

O-Bank 2024 Sustainability Report



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Editor's Note

Fulfilling our corporate social responsibilities (CSR) is the first of many steps to realize the O-Bank spirit of "fulfilling oneself by benefiting others." O-Bank firmly believes that the foremost mission of a company is not only to pursue profit, but also to protect the environment, care for society, and sincerely respond to the needs of all stakeholders – thereby achieving sustainable operations and growth.

O-Bank established an ESG Development Working Committee (formerly the Corporate Social Responsibility Committee) in 2015 made up of each department's most senior supervising manager. We act on our corporate culture of "Always Sincere, Always Here" in the six dimensions of corporate governance, customer relationships, employee care, environmental protection, social engagement, and green finance, systematically driving a wide range of sustainable development plans. In 2023, O-Bank established a "Board Sustainability Committee" governed by the Board, further placing the entire Bank's sustainable development strategy and its execution under the supervision of the Board. Each year, the results of our efforts in sustainable development are disclosed in sustainability reports. By means of these reports, O-Bank hopes to stay in close communication with all concerned stakeholders so that they can better understand our thinking and how we act upon it. Since publishing our first sustainability report in 2016, O-Bank has regularly published one each year in late June (Since 2021, the English version of the sustainability report has been regularly published each year in August). This year's will be the 10th sustainability report, and there has been no need to restate any of the information contained therein. More reports will follow each year to publicly disclose various sustainability actions.

This sustainability report covers the period January 1 to December 31, 2024, consistent with the period covered by our financial report. In addition, to ensure the completeness of reporting on certain programs and activities, parts of the report present information dating before 2024. Disclosures in this report cover all of O-Bank's domestic and overseas business locations. In addition to the O-Bank headquarters building in Taipei's Neihu District, this report also includes the Nanjing Fuxing Branch, the Taoyuan Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, and Tainan Region Business Office, as well as the Hong Kong Branch and the Tianjin Representative Office overseas. The statistical data set out in this report comprehensively cover all of O-Bank's domestic and overseas business locations, but not affiliated enterprises (for detailed information, please see p. 204 of O-Bank's 2024 Annual Report). Information on the results of environmental performance results also include the greenhouse gas emissions and carbon reduction programs of the subsidiaries. Information on the results of social engagement efforts includes the public service activities of the O-Bank Education Foundation. All financial figures in this report are denominated in NT Dollars and have been certified by a CPA.

In its content and structure, the O-Bank 2024 Sustainability Report is modeled on the Global Sustainability Standards Board (GSSB)'s GRI Sustainability Reporting Standards (GRI Standards), the AA1000 AccountAbility Principles, and the Sustainability Accounting Standards Board (SASB) standards for commercial banks and consumer finance, and was also drafted with reference to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the ISO 26000 Guidance on Social Responsibility, the International Integrated Reporting Council's Integrated Reporting Framework, the UN Global Compact disclosure guidelines, and the UN Sustainable Development Goals.

O-Bank has retained BSI SG Taiwan Branch with the approval of the chairperson to independently certify our Sustainability Report on the basis of the "GRI Standards (2021)" and the AA1000 AccountAbility Principles (The high level assurance of Type 2 of AA1000AS v3), as shown in Appendix 8. At the same time, O-Bank retained Ernst & Young Taiwan to prepare independent limited assurance reports on 13 specific sustainability performance indicators in accordance with the Accounting Research and Development Foundation's "Standard on Assurance Engagements 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information," which were drafted with reference to the International Standard on Assurance Engagements 3000 (ISAE 3000). In addition, limited assurance has been conducted on the carbon emissions data of the entities recognized by the Bank as investment and financing targets, as shown in the limited assurance report found in Appendix 9.

To protect the environment, this report has been printed under strict quantity control, using soy ink on paper certified by the Forest Stewardship Council (FSC). An electronic version is available for download from the Sustainable Development section of the O-Bank website. If you have any suggestions regarding this report, you are welcome to contact us at:

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Letter from the Chairperson

In addition to pursuing growth and creating economic value, an enterprise must create social value, act as a force for good in society, and maintain a corporate sustainability that facilitates the emergence of a synergistic co-existence between the economy, the natural environment, and society. O-Bank has long been dedicated to achieving our goal of corporate sustainability. Ever since our founding in 1999 as the Industrial Bank of Taiwan, and then our reorganization and listing in 2017 as O-Bank, We have acted in the spirit of "fulfilling oneself by benefiting others," working with all stakeholders to create a shared prosperity and achieve sustainable development for the company, the environment, and society.

Over the past year, against the backdrop of global economic volatility, O-Bank's profits have maintained good growth momentum. 2024 earnings per share (EPS) came to NT\$1.00, standalone net profit after tax was NT\$2,856 million, and consolidated net profit after tax came to NT\$3,893 million. Excluding the one-off gain resulting from the IBT leasing merger case in 2022, in 2024 O-Bank achieved its highest earning per share and standalone net profit after tax since the Bank was founded. O-Bank's principal objective in recent years has been to pursue high-quality profits, and the Bank hopes to use its resources as effectively as possible. Moving forward, the Bank will continue expanding its customer base, developing diverse products, improving operating efficiency, and reaping the benefits of group synergy in order to create a boutique bank that pursues both shareholders' value and sustainable management.

In the course of a company's growth, we firmly believe that a company's mission is not merely to earn profits; besides pursuing profit, a company must also care for the environment and society, and work toward a vision in which all stakeholders share in win-win outcomes for all.

I chair the ESG Development Working Committee (formerly the Corporate Social Responsibility Committee) that we formed in 2015. O-Bank's President serves as the committee's vice chairperson, and the rest of the committee members are composed of the chiefs of O-Bank's related units. Since the founding of this committee, we have begun to fulfill our corporate social responsibilities in a more systematic manner, steadily advancing commitments in the six dimensions of corporate governance, employee care, customer relationships, environmental protection, social engagement, and green finance. Since 2023, we have further established a "Board Sustainability Committee" under the Board, consisting of seven directors, with more than half of the members being independent directors, responsible for supervising the bank's sustainable development strategy and implementation results, which demonstrates our commitment to sustainable development.

In recent years, in response to the issues of climate change and the trend of net zero, we have even more actively incorporated a sustainability-oriented mindset into the running of our business. For example, we have signed on to the Equator Principles; joined the Task Force on Climate-Related Financial Disclosures (TCFD) and became an official TCFD Supporter; incorporated sustainability risk factors into the investment decision-making process and the review process for financing decisions; joined the Partnership for Carbon Accounting Financials (PCAF) and the Partnership for Biodiversity Accounting Financials (PBAF); and became a Carbon Disclosure Project Supporter (CDP Supporter). Through these efforts, we are moving steadily toward the achievement of green finance, in hopes of using the power of finance to spur sustainable development in all industries. In addition, we were the first in Taiwan to provide the "Consumer Spending Carbon Calculator" and the "Transportation Carbon Reduction Details," enabling consumers to see an itemized list of carbon emissions for every purchase paid for using the O-Bank mobile banking app or via the O-Bank online banking site, as well as the amount of carbon reduction achieved through public transportation rides taken using an iPASS card. In this manner, O-Bank encourages customers to reduce the amount of carbon emissions they generate through their everyday purchases. In addition, O-Bank has pledged that renewable energy will account for 50% of power consumption at all global business locations by the year 2030, and 100% by the year 2050 in order to achieve net zero emissions. The hope is that O-Bank, its corporate customers, and its retail customers can join hands with all the Bank's stakeholders in a shared effort to achieve the goal of the 1.5°C Paris Agreement.

In sustainable development performance, O-Bank has become a Certified B Corporation after years of determined effort, a distinction that signifies that the recipient meets the highest international standards for

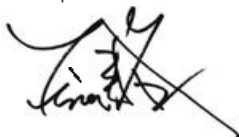
performance in the fulfillment of corporate social responsibility. This achievement demonstrates the depth of our commitment to employees, the environment, and society and is a realization of our ideal of being "the best FOR the world." In addition, O-Bank has won numerous "Taiwan Corporate Sustainability Awards (TCSA)" from the Taiwan Institute for Sustainable Energy (TAISE) over the years. In 2024 we won a "Taiwan Top 100 Corporate Sustainability Model Awards," in the Corporate Comprehensive Performance category, and the "Social Inclusion Leadership Award," "Gender Equality Leadership Award," "Workplace Wellbeing Leadership Award," "Creative Communication Leadership Award," in the Best Sustainability Practice category, and a "Gold Award" in the Financial and Insurance Sector – Sustainability Report Category. In addition, the Company was honored with 5th place in the Medium-Sized Enterprise category of CommonWealth Magazine's 2024 Excellence in Corporate Social Responsibility Award.

As O-Bank has grown, we have continued to be included in a number of international sustainability evaluations. In March 2025, received a score of 7.1 in the ESG Risk Ratings published by Sustainalytics. As of the end of May 2025, O-Bank received the highest score among all financial institutions in Taiwan and the highest score among all listed companies in Taiwan, according to the Taiwan Depository & Clearing Corporation Investor Relations Platform (TDCC IR Platform). In addition, O-Bank was also recognized by Sustainalytics with multiple distinctions, including "Global 50 ESG Top Rated," "ESG Industry Top Rated – Banks" and "ESG Regional Top Rated – Asia Pacific". O-Bank also achieved an FTSE Russell ESG Score of 4.3 out of 5.0. As of the end of May 2025, we were ranked first in the Taiwan financial industry and 7th among all Taiwan listed companies according to the TDCC IR Platform. With a score of 87 on the S&P Global CSA Score, we were selected for the 2025 Sustainability Yearbook and was honored to be among the top 10% of companies in the world in its industry. Furthermore, O-Bank voluntarily participated in the Carbon Disclosure Project (CDP) ratings in 2024 and achieved the highest rating of Leadership Level A. Our achievements in these international sustainability evaluations demonstrate O-Bank's determination to operate sustainably and enjoy a shared well-being with all stakeholders.

Moving forward, in an effort to realize our vision of prospering with employees, profiting with customers and shareholders, co-existing with the environment, and benefiting with society, O-Bank will continue implementing the following sustainable development strategies:

1. Insist on integrity, and realize our corporate culture of "Always Sincere, Always Here" in relationships with employees, customers, shareholders, the public, and all stakeholders.
2. Commit to sustainable business management and strive to maximize shared value for employees, customers, shareholders, and all stakeholders.
3. Uphold the law, value corporate governance, and effectively manage risks.
4. Work to balance employees' work and life, provide them with high-quality care, multifaceted talent development plans, and a comfortable and safe work environment.
5. Promote our corporate culture, value teamwork, build a warm, cooperative, and friendly workplace, and give employees a sense of belonging, happiness, and mission.
6. Provide sophisticated services, enhance professional value, and grow up with our customers, to make contributions to the economy and industry, and further create a win-win situation.
7. Actively promote and lead innovation in the Bank, industry, and society, in accordance with governmental policies.
8. Value and continue to implement environmentally friendly policies.
9. Carry out public welfare and arts and education activities, care for the community and students, give back to the local community and society, and promote and lead employees to engage in charitable service.

Chairperson Tina Y. Lo



2024 Sustainability Performance Highlights



Corporate Governance

The ratios of female and independent directors are both 1/3 or higher

The 12 members of the Bank's 9th Board includes four female directors and four independent directors.

Directors completed a combined total of 145 person-hours of professional development courses

In 2024, O-Bank directors completed a combined total of 145 person-hours of professional development courses, which was 73 person-hours higher than the statutory standard, thus achieving a target completion rate of 100%.

Comprehensive disclosure of board compensation

Public disclosure of individual compensation for each director, and board compensation policy was presented and approved at the 2024 Annual Shareholders' Meeting.

Maintained ISO 27001 certification for information security management system

Continued to obtain annual ISO 27001 information security certification each year, with 100% certification coverage for IT organizations.



Customer Relationships

18 charity affinity cards

Since 2018, O-Bank has launched a total of 18 charity affinity cards. The cumulative number of charity affinity cards issued accounts for approximately 10.01% of all O-Bank cards.

Personal green loans

Launched personal green loans and green mortgages, encouraging purchases of energy efficient products and green building homes.

24-hour online currency exchange

Clients may apply for foreign currency accounts online, and exchange 12 currencies online 24 hours a day.

Customer satisfaction continues to rise

O-Bank retail customer satisfaction reached 90.1%, and corporate customer satisfaction reached 99.11%.



Employee Care

Long-term incentive bonus program

Encouraged employees to pursue long-term performance by setting long-term performance goals, and issued long-term incentive bonuses in the form of phantom stock based goal achievement.

Women account for approximately 42% of management, 45% of executive-level management

Men and women each accounted for roughly half of all employees in 2024. Women accounted for 42% of management, 45% of executive-level management, and 55.2% of all promotions.

Gender Pay Equity Initiative

The Company has established a Gender Pay Equity Plan based on the principle of equal pay for work of equal value. Under this plan, we are progressively narrowing the gender pay gap through annual adjustments, with the goal of achieving comparable fixed salaries for female and male employees in positions with similar responsibilities and qualifications.

Same-sex spouses receive equal benefits

O-Bank set an industry first by ensuring that same-sex spouses of employees receive the same benefits and allowances as spouses of other married employees.

Passed third-party certification for ISO 45001 Occupational Health and Safety Management System

Continued to improve our occupational safety management system and passed third-party certification for the ISO 45001 Occupational Health and Safety Management System.

Active lifestyles, healthy workplace

O-Bank has received a Badge of Accredited Healthy Workplace from the Ministry of Health and Welfare and a "Taiwan i Sports" certification from the Ministry of Education.





Environmental Protection

Net zero emissions at global business locations by 2050

Pledged to achieve net zero emissions at global business locations by 2050, and set reduction goals for Scope 1 and Scope 2 greenhouse gas emissions with reference to Science Based Targets initiative (SBTi).

Renewable energy usage reached 18.50%

Continued to increase the proportion of renewable power consumption, with usage of green energy at global business locations reaching 18.50% in 2024.

Continued to reduce greenhouse gas emissions

2024 per capita greenhouse gas emissions (Scope 1 and Scope 2) calculated based on market basis for all global business locations declined approximately 1.72% from the previous year.

Awarded bronze-level green building certification

O-Bank's headquarters building was awarded Bronze-level Green Building Certification by the Ministry of the Interior for energy saving and carbon reduction.

Green purchasing amount increased by 18.2%

Continued to promote green purchasing; spending on goods that comply with Ministry of the Environment's definition of green products increased by 18.2% compared to the previous year.



Green Finance

Completed climate risk scenario analysis

Completed a scenario analysis of climate-related physical and transition risks, and incorporated climate change factors into review procedures for possible investees and corporate clients in industries that pose high climate risks; O-Bank makes climate-related disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and became a TCFD Supporter.

Completed Nature-related Financial Disclosures and Became a PBAF Supporter

On a voluntary basis, O-Bank adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework to assess and disclose its nature-related risks and opportunities. Additionally, we joined the Partnership for Biodiversity Accounting Financials (PBAF), becoming an official PBAF Supporter.

Achieved 100% carbon footprint assessment coverage for investment and corporate loan portfolio and implemented controls on carbon-intensive industries

O-Bank is the 4th financial services firm in Taiwan to join the PCAF. The scope of the carbon inventory covered 100% of O-Bank's corporate loans and 100% of O-Bank's total mid- and long-term investments, and O-Bank continues to monitor and control positions in carbon-intensive industries.

Set internal carbon pricing mechanism

Adopted carbon calculation in the internal management pricing system. In addition to calculating the carbon cost generated by the electricity consumption of each department, included the carbon emissions of investment and corporate loan portfolios in internal pricing to guide business units to reduce investments and corporate loan of carbon-intensive industries.

Set guidelines for exclusion and management of coal and unconventional oil and gas related industries

Set guidelines for exclusion and management of coal and unconventional oil & gas-related industries according to the coal and oil and gas exit lists set by the international NGO Urgewald, set control targets and control policies, and committed to fully divesting from coal and unconventional oil and gas industries by 2030.



Social Engagement

Introduced Taiwan's first "Consumer Spending Carbon Calculator"

First bank in Taiwan to develop a "Consumer Spending Carbon Calculator" that can be used to check the carbon emissions of each card purchase. Also launched a "Low-Carbon Lifestyle" Debit Card and adopted a carbon reduction reward system, the better a customer is for the planet, the higher the cash back they can receive.

Transportation Carbon Reduction Details

Collaborated with iPASS to launch the "Transportation Carbon Reduction Details" function, enabling O-Bank clients to view their carbon reduction from using public transportation compared to driving a car.

Led industry in advocating green consumption

O-Bank was the first in Taiwan's banking industry to call for conscious consumption. O-Bank is working with 30 social enterprises and B Corporations to promote the "Green Consumption Power" project. When clients shop at businesses that are good for the environment and society, O-Bank provides additional rewards.

First Social Impact Program of its kind in Taiwan

Launched the "Social Impact Program," enabling customers to designate their savings into "Social Impact Deposits," which are exclusively used to provide microloans to economically disadvantaged and disabled groups. The Social Return on Investment (SROI) report for this project has been certified by Social Value International.

O for YOU Assistance Savings Project

Launched "O for YOU Assistance Savings" project, providing the economically disadvantaged and disabled people with NT dollar savings with tiered interest rate incentives to encourage gradual accumulation of assets.

Launched the Circle of Care Inclusive Savings Program

O-Bank introduced the "Circle of Care Inclusive Savings Program", offering preferential tiered interest rates on NTD demand deposit accounts to eligible new immigrants and Indigenous peoples across Taiwan whose income meets specific criteria. The program aims to help economically disadvantaged groups improve their financial circumstances.

Support for social enterprises' products

O-Bank received a "Buying Power" Award for the 8th consecutive year from the Ministry of Economic Affairs for purchasing of products from social enterprises.

Support for 44 students from underprivileged backgrounds

Since 2015, O-Bank has carried out its Summer Seed Internship Program for students from underprivileged backgrounds. Over this period, 44 students have benefited from the program.

Nurtured 1,401 young artists with "Stars of Tiding" art advocacy project

The "Stars of Tiding" art advocacy project, which has now been held for the past 15 years, has provided strong support to 1,401 up-and-coming young artists.

Sustainability Achievements

Highest Sustainalytics ESG Risk Rating among all listed companies in Taiwan, and was selected as one of the “Global 50 ESG Top Rated” companies

Received an ESG Risk Rating of 7.1 from Morningstar Sustainalytics, the highest rating among all Taiwan financial institutions, and first among all Taiwan-listed companies according to the Taiwan Depository & Clearing Corporation Investor Relations Platform (TDCC IR Platform) as of the end of May 2025. In addition, O-Bank was also recognized by Sustainalytics with multiple distinctions, including “Global 50 ESG Top Rated,” “ESG Industry Top Rated – Banks” and “ESG Regional Top Rated – Asia Pacific”.

Highest FTSE Russell ESG Score in the Taiwan financial industry

Received an ESG Score of 4.3 from FTSE Russell, the highest rating among all Taiwan financial institutions and the seventh-highest among all Taiwan-listed companies according to the TDCC IR Platform as of the end of May 2025.

Carbon Disclosure Project the highest A rating

In 2024, we took part in the Carbon Disclosure Project (CDP) ratings and received a rating of Leadership Level A.

Included in the 2025 Sustainability Yearbook by S&P Global CSA Score

The Bank received a score of 87 in the 2024 S&P Global Corporate Sustainability Assessment (CSA), earning a place in the 2025 Sustainability Yearbook and recognition as being among the top 10% of companies globally within its industry.

Top 5% in the TWSE “Corporate Governance Evaluation”

O-Bank scored among the top 5% of listed companies in the Taiwan Stock Exchange’s “2024 Corporate Governance Evaluation.”

“Excellent Performance” certification in corporate governance system assessment

Awarded an “excellent performance” certification by the Taiwan Corporate Governance Association under the CG6014 Corporate Governance System Assessment.

Selected to TWSE RAFI Taiwan High Compensation 100 Index

O-Bank was selected as a component of the TWSE RAFI Taiwan High Compensation 100 Index.

Awarded 5th place in the Medium-Sized Enterprise category of Commonwealth Magazine’s 2024 Excellence in Corporate Social Responsibility Award

O-Bank participated in Commonwealth Magazine’s 2024 Excellence in Corporate Social Responsibility Award and was ranked 5th in the Medium-Sized Enterprise category.

Six major Taiwan Corporate Sustainability Awards

At the 2024 Taiwan Corporate Sustainability Awards (TCSA), received the “Taiwan Top 100 Corporate Sustainability Model Awards,” Gold Award in the “Financial and Insurance Sector – Sustainability Report Category,” “Gender Equality Leadership Award,” “Workplace Wellbeing Leadership Award,” “Social Inclusion Leadership Award,” and “Creative Communication Leadership Award”.

1. Sustainability Management and Stakeholders



1.1 Sustainability Policy and Its Implementation

Sustainable business is O-Bank's goal, and we maintain our corporate culture of "Always Sincere, Always Here" in relations with stakeholders, including employees, customers, shareholders, and the public. To fulfill our corporate social responsibility (CSR) and promote sustainable development, O-Bank in January 2015 established the "ESG Development Working Committee" (originally named the "Corporate Social Responsibility Committee") responsible for setting systems and policies related to CSR and sustainability matters, and for implementing plans, the committee holds regular meetings to track the execution of each project. In addition, in order to continue improving the sustainability governance framework and to ensure the achievement of environmental, social, and governance (ESG) sustainability goals, O-Bank in August 2023 established a Board Sustainability Committee which reports to the Board. The membership of this Committee is composed of company directors, more than half of whom are independent directors. The Board Sustainability Committee is responsible for supervising bank-wide sustainability strategies and their execution results. Each year O-Bank reports to the Board Sustainability Committee and the Board on each unit's annual sustainable development goals, and meetings are convened quarterly by the ESG Development Working Committee to track implementation. All of this information is compiled into an annual Sustainability Report, which is published after approval has been granted by the Board Sustainability Committee and the Board in order to facilitate communication with all stakeholders so that the latter can better understand O-Bank's related activities.

To continue enhancing our sustainability measures, O-Bank has adopted short-term, mid- and long-term strategic goals for ESG issues (see Table 1-1), and on that basis has launched a bank-wide sustainability action plan to promote corporate sustainability development.

Table 1-1: O-Bank's Short-, Mid- and Long-term ESG Strategies

ESG Strategies	Short-term	Mid- and Long-term	Associated Targets of the United Nations (UN) Sustainable Development Goals (SDGs)	Associated Goals of the Taiwan Sustainable Development Goals
Environmental (E)	<ol style="list-style-type: none"> 1. Continue conserving energy, reducing carbon emissions, implementing green purchasing, and using renewable energy resources to reduce the environmental burden of O-Bank's operations. 2. Acting in line with the Equator Principles, O-Bank will establish an environmental and social risk assessment framework for project financing. 3. Formulate a fully developed ESG evaluation mechanism for responsible lending and responsible investment, adopt ESG management targets, and use our role as a financial intermediary to spur sustainable development of various industries. 4. Continuously inventory carbon emissions from investment and corporate loan portfolios, and promote decarbonization of investment and corporate loan businesses through internal carbon pricing mechanisms and incorporating carbon reduction targets into employee performance evaluations. 	<ol style="list-style-type: none"> 1. Pursue low power-consumption in our operations, and collaborate with upstream and downstream firms in industry value chains to promote environmental protection policies. 2. Work to meet the Scope 1 and Scope 2 greenhouse gas emission reduction targets that are set based on the Science Based Targets initiative (SBTi), and steadily increase our reliance on renewable energy year by year. We have pledged to achieve net zero emissions in our own operations by 2050. 3. Continuously increase the proportion of investment and corporate loan balances that yield environmental and social benefits, and reduce the proportion of balances in carbon-intensive industries, in order to carry out responsible lending and responsible investing. 	<ol style="list-style-type: none"> 6.3 Improve water quality, eliminate pollution, and eliminate dumping of waste. 7.2 Increase global renewable energy sharing. 8.4 Reduce the linkage between economic growth and environmental degradation. 12.5 Generate less waste by "prevention, reduction, recycling, and reuse." 12.6 Encourage companies to adopt sustainable industrial and commercial methods. 	<ol style="list-style-type: none"> 6. Ensure environmental quality and sustainable management of environmental resources. 7. Ensure that all can enjoy affordable, stable, sustainable, and modern energy. 8. Spur inclusive and sustainable economic growth, increase labor productivity, ensure that all people enjoy high-quality job opportunities. 11. Build cities and rural towns characterized by inclusivity, safety, resilience, and sustainability. 12. Spur the rise of a green economy, ensure sustainable consumption and production modes. 13. Complete mitigation and adaptation activities to respond to climate change and its effects.

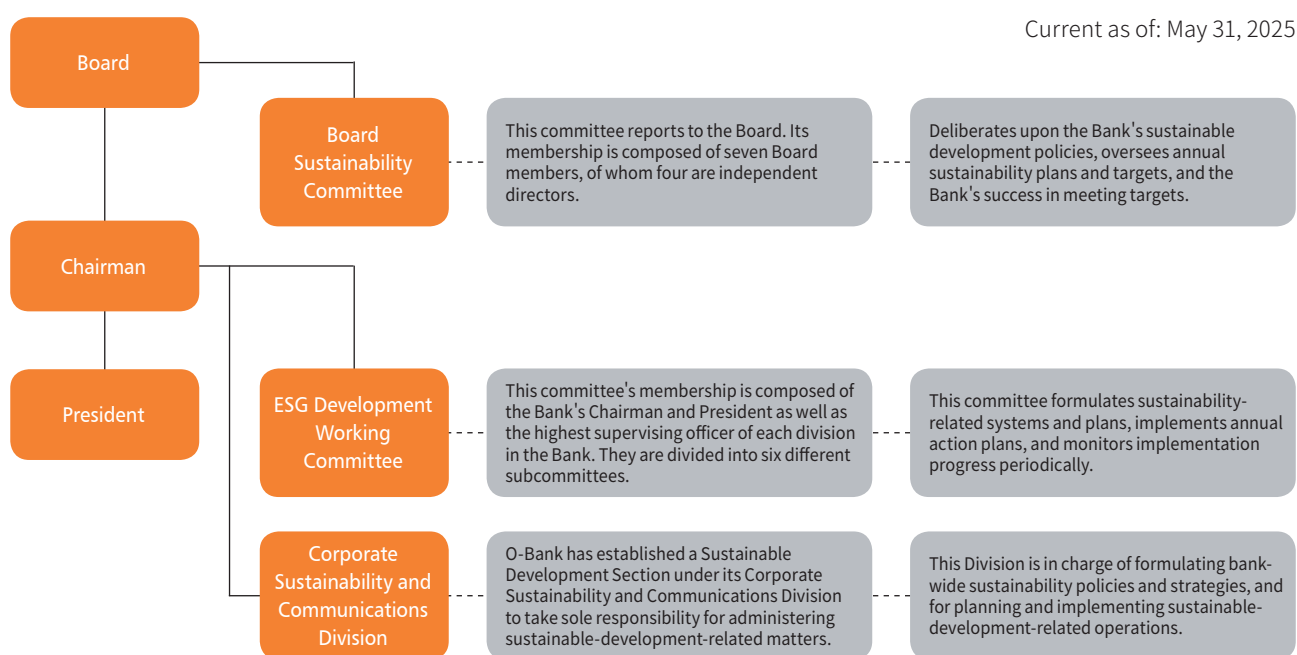
ESG Strategies	Short-term	Mid- and Long-term	Associated Targets of the United Nations (UN) Sustainable Development Goals (SDGs)	Associated Goals of the Taiwan Sustainable Development Goals
Social (S)	<ol style="list-style-type: none"> 1. Build an environment where employees can work with peace of mind, establish a comprehensive professional development system, provide competitive salary and benefits, and provide for balanced development by addressing the three aspects of recruiting talent, developing talent, and retaining talent. 2. Continue launching financial products and services with CSR features and use financial resources to give back to society. 3. Remain involved in community charity to care for the needs of students who are from remote areas or underprivileged backgrounds, and underprivileged groups; support social enterprises and B Corporations and network with them to use business as a force for good. 	<ol style="list-style-type: none"> 1. Attract and develop professional talent, create organizational competitiveness, and build a positive corporate culture from top to bottom. 2. Work to achieve financial inclusion, give consideration to financial inclusion during the process of financial product design, and create digital banking services that offer both convenience and a human touch. 3. Put our financial industry expertise to work for community charity, and exert a positive influence for the needy. 	<ol style="list-style-type: none"> 1.4 Ensure that all have fair access to new technologies and financial services. 4.3 Ensure that all have fair and affordable access to education. 4.5 Eliminate education inequality, and ensure that the underprivileged have access to education. 5.1 Eliminate all forms of discrimination against women. 5.5 Ensure that women have fair opportunities to take part in decision-making and leadership. 8.3 Encourage the growth of micro, small, and medium-sized enterprises, including by obtaining access to financial services. 8.5 Enable all persons to have a good job, and achieve equal pay for equal work. 8.6 Reduce the numbers of youth who experience unemployment, interruption of schooling, or failure to receive training. 8.8 Protect the rights and interests of labor, and promote workplace safety. 9.3 Ensure that small industrial and commercial firms have more channels to access financial services, including affordable loans. 	<ol style="list-style-type: none"> 1. Strengthen care and services designed to ensure social & economic security for underprivileged groups. 4. Ensure comprehensive, fair, and high-quality education, and advocate life-long learning. 5. Achieve gender equality and empowerment for all women. 8. Spur inclusive and sustainable economic growth, increase labor productivity, ensure that all people enjoy high-quality job opportunities. 10. Reduce inequalities, both domestic and among different countries. 12. Spur the rise of a green economy, ensure sustainable consumption and production modes.
Governance (G)	<ol style="list-style-type: none"> 1. Establish an open and transparent governance system, continue improving corporate governance, and implement compliance, risk management, auditing, and other internal controls. 2. To deal with unprecedented or unforeseeable risks, regularly conduct identification and management procedures for emerging risks. 3. Continue improving climate change risk assessment procedures and management mechanisms, and periodically make climate risk financial disclosures. 	<ol style="list-style-type: none"> 1. Monitor domestic and international supervisory trends, strengthen control of compliance and internal audits, and continue improving corporate governance. 2. Respond to market changes and business development, regularly adjust and adopt appropriate risk management approaches, and adopt sound risk management policies. 3. Establish a diversity of expertise among directors, including an understanding of sustainability issues, and continue to strengthen the functions and structure of the Board in order to deepen the link between the Board and sustainability performance. 	<ol style="list-style-type: none"> 8.10 Strengthen the institution's ability to provide financial services to all people. 10.5 Improve regulations and supervision of financial markets and institutions worldwide, and strengthen implementation of financial regulations. 13.1 Strengthen ability to recover from natural disasters and adapt to climate-related risks. 16.5 Reduce all forms of corruption and bribery. 16.6 Develop effective, responsible, and transparent systems. 16.b Promote and implement non-discriminatory laws and policies to achieve sustainable development. 	<ol style="list-style-type: none"> 8. Spur inclusive and sustainable economic growth, increase labor productivity, ensure that all people enjoy high-quality job opportunities. 13. Complete mitigation and adaptation activities to respond to climate change and its effects. 16. Spur the emergence of a peaceful and diverse society, ensure equality before the law, and build a system that has credibility and broadly reflects the will of the people.

1.1.1 Sustainability Governance Framework

To implement sustainable business practices, O-Bank has a functional committee called the Board Sustainability Committee that reports to the Board. Of the seven members of the Board Sustainability Committee, four are independent directors, while the O-Bank Chairman serves as the convener of the Board Sustainability Committee and chairs its meetings. The Board Sustainability Committee is responsible for reviewing the Bank's sustainability strategies, which address such matters as climate change, corporate governance, and green finance. The Board Sustainability Committee is to meet once per quarter, and held four meetings in 2024, with all committee members having an attendance rate of 100%. O-Bank also has an ESG Development Working Committee that reports directly to the O-Bank Chairman. O-Bank's ESG Development Working Committee is chaired by O-Bank's Chairman and O-Bank's President serves as the committee's Vice Chairman. The ESG Development Working Committee has a total of 14 members, each of whom is the highest-ranking supervisor of each related department in the Bank, and is responsible for formulating sustainability-related systems, and for planning and implementing annual action programs. The ESG Development Working Committee meets once per quarter to track the state of implementation of the various programs to ensure the result of implementation, and each year it reports to the Board Sustainability Committee and the Board on progress toward meeting various targets.

In addition, O-Bank has established a Sustainable Development Section under the Corporate Sustainability and Communications Division (an O-Bank organizational chart is set out in Chapter 2 Overall State of the Company, Fig. 2-1), which is a sustainability dedicated unit. Sustainable Development Section administrates and promotes sustainability systems and measures throughout the Bank and ensures the effective implementation of sustainable action programs. At this point, co-workers from the Sustainable Development Section and other co-workers of related units that are very involved in sustainability work include five employees who work full-time on sustainability matters, while approximately six employees spend a portion of their working hours on sustainability operations and promotion, ensuring that sustainability policies are properly carried out throughout the entire Bank. Further details on O-Bank's Sustainability Governance Framework are set out in Fig. 1-1.

Fig. 1-1: Sustainability Governance Framework of O-Bank



O-Bank's ESG Development Working Committee is divided into six subcommittees, including Corporate Governance Subcommittee, Customer Relationships Subcommittee, Employee Care Subcommittee, Environmental Protection Subcommittee, Social Engagement Subcommittee, and Green Finance Subcommittee. The heads of the subcommittees are appointed by the Committee Chairman, and each subcommittee is served by one to two executive secretaries responsible for communication and coordination. The Committee's organizational structure is shown in Fig. 1-2. In 2024, the ESG Development Working Committee held four work meetings and completed 132 programs focusing on the six dimensions of corporate governance, employee care, customer relationships, environmental protection, social engagement, and green finance.

Fig. 1-2: Organizational Chart of the ESG Development Working Committee Current as of: May 31, 2025



To ensure effective implementation of sustainability measures, O-Bank's President, all executive management, and all units as well as employees each year set sustainable development goals which, after confirmation by the ESG Development Working Committee, are submitted to the Board Sustainability Committee and the Board for approval. The achievement of each goal is reviewed at the end of each year. The 2024 sustainable development goals of the President and executive management are shown in Table 1-2. The idea is to take a top-to-bottom approach in promoting corporate social responsibility (CSR) measures and achieving sustainable business practices.

Table 1-2: 2024 Sustainable Development Goals of O-Bank's President and Executive Management

Title	Sustainable Development Goals
President	<ul style="list-style-type: none"> • Have the Bank's green electricity usage reach 15% of the total electricity consumption in the 2022 base year, and Scope 1 and Scope 2 greenhouse gas emissions decrease by 15% compared to 2022. • The proportion of corporate financing balance for the top 10 biggest carbon-intensive industries decrease to 3%, and the proportion of investment balance for the top 10 biggest carbon-intensive industries decrease to 16%. • Implement internal carbon pricing and collect carbon fees to urge all units of the Bank to conserve energy and reduce carbon emissions. • Average carbon emissions per NT\$1 million of investment/financing targets decrease by 5% compared to the previous year. • Obtain assessment results from domestic and international sustainability-related evaluations.
Executive Management	<p>Environment</p> <ul style="list-style-type: none"> • Increase the share of the Bank's total balance of financing and investments provided to enterprises with strong ESG performance, and reduce the share of the Bank's total balance of financing and investments provided to enterprises with poor ESG performance. For further details, see Section 7.3.2 (Incorporated ESG Evaluations into Corporate Loan Procedures) and Section 7.4.2 (Incorporated ESG Evaluations into Investment Procedures). • The proportion of corporate financing balance for the top 10 biggest carbon-intensive industries decrease to 3%, and the proportion of investment balance for the top 10 biggest carbon-intensive industries decrease to 16%. • Proportion of sustainability-linked loan balance increase to 2.25% of total corporate loan balance. • Increase the proportion of green bonds, social bonds, sustainability bonds, and sustainability-linked bonds to 7% of total bond investments. • Increase the proportion of green electricity usage to 15% of the Bank's total electricity consumption in the 2022 baseline year, and reduce Scope 1 and Scope 2 greenhouse gas emissions by 15% compared to the 2022 baseline year. • Expand the statistical scope of carbon inventories for investment and corporate loan targets, and obtain limited assurance from certified public accountants on the carbon inventory data. • Average carbon emissions per NT\$1 million of investment/financing targets decrease by 5% compared to the previous year. <p>Society</p> <ul style="list-style-type: none"> • Promote employees' physical and mental health; 40% participation rate in health promotion activities, and 90% participation rate in health checkups across all departments. • Encourage employees to develop diverse skills; expand the job rotation program for entry-level staff from the original eight units to encompass all units. • Enhance anti-fraud measures, including normalization of customer mailing addresses, control of accounts flagged by the National Police Agency, and graylisting of designated inbound accounts via the Financial Information Service Co., Ltd. (FISC). • The Bank's corporate online banking services to obtain ISO 22301 certification for business continuity management systems. • Continue to expand products that combine public welfare concepts with financial inclusion. <p>Governance</p> <ul style="list-style-type: none"> • Disclose individual director remuneration in the Company's annual report • 90% of contractors or partners sign the "Commitment to Ethical Conduct, Human Rights, and Environmental Sustainability." • Strengthen audits on how the investment unit incorporates ESG into investment analysis and decision-making, and how the corporate banking unit incorporates ESG into credit assessments. • The "Director Remuneration Policy" to clearly stipulate circumstances under which directors may not receive remuneration, to strengthen the link between performance and pay.

In addition to setting sustainable development goals each year, O-Bank also incorporates sustainable development goals into all employees' performance reviews. Sustainable development goals account for 5% or 10% of the total score in each person's performance review, depending on their employment duties, and a performance review score will affect an employee's short-term incentive bonus. The purpose of this measure is to strengthen the linkage between sustainability performance and employee compensation. Sustainable development goals are also factored into performance evaluations for the

O-Bank President and all executive management. Performance scores in such areas as CSR (sustainable development), compliance, internal control, risk control (including corporate governance and ethical management), and other non-financial indicators account for no less than 30% of a person's total performance evaluation score, and sustainability-related indicators are linked to short-term incentive bonuses and long-term incentive bonuses in order to encourage the O-Bank President and executive management to achieve sustainable development goals.

1.1.2 Sustainable Development Best Practice Principles

In order to fulfill our corporate social responsibility, O-Bank adopted a set of nine "Corporate Social Responsibility (CSR) Principles" in December 2015 to provide a yardstick for setting project goals and evaluating the success of CSR undertakings. In 2016, O-Bank adopted a set of "Corporate Social Responsibility Best Practice Principles" on the basis of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies." In line with the spirit of the aforementioned Principles, O-Bank has adopted guidelines, scope, policies, and procedures to address the five dimensions of CSR, and has implemented them upon their approval by the Board. On that basis, O-Bank has continued to update our "Corporate Social Responsibility Best Practice Principles" in accordance with the requirements of the competent authorities as well as domestic and international sustainability trends, in 2021 adding a chapter on "Development of Green Finance" and changing the name to the "Sustainable Development Best Practice Principles."

Main spirit of the O-Bank "Sustainable Development Best Practice Principles":

1. Insist on integrity, and realize our corporate culture of "Always Sincere, Always Here" in relationships with employees, customers, shareholders, the public, and all stakeholders.
2. Commit to sustainable business management and strive to maximize shared value for employees, customers, shareholders, and all stakeholders.
3. Uphold the law, value corporate governance, and effectively manage risks.
4. Work to balance employees' work and life, provide them with high-quality care, multifaceted talent development plans, as well as a comfortable and safe work environment.
5. Promote our corporate culture, value teamwork, build a warm, cooperative, and friendly workplace, and give employees a sense of belonging, happiness, and mission.
6. Provide sophisticated service, enhance professional value, and grow up with our customers, to make contributions to the economy and industry, and further create a win-win situation.
7. Actively promote and lead innovation in O-Bank, industry, and society, in accordance with governmental policies.
8. Value and continue to implement energy saving and environmental protection measures.
9. Carry out public welfare and arts and education activities, care for the community and students, give back to the local community and society, and promote and lead employees to engage in charitable service.

In order to align with the UN's sustainability initiatives and implement sustainable development goals, O-Bank voluntarily complies with the UN Principles for Responsible Banking (PRB) and has incorporated its set of six principles into the O-Bank "Sustainable Development Best Practice Principles." These Principles expressly require O-Bank to disclose in its annual sustainability report the results of the self-assessments called for by the PRB. The six principles for responsible banking focus on: alignment; impact and target setting; clients and customers; stakeholders; governance and culture; and transparency and accountability. The PRB, and O-Bank's responsive measures, are set out below in Table 1-3.

Table 1-3: Principles for Responsible Banking, and O-Bank's Responsive Measures

Principles for Responsible Banking	O-Bank's Responsive Measures
Alignment	<ul style="list-style-type: none"> • UN Sustainable Development Goals (SDGs): O-Bank's short, mid- and long-term sustainability strategies are linked to the SDGs. O-Bank actively seeks to exercise its influence as a financial institution, tapping into its expertise to push for sustainable development. • Paris Climate Agreement: O-Bank has committed to achieve net-zero emissions at O-Bank business locations throughout the world by 2050, in hopes of being part of the effort to achieve the Paris Climate Agreement vision of controlling global warming. • Equator Principles: O-Bank is the 124th financial institution in the world to sign the Equator Principles. It reviews and manages the environmental and social risks associated with project financing. • Task Force on Climate-Related Financial Disclosures (TCFD): O-Bank makes climate-related disclosures in line with the recommendations of TCFD, and identifies, analyzes, and controls climate-related physical and transition risks. The Bank has also become a registered TCFD Supporter. • Partnership for Carbon Accounting Financials (PCAF): O-Bank has joined the PCAF and adopted the international methodology to measure portfolio carbon emissions. • Task Force on Nature-related Financial Disclosures (TNFD): O-Bank follows the TNFD framework to assess and disclose its nature-related risks and opportunities. The Bank has also become a registered TNFD Supporter.
Impact and Target Setting	<ul style="list-style-type: none"> • ESG-related investment and corporate loan targets: O-Bank has incorporated ESG risk factors into review procedures for corporate finance deals and investments, and has adopted targets for increasing exposure to positions with relatively strong ESG performance while reducing exposure to positions with weak ESG performance. The purpose of these measures is to promote sustainable development across industries. • Targets for lower investments in and financing of carbon-intensive industries: O-Bank has drawn up a list of the 10 biggest carbon-intensive industries, and has set limits on the share of its on-balance sheet financing and investments that are directed to 10 biggest carbon-intensive industries. The idea is to limit the flow of O-Bank funds toward industries that have a significantly adverse environmental impact. • Targets for higher investments in and financing of environmentally- and socially-friendly industries: O-Bank encourages the flow of funds toward environmentally- and socially-friendly industries, and has adopted targets for higher investments in and financing of such industries, including renewable energy, medicine, and education. The idea is to spur beneficial development of the environment and society.
Clients and Customers	<ul style="list-style-type: none"> • Review of corporate customers' ESG risks and climate risks: O-Bank has incorporated ESG and climate-related risk factors into review procedures for corporate finance deals, in order to guide customers in managing ESG and climate-related risks, thereby encouraging them to pursue both corporate growth and sustainable development. • Work with retail banking customers to practice sustainability: O-Bank has tapped into its financial industry expertise and combined it with a dedication to sustainability concepts to launch related products – including "Social Impact" deposits and loans, the Consumer Spending Carbon Calculator, the Transport Carbon Reduction Details, and the "Green Consumption Power" project to enable customers to use financial products and services to act in a way that benefits the environment and society.
Stakeholders	<ul style="list-style-type: none"> • O-Bank has identified six major stakeholder categories and surveys them each year to understand the issues that are of most concern to them. O-Bank interacts with them via a diverse range of communication channels, and acts via different activities to spur stakeholders to be concerned about sustainable development. For more detailed information, see section "1.3.2 Stakeholder Engagement" in this report.

Principles for Responsible Banking	O-Bank's Responsive Measures
Governance and Culture	<ul style="list-style-type: none"> • O-Bank has a Board Sustainability Committee which reports directly to the Board. It is the Bank's ultimate oversight authority with respect to matters concerning sustainable development. There is also an ESG Development Working Committee that reports directly to the O-Bank Chairman. The ESG Development Working Committee's various subcommittees are responsible for formulating and implementing sustainability-related strategies and action plans. • O-Bank has established a sustainability dedicated unit called Sustainable Development Section under its Corporate Communications Department to promote sustainable development measures throughout the Bank and help other units carry out sustainability-related matters. • Sustainable development goals have been incorporated into performance reviews for the O-Bank President, executive management, and all employees. They account for 5% or 10% of the total score in each person's performance review, in order to ensure that they achieve ESG targets.
Transparency and Accountability	<ul style="list-style-type: none"> • Each year, O-Bank publishes a sustainability report that discloses measures taken to implement the Principles for Responsible Banking, and the results thereof. This information is provided to all stakeholders so that they can comprehensively understand O-Bank's actions in this regard. • O-Bank updates its website as necessary. The Bank's latest sustainability-related actions are treated as matters that must be updated promptly for the reference of all stakeholders.

1.2 Identification of Stakeholders

After studying the makeup of the stakeholders of peer companies in the financial industry both at home and overseas, O-Bank categorized employees, customers, shareholders, suppliers, government agencies, the local community, the public, NPOs/NGOs, CSR experts and scholars, artists, media, and labor unions as stakeholders. Following cross-departmental internal meetings and discussions, O-Bank eliminated CSR experts and scholars, labor unions, media, and NPOs/NGOs as stakeholders based on the principle of "relevance to the business of O-Bank's departments and frequency of contact." Artists and the local community were combined into a single broadly-defined stakeholder category we call "the public," resulting in the following six major stakeholder categories: employees, customers, shareholders, suppliers, government agencies, and the public. These categories have been approved by the ESG Development Working Committee. O-Bank maintained these same six stakeholder categories in 2024, so the makeup of O-Bank's stakeholders did not change.



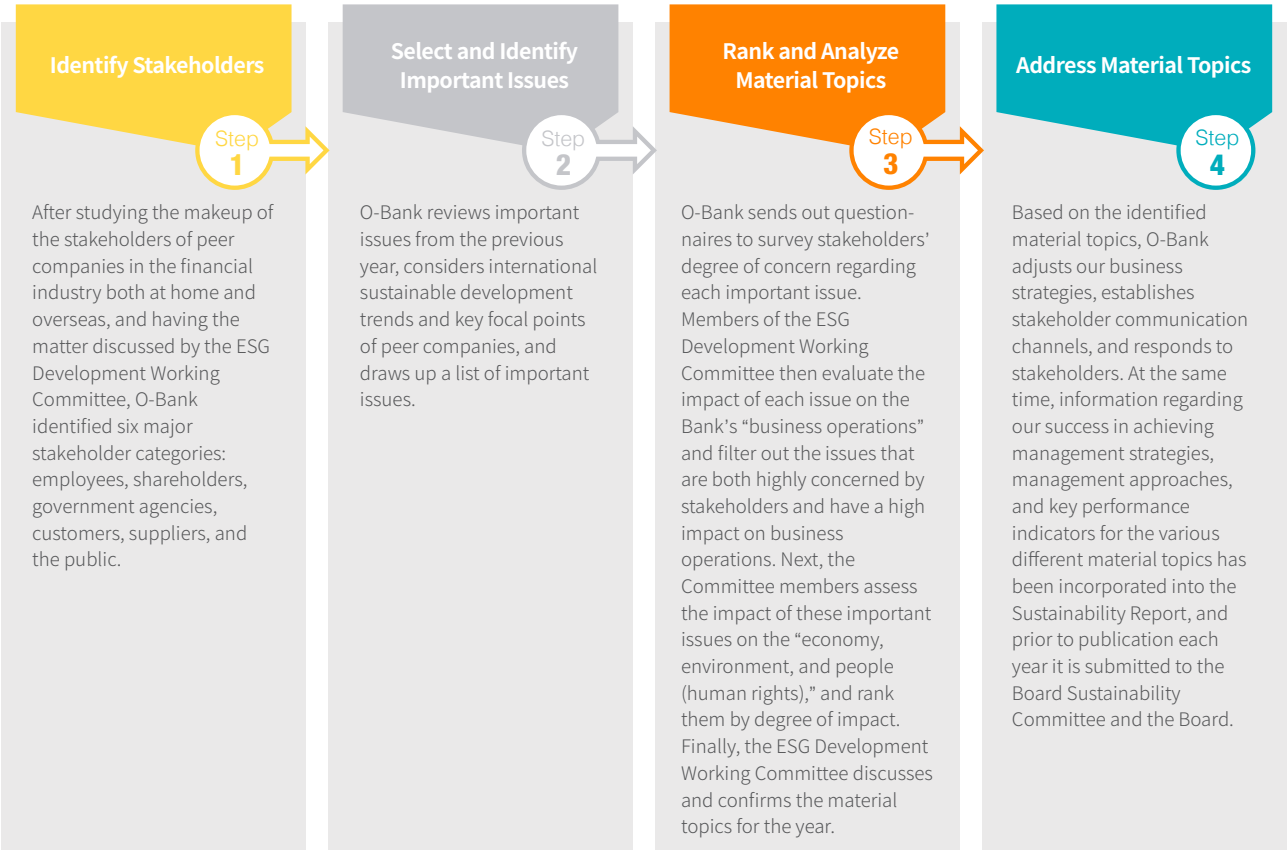
Fig. 1-3: O-Bank's Six Major Stakeholder Categories

1.3 Identifying and Analyzing Material Topics

O-Bank annually identifies the important issues for that year. In early 2025, the Bank sent out questionnaires to survey all stakeholders' degree of concern regarding each important issue at O-Bank in 2024. The ESG Development Working Committee members then evaluated the impact of each important issue on the Bank's "business operations" and plotted an analysis matrix accordingly. Next, the Committee members assessed the impact on the "economy, environment, and people (human rights)" for issues

that were both highly concerned by stakeholders and had a high impact on business operations. Based on these assessments, the Bank identified material topics. The Bank then conducted follow-up analyses and developed management mechanisms for the identified material topics, including analyzing risks and opportunities, setting goals, establishing management mechanisms, incorporating them into the Enterprise Risk Management (ERM) process, and providing responses to stakeholders.

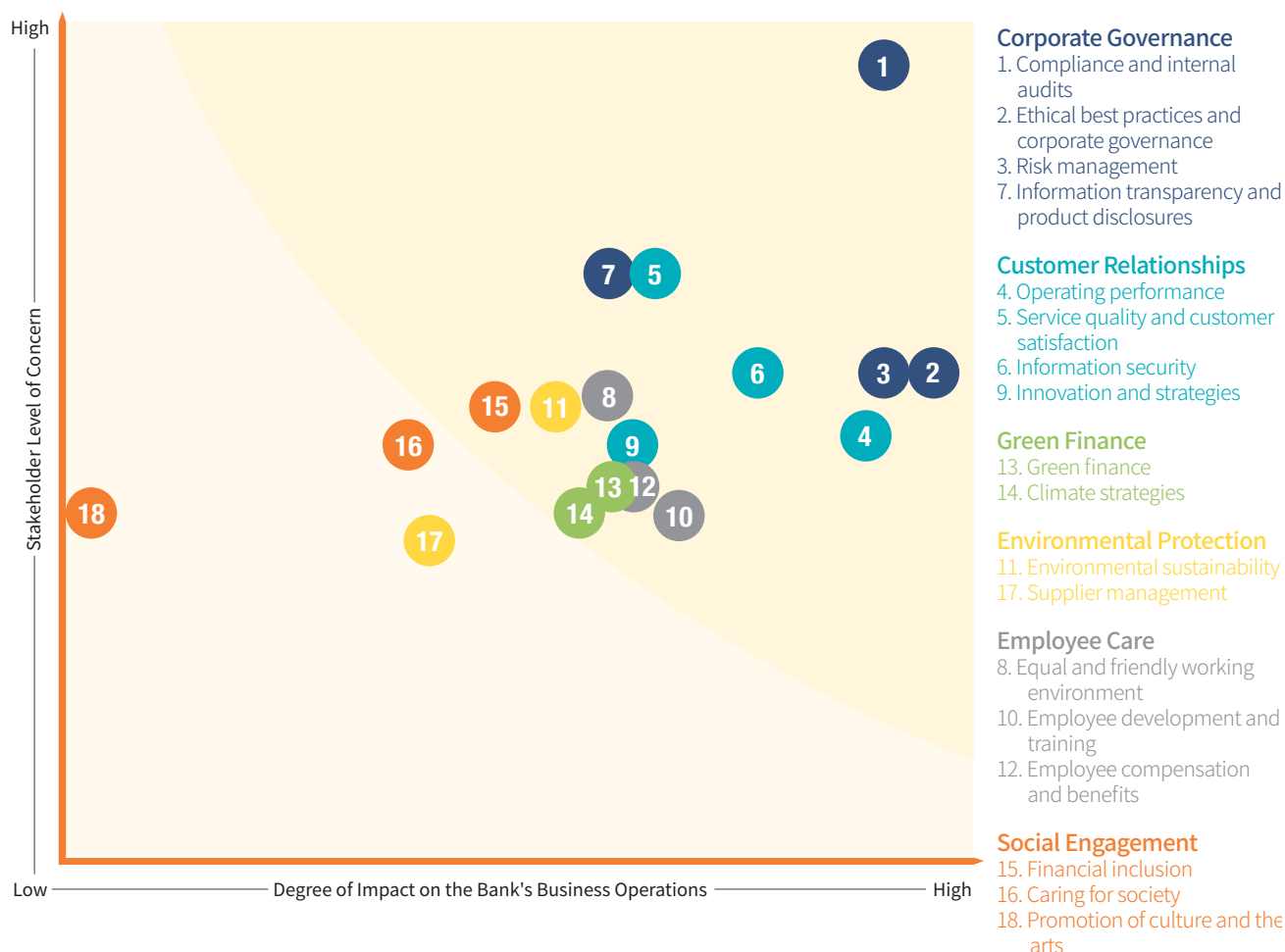
Fig. 1-4: Process for Identifying Stakeholders and Analyzing Material Topics



1.3.1 Identification and Analysis of Material Topics

To understand and categorize the issues of concern to stakeholders, O-Bank communicates through a diverse range of channels while also taking into account international sustainability trends and the areas of focus among peer institutions both in Taiwan and globally. In 2024, O-Bank identified a total of 18 important sustainability issues, unchanged from the previous year. To assess stakeholders' degree of concern regarding these issues, the Bank distributed questionnaires asking stakeholders to assign a score from 1 (lowest) to 10 (highest) to each of the 18 issues. Members of the ESG Development Working Committee also completed evaluation questionnaires to assess the impact of each issue on the Bank's business operations. These survey and evaluation results were then analyzed (see Fig. 1-5).

Fig. 1-5: 2024 Analysis Matrix of Important Issues



For the important issues identified as having both high stakeholder concern and a high degree of impact on business operations, members of the ESG Development Working Committee completed evaluation questionnaires to assess the positive and negative impacts of each issue on the economy, environment, and people (human rights). Each impact was scored separately from 0 to 10, with higher scores indicating greater impact. When the combined score of positive and negative impacts on the economy, environment, and people (human rights) reached 34 or above, the issue was designated as a material topic for the year. In 2024, a total of 13 material topics were identified through this analysis: ethical best practices and corporate governance, compliance and internal audits, risk management, operating performance, information security, service quality and customer satisfaction, green finance, climate strategies, environmental sustainability, employee compensation and benefits, employee development and training, equal and friendly working environment, and financial inclusion (see Fig. 1-6). This analysis applied the principle of double materiality, considering both internal operational impact and external environmental and societal impact. The results were submitted to and approved by the ESG Development Working Committee after discussion, and subsequently approved by the Board Sustainability Committee and the Board. These material topics are the principal focus of this report. Compared to the previous year, the number of material topics in 2024 decreased by two. For details regarding the impact description, affected value chain, scope of impact, and duration of impact for each topic, see Table 1-4.

Fig.1-6: O-Bank's 2024 Important Issues Impact Assessment Results for the Economy, Environment, and People (Human Rights)



Table 1-4: Description of Impact and Affected Value Chain of Selected Material Topics, Scope of Impact, and Duration of Impact

"○"Directly Related; "#"Business Relationship; "※"Indirectly Related

Material Topics	Description of Impacts and Affected Value Chain (incl. Material Risks and Opportunities)	Scope of Impact	Duration of Impact	Corresponding GRI Topic
Ethical Best Practices and Corporate Governance	Potential negative impact (risk): A financial services enterprise is charged with the safekeeping of people's properties. If it engages in unethical behavior or lacks of transparency in corporate governance, it could be fined by the government, or loss of the trust of customers and shareholders will seriously affect the company's business performance and cause the company to lose operating revenues. O-Bank upholds ethical management as one of our core values, and we rely on a professional and independent Board to exercise key decision-making and diligent oversight functions in order to gain the trust and support of stakeholders.	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)	Long-term	GRI 205-1: Operations assessed for risks related to corruption GRI 205-2: Communication and training about anti-corruption policies and procedures GRI 205-3: Confirmed incidents of corruption and actions taken GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Risk Management	Potential negative impact (risk): By correctly identifying traditional and emerging risks and then properly implementing risk management, it is possible to prevent or mitigate various risks that may have a negative impact on the Bank, and at the same time it is also possible, when a major contingency occurs, to mitigate operational risks, maintain normal operations, and control risks within an acceptable scope. Actual positive impact (opportunity): When market or environmental risks materialize, effective risk management can enhance the Bank's competitiveness and bolster the trust of customers and shareholders.	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)	Mid-term	GRI 201-2: Financial implications and other risks and opportunities due to climate change
Compliance and Internal Audits	Potential negative impact (risk): A financial services enterprise is closely supervised by the competent authorities, and needs to rigorously maintain compliance. Failures in compliance and internal audit systems lead to illegal conduct and generate increased operational risks and reputational risks, thus causing losses for both companies and customers. O-Bank rigorously complies with financial laws and regulations as well as its internal audit system in order to ensure that employees obey laws and regulations.	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)	Mid-term	GRI 2-27: Compliance with laws and regulations GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Information Security	Potential negative impact (risk): A financial services enterprise bears a responsibility to build a safe financial transactions environment and rigorously protect customer information. Ensuring information security is all the more important with digital financial services in order to avoid information security incidents.	Company and employees (○) Customers (#) Government agencies (※)	Short-term	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
Operating Performance	Actual positive impact (opportunity): Securing profit and growth is the fundamental goal of businesses, and keeping up a solid business performance over the long term is crucial for sustainable development. O-Bank's operating performance continues to improve, which helps boost business promotion efforts on all fronts.	Company and employees (○) Shareholders (※)	Short-term	GRI 201-1: Direct economic value generated and distributed

Material Topics	Description of Impacts and Affected Value Chain (incl. Material Risks and Opportunities)	Scope of Impact	Duration of Impact	Corresponding GRI Topic
Service Quality and Customer Satisfaction	<p>Actual positive impact (opportunity): Deliver a premium financial services experience and well-planned complaint channels, continue enhancing customer satisfaction, build strong customer relations.</p> <p>Potential negative impact (risk): Ongoing provision of good service quality and enhancement of customer satisfaction rates can prevent damage to brand image and reputation.</p>	Customers (#) Government agencies (※)	Mid-term	<p>GRI 417-1: Requirements for product and service information and labeling</p> <p>GRI 417-2: Incidents of non-compliance concerning product and service information and labeling</p> <p>GRI 417-3: Incidents of non-compliance concerning marketing communications</p>
Climate Strategies	<p>Actual negative impact (risk): To mitigate the impact of climate change, enterprises must actively manage and respond to climate risks, and banks, apart from emissions generated by their own operations, also need to inventory portfolio emissions and guide customers to reduce carbon emissions, so that all parties can work together to build a sustainable environment.</p> <p>Actual positive impacts (opportunity): Climate strategies attract new types of customer groups, such as renewable energy firms and electrical vehicle firms, and a bank can also invest in green bonds and expand climate-related business opportunities.</p>	Customers (#) Suppliers (#) Government agencies (※)	Long-term	<p>GRI 201-2: Climate-related Financial Impacts, and other Risks and Opportunities</p> <p>GRI 305-1: Direct (Scope 1) GHG emissions</p> <p>GRI 305-2: Direct (Scope 2) GHG emissions</p> <p>GRI 305-3: Other indirect (Scope 3) GHG emissions</p> <p>GRI 305-4: GHG emissions intensity</p> <p>GRI 305-5: Reduction of GHG emissions</p>
Green Finance	<p>Actual negative impact (risk): With respect to industries that pose environmental and social risks, O-Bank has a list of banned counterparties and assigns ESG risk grades for investment and corporate loan deals, and based on the risk grades conducts risk control at different levels of rigor.</p> <p>Actual positive impact (opportunity): The Bank can take advantage its role as a financial intermediary to spur various industries to move toward sustainable development, and to guide its funds toward environmentally- and socially-friendly industries.</p>	Customers (#) Government agencies (※)	Mid-term	<p>GRI 201-1: Direct economic value generated and distributed</p> <p>GRI 201-2: Financial implications and other risks and opportunities due to climate change</p> <p>GRI 305-3: Other indirect (Scope 3) GHG emissions</p> <p>GRI 305-4: GHG emissions intensity</p> <p>GRI 305-5: Reduction of GHG emissions</p>

Material Topics	Description of Impacts and Affected Value Chain (incl. Material Risks and Opportunities)	Scope of Impact	Duration of Impact	Corresponding GRI Topic
Environmental Sustainability	Actual negative impact (risk): Company operations continue to consume various resources. The company must improve its resource consumption efficiency and reduce the negative environmental impact of company operations before it can co-exist in harmony with the environment. Potential positive impact (opportunity): Lowering consumption of various energy resources and reducing waste can spur ecology conservation and biodiversity.	Company and employees (○) Suppliers (#) The public (※)	Long-term	GRI 204-1: Proportion of spending on local suppliers GRI 302-1: Energy consumption within the organization GRI 302-3: Energy intensity GRI 302-4: Reduction of energy consumption GRI 303-1: Interactions with water as a shared resource GRI 303-2: Management of water discharge-related impacts GRI 303-3: Water withdrawal GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Direct (Scope 2) GHG emissions GRI 305-3: Other indirect (Scope 3) GHG emissions GRI 305-4: GHG emissions intensity GRI 305-5: Reduction of GHG emissions GRI 306-1: Waste generation and significant waste-related impacts GRI 306-2: Management of significant waste-related impacts GRI 306-3: Waste generated GRI 306-4: Waste diverted from disposal GRI 306-5: Waste directed to disposal GRI 308-1: New suppliers that were screened using environmental criteria GRI 308-2: Negative environmental impacts in the supply chain and actions taken GRI 414-1: New suppliers that were screened using social criteria GRI 414-2: Negative social impacts in the supply chain and actions taken
Employee Compensation and Benefits	Actual positive impact (opportunity): To attract outstanding talent who can spur progress and development of the company, O-Bank has established a well-conceived and fair compensation system, and provides competitive salaries and benefits.	Company and employees (○)	Mid-term	GRI 201-1: Direct economic value generated and distributed GRI 201-3: Defined benefit plan obligations and other retirement plans GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage GRI 202-2: Proportion of senior management hired from the local community GRI 401-1: New employee hires and employee turnover GRI 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees GRI 401-3: Parental leave
Employee Development and Training	Actual positive impact (opportunity): A company relies on professional talent to grow and develop. To become more competitive, O-Bank must continue to enhance employee development and training, and effectively develop and retain talent.	Company and employees (○)	Mid-term	GRI 404-1: Average hours of training per year per employee GRI 404-2: Programs for upgrading employee skills and transition assistance programs GRI 404-3: Percentage of employees receiving regular performance and career development reviews

Material Topics	Description of Impacts and Affected Value Chain (incl. Material Risks and Opportunities)	Scope of Impact	Duration of Impact	Corresponding GRI Topic
Equal and Friendly Working Environment	Actual positive impact (opportunity): By providing a diverse, equal, and healthy working environment and open channels for internal communications, and by building a happy workplace that meets employee needs, O-Bank can attract and retain talent more successfully.	Company and employees (○) Government agencies (※)	Mid-term	GRI 402-1: Minimum notice periods regarding operational changes GRI 403-1: Occupational health and safety management system GRI 403-2: Hazard identification, risk assessment, and incident investigation GRI 403-3: Occupational health services GRI 403-4: Worker participation, consultation, and communication on occupational health and safety GRI 403-5: Worker training on occupational health and safety GRI 403-6: Promotion of worker health GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8: Workers covered by an occupational health and safety management system GRI 403-9: Work-related injuries GRI 403-10: Work-related ill health GRI 405-1: Diversity of governance bodies and employees GRI 405-2: Ratio of basic salary and remuneration of women to men GRI 406-1: Incidents of discrimination and corrective actions taken GRI 411-1: Incidents of violations involving rights of indigenous peoples
Financial Inclusion	Actual positive impact (opportunity): O-Bank uses its core strengths to create business models that are conducive to social and environmental sustainability, and enable more consumers to effectively obtain financial services. These conditions will in turn guide industries to develop sustainably, thus bringing about sustainable finance.	Customers (#) The public (※) Government agencies (※)	Long-term	GRI 203-2: Significant indirect economic impacts

Note: The duration of impact as set out in this table may be short-term (one to three years), mid-term (four to six years), or long-term (seven to ten years).

The three major material topics with the greatest impact are "ethical best practices and corporate governance," "risk management," and "climate strategy." O-Bank analyzed the financial risks associated with each of these issues in order to enhance the Bank's operating and financial resilience, and found as follows:

- (1) Ethical best practices and corporate governance: A review of administrative fines imposed upon O-Bank over the past five years revealed that the Bank was fined NT\$1 million by the competent authority in 2023 for violating Article 74-1 of "the Banking Act" and Point 5 of "the Regulations Governing the Types and Amounts of Securities in which a Commercial Bank May Invest", due to an investment in shares of another company in which a newly appointed independent director concurrently served as an independent director. O-Bank has strengthened internal communications and business handling procedures in order to prevent the recurrence of similar incidents.
- (2) Risk management: A review of the amounts of bad debt write-offs over the past five years shows that from 2020 through 2024, the average annual amount of bad debt write-offs was NT\$340 million, and the five-year average ratio of write-offs to total outstanding credit for each year was 0.16%. O-Bank

will continue to strengthen its credit review and approval control mechanisms and enhance risk management procedures in order to reduce financial losses arising from credit risk.

- (3) Climate strategy: In 2024, the Bank's three major climate-related risk issues were identified as "increased severity and frequency of extreme weather events," "imposition of carbon fees or taxes by the government," and "reduced availability or increased cost of raw materials," with a total estimated financial impact of NT\$142.17 million. The three major climate-related opportunity issues were "improvement in sustainability index ratings," "increased diversification of financial assets," and "utilization of public sector incentive measures," with a total estimated financial impact of NT\$458.02 million (see 7.1.2 Identification and Strategy for Climate Risks and Opportunities).

With respect to the 13 material topics of high concern to O-Bank stakeholders in 2024, O-Bank – based on its short-, mid- and long-term sustainable development goals (see Table 1-1) – has adopted corresponding strategies, key performance indicators (KPIs), and long-term goals. The ESG Development Working Committee quarterly reviews the Bank's progress in addressing these issues, and the results, to ensure that each strategy and goal is met. See Table 1-5 and Table 1-6.

Table 1-5: Management Strategies and Management Approaches for Material Topics

Material Topics	Management Strategies	Management Approaches	
		Policy or Commitment	Related Section (Management Action)
Ethical Best Practices and Corporate Governance	Strengthen the ethical best practices mindset of all O-Bank employees, ensure that employees implement the "Ethical Corporate Management Best Practice Principles," the "Criteria Governing Codes of Ethical Conduct," and the "Corporate Governance Best Practice Principles." Improve the oversight effectiveness of a professional and independent Board, enhance the Bank's corporate governance, and build up trust with stakeholders.	<ul style="list-style-type: none"> • Ethical Corporate Management Best Practice Principles • Criteria Governing Codes of Ethical Conduct • Corporate Governance Best Practice Principles 	3.1 Governance Framework 3.2 Ethical Best Practices
Risk Management	In response to international trends regarding capital adequacy ratios, establish market-sensitive, quantified mechanisms to improve risk management and comply with legal requirements; improve the Bank's business continuity management system; and strengthen the Bank's system for management of emerging risks.	<ul style="list-style-type: none"> • Risk Management Policy • Credit Extension Policy • Rules for Managing Operational Risk • Guidelines for Managing Credit Risk • Rules for Managing Market Risk • Rules for Major Unexpected Events • Major Accident Emergency Response and Recovery Plan Implementation Guidelines 	3.4 Risk Management
Compliance and Internal Audits	Strengthen compliance management measures and enhance compliance awareness, including anti-money laundering and countering the financing of terrorism matters, protection of personal information, and compliance with the "Financial Consumer Protection Act", etc.; implement an independently operated internal audit system; work to achieve zero infractions.	<ul style="list-style-type: none"> • Principles for Three Lines of Defense for Internal Control • Rules Governing Bank's Compliance System • Policy on Anti-Money Laundering and Countering the Financing of Terrorism • Policy Statement on Personal Information Management 	3.2 Ethical Best Practices 3.3 Compliance
Information Security	Build a fully fleshed out information security management and protection measures, and cultivate a strong information security consciousness among all Bank employees.	<ul style="list-style-type: none"> • Information Security Policy 	3.5 Information Security 4.3 Transaction Security and Customer Privacy
Operating Performance	Improve returns on capital, and seek better return on equity.	<ul style="list-style-type: none"> • Articles of Incorporation • Rules for Implementing Management by Objectives 	2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies

Material Topics	Management Strategies	Management Approaches	
		Policy or Commitment	Related Section (Management Action)
Service Quality and Customer Satisfaction	Take the customer experience as the core, establish a corporate culture of treating customers fairly, and ensure high-quality services.	<ul style="list-style-type: none"> Principles for Fair Treatment of Customers Rules for Handling Customer Complaints and Financial Consumer Disputes 	4.1 Financial Services and Innovation 4.2 Service Quality and Customer Experience 4.3 Transaction Security and Customer Privacy
Climate Strategies	Strengthen the climate risk management mechanism, and exercise differentiated management of asset portfolios with high climate risk.	<ul style="list-style-type: none"> Environmental Management Policy Climate Risk Management Policy 	6.3 Greenhouse Gas Inventories 7.1 Climate Change Management
Green Finance	Incorporate ESG risk factors into business decisions, and work to direct funds toward sectors that are friendly to the environment and society.	<ul style="list-style-type: none"> Sustainable Credit and Investment Policy 	7.3 Responsible Loans and Credits 7.4 Responsible Investment 7.6 Responsible Products
Environmental Sustainability	Implement energy conservation and carbon reduction measures, reduce the environmental impact of company operations, and co-exist in harmony with the environment.	<ul style="list-style-type: none"> Environmental Management Policy 	6.1 Environmental Management Policies and Targets 6.2 Management of Energy and Resources 6.3 Greenhouse Gas Inventories 6.4 Green Purchasing and Supplier Management
Employee Compensation and Benefits	Provide competitive compensation and benefits to retain talent.	<ul style="list-style-type: none"> Rules Governing Employee Compensation Working Regulations 	5.2 Employee Compensation and Benefits
Employee Development and Training	Create an organizational learning climate, and implement a performance management system.	<ul style="list-style-type: none"> Guidelines for Implementing Employee Training Working Regulations 	5.3 Employee Cultivation and Development
Equal and Friendly Working Environment	Establish an equal and friendly working environment, enable employees to work with peace of mind.	<ul style="list-style-type: none"> Human Rights Policy Occupational Safety and Health Rules 	5.1 Employee Composition and Promotion of a Friendly Work Environment 5.4 Communication and Engagement with Employees
Financial Inclusion	Consider the needs of users and uphold the principle of shared well-being, enabling diverse groups to either access a wide range of financial services or benefit indirectly from the Bank's offerings.	<ul style="list-style-type: none"> Articles of Incorporation 	4.1 Financial Services and Innovation 7.6 Responsible Products

Table 1-6: Material Topics and Development Goals

Material Topics	Key Performance Indicators (KPIs)	Goals for 2024	2024 Target Achievement Status and Benefits	Goals for 2025	Goals for 2026
Ethical Best Practices and Corporate Governance	<ul style="list-style-type: none"> Completion rate for training programs on ethical best practices Attendance rate at Board meetings Board diversity Improvement measures and status in accordance with external rating indicators 	<ul style="list-style-type: none"> Continue implementing training programs on ethical best practices, achieve 100% completion rate. Amend the Bank's director-related policy and continue improving corporate governance. 	<ul style="list-style-type: none"> 100% completion rate for training programs on ethical best practices in 2024. In 2024, O-Bank completed revisions to its Director Remuneration Policy, Board Diversity Policy, Standards for Independence, and Board Refreshment Policy, including updates to mid- and long-term board member refreshment targets and director attendance standards. In 2024, the Bank discussed its Remuneration Policy for Directors and Senior Executives at the shareholders meeting and voluntarily disclosed individual director remuneration. 	<ul style="list-style-type: none"> Continue to achieve 100% completion rate for training programs on ethical best practices. Implement recommendations from an external professional independent organization for the continuous improvement of the Board. Revise the "Board Diversity Policy, Standards for Independence, and Board Refreshment Policy" to increase the attendance rate standards for individual directors. 	<ul style="list-style-type: none"> Continue to achieve 100% completion rate for training programs on ethical best practices. Acting in line with the competent authorities' policies, and referring to the corporate governance performance indicators of international sustainability ratings bodies, the Bank shall continue to enhance its corporate governance practices.
Risk Management	<ul style="list-style-type: none"> Introduce and set up new system for calculation of market risk capital charges Disclose climate change information in accordance with the TCFD framework Frequency of operational continuity drills 	<ul style="list-style-type: none"> In coordination with the competent authority's informational sessions and trial schedule for the new market risk capital charge framework, O-Bank to complete the system setup and conduct comparative test calculations. Refine the Bank's methodology for climate risk scenario analysis. Conduct one IT system continuity drill and one business operation continuity drill in both the first and second halves of the year. 	<ul style="list-style-type: none"> In 2024, completed the trial calculations in accordance with the competent authority's schedule for the new market risk capital requirements. In 2024, advanced from using a single emission scenario (RCP8.5) from the National Science and Technology Center for Disaster Reduction based on the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5), to using simulation results from both the IPCC AR5 and Sixth Assessment Report (AR6) for Global Warming Levels (GWL) of 1.5°C and 2°C to assess physical climate risks in Taiwan. In 2024, conducted one IT system continuity drill and one business operation continuity drill in both the first and second halves of the year. 	<ul style="list-style-type: none"> Complete the setup of the new market risk capital requirements in accordance with the competent authority's timeline. Enhance climate change scenario analysis. Conduct one IT system continuity drill and one business operation continuity drill in both the first and second halves of the year. 	<ul style="list-style-type: none"> Optimize climate- or nature-related financial disclosures as required by the competent authority In both the first and second halves of the year, complete one switch operation each for the dual active (A/A) architecture of the network data center and information center to verify the IT system's ability to support continuous business operations.

Material Topics	Key Performance Indicators (KPIs)	Goals for 2024	2024 Target Achievement Status and Benefits	Goals for 2025	Goals for 2026
Compliance and Internal Audits	<ul style="list-style-type: none"> Completion rate for compliance training Implementation rate for compliance self-assessments Frequency of reports on audit work 	<ul style="list-style-type: none"> Continue to improve various policies, internal compliance self-assessments, and conduct regular bank-wide training to strengthen employee awareness in personal data protection, fair treatment of customers, anti-money laundering, and combating the financing of terrorism, to avoid major complaints and reduce operational risk. Continue to provide quarterly reports to the Board and the Audit Committee on the status of internal audit operations. 	<ul style="list-style-type: none"> In accordance with the 2024 compliance plan, conducted in-person and online seminars and training courses (topics included compliance promotion, personal data protection, fair customer treatment, anti-money laundering, and combating the financing of terrorism), enhancing the compliance awareness of all employees with a 100% course completion rate. In 2024, the Chief Auditor completed quarterly reports to the Board and the Audit Committee on the status of internal audit operations, achieving a 100% implementation rate. 	<ul style="list-style-type: none"> Assist relevant departments in implementing internal control systems for sustainability-related information. Incorporate sustainability-related standards into compliance self-assessment items. Continue to provide quarterly reports to the Board and the Audit Committee on the status of internal audit operations. 	<ul style="list-style-type: none"> Continue implementation of the "Code of Ethical Conduct" audit procedures and review of the "Personal Data Management System," obtaining certification to ensure effective implementation of internal control systems and continuous improvement of compliance systems. Continue to provide quarterly reports to the Board and the Audit Committee on the status of internal audit operations.
Information Security	<ul style="list-style-type: none"> ISO 27001:2013 international information security management systems certification Training hours in information security Number of social engineering drills 	<ul style="list-style-type: none"> Obtain systems certification under the revised ISO 27001:2022 international information security management standard. All O-Bank employees attend three hours of information security training. Conduct two social engineering drills. Improve information security governance maturity level. Conduct one simulated hacker attack incident response drill. 	<ul style="list-style-type: none"> In 2024, O-Bank obtained systems certification under the revised ISO 27001:2022 international information security management standard. In 2024, all employees completed three hours of information security training. In 2024, two social engineering drills were completed. In 2024, the maturity level of information security governance was elevated from "Basic" in 2022 to "Intermediate." In 2024, one simulated hacker attack incident response drill was completed. 	<ul style="list-style-type: none"> Continue to maintain systems certification under the ISO 27001 international information security management standard. All O-Bank employees attend three hours of information security training. Conduct two social engineering drills External attack surface security rating of "Intermediate" or above. Conduct one simulated hacker attack incident response drill. 	<ul style="list-style-type: none"> Continue to maintain systems certification under the ISO 27001 international information security management standard. All O-Bank employees attend three hours of information security training. Continue to develop effective strategies and frameworks to defend against information security threats, strengthening governance and protection mechanisms.
Operating Performance	<ul style="list-style-type: none"> Return on equity (ROE) 	<ul style="list-style-type: none"> ROE continues to post positive growth. 	<ul style="list-style-type: none"> The standalone ROE for 2024 was 6.89%, representing a 0.48% increase compared to 2023. 	<ul style="list-style-type: none"> ROE continues to post positive growth. 	<ul style="list-style-type: none"> Acting in line with short-, mid- and long-term strategic goals, achieve KPIs.
Service Quality and Customer Satisfaction	<ul style="list-style-type: none"> Individual customer satisfaction Share of customer complaints properly handled within five days 	<ul style="list-style-type: none"> Individual customer satisfaction maintained at 86% or above. The proportion of customer complaints resolved appropriately within five days maintained at 90% or above. 	<ul style="list-style-type: none"> The individual customer satisfaction rate in 2024 was 90.1% The proportion of customer complaints properly resolved within five days in 2024 was 98.4% 	<ul style="list-style-type: none"> The individual customer satisfaction rate to be maintained at 87% or above. The proportion of customer complaints properly resolved within five days to be maintained at 90% or above. 	<ul style="list-style-type: none"> The individual customer satisfaction rate to be maintained at 87% or above. The proportion of customer complaints resolved appropriately within five days to remain at 90% or above.

Material Topics	Key Performance Indicators (KPIs)	Goals for 2024	2024 Target Achievement Status and Benefits	Goals for 2025	Goals for 2026
Climate Strategies	<ul style="list-style-type: none"> Carbon inventory coverage ratio of mid- and long-term investments and corporate loans Proportion of financing balance for carbon-intensive industry clients Proportion of investment balance in carbon-intensive industries 	<ul style="list-style-type: none"> Carbon inventory coverage ratio of mid- and long-term investments and corporate loans to reach 100%. Outstanding balance of financing provided to customers from carbon-intensive industries is limited to no more than 3%. Upper limit for the proportion of investment balance in carbon-intensive industries is 16%. 	<ul style="list-style-type: none"> The carbon inventory coverage rate for mid- to long-term investments and corporate loans in 2024 reached 100%. The proportion of lending balance for carbon-intensive industry clients in 2024 was 2.45%. The outstanding balance of investments in customers from carbon-intensive industries in 2024 was 15.34%. 	<ul style="list-style-type: none"> Mid- to long-term carbon inventory coverage rate for investments and corporate loans to reach 100%. Proportion of lending balance for carbon-intensive industry clients reduced to 2.35%. Proportion of investment balance in carbon-intensive industries reduced to 13%. 	<ul style="list-style-type: none"> Mid- to long-term carbon inventory coverage rate for investments and corporate loans to reach 100%. Proportion of lending balance for carbon-intensive industry clients reduced to 2.34%. Proportion of investment balance in carbon-intensive industries not exceeding 13%.
Green Finance	<ul style="list-style-type: none"> Proportion of financing balance in environmentally- and socially-friendly industries Balance of sustainability-linked loans Proportion of consumer green loan balance 	<ul style="list-style-type: none"> The proportion of lending balance in environmentally- and socially-friendly industries will reach 7.6%. The balance of sustainability-linked loans will reach NT\$5 billion. The proportion of consumer green loan balance will reach 1.38%. 	<ul style="list-style-type: none"> In 2024, the proportion of lending balance in environmentally- and socially-friendly industries reached 9.24%. In 2024, the balance of sustainability-linked loans was NT\$5.765 billion. In 2024, the proportion of consumer green loan balance was 1.25%. 	<ul style="list-style-type: none"> Proportion of lending balance in environmentally- and socially-friendly industries to reach 9.5%. Sustainability-linked loan balance to reach NT\$6.6 billion. Proportion of consumer green loan balance to be 1.81%. 	<ul style="list-style-type: none"> Proportion of lending balance in environmentally- and socially-friendly industries to reach 9.6%. Sustainability-linked loan balance to reach NT\$7.3 billion. Proportion of consumer green loan balance to be 2.15%.
Environmental Sustainability	<ul style="list-style-type: none"> Environmental management targets for electricity and water usage 	<ul style="list-style-type: none"> Using 2020 as the baseline year, electricity consumption per employee to decrease by 3.7%, and water consumption per employee to decrease by 4%. 	<ul style="list-style-type: none"> Taking 2020 as the baseline year, power usage per employee in 2024 was down by 26.49% and water usage per employee was down by 25.74%. 	<ul style="list-style-type: none"> Taking 2020 as the baseline year, O-Bank seeks to reduce power usage per employee by 4.5%, and water usage per employee by 5%. 	<ul style="list-style-type: none"> Using 2020 as the baseline year, electricity consumption per employee to decrease by 4.8%, and water consumption per employee to decrease by 5.6%.
Employee Compensation and Benefits	<ul style="list-style-type: none"> Participation rate in Employee Share Ownership Trust Provide employee benefits that exceed statutory requirements 	<ul style="list-style-type: none"> Employee share ownership trust participation rate maintained at 90% or above. Add new guidelines for consolation gifts in the event of employee injury, hospitalization, or family bereavement. 	<ul style="list-style-type: none"> In 2024, employee share ownership trust participation rate was 97%. In 2024, added guidelines for consolation gifts for employee injuries and family bereavement. 	<ul style="list-style-type: none"> Employee share ownership trust participation rate maintained at 95% or above. Continue to promote and optimize employee welfare measures. 	<ul style="list-style-type: none"> Employee share ownership trust participation rate maintained at 95% or above. Continue to promote and optimize employee welfare measures.

Material Topics	Key Performance Indicators (KPIs)	Goals for 2024	2024 Target Achievement Status and Benefits	Goals for 2025	Goals for 2026
Employee Development and Training	<ul style="list-style-type: none"> Average training hours per employee Share of employees who participate in performance reviews 	<ul style="list-style-type: none"> 88 training hours per employee 100% of employees participate in performance reviews 	<ul style="list-style-type: none"> In 2024, average training hours per employee reached 93.28 hours. 100% of employees participated in performance reviews in 2024. 	<ul style="list-style-type: none"> Average training hours per employee maintained at 88 hours or above. 100% of employees to participate in performance evaluations. 	<ul style="list-style-type: none"> Average training hours per employee maintained at 88 hours or above. 100% of employees to participate in performance evaluations.
Equal and Friendly Working Environment	<ul style="list-style-type: none"> Employee satisfaction rate Rate of participation in employee health examinations 	<ul style="list-style-type: none"> Employee satisfaction rate maintained at 89% or above. Employee health check participation rate increase to 90% or above. 	<ul style="list-style-type: none"> In 2024, employee satisfaction rate was 88.81%. In 2024, employee health check participation rate was 90%. 	<ul style="list-style-type: none"> Employee satisfaction rate maintained at 89% or above. Employee health check participation rate maintained at 90% or above. 	<ul style="list-style-type: none"> Employee satisfaction rate maintained at 89% or above. Employee health check participation rate maintained at 90% or above.
Financial Inclusion	<ul style="list-style-type: none"> Outstanding balance of transactions with B Corporations and social enterprises Dollar amounts of "Social Impact" loans Number of robo-advisor service customers Number of Charity Affinity Cards issued 	<ul style="list-style-type: none"> The outstanding balance of the deposits of B Corporations and social enterprises will increase by 20% over the previous year. As of the end of 2024, target for total balance of impact loans to be NT\$10 million. At least 27,000 cumulative robo-advisor service customers. Number of Charity Affinity Cards issued will increase 9% from previous year. 	<ul style="list-style-type: none"> The outstanding balance of deposits from B Corporations and social enterprises reached NT\$54.77 million in 2024, representing a growth of approximately 65% compared to the previous year and achieving the growth target. The total amount of "Social Impact" loans disbursed reached NT\$8.64 million in 2024. 27,244 cumulative robo-advisor service customers in 2024. Number of Charity Affinity Cards issued increased 14.7% from previous year in 2024. 	<ul style="list-style-type: none"> The outstanding balance of the deposits of B Corporations and social enterprises will increase by 10% over the previous year. The target for the outstanding balance of "Social Impact" loans is NT\$4 million by the end of 2025. At least 28,000 cumulative robo-advisor service customers. Number of Charity Affinity Cards issued will increase 10% from previous year. 	<ul style="list-style-type: none"> The outstanding balance of the deposits of B Corporations and social enterprises will increase by 10% over the previous year. The target for the outstanding balance of "Social Impact" loans is NT\$4.72 million by the end of 2026. At least 29,000 cumulative robo-advisor service customers. Number of Charity Affinity Cards issued will increase 10% from previous year.

In addition, making reference to the International Integrated Reporting Council's Integrated Reporting Framework, O-Bank has disclosed a summary of key capital inputs and outputs in 2024 in order to review sustainable resource allocations and the resulting value creation.

Table 1-7: Summary of Capital Inputs and Outputs Required for Corporate Value Creation in 2024

Unit: NT dollars

	Inputs	Summary of Outputs
Financial Capital	<ul style="list-style-type: none"> • Paid-in capital: NT\$30.3 billion • Total standalone assets: NT\$413.6 billion • Standalone operating expenses: NT\$4.0 billion 	<ul style="list-style-type: none"> • Standalone net profit after tax was NT\$2.86 billion. • Standalone ROE was 6.89%. • Earnings per Share (EPS) came to NT\$1.00.
Intellectual Capital	<ul style="list-style-type: none"> • Employee allowances for professional license exams: NT\$220,000 • Systems research and development expenses: NT\$74.27 million 	<ul style="list-style-type: none"> • Average number of professional licenses per employee: 2.4 • Maintained the validity of Class A certification under the Taiwan Intellectual Property Management System (TIPS). • Systems research and development expenses in 2024 were mainly used to optimize O-Bank's system services, such as: development of diversified operating systems that companies can choose among and optimization of functions and services provided by the existing system of the Bank.
Human Capital	<ul style="list-style-type: none"> • Employee wages expenses: NT\$2.2 billion • Training expenses: NT\$7.77 million 	<ul style="list-style-type: none"> • Employee satisfaction rate: 88.81% • Average training hours per employee: 93.28 hours • Average training expenses per employee: NT\$6,329 • Average contribution per employee to standalone net profit after tax: NT\$2.3 million
Social Capital	<ul style="list-style-type: none"> • Based on a guideline provided by the Business for Social Impact (B4SI) framework (see Chapter 8 Social Engagement), we calculate a total input of NT\$26.03 million for public-interest projects. 	<ul style="list-style-type: none"> • Ten education events held in remote townships reached 207 students. • Two students from disadvantaged families participated in the O-Bank Summer Seed Internship Program, which brought the cumulative participation since the Program's inception to 44. • The O-Bank Charity Affinity Card Platform issued a total of 18 affinity cards in cooperation with various NGOs and schools. • More than 45,000 persons have participated in the "Green Consumption Power@O-Bank" project. • "Social Impact" loans were provided to 105 underprivileged households. • First bank in Taiwan to launch the "Consumer Spending Carbon Calculator" and "Transport Carbon Reduction Details" functions.
Natural Capital	<ul style="list-style-type: none"> • Green purchasing expenses: NT\$21.36 million • Disbursements related to energy conservation and carbon reduction: NT\$4.8 million 	<ul style="list-style-type: none"> • At all of O-Bank's global business locations, power usage per employee came to 4,922.27 kWh. • At all of O-Bank's global business locations water usage per employee came to 0.015 megaliters. • A verified inventory of market-based GHG emissions (Scope 1 and 2) within O-Bank's operational boundaries throughout the world quantified these emissions at 2,848.46 tonnes of CO₂e. GHG emissions per employee were 2.29 tonnes of CO₂e, and thus down by 1.72% from previous year. • 96.9% of purchases by value were local procurements.

1.3.2 Stakeholder Engagement

To continue working to understand the views and opinions of all stakeholders, O-Bank has a special "Sustainable Development Section" on the official website which includes a feedback function that stakeholders can use to answer questionnaires to offer suggestions and opinions. In addition, O-Bank has also set up a special "Stakeholders Section" on the official website that includes information on dedicated contact person for each type of stakeholder. O-Bank provides stakeholders with a variety of convenient channels for communication in order to facilitate timely and effective interaction. The main communication channels, frequencies, and engagement results are as shown here below in Table 1-8:

Table 1-8: Stakeholder Communication Channels, and Frequency of Communications

Stakeholders	Purpose of Engagement	Matters of Concern	Our Response	Communication Channels, Frequencies, and Results
Employees	Talent is an important key to a company's competitiveness, and is a company's important asset. A company must continually care for and cultivate its employees in order to raise employees' satisfaction rate.	<p>Compliance and internal audits</p> <p>Risk Management</p> <p>Ethical best practices and corporate governance</p>	<p>3.2 Ethical Best Practices 3.3 Compliance</p> <p>3.4 Risk Management</p> <p>3.1 Governance Framework 3.2 Ethical Best Practices</p>	<ul style="list-style-type: none"> Quarterly labor-management meetings are held to air views on labor issues and discuss ways to improve working conditions. Irregularly scheduled employees' assemblies and departmental meetings are held to communicate company policies and understand employees' working conditions and spur two-way communication between management and staff. In 2024, O-Bank convened two employees' assemblies and held a special lecture on "Understanding Carbon Trading" and another on social enterprises. The total number of participants was 1,080. O-Bank surveys employee satisfaction and needs once per year to understand their true needs and what they expect of the company. During the employee satisfaction and employee engagement survey carried out in 2024, the company received 1,136 responses, for a response rate of 97.01%. The overall employee satisfaction rate was 88.81%, and the employee engagement rate was 87.42%, which shows the positive effectiveness of the company's various employee care policies. O-Bank has established an online platform for attendance management as well as education and training. This platform provides real-time access to information, and a means for assessing satisfaction with courses, thus affording employees a way to express their views. In 2024, O-Bank carried out 14 ESG-related training activities, attracting a total participation of 5,720. O-Bank held a "social enterprise market," inviting five social enterprises to display and sell their products at the main lobby of the O-Bank headquarters building. This event afforded employees an opportunity to become more familiar with social enterprises and their guiding philosophies. We have established an "employee complaint mailbox," a "sexual harassment reporting mailbox," a "WeCare" suggestion mailbox, and other means of direct communication. We have set up an employee chat group on social media to provide information on employee care policies and activities, and to spur two-way communication.

Stakeholders	Purpose of Engagement	Matters of Concern	Our Response	Communication Channels, Frequencies, and Results
Customers	Keeping customers' needs firmly in mind, O-Bank provides professional, high-quality financial services that increase customer stickiness and satisfaction.	<p>Service quality and customer satisfaction</p> <p>Information security</p> <p>Compliance and internal audits</p> <p>Risk Management</p>	<p>4.1 Financial Services and Innovation</p> <p>4.2 Service Quality and Customer Experience</p> <p>4.3 Customer Privacy and Transaction Security</p> <p>3.5 Information Security</p> <p>4.3 Customer Privacy and Transaction Security</p> <p>3.2 Ethical Best Practices</p> <p>3.3 Compliance</p> <p>3.4 Risk Management</p>	<ul style="list-style-type: none"> • Provides online video call customer service, round-the-clock and 365 days a year, to offer customers quick response times. • Customers can contact O-Bank's complaint contact person by phone, video call, or email at any time to express their views. • Uses the company website to provide product prospectuses and post information about products, including special features, risks, and charges. • Uses online fan pages on various social media (Facebook, Instagram, YouTube) to provide information on products and services, and to respond to consumer feedback in real-time. • Provides corporate customers with dedicated relationship manager (RM) services to ensure prompt handling of customer issues and suggestions. • Raises investment and corporate loan recipients' awareness of carbon reduction issues, and encourages them to set science-based carbon reduction targets. In 2024, O-Bank sent emails to 47 investment or financing recipients' to engage on such matters. • Surveys retail customer satisfaction once per year. The results of a survey of users in 2024 showed that 90.1% of users were either satisfied or very satisfied with O-Bank's services and products
Shareholders	Shareholders and investors are the foundation that supports a company's growth, so a company needs to carry out adequate information disclosure and periodically hold shareholders' meetings and investor conferences so that shareholders and investors can clearly understand the company's performance and its future prospects.	<p>Information security</p> <p>Environmental sustainability</p> <p>Compliance and internal audits</p> <p>Equal and Friendly Working Environment</p>	<p>3.5 Information Security</p> <p>4.3 Customer Privacy and Transaction Security</p> <p>6.1 Environmental Management Policies and Targets</p> <p>6.2 Management of Energy and Resources</p> <p>6.3 Greenhouse Gas Inventories</p> <p>6.4 Green Purchasing and Supplier Management</p> <p>3.2 Ethical Best Practices</p> <p>3.3 Compliance</p> <p>5.1 Employee Composition and Promotion of a Friendly Work Environment</p> <p>5.4 Communication and Engagement with Employees</p>	<ul style="list-style-type: none"> • Holds one annual shareholders meeting and promptly discloses material information on the Market Observation Post System (MOPS) website as well as our own corporate website. O-Bank held a general shareholders meeting on June 14, 2024, with 10 directors attending and reported to shareholders on its operating status and its sustainability measures. The meeting was attended by 1,919 persons. • Holds investor conferences every year to disclose financial information and business strategies. Held four investor conferences in 2024 to report to investors on its operating status and its sustainability measures. The conferences were attended by a total of 100 persons. • Uses the special "Investors Section" on our website to make quarterly financial disclosures and publish unaudited consolidated profit figures on a monthly basis. • Posts information on our website regarding the state of communications with independent directors, the chief internal auditor, and certified public accountants, and indicates the dates and results thereof. • Provides a channel for communication with our shareholder services agent to help shareholders handle related matters.

Stakeholders	Purpose of Engagement	Matters of Concern	Our Response	Communication Channels, Frequencies, and Results
Government agencies	Financial services enterprises are a closely supervised type of business. They need to actively understand government policies, rigorously maintain compliance, and work together with the government to create a financial supervisory system that is characterized by good faith, transparency, and trustworthiness.	<p>Compliance and internal audits</p> <p>Service quality and customer satisfaction</p> <p>Climate strategies</p> <p>Environmental sustainability</p>	<p>3.2 Ethical Best Practices 3.3 Compliance</p> <p>4.1 Financial Services and Innovation 4.2 Service Quality and Customer Experience 4.3 Customer Privacy and Transaction Security</p> <p>6.3 Greenhouse Gas Inventories 7.1 Climate change management</p> <p>6.1 Environmental Management Policies and Targets 6.2 Management of Energy and Resources 6.3 Greenhouse Gas Inventories 6.4 Green Purchasing and Supplier Management</p>	<ul style="list-style-type: none"> • Takes part in government agency symposiums, conferences, and annual meetings to coordinate with and respond to government policies. • Maintains strict compliance to coordinate with the competent authority's supervision and audits; takes part in evaluations. • Engages in two-way communications via official documents and email.
The public	Members of the general public are an important part of a company's effort to achieve its community charity ideas. O-Bank engages in a diverse range of activities to interact with the public and work for a shared well-being.	<p>Ethical best practices and corporate governance</p> <p>Information security</p> <p>Operating performance</p>	<p>3.1 Governance Framework 3.2 Ethical Best Practices</p> <p>3.5 Information Security 4.3 Customer Privacy and Transaction Security</p> <p>2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies</p>	<ul style="list-style-type: none"> • Established a Corporate Sustainability and Communications Division, a spokesperson, and a deputy spokesperson to promptly provide accurate information on O-Bank. • Issues news releases and holds press conferences as the need arises, and has a special "news" section on our website to provide the general public with access to information on O-Bank and the status of our development. Held three press conferences in 2024, which were attended by a total of 77 persons. • Uses a social media fan page to communicate our image as a committed contributor to community charity, and to increase the appeal of and participation in public interest issue. • Takes part in forums and conferences organized by non-profits, academic bodies, and community associations in order to hear what society demands. Took part in ten courses or lectures held in 2024 by NGOs or institutions of higher education. • Holds irregularly scheduled cultural and artistic performances, lectures, and community service activities, and takes part in curated exhibits, to give back to society and interact directly with members of the public.

Stakeholders	Purpose of Engagement	Matters of Concern	Our Response	Communication Channels, Frequencies, and Results
Suppliers	Suppliers are partners that grow together with a company and stride alongside it toward sustainable operations, so a company needs to engage in continuous communication with its suppliers and join with them in implementing their corporate social responsibilities.	<p>Information security</p> <p>Service quality and customer satisfaction</p> <p>Compliance and internal audits</p>	<p>3.5 Information Security 4.3 Customer Privacy and Transaction Security</p> <p>4.1 Financial Services and Innovation 4.2 Service Quality and Customer Experience 4.3 Customer Privacy and Transaction Security</p> <p>3.2 Ethical Best Practices 3.3 Compliance</p>	<ul style="list-style-type: none"> • O-Bank evaluates whether suppliers have caused negative environmental or social impacts in the course of their operations by requesting them to complete the "Sustainable Development and Human Rights Due Diligence Scorecard for Suppliers." In 2024, 84 suppliers completed the self-assessment, and O-Bank continued to engage with them on sustainability issues. • O-Bank conducts occasional on-site inspection visits to our suppliers, fill out an "O-Bank On-Site Visitation for Supplier Questionnaire," and interacts with them directly. O-Bank visited six suppliers in 2024 to encourage them to achieve sustainable development. • Occasionally contacts suppliers by telephone or email to engage in two-way communications. • Holds meetings with suppliers to discuss contract matters and establish channels for direct communication.



*Access to Stakeholder
Appeal Procedure*

2. Overall State of the Company



2.1 About O-Bank

O-Bank uses a five-letter acronym TOUCH to highlight O-Bank's five core values: Trust, Outstanding, Unity, Creativity, and Honor, and actively advances a corporate culture of "Always Sincere, Always Here." Remaining true to our founding ideal of human caring, O-Bank acts in line with a company spirit of "fulfilling oneself by benefiting others," "win-win cooperation," "standing by our word," and "working in solidarity for a shared prosperity," thus building long-term customer relationships based on mutual trust. A forward-looking approach, active innovation, and professional expertise are the keys that enable O-Bank to seize upon business opportunities while pursuing sustainability and growth of the highest quality.

O-Bank's Chinese name "Wangdao," alludes to a spirit of inclusiveness, taking the righteous path, and fulfilling oneself by benefiting others. The English letter "O" represents fulfillment and the unending cycle of life. O-Bank firmly believes that, by acting on this spirit to the benefit of all stakeholders – including employees, customers, shareholders, and the public – it can achieve our vision of prospering with employees, profiting with clients and shareholders, co-existing with the environment, and benefiting with society.



O-Bank's headquarters building in Taipei's Neihu District

2.1.1 Company Profile

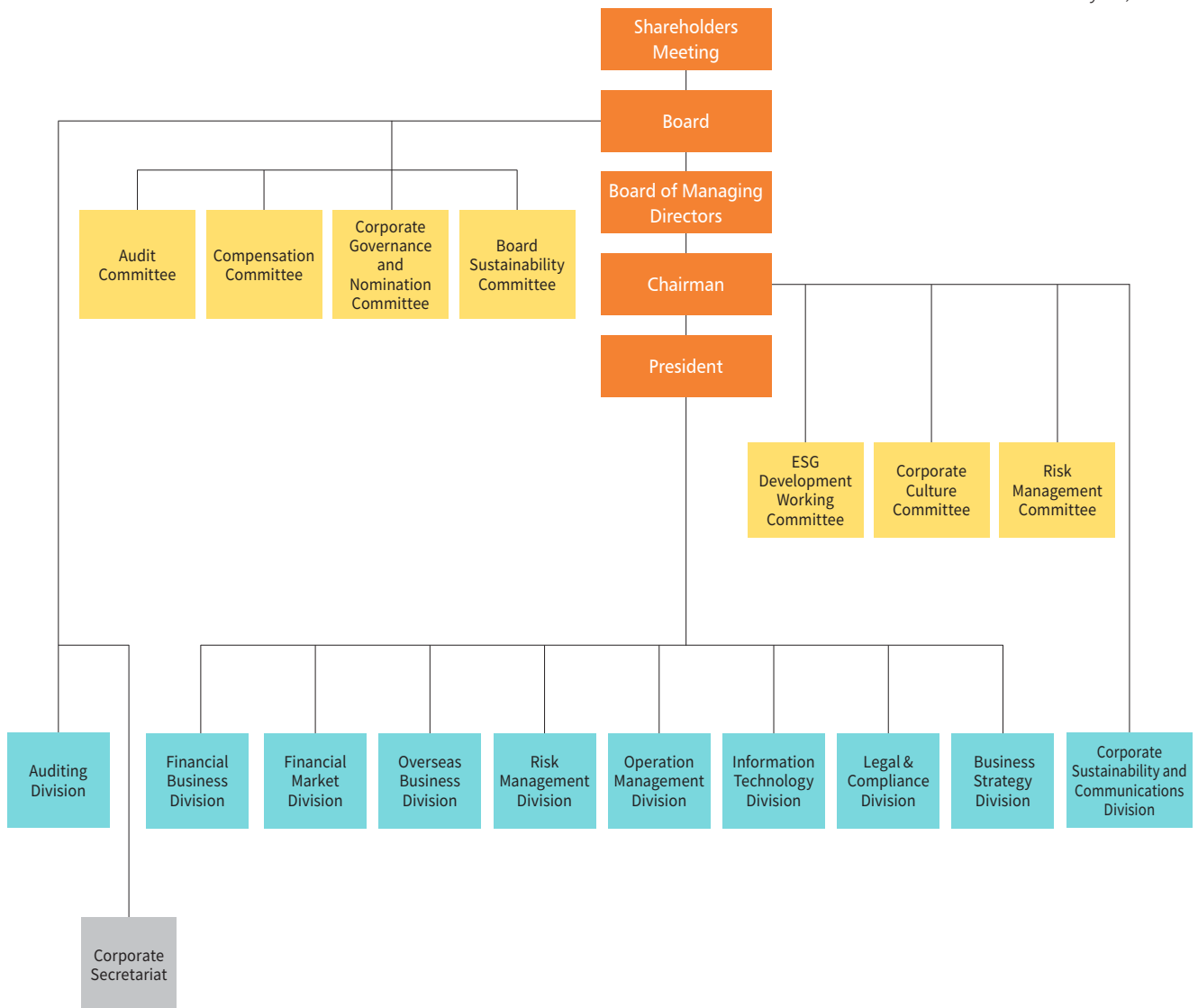
O-Bank's predecessor, the Industrial Bank of Taiwan (IBT), was established in July 1999 by veteran financier Kenneth Lo and former Central Bank Governor Samuel C. Shieh as Taiwan's first financial institution to open as an industrial bank with the support of a private-sector enterprise. IBT's main task was to coordinate with national economic development strategies and help the government support the development of Taiwanese industry.

In the face of changes in Taiwan's industrial structure, once IBT had achieved assigned mission, IBT was renamed O-Bank Co., Ltd. and reorganized as a commercial bank in 2017. The purpose of this reorganization was to respond to the increasing diversity of needs in today's financial markets. In addition to further developing various lines of corporate banking business, including short-, mid-, and long-term credit, trade finance, factoring and financing of accounts receivable, financial product transactions, financing of asset securitization, trust business, foreign exchange, and international finance, O-Bank has also branched out into retail banking by providing online financial services such as deposits, payments, loans, investment and wealth management and insurance, using digital technology to achieve our vision of financial inclusion and become the first native digital bank in Taiwan. In May 2017, O-Bank listed our shares on the Taiwan Stock Exchange, thus becoming Taiwan's first bank to list in over a decade.

O-Bank has located head office and main business department in the Taipei Neihu Technology Park, and maintains numerous business locations throughout Taiwan. Apart from the O-Bank headquarters building in Taipei's Neihu District, this also includes the Nanjing Fuxing Branch, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Office. Overseas, meanwhile, O-Bank has a Hong Kong Branch and representative offices in Tianjin, Mainland China and Sydney, Australia.

Fig. 2-1: O-Bank Organizational Chart

Current as of: May 31, 2025



As Taiwan's first native digital bank and operating primarily through digital channels, O-Bank approaches business with a digital banking mindset as we work to provide consumers with more convenient and secure financial services, and to achieve our vision of financial inclusion. O-Bank's retail banking services make use of the most advanced information systems built to the most rigorous specifications. These include the Temenos core banking platform from Switzerland and the cloud-based Salesforce.com customer service system. O-Bank also employs big data analysis to take full advantage of the competitive edge offered by financial technology. This allows O-Bank to respond to market needs with speed and precision.

O-Bank provides a wide range of innovative retail banking services (see Fig. 2-2), including fully online account openings, fully online applications for unsecured loans, online purchasing of shares in investment funds, 24-hour online foreign exchange swaps, and 24-hour video customer service. And beyond that, O-Bank has set an industry first by launching a robo-advisor service that provides consumers with affordable professional investment advice, which means that ordinary consumers can now benefit from investment advice based on big-data analysis. In addition, O-Bank launches parent-child accounts, accepts online applications to open foreign exchange accounts, allows to send digital red envelopes, and

makes a wide variety of account transfers. Consumers need only download O-Bank's mobile app or log into the online banking platform to conveniently and securely access various digital financial services through their mobile devices – making the phone their bank.

Fig. 2-2: Retail Banking Services

Deposits

Customers can use the O-Bank App at any time of day to carry out account transfers, pay bills and fees, execute foreign exchange transactions, or carry out direct collections and debits. Customers can also check monthly account statements whenever they want, which makes it easy to manage accounts. In addition, customers can enroll in a variety of high-interest rate programs for demand deposits and time deposits without the need to go to a physical branch.

Consumer Transactions

The available balance for O-Bank debit card transactions is linked to a customer's deposit account, which enables consumers to effectively control spending and avoid overdrafts. In addition, the O-Bank debit card offers unlimited cashback rewards on payments made both domestically and abroad. A notification is made individually for each card transaction, which safeguards the interests of the consumer. Beginning in 2022, O-Bank Mastercard holders can turn on the "Consumer Spending Carbon Calculator" function for free via O-Bank internet banking or through the O-Bank mobile app to see an itemized list of estimated carbon emissions per purchase. In 2024, O-Bank partnered with iPASS to launch the "Transportation Carbon Reduction Details". Cardholders using the Bank's iPASS co-branded card can activate this feature via the mobile app to view their individual carbon reduction from using public transportation.

Loans

O-Bank offers a wide range of different loan products to meet the needs of different types of borrowers, who benefit from quick, simple, and convenient application procedures that meet their needs quickly.

Investments

O-Bank was the first in the industry to launch a robo-advisor service that makes use of big data analytics and algorithms to provide investment portfolio suggestions tailored to meet the varying needs and risk tolerances of individual customers. The service also automatically provides suggestions for position adjustments in response to changing market conditions. In addition, the minimum investment amount for O-Bank robo-advisor service customers is NT\$1,000. This greatly lowers the barrier to consumer participation, and achieves the goal of financial inclusion.

Insurance

Customers can purchase insurance products including savings type, protection type, and investment-linked insurance. Having these options available means that customers can plan out their finances to ensure that their insurance needs and assets are properly managed at each stage of their lives.



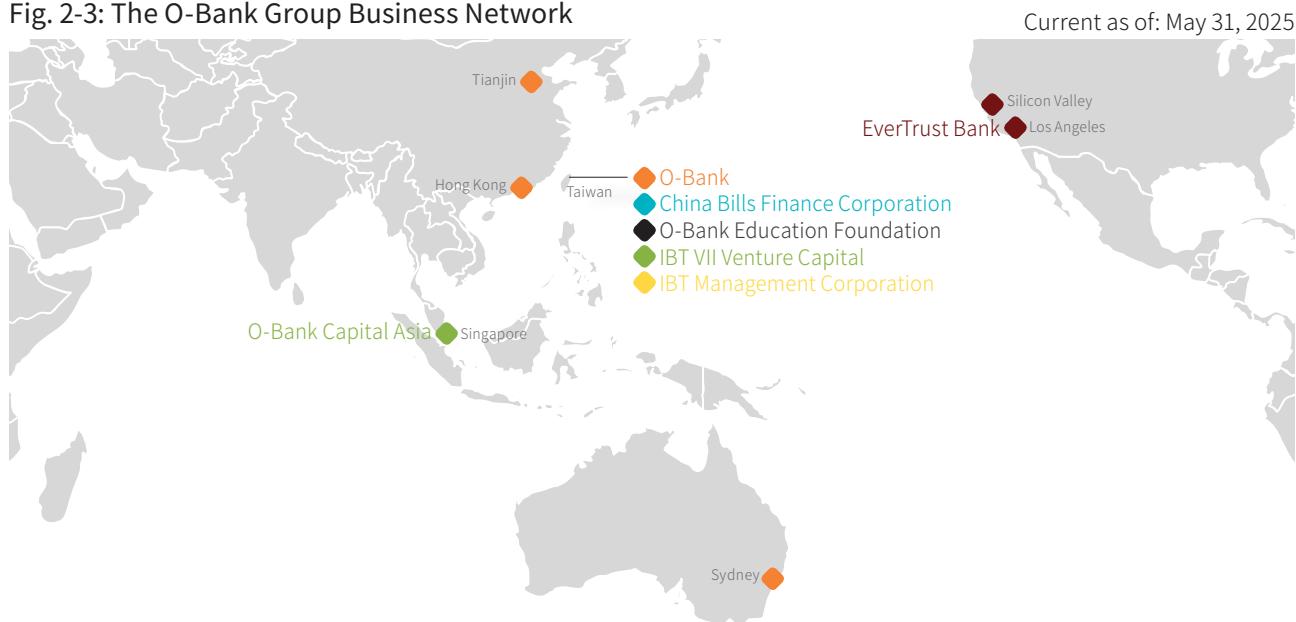
2.1.2 The O-Bank Group Business Network

Since the year 2000, O-Bank has used mergers and acquisitions (M&A) deals and equity purchases to build up a network of O-Bank Group affiliates that provide a diverse range of products and financial services. O-Bank in 2007 acquired California-based EverTrust Bank, which provides deposit, commercial lending, and commercial real estate lending services in Los Angeles and Silicon Valley. This was an important first step in O-Bank's plan to build a global business network. In that same year, O-Bank took an equity stake of approximately 28% in China Bills Finance Corporation, thus branching out into the short-term bills business. Cooperation among O-Bank's units handling business operations, technology, and channels has generated synergies.

