

O-Bank 2020 Corporate Social Responsibility Report



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Editor's Note

Fulfilling our corporate social responsibilities is the first of many steps that O-Bank takes to "fulfilling oneself by benefiting others". To achieve sustainable operation and development, O-Bank deeply believes that the most important mission for a company is to pursue profit while at the same time caring for the environment and society.

O-Bank formed a Corporate Social Responsibility ("CSR") Committee in 2015. We maintains a corporate culture of "always sincere, always here" in the spheres of corporate governance, customer relationships, employee care, environmental protection, and social engagement, and takes a systematic approach to the implementation of our many different CSR plans. The results of our CSR efforts are regularly disclosed in CSR reports. By means of these reports, O-Bank hopes to stay in close communication with all concerned stakeholders so that they can better understand our thinking and how we act upon it. Since publishing our first CSR report in 2016, O-Bank has regularly published one each year in late June. This year's will be the sixth CSR report, and more will follow each year.

This CSR report covers O-Bank's CSR achievements in the five dimensions of corporate governance, customer relationships, employee care, environmental protection, and social engagement from 1 January to 31 December of 2020. Also, to ensure the completeness of reporting on certain programs and activities, parts of the report present information dating back to before 2020. Disclosures in this report mainly cover O-Bank's domestic and overseas business locations. In Taiwan this includes the head office and main Business Department in Taipei as well as the Zhongxiao-Dunhua Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, and Tainan Region Business Department. Overseas it includes the Hong Kong Branch and the Tianjin Representative Office. However, it does not include the affiliated enterprises that are covered in O-Bank's consolidated financial statements. Disclosures on the results of environmental protection measures (i.e. data on power consumption, water usage, and waste) include the O-Bank head office building in the Taipei Neihu Technology Park (in addition to O-Bank, the head office building is also home to affiliated enterprises China Bills Finance Corporation, IBT Leasing Co., and the O-Bank Education Foundation). Carbon emissions data include all business locations throughout Taiwan. Information on the results of social engagement efforts includes the community service activities of the O-Bank Education Foundation. All financial figures in this report are denominated in NT Dollars and have been certified by a CPA.

In its content and structure, the O-Bank 2020 CSR Report is modeled on the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) and the AA1000 AccountAbility Principles, and was also drafted with reference to the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies, the ISO 26000 Guidance on Social Responsibility, the UN Global Compact disclosure guidelines, and the UN Sustainable Development Goals. Also, the material issues in this year's report have been adjusted and re-analyzed with an eye to international sustainability trends and the issues of principal concern to peer institutions in Taiwan and around the world. At the same time, O-Bank retained the British Standards Institution to independently certify our CSR reports on the basis of the "GRI Standards (2016): Core option" and AA1000 AccountAbility Principles (The high level assurance of Type 2 of AA1000 AS v3), as shown in Appendix 6.

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

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O-Bank Corporate Communications Department

CSR Team

Letter from Chairperson

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

I chair the Corporate Social Responsibility Committee that we formed in 2015, O-Bank's President serves as the committee's vice chairman, and the rest of the committee's membership is composed of the chiefs of O-Bank's related units. Since the founding of this committee, we have begun to fulfill our corporate social responsibilities in a more systematic manner, steadily advancing commitments in the five dimensions of corporate governance, employee care, customer relationships, environmental protection, and social engagement. This past year, we addressed a sixth dimension by establishing a Green Finance Subcommittee that is making further efforts to achieve green sustainability in the financial industry. We firmly believe that a company's mission is not merely to earn profits; besides pursuing profit, a company must also care for the environment and society, and work toward a vision in which all stakeholders share in win-win outcomes for all.

After years of determined effort, O-Bank has become a Certified B Corporation, a distinction that signifies that the recipient meets the highest international standards for performance in the fulfillment of corporate social responsibility. We are the first Taiwanese financial services firm to become a B Corporation, as well as the first Taiwanese listed company to do so. This achievement demonstrates the depth of our commitment to employees, the environment, and society. What we seek is not simply to be "the best in the world," but to be "the best FOR the world". Besides, O-Bank has now received "Excellence in Corporate Social Responsibility Award" from Commonwealth Magazine for the past three years in a row, including in 2020 a second place in the medium-sized enterprise category. We've also won numerous "Taiwan Corporate Sustainability Awards" from the Taiwan Institute for Sustainable Energy over the years. In 2020, we won four of these awards (a Corporate Sustainability Report Award, a Corporate Comprehensive Performance Award in the "domestic corporates" category, and a "Gender Equality Award" and "Creativity in Communication Award" in the Best Practice category). In addition, we were included again in 2020 as a constituent of the TWSE Corporate Governance 100 Index, and ranked high in the ESG Risk Ratings published by Sustainalytics, an ESG and corporate governance research, ratings and analytics firm. In these and many other ways, O-Bank has been striving with determination to operate sustainably and enjoy a shared well-being with all stakeholders.

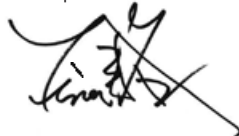
As for business performance over the past year, O-Bank continued working to build our corporate finance business by providing corporate customers with comprehensive financial services, and by developing increasingly into a boutique bank. In the field of retail financial services, by relying primarily on online channels and secondarily on physical channels, we sought to provide retail services that feature a low access threshold, borderless service, and zero lag time. As of year-end 2020, O-Bank had more than

450,000 digital accounts. Looking to the future, while continuing to do a solid job with corporate financial services, O-Bank will take an innovative approach to the task of expanding retail financial services so as to create business synergies.

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

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

Chairperson Tina Y. Lo



2020 Sustainability Performance Highlights



Corporate Governance

Among top 5% in the TWSE "Corporate Governance Evaluation"

O-Bank scored among the top 5% in the Taiwan Stock Exchange's "2020 Corporate Governance Evaluation."

Selected as a component of the TWSE Corporate Governance 100 Index

O-Bank was selected as a component of the TWSE Corporate Governance 100 Index.

Female directors exceed 1/4

Women account for more than one-quarter of the membership on the Board of Directors. This is double the average share of female directors at all TWSE- and TPEX-listed companies.

Board members take part in 162 hours of ongoing professional development.

O-Bank directors completed a combined total of 162 hours of continuing education.

Corporate Governance and Nomination Committee

O-Bank established a Corporate Governance and Nomination Committee. More than half of the committee members are independent directors.

Whistleblower hotline

O-Bank has a whistleblower hotline, but experienced no incidents involving illegal or improper behavior in 2020.



Employee Care

TWSE RAFI Taiwan High Compensation 100 Index

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

Women account for roughly 47% of management.

Men and women each account for roughly half of all employees. Women account for roughly 47% of management and 55% of all promotions.

Same-sex spouses receive equal benefits

Same-sex spouses of employees receive the same benefits and allowances as spouses of other married employees.

O-Bank leave benefits exceed statutory requirements

Maternity leave, paternity leave, and paternity leave for prenatal checkups at O-Bank all exceed statutory requirements.

Active lifestyles, healthy workplace

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

O-Star Elite Employees

O-Bank has launched the "O-Star Elite Employee Development Program" to identify outstanding in-house employees and develop their talents.



Customer Relationships

Eight charity affinity cards

O-Bank launched 3 new charity affinity cards in 2020, bringing the total number of such cards to 8. Users of the charity affinity cards account for 10% of all O-Bank customers.

Join MyData platform

O-Bank in 2020 joined the National Development Council's personalized digital services platform (MyData), which allows for a more efficient online loan application process.

Payment in foreign currencies for robo-advisor services

O-Bank in 2020 began accepting payment in foreign currencies for robo-advisor services to afford investors a greater range of investment choices.

Fighting COVID-19 with preferential loans

O-Bank addressed the economic impact of COVID-19 by launching a Preferential Loan Program for B Corporations and Social Enterprises.

Committee on Fair Treatment of Customers

The Committee on Fair Treatment of Customers regularly reviews O-Bank's implementation of the Principles for Fair Treatment of Customers.



Social Engagement

O-Bank Social Impact Deposits program, first of its kind in Taiwan

Funds deposited in special Social Impact Deposit accounts are used solely for the specific purpose of backing microloans to help economically disadvantaged persons.

Total volunteer hours up by 44%

The members of the O-Bank Community Volunteer Club account for 19% of all O-Bank employees, and total volunteer hours were up 44% in 2020.

O-Bank sets industry first in pushing for green consumption.

O-Bank was the first in Taiwan's banking industry to call for conscious consumption. O-Bank is working with 28 social enterprises and B Corporations to promote the "Green Consumption Power" project.

Support for social enterprises

O-Bank received 3rd Class and Special Class "Buying Power" Awards from the Ministry of Economic Affairs for purchasing of products from social enterprises.

Support for 27 students from underprivileged backgrounds

For six straight years, O-Bank has carried out Summer Seed Internship Program for students from underprivileged backgrounds. Over this time, 27 students have benefitted from the program.

1,184 young artists benefit from "Stars of TiDing" arts promotion project

The "Stars of TiDing" arts promotion project, which has now been held for the past 12 years, has provided strong support to 1,184 up-and-coming young artists.



Environmental Protection

Greenhouse gas inventory coverage ratio of 100%

O-Bank greenhouse gas inventories now cover 100% of O-Bank's business locations in Taiwan.

Greenhouse gas emissions down by 7.6%

The greenhouse gas emissions of all O-Bank business locations in Taiwan were down 7.6% year-on-year.

O-Bank meets mid-term waste reduction targets

In 2020, reductions in the use of power and water as well as generation of waste at the O-Bank headquarters building met the mid-term reduction targets under O-Bank's environmental management policy.

Renewable energy certificate purchases increase by factor of 13

O-Bank supported green power development by purchasing "Taiwan Renewable Energy Certificates." Such purchases increased by a factor of 13 compared to 2019.



1. Sustainability Management and Stakeholders



1.1 CSR Policy and Its Implementation

Sustainable business is O-Bank's goal, and we maintain our corporate culture of "always sincere, always here" in relations with employees, customers, shareholders, the public, and all stakeholders. To fulfill our CSR obligations, O-Bank in January 2015 established the "Corporate Social Responsibility Committee". Responsible for setting CSR-related systems and policies, and for implementing plans, the committee holds regular meetings to track the execution of each project. In addition, O-Bank publishes a CSR Report each year to update readers on recent achievements in the implementation of CSR policies. Once the CSR Report has been approved by the Corporate Social Responsibility Committee and reported to the Board of Directors, it is published in order to facilitate communication with all stakeholders, so that the latter can better understand O-Bank's CSR activities.

To conduct sustainability management in a long-term and systematic manner, O-Bank has established a Sustainable Development Section under the Corporate Communications Department to promote CSR measures throughout the Bank and ensure their effective implementation. Co-workers from the Sustainable Development Section and other related units are very involved in CSR work. At this point, two employees work full-time on CSR matters, while another 10 employees spend a portion of their working hours on CSR operations and promotion, ensuring that CSR policies are properly carried out throughout the entire Bank.

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

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

ESG Strategies	Short-term	Mid and long-term	Associated Targets of Sustainable Development Goals (SDGs)
Environmental (E)	<ol style="list-style-type: none"> 1. Continue conserving energy, reducing carbon emissions, implementing green purchasing, and using renewable energy resources to reduce the environmental burden of O-Bank's operations. 2. Sign the Equator Principles and incorporate them into the environmental and social risk assessment framework for project financing. 3. Issue green bonds or sustainability bonds to steer investments toward green energy and green industries. 	<ol style="list-style-type: none"> 1. Pursue low power-consumption in our operations, and collaborate with upstream and downstream firms in industry value chains to promote environmental protection policies. 2. Continue increasing our reliance on renewable energy and reduce greenhouse gas emissions in line with the government's greenhouse gas reduction targets. 3. Increase the amount of funds directed toward environmental and social financing and investments, and carry out responsible lending and responsible investing. 	<ol style="list-style-type: none"> 6.3 Improve water quality, eliminate pollution, and eliminate dumping of waste. 7.2 Increase global renewable energy sharing. 8.4 Reduce the linkage between economic growth and environmental degradation. 12.5 Generate less waste by "avoiding, reducing, recycling, and reusing". 12.6 Encourage companies to adopt sustainable industrial and commercial methods.

ESG Strategies	Short-term	Mid and long-term	Associated Targets of Sustainable Development Goals (SDGs)
Social (S)	<ol style="list-style-type: none"> 1. Build an environment where employees can work with peace of mind, establish a comprehensive professional development system, provide competitive salary and benefits, and provide for balanced development by addressing the three aspects of "recruiting talent," "developing talent," and "retaining talent". 2. Continue launching financial products with CSR features and use financial resources to give back to society. 3. Remain involved in community service to support the empowerment of underprivileged groups; support social enterprises and B Corporations and network with them to use business as a force for good. 	<ol style="list-style-type: none"> 1. Attract and develop professional talent, create organizational competitiveness, and build a positive corporate culture from top to bottom. 2. Work to achieve financial inclusion, give consideration to financial inclusion during the process of financial product design, and create digital banking services that offer both convenience and a human touch. 3. Put our financial industry expertise to work for community service, and exert a positive influence for the needy. 	<ol style="list-style-type: none"> 1.4 Ensure that all have fair access to new technologies and financial services. 4.3 Ensure that all have fair and affordable access to education. 4.5 Eliminate education inequality, and ensure that the underprivileged have access to education. 5.1 Eliminate all forms of discrimination against women. 5.5 Ensure that women have fair opportunities to take part in policymaking and leadership. 8.3 Encourage the growth of micro, small, and medium-sized enterprises, including by obtaining access to financial services. 8.5 Enable all persons to have a good job, and achieve equal pay for equal work. 8.6 Reduce the numbers of youth who experience unemployment, interruption of schooling, or failure to receive training. 8.8 Protect the rights and interests of labor, and promote workplace safety. 9.3 Ensure that small industrial and commercial firms have more channels to access financial services, including affordable loans.
Governance (G)	<ol style="list-style-type: none"> 1. Establish an open and transparent governance system, continue implementing corporate governance, and implement legal compliance, risk management, auditing, and other internal controls. 2. Respond to market changes and business development, regularly adjust and adopt appropriate risk management approaches, and adopt sound risk management policies. 3. Establish climate change risk assessment procedures and management mechanisms, incorporate climate change risks and opportunities into business decision-making processes. 	<ol style="list-style-type: none"> 1. Monitor domestic and international supervisory trends, strengthen control of legal compliance and internal audits, and continue improving corporate governance. 2. To deal with unprecedented or unforeseeable risks, establish procedures for identification and management of emerging risks. 3. Strengthen the powers and structure of the board of directors, and deepen the link between the board and sustainability performance. 	<ol style="list-style-type: none"> 8.10 Strengthen the institution's ability to provide financial services to all people. 10.5 Improve regulations and supervision of financial markets and institutions worldwide, and strengthen implementation of financial regulations. 13.1 Strengthen ability to recover from natural disasters and adapt to climate-related risks. 16.5 Reduce all forms of corruption and bribery. 16.6 Develop effective, responsible, and transparent systems. 16.b Promote and implement non-discriminatory laws and policies to achieve sustainable development.

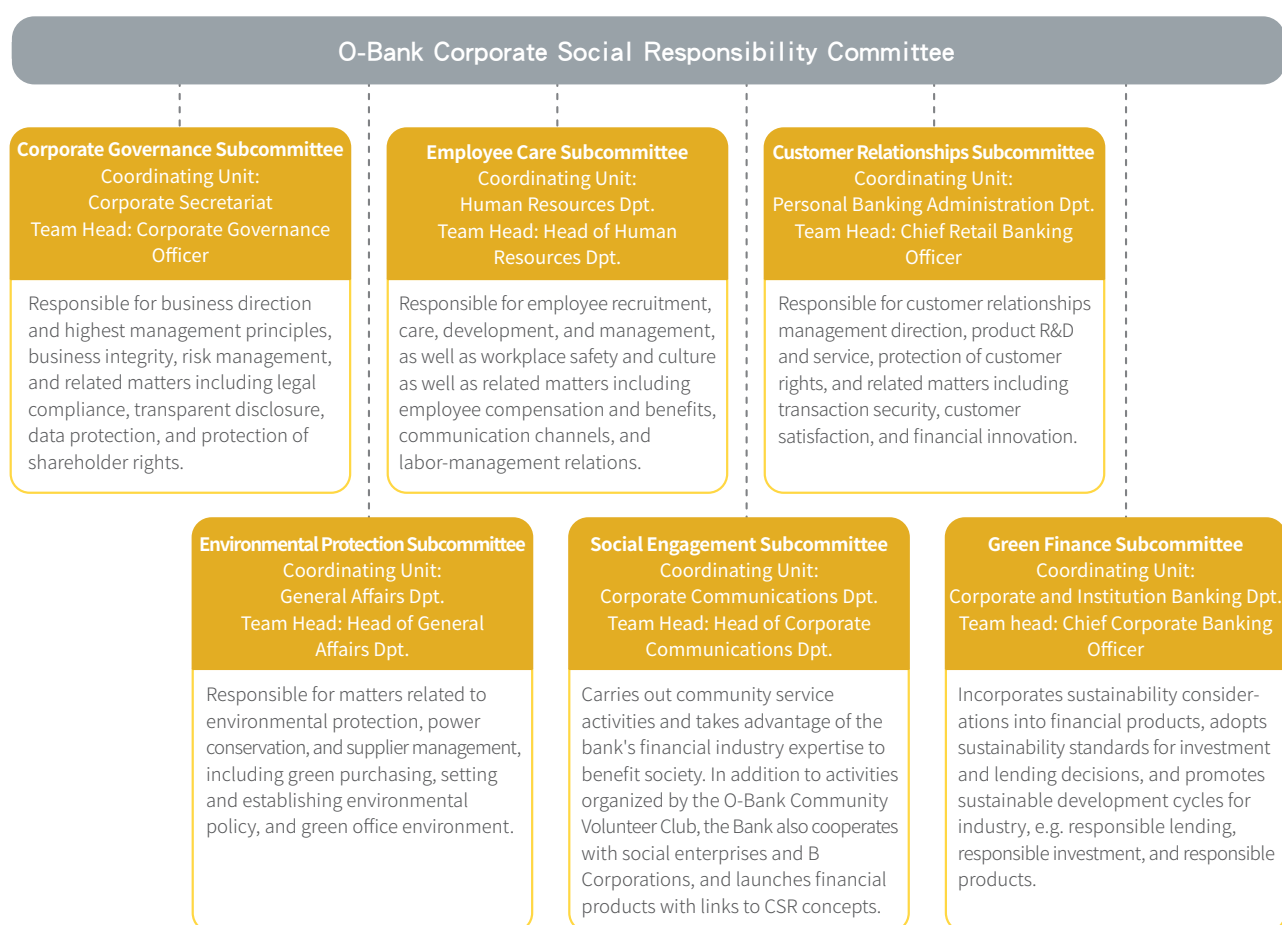
1.1.1 Corporate Social Responsibility Committee

O-Bank's CSR Committee is chaired by O-Bank's Chairperson, and O-Bank's President serves as the committee's Vice Chairman. The committee's membership composed of the highest-ranking manager of each CSR-related function. To establish the CSR committee's place and role in O-Bank's organizational structure, the "CSR Committee Organizational Rules" was implemented after approval by the Board of Directors in December 2015.

O-Bank's CSR Committee is divided into Corporate Governance subcommittee, Customer Relationships subcommittee, Employee Care subcommittee, Environmental Protection subcommittee and Social engagement subcommittee. In 2021, the O-Bank CSR Committee has set up a Green Finance subcommittee to respond to the international trend toward the development of green finance, and to coordinate with the Financial Supervisory Commission's (FSC's) launch of the "Green Finance Action Plan 2.0". The heads of the subcommittees are appointed by the Committee Chairperson, and the subcommittees are served by one to two executive secretaries responsible for communication and coordination. The CSR Committee's organizational structure is shown in Fig. 1-1.

In 2020, the CSR Committee held three work meetings and completed 94 projects focusing on the five dimensions of corporate governance, employee care, customer relationships, environmental protection, and social engagement.

Fig. 1-1: Organizational chart of the Corporate Social Responsibility Committee



1.1.2 Corporate Social Responsibility Best Practice Principles

In order to fulfill our corporate social responsibility, O-Bank adopted a set of CSR Principles in December 2015 to provide a yardstick for setting project goals and evaluating the success of CSR undertakings. In 2016, O-Bank adopted a set of "Corporate Social Responsibility Best Practice Principles" on the basis of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies." In line with the spirit of the aforementioned Principles, O-Bank has adopted guidelines, policies, and procedures to address the five dimensions of CSR, and has implemented them upon their approval by the Board of Directors. On that basis, O-Bank has continued to update our CSR Best Practice Principles, amending them four times so far in an effort to ensure more thorough fulfillment of corporate social responsibilities.

O-Bank CSR Best Practice Principles' main spirit:

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

1.2 Identification of Stakeholders

When O-Bank established the Corporate Social Responsibility Committee in 2015, after studying the makeup of the stakeholders of peer companies in the financial industry both at home and overseas, O-Bank categorized employees, customers, shareholders, suppliers, government agencies, the local community, the public, NPOs/NGOs, CSR experts and scholars, artists, media, and labor unions as potential stakeholders. Following cross-departmental internal meetings and discussions by CSR representatives, O-Bank eliminated CSR experts and scholars, labor unions, media, and NPOs/NGOs as potential stakeholders based on the principle of "relevance to the business of O-Bank's departments and frequency of contact."



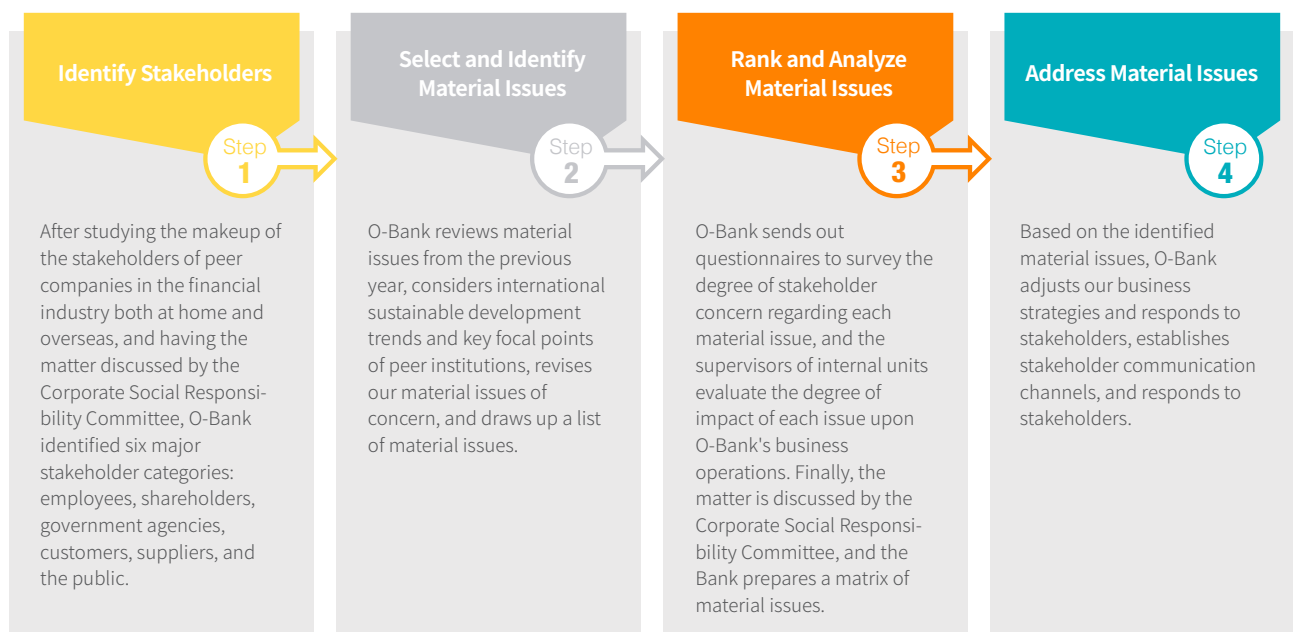
Fig. 1-2: O-Bank's Six Major Stakeholder Categories

Artists and the local community were combined into a single broadly-defined stakeholder category we call "the public," resulting in the following six major stakeholder categories: employees, customers, shareholders, suppliers, government agencies, and the public. O-Bank maintained these same six stakeholder categories in 2020, so the makeup of O-Bank's stakeholders did not change.

1.3 Identifying and Analyzing Material Issues

O-Bank each year selects and identifies material issues for that particular year and sends out questionnaires to survey the degree of stakeholder concern regarding each material issue, and the supervisors of internal units evaluate the degree of impact of each issue upon O-Bank's business operations. Finally, based on the identified material issues, O-Bank adjusts our business strategies and responds to stakeholders.

Fig. 1-3: Process for Identifying Stakeholders and Analyzing Material Issues



1.3.1 Selecting and Identifying Material Issues

To understand and categorize the issues that are of concern to our stakeholders, O-Bank has communicated via a diverse range of channels, and at the same time has adjusted and re-analyzed the material issues in this year's report with an eye to international sustainability trends and the issues of principal concern to peer institutions in Taiwan and around the world. The material issues set out in the O-Bank 2020 CSR Report are based on the material issues in the 2019 report, with some adjustments made. Besides combining some issues that are similar in meaning, we have also renamed some issues to expand their scope. Differences between issues set out in the 2019 and 2020 reports are shown below in Table 1-2.

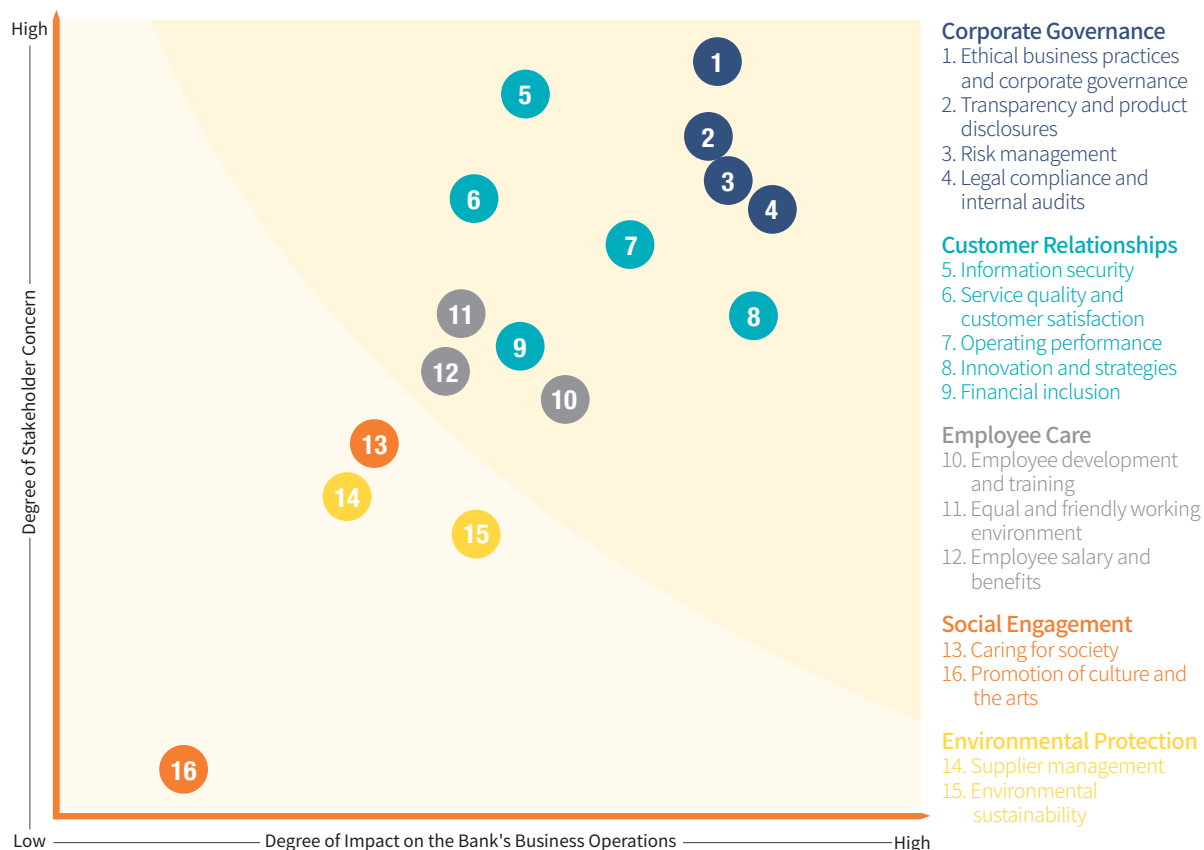
Table 1-2: Differences in Material Issues Set in the 2019 and 2020 CSR Reports

Material Issues, 2019	Material Issues, 2020
Operating performance	Operating performance
Shareholder interests	
Company's development strategy	Innovation and strategies
Ethical business practices	Ethical business practices and corporate governance
Independence and professionalism of directors	
Information transparency and disclosure	Transparency and product disclosures
Disclosure of product risks	
Legal compliance and internal audits	Legal compliance and internal audits
AML/CFT matters	
Personal information protection	
Risk management	Risk management
Crisis management	
Employee development and training	Employee development and training
Salary and benefits	Employee salary and benefits
Occupational health and safety	Equal and friendly working environment
Communication with employees	
Human rights and equality	
Customer information and transaction security	Information security
Financial innovation	Financial inclusion
Customer satisfaction and service quality	Service quality and customer satisfaction
Complaint channels	
Corporate brand image	--
Caring for society	Caring for society
Promotion of culture and the arts	Promotion of culture and the arts
Green purchasing	Environmental sustainability
Energy conservation and carbon reduction	
Supplier management	Supplier management

1.3.2 Ranking and Analysis of Material Issues

To understand the degree of stakeholder concern regarding various material issues, O-Bank disseminated a "Questionnaire on Issues of Stakeholder Concern," invited stakeholders including employees, shareholders, customers, the public and suppliers to fill it out, and received 971 effective responses. At the same time, referring to the list of issues of most concern to the financial authorities in 2020, we assigned score to indicate the degree of stakeholder concern regarding specific issues (see the Y axis in Fig. 1-4). Next, the members of O-Bank CSR Committee assigned scores to indicate the degree of impact of various issues upon the Bank's business operations (see the X axis in Fig. 1-4). The following is a matrix for analysis of various material issues of concern to stakeholders:

Fig. 1-4: Matrix for Analysis of Selected Material Issues of Concern to O-Bank Stakeholders



O-Bank analyzed material issues and held discussions on them within the CSR Committee. We identified a total of 12 material issues that were of high concern in 2020. Material issues that were of high concern to stakeholders and also had a high degree of impact on the Bank's business operations were the principal focus of this year's report. There were 12 such material issues, as follows: ethical business practices and corporate governance, transparency and product disclosures, risk management, legal compliance and internal audits, information security, service quality and customer satisfaction, operating performance, innovation and strategies, financial inclusion, employee development and training, equal and friendly working environment, and employee salary and benefits. For more information on key risks and opportunities associated with each issue, the chapter that addresses each management approach, the principal internal policies, and the scope of impact, see Table 1-3.

Table 1-3: Management Approaches, Principal Internal Policies, and Scope of Impact of Selected Material Issues

"○"Directly Related; "#"Commercially Related; "※"Indirectly Related

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Ethical Business Practices and Corporate Governance	Financial services providers are charged with the safekeeping of people's properties. They must uphold ethical management as one of their core values, and act via a professional and independent board of directors that exercises key decision-making and oversight functions, in order to secure stakeholders' trust and support. Unethical conduct can cause a company to incur losses or be sanctioned by the government, which would seriously affect the company's image.	GRI 205: Anti-corruption GRI 206: Anti-competitive Behavior	3.1 Governance Framework 3.2 Ethical Best Practices 3.3 Legal Compliance	<ul style="list-style-type: none"> • Ethical best practice standards • Code of ethical conduct • Corporate governance best-practice principles • Insider trading prevention principles • Procedural rules governing board meetings • Rules governing the scope of duties of independent directors • Rules governing the performance evaluation of the board of directors 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)
Transparency and Product Disclosures	Establish channels for transparent and open disclosure of information (including financial information, governance matters, and product disclosures) so that stakeholders can learn more about and place greater trust in the Bank.	GRI 417: Marketing and Labeling	3.1 Governance Framework 4.2 Service Quality and Customer Experience	<ul style="list-style-type: none"> • Policy for disclosing information on capital adequacy and risk management • Procedures for filing external reports and disclosures • Rules governing suitability of financial derivatives • Guidelines for advertisement solicitation and sales campaigns • Guidelines for wealth management product applicability 	Customers (#) Shareholders (※) Government agencies (※)
Risk Management	Enforcing risk management faithfully can prevent or mitigate various risks that may have a negative impact on the Bank, and when risks can be kept to a minimum in the event of a major contingency, thus ensuring that business continues as usual. And when market or environmental risks do occur, effective risk management ability can make the company more competitive.	GRI 201: Economic Performance	3.4 Risk Management	<ul style="list-style-type: none"> • Risk management policy • Credit extension policy • Rules for managing operational risk • Guidelines for managing credit risk • Rules for managing market risk • Rules for major unexpected events • Major accident emergency response and recovery plan implementation guidelines • Procedures for emergency response in the event of natural disasters 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Legal Compliance and Internal Audits	The Bank must rigorously comply with applicable laws and regulations and the internal audit system to ensure that all employees maintain compliance, thereby avoiding the risk of legal infractions and sanctions that could cause losses, affect normal operations, and harm the company's reputation.	GRI 205: Anti-corruption GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance	3.2 Ethical Best Practices 3.3 Legal Compliance 3.5 Information Security	<ul style="list-style-type: none"> Principles for three lines of defense for internal control Rules governing o-bank's legal compliance system Rules governing the examination of bank operations Self-Inspection and self-evaluation rules Rules for the handling of whistleblower cases Policy on anti-money laundering and countering the financing of terrorism Rules governing security measures for personal information files Policy statement on personal information management 	Company and employees (○) Customers (#) Suppliers (#) Shareholders (※) Government agencies (※)
Information Security	A financial services firm bears a responsibility to build a safe financial transactions environment and rigorously protect customer information. Information security is all the more important with digital financial services in order to win consumers' trust and avoid information security incidents.	GRI 418: Customer Privacy	3.5 Information Security 4.4 Customer Privacy and Transaction Security	<ul style="list-style-type: none"> Information security policy guidelines for implementation of the information security regime Guidelines for the information security management mechanism Guidelines for managing online corporate banking operations Guidelines for managing online/mobile retail banking operations 	Company and employees (○) Customers (#) Government agencies (※)
Service Quality and Customer Satisfaction	Deliver a premium financial services experience and well-planned complaint channels, continue enhancing customer satisfaction, build strong customer relations, and prevent damage to the company's brand or reputation.	GRI 417: Marketing and Labeling	4.1 Financial Services and Innovation 4.2 Service Quality and Customer Experience	<ul style="list-style-type: none"> Principles for fair treatment of customers Rules for handling customer complaints and financial consumer disputes Guidelines for reporting and handling customer complaints and disputes 	Customers (#) Government agencies (※)
Operating Performance	Securing profit and growth is the fundamental goal of business, and keeping up a solid business performance over the long term is crucial for sustainable development. Poor business performance will affect the confidence of employees and shareholders, while improved business performance will boost business promotion efforts on all fronts.	GRI 201: Economic Performance	2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies 3.1 Governance Framework	<ul style="list-style-type: none"> Articles of incorporation Rules for implementing management by objectives Procedural rules governing shareholders' meetings Shareholding management rules 	Company and employees (○) Shareholders (※)
Innovation and Strategies	The company must map out clearly defined short-, medium-, and long-term development strategies, and must continue to innovate, set itself apart, and become more competitive in order to seize quickly upon market opportunities.	GRI 201: Economic Performance	2.1 About O-Bank 2.3 Market Environment and Development Strategies	<ul style="list-style-type: none"> Articles of incorporation Rules for implementing management by objectives 	Company and employees (○) Customers (#) Shareholders (※)

Material Issue	Key Risks and Opportunities	Corresponding GRI Topic	Management Approaches	Principal Internal Policies	Scope of Impact
Financial Inclusion	By implementing financial inclusion, a company can use its business model to create conditions that are conducive to social and environmental sustainability, and enable more consumers to effectively obtain financial services. These conditions will in turn guide industries to develop sustainably, thus bringing about sustainable finance.	GRI 203: Indirect Economic Impacts	4.1 Financial Services and Innovation 4.3 Responsible Finance	<ul style="list-style-type: none"> Articles of incorporation Rules for implementing management by objectives 	Customers (#) The public (※) Government agencies (※)
Employee Development and Training	A company relies on professional talent to grow and develop. To become more competitive, a company must continue to enhance employee development and training, and effectively develop and retain talent.	GRI 404: Training and Education	5.3 Employee Cultivation and Development	<ul style="list-style-type: none"> Guidelines for implementing employee training Performance management rules Rules governing employee promotions 	Company and employees (○)
Equal and Friendly Working Environment	By providing a diverse, equal, and healthy working environment and open channels for internal communications, and by building a happy workplace that meets employee needs, thus attracting and retaining talent more successfully, a company can avoid workplace accidents and discrimination.	GRI 402: Labor/ Management Relations GRI 403: Occupational Health and Safety GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Forced or Compulsory Labor GRI 411: Rights of Indigenous Peoples GRI 412: Human Rights Assessment	5.1 Employee Composition and Promotion of a Friendly Work Environment 5.4 Communication and Engagement with Employees	<ul style="list-style-type: none"> Human rights policy Recruitment and selection guidelines Guidelines for sexual harassment prevention, complaints, and discipline Occupational safety and health rules Employee health examination guidelines Employee retirement rules 	Company and employees (○) Government agencies (※)
Employee Compensation and Benefits	To attract outstanding talent who can spur progress and development, and to avoid labor disputes, a company must establish a well-conceived and fair compensation system, and provide competitive salary and benefits.	GRI 201: Economic Performance GRI 202: Market Presence GRI 401: Employment	5.2 Employee Compensation and Benefits	<ul style="list-style-type: none"> Rules governing employee compensation Employee stock ownership trust management rules Rules for managing employee loans Employee attendance management guidelines 	Company and employees (○)

1.3.3 Stakeholder Engagement

To continue working to understand the views and opinions of all stakeholders, O-Bank has a special "CSR section" on website which includes a feedback function that stakeholders can use to answer questionnaires to offer suggestions and opinions. In addition, O-Bank has also set up a special "Stakeholders section" on website that includes information on a special stakeholder contact window. O-Bank provides stakeholders with a variety of convenient channels for communication in order to facilitate timely and effective interaction. The main communication channels and methods are as shown here below in Table 1-4:

Table 1-4: Stakeholder Communication Channels, and Frequency of Communications

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Employees	Employee salary and benefits	5.2 Employee Compensation and Benefits	<ul style="list-style-type: none"> • Quarterly labor-management meetings are held to air views on labor issues and discuss ways to improve working conditions. • Irregularly scheduled departmental meetings are held to understand employees' working conditions and spur two-way communication between management and staff. • The "Touch News" journal is issued once each half-year to convey company policies and news, and to provide employees a platform for expressing their views. • O-Bank surveys employee satisfaction and needs once per year to understand their true needs and what they expect of the company. • O-Bank has established an online platform for attendance management as well as education and training. This platform provides real-time access to information, and a means for assessing satisfaction with courses, thus affording employees a way to express their views. • We have established an "employee complaint mailbox," a "sexual harassment reporting mailbox," a "WeCare" suggestion mailbox, and other means of direct communication. • We have set up an employee chat group on social media to provide information on employee care policies and activities, and to spur two-way communication.
	Operating performance	2.2 Operating Performance and Reputation	
	Equal and friendly working environment	5.1 Employee Composition and Promotion of a Friendly Work Environment	
	Ethical business practices and corporate governance	3.2 Ethical Best Practices	
	Information security	3.5 Information Security 4.4 Customer Privacy and Transaction Security	
Customers	Information security	3.5 Information Security 4.4 Customer Privacy and Transaction Security	<ul style="list-style-type: none"> • Provides online video call customer service, round-the-clock and 365 days a year, to offer customers quick response times. • Customers can contact O-Bank's complaint window by phone, video call, or email at any time to express their views. • Uses the company website to provide product prospectuses and post information about products, including special features, risks, and charges. • Uses online fan pages on various social media (Facebook, Instagram, YouTube) to provide information on products and services, and to provide real-time feedback to consumers. • Provides corporate customers with relationship management (RM) services to ensure prompt handling of customer issues and suggestions.
	Ethical business practices and corporate governance	3.2 Ethical Best Practices	
	Transparency and product disclosures	2. Overall State of the Company 4.2 Service Quality and Customer Experience	
	Service quality and customer satisfaction	4.2 Service Quality and Customer Experience	
	Legal compliance and internal audits	3.2 Ethical Best Practices 3.3 Legal Compliance	

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Shareholders	<p>Ethical business practices and corporate governance</p> <p>Operating performance</p> <p>Legal compliance and internal audits</p> <p>Service quality and customer satisfaction</p> <p>Risk management</p>	<p>3.2 Ethical Best Practices</p> <p>2.2 Operating Performance and Reputation</p> <p>3.2 Ethical Best Practices 3.3 Legal Compliance</p> <p>4.2 Service Quality and Customer Experience</p> <p>3.4 Risk Management</p>	<ul style="list-style-type: none"> • Holds one annual shareholders meeting and promptly discloses material information on the Market Observation Post System (MOPS) website as well as our own corporate website. • Holds two investor conferences per year to disclose financial information and business strategies. • Uses the special "Investors Section" on our website to make quarterly financial disclosures and publish unaudited consolidated income figures on a monthly basis. • Posts information on our website regarding the state of communications with independent directors, the chief internal auditor, and certified public accountants, and indicates the dates and results thereof. • Provides a channel for communication with our shareholder services agent to help shareholders handle related matters.
Government Agencies	<p>Ethical business practices and corporate governance</p> <p>Transparency and product disclosures</p> <p>Risk management</p> <p>Legal compliance and internal audits</p>	<p>3.2 Ethical Best Practices</p> <p>2. Overall State of the Company 4.2 Service Quality and Customer Experience</p> <p>3.4 Risk Management</p> <p>3.2 Ethical Best Practices 3.3 Legal Compliance</p>	<ul style="list-style-type: none"> • Takes part in government agency roundtable discussions, conferences, and annual meetings to coordinate with government policies. • Maintains strict legal compliance to coordinate with the competent authority's supervision and audits; takes part in evaluations. • Engages in reciprocal visits with competent authorities to establish channels for direct interactions. • Engages in two-way communications via official documents and email.
The Public	<p>Information security</p> <p>Service quality and customer satisfaction</p> <p>Risk management</p> <p>Ethical business practices and corporate governance</p> <p>Transparency and product disclosures</p>	<p>3.5 Information Security 4.4 Customer Privacy and Transaction Security</p> <p>4.2 Service Quality and Customer Experience</p> <p>3.4 Risk Management</p> <p>3.2 Ethical Best Practices</p> <p>2. Overall State of the Company 4.2 Service Quality and Customer Experience</p>	<ul style="list-style-type: none"> • Established a Corporate Communications Department, a spokesperson, and a deputy spokesperson to promptly provide accurate information on O-Bank. • Issues news releases and holds press conferences as the need arises, and has a special "news and events" section on our website to provide the general public with access to information on O-Bank and the status of our development. • Uses a social media fan page to communicate our image as a committed contributor to community services, and to increase the appeal of and participation in community service activities. • Takes part in forums and conferences organized by non-profits, academic bodies, and civic organizations in order to hear what society demands. • Holds irregularly scheduled cultural and artistic performances, lectures, and community service activities to give back to society and interact directly with members of the public.

