Stock Code: 2897

O-Bank Co., Ltd.

The shareholders meeting agenda handbook of 2023 General Shareholders Meeting

(Summary Translation)

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

O-Bank Co., Ltd.

The shareholders meeting agenda handbook of 2023 General Shareholders Meeting

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O-Bank Co., Ltd.

2023 Annual General Meeting of Shareholders

Method of Convening the Meeting:

Hybrid Shareholders' Meeting (Physical, assisted with visual communication)

Time: 9 am, June 16 (Friday), 2023

Place: No. 75, Changxing St., Da'an Dist., Taipei City

Sho-chieh Tsiang International Conference Hall, Chung-Hua Institution for Economic Research (CIER)

Visual communication platform used at the meeting:

The visual communication platform provided by the Taiwan Depository & Clearing Corporation (https://www.stockvote.com.tw)

Procedure of meeting:

- 1. Meeting in session.
- 2. Address by Chairman.
- 3. Matters for reporting.
- 4. Matters for ratification.
- 5. Matters for discussion.
- 6. Matters for election.
- 7. Other Matters.
- 8. Extempore motion.
- 9. Meeting adjourned.

Matters for Reporting

Proposal No. 1 (Proposed by the Board of Directors)

Proposal: Business Report for 2022

Explanation: Please refer to Appendix III of this Handbook.

Proposal No. 2 (Proposed by the Audit Committee)

Proposal: Review Report of 2022 Financial Statements by the Audit Committee

Explanation: Please refer to the next page for the Audit Committee Review Report.

O-Bank Co., Ltd.

Audit Committee Report

The Board of Directors has compiled and submitted the Bank's

consolidated and parent balance sheets, income statements, statements of changes in shareholders' equity, and cash flow statements for 2022

audited by certified public accountants Kuan-Hao Lee and Wang-Sheng

Lin of Deloitte & Touche, business report, and statement of distribution of

earnings to the Audit Committee. After reviewing the abovementioned

statements and reports and discussing with the CPAs, the Audit

Committee has found them to meet the requirements of applicable laws and regulations. This report is hereby prepared and submitted in

accordance with Article 219 of the Company Act and Articles 14-4 of the

Securities and Exchange Act.

Hank Lin

Convener of the Audit Committee

O-Bank Co., Ltd.

Date: May 3, 2023

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Proposal No. 3 (Proposed by the Audit Committee)

Proposal: Report on the 2022 operation of the Audit Committee

Explanation: The Audit Committee holds a total of 8 meetings in 2022. Besides the review report of financial statements, business report, and distribution of earnings for 2022, the implementation status of the Audit Committee during the year is as follows:

1. Review on Appointment or Renewal of CPA

Since 2021, the CPAs were Kuan-Hao Lee and Wang-Sheng Lin. The appointment of the CPAs was approved by the Bank's 4th Audit Committee in its 20th meeting and 8th Board of Directors in its 20th meeting on December 27, 2022, confirming that the CPAs fulfilled the Bank's evaluation standards for independence and suitability.

2. The Effectiveness of Internal Control System

The Bank has approved and presented by the 4th Audit Committee in its 22th meeting and 8th Board of Directors in its 22th meeting on March 14, 2023.

- (1) After prudent assessment of O-Bank's 2022 Statement on Internal Control System, the internal control, compliance with laws and regulations, and the overall implementation of information security in each unit can be effectively implemented in 2022, except for the items listed in the appendix of the statement.
- (2) After prudent assessment of O-bank's 2022 AML&CTF Statements, AML&CTF and compliance with laws and regulations in each unit can be effectively implemented in 2022.
- 3. Communications and Risk Supervisions with the Bank's Chief Internal Auditor and CPAs

For the communications and risk supervisions between the Audit Committee, the Bank's chief internal auditor, and CPAs, please refer to Appendix IV of this Handbook.

4. This proposal was approved by the 8th Board of Directors in its 23th meeting.

Proposal No. 4 (Proposed by the Board of Directors)

Proposal: Distribution of Remunerations to Directors and Employees for 2022

- 1. The Bank shall, pursuant to Articles 22 and 32 of the *Articles of Incorporation* of the Bank, first deduct the amount preserved to cover accumulated losses from a given year's pretax profit before distribution of remunerations for directors and employees. Of the surplus, not more than 2.5% shall be set aside as remunerations for directors and 1-2.5% for employees.
- 2. It is proposed that the remunerations for directors and employees for 2022 are set aside as the following percentages and amounts:
 - (1) Remunerations for directors: Pursuant to Article 22 of the Articles of Incorporation of the Bank, 1.25% of the aforesaid surplus, or NT\$67,031,017, is to be set aside for the purpose. The remunerations shall be distributed among directors in proportion to their regular compensations and those who have been elected less than a year earlier shall be remunerated according to the proportion of the length of their service. Independent directors shall be excluded from this distribution of remunerations.
 - (2) Remunerations for employees: Pursuant to Article 32 of the *Articles of Incorporation* of the Bank, 1.0% of the aforesaid surplus, or NT\$53,624,814, is to be set aside for distribution in cash.
- 3. This proposal was approved by the 8th Board of Directors in its 22th meeting.

Proposal No. 5 (Proposed by the Board of Directors)

Proposal: Amendments to the Bank's Regulations Governing Transfer of Repurchased Shares to Employees

- 1. In accordance with the Order No. 11103834264 issued by the Financial Supervisory Commission on August 15, 2022 and the provisions of Article 10 of the amendments to the Regulations Governing Share Repurchase by Exchange-listed and OTC-listed companies, adjust the text in Article 5 and 6, According to whether the transferees are directors or managers, the subscription approval procedures are determined. In addition, considering that the rules are revised in accordance with the regulations of the competent authority, the content does not vary depending on the number of executions. The title of the proposed amendment is "Regulations Governing Transfer of Repurchased Shares to Employees" (please refer to Appendix V of this Handbook for a comparison table of the original and amended articles).
- 2. This proposal was approved by the 8th Board of Directors in its 19th meeting.

Proposal No. 6 (Proposed by the Board of Directors)

Proposal: Amendments to the Bank's *Sustainable Development Best Practice Principles*

- 1. Align with the evaluation index requirements of the "Sustainable Finance Evaluation", the United Nations principles for Responsible Banking are included in the first chapter of the "Code of Practice for Sustainable Development" (please refer to Appendix VI of this Handbook for a comparison table of the original and amended articles).
- 2. This proposal was approved by the 8th Board of Directors in its 23th meeting.

Proposal No. 7 (Proposed by the Board of Directors)

Proposal: Report on remuneration policy for directors and managers of the bank.

- 1. The director's remuneration of the Bank is handled in accordance with the Articles of Incorporation of the Bank.
- 2. Article 22 of the Bank's Articles of Incorporation specifies the rules for appropriation of directors' remuneration. If the Bank records a profit in a year, the Bank shall appropriate not more than 2.5% of the profit for director remunerations, but independent directors shall be excluded from such distribution. If the Bank has accumulated losses, however, the aforesaid profit shall be used to offset accumulated losses first.
- 3. The Board of Directors of the Bank has a Remuneration Committee, composed of all independent directors to assist the Board of Directors in formulating and regularly reviewing the policies, systems, standards and structure of performance evaluation and remuneration of directors and managers, and regularly evaluating the remuneration of directors and managers.
- 4. The Bank's Directors' Remuneration Policy is a comprehensive consideration of the company's operating results, directors' contribution and responsibilities, and the performance evaluation results of the Board of Directors (evaluation criteria such as: mastery of the company's goals and tasks, awareness of directors' responsibilities, degree of participation in the company's operations, internal relationships management and communication, professional and continuing education of directors, internal control, etc.), and set it with reference to the industry standards.
- 5. The remuneration paid to managers includes fixed salary and variable salary. The fixed salary is based on the comprehensive consideration of the responsibilities of the position, the performance of the work ability, and the professional skills required for the

position. It refers to the industry standard to maintain market competition every year. The variable salary is reasonably allocated based on the company's overall operating performance, future risks, and individual performance. Personal performance evaluation includes financial indicators (such as: ROE, pre-tax net profit, longterm and short-term business goal achievement rate, etc.) And non-financial indicators (such as: the company's core value, corporate sustainability, legal compliance, internal control and risk control, etc.). In addition to providing incentive rewards with market competitiveness, the overall remuneration system also considers future risk factors. Part of the rewards for managers is deferred for three years in combination with equity, and its actual value is related to future stock prices, so that managers Employee remuneration is closely linked with the company's operating performance to establish the company's good reputation and sustainable business foundation, and strive to create maximum benefits for employees, customers and shareholders. If an individual violates the principles of internal control or risk management and causes the Bank's expected or actual losses, and the attribution is true, the Bank may claim back all or part of the deferred bonus according to its responsibilities to establish a sustainable operating basis.

6. The remuneration scales of ordinary directors and independent directors of the Bank in 2022 are detailed in the table below:

	Name of Directors					
	Total of (A	\+B+C+D)	Total of (A+B+C+D+E+F+G)			
Range of Remuneration	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements		
Less than NT\$ 1,000,000	Chang, Nelson An-Ping \ Huang, Edward Chien Chiang \cdot Chien, Chih- Ming \cdot Chen, Shih-Tze \cdot Cheng, George C.J. \cdot Lee, Elton F.Y. \cdot Lin, Gordon W.C. \cdot Yeh, Roy J.Y. \cdot Lo, Nina Y.C.	Chang, Nelson An-Ping \ Huang, Edward Chien Chiang \ Chien, Chih-Ming \ Chen, Shih-Tze \ Cheng, George C.J. \ Lo, Nina Y.C.	Chang, Nelson An-Ping Huang, Edward Chien Chiang Chien, Chih- Ming Chen, Shih-Tze Cheng, George C.J. Lin, Gordon W.C. Yeh, Roy J.Y. Lo, Nina Y.C.	Chang, Nelson An-Ping \ Huang, Edward Chien Chiang \ Chien, Chih- Ming \ Chen, Shih-Tze \ Cheng, George C.J. \ Lo, Nina Y.C.		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	Lin, Hank H.K. \ Liu, Richard R.C.	Lin, Hank H.K. \ Liu, Richard R.C. \ Lee, Elton F.Y.	Lin, Hank H.K.、Liu, Richard R.C.	Lin, Hank H.K. \ Liu, Richard R.C.		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Hu, Fu- Hsiung	Hu, Fu- Hsiung	Hu, Fu- Hsiung	Hu, Fu- Hsiung		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Abag Investment Holdings Co., Ltd.	Abag Investment Holdings Co., Ltd.	Abag Investment Holdings Co., Ltd.	Abag Investment Holdings Co., Ltd.		
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Lo, Kenneth C.M. Lee, Mark J.C. Lin, Bill K.C. Taiwan Cement Corporation	Lo, Kenneth C.M. \ Lee, Mark J.C \ Lin, Gordon W.C. \ Yeh, Roy J.Y. \ Lin, Bill K.C. \ Taiwan Cement Corporation	Lo, Kenneth C.M. Lee, Mark J.C. Lin, Bill K.C. Taiwan Cement Corporation	Lo, Kenneth C.M. Lee, Mark J.C Lin, Gordon W.C. Yeh, Roy J.Y. Lin, Bill K.C. Taiwan Cement Corporation		
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	Yi Chang Investment Co., Ltd. \ Tai Ya Investment Co., Ltd.	Yi Chang Investment Co., Ltd. \ Tai Ya Investment Co., Ltd.	Yi Chang Investment Co., Ltd. \ Tai Ya Investment Co., Ltd.	Yi Chang Investment Co., Ltd. \ Tai Ya Investment Co., Ltd.		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	Lo, Tina Y. Ning Shan Investment Co., Ltd.	Lo, Tina Y. Ning Shan Investment Co., Ltd.	Lo, Tina Y. Ning Shan Investment Co., Ltd.	Lo, Tina Y. Ning Shan Investment Co., Ltd.		
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	-	-	Lee, Elton F.Y.	Lee, Elton F.Y.		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	-	-	-	-		
Greater than or equal to NT\$100,000,000	-	-	-	-		
Total	21	21	21	21		

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.