In April 2011, O-Bank further expanded into the field of leasing by establishing the IBT Leasing Co., Ltd., which then in June established the IBT International Leasing Corp. (IBTIL) in Suzhou, China. To seek continued growth and diverse development, IBT Leasing Co., Ltd. and Jih Sun International Leasing & Finance Co., Ltd. merged on December 1, 2022 to form a new entity named "Infinite Finance Co., Ltd.," which has become the fourth largest company in Taiwan's leasing industry. O-Bank is the second largest shareholder in Infinite Finance Co., Ltd., and O-Bank recognizes its share of profits from Infinite Finance Co., Ltd. under the equity method. Hopefully the two companies can take advantage of their respective areas of expertise to create synergies and economies of scale.

The O-Bank Group has been actively expanding its business presence both at home and abroad (Fig. 2-3), and is integrating group resources to help customers at different stages of development to continue strengthening their competitiveness. At the same time, O-Bank has expanded retail banking business and developed in the field of digital finance to the point where these lines of business have become mutually complementary with O-Bank's original corporate financial business. As a result, O-Bank is able to provide customers with a complete across-the-board range of financial services.

Fig. 2-3: The O-Bank Group Business Network



2.1.3 B Corporation Certification

The B Corporation Certification program is run by B Lab, a US non-profit organization. It encourages companies to break free of the conventional capitalist emphasis on maximizing profits, and begin seeking instead to maximize shared value. The program assesses company's overall impact across five dimensions of governance, workers, environment, community, and customers. The objective is to encourage corporations to use business as a force for good, and to focus on being not just the "best IN the world," but also "the best FOR the world."

O-Bank in recent years has made a concerted effort to plan and execute a variety of corporate social responsibility (CSR) actions. O-Bank obtained B Corporation certification quickly and smoothly after applying for it in 2017, thus becoming Taiwan's 21st B Corporation. Re-certification is required once every three years, so O-Bank went through the review process again in March 2021 and received an



O-Bank obtains B Corporation Certification, seeks to use business as a force for good



O-Bank Chairperson Tina Y. Lo led the effort to obtain B Corporation Certification, and is promoting a B Corporation campaign

even higher score than the first time, a clear indication that O-Bank has again received recognition from international organization for continued pursuit of sustainable operations.

The O-Bank philosophy of "fulfilling oneself by benefiting others" aligns quite well with the B Corporation emphasis on companies competing not just to be "the best IN the world," but also to be "the best FOR the world." O-bank will continue working together with all stakeholders to create win-win outcomes for all, and to achieve our vision of "prospering with employees, profiting with clients and shareholders, co-existing with the environment, and benefiting with society."

2.2 Operating Performance and Reputation

2.2.1 Operating Performance

In 2024, O-Bank Group's consolidated net revenue came to NT\$10,179 million, an increase of 7% compared to 2023. The standalone net revenue for 2024 was NT\$7,787 million, up 13% from 2023. 2024 standalone net revenue is further broken down by line of business and source, see Table 2-1 and Table 2-2.

Table 2-1: 2024 O-Bank Proportion of Net Revenue by Business

Line of Business	Proportion of Net Revenue (%)
Corporate credit (incl. project finance)	61.6%
Retail loans	11.5%
Wealth management	1.9%
Corporate trust	0.4%
Equity and bond investment (Note 1)	0.0%
Other financial transactions	11.9%
Investment under equity method and other adjustments	12.7%
Total net revenue	100.0%

Note 1: In 2024, net revenue from O-Bank's equity and bond investments accounted for 0.02% of total net revenue.

Note 2: O-Bank does not underwrite bonds or insurance business, and does not delegate the management of its proprietary or client asset to any external third-party asset management companies.

Note 3: O-Bank is not a holding company.

Table 2-2: 2024 O-Bank Proportion of Net Revenue by Source

Source of Income	Proportion of Net Revenue (%)
Net interest	34%
Gains (losses) on financial assets or liabilities measured at fair value through profit or loss and foreign exchange gain (loss)	34%
Net service fees	13%
Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	15%
Other	4%
Total net revenue	100%

Table 2-3: Sources of O-Bank 2024 Net Revenue (domestic vs. overseas)

Area of Net Revenue	Proportion of Net Revenue (%)
Domestic	75%
Overseas	25%
Total net revenue	100%

In 2024, the consolidated net profit before tax was NT\$5,017 million, while the consolidated net profit after tax was NT\$3,893 million, representing a 14% increase compared to 2023. Meanwhile, the standalone net profit before tax for 2024 was NT\$3,408 million, and the standalone net profit after tax was NT\$2,856 million, up 15% from 2023. In 2024, Earning Per Share (EPS) came to NT\$1.00. Excluding the one-time gain recognized from the 2022 IBT Leasing's merger case, both O-Bank's standalone net profit after tax and EPS in 2024 reached record highs. Based on the standalone financial statements for 2024, Return on Equity (ROE) and Return on Assets (ROA) came to 6.89% and 0.71%, respectively. Figures for O-Bank standalone net revenue, standalone net profit before tax, and standalone net profit after tax for the past five years are set out in Fig. 2-4 and Fig. 2-5.

Fig. 2-4: O-Bank Net Revenue, 2020~2024

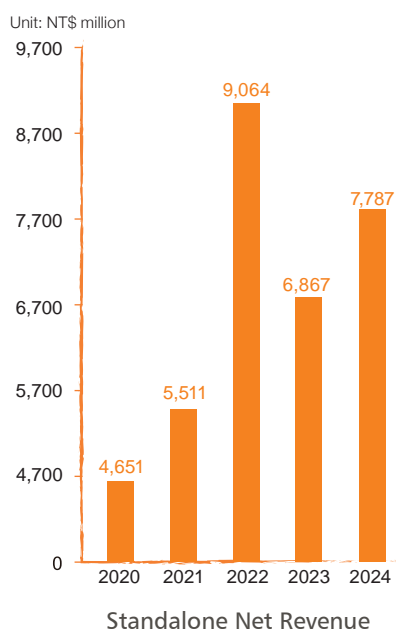


Fig. 2-5: O-Bank Net Profit before Tax and after Tax, 2020~2024

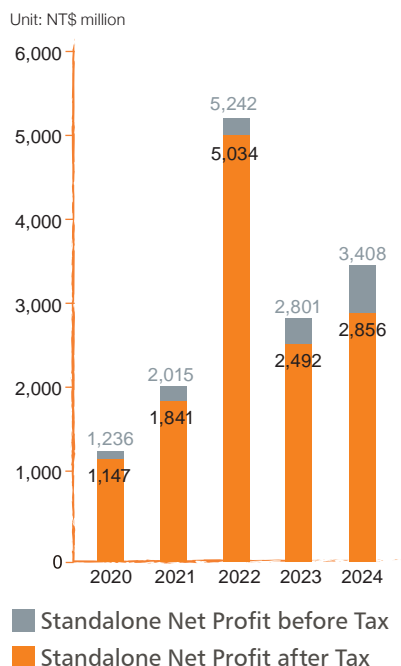
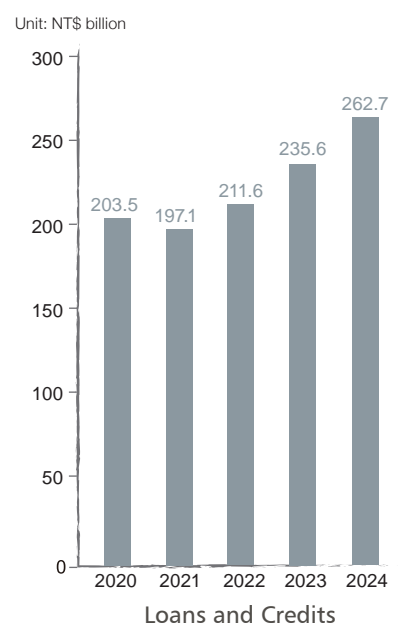


Fig. 2-6: Loans and Credits, 2020~2024



Note: Numbers in Fig. 2-4 to Fig. 2-6 are for the standalone.

As of the end of 2024, O-Bank had total standalone assets of NT\$413.6 billion, loans and credits stood at NT\$262.7 billion (Fig. 2-6). The capital adequacy ratio ended at 13.69%, with Tier 1 capital ratio at 12.19%, and the common equity ratio at 12.11%. The Taiwan Ratings Corporation in 2024 assigned O-Bank long- and short-term credit ratings of twA and twA-1 respectively, so the overall outlook is stable. Moving forward, O-Bank will tap into digital technology and adopt an innovative mindset to effectively expand our retail banking business and continue enhancing our corporate financial services to create business synergies and seek stable growth momentum.

Table 2-4: O-Bank Operating Performance, 2023~2024

Unit: NT\$ thousand

	Item	2024	2023
Overview of operations	Net revenue	7,787,043	6,866,513
	Total assets	413,628,804	390,583,784
	Shareholders' equity	42,804,461	40,102,035
	Total liabilities	370,824,343	350,481,749
	Operating expenses	3,956,077	3,621,290
	Net profit after tax	2,856,199	2,492,420
Performance indicators	Net revenue per employee (Note 1)	6,270	5,790
	Net profit after-tax per employee (Note 2)	2,300	2,102
	EPS (NT\$)	1.00	0.87
	ROA (%)	0.71	0.67
	ROE (%)	6.89	6.41
Economic value distributed	Operating costs	1,816,122	1,765,500
	Employee wages and benefits	2,226,762	2,020,094
	Payments of dividends	1,511,182	1,353,930
	Payments of government taxes	892,804	500,429
	Political donations	0	0
	Donations (Community investments) (Note 4)	22,097	15,243
	Subtotal	6,468,967	5,655,196
Economic value retained (Note 5)		1,318,076	1,211,317

Note 1: Net revenue per employee = net revenue / number of O-Bank employees worldwide

Note 2: Net profit after-tax per employee = net profit after tax / number of O-Bank employees worldwide

Note 3: Numbers in Table 2-4 are for the standalone.

Note 4: For details on donations (community investment), please refer to Chapter 8, Table 8-5.

Note 5: Economic value retained = Direct economic value (net revenue) – economic value distributed

2.2.2 Awards and Recognition

Following our founding, O-Bank pursued excellence while growing and prospering right alongside our many corporate clients. Since reorganizing as a commercial bank in 2017 and branching out into the retail banking services market, O-Bank has launched many innovative digital financial services which have won numerous awards. Moreover, O-Bank has fulfilled our corporate social responsibility (CSR) by acting in the spirit of "fulfilling oneself by benefiting others." By pursuing sustainability concerns and continuing to incorporate a "sustainability-oriented mindset" into the running of our business, O-Bank has earned widespread praise, including the awards listed below in Table 2-5.

Table 2-5: Awards Won by O-Bank since 2002

Year	Award
2002	• Received the "Best Risk Management Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards."
2003	• Noted financial publications Asia Money, The Asset, and Financial Asia name the first IBT Collateralized Loan Obligation (CLO-1) "Deal of the Year among 2003 domestic asset securitization issues in Asia."

Year	Award
2004	<ul style="list-style-type: none"> Received the "Best Product Design Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards."
2011	<ul style="list-style-type: none"> IBT Educational Foundation received "National Civic Service Award."
2012	<ul style="list-style-type: none"> Received the "Golden Quality Award" from the Joint Credit Information Center.
2014	<ul style="list-style-type: none"> Received the "Golden Quality Award" from the Joint Credit Information Center.
2016	<ul style="list-style-type: none"> Received a "Corporate Sustainability Report Award – Silver Medal" from the Taiwan Institute for Sustainable Energy (TAISE).
2017	<ul style="list-style-type: none"> Received a "Corporate Sustainability Report Award – Gold Medal" from the TAISE. Won two awards from Gartner: "2017 Gartner Eye on Innovation Award for Asia Pacific" and "Most Innovative Digital Business Model" at the third Gartner Eye on Innovation Awards for the Asia Pacific region. Obtained "B Corporation Certification" from US-based B Lab. Received a 2nd Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs.
2018	<ul style="list-style-type: none"> Received the "Rookie Award" in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Sustainability Report Award – Silver Medal" and "Gender Equality Award" from the TAISE. Received 2nd Class and Special Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. Received an "Award for Outstanding Corporate Image" from the Foundation for Public Relations. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as "The Best Digital Bank in Taiwan" at the 2018 Asian Banker Taiwan Awards. Received "DX Awards" and named "Information Visionary" at the 2018 IDC Digital Transformation Awards. Received the "Best Digital Banking Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards." Received a 2018 "Award for Excellence" from Global Views Monthly for the "Bank With the Best Digital Services." Received First Prize in "Enterprise Excellence" category, "Best Product Award" for robo-advisor service, and "Outstanding Business Leader" Award at the 2018 National Brand Yushan Awards of Republic of China National Enterprise Competitiveness Development Association. Recognized as one of the top performing banks in providing SME loans by the Financial Supervisory Commission.
2019	<ul style="list-style-type: none"> Received a 6th place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award." Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "People Development Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Gold Medal" from the TAISE. Received a 2nd Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as having the "Best Cloud-Based Initiative, Application or Programme in Taiwan" at the 2019 Asian Banker Taiwan Awards. Received a 2019 "Award for Excellence" from Global Views Monthly for the "Bank with the Best Digital Services."
2020	<ul style="list-style-type: none"> Received a 2nd place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award." Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Silver Medal" from the TAISE. Received 3rd Class and Special Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. Received "Award for Outstanding Corporate Image," "Award for Excellence in Brand Communication," and "Award for Excellence in Corporate Social Responsibility" from the Foundation for Public Relations. Ranked in the Top 5% of listed companies in the "2020 Corporate Governance Evaluation" by the Taiwan Stock Exchange. Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Received the "Best Online Bank Award" from Excellence Magazine.

Year	Award
2021	<ul style="list-style-type: none"> • Awarded 2nd place in the Medium-Sized Enterprise Category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". • Received "Corporate Comprehensive Performance Award," "Gender Equality Leadership Award," "Creativity in Communication Leadership Award," and "Corporate Sustainability Report Award – Gold Medal" at the Taiwan Corporate Sustainability Awards (TCSA), and "Great Practice Award" in the World Class category (Social Impact program) at the Global Corporate Sustainability Award (GCSA) by the TAISE. • Received 3rd Class and Special Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. • Received "Excellent Performance" certification of CG6012 (2019) Corporate Governance System Assessment from the Taiwan Corporate Governance Association. • Ranked in the Top 5% of listed companies in the "2021 Corporate Governance Evaluation" by the Taiwan Stock Exchange. • Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. • Received the "Best Online Bank Award" from Excellence Magazine. • Received the "Best Digital Information Service Award" in the Bank category of "2021 Digital Financial Service Award" from Commercial Times.
2022	<ul style="list-style-type: none"> • Received an ESG Risk Rating of 8.7 from Morningstar Sustainalytics (published in January 2023), and was also recognized as "ESG Industry Top Rated – Banks" and "ESG Regional Top Rated – Asia Pacific" by Sustainalytics in January 2024. • Received "Top 100 Corporate Sustainability Award," "Gender Equality Leadership Award," "Creativity in Communication Leadership Award," and "Corporate Sustainability Report Award – Silver Medal" at the TCSA by the TAISE. • Received 3rd Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. • Ranked in the Top 5% of listed companies in the "2022 Corporate Governance Evaluation" by the Taiwan Stock Exchange. • Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. • Received "Gold Award" of Taipei City Workplace Gender Equality Certification. • Received the "Best Online Bank Award" from Excellence Magazine. • Received "Good MPF Employer Award" and "e-Contribution Award" from Hong Kong Mandatory Provident Fund Schemes Authority.
2023	<ul style="list-style-type: none"> • Received an ESG Risk Rating of 7.6 from Morningstar Sustainalytics (published in February 2024). According to the Taiwan Depository & Clearing Corporation Investor Relations Platform (TDCC IR Platform), O-Bank ranked first among all financial institutions in Taiwan as well as 2nd among all listed companies in Taiwan (as of the end of May 2024). • Achieved a score of 4.3 out of 5.0 in the FTSE ESG Score, ranking 1st among financial institutions in Taiwan and 4th among all Taiwanese listed companies (as of the end of May 2024), according to the TDCC IR Platform. • Took part for the first time in the Carbon Disclosure Project (CDP) assessment and received Leadership Level A-. • Received "Sustainability Performance Award," "Social Inclusion Leadership Award," "Gender Equality Leadership Award," "Workplace Wellbeing Leadership Award," "Creative Communication Leadership Award," and "Corporate Sustainability Report Award – Silver Medal" at the TCSA by the TAISE. • Received 3rd Class and Special Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. • Ranked in the Top 5% of listed companies in the "2023 Corporate Governance Evaluation" by the Taiwan Stock Exchange. • Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. • Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. • Received "High Distinction Performance" certification of CG6014 (2023) Corporate Governance System Assessment from the Taiwan Corporate Governance Association. • Received a Sustainable Development Award in the China Times Financial Services Awards. • Recognized by the Financial Supervisory Commission for Superior Performance in implementing the FSC's "Program to Incentivize Lending by Domestic Banks to Enterprises in Target Countries of the New Southbound Policy (NSP)." • Received the "Best Online Bank Award" from Excellence Magazine. • Received the "Best Innovation Award" and "Best Digital Inclusive Finance Award" in the Bank category of the "2023 Digital Financial Service Award" from Commercial Times.

Year	Award
2024	<ul style="list-style-type: none"> Received an ESG Risk Rating of 7.1 from Morningstar Sustainalytics (published in March 2025). According to the TDCC IR Platform, O-Bank ranked first among financial institutions in Taiwan and first among all listed companies in Taiwan (as of the end of May 2025). Sustainalytics also recognized O-Bank as "Global 50 ESG Top Rated," "Industry ESG Top Rated," and "Regional ESG Top Rated". Achieved a score of 4.3 out of 5 in the FTSE ESG Scores, ranking first among financial institutions in Taiwan and 7th among all Taiwanese listed companies (as of the end of May 2025), according to the TDCC IR Platform. Participated in the CDP assessment and received the highest rating of Leadership Level A. Received a score of 87 in the S&P Global Corporate Sustainability Assessment (CSA), resulting in inclusion in the 2025 Sustainability Yearbook and recognition among the Top 10% of companies globally within the same industry. Awarded 5th place in the Medium-Sized Enterprise Category of the 2024 Commonwealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Taiwan Top 100 Corporate Sustainability Model Awards," "Gold Award – Sustainability Report Category (Financial and Insurance Sector)," "Gender Equality Leadership Award," "Workplace Wellbeing Leadership Award," "Social Inclusion Leadership Award," and "Creative Communication Leadership Award" at the TCSA by the TAISE. Received 3rd Class in the "Buying Power – Social Innovation Product and Service Procurement Incentive Program" by the Small and Medium Enterprise Administration, Ministry of Economic Affairs. Ranked in the Top 5% of listed companies in the "2024 Corporate Governance Evaluation" by the Taiwan Stock Exchange. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Received "High Distinction Performance" certification of Corporate Governance System Assessment from the Taiwan Corporate Governance Association. Received the "Sustainable Development Award" in the "2024 Want Want China Times Financial Service Awards," organized by the China Times. Honored with the "Best Online Bank Award" by Excellence Magazine. Recognized at the Commercial Times Digital Finance Awards with the "Gold Award – Digital Financial Inclusion," "Gold Award – Fair Customer Treatment in Digital Banking," "Merit Award – Digital Innovation," and "Merit Award – Digital Information Security (Anti-Fraud Team)". Awarded "SME Digital Innovation of the Year – Taiwan" at the 2024 Asian Banking & Finance (ABF) Awards.



O-Bank awarded 5th place in the Medium-Sized Enterprise Category of the 2024 Commonwealth Magazine "Excellence in Corporate Social Responsibility Award"



O-Bank received six major Taiwan Corporate Sustainability Awards in 2024



Named "Global 50 ESG Top Rated," "Industry ESG Top Rated" and "Regional ESG Top Rated" by Morningstar Sustainalytics



Received the highest rating of Leadership Level A in the CDP assessment



S&P Global CSA Score included in the 2025 Sustainability Yearbook and recognized among the Top 10% of companies globally within the same industry



"3rd Class" Buying Power Award



Excellence Magazine "Best Online Bank Award"

2.3 Market Environment and Development Strategies

2.3.1 Banking Sector Business Environment and Future Prospects

In 2024, the global economic landscape remained volatile amid persistent inflation concerns, diverging monetary policies across countries, and heightened geopolitical tensions. Despite these challenges, Taiwan's economy delivered strong growth, supported by robust domestic demand and external trade. The Directorate-General of Budget, Accounting and Statistics announced that Taiwan achieved an economic growth rate of 4.59% in 2024, marking an increase of over 3 percentage points from the previous year and the highest level in the past three years. Our banking sector benefited from favorable interest rate conditions and active stocks and bonds markets, thus improving investment returns and fee income from wealth management services. Overall, the industry demonstrated stable profitability, with Taiwan's banking sector reporting NT\$565.6 billion in net profit before tax for 2024, up 1.16% compared to the previous year.

Looking ahead to 2025, although global inflationary pressures are easing, uncertainties such as shifting U.S. tariff policies, ongoing geopolitical tensions, increased trade restrictions across countries, and the restructuring of global supply chains continue to pose challenges to the global economic outlook. In Taiwan, the rapid development of emerging technologies such as artificial intelligence (AI) is expected to sustain momentum in production and export growth. This, combined with continued investments from major international firms, a stable labor market, and resilient domestic consumption, is likely to support economic expansion. However, uncertainties surrounding U.S. tariff policies toward Taiwan may weigh on the strength of this growth. Taiwan's Directorate-General of Budget, Accounting and Statistics has forecast economic growth of 3.14% for Taiwan in 2025.

Given the impact on Taiwan's economic conditions from uncertainties in U.S. economic and trade policies, the risk of an economic slowdown in Mainland China, and ongoing geopolitical conflicts, Taiwanese banks need to take a cautious outlook regarding earnings prospects. Also, international bodies and domestic competent authorities are paying close attention to the sustainability measures taken by financial services firms. In addition to the "United Nations Principles for Responsible Banking" and "Principles for Responsible Investment," the Financial Supervisory Commission has launched a

"Green Finance Action Plan 3.0," a "Corporate Governance 3.0 – Sustainable Development Roadmap," the "Sustainable Development Guidemap for TWSE and TPEX Listed Companies," the "Guidelines for Domestic Banks' Climate Risk Financial Disclosures," the "Handbook for Scope 3 Financed Emissions of Domestic Banks' Portfolio Carbon Footprints," and the "Taiwan Sustainable Taxonomy," along with the introduction of the "Green and Transition Finance Action Plan" and "Taiwan's Roadmap for Aligning with IFRS Sustainability Disclosure Standards" in the past two years. Listed companies are also now required to establish internal control systems for sustainability information management. Together, these measures are accelerating the integration of sustainability thinking and green finance into day-to-day operations within the financial sector, driving comprehensive implementation of sustainable development practices.

2.3.2 O-Bank's Development Strategy

Banks have come to look upon the application of financial technologies as an important way to boost their competitiveness. At the same time, non-financial institutions are now able to rely on their technological expertise to embark upon the financial services industry. Moreover, this trend has prompted banks to make a serious effort to build up their digital capabilities. O-Bank, after eight years of working to build up our retail banking services, has accumulated considerable digital banking experience and a solid customer base. Moving forward, in addition to further optimizing the digital services experience and improving customer stickiness, O-Bank will also focus on seizing upon business opportunities in the high-niche credit business and in tailor-made wealth management services. O-Bank will continue making a greater variety of stock and bond investment and structured instruments available, and will work to create a diverse product line and comprehensive retail wealth management platform to deepen and broaden its customer base. As our retail wealth management product lineup grows more comprehensive, O-Bank's retail and corporate banking businesses become increasingly complementary, and O-Bank is simultaneously developing both payroll accounts and wealth management services. In addition, O-Bank has established a digital innovation team to work out various digital innovation business models and set up multiple financial application scenarios in order to meet the borrowing needs of more customers.

In the area of corporate banking, O-Bank will continue to pursue a "boutique bank" strategy to cultivate more customers, optimize customer group structure and will work to expand our existing customer base to include customers positioned everywhere from upstream to downstream in industry value chains. At the same time, O-Bank is developing mid-market enterprise (MME) and offshore financial services customers. In addition, O-Bank continues to strengthen its corporate wealth management platform, increase product diversity, improve its structured financing, trade financing, Treasury Marketing Unit (TMU), and cash management products. In addition to meeting the need of customers for fine-tuned wealth management services, O-Bank is thus able to increase capital-light businesses such as fee income, continue improving overall corporate banking profits, optimize its profit structure, and ensure sustainable growth momentum. In the area of retail banking, O-Bank will continue to strengthen consumer engagement among its digital customer base. The Bank will also enhance its wealth management product offerings to increase fee income, while further expanding personal lending volume and net interest income, all while maintaining asset quality.

With regard to subsidiaries, China Bills Finance Corporation will prudently respond to market changes and enhance risk controls by continuing to expand its customer base, and adjust its customer mix while maintaining flexibility in managing investment portfolios; and EverTrust Bank will continue to broaden its customer base and credit business, increase product diversity, and improve returns on capital. As for the investment under equity method, Infinite Finance Co., Ltd. and Beijing Sunshine Consumer Finance Co., Ltd. will take a cautious approach in response to the economic conditions in mainland China to ensure asset quality and maintain stable business development. In addition, O-Bank Group is actively expanding into emerging overseas markets and exploring new investment opportunities. In February

2025, it established a new subsidiary, O-Bank Capital Asia, in Singapore, followed by the establishment of a representative office in Sydney, Australia, in March. The idea is to continue optimizing the Group's profit structure through diversified asset allocation and a strategic presence in high-growth overseas markets. For information on O-Bank's short-, mid- and long-term business development plans, see Table 2-6.

Given the trend toward pursuit of sustainable development, O-Bank will continue to ramp up our sustainability undertakings and seek to improve our performance in the areas of corporate governance, customer relationships, employee care, environmental protection, and social engagement. But beyond that, O-Bank will also continue to make concerted efforts to engage in green finance, practice responsible credit and investment, incorporate sustainability factors into corporate credit underwriting procedures and investment screening procedures, as well as actively manage climate risks, and reduce carbon emissions from investment and corporate financing activities; in addition, O-Bank will also continue to launch financial products that embody corporate social responsibility (CSR) ideals, join with customers to engage in environmentally and socially friendly activities, and achieve a greater degree of financial inclusion. Acting in line with the core philosophy that O-Bank sums up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor) – O-Bank will continue working to create sustainable value for all stakeholders.

Table 2-6: O-Bank Short-, Mid- and Long-term Business Development Plans

Stage of Plan	Development Strategies and Plans	Description
Short-term development plan (1~3 years)	1. Continue to optimize the profit structure and enhance capital efficiency.	Continue to pursue growth in return on equity by expanding high interest spread and low capital consumption businesses, and by increasing fee-based income including corporate syndicated loan fees, personal lending fees, and wealth management service fees, with the goal of enhancing capital efficiency.
	2. Enhance asset and liability management efficiency	Continue to improve the deposit structure and enhance the efficiency of deposit utilization, while actively responding to market and interest rate fluctuations by adjusting the allocation of investment and financing assets. These efforts aim to strengthen risk management, improve asset quality, and build a more comprehensive and robust asset and liability management system.
	3. Advance digital transformation and strengthen digital business models.	Continue to deepen the Bank's three core pillars of "technology," "data," and "customer engagement scenarios," actively incorporating AI to expand digital touchpoints and diversify service channels, enhancing customer penetration and interaction efficiency. At the same time, strengthen AI-driven process automation and data applications to improve overall operational efficiency and service quality, thereby advancing digital transformation and reinforcing digital empowerment.
	4. Accelerate the advancement of overseas expansion efforts.	Proactively expand the Bank's global footprint by continuing to explore opportunities in Australia and Southeast Asia, while leveraging synergies with subsidiaries such as EverTrust Bank in North America to enhance overseas operational performance and integrate regional resources.
	5. Deepen commitment to sustainable development.	O-Bank has continued to deepen sustainable development and implement sustainable finance, with the aim of enhancing capital market valuation and strengthening mid- and long-term competitiveness, ultimately achieving a win-win model of sustainable operations for all stakeholders.

Stage of Plan	Development Strategies and Plans	Description
Mid- and long-term development plan (4~10 years)	1. Develop application scenarios through strategic partnerships and use digital finance innovations to strengthen digital applications and elevate O-Bank's value as a financial intermediary.	Seek cooperation with business entities from other sectors, launch a diverse range of financial service scenario applications and integrate digital data in order to enhance O-Bank's business performance.
	2. Strengthen O-Bank's relationships with both corporate and retail customers, become their main banker.	Maintain a real-time grasp of market conditions and customer needs, provide comprehensive financial solutions, and become the main banker for customers. Integrate corporate and retail banking operations to reap synergistic benefits, make good use of group resources, and create a boutique bank with digital services.
	3. Use strategic investments or strategic partnerships to improve business performance.	Integrate group resources to increase the scale of operations, and continue evaluating strategic investment opportunities that could make O-Bank's businesses more complementary and enhance business performance.

3. Corporate Governance



Sound corporate governance is the cornerstone of corporate sustainability. O-Bank acts in line with a set of core values that it sums up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor). O-Bank's highest governing body, the Board, has created an open and transparent governance system that provides a foundation for corporate sustainability. To effectively optimize internal controls, O-Bank has adopted the "three lines of defense" model for effective risk management and control, each with clearly defined responsibilities, in order to help each unit to understand its overall risk level as well as the roles and functions of the control framework, to improve risk management, and to strengthen communication and coordination of information among the various internal control tasks. By doing these things, we can achieve comprehensive internal controls. Accordingly, O-Bank has adopted risk management evaluation policies to ensure proper implementation and oversight of procedures for identifying, measuring, monitoring, controlling, and reporting risks. Also, O-Bank thoroughly carries out our responsibility for oversight, as assigned by the Board, at each level of the company, in order to improve the implementation of operations and controls throughout the organization. At the same time, O-Bank has established a comprehensive internal audit and compliance system, promotes regulatory compliance, conducts related training and testing, and uses internal control mechanisms to assist the Board and management in their efforts to evaluate the operational effectiveness of internal controls. And, with an eye to the rapid development of digital finance, O-Bank has adopted rigorous information security defense measures and holds annual information security drills in order to continuously upgrade our security controls. And in response to the international trend toward greater emphasis on tax governance, O-Bank has adopted a tax governance policy to ensure effective tax management.

In 2023, O-Bank commissioned the Taiwan Corporate Governance Association to conduct a certification of its corporate governance system, which involves a comprehensive assessment of various systems including their comprehensiveness, quality of their implementation, and effectiveness of their feedback mechanisms, and received an "Outstanding" certification (valid from December 26, 2023 to December 25, 2025) under the Association's CG6014 (2023) Corporate Governance System Assessment in recognition of ongoing efforts to improve its corporate governance.

3.1 Governance Framework

3.1.1 Operations of the Board

O-Bank's Board has 12 seats, including four independent directors, 33% of the total. All directors serve three-year terms, and may serve successive terms if re-elected. The Board is responsible for reviewing the company's business plan, capital increases and decreases, organizational rules, budgets and year-end accounts, appointment and dismissal of managerial officers, important loans, and approval of matters of material importance. In addition, the Board has set up a four-member Board of Managing Directors that meets when the Board is not in session to exercise the powers of the Board within the scope of authorization granted by the latter. O-Bank's "Corporate Governance Best Practice Principles" explicitly stipulate that if a resolution of the Board violates laws or regulations, the Articles of Incorporation, or resolutions of the Shareholders Meeting and results in damage to the Bank, the directors shall be held liable for compensation. However, directors who have expressed their objection to such resolutions, either recorded in the meeting minutes or through a written statement, may be exempted from liability.

The directors, who have diverse professional backgrounds, skill sets, and industry experience, take part each year in professional development courses targeted specifically to their needs as directors. Course content touches upon such fields as economics, law, environment and society, and is designed to help directors continually hone their professional knowledge and legal expertise so they can ensure that the company is soundly run. For independent directors, their nomination, election, terms of office, and holding of concurrent positions are handled in accordance with the provisions of the "Securities and Exchange Act" and the "Regulations Governing Appointment of Independent Directors and Compliance

Matters for Public Companies," and their independence and qualifications are reviewed and assessed on the basis of the Taiwan Stock Exchange's qualification requirements for independent directors. Also, to avoid the problem of independent directors losing their independence due to long-term service, all the independent directors of O-Bank have not served for three consecutive terms. Also, to improve the governance of directors, the Bank has also adopted restrictions on the holding by directors of concurrent positions; they are not allowed to concurrently the position of director or supervisor at more than four listed companies.

O-Bank elected our 9th Board on June 16, 2023. The terms of the directors will run until June 15, 2026. Apart from the independent directors, all the other directors are O-Bank's shareholders' representatives. Men account for 67% of currently serving directors and women account for 33%. The youngest director is Jennifer C.F. Wang who is 52 years old, and the oldest Director is Kenneth C.M. Lo who is 83 years old. The gender and age distribution of the directors is set out below in Table 3-1. The O-Bank Board meets at least once every two months. In 2024, it met nine times, and the average attendance rate was 99.07%. The Board of Managing Directors met 20 times and had an average attendance rate of 98.75%. The O-Bank Board in 2024 approved a total of 149 proposals, including important motions on matters pertaining to governance, economic, and social concerns, and amendments to internal rules in order to coordinate with legislative action or to meet business or risk management needs. Proposals pertaining to key material events were reported to the Board in accordance with the "O-Bank Standards for Delegation of Duties and Division of Authority and Responsibility" and the "O-Bank Procedural Rules Governing Board Meetings," were then thoroughly discussed by the board members, and approved by resolution before material information disclosures were made in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities" and the "O-Bank Operating Procedures for the Handling of Material Inside Information." The authorized units handled and followed up appropriately on these disclosures, 25 of which dealt with governance matters and four of which dealt with social matters. None were related to environmental concerns.

Table 3-1: Gender and Age Distribution of O-Bank Directors

As of April 15, 2025

	Gender Distribution		Age Distribution (Note)				
	Male	Female	Aged 30 or below	31~40	41~50	51~60	Aged 60 or above
Number of persons	8	4	0	0	0	5	7
Share	67%	33%	0%	0%	0%	42%	58%

Note: O-Bank Chairperson Tina Y. Lo is 53 years old; Managing Director Kenneth C.M. Lo is 83; Managing Director Bill K.C. Lin is 60; Director George C.J. Cheng is 71; Director Mark J.C. Lee is 68; Director Chih-Ming Chien is 63; Director Alex J.J. Chen is 60; Director Grace W.S. Tang is 59; Independent Managing Director Fu-Hsiung Hu is 69; Independent Director Hank H.K. Lin is 64; Independent Director Tina W.N. Chiang is 67; and Independent Director Jennifer C.F. Wang is 52.

Table 3-2: Directors and Supervisors

As of April 15, 2025

Title	Name	Gender	Experience and Education	Other Position
Chairperson (Managing Director)	Tina Y. Lo	Female	<ul style="list-style-type: none"> • Experience Vice Chairperson, O-Bank Vice Chairperson, EverTrust Bank Member, MIT Sloan Asian Executive Board Vice President, Chinese National Association of Industry and Commerce (CNAIC) and convener, CNAIC's Young Entrepreneur Committee Director, Bankers Association of the Republic of China Chief Executive, O-Bank Hong Kong Branch President, IBT Management Corporation • Education MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA 	Note 1
Managing Director	Ming Shan Investment Co., Ltd. (Rep.: Kenneth C.M. Lo)	Male	<ul style="list-style-type: none"> • Experience Chairman, O-Bank Chairman, EverTrust Bank Director, Cross-Strait Common Market Foundation Managing Director, Cross-Strait CEO Summit Chairman/Honorary Chairman, Chinese National Association of Industry and Commerce President, CTBC Bank • Education M.A.in Finance, The University of Alabama, USA 	Note 2
Managing Director	Tai Hsuan Investment Co., Ltd. (Rep.: Bill K.C. Lin)	Male	<ul style="list-style-type: none"> • Experience Chairman, IBT Management Corp. Chairman, IBT VII Venture Capital Co., Ltd. Chairman, Guppy digital technology Co., Ltd. Independent Director, GOMAJI Corp. Ltd. Director, EasyCard Investment Holding Co., Ltd. Founder and CEO, Payeasy Digital Integration Co., Ltd. Chairman, International Community Health Care Association (Taiwan) Sales supervisor of Credit Card Business, Taishin International Bank • Education MBA, Chinese Culture University EMBA, National Taiwan University 	Note 3
Director	Abag Investment Holdings Co., Ltd. (Rep.: George C.J. Cheng)	Male	<ul style="list-style-type: none"> • Experience Chairman, Abag Enterprise Co., Ltd. Chairman, Abag Investment Holdings Co., Ltd. Chairman, SanHo Development Co., Ltd. Director/President, San Ho Plastics Fabrication Co., Ltd. • Education MBA, St. John's University, USA 	Note 4
Director	Mark J.C. Lee	Male	<ul style="list-style-type: none"> • Experience Chairman, Sung Yuan Development Co., Ltd. Director, Bai Tong Investment Co., Ltd. Director, Heng Gi Lie Investment Ltd. President, Heng Tong Machinery Co., Ltd. President, Heng Kuo Co., Ltd. • Education Department of Accounting, Feng Chia University 	Note 5

Title	Name	Gender	Experience and Education	Other Position
Director	Ming Shan Investment Co., Ltd. (Rep.: Chih-Ming Chien)	Male	<ul style="list-style-type: none"> • Experience Chairman, Infinite Finance Co., Ltd. Director, IBT Leasing Co., Ltd. Director, Taijun International Leasing Ltd. President, China Bills Finance Corp. Senior Vice President, Risk Management Department, O-Bank Retail Credit Officer, CTBC Bank Co., Ltd. Corporate Credit Officer, CTBC Bank Co., Ltd. • Education Bachelor of Economics, National Chung Hsing University 	Note 6
Director	Tai Ya Investment Co., Ltd. (Rep.: Alex J.J. Chen)	Male	<ul style="list-style-type: none"> • Experience Vice Chairman, IBT VII Venture Capital Co., Ltd. Business Advisor, O-Bank Independent Director, Castles Technology Co., Ltd. Director, Altrust Inc. Advisor to Chairman & President, LAKALA Financial Technology Group China President, WeLab Group Executive Vice President, China Resource Bank Senior Vice President, CTBC Bank Senior Vice President, Taishin International Bank Manager, First Commercial Bank President, Taiwan GM, Visa International Systems Engineer, IBM Taiwan • Education M.A. in Computer Science & Information Engineering Science graduate school, National Taiwan University Bachelor of Computer Science, TamKang University 	Note 7
Director	Yi Chang Investment Co., Ltd. (Rep.: Grace W.S. Tang)	Female	<ul style="list-style-type: none"> • Experience President, IBT Management Corp. Director, IBT VII Venture Capital Co., Ltd. Vice President, O-Bank Investment Department Senior Vice President, Pacific Venture Partners Co. Ltd. • Education MBA, University of California-Riverside, USA BA in Library Science, National Taiwan University 	Note 8
Independent Managing Director	Fu- Hsiung Hu	Male	<ul style="list-style-type: none"> • Experience Independent Director, Walsin Lihwa Corp. Chairman, Taiwan Cooperative Securities Co., Ltd. Chairman, Joint Credit Information Center Director, Taiwan Ratings Corps. Director, Mega International Commercial Bank Managing Director, Central Trust of China Committee Member, Executive Yuan Financial Restructuring Fund Committee Vice Chairman, Executive Yuan Council of Agriculture Senior Executive Officer, Council for Economic Planning and Development, Executive Yuan Commissioner, Bureau of Foreign Trade, Ministry of Economic Affairs Consultant, The Bankers Association of the Republic of China Director, Section V, Executive Yuan Chief Information Officer, Council of Agriculture, Executive Yuan • Education MBA, National Taiwan University 	Note 9

Title	Name	Gender	Experience and Education	Other Position
Independent Director	Hank H.K. Lin	Male	<ul style="list-style-type: none"> • Experience Chairman, EY Cultural and Educational Foundation Supervisor, Union MechaTronic Inc. Supervisor, EverBot Technology Co., Ltd. Director, St. Ann Medical Co., Ltd. Director, Globe Union Industrial Co., Ltd. Director, PANJIT International Inc. Independent Director, Samson Holding Ltd. Director, Jumei Social Welfare and Charity Foundation, Taichung Managing Partner, EY Taiwan Practicing CPA, EY Taiwan Lead Partner, Taichung Office, EY Taiwan • Education MBA, City University of New York (Brooklyn College), USA 	Note 10
Independent Director	Tina W.N. Chiang	Female	<ul style="list-style-type: none"> • Experience Chairperson, Shanda Information Co., Ltd. Chairperson, Taipei Financial Education Development Association SEVP & Chief Officer of Digital Technology, SinoPac Financial Holdings Co., Ltd. Chief Officer of Operations, SinoPac Financial Holdings Co., Ltd. President, Bank SinoPac Co., Ltd Head of Consumer Banking, Electronic Banking, Integrated Marketing Division, Bank SinoPac Co., Ltd Senior Vice President & President, MasterCard International Inc., China Vice President & President, MasterCard International Inc., Taiwan Senior Vice President & Head of Credit Card Division, Fubon Commercial Bank Systems Engineer, Tatung-Fujitsu Computer Co., Ltd. • Education M.B.A., Specialization of Information Management, Aspen University, USA Bachelor of Business, Administration in Business Mathematics, Soochow University 	Note 11
Independent Director	Jennifer C.F. Wang	Female	<ul style="list-style-type: none"> • Experience Independent Director, TXC Co., Ltd. Independent Director, Lotus Pharmaceutical Co., Ltd. Partner, Taiwan Chen & Lin Attorneys at-Law Attorney, Taiwan Chen & Lin Attorneys at-Law Apprentice lawyer, Simpson Thacher & Bartlett LLP • Education Columbia University School of Law (LL.M.) National Taiwan University Law School (LL.M.) 	Note 12

Note 1: Positions concurrently assumed by Tina Y. Lo: Director, Ming Shan Investment Co., Ltd.; Director, Yi Chang Investment Co., Ltd.; Director, Cross-strait Common Market Foundation; Director, Tai Hsuan Investment Co., Ltd.; Director, Tai Ya Investment Co., Ltd.; Chairperson, IBT Holdings Corp.; Director, KC Investments Corp.; Director, Lucky Bamboo Investments Limited; Managing Supervisor, Friends of the Police Association; Vice Chairperson, Chinese National Association of Industry and Commerce; Director, The Bankers Association of Taipei; Director, Bankers Association of the Republic of China; Director, Taiwan Women on Boards Association; Director, Criminal Investigate Association of Republic of China.

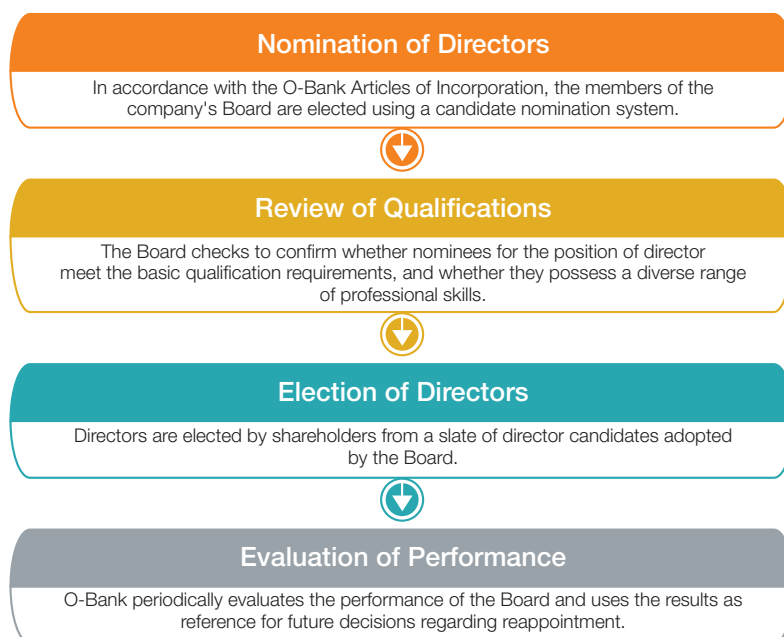
Note 2: Positions concurrently assumed by representative Kenneth C.M. Lo: Chairman, O-Bank Education Foundation; Chairman, Hong Ju Investment Co., Ltd.; Director, National Taiwan University Economic Research Foundation; Director, Taiwan Cement Corporation; Director, Institute for National Policy Research; Director, Andrew T. Huang Medical Education Promotion Fund; Executive Director, Cross-Strait CEO Summit; Honorary Chairman, Chinese National Association of Industry and Commerce.

- Note 3: Positions concurrently assumed by representative Bill K.C. Lin: Chairman, IBT Management Corp.; Director, IBT VII Venture Capital Co., Ltd.; Chairman, Guppy Digital Technology Co., Ltd.; Director, Curdoctor Information Service Corp.; Independent Director, GOMAJI Corp. Ltd.; Chairman, International Community Health Care Association (Taiwan).
- Note 4: Positions concurrently assumed by representative George C.J. Cheng: Chairman, San Ho Development Co., Ltd.; Chairman, Abag Enterprise Co., Ltd.; Chairman, Abag Investment Holdings Co., Ltd.; Director, San Ho Plastics Fabrication Co., Ltd.
- Note 5: Positions concurrently assumed by Mark J.C. Lee: Chairman, Sung Yuan Development Co., Ltd.; Director, Chia Wheel Enterprises Co., Ltd.; Director, Heng Jih Song Accurate Industries Co., Ltd.; Director, Heng Tin Feng Invest Development Co., Ltd.; Director, Tong Chuan Invest Development Co., Ltd.; Director, Bai Tong Investment Co., Ltd.; Director, Heng Ying Machinery Co., Ltd.; Director, Heng Tong Assets Management Co., Ltd.; Director, Heng Tong Machinery Co., Ltd.; Director, Heng Gi Lie Investment Ltd. Company; Director, Chang Yan Investment Co., Ltd.; Director, Hong Fu Investment Co., Ltd.; Director, Siang Tai Investment Co., Ltd.; Director, Hong Da Investment Co., Ltd.; Director, Heng Kuo Co., Ltd.; Supervisor, Heng Tong International Development Co., Ltd.
- Note 6: Positions concurrently assumed by representative Chih-Ming Chien: Chairman of Infinite Finance Co., Ltd.; Director, Infinite Energy Solutions Co., Ltd.; Director of Risheng Quantaitong Passenger Car Leasing Co., Ltd.; Director, Infinite Commercial Finance Co., Ltd.; Director of Risheng International Financial Leasing Co., Ltd.; Director of Taijun International Financial Leasing Co., Ltd.; Supervisor, Jun Teng New Century Co., Ltd.
- Note 7: Positions concurrently assumed by representative Alex J.J. Chen: Chairman, IBT VII Venture Capital Co., Ltd.; Director, IBT Management Corp.; Independent Director, Castles Technology Co., Ltd.; Director, Altrust Inc.
- Note 8: Positions concurrently assumed by representative Grace W.S. Tang: Director, IBT VII Venture Capital Co., Ltd.; Director, IBT Management Corp.
- Note 9: Independent executive director Fu-Hsiung Hu concurrently serves as: Independent Director of Walsin Lihwa Co., Ltd.
- Note 10: Independent director Hank H.K. Lin concurrently serves as: Chairman, Taipei EY Culture and Education Foundation; Director, Globe Union Industrial Corp.; Director of Taichung Private Jumei Social Welfare and Charity Foundation; Director, PANJIT International Inc.; Independent director, Johnson Health Tech Co., Ltd.; Supervisor, Union MechaTronic Inc.; Supervisor, EverBot Technology Co., Ltd.
- Note 11: Independent director Tina W.N. Chiang concurrently serves as: Chairperson, Shanda Information Co., Ltd.; Director, Shengli Technology Co., Ltd.; Director, iAPOTel Corp.; Director, Yuwei Information Technology Services Co., Ltd.; Director, Shanda Information (Japan) Co., Ltd.; Supervisor, Shengli Investment Co., Ltd.; Chairperson, Taipei Financial Education Development Association.
- Note 12: Independent director Jennifer C.F. Wang concurrently serves as: Independent Director, TXC Corporation; Independent Director, Lotus Pharmaceutical Co., Ltd.; Partner, Chen & Lin Attorneys-at-Law.

●Board Diversity Policy

In accordance with the O-Bank Articles of Incorporation, the members of the company's Board are elected using a candidate nomination system. O-Bank does not consider such factors as gender, age, ethnicity, and nationality, but simply recruits elite talent who possess professional expertise and experience in a diverse range of fields that the Bank needs for its future development. In order to achieve its corporate governance goals and meet the Bank's development needs, the Board as a whole possesses a wide range of professional abilities, including: ability to make judgments about operations/to manage business; ability to perform accounting/financial analysis; risk management ability; crisis management ability; expert knowledge of financial matters/industry; an international market perspective/ability to engage in investing and M&A activities; leadership and policymaking ability; corporate sustainability; legal matters; information technology, information security and other knowledge, skills, and competence necessary for performance of its duties.

Fig. 3-1: Procedures for Selection of Members of the O-Bank Board



•Diversity of Board Member Skills

O-Bank's 9th Board of Directors values diversity, and has elite members with expertise in finance, industry, and academia. Ten of the directors hold Master's degrees and two hold Bachelor's degrees in the fields of economics, commerce, business management, accounting law, and information. The Board as a whole has expertise in business decision making, business management, leadership, etc. Among the most notably accomplished members are Tina Y. Lo, Kenneth C.M. Lo, Chih-Ming Chien, and George C.J. Cheng. For example, Hank H.K. Lin, Mark J.C. Lee, Fu-Hsiung Hu, and Tina W.N. Chiang are among the directors best versed in financial accounting. Kenneth C.M. Lo, Chih-Ming Chien, and Bill K.C. Lin are especially adept at risk management and crisis management. Tina Y. Lo, Kenneth C.M. Lo, Fu-Hsiung Hu, and Chih-Ming Chien are among the directors with expertise in finance. Tina Y. Lo, George C.J. Cheng, Mark J.C. Lee, and Grace W.S. Tang have a particularly strong knowledge of international markets. Tina Y. Lo, Fu-Hsiung Hu, and Bill K.C. Lin are among the directors with knowledge of corporate sustainability and environmental protection. Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, and Alex J.J. Chen have strong expertise in information technology and information security. In addition, Directors with legal matters include Fu-Hsiung Hu and Jennifer C.F. Wang. Board members all have the knowledge, skill, and experience necessary to perform their duties, and the members individually have expertise in finance, treasury operations, commerce, law, and industry.



For further information regarding the election results of O-Bank's 9th Board election, see p.15-16 of the Minutes for 2023 Annual General Meeting of Shareholders

Table 3-3: Diversity of Board Member Professional Expertise

Diversification of Board Member Expertise Names of the Directors	Operational Judgment / Operational Management Capabilities	Accounting /Financial Analysis Skills	Risk Management Ability (Note 1)	Crisis Management Ability	Expert Knowledge of Financial Matters / Industry	International Market Perspective /Ability to Engage in Investing and M&A Activities	Leadership and Policymaking Ability	Corporate Sustainability and Environmental Protection Knowledge	Legal Matters	Information Technology and Information Security Capabilities
Tina Y. Lo	✓	✓	✓	✓	✓	✓	✓	✓		
Kenneth C.M. Lo	✓	✓	✓	✓	✓	✓	✓	✓		
Bill K.C. Lin	✓	✓	✓	✓	✓		✓	✓		✓
George C.J. Cheng	✓	✓	✓	✓	✓	✓	✓	✓		
Mark J.C. Lee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chih-Ming Chien	✓	✓	✓	✓	✓		✓	✓	✓	
Alex J.J. Chen	✓	✓	✓	✓	✓		✓		✓	✓
Grace W.S. Tang	✓	✓	✓	✓	✓	✓	✓	✓		
Fu-Hsiung Hu	✓	✓	✓		✓	✓	✓	✓	✓	✓
Hank H.K. Lin	✓	✓	✓	✓	✓	✓				✓
Tina W.N. Chiang	✓	✓	✓	✓	✓	✓	✓	✓		✓
Jennifer C.F. Wang			✓	✓		✓	✓	✓	✓	

Note 1: All members of the O-Bank Board have professional expertise in risk management. Most notably, Chairperson Tina Y. Lo once worked in the risk management department at CTBC Bank, Honorary Chairman Kenneth C.M. Lo once chaired the loan review committee at CTBC Bank, independent director Fu-Hsiung Hu is a former chairman and chair of the risk management committee at the Joint Credit Information Center, and independent director Hank H.K. Lin formerly chaired the risk management committee at EY Taiwan.

Note 2: The various types of expertise of the board members listed in the table above are related to the corporate governance, risk management, information security, operating performance, green finance, and other material topics referred to in this report.

● Professional Development

To strengthen the professional expertise of our directors and reap greater benefits from corporate governance, O-Bank arranges regular professional development courses to help directors keep up to date on domestic and foreign legislative trends. In 2024, O-Bank directors collectively completed 145 person-hours of training in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," thus achieving a target completion rate of 100%. In addition to commissioning the Taiwan Corporate Governance Association to conduct seminars on topics such as "Directors and Supervisors' Responsibilities under Corporate Governance and Case Studies," "Code of Integrity and How to Avoid Breaching Directors' and Supervisors' Duties," "Trends in Anti-Money Laundering and Combating Terrorism Financing Risks," "Development and Prospects of Taiwan's Cable Industry and Creating a Friendly Workplace Environment (including Sexual Harassment Prevention)," and "Ethical Business Practices and Fair Treatment of Customers (Including Friendly Financial Services)" lecture, O-Bank also provides internal training on Gender Equality Act and Sexual Harassment Prevention. All members of the 9th Board attended the respective lectures to strengthen O-Bank's Board members' concept of ethical business practices, workplace sexual harassment prevention, fair customer treatment, and anti-money laundering concepts, with a total of 39 training completions. In addition, O-Bank provides directors each year with risk management education and training. In 2024, all members of the 9th Board completed their risk management education and training, to ensure they are up to date with the latest risk management

trends, totaling 27 person-hours of training. The course titles included "Trends in Anti-Money Laundering and Combating Terrorism Financing Risks" and "How Directors and Supervisors Oversee Corporate Risk Management and Crisis Management." O-Bank directors also attended a wide variety of courses focusing on sustainability topics, including "Corporate Governance and Sustainable Development," "Circular Economy Benefits and Sustainable Finance Opportunities," "Nickel Industry Outlook and Resilient Supply Chain Sustainability Management," "Key Sustainability Trends for Directors and Sustainability Report Review," "Essential Corporate Sustainability Governance: Managing External Impacts to Create Positive Corporate Value," and "Development of TCFD & SBTi and Directors' Responsibilities". A total of 48 person-hours of training were completed. For details on O-Bank director course attendance in 2024, see Table 3-4.

Table 3-4: Participation and Course Person-hours by O-Bank Directors in Continuing Education in 2024

Date	Type of Course	Course	Participant(s)	Total Person-hours
2024/01/26	Industrial trends	Analysis of Taiwan's Economic Trend in 2024	Fu-Hsiung Hu	3
2024/03/13	Ethical best practices and corporate governance; Sustainability	Corporate Governance and Sustainable Development	Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, Jennifer C.F. Wang, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang	12
2024/03/29	Industrial trends	Production Technologies and Market Development of High-Value Steel Products	Fu-Hsiung Hu	2
2024/04/09	Environmental sustainability; Green finance	Circular Economy Benefits and Sustainable Finance Opportunities	Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, Jennifer C.F. Wang, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang	24
2024/05/02	Information security	Corporate Information Security Posture under Digital Resilience	Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, Jennifer C.F. Wang, Chih-Ming Chien, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang	11
2024/05/03	Industrial trends; Supplier management	Nickel Industry Outlook and Resilient Supply Chain Sustainability Management	Fu-Hsiung Hu	3
2024/08/05	Sustainability	Key Sustainability Trends for Directors and Sustainability Report Review	Jennifer C.F. Wang	3
2024/08/09	Ethical best practices and corporate governance; Sustainability	Essential Corporate Sustainability Governance: Managing External Impacts to Create Positive Corporate Value	Hank H.K. Lin	3
2024/08/12	Green finance; Climate strategies	Development of TCFD & SBTi and Directors' Responsibilities (Note 1)	Jennifer C.F. Wang	3

Date	Type of Course	Course	Participant(s)	Total Person-hours
2024/09/05	Ethical best practices and corporate governance	Directors and Supervisors' Responsibilities under Corporate Governance and Case Studies	Chih-Ming Chien	3
2024/09/05	Ethical best practices and corporate governance	Code of Integrity and How to Avoid Breaching Directors' and Supervisors' Duties	Chih-Ming Chien	3
2024/10/02	Risk management	Trends in Anti-Money Laundering and Combating Terrorism Financing Risks	Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, Jennifer C.F. Wang, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang	24
2024/11/08	Industrial trends; Equal and friendly working environment	Development and Prospects of Taiwan's Cable Industry and Creating a Friendly Workplace Environment (including Sexual Harassment Prevention)	Fu-Hsiung Hu	3
2024/11/11	Risk management	How Directors and Supervisors Oversee Corporate Risk Management and Crisis Management	Hank H.K. Lin	3
2024/11/11	Ethical best practices and corporate governance	Corporate Mergers and Acquisitions Practices and Case Studies	Alex J.J. Chen	3
2024/11/11	International trends	Current Global Economic and Financial Conditions	Alex J.J. Chen	3
2024/11/12	Ethical best practices and corporate governance	Ethical Best Practice and Fair Treatment of Customers (Incl. Friendly Financial Services)	Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, Jennifer C.F. Wang, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang	24
2024/11/26	Information security	Corporate Information Security Posture under Digital Resilience	George C.J. Cheng	3
2024/12/19	Equal and friendly working environment	Gender Equality Act and Sexual Harassment Prevention Training	Mark J.C. Lee	1
			Hank H.K. Lin	1
2024/12/20			Chih-Ming Chien	1
			Grace W.S. Tang	1
2024/12/25			Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Fu-Hsiung Hu, Tina W.N. Chiang, Jennifer C.F. Wang, George C.J. Cheng, Alex J.J. Chen	8

Note 1: TCFD refers to the Task Force on Climate-Related Financial Disclosures; SBTi refers to the Science Based Target initiative.

Note 2: The courses set out in this table are related to the ethical best practices and corporate governance, risk management, information security, climate change, green finance, environmental sustainability, equal and friendly working environment, and other material topics referred to in this report.

● Communication with Directors

O-Bank has already disclosed on its official website the state of its independent directors' communications with the company's chief auditor and its certified public accountant (CPA). These disclosures include the dates and results of all such communications, which enhances transparency regarding the full discharge by independent directors of their duties. For example, the chief auditor submits reports to the Audit Committee on the annual audit plan, audit activities, and the Internal Control Statement, and O-Bank holds regular meetings to review its internal control system. At meetings of the Audit Committee, and in separate sessions with the Bank's independent directors, the CPA reports and communicates on financial report audits and reviews, audit plans, and related matters.

● Director Performance Evaluations

O-Bank has established performance goals to elevate the role of the Board, and our Board has adopted the "O-Bank's Regulations Governing the Performance Evaluation of the Board of Directors" in order to enhance the effectiveness of the Board's operations. These Rules require the Board and our functional committees to conduct an internal board performance evaluation at least once a year and to commission an independent outside professional institution or an independent outside team of experts and scholars to conduct a board performance evaluation once every three years. The focal points of internal board performance evaluations include: degree of participation in the running of the company; the quality of decision making by the Board and its functional committees; the composition and structure of the Board and its functional committees; the election of the directors; understanding of director's duties; professionalism and continuing professional education; internal controls, achievement of corporate social responsibilities, and promotion by the Board of the Bank's involvement in other important ESG issues (e.g. corporate governance, risk management, compliance, information security). In the future we will assess and draw up plans to incorporate the issue of O-Bank's performance in managing economic, environmental, and social (human rights) impacts into internal performance evaluations for directors. In the first quarter of 2025, O-Bank completed our 2024 Board performance evaluation and will use it as reference in improving the performance of the directors, setting director compensation, nominating candidates for election to the Board. It was found that, overall: (a) the Board and its functional committees operated well and were able to fully exercised their duties to guide and oversee corporate policies, important lines of business, risk management, and sustainable development; (b) the various functional committees operated with clearly defined roles and responsibilities, effectively enhancing the Board's functions and improving decision-making efficiency and execution; and (c) the Board members have a clear understanding of their duties, actively participated in business operations and strategic decision-making, and continuously strengthen their professional capabilities and governance literacy to ensure high-quality decision-making and further reinforce the Bank's corporate governance framework.

In addition, O-Bank in 2024 commissioned the Taiwan Corporate Governance Association (TCGA) to conduct an external evaluation of the performance of its Board during the period from September 1, 2023 to August 31, 2024. In addition to examining open-ended questionnaires filled out by O-Bank personnel, as well as various reference material and open-source information, the TCGA also conducted on-site interviews with the O-Bank chairperson, independent directors, the president, chief internal auditor and chief corporate governance officer to evaluate the performance of the Board in the following five areas: the composition and division of responsibilities of the board; guidance and oversight provided by the board; the board's delegation and risk management; the board's communication and collaboration; and the board's self-discipline and advancement. The TCGA submitted its O-Bank Board Performance Report on November 27, 2021. O-Bank then forwarded the performance report and a proposed follow-up corrective action plan on December 24, 2024 to the 9th meeting of the 2nd Corporate Governance and

Nomination Committee as well as the 14th meeting of the 9th Board on December 25, 2024, for review and approval. Starting in 2025, the Bank also plans to regularly review the implementation status of follow-up improvement plans based on the recommendations outlined in the evaluation report. O-Bank's 2024 internal and external performance evaluations for the Board have both been disclosed on the company website, and O-Bank is preparing the next external performance evaluations for the Board in 2027.



*Board performance
assessment*

● Directors' Remuneration Policy

O-Bank director pay includes director remuneration, director compensation, and operational disbursements. Article 22 of O-Bank's Articles of Incorporation provides that the Bank's directors (including independent directors) may collect fixed director remuneration while they are executing their job duties regardless whether the Bank operates at a profit or a loss, and the Articles authorize the Board to set directors' remuneration on the basis of the degree of their participation in the Bank's business operations and the value of their contributions, and to make reference to the level of remuneration paid by peer institutions. In years when O-Bank operates at a profit, it may pay director compensation to directors up to a maximum of 2.5% of those profits, and on the basis of the degree of their participation in the Bank's business operations and the value of their contributions, directors (but not independent directors) may also receive earnings distributions paid out of those profits; moreover, the distribution of director compensation is included each year among matters to be reported at the Shareholders Meeting. What is reported to shareholders includes the director compensations distribution ratio and the total amount distributed to the directors. Detailed information on individual compensation paid to O-Bank directors in 2024 is set out on page 29 of the 2024 O-Bank Annual Report. Apart from the severance package and retirement benefits paid to the chairperson, which were the same as those paid to ordinary employees, other directors did not receive a severance package or retirement benefits. Also, to ensure that director pay is more closely linked to director performance and business operations, the Bank's "Director Remuneration Policy" provides as follows: If moral hazard occurs with respect to a director or has a seriously adverse impact on the company's image, the Board may assess the matter and pass a resolution to execute a board member pay clawback mechanism; if the company's net income drops sharply, the growth rate of director compensation may not be higher than in the preceding year, and an O-Bank executive officer who serves concurrently as an individual O-Bank director is not allowed to collect O-Bank director pay.



*For further information
on remuneration of
directors in 2024,
please see p. 29 of the
2024 O-Bank Annual
Report*

3.1.2 Functional Committees

To strengthen the Board management and oversight functions, O-Bank has established various functional committees under the Board, and the Board has approved the organizational rules of each functional committee includes Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Board Sustainability Committee. These professional and independent functional committees improve O-Bank's corporate governance.

1. Audit Committee

The O-Bank's Board passed a resolution in February 2011 to replace the supervisors with an Audit Committee, and approved the "Audit Committee Organizational Rules." In June of 2011, the General Shareholders Meeting approved the establishment of the Audit Committee, and an Audit Committee system was implemented beginning from the time of the 5th Board. The four members of the committee

are all independent directors and their primary duties are to supervise the following: fair presentation of financial statements; any appointment or dismissal of the certified public accountant, and review of its independence and performance; effective implementation of the internal control system; effective implementation of the company's information security system; the company's compliance with laws and regulations; and management of existing or potential risks. The Audit Committee met nine times in 2024, and the committee members compiled a combined attendance rate of 100%.

2. Compensation Committee

To build a comprehensive compensation and benefit policy and system, O-Bank established a Compensation Committee in 2009. The four members of the committee are all independent directors and their primary duties are to assist the Board in reviewing and supervising overall compensation policies as well as to evaluate and approve the compensation of directors and senior executives. In carrying out its duties, the Compensation Committee refers to market research performed by consulting firms and compensation levels at peer companies, takes performance evaluations into account, and uses its findings as its criteria for evaluating compensation. Also, one of the Compensation Committee's top principles is to ensure that directors, managerial officers, and sales staff do not pursue compensation by taking risk that exceeds established risk tolerance levels. The Compensation Committee met six times in 2024 and the attendance rate was 100%.

3. Corporate Governance and Nomination Committee

In order to improve the system for election of directors and build a Board with a diverse and professional membership, O-Bank continued improving our corporate governance system, in November 2020 established our Corporate Governance and Nomination Committee. This committee's membership includes three directors, and more than half of the members are independent directors. Their primary duties include: formulating the standards that directors are required to meet; reviewing director candidates and making nominations; formulating and reviewing directors' completion of professional development courses planning; adopting a meeting attendance standard and a director succession policy; adopting O-Bank's "Corporate Governance Best-Practice Principles," "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," "Anti-Corruption Policy," and "Accountability Mechanisms and Regulations Governing the Performance Evaluation of the Board"; supervising the implementation of various systems and policies; and overseeing and supervising corporate governance evaluations and performance evaluations of the Board. The Corporate Governance and Nomination Committee met six times in 2024, and the attendance rate was 100%.

4. Board Sustainability Committee

To further implement sustainable business practices, achieve various sustainable development goals, O-Bank established a Board Sustainability Committee in August 2023. This committee has seven directors, including four independent directors. The main functions and duties of Sustainability Committee are the followings: deliberating upon O-Bank's sustainability strategies; and overseeing O-Bank's annual sustainability plans and the achievements of sustainability goals and KPIs. The Board Sustainability Committee convened four meetings in 2024, with one meeting convened each quarter. The meeting was attended by all the committee members, making for an attendance rate of 100%.

3.1.3 Shareholder Structure and Communication

O-Bank holds a General Shareholders Meeting once per year. Matters addressed by shareholders meeting resolutions include the following: amendment of the Articles of Incorporation; election and dismissal of directors; examination and approval of the statements and books prepared and submitted by the Board; capital increases and decreases; distributions of earnings and dividends; and other matters that the law requires to be settled by shareholders meeting resolutions. O-Bank has established "Procedural Rules Governing Shareholders Meetings," which includes provisions governing how shareholders meetings must be held, deadlines for delivery of meeting notices, and meeting procedures in order to uphold the rights and interests of shareholders. In addition, e-voting has been used for shareholders meetings since 2012, so shareholders now have more ways to exercise their voting rights. Also, O-Bank attaches importance to communicating and interacting with shareholders, and has a number of different channels to accomplish it. A special "Investors Section" on the company website provides detailed disclosures of company information, regularly publishes financial performance figures, puts out information on investor conferences and shareholders meetings, and provides contact information for the O-Bank spokesperson and deputy spokesperson so that shareholders can express their views at any time. O-Bank adopted a resolution at our 2024 General Shareholders Meeting to pay cash dividends of NT\$0.44123701 per share for 2023. The total amount of the cash dividends was NT\$1,228,973,986. The company also paid dividends of NT\$0.425 per share of preferred stock, and preferred stock dividends came to a total of NT\$124,955,950. As of the end of the date of record, the structure of O-Bank shareholders was as set out in Table 3-5.

Table 3-5: Structure of O-Bank Shareholders

Date of Record: April 15, 2025

Common Shares

Unit: shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	1	4	155	159	35,969	1	36,289
Shares Held	100	23,477,759	1,724,448,773	194,730,462	839,761,784	22,939,000	2,805,357,878
Ownership Stake	0.00%	0.84%	61.47%	6.94%	29.93%	0.82%	100.00%

Preferred Shares

Unit: shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	0	1	66	8	6,420	0	6,495
Shares Held	0	1,994,000	188,997,165	107,564	58,901,271	0	250,000,000
Ownership Stake	0.00%	0.80%	75.60%	0.04%	23.56%	0.00%	100.00%

Note: For further information on the stock holdings of O-Bank directors in 2024, please see director information on p. 6~10 of the 2024 O-Bank Annual Report.



3.2 Ethical Best Practices

3.2.1 Ethics and Integrity

1. Policy Initiatives

To build up a strong culture of ethical best practices, in addition to adopting a set of "Code of Ethical Conduct" in August 2020 to serve as guidelines for its directors, managerial officers, rank-and-file employees, and consultants, O-Bank has also made reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" in formulating our "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct." These documents require the company to abide by the "Company Act," "Securities and Exchange Act," "Business Entity Accounting Act," "Political Donations Act," "Anti-Corruption Act," "Government Procurement Act," "Act on Recusal of Public Servants Due to Conflicts of Interest," and other applicable laws and regulations which set out concrete provisions governing matters to be observed by employees in carrying out their duties. O-Bank also conducts annual reviews of the effectiveness of the "Codes of Ethical Conduct," the "Ethical Corporate Management Best Practice Principles," and the "Procedures for Ethical Management and Guidelines for Conduct" as well as the Bank's compliance performance. No incident occurred in 2024 involving a violation by O-Bank of the "Codes of Ethical Conduct" or the "Ethical Corporate Management Best Practice Principles." In addition, O-Bank has retained an impartial third-party organization to employ a set of Agreed-Upon Procedures (AUP) to inspect the "O-Bank Co., Ltd. Code of Ethical Conduct." The focal points of the inspection include internal rules, the content of internal awareness activities, records of internal awareness activities, and the content of related statements. The third-party organization prepared an AUP report in August 2023 to ensure the effectiveness of O-Bank's Code of Conduct implementation. To build greater awareness of the need for ethical best practices, O-Bank has adopted a "Declaration of Intent to Comply With the O-Bank Ethical Management Policy" and a "Statement of Consent to Comply With the O-Bank Ethical Management Policy," which are to be signed by senior management, current employees, and newly hired employees. In addition, O-Bank requires employees to sign a "Statement of Intent to Maintain Ethical Business Practices" each year. In 2024, O-Bank completed the signing by all employees of a "Statement of Intent to Maintain Ethical Business Practices," thus reaching a 100% target achievement rate. Also, in order to effectively help employees scrupulously abide by ethics requirements during their daily work, O-Bank has set up a special email box for ethics issues. Any employee with questions regarding such issues is welcome to use this email box to seek advice.

2. State of Implementation

To continue implementing ethical best practices policies, the Corporate Governance Subcommittee of the ESG Development Working Committee is responsible for the following: formulating ethics policies and measures for preventing malfeasance; promoting and monitoring matters related to ethical management; ensuring that directors, managerial officers, rank-and-file employees, and mandataries do not violate ethical principles; tracking the benefits generated by the implementation of various ethical management initiatives; engage in ongoing consideration of possible corrective actions; and reporting to the Board at least once per year. The main duties of the Corporate Governance Subcommittee are set out in the "Ethical Corporate Management Best Practice Principles," which states as follows:

- (1) The Corporate Governance Subcommittee shall incorporate ethics and moral values into the company's business strategy and adopt related internal rules to provide prevention measures against corruption and malfeasance, thereby ensuring ethical management which complies with the requirements of laws and regulations.

- (2) The Corporate Governance Subcommittee shall adopt programs to prevent unethical conduct, and set out in each program standard operating procedures and conduct guidelines with respect to the company's operations and business. To ensure ethical corporate management, O-Bank – acting in compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" – has: established effective internal control systems and accounting systems; conducted regular audits on our domestic business, financial, asset custody, and information units as well as other management units; and retained a certified public accountant to conduct regular audits of the company's internal control systems to ensure efficient internal controls and to implement ethical best practices.
- (3) The Corporate Governance Subcommittee shall plan the internal organization, structure, and allocation of responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. To avoid corruption-related risks, O-Bank has adopted a number of different standard operating procedures, adopted malfeasance prevention measures that are in line with legislative requirements in Taiwan as well as all other jurisdictions where the O-Bank maintains establishments, and implemented risk identification procedures for risk control self-assessments (RCSAs), and assessed business corruption risks. Each of our functional units uses the assessment results to control risks and avoid the risk of corruption within the company. In addition, the Audit Division includes corruption-related risks in its annual audits of the Bank's integrity management practices. The audit results are submitted to the Human Resources Department for reporting to the Board. O-Bank has already assessed related risks at 100% of its business locations throughout all the world, and the results did not reveal any significant irregularities.
- (4) The Corporate Governance Subcommittee shall promote and coordinate outreach and training activities that focus on ethics policy.
- (5) The Corporate Governance Subcommittee shall establish and implement a whistleblower system.
- (6) The Corporate Governance Subcommittee shall assist the Board and management in auditing and assessing whether the corruption prevention measures taken by O-Bank for the purpose of implementing ethical management are effectively operating, and shall regularly prepare reports on the assessment of compliance with ethical management in operating procedures.

O-Bank has adopted many different internal anti-corruption measures. In addition to implementing a regular job rotation system among employees with certain functions, O-Bank has also instituted a "negotiated leave" system to reduce the risk of corruption occurring in the course of operations. As for the implementation of ethical business management by subsidiaries, O-Bank has adopted a set of "Regulations Governing the Management of Invested Companies," established firewalls between O-Bank and our subsidiaries as well as among subsidiaries, and taken steps to ensure that all subsidiaries have established fully developed internal control procedures and management procedures. Also, acting in accordance with laws and regulations that the company's subsidiaries are required to comply with, O-Bank handles the following matters: management of information security service systems; management of customer information and maintenance its confidentiality; prevention of the acceptance of improper benefits; limiting of business cooperation and sharing of resources; limiting of extension of credit to or other transactions with stakeholders and substantive stakeholders; prevention of insider trading; and administration of the company's internal operating guidelines.

3. Whistleblower System

To encourage internal and external personnel to blow the whistle on unethical or improper conduct, O-Bank has adopted a "Whistleblowing Policy" and posted a Whistleblower System to our corporate

website. Any person who discovers that a director, supervisor, manager, employee, or mandatary of O-Bank or a member of the O-Bank Group, or a person having substantial control of O-Bank or the Group, has possibly committed crimes, cheating, or regulatory violations, may submit a whistleblowing report to the O-Bank Chief Auditor and the convener of the Audit Committee via telephone, email, or the postal service. After it has been confirmed that a whistleblower report has been accepted, an investigation must be launched within seven working days, and an investigation report must be completed within 15 working days; when necessary, the deadline for completion of the report may be extended to 30 working days, and a progress report must be submitted once each five working days to the case officer for the whistleblower case in question. If an investigation substantiates that the alleged perpetrator in a whistleblowing report has violated applicable legislation, the whistleblowing report shall be forwarded to O-Bank's human resources unit, and O-Bank shall take disciplinary action in accordance with its "Rules for Employee Recognition and Discipline," and if the legal violation is serious O-Bank may refer the whistleblowing report directly to law enforcement authorities for appropriate action. In addition, to ensure that a whistleblower understands how the case is being handled, the whistleblower shall receive timely progress reports via telephone, written correspondence, and email, or some other means. O-Bank promises to hold the whistleblower harmless for reporting incidents. Protection measures shall include the following: O-Bank shall maintain the confidentiality of the identity of the whistleblower, and shall ensure that the content of the whistleblower complaint is not divulged in such a way as to reveal the identity of the whistleblower; O-Bank shall not fire, dismiss, demote, or impose a pay reduction to retaliate for the filing of the whistleblower complaint; O-Bank shall not infringe upon the rights and interests that the whistleblower ought to enjoy in accordance with law, contract, or prevailing norms; O-Bank shall not impose any other disposition that is adverse to the whistleblower. If the whistleblower or an investigator meets with unfair, retaliatory, or similar treatment as a result of his/her participation in the whistleblower case, the whistleblowing report accepting officer or the whistleblowing report investigative unit may, depending on the severity of the circumstances, notify all independent directors, to implement corporate governance and integrity management. A total of 35 cases were submitted to the O-Bank whistleblower box in 2024. Of these, one case was an internal, signed whistleblower report, which was investigated and handled by the Audit Division in accordance with established procedures. The remaining 34 cases made no accusations against any specific persons and therefore did not meet the conditions set out in Article 4 and Article 6 of the O-Bank Rules for the Handling of Whistleblower Cases.

Table 3-6: Number and Type of O-Bank Whistleblower Cases in 2024

Type of Case		From Outside Informant				From Inside Informant				Number of Cases
		Named Informant		Anonymous Informant		Named Informant		Anonymous Informant		
		Found True	Found Untrue	Found True	Found Untrue	Found True	Found Untrue	Found True	Found Untrue	
Whistleblower Cases Accepted	Embezzlement or misappropriation of public funds	0	0	0	0	0	0	0	0	0
	Offering or acceptance of bribes	0	0	0	0	0	0	0	0	
	Illegal possession or unauthorized disposal of Bank property	0	0	0	0	0	0	0	0	

Type of Case		From Outside Informant				From Inside Informant				Number of Cases
		Named Informant		Anonymous Informant		Named Informant		Anonymous Informant		
		Found True	Found Untrue	Found True	Found Untrue	Found True	Found Untrue	Found True	Found Untrue	
Whistleblower Cases Accepted	Document forgery that causes harm to O-Bank	0	0	0	0	0	0	0	0	1
	Disclosure of Bank secrets, or of employee or customer information	0	0	0	0	0	0	0	0	
	Pursuit of illicit personal gain, corruption or collusion for the purpose of cheating, resulting in either direct or indirect funneling of illegal gains to oneself or to others	0	0	0	0	0	0	0	0	
	Incident involving human rights violations	0	0	0	0	0	0	0	0	
	Other crimes, cheating, or possible legal violations	0	0	0	0	1	0	0	0	
Cases Rejected (not whistleblower cases)										34
Total										35

4. Management of Stakeholder Conflicts of Interest

O-Bank has adopted a set of "Rules Governing Extension of Credit to Interested Parties" and "Rules of Order for Meetings of the Board." When a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall explain the interested party relationship at the meeting, and the director shall exercise recusal during discussion and voting on that proposal, and may not act as another director's proxy to exercise voting rights on that matter, so as to prevent any conflict of interest. In 2024, instances of recusal by O-Bank directors to avoid conflicts of interest were as shown in below in Table 3-7.

O-Bank has adopted "Insider Trading Prevention Principles", with respect to O-Bank insiders, including directors, managerial officers, and major shareholders with holdings of 10 percent or more, O-Bank sends out e-mails once per month to remind them of commonly seen problems in stock ownership filings, and of the fact that they are not allowed to engage in short-swing trading or insider trading. O-Bank amended its "Corporate Governance Best-Practice Principles" and "Shareholding Management Rules" to require that, beginning from the day on which a director receives an O-Bank financial report or related business performance information, stock trading restrictions will take effect (a no-trading period is enforced for 30 days prior to the publication of the company's annual financial report, and for 15 days prior to the publication of quarterly financial reports, during which time directors are not allowed to buy or sell O-Bank shares or equity-type securities), and prior to the beginning of stock trading restrictions, O-Bank

notifies directors by e-mail of various trading restriction matters. In 2024, no directors violated the restriction measures of stock trading, and no directors pledged their shares.

Table 3-7: Exercise of Recusal Due to Conflict of Interest by O-Bank Directors in 2024

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2024/03/13 The 9 th Board in its 7 th meeting	Donation to the O-Bank Education Foundation	Tina Y. Lo, Kenneth C.M. Lo`	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	The Bank's directors stand by the principle of recusal and refrain from participating in the discussion of and voting on motions that may cause conflicts of interest.
	Donation to the Chinese National Association of Industry and Commerce, Taiwan	Tina Y. Lo, Kenneth C.M. Lo		
2024/04/09 The 9 th Board in its 8 th meeting	Proposal for director remunerations and employee remunerations for 2023	Distribution of Directors' Remunerations (the entire number of non-independent directors): Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang		
2024/05/02 The 9 th Board in its 9 th meeting	Board Approval to Lift Restrictions on Non-competition Restrictions for Directors of the Bank	Bill K.C. Lin, Chih-Ming Chien, Alex J.J. Chen		
2024/06/27 The 9 th Board in its 10 th meeting	Donation to the Criminal Investigation and Prevention Association, Republic of China	Tina Y. Lo, Kenneth C.M. Lo		
	Nomination of a Representative to Select the Chairman for the Bank's Investment Subsidiary	Bill K.C. Lin, Alex J.J. Chen		
2024/08/30 The 9 th Board in its 11 th meeting	Donation to the Chinese National Association of Industry and Commerce, Taiwan	Tina Y. Lo, Kenneth C.M. Lo		
2024/10/02 The 9 th Board in its 12 th meeting	Donation to the Foundation of National Taiwan University Economic Research by the Bank	Tina Y. Lo, Kenneth C.M. Lo		
2024/12/25 The 9 th Board in its 14 th meeting	Nomination of a Representative to Select the Chairman for the Bank's Investment Subsidiary	Tina Y. Lo, Kenneth C.M. Lo		
	Nomination of a Bank Representative for the Selection of Chairperson of an Investee Company, and Approval to Lift Restrictions on Non-Compete Obligations for the Bank's Managerial Officers	Tina Y. Lo, Kenneth C.M. Lo		

Note: For information on O-Bank's related-party transactions in 2024, see p. 64~67 of the 2024 Parent Company Only Financial Statements.



5. Education and Training

To ensure that all employees comply with the "Ethical Corporate Management Best Practice Principles" in the conduct of their job duties, and that they observe strict compliance, O-Bank's compliance, auditing, and human resources units in 2024 jointly held 33 sessions of on-site, online, and off-site courses that attracted a total attendance of 16,655 people who completed a combined 22,449.5 course person-hours (see Table 3-8), which made for a course completion rate of 100%. With respect to domestic matters, O-Bank carries out outreach activities to familiarize employees with important legislative amendments, major enforcement actions, matters pertaining to ethical best practices and corporate social responsibility, internal audit systems, principles for fair treatment of consumers, anti-money laundering, confidentiality rules, protection of personal information, and other important topics. As for overseas compliance matters, O-Bank holds education and training courses focusing on selected topics, and in 2023 began holding annual risk policy training courses for employees throughout the Bank. In addition, O-Bank in 2024 hired Deloitte & Touche to hold a series of seven "Personal Information Protection Courses" for operational risk management supervisors and officers, attracting a total attendance of 2,276; also held the whole bank's "Insider Trading Prevention Principles Education Training" in 2024, covering the legal responsibilities of the insider trading, the constituent elements, the standard form and the prohibition period, etc. In total, 1,202 people completed the training (figures for number of course participants are based on the number of employees as of the day prior to the beginning of training; the course completion rate was 100%). To better familiarize rank-and-file employees with ethics and compliance, O-Bank's various units acted separately in once again holding outreach activities focusing on ethics rules. These activities, which were designed to ensure better compliance and prevent unethical behavior, attracted a total attendance of 1,202 (figures for number of course participants are based on the number of employees as of the day prior to the beginning of training; the course completion rate was 100%).



"Circular Economy Benefits and Sustainable Finance Opportunities" lecture

Table 3-8: O-Bank Education and Training Activities in 2024

Name of Course	Number of Sessions	Target Audience	Hours	Attendance	Total Person-hours
Training & panel discussion for chief compliance officers	1	Chief compliance officers from the various units	1	67	67
Online training & testing for compliance	2	All employees	1	2,377	2,377
Education and training series for protection of personal information	4	All employees in Taiwan	1	2,136	2,136
	1	Designated personnel from audited units for verification	1	19	19
	2	Operational risk managers and designated personnel from each unit	1.5	121	181.5
In-depth analysis of the "Financial Consumer Protection Act"	1	All employees in Taiwan	3	1,113	3,339

Name of Course	Number of Sessions	Target Audience	Hours	Attendance	Total Person-hours
Annual Online Compliance Training and Testing for the Hong Kong Branch	3	All employees from the Hong Kong Branch	1	324	324
AML/CFT education & training	1	All employees in Taiwan	3	1,045	3,135
Annual Online AML Training and Testing for the Hong Kong Branch	1	All employees from the Hong Kong Branch	1	109	109
OJT workshop for compliance personnel	1	Chief compliance officers from the various units Reserve compliance officers	3	90	270
Information security training courses	3	All employees	1	4,084	4,084
Self-audit training	1	Personnel engaged in self-audit work	1	1,027	1,027
Comprehensive training on occupational safety and health (including sexual harassment prevention training)	3	Personnel required to meet training hours requirement for current year	1	425	425
	1	All employees	3	1,210	3,630
	1	Directors	1	12	12
Fair Customer Treatment, Financial Inclusion, and Integrity Management lecture	1	Directors	2	12	24
Trends in Anti-Money Laundering and Counter-Terrorism Financing Risks lecture	1	Directors	2	12	24
Corporate Governance and Sustainable Development lecture	1	Directors	1	12	12
Corporate Information Security Posture under Digital Resilience lecture	1	Directors	1	12	12
Circular Economy Benefits and Sustainable Finance lecture	1	Directors	2	12	24
Insider trading prevention training	1	All employees	0.5	1,218	609
Ethical management outreach, education, and training	1	All employees	0.5	1,218	609
Total	33			16,655	22,449.5

3.2.2 Internal Control and Audit Systems

Acting in compliance with the ROC Bankers Association's "Guidelines on the Three Lines of Defense for Internal Controls of Banks," O-Bank has established our internal control system (see Fig. 3-2), for which three lines of defense are set up to ensure our proper and effective operation and O-Bank's sound management.

Fig. 3-2: Three Lines of Defense in the O-Bank Internal Control System



The O-Bank's Auditing Division reports directly to the Board. Our internal auditors carry out auditing duties in an impartial, objective, independent, and detached manner, and do not hold any position that conflicts with or restricts their auditing duties, so as to reasonably ensure the effective operation of internal controls. The frequency of on-site examinations of domestic and overseas units and subsidiaries is based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies," and is incorporated into the annual audit plan. The chief auditor reports once per quarter on these matters to the Board and the Audit Committee to help the Board and management stay up to date on O-Bank's implementation of audit matters. In addition, O-Bank's Board convenes a review forum on the internal control system every six months to communicate and review internal control deficiencies with internal auditors, and meeting records are compiled. Also, the Auditing Division monitors a routine self-inspection on all first-line-of-defense units. Unless the Auditing Division has conducted a general business audit, a financial examination agency has carried out a general business inspection, or the unit has conducted a self-evaluation on compliance matters during the month, project-based self-inspections may be waived. Otherwise, each unit is required to conduct at least one general self-inspection every six months and at least one project-based self-inspection each month. The Auditing Division also provides regular annual audit training to personnel responsible for carrying out self-inspections.

O-Bank has actively pursued sustainability measures on many different fronts. In addition to conducting risk assessments of environmental, social, and corporate governance issues related to operations, and adopting related risk management policies and strategies, the O-Bank Auditing Division also takes the state of the Bank's various units' implementation of their annual sustainability targets and focuses on this information in its internal audits. Audit findings in 2024 have not turned up any information regarding systemic problems, or material deficiencies or irregularities. In addition to continuously incorporating the implementation status of sustainability goals into the focus areas of each unit's key annual audit, O-Bank has also integrated the management of sustainability-related information into its audit plans in accordance with regulatory requirements. The 2025 Audit Plan was approved at the 9th Board in its 14th meeting on December 25, 2024.

The O-Bank Auditing Division completed audits of businesses and operations at O-Bank's various departments and subsidiaries in 2024 in accordance with the annual audit plan as well as instructions from the competent authority. The resulting audit findings for each department and subsidiary were tracked in the Bank's system for ongoing monitoring until resolution, in order to optimize the internal control system and improve the effectiveness of internal controls and continue strengthening the supervision of auditing operations at overseas branches. In addition, acting in accordance with Article 28 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding

Companies and Banking Industries," O-Bank retained Deloitte & Touche to audit O-Bank's 2024 internal control systems in accordance with agreement procedure. The scope of the audit includes O-Bank's execution status of internal control system and regulatory compliance systems, appropriateness of policies for loan loss reserves, correctness of the report submitted to competent authority for the banking business, and personal data protection. According to the protocol program execution report compiled by Deloitte & Touche, there were not any significant irregularities.

3.3 Compliance

3.3.1 Compliance

To thoroughly implement our compliance policy, O-Bank establishes the compliance plan annually, and in addition to reviewing compliance systems, framework, and regulations, O-Bank also prepares an integrated overview of the handling of compliance matters by O-Bank as a whole. This overview covers matters such as each department's compliance self-assessment and the causes of significant compliance deficiencies, possible impact, recommendations for improvement, compliance performance evaluation, education and training, and the handling of insurance agent services. The head office Chief Compliance Officer reports semi-annually to the Board and the Audit Committee to help the Board and senior management effectively understand the implementation status of O-Bank's compliance. In addition, O-Bank has established "Rules Governing the Procedures for Compliance System," which have been approved by the Board. These Rules incorporate financial laws, regulations, anti-money laundering laws, personal data protection laws, codes of ethics, financial consumer protection requirements, sustainable development principles, and principles of fair treatment of consumers into the Bank's compliance system, where O-Bank established for Compliance Management Regime. Acting via a clear internal control system, O-Bank ensures that our routine management and operating activities can remain continually compliant with applicable regulatory requirements, thus improving the Bank's sound business practices and developments. Furthermore, to strengthen a responsibility-based corporate governance framework, the Bank has established the Business Executive Accountability Regime Implementation Guidelines, under which the Corporate Governance and Nomination Committee is responsible for accountability matters. The Bank promotes the implementation of The Business Executive Accountability Regime, which clearly defines the duties and responsibilities of senior management, thereby reinforcing a corporate culture of integrity and accountability.

To ensure that each line of business is conducted in accordance with regulatory requirements, the head of Legal and Compliance Division, acting in compliance with laws and regulations as well as rules governing the review of new products: sign off or issues a letter of consent before O-Bank applies for approval of (or launches) a new product, new service, or new line of business; and assists with pre-launch review of products and services to examine personal information risk, ML/TF risk, and consumer protection matters. In addition, O-Bank's compliance unit promptly informs other units of changes to external laws, regulations, and rules, and it also assists other units to review, establish/or amend internal rules. At the same time, the compliance unit helps with the planning and implementation of the entire Bank's compliance-related courses and training, both in-person and online.

O-Bank supervises compliance at overseas branches in accordance with the competent authority's "Self-Regulatory Rule Governing Management Regime for Compliance, Anti-Money Laundering, and Countering the Financing of Terrorist of Foreign Branch (Subsidiary) for Domestic Member of the Bankers Association of the Republic of China" and holds periodic meetings with the chief compliance officers of the Hong Kong Branch and EverTrust Bank, O-Bank's US subsidiary, to ensure proper implementation of compliance measures. Also, O-Bank periodically reviews the monthly and semi-annual compliance reports of the Hong Kong Branch Compliance Division as well as the compliance-related items on the meeting agenda of the EverTrust Bank Board. These matters are reported to the O-Bank Board on a periodic basis.

O-Bank strictly adheres to all applicable internal and external regulations, and was not involved in fraud, money laundering, insider trading, anti-competitive behavior, anti-trust or monopolistic behavior, corruption, market manipulation in 2024, and it has not been subject to fines/settlements of more than US\$100 million in the past three years, and it did not incur losses due to any litigation in connection with the sale or provision of financial products or services. In the event of any regulatory violations or significant internal control deficiencies, the Bank conducts a case-by-case review involving the unit where the deficiency was found, the Compliance & AML/CFT Department, the Audit Department, and the Risk Management Department will jointly examine the reason for the deficiency's occurrence and its possible impacts, propose a corrective action plan, and follow up the completion of the corrective actions of the deficiency. Depending on circumstances, the matter may be reported to the Board together with an explanation of corrective action measures.

3.3.2 Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

To coordinate with the requirements of the competent authorities regarding AML/CFT matters, O-Bank has adopted a Risk-Based Approach in assessing the ML/TF risks that we face, has established related internal rules and management mechanisms, and carries out related education and training for employees. The risk-based approach was used to optimize the threshold for tripping alerts on suspicious ML/TF transactions, and the effectiveness of red flags was analyzed. In addition, we retained EY Management Services to advise the Bank in its conduct of a comprehensive ML/TF risk assessment. O-Bank Hong Kong Branch and EverTrust Bank, O-Bank's US subsidiary were incorporated into our institutional ML/TF risk assessment to conduct a comprehensive review of the branch's implementation of its AML/CFT system.

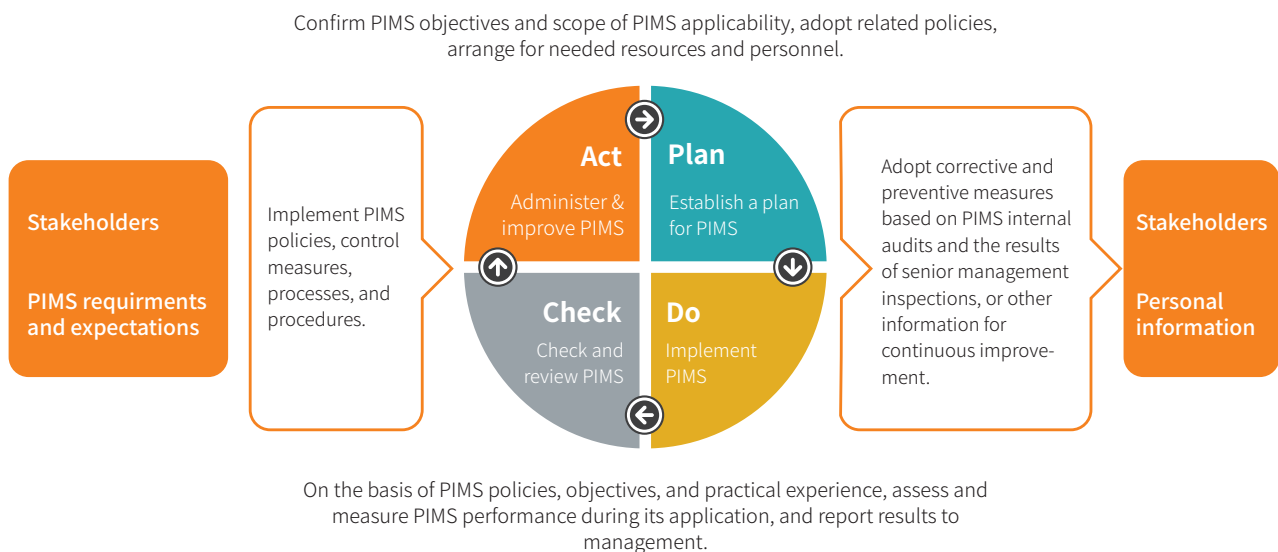
In addition, O-Bank carries out a comprehensive AML/CFT evaluation every year that focuses on four aspects: customers; products and services; transactions & delivery channels; and regions. On the basis of the evaluation results, O-Bank develops annual risk prevention programs. To ensure that each line of business is conducted in compliance with AML/CFT laws and regulations, the head office chief AML/CFT officer, acting in compliance with laws and regulations, must first review new products and services to assess ML/TF risk before O-Bank applies for approval of or launch a new product, new service, or new line of business. In addition, O-Bank has established the "O-Bank Group Policy for Sharing AML/CFT Information," the "O-Bank Rules Governing the Management Regime for AML/CFT of Foreign Branches (Subsidiaries)," and the "O-Bank Group Operation Procedures for Sharing of AML/CFT Information" in order to strengthen the Group's AML/CFT governance and information sharing mechanisms. Once each half-year, O-Bank reports to the Audit Committee and the Board on the state of AML/CFT operations at its head office and throughout the group. In 2024, O-Bank was not involved in any money laundering violations.

To enhance the effectiveness of anti-money laundering, counter-terrorism financing, and proliferation financing monitoring, O-Bank has leveraged digital technology to develop an in-house AML system that automates transaction monitoring, name screening, and periodic review mechanisms. The Bank also continues to implement enhanced review procedures, such as name screening tests, transaction monitoring system tests, and suspicious transaction reporting related to money laundering or terrorism financing, as well as comprehensive personnel training. Training programs cover new hires, incumbent employees, supervisory staff, branch personnel, and senior management at the board level. In 2023, O-Bank joined the "Eagle Eye Anti-Fraud Alliance," a partnership initiated by the Criminal Investigation Bureau of the Ministry of the Interior and over 30 domestic banks. The Bank adopted the AI-powered fraud detection technology patented and shared by Taipei Fubon Bank to develop its own "Eagle Eye Fraud Prevention Prediction Model." On August 14, 2024, O-Bank participated in the Alliance's results presentation and continues to fine-tune the model's parameters to further enhance fraud prevention effectiveness.

3.3.3 Personal Information Protection

O-Bank continues improving our protection and management of personal information. All of the Bank's operations comply with the "Personal Data Protection Act", the "Regulations Governing Security Measures of the Personal Information Files for Non-government Agencies," and other relevant external regulations. Additionally, making reference to the latest version of the BS10012 Personal Information Management System (PIMS), taking an institutionalized, documented, and systematized approach, and following the Plan-Do-Check-Act (PDCA) management model, O-Bank has established a PIMS (see Fig. 3-3). Our personal information management policy is faithfully implemented by analyzing operating procedures, information systems, and third-party management and exercising stringent control over the acquisition, handling, use, transmission, storage, sealing, and destruction of personal information. O-Bank also considers the matter from the perspectives of "organization," "procedures," and "information technologies" and takes a top-down approach, using a strategic eye to define organizational management and operations. By analyzing operating procedures and information systems, O-Bank reviews the lifecycle of personal information process, all the way from acquisition, handling, use, transmission, storage, sealing, and destruction of personal information. Throughout the process, the location, access to, and control of personal information is tracked. At the same time, O-Bank reviews and minimizes personal information not needed for business purposes in order to reduce the organization's management and control costs. O-Bank continues to carry out a "BS10012 Maintenance, Consulting, and Advisory Service" project to improve the protection and management of personal information.

Fig. 3-3: O-Bank Personal Information Management System (PIMS)



O-Bank has incorporated the management of personal information into its compliance management framework, and has established a Personal Information Management Team, which is composed of the Legal & Compliance Division, Risk Management Division and the Information Technology Division. This Team is charged with responsibility for: promoting the protection of personal information and control measures and plans; assisting all departments with their management of personal information; planning and conducting personal information management, education, and training activities; and formulating measures for responding to various supervisory requirements that relate to the protection of personal information. The Team seeks to ensure compliance with regulatory requirements and to implement the personal information protection mechanism.

Also, to ensure effective implementation of the personal information management mechanism, in addition to establishing a Personal Information Management Team, O-Bank has also set up a Personal Information Management Committee (Fig. 3-4), which is chaired by the president of O-Bank and composed with several members of senior management. The Committee holds an annual meeting to review and oversee Bank-wide personal information management matters reported by the Personal Information Management Team. Such matters include the examination or acknowledgement of rules governing personal information management, and the oversight and direction of crisis management and response. After that, the Personal Information Management Committee submits these matters to the Risk Management Committee, which deliberates upon personal information security maintenance and conducts a self-assessment report to confirm the effective implementation of the personal information risk management system, then reports it to the Board for review and discussion. On November 19, 2024, the Committee convened its annual meeting to review and decide on matters related to personal information as well as present a self-evaluation report of personal information security and maintenance to the Risk Management Committee and the Board.

Fig. 3-4: O-Bank Personal Information Management Framework



To ensure effective management of personal information protection, in addition to including personal information management among the items that must receive attention in annual internal audits, O-Bank also retains a third-party institution to audit O-Bank's protection of personal information every year. O-Bank has obtained BS 10012:2017 certification for eight consecutive years for our personal information management system, thus complying with regulatory requirements and keeping in line with international standards. In addition, to enhance employee awareness of the importance of personal information protection, and to improve their ability to respond to incidents, O-Bank offers regular company-wide training courses on personal information protection every year. These activities are complemented by compliance training, plus activities designed to better familiarize employees with related laws. In this manner, O-Bank seeks to incorporate awareness of personal information protection into our corporate culture, so as to honor our commitment to personal information protection. In 2024, O-Bank held four "Personal Information Protection Courses," which focused on different topics for the benefit of different types of participants. O-Bank also launched a digital learning platform, which is used to carry out compliance training and testing. There were separate sessions in the first and second halves of the year, and personal information matters were covered among the topics.



BS10012:2017 Personal Information Management System Certification

3.3.4 Intellectual Property Management

To strengthen its intellectual property management, O-Bank implemented the Taiwan Intellectual Property Management System (TIPS) in 2022 and successfully passed the initial TIPS (Grade A) certification audit. The Bank has been gradually establishing an IP management framework aligned with its business goals and strategies to ensure that all departments adhere to proper IP practices, protect

research and development outcomes, and enhance market competitiveness. In 2023, O-Bank passed the TIPS (Grade A) recertification audit (valid through December 31, 2025). The Bank remains committed to innovation and will continue to build its intellectual property capabilities as part of its pursuit to develop a leading digital boutique bank.

3.4 Risk Management

3.4.1 Risk Management Policies and Operations

A financial services firm must formulate rigorous risk management policies to ensure that, when applied to different trading methods, product types, and routine operations, the firm is able to prudently assess various potential risks and control them effectively, thus maintaining compliance with the requirements of both domestic and overseas supervisory authorities. Acting in line with the overall business environment, our own risk management capabilities, and external legislation, O-Bank has adopted a "Risk Management Policy" that has since been approved by the Board. We have also adopted numerous internal rules governing credit, operational, market, liquidity, climate and nature, money laundering, and terrorism financing risks, and have reported them for approval at the appropriate level of management in accordance with the principles of hierarchical delegation of responsibilities. The related operating procedures include risk identification, measurement, monitoring, reporting, and countermeasures.

1. Risk Management Framework

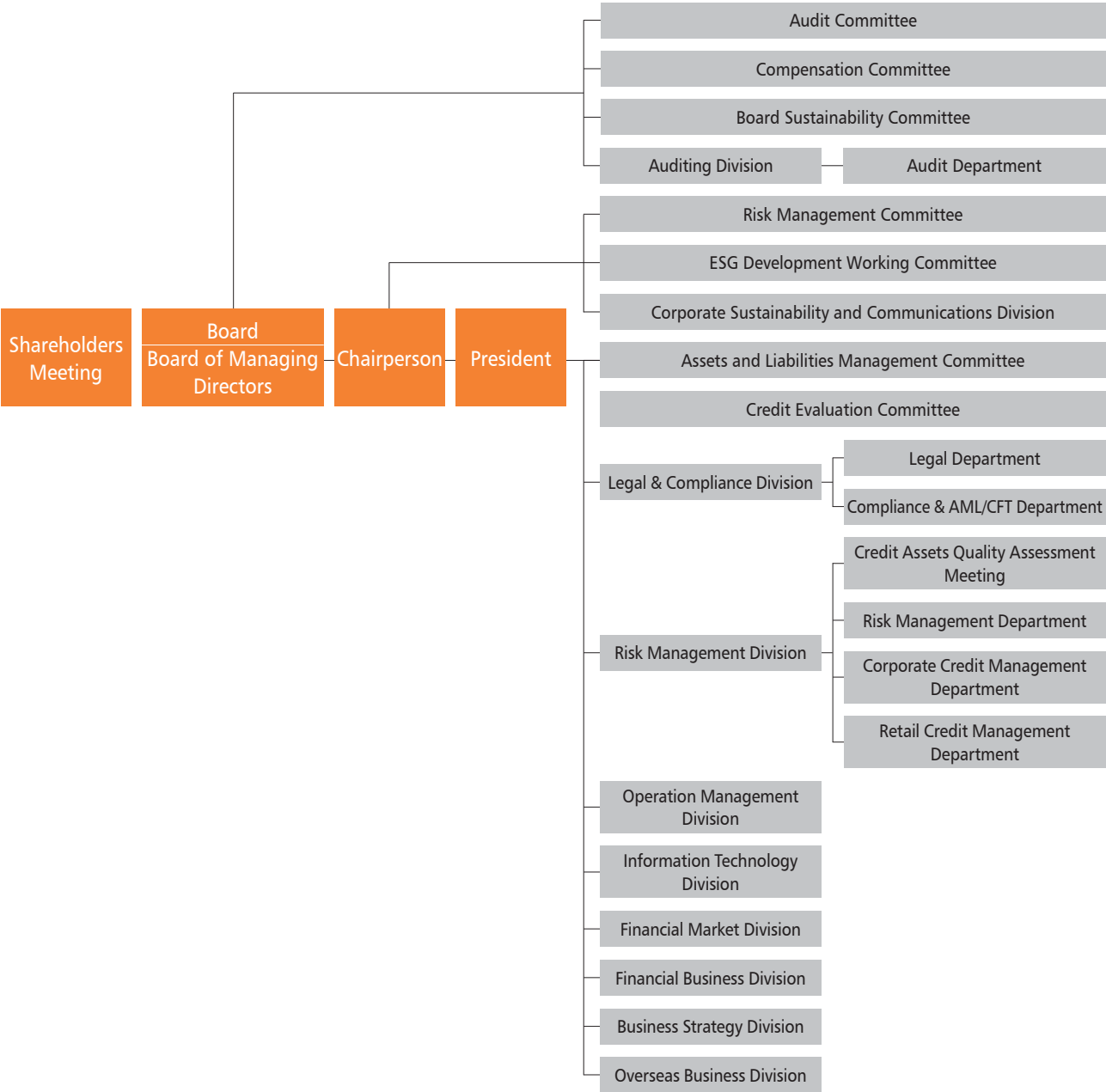
The highest authority in O-Bank's risk management organization is the Board, which approves risk management mechanisms and risk tolerance based on the overall business strategy and business environment. And to ensure effective implementation of bank-wide all risk management procedures: under chairperson there is a "Risk Management Committee," which examines risk management mechanisms and risk management proposals that approved level are the Board meeting, and monitors how effectively various risks are being managed and reviewed; the Risk Management Committee convened for 12 meetings in 2024 to discuss proposals regarding such matters as: management of business risk; management of credit risk; management of market risk; management of interest rate risk in the banking book; management of liquidity risk; management of operational risk; risk management at EverTrust Bank; stress tests; climate and nature risk management reports; climate risk scenario analyses; the state of AML/CFT work; implementation of information security work; reports on major contingencies; formulation of internal rules governing all types of risk management; and inspection and monitoring of limits; and under the President there are an "Assets and Liabilities Management Committee," a "Credit Evaluation Committee," and a responsible department meetings regularly to discuss and review risk management proposals. The Assets and Liabilities Management Committee convened for 12 meetings and the Credit Evaluation Committee convened for 52 meetings in 2024.

O-Bank has three risk management units, namely, the Risk Management Department, the Corporate Credit Management Department, and the Retail Credit Management Department. The Risk Management Department is responsible for building comprehensive risk management mechanisms; identifying, measuring, monitoring, controlling, reporting, and responding to our credit risks, market risks, operational risks, liquidity risks, and interest rate sensitivity risks; controlling our impaired assets; assessing asset quality; and supervising and monitoring effectiveness of risk management throughout O-Bank. The Corporate Credit Management Department is responsible for drafting and revising internal rules of corporate credit risks; rating and controlling corporate credit risks; inspecting corporate credit extensions and post-credit reviews; reviewing corporate lending contracts and collateral; and controlling lending facilities. The Retail Credit Management Department is charged with adopting and amending internal rules of retail credit risks; scoring and controlling retail credit risks; inspecting retail credit extensions; and conducting post-credit reviews.

During the risk monitoring of O-Bank, all exceptions such as violations of policies, limits, and authorizations are reported, processed and improved immediately. At the same time, to ensure full disclosure of risk control situations, O-Bank disclosed the "Risk Management Policy" approved by the Board on the official website, as well as the risk management organization and its implementation. Meanwhile, our risk management units regularly report on the state of Bank-wide risk management at meetings of the Board and the Risk Management Committee, and we also disclose the implementation in the annual financial report. In order to make continuous improvements to our risk management system, O-Bank periodically provides employees opportunities to communicate directly with the head of our Risk Management Division, soliciting feedback from employees at our "WeCare 2.0+ In-Person Discussions with Senior Management" activities. In addition, the audit unit each year conducts an internal audit on transaction services market risk management procedures (including risk measurement systems and risk reporting forms, and the state of management of interest rate risk in the banking book) in order to ensure the overall effectiveness of the Bank's risk management.

Fig. 3-5: O-Bank's Risk Management Organization Chart

Current as of June 27, 2024



2. Risk Management

O-Bank's risk management policy covers risk definitions, risk management objectives, risk management organization and scope of risk management functions, the responsibilities and authorities of authorized personnel, ownership of risk management functions, risk tolerance, risk measurement methods, risk countermeasures, communication of risk management information, and reporting mechanisms. In addition, in order to fully disclose the rights and obligations of the guarantor and the scope of the guaranteed liability, O-bank send a guaranteed liability notification regularly to the borrower for the joint & several guarantors' maximum guaranteed amount and the guaranteed debt amount each year. O-Bank controls different types of risk as described below:

Fig. 3-6: Framework of O-Bank's Risk Management Policies



(1) Credit Risks

The "Credit Policy" and "Credit Risk Management Principles" are approved by the O-Bank Board as the implementation indicators and risk control for credit management. O-Bank pursues sound credit asset quality and optimal earnings targets. In accordance with the fundamental credit principles of public welfare, security, liquidity, profitability, and growth, we prudently assess factors such as the borrower's profile, source of repayment, purpose of funding, creditor protection, and credit outlook. To establish the control mechanism of the credit asset portfolio and concentration limits. In addition, in order to control related-party transactions and strengthen the connectivity between related-party borrower's data, O-Bank completed a customer information system (CIS) to effectively control the information of credit stakeholders.