Stakeholders	Matters of Concern	Our Response	Communication Channels and Frequency of Communications
Suppliers	<p>Information security</p> <p>Transparency and product disclosures</p> <p>Ethical business practices and corporate governance</p> <p>Operating performance</p> <p>Innovation and strategies</p>	<p>3.5 Information Security 4.4 Customer Privacy and Transaction Security</p> <p>2. Overall State of the Company 4.2 Service Quality and Customer Experience</p> <p>3.2 Ethical Best Practices</p> <p>2.2 Operating Performance and Reputation</p> <p>2.1 About O-Bank 2.3 Market Environment and Development Strategies</p>	<ul style="list-style-type: none"> Any supplier whose turnover with O-Bank meets or exceeds a certain amount is required to fill out a "Supplier Self-Assessment Form Regarding Fulfillment of Corporate Social Responsibilities" so that we can understand how well the supplier is meeting our CSR obligations and promoting sustainable development. O-Bank conducts occasional on-site inspection visits to our suppliers, fill out an "O-Bank On-Site Supplier Inspection Questionnaire," and interacts with them directly. Occasionally contacts suppliers by telephone or email to engage in two-way communications. Holds meetings with suppliers to discuss contract matters and establish channels for direct communication.

2. Overall State of the Company



2.1 About O-Bank

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

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



O-Bank's head office in Taipei's Neihu District



O-Bank's Taoyuan Branch

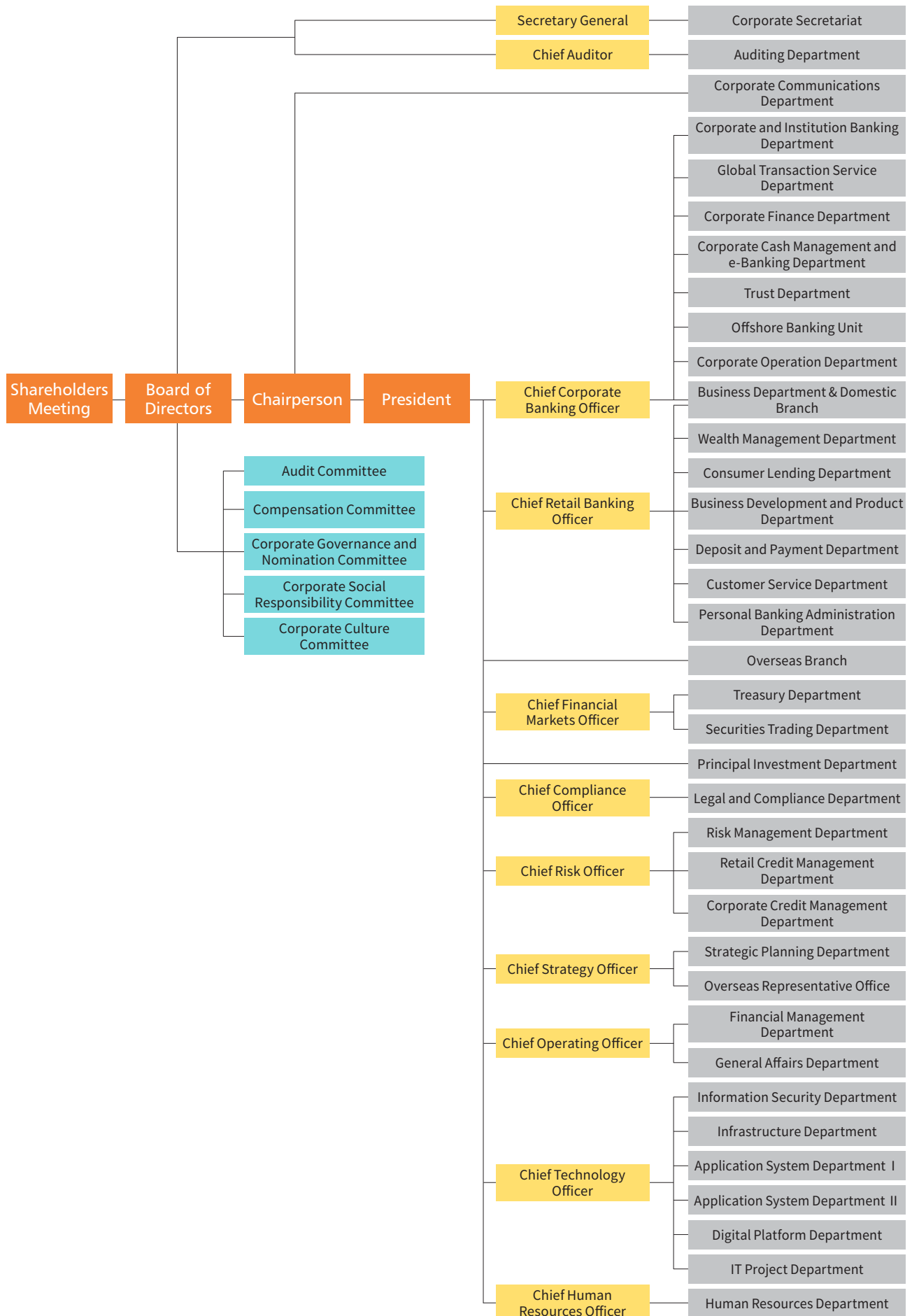
2.1.1 Company Profile

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

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

Fig. 2-1: O-Bank Organizational Chart

Current as of: 23 March, 2021



O-Bank has located head office and main business department in the Taipei Neihu Technology Park, and maintains numerous business locations throughout Taiwan, including the Zhongxiao Dunhua Branch in Taipei, the Taoyuan Branch, the Hsinchu Branch, the Taichung Branch, the Kaohsiung Branch, and the Tainan Region Business Department. Overseas, meanwhile, O-Bank has a Hong Kong Branch and a representative office on the mainland in Tianjin.

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

O-Bank provides a wide range of innovative retail banking services, including fully online account openings, fully online applications for unsecured loans, online purchasing of shares in investment funds, and 24-hour video customer service. And beyond that, O-Bank has set an industry first by launching a robo-advisor service that provides consumers with affordable professional investment advice, which means that ordinary consumers can now benefit from investment advice based on big-data analysis. In addition, O-Bank launches parent-child accounts, accepts online applications to open foreign exchange accounts, allows to send digital red envelopes, and makes a wide variety of account transfers. A consumer need only download O-Bank's mobile app or log into our online bank to open an account fully online using a mobile device. The availability of all sorts of convenient and secure financial services means that "your mobile handset is your bank".

Fig. 2-2: Retail Banking Services

Deposits

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

Consumer Transactions

The available balance for O-Bank debit card transactions is linked to a customer's deposit account, which enables consumers to effectively control spending and avoid overdrafts. In addition, the O-Bank debit card offers unlimited cashback rewards on payments made both domestically and abroad. A notification is made individually for each card transaction, which safeguards the interests of the consumer.

Loans

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

Investments

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

Insurance

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



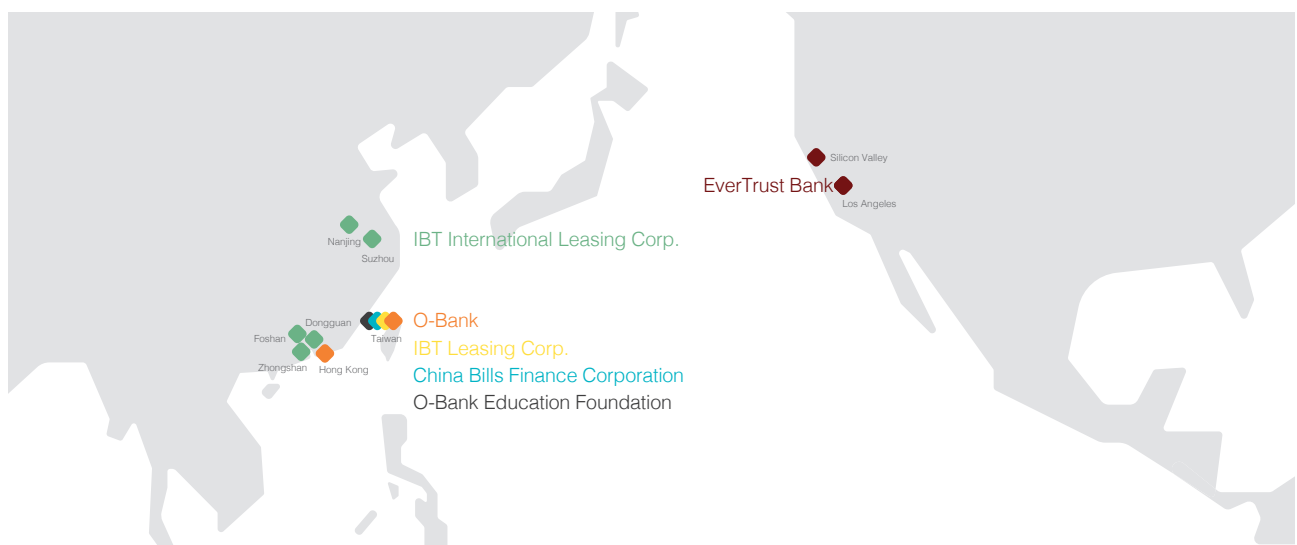
2.1.2 The O-Bank Group Business Network

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

In April 2011 O-Bank further expanded into the field of leasing by establishing the IBT Leasing Co., which then in June established the IBT International Leasing Corp. (IBTIL) in Suzhou, China. IBTIL uses equipment leasing and a variety of other financing methods to provide growing companies with the funds needed to sustain continued growth and development. In addition, with its business expanding, IBTIL has set up branches in Dongguan, Nanjing, Zhongshan, and Foshan. These actions have further boosted the group's capacity for scaling up our business.

The O-Bank Group has now grown to include business locations in Taiwan, Hong Kong, mainland China, and the United States (Fig. 2-3), and is actively integrating group resources to help customers at different stages of development to continue strengthening their competitiveness. At the same time, O-Bank has expanded retail banking business and developed in the field of digital finance to the point where these lines of business have become mutually complementary with O-Bank's original corporate financial business. As a result, O-Bank is able to provide customers with a complete across-the-board range of financial services.

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



2.1.3 B Corp Certification

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

O-Bank in recent years has made a concerted effort to plan and execute a variety of CSR actions. O-Bank obtained B Corp certification quickly and smoothly after applying for it in 2017, thus becoming Taiwan's 21st B Corporation and the first among them that is a listed company and a financial services provider. Not only that, O-Bank was the first listed bank in the world to obtain B Corp certification. Re-certification is required once every three years, so O-Bank went through the review process again in March 2021 and received an even higher score than the first time, a clear indication that O-Bank has again received positive international attention for continued pursuit of sustainable operations.

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



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



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

2.2 Operating Performance and Reputation

2.2.1 Operating Performance

2020 consolidated net income for the O-Bank Group came to NT\$8.056 billion, while standalone net income was NT\$4.651 billion. Standalone net income is further broken down by source, i.e. domestic versus overseas (Fig. 2-4) and line of business (Fig. 2-5).

Fig. 2-4: Sources of O-Bank 2020 Net Income (domestic vs. overseas)

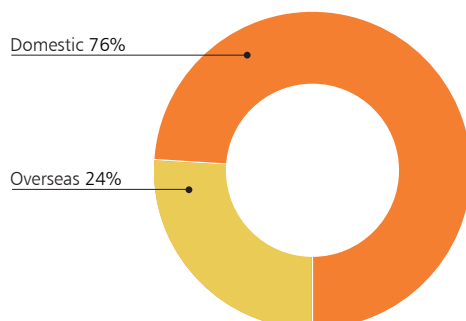
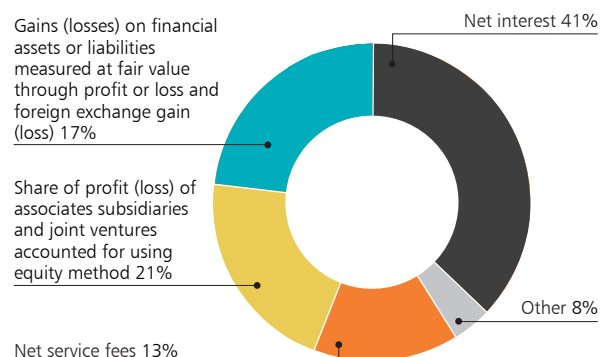


Fig. 2-5: Sources of O-Bank 2020 Net Income (by line of business)



2020 consolidated net profit before tax came to NT\$3.099 billion, while standalone net profit before tax came to NT\$1.236 billion; consolidated net profit after tax came to NT\$2.301 billion, and standalone net profit after tax came to NT\$1.147 billion. Figures for O-Bank standalone net income, standalone net profit before tax, and standalone net profit after tax for the past five years are set out in Fig. 2-6 and Fig. 2-7. The decline in earnings from 2017 to 2020 was due to various investments connected with the reorganization as a commercial bank, and to expenses incurred in the establishment of the retail banking business.

Fig. 2-6: O-Bank Net Income, 2016-2020

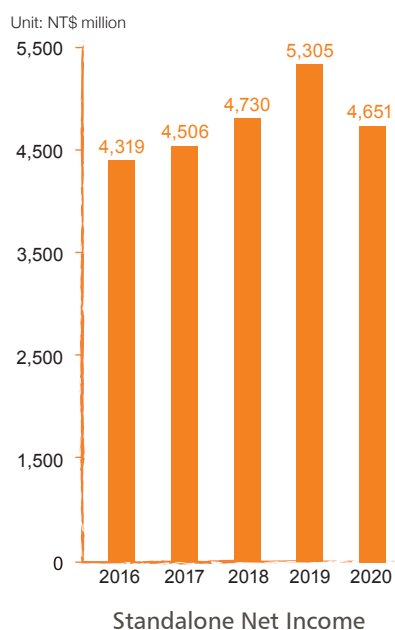


Fig. 2-7: O-Bank Net Profit before Tax and after Tax, 2016-2020

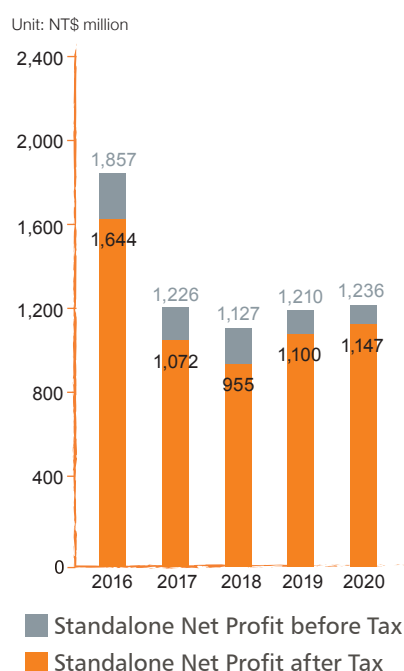
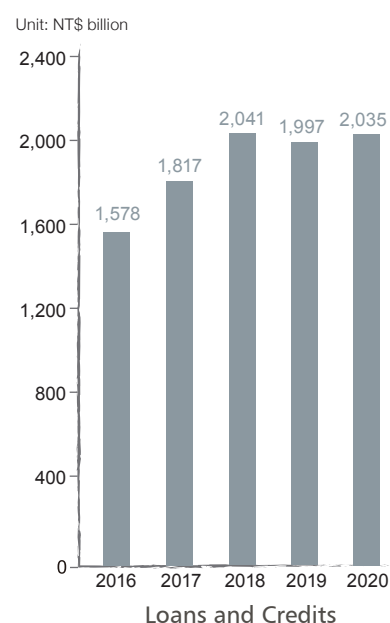


Fig. 2-8: Loans and Credits, 2016-2020



Note: Numbers in Fig. 2-6 to Fig. 2-8 are for the standalone.

As of end-2020, O-Bank had total assets of NT\$328.85 billion, loans and credits stood at NT\$203.5 billion (Fig. 2-8). As for capital adequacy ratios, the BIS ratio was 12.67%, Tier 1 ratio stood at 11.46%, and the common equity ratio was 11.34%. Meanwhile, earnings per share (EPS) came to NT\$0.41, return on equity (ROE) was 3.33%, and return on assets (ROA) was 0.35%. The Taiwan Ratings Corporation assigned O-Bank long- and short-term credit ratings of twA and twA-1. Moving forward, O-Bank will tap into digital technology and adopt an innovative mindset to effectively expand our retail banking business and continue enhancing our corporate financial services to create business synergies and seek stable growth momentum.

Table 2-1: O-Bank Operating Performance, 2019–2020

Item/Year	2020	2019
Net income (NT\$ thousand)	4,651,476	5,305,215
Total assets (NT\$ thousand)	328,853,648	335,252,833
Shareholders' equity (NT\$ thousand)	35,555,895	33,259,203
Total liabilities (NT\$ thousand)	293,297,753	301,993,630

Item/Year	2020	2019
Net profit after tax (NT\$ thousand)	1,147,403	1,100,433
Net income per employee (NT\$ thousand)	5,084	5,337
Net profit after-tax per employee (NT\$ thousand)	1,254	1,107
Earnings per share (NT\$)	0.41	0.45
Return on assets (%)	0.35	0.33
Return on equity (%)	3.33	3.37

Note1: Net income per employee = net income / number of O-Bank employees; Net profit after-tax per employee = net profit after tax / number of O-Bank employees

Note2: Numbers in Table2-1 are for the standalone.

2.2.2 Awards and Recognition

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

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

Year	Award
2002	• Received the "Best Risk Management Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards".
2003	• Noted financial publications Asia Money, The Asset, and Financial Asia name the first IBT Collateralized Loan Obligation (CLO-1) "Deal of the Year" among 2003 domestic asset securitization issues in Asia.
2004	• Received the "Best Product Design Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards".
2011	• IBT Educational Foundation received "National Civic Service Award".
2012	• Received the "Golden Quality Award" from the Joint Credit Information Center.
2014	• Received the "Golden Quality Award" from the Joint Credit Information Center.
2016	• Received a "Corporate Sustainability Report Award – Silver Medal" from the Taiwan Institute for Sustainable Energy.
2017	<ul style="list-style-type: none"> • Received a "Corporate Sustainability Report Award – Gold Medal" from the Taiwan Institute for Sustainable Energy. • Won two awards from Gartner ("2017 Gartner Eye on Innovation Award for Asia Pacific" and "Most Innovative Digital Business Model") at the third Gartner Eye on Innovation Awards for the Asia Pacific region. • Obtained "B Corp Certification" from US-based B Lab. • Received a 2nd Class "Buying Power Award" at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement".

Year	Award
2018	<ul style="list-style-type: none"> Received the "Rookie Award" in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Sustainability Report Award – Silver Medal" and "Gender Equality Award" from the Taiwan Institute for Sustainable Energy. Received 2nd Class and Special Class "Buying Power" Awards at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Received an "Award for Outstanding Corporate Image" from the Foundation for Public Relations. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as "The Best Digital Bank in Taiwan" at the 2018 Asian Banker Taiwan Awards. O-Bank was named an "Information Visionary" at the 2018 IDC Digital Transformation Awards. Received the "Best Digital Banking Award" at the Taiwan Academy of Banking and Finance "Taiwan Banking and Finance Best Practice Awards". Received a 2018 "Award for Excellence" from Global Views Monthly for the "Bank With the Best Digital Services". At the 2018 National Brand Yushan Awards of Republic of China National Enterprise Competitiveness Development Association, O-Bank won First Prize in "Enterprise Excellence" category and receives the "Best Product Award" for robo-advisor service. The O-Bank President received an "Outstanding Business Leader" Award. O-Bank was recognized by the Financial Supervisory Commission as one of the top performing banks in providing SME loans.
2019	<ul style="list-style-type: none"> Received a 6th place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "People Development Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Gold Medal" from the Taiwan Institute for Sustainable Energy. Received a 2nd Class "Buying Power" Award at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Recognized as having the "Best Cloud-Based Initiative, Application or Programme in Taiwan" at the 2019 Asian Banker Taiwan Awards. Received a 2019 "Award for Excellence" from Global Views Monthly for the "Bank With the Best Digital Services".
2020	<ul style="list-style-type: none"> Received a second place Award in the medium-sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award". Received "Corporate Comprehensive Performance Award," "Gender Equality Award," "Creativity in Communication Award," and "Corporate Sustainability Report Award – Silver Medal" from the Taiwan Institute for Sustainable Energy. Received 3rd Class and Special Class "Buying Power" Awards at the Small and Medium Enterprise Administration "Buying Power – Social Innovation Products and Services Procurement". Received "Award for Outstanding Corporate Image," "Award for Excellence in Brand Communication," and "Award for Excellence in Corporate Social Responsibility" from the Foundation for Public Relations. Scored among the top 5% in the Taiwan Stock Exchange's "2020 Corporate Governance Evaluation". Selected by the Taiwan Stock Exchange as a component of the TWSE Corporate Governance 100 Index. Selected by the Taiwan Stock Exchange as a component of the TWSE RAFI Taiwan High Compensation 100 Index. Received the "Best Online Bank Award" from Excellence magazine.



O-Bank received the second place Award in the medium-Sized enterprise category of CommonWealth Magazine "Excellence in Corporate Social Responsibility Award"



O-Bank received four major Taiwan Corporate Sustainability Awards in 2020

2.3 Market Environment and Development Strategies

2.3.1 Banking Sector Business Environment and Future Prospects

Drastic measures taken in 2020 by countries around the world to deal with the global economic impact of the COVID-19 pandemic have started to boost economic activity, but the prospects for economic recovery remain uncertain. The economic situation in Taiwan was relatively stable due Taiwan's success in fighting the pandemic and the beneficial impact of industrial reshoring and an influx of foreign capital. The Executive Yuan's Directorate-General of Budget, Accounting and Statistics (DGBAS) announced that Taiwan posted an economic growth rate of 3.11% in 2020, the highest growth rate in three years. Net profit before tax for the financial industry as a whole came to NT\$675.6 billion, up by 6.48% year-on-year. Most of the growth impetus was generated by the securities and insurance industries, both of which saw profits hit historic highs thanks to growth in both equity and bond markets. In the banking sector, however, aggregate profits fell 8.9% year-on-year to NT\$370.8 billion as financial market volatility triggered by the pandemic resulted in reduced interest rates, and foreign exchange losses impacted the business of banks' overseas business locations.

Looking ahead to 2021, the launch of COVID-19 vaccinations will help spur a global economic recovery. It is true that uncertainties remain regarding the timing of economic recovery, how far different countries will go with their economic stimulus measures, and the recovery of global trade, but the fact remains that global trade can be expected to post a gradual rebound. In Taiwan, the economy will be relatively stable thanks to strong domestic demand and investments, but a recovery in external trade depends on global economic conditions, so the DGBAS has forecast an 2021 economic growth rate of 5.46%.

As for the future business environment in the domestic banking industry, the pandemic triggered a sharp increase in demand for contact-free digital financial services, while the Financial Supervisory Commission adopted a three-year FinTech Development Roadmap that will promote open banking, seek additional application scenarios, and work to establish and run the fintech ecosystem. Financial service providers need to actively develop a diverse range of highly distinctive financial products in order to serve customer groups with a wide variety of different needs. Also, sustainable development has become a key focus of banks' business development strategies. In addition to the "United Nations Principles for Responsible Banking," the Financial Supervisory Commission has launched a "Green Finance Action Plan 2.0" and a "Corporate Governance 3.0 – Sustainable Development Roadmap." These actions will spur financial service providers to accelerate their efforts to implement responsible financing and responsible investment.

2.3.2 O-Bank's Development Strategy

Banks have come to look upon the application of financial technologies as an important way to boost their competitiveness. At the same time, non-financial institutions are now able to rely on their technological expertise to embark upon the financial services industry. Moreover, this trend has prompted banks to make a serious effort to build up their digital capabilities. O-Bank, after four years of working to build up our retail banking services, has accumulated considerable digital banking experience and a solid customer base. Moving forward, in addition to further optimizing the digital services experience and improving customer stickiness, O-Bank will also focus on seizing upon business opportunities in the lending business and in tailor-made wealth management services, and on deepening and broadening our customer base. Furthermore, O-Bank intends to carry out integrated marketing of foreign bonds, domestic and offshore structured instruments, and other wealth management products to meet the needs of different customers. As our retail wealth management product lineup grows more comprehensive, O-Bank's retail and corporate banking businesses become increasingly complementary, and O-Bank is simultaneously developing both payroll accounts and tailor-made wealth management services.

In the area of corporate banking, O-Bank will continue to pursue a "boutique bank" strategy to cultivate more customers, and will work to expand our existing customer base to include customers positioned everywhere from upstream to downstream in industry value chains. At the same time, O-Bank is developing medium market enterprise (MME) customers in an effort to increase fee income and improve the interest spread structure. We will also continue improving overall corporate banking profits and by promoting our Treasury Marketing Unit (TMU) business and structured instrument products. These measures will ensure sustainable growth momentum. O-Bank will also continue to strengthen cooperation among our group subsidiaries in hopes of tapping into O-Bank's innovative capabilities to provide tailor-made comprehensive financial solutions that will satisfy the wealth management needs of business owner and corporate customers.

As for investee enterprises, to meet financing needs generated by the booming development of small and medium enterprises in mainland China, O-Bank will act via a pair of subsidiaries (IBT Leasing Co. and IBT International Leasing Corp.) to continue building up our leasing business on both sides of the Taiwan Strait and set up a cross-strait leasing platform. In addition, O-Bank has joined with China Everbright Bank and China CYTS Tours Holding Co. to set up Beijing Sunshine Consumer Finance Co. as a joint venture that formally opened for business in August 2020. Beijing Sunshine uses innovative digital financial services to meet market needs in mainland China and simultaneously develop the markets for both SME and retail financing in the mainland.

Given the trend toward pursuit of sustainable development, O-Bank will continue to ramp up our CSR undertakings and seek to improve our performance in the areas of corporate governance, customer relationships, employee care, environmental protection, and social engagement. But beyond that, O-Bank will also make concerted efforts to engage in sustainable finance, practice responsible lending and investment, launch financial products that embody CSR ideals, and achieve a greater degree of financial inclusion. Acting in line with the core philosophy that O-Bank sums up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor) – O-Bank will continue working to create sustainable value for all stakeholders.

Table 2-3: O-Bank Short-term and Mid- to Long-term Business Development Plans

Stage of Plan	Development Strategies and Plans	Description
Short-term development plan	1. Optimize retail banking business and develop more wealth management products.	Further optimize the digital services experience, develop more application scenarios for retail customers, launch fully developed and flexible wealth management products, and seize upon wealth management business opportunities.
	2. Continue to pursue a "boutique bank" strategy to cultivate more corporate customers.	For corporates, providing high quality will continue to be the primary strategy as O-Bank works to strengthen asset quality and maximize returns on capital. At the same time, O-Bank will develop our SME financing business and improve overall business performance.
	3. Strengthen the universal banking arrangement covering O-Bank's corporate and retail banking business to generate synergies.	O-Bank's retail and corporate banking businesses will work to create business opportunities by jointly developing both payroll accounts and tailor-made wealth management services.
	4. Continue fulfilling CSR obligations, enhance ESG measures.	O-Bank has conducted numerous CSR undertakings in recent years, enhanced our ESG measures, and actively sought to obtain better ratings from outside rating agencies, so as to create sustainable value for all stakeholders.
Mid- to long-term development plan	1. Develop application scenarios through strategic partnerships and use digital finance innovations to strengthen digital applications and elevate O-Bank's value as a financial intermediary.	Seek cooperation with business entities from other sectors to establish O-Bank financial services in many different application scenarios, and strengthen digital capabilities to create profit momentum.
	2. Strengthen O-Bank's relationships with both corporate and retail customers, become their main banker.	Maintain a real-time grasp of market conditions and customer needs, provide comprehensive financial solutions, and become the main banker and financial planning consultant for customers.
	3. Use strategic investments or strategic partnerships to improve business performance.	Integrate group resources to increase the scale of operations, and continue evaluating strategic investment opportunities that could make O-Bank's businesses more complementary and enhance business performance.
	4. Practice sustainable finance, achieve a greater degree of financial inclusion.	Continue to monitor sustainable development trends at home and abroad, improve policies related to sustainable finance, practice responsible lending and investment, and steadily achieve a greater degree of financial inclusion.

3. Corporate Governance



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

3.1 Governance Framework

3.1.1 Operations of the Board of Directors

O-Bank's Board of Directors has 15 members, including three independent directors. All directors serve three-year terms, and may serve successive terms if re-elected. The directors, who have diverse professional backgrounds, skill sets, and industry experience, take part each year in professional development courses targeted specifically to their needs as directors. Course content touches upon such fields as economics, law, environment and society, and is designed to help directors continually hone their professional knowledge and legal expertise so they can ensure that the company is soundly run. The Board of Directors is responsible for reviewing the company's business plan, capital increases and decreases, organizational rules, budgets and year-end accounts, appointment and dismissal of managerial officers, important loans, and approval of matters of material importance. In addition, the Board of Directors has set up a five-member Board of Managing Directors that meets when the Board is not in session to exercise the powers of the Board of Directors within the scope of authorization granted by the latter.

O-Bank elected our 8th Board of Directors on 19 June 2020. The terms of the directors will run until 18 June 2023. Men account for 73% of the directors and women account for 27%. The youngest director elected was 48 years old and the oldest was 79 years old. The gender and age distribution of the directors is set out below in Table 3-1. The O-Bank Board of Directors meets at least once every two months. In 2020, it met nine times, and the average attendance rate was 95.56%. The Board of Managing Directors met 23 times and had an average attendance rate of 93.04%. The O-Bank Board of Directors in 2020 approved a total of 182 proposals, including important motions on matters pertaining to governance, economic, and social concerns, and amendments to internal rules in order to coordinate with legislative action or to meet business or risk management needs. As for key material events, the Board of Directors responded by approving resolutions in accordance with applicable requirements before making material information disclosures, 22 of which dealt with governance matters and six of which dealt with social matters. None were related to environmental concerns.

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

As of 27 April, 2021

	Gender Distribution		Age Distribution		
	Male	Female	Younger than 30	30-50	Older than 50
No. of persons	11	4	0	2	13
Share	73%	27%	0%	13%	87%

Table 3-2: Directors and Supervisors

As of April 27, 2021

Title	Name	Gender	Experience (Education)	Other Position
Chairperson (Managing Director)	Ming Shan Investment Co., Ltd. (Rep.: Lo, Tina Y.)	Female	Vice Chairperson, O-Bank Vice Chairperson, EverTrust Bank Chief Executive, O-Bank Hong Kong Branch President, IBT Management Corporation MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA	Note 1
Managing Director	Lo, Kenneth C.M.	Male	Chairman, O-Bank Chairman, EverTrust Bank Chairman/Honorary Chairman, Chinese National Association of Industry and Commerce President, Chinatrust Commercial Bank M.A.in Finance, The University of Alabama	Note 2
Managing Director	Taiwan Cement Corporation (Rep.: Chang, Nelson An-Ping)	Male	Chairman, Taiwan Cement Corporation Chairman, China Synthetic Rubber Corporation Chairman, Taiwan Prosperity Chemical Corporation Independent Director, Synnex Technology International Corporation Honorary Chairman, Chinese National Association of Industry and Commerce M.B.A., School of Business Administration, New York University	Note 3
Managing Director	Yi Chang Investment Co., Ltd. (Rep.: Yeh, Roy J.Y.)	Male	Chairman, IBT Management Corporation Chairman, IBT VII Venture Capital Co., Ltd. Director, IBT International Leasing Corporation President, IBT Leasing Co., Ltd. Chief Corporate Banking Officer/Senior Executive Vice President of Risk Management Department, O-Bank Department of Insurance, Tamkang University	Note 4
Independent Managing Director	Hu, Fu-Hsiung	Male	Chairman, Taiwan Cooperative Securities Co., Ltd. Chairman, Joint Credit Information Center Director, Mega International Commercial Bank Director, Taiwan Cooperative Bank MBA, National Taiwan University	Note 5
Independent Director	Lin, Hank H.K.	Male	Chairman, EY Cultural and Educational Foundation Supervisor, Union MechTronic Inc. Managing Partner/CPA, EY Taiwan MBA, City University of New York (Brooklyn College)	Note 6

Title	Name	Gender	Experience (Education)	Other Position
Independent Director	Liu, Richard R.C.	Male	Director, Taishin Bank Independent Director, First Commercial Bank Secretary General of Ministry of Finance Master of Economics, University of San Francisco Master of Public Administration, National Chengchi University	Note 7
Director	Tai Ya Investment Co., Ltd. (Rep.: Chen, Shih-Tze)	Female	Chairperson, Ming Shan Investment Co., Ltd. Chairperson, Yi Chang Investment Co., Ltd. Chairperson, Tai Hsuan Investment Co., Ltd. Chairperson, Tai Ya Investment Co., Ltd. Supervisor, IBT II Venture Capital Co., Ltd. Managing Director, O-Bank Department of Foreign Languages & Literatures, National Taiwan University	Note 8
Director	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	Male	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 9
Director	Lee, Mark J.C.	Male	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 10
Director	Tai Ya Investment Co., Ltd. (Rep.: Lee, Elton F.Y.)	Male	President, O-Bank Deputy President, O-Bank Hong Kong Branch Director, EverTrust Bank Senior Vice President/Head of Commercial Banking, HSBC (Taiwan) First Chief Executive of Suzhou Branch/Vice President of Taiwanese Business Platform in Shenzhen Branch, HSBC (China) MBA, Manchester Business School	Note 11
Director	Yi Chang Investment Co., Ltd. (Rep.: Lin, Gordon W.C.)	Male	Chairman, IBT Leasing Co., Ltd. Chairman, IBT International Leasing Corp. Chairman, IBT Securities Co., Ltd. Deputy President, O-Bank MBA, National Taiwan University	Note 12
Director	Ming Shan Investment Co., Ltd. (Rep.: Lo, Nina Y.C.)	Female	Chairperson, Prudential Fortune Investment Co., Ltd. CEO, O-Bank Education Foundation Project Manager, Risk Management Department of O-Bank M.A. in Education Psychology, University of Southern California	Note 13
Director	Lee, Yunny Y.	Female	Country Business Manager of Global Consumer Banking, Citibank (Taiwan) Department of Accounting, National Taiwan University	-

Title	Name	Gender	Experience (Education)	Other Position
Director	Lin, Bill K.C.	Male	Director, EasyCard Investment Holding Co., Ltd. Director, EasyCard Corporation Independent Director, GOMAJI Corp. Ltd. Director, Taiwan Internet and E-Commerce Association (TiEA) Founder and CEO, Payeasy Digital Integration Co., Ltd. Executive Consultant of Internet Banking, Taishin International Bank Sales supervisor of Credit Card Business, Taishin International Bank MBA, Chinese Culture University EMBA, National Taiwan University	Note 14

Note 1: Positions concurrently assumed by representative Tina Y. Lo: Vice Chairperson, EverTrust Bank; Director, The Eisenhower Fellows Association in the Republic of China; Director, Ming Shan Investment Co., Ltd.; Director, Yi Chang Investment Co., Ltd.; Director, Tai Hsuan Investment Co., Ltd.; Director, Tai Ya Investment Co., Ltd.; Director, IBT Holdings Corp.; Director, KC Investments Corp.; Director, Lucky Bamboo Investments Limited; Managing Supervisor, Friends of the Police Association; Director, Chinese National Association of Industry and Commerce; Director, Bankers Association of the Republic of China; Director, Taiwan Women on Boards Association; Director, Criminal Investigate Association of Republic of China; Managing Director, Taiwan Listed Company Association.