7. This proposal was approved by the 8^{th} Board of Directors in its 23^{th} meeting.

Proposal No. 8 (Proposed by the Board of Directors)

Proposal: Submit the acquisition of IBT VII Venture Capital Co., Ltd.'s common shares through the bank's subsidiary, IBT Leasing Corp., Ltd, in 2022.

Explanation:

- 1. In accordance with Article 8, Clause 10 of Rules Governing Financial and Business Matters Between O-Bank and Same Group Enterprises and its Affiliated Parties, if it involves a major acquisition or disposal of assets with individual related parties, the actual transaction shall be reported to the latest shareholders meeting after the end of the year.
- 2. The former subsidiary IBT Leasing Co., Ltd. (hereinafter referred to as IBT Leasing, now Infinite Finance Co., Ltd.) was approved by the 8th Board of Directors in its 17th meeting on July 21, 2022 in the form of capital reduction in kind, all the shares and abnormal odds of less than one share in 6 dollars cash of IBT VII Venture Capital Co., Ltd. (hereinafter referred to as VII Ventures) were offset and returned the bank. The bank acquired the common shares of VII Ventures from IBT Leasing on October 19, 2022. In accordance with the provisions of the preceding measures, report to shareholders the major transactions of the aforementioned related parties at the regular shareholders' meeting.
 - (1) Subject: Common shares of IBT VII Venture Capital Co., Ltd.
 - (2) Number of transactions, price per unit and total transaction amount:

Total Number of transactions: 65,000,000 shares.

Price per unit: NT\$10.93.

Total transaction amount: NT\$710,613,534.

Please refer to Appendix VII for other transactions.

3. This proposal was approved by the 8th Board of Directors in its 23th meeting.

Matters for Ratification

Proposal No. 1 (Proposed by the Board of Directors)

Proposal: Business Report and Financial Statements of 2022 Explanation:

- 1. The Bank's Financial Statements of 2022, which certified public accountants Kuan-Hao Lee and Wang-Sheng Lin of Deloitte & Touche audited and for which they presented an unconditional opinion accordingly, and Business Report for 2021 (please refer to Appendices III and VIII of this Handbook) were approved by the 8th Board of Directors in its 22th meetings and audited by the Audit Committee.
- 2. Shareholder ratification is respectfully requested.

Proposal No. 2 (Proposed by the Board of Directors)

Proposal: Distribution of Earnings for 2022

- 1. This proposal for distribution of 2022 earnings is made with a view to both meeting the Bank's developmental needs and maximizing shareholder interests (as shown in the table below).
 - (1) The Bank made NT\$5,034,470,939 in net income for the year 2022.
 - (2) Undistributed earnings adjustment items:
 - A. (NT\$194,575,312) from disposal of investments in equity instrument designated as at fair value through other comprehensive income, with cumulative gains or losses directly transferred to retained earnings.
 - B. (NT\$37,178,747) from adjustment of investment accounted for using equity method.
 - C. NT\$21,899,000 from adjustment of remeasurements of defined benefit plans.
 - (3) NT\$1,447,384,764 Set aside the balance of item 1 adjusted by item 2 as legal reserve appropriation (30%): In accordance with the Jing-Shang-Zi-No. 10802432410 letter of the Ministry of Economic Affairs, the Bank took "the year's net income plus other items incorporated into the year's undistributed earnings" as the basis for setting aside its legal reserve.
 - (4) Reprovisions and reversal of compulsory special reserve:
 - A. Setting aside NT\$2,565,022,990 for special reserve in net deductions under the year 2021's "other equity" pursuant to Article 41 of the Securities and Exchange Act.
 - B. Making a NT\$2,622,279 reversal of special reserve to cover training expenses deemed necessary to accommodate fintech development or the Bank's operational needs.
 - (5) Undistributed earnings as of the beginning of the period NT\$644,821,412.

- (6) Against the year's net income of NT\$5,034,470,939, earnings distributable after the aforesaid (2)-(4) adjustments and add the undistributed surplus at the beginning of the period came in at NT\$1,459,651,817.
- (7) Proposed Distribution of Earnings:
 - A. Pursuant to Article 8-1 of the Bank's Articles of Incorporation, based on the issue price of NT\$10, the annual dividend rate of preferred shares is 4.25%, and based on the outstanding 299,014,000 preferred shares issued at the end of March 2012, the estimated dividend payable for Class A preferred shares in 2022 is NT\$127,080,950.
 - B. Based on the outstanding 2,731,470,301 common shares issued at the end of March 2012, the Bank expects to distribute cash dividends of NT\$ 0.38 per share, with a total dividend amount of NT\$ 1,037,958,714.
 - C. The total amount of Bank's preferred stock dividends and common stock cash dividends are distributed to individual shareholders rounded up to 1 NTD (rounded down below 1 NTD). The total amount of irregular payments less than 1 NTD shall be included in the Bank's other income.
- (8) The portion of current year's net income plus other items incorporated into the year's undistributed earnings shall be distributed as a priority in the distribution of earnings.
- (9) The aforesaid calculations are presented in the Bank's 2022 earnings distribution table below.
- 2. If the common shares and preferred shares of the Bank are subsequently converted due to preferred stock conversion, capital increase or decrease, repurchase of the Bank's shares, or share transfer, conversion, cancellation or other factors that affect the number or amount of outstanding shares on the dividend distribution base date, causing the dividend distribution ratio changes as a result, the actual dividend distribution ratio will be

- proposed to the shareholders' meeting to authorize the board of directors to adjust it.
- 3. Subject to approval of this proposed distribution of earnings for 2022 by this shareholders' meeting, it is proposed that the Board of Directors be authorized to determine the record date of the common and preferred stock dividend distribution.
- 4. This proposal was approved by the 8th Board of Directors in its 23th meeting and audited by the Audit Committee.
- 5. Shareholder ratification is respectfully requested.

O-Bank Co., Ltd. Proposed Distribution of 2022 Earnings

	Currency: NT\$
Undistributed earnings as of the beginning of the period	644,821,412
Net income	5,034,470,939
Plus/Less: Undistributed earnings adjustment items	
1. Disposal of investments in equity instrument designated as at	
fair value through other comprehensive income, with cumulative	
gains or losses directly transferred to retained earnings	(194,575,312)
2. Adjustment of investment accounted for using equity method	(37,178,747)
3. Adjustment of remeasurements of defined benefit plans	21,899,000
Current undistributed earnings adjustment items other than net	
profit after tax plus net profit after tax	4,824,615,880
Less: Legal reserve appropriation (30%)	(1,447,384,764)
Less: Special reserve set aside—pursuant to Article 41 of the	
Securities and Exchange Act	(2,565,022,990)
Plus: Reversal of special reserve—training expenses for fintech	
development	2,622,279
Earnings available for distribution	1,459,651,817
Distribution items:	
Preferred stock dividend (annual rate 4.25%)	(127,080,950)
Common stock dividend -2,730,484,301 shares (NT\$0.38 per	
share)	(1,037,958,714)
Undistributed earnings as of the end of the period	294,612,153

Chairman: Lo, Tina Y. President: Lee, Elton F.Y.

Accounting Officer: Tai, Hsin Yi

Matters for Discussion

Proposal No. 1 (Proposed by the Board of Directors)

Proposal: Amendments to the Bank's *Articles of Incorporation* Explanation:

- 1. An earlier amendment to the Bank's *Articles of Incorporation* was already adopted by the Annual Shareholders' Meeting of June 17, 2022 and implemented accordingly, in accordance with practical practice, it is proposed to amend some provisions of the *Articles of Incorporation* of the Bank. Please refer to Appendix IX of this Handbook for a comparison table of the original and amended articles:
 - (1) Article 7: Correct the relevant text in accordance with company's internal rewards practice.
 - (2) Article 32: Relax the company's employee remuneration appropriation ratio to increase flexibility.
 - (3) Article 34: The date and ordinal number of another amendment are added.
- 2. The proposal was approved by the 8th Board of Directors in its 23th meeting.
- 3. Shareholder approval is respectfully requested.

Proposal No. 2 (Proposed by the Board of Directors)

Proposal: Amendments to the Bank's *Procedural Rules Governing*Shareholders Meetings

Explanation:

1. An earlier amendment to the Bank's *Procedural Rules Governing Shareholders Meetings* was already adopted by the Annual Shareholders' Meeting of July 20, 2021 and implemented accordingly, it is proposed to amend the Bank's *Procedural Rules Governing Shareholders Meetings* in accordance with the principles of 2023.3.17 TWSE Order to adjust *Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings* and consider the holding of video shareholders' meetings to protect the rights and interests of shareholders. Please refer to Appendix X of this Handbook for a comparison table of the original and amended articles.

2. Key points of the amendments:

- (1) Article 3: A company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors.
- (2) Article 6-1 and Article 22: When the company convenes a virtual-only shareholders' meeting, it furthermore shall specify appropriate alternative measures available to shareholders who have difficulty taking part in a virtual shareholders' meeting.
- 3. The proposal was approved by the 8th Board of Directors in its 23th meeting.
- 4. Shareholder approval is respectfully requested.

Proposal No. 3 (Proposed by the Board of Directors)

Proposal: Amendments to the Bank's *Procedures for Assets Acquisition or Disposal*

Explanation:

- 1. An earlier amendment to the Bank's *Procedures for Assets Acquisition or Disposal* was already adopted by the Annual Shareholders' Meeting of June 17, 2022 and implemented accordingly. Align with the newly added indicators of 2023 corporate governance evaluation and refer to Provisions of Article 9-1 and Article 11, Item 6 of the Operating Standards for XXX Co., Ltd. Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises of this article is added. Please refer to Appendix XI of this Handbook for a comparison table of the original and amended articles.
- 2. The proposal was approved by the 8th Board of Directors in its 23th meeting.
- 3. Shareholder approval is respectfully requested.

Matters for Election (Proposed by the Board of Directors)

Proposal: Election of Directors of the Board of the 9th term

Explanation:

- 1. Members of the Bank's 8th Board of Directors are due to see their tenure expire on June 18, 2023; this shareholders' meeting shall thus elect members of the 9th Board of Directors.
- 2. Pursuant to its Articles of Incorporation, the Bank shall have 12 directors (including four independent directors). This shareholders' meeting is to elect members of the 9th Board of Directors whose three-year tenure shall run from June 16, 2023 through June 15, 2026.
- 3. The Bank adopts a candidate nomination system for the election of directors (including independent directors). The election involves 12 candidates for directors (including independent directors) nominated only by the Board of Directors: the nominations were approved by the 8th Board of Directors in its 23th meeting. For the academic and professional backgrounds of the candidates, please refer to the next page.
- 4. The proposal was approved by the 8th Board of Directors in its 23th meeting.