In order to understand how changing economic and financial conditions affect O-Bank's risk-bearing capacity and capital adequacy, O-Bank carried out stress tests in accordance with the Financial Supervisory Commission's "Guidelines for the Conduct of Stress Tests by Domestic Banks." The results of these stress tests will serve as important bases for risk management, and will be used for ongoing adjustments to the direction of business operations, credit policies, investment policies, and risk assessment procedures. The purpose is to ensure that, when there are changes in the external environment, the Bank can still maintain adequate capital and pursue a proper balance between risk and returns in order to achieve its operational and management objectives. As of the end of 2024, O-Bank's top ten industries by loan balance were as shown in Table 3-9 below, and the top ten industries by investment balance were shown in Table 3-10.

Table 3-9: O-Bank's Top Ten Industries by Loan Balance

Current as of December 31, 2024
Unit: NT\$ million

Sector and Rank (Note 1)	Total Loan Balance
1. Finance & insurance	63,168
2. Individual consumers (Note 2)	57,348
3. Real estate	37,033
4. Manufacturing	31,009
5. Wholesaling & retail	15,188
6. Electricity and gas supply	6,209
7. Construction engineering	4,373
8. Publishing, audio/video, information & communication	3,502
9. Medical, health care, & social services	2,147
10. Accommodation and food service	2,030

Note 1: The sector categorizations are based on the loan recipient and depositor categories adopted in statistics published by the Directorate General of Budget, Accounting and Statistics, Executive Yuan and the Central Bank of the Republic of China (Taiwan).

Note 2: The term "individual consumer" means a natural person who borrows money under their own name.

Table 3-10: O-Bank's Top Ten Industrial Sectors by Investment Balance

Current as of: December 31, 2024
Unit: NT\$ million

Sector and Rank (Note)	Total Investment Balance
1. Finance & insurance	20,927
2. Manufacturing	11,815
3. Electricity and gas supply	5,768
4. Publishing, audio/video, information & communication	2,722
5. Transportation and storages	1,086
6. Real estate	985
7. Wholesaling & retail	387
8. Mining and quarrying	165
9. Public administration and defense; compulsory social security	95

Note: The sector categorizations are based on the loan recipient and depositor categories adopted in statistics published by the Directorate General of Budget, Accounting and Statistics, Executive Yuan and the Central Bank of the Republic of China (Taiwan). As of December 31, 2024, the Bank's holdings covered only nine major industry categories.

(2) Market and Liquidity Risks

On the basis of three main product categories, which includes equity, interest rate, and exchange rate products, and their respective features, O-Bank has adopted internal rules that set out express provisions governing risk management indicators, exposure limits, reporting of instances in which exposure limits are exceeded, and the managerial personnel who are authorized for deciding upon response measures under such circumstances. To address market and liquidity risks, O-Bank takes care to ensure compliance and rigorous management that ensure a properly balanced dual focus on both profitability and security, and responds each year to changing financial market conditions, the supervisory authority's liquidity risk measures, and plans for the company's business footprint, by adopting management approaches

and risk limits. Once these management approaches and risk limits have been reviewed and approved by the Assets and Liabilities Management Committee and the Risk Management Committee, they are then submitted to the Board for final approval. Also, acting in line with the Basel Committee on Banking Supervision's "Fundamental Review of the Trading (FRTB)," which the competent authorities have announced that it will be formally enforced starting from July 1, 2025, O-Bank launched related research and assessment work to facilitate the effort in 2022, and will align with international standards in accordance with the announced timeline in 2025.

(3) Operational Risk

O-Bank's operational risk management policy includes clear-cut risk identification, control assessment, and reporting that govern such matters as organization framework, scope of risk management functions, locus of authority and responsibility, requirements, and implementation tools, including loss data collection (LDC), risk and control self-assessment (RCSA), key risk indicators (KRIs), and Clean Desk (CD). To ensure that operational risk management mechanisms can operate smoothly, O-Bank has included operational risk management work among the items receiving attention in each company unit's annual performance reviews, with units assigned a rating of 1 to 5 depending on how well they have carried out operational risk management work. The performance reviews are conducted at year's end. In addition, O-Bank completed the implementation of its Governance, Risk Management, and Compliance (GRC) management platform in June 2023, to enhance the efficiency and oversight of its internal control systems. With regard to non-financial risks, O-Bank, acting pursuant to regulatory requirements of the Financial Supervisory Commission (FSC), carried out an analysis based on the assumption that the Bank had embezzled customer deposits and the FSC had imposed sanctions upon the Bank and required the Bank to set aside additional operational risk capital charges.

To heighten employees' awareness of the need to maintain the confidentiality of operating secrets and the security of personal information, we continue to pursue our Clean Desk initiative, and in view of the initiative's progress have adopted a set of "Clean Desk Operational Risk Management Rules," which all company units will be expected to observe in their daily operations. O-Bank's risk management units conduct random monthly surveys to check how well each company unit is implementing the Clean Desk rules. As part of the surveys, each company unit conducts random internal checks after working hours to see whether documents and folders have been left lying on the surfaces of desks, office equipment, and file cabinets, whether printouts have been left in printer trays, and whether employees have failed to either lock their notebook computers or store them in a locked cabinet. In 2024, a total of 222 random surveys were conducted, which was equal to 88% compliance with the rules. Any unit that fails to comply with rules will have points deducted in its annual operational risk management performance evaluation, and will also report any irregularities to the unit supervisor so that the latter may carry out internal awareness raising activities and take corrective actions. We will continue overseeing our various units to ensure that they properly implement this work and effectively reduce the risk of operating secrets and personal information being improperly divulged or stolen.

To ensure that supervisory information is reported more accurately and in a more timely manner, O-Bank has adopted a system for filing of financial statements via the Financial Supervisory Commission's One-Stop Window for Reporting of Financial Supervisory Information, and in November 2019 established a new section under the Risk Management Department to administer the handling of statutorily required reporting forms. Since that time, the new section has gradually taken over related tasks from other units throughout O-Bank in order to achieve compliance with the "Guidelines for Handling Defects in Filing of Supervisory Information by Domestic Banks."

(4) Emerging Risks

Faced with increasingly stringent supervision, rapid fintech development, global environmental change, and uncertainties due to political and economic developments, financial institutions may have to deal with emerging risks that are unexpected or different from those of the past and could therefore have adverse impacts upon future business operations. The World Economic Forum Global Risks Report 2025 identifies emerging risks facing the world. O-Bank selected those risks which are particularly relevant to financial institutions, and disseminated questionnaires to internal units to ask them to assess the likelihood of different emerging risks actually materializing, and the degree of impact. Based on the survey results, we prepared an emerging risks analysis matrix, as shown in Fig. 3-8. With regard to two major emerging risks, O-Bank further assessed their impact and drew up measures for impact mitigation, as shown in Table 3-11.

Fig. 3-7: O-Bank Flow Chart for the Identification of Emerging Risks

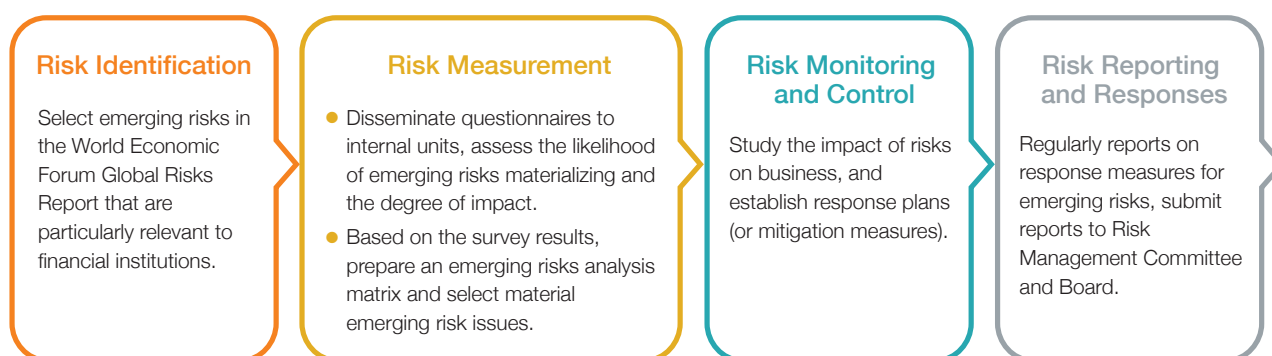


Fig. 3-8: Matrix of O-Bank Emerging Risks



Table 3-11: Identification of Emerging Risks and Response Actions

Emerging Risk Issues	Risk Description	Impact or Effect on Business	Response Plan (mitigation measures)
Geo-economic conflict	<ol style="list-style-type: none"> Conflicts between nations driven by political or strategic interests may result in the imposition of economic sanctions such as tariffs, trade restrictions, or investment limitations. These measures can disrupt global supply chains, increase trade barriers, and further contribute to global economic instability. In recent years, geopolitical conflicts such as the Russia-Ukraine war, the Israel-Hamas conflict, and the U.S.-China trade war, along with the protectionist trade policies introduced by the new U.S. administration, have contributed to the restructuring of global supply chains and the reshaping of trade flows. These developments have heightened volatility in financial markets and, in turn, increased operational and decision-making risks for banks. Geopolitical conflict may affect the business operations and investment activities of local enterprises, which in turn leads to reduced labor inputs or offshoring, and indirectly affects domestic employment opportunities. 	<ol style="list-style-type: none"> Exposures resulting from business locations: O-Bank's business locations are concentrated in a region that makes up the theater of US-China geopolitical conflict. If geo-economic conflict were to break out, industrial supply chains would have to be reformed and business cycles would be lengthened. These changes would make profitability a matter of increased uncertainty. Trading and investment environment become subject to limitations: Geo-economic conflict could increase the costs and complexity of import/export business, thereby affecting the profitability of O-Bank's trade finance business and overseas investments. Capital flow restrictions: Cross-border capital flows may be impeded by rising geopolitical tensions, affecting banks' liquidity management and fund allocation. Cross-border investments must be reassessed in affected regions, and investment strategies adjusted accordingly. Increased credit risks: Geo-economic conflict could worsen customers' creditworthiness, weaken their debt repayment ability, and increase the risk of debt defaults, thereby affecting the Bank's asset quality and profits. Worsened market volatility: Uncertainty caused by geo-economic conflict could exacerbate volatility in financial markets (e.g. foreign exchange and securities markets), which in turn could affect O-Bank's management of market risks (e.g. exchange rate and interest rate risks). 	<ol style="list-style-type: none"> Accelerate steps to build up our overseas presence in order to disperse regional risks. After assessing the state of economic development in many different regions and where our bank enjoys competitive advantages, O-Bank has decided to actively build up its main overseas presence in Australia and Singapore in the near future. Use a diversified range of investments, enhance liquidity management, increase risk management sensitivity, and optimize asset/liability structure, thereby mitigating the impact of geo-economic conflict. Pay constant attention to the state of the domestic job market, periodically monitor the quality of borrowers' assets, make adjustments on a rolling basis, and respond to possible credit defaults.

Emerging Risk Issues	Risk Description	Impact or Effect on Business	Response Plan (mitigation measures)
Misinformation and disinformation	The rise of emerging technologies such as artificial intelligence (AI) and deepfake technology presents new risks. If exploited for investment fraud, fake banking websites, or the dissemination of false advertisements, these technologies may cause widespread public confusion, making it difficult to distinguish between true and false information. This not only threatens the normal operations of enterprise but may also disrupt social order.	<ol style="list-style-type: none"> 1. Damage to Corporate Reputation: Misinformation and disinformation can negatively impact a company's reputation. This includes consumer misunderstandings about product information, the public being misled by fraudulent websites impersonating the bank, and investment scams carried out under the bank's name, all of which pose serious reputational risks. 2. Loss of customers: Excessive misinformation and disinformation related to the bank, when the bank fails to clarify or remove the disinformation in a timely manner, may lead to a decline in consumer trust in the bank, which may further lead to loss customers. 	<ol style="list-style-type: none"> 1. Ongoing public sentiment monitoring, with prompt clarification of misinformation through official channels such as O-Bank's website and the MOPS. 2. Participation in the Financial Information Sharing and Analysis Center (F-ISAC) to share information security intelligence and strengthen collective cyber defense mechanisms. 3. Detection of counterfeit websites and mobile apps to enable early identification of fraudulent platforms. 4. Make the content of information security training more diverse, address emerging techniques such as social engineering and deepfakes, carry out more in-house training on social engineering, and deepen employees' familiarity with information security.

(5) Brand Risk

Since reorganizing as a commercial bank, O-Bank has pursued brand exposure through many different channels, including social media. O-Bank has adopted a set of "Procedures for the Use of Social Media" to ensure that company information and the O-Bank brand image are properly presented in new media, and to manage associated risks. Also, in order to ensure that O-Bank information is presented in an accurate, consistent, and appropriate manner, we have also adopted a "Management Mechanism for the Public Statements of O-Bank Employees," which specifies who is authorized to speak publicly on behalf of the company, including the Chairperson, President, Head of Financial Business Division, Head of Legal & Compliance Division, Head of Business Strategy Division (and Deputy Spokesperson), Head of Operation Management Division, and Head of Corporate Sustainability and Communications Division (and Spokesperson). This type of restricted authorization ensures that public communications are accurate and reflect well on the company image. At the same time, O-Bank has set up a Public Relations Section under the Corporate Communications Department to assist the company in managing brand image and communications. The Public Relations Section monitors news reports on the company on a daily basis and checks for any mentions of the company on social media to stay current on news and consumer sentiment. When necessary, O-Bank responds quickly to maintain the company's reputation and brand image, and to avoid the risk of misunderstandings or improper information causing harm to O-Bank's brand image. In addition, O-Bank has established a comprehensive mechanism for inter-departmental liaison and communications so the company can quickly respond to the wishes of stakeholders.

3. Crisis Management

When any unit experiences a major event, to ensure that business continues as usual and customer rights and interests are safeguarded, and to minimize harm to persons and property, O-Bank has adopted the "Major Accident Emergency Response and Recovery Plan Implementation Guidelines" and the "Organizational Guidelines for the Emergency Response Committee." The Emergency Response

Committee is chaired by the President of O-Bank. It is responsible for directing the company's handling of emergencies, taking charge of response measures, and ensuring that the company is able to promptly access information and effectively integrate information from different units to facilitate prompt action in response to emergencies.

To maintain our ability to respond promptly to emergency situations, O-Bank enhanced its resilience by integrating the ISO 22301 Business Continuity Management System into its Taiwan corporate internet banking system and successfully obtained certification, and continued to conduct emergency response drills to sharpen our readiness to control operational risks. In November 2024, O-Bank conducted a drill on the deposit of funds into the Central Bank's Interbank Funds Transfer Guarantee Special Account (hereinafter, "Special Account") to ensure that O-Bank will not encounter a situation in which our funds in the Special Account are insufficient to cover our interbank cash withdrawals or funds transfers on a non-banking day, which would affect the rights and interests of customers as well as O-Bank's reputation. In addition, with regard to the use of a backup system that provides uninterrupted operations, O-Bank in 2024 carried out two off-site backup Business Continuity Plan (BCP), conducted simulation drills which confirmed that when the bank comes under an unexpected attack or encounters a major disaster that prevents normal operations, O-bank's remote backup and recovery facilities can still be started up normally and key operations and trading processes can still operate normally. Personnel from the Auditing Division met with personnel from O-Bank's various units to observe the conduct of the drill, and they achieved the goal of verifying the Bank's ability to continue conducting business under emergency conditions. The following Bank units take part in the annual drills, and are responsible for the following tasks:

- **Information Task Group:** This task group is composed of personnel from the Infrastructure and System Services Department, Application System Development Department, Core Banking System Development Department, Digital Channel System Development Department, Integrated System Development Department, and Information Security Department. Acting in accordance with the "Standard Drilling and Testing Procedures for Information Systems Continuity," this task group focuses on procedures for network reconnection and systems restoration.

- **Business Operations Task Group:** This task group is composed of personnel from the Corporate Operation Department, Retail Operation Department, Customer Service Department, Wealth Management Department, Deposit and Payment Department, Treasury Department, Corporate Cash Management and e-Banking Department, Risk Management Department, Hong Kong Branch, and Trust Department. On the basis of the plan for annual drills, this task group validates and tests the transaction systems for each line of business.



ISO 22301:2019 Taiwan Corporate Internet Banking Business Continuity Management System Validation Certificate



O-Bank conducted two off-site backup Business Continuity Plan (BCP) drills in June and November, 2024



- **Planning Group:** The Operation Planning Department implements overall planning of operational continuity drills for business operations, and is responsible for communicating and coordinating among the various groups.
- **Services Task Group:** The General Affairs Department is responsible for arranging transportation, meals, and related services.

Also, in order to respond promptly to major contingency and control related risks, O-Bank acts in accordance with the "Directions Governing the Scope of Reportable Major Contingencies, Reporting Procedures, and Other Compliance Matters" issued by the Financial Supervisory Commission, and has adopted a "Mechanism for Handling Major Contingencies." O-Bank's subsidiary, EverTrust Bank, experienced a major contingency in 2024. The incident involved a major overseas credit risk case. The full negotiated amount was successfully recovered by the end of 2024, and the case has been closed.

3.5 Information Security

3.5.1 Information Security Management Policy

To ensure proper implementation of the information security management system and exactly implement of the information security operations, the O-Bank's Board has adopted an Information Security Policy, the O-bank Information Security Department is responsible for information security, and the Chief Information Security Officer coordinates the promotion of information security policies and the deployment of resources throughout the Bank. In addition, O-bank established an "information security promotion team" and an "information security implementation and examination team." Convened by the Head of Information Technology Division, the information security promotion team is responsible for supervising and deciding on matters related to the information security management system. The team convenes each half-year to examine the implementation status of the information security management system and provide needed resources, and it met twice in 2024. The Bank reports the implementation status of its information security management to the Board on a quarterly basis, and it must, on an annual basis, have its Chairperson, President, Head of Auditing Division, Head of Legal & Compliance Division, and Chief Information Security Officer jointly issue the internal control system statement and submit it to the Board and senior management, which are responsible for oversight. In addition, O-Bank has also retained an information security professional to serve as an information security consultant and provide us with appropriate and professional information security policymaking advisory opinions.

O-Bank's information operations comply with applicable laws and regulations on information security, as it sets the information security policies and goals, adopts implementation and maintenance measures, reviews and amends policies, regulations and risk assessment. The Bank follows the PDCA (Plan-Do-Check-Act) cycle in an ongoing effort to improve and strengthen all relevant aspects, and its Audit Division conducts annual internal audits covering information infrastructure, software development and maintenance, IT support and control procedures, and the information security management system. Furthermore, O-Bank received the ISO 27001:2013 certification for the information security management in 2017, and completed recertification the three-year cycle in 2022. The scope of the ISO 27001:2013 certification exam in 2023 has been expanded to include all of O-Bank's application systems and information infrastructure (including the data center). As a result, the certification include 100% of O-Bank's information units. In 2024, the Bank successfully completed



O-Bank obtains ISO 27001:2022 Certification for its Information Security Management System

the transition to the updated ISO 27001:2022 standard. Going forward, O-Bank will continue to undergo impartial third-party re-inspection every year to maintain the validity of the ISO 27001:2022 certification, to ensure effective operation of the information security management system, and thoroughly implement it in the course of routine business operations, raising the level of information security, and safeguarding the security of customer information.

O-Bank's information security goals are as follows:

- Ensure the confidentiality of information assets by enforcing control of access to information, and by requiring that only authorized personnel are given such access.
- Ensure the completeness of information operations management to prevent unauthorized alteration.
- Ensure the continuous functioning of information operations.
- Ensure the compliance of information operations with applicable laws and regulations.

3.5.2 Protective Measures for Information Security

O-Bank has acquired information security tools and established information security controls mechanism to maintain and strengthen the protection of the information security. To ensure the security of the information environment, O-Bank has installed the following: an antivirus software system, double-layer firewalls, intrusion prevention system, file and server access control, network traffic anomaly detection system, automatic updating of patches, website links control, instant messaging control, email filtering, control of USB devices, data leakage prevention, database monitoring, control of mobile devices, privileged accounts management, two-factor authentication, notebook hard disk encryption, advanced persistent threat (APT) prevention, protection against distributed denial-of-service (DDoS) attacks, endpoint detection and response, network detection and response system, vulnerability tracking and management system, and web access isolation. As for application systems, O-Bank already has scanning tools for source code, website, open source code and online testing methods. In addition, to assess the effectiveness of its information security defenses, O-Bank conducted Breach and Attack Simulation (BAS) exercises, Red Team vs. Blue Team drills, and domain service health checks in 2024. At the same time, in order to reduce the losses that could result from electronic equipment damage, O-Bank purchases "electronic equipment damage insurance" each year, and when a sudden accident damages or destroys electronic equipment, this insurance can mitigate the risk of indemnification for which the Bank might be liability due to an interruption to business operations. In 2024, O-Bank's information security expenses (including software and hardware licensing expenses, and personnel training expenses) came to NT\$86.32 million (approximately US\$2.62 million), accounted for 12% of the total information budget.

Each year O-Bank retains a third-party professional information security organization to evaluate the information security of computer systems and mobile apps, so as to strengthen the security of network communications, computer systems, IoT equipment, and various applications. This organization's evaluation includes, for example, scanning of O-Bank servers for vulnerabilities, system penetration tests, the staging of mock hacker attacks to analyze the types of hacker attacks that the Bank might face and where our systems might be vulnerable. Matters receiving attention in information system security assessments include the following: inspection of information architecture; inspection of network activity; testing of network equipment, servers, terminal equipment, and IoT devices; customer-end application programs; inspection of security settings; compliance inspections; and social engineering drills. Mobile app security analyses, which are conducted in accordance with the "Basic Security Testing Baseline for Mobile Applications" issued by the Mobile Application Security Alliance, involve analysis of the information security technologies on both mobile apps and at the server end. As for professional development for company personnel, O-Bank performs periodic education, training, and e-mail awareness activities to help employees better understand the importance of information security, related threats, and legislative trends. O-Bank also performs annual social engineering drills for all employees. After the 2024 drills, 4.3%

of phishing emails were opened, 2.15% of email links were clicked into, and 3.06% of email attachments were opened. Employees who failed to handle emails in accordance with the social engineering drills were provided additional training and re-tested to make them more alert to phishing attacks. In addition, personnel in O-Bank's information department in 2024 obtained a total of 26 international information security certifications to continue improving their information security technical proficiency. Also, to coordinate with the "Financial Information Security Action Plan" issued by the Financial Supervisory Commission, O-Bank has adopted the Cybersecurity Assessment Tool (CAT) of the US Federal Financial Institutions Examination Council (FFIEC) to conduct information security maturity evaluations. In 2024, the Bank's cybersecurity maturity evaluation was rated as "Intermediate."

O-Bank periodically conducts internal information security risk assessment to identify information security risk and understand the degree of risk to which each type of information security asset is exposed. Factors considered include information security asset value, vulnerabilities, threats, internal issues, external issues (including legislation, major information security incidents, high-tech changes, and changes in industry), and the needs of stakeholders. O-Bank also takes appropriate security defense measures to mitigate cyber risks. O-Bank conducts internal information security tests and vulnerability scans in order to quickly discover system vulnerabilities and resolve them, and at the same time we make use of outside information and case studies to review and assess our own internal vulnerabilities and risks and set up defenses.

3.5.3 Information Security Drills

When the company's information system suffers under the malicious attack, employees must be able to immediately report the problem, handle it, and minimize the impact of disasters. To improve our emergency response capabilities, O-Bank performs annual information security drills focusing on distributed denial-of-service (DDoS) attacks, malware attacks, and leaks of personal information, as follows:

- Distributed denial-of-service attack drills: O-Bank and Internet Service Provider (ISP) each year conduct distributed denial-of-service attack drills to ensure that employees are familiar with contact persons in each other's organizations, who is authorized to do what, and proper procedures. O-Bank also amends our Distributed Denial-of-Service Attack Response Plan in due course.
- Malware attack drills: O-Bank conducts annual malware attack drills to raise employees how to recognize the malware attack upon a personal computer or server, report it, isolate and handle the problem, and restore the equipment to proper working order.
- Drills for handling leaks of personal information: Each year, O-Bank simulates different personal information leak scenarios. Depending on the scope and degree of the impact, more departments may be invited to take part in a drill. Post-drill discussions are held to ensure that employees are fully familiar with response procedures so that they can respond rapidly during the next drill or in the event of an actual incident.

O-Bank has adopted information security incident reporting and handling procedures, and has set up a rating system to distinguish between information security incidents of differing degrees of severity. After the information security response unit receives an information security incident report, it resolves the information security incident within the mandated time period, and after handling the incident it conducts a cause analysis and takes corrective action to prevent recurrence of the information security incident. In the event of a major security incident that meets the definition of the Bank's "Mechanism for Handling Major Contingencies", a temporary emergency response team will be set up by the relevant units, the Legal & Compliance Division, the Auditing Division, and the Risk Management Department, in order to formulate relevant countermeasures. In 2024, no information system irregularity occurred at

O-Bank, and there were no cases of loss of Bank information or customer data, nor did the Bank receive any sanctions or incur any monetary loss due to any litigation connected with customer data protection matters.

3.6 Tax Governance

3.6.1 Tax Policy

Acting in a spirit of tax compliance and fulfillment of sustainability responsibilities, O-Bank implements tax strategies, manages tax costs, and effectively manages tax risks. We have established a sound tax management system and tax governance culture, fulfilling our obligations as a socially responsible corporate citizen. O-Bank's tax governance policy is as follows:

- Properly comply with the tax legislation in every jurisdiction where O-Bank operates, correctly calculate tax liabilities, and pay tax returns within the legally prescribed time period.
- Attach importance to actual economic conditions, treat actual economic output as the basis for calculation of tax liabilities, avoid erosion of the tax base, refrain from using a tax framework designed to seek tax avoidance, and refrain from transferring profits to low-tax jurisdictions or tax havens for the purpose of tax avoidance.
- Transactions with related parties are conducted at arm's length, shall be compliant with the tax legislation in every jurisdiction where O-Bank operates, and O-Bank shall prepare transfer pricing documentation for the purpose of complying with transfer pricing regulations.
- With respect to changes in tax legislation (whether it is the tax legislation in every jurisdiction where O-Bank operates or is international tax legislation), O-Bank shall be able to conduct comprehensive and detailed evaluations of the impacts of such changes, and be able to quickly develop response measures in order to properly limit the scope of tax risks and achieve the goal of sustainable corporate development.
- While ensuring that the Policy complies with the tax legislation in every jurisdiction where O-Bank operates, O-Bank shall carry out appropriate tax planning to prevent double taxation, lower tax costs, and enhance shareholder value.
- Abide by financial reporting standards and related legal requirements, periodically disclose tax information to stakeholders in financial reports and other public information to ensure the transparency and openness of tax information.
- Maintain open communications with tax authorities, proactively participate in tax seminars by providing practical perspectives and insights of the industry, and provide any support which is beneficial to the tax environment and taxation system.
- Conduct ongoing training to cultivate talent and enhance professional tax expertise.

The Board is the ultimate decision-making authority for O-Bank's tax risk management mechanisms. The Board approves overall tax governance policies to ensure the effective implementation of tax management mechanisms. The Finance and Accounting Department is O-Bank's tax management unit, and thus responsible for ensuring that taxes are properly handled, reported, and paid by due dates, and that related documents are properly retained. It also prepares reports on major tax matters and submits them from time to time to the Board.

3.6.2 Tax Governance and Communication

In order to manage tax risks, O-Bank's Finance and Accounting Department conducts semi-annual compliance self-assessments and quarterly self-audits to ensure that taxes are filed and paid in accordance with the law. O-Bank personnel engaged in tax matters continue to be subsidized for external training and conferences so they can broaden their tax knowledge and effectively implement the tax agent system, thus taking advantage of their experience while keeping their abilities up to date and reducing tax risks. The terms and conditions for transactions between O-Bank and related parties are the same as those for transactions with non-related parties. O-Bank's transactions are thus conducted at arm's length, are compliant with host-country legislation, and are supported by proper transfer pricing documentation to demonstrate compliance with transfer pricing rules. For more detailed information on O-Bank tax matters in different tax jurisdictions in 2024, see Table 3-12.

O-Bank prepares our financial reports in compliance with International Financial Reporting Standards (IFRSs) as approved and issued by the Financial Supervisory Commission, and discloses tax information to stakeholders to ensure transparent and open tax information. As for communication on tax matters, O-Bank provides diverse and convenient communication channels, and has special-purpose contact windows and email addresses for different types of stakeholders to make it easier for them to provide their views regarding tax matters. To maintain open lines of communication with tax authorities, in addition to consulting with the tax authorities regarding questions about routine tax matters, O-Bank personnel engaged in tax matters also take active part in conferences held by tax authorities in order to catch up with latest developments about tax matters and to have opportunities to communicate face-to-face with tax authority personnel. O-Bank has also joined the Bankers Association Of The Republic Of China and the Taiwan Securities Association in order to participate in discussions on tax issues and express our views and recommendations.



Tax Policies

Table 3-12: Detailed Information on O-Bank Tax Matters in Different Tax Jurisdictions in 2024

Unit: NT\$ million

Tax Jurisdiction	Main Activity	Number of Employees (Note 2)	Standalone Net Revenue	Income from Sales with Third Parties	Income from Internal Sales	Profit before Income Tax	Tangible Assets other than Cash and Cash Equivalents	Income Taxes Paid in Cash	Income Taxes Payable
Taiwan	Banking	1,126	5,818	5,796	22	2,349	2,216	75	204
Hong Kong	Banking	113	1,969	1,350	619	1,058	44	503	173
Mainland China	Non-profit business activities	3	0	0	0	0	0	0	0
Total		1,242	7,787	7,146	641	3,407	2,260	578	377

Note 1: References to "O-Bank places of business throughout the world" include places of business in Taiwan, Hong Kong (the Hong Kong Branch), and mainland China (the Tianjin Representative Office).

Note 2: The term "number of employees" in this Table does not include O-Bank's 12 directors, and therefore differs from the number disclosed in the Bank's standalone financial statements.

Note 3: O-Bank's adjusted effective tax rate for 2024 was 22.31%, roughly equal to Taiwan's income tax rate of 20%.

Note 4: Due to the special characteristics of the financial industry, the term "standalone net revenue" in this table means "operating revenues."

Table 3-13: Detailed Information on O-Bank Tax Matters in Different Tax Jurisdictions in 2024 (Including Subsidiaries Included in Consolidated Financial Statements) Unit: NT\$ million

Tax Jurisdiction	Name of Company	Main Activity	Number of Employees (Note 1)	Consolidated Net Revenue	Income from Sales with Third Parties	Income from Internal Sales	Profit before Income Tax	Tangible Assets other than Cash and Cash Equivalents	Income Taxes Paid in Cash	Income Taxes Payable
Taiwan	O-Bank	Banking	1,293	7,121	7,072	49	3,057	2,304	432	484
	China Bills Finance	Brokerage, dealing, and underwriting of bonds and bills								
	IBT Management Corporation	Investment consulting								
	IBT VII Venture Capital Co.	Venture capital investing								
Hong Kong	O-Bank Hong Kong Branch	Banking	113	1,969	1,350	619	1,058	44	503	173
USA	IBT Holdings Corp. and its subsidiary, EverTrust Bank	Holding company and bank	93	1,089	1,089	0	902	31	32	123
Mainland China	O-Bank Tianjin Representative Office	Non-profit business activities	3	0	0	0	0	0	0	0
Total			1,502	10,179	9,511	668	5,017	2,379	967	780

Note 1: The term "number of employees" in this Table does not include O-Bank's directors, and therefore differs from the number disclosed in the Bank's consolidated financial statements.

Note 2: Due to the special characteristics of the financial industry, the term "consolidated net revenue" in this table means "operating revenues."

Table 3-14: O-Bank Effective Tax Rate (Including Subsidiaries Included in Consolidated Financial Statements), 2023~2024

Unit: NT\$ thousand

Item		2023	2024
Consolidated income before tax (A)		4,028,740	5,016,604
Income tax expense recognized in profit or loss (B) (Note 1)		602,681	1,123,745
Effective tax rate=(B)/(A)		14.96%	22.40%
Adjustments (C) (Note 2)	Adjustments of timing differences (Note 3)	-5,628	14,647
	Adjustments of tax-exempt income (Note 4)	-394,156	-375,391
	Adjustments of other items	51,185	164,465
Adjusted income tax expense = (B-C)		951,280	1,320,024
Adjusted effective tax rate =(B-C)/(A)		23.61%	26.31%
Amount of income taxes paid in cash (D)		675,122	967,029
Cash tax rate=(D)/(A)		16.76%	19.28%

Note 1: O-Bank's income tax expense recognized in profit or loss for the year ended December 31, 2024 is the total of accrued income tax of NT\$780,002 thousand, the deferred income tax arising for the year ended December 31, 2024 is NT\$324,460 thousand, and adjustments to prior years' income tax of NT\$19,283 thousand.

Note 2: Taiwan's income tax rate is 20%, which is slightly lower than the average effective tax rate for the banking industry provided by the Global Industry Classification Standards (GICS). In addition, under Taiwan tax legislation, certain types of income, like gains from securities transactions, and domestic dividends income, are tax-exempt, therefore the tax rate is lower than Taiwan's statutory tax rate. The adjustments in 2023 came to NT\$-348,599 thousand. In 2024, the adjustments came to NT\$-196,279 thousand.

Note 3: Adjustments of timing differences: These were mainly due to the Group not recognizing deferred income tax items arising from temporary differences. The tax impact on tax expense in 2023 came to NT\$-5,628 thousand and NT\$14,647 thousand in 2024.

Note 4: Tax adjustments items related to tax-exempt income refer to income from domestic investments (including investments under equity method), profit or loss from Offshore Banking Unit (OBU) operations, etc.

4. Customer Service



4.1 Financial Services and Innovation

4.1.1 Enhanced Financial Services

1. Corporate Finance Services

O-Bank offers corporate clients customers industry's first e-banking platform, which includes a unique integrated security tool that includes the five major features: "scalable security management," "to-do lists," "integrated balance & transaction report," "my favorites," and "alerts/notifications." Adequately taking into account both convenient and secure transactions, O-Bank creates the solutions which could let our customers carry the bank wherever they go. In addition, the e-banking platform has also launched at Hong Kong Branch and the service is available to both corporate and retail customers.



O-Bank Corporate e-Banking Services

O-Bank corporate customers can use the e-banking platform to carry out integrated payment/collection services, and access the real-time account & transaction reports. The customers can also use this single platform to integrate cash flows, and easily complete cross-border and supra-regional transactions. These features have efficiently reduced customers' costs and improved the benefit of their capital utilization. In addition, O-Bank offers Automated Clearing House (ACH) services, which enable our clients to carry out regular, multiple, and small amount payment/collection services. Customers can easily make inquiries online, e.g. check on the progress of third-party collection and payments, track the progress of seal/signature verifications, and view transaction reports.

O-Bank's corporate e-banking platform is enhanced each year to reach corporate customers' business requirement. For example: added a brand new online payroll service enables customers to schedule individual or batch salary payments on either weekdays or weekends, and simultaneously help by transmitting salary details for the reference of corporate customers and their employees; launched (Enhanced Automated Clearing House (eACH), a faster and more efficient payment/collection services through which multiple large-amount transactions can be completed in a short period of time; launched a new corporate virtual account and convenience stores funds collection service to provide customers with multiple payment receipt channels, which help customers identify the sources of funds and make the reconciliation and funds collection more efficiently; and security control components have been upgraded and support multiple browsers and operating systems. In these and other ways, O-Bank continues to provide corporate customers with secure and convenient corporate e-banking services.

To enable corporate customers to obtain real-time access to account and related information, O-Bank communicates with corporate customers via the "e-Advice" automated messaging service. With the integration of communication, payment, and service channels, this system provides corporate customers with over 90 types of business information, including account reconciliation statements, transaction vouchers, and ordinary notifications. Corporate customers have the option of activating automated Email notifications, which keep them constantly up to date on account information while cutting down on the consumption of paper-based documentation.

In addition to Corporate e-banking service and "e-Advice" automated messaging system, which enable corporate customers to conduct transactions and check account information at any time and place, O-Bank also provides a wide range of flexible corporate deposit programs that cater to large, medium, and small size enterprises with preferential deposit rates that could be customized to meet the requirement of customers. In addition, in response to government policies and market conditions, O-Bank also launches NTD and USD special rate schemes when appropriate to meet the needs of customers who hold large amounts of funds. In this manner we enhance relationships with customers and develop stable and lasting sources of funds.

To provide small and medium-sized enterprises (SMEs) with convenient online financial services, O-Bank launched "O-Bank O-Speed Pay", an exclusive internet banking platform for SME clients in 2025. The platform retains only the core functions most frequently used by SME clients, offering a cleaner interface and more intuitive user experience. In addition, "O-Bank O-Speed Pay" does not require card reader authentication – transactions can be completed simply by entering a one-time password (OTP).

In addition, O-Bank assumes buyer credit risk and engages in accounts receivable collection and management to meet the need for accounts receivable services that arises for corporate customers in connection with their provision of products and services. Where customers have questions about accounts receivable services, O-Bank provides explanations and suggestions, and also provides buyer credit limit inquiries and transaction inquiry services; for factoring service customers, O-Bank provides online accounts receivable transfer and inquiry services so that customers can have real-time access to account information. Furthermore, to enhance service quality, O-Bank assigns a dedicated relationship manager to each corporate client and offers tailored recommendations for trade financing structures. Through the Bank's convenient financing channels, corporate clients can promptly meet their funding needs.

2. Retail Digital Financial Services

O-Bank has relied on digital financial technology to build up the first native digital bank in Taiwan. Through mobile devices, customers can use multiple types of financial services online, including fully online account openings, fully online applications for loans, online purchasing of shares in investment funds, upgrading of digital accounts, and currency exchange. All such transactions can now be completed online, thus saving customers the time it takes to travel to a bank branch and wait in line at a service counter. In addition, O-Bank offers customers a wide range of convenient account transfer options. Besides using QR Codes and the "shake to connect" function to complete account transfers, once a customer's mobile phone number has been linked to their O-Bank deposit account number, inputting the phone number is all it takes to make a deposit or transfer funds to their O-Bank account. This has greatly increased the convenience of account transfers.



O-Bank QR Code scan-to-pay function



O-Bank online Red Envelope function



O-Bank online currency exchange function

O-Bank continues to develop innovative app functions to satisfy customers' different daily needs: with the O-Bank Red Envelope function, customers can use their mobile phones to send cash-filled "red envelopes" as gifts to friends and relatives. And now, for the first time, these red envelopes can even be sent to people without an O-Bank account; applications can now be submitted online to open foreign exchange accounts. At any hour of the day or night, customers can use their O-Bank mobile app to apply to open a foreign exchange account. Customers can buy and sell 12 different foreign currencies online 24 hours a day. The app also has a price alert function that keeps customers instantly updated on foreign exchange rate movements; with parent-child accounts, the O-Bank accounts of parents and children are linked to each other so that the parents can use the O-Bank app to check the details of their child's spending activity and account transactions in real time, and set limits on the amounts that their child can withdraw or transfer, and limit the amount of their child's debit purchases.

O-Bank has also launched many new tools for payment of bills and fees. Customers can use the O-Bank app to pay electricity bills, water bills, gas bills, phone and Internet bills, fuel taxes, parking fees, and credit card bills. And to help with customers' bookkeeping tasks, the O-Bank app has a payment management function that can be used to present information on the nature and amount of all expenditures by customers, and by integrating account transactions, debit card purchases, and iPASS Card tap purchases, the items of expenditure are automatically categorized.



O-Bank online bill payment function



O-Bank payment management function



O-Bank customers can download their passbook cover page and detailed information on the most recent three months of account activity

To meet the needs of customers for a wide variety of payment options, O-Bank has joined the EMV standard (EMV stands for Europay, Mastercard, and Visa), and now customers can easily make payments by using the O-Bank app to scan the QR Codes of participating merchants. In addition, to make it easier for customers to obtain proof of financial capacity, instead of showing up in person at a service counter, customers can directly use the O-Bank app to download their passbook cover page and detailed information on the most recent three months of account activity, thus saving time.

4.1.2 Financial Innovation

1. Online Unsecured Loans 2.0

To make it faster and more convenient for customers to apply online for unsecured loans, O-Bank continues to optimize our process for the submission of online applications for unsecured loans. Someone who is not an existing O-Bank customer can directly apply online for an unsecured loan without the need to apply a deposit account first. Besides simplifying the application procedure and reducing interruptions, this approach also shortens a customer's wait for needed funds. In addition, since 2023, a depositor holding a C3 software certificate issued by O-Bank who applies for a loan no longer needs to upload proof of financial capacity because the Bank's system will automatically obtain data on the customer's personal income and labor insurance status from the Joint Credit Information Center. This greatly simplifies the loan application process and accelerates the credit check. At the same time, in order to provide customers with enhanced convenience, O-Bank introduced an automated funds disbursement

function. After a loan has been approved, customers can go online to select the time when the funds will be disbursed, which means that customers' need for funds can be met right away. To continue to provide a convenient and safe user experience, O-Bank incorporates the optimization of the online loan application process into the annual performance review of internal units to ensure that they will continue seeking to enable customers to handle their banking business more efficiently.

Besides working to establish a more efficient online loan application process, O-Bank also continues using innovative technologies to improve our internal operations and risk controls. O-Bank has deployed "Card Recognition Technology" and "Online Video Chat" functions into online loans application procedures. Customers can take photos and upload their business cards into the system, which employs optical character recognition (OCR) technology that can automatically fill in customers' information from their business cards which ensures more accurate input of information. To reduce online loan risks, O-Bank utilizes an online video chat function to confirm the applicant's identity. Additionally, O-Bank checks the reasonableness of an IP address, mobile phone number, or E-mail address used by a customer to apply online for a loan to lower the risk of impersonation. These technologies provide customers with the best loan service, because it is more convenient and risks are effectively controlled.

2. Robo-advisor Service for Investments

To achieve financial inclusion, O-Bank set an industry first in 2017 with the launch of a robo-advisor service that employs big-data algorithms to generate recommendations on what to trade and when, with each customer's risk tolerance and investment preferences factored into the algorithm to ensure an appropriate portfolio.

Customers can freely choose lump sum investments or dollar-cost averaged investments, and for NT\$1,000 (approx.

US\$33) can make use of our robo-advisor service. The availability of such low-threshold investment services helps to achieve financial inclusion. As of the end of 2024, 1,368 O-Bank customers between the ages of 18 and 22 opened trust accounts, and 99 of them have agreed to the terms of using robo-advisor service. Since the launch of the robo-advisor service, O-Bank has also introduced a "Dividend Robot" and made use of a robo-advisor service backed by funds industry leader Allianz Global Investors to meet the varied financial planning needs of investors. O-Bank has also begun accepting payment in foreign currencies for robo-advisor services. In addition to US Dollars, O-Bank was the first in the industry to accept payment for Dividend Robo-advisor services in South African Rand.



O-Bank robo-advisor service provides a wide range of financial planning approaches based on investor preferences

3. "Consumer Spending Carbon Calculator" Function

In recent years, the issue of climate change and the carbon reduction trend have attracted constantly increasing concern. In addition to what governments and companies are doing to reduce carbon emissions, O-Bank believes that ordinary consumers also have the ability in the course of their everyday spending to reduce the carbon emissions generated by their purchases. In 2022, O-Bank launched the first "Consumer Spending Carbon Calculator" function in Taiwan, adopted Mastercard's Carbon Calculator, and began accessing Mastercard's big data database, thus enabling O-Bank, based on the item purchased and the amount spent by customers, to estimate the approximate carbon footprint of each debit card purchase. All O-Bank customers holding a Mastercard debit card can use the "Consumer

Spending Carbon Calculator" function free of charge to conveniently peruse the carbon emissions of every single debit card purchase. This function helps to raise the awareness of consumers of the need to reduce carbon emissions.

4. "Transportation Carbon Reduction Details" Function

Apart from cooperating with Mastercard to launch a "Consumer Spending Carbon Calculator" function, O-Bank has also collaborated with iPASS Card in 2024 to introduce a "Transportation Carbon Reduction Details" function, making O-Bank the first bank in Taiwan to use the iPASS Card GHG emissions database to calculate the emissions one saves each time one uses public transportation instead of driving an ordinary vehicle. This function allows customers to check and understand the decarbonization effect of taking public transportations. In addition, O-Bank has also used its "Transportation Carbon Reduction Details" function to launch a Transportation Carbon Reduction Card, the first such card in Taiwan for which cashback rewards are based on GHG emission reductions. The idea is to encourage cardholders to use public transportation, thus contributing to environmental preservation.

5. "O-Bank Securities Hub" – Integrated Banking and Securities Platform

In 2025, O-Bank launched the "O-Bank Securities Hub" platform, enabling customers to open both a securities settlement account and a digital deposit account in one seamless process. The platform brings together multiple securities firms, allowing users to access account opening services and promotional offers from various brokerages simultaneously. The entire application process can be completed online, offering customers a streamlined and convenient experience.

4.2 Service Quality and Customer Experience

4.2.1 Treating Customers Fairly

1. Principles of Fair Treatment of Customers

To ensure that customers are treated fairly and reasonably during the provision of financial products and services, and to continue improving the implementation of the Principles of Fair Treatment of Customers, O-Bank adopted the "Organizational Charter for the Fair Treatment of Customers Committee" and established the Fair Treatment of Customers Committee ("The Committee"). The Committee is chaired by O-Bank President and is responsible for overall planning regarding the Principles of Fair Treatment of Customers and their implementation. The Committee also invites the Bank's Independent Directors to attend meetings to oversee the top-down implementation of a fair customer treatment culture. In addition, the Bank regularly reports implementation and evaluation results of the Principles to the Board. The Board oversees the work of the Committee and provides suggestions when appropriate. In addition, O-Bank has also adopted a set of "Principles and Rules of Fair Treatment of Customers" to provide guidelines to O-Bank's various units in protecting financial consumers, and to internalize customer fair treatment as an element of O-Bank's core corporate culture.

To demonstrate our commitment to the Principles of Fair Treatment of Customers, The Committee meets regularly to review implementation status on the principles. The Committee convenes for a routine meeting once per quarter to review how well customer complaints, financial fraud preventations, cases involving operational risk, and related education and training activities are being carried out in order to ensure that O-Bank, in providing products and services, can treat its customers fairly and reasonably. In addition, the Committee reviews the implementation results of the previous year's evaluation in its first quarterly meeting each year. The regular meeting of the first quarter of 2025 was held on February 18, during which the Committee completed the review of O-Bank's implementation of the Principles of Fair Treatment of Customers in 2024, and submitted a report to the Board on April 9, 2025.

To raise the awareness of directors and all employees regarding the need for fair treatment of customers, O-Bank in 2024 held a course in "ethical best practices and fair treatment of customers" for all members of the O-Bank Board. To help the directors develop a better understanding of the actual implementation of fair treatment of customers so they can make sure that the Bank's various units properly see to the needs of underprivileged people as those units go about providing financial products and services, we took advantage of the course to discuss real cases and provide illustrations of ten principles for fair treatment of consumers, including the following: adequacy of contractual disclosures, fairness of pricing and charges, implementation of Know Your Product (KYP) procedures, attaching proper importance to safeguarding the interests of underprivileged and disabled financial consumers, considering the needs of the elderly and the disabled from design through sale, and proper handling and reporting of customer complaints, etc. In 2024, all employees completed the training courses of the "Financial Consumer Protection Act" and the "Principles and Rules of Fair Treatment of Customers" via online trainings of Compliance Self-Assessments and the Financial Consumer Protection Act in order to strengthen employees' understanding and compliance of the fair treatment of customers.

2. Friendly Financial Services

To continue improving customer-friendly financial services and to establish a corporate culture that from top-to-bottom values friendly financial services, the O-Bank's Board established the "O-Bank Guidelines for Friendly Banking Services." The Operation Planning Department is in charge of ensuring friendly financial services. This Department is responsible for conducting friendly financial services and overseeing the work of the



O-Bank real time customer interaction



O-Bank Friendly Online Banking App

Bank's various units to ascertain that the services they provide are customer-friendly, and it periodically reports on such matters to the Committee on Fair Treatment of Customers. This Committee also submits an annual report to the Board. Furthermore, to enhance all employees' understanding and practical ability in delivering inclusive financial services, the Bank has designated the "Guidelines for Friendly Financial Services" as a mandatory training course for all staff. The training covers the Convention on the Rights of Persons with Disabilities (CRPD), principles of inclusive finance, case studies, and response simulation exercises. In 2024, the training completion rate reached 100%.

In recent years, the Bank has continued to improve counter services to meet the needs of different customer groups and promote friendly banking experiences. Measures include setting up a "Friendly Senior Priority Service" option on the queuing machines at branches to provide expedited service for elderly customers; establishing accessible service rooms in the banking halls, equipped with wheelchairs and providing private spaces for middle-aged, elderly, or persons with disabilities to conduct non-cash transactions; preparing reading glasses of various strengths and magnifying glasses at service counters to assist customers in reading forms, along with support in photocopy enlargement or reading aloud as needed to help customers understand form content. In addition, O-Bank has published the "O-Bank

Easy-Read Guide – Over-the-Counter Services for Deposits, Withdrawals, and Transfers" and the "O-Bank Easy-Read Guide – ATM Services for Deposits, Withdrawals, and Transfers," using simplified illustrations and text to help customers understand account opening procedures and relevant notes. With respect to physical banking locations, O-Bank assures that the barrier-free facilities at its places of business all conform with the "Design Code for Barrier-Free Facilities in Buildings" and the "Procedures and Approval Principles for Alternative Improvement Plans to Fit Existing Public Buildings with Barrier-Free Facilities" issued by the Ministry of the Interior's Construction and Planning Agency. O-Bank has also installed service bells at the entrances/exits to its business lobbies and installed "barrier-free service counters" whereby the height of cash counting machines on tables are modified so that persons with disabilities can watch cash counting machines while they are in operation.

Persons with disabilities enjoy reduced service charges when they make an interbank cash withdrawal. Beginning in November 2024, the number of monthly fee-free withdrawals was increased from three to ten. A total of 33 customers applied for this benefit in 2024, receiving 194 fee waivers for interbank ATM withdrawals. In response to the varying needs of persons with disabilities, O-Bank provides a 24-hour customer service hotline, a video call customer service line, chatbot service, and a live text chat service (08:00~24:00 on business days) to attend to persons with special needs. For example, the chatbot service interface allows users to adjust text size according to their needs; visually impaired persons can call our customer service hotline at any time of the day, and our customer service personnel will help them to check their account information or help them with questions about how to make use of barrier-free online banking. Customers with hearing or speech impairments can use chatbot, live online texting, or through video calls supported by real-time text communication. For in-person services at bank branches, these customers may use a handwriting pad to communicate with tellers or utilize remote sign language interpretation service via video call.

In addition, O-Bank also provides barrier-free websites, barrier-free online banking, as well as accessible app services to meet the needs of disadvantaged groups. At the initial stage of developing its accessible mobile app, O-Bank invited visually impaired partners from the Taipei Parents' Association for the Visually Impaired to help test the app's functions, including account transaction inquiries, NT dollars transfer, user IDs and passwords changes, and interest and exchange rates inquiries, as well as accessibility features such as screen reader compatibility for electronic forms. The app has received an accessibility certification issued by the association. In addition, O-Bank's accessible website and online banking platform have both obtained Level A certification under the "Web Accessibility Guidelines" issued by Taiwan's Ministry of Digital Affairs. The Bank conducts inspections each year to ensure the validity of this certification, periodically reports on such matters to the Committee on Fair Treatment of Customers to make sure the Bank's digital services meet the needs of disadvantaged groups, and that they help to resolve the digital gap. Moreover, anyone with a special need may also go to an O-Bank business lobby or a branch office and have an account opened by service personnel.

O-Bank, acting in compliance with the "Self-Regulatory Rules for Fair Treatment by Banks of Elderly Customers," adopted a set of measures for fair treatment of elderly customers, including identification of who constitutes elderly customers, adoption of customer service procedures, adoption of measures to prevent exploitation or swindling of elderly customers, provision of customer-friendly services, and optimization of elderly customer complaint handling procedures. O-Bank also maintains a record of its implementation reviews to ensure the effectiveness of related service procedures and policies. To meet the financial needs of middle-aged and senior citizens, O-Bank also offers an exclusive personal loan program. Taiwanese nationals aged 45 to 65 who meet the Bank's basic personal loan application requirements and provide proof of retirement may enjoy a waiver on processing fees. In addition, O-Bank also launched a preferential loan program for female borrowers to provide for their funding needs at key

points in life, such as marriage, childbirth, advanced studies, and business startups. In 2024, there were 228 applications submitted for preferential loans for female borrowers, and funds were disbursed for 20 loans totaling NT\$3.88 million.

In order to provide non-citizens with friendly, barrier-free financial services, O-Bank's 24-hour customer service hotline, video call customer service line, and text chat service (08:00~24:00 on business days) are all available in bilingual format. The website also has an English-language version that customers can use to check account information, transfer NT dollars, and change user IDs and passwords. In addition, O-Bank pioneered a six-language smart chatbot. With its built-in multilingual translation feature, customers can interact with the chatbot in English, Japanese, Thai, Vietnamese, Filipino, or Indonesian for real-time translation. To create a customer-friendly bilingual financial services environment, O-Bank has also established many bilingual branches that handle many services bilingually, including: adding English signage to our branches facilities; special English-language service counter; and we have translation devices that can handle multiple languages. The 24 different types of forms, such as the account opening application forms, digital account upgrade application forms, foreign currency outward remittance application forms, foreign currency outward remittance application form for online and mobile banking, and various service application forms for over-the-counter account opening or transactions, are all provided in bilingual format for the customers' convenience. Bilingual branches currently account for 100% of all O-Bank branches in Taiwan.



O-Bank Multilingual Smart Chatbot Service Interface



O-Bank Friendly Online Banking



O-Bank Bilingual Account Opening Application Form



4.2.2 Disclosure of Product Risks

1. Strengthened the Product Suitability

O-Bank values customer needs and service quality, has long worked to cultivate the abilities of our professional traders, and provides tailor-made financial products designed with an eye to market conditions and customer characteristics. To develop a thorough understanding of each customer's financial status, investment experience, investment goals, ability to assume risks, the degree of their product understanding, and other such characteristics, as well as the suitability of a transaction involving the financial products to be traded, O-Bank has adopted a Know-Your-Customer (KYC) system to confirm the risk bearing capability of customers and product suitability, safeguard customer interests, ensure smooth trading operations, recommend financial products that match customers' risk tolerances, implement KYC procedures, and evaluate what level of risk in a financial product is tolerable to each customer.

With respect to young and elder cohorts, O-Bank will step up examinations of product suitability. Where loan products are concerned, other than ordinary questions regarding implementation of the KYC system in compliance with regulatory requirements, O-Bank's "Rules for Management of Consumer Lending Department Loan Officers" require loan officers to ask loan applicants why they are seeking a loan, how they intend to use the proceeds, and whether they have the ability to make the monthly payments in order to confirm that a particular loan product meets the needs of young or elderly customers. In addition, for young customers aged 18 to 35 with no credit history, the Bank's "Guidelines for Personal Financial Credit Loans" set a stricter cap on the loan amount as a multiple of monthly income. This is to prevent young customers from taking on debt beyond their income capacity and to ensure the provision of loan products appropriate for their financial situation. And to help customers clearly understand the terms and potential risks of loans, O-Bank, in addition to using bold typeface and text in different colors within the body of a contract to call the customer's attention to important matters, also trains its loan officers to use simple and easily understood language to provide a comprehensive explanation of a contract's content, including the actual terms and conditions of the loan as underwritten and the amount of monthly payments. Loan officers also provide detailed disclosures of potential risks, and leave the customer ample time to consider whether or not to apply for a loan. Audio recordings are made of all communications between a loan officer and a customer, and are checked monthly. If any impropriety is discovered, e.g. if a comprehensive explanation of the contract's content is not provided, the loan officer will be required to fill out a form to explain the reason for the impropriety. The matter will continue to be monitored to check whether corrective action has been taken.

In the area of investment and wealth management, O-Bank has adopted a set of "Guidelines for Treatment of Elderly Customers by Wealth Managers," which require that when serving an elderly customer, a wealth manager must fully understand the customer's health condition, daily routines, financial status, level of education, and ability to obtain financial services, and then make sure to provide products that are suitable to the needs of the elderly person. In addition, when an elderly customer purchases a wealth management product or conduct a fund switch transaction, an O-Bank wealth manager has to fill out a "Product Suitability Checklist for Elderly Customer." The content of the checklist will include the following: Factors requiring attention include whether the sum of the product's maturity term and the customer's age falls below a specified threshold; whether the product's terms and conditions stipulate an early termination penalty; whether the product is characterized by low liquidity; whether it is a new-type or highly complex product; whether it is considered a high-risk product; and whether other special product risk matters require notice. After that, the wealth manager has to submit the checklist to the wealth management supervisor or operating supervisor, who will review the checklist and assess its reasonableness. If the supervisor concludes that there is risk, the supervisor will contact the customer again by telephone to check the purpose and necessity of the transaction. Only then may O-Bank assist the customer in carrying out the business. With respect to a young customer, O-Bank, acting in compliance with the provisions of the "O-Bank Know-Your-Customer (Natural Person) Guidelines" and on the basis of the customer's level of education, income, investment experience, risk appetite, and other such factors, must make a judgment regarding the customer's investment risk tolerance in order to provide a suitable investment product.

In order to ensure proper implementation of the product suitability system, O-Bank has adopted the following: "Rules Governing Suitability of Financial Derivatives," "Guidelines for Control of Financial Derivative Transaction Credit Risks," "Guidelines for Pricing of Financial Derivatives," "Guidelines for the Sale of Structured Products," "O-Bank Rules for the Establishment of a Commodities Review Panel and for Its Conducting Review," "O-Bank Guidelines for Financial Product Review," "Guidelines for Wealth Management Product Applicability," "O-Bank Know-Your-Customer (Natural Person) Guidelines," "O-Bank

Know-Your-Customer (Legal Person) Guidelines," and "O-Bank Guidelines for Promotion of Wealth Management Business and Management of Customer Account Risks." In addition, O-Bank reviews its standards regarding the reasonableness of financial derivatives prices in order to prevent prices from getting away from the market and leading to transactions taking place at unreasonable prices. The idea is to safeguard the interests of customers and reduce customer complaints. All O-Bank financial products are compliant with applicable legal and regulatory requirements, and O-Bank has adopted comprehensive internal processes and compliance systems. All of our products and services have already undergone compliance assessments.

In addition to providing financial products on the basis of different customer types and needs, O-Bank has also adopted a set of "Guidelines for Sustainable Credit Policy in Consumer Finance," which require the Bank to conduct due diligence on all individual customers and carry out prudent assessments, avoid making loans to sensitive industries and industries that have social risks, e.g. businesses engaged in sex or pornography, gambling operations, or parties engaged in illegal fundraising. In 2024, O-Bank refused to extend loans to a total of 100 applicants who posed high social risks, e.g. customers employed in gambling establishments, pawn shops, informal lending firms, virtual asset firms, or special types of business. In addition, O-Bank conducts environmental risk assessments for housing loans cases, incorporating collateral depreciation due to physical risks such as flooding and slopeland into credit evaluations to manage loan-to-value ratios, and rigorously implements KYC and Anti-Money Laundering (AML) policies. If the occupations of customers were identified as high risk in AML, the Enhanced Due Diligence (EDD) process should be taken, and the approval authority of the cases should be elevated to the next level. In 2024, there were 157 applications that were conducted EDD and 49 of them were declined.

In addition, to improve financial product design and service processes, the monthly meetings of the "Business Management Committee (BMC)" are chaired by O-Bank President, who coordinates with executive managers of all business divisions to regularly review each business division's performance, including planning and evaluating the effectiveness of products and services as well as whether the needs of different customer groups have been taken into account. Through a top-down participation in the BMC, each business division optimizes the product and service in a timely manner to ensure a smooth overall operation. At the same time, to maintain the quality of products, O-Bank regularly reviews the suitability of specific products, collects and monitors customer opinions and market information to serve as reference as we work to improve our products. For example, for co-branded card products, at the time of establishing or renewing a partnership, we conduct product reviews and assess the financial status and media coverage of firms that partner with us on various products. We also monitor their operational status on an ongoing basis to ensure the Bank's products do not result in any negative impact.

O-Bank has adopted a set of "Operating Procedures for Development and Approval of New Financial Products and New Lines of Business" to govern the launch of new products and lines of business, and has also established a Product Review Team that is composed of the supervisors of O-Bank's risk management, finance & accounting, compliance, and operations units to ensure that each new product or new line of business undergoes a rigorous assessment before it is launched. The unit that has proposed a new product or service needs to draft a business plan for the new product or service, submit it to the Product Review Team for review, and as necessary must then convene a "new product/service review coordination meeting." The unit that has proposed a new product or service collects the opinions of the Product Review Team members, make adjustments, then submit them to the Chairman of the Board, then submit them to the Board for either approval or acknowledgement. The assessments of O-Bank's newly developed products and lines of business focus on such matters as: systems for identification, measurement, and management of risks; compliance assessments (regarding personal information

risk, AML/Countering the Financing of Terrorism (CFT) risk, and the Principles for Fair Treatment of Consumers); and internal control and audit systems. In addition, the assessments must also pay attention to environmental and social impact, and the associated risks, including whether the products and lines of business involve environmental pollution, destruction of ecosystems, or violations of human rights or labor rights, in order to assure quality and ensure that stakeholder interests can be safeguarded when new products and new lines of business are launched.

Fig. 4-1: Procedure for Assessment of New O-Bank Products or Services



2. Full Disclosure of Product Information

To protect customers' rights and interests, the contents of all O-Bank business contracts and related documents have to be reviewed by the Legal & Compliance Division or external attorneys to make sure that nothing violates mandatory and prohibitory legal provisions, and that the contracts and documents are compliant with standardized contracts and any legal provisions regarding required and prohibited stipulations, so as to safeguard customers' interests. In addition, the important contents of the business contracts and related documents are all printed in bold or prominent colors, and O-Bank sales personnel are always asked to provide customers with detailed explanations regarding the important contents of the contracts, including interest rates, fees, and methods of collection, etc., to ensure that the customers fully understand the financial product and associated risks.

In addition, O-Bank has adopted a set of "Guidelines for Advertisement Solicitation and Sales Campaigns," and all O-Bank advertisements, promotional materials, and videos must be carefully checked using the "Promotional Material Checklist for Advertising, Business Solicitations, and Sales Campaigns" and forwarded to the Legal & Compliance Division for review to ensure that the advertising contains no improprieties, misrepresentations, or any statements that would be misleading to consumers

or in violation of applicable laws or regulations. And before a financial product or a marketing activity is launched, O-Bank provides its customer service and business units with education and training to ensure that they transmit correct information to customers. For example, to enable employees to better understand affinity cards, before launching a new affinity card or commencing related marketing activities, O-Bank always arranges comprehensive training that covers cooperation between O-Bank and non-profit organizations, donation frameworks, and customer rights and interests, etc., so that employees can provide customers with adequate product introductions.

For corporate customers, O-Bank posts information on our website (on such matters as corporate credit, syndicated lending, trade financing, receivables factoring, securitizations, and trust services), provides prospectuses for financial instruments, and in our securitization business provides prospectuses. Meanwhile, O-Bank makes disclosures on our website regarding deposits, lending fees, and fee standards for our trade financing and foreign exchange businesses so that corporate customers can obtain complete information on product characteristics, risks, and fees before entering into a transaction.

For retail customers, O-Bank has introduced the robo-advisor and fund services and provides funds information, prospectuses, investor brochures, and risk/return record on our website. Moreover, O-Bank discloses our fund fees and fee policies of our trust services to ensure customers can well-understand the whole picture of the product characteristics, risks, and fees before making an investment. O-Bank investment consultants have published financial education articles on a "Financial Management Classroom" section on the O-Bank website to help build customers' financial literacy. As for overseas bond products, when a customer subscribes to an overseas bond issue, O-Bank always provides the customer with the bond prospectus and our risk disclosure statement in order to clearly disclose and explain the terms of the bond issue and the related risks, as well as the financial management specialist will provide relevant financial knowledge.

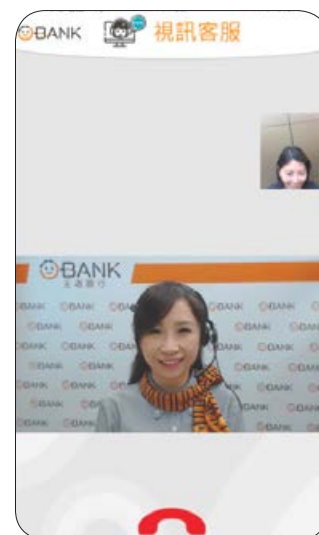
To further improve customers' financial management knowledge, O-Bank personnel held a total of twelve financial management related information sessions in 2024, led by personnel from O-Bank's Investment Consulting Section (registered representative of Securities Investment Trust and Consulting Business Association of the Republic of China). In addition, O-Bank plays financial promotional videos and images provided by competent authorities (such as the government and the Bankers Association of the Republic of China) in the business halls of each branch for the public to watch. The promotional videos include materials from the Taipei City Police Department's Anti-Fraud Dashboard, the Ministry of Digital Affairs' "Black Hole Surveillance" anti-fraud campaign videos, and the video of financial transaction security from the Bankers Association of the Republic of China, etc. By doing so, O-Bank assist customers in building up knowledge of financial transaction security.

In the area of insurance products, O-Bank clearly explains the exchange rate risks and investment risks associated with insurance products through the "Currency Risk Statement for the Non-Investment Life Insurance with Foreign currency Receipt and Payment," the "Confirmation of matters related to insured investment-linked products and Risk Disclosure Statement for Non-Investment Grade Funds," the "Insurance Product/Customer Risk Assessment Questionnaire and Analysis of Revenues/Expenditures," and the "Assessment Form and Insurance Solicitor Report on the proposer and the insured Needs and Suitability," to ensure that customers are provided with insurance products that meet their needs. Relying on our systems designed to ensure product suitability and full disclosure of product information, O-Bank in 2024 was able to avoid any violations of legislation governing the labeling of products and services, nor were there any violations of legislation on truth in marketing and advertising.

4.2.3 Handling and Tracking of Customer Complaints

1. 24-hour Customer Service

O-Bank set an industry first by launching a 24-hour, year-round video call customer service, thus overcoming the limitations of time and space that apply to brick-and-mortar banking operations, and making it possible to promptly handle customer requests. Customers can make use of the O-Bank app's live text chat (08:00~24:00 on business days), 24-hour phone service and video service at any time or place, and can also use O-Bank's 24-hour service hotline to get in touch with customer service specialists. The O-Bank customer service unit achieved a satisfaction rate of 95% in 2024.



O-Bank offers 24-hour video call customer service

2. Customer Complaint Procedures and Results

Based on the "Principles and Rules of Fair Treatment of Customers," O-Bank has adopted a set of "Rules for Handling Customer Complaints and Financial Consumer Disputes," which addresses such matters as the scope of consumer disputes, organizational framework, the method of acceptance, handling procedures, resolution deadlines, progress inquiries, follow-up checks, education and training, and a periodic review mechanism. When customers encounter disputes in their dealings with the Bank, they may file a complaint at any time through multiple channels, including the 24-hour customer service hotline, the mobile app, email, or any of the Bank's branches. The Customer Service Department, a dedicated unit within the Bank, is responsible for handling the complaints and tracking the progress until a response is provided. These Rules establish a clear and effective mechanism for handling customer complaints. Complaint handling deadlines are as follows:

- When the complaint accepting unit receives a complaint, if it is necessary to refer the matter to another responsible unit, the referral must be completed within five hours.
- Within one working day of our receipt of the referral, the responsible unit must contact the customer with phone call or other specified method, inform them how long it will take to look into the complaint, expecting that the customer will receive a response as quickly as possible.
- Within three working days of the receipt of the referral, the responsible unit must inform the customer with phone call or other specified method that an appropriate method of handling the matter has been decided upon, and must provide an explanation.
- Within five working days of the receipt of the referral, the responsible unit must appropriately handle the complaint and inform the customer of how the matter was handled with phone call or other specified method.
- If the subject matter of the complaint makes it necessary to meet with a government agency or an entity other than O-Bank, or if it is necessary to make a determination regarding the rights and interests of the customer and O-Bank, and it will take a relatively long time to contact the parties in question and come to a conclusion on questions at issue (e.g. if the matter involves monetary compensation, termination of contract, complex operational matters, or a repeat complainer), within 30 working days of our receipt of the complaint O-Bank must appropriately handle the complaint and inform the customer of how the matter was handled.

After customer complaints occur, the Customer Service Department will continue coordinating and tracking the improvement plan for each case, and will generate monthly and annual reports which include progress and outcomes of the cases to assist executive managers and the Internal Control department in reviewing the improvement actions to avoid further occurrence of customer complaints.

The Customer Service Department periodically collects information on violations of the Principles of Fair Treatment of Customers, and reports on case details, discussed corrective actions, progress toward implementation of those actions at routine meetings of the Committee on Fair Treatment of Customers as well as the Committee's annual meeting. Major customer complaints are referred by the Committee on Fair Treatment of Customers to the Board. In 2024, no major case types of customer complaint or dispute were referred to the Board. In addition, O-Bank has also designated the "Rules for Handling Customer Complaints and Financial Consumer Disputes" as a matter requiring attention in company-wide compliance education and training activities in order to ensure that employees are aware of customer complaint handling procedures and requirements, and are able to handle complaints quickly and fairly.

In 2024, O-Bank received 63 customer complaints. The share of customer complaints appropriately resolved within five working days of their submission and the customer notified of the result reached 98.4%, the rate of overall closed case reached 98.4%, and there were no instances of mis-selling. In addition, O-Bank in 2024 incurred losses of NT\$5,500 due to card-not-present (CNP) fraud, while losses connected with card fraud and bank advances came to NT\$91,948.

Table 4-1: O-Bank Customer Complaint Statistics, 2022~2024

Year	2024	2023	2022
Number of complaints	63 (Note)	61	40
Number of customers	471,021	422,574	387,437
Complaint rate (%)	0.0134%	0.0144%	0.0103%
Complaint cases involving financial consultations	3	3	1
Percent of complaint cases involving financial consultations	5%	5%	3%

Note: In 2024, there were a total of 63 cases of customer complaints, including 62 cases referred from competent authorities (including the Financial Supervisory Commission and the Financial Ombudsman Institution), and one customer complaint case that was filed directly with the Bank. Of these cases, 2% remain open, 6% were further investigated by the competent authority, and 5% involved financial consultations.

Table 4-2: Time Required for Resolution of O-Bank Customer Complaints in 2024

Days till Case Closed	5 Days or Less	6~30 Days	>30 Days
Number of cases closed	62	0	0
Cases closed/total cases (%)	98.4%	0%	0%

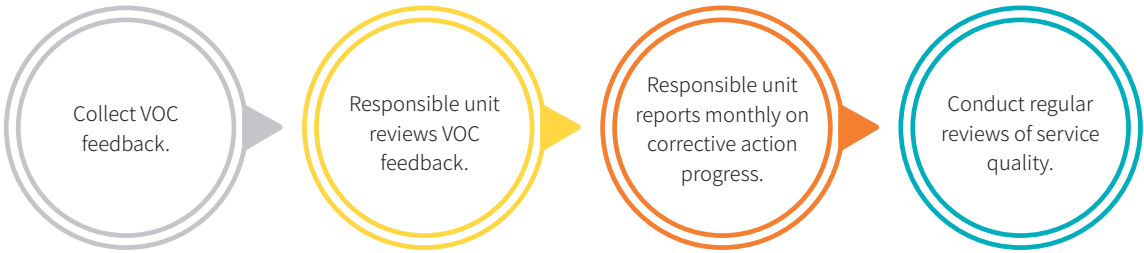
4.2.4 Customer Satisfaction

O-Bank continues to strengthen its service quality management framework by regularly collecting customer opinions and feedback, analyzing quantitative and qualitative data, and holding interdepartmental meetings to track implementation and identify areas for improvement – all aimed at enhancing the customer experience. For customers who use our counter services, the Bank invites them to complete an online satisfaction survey immediately after their service experience. The survey includes questions such as "service wait time" and "service handling time" to capture real-time customer impressions. Survey results are compiled weekly, and urgent matters are addressed promptly. A monthly report is generated for ongoing monitoring and improvement. To ensure that the digital financial services

provided by O-Bank meet the needs of different customer segments, O-Bank each year carries out a satisfaction survey for customers that frequently use our online banking services. Questions asked include the following: Can you find the function you need? Do the currently available functions satisfy all your financial needs? Do the functions have a fast enough processing speed? Is the system highly stable? The questionnaire also asks open-ended questions that give respondents opportunities to provide suggestions for improvements, so that we can continue to optimize O-Bank's digital financial services. In response to the needs of disadvantaged groups and middle-aged to elderly individuals, the Bank not only reviewed whether the satisfaction survey questions effectively addressed their specific requirements, but also used their feedback as a reference for optimizing or adding new services to help bridge the digital divide. According to the 2024 survey results, feedback from these groups included suggestions such as simplifying the app interface, enhancing text color contrast for better visibility, placing promotional information in prominent locations, and adding a back button feature. The Bank will take these suggestions into account to further improve app functionality and better meet the digital financial needs of diverse customer segments. In 2025, O-Bank conducted a survey targeting customers who had logged on to O-Bank's online banking platform between October and December 2024, and the survey results showed that 90.1% of the users indicated they were either "satisfied" or "very satisfied" with O-Bank's products and services. In addition, O-Bank customer satisfaction surveys make use of the Net Promoter Score (NPS), and O-Bank's NPS score of 39 (Note 4-1) indicates that users are generally happy with and promote O-Bank's overall digital services.

In addition, to increase service quality and customer satisfaction, O-Bank has established an interdepartmental Service Quality Team, which employs a systematic approach to collect Voice of the Customer (VOC) feedback, and regularly reviews service quality and identifies areas where improvement is needed. The Team tracks the implementation of corrective actions on a monthly basis to be sure that O-Bank's products and services can satisfy customer needs and reduce customer complaints. In 2024, nine items of VOC feedback were converted into concrete action plans to continue improving the customer experience, including the following: added a consolidated statement download function to provide customers with financial proof documents; online banking now allows customers to check their preferential savings interest rates and applicable periods, helping them stay informed about eligible promotional offers. In addition, trust account opening is now available for minor children.

Fig. 4-2: VOC Feedback Process of the O-Bank Service Quality Team



Note 4-1: Individual NPS scores range from 0 to 10. The percentage of respondents who rate their customer experience from 0 to 6 points are subtracted from the percentage of those who give scores of 9~10, and the resulting number represents the overall NPS score. The higher the score, the more willing a customer is to recommend the brand to others.

In addition to retail banking customers, O-Bank also conducts satisfaction surveys with respect to corporate customers. Questions asked include: degree of satisfaction with services provided by relationship managers; degree of satisfaction with services provided by operating and accounts personnel; degree of satisfaction with ordinary lending services; degree of satisfaction with trade financing services; corporate online banking interface experience; quality of corporate online banking customer services; and overall service quality. At the same time, O-Bank has also designed open-ended survey questions so that corporate customers can respond with qualitative suggestions, thereby continuing to improve the quality of services provided to the Bank's corporate customers. The results of the O-Bank 2024 customer satisfaction survey show that only 0.89% of corporate customers indicated any sort of dissatisfaction, while 99.11% of corporate customers indicated satisfaction.

4.3 Transaction Security and Customer Privacy

Financial fraud has been rampant in recent years. To prevent the occurrence of scams, the O-Bank "Manual of Deposit Operations" requires that when a walk-in customer approaches a service counter to conduct a bank transfer, service counter personnel must take the initiative to show concern and ask probing questions about what the funds will be used for. The idea is to prevent the customer from getting scammed. In addition, the O-Bank "Rules for the Conduct of Wealth Managers and Wealth Management" also require the Bank each quarter to select customers whose assets under management have undergone an especially large change and whose total AUM exceed a certain threshold, and classify those persons as watch-listed customers. The supervisor of the wealth management unit interviews watch-listed customers, either by telephone or face-to-face, to provide enhanced attention and reminders to avoid financial fraud. The supervisor also leaves a written record and voice recording of such interviews. To ensure that a watch-listed customer properly implements the matters brought up during such interviews, O-Bank conducts quarterly audits of the written records and audio recordings of the interviews, classifies these as items that must receive attention in each unit's self-audits, and the O-Bank Auditing Department conducts reviews of the self-audits in compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" to ensure that service counter personnel properly show concern for walk-in customers to prevent them from falling victim to scam operations.

To enhance the prevention of fraudulent accounts and implement an integrated defense mechanism for flagged accounts, O-Bank has established the following fraud risk control framework and anti-fraud alert measures:

1. Strengthened account opening review procedures.
2. Enhanced customer due diligence mechanisms.
3. Implementation of a real-time name screening system.
4. Establishment of a collaborative alert mechanism for suspicious accounts.
5. Regular reviews and counter-fraud care mechanisms at branches based on AML customer risk ratings.
6. Deployment of a "Suspicious Offshore Fraud Account Alert System" that notifies service counter personnel must take the initiative to show concern and ask probing questions to the customers during international wire transfers.
7. Periodic review of customer transaction patterns to add or adjust transaction monitoring scenarios as needed.
8. Participation in the Financial Information Service Co., Ltd. (FISC)'s "Designated Beneficiary Account Grey List Notification Platform" to enhance detection of fraudulent accounts.

9. Integration with the National Police Agency's advisory list system to manage access to ATMs and online banking services for listed customers.
10. Membership in the "Fraud Detection Alliance," incorporating AI-based fraud detection modules to improve early warning capabilities for flagged accounts and strengthen anti-fraud operations.

The Bank provides monthly anti-fraud case training for front-line branch personnel to improve their awareness of emerging scam tactics. Employees involved in anti-fraud operations also participate in external training programs from time to time to enhance their professional knowledge. To encourage proactive fraud prevention, the Bank has implemented a "Fraud Prevention Incentive Program," which rewards employees who identify and prevent fraudulent transactions that protect the Bank or its customers from loss. Eligible employees may receive commendations or merit awards. In 2024, O-Bank successfully intervened in 38 suspected fraud cases at the counter, including attempts to open fraudulent accounts, set up designated beneficiary accounts, and remit funds. Among these, 15 cases involved successfully blocking customer remittances, thereby preventing financial losses. The total amount of fraud successfully prevented was NT\$7.83 million.

In addition, with respect to loan applicants, O-Bank's "Management Rules for Air Loan Officers" and "Management Rules for Loan Officers" require loan officers to ask appropriate questions to prevent customers from falling victim to scam operations, and require sales personnel to use a Know-Your-Customer (KYC) checklist of questions to understand how a customer intends to use loan proceeds, and to ask the customer "whether they are applying for the loan via an agent" and "whether they have paid any processing fee to any party other than O-Bank." At the same time, to prevent loan application frauds from occurring, O-Bank again reminds customers not to apply for a loan via a loan application agent, and that O-Bank does not charge any processing fees of any sort up front. O-Bank conducts monthly audits of audio recordings of business staff and customers, and if any improprieties are discovered the staff member will be required to fill out a form. The manner in which the problem has been addressed will be classified as an item that must receive attention in each unit's self-audits, and the O-Bank Auditing Department conducts reviews of the self-audits in compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" to ensure that service counter personnel properly show concern for walk-in customers to prevent them from falling victim to scam operations.

To maintain the confidentiality of customers' personal information, O-Bank only collects the personal information of customers that we need in order to provide the services requested, takes care to ensure that personal information in our possession is well managed and protected, and only provides it to be used for the purposes and within the scope originally stated by the organizer of an activity. O-Bank is not allowed to provide customer's personal information to any third party or use it for any other purpose unless we have provided prior explanation and obtained the customer's consent. In addition, O-Bank requires any third party with which it shares a customer's personal information to act in compliance with the "Personal Data Protection Act" and O-Bank's own rules on personal information. These measures ensure that such information is fully protected during the process of transmission. In 2024, O-Bank had roughly 394,897 accounts from which the data could be used (with customer consent) for re-sale purposes.

O-Bank uses a Security Socket Layer (SSL) to encrypt and transmit data, has a firewall to prevent cyber attacks, uses passwords ranging from 6 to 20 digits in length, and stores passwords in encrypted form to prevent them from being stolen. Acting on the basis of the highest information protection standards, O-Bank uses a combination of physical, electronic, and process management protective measures to protect non-public personal information collected by O-Bank. By rigorously controlling the security of customers' transactions and information, O-Bank in 2024 avoided any leaks of customer information or violations of customer privacy, and we did not receive any related complaints.

To ensure the security of customers' transactions and information, O-Bank has adopted the following security control mechanisms for our e-banking operations:

- (1) Security certification: O-Bank employs multi-factor authentication (including usernames, passwords, and CAPTCHA tests) to reduce the likelihood of customers' password-protected accounts from being broken into.
- (2) Secure transmission: O-Bank uses the highest SSL/Transport Layer Security (TLS) certificate available to ensure data secrecy and integrity.
- (3) Electronic signatures: A customer provides an electronic signature when authorizing a transaction. This approach safeguards the interests of both parties and provides assurance of non-repudiation.
- (4) Device binding: Device binding provides an additional authentication factor to ensure that a transaction is being conducted by the actual customer, and thus improve transaction security.
- (5) Biometrics: Using the fingerprint or facial identification functions of their mobile devices, O-Bank customers can log in and carry out transactions with enhanced security and convenience.
- (6) Phishing detection: An anti-phishing system searches for fake O-Bank websites or apps and takes them offline to protect the security of consumers.

5. Employee Care



O-Bank acts on our corporate culture of "always sincere, always here" to create a happy workplace that is safe, fair, and friendly. O-Bank firmly believes that only happy employees can provide services that will be satisfactory to customers, and then go on from there to achieve strong business results and drive sustainable growth. Through a set of outstanding human resources policies, O-Bank has created a work environment where employees enjoy peace of mind, has built a comprehensive professional development system and open channels of communication, offers competitive compensation and benefits, and cares in a concrete way for the balanced development of employees by addressing the three aspects of "recruiting talent," "developing talent," and "retaining talent."

5.1 Employee Composition and Promotion of a Friendly Work Environment

5.1.1 Diverse Hiring

As of the end of 2024, O-Bank had 1,126 employees in the Taiwan region and 116 employees overseas, making for a total of 1,242 employees (in response to market strategies and expansion of operational development needs, up by 4.72% from the previous year), including 185 persons in management and 1,057 rank-and-file personnel. The composition of O-Bank employees by gender, age, position, level of education, employment type, and nationality is shown in Tables 5-1, 5-2, 5-3, and 5-4. In addition, at all business locations both in Taiwan and overseas, O-Bank puts top priority on local hiring. In Taiwan, 99.73% of all employees are local hires, including 99.16% of junior management and 100% of both senior management and executive management (Note 5-1). Overseas, 93.10% of all employees are local hires, including 85.71% of junior management. The two senior management and executive management positions are not local hires.

In response to needs generated by the development of digital financial services, O-Bank continued to recruit financial professionals in 2024. As a result, newly hired employees accounted for 25.13% of all O-Bank employees as of year-end 2024 (for further information, see Table 5-5). Because of the rapid development of financial technology and shifting needs in the job market in recent years, O-Bank's voluntary turnover rate was 18.03%, involuntary turnover rate was 1.05%, and overall turnover rate was 19.08%. Details of O-Bank's employee turnover in 2024 are shown in Table 5-6.

In response to digital finance developmental trends, O-Bank makes active use of multiple channels to recruit digital financial professionals from all different specialties who can make O-Bank a stronger competitor. O-Bank uses social media to build up our digital image and attract the younger generations to seek employment at O-Bank. In addition, because sustainable finance has come to take on increasing importance in recent years, O-Bank continues to recruit people with relevant experience who can come in and help us implement sustainability and green finance undertakings, and in the future will be able to help companies to pursue sustainable development.

Note 5-1: The term "junior management position" refers to a department deputy head, a managerial officer of a domestic bank branch, or a head of a section or team; the term "senior management position" refers to a head of a center, the head of a department-level unit, or a district supervisor; the term "executive management position" refers to the President, the head of a division-level unit, the Secretary General of the Board, and the Chief Auditor.

Table 5-1: Composition of O-Bank Employees by Gender, Age, Position, and Work Location in 2024

Location/Position		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Age	Management	Rank-and-File	Management	Rank-and-File		
Male	Age 50 or older	62	78	3	20	163	13.12%
	Age 31~49	41	306	2	27	376	30.27%
	Age 30 or younger	0	107	0	8	115	9.26%
	Subtotal	103	491	5	55	654	52.66%
Female	Age 50 or older	41	65	3	14	123	9.90%
	Age 31~49	32	290	1	32	355	28.58%
	Age 30 or younger	0	104	0	6	110	8.86%
	Subtotal	73	459	4	52	588	47.34%
Total		176	950	9	107	1,242	100%
Share of All Employees (%)		14.17%	76.49%	0.72%	8.62%		

Note: The above figures are current as of December 31, 2024, and only include regular full-time employees, of whom there are 1,242. O-Bank also has 16 part-time employees (see Table 5-2), accounting for 1.27% of all O-Bank personnel. The term "management" above refers to personnel holding a management-level position, i.e., section head or higher.

Table 5-2: O-Bank Employees in 2024 by Employment Type, Gender, and Employment Location

Location/Gender		Taiwan	Overseas
Male	Permanent employees	594	60
	Temporary employees	7	0
	Non-guaranteed hours employees	0	0
	Full-time employees	594	60
	Part-time employees	7	0
Female	Permanent employees	532	56
	Temporary employees	9	0
	Non-guaranteed hours employees	0	0
	Full-time employees	532	56
	Part-time employees	9	0

Note 1: The above figures are current as of December 31, 2024.

Note 2: Temporary part-time personnel are blind massage workers or persons who provide office support services.

Note 3: As of December 31, 2024, O-Bank engaged a total of 32 dispatched workers who were not O-Bank employees (21 men and 11 women), accounting for 2.48% of all personnel (including full-time employees, temporary employees, and dispatched workers). All of these individuals worked in Taiwan and were employed by either the person in charge of managing O-Bank's headquarters building, Royal Human Resources Management Inc., or Core Asia Human Resources Management Co., Ltd. Their duties included security, cleaning, central control room operations, and driving. At our overseas business locations there were no person working for O-Bank who were not O-Bank employees. Compared with 2023, the number of non-employee personnel decreased by two.

Table 5-3: Composition of O-Bank Employees by Level of Education in 2024

Location/Position		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Education	Management	Rank-and-File	Management	Rank-and-File		
Male	Ph.D.	1	2	0	0	3	0.24%
	Master's degree	59	138	5	9	211	16.99%
	Bachelor's (or junior college) degree	41	326	0	39	406	32.69%
	High school or lower	2	25	0	7	34	2.74%
Female	Ph.D.	0	0	0	0	0	0%
	Master's degree	31	99	1	5	136	10.95%
	Bachelor's (or junior college) degree	42	338	3	33	416	33.49%
	High school or lower	0	22	0	14	36	2.90%
Total		176	950	9	107	1,242	100%

Note: The above figures are current as of December 31, 2024. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-4: Composition of O-Bank Employees in 2024 by Nationality

Region of Employment	Taiwan				Overseas				Total	Share of All Employees (%)
Nationality	Executive Management	Senior Management	Junior Management	Rank-and-File	Executive Management	Senior Management	Junior Management	Rank-and-File		
Taiwan	10	47	118	948	1	1	1	5	1,131	91.06%
China (including Hong Kong)	0	0	0	0	0	0	6	102	108	8.70%
Malaysia	0	0	1	1	0	0	0	0	2	0.16%
Singapore	0	0	0	1	0	0	0	0	1	0.08%
Total	1,126				116				1,242	100%
Local Hiring Rate (%)	99.73%				93.10%					

Note: The above figures are current as of December 31, 2024.

Table 5-5: New Hires at O-Bank in 2024

Location/Position		Taiwan		Overseas		Total	Share of Employees by Category (%)	As a Percentage of Total Employees (%)
Gender	Age	Management	Rank-and-File	Management	Rank-and-File			
Male	Age 50 or older	4	12	1	2	19	11.66%	1.53%
	Age 31~49	8	76	0	4	88	23.40%	7.09%
	Age 30 or younger	0	52	0	7	59	51.30%	4.75%
	Subtotal	12	140	1	13	166	25.38%	13.37%
Female	Age 50 or older	3	9	0	2	14	11.38%	1.13%
	Age 31~49	5	75	0	13	93	26.20%	7.49%
	Age 30 or younger	0	36	0	3	39	35.45%	3.14%
	Subtotal	8	120	0	18	146	24.83%	11.76%
Total		20	260	1	31	312	25.13%	
		280		32				
Share of All New Hires (%)		89.74%		10.26%				

Note: The above figures are current as of December 31, 2024. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-6: Turnover at O-Bank in 2024

Location/Position		Taiwan		Overseas		Total	Share of Employees by Category (%)	As a percentage of Total Employees (%)
Gender	Age	Management	Rank-and-File	Management	Rank-and-File			
Male	Age 50 or older	7	18	0	3	28	17.18%	2.25%
	Age 31~49	4	57	0	3	64	17.02%	5.15%
	Age 30 or younger	0	29	0	1	30	26.09%	2.42%
	Subtotal	11	104	0	7	122	18.65%	9.82%
Female	Age 50 or older	3	17	0	1	21	17.07%	1.69%
	Age 31~49	3	57	0	10	70	19.72%	5.64%
	Age 30 or younger	0	21	0	3	24	21.82%	1.93%
	Subtotal	6	95	0	14	115	19.56%	9.26%
Total		17	199	0	21	237	19.08%	
		216		21				
Share of All Turnover Employees (%)		91.14%		8.86%				

Note: The above figures are current as of December 31, 2024. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

5.1.2 Workplace Equality

All O-Bank business locations both at Taiwan and overseas abide by local laws and regulations, comply with labor legislation, and treat our employees in a manner consistent with the principles of fairness, tolerance, and respect. We strive to create a zero discrimination, zero harassment work environment where no one receives unequal treatment due to gender, age, marital status, sexual orientation, ethnicity, religion, political position, or nationality. We also recruit employees using an open selection process, and are committed to ensuring equal employment opportunities for every employee. In addition, acting in accordance with international human rights regulations (such as the "UN Universal Declaration of Human Rights," the "UN Global Compact," the "ILO Conventions," the "UN Guiding Principles on Business and Human Rights," the ILO "Declaration of Fundamental Principles and Rights at Work," and the ILO's core labour standards), O-Bank has adopted the "O-Bank Co., Ltd. Human Rights Policy," which was approved by the Bank's Chairman and establishes appropriate management methods and procedures to ensure equal rights. Information on the state of O-Bank's implementation of ILO's core labour standards in 2024 is set out in Table 5-7. In order to safeguard employee rights and interests, O-Bank does not employ child labor under 16 or involuntary labor, prohibits discrimination and inhumane treatment, and ensures that violations do not take place.



《O-Bank Co., Ltd.
Human Rights Policy》

Table 5-7: Management Programs Related to the ILO's Core Labour Standards, and the State of O-Bank's Implementation Thereof in 2024

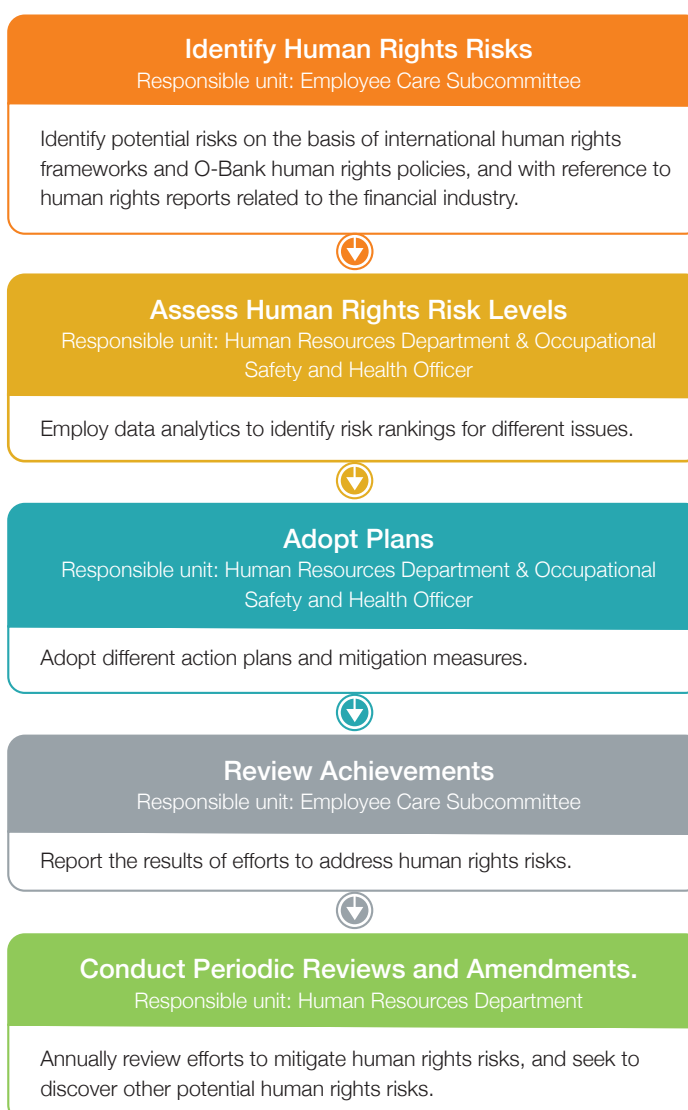
ILO's Core Labour Standards	Management Programs	State of Implementation in 2024
<ul style="list-style-type: none"> Forced Labour Convention Repeal of the Forced Labour Convention 	The "O-Bank Co., Ltd. Human Rights Policy" prohibits forced labor.	There is no record of forced labor at O-Bank.
<ul style="list-style-type: none"> Freedom of Association and Protection of the Right to Organise Convention Right to Organise and Collective Bargaining Convention 	<ol style="list-style-type: none"> The "O-Bank Co., Ltd. Human Rights Policy" supports the right of employees to organize and engage in collective bargaining, and respects the right of employees to form and join various types of organizations and legally recognized unions. O-Bank regularly holds labor-management meetings to discuss labor safeguards set out in labor legislation. 	O-Bank held five labor-management meetings in 2024 (including one at an overseas branch) to discuss labor safeguards set out in labor legislation. Examples include proposed increases in the number of days of maternity leave, paternity leave, and bereavement leave for spouses. After a resolution is approved at a labor-management meeting, it is incorporated into the O-Bank Work Rules and announced to all employees.
Equal Remuneration Convention	The "O-Bank Co., Ltd. Human Rights Policy" supports the principle of equal pay for equal work. In paying compensation to its employees, O-Bank does not discriminate on the basis of gender, sexual orientation, or other such factors.	<ol style="list-style-type: none"> Supports the principle of equal pay for equal work and in paying compensation to its employees, O-Bank promises does not discriminate on the basis of gender. O-Bank has adopted a Gender Pay Equality Program which involves annual reviews of the reasonableness of employee compensation. At the time of annual pay adjustments – taking such factors as national or regional location, job function, and job duties into account – O-Bank examines fixed female/male pay differences at business locations around the world, identifies job duties for which the required abilities are similar or the same and then classifies them as categories within which female and male co-workers should enjoy fair compensation. O-Bank works to narrow gender-based compensation gaps within these categories each year.

ILO's Core Labour Standards	Management Programs	State of Implementation in 2024
Against Discrimination (Employment and Occupation) Convention	<ol style="list-style-type: none"> 1. The "O-Bank Co., Ltd. Human Rights Policy" respects human rights in the workplace and prohibits differential treatment or any form of discrimination, and the President supervises the implementation of our workplace diversity-related plans. 2. Where an employment discrimination complaint is found upon investigation to have merit, O-Bank helps to uphold the rights and interests of the person who has suffered discrimination and provide psychological counseling resources, and acting in line with the O-Bank Rules for Employee Recognition and Discipline, we also discipline persons who have engaged in discriminatory behavior. 	<ol style="list-style-type: none"> 1. Held "Diversity and Inclusion Month" in October 2024. Through activities such as an international market fair, O-Bank guided employees to engage with issues related to new immigrants and promoted multicultural exchange, fostering a friendly, zero-discrimination workplace. 2. There were no recorded instances of employment or occupational discrimination.
Minimum Age Convention	<ol style="list-style-type: none"> 1. The "O-Bank Human Rights Policy" prohibits the employment of child labor under 16. 2. If a person under 16 years of age has deliberately concealed their age and identity while seeking employment, their employment shall be terminated in accordance with the Labor Standards Act. 	There were no recorded instances of the employment of child labor.

The O-Bank ESG Development Working Committee's Employee Care Subcommittee each year, acting with reference to international human rights frameworks and the human rights reports of financial institutions, assesses human rights risks that O-Bank employees could possibly face. Our Human Resources Department then uses human resources data to determine the likelihood of occurrence of various risks, sets management targets, and on the basis of such determinations establishes mitigation and compensation measures to reduce the harm and impact that related human rights risks cause to employees. Further details on the O-Bank procedure for identifying human rights risks are set out in Fig. 5-1, while assessment results and the particulars of mitigation and compensation measures are set out in Table 5-8. In 2024, a total of 30 employees (2.42% of all employees) were identified with a likelihood of various risks occurring, and we have carried out mitigation and compensation measures in each of their cases.

To instill in all employees a deeper awareness of basic human rights issues, all full- and part-time employees at all O-Bank business locations worldwide

Fig. 5-1: Procedure for Identifying Human Rights Risks



are required to attend at least one hour of human rights education and training activities each year. Topics include sexual harassment, equal rights, personal data protection, standing up against workplace violence, and cultural education. In 2024, the completion rate of all new and current employees' human rights education and training requirements reached 100%, and total annual training hours amounted to 6,824.68 hours. In addition, education and training on human rights policies were also conducted for contracted security personnel, with a completion rate of 100%.

Table 5-8: Assessment of Human Rights Risks & Related Mitigation or Compensation Measures

Risks	Affected Parties	Indicator	Risk in 2024	Risk Assessment Result	Mitigation Measures	Compensation Measures
Employment discrimination	Job seekers and employees	Number of cases involved in cases deemed "employment discrimination" by the competent authority as % of total employees	0%	Low risk	<ul style="list-style-type: none"> The "Human Rights Policy" requires workplace diversity, and prohibits unequal treatment or any form of discrimination based on gender, sexual orientation, ethnicity, skin color, social class, age, marital status, linguistic background, ideology, religion, party affiliation, nationality, facial features, or disability status. 	<ul style="list-style-type: none"> Where an employment discrimination complaint is found upon investigation to have merit, O-Bank helps to uphold the rights and interests of the person who has suffered discrimination and provide psychological counseling resources, and acting in line with the O-Bank Rules for Employee Recognition and Discipline, we also discipline persons who have engaged in discriminatory behavior. No employment discrimination cases took place in 2024.
Diversity, tolerance, and equality	Job seekers and persons with disabilities	Shortfall in employment of the legally required number of persons with disabilities as % of number of employees enrolled in labor insurance	0%	Low risk	<ul style="list-style-type: none"> Built a barrier-free workplace. Set up special website sections for recruiting persons with disabilities. Each unit is required to hire a sufficient number of persons with disabilities to meet legal requirements. 	<ul style="list-style-type: none"> In 2024, hired 17 persons with disabilities, thus meeting the required percentage. If for any reason it is not possible to hire a sufficient number of persons with disabilities, O-Bank must pay to the competent authority for labor matters a compensatory charge for the hiring shortfall.
Sexual harassment	All employees	Number of sexual harassment cases filed and persons involved as % of total employees	0%	Low risk	<ul style="list-style-type: none"> Based on work characteristics and employee needs, provided safe work environments to prevent workplace harassment. Incorporated sexual harassment prevention coursework into mandatory courses for newly hired employees. Launched online courses such as "Workplace Sexual Harassment Prevention Training" to improve the ability of supervisors to handle workplace bullying and harassment. The course completion rate among all supervisors was 100%. 	<ul style="list-style-type: none"> Adopted a set of "Measures for Prevention of Sexual Harassment and Investigation/ Handling of Complaints" and "Guidelines for Sexual Harassment Prevention, Complaints, and Discipline"; set up a Mailbox for Sexual Harassment Complaints and a mechanism for independent investigations. No sexual harassment complaints were reported in 2024.

Risks	Affected Parties	Indicator	Risk in 2024	Risk Assessment Result	Mitigation Measures	Compensation Measures
Excessive working hours	All employees	Number of persons reporting more than three times which exceed 40 hrs overtime per month in a year as % of total employees	1.61%	Low risk	<ul style="list-style-type: none"> Adopted the "O-Bank Rules for Management of Employee Overtime" as a guideline for managing excessive working hours, with clear limits set on the number of working hours per day and per month, in order to strictly control total employee working hours. If an employee's monthly work hours and overtime applications exceed legal limits, the Bank's attendance system will issue a warning to reduce overtime situations. The Bank's Human Resources Department compiles overtime statistics by unit each month and reports them to heads of division-level units to help monitor and provide care for employees working overtime. Direct supervisors are responsible for overseeing employee overtime and should periodically review workloads and allocate tasks reasonably to prevent workload concentration. Supervisors should remind employees to leave the workplace once their tasks have reached a natural stopping point and there are no urgent matters requiring same-day completion, in order to support a healthy work-life balance. 	<ul style="list-style-type: none"> O-Bank has adopted the "O-Bank Rules for Management of Employee Overtime," which set forth the standards for overtime pay and the conversion of excess working hours into compensatory leave. Employees who work beyond regular hours may apply for overtime pay or compensatory leave in accordance with these rules. If overtime is not applied for, the attendance system will automatically send a reminder email; if no application is made within a specified period, the system will notify the direct supervisor to ensure overtime is reported. Each month, the attendance system automatically calculates overtime pay or compensatory leave hours based on submitted overtime applications; employees can view their details in the system to understand their overtime and confirm they received remuneration.

Risks	Affected Parties	Indicator	Risk in 2024	Risk Assessment Result	Mitigation Measures	Compensation Measures
Workplace health	All employees	Number of job adjustments as % of workplace accidents and hospitalizations	0%	Low risk	<ul style="list-style-type: none"> O-Bank arranges employee health examinations each year. The list checks performed are more extensive than what is required by law, and necessary follow-ups are conducted. O-Bank has a special health section on our website, which continues to provide information on the pandemic and health issues in general. 	<ul style="list-style-type: none"> Arrange for massage therapists to work onsite at the Bank (the headquarters building, the customer service center, the data center, and the Taichung Branch) to provide employees with shoulder, neck, and back massages on appointment. Arranged for doctors to meet one-on-one with employees to explain the results of medical examinations, and to provide suggestions on how to maintain or improve health.
	Female employees	Number of job adjustments as % of pregnant female employees	0%	Low risk	<ul style="list-style-type: none"> For any female employee who applies each month for prenatal leave, O-Bank evaluates her physical and mental condition as well as workload during pregnancy and for one year postpartum. 	<ul style="list-style-type: none"> Workplace nurses and occupational safety and health officers use a "Self-Assessment Form for Female Employees Who Are Pregnant or Within Their First Postpartum Year" to assess their risk grades, so that on-site physicians can provide suggestions. There was no instance in 2024 in which a female employee's pregnancy made a job adjustment necessary.
Workplace safety	All employees	Number of workplace accidents & deaths as % of total employees	0.81%	Low risk	<ul style="list-style-type: none"> Adopted a set of "Working Rules for Occupational Safety and Health," which set out health standards and matters requiring attention in the workplace. Conducts occupational safety and health training every year. 	<ul style="list-style-type: none"> O-Bank's internal work rules prescribe procedures for the handling of workplace accidents and the provision of compensation. Depending on the nature of an employee's injury or illness, the Bank provides compensation for medical expenses, disability, or death that exceeds statutory requirements. There were no severe occupational injuries or fatalities in 2024.
	Temporary staff dispatched by outside employment agencies	Number of employees involved in workplace safety incidents as % of temp staff	0%	Low risk	<ul style="list-style-type: none"> Confirmed that cooperating temp agencies have all adopted a set of Working Rules for Occupational Safety. 	<ul style="list-style-type: none"> There were no workplace safety incidents involving temp staff in 2024.
Child labor	Job seekers	Number of child laborers as % of total employees	0%	Low risk	<ul style="list-style-type: none"> The "O-Bank Human Rights Policy" prohibits the employment of child labor under 16. Properly checked ID documents of new personnel during recruitment and reporting-in phases. 	<ul style="list-style-type: none"> If a person under 16 years of age has deliberately concealed their age and identity while seeking employment, their employment shall be terminated in accordance with the Labor Standards Act. No child labor was employed in 2024.

Risks	Affected Parties	Indicator	Risk in 2024	Risk Assessment Result	Mitigation Measures	Compensation Measures
Labor-management relations	All employees	Number of persons involved in labor disputes as % of total employees	0%	Low risk	<ul style="list-style-type: none"> In accordance with labor legislation, O-Bank periodically holds labor-management meetings, with employee representatives elected by the workforce. To safeguard employee rights and ensure smooth communication, O-Bank has established a Mailbox for Employee Complaints and holds an annual Employee Satisfaction Survey. O-Bank regularly holds a "WeCare 2.0+" activity to create opportunities for interaction between employees and executive management. 	<ul style="list-style-type: none"> When an employee's complaint is found to be legally compliant and reasonable, O-Bank launches an internal investigation to work out a solution. The share of complaints involving labor-management disputes in 2024 was 0%.
Privacy	All employees	Instances of misuse of personal data as % of number of employees	0%	Low risk	<ul style="list-style-type: none"> O-Bank holds regular training courses on personal data protection each year. In 2024, the completion rate of all employees' human rights education and training requirements reached 100%. Acting in accordance with the O-Bank "Personal Information Management Policy," we inform customers of our purpose in collecting their personal information and the range of uses to which it may be put, and we pay balanced attention to management requirements and the need to protect employee privacy. 	<ul style="list-style-type: none"> Where a complaint regarding improper use of personal data is found upon investigation to have merit, O-Bank helps to maintain the rights and interests of the aggrieved party or parties and, acting in line with the O-Bank Rules for Employee Recognition and Discipline, we also discipline persons who have improperly used personal data. No incidents involving improper use of personal data occurred in 2024.

Note 1: Human rights risk level % = Number of employees identified as being at risk / total number of employees (or number of employees relevant to the issue)

Note 2: The figures in this table cover all employees in Taiwan and overseas business locations. The coverage ratio of the human rights assessment was 100%.

Note 3: Risk ratings are set by legislation or comparing yearly average data on the basis of employee self-evaluation questionnaires.

Note 4: A total of ten business locations implemented mitigation plans, including four in Taipei (the Head Office; Asia-Pacific Trade Center Building; First International Computer Building; Nanjing Fuxing Branch) plus the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, the Tainan Region Business Department, and the Hong Kong Branch.

O-Bank attaches great importance to gender equality. In addition to setting a goal of having women account for 48% of all employees by 2025, the Bank has also set a target of having women account for more than 42% of all management personnel. The ratio of male to female employees in 2024 was 52.66% to 47.34%, meaning that women have accounted for nearly half of all employees for ten consecutive years; also, as of the end of 2024, the average seniority was 4.67 years among female employees and 4.43 years among male employees. Within management ranks, women accounted for 41.62% of all management personnel, including 46.03% of junior management, 29.17% of middle management, and 45.45% of executive management. The number of women in management positions at O-Bank in 2024,

and their share of the total, are indicated in Table 5-9. Women accounted for 55.17% of all promotions in 2024, demonstrating that O-Bank provides fair opportunities for gender-neutral competition and career development. Women accounted for 33.33% of supervisors in business units, and 22.22% of supervisors in STEM-related positions.

Table 5-9: Number of Women in Management Positions in 2024, and Their Share of the Total

Unit: number of people; share

	Executive Management		Senior Management		Junior Management	
Females	5	45.45%	14	29.17%	58	46.03%
Males	6	54.55%	34	70.83%	68	53.97%
Total	11	100%	48	100%	126	100%

To create a work environment characterized by gender equality and respect, O-Bank has adopted the "Measures for Prevention of Sexual Harassment and Investigation/Handling of Complaints" and the "Guidelines for Sexual Harassment Prevention, Complaints, and Discipline." These measures and guidelines explicitly prohibit any acts of gender harassment, discrimination, or intimidation, and establish a mechanism for investigation and handling of sexual harassment. After receiving a sexual harassment complaint, O-Bank is required to decide within seven working days whether to consider the complaint. If the complaint is accepted, an ad hoc team will be formed to conduct an investigation, which must be concluded within two months. If necessary, the investigation period may be extended by one month, in which case the parties involved must be notified. No sexual harassment complaints were filed in 2024. O-Bank also includes gender equality, prevention of sexual harassment, and concern for disadvantaged groups among the required subjects in new employee training. In 2024, a total of 294 employees (those who passed probation) were required to complete the training, and the completion rate was 100%. In addition, O-Bank offered online training courses for all supervisors on topics such as "Workplace Sexual Harassment Prevention Training" to enhance their ability to handle workplace bullying and harassment. All supervisors completed the training, for a completion rate of 100%. To further promote gender equality, O-Bank since 2018 has implemented employee-friendly workplace policies that are neutral with respect to sexual orientation. All employees receive the same benefits and entitlements, and O-Bank has taken a lead in the industry by granting employees with same-sex spouses the same types of marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and various other benefits funded by the Employee Benefits Committee. O-Bank is doing everything we can to build a friendly workplace and achieve diversity and equality. O-Bank seeks to create a gender-equal work environment, and in 2022 won the Taipei City Workplace Gender Equality Certification Gold Award (remains valid until December 2024).



Gold Award Certification

In addition, O-Bank in 2022 established a "Women's Empowerment Group" that has held a wide range of experiential activities. These include inviting co-workers to view videos that promote diversity and inclusion, organizing movie viewing and discussion events, holding cross-generational workplace communication lectures, and co-hosting mindfulness and counseling workshops in cooperation with Woman Power. These undertakings help employees discover their strengths, clarify their personal positioning, and create diverse opportunities for development and self-expression.

