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2024 Annual Report



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Name of Overseas Exchange Where Securities Are Listed and Method of Inquiry: None

CPAs for the Financial Statements in the Last Few Years

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(Summary Translation)

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

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Care for the nature, save the future.

The contents of this Annual Report are printed on FSC-certified eco-friendly paper.

I. Letter to Shareholders

In 2024, global markets experienced heightened volatility amid persistent inflation concerns, diverging monetary policies across countries, and escalating geopolitical tensions. Driven by domestic demand and foreign trade, Taiwan's overall economic growth was remarkable. According to statistics from the Directorate-General of Budget, Accounting and Statistics, Taiwan's economic growth rate in 2024 reached 4.59%, a three-year high.

Taiwan's financial industry's pre-tax profit exceeded the NT\$1 trillion mark, reaching NT\$1.0587 trillion, a record high. Among this, the banking sector benefited from favorable interest rates and active stock and bond markets and witnessed growth in investment income and wealth management fee income, with stable overall profitability. The total pre-tax profit of all banks in Taiwan amounted to NT\$565.6 billion.

Regarding consolidated financial statements, the Bank's total consolidated assets in 2024 were NT\$683.1 billion, consolidated net revenue was approximately NT\$10.2 billion, and consolidated net profit after tax was about NT\$3.9 billion, indicating a growth of approximately 14%. Regarding parent company only statements, total assets were approximately NT\$413.6 billion, net revenue was about NT\$7.8 billion, and net profit after tax was around NT\$2.86 billion, up nearly 15% from the previous year, with an EPS of NT\$1. Excluding the one-time gains from the 2022 merger of subsidiaries, IBT Leasing Co., Ltd. and Jih Sun International Leasing & Finance Co., Ltd., both the parent-company-only net profit after tax and EPS hit record highs since the Bank's establishment in 1999. In addition, after excluding gains from other investees, the Bank's core business registered a nearly 18% pre-tax growth in 2024. In terms of asset quality, the non-performing loan ratio at the end of 2024 was 0.12%, and the loan loss coverage ratio was 1,087%, indicating strong asset quality. The capital adequacy ratio was maintained at 13.69%. In June 2024, Taiwan Ratings assigned the Bank long- and short-term issuer credit ratings of "twA" and "twA-1," respectively, with a stable outlook.

As for other subsidiaries, China Bills Finance Corporation recorded a net profit after tax of approximately NT\$1.4 billion in 2024, a 7% increase from the previous year, primarily due to adjustments in its credit structure and the timely adjustment of bond investment positions, resulting in enhanced yields. The Bank's subsidiary, IBT Holdings Corp., which holds EverTrust Bank USA, achieved a net profit after tax of approximately NT\$640 million in 2024, a substantial increase from the previous year, due to its enhanced collection of overdue cases. The Bank's venture capital business reported a net profit after tax of about NT\$150 million.

In terms of budget target achievement, due to the impact of China's economic environment on equity-method investees, Infinite Finance Co., Ltd. and Beijing Sunshine Consumer Finance Co., Ltd., the Bank's profit targets were slightly affected. In 2024, the Bank's individual net profit after tax achievement rate was 92%, and the consolidated net profit after tax achievement rate was 95%.

Looking back on the past year, the Bank's main operating plans and achievements are as follows:

1. Reinforcing Customer Base, Optimizing High-Quality Profit Structure

The Bank continued to reinforce its engagement with corporate and individual clients, enhance cross-selling mechanisms, increase sales of low-capital-intensity products, to boost processing fee income. In 2024, processing fee income grew by 15% compared to the previous year, due to sustained growth in wealth management, optimized product portfolios, and improved customer retention, thus demonstrating strong business momentum and a reinforced revenue structure.

2. Optimizing Deposit Structure, Improving Asset-Liability Allocation Efficiency

In 2024, the Bank's total deposits reached NT\$320.9 billion, a 6% increase from the previous year. Of them, deposits from retail and small businesses grew by 41%, accounting for 31% of total deposits, hitting a new high. By strengthening stable funding sources and optimizing the deposit structure, the Bank effectively reduced funding costs, improved its liquidity coverage ratio and net stable funding ratio, and further enhanced the asset-liability allocation efficiency.

3. Enhancing Digital Transformation, Strengthening the Three Pillars of Business

The Bank continues to facilitate its digital finance development, focusing on the three pillars of "technology," "data," and "scenarios" to enhance operational efficiency and customer experience. In 2024, we completed key functional upgrades on the corporate banking platform and automated payment and confirmation processes, thus significantly improving transaction efficiency. In personal banking, the Bank enhanced the integration of mobile banking and online wealth management services, thereby expanding the depth of digital channel products. As for data applications, the Bank optimized its internal and external data integration framework, thereby enhancing customer profiling and precision marketing capabilities.

4. Accelerating Overseas Expansion, Diversifying Group Asset Allocation

At the end of 2024, the Bank was approved to establish a representative office in Sydney, Australia, aiming to seize new market opportunities and diversify revenue sources. Moreover, a venture capital subsidiary set up an office in Singapore to tap into Southeast Asian opportunities, expand business and investment opportunities, strengthen regional integration and resource allocation within the Group, and improve capital utilization efficiency and growth potential.

5. Facilitating Sustainable Transformation, Integrating Banking Services with Sustainable Finance

The Bank continues to implement sustainable finance by launching products and services that benefit both society and the environment. In 2024, we released Taiwan's first "Transport Carbon Reduction Card," for which transportation discounts are determined by the amount of carbon emissions reduced through its usage, thus motivating consumers to join carbon reduction efforts. We also continue to optimize our internal carbon pricing mechanism, manage climate risks through investment and financing, and strengthen the implementation of green finance. In 2024, the Bank received top honors in the Sustainalytics ESG Risk Ratings conducted by Morningstar Sustainalytics, ranking first among all publicly listed companies in Taiwan, and also retained the top position in the financial industry, in recognition of its performance in managing sustainability risks. The Bank was further ranked first among all Taiwanese financial institutions in the FTSE Russell ESG Scores, and received an A grade—the highest possible score—in the Carbon Disclosure Project (CDP). Domestically, the Bank was ranked in the top 5% of TWSE-listed companies in the Taiwan Stock Exchange's Corporate Governance Evaluation in 2024 and ranked in fifth place in the mittelstand enterprise category of Commonwealth Magazine's Sustainable Citizen Awards, underscoring its outstanding performance in sustainability.

Looking ahead to 2025, the global economic and financial environment remains uncertain and challenging. Market volatility due to tariff issues and geopolitical risks cannot be overlooked, and the global economic environment faces numerous disruptions. Taiwan's Directorate-General of Budget, Accounting and Statistics forecasts an annual economic growth rate of 3.14%.

Moving forward, the Bank will continue to proactively address challenges of the economic environment and manage risks. The operational goals and key strategies for each business are as follows:

1. Continuously Optimizing Profit Structure and Enhancing Capital Utilization Efficiency

The Bank will continue to pursue growth in return on equity by expanding high-margin and low-capital-intensity businesses and strive to increase processing fee income, including corporate syndicated loan fee income, personal loan fee income, and wealth management fee income, to effectively enhance capital utilization efficiency.

2. Strengthening Asset-Liability Management

The Bank will continue to optimize its deposit structure, enhance deposit utilization efficiency, and proactively adjust investment and financing assets at the same time to respond to market and interest rate changes, thereby effectively managing risks, strengthening asset quality, and building a more comprehensive and complete asset and liability management system.

3. Enhancing Digital Transformation, Strengthening Digital Business Models

The Bank will continue to deepen the three core pillars of technology, data, and scenarios, actively integrate AI technology, and expand digital channels and diverse service scenarios to boost customer penetration and interaction efficiency. Simultaneously, we will strengthen AI-driven process automation and data application to optimize overall operational efficiency and service quality, thus effectively advancing digital transformation and improving digital empowerment.

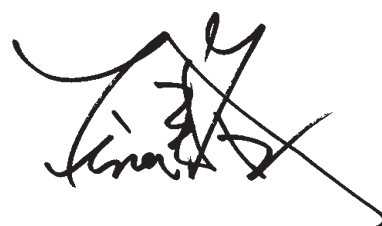
4. Accelerating Overseas Expansion

The Bank will actively expand its overseas presence and continue to target growth in Australian and Southeast Asian markets, while collaborating with subsidiaries like EverTrust Bank's North American branch to create synergies, enhance overseas operational efficiency, and integrate regional resources.

5. Deepening Commitment to Sustainable Development

The Bank will continue to deepen its commitment to sustainable development and sustainable finance, aiming to enhance capital market valuations and long-term competitiveness, to achieve a multiple-win outcome for all stakeholders through sustainable operations.

Moving forward, the Bank will uphold its "fulfilling oneself by benefiting others" philosophy and strive to improve operating performance and implement sustainable development to create long-term value for shareholders and stakeholders. We believe that with the collective efforts of all our employees, the Bank will continue to move forward, and we sincerely hope for the ongoing support and guidance from our shareholders.

A stylized, handwritten signature in black ink, appearing to read 'Tina Y. Lo'.

Tina Y. Lo/Chairman

II. Corporate Governance Report

1. Directors, Supervisors and Management Team

(1) Directors and Supervisors

A. Directors

As of April 15, 2025 Unit: Shares/%

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 2)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Lo, Tina Y.	Female 51-60 years old	2023.6.16	Three years	2002.5.30	108,018 *10,743	0.004 *0.004	118,761 *7,851	0.004 *0.003	-	-	-	-	Vice Chairman, O-Bank ∙ Vice Chairman, 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 MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA	Note 3	Managing Director	Lo, Kenneth C.M.	1st Degree	-
Managing Director (Honorary Chairman)	Republic of China	Ming Shan Investment Co., Ltd. (Rep.: Lo, Kenneth C.M.)	Male 81- 90 years old	2023.6.16	Three years	2011.6.13 1999.7.12	362,298,574 *23,972,980	13.25 *8.02	386,271,554 -	13.77 -	-	-	-	-	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 Chinatrust Commercial Bank M.A.in Finance, The University of Alabama	Note 4	Chairman	Lo, Tina Y.	1st Degree	-
Managing Director	Republic of China	Tai Hsuan Investment Co., Ltd. (Rep.: Lin, Bill K.C.)	Male 51- 60 years old	2023.6.16	Three years	2023.6.16 2020.6.19	263,404,275 *23,731,226	9.63 *7.94	275,404,275 -	9.62 -	-	-	-	-	Chairman, IBT Management Corp. ∙ Director, IBTVII 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. ∙ Sales supervisor of Credit Card Business, Taishin Taishin International Bank MBA, Chinese Culture University ∙ EMBA, National Taiwan University	Note 5	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 2)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	Male 71- 80 years old	2023.6.16	Three years	2017.6.14 2015.11.11	54,728 -	0.002 -	54,728 *3,618	0.002 *0.001	-	-	-	-	Chairman, Abag Enterprise Co., Ltd. ∙ Chairman, Abag Investment Holdings Co., Ltd. ∙ Chairman, San Ho Development Co., Ltd. ∙ Director/ President, San Ho Plastics Fabrication Co., Ltd. MBA, St. John's University	Note 6	-	-	-	-
Director	Republic of China	Lee, Mark J.C.	Male 61- 70 years old	2023.6.16	Three years	2011.6.13	100,390 *9,984	0.004 *0.003	100,390 *7,297	0.004 *0.003	-	-	-	-	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. Department of Accounting, Feng Chia University	Note 7	-	-	-	-
Director	Republic of China	Mingshan Investment Co., Ltd. (Rep.:Chien, Chih- Ming)	Male 61- 70 years old	2023.6.16	Three years	2011.6.19 2022.11.2	362,298,874 *23,972,980	13.25 *8.02	386,271,554 -	13.77 -	-	-	-	-	Chairman, Infinite Finance Co., Ltd. ∙ Director, Taiwan KBC Leasing Co., Ltd. ∙ Director, Tajun International Leasing Co., Ltd. ∙ President, China Bills Finance Corporation ∙ Senior Executive Vice President, Risk Management Department, O-Bank Bachelor of Economics, National Chung Hsing University	Note 8	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 2)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Tai Ya Investment Co., Ltd. (Rep. Chen, Alex J.J.)	Female 51-60 years old	2023.6.16	Three years	2002.5.30 2023.6.16	83,137,161 *7,490,185	3.04 *2.50	83,137,161 *5,991,757	2.96 *2.40	-	-	-	-	Vice Chairman, IBT VII Venture Capital Co., Ltd. ◦ Business Advisor, O-Bank ◦ Independent director, Castles Technology Co., Ltd. ◦ Director, HiTrust.com Incorporated ◦ Advisor to Chairman & President, LAKALA Financial Technology Group ◦ China President, Welab Group ◦ Executive Vice President, China Resource Bank ◦ Senior Vice President, ChinaTrust Commercial Bank ◦ Senior Vice President, Taishin International Bank ◦ Manager, First Commercial Bank ◦ President, Taiwan GM, Visa International M.A. in Computer Science & Information Engineering Science graduate school, National Taiwan University Bachelor of Computer Science, TamKang University	Note 9	-	-	-	-
Director	Republic of China	Yi Chang Investment Co., Ltd. (Rep.: Tang, Grace W.S.)	Male 51- 60 years old	2023.6.16	Three years	1999.7.12 2023.6.16	268,554,793 *23,786,204	9.82 *7.95	276,554,793 *1,650,000	9.86 *0.66	-	-	-	-	President, IBT Management Corp. ◦ Director, IBTVIII Venture Capital Co., Ltd. ◦ Vice President, O-Bank Investment Department ◦ Senior Vice President, Pacific Venture Group MBA, University of California- Riverside BA in Library Science, National Taiwan University	Note 10	-	-	-	-
Independent Managing Director	Republic of China	Hu, Fu-Hsiung	Male 61- 70 years old	2023.6.16	Three years	2020.6.19	-	-	-	-	-	-	-	-	Independent Director, Walsin Lihwa Corporation ◦ Chairman, Taiwan Cooperative Securities Co., Ltd. ◦ Chairman, Joint Credit Information Center ◦ Director, Taiwan Ratings ◦ Director, Mega International Commercial Bank ◦ Committee Member, Executive Yuan Financial Restructuring Fund Committee ◦ Managing Director, Central Trust of China ◦ Vice Chairman, Executive Yuan Council of Agriculture MBA, National Taiwan University	Note 11	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 2)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Lin, Hank H.K.	Male 61- 70 years old	2023.6.16	Three years	2020.6.19	-	-	-	-	-	-	-	-	Chairman, EY Cultural and Educational Foundation ∙ Supervisor, Union MechTronic Inc. ∙ Supervisor, EverBot Technology Co., Ltd. ∙ Director, St. Ann Medical Co., Ltd. ∙ Director, Globe Union Industrial Corp. ∙ Director, PANJIT International Inc. ∙ Independent director, Samson Holding Ltd., ∙ Managing Partner/CPA, EY MBA, City University of New York (Brooklyn College)	Note 12	-	-	-	-
Independent Director	Republic of China	Chiang, Tina W.N	Female 61-70 years old	2023.6.16	Three years	2023.6.16	-	-	-	-	-	-	-	-	Chairman, Shanda Information Cooperation Ltd. ∙ Chairman, Taipei Financial Education Development Association ∙ SEVP & Chief Officer of Digital Technology, SinoPac Holdings Company Ltd. ∙ Chief Officer of Operations, SinoPac Holdings Company Ltd. ∙ President, Bank SinoPac Co., Ltd ∙ Head of Consumer Banking, Electronic Banking, Integrated Marketing Division, Bank SinoPac Co., Ltd ∙ Senior Vice President & General Manager, MasterCard International Inc., China ∙ Vice President & country Manager, MasterCard International Inc., Taiwan ∙ Senior Vice President & Head of Credit Card Division, Fubon Commercial Bank M.B.A., Specialization of Information Management, Aspen University, USA Bachelor of Business Administration in Business Mathematics, Soochow University	Note 13	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 2)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Wang, Jennifer C.F.	Female 51-60 years old	2023.6.16	Three years	2023.6.16	-	-	-	-	-	-	-	-	Partner, Chen & Lin Attorneys-at-Law ∙ Independent Director, Member of Compensation Committee, Audit Committee, Risk Committee and Investment Committee, TXC Corporation ∙ Independent Director, Member of Compensation Committee, Audit Committee and Risk Management Committee, Lotus Pharmaceutical Co., Ltd. ∙ Apprentice lawyer, Simpson Thacher & Bartlett LLP, USA Columbia University School of Law (LL.M.) National Taiwan University Law School (LL.M.)	Note 14	-	-	-	-

Note 1: "*" denotes Class B Preferred Shares in this Table.

Note 2: The chairman of the Board of Directors and the president or person of an equivalent post (the highest-ranking manager) are not the same person.

Note 3: 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. ∙ Chairman, IBT Holdings Corp. ∙ Director, KC Investments Corp. ∙ Director, Lucky Bamboo Investments Limited ∙ Managing Supervisor, Friends of the Police Association ∙ Vice Chairman, 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 4: 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-Straits CEO Summit ∙ Honorary Chairman, Chinese National Association of Industry and Commerce.

Note 5: 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.

Note 6: 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 7: 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 Mahinery 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 8: Positions concurrently assumed by representative Chien, Chih-Ming : 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 Shengli International Financial Leasing Co., Ltd., Director of Taijun International Financial Leasing Co., Ltd. ∙ Supervisor of a joint stock company.

Note 9: Positions concurrently assumed by representative Chen, Alex J.J. : Chairman, IBT VII Venture Capital Co., Ltd. ∙ Director, IBT Management Corp. ∙ Independent Director, Castles Technology Co., Ltd. ∙ Director, HiTrust.com Incorporated.

Note 10: Positions concurrently assumed by representative Tang, Grace W.S. : Director, IBT VII Venture Capital Co., Ltd. ∙ Director, IBT Management Corp.

Note 11: Independent executive director Hu Fuxiong concurrently serves as : Independent Director of Walsin Lihwa Co., Ltd.

Note 12: Independent director Lin Hank H.K. concurrently serves as : Chairman of Taipei EY Culture and Education Foundation, ∙ Director, PANJIT International Inc. ∙ Director, Globe Union Industrial Corp. ∙ Director of Taichung Private Jumei Social Welfare and Charity Foundation ∙ Independent director, Johnson Health Tech Co., Ltd. ∙ Supervisor, Union MechTronic Inc. ∙ Supervisor, EverBot Technology Co., Ltd.

Note 13: Independent director Chiang, Tina W.N. concurrently serves as : Chairman, 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. ∙ Chairman, Taipei Financial Education Development Association.

Note 14: Independent director Wang, Jennifer C.F. concurrently serves as : Independent Director, TXC Corporation ∙ Independent Director, Lotus Pharmaceutical Co., Ltd. ∙ Partner, Chen & Lin Attorneys-at-Law.

B. Major shareholders of the institutional shareholders

Apr. 15, 2025

Name of Institutional Shareholders	Major Shareholders
Yi Chang Investment Co., Ltd.	Prudential Fortune Investment Co., Ltd.(55.78%) 、Triple Ace Management Co., Ltd.(42.79%) 、Lo, Nina Y.C.(1.43%)
Ming Shan Investment Co., Ltd.	KC Investments Corp.(86.11%) 、Lo, Kenneth C.M.(3.73%) 、Hong Ju Investment Co., Ltd.(3.63%) 、Lo, Tina Y.(4.76%) 、Chen, Shih-Tze(1.77%)
Abag Investment Holdings Co., Ltd.	Cheng, George C.J.(40%) 、Cheng, Po-Yun(40%) 、Lin Huei-Chen(20%)
Tai Hsuan Investment Co., Ltd.	Sky Capital International Group Inc.(37.99%) 、Lo, Mona I-Ru(31.54%) 、Lo, Kenneth C.M.(10.75%) 、Chen, Yu-Shuan(9.86%) 、Chen, Yu-Da(9.86%)
Tai Ya Investment Co., Ltd.	Crystal Lake Global Limited(65.91%) 、Chen, Shih-Tze(34.09%)

Note: All information disclosed in the above table has been provided by respective institutional shareholders, and O-Bank provided such information accordingly.

C. Major shareholders of the Company's major institutional shareholders

Apr. 15, 2025

Name of Institutional Shareholders	Major Shareholders
Prudential Fortune Investment Co., Ltd.	Lo, Nina Y.C.(96.94%) 、Lo, Kenneth C.M.(1.53%) 、Chen, Shih-Tze(1.53%)
Triple Ace Management Co., Ltd.	Global Sail Holdings Limited (100%)
KC Investments Corp.	Paradise Palms Ltd.(100%)
Hong Ju Investment Co., Ltd.	Lo, Tina Y.(91.66%) 、Lo, Kenneth C.M.(4.17%) 、Chen, Shih-Tze(4.17%)
Sky Capital International Group Inc.	Eagle Dynasty Investments Limited(100%)
Crystal Lake Global Limited	Chen, Shih-Tze(100%)

Note: All information disclosed in the above table has been provided by respective institutional shareholders, and O-Bank provided such information accordingly.

D. Professional qualifications and independence analysis of directors

As of April 15, 2025

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lo, Tina Y.	<ul style="list-style-type: none"> ■ Chairman of the Bank ■ Convener of the Bank's Sustainability Committee ■ Member of the Bank's Corporate Governance and Nomination Committee <p>Ms. Tina Y. Lo chairs the Bank and holds the following concurrent positions: Vice-chairman of the Republic of China Chamber of Commerce and Industry and convener of the Youth Affairs Committee, the first female vice-chairman of the Association since its founding 70 years ago; member, MIT Sloan Asian Executive Board; Director, Cross-Strait Common Market Foundation; Director, Bankers Association of the Republic of China; director, Taiwan Women on Boards Association, etc.</p> <p>Previously Ms. Lo was the Bank's first Hong Kong Branch chief executive, managing director, and vice chairman as well as the O-Bank Group's chief strategy officer, vice chairman, EverTrust Bank, etc. She was also selected to the WEF's Young Global Leaders (YGL) forum and identified as an Eisenhower Fellowships fellow, making her Taiwan's only recipient of both honors. In 2016, she was appointed by President Tsai Ing-wen to Chinese Taipei's mission to APEC's Business Advisory Council (ABAC).</p> <p>With her expertise in business administration, decision-making, international markets, crisis and risk management, banking, corporate governance, sustainable development, and green finance, Ms. Lo is committed to taking the Bank forward while following the benevolent way of "benefiting others to fulfill oneself." The ultimate goal is to create a reciprocal financial service platform sharing prosperity with customers and join all stakeholders in fostering a win-win future of sustainability.</p>		0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lo, Kenneth C.M.	<ul style="list-style-type: none"> ■ Managing Director of the Bank ■ Honorary Chairman of the Bank ■ Member of the Bank's Sustainability Committee <p>Mr. Kenneth C.M. Lo is the Bank's managing director as well as honorary chairman. He holds the following concurrent positions: Managing director, Cross-Strait CEO Summit; honorary director, Chinese National Association of Industry and Commerce (CNAIC), etc.</p> <p>Mr. Lo, a veteran banker, and former central bank governor Samuel Shieh teamed up with a number of private businesses to found Industrial Bank of Taiwan (IBT) in 1999. He went on to transform IBT into O-Bank as a commercial bank and get it listed on the Taiwan Stock Exchange in 2017. In his banking career that spans over half a century, he acted as president of Chinatrust Commercial Bank and chairman of the Bank among others, fully attesting to his meeting the Financial Supervisory Commission's requirements for natural-person professional directors. In his long banking career, Mr. Lo has accumulated all the necessary competences: business administration, leadership, decision-making, international perspectives, crisis and risk management, and lending expertise. In the days ahead, the Bank is ready to continue drawing on Mr. Lo's expertise and experience as it strives for business expansion and earnings growth.</p>		0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Bill K.C.	<ul style="list-style-type: none"> ■ Managing Director of the Bank ■ Member of the Bank's Sustainability Committee <p>Mr. Bill K.C. Lin is the Bank's managing director. He holds the following concurrent positions: Chairman, IBT Management Corp.; director, IBT VII Venture Capital Co., Ltd. ; director, Guppy digital technology Co., Ltd.; director, Curdoctor Information Service Corp.; independent director, GOMAJI Corp. Ltd.; chairman, International Community Health Care Association.</p> <p>Mr. Lin spent more than five years at Taishin International Bank where he served in the position of assistant manager or a higher or equivalent position in its head office. Given his professional experience in the banking industry, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. Previously Mr. Lin served as present of PayEasy Digital Integration Co., Ltd., director, EasyCard Investment Holding Co., Ltd. and EasyCard Corporation. He also served as a part-time lecturer at the department of Business Administration, National Taiwan University of Science and Technology, in the other hand, Mr. Lin is a certified social impact SROI junior planner.</p> <p>Mr. Lin is a professional equipped with industry knowledge, expertise in digital banking, corporate sustainability and IT security capabilities. The Bank will continue enlisting his professional competence to bolster its capacity for innovating corporate banking, personal banking, and digital banking services and enhancing service quality across the board.</p>		1
Cheng, George C.J.	<ul style="list-style-type: none"> ■ Director of the Bank <p>Mr. George C.J. Cheng is the Bank's director. He holds the following concurrent positions: Chairman, San Ho Development Co., Ltd.; chairman, Abag Enterprise Co., Ltd.; chairman, Abag Investment Holdings Co., Ltd.; director, San Ho Plastics Fabrication Co., Ltd., etc.</p> <p>Mr. Cheng has extensive exposure to industries and competences in business judgment and administration. As Mr. Cheng is well-positioned to counsel on operational strategies and business administration, the Bank is ready to continue enlisting his expertise to bolster operations going forward.</p>		0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lee, Mark J.C.	<p>■ Director of the Bank</p> <p>Mr. Mark J.C. Lee is the Bank's director. He holds the following concurrent positions: chairman, Sung Yuan Development Co., Ltd.; director, Bai Tong Investment Co., Ltd.; director, Heng Gi Lie Investment Ltd.; director, Heng Tong Machinery Co., Ltd.; director and present, Heng Kuo Co., Ltd.</p> <p>Mr. Lee is equipped with solid experience in business administration and competences in business judgment, business management, and financial accounting. As Mr. Lee is well-positioned to counsel on operational strategies and financial accounting, the Bank is ready to continue enlisting his expertise to achieve its operational goals.</p>		0
Chien, Chih-Ming	<p>■ Director of the Bank</p> <p>Mr. Chien, Chih-Ming is the Bank's director. He holds the following concurrent positions: Chairman of Infinite Finance Co., Ltd.; director of Infinite Energy Solutions Co., Ltd.; director of Risheng Quantaitong Passenger Car Leasing Co., Ltd.; director of Infinite Commercial Finance CO., LTD.; director of Risheng International Financial Leasing Co., Ltd.; director of Taijun International Financial Leasing Co., Ltd.</p> <p>Mr. Chien is a senior professional manager with more than 35 years of experience in the financial industry. He once served as a individual and corporate financial credit personnel of CTBC Bank Co., Ltd. and served in the position of assistant manager or a higher or equivalent position in its head office. He also served as a director of ICBC Leasing in Taiwan, as the present of China Bills Finance Corporation, and as the chief risk control officer of the Bank. He has operational judgment, operation management, and financial knowledge, risk management and crisis management and other professional capabilities, the bank will continue to develop its business steadily by relying on Mr. Chien's financial expertise and rich practical experience.</p>		0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chen, Alex J.J.	<p>■ Director of the Bank</p> <p>Mr. Chen, Alex J.J. is the Bank's director. He holds the following concurrent positions: Chairman, IBT VII Venture Capital Co., Ltd.; director, IBT Management Corp.; independent director, Castles Technology Co., Ltd. Previously Mr. Chen served as a director, HiTrust.com Incorporated, China president, WeLab Group, executive vice President, China Resource Bank, senior vice President, ChinaTrust Commercial Bank, present of Taiwan and member services representative, Visa Inc., and engineer, IBM Taiwan, etc. Mr. Chen has extensive banking qualifications, industry knowledge, digital financial innovation, corporate sustainability, information security. The Bank will continue enlisting his professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management.</p>		0
Tang, Grace W.S.	<p>■ Director of the Bank</p> <p>Ms. Tang, Grace W.S. is the Bank's director. She holds the following concurrent positions: Director, IBT VII Venture Capital Co., Ltd.; director, IBT Management Corp.</p> <p>Ms. Tang is equipped with the capacity for business judgment, business administration, crisis and risk management, and other professional capabilities, the bank will continue to develop its business steadily by relying on Ms. Tang's financial expertise and rich practical experience.</p>		0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Hu, Fu-Hsiung	<ul style="list-style-type: none"> ■ Independent Managing Director of the Bank ■ Convener of the Bank's Compensation Committee ■ Convener of the Bank's Corporate Governance and Nomination Committee ■ Member of the Bank's Audit Committee ■ Member of the Bank's Sustainability Committee <p>Mr. Fu-Hsiung Hu is not only the Bank's independent managing director but also Walsin Lihwa Corp.'s independent director.</p> <p>Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance and Council of Agriculture. Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Hu:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank. ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. ■ Not a governmental, juridical person or its representative. 	1

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Hank H.K.	<ul style="list-style-type: none"> ■ Independent Director of the Bank ■ Convener of the Bank's Audit Committee ■ Member of the Bank's Compensation Committee ■ Member of the Bank's Corporate Governance and Nomination Committee ■ Member of the Bank's Sustainability Committee <p>Mr. Hank H.K. Lin is the Bank's independent director. He holds the following concurrent positions: Chairman, Taipei EY Cultural and Educational Foundation; independent director, Johnson Health Tech Co., Ltd.; director, PANJIT International Inc.; director, Globe Union Industrial Corp.; director of Taichung Private Jumei Social Welfare and Charity Foundation; supervisor, Union MechTronic Inc. and supervisor, EverBot Technology Co., Ltd.</p> <p>Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. ■ Not a governmental, juridical person or its representative. 	1

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chiang, Tina W.N.	<p>■ Independent Director of the Bank</p> <p>Ms. Chiang, Tina W.N. is the Bank's independent director. She holds the following concurrent positions: Chairman, Shanda Information Co., Ltd.; director, Shengli Technology Co., Ltd.; chairman, Taipei Financial Education Development Association; supervisor, Shengli Investment Co., Ltd.; director, Shanda Information(Japan) Co., Ltd.</p> <p>Previously Ms. Chiang served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and engineer, Tatung- Fujitsu Ltd.,etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. ■ Not a governmental, juridical person or its representative. 	0

Criteria Name	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Wang, Jennifer C.F.	<p>■ Independent Director of the Bank</p> <p>Ms. Wang, Jennifer C.F. is the Bank's independent director. She holds the following concurrent positions: Independent director, TXC Corporation; independent director, Lotus Pharmaceutical Co., Ltd.; partner, Chen & Lin Attorneys-at-Law.</p> <p>Previously Ms.Wang, served as apprentice lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang has been involved in handling mergers and acquisitions between domestic and multinational companies, joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, International market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. ■ Not a governmental, juridical person or its representative. 	2

Note 1: None of the Bank's directors has committed any of the violations listed in Article 30 of the Company Act.

Note 2: The Bank's directors faithfully stand by the principle of recusal. When it comes to any item involving personal interests that may harm the Bank's interests, directors do not participate in the discussion of and voting on the said item and do not vote on behalf of other directors.

Note 3: "Company with a specific relationship with the Bank" refers to a company defined by Subsection 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

E. Board Diversification and Independence

1. Board Diversification

The selection of Board members is conducted in accordance with the Bank's Articles of Incorporation through a candidate nomination system. Selection criteria are not limited by gender, age, race, or nationality. The Board should include elite professionals with expertise and extensive experience in various fields aligned with the Bank's commitment to diversity. All Board members should possess the knowledge, skills, and competencies necessary for performing their duties. To achieve corporate governance objectives and meet the Bank's future development needs, at least two Board members must have work experience in banking, financial administration, or management. The Board as a whole should demonstrate a diverse range of professional competencies, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, and information technology and cybersecurity expertise.

The members of the Bank's 9th Board of Directors embody the principles of diversity and are composed of distinguished professionals from the financial, industrial, and academic sectors. Among them, 10 directors hold master's degrees and 2 hold bachelor's degrees, covering disciplines such as economics, business, management, accounting, law, and information technology. The Board collectively possesses strong capabilities in business judgment, management, and decision-making, with Tina Y. Lo, Kenneth C.M. Lo, Chih-Ming Chien, and George C.J. Cheng as key representatives in these areas. Hank H.K. Lin, Mark J.C. Lee, Fu-Hsiung Hu, and Tina W.N. Chiang specialize in accounting and finance. Kenneth C.M. Lo, Chih-Ming Chien, and Bill K.C. Lin have expertise in risk management and crisis response. Financial professionals include Tina Y. Lo, Kenneth C.M. Lo, Fu-Hsiung Hu, and Chih-Ming Chien. Tina Y. Lo, George C.J. Cheng, Mark J.C. Lee, and Grace W.S. Tang contribute strong international market perspectives. Tina Y. Lo, Fu-Hsiung Hu, and Bill K.C. Lin possess knowledge in sustainability and environmental protection. Information technology and cybersecurity are represented by Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, and Alex J.J. Chen. Legal expertise is held by Fu-Hsiung Hu and Jennifer C.F. Wang. All Board members are equipped with the necessary knowledge, skills, and competencies for fulfilling their duties and bring with them diverse expertise across finance, accounting, business, law, and industry.

Among the Bank's current 12 directors, 4 are Independent Directors, accounting for 33% of the Board. All Independent Directors have served for less than nine years. In terms of age distribution, 5 directors are under the age of 60, 5 are between 61 and 70, and 2 are above 71, reflecting a well-balanced blend of experience and innovative thinking. To align with the United Nations Sustainable Development Goal on gender equality, the Bank has set a policy requiring the Board to include at least one female director, with the aim of gradually increasing the proportion of female directors to one-third by 2030. At present, the Board includes 4 female directors, achieving this target ahead of schedule. In addition, one director is an employee representative (including those from affiliated enterprises), accounting for 8.3% of the Board.

Furthermore, on December 23, 2020, during the 5th meeting of the 8th Board of Directors, the “Diversity Policy, Independence Standard, Continuing Education Initiative Program, and Succession Planning for the Board of Directors” were established. On August 21, 2023, it was renamed the “Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy,” with partial amendments made on March 12, 2025. These measures aim to enhance the diversity of board composition, improve the independence and decision-making of the board, and strengthen board functions, continuously improving corporate governance and sustainable development goals.

Board Diversity Professional Capabilities:

<div>Diversification Ability</div> <div>Name of the directors</div>	Operational Judgment / Operational Management Capabilities	Accounting / Financial Skills	Risk Management Ability	Crisis Handling Ability	Financial Professional / Industry Knowledge	International Market outlook / Ability to Invest in Mergers and Acquisitions	Leadership and Decision-Making	Corporate Sustainability and Environmental Protection Knowledge	Legal Knowledge	IT Security Capabilities
Lo, Tina Y.	✓	✓	✓	✓	✓	✓	✓	✓		
Lo, Kenneth C.M.	✓	✓	✓	✓	✓	✓	✓	✓		
Lin, Bill K.C.	✓	✓	✓	✓	✓		✓	✓		✓
Cheng, George C.J.	✓	✓	✓	✓	✓	✓	✓	✓		
Lee, Mark J.C.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chien, Chih-Ming	✓	✓	✓	✓	✓		✓	✓	✓	
Chen, Alex J.J.	✓	✓	✓	✓	✓		✓		✓	✓
Tang, Grace W.S.	✓	✓	✓	✓	✓	✓	✓	✓		
Hu, Fu- Hsiung	✓	✓	✓		✓	✓	✓	✓	✓	✓
Lin, Hank H.K.	✓	✓	✓	✓	✓	✓				✓
Chiang, Tina W.N.	✓	✓	✓	✓	✓	✓	✓	✓		✓
Wang, Jennifer C.F.			✓	✓		✓	✓	✓	✓	

2. Board Independence

Among the Bank’s current 12 directors, there are 4 independent directors, accounting for 33%. The nomination and selection of independent directors of the Bank, their qualifications, professionalism, independence, and number of concurrent positions are all in accordance with the “Securities and Exchange Law”, “Regulations on the Appointment of Independent Directors of Publicly Issued Companies and Matters to Be Followed” and the Taiwan Stock Exchange Standardize the conditions for independent directors. In addition, a written declaration of independence of independent directors is required at the time of nomination and election, and through the evaluation of various independence requirements, it is confirmed that independent directors meet the independence requirements. In addition, in order to ensure that independent directors avoid reducing their independence due to long-term tenure and exercise their powers objectively, all independent directors of the Bank have not served three consecutive terms. Additionally, to improve the governance quality of directors, the Bank has also established restrictions on concurrent positions. Directors are not allowed to simultaneously serve as directors or supervisors in more than four listed companies, including their roles as director or independent directors of the Bank.

The Bank's board of directors has two directors who are relatives within the second degree of relationship (please refer to the "Directors' Information" section of this annual report), which complies with the provisions of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, the Bank has no government agencies or single legal person organizations or subsidiaries that account for more than one- third of the board of directors. Accordingly, the Bank comprehensively assessed that the composition of the Board of Directors is independent.

(2) Management Team

Apr. 15, 2025

Unit: Shares/%

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Republic of China	Lee, Elton F.Y.	Male	2020.02.01	2,795,976 *300,000	0.10 *0.12	-	-	-	-	Deputy President, O-Bank MBA, Manchester Business School	Director, EverTrust Bank Director, IBT Holdings Corp.	-	-	-	-
Deputy President	Republic of China	Lin, Roger Y.F.	Male	2017.03.01	2,878,914	0.10	-	-	*2,590,000	*1.04	Senior Executive Vice President, O-Bank Master of International Business, National Taiwan University	Director, Beijing Sunshine Consumer Finance Co., Ltd.	-	-	-	-
Senior Executive Vice President	Republic of China	Xu, Chengzhou	Male	2022.8.24	500,000 *400,000	0.02 *0.16	-	-	-	-	CFO of Yushan Financial Holdings Master of Business Administration, Sun Yat-sen University	-	-	-	-	-
Senior Executive Vice President	Republic of China	Fan, Vivian H.J.	Female	2024.04.01	1,024,204 *479,765	0.04 *0.19	-	-	-	-	Senior Vice President, O-Bank Bachelor of Science in Information Management, Fu Jen Catholic University	-	-	-	-	-
Senior Executive Vice President	Republic of China	Xiao, Zhongcheng	Male	2023.04.06	400,000 *420,000	0.01 *0.17	-	-	-	-	HSBC (Taiwan) Commercial Bank, Senior Vice President, Large Enterprise Division, Industrial and Commercial Banking Division Master of Business Administration, University of California, Riverside	-	-	-	-	-
Executive Vice President	Republic of China	Lai, Fengren	Male	2014.3.1	668,040 *360,000	0.02 *0.14	-	-	-	-	Senior vice president, O-Bank Master of Business Administration, University of Birmingham, UK	Director, Infinite Finance Co., Ltd.	-	-	-	-
Executive Vice President	Republic of China	Chao, Tillie C.L.	Female	2021.07.28	426,710 *100,000	0.02 *0.04	-	-	-	-	Chief Risk Officer, ANZ Banking MBA, National Taiwan University Science & Technology	Supervisor, IBT Management Corporation Supervisor, IBT VII Venture Capital Co., Ltd.	-	-	-	-

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Executive Vice President	Republic of China	Siew, Joy C.Y.	Female	2021.03.01	883,380	0.03	-	-	*1,547,420	*0.62	Senior Vice President, O-Bank Master of Arts in International Relations, Johns Hopkins University	Director, China Bills Finance Corp.	-	-	-	-
Executive Vice President	Republic of China	Xie, Jun	Male	2023.3.29	140,000 *110,000	0.00 *0.04	-	-	-	-	Senior Deputy General Manager of Infinite Finance Co., Ltd. Head of Risk Control, Taiwan ICBC Leasing Company/(Suzhou) Taijun International Leasing Company PhD in Economics, Shanghai University of Finance and Economics	-	-	-	-	-
Executive Vice President	Republic of China	Chen, Paul H.J.	Male	2021.01.01	197,701 *50,000	0.01 *0.02	-	-	-	-	Senior Vice President, O-Bank Master of Law, National Cheng Chi University	-	-	-	-	-
Executive Vice President	Republic of China	Hong, Lizhen	Female	2022.11.03	150,000 *150,000	0.01 *0.06	-	-	-	-	Project Manager, Strategic Planning Division, Cathay United Bank Department of Transportation Management, Tamkang University	-	-	-	-	-
Executive Vice President	Republic of China	Chang, Ophelia L.W.	Female	2024.04.01	257,208	0.01	-	-	*1,579,000	*0.63	Vice President, O-Bank Bachelor of International Business, National Taiwan University	-	-	-	-	-
Executive Vice President	Republic of China	Tang, Ruoheng	Male	2021.07.29	85,000 *200,000	0.00 *0.08	-	-	-	-	Senior Manager, Regional Financial Division, Taipei Fubon Bank Department of Finance, Chaoyang University of Science and Technology	-	-	-	-	-
Executive Vice President	Republic of China	Chin, Teddy Y.T.	Male	2016.03.01	375,917 *100,000	0.01 *0.04	-	-	-	-	O-Bank Senior Manager National Taiwan University Master of Economics	-	-	-	-	-
Executive Vice President	Republic of China	Fang, Huanwen	Male	2018.03.15	434,822 *100,000	0.02 *0.04	-	-	-	-	Senior Manager, Payment Finance Division, Taishin Bank Tamkang University Master of International Business	-	-	-	-	-
Executive Vice President	Republic of China	Peng, Christina B.J.	Female	2023.07.10	60,000 *200,000	0.00 *0.08	-	-	-	-	General Manager, Paradigm Asset Management Co., Ltd. National Central University Master of Industrial Economics	-	-	-	-	-

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Executive Vice President	Republic of China	Lee, Yaochung	Male	2023.12.04	*200,000	*0.08	-	-	-	-	- Senior Analyst, Immigration Information Division of National Immigration Agency National Chiao Tung University Master of Information Management	-	-	-	-	-
Executive Vice President	Republic of China	Tyane, Edward F.C.	Male	2022.08.29	63,604 *314,026	0.00 0.13	-	-	-	-	- Executive Vice President, O-Bank National Cheng Kung University Master of Accountancy	Director, Infinite Finance Co., Ltd.	-	-	-	-
Senior Vice President	Republic of China	Chang, Samson W.Y.	Male	2020.09.01	160,812	0.01	-	-	-	-	- Vice President, OBU, Yuanta Bank MBA, Tunghai University	-	-	-	-	-
Senior Vice President	Republic of China	Soong, Grace L.H.	Female	2019.03.01	210,000 *30,000	0.01 *0.01	-	-	-	-	- Vice President, O-Bank MBA, University of California	-	-	-	-	-
Senior Vice President	Republic of China	Fang, Andy C.P.	Male	2017.03.01	203,604 *10,000	0.01 *0.00	-	-	-	-	- Vice President, O-Bank Master of Science in Information Resource Management, Syracuse University of New York	-	-	-	-	-
Senior Vice President	Republic of China	Hsu, Pei Ling	Female	2019.08.26	149,416 *210,000	0.01 *0.08	-	-	-	-	- Vice President, Corporate Development Division, Fubon Financial Holding Co. Ltd. MBA, Massachusetts Institute of Technology, Sloan School of Management	Director, IBT Management Corp. · Director, IBT VII Venture Capital Co., Ltd.	-	-	-	-
Senior Vice President	Republic of China	Li, Zhikuan	Male	2013.04.01	417,020 *200,000	0.01 *0.08	-	-	-	-	- O-Bank Vice President Department of Accounting, Tamkang University	-	-	-	-	-
Senior Vice President	Republic of China	Chen, Yanliang	Male	2022.11.03	40,000 *120,000	0.00 *0.05	-	-	-	-	- Vice President, Consumer Finance, DBS Bank Master of International Trade, National Chengchi University	-	-	-	-	-
Senior Vice President	Republic of China	Hung, Ida K.Y.	Female	2022.03.01	262,020	0.01	-	-	-	-	- Vice President, O-Bank Master of Statistics, National Cheng Chi University	-	-	-	-	-
Senior Vice President	Republic of China	Ye, Chengxian	Male	2022.10.01	63,604 *10,000	0.00 *0.00	-	-	-	-	- Senior Vice President of Inspection Department of Taiwan Leasing Co., Ltd. Master of Economics, National Chengchi University	-	-	-	-	-

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior Vice President	Republic of China	Chen, Gaven Y.	Male	2020.03.01	285,604 *53,000	0.01 *0.02	-	-	-	-	- Vice President, O-Bank Bachelor of Finance and Economic, Tamsui Oxford University College	-	-	-	-	-
Senior Vice President	Republic of China	Guan, Shusen	Female	2022.12.28	88,000	0.00	-	-	-	-	- Lawyer at Tianleping Law Firm in Mainland China Department of Law, Soochow University	-	-	-	-	-
Senior Vice President	Republic of China	Liu, Arnold H.I	Male	2022.01.01	84,218 *30,000	0.00 *0.01	-	-	-	-	- Senior Finance Manager, ANZ Bank Taiwan MBA, Fu Jen Catholic University	-	-	-	-	-
Senior Vice President	Republic of China	Yang, Yawen	Female	2016.05.16	88,010 *120,000	0.00 *0.05	-	-	-	-	- Vice President of Citigroup (Taiwan) Bank Telephone Banking Service Center Master of Business Administration, Golden Gate University, California	-	-	-	-	-
Senior Vice President	Republic of China	Li, Dexin	Female	2023.04.01	215,666 *10,000	0.01 *0.00	-	-	-	-	- O-Bank Senior Manager Master of Business Administration, Cornell University	-	-	-	-	-
Senior Vice President	Republic of China	Chen, C.Y.	Male	2020.03.01	181,807 *40,000	0.01 *0.02	10,383 *686	0.00 *0.00	-	-	- Vice President, O-Bank EMBA, National Tsing Hua University	-	-	-	-	-
Senior Vice President	Republic of China	Lin, Doris C.J.	Female	2022.03.01	251,624 *60,000	0.01 *0.02	-	-	-	-	- Vice President, O-Bank Master of Management Sciences, Tamkang University	-	-	-	-	-
Senior Vice President	Republic of China	Zong, Fuzhen	Female	2024.04.01	120,000 *50,000	0.00 *0.02	-	-	-	-	- O-Bank Associate Master of Business Administration, National Chengchi University	-	-	-	-	-
Senior Vice President	Republic of China	Lin, Claudia X.H.	Female	2024.03.18	*100,000	*0.04	-	-	-	-	- Officer, Taipei Fubon Bank Wealth Management Zhongzheng District EMBA, National Cheng Kung University	-	-	-	-	-
Senior Vice President	Republic of China	Huang, Kelvin F.C	Male	2024.04.15	*100,000	*0.04	-	-	-	-	- Senior Vice President, Business Division of EasyCard Corporation Master of Environmental Planning and Management, National Taipei University of Technology	-	-	-	-	-

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Senior Vice President	Republic of China	Chen, Ryan R.S	Male	2024.04.25	*107	*0.00	-	-	-	-	- Senior Executive Vice President, Foxconn Supply Chain Financial Service Platform Master of International Business Management, La Trobe Australia	-	-	-	-	-
Vice President	Republic of China	Lin, Ted K.T.	Male	2021.05.06	30,000 *30,000	0.00 *0.01	-	-	-	-	- Vice President, Bank of East Asia Master of Statistics and Information Science, Fu Jen Catholic University	-	-	-	-	-
Vice President	Republic of China	Zhang, Yulin	Male	2022.11.03	60,000 *20,000	0.00 *0.01	-	-	-	-	- O-Bank Associate Master of Information Management, National Taiwan University	-	-	-	-	-
Vice President	Republic of China	Zhu, Tingyi	Male	2022.11.03	30,000	0.00	-	-	-	-	- Manager of System and Information Security Management Department, SinoFung Bank Master of Information Management, Tamkang University	-	-	-	-	-
Vice President	Republic of China	Xu, Steven H.J.	Male	2024.03.14	24,000 *80,000	0.00 *0.03	8,000	0.00	-	-	- Assistant Vice President, O-Bank Master of Finance, National Sun Yat-Sen University	-	-	-	-	-
Vice President	Republic of China	Chang, Joanna H.W.	Female	2024.04.01	36,382 *10,000	0.00 *0.00	-	-	-	-	- Assistant Vice President, O-Bank Associate Degree of International Trade, Shih Chien College of Home Economics	-	-	-	-	-
Vice President	Republic of China	Chien, Jay S.C.	Male	2024.04.01	25,000 *20,000	0.00 *0.01	-	-	-	-	- Assistant Vice President, O-Bank Bachelor of Computer Science and Information Engineering, Chung Hua University	-	-	-	-	-
Vice President	Republic of China	Tu, Eric Z.X.	Male	2024.04.01	25,000 *25,000	0.00 *0.01	-	-	-	-	- Assistant Vice President, O-Bank Master of Finance, Chaoyang University of Technology	-	-	-	-	-

Title	Nationality	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President	Republic of China	Wu, Gene J.X.	Male	2024.07.01	*100,000	*0.04	-	-	-	-	Vice President, O-Bank Bachelor of Economics, Feng Chia University	-	-	-	-	-
Senior Assistant Vice President	Republic of China	Tai, Hsin Yi	Female	2021.11.12	247,000 *200,000	0.01 *0.08	-	-	-	-	Assistant Vice President, O-Bank Master of Accounting, National Taiwan University	-	-	-	-	-
Senior Assistant Vice President	Republic of China	Liu, Michael J.H.	Male	2024.01.01	-	-	-	-	-	-	Assistant Vice President, O-Bank Master of Public Policy and Management, University of Southern California	-	-	-	-	-
Senior Assistant Vice President	Republic of China	Huang, Yanzhi	Male	2023.02.16	-	-	-	-	-	-	Manager, O-Bank Qiaoguang Commercial College Bank Insurance Division	-	-	-	-	-
Senior Assistant Vice President	Republic of China	Lin, Country W.B.	Male	2024.07.01	93,612 *50,000	0.00 *0.02	-	-	-	-	Assistant Vice President, O-Bank Master of Information Management, Shih Hsin University	-	-	-	-	-

Note1: "*" denotes Class B Preferred Shares in this Table. Note2: Where the president of the Board of Directors and the chairman or person of an equivalent post (the highest-ranking manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for such and the reasonableness and necessity thereof, as well as the measures adopted in response thereto, such as increasing seats for independent directors and having a majority of directors refrain from serving concurrently as employees or managerial officers.

(3) Return to consultant

Chairmen of the board and presidents rehired as consultant after retiring from the Bank or its affiliate enterprises: None.

2. Remuneration of Directors, President, Deputy Presidents, Vice Presidents and Consultants, and Remuneration of employees in the Most Recent Fiscal Year

(1) Remuneration of Non-independent Directors and Independent Directors

December 31, 2024 Unit: NT\$ thousands/%

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and ratio to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or from the Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E) (Note 1)		Severance Pay (F)		Employee Compensation (G) (Note 2)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Lo, Tina Y.	26,866	27,572	378	378	12,429	12,429	1,705	2,122	41,378 1.45	42,502 1.49	0	0	0	0	0	0	0	0	41,378 1.45	42,502 1.49	None
Managing Director	Lo, Kenneth C.M.	0	0	0	0	0	0	456	456	456 0.02	456 0.02	0	0	0	0	0	0	0	0	456 0.02	456 0.02	None
Managing Director	Ming Shan Investment Co., Ltd. (Rep.: Lo, Kenneth C.M.)	900	900	0	0	6,215	6,215	0	0	7,115 0.25	7,115 0.25	0	0	0	0	0	0	0	0	7,115 0.25	7,115 0.25	None
Managing Director	Lin, Bill K.C.	0	2,852	0	0	0	0	198	237	198 0.01	3,089 0.11	0	0	0	0	0	0	0	0	198 0.01	3,089 0.11	None
Managing Director	Tai Hsuan Investment Co., Ltd. (Rep.: Lin, Bill K.C.)	900	900	0	0	6,215	6,215	0	0	7,115 0.25	7,115 0.25	0	0	0	0	0	0	0	0	7,115 0.25	7,115 0.25	None
Director	Lee, Mark J.C.	600	600	0	0	4,143	4,143	54	54	4,797 0.17	4,797 0.17	0	0	0	0	0	0	0	0	4,797 0.17	4,797 0.17	None
Director	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	600	600	0	0	4,143	4,143	48	48	4,791 0.17	4,791 0.17	0	0	0	0	0	0	0	0	4,791 0.17	4,791 0.17	None
Director	Chien, Chih-Ming	0	0	0	0	0	0	54	54	54 0.00	54 0.00	0	0	0	0	0	0	0	0	54 0.00	54 0.00	9,432
Director	Ming Shan Investment Co., Ltd. (Rep.: Chien, Chih- Ming)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Director	Chen, Alex J.J.	0	2,152	0	0	0	0	54	93	54 0.00	2,245 0.08	0	0	0	0	0	0	0	0	54 0.00	2,245 0.08	None
Director	Tai Ya Investment Co., Ltd. (Rep.: Chen, Alex J.J.)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Director	Tang, Grace W.S	0	0	0	0	0	0	54	105	54 0.00	105 0.00	0	6,531	0	108	0	0	227	0	54 0.00	6,971 0.01	None
Director	Yi Chang Investment Co., Ltd. (Rep.: Tang, Grace W.S)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Independent Managing Director	Hu, Fu-Hsiung	2,800	2,800	0	0	0	0	324	324	3,124 0.11	3,124 0.11	0	0	0	0	0	0	0	0	3,124 0.11	3,124 0.11	None
Independent Director	Lin, Hank H.K.	2,100	2,100	0	0	0	0	204	204	2,304 0.08	2,304 0.08	0	0	0	0	0	0	0	0	2,304 0.08	2,304 0.08	None
Independent Director	Chiang, Tina W.N	2,100	2,100	0	0	0	0	168	168	2,268 0.08	2,268 0.08	0	0	0	0	0	0	0	0	2,268 0.08	2,268 0.08	None
Independent Director	Wang, Jennifer C.F.	2,100	2,100	0	0	0	0	168	168	2,268 0.08	2,268 0.08	0	0	0	0	0	0	0	0	2,268 0.08	2,268 0.08	None

Note 1: Compensation for chauffeurs assigned to directors amounted to NT\$2,534 thousand and that for those assigned to employees charged with concurrent posts, NT\$0 thousand.

Note 2: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2024. The amount given here is an estimate based on the actual distribution for 2023.

1. Spell out the policy, system, criteria, and structure concerning remuneration of independent directors as well as such remuneration' correlation with their duties, risk assumed, and time devoted:

In accordance with its Articles of Incorporation, the Bank excludes independent directors from distribution of earnings but may pay them remuneration no matter if it makes a profit or loss. The Board of Directors is authorized to decide on remuneration for independent directors on the basis of their involvement in the Bank's operations, the value of their contributions, and the result of performance evaluation of the Board while also taking into account such remuneration among industry peers.

2. Except for the items disclosed above, remuneration collected by directors for rendering services (to the Company, companies in its consolidated financial statements, or its investees as non-employee advisors) during the most recent year: None.

Note 3: The compensation amounts disclosed here are not a conceptual equivalent to the “income” defined in the Income Tax Act. As such, these numbers are meant for information disclosure instead of taxation.

(2) Remuneration of President and Vice Presidents

December 31, 2024

Unit: NT\$ thousands/%

Title	Name	Remuneration										Total Remuneration (A+B+C+D) and ratio to Net Income (%)		Compensation Paid to President and Vice Presidents from an Invested Company Other than the Company's Subsidiary or from the Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Supervisors (C)(note1)		Allowances (D)(note2)				The company	Companies in the consolidated financial statements	
		The company	Companies in the consolidated financial statements	Thecompany	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements				
								Cash	Stock	Cash	Stock			
President	Lee, Elton F.Y.	13,486	14,167	108	108	31,502	32,000	1,240	—	1,240	—	46,3361.62	47,5141.66	None
Deputy President	Lin, Roger Y.F.	64,432	64,560	2,504	2,504	96,278	96,531	4,736	-	4,736	-	167,949 5.88	168,331 5.89	None
Senior Executive Vice President	Xu, Chengzhou													
Senior Executive Vice President	Xiao, Zhongcheng													
Senior Executive Vice President	Fan, Vivian H.J.													
Executive Vice President	Lai, Fengren													
Executive Vice President	Siew, Joy C.Y.													
Executive Vice President	Chao, Tillie C.L.													
Executive Vice President	Xie, Jun													
Executive Vice President	Chen, Paul H.J.													
Executive Vice President	Hung, Lichen													
Executive Vice President	Tang, Ruoheng													
Executive Vice President	Chin, Teddy Y.T.													
Executive Vice President	Fang, Stanley H.W.													
Executive Vice President	Peng, Christina B.J.													
Executive Vice President	Shao, Wen W.C. (Note 3)													
Executive Vice President	Tyane, Edward F.C													
Executive Vice President	Wang, Alan J.J. (Note 3)													
Executive Vice President	Kuo, Catherine H.X. (Note 3)													
Executive Vice President	Lee, Yaochung													
Executive Vice President	Chang, Ophelia L.W. (Note 3)													

Note 1: Compensation for chauffeurs amounted to NT\$3,624 thousand.

Note 2: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2024. The amount given here is an estimate based on the actual distribution for 2023.

Note 3: 2024 tenure of managerial officers: Shao, Wen W.C.(1.1~2.6) 、 Wang, Alan J.J. (1.1~6.30) 、 Kuo, Catherine H.X.(1.1~3.17) 、 Chang, Ophelia L.W.(4.1~12.31).