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

Note 3: Positions concurrently assumed by representative Nelson An-ping Chang: Chairman, Taiwan Cement Corporation; Chairman, Ho-Ping Power Company; Chairman, E-One Moli Energy Corp.; Chairman, TCC Investment Corporation; Chairman, Union Cement Traders, INC.; Chairman, TCC Recycle Energy Technology Company; Chairman, TCC Chemical Corp.; Chairman, HKC Investment Corp.; Chairman, TCC International Holdings Ltd.; Chairman, TCC (Hangzhou) Environment Co., Ltd.; Chairman, Chia Hsin Foundation; Chairman, TCC Sustainable Energy Investment Corporation; Chairman, TCC Energy Storage Technology Corporation; Chairman, Hong Kong Cement Manufacturing Co., Ltd.; Chairman, TCC International Ltd. (TCCI); Chairman, TCC Hong Kong Cement (BVI) Holdings Ltd.; Chairman, TCC Hong Kong Cement International Ltd.; Chairman, Upper Value Investments Ltd.; Chairman, TCC International Holdings Ltd.; Chairman, Molie Quantum Energy; Chairman, Dr. Cecilia Koo Botanic Conservation Center (KBCC); Chairman, THC International S.A.; Director, Taiwan Stock Exchange Corporation; Director, Taiwan Transportation and Storage Corp.; Director, Chai Hsin R.M.C Corp.; Director, Ta-Ho Maritime Corp.; Director, CTCI Corp.; Director, Chinatrust Investment Co., Ltd.; Director, TCC Information Systems Corp.; Director, Cheng Hsin Hospital; Director, Hoping Industrial Port Corporation; Director, CIMPOR GLOBAL HOLDINGS B.V. (original name: Dutch Oyak Tcc Holdings B.V.); Director, Ta-Ho Maritime (Singapore) Pte. Ltd.; Independent Director, Synnex Technology International Corp.; Honorary Chairman, Chinese National Association of Industry and Commerce.

Note 4: Positions Concurrently assumed by representative Roy J.Y. Yeh: Chairman, IBT Management Corporation; Chairman, IBT VII Venture Capital Co., Ltd.; Director, IBT Leasing Co., Ltd.; Director, IBT International Leasing Corp.

Note 5: Positions concurrently assumed by independent managing director Fu-Hsiung Hu: Independent Director, Walsin Lihwa Corporation.

Note 6: Positions concurrently assumed by independent director Hank H.K. Lin: Chairman, EY Cultural and Educational Foundation; Supervisor, Union MechTronic Inc.

Note 7: Positions concurrently assumed by independent director Richard R.C. Liu: Independent Director, Taiwan Aulisa Medical Devices Technologies, Inc.

Note 8: Positions concurrently assumed by representative Shih-Tze Chen: Chairperson, Ming Shan Investment Co., Ltd.; Chairperson, Yi Chang Investment Co., Ltd.; Chairperson, Tai Hsuan Investment Co., Ltd.; Chairperson, Tai Ya Investment Co., Ltd.; Director, Kogyoku Foods Co., Ltd.; Director, O-Bank Education Foundation; Director, Paradise Palms Ltd.; Director, KC Park Co.; Director, SKY Capital International Group Inc. (BVI); Director, Triple Ace Management Co., Ltd. (BVI); Director, Crystal Lake Global Limited; Director, Eagle Base Holdings Limited; Director, Eagle Dynasty Investments Limited; Director, Global Sail Holdings Limited (BVI); Director, KC Investments Corp. (BVI); Director, Star International Pacific Ltd.; Director, Lucky Bamboo Investments Limited; Supervisor, IBT II Venture Capital Co., Ltd.; Supervisor, Prudential Fortune Investment Co., Ltd.; Supervisor, Hong Ju Investment Co., Ltd.

Note 9: 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 10: Positions concurrently assumed by Mark J.C. Lee: Chairman, Sung Yuan Development Co., Ltd.; Director, Chia Wheel Enterprises Co., Ltd.; Director, Heng Jih Song Accurate Industries Co., Ltd.; Director, Heng Tin Feng Invest Development Co., Ltd.; Director, Tong Chuan Invest Development Co., Ltd.; Director, Bai Tong Investment Co., Ltd.; Director, Heng Ying Machinery Co., Ltd.; Director, Heng Tong Assets Management Co., Ltd.; Director, Heng Tong Machinery Co., Ltd.; Director, Heng Gi Lie Investment Ltd. Company; Director, Chang Yan Investment Co., Ltd.; Director, Hong Fu Investment Co., Ltd.; Director, Siang Tai Investment Co., Ltd.; Director, Hong Da Investment Co., Ltd.; Director, Heng Kuo Co., Ltd.

Note 11: Positions concurrently assumed by representative Elton F.Y. Lee: President, O-Bank; Director, EverTrust Bank.

Note 12: Positions concurrently assumed by representative Gordon W.C. Lin: Chairman, IBT Leasing Co., Ltd.; Chairman, IBT International Leasing Corp.; Director, IBTS Holdings (BVI) Limited; Supervisor, Gamma Paradigm Capital/Research; Liquidator, Chun Teng New Century Co., Ltd.

Note 13: Positions concurrently assumed by representative Nina Y.C. Lo: Chairperson, Prudential Fortune Investment Co., Ltd.; Director, Yi Chang Investment Co., Ltd.; Director, Taiwan Art & Business interdisciplinary Foundation; Director, Tai Ya Investment Co., Ltd.; Supervisor, Ming Shan Investment Co., Ltd.; Director, Silver Maple Enterprises Limited

Note 14: Positions concurrently assumed by Bill K.C. Lin: Director, EasyCard Investment Holding Co., Ltd.; Director, EasyCard Corporation; Director, UUPON INC.; Director, Curdoctor Information Service Corp; Independent Director, GOMAJI Corp. Ltd.

Table 3-3: Range of Remuneration

As of December 31, 2020

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	O-Bank	Companies in the Consolidated Financial Statements	O-Bank	Companies in the Consolidated Financial Statements
Less than NT\$1,000,000	Yang, Tony C. Y.; Chen, Shih-Tze; Lin, Gordon W.C.; Cheng, George C.J.; Pioneer Chemical Corp.; Sheng, Bobby P.S.; Lo, Nina Y.C.; Chang, David C.C.; Lee, Elton F.Y.; Yue, Thomas C.T.; Yeh, Roy J.Y.	Yang, Tony C. Y.; Chen, Shih-Tze; Lin, Gordon W.C.; Cheng, George C.J.; Pioneer Chemical Corp.; Sheng, Bobby P.S.; Lo, Nina Y.C.; Chang, David C.C.; Lee, Elton F.Y.; Yue, Thomas C.T.; Yeh, Roy J.Y.	Chen, Shih-Tze; Lin, Gordon W.C.; Cheng, George C.J.; Pioneer Chemical Corp.; Sheng, Bobby P.S.; Lo, Nina Y.C.; Yue, Thomas C.T.; Yeh, Roy J.Y.	Chen, Shih-Tze; Cheng, George C.J.; Pioneer Chemical Corp.; Sheng, Bobby P.S.; Lo, Nina Y.C.; Yue, Thomas C.T.
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Chang, Nelson An-Ping; Wang Hsiang Co., Ltd; Chan, Hou-Sheng; Liu, Richard R.C.; Lee, Yunny Y.; Lin, Bill K.C.; Hu, Fu-Hsiung; Lin, Hank H.K.	Chang, Nelson An-Ping; Wang Hsiang Co., Ltd.; Chan, Hou-Sheng; Liu, Richard R.C.; Lee, Yunny Y.; Lin, Bill K.C.; Hu, Fu-Hsiung; Lin, Hank H.K.	Chang, Nelson An-Ping; Wang Hsiang Co., Ltd.; Chan, Hou-Sheng; Liu, Richard R.C.; Lee, Yunny Y.; Lin, Bill K.C.; Hu, Fu-Hsiung; Lin, Hank H.K.	Chang, Nelson An-Ping; Wang Hsiang Co., Ltd.; Chan, Hou-Sheng; Liu, Richard R.C.; Lee, Yunny Y.; Lin, Bill K.C.; Hu, Fu-Hsiung; Lin, Hank H.K.
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Taiwan Cement Corporation; Abag Investment Holdings Co., Ltd.; Lee, Mark J.C.	Taiwan Cement Corporation; Abag Investment Holdings Co., Ltd.; Lee, Mark J.C.	Taiwan Cement Corporation; Abag Investment Holdings Co., Ltd.; Lee, Mark J.C.; Yang, Tony C. Y.; Chang, David C.C.	Taiwan Cement Corporation; Abag Investment Holdings Co., Ltd.; Lee, Mark J.C.; Yang, Tony C. Y.; Chang, David C.C.; Yeh, Joy J.Y.
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Lo, Kenneth C.M.; Ming Shan Investment Co., Ltd.; Tai Ya Investment Co., Ltd.	Lo, Kenneth C.M.; Ming Shan Investment Co., Ltd.; Tai Ya Investment Co., Ltd.	Lo, Kenneth C.M.; Ming Shan Investment Co., Ltd.	Lo, Kenneth C.M.; Ming Shan Investment Co., Ltd.; Tai Ya Investment Co., Ltd.; Lin, Gordon W.C.

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	O-Bank	Companies in the Consolidated Financial Statements	O-Bank	Companies in the Consolidated Financial Statements
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Yi Chang Investment Co., Ltd.; Lo, Tina Y.	Yi Chang Investment Co., Ltd.; Lo, Tina Y.	Yi Chang Investment Co., Ltd.; Lo, Tina Y.	Yi Chang Investment Co., Ltd.; Lo, Tina Y.
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	-	-	Lee, Elton F.Y.	Lee, Elton F.Y.
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	27	27	27	27

Note: 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.

Table 3-4: Directors' Avoidance of Motions in Conflict of Interest

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2020.2.26 The 7th Board of Directors in its 22nd meeting	Proposal for making a donation to the Chinese National Association of Industry and Commerce	Kenneth C.M. Lo, Tina Y. Lo, Nelson An-Ping Chang, Shih-Tze Chen, Nina Y.C. Lo	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	O-Bank's directors stand by the principle of recusal and refrain from participating in the discussion of and voting on motions that may cause conflicts of interest.
	Proposal for making a donation to the O-Bank Education Foundation	Kenneth C.M. Lo, Tina Y. Lo, Tony C. Y. Yang, Shih-Tze Chen, David C.C. Chang, Nina Y.C. Lo		
2020.3.25 The 7th Board of Directors in its 24th meeting	Release of non-competition restrictions on directors	Elton F.Y. Lee		
	Amendment to 2020 Audit plan	Elton F.Y. Lee		
	Proposal for director remunerations and employee remunerations for 2019	Directors recusing themselves from motion on director remunerations: the entire number of non-independent directors–Kenneth C.M. Lo, Tina Y. Lo, Nelson An-Ping Chang (abstention), Tony C. Y. Yang, Shih-Tze Chen, Gordon W.C. Lin, George C.J. Cheng, Mark J.C. Lee, Bobby P.S. Sheng, Nina Y.C. Lo, Ta-Nien Tung, Elton F.Y. Lee Directors recusing themselves from motion on employee remunerations: Elton F.Y. Lee		
	Proposal for reappointment of the Chairman of O-Bank's subsidiary IBT International Leasing Corp.	Gordon W.C. Lin		
2020.4.29 The 7th Board of Directors in its 25th meeting	Release of non-competition restrictions on directors of the 8th Board	Kenneth C.M. Lo, Tina Y. Lo, Nelson An-Ping Chang (abstention), Shih-Tze Chen, Gordon W.C. Lin, George C.J. Cheng, Mark J.C. Lee, Nina Y.C. Lo, Elton F.Y. Lee		
2020.6.19 The 8th Board of Directors in its 1st meeting	Proposal for appointment of O-Bank's 5th Remuneration Committee members	Fu-Hsiung Hu, Hank H.K. Lin, Richard R.C. Liu		

Date	Content of Motion	Director	Cause for Avoidance	Participation in Voting
2020.7.7 The 8th Board of Directors in its 2nd meeting	Proposal for making a donation to the Eisenhower Fellows Association in the R.O.C.	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	O-Bank's directors stand by the principle of recusal and refrain from participating in the discussion of and voting on motions that may cause conflicts of interest.
	Proposal for remuneration of O-Bank's Chairperson	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo, Elton F.Y. Lee		
	Proposal for retirement of O-Bank's former Chairman Kenneth C.M. Lo	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo, Elton F.Y. Lee		
	Amendment to O-Bank's Regulations Governing Employee Compensation	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo, Elton F.Y. Lee		
2020.8.21 The 8th Board of Directors in its 3rd meeting	Proposal for reviewing a loan application by one of O-Bank's borrowers	Nelson An-Ping Chang	In compliance with Article 33-1 of the Banking Act (Interested Parties)	
	Proposal for making a donation to the Chinese National Association of Industry and Commerce	Tina Y. Lo, Kenneth C.M. Lo, Nelson An-Ping Chang, Shih-Tze Chen, Nina Y.C. Lo	In compliance with Article 14 of the Procedural Rules Governing Board Meetings (Interested Parties)	
2020.11.4 The 8th Board of Directors in its 4th meeting	Proposal for the appointment of O-Bank's 1st Corporate Governance and Nomination Committee members	Tina Y. Lo, Kenneth C.M. Lo, Fu-Hsiung Hu, Hank H.K. Lin, Shih-Tze Chen, Nina Y.C. Lo		
	Proposal for the establishment of O-Bank's Risk Management Committee and appointment of the committee members	Tina Y. Lo, Kenneth C.M. Lo, Roy J.Y. Yeh, Shih-Tze Chen, Nina Y.C. Lo		
	Proposal for making a donation to the National Taiwan University Economic Research Foundation	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo		
	Proposal for making a donation to the Criminal Investigation and Prevention Association	Tina Y. Lo, Kenneth C.M. Lo, Shih-Tze Chen, Nina Y.C. Lo		
2020.12.23 The 8th Board of Directors in its 5th meeting	2021 Audit plan	Elton F.Y. Lee		
	2021 Internal Auditing Plan for the Concurrent Conducting of Insurance Agent Business	Elton F.Y. Lee		

Note: "Abstention" in this table refers to a director opting to appoint another director as proxy to attend a board meeting on his/her behalf and specifying in the power of attorney abstention from any motion that may make the former an interested party.

● Professional Development

To strengthen the professional expertise of our directors and reap greater benefits from corporate governance, O-Bank arranges regular professional development courses to help directors keep up to date on domestic and foreign legislative developments. In 2020, O-Bank directors completed a combined total of 162 hours of training in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," thus achieving a target completion rate of 100%.

● Communication with Directors

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

● Director Performance Evaluations

O-Bank has established performance goals to elevate the role of the Board of Directors, and our Board of Directors has adopted the "O-Bank Co., Ltd. Rules Governing the Performance Evaluation of the Board of Directors" in order to enhance the effectiveness of the Board's operations. These Rules require the Board of Directors and our functional committees to conduct an internal board performance evaluation at least once a year and to commission an independent outside professional institution or an independent outside team of experts and scholars to conduct a board performance evaluation once every three years. The focal points of internal board performance evaluations include: degree of participation in the running of the company; the quality of decision making by the Board of Directors and its functional committees; the composition and structure of the Board of Directors and its functional committees; the election of the directors; understanding of director's duties; professionalism and continuing professional education; internal controls; implementation of corporate social responsibility initiatives; measures taken by the Board of Directors to spur the company to undertake ESG initiatives; and other important topics. In the first quarter of 2021, O-Bank completed our 2020 Board of Directors performance evaluation and found that, overall: (a) the Board of Directors and its functional committees operated well and were able to discharge their duty to guide and oversee corporate policies, important lines of business, and risk management; and (b) the Board members properly understood their duties, actively participated in the running of the company, made appropriate decisions, and effectively promoted governance quality.

3.1.2 Functional Committees

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

1. Audit Committee

The O-Bank Board passed a resolution in February 2011 to replace the supervisors with an Audit Committee, and approved the "Audit Committee Organizational Rules". In June of 2011, the General Shareholders Meeting approved the establishment of the Audit Committee, and an Audit Committee system was implemented beginning from the time of the 5th Board of Directors. The Audit Committee is comprised of independent directors and its primary duties are to supervise the following: fair presentation of financial statements; any appointment or dismissal of the certified public accountant, and review of its independence and performance; effective implementation of the internal control system; the company's compliance with laws and regulations; and management of existing or potential risks. The Board of Directors in 2020 amended the "Audit Committee Organizational Rules". The Audit Committee met 10 times during the year, and the committee members compiled a combined attendance rate of 96.67%.

2. Compensation Committee

To build a comprehensive compensation policy and system, O-Bank's Board established a Compensation Committee in 2009. The three members of the committee are all independent directors and their primary duties are to assist the Board in reviewing and supervising overall compensation policies as well as to evaluate and approve the compensation of Board members and senior executives. In carrying out its duties, the Compensation Committee evaluates market research performed by consulting firms and compensation levels at peer companies, takes performance evaluations into account, and uses its findings as its criteria for evaluating compensation. Also, one of the Compensation Committee's top principles is to ensure that directors, managerial officers, and sales staff do not pursue compensation by taking risk that exceeds established risk tolerance levels. The Compensation Committee met 10 times in 2020 and the attendance rate was 100%.

3. Corporate Governance and Nomination Committee

In order to improve the system for election of directors and build a Board of Directors with a diverse and professional membership, O-Bank established our Corporate Governance and Nomination Committee in November 2020, and has been acting via our functional committees to continue improving our corporate governance system. This committee's membership includes three directors, and more than half of the members are independent directors. Their primary duties include: formulating the standards that directors are required to meet; reviewing director candidates and making nominations; formulating and reviewing directors' completion of professional development courses and their succession planning; adopting O-Bank's "Corporate Governance Best-Practice Principles" and "Rules Governing the Performance Evaluation of the Board of Directors"; and overseeing and supervising corporate governance evaluations and performance evaluations of the Board. The Corporate Governance and Nomination Committee met twice in 2020, and the attendance rate was 100%.

4. Corporate Social Responsibility Committee

To fulfill our corporate social responsibilities, O-Bank formed a Corporate Social Responsibility (CSR) Committee in January 2015 and officially established an organizational charter for the committee in December of the same year. The CSR Committee has six subcommittees and is responsible for setting CSR-related procedures, policy directions, and implementation plans. The CSR Committee holds regular meetings to track progress in all projects and met three times in 2020. O-Bank submits a CSR Report each year to the Board of Directors to report on our implementation of CSR plans and the results of consultations between O-Bank and our stakeholders in order to continuously improve O-Bank's CSR performance.

5. Corporate Culture Committee

To bring all employees on board with our corporate culture of "always sincere, always here" as well as the company's core values that O-Bank sums up in the five-letter acronym TOUCH (trust, outstanding, unity, creativity, and honor), O-Bank set an industry first by establishing our Corporate Culture Committee. This committee is responsible for drafting and implementing plans for specific CSR activities. From time to time it communicates with employees and familiarizes them with internal policies in order to thoroughly instill the corporate culture. In addition, the Corporate Culture Committee conducts an employee satisfaction survey and an employee needs survey once per year, and responds with policies that are based on the survey results. In this way, O-Bank works to build up a strong corporate culture and a positive atmosphere.

3.1.3 Shareholder Structure and Communication

O-Bank holds General Shareholders Meeting once per year. Matters addressed by shareholders meeting resolutions include the following: amendment of the Articles of Incorporation; election of directors and completion of their terms; examination and approval of the statements and books prepared and submitted by the Board of Directors; capital increases and decreases; distributions of earnings, stock dividends, and cash dividends; and other matters that the law requires be settled by shareholders meeting resolutions. O-Bank has adopted a set of "O-Bank Procedural Rules Governing Shareholders' Meetings," which includes provisions governing how shareholders' meetings must be held, deadlines for delivery of meeting notices, and meeting procedures in order to uphold the rights and interests of shareholders. In addition, e-voting has been used for shareholders' meetings since 2012, so shareholders now have more ways to exercise their voting rights. Also, O-Bank attaches importance to communicating and interacting with shareholders, and has a number of different channels to accomplish it. A special "Investors Section" on the company website provides detailed disclosures of company information, regularly publishes financial performance figures, puts out information on investor conferences and shareholders' meetings, and provides contact information for the O-Bank spokesperson and deputy spokesperson so that shareholders can express their views at any time. O-Bank adopted a resolution at our 2020 General Shareholders Meeting to pay cash dividends of NT\$0.40095327 per share for 2019. The total amount of the cash dividends was NT\$965,202,521. The company also paid dividends of NT\$0.425 per share of preferred stock, and preferred stock dividends came to a total of NT\$127,500,000. As of the date of record, the structure of O-Bank shareholders was as set out in Table 3-5.

Table 3-5: Structure of O-Bank Shareholders

Date of record: 27 April 2021

Common Shares

Unit: Shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	1	2	118	95	24,105	1	24,322
Shares Held	100	7,004,365	2,132,159,015	53,405,744	534,700,077	5,737,000	2,733,006,301
Ownership Stake	0.00%	0.26%	78.02%	1.95%	19.56%	0.21%	100.00%

Preferred Shares

Unit: Shares

Type of Shareholder	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Individuals	Treasury Shares	Total
Persons	0	1	41	1	4,393	0	4,436
Shares Held	0	4,855,000	242,678,524	298	52,466,178	0	300,000,000
Ownership Stake	0.00%	1.62%	80.89%	0.00%	17.49%	0.00%	100.00%

3.2 Ethical Best Practice

3.2.1 Ethics and Integrity

1. Policy Initiatives

To build up a strong culture of ethical best practices, in addition to adopting a set of "Code of Ethical Conduct" to serve as guidelines for its directors, managerial officers, rank-and-file employees, and consultants, O-Bank has also made reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" in formulating our "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management". These documents require the company to abide by the "Company Act," "Securities and Exchange Act," "Business Entity Accounting Act," "Political Donations Act," "Anti-Corruption Act," "Government Procurement Act," "Act on Recusal of Public Servants Due to Conflicts of Interest," and other applicable laws and regulations which set out concrete provisions governing matters to be observed by employees in carrying out their duties. To build greater awareness of the need for ethical best practices, O-Bank since 2019 has conducted annual ethical conduct risk self-assessments for all employees. O-Bank has also adopted a "Declaration of Intent to Comply With the O-Bank Ethical Management Policy" and a "Statement of Consent to Comply With the O-Bank Ethical Management Policy," which are to be signed by senior management, current employees, and newly hired employees. In addition, O-Bank also plans to incorporate the provisions of our "Procedures for Ethical Management and Guidelines for Conduct" into the contracts that we executes with other companies, or will ask other companies to separately sign an "Undertaking to Abide by all Ethical Management Commitments," which will require the counterparty to join with O-Bank in complying with the principles of ethical management.

2. State of Implementation

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

- (1) The Corporate Governance Subcommittee shall incorporate ethics and moral values into the company's business strategy and adopt related internal rules to provide prevention measures against corruption and malfeasance, thereby ensuring ethical management which complies with the requirements of laws and regulations.
- (2) The Corporate Governance Subcommittee shall adopt programs to prevent unethical conduct, and set out in each program standard operating procedures and conduct guidelines with respect to the company's operations and business. To ensure ethical corporate management, O-Bank – acting in compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" – has: established effective internal control systems and accounting systems; conducted regular audits on our domestic business, financial, asset custody, and information units as well as other management units; and retained a certified public accountant to conduct regular audits of the company's internal control systems to ensure efficient internal controls and to implement ethical best practices.

- (3) The Corporate Governance Subcommittee shall plan the internal organization, structure, and allocation of responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. To avoid corruption-related risks, O-Bank has adopted a number of different standard operating procedures, malfeasance prevention measures that are in line with legislative requirements in Taiwan as well as all other jurisdictions where the O-Bank maintains establishments, and risk identification procedures for risk control self assessments (RCSAs). O-Bank has also assessed business corruption risks at all of our business locations and branches, and each of our functional units uses the assessment results to control risks and avoid the risk of corruption within the company.
- (4) The Corporate Governance Subcommittee shall promote and coordinate outreach and training activities that focus on ethics policy.
- (5) The Corporate Governance Subcommittee shall establish and implement a whistleblower system.
- (6) The Corporate Governance Subcommittee shall assist the Board of Directors and management in auditing and assessing whether the corruption prevention measures taken by O-Bank for the purpose of implementing ethical management are effectively operating, and shall regularly prepare reports on the assessment of compliance with ethical management in operating procedures.

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

3. Whistleblower System

To encourage employees to blow the whistle on unethical or improper conduct, O-Bank has adopted a set of "Whistleblowing Policy" and posted a Whistleblower System to our corporate website. Any person who discovers that a director, supervisor, manager, employee, or mandatary of O-Bank or a member of the O-Bank Group, or a person having substantial control of O-Bank or the Group, has possibly committed crimes, cheating, or regulatory violations, may submit a whistleblowing report to O-Bank via hotline, email, or the postal service. A whistleblower's identity and the content of what is reported are kept secret. This system helps O-Bank to implement corporate governance and maintain ethical business practices. A total of 11 emails were submitted to the O-Bank whistleblower box in 2020. It was found upon review that the emails made no accusations against any specific persons and provided no descriptions of concrete malfeasance involving illegal or improper behavior. Accordingly, the number of valid whistleblower cases was zero.

4. Education and Training

To ensure that all employees comply with the "Ethical Corporate Management Best Practice Principles" in the conduct of their job duties, and that they observe strict legal compliance, O-Bank's legal compliance, auditing, and human resources units in 2020 jointly held 21 on-site and online courses. These courses attracted a total attendance of 10,664 persons who completed a combined 12,971.5 course hours (see Table 3-6). With respect to domestic matters, O-Bank carries out outreach activities to familiarize employees with important legislative amendments, major enforcement actions, matters pertaining to ethical best practice and corporate social responsibility, internal audit systems, principles for fair treatment of consumers, anti-money laundering, confidentiality rules, protection of personal information, and other important topics. As for overseas legal compliance matters, O-Bank holds education and training courses focusing on selected topics. In addition, O-Bank in 2020 hired Deloitte & Touche to hold a series of four "Personal Information Protection Courses" for risk management supervisors and officers, attracting a total attendance of 1,694. As for ethical best practice training activities, O-Bank retained the Taiwan Corporate Governance Association to hold an "Ethical Business Practices and Corporate Governance" lecture, which was delivered by professionals from Lex Pro Attorneys-at-Law to strengthen O-Bank Board members' concept of ethical business practices. The lecture was attended by 15 Board members. To better familiarize rank-and-file employees with ethics and compliance, O-Bank's various units acted separately in once again holding outreach activities focusing on ethics rules. These activities, which were designed to ensure better compliance and prevent unethical behavior, attracted a total attendance of 917.



"Ethical Business Practices and Corporate Governance" lecture

Table 3-6: O-Bank Education and Training Activities in 2020

Name of Course	No. of Sessions	Target Audience	Hours	Attendance	Person Hours
Training & panel discussion for chief compliance officers	1	Chief compliance officers from the various units	2	80	160
Online training & testing for compliance	2	All employees	0.5	1,806	903
Education and training series for protection of personal information	4	Operational risk managers / all employees	1	1,694	1,694
In-depth analysis of the "Financial Consumer Protection Act"	1	All employees	3	821	2,463
AML/CFT education & training	1	All employees	3	793	2,379
OJT workshop for compliance personnel	1	Chief compliance officers from the various units	3	86	258
Information security training courses	3	All employees	1	3,135	3,135
Panel discussion on audit work	1	Unit supervisors / related personnel	1	137	137
Self-audit training	1	Personnel engaged in self-audit work	1	702	702

Name of Course	No. of Sessions	Target Audience	Hours	Attendance	Person Hours
Comprehensive training on occupational safety and health	2	Personnel required to meet training hours requirement for current year	1	201	201
	1	Personnel required to meet training hours requirement for current year	2	189	378
Lecture on corporate governance and ethical management	1	Directors	1	15	15
Principles for application of the law at the Hong Kong Branch	1	All employees from the Hong Kong Branch	1	88	88
Ethical management outreach, education, and training	1	All employees	0.5	917	458.5
Total	21			10,664	12,971.5

3.2.2 Internal Control and Audit Systems

Acting in compliance with the Financial Supervisory Commission's "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies," O-Bank has established our internal control system (see Fig. 3-1), for which three lines of defense are set up to ensure our proper and effective operation and O-Bank's sound management.

Fig. 3-1: Three Lines of Defense in the O-Bank Internal Control System



The O-Bank's Auditing Department reports directly to the Board. Our internal auditors carry out auditing duties in an impartial, objective, independent, and detached manner, and do not hold any position that conflicts with or restricts their auditing duties, so as to reasonably ensure the effective operation of internal controls. The frequency of on-site examinations of domestic and overseas units and subsidiaries is based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies," and is incorporated into the annual audit plan. The chief auditor reports once per quarter on these matters to the Board of Directors and the Audit Committee to help the Board of Directors and management stay up to date on O-Bank's implementation of audit matters. The O-Bank Board of Directors holds a forum with auditors every half-year to review internal control deficiencies, and meeting minutes are produced. Also, the Auditing Department monitors a routine self-inspection

on all first-line-of-defense units at least semiannually and a special self-inspection at least every month. However, if the unit has conducted a routine self-inspection, the Auditing Department has conducted a routine business audit, a financial examination agency has conducted a routine business audit or self-evaluation on affairs concerning compliance with applicable acts and regulations in that month, a special self-inspection can be exempted in that month. Additionally, the Auditing Department must provide appropriate audit training each year for personnel engaged in self-inspection work.

The O-Bank Auditing Department completed business audits at O-Bank's various departments and subsidiaries in 2020 in accordance with the audit plan as well as instructions from the competent authority. The resulting audit findings for each department and subsidiary were tracked in the electronic forms system for ongoing monitoring until to be resolved, and O-Bank proceeded directly to implement corrective actions in order to improve the effectiveness of internal controls and continue strengthening the supervision of auditing operations at overseas branches.

3.3 Legal Compliance

3.3.1 Legal Compliance

To thoroughly implement our compliance policy, O-Bank adopts an annual legal compliance plan, and in addition to reviewing compliance systems, structures, and regulations, we also prepare an integrated overview of the handling of legal compliance matters by O-Bank as a whole. This overview covers such matters as each department's compliance self-assessment and the causes of serious compliance failures, suggestions for improvement, compliance assessment results, education and training, and the handling of insurance agent services. The head office Chief Compliance Officer reports semi-annually to the Board of Directors and the Audit Committee to help the Board of Directors and senior management effectively understand the state of O-Bank's legal compliance.

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

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

3.3.2 Anti-money Laundering and Counter Financing of Terrorism (AML/CFT)

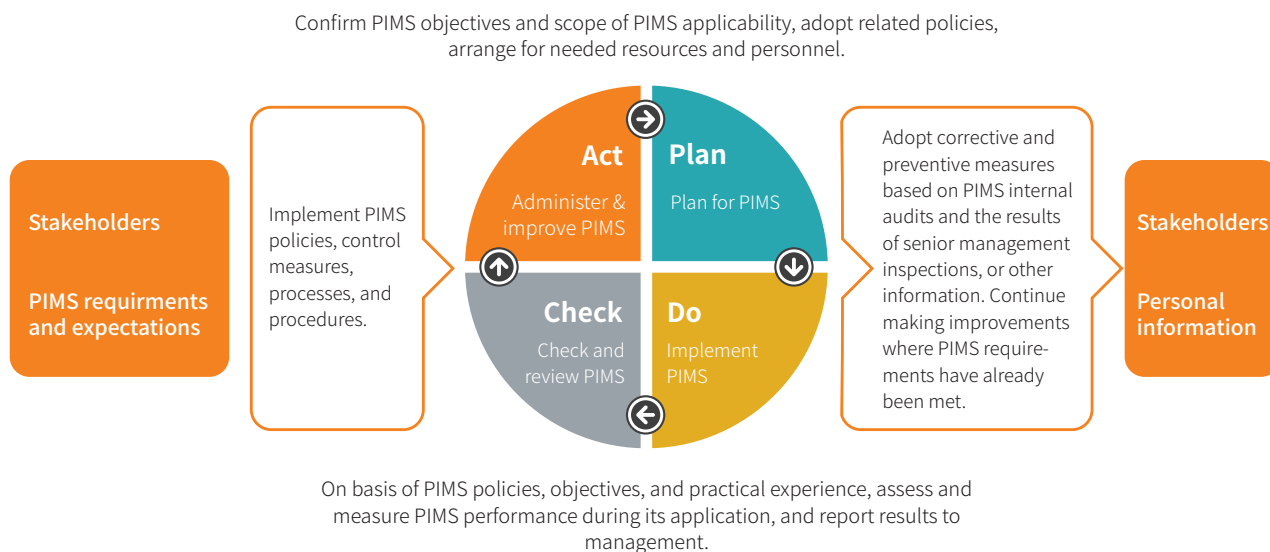
To coordinate with the requirements of the competent authorities regarding AML/CFT matters, O-Bank has adopted a Risk-Based Approach in assessing the ML/TF risks that we face, has adopted related internal rules and management mechanisms, and carries out related education and training for employees. To respond to different ML/TF risk typologies, O-Bank hired Deloitte Consulting to carry out a project to optimize the Bank's monitoring and control of suspected ML/TF transactions. The project includes the following two aspects: (1) A risk-based approach was used to optimize the threshold for tripping alerts on possible ML/TF transactions. (2) The effectiveness of red flags was analyzed. The project was completed in February 2020. Also, O-Bank also hired Deloitte Consulting (Hong Kong) to assess the O-Bank Hong Kong Branch's ML/TF risks and to conduct a comprehensive review of the branch's implementation of its AML/CFT system. This project was completed in September 2020.

In addition, O-Bank carries out a comprehensive AML/CFT evaluation every year that focuses on four aspects: customers; products and services; transactions & delivery channels; and regions. On the basis of the evaluation results, O-Bank develops annual risk prevention programs. To ensure that each line of business is conducted in compliance with AML/CFT laws and regulations, the head office chief AML/CFT officer, acting in compliance with laws and regulations, must first review new products and services to assess ML/TF risk before O-Bank applies for approval of (or launches) a new product or new line of business. Also, to ensure effective control of ML/TF risks by overseas branches, the comprehensive anti-money laundering system developed by the Hong Kong Branch in 2017 and went online in December 2018. In addition, the head office has adopted the "O-Bank Group Policy for Sharing AML/CFT Information," the "O-Bank Rules Governing the AML/CFT Systems of Overseas Branches (Subsidiaries)," and the "O-Bank Group Operation Procedures for Sharing of AML/CFT Information" in order to strengthen the Group's AML/CFT governance and information sharing mechanisms.

3.3.3 Personal Information Protection

O-Bank continues improving our protection and management of personal information. Making reference to the latest version of the BS 10012 Personal Information Management System (PIMS), taking an institutionalized, documented, and systematized approach, and following the Plan-Do-Check-Act (PDCA) management model, O-Bank has established a PIMS (see Fig. 3-2). Our personal information management policy is faithfully implemented by analyzing operating procedures, information systems, and third-party management and exercising stringent control over the acquisition, handling, use, transmission, storage, sealing, and destruction of personal information. O-Bank also considers the matter from the perspectives of "organization," "procedures," and "information technologies" and takes a top-down approach, using a strategic eye to define organizational management and operations. By analyzing operating procedures and information systems, O-Bank reviews the personal lifecycle, all the way from acquisition, handling, use, transmission, storage, and sealing, to destruction of personal information. Throughout the process, the location, access to, and control of personal information is tracked. At the same time, O-Bank reviews and minimizes personal information not needed for business purposes in order to reduce the organization's management and control costs. O-Bank continues to carry out a "BS 10012 Maintenance, Consulting, and Advisory Service" project to improve our protection and management of personal information.

Fig. 3-2: O-Bank Personal Information Management System (PIMS)



To ensure sustained and effective operation of our personal information security management system, O-Bank has established a Personal Information Management Committee (Fig. 3-3), for which the president of O-Bank serves as convener. The Committee holds an annual personal information protection meeting, oversees personal information protection and management across O-Bank, examines (or accepts file-and-use registrations of) rules governing personal information management, oversees and directs crisis management and response, and regularly conducts critical reviews of the current PIMS in order to improve operating efficiency and effectiveness. The Committee has also established a Personal Information Security Management Team, which is composed of the Legal and Compliance Department, the Risk Management Department, and information-related departments. This Team is charged with responsibility for: promoting personal information control measures and plans; assisting all departments with their management of personal information; planning and conducting personal information management outreach, education, and training activities; and formulating measures for responding to various supervisory requirements that relate to the protection of personal information approved by convener and reported in a timely manner to the competent authority. The Team also prepares regular reports on personal information security management and presents the reports to the Personal Information Management Committee. On 18 November 2020, the Committee convened its annual meeting to review and decide on matters related to personal information as well as present a personal information self-evaluation report to the Board of Directors.

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



To enhance employee awareness of the importance of personal information protection, and to improve their ability to respond to incidents, O-Bank each year offers regular company-wide training courses on personal information protection. These activities are complemented by training in legal compliance, plus activities designed to better familiarize employees with related legislation. In this manner, O-Bank seeks to incorporate awareness of personal information protection into our corporate culture, so as to

honor our commitment to personal information protection. O-Bank carried out a series of four "2020 Personal Information Protection Courses," which focused on different topics for the benefit of different types of participants. O-Bank also launched a digital learning platform, which is used to carry out legal compliance training and testing. There were separate sessions in the first and second halves of the year, and personal information matters were among the topics covered.

3.4 Risk Management

3.4.1 Risk Management Policies and Operations

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

1. Risk Management Framework

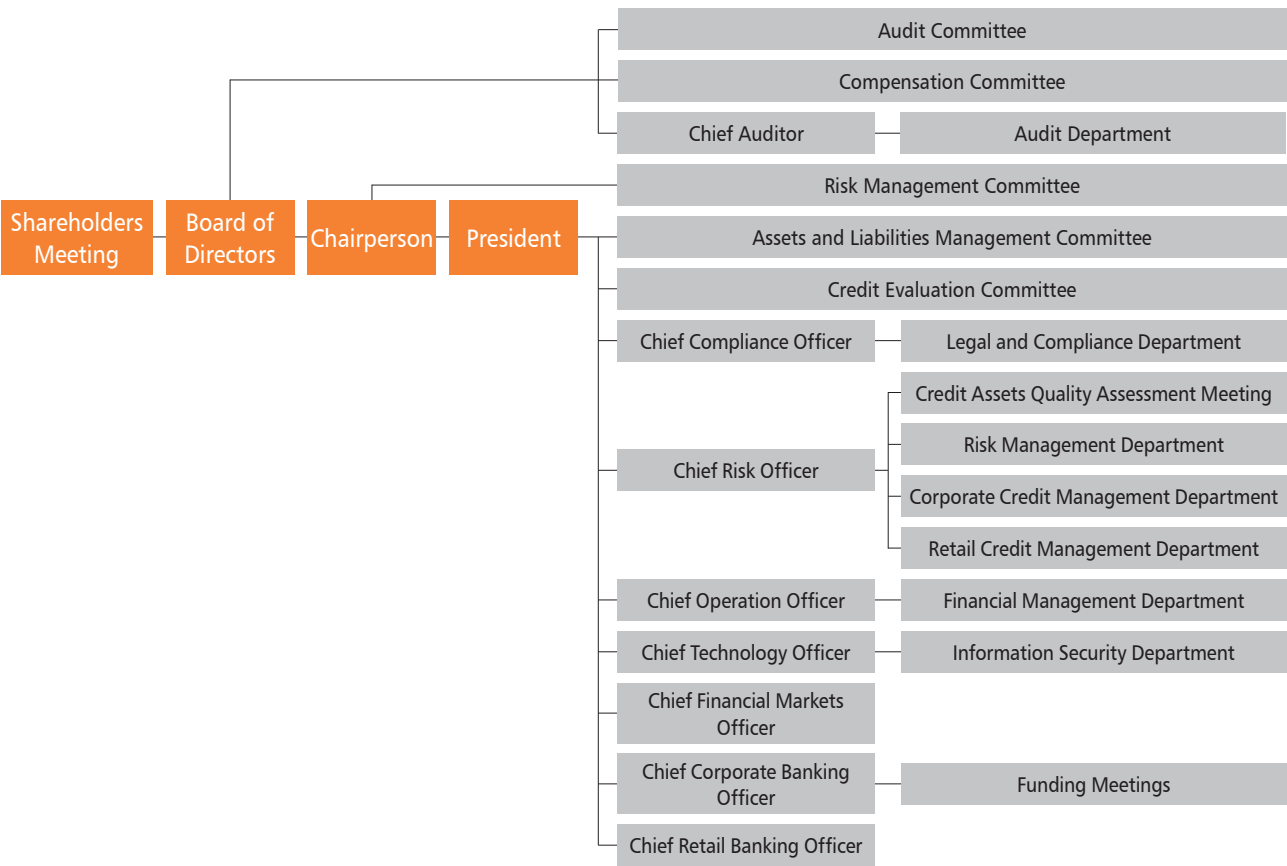
The highest authority in O-Bank's risk management organization is the Board of Directors, which approves risk management mechanisms and risk tolerance based on the overall business strategy and business environment. And to ensure effective implementation of bank-wide all risk management procedures: (a) under the Chairperson of Board there is a "Risk Management Committee," which examines risk management mechanisms and risk management proposals that are approved by the Board of Directors, and monitors how effectively various risks are being managed and reviewed; and (b) under the President there are an "Assets and Liabilities Management Committee," and a "Credit Evaluation Committee," which hold the Funding Meeting and the Asset Valuation Meeting to discuss and review risk management proposals regularly.