O-Bank promotes workplace diversity and inclusion through various initiatives to create a diverse and equitable work environment. These initiatives include: respecting employees' freedom of religious beliefs and organizing religious and cultural awareness activities to foster respect for different religious traditions; organizing inter-generational communication seminars to promote dialogue and exchange among employees of different age groups; strengthening promotion of the company's procedures for hiring foreign employees; organizing cross-cultural sharing events to eliminate barriers to employing staff of different nationalities; and incorporating cultural education topics into mandatory training for both current and newly hired employees. In 2024, the rate of reported incidents of cultural discrimination was 0%. At the same time, for employees of indigenous background, in addition to providing equal pay and benefits, O-Bank also offers "ritual and festival leave for indigenous people," allowing them to take one day off during the ritual period of their respective ethnic group, in recognition of their cultural traditions. As of year-end 2024, O-Bank had four indigenous employees in Taiwan. All held non-managerial positions, accounted for 0.36% of employees in Taiwan, and no incidents occurred that infringed upon their rights. In addition, O-Bank has installed a wide range of barrier-free facilities for employees with physical or mental disabilities, such as outdoor access ramps and handrails, indoor accessible corridors, elevators, and accessible restrooms, providing a comfortable working environment. As of the end of 2024, O-Bank had 17 employees with physical or mental disabilities at its global locations. One of these employees held a managerial position, and all worked in Taiwan. They accounted for 1.37% of the total workforce, in compliance with statutory requirements for employing persons with disabilities (see Table 5-10).

Table 5-10: Overview of O-Bank's Employment of Persons with Physical and Mental Disabilities, 2022~2024

	Gender	2024	2023	2022
Number of Employees with Disabilities	Male	5	0	0
	Female	12	7	7
	Total	17	7	7

Note: In accordance with the People with Disabilities Rights Protection Act, private enterprises with 67 or more employees at a single location are legally required to employ a certain proportion of persons with disabilities. At O-Bank, two business locations meet this threshold: the headquarters (with 861 employees covered by labor insurance in 2024, including 13 employees with disabilities) and the Taichung Branch (with 69 employees covered by labor insurance in 2024, including four employees with disabilities). Both locations comply with the regulatory requirement that the number of employees with disabilities must account for at least 1% of the total number of employees enrolled in labor insurance.

Also, in the event of a material operational change, or if any of the situations set out in Articles 11, 13, and 16 of the "Labor Standards Act" arises, O-Bank will first communicate with employees in order to safeguard their rights and interests, and if such a situation involves the termination of a labor contract, will observe the minimum period of advance notice (as set out in the "O-Bank Work Rules") in providing employees with advance notification. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance; where a worker has worked continuously for more than one year but less than three years, the notice shall be given 20 days in advance; where a worker has worked continuously for more than three years, the notice shall be given 30 days in advance. In addition to providing severance pay and two days of paid leave per week for job searching in accordance with the Labor Standards Act, O-Bank's Human Resources Division also offers career development consulting services. These include resume revision advice, interview coaching, and referrals to recruitment agencies, all aimed at supporting employees in their career transitions and enhancing their employability. In 2024, O-Bank recorded a 0% incidence rate of labor disputes arising from employment terminations, with no related labor dispute cases occurring.

5.1.3 Working Environment and Healthcare

1. Workplace Safety and Protection of the Personal Safety of Employees

To create a healthy and safe work environment, O-Bank's Board approved the adoption of an "Occupational Safety and Health Policy." The policy establishes quantified management targets and sets implementation priorities in the following order: zero workplace injuries, 100% compliance with occupational safety and health regulations, and keeping the number of workplace environment-related complaints submitted to the employee complaint mailbox below 2% of total complaints. To achieve these goals, O-Bank has developed a corresponding action plan that includes: conducting a self-audit of compliance with occupational safety and health regulations every six months; providing all employees with three hours of occupational safety and health training annually; installing speed bumps on the motorcycle lane at headquarters building; adding turning platforms to the accessible ramps at headquarters building; conducting a health promotion activity every six months; carrying out health awareness campaigns every two months; and monitoring air quality and lighting levels in the work environment every six months. The implementation of O-Bank's workplace and employee safety protection measures in 2024 is detailed in Table 5-11.

Table 5-11: Measures for Protection of O-Bank Workplace Safety and Personal Safety of Employees in 2024, and the State of Their Implementation

Item	State of Implementation
Self-audit on our compliance with occupational safety and health legislation	Self-audit completed in July 2024.
Occupational safety and health training	A total of four training sessions were held in May, June, and December 2024, with total attendance reaching 1,614. Nine employees obtained first-aid certificates.
Fire preparedness team drills	The team carried out two drills in April and October 2024, attracting a total participation of 107.
Conduct health promotion activities	Held six health promotion activities in 2024.
Carry out health awareness events	Carried out six health awareness events in 2024.
Carry out work environment air quality and illuminance testing	Carried out two work environment air quality and illuminance tests in April and December in 2024.
Access control for fire escapes that lead to office space	This system was installed in January 2024.
Safety net installed on rooftop generator room fans; horizontal bars added to ladders at headquarters building	Work completed in January 2024.
Motorcycle speed bumps added to headquarters building driveway	Work completed in January 2024.
Escape stair railings on headquarters building rooftop raised and fall-prevention nets installed	Work completed in May 2024.
Turning platform added to first-floor accessible ramp at headquarters building; platform ends and handrails improved	Work completed in June 2024.
Handrails added to accessible urinal in headquarters building first-floor men's restroom; help bell and alarm added to accessible restroom	Work completed in June 2024.
Handrails added to first-floor staircase at headquarters building	Work completed in October 2024.

O-Bank is implementing a PDCA (Plan, Do, Check, Act) management cycle on the basis of an ISO 45001-compliant management system for occupational health and safety, systematically promoting occupational safety maintenance work in the areas of identification of risks, formulation of policies, preparation of action plans, implementation of internal audits, and ongoing pursuit of corrective actions. Through these actions O-Bank seeks to ensure achievement of all occupational health and safety management goals, and pledges to continue improving our occupational safety management system. We obtained third-party ISO 45001:2018 certification in 2023 (valid through August 2026) and passed the 2024 annual surveillance audit in July. The certification covers the O-Bank headquarters building, where 574 employees work, accounting for 46.07% of all O-Bank employees. In 2024, O-Bank identified occupational health and safety risks in the following order: health examination abnormalities, musculoskeletal pain, exceptional workload, workplace safety, maternity protection, and prevention of wrongful harm during the execution of job duties. O-Bank has drawn up mitigation and preventive protection measures, and has adopted quantitative targets for monitoring purposes. See Table 5-12.



Certificate of passing the 2024 annual surveillance audit for ISO 45001:2018



Taipei City Department of Health certification for exemplary breastfeeding room (valid through August 2025)

Table 5-12: 2024 Assessment of O-Bank Occupational Health and Safety Risk Issues

Order of Rank	Risks	Degree of Impact	Risk Mitigation and Prevention Measures	2024 Targets	2024 Target Achievement and Implementation
1	Health examination abnormalities	High risk	<ul style="list-style-type: none"> O-Bank arranges employee health examinations each year. The list checks performed are more extensive than what is required by law, and necessary follow-ups are conducted. Hold health lectures and courses on posture management. Issue a health publication to familiarize employees with related knowledge. Order healthy boxed lunches for employees and partially subsidize the cost. 	<ul style="list-style-type: none"> Employee health check coverage rate reached 90%. At least four one-on-one physician consultation sessions were arranged to explain health reports and provide employees with health advice. Hold at least four health lectures. Issue a health publication every other month. Order healthy boxed lunches for employees once per month and partially subsidize the cost. 	<ul style="list-style-type: none"> Employee health examination participation rate in 2024 was 90%. Six on-site physician consultations arranged, with 33 employees participating in total. Held four health lectures focusing on the following topics: principles of low-GI dieting, cancer prevention, stress-relief massage, and understanding health examination reports. Has issued a health publication in February, April, June, August, October, and December. Ordered healthy boxed lunches for employees each. The total has reached 1,007.

Order of Rank	Risks	Degree of Impact	Risk Mitigation and Prevention Measures	2024 Targets	2024 Target Achievement and Implementation
2	Occupational hazard: musculoskeletal pain	Low risk	<ul style="list-style-type: none"> • Conduct a "survey for musculoskeletal disorders" to understand the musculoskeletal health of O-Bank employees. • Conduct "Ergonomic Hazard Prevention" education and training. • Arrange for massage therapists to work onsite at the Bank (the headquarters building, the customer service center, the data center and the Taichung Branch) to provide employees with shoulder, neck, and back massages on appointment. • Hold aerobics and fitness courses to teach co-workers how to relieve emotional stress and do stretch exercises to reduce risks. 	<ul style="list-style-type: none"> • Get at least 90% of employees to fill out a "survey for musculoskeletal disorders." • Get at least 90% of employees to participate in "Ergonomic Hazard Prevention" education and training. • Arrange for massage therapists to work onsite each month at the Bank, and to provide over 1,000 massages during the year. • Hold ten aerobics and fitness courses. 	<ul style="list-style-type: none"> • 97% of employees filled out a "survey for musculoskeletal disorders" in 2024. • 97.11% of employees (1,176 persons) participated in "Ergonomic Hazard Prevention" education and training. • Massage therapists working onsite each month at the Bank provided 2,109 massages over the course of 2024. • Had held ten aerobics and fitness courses through July, attracting a total attendance of 122.
3	Exceptional workload	Low risk	<ul style="list-style-type: none"> • Use workload surveys to understand the workload of employees, refer high-risk colleagues to a labor safety unit supervisor or unit supervisor to help assess that colleague's work environment and work style, and on this basis adjust that colleague's work assignment or working hours. • Arrange for individual consulting with on-site physicians. • O-Bank cooperates with the Taoyuan Lifeline Association to provide free counseling services on family relationships, interpersonal relationships, romantic relationships, and workplace adaptation. Employees can directly schedule counseling sessions with the Lifeline Association to protect their privacy. 	<ul style="list-style-type: none"> • Get at least 90% of employees to fill out a workload survey. • Get 100% of employees burdened with exceptional workloads to go to consultation sessions with onsite physicians. 	<ul style="list-style-type: none"> • In 2024, 97% of employees filled out a workload survey. • According to the results of the overwork questionnaire analysis, in 2024, 11 employees were identified as at risk of excessive workload. All have been scheduled for one-on-one consultations with on-site physicians to continuously alleviate their work-related stress.

Order of Rank	Risks	Degree of Impact	Risk Mitigation and Prevention Measures	2024 Targets	2024 Target Achievement and Implementation
4	Workplace safety	Low risk	<ul style="list-style-type: none"> Periodically self-audit our compliance with occupational safety and health legislation. Adopt an "Occupational Safety and Health Policy," establish quantitative management targets, and continue implementing them; at the same time, obtain third-party verification to ensure the effectiveness of O-Bank's measures to promote occupational safety and health. Periodically conduct education and training related to occupational safety and health legislation and train O-Bank employees to obtain qualification certificates in occupational safety and health. 	<ul style="list-style-type: none"> Conduct at least one self-audit per year on our compliance with occupational safety and health legislation. Passed the ISO 45001:2018 annual surveillance audit. Conduct three occupational safety and health training sessions. Conducted at least two fire drill exercises. At least five employees complete a first-aid personnel training course and obtain first-aid certificates. 	<ul style="list-style-type: none"> Completed one self-audit in July 2024 on our compliance with occupational safety and health legislation. O-Bank obtained ISO 45001:2018 certification in 2023 (valid through August 2026) and passed the annual surveillance audit in July 2024. Conducted four occupational safety and health training sessions, with a total attendance of 1,614 participants. Held two fire and earthquake preparedness team drills in April and October that attracted a total attendance of 107. Nine employees obtained first-aid certificates in 2024.
5	Maternity protection	Low risk	<ul style="list-style-type: none"> For any female employee who applies for prenatal leave, track and evaluate her physical and mental condition as well as workload during pregnancy and for one year postpartum. Provide female employees who are pregnant or within their first postpartum year to go to consultations with onsite physicians. Optimized O-Bank's breastfeeding and lactation rooms, thus providing comfortable spaces to female employees who have a need. Distributed "Mama Gift Packs" containing thoughtful pregnancy essentials to pregnant employees. 	<ul style="list-style-type: none"> For female employees who have applied for prenatal leave, track their physical and mental condition as well as their workload at least once per month. Arrange for female employees who are pregnant or within their first postpartum year to go to consultations with onsite physicians. Receive certification for the quality of our breastfeeding and lactation rooms. Each pregnant employee will receive an O-Bank "Mama Gift Pack." 	<ul style="list-style-type: none"> For any female employee who had applied for prenatal leave, O-Bank tracked and evaluated her physical and mental condition as well as workload each month during pregnancy and for one year postpartum. O-Bank arranged for female employees who were pregnant or within their first postpartum year to go to 15 consultations with onsite physicians. O-Bank obtained Taipei City Health Center certification for an excellent breastfeeding room in 2023 (valid through August 2025) and passed the annual reinspection in 2024. All seven pregnant employees received an O-Bank "Mama Gift Pack" in 2024.
6	Prevention of wrongful harm during the execution of job duties	Low risk	<ul style="list-style-type: none"> Adopted measures to prevent and punish workplace violence, conducts awareness campaigns to emphasize that workplace violence is prohibited, and periodically conducts activities under the Program for Prevention of Wrongful Harm During the Execution of Job Duties. 	<ul style="list-style-type: none"> Hold at least one course on the prevention of workplace violence. Ensure no instances of wrongful harm. 	<ul style="list-style-type: none"> In 2024, one course titled "Violence Prevention – Campaign to End Workplace Violence" was held. There were no instances of wrongful harm in 2024.

To prevent workplace accidents, O-Bank has worked together with five labor representatives to adopt a set of "Working Rules for Occupational Safety and Health" in accordance with the "Occupational Safety and Health Act" of the Ministry of Labor. The O-Bank President exercises coordinated management of labor safety and health throughout the Bank, while unit supervisors are responsible for implementation. The Working Rules apply to all business locations and workers in Taiwan. In addition to regulating the

frequency of servicing for official vehicles, firefighting systems, air conditioning, and drinking water dispensers, the Working Rules set out health standards and matters requiring attention in the workplace. They also provide detailed principles regarding first-aid measures, the use of emergency equipment, and accident reporting procedures in the event of an accident. Furthermore, the Rules protect employees from punishment when they report a potential occupational hazard or dangerous situation, or when they leave their work position upon determining that they are exposed to an occupational hazard or dangerous situation. O-Bank has also set out procedures for handling occupational accidents in its "Work Rules." In the event of such an accident, the responsible supervisor at each level is required to report it to the Chief Occupational Safety and Health Officer and take necessary first-aid or rescue measures to minimize injury and loss.

In addition, O-Bank regularly conducts occupational safety and health training, which covers such topics as workplace hazard identification and promoting awareness of traffic safety during commutes. The Bank also holds fire drills to cultivate employees' emergency response capabilities. Occupational safety and health personnel are responsible for promoting and supervising safety and health management matters, while each department is responsible for its respective safety and health management tasks in a tiered structure. These efforts aim to minimize the risk of occupational accidents. In 2024, O-Bank organized four occupational safety and health training sessions and two fire preparedness team drills, with total attendance reaching 1,721. Additionally, nine employees completed a first-aid personnel training course.



Regular occupational safety and health training

In addition to providing occupational injury and illness leave in accordance with the law under its Work Rules, O-Bank also offers differentiated compensation in the event that an employee suffers illness, disability, or death due to an occupational injury, based on the severity of the case. The Bank also assists employees in applying for labor insurance benefits and offers group insurance benefits that exceed the requirements of the Labor Standards Act, ensuring that needed assistance is provided as quickly as possible following an incident. In 2024, there were no instances of occupational disease among O-Bank's full-time or part-time employees resulting from working conditions or work practices. A total of ten recordable incidents occurred, all of which were commuting accidents involving full-time employees. Among contractors engaged in outsourced engineering operations, there were no cases of occupational injury, death, or occupational disease. Statistics on occupational injuries among O-Bank employees in 2024 are presented in Table 5-13. The Bank has set a target of keeping the overall absence rate below 1% in 2025.

Table 5-13: Recordable Incidents and Absence Rate among O-Bank Employees in 2024

Location	Item	Number of Recordable Occupational Injuries	Total Recordable Incident Rate	Missed Work Days	Lost Time Incident Rate (%)
	Gender				
Taiwan	Male	5	0.02	702.38	0.23%
	Female	5	0.02	977	0.31%
	Total	10	0.04	1,679.38	0.54%
Overseas	Male	0	0	136.75	0.04%
	Female	0	0	211.25	0.07%
	Total	0	0	348	0.11%
Overall		10	0.04	2,027.38	0.65%

Note 1: These statistics are current as of December 31, 2024, and include only regular full-time employees, not contract employees.

Note 2: Total working hours = 2,493,936 hours (Number of persons × working days in the year × Number of working hours per day); Total working days = 311,742 (Number of persons × working days in the year)

Note 3: Total Recordable Incident Rate = Number of Recordable occupational injuries / Total working hours x one million hours

Note 4: Lost Time Incident Rate = (days lost to occupational injuries + days lost to sick leave + days lost to menstrual leave) / Total working days × 100%

Note 5: The total recordable incident rate and absence rate of part-time employees were both 0.

Note 6: Absence rates for 2021, 2022, and 2023 were 0.52%, 0.53%, and 0.77%, respectively, and the target rate for 2024 is below 1%.

To prevent poor workplace air quality from affecting employees' health and work efficiency, O-Bank prohibits smoking in all office areas and within ten meters of the entrance to any building, and has installed pre-cooling air handling units and fresh air inlets on our office buildings to maintain good air quality in office environments. Also, office areas are cleaned every day, and on a regular basis these areas are disinfected in order to reduce employee contact with work environment risk factors. O-Bank also tests indoor CO₂ emissions twice a year, and the test results are all in compliance with the regulations. At offices located in areas with serious air pollution, O-Bank installs air purifiers and provides persons who work there with a special allowance to offset the cost of lung CT scans. The CT scan results can help employees be more aware of the health impact of air pollution. O-Bank also tests indoor air quality every three years. In July 2023, the Taipei City Government issued O-Bank an "Indoor Air Quality Voluntary Management Certificate" (valid through July 2026), recognizing O-Bank's achievements in maintaining good workplace air quality.



O-Bank receives "Indoor Air Quality Voluntary Management Certificate"

2. Employee Health Maintenance

To promote employee health, O-Bank arranges employee health examinations each year, and the list of checks performed is more extensive than what is required by law. Employees aged 40 or older can receive one free health examination per year, while employees under the age of 40 can receive one free health examination every other year. The hospital that conducts the health examinations then sets up individual appointments as necessary to discuss the results and provide health management recommendations. In 2024, 90% of employees took advantage of the health examination program. O-Bank has assessed employee health risks on the basis of: the results of employees' health examinations; and surveys carried out under the O-Bank Ergonomic Hazard Prevention Program, the Program for Prevention of Ailments Induced by Exceptional Workload, the Program for Prevention of Wrongful Harm During the Execution of Job Duties, and Self Health Assessments During Pregnancy and the First Year Post-Partum. On the basis of the results, O-Bank has developed health management plans and provided risk mitigation measures, and provided individual employees with suggestions on how to deal with specific risks. The idea is to elevate employees' awareness of the need to care for their own health. The results of O-Bank 2024 employee health risk assessments are as shown in Table 5-14. With respect to assessed items with a relatively high abnormality rate, O-Bank steps up the provision of mitigation measures in order to maintain employees' physical and mental health.

Table 5-14: O-Bank 2024 Employee Health Risk Assessments

No.	Assessed Item		Abnormality Rate	Mitigation Measures
1	Abnormal checkup findings	Cholesterol	43.86%	<ul style="list-style-type: none"> • Set up a special "Health Information Section" on our digital learning platform to provide information regarding nutrition, posture management, disease management and prevention, mental health management. The idea is to make it easier for employees to obtain accurate health information. • Set up a health kiosk where employees can make use of treadmills, stationary bicycles, stepper machines, dartboard machines, practice putting greens, and other such equipment that employees can use while they're on break. • Launch a wide range of posture management courses, including aerobics, athletic competitions, and physical fitness courses. • Hold lectures on exercise and health to share information on correct exercise posture, how to improve one's diet, and emphasizing the importance of regular health examinations. • Order healthy boxed lunches for employees once per month and partially subsidize the cost, to encourage employees to pay attention to healthy eating habits.
2		Blood pressure	17.98%	
3		Blood sugar	19.81%	
4	Exceptional workload	Workload surveys	4.16%	<ul style="list-style-type: none"> • Based on the seriousness of conditions mentioned in questionnaire responses, arrange consultations with an on-site physician. • A labor safety unit supervisor or unit supervisor is referred to a high-risk colleague to help assess that colleague's work environment and work style, and on this basis we adjust that colleague's work assignment or working hours.
5		Psychology surveys	12.91%	

No.	Assessed Item		Abnormality Rate	Mitigation Measures
6	Ergonomic hazards	Musculoskeletal survey	3.90%	<ul style="list-style-type: none"> • O-Bank arranges for massage therapists to be stationed at the headquarters building, Customer Service Center, Information Center, and Taichung Branch, providing employees with 20-minute shoulder, neck, and back massage sessions each month. The Bank also offers correct posture education information in the "Health Information" section.
7	Prevention of wrongful harm during the execution of job duties		0%	<ul style="list-style-type: none"> • Adopted measures to prevent and punish workplace violence, conducts awareness campaigns to emphasize that workplace violence is prohibited, and periodically conducts activities under the Program for Prevention of Wrongful Harm During the Execution of Job Duties. • There were no instances of wrongful harm in 2024.
8	Protection of maternal health		0%	<ul style="list-style-type: none"> • O-Bank provides maternity leave and prenatal check-up leave that exceed statutory requirements. • O-Bank provides breastfeeding and lactation rooms and was awarded the Taipei City Health Center's "Excellent Breastfeeding Room" certification in 2023 (valid through August 2025). The Bank also passed the annual reinspection in 2024. • Daily breastfeeding time extended to 90 minutes, exceeding the legal requirement of 60 minutes. • Provides pregnant employees with one glass of fresh milk each day, plus gift certificates for maternal and infant goods shops.

Note: The figures in this table only cover employees in Taiwan.

To prevent exceptional workloads from causing illness, O-Bank uses workload surveys and psychology surveys to assess whether employees have potential risks of stress, and is cooperating with the Taoyuan Lifeline Association to arrange counseling services focusing on such matters as family relationships, interpersonal relationships, romantic relationships, and adaptation to the workplace. In addition, O-Bank observes musculoskeletal disorders to understand the musculoskeletal injuries that co-workers may suffer as a result of having spent long hours sitting in offices or possibly not maintaining good posture. O-Bank has set up a health kiosk in our headquarters building, and is planning to launch posture management courses, hold athletic competitions, and hire visually impaired massage therapists from the Eden Social Welfare Foundation who will work onsite at O-Bank to help employees care for their musculoskeletal health. For matters of pregnancy, O-Bank prepares special care measures for female employees when they are pregnant, are in their first year post-partum, or are lactating, and on the basis of the "Form for Self Health Assessments by Laborers During Pregnancy and the First Year Post-Partum" O-Bank adopts hazard assessment and control measures, and implements health protection measures for pregnant employees. When an employee has a health concern, O-Bank periodically arranges for individual consulting with an on-site physician to provide employees with health education and medical information.

To promote a culture of physical activity in the workplace, O-Bank has established a variety of sports-related clubs, including the Slow Living Club, Basketball Club, Golf Club, Yoga Club, Badminton Club, Aerobics Club, and Swimming Club. In 2024, the Bank allocated a total of NT\$1,378,285 in subsidies for these clubs to encourage employee participation and support the development of regular exercise habits. In recognition of O-Bank's outstanding efforts in this area, the Ministry of Education's Sports Administration in 2023 granted O-Bank "Taiwan i Sports" certification, which will remain current through October 2026. In 2022, O-Bank has received a Badge of Accredited Healthy Workplace (remains current through December 2024) from the Ministry of Health and Welfare's Health Promotion Administration. These honors highlight the success that O-Bank has achieved through our efforts to promote a healthy work environment.



Well-equipped employee lounge promotes a healthy workplace.



O-Bank's basketball club

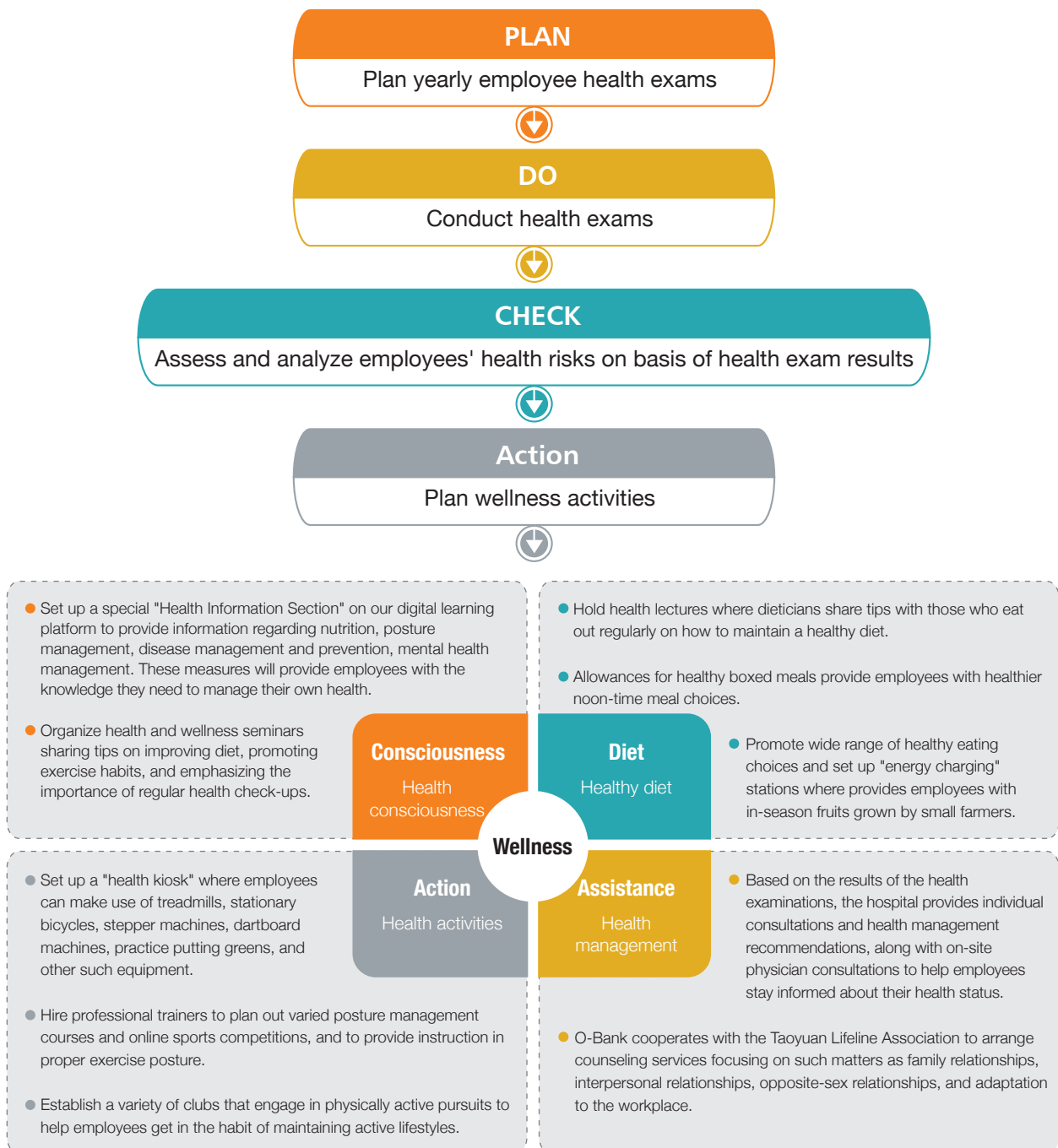


O-Bank received a Badge of Accredited Healthy Workplace



O-Bank received "Taiwan i Sports" certification

Fig. 5-2: Health Assessment Procedures and Healthcare Measures for O-Bank Employees



5.2 Employee Compensation and Benefits

5.2.1 Fair Compensation

1. Compensation System and Compensation Disclosure

To attract outstanding talent and motivate employees to perform at their best, O-Bank offers a compensation system that balances internal fairness and external competitiveness. Compensation is determined based on each employee's educational background, work experience, performance, position, and required professional skills, without any discrimination on the basis of gender, age, ethnicity, or other such factors. O-Bank regularly reviews employee compensation to ensure that the basic starting salaries for regular full-time employees exceed both the minimum wage set by the Labor Standards Act and the salary level required to meet Taiwan's minimum living wage standard (Note 5-2). In 2024, the monthly fixed salary offered to newly hired university graduates – regardless of gender – was more than 1.25 times the statutory minimum monthly wage (Note 5-3), and the hourly wages paid to part-time employees of both genders met the legal minimum. In addition, The O-Bank Board has a Compensation Committee that reports to it. The Compensation Committee, which is comprised of the entire number of independent directors, periodically examines and evaluates the compensation of directors and executive officers, and determines the performance review standards and compensation peer groups for employees. It also reviews the competitiveness of compensation provided by O-Bank each year by making reference to compensation benchmarks among peer institutions. In addition, O-Bank reports each year on its director remuneration policy and executive management remuneration policy to the shareholders meeting to ensure that both remuneration-related performance indicators as well as the organizational strategies of concern to stakeholders are all developing in the same direction.

O-Bank has adopted its "Rules Governing Employee Compensation" and is committed to building a compensation and benefits system that is competitive in the market. The Bank provides employees with 12 months of fixed base salary, meal allowances, work allowances, three major holiday bonuses, participation in the Labor Insurance, National Health Insurance, and Labor Pension programs, as well as other employee benefits. In addition, based on the Company's earnings and each employee's individual performance, O-Bank grants two months of festival bonuses and differentiated short-term incentive bonuses, including performance bonuses, sales bonuses, and employee compensation, to encourage the pursuit of excellence. In 2024, employees at O-Bank's global business locations received an average of NT\$1.799 million in total annual compensation and benefits, including the aforementioned base salary, meal allowances, and various bonuses. O-Bank also conducts annual salary adjustments based on factors such as economic growth, the consumer price index, individual performance, job responsibilities, and potential for future development. Employees who were promoted in the previous year and continued to demonstrate outstanding performance received larger salary adjustments to help retain talent. In 2024, over 94% of employees who participated in annual performance evaluations received salary adjustments, with an average adjustment rate of 3.4%. The highest individual salary adjustment exceeded 23%, including adjustments due to promotion.

Note 5-2: The "living wage" is calculated based on the most recent monthly minimum living expense per person announced by the Ministry of Health and Welfare, along with household population statistics. The formula is: {latest announced monthly minimum living expense per person × latest announced average household size (rounded up to the nearest whole number)}/2 (for dual-income households). In 2024, the living wage in Taiwan was NT\$21,345.

Note 5-3: Items factored into a "monthly fixed salary" include fixed monthly pay and meal allowances. According to the Ministry of Labor's announcement effective January 1, 2024, the statutory minimum monthly wage was NT\$27,470. The reference to "1.25 times the statutory minimum monthly wage" is based on the ratio of the minimum monthly salary offered by the Bank in 2024 to newly hired university graduates to the statutory minimum monthly wage in the same year.

In 2024, the average salary for all O-Bank employees at global business locations was NT\$1.68 million, and the median was NT\$1.209 million. In the Taiwan region, the average salary was NT\$1.564 million, and the median was NT\$1.142 million (Note 5-4). Among full-time non-managerial employees, the average salary was NT\$1.344 million (Note 5-5), and the median was NT\$1.109 million. Information on the salaries paid by O-Bank in 2022~2024 to full-time non-managerial employees in Taiwan is provided in Table 5-15. Since 2018, O-Bank has been included for seven consecutive years as a constituent of the TWSE RAFI Taiwan High Compensation 100 Index, underscoring the Bank's strong commitment to competitive employee compensation.

Table 5-15: Salary Information for O-Bank Full-time Non-managerial Employees in Taiwan, 2022~2024

Unit: NT\$

Year	2024	2023	2022
Full-time employees (Note 1)	968	875	800
Average salary (Note 2)	1,344,000	1,317,000	1,279,000
Median salary	1,109,000	1,081,000	1,032,000

Note 1: The term "full-time non-managerial employees" means all persons employed in salaried positions in the current year for six months or longer, but it excludes employees of overseas branches and some part-time employees. The numbers are calculated on a weighted average basis.

Note 2: The term "average salary" is calculated by taking the accrued annual salaries of the full-time non-managerial employees referred to in Note 1, including regular earnings (basic salary and any fixed monthly allowances and bonuses), overtime pay, and irregular earnings (allowances, bonuses, and employee compensation not issued on a monthly basis), and then dividing by the number of full-time non-managerial employees.

O-Bank upholds the principle of equal pay for equal work and is committed to ensuring that salaries and rewards do not differ on the basis of gender. The Bank conducts regular annual reviews of employee compensation to ensure that individual salaries fall within the appropriate salary band for each grade. In 2024, the average salary for female employees at O-Bank's global business locations was NT\$1.465 million, compared to NT\$1.871 million for male employees. The female-to-male average annual total compensation ratios were approximately 0.57:1 for executive management, 0.90:1 for middle management, 0.88:1 for first-line management, and 0.85:1 for non-managerial employees. Gender-based compensation ratios in 2023~2024 for employees at global business locations are provided in Table 5-16, while the 2024 compensation and bonus ratios by grade are shown in Table 5-17. The observed differences in compensation are primarily due to structural differences in gender distribution across job functions and grades.

Note 5-4: The compensation-related data is disclosed in accordance with the TWSE's "Instructions and FAQs for Reporting Salary Information of Full-Time Non-Managerial Employees," and includes only employees who have been employed for more than six months. All compensation figures are calculated on an annualized basis and include items such as annual fixed salary, three major holiday bonuses, performance bonuses, sales bonuses, employee compensation, and long-term incentive bonuses.

Note 5-5: The average salary for full-time non-supervisory employees in Taiwan is calculated by dividing the total salary for such employees by the number of full-time non-supervisory employees.

Table 5-16: Female-to-Male Compensation Ratios in Various Grades Throughout the World, 2023~2024

			2024	2023
Executive management		Fixed salary	56%	69%
		Fixed salary & bonuses	57%	57%
Other levels of management	Senior management	Fixed salary	97%	86%
		Fixed salary & bonuses	90%	82%
	Junior management	Fixed salary	92%	92%
		Fixed salary & bonuses	88%	91%
	Overall average	Fixed salary	88%	86%
		Fixed salary & bonuses	81%	84%
Rank-and-file		Fixed salary	82%	82%
		Fixed salary & bonuses	85%	81%

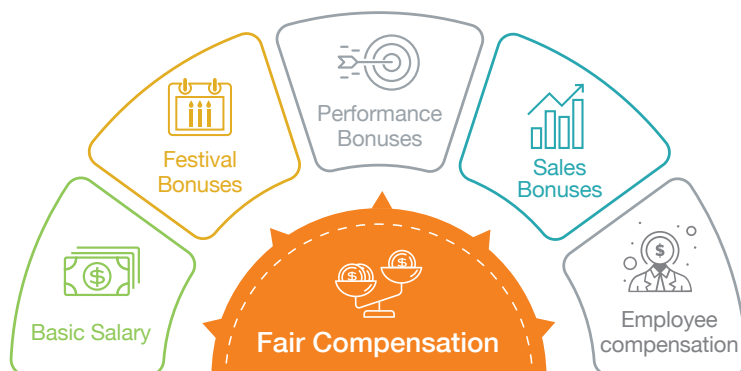
Note: The method for calculating the ratios in this table is as follows: "Avg. fixed salary (and bonuses) of female employees holding positions at this level" / "Avg. fixed salary (and bonuses) of male employees holding positions at this level"

Table 5-17: O-Bank's Gender Pay and Bonus Gap Ratios (Female/Male) for Each Job Level at Global Operating Sites in 2024

Job Level	Average Annual Salary Gap	Median Annual Salary Gap	Average Bonus Gap	Median Bonus Gap
15 and above	76.4%	126.3%	80.3%	161.9%
14	77.6%	83.2%	91.9%	89.6%
13	89.9%	81.9%	88.2%	81.2%
12	99.2%	104.7%	111.8%	107.7%
11	103.1%	99.2%	115.4%	105.3%
10	108.1%	102.4%	120.6%	96.7%
9	98.7%	94.3%	85.8%	96.6%
8	99.5%	99.3%	91.6%	96.0%
7 and below	96.8%	94.9%	117.5%	104.8%
Overall	78.3%	88.0%	78.2%	91.6%

In order to practice gender equality in compensation, the Board of O-Bank has adopted standards of base salary grade for each grade. Regardless of applicant's gender, salaries to new employees were approved based on the above standards, the responsibilities and market competitiveness of different positions, as well as the applicant's experience and eligibility. Separately, O-Bank established and implemented its Gender Pay Equality Program in September 2023. In accordance with the principle of "Equal Pay for Equal Value," the Bank compares the duties and requirements of different positions, assesses the value of each position, and classifies positions with similar characteristics. The female-to-male fixed salary ratio in the same category of position should be equal. To achieve the above goal, during the annual operation of salary adjustment, the Human Resources Department of O-Bank examines the fixed salary differences between men and women at business locations throughout the world based on factors including country, region, nature of work, job responsibilities, etc. If the gender salary ratio difference in the same category of position exceeds 10%, it should be reported to the President and the Chairman. Moreover, within the following five years, we will review the lower-paid gender group in the category every year and increase the monthly salaries of persons whose salaries are lower than a certain percentage of the average of the group. In early 2024, O-Bank adjusted the salaries of eight employees, including those of five males and three females. The degree of the salary adjustments fell between 0.5% and 5.4%. In early 2025, salary adjustments were made for seven employees, all of whom were women, with adjustment rates ranging from approximately 0.5% to 4.7%.

Fig. 5-3: O-Bank's Fair and Incentivizing Compensation System



2. Short-term and Long-term Incentive Bonus Mechanism

To encourage employees to pursue excellence and sustainable growth, O-Bank uses a system of reasonable compensation to incentivize employees. Besides 12 months of fixed salary, O-Bank also provides short-term incentive bonuses, long-term incentive bonuses, and other types of variable bonuses. The short-term incentive bonuses include annual performance bonuses, sales bonuses, and employee compensation. Each year, based on that year's return on equity (ROE), O-Bank provisions a different share of earnings before taxes to fund performance bonuses of all employees (for information on linkages and provisioning ratios, see Table 5-18 below). Short-term incentive bonuses are set on the basis of an individual's performance review results. Performance review focal points include "degree of contribution to outcomes" (accounts for 80% of the score) and "competency" (accounts for 20% of the score). Information on the performance items that factor into the score on "degree of contribution to outcomes," and the weightings of each, is set out in Table 5-19 below. However, if an individual employee violates the law, internal controls, or risk management principles and thereby causes the company to incur a financial or non-financial loss, and the employee's culpability is ascertained, O-Bank will deduct from that employee's bonus an amount commensurate with the gravity of the offense.

Table 5-18: O-Bank Current ROE-Linked Employee Bonus Provisioning Ratios

Return on Equity of the Year (ROE)	Appropriation of Earnings before Taxes (EBT) to be Performance Bonuses
ROE < 5%	The appropriation of total EBT for performance bonuses is based on the actual ROE percentage
$5\% \leq \text{ROE} < 8\%$	O-Bank appropriates 6%~8% of the total EBT as performance bonuses
$8\% \leq \text{ROE} < 11\%$	O-Bank appropriates 9%~10% of the total EBT as performance bonuses
$11\% \leq \text{ROE} < 15\%$	O-Bank appropriates 10.5%~11.5% of the total EBT as performance bonuses
$15\% \leq \text{ROE} < 20\%$	O-Bank appropriates 12%~12.5% of the total EBT as performance bonuses
$\text{ROE} \geq 20\%$	O-Bank appropriates no more than 13% of the total EBT as performance bonuses

Table 5-19: O-Bank Short-term Incentive Bonus (Performance Bonuses and Other Employee Compensation): Focal Points and Weightings for Performance Evaluation Regarding Degree of Contribution to Outcomes

Type of Indicators	Items	Weighting
Degree of contribution to outcome	Financial matters	at least 58%
	Management and teamwork	
	Projects and procedures	
	Customer service	at least 5%
	Compliance, internal control, risk management, and information security	at least 12%
	Corporate social responsibility (sustainable development)	5~10%
Total		100%

Note 1: Indicators used and their weightings vary depending on the unit in question and its duties.

Note 2: This table applies to all O-Bank employees (including executive management).

O-Bank sets specific quantitative sales targets for salespersons (including customer service representatives and their managers) responsible for selling financial products or services, and sales targets are highly linked to monetary compensation. O-Bank sets standards of sales bonus payments based on the performance of salespersons in different business categories. The assessment items for sales bonuses of salespersons include non-financial indicators and financial indicators. The non-financial indicators include compliance, audit findings, and implementation of Know-Your-Customer (KYC) policies. As for the financial indicators, they depend on the characteristics of each businesses. For instance, the financial indicators of financial consultants include quantitative targets such as fee income, number of new customers developed, and growth rate of customer's total assets; the financial indicators of consumer lending representatives include quantitative targets such as net new allocations, interest spread income, and fee income. O-Bank comprehensively considers the achievement of various financial and non-financial indicators of salespersons and award sales bonus. In 2024, variable compensation provided by O-Bank to the supervisors and employees of its various units accounted for 43% of their total compensation. For the sake of risk control, O-Bank has adopted a bonus deferral and clawback mechanism for personnel who are responsible for selling all types of financial products and services. Disbursement of 10~20% of their sales bonuses is deferred until the following year, and if a particular person has engaged in improper selling conduct or has violated domestic or foreign legal provisions or prohibitions, thus causing a loss to the company, harming our reputation, or affecting our ability to grow our business, depending on the severity of the circumstances O-Bank may cancel an unpaid deferred bonus or claw back a bonus that has already been paid.

Furthermore, to encourage employees to pursue excellent long-term performance, O-Bank has adopted a set of "Regulations for Implementing Long-Term Incentive Bonus Programs". Included among those subject to these Rules are executive management (the President and heads of division-level units or above), management officers who have made superior contributions, and non-supervisors who are strategically significant personnel. Bonus are issued to these persons in the form of phantom stock. The total value of the bonus is linked to the stock price at the time of execution, and performance is evaluated over the following four years. The bonus will be issued four years later on the basis of target achievement, individual performance, and also on our average stock price at the time of execution to strengthen the connection between employee compensation and the company's long-term business performance. The evaluation indicators and weightings for O-Bank's long-term incentive bonuses are as Table 5-20.

Table 5-20: Evaluation Indicators and Weightings for O-Bank's Long-term Incentive Bonuses

Evaluation Items for Long-term Incentive Bonuses		Quantitative indicators	%
Financial indicators	Peer group TSR ranking		10%
	Peer group ROE ranking		20%
Strategic indicators	Improvement of asset-liability structure		12.5%
	Achievement of profitability targets for innovative digital finance business models		5%
	Capital-light business development	Fee income ratio reaches at least 32%, with incentive bonuses awarded on a tiered basis; 12.5% awarded for reaching 42% or above.	12.5%
	Effectiveness of overseas expansion strategy and synergies	Ratio of overseas assets reaches at least 17%, with incentive bonuses awarded on a tiered basis; 5% awarded for reaching 27% or above.	5%
	Optimization of digital services and channels	Digital deposits reach at least NT\$50 billion, with incentive bonuses awarded on a tiered basis; 5% awarded for reaching NT\$70 billion or above.	5%
	Deployment of data governance and applications	Annual completion rate for the Big Data Strategic Application Blueprint reaches a four-year average of 80% or above, with incentive bonuses awarded on a tiered basis; 5% awarded for reaching 95% or above.	5%
	Technology enablement to enhance operational efficiency	Annual completion rate for the "Transformers Plan" reaches a four-year average of 80% or above, with incentive bonuses awarded on a tiered basis; 5% awarded for reaching 95% or above.	5%
Sustainability indicators	Peer group international sustainability rating ranking	1. Sustainalytics ESG Risk Rating ranks in the top 10% among financial institutions in Taiwan: 4% bonus 2. S&P Global ESG Score reaches 85 or higher: 4% bonus 3. FTSE Russell ESG Rating reaches 3.5 or higher: 4% bonus 4. Carbon Disclosure Project (CDP) Climate Change Questionnaire receives a rating of A or higher: 3% bonus	15%
	Achievement of the reduction target of total carbon emissions at all locations	0.5% deduction for each year the annual carbon reduction target for operational emissions is not met; maximum bonus of 2.5% if targets are met in all years	2.5%
	Achievement of the reduction target of average carbon emissions per NT\$1 million investment and loan activities	Average carbon emissions per NT\$1 million in financing and investment balance decrease by 5% year-over-year; 0.5% deduction for each year the annual reduction target is not met; maximum bonus of 2.5% if targets are met in all years	2.5%
Total			100%

Note: The bonus calculation formula is based on the number of shares approved at the beginning of the period and converted into bonuses according to the result of "achievement of long-term business performance indicators" × "achievement of individual four-year average performance" and the price per share at the time of execution. The total number of shares approved for long-term incentive bonuses at the beginning of 2025 is 3,535,000 shares. Based on O-Bank's closing price of NT\$9.85 per share on March 31, 2025, the total funding available for long-term incentive bonuses is approximately NT\$34,820,000.

3. Compensation System for Executive Management

Compensation for executive management at O-Bank is set in accordance with the "Rules Governing Compensation of Managerial Officers" and the "Rules Governing Provisioning for and Payment of Performance Bonuses," which were formulated and approved by the Compensation Committee and the Board. Compensation payable include fixed salaries and variable bonuses, the amounts of which are submitted to the Compensation Committee for review. Fixed salaries of O-Bank executive management are set on the basis of each person's job duties, professional qualifications, abilities, performance, and with reference to peer institution pay levels, while variable bonuses are reasonably distributed with an eye to the company's overall business performance, future risks, and each individual's performance. In addition, O-Bank has set limits on the maximum variable bonuses that may be paid to executive management. Variable bonuses paid to the President and other members of executive management (refers to supervisors at the rank of division head or above) are limited to three times their fixed salary (i.e. annual bonuses are capped at 300% of annual fixed salary). Variable bonuses paid to personnel at the level of Senior Vice President who serve as a department supervisor, or above (refers to material risk takers) are limited to two times their fixed salary (i.e. annual bonuses are capped at 200% of annual fixed salary).

To align the interests of executive management with shareholder value, O-Bank's variable bonuses for executive management are clearly linked to the company's profitability and return on equity. To encourage employees to focus on the company's long-term business objectives, ensure control over future risks, and avoid short-termism, part of the bonuses for the President, executive management (referring to supervisors at the rank of division head or above), and Senior Vice Presidents who serve as department supervisors or above (i.e., material risk takers) are delivered in the form of equity linked to the company's share price, closely tying compensation to long-term business performance. For the President, 10% of the short-term incentive bonus within the annual variable bonus must be granted as equity and deferred for three years, while another 10% is paid in cash and will be deferred and paid in three annual installments over three years. For executive management, 10% of the short-term incentive bonus within the annual variable bonus is granted as equity, and 10% is paid in cash and will be deferred and paid in three annual installments over three years. For Senior Vice Presidents serving as department supervisors or above (material risk takers), 5% of the short-term incentive bonus within the annual variable bonus is granted as equity, and 5% is paid in cash and will be deferred and paid in three annual installments over three years.

O-Bank's "Rules Governing Compensation of Managerial Officers" provides a system for clawback of short-term incentive bonuses for executive management, and it is not necessary for a member of management to engage in malfeasance or improper activity for clawback provisions to be triggered; if a member of executive management or a related supervisor causes expected or actual losses, or damages the Bank's reputation, and that person's culpability is ascertained, then during the aforementioned deferral period (three years) O-Bank may cancel an unpaid deferred bonus up to an amount commensurate with that person's degree of responsibility for the loss, or may claw back part or all of the amount of short-term incentive bonuses previously paid to said member of executive management, thereby linking long-term business performance to the sustainable business system. In addition, O-Bank's "Rules Governing Compensation of Managerial Officers" expressly provide that the company President's future compensation payments shall not be accelerated regardless whether controlling interest over the company has changed hands. Suppose, for example, that: (a) controlling interest over the company has changed hands but the President continues on in the position of President; or (b) controlling interest over the company has not changed but the President is asked to leave the position of President for a reason other than a major error on the job. Under such conditions, payment of deferred compensation would not be accelerated.

Additionally, to link the job performance of executive management to the company's long-term performance and encourage long-term shareholding, O-Bank has established minimum shareholding requirements for executive management. For the Bank President, beginning from the year following the completion of three full years in the position, the value of their O-Bank shareholdings (including shares held through the Employee Share Ownership Trust) must exceed four times their fixed salary for that year. For other executive management, beginning from the year following the completion of three full years in their positions, the value of their O-Bank shareholdings (including shares held through the Employee Share Ownership Trust) must exceed twice their fixed salary for that year. As of the end of 2024, the value of the Bank President's O-Bank shareholdings (including shares held through the Employee Share Ownership Trust) was 5.05 times their fixed salary for the year, while other executive management (Note 5-6) held O-Bank shares valued at 4.94 times their fixed salary for the year.

Information on total compensation paid to O-Bank's Chairperson, President, and other members of executive management is set out in Table 5-21 below. Therein, variable bonus accounted for approximately 73% of the President's total compensation in 2024. The variable bonuses paid to the President and other members of executive management depend on individual performance. Indicators of individual performance include financial indicators (e.g. income before tax, achievement of short- and long-term business goals, cost-to-income ratio, asset quality, and return on assets) and non-financial indicators (e.g. the company's core values, strategic goals, innovation, compliance, internal control and risk control, sustainable development goals, and climate change goals). The share accounted for non-financial indicators does not fall below 30% in any case. Additionally, to ensure senior executives oversee the Bank's climate change initiatives, starting in 2025, climate risk objectives must account for at least 3% of performance evaluations for department heads of directly related units, and at least 1% for heads of other, non-directly related units. The President's individual performance indicators are set out in Table 5-22 and the President's short-term performance bonuses will be distributed based on how well the President has achieved the performance indicators in the table.

Table 5-21: Compensation Paid in 2024 to O-Bank's Chairperson, President, and Other Members of Executive Management

Unit: NT\$

Title	Name	Total Remuneration
Chairperson	Tina Y. Lo	28,949,000
President	Elton F.Y. Lee	46,336,000
Total compensation paid to other members of executive management (Note 1) (other than the President)	Roger Y.F. Lin, Cheng-chou Hsu, Vivian H.J. Fan, Chiu-ling Chao, Joy Siew, Feng-jen Lai, Hsiung-jung Chen, Chun Hsieh, Li-chen Hong, Ophelia Chang	112,432,000

Note 5-6: The term "other members of executive management" comprises persons who were serving as division heads as of the end of 2024, including Deputy President Roger Y.F. Lin, Senior Executive Vice President Cheng-chou Hsu, Senior Executive Vice President Vivian H.J. Fan, Executive Vice President Feng-jen Lai, Executive Vice President Chiu-ling Chao, Executive Vice President Joy Siew, Executive Vice President Hsiung-jung Chen, Executive Vice President Li-chen Hong, Executive Vice President Chun Hsieh, and Executive Vice President Ophelia Chang. Each member of executive management holds an equity stake in the company.

Comparative Information on the President's Compensation	
Multiple between President's compensation versus the compensation of the second-highest paid member of executive management	2.07 times
Multiple between President's variable bonus versus the variable bonus of the second-highest paid member of executive management	2.07 times
Multiple between President's compensation versus the median compensation of employees (other than the president) at business locations throughout the world	36.76 times
Multiple between annual increase in President's compensation versus annual increase in the median compensation of employees (other than the president) at business locations throughout the world	0.53 times

Note 1: Figures for compensation paid in 2024 to members of executive management other than the President include actually paid items and amounts during their terms of appointment and are not annualized. Members of executive management employed at the end of 2024 include: Roger Y.F. Lin, Cheng-chou Hsu, Vivian H.J. Fan, Chiu-ling Chao, Joy Siew, Feng-jen Lai, Hsiung-jung Chen, Chun Hsieh, Li-chen Hong, and Ophelia Chang (term from April 1, 2024 to December 31, 2024).

Note 2: The total compensation of the President in 2024 was NT\$46,336,000 (approximately US\$1,443,000), including a fixed salary of NT\$12,409,000 and variable bonuses of NT\$33,927,000. The variable bonuses included short-term incentive bonuses of NT\$28,927,000 (partially linked to the company's stock price) and long-term incentive bonuses of NT\$5,000,000 (fully linked to the company's stock price). The total compensation of the President in 2023 was NT\$43,295,000 (approximately US\$1,390,000), including a fixed salary of NT\$12,300,000 and variable bonuses of NT\$30,995,000. The total compensation of the President in 2022 was NT\$38,280,000 (approximately US\$1,285,000), including a fixed salary of NT\$12,179,000 and variable bonuses of NT\$26,101,000. The average total compensation of the President from 2022 to 2024 was NT\$42,637,000 (approximately US\$1,375,000).

Note 3: The multiple of the President's compensation compared to that of the second-highest paid member of executive management was 2.07 in 2024, 2.04 in 2023, and 1.85 in 2022.

Note 4: The annual salaries referred to above include salaries, bonuses, incentive bonuses, allowances, retirement pensions, housing and vehicles, and other such forms of compensation.

Note 5: Median remuneration for global operating site employees (excluding President): approximately NT\$1.26 million, including salary, housing, and other in-kind remuneration.

Note 6: The aforementioned "compensation paid to members of executive management" includes short-term incentive bonuses and long-term incentive bonuses. The formula for calculating short-term incentive bonuses is as follows: Amount issued to individual based on company's current-year profits and ROE \times achievement of individual performance indicators ("individual performance indicators" include financial indicators and non-financial indicators, wherein non-financial indicators must at least include compliance, internal control, and sustainable development indicators).

Table 5-22: President's Individual Performance Indicators

Subject	Type of Indicators	Weighting	Items
President	Financial indicators	53%	Pre-tax net profit, cost-to-income ratio, asset quality, and return on assets
	Non-financial indicators	12%	Compliance, internal controls, risk management, and information security
		6%	Project procedures
		9%	Customer service
		10%	Corporate social responsibility (sustainable development)
		10%	Management & teamwork

5.2.2 Benefits and Human Caring

Remaining true to our ideal of human caring, O-Bank has planned out multiple employee benefit and protection systems, and has acted each year to build up the content of benefits so that employees can work with peace of mind, enjoy their jobs, and maintain a healthy work-life balance.

1. Employee Benefits and Protections

O-Bank's employee benefits apply to all regular full-time employees in Taiwan. In addition to providing employees with the three major holiday bonuses, holiday gifts, birthday gift certificates, childbirth and childcare subsidies, children's education scholarships, marriage and bereavement allowances, company-paid department dinner subsidies, and preferential discounts at partner stores, O-Bank has also established the "Rules for Administration of Employee Loans." These rules provide preferential mortgage and personal loan programs to assist employees in purchasing homes or meeting consumer funding needs. The Bank has also launched an Employee Relief Loan program to support employees whose families experience major difficulties. Eligible loans include disaster relief and medical emergency loans, with the company subsidizing part of the monthly interest to help employees overcome temporary financial hardships. Furthermore, to share business success with employees, O-Bank established an Employee Share Ownership Plan. All regular full-time employees may apply for membership from their first day of employment. Participating employees agree to deduct a fixed amount from their monthly salary, which, combined with employer contributions, is used through a trust arrangement to purchase O-Bank shares, allowing employees to participate in the company's growth. The employer contribution percentage is based on employee grade and performance. Employees rated "excellent" for two consecutive years may receive employer contributions up to 140%, and employees may voluntarily increase their contributions without an upper limit. Starting in 2023, to encourage outstanding employees to stay long-term, the company provides additional employer contributions as rewards. Employees with especially outstanding performance who commit to serving for a specified number of years may receive employer contributions increased up to 500%. As of the end of 2024, the participation rate in the Employee Share Ownership Trust among all employees was 97%. Excluding all managers at the department head level and above, the participation rate was 93%.

To safeguard employee well-being, O-Bank provides all full-time and part-time employees in Taiwan with Labor Insurance and National Health Insurance coverage as required by law. The Bank also arranges comprehensive group insurance for employees and their family members at its global locations, enhancing protection with life, accident, hospitalization, medical, and cancer insurance coverage. Additionally, to ensure employees' secure retirement, O-Bank complies with the "Labor Standards Act," the "Labor Pension Act," and the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds" by making monthly contributions equal to 2% of total employee payroll to a retirement reserve managed by the Ministry of Labor's Bureau of Labor Funds in a dedicated bank account. The retirement reserve contributions under the old system totaled NT\$3.741 million in 2024. For employees covered by the new pension system under the "Labor Pension Act," the Bank contributes no less than 6% of each employee's monthly basic salary to individual labor pension accounts at the Bureau of Labor Insurance. Contributions under the new system totaled NT\$71.797 million in 2024. For employees at the Hong Kong Branch, O-Bank offers a Mandatory Provident Fund plan that exceeds legal requirements. The Tianjin Representative Office provides social insurance benefits in accordance with local regulations, including the "five insurances and one housing fund" (pension, medical, work injury, unemployment, maternity insurance, and housing provident fund).

O-Bank provides subsidies to employees at business locations worldwide (including contract and hourly employees) for work-related external courses, degree programs, and certification exam fees. In 2024, a total of 599 subsidies were granted, amounting to NT\$2,366,224, to encourage employees' ongoing professional development and further education. Details of O-Bank's employee benefits and protections are shown in Table 5-23 below.

Table 5-23: Benefits and Protections for All Full-time O-Bank Employees in Taiwan

Benefits	Description
1. Enrollment in insurance	O-Bank enrolls employees in the Labor Insurance and National Health Insurance programs, and also arranges comprehensive group insurance that provides employees with enhanced life, accident, hospitalization, medical, and cancer coverage.
2. Employee health examinations	O-Bank periodically provides free health examinations that exceed regulatory requirements. Employees aged 40 and above can receive one free health examination per year, while employees under the age of 40 can receive one free health examination every other year.
3. Gift cash and gift certificates	O-Bank provides gift cash and gift boxes on the three major holidays (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival), and gives employees birthday gift certificates.
4. Retirement pension system	Acting in accordance with the "Labor Standards Act," the "Labor Pension Act," and the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds," O-Bank has adopted a set of "Employee Retirement Rules" and a retirement pension system to ensure that employees receive a proper pension.
5. Employee Share Ownership Trust	From the day they join the company, any full-time employee may join O-Bank's Employee Share Ownership Trust to purchase company stock. The company also issues bonuses that vary in amount depending on each employee's performance in the preceding year.
6. Preferential employee loans	O-Bank provides employee loans on preferential terms to fund purchases of homes or consumer goods, and loans to deal with natural disasters or medical emergencies.
7. Ongoing professional development	O-Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests. (This also applies to employees at business locations worldwide; contract employees and hourly employees may also apply to attend course that are necessary for work purposes.)
8. Other benefits	O-Bank provides childbirth and childcare subsidies, marriage and bereavement allowances, company-paid department dinner subsidies, preferential discounts at partner stores, subsidies for employee clubs, sympathy gifts for illness or injury, scholarships for employees' children, as well as carwash, laundry drop-off, and lunchbox ordering services at the headquarters building.

2. Employee Benefits Committee

O-Bank has an Employee Benefits Committee, which allocates funds in accordance with the provisions of the Employee Welfare Fund Act as follows: 1% of O-Bank's authorized capital at the time of establishment; 0.05% of total monthly operating revenues; and 0.5% of each employee's fixed monthly salary (deducted from the employee's pay). In 2024, total disbursements by the Employee Benefits Committee amounted to NT\$14,887,926. These disbursements covered marriage and bereavement allowances, relief for injury or illness, employee club and recreational activities, holiday allowances, birthday gifts certificates, scholarships for employees' children, and other benefit subsidies. On average, each employee in Taiwan received NT\$13,222 in benefits. For details on the number of beneficiaries and disbursement amounts in 2024, see Table 5-24.

Table 5-24: Benefits Paid out in 2024 by the O-Bank Employee Benefits Committee

Item	Applications	Total Payouts (NT\$)
Marriage allowances	17	170,000
Childbirth allowances	10	60,000
Children's education scholarships	220	167,000
Healthcare allowances for spouses, parents, and children of employees	113	1,055,661
Bereavement allowances	26	260,000
Birthday gift certificates	1,089	2,135,400
Company-paid employee dinner gatherings	1,105	1,655,926

Note: These figures only reflect the average employee benefits paid out to persons employed in the Taiwan region. The figures for number of applications reflect the number of application filed by persons who were still employed by O-Bank on the date of application.

3. Care for Families and Maintenance of a Healthy Workplace

O-Bank helps employees achieve work-life balance by implementing a diverse range of family-friendly workplace policies. Employees at all business locations, including overseas offices, are entitled to injury or sick leave, menstrual leave, parental leave, and family care leave. O-Bank also offers multiple types of paid leave that exceed statutory requirements, including: maternity leave for female employees; paternity leave for employees accompanying their spouses during childbirth; prenatal check-up leave for female employees during pregnancy; paternity check-up leave for employees accompanying their spouses to prenatal appointments; "Family ties leave" for employees with family caregiving needs; community service leave to encourage participation in volunteer activities – with no annual cap for those who participate in O-Bank Volunteer Club events; and honor leave for employees whose annual performance meets prescribed standards. In addition, employees in Taiwan who take unpaid leave due to injury, illness, or childcare responsibilities retain protections afforded during active employment, including the option to continue participating in existing social insurance plans. Those on unpaid injury or sick leave may also remain enrolled in the company's group insurance program. In addition to various forms of paid leave, O-Bank also provides facilities such as a library, employee lounge, music room, and art gallery to create a comfortable work environment. Every year, the Bank hosts a Family Day, inviting employees and their families to participate in fun activities that strengthen their connection to the company. O-Bank's various family care and workplace well-being measures are outlined in Table 5-25 below.

Table 5-25: O-Bank's 2024 Measures to Care for Families and Maintain a Healthy Workplace

Activity	Description	2024 Implementation Results
Thoughtful family benefits	Family leave benefits that exceed statutory requirements (paid leave)	
	Maternity leave: Female employees receive 57 days of paid leave after childbirth. (The Labor Standards Act requires 56 days, and only requires half benefits for employees who have been with the company for less than six months.)	Ten applications
	Paternity leave: Employees receive eight days of paid leave after their spouse gives birth. (The Labor Standards Act requires a combined total of seven days for paternity leave and paternity leave for prenatal checkups.)	Seven applications
	Prenatal check-up leave: Employees receive eight days of paid leave during pregnancy. (Labor Standards Act only requires seven days.)	13 applications
	Paternity leave for prenatal checkups: Employees receive eight days of paid leave before their spouse gives birth. (Labor Standards Act only requires a combined seven days for paternity leave and paternity leave for prenatal checkups.)	Four applications
	Infant care leave: An employee with a child less than one year old may, after furnishing the child's birth certificate or proof of household registration, in applying for up to three days of infant care leave for each infant under one year of age. The number of days of infant care leave that an employee is allowed to take shall be approved in proportion to the age of the infant at the end of the calendar year in which the leave is requested, and the leave shall be paid.	18 applications
	Family ties leave: Employees receive two days of paid leave to accompany a parent, spouse, or child on doctor's visits. When an employee's child is attending the first day of elementary school, the employee may take a half-day off to accompany the child.	339 applications
	Adoption leave: An employee who applies with a court to adopt a child and completes transfer of the child to his/her household registry may take two days for adoption leave.	-
	Benefits related to family care	
	Preferential treatment at childcare facilities: O-Bank employees enjoy preferential treatment at specially contracted childcare organizations.	-
	Childcare subsidy: Employees returning to work after taking over one year of parental leave without pay may receive a monthly childcare stipend of NT\$1,000 until their child turns three.	-
	Flextime system: O-Bank has instituted a flextime work system that enables employees to choose one of three different time slots when they will arrive at and leave work, and when someone has an especially important need they can apply to switch to part-time work. Also, to help employees care for their families, the law makes certain employees eligible to reduce their work hours, and O-Bank has expanded the range of this eligibility to beyond that provided for by law. In addition to persons caring for children under three years of age, employees who care for other family members (e.g. a parent or spouse) may also flexibly adjust when they arrive at and leave work, or may shorten their work hours; at the same time, O-Bank also promotes a hybrid work model, whereby employees who receive a job performance rating of "outstanding" have the option of work-from-home arrangements three days per quarter.	A total of four employees have applied for flextime work.
	Get-well gifts for illness or injury: Employees hospitalized due to illness or injury receive a get-well gift from the company	Three applications

Activity	Description	2024 Implementation Results
Thoughtful family benefits	Condolence gifts for family member passing: If an employee's family member (including spouse, parent, or child) passes away, the company sends a condolence offering or flower wreath.	Two applications
	Family Day: In 2024, to celebrate O-Bank's 25 th anniversary, the headquarters building was transformed into a one-day-only amusement park for Family Day, with a series of parent-child interactive and DIY activities inviting employees to bring their families and children to enjoy together.	A total of 165 employees joined with family members, with over 300 total participants
Leave policy exceeding legal requirements (paid leave)	Special leave: Offers a special leave policy superior to the requirements of the Labor Standards Act.	1,421 applications
	Community service leave: Employees receive paid leave to take part in community service activities.	18 applications
	Menstrual leave: Menstrual leave exceeding five days is counted toward sick leave (Labor Standards Act stipulates over three days).	21 applications
	Bereavement leave for spouse: Ten days granted when an employee's spouse passes away (Labor Standards Act stipulates eight days).	One application
	Long service leave: Employees who have completed five years of service receive three days of long service leave. Employees then receive an additional five days of long service leave upon completion of ten years, 15 years, 20 years and 25 years of service, respectively, at O-Bank.	67 applications
	Honor leave: Employees whose annual performance rating is "Superior" or above are entitled to a half-day of honor leave.	628 applications
	Organ donation leave: An employee who needs time off after donating bone marrow or an organ may take five days of organ donation leave.	-
Flextime work system	Hybrid work model: To reward employees for excellent performance, O-Bank allows employees who receive a job performance rating of "outstanding" or better to apply for permission to work from home on three days per quarter. The work-from-home days have to be approved in advance by an applicant's supervisor.	Three applications
	Unpaid Leave System: O-Bank has adopted the "Rules for Unpaid Leave for Employees." Under these Rules, employees may apply for unpaid leave for purposes such as pursuing further education, receiving medical treatment, or caring for a child.	14 applications
Comfortable working environment	Employee lounge and coffee bar: These are excellent spaces to enjoy coffee or tea and take time for a bit of relaxation.	-
	Library: The O-Bank library stocks a wide variety of books, periodicals, and magazines for employees' enjoyment.	-
	Art gallery: The O-Bank Group headquarters building has an art gallery that serves as the venue for occasional arts activities, including concerts, arts and culture lectures, and art exhibits.	-
Gender equality & Diversity-friendliness	Supportive measures for same-sex spouses: Employees with same-sex spouses receive the same benefits as other married employees, including marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and the various allowances provided by the Employee Benefits Committee.	-
	Gender-neutral restrooms: O-Bank has installed gender-friendly restrooms to ensure that all employees can enjoy peace of mind.	-
	Gender-neutral dress code: Gender-specific restrictions have been removed from the company dress code.	-

Note: "-" indicates that no employee applied for the welfare measure that year, or that it relates to physical infrastructure for which it is difficult to track implementation.



Employee lounge and coffee bar



Library



Gender-neutral restrooms

4. Care for Pregnant Employees, Parental Leave

To ensure that female employees can enjoy a safe and comfortable work environment during and after pregnancy, O-Bank provides safe and comfortable breastfeeding and lactation rooms in accordance with legal requirements and extends the daily breastfeeding/lactation break to 90 minutes – exceeding the statutory 60 minutes. The Bank also provides pregnant employees with one glass of fresh milk each day to support nutritional needs. In 2024, a total of 51 employees were eligible for parental leave (23 men and 28 women), of whom six applied for unpaid parental leave. That same year, seven employees were scheduled to return to work, and four returned on time, for a reinstatement rate of 57.14%. Among employees who took unpaid parental leave in 2023 and remained employed through 2024, the retention rate was 85.71% (see Table 5-26). O-Bank's commitment to creating a family-friendly work environment was recognized in 2024 with the Taipei City Family-Friendly Workplace Award.



2024 Family-Friendly Workplace Award

Table 5-26: Unpaid Parental Leave at O-Bank in 2024

Item	Gender		Total
	Male	Female	
Number of persons on unpaid parental leave in 2024	2	4	6
Number of persons due for reinstatement in 2024 after unpaid parental leave (A)	3	4	7
Number of persons due for reinstatement in 2024 after unpaid parental leave who were actually reinstated (B)	1	3	4
Reinstatement rate (B/A)	33.33%	75%	57.14%
Number of persons reinstated in 2023 after unpaid parental leave (C)	1	6	7
Number of employees who returned from unpaid parental leave in 2023 and remained employed for one full year as of 2024 (D)	1	5	6
Retention rate (D/C)	100%	83.33%	85.71%

5.3 Employee Cultivation and Development

5.3.1 Performance Management

O-Bank has a comprehensive performance evaluation system and conducts a three-phase (planning, implementation, review) annual performance management process. O-Bank also carries out goal setting, coaching, mid-year performance feedback, and year-end performance evaluations. The performance management cycle is as shown in Fig. 5-4, and is designed to encourage employees to pursue excellence. During each phase, O-Bank complements the process with an electronic performance management platform, online and offline informational meetings, FAQs, and performance management training courses. These measures help both management and rank-and-file employees to better understand the key points, come to a meeting of the minds regarding work goals, and implement the performance management system. In addition, O-Bank's President and all heads of division-level units hold a monthly Business Management Committee (BMC) meeting to regularly review, revise, and evaluate business objectives. At the end of each performance cycle, the President links these business objectives to annual performance evaluations and conducts team performance assessments for each division-level unit to foster collaboration and improve work efficiency. O-Bank also has other performance management mechanisms in place, including agile meetings for all employees and multi-dimensional assessments for retail business unit personnel. For further details, see Table 5-27.

Fig. 5-4: O-Bank Performance Management Cycle

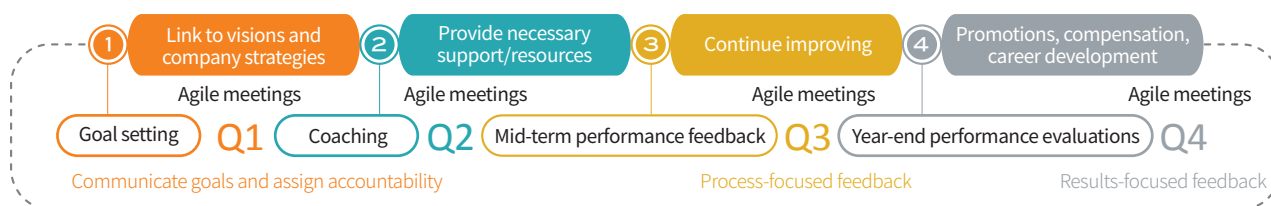


Table 5-27: O-Bank Performance Management Methods

Assessment Method	Assessment Content	Target	Frequency	System for Making Improvements
Annual performance reviews	O-Bank has adopted a set of Performance Management Regulations. At the beginning of each year, employees set their annual performance targets. Mid-year and year-end, supervisors assess how well these targets have been achieved. At year-end, the Bank distributes individual short-term incentive bonuses based on the assessment results and the Company's profits for the year.	All employees	two assessments/year	The "O-Bank Internal Rules on Performance Improvement" provides that an employee who has received a job performance rating of "B" in the current year, or a job performance rating of "A-" for two consecutive years, that person's supervisor will guide the employee in preparing a "Performance Improvement Plan," give appropriate demands and assistance, and oversee efforts by the employee to improve performance.
Agile meetings	Periodically carry out agile meetings, where we give each other real-time feedback, continue to inspect, revise, and review business goals, then use the results as reference in year-end performance reviews.	All employees	At least once each two months	Periodically review how well employees are achieving their work goals in order to gain a clear understanding of their performance, assess the gap between actual results and expected outcomes, act promptly to formulate improvement plans or actions, and continue tracking implementation progress.

Assessment Method	Assessment Content	Target	Frequency	System for Making Improvements
Multi-dimensional assessments	With regard to personnel at corporate banking business units and retail customer services units, O-Bank includes customer satisfaction, customer service satisfaction, and other indicators in its performance reviews, and uses multi-dimensional methods to examine work performance.	Corporate banking units, retail customer services units	Quarterly	Corporate banking units: Customer complaints and customer satisfaction surveys are periodically reviewed. If an O-Bank employee has indeed engaged in improper behavior or provided poor service, points shall be deducted in that person's annual performance review, and the person will be asked to make improvements. At the same time, the case will be shared with all sales personnel during routine monthly meetings.
			Monthly	Retail customer services units: Each month O-Bank reviews the customer service quality of all customer service personnel, and on the basis of these reviews O-Bank provides guidance to help customer service personnel to improve their service quality; those whose service quality is excellent are given appropriate recognition.

The content of O-Bank performance reviews consists of "degree of contribution to outcomes" (accounts for 80% of the score) and "competency" (accounts for 20% of the score), and the results of performance evaluations affect an individual's compensation and chances for promotion. Therein, the focal points of "degree of contribution to outcomes" and the weightings thereof are shown in Table 5-28. In addition, every O-Bank employee has "corporate social responsibility" targets. Each unit must set annual sustainable development goals to encourage employees to conduct their work in such a way as to spur sustainable development. Also, in order to spur greater employee awareness of the need for protection of financial consumers, fair treatment of financial consumers, risk management, and to strengthen information security management, O-Bank has adopted "compliance, internal control, risk management, and information security" targets. And in response to rampant fraud activity in recent years, O-Bank has included "spotting fraudulent transactions in progress and preventing them from being completed" as a key focal point in performance reviews for front-line customer service personnel. Depending on the number of fraudulent transactions prevented, the amounts involved, and the skill displayed in the course of preventing such transactions, personnel who perform especially well may receive special recognition or bonuses, and the bank makes bank-wide commendation announcements in accordance with the provisions of the O-Bank "Rules for Employee Recognition and Discipline." Meanwhile, when giving out short-term incentive bonuses, they may receive bonuses in accordance with salary-related regulations to encourage them to actively prevent fraud cases.

Table 5-28: Focal Points and Weightings for Performance Evaluation Regarding Degree of Contribution to Outcomes of O-Bank

Type of Indicators	Items	Weighting
Degree of contribution to outcome	Financial matters	at least 58%
	Management and teamwork	
	Projects and procedures	
	Customer service	at least 5%
	Compliance, internal control, risk management, and information security	at least 12%
	Corporate social responsibility (sustainable development)	5~10%
Total		100%

Note 1: Indicators used and their weightings vary depending on the unit in question and its duties.

Note 2: This table applies to all O-Bank employees (including executive management).

O-Bank strives to ensure that our performance evaluation process is fair, impartial, and open. Management and rank-and-file employees engage in two-way feedback and conduct an initial evaluation. After that, members of executive management carry out an inter-departmental calibration of performance evaluation standards for employees at the same grade, and conduct secondary evaluations to ensure the consistency of standards throughout O-Bank. In 2024, a total of 1,200 employees were required to undergo performance evaluations (the requirement applies to any person who commenced employment at O-Bank prior to 30 September of the current year, and to employees who have satisfactorily completed their probationary period). All 1,200 of those employees underwent a performance evaluation. Information on these employees' gender composition and where they work is set out below in Table 5-29.

Table 5-29: O-Bank Employee Performance Evaluations in 2024

Type	Number of Persons in Taiwan	% of All Performance Evaluations	Number of Persons Overseas	% of All Performance Evaluations
Male	578	48.17%	57	4.75%
Female	509	42.42%	56	4.67%
Total	1,087	90.59%	113	9.42%
Management	176	14.67%	5	0.42%
Rank-and-file	911	75.92%	108	9.00%
Total	1,087	90.59%	113	9.42%

Note: Persons hired on Oct. 1 or later were not required to undergo a performance evaluation in 2024.

5.3.2 Training and Learning

On the basis of our business strategy, the company's core values, and skills requirements, O-Bank has devised a comprehensive training development plan and career development blueprint that provide courses focusing on strategy, leadership, communication, and innovation, which different types of management personnel attend as necessary. Also, depending on the nature of their jobs and the differing compliance requirements, rank-and-file employees attend a wide range of training courses that focus on financial matters, compliance, specific job skills, and general knowledge.

To make effective use of learning resources, O-Bank arranges for employees to attend both in-house and out-of-house courses, and has also launched a digital learning platform, O-Bank Digital Academy, that offers an abundance of online courses, providing employees with flexible and convenient learning channels. In response to the growing trend of digital financial services and in alignment with the Bank's strategic operational needs, O-Bank has in recent years actively promoted digital transformation initiatives by planning a series of digital knowledge courses. These courses introduce topics related to fintech innovation in an easy-to-understand manner, incorporating practical case studies and industry benchmarks to instill new digital thinking in employees and help them keep up with the latest trends in technology development and financial innovation. In 2024, a total of 1,023 employees participated in courses related to the Bank's digital transformation initiatives, accounting for 82.37% of all employees. Among them, the average pass rate on course assessments was 81.3%.

O-Bank attaches great importance to ethical best practices, and continues to advocate for principles of good faith that oppose the offering of bribes, acceptance of bribes, and corruption. O-Bank communicates with and reaches out to employees by training new hires, offering courses on compliance and anti-money laundering, holding lectures on special topics, and administering questionnaires. Throughout the entire year there were no instances of corruption or unethical behavior. In 2024, all O-Bank employees (including contract employees and hourly employees) completed courses focusing on anti-corruption, compliance, the Provisions of the "Financial Consumer Protection Act," the "Principles for Fair Treatment of Customers," and information security. The 2024 completion rate was 100%, and total employee-hours of attendance at compliance courses reached 32,064 hours.

In order to establish a sustainability-oriented mindset among our employees, O-Bank offers online "Understanding Corporate Social Responsibility" education and training courses that address such matters as: the organizational structure and duties of the O-Bank ESG Development Working Committee; the O-Bank Corporate Social Responsibility Guidelines; and O-Bank's CSR undertakings and the key focal points of future development efforts. Also, in response to the trend toward development of sustainable finance, O-Bank has further incorporated such topics as green finance, climate change, the transition to a net-zero economy, and the inventorying of portfolio emissions into employee training courses. Besides inviting outside lecturers to speak on sustainability issues and trends, cultivate an ESG mindset among co-workers, and encourage co-workers to weave a sustainability mindset into their everyday work routines, O-Bank personnel in the Sustainable Development Section also serve as lecturers when we hold training on "introduction to the methodology of the Partnership for Carbon Accounting Financials" and "database operations." Details on related courses are set out in Table 5-30 below.

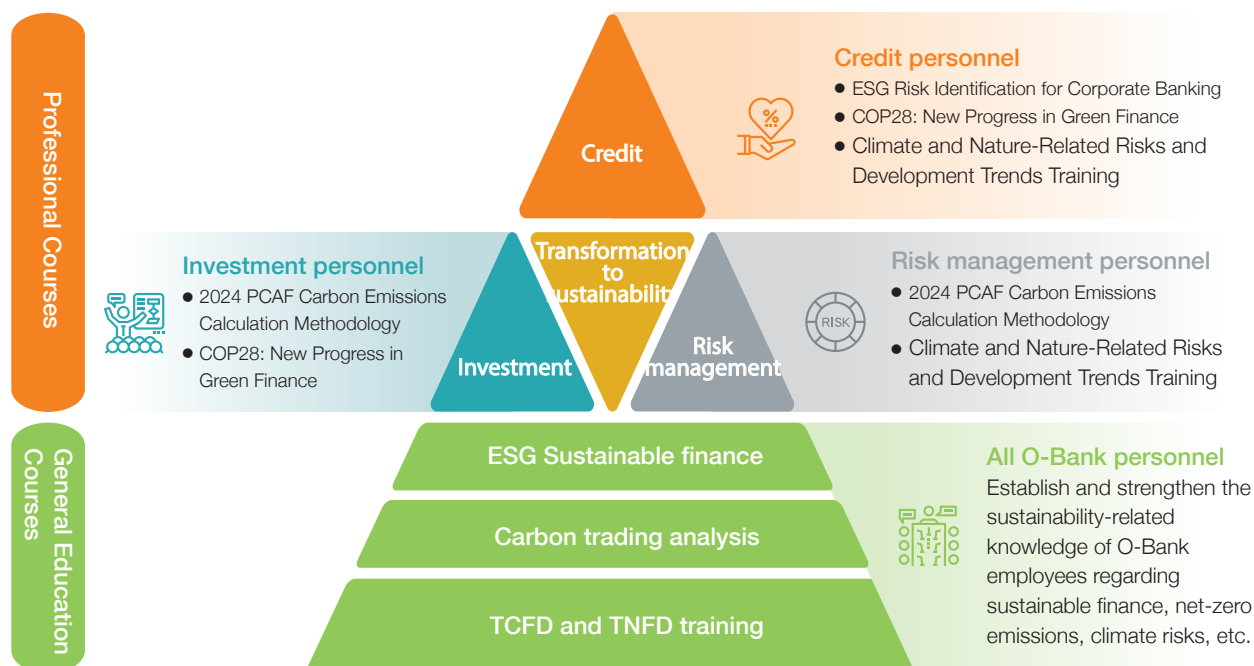
Table 5-30: O-Bank Sustainability-related Courses in 2024

Name of Course	Number of Sessions	Target Audience	Hours	Attendance	Total Person-hours
ESG Sustainable finance courses	1	All employees	3	1,184	3,552
Carbon trading analysis seminar	2	All employees	1	1,164	1,164
TCFD and TNFD training	2	All employees	2	1,037	2,074
Regulations on the Financial Consumer Protection Act and Fair Treatment Principles	1	All employees	3	1,096	3,288
Guidelines for Promoting Sustainability of Corporate Loan and credits (ESG Comprehensive Assessment)	1	Credit business personnel and other designated department staff	0.5	33	16.5

Name of Course	Number of Sessions	Target Audience	Hours	Attendance	Total Person-hours
2024 PCAF Carbon Emissions Calculation Methodology	1	Designated unit personnel	2	237	474
2024 PCAF System Implementation	1	Designated unit personnel	2	62	124
ISO 50001 – Energy Management Training	2	Designated unit personnel	1	420	420
COP28: New Progress in Green Finance	1	Designated unit personnel and all employees	2	279	558
ESG Risk Identification for Corporate Banking	1	Designated unit personnel (including Corporate Banking RMs and JRMs)	2	167	334
Climate and Nature-Related Risks and Development Trends Training	1	Designated unit personnel	1	41	41
Total	14	-	19.5	5,720	12,045.5

In addition to holding sustainability-themed courses for all employees to strengthen their awareness of sustainability issues, O-Bank also actively cultivates in-house sustainability specialists. O-Bank has expanded its test subsidy program to include certifications related to sustainable finance, encouraging employees to enhance their sustainability knowledge through professional credentials. The details of the O-Bank Training Framework for Transition to Sustainability are shown in Fig. 5-5 below. A dedicated project budget totaling NT\$280,000 has been allocated and submitted to the ESG Development Working Committee for approval.

Fig. 5-5 : O-Bank Training Framework for Transition to Sustainability



O-Bank held 737 in-house in-person and online education and training activities in 2024, while 638 workshops were run by outside entities. In total, these activities attracted 76,028 participants. O-Bank personnel logged a total of 114,552.96 education and training hours; average training hours per employee came to 93.28 hours (approx. 11.66 days), and average training expenditures came to over NT\$6,329 per employee. Training hours logged by O-Bank employees in 2024 are set out in Table 5-31.

Table 5-31: O-Bank Employee Training Hours in 2024

Unit: hours

Job Type	Training Hours			Average Hours Per Person
	Male	Female	Total	
Management	11,157.40	7,931.65	19,089.05	103.18
Proportion of total training hours for managerial staff share	58.45%	41.55%	100%	-
Non-management	49,509.02	45,954.89	95,463.91	91.53
Proportion of total training hours for non-managerial staff share	51.86%	48.14%	100%	-
Total	60,666.42	53,886.54	114,552.96	93.28
Proportion of total training hours overall	52.96%	47.04%	100%	
Average training hours per person	94.50	91.96	93.28	

Note 1: All figures in this table for employees receiving training include regular full-time employees in Taiwan and overseas, but do not include the Chairman, student part-timers, chauffeurs, or security guards. The total number of employees receiving training was 1,228, including 642 men and 586 women, and 185 management personnel and 1,043 non-management personnel (the term "management personnel" refers to supervisory personnel serving at the level of section head or higher).

Note 2: In 2024, O-Bank had a total of 16 part-time employees who attended a combined total of 168 training hours, averaging 10.5 hours per person. Mandatory courses covered topics including anti-corruption, compliance, information security, protection of personal information, and ethical best practices.

To encourage all full-time and part-time employees (including contract and hourly personnel) to elevate their professional skills and obtain financial certifications, O-Bank provides grants to offset the cost of testing for certifications required by internal rules. When an employee registers to test for a certification, regardless whether the employee does so voluntarily or because such certification is required for a particular job or by law, O-Bank pays the cost the first time the employee registers for any given test. Besides helping to strengthen employees' financial professionalism, such grants also help to improve O-Bank's overall service quality. Information on the professional licenses held by O-Bank employees in 2024 is set out in Table 5-32.

Table 5-32: Professional Licenses Held by O-Bank Employees, 2022~2024

Type of License	Year	2024	2023	2022
Banks' Internal Control and Audit Exam		476	465	428
Basic Test on Sustainable		27	0	0
Sustainable Finance Certification (Basic Competency)		1	0	0
Certified Internal Auditor		1	1	1

Type of License \ Year	2024	2023	2022
Certified Information Systems Auditor	2	2	2
Exam on Financial Market Knowledge and Professional Ethics	450	451	428
Trust Services Competency Exam	420	402	376
Structured Commodities Salesperson Qualification Exam	127	137	130
Financial Derivatives Salesperson Qualification Exam	119	104	81
Securities Brokerage Salesperson Qualification Exam	82	85	76
Securities Brokerage Senior Salesperson Qualification Exam	116	126	117
Life Insurance Salesperson Qualification Exam	262	272	229
Property Insurance Salesperson Qualification Exam	196	189	170
Exam for Life Insurance Salespeople Selling Foreign Currency, Non-Investment Products	90	86	69
Entry-Level Lending Personnel Qualification Exam	234	232	188
Entry-Level Forex Personnel Qualification Exam	173	168	157
Bond Trading Competency Exam	20	21	23
Forex Trading Competency Exam	8	8	10
Bills Salesperson Qualification Exam	34	37	38
Securities Investment and Trust Salesperson Qualification Exam	72	74	68
Securities Analyst Qualification Exam	4	7	6
ACAMS Certification	10	8	6
Cyber Defense License	26	24	2

Note: This table does not include overseas employees. The figures indicate the number of certifications valid as of year-end.

Since 2022, O-Bank has established a Corporate Banking Relationship Manager (RM) certification program, providing professional training courses covering credit examination fundamentals, business operations, and products. The program encourages Junior Relationship Managers (JRMs) to obtain necessary financial professional certifications. Through a solid and comprehensive certification system, O-Bank supports JRMs in advancing their careers and builds a professional talent pool for the corporate banking business team. In 2024, six corporate banking JRMs obtained the Corporate Banking RM professional certification. Details on the implementation results of the 2024 Corporate Banking RM Certification Program are set out in Table 5-33.

Table 5-33: Implementation of the Corporate Banking Relationship Manager (RM) Certification Program in 2024

Trainees	Content of Training	Business Benefits	2024 Results and Quantitative Indicators
Corporate Banking JRM (total trainees: Seven)	O-Bank provided a series of courses for cultivation of corporate banking JRMs, including introduction to credit examinations, training courses of banking business and products, and these are backed by various qualifications exams, including a "Basic Proficiency Test for Bank Lending Personnel," a "Certification Test for Financial Derivatives Sales Personnel," a "Proficiency Test for Trust Operations Personnel," and a "Basic Test on Financial Markets and Professional Ethics." In addition, O-Bank required them to complete credit reports, and only those that meet a certain standard are deemed qualified as corporate banking RMs.	O-Bank, acting in accordance with its corporate banking development strategy, formulated a Corporate Banking Relationship Manager (RM) Certification Program. In addition to helping corporate banking JRMs to better understand products, do a better job of identifying lending risks, make use of their credit check expertise, and build up professional skills related to financial analysis, O-Bank has also cultivated the soft marketing skills of such personnel in such areas as product pricing and packaging, delivery of presentations, and negotiations, and has moved forward on many fronts to continue improving the skills of internal business personnel. This approach contributes to business growth and the achievement of targets, and creates win-win situations for both customers and the bank.	Six JRMs obtained RM certificates, which makes for an 86% certification rate.

Note: The participants in this certification program account for 0.56% of all O-Bank employees.

To review the results of employee training programs, O-Bank has used the Kirkpatrick Model to examine and measure the learning results of different training programs in order to verify the benefits of human and capital inputs, and to further optimize the content of education and training, thereby ensuring that employees have sufficient professional skills and expertise to respond to rapidly changing financial markets. The results of the Kirkpatrick Model of learning evaluations are as shown in Table 5-34.

Table 5-34: Kirkpatrick Model for Evaluation of Learning in Employee Training at O-Bank

Level	Description	Assessment Method	Key Training Programs	2024 Assessment Results
Reaction level (Level 1)	Ask about course satisfaction.	• Satisfaction surveys	• Courses on finance, general knowledge, job skills, and management	• Avg. course satisfaction rate: 90.07%
Learning level (Level 2)	Review the degree of acquisition of skills.	• Post-course testing • Course drills	• Legally required training • Training in IPR concepts • Training in information systems	• Pass rate in legally required training courses: 100% • Pass rate in courses on IPR concepts: 100% • Completion rate for information systems training drills: 100%

Level	Description	Assessment Method	Key Training Programs	2024 Assessment Results
Behavior level (Level 3)	Observe how participants' on-the-job behavior has changed.	<ul style="list-style-type: none"> Action plan Project evaluation Obtaining of qualifications 	<ul style="list-style-type: none"> Training information security Promoting a culture of accountability RM Specialist Certification Program 	<ul style="list-style-type: none"> Social engineering drills effectively reduced opening of phishing emails to 0%. Trained employees to familiarize them with accountability, and made use of performance evaluation system to encourage employees to pursue excellence. Established an RM Specialist Certification Program, used professional training and modular assessments to cultivate RM professionals. Rate for obtaining of qualifications for corporate business units: 72%
Results level (Level 4)	Calculate the impact of training upon the enterprise.	<ul style="list-style-type: none"> Reduce operating costs Contribution per capita 	<ul style="list-style-type: none"> Cultivation of in-house lecturers Contribution per capita (Note 1) 	<ul style="list-style-type: none"> In-house instructors taught courses and prepared their own teaching materials, saving NT\$2.7185 million in training costs. Contribution of NT\$2.2997 million per capita
Investment returns (Level 5)	Human capital ROI (Note 2)	<ul style="list-style-type: none"> Net income Employee benefits expenses 		<ul style="list-style-type: none"> 2.72

Note 1: Contribution per capita = 2024 standalone net profit after tax / 2024 total number of employees

Note 2: Human capital ROI = {Net income – (Operating expenses – employee benefits expenses)} / (employee benefits expenses)

5.3.3 Talent Development and Training

To meet our personnel needs in a rapidly changing financial environment, besides recruiting new talent from outside, O-Bank places great importance on discovering and training in-house talent. We are actively planning out a comprehensive training development plan and career development blueprint. For junior management positions, the human resources management tasks of selection and accountability are the basic focus of training; for senior- and executive management positions, training strengthens leadership and strategic planning ability so that they can build highly efficient goal-oriented teams. In addition, to ensure that knowledge and experience are passed on to employees, O-Bank has continued to train an in-house team of instructors who systematically share their professional knowledge and job skills with their fellow employees. Also, O-Bank has developed several hundred professional courses for the benefit of other employees.

To encourage employees to take the initiative in developing their job skills, each employee carries out an annual Individual Development Plan (IDP) in which they express their thoughts regarding future job rotations or their career development, and they also discuss and formulate an IDP with a supervisor. Depending on each employee's needs, O-Bank also helps employees take advantage of job rotation either within O-Bank or among affiliates to develop multiple specialties and broaden their careers. In 2024, the job rotation rate (including reassignments and promotions) among O-Bank employees was 24.07%. At the same time, to equip employees with more diverse skills and specialized strengths, O-Bank began planning an "Inter-Departmental Job Rotation Program for Entry-Level and Junior Employees" in 2023. Under this program, employees take part in two-month job rotations to broaden their career perspectives and cultivate cross-disciplinary capabilities. The program is also integrated with the performance

management system to ensure effective implementation. In 2023, nine front-, middle-, and back-office units participated; in 2024, the program was expanded to 22 units across the bank. In addition, to support new employees from economically disadvantaged backgrounds in adapting to the O-Bank workplace, the bank provides a comprehensive training program for employees with official low-income household certification and less than two years of work experience. The program includes subsidies for professional certification, customized training based on job content, and mentoring support.

To ensure continuity of leadership and talent, O-Bank launched the "Executive Succession Development and Management Tier Program" in June 2022. Using multi-dimensional indicators (such as objective talent assessment tools, internal performance results, and practical observations) the Bank assesses the current status of team talent and succession readiness. Potential successors are selected from among heads of division-level units, heads of department-level units, and heads of section-level units. Development plans are designed to align with corporate strategy. This includes a succession plan for the President position, under which several heads of division-level units are continuously developed as backup candidates. When the incumbent President resigns or retires, the Bank will complete the selection of a new President within six months. In 2024, O-Bank held nine leadership development courses and one-on-one coaching sessions for heads of division-level units, four sessions (including follow-up training) for heads of department-level units, and 11 sessions (including follow-up training) for heads of section-level units. For heads of division-level units in particular, these efforts were supplemented by periodic meetings with and coaching from the President, the presidential deputy system, executive job rotations at subsidiaries, and assignments as directors or supervisors at subsidiaries. These efforts serve both to develop successor talent and to ensure a smooth presidential succession process, so that operations remain uninterrupted. O-Bank reports annually to the Board on the implementation of the Executive Succession Development and Management Tier Program. Details of the 2024 program are provided in Table 5-35.

Table 5-35: Implementation of the O-Bank 2024 "Executive Succession Development and Management Tier Program"

Trainees	Content of Training	Business Benefits	2024 Results and Quantitative Indicators
Heads of division-level units (12 course attendees)	<ul style="list-style-type: none"> • In line with O-Bank's Dig Deep strategic development initiative, leadership development for heads of division-level units focused on future organizational direction and individual competencies. • Selected heads of division-level units participated in a ten-month learning journey, including competency bootcamps, thematic courses (self-awareness, talent cultivation, and leading innovative transformation), coaching, and executive dialogue, concluding with a personal presentation of learning outcomes. 	Establish an internal pool of succession talent, which will help to smooth out the process for identifying a successor to the position of President and ensuring that the company's business continues unaffected.	<ul style="list-style-type: none"> • In the 2024 employee needs survey, the average score for the "Organizational Climate and Leadership" dimension exceeded 80 points. • The 2024 retention rate for high-performing employees reached 90.27%. • According to the Human Resources Development (HRD) Quality Management System's training evaluation model, the average satisfaction score for the program's courses was 4.82 out of 5.
Heads of department-level units (60 course attendees)	<ul style="list-style-type: none"> • Focusing on team talent development, the Bank designed courses for heads of department-level units covering communication, coordination, and empowering subordinates, and implemented a key subordinate development plan integrating training, practice, and real-time consulting feedback to strengthen their intermediary leadership role. 	Developing internal successors helps ensure smooth transition of division-level unit roles and uninterrupted business operations.	

Trainees	Content of Training	Business Benefits	2024 Results and Quantitative Indicators
Heads of section-level units (total of 112 trainees)	<ul style="list-style-type: none"> Focusing on leadership and management capability enhancement, courses for heads of section-level units included both in-person and online modules on communication, coordination, balancing listening and speaking, and building trust, along with an online leadership questionnaire to support effective guidance and mentoring. 	Developing internal successors helps ensure smooth transition of department head-level roles and uninterrupted business operations.	

Note: Participants in this Development and Management Tier Program account for 14.81% of all O-Bank employees.

In addition to training in-house talent, O-Bank also works to strengthen the financial knowledge of university students, helping more students gain an understanding of industry practices and developments and encouraging them to pursue careers in the financial sector. In recent years, O-Bank has continued its collaboration with the Department of Economics at National Taiwan University to offer the "Lecture Series on Finance and Industry." Members of O-Bank's executive management serve as instructors, sharing insights on banking operations, sustainable finance, financial technology, and other finance-related topics to help students gain a deeper understanding of the current state and future trends of the financial industry. O-Bank also welcomes school group visits. In 2024, the Bank jointly organized corporate visits with Takming University of Science and Technology, the Career Development Team of National Chengchi University, and National Taiwan University of Science and Technology to introduce university students to O-Bank and help them better understand banking operations.



A group from National Chengchi University's Career Center visited O-Bank for a campus group tour

To discover outstanding new talent, O-Bank recruits undergraduate and graduate students to take part in the "Summer Internship Program for University Students." Participants attend introductory courses on the banking industry, take part in team competitions, and prepare research reports. This program provides currently enrolled students with opportunities to build up real-life workplace experience. Besides arranging attendance in professional courses and participation in actual banking work, O-Bank also assigns employees to act as mentors of the interns and lead them to learn workplace practices and ethics. This helps the students develop an advance understanding of bank's workplace culture, and facilitates their preparations for entry into the work world. A total of 27 students took part in the "O-Bank Summer Internship Program for University Students" in 2024, and over 200 have taken part since it was launched in 2016.



O-Bank's Summer Internship Program provides university students with a close look at the financial services industry

5.3.4 Human Capital Risk Assessment

O-Bank periodically carries out human capital risk assessments to prevent changes or imbalances in human resources from affecting organizational efficiency. The assessment procedure includes identifying human capital risks, evaluating risk levels, formulating mitigation or improvement plans, reviewing outcomes, and conducting periodic reviews and adjustments. In 2024, based on trends in the financial industry and the Bank's organizational development strategy, O-Bank identified six human capital risk topics. Among them, "employee attrition" was assessed as a medium-level risk. The other five (workplace accidents, inadequate recruitment or retention mechanisms, declining employee satisfaction, shortage of employees with core skills, and corruption) were assessed as low-level risks. Mitigation measures have been planned for all six issues to support ongoing improvements in human capital management and reduce the potential impact of these risks on organizational efficiency. The results of O-Bank's 2024 human capital risk assessment are presented in Table 5-36.

Fig. 5-6: Human Capital Risk Assessment Procedure



Table 5-36: 2024 Human Capital Risk Assessment

Topic	Risk Indicator	Risk %	Risk Level	Impact on Company	Mitigation Measures and Benefits
Employee Attrition	Overall turnover rate (incl. voluntary and involuntary turnover rates)	19.08%	Medium risk	Frequent movement at work can generate risks.	<ul style="list-style-type: none">• Report employee separations monthly.• Strengthen leadership training for supervisors and improve their guidance skills to do a better job of retaining employees.

Topic	Risk Indicator	Risk %	Risk Level	Impact on Company	Mitigation Measures and Benefits
Workplace accidents	Workplace accident rate (Total recordable incident rate = Total occupational injuries / × 1 million hrs)	0.04%	Low risk	The occurrence of a workplace accident can affect worker productivity, and the company will have to deal with the cost of compensation.	O-Bank has obtained ISO 45001:2018 certification for its occupational health and safety systems, and each employee must receive three hours of training per year in occupational health and safety.
Inadequate recruitment or retention mechanisms	Involuntary turnover rate (Number of persons discharged / Number of persons at year end)	1.05%	Low risk	Unfit employees cannot achieve work goals, which affects the workplace atmosphere and increases training and recruitment costs for the company.	<ul style="list-style-type: none"> • Before hiring an employee, a supervisor must clearly state the targets that the new hire is expected to meet. • Performance reviews and improvement plans must be implemented. • Supervisors receive training in interviewing techniques.
Satisfaction declines	Employee satisfaction	0.00%	Low risk	Low employee productivity affects company performance.	<ul style="list-style-type: none"> • The 2024 employee satisfaction survey score increased by 1.32% from the previous year. • In response to lower-scoring items in the previous year's survey, measures were introduced such as additional leave benefits exceeding labor law standards, expanding eligibility for long-service leave, adding more on-site massage service locations, and offering condolence payments and funeral supplies for hospitalized or bereaved employees, to meet employee needs and enhance satisfaction.
Shortage of employees with core skills	Ratio of shortage of core talent for digital transition.	0.00%	Low risk	Shortage of digital talent causes inability to achieve digital transformation on schedule, thus affecting company's development and making it difficult to reap a return on investments.	<ul style="list-style-type: none"> • Classify digital talent as priority for outside recruitment, and add new recruiting channels. • Classify core skills units as internal job rotation units in order to discover potential talent. • Classify core skills units as internship units. Two interns were placed with such units in 2024.
Corruption	Rate of incidence of unethical behavior	0.00%	Low risk	Failure to properly implement corporate governance risks the company's reputation or causes actual harm.	<ul style="list-style-type: none"> • 100% of employees completed an ethics self-assessment. • 100% of employees completed an ethics training course. • Directors and members of executive management signed the Declaration of Intent to Comply With the O-Bank Ethical Management Policy. Current and newly hired employees signed the Statement of Consent to Comply With the O-Bank Ethical Management Policy. • Monitored unusual transactions involving the accounts of employees working in business units and credit management units.

Note: Risk levels are determined based on historical data for each risk issue.

5.4 Communication and Engagement with Employees

5.4.1 Communication Platform and Exchange Activities

To promote harmonious labor-management relations, O-Bank complies with legal requirements by holding regular labor-management meetings, with labor representatives elected by employees. These meetings discuss labor safeguards stipulated by law, such as regulations on overtime work and nighttime work by female employees. Once resolutions are approved at labor-management meetings, they are incorporated into the Work Rules and announced to all employees. At the same time, O-Bank continues to strengthen communication with employees throughout the organization on key regulations related to attendance and overtime to safeguard employees' labor rights. In 2024, O-Bank's labor dispute rate was 0% (Note 5-7), and there were no cases of employment discrimination.

To foster more direct interaction opportunities between employees and executive management, O-Bank held four "WeCare 2.0+" events in 2024. During designated time periods, employees were able to engage in dialogue with senior executives, promoting two-way communication between the company and its employees. At the same time, O-Bank regularly holds employee assemblies to report business performance and communicate company policies, helping employees better understand the company's current status. Two assemblies were held in 2024. Additionally, O-Bank maintains an Employee Complaints Mailbox and a Sexual Harassment Complaints Mailbox. All submitted complaints and related correspondence are handled confidentially to protect the rights of complainants. No complaints were received in 2024. O-Bank also operates a WeCare Mailbox to encourage employees to provide care-related suggestions, allowing the company to stay informed of employee needs. In 2024, three suggestions were received. Responding to the growing use of online social media, O-Bank has established a Facebook Group named "O-Bank Employee Zone" to announce activities and keep employees updated with company information in real time.

O-Bank firmly believes that corporate culture is the core foundation for sustainable development. Upholding the corporate spirit of "always sincere, always here," O-Bank was the first in the industry to establish a Corporate Culture Committee in 2013. The Committee implements various employee care initiatives to enhance organizational cohesion and foster a mutually supportive corporate culture.

Recent initiatives include childbirth subsidies of NT\$12,000 per child plus an additional NT\$6,000

from the Employee Welfare Committee, totaling NT\$18,000; the Energy Recharge Station, which provides employees with free healthy locally sourced fruit; summer internship programs to help employees' children develop workplace skills; and retirement care benefits such as invitations for retirees to attend year-end parties and access to retirement health checkups. In 2024, marking O-Bank's 25th anniversary, the Parent Company building was transformed into a one-day-only amusement park for a special Family Day event. Employees and their families were invited to participate in a variety of parent-child interaction activities and environmentally friendly handicraft experiences. This event not only strengthened employees' and their families' sense of belonging to the company but also promoted the United Nations Sustainable Development Goals (SDGs).



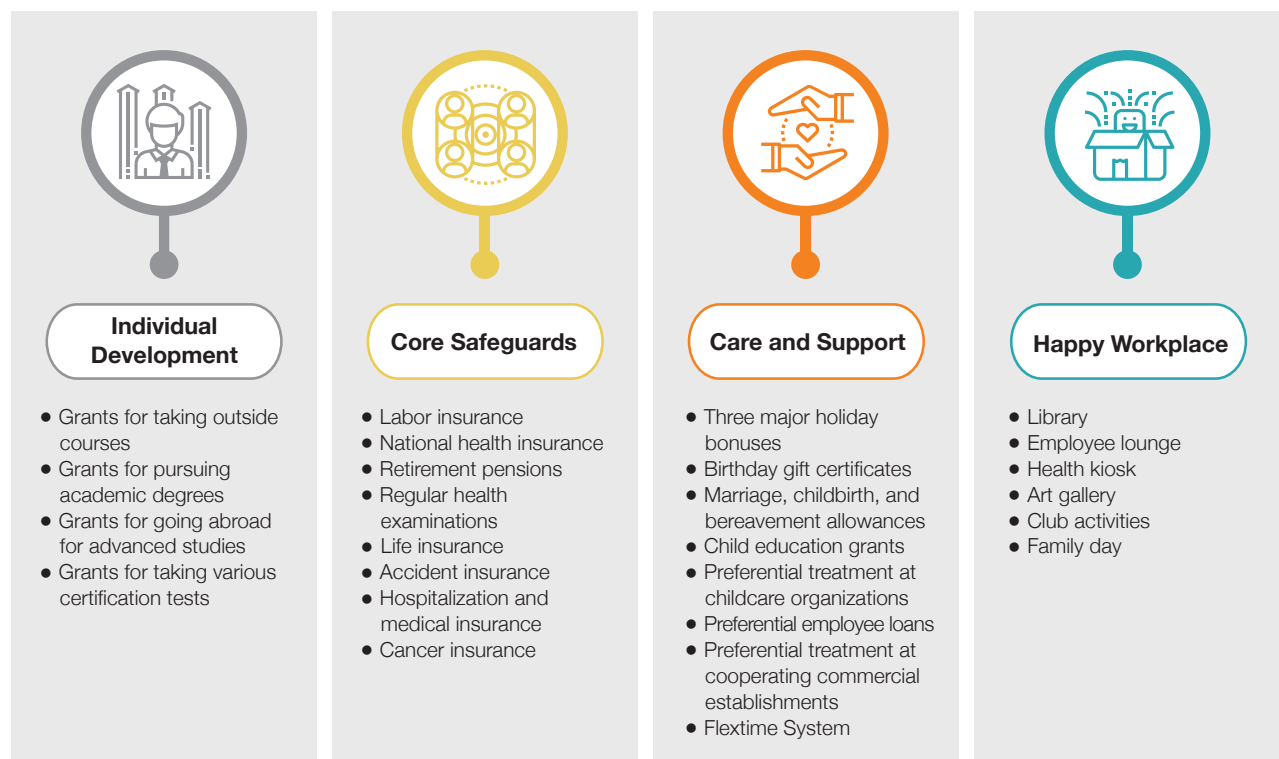
O-Bank 25th Anniversary Family Day

Note 5-7: O-Bank's labor dispute rate is calculated using the Ministry of Labor's formula, which defines the dispute rate as "the number of persons involved in labor dispute cases divided by the total number of employees." This calculation covers Taiwan only. In 2024, O-Bank experienced no labor dispute cases.

5.4.2 Employee Satisfaction

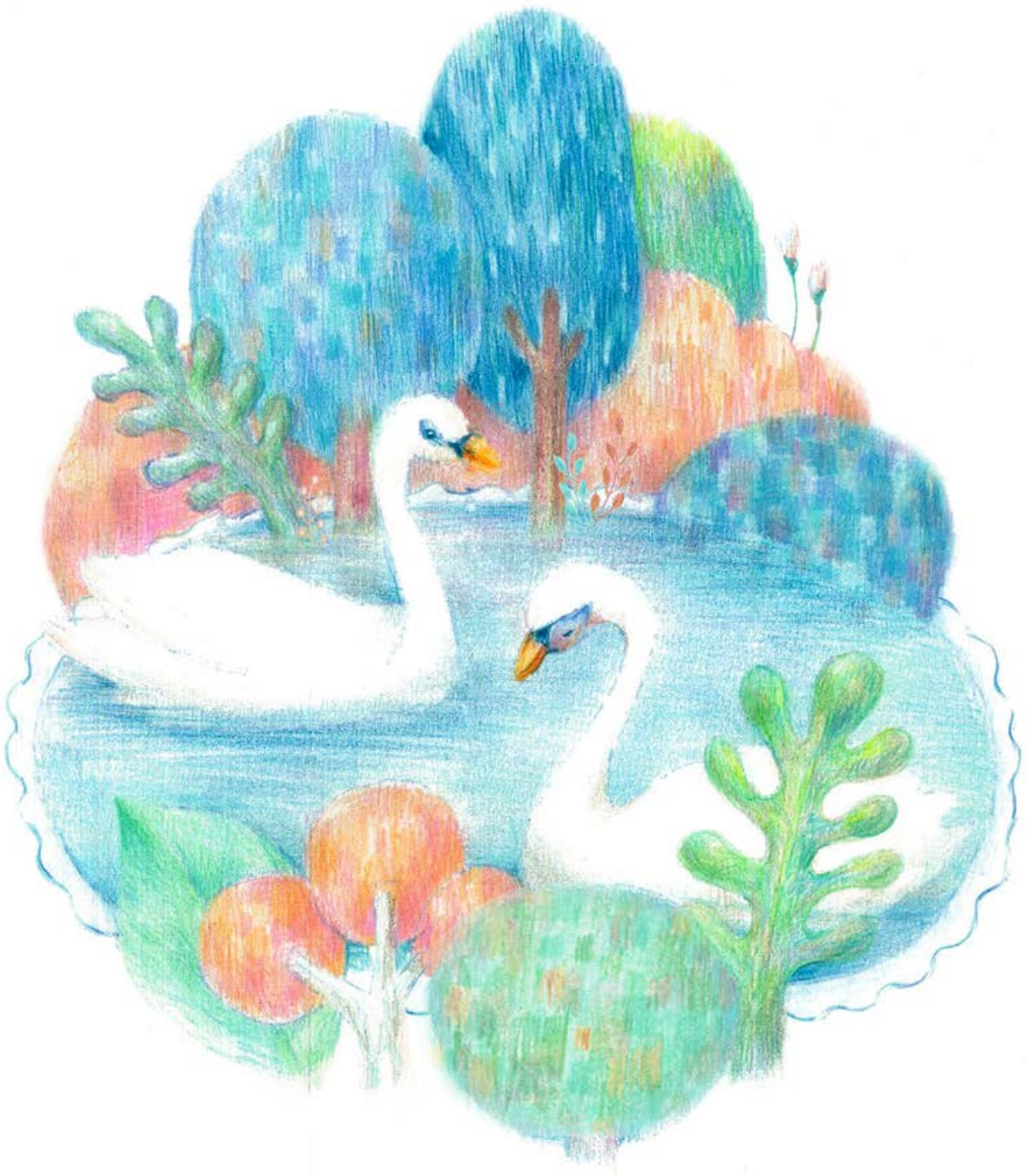
The O-Bank Corporate Culture Committee conducts an annual Employee Satisfaction and Needs Survey. In 2024, a total of 1,136 questionnaires were collected, with a response rate of 97.01%. Overall employee satisfaction reached 88.81% (Note 5-8), and employee engagement was 87.42%, both showing improvement over the previous year and reflecting the positive impact of the company's employee care policies. In recent years, O-Bank has continued to refine internal measures in response to survey feedback to better meet employee needs. According to the 2024 survey results, the "Benefits" category received the lowest scores. Therefore, the Bank has planned several initiatives to be launched in 2025, including increasing the number of hours of employee access to massage services and extending parental leave days, gradually enhancing various employee care measures. O-Bank remains committed to its corporate culture of "always sincere, always here" and strives to create a happy workplace characterized by safety, fairness, and friendliness.