Result of Election:

Candidates for members of the 9th Board of Directors (independent directors included) nominated by the Board of Directors, O-Bank Co., Ltd.:

Number	Position for Nomination	Name of Nominee	Academic Background	Professional Experience	Number of Shares Held by Nominee
1	Director	Lo, Tina Y.	MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA	Current: Chairman, O-Bank Vice Chairman, EverTrust Bank Director & Vice Chairman, Chinese National Association of Industry and Commerce Convener, Young Entrepreneur Committee, Chinese National Association of Industry & Commerce Director, Taiwan Academy of Banking and Finance Director, The Bankers Association of the Republic of China Director, The Bankers Association of Taipei Board Member, MIT Sloan Asian Executive Board Honorary Director, Taiwan Women on Boards Association Executive Director, Association of Taiwan Listed Company Committee Member, Chinese National Federation of Industries Previous: Vice Chairman, O-Bank Representative of the APEC Business Advisory Council (ABAC) Young Global Leader (YGL) (2011) of World Economic Forum (WEF) Eisenhower Fellow of Eisenhower Fellowships (EF) Chief Executive, Industrial Bank of Taiwan Hong Kong Branch Committee Member, Performance Evaluation Board of National Performing Arts Center, Ministry of Culture	108,018 *10,743
2	Director	Co., Ltd. Rep.: Lo, Kenneth C.M.	M.A.in Finance, The University of Alabama	Current: • Managing Chairman (Honorary Chairman), O-Bank • Director, Taiwan Cement Corporation • Honorary Chairman, Chinese National Association of Industry and Commerce Previous: • Chairman & CEO, O-Bank • Chairman, EverTrust Bank (U.S.A) • Independent Director, The Bank of East Asia, Ltd., Hong Kong	362,298,574 *23,972,980
3	Director	Tai Hsuan Investment Co., Ltd. Rep.: Lin, Bill K.C.	EMBA, National Taiwan University	Current: Director, O-Bank Chairman, Wise-Love institute Independent Director, Gomaji Partner, Guppy Inclusive Director, CurDoctor Previous: Director, EasyCard Investment Holding Co., Ltd. Director, EasyCard Corporation Director, UUPON INC. President, PayEasy Card Manager, TaishinBank MA, CitiBank	263,404,275 *23,731,226

Number	Position for	Name of Nominee	Academic Background	Professional Experience	Number of Shares
	Nomination		3		Held by Nominee
4	Director	Lee, Mark J.C.	Bachelor of Accounting, Feng Chia University	Current: Director, O-Bank President, Heng Tong Machinery Co., Ltd. Previous: President, Heng Guo Co., Ltd. Manager, Heng Tong Machinery Co.,	100,390 *9,984
	Discrete	A la a si	AADA	Ltd.	54.700
5	Director	Abag Investment Holdings Co., Ltd. Rep.: Cheng, George C.J.	MBA, St. John's University	 Current: Director, O-Bank Chairman, San Ho Plastics Fabrication Co., Ltd. President, San Ho Plastics Fabrication Co., Ltd. Chairman, Abag Enterprise Co., Ltd. Chairman, Abag Investment Holdings Co., Ltd. Chairman, San Ho Development Co., Ltd. Previous: President, San Ho Plastics Fabrication Co., Ltd. 	54,728
6	Director	Ming Shan Investment Co., Ltd. Rep.: Chien, Chih-Ming	Bachelor in Department of Cooperative, National Chung Hsing University	Current: Managing Director, O-Bank Chairman, Infinite Finance Co., Ltd. Director, JIH SUN INTERNATIONAL FINANCIAL LEASING&FINANCE Ltd. Director, IBT International Financial Leasing Corp. Director, Jih Sun Formosa Auto Leasing Co., Ltd. Supervisor, Chun Teng New Century Co., Ltd Previous: President, China Bills Finance Corp Senior Executive Vice President & Risk Management Officer, Industrial Bank of	
7	Director	Tai Ya Investment Co., Ltd. Rep.: Chen, Alex J.J.	Bachelor of Computer Science, TamKang University M.A. in Computer Science & Information Engineering Science graduate school, National Taiwan University	i	83,137,161 *7,490,185
8	Director	Yi Chang Investment Co., Ltd. Rep.: Tang, Grace W.S	BA, National Taiwan University MBA, University of California- Riverside		268,554,793 *23,786,204

Number	Position for Nomination	Name of Nominee	Academic Background	Professional Experience	Number of Shares Held by Nominee
9	Independent Director	Hu, Fu- Hisung	M.A., Graduate School of Business, National Taiwan University	 Current: Independent Managing Director, O-Bank Co., Ltd Independent Director, Walsin Lihwa Co., Ltd Previous: Chairman, Taiwan Cooperative Securities Co., Ltd. Chairman, Joint Credit Information Center Director and Supervisor, Taiwan Ratings Corp. Director, Mega International Commercial Bank Co., Ltd. Director and Supervisor, Taiwan Financial Services Roundtable Consultant, the Bankers Association of the R.O.C. Director, Taiwan Cooperative Bank Committee Member, Executive Yuan Financial Restructuring Fund Committee Managing Director and Convener, Agricultural Bank of Taiwan Co., Ltd Committee Member, Small and Medium Enterprise Development Fund, Ministry of Economics Affair Managing Director, Central Trust of China Committee Member Vice President, Council of Agriculture, Executive Yuan Consultant Executive Yuan Counselor, Consultant and Director of the Dean's Office Counselor, Ministry of Economics Affair Counselor, Mainland Affairs Council Committee Member, Economic Construction Committee of the Executive Yuan Chief, Ministry of Economics Affair 	
10	Independent Director	Lin, Hank H.K.	MBA, BARUCH COLLEGE, CUNY	Current: INDEPENDENT DIRECTOR, O-BANK CORPORATE DIRECTOR, PANJIT INTERNATIONAL LNC. DIRECTOR, CHU MAY SOCIAL WELFARE AND CHARITY FOUNDATION CORPORATE DIRECTOR, GLOBAL UNION INDUSTRIAL CORP. CHAIRMAN, EY CULTURAL AND EDUCATIONAL FOUNDATION SUPERVISOR, UNION MECHATRONIC INC. Previous: DIRECTOR, SHINE-ON BIOMEDICAL CO., LTD. CMP & PARTNER, ERNST & YOUNG DIRECTOR, EY CULTURAL AND EDUCATIONAL FOUNDATION EDUCATIONAL FOUNDATION ERNST & YOUNG LLP	-

Number	Position for Nomination	Name of Nominee	Academic Background	Professional Experience	Number of Shares Held by Nominee
11	Independent Director	Chiang, Tina W.N	Bachelor of Business Administration in Business Mathematics, Soochow University M.B.A., Specialization of Information Management, Aspen University, USA	 Current: Chairman, Shanda Information Cooperation Ltd. Chairman, Taipei Financial Education Development Association Previous: SEVP & Chief Officer of Digital Technology, SinoPac Holdings Company Ltd. Chief Officer of Operations, SinoPac Holdings Company Ltd. President, Bank SinoPac Co., Ltd Head of Consumer Banking, Electronig Banking, Integrated Marketing Division, Bank SinoPac Co., Ltd Senior Vice President & General Manager, MasterCard International Inc., China Vice President & country Manager, MasterCard International Inc., Taiwan Senior Vice President & Head of Credit Card Division, Fubon Commercial Bank Director of Member Relations, MasterCard International Inc., Taiwan Manager of R&D Division, Engineer of Business Development Division, Financial Information System Center System Engineer, TaTung Fujitsu Computer Co., Ltd. 	
12	Independent Director	Wang, Jennifer C.F.	Columbia University School of Law (LL.M.) National Taiwan University Law School (LL.M.) National Taiwan University (LL.B.)	Current: Partner, Chen & Lin Attorneys-at-Law Independent Director, Member of Compensation Committee, Audit Committee and Investment Committee, TXC Corporation Previous: International Associate, Simpson Thacher & Bartlett LLP Associate Attorney, Lin & Liu International Law Office	-

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

Other Matters (Proposed by the Board of Directors)

Proposal: Proposal for Release of Non-competition Restrictions on Directors of the Board of the 9th term

Explanation:

- 1. The Bank's 12 newly elected directors are about to assume office for a three-year tenure.
- 2. While the Bank's directors invest in or manage other companies with the same or a similar scope of business and act as directors/managers thereof (please refer to the next page), it is proposed to invoke Article 209 of the *Company Act* and release them from non-competition restrictions on condition that they do not undermine the Bank's interests.
- 3. The proposal was approved by the 8th Board of Directors in its 23th meeting.
- 4. Shareholder approval is respectfully requested.

List for Release of Non-competition Restrictions on Directors of the Bank's 9^{th} Board

Director	Position at the Bank	Positions at other companies
Lo., Tina Y.	Natural-person Director	Vice Chairman, EverTrust Bank Director, Ming Shan Investment Co., Ltd. Director, Tai Ya Investment Co., Ltd. Director, Tai Hsuan Investment Co., Ltd. Director, Yi Chang Investment Co., Ltd. Director, IBT Holdings Corp. Director, KC Investments Corporation
Ming Shan Investment Co., Ltd.	Juristic-person Director	Director, China Bills Finance Corporation
Lo, Kenneth C.M.	Representative of Juristic-person Director (Ming Shan Investment Co., Ltd.)	Chairman, Hong Ju Investment Co., Ltd.
Lee, Mark J.C.	Natural-person Director	Director, Heng Tin Feng Invest Development Co., Ltd. Director, Tong Chuan Invest Development Co., Ltd. Director, Bai Tong Investment Co., Ltd. Director, Heng Gi Lie Investment Co., Ltd. Director, Chang Yan Investment Co., Ltd. Director, Hong Fu Investment Co., Ltd. Director, Siang Tai Investment Co., Ltd. Director, Hong Da Investment Co., Ltd.
Cheng, George C.J.	Representative of Juristic-person Director (Abag Investment Holdings Co., Ltd.)	Chairman, Abag Investment Holdings Co., Ltd.
Chien, Chih-Ming	Representative of Juristic-person Director (Ming Shan Investment Co., Ltd.)	Chairman, Infinite Finance Co., Ltd. Director, JIH SUN INTERNATIONAL FINANCIAL LEASING&FINANCE Ltd. Director, IBT International Financial Leasing Corp. Director, Jih Sun Formosa Auto Leasing Co., Ltd.
Tang, Grace W.S.	Representative of Juristic-person Director (Yi Chang Investment Co., Ltd.)	Director, IBT Management Corporation Director, IBT VII Venture Capital Co., Ltd. President, IBT Management Corporation President, IBT VII Venture Capital Co., Ltd.

Extempore Motion

Appendix II

O-Bank Co., Ltd. Procedural Rules Governing Shareholders' Meetings

Instituted on July 12, 1999
Amended by General Shareholders' Meeting of June 14, 2013
Amended by General Shareholders' Meeting of June 2, 2015
Amended by General Shareholders' Meeting of June 14, 2017
Amended by General Shareholders' Meeting of June 19, 2020
Amended by General Shareholders' Meeting of July 20, 2021
Amended by General Shareholders' Meeting of June 17, 2022

Article 1

Pursuant to Article 5 of the *Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies*, these *Procedural Rules Governing Shareholders' Meetings* (the "Rules") are adopted for the purposes of establishing a sound governance system for shareholders' meetings, building well-rounded supervisory capabilities, and strengthening management capabilities.

Article 2

Unless otherwise provided by applicable laws and regulations or the Company's *Articles of Incorporation*, the shareholders' meetings of the Company shall be held in accordance with the Rules set forth below.

Article 3

Unless otherwise provided by applicable laws or regulations, the shareholders' meetings of the Company shall be convened by the Board of Directors.

Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors, and upload them onto the Market Observation Post System (MOPS) not fewer than 30 days before the date of a general shareholders' meeting or not fewer than 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda handbook and supplemental meeting materials and upload them onto the MOPS not fewer than 21 days before the date of a general shareholders' meeting or not fewer than 15 days before the date of a special shareholders' meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders' roster of the shareholders' meeting held in the

immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders' meeting. In addition, not fewer than 15 days before the date of a shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda handbook and supplemental meeting materials and made them available for review by shareholders at any time. The aforesaid meeting agenda handbook and supplemental materials shall also be displayed at the Company and the shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

- <u>1.</u> For the physical shareholders' meetings, to be distributed onsite at the meeting.
- <u>2.</u> For the hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the visual communication platform.
- <u>3.</u> For the virtual-only shareholders' meetings, electronic files shall be shared on the visual communication platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting and the essential contents shall be explained in the notice. None of the aforesaid matters may be raised by an extempore motion.

Where a reelection of the Board of Directors and the date of its assuming office are specified in the notice of reasons for convening the shareholders' meeting, the said meeting shall not alter this date of assuming office by an extempore motion or any other means after the given reelection has been completed.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. Such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of paragraph 4, Article 172-1of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

Shareholders may submit proposals for urging the Company to promote public interests or fulfill its social responsibilities. In accordance with Article 172-1 of the *Company Act*, such proposals are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a general shareholders' meeting is held, the Company shall publicly announce that it will accept shareholder proposals in writing or electronically and specify the location and time period for their submission; the period for submission of shareholder proposals shall not be fewer than 10 days.