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	Kuo, Catherine H.X.	Kuo, Catherine H.X.
NT\$ 1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Wang, Alan J.J.	Wang, Alan J.J.
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Shao, Wen W.C. 、Peng, Christina B.J. 、Lee, Yaochung	Shao, Wen W.C. 、Peng, Christina B.J. 、Lee, Yaochung
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Siew, Joy C.Y. 、Chao, Tillie C.L. 、Xie, Jun 、Tang, Ruoheng 、Chin, Teddy Y.T. 、Fang, Stanley H.W. 、Tyane, Edward F.C. 、Chang, Ophelia L.W.	Siew, Joy C.Y. 、Chao, Tillie C.L. 、Xie, Jun 、Tang, Ruoheng 、Chin, Teddy Y.T. 、Fang, Stanley H.W. 、Tyane, Edward F.C. 、Chang, Ophelia L.W.
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Fan, Vivian H.J. 、Lai, Fengren 、Xu, Chengzhou 、Chen, Paul H.J. 、Hung, Lichen	Fan, Vivian H.J. 、Lai, Fengren 、Xu, Chengzhou 、Chen, Paul H.J. 、Hung, Lichen
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Lin, Roger Y.F. 、Xiao, Zhongcheng	Lin, Roger Y.F. 、Xiao, Zhongcheng
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	Lee, Elton F.Y.	Lee, Elton F.Y.
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-
More than or equal to NT\$100,000,000	-	-
Total	21	21

Note: Given conceptual differences, the numbers given here are meant for information disclosure instead of taxation.

(3) Remuneration of Employees

December 31, 2024 Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive officers	President	Lee, Elton F.Y.	-	1,240 (Note 1)	1,240	0.04
	Deputy President	Lin, Roger Y.F.	-	4,736 (Note 1)	4,736	0.17
	Senior Executive Vice President	Xu, Chengzhou				
	Senior Executive Vice President	Xiao, Zhongcheng				
	Senior Executive Vice President	Fan, Vivian H.J.				
	Executive Vice President	Lai, Fengren				
	Executive Vice President	Chao, Tillie C.L.				
	Executive Vice President	Siew, Joy C.Y.				
	Executive Vice President	Xie, Jun				
	Executive Vice President	Chen, Paul H.J.				
	Executive Vice President	Hung, Lichen				
	Executive Vice President	Tang, Ruoheng				
	Executive Vice President	Chin, Teddy Y.T.				
	Executive Vice President	Fang, Stanley H.W.				
	Executive Vice President	Peng, Christina B.J.				
	Executive Vice President	Lee, Yaochung				
	Executive Vice President	Tyane, Edward F.C.				
	Executive Vice President	Chang, Ophelia L.W. (Note 2)				

Note 1: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2024. The amount given here is an estimate based on the actual distribution for 2023. Note 2: 2024 tenure of managerial officers: Chang, Ophelia L.W. (4.1~12.31).

(4) Analysis of the compensation for directors, the president, and vice presidents during the most recent two years:

A. Total compensation paid by the Bank and companies in the consolidated financial statements to directors, the president, and vice presidents during the most recent two years as ratios to the Bank's unconsolidated net profit:

Year	2024					2023				
	Number of persons	Amount		Ratio to net profit		Number of persons	Amount		Ratio to net profit	
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Title										
Director/ Independent Director	12	90,205	96,462	3.16%	3.38%	18	82,875	90,703	3.33%	3.64%
President and Vice President	21	214,285	215,845	7.50%	7.56%	26	203,953	205,013	8.18%	8.23%
Net Income		2,856,199					2,492,420			

B. Remuneration policies, standards, and packages, procedure for determining remuneration, and linkage thereof to operating performance and future risk exposure:

(1) Remuneration Policy for Directors and Senior Executives:

- Director Remuneration Principles:
 - a. The remuneration of the Bank's directors should be determined by considering the company's operational results, the directors' contributions, their responsibilities, and the results of board performance evaluations. Performance evaluation criteria include understanding of company goals and tasks, awareness of director duties, participation in company operations, internal relationship management and communication, director professionalism and continuous education, and internal controls. The remuneration should be benchmarked against industry standards.
 - b. Director remuneration should be handled according to Article 22 of the Bank's Articles of Incorporation. If the company has profits for the year, the allocation should not exceed 2.5% of the profits. Independent directors do not participate in the distribution of director remuneration. If there are accumulated losses, amounts should be reserved to cover these first.
 - c. If a director severely violates laws or regulations related to company directors or fails to complete the required training hours as stipulated by the regulatory authorities, the board may decide not to grant the director's remuneration.
 - d. If a director engages in unethical behavior or causes significant negative impact on the company's image during their tenure, the Board may decide to implement a clawback mechanism for the director's remuneration.

- Senior Executive Remuneration Principles:

- a. The remuneration of senior executives is determined by considering their responsibilities, professional skills, and job performance, benchmarked against industry standards.
- b. Variable bonuses for senior executives are based on the overall operational results of the Bank, the performance of the unit they belong to, and individual performance. Part of the remuneration may be in the form of equity-linked payments tied to the company's stock price, aligning with the company's long-term performance.
- c. If a senior executive violates laws or internal regulations or engages in improper conduct causing significant risk events and resulting in foreseeable or actual losses to the company, the Bank may stop deferred bonuses or reclaim part or all of the paid variable remuneration, establishing a system that links remuneration to long-term performance.

(2) Compensation Committee:

The Board has the Compensation Committee composed entirely of independent directors. The Committee assists the Board in setting and regularly reviewing policies, systems, standards, and structures for evaluating and compensating directors and managers. It also regularly assesses the remuneration of directors and managers.

The Bank's compensation package, as defined by the Compensation Committee Organizational Rules, includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances, and other substantial incentives. These are consistent with the requirements outlined in the "Guidelines for the Annual Report of Banks" concerning director and manager remuneration.

(3) Policy Linking Senior Executive Remuneration and Performance Evaluation:

The remuneration policy for senior executives is managed according to the "Managerial Remuneration Management Measures" approved by the Board. Remuneration for senior executives includes fixed and variable components. Fixed salaries are determined by the responsibilities of their positions, job performance, and required professional skills, annually benchmarked against industry standards to maintain market competitiveness. Variable salaries are based on overall company performance, future risks, and individual performance, reasonably allocated. Personal performance assessments include financial and non-financial indicators, such as pre-tax net profit, achievement rates of short- and long-term business goals, annual profitability, cost-income ratio, and asset quality. Non-financial indicators include core company values, strategic objectives, innovation, legal compliance, internal control, risk management, and sustainability goals, with sustainability goals accounting for no less than 5%, ensuring the implementation of the Bank's sustainability strategy.

The remuneration system aims to provide market-competitive incentives while considering future risk factors. Managerial bonuses are partially equity-linked or deferred in cash, with a long-term incentive plan issued as virtual stock, linking bonus value to future stock prices. This strengthens the association between executive remuneration and the company's long-term performance, building a foundation for good company reputation and sustainable operations. Executives violating internal controls or risk management principles, resulting in anticipated or actual losses, will be held accountable, and the Bank may reclaim all or part of the unvested deferred bonuses to establish a foundation for sustainable operations.

3. Implementation of Corporate Governance

(1) Board of Directors

A. Board of Managing Directors

A total of 20 meetings of the 9th Board of Managing Directors were held in 2024.

The attendance of managing directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Lo, Tina Y.	20	0	100	
Managing Director	Mingshan Investment Co., Ltd. (Rep: Lo, Kenneth C. M.)	19	0	95	
Independent Director	Tai Hsuan Investment Co., Ltd. (Rep: Lin, Bill K.C.)	20	0	100	
Independent Managing Director	Hu, Fu-Hsiung	20	0	100	

B. Board of Directors

A total of 9 meetings of the 9th Board of Directors were held in 2024.

The attendance of directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Lo, Tina Y.	9	0	100	
Managing Director	Ming Shan Investment Co., Ltd. (Rep: Lo, Kenneth C. M.)	9	0	100	
Managing Director	Tai Hsuan Investment Co., Ltd. (Rep: Lin, Bill K.C.)	9	0	100	
Director	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	8	0	89	
Director	Lee, Mark J.C.	9	0	100	
Director	Ming Shan Investment Co., Ltd. (Rep.: Chien, Chih-Ming)	9	0	100	
Director	Tai Ya Investment Co., Ltd. Representative: Chen, Alex J.J.	9	0	100	
Director	Yi Chang Investment Co., Ltd. Representative: Tang, Grace W.S	9	0	100	
Independent Managing Director	Hu, Fu- Hsiung	9	0	100	
Independent Director	Lin, Hank H.K.	9	0	100	
Independent Director	Chiang, Tina W.N	9	0	100	
Independent Director	Wang, Jennifer C.F.	9	0	100	

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable because, as required by law, the Bank has established the Audit Committee.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors : None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2024.3.13 The 9th Board of Directors in its 7th meeting	Donation to the O-Bank Education Foundation	Tina Y. Lo, Kenneth C.M. Lo	Conflict of interest in accordance with Article 14 of the Bank's Rules of Procedure for Board Meetings	All directors abstained from discussion and voting on proposals involving a conflict of interest, in line with the recusal principle.
	Donation to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Tina Y. Lo, Kenneth C.M. Lo		
2024.4.9 The 9th Board of Directors in its 8th meeting	Distribution of Remunerations to Directors and Employees for 2023	Distribution of Remunerations to Directors (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		
2024.5.2 The 9th Board of Directors in its 9th meeting	Proposal for the Release of Non-competition Restrictions on Directors of the Bank	Bill K.C. Lin, Chih-Ming Chien, Alex J.J. Chen		
2024.6.27 The 9th Board of Directors in its 10th meeting	Donation to the Criminal Investigation and Prevention Association, R.O.C.	Tina Y. Lo, Kenneth C.M. Lo		
	Nomination of the Bank's Representative as Chairman of an Investee Company	Bill K.C. Lin, Alex J.J. Chen		
2024.8.30 The 9th Board of Directors in its 11th meeting	Donation to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Tina Y. Lo, Kenneth C.M. Lo		
2024.10.2 The 9th Board of Directors in its 12th meeting	Donation to the National Taiwan University Academic Foundation for Economic Research	Tina Y. Lo, Kenneth C.M. Lo		
2024.12.25 The 9th Board of Directors in its 14th meeting	Nomination of the Bank's Representative as Chairman of an Investee Company	Tina Y. Lo, Kenneth C.M. Lo		
	Nomination of the Bank's Representative as Chairman of an Investee Company and Proposal for the Release of Non-competition Restrictions on Managers of the Bank	Tina Y. Lo, Kenneth C.M. Lo		

3. Evaluation of Board of Directors:

2024 Internal Evaluation of the Performance of Board of Directors and Functional Committees															
Evaluation Cycle	Once a year														
Evaluation Period	January 1 to December 31, 2024														
Evaluation Scope	Board of Directors, Functional Committees (including Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Board Sustainability Committee), and Board members (self-assessment)														
Evaluation Method	Self-evaluation of Board of Directors, Functional Committees, and Board Members														
Evaluation Contents	<p>(1) The Bank's internal evaluation of the performance of the Board of Directors employs 5-point scale: "Excellent (5 points), Very Good (4 points), Good (3 points), Fair (2 points), Needs Improvement (1 point)" for quantified evaluation. The resulting average scores are then used for measurement.</p> <p>(2) The Bank's Board performance evaluation covers 5 aspects: A. Participation in company operations A. Improvement on the quality of the board's decision making B. Composition and structure of the board of directors C. Election of directors and continued knowledge development D. Internal control E. Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)</p> <p>(3) Functional committee performance evaluation covers 5 aspects: A. Participation in company operations A. Understanding of the committee members' duties and responsibilities B. Improvement on the quality of the committee's decision making C. Composition of the committees and election of the committee members D. Internal control</p> <p>(4) Board member performance evaluation (self-assessment) covers 6 aspects: A. Understanding of company goals and missions A. Understanding of the directors' duties and responsibilities B. Participation in company operations C. Internal relationship management and communications D. Professional qualifications of directors and continued knowledge development E. Internal control</p> <p>(5) Result of 2024 Performance Evaluation: A. The average score of Board performance evaluation on each aspect is between 4.70~4.95:</p> <table> <tr> <th>Evaluation Aspect</th><th>Average Score</th></tr> <tr> <td>(A) Participation in company operations</td><td>4.70</td></tr> <tr> <td>(B) Improvement on the quality of the board's decision making</td><td>4.89</td></tr> <tr> <td>(C) Composition and structure of the board of directors</td><td>4.95</td></tr> <tr> <td>(D) Election of directors and continued knowledge development</td><td>4.93</td></tr> <tr> <td>(E) Internal control</td><td>4.93</td></tr> <tr> <td>(F) Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)</td><td>4.94</td></tr> </table>	Evaluation Aspect	Average Score	(A) Participation in company operations	4.70	(B) Improvement on the quality of the board's decision making	4.89	(C) Composition and structure of the board of directors	4.95	(D) Election of directors and continued knowledge development	4.93	(E) Internal control	4.93	(F) Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)	4.94
Evaluation Aspect	Average Score														
(A) Participation in company operations	4.70														
(B) Improvement on the quality of the board's decision making	4.89														
(C) Composition and structure of the board of directors	4.95														
(D) Election of directors and continued knowledge development	4.93														
(E) Internal control	4.93														
(F) Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)	4.94														

2024 Internal Evaluation of the Performance of Board of Directors and Functional Committees

B. The average score of functional committee performance evaluations shows that the Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Sustainability Committee all received a score of 5 across all evaluation aspects:

Evaluation Aspect	Average Score of Audit Committee	Average Score of Compensation Committee	Average Score of Corporate Governance and Nomination Committee	Average Score of Sustainability Committee
A. Participation in company operations	5	5	5	5
B. Understanding of the committee members' duties and responsibilities	5	5	5	5
C. Improvement on the quality of the committee's decision making	5	5	5	5
D. Composition of the committees and election of the committee members	5	5	5	5
E. Internal control	5	5	5	5

C. The average score of Board member performance evaluation (self-assessment) on each aspect is between 4.78~4.98:

Evaluation Aspect	Average Score
(A) Understanding of company goals and missions	4.89
(B) Understanding of the directors' duties and responsibilities	4.98
(C) Participation in company operations	4.78
(D) Internal relationship management and communications	4.81
(E) Professional qualifications of directors and continued knowledge development	4.86
(F) Internal control	4.81

D. The 2024 Board performance evaluation results were presented to the Bank's Board Governance and Nomination Committee on March 11, 2025, and approved by the Board of Directors on March 12, 2025. The evaluation serves as an important reference for enhancing the performance of the Board (including its functional committees and individual members), adjusting directors' remuneration, and planning future nominations. Overall, the Bank's Board of Directors and functional committees are operating effectively. The Board fulfills its responsibilities of guiding and supervising the Bank's strategic direction, major business decisions, risk management, and sustainable development. The functional committees are performing well, dutifully executing their roles and effectively enhancing the Board's functions. Board members clearly understand their duties, actively participate in the Bank's operations, and contribute to sound decision-making, thereby improving the overall quality of corporate governance.

2024 Internal Evaluation of the Performance of Board of Directors and Functional Committees

E. Below are the improvement suggestions of 2024 Internal Performance Evaluation of Board of Directors:

Improvement Item	Improvement Plan
1. Directors' attendance at Shareholders' Meetings (Attendance rate of at least 1/2 is rated as 3: Good)	The average actual attendance rate of the Bank's directors at Board meetings in 2024 (excluding proxy attendance) was higher than in 2023. In 2025, the Bank will continue to enhance and improve directors' attendance at shareholders' meetings by providing early notice of the annual shareholders' meeting date and actively inviting directors to participate.
2. Sufficient communication and interaction with the External Auditor.	The Bank plans to arrange sessions for the external auditor to report and engage in discussions with Board members.

2024 External Evaluation of the Performance of Board of Directors and Functional Committees

Evaluation Cycle	At least once every 3 years by external evaluation institutions or panel of external experts and scholars
Evaluation Period	September 1, 2023 to August 31, 2024
Evaluation Scope	Board of Directors (including the implementation status of the functional committees authorized by the board)
Evaluation Method	External-evaluation
Evaluation Contents	<p>(1) Summary of Implementation</p> <p>In August 2024, the Bank commissioned Taiwan Corporate Governance Association (hereinafter "the association") to conduct the board performance evaluation. The evaluation period is from September 1, 2023 to August 31, 2024. The association is a non-profit and professional public interest group that advocates corporate governance, and helps businesses improve corporate governance, competitiveness, and sustainability. Also, it provides such services as offering training courses for directors, conducting corporate governance system assessment and board performance evaluation, and issuing publications on corporate governance. The association's evaluation panel is composed of 5 association members, experienced in corporate governance assessment, corporate governance evaluation, and board performance evaluation. That is, the evaluation panel is equipped with professional competence in conducting the Bank's board performance evaluation. In addition, the association clarified the independence of the panel in the statement of the evaluation report.</p> <p>The association conducts the evaluation based on the open-ended questionnaire, other materials provided, public information, and on-site visit. On November 13, 2024, the evaluation panel met in person with the Bank's Chairman, Independent Directors, President, Internal Audit Officer, and Corporate Governance Officer for evaluation. The assessment focused on five key dimensions: "Board Composition and Division of Duties," "Board Guidance and Supervision," "Board Authorization and Risk Management," "Board Communication and Collaboration," and "Board Self-discipline and Improvement." The association issued the report of the Bank's board performance evaluation on November 27, 2024. Subsequently, on December 24, 2024, the Bank submitted the evaluation report and its follow-up improvement plans to the 2nd Corporate Governance and Nomination Committee in its 9th meeting, and on December 25, 2024, the report and plans were approved by the 9th Board of Directors in its 14th meeting. Additionally, it is planned to submit the implementation status of the report's suggestions for 2025 to the Bank's Corporate Governance and Nomination Committee and the Board of Directors for review by the end of 2025.</p> <p>(2) Summary of General Evaluation</p> <ol style="list-style-type: none"> In addition to considering shareholding structure and professional expertise, the composition of the Board of Directors also pays special attention to the compatibility of directors' personal traits with the Bank's culture of integrity and ethical business practices. To enhance the Board's independence, the number of seats allocated to shareholder representatives has been reduced, ensuring that independent directors and female directors each constitute onethird of the total board seats, which is commendable. The members of the Board have diverse backgrounds and experience in economics, business, management, accounting, law, information technology, and sustainability. All four independent directors are distinguished experts in their respective fields, actively engaged in their roles, and frequently interact with the management team. They provide professional advice and guidance on key issues, while the Chairman regularly communicates with individual directors on industry developments and future trends, fostering strong overall board operations and member interactions.

2024 External Evaluation of the Performance of Board of Directors and Functional Committees	
	<p>3. The Board of Directors oversees four functional committees: the legally mandated Compensation Committee and Audit Committee, as well as the Corporate Governance and Nomination Committee and the Sustainability Committee. The responsibilities and organizational procedures of each committee are publicly disclosed on the Bank's website. 4. The Board Sustainability Committee is chaired by the Chairman of the Board, with all independent directors invited to participate. Additionally, the ESG Development Working Committee has been established, tasked with formulating corporate sustainability strategies, actively promoting related initiatives, and regularly reporting on implementation progress. To align with international trends and meet the expectations of stakeholders, the Bank has devoted significant efforts to developing sustainable financial products and services. The Bank also continues to participate in various domestic and international sustainability evaluations, earning numerous awards that recognize the Bank's relentless efforts in the ESG field.</p> <p>5. The Auditing Division reports to the Board of Directors and submits audit reports, signed by the Chairman, to independent directors within two months of each audit's completion. The Internal Audit Officer reports the status of audit operations to the Audit Committee and the Board of Directors at least quarterly. Independent directors also provide recommendations to strengthen audit operations. Members of the Audit Committee participate annually in setting and reviewing the internal audit officer's performance goals and evaluations, which are approved by the Chairman. Additionally, board members and the internal audit officer hold two internal control review meetings annually, with meeting minutes submitted to the Board for approval. The Audit Committee conducts an annual evaluation of the independence and suitability of the external auditors, arranges private meetings with them, and maintains written records of these discussions.</p> <p>6. The Bank has appointed the Corporate Governance Officer and assigned the Corporate Secretariat to handle corporate governance-related matters. This includes assisting directors with their onboarding, continuous education, fulfillment of duties, and legal compliance, as well as managing board and shareholder meeting-related affairs. The Bank has established "Regulations Governing the Performance Evaluation of Board of Directors," under which self-evaluations of the Board, its members, and functional committees are conducted annually, with results reported to the Board. The latest evaluation results were presented to the Board on March 13, 2024. Additionally, the guidelines stipulate that an external professional independent institution should conduct evaluations at least once every three years. The Bank first engaged an external professional independent institution for Board performance evaluation in 2021 and formulated continuous improvement measures based on their recommendations. In 2024, the Bank again commissioned an external professional independent institution to continue the evaluation, demonstrating the Board's proactive approach to implementing corporate governance and enhancing board effectiveness.</p>

2024 External Evaluation of the Performance of Board of Directors and Functional Committees

(3) Summary of suggestions and improvement plan

Suggestions (summary)	Improvement Plan
The management team sets annual operational strategies based on the Bank's vision and long-term goals, reporting the following year's objectives to the Board at year-end. The association suggests to hold annual mid- to long-term strategy meetings with independent directors and senior management to discuss the Bank's vision and strategies, helping the Board guide and oversee their implementation.	The Bank's management team will consider the association's suggestions and plan suitable ways to involve independent directors in strategy meetings, ensuring effective guidance and oversight of operational strategies.
The association suggests that the Bank to regularly present functional committee work reports at Board meetings and invite committee conveners to share updates. This helps Board members understand the committees' views and recommendations, improving collaboration and efficiency.	From 2025 onwards, following the association's suggestions, steps will be taken to ensure Board members receive timely updates on functional committee opinions after their meetings and before Board decisions are made.
The Bank analyzes the abilities and traits of senior managers and successors using scientific methods and adopts expert recommendations for talent development. The association suggests to make "Succession Planning of Senior Management" part of the Corporate Governance and Nomination Committee's responsibilities, with regular updates to the committee and the Board to ensure proper oversight and support sustainable governance.	In response to the association's suggestion, the Bank will include the Succession Planning of Senior Management in the Corporate Governance and Nomination Committee's duties, and report the implementation to the Corporate Governance and Nomination Committee and the Board, starting in 2025.

4. Assessment of Objectives and Implementation of Strengthening the Board of Directors' Functions for the Current and Recent Years:

A. Enhancing Information Transparency:

- To enhance the transparency of Board of Directors' operations, the Bank (1) discloses important decisions of the Board of Directors in the annual report and on the Bank's website; (2) discloses the attendance of Directors at Board meetings in the annual report and on the Market Observation Post System (MOPS); (3) discloses the continuing education status of Directors on the MOPS.

B. Functional Committees:

- To strengthen corporate governance, the Bank has implemented an Audit Committee system in accordance with the Securities and Exchange Act since the fifth term of the Board of Directors in 2011. The Audit Committee was established under the Board and is composed entirely of Independent Directors. The Bank has adopted the "Audit Committee Organizational Rules" and, in support of this system, also amended the "Regulations Governing the Scope of Duties of Independent Directors." To align with updated regulatory requirements and further strengthen committee responsibilities, certain provisions were amended and approved by the Board on March 13, 2024.
- To build a comprehensive compensation management mechanism, the Bank established the Compensation Committee under the Board of Directors and adopted the Compensation Committee Organizational Rules in 2009. It was followed by the Board's amendments to the Rules and changing of its Chinese name in 2011. The committee is composed of the entire number of independent directors. In accordance with statutory revisions, the Board of Directors approved amendments to the Compensation Committee Organizational Rules on March 22, 2021.

- To reinforce the nomination mechanism for Directors (including Independent Directors) and to build a diverse and professional Board, the Bank established the “Corporate Governance and Nomination Committee” under the Board on November 4, 2020, and adopted the “Corporate Governance and Nomination Committee Organizational Rules.” The Committee is composed of three Directors, with a majority being Independent Directors. Its key responsibilities include setting standards for Board member selection, reviewing and nominating Board candidates for election by the shareholders’ meeting following Board approval; establishing and reviewing training plans, attendance benchmarks, and succession policies for Directors; formulating the Corporate Governance Best Practice Principles and Board Performance Evaluation Guidelines; drafting the Code of Ethical Conduct (including business ethics), Code of Conduct, and Anti-Corruption Policy, and overseeing the implementation of related policies and projects; supervising corporate governance assessments and reporting the results and improvements to the Board; formulating an accountability mechanism and overseeing the implementation of a responsibility map system; and establishing and supervising executive succession development plans.
- To advance sustainable development and implement Environmental, Social, and Governance (ESG) objectives, the Bank established the “Board Sustainability Committee” under the Board of Directors on August 21, 2023, and adopted the “Board Sustainability Committee Organizational Rules.” The Committee shall comprise at least three Directors, with a majority being Independent Directors. Its primary responsibilities include reviewing the Bank’s ESG strategies—covering key issues such as climate change, corporate governance, and green finance—as well as the sustainability report and related disclosures. The Committee is also tasked with overseeing the implementation of the Bank’s annual sustainability plan and tracking progress toward its sustainability goals.

C. Enhancing Corporate Governance Regulations:

- To bolster corporate governance and assist directors in performing their duties, thereby strengthening board functions, the Board of Directors approved adopting O-Bank’s Standard Operating Procedures for Handling Director Requests in 2019.
- To accommodate statutory revisions by the competent authority, the Board approved amendments to the Bank’s Procedural Rules Governing Board Meetings with regard to defining matters to be resolved at a board meeting that may make directors interested parties on January 31, 2024.
- To build a sound corporate governance system and promote sound business development, the Board of Directors approved O-Bank Co., Ltd. Corporate Governance Principles in 2017. In line with regulatory revisions, amendments to certain provisions were approved by the Board on December 25, 2024.
- To enhance the Bank’s board functions and implement corporate governance, the Bank adopted O-Bank’s Regulations Governing the Performance Evaluation of the Board of Directors in 2019, specifying that the board and functional committees should conduct an internal board performance evaluation at least once a year. Also, the evaluation should be conducted at least once every 3 years by external evaluation institutions or panel of external experts and scholars. In accordance with statutory revisions, the Board of Directors approved amendments to the Regulations on December 27, 2023. The internal performance evaluation for the board in 2024 and the external performance evaluation in 2024 have been completed. For more information, please refer to “Corporate Governance Report-Board of Directors- other mentionable items- Evaluation of Board of Directors” section of this annual report.

D. Strengthening Board Operations:

- To fulfill the Bank's goal of sustainability and commitment to strengthening the functions of the Board of Directors, the Bank, when planning succession candidates for the Board, takes into consideration its diversification policy, the candidates' familiarity to the industry, and the mid- to long-term operation strategies.
- In addition to further promoting its functions and enhance the Bank's corporate governance throughout, the Board of Directors has endorsed the competent authority's guideline over getting aligned with international practices and, through keeping close communication with the Bank's management, helped promote and implement policies with regard to corporate social responsibility, fair treatment of clients, ethical management, AML/CFT, personal information protection, and information security management.
- To further upgrade and improve corporate governance endeavors, the Bank commissioned the Taiwan Corporate Governance Association (TCGA) to evaluate and certify its corporate governance system in 2023. As such, an independent, third-party assessment was conducted to evaluate the comprehensiveness, implementation, and feedback mechanism of the aforesaid system. The TCGA subsequently granted the Bank a CG6014 (2023) Certificate of Outstanding (valid for December 26, 2023-December 25, 2025).

(2) Audit Committee

To ensure effective corporate governance, the Board of Directors adopted the resolution on establishing the Audit Committee in lieu of supervisors and enacted the Audit Committee Organizational Rules on February 24, 2011. Established on June 13 of the same year upon approval of a regular shareholders' meeting, the Audit Committee is composed of the entire number of independent directors.

1. Fair presentation of the Bank's financial statements.
2. Selection (dismissal) of CPAs and their independence and performance.
3. Effective implementation of the Bank's internal control system.
4. The Bank's compliance with applicable laws and regulations.
5. Control of the Bank's existing or potential risks.

The Audit Committee is supposed to perform the following duties:

1. Enact or amend the internal control system and evaluate its effectiveness.
2. Assess the effectiveness of the information security systems.
3. Enact or amend the SOP of major financial activities such as acquisition or disposal of assets and derivatives transactions.
4. Review matters in which directors have personal interests.
5. Review major asset or derivatives transactions.
6. Review major instances of lending funds or providing endorsements or guarantees.
7. Review the offering, issuance, or private placement of equity securities.
8. Review the appointment, dismissal, or compensation of CPAs.
9. Review the appointment and dismissal of financial, accounting, or internal audit managerial officers.

10. Review annual financial statements signed or sealed by Chairman, managerial officers, and Head of Accounting, and semi-annual financial statements.

11. Review other major items required by the Bank or the competent authority.

A total of 9 meetings of the 5th Audit Committee meetings were held in 2024.

The attendance of independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Lin, Hank H.K.	9	0	100	Convener
Independent Managing Director	Hu, Fu-Hsiung	9	0	100	
Independent Director	Chiang, Tina W.N	9	0	100	
Independent Director	Wang, Jennifer C.F.	9	0	100	

Note: For more information on the professional qualifications and experiences of the 5th Audit Committee members, please refer to "Directors, Supervisors and Management Team" section of this annual report.

- Examine financial statements

The Board of Directors has compiled and submitted the Bank's consolidated and parent balance sheets, income statements, statements of changes in shareholders' equity, and cash flow statements for 2024 audited by CPAs Kuan-Hao Lee and Wei-Chun Ma of Deloitte & Touche, business report, and statement of distribution of earnings to the Audit Committee. After reviewing the abovementioned statements and reports, the Audit Committee has found them to meet the requirements of applicable laws and regulations.

- Evaluate the effectiveness of the Bank's internal control system

In accordance with 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 enacted by the Financial Supervisory Commission, the Bank has established its internal control system, for which three lines of defense are set up to ensure its ongoing and effective operation and the Bank's sound management.

The Bank's Audit Committee holds meetings regularly in accordance with its duties to review the formulation and amendments of the Bank's internal control system and to assess its effectiveness. On March 12, 2025, the 16th meeting of the 9th Board of Directors approved (following the resolution passed by the 16th meeting of the 5th Audit Committee on March 11, 2025) the issuance of the "O-Bank 2024 Statement on Internal Control System" and the "O-Bank 2024 Statement on the Internal Control System for Anti-Money Laundering and Countering the Financing of Terrorism." Following a prudent assessment, the internal controls, legal and regulatory compliance, and overall implementation of information security across all units were deemed to be effectively and properly carried out.

- Appointment of CPAs

Beginning with the audit of the Bank's 2023 financial statements, the signing auditors are Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma of Deloitte & Touche. In accordance with the "Corporate Governance Best-Practice Principles for Banking Industries" and the Financial Supervisory Commission's letter No. 11103826071, as well as in support of the "Corporate Governance 3.0" initiative, the Audit Quality Indicators (AQI) framework

was adopted to assess the independence and suitability of the appointed auditors. After evaluating the independence and suitability of the auditors from Deloitte & Touche for the auditing and certification of the Bank's financial and tax statements, the results of the assessment were reported to the Audit Committee on December 24, 2024, and subsequently approved by the Board of Directors on December 25, 2024.

- Assessment of the effectiveness of the information security system

The Audit Committee supervises the implementation of information security governance, monitoring, and protection measures to ensure the effectiveness of the Bank's information security system.

- Risk supervisions

The Audit Committee reviews the risk quota, risk appetite, and risk management mechanisms that call for board approval, as well as oversees the implementation of the Bank's risk management, thereby ensuring the effectiveness and completeness of its risk management procedures.

A summary of the major proposals reviewed by the Audit Committee in 2024 and the results thereof is as follows:

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.1.31 The 9th Board of Directors in its 6th meeting	Amendments to certain provisions of the Bank's "Information Security Policy" and abolishment of the "Information Security Regulations"	✓	-
	The Bank's 2024 Liquidity and Interest Rate Sensitivity Risk Management Policy	✓	-
	The Bank's 2024 Market Risk Management Policy	✓	-
	Amendments to the "Asset and Liability Management Committee Organizational Rules"	✓	-
	Amendments to the Bank's "Rules of Procedure for Board of Directors Meetings"	✓	-
	Amendments to the Bank's "Articles of Organization"	✓	-
	Proposal for the number of shares available for employee subscription under the repurchase of the Company's shares for transfer to employees	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on January 30, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.3.13 The 9th Board of Directors in its 7th meeting	The Bank's 2023 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements	✓	-
	A donation to the "Chinese National Association of Industry and Commerce, Taiwan"	✓	-
	A donation to the "O-Bank Education Foundation"	✓	-
	Amendments to the Bank's "Sustainable Development Best Practice Principles"	✓	-
	Amendments to the "Corporate Social Responsibility Committee Organizational Rules"	✓	-
	Amendments to the "Corporate Culture Promotion Committee Organizational Rules"	✓	-
	Write-off of bad debts for 69 borrowers, including "Yeh, ○-○"	✓	-
	The Bank's "2023 Head Office Comprehensive AML/CFT Risk Assessment Reports"	✓	-
	The Bank's 2023 "Statement on the Design and Implementation of AML/CFT Internal Control Systems" and "AML/CFT Internal Control Statement"	✓	-
	The Bank's "2024 Head Office AML/CFT Plan"	✓	-
	The Bank's "2023 Insurance Agency Business AML/CFT Risk Assessment Report"	✓	-
	The Bank's 2023 "Internal Control System Statement (including insurance agency business)"	✓	-
	Amendments to the Bank's "Audit Committee Organizational Rules"	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on March 12, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		
2024.4.9 The 9th Board of Directors in its 8th meeting	The Bank's 2023 Audit Plan	✓	-
	The Bank's 2023 Earnings Distribution Plan	✓	-
	Amendments to the "O-Bank Risk Management Committee Organizational Rules"	✓	-
	Amendments to the Bank's "Risk Management Policy"	✓	-
	Amendments to the Bank's "Climate Risk Management Policy"	✓	-
	Amendments to the Bank's "Credit Policy"	✓	-
	Establishment of the Bank's "Country Risk Management Regulations"	✓	-
	The Bank's 2024 "Assessment Report on the Adequacy of Internal Regulations for Detecting Operational Risks"	✓	-
	Application by Chung ○○○ Co., Ltd. for bond outright purchase/sale and reverse repurchase agreement transactions	✓	-
	Amendments to and renaming of the Bank's "Customer Service Guidelines" to "Customer Service and Inclusive Finance Policy"	✓	-
	Results of the Bank's 2023 Fair Treatment of Customers Assessment	✓	-
	Application by a subsidiary to establish a branch in Singapore	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on April 8, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.5.2 The 9th Board of Directors in its 9th meeting	The Bank's Consolidated Financial Statements for the first quarter of 2024	✓	-
	Remuneration for the Bank's certified public accountants (CPAs) for 2024	✓	-
	Issuance of Type B convertible preferred shares for the Bank's 2024 cash capital increase	✓	-
	Application by Chung ○○○ Co., Ltd. for an increase in the reverse repurchase transaction limit for bonds	✓	-
	Write-off of bad debts for 64 borrowers, including "Chung, ○-○"	✓	-
	Amendments to the Bank's "Sustainable Credit and Investment Policy"	✓	-
	Amendments to the Bank's "Liquidity Contingency Plan"	✓	-
	Amendments to the Bank's "Internal Control System for Trust Businesses Concurrently Engaging in Securities Investment Consulting Services"	✓	-
	Amendments to the Bank's "Outsourcing Internal Operations Guidelines"	✓	-
	Amendments to certain provisions of the Bank's "Management Regulations for Investee Businesses"	✓	-
	Amendments to the Bank's "Corporate Governance and Nomination Committee Organizational Rules"	✓	-
	Amendments to the Bank's "Articles of Incorporation"	✓	-
	The Bank's 2023 Audit Committee Operations	✓	-
	Proposal for the Release of Non-competition Restrictions on Directors of the Bank	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on May 2, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.6.27 The 9th Board of Directors in its 10th meeting	Establishment of the Bank's "Cloud Service Management Policy"	✓	-
	Redemption and delisting of Type A convertible preferred shares issued in 2018	✓	-
	Amendments to the Bank's "Sustainability Committee Organizational Rules"	✓	-
	Amendments to the Bank's "Regulations for Reviewing External Donations"	✓	-
	Amendments to the Bank's "Political Donation Management Regulations"	✓	-
	A donation to the "Criminal Investigation and Prevention Association of the Republic of China"	✓	-
	Application to establish a office for non-business purposes for the "Risk Management Department - Credit Rights Management Kaohsiung Office"	✓	-
	Write-off of bad debts for 83 borrowers, including "Yuan ○○○ Co., Ltd." and "Chen, ○-○"	✓	-
	Amendments to the Bank's "Hong Kong Branch Recovery Plan" and approval of credit limits	✓	-
	Application by Chung ○○○ Co., Ltd. for an increase in the reverse repurchase transaction limit for bonds	✓	-
	Amendments to the Bank's "Personal Loan Product Pricing Regulations"	✓	-
	Amendments to the Bank's "Major Incident Emergency Response and Recovery Plan Implementation Regulations"	✓	-
	Amendments to the Bank's "Personal Data Management Policy"	✓	-
	Amendments to the Bank's "AML/CFT Policy"	✓	-
	Nomination of representatives of the Bank to select candidates for the chairperson of an investee	✓	-
	Amendments to the Bank's "Articles of Organization" and "Consultant Employment Management Regulations"	✓	-
	Amendments to the Bank's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"	✓	-
	Amendments to the Bank's "Anti-Corruption Policy"	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on June 26, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.8.30 The 9th Board of Directors in its 11th meeting	Amendments to the Bank's "Regulations for the Internal Control System of Concurrent Operation of Securities Business" and "Implementation Rules for Internal Auditing of Concurrent Operation of Securities Business"	✓	-
	Amendments to the Bank's "Product Suitability Policy for Concurrent Operation of Securities Business"	✓	-
	The Bank's Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements for the first half of 2024	✓	-
	The Bank's data center optimization and relocation plan	✓	-
	A donation to the "Chinese National Association of Industry and Commerce, Taiwan"	✓	-
	Write-off of bad debts for 102 borrowers, including "Fang, ○-○"	✓	-
	Amendments to the Bank's "Liquidity and Interest Rate Sensitivity Risk Management Regulations" and "Hong Kong Branch Liquidity Management Regulations"	✓	-
	Amendments to the Bank's "Group AML/CFT Information Sharing Policy"	✓	-
	The Bank's "2023 Bank-Wide Comprehensive AML/CFT Risk Assessment Report"	✓	-
	Amendments to the Bank's "Delegation of Authority Table"	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on August 20, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		
2024.10.2 The 9th Board of Directors in its 12th meeting	A donation to the "NTU Economic Research Foundation"	✓	-
	Renewed lease of the Bank's headquarters building to affiliate China Bills Finance Corporation	✓	-
	Amendments to the Bank's "Stewardship Code" and submitted the "2024 Compliance Statement of Stewardship Principles for Institutional Investors"	✓	-
	Launch of the "NTD Total Return Swap" business and adjustment of the 2024 Market Risk Management Policy	✓	-
	Write-off of bad debts for "H○○○○ W○○○ Properties Ltd." ("Chi ○○○ Co., Ltd.")	✓	-
	Amendments to the Bank's "Corporate Governance and Nomination Committee Organizational Rules"	✓	-
	Establishment of the Bank's "Accountability System Implementation Guidelines"	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on October 1, 2024		
2024.11.12 The 9th Board of Directors in its 13th meeting	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		
	The Bank's Consolidated Financial Statements for the third quarter of 2024	✓	-
	Write-off of bad debts for "F○○○ H○○ F○○○○○○○○ Co., Ltd." (Feng ○) and "F○○○ T○○ F○○○○○○○○ Co., Ltd." (Feng ○)	✓	-
	Amendments to the "Risk Management Committee Organizational Rules"	✓	-
	The Bank's "2024 Group-Wide AML/CFT Program-Key Improvements Summary Report"	✓	-
	Establishment of the Bank's "Policy for Response to International Sanctions"	✓	-
	Hong Kong Branch's "Long-Term Skills Retraining Program"	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on November 5, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Board meeting	Proposal and subsequent measures	Items under Article 14-5 of the Securities and Exchange Act	Items not approved by the Audit Committee but approved by $\geq 2/3$ of all directors
2024.12.25 The 9th Board of Directors in its 14th meeting	Nomination of representatives of the Bank to select candidates for the chairperson of an investee	✓	-
	Repurchase of the Bank's shares for transfer to employees	✓	-
	Amendments to the Bank's "Procedures for the Repurchase of Company Shares"	✓	-
	Evaluation of the independence and suitability of CPAs for appointment to handle the Bank's financial and tax statement audits starting in 2025	✓	-
	Amendments to the Bank's "Asset and Liability Management Committee Organizational Rules"	✓	-
	Amendments to the Bank's "Financially Friendly Service Guidelines"	✓	-
	Amendments to the Bank's "Customer Complaints and Financial Consumer Dispute Resolution Regulations"	✓	-
	Establishment of the Bank's "Sustainability Information Management Regulations"	✓	-
	The Bank's 2024 derivatives business strategy, operational guidelines, and performance review report	✓	-
	Amendments to the Bank's "Country Risk Management Regulations" and report on the 2025 country risk limits	✓	-
	Amendments to the Bank's "Industry Risk Concentration Control Regulations" and report on the 2025 industry risk limits	✓	-
	Write-off of bad debts for 104 borrowers, including "Chou, ○-○"	✓	-
	The Bank's 2025 Audit Plan	✓	-
	The Bank's 2025 Audit Plan for its concurrent operating insurance agency business	✓	-
	Amendments to the Bank's "Internal Audit Implementation Regulations (formerly Internal Bank Inspection Regulations)," "Self-Inspection and Self-Assessment Regulations," "Credit and Investment Responsibility and Reward/Punishment Regulations," "Whistleblowing Case Handling Regulations," "Audit Assessment Regulations," and "Financial Supervisory Commission (FSC) Inspection Report Access Regulations"	✓	-
	Amendments to the Bank's "Implementation Rules for Internal Auditing of Concurrent Operation of Securities Business"	✓	-
	Amendments to the Bank's "Fair Treatment of Customers Principles" and "Fair Treatment of Customers Promotion Committee Organizational Rules"	✓	-
	Amendments to the Bank's "AML/CFT Guidelines for Insurance Agency Business"	✓	-
	Amendments to the Bank's "Corporate Governance Best Practice Principles"	✓	-
	Amendments to the Bank's "Investment Enterprise Management Regulations"	✓	-
	Amendments to the Bank's "Work Rules"	✓	-
	Nomination of representatives of the Bank to select candidates for the chairperson of an investee and proposal for the release of non-competition restrictions on managers of the Bank	✓	-
	Resolution of the Audit Committee: Approved by all members of the Audit Committee on December 24, 2024		
	Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors		

Other mentionable items:

1. Any independent director raising objections, retaining opinions, or making major proposals: None.
2. In the event that any matter listed in Article 14-5 of the Securities and Exchange Act has failed to secure the approval of the Audit Committee but has won the consent of two-thirds or more of all directors, the date of the given board meeting, term of the board, contents of the matter, outcome of the Audit Committee's deliberations, and the Bank's handling of the Audit Committee's opinion shall be recorded in the minutes of the aforesaid board meeting: None (please refer to the table above).
3. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.
4. Communications between the independent directors, the Bank's chief internal auditor and CPAs
 - (1) Communication between the chief internal auditor and independent directors:
 - A. In addition to submitting updates of its work to independent directors, the Auditing Division communicates with independent directors at audit seminars held twice a year; the minutes of such seminars are presented to the Board of Directors.
 - B. Each year the Bank issues a statement on internal control, which will be submitted to the Board of Directors for approval after being examined by the Audit Committee.
 - C. The reports compiled by the Auditing Division after its audits of the Bank's departments and subsidiaries are submitted to independent directors.
 - D. With respect to the opinions of and shortfalls detected by financial examination agencies, CPAs, internal audit units, and various departments after self-audits, as well as the items specified by the Statement on Internal Control as in need of improvement, the Auditing Division is responsible for conducting follow-up examination and submitting reports on the status of improvement to the Audit Committee and Board of Directors.
 - E. Before a fiscal year runs its course, the Auditing Division is supposed to present the audit plan for the following year to the Audit Committee for review and to the Board of Directors for approval.
 - F. The Bank's chief auditor has maintained smooth communication with independent directors who, in turn, have been able to keep track of the Bank's implementation of audit operations and the result thereof.

The summary of the communication through individual meetings in 2024 is as follows:

Date	Means	Counterparty	Subject	Outcome
2024.1.30	The 5th Audit Committee in its 6th meeting	Independent directors and Chief Auditor	Implementation of the Bank's 2023 audit operations	Approved for reference
2024.3.12	The 5th Audit Committee in its 7th meeting	Independent directors and Chief Auditor	Designated ad-hoc inspection report on improvements to the Bank's major incident of "IBMB partial customer login failure on July 10, 2023"	Approved for reference
			A report on agreed-upon procedures of the Bank's 2023 internal control system (including insurance agency business concurrently operated), issued by Deloitte & Touche	Approved for reference
			The Bank's 2023 "Internal Control System Statement (including insurance agency business)"	No objection; proposal approved by the Audit Committee
2024.4.8	The 5th Audit Committee in its 8th meeting	Independent directors and Chief Auditor	Revision of the Bank's 2024 Audit Plan	No objection; proposal approved by the Audit Committee
2024.5.2	The 5th Audit Committee in its 9th meeting	Independent directors and Chief Auditor	Implementation of the Bank's audit operations in the first quarter of 2024	Approved for reference
2024.6.26	The 5th Audit Committee in its 10th meeting	Independent directors and Chief Auditor	California Department of Financial Protection and Innovation's safety and soundness inspection report on EverTrust Bank	Approved for reference
2024.8.20	The 5th Audit Committee in its 11th meeting	Independent directors and Chief Auditor	Implementation of the Bank's audit operations in the first half of 2024	Approved for reference
			Follow-up improvements on inspection opinions from the Central Deposit Insurance Corporation's 2024 ad-hoc inspection of the Bank's establishment of electronic data files and deposit insurance premium base for the first half of 2024 (Inspection Report Nos. 113A1005 and 113A2005)	Approved for reference
			EY Business Advisory Services Inc.'s inspection report on the "2024 audit of the Bank's use of Salesforce.com Singapore Private Limited's (SFDC's) cloud services"	Approved for reference
2024.10.1	The 5th Audit Committee in its 12th meeting	Independent directors and Chief Auditor	Follow-up improvements on inspection opinions (Table B) from the FSC's 2024 liquidity risk management ad-hoc inspection (Inspection Report No. 113B036)	Approved for reference
2024.11.5	The 5th Audit Committee in its 13th meeting	Independent directors and Chief Auditor	Implementation of the Bank's audit operations in the third quarter of 2024	Approved for reference

Date	Means	Counterparty	Subject	Outcome
2024.12.24	The 5th Audit Committee in its 14th meeting	Independent directors and Chief Auditor	Results of the Bank's 2024 audit of each unit	Approved for reference
			Results of the Bank's 2024 audit of subsidiaries	Approved for reference
			The Bank's 2025 Audit Plan	No objection; proposal approved by the Audit Committee
			The Bank's 2025 Audit Plan for its concurrent operating insurance agency business	No objection; proposal approved by the Audit Committee
			Amendments to "O-Bank Internal Audit Implementation Regulations (formerly O-Bank Internal Bank Inspection Regulations)," "O-Bank Self-Inspection and Self-Assessment Regulations," "O-Bank Credit and Investment Responsibility and Reward/Punishment Regulations," "O-Bank Whistleblowing Case Handling Regulations," "O-Bank Audit Assessment Regulations," and "O-Bank FSC Inspection Report Access Regulations"	No objection; proposal approved by the Audit Committee
			Amendments to "O-Bank Implementation Rules for Internal Auditing of Concurrent Operation of Securities Business"	No objection; proposal approved by the Audit Committee

A summary of the communication between directors (including independent directors) and the chief internal auditor in 2024 is as follows:

Date	Means	Counterparty	Subject	Outcome
2024.3.13	Audit Meeting	Directors of the Bank (including independent directors), chief auditor and colleagues of the audit department	Review of internal control system deficiencies for the second half of 2023	The minutes of the meeting were submitted to the 9th board of directors in its 8th meeting on 2024.4.9 for approval
2024.8.30	Audit Meeting	Directors of the Bank (including independent directors), chief auditor and colleagues of the audit department	Review of internal control system deficiencies for the first half of 2024	The minutes of the meeting were submitted to the 9th board of directors in its 12th meeting on 2024.10.2 for approval

(2) Communication between CPAs and independent directors:

The Bank's CPAs keep up effective communication and discussion with independent directors during either the Audit Committee's quarterly meetings or individual meetings, separate conferences, thereby keeping the latter informed of the scope of financial statements being reviewed and their plan for and scope of any forthcoming audit, as well as any update to applicable laws and regulations.

A summary of the communication between CPAs and independent directors as well as the reports presented therein in 2024 is as follows:

Date	Means	Counterparty	Subject	Outcome
2024.3.12	Individual communication meeting	Independent directors of the Bank, CPA	Audit status and key audit matters for the 2023 consolidated and parent company only financial statements	No disagreement
	The 5th Audit Committee in its 7th meeting	Independent directors of the Bank, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	Audit results and key audit matters for the 2023 consolidated and parent company only financial statements	No objection, submit to the board of directors for approval
2024.5.2	The 5th Audit Committee in its 9th meeting	Independent directors of the Bank, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	Review status of the consolidated financial statements for the first quarter of 2024	No objection, submit to the board of directors for approval
2024.8.20	Individual communication meeting	Independent directors of the Bank, CPA	Audit status and key audit matters for the consolidated and parent company only financial statements for the first half of 2024	No disagreement
2024.11.5	Individual communication meeting	Independent directors of the Bank, CPA	Review status of the consolidated financial statements for the third quarter of 2024 and 2024 financial statement audit plan	No disagreement
	The 5th Audit Committee in its 13th meeting	Independent directors of the Bank, CPA, and head of accounting	Review status of the consolidated financial statements for the third quarter of 2024	No objection, submit to the board of directors for approval

(3) Disclosures required under the Banking Industry Corporate Governance Best-Practice Principles

Please refer to the Bank's website (<https://www.o-bank.com>) and the Market Observation Post System (<https://mops.twse.com.tw>).