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

During the risk monitoring of O-Bank, all exceptions such as violations of policies, limits, and authorizations are reported, processed and improved immediately. At the same time, to ensure full disclosure of risk control situations, O-Bank disclosed the "Risk Management Policy" approved by the Board of Directors on the official website, as well as the risk management organization and its implementation. Meanwhile, our risk management units regularly report on the state of Bank-wide risk

management at meetings of the Board of Directors and the Risk Management Committee, and we also disclose the implementation in the annual financial report.

Fig. 3-4: O-Bank's Risk Management Organization Chart Current as of 5 Mar. 2021



2. Risk Management

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

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



(1) Credit Risks

The "Credit Policy" and "Credit Risk Management Principles" are approved by the O-Bank Board of Directors as the implementation indicators and risk control for credit management. O-Bank pursues sound credit assets quality and optimal earnings targets. According to the fundamental principles of public welfare, security, liquidity, profitability, and growth prospects, to prudently evaluate the borrower's credit including the source of repayment, the purpose of loan, the collateral, and the prospective risks and benefits of the loan. To establish the control mechanism of the credit asset portfolio and concentration limits. In addition, in order to enhance the control on related-party borrowers and strengthen the connectivity between related-party borrower's data. O-Bank completed optimization of the related-party borrower information management system in October 2020, which is a part of the company's customer information system (CIS).

(2) Market and Liquidity Risks

On the basis of three main product categories (equity, interest rate, and exchange rate products) and their respective features, O-Bank has adopted internal rules that set out express provisions governing risk management indicators, exposure limits, reporting of instances in which exposure limits are exceeded, and the managerial personnel who are authorized for deciding upon response measures under such circumstances. To address market and liquidity risks, O-Bank (taking care to ensure legal compliance and rigorous management that ensure a properly balanced dual focus on both profitability and security) responds each year to changing financial market conditions, the supervisory authority's liquidity risk measures, and plans for the company's business footprint, by adopting management approaches and risk limits. Once these management approaches and risk limits have been reviewed and approved by the Assets and Liabilities Management Committee and the Risk Management Committee, they are then submitted to the Board of Directors for final approval. Also, to comply with the Basle Committee on Banking Supervision's "Principles for the Management of Interest Rate Risk," which requires banks to have an appropriate framework for management of interest rate risk in the banking book (IRRBB), including extreme values, stress testing, and information disclosures, O-Bank will adopt IRRBB models in accordance with regulations issued by the Financial Supervisory Commission. These models are scheduled to be implemented from June 2021.

(3) Operational Risk

O-Bank's operational risk management policy includes clear-cut risk identification, control assessment, and supervisory reporting provisions that govern such matters as organization framework, scope of risk management functions, locus of authority and responsibility, requirements, and implementation tools, including loss data collection (LDC), risk and control self-assessment (RCSA), key risk indicators (KRIs), and Clean Desk (CD). To ensure that operational risk management mechanisms can operated smoothly, O-Bank has included operational risk management work among the items receiving attention in each company unit's annual performance reviews, with units assigned a rating of 1 to 5 depending on how well they have carried out operational risk management work. The performance reviews are conducted at year's end. In addition, in order to improve the operating efficiency and oversight of our internal control system, O-Bank has been working since 2018 to establish a Governance, Risk Management, and Compliance (GRC) management platform. The platform's operational risk management module was launched in 2019.

To heighten employees' awareness of the need to maintain the confidentiality of operating secrets and the security of personal information, we continues to pursue our Clean Desk initiative, and in view of the initiative's progress has adopted a set of "Clean Desk Operational Risk Management Rules," which all company units will be expected to observe in their daily operations. O-Bank's risk management units

conduct random monthly surveys to check how well each company unit is implementing the Clean Desk rules. As part of the surveys, each company unit conducts random internal checks after working hours to see whether documents and folders have been left lying on the surfaces of desks, office equipment, and cabinets, whether printouts have been left in printer trays, and whether employees have failed to either lock their notebook computers or store them in a locked cabinet. Where problems are discovered, employees are reminded to be more careful. In 2020, a total of 88 random surveys were conducted in the first half of the year, and another 95 random surveys were conducted in the latter half of the year. The surveys revealed 88% compliance with the rules in the first half of 2020 and 95% in the latter half, which means that the surveys effectively reduced the risk of operating secrets and personal information being improperly divulged or stolen.

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

(4) Brand Risk

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

3. Crisis Management

When any unit experiences a major event, to ensure that business continues as usual and customer rights and interests are safeguarded, and to minimize harm to persons and property, O-Bank has adopted the "Major Accident Emergency Response and Recovery Plan Implementation Guidelines" and the "Organizational Guidelines for the Emergency Response Committee". The Emergency Response Committee is chaired by the President of O-Bank. It is responsible for ensuring that the company is able to promptly notify the proper persons when a major event occurs, and it gathers information from different units to facilitate prompt action in response to emergencies.

To maintain our ability to respond promptly to emergency situations, O-Bank continues to conduct emergency response drills to sharpen our readiness to control operational risks. In July 2020, O-Bank conducted an unannounced drill on the deposit of funds into the Central Bank's Interbank Funds Transfer Guarantee Special Account (hereinafter, "Special Account") to ensure that O-Bank will not encounter a situation in which our funds in the Special Account are insufficient to cover our interbank cash withdrawals or funds transfers on a non-banking day, which would affect the rights and interests of customers as well as O-Bank's reputation. In October 2020, O-Bank carried out our annual operational continuity drills for both information and business operations, using simulation drills to confirm that O-Bank's remote backup and recovery facilities can still be started up normally, and key operations and trading processes can still operate normally – even when information systems at the O-Bank head office, the Asia Plaza Building, and the First International Computer Inc. Building (Yangguang St., Neihu Dist., TPE) are hit by a major disaster that prevents normal operations. During the drills, personnel from the Auditing Department meet with personnel from O-Bank's various units to observe the conduct of the drill. The following Bank units take part in the annual drills, and are responsible for the tasks as described:

- **Information Task Group:** This task group is composed of personnel from the Infrastructure Department, Application System Department I, and Application System Department II. Acting in accordance with the "Standard Drilling and Testing Procedures for Information Systems Continuity," this task group focuses on procedures for network reconnection and systems restoration.
- **Business Operations Task Group:** This task group is composed of personnel from the Corporate Operation Department, Corporate Finance Department, Treasury Department, Corporate Cash Management and e-Banking Department, Risk Management Department, General Affairs Department, Hong Kong Branch, Trust Department, and Customer Service Department. On the basis of the plan for annual drills, this task group validates and tests the transaction procedures and systems for each line of business.
- **Communications Task Group:** The Strategic Planning Department is responsible for liaison and communications with all company units.



O-Bank conducted operational continuity drills for both information and business operations in 2020

Also, in order to respond promptly to material events and control related risks, O-Bank (acting in accordance with the "Directions Governing the Scope of Reportable Major Contingencies, Reporting Procedures, and Other Compliance Matters" issued by the Financial Supervisory Commission) has adopted a set of "Mechanism for Handling Major Contingencies." O-Bank experienced one major contingency in 2020. The contingency was promptly reported to the authorities as required, we adjusted our system settings, and customers affected by the contingency have been compensated.

3.4.2 Climate-related Financial Risks

In the face of the constantly increasing risks related to climate change, O-Bank has actively sought to assess the climate-related risks and opportunities it could generate, and has incorporated climate change factors into our long-term strategic planning and decision-making procedures. Acting in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) regarding climate change disclosures in the four thematic areas of Governance, Strategy, Risk Management and Metrics and Targets. O-Bank has defined climate change issues, identified high-risk as well as high-opportunity issues related to climate change, assessed the possible financial

impacts of those issues, and formulated response measures in order to strengthen O-Bank's resilience to climate change risks while also boosting O-Bank's ability to seize upon related business opportunities.

Core Elements of TCFD			
Governance	Strategy	Risk Management	Metrics and Targets
<ul style="list-style-type: none"> • The Corporate Governance Subcommittee (part of the Corporate Social Responsibility Committee, which is under the O-Bank Board of Directors) is responsible for overall risk management system of climate change. • The identification and management of climate-related issues are included in each year's CSR report, and report them to the Board of Directors. • Apply to become a TCFD Supporter. 	<ul style="list-style-type: none"> • Make it a matter of corporate strategy for all related units to identify possible climate-related risks and opportunities. • With respect to high-risk, high-reward climate-related issues that could have a significant impact, assess the types, scope, and the amount of financial impact, and study possible response strategies. 	<ul style="list-style-type: none"> • While distinguishing between different degrees of impact and probability (short, medium, and long term) of occurrence, use a consistent assessment method to identify high-risk and high-reward climate-related issues. • According to the particular features of different lines of business, formulate appropriate management measures and assess management costs in order to avoid being affected by risks. • Address climate-related risks in the company's overall Risk Management Policy. 	<ul style="list-style-type: none"> • Conduct an annual remote backup and recovery drill to avoid any business interruption due to extreme weather events. • Develop responsible finance and responsible investment, and gradually increase the ratio of relevant credit and investment positions (refer to "4.3 Responsible Finance"). • Act each year to monitor greenhouse gas emissions and achieve environmental management policies and targets (refer to "6.1 Environmental Management Policies and Targets").

Making reference to TCFD reports on climate-related risks and opportunities and the analysis of climate-related trends in the global financial industry, O-Bank drew up a list of 23 climate-related risks and 15 climate-related opportunities. The proper company units and their supervisors identified any correlations between their own line of business and each risk or opportunity, then conducted climate scenario analysis to assess both the likelihood of risks and opportunities materializing as well as the impact thereof. The result was a climate risk matrix (Fig. 3-6) and a climate opportunity matrix (Fig. 3-7). These matrices set out three major types of climate-related risks (Operational impact of increase in the severity and frequency of extreme weather events; Business impact of increase in the severity and frequency of extreme weather events; Stigmatization of sector) and three major types of opportunities (Higher rankings in sustainability and ESG indices; increased financial asset diversification; New revenue streams from new environments, markets, and products).

Fig. 3-6: O-Bank Climate Risk Matrix

Degree of Impact	Likelihood of Occurrence		
	Low		High
	High		
			<ul style="list-style-type: none"> • Operational impact of increase in the severity and frequency of extreme weather events • Business impact of increase in the severity and frequency of extreme weather events • Stigmatization of sector
	<ul style="list-style-type: none"> • Increased stakeholder concern or negative feedback • Litigation risk • Sea level rise 	<ul style="list-style-type: none"> • Lending that could create or contribute to systemic risk for the economy 	<ul style="list-style-type: none"> • Inability to attract co-financiers and/or investors due to uncertain risks related to the climate • Changes in consumer behavior • Regulation and supervision of climate-related risk in the financial sector • Low-carbon alternative products and services • Mandates on and regulation of existing products and services
	<ul style="list-style-type: none"> • Loss of clients due to a fund's poor environmental performance outcomes • Shifts in consumer preferences • Higher pass-through carbon prices (carbon tax) from suppliers 	<ul style="list-style-type: none"> • Higher operating costs for customers due to increased climate-related risks • Higher costs for raw materials • Higher average temperatures • More rigorous carbon emissions disclosure requirements • Higher operating costs due to increased pass-through carbon prices (carbon tax) 	<ul style="list-style-type: none"> • Higher pass-through carbon prices (carbon tax) from counterparties • Regulation and supervision of climate-related risk in the financial sector • Cost of switch to low-carbon technologies
Likelihood of Occurrence			
Low		High	

Fig. 3-7: O-Bank Climate Opportunity Matrix

Degree of Impact	Likelihood of Occurrence		
	Low		High
	High		
	<ul style="list-style-type: none"> • Ability to diversify business activities 	<ul style="list-style-type: none"> • Increased demand for funds to invest in companies that have a positive environmental impact • Consumers accept digital banking services • Good reputation spurs increased demand for products/services • Development of low-carbon financial products 	<ul style="list-style-type: none"> • Higher rankings in sustainability and ESG indices • Increased financial asset diversification • New revenue streams from new environments, markets and products • Take part in renewable energy projects and utilize energy efficiency assessment methods
	<ul style="list-style-type: none"> • Good reputation secures access to more funds 	<ul style="list-style-type: none"> • Use R&D and innovation to develop new products and services 	<ul style="list-style-type: none"> • Development of low-carbon online services
	<ul style="list-style-type: none"> • Move to a more efficient building 	<ul style="list-style-type: none"> • Consumers prefer ESG products 	<ul style="list-style-type: none"> • Reduce usage and exhaustion of water resources
Likelihood of Occurrence			
Low		High	

With respect to the three major types of climate-related risks set out above, O-Bank has drafted response measures to reduce the related effects. With respect to the three major types of climate-related opportunities set out above, each of O-Bank's related departments has developed products and services related to our particular line of business:

Climate-related Risks	Type of Financial Impact	Type of Financial Impact
Operational impact of increase in the severity and frequency of extreme weather events	<ol style="list-style-type: none"> 1. Extreme weather event causes power outage or flooding at a place of business, thus leading to increased costs for equipment repair and business interruption. 2. Reduced demand for products and services, reduced employee productivity, etc. 	<ol style="list-style-type: none"> 1. Established an Emergency Response Committee and adopted a "Remote Backup and Recovery Plan" and an "Equipment Purchasing Plan" to ensure that emergency response measures can be promptly activated in the event of a disaster. 2. Conducts an annual business impact analysis and a business continuity plan exercise to ensure that disasters will not cause a business interruption. 3. Regularly maintains the data center equipment and power generator, has purchased commercial fire insurance, and has determined a list of personnel who will remain at their jobs in the event of a typhoon.
Business impact of increase in the severity and frequency of extreme weather events	<ol style="list-style-type: none"> 1. Real estate pledged as collateral is damaged in a natural disaster and loses value. 2. Lending and investment positions in the transportation, agriculture, and real estate sectors are exposed to risk due to extreme weather. 3. Green power generator units are damaged by a natural disaster, leading to insufficient power sales, which in turn affects the yield of securitization products. 4. Domestic high-net-worth customers move overseas, reducing O-Bank's wealth management client base. 	<ol style="list-style-type: none"> 1. When making a loan secured by real estate, avoid risks by assessing the property's location (e.g. if it is located on or near slope land, a waterway, a geological fault line). 2. With respect to high-risk sectors that are easily affected by the climate, strengthen related assessment procedures during the loan review and post-loan management processes, and require additional security as necessary to diversify risks. 3. Include the investment decision-making process among items to receive attention during ESG evaluations, annually identify high-risk sectors that are easily affected by the climate, and conduct ongoing monitoring. 4. Avoid geographical or sectoral over-concentration of trust assets.
Stigmatization of sector	Sector stigmatization in such industries as thermal power, steel, petroleum refining, or cement will expose O-Bank's lending and investment positions in such industries to increased risk.	<ol style="list-style-type: none"> 1. Carefully assess borrowers from stigmatized sectors, adopt review procedures from the Equator Principles, incorporate customers' environmental risks and social risks into credit investigation rules, and include customers' relevant management measures in credit agreements. 2. Include the investment decision-making process among items to receive attention during ESG evaluations, annually identify stigmatized sectors, and conduct ongoing monitoring. 3. In investment assessment reports, address the annual greenhouse gas emissions, water usage, and power consumption generated by O-Bank's long-term investment targets, and avoid investing in targets that might be stigmatized or controversial.

Climate-related Opportunities	Type of Financial Impact	Opportunity Management Measures
Higher rankings in sustainability and ESG indices	Receiving higher rankings in sustainability and ESG indices helps O-Bank to attract investors from both home and abroad, and generates more opportunities to obtain funds.	<ol style="list-style-type: none"> 1. Utilize existing manpower to study and draw up measures to improve O-Bank's ESG performance and win higher ratings from outside ESG raters. 2. Enhance the quality of information disclosure and strengthen communication with stakeholders so that stakeholders can better understand O-Bank's financial and operating conditions as well as our CSR undertakings.
Increased financial asset diversification	<ol style="list-style-type: none"> 1. Issue green bonds or continue issuing sustainability bonds. 2. Develop green industry-related factoring or financial securitization products. 3. Direct a higher percentage of investments toward green bonds or sustainability bonds, and increase the share of lending to green industry. 	<ol style="list-style-type: none"> 1. Provide education and training to internal corporate banking personnel, and build up knowledge about emerging industries. 2. Revise policies related to the development of new financial products or new lines of business. 3. Adopt "Sustainable Credit Principles" and "Sustainable Investment Principles" and incorporate ESG indicators into corporate finance credit investigation procedures and investment decision-making procedures.
New revenue streams from new environments, markets, and products	<ol style="list-style-type: none"> 1. Develop client base for new-type businesses in such industries as solar power and electric vehicles. 2. Develop Lower Carbon Fund, insurance risk transfer products, and other such solutions to meet new customer needs. 3. Assess the possibility of selling green industry financial asset securitization to increase financial consulting, trust management, and service fee income. 4. Broaden O-Bank's ESG-related investment targets to cover green industry and electric vehicles. 	<ol style="list-style-type: none"> 1. Provide education and training to internal corporate banking personnel, and build up knowledge about emerging industries. 2. Adopt rules governing the extension of credit to emerging industries, and adopt responsible lending targets. 3. Engage in a broader range of ESG-related investments, and adopt responsible investment targets.

3.5 Information Security

3.5.1 Information Security Management Policy

The O-Bank Board of Directors has adopted an Information Security Policy and IT Department established an "information security promotion team" and an "information security implementation and examination team". To ensure proper implementation of the information security management system and take measures the information security operations. Convened by the Chief Technology Officer, the information security promotion team is responsible for supervising and deciding on matters related to the information security management system. The team also convenes regular meetings to examine the implementation status of the information security management system and provide needed resources. Since 2019, O-Bank's Chairperson, President, Chief Auditor, and the chief officer of the dedicated information security office have jointly issued an annual a Declaration of Overall Information Security Implementation. The Chairperson and the senior management are responsible for oversight of security governance.

O-Bank the information operations comply with applicable laws and regulations on information security, O-Bank sets the information security policies and goals, adopts implementation and maintenance measures, reviews and amends policies, regulations and risk assessment. Following the PDCA (Plan-Do-Check-Act) cycle in an ongoing effort to improve and strengthen all relevant aspects. O-Bank received the ISO 27001 certification for the information security management in January 2017, and completed

recertification the three-year cycle in December 2019. O-Bank retains an impartial third-party to conduct a re-inspection every year to maintain the continued validity of the ISO 27001 certification, ensure effective operation of the information security management system, thoroughly implement it in the course of routine business operations, raise the level of information security, and safeguard the security of customer information.

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

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

3.5.2 Protective Measures for Information Security

O-Bank has acquired information security tools and established information security controls to maintain and strengthen the protection of the information security. To ensure the security of the information environment, O-Bank has installed the following: an antivirus software system, double-layer firewalls, intrusion prevention system, file and server access control, network traffic anomaly detection system, automatic updating of patches, website links control, instant messaging control, email filtering, control of USB devices, Data leakage prevention, database monitoring, control of mobile devices, privileged accounts management, two-factor authentication, notebook hard disk encryption, advanced persistent threat (ATP) prevention, and protection against distributed denial-of-service (DDoS) attacks. As for application system security, O-Bank has scanning tools and online testing methods for inspecting source code, black box code, and open source code.

In addition, each year O-Bank retains the professional information security organization to evaluate the information security of computer systems and mobile apps, so as to strengthen the security of network communications, computer systems, IoT equipment, and various applications. Matters receiving attention in information system security assessments include the following: inspection of information architecture; inspection of network activity; testing of network equipment, servers, terminal equipment, and IoT devices; customer-end application programs; inspection of security settings; compliance inspections; and social engineering drills. Mobile app security analyses (which are conducted in accordance with the "Basic Security Testing Baseline for Mobile Applications" issued by the Industrial Development Bureau, Ministry of Economic Affairs) involve analysis of the information security technologies on both mobile apps and at the server end. As for professional development for company personnel, O-Bank performs periodic education, training, and e-mail awareness activities to help employees better understand the importance of information security, related threats, and legislative trends. O-Bank also performs annual social engineering drills to make employees more aware to phishing attacks.

3.5.3 Information Security Drills

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

- Denial-of-service attack drills: O-Bank and ISP (Internet Service Provider) each year to conduct denial-of-service attack drills to ensure that employees are familiar with contact persons in each other's organizations, who is authorized to do what, and proper procedures. O-Bank also amends our Denial-of-Service Attack Response Plan in due course.

- Malware attack drills: O-Bank conducts annual malware attack drills to raise employees how to recognize the malware attack upon a personal computer or server, report it, isolate and handle the problem, and restore the equipment to proper working order.
- Drills for handling leaks of personal information: Each year, O-Bank simulates different personal information leak scenarios. Depending on the scope and degree of the impact, more departments may be invited to take part in a drill. Post-drill discussions are held to ensure that employees are fully familiar with response procedures so that they can respond rapidly during the next drill or in the event of an actual incident.

3.6 Tax Governance

3.6.1 Tax Policy

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

- Comply with host-country tax legislation, correctly calculate the tax burden, then report and pay taxes by the deadline.
- Transactions with related parties are arm's length transactions, are compliant with host-country legislation, and are supported by proper transfer pricing documentation to demonstrate compliance with transfer pricing rules.
- Conduct comprehensive and detailed evaluations of the impact of changes in host-country and international tax legislation, and quickly develop response strategies, so as to keep tax risks within controllable limits and achieve the goal of sustainable corporate development.
- While ensuring compliance with host-country tax legislation, carry out appropriate tax planning to avoid double taxation and reduce tax costs, thereby yielding greater value to shareholders.
- Comply with the International Financial Reporting Standards and related laws and regulations, make regular disclosures in financial reports, and disclose tax information to stakeholders to ensure transparent and open tax information.
- Maintain open and honest communications with the tax authorities, proactively participate in tax seminars, provide practical perspectives and insights of the industry, thus helping to enhance the tax environment and taxation system.
- Continue holding education and training activities to cultivate talent and raise the company's level of professional tax expertise.

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

3.6.2 Tax Governance and Communication

In order to control tax risks, O-Bank's Financial Management Department regularly conducts compliance self-assessments and self-audits to ensure that taxes are filed and paid in accordance with the law. O-Bank personnel engaged in tax matters continue to receive financial support for participation in outside training activities and conferences so they can improve their tax knowledge and properly implement the tax agent system, thus taking advantage of their experience while keeping their abilities up to date and reducing tax risks. The terms and conditions for transactions between O-Bank and related parties are the same as those for transactions with non-related parties. O-Bank's transactions are thus conducted at arm's length, are compliant with host-country legislation, and are supported by proper transfer pricing documentation to demonstrate compliance with transfer pricing rules.

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

4. Customer Service



Acting in line with the core philosophy summed up in a five-letter acronym – TOUCH (trust, outstanding, unity, creativity, and honor) – O-Bank has long offered our corporate customers comprehensive solutions, providing corporate business services such as corporate banking, global transactions banking, business finance, securitization, and trust services. The solutions are achieved by creating boutique financial services via real-time, professional, and secured ways. Since reorganizing as a commercial bank in 2017, O-Bank has branched out into retail banking with fintech to build up the first native digital bank in Taiwan. From the consumer's point of view, O-Bank provides retail financial products that meet the needs of customers. Besides, on the basis of customer opinions and feedback, O-Bank makes innovation continually, turning O-Bank's vision of inclusive finance – "easily access," "borderless" and "zero time lag" into reality.

4.1 Financial Services and Innovation

4.1.1 Enhanced Financial Services

1. Digital Corporate Finance Services

O-Bank promotes electronic and automated transaction processes, and offers the corporate clients an e-banking platform, which includes an unique integrated security tool that includes the five major features: "strengthened security management," "to-do lists," "combined account balance & inquiries," "my favorites," and "alerts/notifications". To balance both convenient and secure transactions, O-Bank creates the solutions which could let our customers carry the bank wherever they go. In addition, the e-banking platform has also launched at Hong Kong Branch and the service is available to both corporate and retail customers.



O-Bank corporate e-banking services

O-Bank corporate customers can use the e-banking platform to carry out integrated payment/collection services, and access to the real-time account & transaction reports. The customers can also use this single platform to integrate cash flows, and easily complete cross-border and supra-regional transactions. These features have efficiently reduced the customer costs and increased the returns of its capital. In addition, O-Bank offers Automated Clearing House services, which enable our clients to carry out regular, duplicate, multiple and small amount payment/collection services. Customers could easily make inquiries online such as seal/signature verification progress, and transaction outcomes.

O-Bank's corporate e-banking platform enhances each year to reach corporate customers' business requirement. For example: (a) a brand new online payroll service enables customers to schedule individual or batch salary payments on either weekdays or weekends; (b) a faster and more efficient payment/collection services through which multiple large-amount transactions can be completed in a short period of time; (c) a newly launched corporate virtual account service uses the unique accounts for payment receipts, which help customers identify the sources of funds and make the reconciliation more efficiently; and (d) a security control component have been upgraded to support multiple browsers. In these and other ways, O-Bank continues to provide corporate customers with secure and convenient corporate e-banking services.

To enable corporate customers to obtain real-time access to account and related information, O-Bank communicates with corporate customers via the "e-Advice" – automated messaging service. With the

integration of push notifications, payments results, and service channels, this system provides corporate customers with over 90 types of business information, including account reconciliation statements, transaction vouchers, and ordinary notifications. Corporate customers have the option of activating automated e-mail notifications, which keep them constantly up to date on account information while cutting down on the consumption of hardcopy documents.

2. Enhancement of Corporate Finance Services

O-Bank provides a wide range of flexible corporate deposit programs, including NTD tiered-rate scheme. At the same time, O-Bank actively offers different types of scheme to different customer segmentation. The program caters to large, medium, and small size enterprises with preferential-deposit-rate that could be customized to meet the requirement of customers holding a lot of funds. Through this way, O-Bank could also develop stable and sustainable sources of fund. In addition, to follow the government policies and market, O-Bank also launches NTD and USD special rate schemes irregularly. We continue to work on identifying different customer types and market trends, which could not only lead us to develop special deposits targeted to specific segmentation but also enhance relationship with customers.

In addition, O-Bank assumes buyer credit risk and engages in accounts receivable management to meet the need for accounts receivable services that arises for corporate customers in connection with their provision of products and services. Where customers have questions about accounts receivable services, O-Bank provides explanations and suggestions, and makes inquiries regarding buyer credit limits and transaction histories; for factoring service customers, O-Bank provides online accounts receivable transfer and inquiry services so that customers can have real-time access to account information.

O-Bank Number One Real Estate Investment Trusts was listed on the Taiwan Stock Exchange in 2018, which was the first REITs to be launched in Taiwan in roughly a decade. In addition to providing another capital market vehicle for raising funds, this REITs has increased the liquidity of corporate customers' real estate, given investors a way to invest in real estate at lower dollar amounts, and afforded investors a greater range of investment options. Also, O-Bank faithfully fulfills our responsibilities as trustee by helping investors to earn returns, and hopes to re-energize Taiwan's REITs market.

3. Retail Digital Financial Services

O-Bank has relied on digital financial technology to build up the first native digital bank in Taiwan. Through mobile devices, customers can use multiple types of financial services online, including fully online account openings, fully online applications for loans, and online purchasing of shares in investment funds. In addition, O-Bank offers customers a wide range of convenient account transfer options. Besides using QR codes and the "shake to connect" function to complete account transfers, once a customer's mobile phone number has been linked to their O-Bank deposit account number, inputting the phone number is all it takes to make a deposit or transfer funds to their O-Bank account. This has greatly increased the convenience of account transfers.

O-Bank continues to develop innovative app functions to satisfy customers' different needs: (a) With the O-Bank Red Envelope app, for example, customers can use their mobile phones to send cash-filled "red envelopes" as gifts to friends and relatives. And now, for the first time, these red envelopes can even be sent to people without an O-Bank account. (b) Applications can now be submitted online to open foreign exchange accounts. At any hour of the day or night, customers can use their O-Bank mobile app to apply to open a foreign exchange account. From 9 a.m. to 9 p.m. on business days customers can buy and sell 12 different foreign currencies online. The app also has a price alert function that keeps customers instantly updated on foreign exchange rate movements. (c) With parent-child accounts, the O-Bank accounts of parents and children are linked to each other so that the parents can use the O-Bank app to

check the details of their child's spending activity in real time, and set limits on the amounts that their child can withdraw or transfer, and limit the amount of their child's debit purchases.

O-Bank has also launched many new tools for payment of bills and fees. Customers can use the O-Bank app to pay electricity bills, water bills, gas bills, phone and Internet bills, fuel taxes, parking fees, and credit card bills. And to help with customers' bookkeeping tasks, the O-Bank app has an "expense analysis" function that can be used to present information on the nature and amount of all expenditures by customers, and this information is automatically categorized to distinguish between account transactions, debit card purchases, and iPass Card swipe purchases.

To meet the needs of customers for a wide variety of payment options, O-Bank has joined the EMV standard (EMV stands for Europay, Mastercard, and Visa, which are the three companies that originally created the standard), and now customers can easily make payments by using the O-Bank app to scan the QR codes of participating merchants. In addition, to make it easier for customers to obtain proof of financial capacity, in 2020 the O-Bank app took on a new function that allows users to download their passbook cover page and detailed information on the most recent three months of account activity. Without showing up in person at a service counter, customers can now obtain the account information they need to serve as proof of financial capacity.

4.1.2 Financial Innovation

1. Online Unsecured Loans 2.0

To make it faster and more convenient to apply online for unsecured loans, O-Bank continues to optimize our process for the submission of online applications for unsecured loans. Someone who is not an existing O-Bank customer can directly apply online for an unsecured loan without the need to apply a deposit account first. Besides simplifying the application procedure and reducing interruptions, this approach also shortens a customer's wait for needed funds. In addition, O-Bank in 2020 joined the National Development Council's personalized digital services platform (MyData), which means that a customer can grant one-time authorization online to O-Bank to access all government-owned personal data on that person. This relieves the customer of any need to obtain proof of financial capacity, accelerates the application review, and allows for a more efficient online loan application process.

Besides working to establish a more efficient online loan application process, O-Bank also continues using innovative technologies to improve our internal operations and risk controls. O-Bank has adopted OCR (Optical Character Recognition) business card recognition technology that can automatically fill in customers' information from their business cards (which ensures more accurate input of information) and an online video chat function (which can lower the risk of impersonation) to provide customers with convenient and secure loan services. These technologies provide customers with the best loan service, because it is more convenient and risks are effectively controlled.

2. Robo-advisor Service for Foreign Currency Investments

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



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

to ensure an appropriate portfolio. Ever since the launch of the robo-advisor service, besides working continually to improve the AI algorithm and using intelligent learning to strengthen the ability of the robo-advisor to forecast market movements with precision, O-Bank has also introduced a "Dividend Robot" and made use of a robo-advisor service backed by funds industry leader Allianz Global Investors to meet the varied financial planning needs of investors. O-Bank in 2020 also began accepting payment in foreign currencies for robo-advisor services so that investors using these services can avoid foreign exchange losses. In addition to US Dollars, O-Bank was the first in the industry to accept payment for robo-advisor services in South African Rand.

3. Wide Range of Distinctive Card Designs

O-Bank debit cards come in over 100 unique card designs that customers can choose from based on their personal preferences, and to further personalize the card designs, O-Bank continues working with popular manga authors, illustrators, and artists to design unique debit cards. New to the O-Bank collection of card designs in 2020 were whimsical creatures from Shakurel Planet and some beautiful works by renowned Taiwanese artist Yahon Chang.



Yahon Chang's "Dog Brings Luck"



Creatures from Shakurel Planet

4.2 Service Quality and Customer Experience

4.2.1 Principles for Fair Treatment of Customers

To ensure that customers are treated fairly and reasonably during the provision of financial products and services, and to continue improving the implementation of the Principles for Fair Treatment of Customers, O-Bank in November 2020 adopted the "Organizational Charter for the Committee on Fair Treatment of Customers" and established the Committee on Fair Treatment of Customers. The Committee is chaired by O-Bank President and is responsible for overall planning regarding the Principles for Fair Treatment of Customers and their implementation. The Committee also reports to the Board of Directors on the implementation of the Principles and the results of implementation assessments. The Board of Directors oversees the work of the Committee and provides suggestions when appropriate. In addition, O-Bank has also adopted a set of "Principles and Rules for Fair Treatment of Customers" to provide guidelines to O-Bank's various units in protecting financial consumers, and to internalize customer fair treatment as an element of O-Bank's core corporate culture.

To demonstrate our commitment to the Principles for Fair Treatment of Customers, O-Bank's Committee on Fair Treatment of Customers meets regularly to report on the state of implementation of the principles. The Committee convenes for a routine meeting once every two months to review customer complaints, cases involving operational risk, and related education and training activities. The Committee also convenes for at least one annual meeting per year to assess the implementation on the Principles for Fair Treatment of Customers, review the assessment results, and evaluate how well O-Bank's principal units have performed in developing customer fair treatment practices. The Committee on Fair Treatment of Customers held an annual meeting on 4 March 2021 to review the results of the assessment of O-Bank's implementation of the Principles for Fair Treatment of Customers, and has submitted a report to the Board of Directors. Also, O-Bank in 2020 held three hours of online courses focusing on compliance with

self-evaluations and the "Financial Consumer Protection Act," thus instilling in employees a heightened awareness and understanding of the "Financial Consumer Protection Act" and the "O-Bank Principles and Rules for Fair Treatment of Customers".

In addition, O-Bank provides persons with physical and mental disabilities with a wide variety of user-friendly financial services, and has incorporated the "barrier-free service counter" concept into our business environment planning. For example: (a) O-Bank account opening procedures can be conducted completely online, which means that persons with physical or mental disabilities can open accounts without appearing in person at a service counter. Meanwhile persons with special needs also have the option of going to an O-Bank lobby and opening an account with assistance from a specially assigned staffer. (b) Persons with disabilities enjoy reduced service charges when they use an ATM to make an interbank cash withdrawal. (c) Service bells are installed at the entrances to O-Bank lobbies. When a service bell has been rung, a staffer will provide assistance. (d) The height of banknote counters at cash service desks can be adjusted so that persons with disabilities can easily observe the counting process. (e) The O-Bank app enables customer service personnel to lend assistance via text chat, voice chat, or video chat.

4.2.2 Disclosure of Product Risks

1. Strengthened the Product Suitability System

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

In order to ensure proper implementation of the product suitability system, O-Bank has adopted the following: "Rules Governing Suitability of Financial Derivatives," "Guidelines for Control of Financial Derivative Transaction Credit Risks," "Guidelines for Pricing of Financial Derivatives," "Guidelines for the Sale of Structured Products," "O-Bank Rules for the Establishment of a Commodities Review Panel and for Its Conducting Review," "O-Bank Guidelines for Financial Product Review," "Guidelines for Wealth Management Product Applicability," "O-Bank Know-Your-Customer (Natural Person) Guidelines for Non-discretionary Money Trust Business," "O-Bank Know-Your-Customer (Legal Person) Guidelines for Non-discretionary Money Trust Business," and "O-Bank Guidelines for Promotion of Wealth Management Business and Management of Customer Account Risks". All O-Bank financial products are compliant with applicable legal and regulatory requirements, and O-Bank has adopted comprehensive internal processes and legal compliance systems. All of our products and services have already undergone compliance assessments.

2. Full Disclosure of Product Information

O-Bank provides a wide range of financial products and services. To protect customers' right, all product information and T&Cs are fully disclosed on O-Bank website. For corporate customers, O-Bank posts information on our website (on such matters as corporate lending, syndicated lending, trade financing, receivables factoring, securitizations, and trust services), provides prospectuses for financial instruments, and in our Securities business provides prospectuses or offering memorandums. At the same time, O-Bank makes disclosures on our website regarding deposits, lending fees, and fee standards for our trade financing and foreign exchange businesses so that customers can obtain complete information on product characteristics, risks, and fees before entering into a transaction.

For retail customers, O-Bank introduces the Robo-Advisor and Fund services and provides Funds information in term of prospectuses, investor brochures, NAV, and risk/return record on our website. Moreover, O-Bank discloses our fees and fee policies of our trust services to ensure customers can well-understand the whole picture of the product characteristics, risks, and fees before making an investment. As for overseas bond products, when a customer subscribes to an overseas bond issue, O-Bank always provides the customer with the bond prospectus and our risk disclosure statement in order to clearly disclose and explain the terms of the bond issue and the related risks.

As for personal loans, O-Bank rigorously implements Know your customer (KYC) and Anti-Money Laundering (AML) policy, and establishes related operating standards to provide loan products that meet customer needs. While doing so, O-Bank uses risk assessment mechanisms to ensure that product pricing and credit policy are compliant with internal and external requirements. In the area of insurance products, O-Bank uses an "Assessment Form and Insurance Producer Report on Policyholder and Insured Party Needs and Suitability" to clearly explain the exchange rate risks and investment risks associated with insurance products, and to ensure that customers are provided with insurance products that meet their needs. Relying on our systems designed to ensure product suitability and full disclosure of product information, O-Bank in 2020 was able to avoid any violations of legislation governing the labeling of products and services, nor were there any violations of legislation on truth in marketing and advertising.