Shareholder proposals are limited to 300 words in writing, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of its screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals from the meeting agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company not fewer than five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by electronic means, a written notice of proxy cancellation shall be submitted to the Company not fewer than two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6

The Company shall specify in its shareholders' meeting notices the time during which shareholder, solicitors, and proxies (hereinafter" shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations are to be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For visual communication shareholders' meetings, shareholders may begin to register on the visual communication platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders' meeting in person.

Shareholders shall present attendance cards, sign-in cards, or other certificates of attendance to attend shareholders' meetings. The Company shall not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall provide attending shareholders with an attendance book to sign in for the meeting, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall also provide attending shareholders with a meeting agenda handbook, an annual report, an attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, preprinted ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a visual communication shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a visual communication shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the visual communication platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

To convene a visual communication shareholders meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- 1. How shareholders attend the visual communication meeting and exercise their rights.
- 2. Actions to be taken if the visual communication platform or participation in the visual communication meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected visual communication shareholders' meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders' meeting, when the visual communication meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the visual communication shareholders meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the visual communication meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the visual communication meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- 3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a visual communication shareholders meeting online shall be specified.

Article 7

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chair, the vice chairman shall act in place of the chair; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman of the board shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic-person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairman of the board in person and attended by a majority of the directors and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders' meeting is convened by a party that is not the Board of Directors but has the power to convene, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8

The Company shall, beginning from the time it accepts shareholder attendance registrations, make an uninterrupted video and audio recording of the entire process of a shareholders' meeting, including the registration procedure, the proceedings of the meeting, and the voting and vote-counting procedures.

The aforesaid video and audio recording shall be retained for a minimum of one year. If a lawsuit has been instituted by any shareholder in accordance with Article 189 of the *Company Act*, however, the Company shall retain the aforesaid recording until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the visual communication meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the visual communication meeting provider.

Article 9

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the visual communication platform, plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order at the appointed time, and announce the number of shares with no voting right and the number of shares held by the attending shareholders.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that not more than two such postponements, for a combined total of not more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a visual communication shareholders' meeting, the Company shall also declare the meeting is adjourned at the visual communication platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the *Company Act*; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a visual communication shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the *Company Act*.

Article 10

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The proposals, including the extempore motions and the amendment to the original matters, shall be voted on by poll. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party that is not the Board of Directors but has the power to convene.

The chair shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of these Rules, the other members of the board shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then resume the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to be voted on, the chair may announce the discussion closed to call for a vote and allow sufficient time to vote.

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to that given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder shall not speak more than twice on the same proposal, and a single speech shall not exceed 5 minutes. If the shareholder's speech violates relevant regulations or exceeds the scope of the agenda item in question, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or instruct relevant personnel to respond.

Where a visual communication shareholders' meeting is convened, shareholders attending the meeting online may raise questions in writing at the visual communication platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

Article 12

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder shall not vote on that item, and shall not exercise voting rights for any other shareholder by proxy.

The number of shares for which voting rights shall not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy shall not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the *Company Act*.

When the Company holds a shareholders' meeting, it shall adopt electronic means for shareholders to exercise their voting rights and may allow them to exercise such rights in writing. When voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company refrains from presenting extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company not fewer than two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or by electronic means, in the event that the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, not fewer than two days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has both exercised voting rights in writing or by electronic means and appointed a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the *Company Act* and in the Company's *Articles of Incorporation*, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be uploaded onto the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any of them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on the spot, and a record made of the vote.

When the Company convenes a visual communication shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the visual communication platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a visual communication shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights in writing or by electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on the spot immediately, including the names of those elected as directors and the numbers of votes with which they are elected, and the names of those not elected as directors and the number of votes received by them.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the *Company Act*, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed electronically.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement uploaded onto the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, a summary of the deliberations and voting results (including the statistical weight), as well as the number of votes obtained by each electee in the event of a Board of Directors election, and shall be retained for the duration of the existence of the Company.

Where a visual communication shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chair's and the minute taker's name, and actions to be taken in the event of disruption to the visual communication platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online.

Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting in writing or by electronic means, and shall make a disclosure of the same at the place of the meeting. In the event a visual communication shareholders meeting, the Company shall upload the above meeting materials to the visual communication platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's visual communication shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the visual communication platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of the resolution in question onto the MOPS within the prescribed time period.

Article 17

Staffers handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chair may direct proctors or security guards to help maintain order at the meeting. The aforesaid proctors or security guards shall wear an identification card or armband marked the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates these Rules and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder out of the meeting.

Article 18

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting is to be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the *Company Act*.

Article 19

In the event of a visual communication shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the visual communication platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

When the Company convenes a virtual-only shareholders meeting, both the chair and minute taker shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

In the event of a visual communication shareholders' meeting, when declaring the meeting open, the chair or a person designated by the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the visual communication platform or participation in the visual communication meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the visual communication meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the visual communication shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the visual communication meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under second half of Article 12, and paragraph 3, Article 13 of the *Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies*; paragraph 2, Article 44-5, Article 44-15, and paragraph 1, Article 44-17 of the *Regulations Governing the Administration of Shareholder Services of Public Companies*, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

Article 22

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a visual communication shareholders meeting online.

Article 23

When the Company holds a shareholders' meeting, the shareholders shall not record video or audio of the meeting, to protect the rights of the attendants and the Company.

Article 24

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Appendix II

O-Bank Co., Ltd. Articles of Incorporation

Amended by the General Shareholders' Meeting of June 17, 2022

Chapter I: General Provisions

- Article 1: This Bank has been established for the purposes of promoting industrial development, fostering industrial and commercial prosperity, creating an environment beneficial to all, and providing the public with comprehensive, specialized, and innovative financial services. It has been incorporated in line with the government's financial policy and in accordance with provisions of the *Company Act* and *Banking Act*.
- Article 2: The name of the Bank shall be O-Bank Co., Ltd.
- Article 3: The head office of the Bank shall be in Taipei City. Depending on business needs, branch entities may be established at suitable locations in Taiwan and abroad. The establishment, cancellation, or change of any of the foregoing branch entities by a commercial bank requires approval of the Board of Directors and approval of and registration with the competent authority.
- Article 4: All public announcements by the Bank shall be made in daily newspapers circulated at the seat of the Bank's head office, unless otherwise provided for by the authority in charge of securities.

Chapter II: Scope of Business

- Article 5: The Bank operates commercial banking business (Code: H101021/limited to items approved by the competent authority), securities brokerage business (Code: H301011/limited to items approved by the competent authority), personal insurance agency business (Code: H601011), and property and liability insurance agency business (Code: H601021).
- Article 6: With respect to its investment total while engaging in investment business, the Bank shall not violate the *Banking Act* and regulations of the competent authority governing investment by commercial banks.

Chapter III: Shares

Article 7: The total authorized capital of the Bank shall be NT\$35 billion, divided into 3.5 billion shares with a par value of NT\$10 each and including common and preferred shares. The Board of Directors is authorized to, in accordance with the *Company Act* and applicable laws and regulations, issue such shares in installments if necessary. The source of capital contribution by shareholders is limited to cash only. The Bank may issue employee share subscription warrants and 200 million shares of the foregoing capital stock shall be set aside for the purpose of issuing such warrants.

Article 8: (delete)

- Article 8-1: The rights and obligations of the Bank's preferred shares as well as other important terms of issuance are as follows:
 - 1. If a surplus remains after the Bank closes its books for a given year, the Bank shall, in accordance with its *Articles of Incorporation*, first set aside funds for taxes and offset the accumulated losses from previous years, make provisions for legal reserve, and register allocation or reverse of special reserve before giving priority to using the remainder in distributing cash dividends for preferred shares for the year.
 - 2. The dividend rate of preferred shares is capped at 8% per annum on the issue price. Cash dividends shall be distributed as lump-sum payments annually. After the Bank's general shareholders' meeting ratifies its audited financial statements for a given year, the Board of Directors shall set the record date for paying the cash dividends that are to be distributed for the previous year. With respect to distribution of cash dividends for the year of issuance and year of redemption, the amount of payable dividends shall be calculated based on the actual number of days of the aforesaid shares being in issuance that year.
 - 3. The Bank has autonomous discretion on distribution of cash dividends for preferred shares. If the Bank's audited results of a given year show no surplus or a surplus insufficient for distribution of cash dividends for preferred shares, or if distribution of cash dividends will cause the Bank's capital adequacy ratio to fall short of legal requirements or the minimum required by the competent authority, the Bank's decision to cancel distribution of cash dividends for preferred shares shall not be regarded as an event of default. If the preferred shares issued by the Bank are specified as non-cumulative, the undistributed dividends or shortfalls in dividends distributed will not be cumulative and therefore no deferred payment will be paid in subsequent years when there is a surplus in earnings.
 - 4. While being entitled to the cash dividends prescribed in subparagraph 2 of this article, holders of preferred shares—if their holdings are of the non-participating type—shall not be entitled to distribution of cash or stock dividends for common shares drawing from retained earnings and capital surplus.
 - 5. In terms of entitlement to distribution of the Bank's residual assets, holders of preferred shares shall take precedence over holders of common shares. With their order of priority subordinate to that of general creditors, holders of the Bank's different types of preferred shares shall rank pari passu without any preference among themselves and their entitlement shall be capped at the monetary amount of preferred shares issued.

- 6. At shareholders' meetings, holders of preferred shares are denied voting rights and rights to elect directors but are entitled to be elected as directors themselves. Holders of preferred shares have voting rights at meetings of preferred shareholders.
- 7. Convertible preferred shares issued by the Bank shall not be converted within one year after issuance. The Board of Directors is authorized to specify in the terms of issuance the time period during which conversion is to be allowed. Holders of convertible preferred shares may, pursuant to the terms of issuance, apply for conversion of all or part of their holdings to common shares on a 1-for-1 basis. After the exercise, the newly converted shares shall entail the same rights and obligations as those applicable to common shares. Distribution of cash dividends for the year of conversion shall be calculated based on the actual number of days in issuance proportionate to the total number of days of the year in question. If the aforesaid conversion to common shares takes place prior to the record date for going ex-dividend, however, shareholders shall not be entitled to distribution of cash dividends for preferred shares for that year and the year after. Still, such shareholders shall be entitled to distribution of dividends for common shares drawing from retained earnings and capital surplus.
- 8. Where the Bank issues perpetual preferred shares, holders of such shares shall be denied the right to request redemption of their holdings by the Bank. For its part, the Bank may set a redemption date not earlier than the day after the fifth anniversary of the issuance date. Redemption of previously issued preferred shares, in whole or in part, shall be conducted at the original issue price. The remaining and outstanding preferred shares shall retain the rights and obligations described in the preceding paragraphs. If the Bank resolves on distribution of cash dividends for preferred shares for the year of redemption, such distribution shall be based on the number of days in issuance up to the date of redemption.
- 9. Where the Bank issues non-perpetual preferred shares, their term shall not be shorter than five years and holders of such shares shall have no right to request their redemption by the Bank. Upon expiry of such shares or beginning from the day after the fifth anniversary of the issuance date, the Bank may, pursuant to the issue price and terms of issuance, redeem such shares in cash, issue new shares to accommodate compulsory conversion on a 1-for-1 basis, or effect redemption by other means permitted under other laws or regulations. If the Bank should fail to redeem all or part of the aforesaid preferred shares due to force majeure or other reasons within the aforesaid time period, the rights and obligations of the outstanding preferred shares shall remain unchanged until their redemption by the Bank.

The Board of Directors is authorized to take into account market conditions and investor sentiment and determine the name, issuance date, and other issuance terms of preferred shares in accordance with the Bank's *Articles of Incorporation* and applicable laws and regulations.

Article 9: With respect to share transfers, no rights shall be asserted against the Bank if the name and domicile or residence of the transferee are not recorded in the shareholders' roster.

