.718 to the U.S. dollar, a 5.57% depreciation compared with the end of 2013. The average exchange rate for all of 2014 was NT$30.368: US$1, down 1.97% compared with the previous year.

With the stable growth of the American economy, the drop in international oil prices, and quantitative easing policies in Europe and Japan, major international forecasting institutions predict that global economic performance in 2015 will be better than the previous year, and Taiwan's economy is expected to continue its stable recovery under the influence of the global economic upturn and the decline in international oil prices. The island's government has constantly implemented financial liberalization and expanded deregulation of the financial industry in recent years, and has vigorously helped financial businesses deploy throughout Asia while promoting financial import substitution, expanding market scope, and enhancing competitiveness, thereby expanding the space for development of the banking industry. TBB will carry forward with last year's profit growth momentum, reinforce operating performance, and enhance the loan-deposit interest gap and fee income with the aim of achieving our profit growth target and realizing our four main operating principles—pursuit of business performance, heightening of employee value-added, emphasis on shareholders' interests, and fulfillment of corporate social responsibility—as we advance toward the ranks of outstanding banks and create another record of brilliant business performance.

Operating results of 2014 and Business plan of 2015 are as follow:

1. Operating results of 2014

(1) Implementation of Business Plan 2014

A. Profitability

Profitability and the different areas of business have recorded stable growth. After-tax net profit in 2014 was NT$5.315 billion (before-tax net profit came to NT$5.478 billion, the best profit performance since the Bank was privatized (17 years ago). Pre-distribution (2013) annual dividends per share were NT$0.4.

B. Corporate Governance

(A) Passed certificate of corporate governance CG6009 general assessment by the Taiwan Corporate Governance Association.

(B) Won the highest rating of A++ in the Securities and Futures Institute's 11th Listed Company Information Disclosure Evaluation. The TBB is the only government-owned bank to have received this honor for six years in a row.

C. Core Business

Enhance the development of "corporation banking," "foreign exchange and trade financing," and "wealth management":

(A) Corporate Banking:

a. The Bank's performance in SME financing services was excellent, winning a "Credit Guarantee Partner Award," "Outstanding Direct Guarantee Award," and "Young Dream Startup Award" from the Outstanding Bank for the SME Credit Guarantee Loan Business program operated by the Ministry of Economic Affairs. The Bank topped the nation in the extension of Young Dream Startup Loans and Micro-Business Startup Phoenix Loans.

b. In the handling of small and medium enterprise loans, the TBB scored first place in Taiwan in the value of loans transferred to the Small and Medium Enterprise Credit Guarantee Fund for guarantee.

(B) Foreign Exchange and Trade Financing

Enhancing the absorption of RMB deposit and expanding business scales, the balance of RMB deposit in 2014 grew 78% compared with 2013.

(C) Wealth Management

Expanding wealth management business vigorously, the service charges of wealth management business in 2014 grew 13.95% compared with 2013.

D. Products Innovation

(A) Made plans for the installation of a cross-border online collection and payment (third-party payment) system designed to provide e-commerce customers with cross-strait collection services.

(B) Inaugurated cross-border (including cross-strait) US Dollar remittance services, enhancing the efficiency of remittance and foreign-currency collection and payment.

(C) Introduced "How Convenient Revolving Overdraft Facility" medium-term secured facility products to expand the scale of the TBB's personal wealth-management loan market and lessen rollover time and cost for borrowers.

(D) Inaugurated the QR Code mobile payment business to provide TBB cardholders with convenient and secure card services.

(E) Issued the co-branded EASYCARD combine Debit card, National Palace Museum Signature Card (EASYCARD), and Affinity card with Qing-Xi (EASYCARD), and inaugurated the telephone time payment business in order to expand the TBB's service scope and provide customers with full financial-management services.

E.Expansion of Scope of Channel Services

(A) The TBB continued its vigorous move toward international deployment, opening the Brisbane Branch on May 14, 2014 to provide Taiwanese businesses there with deposit, loan, and remittance services, participate actively in the local syndicated loan market, and work with the Sydney Branch to provide customers in Australia with a more complete range of financial services. The Financial Supervisory Commission has also given permission for the TBB to establish a branch in New York and a representative office in Yangon, Myanmar.