4.2.3 Handling and Tracking of Customer Complaints

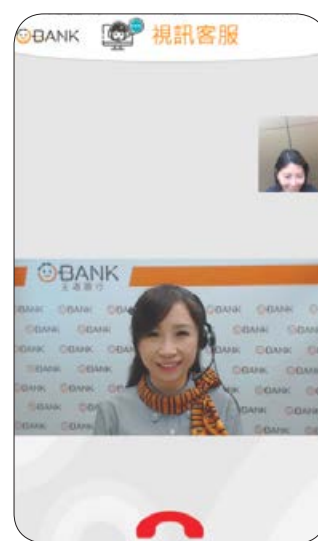
1. 24-hour Video Call Customer Service

O-Bank set an industry first by launching a 24-hour video call customer service, thus overcoming the limitations of time and space that apply to brick-and-mortar banking operations, and making it possible to promptly handle customer requests. Customers can make use of the O-Bank app's text chat, voice chat, or video chat at any time or place, and can also use O-Bank's 24-hour service hotline to get in touch with customer service specialists. The O-Bank customer service unit achieved a satisfaction rate of 96% in 2020.

2. Customer Complaint Procedures and Results

Based on the "Principles and Rules for Fair Treatment of Consumers," O-Bank has adopted a set of "Rules for Handling Customer Complaints and Financial Consumer Disputes," which addresses such matters as the scope of consumer disputes, organizational framework, the method of acceptance, handling procedures, resolution deadlines, progress inquiries, follow-up checks, education and training, and a periodic review mechanism. These Rules establish a clear and effective mechanism for handling customer complaints. Complaint handling deadlines are as follows:

1. When the complaint accepting unit receives a complaint, if it is necessary to refer the matter to another responsible unit, the referral must be completed within five hours.
2. Within one working day of our receipt of the referral, the responsible unit must contact the customer, inform them how long it will take to look into the complaint, and give assurances that the customer will receive a response as quickly as possible.
3. Within three working days of our receipt of the referral, the responsible unit must inform customer that an appropriate method of handling the matter has been decided upon, and must provide an explanation.



O-Bank offers 24-hour video chat customer service

4. Within five working days of our receipt of the referral, the responsible unit must appropriately handle the complaint and inform the customer of how the matter was handled.
5. If the subject matter of the complaint makes it necessary to meet with a government agency or an entity other than O-Bank, or if it is necessary to make a determination regarding the rights and interests of the customer and O-Bank, and it will take a relatively long time to contact the parties in question and come to a conclusion on questions at issue (e.g. if the matter involves monetary compensation, termination of contract, complex operational matters, or a repeat complainer), within 30 working days of our receipt of the complaint O-Bank must appropriately handle the complaint and inform the customer of how the matter was handled.

The Customer Service Department tracks the progress of corrective actions taken in response to customer complaints. It also checks progress and reviews case handling results at its monthly and annual meetings to help senior management and internal control units to inspect corrective actions and avoid further occurrence of customer complaints. In addition, O-Bank has also designated the "Rules for Handling Customer Complaints and Financial Consumer Disputes" as a matter requiring attention in company-wide legal compliance education and training activities in order to ensure that employees are aware of customer complaint handling procedures and requirements, and are able to handle complaints quickly and fairly.

In 2020, O-Bank received 48 customer complaints. The number of complaints as a share of all customers fell by 7% from 2019 to 2020. Of the 48 complaints, 96% were appropriately resolved within five working days of their submission and the customer was notified of the result. O-Bank continues to attach importance to efficient handling of customer complaints, and 100% of all customer complaints in 2020 were resolved.

Table 4-1: O-Bank Customer Complaint Statistics, 2018–2020

Year	2020	2019	2018
No. of complaints	48	46	43
No. of customers	352,000	326,000	248,000
Complaint rate	↓0.013%	0.014%	0.017%

Table 4-2: Time Required for Resolution of O-Bank Customer Complaints in 2020

Days till case closed	5 days or less	6-30 days	>30 days
No. of cases closed	46	2	0
Cases closed/total cases (%)	96%	4%	0%

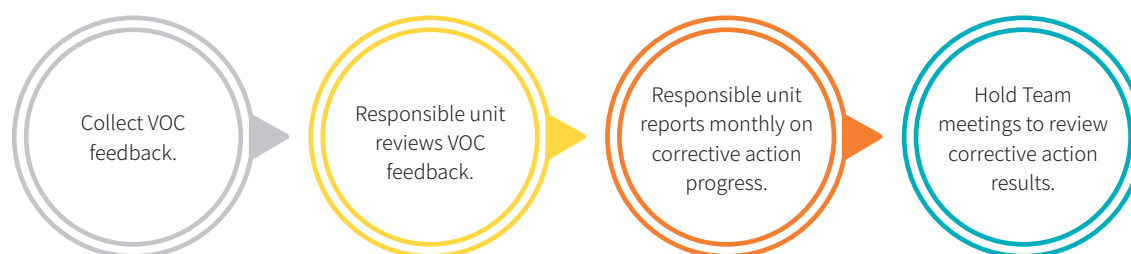
4.2.4 Customer Satisfaction

O-Bank continues to build a sound service quality management framework, regularly collects customer opinions and feedback, and uses quantitative analysis as well as interdepartmental communication and cooperation to improve the customer service experience. In 2020, O-Bank carried out a satisfaction survey for customers that frequently use our online banking services. The survey targeted customers who had logged on to O-Bank's online banking platform from September through November of 2020, and the survey results showed that 77.8% of the users indicated they were either "satisfied" or "very satisfied" with O-Bank's products and services. O-Bank customer satisfaction surveys make use of the Net

Promoter Score (NPS), and O-Bank's overall NPS score of 13 (Note 4-1) indicates that users are generally happy with and promote O-Bank's digital services.

To improve service quality and increase customer satisfaction, O-Bank has established an interdepartmental Service Quality Team, which employs a systematic approach to collect Voice of the Customer (VOC) feedback, and convenes for regular meetings to review service quality and identify areas where improvement is needed. The Team tracks the implementation of corrective actions on a monthly basis. In 2020, 14 items of VOC feedback were converted into concrete action plans, including the following: digital accounts at the FamiPort convenience store chain are being upgraded, and a new function enables the unlocking of online banking accounts; a new function allows for hiding the balance of online banking account from displaying screen; a new function allows for downloading of passbook cover pages and itemized account data; O-Bank has begun to issue VISA cards with a swipe payment function; and a new function allows for automatic withdrawals to pay for cost average investments recommended by the O-Bank robo-advisor service. In these and other ways, O-Bank continues to improve the customer service experience.

Fig. 4-1: VOC Feedback Process of the O-Bank Service Quality Team



4.3 Responsible Finance

4.3.1 Responsible Lending

In our lending business, besides acting in accordance with the five fundamental credit criteria (contribution to the public interest, security, liquidity, profitability, and growth prospects) in order to achieve the dual goals of serving society and controlling loan assets quality, O-Bank has also taken steps in recent years to bring ourselves more closely to the international sustainable development trend. In 2015, the Board of Directors approved a revision of the Credit Policy which requires O-Bank to adopt the Equator Principles when reviewing project finance or investments. In 2017, O-Bank amended our Credit Policy to broaden the applicability from project finance to corporate loan in accordance with the spirit of the Equator Principles, and the consideration in risk assessments was broadened to include a focus on whether the borrower fulfills our duties in the areas of environmental protection, corporate ethics, risk management, and social responsibility.

In recent years, O-Bank successively has address ESG-related credit regulations, including: the disclosure and confirmation of SEC rules or other banking-related regulations; the adoption of the Equator Principles within the credit scoring criteria; and the authority credit line approval needs to be raised to the next level if the customer's KYC risk is a high-risk level, etc. In addition, O-Bank uses various Web search, Joint

Note 4-1: Individual NPS scores range from 0 to 10. The percentage of respondents who rate their customer experience from 0 to 6 points are subtracted from the percentage of those who give scores of 9-10, and the resulting number represents the overall NPS score. According to the 2018 "NPS White Paper for Taiwan Financial Institutions," the average overall NPS score for Taiwanese banks was -17.3.

Credit Information Center (JCIC) and other tools to check whether a credit applicant has been involved with severe negative incidents such as environmental protection, product safety, industrial safety, or labor rights. If such incidents have occurred, the credit unit must assess and fully disclose the influence, apply methods like downgrading the credit rating, collecting collateral, or requiring corrective action within a limited period, and conduct a follow-up assessment of any ongoing influence. For example, when a borrower is either from China or relies on China for more than 50% of its production capacity, in order to confirm whether it is in compliance with environmental protection regulations there, O-Bank needs to ask them to offer documents that certify successful completion of environmental impact assessment and final acceptance as well as permits for waste discharge for the reference of loan evaluation.

O-Bank assesses each corporate customer's environmental and social impact, and the associated risks, and also evaluates the management indicators on the corporate credit scoring card. In 2020, O-Bank reviewed 1,812 corporate loan applications. For retail loans, O-Bank carried out enhanced reviews on 1,137 loan applications in 2020 and rejected 232 of them because the borrower was engaged in a high-risk occupations, such as gambling or fraudulent organizations. At the same time, O-Bank also encourages financing in sectors that are friendly to both the environment and society, including green energy, bicycle, and electric vehicles. As of end-2020, the balance of outstanding loans to such sectors stood at NT\$3.835 billion, or 1.88% of O-Bank's total lending. For sectors that pose the risk of possibly causing damage to the environment and society, O-Bank uses a more rigorous credit review process to control risks. As of end-2020, the balance of outstanding loans to such sectors stood at NT\$1.131 billion, or 0.56% of O-Bank's total lending.

Table 4-3: O-Bank Lending to Sectors that Pose ESG-related Opportunities

Opportunities	Sector	2020 Loan Balance (Unit: NT\$ million)	Borrowers in 2020
Environmental	Solar power	172	3
	Bicycles	205	3
	LED	77	2
	Circular economy	303	2
Social	Medical	2,795	9
	Education	284	3
Total, ESG and sustainability		3,835	22
Balance as a share of total lending		1.88%	

Table 4-4: O-Bank Lending to Sectors that Pose ESG-related Risks

Risks	Sector	2020 Loan Balance (Unit: NT\$ million)	Borrowers in 2020
Environmental	Leather/hair dyes	107	2
	Oil & gas exploration	0	0
	Oil refining	0	1
	Pulp/paper	360	1
	Mining and quarrying	480	1

Risks	Sector	2020 Loan Balance (Unit: NT\$ million)	Borrowers in 2020
Social	Gambling	0	0
	Munition	0	0
	Tobacco & alcohol	184	1
Total, sectors posing ESG-related risks		1,131	6
Balance as a share of total lending		0.56%	

4.3.2 Responsible Investment

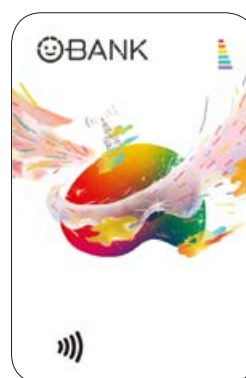
Making reference to the UN-supported Principles for Responsible Investment (PRI), O-Bank has adopted sustainable investment concepts, and intends to include ESG considerations in our investment analysis and decision-making process, in addition to creating economic value, O-Bank also pays attention to the need to create social and environmental value, and practices responsible investment in order to facilitate the emergence of a synergistic co-existence between the economy, the natural environment, and society. When selecting what to invest in, besides considering how a particular investment will contribute to the environment and society (thereby reducing an investment's environmental and social impact), O-Bank also refuses to invest in sanctioned countries or high-risk sectors (such as pornography or controversial weapons).

As of end-2020, O-Bank foreign-currency investment positions in bonds that qualify for an MSCI ESG rating of BBB or above stood at NT\$10.731 billion, while investment positions in green and social bonds came to NT\$1.332 billion. Combined the types of sustainable investment positions described above accounted for about 58% of O-Bank's total foreign-currency bond investment positions. Equity investment positions in stocks that qualify as components of the Yuanta FTSE4Good TIP Taiwan ESG ETF stood at NT\$2.811 billion, or 82% of O-Bank's total equity investments. In the future, O-Bank will continue investing responsibly, giving balanced consideration to both returns and risk diversification, and actively seeking to invest in companies with a strong ESG track record.

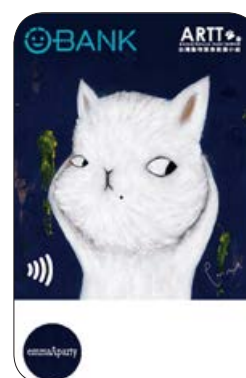
4.3.3 Responsible Products

1. Charity Affinity Card Platform

To act on the spirit of "fulfilling oneself by benefiting others," O-Bank has launched a charity affinity card platform and joined hands with non-profit organizations to issue charity affinity cards, including Rainbow Cards, Stray Animal Cards, Children-Are-Us Cards, Junyi Education Cards, Yunus social enterprise Cards, Garden of Hope Cards, Eden Social Welfare Cards, and Angel Heart Family Cards. When O-Bank customers use these affinity cards to pay for domestic or overseas purchases, O-Bank routes 0.2% cashback benefits to the cooperating community service organizations respectively, including Taiwan Tongzhi Hotline Association, the Animal Rescue Team TAIWAN, the Children ARE US Foundation (CAREUS), the Junyi Academy Foundation, the Foundation for Yunus social enterprise Taiwan, the Garden of Hope Foundation, the Eden Social Welfare Foundation, and the Angel Heart Family Social Welfare Foundation respectively. By tapping into the power of consumers, O-Bank gives non-profit organizations long-term, stable financial support. In addition, the face of each affinity card bears a

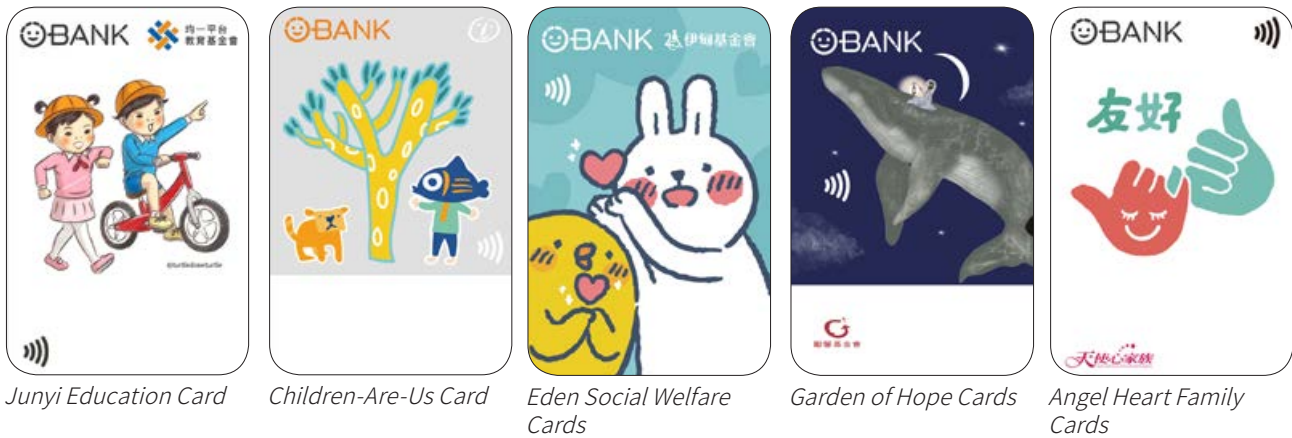


Rainbow Card



Stray Animal Card

special design that represents the affinity organization, which means that each swipe of an affinity card calls attention to the cause that the cardholder supports. As of end-2020, O-Bank had issued over 33,000 affinity cards which had generated more than NT\$830,000 cashback benefits for cooperating community service organizations.



Since 2020, O-Bank has further extended the concept of socially beneficial consumption into the schools, having now issued affinity cards in cooperation with National Sun Yat-sen University, Tamkang University, and Taipei Municipal Jianguo High School. When O-Bank customers use these affinity cards to pay for domestic or overseas purchases, O-Bank routes 0.2% cashback benefits to the schools' endowment funds, thus supporting the development of schools and the education of young talents.



2. Financial Support Programs for B Corporations and Social Enterprises

O-Bank firmly believes that firms with business operations that are good for the environment and society deserve to obtain better financial resources. As a B Corporation, O-Bank continues to support the development of other B Corporations in Taiwan. O-Bank has set an industry first by launching a Financial Support Program for B Corporations. Special services offered under this Program include preferential corporate deposit accounts, preferential corporate payroll accounts, and preferential loans. Beyond using financial resources to support B Corporations, O-Bank also directs our resources toward B Corp employees. While working to make the world a better place, O-Bank hopes to be the most reliable backstop for Taiwan's B Corporations.

As a strong supporter of social enterprises that work to resolve social and environmental problems, O-Bank has introduced preferential corporate deposit accounts and preferential corporate payroll accounts, and has adopted multiple standards for determining what constitutes a social enterprise, i.e.

an enterprise meeting any of the following descriptions qualifies as a social enterprise: is registered on the "Social Innovation Enterprise Registration Database" of the MOEA's Small and Medium Enterprise Administration; is a participant in the Social Innovation Lab; has registered as a social enterprise on the Taiwan NPO Self-Regulation Alliance's social enterprises registration platform; or meets the narrow definition of the term "social enterprise" in the Project for Social Enterprises Action Plan. The idea is to expand the coverage of the financial support program for social enterprises to include all social enterprises, and to gather together the forces of more social enterprises so that they can all collaborate to achieve the vision of co-existing with the environment and benefiting with society.

Table 4-5: Financial Support programs for B Corporations and Social Enterprises

Tiered-Rate NTD Demand Deposit Accounts for B Corporations and Social Enterprises	Preferential payroll accounts for B Corporations and social enterprises	Special Loan Program for B Corporations
<ol style="list-style-type: none"> 1. Maximum preferential interest of 0.49% for tiered-rate NTD demand deposits. 2. No cap on balance of preferential-rate deposits. 	<ol style="list-style-type: none"> 1. 0.25% interest rate on payroll deposit accounts with a demand feature. 2. No ATM fee for the first 20 interbank cash withdrawals each month. 3. No ATM fee for the first 20 interbank transfers each month. 4. No ATM fee for the first 5 interbank deposits each month. 5. Special debit card design for B Corporations and social enterprises. 	<ol style="list-style-type: none"> 1. Waiver of account management fees. 2. Waiver of loan term modification fees. 3. No restrictions on early loan repayment. 4. Reduced service charges for NT Dollar interbank transfers.

Note: The Central Bank announced an interest rate reduction of 0.25 percentage points on 19 March 2020. In response, O-Bank on 24 March 2020 cut the annual interest rate on payroll deposit accounts with a demand feature from 0.45% to 0.25%.

3. COVID-19 Measures

Due to the COVID-19 pandemic, some customers have been having difficulties repaying mortgage loans or unsecured loans. To address this problem, O-Bank in 2020 allowed such customers to apply for principal repayment deferrals of up to six months. During the deferral period, liquidated damages and deferred interest are waived. In addition, O-Bank also provided a loan interest reduction program, and at year-end, in cooperation with a policy announced by the Financial Supervisory Commission, O-Bank extended the deadline for repayment deferral applications until December 2021. For corporate customers, O-Bank coordinated with Central Bank policy by launching a "Preferential Loan Program for B Corporations and Social Enterprises," under which such firms can receive preferential loans of up to NT\$16 million at 0.85% interest, and by offering various service fee reductions or waivers. These measures are designed to help B Corporations and social enterprises deal with the impact of the pandemic.

4.4 Customer Privacy and Transaction Security

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

O-Bank uses a Security Socket Layer (SSL) to encrypt and transmit data, has a firewall to prevent network attacks, uses passwords ranging from 4 to 16 digits in length, and stores passwords in encrypted form to prevent them from being stolen. Acting on the basis of the highest information protection standards, O-Bank uses a combination of physical, electronic, and process management protective measures to protect non-public personal information collected by O-Bank. By rigorously controlling the security of customers' transactions and information, O-Bank in 2020 avoided any leaks of customer information or violations of customer privacy.

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

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

5. Happy Workplace



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

5.1 Employee Composition and Promotion of a Friendly Work Environment

5.1.1 Diverse Hiring

As of end-2020, O-Bank had 834 employees in the Taiwan region and 81 employees overseas, making for a total of 915 employees, including 146 persons in management and 769 rank-and-file personnel. The composition of O-Bank employees by gender, age, occupation, and level of education is shown in Tables 5-1 and 5-2. In addition, at all business locations both in Taiwan and overseas, O-Bank puts top priority on local hiring. In Taiwan, 99.76% of all employees are local hires, including 100% of all lower-level, mid-level, and senior management personnel (Note 5-1). Overseas, 88.89% of all employees are local hires, including 100% of all lower- and mid-level management positions and 50% of all senior management positions.

In response to needs generated by the development of digital financial services, O-Bank continued to recruit financial professionals in 2020. As a result, newly hired employees accounted for 22.30% of all O-Bank employees as of end-2020 (for further information, see Table 5-3). Because of the rapid development of financial technology and shifting needs in the job market in recent years, O-Bank's turnover rate was 29.40% (for further information, see Table 5-4). However, thanks to O-Bank's excellent human resources policies and highly cohesive organizational culture, among all employees 13.01% have been on staff for 10 years or more, and 9.18% have been on staff for 15 years or more.

In response to digital finance developmental trends, O-Bank makes active use of multiple channels to recruit financial professionals from all different specialties who can make O-Bank a stronger competitor. For example, O-Bank uses social media to build up our digital image and attract customers among the younger generations, and O-Bank also cooperates closely with institutions of higher education to promote the cultivation of financial talent, provide internship opportunities, and find people with strong potential in financial innovation.

Note 5-1: The term "mid-level and lower-level management positions" refers to management personnel serving at the level of section head or higher. The term "senior management personnel" refers to management personnel serving at the level of Vice President or higher, including O-Bank's Chairperson, President, Chief Corporate Banking Officer, Chief Retail Banking Officer, Chief Financial Market Officer, Chief Compliance Officer, Chief Risk Officer, Chief Strategy Officer, Chief Operating Officer, Chief Technology Officer, Chief Auditor, Chief Human Resources Officer, and several other persons holding a rank equivalent to that of Vice President.

Table 5-1: Composition of O-Bank Employees by Gender, Age, Occupation, and Work Location in 2020

Location / Occupation		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	41	54	2	15	112	12.24%
	Age 31 - 49	34	218	1	16	269	29.40%
	Age 30 or younger	0	66	0	7	73	7.98%
	Subtotal	75	338	3	38	454	49.62%
Female	Age 50 or older	31	32	1	7	71	7.76%
	Age 31 - 49	34	249	2	19	304	33.22%
	Age 30 or younger	0	75	0	11	86	9.40%
	Subtotal	65	356	3	37	461	50.38%
Total		140	694	6	75	915	100%
Share of All Employees (%)		15.30%	75.85%	0.66%	8.20%		

Note 1: The above figures are current as of 31 Dec. 2020. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Note 2: This table only includes regular full-time employees, of whom there are 915. O-Bank also has 6 part-time employees, including hourly employees and contract employees, of whom 4 are male and 2 are female, all in Taiwan.

Table 5-2: Composition of O-Bank Employees by Level of Education in 2020

Location / Occupation		Taiwan		Overseas		Total	Share of All Employees (%)
Gender	Education	Management	Rank and File	Management	Rank and File		
Male	Ph.D.	0	0	0	0	0	0.00%
	Master's degree	48	100	1	6	155	16.94%
	Bachelor's (or junior college) degree	27	218	2	26	273	29.84%
	High school or lower	0	20	0	6	26	2.84%
Female	Ph.D.	1	0	0	0	1	0.11%
	Master's degree	31	75	2	5	113	12.35%
	Bachelor's (or junior college) degree	33	261	1	25	320	34.97%
	High school or lower	0	20	0	7	27	2.95%
Total		140	694	6	75	915	100%

Note: The above figures are current as of 31 Dec. 2020. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-3: New Hires at O-Bank in 2020

Location / Occupation		Taiwan		Overseas		Total	Share of All Employees(%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	1	7	0	0	8	0.87%
	Age 31 - 49	5	60	0	2	67	7.32%
	Age 30 or younger	2	19	0	0	21	2.30%
	Subtotal	8	86	0	2	96	10.49%
Female	Age 50 or older	0	9	0	0	9	0.98%
	Age 31 - 49	3	67	0	0	70	7.65%
	Age 30 or younger	1	25	0	3	29	3.17%
	Subtotal	4	101	0	3	108	11.80%
Total		12	187	0	5	204	22.30%
		199		5			
Share of All New Hires (%)		97.55%		2.45%			

Note: The above figures are current as of 31 Dec. 2020. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

Table 5-4: Turnover at O-Bank in 2020

Location / Occupation		Taiwan		Overseas		Total	Share of All Employees(%)
Gender	Age	Management	Rank and File	Management	Rank and File		
Male	Age 50 or older	4	5	0	4	13	1.42%
	Age 31 - 49	7	87	0	2	96	10.49%
	Age 30 or younger	0	28	0	4	32	3.50%
	Subtotal	11	120	0	10	141	15.41%
Female	Age 50 or older	3	6	0	2	11	1.20%
	Age 31 - 49	8	81	0	1	90	9.84%
	Age 30 or younger	0	19	0	8	27	2.95%
	Subtotal	11	106	0	11	128	13.99%
Total		22	226	0	21	269	29.40%
		248		21			
Share of All Turnover Employees (%)		92.19%		7.81%			

Note: The above figures are current as of 31 Dec. 2020. The term "management" above refers to personnel holding a management-level position, i.e. section head or higher.

5.1.2 Workplace Equality

All O-Bank business locations both at Taiwan and overseas abide by local laws and regulations, comply with labor legislation, and treat our employees in a manner consistent with the principles of fairness, tolerance, and respect. We strive to create a zero discrimination, zero harassment work environment where no one receives unequal treatment due to gender, age, marital status, sexual orientation,

ethnicity, religion, political position, or place of family origin. We also recruit employees using an open selection process, and provide equal employment opportunity. In addition, acting in accordance with international human rights regulations, O-Bank has adopted the "O-Bank Co., Ltd. Human Rights Policy," which establishes appropriate management methods and procedures to ensure equal rights. In order to safeguard employee rights and interests, O-Bank does not employ child labor under 16 or involuntary labor, prohibits discrimination and inhumane treatment, and ensures that violations do not take place. And to instill in all employees a deeper awareness of basic human rights issues, every employee is required to attend at least one hour of human rights education and training activities each year. In 2020, the completion rate of all employees' human rights education and training requirements reached 100%, and total training hours for the year amounted to 1,614 hours.

O-Bank attaches great importance to gender equality. The ratio of women to men among employees in 2020 was 50.38% to 49.62%, while women accounted for roughly 47% of management and 55% of all promotions in 2020. These figures show that all employees enjoy gender-neutral competition and equal opportunities for career development and advancement. In addition, to help female management personnel sharpen their leadership skills, O-Bank in late 2020 held a "Women's Leadership Course," where women from senior management spoke to attendees and shared their success stories, thus helping female management personnel to effectively tap into their strengths when they face challenges that they encounter in connection their management roles. O-Bank also established a "Women's Empowerment Group" that holds a wide range of activities designed to help female employees discover their strengths, identify where they fit in, and create opportunities to develop and express themselves.

To create a work environment characterized by gender equality and respect, O-Bank has adopted the "Measures for Prevention of Sexual Harassment and Investigation/Handling of Complaints" and the "Guidelines for Sexual Harassment Prevention, Complaints, and Discipline." These measures and guidelines explicitly prohibit any acts of gender harassment, discrimination, or intimidation, and establish a mechanism for investigation and handling of sexual harassment. There were no sexual harassment complaints filed in 2020. O-Bank also includes gender equality, prevention of sexual harassment, and concern for disadvantaged groups among the issues that must be addressed in the training courses attended by newly hired employees. Such training was attended in 2020 by 171 persons (100% of all new hires). To further promote gender equality, O-Bank since 2018 has implemented employee-friendly workplace policies that are neutral with respect to sexual orientation. All employees receive the same benefits and entitlements, and O-Bank has taken a lead in the industry by granting employees with same-sex spouses the same types of marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and various other benefits funded by the Employee Benefits Committee. O-Bank is doing everything we can to build a friendly workplace and achieve diversity and equality.

O-Bank also attaches importance to the employment rights of indigenous employees. In addition to providing indigenous employees with the same pay and benefits that others receive, O-Bank also offers "ritual and festival leave for indigenous people," whereby such employees are allowed to take one day off work to take part in the traditional rituals and festivals of their ethnic community. As of end-2020, O-Bank had 2 indigenous employees. In addition, O-Bank has also installed a wide range of barrier-free facilities for persons with physical or mental disabilities, including outdoor barrier-free access ramps and handrails as well as indoor barrier-free corridors, elevators, and lavatories to ensure a comfortable working environment for employees with disabilities. As of end-2020, O-Bank had 7 employees with physical or mental disabilities. These numbers meet minimum statutory requirements (see Table 5-5).

Table 5-5: O-Bank Hiring of Persons with Disabilities

	Gender	2020	2019	2018
No. of Employees with Disabilities	Male	2	1	4
	Female	5	5	5
	Total	7	6	9

Note: The "People with Disabilities Rights Protection Act" provides as follows: "Any private entity whose total number of employees is no less than 67 shall employ people with disabilities with capability to work and the number of employees with disabilities shall be no less than 1 percent of the total number of the employees, and no less than 1 person." The O-Bank head office in 2020 employed 714 persons who were enrolled in the Labor Insurance program, including 7 persons with physical disabilities. This number meets the statutory requirement.

Also, in the event of a material operational change, or if any of the situations set out in Articles 11, 13, and 16 of the "Labor Standards Act" arises, O-Bank will first communicate with employees in order to safeguard their rights and interests, and if such a situation involves the termination of a labor contract, in addition to observing the minimum period of advance notice (as set out in the "O-Bank Work Rules") in providing employees with advance notification, O-Bank will also issue the employee(s) severance pay in accordance with Article 17 of the "Labor Standards Act" in order to safeguard the rights and interests of the employee(s). The "Labor Standards Act" provides as follows:

- Where a worker has worked continuously for more than 3 months but less than 1 year, the notice shall be given 10 days in advance.
- Where a worker has worked continuously for 1 year or more but less than 3 years, the notice shall be given 20 days in advance.
- Where a worker has worked continuously for 3 years or more, the notice shall be given 30 days in advance.

5.1.3 Working Environment and Healthcare

1. Workplace Safety

To prevent workplace accidents, O-Bank has adopted a set of "Working Rules for Occupational Safety and Health." These Rules set out health standards and matters requiring attention in the workplace. With respect to situations in which an accident has occurred, the Rules provide detailed principles regarding first-aid measures, the use of emergency equipment, and accident reporting procedures. The Rules further safeguard the right employees to use their own judgment in determining what sort of danger they are in and whether it is necessary to leave their work position, and the right to take such action without being punished. At the same time, O-Bank's internal work rules prescribe procedures for the handling of workplace accidents. In the event of a workplace accident, these internal work rules require that a supervisor at the appropriate level of management report the accident to the Chief Occupational Safety and Health Officer and take all necessary first-aid or rescue actions in order to reduce the injuries and damage resulting from the workplace accident.

In addition, O-Bank regularly conducts occupational safety and health training, which covers such matters as workplace hazard identification, traffic safety during the commute to and from work, and disaster response. Occupational safety and health personnel familiarize employees with safety and health management matters, while each unit within O-Bank is responsible for conducting its own safety and health management work in order to minimize the risk of occupational accidents. In 2020, O-Bank held three safety and health training courses and two fire and earthquake preparedness team drills that attracted a total attendance of 464.

O-Bank, acting in accordance with the law, provides occupational injury leave and helps employees apply for labor insurance and group insurance benefits so that employees can receive needed assistance as quickly as possible after an accident. In 2020, there were no instances of occupational disease among any full-time or part-time O-Bank employees, while there were 8 occupational injuries. All these were the result of traffic accidents involving regular full-time employees commuting to or from work, and none of the injuries were serious or fatal. Among firms to which O-Bank outsources operations, no employees experienced any occupational accidents involving injury or death. Statistical information on occupational injuries among O-Bank employees in 2020 are shown below in Table 5-6.

Table 5-6: Occupational Injuries among O-Bank Employees in 2020

Location	Item	Recordable Occupational Injuries	Disabling Injury Frequency Rate	Missed Work Days	Absence Rate (%)
	Gender				
Taiwan	Male	3	1.64	241	0.013%
	Female	5	2.73	561	0.031%
	Total	8	4.37	802	0.044%
Overseas	Male	0	-	67	0.004%
	Female	0	-	134	0.007%
	Total	0	-	201	0.011%

Note 1: These statistics are current as of 31 Dec. 2020, and include only regular full-time employees, not contract employees.
 Note 2: Total working hours = 1,830,000 hours (no. of persons x working days in the year x no. of working hours per day); Total working days = 228,750 (no. of persons x working days in the year)
 Note 3: Disabling injury frequency rate= No. of Recordable occupational injuries / Total working hours x 1 million hours
 Note 4: Absence rate = (days lost to occupational injuries + days lost to sick leave + days lost to menstrual leave) / Total working hours x 100%

To prevent poor workplace air quality from affecting employees' health and work efficiency, O-Bank prohibits smoking in all office areas and within 10 meters of the entrance to any building, and has installed pre-cooling air handling units and fresh air inlets on our office buildings to maintain good air quality in office environments. Also, office areas are cleaned every day, and on a regular basis these areas are disinfected and tested for CO₂ emission levels in order to reduce employee contact with work environment risk factors. At offices located in areas with serious air pollution, O-Bank installs air purifiers and provides persons who work there with a special allowance to offset the cost of lung CT scans. The CT scan results can help employees be more aware of the health impact of air pollution. In August 2018, the Taipei City Government issued O-Bank an "Indoor Air Quality Voluntary Management Certificate" (valid through July 2021), which demonstrates the success of O-Bank's efforts to ensure good workplace air quality.

In response to the COVID-19 pandemic, O-Bank in 2020 established an emergency response team and formulated disease control measures. To ensure business continuity, O-Bank's employees arrive at work and leave along separate pathways and have completed work-from-home drills. To maintain a safe work environment, O-Bank takes our employees' temperatures every day and provides alcohol hand cleanser. During working hours, all employees are required to wear masks, office areas are kept extra clean, and disinfections are carried out with increased frequency. To care for employees' health, O-Bank regularly checks employees' travel and contact histories, and any employee who has possible COVID symptoms is urged to immediately see a doctor, after which O-Bank continues to monitor the employee's condition. If a co-worker is notified by the authorities to go into home quarantine, O-Bank provides quarantine leave with full pay. Also, to avoid mass gatherings, O-Bank has temporarily postponed all unnecessary indoor

and outdoor activities, business trips, and in-person meetings. Whenever possible, meetings are held online or via teleconference instead. To ensure that employees understand our disease control measures, O-Bank has set up a special COVID-19 section on our digital learning platform, O-Bank Digital Academy, where employees can go to download O-Bank's pandemic control handbook. O-Bank has also adopted a business continuity plan that incorporates the latest pandemic control measures issued by the Central Epidemic Command Center, and is working to protect employees' health by improving health education and imparting a better understanding of pandemic control concepts.

2. Employee Health Maintenance

O-Bank arranges employee health examinations each year, and the list of checks performed is more extensive than what is required by law. The hospital that conducts the health examinations then sets up individual appointments as necessary to discuss the results and provide health management recommendations. In addition, to make it easier for employees to obtain health maintenance information, O-Bank has set up a special "Health Information Section" on our digital learning platform to provide information regarding nutrition, posture management, disease management and prevention, mental health management, and other such matters. These will help employees become more knowledgeable about the management of their own health. As for the maintenance of emotional health, O-Bank is cooperating with the Teacher-Chang Foundation to arrange free counseling services focusing on such matters as family relationships, interpersonal relationships, opposite-sex relationships, and adaptation to the workplace. Also, for the sake of privacy, employees can contact Teacher-Chang Foundation directly to schedule counseling sessions.

In the banking industry, many employees spend long periods of time sitting in front of a computer, which leads to some commonly seen problems. Staring into a computer screen at close distance can cause eye strain, continued use of a keyboard and mouse can cause tendinitis and pain or numbness in the hands, and sitting for a long time in the wrong posture can cause stiffness in the back and shoulders. To reduce the physical stress faced by employees, in O-Bank headquarters building we have set up a health kiosk where employees can make use of treadmills, stationary bicycles, stepper machines, dartboard machines, practice putting greens, and other such equipment. O-Bank is also planning to launch posture management courses, physical fitness testing activities, and a variety of health contests to help employees better understand their physical condition, and to encourage them to exercise. Also, with the assistance of the Eden Social Welfare Foundation, O-Bank hires visually impaired massage therapists who work onsite at O-Bank to provide employees with shoulder, neck, and back massages on appointment.

To further build up exercise as a popular lifestyle option among employees, O-Bank has established many different clubs for people interested in such activities as basketball, golf, yoga, badminton, aerobics, and swimming. Company funding for these clubs in 2020 totaled NT\$2,008,294 and serves to encourage employees to join clubs that take part in physically active pursuits. O-Bank also promotes healthy eating by providing a once-monthly allowance that subsidizes the purchase of a healthy boxed lunch. In recognition of O-Bank's outstanding efforts in this area, the Ministry of Education's Sports Administration in 2018 granted O-Bank "Taiwan i Sports" certification, which will remain current through October 2023. At the same time, O-Bank has received a Badge of Accredited Healthy Workplace (remains current through December 2021) from the Ministry of Health and Welfare's Health Promotion Administration. These honors highlight the success that O-Bank has achieved through our efforts to promote a healthy work environment.



Physical fitness courses encourage active lifestyles



Physical fitness testing activities help employees understand their physical condition



Well-equipped employee lounge promotes a healthy workplace



O-Bank received a Badge of Accredited Healthy Workplace



O-Bank received "Taiwan i Sports" certification

5.2 Employee Compensation and Benefits

5.2.1 Fair Compensation

To attract superior talent and encourage employees to perform at their best, O-Bank has a compensation system that accords balanced attention to the needs for both internal fairness and external competitiveness. Compensation is set on the basis of each employee's educational attainments, work experience, abilities, performance, occupation, and the professional expertise required for the person's job, without any discrimination on the basis of gender, age, ethnicity, or other such factors. The O-Bank Board of Directors has a Compensation Committee that reports to it. The Compensation Committee, which is comprised of the entire number of independent directors, examines and evaluates the compensation of directors and executive officers, and determines the performance review standards and compensation peer groups for sales staff. It also reviews employee compensation levels each year, and in doing so makes reference to Taiwan's economic growth rate and consumer price index as well as compensation benchmarks among peer institutions.

For O-Bank employees (Note 5-2), all basic starting salaries are above the minimum basic wage required by the "Labor Standards Act," the monthly fixed salaries of new university graduates hired in 2020 were

Note 5-2: The term "O-Bank employees" as used here does not include student part-timers, who constitute the very lowest level of personnel at O-Bank. Among O-Bank's student part-timers, only one had a basic starting salary that met the minimum basic wage required by the "Labor Standards Act." For all other employees, basic starting salaries were above the minimum basic wage required by the "Labor Standards Act."

1.5 times higher than the legally required minimum basic monthly wage (Note 5-3) for both men and women, and the hourly wages of part-time employees, both male and female, were 1.2 times higher than the legally required minimum hourly wage. In addition, to encourage employees to pursue excellence and sustainable growth, O-Bank uses a system of reasonable compensation to incentivize employees. Besides 12 months of fixed salary, O-Bank also issues performance bonuses and sales bonuses on the basis of company earnings and individual performance in any given year, provides 2 months of holiday allowances, and has built a fair and incentivizing compensation system. To facilitate a proper understanding of the importance of the company's long-term business objectives and future risks, and to avoid the pursuit of short-term performance, the payment of some compensation to members of senior management (Note 5-4) is deferred and linked to the company's profits, stock price, and long-term business performance in order to establish a foundation for sustainable operations and create win-win situations.