Within 60 days prior to the convocation of a general shareholders' meeting, or 30 days prior to the convocation of a special shareholders' meeting, or five days prior to the record date for declaration of dividends or any other interests, share transfer registrations and other changes to the shareholders' roster shall be suspended.

Article 10: Each shareholder of the Bank shall complete a seal specimen card and submit the same to the Bank for filing, and this shall apply to any change to the seal specimen. The seal specimen kept by the Bank shall be the basis for shareholders to collect dividends or bonuses or exercise shareholder rights in writing.

All stock affairs of the Bank shall be undertaken in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Chapter IV: Shareholders' Meetings

Article 11: The shareholders' meetings of the Bank shall include the following two types:

- 1. General shareholders' meetings: Held at least once every year, a general shareholders' meeting shall be convened by the Board of Directors within six months after the end of each fiscal year.
- 2. Special shareholders' meetings: Held whenever necessary, ir accordance with applicable laws and regulations.

A meeting of preferred shareholders may be convened in accordance with applicable laws and regulations.

The Bank's shareholders' meetings can be held by means of visual communication network or other methods promulgated by the competent authority. Relevant procedures of the visual communication meeting are in compliance with the *Company Act* and applicable laws and regulations.

- Article 12: The Bank shall notify each shareholder and make a public announcement of the date, venue, and reasons for a general shareholders' meeting 30 days in advance, or 15 days in advance if it is a special shareholders' meeting being convened.
- Article 13: Unless otherwise provided for by law, a shareholders' meeting shall adopt a resolution after it is voted for by the majority of attending shareholders and

the attending shareholders represent more than half of the total number of issued shares.

Article 14: Unless otherwise provided for by applicable laws and regulations and the Bank's *Articles of Incorporation*, a shareholder shall be entitled to one vote for each share held.

When the Bank holds a shareholders' meeting, it shall adopt electronic means for shareholders to exercise their voting rights and may allow them to exercise such rights in writing. When voting rights are exercised in writing or by electronic means, the method of exercise shall be specified in the shareholders' meeting notice.

Article 15: Any shareholder who cannot attend a shareholders' meeting in person for any reason may entrust a representative to attend on behalf thereof by presenting a proxy form issued by the Bank, specifying the scope of authorization. When one person is concurrently appointed as proxy by two or more shareholders, however, the voting rights represented by that proxy shall not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

The aforesaid proxy form shall be delivered to the Bank not fewer than five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Bank, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by electronic means, a written notice of proxy cancellation shall be presented to the Bank not fewer than two days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

- Article 16: More than one person is allowed to represent a juristic-person shareholder, provided the voting rights of such representatives are exercised based on their combined shareholding. Where there are more than two representatives, such representatives shall jointly exercise their voting rights.
- Article 17: The shareholders' meetings of the Bank shall resolve the following matters:
 - (1) Establishment or amendment of the Bank's *Articles of Incorporation*.
 - (2) Election and dismissal of directors.
 - (3) Auditing and ratification of the statements and reports prepared by the Board of Directors.
 - (4) Increases or decreases in capital stock.
 - (5) Distribution of earnings, dividends, and bonuses.

- (6) Other matters that shall be resolved by shareholders' meetings in accordance with applicable laws and regulations.
- Article 18: When a shareholders' meeting convenes, it shall be chaired by the chairman of the Board. When the chairman of the Board is absent for any reason, the vice chairman shall act in place of the chair; if there is no vice chairman or the vice chairman is also absent, the chairman of the Board shall appoint one of the managing directors to act as chair; if there are no managing directors, the chairman of the Board shall appoint one of the directs to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to act as chair.
- Article 19: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced electronically and distributed by means of a public announcement.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Bank.

The attendance book meant for attending shareholders and the proxy forms shall be retained for a minimum of one year. If a lawsuit has been instituted by any shareholder in accordance with Article 189 of the *Company Act*, however, the Bank shall retain the aforesaid documents until the conclusion of the litigation.

Chapter V: Directors and the Board

Article 20: The Bank shall have 7 to 15 directors who are to make up the Board and the Board shall decide the number of directors in the range; The candidates nomination system is adopted for the election of directors; directors shall be elected from a list of candidates by a shareholders' meeting.

Of the foregoing number of directors, the number of independent directors shall not be fewer than three and shall not account for less than one-fifth of the total number of directors.

The handling of matters regarding professional qualifications, shareholdings, limits on concurrent positions, nomination and election methods, and other matters for compliance in relation to independent directors shall be subject to applicable laws and regulations.

- Article 21: The combined shareholdings of all directors shall not fall short of the share ownership ratios required by the competent authority.
- Article 22: Directors shall each hold office for a term of three years and shall be eligible for re-election.

If no election of new directors is effected after expiration of the term of office of existing directors, the term of office of outgoing directors shall be extended until the time new directors have been elected and assumed their office.

The Bank shall provide compensation to directors (including independent directors) for the performance of their duties on behalf of the Bank, regardless of whether the Bank makes a profit or not. The Board of Directors shall be authorized to determine such compensation in line with industry standards on the basis of their degree of participation in the Bank's operations and value of their contribution to the Bank.

If the Bank records a profit in a year, the Bank shall appropriate not more than 2.5% of the profit for director remunerations, but independent directors shall be excluded from such distribution. If the Bank has accumulated losses, however, the aforesaid profit shall be used to offset accumulated losses first.

The Bank may, upon a resolution of the Board of Directors, purchase liability insurance to cover indemnification obligations of directors arising from performing their duties during their tenure of office.

The Board of Directors may give full authority to the chairman to renew the aforesaid insurance.

Article 23: When the Bank has 9 to 15 directors, it may have 3 to 5 managing directors who are to make up the Board of Managing Directors. The managing directors shall be elected from among the directors by a majority vote of the directors present at a meeting attended by at least two-thirds of all directors. The chairman shall be elected from among the managing directors in the same fashion; a vice chairman shall also be thus elected if it is deemed necessary.

Of the aforesaid number of managing directors, the number of independent directors shall not be fewer than one and shall not account for less than one-fifth of the total number of managing directors.

If the Bank has no managing directors, the Board of Directors shall elect a chairman of the board from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board when necessary.

Article 24: The chairman of the board shall internally preside at shareholders' meetings as well as Board of Directors and Board of Managing Directors meetings,

and shall externally represent the Bank. When the chairman of the board is on leave or for any reason unable to exercise his/her powers, the vice chairman shall act in his/her place. If there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise his/her powers, the chairman of the board shall appoint one of the managing directors to act on his/her behalf. If there are no managing directors, the chairman of the Board shall appoint one of the directors to act on his/her behalf. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to act as chair.

- Article 25: The Board of Directors is composed of all directors and convened by the chairman of the board. Unless otherwise provided for by applicable laws and regulations, the Board of Directors shall adopt resolutions by a majority vote of the directors present at a meeting attended by a majority of all directors.
 - Each director shall attend Board of Directors meetings in person but, if he/she is unable to do so for any reason, may appoint another director as proxy. In each such case, the absent director shall issue a written proxy and state therein the scope of authorization with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the aforesaid proxy of only one other director.
- Article 26: Except the matters subject by law to resolutions adopted by shareholders' meetings, the Bank shall conduct business operations in accordance with resolutions adopted by the Board of Directors. The duties and powers of the Board of Directors are as follows:
 - (1) Examine and approve rules and regulations.
 - (2) Examine and approve business plans.
 - (3) Propose increases or decreases in capital stock.
 - (4) Decide on establishing, canceling, or changing branch outlets.
 - (5) Examine major contracts.
 - (6) Examine and approve budgeting and book-closing.
 - (7) Decide on acquiring or disposing of major assets; ensure compliance with Article 185 of the *Company Act* when warranted.
 - (8) Propose distribution of earnings.
 - (9) Approve major lending and business cases.
 - (10) Decide on appointment and dismissal of managers.
 - (11) Appoint CPAs.
 - (12) Examine and approve matters assigned by the chairman of the board and those proposed by the president.

- (13) Implement resolutions adopted by shareholders' meetings.
- (14) Undertake other duties and powers under applicable laws and regulations.

To promote sound decision-making and strengthen management mechanisms, the Board of Directors may establish various functional committees and adopt their respective charters thereof.

Article 27: When the Bank has managing directors and the Board of Directors is in recess, managing directors shall, by assembly, perform the duties and powers of the board on a regular basis, and the chairman of the board may convene meetings at any time. Resolutions of such meetings shall be adopted by a majority vote of the managing directors present at a meeting attended by a majority of all managing directors.

With respect to the Board of Managing Directors performing the duties and powers of the Board of Directors referred to in the preceding paragraph, the scope of authorization thereof shall be determined in accordance with applicable laws and regulations, these Articles, and resolutions adopted by shareholders' meetings and the Board of Directors. The aforesaid scope of authorization shall specify the level and content of affairs being authorized. With respect to matters that are required by applicable laws to undergo discussion at the Board of Directors, however, it shall be mandatory to secure resolutions of the Board of Directors.

Article 28: The Bank shall set up the Audit Committee, which shall be composed of the entire number of independent directors. Its members shall not be fewer than three, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The committee's duties and powers as well as other compliance mattes shall be handled in accordance with applicable laws and regulations or the relevant bylaws of the Bank.

Since the Bank has established the Audit Committee, the Bank is not required by law to have supervisors separately.

Chapter VI: Managers

- Article 29: The Bank shall have the position of president, whose appointment, dismissal, and compensation shall be proposed by the chairman of the board and require a majority vote of the directors present at a meeting attended by a majority of all directors.
- Article 30: The Bank shall have a number of vice presidents to assist the president in conducting its business operations. Their appointment and dismissal shall be proposed by the chairman of the board together with the president and require a majority vote of the directors present at a meeting attended by a majority of all directors. Separately, the Bank shall have a chief auditor to

handle all audit affairs; his/her appointment, dismissal, or transfer shall be handled in accordance with applicable laws or regulations.

Chapter VII: Closing of Books and Distribution of Earnings

- Article 31: The fiscal year of the Bank is from the first of January every year to the thirty first of December of the same year. At the end of each fiscal year, the Bank shall prepare the following reports and statements and, after examination by the Board of Directors, submit them to a shareholders' meeting for ratification according to statutory procedure:
 - (1) Business report.
 - (2) Financial statements.
 - (3) Proposals for distribution of earnings or compensation for losses.

The Bank shall undertake mid-year closing of books pursuant to applicable laws and regulations at the end of June every year.

The Bank shall prepare and submit the aforesaid annual and semi-annual financial statements to the competent authority and make a public announcement on the same.

Article 32: If the Bank records a profit in a year, the Bank shall set aside 1-2.5% of the profit for employee remunerations. If the Bank has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first.

Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Bank's affiliated companies who meet specific requirements.

Article 32-1: If there is a profit after its annual closing of books, the Bank shall first set aside funds for taxes and offset the accumulated losses from previous years before appropriating 30% of the profit toward its legal reserve. No appropriation shall be required if the Bank's legal reserve already equals the total amount of its paid-in capital. After appropriation or reverse of any special reserve and distribution of cash dividends for preferred shares, if a profit remains the outstanding balance shall be the year's undistributed earnings and, together with undistributed earnings from previous years shall be used as the basis for the Board of Directors to propose distribution and seek a resolution of a shareholders' meeting thereof.

In the event of a shortfall in "other previously accumulated net deductions from shareholders' equity" when the Bank sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Bank shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

The distribution of common stock dividend shall not be lower than 20% of distributable earnings after deducting distributable but not yet distributed preferred stock dividends for the current year. The aforesaid distributable earnings refer to the outstanding balance derived from deducting distributable but not yet distributed preferred stock dividends and reverse of any special reserve from the year's undistributed earnings set forth in paragraph 1 of this article. In particular, the cash dividend payout shall account for not less than 20% of the total common stock dividend payout for any given year. Separately, before the legal reserve equals the total amount of capital stock, the maximum cash distribution of earnings shall not exceed 15% of the total amount of paid-in capital.