(4) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for Banks

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
1. Shareholding Structure and Shareholders' Equity (1) Does the Bank enact a set of internal operational procedures for handling shareholder proposals, doubts, disputes, and litigations, as well as act in accordance with the said procedures? (2) Does the Bank have access to the major shareholders who have actual control over the Bank as well as that of their ultimate control persons? (3) Does the Bank establish and implement risk management and firewall mechanisms for its dealings with affiliated businesses?	✓		(1) On the Bank's website, the section for investors contains "Contact Us" and the section for corporate governance offers direct access to services meant specifically for stakeholder-shareholders. Shareholders may, by phone or email, present proposals, doubts, disputes, and litigations, and the Bank's designated personnel will respond to them as warranted. (2) As required by regulations, the Bank files monthly reports on stockholding changes of major shareholders. Verification of the roster of shareholders is conducted to coincide with book closure, thereby taking hold of the stockholding of the major shareholders who have actual control over the Bank. Also, the Bank discloses related legal announcement and such forms on its website to make public to general shareholders, thereby taking hold of the list of the major shareholders' ultimate control persons. (3) The management responsibilities between the Bank and its affiliated enterprises are clearly defined. The Bank has also established the "Regulations Governing the Investing Activities of O-Bank," the "Directives Governing the Investing Activities of O-Bank," and the "Enforcement Rules Governing the Investing Activities of O-Bank."	None
2. Composition and Duties of the Board of Directors (1) Does the Board of Directors adopt a policy of diversity and specific management goals thereof?	✓		(1) The selection of Board members is conducted in accordance with the Bank's Articles of Incorporation through a candidate nomination system. Selection criteria are not limited by gender, age, race, or nationality. The Board should include elite professionals with expertise and extensive experience in various fields aligned with the Bank's commitment to diversity. All Board members should possess the knowledge, skills, and competencies necessary for performing their duties. To achieve corporate governance objectives and meet the Bank's future development needs, at least two Board members must have work experience in banking, financial administration, or management. The Board as a whole should demonstrate a diverse range of professional competencies, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, and information technology and cybersecurity expertise. The members of the Bank's 9th Board of Directors embody the principles of diversity and are composed of distinguished professionals from the financial, industrial, and academic sectors. Among them, 10 directors hold master's degrees and 2 hold bachelor's degrees, covering disciplines such as economics, business, management, accounting, law, and information technology. The Board collectively possesses strong capabilities in business judgment, management, and decision-making, with Tina Y. Lo, Kenneth C.M. Lo, Chih-Ming Chien, and George C.J. Cheng as key representatives in these areas. Hank H.K. Lin, Mark J.C. Lee, Fu-Hsiung Hu, and Tina W.N. Chiang specialize in accounting and finance. Kenneth C.M. Lo, Chih-Ming Chien, and Bill K.C. Lin have expertise in risk management and crisis response. Financial professionals include Tina Y. Lo, Kenneth C.M. Lo, Fu-Hsiung Hu, and Chih-Ming Chien. Tina Y. Lo, George C.J. Cheng, Mark J.C. Lee, and Grace W.S. Tang contribute strong international market perspectives. Tina Y. Lo, Fu-Hsiung Hu, and Bill K.C. Lin possess knowledge in sustainability and environmental protection. Information technology and cybersecurity are represented by Fu-Hsiung Hu, Hank H.K. Lin, Tina W.N. Chiang, and Alex J.J. Chen. Legal expertise is held by Fu-Hsiung Hu and Jennifer C.F. Wang. All Board members are equipped with the necessary knowledge, skills, and competencies for fulfilling their duties and bring with them diverse expertise across finance, accounting, business, law, and industry.	None

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
(2) Besides setting up the Compensation Committee and Audit Committee, as required by law, does the Bank voluntarily establish other functional committees?	✓		<p>Among the Bank's current 12 directors, 4 are Independent Directors, accounting for 33% of the Board. All Independent Directors have served for less than nine years. In terms of age distribution, 5 directors are under the age of 60, 5 are between 61 and 70, and 2 are above 71, reflecting a well-balanced blend of experience and innovative thinking. To align with the United Nations Sustainable Development Goal on gender equality, the Bank has set a policy requiring the Board to include at least one female director, with the aim of gradually increasing the proportion of female directors to one-third by 2030. At present, the Board includes 4 female directors, achieving this target ahead of schedule. In addition, one director is an employee representative (including those from affiliated enterprises), accounting for 8.3% of the Board. Furthermore, on December 23, 2020, during the 5th meeting of the 8th Board of Directors, the "Diversity Policy, Independence Standard, Continuing Education Initiative Program, and Succession Planning for the Board of Directors" were established. On August 21, 2023, it was renamed the "Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy," with partial amendments made on March 12, 2025. These measures aim to enhance the diversity of board composition, improve the independence and decision-making of the board, and strengthen board functions, continuously improving corporate governance and sustainable development goals.</p> <p>(2) In addition to setting up the Compensation Committee and Audit Committee, as required by law, the Bank has established the Corporate Governance and Nomination Committee and Board Sustainability Committee. These functional committees have been formed to help the Board of Directors better conduct governance and supervision.</p>	
(3) Does the TSEC/TPEX listed Bank enact regulations and methods for evaluating Board of Directors performance, conduct such evaluation on an annual basis, present evaluation results to the Board of Directors, and use these as reference for considering the remuneration and reelection nomination of each director? (Note1)	✓		<p>(3) To continuously enhance corporate governance, strengthen the Board's functions, and establish performance objectives to improve the effectiveness of Board operations, the Bank's 18th meeting of the 7th Board of Directors approved the adoption of the "Regulations Governing the Performance Evaluation of the Board of Directors" on June 26, 2019. Certain provisions were subsequently amended on December 27, 2023.</p> <p>According to Article 3 of the Guidelines, the Board of Directors and its functional committees shall conduct at least one internal performance evaluation annually, and engage an external professional independent institution or team of external experts or scholars to conduct an evaluation at least once every three years.</p> <p>The internal performance evaluation of the Board for 2024 has been completed and was presented to the Corporate Governance and Nomination Committee on March 11, 2025, and approved by the Board of Directors on March 12, 2025. Overall, the Bank's Board of Directors and its functional committees have been operating effectively, with Board members demonstrating a clear understanding of their responsibilities, actively participating in the Bank's operations, contributing sound decisions, and thereby enhancing the quality of governance. The external performance evaluation of the Board for 2024 was also conducted by the Taiwan Corporate Governance Association.</p> <p>The results of the performance evaluations serve as an important reference for enhancing the performance of the Board, its functional committees, and individual directors, as well as for adjusting directors' remuneration and planning future nominations. In addition, they are considered—together with the Bank's operational performance, the level of directors' participation in corporate affairs, their individual contributions, and the responsibilities they bear—as part of the basis for determining directors' compensation. These factors are reviewed periodically based on actual business conditions and relevant regulations to ensure alignment with the Bank's corporate governance objectives.</p> <p>For further information regarding the results of the Board performance evaluation, please refer to the section "Corporate Governance Report – Board Operations – Other mentionable items – Evaluation of Board of Directors" in this Annual Report. There are no deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.</p>	

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
(4) Does the Bank evaluate the independence of its CPAs on a regular basis?	✓		<p>(4) According to the "Corporate Governance Best Practice Principles for Banks" and the Bank's "Corporate Governance Best Practice Principles," the Bank annually assesses the independence and suitability of the certifying accountants. The assessment results are reported to the Audit Committee and the Board of Directors for review and approval. Starting from the certification of the 2023 annual financial report, the certifying accountants are Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma from Deloitte & Touche.</p> <p>The Bank's procedure for assessing the independence and suitability of the certifying accountants references the Financial Supervisory Commission's Letter No. 11103826071 and incorporates the "Audit Quality Indicators (AQI)" adopted in the promotion of "Corporate Governance 3.0." The assessment results were reported to the Bank's Audit Committee on December 24, 2024, and the Board of Directors on December 25, 2024. Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma from Deloitte & Touche meet the Bank's independence and suitability assessment standards (Note 2) and are deemed capable of serving as the Bank's certifying accountants. An independence declaration letter has been obtained from the accountants.</p>	
3. Does the Bank appoint a reasonable number of eligible corporate governance personnel and place a managerial officer in charge of corporate governance affairs (including but not limited to preparation of materials for directors and supervisors to perform their duties, assistance to directors and supervisors for legal compliance, undertaking of matters related to board meetings and shareholders' meetings, and compilation of board and shareholders' meeting minutes)?	✓		<p>The Corporate Governance Subcommittee under the ESG Development Working Committee is served by Corporate Secretariat and is charged with the responsibility of implementing the Bank's corporate governance operations, including enacting the Bank's guiding principles for business development and handling corporate governance affairs related to ethical management and risk management. In particular, these include legal compliance, transparency of information disclosure, information protection, and protection of shareholder rights and interests.</p> <p>To further strengthen the Bank's corporate governance framework, the Board of Directors approved the adoption of the "O-Bank Corporate Governance Best Practice Principles" on December 27, 2017. The policy covers areas such as legal compliance and sound internal management, protection of shareholders' rights, enhancement of Board functions, effective functioning of the Audit Committee, respect for stakeholder rights, and improvement of information transparency.</p> <p>In addition, pursuant to a resolution of the Board of Directors on June 27, 2024, Mr. Edward F.C. Tyane, Executive Vice President, was appointed as the Bank's Corporate Governance Officer. Mr. Tyane holds a CPA license and has served in senior positions in finance and accounting-related departments within financial institutions for more than three years. The responsibilities of the Corporate Governance Officer include: handling matters relating to Board and shareholders' meetings in accordance with the law; preparing meeting minutes; assisting directors with onboarding and ongoing training; providing directors with the necessary information for the performance of their duties; assisting directors in complying with laws and regulations; reporting to the Board the results of the review on whether independent directors meet qualification requirements at the time of nomination, election, and throughout their tenure; managing matters related to changes in Board membership; and other duties specified in the Bank's Articles of Incorporation or contractual agreements.</p> <p>A summary of the duties performed in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Assist directors and independent directors in performing their duties and providing the information needed as well as make arrangements for their training : (1) Bring members of the Board of Directors up to date with the latest statutory developments in the areas of corporate management and governance on a regular basis. (2) Determine the classification levels of relevant information based on which to provide directors with such and help facilitate communication between directors and heads of various business departments. (3) Assist directors and independent directors in setting annual training programs and scheduling courses based on the Bank's business characteristics and their educational and occupational backgrounds. 	None

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies																
	Yes	No	Brief Explanation																	
			<p>2. Help ensure the compliance of procedures and resolutions of Board of Directors and shareholders' meetings :</p> <p>(1) Ascertain whether Board of Directors and shareholders' meetings comply with applicable laws and corporate governance principles.</p> <p>(2) Remind directors of applicable laws and regulations they are supposed to comply with over the course of performing duties or before the Board of Directors adopts any resolution; speak up when the Board of Directors adopts any illegal resolution.</p> <p>(3) Assist in relaying information on major resolutions of the Board of Directors to the Bank's spokesperson for disclosing material information, thereby ensuring information symmetry for investors.</p> <p>3. Draft the agenda of a scheduled Board of Directors meeting and present it to directors by the statutory deadline; convene the said meeting and provide the materials thereof.</p> <p>4. Register the date of any forthcoming shareholders' meeting, as required by law; produce the meeting notice, agenda handbook, and minutes by a given deadline; notify the responsible unit of any amendment to the Articles of Incorporation or board reelection °</p> <p>5. Formulate and implement the Bank's ethical management policy and preventive measures thereof as well as report to the Board of Directors on a regular basis.</p> <p>A summary of the Bank's implementation of ethical management in 2024 is as follows :</p> <p>(1) Implement quantitative indicators for ethical management.</p> <p>(2) Establish a mechanism for assessing the risk of unethical conduct.</p> <p>(3) Signing of compliance with ethical operation policies.</p> <p>(4) Conduct bank-wide "Ethical Operation Advocacy" education and training.</p> <p>(5) Directors' seminar on "Ethical Operation and Fair Customer Treatment."</p> <p>(6) Implement the whistleblower system effectively.</p> <p>(7) Conduct audits and effectiveness assessments of ethical operation.</p> <p>A summary of the Bank's training for the head of corporate governance in 2024 is as follows:</p> <table><tr><th>Date</th><th>Organizer</th><th>Course</th><th>Hour</th></tr><tr><td>9/9</td><td>Taiwan Insurance Institute</td><td>New Trends in Green Finance: Insights from Renewable Energy Industry Practitioners</td><td>3</td></tr><tr><td>10/17</td><td>Securities and Futures Institute</td><td>Corporate Governance Trends and Corporate Sustainability Development</td><td>3</td></tr><tr><td>11/4</td><td>Securities and Futures Institute</td><td>Offshore Wind Power and Green Finance</td><td>3</td></tr></table>	Date	Organizer	Course	Hour	9/9	Taiwan Insurance Institute	New Trends in Green Finance: Insights from Renewable Energy Industry Practitioners	3	10/17	Securities and Futures Institute	Corporate Governance Trends and Corporate Sustainability Development	3	11/4	Securities and Futures Institute	Offshore Wind Power and Green Finance	3	
Date	Organizer	Course	Hour																	
9/9	Taiwan Insurance Institute	New Trends in Green Finance: Insights from Renewable Energy Industry Practitioners	3																	
10/17	Securities and Futures Institute	Corporate Governance Trends and Corporate Sustainability Development	3																	
11/4	Securities and Futures Institute	Offshore Wind Power and Green Finance	3																	
4. Has the Bank established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), assigned a stakeholder section on its website, and addressed major corporate social responsibility issues that stakeholders are concerned about in a proper manner?	✓		<p>The Bank's website has a "Stakeholders" section meant specifically for stakeholders with a view to providing customers, shareholders, employees, suppliers, the general public, and government agencies with comprehensive information on CSR issues of concern to stakeholders and on the channels and frequency of communication therewith. Meanwhile, the Bank has assigned specific liaison personnel to ensure smooth communication with all stakeholders.</p>	None																

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
<p>5. Information Disclosure</p> <p>(1) Does the Bank install a website for disclosing information on finances, operations, and corporate governance?</p> <p>(2) Does the Bank adopt other means of information disclosure (such as installing an English website, designating personnel to collect and disclose material information, appointing a spokesperson to communicate with the general public, and making public the recordings of investor briefings on its website)?</p> <p>(3) Does the Bank, in accordance with applicable provisions of the Banking Act and the Securities and Exchange Act, publish and report its annual financial statements by the specified deadline after the end of a fiscal year, and publish and report, by the respective specified deadlines, its financial statements for the first, second, and third quarters of the current year as well as its operating results of each month before the specified deadline?</p>	✓		<p>(1) The Bank has installed a company website to disclose information with regard to financial operations, corporate governance, and other material matters. The Bank also conducts information publication and disclosure on the Market Observation Post System in accordance with applicable regulations.</p> <p>(2) The Bank's website is presented in both Chinese and English for the reference of domestic and overseas investors. Meanwhile, responsible departments place specific personnel in charge of information gathering and disclosure. The Bank has also appointed a spokesperson and an acting spokesperson who are responsible for announcing financial information and information with regard to corporate operations in a timely fashion. Meanwhile, information with regard to presentations at the Bank's investor briefings is made public and disclosed on both its website and the Market Observation Post System in accordance with applicable regulations.</p> <p>(3) The Bank, in accordance with applicable provisions of the Banking Act and the Securities and Exchange Act, publishes and reports its financial statements for the most recent fiscal year and for the first, second, and third quarters of the current year as well as its operating results of each month before the respective specified deadlines.</p>	None
<p>6. Is there other important information that can facilitate better understanding of the Bank's corporate governance practices (including but not limited to employee rights and interests, employee care, investor relations, rights and interests of interested parties, records of training for directors and supervisors, implementation of risk management policy and risk evaluation criteria, implementation of customer relations policy, purchases of professional indemnity insurance for directors and supervisors, and donations to political parties, stakeholders, and charitable groups)?</p>	✓		<p>(1) Employee rights and interests and employee care:</p> <p>The Bank gives priority to employee rights and interests and devotes itself toward employee care. In addition to having employees covered by labor and national health insurance, as dictated by law, the Bank also provides employees with group insurance, regular health check-ups and periodic consultations with physicians.</p> <p>The Bank appropriates funds, as stipulated by law, for the establishment of an employee welfare committee that offers information regarding cultural and artistic activities and sponsors various group activities to promote employee wellbeing and facilitate their holistic development.</p> <p>The Bank honors its commitment to communicating with employees by hosting employee assemblies on a regular basis, introducing the "WeCare 2.0" campaign, and installing mailboxes specifically for them. To further cement employee identification with the Bank, the Employee Shareholders Association has been formed. Employees are encouraged to save over the long term and prepare for retirement by holding the Bank's shares and sharing in its growth.</p> <p>(2) Investor relations:</p> <p>The Bank's website comes with an investor section that provides investors with real-time information concerning corporate updates, finances, stock affairs, investor activities and services, etc.</p> <p>(3) Rights and interests of interested parties:</p> <p>The rights and interests of the Bank's stakeholders are protected under applicable laws and regulations as well as the Bank's internal rules. The Bank's website offers specific information on how all stakeholders can get in touch.</p>	None

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
			<p>(4) Training for directors:</p> <p>The Bank is committed to continuously enhancing the diversity of expertise among directors and improving their skills and decision-making capabilities. The Bank plans director training with reference to regulatory requirements from regulatory authorities and corporate governance trends, as well as the "Director Training Roadmap" provided by the TWSE. Timely provision of professional development courses for directors is a priority. In 2024, the total training hours for all directors (including those who resigned within the year) amounted to 145 hours. Details of the training have been disclosed in accordance with regulations on the Corporate Governance section of the Market Observation Post System. (https://mops.twse.com.tw).</p> <p>(5) Implementation of risk management policy and risk evaluation criteria:</p> <p>The Board of Directors has enacted the Bank's risk management policy, capital adequacy and risk management information disclosure policy, credit risk management guidelines, regulations for managing liquidity and interest rate sensitiveness risks, regulations for market risk management, regulations for managing operational risks, lending business risk management mechanism, evaluation mechanism for asset quality and classification, and mechanism for safeguarding information security as the bedrock of the Bank's risk management. The control of various risks (including the control of loan portfolio, market, interest rate, liquidity, and operational risks; and risk control at EverTrust Bank) is submitted to the Board of Directors for approval and reference.</p> <p>The Bank has also established a Risk Management section under the Corporate Governance tab on the company's website. This section covers three main areas: Risk Management Mechanism, Climate Change Risks, and Equator Principles.</p> <p>In the Risk Management Mechanism section, the Bank's risk management policies and procedures, management scope, organizational structure, and operational status are disclosed. The Climate Change Risks section reveals the Bank's climate risk policies and governance, identification of climate risks and opportunities, analysis of physical and transition risks related to climate change, and scenario analysis for climate change.</p> <p>Under the Equator Principles section, the Bank discloses its implementation of project financing in accordance with the Equator Principles, including systems and frameworks for compliance and the execution status for the current year.</p> <p>The Bank has also assigned a section on its website for capital adequacy and risk management under Statutory Public Disclosure. Information disclosed therein includes the Bank's capital adequacy management, credit risk management system, market risk management system, operational risk management system, IRRBB management system, and liquidity risk management system.</p> <p>(6) Implementation of customer relations policy:</p> <p>To provide customers with comprehensive financial services, the Bank enacts and implements a customer relations policy that takes account of both business characteristics and customer needs.</p> <p>(7) Purchases of professional indemnity insurance for directors:</p> <p>The Bank began purchasing professional indemnity insurance for directors in June 2009 with a view to offering directors and managerial officers buffers against the risk and liability they assume.</p> <p>Renewal of the said professional indemnity insurance in 2024 was already reported to the Board of Directors and disclosed in the corporate governance section of the Market Observation Post System (https://mops.twse.com.tw).</p>	

Item Evaluated	Status			Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies
	Yes	No	Brief Explanation	
			(8) Donations to Political Parties, Stakeholders, and Public Interest Groups: (Unit: NT\$) In 2024, the Bank made the following donations: NT\$13 million to the O-Bank Education Foundation; NT\$7 million to the Sports Administration, Ministry of Education; NT\$900,000 to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC); NT\$600,000 to the Criminal Investigation and Prevention Association, R.O.C.; NT\$160,000 to the National Taiwan University Academic Foundation for Economic Research; NT\$150,000 to Chang Bing Show Chwan Memorial Hospital; NT\$110,000 to the Taiwan Women's Imaging Society; NT\$98,500 to the Penghu Marine Biology Research Center, Fisheries Research Institute, Ministry of Agriculture; NT\$30,000 to the Eisenhower Fellowship Foundation, R.O.C.; and in-kind donations to underprivileged families in Huxing Village, Neihu District, Taipei City; Jiqing Elementary School in Ruifang District, New Taipei City; and Pinglin Elementary School in Pinglin District, New Taipei City. The total value of donations (including in-kind donations) amounted to NT\$22,096,500 for the year.	

7. Explanation of Improvements Based on the Latest Corporate Governance Evaluation Results Released by the Corporate Governance Center of the Taiwan Stock Exchange, and Priority Actions for Further Enhancement:

- The Bank continues to enhance corporate governance and promote sustainable development. For five consecutive years (the 7th to 11th evaluations; 2020 to 2024), the Bank has ranked in the top 5% of all listed companies in the Corporate Governance Evaluation. In addition, for two consecutive years (2023 to 2024), the Bank has also been ranked in the top 10% among financial and insurance companies.
- In 2023, the Bank participated in the CG6014 Corporate Governance Certification Program and received the highest-tier "Outstanding" certification (valid from December 26, 2023 to December 25, 2025).
- In 2024, the Bank continued to advance various corporate governance initiatives, including:
 - Discussing and approving the remuneration policy for directors and senior executives at the Annual General Shareholders' Meeting, as well as disclosing the individual compensation amounts received by each director.
 - Disclosing the Bank's policy linking executive compensation to ESG-related performance evaluations.
 - Having the Bank's Sustainability Report approved by the Board of Directors.
 - Establishing a Greenhouse Gas (GHG) Emissions Reduction Policy, including targets, measures, and progress.
 - Disclosing the Bank's annual GHG emissions and obtaining external assurance.
- Ongoing Enhancements and Measures: The Bank will continue to develop concrete measures to enhance corporate value, subject to Board approval, and further improve policies and plans related to green finance, environmental stewardship, and energy management.

Note 1: Explain the reason for any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Note 2: Criteria for Evaluating the Independence of CPAs

Item Evaluated	Evaluation Result	Compliance with Independence Requirements
A. Independent assessment		
1. Do the CPAs have a direct or material indirect financial interest in the Bank?	No	✓
2. Do the CPAs have any business relationship with the Bank, its directors, or managers that could affect their independence?	No	✓
3. Do the CPAs have a close business relationship and a potential employment relationship with the Bank?	No	✓
4. Do the CPAs and members of their audit team currently serve as the Bank's directors or managerial officers or hold positions that may exert significant influence over the subject matter of their engagement, or did the same hold true in the most two recent years?	No	✓
5. Do the CPAs provide the Bank with non-audit services that may influence the independence of their audit work?	No	✓
6. Do the CPAs broker equities or other securities issued by the Bank?	No	✓
7. Do the CPAs serve as the Bank's advocate or seek to reconcile the Bank's conflicts with third parties on its behalf?	No	✓
8. Do the CPAs have family relationship with anyone who is a director or managerial officer of the Bank or whose position may exert significant influence over the subject matter of their engagement?	No	✓
9. Have the CPAs received significant gifts or presents from the bank, its directors, managers, or major shareholders (the value of which does not exceed the standard of general social etiquette)?	No	✓
B. Suitability assessment		
1. Whether the senior inspectors have sufficient audit experience to perform the audit work	Yes	✓
2. Whether accountants/senior auditors receive sufficient education and training every year to continuously acquire professional knowledge and skills	Yes	✓
3. Whether the firm maintains enough senior human resources	Yes	✓
4. Whether the firm has enough professionals (such as evaluators) to support the inspection team	Yes	✓
5. Whether the workload of accountants is appropriate	Yes	✓
6. Check whether the input of team members in each check stage is appropriate	Yes	✓
7. Whether the EQCR accountant devotes enough time to the review of audit cases	Yes	✓
8. Whether the firm has sufficient quality control manpower to support the inspection team	Yes	✓
9. Whether the firm's quality control and audit cases are implemented in accordance with relevant laws and standards	Yes	✓
10. The accounting firm's commitment to improving audit quality, including the accounting firm's innovation capability and planning	Yes	✓
11. Whether the certified accountant can provide timely improvement suggestions for the major shortcomings of the bank	Yes	✓
12. How much the visa accountant/audit manager attaches importance to the audit work	Yes	✓
13. Can the firm complete the audit work within the time limit required by the Bank?	Yes	✓

(5) Composition, Responsibilities and Operations of the Compensation Committee and other Functional Committees

A. Compensation Committee

Based on a resolution adopted by the Board of Directors, the Compensation Committee was established on April 22, 2009. It was followed by the board's adopting the Compensation Committee Organizational Rules on August 26 of the same year and changing the committee's Chinese name on December 28, 2011. Composed of the entire number of independent directors, the committee is intended to assist the Board of Directors in drafting and periodically reviewing performance evaluation for directors and managerial officers as well as the policy, system, criteria, and structure of compensation-setting; assessing remunerations for directors and managerial officers on a regular basis; and setting down the criteria for evaluating the performance of service personnel and standards for deciding on their compensation. The committee shall convene at least twice a year and may convene at any time when necessary. In 2024, the committee met on January 30, March 12, April 8, June 26, August 20, and October 1.

Pursuant to Article 4 of the Bank's Compensation Committee Organizational Rules, the Committee shall exercise the duty of care to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

- (1) Establish and periodically review the policies, systems, standards, and structures with regard to evaluating the performance of directors and managerial officers and setting their remuneration.
- (2) Assess the remuneration of directors and managerial officers on a regular basis.
- (3) Establish the performance evaluation and remuneration standards for salespeople, that is, Employees whose remuneration or performance evaluation derives from the sale of financial products and services.

a. Compensation Committee Members

Title	Criteria	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
	Name			
Independent Managing Director (Convener)	Hu, Fu-Hsiung	<p>Mr. Fu-Hsiung Hu is not only the Bank's independent managing director but also Walsin Lihwa Corp.'s independent director.</p> <p>Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance and Council of Agriculture. Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Hu:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank. ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. 	1

Title	Criteria	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
	Name			
Independent Director	Lin, Hank H.K.	<p>Mr. Hank H.K. Lin is the Bank's independent director. He holds the following concurrent positions: Chairman, Taipei EY Cultural and Educational Foundation; independent director, Johnson Health Tech Co., Ltd.; director, PANJIT International Inc.; director, Globe Union Industrial Corp.; director of Taichung Private Jumei Social Welfare and Charity Foundation; supervisor, Union MechTronic Inc.; and supervisor, EverBot Technology Co., Ltd.</p> <p>Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank. ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. 	1

Title	Criteria	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
	Name			
Independent Director	Chiang, Tina W.N.	<p>Ms. Tina W.N. Chiang is the Bank's independent director. She holds the following concurrent positions: Chairman, Shanda Information Co., Ltd.; director, Shengli Technology Co., Ltd.; chairman, Taipei Financial Education Development Association; supervisor, Shengli Investment Co., Ltd.; director, Shanda Information(Japan) Co., Ltd.</p> <p>Previously Ms. Chiang served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and engineer, Tatung- Fujitsu Computer Ltd., etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms. Chiang:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank. ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. 	0

Title	Criteria	Professional Qualifications and Experiences	Independence (Note)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member
	Name			
Independent Director	Wang, Jennifer C.F.	<p>Ms. Jennifer C.F. Wang is the Bank's independent director. She holds the following concurrent positions: Independent director, TXC Corporation; independent director, Lotus Pharmaceutical Co., Ltd.; partner, Chen & Lin Attorneys-at-Law.</p> <p>Previously Ms. Wang, served as apprentice lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang has been involved in handling mergers and acquisitions between domestic and multinational companies, joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, International market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward.</p>	<p>The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms. Wang:</p> <ul style="list-style-type: none"> ■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates. ■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship. ■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank. ■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. 	2

Note: For more information on the comprehensive professional qualifications and experiences of the committee members, please refer to "Directors, Supervisors and Management Team" section of this annual report.

b. Attendance of Members at Compensation Committee Meetings

1. There are four members in the Compensation Committee.
2. The term of the 6th Compensation Committee is from June 16, 2023, to June 15, 2026. The committee held 6 meetings in 2024. The attendance record of the Compensation Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Hu, Fu-Hsiung	6	0	100	
Committee Member	Lin, Hank H.K.	6	0	100	
Committee Member	Chiang, Tina W.N.	6	0	100	
Committee Member	Wang, Jennifer C.F.	6	0	100	

Other mentionable items:

- a. A Summary of the major proposals reviewed by the Compensation Committee in 2024 and the results thereof is as follows :

Date and Meetings of the Compensation Committee	Proposal	Outcome of the deliberations	Company's dealing with the deliberations of the Compensation Committee
2024.1.30 The 6th Compensation Committee in its 6th meeting	Proposal for the number of shares available for managers' subscription under the repurchase of the Bank's shares for transfer to employees	Approved upon the chair's putting it before all committee members present at the meeting	Except for the proposals approved by the Chairman with the authorization by the Board, the rest are submitted to the Board of Directors and approved by all directors present
	Proposal for the 2023 performance evaluation and year-end bonus for the Bank's Chairman and managers		
	Proposal for the 2024 long-term incentive bonus allocation for the Bank's President and managers at the department/branch head level or above		
	Proposal for the remuneration of newly appointed managers of the Bank		
2024.3.12 The 6th Compensation Committee in its 7th meeting	Proposal for the Bank's 2024 salary adjustment plan and the revision of the monthly base salary standards for various job grades in the Hong Kong region		
	Proposal for the 2024 salary adjustment for the Bank's Chairman and President		
	Proposal for the determination of the remuneration of the Bank's managers		
2024.4.8 The 6th Compensation Committee in its 8th meeting	Regular review of the Bank's director remuneration policy		
	Proposal for the distribution of the Bank's 2023 director and employee compensation		
	Proposal for the remuneration of newly appointed managers of the Bank		

Date and Meetings of the Compensation Committee	Proposal	Outcome of the deliberations	Company's dealing with the deliberations of the Compensation Committee
2024.6.26 The 6th Compensation Committee in its 9th meeting	Proposal for amendments to the Bank's "Manager Remuneration Management Regulations"		
	Proposal for the allocation of the Bank's 2023 employee compensation for managers		
	Proposal for the remuneration of newly appointed managers of the Bank		
2024.8.20 The 6th Compensation Committee in its 10th meeting	Proposal for amendments to the Bank's "Employee Stock Ownership Trust Management Regulations"		
	Proposal for the number of Class B convertible preferred shares available for subscription by the Bank's managers in the 2024 cash capital increase		
2024.10.1 The 6th Compensation Committee in its 11th meeting	Proposal for the remuneration of newly appointed managers of the Bank		

b. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (eg., the compensation passed by the Board of Directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified): None.

c. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

B. Corporate Governance and Nomination Committee

- a. The Qualifications and Responsibilities of the Corporate Governance and Nomination Committee members The Bank's Corporate Governance and Nomination Committee was established on November 4, 2020 with the approval of the Board of Directors. With such approval, the Committee shall comprise at least 3 directors with over half independent directors and it is the independent director who shall be the convener and chairman of the Committee.

In accordance with Article 5 of the Bank's Corporate Governance and Nomination Committee Organizational Rules, the committee shall exercise the duty of care to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

- (1) Establish the standards of independence and a diversified policy covering the expertise, experience, gender, etc. of members of the board, and find or review the list of candidates presented by Corporate Secretariat. After the discussion in board meetings, submit to shareholders' meetings to elect qualified directors.

- (2) Set up and review programs for the director continuing education plan, attendance standard, and succession policy.
- (3) Establish the Bank's Corporate Governance Principles
- (4) Establish the Bank's Regulations Governing the Performance Evaluation of the Board of Directors
- (5) Establish the Bank's Ethical Corporate Management Best Practice Principles (including the realm of business ethics), Code of Ethical Conduct and Anti-Corruption Policy, and supervise the implementation of related policies and projects.
- (6) Oversee and supervise the Bank's participating in corporate governance evaluations and performance evaluations of the Board, and then report to the Board for review and further improvement.
- (7) Establish the Accountability Regime and supervise the operation of the Management Responsibilities Map.
- (8) Establish the Executive Succession Development and Management Tier Program and supervise the implementation.
- (9) Board of Directors pointed out the other matters that need to be handled by the Committee

In addition, in accordance with Article 6 of the Bank's Corporate Governance and Nomination Committee Organizational Rules, the committee shall convene at least once a year and may convene at any time when necessary.

b. Professional Qualifications and the attendance of the Corporate Governance and Nomination Committee Members

The Corporate Governance and Nomination Committee of the Bank consists of three members. The term of the second committee is from June 16, 2023, to June 15, 2026. In 2024, the Corporate Governance and Nomination Committee held a total of six meetings. The professional qualifications and experience of the committee members, their attendance, and the matters discussed are as follows:

Title	Name	Professional Qualifications and Experiences	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Hu, Fu-Hsiung	Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center. Given his experience and expertise in banking, corporate governance, and risk management, he fully meets the Committee's professional qualification requirements.	6	0	100	(Note)

Title	Name	Professional Qualifications and Experiences	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Committee Member	Lo, Tina Y.	Previously Ms. Tina Lo was the Bank's first Hong Kong Branch chief executive, managing director, and vice chairman as well as the O-Bank Group's chief strategy officer. With her expertise in business administration, decision-making, international markets, crisis and risk management, banking, corporate governance, sustainable development, and green finance, she fully meets the Committee's professional qualification requirements.	6	0	100	(Note)
Committee Member	Lin, Hank H.K.	Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he fully meets the Committee's professional qualification requirements.	6	0	100	(Note)

Note: Please refer to "Directors, Supervisors and Management Team" section of this annual report for the comprehensive professional qualifications and experiences of the committee members.

Other mentionable items:

- a. A Summary of the major proposals reviewed by the Corporate Governance and Nomination Committee in 2024 and the results thereof is as follows:

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.3.13 The 2nd Corporate Governance and Nomination Committee in its 4th meeting	Discussion on the Bank's "CG6014(2023) Corporate Governance System Assessment Report"	None	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on amendments to the Bank's "O-Bank Board Member Diversity Policy, Independence Standards, and Director Succession Policy"			

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.5.2 The 2nd Corporate Governance and Nomination Committee in its 5th meeting	Proposal for the Bank's 2023 "10th Corporate Governance Evaluation Results"	Suggestion: Independent Executive Director Hu, Fu-Hsiung suggested that, regarding the points lost this time, the Bank should assess whether it can regain those points in the future. The Bank will continue to evaluate it in accordance with the opinion of Independent Executive Director Hu, Fu-Hsiung. Objection: None.	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on the amendment to the Bank's "Board Member Diversity Policy, Independence Standards, and Guidelines for Continuing Education and Succession Plan"	None		
	Discussion on amendments to the Bank's "Corporate Governance and Nomination Committee Organizational Rules"	None		

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.6.26 The 2nd Corporate Governance and Nomination Committee in its 6th meeting	Discussion on the amendment to the Bank's "Board Member Diversity Policy, Independence Standards, and Guidelines for Continuing Education and Succession Plan"	None	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on amendments to the Bank's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"	Suggestion: Independent Executive Director Hu, Fu-Hsiung and Independent Director Lin, Hank suggested that the Bank adjust the term based on organizational hierarchy. The Bank has revised the term to "supervisory" manager in accordance with the two independent directors' opinions. Objection: None.		
	Discussion on amendments to the Bank's "Anti-Corruption Policy"	Suggestion: Independent Executive Director Hu, Fu-Hsiung suggested that the Bank adjust the term based on organizational hierarchy in alignment with the previous case. The Bank has revised the term to "supervisory" manager in accordance with the opinion of Independent Executive Director Hu, Fu-Hsiung. Objection: None.		
2024.8.30 The 2nd Corporate Governance and Nomination Committee in its 7th meeting	Proposal for the Bank's Operation of the Corporate Governance and Nomination Committee from the Second Half of 2023 to the First Half of 2024	None	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on the amendment to the Bank's "Board Member Diversity Policy, Independence Standards, and Guidelines for Continuing Education and Succession Plan"			

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.10.1 The 2nd Corporate Governance and Nomination Committee in its 8th meeting	Discussion on amendments to the Bank's "Corporate Governance and Nomination Committee Organizational Rules"	None	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on the formulation of the Bank's "Accountability System Implementation Guidelines"	Suggestion: Independent Executive Director Hu, Fu-Hsiung and Independent Director Lin, Hank suggested that the Bank adjust the authorization to the President regarding the amendment to the appendix of the guidelines. The Bank has adjusted the authorization level in accordance with the two independent directors' opinions. Objection: None.		
2024.12.24 The 2nd Corporate Governance and Nomination Committee in its 9th meeting	Report on the Bank's 2024 ethical management implementation status	None	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Discussion on amendments to the Bank's "Corporate Governance Best Practice Principles"			
	Discussion on the implementation of the suggestions about the Bank's "CG6014(2023) Corporate Governance System Assessment Report" in 2024			
	Discussion on the Bank's 2024 "External Board of Directors Performance Evaluation Report"			

- b. If the board of directors declines to adopt or modifies a recommendation of the Corporate Governance and Nomination Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the committee's opinion: None.
- c. Resolutions of the Corporate Governance and Nomination Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

C. Board Sustainability Committee

a. The Qualifications and Responsibilities of the Board Sustainability Committee members

The Bank's Board Sustainability Committee was established on August 21, 2023 with approval of the Board of Directors. The Committee shall comprise at least 3 directors, with at least half of them being independent directors. The chairman of the Bank shall both convene and chair the committee.

In accordance with Article 4 of the Sustainability Committee Organizational Rules, the committee shall act on the authorization of the Board of Directors and exercise the due care of a good administrator to perform the following duties and present recommendations to the Board of Directors for deliberation:

- (1) Deliberate upon O-Bank's sustainability (ESG) strategies, including important matters such as climate change, corporate governance, and green finance.
- (2) Oversee O-Bank's annual sustainability plan and its success in meeting sustainability goals.
- (3) Deliberate upon O-Bank's sustainability report and supervise its sustainability-related disclosure matters.
- (4) Deliberate upon policy decisions regarding O-Bank's other sustainability-related matters.

b. Professional Qualifications and Experiences of the Board Sustainability Committee Members and the Committee's Operations:

The Board Sustainability Committee is composed of seven members. While the tenure of the first members runs from August 21, 2023 to June 15, 2026, the committee convened four times in 2024. A summary of committee members' professional qualifications, experiences, and attendance records as well as matters discussed by the committee is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Professional Qualifications and Experiences
Convener	Lo, Tina Y., Chairman	4	0	100%	Chairman Tina Lo, who used to serve as the first chief executive of the Bank's Hong Kong Branch, managing director, and vice chairman as well as the O-Bank group's chief strategy officer, have solid expertise in business administration, decision-making, and risk management. Since 2015, she has concurrently chaired the Corporate Social Responsibility Committee (renamed ESG Development Working Committee in 2024) to oversee the Bank's sustainability initiatives. With her at the helm, the Bank has secured B Corp. certification that attests to its commitment to sustainable operations and a corporate vision of mutual benefit for all stakeholders. Well-versed in corporate sustainability, corporate governance, and green finance issues, Chairman Lo fully meets the committee's professional qualification requirements.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Professional Qualifications and Experiences
Committee Member	Lo, Kenneth C.M., Managing Director	4	0	100%	A banking industry veteran of over 50 years who held such positions as president of Chinatrust Commercial Bank and chairman of the Bank, Mr. Kenneth C.M. Lo meets the Financial Supervisory Commission's requirements for natural person professional directors. Additionally, in his former capacity as chairman of the O-Bank Education Foundation, Mr. Lo also committed himself to activities aimed at promoting culture and the arts as well as the public good. With expertise and experience in management, decision-making, risk management, corporate governance, corporate sustainability, and social care, Mr. Lo fully meets the committee's professional qualification requirements.
Committee Member	Lin, Bill K.C., Managing Director	4	0	100%	Mr. Bill K.C. Lin previously held deputy managerial or higher positions at Taishin International Bank's head office. Given his professional experience in banking operations, Mr. Lin meets the Financial Supervisory Commission's requirements for natural person professional directors. Additionally, Mr. Lin also has extensive experience in social care endeavors, including serving as a partner at the social enterprise Guppy Inclusive Ltd., chairman, of the International Community Health Care Association, president of Taiwan Telehealth Smart Love Public Welfare Alliance, and a jurist of the Ministry of Education's University Social Responsibility (USR) initiative and the Global Views Educational Foundation's University Social Responsibility Awards. Always attentive to domestic and international sustainability trends, Mr. Lin fully meets the committee's professional qualification requirements.
Committee Member	Hu, Fu-Hsiung, Independent Managing Director	4	0	100%	Mr. Fu-Hsiung Hu previously served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance and Council of Agriculture. Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management.
Committee Member	Lin, Hank H.K., Independent Director	4	0	100%	Mr. Hank H.K. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk.

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Professional Qualifications and Experiences
Committee Member	Chiang, Tina W.N., Independent Director	4	0	100%	Ms. Tina W.N. Chiang previously served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and engineer, Tatung- Fujitsu Ltd., etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management.
Committee Member	Wang, Jennifer C.F., Independent Director	4	0	100%	Ms. Jennifer C.F. Wang previously served as apprentice lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang has been involved in handling mergers and acquisitions between domestic and multinational companies, joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, International market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward.

Note: Please refer to "Directors, Supervisors and Management Team" section of this annual report for the comprehensive professional qualifications and experiences of the committee members.

Other mentionable items:

a. A Summary of the major proposals reviewed by the Board Sustainability Committee in 2024 and the results thereof is as follows:

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.3.13 The 1st Board Sustainability Committee in its 2nd meeting	Report on the Bank's participation in domestic and international sustainability-related evaluations	None.	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Report on the Bank's assessment of joining the "Science Based Targets initiative" (SBTi)	None.		
	Report on the Bank's carbon neutrality and energy saving and carbon reduction implementation for the fourth quarter of 2023	None.		
	Discussion on the corporate social responsibility targets of the Bank's various units for 2024	None.		
	Discussion on adjustments to the Bank's "Corporate Social Responsibility Committee Organizational Rules"	None.		
	Discussion on adjustments to the "Corporate Culture Promotion Committee Organizational Rules"	None.		
	Discussion on adjustments to the Bank's "Sustainable Development Best Practice Principles"	None.		

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.6.27 The 1st Board Sustainability Committee in its 3rd meeting	Report on the results of the greenhouse gas inventory of the entities invested and financed by the Bank, and the adjustment of the said entities' carbon reduction targets and internal carbon prices. Report on targets and internal carbon pricing	None.	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Report on the Bank's collaboration with iPASS Card to launch transportation carbon reduction details and a transportation carbon reduction card	None.		
	Report on the Bank's climate and nature-related risks report	None.		
	Report on the Bank's energy saving and carbon reduction implementation for the second quarter of 2024	None.		
	Discussion on the proposed formulation of the "O-Bank Supplier Sustainable Development Guidelines"	None.		
	Discussion on proposed partial amendments to the "O-Bank Sustainability Committee Organizational Rules"	None.		
	Discussion on the Bank's "2023 Sustainability Report"	None.		

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.10.2 The 1st Board Sustainability Committee in its 4th meeting	Report on the Bank's ranking fifth in the Mittlestand Enterprise category of the 2024 CommonWealth Magazine's Sustainable Citizen Awards	None.	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Report on the introduction to "IFRS Sustainability Disclosure Standards" and the Bank's implementation plan	None.		
	Report on the Bank's energy saving and carbon reduction implementation for the third quarter of 2024	None.		

Date and Meetings of the Corporate Governance and Nomination Committee	Proposal	Items suggested or rejected by the Committee members	Outcome of the Deliberations	Company's dealing with the deliberations of the Corporate Governance and Nomination Committee
2024.12.25 The 1st Board Sustainability Committee in its 5th meeting	Report on the key implementation results of the Bank's 2024 corporate social responsibility targets	None.	Approved as proposed with the consent of all attending committee members upon inquiry by the chair.	Submitted to the Board of Directors and approved by all attending directors.
	Report on the results of the Bank's participation in the international Sustainalytics ESG Risk Rating and S&P CSA Score in 2024	None.		
	Follow-up report on the Bank's assessment of joining the SBTi	None.		
	Report on the Bank's climate and nature-related risks	None.		
	Discussion on the proposed formulation of the "O-Bank Sustainability Information Management Regulations"	None.		
	Discussion on the proposed partial amendments to the "O-Bank Supplier Sustainable Development Guidelines"	None.		

- b. If the Board of Directors declines to adopt or modifies a suggestion of the Board Sustainability Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Bank's response to the committee's opinion: None.
- c. Resolutions of the Board Sustainability Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(6) Implementation of Sustainable Development

Implementation of Sustainable Development and Differences from the Practices of Listed Companies:

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Bank establish a governance structure and set up an exclusive (concurrent) unit to promote sustainable development, with the Board of Directors authorizing senior executives to take charge and supervise on its operations?	✓		In January 2015, the Bank established the "ESG Development Working Committee" (originally the Corporate Social Responsibility Committee). The members include the Chairman, President, and top supervisory officials from various departments. In 2024, four meetings were held. The ESG Development Working Committee is responsible for promoting sustainable development across the Bank. It sets annual CSR goals and reports them to the Board of Directors. Additionally, the annual sustainability report, which includes CSR management goals, strategies, and implementation results, is submitted to the Board for approval, enabling the Board to oversee sustainable development. To further enhance the supervisory mechanism for sustainable development, the Bank established a "Board Sustainability Committee" under the Board of Directors in August 2023. The committee members are comprised of directors, with a majority being independent directors. In 2024, four meetings were held. The bank also has a dedicated sustainability unit within the Corporate Sustainability and Communication Division, specifically the Sustainability Development Section, which coordinates the promotion of sustainable development initiatives across the Bank.	None
2. Does the Bank, based on the materiality principle, undertake risk assessment of environmental, social, and corporate governance issues in relation to its business operations and adopt a risk management policy or strategy accordingly?	✓		The Bank identifies key issues each year by conducting a materiality assessment. A stakeholder survey is distributed to evaluate the level of stakeholder concern regarding various topics. Members of ESG Development Working Committee then assess the potential impact of each issue on the Bank's operations. Topics that are both highly relevant to stakeholders and pose a significant impact on the Bank's operations are identified as key issues. Subsequently, the ESG Development Working Committee evaluates the impact of these issues on the economy, environment, and people (including human rights), and determines the material topics based on the assessment results. In 2024, these key topics included corporate governance, environmental protection, employee care, customer relationships, social participation, and green finance. Each subgroup within the ESG Development Working Committee develops relevant policies, management strategies, and annual goals based on the potential risks and opportunities of these issues (with the assessment boundaries primarily focused on the Company). Quarterly meetings are held to track the progress and effectiveness of these implementations. Detailed explanations of the impacts of these key topics on the company, management strategies, key performance indicators, and their outcomes and benefits can be found in Section 7 of this report.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
3. Environmental Concerns				None
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>(1) The Bank is committed to integrating environmental considerations into its daily operations, striving for coexistence and mutual prosperity between business growth and environmental sustainability. Since 2018, the Bank has annually obtained ISO 14001 certification for its environmental management system, which was expanded in 2024 to cover all global operating locations to establish an effective and comprehensive mechanism for managing electricity, water, and waste.</p> <p>In addition, since 2019, the Bank has conducted annual greenhouse gas (GHG) inventories and obtained ISO 14064 verification statements. The inventory scope has gradually expanded and has covered all global operations since 2022 to ensure continuous monitoring of GHG emissions. Starting in 2023, the Bank adopted an internal carbon pricing mechanism based on the implied cost method. This is calculated using the cost of renewable energy usage to determine the marginal cost per metric ton of CO₂-equivalent reduction. Carbon fees are then allocated based on electricity consumption by department or branch, and the proceeds are internally allocated toward measures such as upgrading to energy-efficient equipment, purchasing renewable energy, and awarding incentives through energy-saving competitions.</p>	
(2) Does the company endeavor to utilize energy more efficiently and use renewable materials which have low impact on the environment?	✓		<p>(2) Beyond replacing energy-saving equipment and implementing energy conservation initiatives, the Bank's headquarters introduced an ISO 50001 Energy Management System in 2021, and the system is verified annually by a third-party organization (valid from December 3, 2024, to December 16, 2025).</p> <p>The Bank's ISO 14001 certification is also subject to annual third-party verification (valid from November 19, 2024, to December 4, 2025) and covers all global operations. ISO 14064 GHG inventories are verified by the British Standards Institution (BSI), also covering all global sites. The 2024 GHG data completed third-party S2 verification on April 24, 2025.</p> <p>The Bank has set a goal to reduce electricity consumption per capita across global operations by 6% by 2030, using 2020 as the baseline. Additionally, the Bank is committed to sourcing 50% of electricity from renewable energy for all domestic operations by 2030, and 100% by 2050, using 2022 as the baseline.</p> <p>In 2023, total electricity consumption for global operations was 5.7836 million kWh, with a per capita usage of 4,876.57 kWh. In 2024, total electricity consumption rose to 6.1135 million kWh, with a per capita usage of 4,922.27 kWh, an increase of approximately 0.94% year-on-year.</p> <p>The Bank is actively increasing its use of renewable energy. In 2024, solar energy consumption reached 1,130,920 kWh, a 46.76% increase from 770,588 kWh in 2023, accounting for 18.50% of total electricity usage. The Bank prioritizes environmentally responsible and certified green suppliers in its procurement processes. All office paper is made from recycled materials, and toner cartridges are selected for recyclability to promote green procurement and reduce environmental impact from office supplies.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company evaluate the potential risk and opportunities in climate change with regard to the present and future of its business, and take appropriate action?	✓		<p>(3) The Board of Directors serves as the Bank's highest supervisory body for climate risk management. The Board Sustainability Committee, under the Board, reviews the Bank's climate change development strategies, while the Green Finance Team, under the ESG Development Working Committee led by the Chairman, coordinates climate risk initiatives. Climate change-related issues and management actions are reported semiannually to the Risk Management Committee, the Board Sustainability Committee, and the Board of Directors and are also disclosed in the Bank's Sustainability Report.</p> <p>In accordance with the “Climate Risk Financial Disclosure Guidelines for Domestic Banks” issued by the Financial Supervisory Commission, the Bank evaluates climate-related risks and opportunities annually. A full reassessment is conducted each year. At the end of 2024, the Bank completed its latest climate risk assessment, identifying 33 risk issues and 28 opportunity issues related to climate change. These issues were assessed for relevance to business activities by the respective departments and supervisors. Through climate scenario analysis, the probability and impact of each issue were evaluated, and the Bank developed a climate risk matrix and a climate opportunity matrix accordingly.</p> <p>Based on the results, the Bank identified three major climate-related risks: (1) the increasing severity and frequency of extreme weather events, (2) the implications of carbon pricing mechanisms, and (3) reduced availability or increased costs of raw materials. Likewise, three major opportunities were identified: (1) improving ESG ratings, (2) diversifying financial assets, and (3) capitalizing on public sector incentive programs. The Bank has developed response strategies to mitigate potential financial impacts. Further details on climate risks and opportunities can be found in Chapter 7, “Green Finance,” of the Bank's Sustainability Report, available for download from the Bank's Sustainability section on its website.</p>	
(4) Does the company take inventory of their greenhouse gas emissions, water consumption, and total waste produced over the last two years, and implement policies on carbon reduction, greenhouse gas reduction, water reduction, or waste management?	✓		<p>(4) The Environmental Protection Team under the ESG Development Working Committee has established long-term environmental management targets to reduce per capita water consumption and waste generation at global operating sites by 8% and 5%, respectively, by 2030. The Bank has also committed to achieving net-zero carbon emissions by 2050. More information can be found in Chapter 6, “Environmental Sustainability,” of the Bank's Sustainability Report, available for download from the Bank's website.</p> <p>According to the ISO 14064 inventory of the Bank's Taiwan operations, Scope 1, Scope 2, and Scope 3 emissions—including purchased goods and services, fuel- and energy-related activities, waste generated in operations, business travel, and employee commuting—were calculated using the market-based method. In 2023, global GHG emissions totaled 4,245.84 metric tons of CO₂e, with per capita emissions of 3.58 metric tons. In 2024, emissions rose to 4,409.26 metric tons of CO₂e, with per capita emissions of 3.55 metric tons, representing a 3.85% year-on-year increase. For Scope 1 and Scope 2 emissions only, total emissions were 2,758.66 metric tons in 2023 and 2,848.45 metric tons in 2024, a 3.25% increase.</p> <p>In terms of water usage across the Bank's global operations, total consumption in 2023 was 19.57 million liters, with per capita usage of 0.017 million liters. In 2024, total water usage decreased to 18.84 million liters, and per capita usage declined to 0.015 million liters, representing an 11.76% reduction. Regarding waste generation, the Bank produced 67.88 metric tons of waste in 2023, with per capita general waste totaling 0.036 metric tons. In 2024, total waste declined to 64.72 metric tons, and per capita general waste dropped to 0.032 metric tons, representing decreases of 8.77% and 11.11%, respectively. Complete assurance information is provided in Chapter 6, “Environmental Sustainability,” of the Bank's Sustainability Report.</p> <p>The Bank's resource reduction initiatives include using energy-efficient and high-performance equipment in its data centers and gradually phasing out energy-intensive hardware and lighting. To reduce water usage, the Bank has continued to improve the water efficiency of its facilities. To minimize waste, the Bank promotes recycling, the reuse of scrap paper, and paper-saving measures. Since 2022, the Bank has implemented a food waste recycling program at its headquarters, converting collected food waste into compost for employee use. In November 2023, additional recycling bins for food-grade paper containers were installed to improve waste separation and expand the recycling program.</p>	

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
4. Social Concerns				None
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights??	✓		<p>(1) The Bank is committed to safeguarding human rights, adhering to international human rights standards such as the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "International Labour Organization Conventions," "United Nations Guiding Principles on Business and Human Rights," "ILO Declaration on Fundamental Principles and Rights at Work," and "Core Labour Standards." To this end, the Bank has established the "O-Bank Co., Ltd. Human Rights Policy" to prevent any human rights violations. This includes promoting workplace diversity, ensuring non-discriminatory treatment, providing a safe working environment, and creating diverse communication channels. Additionally, the Bank annually assesses potential human rights risks faced by its employees, using HR data to identify risk levels and establishing mitigation measures and management objectives based on the findings to reduce harm and impact on employees.</p> <p>To enhance employees' basic awareness of human rights, the Bank incorporates topics such as regulatory compliance, gender equality, sexual harassment prevention, workplace violence prevention, and support for vulnerable groups in the training for new hires. The Bank also continuously deepens the human rights concepts among its current employees, implementing human rights education.</p>	
(2) Does the Company set out and implement reasonable employee benefits (including pay, leave, and other benefits), and reasonably reflect operating performance or results into its employee compensation policy?	✓		<p>(2) In the Bank's Regulations for Managing Employee Compensation, stipulations are spelled out concerning how salaries and other forms of compensation are to be granted. As an extra incentive for employees to bring out their potential and strive for excellence, bonuses equivalent to a certain percentage of annual profits, if any, are to be paid out on the basis of every employee's position and performance. In 2024, more than 94% of employees who participated in the annual assessment received salary adjustments, with an average salary adjustment rate of 3.4%, and the highest rate of individual salary adjustments exceeded 23% (including promotion salary adjustments.) Moreover, the Bank tracks the salaries granted by industry peers on a regular basis for the reference of revising its own compensation policy so as to keep up a competitive compensation regime. The Bank has thus been included as a component of the TWSE RAFI® Taiwan High Compensation 100 Index for six straight years.</p> <p>The Bank gives top priority to ensuring employee diversity and gender equality at the workplace. In 2024, women accounted for 47.34% of the workforce and the ratio of female supervisors came in at 41.62%. Above all, the Bank took the lead to offer homosexual employees leave and other benefits no different from those granted to their heterosexual colleagues. In addition to mandated leaves such as sick leave, menstrual leave, marriage leave, bereavement leave, parental leave, prenatal check-up leave, paternity leave, and family care leave, the Bank also provides additional leaves that exceed legal requirements. These include honorary leave, compassionate leave, public service leave, adoption leave, organ donation leave, baby care leave, and parental (check-up) leave, during which salaries are still paid to maintain employees' work-life balance. Furthermore, the Bank offers employees holiday bonuses, birthday vouchers, marriage allowances, childbirth allowances, and medical subsidies. To implement the policy of equal pay for equal work, the Bank ensures that salaries and rewards are not influenced by gender. The Bank annually reviews the fixed salaries of male and female employees in the same positions to ensure fairness and gradually reduce any disparities.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>(3) The Bank is committed to providing a safe, healthy, and comfortable working environment. Measures include installing pre-cooling air conditioning systems and fresh air intake systems in office buildings, regularly monitoring carbon dioxide levels, and conducting daily cleaning to reduce harmful factors in the workplace. Indoor air quality is tested every six months, building safety inspections are conducted biennially, fire drills are held semiannually, water tanks are cleaned every six months, drinking water is sampled quarterly, and elevators are maintained twice per month.</p> <p>To prevent occupational accidents, the Bank has established the “Occupational Safety and Health Work Guidelines” to clearly define workplace safety standards and health practices. In collaboration with the Human Resources Department, the Bank also obtains third-party ISO 45001 certification, with the current certificate valid from August 3, 2023, to August 2, 2026. The Bank conducts at least one occupational safety and health training session annually, aiming to minimize occupational risks. In 2024, the Bank recorded 10 occupational injury incidents. There were no fire incidents or casualties reported during the year.</p> <p>The Bank also places strong emphasis on employee health. Annual health checkups are provided, offering more comprehensive items than legally required. Based on checkup results, on-site physician consultations are arranged, with follow-up care to ensure employees’ physical and mental well-being. To help reduce the impact of chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia, the Bank has established a Health Information section on its digital learning platform. It also organizes diverse fitness programs and employee clubs to encourage healthy lifestyles, in addition to regular health seminars and checkups.</p> <p>The Bank’s efforts to promote a healthy and active workplace have earned it both the Healthy Workplace Certification and the Sports Enterprise Certification. In 2023, the headquarters building applied for Green Building Label certification, based on years of energy-saving achievements. Following the carbon reduction benefit evaluation method for existing buildings, the Bank received official recognition from the Ministry of the Interior on December 7, 2023. The Bank was awarded a Copper Level Green Building Label for its improvements to lighting systems, with the certification valid from December 7, 2023, to December 6, 2028.</p>	
(4) Does the company provide its employees with career development and training sessions?	✓		<p>(4) Based on employees’ needs for career development, the Bank devises training programs that take account of its core competence requirements each year. These courses cover such categories as work skills, management skills, financial expertise, and general knowledge. In 2024, the Bank recorded an average of over 93.28 training hours per person; training hours averaged 103.18 for managerial employees and 91.53 for nonmanagerial ones. To stay on top of the economic trends and market changes, we invited outside experts to give talks, and we asked in-house experts to devise online courses so that employees could strengthen their expertise in financial technology and related issues.</p>	
(5) Does the Company comply with applicable laws and regulations and international guidelines on issues such as customer health, safety, and privacy in marketing and labeling its products and services, as well as implement a consumer protection policy and reporting procedures for consumers or clients to file complaints?	✓		<p>(5) The Bank not only complies with Personal Data Protection Act but also implements its own Regulations for Safeguarding the Security of Personal Information and other information security management mechanisms. Separately, the Bank offers comprehensive explanations of its products and discloses information concerning service fee charging standard on its official website. That is, the Bank implements a well-rounded explanatory mechanism for its products so that customers can fully understand product characteristics, risks, and fees before engaging in any transaction.</p> <p>In terms of advertisement, the Bank adopts Guidelines for Advertisement Solicitation and Sales Campaigns to ensure that the Bank’s publicity activities meet the spirit of honesty and protecting financial consumers. In terms of protecting consumer rights and interests and creating channels for consumer complaints, the Bank has enacted such internal regulations as Regulations on Handling Customer Complaints and Financial Consumer Disputes, Guidelines for Reporting and Handling Customer Complaints and Dispute Incidents, and Procedures for Accepting and Handling Disputes in the Trust Business, and thereby formulating a well-rounded mechanism for consumers to file complaints and effectively protecting their rights and interests.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(6) Does the Company implement supplier management policies to require suppliers observe certain regulations and implementation status on environmental protection, occupational health and safety, or labor human rights?	✓		<p>(6) The Bank has established the “Promoting Suppliers’ Implementation of Sustainable Development Guidelines” to integrate sustainability and human rights considerations into supplier selection processes. These guidelines aim to promote ethical standards, respect for human rights, and environmental sustainability in collaboration with suppliers, fulfilling the Bank’s commitment and responsibility in supplier management.</p> <p>To support suppliers in implementing sustainability, the Bank introduces its sustainability and human rights policies during price negotiation meetings. Suppliers are asked to complete the “O-Bank’s Supplier Sustainability and Human Rights Due Diligence Scoring Form” to evaluate whether their operations have had any negative environmental or social impacts. Assessment criteria include compliance with occupational safety and health regulations, non-discrimination, prohibition of child labor and forced labor, prevention of corporal punishment and inappropriate discipline, assurance of minimum wage, and promotion of environmental sustainability. This process is intended to avoid engagement with suppliers that violate sustainability or human rights principles.</p> <p>In October 2024, the Bank held a supplier conference to promote the latest sustainability trends, explain the Bank’s supplier management and sustainability policies, and communicate relevant occupational safety regulations that all suppliers are expected to comply with.</p> <p>As of 2024, the Bank had a total of 196 suppliers. Among them, 84 suppliers exceeded the procurement threshold of NT\$1 million and were therefore required to complete self-assessments. All 84 suppliers completed the assessment, resulting in a 100% implementation rate. Beginning in 2025, all suppliers will be required to complete the Supplier Sustainability and Human Rights Due Diligence Scoring Form. Based on assessment results, suppliers will be categorized into low-, medium-, and high-risk groups.</p> <p>The Bank will also incorporate “Commitment to Ethical Conduct” clauses into negotiated contracts or enter into a separate “Commitment to Ethical Conduct, Human Rights, and Environmental Sustainability” agreement with suppliers. These documents require suppliers to adhere to principles of integrity, human rights, and environmental sustainability, including prohibitions on offering or providing improper benefits (any undue items or services of value), and on inducing internal personnel to engage in misconduct.</p> <p>A total of six suppliers were subject to on-site inspections in 2024, all of which were completed, resulting in an on-site inspection rate of 100%. None of the suppliers who completed both self-assessments and on-site inspections were found to have significant actual or potential negative impacts on environmental protection, safety and health, human rights, or labor practices.</p>	
5. Does the Company refer to internationally accepted guidelines or guidance for compiling a corporate sustainability report and the like for disclosing nonfinancial information? Has the aforesaid report been verified or certified by a third party?	✓		<p>The Bank’s corporate sustainability report is compiled and structured in accordance with the GRI Sustainability Reporting Standards (GRI Standards) the AA1000 Accountability Principles, with reference also taken from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, ISO 26000 Guidance on Social Responsibility, the UN Global Compact, and the Sustainable Development Goals. The report is subsequently assured by the British Standards Institution (BSI) pursuant to the GRI Sustainability Reporting Standards and the AA1000’s Type 1—Accountability Principles to perform third-party verification, and the Bank has obtained the BSI Independent Assurance Opinion every year. At the same time, every year the accounting firm is also entrusted to follow the Confidence Standard No. 3000 of the Accounting Research and Development Foundation of the Republic of China “confirmation cases that are not historical financial information checks or reviews” (referenced by the International Confidence Standard ISAE 3000), issue an independent limited confidence report for specific sustainable performance indicators.</p>	None
6. If the Company has established the corporate social responsibility principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the Principles and their implementation: None.				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
7. Other important information to facilitate better understanding of the Bank’s sustainable development practices:				
<ul style="list-style-type: none">• Corporate Governance<ol style="list-style-type: none">1. Female and independent directors each account for over one-third of board members: The ninth Board of Directors comprises 12 members, including four female director and four independent directors.2. Total director training hours reached 145: In 2024, total director training hours reached 145 person-hours, exceeding the regulatory minimum by 19 person-hours, with a 100% completion rate.3. Full disclosure of director compensation: The Bank publicly discloses individual director compensation and submitted its director compensation policy for approval at the 2024 Shareholders’ Meeting.4. Continuous enhancement of ISO 27001 certification: The Bank maintains annual ISO 27001 certification for information security management, with 100% coverage of information-related units.• Customer Relations<ol style="list-style-type: none">1. A total of 18 affinity charity cards launched: Since 2018, the Bank has launched 18 affinity charity cards, accounting for approximately 10.01% of all cards issued.2. Introduction of personal green loans: The Bank has introduced personal green credit and green mortgage products to encourage customers to purchase energy-efficient appliances and green-certified homes.3. 24-hour online FX services: Customers can open foreign currency accounts and trade 12 foreign currencies online 24/7.4. High and improving customer satisfaction: Customer satisfaction reached 90.1% among individual customers and 99.11% among corporate clients.• Employee Care<ol style="list-style-type: none">1. Long-term incentive bonus program launched: To promote long-term performance, the Bank offers long-term incentive bonuses in the form of virtual equity based on goal achievement.2. Women in management: In 2024, women made up nearly half of all employees. Female representation reached 42% across all management and 45% at the senior management level, with women accounting for 55.2% of promotions.3. Gender pay equity program: The Bank has implemented a Gender Pay Equity Program to progressively close gender-based pay gaps and ensure equal pay for equal work.4. Equal benefits for same-sex partners: The Bank was the first in the industry to extend the same leave and benefit entitlements to employees with same-sex partners.5. ISO 45001 certification for occupational safety and health: The Bank continues to enhance its occupational safety system and has obtained third-party ISO 45001 certification.6. Promoting a healthy and active workplace: The Bank has earned the “Healthy Workplace Certification” from the Ministry of Health and Welfare and the “Sports Enterprise Certification” from the Ministry of Education.• Environmental Protection<ol style="list-style-type: none">1. Net-zero by 2050 commitment: The Bank has committed to achieving net-zero carbon emissions across its global operations by 2050 and has set Scope 1 and 2 targets in alignment with Science-Based Targets (SBT).2. Renewable energy usage reached 18.50%: The use of green electricity at global sites reached 18.50% in 2024.3. Continued reduction in GHG emissions: Per capita GHG emissions (Scopes 1 and 2, market-based) declined by 1.72% year-on-year in 2024.4. Green Building Label (Copper Level) awarded: The Bank’s headquarters received the Ministry of the Interior’s Copper Level Green Building Label in recognition of its energy conservation efforts.5. Green procurement spending increased by 18.2%: The Bank’s green procurement, as defined by the Environmental Protection Administration, increased by 18.2% year-on-year in 2024.• Green Finance<ol style="list-style-type: none">1. Climate risk scenario analysis completed: The Bank completed scenario analysis for both physical and transition climate risks. Climate factors were incorporated into credit and investment review processes for high-risk industries. Disclosures are aligned with the Task Force on Climate-related Financial Disclosures (TCFD), of which the Bank is a supporter.2. TNFD disclosures and PBAF membership: The Bank voluntarily followed the Taskforce on Nature-related Financial Disclosures (TNFD) framework to assess and disclose nature-related risks and opportunities. It also joined the Partnership for Biodiversity Accounting Financials (PBAF) as a supporter.3. 100% coverage of financed emissions and active management of high-carbon sectors: The Bank is the fourth financial institution in Taiwan to join the Partnership for Carbon Accounting Financials (PCAF). Its carbon accounting covers 100% of corporate lending and long-term investments, with continued tracking and control of exposure to high-carbon sectors.4. Internal carbon pricing mechanism established: A carbon pricing model has been implemented as part of the Bank’s internal accounting system, covering departmental electricity usage and financed emissions to guide business units in reducing investments and loans to carbon-intensive industries.5. Coal and unconventional oil and gas exclusion policy adopted: The Bank adopted an exclusion policy for coal and unconventional oil and gas sectors, referencing Urgewald’s Global Coal Exit List and Global Oil & Gas Exit List. It committed to fully divesting from these industries by 2030.				