O-Bank has adopted "Rules Governing Employee Compensation" and "Performance Management Rules" and each year adjusts salaries on the basis of each employee's individual performance, job duties, and potential for future development. Over 90% of employees who took part in performance evaluations in 2020 obtained salary adjustments, which averaged 2%. The largest single salary adjustment was more than 16% (including a pay raise for promotion). Information on the salaries paid by O-Bank in 2020 to full-time non-managerial employees is set out in Table 5-7. For senior management positions, the ratio of total annual compensation paid to females versus that paid to males was roughly 0.88:1 (Note 5-5), while in mid-level and lower-level management positions the ratio of total annual compensation paid to females versus that paid to males was roughly 0.95:1. Among rank-and-file employees, the ratio of total annual compensation paid to females versus that paid to males was roughly 0.82:1.

O-Bank is making a concerted effort to build a compensation and benefits system that is competitive in the marketplace. O-Bank provides employees a basic monthly salary, meal allowances, and a wide variety of bonuses, enrolls employees in the Labor Insurance, National Health Insurance, and Labor Pension programs, and provides other employee benefits. Salary and benefits per employee come to an average of NT\$1.665 million per year. Also, O-Bank has been included as a component of the TWSE RAFI Taiwan High Compensation 100 Index for three consecutive years beginning in 2018, an indication just how much O-Bank has done to provide employees with competitive compensation. In 2020, the average salary for all O-Bank employees in the Taiwan region was NT\$1.376 million, and the mean was NT\$1.021. Among all non-managerial employees, the average salary was NT\$1.169 million and the mean was NT\$986,000.

Note 5-3: Items factored into a "monthly fixed salary" include monthly fixed pay and meal allowances. The Ministry of Labor adjusted the minimum wage to NT\$23,800 per month on 1 January 2020, and further adjusted it to NT\$24,000 on 1 January 2021. The phrase "1.5 times higher than the legally required minimum basic monthly wage" as used above means 1.5 times the basic monthly wage in 2020.

Note 5-4: Senior management compensation includes fixed salary and variable bonuses: Fixed salary is based on each person's job duties, abilities, performance, and the professional expertise required for each person's job, and is set with reference to peer institution pay levels. Variable bonuses are reasonably distributed with an eye to the company's overall business performance, future risks, and each individual's performance. Evaluations of individual performance focus on such matters as financial indicators (e.g. net income before tax, achievement of short- and long-term business goals) and non-financial indicators (e.g. the company's core values, innovation, leadership, management, legal compliance, internal control, and risk control). Compensation policies regarding severance pay, clawback mechanisms, and retirement benefits for members of the Board of Directors and senior management are no different from policies for other employees.

Note 5-5: Figures for "total annual compensation" are based on annualized figures for persons currently employed as of 31 December 2020. Items factored into total annual compensation include annual fixed salary, the three major holiday bonuses, performance bonuses, sales bonuses, and employee compensation.

Fig. 5-1: O-Bank's Fair and Incentivizing Compensation System

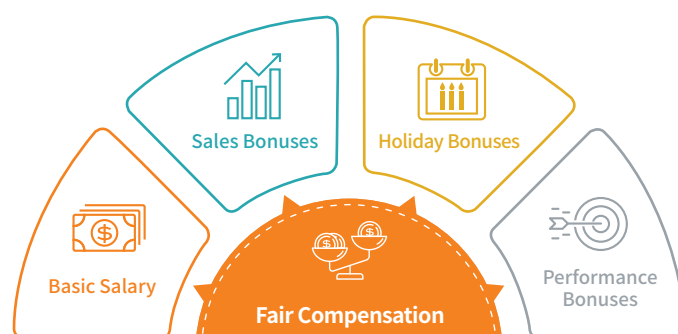


Table 5-7: Salaries of O-Bank Full-time Non-managerial Employees

Unit: NT Dollars

Year	2020	2019	2018
Full-time Employees (Note 1)	746	745	729
Average Salary (Note 2)	1,169,000	1,189,000	1,213,000
Mean Salary	986,000	1,004,000	1,038,000

Note 1: The term "full-time non-managerial employees" means all persons employed in salaried positions in 2020 for 6 months or longer, but it excludes executive officers, employees of overseas branches, and some part-time employees. Their numbers are calculated on a weighted average basis.

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

5.2.2 Benefits and Human Caring

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

1. Employee Benefits and Protections

In addition to providing employees with such benefits as the three major holiday bonuses, holiday gifts, birthday gift certificates, marriage, childbirth, and bereavement allowances, company-paid employee dinner gatherings, preferential treatment at cooperating commercial establishments, and preferential treatment at specially contracted childcare organizations, O-Bank has also adopted a set of "Rules for Administration of Employee Loans." Such loans are provided on preferential terms to fund purchases of homes or consumer goods. Also, to share with employees the fruits of our business success, O-Bank has established an Employee Shareholding Plan, under which a specified amount is deducted from the monthly salary of participating employees and used to purchase, via a trust arrangement, shares in O-Bank. O-Bank kicks in an employer contribution to increase the amount of the purchases.

To safeguard the well-being of employees, O-Bank enrolls them in the Labor Insurance and National Health Insurance programs, and also arranges comprehensive group insurance for employees and their family members. The group policy provides life, accident, hospitalization, medical, and cancer insurance. In addition, to ensure that employees can retire without worries, O-Bank makes monthly contributions (equal to 2% of total payroll disbursements) to a retirement reserve that is managed by the Ministry of Labor's Bureau of Labor Funds in a special bank account. These monthly contributions are made in compliance with the provisions of the "Labor Standards Act," the "Labor Pension Act," and the

"Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds." Retirement reserve allocations in 2020 amounted to NT\$2.639 million. For employees eligible to participate in the new pension system set out in the "Labor Pension Act," a monthly retirement reserve allocation equal to no less than 6% of each employee's basic monthly salary is contributed to an individual labor pension account at the Bureau of Labor Insurance. Contributions of this type in 2020 totaled NT\$51.897 million.

O-Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests. In 2020, 319 such subsidies were provided, and came to a total of NT\$1,211,793. An overview of O-Bank employee benefits and protections is provided below in Table 5-8.

Table 5-8: O-Bank Employee Benefits and Protections in 2020

Benefits	Description
1. Enrollment in insurance	O-Bank enrolls employees in the Labor Insurance and National Health Insurance programs, and also arranges comprehensive group insurance that provides employees with enhanced life, accident, hospitalization, medical, and cancer coverage.
2. Employee health examinations	O-Bank periodically provides free health examinations that exceed regulatory requirements. Employees aged 40 or older can receive one free health examination per year, while employees under the age of 40 can receive one free health examination every other year.
3. Gift cash and gift certificates	O-Bank provides gift cash and gift boxes on the three major holidays (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival), and gives employees birthday gift certificates.
4. Preferential treatment at childcare facilities	O-Bank employees enjoy preferential treatment at specially contracted childcare organizations.
5. Retirement pension system	Acting in accordance with the "Labor Standards Act," the "Labor Pension Act," and the "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds," O-Bank has adopted a set of "Employee Retirement Rules" and a retirement pension system to ensure that employees receive a proper pension.
6. Flextime system	To help employees care for their families, O-Bank has instituted a flextime work system that enables employees to arrive at work and leave when they need to.
7. Employee shareholding trust	Any employee who has been with O-Bank for one year or longer is eligible to join O-Bank's Employee Shareholding Plan to purchase company stock via a trust arrangement. The company also issues bonuses that vary in amount depending on each employee's performance in the preceding year.
8. Preferential employee loans	O-Bank provides employee loans on preferential terms to fund purchases of homes or consumer goods.
9. Ongoing professional development	O-Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests.
10. Other benefits	O-Bank provides marriage, childbirth, and bereavement allowances, company-paid employee dinner gatherings, preferential treatment at cooperating commercial establishments, funding for various activities clubs, an employee carwash at the headquarters building, a laundry service, and a lunchbox ordering service.

2. Employee Benefits Committee

O-Bank has an Employee Benefits Committee, and has made allocations to the employee benefits fund in accordance with the provisions of the "Employee Welfare Fund Act," as follows: 1% of O-Bank's authorized capital at the time of our establishment; 0.05% of O-Bank's total monthly operating revenues; and 0.5% of the monthly wage and allowances of each employee (deducted from each employee's pay). In 2020, the total disbursements of the Employee Benefits Committee came to NT\$8,181,820. These disbursements funded such benefits as marriage allowances, bereavement allowances, relief for injury or illness, club

recreational activities, holiday allowances, birthday allowances, and other such benefits and allowances. On average, each employee received NT\$9,810 in benefits. For details on benefits paid out in 2020, see Table 5-9.

Table 5-9: Benefits Paid out in 2020 by the O-Bank Employee Benefits Committee

Item	Applications	Total Payouts (NT\$)
Marriage allowances	5	50,000
Childbirth allowances	24	144,000
Healthcare allowances for spouses, parents, and children of employees	73	612,020
Bereavement allowances	20	200,000
Birthday gift certificates	846	1,656,800
Company-paid employee dinner gatherings	843	1,264,333

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

3. Care for Families and Maintenance of a Healthy Workplace

In addition to helping employees achieve work-life balance by offering menstrual leave, parental leave, paternity leave, and family leave, O-Bank goes beyond the statutory minimum with additional paid leave options such as: family ties leave (for employees who need to care for family members); paternity leave for prenatal checkups (so that employees can accompany their spouses to prenatal checkups); honor leave (for employees whose performance meets prescribed standards); and community service leave (to encourage employees to take part in community service activities). There is no limit on the number of days that employees can take off to participate in activities organized by the O-Bank Community Volunteer Club. An employee who applies for unpaid leave due to injury, illness, or childcare responsibilities can still enjoy the same benefits that apply while they are on the job, and can choose whether to keep their social insurance coverage current. Those who take unpaid leave due to injury or illness can continue to receive benefits and stay enrolled in the company's group insurance. In addition to various types of paid leave, O-Bank also has a reading room, an employee lounge, a music room, and an art gallery where employees can go to relax. O-Bank's various measures to care for families and maintain a healthy workplace are outlined below in Table 5-10.

Table 5-10: O-Bank's Measures to Care for Families and Maintain a Healthy Workplace in 2020

Activity	Description
1. Leave benefits that exceed statutory requirements (paid leave)	<ul style="list-style-type: none"> • Special leave: Special leave system that exceeds statutory requirements. • Childbirth leave: Female employees receive 57 days of paid leave after childbirth. • Paternity leave: Employees receive 6 days of paid leave after their spouse gives birth. • Paternity leave for prenatal checkups: Employees receive 5 days of paid paternity leave during their spouse's pregnancy. • Family ties leave: Employees receive 2 days of paid leave to accompany a parent, spouse, or child on doctor's visits. • Community service leave: Employees receive paid leave to take part in community service activities. • Long service leave: Employees who have completed 5 years, 10 years, or 15 years of service at O-Bank receive 3 days, 5 days, or 5 days of long service leave.

Activity	Description
2. Unpaid leave system	O-Bank has adopted a set of "Rules Governing Unpaid Leave." Under these Rules, an employee is allowed to apply for unpaid leave to attend professional development courses, recover from injury or illness, or care for a child.
3. Employee lounge and coffee bar	These are excellent spaces to enjoy coffee or tea and take time for a bit of relaxation.
4. Reading room	The O-Bank reading room stocks a wide variety of books, periodicals, and magazines for employees' enjoyment.
5. Art gallery	The O-Bank Group headquarters building has an art gallery that serves as the venue for occasional arts activities, including concerts, arts and culture lectures, and art exhibits.
6. Supportive measures for same-sex spouses	Employees with same-sex spouses receive the same benefits as other married employees, including marriage leave, paternity leave for prenatal checkups, paternity leave, bereavement leave, and the various allowances provided by the Employee Benefits Committee.
7. Gender-neutral restrooms	O-Bank has installed gender-friendly restrooms to ensure that all employees can enjoy peace of mind.
8. Gender-neutral dress code	Gender-specific restrictions have been removed from the company dress code.
9. Safe transportation for employees working past 10 p.m.	For employees who get off work after 10 p.m., O-Bank arranges free taxi service and records the vehicle's license plate number to ensure employee safety.

4. Care for Pregnant Employees, Parental Leave

To ensure that female employees can enjoy a safe and comfortable work environment during and after pregnancy, O-Bank has safe and comfortable breastfeeding and lactation rooms as required by law, and provides pregnant employees with one glass of fresh milk each day to supplement their nutrition. In 2020, a total of 87 employees were eligible for parental leave (45 men and 42 women). Eight female employees took unpaid parental leave. Also, six persons were due for reinstatement in 2020, of whom three were actually reinstated. The reinstatement rate was 50%. Of the four employees who took unpaid leave in 2019, two were subsequently reinstated in that same year and continued to be employed in 2020. The retention rate was 50% (see Table 5-11).

Table 5-11: Unpaid Parental Leave at O-Bank in 2020

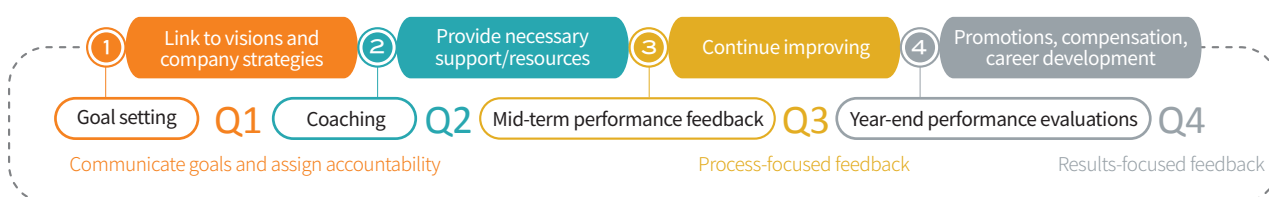
Item	Gender		Total
	Male	Female	
No. of persons on unpaid parental leave in 2020	-	8	8
No. of persons due for reinstatement in 2020 after unpaid parental leave (A)	-	6	6
No. of persons due for reinstatement in 2020 after unpaid parental leave who were actually reinstated (B)	-	3	3
Reinstatement rate (B/A)	-	50%	50%
No. of persons reinstated in 2019 after unpaid parental leave (C)	-	4	4
No. of persons reinstated in 2019 after unpaid parental leave who continued to be employed after 1 full year in 2020 (D)	-	2	2
Retention rate (D/C)	-	50%	50%

5.3 Employee Cultivation and Development

5.3.1 Performance Management

O-Bank has a comprehensive performance evaluation system and conducts a three-phase (planning, implementation, review) annual performance management process. O-Bank also carries out goal setting, coaching, mid-year performance feedback, and year-end performance evaluations. The performance management cycle is as shown in Fig. 5-2, and is designed to encourage employees to pursue excellence. During each phase, O-Bank complements the process with an electronic performance management platform, online and offline informational meetings, FAQs, and performance management training courses. These measures help both management and rank-and-file employees to better understand the key points, come to a meeting of the minds regarding work goals, and implement the performance management system.

Fig. 5-2: O-Bank Performance Management Cycle



O-Bank strives to ensure that our performance evaluation process is fair, impartial, and open. Management and rank-and-file employees engage in two-way feedback and conduct an initial evaluation. After that, members of senior management carry out an inter-departmental calibration of performance evaluation standards for employees at the same grade, and conduct secondary evaluations to ensure the consistency of standards throughout O-Bank. To encourage employees to take the initiative in developing their job skills, each employee carries out an annual Individual Development Plan (IDP) in which they express their thoughts regarding future job rotations or their career development, and they also discuss and formulate an IDP with a supervisor. O-Bank also encourages employees to take advantage of job rotation either within O-Bank or between O-Bank affiliates to develop multiple specialties and develop a broader career. In 2020, a total of 852 employees were required to undergo performance evaluations (the requirement applies to any person who commenced employment at O-Bank prior to 30 September of the current year, and to employees who have satisfactorily completed their probationary period). All 852 of those employees underwent a performance evaluation. Information on these employees' gender composition and where they work is set out below in Table 5-12.

Table 5-12: O-Bank Employee Performance Evaluations in 2020

Type	No. of Persons in Taiwan	% of All Performance Evaluations	No. of Persons Overseas	% of All Performance Evaluations
Male	375	44.01%	41	4.81%
Female	396	46.48%	40	4.69%
Total	771	90.49%	81	9.51%
Management	138	16.20%	6	0.70%
Rank-and-file	633	74.30%	75	8.80%
Total	771	90.49%	81	9.51%

Note: Persons hired on 1 Oct. or later were not required to undergo a performance evaluation in 2020.

5.3.2 Training and Learning

On the basis of our business strategy, the company's core values, and skills requirements, O-Bank has devised a comprehensive training development plan and career development blueprint that provide courses focusing on strategy, leadership, communication, and innovation, which different types of management personnel attend as necessary. Also, depending on the nature of their jobs and the differing legal compliance requirements, rank-and-file employees attend a wide range of training courses that focus on financial matters, legal compliance, specific job skills, and general knowledge. For employees planning to leave their jobs, the O-Bank Human Resources Department provides career development consulting services, including resume editing suggestions and job interview consulting, to help employees to plan well for the next phase of their careers.

To make effective use of learning resources, O-Bank arranges for employees to attend both in-house and out-of-house courses, and has also launched a digital learning platform – O-Bank Digital Academy – that offers an abundance of online courses. O-Bank in 2021 further made our O-Bank Digital Academy content available via a mobile app so that employees can attend digital courses at any time or place. In response to the development of digital financial services, O-Bank in recent years has launched a series of courses to impart basic digital knowledge. These courses focus on a number of issues related to fintech innovation, and take an easily understandable approach to introduce digital knowledge while illustrating the concepts with case histories and well known happenings in the financial industry.

O-Bank held 422 in-house in-person education and training activities in 2020, while there were 545 workshops run by outside entities. In total, these activities attracted 26,181 participants. O-Bank employees logged a total of 32,928.6 education and training hours, average training hours per employee came to 36.8, and average training expenditures came to NT\$3,764.5 per employee. Training hours logged by O-Bank employees in 2020 are set out in Table 5-13.

Table 5-13: O-Bank's Employee Education and Training Hours in 2020

Unit: Hours

Job Type	Training Hours			Hours Per Employee
	Male	Female	Total	
Management	3,193.90	3,214.80	6,408.70	44.2
Share of total management training hours	49.84%	50.16%	100.00%	-
Non-management	13,193.40	13,326.50	26,519.90	35.3
Share of total non-management training hours	49.75%	50.25%	100.00%	-
Total	16,387.30	16,541.30	32,928.60	36.8
Share of total training hours	49.77%	50.23%	100.00%	-
Average training hours per person	37.2	36.3	36.8	

Note: All figures in this table for employees receiving training include regular full-time employees in Taiwan and overseas, but do not include the Chairman, Vice Chairperson, student part-timers, chauffeurs, or security guards. The total number of employees receiving training was 896, including 440 men vs 456 women, and 145 management personnel vs 751 non-management personnel (the term "management personnel" refers to personnel serving at the level of section head or higher, and the term "non-management personnel" refers to personnel serving below the level of section head).

O-Bank offers online "Understanding Corporate Social Responsibility" education and training courses that address such matters as: the organizational structure and duties of the O-Bank Corporate Social Responsibility Committee; the O-Bank Corporate Social Responsibility Guidelines; and O-Bank's CSR undertakings and the key focal points of future development efforts. The goal is to instill among employees a heightened awareness of the need for sustainability. In addition, O-Bank attaches great

importance to ethical best practices, and continues to advocate for principles of good faith that oppose the offering of bribes, acceptance of bribes, and corruption. O-Bank communicates with and reaches out to employees by training new hires, offering courses on legal compliance and anti-money laundering, holding lectures on special topics, and administering questionnaires. Throughout the entire year there were no instances of corruption or unethical behavior. In 2020, all O-Bank employees completed courses focusing on anti-corruption, legal compliance, and information security. Attendance at legal compliance courses totaled 12,971.5 hours.

To encourage employees to elevate their professional skills and obtain financial certifications, O-Bank provides grants to offset the cost of testing for certifications required by internal rules. When an employee registers to test for a certification, regardless whether the employee does so voluntarily or because such certification is required for a particular job or by law, O-Bank pays the cost the first time the employee registers for any given test. Besides helping to strengthen employees' financial professionalism, such grants also help to improve O-Bank's overall service quality. Information on the professional licenses held by O-Bank employees in 2020 is set out in Table 5-14.

Table 5-14: Professional licenses held by O-Bank employees, 2018-2020

Year		2020	2019	2018
Type of license	Banks' Internal Control and Audit Exam	393	420	344
	Exam on Financial Market Knowledge and Professional Ethics	395	443	391
	Trust Services Competency Exam	322	348	321
	Structured Commodities Salesperson Qualification Exam	121	132	131
	Financial Derivatives Salesperson Qualification Exam	57	40	27
	Securities Brokerage Salesperson Qualification Exam	63	65	59
	Securities Brokerage Senior Salesperson Qualification Exam	115	108	110
	Personal Insurance Salesperson Qualification Exam	213	266	220
	Property Insurance Salesperson Qualification Exam	153	178	147
	Exam for Personal Insurance Salespeople Selling Foreign Currency, Non-Investment Products	61	66	44
	Entry-Level Lending Personnel Qualification Exam	159	164	157
	Entry-Level Forex Personnel Qualification Exam	137	130	136
	Bond Trading Competency Exam	28	28	30
	Forex Trading Competency Exam	7	6	6
	Bills Salesperson Qualification Exam	36	39	44
	Securities Investment and Trust Salesperson Qualification Exam	76	69	70
	Securities Analyst Qualification Exam	5	5	4
	ACAMS Certification	8	6	3

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

5.3.3 Talent Development and Training

To meet our personnel needs in a rapidly changing financial environment, besides recruiting new talent from outside, O-Bank places great importance on discovering and training in-house talent. In 2019, O-Bank launched O-Star Elite Employee Development Program in which in-house employees who have demonstrated development potential, have performed especially well, believe in O-Bank's corporate culture, and show ambition are selected to participate. These selected employees are provided with comprehensive training courses and development channels so that they can exercise their abilities and show what they are capable of. O-Bank has already conducted the O-Star Elite Employee Development Program for two years, and a total of 18 employees were recommended to participate in the selection. Of these, 7 have been selected as "O-Stars."

In addition, to ensure that knowledge and experience are passed on to newer employees, since 2014 O-Bank has been training an in-house team of instructors who systematically share their professional knowledge and job skills with their fellow employees. These instructors have also developed several hundred professional courses for the benefit of other employees. O-Bank annually evaluates the performance of these instructors and grants them public recognition by periodically conferring our O-Bank Springtime Awards. The purpose is to encourage the instructors to continue improving their teaching skills and professional knowledge, and continue contributing to further development of O-Bank's business operations.

In addition to the training of in-house talent, O-Bank also works to bolster the financial knowledge of students at colleges and universities, thereby imparting a better understanding of the financial industry and encouraging students to pursue a career in financial services. In recent years, O-Bank has collaborated with the National Taiwan University Department of Economics in holding a "Lectures Series on Finance and Industry." In this lecture series, members of O-Bank senior management deliver lectures in which they share their insights on business ethics, banking business, financial technology, and other financial industry topics, thus helping students to better understand the current state and future prospects of the financial industry. O-Bank also receives visits by school groups. In 2020, O-Bank joined "Online newsletter creation camp for youth talents from both Taiwan and mainland China" organized by Central News Agency (CNA) and hosted visits for students to be familiar with digital banking operations.

To discover outstanding new talent, O-Bank recruits undergraduate and graduate students to take part in the "Summer Internship Program for University Students." Participants attend introductory courses on the banking industry, take part in team competitions, and prepare research reports. This program provides currently enrolled students with opportunities to build up real-life workplace experience. Besides arranging attendance in professional courses and participation in actual banking work, O-Bank also assigns employees to act as mentors



O-Bank and National Taiwan University collaborated in holding a "Lectures Series on Finance and Industry" to bolster the financial knowledge of universities students



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

who accompany the interns around the company and familiarize them with the environment. This helps the students develop an advance understanding of bank's workplace culture, and facilitates their preparations for entry into the work world. A total of 37 students took part in the 2020 "O-Bank Summer Internship Program for University Students."

5.4 Communication and Engagement with Employees

5.4.1 Communication Platform and Exchange Activities

To maintain harmonious labor-management relations, O-Bank convenes labor-management meetings at legally mandated intervals to discuss labor safeguards set out in labor legislation. Examples include legal provisions governing overtime work and the assignment of evening work to women. After a resolution is approved at a labor-management meeting, it is incorporated into the O-Bank Work Rules and announced to all employees. O-Bank also continues to conduct outreach measures to familiarize all employees with important rules governing work attendance and overtime in order to safeguard the rights and interests of labor. In 2020, O-Bank's labor dispute rate was 0.12% (Note 5-6), which was lower than the national average as reported in statistics released by the Ministry of Labor. In addition, O-Bank's employment discrimination rate was 0%.

To generate more opportunities for direct interaction between employees and senior management, every month O-Bank organizes one "WeCare 2.0" activity, which affords employees an opportunity during a specifically reserved time period to go to the offices of senior management and engage in conversation with them. O-Bank also holds regular employees' assemblies, where O-Bank reports business results to all employees and communicates with them on company policies. In addition, O-Bank has a Mailbox for Employee Complaints and a Mailbox for Sexual Harassment Complaints. All documents and communications submitted via these mailboxes are treated as confidential to protect the complainants. O-Bank has also established a WeCare Mailbox to encourage employees to make suggestions and keep the company informed of employee needs. In response to the great popularity of online social media, O-Bank has set up a Facebook Group for O-Bank employees where we announce various activities and keep employees up to date on company information.

Besides establishing a wide variety of communication channels, O-Bank also holds Family Day activities to spur interaction among employees and each other's families. In 2020, O-Bank and a social enterprise collaboratively held three Family Day events where parents and children cooked meals together. Inviting employees and their family members to take part in food and farming education activities organized by a social enterprise can enrich family education, and having families cook together can also spur stronger interaction among employees.



2020 O-Bank "Family Day Cooking Events" spurred more interaction among employees

Note 5-6: The figure for O-Bank's labor dispute rate is based on the formula used by the Ministry of Labor, which defines the dispute rate as "the number of persons involved in labor disputes divided by the number of total employees." In 2020, O-Bank experienced 1 labor dispute involving 1 person.

O-Bank encourages employees to take part in company activities, and grants recognition to teams and individuals that have made especially impressive contributions. For example, O-Bank's "Program for Recognition of Contributions to Business" provides encouragement to employees who have created significant value over an extended period; the "O-Bank Springtime Awards" provide recognition to employees who have gone above and beyond to pass on experience and knowledge to others; and the "Trophy for 10 Years of Service" as well as the "Memorial Jacket for 20 Years of Service" are awarded to employees who have stayed with O-Bank for a long time.

O-Bank firmly believes that corporate culture is the core driver in a company's march toward sustainable development. To act on our corporate culture of "always sincere, always here," O-Bank set an industry first in Taiwan by establishing a Corporate Culture Committee in 2013, which implements a number of different employee care measures designed to boost organizational cohesiveness. These measures include birthday and job anniversary cards (employees receive cards to mark birthdays and anniversaries of their commencement of employment at O-Bank), Family Day activities (to show care for both O-Bank's employees and their families) and a summer internship program for employees' children (participation in O-Bank internships helps children develop job skills). In addition, the Corporate Culture Committee publishes the "Touch News" journal to convey company policies and O-Bank's corporate philosophy, and to instill among employees a deeper feeling of identification with O-Bank.

To respond to organizational restructuring and personnel changes in this time of transition, the Corporate Culture Committee in 2020 launched an "Accountability Action Plan" designed to develop proactive, detail-oriented, achievement-oriented and effective-communication employee competency and create a corporate culture of accountability that will ultimately make the organization more competitive. By combining oversight with encouragement, O-Bank is establishing an atmosphere of accountability. Measures to achieve this outcome include the following: accountability scoring has been incorporated into performance reviews; accountability issues are factored into hiring decisions and receive attention in the evaluation of employee performance during their probationary period; O-Bank holds accountability training camps for management personnel; O-Bank names selected employees as "Accountability Stars" and "Accountability Stalwarts"; and O-Bank uses internal communication channels to share accountability concepts with employees. The idea is to take a top-down approach in building a culture of accountability, leading all employees in a campaign where everyone challenges themselves to pursue excellence and innovation.

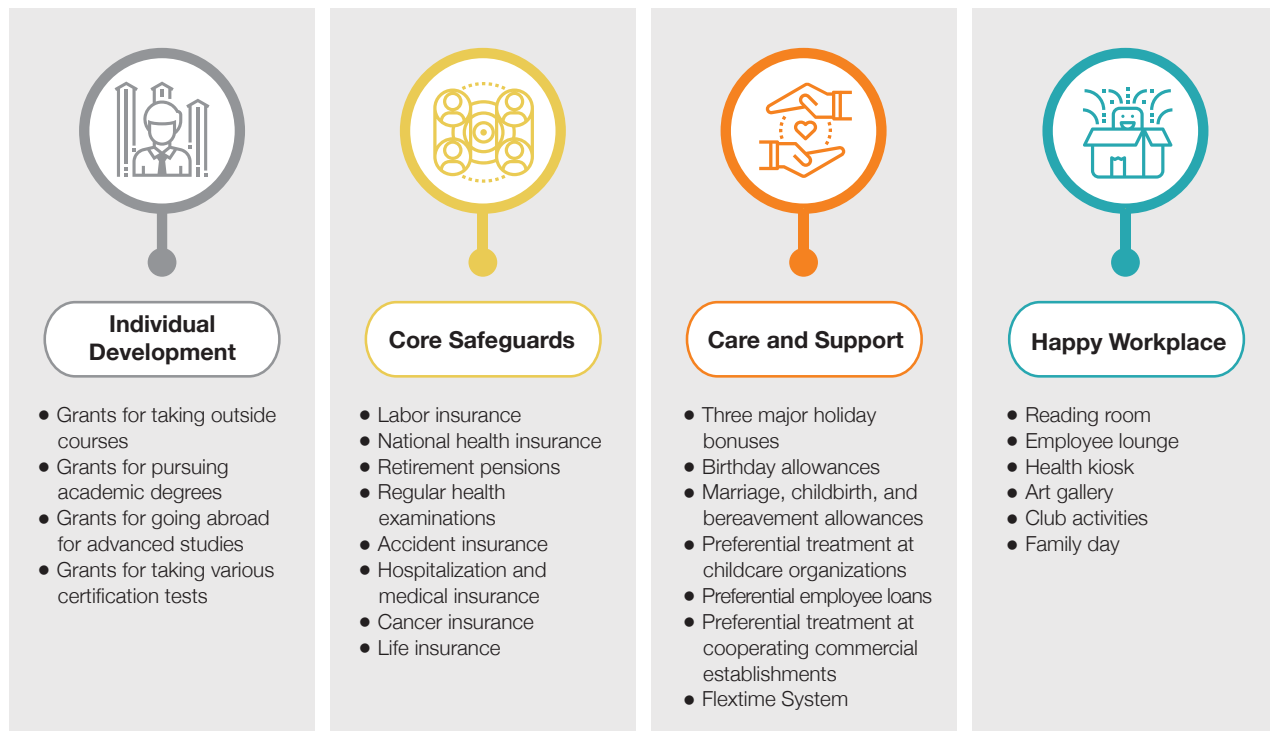


Accountability training camps for management personnel

5.4.2 Employee Satisfaction

A total of 811 employees responded to the 2020 O-Bank Employee Satisfaction Survey (response rate: 96.09%), and the satisfaction rate was 82.61%, which shows how effective the company's various employee care policies have been. O-Bank will continue acting in line with our corporate culture of "always sincere, always here" to build a happy company where employees enjoy peace of mind, fairness, and a friendly atmosphere.

Fig. 5-3: O-Bank Offers Multiple Benefits to Create a Happy Workplace



6. Environmental Sustainability



O-Bank seeks to operate sustainably. While working to grow our business, O-Bank also pays due attention to do everything possible to reducing the environmental impact of our operations. To respond to global climate change and reduce carbon emissions, O-Bank in 2018 instituted an ISO 14001: 2015 environmental management system and obtained ISO certification. The system ensures effective and comprehensive environmental management, including tight control over the use of power and water as well as generation of waste. And in order to effectively inventory and monitor carbon emissions generated in the course of operations, O-Bank has also instituted an ISO 14064-1: 2018 greenhouse gas inventory system and obtained ISO certification. The scope of greenhouse gas inventories was further broadened in 2019 to cover all branches and other types of physical business locations throughout Taiwan, which makes for a greenhouse gas inventory coverage ratio of 100%. In addition, O-Bank supports and encourages efforts by our suppliers to jointly work on fulfilling CSR obligations. Working together, we can achieve good moral standards, respect the human rights of laborers, and promote environmentally sustainable development. O-Bank has adopted the walkways outside our headquarters building, placing large planters along the walkways and keeping the plants properly pruned and free of disease. O-Bank uses a wide variety of means to do what we can for the environment and pursue a low-carbon, sustainable type of growth.

6.1 Environmental Management Policies and Targets

6.1.1 Using Digital Finance to Achieve a Customer-friendly Environment

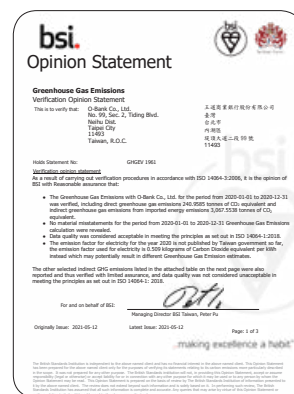
After reorganizing as a commercial bank in 2017, O-Bank became the first native digital bank in Taiwan, and our borderless services have created an environmentally friendly business model. In addition to affording consumers more convenient access to financial services, the borderless service model of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

6.1.2 Setting and Achievement of Environmental Management Targets

In order to systematically reduce the negative environmental impact of our business activities, and to effectively prevent the occurrence of incidents that violate O-Bank's environmental protection rules, O-Bank in 2018 instituted an ISO 14001 environmental management system, and subsequently received ISO certification. O-Bank further undergoes a recertification process each year in an ongoing effort to establish comprehensive and sound environmental management mechanisms while ensuring the company's ability to effectively implement various environmental management activities, thus seeking



ISO 14001: 2015 certificate



BSI statement on O-Bank GHG data quality

further improvements. In addition, to enable the environmental management system to cover all business locations, O-Bank is planning in 2021 to comprehensively institute an ISO 14001 environmental system that will cover all branches throughout Taiwan. O-Bank has adopted an environmental management policy as well as short-term, medium-term, and long-term environmental management targets (see Table 6-1). As of year-end 2020, O-Bank had already met our mid-term reduction targets for electric carbon emissions per capita, water usage per capita and waste per capita. O-Bank has disseminated environmental management policy throughout the organization via e-mail, and has also printed out small cards and distributed them to all employees. The cards state the following pledges:

- We will achieve efficient use and reuse of energy and resources.
- We will reduce waste and promote recycling.
- We will use green products, install energy-efficient equipment, and promote green energy.
- We will take part in environmental protection activities, pollution prevention activities, and continue working for further improvements.
- We will rigorously comply with applicable laws, contractual requirements, and agreements; adopt an environmental protection policy and continue promoting it.
- We will develop digital banking in an effort to create co-existence between the environment and technology.
- We will bring about sustainable operations, thus ensuring O-Bank's development and profitability while achieving environmental protection.

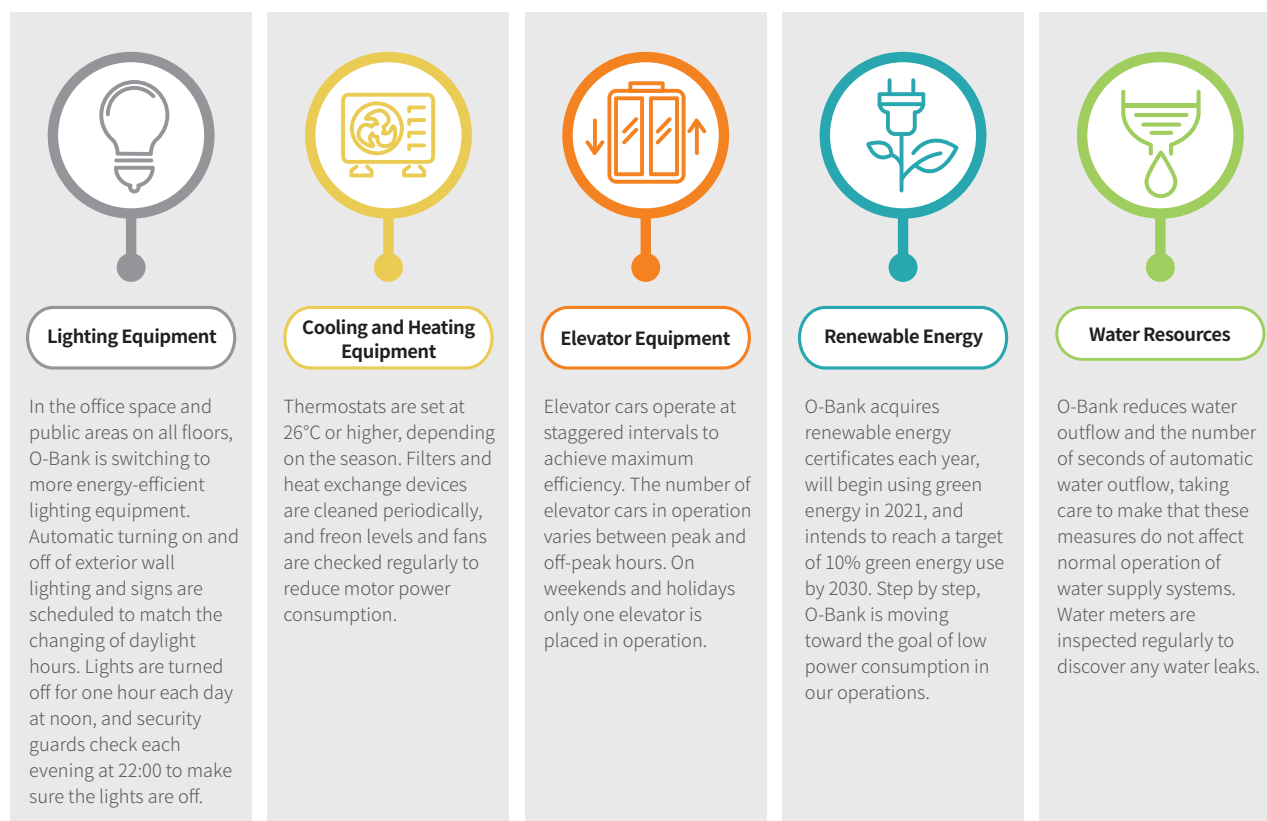
Table 6-1: Setting and Achievement of O-Bank Headquarters Building Environmental Management Targets

	Short-term (2018)	Mid-term (2020)	Long-term (2030)
Reduction target of electric carbon emissions per capita	1%	8%	8.2%
Actual reduction	12%	34%	--
Reduction target of water usage per capita	1%	2%	2.2%
Actual reduction	-6.1%	13.5%	--
Reduction target of waste per capita	1%	5%	8%
Actual reduction	9.2%	44.4%	--

Note 1: The comparison baselines for the reduction targets in this table are the figures for the O-Bank headquarters building in 2017 (CO₂ emissions: 3.65 tonnes per capita; water usage: 0.0244 megaliters per capita; waste: 0.239 tonnes per capita).

Note 2: O-Bank will institute the ISO 14001: 2015 environmental management system in 2021 at all branches throughout Taiwan, and therefore expects to re-set our environmental management targets in 2021.