(B)The TBB, through its subsidiary, the TBB International Leasing Co. Ltd., invested in the establishment of the Taiwan Business Bank International Leasing Co. Ltd. in China. This company, which opened for business on June 16, 2014, is the first Taiwanese financial institution to operate in the Shanghai Pilot Free Trade Zone.

(C)To expand services to Taiwanese businesses operating across the Taiwan Straits and provide better and more comprehensive financial services, on Nov. 10, 2014 the TBB moved its South Chia Yi Branch to Kinmen and changed its name to "Kinmen Branch." The business originally handled by the South Chia Yi Branch was turned over to the Chia Yi Branch, and the new Kinmen Branch not only provides outstanding financial services to Kinmen residents, but will also help the TBB to move on westward and develop Western Taiwan Straits Economic Zone business opportunities in Xiamen, Quanzhou, Zhangzhou, and other places, thereby expanding the territory and value of the TBB's channels.

F.Information Operations

(A) Received Information Governance Endurance award from the British Standards Institution.

(B)Passed the British Standards Institution's BS10012:2009 international standards certification for personal information management.

(C)Performance in the promotion of electronic fund-flow business was excellent, winning the "Outstanding Fund-Flow Promotion Award" and "Excellence in Fund-Flow Innovation Award".

G. Corporate Social Responsibility

(A) To realize the principle of care for society and fulfill its CSR, the Bank organized "Bring Warmth in the Chill Winter" donation activities to provide help for 35 disadvantaged groups and sponsor breakfasts at primary schools in remote areas as a means of participating in public-benefit work.

(B)Responding to the call for environmental protection, the Bank's green procurement spending topped NT$40 million, winning citations from the Environmental Protection Administration and the Taipei City Government for outstanding performance in green procurement

(C)The Bank went into the campus and the community to hold financial knowledge educational activities and publicize financial planning know-how and fraud prevention with the aim of rooting financial education.

(2) Budget implementation

A. Average deposits was NT$1,137.997 billion, an increase 2.31% over 2013.

B. Average loans outstanding for the year amounted to NT$954.361 billion, a decreasing of 0.93% due to adjust the proportion between large enterprise and SME, thus increasing the Bank's corporate banking loan interest rate.

C. Foreign exchange transactions undertaken during the year totaled US$62.204 billion, for a growth of 14.04% over 2013.

D. Trust fee income amounted to NT$545 million, an increase of 21.65% over the year before.

E. Life- and non-life insurance fee income totaled NT$1.005 billion, a growth of 18.37% over 2013.

F. The target achievement ratios for the businesses noted above ranged from 86.69% to 99.71%.

(3) Revenues, expenditures and profitability

A. Net income for 2014 was NT$18.811 billion; costs related to bad loans and provision for guarantee liabilities amounted to NT$2.502 billion; and operating costs were NT$10.831 billion. Before-tax net profit from continuing operations was NT$5.478 billion, after-tax net profit was NT$5.315 billion, return on assets was 0.39%, return on equity was 8.86%, net profit margin was 28.26%, and after-tax earnings per share was NT$1.0.

B. Pre-provision, pre-tax net income (including recovered bad debt) of NT$9.105 billion for 2014 showed a huge improvement over the NT$1.057 billion recorded in 2013; and due to additional bad-debt provision of NT$3.627 billion made in order to strengthen credit risk appetite, the coverage ratio rose from 141.61% in 2013 to 236.78% in 2014. NT$3.044 billion worth of bad loans was also written off, bringing the non-performing loan ratio down from 0.76% in 2013 to 0.46% in 2014. Pre-tax net income rose from NT$3.85 billion in 2013 to NT$5.478 billion in 2014 due to increasing NT$1.171 billion and NT$0.166 billion on net interest income and net service charges respectively. The healthy improvement in the financial structure, however, has a substantial beneficial effect on the Bank's development of new types of business and the heightening of its competitiveness.

(4) Research and development

A. The Bank has established a unit charged exclusively with research and analysis in regard to the status of and trends in major industries, and with compiling industry reports for publication in the Bank's e-library.