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

• **Social Engagement**

1. First carbon footprint feature for consumer spending in Taiwan: The Bank introduced the "Consumer Spending Carbon Calculator" feature, along with the Low-Carbon Lifestyle Card that offers higher cashback for lower-carbon behavior.
2. Transportation Carbon Reduction Details launched: In collaboration with iPASS, the Bank launched the Transportation Carbon Reduction Details showing reduced emissions from using public transportation versus driving.
3. Industry-leading promotion of green consumption: The Bank initiated the "Green Consumption Power Project," collaborating with 30 social enterprises and B Corps to offer greater rewards for eco-conscious purchases.
4. First "Social Impact Project" in Taiwan: The Bank launched the "Social Impact Project," allowing customers to designate "Social Impact Deposits" for microloans to disadvantaged groups. Its social return on investment (SROI) report was certified by Social Value International.
5. O for YOU Subsidized Deposit Program: The Bank launched the "O for YOU Subsidized Deposit program" to offer step-rate savings accounts with preferential interest rates to economically disadvantaged individuals.
6. Circle of Care Subsidized Deposit Program: This program offers preferential savings interest rates to eligible new immigrants and indigenous peoples in Taiwan to support financial inclusion.
7. Continued support for social enterprise products: The Bank received the Ministry of Economic Affairs' Buying Power award for procurement from social enterprises for the eighth consecutive year.
8. 44 underprivileged students supported: Since 2015, the Bank has run the Summer Seed Internship Program for economically disadvantaged students, benefiting a total of 44 students.
9. 1,401 artists supported through "TiDing Stars" program: Over the past 15 years, the Bank has supported 1,401 emerging artists through its "TiDing Stars" arts sponsorship program.

• **The impact explanation and affected value chain (including key risks and opportunities), internal management policies, and scope of influence regarding the major themes of the Bank as follows:**

Material Issue	Explanation and Affected Value Chain (Including Key Risks & Opportunities)	Major Internal Policy	Scope of Impact					
			Direct Relationship	Commercial Relationship		Indirect Relationship		
			The Bank and Employees	customers	suppliers	shareholders	the general public	government agencies
Ethical Management and Corporate Governance	Potential Negative Impact (Risk): The financial industry bears the responsibility of safeguarding people's assets. Dishonest behavior or non-transparent corporate governance may result in government penalties or loss of trust from customers and shareholders, severely impacting the company's operational performance and causing revenue loss. The Bank upholds integrity as a core value and utilizes a professional and independent board of directors to make key decisions and fulfill supervisory duties to gain the trust and support of stakeholders.	Ethical Corporate Management Best Practice Principles Code of Ethical Conduct Corporate Governance Principles	0	0	0	0		0

Material Issue	Explanation and Affected Value Chain (Including Key Risks & Opportunities)	Major Internal Policy	Scope of Impact					
			Direct Relationship	Commercial Relationship		Indirect Relationship		
			The Bank and Employees	customers	suppliers	shareholders	the general public	government agencies
Risk Management	<p>Potential Negative Impact (Risk): Accurately identifying traditional and emerging risks and effectively implementing risk management can prevent or mitigate various risks that may adversely affect the company. This approach ensures that business operations remain normal during major incidents, keeping risks within manageable limits.</p> <p>Actual Positive Impact (Opportunity): Effective risk management can enhance the company's competitiveness when market or environmental risks arise, thereby increasing trust from customers and shareholders.</p>	<p>Risk Management Policy</p> <p>Lending Policy</p> <p>Regulations for Managing Operational Risk</p> <p>Guidelines for Managing Credit Risk</p> <p>Regulations for Managing Market Risk</p> <p>Regulations for Handling Major Contingencies</p> <p>Major Accident Emergency Response and Recovery Plan Implementation</p> <p>Guidelines</p>	0	0	0	0		0
Climate Strategy	<p>Actual Negative Impact (Risks): To mitigate the impact of climate change, companies must actively manage and respond to climate risks. Besides reducing its own operational carbon emissions, the Bank also needs to assess the carbon emissions of its lending and investment portfolios, guiding customers in reducing carbon emissions and jointly creating a sustainable environment.</p> <p>Actual Positive Impact (Opportunities): Climate strategies bring in new types of customers, including those in the renewable energy and electric vehicle industries. Additionally, the Bank can invest in green bonds, expanding business opportunities related to climate initiatives.</p>	<p>Environmental Management Policy</p> <p>Climate Risk Management Policy</p>		0	0			0
Environmental Sustainability	<p>Actual Negative Impact (Risk): Continuous use of various resources in company operations can lead to negative environmental impacts. By improving resource use efficiency, businesses can mitigate their environmental impact, enabling sustainable coexistence with the environment.</p> <p>Potential Positive Impact (Opportunity): Reducing energy consumption and waste can promote ecological conservation and biodiversity.</p>	Environmental Management Policy	0		0		0	

Material Issue	Explanation and Affected Value Chain (Including Key Risks & Opportunities)	Major Internal Policy	Scope of Impact					
			Direct Relationship	Commercial Relationship		Indirect Relationship		
			The Bank and Employees	customers	suppliers	shareholders	the general public	government agencies
Green Finance	Actual Negative Impact (Risks): For industries with environmental and social risks, the Bank has designated prohibited counterparties and conducts ESG risk classification for lending and investment, implementing various control measures. Actual Positive Impact (Opportunities): The Bank, acting as a financial intermediary, can promote sustainable development across industries by directing funds towards sectors that benefit the environment and society.	Sustainable Lending and Investment Policy		0				0
Information Security	Potential Negative Impact (Risk): Creating a secure financial transaction environment and adequately protecting customer data are responsibilities of the financial industry. Digital Financial services must especially ensure information security to avoid the risk of cybersecurity incidents.	Information Security Policy	0	0				0
Legal Compliance and Internal Audit	Potential Negative Impact (Risk): The financial industry is highly regulated by supervisory authorities and must strictly comply with legal and regulatory requirements. Inadequate compliance with laws and internal audit systems will lead to non-compliance behaviors, increasing operational and reputational risks, resulting in losses for the company and its customers. The Bank strictly adheres to various financial regulations and internal audit systems to ensure that all employees comply with the regulations.	Practical Guidelines for the Three Lines of Defense in Internal Control Regulatory Compliance System Measures Prevention of Money Laundering and Combating Terrorist Funding Policy Personal Data Management Policy	0	0	0	0		0
Employee Compensation and Benefits	Actual Positive Impact (Opportunity): The Bank builds a comprehensive and fair compensation system and provides competitive compensation and benefits in order to attract fine talents, thereby driving the company's progress and development.	Regulations Governing Employee Compensation Regulations of Works	0					
Business Performance	Actual Positive Impact (Opportunity): Profit and growth are fundamental objectives of corporate operations. Creating long-term and stable operating performance contributes to the sustainable development of a business. The continuous improvement in the Bank's operating performance supports the advancement of the company in various aspects.	Articles of Incorporation Regulations for Implementing Management by Objectives	0			0		

Material Issue	Explanation and Affected Value Chain (Including Key Risks & Opportunities)	Major Internal Policy	Scope of Impact					
			Direct Relationship	Commercial Relationship		Indirect Relationship		
			The Bank and Employees	customers	suppliers	shareholders	the general public	government agencies
Service Quality and Customer Satisfaction	Actual Positive Impact (Opportunities): Providing customers with high-quality financial service experiences and a comprehensive complaint channel continually enhances customer satisfaction and builds excellent customer relationships. Potential Negative Impact (Risks): Maintaining good service quality and improving customer satisfaction can prevent damage to the company's brand image and reputation.	Principles for Fair Treatment of Customers Regulations for Handling Customer Complaints and Financial Consumer Disputes		0				0
Financial Inclusion	Actual Positive Impact (Opportunity): The Bank leverages its core strengths to develop a business model conducive to social and environmental sustainability, enabling more consumers to access financial services effectively. This, in turn, guides industries towards sustainable development, embodying sustainable finance.	Articles of Incorporation		0			0	0
Talent Cultivation and Training	Actual Positive Impact (Opportunity): The growth and development of the Bank rely on its people. By continuously enhancing employee competencies and providing effective training, the Bank cultivates and retains talent, thereby strengthening its overall competitiveness.	Guidelines for Implementing Employee Training Regulations of Works	0					
Equal and Friendly Workplace	Actual Positive Impact (Opportunity): The Bank offers a diverse, equitable, and healthy working environment and uninhibited channels for internal communication, thereby creating a happy workplace that can effectively meet employee needs, and to attract talent and increase talent retention rate.	Human Rights Policy Occupational Safety and Health Rules	0					0

2. Implementation Status of Climate-Related Information

Item	Status of implementation																	
1. Describe how the Board of Directors and management have monitored and performed governance of climate-related risks and opportunities.	<p>The Bank’s Board of Directors has drafted “Climate Risk Management Policy,” which specifies that the Board shall serve as the highest supervisory unit, and the Board Sustainability Committee subordinate to the Board performs review of climate change development strategies; the ESG Development Working Committee under the Chairman organizes promotion of the Bank’s climate risk-related measures, and the Risk Management Committee is in charge of reviewing climate risk-related policies.</p> <p>The Climate Risk-Related Risk and Opportunity Governance Framework Diagram and detailed explanation can be found in the “7. Green Finance” chapter of the Bank’s Sustainability Report. (The Sustainability Report can be downloaded from the Sustainability Development section of the Bank’s website.)</p>																	
2. Describe how the identified climate risks and opportunities will affect the Bank’s business services, strategies, and finances (short-term, mid-term, long-term).	<p>In order to minimize financial impact, the Bank has formulated response measures addressing the three major risks of climate change The estimated financial impact is approximately NT\$97.37 million, including an impact on profit or loss from investment and financing positions of roughly NT\$48.47 million, an impact on profit or loss from the inability to operate business locations and property losses of roughly NT\$47 million, and an impact on profit or loss from trust products of roughly NT\$1.9 million. The estimated cost of risk management measures is NT\$32.79 million, including capital expenditures for the procurement and maintenance of buildings and equipment of roughly NT\$27.05 million and operating expenses for internal personnel research and training of roughly NT\$5.74 million. To address the three major opportunities brought by climate change, the Bank’s departments are developing relevant products and services in accordance with their service categories, and the financial impact has been estimated as approximately NT\$217.37 million, which includes an increase in revenue from improving the Bank’s sustainability rating of approximately NT\$143.73 million, revenue from product diversification of approximately NT\$63.87 million, and revenue from using public-sector incentives of approximately NT\$9.77 million; the cost of opportunity management measures will be approximately NT\$9.17 million, including an increase in marketing costs of approximately NT\$4.31 million and operating expenses for internal personnel research and training and hiring external consultants of approximately NT\$4.86million. The following are the three major risks and three major opportunities associated with climate change:</p> <table><tr><th>Climate risk issues</th><th>Financial impact category</th><th>Estimated financial impact amount</th><th>Risk management measures</th><th>Estimated cost of risk management measures</th><th>Length of impact period</th></tr><tr><td>Increasing severity and frequency of extreme weather events (physical risk)</td><td><div>1. Extreme weather events may cause power outages or flooding at the Bank’s operating locations, increasing equipment repair costs. Severe extreme weather events may even lead to the inability of some of the Bank’s operating locations to function normally.</div><div>2. Investment and financing targets affected by extreme weather events may experience increased operating costs, thus raising the Bank’s credit risk and market risk.</div><div>3. Real estate collateral provided by corporate loan clients may suffer value impairment due to the impact of extreme weather events.</div></td><td>NT\$87.77 million</td><td><div>1. The Bank has an Emergency Response Committee in place that formulates contingency plans and equipment procurement plans in advance to ensure that response measures can be initiated immediately in the event of a disaster. We conduct annual business impact analyses and offsite backup drills to ensure business continuity. We also regularly maintain server room equipment and generators, purchase typhoon and flood insurance, and arrange for personnel to remain on duty during typhoon strikes.</div><div>2. (2) If investment and financing targets belong to high climate risk industries, climate risk evaluations should be conducted. Among these, high-risk corporate clients will have their credit ratings downgraded, and control measures, such as reviewing and requesting appropriate collateral, setting deadlines for improvement, or increasing interest rates will be considered on a case-by-case basis, with ongoing tracking and evaluation. We will also track and evaluate high climate risk investees annually.</div><div>3. We assess investees and corporate loan clients’ operating locations, as well as the location, slope, watercourse areas, building age, and floor level of corporate loan clients’ real estate collateral, to appropriately mitigate physical risks.</div></td><td>NT\$28.84 million</td><td>Short-, mid-, long-term</td></tr></table>						Climate risk issues	Financial impact category	Estimated financial impact amount	Risk management measures	Estimated cost of risk management measures	Length of impact period	Increasing severity and frequency of extreme weather events (physical risk)	<div>1. Extreme weather events may cause power outages or flooding at the Bank’s operating locations, increasing equipment repair costs. Severe extreme weather events may even lead to the inability of some of the Bank’s operating locations to function normally.</div> <div>2. Investment and financing targets affected by extreme weather events may experience increased operating costs, thus raising the Bank’s credit risk and market risk.</div> <div>3. Real estate collateral provided by corporate loan clients may suffer value impairment due to the impact of extreme weather events.</div>	NT\$87.77 million	<div>1. The Bank has an Emergency Response Committee in place that formulates contingency plans and equipment procurement plans in advance to ensure that response measures can be initiated immediately in the event of a disaster. We conduct annual business impact analyses and offsite backup drills to ensure business continuity. We also regularly maintain server room equipment and generators, purchase typhoon and flood insurance, and arrange for personnel to remain on duty during typhoon strikes.</div> <div>2. (2) If investment and financing targets belong to high climate risk industries, climate risk evaluations should be conducted. Among these, high-risk corporate clients will have their credit ratings downgraded, and control measures, such as reviewing and requesting appropriate collateral, setting deadlines for improvement, or increasing interest rates will be considered on a case-by-case basis, with ongoing tracking and evaluation. We will also track and evaluate high climate risk investees annually.</div> <div>3. We assess investees and corporate loan clients’ operating locations, as well as the location, slope, watercourse areas, building age, and floor level of corporate loan clients’ real estate collateral, to appropriately mitigate physical risks.</div>	NT\$28.84 million	Short-, mid-, long-term
Climate risk issues	Financial impact category	Estimated financial impact amount	Risk management measures	Estimated cost of risk management measures	Length of impact period													
Increasing severity and frequency of extreme weather events (physical risk)	<div>1. Extreme weather events may cause power outages or flooding at the Bank’s operating locations, increasing equipment repair costs. Severe extreme weather events may even lead to the inability of some of the Bank’s operating locations to function normally.</div> <div>2. Investment and financing targets affected by extreme weather events may experience increased operating costs, thus raising the Bank’s credit risk and market risk.</div> <div>3. Real estate collateral provided by corporate loan clients may suffer value impairment due to the impact of extreme weather events.</div>	NT\$87.77 million	<div>1. The Bank has an Emergency Response Committee in place that formulates contingency plans and equipment procurement plans in advance to ensure that response measures can be initiated immediately in the event of a disaster. We conduct annual business impact analyses and offsite backup drills to ensure business continuity. We also regularly maintain server room equipment and generators, purchase typhoon and flood insurance, and arrange for personnel to remain on duty during typhoon strikes.</div> <div>2. (2) If investment and financing targets belong to high climate risk industries, climate risk evaluations should be conducted. Among these, high-risk corporate clients will have their credit ratings downgraded, and control measures, such as reviewing and requesting appropriate collateral, setting deadlines for improvement, or increasing interest rates will be considered on a case-by-case basis, with ongoing tracking and evaluation. We will also track and evaluate high climate risk investees annually.</div> <div>3. We assess investees and corporate loan clients’ operating locations, as well as the location, slope, watercourse areas, building age, and floor level of corporate loan clients’ real estate collateral, to appropriately mitigate physical risks.</div>	NT\$28.84 million	Short-, mid-, long-term													

Item	Status of implementation					
	Climate risk issues	Financial impact category	Estimated financial impact amount	Risk management measures	Estimated cost of risk management measures	Length of impact period
	Carbon pricing mechanisms (transition risk)	Carbon fees or taxes are progressively imposed by governments worldwide, leading to an increase in operating costs for investment and financing recipients, thereby raising the Bank's credit and market risks.	NT\$5.98 million	<ol style="list-style-type: none"> 1. Continuing attention to international carbon taxes and related legal trends, enhanced engagement with investment and financing recipients that are subject to carbon fees or carbon taxes; continued to optimize the review forms for investment and financing services to enhance the assessment and tracking of investment and financing recipients affected by carbon fees. 2. Continuously optimize internal carbon pricing mechanisms to guide business units to reduce investments and financing in high-carbon-emission industries. 	NT\$3.29 million	Short-, mid-, long-term
	Availability or cost increase of raw materials (transition risk)	An increase in the cost of raw materials will lead to an increase in operating costs for investment and financing recipients, thereby raising the Bank's credit and market risks.	NT\$3.62 million	Diversify investment and financing portfolios by distributing funds across different industries, e.g., industries with varying raw material dependencies or companies with alternative material strategies, to avoid investing in or financing companies reliant on a single material or supplier.	NT\$0.66 million	Short-, mid-, long-term
	Improving sustainability index ratings	Improving the ratings or scores of the Bank's sustainability-related evaluations will help increase the Bank's credibility, thereby attracting more customers.	NT\$143.73 million	<ol style="list-style-type: none"> 1. Use existing labor power to research and plan sustainability improvement initiatives and engage external consultants to provide advisory services to the Bank, thereby improving external sustainability-related ratings. 2. Allocating marketing costs to promote the Bank's sustainability-related products. 	NT\$7.03 million	Short-term
	Enhanced diversification of financial assets	<ol style="list-style-type: none"> 1. Development of green industry accounts receivables or securitized financial asset products. 2. Increasing the proportion of investment in green bonds and sustainable development bonds, while simultaneously increasing the proportion of lending to the green energy industry. 	NT\$63.87 million	<ol style="list-style-type: none"> 1. Revision of policies concerning the development of new financial products and new services. 2. Setting sustainability-related business targets and allocating personnel to achieve them. 	NT\$1.37 million	Short-, mid-, long-term
	Use of public-sector incentive measures	<ol style="list-style-type: none"> 1. Cooperating with policy-driven financing incentives to increase the capacity for green credit commitments. 2. Updating the Bank's equipment in accordance with the Ministry of Economic Affairs' energy-saving equipment replacement subsidy program. 	NT\$9.77 million	<ol style="list-style-type: none"> 1. Allocating personnel to achieve policy-driven incentive financing and credit cases. 2. Allocating personnel to plan equipment replacement programs. 	NT\$0.77 million	Short-, mid-, long-term
A detailed explanation of the financial impact of the three major risks and opportunities of climate change, management measures, and the affected time periods can be found in the "7. Green Finance" chapter of the Bank's Sustainability Report. (The Sustainability Report can be downloaded from the Sustainability Development section of the Bank's website.)						

Item	Status of implementation																			
3. Describe the financial impact of extreme climate events and transformational actions.	<p>In order to effectively assess the possible impact of climate change risks on the Bank's operating locations, suppliers, and investment and financing services, the Bank has adopted the National Science and Technology Center for Disaster Reduction's (NCDR) assessment of physical risks in the Taiwan area, which is based on the simulation results in Global Warning Level (GWL) in the IPCC's (Intergovernmental Panel on Climate Change) Sixth Assessment Report (AR6), and has used the Think Hazard information platform to assess the physical risks in other areas based on the physical risks for high-risk areas of Hong Kong, including low-lying areas, areas exposed to the wind, and waterlogging spots announced by the Hong Kong Drainage Services Department. The scope of assessment includes the Bank's operating locations, operating lease properties, supplier operating locations, real estate collateral for loans, corporate loan operating locations, and medium- to long-term investment positions (banking book). In addition, the Bank has also used the Network for Greening the Financial System's (NGFS) GCAM 6.0 V5.0 Phase 5 climate change scenario modeling tool to assess transition risks, and the scope of this assessment includes operating locations, investment and financing services, and suppliers. A detailed explanation of the overall scope of assessment can be found in the following table.</p> <table><tr><th>Climate risk</th><th>Business item</th><th>Financial impact</th></tr><tr><td rowspan="3">Physical risks</td><td>The Bank's operating locations</td><td rowspan="2">• The Bank's operating locations will be impacted by extreme climate, causing damage to assets or interruption of operations. • Business leasing and rental will be affected by extreme climate, and may cause reductions in the value of assets.</td></tr><tr><td>Business leasing and rental</td></tr><tr><td>Investment and financing services</td><td>• When investment recipients suffer the effects of extreme climate at their registered locations, the risk of issuer default will rise. • The operating locations of financing recipients are affected by extreme weather, causing asset damage and decreased profitability, hence an increased risk of default. • The impact of extreme climate on the real estate collateral of financing recipients may cause reductions in the value of assets.</td></tr><tr><td></td><td>Suppliers</td><td>• Extreme weather events impacting suppliers' operating locations lead to reduced or disrupted services or product provision.</td></tr><tr><td rowspan="3">Transition risks</td><td>The Bank's operating locations</td><td>• The carbon emissions generated by the Bank's operating locations will be affected by the future price of carbon, increasing operating expenses.</td></tr><tr><td>Investment and financing services</td><td>• The carbon emissions of investment and financing recipients will be affected by the future price of carbon, and implementation of low-carbon transition projects will increase their operating costs.</td></tr><tr><td>Suppliers</td><td>• Suppliers pass on increased operating costs due to carbon pricing to customers, which in turn increases the Bank's procurement costs.</td></tr></table>	Climate risk	Business item	Financial impact	Physical risks	The Bank's operating locations	• The Bank's operating locations will be impacted by extreme climate, causing damage to assets or interruption of operations. • Business leasing and rental will be affected by extreme climate, and may cause reductions in the value of assets.	Business leasing and rental	Investment and financing services	• When investment recipients suffer the effects of extreme climate at their registered locations, the risk of issuer default will rise. • The operating locations of financing recipients are affected by extreme weather, causing asset damage and decreased profitability, hence an increased risk of default. • The impact of extreme climate on the real estate collateral of financing recipients may cause reductions in the value of assets.		Suppliers	• Extreme weather events impacting suppliers' operating locations lead to reduced or disrupted services or product provision.	Transition risks	The Bank's operating locations	• The carbon emissions generated by the Bank's operating locations will be affected by the future price of carbon, increasing operating expenses.	Investment and financing services	• The carbon emissions of investment and financing recipients will be affected by the future price of carbon, and implementation of low-carbon transition projects will increase their operating costs.	Suppliers	• Suppliers pass on increased operating costs due to carbon pricing to customers, which in turn increases the Bank's procurement costs.
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4. Describe how climate risk identification, assessment, and management procedures are integrated in the risk management system.	<p>In the face of increasingly daunting climate change risks, the Bank has been actively assessing the risks and opportunities that climate change may bring to bank operation, and has added a emerging risk management section to its Risk Management Policy; this section specifies that emerging risk factors include climate change-related risks, and that relevant risks must be included in assessment when drafting or reviewing service and strategy plans.</p> <p>The Bank has also drafted the Climate Risk Management Policy, which specifies procedures for the identification, assessment, and management of climate risks, and designates the board of directors as the highest supervisory unit; a sustainability committee under the board bears responsibility for deliberating climate change development strategies, and a sustainability task force under the chairman organizes and promotes the Bank's climate change-related measures; furthermore, a risk management committee bears responsibility for reviewing climate change-related policies and supervising and reviewing climate risk management mechanisms.</p> <p>Risk management units must report relevant climate risk information to the board of directors and risk management committee at least once annually, which facilitates the drafting of strategic plans by the board of directors and upper management, and this information is taken into consideration when supervising business. When any major abnormalities or unusual situations are discovered in the course of climate risk monitoring, response measures are taken promptly in accordance with internal regulations, and the situation is reported to the board of directors.</p> <p>The Bank has established a three line of defense internal framework to control climate risks, and has specified the climate risk management duties of each line of defense:</p> <p>(1) The first line of defense serves to identify and assess climate risks when various services are conducted, and focuses especially on clients and asset positions in high climate risk industries.</p> <p>(2) In the second line of defense, risk management units effectively manage and monitor the implementation of climate risk management by the first line of defense, and the legal compliance unit confirms that the operations of all units are in compliance with the law.</p> <p>(3) The third line of defense consists of the assessment of the effectiveness of climate risk monitoring by the first and second lines of defense, and provision of recommendations for improvement at appropriate times.</p> <p>Please refer to section 7. Green Finance of the Bank's Sustainability Report for a detailed explanation of the Bank's Climate Risk Management Policy (the Bank's Sustainability Report can be downloaded from the Sustainability area of the company website).</p>																			

Item	Status of implementation
<p>5. If scenario analysis is employed to assess resilience in the face of climate change risks, please explain the scenarios used, parameters, assumptions, and analytical factors, as well as primary financial impact thereof.</p>	<p>The Bank employs The Bankers Association of the Republic of China's "Operating Plans for Climate Change Scenario Analysis by Domestic Banks" to understand the financial impacts caused by climate change risk factors and assess the Bank's climate risk tolerance.</p> <p>The "Operating Plans for Climate Change Scenario Analysis by Domestic Banks" specifies scenario analysis combining climate risks with conventional financial stress scenarios; as of the publication date of the annual report, the most recent scenario analysis conducted employed the MESSAGE-GLOBIOM 1.1 integrated assessment model (IAM), and the NGFS Phase 2 climate change scenarios simulated by the NiGEM macroeconomic model, which are used to derive the macroeconomic factors in each scenario. In addition, the representative concentration pathway (RCPs, including RCP 2.6 and RCP 8.5) scenarios generated in the IPCC's AR5 serve as the basis for environmental information. The three climate scenarios of orderly transition, disorderly transition, and no policy have been set in analysis, and the climate change time scale and banking industry cycle have been taken into consideration. 2030 and 2050 have been taken as the scenario generation times, and the mean probability of default (PD), mean loss given default (LGD), and exposure at default (EAD) estimated for each climate scenario. The resulting information is used to estimate future changes in expected loss (EL), which is employed to assess the Bank's overall risk acceptance ability.</p> <p>As of the publication date of the annual report, the most recent climate change scenario analysis was based on the Bank's financial asset portfolio including domestic and foreign branches and overseas business units (OBUs) as of December 31, 2023. This analysis employed the "static asset and liability assumption," and provided the basis for inferring climate risks faced by the Bank under different climate scenarios.</p> <p>Stress testing results indicate that in a disorderly transition scenario, in which initiation over carbon reduction transition policy is delayed, the impact of rising carbon price levels on investment and financing positions will cause significant reductions in operating revenue, and will result in more significant expected losses and cost increases than under the orderly transition and no policy scenarios.</p> <p>The Bank has additionally analyzed expected losses due to credit risk under various scenarios as a share of the Bank's 2023 overall pretax income and net value; such expected losses will account for 84.79%-121.49% of the Bank's 2023 overall pretax income and 5.92%-8.49% of the Bank's 2023 net value.</p> <p>The Bank will also conduct the 2024 climate change scenario analysis in accordance with the latest guidelines issued by the competent authority. The improvements to the overall planning include updating international scenarios, setting short- and long-term scenarios, and adjusting parameters. For detailed explanations and analysis results, please refer to the "7. Green Finance" chapter of the Bank's Sustainability Report. (The Sustainability Report can be downloaded from the Sustainability Development section of the Bank's website.)</p>

Item	Status of implementation												
6. If there is a transition plan for response to and management of climate-related risks, please explain the content of this plan and indicators and targets used in the identification and management of physical risks and transition risks.	<p>In order to adequately manage climate-related risks and opportunities, the Bank has established key climate indicators and targets, which are used to assess and implement sustainable development. Relevant indicators and target settings are in compliance with the Principles for Responsible Banking (PRB).</p> <table> <tr> <th>Indicators and targets</th><th>Content</th></tr> <tr> <td>Greenhouse gas emissions</td><td>In order to effectively inventory and monitor carbon emissions from operating processes, the Bank adopted ISO 14064-1: 2018 greenhouse gas inventories in 2018, and performs verification on an annual basis. Furthermore, the Bank included its overseas branch in Hong Kong and its representative office in Tianjin in inventories starting in 2022. The scope of inventories and verification includes 100% of the Bank's global business locations. At the same time, in reference to the SBTi (Science-based Target Setting Tool) version 2.1, the Bank has set greenhouse gas reduction targets for global business location Category 1 and Category 2. These targets have been included in corporate social responsibility targets used in annual performance assessment of the director of the Bank's Operation Management Department. The Bank hopes to jointly realize the Paris Agreement's vision of limiting global warming to less than 1.5°C.</td></tr> <tr> <td>Energy use</td><td>The Bank is actively promoting various low-carbon transition projects. Apart from continuing to reduce energy consumption from daily operating activities and enhance energy efficiency, the Bank also pledges that the use of renewable energy by its business locations in Taiwan will reach 50% by 2030 and 100% by 2050. In order to achieve these targets, the Bank is striving to conduct greenhouse gas emissions management, energy management, water resource management, and waste management, and also seeks to create a low-energy-consumption operating model through the establishment of relevant environmental management reduction targets.</td></tr> <tr> <td>Low-carbon transition</td><td>In order to assess and review carbon emissions due to investment and financing positions, the Bank became a signatory to the PCAF in February 2022, and has adopted carbon emissions management standards for international investment and financing. The Bank performs carbon inventories for its investment and financing services in accordance with the "Global GHG Accounting and Reporting Standard for the Financial Industry" issued by PCAF. In accordance with inventory results, and taking industry type and length of impact period into consideration, the Bank has implemented differentiated management of investment and financing positions. For instance, it has drafted a list of 10 major carbon-emitting industries, and set upper limits on investment and financing ratios in industries with high carbon emissions. We have set the proportion of loans to high-carbon-emitting industries to be below 2.35% by the end of 2025 and below 2.3% by 2030; and the proportion of our banking book investment positions in high-carbon-emitting industries is set to be below 13% by the end of 2025, below 12% by the end of 2027, and below 5% by 2030.</td></tr> <tr> <td>Climate opportunities</td><td>In reference to the Sustainability Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA), the Bank is actively negotiating "sustainability-linked loans" with corporate clients, and has drafted sustainability performance targets based on the characteristics of different industries that must be met by corporate clients. When it meets the specified sustainability performance target, a client may enjoy preferential financing. 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Furthermore, addressing corporate financing positions and mid-/long-term investment positions, the Bank has been adjusting its internal carbon pricing mechanism for investment and financing services on an annual basis in light of the average carbon emissions per NT\$1 million of all investment and financing recipients. When recipients are higher than the average value, additional carbon fees must be collected from relevant business units when conducting internal pricing; when much higher than the average, carbon fees are calculated with a weighting multiple. This is how the Bank is guiding its business units to incorporate clients' carbon emissions in their business decision procedures.</td></tr> </table>	Indicators and targets	Content	Greenhouse gas emissions	In order to effectively inventory and monitor carbon emissions from operating processes, the Bank adopted ISO 14064-1: 2018 greenhouse gas inventories in 2018, and performs verification on an annual basis. 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7. If internal carbon pricing is used as a planning tool, please explain the basis for setting prices.	<p>(1) The Bank is promoting energy efficiency and energy-conserving emissions-reduction policies in accordance with the "Financial Industry Carbon Reduction Target Setting and Strategic Planning Guidelines," and has implemented internal carbon pricing and collects carbon fees from various units.</p> <p>(2) The Bank has adopted implicit prices for carbon, which are based on the cost of green power that the company must purchase for every reduction in carbon emissions by 1 ton. Targets set using this method are used to determine the marginal cost of emissions reductions when seeking to reduce GHG emissions or comply with climate-related laws. The bank has also used this as the basis for the drafting of its "Internal Carbon Pricing Operating Procedures," which incorporate ISO two-stage management tasks and guide relevant work.</p> <p>(3) In 2024, the Scope 2 internal carbon price was calculated as NT\$4,211/ton CO₂e, and carbon fees were collected from all units after performing relevant statistical tasks. These fees are chiefly used for relevant reduction measures intended to achieve the goal of net zero emissions.</p>												

Item	Status of implementation
8. If climate-related targets have been set, please provide information including relevant activities, greenhouse gas emission categories, planning time periods, yearly attainment progress, etc.; if carbon offsets or renewable energy certificates (RECs) are used to attain relevant targets, please explain the sources and quantities of the offsetting carbon reductions or number of renewable energy certificates (RECs).	(1) Environmental management targets at the Bank's operating locations worldwide
	(2) The Bank has drafted Scope 1 and Scope 2 GHG emissions reduction targets for operating locations worldwide using the Science-based Target Setting Tool Ver. 2.1 developed by the Science Based Target initiative, SBTi, and these targets are premised on the scenario that global warming is limited to less than 1.5°C. When based on the GHG emissions of operating locations worldwide in 2024, the scope of the reduction target was calculated as 64.60% (Scope 1 + Scope 2 emissions/total emissions). The Bank also pledges that renewable energy use at operating locations worldwide will account for 50% of all energy use by 2030, and 100% of all energy use by 2050, which will meet the Bank's pledge to achieve net zero emissions at operating locations worldwide by 2050. In addition, as a member of the Chinese National Association of Industry and Commerce, the Bank has lent its public support to the Association's "1.5°C Climate Action Pledge," and pledges to cooperate with and support the plans and targets in Taiwan's 2050 Net Zero Pathway. At the same time, the Bank is also complying with plans in the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed/OTC-traded Companies." It was announced by the National Renewable Energy Certification Center in 2024 that the Bank had obtained 1,103 renewable energy certificates.
9. Status of greenhouse gas inventory compilation and verification, strategies, and specific action plans.	Please refer to the following (1), (2)

(1) Company GHG inventories and state of assurance during the most recent two years

A. GHG inventory information

GHG emissions (tons CO₂e), intensity (tons CO₂e/NT\$1 m), and scope of information coverage during the most recent two years

As required in the Sustainable Development Roadmap for Listed/OTC-traded Companies, the scope of data coverage includes:

- (1) Parent company entities were required to keep inventories starting in 2018.
- (2) Subsidiaries on consolidated financial reports are required to keep inventories starting in 2025.
- (3) The combined company has established a GHG inventory mechanism based on the GHG Protocol issued by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) and ISO 14064-1: 2018 GHG inventory standards. An inventory of the company's GHG emissions has been taken on an annual basis starting in 2018; these inventories have allowed the company to monitor GHG use and emissions, and have shown the effectiveness of certification and emissions reduction actions.
- (4) GHG inventory data for the most recent two years was based on operating control rights settings and the organization's boundary settings; the compiled data constitutes the GHG emissions of this Company and branches worldwide, as explained below:

Statistical table of GHG Emissions from the Bank's operating locations worldwide during the most recent two years

Year		Scope 1	Scope 2		Scope 3						Total emissions equivalent	
		Direct emissions	Energy indirect emissions (market-based)	Energy indirect emissions (geographically-based)	Type 1: Purchased products and services	Type 3: Fuel- and energy-related activities	Type 5: Operating wastes	Type 6: Business travel	Type 7: Employee commuting	Scope 3 Total emissions equivalent	Market-based	Geographically-based
2024	Metric tons CO ₂ -equivalent	555.71	2,292.74	2,828.80	92.73	724.35	13.35	101.68	628.69	1,560.80	4,409.26	4,945.31
	Market-based share (%)	12.60%	52.00 %		2.10%	16.43%	0.30%	2.31%	14.26%	35.40%	100%	
	Carbon emissions equivalent per unit operating revenue (tons CO ₂ e/NT\$1 m)	0.07	0.29	0.36						0.20	0.57	0.64
2023	Metric tons CO ₂ -equivalent	287.07	2,471.59	2,838.58	201.45	568.37	88.00	55.47	637.60	1,550.90	4,309.65	4,676.63
	Market-based share (%)	6.66%	57.35 %		4.67%	13.19%	2.04%	1.29%	14.79%	35.99%	100%	
	Carbon emissions equivalent per unit operating revenue (tons CO ₂ e/NT\$1 m)	0.04	0.36	0.41						0.22	0.62	0.68

Note 1: The scope of GHG inventory in this table consisted of 100% of the Bank's operating locations worldwide (calculated on the basis of employee numbers).

Note 2: Total Scope 1 and Scope 2 GHG emissions in 2024 according to market-based calculations consisted of 2,848.45 metric tons CO₂-equivalent; total Scope 1 and Scope 2 GHG emissions according to geographically-based calculations consisted of 3,384.51 metric tons CO₂-equivalent.

Note 3: Carbon emissions equivalent per unit operating revenue was calculated on the basis of the Bank's 2024 individual net income of NT\$7,787,000,000. Note 3: The calculation of carbon emissions per unit of revenue is based on O-Bank's standalone net revenue of NT\$778.7 million in 2024, NT\$686.7 million in 2023, and NT\$906.4 million in 2022 (including a one-time gain of approximately NT\$321.4 million from the merger with Taiwan Industrial Bank Leasing Co., Ltd.).

Note 4: Taiwan Industrial Bank Technology Consulting Co., Ltd. has a total of 8 employees and is located in O-Bank's headquarters building. Its carbon emissions are included in O-Bank's greenhouse gas inventory.

B. GHG assurance information

The following is an explanation of state of assurance during the two-year period up to the date of annual report printing, and includes the scope of assurance, assurance organizations, assurance criteria, and assurance opinions

In accordance with the Sustainable Development Roadmap for Listed/OTC-traded Companies, the scope of data coverage included the following:

- (1) Parent company entities were required to keep inventories starting in 2018.
- (2) Subsidiaries on consolidated financial reports are required to keep inventories starting in 2025.
- (3) Since 2018, the Bank has implemented ISO 14064-1:2018 for greenhouse gas (GHG) inventory and has completed annual verification and assurance through the third-party certification body BSI. The scope of inventory and verification covers 100% of the Bank's global operational sites. The Bank's global operational sites include: the headquarters building, customer service center, information center, Taipei Nanjing-Fuxing Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, and the Business Department's Tainan District; however, the scope does not include subsidiaries occupying the headquarters building, including the China Bills Finance Corporation (occupying 100% of floor space on the 4th floor); overseas locations consist of the Hong Kong Branch and Tianjin representative office. The Bank has provided a GHG emissions statement with a reasonable level of assurance. The GHG statement includes the items required by ISO 14064-1 (description of organization, responsible person, period included, and organizational boundaries, etc.), and provides information concerning GHG policies and emissions volumes.
- (4) In the Bank's 2023 GHG Inventory Report, direct GHG emissions and indirect GHG emissions from imported energy (Categories 1 and 2 under ISO 14064-1:2018) were assured at a reasonable level. Other indirect emissions (Categories 3 through 6) were concluded based on confirmation and agreed-upon procedures. The GHG Inventory Report for the year received an unqualified opinion, confirming full compliance with relevant standards and appropriate and accurate disclosure of GHG information.
- (5) The level of assurance of direct GHG emissions and indirect GHG emissions from imported energy (Type 1 and Type 2 in ISO 14064-1: 2018) on the Bank's 2024 GHG inventory report was reasonable assurance, and conclusions concerning other indirect GHG emissions (Types 3-6) were obtained through confirmation and negotiation procedures. The results on the GHG inventory report for that year constituted unqualified opinions, and are fully consistent with relevant regulations and the appropriate and correct disclosure of GHG information.

(2) GHG reduction targets, strategies, and specific action plans

GHG reduction base year and data, reduction targets, strategies, and specific action plans and reduction target attainment for the year

- A. The Bank has determined Scope 1, Scope 2, and Scope 3 reduction targets for its operating locations worldwide. In 2024, the Scope 1 total carbon emissions reduction target was 267.20 tons CO₂e (a 1.6% decrease compared with 2022); the Scope 2 total carbon emissions reduction target was 2,375.58 tons CO₂e (a 16.2% decrease compared with 2022); and the Scope 3 total carbon emissions reduction target was 1,270.92 tons CO₂e (a 1.1% decrease compared with 2022).

- B. GHG reduction base year and reduction targets:

The Bank has determined annual total GHG emissions reduction targets for its operating locations worldwide (compared with the base year of 2022)

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

Note: Because the scope of the Bank's GHG emissions inventories was expanded from all operating locations in Taiwan to all locations worldwide starting in 2022, the 3,106.3 tons (Scope 1 and Scope 2) of GHG emissions calculated using the market-based method for all of the Bank's operating locations worldwide in 2022 constitutes the basis for comparison of total GHG emissions reductions.

- C. GHG reduction strategies and specific action plans

- (a) Lighting equipment:

The Bank has been gradually switching to environmentally-friendly power-saving lamps in office areas and public areas on all floors, the switches for external wall lighting and signs are controlled in accordance with day length and weather, lights are turned off for one hour at noon, guards patrol all floors and make sure that lights have been turned off at 22:00 each day, and employees are made aware that they must turn off lights and power to equipment when leaving the printing room and conference rooms.

- (b) Air conditioning equipment:

Temperature settings shall be for over 26°C, and temperatures are adjusted appropriately during different seasons. To save energy, air filters and main heat exchangers are cleaned regularly, and refrigerant and fans are inspected regularly. During winter at bank headquarters, main heat pumps are operated on a rotating basis, and frequency conversion air conditioning is employed. At 18:00 each day, the central controller automatically shuts off the air conditioning power switches on all floors. Inset ceiling-mounted energy-conserving fans have been installed to increase the circulation of cool air.

- (c) Elevator equipment:

Elevator dispatching is performed to enhance operating efficiency and decrease average use time. The number of elevators in use is controlled to reflect peak and off-peak time periods, and only one elevator is kept in use during weekends and holidays. Employees are reminded to take the stairs as much as possible when going to perform business on adjacent floors.

- (d) Renewable energy:

The headquarters building began using green power in November 2022, and has been steadily increasing the ratio of green power usage. All branches throughout Taiwan were required to begin using green power in 2023. In order to gradually achieve the goal of net zero carbon emissions, targets of 50% renewable energy use by 2030 and 100% renewable energy use by 2050 have been set for operating locations worldwide.

- (e) Water resources:

Air conditioning units employ air-cooled equipment. When doing so will not affect normal usage, the water volume from water supply equipment has been reduced, and water is only allowed to flow for a certain number of seconds. To prevent leaks, water meters are inspected regularly. The water used by the sprinkler systems in buildings' landscaped areas is adjusted in accordance with the season and weather.

GHG reduction base year and data, reduction targets, strategies, and specific action plans and reduction target attainment for the year
(f) Attainment of reduction targets

In 2024, the total GHG emissions (Scope 1-3) of the Bank's operating locations worldwide according to market-based calculations constituted 4,409.26 metric tons CO₂-equivalent, which represented an increase of 3.85% compared with the previous year, and per capita carbon emissions were 3.55 metric tons CO₂-equivalent, which represented a decrease of 0.84% compared with the previous year. When only calculating Scope 1 and Scope 2 GHG emissions, in 2024, the carbon emissions of the Bank's operating locations worldwide according to market-based calculations constituted 2,848.45 tons, which was an increase of 3.25% compared with the previous year, while per capita carbon emissions were 2.29 tons, which represented a decrease of 1.72%. In addition, the Scope 1 and Scope 2 carbon emissions of operating locations worldwide per NT\$1 million in net income constituted 0.366 tons (or approximately 11.99 tons per USD 1 million), while Scope 1 carbon emissions per NT\$1 million in net individual income constituted 0.071 tons, and Scope 2 carbon emissions per NT\$1 million in net individual income constituted 0.294 tons. If more detailed information is required, please refer to the 6. Environmental sustainability section of the Bank's Sustainability Report (the Bank's Sustainability Report can be downloaded from the Sustainability area of the company website).

(7) Ethical Corporate Management Implementation Status and Deviations from “the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				None
(1) Does the Bank enact an ethical management policy that has been approved by the Board of Directors and declare in both internal regulations and external documents this ethical management policy, relevant measures, and the commitment of the Board of Directors and senior executives to rigorously implementing the said policy?	✓		<p>(1) Upon its establishment in 1999, the Bank enacted the Self-Discipline Rules for Ethical Conduct. Employees were required to conform to all applicable codes and regulations. The guiding principle for interaction with customers was that one shall not, by virtue of his/her position at the Bank, secure any personal gains; shall not solicit business or secure business or personal gains by bribery, kickback, allowances, gratuities, or other illegal means; shall remain fair and impartial when conducting procurement or issuing invitations for bids; and shall not assist customers in falsifying documentation or overvaluing assets.</p> <p>The Bank also included the foregoing provisions together with Article 35 of the Banking Act—neither the responsible person nor any staff member of a Bank shall accept, under any pretense, commissions, rebates, and the amount of other unwarranted benefits from depositors, borrowers, or other customers—as common items for legal compliance. Training and examination thereof were conducted on a regular basis.</p> <p>In line with statutory changes and amendments, the Board of Directors adopted the Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles in 2015, followed by the enactment of the Procedures for Ethical Corporate Management and Guidelines for Conduct in 2016. Given their conviction of ethical management and commitment to being honest, transparent, and responsible, members of both the Board of Directors and management are set to keep up their implementation of ethical management policies, creating sound corporate governance, and building an environment for sustainable development. In addition, the Bank discloses its ethical management policies and the implementation of ethical management in its sustainability report, and on its website and the Market Observation Post System.</p>	
(2) Does the Bank establish a mechanism for analyzing and assessing aspects of its business operations that have a relatively higher vulnerability to unethical conduct and, in turn, adopt a program for preventing unethical conduct that at least covers the acts listed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		<p>(2) To ensure ethical management and enhance employee awareness thereof, the Bank started in 2019 to undertake self-assessment of risk on this front throughout the entire workforce and to implement preventive measures to mitigate vulnerability to unethical conduct in business operations. Meanwhile, the Bank's directors and senior executives were asked to sign a statement on compliance with its ethical management policy and all employees, a declaration of consent to comply with the said policy and faithfully stand by the preventive measures laid out in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, thereby preventing unethical conduct. In 2024, the signing rate of directors, managers, and employees of the Bank for the documents was 100%. Moreover, the Bank requires personnel of specific departments to undergo periodic rotation so as to ensure a well-rounded internal control system and operational security. The Bank also resorts to negotiating with employees about taking holidays in a bid to further bolster risk management. Separately, the Bank has adopted the Regulations Governing the Review of Making Donations as the guideline for such activities. On top of the principles of honesty, integrity, and prudence, all business activities are undertaken in accordance with applicable regulations.</p>	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Bank spell out operating procedures, guidelines for conduct, punishment for violation, and rules of appeal in the aforesaid program for preventing unethical conduct, implement it faithfully, and review and amend it on a regular basis?	✓		(3) The Bank's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct all unequivocally prohibit unethical conduct by employees and specify matters for their attention in the course of performing duties. Upon the discovery of any violation of ethical corporate management and conduct regulations, a report shall be made immediately to an independent director or managerial officer, the chief internal auditor, or another suitable managerial officer. Upon verification of any such allegations, the violator shall be dealt with in accordance with applicable laws and regulations or the Bank's internal regulations on employee rewards and penalties. In 2020, the Bank's Code of Ethical Conduct and Procedures for Ethical Management and Guidelines for Conduct were amended in compliance with applicable laws and regulations and in conformity with the Bank's operations. Separately, while offering training to newly recruited employees and to all employees with regard to legal compliance, the Bank makes it a point to exhort them to stay honest and fair and conform to applicable laws and regulations in the course of performing their duties. As such, training on regulations related to ethical management is undertaken to ensure that all employees always keep good-faith management in mind and act accordingly.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) In accordance with applicable laws and regulations, the Bank has in place specific regulations governing lending, investment, trust, financial transactions, or other business dealings that involve interested parties. Also adopted are clearly defined regulations that specify the following: with the exception of those granted priority status thanks to a solid CSR track record in accordance with the Bank's Guidelines for Urging Suppliers to Fulfill Corporate Social Responsibility, there shall be no preference for any specific party over the course of conducting procurement or issuing invitations for bids, and internal audit personnel shall be involved in the price negotiation process for procurement projects of NT\$1 million or more; personnel engaging in investment or lending shall conform to applicable internal regulations and honor the obligation of reporting when warranted, thereby preventing conflicts of interest. Over the course of conducting business, the Bank shall incorporate compliance with and commitment to ethical corporate policy into all contracts signed with transaction counterparties lest it should transact with any party that has engaged in unethical conduct. Given that the banking industry is required to secure sanctioning of the competent authority and thus subject to stringent supervision, the Bank is obligated to ensure that its business activities, donations, accounting system, and business secrets conform to the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and Banking Act. In accordance with applicable laws and regulations, the Bank has also established an internal control and audit system and a self-audit system. Internal auditors and CPAs conduct random checks on the undertaking of business activities and submit reports to the Audit Committee and Board of Directors at least on a quarterly basis, thereby promoting sound management and ensuring the efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations.	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Bank establish a unit under the Board of Directors that is devoted exclusively to promoting ethical management and reports on a regular basis (at least once a year) to the Board of Directors on its supervision of the Bank's implementation of its ethical management policy and program for preventing unethical conduct?	✓		(2) To attain ethical corporate management, the corporate governance team under the EPG Development Working Committee (formerly Corporate Social Responsibility Committee) is charged with the responsibility of enacting and implementing the Bank's ethical corporate management policy and related plans. It is also responsible for submitting reports on implementation results to the Board of Directors each year (at least once a year). Such reports are to contain results of promotion and training of ethical corporate management, accomplishment of the "informant's mailbox," and measures taken to prevent unethical conduct and the results thereof, which are all intended to ensure the Bank's ethical corporate management.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) It is specified in the Bank's Corporate Governance Principles that when the Board of Directors, Audit Committee, Compensation Committee, or Corporate Governance and Nomination Committee meets, the Bank's highly self-disciplined directors shall refrain from participating in the discussion and voting process in relation to any matters that involve their personal interests and do not exercise the voting rights of other directors by proxy. Directors also exercise self-discipline and refrain from extending one another improper support otherwise. Furthermore, in the Bank's Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, it is stipulated that the directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Bank to obtain improper benefits for themselves, spouses, parents, children, or any other person. Meanwhile, corporate governance courses are made available to directors to enhance their capacity for supervision and governance, in turn strengthening the Bank's corporate governance and attaining ethical corporate management. Separately, the Bank has installed its whistleblower system in the corporate governance section of its website. Available therein are the Bank's Whistleblowing Policy and the means by which to file such reports. Anyone who finds reason to implicate any person of the Bank in criminal acts, frauds, or violations of laws and regulations may file a report to the Bank by phone, email, mail, etc. To uphold corporate governance and ethical management, the Bank shall keep confidential both the identity of the whistleblower and the contents of the aforesaid report and take action to verify allegations therein.	
(4) Does the Bank, in order to ensure ethical management, establish effective accounting and internal control systems and have its internal audit department take account of the result of its assessment of unethical conduct risk while mapping out an audit plan to examine the Bank's compliance with its program for preventing unethical conduct or engage CPAs for conducting such audits?	✓		(4) To faithfully conduct ethical management, the Bank has established effective internal control and accounting systems in accordance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries. In addition to conducting audits of domestic business, financial, asset custody, information, other management units, and overseas outlets on a regular basis, the Bank engages CPAs for routine audits in order to ensure effective operations of the said systems. Separately, the Bank's Auditing Division has incorporated the result of its assessment of unethical conduct risk into its auditing plan to ensure the Bank's ethical management.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) As prescribed by applicable regulations, the Bank organizes sessions to promote employee awareness of ethical management and offers training thereof each year. Highlights include the Principles for Ethical Management and the Procedures for Ethical Management and Guidelines for Conduct as well as instances of unethical conduct. Separately, the Bank undertakes sessions on a regular basis to familiarize all employees with the latest statutory developments and important instances of domestic banks or financial holding companies being penalized, thereby helping employees enhance ethical standards and strengthen compliance awareness. Meanwhile, training of self-audit personnel is also conducted on a regular basis to ensure effective implementation of self-audits, strengthen internal control of business units, and prevent unethical conduct.	

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Illustration	
<p>3. Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Bank establish standard operating procedures for investigating whistleblower allegations, follow-up measures in the wake of such an investigation, and the confidentiality mechanism thereof?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	✓		<p>(1) The Bank has, in accordance with law, established a whistleblower system, including the Whistleblowing Policy and a whistleblower mailbox. Employees are encouraged to report on unlawful and unethical conduct and any other act in violation of ethical management. Meanwhile, a unit with the capacity for performing duties independently is charged with the acceptance and investigations of whistleblower reports. Anyone found to have violated applicable laws and regulations shall be dealt with in accordance with the Bank's Regulations Governing the Rewards and Penalties for Employees and other applicable regulations.</p> <p>(2) The Bank has adopted stringent operating procedures for conducting investigations on allegations in whistleblower reports. The contents of these reports and the handling thereof as well as other related information are all kept confidential to protect both the whistleblower and personnel involved in such investigations. After such an investigation is completed, the Bank follows up with courses of action and other pertinent measures it deems proper.</p> <p>(3) The Bank keeps confidential all whistleblower reports—internal and external—so as to make sure that the whistleblower is not subject to any improper treatment accordingly.</p>	None
<p>4. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	✓		<p>Not only does the Bank disclose its Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct, on its website and the Market Observation Post System (MOPS), the Bank also disclose its implementation of ethical management both in its annual report and on its website. Separately, the Bank's website also fully discloses other information with regard to its business operations, interest rates, and assessment of economic conditions for the reference of the general public. In accordance with applicable laws and regulations, the Bank also discloses material financial and operational information on the Market Observation Post System (MOPS) in a timely fashion. Meanwhile, the Bank's work toward sustainable development is disclosed in its annual report.</p>	None
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation:</p> <p>There have been no differences.</p>				
<p>6. Other important information to facilitate a better understanding of the company's ethical corporate management policies.</p> <p>To effectively implement its ethical management policy and promote sound business, the Bank has established a whistleblower system and relevant regulations. Strategic management is conducted to secure quantitative data for the evaluation of the Bank's effectiveness in implementing its ethical management policy:</p> <p>(1) Success rate of training on ethical management:</p> <p>To effectively establish measures to promote ethical management and prevent unethical conduct, the Bank organized a lecture on corporate governance and ethical management for directors in 2024. A lecturer from the Taiwan Corporate Governance Association helped the Bank's directors enhance awareness of corporate ethics and strengthen their capacity for corporate governance by speaking on the ethics principles and fair treatment of customers. Separately, training on ethical management was also conducted across the Bank. Covered were such topics as the Principles of Four-Lines of Defense for Ethical Management, the Procedures for Ethical Management and Guidelines for Conduct, instances of unethical conduct, and preventive measures for business activities vulnerable to the risk of unethical conduct. A total of 1,202 employees participated in the training, 601 hours of training, translating into a 100% success rate.</p> <p>(2) Establishment of a whistleblower system:</p> <p>To encourage internal and external personnel to report unethical conduct or misconduct, the Bank adopted its Whistleblowing Policy. 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 report it to the Bank's Audit Division and convener of the Audit Committee by phone, email, or mail. As the Bank's whistleblowing mechanism stands, an investigation shall be initiated within a given period if preliminary deliberation warrants it. If the alleged perpetrator is determined to have violated applicable laws or regulations, the case shall be turned over to the Bank's human resources unit for disciplinary action in accordance with its internal rules, the Bank's Regulations Governing the Rewards and Penalties for Employees. In the event of a particularly serious offense, the Bank may directly hand it over to law enforcement authorities for investigation. To keep the whistleblower up to date, the Bank may report the latest developments by phone, email, mail, or other means. Information pertaining to the whistleblower's identity shall be kept confidential. The Bank shall not, due to the filing of a whistleblowing report: fire, dismiss, or demote the whistleblower; harm the rights and interests that the whistleblower ought to enjoy under law, contract, or established practice; or otherwise take actions prejudicial to the interests of the whistleblower. In 2024, O-Bank's whistleblower mailbox received a total of 35 letters. Upon review, 34 of them lacked specific information regarding the accused party, supporting evidence, or did not fall under the types of cases eligible for acceptance. As such, they did not meet the acceptance criteria set out in Article 4 and Article 6 of the Bank's "Whistleblowing Policy." Only one case met the requirements and was handled through an investigation conducted by the Bank's Audit Division.</p> <p>(3) Ratio of imposing penalties against reports being presented on conduct in violation of ethical management principles:</p> <p>No report was recorded on any conduct in violation of ethical management principles in 2024 and, therefore, no penalty was imposed.</p>				

(8) Other Important Information Regarding Corporate Governance

A. Succession Planning of the Board of Directors

(A) Board of Directors

The Board of Directors of O-Bank adopts a candidate nomination system in accordance with the Bank's Articles of Incorporation. All board members must meet the qualifications prescribed by applicable laws and regulations governing the appointment of bank directors. The Board as a whole shall possess diverse professional capabilities essential for the performance of its duties, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, as well as information technology and cybersecurity competence. In addition, the Board should include elite professionals with expertise and extensive experience in various fields that align with the Bank's commitment to diversity and strategic development. To further the Bank's sustainable development philosophy and enhance the Board's functions, the "Corporate Governance and Nomination Committee" was established on November 4, 2020. This committee is responsible for nominating board and independent director candidates and strengthening board functions. The "Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy" (available on the Bank's website at <https://www.o-bank.com>) outlines diversity policies, independence standards, training programs, attendance requirements, and succession planning for Board members. When planning successors, the Bank considers regulatory requirements, sustainable development, mid-to-long-term business strategies, and the aforementioned succession policy to construct the Board's composition. At the Shareholder Meeting on June 16, 2023, the Bank completed the election of the 9th Board of Directors, selecting 12 directors (including 6 natural-person directors), with Ms. Tina Y. Lo serving as the chairman.