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



6.2 Management of Energy and Resources

6.2.1 Energy Management

1. Smart Energy-saving in the Data Center

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

At the same time, the O-Bank data center has established a Data Center Intelligent Management (DCIM) platform, which uses 3D virtual reality screens to provide round-the-clock real-time information on the operating conditions of all data center equipment (including power supply and distribution systems, cooling systems, temperature and humidity sensors, fire prevention systems, and video surveillance/door access systems). This approach enables



3D virtual reality screen

accurate measurement and optimization of the data center environment, thereby avoiding wastage of resources and unnecessary energy consumption. Since the launch of the DCIM platform, O-Bank has maintained an annualized power usage effectiveness (PUE) rating of 1.6 or better, and an average monthly power efficiency rating of as good as 1.12. These ratings meet the Green Grid silver and platinum benchmarks for data center efficiency, respectively.

2. Improvements to Lighting Equipment

In addition to building a data center with smart energy-saving features, O-Bank is also replacing energy-inefficient lighting in our office space and public areas. As part of Energy Testing and Improvements Plan, O-Bank is switching to more efficient lighting. In 2020, a total of 554 incandescent and T8 fluorescent light fixtures were replaced with more environmentally friendly LED lamps, which led to the conservation of some 10,734 kWh of power. This meant a reduction of 5,465 kilos in carbon-equivalent emissions, and an energy savings of 64.3%. For further details, see Table 6-2.

Table 6-2: Lighting Improvements at O-Bank Headquarters Building

1. Building Management Center lighting	20W T8 lamps → LED 9W T8 lamps (84 lamps)	Annual savings: 2,310 kWh	Annual CO ₂ e reduction: 1,176 kgs
2. Lighting for elevators 2, 3, 5	21W T5 lamps → LED 10W T8 lamps (12 lamps)	Annual savings: 1,156 kWh	Annual CO ₂ e reduction: 589 kgs
3. 7F conference room lighting	52W PL lamps → LED 15W recessed lamps (30 lamps)	Annual savings: 2,220 kWh	Annual CO ₂ e reduction: 1,130 kgs
4. Parking lot lighting	40W T8 lamps → LED 13W T8 lamps (320 lamps)	Annual savings: 1,728 kWh	Annual CO ₂ e reduction: 880 kgs
5. 1F employee lounge lighting	100W halogen lamps → LED 16W lamps (8 lamps)	Annual savings: 2,520 kWh	Annual CO ₂ e reduction: 1,283 kgs
6. B4 storage room lighting	40W T8 lamps → LED 20W T8 lamps (100 lamps)	Annual savings: 800 kWh	Annual CO ₂ e reduction: 407 kgs
Total	Annual savings: 10,734 kWh	Annual CO ₂ e reduction: 5,465 kgs	

Note 1: kWh saved per year = wattage difference between new and old fixtures × days used × avg. hrs. used per day × no. of fixtures replaced / 1,000

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

Note 3: The CO₂ emission factor for electricity here is the 2019 CO₂ emission factor for electricity usage as announced by the Bureau of Energy, Ministry of Economic Affairs.

3. Power Use Management

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

In 2020, O-Bank subsidiary IBT Leasing Co., Ltd. moved both its business and data center operations into the O-Bank headquarters building. This increased power consumption for the year to 2,852,154 kWh, up by 1% from the year before. Power consumption per employee came to 4,730 kWh, and carbon emissions per employee came to 2.41 tonnes. For further details, see Table 6-3.

Table 6-3: O-Bank Total Power Consumption and Carbon Emissions, 2018-2020

Item	2020	2019	2018
Total power consumption (kWh)	2,852,154	2,830,814	3,380,690
Total power consumption (megajoules)	10,267,754.4	10,190,930.4	12,170,484.0
Renewable energy certificates (kWh)	88,000	6,000	0
CO ₂ emission factor for electricity (kg of CO ₂ e/kWh)	0.509	0.533	0.554
CO ₂ emissions (tonnes of CO ₂ e)	1,452	1,509	1,873
Persons in the headquarters building	603	610	583
Power consumption per employee (kWh/person)	4,730	4,641	5,799
Carbon emissions per employee (tonnes of CO ₂ e/person)	2.41	2.47	3.21
Standalone net income (NT\$ million)	4,651	5,305	4,730
Energy consumption per unit of net income (kWh/NT\$ million)	613.2	533.6	714.7
Carbon emissions per unit of net income (tonnes/NT\$ million)	0.312	0.284	0.396

Note 1: The CO₂ emission factor for electricity here is the 2019 CO₂ emission factor for electricity usage as announced by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: CO₂ emissions (tonnes of CO₂e) = power usage (kWh) × CO₂ emission factor / 1,000

Note 3: The figure for "persons in the headquarters building" means the average number of O-Bank employees working in the building at the end of each month during 2020 (including the numbers of employees at the affiliated enterprises China Bills Finance Corporation, O-Bank Education Foundation, IBT Leasing Co., Ltd. and IBT Management Corporation).

Note 4: 1 unit of electricity = 1 kilowatt hour = 1kWh = 3.6 megajoules

6.2.2 Water Resources Management

100% of O-Bank's water is obtained from the Taiwan Water Corporation, so O-Bank does not affect water resources by making direct use of underground or surface water, nor do we obtain water from areas where water resources are under pressure. O-Bank's waste water is discharged into the Taipei City sewage system and treated at a sewage treatment plant at a quality level that meets Taiwan's national Effluent Standards. This approach ensures that rivers, lakes, the ocean, and other bodies of water are not polluted. O-Bank continues to improve the water efficiency of our physical plant through various measures, including the following: headquarters building air conditioning equipment uses an air-cooled system, which greatly reduces water consumption; infrared sensors at restroom taps automatically adjust water flow to conserve water, and water-supply equipment is regularly cleaned, with filters changed and inspected for energy conservation and to ensure clean water for all employees; water used by sprayers in planters is regulated according to seasons and weather; and the waterfall fish pond has a circular filtration system that maximizes water efficiency by recirculating it.

In 2020, total water usage at the O-Bank headquarters building was 12.742 megaliters, and average water usage per person was 0.0211 megaliters. Total water usage was thus down by 0.169 megaliters from the previous year, which means a CO₂e reduction of 24 kilos, and water usage was cut by 1.3%. For further details, see Table 6-4.

Table 6-4: O-Bank Total Water Usage and Carbon Emissions, 2018-2020

Item	2020	2019	2018
Total water usage (megaliters)	12.742	12.911	15.104
CO ₂ emission factor for water (kg of CO ₂ /kWh)	0.0633	0.0644	0.0696
CO ₂ emissions (kg of CO ₂)	807	831	1,051
Persons in the headquarters building	603	610	583
Water usage per employee (megaliters/person)	0.0211	0.0212	0.0259
Carbon emissions per employee (kg of CO ₂ /person)	1.34	1.36	1.80
Standalone net income (NT\$ million)	4,651	5,305	4,730
Water usage per unit of net income (kiloliters/NT\$ million)	2.74	2.43	3.19
Carbon emissions per unit of net income (kg/NT\$ million)	0.174	0.157	0.222

Note 1: The CO₂ emission factor for water here is based on the 2020 CO₂ emission factor for water usage as announced by the Taipei Water Department.

Note 2: CO₂e emissions (kgs of CO₂e emissions) = total water usage (kiloliters) × CO₂ emission factor

Note 3: The figure for "persons in the headquarters building" means the average number of O-Bank employees working in the building at the end of each month during 2020 (including the numbers of employees at such affiliated enterprises as China Bills Finance Corporation, O-Bank Education Foundation, IBT Leasing Co., Ltd. and IBT Management Corporation).

Note 4: 1 unit of water = 1,000 liters = 0.0001 megaliters

6.2.3 Waste Management

Most of the waste generated by O-Bank's operations qualifies as ordinary domestic waste, as it contains no hazardous or toxic matter. Waste sorting is practiced in the break rooms on each floor. Waste bins are labeled to indicate where to throw away different types of waste, and for all waste collection and disposal operations O-Bank retains the services of a professional waste disposal firm that has obtained a waste disposal permit from the Taipei City Department of Environmental Protection. All waste is transported in sealed containers to avoid any spread of pollutants. Unrecyclable waste is transported to one of Taipei City's refuse incineration plants, while recyclable waste is transported to a licensed recycling facility.

O-Bank advocates for the reuse of waste paper, provided that adequate measures are taken to ensure information security. There is a recycling station on each floor, and O-Bank continues to promote waste reduction measures, including the following: (a) bottled water is not provided at meetings, and co-workers are instead expected to use their own personal mugs; (b) vending machines no longer sell bottled water; and (c) the employee lounge no longer provides bottled water or drinking straws. In addition, O-Bank is the first native digital bank in Taiwan. Customers can access a wide range of financial services online, including fully online account openings, fully online loan applications, and online purchasing of shares in investment funds. O-Bank uses email, mobile apps, and text messages to disseminate account data and other information to customers, which greatly decreases the usage of paper for application forms, notices, account statements, and the like. This approach reduces the generation of waste and avoids the consumption of resources incurred in the process of physical delivery. Digitization of financial services creates an environmentally friendly business model that features low energy consumption.

In 2020, total waste at the O-Bank headquarters building came to 80.293 tonnes and the recycling and reuse rate was 14.13%. For further details, see Table 6-5.

Table 6-5: O-Bank Ordinary and Recyclable Waste Statistics, 2018-2020

Year	Total Waste (tonnes)	Water per Person (tonnes)	Recycling Volume (tonnes)				Recycling Rate
			Paper	Plastic	Metal (Fe/Al)	Other	
2018	126.7	0.217	12.449	0.475	0.187	1.190	11.29%
2019	79.531	0.130	9.993	0.490	0.190	0.650	14.24%
2020	80.293	0.133	9.215	0.68	0.45	1.04	14.13%

Note 1: Recycling rate = (recycling volume / total waste (waste disposal volume + recycling volume)) × 100%

Note 2: Figures in this table are for the O-Bank headquarters building, and include the affiliated enterprises China Bills Finance Corporation, O-Bank Education Foundation, IBT Leasing Co., Ltd. and IBT Management Corporation.

Note 3: These statistical data were provided by O-Bank's waste disposal firm.

6.3 CO₂ Emissions Inventories

To further implement the goals of saving energy and reducing carbon emissions, O-Bank initiated an ISO 14064-1 greenhouse gas inventory system in 2018. After completing quantification and reporting of GHG emissions, O-Bank established a greenhouse gas inventory that covers the full range of emission sources, types, amounts, and ratios, as well total GHG emissions from within the company's operational boundaries. In addition, operating in compliance with the revised provisions of ISO 14064-1: 2018, O-Bank in 2020 started using six main categories for our greenhouse gas inventories. Greenhouse gas emissions from the headquarters building amounted to 1,632.842 tonnes of CO₂ equivalent in 2020. CO₂e emissions in categories 1 and 2 were down by 49.59 tonnes (roughly 3%) from 2019.

Breaking down 2020 headquarters building emissions by category, category 1 emissions (stationary-source emissions and fugitive emissions) accounted for 10.73% of total emissions; category 2 emissions (energy indirect emissions, the main source being CO₂ emissions generated by the use of electric power) accounted for 88.91% of total emissions; and category 3 (other indirect emissions, the main sources being business travel, work commutes, and other transportation-related emissions) accounted for 0.36% of total emissions. For further details, see Tables 6-6 to 6-9.

Table 6-6: O-Bank Headquarters Building GHG Emissions in 2019

	Scope 1				Scope 2	Scope 3	Total CO ₂ e Emissions
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Other Indirect Emissions	
CO ₂ e Emissions (tonnes)	167.6579				1,508.8239	Not inventoried	1,676.482
	4.2825	0.0000	79.3226	84.0528			
Share (%)	10.00%				90.00%	-	100.00%
	0.26%	0.00%	4.73%	5.01%			

Table 6-7: O-Bank Headquarters Building Emissions of 7 Key GHGs in 2019

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs
CO ₂ e Emissions (tonnes)	1,589.1539	0.6825	2.5926	84.0528	0.0000	0.0000	0.0000	1,676.482
Share of Total (%)	94.79%	0.04%	0.15%	5.01%	0.00%	0.00%	0.00%	100.00%

Table 6-8: O-Bank Headquarters Building GHG Emissions in 2020

	Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total CO ₂ e Emissions (Note)
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Transport-related Indirect Emissions	Product-use Indirect Emissions	Product-related Indirect Emissions	Other Indirect Emissions	
CO ₂ e Emissions (tonnes)	175.1472				1,451.7464	5.9480	0.0000	0.0000	0.0000	1,632.842
	5.4732	0.0000	85.4912	84.1828						
Share (%)	10.73%				88.91%	0.36%	0.00%	0.00%	0.00%	100.00%
	0.34%	0.00%	5.24%	5.16%						

Note: Global warming potential (GWP) values are adapted from the IPCC Fifth Assessment Report, 2013.

Table 6-9: O-Bank Headquarters Building Emissions of 7 Key GHGs in 2020

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs (Note)
CO ₂ e Emissions (tonnes)	1,545.1226	0.7350	2.8012	84.1828	0.0000	0.0000	0.0000	1,632.842
Share of Total (%)	94.63%	0.05%	0.17%	5.16%	0.00%	0.00%	0.00%	100.00%

Note: Global warming potential (GWP) values are adapted from the IPCC Fifth Assessment Report, 2013.

O-Bank expanded ISO 14064-1 greenhouse gas inventory system in 2019 to cover all business locations throughout Taiwan, including the customer service center, data center, Zhongxiao Dunhua Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, Taoyuan Branch, and the Tainan Region Business Department. This makes for a greenhouse gas inventory coverage ratio of 100%. In 2020, an inventory of total GHG emissions from within O-Bank's operational boundaries throughout all of Taiwan quantified these emissions at 3,359.47 tonnes of CO₂e. Within this figure, scope 1 and 2 emissions were down from 2019 by 275.2 tonnes (7.6%). For further details, see Tables 6-10 to 6-13.

Table 6-10: GHG Emissions from within O-Bank's Nationwide Operational Boundaries, 2019

	Scope 1				Scope 2	Scope 3	Total CO ₂ e Emissions
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Other indirect Emissions	
CO ₂ e Emissions (tonnes)	397.7192				3,230.8062	Not inventoried	3,628.525
	5.3249	0.0000	148.7379	243.6564			
Share (%)	10.96%				89.04%	-	100.00%
	0.15%	0.00%	4.10%	6.72%			

Table 6-11: Emissions of 7 Key GHGs from within O-Bank's Nationwide Operational Boundaries, 2019

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs
CO ₂ e Emissions (tonnes)	3378.6996	1.2825	4.8872	243.7056	0.0000	0.0000	0.0000	3,628.525
Share of Total (%)	93.11%	0.04%	0.13%	6.72%	0.00%	0.00%	0.00%	100.00%

Table 6-12: GHG Emissions from within O-Bank's Nationwide Operational Boundaries, 2020

	Category 1				Category 2	Category 3	Category 4	Category 5	Category 6	Total CO ₂ e Emissions (Note)
	Stationary Source Emissions	Process Emissions	Mobile Source Emissions	Fugitive Emissions	Energy Indirect Emissions	Transport-related Indirect Emissions	Product-use Indirect Emissions	Product-related Indirect Emissions	Other Indirect Emissions	
CO ₂ e Emissions (tonnes)	240.9585				3,112.3478	6.1596	0.0000	0.0000	0.0000	3,359.466
	5.4732	0.0000	113.0721	122.4132						
Share (%)	7.17%				92.64%	0.18%	0.00%	0.00%	0.00%	100.00%
	0.16%	0.00%	3.37%	3.64%						

Note: Global warming potential (GWP) values are adapted from the IPCC Fifth Assessment Report, 2013.

Table 6-13: Emissions of 7 Key GHGs from within O-Bank's Nationwide Operational Boundaries, 2020

	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	CO ₂ e Emissions of 7 Key GHGs (Note)
CO ₂ e Emissions (tonnes)	3,232.3552	0.9725	3.7250	122.4132	0.0000	0.0000	0.0000	3,359.466
Share of Total (%)	96.22%	0.03%	0.11%	3.64%	0.00%	0.00%	0.00%	100.00%

Note: Global warming potential (GWP) values are adapted from the IPCC Fifth Assessment Report, 2013.

The international community is working to achieve net-zero carbon emissions (carbon neutrality), and to implement the provisions of Taiwan's "Greenhouse Gas Reduction and Management Act" (which requires that the country's GHG emissions be cut by 2050 to no more than 50% of the 2005 level). O-Bank, in order properly play our role as a corporate citizen, in recent years has purchased renewable energy certificates and adopted green energy procurement targets. Starting from 2021, green energy will account for a higher percentage each year of O-Bank's total power usage, and O-Bank has committed to raise the figure to 10% by 2030. In this way, O-Bank is supporting renewable energy development in Taiwan, reducing the company's CO₂ emissions due to power usage, doing our part to contribute to the global carbon reduction effort, and seeking a harmonious co-existence between business operations and the natural environment.

6.4 Green Purchasing and Supplier Management

O-Bank's suppliers are primarily construction contractors and providers of IT equipment, office equipment, and office supplies. To act upon the company philosophy of maintaining environmentally friendly operations, O-Bank makes a conscious effort in our purchasing operations to select green products and services, and gives priority consideration to environmentally friendly vendors to gradually increase the proportion of our business that we do with green suppliers. For consumables that we provide in public areas, O-Bank whenever possible purchases products that bear the Green Mark. In 2020, some 88% of O-Bank's purchases by value were local procurements from environmentally friendly suppliers. In addition, to coordinate with efforts to support the development of green energy, O-Bank in 2020 subscribed for 88 solar power renewable energy certificates, up by a factor of more than 13 from 2019 subscriptions.

To govern our management of suppliers, O-Bank has adopted a set of "O-Bank Rules for Promotion of Fulfillment of Corporate Social Responsibilities by Suppliers." When choosing among suppliers, O-Bank includes CSR issues among the criteria that factor into our decision. The idea is to collaborate with suppliers in jointly achieving good moral standards, respecting the human rights of laborers, and promoting environmentally sustainable development. This approach has been taken in order to fulfill O-Bank's responsibilities and commitments to our suppliers. To help suppliers fulfill their corporate social responsibilities, O-Bank communicates our corporate social responsibility policies to suppliers during negotiations, and uses the "O-Bank Supplier Self-Assessment Form Regarding Fulfillment of Corporate Social Responsibilities" to assess whether suppliers' operations have any negative impact on the environment and society. O-Bank avoids transactions with suppliers that do not fulfill their corporate social responsibilities.



Renewable Energy Certificate

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



The "O-Bank Rules for Promotion of Fulfillment of Corporate Social Responsibilities by Suppliers" require all suppliers (either new or long-standing) from which O-Bank purchases goods or services exceeding NT\$1 million to carry out a self-assessment. O-Bank had a total of 160 suppliers in 2020, of which 48 were required to carry out a self-assessment, and all 48 of those firms did so. Percent of required self-assessments actually conducted was 100%. O-Bank was further required to conduct on-site visits to five suppliers, and O-Bank went above and beyond by conducting on-site visits to nine suppliers. Percent of required on-site visits actually conducted was 180%. Among the suppliers that had completed self-assessments or submitted to on-site visits, none had business practices that either had a material negative impact, or could potentially have such an impact, in such areas as environmental protection, safety & health, or the interests of employees and laborers. For further details, see Table 6-14.

Table 6-14: O-Bank Supplier CSR Self-assessments and on-site Visits, 2019-2020

Item	2020	2019
Total no. of suppliers	160	158
Suppliers required to conduct self-assessments	48	58
Suppliers that conducted self-assessments	48	58
Percent of required self-assessments actually conducted	100%	100%
Suppliers found deficient after self-assessment	0	0
Suppliers required to receive on-site visits	5	6
Suppliers that received on-site visits	9	6
Percent of required on-site visits actually conducted	180%	100%
Suppliers found deficient after on-site visits	0	0

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

To support and encourage O-Bank's suppliers to endeavor to jointly fulfill O-Bank's corporate social responsibility (CSR). Any firm whose CSR self-assessment results show the firm to be qualified will receive priority consideration during the comparison of procurement tenders. Such consideration incentivizes better CSR performance. If a supplier violates our business ethics and CSR commitments or causes significant environmental or social impact, thus suffering serious damage to our image, reputation, or financial condition, O-Bank may subject the supplier to special monitoring and suspend it from submitting tenders for O-Bank's purchasing, maintenance, and special project contracts.

6.5 Environmental Sustainability Activities

O-Bank encourages employees to work for environmental protection in the course of their daily lives. Besides continuing to communicate our policy on work environment energy conservation, O-Bank regularly organizes our employees to engage in group buying of environmentally friendly products from social enterprises. Also, O-Bank calls on employees to make donations to support book and food drives, and to spur the reuse of resources. In addition, O-Bank uses a wide variety of environmental sustainability activities to raise the environmental consciousness of employees, take concrete action to protect the environment, and promote sustainable development.

1. Activities to Protect the Ocean and Clean up Beaches

In late 2019, O-Bank launched the "Green Consumption Power" project to encourage consumers to buy products that have a positive impact on the environment and society, thus supporting social enterprises and B Corporations. To further enhance the environmental benefits of green consumption power, O-Bank pledged that once customers achieved a certain amount of green consumption, the O-Bank Community Volunteer Club would join hands with the Taiwan Environmental Information Association to hold a beach cleanup activity. In September 2020, the O-Bank Community Volunteer Club made good on that promise by holding a beach cleanup at Waimushan Seaside Scenic Area. O-Bank's Chairperson, president, and chief retail banking officer took part in the cleanup, working alongside about 40 employees to pick up a total of 200 kilos of trash.



O-Bank employees pose for a group photo at a beach cleanup



2. 21 Days of Green

April 22 each year is Earth Day – an important day when civil society throughout the world gathers its forces to promote environmental preservation. To help achieve the Earth Day campaign's target of completing 3 billion green actions by Earth Day 2020, a social enterprise named Greenvines joined hands with Taiwan Environmental Information Association, B Lab Taiwan, and Taiwan RE-THINK Environmental Education Association to launch the "21 Days of Green" campaign and invite the people of Taiwan to work for positive change in Taiwan. O-Bank has taken part in "21 Days of Green" the last two years in a row, acting each time as a green action advocacy partner on one of the 21 days. Besides inviting employees to take part in "21 Days of Green" (thus getting them into the habit of completing green actions in the course of their daily lives), O-Bank also uses social media to communicate with customers and the public about climate change issues, and to encourage more stakeholders to pay serious attention to environmental protection issues. O-Bank is thus using a broad array of methods to carry out green actions and establish green living as a way of life.

3. Green Transport Program

To reduce carbon emissions resulting from the work commutes of our employees, O-Bank has launched a Green Transport Program to encourage employees to take public transportation or ride bicycles. For those who choose to bike to work, bicycle parking spaces are provided free of charge in the underground parking lot at the O-Bank headquarters building. For those who need to drive to work, O-Bank encourages those who live near each other to register for carpooling.



Promotional poster for O-Bank green transport activities

7. Social Engagement



7.1 O-Bank's Thinking

O-Bank has long acted in the spirit of "fulfilling oneself by benefiting others". We firmly believe that enterprise has well-developed systems and resource integration ability, as well as outstanding industry expertise, can give back to society by taking advantage of these strengths. This would enable enterprise's social engagement efforts to become a force for social progress.

7.1.1 O-Bank's Approach

Since O-Bank was first founded in 1999, we have embraced the ideals of giving back to society and engaging in sustainable business, and has carried out our corporate culture of "always sincere, always here" across social outreach and philanthropic activities. In recent years, O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank works hard to promote financial literacy and care for children's emotional needs, and has designed a variety of highly educational activities in hopes of reducing the inequality of opportunity that results from the urban-rural divide. In addition, O-Bank has also cooperated actively with social enterprises and B Corporations, tapping into the strength of enterprises to mitigate environmental and social problems. In addition to holding a series of procurement events, O-Bank has also launched special services designed specifically to support the development of social enterprises and B Corporations.

In addition, since reorganizing as a commercial bank, O-Bank has begun to provide retail digital financial services, and has launched a series of financial products with CSR features. The idea is to use our power as a financial institution to give back to society and create a prosperity in which O-Bank, consumers, and society can all share. In 2018, O-Bank launched a charity affinity card platform that makes it easy for customers to engage in charitable giving by taking the cashback rewards from purchases and redirecting them to selected non-profit organizations. In 2019, O-Bank launched the "Green Consumption Power@O-Bank" project to encourage consumers to buy products that have a positive impact on the environment and society. This act established O-Bank as the first bank in Taiwan to advocate for conscious consumption. In 2020, O-Bank further deepened the link between financial services and corporate social responsibility when launched the "Social Impact Deposits program". The funds deposited in these special accounts will be used solely for the specific purpose of backing microloans to help economically disadvantaged persons deal with financial emergencies.

In line with our belief that a company should give back to society on an ongoing basis, O-Bank established the O-Bank Education Foundation in the year after our founding. In the O-Bank Education Foundation's early years, it focused especially on encouraging youth to start up new businesses and pursue their dreams. The O-Bank Education Foundation held the "WeWin Entrepreneurship Competition" for 10 years in a row, and tapped into the resources of industry, government, and academia to support youth entrepreneurship. In recent years, however, as society has grown increasingly diverse, culture and creativity have come to attract more and more attention, and the Foundation has shifted its focus to arts and education activities. The O-Bank Education Foundation uses the concert hall and art gallery at the O-Bank headquarters in Neihu Technology Park to hold concerts, seminars, and exhibits, which local residents are invited to attend. Since 2010, the O-Bank Education Foundation has held the "Star of TiDing Arts Promotion Project" as a venue for new and aspiring artists. In these and other ways, the Foundation has done much to enrich Taiwanese culture.

7.1.2 O-Bank Community Volunteer Club

O-Bank established the O-Bank Community Volunteer Club in 2015 to take part in community service work. O-Bank Chairperson Tina Y. Lo, who chairs the Bank's CSR Committee, serves as the Club's honorary president. Employees who spend their working hours striving to achieve strong business results also have opportunities as Club members to do their part for the community and give back to society. O-Bank offers paid community service leave to encourage employees to take active part in community service activities, and there is no limit on the number of days that employees can take off to participate in activities organized by the O-Bank Community Volunteer Club. As of year-end 2020, 156 employees were members of the Club, or 19% of the company's total payroll, and these employees put in a total of 467 hours on volunteer service, for an average of 0.56 hours of volunteer work per employee.

Table 7-1: Volunteer Work by O-Bank Community Volunteer Club in 2019 and 2020

	2020	2019
No. of volunteers	156 persons	94 persons
Total hours volunteered	467 hours	324 hours
Volunteer hours per employee	0.56 hours per employee	0.36 hours per employee

7.2 Care for Students in Remote Areas

Since 2015 O-Bank has made a special effort to assist schools in remote areas, where the children of immigrants account for a relatively large share of all students. O-Bank has helped to start up a diverse range of extracurricular learning activities, gotten financial literacy content introduced into school curricula, and held community service programs on holidays to provide students with many different kinds of learning and life experiences.

Table 7-2: Activities to Care for Students in Remote Areas in 2019 and 2020

	2020	2019
Number of sessions	13	19
Participation by volunteers	60 times	87 times
Entities served	7	7

7.2.1 Encouragement of Diverse Learning Experiences

1. Financial Literacy Activities

To help students in remote areas develop a proper understanding of savings and personal financial planning, O-Bank and the digital content creator Taiwan Bar Studio have jointly created a financial literacy animated video entitled "The Emperor's Tailor," a fun and innovative way to familiarize students with the significance of money and the concept of financial planning. In the process, children are spurred to think about the meaning of wealth. These community service teaching materials have been provided free of charge to 22 county and municipal Bureaus of Education throughout Taiwan for incorporation into elementary school curricula. In addition, the O-Bank Community Volunteer Club has held four financial literacy activities in 2020 at Ruifang Elementary School, Minyi Elementary School in New Taipei City, Bali Elementary School in Taoyuan City, and the World Peace Association. At these activities, members of the O-Bank Community Volunteer Club helped students to understand the content presented in animated

videos and led discussions about life planning to encourage students in remote areas to think about their futures and expand their horizons. Students also played the game of Monopoly to develop a correct understanding of savings and financial planning.



O-Bank Community Volunteer Club held a financial literacy event at Bali Elementary School



O-Bank Community Volunteer Club held a financial literacy event at Minyi Elementary School

2. Teaching of Computer Coding

To help students in remote areas properly understand the basic concepts of programming languages, colleagues from O-Bank's IT department and members of the O-Bank Community Volunteer Club taught themselves a programming language called Scratch and used it to plan out the content of a computer programming activity that they held for students at Pinglin Elementary School in rural New Taipei City. Participants in the activity picked up the basic concept of how visual programming blocks are used to write computer code and execute simple computer commands. In the process, they learned about the mathematical calculations used in program design. The activity also spurred the development of creativity and logic.



O-Bank Community Volunteer Club held a computer coding education activity at Pinglin Elementary School

7.2.2 Extracurricular Activities

1. "Cinema for the Mind" Program

To enable children from remote areas to enjoy the beauty of films, pick up the humanitarian spirit inherent in the story lines, and develop a different sort of world view, O-Bank introduces movies with educational value at remote schools. In 2020, O-Bank held two "Cinema for the Mind" events at Jiqing Elementary School and Pinglin Elementary School in rural New Taipei City. Members of the O-Bank Community Volunteer Club conducted discussions where students talked about their thoughts and feelings after watching the movies. Cinema-inspired education activities thus served to enrich the mental universe of young students. In



O-Bank held a "Cinema for the Mind" event at Jiqing Elementary School

addition, O-Bank purchased animated DVDs (complete with copyright clearance for community service broadcast purposes) and donated them to the schools, which are thus licensed in perpetuity to broadcast the DVDs on school property. This affords more students opportunities to view and learn from the movies.

2. Care Activities for Disadvantaged Children

Members of the O-Bank Community Volunteer Club in 2020 redirected care activities to address the needs of a broader range of people. Working in cooperation with Harmony Home Foundation Taiwan, the Volunteer Club holds a wide variety of care activities at the Harmony Home office in Taipei's Nangang District, where volunteers accompany children who are without parents or anyone else to turn to, helping with their reading skills, telling them stories, playing with them, and spending time with them at Christmas. The Volunteer Club held three events at Harmony Home Foundation Taiwan in 2020 to accompany the children there.



Members of the O-Bank Community Volunteer Club help children at Harmony Home Foundation Taiwan learn to read



Members of the O-Bank Community Volunteer Club hold a Christmas celebration at Harmony Home Foundation Taiwan

3. "Kids Helping Others" Program

To familiarize young students in remote areas with the concept of "fulfilling oneself by benefiting others" and afford them the experience of earning money themselves and using it to help others, the O-Bank Community Volunteer Club led a group of fifth-graders from Jiqing Elementary School to the social enterprise TriBake to make cookies, and then held a bake sale at the O-Bank main lobby. In this way, the students got a feel for what it's like to find a way to earn the money they need to pursue their dreams. Afterward, the students suggested ways to help others, and the O-Bank Volunteer Club selected one of the more workable ideas, which was to help stray animals. The O-Bank Volunteer Club took the students to Panchiao Animal House, where they donated the bake sale proceeds for the purchase of dog and cat food, and the students did volunteer work cleaning up the premises. Children living in remote areas have long tended to be the recipients of welfare assistance, but O-Bank's "Kids Helping Others" program affords them the experience of using their own resources to help others, and to understand the idea that "fulfilling oneself by benefiting others".



Students from Jiqing Elementary make cookies and hold a bake sale at the O-Bank main lobby



O-Bank Community Volunteer Club takes students from Jiqing Elementary to Panchiao Animal House, where they donate bake sale proceeds to buy pet food

7.3 Support for Social Enterprises & B Corporations

O-Bank continues to engage in a wide variety of exchanges with social enterprises and B Corporations, and takes concrete action in many different ways to support their efforts on behalf of the environment and society. O-Bank wants to take action in more ways to ensure a harmonious co-existence between nature and society. Among the various cooperative projects that O-Bank and social enterprises undertook in 2020, some of the more notable include: the holding of joint street markets by multiple social enterprises; procurement of products from social enterprises; food drives; group purchasing activities with a special focus on social enterprises; lectures sponsored by social enterprises; and the launch of the "Green Consumption Power@O-Bank" project.

Table 7-3: Activities to Support Social Enterprises & B Corporations in 2019 and 2020

	2020	2019
Number of sessions	16	14
Cooperating partners	31	28

1. Holding of Joint Street Markets with Social Enterprises and B Corporations

O-Bank has held a quarterly farmers' market at headquarters building in recent years, inviting social enterprises and B Corporations to come and sell fresh fruits and vegetables, organic foods, and skin cleansers. In 2020, however, O-Bank temporarily suspended in-person activities to cooperate with government's COVID-19 prevention policies. Fortunately, as the pandemic began to ease in the latter half of the year, O-Bank began thinking about resuming support for our social enterprise and B Corp

partners, and chose to hold street markets during the Christmas season in collaboration with various social enterprises and B Corporations. We invited a total of nine social enterprises and B Corporations to join it in setting up booths at the O-Bank headquarters. O-Bank also invited our own employees as well as the employees of neighboring companies to shop at the street markets. Many of the stalls ended up completely sold out. Tapping into the power of our employees, O-Bank takes concrete action to support the socially friendly products of social enterprises and B Corporations.



O-Bank invited nine social enterprises and B Corporations to set up booths at O-Bank's street market

2. Contract Purchasing Arrangements

O-Bank purchases products every year from social enterprises to give as holiday gifts. Purchases in 2020 included: honey tangerine gift boxes from Suan-Lian Pear Corporation; hand-washing lotion gift boxes from Blueseeds Co.; and drip coffee gift boxes from Come True Coffee. In addition, O-Bank regularly purchases fruit from Tsaichiya Fruits and milk from Pure Milk for the use of our employees. The total amount of these purchases came to NT\$820,000. Giving products from social enterprises as gifts to customers and members of the press makes more people aware of the "shared well-being" concept of social enterprises, and hopefully encourages them to buy such products themselves. This support for the products of social enterprises has earned O-Bank "Buying Power" Awards from the Small and Medium Enterprise Administration for four consecutive years in the latter's Awards Program for Social Innovation Products and Services Procurement.

3. Food Drives

To promote the saving and utilization of surplus food, O-Bank and a social enterprise named Do You a Flavor jointly organize a food drive once every half-year. All employees are encouraged to take extra canned goods, rice, noodles, and other food items they may have at home and donate them to Do You a Flavor, which then makes the food into meals that it distributes to the homeless. O-Bank held two food drives in 2020.

4. Group Buying from Social Enterprises and B Corporations

To promote the products of social enterprises and make it easier for colleagues to buy products for their own daily needs or for use as gift items, O-Bank organizes a quarterly "Social Enterprise Group Buying" program, whereby O-Bank disseminates information on currently available products from social enterprises and B Corporations, and invites colleagues to join together to make group purchases of products that are friendly to both the environment and society. This program familiarizes colleagues with social enterprises and B Corporations, and serves as a concrete way to support them. O-Bank organized five theme-based group buys in 2020. Items purchased included organically produced seafood from

Taiwan Good Fish, organic rice from a farm run by Orientea Enterprise in Chaoyang Community, energy-efficient LED light bulbs from DOMI Earth, fresh milk from Pure Milk and eco-friendly toilet paper from PackAge Plus.

5. Donation of Organic Vanilla Skincare Products

After the COVID-19 pandemic broke out in early 2020, O-Bank and Blueseeds Co. jointly launched the "Adopt a Vanilla Field" program, in which O-Bank adopts a specified acreage of vanilla fields that Blueseeds works using natural farming methods. Extracts from the vanilla grown in the adopted fields are made into hand cleanser products that are donated to Jiqing Elementary School and Pinglin Elementary School, which use the hand cleanser to prevent the spread of the pandemic. In addition to protecting the health of children in these remote schools, the program also supports the use of chemical-free natural farming methods and provides stable job opportunities for contract farmers.



O-Bank donated hand cleanser to Jiqing Elementary School



O-Bank donated hand cleanser to Pinglin Elementary School

6. Social Enterprise Lectures

O-Bank periodically invites representatives of social enterprises to head office to talk about their thinking regarding the startup and running of their business activities, so that more people can develop a deep understanding of the philosophy of social enterprises and on that basis choose to support their products. In July 2020, O-Bank invited CSR lecturer Hu-Zhen Chen (founding partner of Pure Milk Co.) to deliver a series of "social enterprise lectures" as part of the summer internship courses offered by universities. In his lectures, Mr. Chen described the guiding philosophy of Pure Milk Co., and gave a detailed picture of the problems and challenges facing Taiwan's milk industry. O-Bank colleagues and course participants learned about the improvements that Pure Milk Co. is working to achieve, and everyone exchanged thoughts and ideas about what each person can do as an individual in their daily lives to help the environment and society.



O-Bank invited a CSR lecturer from Pure Milk Co. to deliver a series of lectures at summer internship courses

7.4 Giving back to Society by Taking Advantage of O-Bank Strengths

1. "Green Consumption Power" Project

To encourage customers to engage in green consumption by purchasing products that have a positive impact on the environment and society, the "Green Consumption Power@O-Bank" project was launched in late 2019. Consumers using O-Bank's debit cards to purchase brands participating in green consumption get a cashback reward of 4.22% (the "4.22" percentage alludes to the fact that Earth Day falls on April 22 each year). Under the Green Consumption Power project, there is a monthly cap on the amount of cashback rewards that each cardholder can receive per month. The idea is to encourage the type of consumption that will contribute to environmental protect and fair trade without encouraging overconsumption. O-Bank is the first bank in Taiwan to advocate for conscious consumption. As of year-end 2020, more than 18,000 persons had participated in the "Green Consumption Power@O-Bank" project, and O-Bank had brought together 28 social enterprises and B Corporations to promote conscious consumption, as shown below in Fig. 7-1:



O-Bank has set an industry first by promoting the concept of conscious consumption

Fig. 7-1: Green brands in the "Green Consumption Power@O-Bank" project





2. O-Bank Social Impact Program

Many disadvantaged persons in our society with an urgent need for cash find it difficult to obtain bank loans or to receive such loans on relatively favorable terms, and this ends up causing them even bigger problems in living. To help such persons through difficult times, O-Bank launched the Social Impact program in late 2020. O-Bank invites customers to open time deposit accounts under the Social Impact program, and the funds deposited in these special accounts are used solely for the specific purpose of backing microloans that will be provided with no service charges and at low interest rates to help economically disadvantaged persons deal with financial emergencies. O-Bank intends to take advantage of our banking expertise and tap into the power of our customers to arrange for funds from the exact same sources as before to have an impact unlike that of before.



O-Bank Social Impact program

一樣的存款，不一樣的影響！

影響力存款一年期定儲年利率
0.83%，將您的存款用來提供
小額貸款給弱勢群體，幫助他
們重建生活！

O-Bank cooperates with NPOs and social enterprises that provide job mentoring to the economically disadvantaged, and relies on the evaluations and referrals of the cooperating entities to help persons employed or mentored by those entities to obtain needed funds. In addition, some of the cooperating entities arrange for loan payments to be withdrawn from each paycheck. Borrowers can thus build up a good credit record that will make it easier for them to obtain loans from banks in the future. Entities cooperating with O-Bank on the Social Impact program include the First Social Welfare Foundation (including DIYI Social Enterprise), Taiwan Women's Development Association (including the Taipei City Pine Age Social Welfare Foundation), Sunny Bubao Sewing Cooperative, Good Food Enterprise Co., Ltd. and Jieh Huey Foundation.