B. To strengthen the Bank's business competitiveness, employees are encouraged to innovate and to propose new financial products and business improvement programs in line with the needs of business development. A total of 48 such proposals were adopted and rewarded in 2014.

2. Business plan of 2015

(1) Operating Directions and Policies

A. Learning and Growth

(A) Manpower training was strengthened to enhance professional competence, and KPI evaluation was reinforced to upgrade employee output capacity.

(B)Investment in IT equipment was upgraded to boost the performance of information systems, and data meta-analysis capability and information security awareness and skills were reinforced to support business promotion in all areas.

(C)The leadership capability of management was reinforced to stimulate employees to strive together to reach the goal of building the TBB into an outstanding bank.

(D) A "learning organization" was molded through the employee training and evaluation system, and a corporate culture of learning and knowledge sharing was established.

B. Internal Procedure

(A) The linkage between targets, evaluation, and stimulus was firmly established, and dynamic management was implemented in line with the PDCA cycle. Graded management was carried out and management density was strengthened to stimulate production and upgrade performance.

(B)Risk management measures were carried out in order to enhance asset quality, and the liquidity coverage ratio (LCR) was monitored in order to carefully manage liquidity risk.

(C)The use of big data analysis was accelerated and target marketing using CRM systems was strengthened so as to upgrade the contribution of target customers through superior services.

(D) Focus was placed on the core small and medium enterprise, wealth management, and foreign exchange businesses, and attention was paid to the pulse of the market and to policy directions in the simplification and innovation of operating procedures so as to provide customized services and differentiated products.

(E) Regulatory compliance and corporate governance were strengthened, and the spirit of the Equator Principles was introduced for the handling of loan cases and the realization of consumer protection, thereby fulfilling the Bank's corporate social responsibility.

C. Customer

(A) Overseas market deployment was expanded and the profit contribution of overseas branches raised to 38%, and business resources were combined in the establishment of diversified channel integration services.

(B) Full efforts were devoted to the creation of a digital financial environment in line with the Bank 3.0 development trend, strategic alliances were strengthened and cooperative business relationships were deepened, and a diverse range of innovative financial services and products were developed.

(C) Wealth management customers were further developed and customer assets were helped to grow at a stable rate, and world-of-mouth marketing was used to boost customer satisfaction.

(D) The structure of corporate loans was readjusted and the SME niche market was further developed, core competitive advantages were reinforced, planned visits to customers were developed, the FBB flag was hoisted in industrial estates to boost market share there, and the image of the TBB brand as Taiwan's only specialized SME bank was burnished.

(E) In line with the Bank's 100th anniversary, a series of large celebratory activities was held, marketing campaigns were mounted, and product image advertisements were placed to strengthen the Bank's media coverage and burnish its value as a century-old enterprise.

D. Financial Structure

(A) The Bank's operating indices were strengthened and its rate of return on capital upgraded, and capital planning was carried out in conformity with the demands of the authorities and of Basel III in order to augment equity capital and enhance business development capability.

(B) Operating performance was reinforced and market share and operating performance indices were heightened in preparation for entering the ranks of outstanding banks.

(C) Operating expenses were retrenched to reduce the cost ratio and a loan-loss reserve allocation policy was mapped out to reinforce the Bank's risk-bearing capability.

(D) SME loans (with foreign exchange) and the wealth management business were taken as the twin engines of profit, with the deposit-loan interest spread and the proportion of fee income increased.

(E) The DuPont analysis chart was used to disassemble the various constituent elements of the bank-wide financial situation and branch profit budget targets, and digital management was strengthened with the aim of helping the headquarters and branch offices formulate business promotion strategies and implementation programs so as to achieve bank-wide profit targets.