The training of Board members aims to continually enhance their diverse professional skills, board functions, and decision-making efficiency. In 2024, all directors underwent at least six hours of professional training as required by the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies," with a total of 145 hours of training completed. Overall, the training was conducted successfully.

(B) Senior Management

To meet the needs of organizational development and ensure the continuity of the leadership team and talent, the Bank has comprehensively established the "Senior Talent Succession and Management Development Plan" based on its business strategy. This plan was submitted and approved by the Board of Directors on June 22, 2022. The status of talent development is reported to the Board annually to maintain sustainable operations and enhance competitive advantage.

This training program for next-generation managers centers on a number of core concepts. That is, would-be managers are to be imbued with core competences that are defined by Trust, Outstanding, Unity, Creativity, and Honor. In addition to an excellent working capacity, they are supposed to hold personal values compatible with the Bank's corporate culture and possess such traits as honesty, passion, and leadership. In keeping up with the Bank's business plan and future prospects, Elton F.Y. Lee was appointed as the President of O-Bank by the Board of Directors on October 24, 2019.

We draw from specialized training to ensure that employees primed for key positions, from senior managers to departmental supervisors, fully understand the importance of their personal development to the Bank's future development. Emphasis is placed on giving trainees opportunities to temper themselves and develop a solid capacity for decision making and judgment calls. The training comprises:

- Management Competency: Domestic and foreign experts are engaged to lecture on leadership to different levels of managerial employees.
- Personal development plan: According to the priority development order of individual potential talents, tailor a personal development plan, link corresponding learning resources, and cooperate with the general manager's regular meeting and counseling system to assist them to effectively improve their abilities.
- EMBA Programs or the Taiwan Academy of Banking and Finance's Leading Executive Apex Program (LEAP): Employees who hold promise are enrolled in such programs of eminent institutions for industry- academia training to grow them into top-tier managers who possess a global vision, the capacity for comprehensive strategic thinking, and skills in information technology.
- Proxy System: The proxy system makes it possible for senior managers reporting directly to the CEO to undergo training in the capacity as the latter's deputy, thereby bolstering their decision-making and management capability.
- Rotation of Managerial Positions among Affiliates: Next-generation leaders are to undergo rotation of managerial positions among affiliates to help them get familiar with different operations of the O-Bank Group and accumulate a hands-on experience in cross-sector management.
- Assignments as Directors/Supervisors of Affiliates: The experience of serving as directors and supervisors of affiliates is crucial to strengthening the capacity for corporate governance, operations of the Board of Directors, and legal practices associated with business management, thereby creating an all-encompassing managerial capacity.

B. Please refer to the Bank's website (<https://www.o-bank.com>) for other important information.

(9) Internal Control Systems

A. Statement on Internal Control System

Please refer to the Market Observation Post System:

<https://mopsov.twse.com.tw/nas/cont06/c2897113021140314.pdf>

Navigation path:

MOPS homepage > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements

B. Where a CPA has been hired to carry out a special audit of the internal control system, the audit report shall be disclosed: None.

(10) Major Resolutions of Shareholders' Meeting and Board Meetings

A. Major Resolutions of 2024 General Shareholders' Meeting

1) Ratification of business report and financial statements for 2023

Implementation Status: The aforesaid report and statements were disclosed by means of a public announcement in accordance with applicable regulations and submitted to the competent authority for future reference.

2) Ratification of proposal for distribution of 2023 earnings

Implementation Status: July 30, 2024, has been set as the ex-dividend date, and August 20, 2024, as the payment date. Cash dividends will be distributed at NT\$0.425 per share to preferred shareholders, totaling NT\$124,955,950, and NT\$0.44123701 per share to common shareholders, with total cash dividends amounting to NT\$1,228,973,986.

3) Amendments to certain articles of the Bank's Articles of Incorporation

Implementation Status: The amended Articles of Incorporation have been published on the Bank's website and were approved for registration by the Ministry of Economic Affairs on July 9, 2024.

4) Approval of the Remuneration Policy for Directors and Senior Management

Implementation Status: The policy has been disclosed in the Annual Report (p.33–34) and handled in accordance with relevant regulations.

5) Approval of the Release of Non-competition Restrictions on Directors of the Bank

Director	Position at the Bank	Positions at other companies
Lin, Bill K.C.	Representative of Juristic-person Director (Tai Hsuan Investment Co., Ltd.)	Chairman, IBT VII Venture Capital Co., Ltd.
Chien, Chih-Ming	Representative of Juristic-person Director (Ming Shan Investment Co., Ltd.)	Director, Infinite Energy Solutions Co. Ltd.
Chen, Alex J.J.	Representative of Juristic-person Director (Tai Ya Investment Co., Ltd.)	Vice Chairman, IBT VII Venture Capital Co., Ltd.
Chiang, Tina W.N.	Independent Director	Independent Director, Transforex (Hong Kong) Investment Consulting Co., Ltd. Supervisor, Shengli Investment Co., Ltd.

B. Major Resolutions of Board Meetings in 2024 and up to April 15, 2025

(1) 2024.1.31 The 6th meeting of the 9th Board of Directors

- Approved the amendments to the Bank's "Rules of Procedure for Board Meetings," "Organizational Charter," and "Asset and Liability Management Committee Charter."
- Approved the number of shares available for subscription by employees under the repurchase of the Bank's shares for transfer to employees.
- Approved the amendment to the Bank's "Information Security Policy" and the abolishment of the "Information Security Regulations".

(2) 2024.3.13 The 7th meeting of the 9th Board of Directors

- Approved the Bank's 2024 "CSR/ESG Annual Plan Targets".
- Approved the adjustment to the Bank's "Sustainable Development Best Practice Principles," "Corporate Social Responsibility Committee Charter," and "Corporate Culture Promotion Committee Charter."
- Approved the Bank's 2023 "Head Office AML/CFT Risk Assessment Report," "Insurance Agent Business AML/CFT Risk Assessment Report," "AML/CFT Internal Control Statement," and "Statement of Internal Control System".
- Approved the Bank's "2024 Head Office AML/CFT Plan".
- Approved the Bank's 2023 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements.
- Approved amendments to the Bank's "Audit Committee Charter".
- Approved matters related to the Bank's 2024 annual shareholders' meeting.
- Approved the Bank's 2023 Board of Directors Performance (Self-Evaluation) Evaluation results.
- Approved the Bank's "CG6014(2023) Corporate Governance System Assessment Report".

(3) 2024.4.9 The 8th meeting of the 9th Board of Directors

- Approved the proposal for the distribution of the Bank's 2023 director and employee compensation.
- Approved the Bank's 2023 self-assessment of the implementation of the "fair treatment of customers principles".
- Approved the credit case for China OOO Co., Ltd.
- Approved amendments to the "Risk Management Committee Charter," "Risk Management Policy," and "Climate Risk Management Policy".
- Approved the Bank's 2024 "Assessment Report on the Adequacy of Internal Regulations for Detecting Operational Risks".
- Approved the Bank's 2023 Earnings Distribution Plan.
- Approved the Bank's application for the issuance of subordinated financial bonds.
- Approved the regular review of the Bank's director remuneration policy.
- Approved the revision of the Bank's 2024 Audit Plan.
- Approved the proposed application by a subsidiary to establish a branch in Singapore.

(4) 2024.5.2 The 9th meeting of the 9th Board of Directors

- Approved the Bank's Consolidated Financial Statements for the first quarter of 2024.
- Approved remuneration for the Bank's certified public accountants (CPAs) for 2024.
- Approved the Bank's issuance of Type B convertible preferred shares for the Bank's 2024 cash capital increase.

- Approved the credit case for China OOO Co., Ltd.
- Approved the updated main agenda items for the Bank's 2024 annual shareholders' meeting.
- Approved amendments to the Bank's "Articles of Incorporation" and "Corporate Governance and Nomination Committee Charter".
- Approved the Bank's application for lifting of non-compete restrictions on directors.

(5) 2024.6.27 The 10th meeting of the 9th Board of Directors

- Approved the establishment of the Bank's "Cloud Service Management Policy" and "Supplier Sustainable Development Guidelines."
- Setting of July 30, 2024, as the record date for the distribution of the 2023 common stock cash dividend and preferred stock dividend.
- Approved the redemption of the Bank's Type A convertible preferred shares issued in 2018 and the termination of their listing.
- Approved amendments to the Bank's "Organizational Charter" and "Sustainability Committee Charter".
- Approved the credit case for China OOO Co., Ltd.
- Approved amendments to the Bank's "AML/CFT Policy," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Anti-Corruption Policy."
- Approved the change of the Bank's corporate governance officer.

(6) 2024.8.30 The 11th meeting of the 9th Board of Directors

- Approved the Bank's Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements for the first half of 2024.
- Approved amendments to the Bank's "Group AML/CFT Information Sharing Policy".
- Approved the Bank's "2023 Bank-Wide Comprehensive AML/CFT Risk Assessment Report".

(7) 2024.10.2 The 12th meeting of the 9th Board of Directors

- Approved the launch of the "NTD Total Return Swap" business and adjustment of the 2024 Market Risk Management Policy.
- Approved amendments to the Bank's "Corporate Governance and Nomination Committee Charter".
- Approved the establishment of the Bank's "Accountability System Implementation Guidelines".

(8) 2024.11.12 The 13th meeting of the 9th Board of Directors

- Approved the Bank's Consolidated Financial Statements for the third quarter of 2024.
- Approved amendments to the "Risk Management Committee Charter".
- Approved the Bank's "2024 Group-Wide AML/CFT Program-Key Improvements Summary Report".
- Approved the establishment of the Bank's "Policy for Response to International Sanctions".

(9) 2024.12.25 The 14th meeting of the 9th Board of Directors

- Approved the Bank's 2025 "Budget Proposal," "Audit Plan," and "Concurrent Insurance Agency Business Audit Plan."
- Approved the repurchase of the Company's shares for transfer to employees.
- Approved the evaluation of the independence and competence of the Bank's CPAs, and the appointment of the Bank's CPAs.
- Approved amendments to the Bank's "Corporate Governance Best Practice Principles," "Asset and Liability Management Committee Charter," "Fair Treatment of Customers Principles," and "Fair Treatment of Customers Promotion Committee Charter".
- Approved the Bank's application for the issuance of subordinated financial bonds.
- Approved the establishment of the Bank's "Sustainability Information Management Regulations" and "Investment Enterprise Management Regulations".
- Approved the implementation of the suggestions in the Taiwan Corporate Governance Association's "CG6014(2023) Corporate Governance System Assessment Report" in 2024 and the Bank's "2024 External Board of Directors Performance Evaluation Report".

(10) 2025.2.13 The 15th meeting of the 9th Board of Directors

- Approved the establishment of the Bank's "Operating Procedures for Application for Suspension or Resumption of Trading".

(11) 2025.3.12 The 16th meeting of the 9th Board of Directors

- Approved the Bank's 2024 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements.
- Approved remuneration for the Bank's CPAs for 2025.
- Approved the Hong Kong Branch's application for and launch of insurance agency business.
- Approved the Bank's 2024 "AML/CFT Internal Control Statement," and "Statement of Internal Control System".
- Approved matters related to the Bank's 2025 annual shareholders' meeting.
- Approved amendments to the Bank's "Corporate Governance and Nomination Committee Charter".
- Approved the Bank's 2024 Board of Directors Performance (Self-Evaluation) Evaluation results.
- Approved the regular review of the Bank's director remuneration policy.

(12) 2025.4.9 The 17th meeting of the 9th Board of Directors

- Approved the Bank's 2025 "Head Office Version of AML/CFT Plan" and "Assessment Report on the Adequacy of Internal Regulations for Detecting Operational Risks".
- Approved the Bank's 2024 "Head Office Version of Comprehensive AML/CFT Risk Assessment Report," "Insurance Agent Business AML/CFT Risk Assessment Report," and self-assessment of the implementation of the "fair treatment of customers principles".

(11) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

4. Information Regarding the Company's Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Deloitte & Touche	Lee, Kuan-Hao Ma, Wei-Chun	2024	9,750	9,368	19,118	

Note: Non-audit fees were meant for services with regard to negotiations (NT\$1,300 thousand), information technology projects (NT\$3,814 thousand), counseling for legal compliance (NT\$2,610 thousand), and other special projects (NT\$1,644thousand).

5. Replacement of CPA

(1) Regarding the former CPA

Date of replacement	Approved by the Board of Directors on December 27, 2023		
Replacement reasons and explanations	Due to internal adjustments by Deloitte & Touche, the CPAs were changed to Lee, Kuan-Hao and Ma, Wei-Chun from Lee, Kuan-Hao and Lin, Wang-Sheng.		
Terminated by the Company or declined by the CPA	Party		CPA
	Status		The Company
	Termination of appointment		Not Applicable
No longer accepted (continued) appointment			
The opinion and reason for any audit report expressing anything other than an unqualified opinion in the past two years	Not Applicable		
Dissenting opinions with the Bank	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
	Remarks: None		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4 of the Standards)	None		

(2) Regarding the successor CPA

Accounting firm	Deloitte & Touche
Name of CPA	Ma, Wei-Chun
Date of appointment	Approved by the Board of Directors on December 27, 2023
Consultation opinions and results on accounting treatments or principles with respect to specific transactions and the Bank's financial reports that the CPA might issue prior to the engagement.	None
Written opinions of succeeding CPAs that differ from those of former CPAs	None

(3) The reply letter from former CPAs with regard to matters spelled out in Article 10.6.1 and Article 10.6.2-3 of these Regulations : Not Applicable.

6. Audit Independence

The Company's Chairman, President, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2024.

7. Changes in Shareholding of Directors, Managers and Major Shareholders

(1) Changes of Shareholding

A. Directors and managerial officers

Unit: Shares

Title	Name	2024		As of Apr. 15, 2025	
		Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares	Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares
Chairman	Lo, Tina Y.	10,743 *(2,892)	-	-	-
Managing Director	Ming Shan Investment Co., Ltd. (Note 1)	23,972,980 *(23,972,980)	-	-	-
	Rep.: Lo, Kenneth C.M.	128,945 *(128,945)	-	-	-
Managing Director	Tai Hsuan Investment Co., Ltd. (Note 1)	12,000,000 *(23,731,226)	-	-	-
	Rep.: Lin, Bill K.C.	*10,908	-	-	-
Independent Managing Director	Hu, Fu- Hsiung	-	-	-	-
Independent Director	Lin, Hank H.K.	-	-	-	-
Independent Director	Chiang, Tina W.N	-	-	-	-
Independent Director	Wang, Jennifer C.F.	-	-	-	-
Director	Ming Shan Investment Co., Ltd. (Note 1)	23,972,980 *(23,972,980)	-	-	-
	Chien, Chih-Ming	-	-	-	-
Director	Abag Investment Holdings Co., Ltd.	*3,618	-	-	-
	Rep.: Cheng, George C.J.	-	-	-	-
Director	Lee, Mark J.C.	*(2,687)	-	-	-
Director	Tai Ya Investment Co., Ltd. (Note 1)	*(1,498,428)	-	-	-
	Rep.: Chen, Alex J.J.	-	-	-	-
Director	Yi Chang Investment Co., Ltd. (Note 1)	8,000,000 *(22,136,204)	-	-	-
	Rep.: Tang, Grace W.S	-	-	-	-
President	Lee, Elton F.Y.	1,200,995 *300,000	-	165,451	-
Deputy President	Lin, Roger Y.F.	992,601 *(300,000)	-	155,910	-
Senior Executive Vice President	Xu, Chengzhou	370,000 *400,000	-	-	-

Title	Name	2024		As of Apr. 15, 2025	
		Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares	Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares
Senior Executive Vice President	Xiao, Zhongcheng	400,000 *420,000	-	-	-
Senior Executive Vice President	Fan, Vivian H.J.	637,239 *179,765	-	27,119	-
Executive Vice President	Siew, Joy C.Y.	342,024 *(300,000)	-	27,119	-
Executive Vice President	Chao, Tillie C.L.	376,522 *100,000	-	18,245	-
Executive Vice President	Chen, Paul H.J.	49,307	-	46,807	-
Executive Vice President	Chin, Teddy Y.T.	30,000 *70,000	-	-	-
Executive Vice President	Tang, Ruoheng	60,000 *200,000	-	-	-
Executive Vice President	Lai, Fengren	138,020 *270,000	-	18,020	-
Executive Vice President	Fang, Stanley H.W.	129,911 *100,000	-	9,911	-
Executive Vice President	Wang, Alan J.J. (2024.7.1 outgoing)	-	-	/	/
Executive Vice President	Shao, Wen W.C. (2024.2.7 outgoing)	-	-	/	/
Executive Vice President	Tyane, Edward F.C	61,802 *194,026	-	1,802	-
Executive Vice President	Kuo, Catherine H.X. (2024.3.18 outgoing)	-	-	/	/
Executive Vice President	Hung, Lichen	150,000 *150,000	-	-	-
Executive Vice President	Chang, Ophelia L.W.	3,604 *(300,000)	-	3,604	-
Executive Vice President	Xie, Jun	120,000 *100,000	-	20,000 *10,000	-
Executive Vice President	Peng, Christina B.J.	60,000 *200,000	-	-	-
Executive Vice President	Lee, Yaochung	*200,000	-	-	-
Senior Vice President	Soong, Grace L.H.	30,000 *30,000	-	-	-
Senior Vice President	Fang, Andy C.P.	31,802 *10,000	-	1,802	-
Senior Vice President	Yang, Yawen	19,505 *120,000	-	4,505	-
Senior Vice President	Li, Dexin	33,604 *10,000	-	3,604	-
Senior Vice President	Hsu, Pei Ling	(17,792) *210,000	-	7,208	-
Senior Vice President	Chen, Gaven Y.	61,802 *23,000	-	(6,198)	-

Title	Name	2024		As of Apr. 15, 2025	
		Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares	Holding Increase (Decrease) *Preferred Shares	Pledged Holding Increase (Decrease) *Preferred Shares
Senior Vice President	Hung, Ida K.Y.	109,010 *(10,397)	-	9,010	-
Senior Vice President	Chen, C.Y.	18,604 *40,000	-	3,604	-
Senior Vice President	Chang, Samson W. Y.	55,406	-	5,406	-
Senior Vice President	Lin, Doris C. J.	115,812 *50,000	-	10,812	-
Senior Vice President	Liu, Arnold H.I	76,109 *30,000	-	8,109	-
Senior Vice President	Li, Barry C.K.	69,010 *200,000	-	9,010	-
Senior Vice President	Ye, Chengxian	61,802 *10,000	-	1,802	-
Senior Vice President	Chen, Yanliang	40,000 *120,000	-	-	-
Senior Vice President	Jiang, Yanshu (2024.6.1 outgoing)	30,000	-	/	/
Senior Vice President	Guan, Shusen	88,000	-	-	-
Senior Vice President	Zong, Fuzhen	120,000 *40,000	-	-	-
Senior Vice President	Lin, Claudia X.H. (2024.3.18 incoming)	*100,000	-	-	-
Senior Vice President	Huang, Kelvin F.C. (2024.4.15 incoming)	*100,000	-	-	-
Senior Vice President	Chen, Ryan R.S. (2024.4.25 incoming)	*107	-	-	-
Vice President	Chang, Wesley S.C. (2024.8.24 outgoing)	33,604	-	/	/
Vice President	Lin, Ted K.T.	15,000 *30,000	-	-	-
Vice President	Zhu, Tingyi	30,000	-	-	-
Vice President	Zhang, Yulin	60,000 *20,000	-	-	-
Vice President	Wang, Li-Juan (2024.3.1 outgoing)	20,000	-	/	/
Vice President	Chang, Joanna H.W.	30,000 *10,000	-	-	-
Vice President	Chien, Jay S.C.	25,000 *20,000	-	-	-
Vice President	Tu, Eric Z.X. (2024.3.1 incoming)	*25,000	-	-	-
Vice President	Xu, Steven H.J. (2024.3.14 incoming)	*73,000	-	-	-
Vice President	Wu, Gene J.X. (2024.7.1 incoming)	*100,000	-	-	-
Vice President	Lin, ZHI-XUN (2024.10.3 incoming; 2025.2.11 outgoing)	-	-	-	-
Senior Assistant Vice President	Tai, Hsin Yi	220,000	-	-	-
Senior Assistant Vice President	Lin, Yanliang (2024.7.1 outgoing)	20,000	-	/	/

Title	Name	2024		As of Apr. 15, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
		*Preferred Shares	*Preferred Shares	*Preferred Shares	*Preferred Shares
Senior Assistant Vice President	Huang, Yanzhi	-	-	-	-
Senior Assistant Vice President	Liu, Michael J.H. (2024.1.1 incoming)	-	-	-	-
Senior Assistant Vice President	Lin, Country W.B. (2024.7.1 incoming)	*50,000	-	-	-
Assistant Vice President	Chiu, Em Y.C. (2024.4.10 outgoing)	16,000	-	/	/

Note 1: Major shareholders who hold over 1% of the total number of issued shares of the Bank.

Note 2: "*" indicates changes in Class A and Class B preferred shares. Class B preferred shares were issued on September 25, 2024, while Class A preferred shares were redeemed on October 17, 2024

Note 3: In columns of this table "-" is used to indicate no increase or decrease.

Note 4: The incoming date refers to the date that person is listed in the table for the first time.

B. Reporting on transfers of shareholdings and changes in pledges of such in accordance with Article 11 of the Regulations Governing a Same Person or Same Related Person Holding the Issued Shares with Voting Rights Over a Particular Ratio of a Bank

Unit: Shares

Title	Name	2024		As of Apr. 15, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Same Person or Same Related Person	Lo, Kenneth C.M.	128,945	-	-	-
Same Person or Same Related Person	Lo, Tina Y.	10,743	-	-	-
Same Person or Same Related Person	Chen, Yu-Shuan	-	-	-	-
Same Person or Same Related Person	Chen, Yu-Da	-	-	-	-
Same Person or Same Related Person	Ming Shan Investment Co., Ltd. (Note1)	23,972,980	-	-	-
Same Person or Same Related Person	Yi Chang Investment Co., Ltd. (Note1)	8,000,000	-	-	-
Same Person or Same Related Person	Tai Ya Investment Co., Ltd. (Note1)	-	-	-	-
Same Person or Same Related Person	Tai Hsuan Investment Co., Ltd. (Note1)	12,000,000	-	-	-

Note 1: Major shareholders who hold over 1% of the total number of issued shares of the Bank.

Note 2: Class B Preferred Shares issued by the Bank do not come with voting rights, and therefore the numbers of shareholding refer to common shares.

Note 3: In columns of this table "-" is used to indicate no increase or decrease.

(2) Shares Transfer Information: None.

(3) Shares Pledge Information: None.

8. Relationship among the Top Ten Shareholders

As of April 15, 2025 Unit: shares/%

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 2)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ming Shan Investment Co., Ltd. Rep.: Chen, Shih-Tze	386,271,554	12.64%	-	-	-	-	Yi Chang Investment Co., Ltd. 、 Tai Hsuan Investment Co., Ltd. 、 Tai Ya Investment Co., Ltd.	The representative is the same person	
Yi Chang Investment Co., Ltd. Rep.: Chen, Shih-Tze	278,204,793	9.11%	-	-	-	-	Ming Shan Investment Co., Ltd. 、 Tai Hsuan Investment Co., Ltd. 、 Tai Ya Investment Co., Ltd.		
Tai Hsuan Investment Co., Ltd. Rep.: Chen, Shih-Tze	275,404,275	9.01%	-	-	-	-	Ming Shan Investment Co., Ltd. 、 Yi Chang Investment Co., Ltd. 、 Tai Ya Investment Co., Ltd.		
Tai Ya Investment Co., Ltd. Rep.: Chen, Shih-Tze	89,128,918	2.92%	-	-	-	-	Ming Shan Investment Co., Ltd. 、 Yi Chang Investment Co., Ltd. 、 Tai Hsuan Investment Co., Ltd.		
Heng Tong Machinery Co., Ltd. Rep.: Tseng, Tsai-Bau	144,761,660	4.74%	-	-	-	-	-	-	
China Steel Corporation Rep.: Huang, Jian-Zhi	103,847,695	3.40%	-	-	-	-	-	-	
San Ho Plastics Fabrication Co., Ltd. Rep.: Cheng, Tsung-Ming	60,911,699	1.99%	-	-	-	-	Cheng, Chung-Ming	2nd-degree relative of the ninth-largest shareholder	
Chen Yu Development Co. Ltd. Rep.: Liao, Chi-Cheng	55,853,695	1.83%	-	-	-	-	-	-	
Cheng, Chung-Ming	51,923,847	1.70%	-	-	-	-	San Ho Plastics Fabrication Co., Ltd.	2nd-degree relative of the representative of the seventh-largest shareholder	
The Great Taipei Gas Corp. Rep.: Wu, Dong-Jin	48,595,777	1.59%	-	-	-	-	-	-	

Note 1: Numbers and ratios of shareholdings refer to both common and preferred shares.

Note 2: The relationship in between is disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Public Banks.

9. Ownership of Shares in Affiliated Enterprises

As of Dec. 31, 2024 Unit: shares/ %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors and Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
IBT Holdings Corp.	10,869,286	100.00	-	-	10,869,286	100.00
IBT Management Corporation	13,400,000	100.00	-	-	13,400,000	100.00
Infinite Finance Co., Ltd.	155,480,074	41.64	-	-	155,480,074	41.64
China Bills Finance Corporation	380,981,600	28.37	1,549,600	0.12	382,531,200	28.48
Taiwan Mobile Payment Co., Ltd.	300,000	0.50	-	-	300,000	0.50
Beijing Sunshine Consumer Finance Co., Ltd.	200,000,000	20.00	-	-	200,000,000	20.00
IBT VII Venture Capital Co., Ltd.	65,000,000	100.00			65,000,000	100.00

Note: Affiliated enterprises are referred to the investments made in accordance with Article 74 of the Banking Act of the Republic of China.

III. Capital Overview

1. Capital and Shares

(1) Source of Capital

A. Issue Shares

As of April 15, 2025 Unit: NT\$; shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Aug. 1999	10	2,300,000,000	23,000,000,000	2,300,000,000	23,000,000,000	Initial capital	-	1999/5/14 (1999) Tai-Cai-Zheng (1) No. 16978
Aug. 2000	10	35,234,043	352,340,430	35,234,043	352,340,430	Capital increase from retained earnings	-	2000/7/12 (2000) Tai-Cai-Zheng (1) No. 60116
Aug. 2001	10	30,358,043	303,580,430	30,358,043	303,580,430	Capital increase from retained earnings	-	2001/7/12 (2001) Tai-Cai-Zheng (1) No. 145190
July 2002	10	24,914,215	249,142,150	24,914,215	249,142,150	Capital increase from retained earnings	-	2002/7/9 Tai-Cai- Zheng-Yi-Zi No. 0910137604
July 2004	10	200,000,000	2,000,000,000	-	-	Appropriation for employee share subscription warrants	-	2004/7/16 Jing- Shou-Shang-Zi No. 0930129910
May 2 017	7~9.3	-	-	22,500,000	225,000,000	Capital increase by cash	-	2017/5/4 Tai- Zheng-Shang- Yi- Zi No. 10600075162 2017/7/4 Jing- Shou-Shang-Zi No. 10601090090
Nov. 2018	10	909,493,699	9,094,936,990	300,000,000	3,000,000,000	Issuance of preferred stock A	-	2018/10/3 Jin- Guan-Zheng-Fa No.1070335566 2018/12/21 Jing- Shou-Shang-Zi No.10701154030
Oct. 2020	6.35	-	-	320,000,000	3,200,000,000	Capital increase by cash	-	2020/8/26 Jin- Guan-Zheng-Fa No.1090353284 2020/11/16 Jing- Shou-Shang-Zi No.10901206490
Mar. 2022	10	-	-	-	-	Preferred shares converted into common shares 354,000 shares	-	2022/4/13 Jing-Shou- Shang-Zi No.11101057690

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Apr. 2022	10	-	-	-	-	Preferred shares converted into common shares 632,000 shares	-	2022/9/1 Jing-Shou- Shang-Zi No.11101123310
Apr.~ June 2024	10	-	-	-	-	Preferred shares converted into common shares 7,983,024shares	--	2024/10/29 Jing-Shou- Shang-Zi No. 11330182970
Sep. 2024	12	-	-	250,000,000	2,500,000,000	Issuance of Class B preferred shares	-	2024/10/29 Jing-Shou- Shang-Zi No. 11330182970
July~ Oct. 2024	10	-	-	-	-	Preferred shares converted into common shares 63,382,553shares	-	2024/12/27 Jing-Shou- Shang-Zi No. 11330210330
Oct. 2024	10	-	-	(227,648,423)	(2,276,484,230)	Redemption of unconverted Class A preferred shares 227,648,423 shares	-	2024/12/20 Jing-Shou- Shang-Zi No. 11330220130
Total		3,500,000,000	35,000,000,000	Common Shares: 2,805,357,878 Preferred Shares: 250,000,000	Common Shares: 28,053,578,780 Preferred Shares: 2,500,000,000		-	

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	2,805,357,878	444,642,122	3,500,000,000	Listed Shares
Preferred Shares	2,500,000,000			

Note: Treasury stock is included and please refer to (9) Buyback of Treasury Stock for more information.

(2) List of Major Shareholders

As of April 15, 2025

Shareholder's Name	Shareholding	
	Shares	Percentage (%)
Ming Shan Investment Co., Ltd.	386,271,554	12.64%
Yi Chang Investment Co., Ltd.	278,204,793	9.11%
Tai Hsuan Investment Co., Ltd.	275,404,275	9.01%
Heng Tong Machinery Co., Ltd.	144,761,660	4.74%
China Steel Corporation	103,847,695	3.40%
Tai Ya Investment Co., Ltd.	89,128,918	2.92%
San Ho Plastics Fabrication Co., Ltd.	60,911,699	1.99%
Chen Yu Development Co. Limited	55,853,695	1.83%
Cheng, Chung-Ming	51,923,847	1.701%
The Great Taipei Gas Corp.	48,595,777	1.59%
Taiwan Cement Corp.	35,173,294	1.15%
Chi Yi Investment Co., Ltd.	33,032,000	1.08%

Note: Numbers and ratios of shareholdings refer to both common and preferred shares.

(3) Dividend Policy and Implementation Status**A. Dividend Policy**

If the Bank has earnings in its annual final accounts, such earnings shall first be used to pay taxes and offset accumulated losses. Thereafter, 30% shall be appropriated as legal reserve; however, if the legal reserve has reached the Bank's paid-in capital, no further appropriation is required. The remaining earnings shall then be appropriated or reversed as special reserve and may be used to distribute dividends on preferred shares. Any remaining balance constitutes the undistributed earnings of the year, which, together with previously accumulated undistributed earnings, shall be proposed by the Board of Directors in a distribution plan and submitted to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

When the Bank appropriates special reserve in accordance with applicable laws, if the amount appropriated for the "net amount of accumulated other equity deductions from prior periods" is insufficient, an equivalent amount shall first be appropriated from previously undistributed earnings before any dividend distribution. If there remains a shortfall, the difference shall be appropriated from the current year's net income after tax, including any items added to the current year's undistributed earnings other than net income after tax.

In principle, dividends on common shares shall not be less than 20% of the distributable earnings of the current year. The distributable earnings referred to above are the undistributed earnings of the year, as described in the first paragraph, less the amount distributable but not yet distributed as dividends on preferred shares and the special reserve required to be reversed by law during the year. Of the dividends on common shares, at least 20% shall be distributed in cash in principle. In addition, before the legal reserve reaches the total capital amount, the maximum cash dividend shall not exceed 15% of the Bank's paid-in capital.

The distribution of common stock dividends mentioned in the preceding paragraph is subject to the Bank's future capital budget plans, funding requirements for various operations, and overall financial stability. The Bank shall follow a stable and balanced dividend policy as a general guideline, but may propose adjustments based on actual needs, subject to approval by the shareholders' meeting upon resolution by the Board of Directors.

B. Proposed Distribution of Dividend

It is proposed at the 2024 Shareholders' Meeting that shareholders will be entitled to a cash dividend of NT\$0.36821995 per preferred share A, totaling NT\$83,824,690, entitled to a cash dividend of NT\$0.14459016 per preferred share B, totaling NT\$36,147,541 and cash dividend of NT\$0.50 per common share, totaling NT\$1,391,209,439.

(4) Impact of the stock dividend distribution proposed at this shareholders' meeting upon the Bank's business performance and earnings per share: Not applicable.

(5) Remuneration of Employees and Directors

A. Information relating to Remuneration of Employees and Directors in the Articles of Incorporation:

Article 22

If the Bank records a profit in a year, the Bank shall allocate no more than 2.5% of the profit for director remunerations, but independent directors shall be excluded from such distribution. If the Bank has accumulated losses, however, the aforesaid profit shall be used to offset accumulated losses first.

Article 32

If the Bank reports profit for the year, not less than 0.5% of such profit shall be allocated as employees' remuneration. However, if the Bank has accumulated losses, an amount shall first be reserved to offset such losses before any allocation is made.

If employees' remuneration is distributed in the form of shares or cash, such distribution shall be approved by a resolution of the Board of Directors attended by at least two-thirds of all directors and approved by a majority of the directors present. The distribution shall also be reported to the shareholders' meeting. Eligible recipients may include employees of the Bank's subsidiaries who meet certain criteria.

B. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The Bank takes a given year's pretax profit prior to distribution of employee compensation and remuneration of directors as the basis for the said distribution at rates prescribed in the Articles of Incorporation. After the Bank's publication of financial statements, changes in accounting estimates shall be made and an adjusting entry added for the following year should any discrepancy arise from the amount of distribution decided by the Board of Directors.

C. Distribution of Remuneration of Employees and Directors for 2025 Approved in the Board of Directors Meeting

- (1) In 2024, the Board of Directors approved cash dividends of NT\$52,585,704 in employee remunerations and NT\$45,574,277 in director remunerations, showing no discrepancy with those specified in the Bank's financial statements for 2024.
- (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

D. On April 9, 2024, the Board of Directors approved cash dividends of NT\$43,313,682 in employee remunerations and NT\$43,313,682 in director remunerations for 2023, showing no discrepancy with those specified in the Bank's financial statements for 2023.

(6) Buyback of Treasury Stock:

The Bank's Share Repurchase and its implementation (already completed)

As of April 15, 2025

Batch of Repurchase	First Batch	Second Batch	Third Batch
Purpose of repurchase	Transfer to employees	Transfer to employees	Transfer to employees
Period for the repurchase	March 23-April 28, 2020	August 23-October 20, 2023	December 27, 2024-February 25, 2025
Price range for the repurchase	NT\$5.00-7.00 per share	NT\$7.00-14.00 per share	NT\$7.00-14.00 per share
Types and number of shares actually repurchased	5,737,000 common shares	15,000,000 common shares	15,000,000 common shares
Total monetary amount of shares actually repurchased	NT\$38,304,469 (transaction fees included)	NT\$144,683,044 (transaction fees included)	NT\$148,512,083 (transaction fees included)
Ratio of number of shares already repurchased against the planned number of shares to be repurchased (%)	16.39%	100%	100%
Capital adequacy ratio before the repurchase	Record date: 2019.12.31 Ratio: 14.00%	Record date: 2023.6.30 Ratio: 13.10%	Record date: 2024.6.30 Ratio: 13.68%
Capital adequacy ratio after the repurchase	Record date: 2020.6.30 Ratio: 12.32%	Record date: 2023.12.31 Ratio: 13.97%	Record date: 2025.3.31 (preliminary) Ratio: 14.60%
Number of shares retired and transferred	5,737,000 shares transferred	7,061,000 shares transferred	0 shares
Accumulated number of own shares held	0 shares	7,939,000 shares	22,939,000 shares
Ratio of accumulated number of own shares held during the repurchase period against the total number of the Bank's issued shares (%)	0%	0.29%	0.82%
Progress in implementing transfer of the repurchased shares to employees	Transfer completed in full	Transferred 7,061,000 shares	0 shares
Instances where the Bank has failed to complete transfer within 3 years after repurchase and thereby caused the FSC to adopt restrictions	None	None	None

2. Issuance of Bank Debenture

As of April 15, 2025

Bank Debenture Type	2017 Subordinated Bank Debentures, Phase I	2017 Subordinated Bank Debentures, Phase II, Batch B
Date/reference number of the competent authority's approval letter	2016/9/8 Jin-Guan-Yin-Piao-Zi No.10500215650	2017/11/13 Jin-Guan-Yin-Piao-Zi No.10600259320
Date of issuance	2017/9/5	2017/12/27
Denomination	NT\$10 million	NT\$10 million
Place of issuance and for trading	-	-
Currency	NT\$	NT\$
Issue price	Issue by denomination	Issue by denomination
Total amount	NT\$2 billion	NT\$1 billion
Interest rate	1.97% per annum	1.82% per annum
Tenor	10 years maturity date: 2027/9/5	10 years maturity date: 2027/12/27
Priority	Subordinated	Subordinated
Guarantor	-	-
Consignee	-	-
Underwriter	Yuanta Securities as lead underwriter	Yuanta Securities as lead underwriter
Certifying attorney	-	-
CPA	Yang, Chen-Hsiu	Yang, Chen-Hsiu
Certifying institution	-	-
Repayment method	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity
Outstanding balance	NT\$2 billion	NT\$1 billion
Paid-in capital of the previous year	NT\$23,905,063 thousand	NT\$23,905,063 thousand
Shareholders' equity of the previous year	NT\$28,478,741 thousand	NT\$28,478,741 thousand
Performance	-	-
Terms for redemption or early repayment	None	None
Terms for conversion and exchange	None	None
Restrictive clause	Subordinated	Subordinated
Funds utilization plan	Medium- and long-term lending	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	65.49%	71.63%
Whether included as eligible equity capital and its category	Yes/Tier 2 capital	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-	-

Bank Debenture Type	2018 Subordinated Bank Debentures, Phase I, Batch A	2018 Subordinated Bank Debentures, Phase I, Batch B
Date/reference number of the competent authority's approval letter	2017/11/13 Jin-Guan-Yin-Piao-Zi No.10600259320	2017/11/13 Jin-Guan-Yin-Piao-Zi No.10600259320 and 2018/6/14 Jin-Guan-Yin-Piao-Zi No.10702116800
Date of issuance	2018.6.29	2018.6.29
Denomination	NT\$10 million	NT\$10 million
Place of issuance and for trading	-	-
Currency	NT\$	NT\$
Issue price	Issue by denomination	Issue by denomination
Total amount	NT\$700 million	NT\$1.05 billion
Interest rate	4.00% per annum	1.75% per annum
Tenor	Maturity date: none (Note)	10 years Maturity date: 2028/6/29
Priority	Subordinated	Subordinated
Guarantor	-	-
Consignee	-	-
Underwriter	Yuanta Securities as lead underwriter	Yuanta Securities as lead underwriter
Certifying attorney	-	-
CPA	Yang, Chen-Hsiu	Yang, Chen-Hsiu
Certifying institution	-	-
Repayment method	(Note)	Repayment in lump sum upon maturity
Outstanding balance	NT\$700 million	NT\$1.05 billion
Paid-in capital of the previous year	NT\$24,130,063 thousand	NT\$24,130,063 thousand
Shareholders' equity of the previous year	NT\$28,558,691 thousand	NT\$28,558,691 thousand
Performance	-	-
Terms for redemption or early repayment	None	None
Terms for conversion and exchange	None	None
Restrictive clause	Subordinated	Subordinated
Funds utilization plan	Medium- and long-term lending	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	62.50%	62.50%
Whether included as eligible equity capital and its category	Yes/Tier 1 capital	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-	-

Note: The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5.3 years after their issuance (after 2023/10/16) if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.

Bank Debenture Type	2019 Subordinated Bank Debentures, Phase I	2021 Subordinated Bank Debentures, Phase I
Date/reference number of the competent authority's approval letter	2018/6/14 Jin-Guan-Yin-Piao-Zi No.10702116800	2021/2/22 Jin-Guan-Yin-Piao-Zi No.1100203414
Date of issuance	2019.6.6	2021.6.25
Denomination	NT\$10 million	NT\$10 million
Place of issuance and for trading	-	-
Currency	NT\$	NT\$
Issue price	Issue by denomination	Issue by denomination
Total amount	NT\$2.5 billion	NT\$1 billion
Interest rate	1.5% per annum	0.9% per annum
Tenor	7 years Maturity date: 2026/6/6	7 years Maturity date: 2028/6/25
Priority	Subordinated	Subordinated
Guarantor	-	-
Consignee	-	-
Underwriter	Yuanta Securities as lead underwriter	KGI Securities Co., Ltd. as lead underwriter
Certifying attorney	-	-
CPA	Chen, Yin-Chou	Chen, Yin-Chou
Certifying institution	-	-
Repayment method	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity
Outstanding balance	NT\$2.5 billion	NT\$1 billion
Paid-in capital of the previous year	NT\$27,130,063 thousand	NT\$30,330,063 thousand
Shareholders' equity of the previous year	NT\$31,558,691 thousand	NT\$32,166,500 thousand
Performance	-	-
Terms for redemption or early repayment	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.
Terms for conversion and exchange	None	None
Restrictive clause	Subordinated	Subordinated
Funds utilization plan	Medium- and long-term lending	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	59.25%	45.08%
Whether included as eligible equity capital and its category	Yes/Tier 2 capital	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-	-

Bank Debenture Type	2022 Subordinated Bank Debentures, Phase I	2023 Subordinated Bank Debentures, Phase I
Date/reference number of the competent authority's approval letter	2022/5/17 Jin-Guan-Yin-Piao-Zi No. 1110137858	2022/5/17 Jin-Guan-Yin-Piao-Zi No. 1110137858
Date of issuance	2022.9.27	2023.4.27
Denomination	NT\$10 million	NT\$10 million
Place of issuance and for trading	-	-
Currency	NT\$	NT\$
Issue price	Issue by denomination	Issue by denomination
Total amount	NT\$1.1 billion	NT\$900 million
Interest rate	2.3% per annum	2.0% per annum
Tenor	7 years Maturity date: 2029/9/27	7 years Maturity date: 2030/4/27
Priority	Subordinated	Subordinated
Guarantor	-	-
Consignee	-	-
Underwriter	KGI Securities Co., Ltd. as lead underwriter	Yuanta Securities as lead underwriter
Certifying attorney	-	-
CPA	Lee,Guan-Hao	Lee,Guan-Hao
Certifying institution	-	-
Repayment method	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity
Outstanding balance	NT\$1.1 billion	NT\$900 million
Paid-in capital of the previous year	NT\$30,330,063 thousand	NT\$30,330,063 thousand
Shareholders' equity of the previous year	NT\$35,434,261 thousand	NT\$35,434,261 thousand
Performance	-	-
Terms for redemption or early repayment	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.
Terms for conversion and exchange	None	None
Restrictive clause	Subordinated	Subordinated
Funds utilization plan	Medium- and long-term lending	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	41.20%	40.92%
Whether included as eligible equity capital and its category	Yes/Tier 2 capital	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-	-

Bank Debenture Type	2023 Subordinated Bank Debentures, Phase II	2024 Subordinated Bank Debentures, Phase I
Date/reference number of the competent authority's approval letter	2023/5/17 Jin-Guan-Yin-Piao-Zi No. 1120213421	2023/5/17 Jin-Guan-Yin-Piao-Zi No. 1120213421
Date of issuance	2023.9.27	2024.3.27
Denomination	NT\$10 million	NT\$10 million
Place of issuance and for trading	-	-
Currency	NT\$	NT\$
Issue price	Issue by denomination	Issue by denomination
Total amount	NT\$700 million	NT\$1.5 billion
Interest rate	2.2% per annum	2.3% per annum
Tenor	7 years Maturity date: 2030/9/27	7 years Maturity date: 2031/3/27
Priority	Subordinated	Subordinated
Guarantor	-	-
Consignee	-	-
Underwriter	KGI Securities Co., Ltd. as lead underwriter	Yuanta Securities as lead underwriter
Certifying attorney	-	-
CPA	Lee,Guan-Hao	Lee,Guan-Hao
Certifying institution	-	-
Repayment method	Repayment in lump sum upon maturity	Repayment in lump sum upon maturity
Outstanding balance	NT\$700 million	NT\$1.5 billion
Paid-in capital of the previous year	NT\$30,330,063 thousand	NT\$30,330,063 thousand
Shareholders' equity of the previous year	NT\$36,557,199 thousand	NT\$36,557,199 thousand
Performance	-	-
Terms for redemption or early repayment	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.
Terms for conversion and exchange	None	None
Restrictive clause	Subordinated	Subordinated
Funds utilization plan	Medium- and long-term lending	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	35.42%	39.53%
Whether included as eligible equity capital and its category	Yes/Tier 2 capital	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-	-

Bank Debenture Type	2024 Subordinated Bank Debentures, Phase II
Date/reference number of the competent authority's approval letter	2024/4/23 Jin-Guan-Yin-Piao-Zi No.1130211250
Date of issuance	2024.6.27
Denomination	NT\$10 million
Place of issuance and for trading	-
Currency	NT\$
Issue price	Issue by denomination
Total amount	NT\$1 billion
Interest rate	2.5% per annum
Tenor	7 years Maturity date: 2031/6/27
Priority	Subordinated
Guarantor	-
Consignee	-
Underwriter	KGI Securities Co., Ltd. as lead underwriter
Certifying attorney	-
CPA	Ma, Wei-Chun
Certifying institution	-
Repayment method	Repayment in lump sum upon maturity
Outstanding balance	NT\$1 billion
Paid-in capital of the previous year	NT\$30,330,063 thousand
Shareholders' equity of the previous year	NT\$38,748,105 thousand
Performance	-
Terms for redemption or early repayment	The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.
Terms for conversion and exchange	None
Restrictive clause	Subordinated
Funds utilization plan	Medium- and long-term lending
Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%)	39.87%
Whether included as eligible equity capital and its category	Yes/Tier 2 capital
Credit rating agency, rating date, and rating assigned	-

3. Preferred Shares

Issuance (launch) date		November 29, 2018 Preferred Stock A
Item		
Face value		NT\$10
Issuance price		NT\$10 per share
Number of shares		300,000,000 shares
Total issuance amount		NT\$3,000,000,000
Rights and obligations	Distribution of dividends and bonuses	<p>The original annual interest rate for these preferred shares was [4.25%] (5-year IRS 0.94375%+3.30625% as of the record date—October 29, 2018) calculated pursuant to the issuance price per share. The 5-year IRS rate will be reset on the day immediately after 5 years and 6 months of the issuance date and the day after each subsequent 5-year-and-6-month period thereafter, and the record date thereof shall be the second business day for financial institutions in Taipei prior to the aforesaid day of rate reset. The 5-year IRS rate shall be the arithmetic mean of 5-year IRS quotations as published by Reuters, PYTDWFIX, and COSMOS3 at 11:00 a.m. of the day of the reset record date (must be a business day for Taipei's financial institutions). If the above quotations cannot be obtained on the reset record date, the Bank shall decide on such in good faith while taking into account reasonable market rates.</p> <p>The dividend rate of these preferred shares will be reset on the business day following the fifth year and six months from the issuance date. The interest rate reset record date will be the two Taipei financial industry business days preceding the interest rate reset date. Based on the arithmetic average of the five-year IRS rates "TAIFXIRS" and "COSMOS3" at 11:00 AM on May 28, 2024, as quoted by Reuters (now Refinitiv), which is 1.7665%, plus the fixed spread of 3.30625% at issuance, the dividend rate has been reset to 5.07275% effective from May 30, 2024.</p> <p>Should the Bank record a surplus in its annual final accounts, after paying taxes in accordance with the law, covering accumulated losses, appropriating the legal reserve, and appropriating or reversing the special reserve, the Bank shall first use the remaining balance to distribute the dividends payable to the preferred shares for the current year. The Bank has sole discretion on dividend distribution for these preferred shares. When, in a given year, there is no profit or the profit is deemed insufficient for distribution, or if preferred share dividend declaration would render the Bank's capital adequacy ratio below the minimum level required by law or the competent authority, or due to any other necessary considerations, the Bank may decide not to declare preferred stock dividends, to which holders of these preferred shares shall file no opposition. These preferred shares are non-cumulative in nature, that is, any unpaid or underpaid dividends will not be carried forward to be paid in subsequent profitable years. Dividends for these preferred shares are paid out in cash once per year. After the Bank's financial statements secure approval at its annual shareholders' meeting, the Board of Directors shall set the record date for distribution of available dividends from the previous year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual days after issuance in a given year. Dividends distributed shall be specified in the dividend certificate.</p> <p>Except for receipt of dividends at the aforementioned dividend rate, holders of these preferred shares cannot participate in distribution of cash or stock dividends to holders of common shares from profits or additional paid-in capital.</p>
	Priority of claims in liquidation	<p>When it comes to priority of claims in liquidation, holders of these preferred shares have the same order of priority as holders of common shares when, in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks, the competent authority assigns officials to take receivership over the Bank, order the Bank to suspend and wind up business, or liquidate the Bank. In the event of the Bank's subsequent distribution of residue property, holders of these preferred shares shall be superior to holders of common shares—the same priority of claims for holders of all other preferred shares issued by the Bank—but inferior to holders of Tier 2 capital, depositors, and other general creditors. Claims by holders of these preferred shares shall be capped at the total issuance amount.</p>
	Exercise of voting rights	<p>Holders of these preferred shares have no voting rights and cannot elect directors at the general meetings of shareholders. This restriction does not apply to meetings of holders of preferred shares and general meetings of shareholders that address matters with regard to the rights and obligations of holders of preferred shares, occasions where holders of preferred shares have the rights to vote and be elected directors.</p>
	Others	<p>When the Bank conducts rights issues for cash, holders of these preferred shares have the same subscription rights as holders of common shares.</p>

Item		Issuance (launch) date	November 29, 2018 Preferred Stock A
Outstanding preferred shares		Amount redeemed or converted	NT\$3,000,000,000
		Balance of shares not yet redeemed or converted	NT\$0
		Terms of redemption or conversion	<p>1. These shares of Preferred Stock A have no maturity date but the Bank may, upon approval of the competent authority, redeem all or part of these preferred shares at the issuance price on the day after 5 years and 6 months of the issuance date. Holders of any unredeemed preferred shares shall thereafter be entitled to the same rights and obligations listed above. If the General Meeting of Shareholders resolves on paying dividends for a given year when the Bank is redeeming these preferred shares, dividend distribution thereof shall be calculated pursuant to actual days in the year up to the date of redemption.</p> <p>2. These preferred shares shall not be convertible within 1 year of the issuance date (inclusive). From the day after the first anniversary of issuance, holders of these preferred shares may apply to convert all or part of their holdings into common shares at a conversion ratio of 1:1, after which the rights and obligations entailed by common shares shall apply. Dividend distribution for the years of conversion shall be calculated pursuant to actual days in the year up to the date of conversion. Nevertheless, holders of preferred shares who convert their holdings into common shares prior to the ex-rights (ex-dividend) record date in a given year shall not be entitled to distribution of dividends for these preferred shares for the same year and the subsequent year. Such shareholders, however, shall be entitled to distribution of earnings and capital reserves among holders of common shares.</p>
Market price per share	2022	High	NT\$10.85
		Low	NT\$9.76
		Average	NT\$10.15
	2023	High	NT\$10.65
		Low	NT\$9.96
		Average	NT\$10.26
	2024	High	NT\$10.85
		Low	NT\$10.1
		Average	NT\$10.39
	Year to date as of April 15, 2025	High	-
		Low	-
		Average	-
Other rights	Amount converted or subscribed to as of the date of publication of this annual report		A total of NT\$723,515,770 has been converted into common shares, and the remaining unconverted amount of NT\$2,276,484,230 was redeemed on October 17, 2024.
	Issuance and conversion/subscription rules		These preferred shares shall not be convertible within 1 year of the issuance date (inclusive). From the day after the first anniversary of issuance, holders of these preferred shares may apply to convert all or part of their holdings into common shares at a conversion ratio of 1:1, after which the rights and obligations entailed by common shares shall apply. Dividend distribution for the years of conversion shall be calculated pursuant to actual days in the year up to the date of conversion. Nevertheless, holders of preferred shares who convert their holdings into common shares prior to the ex-rights (ex-dividend) record date in a given year shall not be entitled to distribution of dividends for these preferred shares for the same year and the subsequent year. Such shareholders, however, shall be entitled to distribution of earnings and capital reserves among holders of common shares.

Item	Issuance (launch) date November 29, 2018 Preferred Stock A
Impact of issuance on equity of shareholders of preferred shares and possible dilution of equity	<p>The Bank's capital increase via this issuance of Preferred Stock A comes with no maturity date. Investors are not given a put option but may convert their holdings into common shares at a 1:1 conversion ratio 1 year after issuance. As holders of these preferred shares are expected to exercise conversion at different points of time, any dilution of equity will be deferred and an immediate impact on the Bank's managerial control and earnings per share is deemed unlikely.</p> <p>If all the holders of these preferred shares choose to convert their holdings into common shares, the maximum equity dilution ratio will be:</p> $= \frac{\text{Number of new shares issued for this capital increase}}{\text{Number of shares outstanding} + \text{Number of new shares issued for this capital increase}}$ $= \frac{300,000,000 \text{ shares}}{2,413,006,000 \text{ shares} + 300,000,000 \text{ shares}}$ $= 11.06\%$ <p>As shown above, if all the holders of these preferred shares choose to convert their holdings into common shares, the maximum equity dilution ratio will be 11.06%, a reasonably acceptable level. Moreover, no dilution will be incurred until holders of these preferred shares start to apply for conversion. Any dilution of equity is thus expected to be deferred and only a limited impact on the equity of existing shareholders is to be expected over the long term.</p>
Impact on equity of existing shareholders	<p>Dividend distribution for the years of conversion shall be calculated pursuant to actual days in the year up to the date of conversion. Nevertheless, holders of preferred shares who convert their holdings into common shares prior to the ex-rights (ex-dividend) record date in a given year shall not be entitled to distribution of dividends for these preferred shares for the same year and the subsequent year. Such shareholders, however, shall be entitled to distribution of earnings and capital reserves among holders of common shares.</p> <p>In terms of the impact on equity of existing shareholders, issuance of these preferred shares necessitates distribution of dividends among their holders prior to conversion, thereby reducing the earnings available for distribution among holders of common shares. Upon conversion of these shares of Preferred Stock A into common shares, however, dividend distribution for preferred shares will decrease as well. While holders of these preferred shares are entitled to convert their holdings into common shares, their conversion tends to occur at different points of time and thus the dilution of earnings per share will not be immediate. Moreover, this capital increase has ushered in regulatory capital, which not only gives an immediate boost to the Bank's capital adequacy ratio but also can be used in extending loans. This will help the Bank enhance its earnings capacity over the medium-to-long term and thus have a positive effect on equity of existing shareholders.</p>
Impact of redeeming preferred shares on the ratio of regulatory capital to risk-weighted assets	<p>The Bank plans to issue Stock B convertible preferred shares and immediately use the proceeds to redeem the Stock A convertible preferred shares. As the amounts are approximately equivalent, the impact on the capital adequacy ratio and Tier 1 capital adequacy ratio is minimal, with the ratios remaining at 14.42% and 12.50% after redemption of the Stock A shares, compared to 14.39% and 12.48% before the capital increase.</p>

Note: The record date (issuance date) for the capital increase by issuing the Preferred Stock A was November 29, 2018, and distribution and listing for trading began on January 9, 2019.