 <p>第一社會福利基金會 The First Social Welfare Foundation</p>	<p>The First Social Welfare Foundation over the years has gradually evolved into a sheltered cleaning team (DIYI Social Enterprise) that hires persons with disabilities, middle-aged and elderly seeking to return to the workforce, women who are either single mothers or have suffered domestic abuse, and other disadvantaged persons. These jobs help the employees to improve their finances and lives.</p>
	<p>The Taiwan Women's Development Association provides job training to women from dysfunctional families to help them achieve economic independence. And for underprivileged women seeking to rejoin the workforce, the Association provides opportunities to work as long-term caregivers.</p>
	<p>Sunny Bubao Sewing Cooperative was founded after a major typhoon in 2009 to create jobs for women who had lost their homes to the typhoon in Shanlin District of Kaohsiung City in southern Taiwan.</p>
	<p>Good Food Enterprise Co., Ltd runs a restaurant chain that provides job opportunities to disadvantaged women and youth. In this manner, the company actively supports its economically disadvantaged employees, attaches great importance to ESG concerns, and seeks to make a difference.</p>
	<p>Jieh Huey Foundation, acting in line with the principle of "locals helping locals," provides professional care to the elderly and infirm, and creates job opportunities for local women and youth, thus continuing to empower remote communities and promote the provision of professional care services.</p>

In addition to allowing economically disadvantaged employees and successfully mentored employees of the Social Impact program's cooperating entities to apply for Social Impact Loan, O-Bank in April 2021 further expanded the range of persons eligible for loans under the Social Impact program to include anyone in Taiwan who holds government-issued proof of low income or medium-low income status. There is no processing fee, and the borrower will enjoy a 2-point interest rate discount compared to the general annual rate, so that more people with a need will be able to obtain bank loans and get through difficult times.

7.5 Developing Talent for the Future

7.5.1 Internship Program for Students from Underprivileged Backgrounds

1. O-Bank Summer Seed Internship Program

O-Bank launched a Summer Internship Program in 2012 to provide summer internship opportunities for customers' children who are enrolled in universities. The scope of participation was expanded in 2014 to include the children of O-Bank employees, so that children of O-Bank employees who are interested in the financial industry can have a rich range of experiences both in the classroom and at internship jobs. The internship program participants spoke highly of the program, so O-Bank in 2015 launched a new O-Bank Summer Seed Internship Program to make internships additionally available to students from underprivileged backgrounds. In addition to learning about the financial industry and undergoing training at actual institutions, seed program participants are also paid for their work. This makes their summer jobs all the more meaningful, and prepares them to be more competitive in their future job searches.

In 2020, O-Bank held the 6th O-Bank Summer Seed Internship Program. After a phase-one screening process and phase-two interviews, O-Bank selected five outstanding applicants to take part in the program. During the summer internships, which ran for four weeks, students spent the first two weeks attend classroom lectures, where senior O-Bank colleagues taught the students about their various specialties and described the operations of O-Bank's different divisions. These lectures enabled the interns to quickly develop a comprehensive understanding of business practices in the banking industry. During the latter two weeks, the participants all interned in different units, including key units engaged

in such areas as sales and back office operation. Each intern had opportunities to become deeply familiar with actual banking operations. O-Bank employees took them on tours of the company, and accompanied them in writing reports. At every step of the process, the purpose was to allow the interns to gain experience with the conduct of real-life banking business. The program is thus completely different from ordinary internship programs, in which the interns usually just act as short-term clerical workers. Since the inception of the O-Bank Summer Seed Internship Program, 27 students from disadvantaged families have participated, and two of them have joined O-Bank as regular full-time employees after graduating, while another two are currently working at O-Bank part-time while continuing their education.

2. Long-Term Scholarship and Employment Program for Outstanding Interns

O-Bank feels it is very worthwhile for the business community to provide underprivileged students who are short on resources but long on determination with extra resources to assist them in developing their careers. O-Bank deeply appreciates talent, and for that reason in 2018 launched the "Long-Term Scholarship and Employment Program for Outstanding Interns," in which interns who excel in the Summer Seed Internship Program and are officially declared to be from a low- or medium-low-income background are granted scholarships amounting to NT\$50,000 per semester. Scholarship funds are disbursed from the time a student is selected until graduation, and upon graduation they can be recruited by O-Bank. By means of this long-term support, O-Bank hopes to afford underprivileged students a smoother and more worry-free academic experience, and to facilitate their direct entry into the workforce upon graduation. In 2020, an outstanding student has been selected to take part in this program.

7.5.2 Cooperation with Schools

1. CSR Lectures at Universities

To help more students understand how important it is for companies to fulfill their corporate social responsibilities, O-Bank personnel delivered lectures in 2020 at National Taiwan University's Department of Finance (as part of the "Financial Ethics and Social Responsibility" course) and National Taipei University's Department of Finance and Cooperative Management (as part of the "Social Enterprises" course, and at a colloquium held by the Department's student union). At these lectures, the speakers discussed the O-Bank philosophy of "fulfilling oneself by benefiting others," O-Bank's experience in fulfilling corporate social responsibilities, and the line of thinking that prompted us to obtain B Corp certification. One purpose of the lectures was to instill in students an awareness that, in addition to earning profits, a company needs to address environmental and social issues. A second purpose was to encourage students when they eventually enter the work world to do their part to contribute to CSR undertakings.



O-Bank personnel deliver CSR lectures at universities

2. Support for the Taiwan Institute of Directors Talent Development Courses

The Taiwan Institute of Directors (TID) offers talent development courses for university students in Taiwan under the auspices of Seed Talent Program(STP), and O-Bank has supported TID in this undertaking annually since 2015 by allowing TID to use the first floor concert hall at O-Bank headquarters building free of charge to hold events where it introduces its talent development courses to currently enrolled students, so that before embarking upon the job market the students can get a head start on learning about conditions in industry and manpower needs. By chatting with employment counselors from the corporate world, students can familiarize themselves with the characteristics and cultures of different companies and industries, and start as soon as possible with planning their careers and honing their job skills. O-Bank provided the venue for one such event in 2020.

7.6 Community Service and Donations

7.6.1 Donations in 2020

Total charitable donations by O-Bank in 2020 amounted to NT\$6,582,370. Included among the recipients were the O-Bank Education Foundation, the NTU Economic Research Foundation, and the Taiwan Eisenhower Fellows Foundation, all of which are long-time recipients of O-Bank support. O-Bank continues to show concern for matters involving arts, culture, creativity, and education. In addition, O-Bank has long donated to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) and the Criminal Investigation and Prevention Association to help fund their participation in public discourse concerning financial, economic, and industrial policies. O-Bank also made material donations to support a number of community service partners. For example, O-Bank took DVDs (complete with copyright clearance for community service broadcast purposes) purchased for the "Cinema for the Mind" program and donated them to Jiqing Elementary School and Pinglin Elementary School. O-Bank also donated digital tablets to the Junyi Academy Foundation, which issues a community service affinity card that is designed to help narrow the education gap between urban and rural areas. The number of digital tablets donated was determined based on the number of affinity cards issued by the Foundation and O-Bank. Donations made by O-Bank in 2020 are listed below in Table 7-4.



O-Bank donated digital tablets to the Junyi Academy Foundation.

Table 7-4: Donations Made by O-Bank in 2020

Unit: NT\$

Recipient	Amount
O-Bank Education Foundation	5,720,000
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	300,000
Criminal Investigation and Prevention Association, R.O.C	300,000
NTU Economic Research Foundation	132,000
Taiwan Eisenhower Fellows Foundation	30,000
Taiwan Prevent Blindness Foundation	10,000

Recipient	Amount
Junyi Academy Foundation (material donations)	51,870
Jiqing Elementary School, Ruifang District, New Taipei City (material donations)	19,250
Pinglin Elementary School, Pinglin District, New Taipei City (material donations)	19,250
Total	6,582,370

7.6.2 Solicitation of Material Donations

To narrow the urban-rural resource gap and make effective use of the educational power of books, O-Bank held two book drives in 2020 to encourage employees of the O-Bank Group to donate used books the Reading Resources Platform of the eslite Foundation for Culture and the Arts. In this manner, O-Bank took concrete action to support community service and arranged for delivery of resources to remote areas. These two book drives resulted in the donation of 507 books. In addition, O-Bank set up a receipt donation box in O-Bank headquarters building. Receipts thus collected are donated periodically to Eden Social Welfare Foundation, the Taiwan Foundation for Rare Disorders, and the Sunshine Social Welfare Foundation.

7.7 Promotion of Arts and Cultural Education

7.7.1 Cultivation of Up-and-coming Talent

To encourage aspiring artists' creative work, the O-Bank Education Foundation (O-BankEF) has carried out the "Star of Tiding" art advocacy project annually since 2010, provide a platform and generous public resources that give young artists an opportunity to display their special talents. 69 budding artists were selected to take part in the "Star of Tiding" project in 2020, adding to a grand total of 1,184 young musicians and artists who have benefited from the project over the past decade.

1. Scouting and Encouraging New Talent

To continue discovering local youth with exceptional creativity and talent, the O-BankEF held the 12th "Star of Tiding" art advocacy project in 2020, providing a venue as well as administrative and publicity support for selected artists aged 35 or younger. In addition, the art gallery and the concert hall at the O-Bank Group headquarters have been selected as the location for the "Star of Tiding" performances and exhibitions beginning in 2021. The project strive to help young artists mature in their chosen fields.

A total 72 artists submitted a rich variety of entries for the 12th "Star of Tiding" art advocacy project, and a panel of professional judges selected 11 performances and 4 exhibitions for the final series of the arts events. From April 2021 to March 2022, 43 promising young artists are ready to take part in the final events.



Call for submissions to the 12th "Star of Tiding" art advocacy project



"Star of Tiding" street flags publicize the event outside O-Bank Group headquarters

2. The 3rd "GO TO TAIWAN" O-BankEF & Apollo Art Awards

The "GO TO TAIWAN" art award programs held by the O-BankEF and Apollo Art Gallery in 2014 and 2017 elicited extremely enthusiastic feedback from art lovers and enabled the nominees to make their names known in major galleries all across Taiwan, including the Apollo Art Gallery, and Art Gwangju (a big expo in South Korea). Professional guidance provided by Apollo Art Gallery allowed the talented young artists to further hone their skills.

A third edition of "GO TO TAIWAN" was held in 2020 to encourage young artists to embark upon the international art scene. Among 100 artists who submitted entries, 7 were chosen as finalists. The winners put on a first joint exhibition in June 2020 at the O-Bank Group headquarters art gallery, which was then moved the Apollo Art Gallery in August. In addition to the 2020 winners, Huang Fa-Chen and Lin Yu-Ju, the winners in the 2014 and 2017 "GO TO TAIWAN" events, contributed to the joint exhibition. Both Mr. Huang and Ms. Lin exhibited their recently completed works, allowing many art collectors to purchase from their collections.

In addition to the winners who took part in the traveling exhibition described above, Huang Yan-Jun (who received the First Prize in the 3rd "GO TO TAIWAN" art awards) was also selected to take a one-month "arts homage trip" to Vienna. Once he arrives in Austria, Mr. Huang will share his experiences in Vienna on a dedicated Facebook page. After that, he will receive a year of mentoring at Apollo Art Gallery. Mr. Huang has already taken part in a dual solo exhibition and two joint exhibitions.



1st Prize Winner Huang Yan-Jun was chosen for 1-month arts trip to Vienna



Seven nominees pose with competition jury for a group photo



"GO TO TAIWAN" award winners put on exhibit at O-Bank art gallery

3. "Stars of Tiding" Gain Name Recognition with Creative Gift Items

Since 2011, the O-BankEF has selected some of the winning entries from the "Stars of Tiding" exhibition and featured them in desk calendars for the following year. These are given as gift items to recipients in the business community, government agencies, and other foundations to help the featured artists gain recognition. The lunar new year in 2021 brought in the Year of the Ox, so the



O-Bank Group 2021 desk calendar incorporated the work of winning "Stars of Tiding" artists and used the Ox illustration to show each month's feature

works of 12 winning "Stars of Tiding" artists were designed into 2021 ox-themed desk calendars. A total of 6,700 O-Bank Group 2021 desk calendars were given out to acquaint the public with the work of these outstanding young artists.

7.7.2 Platform to Support Artistic Activities

Cultural diversity is one of Taiwan's most precious intangible assets. To continue developing our country's cultural soft power, the O-BankEF participates in concerts, exhibitions, lectures, and the "Taipei Art District Festival". Altogether, these undertakings form a platform for a shared appreciation of the arts. As of the end of 2020, the O-BankEF had held a total of 360 arts and cultural activities.

1. Concert Series

In addition to arranging performances and exhibitions by young artists in the "Stars of Tiding" art advocacy project, the O-BankEF invited a variety of international musicians to engage in a series of performances and deliver lectures on music. The performances included solos, ensembles, vocals, and chamber music. In 2020, performances scheduled for the first half of the year were postponed to the second half due to the COVID-19 pandemic. To prevent the virus from spreading, everyone arriving at the performances were required to disinfect their hands, have their temperature taken, and register by name to attend. Every event elicited an exuberant response from the public, with more than 90% of attendees indicating satisfaction. In all, 12 concerts were held in 2020 and attracted a combined audience of 1,250 people.

2. Exhibition Series

To further support artists, the O-BankEF held numerous art exhibits in 2020 at the O-Bank Group headquarters building art gallery. By providing exhibit space and publicity resources to artists for free, the O-BankEF granted young artists opportunities to interact with the public, gain recognition, and further hone their skills. Due to the COVID-19 restrictions, the O-BankEF began streaming the opening ceremonies for two exhibits in the first half of the year via social media. After the pandemic eased in Taiwan later in the year, the O-BankEF switched back to in-person events.



Young thespians give a scintillating theatrical performance



The "Stars of Tiding" art advocacy project presents the diverse style of arts

In early 2020, the O-BanKEF collaborated with the National Hsinchu Living Arts Center for the first time. They invited Shen Shang-Yin, the winner of a 2019 "Luminous Art Marketing" award, to put on solo exhibitions in an exhibition space free of charge. The O-BanKEF sponsored seven arts exhibitions and opening ceremony events in 2020, attracting a total of over 3,000 people.



2019 "Luminous Art Marketing" award winner Shen Shang-Yin exhibits 25 ink paintings. Due to COVID-19, opening ceremonies for events were held online.

3. Art Lectures Series

The O-BanKEF annually invites experts from the arts community to deliver lectures on specialized topics. These events give the public a deeper understanding of artistic and cultural matters, and they also give promising young artists opportunities to interact with other artists. As of the end of 2020, a total of 28 events had been held as part of the art lectures series.

Due to the COVID-19 pandemic, the art lectures series was temporarily suspended during the first half of 2020, but it resumed in August with a lecture that was attended by about 80 employees from O-Bank and other group affiliates. The August event was led by Huang Shih-Chih, the renowned puppet master and proprietor of the Huang Shih-Chih Video Puppet Troupe. Mr. Huang showed up with an entire cast of outstanding puppeteers to regale the attendees with a fascinating combination of lecture and hand puppetry demonstrations. He hopes to familiarize more people with the tradition of glove puppetry, which is popular wherever the Southern Min dialect is spoken, and to continue to inherit and cherish this traditional folk culture.



Huang Shih-Chih put on an entertaining traditional puppetry performance to familiarize more people with the inheritance and preservation of glove puppetry



Many experts and celebrities deliver talks as part of the art lectures series

4. Taipei Art District Festival

The districts of Dazhi and Neihu in northern Taipei have attracted a huge influx of cultural and creative firms in recent years. As a result, the area has come to be known as the Taipei Art District. In 2014, 12 art galleries and arts institutions in the area began working to launch the Taipei Art Industry Association, which was formally incorporated in 2017 with the aim of creating a local arts district. The 7th Taipei Art District Festival was held in 2020 from October 3rd to November 1st, this time focusing on the theme of "Light ON/OFF" and illuminating the Taipei Art District with different types of light. The event was curated by Yu-Chuan Tseng and Yu-Chih Hsiao, who invited about 30 artists to take part in the festival. The

artists used their works to create links between the arts organizations of the Dazhi-Neihu area, and then extended into public space. The O-BankEF held three activities (two arts performance and one lecture on acoustic arts) as part of the 2020 Taipei Art District Festival, attracting a total of 500 people.



TheCube Project Space curated lectures on acoustic arts and the future of media art



Vocals, hurdy-gurdy, and percussion combine in a jam session to press the musical envelope

7.7.3 Development of Arts Education

The O-BankEF seeks to facilitate the growth of young artistic talent and bolster the self-confidence of children from remote rural areas or disadvantaged backgrounds so that they can have more courage to pursue their dreams. In line with its belief that arts education is most effective when it starts at an early age, the O-BankEF has collaborated with rising young artists from the "Stars of Tiding" arts advocacy project since 2013 to hold a series of annual educational programs for youth, especially for underprivileged children in the Neihu District of Taipei. The events include guided tours of art exhibits, DIY workshops, and displays of works created by event participants. These arts education activities instill self-confidence in children and encourage them to show their handiwork to classmates, family members, and teachers. In the process, they will gain more interest in the arts. In 2020, to coordinate with the anti-COVID measures adopted by schools, the young artists held seven arts education events at schools. A total of 110 children participated, and about 2,000 people attended shows where the children's artistic creations were put on display.



The children educational programs switched their venue to schools in 2020



Artists teach students to work in many different types of media

But children are not the only ones with a role to play in promotion of the arts. Since 2019, the O-BankEF has also held educational program for seniors 60 years old and above. They wanted to encourage older people to take part in arts activities and develop a deeper and broader artistic sensibility. At the same time, these events give the "Stars of Tiding" artists opportunities to put their skills to work and take part in community service work. The educational programs for seniors was put on hold in February due to the pandemic, with the result that only one event was held in 2020, attracting 10 participants.



Participants in the educational programs for seniors learn techniques and concepts from young artists



Participants in the educational programs for seniors show strong enthusiasm for learning and doing

7.7.4 Training of Arts & Culture Volunteers

In 2011, the O-BankEF established its O-BankEF Volunteer Corps to give back to society and participate in arts and culture activities. In the following year, the O-BankEF began recruiting volunteers to staff the sign-in desk and act as ushers at the O-BankEF's activities. The O-BankEF also regularly provided volunteers with photography and arts-related lectures and courses on topics such as classical music history, fine arts history, and dynamic photography. By taking part in these activities, the volunteers can acquire comprehensive skills as art administrators. The Volunteer Corps in 2020 had 23 members (including two new additions) and helped out at 15 events, putting in a total of 323 service hours.



Members of the Volunteer Corps pose for a photo with performers after a concert

The O-BankEF arranged for its volunteers to visit two art exhibits in 2020. The first one was the "Paul Chiang: A Retrospective" exhibit at the Taipei Fine Arts Museum, which presented an overview of the works produced by Chiang over a 55-year period. Then in the latter half of the year, the volunteers went to the Museum of National Taipei University of Education (MoNTUE) to the exhibit, "The Everlasting Bloom: Rediscovering Taiwanese Modern Art". There, through the medium of art, they learned about the early days of Taiwan and developed a feel for cultural values that transcend the boundaries of time. These experiences provided the volunteers opportunities to increase their exposure to art and culture.

Appendix

Appendix 1: GRI Sustainability Reporting Standards Content Index

Indicators in accordance with the GRI Standards: Core option are marked with "**"; indicators of topic specific GRI Standard that cover material topics are marked with "#".

GRI Standards Index	GRI Indicator		Chapter/Description
General Disclosure			
GRI 102: General Disclosures 2016	102-1*	Name of the organization	2.1 About O-Bank
	102-2*	Activities, brands, products, and services	2.1 About O-Bank 4.2 Service Quality and Customer Experience No products or services that are banned in certain markets.
	102-3*	Location of headquarters	2.1 About O-Bank
	102-4*	Location of operations	2.1 About O-Bank
	102-5*	Ownership and legal form	2.1 About O-Bank 3.1 Governance Framework
	102-6*	Markets severed	2.1 About O-Bank 2.3 Market Environment and Development Strategies 4.1 Financial Services and Innovation
	102-7*	Scale of the organization	2.1 About O-Bank 2.2 Operating Performance and Reputation 2.3 Market Environment and Development Strategies 5.1 Employee Composition and Promotion of a Friendly Work Environment
	102-8*	Information on employees and other workers	5.1 Employee Composition and Promotion of a Friendly Work Environment
	102-9*	Supply chain	6.4 Green Purchasing and Supplier Management
	102-10*	Significant changes to the organization and its supply chain	2.1 About O-Bank 2.3 Market Environment and Development Strategies 3.1 Governance Framework No significant changes to O-Bank and our supply chain.
	102-11*	Precautionary Principle or approach	3.2 Ethical Best Practice 3.3 Legal Compliance 3.4 Risk Management
	102-12*	External initiatives	Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies B Corp Certification verified by B Lab

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 102: General Disclosures 2016	102-13*	Membership of associations	The Bankers Association of the Republic of China (BAROC) Trust Association of R.O.C The Third Wednesday Club Chinese National Association of Industry and Commerce, Taiwan (CNAIC) Taiwan Financial Services Roundtable (TFSR) The Bankers Association of Taipei The Bankers Association of Taoyuan B Lab Taiwan
	102-14*	Statement from senior decision-maker	Letter from Chairperson
	102-15	Key impacts, risks, and opportunities	2.3 Market Environment and Development Strategies
	102-16*	Value, principles, standards, and norms of behavior	2.1 About O-Bank 3.2 Ethical Best Practice
	102-17	Mechanisms for advice and concerns about ethics	3.2 Ethical Best Practice
	102-18*	Governance structure	1.1 CSR Policy and Its Implementation 3.1 Governance Framework 3.2 Ethical Best Practice 3.3 Legal Compliance
	102-19	Delegating authority	1.1 CSR Policy and Its Implementation 3.1 Governance Framework
	102-20	Executive-level responsibility for economic, environmental, and social topics	1.1 CSR Policy and Its Implementation
	102-21	Consulting stakeholders on economic, environmental, and social topics	1.1 CSR Policy and Its Implementation 1.2 Identification of Stakeholders
	102-22	Composition of the highest governance body and its committees	3.1 Governance Framework
	102-23	Chair of the highest governance body	Tina Y. Lo, O-Bank's Chairperson, isn't serving concurrently as Chief Executive Officer. O-Bank has adopted the "Principles of Hierarchical Delegation of Responsibilities" which set division of responsibility of Board Director and General Manager to fulfill hierarchical responsibility and implemented delegation of authority in hierarchical level.
	102-24	Nominating and selecting the highest governance body	3.1 Governance Framework
	102-25	Conflicts of interest	3.1 Governance Framework
	102-26	Role of highest governance body in setting purpose, values, and strategy	Letter from Chairperson 3.1 Governance Framework
	102-27	Collective knowledge of highest governance body	3.1 Governance Framework
	102-28	Evaluating the highest governance body's performance	3.1 Governance Framework
	102-29	Identifying and managing economics, environmental, and social impacts	3.1 Governance Framework 3.2 Ethical Best Practice 3.3 Legal Compliance

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 102: General Disclosures 2016	102-30	Effectiveness of risk management processes	3.4 Risk Management
	102-31	Review of economic, environmental, and social topics	1.1 CSR Policy and Its Implementation 3.1 Governance Framework 3.4 Risk Management
	102-32	Highest governance body's role in sustainability reporting	1.1 CSR Policy and Its Implementation 3.1 Governance Framework
	102-33	Communicating critical concerns	3.1 Governance Framework
	102-34	Nature and total number of critical concerns	3.1 Governance Framework
	102-35	Remuneration policies	3.1 Governance Framework 5.2 Employee Compensation and Benefits
	102-36	Process for determining remuneration	3.1 Governance Framework 5.2 Employee Compensation and Benefits
	102-40*	List of stakeholder groups	1.2 Identification of Stakeholders
	102-41*	Collective bargaining agreements	O-Bank doesn't have labor union so there is no collective bargaining agreements.
	102-42*	Identifying and selecting stakeholders	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-43*	Approach to stakeholder engagement	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-44*	Key topics and concerns raised	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	102-45*	Entities included in the consolidated financial statement	Editor's Note
	102-46*	Defining report content and topic Boundaries	Editor's Note
	102-47*	List of material topics	1.3 Identifying and Analyzing Material Issues
	102-48*	Restatements of information	No restatements of information in 2020 CSR Report.
	102-49*	Changes in reporting	1.3 Identifying and Analyzing Material Issues
	102-50*	Reporting period	Editor's Note
	102-51*	Date of most recent report	Editor's Note
	102-52*	Reporting cycle	Editor's Note
	102-53*	Contact point for questions regarding the report	Editor's Note
	102-54*	Claims of reporting in accordance with the GRI Standards	Editor's Note
	102-55*	GRI content index	Editor's Note Appendix 1 : GRI Sustainability Reporting Standards Content Index
	102-56*	External assurance	Editor's Note Appendix 6 : Independent Assurance Opinion Statement

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1.3 Identifying and Analyzing Material Issues
	103-2	The management approach and its components	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
	103-3	Evaluation of the management approach	1.2 Identification of Stakeholders 1.3 Identifying and Analyzing Material Issues
Material Topics-Economic			
GRI 201: Economic Performance 2016	201-1#	Direct economic value generated and distributed	2.2 Operating Performance and Reputation 5.2 Employee Compensation and Benefits
	201-2	Financial implications and other risks and opportunities due to climate change	3.4 Risk Management
	201-3#	Defined benefit plan obligations and other retirement plans	5.2 Employee Compensation and Benefits
	201-4	Financial assistance received from government	In 2020, O-Bank Hong Kong Branch received wage subsidy disbursed by the Government of the Hong Kong Special Administrative Region from Employment Support Scheme. Total amount of subsidy was HK\$4,961,945 (around NT\$18,706,303).
GRI 202: Market Presence 2016	202-1#	Ratios of standard entry level wage by gender compared to local minimum wage	5.2 Employee Compensation and Benefits
	202-2#	Proportion of senior management hired from the local community	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 203: Indirect Economic Impacts 2016	203-1#	Infrastructure investments and services supported	2.1 About O-Bank 4.1 Financial Services and Innovation 4.3 Responsible Finance 7.2 Care for Students in Remote Areas
	203-2#	Significant indirect economic impacts	2.1 About O-Bank 4.1 Financial Services and Innovation 4.3 Responsible Finance 7.2 Care for Students in Remote Areas 7.6 Community Service and Donations
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	6.4 Green Purchasing and Supplier Management
GRI 205: Anti-corruption 2016	205-1#	Operations assessed for risks related to corruption	3.2 Ethical Best Practice
	205-2#	Communication and training about anti-corruption policies and procedures	3.2 Ethical Best Practice 3.3 Legal Compliance 5.3 Employee Cultivation and Development
	205-3#	Confirmed incidents of corruption and actions taken	No related incident occurred in 2020.
GRI 206: Anti-competitive Behavior 2016	206-1#	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No related issue occurred in 2020.

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 207: TAX 2019	207-1	Approach to tax	3.6 Tax Governance
	207-2	Tax governance, control, and risk management	3.6 Tax Governance
	207-3	Stakeholder engagement and management of concerns related to tax	3.6 Tax Governance
Material Topics-Environmental			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Not available.
	301-2	Recycled input materials used	Not available.
	301-3	Reclaimed products and their packaging materials	Not available.
GRI 302: Energy 2016	302-1	Energy consumption within the organization	6.2 Management of Energy and Resources
	302-3	Energy intensity	6.2 Management of Energy and Resources
	302-4	Reduction of energy consumption	6.2 Management of Energy and Resources
GRI 303: Water and effluents 2018	303-2	Management of water discharge-related impacts	6.1 Environmental Management Policies and Targets
	303-3	Water withdrawal	6.2 Management of Energy and Resources
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	All buildings and operating units of O-Bank are located in urban and rural areas. O-Bank did not develop in any protected areas, habitats and slope area.
	304-2	Significant impacts of activities, products, and services on biodiversity	All buildings and operating units of O-Bank are located in urban and rural areas. O-Bank did not develop in any protected areas, habitats and slope area.
	304-3	Habitats protected or restored	All buildings and operating units of O-Bank are located in urban and rural areas. O-Bank did not develop in any protected areas, habitats and slope area.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	All buildings and operating units of O-Bank do not have IUCN Red List species and national conservation list species.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.3 CO ₂ Emissions Inventories
	305-2	Energy indirect (Scope 2) GHG emissions	6.3 CO ₂ Emissions Inventories
	305-4	GHG emissions intensity	6.3 CO ₂ Emissions Inventories
	305-5	Reduction of GHG emissions	6.1 Environmental Management Policies and Targets 6.2 Management of Energy and Resources 6.3 CO ₂ Emissions Inventories
	305-6	Emissions of ozone-depleting substances (ODS)	Not available.
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Not available.

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	6.2 Management of Energy and Resources
	306-2	Management of significant waste-related impacts	6.2 Management of Energy and Resources
	306-3	Waste generated	6.2 Management of Energy and Resources
	306-4	Waste diverted from disposal	6.2 Management of Energy and Resources
	306-5	Waste directed to disposal	6.2 Management of Energy and Resources
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	No related issues occurred in 2020.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	6.4 Green Purchasing and Supplier Management
	308-2	Negative environmental impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management
Material Topics-Social			
GRI 401: Employment 2016	401-1#	New employee hires and employee turnover	5.1 Employee Composition and Promotion of a Friendly Work Environment
	401-2#	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Compensation and Benefits
	401-3#	Parental leave	5.2 Employee Compensation and Benefits
GRI 402: Labor/Management Relations 2016	402-1#	Minimum notice periods regarding operational changes	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 403: Occupational Health and Safety 2018	403-3#	Occupational health services	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-5#	Worker training on occupational health and safety	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-6#	Promotion of worker health	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-7#	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-9#	Work-related injuries	5.1 Employee Composition and Promotion of a Friendly Work Environment
	403-10#	Work-related ill health	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 404: Training and Education 2016	404-1#	Average hours of training per year per employee	5.3 Employee Cultivation and Development
	404-2#	Programs for upgrading employee skills and transition assistance programs	5.3 Employee Cultivation and Development
	404-3#	Percentage of employees receiving regular performance and career development reviews	5.3 Employee Cultivation and Development

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 405: Diversity and Equal Opportunity 2016	405-1#	Diversity of governance bodies and employees	3.1 Governance Framework 5.1 Employee Composition and Promotion of a Friendly Work Environment
	405-2#	Ratio of basic salary and remuneration of women to men	5.2 Employee Compensation and Benefits
GRI 406: Non-discrimination 2016	406-1#	Incidents of discrimination and corrective actions taken	No related incident occurred in 2020.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1#	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No related issue occurred in 2020.
GRI 408: Child Labor 2016	408-1#	Operations and suppliers at significant risk for incidents of child labor	No related issue occurred in 2020.
GRI 409: Forced or Compulsory Labor 2016	409-1#	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No related issue occurred in 2020.
GRI 411: Rights of Indigenous Peoples 2016	411-1#	Incidents of violations involving rights of indigenous peoples	No related incident occurred in 2020.
GRI 412: Human Rights Assessment 2016	412-2#	Employee training on human rights policies or procedures	5.1 Employee Composition and Promotion of a Friendly Work Environment
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	7.2 Care for Students in Remote Areas 7.3 Support for Social Enterprises & B Corporations 7.7 Promotion of Arts and Cultural Education
	413-2	Operations with significant actual and potential negative impacts on local communities	No significant actual and potential negative impacts on local communities from O-Bank's operations.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	6.4 Green Purchasing and Supplier Management
	414-2	Negative social impacts in the supply chain and actions taken	6.4 Green Purchasing and Supplier Management
GRI 415: Public Policy 2016	415-1	Political contributions	No political contributions in 2020.
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	No health and safety impacts of product and service categories in financial industry.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No related incident occurred in 2020.

GRI Standards Index	GRI Indicator		Chapter/Description
GRI 417: Marketing and Labeling 2016	417-1#	Requirements for product and service information and labeling	4.2 Service Quality and Customer Experience
	417-2#	Incidents of non-compliance concerning product and service information and labeling	No related incident occurred in 2020. 4.2 Service Quality and Customer Experience
	417-3#	Incidents of non-compliance concerning marketing communications	No related incident occurred in 2020. 4.2 Service Quality and Customer Experience
GRI 418: Customer Privacy 2016	418-1#	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related substantiated complaints received in 2020. 4.4 Customer Privacy and Transaction Security
GRI 419: Socioeconomic Compliance 2016	419-1#	Non-compliance with laws and regulations in the social and economic area	No non-compliance with laws and regulations in the social and economic area in 2020. The Financial Supervisory Commission found fault with O-Bank's design and implementation of our identity verification mechanism for opening the third category of digital deposit accounts and demanded rectification thereof. Accordingly, we have strengthened the identity verification mechanism for opening digital accounts and such improvement is completed.

Appendix 2: Corporate Social Responsibility Best Practice Principles for TWSE/ GTSM Listed Companies

Chapter	Content		Reference
Chapter 1	General Guideline	Discloses the goal, entity applied to, and principals of best practices.	2. Overall State of the Company
Chapter 2	Corporate Governance	Regulate and exercising corporate governance.	3. Corporate Governance
Chapter 3	Environmental Protection	Fostering a sustainable environment.	6. Environmental Sustainability
Chapter 4	Social Responsibilities	Preserving public welfare.	7. Social Engagement
Chapter 5	Disclosure	Enhancing disclosure of corporate social responsibility information.	Editor's Note
Chapter 6	Appendix	Regulate and improve the exiting CSR system.	2. Overall State of the Company

Appendix 3: ISO 26000 Index

Category	Issue	Reference
Organizational governance	System by which an organization makes and implements decisions in pursuit of its objectives	2. Overall State of the Company
Human rights	Due diligence	3. Corporate Governance
	Human rights risk situation	5. Happy Workplace
	Avoidance of complicity	3. Corporate Governance
	Resolving grievances	5. Happy Workplace
	Discrimination and vulnerable groups	5. Happy Workplace
	Civil and political rights	5. Happy Workplace
	Economic ,social and cultural right	7. Social Engagement
	Fundamental principles and rights at work	5. Happy Workplace
Labor practices	Employment and employment relationships	5. Happy Workplace
	Conditions of work and social protection	5. Happy Workplace
	Social dialogue	5. Happy Workplace
	Health and safety at work	5. Happy Workplace
	Human development and training in the workplace	5. Happy Workplace
The environment	Prevention of pollution	6. Environmental Sustainability
	Sustainable resource use	6. Environmental Sustainability
	Climate change mitigation and adaptation	6. Environmental Sustainability
	Protection of the environment ,biodiversity and restoration of natural habits	-

Category	Issue	Reference
Fair operating practices	Anti-corruption	3. Corporate Governance
	Responsible political involvement	3. Corporate Governance
	Fair competition	4. Customer Service
	Promoting social responsibility in the value chain	4. Customer Service 7. Social Engagement
	Respect for property right	3. Corporate Governance
Consumer issues	Fair marketing ,factual and unbiased information and fair contractual practices	4. Customer Service
	Protecting consumers' health and safety	4. Customer Service
	Sustainable consumption	4. Customer Service
	Consumer service ,support , and complaint and dispute resolution	4. Customer Service
	Consumer data protection and privacy	4. Customer Service
	Access to essential services	4. Customer Service
	Education and awareness	4. Customer Service
Community involvement and development	Community involvement	7. Social Engagement
	Education and culture	7. Social Engagement
	Employment creation and skills development	7. Social Engagement
	Technology development and access	7. Social Engagement
	Wealth and income creation	7. Social Engagement
	Health	7. Social Engagement
	Social investment	7. Social Engagement

Appendix 4: UN Global Compact Index

Category	Issue	Reference
Human Right	Businesses should support and respect the protection of internationally proclaimed human rights.	5. Happy Workplace
	Make sure that they are not complicit in human rights abuses.	5. Happy Workplace
Labour	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5. Happy Workplace
	The elimination of all forms of forced and compulsory labour.	5. Happy Workplace
	The effective abolition of child labour.	5. Happy Workplace
	The elimination of discrimination in respect of employment and occupation.	5. Happy Workplace
Environment	Businesses should support a precautionary approach to environment challenges.	6. Environmental Sustainability
	Undertake initiatives to promote greater environmental responsibility.	6. Environmental Sustainability
	Encourage the development and diffusion of environmentally friendly technologies.	6. Environmental Sustainability
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	3. Corporate Governance

Appendix 5: Sustainable Development Goals Index

Sustainable Development Goals	Reference
1. End Poverty in all its forms everywhere.	2. Overall State of the Company
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	7. Social Engagement
3. Ensure healthy lives and promote well-being for all at all ages.	5. Happy Workplace
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	5. Happy Workplace
5. Achieve gender equality and empower all women and girls.	5. Happy Workplace
6. Ensure availability and sustainable management of water and sanitation for all.	6. Environmental Sustainability
7. Ensure access to affordable, reliable, sustainable and modern energy for all.	6. Environmental Sustainability
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	2. Overall State of the Company 5. Happy Workplace
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	2. Overall State of the Company 4. Customer Service
10. Reduce inequality within and among countries.	5. Happy Workplace 7. Social Engagement
11. Make cities and human settlements inclusive, safe, resilient and sustainable.	6. Environmental Sustainability
12. Ensure sustainable consumption and production patterns.	6. Environmental Sustainability 7. Social Engagement
13. Take urgent action to combat climate change and its impacts.	6. Environmental Sustainability
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	3. Corporate Governance 5. Happy Workplace
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.	7. Social Engagement



INDEPENDENT ASSURANCE OPINION STATEMENT

O-Bank 2020 Corporate Social Responsibility Report

The British Standards Institution is independent to O-Bank Co., Ltd. (hereafter referred to as O-Bank in this statement) and has no financial interest in the operation of O-Bank other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of O-Bank only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by O-Bank. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to O-Bank only.

Scope

The scope of engagement agreed upon with O-Bank includes the followings:

1. The assurance scope is consistent with the description of O-Bank 2020 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the O-Bank's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the O-Bank 2020 Corporate Social Responsibility Report provides a fair view of the O-Bank CSR programmes and performances during 2020. The CSR report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the O-Bank and the sample taken. We believe that the 2020 economic, social and environmental performance information are correctly represented. The CSR performance information disclosed in the report demonstrate O-Bank's efforts recognized by its stakeholders.

Our work was carried out by a team of (CSR) report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that O-Bank's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to O-Bank's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on O-Bank's approach to stakeholder engagement. Moreover, we had sampled two external stakeholders to conduct interview
- interview with 22 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced
- review of supporting evidence for claims made in the reports
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018)

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that O-Bank has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the O-Bank's inclusivity issues and has demonstrated social responsible conduct supported by top management and implemented in all levels among organization.

Materiality

The O-Bank publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of O-Bank and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the O-Bank's management and performance. In our professional opinion the report covers the O-Bank's material issues.

Responsiveness

O-Bank has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the O-Bank is developed and continually provides the opportunity to further enhance O-Bank's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the O-Bank's responsiveness issues.

Impact

O-Bank has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. O-Bank has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the O-Bank's impact issues.

Performance information

Based on our work described in this statement, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, O-Bank and BSI have agreed upon to include in the scope. In our view, the data and information contained within O-Bank 2020 Corporate Social Responsibility Report are reliable.

GRI Sustainability Reporting Standards (GRI Standards)

O-Bank provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the O-Bank's social responsibility and sustainability topics.

Assurance level

The high level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the O-Bank's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



Statement No: SRA-TW-2020021
2021-05-24

For and on behalf of BSI:

...making excellence a habit.™

A handwritten signature in black ink, appearing to read "Peter Pu".

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.



 BANK 王道銀行