(2) Business Target

The following budget targets have been set primarily to protect shareholders' interest and comply with the demands of the competent authority for the strengthening of credit risk appetite and the heightening of allocations (bad-loan provisions), and in reference to the 2015 economic growth forecast announced by the Directorate General of Budget, Accounting and Statistics as well as growth trends in different fields of business by the different business departments, market share, and relative data from benchmark banks, using future operating income and profit projections as the main forecasting bases:

A. Average deposits of NT$1,201.137 billion.

B. Average loans outstanding of NT$1,036.258 billion.

C. Foreign exchange transactions of US$71.761 billion.

3. Result of Latest Credit Rating

Date of Rating	Rating Company	Ratings		Outlook
		Long-term Credit	Short-term Credit	
Feb. 13, 2015	Taiwan Ratings	twA+	twA-1	Stable

安侯建業聯合會計師事務所
KPMG

會計師查核報告

臺灣中小企業銀行股份有限公司董事會　公鑒：

臺灣中小企業銀行股份有限公司及子公司民國一〇三年及一〇二年十二月三十一日之合併資產負債表，暨民國一〇三年及一〇二年一月一日至十二月三十一日之合併綜合損益表、合併權益變動表及合併現金流量表，業經本會計師查核竣事。上開合併財務報告之編製係管理階層之責任，本會計師之責任則為根據查核結果對上開合併財務報告表示意見。

本會計師係依照會計師查核簽證金融業財務報表規則及一般公認審計準則規劃並執行查核工作，以合理確信合併財務報告有無重大不實表達。此項查核工作包括以抽查方式獲取合併財務報告所列金額及所揭露事項之查核證據、評估管理階層編製合併財務報告所採用之會計原則及所作之重大會計估計，暨評估合併財務報告整體之表達。本會計師相信此項查核工作可對所表示之意見提供合理之依據。

依本會計師之意見，第一段所述合併財務報告在所有重大方面係依照公開發行銀行財務報告編製準則及金融監督管理委員會認可之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達臺灣中小企業銀行股份有限公司及子公司民國一〇三年及一〇二年十二月三十一日之合併財務狀況，暨民國一〇三年及一〇二年一月一日至十二月三十一日之合併財務績效與合併現金流量。

臺灣中小企業銀行股份有限公司已編製民國一〇三年及一〇二年度之個體財務報告，並經本會計師出具無保留意見之查核報告在案，備供參考。

安侯建業聯合會計師事務所

會計師：李達暉
陳[illegible]

證券主管機關：金管證審字第1000011652號
核准簽證文號：(88)台財證(六)第18311號
民國一〇四年三月十六日

II. 2014 report on surplus allocation is presented and respectfully submitted for recognition.

Explanation:

1.The undistributed earnings at the beginning of 2014 was NT$ 57,211,313.57 and NT$ 8,756,500, the "Defined benefit plans actuarial gains", plus NT$ 5,315,137,276.77of the net income after tax in the fiscal year of 2014,the statement of which were audited by Fung-Huei Lee, CPA and Fu Wei Chen, CPA of KPMG.. The allocation of surplus is conducted in conformity with The Articles of Incorporation of Taiwan Business Bank and related laws as follows:

(1) NT$ 1,594,541,183.03 is to be set aside to Legal Reserve.

(2) NT$ 96,237,577.42 is reversal from Special Reserve.

A. According to the letter dated April 6^{th}, 2012 from Financial Supervisory Commission, with the issuing number 1010012865, after entities adopted International Financial Report Standards for preparing financial statements, when allocating earnings in term of net debit amount of owner's equity on book(such as the difference of foreign exchange in translating financial statements of foreign operating units, unrealized valuation gains on available-for-sale financial assets and the cumulative balance of gains and losses on the hedging instrument's effective hedge, etc.), accumulated amounts in reduction of other owner's equity are special reserve for undistributed earnings from previous financial years and retained earnings in the current financial year. Therefore, special reserve for undistributed earnings from previous financial years cannot be distributed; however, if the company has been proceeding in accordance with the special reserve requirements, special reserve shall include the difference between the amounts already set aside and other interests. Subsequently, if debit to other owner's equity is reversed, the reversed amount is allowed to distribute.

B. The credit amount of shareholders' equity on book as of December 31, 2014 is NT$ 64,216,747.61, which includes "exchange difference from translation of foreign operating departments' financial statements", NTS 91,858,132.72 and "unrealized loss from available-for-sale financial assets", NT$ 27,641,385.11. No special reserve is required. The special reserved had been set aside for NT$ 96,237,577.42 on previous fiscal year which could be reversed completely as distributable earnings of 2014.

(3) Shareholders' bonus – stock dividend (0.73 dollar per share): $3,867,477,270.

(4) NT$15,324,214.73 is be set aside to undistributed earnings.