Fig. 5-7: O-Bank Offers Multiple Benefits to Create a Happy Workplace



Note 5-8: Employee satisfaction rates in 2021, 2022, and 2023 were 86.27%, 87.76%, and 87.49% respectively.

6. Environmental Protection



O-Bank seeks to operate sustainably. While working to grow our business, O-Bank also pays due attention to protecting the environment. In recent years, the Bank has steadily replaced energy-consuming equipment, implemented resource recycling, increased the use of green electricity, and raised the proportion of green procurement, all in an effort to reduce the negative environmental impact of its operations. To respond to global climate change and the international trend toward carbon reduction, O-Bank instituted an ISO 14001:2015 environmental management system in 2018 and has obtained certification annually ever since. Starting in 2024, overseas locations have also been brought within the scope of the Bank's inventory and certification activities, which now cover 100% of all global business locations. This ensures the establishment of an effective and comprehensive environmental management mechanism, including proper management of power and water usage as well as waste generation. To effectively inventory and monitor greenhouse gas emissions from its operations, O-Bank continues to apply the ISO 14064-1:2018 greenhouse gas inventory system and completes third-party verification each year. Inventory and verification cover 100% of all global business locations. In line with regulatory requirements, this section also discloses the Bank's subsidiaries' GHG emissions and carbon reduction measures. Since 2021, O-Bank's headquarters building has adopted the ISO 50001:2018 energy management system, and starting in 2024, this has been expanded to include all business locations throughout Taiwan. Measurement and monitoring of energy use are carried out concurrently to improve energy efficiency. In addition, O-Bank supports and encourages suppliers to fulfill their sustainability responsibilities by promoting high moral standards, respecting labor rights, and fostering environmentally sustainable development. The Bank has also adopted the walkways surrounding its headquarters building, where it plants and maintains large shrubs and trees, and provides pruning and pest control services to promote urban greening. O-Bank will continue taking a multi-pronged approach to environmental protection and striving toward low-carbon operations and sustainable growth.

Regarding the issues of minimizing climate change and advancing towards net zero emissions, O-Bank is actively driving a number of low-carbon transformation plans. In addition to lowering the power consumption of daily operations and increasing energy efficiency, we have committed to the target of reaching 50% renewable energy usage at all global business locations by 2030, and 100% by 2050 to reach the target of net zero emissions for all global business locations by 2050. In addition, as a member of the Chinese National Association of Industry and Commerce, we publicly support its "1.5°C Climate Action Declaration" and pledge to support the plans and goals of "Taiwan's Pathway to Net-Zero Emissions in 2050", consolidating commercial resources to carry out industrial low-carbon transformation. At the same time, O-Bank follows the "Sustainable Development Guidemap for TWSE and TPEX Listed Companies" of the Taiwan Financial Supervisory Commission to conduct annual greenhouse gas inventory and certification as well as set operational carbon reduction goals to achieve the vision of the Paris Agreement to control global warming to within 1.5°C.

6.1 Environmental Management Policies and Targets

6.1.1 Using Digital Finance to Achieve a Customer-friendly Environment

After reorganizing as a commercial bank in 2017, O-Bank became the first native digital bank in Taiwan, and our borderless services have created an environmentally friendly business model. In addition to offering consumers more convenient access to financial services, the borderless service model of a digital bank greatly reduces the energy consumption that would otherwise accompany the establishment of physical branches. Consumers no longer need to expend fuel to travel to physical branches to conduct their banking business, and online transactions generally do not involve the printout of paper vouchers. This result is a low-energy-consumption business model that contributes to achievement of O-Bank's vision of operating in harmony with the natural environment.

6.1.2 Setting and Achievement of Environmental Management Targets

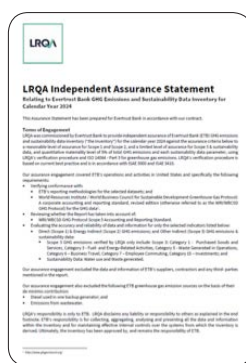
In order to systematically reduce the negative environmental impact of its operations and effectively prevent violations of environmental regulations, O-Bank instituted an ISO 14001:2015 environmental management system in 2018 and obtained certification valid for three years. A supervisory review is conducted annually to support the continued establishment of a comprehensive and robust environmental management mechanism, ensuring the effective implementation and continuous improvement of environmental protection measures. In 2024, the certification scope of the ISO 14001:2015 system has been expanded to cover all of O-Bank's global business locations. To mitigate climate change by reducing operational carbon emissions, O-Bank has adopted version 2.1 of the Science Based Target initiative (SBTi) Science-based Target Setting Tool to establish Scope 1 and Scope 2 GHG reduction targets for all global business locations. Increasing the share of green electricity used across the Bank is included as one of the sustainable development targets in the annual performance evaluation of the Head of the Operations Management Division, to help realize the Paris Agreement's goal of limiting global warming to within 1.5°C.



O-Bank's ISO 14001:2015 – Environmental management systems (all global business locations)



O-Bank, China Bills Finance Corporation, and EverTrust Bank ISO 14064-1:2018 – Greenhouse gases statement (all global business locations)



O-Bank's ISO 50001:2018 – energy management system (all business locations throughout Taiwan)

O-Bank has adopted an environmental management policy that includes short-, mid-, and long-term environmental management targets for all global business locations (see Table 6-1), as well as annual greenhouse gas emission reduction targets for these locations (see Table 6-2). The policy includes the following pledges:

- Commit to comprehensive environmental protection activities such as reducing the environmental impact of operations, minimizing the use of water resources and various raw materials, controlling and eliminating water pollution, and continuously improving.
- Promote net-zero carbon emissions by continuously reducing energy consumption and curbing the trend of global warming.
- Support energy transition by gradually increasing the proportion of renewable energy use and moving towards 100% renewable energy use.
- Embrace a circular economy, improve resource utilization, and implement waste reduction, re-use, and recycling.
- Promote sustainable procurement principles and adopt green products.

- Continuously develop digital banking, adhere to the Equator Principles, promote green finance through responsible lending and investment, and strive for the coexistence between finance and the environment.
- Strictly comply with relevant laws, regulations, and agreements while striving for improvement.

Table 6-1: Environmental Management Targets for O-Bank in All Global Business Locations

	Short-term (2023)	Mid-term (2025)	Long-term (2030)
Target for reduction of power usage per capita	3.0%	4.5%	6.0%
Target for reduction of water usage per capita	3.0%	5.0%	8.0%
Target for reduction of waste per capita	1.0%	3.0%	5.0%

Note 1: The comparison baselines for the reduction targets in this table are the figures for all O-Bank business locations throughout Taiwan in 2020 (power usage: 6,696.17 kWh per capita; water usage: 0.0202 megaliters per capita. Also, the scope of waste was expanded in 2022 from the O-Bank headquarters building to include all global business locations. Accordingly, the comparison baselines for the waste reduction targets in this table are the figures for all of O-Bank's global business locations in 2022, which is 0.050 tonnes per capita.

Note 2: The term "all of O-Bank's global business locations" includes the O-Bank headquarters building, the customer service center, the data center, the Nanjing Fuxing Branch, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Office. Overseas locations include the Hong Kong Branch and the Tianjin Representative Office. It does not include subsidiaries at the O-Bank headquarters building, which is the China Bills Finance Corporation (which occupies 100% of the floor space on the building's 3rd floor).

Note 3: O-Bank has set a non-renewable energy reduction target for all global business locations, aiming to reduce total non-renewable energy consumption to 5,062.6 MWh in 2024.

Table 6-2: Annual GHG Emission Reduction Targets for All of O-Bank's Global Business Locations (v.s. base year of 2022)

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Target for reduction of total GHG emissions	10%	15%	21%	28%	35%	40%	45%	50%	54.2%	58.4%

Note 1: The baseline for the greenhouse gas emission reduction targets shown in this table is O-Bank's total market-based greenhouse gas emissions in 2022 – 3,106.36 metric tonnes (Scope 1 and Scope 2) for all global business locations. In addition, the reduction targets shown in this table also include O-Bank's subsidiaries: IBT Management Corporation and IBT VII Venture Capital Co., Ltd.

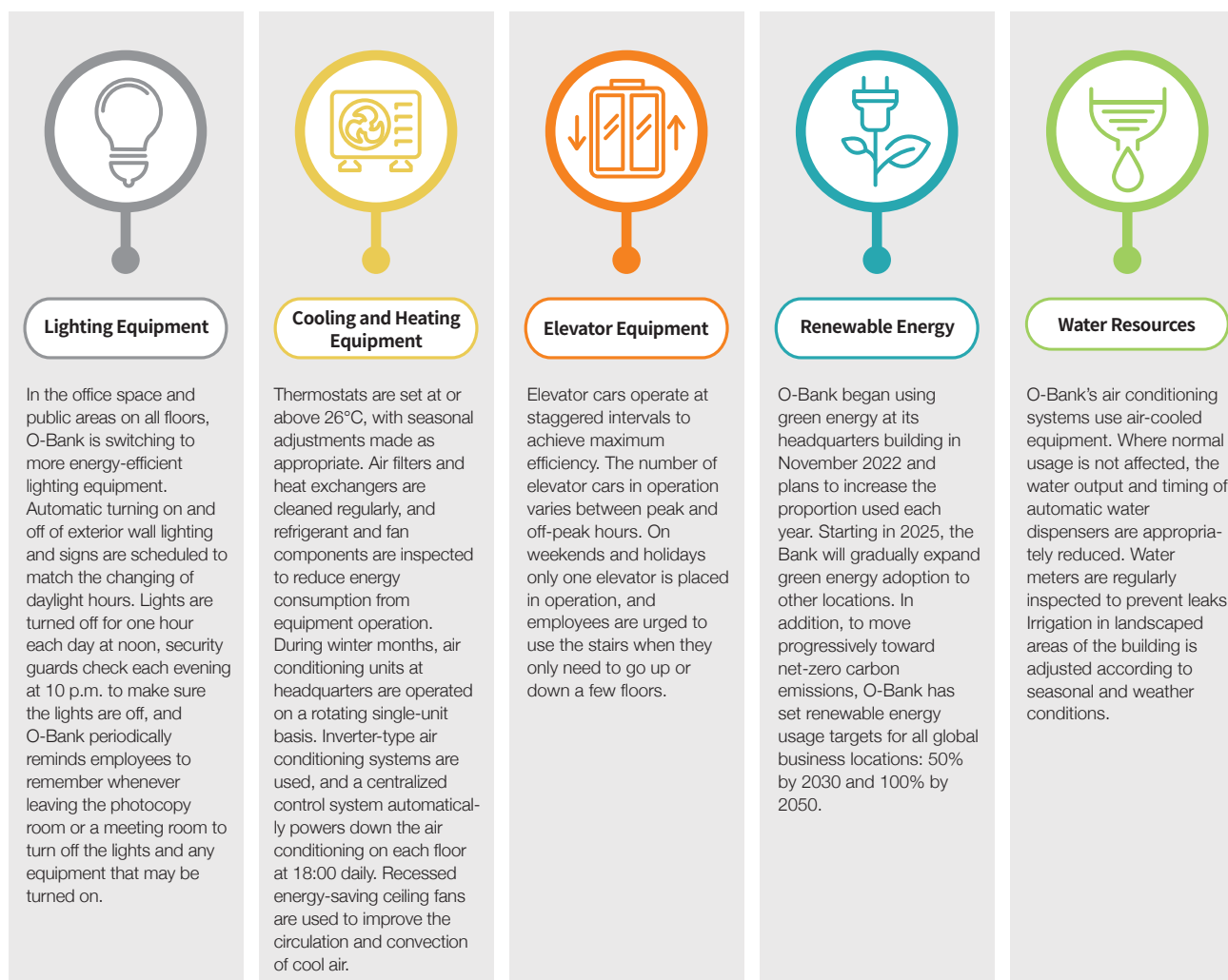
Note 2: O-Bank uses version 2.1 of the Science-based Target Setting Tool developed by the Science Based Target initiative (SBTi) to set reduction goals for Scope 1 and Scope 2 greenhouse gas emissions for all global business locations, setting a scenario of controlling global warming to 1.5°C or less. Based on the total greenhouse gas emissions for O-Bank's global business locations in 2024, coverage of the greenhouse gas emissions target is 64.58% (Scope 1 and Scope 2 emissions/total emissions).

Note 3: O-Bank has set a Scope 1 emissions target for all global business locations of reducing 2024 Scope 1 emissions by 1.6% from the 2022 level, which is a reduction to 267.20 tonnes of CO₂e.

Note 4: O-Bank has set a Scope 2 emissions reduction target for all global business locations based on version 2.1 of the Science-based Target Setting Tool developed by the Science Based Target initiative (SBTi). The goal is to reduce 2024 Scope 2 emissions by 16.2% from 2022 levels, bringing total emissions down to 2,375.58 metric tonnes of CO₂e.

Note 5: O-Bank has set a Scope 3 emissions target for all global business locations of reducing 2024 Scope 3 emissions by 1.1% from the 2022 level, which is a reduction to 1,270.92 tonnes of CO₂e.

Fig. 6-1: Specific O-Bank Environmental Management Actions



6.1.3 Carbon Reduction Targets, Strategies, and Action Plans of O-Bank Subsidiaries

In response to international decarbonization trends, O-Bank subsidiaries China Bills Finance Corporation and EverTrust Bank (USA) have each set annual greenhouse gas emissions reduction targets for all their global business locations, as detailed in Tables 6-3 and 6-4:

Table 6-3: All China Bills Finance Global Business Locations Total Greenhouse Gas Emissions Reduction Target (compared to baseline year 2022)

Year	2023	2024	2025	2026	2027	2028	2029	2030
Total greenhouse gas emissions reduction target	5.3%	10.5%	15.8%	21.0%	26.3%	31.5%	36.8%	42%

Note 1: The baseline in this table is China Bills Finance's 2022 market-based greenhouse gas emissions for all global business locations: 424.55 metric tons (Scopes 1 and 2).

Note 2: China Bills Finance used version 2.1 of the Science-based Target Setting Tool developed by the Science Based Target initiative (SBTi) to set emissions reduction targets for Scope 1 and Scope 2 at all global business locations, setting a scenario of controlling global warming to 1.5°C or less.

Table 6-4: All EverTrust Bank's Global Business Locations Total Greenhouse Gas Emissions Reduction Target (compared to baseline year 2024)

Year	2025	2026	2027	2028	2029	2030
Total greenhouse gas emissions reduction target	5%	10%	15%	20%	25%	30%

Note: The baseline in this table is EverTrust Bank's 2024 market-based greenhouse gas emissions for all global business locations: 73.30 metric tons (Scopes 1 and 2).

To achieve carbon reduction targets, China Bills Finance implemented a range of initiatives including environmental education, green product procurement, regular performance review, and energy-saving measures: gradually increasing the use of renewable energy from 2024 with a target of 50% by 2030; planning to adopt ISO 14001:2015; setting air conditioning to 26°C in summer; turning off lights during lunch break; replacing all office lighting with LED panel lights with energy efficiency certification; switching to hybrid vehicles for official use. EverTrust Bank (U.S.A.) has also implemented energy-saving measures such as: gradually increasing renewable energy use; installing or upgrading smart thermostats in offices to regulate air conditioning via sensors and smart devices; replacing refrigerators with energy-saving models and using motion-sensor LED lighting; retiring company vehicles that exceed their service life.

6.2 Management of Energy and Resources

6.2.1 Energy Management

1. Smart Energy-saving in the Data Center

The data center is one of the main sources of power consumption in a digital banking business. To conserve energy in the data center, the O-Bank financial computing center puts top priority on low power consumption and high performance when selecting computing devices, server racks, cooling/heat dissipation systems, power supply and distribution systems, and maintenance management systems. In addition, the financial computing center also uses computational fluid dynamics (CFD) to plan out a data center closed-loop cooling system featuring cold and hot channels. Analyzing the diffusion of heat from data center equipment helps to understand airflow characteristics, thus facilitating optimization of cooling and heat dissipation systems.



3D floor plan screen

At the same time, the O-Bank data center has established a Data Center Intelligent Management (DCIM) platform, which uses 3D floor plans to provide round-the-clock real-time information on the operating conditions of all data center equipment including power supply and distribution systems, cooling systems, temperature and humidity sensors, fire prevention systems, video surveillance, and door access systems. This approach enables accurate measurement and optimization of the data center environment, thereby avoiding wastage of resources and unnecessary energy consumption. O-Bank maintained an annualized power usage effectiveness (PUE) rating of about 1.8 and an average monthly power efficiency rating reaching 1.08 from February 2024 to January 2025. These ratings respectively meet the Green Grid silver and platinum benchmarks for data center efficiency.

2. Improvements to Lighting Equipment

In addition to implementing smart energy-saving operations in its data center, O-Bank is also gradually replacing energy-inefficient lighting in offices and public areas according to plan. Through the Energy Testing and Improvements Plan, self-managed fixture replacements, and reuse of old lighting, the bank has improved the energy consumption of its lighting equipment. In 2024, a total of 636 high-energy-consumption light fixtures were replaced with energy-efficient and environmentally friendly LED lamps. This replacement is expected to reduce annual electricity consumption by approximately 19,584.50 kWh, equivalent to a reduction of about 9,283.05 kilograms of carbon dioxide equivalent. For further details, please refer to Table 6-5.

Table 6-5: Lighting Improvement Statistics at O-Bank Business Locations

Areas Improved	Improvements	Saved per Year (Note 1)	CO ₂ e Emissions Reduced per Year (Note 2)
1. Ceiling lighting in the headquarters building first-floor gallery	56W T5 lamps → LED 16W lamps (21 lamps)	Annual savings: 1,795.50 kWh (approx. 6,463.80 megajoules)	Annual CO ₂ e reduction: 851.07 kg
2. Branch lobby lighting	56W T5 lamps → LED 16W lamps (8 lamps)	Annual savings: 1,064 kWh (approx. 3,830.40 megajoules)	Annual CO ₂ e reduction: 504.34 kg
3. Customer service center office lighting	35W flat panel lights → 23W flat panel lights (575 lamps)	Annual savings: 15,525.00 kWh (approx. 55,890.00 megajoules)	Annual CO ₂ e reduction: 7,358.85 kg
4. Customer service center corridor lighting	15W downlight (64 lamps) → LED 15W T8 downlight (32 lamps)	Annual savings: 1,200.00 kWh (approx. 4,320.00 megajoules)	Annual CO ₂ e reduction: 568.80 kg
Total	Annual savings: 19,584.50 kWh (approx. 70,504.20 megajoules)		Annual CO ₂ e reduction: 9,283.05 kg

Note 1: kWh saved per year = wattage difference between new and old fixtures × days used × avg. hrs. used per day × number of fixtures replaced / 1,000

Note 2: CO₂ emissions (kgs of CO₂e emissions) = kWh saved per year × CO₂ emission factor

Note 3: The CO₂ emission factor for electricity here is the 2024 CO₂ emission factor for electricity usage as published by the Energy Administration, Ministry of Economic Affairs. The carbon emission factor is 0.474kg CO₂e/kWh.

Note 4: The figures for kWh savings and CO₂e reduction as set out in this table reflect comparisons with equipment from 2023 before it was replaced.

3. Management of Power Usage and Power Consumption

O-Bank continues to improve our hardware power control systems to reduce power consumption. For example: an inverter air conditioning is used, and settings match the seasons to ensure pleasant temperatures; a variety of sun shades are used to improve indoor cooling efficiency; elevator traffic is directed by a smart control system, with the cars operating at staggered intervals to achieve maximum efficiency, and the number of elevator cars in operation varies between peak and off-peak hours, with only one elevator in operation on weekends and holidays. In addition, O-Bank also continues to encourage employees take energy saving measures around the office. For example, lights in office areas are turned off for one hour at noon; co-workers are encouraged to walk the stairs instead of taking elevators; dispense with suits and ties in the summer months; turn off air conditioners, video conference equipment, and other such devices when they are not in use; and in every conference room, next to light switches a note reminds users to "turn off the lights on the way out." Small actions like these by every employee add up to meaningful energy savings.

In 2024, O-Bank's total electricity consumption across all global business locations reached 6,113,461.33 kWh, representing an increase of approximately 5.70% compared to the previous year. Renewable energy accounted for 18.50% of the total electricity usage, and the bank does not own or operate any renewable or non-renewable power generation facilities. The average electricity consumption per employee was 4,922.27 kWh, an increase of about 0.94% from last year but a decrease of 26.49% compared to the baseline year 2020. This achievement meets the bank's linear target for reducing per capita electricity consumption. For detailed data, please refer to Table 6-6.

Table 6-6: Electricity Usage at All of O-Bank's Global Business Locations, 2022~2024

Item/Year	2024	2023	2022
Non-renewable electricity consumption (kWh)	4,982,541.33	5,040,732	5,608,254
Renewable electricity consumption (kWh)	1,130,920	742,880	61,600
Total power usage (kWh)	6,113,461.33	5,783,612	5,669,854
Total power usage (megajoules) (Note 1)	22,008,460.79	20,821,003	20,411,474
CO ₂ emission factor for electricity (kg of CO ₂ e/kWh) (Note 2)	Taiwan 0.474/ Hong Kong 0.39/ Tianjin 0.5703	Taiwan 0.494/ Hong Kong 0.39/ Tianjin 0.5703	Taiwan 0.509/ Hong Kong 0.39/ Tianjin 0.5703
CO ₂ emissions (tonnes of CO ₂ e) (Note 3)	2,292.74	2,471.59	2,834.82
Headcount for global business locations (individuals)	1,242	1,186	1,085
Power usage per employee (kWh/person)	4,922.27	4,876.57	5,225.67
Carbon emissions per employee (tonnes of CO ₂ e/person)	1.85	2.08	2.61
Standalone net revenue (NT\$ million)	7,787	6,867	9,064
Energy usage per unit of net revenue (kWh/NT\$ million)	785.09	842.23	625.54
Carbon emissions per unit of net revenue (tCO ₂ e/NT\$ million)	0.29	0.36	0.31

Note 1: 1kWh = 3.6 megajoules

Note 2: In 2024, the emissions factor for Taiwan business locations was 0.474, based on the 2024 electricity emissions factor announced by the Energy Administration, Ministry of Economic Affairs. The Hong Kong branch used the 2022 electricity emissions factor of 0.39 announced by China Light and Power (CLP), and the Tianjin Representative Office used the 2024 electricity emissions factor of 0.5703 as announced in document [2023] No. 43 by China's Ministry of Ecology and Environment. In 2023, the emissions factor for Taiwan business locations was 0.494, based on the 2023 electricity emissions factor announced by the Energy Administration, Ministry of Economic Affairs. The Hong Kong branch used the 2022 electricity emissions factor of 0.39 announced by CLP, and the Tianjin Representative Office used the 2023 electricity emissions factor of 0.5703 as announced in document [2023] No. 43 by China's Ministry of Ecology and Environment. In 2022, the emissions factor for Taiwan business locations was 0.509, based on the 2021 electricity emissions factor announced by the Energy Administration, Ministry of Economic Affairs. The Hong Kong branch used the 2021 electricity emissions factor of 0.39 announced by CLP, and the Tianjin Representative Office used the 2022 electricity emissions factor of 0.5703 as announced in document [2022] No. 43 by China's Ministry of Ecology and Environment.

Note 3: CO₂ emissions (tonnes of CO₂e) = power usage (kWh) × CO₂ emission factor / 1,000

Note 4: The Bank's 2022 standalone net revenue includes a one-off gain of approximately NT\$3,214 million from the merger of IBT Leasing Co.

O-Bank does not generate its own electricity, heat, cooling, steam, or other energy. All fuel consumption comes from fossil fuels used by official vehicles. In 2024, total energy consumption across all of O-Bank's global business locations was 6,398.99 MWh, with an average energy consumption per employee of 5.15 MWh. For detailed data, please refer to Table 6-7.

Table 6-7: O-Bank Energy Use and Consumption, 2021~2024

Item/Year	2024 (Global)	2023)(Taiwan)	2022 (Taiwan)	2021 (Taiwan)
92/95/98 octane gasoline (liters)	41,147.80	32,162.68	31,370.83	36,056.85
Diesel (liters)	4,513.60 (incl. consumption by generators)	3,692.40 (incl. consumption by generators)	2,335.20 (incl. consumption by generators)	2,602.14 (incl. consumption by generators)
LPG (liters)	100	100	0	0
Natural gas (cubic meters)	0	0	0	0
Total electricity usage (kWh)	6,113,461.33	5,583,460	5,485,180	5,522,059
Energy usage, incl. electricity usage (MWh) (Note 2, 3, 4)	6,398.99	5,798.80	5,686.71	5,756.63
Energy usage, incl. Electricity usage (megajoules)	23,036,374.73	20,875,684.92	20,472,173.10	20,723,881.17
Headcount for business locations throughout Taiwan (individuals)	1,242	1,078	983	873
Coverage (%)	100%	90.9%	90.6%	90.7%
Energy usage per capita (MWh/person)	5.15	5.38	5.79	6.59
Energy usage per capita (megajoules/person)	18,547.81	19,365.20	20,826.22	23,738.7
Energy usage per unit of net revenue (MWh/NT\$ million)	0.82	0.84	0.63	1.04

Note 1: 2024 data in this table covers all global business locations; 2021~2023 data covers Taiwan business locations only.

Note 2: Based on 2024 data from the Ministry of Environment's Carbon Footprint Calculation Platform, 1 liter of gasoline emits approximately 2.92 kg CO₂e. Using the 2024 carbon emission factor for electricity consumption published by the Energy Administration, Ministry of Economic Affairs (0.474 kg CO₂e per kWh), 1 liter of gasoline is roughly equivalent to 6.16 kWh of electricity usage. Similarly, 1 liter of diesel emits about 3.32 kg CO₂e, equivalent to approximately 7.00 kWh, and 1 liter of liquefied petroleum gas (LPG) emits about 2.21 kg CO₂e, equivalent to approximately 4.66 kWh.

Note 3: Based on 2023 data from the Ministry of Environment's Carbon Footprint Calculation Platform, 1 liter of gasoline emits approximately 2.92 kg CO₂e. Using the 2023 carbon emission factor for electricity consumption published by the Energy Administration, Ministry of Economic Affairs (0.494 kg CO₂e per kWh), 1 liter of gasoline is roughly equivalent to 5.91 kWh of electricity usage. Similarly, 1 liter of diesel emits about 3.32 kg CO₂e, equivalent to approximately 6.72 kWh, and 1 liter of liquefied petroleum gas (LPG) emits about 2.21 kg CO₂e, equivalent to approximately 4.47 kWh.

Note 4: Based on 2022 and 2021 data from the Ministry of Environment's Carbon Footprint Calculation Platform, 1 liter of gasoline emits approximately 3.02 kg CO₂e. Using the 2021 carbon emission factor for electricity consumption published by the Energy Administration, Ministry of Economic Affairs (0.509 kg CO₂e per kWh), 1 liter of gasoline is roughly equivalent to 5.93 kWh of electricity usage. Similarly, 1 liter of diesel emits about 3.38 kg CO₂e, equivalent to approximately 6.64 kWh.

6.2.2 Water Resources Management

Out of the water used by O-Bank in Taiwan, 100% is sourced from the Taiwan Water Corporation; 100% of the water used by the Hong Kong Branch is sourced from the Water Supplies Department; and 100% of the water used by the Tianjin Representative Office is sourced from Tianjin Waterworks Group Co., Ltd. O-Bank does not make direct use of groundwater or other surface water sources. Domestic wastewater is discharged into municipal sewage systems, where it is collected and treated at sewage treatment plants to meet Taiwan's national Effluent Standards. This process helps prevent pollution of rivers, lakes, oceans, and other bodies of water, thereby reducing environmental impact. In 2024, there were no incidents of regulatory violations or penalties related to O-Bank's wastewater discharge. O-Bank continues to improve the water efficiency of its infrastructure through various measures, including the use of air-cooled systems for the headquarters building's air conditioning equipment, significantly reducing water consumption;

installation of infrared sensors at restroom taps to automatically adjust water flow; routine cleaning and filter replacement of all water supply equipment, along with inspections to support energy conservation and ensure safe water for employees; seasonal and weather-based regulation of irrigation systems in planter areas; and a recirculating filtration system for the waterfall and fish pond area, which enables water reuse and promotes resource efficiency.

In 2024, total water consumption across all of O-Bank's global business locations was 18.84 million liters, a decrease of approximately 3.73% compared to the previous year. Average water consumption per employee was 0.015 million liters, down approximately 11.76% from the previous year and 25.74% lower than the baseline year of 2020. This meets the Bank's linear target for reducing per capita water consumption. For detailed data, please refer to Table 6-8.

Table 6-8: Total Water Usage at All of O-Bank's Global Business Locations, 2023~2024

Item/Year	2024	2023
Total water usage (megaliters)	18.84	19.57
CO ₂ emission factor for water (kg of CO ₂ /1,000 liters) (Note 1, 2)	Taipei 0.0948/ Other regions in Taiwan 0.2330/ Hong Kong 0.43/ Tianjin 1.85	Taipei 0.0948/ Other regions in Taiwan 0.2330/ Hong Kong 0.43/ Tianjin 1.85
CO ₂ emissions (kg of CO ₂ e) (Note 3)	3,860.50	2,678.06
Headcount for all global business locations (individuals)	1,242	1,186
Water usage per employee (megaliters/person)	0.015	0.017
Carbon emissions per employee (kg of CO ₂ e/person)	3.11	2.26
Standalone net revenue (NT\$ million)	7,787	6,867
Water usage per unit of net revenue (kiloliters/NT\$ million)	2.42	2.85
Carbon emissions per unit of net revenue (kg of CO ₂ e/NT\$ million)	0.50	0.39

Note 1: For 2023 and 2024, the CO₂ emission factor for business locations in Taipei City is based on the Ministry of Environment Carbon Footprint Calculation Platform's 2020 emissions factor of 0.0948 per 1,000 liters. Other business locations use a factor of 0.2330. The emission factor for the Hong Kong Branch was 0.43 per unit of water, based on 2021 data from the Hong Kong Water Supplies Department (WSD). For the Tianjin representative office, the emission factor was 1.85 per unit of water, based on the 2022 data from the China Products Carbon Footprint Factors Database for urban residential water use.

Note 2: 1 unit of water = 1,000 liters = 0.001 megaliters

Note 3: CO₂e emissions (kgs of CO₂e emissions) = total water usage (kiloliters) × CO₂ emission factor

Note 4: Data acquisition: The Hong Kong Branch recorded its water usage using self-installed water meters; the Tianjin representative office obtained its data from the building management center.

Note 5: The total dissolved solids of the Taipei Water Department and the nationwide water services are beneath 1,000mg/L (source: Taipei Water Department's "Summary Comparison of Taipei Water Quality with U.S., Japan, E.U., W.H.O. Guidelines and Water Quality Standards in Taiwan"), i.e. the water used by O-Bank business locations throughout Taiwan is all freshwater. According to the Aqueduct Water Risk Atlas (<https://www.wri.org/applications/aqueduct/water-risk-atlas>), developed by the World Resources Institute, Taiwan is not experiencing water stress.

6.2.3 Waste Management

Most of the waste generated by O-Bank's operations is general domestic waste and does not include hazardous or toxic materials. Waste sorting stations are installed in the break rooms on each floor at all global business locations, with clear labels indicating the appropriate disposal category for each type of waste. All waste collection and disposal services are handled by licensed professional contractors certified by the Environmental Protection Bureau. Waste is transported in sealed containers to prevent

environmental or water pollution. All of the Bank's waste is treated off-site. In the Taipei and New Taipei areas, non-recyclable waste is transported to incineration plants operated by the Taipei City Department of Environmental Protection, including the Neihu, Beitou, and Muzha plants, where it is incinerated and converted into electricity. Recyclable waste is sent to licensed recycling facilities for reuse. Waste at the Hong Kong Branch is handled by certified professional waste disposal firms, while waste at the Tianjin Representative Office is collected and processed by local government agencies. There were no incidents of regulatory violations or penalties related to O-Bank's waste disposal in 2024.

O-Bank advocates for the reuse of waste paper at all global business locations, provided that adequate measures are taken to ensure information security, and continues to promote waste reduction measures, including the following: These include resource recycling in accordance with the Environmental Management Policy, discontinuing the provision of bottled water at meetings, encouraging employees to bring their own personal mugs, ceasing the sale of bottled water in vending machines, and removing bottled water and drinking straws from employee lounges. With regard to packaging waste and food waste generated from employees' daily meals at headquarters, O-Bank continues to promote the "Clean Plate Campaign" to reduce food waste and implements a kitchen waste recycling program that converts food waste into compost for employee use. In addition, the Bank has installed dedicated recycling bins for paper food containers in recycling areas on each floor, expanding both the categories and scope of waste recycling. In addition, O-Bank is the first native digital bank in Taiwan. Customers can access a wide range of financial services online, including fully online account openings, fully online loan applications, and online purchasing of shares in investment funds. O-Bank uses email, mobile apps, and text messages to disseminate account data and other information to customers, which greatly decreases the usage of paper for application forms, notices, account statements, and the like. This approach reduces the generation of waste and avoids the consumption of resources incurred in the process of physical delivery. Digitization of financial services creates an environmentally friendly business model that features low energy consumption.



O-Bank's paper container recycling bins in the pantries on each floor



O-Bank provides recycling stations at pantries on each floor



The O-Bank headquarters building recycles kitchen waste into compost for employee use

All of O-Bank's global business locations weigh and register their waste each day. In 2024, total waste at the O-Bank business locations throughout Taiwan came to 56.95 tonnes, down approximately 1.83% from the previous year; the recycling rate was 42.60%, and per capita waste was 0.051 tonnes, down approximately 5.56% from the previous year. For further details, see Table 6-9. In 2024, total waste at all of O-Bank's global business locations came to 64.72 tonnes, down approximately 4.66% from the previous year; the recycling rate was 39.32%, and per capita waste was 0.052 tonnes, down approximately 8.77% from the previous year. For further details, see Table 6-10.

Table 6-9: Total Ordinary and Recyclable Waste Volume at O-Bank Business Locations throughout Taiwan, 2022~2024

Unit: tonnes

Year	Total Waste	Per capita Total Waste Generation	Per Capita Ordinary Waste Generation	Volume of Ordinary Waste (Note 1)					Recycling Volume						Recycling Rate (Note 2)
				Incineration Volume (including energy recovery)	Incineration Volume (excluding energy recovery) (Note 5)	Landfill Volume	Other Treatment Volume	Total Ordinary Waste	Paper	Plastic	Metal (Fe/Al)	Kitchen Waste	Other	Total Recycled Resources	
2024	56.95	0.051	0.029	23.88	4.90	2.06	1.85	32.69	17.37	2.00	0.50	3.26	1.13	24.26	42.60%
2023	58.01	0.054	0.032	32.66		1.16	1.15	34.97	17.19	2.03	0.44	2.42	0.95	23.04	39.71%
2022	48.60	0.049	0.031	28.41		1.28	0.67	30.36	15.08	1.54	0.28	1.08	0.26	18.24	37.52%

Note 1: Incineration volume = (Total waste – Recycling volume) x incineration ratio. Landfill volume = (Total waste – Recycling volume) × landfill ratio. Other treatment volume = (Total waste – Recycling volume) × other treatment ratio. This figure is calculated by taking the "volume of nationwide general waste disposal" as disclosed by the Ministry of Environment. The 2024 waste incineration ratio (excluding recycled waste) was approximately 88.04%, landfill ratio was 6.29%, and other treatment ratio was 5.67%. The 2023 waste incineration ratio (excluding recycled waste) was approximately 93.38%, landfill ratio was 3.32%, and other treatment ratio was 3.30%. The 2022 waste incineration ratio (excluding recycled waste) was 93.57%, landfill ratio was 4.23%, and other treatment ratio was 2.20%.

Note 2: Recycling rate = recycling volume / total waste × 100%

Note 3: Landfill, recycling, or incineration of waste is all carried out and processed offsite.

Note 4: Waste is collected daily on each floor by waste collection personnel, who transport it to a waste facility, weigh it, and record the data.

Note 5: Assuming waste incineration outside the Greater Taipei area does not include energy recovery.

Table 6-10: Total Ordinary and Recyclable Waste Volume at All of O-Bank's Global Business Locations, 2022~2024

Unit: tonnes

Year	Total Waste	Per Capita Total Waste Generation	Per Capita Ordinary Waste Generation	Total Ordinary Waste	Recycling Volume						Recycling Rate (Note 1)
					Paper	Plastic	Metal (Fe/Al)	Kitchen Waste	Other (batteries, glass bottles, etc.)	Total Recycled Resources	
2024	64.72	0.052	0.032	39.27	18.42	2.05	0.54	3.27	1.17	25.45	39.32%
2023	67.88	0.057	0.036	43.22	18.42	2.20	0.54	2.42	1.08	24.66	36.32%
2022	54.09	0.050	0.032	34.45	15.97	1.86	0.33	1.08	0.40	19.64	36.32%

Note 1: Recycling rate = recycling volume / total waste × 100%

Note 2: Waste is collected daily on each floor by waste collection personnel, who transport it to a waste facility, weigh it, and record the data.

6.3 Greenhouse Gas Inventories

O-Bank conducts annual inventory and verification of greenhouse gas (GHG) emissions across all global business locations, continuously monitoring and managing carbon emissions during operations. Beginning this year, subsidiaries including China Bills Finance Corporation, EverTrust Bank (U.S.A.), IBT VII Venture Capital Co., Ltd., and IBT Management Corporation are included in the GHG inventory. The 2024 GHG emissions of O-Bank and its subsidiaries are detailed in Table 6-11.

Table 6-11: O-Bank Group 2024 Greenhouse Gas Emissions Statistics by Global Business Location

Unit: Tonnes CO₂e

Company Name	Scope 1	Scope 2		Scope 3						Total CO ₂ e Emissions	
	Direct Emissions	Energy Indirect Emissions (market-based)	Energy Indirect Emissions (location-based)	Category 1: Purchased Goods and Services	Category 3: Fuel- and Energy-related Activities	Category 5: Waste Generated in Operations	Category 6: Business Travel	Category 7: Employee Commuting	Scope 3 Total CO ₂ e Emissions	Market-based	Location-based
O-Bank	552.51	2,286.98	2,815.07	92.63	722.70	13.24	99.75	625.48	1,553.80	4,393.29	4,921.38
China Bills Finance	51.63	233.52	275.51				4.48	95.04	99.52	384.67	426.66
EverTrust Bank	9.70	63.60	63.60	13.70	39.00	2.60	19.30	185.40	260.00	333.30	333.30
IBT VII Venture Capital Co., Ltd. (Note 1)											
IBT Management Corporation (Note 2)	3.20	5.76	13.73	0.11	3.36	0.11	1.93	3.21	8.72	17.68	25.65

Note 1: IBT VII Venture Capital Co., Ltd. is an investment company with no employees or office space; therefore, it has no carbon emissions data.

Note 2: IBT Management Corporation has a total of eight employees, with its office located in the O-Bank headquarters building. Its carbon emissions data are included in O-Bank's greenhouse gas inventory. This table estimates its carbon emissions data based on the number of employees at IBT Management Corporation.

Note 3: O-Bank (including IBT Management Corporation) engaged BSI SG Taiwan Branch for verification with ISO 14064-1:2018; China Bills Finance Corporation also engaged BSI SG Taiwan Branch for verification with ISO 14064-1:2018; EverTrust Bank engaged LRQA for verification with the GHG Protocol.

Using the operational control approach, O-Bank consolidates GHG emissions across all global business locations, including the headquarters building, customer service center, data center, Nanjing Fuxing Branch (in operation since August 2023), Zhongxiao Dunhua Branch (operations terminated in November 2022), Hsinchu Branch, Taichung Branch, Kaohsiung Branch, Taoyuan Branch, Tainan Region Business Office, Hong Kong Branch, and Tianjin Representative Office. GHG inventories and verifications now cover 100% of all of O-Bank's global business locations, with 2022 emissions serving as the baseline for future reduction targets. After completing the quantification of GHG emissions, O-Bank established detailed GHG inventories that include all emission sources, types, amounts, and ratios. For Scope 3 emissions, O-Bank followed the "significance of indirect emissions" principle to exclude categories with relatively low relevance, and included Category 1: purchased goods and services; Category 3: fuel- and energy-related activities; Category 5: waste generated in operations; Category 6: business travel; and Category 7: employee commuting within the inventory scope.

The verified GHG emissions (Scope 1 to 3) of all of O-Bank's global business locations in 2024, calculated on a market basis, totaled 4,410.97 tonnes CO₂e, an increase of 3.89% compared to the previous year. Per capita GHG emissions were 3.55 tonnes CO₂e, representing a decrease of 0.84%. Including only Scope 1 and Scope 2 GHG emissions, O-Bank's 2024 global emissions calculated on a market basis were 2,848.45 tonnes, an increase of 3.25% from the previous year, and per capita emissions were 2.29 tonnes, a decrease of 1.72%. In addition, Scope 1 and Scope 2 GHG emissions at global business locations per NT\$1 million of standalone net revenue came to 0.366 tonnes CO₂e (or approximately 11.99 tonnes when converted to US dollars); Scope 1 emissions per NT\$1 million of standalone net revenue came to 0.072 tonnes CO₂e; Scope 2 emissions per NT\$1 million of standalone net revenue came to 0.294 tonnes CO₂e. For further details on GHG emissions at all of O-Bank's global business locations in 2024, see Tables 6-12 and 6-13.

To assess the effectiveness of Scope 1 and Scope 2 GHG emission reductions, O-Bank calculates the avoided social cost of carbon (SCC) to evaluate the actual environmental and social impact of related measures. According to the Report on the Social Cost of Greenhouse Gases Estimates Incorporating Recent Scientific Advances, published by the U.S. Environmental Protection Agency (US EPA) in 2023, and assuming a 2% discount rate, the 2024 social cost of carbon is estimated – based on linear interpolation – at US\$206 per tonne of CO₂. Based on the reduction in per capita emissions at all of O-Bank's global business locations in 2024, this translates to an avoided social cost of approximately US\$10,234.08.

Table 6-12: GHG Emissions for All of O-Bank's Global Business Locations (Note 4), 2022~2024

Year		Scope 1	Scope 2		Scope 3						Total CO ₂ e Emissions	
		Direct Emissions (Note 5)	Energy Indirect Emissions (market-based)	Energy Indirect Emissions (location-based)	Category 1: Purchased Goods and Services	Category 3: Fuel- and Energy-related Activities	Category 5: Waste Generated in Operations	Category 6: Business Travel	Category 7: Employee Commuting	Scope 3 Total CO ₂ e Emissions	Market-based	Location-based
2024	Tonnes CO ₂ e	555.71	2,292.74	2,828.80	92.74	726.06	13.35	101.68	628.69	1,562.52	4,410.97	4,947.03
	Market-based share (%)	12.60%	52.00%		2.10%	16.43%	0.30%	2.31%	14.26%	35.40%	100%	
	Carbon emissions per unit of net revenue (tonnes of CO ₂ e/ NT\$ million)	0.072	0.294	0.363							0.200	0.566
2023	Tonnes CO ₂ e	287.07	2,471.59	2,838.58	201.55	568.37	24.19	55.47	637.60	1,487.18	4,245.84	4,612.83
	Market-based share (%)	6.76%	58.21%		4.75%	13.39%	0.57%	1.31%	15.02%	35.03%	100%	
	Carbon emissions per unit of net revenue (tonnes of CO ₂ e/ NT\$ million)	0.042	0.359	0.413							0.217	0.618
2022	Tonnes CO ₂ e	271.54	2,834.82	2,866.17	207.83	488.00	6.09	1.16	581.98	1,285.06	4,391.42	4,422.77
	Market-based share (%)	6.18%	64.55%		4.73%	11.11%	0.14%	0.03%	13.25%	29.27%	100%	
	Carbon emissions per unit of net revenue (tonnes of CO ₂ e/ NT\$ million)	0.030	0.312	0.316							0.142	0.484

Note 1: This table covers GHG inventories for 100% of all global business locations (by number of employees).

Note 2: In 2024, on a market basis, total Scope 1 and Scope 2 GHG emissions were 2,848.45 tonnes of CO₂e; on a location basis, total Scope 1 and Scope 2 GHG emissions were 3,384.51 tonnes of CO₂e.

Note 3: Carbon emissions per unit of net revenue are calculated based on O-Bank's standalone net revenue of NT\$7,787 million for 2024, NT\$6,867 million for 2023, and NT\$9,064 million for 2022 (including a one-off gain of approximately NT\$3,214 million from the merger of IBT Leasing Co.).

Note 4: IBT Management Corporation has eight employees and shares an office in O-Bank headquarters; its carbon emissions are included in O-Bank's GHG inventory.

Note 5: O-Bank has no biogenic greenhouse gas emissions in Scope 1.

Table 6-13: Statistics on CO₂ Equivalents of the Seven Major GHGs for All of O-Bank's Global Business Locations (Note 4), 2022~2024

Year		CO ₂		CH ₄		N ₂ O		HFCs		PFCs		SF ₆		NF ₃		CO ₂ e Emissions of 7 Key GHGs
		Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	
2024	Tonnes CO ₂ e	105.06	3,855.25	6.94	0.00	3.05	0.00	440.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,410.97
	Share of total (%)	2.38%	87.40%	0.16%	0.00%	0.07%	0.00%	9.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100%
2023	Tonnes CO ₂ e	98.51	3,946.49	5.81	12.28	3.60	0.00	179.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,245.84
	Share of total (%)	2.32%	92.95%	0.14%	0.29%	0.08%	0.00%	4.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100%
2022	Tonnes CO ₂ e	83.10	4,119.89	0.74	0	3.03	0	184.67	0	0	0	0	0	0	0	4,391
	Share of total (%)	1.90%	93.80%	0.00%	0.00%	0.10%	0.00%	4.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100%

Note 1: 2024 Global warming potential (GWP) values are adapted from the IPCC Sixth Assessment Report, 2021.

Note 2: Indirect emissions are calculated on a market basis in this table.

Note 3: In O-Bank's greenhouse gas verification statement, Scope 1 and Scope 2 are subject to reasonable assurance, while Scope 3 is subject to verification and agreed-upon procedures.

Note 4: IBT Management Corporation has eight employees and shares an office in O-Bank headquarters; its carbon emissions are included in O-Bank's GHG inventory.

In response to the global trend toward net-zero carbon emissions (carbon neutrality) and Taiwan's "Climate Change Response Act," which sets a long-term goal of achieving nationwide net-zero GHG emissions by 2050, O-Bank has pledged to reach 50% renewable energy usage across all global business locations by 2030 and 100% by 2050. This net-zero emissions target is aimed at reducing Scope 2 indirect emissions, which account for the largest share of the Bank's total GHG emissions. In addition to past purchases of renewable energy certificates, since 2022 O-Bank has introduced green energy via wheeling arrangements. The Bank currently collaborates with electricity providers Sunnyfounder, Mr. Watt, and Shine Energy, and plans to gradually introduce green electricity to branch locations in the future. In 2024, O-Bank procured 1,130,920 kWh of green electricity through wheeling, accounting for approximately 18.50% of total power consumption across all global business locations. Going forward, we aim to further increase the share of renewable energy use year by year, doing our part to reduce global carbon emissions and pursuing a vision of sustainable coexistence between business operations and the environment.



Green Building Certification

Building on years of success in energy saving and carbon reduction, O-Bank applied for Green Building Certification in 2023 based on the carbon reduction measures implemented at its Neihu District headquarters. Using the carbon reduction benefits assessment method for improving old buildings, the bank evaluated the recent carbon reduction achievements of its headquarters. On December 7, 2023, the Bank was awarded Bronze-level Green Building Certification by the Ministry of the Interior, valid from December 7, 2023, to December 6, 2028.

6.4 Green Purchasing and Supplier Management

O-Bank's suppliers mainly consist of construction contractors, IT equipment providers, office equipment suppliers, and consumables vendors. To uphold our commitment to environmental friendliness, O-Bank's "Purchasing and Payment Management Procedure" mandates proactive selection of green products during procurement, prioritizing the purchase or lease of products bearing the EPA Environmental Label or recycling mark, aiming to gradually increase cooperation with environmentally friendly suppliers. In 2024, approximately 96.9% of O-Bank's global business locations' procurement value was sourced locally. Furthermore, O-Bank continues to actively promote procurement of green products as defined by the Ministry of the Environment's Green Procurement Declaration Platform, including Type I Environmental Label products, Type II Environmental Label products, Type III Green Label products (such as Energy Saving Labels, Water Conservation Labels, and Green Building Material Labels), Carbon Reduction Label products, and Taiwan Wood Label products. In 2024, O-Bank's green procurement amounted to approximately NT\$21,357,089, representing an 18.2% increase compared to 2023, accounting for 17.3% of total hardware or equipment procurement and 2.0% of total procurement value.

In supplier management, O-Bank has established the "Promoting Suppliers' Implementation of Sustainable Development Guidelines of O-Bank." When selecting suppliers, issues related to sustainability and human rights protection are included as part of the evaluation criteria to encourage the adoption of sustainable practices. O-Bank works with suppliers to uphold high ethical standards, respect human rights, and promote environmental sustainability, thereby fulfilling its commitments and responsibilities in supplier management. To assist suppliers in implementing sustainable practices, O-Bank communicates its sustainability and human rights policies during supplier negotiation meetings and requires suppliers to complete the "Supplier Sustainability and Human Rights Due Diligence Scoring Form." This form is used to assess whether suppliers' operations have had negative environmental or social impacts. Evaluation items include compliance with occupational health and safety regulations, the absence of discrimination and unequal treatment, prohibition of child labor and forced labor, prohibition of corporal punishment and inappropriate discipline, assurance of basic wages, and the implementation of environmental sustainability practices. These measures are intended to avoid transactions with suppliers that violate sustainability principles or disregard human rights. Beginning in 2025, O-Bank will further require all suppliers involved in procurement processes to complete the "Supplier Sustainability and Human Rights Due Diligence Scoring Form." Based on scoring results, suppliers will be categorized as low-risk (86~100 points), medium-risk (71~85 points), or high-risk (0~70 points). For medium-risk suppliers, O-Bank may issue improvement notices or provide support, and will conduct follow-up visits in the following year to track progress. High-risk suppliers will be disqualified from trading with O-Bank. In addition, O-Bank incorporates the "Integrity Management Commitment Clause" into contractual agreements with suppliers, or separately signs the "Statement of Integrity Management, Human Rights, and Environmental Sustainability Commitments." These documents require suppliers to adhere to principles of integrity, human rights, and environmental sustainability, including prohibitions against offering or providing improper benefits (any inappropriate items of value or services) and against inducing internal personnel to act in violation of their duties. In 2024, O-Bank signed a total of 377 such commitment statements with suppliers, achieving a signing rate of 98.69%.

Fig. 6-2: O-Bank's Supplier Management Process



O-Bank had a total of 196 suppliers in 2024, of which 84 were required to carry out a self-assessment. Their total purchasing amount came to NT\$980,730,388 or approximately 92% of total purchasing. The percent of required self-assessments actually conducted was 100%. O-Bank was further required to conduct on-site visits to six suppliers, and O-Bank conducted on-site visits to six suppliers. After on-site visits and completion of supplier on-site visit questionnaires, no cases of child labor, forced labor, corporal punishment, or inappropriate disciplinary practices were found, and employees' rights to freedom of association and collective bargaining were protected. The percent of required on-site visits actually conducted was 100%. Among the suppliers that had completed self-assessments or submitted to on-site visits, none had business practices that either had a material negative impact, or could potentially have such an impact, in such areas as environmental protection, safety & health, or the interests of employees and laborers. For further details, see Table 6-14.

Table 6-14: O-Bank's Supplier Self-assessment and Onsite Inspection Statistics, 2021~2024

Item/Year	2024	2023	2022	2021
Total number of suppliers	196	155	184	142
Suppliers required to conduct self-assessments	84	60	60	42
Suppliers that conducted self-assessments	84	60	60	42
Percent of required self-assessments actually conducted	100%	100%	100%	100%
Suppliers found deficient after self-assessment	0	0	0	0
Suppliers required to receive on-site visits (Note 1)	6	6	5	5
Suppliers that received on-site visits	6	6	5	9
Percent of required on-site visits actually conducted (Note 3)	100%	100%	100%	180%
Suppliers found deficient after on-site visits	0	0	0	0

Note 1: The number of firms required to submit to on-site visits was equal to 10% of the number of firms required to conduct self-assessments in the previous year.

Note 2: In 2024, there were six onsite inspections (once per supplier).

Note 3: There were 63 new suppliers in 2024, of which 18 (or 28.6% of the total) supplied enough to be required to conduct a self-assessment.

O-Bank continues to work with suppliers to implement sustainability and human rights protections. Starting in 2025, O-Bank will conduct onsite visits each year to at least 5% of the suppliers engaged the previous year, and classify suppliers into four levels based on the visit results:

- (1) Excellent suppliers: Completed the due diligence scoring form with low ESG risk, and have environmental ISO certifications, EPA-recognized labels, or sustainability/corporate governance awards in the past three years.
- (2) Good suppliers: Completed the due diligence scoring form with low ESG risk.
- (3) Ordinary suppliers: Completed the due diligence scoring form with medium ESG risk.
- (4) Non-compliant suppliers: Onsite inspection revealed non-compliance, including violations of integrity, sustainability, or human rights, causing significant social, environmental, or human rights impact.

O-Bank continues to encourage suppliers to implement sustainable development and human rights protection. Suppliers deemed excellent following on-site inspections by the Bank will receive priority in price negotiations during the Bank's procurement selection processes as a tangible incentive. If a supplier violates commitments to ethical management, sustainable development, or human rights protection, or causes significant environmental and social impacts resulting in serious damage to the Bank's image, reputation, or financial loss, the Bank may place the supplier under watch and suspend their participation in procurement, maintenance, and project bidding. In 2024, two suppliers were rated "Excellent," and four were rated "Good." Additionally, O-Bank held a supplier conference in October 2024, with a total of 32 suppliers and 36 participants in attendance, to educate supplier partners on the latest sustainability trends, the Bank's supplier management and sustainable development policies, human rights policies, and occupational safety regulations that must be jointly adhered to.



Supplier conference keynote speech: Explanation of Key Energy-Saving Strategies and Carbon Reduction Actions



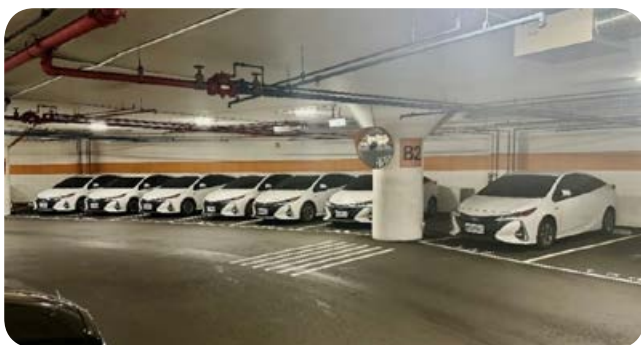
Supplier conference held to promote the bank's supplier management and sustainability and human rights policy concepts

6.5 Environmental Sustainability Activities

O-Bank encourages employees to work for environmental protection in the course of their daily lives. Besides continuing to communicate our policy on energy conservation at working environments, O-Bank also occasionally invites experts and scholars to speak on environmental protection topics, promoting the latest sustainability concepts and issues to employees. In addition, O-Bank uses a wide variety of environmental sustainability activities to raise the environmental consciousness of employees, take concrete action to protect the environment, and promote sustainable development.

1. Green Transport Program

To reduce carbon emissions from employee commuting and business travel, O-Bank has continued to promote a green transport program. Measures include encouraging employees to take public transportation or ride bicycles. For employees who cycle, the Bank provides a free bicycle parking area in the underground garage of its headquarters building. For employees who commute by car, those living nearby are encouraged to register for carpooling, and carpool vehicles are given priority access to parking spaces in the headquarters' underground garage. Six electric vehicle (EV) charging stations have also been installed in the basement garage, enabling employees to plan for the use of EVs as a commuting option. In 2024, two gasoline-powered company vehicles were replaced with hybrid vehicles. O-Bank participated in the "Neihu Green Transport x ESG Promotion Program" and received the "Multi-Modal Mobility Award" from the Taipei City Government and the Neihu Technology Park Development Association.



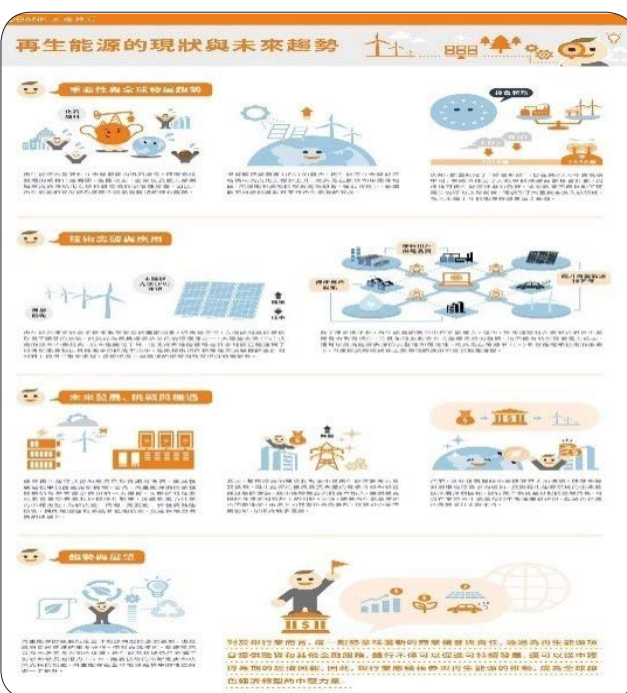
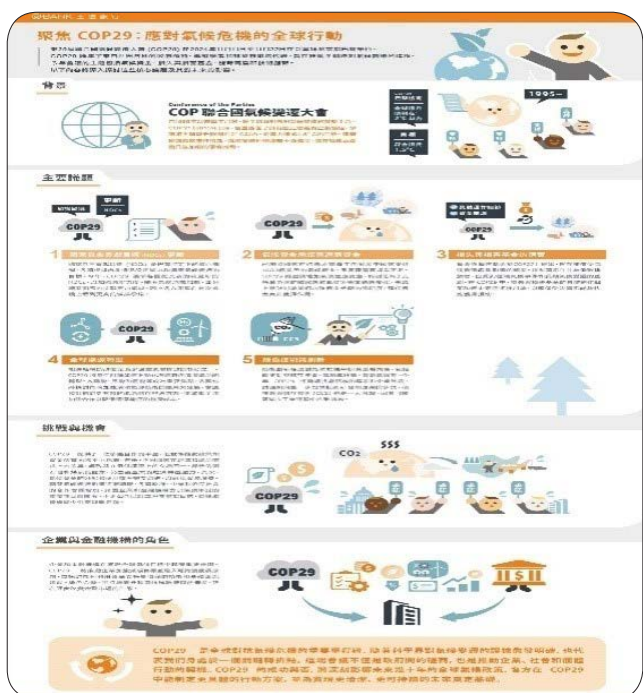
Vehicles in O-Bank's corporate fleet upgraded to hybrid electric vehicles



O-Bank received the "Multi-Modal Mobility Award" for participating in the "Neihu Green Transport x ESG Promotion Program"

2. Sustainability Newsletter

In 2024, O-Bank issued six editions of its Sustainability Newsletter. In addition to helping employees better understand net-zero and sustainability issues, the newsletter also seeks to provide individuals with tips on how to reduce carbon emissions in their daily lives, so that employees can gain a deeper understanding of the principles of sustainable development and work together to protect the environment and put sustainability into practice.



O-Bank Sustainability Newsletter

3. Environmental Protection Training

On August 2, 2024, O-Bank invited an external lecturer to conduct an internal training seminar titled "Understanding Carbon Trading." The seminar provided an overview of the 2024 Global Risks Report, the current state of global carbon markets, and international carbon trading mechanisms. The Bank also took the opportunity to promote its various energy-saving and carbon-reduction measures, with the goal of enhancing employees' sense of responsibility toward carbon reduction. By building awareness of climate change issues, the Bank hopes to engage employees in a collective effort to fulfill O-Bank's commitment to achieving net zero carbon emissions by 2050.



O-Bank seminar on "Understanding Carbon Trading"

4. Energy Conservation Competition

In order to encourage all employees to conserve energy in the course of their daily work at the office, the O-Bank headquarters building holds regular Energy Conservation Competitions. Each floor's energy conservation percentage is announced monthly and compared against figures from the previous month and the same month in the previous year, encouraging employees to develop good habits such as turning off lights and shutting down equipment when not in use. From January through December 2024, electricity consumption in the office area of the headquarters building was reduced by 186,566 kWh compared to the same period in 2023, resulting in a reduction of 88.43 tonnes CO₂e.

5. Internal Carbon Pricing and Carbon Fees

To promote low-carbon operations, O-Bank adopted an implicit pricing method to establish internal carbon pricing in 2024. By incorporating carbon fees into the internal costs of each department, the Bank aims to incentivize energy-saving and carbon-reduction efforts across departments. Using the cost of renewable electricity as a basis, the Bank calculated that reducing one metric ton of CO₂e incurs an internal cost of NT\$4,211. Carbon fees are allocated based on electricity consumption by floor and branch, and used internally to account for investments in energy-efficient equipment or renewable energypurchases. In 2024, the office area of O-Bank's headquarters reduced electricity consumption by 186,566 kWh compared to the previous year, equivalent to a reduction of 88.43 metric tons of CO₂e. Using the carbon fee of NT\$300 per metric ton announced by the Taiwan government in October 2024 as a reference, this reduction translates to an avoided carbon fee of approximately NT\$20,000.

6. B Corp Alliance Tree-Planting Collaboration

As a member of Taiwan's B Corporation community, O-Bank participated in the 2024 B Corp Alliance Tree-Planting Collaboration, joining 10 B Corps to sponsor tree-planting efforts and support maintenance over the next three years. In September 2024, ten O-Bank volunteers helped plant 300 trees at Taipei Zoo, contributing to the beautiful and sustainable environment.



O-Bank participated in the tree-planting collaboration at Taipei Zoo

7. Green Finance



Financial institutions play an important role in the global transition to net-zero. By tapping into their power as financial intermediaries, they can spur firms in other industries to move toward sustainable development. In recent years, O-Bank has made a concerted effort to pursue green finance measures in hopes of progressing hand-in-hand with customers toward a low-carbon transformation. In addition to establishing a fully developed climate change management framework and introducing climate-related scenario analyses, O-Bank has fully incorporated Environment, Social, Governance (ESG) risk factors into due diligence procedures for the review of credits and investments, and is gradually encouraging enterprises in different sectors to place greater importance on sustainability issues. O-Bank has also actively adopted a variety of international standards to implement sustainable finance. For example, O-Bank disclosed climate-related information in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework and became a TCFD Supporter; signed on to the Equator Principles and reviewed the environmental and social risks associated with project financing; joined the Partnership for Carbon Accounting Financials (PCAF) and began calculating inventory investment and corporate loan portfolio emissions; voluntarily participated in the CDP Climate Change Questionnaire and became a CDP supporter; disclosed nature-related information in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) framework and became a TNFD Forum member; and joined the Partnership for Biodiversity Accounting Financials (PBAF) as a PBAF Supporter. In addition to actively managing investment and corporate loan portfolio emissions, O-Bank also strives to integrate sustainability concepts into its financial operations. In recent years, O-Bank has continued to launch products and services that generate environmental and social benefits, using the power of finance to fulfill its corporate social responsibilities.

7.1 Climate Change Management

In the face of the constantly increasing risks related to climate change, O-Bank has actively sought to assess the climate-related risks and opportunities we could generate, and additionally focuses on emerging risks in our risk management policy. Emerging risk factors now expressly include climate change, and when O-Bank conducts various lines of business or engages in strategic planning, we must take emerging risks into account. Furthermore, acting in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) regarding climate change disclosures in the four thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets, O-Bank has defined climate change issues, identified high-risk as well as high-opportunity issues related to climate change, assessed the possible financial impacts of those issues, and formulated response measures in order to strengthen O-Bank's resilience to climate change risks while also boosting O-Bank's ability to seize upon related business opportunities. O-Bank applied in 2021 to become a TCFD Supporter.

Core Elements of TCFD

Governance	Strategy	Risk Management	Metrics and Targets
<p>1. The Board is O-Bank's ultimate oversight authority with respect to matters concerning risk management. The Board Sustainability Committee reviews climate change development strategies, while the Green Finance Subcommittee (part of the ESG Development Working Committee, which is under the O-Bank Chairman) is responsible for overall management of climate risks, and information on climate-related issues and measures to manage them are included in each year's sustainability report and reported to the Board.</p> <p>2. The Risk Management Committee reviews climate-related issues. This Committee is chaired by the Bank's Chairman, and the other members include three directors (Managing Director Kenneth C.M. Lo, Managing Director Bill K.C. Lin and Director Alex J.J. Chen), the Bank's President, and the heads of the Bank's various divisions. The Committee reports once each half-year to the Board on measures it has taken to manage climate-related risks.</p> <p>3. O-Bank periodically provides all employees with training on climate-related financial disclosures in order to improve their knowledge of climate change issues.</p>	<p>1. Make it a matter of corporate strategy for all related units throughout O-Bank to identify possible climate-related risks and opportunities, and determine probabilities of occurrence over short (0~3 years), medium (4~6 years), and long (7~10 years) time frames.</p> <p>2. With respect to the three highest-risk and three highest-opportunity climate-related issues that could have a significant impact, assess the types, scope, and the amount of financial impact, and study possible response strategies.</p> <p>3. O-Bank will assess transition risks using climate change scenarios developed by the Network for Greening the Financial System (NGFS); assess physical risks in Taiwan based on global warming levels published by the National Science and Technology Center for Disaster Reduction (NCDR) (Note 1, 2); assess physical risks in Hong Kong using data from the Hong Kong Drainage Services Department on high-risk coastal low-lying or windy residential areas and flooding blackspots; and assess physical risks in other regions using climate risk data from the ThinkHazard! platform.</p>	<p>1. While distinguishing between different degrees of impact on business and operations, as well as short-, mid-, and long-term probabilities of occurrence, use a consistent assessment method to identify high-risk and high-opportunity climate-related issues.</p> <p>2. According to the particular features of different lines of business, formulate appropriate management measures and assess management costs in order to avoid being affected by risks.</p> <p>3. Incorporate climate change and other emerging risks into the existing risk management framework and adopt a "Climate Risk Management Policy." The Bank has also adopted a "Sustainable Credit and Investment Policy," "Guidelines for Corporate Sustainability-linked Loans," "Financial Transactions Handbook," "Equity Transactions Handbook," and "Sustainable Credit Policy in Consumer Finance," incorporating ESG risk factors and climate risk factors into investment and credit review procedures.</p>	<p>1. Emissions from O-Bank's own operations and investment and corporate loan portfolio emission intensities are used as metrics.</p> <p>2. O-Bank conducts an annual inventory of the GHG emissions at its business locations (see 6.3 Greenhouse Gas Inventories), and uses the Partnership for Carbon Accounting Financials (PCAF) methodology to inventory investment and corporate loan portfolio emissions (See 7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries).</p> <p>3. Adopt short-, mid-, and long-term O-Bank environmental management targets and annual carbon reduction targets (see 6.1 Environmental Management Policies and Targets); inventory and monitor investment and corporate loan portfolio emissions, and adopt management measures for carbon-intensive industries (see 7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries).</p>

Note 1: The term "Global Warming Level" (GWL) refers to the increase in global average temperature relative to the pre-industrial baseline (1850~1900). O-Bank uses the GWL 1.5°C and GWL 2°C scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to assess the physical risks of flooding and slopeland disasters in the Taiwan region, as part of a comprehensive evaluation of overall physical risk impacts.

Note 2: The GWL 1.5°C and 2°C scenarios in the IPCC AR6 are simulated based on ensemble statistical results from four Shared Socioeconomic Pathways (SSPs): low GHG emissions (SSP1-2.6), medium GHG emissions (SSP2-4.5), high GHG emissions (SSP3-7.0), and very high GHG emissions (SSP5-8.5).

7.1.1 Climate Change Governance Framework

The Board of O-Bank has adopted a "Climate Risk Management Policy," which explicitly designates the Board as the ultimate oversight authority. The Board Sustainability Committee is responsible for reviewing climate change development strategies, while the ESG Development Working Committee

under the Chairman coordinates the Bank's climate change-related initiatives. The Risk Management Committee reviews climate-related policies. O-Bank's climate change governance framework is detailed in Fig. 7-1 and Table 7-1. O-Bank reports at least semi-annually to the Risk Management Committee, the Board Sustainability Committee, and the Board on its climate change-related initiatives. The 2024 report includes the results of climate scenario analyses developed internally by the Bank, comparisons of climate scenario analyses conducted by domestic banks, identification results of climate risks and opportunities, climate risk development trends, and domestic and international policies and regulations.

Fig. 7-1: O-Bank Climate Risk Governance Framework

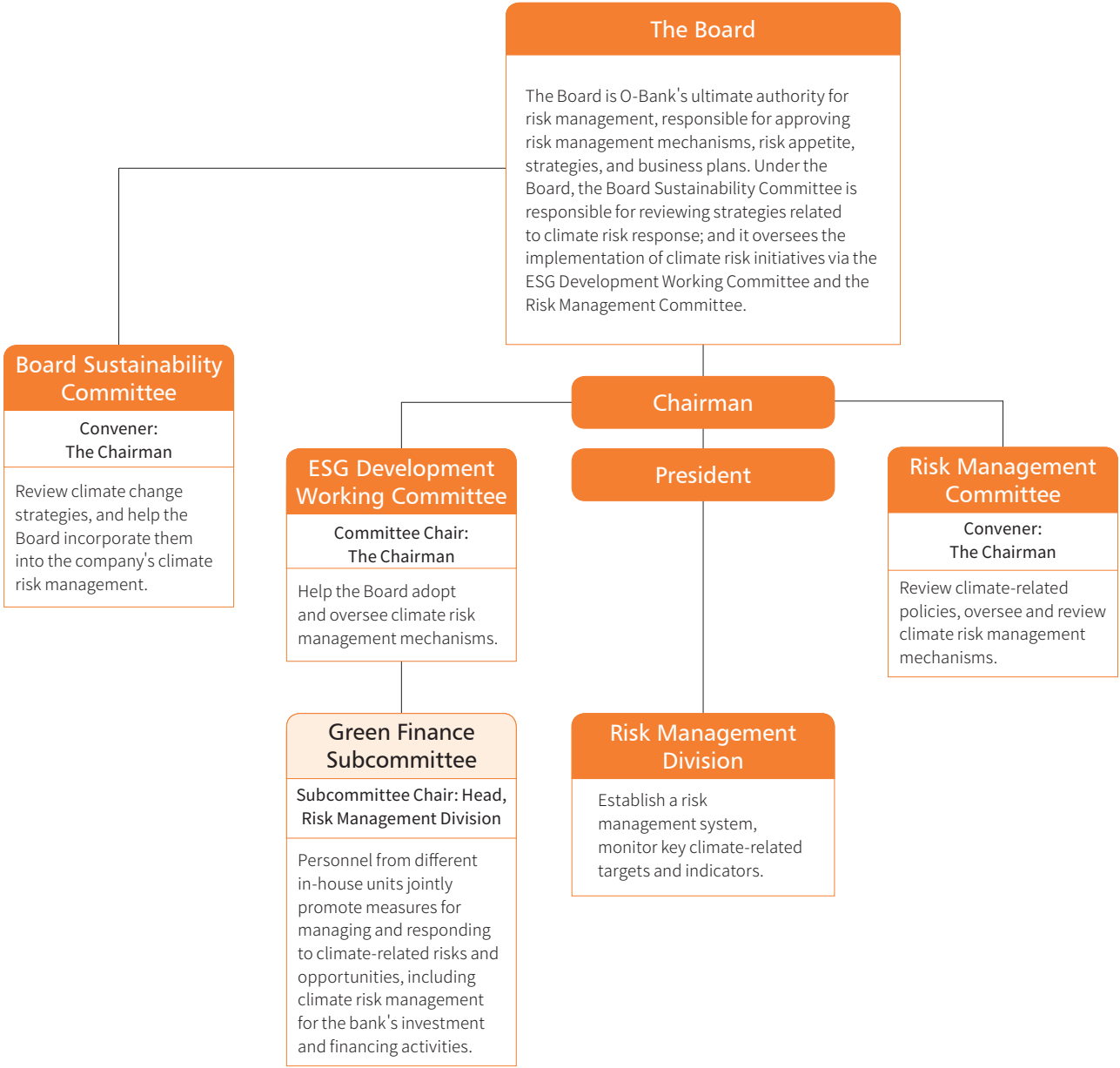


Table 7-1: Climate Change Governance Organizational Responsibilities

Governance Framework	Name	Meeting Frequency	Responsibilities
The Board and Board-level committees			
The Board	The Board	Once each two months (in principle)	Ultimate authority over matters concerning risk management. Approves risk management mechanisms, risk appetite, strategies, and business plans. Acts via the subordinate committees to oversee the implementation of climate risk measures.
Board-level committees	Board Sustainability Committee	Once per quarter	O-Bank's Chairman serves as convener and membership is composed of company directors. The Committee reviews climate change strategies and oversees the achievement of annual sustainability plans and targets.
The Chairman and Lower Management Levels			
Senior management committee	Risk Management Committee	Once per month	This Committee is chaired by the Bank's Chairman, and the other members include three directors (Managing Director Kenneth C.M. Lo, Managing Director Bill K.C. Lin, Director Alex J.J. Chen), the Bank's President, and the heads of the Bank's various divisions. These Committees review climate-related risks, oversee the review of climate risk management mechanisms to ensure the soundness of O-Bank's climate risk management mechanisms.
Senior management committee	ESG Development Working Committee	Once per quarter	This Committee is chaired by the Bank's Chairman, the Bank's President serves as the Committee's deputy chair, while the top supervisors of relevant company divisions comprise the membership. The Committee is responsible for helping the Board to adopt and oversee climate risk management mechanisms.
Junior Management			
Level of management	Green Finance Subcommittee	Once per quarter	The various subcommittees under the ESG Development Working Committee, which is chaired by the Head of the Risk Management Division, collaborate to promote measures to manage and respond to climate-related risks and opportunities.

7.1.2 Identification of Climate-related Risks and Opportunities, and Related Strategies

Referring to Task Force on Climate-related Financial Disclosures (TCFD) reports on climate-related risks and opportunities and global financial industry climate trend analyses, O-Bank compiled a total of 33 climate-related risk items and 28 opportunity items. Internal departments and their supervisors identified the relevance of each item to their respective operations, then assessed the likelihood and impact of each through climate scenario analysis. This produced O-Bank's climate risk matrix (Fig. 7-2) and climate opportunity matrix (Fig. 7-3). O-Bank identified three major climate-related risks: increased severity and frequency of extreme weather events; government-imposed carbon fees or taxes; and increased raw material costs or constraints on availability. The three major opportunities identified were: higher rankings in sustainability and ESG indices; increased financial asset diversification; and use of public sector incentive measures.

Fig. 7-2: O-Bank Climate Risk Matrix

Degree of Impact	Likelihood of Occurrence		
	Low		High
High		<ul style="list-style-type: none"> ● Industry stigmatization 	<ul style="list-style-type: none"> ● Increased severity and frequency of extreme weather events ● Government-imposed carbon fees or taxes ● Increased raw material costs or constraints on availability
	<ul style="list-style-type: none"> ● Continuously changing customer behavior ● Loans that may cause or exacerbate systemic economic risk ● Increased attention and negative feedback from partners and stakeholders 	<ul style="list-style-type: none"> ● Negative media coverage associated with environmentally harmful projects or activities ● Inability to attract investors due to environmental uncertainty ● Lack of mature certification and sustainability standards ● More rigorous carbon emissions disclosure requirements ● Unsuccessful investments in new technologies ● Changes in national legislation ● Investments that may cause or exacerbate systemic economic risk ● Environmental risk supervision in the financial sector ● Litigation risk ● Insurance underwriting that may cause or exacerbate systemic economic risk ● Low-emission technologies and products ● Lack of globally accepted and unified definitions ● Uncertainty in market signals ● Increased severity of land subsidence ● Changes in international law and bilateral agreements ● Increase in average temperature ● Changes in rainfall patterns and extreme weather ● Rising sea levels 	
	<ul style="list-style-type: none"> ● Non-compliance with regulations ● Rising insurance costs ● Customer loss due to poor environmental performance of funds ● Poor coordination among regulatory bodies ● Weak enforcement of environmental regulations ● Phasing out high-energy-consuming equipment ● Increased difficulty in obtaining operating permits ● Damage to corporate image 		

Note: O-Bank climate change-related risk assessment categories include: current and emerging policy risks; legal risks; technical risks; market risks; reputational risks; acute risks; and chronic risks.

Fig. 7-3: O-Bank Climate Opportunity Matrix

Degree of Impact	High		<ul style="list-style-type: none"> • Higher rankings in sustainability and ESG indices • Increased financial asset diversification • Use of public sector incentive measures
		<ul style="list-style-type: none"> • Developing new revenue streams from emerging/developing environmental markets and products • Participation in environmental collaborative frameworks, initiatives, or commitments • Improved adaptability to future regulatory changes • Capability to diversify business activities • Expansion into new markets • Changes in consumer preferences • Use of supportive policy incentives • Assist green industries in activating assets • Enter new markets and develop new products to meet green consumer demand, thereby improving financial performance of investees • Adopt new technologies or techniques 	<ul style="list-style-type: none"> • Develop or expand low-carbon products or services
	Low	<ul style="list-style-type: none"> • Relocate to more efficient buildings or offices 	<ul style="list-style-type: none"> • Increase sales of existing products and services • Reputational benefits leading to increased demand for products or services • Increased brand value • Increased capital demand for investment in environmentally qualified companies • Join the carbon market • Access to new financing options • Resource recycling and reuse • Adopt more efficient transportation modes • Reduce water use and consumption • Use low-carbon energy • Cost savings • Deployment of climate adaptation and insurance risk solutions • Enhanced resilience to climate change impacts
		Likelihood of Occurrence	
		Low	High

With respect to the three major types of climate-related risks, O-Bank has drafted response measures to reduce related financial impacts. The financial impact is estimated at approximately NT\$142.17 million, including losses of roughly NT\$96.58 million due to business locations becoming inoperable or suffering property damage, NT\$45.54 million in profit/loss impact from investment and financing positions, and NT\$0.05 million in profit/loss impact from trust products. The estimated cost of risk management measures is approximately NT\$38.76 million, including capital expenditures of NT\$34.17 million for building and equipment procurement and maintenance, and roughly NT\$4.59 million in operating expenses for in-house research and training. With respect to the three major types of climate-related opportunities, each of O-Bank's related departments has developed products and services based on the nature of their respective operations. The financial impact is estimated at approximately NT\$458.02 million, including NT\$179.02 million in gains from improved sustainability ratings leading to increased revenue, NT\$201.91 million in revenue from product diversification, and NT\$77.09 million in gains from using public-sector incentive measures. The estimated cost of opportunity management measures is approximately NT\$12.17 million, including NT\$7.97 million in increased marketing costs and NT\$4.2 million in operating expenses for in-house research and training as well as hiring external consultants. The three major climate-related risk issues and three major climate-related opportunity issues are as follows:

Climate-related Risks	Type of Financial Impact	Estimated Dollar Amount of Financial Impact	Risk Management Measures	Estimated Cost of Risk Management Measures	Impact Duration and Cyclicity
Increased severity and frequency of extreme weather events (physical risk)	<ol style="list-style-type: none"> 1. Extreme weather events cause power outages or flooding at O-Bank's business locations, increasing equipment repair costs; severe weather events may lead to operational disruption at some business locations. 2. Extreme weather affects investment and financing recipients' operations, raising costs and increasing the Bank's credit and market risk. 3. Real estate collateral of corporate credit clients may lose value due to impacts of extreme weather events. 	NT\$130.87 million	<ol style="list-style-type: none"> 1. The Bank has an Emergency Response Committee, with preplanned backup and procurement arrangements to ensure timely disaster response; annual business impact analysis and off-site backup drills are conducted to ensure business continuity; regular maintenance of data center equipment and power generators, typhoon/flood insurance, and on-site staffing during typhoons are arranged. 2. If investment or financing recipients are in industries that pose high climate risks, climate risk assessments must be conducted. Clients with high climate risk must receive a downgraded credit rating, and case-by-case mitigation measures such as collecting collateral, requiring corrective action within a limited period, or raising interest rates will be applied and monitored; investees in the industries that pose high climate risks must be assessed annually. 3. Assess business locations of investee companies and corporate credit clients, and evaluate locations of real estate collateral based on area, slope, flood zones, building age, and floor level to mitigate physical risks. 	NT\$36.56 million	Long-term
Government-imposed carbon fees or taxes (transition risks)	Governments are introducing carbon fees/taxes, increasing operational costs of investment and financing recipients, leading to higher credit and market risk for the Bank.	NT\$5.1 million	<ol style="list-style-type: none"> 1. Continually monitor international carbon tax and regulatory trends; enhance engagement with affected investment and financing recipients; optimize credit review forms to strengthen assessment and monitoring of carbon-fee-impacted positions. 2. Continuously improve internal carbon pricing mechanisms to guide business units away from carbon-intensive industries. 	NT\$1.24 million	Short-, mid-, and long-term
Increased raw material costs or constraints on availability (transition risks)	Rising raw material costs increase operational costs of investment and financing recipients, leading to higher credit and market risk.	NT\$6.2 million	Diversify investment and financing portfolios by allocating funds across sectors with different levels of raw material dependence or alternative material strategies, avoiding companies reliant on a single material or supplier.	NT\$0.96 million	Mid- and long-term

Climate-related Opportunities	Type of Financial Impact	Estimated Dollar Amount of Financial Impact	Opportunity Management Measures	Estimated Cost of Opportunity Management Measures	Impact Duration and Cyclicity
Higher rankings in sustainability and ESG indices	Improving O-Bank's rankings or scores in sustainability-related assessments helps enhance the Bank's credibility, which in turn attracts more customers.	NT\$179.02 million	1. Utilize existing manpower to research and plan sustainability improvement initiatives, and engage external consultants to provide advisory services, thereby enhancing O-Bank's sustainability ratings by external evaluators. 2. Invest in marketing to promote the Bank's sustainability-related products.	NT\$10.91 million	Short-, mid-, and long-term
Increased financial asset diversification	1. Develop green industry-related accounts receivable or financial securitization products. 2. Direct a higher percentage of investments toward green bonds or sustainability bonds, and increase the share of credit to green industry.	NT\$201.91 million	1. Revise policies related to the development of new financial products or new lines of business. 2. Set sustainability-related business goals; allocate staff to achieve them.	NT\$1.14 million	Short-, mid-, and long-term
Use of public sector incentive measures	1. Leverage policy-driven incentive financing to expand green credit capacity. 2. Replace Bank equipment under MOEA energy efficiency subsidy program.	NT\$77.09 million	1. Assign personnel to support credit cases under policy-incentive financing programs. 2. Assign personnel to plan equipment replacement projects.	NT\$0.12 million	Short-, mid-, and long-term

Note: The financial impact amounts in this table are estimated potential impacts if risks or opportunities materialize, and do not reflect likelihood of occurrence.

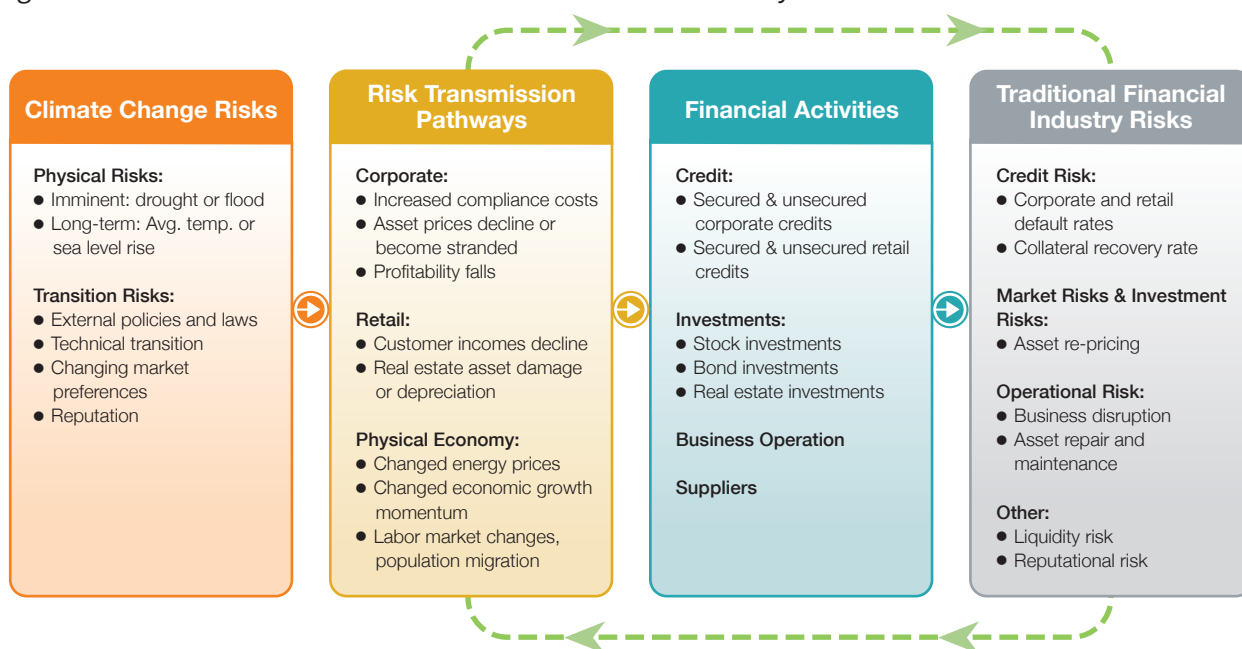
7.1.3 Climate Change Risk Management

Climate change issues have become emerging risks that financial institutions must thoroughly understand and respond to. In addition to affecting O-Bank's own business operations, climate change has an even bigger impact on our investment and financing activities. In order to assess the impact of climate change issues, O-Bank has established a comprehensive climate risk governance framework and clearly delineated climate risk management responsibilities across the three lines of defense (see Fig. 7-4). O-Bank has also inventoried and analyzed the possible impacts of climate change on investment and financing activities, including physical risks generated by extreme weather events, and transition risks generated by legislative, technical, and market changes. Based on our analysis results, in order to reduce the impact of climate risks, O-Bank has developed a risk management strategy, and has assessed how the impact of climate risks is transmitted to traditional financial industry risks, including credit risks, market risks, operational risks, and liquidity risks (see Fig. 7-5).

Fig. 7-4: O-Bank's Three Lines of Defense Against Climate Risks



Fig. 7-5: Financial Institution Climate Risk Transmission Pathways



In order to effectively assess the possible impact of climate risks on O-Bank's business locations as well as its investment and financing activities, O-Bank: (a) uses simulation results from Taiwan's National Science and Technology Center for Disaster Reduction (NCDR), based on the Global Warming Level (GWL) scenarios from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6), to assess physical risks in the Taiwan region; (b) assesses physical risks in Hong Kong using data from the Hong Kong Drainage Services Department on high-risk coastal low-lying or windy residential areas and flooding blackspots; and (c) uses climate risk data from the ThinkHazard! platform to assess physical risks in other overseas regions. The scope of assessment includes O-Bank's business locations, assets leased under operating leases, suppliers' business locations, real estate loan collateral, corporate credit clients' business locations, and mid- and long-term investment positions (in the banking book). To assess transition risks, O-Bank uses the GCAM6.0 V5.0 Phase 5 climate scenario models adopted by the Network for Greening the Financial System (NGFS). The scope of this assessment includes O-Bank's business locations, investment and financing activities, and suppliers. Details regarding the overall scope of assessments are set out in Table 7-2 and Table 7-3.

Table 7-2: Scope of Assessments of Physical Risks and Transition Risks

Climate Risks	Business Items	Impacts of Risks	Existing Risks	Duration of Risk
Physical risks	Assets leased under operating leases O-Bank's business locations	<ul style="list-style-type: none"> Value of assets leased under operating leases declines due to extreme weather events. Value of business locations declines or business is interrupted due to extreme weather events. 	Operational risks	Mid- and long-term
	Investment and financing activities	<ul style="list-style-type: none"> Risk of issuers going into default increases due to extreme weather events in the registered locations of investee companies. Extreme climate impacts on the business locations of financing recipients may damage assets, reduce profitability, and increase default risk. Value of real estate loan collateral pledged by financing recipients declines due to extreme weather events. 	Credit risks	Mid- and long-term
	Suppliers	<ul style="list-style-type: none"> Suppliers' business locations affected by extreme weather, resulting in reduced or disrupted provision of services or products. 	Operational risks	Mid- and long-term
Transition risks	O-Bank's business locations	<ul style="list-style-type: none"> The carbon emissions of business locations are affected by future carbon prices, thus increasing operating costs. 	Operational risks	Short-, mid-, and long-term
	Investment and financing activities	<ul style="list-style-type: none"> The carbon emissions of investment or financing recipients are affected by future carbon prices, causing the implementation of low-carbon transition plans to increase their operating costs. 	Investing: market risks Financing: credit risks	Short-, mid-, and long-term
	Suppliers	<ul style="list-style-type: none"> Increased operating costs for suppliers due to carbon pricing passed on to customers, thereby raising the Bank's procurement costs. 	Operational risks	Short-, mid-, and long-term

Table 7-3: Scope and Methods of Analysis of Physical Risks and Transition Risks

Climate Risks	Details	Scope of Analysis	Climate Scenarios	Period Assessed
Physical risks	Assets leased under operating leases O-Bank's business locations	Global	<ul style="list-style-type: none"> The 1.5°C and 2°C GWLs put forward in the IPCC AR6 released by NCDR High-risk coastal low-lying or windy residential areas and flooding blackspots identified by the Hong Kong Drainage Services Department Climate risk data from the ThinkHazard! platform 	2021~2040 2041~2060
	Corporate credit clients' business locations Real estate loan collateral	Global		
	Mid- and long-term investment positions (banking book)	Taiwan		
	Suppliers	Global		
Transition risks	O-Bank's business locations	Global	NGFS <ul style="list-style-type: none"> Net Zero 2050 Delayed transition Nationally Determined Contributions 	2030 2040 2050
	Corporate loans	Global		
	Mid- and long-term investment positions (banking book)	Global		
	Suppliers	Global		

1. Analysis of Physical Risk Scenarios

Typhoons and short-duration heavy rainstorms are the primary forms of extreme weather in Taiwan and occasionally cause natural disasters. To understand the potential impacts of extreme climate events, O-Bank conducts scenario analysis to assess the physical risks of flooding and slopeland disasters facing its asset portfolio. The scope of analysis includes O-Bank's business locations, assets leased under operating leases, suppliers' business locations, real estate loan collateral, corporate credit clients' business locations, and mid- and long-term investment positions (in the banking book). O-Bank uses climate risk information from the NCDR, the Hong Kong Drainage Services Department (DSD), and the ThinkHazard! platform to assess the future degree of hazard and vulnerability posed by extreme weather events in various regions. The Bank then uses internal data to evaluate degree of exposure, and standardizes these factors to calculate a composite risk score. Based on the results, the regions where O-Bank's properties are located are categorized into five levels: low-risk, low- to medium-risk, medium-risk, medium- to high-risk, and high-risk areas. The analysis results are presented as follows:

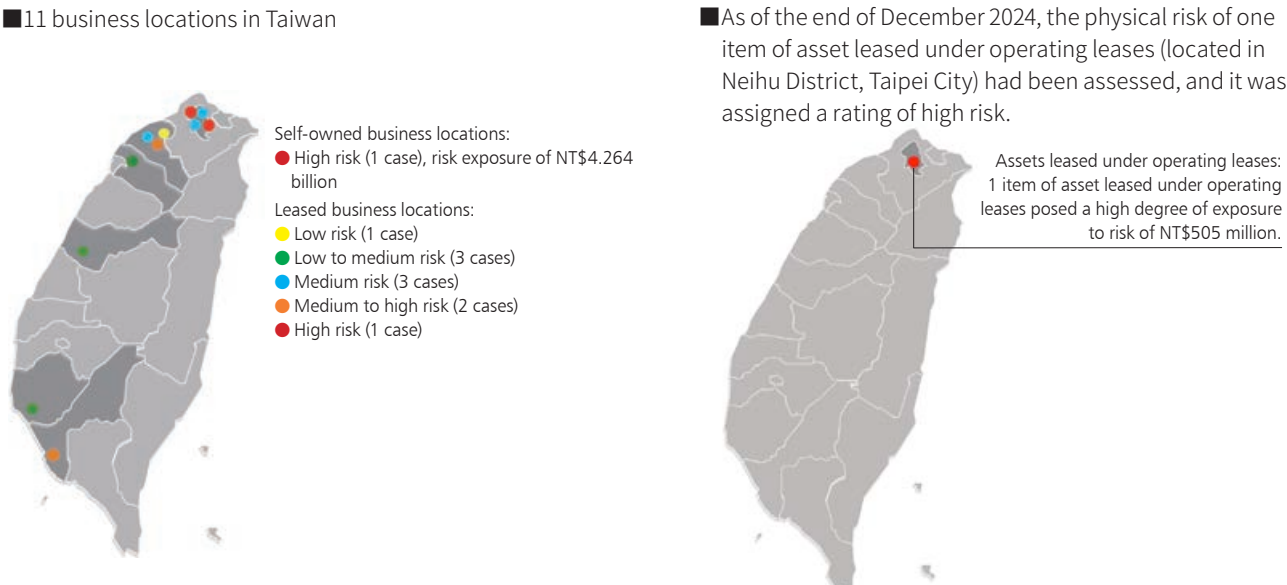
a. O-Bank's Business Locations, Assets Leased Under Operating Leases, and Suppliers' Business Locations

Treating O-Bank's December 31, 2024 asset portfolio as the baseline, the exposures of O-Bank's business locations and assets leased under operating leases to physical climate risks are as shown in Table 7-4 and Fig. 7-6 to 7-8; the exposures of suppliers' business locations to physical climate risks are as shown in Table 7-5.

Table 7-4: Exposures of O-Bank's Business Locations and Assets Leased under Operating Leases to Physical Risks

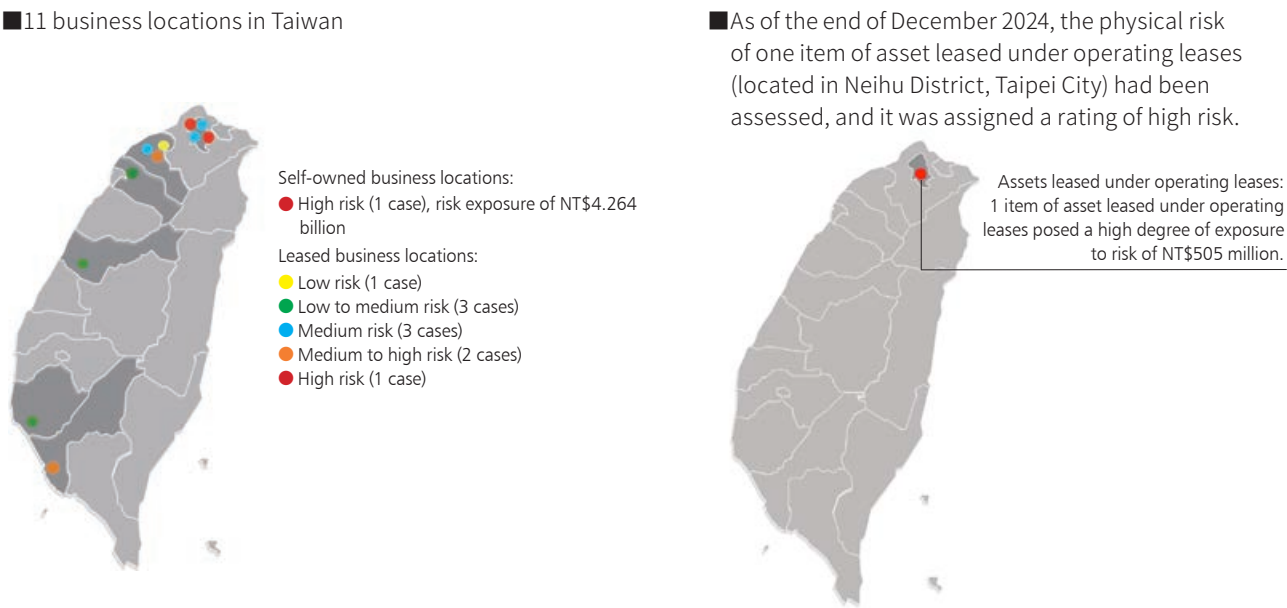
Level of Risk	NCDR GWL 1.5°C		NCDR GWL 2°C		Climate Risk Information from the Hong Kong DSD and the ThinkHazard! Platform
	Business Locations in Taiwan	Assets Leased under Operating Leases in Taiwan	Business Locations in Taiwan	Assets Leased under Operating Leases in Taiwan	Overseas Business Locations
High-risk area	2	1	2	1	0
Medium- to high-risk area	2	0	2	0	0
Medium-risk area	3	0	3	0	0
Low- to medium-risk area	3	0	3	0	1
Low-risk area	1	0	1	0	1

Fig. 7-6: Map of O-Bank's Business Locations and Assets Leased under Operating Leases in Taiwan (GWL 1.5°C)



Note: The primary physical risks of the business locations leased by O-Bank are borne by the property owners, so there is no corresponding exposure amount.

Fig. 7-7: Map of O-Bank's Business Locations and Assets Leased under Operating Leases in Taiwan (GWL 2°C)



Note: The primary physical risks of the business locations leased by O-Bank are borne by the property owners, so there is no corresponding exposure amount.

Fig. 7-8: Map of O-Bank's Overseas Business Locations

■ O-Bank has 2 overseas business locations.



Regarding the physical risks that face business locations and assets leased under operating leases, O-Bank conducts an information system recovery drill and a business continuity exercise each year to ensure that in the event of a disaster the Bank will be able to launch emergency response measures. O-Bank also periodically maintains its data center equipment and power generator, has purchased commercial fire insurance, and has determined a list of personnel who will remain at their jobs in the event of a typhoon. These measures are designed to ensure that the occurrence of a disaster will not cause a business interruption or serious losses.

Evaluation of the business locations of 84 suppliers with procurement amounts exceeding NT\$1 million found no suppliers classified as high-risk. The Bank will continue to monitor the potential impact of climate-related physical risks on suppliers and promote the latest sustainability trends to suppliers through supplier conferences to enhance their awareness of climate change issues.

Table 7-5: Exposure of O-Bank Supplier's Business Locations to Physical Risks

Level of Risk	NCDR GWL 1.5°C	NCDR GWL 2°C	Climate Risk Information from the Hong Kong DSD and the ThinkHazard! Platform
	Suppliers' Business Locations in Taiwan	Suppliers' Business Locations in Taiwan	Suppliers' Business Locations in Overseas Regions
High-risk area	0	0	0
Medium- to high-risk area	4	4	0
Medium-risk area	21	21	0
Low- to medium-risk area	43	43	2
Low-risk area	9	9	5

Note: Supplier assessment scope includes vendors with procurement amounts exceeding NT\$1 million.

b. Real Estate Loan Collateral

The occurrence of climate change-related flood events and slopeland disasters can reduce the value of real estate loan collateral, thus affecting credit risks. Based on the area where real estate loan collateral is located, O-Bank analyzes its climate-related physical risk. After conducting an inventory, assuming different global warming levels, O-Bank identified items of high-risk-area real estate used as collateral for O-Bank corporate financing or personal home loans in Taiwan as shown in Table 7-6. The possible exposures of O-Bank's real estate collateral to physical climate risks are as shown in Fig. 7-9 through 7-12 below.

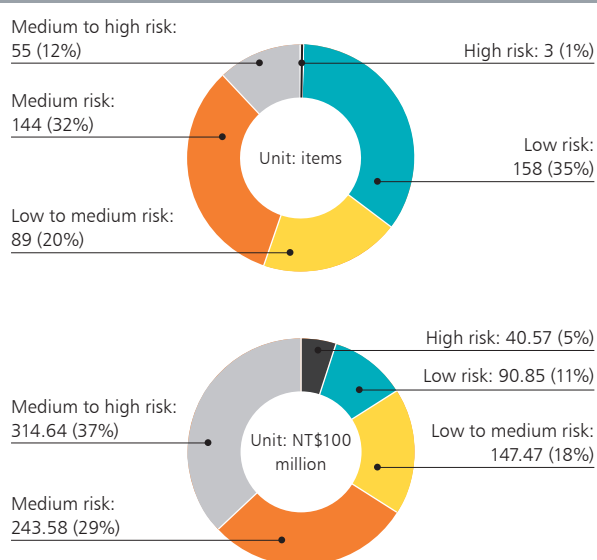
Table 7-6: Share of O-Bank Real Estate Collateral for Corporate & Retail Credit Located in High-risk Areas in Taiwan

Scenario	Cases	Number of Properties Pledged in these Cases as Percentage of Total Number of Properties Pledged as Collateral in Taiwan	Value of Properties Pledged in these Cases as Percentage of Total Value of Properties Pledged as Collateral in Taiwan	Net Credit Extended in these Cases as Percentage of Total Net Credit Extended by O-Bank
GWL 1.5°C	4	0.10%	3.14%	0.71%
GWL 2°C	4	0.10%	3.14%	0.71%

Fig. 7-9: Distribution of Real Estate Loan Collateral for Corporate Credit in Taiwan (GWL 1.5°C)

■ An assessment was conducted on 449 items of real estate collateral for corporate credit located in Taiwan. Among them, three items (0.67%) were classified as high-risk, with a total value of approximately NT\$4.057 billion, accounting for about 4.85% of the total value of corporate real estate collateral.

Number of Items of Real Estate Collateral for Corporate Credit in Taiwan, and Risk Ratings of Exposures



Distribution of Exposures to High-risk Real Estate Loan Collateral for Corporate Credit in Taiwan

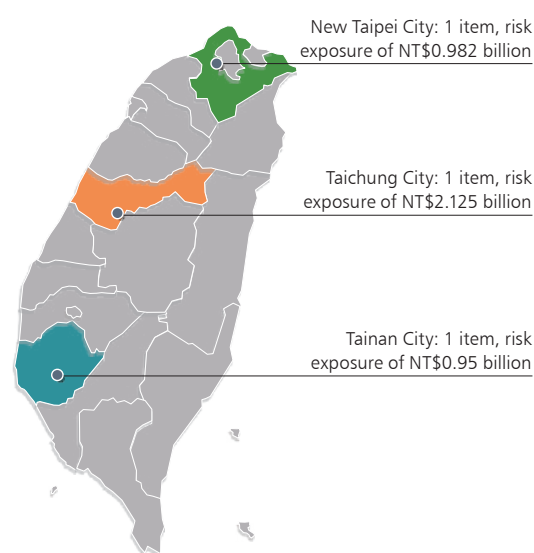


Fig. 7-10: Distribution of Real Estate Loan Collateral for Corporate Credit in Taiwan (GWL 2°C)

■ An assessment was conducted on 449 items of real estate collateral for corporate credit located in Taiwan. Among them, three items (0.67%) were classified as high-risk, with a total value of approximately NT\$4.057 billion, accounting for about 4.85% of the total value of corporate real estate collateral.

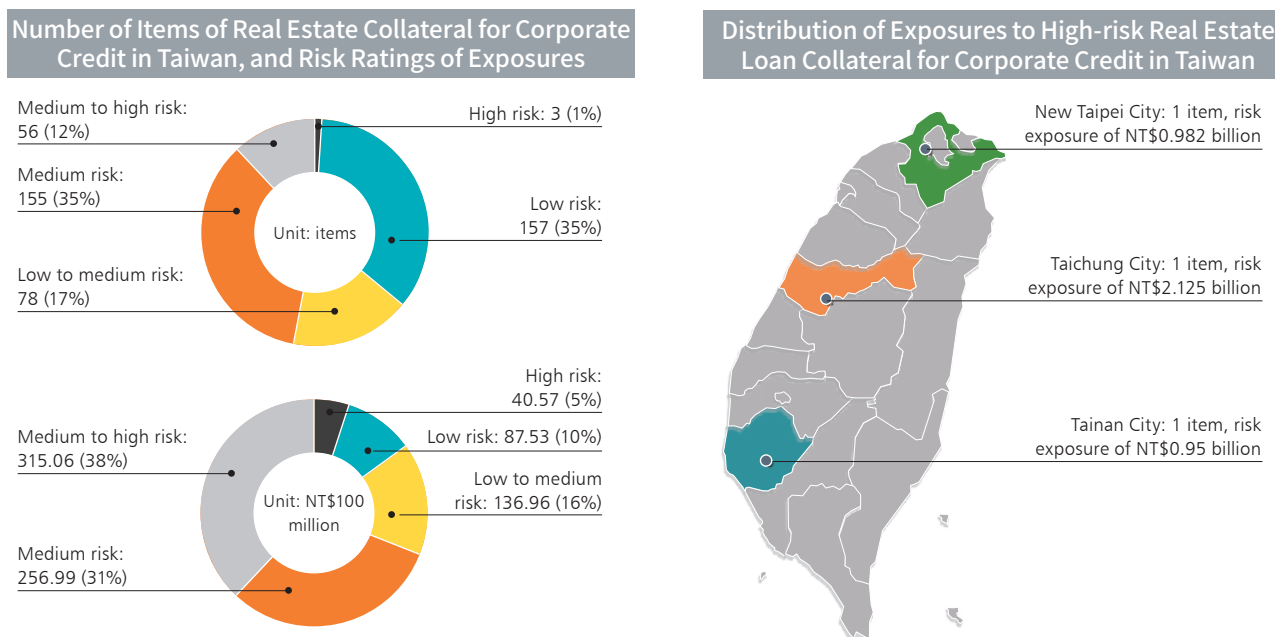


Fig. 7-11: Distribution of Real Estate Collateral for Retail Credit in Taiwan (GWL 1.5°C)

■ An assessment was conducted on 3,421 items of real estate collateral for retail credit located in Taiwan. Among them, one item (0.03%) was classified as high-risk, with a value of approximately NT\$29 million, accounting for about 0.06% of the total value of retail real estate collateral.

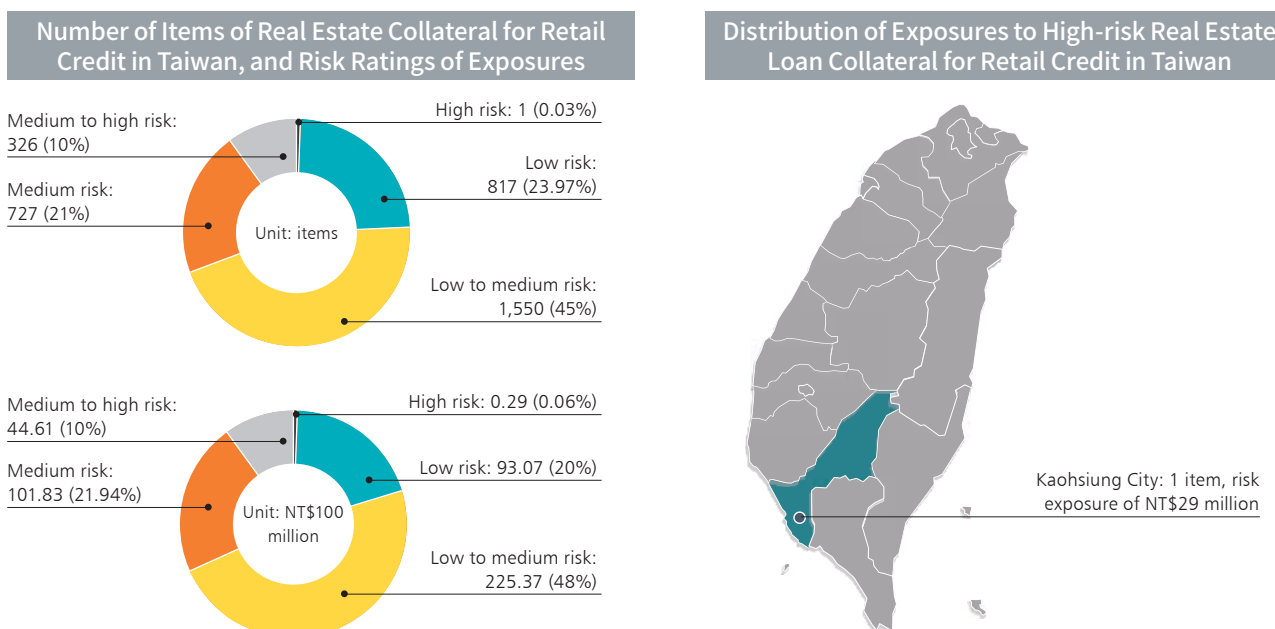
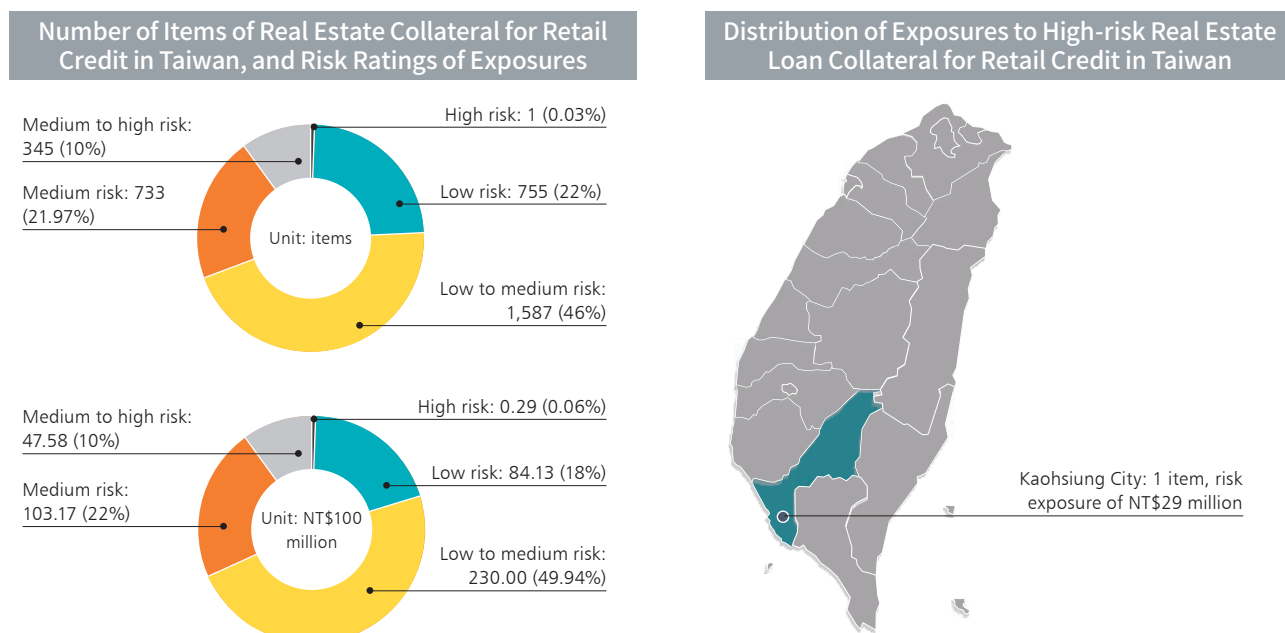


Fig. 7-12: Distribution of Real Estate Collateral for Retail Credit in Taiwan (GWL 2°C)

■ An assessment was conducted on 3,421 items of real estate collateral for retail credit located in Taiwan. Among them, one item (0.03%) was classified as high-risk, with a value of approximately NT\$29 million, accounting for about 0.06% of the total value of retail real estate collateral.