With regard to the foregoing distribution of common stock dividends, the Bank adopts a policy of stability and balance that takes into account capital budget planning, capital needs for business operations, and commitment to a sound financial structure. The aforesaid method of dividend distribution is intended only as a principle-based guideline; the Bank may consider actual needs and, via the Board of Directors, propose an amendment and seek shareholder approval in the form of a resolution adopted by a shareholders' meeting.

Chapter VIII: Supplemental Provisions

Article 33: Matters not stipulated herein shall be governed by the *Company Act*, *Banking Act*, and other applicable laws and regulations.

The Banks' charter, business guidelines, and standards for the division of authority between the Board of Directors and managerial departments as well as other relevant regulations shall be separately prescribed by the Board of Directors.

Article 34: These *Articles of Incorporation* were enacted on June 22, 1998, with the 1st amendment on July 12, 1999; the 2nd amendment on April 8, 2000; the 3rd amendment on August 19, 2000; the 4th amendment on May 22, 2001; the 5th amendment on May 30, 2002; the 6th amendment on June 11, 2004; the 7th amendment on June 10, 2005; the 8th amendment on June 9, 2006; the 9th amendment on June 15, 2007; the 10th amendment on June 19, 2009; the 11th amendment on June 18, 2010; the 12th amendment on June 13, 2011; the 13th amendment on June 18, 2012; the 14th amendment on June 14, 2013; the 15th amendment on June 2, 2015; the 16th amendment on October 2, 2015; the 17th amendment on June 3, 2016; the 18th amendment on June 14, 2017; the 19th amendment on June 14, 2018; and the 20th amendment on June 19, 2020; and the 21th amendment on June 17, 2022.

Appendix III

Business Report for 2022

1. Business Activities

The Bank mainly operates the following businesses:

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

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

Weight of Business Profits

Year	2022		2021	
Item	Amount	%	Amount	%
Net interest income	2,767,888	31	2,210,295	40
Net fee income	816,035	9		
Gains or losses on financial assets (liabilities) at fair value through profit or loss	3,232,746	35	135,585	2
Gains from sale of fair value through other comprehensive income financial assets	247,534	3	267,977	5
Net gain or loss on exchange	(2,371,000)	(26)	598,310	11
Impairment loss on assets	(158)	-	(4,851)	-
Share of profit or loss of subsidiaries and affiliated businesses accounted for using equity method	4,290,855	47	1,415,994	26
Net profit apart from interest	80,076	1	83,634	21
Net income	9,063,976	100	5,511,300	100

Weight of Major Business Operations

ltem	2022.12.31	Percentage (%) (Note 1)	Percentage Increase (Decrease) from the previous year	2021.12.31	Percentage (%) (Note 1)
Loans- Corporate Banking	160,349,812	45.05	21.55	131,921,275	41.87
Loans- Retail Banking	28,509,997	8.01	5.11	27,124,718	8.61
Deposits- Corporate Banking	256,828,405	80.70	18.72	216,329,099	77.63
Deposits- Retail Banking	22,656,022	7.12	4.28	21,725,643	7.80
Investment	121,210,475	34.05	23.00	118,571,863	37.63
Investment under Equity Method	20,609,844	5.79	18.89	17,334,821	5.50

Note 1: As the proportion of total assets or total liabilities for each major business item.

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

Unit: NT\$ thousands

Unit: NT\$ thousands

Unit: NT\$ thousands

Revenue	2022	Percentage (%)	Percentage Increase (Decrease) from the previous year	2021	Percentage (%)
Corporate Banking Services	3,189,536	35.19	22.47	2,604,276	47.25
Investment	1,067,518	11.78	(17.17)	1,288,828	23.39
Investment under Equity Method	4,290,855	47.34	203.03	1,415,994	25.69
Others	516,067	5.69	155.22	202,202	3.672.98
Net Income	9,063,976	100.00	64.46	5,511,300	100.00

Volume of Foreign Exchange:

Item	2022	Percentage (%)	Percentage Increase (Decrease) from the previous year	2021	Percentage (%)
Import (Issuance of L/C; DA; DP)	510,879	2.05	42.07	359,595	1.35
Export (Negotiation; DA; DP)	156,580	0.63	87.66	83,439	0.31
Remittance (Outward; Inward)	24,225,100	97.32	(7.70)	26,244,889	98.34
Total	24,892,559	100.00	(6.73)	26,687,923	100.00

Unit: US\$ thousands

Trust Asset: Unit: NT\$ thousands

Item	2022.12.31	Percentage (%)	Percentage Increase (Decrease) from the previous year	2021.12.31	Percentage (%)
Monetary	8,913,046	67.89	(0.15)	8,926,186	73.01
Real Estate	4,216,242	32.11	27.79	3,299,237	26.99
Total	13,129,288	100.00	7.39	12,225,423	100.00

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

2. Business Review

The Bank's domestic business locations included its Business Department Headquarters, Neihu Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, and Kaohsiung Branch. In addition, the competent authority approved the establishment of regional service units in Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung for corporate banking and business banking affairs; apart from promoting this Bank's financial products, these service units also provide all-round financial services to clients throughout northern, central, and southern Taiwan. Our first overseas branch (Hong Kong Branch) opened in April 2009, and established Tianjin representative office in April 2012; this branch has since extended our financial products and services platform to Hong Kong and the Greater China area, thereby serving local clients and Taiwanese-invested enterprises from a close distance and promoting win-win outcomes through long-term cooperation characterized by mutual trust and reciprocity.

(1) Credit Extension

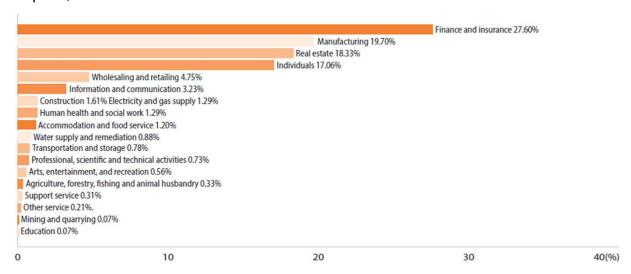
In 2022, the Bank made aggressive inroads into the personal banking sector while continuing to actively cultivate clients in Taiwan and abroad for its corporate banking services. In order to cater to different customer sectors, the Bank developed a wide

range of loan products that truly meet customer needs. To keep up growth momentum, the Bank placed emphasis on further digitizing marketing endeavors and catering to funding needs of existing customers. All this bore fruit in the form of a 75% year-over-year increase in newly extended loans. In line with government policy, the Bank shouldered its social responsibility by offering lenient flexibilities to borrowers who had been furloughed or suffered otherwise due to the Covid-19 pandemic.

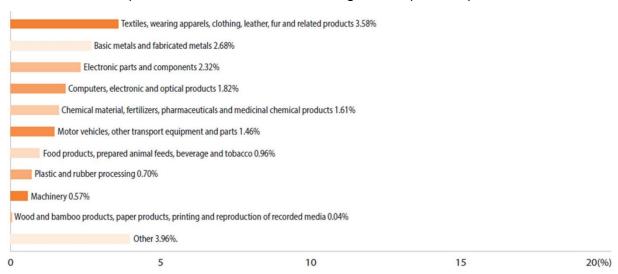
In 2022, given an external environment marked by global uncertainty, the Bank would rather adopt a prudent approach toward expanding its corporate banking business. Rather than seeking a major increase in lending, the objective was to make the best of the limited interest spread and grow fee income while keeping credit risk under control.

By Standard Industrial Classification of Directorate General of Budget, Accounting and Statistics, the Bank's 2022 overall credit risk exposure came in at NT\$211.6 billion, including loans, factoring, receivable acceptance, guarantee, and receivable L/C amounts; NT\$202.2 billion, excluding that fully secured by the Bank's certificates of deposit. Of these numbers, the financial and insurance industry category accounted for the greatest share of our credit risk exposure at 27.60%. Next came the manufacturing industries category with 19.70%, the real estate industry with 18.33%, the individuals with 17.06%, the wholesaling and retailing industry with 4.75%, the information and communication industry with 3.23%, the construction industry with 1.61%, the electricity and gas supply industry with 1.29%, the human health and social work industry with 1.29%, the accommodation and food service industry with 1.20%, the water supply and remediation industry with 0.88%, the transportation and storage industry with 0.78%, the professional, scientific and technical activities industry with 0.73%, the arts, entertainment and recreation industry with 0.56%, the agriculture, forestry, fishing and animal husbandry industry with 0.33%, the support service industry with 0.31%, the other service industry with 0.21%, the mining and quarrying industry with 0.07%, the education industry with 0.07%, Within the manufacturing sector, the textiles, wearing apparels, clothing, leather, fur and related products industry recorded the greatest credit risk exposure of 3.58%, followed by the basic metals and fabricated metals industry with 2.68%,, and the electronic parts and components industry with 2.32%, the computers, electronic and optical products industry with 1.82%, the chemical material, fertilizers, pharmaceuticals and medicinal chemical products industry with 1.61%, the motor vehicles, other transport equipment and parts industry with 1.46%, the food products, prepared animal feeds, beverage and tobacco industry with 0.96%, the plastic and rubber processing industry with 0.70%, the machinery industry with 0.57%, the wood and bamboo products, paper products, printing and reproduction of recorded media industry with 0.04%, and other industry with 3.96%.

The credit risk exposure, excluding that fully secured by the Bank's certificates of deposit, at the end of 2022:



The credit risk exposure within the manufacturing sector (19.70%):



We are actively cultivating new clients in Taiwan and abroad. To seek stable growth and diversify operating risk, we are proactive to consolidate our existing customer base and make inroads into the niche segment of mid-market enterprises, which promises to make an important foundation for promoting various co-marketing undertakings.

Syndicated loans have always been the mainstay of our lending business. The Bank established the Corporate Finance Department to provide customized, quick and precise financing solutions to clients, raise funds for them, and help them solve critical problems. Our target customers are mainly based in the Greater China area

(Taiwan and Hong Kong) from all business sectors. Coming with a full spectrum of customized funding solutions, the Bank is ready to share growth with domestic and international businesses. Furthermore, with refined and professional services, not only does the Bank help corporates keep growing, but also boost its own competitiveness in the market.

In 2022, companies faced rising financing costs and uncertain order visibility, thus retained a prudent approach toward operation and investment due to Fed continues to raise interest rate, the global economic volatilityamid the Covid-19 pandemic. Alongside a gradual decrease in syndicated loans, it was increasingly difficult to secure lead bank status. Yet, on top of a solid customer base built over the years, the Bank always prides itself on being a "boutique bank" that refrains from vying for small margins, and stays focused on the referral from corporate clients and from affiliates with growth prospects, offers corporate clients financing strategies tailored to their financial planning, develops such businesses as green energy and environmental protection in line with future trends at home and abroad, and continues to expand its financing business on ESG sustainability.

(2) Deposits

As of the end of 2022, the Bank's outstanding balance of NT dollar and foreign currency deposits, excluding export remittances, came in at approximately NT\$279.5 billion, increased 414 bilion. For the sake of both liquidity and security, the Bank gives priority to deposit stability. As such, emphasis is placed on diversifying the maturities of time deposits while actively soliciting demand deposits and small and medium-sized enterprises (SMEs) deposits to bring down capital costs. The Bank also continues to launch preferential deposit programs to support B-type and social enterprises, fulfilling the Bank's corporate social responsibility and assisting the development of related companies.

The Bank's various personal deposit products and services have something in common: they are all driven by customer needs. These include online opening of NT dollar and foreign currency digital accounts without visiting a physical branch, NT dollar and foreign currency demand and time deposits, children's accounts, foreign exchange swap, various payment, and "Mobile Number is Account Number" transfer services. We seek to meet clients' cash management and funds allocation needs via both digital and physical channels.

(3) Foreign Exchange and Offshore Banking

We continued to offer trade financing services and give priority to maintaining a reasonable interest spread in our foreign exchange financing operations.