Issuance (launch) date		September 25, 2024
Item		Preferred Stock B
Face value		NT\$10
Issuance price		NT\$12 per share
Number of shares		250,000,000 shares
Total issuance amount		NT\$3,000,000,000
Rights and obligations	Distribution of dividends and bonuses	<p>The annual dividend rate for these preferred shares is 4.5% (based on the five-year NTD IRS rate of 1.7325% as of the pricing record date, August 22, 2024, plus a fixed spread of 2.7675%), calculated based on the issuance price per share. The five-year NTD IRS rate will be reset on the business day following the expiration of five years and six months from the issuance date and every five years and six months thereafter. The interest rate reset pricing record date is two Taipei financial industry business days preceding the interest rate reset date. The five-year NTD IRS rate is the arithmetic average of the five-year NTD interest rate swap quotes for "TAIFXIRS" and "COSMOS3" as provided by Refinitiv at 11:00 AM on the interest rate reset pricing record date. If the aforementioned quotes are unavailable on the interest rate reset pricing record date, the Bank shall determine the rate based on good faith principles and reasonable market conditions.</p> <p>If the Bank makes a profit based on its annual financial statements, after paying taxes, offsetting accumulated losses, appropriating legal reserve, and appropriating or reversing special reserve as required by law, the remaining balance shall first be used to distribute the dividends payable to the preferred shares for the year. The Bank has discretionary authority over the distribution of dividends for these preferred shares. If there is no profit or insufficient profit to distribute dividends for these preferred shares, or if distributing dividends would cause the Bank's capital adequacy ratio to fall below the minimum requirements set by law or the competent authority, or for other necessary considerations, the Bank may decide not to distribute dividends for the preferred shares, and preferred shareholders shall have no objections. These preferred shares are non-cumulative, and any undistributed or under-distributed dividends will not be deferred for payment in future profitable years. Dividends for these preferred shares are paid annually in cash after the financial statements are approved at the annual shareholders' meeting. The Board of Directors shall set a record date for the payment of the previous year's distributable dividends. Dividends for the issuance year and redemption year are calculated based on the actual number of days the shares are outstanding in that year, and the distributed dividends will be recorded on the dividend warrant.</p> <p>Apart from receiving dividends at the said dividend rate, these preferred shares are not entitled to participate in the distribution of earnings or capital surplus in the form of cash or capitalization that is available to common shareholders.</p>
	Priority of claims in liquidation	<p>The priority of preferred shareholders in the distribution of the Bank's residual assets, except as stipulated in the "Regulations Governing the Capital Adequacy and Capital Category of Banks" (where, in the event the Bank is taken over by the competent authority or ordered to suspend or liquidate its business, the order of repayment for holders of these preferred shares shall be the same as that of common shareholders), is higher than that of common shareholders and equal to that of holders of other types of preferred shares issued by the Bank. However, it is subordinate to holders of Tier 2 capital instruments, depositors, and general creditors, limited to the issuance amount.</p>
	Exercise of voting rights	<p>Preferred shareholders have no voting or election rights but have voting rights at preferred shareholders' meetings or shareholders' meetings involving the rights and obligations of preferred shareholders. They are eligible to be elected as directors and have voting rights at preferred shareholders' meetings.</p>
	Others	<p>When the Bank issues new shares in a cash capital increase, preferred shareholders have the same preemptive rights to subscribe for new shares as common shareholders.</p>

Item		Issuance (launch) date	November 29, 2018 Preferred Stock B
Outstanding preferred shares	Amount redeemed or converted		NT\$0
	Balance of shares not yet redeemed or converted		NT\$3,000,000,000
	Terms of redemption or conversion		<p>1. Preferred Stock B have no maturity date, but the Bank may, with the approval of the competent authority, redeem all or part of the preferred shares at the original issue price starting from the business day following five years and six months from the issuance date. The rights and obligations specified in the issuance terms shall continue to apply to unredeemed preferred shares. In the year of redemption, if the shareholders' meeting resolves to distribute dividends, the dividends payable up to the redemption date shall be calculated based on the actual number of days the shares are outstanding in that year.</p> <p>2. Stock B convertible preferred shares issued by the Bank cannot be converted within one year from the issuance date. Starting from the day following one year from the issuance date, preferred shareholders may, during the conversion period, apply to convert part or all of their preferred shares into common shares at a conversion ratio of one preferred share to one common share (1:1). Upon conversion into common shares, the rights and obligations of the converted shares are identical to those of common shares. Dividends on these preferred shares for the conversion year are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus.</p>
Market price per share	2022	High	-
		Low	-
		Average	-
	2023	High	-
		Low	-
		Average	-
	2024	High	NT\$12.05
		Low	NT\$11.35
		Average	NT\$11.70
	Year to date as of April 15, 2025	High	NT\$12.05
		Low	NT\$11.40
		Average	NT\$11.93
Other rights	Amount converted or subscribed to as of the date of publication of this annual report		NT\$0
	Issuance and conversion/subsorption rules		<p>These convertible preferred shares issued by the Bank cannot be converted within one year from the issuance date. Starting from the day following one year from the issuance date, preferred shareholders may, during the conversion period, apply to convert part or all of their preferred shares into common shares at a conversion ratio of one preferred share to one common share (1:1). Upon conversion into common shares, the rights and obligations of the converted shares are identical to those of common shares. Dividends on these preferred shares for the conversion year are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus.</p>

Item	Issuance (launch) date	November 29, 2018 Preferred Stock B
Impact of issuance on equity of shareholders of preferred shares and possible dilution of equity		<p>Although the Stock B convertible preferred shares issued by the Bank in this cash capital increase have no maturity date and investors have no put option, they can be converted into ordinary shares at a 1:1 ratio after one year from issuance. As the timing of conversion by preferred shareholders is expected to vary, the dilution effect on equity is deferred and will not immediately impact the Bank's management control or earnings per share. Assuming all Stock B preferred shareholders exercise their conversion rights to convert the preferred shares into the Bank's common shares, the maximum dilution ratio would be:</p> $= \frac{\text{Number of new shares issued for this capital increase}}{\text{Number of shares outstanding} + \text{Number of new shares issued for this capital increase}}$ $= \frac{250,000,000 \text{ shares}}{2,733,992,000 \text{ shares} + 250,000,000 \text{ shares}}$ $= 8.38\%$ <p>As shown above, if all Type B preferred shareholders exercise their conversion rights, the maximum dilution ratio is 8.38%, which is considered acceptable. Additionally, there is no dilution of equity until the preferred shareholders request conversion, hence a deferred dilution effect. Therefore, in the long term, the impact on existing shareholders' equity is minimal.</p>
Impact on equity of existing shareholders		<p>Dividends for the conversion year for preferred shareholders exercising conversion rights are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus.</p> <p>For existing shareholders, although the issuance of Stock B preferred shares reduces the distributable earnings for common shareholders due to the distribution of special dividends before conversion, the dividends payable for preferred shares decrease as Stock B preferred shares are converted into common shares. Although preferred shareholders may convert their preferred shares into common shares, the varied timing of conversions means the dilution of earnings per share is not immediate. Moreover, the funds raised from this issuance are primarily used to redeem Stock A preferred shares, which will reduce annual preferred share dividend expenses and maintain the capital adequacy ratio, with a positive effect on existing shareholders' equity.</p>
Impact of redeeming preferred shares on the ratio of regulatory capital to risk-weighted assets		Not applicable

Note: The record date (issuance date) for the Type B preferred shares capital increase is September 25, 2024, and the listing and trading date for the stock payment certificates is September 30, 2024.

4. Global Depository Receipts 、Employee Stock Options 、New Restricted Employee Shares and Information of Other Financial Institutions Acquired or Transferred: None.

5. Financing Plans and Implementation

A. Plan Content:

Any uncompleted public issue or private placement of equities or bank debentures or any such issue and placement that was completed in the most recent three years but has not yet fully yielded the intended benefits: None.

B. Implementation Status: None.

IV. Operational Highlights

1. Business Activities

The Bank mainly operates the following businesses:

- Acceptance of various types of deposits.
- Issuance of financial bonds.
- Handling of loans, discounts, and acceptances.
- Handling of domestic and foreign exchange services.
- Handling of domestic and foreign guarantee services.
- Issuance of domestic and foreign L/Cs.
- Agency collection and payment services.
- Investment in and underwriting of securities.
- Proprietary trading of bonds.
- Factoring services.
- Provision of financial consulting connected with financing and non-financing services.
- Wealth management services.
- Acting as an agent for personal insurance and property insurance.
- Handling of debit card services.
- Handling of guaranteed services connected with export and import foreign exchange, outward and inward remittances, foreign currency deposits and loans, and foreign currency guaranteed payments.
- Handling of services permitted under the Trust Enterprise Act.
- Handling of financial derivatives services.
- Handling of other services approved by the competent authority.

Key Business Area	Major Business Activity
Corporate Banking Services	Provision of corporate financial products and services: lending and deposit, corporate foreign exchange and international finance, project, corporate financial advisory services, and corporate cash management and e-Banking services, etc.
Retail Banking Services	Provision of personal financial products and services: lending and deposit, digital retail banking services, payment, insurance, wealth management, etc.
Trust Business	Trust, securitization, trust asset management, and land superficies rights, etc.
Investment Business	Financial products trading and securities investment, and private equity investments in unlisted companies.
Investment under Equity Method	Please refer to this annual report "Review of Financial Conditions, Operation Results, and Risk Management" for investment details.

Weight of Business Profits

Unit: NT\$ thousands

Item	Year	2024		2023	
		Amount	%	Amount	%
Net interest income		2,646,870	34	2,304,508	34
Net fee income		1,055,341	13	914,467	13
Gains or losses on financial assets (liabilities) at fair value through profit or loss		4,761,412	61	2,237,276	32
Gains from sale of fair value through other comprehensive income financial assets		242,512	3	358,185	5
Net gain or loss on exchange		(2,126,189)	(27)	121,655	2
Impairment loss on assets		(3,174)	-	(5,710)	-
Share of profit or loss of subsidiaries and affiliated businesses accounted for using equity method		1,135,264	15	869,268	13
Net profit apart from interest		75,007	1	66,864	1
Net income		7,787,043	100	6,866,513	100

Weight of Major Business Operations

Unit: NT\$ thousands

Asset	2024	Percentage (%) (Note 1)	Percentage Increase (Decrease) from the previous year	2023	Percentage (%) (Note 1)
Loans- Corporate Banking	189,216,750	46	9	173,694,715	44
Loans- Retail Banking	39,815,040	10	21	32,856,397	8
Deposits- Corporate Banking (Note 2)	264,907,417	71	(1)	266,975,933	76
Deposits - Retail Banking (Note 2)	55,975,354	15	59	35,155,554	10
Investment	127,871,179	31	(3)	131,816,356	34
Investment under Equity Method	22,784,191	6	6	21,521,147	6

Note 1: the proportion of each major business operation item in total assets or total liabilities

Note 2: Deposits include: demand deposits, time deposits and re-deposits from the Chunghwa Post Co.

Unit: NT\$ thousands

Revenue	2024	Percentage (%)	Percentage Increase (Decrease) from the previous year	2023	Percentage (%)
Corporate Banking Services	4,795,966	62	12	4,293,000	63
Investment	931,534	12	(16)	1,110,070	16
Consumer Finance	895,913	11	25	718,389	10
Financial Management	146,805	2	163	55,867	1
Investment under Equity Method and Others	1,016,825	13	48	689,187	10
Net Income	7,787,043	100	13	6,866,513	100

Note: Due to internal adjustments, the definition of revenue for each business segment has been revised.

Volume of Foreign Exchange:

Unit: US\$ thousands

Item	2024	Percentage (%)	Percentage Increase (Decrease) from the previous year	2023	Percentage (%)
Import (Issuance of L/C;DA;DP)	264,589	1.11	(15.51)	313,149	1.34
Export (Negotiation;Collection;DA;DP)	153,104	0.65	(23.74)	200,767	0.86
Remittance (Outward;Inward)	23,345,776	98.24	2.2	22,843,993	97.80
Total	23,763,469	100.00	1.74	23,357,909	100.00

Trust Asset:

Unit: NT\$ thousands

Item	2024.12.31	Percentage (%)	Percentage Increase (Decrease) from the previous year	2023.12.31	Percentage (%)
Monetary	8,090,209	64.69	(11.52)	9,143,083	74.84
Real Estate	4,362,386	34.89	42.79	3,055,102	25.01
Surface Rights	52,813	0.42	192.16	18,077	0.15
Total	12,505,408	100	2.37	12,216,262	100

Note: The item is categorized under Trust Enterprise Act, Article 16.

(1) Business Review

The Bank's domestic business locations included its Business Department Headquarters, Nanjing Fuxing Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, and Kaohsiung Branch. In addition, the competent authority approved the establishment of regional service units in Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung for corporate banking and business banking affairs; apart from promoting this Bank's financial products, these service units also provide all-round financial services to clients throughout northern, central, and southern Taiwan. Our first overseas branch (Hong Kong Branch) opened in April 2009 and then Tianjin Representative Office opened in April 2012; those branches have since extended our financial products and services platform to Hong Kong and the Greater China area, thereby serving local clients and Taiwanese-invested enterprises from a close distance and promoting win-win outcomes through long-term cooperation characterized by mutual trust and reciprocity. To strengthen the focus on economic and trade development in the Asia-Pacific region, our Sydney Representative Office was established in March 2025. Its mandate includes expanding and maintaining client relationships and gathering market intelligence. The next phase will involve accelerating efforts to upgrade the office into a full branch.

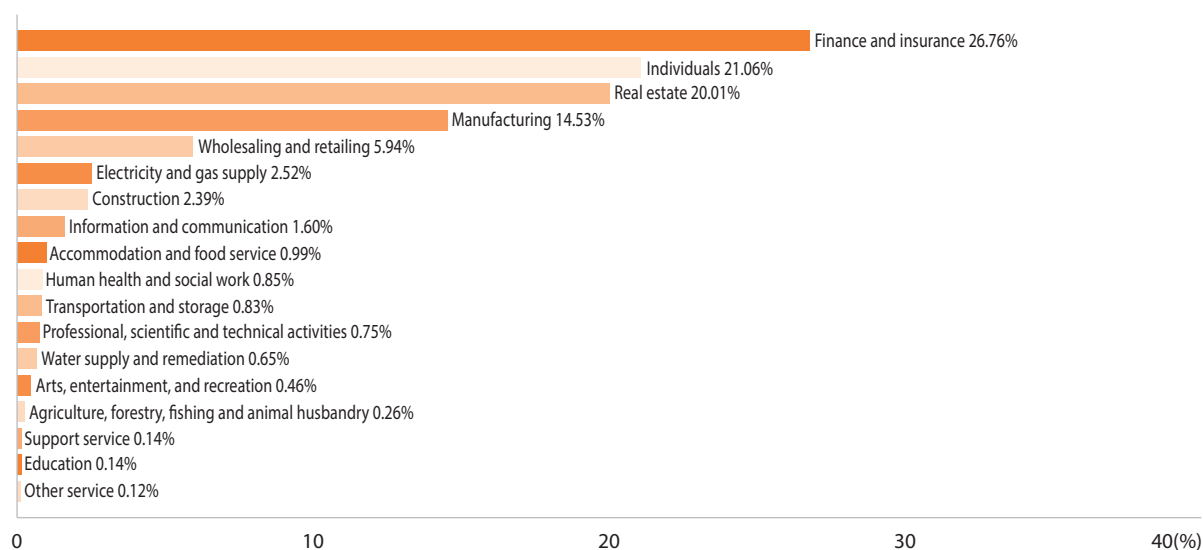
1) Credit Extension

Looking back on 2024, the Bank continued to deepen its engagement with both domestic and overseas corporate clients while actively expanding its personal banking business. In response to diverse customer needs, the Bank offered a wide range of loan products tailored to different market segments. On the marketing front, the Bank consistently optimized digital client acquisition strategies and worked to meet the financial needs of existing customers, resulting in sustained business growth. Notably, the outstanding balance of mortgage and consumer loans increased by 21% compared to 2023. To ensure steady growth and manage business risks, the Bank not only focused on consolidating its customer base but also actively explored niche markets, particularly mid-market enterprises, as a foundation for promoting cross-selling opportunities.

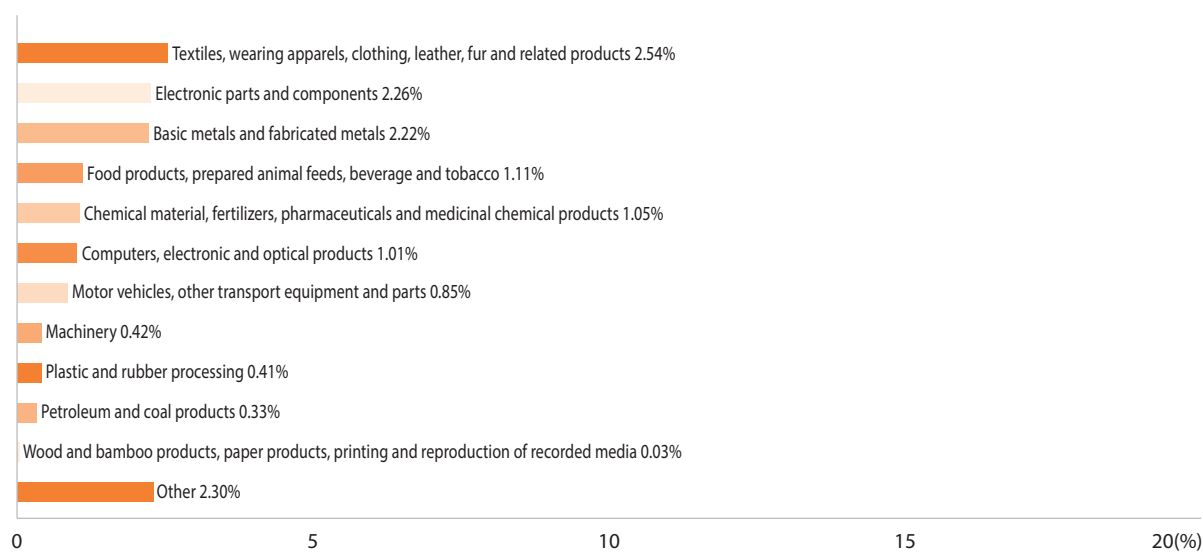
Corporate syndicated loans have long been the core pillar of the Bank's credit business. The Corporate Finance Department is adept at providing clients with tailored, fast, and accurate financing solutions. The Bank has successfully raised capital for clients and helped them address critical challenges. Our target clientele is primarily located in the Greater China region (Taiwan and Hong Kong), spanning various industries. In addition to offering customized solutions for diverse funding needs and supporting the growth of domestic and international enterprises, the Bank's meticulous and professional service enhances clients' continued development and strengthens their market competitiveness.

According to the Standard Industrial Classification of Directorate General of Budget, Accounting and Statistics of the Executive Yuan, the Bank's overall credit risk exposure for 2024, including loans, factoring, receivable acceptances, guarantees, and receivable letters of credit, amounted to NT\$262.7 billion. After excluding exposures fully secured by the Bank's certificates of deposit, the net credit exposure was NT\$251.5 billion. Of these numbers, the financial and insurance industry category accounted for the highest proportion at 26.76%, followed by the individuals at 21.06%, and the real estate industry category at 20.01%. The remaining exposures were allocated to the manufacturing industries at 14.53%, the wholesaling and retailing industry at 5.94%, the electricity and gas supply industry at 2.52%, the construction industry at 2.39%, the information and communication industry at 1.60%, the accommodation and food service industry at 0.99%, the human health and social work industry at 0.85%, the transportation and storage industry at 0.83%, the professional, scientific and technical activities industry at 0.75%, the water supply and remediation industry at 0.65%, the arts, entertainment and recreation industry at 0.46%, the agriculture, forestry, fishing and animal husbandry industry at 0.26%, the support service industry at 0.14%, the education industry at 0.14%, and the other service industry at 0.12%. Within the manufacturing sector, the highest credit risk exposure was to the textiles, wearing apparels, clothing, leather, fur and related products industry at 2.54%, followed by the electronic parts and components at 2.26%, the basic metals and fabricated metal products at 2.22%, the food products, prepared animal feeds, beverages and tobacco industry at 1.11%, and the chemical materials, fertilizers, pharmaceuticals and medical chemical products at 1.05%. Additional exposures included the computers, electronic and optical products at 1.01%, the motor vehicles, other transport equipment and parts at 0.85%, the machinery industry at 0.42%, the rubber and plastic products at 0.41%, the petroleum and coal products at 0.33%, and the wood and bamboo products, paper products, printing and reproduction of recorded media at 0.03%. The remaining 2.30% was distributed among other manufacturing sub-industries.

The credit risk exposure, excluding that fully secured by the Bank's certificates of deposit, at the end of 2024:



The credit risk exposure within the manufacturing sector (14.53%):



In the second half of 2024, following eleven rate hikes in recent years, the U.S. Federal Reserve announced a rate cut aimed at stimulating economic growth. This development is expected to gradually ease the high financing costs faced by businesses. However, interest rates remain relatively high compared to the past decade, and whether operational and investment sentiment will shift toward cautious optimism remains to be seen. Recently, the number of general syndicated loan transactions in the market has declined, largely due to their substitution by bilateral loans. Additionally, the scale and funding requirements of large offshore wind power projects and public infrastructure developments pose significant challenges for lead arrangers. Fortunately, the Bank's long-term client cultivation and boutique bank positioning—eschewing price competition—have proven effective. We remain focused on enterprises with promising growth prospects and on leveraging group referral mechanisms. The Bank offers appropriate financing strategies aligned with clients' financial planning needs and are also moving in tandem with global and domestic trends such as green energy and environmental sustainability by continuously developing ESG-related financing solutions.

2) Deposits

As of the end of 2024, the Bank's outstanding balance of NT dollar and foreign currency deposits, excluding export remittances, came in at approximately NT\$320.9 billion and increased 18.8 billion compared with last year. For the sake of both liquidity and security, the Bank gives priority to deposit stability. As such, emphasis is placed on diversifying the maturities of time deposits while actively soliciting demand deposits and small and medium-sized enterprises (SMEs) deposits to bring down capital costs. The Bank continues to launch preferential deposit plans to support B-type and social enterprises, fulfilling the Bank's corporate social responsibility and assisting the development of related enterprises.

The Bank's suite of personal banking deposit and remittance products is planned and developed around its customers' needs and includes: a consolidated statement download function; the ability to view personalized preferential demand deposit interest rates via online banking; the opening of trust accounts for minor children; a "frequently used account" search feature; 24/7 online foreign currency trading year round; and foreign exchange transactions exceeding NT\$500,000 in value—altogether meeting customers' cash management and fund transfer needs through both digital and branch channels.

3) Foreign Exchange and Offshore Banking

The Bank continues to expand its trade finance business, while adopting an interest spread maintenance strategy for its foreign exchange financing operations. In its international lending activities, the Bank not only conducts prudent assessments of country and industry risks but also, under controlled risk conditions, steadily broadens the foundation of its international finance platform. The Bank is actively deepening its presence in Australia and Southeast Asia to enhance service quality and generate additional business opportunities.

Furthermore, the Bank is extending the Group's financial services through its overseas branches, with a footprint across the Greater China region and the United States—including its Hong Kong Branch, Tianjin Representative Office, and EverTrust Bank USA subsidiary—as well as via equity method investments in Infinite Finance Co., Ltd. and Beijing Sunshine Consumer Finance Co., Ltd. The establishment of offices in Australia and Singapore further extends the Bank's reach into the Asia Pacific market, allowing the Bank to continue scaling its operations and advancing its global financial network.

4) Investment Business

After receiving approval from the Financial Supervisory Commission to transition into a commercial bank in March 2015, the Bank actively disposed of its legacy investment portfolio. By the end of 2024, two investment cases had been fully divested.

The Bank's financial product trading business includes proprietary trading and product marketing. Proprietary trading covers foreign exchange, fixed income, derivatives, and equity instruments. Financial product marketing focuses on providing customers with diversified financial services and hedging tools. In 2021, the Bank was approved to launch non-principal protected structured products composed of foreign currency equity options, foreign currency interest rate swaps, and foreign currency interest rate swap options linked to foreign currency principals, as well as to have its DBU/OBU trade bonds while engaging concurrently in securities business. In 2022, further approvals were obtained to launch principal protected callable structured products composed of foreign currency interest rate options, foreign currency interest rate swaps and foreign currency interest rate swap options linked to foreign currency principals, principal protected callable structured products composed of foreign currency interest rate swaps and foreign currency interest rate options linked to foreign currency principals. In 2024, the Bank filed with and reported to the Financial Supervisory Commission to commence Total Return Swap (TRS) transactions in New Taiwan dollars.

In 2024, as inflationary pressures eased, central banks in major Western economies began rate-cut cycles to lower funding costs and support economic growth. Although the pace of rate cuts varied by country, the global economy showed signs of recovery. The OECD, in its latest World Economic Outlook, projected global economic growth of 3.2% in 2024 and 3.3% in both 2025 and 2026. Nevertheless, geopolitical risks continued to shape market expectations, particularly amid evolving U.S.-China relations following President Trump's inauguration and the ongoing Russia-Ukraine conflict. These factors contributed to a challenging global trade and investment outlook and increased volatility in bond yields. The Bank continued to strengthen risk control over its overall fixed income portfolio, maintaining a position predominantly composed of high-quality fixed income products. However, due to previously held positions with low yields and the slow pace of rate cuts, losses arising from negative spreads in the fixed income portfolio remain difficult to recover.

The Bank's securities investment business continues to be primarily focused on TWSE/TPEx listed companies. In 2024, driven by opportunities in AI infrastructure investments by major U.S.-based CSPs, Taiwan's semiconductor sector and related supply chains experienced significant growth. The overall net profits of listed companies are expected to reach NT\$4 trillion, a 37% increase compared to the previous year. Despite persistent geopolitical risks, U.S. equities remained strong, supported by a resilient U.S. economy, easing inflation, and a shift in Fed policy toward rate cuts. Taiwan's stock market also performed robustly, fueled by AI-related themes and ample liquidity. The TAIEX reached a record high of 24,416 points in the first half of the year and ended 2024 at 23,035 points, marking an annual gain of 28.47%. This strong market performance contributed to the Bank's equity investments achieving NT\$379 million in profit for 2024, surpassing budget targets.

5) Project Finance

Project finance encompasses project financing and financial advisory. Project financing chiefly provides private companies with a wide range of project financing and project development services. The Bank provides comprehensive project financial planning, investment feasibility assessment, and repayment schedule planning tailored to project income. Services range from structuring of syndicated project loans, transfer of trust beneficiary rights, drafting of strategies for contract negotiations, and assistance with the acquisition of funds to participate in equity investments. This enables enterprises to have more flexible and appropriate financial planning when executing projects. The Bank's financial advisory services are meant to provide clients with tailor-made solutions, that is, consulting regarding corporate consolidation and M&As, debt arrangement, reorganization, fund-raising, M&A financing, and tax planning.

6) Trust Business

When it comes to trust business, the Bank primarily operates trust business products, asset securitization, and trust asset management services. The trust business products mainly focus on monetary and real estate trust, with approval obtained in 2022 to operate surface rights trust business.; the asset securitization services are geared toward developing various kinds of securitized products; and the trust asset management services are mainly aimed at helping clients allocate assets and build well-rounded portfolios.

In investment and wealth management, the Bank is earnest to create comprehensive product lines. Emphasis is also placed on promoting “Robot Advisory”: big data analytics is adopted to help clients optimize investment portfolios that strike a balance between flexibility and security for their asset allocations.

As of the end of 2024, the outstanding balance of assets entrusted to the Bank came in at NT\$12.5 billion, a year-over-year increase of NT\$3.0 billion.

7) Corporate Cash Management and e-Banking

The Bank continues to enhance both its software and hardware infrastructure to optimize transfer and remittance services, enabling customers to conduct large volumes of transactions in a short time via the corporate online banking platform and related products. By tailoring services to meet customers' flexible and customized needs, the Bank helps corporate clients reduce financial and labor costs, improve transaction efficiency, fulfill diverse requirements, and enhance customer loyalty. In 2024, the total number of online transactions reached 463,952, representing a decrease of 100,827 transactions compared to 564,779 in the previous year. The decline in corporate banking transaction volume compared to the prior year was mainly due to intensified market competition, rapid industry changes, and the Bank's proactive adjustment of customer composition. In response to these challenges, the Bank is committed to actively developing new clients, enhancing service quality, closely monitoring market dynamics, and timely adjusting business strategies to ensure the steady growth of its corporate banking operations.

To align with digitalization trends, the Bank has undertaken various digital upgrades since 2022, including enhancements to the corporate internet banking platform to support multiple operating systems and offer diversified operation methods tailored to different customer segments. Additionally, the Bank has further optimized its collection services by assisting clients with the automation of accounts receivable reconciliation. Leveraging the Bank's corporate digital platform as a CRM tool, the Bank has strengthened internal sales operations, management, and overall efficiency. The Bank has also automated its confirmation

letter services, improving response efficiency and reducing operational risk. Furthermore, the collection services have been integrated with convenience store payment services and virtual account solutions, thereby enhancing the quality and scope of collection-related services.

In terms of deposit products, the Bank introduced a variety of preferential deposit schemes in 2024 to support business development. In addition to continuing existing interest rate programs, the Bank launched several attractive deposit offers such as the “NTD Tiered Interest Rate Program for Type B Enterprises,” the “NTD Tiered Interest Rate Program for Social Enterprises,” and the “NTD New Funds Preferred Interest Rate Program,” allowing corporate clients to diversify their fund allocation through a range of time and demand deposit options.

8) Digital Retail Banking Services

- **Electronic Banking Services:** The Bank offers secure and convenient online and mobile banking services, including account inquiries, fund transfers, foreign exchange trading, bill payments, mutual fund transactions, robo-advisory services, and various other applications. The interface is user-friendly and functionally accessible. A fully integrated 24-hour video customer service system is also in place, allowing customers to enjoy financial services anytime and anywhere without time or location constraints.
- **Digital Wealth Management Services:** The Bank provides a diversified range of wealth management products, including general mutual funds, back-end load funds, and robo-advisory services, with investment options available in both TWD and foreign currencies to meet varying client needs. Customers can also complete their investment risk profiling online to ensure their chosen products are suitable for their financial objectives.

9) Payment Services

- **Card Payment Services:** In addition to offering more than one hundred customized debit card designs for customer selection, the Bank continues to collaborate with lifestyle membership programs, chain restaurants, fitness brands, charitable organizations, educational institutions, and e-ticketing providers to issue co-branded and affinity cards. These are supported by exclusive card spending offers, cashback rewards, and zero-liability protections, allowing customers to use the Bank’s cards with peace of mind.
- **Electronic Payment Services:** The Bank has integrated with several major payment platforms such as JKOPay, iPASS Money, and Easy Wallet, supporting both “real-time account debit” and “card-linked payments.” In 2024, the real-time account debit function was further expanded to include AllPay, enhancing the Bank’s ability to meet diverse consumer payment needs and broadening the use cases for its payment services.

10) Insurance Services

The Bank adopts a multi-insurer strategy, introducing top-selling products from leading insurance providers, including participating policies, interest-sensitive life insurance, mortgage life insurance, and investment-linked policies. Through face-to-face sales, the Bank recommends suitable insurance products tailored to various customer segments and life stages. Emphasizing the values of protection and legacy, the Bank builds customer trust and loyalty through professional explanations and personalized advice.

11) Wealth Management Services

The Bank's wealth management services are provided through financial consultants who segment and manage clients by individual profiles and business ownership status. A wide range of customized financial products and advisory services are offered, including deposits, investment products, and insurance planning. These services are complemented by tax planning and asset allocation strategies to deliver comprehensive financial solutions. The Bank actively seeks to deepen relationships with its high-net-worth clients, expanding both the breadth and depth of engagement.

(2) Business Plan for 2025

1) Credit Extension

In response to the highly competitive financial market, the Bank continues to adopt a "Boutique Bank" strategic positioning in the area of corporate banking. Building on a stable customer base and sound internal systems, the Bank has implemented the following action plans:

- (A) Deepening Customer Engagement: In addition to providing professional services to strengthen relationships with existing corporate group clients, the Bank actively seeks to expand its customer base to include small and medium-sized enterprises (SMEs) and clients in the green energy sector. The Bank also aims to extend services from corporate clients to their affiliated high-net-worth family members by offering diversified products such as wealth management, with the goal of becoming their primary financial institution.
- (B) Enhancing Trade Finance and Foreign Exchange Transactions: The Bank is promoting transactional trade finance to drive growth in clients' cash flow and deposit business, thereby complementing increases in fee income and demand deposit balances. By leveraging relationships with large corporate clients, the Bank seeks to develop financing opportunities with their upstream and downstream partners.
- (C) Developing Project Finance Opportunities and Pursuing Syndicated Loans: In addition to supporting government policies through project-based and policy-driven lending, the Bank actively identifies structured financing opportunities tailored to client needs. The Bank also strives to secure mandates and participations in quality domestic and international syndicated loan deals, thereby meeting client funding needs while increasing fee income and net interest margin.
- (D) Providing Integrated Services: The Bank strengthens cross-departmental collaboration to integrate and promote corporate and retail banking products, generating business synergy and delivering comprehensive financial solutions to clients.
- (E) Optimizing Deposit and Credit Structure to Enhance ROE: The Bank continues to expand its deposit base among corporate and SME clients while dynamically adjusting the maturity structure of loan portfolios to support steady credit growth. With a focus on promoting fee-based products, the Bank aims to improve return on equity (ROE) and maximize profitability within a controlled credit asset scale.

In the area of personal banking, the Bank continues to boost both volume and profitability by pursuing steady growth and innovation through the following four strategies:

1. Precise Customer Acquisition: Through the ongoing "one bank" collaboration strategy, the Bank develops personal banking opportunities from corporate clients and payroll partner companies. By leveraging big data analytics, the Bank optimizes financial needs models for more precise customer targeting.

2. **Balancing Risk Control:** Using third-party data, the Bank enhances customer identification and strengthens risk assessment capabilities. By forming optimized risk segmentation strategies, the Bank improves its profitability while maintaining a balance between risk and return.
3. **Product Innovation:** In line with its spirit of innovation and commitment to financial inclusion, the Bank develops small-ticket, short-term loan products suitable for underserved segments, thereby offering a full range of lending solutions.
4. **Process Optimization:** Customer experience remains a core focus of the Bank. In response to regulatory liberalization and fintech developments, the Bank continues to offer optimized digital lending services to enhance convenience and service quality.

2) Deposits

To expand stable funding sources, mitigate liquidity risk, and lower capital costs, the Bank will continue to prioritize increasing the volume of demand deposits and strengthening efforts to attract deposits from small and medium-sized enterprises (SMEs) in our 2025 corporate deposit strategy.

Following the Bank's transformation into a commercial bank, its depositor base is no longer restricted by the Industrial Bank Act, allowing for a more diverse corporate clientele and a broader customer base. The Bank will continue to enhance its corporate online banking services and improve its cash management and payment collection/disbursement services to increase deposit incentives. Efforts will persist in reducing deposits from large corporations that are highly sensitive to pricing, while actively attracting deposits from SMEs and securing long-term stable funding sources to lower funding costs and maintain the net interest margin. Aligned with operational goals, the Bank will roll out tailored deposit campaigns for various customer segments and sizes to increase the SME customer base and optimize customer structure. By launching demand deposit projects, various payment and collection services, and user-friendly digital banking tools, the Bank aims to raise the share of demand deposits and become clients' primary banking partner.

The Bank will continue to introduce a wide range of NT dollar and foreign currency preferential deposit programs for both new and existing clients to meet their short- and long-term savings and funding needs. We will also focus on financial inclusion by offering support-oriented deposit products aimed at economically disadvantaged groups and addressing gender pay gaps in the workplace. To deepen customer engagement, the Bank will enhance account functionalities and offer innovative features for parent-child accounts, leveraging digital financial tools to foster financial literacy among children and positioning the Bank as the primary account for fund transfers. The Member-Get-Member referral program will be continued, alongside integration of group resources to acquire payroll transfer accounts and quickly grow the customer base. Additionally, the Bank will expand its customer outreach through cross-industry collaborations and tap into partner networks. Marketing efforts will be supported by online media and social media engagement to boost brand exposure and visibility. The Bank will also adopt reliable digital identity authentication for document signers and promote digitalization of operational processes, thereby strengthening a secure and trustworthy electronic transaction environment.

3) Foreign Exchange and Offshore Banking

In 2025, the Bank will continue to align its foreign exchange and international financial services with clients' cross-border operations by offering relevant foreign currency financing solutions to meet their funding needs, along with exchange rate hedging and other financial services to facilitate international currency settlements. Through the Bank's financial services platform, clients can access a comprehensive suite of financial products in one place, supporting Taiwanese enterprises in their global expansion with efficient fund allocation and financial planning, thereby enhancing their competitive edge.

The Bank has already established a presence in the United States, Hong Kong, and Mainland China. To mitigate regional concentration risk and leverage the overall benefits of group synergy, the Bank plans to further expand its international footprint.

In 2007, the Bank acquired EverTrust Bank in the United States, successfully entering the U.S. financial market. With eight branches across Greater Los Angeles and the San Francisco Bay Area, EverTrust focuses on serving the local Chinese community, offering a wide range of deposit, lending, cash management, trade finance, and consumer finance services. With a stable financial performance, the Bank will continue to strengthen its U.S. business by expanding Small Business Administration (SBA) loans, syndicated loans, and other services to broaden its loan portfolio and diversify risk.

In Hong Kong and Mainland China, the Bank established a branch in Hong Kong in 2009 and has since actively served local businesses while capturing opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area. The branch continues to deepen cross-border collaboration within the group and expands its business prudently while maintaining asset quality. In 2012, a representative office was set up in Tianjin to gather local market intelligence and support the Bank's operations in China.

Regarding the leasing business, the Bank's former subsidiary IBT Leasing Co., Ltd. merged with Jih Sun International Leasing & Finance Co., Ltd. in December 2022 to form Infinite Finance Co., Ltd., now an equity-method affiliate of the Bank. In addition to strengthening its presence in China's financial leasing market, the company is diversifying geographically and operationally. A subsidiary in Thailand commenced operations in May 2024 and is gradually expanding into consumer finance and green energy sectors.

Beijing Sunshine Consumer Finance Co., Ltd., a licensed consumer finance company jointly established by the Bank, China Everbright Bank, and China CYTS Tours Holding Co., Ltd., officially commenced operations in August 2020. With funding cost advantages and access to bank client resources, the company has adopted a digital, asset-light business model centered on online channels, supported by strong risk control and technology capabilities. It is cautiously expanding its consumer finance footprint in China.

In recent years, the Asia-Pacific region has experienced robust economic growth and demographic advantages. After assessing market potential and the Bank's strengths, Australia and Singapore have been identified as the next strategic targets for overseas expansion. Following planning and preparation throughout 2024, the Sydney Representative Office has received approvals from domestic and local regulatory authorities, while the Singapore operation, established through a venture capital subsidiary, has also been approved as a strategic collaboration platform for the Group. With both locations expected to become fully operational in 2025, the Bank will further integrate its global operations through international financial branches, syndicated loan services, and investment activities in Australia, Southeast Asia, and India, actively shaping a comprehensive global presence.

4) Investment Business

The rapid growth of the semiconductor and AI sectors has boosted corporate earnings and investment, generating positive income effects that support private consumption. However, global Purchasing Managers' Index (PMI) data shows divergent trends across industries: manufacturing PMIs fluctuate around the 50 threshold between expansion and contraction, while the services sector continues to expand. The new U.S. administration's trade and economic policies may influence the Federal Reserve's interest rate policy and introduce uncertainties for the global economy, which could in turn impact the pace of monetary policy adjustments across major economies. Meanwhile, geopolitical tensions and extreme climate events continue to affect financial market performance, leading central banks worldwide to take a wait-and-see approach.

At its board meeting on March 20, 2025, Taiwan's central bank decided to keep policy rates unchanged for the third consecutive time. The discount rate, secured loan facility rate, and short-term facility rate remain at 2%, 2.375%, and 4.25%, respectively. No eighth round of credit control measures was introduced, as the seventh round was deemed effective in cooling the housing market. The central bank also revised down the 2025 GDP growth forecast to 3.05%. In the labor market, employment has increased in recent months, the unemployment rate has declined, and wages have seen moderate growth. Private investment momentum is supported by export growth. Although minimum wage increases, public sector salary hikes, and the introduction of a carbon fee may exert upward pressure, sticky service prices and declining international oil prices are expected to drive 2025's CPI and core CPI annual growth rates down to 1.89% and 1.79%, respectively. However, fluctuations in global commodity prices and domestic fare hikes, such as Taiwan Railways ticket adjustments, warrant attention as they could affect inflation trends. As inflationary pressures ease, major central banks in the U.S. and Europe are relaxing monetary tightening, which helps sustain global economic growth. Nevertheless, risks remain due to uncertainties surrounding new U.S. trade policies, China's economic slowdown and its spillover effects, extreme weather, and geopolitical tensions, all of which pose potential downside risks to the global economy.

(a) Fixed Income Trading and Investment

The Bank will continue to strengthen its asset-liability management functions, strictly control asset quality and investment ratios, and actively manage high-quality asset investments in response to dual-rate management, thereby improving capital efficiency, enhancing profitability, and maintaining liquidity reserves. Given the volatile financial environment, the Bank will also reinforce post-investment management by closely monitoring the interest rate and credit risks associated with investment targets.

(b) Financial Product Marketing

The Bank's financial product marketing team is responsible for serving corporate clients, offering foreign exchange and interest rate derivatives for hedging, along with asset-based wealth management products. The team will deepen client relationships, stay attuned to market trends and client characteristics, and prudently assess each client's risk tolerance. Through professional market analysis and a diverse range of financial products, the team will support clients in both risk management and investment planning.

(c) Securities Business

Looking ahead to 2025, the likelihood of a soft landing for the U.S. economy has increased. However, outlooks for consumer markets in China and Europe remain uncertain, and ongoing geopolitical

tensions, coupled with elevated global equity valuations, suggest potential for increased market volatility. Nonetheless, with the continued momentum of AI-driven growth, earnings for Taiwan-listed companies—especially TSMC—are expected to grow over 20% annually, supporting an overall optimistic view of the Taiwan stock market. The Bank will adopt a flexible approach to equity investments, monitoring global economic indicators and industry developments while making adjustments based on company fundamentals. The investment strategy will balance high-yield and value stocks with growth stocks, maintaining a steady pace of operations to capture profit opportunities and navigate potential market swings or sector rotations.

(d) Private Equity Investment

Aligned with the Bank's digital transformation and overseas expansion strategy, efforts are underway to assess opportunities in Fintech, overseas investments, and impact investing. The Bank aims to actively incorporate innovative resources in blockchain, AI-driven investment platforms, and green energy startups, both domestically and internationally, to accelerate internal digital and sustainable transformation momentum.

5) Project Finance

The Bank will continue to cultivate its base of customers in the Greater China region (Taiwan and Hong Kong), deepen relationships with corporate groups, and expand its niche client base. By offering customized services as a boutique bank, the Bank aims to provide tailored solutions for corporate clients while maintaining sound risk control. These services include advisory on green financing, mergers and acquisitions, debt arrangements, corporate restructuring, fundraising, acquisition financing, renewable energy financing, and tax planning. Additionally, the Bank will design feasible project-specific solutions for various development projects and offer diversified product designs and customized financing structures to create potential business opportunities and win-win outcomes for both clients and the Bank.

6) Trust Business

To better serve the Bank's existing clients and the broader financial market, the Bank will continue to support the "Trust 2.0" and "ESG sustainability goals" policies. In addition to actively promoting trust services and offering a wider variety of trust products to provide clients with more investment and wealth management options, the Bank will continue to focus on customer needs, service quality, and regulatory compliance. This includes existing trust services such as real estate development trusts, land superficies trusts, payment security trusts, prepayment trusts, and personal trust services. Trust agreements will be custom-designed to meet diverse market demands and objectives.

7) Corporate Cash Management and e-Banking

Since the launch of the O-Bank Corporate Digital Platform in 2018, the Bank has provided real-time and convenient business management services to its internal business units. In 2023, the platform was optimized to integrate relevant information and support the development of new services, offering a seamless 360-degree view of customer information. Security features continue to be enhanced to improve transaction safety, while also expanding compatibility with various operating systems to serve a broader customer base. The Bank will further expand and upgrade its corporate collection and payment services, including collaborations with convenience stores for new payment services and adding new services such as the

Taiwan Clearing House's eACH system. In 2025, the Bank will continue to offer various deposit campaigns in both NT dollars and foreign currencies, adjust its customer portfolio, increase liquid assets, and reduce funding costs. Additionally, the Bank will continue to optimize its corporate online banking services and develop a simplified version to provide tailored digital banking solutions for different client segments, thereby strengthening client relationships and fostering mutual success.

8) Digital Retail Banking Services

The Bank's 2025 strategic focus will be on acquiring high-quality customers, enhancing relationships with existing clients, and further planning innovative digital transaction processes to improve security and user convenience.

- **Electronic Banking Services:** The Bank will continue to enhance platform navigation and interface design to improve the user experience and upgrade service offerings. Additionally, the underlying system infrastructure will be optimized to deliver more stable and secure transaction services.
- **Digital Wealth Management Services:** By combining promotional offers for mutual funds with "robo-advisory" services, customers will not only benefit from discounted transaction fees but also receive personalized investment portfolio recommendations. These services aim to promote inclusive finance and provide clients with diversified wealth management solutions.

9) Payment Services

- **Card Payment Services:** In 2025, the Bank will continue to issue distinctive credit cards that meet customer needs. By leveraging data analytics, a strength of digital banking, the Bank will better understand customer spending preferences and integrate online and offline services. With the support of group resources, the Bank will continue to increase card issuance volume, improve activation rates, and boost transaction amounts. Furthermore, staying true to its long-standing corporate culture, the Bank will continue its co-branded card initiatives with charitable organizations. This model enables cardholders to support public welfare through their spending, contributing to society and supporting the underprivileged, thus realizing the O-Bank Group's altruistic spirit.
- **Electronic Payment Services:** In 2025, the Bank will leverage its strengths in digital banking to actively develop new products tailored to the needs of younger customers. This includes exploring integration with new e-payment platforms and expanding its presence on campuses and through cross-industry partnerships to reach and engage younger demographics. The Bank will also continue to form alliances with e-commerce platforms, startups, and e-payment providers to meet customers' diverse payment needs.

10) Insurance Services

In 2025, the Bank plans to introduce additional life insurance products and enhance its property insurance services. This will provide existing and potential clients with more diversified insurance options, convenient services, and comprehensive protection to meet their needs and increase client retention.

11) Wealth Management Services

Key development areas for 2025 include:

- (A) Continuing to offer diversified and customized financial products while enhancing online financial education and market information. The Bank will combine these with asset allocation strategies to serve both high-net-worth and inclusive finance segments.
- (B) Deepening cross-selling opportunities by engaging business owners from corporate clients of the Bank and its subsidiaries, thereby maximizing value for both clients and the Bank.
- (C) Enhancing the professionalism of the Bank's sales teams to deliver comprehensive wealth management services.
- (D) Strengthening risk management mechanisms by improving sales processes and operational procedures for relationship managers, ensuring regulatory compliance and protecting customer rights.

(3) Market Analysis

A. Operating Environment and Future Outlook for the Banking Industry

In retrospect, 2024 presented numerous challenges and transformations in the global economy. China's economic slowdown persisted, global inflation remained uncertain, interest rate policies across countries diverged, and heightened geopolitical tensions—including the Russia-Ukraine conflict and unrest in the Middle East—amplified volatility in energy and commodity markets. Taiwan's economy, supported by both domestic demand and external trade, experienced broad-based growth. According to the latest estimates by the Directorate-General of Budget, Accounting and Statistics, Taiwan's 2024 GDP growth is projected to rise from 1.12% in 2023 to 4.59%.

Domestic banks recorded pre-tax net income of NT\$527.3 billion in 2024, with return on equity (ROE) reaching 11.51%, both figures exceeding those of 2023 (NT\$472.4 billion and 10.4%, respectively). This performance was driven by active financial markets that bolstered investment returns and increased fee income from wealth management services. With interest rates remaining elevated, net interest income also maintained steady growth. The non-performing loan ratio stood at 0.15%, slightly above the previous year's 0.14%, but overall asset quality remained stable.

Looking ahead to 2025, the IMF forecasts global economic growth at 3.3%, on par with 2024. However, outlooks across major economies vary, and uncertainties are mounting. The new U.S. administration is expected to prioritize national interests through economic and trade reforms. With a resilient labor market and controlled inflation, U.S. growth remains promising. Conversely, Europe continues to struggle with weak manufacturing output, and China's property and consumption sectors are expected to remain subdued. Taiwan, benefiting from strong AI-driven export momentum and stable domestic demand, is projected to grow by 3.14% in 2025.

Domestically, the Central Bank of Taiwan raised its benchmark interest rate by 12.5BPS in March 2024. With expectations of continued economic stability and moderate inflation, monetary policy is likely to remain unchanged in the near term, helping preserve the interest margin on NT dollar deposits and loans. Nonetheless, global uncertainties and shifts in U.S. trade policy, along with tightening regulatory standards on capital and liquidity, warrant a cautious outlook for future profitability in the domestic banking sector.

B. Financial Market Consolidation and the Rise of Niche and Emerging Financial Institutions

Following Fubon Financial Holdings' merger with Jih Sun Financial Holdings in 2022, the market saw two new consolidation cases in 2024: Taishin Financial Holdings with Shin Kong Financial Holdings, and SinoPac Financial Holdings' acquisition of King's Town Bank. These consolidations are aimed at enhancing economies of scale and competitiveness. At the same time, niche banks and cross-sector financial institutions are differentiating themselves by targeting specific markets or service domains, leveraging agility and innovation. Examples include JKOPay, PX Pay, and LINE Pay, which integrate payment scenarios and collaborate with financial institutions to build robust domestic and international payment ecosystems. Niche banks, on the other hand, specialize in serving SMEs, local communities, or specific industries, offering customized financial solutions to foster client engagement. Amid ongoing digital transformation, the rapid rise of new entrants and the potential liberalization of business boundaries offer both challenges and opportunities for developing specialized financial services in Taiwan's market.

C. Technological Progress Accelerating Digital Transformation in Banking

The rapid advancement of financial technology (FinTech) has reshaped the way banks interact with customers and revolutionized traditional banking operations. Non-financial enterprises, empowered by technological expertise, have increasingly entered the financial sector, intensifying the pressure on traditional banks to accelerate digital transformation.

In August 2023, the Financial Supervisory Commission introduced the FinTech Development Roadmap 2.0 to extend its prior policy framework. The roadmap outlines four strategic pillars, 15 action items, and 65 concrete initiatives to be implemented over a three-year period. These pillars include: optimizing legal and policy frameworks, strengthening talent development and advisory resources, promoting FinTech innovation and application, and enhancing financial inclusion through digital accessibility.

These efforts reflect global trends where regulatory regimes evolve to meet market changes. With increasing participation from public and private institutions, and ongoing technological advancements, digital finance is becoming more accessible to the broader population, enabling widespread access to convenient financial services.

Distinct from traditional banks that rely heavily on extensive physical networks, the Bank embraces a hybrid strategy that combines digital and physical channels to deliver innovative financial services. The Bank is also actively pursuing cross-sector partnerships to leverage the technological strengths and customer ecosystems of tech companies and platform providers, aiming to develop differentiated offerings and tap into untapped market opportunities.

D. Strategic Development, Opportunities, and Challenges

(A) Development strategy:

The Bank's retail banking strategy centers on digital innovation, leveraging advanced and flexible information systems and technologies. By integrating social media-based marketing and interaction models with big data analytics and strategic alliances, the Bank aims to build a hybrid service channel combining physical and digital touchpoints. Product diversification and process optimization are being continuously enhanced. Building on the customer base accumulated since the Bank's transition to a commercial bank, efforts are focused on deepening and broadening customer engagement. In addition

to developing high-value lending businesses, the Bank leverages its professional wealth management teams and cross-group collaboration to build a refined wealth management platform. As a market latecomer, the Bank seeks to expand its customer base through differentiated branding and targeted product marketing.

In the corporate banking segment, the Bank continues to adopt a “deep cultivation” strategy—extending services from existing clients to those within their upstream and downstream supply chains. The Bank also proactively expands its mid-market enterprise (MME) and international financial client base, while enhancing risk control mechanisms, cross-selling capabilities, and product penetration to improve asset quality and increase client contribution. These measures aim to maximize the efficient use of capital.

In digital finance, the Bank actively develops retail and microenterprise channels through franchise networks, strategic alliance partners, FinTech firms, and lifestyle merchants. It also enhances the digital user experience to meet demand for simple and convenient financial services, thereby increasing customer loyalty.

Unlike peers that separate corporate and retail banking into distinct business units, the Bank operates under a unified “One Bank” model. This eliminates internal silos and integrates customer and product management across segments via a single customer view. To diversify regional revenue and tap into high-growth markets, the Bank continues to establish overseas branches, expand its asset base, and reduce concentration risks.

The Bank also actively develops its financial-related businesses both domestically and overseas through diversified equity investments, aiming to improve earnings stability and operational synergies. Among the Bank's key investments, China Bills Finance Corporation maintains a leading position in the bills market with consistent asset quality and stable profitability. The Bank's U.S.-based subsidiary, EverTrust Bank, serves the Chinese-American community in California with a sound financial foundation.

In the venture capital business, the Bank continues to explore promising emerging industries and enhance investment returns, while deepening group resource integration to maximize investment synergies. In the leasing business, O-Bank's equity-method investee, Infinite Finance Co., Ltd. continues to focus on cross-strait markets while expanding into ASEAN markets such as Thailand to capitalize on demographic dividends. The business also diversifies into green energy project finance and consumer finance.

The Bank's joint venture with China Everbright Bank and China CYTS Tours Holdings Co., Ltd., —Beijing Sunshine Consumer Finance Co., Ltd.—continues to explore China's consumer finance market through a light-capital, online-first operating model.

In addition to its core banking and investment businesses, the Bank also actively seeks strategic alliances and merger and acquisition opportunities domestically and abroad to accelerate scale expansion and enhance competitiveness. All such developments are assessed prudently, with a focus on efficient capital utilization to ensure that growth in scale is matched by profitability. The Bank remains committed to its vision of becoming “Taiwan’s leading boutique digital bank,” leveraging its agility and optimizing resource efficiency to maximize ROE and drive sustained EPS growth.

(B) Strengths and Opportunities:

The Bank's key strengths lie in its flexible organization, high adaptability, and agile decision-making. Supported by advanced IT infrastructure, a hybrid model of physical and digital channels enables the Bank to deliver efficient, high-quality financial services through a responsive and customer-centric approach.

The Bank also benefits from its strong corporate and group client base, which provides a solid foundation for expanding into the retail banking segment. The group continues to implement an integrated service strategy that extends its current institutional and individual customer relationships into sources for MME, wealth management, and international banking businesses, as well as potential partnerships in digital finance alliances.

(C) Challenges and Risks:

Since entering the retail banking market in 2017, the Bank's brand awareness and customer base still lag behind those of more established institutions. To address this, the Bank continues to enhance its market exposure through social media, media platforms, and promotional campaigns. These efforts are supported by physical branches, which help increase brand visibility and strengthen public recognition. The Bank also aims to build a fully integrated service network by leveraging the complementary advantages of digital channels and physical branches, ensuring that customers experience the Bank's presence and support at every step of their financial journey.

(4) Financial Product Research and Business Development**A. Major Financial Products and Newly Established Business Units in the Past Two Years, Including Their Scale and Performance as of the Date of the Annual Report****■ Corporate Banking:**

In recent years, the Bank has continuously enhanced both its software and hardware channels and steadily optimized its cash management services. Initiatives include the implementation of non-replacement of original fax transaction documents, corporate online banking traffic segregation, FXML remittance services, and payment collection via convenience stores, all contributing to the expansion of the Bank's service offerings. In 2023, the Bank further developed its eACH services, offering clients more real-time and flexible solutions. In 2024, eACH was officially launched, providing more diverse and convenient collection and payment services. Additionally, the Bank planned to introduce a simplified version of online banking and a CRM system, which are expected to go live in 2025 to further enhance client services.

The Bank also continued to launch various NT dollar demand deposit preferential rate programs aimed at attracting new customers. Since 2022, the Bank has been actively promoting preferential rate programs such as the "Tiered NT Dollar Demand Deposit Program for Social Enterprises" and the "Tiered NT Dollar Demand Deposit Program for B Corps," fulfilling its corporate social responsibility. To support the development of Taiwan's SMEs, the Bank also offers preferential demand deposit rates and special time deposit programs for small enterprises, providing diversified fund allocation options for corporate clients.

■ Retail Banking:

The Bank has focused on the establishment and expansion of its wealth management business in recent years, continually increasing the range of financial products offered. In 2023, several new fund series were added to enrich the wealth management platform. Additionally, starting from July 2024, the Bank began offering specific money trust products tailored for minor clients, thereby meeting diverse customer needs and providing more comprehensive wealth management services

■ Digital Banking:

To accelerate digital transformation and enhance digital competitiveness, the Bank established the Financial Innovation Department and formed a dedicated team to promote the following financial innovation initiatives:

(1) B2B2C Financial Transaction Platform:

The Bank is developing a B2B2C business model by integrating operational data management platforms to connect with relevant transaction data. This supports reconciliation and report analytics, improving transaction efficiency and management quality.

(2) Online SME Microenterprise Services:

In 2024, the Bank launched a new generation of online SME microenterprise services. By utilizing third-party data, the Bank has accelerated credit assessment and lending processes to better meet financing needs and support the development of microenterprises.

(3) Optimization of Digital Personal Loan Processes:

Building on existing channel partnerships, the Bank expanded its digital personal loan services by integrating web and app-based loan applications. Collaborations with smart F&B platforms also enabled customers to apply for small business loans via LINE. These efforts aim to establish a fully automated digital personal lending process to enhance service efficiency and the overall client experience.

■ Trust Business:

To deepen relationships with existing clients and expand financial services to the broader consumer market, the Bank continues to support the "Trust 2.0" and "ESG Sustainability Goals" policies. In addition to traditional services such as money trusts, real estate trusts, and custodial services, the Bank is actively developing new wealth and trust offerings, including family trusts (for high-net-worth wealth succession) and superficies trusts. These initiatives aim to provide clients with diversified investment and wealth planning options

Trust Financial Products and Their Scale Over the Past Two Years:

Unit: NT\$ millions

Item	2024	2023
Non-discretionary money trusts for investing in domestic and foreign securities	3,494	3,167
Other monetary trusts	719	2,334
Real estate investment trusts	3,472	3,217
Advance collections trusts	405	425
Total	8,090	9,143
Real estate trusts	4,362	3,055
Other- land superficies trusts	53	18
Total	4,415	3,073

※ For the information on the scale and profitability of the Bank's principle financial products, please refer to "Weight of Major Business Operations" of this Chapter: Business Activity.

B. R&D Expenditures, Achievements Over the Past Two Years, and Future R&D Plans

■ Corporate Banking:

To keep pace with rapid changes in the market environment, the Bank has continuously enhanced the security features of its corporate online banking system, implementing end-to-end encryption and regularly upgrading security modules to provide financial solutions compatible with various web browsers. In 2022, the Bank developed multi-platform operating system support for corporate users. In 2023, enhancements included new payroll functionality and operational improvements. In 2024, the Bank completed the development of a simplified online banking platform (O-Bank O-Speed Pay), which is scheduled to launch in early 2025 and will continue to be optimized thereafter.

The Bank also introduced dynamic security verification mechanisms for fax-based transactions to reduce the risks associated with paper-based document delivery, enhance transaction security, and lower operational costs for both the Bank and its clients. These efforts align with the Bank's commitment to corporate social responsibility and sustainable development among Taiwan's enterprises.

On the collection and payment front, the Bank expanded its payment channels, including the development of convenience store payment collection services, which went live in 2022. In 2023, the Bank further added and refined collection/payment solutions, such as launching eACH services in partnership with the Taiwan Clearing House and additional collaborations with convenience stores. In 2024, the Bank completed the internal system infrastructure for eACH services. Looking ahead to 2025, the Bank plans to launch a digital collection platform and a new CRM system.