Information on overseas high-risk-area real estate used as corporate credit collateral for O-Bank corporate financing is set out in Table 7-7 below. O-Bank's possible exposures to physical climate risks are as shown below in Fig. 7-13 and Fig. 7-14.

Table 7-7: Overseas High-risk-area Real Estate Used as Collateral for O-Bank Corporate Financing

Scope of Assessment	Number of Properties	Number of Properties as Percentage of Total Collateral Properties in the Area in Question	Value of Properties as Percentage of Total Value of Collateral Properties in the Area in Question	Net Credit Extended in these Cases as Percentage of Total Net Credit Extended by O-Bank
The Hong Kong region	0	0.00%	0.00%	0.00%
The Mainland China region	1	9.09%	26.7%	0.32%
Other overseas regions	0			

Fig. 7-13: Distribution of O-Bank Real Estate Collateral for Corporate Credit in the Hong Kong Region

■ There were 235 items of corporate real estate collateral located in the Hong Kong region, none of which were classed as high-risk.

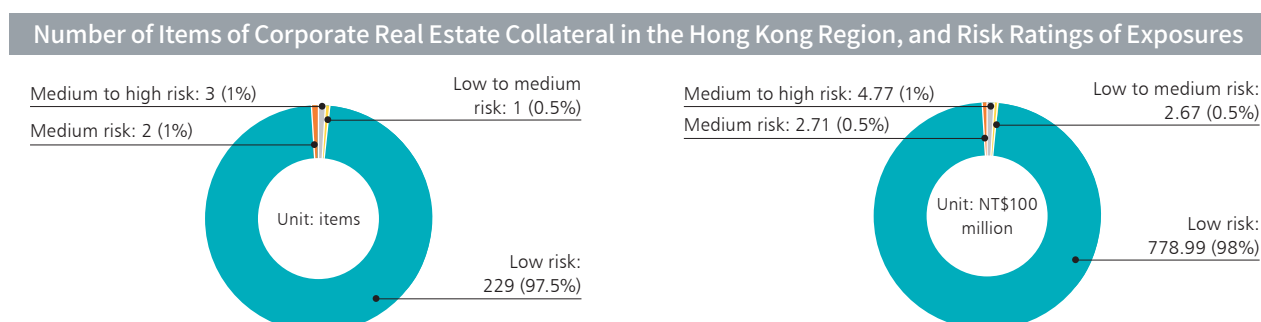
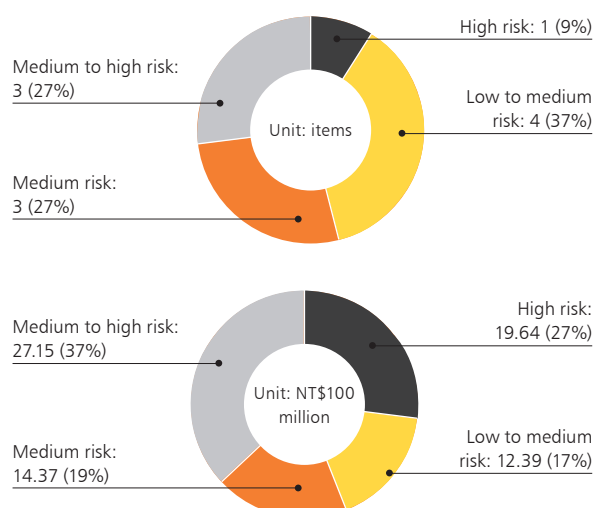


Fig. 7-14: Distribution of Real Estate Collateral for Corporate Credit in Mainland China and other Overseas Regions

■ An assessment was conducted on 11 items of corporate real estate collateral located in Mainland China and other overseas regions. Among them, one item (9.09%) was classified as high-risk, with a value of approximately NT\$1.964 billion, accounting for about 26.70% of the total value of real estate collateral in mainland China and other overseas regions.

Number of Items of Real Estate Collateral in Mainland China and other Overseas Regions, and Risk Ratings of Exposures



Distribution of Exposures to High-risk Corporate Real Estate Collateral in Mainland China and other Overseas Regions



In addition, O-Bank has analyzed the physical risks under different global warming level for sectors in which the Bank has relatively high credit concentrations (i.e., sectors that account for 8% or more of O-Bank's total outstanding credit balance, including finance and insurance (26.3%), real estate (19.4%), and manufacturing (14.6%)). The locations of real estate collateral in high-risk areas for these sectors are shown in Table 7-8. O-Bank's potential exposures to physical climate risks are illustrated in Fig. 7-15 through 7-18.

Table 7-8: High-risk-area Real Estate Loan Collateral for Loans to Borrowers in Sectors in which O-Bank Has Relatively High Credit Concentrations

Scope of Assessment		Climate Scenarios	Number of Properties	Number of Properties as Percentage of Total Collateral Properties in the Area in Question	Value of Properties as Percentage of Total Value of Collateral Properties in the Area in Question	Net Credit Extended in these Cases as Percentage of Total Net Credit Extended by O-Bank
Sectors in which O-Bank has a high credit concentration	Taiwan	GWL 1.5°C	2	0.68%	3.37%	0.28%
		GWL 2°C	2	0.68%	3.37%	0.28%
	Hong Kong region	-	0	0.00%	0.00%	0.00%
	Mainland China region	-	1	16.67%	38.89%	0.32%
	Other overseas regions	-	0			

Fig. 7-15: Distribution of Real Estate Collateral in Taiwan for Sectors in which O-Bank Has Relatively High Credit Concentrations (GWL 1.5°C)

■ An assessment was conducted on 295 items of real estate collateral located in Taiwan. Among them, two items (0.68%) were classified as high-risk, with a total value of approximately NT\$1.932 billion, accounting for about 3.37% of the total value of real estate collateral in Taiwan.

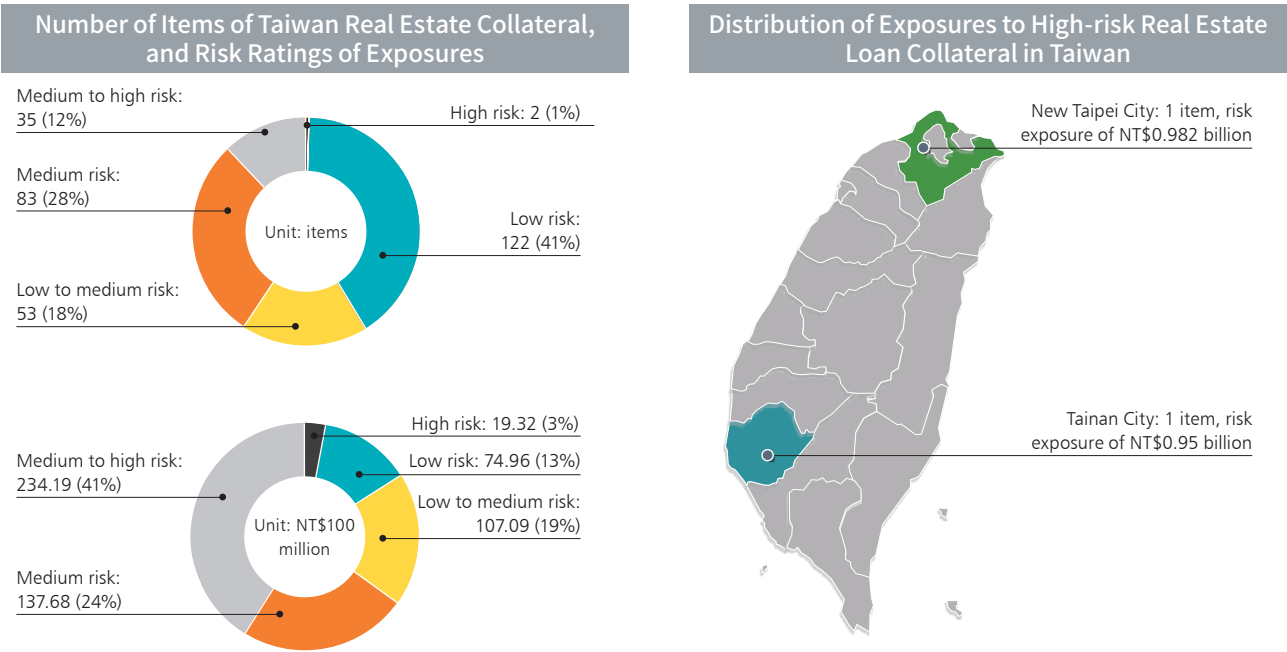


Fig. 7-16: Distribution of Real Estate Collateral in Taiwan for Sectors in which O-Bank Has Relatively High Credit Concentrations (GWL 2°C)

■ An assessment was conducted on 295 items of real estate collateral located in Taiwan. Among them, two items (0.68%) were classified as high-risk, with a total value of approximately NT\$1.932 billion, accounting for about 3.37% of the total value of real estate collateral in Taiwan.

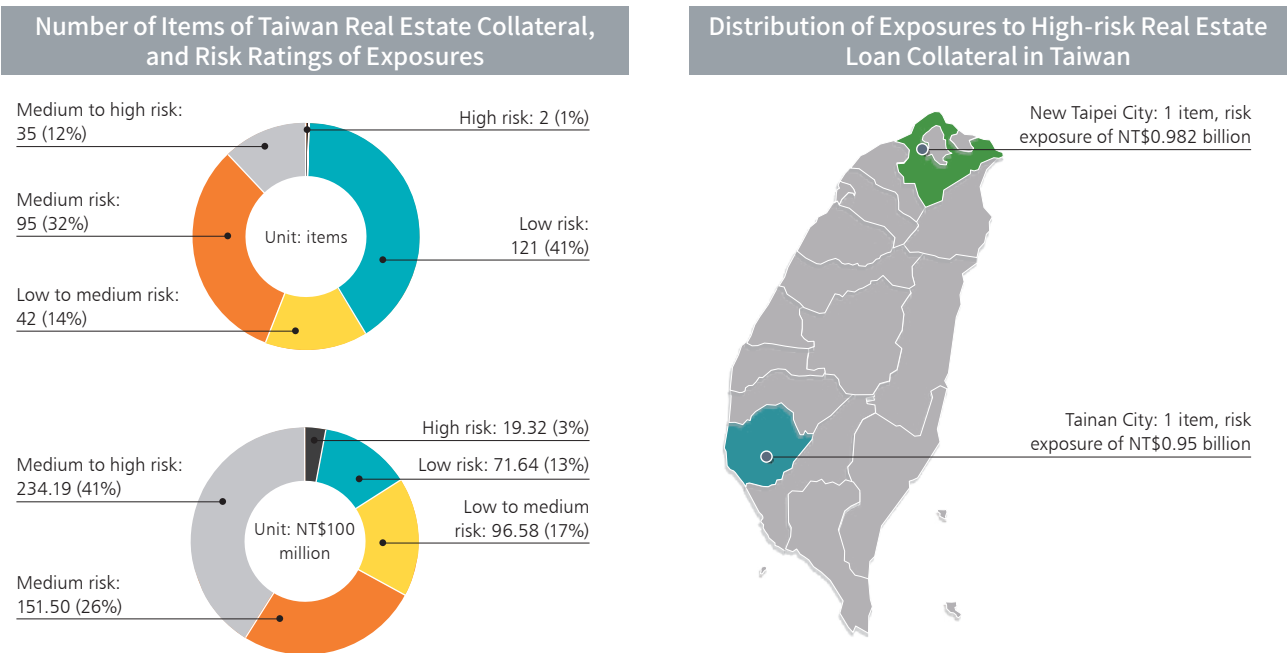


Fig. 7-17: Distribution of Real Estate Collateral in Hong Kong Region for Sectors in which O-Bank Has Relatively High Credit Concentrations

■ There were 155 items of real estate collateral located in the Hong Kong region, none of which were classed as high-risk.

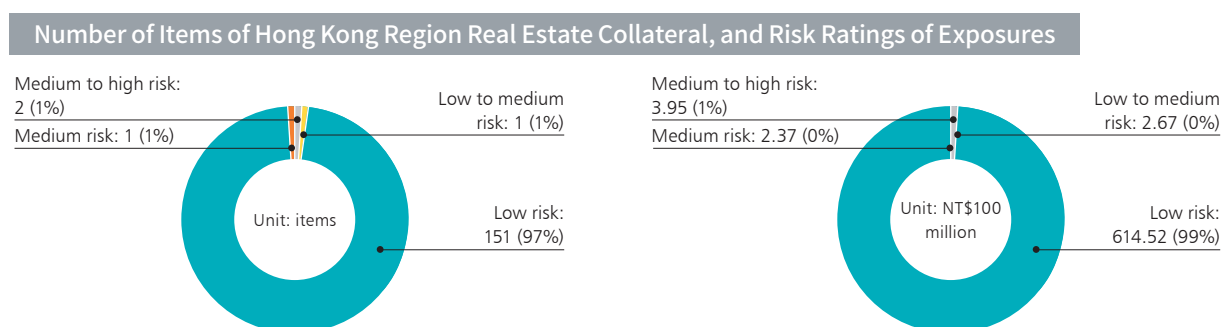
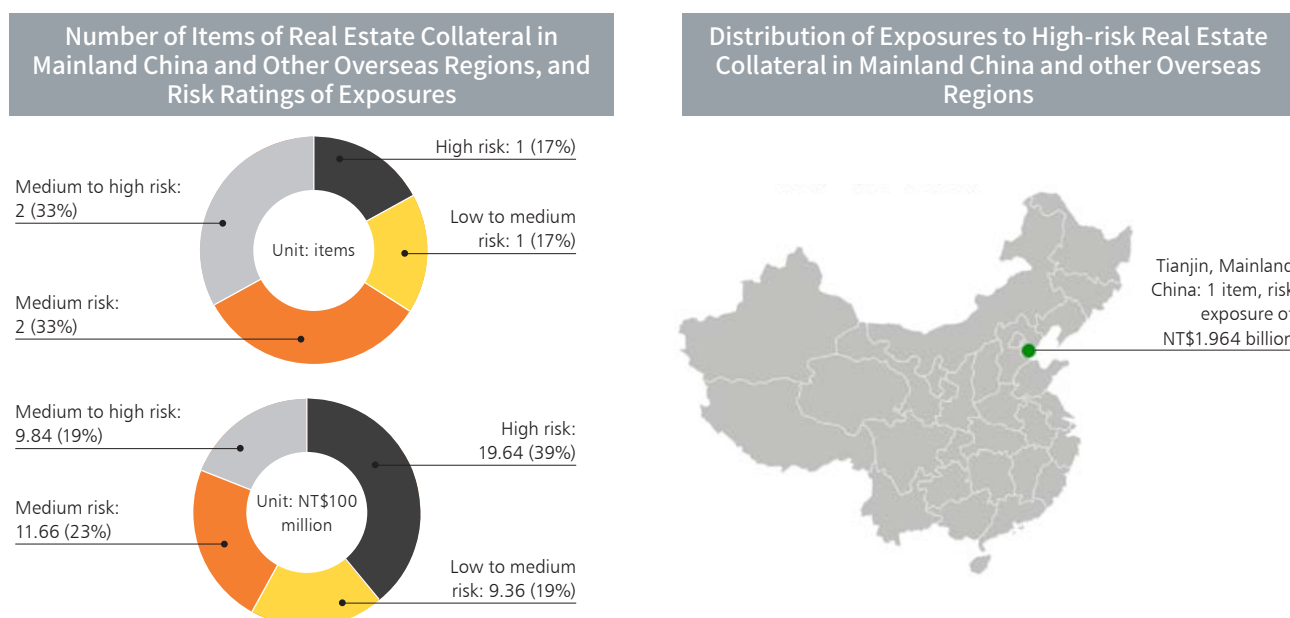


Fig. 7-18: Distribution of Real Estate Collateral in Mainland China and Other Overseas Regions for Sectors in which O-Bank Has Relatively High Credit Concentrations

■ An assessment was conducted on six items of real estate collateral located in Mainland China and other overseas regions. Among them, one item (16.67%) was classified as high-risk, with a total value of approximately NT\$1.964 billion, accounting for about 38.89% of the total value of real estate collateral in these regions.



c. Corporate Credit Clients' Business Locations

In the event of flood and slopeland weather disasters, corporate credit clients' business locations may be damaged, business operations interrupted, and profitability reduced, resulting in deteriorated repayment capacity and increased credit risk. O-Bank assesses physical climate risks based on corporate credit clients' business locations; under different global warming levels, corporate credit client business locations located in high-risk areas are shown in Table 7-9, and their possible exposure to physical climate risks is detailed in Fig. 7-19 to 7-22.

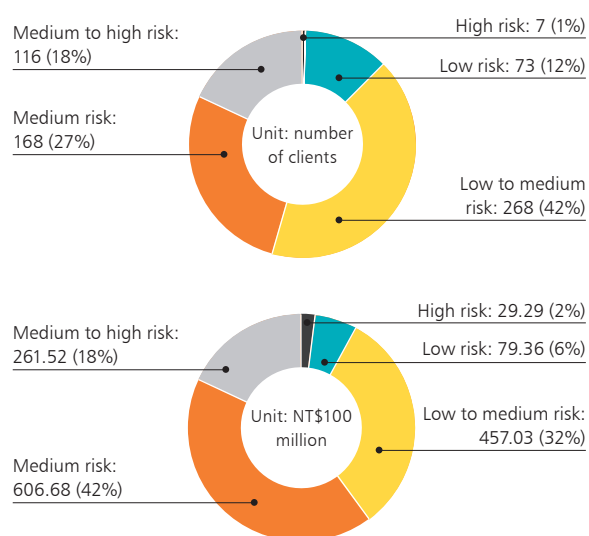
Table 7-9: Distribution of O-Bank's Corporate Credit Clients' Business Locations in High-risk Areas

Scope of Assessment	Climate Scenarios	Number of Corporate Credit Clients	Proportion of Corporate Credit Clients in the Respective Region	Net Credit Extended in these Cases as Percentage of Total Net Credit Extended by O-Bank
Taiwan	GWL 1.5°C	7	1.11%	1.12%
	GWL 2°C	7	1.11%	1.12%
Hong Kong region	-	0	0.00%	0.00%
Mainland China region	-	0	0.00%	0.00%
Other overseas regions	-	0		

Fig. 7-19: Distribution of O-Bank Corporate Credit Clients' Business Locations in Taiwan (GWL 1.5°C)

■ An assessment was conducted on 632 corporate credit clients' business locations in Taiwan. Among them, seven clients (1.11%) were classified as high-risk, with a credit balance of approximately NT\$2.929 billion, accounting for about 1.12% of the Bank's total credit balance.

Number of Corporate Credit Clients in Taiwan, and Risk Ratings of Exposure Amounts



Distribution of Exposures to High-risk Corporate Credit Clients' Business Locations in Taiwan

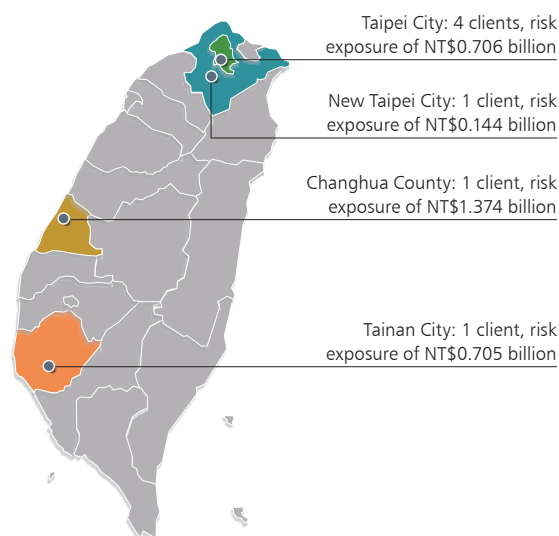


Fig. 7-20: Distribution of O-Bank Corporate Credit Clients' Business Locations in Taiwan (GWL 2°C)

■ An assessment was conducted on 632 corporate credit clients' business locations in Taiwan. Among them, seven clients (1.11%) were classified as high-risk, with a credit balance of approximately NT\$2.929 billion, accounting for about 1.12% of the Bank's total credit balance.

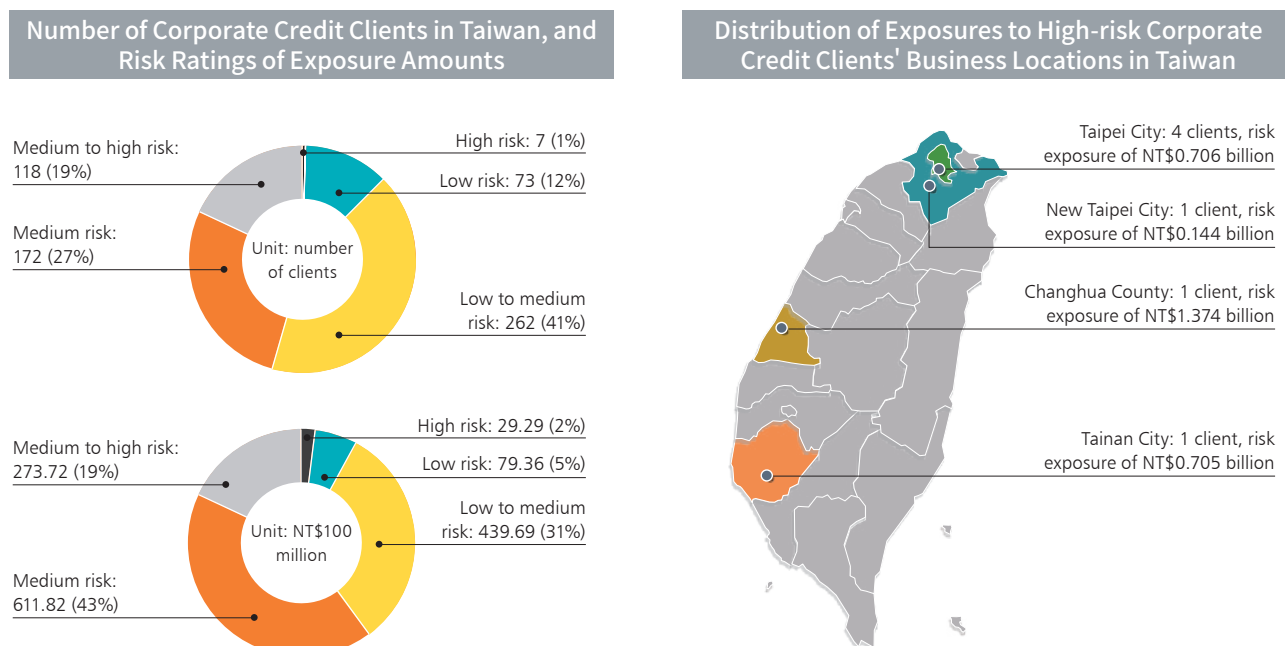


Fig. 7-21: Distribution of O-Bank Corporate Credit Clients' Business Locations in Hong Kong Region

■ There were 142 corporate credit clients' business locations located in the Hong Kong region, none of which were classed as high-risk.

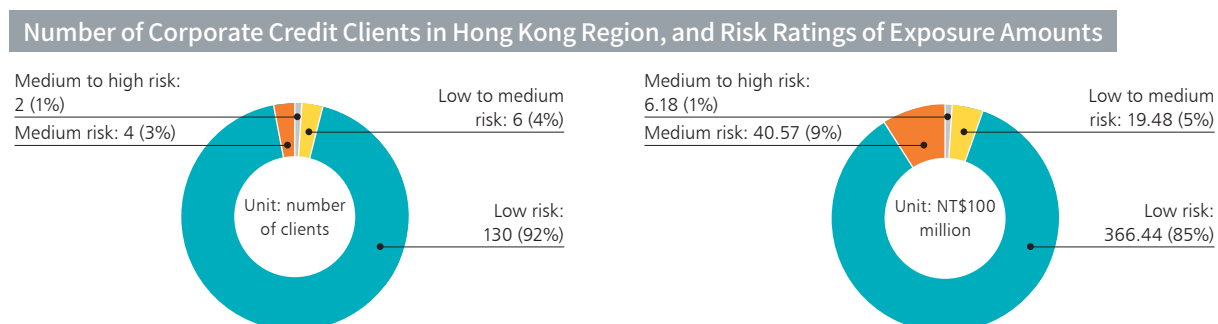
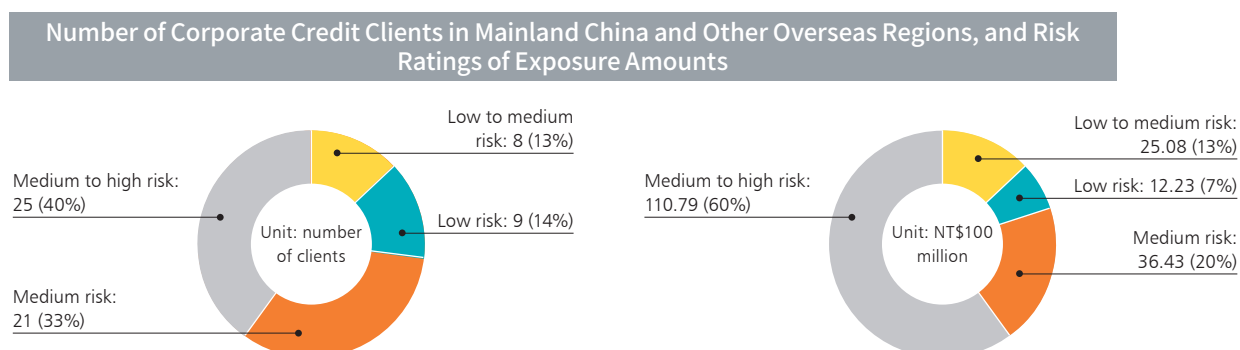


Fig. 7-22: Distribution of O-Bank Corporate Credit Clients' Business Locations in Mainland China and Other Overseas Regions

■ There were 63 corporate credit clients' business locations located in Mainland China and other overseas regions, none of which were classed as high-risk.



d. Mid- and Long-term Investments (banking book)

The occurrence of climate change-related flood events and slopeland disasters can cause damage in areas where investee companies are located, thus affecting credit risks. When we assess climate-related physical risks on the basis of the registered locations of investee companies in mid- and long-term investments (banking book), we find that, under different global warming levels, the situation with O-Bank's mid- and long-term investments (banking book) in Taiwanese companies located in properties registered as high-risk-area real estate is as set out below in Table 7-10, and O-Bank's possible exposures to physical climate risks are as shown in Fig. 7-23 and 7-24 below.

Table 7-10: Distribution of O-Bank's Mid- and Long-term Investment Positions (banking book) in Companies Registered in High-risk Areas in Taiwan

Scenario	Number of Properties	Share of Mid- and Long-term Investment Positions (banking book) in Taiwan	Share of Book Value of O-Bank's Total Mid- and Long-term Investment Positions (banking book)
GWL 1.5°C	0	0.00%	0.00%
GWL 2°C	0	0.00%	0.00%

Fig. 7-23: Distribution of Property Registration Locations of Taiwanese Companies in O-Bank's Mid- and Long-term Investments (banking book) (GWL 1.5°C)

■ There were 82 items of investee companies with a registered location in Taiwan; no high-risk cases were identified.

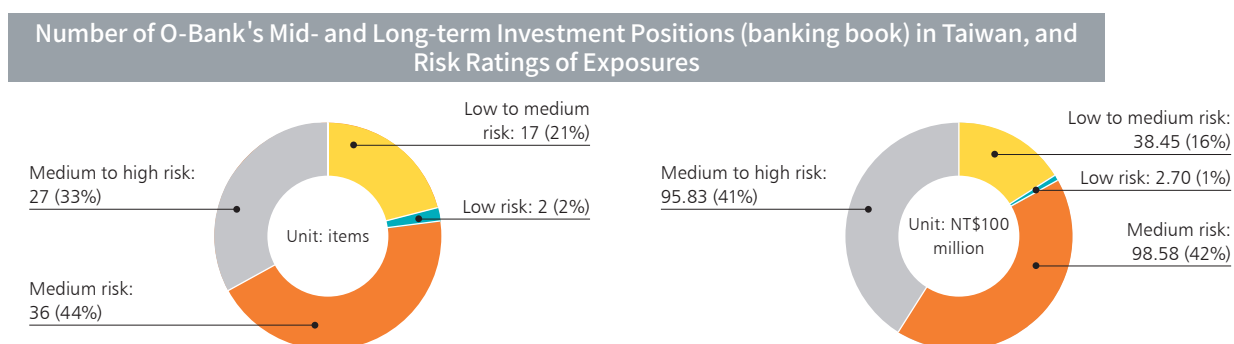
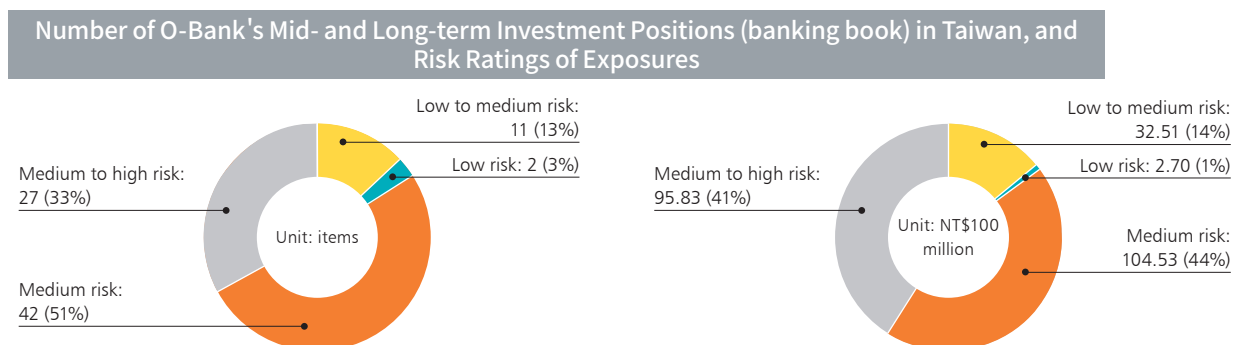


Fig. 7-24: Distribution of Property Registration Locations of Taiwanese Companies in O-Bank's Mid- and Long-term Investments (banking book) (GWL 2°C)

■ There were 82 items of investee companies with a registered location in Taiwan; no high-risk cases were identified.



Note: The term "risk exposures" as used in Fig. 7-23 and 7-24 equals the book value of mid- and long-term investment positions.

O-Bank each year compiles and analyzes statistics on high-risk-area real estate loan collateral, corporate credit clients' business locations, and the registered locations of investee companies in mid- and long-term investments (banking book), and periodically reports the results of its analyses to the Risk Management Committee in order to track the distribution and share of outstanding of real estate loan collateral, corporate credit clients' business locations, and the registered locations of investee companies that are located in areas exposed to high physical risks, and to appropriately avoid or control the sectors or customers exposed to high physical risks.

2. Analysis of Transition Risk Scenarios

Because GHG emissions continue to exacerbate global warming, countries around the world have been adopting targets aimed at achieving net carbon neutrality by 2050, and are using policies and legislation to collect carbon taxes or carbon levies, or are employing other means to regulate the emissions generated by various economic activities. During the course of a low-carbon transition, in addition to the impact of the transition on a bank's own operations, a bank's corporate customers and investments may experience an increase in operating costs and even a drop in operating revenues, which would in turn impact the bank's investment and financing activities.

In order to understand the possible impacts of transition risks, O-Bank conducts climate risk analyses using the GCAM6.0 model under the V5.0 Phase 5 climate change scenarios adopted by NGFS. The model sets carbon prices for different scenarios (orderly, disorderly, and hot house world) to estimate the carbon cost burden that may be faced by investment and financing recipients. The climate change scenarios used by O-Bank are described in Table 7-11 to 7-13, and in Fig. 7-25.

Table 7-11: NGFS Climate Change Scenarios

Type of Scenario	Suppositions of Scenario	Temperature Target	Climate Policy	Technological Changes	CO ₂ Removal Technologies	Regional Policy Differences
Orderly transition to Net Zero 2050	Countries adopt aggressive climate policies, there is hope that global temp. rise may be held to within 1.5°C or 2°C. Transition risks are 2 nd highest in this scenario.	1.4°C	Prompt	Rapid changes	Medium-high usage	Medium degree of difference
Disorderly & delayed transition to net zero	Carbon emissions peak in 2030, then carbon reductions accelerate around the world; or, emission reductions work is done principally in certain countries or industries, net zero is finally achieved. Transition risks are highest.	1.7°C	Delayed	Rapid/slow changes	Medium usage	High degree of difference
Hot house world scenario involving nationally determined contributions	Countries generally fail to achieve carbon reduction targets, or some countries continue to implement current climate policies while other regions lack new climate change mitigation policies. Transition risks are lowest in this scenario.	2.3°C	Nationally determined contributions	Slow changes	Low usage	Medium degree of difference

Fig. 7-25: NGFS Climate Change Scenario

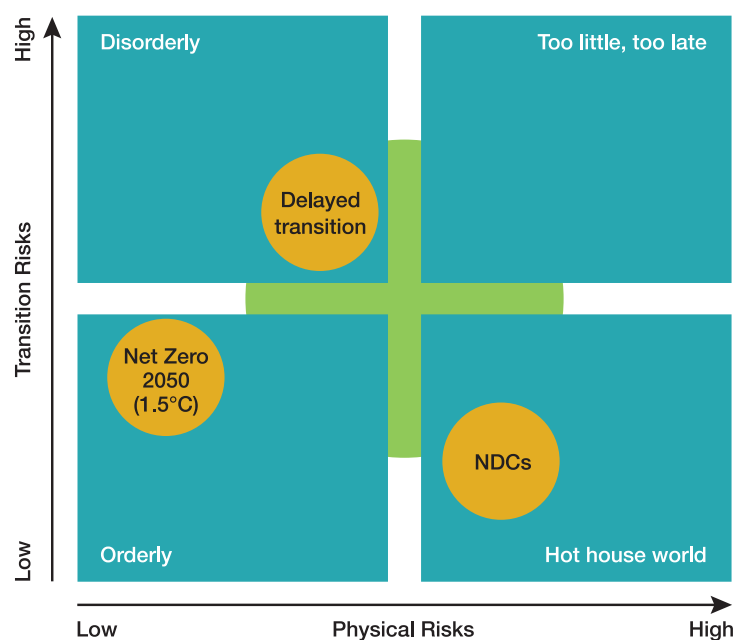


Table 7-12 to 7-13: NGFS V5.0 Phase5 GCAM6.0 Climate Change Scenario Carbon Price Factors in Regions (Taiwan, Hong Kong) Where O-Bank Has Its Main Exposures

Type of Scenario	Taiwan Carbon Price Factors		
	2030	2040	2050
Net Zero 2050	3,784	12,283	34,838
Delayed transition	0	4,922	10,295
Nationally determined contributions	339	1,619	2,302

Type of Scenario	Hong Kong Region Carbon Price Factors		
	2030	2040	2050
Net Zero 2050	2,634	6,989	45,147
Delayed transition	0	3,150	13,288
Nationally determined contributions	4	23	285

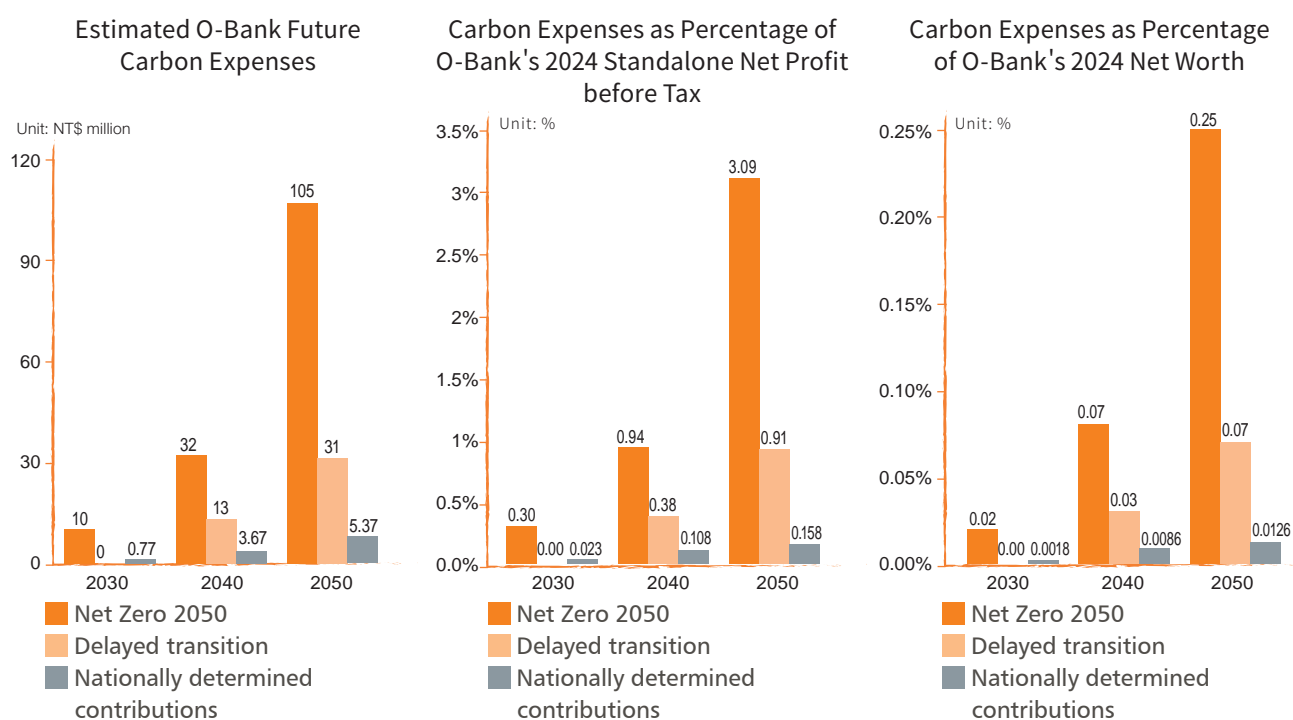
Note: Carbon price unit – TWD/tCO_{2e}, based on an exchange rate of US\$1 = TWD32.79006 as of December 31, 2024.

O-Bank uses the 2030, 2040, and 2050 carbon prices in the three aforementioned scenarios to calculate the possible carbon levy expenses generated by the Bank's future asset portfolios. The scope of analysis includes business locations, suppliers, and investment and financing activities. The analysis results are presented as follows:

a. O-Bank's Business Locations

O-Bank conducts an annual inventory of GHG emissions at its business locations throughout the world, and obtains third-party verification of its carbon emissions (see section 6.3 of this Report). In 2024, Scope 1 and 2 carbon emissions at O-Bank's business locations throughout the world came to 2,848.45 tCO₂e (calculated on a market basis). Based on this emissions volume, O-Bank has projected possible carbon expenses for 2030, 2040, and 2050, and carbon levy expenses as percentages of O-Bank's 2024 standalone net profit before tax and 2024 net worth under each of the different scenarios are as shown in Fig. 7-26.

Fig. 7-26: Carbon Expenses and Carbon Expenses at O-Bank's Business Locations Throughout the World as Percentages of 2024 Standalone Net Profit before Tax and Net Worth under Different Climate Scenarios

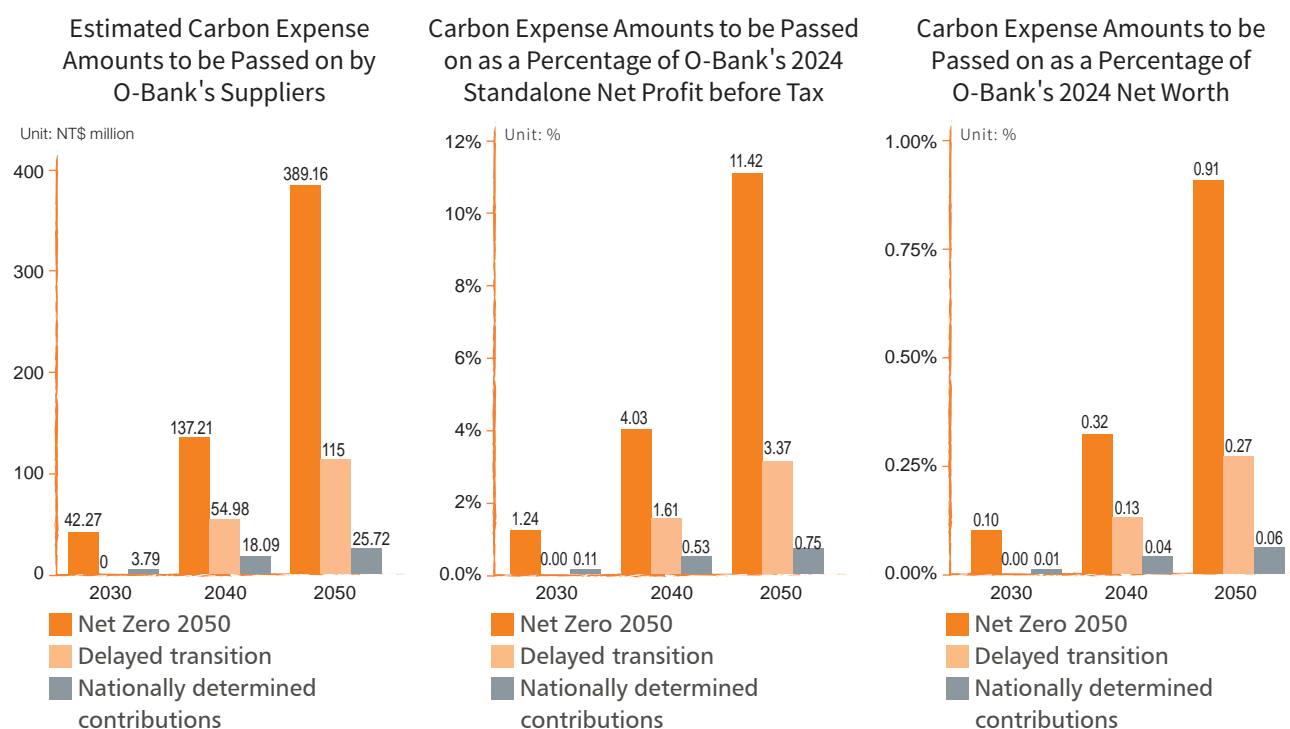


In order to reduce carbon levy expenses that might be generated in the future, O-Bank has actively introduced the use of renewable energy (green energy), and set targets of 50% reliance on green energy by 2030 and 100% reliance on green energy by 2050 at business locations throughout the world. The Bank regularly checks with the ESG Development Working Committee to monitor its progress toward achievement of these targets, and conducts awareness raising activities at its business locations to ensure that they are carrying out energy conservation and carbon reduction measures in order to lower operating CO₂ emissions (see section 6.2). The idea is to mitigate the carbon cost impact of transition risks. In 2024, O-Bank incurred about NT\$7.07 million in expenditures for switching to green energy, replacing energy-inefficient lighting and other equipment, etc.

b. Suppliers

O-Bank estimates the potential financial impact if suppliers pass all carbon expenses on to the Bank, based on procurement amount and CO₂ emissions intensity of suppliers; estimated carbon expense amounts to be passed on in 2030, 2040, and 2050 and their share of the Bank's 2024 standalone net profit before tax and net worth are shown in Fig. 7-27. To reduce the risk of suppliers passing carbon expenses on to the Bank in the future, the Bank continues to implement supplier selection procedures and, through supplier conferences, promotes the latest sustainability trends to strengthen suppliers' awareness of climate change issues.

Fig. 7-27: Estimated Carbon Expense Amounts to be Passed On by O-Bank's Suppliers and Their Share of the Bank's 2024 Standalone Net Profit before Tax and Net Worth



Note 1: Supplier assessment scope includes vendors with procurement amounts exceeding NT\$1 million.

Note 2: Estimated carbon expense amount to be passed on = supplier procurement amount × CO₂ emissions intensity × carbon price factor under each climate scenario

Note 3: CO₂ emissions intensity (CO₂ emissions per unit Gross Domestic Product (GDP)) is based on the latest "National Fuel Combustion CO₂ Emissions Statistics and Analysis" published by the Energy Administration, Ministry of Economic Affairs; in 2023, CO₂ emissions intensity was 0.01139 kg CO₂e/NT dollar.

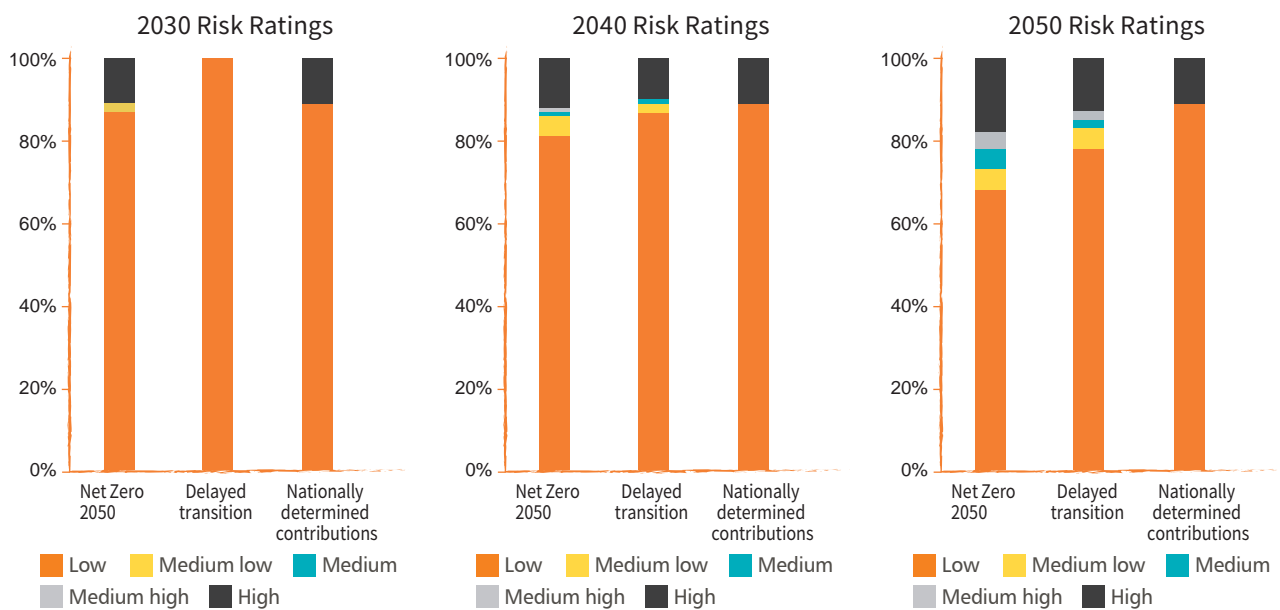
c. Investment and Financing Activities

O-Bank conducts an annual inventory of the GHG emissions of its investment and financing recipients (see section 7.1.6), and uses the inventory results to conduct scenario analyses. In 2024, O-Bank inventoried 100% of its corporate loan positions (Note 7-1), and found that the Scope 1 and Scope 2 emissions generated thereby amounted to 71.11 million tCO₂e, and on this basis has estimated the share of each financing recipient's net worth that its possible carbon expenses may account for in 2030, 2040, and 2050. Then, based on the share of each financing recipient's net worth that its projected carbon expenses are

Note 7-1: The term "corporate loan positions" as used here means all corporate loans recorded on the balance sheet (not including off-balance sheet assets).

projected to generate under different scenarios, financing recipients are assigned one of five different risk ratings, as follows: low risk (share of net worth is 20% or lower); low to medium risk (share is greater than 20%, no greater than 40%); medium risk (share is greater than 40%, no greater than 60%); medium to high risk (share is greater than 60%, no greater than 80%); high risk (share is greater than 80% or the net worth is negative). Corporate loan position risk rating distributions under different climate scenarios in 2030, 2040, and 2050 are set out below in Fig. 7-28, and the percentage of corporate loan positions rated as high risk did not exceed 18% under any climate scenario. As for investments, O-Bank has inventories 100% of its mid- and long-term investment positions (Note 7-2) and found that the Scope 1 and Scope 2 emissions generated by those investments amounted to 345.37 million tCO₂e (not including the emissions associated with sovereign bonds), and on this basis projected carbon levy expenses as a percentage of its net worth in 2030, 2040, and 2050, then based on the percentages we assigned risk ratings (see Fig. 7-29), and the percentage of investment positions rated as high risk did not exceed 17% under any climate scenario.

Fig. 7-28: O-Bank Corporate Loan Position Risk Rating Distributions under Different Climate Scenarios



Note 7-2: The scope of inventories of "mid- and long-term investment positions" as referred to here includes the shares, bank debentures, corporate bonds, and other mid- and long-term investment holdings of listed companies, and does not include short-term trades, investments made for the purpose of fund flow management and sustainability-related bonds.

Fig. 7-29: O-Bank Mid- and Long-term Investment Position Risk Rating Distributions under Different Climate Scenarios



O-Bank also inventoried 100% of the corporate loan positions and 100% of the mid- and long-term investment positions of the Hong Kong Branch. The Scope 1 and Scope 2 emissions connected with the corporate loan positions totaled 360 thousand tCO₂e. On this basis we have estimated the share of each financing recipient's net worth that possible carbon expenses generated by itself may account for in 2030, 2040, and 2050. Then based on the percentages we assigned risk ratings (see Fig. 7-30), and the percentage of loan positions rated as high risk did not exceed 23% under any climate scenario. As for investments, O-Bank found that the Scope 1 and Scope 2 emissions generated by those investments amounted to 80.09 million tCO₂e (not including the emissions associated with sovereign bonds), and on this basis projected possible carbon expenses as a percentage of each investee company's net worth in 2030, 2040, and 2050, then based on the percentages we assigned risk ratings (see Fig. 7-31), and the percentage of investment positions rated as high risk did not exceed 11% under any climate scenario.

Fig. 7-30: O-Bank Hong Kong Branch Corporate Loan Position Risk Rating Distributions under Different Climate Scenarios

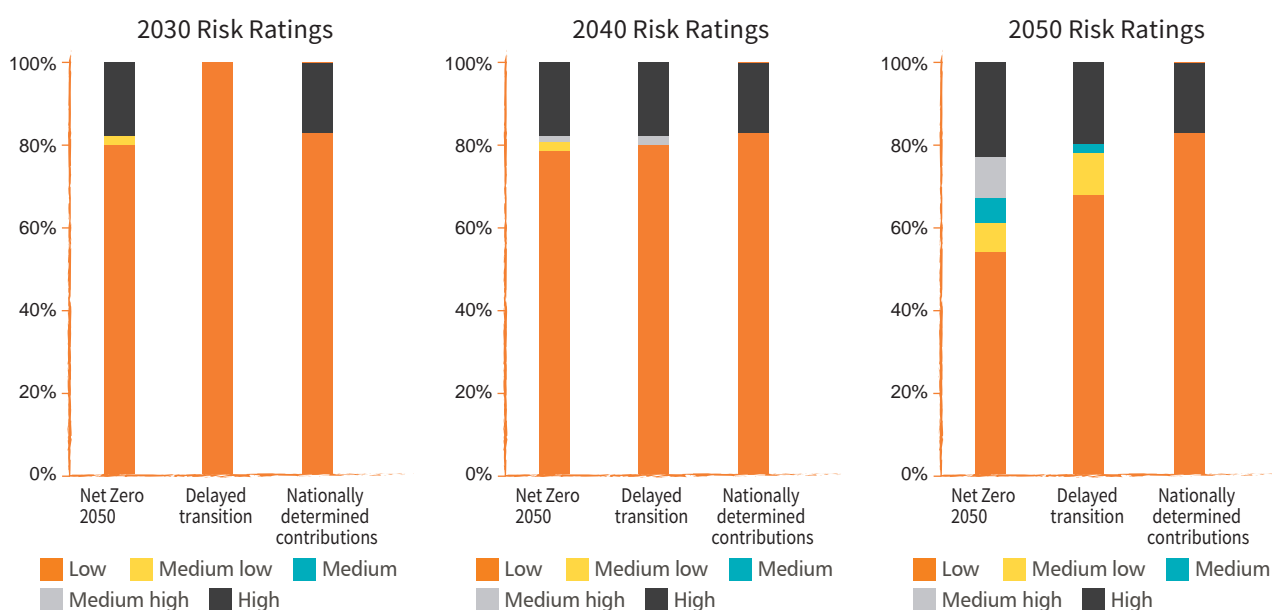
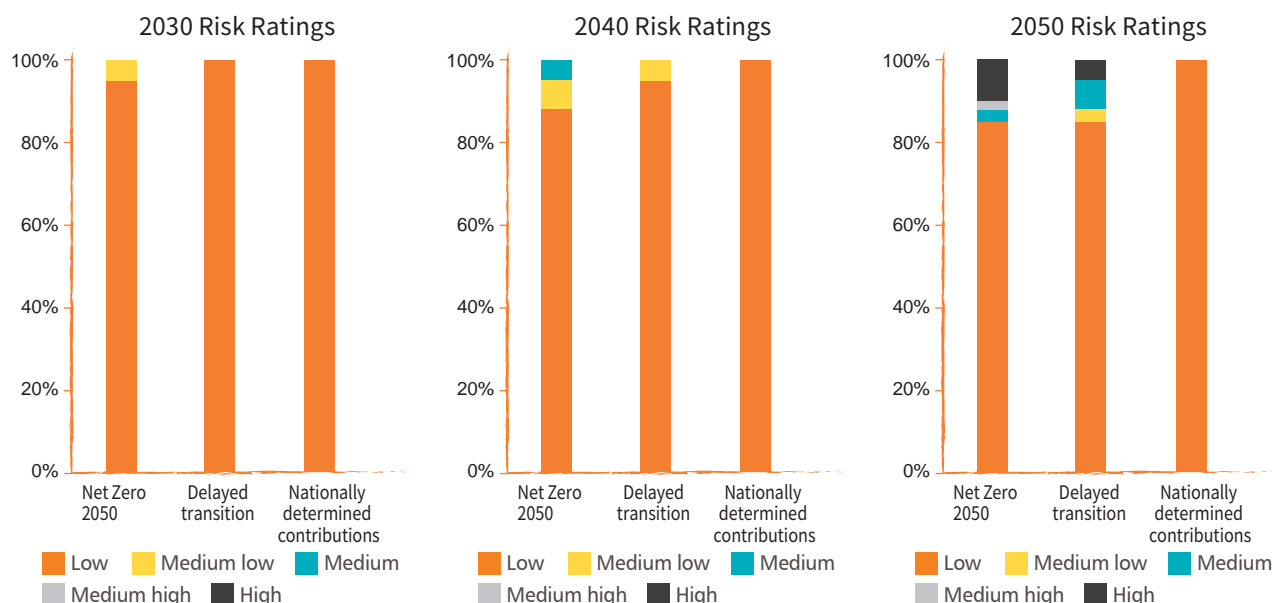
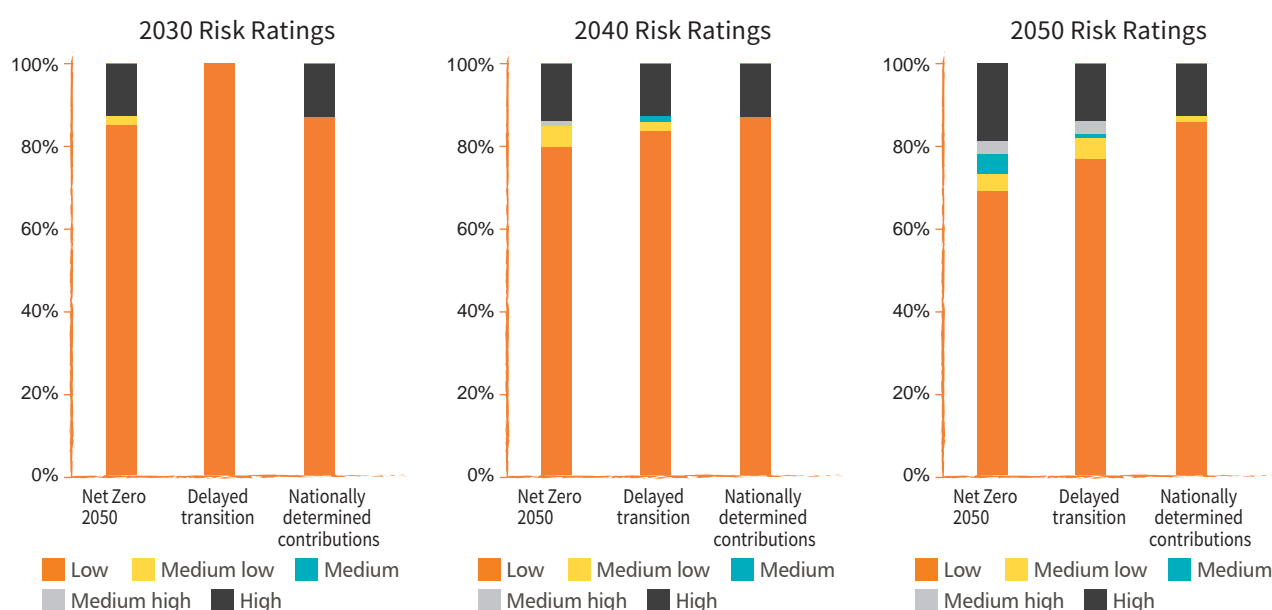


Fig. 7-31: O-Bank Hong Kong Branch Mid- and Long-term Investment Position Risk Rating Distributions under Different Climate Scenarios



In addition, O-Bank has also analyzed the transition risks of sectors in which the Bank has relatively high credit concentrations (i.e., sectors that account for 8% or more of O-Bank's total outstanding credit balance, including finance and insurance, 26.3%; real estate, 19.4%; manufacturing, 14.6%). The Scope 1 and Scope 2 emissions generated in those sectors amount to a combined total of 67.43 million tCO₂e. Based on this figure, O-Bank has projected the possible carbon expenses that financing recipients may incur, expressed as a percentage of their net worth in 2030, 2040, and 2050. Risk ratings were then assigned based on these percentages (see Fig. 7-32), and under all climate scenarios, the proportion of corporate loan positions rated as high-risk did not exceed 20%.

Fig. 7-32: Sector Risk Rating Distributions under Different Climate Scenarios for Sectors in which O-Bank Has Relatively High Credit Concentrations



O-Bank each year compiles and analyzes statistics on the carbon levy expenses of investment and financing recipients, and periodically reports the results of its analyses to the Risk Management Committee in order to observe and monitor the carbon emissions of investment and financing recipients, and to appropriately avoid or control the sectors that are exposed to high transition risks.

7.1.4 Climate Change Metrics and Targets

To mitigate climate change, O-Bank has adopted quantitative targets for GHG emissions, energy consumption, and investment and financing business, and continues to track the Bank's success in meeting its climate-related targets. Details are set out in the following table:

Topic	Metrics and Targets	Corresponding Sections
GHG emissions	<ul style="list-style-type: none"> Has used the Science-based Targets Setting Tool version 2.1 of the Science Based Targets initiative (SBTi) to set Scope 1 and Scope 2 GHG reduction targets for O-Bank business locations throughout the world. 	<ul style="list-style-type: none"> 6.1.2 Setting and Achievement of Environmental Management Targets
Energy use	<ul style="list-style-type: none"> Has adopted targets for reduction of power & water usage per capita at business locations throughout the world. Has committed for the company to use renewable energy for 50% of its power consumption by 2030 and 100% by 2050 at its business locations throughout the world. 	<ul style="list-style-type: none"> 6.1.2 Setting and Achievement of Environmental Management Targets 6.3 Greenhouse Gas Inventories
Investment and financing business	<ul style="list-style-type: none"> Has made use of the Science-based Targets Setting Tool of the SBTi to set GHG reduction targets for Scope 1 and 2 emissions for all corporate loan positions and mid- and long-term investment positions. O-Bank has set limits on the amount of investments and financing it may direct toward carbon-intensive industries. The share must decrease each year. O-Bank encourages the flow of funds toward environmentally- and socially-friendly industries, and has adopted targets for the loan balance ratio of such industries. O-Bank encourages corporate clients to adopt and achieve sustainability conditions, and has adopted targets for the loan balance of sustainability-linked loans. 	<ul style="list-style-type: none"> 7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries "Table 1-6: Material Topics and Development Goals" under section 1.3.1 Identification and Analysis of Material Topics

7.1.5 Climate Scenario Analysis Conducted by Domestic Banks

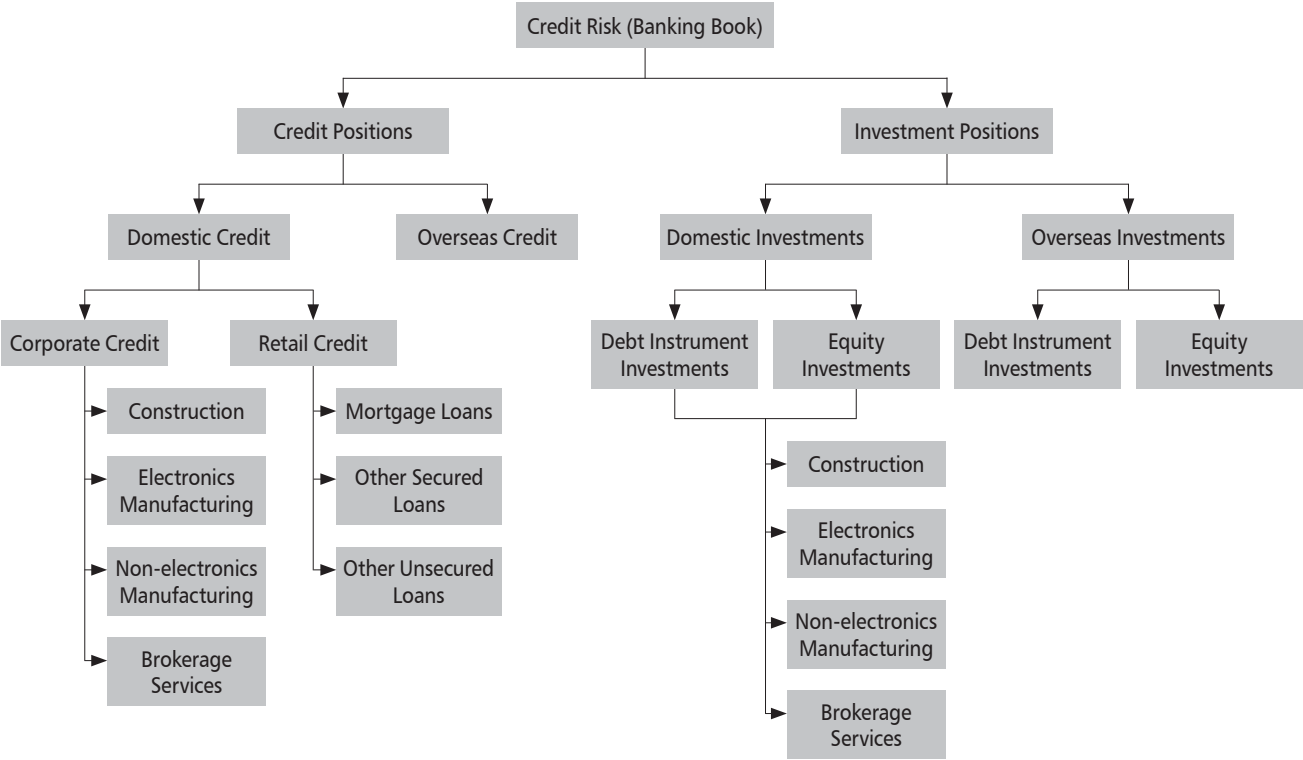
In order to understand the financial impact generated by climate change risk factors and assess O-Bank's tolerance for climate risks, the Bank has adopted the "Guidelines for the Conduct of Climate Scenario Analyses by Domestic Banks" issued by the Bankers Association of the Republic of China. These Guidelines integrate climate risk with traditional financial stress scenarios to conduct scenario analyses. The macroeconomic factors used in the analysis are drawn from the REMIND-MagPIE 3.2-4.6 Integrated Assessment Model (IAM) and the climate scenarios from Phase 4 of the Network for Greening the Financial System (NGFS), simulated using the National Institute Global Econometric Model (NiGEM). Indicators such as Gross Domestic Product (GDP) growth rate, unemployment rate, inflation rate, and long-term interest rate are used to simulate changes in default rates across different exposures. In addition, carbon pricing and industrial emissions trends are used to simulate the impact of transition risks related to carbon pricing across different exposures. For environmental factors, the analysis draws on scenarios based on the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) and Representative Concentration Pathways (RCPs). These provide environmental and temperature data to simulate future trends in physical risk

hazards (including torrential rains, flooding, drought, landslides, and heatwaves) and their impacts across different exposures. Taking into account Taiwan's decarbonization transition and the degree of climate risk, the Bank has established both long-term and short-term climate scenarios for analysis. The long-term scenarios include an orderly net-zero, a disorderly transition, and a passive transition, with 2030 and 2050 selected as scenario years in consideration of the climate change timeline and the banking business cycle. The short-term scenarios include a physical risk (intensified adjustment scenario), a transition risk scenario, and a combined loss scenario, using climate events that may occur within the next year as the evaluation timeframe.

Under both long-term and short-term scenarios, the Bank estimates the average Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) under each climate scenario to project future Expected Loss (EL) and assess the Bank's overall risk-bearing capacity.

This scenario analysis was based on the December 31, 2024 financial asset portfolios of O-Bank's domestic and overseas branches as well as our Offshore Banking Unit (OBU), and adopts "static asset-liability assumptions." On this basis, O-Bank projected possible climate risks that we might face under different climate scenarios. In addition, this test only considered the impact of climate-related risks on domestic and overseas credit exposures. Meanwhile, the scope of assessments of investment and financing positions included on and off-balance sheet credit exposures, debt instruments, and equity investments in banking book (see Fig. 7-33); however, such assessments did not include: derivatives' counterparty credit risk; trading book market risk and operational risk; exposures to domestic government agencies and financial services firms; exposures to multilateral development organizations; and repo (RP/RS) trades.

Fig. 7-33: Climate Risk-adjusted Credit Risk Calculation Framework Based on the "Guidelines for the Conduct of Climate Scenario Analyses by Domestic Banks"



Results from the Bank's scenario analysis indicate that under the long-term scenario, the passive transition scenario (with delayed decarbonization policies and rising average temperatures) leads to increased carbon pricing and reduced overall productivity, resulting in more significant revenue loss in investment and financing positions, with expected losses and increases more pronounced than those in the orderly net-zero and disorderly transition scenarios; under the short-term scenario, the risk values from the transition risk scenario indicate relatively mild impacts, in line with current expectations under the domestic carbon fee system, while the physical risk scenario simulating typhoon events results in relatively severe losses.

O-Bank further analyzed expected losses on credit risks under various long- and short-term climate scenarios as percentages of O-Bank's 2024 standalone net profit before tax and net worth, with findings set out in Fig. 7-34 and Fig. 7-35. Under long-term scenarios, expected losses represented 50.03% to 80.03% of 2024 standalone net profit before tax and 3.98% to 6.37% of 2024 net worth; under short-term scenarios, the corresponding figures were 40.80% to 50.32% and 3.25% to 4.01%, respectively. Using the results of scenario analysis, O-Bank is able to quantify credit risk exposures and expected losses under various climate scenarios. These insights will support the continuous refinement of relevant risk assessment procedures and management measures to mitigate financial impacts and strengthen the Bank's resilience to climate-related risks. Documents related to the Bank's annual climate scenario analyses must be retained for at least five years and include the selected scenarios, evaluation results, and corresponding response actions.

Fig. 7-34: Ratio of Expected Losses on Credit Risks under Long-term Scenarios to O-Bank's 2024 Standalone Net Profit before Tax and Net Worth

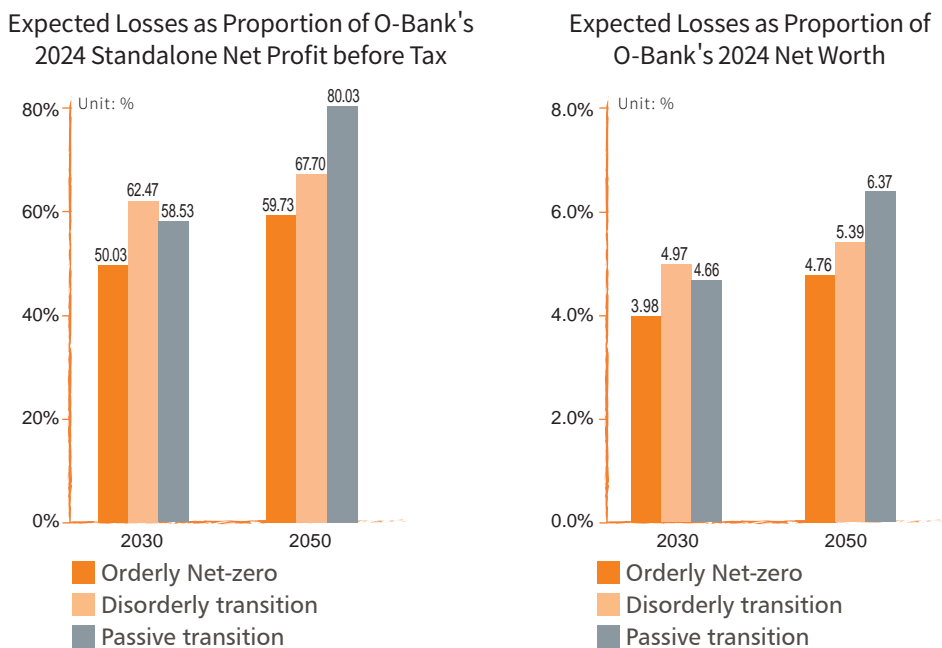
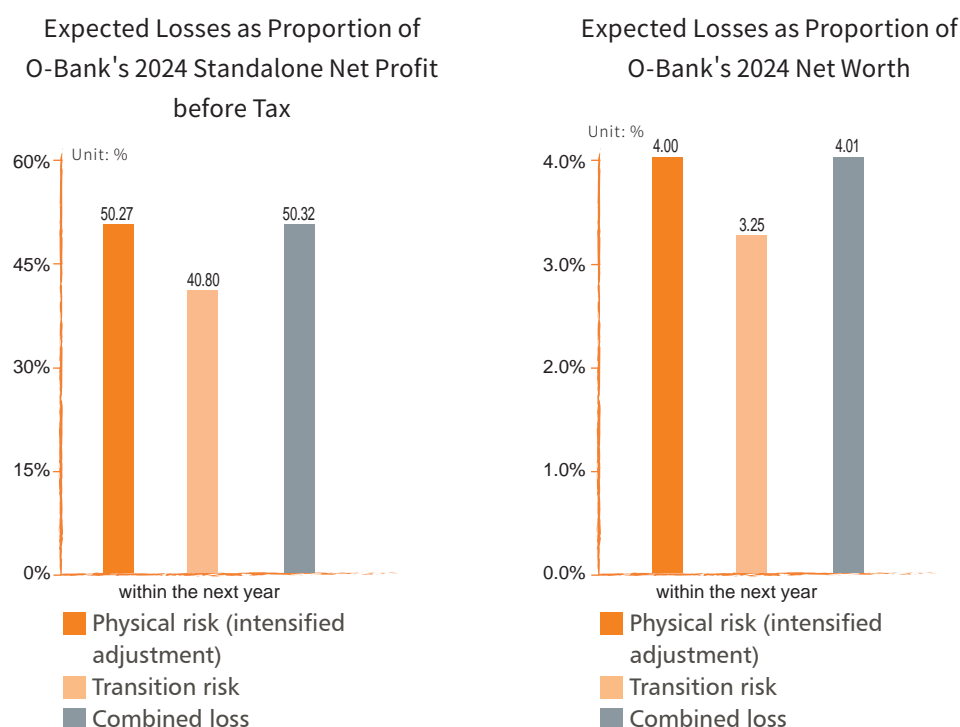


Fig. 7-35: Ratio of Expected Losses on Credit Risks under Short-term Scenarios to O-Bank's 2024 Standalone Net Profit before Tax and Net Worth



Note 1: Given the assumptions and parameter settings of scenario analysis methodologies, where values are estimated under different risk scenarios, and given that long-term scenarios cover a more extended period, there is uncertainty in the estimated expected losses for each scenario, and these do not represent actual future impacts; limitations should be noted when using or interpreting the results.

Note 2: Due to methodological differences between long- and short-term scenarios, results should not be directly compared.

7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries

1. Portfolio Emissions and Carbon Reduction Goals

In order to measure and inspect the carbon emissions of its investment and corporate loan positions, O-Bank signed on to the Partnership for Carbon Accounting Financials (PCAF) in February 2022 and adopted the Global GHG Accounting and Reporting Standard for the Financial Industry published by PCAF, an internationally recognized standard for financed emissions. O-Bank conducts its GHG emissions inventory for investment and financing activities in accordance with this standard. The baseline date for this inventory was December 31, 2024. The scope of the inventory covered 100% of O-Bank's outstanding corporate loans and 100% of its mid- and long-term investments (banking book). The types of assets inventoried were as follows: listed equity and corporate bonds; business loans and unlisted equity; project finance; sovereign debt; and commercial real estate. The inventory revealed that total 2024 recognized Scope 1 and Scope 2 GHG emissions from O-Bank's investment and financing activities amounted to approximately 730,000 tCO₂e, with average GHG emissions of 3.07 tCO₂e per NT\$1 million in investment and financing activities. The overall data quality score (Note 7-3) was 3.05. Recognized Scope 3 GHG emissions from 2024 investment and financing activities (excluding sovereign debt and commercial real estate) totaled approximately 1.73 million tCO₂e, with average GHG emissions of 8.63 tCO₂e per NT\$1

Note 7-3: PCAF assigns data quality scores on the basis of carbon emissions data sources used for carbon inventories. Data quality scores range from 1 to 5, with 1 being the top score and 5 being the worst.

million in investment and financing activities and an overall data quality score of 3.03. O-Bank's 2024 investment and financing GHG emissions inventory results are shown in Table 7-14 and have received a limited assurance report from EY Taiwan. Region- and sector-based breakdowns are presented in Tables 7-15 and 7-16, respectively. Results of the Bank's investment and financing GHG emissions inventories in 2021~2024 are shown in Table 7-17.

Table 7-14: 2024 Recognized Carbon Emissions of O-Bank's Investment and Corporate Loan Portfolio

Asset Type	Balance (NT\$ million)	Percentage of Total Inventoried Investment and Corporate Loan Positions	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 1 & 2 Emissions (tCO ₂ e)	Avg. Scope 1 & 2 Emissions per NT\$1 Million Balance (tCO ₂ e)	Scope 1 & 2 Weighted Average Carbon Intensity (WACI) (Note 2)	Scope 3 Emissions (tCO ₂ e)	Avg. Scope 3 Emissions per NT\$1 Million Balance (tCO ₂ e)
Listed equity and corporate bonds	38,176.64	16.04%	285,097.50	16,157.75	301,255.25	7.89	3.21	280,979.88	7.36
Business loans and unlisted equity	156,698.29	65.84%	176,217.60	93,951.62	270,169.22	1.72	3.24	1,431,492.06	9.14
Project finance	6,100.56	2.56%	6,106.45	16.13	6,122.58	1.00	0.00	22,450.59	3.68
Commercial real estate (Note 3)	8,649.85	3.63%	252.62	3,189.60	3,442.22	0.40	-	-	-
Sovereign debt (Note 3)	28,387.98	11.93%	150,437.38	-	150,437.38	5.30	-	-	-
Total	238,013.32	100%	618,111.55	113,315.10	731,426.65	3.07	6.45	1,734,922.53	8.63

Note 1: In this table, "corporate loan positions inventoried" refers to all corporate loans recorded on the balance sheet, excluding off-balance sheet assets. "Investment positions inventoried" refers to mid- and long-term investment positions, excluding short-term trading positions, investments made for the purpose of fund flow management, and investment positions in sustainability-related bonds.

Note 2: Method for calculating WACI: $\Sigma(\text{Balance of transactions as percentage of balance total O-Bank investments and loan positions}) \times (\text{Scope 1 \& 2 emissions of each investment \& financing recipients} / \text{Total operating revenues of investment \& financing recipients})$. Revenue data are not available for commercial real estate and sovereign debt; therefore, weighted average carbon intensity cannot be calculated.

Note 3: The Bank inventories Scope 1 and Scope 2 carbon emissions for commercial real estate in accordance with PCAF standards, excluding Scope 3 emissions. For sovereign debt, only Scope 1 emissions are inventoried; Scope 2 and Scope 3 emissions are not included.

Note 4: Carbon emissions for the Bank's investment and corporate loan portfolios are calculated using formulas from PCAF by asset type. Emission data are primarily sourced from public reports such as corporate annual or sustainability reports; where unavailable, emission factors from the PCAF database are used for estimation.

Note 5: In 2024, inventoried investment and corporate loan balance accounted for 78.10% of total exposure.

Table 7-15: 2024 Recognized Carbon Emissions of O-Bank's Investment and Corporate Loan Portfolio – by Region

Region	Corporate Loan Positions		Investment Positions		Total	
	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)
Taiwan	97,203.15	122,241.04	45,266.22	420,247.27	142,469.37	542,488.31
Other Asian regions	49,495.85	108,838.74	5,110.62	21,689.01	54,606.47	130,527.75
Americas	19,657.16	27,250.16	7,394.68	8,457.17	27,051.84	35,707.33
Europe	798.14	5,290.40	6,400.43	1,084.74	7,198.57	6,375.14
Others	4,292.56	16,113.23	2,394.51	214.89	6,687.07	16,328.12
Total	171,446.86	279,733.58	66,566.46	451,693.08	238,013.32	731,426.65

Table 7-16: 2024 Recognized Carbon Emissions of O-Bank's Investment and Corporate Loan Portfolio – by Sector

Sector	Corporate Loan Positions		Investment Positions		Total	
	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)
Agriculture, forestry, fishing, and animal husbandry	1,324.42	13,421.86	-	-	1,324.42	13,421.86
Mining and quarrying	-	-	-	-	-	-
Manufacturing industry	40,950.20	187,894.09	11,627.73	34,629.25	52,577.93	222,523.34
Electricity and gas supply	6,565.24	15,033.44	4,967.71	260,465.68	11,532.95	275,499.12
Water supply and pollution control	1,587.66	910.24	-	-	1,587.66	910.24
Construction	4,053.86	3,165.50	164.07	30.95	4,217.93	3,196.45
Wholesale and retail trade	15,431.90	34,690.56	918.68	257.18	16,350.58	34,947.74
Transportation and storage	2,241.72	3,848.68	498.34	4,009.30	2,740.06	7,857.98
Accommodation and food services	1,702.24	461.61	-	-	1,702.24	461.61
Publishing, audiovisual, and information services	8,152.02	1,077.18	1,885.81	1,108.80	10,037.83	2,185.98

Sector	Corporate Loan Positions		Investment Positions		Total	
	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)	Balance (NT\$ million)	Scope 1 & Scope 2 Emissions (tCO ₂ e)
Financial and insurance services	29,714.28	4,928.14	16,212.25	214.64	45,926.53	5,142.78
Real estate	43,906.50	8,381.52	1,008.88	520.67	44,915.38	8,902.19
Professional, scientific, and technical services	3,489.58	1,278.35	-	-	3,489.58	1,278.35
Support services	552.70	28.69	800.00	6.23	1,352.70	34.92
Public administration and defense; compulsory social security	-	-	95.00	12.99	95.00	12.99
Education	340.00	17.05	-	-	340.00	17.05
Healthcare and social work services	2,147.11	844.30	-	-	2,147.11	844.30
Arts, entertainment, and recreation services	50.00	11.73	-	-	50.00	11.73
Other service activities	587.59	298.43	-	-	587.59	298.43
Total	162,797.02	276,291.37	38,178.47	301,255.69	200,975.49	577,547.06

Note: Since commercial real estate and sovereign debt are not categorized by industry, their data are not included in this table.

Table 7-17: O-Bank's Recognized Carbon Emissions from Investment and Financing Recipients, 2021~2024

Year	Data Coverage (inventory coverage as percentage of total inventoried investment and corporate loan positions)		Absolute Emissions (tCO ₂ e)	Avg. Emissions per NT\$1 Million Balance
2021	9.04%	Scope 1 and 2 GHG emissions by investment and financing recipients	276,009.3	14.24
2022	92.41%	Scope 1 and 2 GHG emissions by investment and financing recipients	678,944.43	3.20
		Scope 3 GHG emissions by investment and financing recipients	711,771.26	3.67
		Total	1,390,715.69	-(Note 1)
2023	100%	Scope 1 and 2 GHG emissions by investment and financing recipients	1,150,189.72	5.05
		Scope 3 GHG emissions by investment and financing recipients	2,343,634.00	11.80
		Total	3,493,823.72	-(Note 1)
2024	100%	Scope 1 and Scope 2 of investment and financing recipients	731,426.65	3.07
		Scope 3 of investment and financing recipients	1,734,922.53	8.64
		Total	2,466,349.18	-(Note 1)

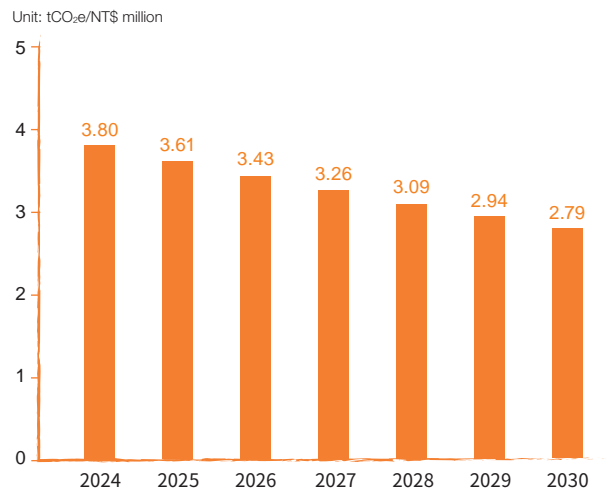
Note 1: Due to the absence of Scope 3 GHG emissions data for commercial real estate and sovereign debt, it was not possible to calculate the combined average Scope 1, 2, and 3 emissions per NT\$1 million balance (tCO₂e).

Note 2: The GHG inventory coverage in 2021 was the 10 biggest carbon-intensive industries; the GHG inventory coverage in 2022 were 90% for corporate financing positions and 100% for mid- and long-term investment positions; the GHG inventory coverage in 2023 and 2024 were 100% for corporate loan positions and 100% for mid- and long-term investment positions.

Note 3: 2023 recognized GHG emissions by investment and financing recipients, and average GHG emissions per NT\$1 million investment and financing activities, were all up from the year before. One reason for this increase was the fact that O-Bank expanded the corporate borrower GHG inventory coverage ratio to 100% in 2023. A second reason was the fact that O-Bank made reference to the ROC Bankers Association's 2023 Handbook for Scope 3 Financed Emissions of Domestic Banks' Portfolio Carbon Emissions. Starting in 2023, enterprise values for listed companies were calculated using the sum of "short- and long-term loans, short-term bills and negotiable instruments payable, corporate bonds payable, and lease liabilities," instead of the previously used "total liabilities." This led to a higher attribution rate, and the calculations resulted in higher GHG emissions.

In order to promote carbon reduction in investment and corporate loan positions and ultimately achieve net-zero emissions in these areas, O-Bank has adopted carbon reduction targets for inventoried investment and corporate loan positions. Making reference to the Science-based Target Setting Tool of the Science Based Targets initiative (SBTi), O-Bank has set Scope 1 and 2 GHG reduction targets for all corporate loan positions as well as mid- and long-term investment positions (banking book). O-Bank has determined that it must reduce average GHG emissions per NT\$1 million of investment and corporate loan balance by 5% each year in order to gradually achieve its vision of net-zero GHG emissions for its entire portfolio, as shown in the figure below. In 2024, average Scope 1 and Scope 2 emissions per NT\$1 million in investments and corporate loans were 3.07 tCO₂e, meeting the reduction target for the year.

Target for Avg. GHG Emissions per NT\$1 Million Investments and Corporate Loans



In order to continue achieving the carbon reduction targets for investment and corporate loan positions, O-Bank has adopted an internal carbon pricing regime and incorporated "carbon fees" into our internal pricing regime for investments and corporate loans, in guiding business units to select the option that generates lower GHG emissions and avoid those with higher emissions. Under this approach, and based on the internal carbon fee method, the carbon fee for each metric ton of emissions by investment and financing recipients is set at NT\$150. The carbon fees of investment and financing recipients become the internal costs of our internal business units, and gradually cause business units to change their behavior. We take average carbon emissions per NT\$1 million of all of O-Bank's investment and financing recipients as the baseline, and recipients that are above average must charge business units an extra carbon fee when calculating internal pricing. The more a recipient is above average, the greater the weighting that it must apply to the carbon fee that is charged during internal pricing. This is then used as the basis for incorporating customers' "GHG emissions" into business decision-making processes. This can prevent O-Bank funds from being directed toward carbon-intensive industries, and can encourage business units to develop low-carbon investment and financing opportunities. In 2024, total carbon fees for investment and financing activities across business units amounted to approximately NT\$111 million and will be additionally factored into the 2025 business targets of each business unit.

2. Management of Carbon-intensive Industries

In response to climate change risks, O-Bank has drawn up a list of the 10 biggest carbon-intensive industries. This list was drawn up with reference to the sectors covered during the initial phase of the European Union's Carbon Border Adjustment Mechanism (CBAM) and the list of greenhouse gases subject to controls by the Climate Change Administration of Taiwan's Ministry of Environment. As of the end of 2024, the balance of investments in and corporate loans directed to the 10 biggest carbon-intensive industries stood at roughly NT\$14.42 billion, or 6.06% of O-Bank's total inventoried investment and corporate loan positions. The total Scope 1 and Scope 2 carbon emissions of the investments and corporate loans recognized by the bank came to roughly 353.5 thousand tCO₂e, average carbon emissions per NT\$1 million investments and corporate loans came to 24.52 tCO₂e, and the outstanding balances of O-Bank investments in and corporate loans to the 10 biggest carbon-intensive industries as well as GHG emissions in those industries in 2024 are shown below in Table 7-18.

O-Bank has set limits on the share it may invest in and loan to carbon-intensive industries. The outstanding loan balance provided to customers from carbon-intensive industries as a share of total outstanding loan balance must be reduced to below 2.35% by the end of 2025 and below 2.3% by 2030. The share of banking book investments in carbon-intensive industries is targeted to be below 13% by 2025, below 12% by the end of 2027, and below 5% by 2030 in order to prevent O-Bank funds from being channeled toward carbon-intensive industries, which have a relatively large impact on the environment.

In addition, O-Bank hopes to collaborate with corporate customers and investee companies to implement carbon reduction. In 2024, O-Bank engaged via email with corporate customers in carbon-intensive industries, providing them with updated information on net-zero carbon trends, while encouraging them to implement energy conservation and carbon reduction measures and set science-based carbon reduction targets. Emails were sent to a total of 40 customers, accounting for 93.05% of the carbon emissions from loans in carbon-intensive industries and 94.44% of the outstanding loan balance in carbon-intensive industries. O-Bank also communicated to investee companies regarding the Bank's focus on their carbon reduction efforts and encouraged them to establish science-based carbon reduction targets. In 2024, engagement emails were sent to seven investee companies, accounting for 92.90% of carbon emissions from investment positions in carbon-intensive industries and 90.28% of the investment balance in carbon-intensive industries. Furthermore, to strengthen corporate customers' capabilities in net-zero transition, O-Bank engages with corporate customers in carbon-intensive industries. When loan proceeds are used for net-zero transition purposes, customers may enjoy preferential loan interest rates, discounts on corporate remittance fees, and reductions in loan origination fees for corporate employee personal loans. Through these diverse preferential measures, O-Bank encourages corporate customers to develop net-zero transition-related initiatives.

Table 7-18: O-Bank's 2024 Investment and Corporate Loan Portfolio Balances and Recognized GHG Emissions in the 10 Biggest Carbon-Intensive Industries

10 Biggest Carbon-intensive Industries	Balance (NT\$ million)					
	Outstanding Loan Balance	Loan Balance as a Percentage of Inventoried Loan Positions (%)	Outstanding Investment Balance	Investment Balance as a Percentage of Inventoried Investment Positions (%)	Total Balance	Total Balance as a Percentage of Inventoried Investment and Corporate Loan Positions (%)
Electricity supplier	-	-	4,967.71	7.46%	4,967.71	2.09%
Air transport	-	-	-	-	-	-
Basic iron and steel	2,422.22	1.41%	-	-	2,422.22	1.02%
Ocean transportation	32.43	0.02%	198.45	0.30%	230.88	0.09%
Cement and cement products	174.00	0.10%	300.00	0.45%	474.00	0.20%
Petroleum and coal products	233.79	0.14%	1,424.64	2.14%	1,658.43	0.70%
Aluminum products	402.26	0.23%	-	-	402.26	0.17%
Semiconductors	940.00	0.55%	3,321.80	4.99%	4,261.80	1.79%
Mining & quarrying	-	-	-	-	-	-
Fertilizers and nitrogen compounds	-	-	-	-	-	-
Total	4,204.70	2.45%	10,212.60	15.34%	14,417.30	6.06%

	Carbon Emissions (tCO ₂ e)					
10 Biggest Carbon-intensive Industries	Emissions from Loan Balance	Avg. Emissions per NT\$1 Million Loan Balance	Emissions from Investment Balance	Avg. Emissions per NT\$1 Million Investment Balance	Total Emissions	Avg. Emissions per NT\$1 Million Balance
Electricity supplier	-	-	260,465.68	52.43	260,465.68	52.43
Air transport	-	-	-	-	-	-
Basic iron and steel	49,434.04	20.41	-	-	49,434.04	20.41
Ocean transportation	61.38	1.89	3,777.51	19.04	3,838.89	16.63
Cement and cement products	13,612.24	78.23	3,844.99	12.82	17,457.23	36.83
Petroleum and coal products	4,913.45	21.02	10,635.32	7.47	15,548.77	9.38
Aluminum products	816.40	2.03	-	-	816.40	2.03
Semiconductors	1,847.11	1.97	4,134.48	1.24	5,981.59	1.40
Mining & quarrying	-	-	-	-	-	-
Fertilizers and nitrogen compounds	-	-	-	-	-	-
Total	70,684.62	16.81	282,857.98	27.70	353,542.60	24.52

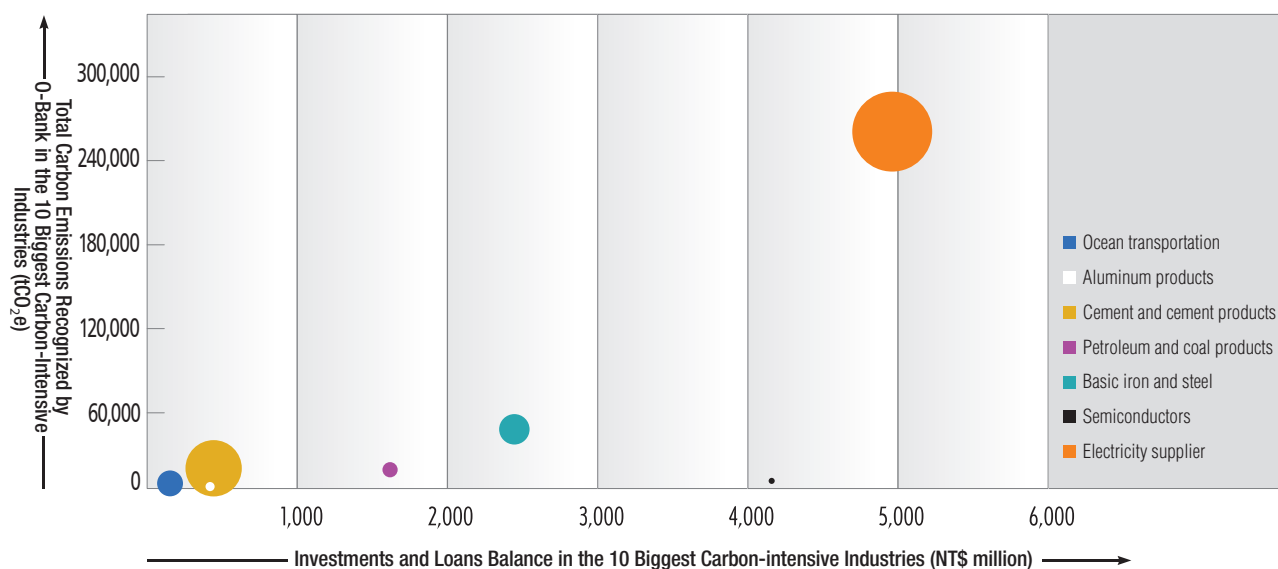
Note 1: Loan balances inventoried refers to all corporate loan positions on the balance sheet (excluding off-balance-sheet assets); investment balance inventoried refers to mid- and long-term investments (excluding short-term trading and investments made for the purpose of fund flow management) and excludes sustainability-related bonds.

Note 2: Electricity supply industry includes only thermal power generation by steam turbine boilers and combined-cycle units, excluding renewable energy generation.

Note 3: Loan positions included in this table exclude green expenditure projects as defined by the Joint Credit Information Center.

Fig. 7-36: O-Bank Investments and Loans in the 10 Biggest Carbon-intensive Industries in 2024, Their Balance, Emissions, and Avg. Emissions per NT\$1 Million Balance

(The circular area represents the extent of avg. emissions per NT\$1 million balance)



3. Management of Industries that Pose High Climate and Environmental Risks

In order to effectively manage climate risks, O-Bank screens climate risk factors when it conducts due diligence on possible investments and loans, and when a prospective investment and financing recipient is in an industry that poses high climate and environmental risks (Note 7-4) the Bank will fill out a "TCFD Climate Risk Checklist" to check on how the prospective investment and financing recipient handles climate change risk. The screening content includes the following matters:

- The party's climate risk management policies or documents
- Whether the party reports periodically to its board or management regarding climate risks
- Main business premises or collateral located in high-risk areas such as flood zones or slopeland
- How the party has assessed and responded to physical and transition risks
- The party's response measures or training programs adopted in preparation for climate-related disasters
- Formulate response strategies for carbon pricing mechanisms such as carbon fees or carbon taxes imposed by governments of various countries
- Whether information on the party's GHG emissions comes from its own internal inventory, its external disclosures, or external audit
- Set GHG reduction targets aligned with the SBTi
- Whether the party has set a GHG reduction target, and whether it achieved its target for the previous year
- Whether the party has adopted measures at its business locations to reduce operating GHG emissions
- Plans or commitments for 100% use of renewable energy

When a "TCFD Climate Risk Checklist" shows that a party falls within a high-risk category, if that party is a corporate borrower, O-Bank will lower its credit rating and depending on the facts of the individual case may require the customer to post collateral, require it to implement corrective action within a prescribed period of time, or raise the customer's loan interest rate in order to reduce the impact of climate risk upon O-Bank's financing business. In the case of a high-risk investment, if O-Bank still wishes to make the investment, the decision must be approved by the bank President, and the investment must be reviewed each year to re-assess its climate risks and any improvement in order to judge whether to continue holding the asset, thereby appropriately avoiding or controlling investment positions that pose high climate and environmental risk.

4. Management of Coal-related Industries

To avoid directing funds toward coal and unconventional oil and gas industries, O-Bank has established control targets and corresponding control measures based on the Global Coal Exit List (GCEL) and the Global Oil & Gas Exit List (GOGEL) published by the international NGO Urgewald. The Bank has committed to cease financing and investment to the following coal and unconventional oil and gas enterprises beginning in 2024 and to fully exit these sectors by 2030. These include:

Note 7-4: The term "industries that pose high climate and environmental risks" as defined by O-Bank includes the "10 biggest carbon-intensive industries" (see Table 7-18), enterprises in industries that have a harmful environmental impact (enterprises engaged in cattle raising; enterprises engaged in the tanning and dressing of leather and pelts; textile enterprises; enterprises engaged in the manufacture of raw chemicals; enterprises engaged in the manufacture of pulp and paper; enterprises engaged in the manufacture of pesticides and environmental agents), and enterprises listed in the Mandatory Greenhouse Gas Reporting System of the Ministry of Environment's Climate Change Administration as generating annual GHG emissions of greater than 25 thousand tonnes.

- Coal: Enterprises that mine coal, derive more than 5% of their revenues from thermal coal, power generation of which more than 40% is thermal coal, coal-related infrastructure (Note 7-5) from which more than 5% of the revenues come from coal.
- Unconventional oil and gas: Enterprises that involve extraction, processing, and manufacturing of tar sands, shale oil and gas, arctic oil and gas, unconventional liquefied natural gas, ultra-deep-water oil and gas, tight-sands gas, fracked oil and gas, and methane gas, from which more than 5% of the revenues come from the above unconventional oil and gas.

7.2 Management of Natural Risks and Opportunities

According to data from the World Meteorological Organization (WMO), the average global temperature in 2024 was 1.55°C above pre-industrial levels. Global warming thus continues to grow worse, leading to wildfires, heat waves, torrential rains, and other frequent natural disasters while also posing a serious threat to biodiversity. The Kunming-Montreal Global Biodiversity Framework was adopted in December 2022 at the 15th meeting of the Conference of the Parties (COP15) to the Convention on Biological Diversity (CBD). The Global Biodiversity Framework includes 23 short-term targets to be met by 2030 and four long-term targets to be met by 2050 in a bid to preserve ecosystem stability biodiversity. In addition, the Taskforce on Nature-related Financial Disclosures (TNFD) issued a set of official guidelines in September 2023. O-Bank is voluntarily carrying out assessments in accordance with the guidelines and disclosing the Bank's natural risks and opportunities.

7.2.1 Natural Risk Governance Framework

O-Bank has included natural risks in the existing natural risk governance framework. The Board is O-Bank's ultimate authority with respect to matters concerning risk management. It approves risk management mechanisms, risk tolerance levels, strategies, and business plans. Meanwhile the Risk Management Committee deliberates upon policies related to natural risks, oversees and reviews regulatory mechanisms for natural risks, the Risk Management Division is responsible for establishing a natural risks management system, and for monitoring key indicators and targets. The Board in 2024 approved revision of O-Bank's "Risk Management Policy," the "Risk Management Committee Organizational Rules," and the "Sustainable Credit and Investment Policy," included natural risks in risk assessments, and added natural risk assessment items into the "Guidelines for Promoting Sustainability of Corporate Loan and Credits," the "Financial Transactions Handbook," and the "Equity Transactions Handbook."

7.2.2 Natural Risk-related Strategies (Risk and Opportunity Factors)

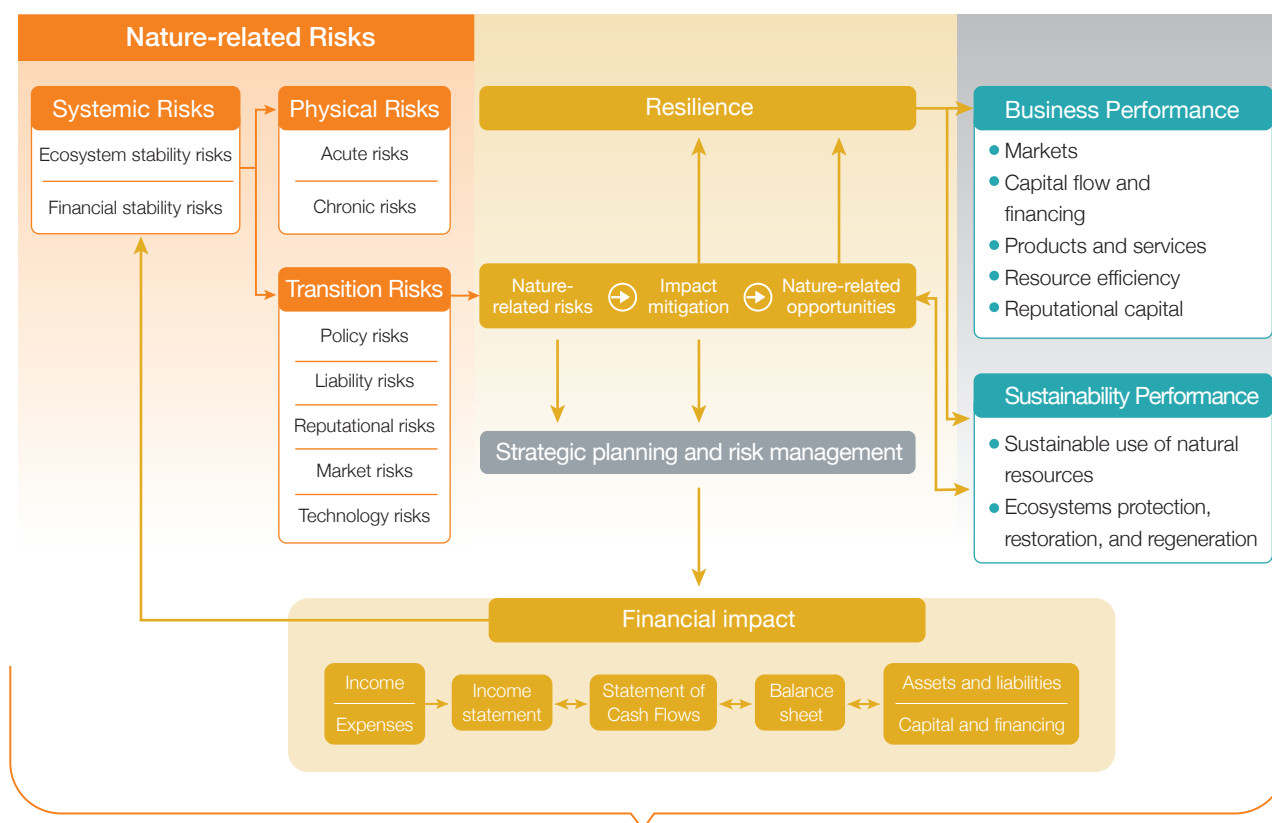
Making reference to the Taskforce on Nature-related Financial Disclosures (TNFD), O-Bank identified and assessed nature-related risks and opportunities, including physical risks caused by natural disasters, and transition risks caused by changes in legislative and regulatory strategies as well as the business environment. At the same time, O-Bank has assessed the impact of transmission of natural risks to conventional financial institutions, including credit risks, market risks, operational risks, and liquidity risks, and preliminarily summed up a list of various natural risk and opportunity factors related to the Bank, impactful content, and duration of impact, as set out in Table 7-19. Meanwhile, natural risk and opportunity transmission pathways are set out in Fig. 7-37.

Note 7-5: The term "coal-related infrastructure" includes facilities related to transportation, processing, refining, etc.

Table 7-19: Nature-related Risks and Opportunities Assessment Form

Risks/ Opportunities	Types of Risks/ Opportunities	Risk/ Opportunity Factors	Impacts of Risks/Opportunities	Duration of Impact
Natural risks	Physical risks	Acute risks	Specific events that took place over a short period of time that change the natural environment, e.g. petroleum spills, forest fires, and pest infestations.	Short-, mid-, and long-term
		Chronic risks	Long-term changes to the natural environment, e.g. climate change and pollution caused by use of pesticides/agricultural chemicals.	Mid- and long-term
	Transition risks	Policies	Changes in nature-related policies that had a positive impact on the natural environment or reduced a negative impact.	Short-, mid-, and long-term
		Liabilities	Risks related to corporate "nature action" that generate direct or indirect legal liabilities or liabilities for indemnification, and could increase companies' contingent liabilities.	Short-, mid-, and long-term
		Reputation	Business operations cause natural losses, thus affecting corporate image. Risks could originate from within the company itself, or from upstream and downstream levels of the value chain.	Short-, mid-, and long-term
		Market	Change market preferences due to nature-related issues, e.g. changes to the natural environment cause profits to fall in specific industries.	Short-, mid-, and long-term
		Technologies	Substitute products in order to reduce their impact and dependency on nature, e.g. use biodegradable products in place of plastic products.	Short-, mid-, and long-term
	Systemic risks	Ecosystem stability risk	Ecosystems become irreparably damaged, e.g. ecosystem collapse gives rise to various types of physical and transitional risks.	Mid- and long-term
		Financial stability risk	Occurrence and interaction of physical and transitional risks lead to financial instability.	Mid- and long-term
Natural opportunities	Business performance	Market	Change market preferences due to nature-related issues, e.g. changes in consumer demands or investor moods generate opportunities to access new markets.	Short-, mid-, and long-term
		Capital flow and financing	Carry out nature-friendly activities, reduce behavior with a negative impact on nature, and obtain financial support.	Short-, mid-, and long-term
		Products and services	Develop nature-friendly products and services.	Short-, mid-, and long-term
		Resource efficiency	Rely on nature-friendly activities to reduce O-Bank's impact and dependency on nature of O-Bank's own business and value chain, and simultaneously improve the efficiency of the Bank's use of resources, e.g. reduce water consumption, thereby reducing production costs and expenses.	Short-, mid-, and long-term
		Reputational capital	Company operations are environmentally friendly, and thus improve the company's reputation.	Short-, mid-, and long-term
	Sustainability performance	Sustainable use of natural resources	Use recycled or renewable resources in place of single-use natural resources to achieve sustainable use of natural resources.	Short-, mid-, and long-term
		Ecosystems protection, restoration, and regeneration	Support activities related to protection, restoration, and renewal of ecosystems.	Short-, mid-, and long-term

Fig. 7-37: Transmission Pathways for Natural Risks and Opportunities



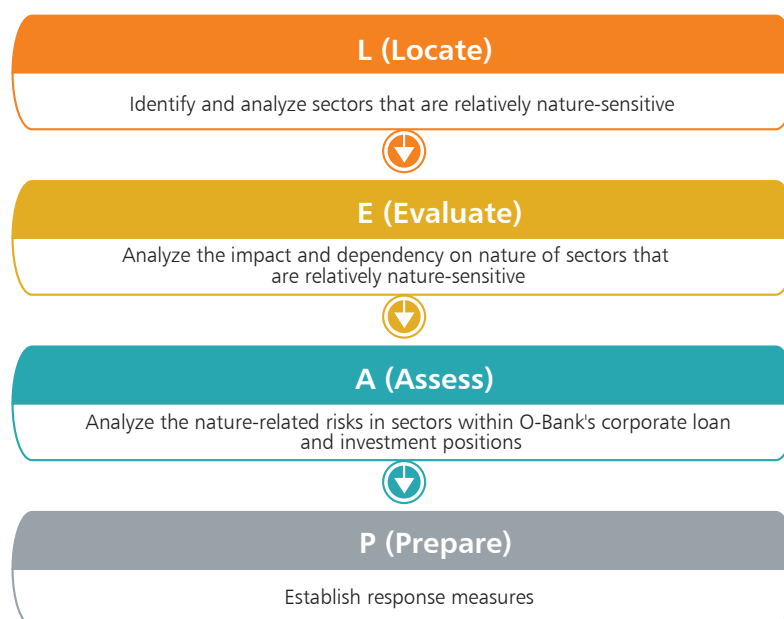
Credit, Market, Liquidity, Liability, Reputational, and Strategic Risks of Traditional Financial Institutions

Note: See TNFD Recommendations, v1.0 September 2023.

7.2.3 Management of Nature-related Risks and Impacts

Based on the "Locate, Evaluate, Assess, Prepare" (LEAP) assessment method set out in the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations, v1.0, O-Bank conducted an assessment of nature-related risks and opportunities. The process began by referencing the additional guidance for financial institutions under the TNFD sector guidance, along with sector-specific natural risk research reports published by Moody's, to identify and analyze sectors within O-Bank's corporate loan positions and mid- and long-term investment positions that are relatively more nature-sensitive. Next, O-Bank used the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) knowledge base, released in collaboration between the Natural Capital Finance Alliance (NCFA) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), to assess the impact and dependency on nature of these highly nature-sensitive sectors. Using its investment and corporate loan positions as of December 31, 2024 as the baseline, O-Bank inventoried the potential risks and established corresponding response measures. The LEAP assessment and management process is illustrated in Fig. 7-38.

Fig. 7-38: O-Bank LEAP Assessment and Management Procedures



1. Identification and Analysis of Nature-sensitive Sectors within Investment and Corporate Loan Positions

Referring to the additional guidance for financial institutions under the TNFD sector guidance, O-Bank identified nature-sensitive sectors within its corporate loan and mid- and long-term investment positions. These sectors were then evaluated based on their respective exposure amounts and the average nature-related risk ratings from Moody's sector-specific natural risk research reports. A "Nature-sensitivity Matrix" was created to illustrate the results, with Nature-sensitivity classified into four levels: low, medium, high, and very high level, as shown in Fig. 7-39 and 7-40. Analysis results indicate that the sectors of all the enterprises of O-Bank's corporate loan positions and mid- and long-term investment positions are classified as either medium-level or low-level nature-sensitivity and none of the sectors are classified as very high-level or high-level. However, considering the urgent need to maintain global biodiversity, O-Bank continues to conduct ecologically sensitive area analysis as well as the impact and dependency analysis on sectors of medium-level nature-sensitivity. These analyses include corporate loan positions in real estate, electricity and gas supply industry, or food processing industry (combined loan positions in these types of sectors account for 36.55% of O-Bank's total corporate loan positions), and the extent to which mid- and long-term investment positions involve electricity and gas supply industry or chemical industry (the outstanding balance of investments in these types of sectors accounts for 20.69% of O-Bank's total mid- and long-term investment positions).