With regard to offshore lending, the Bank offered banking services across the Taiwan Strait while prudently assess national and industrial risks, gradually expand the international banking business foundation under controllable risks. Meanwhile, the Bank responded to the trade situation across the Taiwan Strait by enhancing the quality of service to Taiwanese firms, thereby fostering business development and attracting even more business opportunities.

In addition, the Bank is also actively extending the group's financial services through overseas branches, with business territory covering the three places across Taiwan Strait, including affiliated companies such as Hong Kong branch, Tianjin representative office, American commercial bank subsidiary, investment using the equity method in

financial leasing company, and consumer financing company in mainland China, etc., and continues to expand operations scale, promote the global financial layout.

(4) Direct Investment

The Bank adopted a proactive approach to disposing of its direct investment portfolio after obtaining permission from the Financial Supervisory Commission to become a commercial bank in March 2015. As of the end of 2022, all such divestments had been completed except two cases.

(5) Financial ProductTrading and Security Investment

The Bank's financial product trading operations include financial product transactions and marketing. We trade foreign exchange and fixed-income products, derivatives and equity trading, while our financial product marketing services chiefly refer to those meant to provide clients with various financial products and services and financial hedging instruments. In 2021, the Bank secured the go-ahead to launch non-principal protected structured products composed of foreign currency equity options, foreign currency interest rate swaps, and foreign currency interest rate swap options linked to foreign currency principals, as well as to have its DBU/OBU trade bonds while engaging concurrently in securities business; and in 2022, the bank was approved to launch principal protected callable structured products composed of foreign currency interest rate options, foreign currency interest rate swaps and foreign currency interest rate swaptions linked to foreign currency principals, principal protected callable structured products composed of foreign currency interest rate swaps and foreign currency interest rate swaps and foreign currency interest rate options linked to foreign currency principals.

In 2022, global inflation soared rapidly due to the rapid rise in raw material and supply chain prices, and the continued war between Russia and Ukraine. With high inflationary pressure, the central banks of major economies adopted extreme contractionary monetary policies, which not only affected consumer demand, manufacturers' orders have decreased, inventories have increased, and economic growth momentum has slowed down. As a result, the financial market fluctuated sharply, the stock market fell, and bond yields rose rapidly. Although the Bank has strengthened the risk control of the fixed-income position and the positions held are mainly high-quality fixed-income products, but the fixed-income position losses are still increasing due to the impact of falling prices in the market.

The Bank's securities investment business is mainly concentrated in TWSE/TPEx listed companies. Due to the outbreak of the Russian-Ukrainian War, high inflation, major countries such as Europe and the United States raised their base interest rates sharply, and the economic does not recover after the pandemic in 2022. As a result, the inventory level of enterprises is high, and the cost rises with the inflation, leading to a decline in profits, and the risk aversion level of the financial market increases sharply. Foreign investment leaves the market as US dollar index rises and the Taiwan dollar depreciates, making the 2022 Taiwan stocks dropped to the bottom until the end of October. Although the global financial market experienced volatility in 2022, the

Bank's securities investment operation strategy adopted the principle of substantially reducing shareholdings at high prices. The achievement rate of dividends received exceeded the budget target, reaching over NT \$300 million, thus the OCI loss was still controllable.

(6) Project Finance

Project finance encompasses project financing and financial advisory. Project financing chiefly provides private companies with a wide range of project financing and project development services. We provide comprehensive project financial planning, investment cash-flow feasibility assessment, arranging transitional financing from the beginning of the project to structuring of syndicated project loans, transfer of trust beneficiary rights, drafting of strategies for contract negotiations, and assistance with the acquisition of funds to participate in equity investments allowing companies to have flexibility to allocate the capital. Our financial advisory services are meant to provide clients with tailor-made solutions, that is, consulting with regard to corporate consolidation and M&As, debt arrangement, reorganization, fund-raising, M&A financing, and tax planning.

(7) Trust Business

When it comes to trust business, the Bank mainly aims to operate trust, securitization, and asset management services. Our trust services focus on monetary (including advance receipts) and real estate trust; our securitization services are geared toward developing various kinds of securitized products; and our asset management services are mainly aimed at helping clients allocate assets and build well-rounded portfolios based on trust objectives.

With regard to mutual funds, we are earnest to create comprehensive product lines. Emphasis is also placed on promoting "Robot Advisory": big data analytics is adopted to help clients optimize investment portfolios that strike a balance between flexibility and security for their asset allocations.

As of the end of 2022, the outstanding balance of assets entrusted to the Bank came in at NT\$13.1 billion, a year-over-year increase of NT\$0.9 billion.

(8) Cash Management and e-Banking

The Bank has upgraded both tangible and intangible aspects to optimize its remittances and transfer services. Its corporate internet banking and other products help customers conclude massive transactions in no time. By staying flexible to offer customized services, the Bank was able to help corporate clients reduce financial and manpower costs and enhance transaction efficiency. This stride toward meeting a growing variety of customer needs certainly contributed to strengthening customer loyalty. The Bank's corporate e-Banking platform recorded a total of online transactions to 524,532 in 2022, a year-over-year increase of 27,312 online transactions.

As the market became increasingly digitized, the bank carried out various corporate online banking channel upgrades to support multiple operating systems and provide various operating methods for different customer segments in 2022. At the same time, we optimize the collection service and assist customers in automating write-off data. Through the bank's digital platform, as corporate CRM, strengthens our sales, management, and efficiency across the Bank. Furthermore, the automation of letter confirmation proved effective in enhancing efficiency and reducing operating risk. In terms of collection outlets, convenience stores and virtual accounts are added to the Bank's collection services to strengthen the level of service.

In terms of deposits products, to keep up with the business development, our Preferential Time Deposits Campaigns were followed by a new version of the B- type corporate NT dollar tiered current deposit preferential interest rate, social enterprise preferential NT dollar tiered current deposit preferential interest rate and financial interbank time deposit preferential interest rate, thereby offering diverse choices of fund allocation to the clients.

(9) Digital Retail Banking Services

- Electronic Banking Services: We provide secure and convenient online/mobile banking services, and our user-friendly interface and convenient functions allow users to easily check their accounts, make transfers, sell or buy foreign exchange, pay fees, perform mutual fund transactions, "Robot Advisory," and conduct various other operations. We also offer 24-hour video customer service: our customers are invited to take advantage of all manner of financial services anytime, anywhere.
- Digital Wealth Management Services: We provide a wide range of wealth management products, including mutual funds, back-end load mutual funds, and "Robot Advisory." In addition, the option of Taiwan dollar and foreign currency is provided, to meet the diverse customer needs. We also provide customers with online KYC evaluation platform to help them invest on products that suits their own needs.

(10) Payment Services

- Card Payment Services: In addition to debit cards with hundreds of personalized card designs for customers to choose from, we continued to provide co-branded and affinity cards issued in conjunction with members in the consumer markets, chain restaurants, sports, public welfare entities, schools, electronic stored value card operators, etc. Featuring specific debit card discounts, cash rebate and zero-risk card use, they rightly give cardholders peace of mind.
- Electronic Payment Services: We have provided customers with the service of immediate deductions from their accounts when they make use of such payment platforms as GAMA PAY, JKOPAY, iPASS Money and Easy Wallet. As such, we are poised to give customers richer possibilities as to where they can conduct transactions and support a greater number of payment instruments.

(11) Insurance Services

Teaming up with PCA Life, we have introduced protection-oriented life insurance, medical insurance, accident insurance, NTD/foreign currency savings-oriented insurance, and investment-linked insurance products. Through face-to-face marketing, we provide a wide range of products and services to ensure that customers have access to the best-fitting insurance in different stages of their lives. Apart from bring out the spirit of protection through insurance, the Bank's offering of professional insurance service is reciprocated in the customers' trust and loyalty.

(12) Wealth Management Services

With our consultants serving the individuals and business owners separately, the Bank provides customers with tailor-made financial products and advisory services, including deposits, investment products, insurance products, and tax and asset arrangement. We provide a full spectrum of services in a bid to attract high-end customers so as to broaden and deepen their interaction with the Bank.

Appendix IV

Communications and risk supervisions between the Audit Committee, the Bank's chief internal auditor, and CPAs.

1. In addition to submitting updates of its work to independent directors, the Auditing Division communicates with independent directors at audit seminars held twice a year.

The summary of the communication between Audit Committee and the Chief internal auditor in 2022 is as follows:

Date	Means	Counterparty	Subject	Outcome
2022.2.23	The 4 th Audit Committee in its 13 th meeting	Independent directors and Chief Auditor	Report on Improvements Based on Examination Opinions (Table B) with respect to the 2020 routine examination undertaken by the Financial Supervisory Commission of the Bank's conducting of business (follow-up) The Bank's conducting audit operations in	Approved for reference Approved for
	The 4 th Audit Committee	Independent	The Bank's Internal Control System Statement for 2021 (including the Bank's concurrent conducting of insurance agent business)	reference Approved for reference
2022.3.16			CPA report on the Bank's implementation of negotiations with regard to its internal control system in 2021 (including the Bank's concurrent conducting of insurance agent business)	No objection; submitted to the Board of Directors for examination
			Report on Improvements Based on Examination Opinions (Table B) with respect to the 2021 risk management on digital banking services.	Approved for reference
			The Bank's conducting audit operations in the first quarter	Approved for reference
2022.5.4	The 4 th Audit Committee in its 15 th meeting	Independent directors and Chief Auditor	O-Bank's Operation Inspection Measures, O-Bank's Self-inspection and Self- Assessment Measures, O-Bank's Credit and Investment Responsibility Assignment and Reward and Punishment Measures, O- Bank's Measures for Handling Reporting Cases, O-Bank Audit and Evaluation Measures, O-Bank Financial Supervisory Commission Financial Inspection Report Access Specifications and other revisions of six specification	No objection; submitted to the Board of Directors for examination
2022.8.23	The 4 th Audit Committee in its 18 th meeting	Independent directors and Chief Auditor	The Bank's conducting of audit operations in the first half of 2022 Special audit report on the Bank's outsourcing of its SFDC cloud services in	Approved for reference Approved for reference
2022.11.2	The 4 th Audit Committee in its 19 th meeting	Independent directors and Chief Auditor	The Bank's conducting of audit operations in the third quarter of 2022	Approved for reference

Date	Means	Counterparty	Subject	Outcome	
	The 4 th Audit Committee in its 20 th meeting		2022 Annual Audit and Evaluation Results of Each Unit	Approved for reference	
			2022 Annual Subsidiary Audit Work Evaluation Results	Approved for reference	
			2022 Annual SFDC Cloud Service Platform Outsourcing General Inspection Report	Approved for reference	
		ne 4 th Audit Committee in its 20 th meeting Independent directors and Chief Auditor		"Strengthening the Implementation of the Bank's Overseas and China Risk Control Mechanism" Designated Inspection Report	Approved for reference
2022.12.27			2023 Annual Audit Plan	No objection; submitted to the Board of Directors for examination	
			2023 Concurrently Insurance Agency Business Internal Audit Plan	No objection; submitted to the Board of Directors for examination	
			Revision of O-Bank Credit and Investment Responsibility Attribution and Reward and Punishment Measures	No objection; submitted to the Board of Directors for examination	

The summary of the communication between Audit Committee and the Chief Auditor in 2022 is as follows:

Date	Means	Counterparty	Subject	Outcome
2022.2.23	Audit Meeting	Directors of the company (including independent directors), chief auditor and colleagues of the audit department	Review on the deficiency of internal control system in the second half of 2021	1. Implement the recommendations The minutes of the meeting were submitted to 8th board of directors in its 14th meeting on 2022.3.6 for approval
2022.8.23	Audit Meeting	Directors of the company (including independent directors), chief auditor and colleagues of the audit department	Review on the deficiency of internal control system in the first half of 2022	1. Implement the recommendations The minutes of the meeting were submitted to 8th board of directors in its 19th meeting on 2022.11.2 for approval

2. The CPA have fully communicated and discussed with the independent directors in the Audit Committee or individual communication meetings with the independent directors on the status and results of the financial report review or inspection, key audit items, and related newly revised laws and regulations.