(5) Bonus to employees and remuneration to Directors:

Bonus to employees (8%): NT$305,346,693.

Remuneration to Directors (1%): NT$38,168,337.

The above proposed of bonus to employees and remuneration to Directors had been recognized as expenses of current year in accordance with regulations.

2. Table of year 2014 Surplus Allocation of Taiwan Business Bank is attached. Please refer to the meeting Handbook.

Resolved, the allocations were approved as submitted.

Discussion Matter

Explanation:

I. Issue fresh stocks through capitalization of 2014 earnings.

Explanation:

1. Response to the requirement of common equity of Basel III to reinforce the capital structure and increase the profitability. In accordance with Article 240 of the Company Act, the management plans to withdraw total distributable earnings to issue dividends stocks of 386,747,727 shares.
2. The total amount of new shares and conditions of issuance for capital increase:
   (1) It is proposed to inject capital by NT$ 3,867,477,270, and issue 386,747,727 shares. They are all registered common shares.
   (2) After approval of competent authority for this capital injection by earnings recapitalization submitted upon approval of shareholders meeting, the Board of Directors is authorized to determine ex-dividend date otherwise. The stock dividend is 73 shares over each thousand in accordance with shareholding ratio specified in the stock ledger as of the ex-dividend date. For share less than one, shareholders may apply to stock service agent for combining the fractional stock within five days from ex-dividend date. For failure to combine by deadline or there is still fractional stock after combination, the fractional stock will be distributed by cash (rounded to dollar). The cumulative number of fractional shares to authorize the chairman to contact specific people to subscribe at par.
   (3) If the shareholders' stock dividend ratio is altered due to buyback of shares or transfer, conversion and cancellation of treasury stocks or other circumstances, it is proposed to be authorized the Board of Directors by shareholders' meeting for affairs regarding modification.
   (4) The shareholders' rights and obligations of the new shares are the same as those of existing shares.
3. The effect on performance and EPS of the stock dividends distribution: the EPS of 2014 is NT$ 1, the EPS after dividend distribution is NT$ 0.93, the difference is minor and there's no effect on the performance.
4. The paid-in capital after this capital increase shall be NT$56,846,617,870, which is still under the total capital NT$60 billion.
5. For anything not mentioned in this proposal, the Board of Directors is duly authorized for management.

Resolved, the proposal was approved as submitted.

II. Amend "Articles of Incorporation of Taiwan Business Bank".

Explanation:

1. In line with the requirement of capital adequacy ratio for expanding domestic and overseas branches, revises the total capital as NT$ 80,000,000,000 on article 5 of Articles of Incorporation of Taiwan Business Bank.
2. Please refer to comparison table in meeting Handbook (proposal) for details.

Resolved, the amendments were approved as submitted.

Election Matter

I. Elect Directors of 14th Board of Taiwan Business Bank.

Explanation:

1. The term of the 13th Directors expired on May 24, 2015. In accordance with the Article 195 of Company Act, when the term of Directors was matured, it should be extended until re-election. Hence, the election was accordingly held in conformity with 2015 annual meeting of shareholders.
2. In accordance with Article 20 of the Articles of Incorporation, the bank shall establish 15 seats of directors which include three or more seats of independent directors. The independent directors shall occupy at least one fifth of the board. Each director has tenure for three years.
3. In this election, 15 directors which include 3 independent directors should be elected. The tenure of directors is 3 years, from June 26, 2015 to June 25, 2018. The election of directors is conducted by nomination and the candidates are reviewed by the 22nd Board of Directors Meeting of the 13th Board of Directors on May 12th 2015. Please refer to meeting Handbook for details

Shareholder (No. 10973) offered his opinion about reviewing the qualifications and disqualifications of independent directors.

With the explanation from the Chairman and the head of Legal Compliance Department, the shareholder had no more objections.