R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT\$ thousands

Year	2025 (projected number)	2024 (actual number)	2023 (actual number)
Amount	48,278	2,739	3,000
Growth rate (%)	1662.6%	(8.7%)	(6.7%)

■ Retail Banking:

The Bank's R&D expenditures over the past two years have primarily focused on enhancing existing functions and services.

- (1) Electronic Banking: In 2023, the Bank established a C3 certificate infrastructure to facilitate faster and more convenient services. For example, retail clients applying for personal loans via mobile banking can use a C3 software certificate for e-authorization, allowing direct access to public sector data through the Joint Credit Information Center without submitting additional financial proof. Clients conducting NT dollar foreign exchange settlements through the Bank's online/mobile banking channels—when a single transaction or cumulative daily amount exceeds NT\$500,000—can use the C3 certificate for electronic declarations, thereby improving user experience and convenience.
- (2) Robo-Advisory Services: The Bank introduced robo-advisory tools that recommend investment portfolios tailored to clients' risk profiles, allowing for rational and automated financial decision-making. The system also notifies clients of opportunities to rebalance portfolios in response to market changes. Starting in 2023, the Bank incorporated ESG scoring as a key factor in fund selection to align with the growing global focus on corporate social responsibility and sustainability. Clients may also choose dividend-focused or brand-themed robo-advisory services based on their preferences.
- (3) Impact Lending Program: The Bank's impact lending program channels funds from designated impact deposits to provide loans to underprivileged groups, including low-income and lower-middle-income households, families facing hardship, and those caring for individuals with officially recognized disabilities. The program has also been expanded to include persons with disabilities, Indigenous peoples, and new immigrants holding a national ID card. As long as applicants have a stable income and meet the criteria, they are eligible for emergency support. This initiative aligns with the Bank's philosophy of altruism and inclusive growth.

(A) R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT\$ thousands

Year	2025 (projected number)	2024 (actual number)	2023 (actual number)
Amount	139,006	56,916	46,464
Growth Rate (%)	144.23%	22.50%	39.65%

(B) R&D Achievements in 2024

Unit: NT\$ thousands

Project	Investment
Enhancement of Electronic Banking Functions	23,240
Implementation of AI Marketing Chatbot	16,486
Enhancement of Fund Business System Functions	2,575
Enhancement of Loan Business and Related Systems	14,615

(C) Future R&D Plans

Unit: NT\$ thousands

Plans/projects during the most recent year	Current progress	Further required R&D expenses	Expected date of completion	Main factors weighing on success of future R&D
Real Estate Trust System	In progress	26,572	2026.6.30	Integrity of business planning and availability of system development manpower
Enhancement of Wealth Management System Functions	In progress	10,269	2025.12.31	
Enhancement of Electronic Banking Functions	In progress	62,043	2025.12.31	
Enhancement of Cloud Service Platform Functions	In progress	26,506	2025.12.31	
Enhancement of Loan Business and Related Systems	In progress	13,616	2025.12.31	

Looking forward, the Bank remains committed to meeting evolving customer needs in a rapidly changing market environment and amid increasing competition from digital-only banks. The Bank will continue to prioritize customer-centric innovation, concentrating resources on developing and delivering services that align closely with user expectations—reinforcing its position as the preferred bank of choice.

■ Digital Banking:

In response to the evolving digital landscape, the Bank has developed a B2B2C financial transaction operational data management platform and invested resources in the advancement of digital personal lending and SME/microenterprise financing services:

(1) Corporate Banking

To effectively manage B2B2C financial transactions with strategic partners, the Bank established an operational data management platform in 2020 to interface with transactional data from its strategic partner enterprises. This platform facilitates account reconciliation and reporting analysis, enabling users to comprehensively monitor various business activities. To continuously improve platform functionality, future enhancements will focus on delinquency management and account reconciliation capabilities. In 2022, through new features added to the Bank's corporate online banking system, customer payment information from the C-end was collected and integrated into the operational platform to generate consolidated reports. This strengthened the reconciliation process and helped ensure transaction authenticity within such business models.

The Bank is also actively developing fully online digital financial products to address the inefficiencies and inconvenience associated with traditional paper-based loan applications or in-person branch visits for SME and microenterprise clients. By establishing and optimizing digital lending processes, the Bank is working toward a fully digital loan application experience. Looking ahead, the Bank plans to collaborate with third-party service providers (TSPs) to interface and verify external data, enabling cross-verification of SME operational data. This data-driven credit evaluation model—where business data becomes a primary basis for credit scoring—aims to enhance the customer experience, promote environmental sustainability, and expand the Bank's inclusive finance services in alignment with its corporate social responsibility and sustainability goals.

(2) Personal Banking

In line with digital finance policy liberalization, the Bank has formed strategic alliances with channel partners to implement digital credit application processes, including:

- Online Digital Lending: Through partner apps or websites, customers can access the Bank's digital loan application interface, complete the application process online, and receive loan disbursement upon approval. This significantly reduces application time and enhances customer satisfaction.
- Smart Food and Beverage Platform "Toujiadai": The pandemic has accelerated digital transformation in the food and beverage sector. Through integration with smart restaurant platforms offering online reservations, ordering, delivery, payment processing, membership management, and supply chain procurement, business operations data has become more transparent. Leveraging this trend, the Bank has partnered with system providers to access data on store longevity, sales volume, and order stability, offering restaurant operators a convenient and fast online loan application channel.

R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT\$ thousands

Year	2025 (projected number)	2024 (actual number)	2023 (actual number)
Amount	13,616	14,615	14,692
Growth rate (%)	(7%)	(0.5%)	218%

■ Risk Management Operations:

To implement a risk-oriented internal control mechanism and establish a more effective and integrated internal control system, the Bank collaborated with a consulting team in 2018 to develop an integrated GRC (Governance, Risk Management, and Compliance) platform. This platform supports rapid risk identification and analysis, strengthens compliance with internal control regulations, and enhances the Bank's governance and risk management capabilities. The full implementation of the GRC system was completed by the end of 2023.

In line with the Basel Committee on Banking Supervision's Fundamental Review of the Trading Book (FRTB) framework, which introduces a more risk-sensitive standardized approach to capital requirements for market risk in the trading book and incorporates the correlations among various risk factors, the Bank initiated related research and trial calculations in 2022. In accordance with regulatory announcements, the FRTB requirements will be officially implemented on July 1, 2025. The Bank is actively preparing to complete system implementation in accordance with the prescribed regulatory timeline to ensure full compliance with capital adequacy regulations.

Furthermore, in response to the government's 2050 net-zero emissions target and in compliance with relevant regulatory guidance—including the Financial Supervisory Commission's Guidelines on Climate Risk Financial Disclosures for Domestic Banks, the Supervisory Policy Manual GS-1 on Climate Risk Management issued by the Hong Kong Monetary Authority (HKMA), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations from the Financial Stability Board (FSB)—the Bank has formulated a Climate Risk Management Policy as the foundation of its climate risk strategy. Through the implementation of climate risk management practices, the Bank conducts carbon emissions assessments and geographic risk mapping in areas vulnerable to climate impact. These efforts aim to better understand and gradually mitigate the effects of climate risk on the Bank's operations, contributing to a low-carbon economy and the achievement of long-term sustainability goals.

(5) Short-, Medium-, and Long-Term Business Development Plans

In consideration of the current domestic and global political and economic landscape, industry outlook, and the Bank's own strengths and challenges, the Bank remains committed to sustainable business growth. Accordingly, the following short-, medium-, and long-term operational development plans have been established:

A. Short-Term Business Development Plans:

(1) Optimize Asset-Liability Structure and Diversify Funding Sources

Given recent fluctuations and unpredictability in external interest rate levels, the Bank actively adjusts its financial asset positions in response to rate trends, aiming to manage interest rate sensitivity and mitigate profit volatility caused by market fluctuations. In asset-liability management, the Bank emphasizes diversification and stability of funding sources, compliance with statutory liquidity requirements, and enhancement of fund utilization efficiency.

Since its conversion into a commercial bank, the Bank has focused on stable business development by expanding its deposit base beyond large clients and reducing concentration risk. It has pursued multiple deposit channels through differentiated product design, marketing campaigns, and streamlined electronic platforms to broaden its customer base and strengthen relationships. Examples include enriching usage scenarios through digital partnerships, promoting securities-related deposits via non-financial holding company brokers, and enhancing the functions of internet banking, mobile banking, and SME online banking to offer efficient cash management services.

(2) Uphold the Light-Capital Strategy to Enhance Capital Efficiency

Under Basel III regulations, capital has become increasingly scarce. In 2025, the Bank will continue implementing its light-capital strategy by using credit lines to initiate client relationships and offering light-capital financial services to enhance client stickiness. The TMU business expands its customer base and develops products based on client needs. Wealth management continues to grow its team, promoting cross-unit collaboration under the One Bank approach and increasing product penetration to boost repurchase rates. Financial services are tailored to client needs, offering trade finance, accounts receivable financing, and trust solutions as alternatives to price-based credit competition—thereby slowing the growth of risk-weighted assets. As business grows, the Bank uses RORWA (Return on Risk-Weighted Assets) as a quantitative metric, along with other risk management tools, to evaluate capital efficiency and enhance return quality.

(3) Promote Digital Transformation and Create Blue Ocean Markets via Digital Finance Models

In the face of increasing financial competition, the Bank leverages its digital strengths by focusing on SME franchise networks and B2B2C credit clients, connecting upstream and downstream customers. This strategy not only accelerates client acquisition but also utilizes interactive transaction data to reduce credit risk. Additionally, promoting payroll services helps attract retail deposits, creating synergistic effects. In terms of data and technology enablement, IT, operations, and data intelligence teams are implementing foundational infrastructure in line with a three-year roadmap. The Bank applies the concepts of data-driven business and business-driven data to transform data into revenue.

(4) Embrace ESG through Group-Wide Sustainable Transformation

The Bank has been a leading ESG performer in Taiwan's financial sector. As of February 2025, the Bank ranked No. 1 among all listed companies in Taiwan in the Morningstar Sustainalytics ESG rating and has held the top ranking in the financial sector for three consecutive years. The Bank also ranked first among Taiwan's financial institutions in the 2024 FTSE Russell ESG assessment. In addition to embedding sustainability into business decision-making, the Bank is aligning with the IFRS S1 and S2 standards released in 2023, which require consistent and comprehensive ESG disclosures from all subsidiaries included in the consolidated financial statements. Leveraging its ESG expertise, the Bank will lead its subsidiaries in addressing new sustainability challenges, capturing transformation opportunities, and managing emerging risks.

(5) Navigate Global Developments Prudently and Accelerate Overseas Expansion

In response to evolving regional economic development and geopolitical risks, the Bank is implementing supporting measures to accelerate overseas expansion and diversify geographic exposure. Based on regional economic evaluations and the Bank's strengths, Australia and Singapore have been identified as key overseas markets. Following preparatory planning and applications in 2024, both locations are expected to be established in 2025. The newly established Sydney Representative Office will facilitate relationship building and market intelligence gathering, with plans underway to upgrade it to a full branch. Additionally, a strategic platform in Singapore established through the Bank's venture capital subsidiary will help expand the Bank's presence in Southeast Asia's emerging markets. With interest rates expected to decline and new U.S. policy directions under a new administration, the Bank's U.S. subsidiary EverTrust Bank is positioned to benefit from continued U.S. economic growth.

B. Medium- and Long-Term Business Development Plans:

(1) Strengthen Infrastructure and Deepen Client Relationships

The Bank has launched the "Dig Deep" strategic initiative, focusing on foundational infrastructure enhancement and ongoing internal reform as the basis for long-term transformation. Upgrading both hardware and software infrastructure, restructuring internal operations, and integrating technology, data, services, and diverse product offerings are central to fostering long-lasting customer relationships. The Bank will further integrate its corporate and retail platforms under the One Bank model and leverage group resources to operate with a "refined" and "digital" strategy—differentiating itself from traditional peers and striving to become Taiwan's leading boutique digital bank.

(2) Enhance Synergy through M&A and Strategic Partnerships

To strengthen group integration, scale operations, and create greater operational synergy, the Bank will continue to assess potential domestic and overseas merger, acquisition, or strategic investment opportunities that enhance business complementarity or performance. This includes adjusting existing investments, evaluating new investments in FinTech-related businesses, and pursuing cross-industry strategic alliances to expand the scope and depth of group financial services and improve profit quality and stability.

(3) Continue Promoting the O-Bank Spirit

The Bank firmly believes that corporate culture is the foundation of long-term success. Internally, the Bank emphasizes the spirit of O-Bank—“benefiting others to fulfill oneself”—and aims to extend this value to all stakeholders. As the business grows, the Bank will continue to attract like-minded talent and improve organizational efficiency and communication through the practice of the O-Bank philosophy. Externally, the Bank has pioneered numerous industry-first initiatives, including support for Taiwan’s B Corp development and the launch of innovative impact finance programs. Looking forward, the Bank will continue to integrate corporate social responsibility, ESG goals, and financial expertise to develop financial services that contribute meaningfully to society.

2. Human Resources

(1) The Bank's number of employees, as well as their average years of service, average age, educational background, and professional licenses held during the most recent two years and the current year up to the date of publication of this annual report:

Year		2025/4/15	2024/12/31	2023/12/31
Number of Employees	Clerks	1,128	1,228	1,169
	Workers	12	14	17
	Total	1,240	1,242	1,186
Average Age		41.9	41.7	45.5
Average Years of Service		4.7	4.5	4.4
Distribution of Academic Degrees	PhD	0.24%	0.24%	0.08%
	MA	28.20%	28.00%	28.84%
	BA	66.00%	66.13%	64.67%
	Senior High School	5.56%	5.63%	6.41%
Professional Licenses Held	Banks' Internal Control and Audit Exam	473	476	465
	Exam on Financial Market Knowledge and Professional Ethics	445	450	451
	Trust Services Competency Exam	409	420	402
	Structured Commodities Salesperson Qualification Exam	126	127	137
	Financial Derivatives Salesperson Qualification Exam	112	119	104
	Securities Brokerage Salesperson Qualification Exam	78	82	85
	Securities Brokerage Senior Salesperson Qualification Exam	118	116	126
	Personal Insurance Salesperson Qualification Exam	254	262	272
	Property Insurance Salesperson Qualification Exam	190	196	189
	Exam for Personal Insurance Salespeople Selling Foreign Currency, Non-Investment Products	89	90	86
	Entry-Level Lending Personnel Qualification Exam	224	234	232
	Entry-Level Forex Personnel Qualification Exam	165	173	168
	Bond Trading Competency Exam	19	20	21
	Forex Trading Competency Exam	8	8	8
	Bills Salesperson Qualification Exam	36	34	37
	Securities Investment and Trust Salesperson Qualification Exam	73	72	74
	Securities Analyst Qualification Exam	4	4	7
	ACAMS Certification	10	10	8
	CISA Certification	2	2	2
	CPA Certification of the ROC	7	7	5

Note: The employee tallies in the table do not take account of those working at overseas branch entities.

(2) Status of employee training:

To meet the need for migrating toward digital banking and ushering in a new business model, the Bank devises comprehensive training programs and career paths for employees based on its operating strategy and goal while paying special attention to incorporating the Bank's core values and specific requirements. Each year, training programs that focus on management capacity and specialized skills are designed separately for employees of different levels to enhance their competitiveness.

In 2024, the Bank hosted 737 internal training courses and drew on outside organizations for another 638 courses. Trainees totaled 76,028 persons. Combined, the Bank's employees underwent a total of 114,552.96 hours of training, averaging out to 93.28 hours at an average cost of over NT\$6,329 per person.

On top of the internal and external courses cited above, the Bank's digital learning platform—O-Bank Digital Academy—also provides a wide range of in-house and outsourced courses that cover various financial disciplines, legal compliance, and management issues. In 2024, a total of 480 such online training courses were offered and employee attendances amounted to 79,095.49 hours.

To accommodate migration toward updated international criteria for certification of personal information protection, the Bank offered a series of training on personal information protection in 2024 to get aligned with international practices and enhance employee awareness on this front.

3. Corporate Social Responsibilities and Code of Ethical Conduct

Since its establishment, the Bank has operated with a commitment to sustainable development, dedicating significant effort to fulfilling corporate social responsibility across six key areas: corporate governance, employee care, customer relations, environmental protection, social engagement, and green finance. In 2015, the Bank established its ESG Development Working Committee (formerly the Corporate Social Responsibility Committee), composed of senior executives from relevant departments. This committee ensures the integration of the Bank's values of integrity and sustainable thinking into all aspects of its operations, fulfilling its responsibilities to stakeholders including employees, customers, shareholders, suppliers, and the broader society. The Bank regularly reports its annual sustainability plans and implementation results to both the Board Sustainability Committee and the Board of Directors. Furthermore, since 2016, the Bank has published annual sustainability reports detailing its CSR performance. For nine consecutive years, the Bank has been recognized with the "Corporate Sustainability Reporting Awards" by the Taiwan Institute for Sustainable Energy (TAISE) under the Taiwan Corporate Sustainability Awards (TCSA).

■ Overview of the 6 Corporate Social Responsibility Areas

In the area of corporate governance, the Bank actively promotes ethical business practices, information transparency, and disclosure. In addition to appointing independent directors, the Board has established diverse functional committees to effectively oversee operations. The Bank also implements an internal whistleblower mechanism and has formulated anti-corruption and anti-fraud policies, which are reinforced through continuous employee training and advocacy. In terms of employee care, the Bank offers ongoing professional financial training and provides a digital learning platform, "O-Bank e-Learning Academy," to facilitate accessible learning. The Bank also offers comprehensive employee benefits and support measures, promotes work-life balance, and fosters a diverse and inclusive workplace environment that values equality and fairness. Regarding

customer service, the Bank complies with all regulatory requirements, ensures customer privacy protection, and safeguards transaction security. Upholding the corporate spirit of “fulfilling oneself by benefiting others,” the Bank created a charitable co-branded card platform that donates a portion of each customer’s spending to partnered nonprofit organizations. As of the end of 2024, the Bank had partnered with 18 nonprofit organizations and schools, allowing customers to choose the social causes they wish to support and make a positive impact with every transaction.

In the area of environmental protection, the Bank actively implements energy-saving, carbon reduction, water conservation, and waste reduction initiatives. It has committed to using 50% renewable energy across global operations by 2030 and achieving 100% by 2050, in alignment with its goal of net-zero emissions by 2050. The Bank has adopted ISO 14001:2015 Environmental Management System, ISO 14064-1:2018 Greenhouse Gas Inventory, and ISO 50001:2018 Energy Management System. In 2023, it obtained green building certification for its headquarters. The Bank also promotes green procurement and encourages suppliers to implement corporate social responsibility policies, demonstrating its vision of environmental co-existence. In terms of social engagement, the Bank embraces human-centered care by supporting rural schools for many years, bringing resources and enriching experiences to children in remote areas. It also regularly purchases products from social enterprises and B Corporations and organizes diverse activities to support the development of purpose-driven businesses.

In green finance, in addition to establishing a comprehensive climate change management framework and incorporating climate scenario analysis, the Bank has included ESG risk assessments into all investment and financing decisions, thereby effectively implementing responsible lending and investment. Additionally, the Bank has adopted several international standards to promote sustainable finance, including adopting the Task Force on Climate-Related Financial Disclosures (TCFD) framework and becoming a “TCFD Supporter” to assess and identify climate opportunities and risks for the Bank and its investment and financing portfolios; signing the Equator Principles to review potential environmental and social risks in project financing transactions; joining the Partnership for Carbon Accounting Financials (PCAF) to assess carbon emissions of its investment and financing positions; and joining the Partnership for Biodiversity Accounting Financials (PBAF) and becoming a “PBAF Supporter”.

Under its multi-faceted and systematic approach to sustainability, the Bank became a certified B Corporation in 2017 and successfully renewed the certification in 2021. The Bank has also received continued recognition from the Taiwan Corporate Sustainability Awards (TCSA), winning six awards in 2024: “Taiwan’s Top 100 Sustainable Companies Award” in the Premier Sustainability Performance category, “Social Inclusion Leadership Award,” “Gender Equality Leadership Award,” “Workplace Wellbeing Leadership Award,” “Creative Communication Leadership Award,” and the “Corporate Sustainability Reporting Gold Award” in the Finance and Insurance category. In terms of international ESG evaluations, the Bank achieved a score of 4.3 out of 5 in the ESG Score by FTSE Russell, a subsidiary of the London Stock Exchange. It also earned a score of 7.3 (lower scores indicate lower risk) from Sustainalytics, an international ESG rating agency. According to the Taiwan Depository & Clearing Corporation’s Integrated IR Platform, as of the end of March 2025, the Bank ranked first among financial institutions in Taiwan and seventh among all listed companies in the country in the FTSE Russell ESG Score. For Sustainalytics, the Bank ranked first among both financial peers and all listed companies in Taiwan, highlighting the effectiveness of its sustainability efforts.

■ Social Engagement Achievements

To support environmentally and socially responsible enterprises, the Bank has long purchased products from social enterprises and B Corporations as gifts for employees and media during festive occasions. In 2024 alone, the Bank purchased over NT\$1.672 million worth of such products. In addition to organizing social enterprise markets to engage employees in supporting these organizations, the Bank has also launched tailored financial services for social enterprises and B Corps, including the “Corporate Demand Deposit Preferential Interest Rate Program,” the “Salary Transfer Preferential Program,” and the “B Corporation Loan Program,” using financial tools to empower impact-driven businesses. To encourage more consumers to support social and B enterprises, O-Bank was the first in the industry to advocate for conscious consumerism, bringing together 30 social enterprises and B Corps as “Green Purchasing Power Partners” and offering an extra 4.22% cashback to customers who buy green products—making it easier for customers to support sustainability through their spending.

To further leverage financial resources to support disadvantaged communities, the Bank launched the industry-first “O-Bank Social Impact Program” in 2020. This initiative introduced a three-party sustainability model that enables the public to participate in “Social Impact Deposits.” The funds from these deposits are exclusively allocated to small low-interest loans for economically disadvantaged individuals, including: employees or job placement cases of partner institutions, holders of government-issued low-income, middle-low income, or hardship family certificates, and those supporting family members with disabilities who meet income eligibility requirements. In 2024, eligibility expanded to include persons with disabilities, Indigenous peoples, and new immigrants who meet the income criteria. The Social Impact Program channels customers’ deposits into emergency financial support for the underprivileged—allowing them to do good while addressing urgent needs, thereby fully realizing the Bank’s role as a financial intermediary and creating a virtuous cycle of financial goodwill. Furthermore, to support economically disadvantaged groups in building assets, the Bank launched the “O for YOU Assistance Deposit Program” in 2023, offering preferential New Taiwan dollar (NTD) savings interest rates to holders of low-income, middle-low-income, or special-circumstance family certifications, as well as individuals with disabilities or those supporting relatives with government-issued disability certificates whose income meets the application criteria. In 2024, the Bank launched the “Concentric Circles Assistance Deposit Program,” offering preferential NTD savings interest rates to new immigrants and indigenous peoples whose income meets the application criteria.

To further promote low-carbon behavior among individual consumers, the Bank partnered with Mastercard in 2022 to launch a pioneering “Carbon Emission Calculator” feature, allowing customers to view the carbon footprint of each card transaction in the Bank’s mobile app. This was accompanied by the launch of Taiwan’s first “Low-Carbon Lifestyle Card,” which bases cashback rates on carbon emissions—offering higher cashback for lower carbon transactions, thus encouraging environmentally responsible spending. In 2024, in collaboration with iPASS, the Bank launched the “Transportation Carbon Reduction Details” function, becoming the first bank in Taiwan to connect with iPASS’s transportation carbon emissions database. Customers with iPASS-enabled bank cards can, after activating this function, view the carbon emissions they have saved by using public transportation compared to driving. The Bank also released the “Transportation Carbon Reduction Card,” by leveraging the “Transportation Carbon Reduction Details” function. It is the first card in Taiwan offering transportation discounts based on the amount of carbon emissions reduced. As customers accumulate more transportation carbon reductions, they can enjoy higher cash back rewards, thus encouraging more carbon reduction actions.

[illegible]

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

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Furthermore, since 2022, the Foundation has launched an industry-academia collaboration project, “Taiping Elementary School Museum Operation and Establishment,” led by Professor Lin, Man-Li, former Director of the National Palace Museum. The project invited National Arts Award winner architect Huang, Sheng-Yuan and the Fieldoffice Architects team for spatial planning, fulfilling the wish of Huang Tu-Shui, Taiwan’s first Japan-educated sculptor, to preserve his work “Bust of a Girl” at his alma mater. In 2024, the Foundation invested NT\$10.49 million in the first phase of this industry-academia collaboration project. In addition to actively undertaking museum hardware renovations, the project office planned educational promotion activities and exhibition programs, including 23 “Huang, Tu-Shui and Plants Workshops” for school students, with nearly 521 student participants.

4. Number, Average Salary, and Median Salary of Fulltime and Non-Executive Employees; Their Differences from the Previous Year:

Year	2024	2023	Difference (%)
Number of Non-Executive Employees	968	875	10.63
Average Salary of Employees (NT\$ thousands)	1,344	1,317	2.05
Median Salary of Employees (NT\$ thousands)	1,109	1,081	2.59

Note: The employee tallies in the table do not take account of those working at overseas branch entities.

5. Information Equipment

(1) Hardware and Software Configurations of Major Information Systems

The Bank’s major information systems include those meant for front-end trading, mid-end management, back-end operations, and office automation. The primary hardware lineup includes IBM RS6000, Oracle SPARC, HP ProLiant, and Lenovo xServer while software, IBM AIX, RedHat Linux, Oracle Solaris, Windows Server, VMware, Oracle DB, and Windows SQL DB. Besides conducting in-house supervision and maintenance of the said major hardware and software, the Bank has also contracted suppliers for routine maintenance and emergency repairs in order to make sure that all information equipment runs smoothly at all times. The Bank is ready to gradually expand the foregoing information systems in coming years if this is warranted by business needs and performance considerations.

(2) System Development or Procurement

A. Major Special Projects Undertaken in 2024:

- (1) 24-Hour Online Banking Forex Business Project: This project extends the online banking trading hours to 24 hours a day, 365 days a year, aiming to increase foreign exchange revenue and expand the Bank’s customer base. It was launched in January 2024.
- (2) eACH Automatic Transfer Deposit Project: This project enables customers to set up automatic online transfers from a designated bank account to their O-Bank deposit account at fixed intervals and was launched in August 2024.
- (3) Stock Wealth Enjoyment Project: This project optimized the digital securities account opening and broker binding process, adding broker binding to digital account opening, enabling the online corporate banking unit to query bound investor information and allowing the customer service system to access information from the investor account opening process. It was launched in August 2024.

- (4) Comprehensive Statement PDF Download: To meet business needs and provide personalized customer service, related system functions, such as comprehensive PDF statements were developed and launched in August 2024.
- (5) AI Intelligent Customer Service System: To enhance online customer service capacity and customer experience, and to improve financial accessibility services, an AI intelligent customer service system was established and launched in September 2024.
- (6) Telemarketing System (TMK): A new consumer finance telemarketing system platform was established to optimize the sales process and support related business needs. It was launched in December 2024.
- (7) The transition to the new 2022 version of the ISO27001 standard (ISO27001: 2022) to maintain the effectiveness of international information security standards was completed in June 2024.
- (8) In the information security governance maturity assessment, the maturity level was enhanced and completed in October 2024.
- (9) Threat Intelligence Visualization and Next-generation Real-time Security Testing (Breach and Attack Simulation, BAS): An attacker's perspective was adopted to test the effectiveness of security monitoring and defense deployments, and it was completed in October 2024.
- (10) Financial Cybersecurity Action Plan 2.0 – Zero Trust Network "Identity Authentication": Evaluations were conducted, and identity authentication was gradually adopted to strengthen the Bank's connection verification and authorization controls, with the first phase of evaluation completed in February 2025.
- (11) SME Online Banking Development Project: A micro-corporate online banking function was developed for small and medium-sized (SME) corporate clients with white card transaction permissions, integrated with FEP transfer functions. It was launched in December 2024.
- (12) PxPay Plus Account Link (A/C LINK) with O-Bank Account Project: To attract new customers and expand consumption scenarios (PX Mart), PxPay Plus, a new electronic payment institution (e-commerce platform), was added and integrated with the Bank's system. Settings were added to all transaction modes (account binding/unbinding, positive/negative transactions, and instant withdrawal, etc.). It was launched December 2024.
- (13) New Privileged Account Management System Project: The privileged account management system was replaced to ensure the security of the Bank's system account and password management. It was launched January 2024.
- (14) Mobile Office Project: An intranet WiFi environment was established in the meeting rooms on all floors of the head office to enhance the mobile intranet access convenience for internal meetings. It was launched January 2024.
- (15) External Firewall Network Equipment EOS Replacement Project: External firewall equipment was replaced due to end-of-service (EOS) to enhance network communication security and improve network connection speed and stability. It was launched in May 2024.
- (16) Customer Mailing Address Standardization Project: For new customers or address changes, address standardization was conducted to ensure the accuracy of mailing addresses registered by customers. It was launched March 2024.

- (17) Completed Deployment and Application of “Eagle Eye Anti-Fraud Early Warning Model Results”: The “Eagle Eye Anti-Fraud Early Warning Model Results” were deployed to the data warehouse system for query analysis and anti-fraud identification early warnings. It was launched December 2024.
- (18) Hong Kong SWIFT MT to MX Project: MX messaging was fully adopted starting April 2024, with adjustments to Hong Kong core systems and corporate online banking. It was launched April 2024.
- (19) Electronic Payment and Taxes Processing Platform (Including YI-ZHI-FU APP): O-Bank’s debit cards previously supported only NCCC-provided POS system transactions. This project added support for Financial Information Service Co., Ltd.’s (FISC’s) POS system transactions, providing diverse consumption channels. It was launched October 2024.
- (20) Cardless ATM Withdrawal Function for Individual Depositors: O-Bank’s customers can make cardless withdrawals through other banks’ ATMs, thus enhancing customer experience and convenience. It was launched December 2024.
- (21) FISC Graylist: In cooperation with the FISC and the Financial Supervisory Commission’s (FSC’s) plan, this aims to protect public property and implement various anti-fraud measures, enhancing the security of fund flows. It was launched March 2024.
- (22) SME Franchise Merchant Project: In line with the expansion of inclusive finance business, new products for franchisees were designed to assist them in starting businesses and increasing employment. It was launched February 2024.
- (23) SME Credit Review Project: In response to the increasing number of credit applications, to strengthen risk control for credit clients, the system automatically performs monthly, quarterly, or annual reviews based on each credit client’s risk level. It was launched September 2024.
- (24) Large Amount Time Deposit Rate Tier Expansion Project: This enabled the Bank to set more precise rate interest rates for large-amount time deposits to effectively control interest expenses. It was launched October 2024.
- (25) National Police Agency’s Warned Account Anti-Money Laundering Mechanism: In line with the National Police Agency’s Warned Account Mechanism, the Bank took measures to manage and control individuals on the National Police Agency’s warning list, to achieve anti-money laundering objectives. It was launched March 2024.
- (26) Electronic Form System Upgrade Project: Upgrades were conducted due to database (DB) and operating system (OS) EOS to enhance information security. It was launched November 2024.
- (27) WMIAS Added Interface with Insurance Companies: The Bank integrated insurance data from insurance companies to support business units, enhancing product diversity and commission income. It was launched December 2024.

B. Major Special Projects to be Undertaken in 2025 and Beyond:

- (1) **IBMB Underlying Platform Upgrade:** In response to the EOS of the MFP 8 underlying platform used by the IBMB system, the Bank planned a platform upgrade and will optimize and adjust the existing system architecture. Scheduled for launch in the third quarter of 2025.
- (2) **IBMB Microservices Containerization Transformation:** To address rapidly changing business needs and system performance bottlenecks, and improve user experience, the Bank will gradually introduce a microservices architecture to overcome the limitations of the existing monolithic architecture, to achieve technical and business goals. Scheduled for launch in the third quarter of 2025.
- (3) **Official Website Sitecore Version Upgrade:** To improve system efficiency, enhance customer service quality, and strengthen information security, a system upgrade will be conducted. Scheduled for launch in the third quarter of 2025.
- (4) **Loan ETE Process without Account Opening:** Upon loan approval, a contract can be established without requiring account opening, with automatic deductions via eACH, including customer agreement for automatic debit in IBMB, authorization through the Taiwan Clearing House, and monthly debit processing. Scheduled for launch in the first quarter of 2025.
- (5) **Customer Service System Esxi Upgrade (Avaya-Related Upgrade):** To enhance the service stability of the customer service system, the host equipment will be updated, and system resources will be increased to improve the incoming call quality. Scheduled for completion in the fourth quarter of 2025.
- (6) **Managed Detection and Response (MDR) Implementation:** It is to enhance real-time monitoring and address Linux unmonitored issues. Installed on endpoints, it provides visibility/transparency for traffic between hosts, networks, and devices, as well as application activity; detects known and unknown threats at a lateral level; provides monitoring and mitigation, vulnerability assessments, alerts and responses, and simplification and integration of events. It is scheduled for completion in August 2025.
- (7) **Web Log Collection Platform (CyberEyes) Adoption:** It enables centralized monitoring of web and application logs, tracks internal and external network access status, and detects abnormal behavior, with real-time alert notifications via communication software. It is scheduled for completion in July 2025.
- (8) **Third-Party Cybersecurity Risk Management Service Adoption:** BitSight, an external ratings agency, was adopted to assess cybersecurity risk ratings for the Bank and its supply chain partners and to repair vulnerabilities, to reduce the probability of cybersecurity attacks for the Bank. It was completed in January 2025.
- (9) **New Electronic Payment (LINE PAY) Account Link Project:** To attract new customers and expand consumption scenarios, LINE Pay as an electronic payment institution was added and integrated with the Bank's system. Settings were added to all transaction modes (account binding/unbinding, positive/negative transactions, and instant withdrawal, etc.). Scheduled for launch in July 2025.
- (10) **Corporate Online Banking Middleware Software Upgrade Project:** To enhance system efficiency and execution speed, improve service quality, and comply with information security regulations and new-era business needs. Scheduled for launch by March 2026.

- (11) Data Center Optimization and Relocation Project: To achieve the Bank's sustainable operation goals and enhance data center continuity for the information center, a simultaneous effort involving data center optimization, streamlining plans, and relocation planning is underway to build an Infra A-A dual-active center. Scheduled for completion in the fourth quarter of 2025.
- (12) Oracle Exadata Migration and Upgrade Project: To improve the operational and data processing performance of various internal systems and support dual-center design, it is planned to migrate the Bank's important system databases [such as T24, IBMB, etc.] to Oracle Exadata. Scheduled for completion in the third quarter of 2025.
- (13) MSSQL Upgrade Project: In response to the EOS of MSSQL 2014 DB, to ensure normal DB operation, it is planned to upgrade the Bank's DB to the 2019 or 2022 version to meet information security requirements. Scheduled for completion in the third quarter of 2025.
- (14) Regulatory Reporting System Upgrade and Reconstruction Project: The regulatory reporting system and all intermediate files interfacing with the Bank's various systems will be reorganized to improve the accuracy and efficiency of report submissions, with the first phase. Scheduled for launch in August 2025.
- (15) APIM Platform Construction Project: An API Management system platform will be constructed to address business needs, such as open banking and internal/external data exchange; platforms and development methods will be standardized to reduce development manpower and information security risks for internal and external system integrations. It is scheduled for launch in October 2025.
- (16) ODS Data Intermediary Platform Construction Project: In line with the T24 core system upgrade, a read-write separation mechanism will be established on the T24 core system to improve system performance. Scheduled for launch in July 2025.
- (17) ESB System Upgrade Project: In line with the T24 core system upgrade, the ESB system platform upgrade and establishment will be initiated in the second quarter of 2025. The first phase includes developing approximately 160 messages related to the T24 core system, aligning with the T24 core system upgrade project timeline. Scheduled for launch in the third quarter of 2027.
- (18) Taiwan SWIFT MT to MX Project: It is planned to fully send MX messages starting from August 2025 and make development adjustments to the Bank's foreign exchange systems and corporate online banking in Taiwan. Scheduled for launch in August 2025.
- (19) T24 System Upgrade Project: To address current system pain points and security issues, a version upgrade of the current T24 system is planned, with the entire project scheduled for launch in June 2027.
- (20) Business Continuity Project in Response to Geopolitical Risks: System adjustments will be made with the supporting measures planned for the project. Scheduled for launch in December 2025.
- (21) Domestic Early Warning Mechanism Establishment: In accordance with the FSC's letter, a "Domestic Early Warning Mechanism" will be established. When making over-the-counter remittances, if the account is one of the "suspected fraudulent domestic financial accounts" announced by the National Police Agency, customer care will be initiated to prevent fraud. Scheduled for launch in May 2025.

- (22) High-Risk Foreign Migrant Worker Account Controls: To reduce the probability of fraud, in accordance with the FSC's letter, controls on high-risk foreign migrant worker accounts will be implemented by restricting their transactions or refusing account opening. Scheduled for launch in June 2025.
- (23) Electronic Payment Account Management Platform: The Bank encourages card binding for payments to enhance digital electronic payment customer engagement and services. Scheduled for launch in October 2025.
- (24) FISC's Foreign Currency Deposit/Withdrawal Mechanism Establishment: It is planned to establish an interbank ATM foreign currency account deposit/withdrawal mechanism to enhance convenience and provide convenient foreign currency deposit/withdrawal services. Scheduled for launch in coordination with other banks in October 2025.
- (25) Increase in Designated Account Transfer Limits: The original designated account transfer limit of NT\$2 million per transaction/NT\$3 million per day will be raised to NT\$10 million/NT\$30 million, respectively; online authorization by customers to increase designated account limits will be enabled to facilitate transactions for high-net-worth clients. Scheduled for launch in December 2025.
- (26) New Revolving Credit Products for Core and Inclusive Customer Groups: In phase 1, functions for borrowers with funding needs will be developed, allowing multiple drawdowns, repeated use, and installment repayments within the credit line. In phase 2, functions for those with investment needs/short-term turnover, a revolving loan type, will be developed. It is scheduled for launch in March 2025.
- (27) Electronic Form System Upgrade Project: Upgrades were conducted due to database (DB) and operating system (OS) EOS to enhance information security, while also adding related functions to improve work efficiency. Scheduled for launch in December 2025.
- (28) General Affairs Procurement System Construction Project: A general affairs procurement process will be added to enhance work efficiency and generate ESG reports. Scheduled for launch in December 2025.
- (29) TP SWIFT MT to MX Project: It is planned to fully send MX messages starting from August 2025, with corresponding MUREX system adjustments. Scheduled for launch in August 2025.
- (30) Credit Stakeholder Maintenance System Construction: In line with operating procedure adjustments, it aims to optimize the stakeholder system, including functions for maintenance, automatic creation, joint credit inquiry and results transfer, message inquiry, etc., to increase work efficiency, and improve data accuracy and timeliness. Scheduled for launch in December 2025.

(3) Mock Drills for Information Security

The Bank conducts drills for DDoS Attacks, Malware Attacks, and Personal Information Leakage on an annual basis. The objective is to make sure that the Bank, in the event of any accident caused by natural disasters, human errors, or malignant attacks, can report and handle it in a timely manner and thus keep its impact to a minimum.

1. Drills for DDoS Attacks: Every year the Bank joins forces with telecom operators to organize drills for DDoS attacks to get thoroughly familiar with all the emergency response procedures. Meanwhile, the Bank's Emergency Response Program for DDoS Attacks is subject to revision whenever warranted.
2. Drills for Malware Attacks: Simulations are implemented annually for IT personnel to get familiar with all the procedures—evaluation, notification, sequestration, handling, and recovery—in the event of a malware attack against PCs or servers.
3. Drills for Personal Information Leakage: With a different scenario designed each year, the drills may involve more participants if this is warranted by the scope and severity of the simulated impact. A post-drill review is conducted to ensure a swift response in the event of an actual leakage going forward.

(4) Protective Measures for Information Security

To safeguard the security of its information operating environment, the Bank has implemented a range of information security equipment and control mechanisms. These include antivirus software, dual-layer firewall control, intrusion prevention systems, file and host access control, abnormal network traffic monitoring, automated patch updates, website access control, instant messaging control, email filtering, external storage device control, data leakage prevention, database activity monitoring, mobile device management, privileged account management, two-factor authentication, laptop hard drive encryption, advanced persistent threat (APT) protection, distributed denial-of-service (DDoS) protection, endpoint detection and response (EDR), network isolation safeguards, network detection and response (NDR) systems, and a vulnerability tracking management system.

For application system security, the Bank has adopted tools for source code, black-box, and open-source code analysis, along with go-live security check mechanisms. To verify the effectiveness of these protective measures, in 2024 the Bank conducted Breach and Attack Simulation (BAS), red and blue team exercises, and domain service assessments. In addition, the Bank commissions professional cybersecurity firms annually to conduct security testing of its mobile applications (APP)

6. ICT Security Management

(1) ICT Security and Risk Management Framework

When it comes to managing ICT security, the Bank plans and implements measures from the perspective of operations management, thereby bolstering its overall capacity for upholding information security. The chief information security officer ("CISO") is charged with policy implementation and resources allocation to strengthen the Bank's information security management as well as supervision of planning and monitoring on this front. In addition to devising a fitting overall system as well as surveillance and protection mechanisms, the unit responsible for information security and composed of 10 people shall join related departments to conduct risk assessment and implement management and control measures.

To effectively implement its information security management system and enforce relevant operations, the Bank established an information security promotion team and an information security implementation and examination team in November 2016. Convened by the Head of Information Technology Division, the information security promotion team is responsible for supervising and deciding on matters in relation to the information security management system. The team also convenes meetings every six months to examine the implementation status of the information security management system and provide the resources needed.

With a plan to report to the Board annually, on March 12, 2025, the Bank's CISO filed a report to the Board of Directors on overall information security implementation during 2024. As such, the Board of Directors and senior management are charged with the responsibility of overseeing security on this front. Each year the CISO was joined by the chairman of the board, the president, the chief auditor, the chief compliance officer in issuing the Declaration of Overall Information Security Implementation.

(2) ICT Security Management System:

To ensure the confidentiality, completeness, usability, and legality of information assets and prevent intentional or accidental threats both within and without, the Bank has taken account of its business needs while enacting its information security policy and operational regulations, and thus "Information Security Policy" was approved by the Board of Directors. From setting information security policies and goals and adopting implementation and maintenance measures to reviewing and amending policies and regulations on a regular basis and assessing risks, the Bank follows the PDCA (Plan-Do-Check-Act) cycle as it seeks ceaselessly to improve and strengthen all relevant aspects on this front. The Bank obtained ISO 27001 Information Security Management System certification on January 20, 2017, successfully passed the three-year recertification in December 2022, and passed the ISO 27001:2022 transition audit in 2024 (with the certification validity extended from November 13, 2024 to January 20, 2026). In addition, an impartial third-party review is conducted annually to ensure the effective operation of the information security management system.

The Bank's information security goals are as follows:

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

(3) ICT Security Management and Resources

The Bank continues to invest in information security management resources, including strengthening both governance and technical infrastructure, enhancing cybersecurity defense systems, and participating in joint defense networks such as the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), Financial Information Sharing and Analysis Center (F-ISAC), and Financial Security Operations Center (F-SOC). External threat intelligence is incorporated into monitoring systems. In addition, the Bank has appointed dedicated information security personnel and regularly conducts cybersecurity training programs across the organization to enhance and strengthen overall information security capabilities.

In 2024, cybersecurity expenses (including those for software, hardware, and authorization) accounted for 12% of the Bank's total IT budget. As of December 2024, the number of international cybersecurity certifications obtained by personnel in the information unit is 26.

A comprehensive defensive mechanism is installed across application systems, servers, and network equipment (such as firewall systems, firewalls for web applications, intrusion detection systems, and clean pipe operations) to ward off malicious external attacks. Establish a surveillance system, review daily routine records, and conduct early warning operations. Tackle information system anomalies and potential information security threats, thereby effectively upholding information security and minimizing the risk of data leakage and malicious intrusions.

A. Cybersecurity Enhancement Measures

In 2024, the Bank completed the transition of its ISO 27001 Information Security Management System certification to the ISO 27001:2022 standard. It conducted Breach and Attack Simulations (BAS) and red-blue team exercises, while continuously incorporating external threat intelligence into its cybersecurity monitoring system to strengthen its defense mechanisms.

In alignment with the Financial Supervisory Commission's "Financial Cybersecurity Action Plan," the Bank adopted the Cybersecurity Assessment Tool (CAT) developed by the U.S. Federal Financial Institutions Examination Council (FFIEC) to continuously assess its cybersecurity maturity. Based on the assessment results, regular reviews and improvements are carried out.

B. Enhancing Customer Transaction Security

- 1) Malicious activities such as scans, vulnerability probing, attacks, and intrusions targeting the Bank's internet-facing systems increased by 87% compared to the previous year. All incidents were effectively monitored, analyzed, and blocked without impact to the Bank.
- 2) The Bank engaged professional cybersecurity vendors to conduct penetration testing, Breach and Attack Simulations (BAS), and red-blue team exercises on its websites and mobile apps to assess and enhance system security.
- 3) The Bank purchased electronic equipment loss insurance to mitigate risks of damage or loss caused by unforeseen and sudden incidents, thereby protecting its electronic assets.

C. ICT Security Training and Awareness Promotion:

In 2024, all employees received 3.5 hours of information security training and participated in monthly cybersecurity awareness email campaigns. These initiatives aimed to raise awareness of the importance of information security, threats, and regulatory trends. Periodic reminders on security practices were also issued to enhance vigilance and awareness. In addition, all dedicated cybersecurity personnel completed at least 15 hours of professional courses or competency training in cybersecurity.

(4) Major ICT Security Incidents

The Bank has not recorded any major ICT security incident during the most recent year and the current year up to the date of publication of this annual report.

The Bank has implemented a set of procedures for reporting and handling information security incidents to prepare for possible losses and consequences as well as countermeasures should they do occur. Information security incidents are assigned different grades. Upon receipt of notice of any information security incident, the handling unit shall address and resolve it within the prescribed timeframe. Subsequently it is also supposed to analyze causes of the incident and adopt remedial measures so as to prevent a repeat.

7. Labor Relations

(1) Employee benefit plans and retirement system as well as the status of their implementation; the status of labor- management agreements and measures for preserving employee rights and interests:

A. Benefit Plans:

- (1) Employee Insurance: In addition to offering labor insurance and national health insurance, as required by law, the Bank provides employees and their families with group insurance and increases their coverage under term insurance, accident and injury insurance, hospitalization insurance, cancer insurance, accident insurance for overseas business trips, and occupational hazard insurance. This makes a well-rounded insurance scheme that helps create a carefree working environment for employees.
- (2) Health Checkups: The Bank conducts annual health check-ups for employees, providing examinations exceeding regulatory requirements. Arrange on-site physician consultations based on employees' examination results and provide continuous follow-up care to ensure employees' physical and mental health is well taken care of.
- (3) Health Care Initiatives: To safeguard employee health and mitigate the impact of chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia, the Bank has established a dedicated health information section on its digital learning platform and regularly organizes health seminars to provide wellness-related knowledge through various channels. Additionally, the Bank hosts annual health promotion activities, such as weight-loss challenges, fitness competitions, and exercise classes, to encourage healthy lifestyle habits and enhance overall employee well-being.
- (4) Study Grants: The Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests.
- (5) Preferential Loans: The Bank provides employees with preferential loans to meet personal needs, including mortgages and consumer loans, and to offer emergency relief so as to stabilize their lives.

- (6) Employee Stock Ownership Trust (ESOT): Enable employees to share the Bank's success and bolster their identification therewith while helping them cultivate long-term savings and accumulate personal wealth.
- (7) Employee Counseling Services: Recognizing the importance of stress relief, the Bank collaborates with the Taoyuan Lifeline Association to offer psychological counseling services covering family relationships, interpersonal issues, emotional concerns, and workplace adaptation. Employees can schedule consultations directly with the Association.
- (8) Stress Relief Massage Services: The Bank hires visually impaired massage therapists, providing both job opportunities for the visually impaired and stress relief services for employees to ease shoulder and neck fatigue during work hours.
- (9) Health Station: Employees are provided with a variety of fitness and recreational facilities, including treadmills, spinning bikes, cross trainers, stationary bikes, dart machines, and golf driving range equipment, to help them relieve stress and stay efficient in the office.
- (10) Reading Room: All sorts of books, periodicals, and magazines are offered to help employees gain knowledge and relax themselves.
- (11) Lactation Room: To support employees with breastfeeding needs, the Bank has set up a freely accessible lactation room. This facility received certification as an Excellent Lactation Room from the local Health Bureau in August 2023 and passed the annual review again in 2024.
- (12) Considering employees' needs to take care of their families, the Bank offers special leave in the event of family members getting sick, leave for volunteering, leave for male employees to keep their wives company for pregnancy checkups, leave in the event of employees earning special honors, and flexible working hours. Meanwhile, the Bank has taken the lead to care for transgender employees. With same-sex partner certificates issued by the relevant household registration office or other relevant certificates, employees are equally entitled to marital leave, leave for keeping partners company for pregnancy checkups, paternity leave, funeral leave, and leave in the event of family members getting sick.
- (13) The Bank organizes a diversity of arts and humanities activities—artistic and cultural performances, guided concerts, and guided visits to art exhibitions—on a non-routine basis.
- (14) O-Bank Life Circle: The Bank cooperates with multiple businesses to provide employees with discounted offers or prices.
- (15) Legal Consultation Service: The Bank collaborates with three law firms to provide employees with discounted legal consultation services.
- (16) Other Allowance and Cohesion Activities: To enhance employee wellbeing, the Bank offers gifts of money for major traditional holidays and birthdays, childcare subsidies, and wedding, funeral, childbirth, and illness allowances, as well as organizes family day events, year-end dinners, and club activities.
- (17) Other Welfare Measures: These include monthly subsidized healthy meal boxes, complimentary fresh produce from local farmers each month, weekly on-site car wash services at headquarters, and in-house laundry drop-off and pick-up services.

B. Retirement System:

To effectively care for employees, the Bank implements an employee retirement system 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. Based on the Bank's Regulations Governing Employee Retirement, all employees in Taiwan are entitled to the following retirement system:

- (A) Retirement system under the Labor Standards Act: The Bank, in accordance with provisions of the Labor Standards Act, makes a monthly labor pension reserve appropriation equivalent to 2% of an employee's total wage and has the Labor Pension Reserve Fund Supervisory Committee deposit this amount in a designated account at the Bank of Taiwan whose management is entrusted to the Bureau of Labor Funds, Ministry of Labor. For the year 2024, the Bank recognized a defined benefit plan gain of NT\$14,325 thousand.
- (B) Labor Pension Act: The Bank makes monthly appropriations to be deposited in the labor pension reserve fund account. Upon implementation of the Labor Pension Act, the Bank also began, on a monthly basis, making labor pension contributions not lower than 6% of qualified employees' monthly wages to their individual accounts at the Bureau of Labor Insurance, Ministry of Labor. In terms of employees who voluntarily make contributions out of their wages to the labor pension reserve fund, the Bank shall withhold a percentage of their wages of their choosing and deposit the amount in their individual accounts at the Bureau of Labor Insurance, Ministry of Labor. For the year 2024, the Bank recognized an expense of NT\$71,797 thousand under the defined contribution plan.
- (C) Qualifications for Employees to Apply for Retirement:
 - a. Voluntary Retirement

An employee may apply for voluntary retirement under any of the following circumstances:

 1. Where the employee attains the age of 55 and has worked for not fewer than 15 years.
 2. Where the employee has worked for not fewer than 25 years.
 3. Where the employee attains the age of 60.
 4. Where the employee attains the age of 55 and has worked as a driver or security guard.
 - b. Compulsory Retirement

The Bank shall notify an employee of compulsory retirement if either of the following situations has occurred:

 1. Where the employee attains the age of 65.
 2. Where the employee is unable to perform his/her duties due to disability.

(D) Criteria for Payment of Pensions:

- a. For employees who reported to work prior to June 30, 2005 and choose to retain applicability to the retirement mechanism in the Labor Standards Act:

Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be not more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months; In accordance with Article 55, paragraph 1, subparagraph 2, an additional 20% on top of the aforesaid amount shall be given to employees forced to retire due to disability incurred from the execution of their duties.

- b. For employees applicable to provisions of the Labor Pension Act, which went into effect July 1, 2005:

- Of the employees who reported to work prior to June 30, 2005, their years of service before their choosing a switch of applicability to the Labor Pension Act shall be reserved and, in turn, their pension entitlement for the given period shall be calculated in accordance with provisions laid out above.
- In terms of the employees applicable to provisions of the Labor Pension Act, which went into effect July 1, 2005, the Bank shall, pursuant to the Table of Monthly Contributions for Labor Pension promulgated by the Ministry of Labor, contribute the equivalent to 6% of their monthly wages as labor pension on a monthly basis.

C. Labor-Management Agreements:

To promote harmonious labor relations and actively listen to employees' voices, the Bank has established multiple communication channels:

- (A) Regular Labor-Management Meetings: The Bank holds regular labor-management meetings each year to discuss labor law protections, such as increasing the number of days for maternity leave, paternity leave, and bereavement leave for spouses. Once approved through the labor-management meetings, such resolutions are formally included in the work rules and announced to all employees. The Bank also continues to emphasize key regulations on attendance and overtime to ensure employee rights are protected.
- (B) Regular Employee Assemblies and "WeCare 2.0+" Events: To enhance interaction between employees and senior management, the Bank regularly organizes "Employee Assemblies" and "WeCare 2.0+" sessions. During designated times, employees can engage in dialogue with senior executives to promote two-way communication between the company and its employees.
- (C) Install mailboxes to communicate with and care for employees: To protect employee rights and ensure effective communication, the Bank has established mailboxes for employees to file general complaints and sexual harassment charges. Complaint documents and letters shall be treated as confidential information to protect the rights and interests of the informing party. Separately, the "WeCare Mailbox" is put in place to encourage employees to make suggestions on employee care and help establish a workplace open to communication.

(D) “Corner for O-Bank Employees” Facebook Group: The Bank has created a private “Corner for O-Bank Employees” group on Facebook, where updates on various activities are shared. It also publishes a communication newsletter, TOUCH News, to keep employees informed of company developments in a timely manner. Furthermore, employee satisfaction and needs surveys are conducted annually to proactively gather feedback and identify areas for improvement.

Any new or revised labor-management measures are implemented only after thorough communication and consensus-building between both parties. Employees are also encouraged to share their opinions through internal communication channels or directly with their supervisors, thereby fostering effective communication and harmonious labor relations.

D. Measures for Preserving Employee Rights and Interests: In addition to enacting well-rounded internal regulations and operating procedures, the Bank makes it a point to uphold employee rights and interests and make sure that employees perform their duties in accordance with applicable laws or regulations and internal control regulations. The said regulations and procedures contain clearly defined provisions with regard to working hours, requesting and taking leave, salaries and bonuses, rewards and penalties, retirement, and occupational safety and health. To spare employees from sexual harassment and uphold gender equality at the workplace, the Bank has also implemented preventive measures and adopted regulations for filing complaints and imposing penalties. A sexual harassment complaint handling committee is now in place to receive allegations, conduct investigations, and take whatever action is warranted accordingly.

(2) Losses sustained as a result of labor disputes (including violations of the Labor Standards Act detected in labor inspections):

The Bank has not recorded any labor dispute and violations of the Labor Standards Act detected in labor inspections during the most recent year and the current year up to the date of publication of this annual report.

8. Material Contracts:

Type of Contract	Contracting Parties	Commencement and Expiration Dates	Major Content	Restrictive Clauses
Contract on authorization and maintenance of the Bank's new core system	The Bank and International Integrated Systems, Inc.	2015.11.9-2030.11.8	Installation of a new core system after the Bank's transformation to a commercial bank	As provided by the contract
Contract on Oracle ULA software license usage of the Bank	The Bank and Oracle Corporation (USA)	2024.1.1-2026.12.31	Oracle ULA software usage by the Bank	As provided by the contract
Contract on dedicated IDC hosting services of the Bank	The Bank and International Business Machines Corporation (IBM)	2025.1.24-2025.11.23	Data center optimization and relocation project – dual-site infrastructure establishment	As provided by the contract
Contract on dedicated IDC hosting services of the Bank	The Bank and New Century InfoComm Tech Co., Ltd.	2024.11.1-2030.5.31	Dedicated IDC hosting services of the Bank	As provided by the contract
Contract on authorization for system use and provision of special project service	The Bank and SYSTEX Software & Service Corp.	2023.1.1-2025.12.31	The Bank holds licenses for Microsoft Corporation's related products	As provided by the contract
Contract on maintenance of the Bank's hardware and storage equipment	The Bank and IBM Taiwan	2022.9.1-2025.8.31	Maintenance of the Bank's primary systems and storage equipment	As provided by the contract
Contract on outsourced production and delivery of bank/debit cards	The Bank and Thales DIS Taiwan Co., Ltd.	2022.10.6-2025.10.5	Outsourced production and delivery of bank/debit cards	As provided by the contract
Contract on outsourced production and delivery of bank/debit cards	The Bank and Taiwan Name Plate Co., Ltd.	2021.6.5-2025.6.4	Outsourced production and delivery of bank/debit cards	As provided by the contract
Contract on cash transport for the Bank	The Bank and Taiwan Security Co., Ltd.	2023.7.1-2025.6.30	Cash transport	As provided by the contract
Contract on cash transport for the Bank	The Bank and Lee Bao Security Co., Ltd.	2017.1.1-2026.12.31	Cash transport	As provided by the contract
Contract on licenses for Client Management Platform System (Relationship Management and Customer Management Platform)	The Bank and Salesforce.com Singapore Pte. Ltd.	2025.2.1-2028.1.31	The Bank holds licenses for Salesforce.com SaaS products	As provided by the contract
Contract on licenses for Client Management Platform System (Marketing Management Platform)	The Bank and Salesforce.com Singapore Pte. Ltd.	2024.2.1-2026.1.31	The Bank holds licenses for Salesforce.com SaaS products	As provided by the contract

9. Securitization:

The O-Bank Number One Real Estate Investment Trust (REITs) Fund, for which the Bank acts as lead arranger and trustee, was listed on the Taiwan Stock Exchange on June 21, 2018. The ninth REITs fund to go public in Taiwan, it marks the first instance of the local financial services industry launching into real estate securitization in nearly 11 years. Currently, the Fund holds mainly office buildings and shopping malls worth some NT\$3 billion. During their meeting on December 26, 2022, beneficiaries resolved that New Light International shall replace Sinyi Global as the Fund's management institution to expand its asset size and improve its management efficiency.