Fig. 7-39: Nature-sensitivity Matrix by Sector of O-Bank Corporate Loan Positions

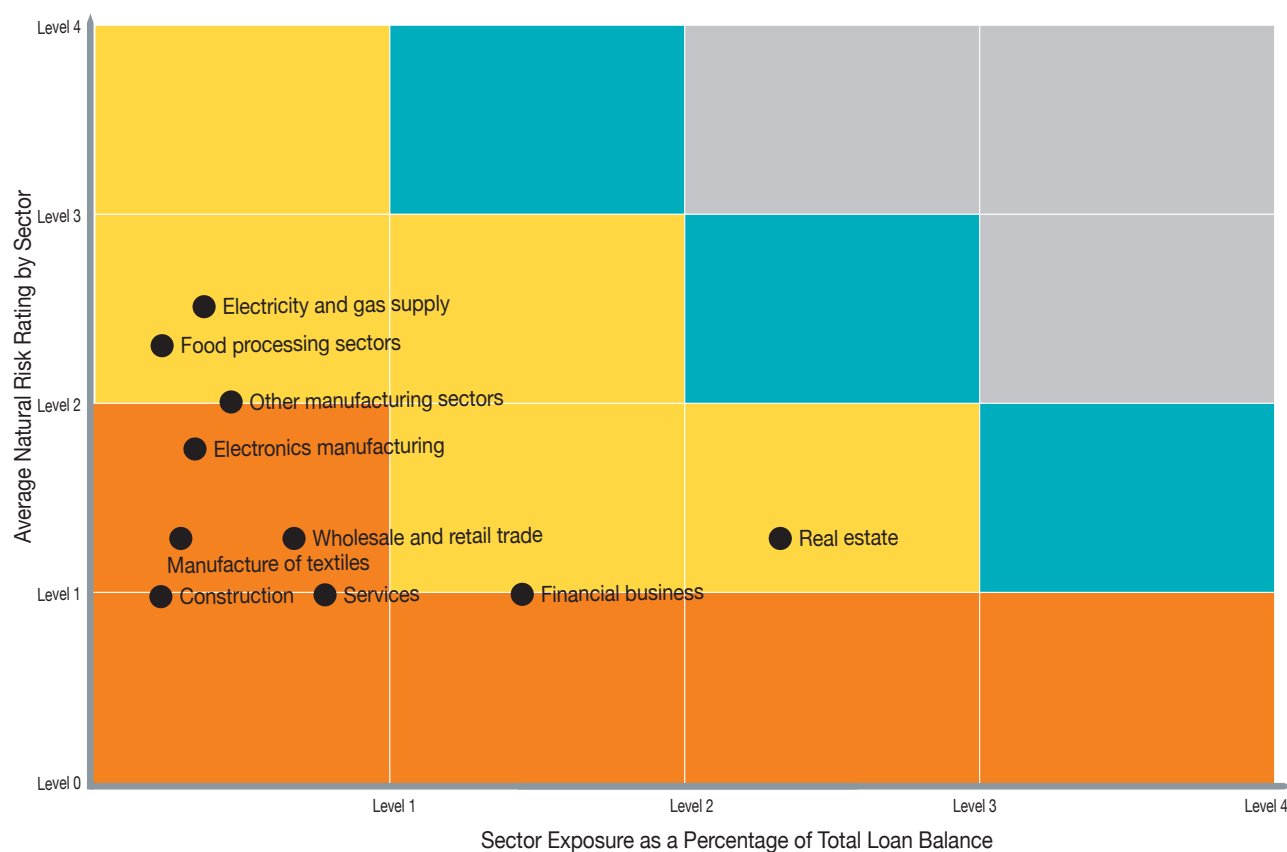
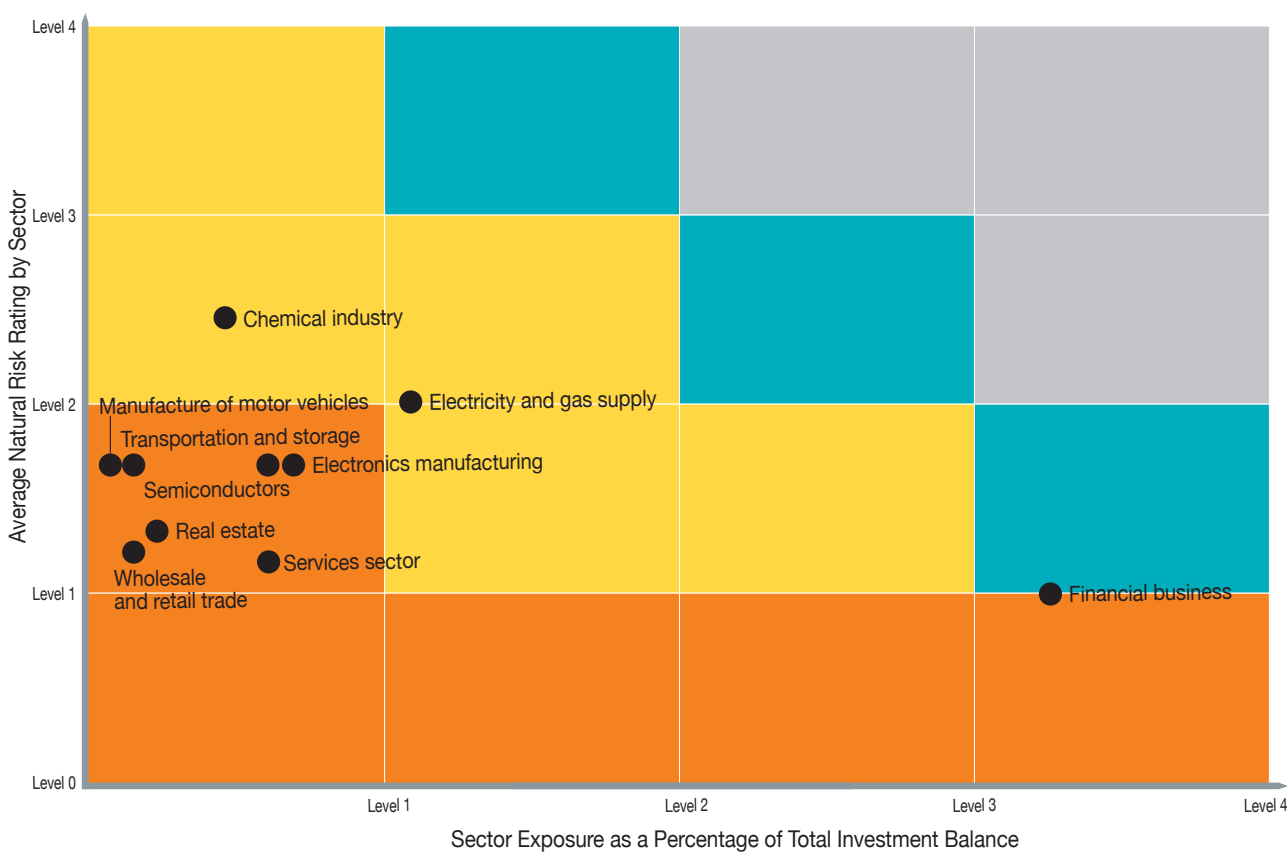


Fig. 7-40: Nature-sensitivity Matrix by Sector of O-Bank Mid- and Long-term Investment Positions



Note: The sector exposures shown in Fig. 7-39 and 7-40 represent the percentage of total loan and total investment balances, respectively. The classification is based on the proportion of each sector’s exposure relative to the total outstanding loan and investment balances.

O-Bank also conducted an analysis of ecologically sensitive areas using the Taiwan Biodiversity Network (TBN) platform developed by the Taiwan Biodiversity Research Institute under the Ministry of Agriculture. The Bank reviewed the registered locations and collateral properties of recipients in sectors that are medium-level nature-sensitive, to determine whether any fall within a 1 km radius of areas designated as "highly sensitive species distribution zones" on the TBN platform. The results showed that one real estate corporate loan recipient is located in such a highly sensitive area (loan balance accounting for 0.40% of total corporate loans), and one investee company under O-Bank's mid- and long-term investments in the chemical industry is located in a highly sensitive area (investment balance accounting for 2.88% of total mid- and long-term investments). See Fig. 7-42. O-Bank also assessed whether the registered locations and collateral of recipients in medium nature-sensitive industries fall within a 1 km radius of wildlife or natural environment protected areas. The results showed that nine real estate corporate loan recipients are located within these protected areas (loan balance accounting for 1.09% of total corporate loans), and one investee company under O-Bank's mid- and long-term investments in the electricity and gas supply industry is located within such a protected area (investment balance accounting for 11.26% of total mid- and long-term investments). See Fig. 7-43. In the future, the Bank will continue refining its natural risk assessment methods and will also develop risk management mechanisms to strengthen its resilience to nature-related risks.

Fig. 7-41: Nature-sensitivity Analysis of O-Bank Corporate Loan Positions and Mid- and Long-term Investment Positions

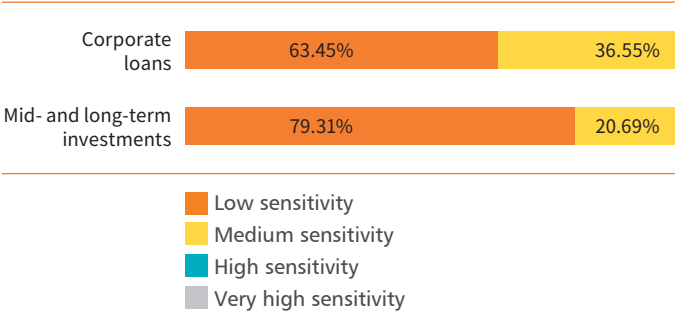
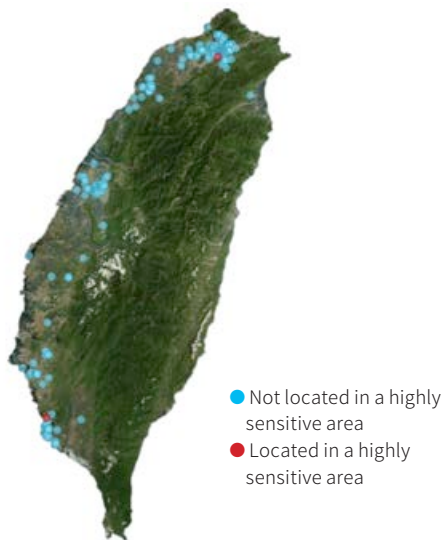
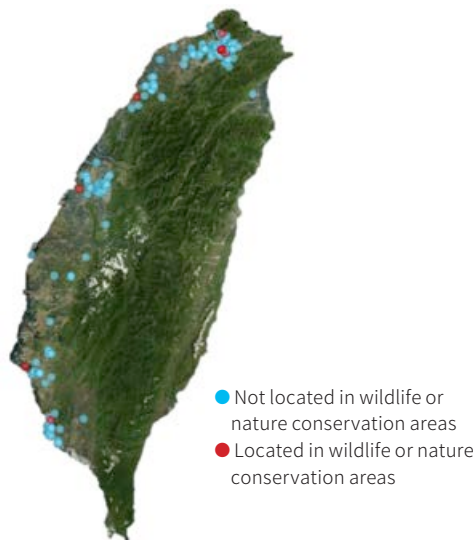


Fig. 7-42: Analysis of O-Bank Corporate Loan Positions and Mid- and Long-term Investment Positions in Ecologically Sensitive Areas



Note: The TBN platform, with reference to the "Schedule of Protected Species" and the "Red List of Threatened Species," and taking into account the characteristics of different biological groups, has established varying levels of sensitivity for sensitive species and observation data. Based on these levels, species are categorized as either slightly sensitive or highly sensitive

Fig. 7-43: Analysis of O-Bank's Corporate Loan and Mid- and Long-term Investment Positions in Wildlife or Nature Conservation Areas



Note: Wildlife or nature conservation areas include national parks and national nature parks, nature reserves, nature conservation areas, wildlife conservation areas, and important wildlife habitats.

2. Analysis of the Impact and Dependency of Nature-sensitive Sectors in Investment and Corporate Loan Positions

O-Bank used the ENCORE knowledge base to explore average dependencies and impacts across various industries on natural capital, considered exposures in calculating weighted dependency/impact levels, assessed the impact and dependency on nature of recipients in sectors that are medium-level nature-sensitive, and rated the dependencies and impacts as "very low," "low," "medium," "high," and "very high," as set out in Fig. 7-44 and 7-45. The assessment results show that the impacts and dependencies of O-Bank recipients in sectors that are medium-level nature-sensitive are generally higher than those of the overall body of recipients that have received O-Bank loans or investments. O-Bank used the various dependency and impact factors provided in the ENCORE knowledge base to prepare a heat map of the degrees of dependency and impact of recipients in sectors that are medium-level nature-sensitive that have received corporate loan and mid- and long-term investments from O-Bank. The heat map is set out in Fig. 7-46.

Fig. 7-44: Natural Capital Dependencies/
Impacts of O-Bank Corporate Loans to
Recipients in Sectors that Are Medium-
level Nature-sensitive

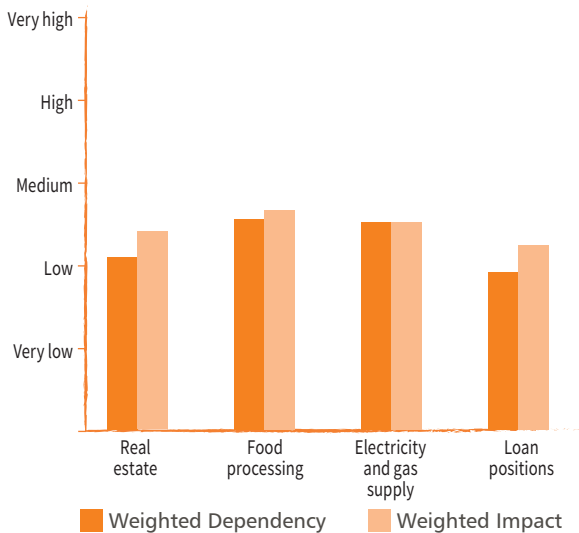


Fig. 7-45: Natural Capital Dependencies/
Impacts of O-Bank Mid- and Long-term
Investments to Recipients in Sectors
that Are Medium-level Nature-sensitive

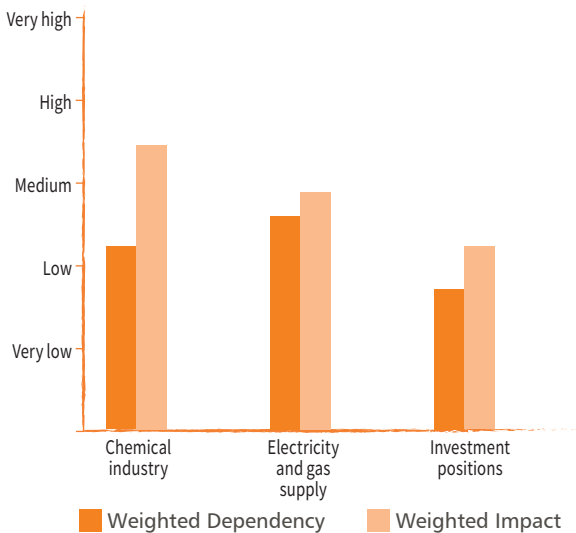


Fig. 7-46: Heat Map of the Degrees of Dependency/Impact of Recipients in Sectors that Are Medium-level Nature-sensitive that have Received Corporate Loan and Mid- and Long-term Investments from O-Bank

Heat Map of Dependencies & Impacts		Dependency & Impact Factors	Corporate Loans			Mid- and Long-term Investments	
			Real Estate	Food Processing	Electricity and Gas Supply	Chemical Industry	Electricity and Gas Supply
Dependency	Provisioning services	Other provisioning services – Animal-based energy					
		Biomass provisioning					
		Genetic material					
		Water supply					
	Regulating and maintenance services	Solid waste remediation					
		Soil and sediment retention					
		Water purification					
		Soil quality regulation					
		Other regulating and maintenance service – Dilution by atmosphere and ecosystems					
		Biological control					
		Air Filtration					
		Flood mitigation services					
		Global climate regulation					
		Nursery population and habitat maintenance					
		Noise attenuation					
		Other regulating and maintenance service – Mediation of sensory impacts (other than noise)					
		Local climate regulation					
		Pollination					
		Storm mitigation					
		Water flow regulation					
		Rainfall pattern regulation					
	Cultural services	Recreation related services					
		Visual amenity services					
		Education, scientific and research services					
		Spiritual, artistic and symbolic services					

Heat Map of Dependencies & Impacts		Dependency & Impact Factors	Corporate Loans			Mid- and Long-term Investments	
			Real Estate	Food Processing	Electricity and Gas Supply	Chemical Industry	Electricity and Gas Supply
Impact	Impact factors	Environmental disturbances					
		Area of freshwater use					
		Emissions of GHG					
		Area of seabed use					
		Emissions of non-GHG air pollutants					
		Other biotic resource extraction					
		Other abiotic resource extraction					
		Emissions of toxic soil and water pollutants					
		Emissions of nutrient soil and water pollutants					
		Generation and release of solid waste					
		Area of land use					
		Volume of water use					
		Introduction of invasive species					

Very low Low Medium High Very high

3. Assessment of Natural Risks in Investment and Corporate Loan Positions and Establishment of Response Measures

A summary of the natural risks associated with O-Bank's investment and financing cases is presented in Table 7-20. O-Bank's "Guidelines for Promoting Sustainability of Corporate Loan and Credits," "Financial Transactions Handbook," and "Equity Transactions Handbook," stipulate that the Bank is prohibited from financing or investing in enterprises that engage in environmental destruction, refuse to conduct environmental impact assessments, or engage in illegal animal poaching. The aforementioned Guidelines and Handbooks also require all investment and financing cases to undergo checks on whether the company's business locations or pledged collateral are located in or near nature reserves and areas of high biodiversity sensitivity, in order to fully assess the environmental impact of such activities.

Table 7-20: Natural Risk Summary Table for Investment and Financing Cases

Business	Sector	Dependency	Impact	Natural Risk
Corporate loans	Electricity and gas supply (renewables)	(Medium-level risk) Most O-Bank loan recipients in the electricity and gas supply sector are renewable energy enterprises. The results of analysis show that they do not have a high degree of dependency on specific natural capital factors.	(Medium-level risk) Renewable energy power generation facilities must use large amounts of water for cooling purposes, which can deplete water resources or cause water pollution.	(Medium-level risk) A worsening of natural disasters could affect the operational stability of O-Bank's customers.
	Real estate	(Medium-level risk) Relatively high level of dependency on surface water and soil at the stages of real estate development and construction.	(Medium-level risk) Real estate development causes massive GHG emissions, and big construction projects can cause soil and water pollution.	(Medium-level risk) Environmental legislative provisions become more stringent, possibly causing higher operating costs or construction delays for O-Bank's real estate customers.

Business	Sector	Dependency	Impact	Natural Risk
Corporate loans	Food processing	(Medium-level risk) Food processing enterprises are highly dependent on water supply and water purification to support the production of raw materials in their supply chain.	(Medium-level risk) The production, processing, and packaging phases could cause soil pollution, water consumption and GHG emissions.	(Medium-level risk) Water shortages could affect the supply chain stability and purchasing costs of O-Bank's customers that are food processing enterprises. Related environmental legislative provisions might become more stringent, possibly causing higher operating costs.
Mid- and long-term investment positions	Electricity and gas supply (traditional power generation)	(Medium-level risk) Electricity and gas supply enterprises are dependent upon surface water and robust flood prevention equipment to support the stability of their operations and power generation.	(Medium-level risk) Traditional electricity and gas supply enterprises generate massive GHG emissions, and some power plants cause wastewater pollution.	(Medium-level risk) A worsening of natural disasters could affect the operational stability of the electricity and gas supply enterprises in which O-Bank invests. Related environmental legislative provisions might become more stringent, possibly causing higher operating costs.
	Chemical industry	(Medium-level risk) Chemicals manufacturing processes are highly dependent on water resources.	(High-level risk) The production and use of chemicals generate massive GHG emissions and make heavy use of surface water and water area resources, thus possibly causing soil and water area pollution.	(Medium-level risk) Water shortages could affect the productivity of chemical industry enterprises in which O-Bank invests. Related environmental legislative provisions might become more stringent, possibly causing higher operating costs.

4. Analysis of Natural Risks for O-Bank and Its Upstream Suppliers

O-Bank conducted ecologically sensitive and wildlife or nature conservation area analyses on its own business locations and those of its upstream suppliers. Assessment results show that one of the Bank's own business locations and one upstream supplier's business locations are located in highly sensitive areas, but none are located in wildlife or nature conservation areas, as shown in Figures 7-47 and 7-48.

Fig. 7-47: Analysis of Ecologically Sensitive Areas for O-Bank's Own Business Locations and Upstream Suppliers' Business Locations

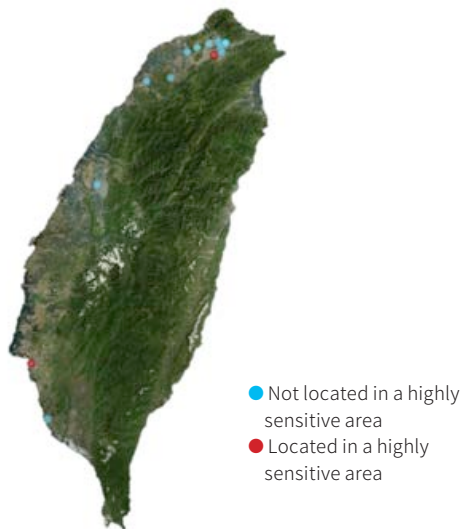
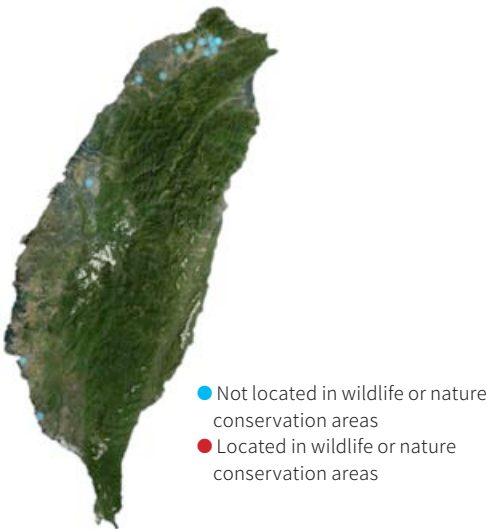


Fig. 7-48: Analysis of Wildlife or Nature Conservation Areas for O-Bank's Own Business Locations and Upstream Suppliers' Business Locations



Note: Upstream suppliers refer to products and services purchased by the Bank, including tap water, credit cards, computers, copier paper, and monitors.

O-Bank also uses the ENCORE industry database to assess the impact and dependency of industries related to the Bank and its upstream suppliers on nature, based on the average levels of dependency and impact by industry. Relevant levels are categorized as very low, low, medium, high, and very high, as shown in Fig. 7-49. The evaluation results show that the average natural dependency and impact levels of the industries to which the Bank and its upstream suppliers belong do not fall into the high-risk category or above. Using the dependency and impact factor levels provided by the ENCORE industry database, O-Bank generated a heat map showing the dependency and impact levels of the industries related to the Bank and its upstream suppliers. See Fig. 7-50.

Fig. 7-49: Natural Dependency and Impact of Industries Related to O-Bank and Its Upstream Suppliers

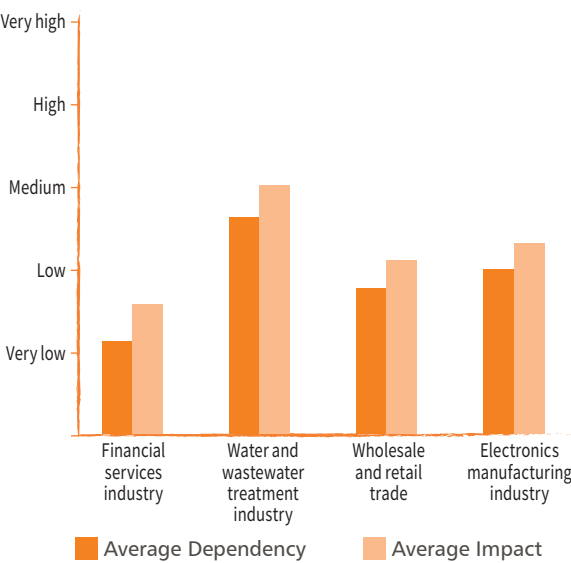


Fig. 7-50: Heat Map of Dependency and Impact Levels for Industries Related to O-Bank and Its Upstream Suppliers

Heat Map of Dependencies & Impacts		Dependency & Impact Factors	O-Bank's Own Operations	Upstream Suppliers		
			Financial Services Industry	Water and Wastewater Treatment Industry	Wholesale and Retail Trade	Electronics Manufacturing Industry
Dependency	Provisioning services	Other provisioning services – Animal-based energy				
		Biomass provisioning				
		Genetic material				
		Water supply				
	Regulating and maintenance services	Solid waste remediation				
		Soil and sediment retention				
		Water purification				
		Soil quality regulation				
		Other regulating and maintenance service – Dilution by atmosphere and ecosystems				
		Biological control				
		Air Filtration				
		Flood mitigation services				
		Global climate regulation				
		Nursery population and habitat maintenance				
		Noise attenuation				
		Other regulating and maintenance service – Mediation of sensory impacts (other than noise)				
		Local climate regulation				
		Pollination				
		Storm mitigation				
		Water flow regulation				
		Rainfall pattern regulation				
	Cultural services	Recreation related services				
		Visual amenity services				
		Education, scientific and research services				
		Spiritual, artistic and symbolic services				

Heat Map of Dependencies & Impacts		Dependency & Impact Factors	O-Bank's Own Operations	Upstream Suppliers		
			Financial Services Industry	Water and Wastewater Treatment Industry	Wholesale and Retail Trade	Electronics Manufacturing Industry
Impact	Impact factors	Environmental disturbances				
		Area of freshwater use				
		Emissions of GHG				
		Area of seabed use				
		Emissions of non-GHG air pollutants				
		Other biotic resource extraction				
		Other abiotic resource extraction				
		Emissions of toxic soil and water pollutants				
		Emissions of nutrient soil and water pollutants				
		Generation and release of solid waste				
		Area of land use				
		Volume of water use				
		Introduction of invasive species				

Very low Low Medium High Very high

5. Assessment of Natural Risks and Establishment of Response Measures for O-Bank's Own Operations and Upstream Suppliers

A summary table of natural risks for O-Bank's own operations and upstream suppliers is shown in Table 7-21. In terms of natural risks, the Bank has established an "Environmental Management Policy" and set short-, mid-, and long-term environmental management targets for global business locations. For more information, please refer to 6.1.2 Setting and Achievement of Environmental Management Targets. In supplier management, the Bank has established the "Supplier Sustainability Guidelines" and the "Promoting Suppliers' Implementation of Sustainable Development Guidelines." Selected suppliers must pay attention to environmental protection and comply with relevant laws and regulations. They are also required to complete the "Supplier Sustainability and Human Rights Due Diligence Scoring Form" to assess whether their operations have negative environmental impacts and to support suppliers in achieving sustainable development. For more information, please refer to 6.4 Green Purchasing and Supplier Management.

Table 7-21: Summary Table of Natural Risks for the Bank's Own Operations and Upstream Suppliers

Business	Sector	Dependency	Impact	Natural Risk
O-Bank's own operations	Financial services industry	(Low-level risk) Analysis results show no high dependency on specific natural factors.	(Low-level risk) Analysis results show no significant impact on specific natural ecosystems.	(Low-level risk) If natural disasters intensify, they may affect the Bank's operational stability, though the impact remains low.
Upstream suppliers	Water and wastewater treatment industry	(Medium-level risk) The water and wastewater treatment industry is highly dependent on water supply and water purification.	(Medium-level risk) The water supply and wastewater treatment process may have a high impact on soil and freshwater use.	(Medium-level risk) If water resources are lacking, this could affect the stability of water supply and increase the Bank's tap water procurement costs; stricter environmental regulations may also raise suppliers' operating costs.
	Wholesale and retail trade	(Low-level risk) Analysis results show no high dependency on specific natural factors.	(Medium-level risk) Packaging and transportation processes in wholesale and retail may generate more greenhouse gas emissions.	(Low-level risk) Stricter environmental regulations may raise suppliers' operating costs and, in turn, increase the Bank's procurement costs.
	Electronics manufacturing industry	(Low-level risk) Analysis results show no high dependency on specific natural factors.	(Medium-level risk) The production and processing of electronic components may cause soil pollution.	(Medium-level risk) Stricter environmental regulations may raise suppliers' operating costs and, in turn, increase the Bank's procurement costs.

7.2.4 Nature-related Metrics and Targets

To encourage the provision of financing in sectors that are friendly to development of both the environment and society, O-Bank's "Guidelines for Promoting Sustainability of Corporate Loan and Credits" set out categories under "sectors that are friendly to the environment or society" and "sectors that pose risks to the environment or society." Meanwhile the ESG Development Working Committee's Green Finance Subcommittee has set targets to increase the share of financing directed to sectors friendly to the environment or society, and each quarter reports information regarding progress on this front in the ESG Development Working Committee in order to guide O-Bank's funds toward environmentally- and socially-friendly industries. For detailed information, see "7.3.3 Management of Sustainable Credit Business, and Results." In addition, O-Bank also discloses total investments and share of investments in "sectors friendly to environment or society" and "sectors that pose risks to environment or society." For detailed information, see "7.4.3 Sustainable Investments: Management and Results." In the future, O-Bank will continue to adopt nature-related metrics and targets in order to better manage the natural risks associated with investment and corporate loan positions.

7.3 Responsible Loan and Credits

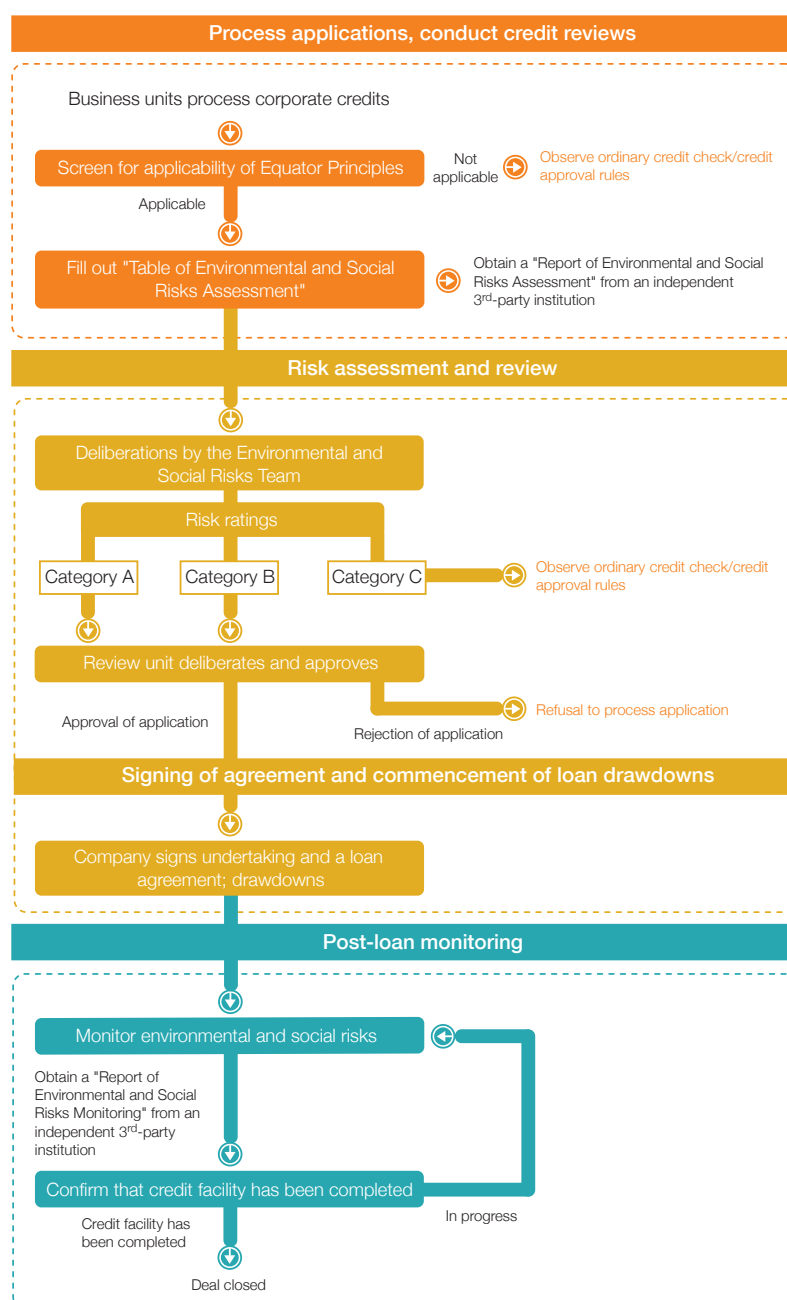
In O-Bank's loan and credit business, O-Bank adheres to five fundamental credit principles (public interest, security, liquidity, profitability, and growth potential) to ensure the quality of credit assets. In recent years, in response to the global trend toward responsible finance, O-Bank signed on to the Equator Principles in 2021 to assess environmental and social risks associated with project finance. In 2022, O-Bank further incorporated Environment, Social, Governance (ESG) risk factors into all corporate credit review procedures and prudently assesses the ESG risks and practices of corporate clients to mitigate potential negative environmental and social impacts of corporate credits, thereby fulfilling its social responsibility as a financial institution.

7.3.1 Equator Principles

In 2015, the Board adopted a "Credit Extension Policy" which requires O-Bank to abide by the Equator Principles when reviewing project finance or investments. Then in 2017 O-Bank amended its "Credit Extension Policy" in line with the spirit of the Equator Principles to broaden the applicability of the Policy from the previous project finance to further include corporate credits, and the range of matters to receive attention in risk assessments was broadened to include a focus on whether the borrower fulfills its duties in the areas of environmental protection, corporate ethical best practices, risk management, and social responsibility. This approach is intended to mitigate O-Bank's credit risks.

In 2021, O-Bank became the 124th financial institution globally to formally sign on to the Equator Principles. The Bank adopted a set of "Guidelines for Corporate Credits Under the Equator Principles" and established an Environmental and Social Risks Team, which is chaired by the Head of the Risk Management Division. This Team reviews the environmental and social risk rating of projects subject to the Equator

Fig. 7-51: Procedure for O-Bank's Handling of Corporate Credits under the Equator Principles



Note: Environmental and social risk ratings for credit cases are reviewed by O-Bank's Environmental and Social Risks Team, which is chaired by the Head of the Risk Management Division.

Principles (Note 7-6), and classifies them as Category A (high risk), B (medium risk), or C (low risk). For Category A or B, O-Bank conducts environmental and social risk assessments and reviews in accordance with the Equator Principles to mitigate potential environmental and social risks. The Bank's credit process for Equator Principles projects is shown in Fig. 7-51. In 2024, O-Bank reviewed a total of seven project financing cases, all of which completed the review process. Six of these cases were subject to the Equator Principles. Among them, four reached Financial Close, and two were approved and are awaiting contract signing. For case descriptions of projects governed by the Equator Principles, see Table 7-22.

Table 7-22: Equator Principles-compliant Project Financing Deals Conducted by O-Bank in 2024

Name of Project	Location	Description of Project
Project SR	Chiayi, Taiwan	This is a rooftop fishery and electricity symbiosis solar power project finance case. It enables shrimp farming while generating electricity, promotes rural revitalization, attracts youth to return to their hometowns, and supports the future development of local industries. The project is rated as Category B (medium risk), with limited negative environmental and social impacts confined to specific locations, which can be reduced through mitigation measures.
Project NFC	Tainan, Taiwan	This is a rooftop fishery and electricity symbiosis solar power project finance case with a total installed capacity of approximately 120 megawatts (MW). A Norwegian independent third-party institution was appointed as the environmental and social consultant and issued an Equator Principles review report. The due diligence included factors such as environmental management, biodiversity and cultural resource protection, noise control, greenhouse gas emissions, and land development, and other factors. The project is rated as Category B (medium risk), with limited negative environmental and social impacts confined to specific locations, which can be reduced through mitigation measures.
Project YY	Kaohsiung, Taiwan	This is a project finance case for the construction of a 200 MW energy storage system (ESS), located in an industrial zone, and does not involve climate change risk-related issues. The project is rated as Category C (low risk), with minimal or no adverse social and environmental impacts.

7.3.2 Incorporated ESG Evaluations into Corporate Credit Procedures

For many years, O-Bank has successively adopted regulations addressing ESG-related credit checks for corporate customers, including: the disclosure and confirmation of Securities and Exchange Act or other banking-related regulations; the adoption of Equator Principles requirements within the credit scoring criteria; and the authority credit line approval needs to be raised to the next level if the customer's Know Your Customer (KYC) risk is a high-risk level, etc. In addition, O-Bank uses various Web search, Joint Credit Information Center (JCIC) and other tools to check whether a credit applicant has been involved with severe negative incidents such as environmental protection, product safety, industrial safety, or labor rights. If such incidents have occurred, the credit unit must assess and fully disclose the influence, apply methods like downgrading the credit rating, collecting collateral, or requiring corrective action within a limited period, and conduct a follow-up assessment of any ongoing influence. For example, when a borrower is either from China or relies on China for more than 50% of its production capacity, in order to confirm whether it is in compliance with environmental protection regulations there, O-Bank needs to ask them to offer documents that certify successful completion of environmental impact assessment and final acceptance as well as permits for waste discharge for the reference of credit evaluation.

Note 7-6: For project financing deals of US\$10 million or more, or where the amount that O-Bank lends as either a participant lender or sole lender is US\$50 million or more – and the proceeds are to be used to finance project development or operations, to serve as a project-related bridge loan, to provide project-related refinancing, or to finance an M&A deal – the deal must be screened for compliance with the Equator Principles.

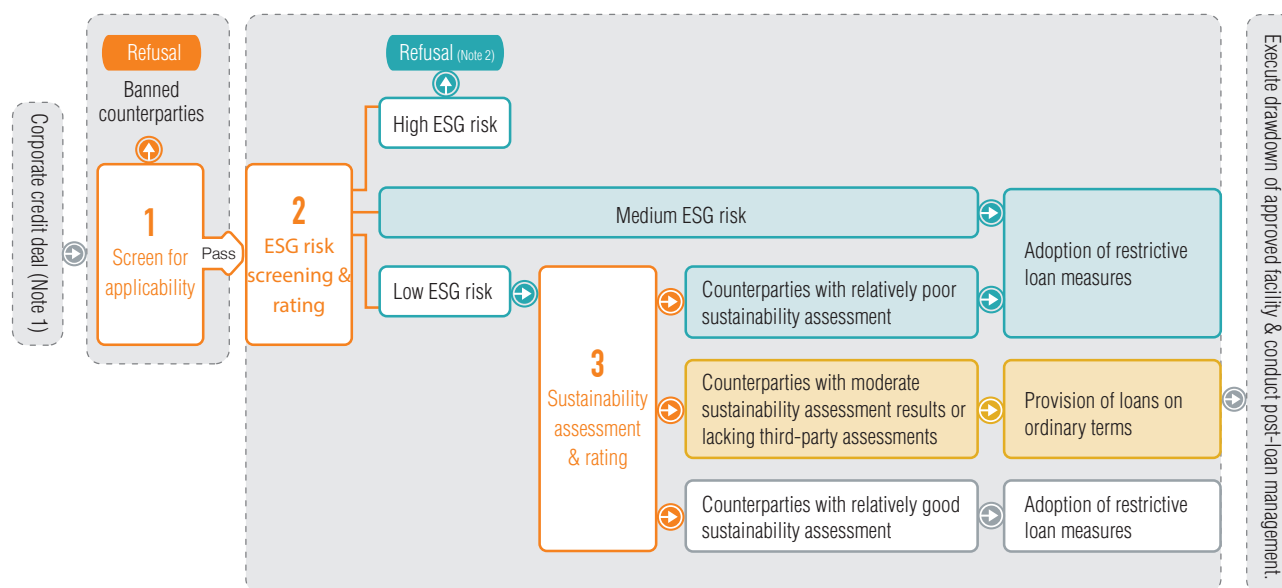
In 2022, in order to further promote responsible loan and credit practices, O-Bank incorporated ESG evaluations into all corporate loan and credit assessment procedures. After confirming that a prospective borrower is not a banned financing recipient (see Table 7-23), an "ESG Comprehensive Assessment Form" must be completed. Companies are then assigned a low, medium, or high ESG risk score based on their performance in environment-, society-, and governance-related risk indicators, such as GHG emissions, carbon inventory status and emissions reduction targets, environmental penalties, natural risks, human rights risks, labor-related penalties, transparency of corporate disclosures, board independence, and penalties or judicial decisions related to breaches of Ethical Best Practices. Third-party sustainability ratings of the corporate customer are also taken into consideration. Where the customer is assessed as high-risk, we do not provide financing. For customers assessed as medium-risk, or those assessed as low-risk but with relatively poor third-party sustainability ratings, and where the loan and credit proceeds are not for green expenditures, O-Bank will downgrade the credit rating, request appropriate collateral on a case-by-case basis, require corrective action within a set timeframe, or raise the interest rate, and will continue to monitor the customer. For low-risk customers with relatively good third-party sustainability ratings, O-Bank will offer appropriate financing assistance or preferential terms.

Table 7-23: Banned O-Bank Financing Recipients

1. Countries appearing on an O-Bank Legal & Compliance Division sanctions list, and enterprises from such a country.
2. Parties that have been designated by a foreign government, international organization, or a competent authority in Taiwan as sanctioned entities due to violation of AML/CFT legislation.
3. Enterprises that engage in illegal manufacturing/buying/selling of arms, illegal involvement in gambling or pornography, or engage in environmental destruction and refuse to conduct an environmental impact assessment, or illegally trap and kill animals.
4-1. Coal companies appearing on the Urgewald Global Coal Exit List (GCEL) that meet the following conditions: They mine coal, derive more than 5% of their operating revenues from thermal coal, power generation of which more than 40% is thermal coal, coal-related infrastructure, from which more than 5% of the operating revenues come from coal.
4-2. Unconventional oil and gas companies appearing on the Urgewald Global Oil & Gas Exit List (GOGEL) that meet the following conditions: They are involved in extraction, processing, and manufacturing of tar sands, shale oil and gas, arctic oil and gas, unconventional liquefied natural gas, ultra-deep-water oil and gas, tight-sands gas, fracked oil and gas, and methane, from which more than 5% of the operating revenues come from the above unconventional oil and gas.
5. Enterprises engaged in forestry that involves the felling of timber in tropical rain forests, old-growth forests, or statutorily protected zones. Enterprises that engage in the production, manufacturing, or trade of palm oil but have not obtained certification from the Roundtable on Sustainable Palm Oil (RSPO) or certification related to sustainable supply of palm oil.
6. Enterprises engaged in cast-net catching, gillnetting, or other significantly destructive methods (e.g. electrocution, explosions, etc.), or the manufacture of gillnetting equipment.

In line with the procedure described above, O-Bank has adopted a set of "Guidelines for Promoting Sustainability of Corporate Loan and Credits," which require that an ESG risk assessment procedure be carried out for 100% of corporate loan and credit cases. The ESG risk assessment procedure for O-Bank corporate credits is shown in Fig. 7-52. In 2024, no O-Bank customer was assessed as posing high ESG risk, while three customers were assigned medium ESG risk. These customers were from the steel manufacturing, real estate, and chemical raw materials manufacturing industries. All three had previously received sanctions from the competent authority and had relatively poor third-party sustainability assessments. O-Bank responded by lowering their credit ratings, requesting collateral, and continuing to monitor and evaluate their ongoing ESG performance. The total outstanding loan balance to these three customers accounted for 1.55% of O-Bank's total corporate loan balance.

Fig. 7-52: ESG Risk Assessment Procedure for O-Bank Corporate Loan and Credits



Note 1: During the corporate credit review process and the annual post-loan management process, an ESG Comprehensive Assessment Form must be filled out, to serve as supporting documentation for the credit analysis report.

Note 2: For a customer that presents high ESG risks but would use credit proceeds for green expenditures, an exception may be made to allow the project to go forward, but if authority to approve the amount of the loan rests with a person below the level of President, approval authority should be elevated to the level of President.

Note 3: A score of 16 or above on the O-Bank ESG Comprehensive Assessment Form indicates high ESG risk, 7~15 indicates medium ESG risk, and 6 or below indicates low ESG risk.

Note 4: All O-Bank corporate credit assessment procedures are the same. For credits to such entities as manufacturers of agricultural and environmental agents, enterprises involved in the destruction of biodiversity, enterprises that are active in green energy, enterprises that are active in coal and gas, and other ordinary enterprises, O-Bank must complete an ESG Comprehensive Assessment Form and various due diligence assessments.

O-Bank has incorporated ESG screening procedures for corporate credit deals into its customer due diligence process. For example, if a company has previously been sanctioned for environmental violations but has completed corrective measures recognized by the Ministry of Environment or local environmental protection departments, one point may be deducted from its ESG risk score on the ESG Comprehensive Assessment Form. This approach is intended to encourage corporate customers to improve their environmental performance. In 2024, one O-Bank corporate borrower was sanctioned for environmental violations involving air pollution, water pollution, and waste discharge. The company implemented corrective measures such as installing additional pollution control equipment and strengthening equipment inspection and management. In addition, in view of the growing importance of corporate efforts toward achieving net-zero carbon emissions, O-Bank now uses its due diligence process to confirm corporate customers' greenhouse gas emissions, any carbon reduction actions taken, the difficulties and constraints encountered in reducing emissions, and the measures adopted in response. This is done to understand each customer's progress on the issue of net-zero carbon emissions and to provide financing services aligned with their needs. For example, based on the results of due diligence, O-Bank identified a corporate customer in the chemical raw materials industry that had not yet conducted a carbon inventory. The bank therefore encouraged the company to implement ISO 14064-1 greenhouse gas inventory and to promote energy-saving measures for its plant equipment.

In addition, O-Bank credit application forms encourage corporate customers to proactively assess their own sustainability-related risks and opportunities. The forms also state that if a corporate customer is applying for financing to support nature conservation initiatives or projects, O-Bank will give priority to reviewing the business relationship. Furthermore, if the customer has undertaken nature conservation initiatives (such as protecting wildlife, maintaining natural habitats, preventing deforestation, or developing biotechnology to preserve biodiversity) and such efforts are verified by O-Bank, the Bank will offer incentives such as remittance fee reductions, fee reductions for the establishment of employee credit lines, and an increased number of free inter-bank transactions for employee payroll deposit accounts, in order to encourage continued conservation efforts. For example, one corporate customer in the hospitality industry incorporated multi-layered planting and expanded green ecological spaces in a development project. As a result, O-Bank provided the customer with the aforementioned incentives. O-Bank hopes to leverage its role as a financial intermediary to encourage corporate customers to value sustainability actions and address environmental and social issues, thereby jointly promoting sustainable development across all industries.

7.3.3 Management of Sustainable Credit Business, and Results

To encourage the provision of financing in sectors that contribute to environmental and social development, O-Bank has formulated the "Guidelines for Corporate Credit Provision related to Solar Power Plant Projects" and "Guidelines for Corporate Credit Provision related to Energy Storage Equipment Projects," which support the development of credit business for solar power plants and energy storage equipment. In addition, the "Guidelines for Promoting Sustainability of Corporate Loan and Credits" define two categories: "sectors that are friendly to the environment or society" and "sectors that pose risks to the environment or society." As of the end of 2024, the outstanding loan balance to sectors that are friendly to the environment or society stood at NT\$15.84 billion, accounting for 9.24% of O-Bank's total corporate loan balance. Of this amount, newly approved loans in 2024 totaled NT\$8,638.67 million, contributing approximately 2.84% of O-Bank's net revenue. Detailed information by sector and loan amounts is provided in Table 7-24. When calculated by credit balance, the outstanding balance to sectors that are friendly to the environment or society at the end of 2024 was NT\$17.5 billion, representing 7.86% of O-Bank's total outstanding corporate credit balance. Of this amount, newly approved credit in 2024 totaled NT\$9,708.43 million. O-Bank has established short-, mid-, and long-term targets for increasing the proportion of corporate loans to sectors that are friendly to the environment or society, and achievement progress is regularly tracked by the ESG Development Working Committee.

Table 7-24: O-Bank's Loan Status to Sectors that are Friendly to the Environment or Society in 2024

	Sector	Outstanding Loan Balance as of the End of 2024 (NT\$ million)	Number of Borrowers as of the End of 2024
Environment (Note 1)	Green energy	6,480.86	32
	Clean transportation	491.29	7
	LEDs	0	0
	Pollution control	1,587.66	5
	Afforestation	0	0

	Sector	Outstanding Loan Balance as of the End of 2024 (NT\$ million)	Number of Borrowers as of the End of 2024
Environment (Note 1)	Green buildings	0	0
	Green credit (Note 2) to other industries	1,575.27	10
Society (Note 3)	Medicine & care	3,615.50	10
	Education	40.0	1
	Infrastructure	1,719.41	18
	Health	0	0
	Other sectors friendly to society	327.9	1
Total for sectors that are friendly to the environment or society		15,837.89	84
Balance as a share of total outstanding loan to all corporate customers			9.24%

Note 1: "Green energy" includes solar battery manufacturers, electricity suppliers (generation of power from renewable energy), manufacture of power generation, transmission and distribution machinery (manufacturers of renewable energy facilities), battery manufacturers (renewable energy batteries); "clean transportation" includes motor vehicle manufacturers (electric vehicles), motorcycle manufacturers (electric motorcycles), bicycle manufacturers, bicycle parts manufacturers; "pollution control" includes manufacturers of pollution control equipment, wastewater and sewage treatment enterprises, and enterprises engaged in the removal and treatment of hazardous and non-hazardous waste, resource recycling enterprises, and pollution remediation enterprises.

Note 2: Other recipients of "green credit" are enterprises that will use credit proceeds in a manner that qualifies as "green expenditures" as defined by the Joint Credit Information Center, including enterprises engaged in: 1. renewable energy, 2. energy saving and efficiency, 3. pollution prevention and control, 4. environmentally sustainable management of living natural resources and land use, 5. terrestrial and aquatic biodiversity conservation, 6. clean transportation, 7. sustainable water and wastewater management, 8. climate change adaptation, 9. eco-efficient and/or circular economy adapted products, production technologies and processes, or 10. green buildings. Based solely on green expenditures as defined by the Joint Credit Information Center, O-Bank had a total of 45 loan recipients as of year-end 2024, with a combined outstanding loan balance of NT\$9,207.13 million (including NT\$1,015.44 million in green building loans to other sectors), accounting for 5.37% of the Bank's total corporate loan balance. If calculated based on credit balance, the number of borrowers was 49, with a total outstanding credit balance of NT\$10.55 billion (including NT\$1,518.72 million in green building credit extended to other sectors), accounting for 4.74% of O-Bank's total corporate credit balance.

Note 3: "Medicine & care" includes active pharmaceutical ingredients/Western medicines/Chinese medicines, hospitals, clinics, medicines and medical supplies, medical laboratory testing, medical and health care, and care services; "Education" includes schools at all levels, and enterprises engaged in the teaching of languages and arts; "Infrastructure" includes water supply enterprises, construction enterprises (builders of social housing), road construction enterprises, utility construction enterprises, cable and wireless telecommunications enterprises; "Health services" include sports goods retail and wholesale, sports and recreation education enterprises, sport facilities (other than golf courses).

Note 4: Making reference to the key strategic industries in Taiwan's 2050 Net-Zero Transition, O-Bank's list of environmentally friendly sectors for corporate credit includes the following key sectors: 01 – wind/solar PV; 04 – power systems and energy storage; 05 – energy saving; 07 – carbon free electric vehicles; 08 – resource recycling and zero waste; 09 – carbon sinks; and 10 – green lifestyles. The outstanding balance of corporate loans to enterprises in related sectors stands at NT\$15.84 billion, accounting for 9.24% of the total corporate loan balance; based on credit balance, the outstanding credit balance stands at NT\$17.50 billion, accounting for 7.86% of the total corporate credit balance.

For sectors that pose risks to the environment or society, O-Bank uses a more rigorous credit review process to control risks. For example, this process includes the following: firms in carbon-intensive industries and industries that pose high environmental risks, in addition to filling out an "ESG Comprehensive Assessment Form," must also complete a "TCFD Climate Risk Checklist for Corporate Credit" to serve as supporting documentation for credit assessment reports. Enterprises engaged in the illegal manufacturing, trading of weapons, gambling, or pornography, and other high social risk industries, are designated as banned credit counterparties. As of the end of 2024, the outstanding balance of corporate loans to sectors that pose risks to the environment or society stood at NT\$4,128.51 million, accounting for 2.41% of the total corporate loan balance. Based on credit balance, the outstanding credit balance to sectors that pose risks to the environment or society stood at NT\$6,237.29 million, accounting for 2.80% of the total corporate credit balance, as shown in Table 7-25.

Table 7-25: O-Bank's Loan Status to Sectors that Pose Risks to the Environment or Society in 2024

	Sector	Outstanding Loan Balance as of the End of 2024 (NT\$ million)	Number of Borrowers as of the End of 2024
Environment	Petroleum and coal products (Note)	233.79	1
	Mining & quarrying	0	0
	Fertilizers and nitrogen compounds	0	0
	Cement and cement products	174.00	2
	Basic iron and steel	2,422.22	10
	Aluminum	402.26	2
	Raising of cattle	0	0
	Tanning and dressing of leather; dressing and dyeing of fur	293.82	2
	Textile enterprises	0	0
	Enterprises engaged in the manufacture of raw chemicals	538.67	3
	Paper & paper products	63.74	1
	Manufacture of Pesticides and Environmental Agents	0	0
Society	Gambling and betting activities	0	0
	Wholesale of tobacco products and alcoholic beverages	0	0
	Munitions	0	0
Total for sectors that pose risks to environment or society		4,128.50	21
Balance as a share of total outstanding loan to all corporate customers			2.41%

Note: "Petroleum and coal product manufacturing" includes sub-industries such as the "coal industry" and "oil and gas industry." As of the end of 2024, the Bank's loans under this category all stemmed from the "oil and gas industry" sub-category.

In addition to adopting lists of "sectors that are friendly to the environment or society" and "sectors that pose risks to the environment or society," O-Bank also makes use of its financial resources and its corporate customers' sustainability goals to encourage corporate customers to formulate and achieve sustainability plans or action plans. Making reference to the Sustainability Linked Loan Principles (SLLP) – which were issued by the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA), and the Asia Pacific Loan Market Association (APLMA) – O-Bank actively contacts corporate customers to discuss sustainability-linked loans. Based on the characteristics of particular industries, the Bank sets sustainability performance targets that individual corporate customers must achieve to enjoy financial benefits.

As of the end of 2024, O-Bank has underwritten a cumulative total of 27 sustainability-linked loans, tied to sustainability performance targets spanning all three ESG dimensions (environmental, social, and governance). These targets included reductions in greenhouse gas emissions, reductions in volatile organic compounds, reductions in product energy consumption, reductions in packaging waste, electricity consumption per unit of operating revenue, water consumption per unit of operating revenue, water recycling rate, increased employment opportunities for local Indigenous communities, the creation or management of biodiversity areas, performance in international ESG ratings, among others. Borrowers that met their annual targets were eligible for interest rate reductions. In 2024, eight borrowers achieved their contractually agreed annual sustainability targets and received interest rate discounts. Through the provision of concrete incentive mechanisms, O-Bank promotes the achievement of sustainability goals by its corporate customers. The outstanding balance of sustainability-linked corporate loans in 2024 stood at NT\$5,764.74 million, accounting for 3.36% of the total corporate loan balance. Of this amount, NT\$2,581.18 million represented newly approved sustainability-linked loans in 2024. When combined with loans to sectors that are friendly to the environment or society, the total outstanding loan balance reached NT\$11.06 billion (Note 7-7), accounting for 9.18% of O-Bank's NT\$120.32 billion in newly underwritten corporate loans in 2024. Based on credit balance, the outstanding sustainability-linked credit balance in 2024 stood at NT\$7,284.33 million, or 3.27% of the total corporate credit balance. Of this amount, NT\$4,100.77 million was newly approved in 2024. When combined with the credit balance of sectors that are friendly to the environment or society, the total reached NT\$13.64 billion (Note 7-8), accounting for 8.07% of O-Bank's NT\$169.01 billion in newly underwritten corporate credit in 2024.

In addition, to prevent potential greenwashing concerns arising from corporate credit cases, O-Bank has established the "Corporate Credit Anti-Greenwashing Operational Guidelines," referencing the Financial Supervisory Commission's "Guidelines for Financial Institutions on Greenwashing Prevention." These guidelines regulate the bank's handling of green credit, sustainability performance-linked credit, and social responsibility credit cases, requiring compliance with definitions set forth by the Joint Credit Information Center. An internal control mechanism is in place, with the corporate credit review unit responsible for reviewing related credit cases. Furthermore, the bank regularly reviews the consistency between externally disclosed or declared information and actual conditions in accordance with the bank's "Corporate Credit Annual Review, Tracking, and Early Warning Management Guidelines." This process ensures compliance with the Financial Supervisory Commission's "Guidelines for Financial Institutions on Greenwashing Prevention" and guarantees the accuracy, completeness, and comparability of the information disclosed externally by O-Bank.

Note 7-7: Includes a total of NT\$2,672.13 million in newly approved loans in 2024, comprising SME loans to sectors that are friendly to the environment or society, as well as sustainability-linked loans.

Note 7-8: Includes a total of NT\$2,672.13 million in newly approved credits in 2024, comprising SME credit to sectors that are friendly to the environment or society, as well as sustainability-linked credit exposures.

7.4 Responsible Investment

7.4.1 Principles for Responsible Investment

O-Bank voluntarily complies with the UN Principles for Responsible Investment (PRI), and has incorporated its set of six principles into the O-Bank "Financial Transactions Handbook." In addition to pursuing economic value with its investments, O-Bank also considers whether an investment is likely to create environmental and social value, so as to achieve the co-existence of economic, environmental, and social well-being. O-Bank's progress toward achieving the six Principles for Responsible Investment is outlined below in Table 7-26.

Table 7-26: O-Bank's Implementation of the UN Principles for Responsible Investment (PRI)

The Six Principles for Responsible Investment	O-Bank's Approach to Implementation
1. We will incorporate Environment, Social, Governance (ESG) issues into investment analysis and decision-making processes.	<ul style="list-style-type: none"> • Has incorporated ESG risk factors into investment decision processes and strives to increase holdings with relatively good ESG performance while reducing holdings with relatively poor ESG performance. • Has adopted a list of banned counterparties and sensitive industries in order to avoid investing in companies that pose high risk to the environment and society. • Has screened the climate risk factors of industries that pose high climate and environmental risks to monitor and track investment assets exposed to high climate risk.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.	<ul style="list-style-type: none"> • Has signed onto the Taiwan Stock Exchange Corporation Stewardship Principles for Institutional Investors. • Has adopted a set of "Stewardship Guidelines" and "Voting Guidelines and Disclosure Procedures" in order to actively exercise ownership rights. • Uses dialogue, engagement, and voting rights to interact with investee companies and exercise the active stewardship role of a company owner.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.	<ul style="list-style-type: none"> • Periodically review investee companies' ESG disclosures, including international sustainability rating agencies' scores, ESG measures and performance, and climate-related actions, to encourage investee companies to improve ESG measures and disclosures.
4. We will promote acceptance and implementation of the Principles within the investment industry.	<ul style="list-style-type: none"> • Has invited affiliated enterprises to jointly implement responsible investing.
5. We will work together to enhance our effectiveness in implementing the Principles.	<ul style="list-style-type: none"> • Have actively participated in sustainable finance and climate change summits and conferences organized by regulators and financial peers to better understand sustainability development trends and sustainable investment issues, thereby exercising our influence as a financial institution.
6. We will each report on our activities and progress towards implementing the Principles.	<ul style="list-style-type: none"> • Have a special "Stewardship Section" on the O-Bank website where we annually post a stewardship report, voting logs from shareholders meetings, and engagement logs. • Each year's sustainability report discloses the state of O-Bank's compliance with the Principles for Responsible Investment.

7.4.2 Incorporated ESG Evaluations into Investment Procedures

O-Bank has incorporated evaluations of Environment, Social, Governance (ESG) risk factors into all decision-making procedures for all investment positions. When selecting among prospective investee companies, O-Bank first eliminates banned investments recipients (see Table 7-27) from consideration and screens for sensitive industries. It then refers to third-party sustainability assessment results to classify prospective investee companies into three categories: relatively good ESG performance, ordinary ESG performance, and relatively poor ESG performance. The Bank sets proportional goals to increase holdings of investments with good ESG performance and reduce those with poor ESG performance,

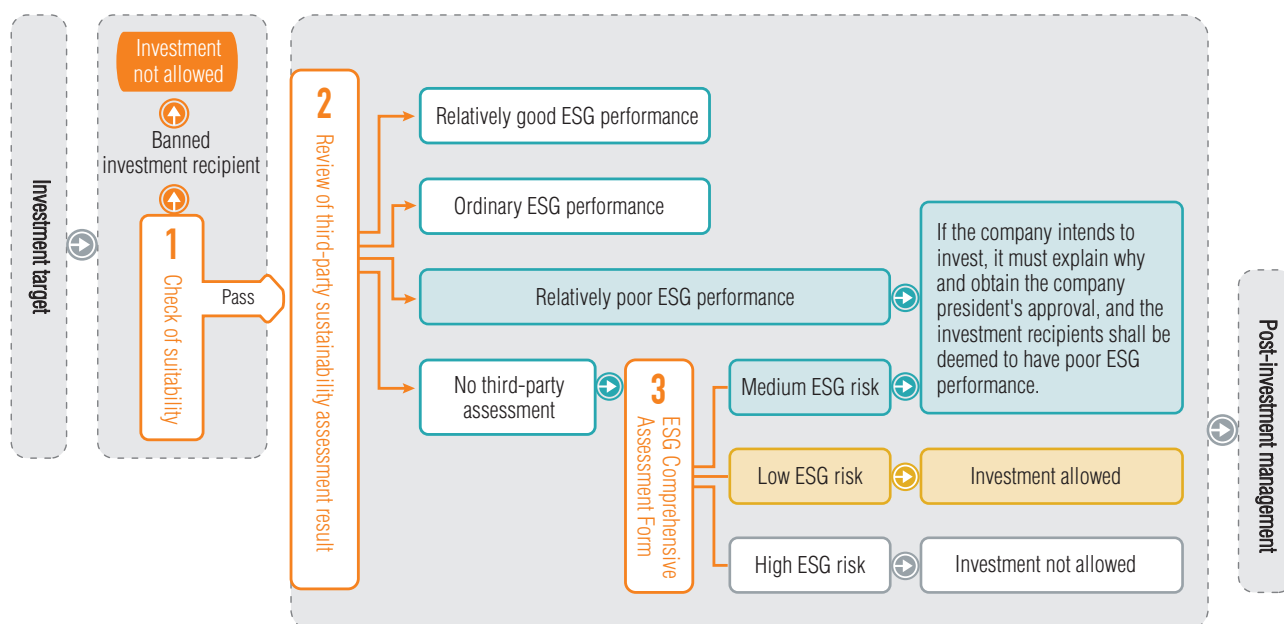
with the aim of directing its funds toward companies that emphasize environmental, social, and governance practices. For prospective investee companies that do not have third-party sustainability assessment results, O-Bank uses an "ESG Comprehensive Assessment Form" to evaluate their ESG risk. The assessment includes: GHG emissions; the status of carbon inventory and carbon reduction targets; constraints or difficulties encountered in the carbon reduction process and corresponding solutions; environmental protection penalties; human rights risks; labor-related penalties; transparency of corporate disclosures; board independence; and penalties or judicial decisions related to breaches of Ethical Best Practices. Companies assessed as having high ESG risk are not eligible for investment. If the Bank intends to invest in a company assessed as having medium ESG risk, it must provide justification, obtain approval from the President, and treat the company as having relatively poor ESG performance. Companies assessed as low ESG risk may be invested in according to ordinary procedures. As of the end of April 2025, O-Bank had conducted ESG risk assessments for four prospective investee companies without third-party sustainability ratings. One company was assessed as medium risk and three as low risk. Among them, three companies had completed carbon inventories and set carbon reduction targets, and encountered no significant constraints or difficulties in the carbon reduction process. One company had not yet conducted a carbon inventory or set carbon reduction targets, and the Bank will continue to monitor its progress.

Table 7-27: Banned O-Bank Investments Recipients

1. Countries appearing on an O-Bank Legal & Compliance Division sanctions list, and enterprises from such a country.
2. Parties that have been designated by a foreign government, international organization, or a competent authority in Taiwan as sanctioned entities due to violation of AML/CFT legislation.
3. Enterprises that engage in illegal manufacturing/buying/selling of arms, illegal involvement in gambling or pornography, or engage in environmental destruction and refuse to conduct an environmental impact assessment, or illegally trap and kill animals.
4-1. Coal companies appearing on the Urgewald Global Coal Exit List (GCEL) that meet the following conditions: They mine coal, derive more than 5% of their operating revenues from thermal coal, power generation of which more than 40% is thermal coal, coal-related infrastructure, from which more than 5% of the operating revenues come from coal.
4-2. Unconventional oil and gas companies appearing on the Urgewald Global Oil & Gas Exit List (GOGEL) that meet the following conditions: They are involved in extraction, processing, and manufacturing of tar sands, shale oil and gas, arctic oil and gas, unconventional liquefied natural gas, ultra-deep-water oil and gas, tight-sands gas, fracked oil and gas, and methane gas, from which more than 5% of the operating revenues come from the above unconventional oil and gas.
5. Enterprises engaged in forestry that involves the felling of timber in tropical rain forests, old-growth forests, or statutorily protected zones. Enterprises that engage in the production, manufacturing, or trade of palm oil but have not obtained certification from the Roundtable on Sustainable Palm Oil (RSPO) or certification related to sustainable supply of palm oil.
6. Enterprises engaged in cast-net catching, gillnetting, or other significantly destructive methods (e.g. electrocution, explosions, etc.), or the manufacture of gillnetting equipment.

O-Bank has incorporated the aforementioned procedures into its "Financial Transactions Handbook" and "Equity Transactions Handbook," which stipulate that 100% of investment targets must undergo the above ESG assessment procedures to ensure thorough evaluation of the ESG risks of all investee companies. O-Bank's ESG risk assessment process for investments is illustrated in Fig. 7-53. As of the end of 2024, investee companies that received a relatively good ESG performance rating from third-party sustainability assessments accounted for 78.3% of O-Bank's total investment balance, while those with relatively poor ESG performance accounted for 4.4%. Among investee companies that were not rated by a third-party sustainability assessment institution, those identified as having medium ESG risk based on O-Bank's "ESG Comprehensive Assessment Form" accounted for 0.7% of the Bank's investment balance and belonged to the petrochemical industry.

Fig. 7-53: ESG Risk Assessment Procedures for O-Bank Investments



Note 1: ESG evaluations must be conducted for all investments with the exception of trading book positions, positions taken for the purpose of fund flow management, and investment positions for which the issuer is a government agency.

Note 2: O-Bank has taken part in third-party sustainability assessments (MSCI ESG Ratings, Sustainalytics ESG Risk Ratings, and Taiwan Stock Exchange Corporate Governance Evaluations), and on the basis of these assessments has set criteria for what constitutes relatively good, ordinary, and relatively poor ESG performance. If intending to invest in companies with relatively poor ESG performance, reasons must be explained and approved by the President.

O-Bank further analyzed the ESG risk factors associated with investment positions classified as having relatively poor ESG performance and their potential financial impact on the Bank. As of the end of 2024, excluding government bonds for which ESG performance could not be assessed, the outstanding balance of investments with relatively poor ESG performance was NT\$1,946 million. Based on international sustainability ratings and the Bank's ESG Comprehensive Assessment Form, six companies were found to underperform their industry peers in the "Environmental" dimension, with key risks including "clean technology development," "toxic emissions and waste," and "carbon emissions and product carbon footprint." Three companies underperformed their industry peers in the "Social" dimension, primarily facing risks related to "product quality management," "occupational health and safety management," and "protection of the rights and interests of labor." Seven companies underperformed their industry peers in the "Governance" dimension, with key risks including "board diversity," "board independence," "transparency of corporate disclosures," and "supervision and management of business ethics." Going

forward, the Bank will continue to monitor and follow up on the ESG risks of investment targets with relatively poor ESG performance and will adjust its investment strategies as needed to avoid potential losses in investment value.

In addition, to further encourage investee companies to enhance their positive environmental and social impact, O-Bank has included investee companies' "success in improving their environmental and social performance" as a focal point in the investment decision-making process. With respect to bond investments, the O-Bank "Financial Transactions Handbook" requires the Bank to inspect an issuer's environmental and social scores on the Bloomberg ESG Indices. If more than half of index scores were better than the previous year and better than the peer median score, then it will be concluded that the issuer is an enterprise that possesses positive impact that is capable of improving the environment and society, and O-Bank will therefore prioritize investing in that issuer's bonds. With respect to equity investments, the O-Bank "Equity Transactions Handbook" sets out specific "Environmental, Social and Governance" assessment factors. If a company scores below the target for an assessment factor in any one of these three areas, then O-Bank is not allowed to invest in that company's stocks. Environmental assessment factors include: whether the company has set carbon reduction targets; whether the company uses green electricity or has switched to energy-efficient equipment at its business locations; whether the company has assessed climate-related physical risks or transitional risks; and whether the company has adopted response measures and a training program to address climate-related disasters. Societal assessment factors include: whether the company has ever been fined in connection with a human rights issue; whether the company has been sanctioned for labor legislation infractions; and whether the company has been involved in a major social controversy.

7.4.3 Sustainable Investments: Management and Results

O-Bank attaches importance to the environmental and social impact of its investment activities and regularly monitors the Environment, Social, Governance (ESG) performance of its investment recipients. As of the end of 2024, O-Bank's investment positions in assets with relatively good ESG performance totaled NT\$34.40 billion, and its investment positions in sustainable bonds (including green bonds, social bonds, and sustainability bonds) totaled NT\$5,930.97 million. Together, these two categories accounted for approximately 81% of the Bank's total investment positions. To avoid greenwashing by bond issuers, all sustainable bonds invested in by O-Bank must either qualify as Green Bonds, Social Bonds, or Sustainability Bonds as recognized by Bloomberg, or be certified as sustainable bonds by the Taipei Exchange (TPEX). O-Bank has set a target for the investment balance of sustainable bonds to account for more than 7% of its total bond investments. As of the end of 2024, the investment balance of sustainable bonds accounted for 7.8% of total bond investments. New investments in sustainable bonds listed on the TPEX in 2024 and their balances are detailed in Table 7-28.

Table 7-28: New Investments in Sustainable Bonds by O-Bank in 2024

Bond Code	Issuer	Purchase Date	Purchase Currency	Amount Purchased (issuer's currency)
B68125	Nanya Technology Corporation	2024/11/11	NTD	100,000,000

In addition to actively investing in sustainable bonds, O-Bank also actively invests in sectors friendly to environment or society. As of the end of 2024, the outstanding balance of investments in sectors friendly to environment or society was NT\$2,468.86 million, or 3.26% of total outstanding investments. For further information on the various sectors and outstanding investment balances, see Table 7-29. The outstanding balance of investments in sectors that pose risks to environment or society was NT\$2,028.79 million, or 2.68% of total outstanding investments. For further information on the various sectors and outstanding investment balances, see Table 7-30.

Table 7-29: O-Bank 2024 Investments in Sectors Friendly to Environment or Society

	Sector	Outstanding Balance of Investments as of the End of 2024 (NT\$ million)	Number of Investors as of the End of 2024
Environment (Note 1)	Clean transportation	644.06	3
Society (Note 2)	Infrastructure	1,824.80	6
Total for sectors that are friendly to the environment or society		2,468.86	9
Share of total outstanding investments			3.26%

Note 1: "Clean transportation" includes vehicle manufacturers (electric vehicles), motorcycle manufacturers (electric motorcycles), bicycle manufacturers, and bicycle parts manufacturers.

Note 2: "Infrastructure" includes water supply enterprises, construction enterprises (builders of social housing), road construction enterprises, utility project builders, cable and wireless telecommunications enterprises.

Note 3: Making reference to the key strategic industries in Taiwan's 2050 Net-Zero Transition, O-Bank's list of environmentally friendly sectors includes the following key sectors: 04 – power systems and energy storage; 05 – energy saving (e.g., energy-saving equipment and energy management systems); 07 – carbon free electric vehicles; 10 – green lifestyle; and 11 – green finance. The outstanding balance of investments in enterprises in these related sectors totaled NT\$4.202 billion, accounting for 9.56% of the outstanding balance of O-Bank's total investments.

Table 7-30: O-Bank 2024 Investments in Sectors that Pose Risks to Environment or Society

	Sector	Outstanding Balance of Investments as of the End of 2024 (NT\$ million)	Number of Investors as of the End of 2024
Environment	Petroleum and coal products	1,428.79	3
	Cement and cement products	300.00	1
	Enterprises engaged in the manufacture of raw chemicals	300.00	1
Total for sectors that pose risks to environment or society		2,028.79	5
Share of total outstanding investments			2.68%

In order to avoid any possible conflict of interest between O-Bank and its investee companies, O-Bank has adopted the "Directions on a Financial Transaction Unit's Conduct of Transactions with Related Parties and/or Stakeholders," the "Directions on Prevention of Conflicts of Interest," and the "Criteria Governing Codes of Ethical Conduct" to strengthen regulation of conflicts of interest between O-Bank and its investee companies. Moreover, O-Bank continues to employ education and awareness campaigns, delegation of responsibilities, information control, firewall design, and monitoring to maintain control, relying on strict ethics standards to prevent possible conflicts of interest. As of the end of 2024, O-Bank has not experienced any investment-related conflicts of interest. Besides, with the aim of balancing

liquidity management and maintaining the stability of the bank's portfolio turnover rates, O-Bank commits to being a long-term investor. In O-Bank's "Financial Transactions Handbook," we have specified that the banking book (mid- and long-term investment positions) should account for no less than 80% of the total investment portfolio. In the future, O-Bank will continue acting in line with the Principles for Responsible Investment and, while paying balanced attention to the needs for profitability and risks diversification, will actively invest in assets that are beneficial to the environment and society.

7.5 Engagement with Investment and Financing Recipients

7.5.1 Engagement Policies and Topics

To spur investment and financing recipients to work toward sustainability, O-Bank has adopted a set of "Engagement Guidelines for Sustainable Investing and Financing," which apply to all recipients of O-Bank investments and financing. The Engagement Guidelines encourage investment and financing recipients to improve their sustainability performance in the areas of environmental protection, social inclusion, and corporate governance. O-Bank continues to communicate with investment and financing recipients about potential sustainability-related risks and opportunities, and treats engagement outcomes as the bases for investment/financing decisions and management of positions. O-Bank engagement topics are set out in Table 7-31. Therein, O-Bank puts high priority on engagement regarding environmental protection topics with recipients that are in carbon-intensive industries or that pose high environmental risks. In addition, the Bank refers to domestic and international net-zero transition guidelines, including the ISO Net-Zero Guidelines, the Science Based Targets initiative (SBTi) Financial Sector Net-Zero Standards, and the Taiwan Sustainable Taxonomy, to encourage investment and financing recipients to formulate concrete action plans for low-carbon transformation or climate change adaptation, and to work together with them toward a net-zero transition.

Table 7-31: O-Bank Investment and Financing Engagement Topics

Environmental Protection	Climate change	O-Bank encourages or requests investment and financing recipients to introduce climate-related response measures, including the following: formulation of climate transition plans; disclose GHG emissions; setting of GHG reduction targets; setting of SBTi; improvement of energy efficiency; and increased usage of renewable energy.
	Biodiversity	O-Bank promotes or discloses information on wildlife conservation, habitat preservation, forest preservation, pollution control and waste management to enhance biodiversity.
	Water resource management	O-Bank encourages or requests investment and financing recipients to promote or disclose information on water resources management mechanisms, such as reduced water usage, recycling, and allocation and integration of water resources.
Social Inclusion	Workplace equality	O-Bank encourages or requests investment and financing recipients to promote or disclose information on hiring diversity, fair compensation, sexual harassment prevention programs, transparent communication channels, identification of human rights risks, and adoption of mitigation or compensation measures in order to create workplaces characterized by diversity, equity, and inclusion (DEI).
	Workplace safety	O-Bank encourages investment and financing recipients to promote occupational safety and health systems, employee healthcare measures, etc.
Corporate Governance	Structure of the boards of directors and supervisors	O-Bank encourages investment and financing recipients to promote or disclose information on the diversity, independence, and functioning of directors and supervisors in order to establish effective corporate governance.
	Information transparency	O-Bank promotes improving information disclosure transparency, including the state of implementation of ethical best practices, and linkage between sustainability performance and executive compensation.

7.5.2 Methods and Outcomes of Engagement

Apart from engaging directly with investment and financing recipients, O-Bank also actively participates in other forms of collaborative engagement, aiming to leverage the financial industry's influence to promote sustainable development among its investment and financing recipients. The Bank's engagement approaches are detailed in Table 7-32. To support our clients in progressing toward net-zero transition, O-Bank held a seminar titled "COP28: New Progress in Green Finance" at its headquarters concert hall and invited corporate clients to participate, helping them better understand the relevant technologies and industrial trends associated with net-zero transition. When engagement outcomes fall short of expectations, the Bank continues dialogue with the management teams of engagement targets and proactively calls for improvement. If the engagement target still fails to meet the Bank's engagement goals, O-Bank will reduce or exit its investment positions or implement financing control measures. In 2024, O-Bank carried out 109 engagements with investee companies and 40 engagements with financing clients. Engagement targets included companies in the manufacturing, air transportation, cement, semiconductor, computer and peripheral, and retail sectors. Details of engagement cases in 2024 are provided in Tables 7-33 and 7-34.

Table 7-32: O-Bank Methods of Engagement

Direct Engagement	Collaborative Engagement
<ul style="list-style-type: none"> • In-person visits • Written, electronic, or voice notifications • Interviews, meetings, lectures, or training • Attend and speak at engagement target's shareholders meetings. • Propose motions and vote at shareholders meetings. • Include ESG-related commitments in credit agreements. 	<ul style="list-style-type: none"> • Join domestic and overseas ESG-related initiatives. • Take part with other financial institutions in collaborative engagements.

Table 7-33: Outcomes of O-Bank 2024 Engagement with Financing Recipients

Engagement Target	Sector	Timing and Method of Engagement	Type and Purpose of Engagement	Progress Achieved by Engagement Targets
Company A	Holding Companies	Engagement on sustainability-linked syndicated loan deals (participant bank)	Environmental protection Social inclusion	In 2023, the Bank referred to domestic and international net-zero transition guidelines in working with Company A to establish sustainability-linked targets. These targets were tied to a steel smelting subsidiary invested in by Company A and included goals for greenhouse gas emissions reduction, treated wastewater recycling volume, and the proportion of local employees hired at overseas sites. In 2024, the Bank granted an interest rate reduction on financing to Company A based on the achievement of these targets by its investee company.
Company B	Financial Leasing	Engagement on sustainability-linked syndicated loan deals (participant bank)	Environmental protection Social inclusion	In 2023, the Bank worked with Company B to establish sustainability-linked targets, including year-over-year growth in total loan to green industries and year-over-year growth in total contributions to social welfare initiatives. In 2024, the Bank granted an interest rate reduction on financing to Company B based on its achievement of these targets.

Engagement Target	Sector	Timing and Method of Engagement	Type and Purpose of Engagement	Progress Achieved by Engagement Targets
Company C	Semiconductor Packaging and Testing	Engagement on sustainability-linked syndicated loan deals (participant bank)	Environmental protection	In 2023, the Bank worked with Company C to establish sustainability-linked targets, including goals for greenhouse gas emissions reduction and energy and water conservation. In 2024, the Bank granted an interest rate reduction on financing to Company C based on its achievement of these targets.

Table 7-34: Outcomes of O-Bank 2024 Engagement with Investment Recipients

Engagement Target	Sector	Timing and Method of Engagement	Type and Purpose of Engagement	Progress Achieved by Engagement Targets
Company D	Computers and Peripheral Equipment	Shareholders Meeting	Environmental protection	At Company D's shareholders meeting, our Bank inquired about their water resource management, energy saving and carbon reduction, and green product procurement practices. Company D accordingly explained their annual water reduction status, water recycling system deployment plan, carbon inventory introduction progress, and supplier procurement principles.
Company E	Computers and Peripheral Equipment	Investor Conference	Environmental protection	At Company E's investor conference, our Bank inquired about their renewable energy usage. Company E replied that they have established a sustainability team and are planning net-zero emission measures, and subsequently submitted the Science Based Target initiative (SBTi) commitment letter in September 2024.
Company F	Computers and Peripheral Equipment	Shareholders Meeting	Environmental protection	At Company F's shareholders meeting, our Bank inquired about specific energy saving and carbon reduction measures. Company F explained that each department is required to set energy saving targets and implement process improvements, enhance air compressor operation efficiency, and procure renewable energy to meet the company's annual carbon reduction targets.

To encourage investment and financing recipients to improve their sustainability performance, O-Bank also makes reference to the ESG rating database provided by the Taiwan Depository & Clearing Corporation ESG Investor Relations Platform (TDCC IR Platform) in setting performance standards for investment and financing recipients. If an investment or financing recipient is rated as having relatively poor ESG performance, O-Bank prioritizes engagement with that entity. As of the end of April 2025, the Bank had engaged with 17 corporate clients and three investee companies identified as having relatively poor ESG ratings. Engagement outcomes included one corporate client setting a goal to improve its "Corporate Governance Evaluation" ranking, and one investee company successfully improving its performance in the international Sustainalytics ESG Risk Rating. In addition, to further promote decarbonization and net-zero transition among its investment and financing recipients, the Bank sent emails to those in carbon-intensive industries, encouraging them to commit to or join the SBTi. As of the end of 2024, two investee companies had committed to or been approved by the SBTi, accounting for 29% of investee companies with which O-Bank engaged, while two corporate clients had done so, accounting for 5% of financing recipients with which O-Bank engaged.

O-Bank has signed onto and complies with the "Taiwan Stock Exchange Corporation Stewardship Principles for Institutional Investors," committing to fulfilling its duties as an asset owner and promoting healthy economic, environmental, and social development among its investee companies. O-Bank annually discloses its "Stewardship Report" on both the Taiwan Stock Exchange and the Bank's official website, publicly revealing its fulfillment of stewardship responsibilities in its investment activities. Furthermore, the Bank has established the "Voting Guidelines and Disclosure Procedures," actively participates in investee companies' shareholders meetings to exercise voting rights, and annually discloses voting records and engagement logs on its website. In 2024, O-Bank participated in voting at the shareholders meetings of 39 companies, voting on a total of 154 motions, with a 100% voting participation rate. All voting was conducted electronically. Among these motions, 153 were related to sustainability issues. O-Bank voted against one motion each at two different companies; all other votes were in favor. Details of sustainability-related votes at 2024 shareholders meetings are set out in Table 7-35.

Table 7-35: O-Bank's Votes on Sustainability-related Motions at 2024 Shareholders Meetings of Investee Companies

Types and Content of Motions			Number of Motions	Yes Votes	No Votes	Abstentions
Society	Motions on employee benefits	Issuance of new restricted shares for subscription by employees	4	4	0	0
Corporate governance	Motions on company finances	Approval of business report and financial report	38	38	0	0
		Distribution of earnings or covering of losses	36	34	2	0
	Motions on corporate governance	Amendment of Articles of Incorporation or operating procedures	34	34	0	0
		Lifting of non-compete restrictions on directors	20	20	0	0
	Motions on human resources organization	Elections of directors and supervisors	15	15	0	0
	Motions on shareholders' equity	Capital increases (earnings/ capital surplus/ capitalization of undistributed employee bonuses, or cash capital increases through new share issues)	6	6	0	0
		Private placement of securities	0	0	0	0
Other			1	1	0	0
Total			154	152	2	0

Note: In 2024, O-Bank voted against earnings distribution proposals put forward at two companies. Our reason in both cases was that "the company's dividend payout ratio was low, so we recommended that the company raise its dividend payout ratio to better meet shareholder interests."

In addition, to coordinate with the Taiwan government's goal of net-zero emissions by 2050, O-Bank actively encourages investment and financing recipients to comply with the sustainability standards set out in the "Taiwan Sustainable Taxonomy" to spur more enterprises to work toward low-carbon transformation. In 2024, with regard to corporate customers, if a customer's main economic activities or projects that it conducts are eligible under the "Taiwan Sustainable Taxonomy," and if, based on the customer's responses filled out in the "Self-Evaluation Questionnaire on Corporate ESG Information and Sustainable Economic Activities," the customer's degree of alignment with the Sustainable Taxonomy is classed as "improving," "working on it," "aligned," or has shown improvement compared to the previous self-evaluation, the Bank will provide the enterprise with differentiated incentives such as remittance fee reductions, an increased number of free inter-bank transactions for employee payroll deposit accounts, and fee reductions for establishment of employee credit lines, to encourage compliance

with the sustainability standards set out in the "Taiwan Sustainable Taxonomy." With regard to investee companies, if their main economic activities or projects that they conduct were originally not aligned with the "Taiwan Sustainable Taxonomy" but subsequently, after a process of engagement and reassessment, their degree of alignment with the Sustainable Taxonomy was re-classified as "improving," "working on it," or "aligned," O-Bank will provide preferential treatment in the handling of currency swaps. In 2024, O-Bank inventoried a total of 136 corporate customers and investee companies to whom the "Taiwan Sustainable Taxonomy" applies, including 129 corporate customers and seven investee companies, and sent email notifications to all of them regarding the encouragement mechanisms mentioned above. Among them, one is classed as "improving," five as "working on it," and seven as "aligned." We hope to guide them to formulate low-carbon transformation plans and gradually achieve compliance with the standards set out in the "Taiwan Sustainable Taxonomy."

In response to the second edition of the "Taiwan Sustainable Taxonomy" and related regulations issued by the competent authority at the end of 2024, O-Bank has revised the aforementioned incentive mechanism. For corporate customers to whom the "Taiwan Sustainable Taxonomy" applies, if their responses in the "Self-Evaluation Questionnaire on Corporate ESG Information and Sustainable Economic Activities" indicate that they meet the criteria for "general economic activities" or "enabling economic activities" and have established a transformation plan, the Bank will provide differentiated incentives such as remittance fee reductions, an increased number of free inter-bank transactions for employee payroll deposit accounts, and fee reductions for establishment of employee credit lines.

7.6 Responsible Products

7.6.1 Financial Inclusion

O-Bank has used financial technology to create convenient, simple, and quick digital financial services in order to realize O-Bank's vision of financial inclusion characterized by "low access threshold, borderless service, and zero lag time." As of the end of 2024, O-Bank had a total of 471,000 personal deposit accounts, an increase of approximately 48,000 compared to the end of 2023, while the combined outstanding balance of deposits in NT Dollars and foreign currencies came to approximately NT\$55.98 billion, an increase of about NT\$20.8 billion from the end of 2023. Of these personal deposit accounts, 9,504 belonged to persons living in remote locations (Note 7-9), 5,581 belonged to foreign nationals, and 247 belonged to persons with physical or mental disabilities (Note 7-10). A total of 25,384 persons had submitted 27,591 accounts for personal unsecured loans amounting to a combined total of approximately NT\$19.28 billion, and 229,260 discrete customers held a total of 229,886 valid O-Bank debit cards.

To support women consumers and ensure that they can obtain the financial products they need no matter what stage of life they are in, O-Bank provides preferential loan and deposit plans for them. O-Bank has introduced a number of special loan products for women that feature preferential interest rates and reductions or waivers of processing fees. As of the end of December 2024, a total of 1,109 customers had applied for preferential loans for women. As for savings, on International Women's Day 2024, O-Bank launched an exclusive savings promotion for women. A total of 1,455 female customers participated in the promotion, with total deposits amounting to approximately NT\$543 million.

Note 7-9: The figures for the number of people in remote areas were calculated with reference to statistics on remote areas updated and issued by the Ministry of Health and Welfare in April 2021. The areas in question included 55 indigenous districts, 18 offshore island districts, and 20 other remote districts, or 93 such districts in all.

Note 7-10: The figures for persons with disabilities indicate the total number of persons in 2024 who logged on to accessible online banking or made use of accessible mobile banking apps, but within such persons do not include anyone who visited an ordinary online banking or made use of an ordinary mobile banking app.

To assist with the development of Taiwanese small and medium enterprises (SMEs), O-Bank has set up a commercial banking department and has established dedicated teams in northern, central, and southern Taiwan to actively develop business with medium enterprises (Note 7-11). Each year, O-Bank sets quantitative targets for the number of SME borrowers and total loan amounts for the year, and incorporates these into the performance evaluations of relevant departments. In addition, with respect to micro-enterprises with fewer than 10 employees, O-Bank has established a financial innovation department to provide digital loan application services, helping micro-enterprises obtain needed working capital. In 2024, O-Bank also participated in the "Taiwan Franchise & Entrepreneurship Expo," where it set up a booth to provide prospective micro-entrepreneurs with reference information related to startup loans and associated considerations. This included brand positioning, target customer groups, product pricing and sales strategies, business registration, business tax filing, and the use of mobile payment systems in conjunction with applicable tax incentives. In 2024, O-Bank assisted 136 micro-entrepreneurs in successfully launching their businesses. As of the end of 2024, O-Bank had a total of 692 SME deposit accounts, with combined deposits of approximately NT\$11.41 billion. A total of 421 SME borrowers had obtained 1,092 loans, amounting to an outstanding loan balance of approximately NT\$40.62 billion, accounting for 23.69% of O-Bank's total outstanding corporate loan balance. Among these, only one account (with five loan drawdowns) was classified as non-performing or non-accrual, with a loan balance of approximately NT\$4.46 million. Also, there were 407 unsecured or revolving loans to 137 ordinary enterprises, with an outstanding loan amount of approximately NT\$23.42 billion.

Table 7-36: O-Bank SME Loans, 2023~2024

Unit: NT\$ million

	2023	2024
Total amount of loans to SMEs	35,519	40,615
Amount of sustainable loans to SMEs (including those to sectors defined by the Bank as friendly to the environment or society, as well as sustainability-linked loans)	3,239	4,479
Share of total loans	9.12%	11.03%
Newly added outstanding SME loans in current year	29,147	27,658
Amount of new sustainable loans to SMEs in the current year (including those to sectors defined by the Bank as friendly to the environment or society, as well as sustainability-linked loans)	2,386	2,672
Share of total loans	8.19%	9.66%

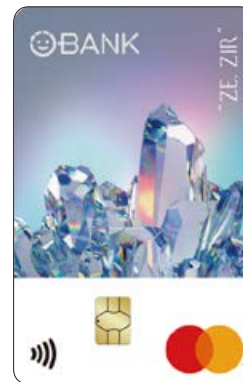
Note: For information on O-Bank's definition of what constitutes "sectors friendly to environment or society," see "7.3.3 Management of Sustainable Credit Business, and Results."

7.6.2 Charity Affinity Card Platform

To put the spirit of "fulfilling oneself by benefiting others" into action, O-Bank in 2018 launched a charity affinity card platform and joined hands with non-profit organizations to issue charity affinity cards. To date, O-Bank has issued Rainbow Cards, Stray Animal Cards, Children-Are-Us Cards, Junyi Education Cards, Yunus Social Enterprise Cards, Eden Social Welfare Cards, Angel Heart Family Cards, Taiwan Public Welfare League Cards, Faith for Animals Cards, SMA Affinity Cards, Rainbow Bridge Church Cards, Temple of

Note 7-11: The term "small and medium-sized enterprise (SME)" as used here by O-Bank is an SME as defined by the competent authority, i.e. an enterprise whose paid-in capital is no more than NT\$100 million, or which hires fewer than 200 regular employees. The term "micro-enterprise" as used here by O-Bank is an SME with less than five regular employees.

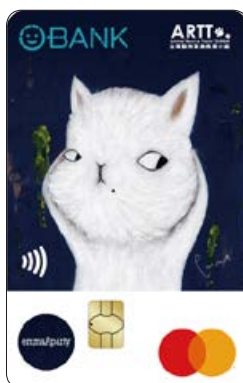
Jinshan Fortune Charity Association Cards, Hondao Senior Citizen's Welfare Foundation Affinity Cards, and Miracle Support-Kids Affinity Cards. When O-Bank customers use these affinity cards to pay for domestic or overseas purchases, O-Bank routes 0.2% of the purchase amount as cashback benefits to the cooperating community service organizations. These organizations include the Taiwan Tongzhi Hotline Association, the Animal Rescue Team TAIWAN, the Children Are Us Foundation (CAREUS), the Junyi Academy Foundation, the Foundation for Yunus Social Enterprise Taiwan, the Eden Social Welfare Foundation, the Angel Heart Family Social Welfare Foundation, the Taiwan Public Welfare League, Faith for Animals, Become the Miracle Association, Rainbow Bridge Church, Temple of Jinshan Fortune Charity Association, the Hondao Senior Citizen's Welfare Foundation, and the Miracle Association. By tapping into the power of consumers, O-Bank gives non-profit organizations long-term and stable financial support.



Rainbow Affinity Cards
2.0 (Ze/Zir)



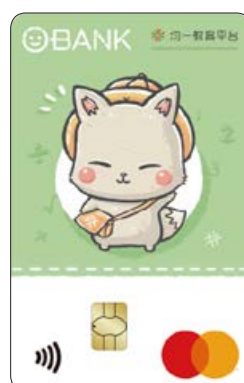
Hondao Senior
Citizen's Welfare
Foundation Affinity
Cards



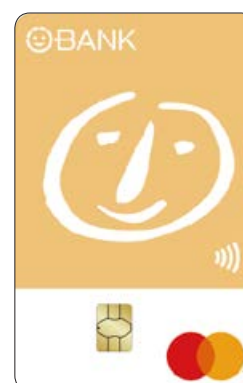
Stray Animal Affinity
Cards



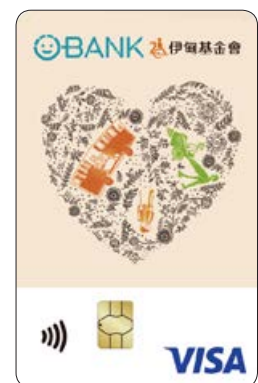
Yunus Social Enterprise
Cards



Junyi Education Affinity
Cards



Children-Are-Us Affinity
Cards



Eden Social Welfare
Affinity Cards



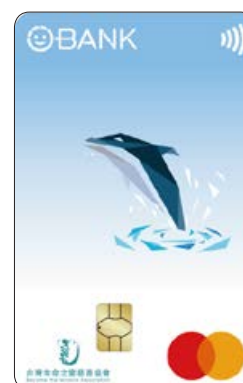
Angel Heart Family
Affinity Cards



Taiwan Public Welfare
League Affinity Cards



Faith for Animals
Affinity Cards

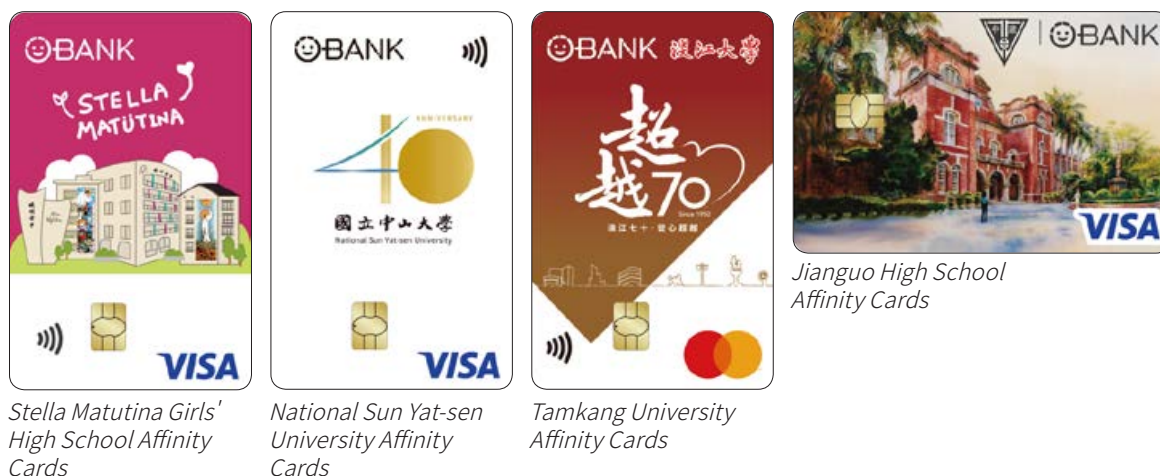


SMA Affinity Cards



Rainbow Bridge Church
Affinity Cards

Since 2020, O-Bank has further extended the concept of socially beneficial consumption into schools, having issued affinity cards in cooperation with National Sun Yat-sen University, Tamkang University, Taipei Municipal Jianguo High School, and Stella Matutina Girls' High School. When customers make domestic or overseas purchases with these affinity cards, O-Bank routes 0.2% to 0.8% of the spending amount as cashback benefits to the schools' endowment funds, thus supporting school development and the education of young talent. As of the end of 2024, O-Bank had issued a total of over 44,000 charity affinity cards and donated more than NT\$1.60 million in cashback benefits to cooperating community service entities and schools. In 2024, O-Bank processed applications for 4,374 new charity affinity cards and donated a total of NT\$221,419 in cashback benefits to cooperating community service entities and schools.



7.6.3 Green Products and Services

In response to climate change and the trend toward carbon reduction, O-Bank aims to leverage its core financial business to work together with customers in practicing energy conservation and reducing carbon emissions. In 2022, O-Bank became the first bank in Taiwan to launch the "Consumer Spending Carbon Calculator" feature, which is integrated with Mastercard's Carbon Calculator. All O-Bank Mastercard cardholders can apply for this service free of charge and check the carbon emissions associated with each transaction via O-Bank's online banking or mobile app. In 2024, O-Bank again led the industry by launching the "Transportation Carbon Reduction Detail" feature, the first of its kind in Taiwan, which is linked to the iPASS Card GHG Emissions Database. All customers holding an O-Bank debit card with iPASS functionality can use O-Bank's online banking or mobile app to check the amount of GHG emissions reduced by taking public transportation compared to driving a private vehicle. O-Bank hopes to raise customers' awareness of carbon reduction and work together toward contributing to global decarbonization efforts. For more information, please refer to Section 8.4, "Giving Back to Society by Taking Advantage of O-Bank's Strengths," in this report.

In addition, to encourage customers to purchase energy-efficient products, O-Bank offers a green loan and green mortgage program. Under this program, if the borrower intends to use the loan proceeds to purchase an electric car or motorcycle, a hybrid electric vehicle, energy-efficient household appliances, a home in a green building or a home built using green construction materials, in order to receive a Green Building Material Label, then the borrower can receive a discount of NT\$3,000 on the loan processing fee as encouragement for customers to move toward low-carbon lifestyles. In 2024, the outstanding balance of new O-Bank retail green loans was NT\$350 million, accounting for 2.2% of the total new retail loan balance of NT\$15.93 billion. As of the end of 2024, the cumulative outstanding balance of O-Bank retail green loans reached NT\$497 million, representing 1.25% of the total outstanding retail loan balance of NT\$39.82 billion.

To avoid greenwashing concerns when handling green loan and green mortgage projects, O-Bank reviews the validity and legality of all loan application documents submitted by customers on a case-by-case basis. The Bank's Auditing Department conducts regular annual audits of related loan cases to ensure compliance with review procedures. For green loan, the customer's funds must be used to purchase electric vehicles or hybrid vehicles, and customers are required to provide supporting documents dated within the last three months, such as proof of purchase, vehicle appraisal reports, deposit receipts, or sales contracts, all bearing the official company seal or invoice stamp of legally registered and operating vendors. If the funds are used for home repairs involving green building materials, customers must submit a Ministry of the Interior Green Building Material Label certificate, as well as deposit receipts or contracts for green building material repairs dated within the last three months, accompanied by the official company seal or invoice stamp of legally registered and operating repair vendors. For green mortgages, eligible uses include purchasing green buildings and household appliances with the Energy Label. For green building purchases, applicants are required to submit supporting documentation recognized and publicly announced by the Taiwan Architecture & Building Center (TABC) on its official website.

Additionally, O-Bank refers to the "Guidelines for Financial Institutions on Greenwashing Prevention" issued by the Financial Supervisory Commission (FSC) to establish internal control mechanisms for the launch of new green financial products. According to the Bank's Product Launch and Removal Procedures, all "Green Products" and "Sustainable Products" must either obtain third-party verification or receive approval from the highest-level supervisor overseeing the relevant business before being launched. Furthermore, the Bank's "Guidelines for Advertisement Solicitation and Sales Campaigns" stipulate that all related marketing activities must be conducted in accordance with the principles set forth in the "Guidelines for Financial Institutions on Greenwashing Prevention."

7.6.4 Financial Support Programs for B Corporations and Social Enterprises

O-Bank firmly believes that entities with business operations that are good for the environment and society deserve to obtain better financial resources. As a B Corporation, O-Bank continues to support the development of other B Corporations in Taiwan. O-Bank has set an industry first by launching a Financial Support Program for B Corporations. Special services offered under this Program include preferential corporate deposit accounts, preferential corporate payroll accounts, and preferential loans. Beyond using financial resources to support B Corporations, O-Bank also directs our resources toward B Corporation employees. While working to make the world a better place, O-Bank hopes to be the most reliable backstop for Taiwan's B Corporations.

In addition, as a strong supporter of social enterprises that work to resolve social and environmental problems, O-Bank has introduced preferential corporate deposit accounts and preferential corporate payroll accounts, and has adopted multiple standards for determining what constitutes a social enterprise, i.e. an enterprise meeting any of the following descriptions qualifies as a social enterprise: is registered on the "Social Innovation Database" of the Small and Medium Enterprise and Startup Administration, Ministry of Economic Affairs; is a participant in the Social Innovation Lab; has registered as a social enterprise on the Taiwan NPO Self-Regulation Alliance's social enterprises registration platform; or meets the narrow definition of the term "social enterprise" in the Executive Yuan's Project for Social Enterprises Action Plan. The idea is to expand the coverage of the financial support program for social enterprises to include all social enterprises, and to gather together the forces of more social enterprises so that they can all collaborate to achieve the vision of co-existing with the environment and benefiting with society.

Table 7-37: Financial Support Programs for B Corporations and Social Enterprises

Tiered-rate NTD Demand Deposit Accounts for B Corporations and Social Enterprises	Preferential Payroll Accounts for B Corporations and Social Enterprises	Special Loan Program for B Corporations
<ol style="list-style-type: none"> Maximum preferential interest of 1.155% for tiered-rate NTD demand deposits. No cap on balance of preferential-rate deposits. 	<ol style="list-style-type: none"> 0.9% interest rate on payroll demand savings deposit accounts. No ATM fee for the first 99 interbank cash withdrawals each month. No ATM fee for the first 99 interbank transfers each month. No ATM fee for the first ten interbank deposits each month. 	<ol style="list-style-type: none"> Waiver of account management fees. Waiver of loan term modification fees. No restrictions on early loan repayment. Reduced service charges for NT Dollar interbank transfers.

Note: Interest rates in the above table are current as of December 31, 2024.

7.6.5 ESG Investment Products

To provide customers with a diversified range of Environment, Social, Governance (ESG) investment products, O-Bank rigorously selects third-party investment products that meet ESG standards. As of the end of 2024, O-Bank offers 58 ESG funds (184 fund codes), all of which comply with the Financial Supervisory Commission's (FSC) "Principles for the Review and Supervision of Information Disclosure of Offshore Funds on Environment, Society and Governance (ESG) Related Themes." Additionally, O-Bank offers 126 offshore bonds recognized by Bloomberg as Green Bonds, Social Bonds, Sustainability Bonds, or bonds issued by institutions with outstanding international sustainability ratings. The scale of ESG investment products meeting these standards is approximately NT\$725.86 million, accounting for 20.22% of the total investment product balance. Through its subscription platform, O-Bank provides customers with access to fund prospectuses and offshore bond product brochures, disclosing the products' sustainability investment objectives and measurement indicators, jointly pursuing sustainable long-term returns with customers.

To prevent the launch of greenwashed investment products, O-Bank requires that, prior to the listing of any ESG fund product, the fund must be confirmed as included in the ESG Fund Section of the Fund Clear website maintained by the Taiwan Depository & Clearing Corporation (TDCC). This status must be documented in the product review opinion form, and the fund may only be listed as an O-Bank ESG fund after review and approval by the Bank's product review committee. For funds that have already been listed, O-Bank reviews their status at least once per quarter to confirm whether they remain included in the Environmental, Social, and Governance Fund Section (ESG Fund Section) of the Fund Clear website. Details regarding the types and total assets of O-Bank's third-party ESG investment products over the past two years are provided in Table 7-38.

Table 7-38: O-Bank Third-Party ESG Investment Products, 2023~2024: Types and Total Assets

Unit: NT\$ thousand

Types of Third-party ESG Investment Products	2023			2024		
	Total Assets	Combined Total Assets	Share of Combined Total Assets	Total Assets	Combined Total Assets	Share of Combined Total Assets
ESG-integrated investment strategy	127,548	3,119,514	4.09%	126,096	3,589,234	3.51%
Positive/Best-in-class screening	643,328		20.62%	593,798		16.54%
Thematic investing	1,452		0.05%	1,549		0.04%
Impact investing	2,834		0.09%	831		0.02%
Other	15,648		0.50	3,583		0.10%
ESG products, total	790,811		25.35%	725,857		20.22%

Note 1: (1) ESG-integrated investment strategy: According to the ROC Securities Investment Trust and Consulting Association's definition, to have an "ESG-integrated investment strategy" means that in the process of investment analyses and decisions the fund gives due consideration to ESG factors.

(2) Positive/Best-in-class screening: According to the definition given in the ESG fund filing documents of the Securities Investment Trust and Consulting Association of the ROC, this refers to funds that select companies with ESG performance that is more proactive than that of their industry peers. For O-Bank's overseas investment products, issuers must have an MSCI ESG Rating of BBB or above and S&P Global ESG Scores of 80 or higher.

(3) Thematic investing: This means that O-Bank's overseas bond products must meet Bloomberg's standard for recognition as green bonds, social bonds, or sustainability bonds, i.e. the proceeds of such bond issues must be used for specific environmental or social themes.

(4) Impact investing: According to the ROC Securities Investment Trust and Consulting Association's definition, a fund that engages in "impact investing" is one which uses the power of its shareholders to influence corporate behavior, either through direct communication, or by submitting either independent or joint shareholder recommendations aimed at resolving environmental or social problems.

(5) Other: According to the ROC Securities Investment Trust and Consulting Association's definition, "other" funds are those which meet international requirements or can otherwise spur sustainable environmental or social development.

Note 2: If an investment product simultaneously qualifies as more than one of the above product types, it is only listed as one product type. Overseas bonds are categorized on the basis of use of proceeds, or upon the rating of the issuer.

Note 3: Figures for "total assets" in this table are all based on the outstanding balance of trust principal.

In February 2024, O-Bank launched Sustainable Structured Products, offering institutional investors fixed-income investment options with stable interest payments. The Bank has committed to allocating all funds raised to sustainable financing and investment purposes, including green loans, sustainability-linked loans, and investments in sustainability bonds. As of the end of 2024, O-Bank had raised a total of NT\$3.5 billion through these sustainable structured products. The total outstanding balance of all structured investment products developed in-house by the Bank amounted to NT\$8,961.43 million, of which sustainable structured products accounted for 39.06%. To prevent greenwashing concerns in connection with the Bank's sustainable structured products, O-Bank requires product developers to refer to the "Guidelines for Financial Institutions on Greenwashing Prevention" and complete a "Greenwashing Risk Checklist for Financial Products" during the product design phase to ensure that there are no greenwashing risks. Going forward, the Bank will also issue fund allocation reports and engage third-party institutions to provide assurance on the overall plan, benefit assessment, and relevant fund management processes, thereby ensuring that the funds are genuinely used for sustainable development purposes.

8. Social Engagement



8.1 O-Bank's Thinking

O-Bank has long acted in the spirit of "fulfilling oneself by benefiting others." We firmly believe that enterprises have well-developed systems and resource integration ability, as well as outstanding industry expertise, and can give back to society by taking advantage of these strengths. This would enable enterprises' social engagement efforts to become a force for social progress. To effectively manage the resources invested for social welfare projects, O-Bank utilizes the Business for Social Impact (B4SI) Framework as a guide to quantify and measure the social and business impact of each social welfare project. For details, see Fig. 8-1, Fig. 8-2 and Table 8-1.

Fig. 8-1: O-Bank's 2024 Investments in Social Welfare Projects by Type of Resources Invested

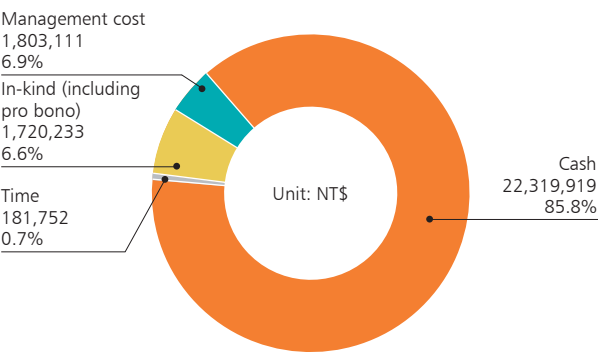


Fig. 8-2: O-Bank's 2024 Investments in Social Welfare Projects by Type of Project

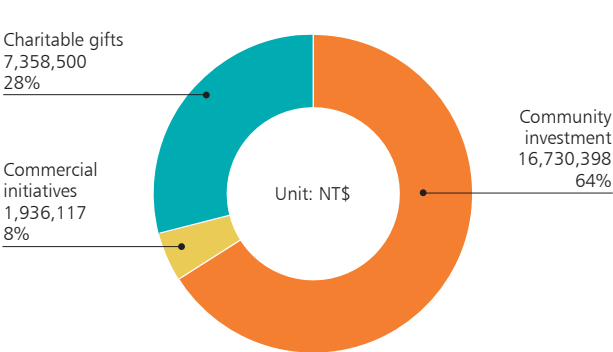


Table 8-1: Evaluation of O-Bank's 2024 Social Engagement Programs under the B4SI Framework

Project	Sustainable Development Goals (SDGs)	Program Description	Environmental/Social Impact	Business Impact
Caring for Students in Remote Areas	SDGs 4. Quality Education	Members of O-Bank Community Volunteer Club visit rural schools for financial literacy classes and student anti-fraud education, "Cinema for the Mind" events, and holiday care activities, bringing resources to remote schools and accompanying local children.	1. Held ten activities for 207 students in rural townships in 2024. including three financial literacy education and student anti-fraud education for 65 rural students. 2. Donated two public broadcast DVD for schools' permanent use in 2024.	-

Project	Sustainable Development Goals (SDGs)	Program Description	Environmental/Social Impact	Business Impact
Support for Social Enterprises & B Corporations	SDGs 12. Responsible Consumption and Production	Collaborated with social enterprises and B Corporations on actions including social enterprise and B Corporation joint market, social enterprise lectures, product purchases, and dedicated financial support projects, supporting their continued efforts to address environmental and social issues.	<ol style="list-style-type: none"> 1. Held one joint market in 2024, inviting five B Corporations and social enterprises to set up stalls at O-Bank headquarters building and increase exposure. 2. Purchased holiday gifts from seven B Corporations and social enterprises for employees, customers, and press in 2024. 3. Continued to work with social enterprise Blueseeds' "Adopt a Herb Garden" program, donating all hand cleanser products made from naturally grown herbs to Jiqing Elementary School and Pinglin Elementary School. In 2024, 64 bottles of hand cleanser products were donated. 4. Held two social enterprise lecture in 2024, inviting the founder of the B Corporations "Buy Directly from Farmers" and the founder of the social enterprise "Greeninhand In Hand Food Bank" to share the company's brand philosophies to employees and interns. 	<ol style="list-style-type: none"> 1. Recognized for eight consecutive years since 2017 with the "Buying Power – Social Innovation Products and Services Procurement" award. 2. As of the end of 2024, the deposit balance of social enterprises and B Corporations exceeded NT\$50 million and more than 230 salary transfer accounts were opened.
Public Anti-Fraud Promotion Activities	SDGs 16. Peace, Justice, and Strong Institutions	O-Bank representatives held anti-fraud promotion activities across Taiwan to educate the public on fraud tactics and cases, reducing the incidence of financial fraud.	Held 23 Public Anti-Fraud Promotion Activities in 2024, reaching approximately 519 members of the public.	-
Financial Literacy Promotion Activities	SDGs 16. Peace, Justice, and Strong Institutions	The Bank organized financial literacy promotion activities across various regions in Taiwan, targeting diverse groups including persons with disabilities, Indigenous peoples, and new immigrants, to help the public develop sound financial values and money management habits.	In 2024, a total of seven financial literacy promotion activities were held, with over 110 participants.	-
Charity Affinity Cards	SDGs 10. Reduced Inequalities	Created a Charity Affinity Card platform. For clients using the affinity card in domestic or international transactions, O-Bank will take a percentage of the cash-back reward for donations to cooperating charity organizations and schools. Clients can show their values each time they use the credit card. (See 7.6.2 Charity Affinity Card Platform for details).	<ol style="list-style-type: none"> 1. Worked with 18 nonprofit organizations and schools in 2024, providing long-term and stable donation support. 2. As of the end of 2024, accumulated cash-back donations to cooperating nonprofits and schools exceeded NT\$1.6 million since program was launched in 2018. 	Charity Affinity Card applications have exceeded 44,800 between program launch in 2018 and end-2024, making up 10.1% of individual client base.
Green Consumption Power@O-Bank	SDGs 12. Responsible Consumption and Production	To support cardholders' sustainable consumption, purchases from cooperating green brands with O-Bank debit cards receive 4.22% cash back (reflecting April 22 Earth Day).	<ol style="list-style-type: none"> 1. Taiwan's first bank to promote conscious consumption. 2. Exceeded 45,000 people have participated between program launch in 2019 and end-2024. 3. Worked with a total of 30 B Corporations and social enterprises in 2024. 	Received "Buying Power – Social Innovation Products and Services Procurement" special recognition award in 2020.