Result of the Election for the 14th Term of Elected Directors is as follows:

List of Elected Directors

	Shareholder No.	Name	Votes Received
1	85515	Ministry of Finance Delegate: Chu, Rueen-Fong	9,535,079,200
2	85515	Ministry of Finance Delegate: Lin, Tzeng-Show	5,559,392,532
3	85515	Ministry of Finance Delegate: Lin Shiu Yen	5,006,140,855
4	85515	Ministry of Finance Delegate: Wang Wen-Chieh	4,221,185,599
5	85515	Ministry of Finance Delegate: Yu, Hung-Sheng	2,207,085,888

6	1002	Bank of Taiwan Delegate: Chang, Hong-Chi	3,257,326,340
7	1002	Bank of Taiwan Delegate: Lin, Li-Ling	1,668,506,173
8	1002	Bank of Taiwan Delegate: Wan Fu Lin	1,400,823,085
9	10409	Land Bank of Taiwan Delegate: Huang Chung-Min	1,588,936,451
10	254037	A.B.C. Machinery Industrial Co., Ltd. Delegate: Kau Jong-Jyr	6,013,571,921
11	254037	A.B.C. Machinery Industrial Co., Ltd. Delegate: Wang Che Nan	6,008,575,095
12	76436	Union of Taiwan Business Bank Delegate: Huang Chin Ting	4,879,723,557
13	Independent Director	Chih-Yu, Cheng	5,046,842,352
14	Independent Director	Chau-Chen Yang	5,006,317,921
15	Independent Director	Yaw-Huei Huang	5,006,304,322

Other Matter

I. Lift non-competition clause binding directors.

Explanations:

1. According to regulations set forth in paragraph 1 of Article 209 of the Company Act "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. List of director who does anything for himself or on behalf of another person that is within the scope of the company's business since 2014 annual meeting shareholders is attached. It is proposed to lift non-competition clause binding directors.

List of lifting non-competition clause binding directors

Directors delegated since 2014 Annual Meeting of Shareholders

Name of director	Director serves in other company within the same scope of TBB's business
Tzong-Rong Tsai	EVP of Bank of Taiwan

New directors of 14^{th} Board of Directors

Name of director	Director serves in other company within the same scope of TBB's business
Ministry of Finance	Bank of Taiwan Land Bank of Taiwan Director of First Commercial Financial Holdings Director of Hua Nan Financial Holdings Director of Mega Financial Holdings Taiwan Cooperative Bank Chang Hwa Bank
Bank of Taiwan	Director of First Commercial Financial Holdings Director of Hua Nan Financial Holdings Director of Mega Financial Holdings Director of Taiwan Life Insurance Co. Ltd. Director of Taiwan Fire & Marine Insurance Co. Ltd. Director of China Development Financial Holdings Director of United Taiwan Bank

	Director of Taipei Foreign Exchange Market Development Foundation Director of Taiwan Financial Asset Service Corporation Director of Financial eSolution Co. Ltd. Director of TAIYI Real-Estate Management Co. Ltd. Director of BankTaiwan Insurance Brokers Co. Ltd.
Land Bank of Taiwan	Director of United Taiwan Bank Director of Taiwan Asset Management Corporation Director of Taiwan Financial Asset Service Corporation Director of Land Bank Insurance Brokerage Co. Ltd.
Chang Hong-Chi (Representative of Bank of Taiwan)	EVP of Bank of Taiwan
Lin Li Ling (Representative of Bank of Taiwan)	SVP&GM , Department of Risk management, Bank of Taiwan
Wang, Shu-E (Representative of Bank of Taiwan)	SVP&GM , Department of Credit Management , Bank of Taiwan
Huang Chung-Min (Representative of Land Bank of Taiwan)	EVP of Land Bank Of Taiwan

1. **Lift non-competition clause binding of Director Tzong-Rong Tsai.**
2. **Lift non-competition clause binding of Director Ministry of Finance.**
3. **Lift non-competition clause binding of Director Bank of Taiwan.**
4. **Lift non-competition clause binding of Director Land Bank of Taiwan.**
5. **Lift non-competition clause binding of Director Chang, Hong-Chi, the representative of Bank of Taiwan.**
6. **Lift non-competition clause binding of Director Lin Li Ling, the representative of Bank of Taiwan.**
7. **Lift non-competition clause binding of Director Huang Chung-Min, the representative of Bank of Taiwan.**

Resolved, the proposal was approved as submitted.

Questions and Motions

Shareholder (No. 332255) offered her opinion about improving the procedure of shareholder's meeting and TBB Union and company shall hang together.