V. Review of Financial Conditions, Operation Results, and Risk Management

1. Analysis of Financial Status

Unit: NT\$ thousands

Item	Year	2024	2023	Difference	
				Amount	%
CASH AND CASH EQUIVALENTS		\$ 5,151,237	\$ 3,811,226	1,340,011	35
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS		18,467,946	22,597,761	(4,129,815)	(18)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		33,619,127	35,910,367	(2,291,240)	(6)
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME		69,502,853	71,310,546	(1,807,693)	(3)
DEBT INSTRUMENTS MEASURED AT AMORTIZED COST		23,765,497	23,672,845	92,652	-
NOTES AND BONDS PURCHASED UNDER RESALE AGREEMENT		5,976,328	-	5,976,328	100
RECEIVABLES, NET		2,957,640	2,862,234	95,406	3
CURRENT TAX ASSETS		273,524	278,401	(4,877)	(2)
DISCOUNTS AND LOANS, NET		226,026,167	203,604,557	22,421,610	11
INVESTMENTS MEASURED BY EQUITY METHOD		22,784,191	21,521,147	1,263,044	6
OTHER FINANCIAL ASSETS, NET		983,702	922,598	61,104	7
PROPERTY AND EQUIPMENT, NET		2,259,660	2,278,118	(18,458)	(1)
RIGHT-OF-USE ASSETS, NET		219,939	235,245	(15,306)	(7)
INTANGIBLE ASSETS, NET		493,573	499,648	(6,075)	(1)
DEFERRED TAX ASSETS, NET		348,793	360,075	(11,282)	(3)
OTHER ASSETS, NET		798,627	719,016	79,611	11
TOTAL ASSETS		413,628,804	390,583,784	23,045,020	6
DEPOSITS FROM THE CENTRAL BANK AND BANKS		17,545,933	12,435,739	5,110,194	41
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		1,340,836	1,367,475	(26,639)	(2)
NOTES AND BONDS SOLD UNDER REPURCHASE AGREEMENT		11,301,439	16,819,251	(5,517,812)	(33)
ACCOUNTS PAYABLE		5,036,890	4,472,804	564,086	13
CURRENT TAX LIABILITIES		31,154	286,570	(255,416)	(89)
DEPOSITS AND REMITTANCES		308,897,464	297,141,118	11,756,346	4
BANK NOTES PAYABLE		13,450,000	12,950,000	500,000	4
OTHER FINANCIAL LIABILITIES		11,226,264	3,380,674	7,845,590	232

Item \ Year	2024	2023	Difference	
			Amount	%
PROVISIONS	486,844	469,238	17,606	4
LEASE LIABILITIES	226,287	242,211	(15,924)	(7)
DEFERRED TAX LIABILITIES	919,315	679,521	239,794	35
OTHER LIABILITIES	361,917	237,148	124,769	53
TOTAL LIABILITIES	370,824,343	350,481,749	20,342,594	6
CAPITAL STOCK	30,553,579	30,330,063	223,516	1
CAPITAL SURPLUS	568,184	19,624	548,560	2795
RETAINED EARNINGS	13,220,088	11,742,262	1,477,826	13
OTHER EQUITY	(1,450,123)	(1,828,393)	378,270	(21)
TREASURY STOCK	(87,267)	(161,521)	74,254	(46)
TOTAL EQUITY	42,804,461	40,102,035	2,702,426	7

Analysis of the changes:

1. The increase in cash and cash equivalents was mainly due to an increase in deposits with other banks this year.
2. The increase in reverse repurchase agreements and bond investments was mainly due to new business undertaken this year.
3. The increase in deposits from the central bank and other banks was mainly due to an increase in Chunghwa Post's redeposits this year.
4. The decrease in repurchase agreements and bond liabilities was mainly due to a decrease in transactions this year.
5. The decrease in current income tax liabilities was mainly due to a decrease in income tax payable this year.
6. The increase in other financial liabilities was mainly due to an increase in the principal of structured products this year.
7. The increase in deferred tax liabilities was mainly due to the increase in the exchange differences from the translation of financial statements of foreign operations and the increased share of profits and losses of associates and joint ventures recognized under the equity method this year.
8. The increase in other liabilities was mainly due to an increase in guarantee deposits received this year.
9. The increase in capital surplus was mainly due to the issuance of shares at a premium this year.
10. The decrease in other equity losses was mainly due to an increase in accumulated translation adjustment gains.
11. The decrease in treasury stock was mainly due to the transfer of treasury stock to employees this year.

2. Analysis of Financial Performance

Unit: NT\$ thousands

Item	Year	2024		2023		Change Amount	Change Ratio(%)
		Subtotal	Total	Subtotal	Total		
Interest revenue			\$12,350,455		\$10,748,737	\$1,601,718	15
Less: Interest expenses			9,703,585		8,444,229	1,259,356	15
Net interest revenue			2,646,870		2,304,508	342,362	15
Non-interest revenue							
Net service fee revenue		\$ 1,055,341		\$ 914,467			
Gain (loss) on financial assets or liabilities measured at fair value through profit or loss		4,761,412		2,237,276			
Realized gains on financial assets at fair value through other comprehensive income		242,512		358,185			
Foreign exchange gain (loss), net		(2,126,189)		121,655			
Share of profit of associates and joint ventures accounted for using equity method		1,135,264		869,268			
Other net revenue other than interest income		71,833		61,154			
Net Non-interest revenue			5,140,173		4,562,005	578,168	13
Net income			7,787,043		6,866,513	920,530	13
Less: Bad debt expenses and guarantee liability provisions (miscellaneous provision)			423,413		444,271	(20,858)	(5)
Operating expenses							
Employee welfare costs		2,226,762		2,020,094			
Depreciation and Amortization expenses		483,835		510,346			
Other general and administrative expenses		1,245,480		1,090,850			
Total operating expenses			3,956,077		3,621,290	334,787	9
Less: Profit from continuing operations before income tax			3,407,553		2,800,952	606,601	22
Less: Tax expense			551,354		308,532	242,822	79
Profit			\$ 2,856,199		\$ 2,492,420	\$363,779	15

Analysis of the changes:

1. The increase in net income before tax from continuing operations was mainly due to an increase in net interest income, gains or losses on financial assets and liabilities measured at fair value through profit or loss, and net exchange gains, as well as an increased share of profits and losses of subsidiaries and associates recognized under the equity method, resulting in higher net revenue compared to the previous year.
2. The increase in income tax expense was mainly due to higher net revenue compared to the previous year.
3. The increase in net profit for the period was mainly due to higher net revenue compared to the previous year.

3. Analysis of Cash Flow

(1) Analysis of Changes of Cash Flow in the Most Recent Year:

- A. Operating Activities: The net cash outflow from operating activities increased by NT\$16,383,722 thousand compared to the previous year, mainly due to a smaller increase in deposits and remittances compared to the previous year and a cash outflow from repurchase agreements and bond liabilities this year.
- B. Investing Activities: The net cash outflow from investing activities decreased by NT\$152,715 thousand compared to the previous year, mainly due to a smaller increase in guarantee deposits paid compared to the previous year.
- C. Financing Activities: The net cash inflow from financing activities increased by NT\$9,382,092 thousand compared to the previous year, mainly due to a larger increase in other financial liabilities this year.

(2) Improvement Plan of Insufficient Liquidity: Not Applicable.

(3) Analysis of Cash Flow for the Coming Year:

Unit: NT\$ thousands

Amounts of cash and cash equivalents- beginning of period	Estimated annual net cash flows from (used in) operating activities	Projected net cash flow from investment and financing activities	Estimated fiscal deficit(surplus) of cash and cash equivalents	Remedy if cash and cash equivalents in deficit	
				Investment plan	Financing plan
13,099,790	807,401	(427,025)	13,480,166	-	-

4. Major Capital Expenditure Items and Effect on The Company's Future Business: Not Applicable.

5. Investment Policy, Main Causes of Profits or Losses, and Improvement and Investment Plans for the Coming Year

In keeping with the trends and changes across domestic and regional financial environments, the Bank adopts an investment strategy that centers on increasing earnings diversity and stability and striking a balance between risks and rewards for its investment portfolio. In line with the mainstream thinking of the financial services industry with regard to risk management, the Bank seeks to diversify its investments in domestic and foreign financial businesses to reduce the volatility of its investment portfolio. Currently, the Bank's domestic and foreign investment businesses cover securities finance, financial leasing, American commercial banks, Mainland China consumer finance, venture capital and venture capital management consultants, etc., aiming to provide diversified financial services for customers in various life cycles and regions.

In 2024, the Bank's equity-method investment income was NT\$1.355 billion (excluding the amortization difference from subsidiary disposals), representing a 24% growth compared to the previous year. Regarding subsidiaries, China Bills Finance Corporation actively pursued a "cage-for-bird" strategy in its credit business to secure self-sustained revenue, effectively expanded processing fee income, diversified revenue sources, and managed foreign-currency bond operations adeptly in 2024. The after-tax net income was NT\$1.374 billion in 2024, a 7% increase from the previous year. IBT Holdings Corp. (holding EverTrust Bank, USA) benefited from relatively high U.S. interest rates, which boosted spread income, and actively managed overdue cases to recover bad debts. The after-tax net income was NT\$584 million in 2024, a 392% increase from the previous year. The venture capital business benefited

from a vibrant international stock market, allowing for disposals of holdings at high prices, with increased valuation gains, achieving an after-tax net income of NT\$150 million in 2024.

Concerning investments in associates, Infinite Finance Co., Ltd. recorded an after-tax net income of NT\$396 million in 2024. The company was affected by China’s overall economic slowdown, which weakened credit momentum and necessitated efforts to maintain asset quality. Meanwhile, Beijing Sunshine Consumer Finance Co., Ltd., a joint venture between the Bank, China Everbright Bank Co., Ltd., and China CYTS Tours Holding, continued to operate steadily. In 2024, the Bank recognized NT\$55 million in investment income from this venture under the equity method.

Looking ahead to 2025, the Bank’s investees will cautiously respond to the new U.S. administration’s economic and trade policies, pay close attention to China’s economic conditions and domestic/international interest rate environments, monitor risks, and deepen customer engagement. In addition, the Bank will explore business opportunities through the establishment of new overseas offices and continue to seek domestic and international strategic alliances to create business growth opportunities and achieve the goal of steady growth.

6. Risk Management

(1) Qualitative and Quantitative Information of Various Risks

A. Credit risk management system and required capital

2024 Credit Risk Management System

Item	Content
1. Credit risk strategy, goals, policy, and procedures	<div>■ Credit risk strategy</div> <div>1. Create an independent credit risk management organization.</div> <div>2. Adopt a clearly defined credit risk management policy and regulations.</div> <div>3. Establish credit risk assessment, identification, and management systems.</div> <div>4. Fully report and disclose the results of credit risk monitoring.</div> <div>5. Adopt information system SOPs for control of credit-checking and lending as well as assigning of rating scores.</div> <div>■ Credit risk goals</div> <div>1. Minimize potential financial losses and attain an optimal ratio of risk to reward by drawing on an appropriate risk management strategy and policy as well as fitting procedures, comply with the principle of risk diversification to implement rigorous credit risk management.</div> <div>2. Ensure compliance with applicable laws and regulations and group-wide risk management, in turn upholding credit standards and asset quality, by enforcing sound risk management mechanisms and control procedures, strengthening information integration and analysis, bolstering the effectiveness of early warnings, and carrying out lending management and monitoring without fail.</div> <div>■ Credit risk management policy</div> <div>1. In order to establish an effective risk management system, ensure the Bank’s sound operation and development, and provide a basis for business risk management and implementation, the Bank has drafted a risk management policy in tandem with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries promulgated by the Financial Supervisory Commission. The Bank has also drafted a set of credit risk management guidelines to govern the management of credit risk and establish credit risk management mechanisms to ensure that credit risk is controlled within an acceptable range. With capital adequacy rigorously upheld, the Bank will continue to control the bank’s credit risk and achieve operational and management goals.</div>

Item	Content
	<p>2. The Bank has also drafted the Lending Policy to serve both as guidelines for credit checking and lending work and as implementation indicators. The content of this policy includes lending principles and credit asset portfolio management. At the same time, the Bank has also compiled credit extension handbooks that specify credit checking and lending procedures and related operating details, ensure that policies will be continuously and effectively implemented, maintain strict loan approval standards, and facilitate the control of credit risk, assessment of possible business opportunities, and identification and management of NPLs.</p> <p>■ Credit risk management procedures</p> <p>1. Risk identification</p> <p>Credit risk management starts with the identification of existing and potential risk, including all bankbook, blotter, and on- and off-balance sheet transactions.</p> <p>With the arrival of financial innovation and emergence of increasingly complex loan services, the Bank's responsible units must gain a full understanding of the credit risk of sophisticated services before engaging in any existing or new types of business. The Bank must also determine the probability that any breach of contract may occur when entering into a loan arrangement or transaction.</p> <p>2. Risk assessment</p> <p>(1) Establish a credit risk rating mechanism as a key tool for management of the Bank's asset portfolio.</p> <p>(2) Portfolio management is intended to achieve the following three goals:</p> <p>a. Establish and monitor the Bank's loan asset portfolio to ensure that risk is kept within an acceptable range.</p> <p>b. Impose concentration limits to prevent risk concentration, in turn attaining the goal of risk diversification.</p> <p>c. Achieve the objective of optimal earnings.</p> <p>3. Risk communication</p> <p>(1) Internal reporting: The risk management unit shall establish an appropriate credit risk reporting mechanism based on which to regularly provide upper management with correct, consistent, and real-time credit risk information, thereby ensuring that any instances in which limits are exceeded or exceptions occur are promptly reported and serving as reference for subsequent decision-making. Such reports may cover such items as asset quality, asset portfolio status, rating status, and all types of exceptions.</p> <p>(2) External disclosure: In accordance with capital adequacy requirements and the principle of market discipline, units responsible for credit risk shall provide self-assessment of the Bank's performance against quantitative and qualitative credit risk indicators as well as information regarding the Bank's credit risk management system and status in terms of required capital. They shall do so using the format and covering the items stipulated by the competent authority in the way and frequency it requires.</p> <p>4. Risk monitoring</p> <p>(1) The Bank shall establish a monitoring system to assess changes in credit risk of borrowers or transaction counterparties, which will facilitate the prompt discovery of problematic assets or transactions, while enabling the Bank to take action quickly, and respond to any possible breach of contract.</p> <p>(2) Apart from monitoring individual credit risks, the Bank shall also perform monitoring and management of its loan portfolio.</p> <p>(3) The Bank shall establish rigorous credit checking processes and lending regulations based on which to take into account lending factors worthy of consideration, perform post-lending management of new, renewed, and existing loans, and preserve credit checking and lending records. At the same time, the Bank monitors closely the proportions of various types of loans in its loan portfolio.</p> <p>(4) The Bank shall establish a limit management system to prevent excessive concentrations of credit risk, including country risk, industry risk, same-group risk, and same concerned party risk.</p> <p>(5) The Bank shall establish a security management system to ensure that security is managed effectively.</p>
2. Credit risk management organization and structure	<p>■ Board of Directors: The Board of Directors is the Bank's highest supervisory body that is responsible for establishing an effective risk management mechanism, approving and reviewing the Bank's credit risk strategy and major credit risk policies, and setting down a bank-wide credit risk management organizational framework and major credit risk management regulations. The Bank's credit risk strategy should correspond to the degree of risk that the Bank can withstand and the profitability standards that the Bank expects to reach against all types of credit risk.</p> <p>■ Audit Committee:</p> <p>1. Members: The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise.</p> <p>2. Chief duties: The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager and accounting supervisor; and reviewing other major matters stipulated by the Bank or the competent authority.</p>

Item	Content
	<p>■ Risk Management Committee:</p> <ol style="list-style-type: none"> 1. Members: The Chairman shall chair the Risk Management Committee, whose member shall include at least two directors equipped with professions in risk management or finance, and appointed by the Board of Directors. Also, the President, Head of Operation Management Division, Head of Legal & Compliance Division, Head of Business Strategy Division, Head of Risk Management Division, Head of Information Technology Division, Head of Financial Business Division, Head of Financial Market Division, Head of Offshore Banking Unit, and Head of Corporate Governance shall serve as the committee members. 2. Chief duties: The committee is responsible for reviewing the Bank's risk management policies and regulations, annual risk appetite, quota, and risk management proposals and mechanisms that call for board approval, reviewing the risk management mechanism for new business applications, as well as overseeing and reviewing risk management measures concerning credit, market, and operational risk, liquidity, information security, AML, personal information, climate and natural change, and emergency risks, thereby bolstering the Bank's risk management regime and ensuring the effectiveness of its risk management procedures. <p>■ Loan Evaluation Subcommittee:</p> <ol style="list-style-type: none"> 1. Members: The President shall serve as convener, and the managers of the lending and risk management departments shall serve as subcommittee members. The subcommittee shall meet once each week as a rule, and may hold an interim meeting when necessary. 2. Chief duties: The committee is responsible for reviewing loan applications forwarded by the Corporate Credit Management Department and Retail Credit Management Department. After giving its approval, the committee shall still present such applications to the relevant supervisory body for deliberation. <p>■ Loan Assets Quality Assessment Meeting:</p> <ol style="list-style-type: none"> 1. Members: The Head of Risk Management Division or Head of Corporate Credit Management Department shall serve as convener and chairman of the conference. Personnel from various relevant units shall attend meetings, and the President may attend when the situation warrants. 2. Chief duties: The conference is responsible for assessing the current state of credit asset quality; determining and reviewing strategies and action plans; assessing losses that loan assets are likely to suffer; and reviewing the adequacy of NPL and guarantee liability provisions. If the conference decides to propose an increase in NPL and guarantee liability provisions, it shall first submit the proposal to the President for approval. <p>■ Risk Management Units: The Bank's risk management units include the Risk Management Department, Corporate Credit Management Department, and Retail Credit Management Department.</p> <ol style="list-style-type: none"> 1. Risk Management Department: Charged with managing the Bank's credit, market, operating, and liquidity risk, the Risk Management Department is also responsible for supervising and keeping track of countermeasures taken by relevant units with regard to risk management decisions and assignments. Upon detection of any risk exposure that threatens to undermine the Bank's finances or business operations, it shall immediately take proper action and present a report in a timely manner. 2. Corporate Credit Management Department: The Corporate Credit Management Department is responsible for identifying, assessing, monitoring, and managing corporate banking risk; drafting loan review standards; drafting and revising contracts and forms; and controlling and releasing loan contracts and collateral. 3. Retail Credit Management Department: The Retail Credit Management Department is charged with the identification, evaluation, monitoring, domestic real estate appraisal work, and management of retail banking risk, appropriation of provisions, loss assessment, and post-lending management.
3. Scope and characteristics of credit risk reporting and assessment system	<p>With regard to the credit risk inherent in all products and business activities and before introducing new products and launching into any new line of business, the Bank has in place appropriate risk measures and controls, which have secured approval of Risk Management Committee, Audit Committee, or the Board of Directors.</p> <p>Credit risk assessment and control procedures include credit checking, rating assignment, credit line control, post-lending management, and debt collection. Apart from implementing the foregoing operating procedures, risk management units also regularly present various types of credit risk and asset quality analysis reports as management indicators. In addition, the Bank actively controls risk from country, group, industry, same concerned party, and same affiliated enterprise, and regularly submits monitoring results to the Board of Directors so that it can keep track of the Bank's exposure to various types of risk.</p> <p>In order to understand the Bank's risk-bearing capacity and the impact on its capital adequacy in the event of changes in economic conditions and the financial environment, the Bank performs credit risk stress testing in accordance with the Financial Supervisory Commission's Plan for Domestic Banks' Conducting Stress Testing and Operating Guidelines for Banks' Credit Risk Stress Testing. The results not only serve as an important basis for credit risk management but also are used for reference in continuously adjusting the Bank's business development, lending policy, and credit assessment procedures.</p>

Item	Content
4. Credit risk hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance and mitigation tools	<p>The Bank mainly uses the following risk mitigation tools to reduce exposure to credit risk: (1) provision of security by transaction counterparties or third parties; (2) on-balance sheet netting, such as using the deposits of a transaction counterparty at its financing bank for the purpose; and (3) third-party guarantees. Although credit risk mitigation tools can reduce or transfer credit risk, the simultaneous use of such tools may increase other residual risks, including legal risk, operational risk, liquidity risk, and market risk. The Bank has adopted rigorous procedures to control these types of risk, including formulation of policies, drafting of operating procedures, implementation of credit review and appraisal, establishment of control systems, contract management, etc.</p> <p>The Bank has established security management policies and operating procedures, verified bank-wide security data, and built a security management system. In order to apply a comprehensive approach to risk mitigation, the Bank has completed collection and analysis of data needed for security offsetting, linked the credit checking and lending system with its security management system, and established a capital requirement calculation platform.</p>
5. Method for meeting statutory capital requirement	Standardized approach

Risk exposure and required capital after risk mitigation employing the standardized approach for credit risk

Base Date: March 31, 2025 Unit: NT\$ thousands

Type of risk exposure	Risk exposure after risk mitigation	Required capital
Sovereigns	57,678,831	0
Non-central government public sector entities	0	0
Banks (including multilateral development banks and Qualifying Central Counterparty)	28,572,455	614,816
Covered bonds	0	0
Corporates (including securities firms and insurance companies)	106,356,895	7,166,106
Retail exposures	41,530,214	2,750,712
Real estate exposures	119,343,224	7,137,110
Equity exposures	4,460,176	840,494
Fund and equity investments	0	0
Other assets	3,453,418	291,495
Total	361,395,213	18,800,733

B. Securitization risk management system, risk exposure, and required capital

2024 securitization risk management system

Item	Content
1. Securitization management strategy and procedures	The Bank's asset securitization management strategy focuses on increasing the efficiency of funds use and asset liquidity, and relies on adjustment of the asset/liability structure and shifting of asset risk. As a consequence, apart from carefully assessing its loan assets and analyzing risk exposure, the Bank also makes active use of asset securitization as a channel and tool to ensure that it does not assume excessive risk in the course of pursuing profitability. Each securitization case must be approved by management and reported to the Board of Directors for consent, and must also be approved by the competent authority before implementation.
2. Securitization management organization and structure	In securitization cases for which the Bank serves as the originating entity, all loan assets in the asset pool must be reviewed and approved in advance by the Bank's operating and review units, and the credit status of target assets in the asset pool must be assessed and analyzed. The risk management unit bears responsibility for controlling and assessing relevant market risk.
3. Scope and characteristics of securitization risk reporting and assessment system	Before issuance of securitized products, the Bank's relevant units will handle target assets in the asset pool in accordance with the Bank's general credit checking and lending procedures, screen asset quality, assess risk, and gradually establish a securitization system. After issuance, depending on the status of target assets in the asset pool, the Bank will regularly perform re-assessment and reveal asset quality in a timely fashion. With regard to holdings taken on in response to credit rating upgrade or subscriptions to newly issued securitized products, the Bank will continue to perform follow-up risk management, model assessment, asset portfolio limit monitoring, asset quality control, bookkeeping, and compilation of information. These steps are intended to prevent deterioration of asset quality and facilitate response measures, when needed, to safeguard the Bank's rights as creditor.

Item	Content
4. Securitization hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance and mitigation tools	The Bank trades securitized products only of the conventional type, and all hedging is geared toward shifting the primary credit risk of the asset pool to third parties and creating insulation on the legal front. With regard to required capital after issuance, the Bank makes it a point to attain a level not higher than that when no risk mitigation instruments are employed, thereby reducing risk and maintaining profitability. When it comes to monitoring the continued effectiveness of subsequent hedging and risk mitigation tools, the Bank considers it a fundamental requirement that relevant documents must possess binding power over all related parties as well as legal force. At the same time, the Bank will perform necessary review to ensure the continued existence of mandatory force in law. The Bank shall perform the foregoing procedures, including drafting of strategies and operating procedures, implementation of credit review and assessment, establishment of control systems, and contract termination risk management, in accordance with its internal rules, regulations, and business handbook requirements.
5. Method for meeting statutory capital requirement	Standardized approach

Status of the Asset Securitization:

The O-Bank Number One Real Estate Investment Trust (REITs) Fund, for which the Bank acts as lead arranger and trustee, was listed on the Taiwan Stock Exchange on June 21, 2018. The ninth REIT fund to go public in Taiwan, it marks the first instance of the local financial services industry launching into real estate securitization in nearly 11 years. The underlying assets of this NT\$3 billion fund include two types: office building and commercial complex, and the resolution of the beneficiary meeting on December 26, 2022 agreed that the management agency should be changed from Sinyi Global Asset Management Co., Ltd. to New Light International Co., Ltd. to help enhance management efficiency and the fund size.

Securitization risk exposure and required capital (by transaction type): None.

Information concerning securitized products:

(A) Summarized information on investing in securitized products: None.

(B) a. Information to be disclosed on investment in securitized products at an initial cost of NT\$300 million or more (not including holdings taken on by the Bank as originator for the purpose of credit enhancement): None.

b. Information to be disclosed on holdings taken on by the Bank as originator for the purpose of credit enhancement: None.

c. Information to be disclosed on the Bank acting as a purchasing organization or a settlement purchasing organization for credit-impaired assets: None.

(C) Information to be disclosed on the Bank acting as a guarantee institution or providing liquidity financing credit lines: None.

C. Operational risk management system and required capital

2024 Operational Risk Management System

Item	Content
1. Operational risk management strategy and procedures	<ul style="list-style-type: none"> ■ Operational risk management strategy <ol style="list-style-type: none"> The Bank has established a comprehensive risk management environment and has instilled operational risk management consciousness throughout personnel at all levels, including the Board of Directors, thereby enabling internalization of the Bank's risk management culture. The Bank has established a risk management organization with clearly defined duties and powers in order to promote the implementation of bank-wide operational risk management. In order to enhance the effectiveness of operational risk management, the Bank has drafted a clear operational risk management framework, implementation regulations, and guidelines complying with the competent authority's requirements. The Bank implements independent and professional internal audits in order to check the effectiveness of operational risk management mechanisms. ■ Operational risk management procedures <p>The Bank's operational risk management procedures include process cataloging, risk analysis, risk identification, risk assessment, risk monitoring, and risk reporting. Meanwhile, the Bank employs such management tools as risk control self-assessment (RCSA), loss data collection (LDC), key risk indicators (KRIs), and Clean Desk (CD).</p>
2. Operational risk management organization and structure	<p>The Bank's operational risk management organization comprises the Board of Directors, Audit Committee, Risk Management Committee, Risk Management Department, Auditing Division, and other units. Roles of the operational risk management and responsibilities of personnel at various levels are as follows:</p> <ul style="list-style-type: none"> ■ Board of Directors: <ol style="list-style-type: none"> Serving as the Bank's highest level of operational risk management decision-maker. Ensuring the establishment of an appropriate risk management system and culture. Approval of a bank-wide operational risk management framework and strategy, including operational risk policy, organization, and duties, and regular review of the aforesaid items. Supervision of the functioning of operational risk management mechanisms to ensure their effectiveness. Provision of clearly defined guidelines over the identification, assessment, communication, and supervision of operational risk. Review of operational risk management reports and other risk-related information in order to gain an understanding of risk assumed by the Bank and ensure that internal resources are properly utilized and allocated. Ensuring that the Bank's operational risk management framework has been subject to internal audits by independent, properly trained employees with the necessary skills. ■ Audit Committee: <ol style="list-style-type: none"> The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise. The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager and accounting supervisor; and reviewing other major matters stipulated by the Bank or the competent authority.

Item	Content
	<ul style="list-style-type: none"> ■ Risk Management Committee: <ol style="list-style-type: none"> 1. Review of the Bank's operational risk management policies and regulations, annual operational risk appetite, and proposals for operational risk management that call for Board approval. 2. Review of operational risk management mechanisms for applying for or launching new lines of business (self-started or out of strategic alliances). 3. Supervision of operational risk management. 4. Supervision of operational risk early warning, exception management, and countermeasures warranted. 5. Supervision of operational risk management at the Bank's U.S. operations. 6. Supervision of the setup of risk management mechanism of all departments and its implementation. 7. Review of the implementation of operational risk management. 8. Planning and drafting of operational risk management mechanisms in response to environmental, regulatory, or market changes. ■ Risk Management Department: This department is the Bank's second line of defense for controlling operational risk. <ol style="list-style-type: none"> 1. Drafting of bank-wide operational risk management and control strategy, policy, and procedures. 2. Drafting of consistent operational risk identification, assessment, monitoring, and mitigation standards applicable throughout the Bank. 3. Implementation of the independent operational risk management framework and decisions approved by the Board of Directors, and establishment of a bank-wide operational risk management system. 4. Formulation of the powers and responsibilities of the Risk Management Department and of management at various levels, as well as their relationships in the Bank's chain of command. 5. Coordination and communication with various units about operational risk management matters, and continued supervision of their implementation performance. 6. Compilation of bank-wide operational risk information and, depending on the nature of such information, reporting it to the Board of Directors and the Risk Management Committee. 7. Implementation of operational risk training. ■ Other units: <ol style="list-style-type: none"> 1. Act as the Bank's first line of defense for operational risk management, these relevant units are responsible for determining and managing regulations and handbooks concerning the operational risk of the business and matters under their management. Each unit must designate one person to serve as its operational risk manager, who is to collaborate with the Risk Management Department in performing first-line defense tasks in the control of operational risk associated with the business and matters under the unit's management. 2. Comply with and implement the Bank's operational risk management regulations, actively monitor and control operational risk associated with their respective duties and operations, and report to the appropriate superior or unit in accordance with regulations. 3. Identify operational risk within each unit, including its sources and contributing factors. 4. Assess the frequency and severity of risk generated by each unit's operational processes on a regular basis; supervise and track efforts to address the inadequacy in terms of risk control. 5. File regular reports on operational risk issues, including major operational risk exposure and losses as well as measures taken to improve risk control or operational processes. ■ Auditing Division: In accordance with the Bank's Principles for Three Lines of Defense for Internal Control, act as the third line of defense and assess and verify the effectiveness of the Bank's risk management and internal control mechanisms.
3. Scope and characteristics of operational risk reporting and assessment system	The Bank employs risk control self-assessment (RCSA), loss data collection (LDC), key risk indicators (KRIs), and Clean Desk (CD) as operational risk assessment and monitoring tools. The results thus obtained are compiled as qualitative or quantitative risk information of the relevant organization and operations. In turn, the Risk Management Department presents independent analytical reports to the Board of Directors and upper management.
4. Operational risk hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance, and mitigation tools	<p>The Bank makes use of appropriate outsourcing and control of tasks as an operational risk mitigation policy. One of the outsourced tasks is cash transport.</p> <p>The Bank relies on appropriate insurance as a hedging strategy for addressing certain types of operational risk. For both outsourcing and insurance, the Bank always sets down clearly defined cooperative relationships and legal agreements, thereby ensuring the quality of such cooperation, service reliability, and effectiveness of risk shifting.</p>

Item	Content
5. Method for meeting statutory capital requirement	<p>Basic indicator method (BIA)</p> <p>The Bank adopts the basic indicator method, spelled out in the An Explanation on Banks' Calculating Equity Capital and Risk-Weighted Assets— Calculating Operational Risk promulgated by the Financial Supervisory Commission, to calculate its operational risk charge. Specifically, the capital charge for operational risk is determined by taking 15% of the average annual gross income for the past three years in which the gross income was positive.</p>

Required capital for operational risk

Base Date: Dec. 31, 2024 Unit: NT\$ thousands

Year	Gross Profit	Required Capital
2022	5,907,487	
2023	6,902,007	
2024	7,762,119	
Total	20,571,613	1,028,581

D. Market risk management system and required capital

2024 market risk management system

Item	Content
1. Market risk management strategy and procedures	<ul style="list-style-type: none"> ■ market risk management strategy <ol style="list-style-type: none"> 1. The Bank takes a proactive stance toward rigorously managing market risk. 2. Transactions are one of the Bank's major earnings sources: money is made on accurately capturing swings in market risk factors (stock prices, exchange rates, and interest rates). The paramount principle is to earn reasonable rewards while keeping risk exposure under effective control. The Bank takes account of its own macroeconomic and industry analyses as well as those undertaken by peer institutions. Targets are determined after in-depth discussions among the President, trading departments, and the department charged with market risk management. Such targets reviewed by the Risk Management Committee, are submitted to the Board of Directors for approval. 3. In light of the risk attributes of various transactions, the Bank has in place clearly defined management regulations and risk management indicators that govern risk exposure limits, reporting of such limits being exceeded, and managerial personnel authorized for decision-making and countermeasures warranted under such circumstances. Priority is given to rigorous implementation in order to ensure that traders always adhere to trading discipline and that the Bank's market risk exposure is kept within a reasonable range. ■ Market risk management procedures <ol style="list-style-type: none"> 1. The planning of market risk transaction amounts for any given year is performed in conjunction with the compilation of business and financial budget targets. At the end of each year, trading departments submit their respective amount applications to the Risk Management Department's Market Risk Management Section. When reviewing such applications, the section also takes into account the Bank's overall budget limits and estimate of capital consumption under capital adequacy before moving on to propose bank-wide transaction quotas and an overall stop-loss threshold. These proposals are then submitted to the Risk Management Committee for review and the Board of Directors for approval. 2. Based on the aforesaid overall stop-loss threshold approved by the Board of Directors, the Risk Management Department's Market Risk Management Section goes on to draft monthly stop-loss limits for each product line, VaR limits, and MAT (management action trigger) limits. These, upon approval by the President, will serve as the basis for the Bank's market risk management.

Item	Content
2. Market risk management organization and structure	<ul style="list-style-type: none"> ■ The Board of Directors is the Bank's highest supervisory body for market risk management: <ol style="list-style-type: none"> 1. When it comes to managing market risk inherent in various transactions, the bank-wide transaction quotas and overall loss threshold approved by the Board of Directors at the end of each year serve as the ultimate guidelines for market risk management. Based on the aforesaid overall stop-loss threshold for the coming year, the board authorizes the President to determine individual thresholds for various transactions by product. 2. The board also performs annual assessment to determine whether the Bank's performance in various transactions is consistent with preset business strategies and whether the assumed risk is within the Bank's tolerable range. In the event of a major abnormality in transactions or an instance of management by exception, review or retroactive approval of the board is warranted. ■ The Audit Committee is charged with the control of the Bank's existing or potential risks: <ol style="list-style-type: none"> 1. The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise. 2. The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager, and the accounting manager; and reviewing other major matters stipulated by the Bank or the competent authority. ■ The Risk Management Committee is a supervisory body responsible for setting market risk management guidelines and overseeing implementation of market risk management. <ol style="list-style-type: none"> 1. The Chairman shall chair the Risk Management Committee, whose member shall include at least two directors equipped with professions in risk management or finance, and appointed by the Board of Directors. The members shall also include the President, Head of Operation Management Division, Head of Legal & Compliance Division, Head of Business Strategy Division, Head of Risk Management Division, Head of Information Technology Division, Head of Financial Business Division, Head of Financial Market Division, Head of Offshore Business Unit, and Head of Corporate Governance. 2. The committee shall gather relevant departments for risk management meetings to discuss and report issues with regard to risk management. In addition, the committee shall each year review market risk management guidelines and product quotas for transactions as well as the overall stop-loss threshold for the coming year that are to be proposed to the Board of Directors. ■ The Risk Management Department is the operating department responsible for implementing market risk management. In accordance with the Bank's organizational rules, the Market Risk Management Section of the Risk Management Department bears responsibility for performing market risk management tasks with regard to planning, statistics, reporting, and monitoring.
3. Scope and characteristics of market risk reporting and assessment system	<p>An explanation is hereby given on the following three fronts—internal management regulations, framework of trading limits, and reporting procedures:</p> <ul style="list-style-type: none"> ■ Internal management regulations Based on the risk attributes of equities, interest rates, and exchange rates, the Bank has in place management regulations and guidelines that spell out risk management indicators and risk exposure limits, as well as the reporting, decision-making, and responding mechanisms in the event of over-limit events. ■ Framework of trading limits <ol style="list-style-type: none"> 1. To bolster the framework for managing market risk, the Risk Management Department takes into account the specific risk attributes of various products and sets VaR limits, MAT limits, 20-day average liquidity limits, and sensitivity limits (such as DV01, Delta etc.) that complement trading limits and stop-loss thresholds separately imposed on individual products. Upon approval of the President, the aforesaid complementary limits will serve as the basis for market risk management. 2. After the overall stop-loss threshold and quotas of product holdings for trading departments become effective upon approval of the Board of Directors, authorized the President to distribute among trading units, thereby authorizing the latter to set down their respective monthly loss limit. In turn, heads of trading departments shall conduct allocations among traders and report these to the Risk Management Department by letter as the basis for risk control. ■ Reporting procedures Against previously authorized trading limits, the Risk Management Department shall compile statistics on the risk exposure of trading departments and individual traders. In accordance with internal management regulations, it shall also submit risk reports, monitor over-limit events, and implement follow-up measures.

Item	Content
4. Market risk hedging or risk mitigation policy; strategies and procedures for continuous validity of risk supervision, avoidance, and mitigation tools	<ul style="list-style-type: none"> ■ All of the Bank's trading departments put in place their respective limits on trading positions and loss thresholds as well as other control mechanisms. The Market Risk Management Division of Risk Management Department is responsible for managing such risk by monitoring and assessing risk exposure on a daily basis. ■ In terms of hedging transactions conducted for financial derivatives, the risk exposure and sensitivity of the said derivatives are taken into account in assessing the effectiveness of hedging. ■ The Bank regularly undergoes market risk sensitivity assessment and stress tests, the results of which are presented to the Risk Management Committee and Board of Directors.
5. Method for meeting statutory capital requirement	Standardized approach

Market risk required capital

Base Date: March 31, 2025 Unit: NT\$ thousands

Risk Type	Required Capital
Interest rate risk	224,263
Equity securities risk	5,274
Foreign Exchange rate risk	441,447
Product risk	0
Options (simplified approach)	195,605
Total	866,589

E. Evaluation of liquidity risk includes a maturity analysis of assets and liabilities and an explanation of the methods adopted to manage asset liquidity and funds gap liquidity:

In terms of asset liquidity and funds gap liquidity management, the Bank has in place the Regulations on Managing Liquidity Risk and Interest Rate Risk, based on which various units are responsible for conducting cash flow control and compiling liquidity risk reports for submission to upper management on a regular basis. The Bank has also prepared a liquidity emergency plan to fill in any liquidity gap, reduce liquidity risk, and ensure smooth operations across the Bank.

Term Structure Analysis of New Taiwan Dollar-denominated Assets & Liabilities

Base Date: March 31, 2025 Unit: NT\$ thousands

	Total	Amounts remaining during the period prior to the due date					
		0-10 days	11-30 days	31-90 days	91-180 days	181 days-1 year	More than 1 year
Major matured capital inflows	301,347,272	46,442,980	29,678,275	34,806,147	21,613,405	23,323,355	145,483,110
Major matured capital outflows	347,771,079	20,555,691	26,345,311	62,419,405	91,869,105	41,506,569	105,074,998
Capital gap	(46,423,807)	25,887,289	3,332,964	(27,613,258)	(70,255,700)	(18,183,214)	40,408,112

Note: This table contains only Taiwan dollar (excluding foreign currency) amounts at the Bank's headquarters and domestic branches.

Term Structure Analysis of U.S. Dollar-denominated Assets & Liabilities

Base Date: March 31, 2025 Unit: US\$ thousands

	Total	Amounts remaining during the period prior to the due date				
		0-30 days	31-90 days	91-180 days	181 days-1 year	More than 1 year
Major matured capital inflows	4,884,589	2,607,426	703,536	472,742	307,452	793,433
Major matured capital outflows	5,048,455	2,622,954	999,072	592,861	274,996	558,572
Capital gap	(163,866)	(15,528)	(295,536)	(120,119)	32,456	234,861

Note: 1. The table contains U.S. dollar amounts at the Bank as a whole.

There is no need for reporting off-book amounts (e.g. planned issuance of NCDs, bonds, or equities).

Note: 2. Where offshore assets account for 10% or more of the bank's total assets, disclosure of supplementary information is warranted. (Branch assets accounted for 18.52% of the Bank's total assets as of March 2025.)

【Disclosure of supplementary Information】

Term Structure Analysis of U.S. Dollar-denominated Assets & Liabilities Hong Kong Branch

Base Date: March 31, 2025 Unit: US\$ thousands

	Total	Amounts remaining during the period prior to the due date				
		0-30 days	31-90 days	91-180 days	181 days-1 year	Longer than 1 year
Major matured capital inflows	2,299,757	1,869,978	258,337	15,759	69,573	86,110
Major matured capital outflows	2,199,429	1,383,786	376,884	195,152	82,680	160,927
Capital gap	100,328	486,192	(118,547)	(179,393)	(13,107)	(74,817)

(2) Impact of major domestic and foreign policies and legal changes on the Bank's finances and operations as well as countermeasures

- January 3, 2024: Amendments to the "Risk Management Regulations for Banks Conducting Securities Business" (approved for record by the Financial Supervisory Commission Letter No. 1120152651).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- January 11, 2024: Amendments to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies" and "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" (order issued by the Financial Supervisory Commission Letter No. 1120383996)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- January 12, 2024: Amendments to the "Procedures for Verification and Public Disclosure of Material Information by Listed Companies on the Taiwan Stock Exchange Corporation" (approved for implementation by the Financial Supervisory Commission Letter No. 1120363854).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- January 16, 2024: Amendments to the “Regulations Governing the Preparation of Financial Reports by Public Banks” (order issued by the Financial Supervisory Commission Letter No. 11202745811).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- January 19, 2024: Amendments to the “Self-Regulation on the Implementation of the Responsibility Map System in the Banking Industry” (approved for record by the Financial Supervisory Commission Letter No. 1120152563).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- January 26, 2024: Amendments to the “Regulations Governing the Preparation and Reporting of Sustainability Reports by Listed Companies” (approved for record by the Financial Supervisory Commission Letter No. 1130330523).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- January 30, 2024: Amendments to the “Regulations Governing the Reporting of Share Acquisitions under Article 43-1, Paragraph 1 of the Securities and Exchange Act” (order issued by the Financial Supervisory Commission Letter No. 1130380209)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- February 5, 2024: Amendments to the “Self-Regulation on the Cooperation between Member Banks of the Bankers Association and Third-Party Service Providers” (approved for record by the Financial Supervisory Commission Letter No. 11202239051).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- March 8, 2024: Amendments to the “Self-Regulation on Liquidity Risk Management in the Banking Industry” were promulgated (approved for record by the Financial Supervisory Commission Letter No. 1120153869).

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank’s financial and business operations is anticipated.

- March 29, 2024: Amendments to the “Self-Regulation on Fair Treatment of Elderly Customers in the Banking Industry” (approved for record by the Financial Supervisory Commission Letter No. 1130134303).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- April 15, 2024: Amendments to the “Matters to be Noted for Public Reporting of Information on the Internet by Public Companies” (approved for record by the Financial Supervisory Commission Letter No. 1130337070).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- April 22, 2024: Amendments to the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (order issued by the Financial Supervisory Commission Letter No. 1130381962).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- July 31, 2024: Amendments to the “Money Laundering Control Act” (order issued by the Presidential Order No. 11300068971).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- August 8, 2024: Amendments to the “Corporate Governance Best Practice Principles for Banking Industry” (approved for record by the Financial Supervisory Commission Letter No. 1130140607).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- August 23, 2024: Amendments to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” (order issued by TWSE/TPEX Order No. 11300713931).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
 2. No significant impact on the Bank’s financial and business operations is anticipated.
- November 29, 2024: Amendments to the “Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services” (order issued by the Financial Supervisory Commission Letter No. 11302739621).
 1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ January 9, 2025: Amendments to the "Regulations Governing the Content of Annual Reports of Banks" (order issued by the Financial Supervisory Commission Letter No. 11302739591)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 13, 2025: Amendments to the "Scope, Reporting Procedures, and Other Compliance Requirements for Material Contingent Events to Be Reported by Financial Institutions" (Financial Supervisory Commission Letter No. 11302744353)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 18, 2025: Amendments to the "Standards for Security Control Measures for Electronic Banking Business Conducted by Financial Institutions" (Financial Supervisory Commission Letter No. 1130152842)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ April 8, 2025: Amendments to the "Procedures for Verification and Public Disclosure of Material Information by TWSE-Listed Companies," "Guidelines for Information Reporting by TWSE-Listed Companies and Offshore Fund Institutions with Listed Offshore ETFs," and "Standards for the Disclosure of Complete Financial Forecasts by Listed Companies" (TWSE Letter No. 1140005339)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

(3) Impact of technological changes (including ICT security risks) and industrial changes on the Bank's finances and operations as well as countermeasures

In recent years, financial technology (Fintech) has developed rapidly, and digital transformation has become a trend that the banking industry is actively promoting and integrating into its operations. The banking industry leverages technological innovation to enhance the efficiency and security of financial services, such as the third phase of Open Banking, focusing on "transaction data" applications, the "Eagle Eye Anti-Fraud Alliance," a public-private collaboration to enhance fraud prevention, and the application scenarios of electronic payments and third-party payments. In July 2024, the Bankers Association of the Republic of China published the "Self-Regulatory Rules on Cloud Outsourcing of Financial Institutions" and a "Practical Handbook". While cloud services offer system scalability, cost savings, and improved efficiency, banks prioritize customer data security, regulatory compliance, and integration with existing systems when evaluating cloud applications. With an open mindset for digital banking while always taking care to comply with relevant laws and regulations, the Bank has employed cutting-edge technology to take advantage of the business boom on the internet. Online

trading mechanisms have thus been established for different lines of business. Priority is given to optimizing the digital banking experience. Meanwhile, the Bank is proactive to work with strategic partners across sectors in creating an ecosystem of digital brands. The ultimate goal is to develop digital banking services that are both competitive and inclusive

The application of artificial intelligence (AI) is becoming increasingly widespread in banking. To meet customers' real-time needs and enhance customer experience, the Bank launched a new intelligent customer service in 2024, providing 24/7 instant consultation services. To provide inclusive financial services amid Taiwan's increasingly diverse population, the intelligent customer service Chatbot includes multilingual translation functions, allowing customers to choose English, Japanese, Thai, Vietnamese, Filipino, or Indonesian for immediate translation.

On the other hand, ICT security is increasingly a risk management concern as fintech advances. Using emerging technologies can help to reduce the cost, improve the efficiency and promote the development of financial market, which raise potential risks such as information correctness and integrity, information security and privacy protection, and the security of suppliers' services. In particular, suppliers of software and hardware become the vulnerable points that hackers to look for the bug of information security protection as springboards to attack and then obtain client information or confidential information for commercial blackmail, resulting in financial losses or damage of goodwill. The Bank's operating system may be hacked and then system services, operating activities or service will be affected and interrupted, so the customer litigation, financial loss and litigation risks will be occurred.

In the future, the Bank is continuing to focus on the development of emerging financial technologies. Before implementing the emerging technologies, the Bank will set: (1) supplier management procedures, pre-outsourcing analysis planning, vendor selection process, contract signing, risk assessment and management, contract termination and service change and termination; (2) The supplier must ensure the delivery of the information system and service components without malicious programs and backdoors; (3) 24-hour monitoring, analysis of network traffic and identification of malicious program activities, detection and protection of unknown external malicious threats; (4) Emerging technologies and new types of security attack patterns will be continuously reviewed and revised of self-regulatory or operations. After controlling the security risks through the compliance, data protection and technology application, we provide the innovative financial services that are safe, simple, convenient and fun to the clients.

In addition, to keep abreast of technological changes and reduce the risk of industry volatility, the Bank formulates operational strategies in response to domestic and international economic conditions annually. Surveys and analyses are also done to gauge the development and trends of various industries. These in turn find their way into risk diversification for lending, deposit, and investment operations as well as the setting of ceilings imposed on different industries. Additionally, through education and training seminars, the Bank provides employees with insights into industry changes, trends, and prospects. Regular reviews are conducted to strengthen post-lending management and rigorously uphold asset quality. Priority is given to adhering to self-discipline in risk management and risk minimization, thereby bolstering the Bank's financial stability. With the launch of the "Green and Transition Finance Action Plan" by the competent authority, green finance will become a key focus of future sustainable development. Climate risk and the decarbonization of investment and financing portfolios will be core ESG issues. In response to international trends in sustainable finance

and decarbonization, efforts will continue to deepen green finance and guide industries toward sustainable development and low-carbon transition.

(4) Impact of changes in the Bank's public image on its crisis management as well as countermeasures

After our transformation into a commercial bank, the Bank has drawn on multiple media exposure channels and taken advantage of social media for interacting with the public. To regulate social media applications and consolidate our external communication policy, the Bank has implemented a set of procedures for social media management. This is also meant to help the Bank better manage the appropriateness and risk of how we present messages and our brand name on emerging media. Likewise, a mechanism for managing public statements is put in place to ensure the accuracy, consistency, and appropriateness of the Bank's messages meant for the public. Authorized spokespersons are appointed to represent the Bank in relaying accurate information and upholding our public image. Meanwhile, the Public Relations Section under the Bank's Corporate Sustainability and Communications Division is responsible for helping uphold our brand image, facilitate effective communication, and track news coverage of the Bank and monitor our social media exposure on a daily basis. The objective is to stay up to date with media coverage and consumer perception, thereby upholding our reputation and image and minimizing the risk of their being undermined by misunderstanding or inappropriate information. Moreover, the Bank has established a well-rounded mechanism for interdepartmental coordination and communication to respond to various demands of stakeholders in no time.

(5) Expected benefits and potential risks of M&As as well as countermeasures

"Mergers and acquisitions" represent a pathway for corporate growth. Mergers and acquisitions can expand the magnitude and scope of corporate business, disperse operating risk, distribute markets, enlarge financial product lines, boost operating efficiency, and enhance overall competitiveness. As a consequence, the Bank cannot rule out possible M&A plans when opportunities present themselves, and may employ mergers and acquisitions to quickly boost its market status and competitiveness.

The Bank will consider the rights and interests of all stakeholders when implementing any possible future M&A plans, and will strive to cautiously assess possible cooperating partners that will benefit the Company's long-term development under the premise that no harm is done to employees, customers, and shareholder's equity. As of the date of printing of this annual report, the Bank had no concrete M&A plans.

(6) Expected benefits and potential risks of expansion of business outlets as well as countermeasures

After the Bank changed to a commercial bank, it has emphasized that development of its digital financial services, and its service development efforts have focused on virtual channels such as online and mobile banking. In turn, physical outlets are charged with the task of promoting the Bank's brand image and acting as a venue for excellent financial services. Expanding our business locations can increase our service coverage, expand our channels and customer base, and achieve the benefits of dispersing risk and training more professional manpower. Due to the limited number of domestic branches of the Bank, and because we must perform prudent cost-benefit analysis before establishing any new locations, which is necessary to ensure that all locations provide the greatest possible benefit, we are exposed to limited risk from the expansion of business locations.

The Bank has already established a presence in the U.S., Hong Kong, and Mainland China. To mitigate regional concentration risk and enhance overall group synergy, the Bank aims to expand its overseas market presence. After evaluating development potential and the Bank's strengths and weaknesses, Australia and Singapore have been identified as the next key targets for overseas expansion. Following preliminary planning and application in 2024, the Sydney Representative Office and the venture capital subsidiary's Singapore strategic platform are expected to be established in 2025. The establishment of these two new locations will help facilitate customer relationship development and business intelligence gathering in the Asia-Pacific region. In the next stage, we will accelerate the process of upgrading the Australia office to a branch. In respect of macroeconomic factors, Australia's exports are centered on mining resources and agriculture and are susceptible to fluctuations in commodity prices, exchange rates, and interest rates. In terms of market operations, Australia's fiscal and economic stability supports robust infrastructure development, and the favorable spread environment benefits the financial industry. As for operating performance, the Bank has historically excelled in regional localized operations. We will follow the successful model of the Hong Kong Branch, cultivating the local market in stages and extending services to meet our customers' financial needs in Australia, thereby expanding the Bank's operating scale while balancing risk and profitability.

(7) Risks incurred by business concentration and countermeasures

The Bank was transformed into a commercial bank in 2017, expanding into personal financial services. It currently operates in the areas of corporate banking, personal banking, financial market operations, and securities investment. With the growth of retail deposits and the development of personal banking services, the Bank continues to promote business diversification. Its investments include bill finance, leasing, U.S. commercial banking, consumer finance in Mainland China, venture capital, and venture capital management consulting. These diverse operations span across the Greater China region, Southeast Asia, and the United States, with each business maintaining stable operations. In the next phase, overseas expansion will target Australia and Singapore, which will help further mitigate regional concentration risks.

(8) Effect upon and risk to the Bank associated with any change in managerial control, as well as countermeasures: None.

(9) Effect upon or risk to the Bank if a large quantity of shares held by a director, supervisor, or major shareholder with not less than a 1% stake are to be transferred or otherwise change hands, as well as countermeasures: There was no transfer of a large quantity of shares or other form of changing hands thereof by any of the Bank's directors and major shareholders. Changes in shareholdings on the part of some shareholders holding more than 1% stake had no impact on the Bank's operations.

(10) Litigious and non-litigious matters: None.

(11) Other major risks and countermeasures:

■ Information security risks

The Bank performs the following two assessment tasks with regard to information security risks:

1. Information asset risk assessment

We perform information asset risk assessment tasks every half-year. These assessments consider such factors as the value of information assets, weaknesses, threats, internal issues, external issues

(including laws and regulations, major information security incidents, technological changes, and industry changes, etc.), and take the requirements of stakeholder groups into consideration, and seek to understand the risk entailed by such information assets, and facilitate the adoption of appropriate security control measures able to reduce information security risks.

In 2024 the assessment found no high risk or major operating risk matters.

2. Computer system information security assessment

In accordance with the "Regulations for the Information Security Assessment of Computer Systems by Financial Institutions," annual information security assessments are conducted by external information security institution. These assessments inspect and confirm various information security threats and weaknesses, and implement control measures addressing technological and management aspects in order to strengthen network and information system security ability. Assessment tasks include the following:

- (1) Inspection of information architecture: We inspect network architecture configuration, the adequacy of information equipment security management rules, the greatest impact and risk acceptance ability in the case of single-point malfunctions, and the ability to maintain operations, etc.
- (2) Inspection of network activity: We inspect network equipment and server access records and user rights, information security equipment monitoring records, and malicious Internet usage or abnormal DNS server queries, etc.
- (3) Testing of network equipment, servers, terminal equipment, and Internet of Things devices: We perform equipment vulnerability scans and patches, testing of whether malicious programs exist, and testing of the complexity of account numbers and passwords.
- (4) Testing of network equipment, servers, and Internet of Things devices, and connection with the Internet: We perform penetration testing, website vulnerability scans, and inspection of server directory and website access rights, and database security settings, etc.
- (5) Customer-end applications programs: We perform testing of applications programs given to customers.
- (6) Inspection of security settings: We inspect server password setting principles and account number determination principles, the adequacy of firewall settings, operating system and antivirus software updating settings and updating status, and key storage protection mechanisms and access, etc.
- (7) Compliance inspection: We inspect computer systems to determine whether they meet the competent authority's standards.
- (8) Social engineering drills: We implement annual e-mail social engineering drills involving all employees, and conduct social engineering attack awareness and training.

In 2024, the implementation results found no high risk or major operating risk matters.

7. Crisis management and response mechanisms

In order to strengthen the Bank's ability to respond to major crises and disasters, the Bank has established the "Implementation Guidelines for Major Incident Emergency Response and Recovery Plans." These guidelines outline emergency response measures and notification principles for natural or man-made disasters, major epidemics, information system outages, personal data breaches, and liquidity crises. The Bank has also enhanced its disaster prevention capabilities through simulations, drills, and testing, aiming to minimize or eliminate damage in the shortest possible time, maintain normal operations, and safeguard customer interests.

In addition, the Bank has formulated the "Organizational Guidelines for the Emergency Response Committee," designating the President as the convener to ensure that, in the event of a major incident, timely information can be obtained and cross-departmental emergency response measures can be effectively coordinated and implemented.

The Bank continuously conducts crisis response drills to manage operational risks effectively. For instance, an annual drill is conducted for the allocation of funds to the Bank's Interbank Funds Transfer Guarantee Special Account, simulating a scenario in which insufficient balances during non-business hours could lead to failed interbank withdrawals and transfers, thereby affecting customer rights and the Bank's reputation.

Furthermore, the Bank conducts two information and business continuity drills each year. These scenario-based exercises are designed to verify that operations can continue smoothly in the event of major disasters affecting the Bank's headquarters or information building. During these drills, the remote backup systems are tested for proper activation, and business and operational units participate in simulated operations to ensure that key transaction processes remain functional. Notably, in 2024, the Bank's Corporate Internet Banking System in Taiwan was brought under the ISO 22301 Business Continuity Management System and has been certified by third-party verifier SGS.

In addition to the above-mentioned preparedness and drill measures, if false or misleading information about the Bank circulates in the market, the Bank's spokesperson may, depending on the situation, issue a material information disclosure or provide timely clarification regarding the Bank's financial and operational status.

8. Other major items: None.

VI. Special Disclosure

1. Summary of Affiliated Companies

Please refer to the Market Observation Post System (MOPS) at the following link:

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=2897&year=&mtype=K&isnew=true

Navigation path: MOPS homepage > Individual Company > Download Electronic Files > Related Party Transaction Disclosure Section (Three Statements Area)

2. Private Placement Securities and Financial Bonds: None.

3. Other Important Supplementary Information: None.

4. Events Occurred in the Previous Year and Up to the Publication of this Annual Report, Which Significantly Affect Shareholders' Equity or Price of Shares Pursuant to Item 2, Paragraph 3 of Article 36 of the Securities and Exchange Act: None.

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