Project	Sustainable Development Goals (SDGs)	Program Description	Environmental/Social Impact	Business Impact
Social Impact Program	SDGs 1. No Poverty	Clients' Social Impact Program deposits are designated for loan applications by the economically disadvantaged. The Bank provides small, zero-fee, and low-interest impact loans designated for low- and middle-low-income households, families in special circumstances, those caring for physically or mentally disabled family members, persons with physical disabilities, Indigenous peoples, and new immigrants, to help them during urgent situations.	<ol style="list-style-type: none"> 1. Supported a total of 105 economically disadvantaged families with impact loans between program launch in 2020 and end-2024, including 36 families in 2024. 2. Worked with five nonprofits and social enterprises in 2024 helping disadvantaged people find employment. 	<ol style="list-style-type: none"> 1. In 2022, adopted the Social Return on Investment (SROI) methodology developed by Social Value UK to publish an evaluation report, which found an SROI index of 5.61. The evaluation report was certified by Social Value International in 2023. 2. Received "Buying Power – Social Innovation Products and Services Procurement" special recognition award in 2021. 3. Total disbursed loans have exceeded NT\$8.64 million between program launch in 2020 and end-2024, including 2.92 million disbursed in 2024.
Consumer Spending Carbon Calculator and Low-Carbon Lifestyle Debit Card	SDGs 12. Responsible Consumption and Production SDGs 13. Climate Action	<ol style="list-style-type: none"> 1. First in Taiwan to provide "Consumer Spending Carbon Calculator" function. O-Bank's Mastercard clients can check estimated carbon emissions for each charge for free. 2. Launched "Low-Carbon Lifestyle Debit Card" linking carbon emissions from charges with cash back. Lower carbon emissions per NT\$1 enjoy higher percentage of cash back. Clients purchasing from cooperating B Corporations and social enterprises with O-Bank credit cards receive 4.22% cash back (reflecting April 22 Earth Day), as well as brand discounts. 	<ol style="list-style-type: none"> 1. First bank in Asia to adopt MasterCard's Carbon Calculator, Taiwan's first bank to determine cash back percentage based on carbon emissions, establishing consumer carbon consciousness. 2. Low-Carbon Lifestyle Debit Card uses 82% biodegradable material, receiving Climate Impact Partners' "Carbon Neutral" mark, and lowering the environmental burden of the physical card. 3. Low-Carbon Lifestyle Debit Card collaborated with 26 B Corporations and social enterprises in 2024. 	<ol style="list-style-type: none"> 1. Average charges by Low-Carbon Lifestyle Card holders at green shops are 12 times higher than the overall client base. 2. Average savings of Consumer Spending Carbon Calculator users are 1.83 times higher than the overall client base. 3. Proportion of linking e-payment methods for Consumer Spending Carbon Calculator users is 3.01 times higher than overall customer base. 4. Received "Buying Power – Social Innovation Products and Services Procurement" special recognition award in 2023.

Project	Sustainable Development Goals (SDGs)	Program Description	Environmental/Social Impact	Business Impact
Transportation Carbon Reduction Details and Transportation Carbon Reduction Card	SDGs 12. Responsible Consumption and Production SDGs 13. Climate Action	<ol style="list-style-type: none"> 1. In partnership with iPASS, O-Bank launched the "Transportation Carbon Reduction Details" feature. Customers with O-Bank iPASS card functionality can check, free of charge, the estimated carbon reduction achieved by using public transport compared to private car use. 2. O-Bank issued Taiwan's first "Transportation Carbon Reduction Card," which provides cash rebates based on a customer's accumulated transportation carbon reduction – the greater the reduction, the higher the rebate. 	<ol style="list-style-type: none"> 1. O-Bank is the first bank in Taiwan to integrate with the iPASS Transportation Carbon Reduction Details, helping customers understand the environmental impact of public transportation and gradually build carbon awareness. 2. It is also the first bank in Taiwan to offer transportation benefits based on carbon reduction performance, promoting green mobility through financial incentives. 	Customers who activated the "Transportation Carbon Reduction Details" function and held the carbon reduction card had an average deposit balance more than double that of the general customer base.
O for YOU Assistance Savings Project	SDGs 1. No Poverty	Launched the "O for YOU Assistance Savings" project in August 2023, offering exclusive deposits designated for economically disadvantaged groups and caregivers of relatives with disability certificates. The deposits offer up to a 5% annual interest rate on NT Dollar savings, encouraging economically disadvantaged individuals to gradually accumulate assets and transform their economic situation.	As of the end of 2024, provided designated savings accounts with interest rate incentives to 37 economically disadvantaged individuals, including three low-income households, seven middle-low-income households, 17 caregivers of disabled relatives, and three family with special circumstances, and seven physically handicapped.	Assistance savings deposits of over NT\$2.51 million.
Circle of Care Inclusive Savings Program	SDGs 1. No Poverty	In August 2024, O-Bank launched the "Circle of Care Inclusive Savings Program" offering a tiered-interest savings account with annual interest rates up to 3% in NT Dollar for qualified new immigrants and Indigenous peoples.	This program encourages long-term saving to help economically disadvantaged new immigrants and Indigenous peoples accumulate assets and improve financial stability.	-

Project	Sustainable Development Goals (SDGs)	Program Description	Environmental/Social Impact	Business Impact
Developing Talent for the Future	SDGs 8. Decent Work and Economic Growth	<ol style="list-style-type: none"> 1. The "Summer Seed Internship Program" provides finance internships to underprivileged students, with managers from each department of O-Bank teaching professional financial knowledge and work skills during the period of the internship, improving their future employment competitiveness. 2. "Long-term Scholarship and Employment Program for Outstanding Interns" selects outstanding interns for scholarships each semester and guaranteed employment, giving underprivileged students peace of mind while pursuing studies and employment upon graduation. 3. Through university classes taught by O-Bank managers and enterprise visits by university students, O-Bank helps university students understand enterprise operations and connect with industry practice. 	<ol style="list-style-type: none"> 1. A total of 44 underprivileged students have participated in the "Summer Seed Internship Program" between program launch in 2015 and end-2024, including two participating in 2024. 2. A total of eight outstanding interns were selected to join the "Long-term Scholarship and Employment Program for Outstanding Interns" between program launch in 2018 and end-2024. 3. Worked with one university to open a course, and held three university student enterprise visits in 2024. 	A total of three interns were employed at O-Bank after graduation between program launch in 2018 and end-2024.
Community Service and Donations	SDGs 17. Partnerships for the Goals	O-Bank supports nonprofits through donations over the long term, helping nonprofits in different fields to continue making a social impact. In addition, O-Bank holds resource drives with employees, donating receipts and used books to those who need them.	<ol style="list-style-type: none"> 1. Total value of charity donations in 2024 was NT\$22,096,500 (including material donations). 2. Employees donated 795 receipts and NT\$1,917 to nonprofit organizations in 2024. 3. O-Bank staff collectively donated 438 books in 2024 to provide rural students with reading and entertainment resources. 4. In 2024, O-Bank purchased 15 "Village and Neighborhood Offering Boxes" and provided them to the Chief of Huhsing Village for donation to economically disadvantaged families, supporting marginalized people with urgent needs. 	-
Tree Planting Activities	SDGs 13. Climate Action	As part of the Taiwan B Corporations Tree Planting Project, members of O-Bank Community Volunteer Club participated in tree planting activities.	In 2024, as part of the Taiwan B Corporations Tree Planting Project, ten volunteers of O-Bank joined fellow B Corporations in planting 300 trees at Taipei Zoo.	-

8.1.1 O-Bank's Approach

Since O-Bank was first founded in 1999, we have embraced the ideals of giving back to society and engaging in sustainable business, and has carried out our corporate culture of "Always Sincere, Always Here" across social outreach and philanthropic activities. In recent years, O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank works hard to promote financial literacy and care for children's emotional needs, and has designed a variety of highly educational activities in hopes of reducing the inequality of opportunity that results from the urban-rural divide. In addition, O-Bank has also cooperated actively with social enterprises and B Corporations, tapping into the strength of enterprises to mitigate environmental and social problems. In addition to holding a series of procurement events, O-Bank has also launched special services designed specifically to support the development of social enterprises and B Corporations.

In addition, since reorganizing as a commercial bank, O-Bank has begun to provide retail digital financial services, and has launched a series of financial products with CSR features. The idea is to use our power as a financial institution to give back to society and create a prosperity in which O-Bank, consumers, and society can all share. In 2018, O-Bank launched a Charity Affinity Card platform that makes it easy for customers to engage in charitable giving by taking the cashback rewards from purchases and redirecting them to selected non-profit organizations. In 2019, O-Bank launched the "Green Consumption Power@ O-Bank" project to encourage consumers to buy products that have a positive impact on the environment and society. This act established O-Bank as the first bank in Taiwan to advocate for conscious consumption. In 2020, O-Bank further deepened the link between financial services and corporate social responsibility when launched the "Social Impact Program". The funds deposited in these special accounts will be used solely for the specific purpose of backing microloans to help economically disadvantaged persons deal with financial emergencies. In 2022, O-Bank was the first in Taiwan to launch a "Consumer Spending Carbon Calculator" function that can be used to check the carbon footprint of card purchases. In this manner, O-Bank has joined with customers to achieve low-carbon lifestyles. We all intend to do our part to mitigate climate change. In 2023, O-Bank launched the "O for YOU Assistance Savings", a project offering special NT Dollar deposits with a maximum annual interest rate of 5% economically disadvantaged groups, encouraging them to accumulate assets. In 2024, O-Bank partnered with iPASS to launch the "Transportation Carbon Reduction Details" feature, which allows customers to track their carbon reduction from using public transportation compared to driving private vehicles. Simultaneously, the Bank introduced the "Transportation Carbon Reduction Card," which offers benefits based on the amount of carbon reduced through eco-friendly transit choices.

In line with our belief that a company should give back to society on an ongoing basis, O-Bank established the O-Bank Education Foundation (O-BankEF) in the year after our founding. In the O-BankEF's early years, it focused especially on encouraging youth to have the courage to innovate, start up new businesses, and pursue their dreams. The O-BankEF held the "WeWin Entrepreneurship Competition" for ten years in a row, and tapped into the resources of industry, government, and academia to support youth entrepreneurship. In recent years, however, as society has grown increasingly diverse, culture and creativity have come to attract more and more attention, and the Foundation has shifted its focus to arts and education activities. The O-BankEF uses the concert hall and art gallery at the O-Bank headquarters building in Neihu Technology Park to hold concerts, seminars, and exhibits, which local residents are invited to attend. Since 2010, the O-BankEF has held the "Stars of TiDing" art advocacy project as a venue for new and aspiring artists. In these and other ways, the Foundation has done much to enrich Taiwanese culture. In 2022, O-BankEF initiated the project's next stage, the "Stars of TiDing 2.0" project grants, encouraging young arts and music works to connect creativity with society through the spirit of transdisciplinary collaboration.

8.1.2 O-Bank Community Volunteer Club

O-Bank established the O-Bank Community Volunteer Club in 2015 to take part in community service work. O-Bank Chairperson Tina Y. Lo, who chairs the Bank's ESG Development Working Committee, serves as the Club's honorary president. Employees who spend their working hours striving to achieve strong business results also have opportunities as Club members to do their part for the community and give back to society. O-Bank offers paid community service leave to encourage employees to take active part in community service activities, and there is no limit on the number of days that employees can take off to participate in activities organized by the O-Bank Community Volunteer Club. As of the end of 2024, 133 employees were members of the Club, or 11.81% of the company's total employees in Taiwan. O-Bank employees put in a total of 210 hours of volunteer service, for an average of 0.19 hours of volunteer work per employee.

Table 8-2: Volunteer Work by O-Bank Community Volunteer Club, 2023~2024

	2024	2023
Number of volunteers	133 people	150 people
Percentage of total employees in Taiwan	around 11.81%	around 13.9%
Total volunteer hours	210 hours	286 hours
Average volunteer hours per employee	0.19 hours per person	0.27 hours per person

8.2 Caring for Students in Remote Areas

Since 2015 O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank has helped to start up a diverse range of extracurricular learning activities, including financial literacy classes, student anti-fraud education, the "Cinema for the Mind" events, the "Kids Helping Others" program, and community service programs on holidays to provide students with many different kinds of learning and life experiences.

Table 8-3: Activities to Care for Students in Remote Areas, 2023~2024

	2024	2023
Number of sessions	10	9
Participation by volunteers	28 people	31 people
Entities served	3	3

1. Student Anti-fraud Education

With fraud methods constantly evolving in recent years, and as internet usage extends to younger age groups, schoolchildren are increasingly exposed to the risks of online scams. To establish early awareness and empower children to play a role in preventing fraud at home, in 2024, O-Bank held two student anti-fraud education at Pinglin Elementary School in Pinglin District and Jiqing Elementary School in Ruifang District of New Taipei City. Through role-playing, pictures, and other fun educational activities, O-Bank introduced 48 students in rural schools to common scams and how to prevent them, such as failed bank transfers, game points scan, text message phishing, impersonating families, or internet dating fraud.



O-Bank volunteers held two student anti-fraud education at Pinglin Elementary School and Jiqing Elementary School

2. Financial Literacy Activities

To help students in remote areas develop a proper understanding of savings and personal financial planning, O-Bank and the digital content creator Taiwan Bar Studio have jointly created a financial literacy animated video entitled "The Emperor's Tailor," a fun and innovative way to familiarize students with the significance of money and the concept of financial planning. In the process, children are spurred to think about the meaning of wealth. These community service teaching materials have been provided free of charge to 22 county and municipal Bureaus of Education throughout Taiwan for incorporation into elementary school curricula. In addition, the O-Bank Community Volunteer Club has held one financial literacy activities in 2024 at Pinglin Elementary School in Pinglin District of New Taipei City, with a total of 17 students participating. At these activities, members of the O-Bank Community Volunteer Club helped students to understand the content presented in animated videos and led discussions about life planning to encourage students in remote areas to think about their futures and expand their horizons. Students also played the game of Monopoly to develop a correct understanding of savings and financial planning.



O-Bank volunteers held a financial literacy activity at Pinglin Elementary School

3. "Cinema for the Mind" Events

To enable children from remote areas to enjoy the beauty of films, pick up the humanitarian spirit inherent in the story lines, and develop a different sort of world view, O-Bank introduces movies with educational value at remote schools. In 2024, O-Bank held two "Cinema for the Mind" events at Jiqing Elementary School and Pinglin Elementary School in New Taipei City, with a total of 29 students participating. Members of the O-Bank Community Volunteer Club conducted discussions where students talked about their thoughts and feelings after watching the movies. Cinema-inspired education activities thus served to enrich the mental universe of young students. In addition, O-Bank purchased animated DVDs (complete with copyright clearance for charity broadcast purposes) and donated them to the schools, which are thus licensed in perpetuity to broadcast the DVDs on school property. This affords more students opportunities to view and learn from the movies.



O-Bank held a "Cinema for the Mind" event at Jiqing Elementary School



O-Bank held a "Cinema for the Mind" event at Pinglin Elementary School

4. Holiday Care Activities

To accompany rural schoolchildren in celebrating holidays, O-Bank Community Volunteer Club regularly visits rural schools to organize festive caring activities. In May 2024, volunteers visited Jiqing Elementary School in Ruifang District, and Pinglin Elementary School in Pinglin District New Taipei City, to hold a "Mother's Day DIY Creative Handcraft" event. They led 46 students in a DIY crafting session to create gifts expressing gratitude to their mothers. By celebrating the holiday with children in a fun and education way, this event teaches children to express their gratitude to their mothers through handmade gifts, giving the holiday deeper meaning. In December, volunteers held a holiday care activity at Jiqing Elementary School and Pinglin Elementary School again. In this activity, the O-Bank volunteers led 33 children as they engaged in crafts projects to make Christmas gift items. Volunteers led students in simple ingredient into unique Santa Claus figures and sharing ways to help others, showing them that they can be a Santa Claus that brings warmth to someone's life and giving deeper meaning to the holiday.



Members of the O-Bank Community Volunteer Club held a Mother's Day care activity at Jiqing Elementary School



Members of the O-Bank Community Volunteer Club held a Christmas care activity at Pinglin Elementary School

5. "Kids Helping Others" Program

To familiarize young students in remote areas with the concept of "fulfilling oneself by benefiting others" and afford them the experience of earning money themselves and using it to help others, the O-Bank Community Volunteer Club in December 2024 led a group of 34 students from Minyi Elementary School in Sanxia District of New Taipei City to the social enterprise Victory Kitchen to make cookies, and then held a bake sale at the main lobby of O-Bank main headquarters. In this way, the students experience earning money to pursue their dreams. Afterward, the students of Minyi Elementary School donated the "dream funds" they earned to the World Peace Association, supporting its efforts to help more children in need. Children living in remote areas have long tended to be the recipients of welfare assistance, but O-Bank's "Kids Helping Others" program affords them the experience of using their own resources to help others, and to understand the idea that "fulfilling oneself by benefiting others."



Students from Minyi Elementary School made cookies and held a bake sale at the O-Bank main lobby

8.3 Support for Social Enterprises & B Corporations

O-Bank continued its long-term engagement in a wide variety of exchanges with social enterprises and B Corporations, and takes concrete action in many different ways to support their efforts on behalf of the environment and society. O-Bank wants to take action in more ways to ensure a harmonious co-existence between nature and society. Among the various cooperative projects that O-Bank, social enterprises, and B Corporations undertook in 2024, some of the more notable included: the social enterprise and B Corporations joint market, procurement of products from social enterprises, and social enterprise lectures.

Table 8-4: Activities to Support Social Enterprises & B Corporations, 2023~2024

	2024	2023
Number of sessions	8	8
Cooperating partners	33	33

1. Social Enterprise and B Corporations Joint Market

In recent years, O-Bank has held regular "Social Enterprise and B Corporations Joint Market", inviting social enterprises and B Corporations to sell environmentally and socially friendly products in the lobby of O-Bank's headquarters building, giving O-Bank employees an opportunity to learn about a variety of social enterprises and B Corporations. In December 2024, O-Bank head a Joint Market on Christmas, inviting a total of five social enterprises and B Corporations, including Victory Kitchen, Greeninhand In Hand Food Bank, 2021 Social Enterprise, Aromase, and Blueseeds, and called on all employees to participate, mobilizing the power of employees to support social enterprises and B Corporations and their products through tangible action.



O-Bank invited five social enterprises and B Corporations to set up booths at O-Bank's Joint Market

2. Social Innovation Product Purchasing Arrangements

O-Bank purchases products every year from social enterprises to give as holiday gifts. In 2024, O-Bank made purchases including the "Spring Trio Sauce Gift Set" from Victory Kitchen and the "Red Quinoa Fortune Gift Box" from De Juli's. In addition, O-Bank regularly purchases fruit from Tsaihiya Fruits for the use of our employees. The total amount of these purchases over NT\$1,672,000. Giving products from social enterprises as gifts to employees, customers, and members of the press makes more people aware of the "shared well-being" concept of social enterprises, and hopefully encourages them to buy such products themselves. As a result of this support for the products of social enterprises, O-Bank earned the "Buying Power – Social Innovation Products and Services Procurement" Award from the Small and Medium Enterprise and Startup Administration for the 8th consecutive year in 2024.



O-Bank specifically procured the custom "Spring Trio Sauce Gift Set" from Victory Kitchen as festive gifts for the Lunar New Year

3. Donation of Organic Herbal Hand Cleanser Products

O-Bank and Blueseeds Co. jointly launched the "Adopt an Herb Garden" program, in which O-Bank adopts a specified acreage of herb fields that Blueseeds works using natural farming methods. Extracts from the herbs grown in the adopted fields are made into hand cleanser products that were donated four times in 2024 to two schools with long-term cooperation relationships with O-Bank, Jiqing Elementary School and Pinglin Elementary School, enabling the children of these schools to use the hand cleanser and prevent disease. In addition to protecting the health of children, the program also supports the use of chemical-free natural farming methods and provides stable job opportunities for contract farmers.



O-Bank and Blueseeds Co. jointly launched the "Adopt an Herb Garden" program, in which herbs grown in adopted fields are made into hand cleanser products that are donated to elementary schools

4. Social Enterprise Lectures

O-Bank periodically invites representatives of social enterprises to headquarters building to talk about their thinking regarding the startup and running of their business activities, so that more people can develop a deep understanding of the philosophy of social enterprises and on that basis choose to support their products. In July 2024, O-Bank invited Ms. Hsin-I Chin, founder of the social enterprise "Buy Directly from Farmers," to share her company's philosophy of promoting sustainable agriculture as part of the summer internship courses for university students. In addition, in December O-Bank also welcomed Ms. Yun-I Cheng, founder of "Greeninhand In Hand Food Bank," to speak at the Bank's employee general meeting, introducing the brand's founding vision and its approach to designing environmentally and socially friendly products. These diverse lectures and dialogues enable O-Bank colleagues and interns to reflect on what each person can do as an individual in their daily lives to help the environment and society.



Founder of "Greeninhand In Hand Food Bank", Ms. Yun-I Cheng, was invited to share the brand's founding philosophy at the Bank's employee assembly

5. 21 Days of Green

In response to Earth Day, which falls on April 22 each year, Greenvines, Social Enterprise Insights, and B-Lab Taiwan have joined hands with the Taiwan Environmental Information Association to jointly hold "21 Days of Green" activities, in which the people of Taiwan are invited to opt to live simple green lifestyles for 21 consecutive days and thus act as a positive force for change. In April 2024, O-Bank took part in activities advocated under the "21 Days of Green" campaign, and acted as a cooperating brand while joining in on the "Consumer Spending Carbon Calculator" project in an active effort to promote green consumption.

6. B Corporations Tree Planting Activities

In line with the global pursuit of net-zero emissions, O-Bank participated in the "B Corporations Taiwan Tree Planting Project" in 2024, joining B Corporations partners to plant 300 trees at the Taipei Zoo. In addition to funding the adoption of forest land, the Bank's Community Volunteer Club also took part in the tree planting activities in September of the same year. Through planting trees and engaging in a series of environmental education activities, employees contributed their efforts toward carbon reduction.



O-Bank Volunteer Club participating in a tree planting activities at Taipei Zoo

8.4 Giving back to Society by Taking Advantage of O-Bank Strengths

1. Public Anti-Fraud Promotion Activities

In light of rampant financial fraud cases in recent years, O-Bank, as a financial institution, has a duty to promote and educate the public about various types of fraud, urging everyone to stay vigilant in protecting their assets. In addition to providing anti-fraud information to our clients during regular business interactions, in 2024, we organized 23 anti-fraud awareness sessions across locations such as the Xialiao Community Development Association in Xinpu Township, Hsinchu County, the Hsin-Ning Learning Center of the Taipei Zhongzheng-Wanhua District Resource Center for Persons with Disabilities, and the Naruwan Cultural Settlement in Hsinchu City. These events reached approximately 519 individuals, including seniors, persons with disabilities, Indigenous peoples, new immigrants, and residents of rural areas, to raise awareness of the latest fraud tactics with analyses of real-life fraud prevention cases from our bank, as well as anti-fraud promotion materials from regulatory authorities.



O-Bank held an anti-fraud promotion activity at Xialiao Community Development Association in Xinpu Township, Hsinchu County

2. Financial Literacy Promotion Activities

In support of inclusive finance, O-Bank actively organized financial literacy promotion activities tailored to a wide range of communities, including persons with disabilities, Indigenous peoples, and new immigrants. These activities featured thoughtfully designed, visually engaging materials that introduced various financial products and services in a simple and easy-to-understand manner. Interactive elements were also incorporated to help participants develop a sound understanding of financial concepts and money management. In 2024, O-Bank held seven financial literacy promotion events at locations such as the



O-Bank organized a financial literacy promotion event at the Hsin-Ning Learning Center of the Taipei Zhongzheng-Wanhua District Resource Center for Persons with Disabilities

New Immigrant Care Association in Baoshan Township, Hsinchu County; the Hsin-Ning Learning Center of the Taipei Zhongzheng-Wanhua District Resource Center for Persons with Disabilities; and the Naluwan Cultural Center in Hsinchu City, reaching over 110 participants.

3. "Green Consumption Power" Project

To encourage customers to engage in green consumption by purchasing products that have a positive impact on the environment and society, the "Green Consumption Power@O-Bank" project was launched in late 2019. Consumers using O-Bank's debit cards to purchase brands participating in green consumption get a cashback reward of 4.22% (the "4.22" percentage alludes to the fact that Earth Day falls on April 22 each year) from O-Bank, which supports consumers' choices. Under the Green Consumption Power project, there is a monthly cap on the amount of cashback rewards that each cardholder can receive per month. The idea is to encourage the type of consumption that will contribute to environmental protection and fair trade without encouraging overconsumption. O-Bank is the first bank in Taiwan to advocate for conscious consumption. As of the end of December 2024, more than 45,436 persons have participated in the "Green Consumption Power@O-Bank" project, with approximately 11,863 participating in 2024, and O-Bank brought together 30 social enterprises and B Corporations to promote conscious consumption, as shown below:



O-Bank has set an industry first by promoting the concept of conscious consumption

Fig.8-3 : Green Brands in the "Green Consumption Power@O-Bank" Project



4. O-Bank Social Impact Program

Many disadvantaged persons in our society with an urgent need for cash find it difficult to obtain bank loans or to receive such loans on relatively favorable terms, and this ends up causing them even bigger problems in living. To help such persons through difficult times, O-Bank launched the Social Impact Program in late 2020. O-Bank invites customers to open time deposit accounts under the Social Impact Program, and the funds deposited in these special accounts are used solely for the specific purpose of backing microloans that will be provided with no processing fee and at low interest rates to help economically disadvantaged persons deal with financial emergencies. O-Bank intends to take advantage of our banking expertise and tap into the power of our customers to arrange for funds from the exact same sources as before to have an impact unlike that of before.

O-Bank cooperates with NPOs and social enterprises that provide job mentoring to the economically disadvantaged, and relies on the evaluations and referrals of the cooperating entities to help persons employed or mentored by those entities to obtain needed funds. In addition, some of the cooperating entities arrange for loan payments to be withdrawn from each paycheck. Borrowers can thus build up a good credit record that will make it easier for them to obtain loans from banks in the future. Entities cooperating with O-Bank on the Social Impact Program include the First Social Welfare Foundation (including DIYI Social Enterprise), Taiwan Women's Development Association (including the Taipei City Pine Age Social Welfare Foundation), Sunny Bubao Sewing Cooperative, Good Food Enterprise Co., Ltd. and Jieh Huey Foundation.

影響力存款

二年期定儲年利率 **1.72%**

幫助經濟弱勢重建生活

O-Bank Social Impact Program

 <p>第一社會福利基金會 The First Social Welfare Foundation</p>	<p>The First Social Welfare Foundation over the years has gradually evolved into a sheltered cleaning team (DIYI Social Enterprise) that hires persons with disabilities, middle-aged and elderly seeking to return to the workforce, women who are either single mothers or have suffered domestic abuse, and other disadvantaged persons. These jobs help the employees to improve their finances and lives.</p>
	<p>The Taiwan Women's Development Association provides job training to women from dysfunctional families to help them achieve economic independence. And for underprivileged women seeking to rejoin the workforce, the Association provides opportunities to work as long-term caregivers.</p>
	<p>Sunny Bubao Sewing Cooperative was founded after a major typhoon in 2009 to create jobs for women who had lost their homes to the typhoon in Shanlin District of Kaohsiung City in southern Taiwan.</p>
 <p>食藝餐飲有限公司 Good Food Enterprise Co., Ltd.</p>	<p>Good Food Enterprise Co., Ltd runs a restaurant chain that provides job opportunities to disadvantaged women and youth. In this manner, the company actively supports its economically disadvantaged employees, attaches great importance to Sustainability concerns, and seeks to make a difference.</p>
 <p>介惠基金會</p>	<p>Jieh Huey Foundation, acting in line with the principle of "locals helping locals," provides professional care to the elderly and infirm, and creates job opportunities for local women and youth, thus continuing to empower remote communities and promote the provision of professional care services.</p>

In addition to allowing economically disadvantaged employees and successfully mentored employees of the Social Impact Program's cooperating entities to apply for Social Impact Loan, in 2021 and 2022, O-Bank further expanded eligibility to anyone in Taiwan holding government-issued proof of low income or middle-low income status, those with proof of meeting the government's definition of "a family in hardship," and those caring for a relative with a certificate of disability. In May 2024, the program further broadened to include "persons with physical disabilities," "Indigenous peoples," and "new immigrants" who meet the Bank's income criteria. In addition to full exemption from processing fee, the borrower will enjoy a 2% interest rate discount compared to the general annual rate, so that more people with a need will be able to obtain bank loans and get through difficult times. As of the end of 2024, a total of 421 applications were received, and 105 economically disadvantaged households successfully received "Social Impact" loans. A total of 130 applications were submitted in 2024, including 32 from low- or middle-low-income households, three from families with special circumstances, and one from caregiver of relatives with certified disabilities received "Social Impact" loans.

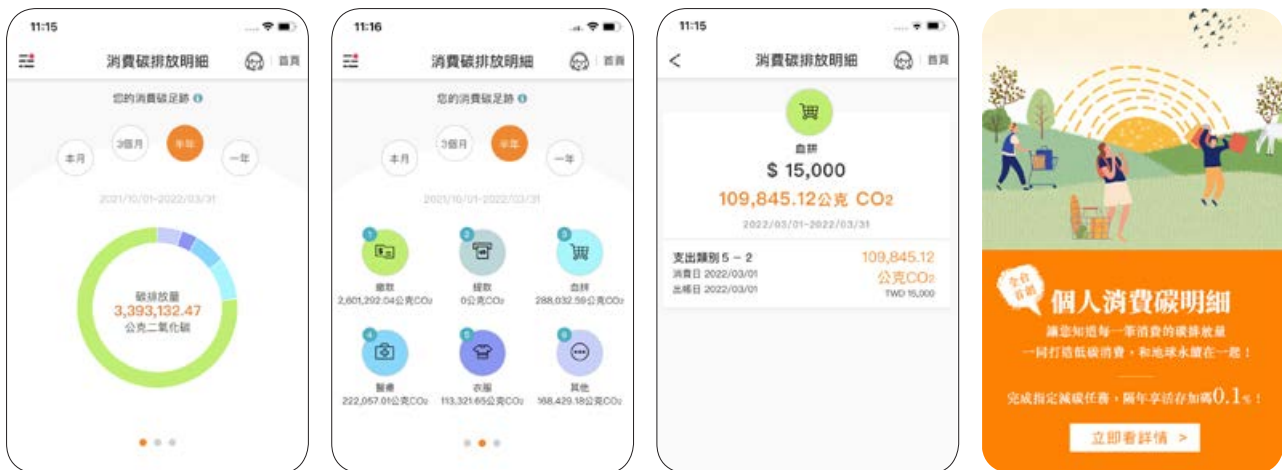


O-Banks Social Impact Program receives SROI certification

To understand and measure the influence of the Social Impact Program on society, in 2022 O-Bank adopted the Social Return on Investment (SROI) methodology. This methodology developed by Social Value UK gathers feedback from stakeholders through qualitative interviews and quantitative surveys, and calculations and analysis arrived at a SROI index of 5.61, meaning that every NT\$1 invested creates NT\$5.61 in social value. O-Bank's "Social Impact Loan Program Social Return on Investment Evaluation Report" was certified by Social Value International in January 2023, showing international organizations' recognition of the Social Impact Program.

5. Consumer Spending Carbon Calculator and the "Low-Carbon Lifestyle Debit Card"

In response to climate change and efforts to reduce carbon emissions, O-Bank, in addition our commitment to achieving net zero carbon emissions at all business locations by 2050, also hopes to use our power as a financial institution and work together with customers to achieve energy conservation and carbon reduction. In March 2022, O-Bank launched Taiwan's first "Consumer Spending Carbon Calculator" function and became the first bank in Asia to adopt MasterCard's Carbon Calculator. All holders of an O-Bank Mastercard who apply to activate the "Consumer Spending Carbon Calculator" function can use the function to see an itemized list of carbon emissions for every purchase paid for via the O-Bank online banking site or using the O-Bank mobile banking app, which means that customers can begin to understand how much effect their goods and services purchases have upon the environment. This may prompt a gradual shift toward more conscious consumption and lower-carbon lifestyles.



Consumer Spending Carbon Calculator

In addition to making a "Consumer Spending Carbon Calculator" function available completely free of charge, O-Bank has also launched the Low-Carbon Lifestyle Debit Card, the first debit card in Taiwan that makes it possible to set cashback reward percentages on the basis of carbon emissions. When a consumer's average carbon emissions per NT Dollar spent in a given month are below a specific level, that consumer receives an extra 0.5% cashback reward on all purchases made that month. In this way, O-Bank encourages customers to adopt low-carbon lifestyles. In addition, O-Bank has invited long-term social enterprise partners and B Corporations partners to become Low-Carbon Lifestyle Debit Card participating green shops. An O-Bank customer that uses a Low-Carbon Lifestyle Debit Card to pay for the purchase of products from any of 26 green shops can receive an extra cashback reward of 4.22% plus brand discounts. In this manner, O-Bank continues encouraging customers to buy socially and environmentally friendly products.



O-Bank's Low-Carbon Lifestyle Debit Card receives the "Carbon Neutral" certification mark from Climate Impact Partners

O-Bank's "Low-Carbon Lifestyle Debit Card" is made out of 82% biodegradable polylactide (PLA) produced from inedible corn, eliminating the petrochemicals commonly used in cards. Emissions produced in the process of manufacturing the card are offset through participation in six global carbon exchange programs, achieving carbon neutrality. As a result, the Low-Carbon Lifestyle Debit Card has received the "Carbon Neutral" certification mark from Climate Impact Partners, reducing the burden "plastic currency" places on the earth at the source.



Low-Carbon Lifestyle Debit Card

26 social enterprises and B Corporations have become Low-Carbon Lifestyle Debit Card participating green shops

6. Transport Carbon Reduction Details and Transport Carbon Reduction Card

In 2024, O-Bank collaborated with iPASS to introduce the "Transport Carbon Reduction Details" feature, becoming the first bank in Taiwan to connect to the iPASS transportation carbon emission database.

Customers with O-Bank iPASS card functionality can activate the Transport Carbon Reduction Details feature to view their carbon reduction from using public transportation compared to driving a car. Furthermore, O-Bank utilized this feature to launch the "Transport Carbon Reduction Card," the first card in Taiwan where transportation discounts are determined by the amount of carbon reduced from transportation. The more carbon reduction a customer accumulates, the higher the cashback they can receive, encouraging customers to use public transportation more frequently and promoting more carbon reduction actions together with the customers.



Transportation Carbon Reduction Details



Transport Carbon Reduction Card

7. O for YOU Assistance Savings Project

The "O for YOU Assistance Savings Project" was launched by O-Bank in August 2023 to encourage economically disadvantaged groups to save and gradually accumulate assets. It offers tiered NT dollar savings incentives, with a maximum annual interest rate of 5% on deposits up to NT\$100,000 for households with low incomes, middle-low incomes, those with proof of special circumstances, and individuals caring for relatives with government-issued disability certificates or proof of disability whose income qualifies for application, and individuals with physical disabilities. As of the end of 2024, a total of 37 economically disadvantaged individuals applied for "O for YOU Assistance Savings", including three low-income households, seven middle-low-income households, 17 caregivers of disabled relatives, three families with special circumstance, and seven individuals with physical disabilities, with total deposits of more than NT\$2.51 million under the project.



O-Bank O for YOU Assistance Savings Project

8. Circle of Care Inclusive Savings Program

To continue supporting and caring for Taiwan's diverse communities, O-Bank launched the "Circle of Care Inclusive Savings Program" in August 2024. This program offers a tiered savings interest rate of up to 3% per annum in NT Dollar for eligible new immigrants and indigenous peoples across Taiwan whose income meets specified criteria. The initiative aims to encourage long-term savings, empower participants to build assets steadily, and help them accumulate their "first pot of gold" in life.



O-Bank Circle of Care Inclusive Savings Program

8.5 Developing Talent for the Future

8.5.1 Internship Program for Students from Underprivileged Backgrounds

1. O-Bank Summer Seed Internship Program

O-Bank launched a Summer Internship Program in 2012 to provide summer internship opportunities for customers' children who are enrolled in universities. The scope of participation was expanded in 2014 to include the children of O-Bank employees, so that children of O-Bank employees who are interested in the financial industry can have a rich range of experiences both in the classroom and at internship jobs. The internship program participants spoke highly of the program, so O-Bank in 2015 launched a new O-Bank Summer Seed Internship Program to make internships additionally available to students from underprivileged backgrounds. In addition to gaining financial knowledge and undergoing training at actual institutions, seed program participants are also paid for their work. This makes their summer jobs all the more meaningful, and prepares them to be more competitive in their future job searches.

The O-Bank Summer Seed Internship Program includes both classroom lectures and internships. In the classroom lectures, senior O-Bank colleagues teach the students about their various financial specialties and describe the operations of O-Bank's different divisions. These lectures enabled the interns to quickly develop a comprehensive understanding of business practices in the banking industry. In the internships, the participants all serve in different units, including key units engaged in such areas as sales and back office operation. Each intern has opportunities to become deeply familiar with actual banking operations. O-Bank employees take them on tours of O-Bank's corporate customers, and accompany them in writing reports. At every step of the process, the purpose is to allow the interns to gain industry knowledge and practical experience and does not treat students as temporary workers who deal with general affairs. The Summer Seed Internship Program accepted two students from underprivileged families in 2024, and 44 since the program began and three of them joined O-Bank as full-time or part-time employees after graduating.

2. Long-term Scholarship and Employment Program for Outstanding Interns

O-Bank feels it is very worthwhile for the business community to provide underprivileged students who are short on resources but long on determination with extra resources to assist them in developing their careers. O-Bank deeply appreciates talent, and for that reason in 2018 launched the "Long-term Scholarship and Employment Program for Outstanding Interns" in which interns who excel in the Summer Seed Internship Program and are officially declared to be from a low- or middle-low-income background are granted scholarships amounting to NT\$50,000 per semester. Scholarship funds are disbursed from the time a student is selected until graduation, and upon graduation they can be recruited by O-Bank. By

means of this long-term support, O-Bank hopes to afford underprivileged students a smoother and more worry-free academic experience, and to facilitate their direct entry into the workforce upon graduation. As of the end of 2024, eight outstanding students have been selected to take part in this program.

8.5.2 Cooperation with Schools

1. University Courses

To help more students understand financial practice and the importance of carrying out corporate social responsibility, in the second half of 2024 O-Bank collaborated with the National Taiwan University Economics Department to open the "O-Bank Finance and Industry Practical Course". O-Bank managers shared their experience in topics including corporate finance, digital finance, risk management, fintech, information security, sustainable finance. In addition to familiarizing students with banking practices, one purpose of the lectures was to instill in students an awareness that, in addition to earning profits, a company needs to address environmental and social issues. A second purpose was to encourage students when they eventually enter the work world to do their part to contribute to CSR undertakings.



O-Bank personnel teaching a course at the National Taiwan University Economics Department

2. University Students Enterprise Visits

O-Bank hosts visits each year by school groups to help students understand business operations and the financial industry. In 2024, O-Bank hosted a total of three university student visits, welcoming students and teachers from National Taiwan University of Science and Technology, National Chengchi University, and Takming University of Science and Technology. The visits familiarize students with banking operations and digital banking trends, and to let them know what sorts of skills and traits are needed by financial industry personnel.



Students from Takming University of Science and Technology visited O-Bank for an on-site learning experience

8.6 Charity Donations and Participation in Public Associations

8.6.1 Donations in 2024

By engaging with and providing sponsorship to related industrial associations and NGOs, O-Bank has worked with them to promote sustainable development throughout the industry, environment, and society. When O-Bank engages with and provides sponsorship to industrial associations and NGOs, the ones we work with have been selected following a very exacting and prudent selection process in which we examine the association's or NGO's purpose of founding, the philosophy it espouses, and the state of its operations to see whether it is in line with our corporate social responsibility principles, and whether it agrees with our positions. Depending on the amount of funding we intend to provide, approval of the donation must come from different levels of management, such as the Chairman, the Executive Board, or the Board. In addition, all donations to political parties, political organizations, or candidates for public office require approval from the Board regardless of the value of the donation.

Total charitable donations by O-Bank in 2024 amounted to NT\$22,096,500. Included among the recipients were the O-Bank Education Foundation, the NTU Economic Research Foundation, and the Ministry of Education Sports Administration, showing O-Bank's concern for matters involving arts, culture, education and sport. In addition, O-Bank has donated to the Taiwan Women's Film Association to support the development of Taiwan's film and television industry and gender equality issues; donated to the Penghu Marine Biology Research Center of the Fisheries Research Institute, Ministry of Agriculture, to support ecological conservation initiatives, among others; donated to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) to help fund their participation in public discourse concerning financial, economic, and industrial policies. O-Bank also makes material donations to support a number of charity partners and economically disadvantaged groups. For example, O-Bank took DVDs complete with copyright clearance for charity broadcast purposes purchased for the "Cinema for the Mind" event, as well as Blueseeds hand cleanser from the "Adopt an Herb Garden" program, and donated them to Jiqing Elementary School and Pinglin Elementary School. A portion of offerings for Pudu Festival were "Village and Neighborhood Offering Boxes" purchased from Global ESG, and goods offered were donated to the office of the Chief of Huxing Village, Neihu District for distribution to marginalized families. Details of all O-Bank external donations in 2024 are listed below in Table 8-5.

Table 8-5: Donations Made by O-Bank in 2024 Unit: NT\$

Recipient	Amount
O-Bank Education Foundation	13,000,000
Sports Administration, Ministry of Education	7,000,000
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	900,000
Criminal Investigation and Prevention Association	600,000
Penghu Marine Biology Research Center of the Fisheries Research Institute, Ministry of Agriculture	98,500
Eisenhower Fellowship Foundation of the Republic of China	30,000
Chang Bing Show Chwan Memorial Hospital	150,000
NTU Economic Research Foundation	160,000
Taiwan Women's Film Association	110,000
Jiqing Elementary School, Ruifang District & Pinglin Elementary School, Pinglin District, New Taipei City (material donations)	39,000
Underprivileged households in Huxing Village, Neihu District, Taipei City (material donations)	9,000
Total	22,096,500

Note: This table does not include cash-back donations from charity affinity cards.



O-Bank sponsors the Chang Bing Show Chwan Memorial Hospital 2024 "B.E.S.T. Innovation Class"

8.6.2 Combining the Efforts of Our Colleagues to Raise Donations

O-Bank holds book drives each year to narrow the urban-rural resource gap. In 2024, O-Bank gathered the power of its employees to donate 438 used books to the online secondhand book platform SPBook for its "Build Children's Dreams with Reading" program. This program converts books donated by the public to purchasing vouchers and provides them to rural schools, enabling students to purchase the books they need through the SPBook platform and addressing the mismatch between donations and students' needs. In addition, O-Bank set up a receipt donation box in O-Bank headquarters building. Receipts thus collected are donated periodically to Eden Social Welfare Foundation, the Taiwan Foundation for Rare Disorders, and the Sunshine Social Welfare Foundation. Additionally, O-Bank combines employee benefits with public welfare activities by inviting car wash vendors to regularly provide car wash services and exclusive discounts at the O-Bank headquarters building. Employees are encouraged to donate their spare change from these discounts to the Taiwan Environmental Information Association donation box to support the association's environmental protection efforts.



O-Bank collects and donates secondhand books

8.6.3 Participation in Public Associations

For many years, O-Bank has actively participated in relevant trade and industry associations to share practical experiences with other companies on issues such as sustainable development and industrial transformation. O-Bank also participates to joint provide suggestions to the government to leverage corporate influence and encourage government policies to guide more businesses towards sustainable development. In particular, concerning the increasingly important issue of climate change, O-Bank actively participates in trade and industry associations' climate change initiatives. If the climate change policies of any participating association differ from the Paris Agreement – which O-Bank has publicly committed to following – the Bank will first initiate dialogue with the association regarding its climate change stance and policies. A clear timeline for review has been established, and if initial engagement proves unsuccessful, the level of engagement will be escalated, with formal discussions conducted through representatives appointed by the Bank. Should alignment still not be reached, the Bank will evaluate the option of withdrawing from the association to ensure its affiliations are consistent with the climate goals of the Paris Agreement. O-Bank's expenditures for participation in trade and industry associations in 2021~2024 are detailed in Table 8-6, the top three policy-influential organizations in which O-Bank invested the most funds in 2024 are listed in Table 8-7, and the issues and operations of these associations are described in Table 8-8.

Table 8-6: O-Bank Spending on Public Associations, 2021~2024

Annual Spending	2021	2022	2023	2024
Lobbying, interest representation or similar organizations	879,480	950,950	1,028,535	860,400
Political campaigns/organizations/candidates	0	0	0	0
Trade and industry associations	2,941,854	3,390,195	3,786,979	3,011,957
Other	0	300,000	0	600,000
Total contributions and other spending	3,821,334	4,641,145	4,815,514	4,472,357
Coverage	100%	100%	100%	100%

Table 8-7: Top Three Policy-Influential Organizations Contributed by O-Bank in 2024

Organization	Type of Organization	Total amount Contributed (NT\$)
The Bankers Association of the Republic of China	Trade and industry associations	1,210,268
Chinese National Association of Industry and Commerce, Taiwan	Trade and industry associations	1,010,000
B Lab Taiwan	Lobbying, interest representation or similar organizations	860,400

Table 8-8: Operations and Issues of Concern to Public Associations in which O-Bank Participates

Topic	Corporate Position	Position/Engagement	Total Amount Contributed (NT\$)	Frequency
Achieving the National 2050 Net Zero Target	Tracking the overall climate change response strategy of our country's industries, with the aim of aligning with the Paris Agreement's 1.5°C pathway to help achieve the national goal of net-zero emissions by 2050.	<ul style="list-style-type: none"> O-Bank Chairperson Tina Y. Lo serves as Vice Chairperson of CNAIC signed the CNAIC "1.5°C Climate Action Declaration" committing to align with the government's 2050 net-zero pathway planning and goals and integrating commercial resources for low-carbon transformation of industries, to achieve the Paris Agreement's goal of limiting temperature rise to within 1.5°C. In 2024, in response to the Taiwanese government's 2050 net-zero carbon emissions target, O-Bank submitted policy recommendations to the CNAIC to support Taiwanese enterprises in addressing climate change. These suggestions served as a reference for CNAIC in formulating its proposals to the government. O-Bank has participated in B Lab Taiwan initiatives for many years and has appointed representatives to serve as directors of the association. At the same time, O-Bank signed the B Corporations "Declaration of Interdependence" and continues to sponsor B Lab Taiwan each year, supporting its efforts to promote B Corporations certification. This includes helping businesses establish climate change-related policies and understand issues related to climate change and net-zero carbon emissions. 	1,810,400	Annually

Topic	Corporate Position	Position/Engagement	Total Amount Contributed (NT\$)	Frequency
Promoting police-community cooperation and combating crime to maintain social security	Advancing criminal police academic research and international exchanges, supporting social stability and safeguarding the safety of Taiwanese businesses and expatriates overseas.	<ul style="list-style-type: none"> O-Bank Chairperson Tina Y. Lo serves as a board member of the Criminal Investigation and Prevention Association of the Republic of China. O-Bank has long supported the association's efforts in promoting policing, thereby facilitating academic research and practical exchanges in law enforcement. 	600,000	Non-regular

8.7 Cultivation of Arts and Cultural Education

8.7.1 Nurturing Up-and-coming Arts Talent

To encourage aspiring artists' creative work, the O-Bank Education Foundation (O-BankEF) has carried out the "Stars of TiDing" art advocacy project annually since 2010, provide a platform and generous administrative resources that give young artists an opportunity to display their special talents. Over 15 years, the "Stars of TiDing" project has supported more than 1,000 new talents. It progressed to the next stage in 2022 with the "Stars of TiDing 2.0" project grants, extending resources towards arts development and education to cultivate future artists. In 2024, O-BankEF assisted 111 young artists with 15 exhibitions, supporting a total of 1,401 artists since the project began.

1. Upgrading Support with "Stars of TiDing 2.0", Encouraging New Arts Talent to Collaborate Across Fields

To discover local youth with exceptional creativity and talent, O-BankEF continued to offer the "Stars of TiDing 2.0" project grants, with three categories for applications: visual arts, performing arts, and transdisciplinary arts. The project grants were targeted towards students entering arts-related departments of universities. In addition to providing chosen entrants with the use of the art gallery and the concert hall at the O-Bank Group headquarters building, O-BankEF also provided funding totaling NT\$1.4 million, encouraging students at university arts departments to expand into creative collaboration projects across disciplines.

In 2024, the Foundation continued to hold activities for the selected entrants across three categories under the "Stars of TiDing 2.0" project grants. These events included exhibitions, concerts, transdisciplinary performances, and extended education promotional activities, investing abundant resources toward nurturing young artistic talents. The education promotional activities were not only held at O-Bank headquarters but also extended their reach across campuses, hospitals, and other venues, integrating art into the daily lives of the public. In 2024, 14 selected projects were carried out, including 27 extended activities, supporting a total of 97 individuals, with total expenditures exceeding NT\$1.34 million.

To strengthen arts curation capabilities, Ming-Jiun Tsai, Deputy Director of the Asia University Museum of Modern Art and Adjunct Assistant Professor in the Department of Fine Arts at Tunghai University, serves as curator of the visual arts category of "Stars of TiDing 2.0" in 2025 and held a curator empowerment workshop. In addition to describing the themes and special characteristics of the project grants, speakers from a variety of fields are engaged to deliver lectures and practical experience in exhibitions, developing the necessary skills for arts exhibition curation for the 12 applicants joining the workshop.

"Stars of TiDing 2.0" received 66 proposals across the three categories, including 15 visual arts, 34 performing arts, and 17 transdisciplinary arts. Proposals were rich and diverse in content and 13 proposals were selected in February 2025. Grant recipients receive a total of NT\$1.4 million in grants and put their work on display from May 2025 to April 2026.



Professional curators shared the experience in exhibit and lead group discussions on curation proposals at the "Curator Empowerment Workshop"

Table 8-9: "Starts of TiDing 2.0" Project Grants 2024 Summary As of December 31, 2024

Category	Number of Events	Number of Extended Education Promotional Activities	Artists Supported	Funding (NT\$)
Visual Arts	3	14	25	600,000
Performing Arts	9	8	51	350,000
Transdisciplinary Arts	2	5	21	400,000
Total	14	27	97	1,350,000

2. "Stars of TiDing" Gain Name Recognition with Creative Gift Items

Since 2011, the O-BankEF has selected some of the winning entries from the "Stars of TiDing" exhibition and featured them in the O-Bank's annual desk calendar. These are given as gift items to recipients in the business community, government agencies, customers, and other stakeholders to help the featured artists gain recognition. In 2024, O-Bank adopted the theme of "Memory and Identity," extending the 2023 "Stars of TiDing 2.0" Project Grants with a selection of performance highlights from the grant recipients showcased at O-Bank venues, along with recent works by the three-time first-prize winners of the "Go To Taiwan" competition, and pieces created by the Angels of Taipei Happy Mount in Bali District, New Taipei City. A total of 9,600 calendars were produced, promoting the creative performances of young artists.



Adopting the theme of "Memory and Identity", the O-Bank Group 2025 desk calendar highlights the memory journeys of young artists showcased at O-Bank

8.7.2 Platform for Art Appreciation

Cultural diversity is one of Taiwan's most precious intangible assets. To continue developing our country's cultural soft power, and the O-BankEF actively supports artistic creation. The Foundation not only holds events including performances, exhibitions, lectures, and film screenings, but also encourages grant recipients of the "Stars of TiDing 2.0" project grants to integrate with society and look outwards to plan community collaboration and educational promotion activities. By holding free arts activities, the Foundation builds a shared appreciation of the arts, lowers the barrier to arts appreciation, and expose the public to everyday art, enriching their spirits and lives. Acting on our corporate social responsibility of leveraging art as a medium for social care, the O-BankEF had held a total of 523 arts and cultural activities as of the end of 2024.

1. Performances Series

In addition to arranging performances by young artists selected for the performing arts and transdisciplinary arts categories of the "Stars of TiDing 2.0" project grants, the O-BankEF holds rich and diverse activities including vocal, chamber music, instrumental ensembles and solos, live coding, and dance theater. The chosen entrants planned extension activities for educational promotion at Taiping Elementary School and Neihsu Elementary School in Taipei, as well as the Affiliated Senior High School of National Taiwan Normal University, National Taiwan University of Arts, and the Koo Foundation Sun Yat-Sen Cancer Center. Performers provided easy-to-understand guided listening, leading the audience into a beautiful world of music and raising understanding and appreciation.



Chosen entrants of the 2024 "Stars of TiDing 2.0" Performing Arts Category combined diverse performance styles with rich content

In 2024, nine concerts were selected, including two designed for children: "Huh? Where Did Everything Go?," featuring instrumental ensembles with a storyteller, and "Sound, Color, and Drawing – Peter and the Wolf Meet the Pictures at an Exhibition". Other highlights included "Dancing Notes of Beauty", a vocal-centered program based on Brazilian music; two instrumental-visual productions addressing environmental issues – "Resonating Ideas: Earth" and "In the Future"; as well as four themed chamber music concerts: "Dialogues with the Violin – Ravel and the Violin," "Romantic Legacy from the 17th to

the 20th Century" "Voices of Classics", and "Classic Austria". Two transdisciplinary performance teams were featured: "Sonic Space: Open Structures in Progress" integrated live coding, and audio-visual improvisation; while "LOOP" was an immersive audio-visual installation and dance theater piece exploring the themes of human desire and the essence of life. In 2024, a total of nine concerts, two transdisciplinary performances, and 13 extended education promotional activities were held. The overall audience satisfaction averaged 4.6 out of 5, attracting nearly 3,100 participants in total.

In 2024, the O-Bank EF continued its commitment to fostering young musicians and artists. The Foundation also collaborated with various organizations, including Camerata Music of Taipei and the Taipei Philharmonic Foundation for Culture and Education, to host five master-level concerts. These events featured renowned local and international performers, such as soprano Mon-Chieh Liu and a harp trio presenting the "Spring Melody Concert," acclaimed Taiwanese harpsichordist Hsiu-Tzu Ryan and internationally renowned harpsichordist Frédéric Rivoal co-performing the "Bach and Rameau" Double Harpsichord Concert, notable Taiwanese jazz artists Stacey Wei, aDan, and Guras Batu bringing the "Jazz Trio – From Blues and Classics to Originals" Jazz Concert during the summer, and well-known crossover vocalist Kiki Chang and her band performing the "KIKI with Friends" Crossover White Christmas Concert prior to Christmas. Additionally, in collaboration with the Taipei Philharmonic Foundation for Culture and Education, the Foundation specially arranged for the Spanish Leioa Kantika Korala to perform a midday concert at the O-Bank Concert Hall, offering pure and warm music to our employees. In total, these five master-level concerts attracted nearly 870 attendees, with an average audience satisfaction score of 4.8 out of 5.



The 2024 "Stars of TiDing 2.0" Experimentation and Innovation in Transdisciplinary Arts Category, a truly refreshing performance



The Spanish Leioa Kantika Korala traveled a great distance to present a warm and moving midday concert for O-Bank employees

2. Exhibition Series

Since 2022, the Foundation has introduced the role of "Curator of the Year" to serve as an issue proponent for the Visual Arts category of "Stars of TiDing 2.0". The O-BankEF invited Associate Professor Ching-Wen Chang, Department of Arts and Design, National Tsing Hua University to serve as curator in 2024. Proposals were solicited on the theme of "Sustainability × Environment × Imagination". The Foundation held a "ReGenerating Tomorrow: Sustainability, Environment, and Imagination" exhibition, the exhibition extended its space from O-Bank to the Art Site of Railway Warehouse in Hsinchu City, showcasing works simultaneously. 14 artists from both venues used artistic media as medium to explore sustainability in response to the evolving conditions of contemporary living and the environment.

The three selected projects exhibited in 2024 were: "The Atlas of Disappearing Memories," presenting video and mixed-media works that reflect on cherished individuals in the artist's memory; "Eco Art & Eco Ark," which offers a cultural and ecological examination of human civilization, environmental research, and ecological reflection through video, installations, and sculptures; and "Technological

Fugue," explores the interplay between technology, art, and the humanities in the digital age. During the exhibition period, chosen project teams planned and held extension activities such as artist talks, hands-on workshops, campus outreach programs, and guided exhibition tours, expanding public participation in the arts. During the year, a total of four arts exhibitions, and 23 educational extension and promotion activities were held, with more than 2,300 people attending.



2024 "Stars of TiDing 2.0" invitational exhibition extended from the O-Bank art gallery to the Hsinchu City Art Site of Railway Warehouse



2024 "Stars of TiDing 2.0" featured selected exhibitions Eco Art & Eco Ark and Technological Fugue, with participating artists providing guided tours and insights into their creative processes

3. Art Lectures Series

The O-BankEF annually invites experts from the arts community to deliver lectures on specialized topics. These events give the public a deeper understanding of artistic and cultural matters, and they also give promising young artists opportunities to interact with other art experts. In 2024, the O-BankEF organized a midday music lecture for O-Bank's employees and invited renowned masters from the world of arts and culture to give talks. Additionally, seven public lectures were held, making a total of eight lectures organized. As of the end of 2024, a total of 50 events had been held as part of the art lectures series.

To gather new knowledge and promote lifelong learning, the O-BankEF hosted lectures and forums in collaboration with institutions such as the Egret Cultural and Educational Foundation and Taipei Philharmonic. The Foundation invited renowned Taiwanese papercraft artist Hsin-Fu Hung, Golden Melody Award-winning composer Chris Hou, Poco a Poco Music Education Foundation Chairman Jiu-Wei Liu, acclaimed music commentator Yuan-Pu Chiao, and Taipei Philharmonic Chorus Artistic Director and Conductor Yu-Chung John Ku to give talks. In collaboration with the Taipei Symphony Orchestra and the O-Bank Employee Welfare Committee, a midday session featured a lecture by veteran classical music journalist Conrad Hsing, accompanied by live performances from TSO violinist Yu-Chieh Pai and pianist Yu-Yuan Huang, bringing beautiful music to colleagues during the midday hour. These events provided opportunities for in-depth exchanges, encouraging audiences to pursue their dreams and live a life without regrets. A total of 931 people attended the lectures.



During the lunch hour, O-Bank employees enjoyed a demonstration performance by members of the Taipei Symphony Orchestra



Taiwanese papercraft master Hsin-Fu Hung showcased a variety of his papercraft creations during the lecture, sharing them with the audience

4. Film Screening Series

Beginning in 2024, the O-Bank Education Foundation launched the "O-Bank Film Screening" series, a collection of film lectures centered on the SDGs. The program curated films focusing on topics such as clean energy, marine conservation, sustainable cities and communities, and gender equality. The series featured works by four Taiwanese directors and one American director, including "When the Wind Rises" by Hung Chen, "Farewell Shore" by Yu-Chi He, "Particular Waters" by Yu-Hsin Su, "Unknown" by Yu-Chan Lin, and "Richland" by Irene Lusztig. Each screening was followed by a discussion session with the directors or film professionals, encouraging in-depth exploration of the films' themes and fostering reflection on current global challenges and visions for the future. In 2024, a total of three film screenings and post-screening talks were held, attracting a cumulative audience of 103 attendees.



A screening of Yu-Chan Lin's "Unknown" followed by a post-film discussion with the director

5. Christmas Lights Thanksgiving and Blessing Event

To express gratitude and appreciation for the continued support from all sectors, the O-Bank Education Foundation holds two Christmas events each December at the O-Bank headquarters building. The events were attended by O-Bank Group's clients, distinguished guests, and employees, who came together to experience the warmth of the holiday season. The "BEST WISHES" lighting ceremony featured performances by Szuchi Ensemble, who was selected for "Stars of TiDing" in both 2019 and 2020, to present heartfelt Christmas classics and original compositions to enhance the festive atmosphere. The concert also introduced a newly produced musical theater performance, demonstrating the Foundation's support for the development of music and the performing arts in Taiwan. Performed by well-known vocalists Spark, AMILI and Yetta Kang, the show featured twelve carefully selected songs, combining drama, music, and lighting to create an immersive Christmas story. The concert was an opportunity to express gratitude to everyone who has supported and cared for O-Bank, conveying appreciation and blessings and adding deeper meaning to the holiday season. The two events drew a total of 301 attendees.

Table 8-10: Impact of Performance Activities, 2022~2024

Year	2024	2023	2022
Exhibitions	4	4	5
Educational Promotions	36	28	24
Performances	19	10	11 (Note)
Lectures	12	10	1

Note: Due to the impact of COVID-19, nine concerts were held online.

8.7.3 Arts and Business Collaborating to Nurture the Seeds of Culture

1. Sponsorship of the 2024 Taipei International Choral Competition and Promoting International Choral Exchange

To deepen the development of artistic talent and promote choral music in Taiwan, the O-BankEF employed an arts and business collaboration model to support the Taipei Philharmonic Foundation in holding the 2024 Taipei International Choral Competition. The event included concerts, choral music camps, and choral competitions, aiming to promote international choral exchange activities. In 2024, the O-BankEF sponsored the Grand Prix Competition concert, inviting 100 attendees, including O-Bank Group clients, and employees. This initiative aimed to strengthen relationships between the company, society, employees, and clients, while also conveying the inspiring power of art and music. Additionally, the Foundation sponsored the "O-Bank Star Prize" for the Children Choir representing Taiwan and the "O-Bank Award" for the Grand Prix Champion of the choral competition, providing substantial resources to encourage outstanding teams. The awards were ultimately granted to the Yunlin Elementary School Choir and the University of Mindanao Chorale from the Philippines, respectively. The 2024 choral competition saw participation from 31 teams across six countries, with a total of 1,200 participants. The music festival's series of events comprised 25 performances, attracting 25,000 attendees.

To extend our commitment to corporate-arts collaboration and continue spreading music and love to every corner of society, the O-BankEF partnered with the Taipei Philharmonic Foundation for Culture and Education. Conductor Jing-Hua Keeled the Women's Choir of Taipei Philharmonic Civic Chorale in a performance at Taipei Happy Mount in Bali District, New Taipei City. They presented a series of warm and touching choral pieces for 92 angel residents and teachers. The performance included interactive segments, the distribution of creatively shaped balloons to the residents, and a session where residents sang to express their gratitude to their teachers, allowing love to resonate infinitely through music.

2. Sponsorship of the Ming Hwa Yuan Arts & Cultural Group and Passing on the Legacy of Taiwan's Outstanding Opera Culture

To encourage an outstanding Taiwan traditional opera troupe, O-BankEF supported the Ming Hwa Yuan Arts & Cultural Group and continued to bring native theatrical arts to the national and international stage. The O-BankEF sponsored Ming Hwa Yuan's public performance of "Zhi-Long Zheng, the Pirate King of Formosa" at the National Theater of the National Performing Arts Center. Through collaboration between arts and business, 100 O-Bank Group employees and clients were invited to experience the beauty of traditional opera together. In addition, under the Foundation's name, the initiative aimed to give back to campuses by inviting students to the theater to appreciate traditional opera, fostering a deeper cultural connection from a young age. In 2024, 145 students from five schools, including Kaohsiung Municipal Da-Zou Junior High School, Tainan Municipal Houjia Junior High School, Changhua Wunsiang Elementary

School, Taipei Municipal Dali Senior High School, and Bei An Junior High School in Taipei City, were invited to watch Ming Hwa Yuan touring performances, contributing to the sustainable development of Taiwan's local theater arts.



Sponsored the Taipei International Choral Competition "O-Bank Award", supporting learning and exchange between domestic and international choirs



Sponsored Ming Hwa Yuan's performance of "Zhi-Long Zheng, the Pirate King of Formosa", supporting Taiwan's theatrical arts

8.7.4 Driving the Establishment of the Taiping Elementary School Museum, Preserving Tu-Shui Huang's "Bust of a Girl" at His Alma Mater

To carry out the company's ideals of giving back to Taiwan's education and developing the arts, O-BankEF initiated the Taiping Elementary School Museum Operations and Establishment project in May 2022. The project curates the precious work "Bust of a Girl" by Taiwan's first sculptor to study in Japan, Tu-Shui Huang, at his alma mater. Former National Palace Museum Director Mun-Lee Lin served as the project leader, and a project office was established in collaboration with the Museum of National Taipei University of Education. National Award for Arts winner Sheng-Yuan Huang of Fieldoffice Architects designed the exhibition space. The museum is expected to officially open in June 2025. Through this micro-museum shares the culture of the school and its locale with the public and sets a benchmark for sustainably managed community museums.

To preserve and enliven Taiping Elementary School's valuable artifacts, the project office began by cataloging the school's extensive collection of historical artifacts and organizing an open-access storage room. They conducted research and compiled documents related to Tu-shui Huang and the school's history, and planned educational outreach activities and exhibition projects, tirelessly promoting the development of curriculum software within Taiping Elementary School. In 2024, the school hosted 23 workshops on Tu-Shui Huang and plant, with nearly 521 students participating.



The project office designed a tailored workshop for elementary school children, integrating the story of Tu-Shui Huang with the unique characteristics of their school campus

8.7.5 Caring for the Disadvantaged through the Arts: Inclusive Arts Education

The O-BankEF seeks to facilitate the growth of young artistic talent and bolster the self-confidence of children from remote rural areas or disadvantaged backgrounds so that they can have more courage to pursue their dreams. In line with its belief that arts education is most effective when it starts at an early age, the O-BankEF has collaborated with rising young visual artists from the "Stars of TiDing" since 2013 to hold a series of educational programs for youth, especially for underprivileged children in the Neihu District of Taipei. The events include guided tours of art exhibits, hand-on activities, and displays of works created by event participants, helping students build confidence and promoting cultural equality. Starting in 2024, we collaborated with grant recipients from the "Stars of TiDing 2.0" performing arts and transdisciplinary arts programs. The Foundation developed educational outreach activities, including music appreciation, instrumental introductions, and interactive performances, which were brought to schools and hospitals. As of the end of 2024, a total of 104 workshops have been held, benefiting over 2,000 students, and engaging over 567 participants.

In 2024, five hands-on activities were planned, primarily serving students from Neihu Elementary School. Each event invited students to the O-Bank Gallery for close interaction with artist teams, with nearly 72 students participating in total. The participating artist teams included: in collaboration with interns from the Department of Arts and Design at National Tsing Hua University, the Foundation team developed the "Plant Eco-Printing Workshop – Carrying Nature's Beautiful Colors." This workshop taught children how to use plants as natural dyes to create eco-friendly bags, fostering a sense of sustainability; the "Eco Art & Eco Ark" team educated schoolchildren about extreme climate while guiding them to observe plants, create small potted plants, and learn to express stress through creative activities; the "Technological Fugue" team introduced concepts of cherishing nature and energy through new media art experiences and DIY tech-based creations; the "LOOP" team led students in creating children's paintings, encouraging them to continually reflect and view the world from different perspectives. Furthermore, the "Eco Art & Eco Ark" team also conducted an "Eco Ark" art workshop at the Koo Foundation Sun Yat-Sen Cancer Center for patients and staff. This activity aimed to provide participants with an outlet for stress through horticultural therapy amidst their busy daily lives, engaging a total of 30 participants.

In 2024, the O-BankEF planned and executed music appreciation activities, a series of music education and outreach programs. These initiatives engaged a diverse audience, including elementary school children, university students, and hospital patients, primarily through music appreciation sessions and live performances. In total, these programs attracted nearly 831 student participants and approximately 207 general public attendees. The activities encompassed seven instrumental ensemble performances. Among these, the "Dialogues with the Violin," "Sound, Color and Drawing," and "Voice of Classics" ensembles performed at the Koo Foundation Sun Yat-Sen Cancer Center for patients, their families, and staff. They presented pieces primarily featuring instruments such as the violin, flute, and saxophone, complemented by insightful musical guided tours. "Romantic Legacy from the 17th to the 20th Century" and "Huh? Where Did Everything Go?," were performed at Taipei Taiping Elementary School, captivating students with moving Chopin piano pieces, children's songs, and cartoon themes. Two groups performed at Taipei Neihu Elementary School: "Resonating Ideas: Earth" Percussion Ensemble and "In the Future" Saxophone Ensemble. In addition to introducing instruments to the children, they performed many familiar and joyful melodies. "Classic Austria" was held at the O-Bank Concert Hall, offering an accessible introduction to various piano pieces through demonstrations. The "Sonic Space" transdisciplinary team conducted two live coding creative workshops at the Affiliated Senior High School of National Taiwan Normal University and the O-Bank Gallery. Finally, the "LOOP" transdisciplinary team shared their creative stories and discussed project planning in two courses at National Taiwan University of Arts.



In the "Plant Eco-Printing Workshop – Carrying Nature's Beautiful Colors," schoolchildren learned eco-printing techniques using readily available natural materials



The "Dialogues with the Violin" team performed a selection of violin pieces for patients, their families, and staff at the Koo Foundation Sun Yat-Sen Cancer Center

8.7.6 Training of Arts & Culture Volunteers

In 2011, the O-BankEF established its O-BankEF Volunteer Team to give back to society and participate in arts and culture activities. In the following year, the O-BankEF began recruiting volunteers to staff the reception desk, act as ushers, and other public-facing roles at the O-BankEF's activities. The O-BankEF also regularly provided volunteers with lectures, courses, and occasional arts outings related to photography and arts. The Volunteer Team had 19 members in 2024 and supported 34 events, serving a total of 142 people for a total of 542 service hours.



Foundation volunteers take a group photo with performers after an event



Arts volunteers serve at the reception desk for an event

Appendix

Appendix 1: GRI Sustainability Reporting Standards Content Index

Topics suffixed by a hash sign (#) are material topics.

Statement of Use	O-Bank has reported in accordance with the GRI Standards for the period from January 1, 2024, to December 31, 2024				
GRI 1 Used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)	N/A				
GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
General Disclosures					
GRI 2: General Disclosures 2021	2-1	Organizational details	2.1 About O-Bank	38	
	2-2	Entities included in the organization's sustainability reporting	Editor's Note	3	
	2-3	Reporting period, frequency and contact point	Editor's Note	3	
	2-4	Restatements of information	Editor's Note	3	
	2-5	External assurance	Editor's Note Appendix 8: BSI Independent Assurance Opinion Statement Appendix 9: Limited Assurance Report	3 319 321	
	2-6	Activities, value chain and other business relationships	Editor's Note 2.1 About O-Bank 2.3 Market Environment and Development Strategies 4.1 Financial Services and Innovation 6.4 Green Purchasing and Supplier Management 7.6 Responsible Products The Bank's value chain includes upstream supplier procurement (mainly including construction contractors, IT equipment, business equipment, office equipment, office supplies, etc.), its own operations, as well as downstream investee companies and corporate banking clientele. There are no significant changes compared to the previous reporting year.	3 38 48 96 182 261	
	2-7	Employees	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 2: General Disclosures 2021	2-8	Workers who are not employees	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	2-9	Governance structure and composition	1.1 Sustainability Policy and Its Implementation 3.1 Governance Framework	11 53	
	2-10	Nomination and selection of the highest governance body	3.1 Governance Framework	53	
	2-11	Chair of the highest governance body	O-Bank's Chairperson isn't serving concurrently as Chief Executive Officer. O-Bank has adopted the "Principles of Hierarchical Delegation of Responsibilities" which set division of responsibility of Board Director and General Manager to fulfill hierarchical responsibility and implemented delegation of authority in hierarchical level.		
	2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainability Policy and Its Implementation	11	
	2-13	Delegation of responsibility for managing impacts	1.3 Identifying and Analyzing Material Topics	18	
	2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainability Policy and Its Implementation	11	
	2-15	Conflicts of interest	3.1 Governance Framework 3.2 Ethical Best Practices	53 67	
	2-16	Communication of critical concerns	3.1 Governance Framework 3.2.2 Internal Control and Audit Systems 3.4 Risk Management The Bank's critical concerns include negative material information, material audit deficiencies, and material contingencies. There was a major contingency from O-Bank's subsidiary, EverTrust Bank, which was closed before the end of 2024, and no other critical concerns in 2024.	53 73 79	
	2-17	Collective knowledge of the highest governance body	3.1 Governance Framework	53	
	2-18	Evaluation of the performance of the highest governance body	3.1 Governance Framework	53	
	2-19	Remuneration policies	3.1 Governance Framework 5.2 Employee Compensation and Benefits	53 137	

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	3.1 Governance Framework 5.2 Employee Compensation and Benefits	53 137	
	2-21	Annual total compensation ratio	5.2 Employee Compensation and Benefits	137	
	2-22	Statement on sustainable development strategy	Letter from the Chairperson 1.1 Sustainability Policy and Its Implementation	5 11	
	2-23	Policy commitments	1.1 Sustainability Policy and Its Implementation 5.1 Employee Composition and Promotion of a Friendly Work Environment 7.4 Responsible Investment	11 115 252	
	2-24	Embedding policy commitments	1.1 Sustainability Policy and Its Implementation 5.1 Employee Composition and Promotion of a Friendly Work Environment 7.4 Responsible Investment	11 115 252	
	2-25	Processes to remediate negative impacts	1.3.2 Stakeholder Engagement 5.1 Employee Composition and Promotion of a Friendly Work Environment 5.4 Communication and Engagement with Employees	32 115 165	
	2-26	Mechanisms for seeking advice and raising concerns	1.3.2 Stakeholder Engagement 3.2 Ethical Best Practices	32 67	
	2-27#	Compliance with laws and regulations	No violations of laws or regulations occurred in 2024.		
GRI 2: General Disclosures 2021	2-28	Membership associations	Member, The Bankers Association of the Republic of China (BAROC) Member, The Hong Kong Association Of Bank Member, The Bankers Association of Taoyuan Member, The Bankers Association of Kaohsiung Member, B Lab Taiwan Member, Chinese National Association of Industry and Commerce, Taiwan (CNAIC) Member, Securities Investment Trust & Consulting Association of the R.O.C Member, Trust Association of the R.O.C. Member, Insurance Agency Association of the R.O.C.		

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 Sustainability Policy and Its Implementation 1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Topics	11 18 18	
	2-30	Collective bargaining agreements	N/A		N/A.; O-Bank has not established a union, and thus does not engage in collective bargaining.
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	1.3 Identifying and Analyzing Material Topics	18	
	3-2	List of material topics	1.3 Identifying and Analyzing Material Topics	18	
	3-3	Management of material topics	1.3 Identifying and Analyzing Material Topics	18	
GRI 200: Economics Series					
GRI 201: Economic Performance 2016	201-1#	Direct economic value generated and distributed	2.2 Operating Performance and Reputation 3.1 Governance Framework 3.6 Tax Governance 5.2 Employee Compensation and Benefits 8.6 Charity Donations and Participation in Public Associations	42 53 91 137 288	
	201-2#	Financial implications and other risks and opportunities due to climate change	7.1 Climate Change Management	189	
GRI 201: Economic Performance 2016	201-3#	Defined benefit plan obligations and other retirement plans	5.2 Employee Compensation and Benefits	137	
	201-4#	Financial assistance received from government	The O-Bank received financial subsidies for replacing lighting totaling NT\$219,500 from government in 2024. The O-Bank Hong Kong Branch received financial subsidies for tax benefits totaling HK\$3,000 from the Hong Kong government in 2024.		

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 202: Market Presence 2016	202-1#	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Employee Compensation and Benefits	137	
	202-2#	Proportion of senior management hired from the local community	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 203: Indirect Economic Impacts 2016	203-1#	Infrastructure investments and services supported	8.2 Caring for Students in Remote Areas 8.7 Cultivation of Arts and Cultural Education	275 292	
	203-2#	Significant indirect economic impacts	4.1 Financial Services and Innovation 7.1 Climate Change Management 8.2 Caring for Students in Remote Areas	96 189 275	
GRI 204: Procurement Practices 2016	204-1#	Proportion of spending on local suppliers	6.4 Green Purchasing and Supplier Management	182	
GRI 205: Anti- corruption 2016	205-1#	Operations assessed for risks related to corruption	3.2 Ethical Best Practices	67	
	205-2#	Communication and training about anti- corruption policies and procedures	3.2 Ethical Best Practices 3.3 Compliance 5.3 Employee Cultivation and Development 6.4 Green Purchasing and Supplier Management	67 75 152 182	
	205-3#	Confirmed incidents of corruption and actions taken	No related incident occurred in 2024.		
GRI 206: Anti- competitive Behavior 2016	206-1#	Legal actions for anti- competitive behavior, anti-trust, and monopoly practices	No related issue occurred in 2024. 3.3 Compliance	75	
GRI 207: Tax 2019	207-1	Approach to tax	3.6 Tax Governance	91	
	207-2	Tax governance, control, and risk management	3.6 Tax Governance	91	
	207-3	Stakeholder engagement and management of concerns related to tax	3.6 Tax Governance	91	
	207-4	Country-by-country reporting	3.6 Tax Governance	91	
GRI 300: Environmental Series					
GRI 302: Energy 2016	302-1#	Energy consumption within the organization	6.2 Management of Energy and Resources	172	
	302-3#	Energy intensity	6.2 Management of Energy and Resources	172	
	302-4#	Reduction of energy consumption	6.2 Management of Energy and Resources	172	

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 303: Water and Effluents 2018	303-2#	Management of water discharge-related impacts	6.2 Management of Energy and Resources	172	
	303-3#	Water withdrawal	6.2 Management of Energy and Resources	172	
GRI 305: Emissions 2016	305-1#	Direct (Scope 1) GHG emissions	6.3 Greenhouse Gas Inventories	178	
	305-2#	Energy indirect (Scope 2) GHG emissions	6.3 Greenhouse Gas Inventories	178	
	305-3#	Other indirect (Scope 3) GHG emissions	6.3 Greenhouse Gas Inventories	178	
	305-4#	GHG emissions intensity	6.3 Greenhouse Gas Inventories	178	
	305-5#	Reduction of GHG emissions	6.1 Environmental Management Policies and Targets 6.2 Management of Energy and Resources 6.3 Greenhouse Gas Inventories	168 172 178	
GRI 306: Waste 2020	306-1#	Waste generation and significant waste-related impacts	6.2 Management of Energy and Resources	172	
	306-2#	Management of significant wasterelated impacts	6.2 Management of Energy and Resources	172	
	306-3#	Waste generated	6.2 Management of Energy and Resources	172	
	306-4#	Waste diverted from disposal	6.2 Management of Energy and Resources	172	
	306-5#	Waste directed to disposal	6.2 Management of Energy and Resources	172	
GRI 308: Supplier Environmental Assessment 2016	308-1#	New suppliers that were screened using environmental criteria	6.4 Green Purchasing and Supplier Management	182	
	308-2#	Negative environmental impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management	182	
GRI 400: Social Series					
GRI 401: Employment 2016	401-1#	New employee hires and employee turnover	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	401-2#	Benefits provided to full- time employees that are not provided to temporary or parttime employees	5.2 Employee Compensation and Benefits	137	
	401-3#	Parental leave	5.2 Employee Compensation and Benefits	137	
GRI 402: Labor/ Management Relations 2016	402-1#	Minimum notice periods regarding operational changes	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 403: Occupational Health and Safety 2018	403-1#	Occupational health and safety management system	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-2#	Hazard identification, risk assessment, and incident investigation	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-3#	Occupational health services	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-4#	Worker participation, consultation, and communication on occupational health and safety	"O-Bank Occupational Health and Safety Code" was formulated with the participation of five labor representatives. There is no health and safety committee.		
	403-5#	Worker training on occupational health and safety	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-6#	Promotion of worker health	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-7#	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 403: Occupational Health and Safety 2018	403-8#	Workers covered by an occupational health and safety management system	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-9#	Work-related injuries	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
	403-10#	Work-related ill health	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 404: Training and Education 2016	404-1#	Average hours of training per year per employee	5.3 Employee Cultivation and Development	152	
	404-2#	Programs for upgrading employee skills and transition assistance programs	5.3 Employee Cultivation and Development	152	
	404-3#	Percentage of employees receiving regular performance and career development reviews	5.3 Employee Cultivation and Development	152	

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 405: Diversity and Equal Opportunity 2016	405-1#	Diversity of governance bodies and employees	3.1 Governance Framework 5.1 Employee Composition and Promotion of a Friendly Work Environment	53 115	
	405-2#	Ratio of basic salary and remuneration of women to men	5.2 Employee Compensation and Benefits	137	
GRI 406: Non-discrimination 2016	406-1#	Incidents of discrimination and corrective actions taken	No related incident occurred in 2024. 5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
			6.4 Green Purchasing and Supplier Management	182	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
			6.4 Green Purchasing and Supplier Management	182	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
			6.4 Green Purchasing and Supplier Management	182	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 411: Rights of Indigenous Peoples 2016	411-1#	Incidents of violations involving rights of indigenous peoples	No related incident occurred in 2024. 5.1 Employee Composition and Promotion of a Friendly Work Environment	115	
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual and potential negative impacts on local communities from O-Bank's operations.		
GRI 414: Supplier Social Assessment 2016	414-1#	New suppliers that were screened using social criteria	6.4 Green Purchasing and Supplier Management	182	
	414-2#	Negative social impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management	182	
GRI 415: Public Policy 2016	415-1	Political contributions	No political contributions in 2024.		

GRI Standards/ Other Sources	GRI Standards Index	GRI Indicator	Chapter/Description	Page Number	Omission/ Note
GRI 417: Marketing and Labeling 2016	417-1#	Requirements for product and service information and labeling	4.2 Service Quality and Customer Experience	100	
	417-2#	Incidents of non-compliance concerning product and service information and labeling	No related incident occurred in 2024. 4.2 Service Quality and Customer Experience	100	
	417-3#	Incidents of non-compliance concerning marketing communications	No related incident occurred in 2024. 4.2 Service Quality and Customer Experience	100	
GRI 418: Customer Privacy 2016	418-1#	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related substantiated complaints received in 2024. 4.3 Transaction Security and Customer Privacy	111	

Appendix 2: SASB (Sustainability Accounting Standards Board) Index

Reporting industry standards include Commercial Banks (FN-CB) and Consumer Finance (FN-CF)

Commercial Banks (FN-CB)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Data Security	FN-CB-230a.1	(1) Number of data breaches (2) Percentage that are personal data breaches (3) Number of account holders affected	Quantitative	3.5.3 Information Security Drills
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Discussion and Analysis	3.5.2 Protective Measures for Information Security 3.5.3 Information Security Drills
Financial Inclusion & Capacity Building	FN-CB-240a.1	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development	Quantitative	7.6.1 Financial Inclusion
	FN-CB-240a.2	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	7.6.1 Financial Inclusion
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	4.2.1 Treating Customers Fairly 7.6.1 Financial Inclusion
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	8.2 Caring for Students in Remote Areas
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	7.3 Responsible Loan and Credits
Financed Emissions	FN-CB-410b.1	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Quantitative	7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries
	FN-CB-410b.2	Gross exposure for each industry by asset class	Quantitative	7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries
	FN-CB-410b.3	Percentage of gross exposure included in the financed emissions calculation	Quantitative	7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries
	FN-CB-410b.4	Description of the methodology used to calculate financed emissions	Discussion and Analysis	7.1.6 Portfolio Emissions and Management of Carbon-intensive Industries

Commercial Banks (FN-CB)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	3.3.1 Compliance
	FN-CB-510a.2	Description of whistleblower policies and procedures	Discussion and Analysis	3.2.1 Ethics and Integrity
Systemic Risk Management	FN-CB-550a.2	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	3.4.1 Risk Management Policies and Operations 7.1 Climate Change Management
Activity Metrics	Code	Activity Metric	Category	Chapter
-	FN-CB-000.A	(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	Quantitative	7.6.1 Financial Inclusion
	FN-CB-000.B	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	Quantitative	7.6.1 Financial Inclusion

Note: The term "small business" as referred to in this Appendix means O-Bank's small and medium enterprise (SME) customers.

Consumer Finance (FN-CF)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	Quantitative	4.3 Transaction Security and Customer Privacy
	FN-CF-220a.2	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	3.5.3 Information Security Drills
Data Security	FN-CF-230a.1	(1) Number of data breaches (2) percentage that are personal data breaches (3) number of account holders affected	Quantitative	3.5.3 Information Security Drills
	FN-CF-230a.2	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud	Quantitative	4.2.3 Handling and Tracking of Customer Complaints
	FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Discussion and Analysis	3.5.2 Protective Measures for Information Security

Commercial Banks (FN-CB)				
Sustainability Disclosure Topics	Code	Accounting Metric	Category	Chapter
Selling Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Quantitative	5.2.1 Fair Compensation
	FN-CF-270a.4	(1) Number of customer complaints filed, (2) percentage with monetary or nonmonetary relief	Quantitative	4.2.3 Handling and Tracking of Customer Complaints
	FN-CF-270a.5	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Quantitative	3.3.1 Compliance
Activity Metrics	Code	Activity Metric	Category	Chapter
-	FN-CF-000.A	Number of unique consumers with an active (1) credit card account and (2) pre-paid debit card account	Quantitative	7.6.1 Financial Inclusion (O-Bank issues debit card products only.)
	FN-CF-000.B	Number of (1) credit card accounts and (2) pre-paid debit card accounts	Quantitative	7.6.1 Financial Inclusion (O-Bank issues debit card products only.)

Appendix 3: Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Article	Article Content	Chapter
Article 3	In the sustainability report, a listed company shall disclose what Content Index of the GRI Standards corresponds to the contents of the report and specify in the report whether the topic-specific disclosures have been assured or verified by a third party.	Appendix 1: GRI Sustainability Reporting Standards Content Index Appendix 8: BSI Independent Assurance Opinion Statement
Article 4, Annex 1-3	Number of data breaches, percentage involving personally identifiable information, and number of account holders affected.	3.5.3 Information Security Drills
	Number and amount of loans outstanding qualified to programs designed to promote development of small business and communities.	7.6.1 Financial Inclusion
	Number of participants in financial literacy initiatives provided to minority groups without adequate banking services.	8.2 Caring for Students in Remote Areas 8.5 Developing Talent for the Future
	Products and services designed by individual operating units to create benefits for the environment or society.	7.6 Responsible Products 8.4 Giving back to Society by Taking Advantage of O-Bank Strengths
Article 4, Subparagraph 1, Annex 2	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	7.1 Climate Change Management
	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	7.1 Climate Change Management
	Describe the financial impacts of extreme weather events and transformative actions.	7.1 Climate Change Management
	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	7.1 Climate Change Management
	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	7.1 Climate Change Management
	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	7.1 Climate Change Management
	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	6.5 Environmental Sustainability Activities
	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	6.1.2 Setting and Achievement of Environmental Management targets 6.2 Management of Energy and Resources 6.3 Greenhouse Gas Inventories
	Describe the total emission (tons CO ₂ e), intensity (tons CO ₂ e/NT\$ million) and data coverage of greenhouse gases in the past two years.	6.3 Greenhouse Gas Inventories
	Describe the greenhouse gas assurance status in the past two years, including the assurance scope, assurance body, assurance criteria, and assurance opinions.	6.3 Greenhouse Gas Inventories
	Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.	6.1 Environmental Management Policies and Targets 6.3 Greenhouse Gas Inventories

Article	Article Content	Chapter
Article 4	For the disclosure of sustainability metrics for their industries in accordance with Annex 1-3, the sustainability report mentioned shall obtain a letter of opinion issued by a certified public accountant in accordance with the standards promulgated by the Accounting Research and Development Foundation.	Appendix 9: Limited Assurance Reoport

Note: The term "small business" as referred to in this Appendix means O-Bank's small and medium enterprise (SME) customers.

Appendix 4: Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Chapter	Content		Reference
Chapter 1	General Principles	Discloses the goal, entity applied to, and principles of best practices.	1. Sustainability Management and Stakeholders 2. Overall State of the Company
Chapter 2	Exercising Corporate Governance	Regulate and exercising corporate governance.	3. Corporate Governance
Chapter 3	Fostering a Sustainable Environment	Fostering a sustainable environment.	6. Environmental Protection
Chapter 4	Preserving Public Welfare	Preserving public welfare.	8. Social Engagement
Chapter 5	Enhancing Disclosure of Corporate Social Responsibility Information	Enhancing disclosure of corporate social responsibility information.	Editor's Note
Chapter 6	Supplementary Provisions	Regulate and improve the exiting CSR system.	1. Sustainability Management and Stakeholders 2. Overall State of the Company

Appendix 5 : ISO 26000 Index

Category	Issue	Reference
Organizational governance	System by which an organization makes and implements decisions in pursuit of its objectives	1. Sustainability Management and Stakeholders 2. Overall State of the Company
Human rights	Due diligence	3. Corporate Governance
	Human rights risk situation	5. Employee Care
	Avoidance of complicity	3. Corporate Governance
	Resolving grievances	5. Employee Care
	Discrimination and vulnerable groups	5. Employee Care
	Civil and political rights	5. Employee Care
	Economic, social and cultural rights	8. Social Engagement
	Fundamental principles and rights at work	5. Employee Care
Labor practices	Employment and employment relationships	5. Employee Care
	Conditions of work and social protection	5. Employee Care
	Social dialogue	5. Employee Care
	Health and safety at work	5. Employee Care
	Human development and training in the workplace	5. Employee Care
The environment	Prevention of pollution	6. Environmental Protection
	Sustainable resource use	6. Environmental Protection
	Climate change mitigation and adaptation	6. Environmental Protection 7. Green Finance
	Protection of the environment, biodiversity and restoration of natural habits	-
Fair operating practices	Anti-corruption	3. Corporate Governance
	Responsible political involvement	3. Corporate Governance
	Fair competition	4. Customer Service
	Promoting social responsibility in the value chain	4. Customer Service 8. Social Engagement
	Respect for property right	3. Corporate Governance
Consumer issues	Fair marketing, factual and unbiased information and fair contractual practices	4. Customer Service
	Protecting consumers' health and safety	4. Customer Service
	Sustainable consumption	7. Green Finance 8. Social Engagement
	Consumer service, support, and complaint and dispute resolution	4. Customer Service
	Consumer data protection and privacy	4. Customer Service
	Access to essential services	4. Customer Service
	Education and awareness	4. Customer Service

Category	Issue	Reference
Community involvement and development	Community involvement	8. Social Engagement
	Education and culture	8. Social Engagement
	Employment creation and skills development	8. Social Engagement
	Technology development and access	8. Social Engagement
	Wealth and income creation	8. Social Engagement
	Health	8. Social Engagement
	Social investment	8. Social Engagement

Appendix 6: UN Global Compact Index

Category	Issue	Reference
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	5. Employee Care
	Make sure that they are not complicit in human rights abuses.	5. Employee Care
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5. Employee Care
	The elimination of all forms of forced and compulsory labour.	5. Employee Care
	The effective abolition of child labour.	5. Employee Care
	The elimination of discrimination in respect of employment and occupation.	5. Employee Care
Environment	Businesses should support a precautionary approach to environment challenges.	6. Environmental Protection
	Undertake initiatives to promote greater environmental responsibility.	6. Environmental Protection
	Encourage the development and diffusion of environmentally friendly technologies.	6. Environmental Protection
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	3. Corporate Governance

Appendix 7: Sustainable Development Goals Index

Sustainable Development Goals	Reference
1. End Poverty in all its forms everywhere.	5. Employee Care 8. Social Engagement
3. Ensure healthy lives and promote well-being for all at all ages.	5. Employee Care
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	5. Employee Care 8. Social Engagement
5. Achieve gender equality and empower all women and girls.	5. Employee Care
6. Ensure availability and sustainable management of water and sanitation for all.	6. Environmental Protection
7. Ensure access to affordable, reliable, sustainable and modern energy for all.	6. Environmental Protection
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	2. Overall State of the Company 5. Employee Care 8. Social Engagement
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	2. Overall State of the Company 4. Customer Service
10. Reduce inequality within and among countries.	5. Employee Care 8. Social Engagement
11. Make cities and human settlements inclusive, safe, resilient and sustainable.	6. Environmental Protection
12. Ensure sustainable consumption and production patterns.	6. Environmental Protection 7. Green Finance 8. Social Engagement
13. Take urgent action to combat climate change and its impacts.	6. Environmental Protection 7. Green Finance 8. Social Engagement
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	6. Environmental Protection 8. Social Engagement
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	3. Corporate Governance 5. Employee Care 8. Social Engagement
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	8. Social Engagement

Appendix 8: BSI Independent Assurance Opinion Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

O-Bank 2024 Sustainability Report

The British Standards Institution is independent to O-Bank Co., Ltd. (hereafter referred to as O-Bank in this statement) and has no financial interest in the operation of O-Bank other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of O-Bank only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by O-Bank. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to O-Bank only.

Scope

The scope of engagement agreed upon with O-Bank includes the followings:

1. The assurance scope is consistent with the description of O-Bank 2024 Sustainability Report.
2. The evaluation of the nature and extent of the O-Bank's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the O-Bank 2024 Sustainability Report provides a fair view of the O-Bank sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the O-Bank and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate O-Bank's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that O-Bank's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top level review of issues raised by external parties that could be relevant to O-Bank's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on O-Bank's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 18 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that O-Bank has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the O-Bank's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The O-Bank publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of O-Bank and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the O-Bank's management and performance. In our professional opinion the report covers the O-Bank's materiality assessment process and material issues.

Responsiveness

O-Bank has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the O-Bank is developed and continually provides the opportunity to further enhance O-Bank's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the O-Bank's responsiveness issues.

Impact

O-Bank has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. O-Bank has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the O-Bank's impact issues.

Performance information

Based on our work described in this statement and with no conflict of interest with the O-Bank in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, O-Bank and BSI have agreed upon to include in the scope. In our view, the data and information contained within O-Bank 2024 Sustainability Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

O-Bank provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the O-Bank's sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the O-Bank's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



AA1000
Licensed Report
000-4/V3-YA4YO

For and on behalf of BSI:

A handwritten signature in black ink, appearing to read 'Peter Pu'.

Peter Pu, Managing Director BSI Taiwan

...making excellence a habit.™

Statement No: SRA-TW-805581
2025-06-11

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.

Appendix 9: Limited Assurance Report



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English Translation of a Report Originally Issued in Chinese

Independent Accountant's Limited Assurance Report

To O-Bank Co., Ltd.

We have been engaged by O-Bank Co., Ltd. (hereinafter referred to as “O-Bank”) to perform a ‘limited assurance engagement’, hereinafter referred to as the “Engagement”, as defined by the Taiwan Accounting Research and Development Foundation, to report on the selected sustainability information (“the Subject Matter”) included in O-Bank’s 2024 Sustainability Report (“the Sustainability Report”).

The Subject Matter selected by the Company and their applicable criteria

Regarding the Subject Matter selected by O-Bank and their applicable criteria, please refer to Appendix A and Appendix B.

O-Bank’s Responsibility

The O-Bank’s management is responsible for preparation of the Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation, including referencing to GRI Standards issued by Global Sustainability Standards Board, SASB Standards issued by Sustainability Accounting Standards Board, and The Global GHG Accounting and Reporting Standards for Financial industry issued by Partnership for Carbon Accounting Financials, and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Sustainability Report. The O-Bank’s management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the Taiwan Accounting Research and Development Foundation. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which basic principles are integrity, objectivity, professional competence, due care and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with O-Bank's personnel to understand O-Bank's business, sustainability implementation and reporting process;
- Understand the expectations and requirements of the key stakeholders and stakeholders, the specific communication channels between the two parties, and how O-Bank responds to such expectations and requirements through interviews and inspection of relevant documents;
- Conducted interviews with O-Bank's key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Performing analytical procedures on selected information; Collecting and assessing other supporting documentation and the obtained management representation letter. Testing samples if necessary;
- Reading the Sustainability Report to confirm with the consistency of the indicators in the Sustainability Report which contribute to the selected information.

Inherent Limitations

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined. Any internal control is subjected to limitations. Consequently, it is not possible to detect all existing material misstatements whether resulting from fraud or error.

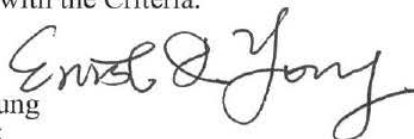
Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Ernst & Young

Jun. 9, 2025

Taipei, Taiwan, Republic of China



Notice to Readers

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

Appendix A:

No.	Chapter	Content Title	Selected Information	Applicable Criteria
1	3.5.3	Information Security Drills	In 2024, no information system irregularity occurred at O-Bank, and there were no cases of loss of Bank information or customer data, nor did the Bank receive any sanctions or incur any monetary loss due to any litigation connected with customer data protection matters.	<p>In accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and SASB Standard's matrix FN-CB-230a.1.</p> <p>O-Bank disclosed the (1) number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected in 2024.</p>
2	7.6.1	Financial Inclusion	A total of 421 SME borrowers had obtained 1,092 loans, amounting to an outstanding loan balance of approximately NT\$40.62 billion.	<p>In accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and SASB Standard's matrix FN-CB-240a.1.</p> <p>O-Bank disclosed the (1) number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development in 2024</p>

No.	Chapter	Content Title	Selected Information	Applicable Criteria
3	8.2	Caring for Students in Remote Areas	<p>In 2024, O-Bank held two student anti-fraud education at Pinglin Elementary School in Pinglin District and Jiqing Elementary School in Ruifang District of New Taipei City. Through role-playing, pictures, and other fun educational activities, O-Bank introduced 48 students in rural schools to common scams and how to prevent them, such as failed bank transfers, text message phishing, impersonating families, or internet dating fraud.</p> <p>In addition, the O-Bank Community Volunteer Club has held one financial literacy activities in 2024 at Pinglin Elementary School in Pinglin District of New Taipei City, with a total of 17 students participating.</p>	<p>In accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and SASB Standard's matrix FN-CB-240a.4.</p> <p>O-Bank disclosed the number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers in 2024.</p>
4	7.6 8.4	Responsible Products Giving back to Society by Taking Advantage of O-Bank Strengths	<p>As of the end of 2024, O-Bank had issued a total of over 44,000 charity affinity cards and donated more than NT\$1.60 million in cashback benefits to cooperating community service entities and schools. In 2024, O-Bank processed applications for 4,374 new charity affinity cards and donated a total of NT\$221,419 in cashback benefits to cooperating community service entities and schools.</p> <p>As of the end of December 2024, more than 45,436 persons have participated in the "Green Consumption Power@O-Bank" project, with approximately 11,863 participating in 2024.</p> <p>As of the end of 2024, a total of 421 applications were received, and 105 economically disadvantaged households successfully received "Social Impact" loans...including 32 from low- or medium-low-income households, 3 from families with special circumstances, and 1 from caregiver of relatives with certified disabilities received "Social Impact" loans.</p>	<p>In accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.</p> <p>O-Bank disclosed the description of products and services designed by individual operating units to create benefits for the environment or society in 2024.</p>

No.	Chapter	Content Title	Selected Information	Applicable Criteria
			<p>O-Bank has invited long-term social enterprise partners and B Corporations partners to become Low-Carbon Lifestyle Debit Card participating green shops. An O-Bank customer that uses a Low-Carbon Lifestyle Debit Card to pay for the purchase of products from any of 26 green shops.</p> <p>In 2024, O-Bank collaborated with iPASS to introduce the "Transport Carbon Reduction Details" feature, becoming the first bank in Taiwan to connect to the iPASS transportation carbon emission database. Customers with O-Bank iPASS card functionality can activate the Transport Carbon Reduction Details feature to view their carbon reduction from using public transportation compared to driving a car.</p>	
5	7.6.1	Financial Inclusion	<p>A total of 421 SME borrowers ...among these, only 1 account (with 5 loan drawdowns) was classified as non-performing or non-accrual, with a loan balance of approximately NT\$4.46 million.</p>	<p>In accordance with SASB Standard's matrix FN-CB-240a.2.</p> <p>O-Bank disclosed the (1) number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development in 2024.</p>
6	7.6.1	Financial Inclusion	<p>Of these personal deposit accounts, 9,504 belonged to persons living in remote locations, 5,581 belonged to foreign nationals, and 247 belonged to persons with physical or mental disabilities.</p>	<p>In accordance with SASB Standard's matrix FN-CB-240a.3.</p> <p>O-Bank disclosed the number of no-cost retail checking accounts provided to previously unbanked or underbanked customers in 2024.</p>

No.	Chapter	Content Title	Selected Information	Applicable Criteria
7	7.1.6	Portfolio Emissions and Management of Carbon-intensive Industries	In 2024, inventoried investment and corporate loan balance accounted for 78.10% of total exposure.	In accordance with SASB Standard's matrix FN-CB-410b.3. O-Bank disclosed the percentage of gross exposure included in the financed emissions calculation in 2024.
8	7.3	Responsible Loan and Credits	<p>In 2022, O-Bank further incorporated Environment, Social, Governance (ESG) risk factors into all corporate credit review procedures and prudently assesses the ESG risks and practices of corporate clients to mitigate potential negative environmental and social impacts of corporate credits, thereby fulfilling its social responsibility as a financial institution.</p> <p>The Bank adopted a set of "Guidelines for Corporate Loans Under the Equator Principles" and established an Environmental and Social Risks Team, which is chaired by the Head of the Risk Management Division. This Team reviews the environmental and social risk rating of projects subject to the Equator Principles (Note 7-6), and classifies them as Category A (high risk), B (medium risk), or C (low risk). For Category A or B, O-Bank conducts environmental and social risk assessments and reviews in accordance with the Equator Principles to mitigate potential environmental and social risks.</p>	<p>In accordance with SASB Standard's matrix FN-CB-410a.2.</p> <p>O-Bank disclosed the description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis in 2024.</p>

No.	Chapter	Content Title	Selected Information	Applicable Criteria
9	3.3.1	Compliance	O-Bank strictly adheres to all applicable internal and external regulations, and was not involved in fraud, money laundering, insider trading, anti-competitive behavior, anti-trust or monopolistic behavior, corruption, market manipulation in 2024, and it has not been subject to fines/settlements of more than US\$100 million in the past three years, and it did not incur losses due to any litigation in connection with the sale or provision of financial products or services.	In accordance with SASB Standard's matrix FN-CB-510a.1. O-Bank disclosed the Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations in 2024.
10	7.6.1	Portfolio Emissions and Management of Carbon-intensive Industries	As of the end of 2024, O-Bank had a total of 471,000 personal deposit accounts, an increase of approximately 48,000 compared to year-end 2023, while the combined outstanding balance of deposits in NT Dollars and foreign currencies came to approximately NT\$55.98 billion, an increase of about NT\$20.8 billion from year-end 2023. As of the end of 2024, O-Bank had a total of 692 SME deposit accounts, with combined deposits of approximately NT\$11.41 billion.	In accordance with SASB Standard's matrix FN-CB-000.A. O-Bank disclosed the (1) number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business in 2024.
11	7.6.1	Portfolio Emissions and Management of Carbon-intensive Industries	A total of 25,384 persons had submitted 27,591 accounts for personal unsecured loans amounting to a combined total of approximately NT\$19.28 billion. A total of 421 SME borrowers had obtained 1,092 loans, amounting to an outstanding loan balance of approximately NT\$40.62 billion. There were 407 unsecured or revolving loans to 137 ordinary enterprises, with an outstanding loan amount of approximately NT\$23.42 billion.	In accordance with SASB Standard's matrix FN-CB-000.B. O-Bank disclosed the (1) number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate in 2024.

No.	Chapter	Content Title	Selected Information				Applicable Criteria
12	7.3.3	Management of Sustainable Credit Business, and Results		Sector	Outstanding Loan Balance as of the End of 2024 (Unit: NT\$ million)	Number of Borrowers as of the End of 2024	O-Bank disclosed the amount of loan provides to sectors that are friendly to the environment or society and the numbers of borrowers in 2024.
			Environ- ment	Green energy	6,480.86	32	
				Clean transportation	491.29	7	
				LEDs	0	0	
				Pollution control	1,587.66	5	
				Afforestation	0	0	
				Green buildings	0	0	
				Green credit to other industries	1,575.27	10	
			Society	Medicine & care	3,615.50	10	
				Education	40.0	1	
				Infrastructure	1,719.41	18	
				Health	0	0	
				Other sectors friendly to society	327.9	1	
			Total for sectors that are friendly to the environment or society		15,837.89	84	
13	6.2.1	Energy management	In 2024, O-Bank procured 1,130,920 kWh of green electricity through wheeling.				O-Bank disclosed the total usage of renewable energy in 2024.

Appendix B:

No	Chapter	Content Title	Selected Information										Applicable Criteria
1	7.1.6	2024 Recognized Carbon Emissions of O-Bank's Investment and Corporate Loan Portfolio	Asset Type	Balance (NT\$ million)	Percentage of Total Inventoried Investment and Corporate Loan Positions	Scope 1 Emissions (tCO ₂ e)	Scope 2 Emissions (tCO ₂ e)	Scope 1 & 2 Emissions (tCO ₂ e)	Avg. Scope 1 & 2 emissions per NT\$1 million Balance (tCO ₂ e)	Scope 1 & 2 Weighted Average Carbon Intensity (WACI)	Scope 3 Emissions (tCO ₂ e)	Avg. Scope 3 Emissions per NT\$1 million Balance(tCO ₂ e)	In accordance with PCAF Standard, O-Bank disclosed the GHG emission of corporate loan and investment portfolios as of December 31, 2024.
			Listed equity and corporate bonds	38,176.64	16.04%	285,097.50	16,157.75	301,255.25	7.89	3.21	280,979.88	7.36	
			Business loans and unlisted equity	156,698.29	65.84%	176,217.60	93,951.62	270,169.22	1.72	3.24	1,431,492.06	9.14	
			Project finance	6,100.56	2.56%	6,106.45	16.13	6,122.58	1.00	0.00	22,450.59	3.68	
			Commercial real estate	8,649.85	3.63%	252.62	3,189.60	3,442.22	0.40	--	--	--	
			Sovereign debt	28,387.98	11.93%	150,437.38	--	150,437.38	5.30	--	--	--	
			Total	238,013.32	100%	618,111.55	113,315.10	731,426.65	3.07	6.45	1,734,922.53	8.63	

		Balance (NT\$ million)						Carbon Emissions (tCO2e)					In accordance with the Ministry of Environment, O-Bank disclosed the loan and investment's GHG emission and amount of balance for 10 biggest carbon-intensive industries as of December 31, 2024.
		Outstanding Loan Balance	Loan Balance as a Percentage of Inventoried Loan Positions (%)	Outstanding Investment Balance	Investment Balance as a Percentage of Inventoried Investment Positions (%)	Total Balance	Total Percentage of Inventoried Investment and Corporate Loan Positions (%)	Emissions from Loan Balance	Avg. Emissions per NT\$1 million Loan Balance	Emissions from Investment Balance	Avg. Emissions per NT\$1 million Investment Balance	Total Emissions	
2 7.1.6	O-Bank's 2024 Investment and Corporate Loan Portfolio Balances and Recognized GHG Emissions in the 10 Biggest Carbon Intensive Industries	10 Biggest Carbon-intensive Industries											
		Electricity supplier	-	4,967.71	7.46%	4,967.71	2.09%	-	-	260,465.68	52.43	260,465.68	52.43
		Air transport	-	-	-	-	-	-	-	-	-	-	-
		Basic iron and steel	1.41%	-	-	2,422.22	1.02%	49,434.04	20.41	-	-	49,434.04	20.41
		Ocean transportation	0.02%	198.45	0.30%	230.88	0.09%	61.38	1.89	3,777.51	19.04	3,838.89	16.63
		Cement and cement products	0.10%	300.00	0.45%	474.00	0.20%	13,612.24	78.23	3,844.99	12.82	17,457.23	36.83
		Petroleum and coal products	0.14%	1,424.64	2.14%	1,658.43	0.70%	4,913.45	21.02	10,635.32	7.47	15,548.77	9.38
		Aluminum products	0.23%	-	-	402.26	0.17%	816.40	2.03	-	-	816.40	2.03
		Semiconductors	0.55%	3,321.80	4.99%	4,261.80	1.79%	1,847.11	1.97	4,134.48	1.24	5,981.59	1.40
		Mining & quarrying	-	-	-	-	-	-	-	-	-	-	-
		Fertilizers and nitrogen compounds	-	-	-	-	-	-	-	-	-	-	-
		Total	2.45%	10,212.60	15.34%	14,417.30	6.06%	70,684.62	16.81	282,857.98	27.70	353,542.60	24.52



 BANK 王道銀行