Shareholder (No. 7336) offered his opinion about revoking the donation and providing office free of charges to TBB Union and Taiwan Federation of Financial Union which were approved by board.
Explained by Chairman, Lawyer Ms. Chiu and Lawyer Mr. Hsu.

Shareholder (No. 9193) proposed meeting adjournment.
The Chairman adjourned the meeting

This minute summarizes under the statutory requirements only. Details are subject to the video records.

Appendix

1. The Rules of Shareholders' Meeting of Taiwan Business Bank

(1) Article 1 (Applicable Principles)
(2) Article 2 (Convention and Notice of Shareholders' Meeting)
(3) Article 3 (Preparation for Sign in Book such Documents)
(4) Article 4 (Principle of Meeting Place and Time)
(5) Article 5 (Calculation of Attending Shares and Call for Meeting)
(6) Article 6 (Discussion)
(7) Article 7 (Tape-recording and Video-taping of the Meeting Process as Evidence)
(8) Article 8 (Chairman and Observers of Shareholders' Meeting)
(9) Article 9 (Speak of Shareholders)
(10) Article 10 (Voting, Voting Supervision and Avoidance of Conflict of Interest)
(11) Article 11 (Meeting Order Maintenance)
(12) Article 12 (Proxy and Authorization of Shareholders)
(13) Article 13 (Announcement)
(14) Article 14 (Meeting Minute and Signature)
(15) Article 15 (Election)
(16) Article 16 (Rest, Resume the Meeting)
(17) Article 17 (Implementation)

2. Articles of Incorporation of Taiwan Business Bank

(1) Chapter 1 (Applicable Principles)
(2) Chapter 2 (Shares)
(3) Chapter 3 (Business)
(4) Chapter 4 (Meeting of Shareholders)
(5) Chapter 5 (Board of Directors)
(6) Chapter 6 (Supervisor)
(7) Chapter 7 (Manager)
(8) Chapter 8 (Accounting)
(9) Chapter 9 (Appendix)

3. Rules of Board of Directors Meeting of Taiwan Business Bank

(1) Article 1 Accordance.
(2) Article 2 Rules of Procedure
(3) Article 3 Calling a Board of Directors Meeting
(4) Article 4 Notification
(5) Article 5 Agenda Items
(6) Article 6 Discussion Items
(7) Article 7 Authorization Principle
(8) Article 8 Attendance Book and Proxy Presence

(9) Article 9 Meeting Place and Time
(10) Article 10 Chairman and the Agent
(11) Article 11 Document and Attendance
(12) Article 12 Board of Directors Meeting Hold
(13) Article 13 Discussion
(14) Article 14 Opinion of Directors and Command of the Chairman
(15) Article 15 Put to the Vote
(16) Article 16 scrutinize and Count
(17) Article 17 Avoiding conflicts of interest
(18) Article 18 Minutes and Sign
(19) Article 19 Audio and Video as Evidence
(20) Article 20 Application of Managing Director Meeting
(21) Article 21 Supplementary

4. Procedures for Election of Directors of Taiwan Business Bank

5. Shareholding of Directors:

Title	Name	Number of Shares	Shareholding Ratio (%)
Chairman of the Board	Tien-Chang Huang	116,878,200	2.21
Managing Director	Tzeng-Show Lin	(116,878,200)	(2.21)
Managing Director	Tsai, Tzong-Rong	912,520,417	17.22
Managing Director	Lin Li Ling	(912,520,417)	(17.22)
Independent Managing Director	Chih Yu Cheng	0	0
Director	Lin Shiu Yen	(116,878,200)	(2.21)
Director	Wang Wen-Chieh	(116,878,200)	(2.21)
Director	Lee Hong-Yen	(116,878,200)	(2.21)
Director	Wan Fu Lin	(912,520,417)	(17.22)
Director	Huang Chin Ting	1,961,648	0.04
Director	Kau Jong-Jyr	1,521,819	0.03
Director	Wang Che Nan	(1,521,819)	(0.03)
Director	Huang Chung-Min	128,609,392	2.43
Independent Director	Chau-Chen Yang	0	0
Total		1,161,491,476	21.93