

Subject:

CTBC Bank's capital increase for a cash offering by private placement about the date of pricing

Contents:

- 1.Date of the board of directors resolution: 2014/5/12
- 2.Types of the private placement: Common shares
- 3.Buyers of the private placement and their relationships with the company: CTBC Holding which owns 100% of CTBC Bank
- 4.Number of shares or bonds privately placed: 600,000,000 shares
- 5.Total monetary amount of the private placement: NT\$15,000,000,000
- 6.The pricing basis of private placement and its reasonableness:

The price of each privately placed share shall not be lower than 100% of the recommended price, and the price would also refer to CTBC Holding's P/B ratio (1.2~1.5) because the Bank is the main earnings contributor to the holding company. Based on CTBC Bank's book value of NT\$18.677861878064 per share as of December 31, 2013 and CTBC Holding's P/B ratio, each privately placed share is fixed at NT\$25, which is no lower than 100% of the recommended price, and is therefore considered a fair price.
- 7.Use of the funds raised in the private placement: To strengthen capital and financial structure ,and to acquire equity interest in "The Tokyo Star Bank, Ltd."
- 8.Reasons for conducting non-public offerings:
 - (1) CTBC Bank is a public company formed by CTBC Holding as the sole juristic shareholder; therefore private placement is adopted to preserve the simplicity of the current shareholding structure.
 - (2) To shorten the time needed to raise the funds, and save on the costs of such fundraising.
- 9.Objections or qualified opinions from independent Board of Directors: No
- 10.Date of pricing: 2014/5/12
- 11.Recommended price: Recommended price, the book value per share shown on the financial report audited or reviewed by CPA for the period closest to the date of pricing, is NT\$18.677861878064 per share as of December 31, 2013
- 12.Shares price, conversion or subscription price: NT\$ 25 per share
- 13.Rights and obligations of the new private placement shares: Same as the outstanding common shares, except restrictions on transfers of privately placed shares specified in Securities and Exchange Act.
- 14.The record date for share conversion, if conversion, exchange, or subscription rights are attached: N/A
- 15.Possible dilution of equity, if conversion, exchange, or subscription rights are attached: N/A
- 16.Possible influence of change in shareholding, if conversion or subscription rights are fully attached: N/A
- 17.Countermeasures of the aforesaid estimate change in shareholding: N/A
- 18.Any other matters that need to be specified: None