The communication between the Audit Committee and the CPA in 2022 is as follows:

Date	Means	Counterparty	Subject	Outcome
	Individual communication meeting	Independent directors of the company, CPA	2021 consolidated and individual financial report review status and key review items	No disagreement
2022.3.16	The 4 th Audit Committee in its 14 th meeting	Independent directors of the company, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	2021 consolidated and individual financial report review status and key review items	No objection, submit to the board of directors for approval
2022.5.4	The 4 th Audit Committee in its 15 th meeting	Independent directors of the company, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	Review of consolidated financial report for the first quarter of 2022	No objection, submit to the board of directors for approval
	Individual communication meeting	Independent directors of the company, CPA	Consolidated and individual financial report inspection status and key inspection items in the first half of 2022	No disagreement
2022.8.23	The 4 th Audit Committee in its 18 th meeting	Independent directors of the company, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	Consolidated and individual financial report inspection status and key inspection items in the first half of 2022	No objection, submit to the board of directors for approval
2022.11.2	The 4 th Audit Committee in its 19 th meeting	Independent directors of the company, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	Review of consolidated financial report for the third quarter of 2022	No objection, submit to the board of directors for approval
2022.12.27	The 4 th Audit Committee in its 20 th meeting	Independent directors of the company, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting	2022 annual financial report review planning, audit quality indicators and corporate governance unit pre-approval non-confirmation service special report	No disagreement

3. Risk Supervision

The Audit Committee reviews various risk limits, risk appetite and various risk management mechanisms at the board of directors' approval level, and supervises and reviews the effectiveness of various risk management to ensure the effectiveness and integrity of the Bank's risk management procedures.

Appendix V

O-Bank Co., Ltd. Regulations Governing Transfer of Repurchased Shares to Employees:

Comparison Table of Original and Amended Articles

Amended Article	Original Article	Explanation
Regulations Governing Transfer of Repurchased Shares to Employees	O-Bank Co., Ltd.'s Rules for Its 2nd Repurchase of Shares for Transfer to Employees Article 2: Class of Shares; Rights Attached and Restrictions Imposed Article 3: Transfer Period Article 6: Procedures for Transfer of Shares Article 7: Transfer Price Per Share Article 8: Rights and Obligations after Transfer of Shares	Considering that the rules are revised in accordance with the relevant regulations of the competent authority, and the contents do not vary due to the number of implementations. It is proposed to adjust the name of the rules and delete the words "this time" in the second to eighth articles.
Article 5: Number of Subscribable Shares The Company takes into account employees' duties, performance, years of service, and contribution when deciding on the amount of shares they are entitled to subscribe to, and shall be presented for approval of the amount of shares that can be subscribed to the following transferees: 1. For the directors or managers of the company, the amount of shares they are entitled to subscribe to shall be submitted to and approved by the remuneration committee followed by submission to and approval to the board of directors. 2. Employees other than the transferees of the preceding	Article 5: Number of Subscribable Shares The Company takes into account employees' duties, performance, years of service, and contribution when deciding on the amount of shares they are entitled to subscribe to, which shall be presented to the chairman of the Board for approval. Employees who fail to settle their subscription by the given deadline shall be deemed to have waived their entitlement; the chairman of the Board may arrange for other employees to subscribe to any balance of shares due to undersubscription.	In accordance with the Order No. 11103834264 issued by the Financial Supervisory Commission on August 15, 2022 and the provisions of Article 10 of the amendments to the regulations governing share repurchase by Exchange-listed and OTC-listed companies, adjust the approval level of the amount of shares that can be subscribed by the transferees.

Amended Article	Original Article	Explanation
Amended Article paragraph, the amount of shares they are entitled to subscribe to shall be submitted to and approved by the audit committee followed by submission to and approval to the board of directors. Employees who fail to settle their subscription by the given deadline shall be deemed to have waived their entitlement; may arrange for other employees to subscribe to any balance of shares due to under-subscription, according to the preceding rules. Article 6: Procedures for Transfer of Shares	Article 6: Procedures for Transfer of Shares	Adjust the authorized articles to the chairman
Procedures for transferring repurchased shares to employees: 1. In accordance with the pertinent board resolution, the Company shall announce, report, and implement its repurchase of shares within the designated period. 2. The Company shall, pursuant to these Rules, determine and announce such matters as the record date of subscription, settlement period, and rights attached and restrictions imposed, which in turn shall be presented to the chairman of the Board for approval with the latter's authorization. 3. Compile statistics with respect to the number of shares actually subscribed to and paid for; register share transfer	Procedures for transferring repurchased shares to employees: 1. In accordance with the pertinent board resolution, the Company shall announce, report, and implement its repurchase of shares within the designated period. 2. The Company shall, pursuant to these Rules, determine and announce such matters as the record date of subscription, criteria for subscribable amounts, settlement period, and rights attached and restrictions imposed, which in turn shall be presented to the chairman of the Board for approval with the latter's authorization. 3. Compile statistics with respect to the number of shares	articles to the chairman by the board of directors in accordance with Article 5.

Appendix VI

O-Bank Co., Ltd. Sustainable Development Best Practice Principles:

Amended Article	Original Article	Explanation
Article 6	Article 6	Align with the
The company voluntarily follows	None.	evaluation index
the United Nations Principles for		requirements of the
Responsible Banking, for short		"Sustainable Finance
PRB. The Bank's self-		Evaluation", the United
assessment results of compliance		Nations principles for
with the six principles of		Responsible Banking
Responsible Banking (RB) are		are included in the first
disclosed in the Sustainability		chapter of the "Code
Report every year, including		of Practice for
Alignment, Impact and Target		Sustainable
Setting, Clients and Customers,		Development".
Stakeholders, Governance and		■ The order of the
Culture, Transparency and		articles is adjusted.
Accountability.		

Appendix VII

Common stock transaction information of Obtained of IBT VII Venture Capital Co., Ltd. From IBT Leasing Co., Ltd.

- (1) Subject: IBT VII Venture Capital Co., Ltd. (hereinafter referred to as VII Ventures) common shares.
- (2) Number of transactions, price per unit and total transaction amount:

Number of transactions: 65,000,000 shares.

Price per unit: NT\$10.93.

Total transaction amount: NT\$710,613,540.

(3) Trade terms:

IBT Leasing Co., Ltd. (hereinafter referred to as IBT Leasing, now Infinite Finance Co., Ltd.) handled capital reduction and refund of shares and the 100% of the shares of VII Ventures will be offset and returned.

(4) Valuation report that to be obtained according to regulations, should issued by a professional appraiser or an accountant opinion:

The decision method and price of this transaction are based on the net value per share of VII Ventures and combined with the financial statements of VII Ventures on June 30, 2022 as the date of measurement to issue audit reports by the accountant.

- (5) The purpose, necessity and expected benefits of acquiring or disposing of assets: IBT Leasing handled the capital reduction and returned the share payment, and the 100% of the shares of VII Ventures will be offset and returned.
- (6) Reasons for selecting related parties as transaction partners:

IBT Leasing handled capital reduction to return shareholders in kind.

- (7) Obtaining real estate from related parties shall be subject to Articles 16 and 17 of Regulations Governing the Acquisition and Disposal of Assets by Public Companies that the assessment is scheduled to be delivered relevant information on the rationality of the transaction conditions: Not applicable.
- (8) The original acquisition date, price, the transaction party and its relationship with the bank and related parties:
 - On October 26, 2016, IBT Leasing paid NT\$643 million to the bank to acquire 100% shares of VII Ventures.
- (9) Forecast of cash receipts and payments for each month in the coming year and assess the necessity of the transaction and the rationality of the use of funds: Not applicable.

- (10) Restrictions and other important agreements of this transaction: None.
- (11) Appoint an accountant to check whether the transactions of related parties meet the general business terms and whether it does not damage the interests of the bank and its minority shareholders' opinions:

This transaction was approved by CPA Ming-Yi Wu of Reanda M Y Wu & Co., CPAs, no unreasonable opinions were issued.

Appendix VIII

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders O-Bank

Opinion

We have audited the accompanying consolidated financial statements of O-Bank (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2022 are as follows:

Allowance for Credit Losses of Loans

The Bank is engaged principally in providing loans to customers. The Bank's management performed loans impairment assessment in accordance with the requirements of International Financial Reporting Standard 9, "Financial Instruments". In addition, the allowance for credit losses of loans was calculated and classified in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" (referred to as "Banking Institutions Regulations Governing the Procedures for Bad Debt").

For details about the accounting policy on the allowance for credit losses, refer to Note 4 to the accompanying consolidated financial statements; for details about the critical accounting judgments, estimations, and assumptions of loan impairment, refer to Note 5 to the accompanying consolidated financial statements; and for details about the allowance for credit losses, refer to Note 14 to the accompanying consolidated financial statements.

The Bank shall assess the classification of credit-granting assets and recognize allowance for credit losses of loans in accordance with the "Banking Institutions Regulations Governing the Procedures for Bad Debt". As the assessment and recognition of loss allowance involve subjective judgments, critical estimations and assumptions of the management, we have included the assessment of allowance for credit losses of loans as a key audit matter.

The main audit procedures we performed in response to certain aspects of the key audit matters described above are as follows:

- We obtained an understanding and performed testing on the internal controls in respect of the Bank's loan impairment assessment.
- We examined that the classifications of loans were in accordance with the "Banking Institutions Regulations Governing the Procedures for Bad Debt". We also recalculated the amount of the allowance for credit losses on loans and checked whether the Bank meets the requirement of the regulation or not.

Assessment of Reserve for Losses on Guarantee Contracts

The reserves set aside for the guarantee liabilities of China Bills Finance Corporation are in accordance with both the International Financial Reporting Standard 9, "Financial Instruments", whereby the expected losses on guarantee obligations generated by financial guarantee contracts are assessed, and the "Regulations Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Non-performing Credit, Non-accrual Loans, and Bad Debt" (referred to as the "Bills Finance Companies Regulations for Evaluating Bad Debt"), whereby the reserves for guarantee liabilities are classified and made.

For details about the accounting policy on the reserve for guarantee liabilities, refer to Note 4 to the accompanying consolidated financial statements; for details about the critical accounting judgments, estimations and assumptions of the reserve for guarantee liabilities, refer to Note 5 to the accompanying consolidated financial statements; and for details about the reserve for guarantee liabilities, refer to Note 14 to the accompanying consolidated financial statements.

China Bills Finance Corporation assesses reserve for guarantee contracts involves subjective judgments, critical estimations and assumptions of the management. The classification of credit-granting assets and recognition of the reserve for guarantee contracts in accordance with the "Bills Finance Companies Regulations for Evaluating Bad Debt" influence the amounts of the reserve for guarantee contracts. Thus, we consider the assessment of reserve losses on guarantee contracts as a key audit matter.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

- We understood the internal controls about the estimated impairment of reserve for losses on guarantee contracts and we tested the effectiveness of the operation of the controls.
- We reviewed the assessment schedule of reserve for losses on credit-granting assets, which
 the management of China Bills Finance Corporation used to assess the reserve. We
 checked the completeness of amount of credit-granting assets in the schedule and rationality
 of classifications. We recalculated the amounts of reserve for losses on guarantee contracts
 in the schedule and checked whether the reserve meets the requirements of the "Bills
 Finance Companies Regulations for Evaluating Bad Debt" or not.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan-Hao Lee and Wang-Sheng Lin.

Deloitte & Touche Taipei, Taiwan Republic of China

March 14, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

(With respect to the Notes in the Independent Auditors' Report, please refer to the 2022 Consolidated Financial Statement of O-Bank from the Market Observation Post System)

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2024	
ASSETS	2022 Amount	%	2021 Amount	%
CASH AND CASH EQUIVALENTS	\$ 6,414,978	1	\$ 11,779,386	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	17,785,790	3	12,981,310	2
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	144,850,687	25	151,899,447	27
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	155,223,551	27	191,156,680	33
INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST	25,665,306	5	-	-
BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS	3,951,999	1	5,364,108	1
RECEIVABLES, NET	3,691,557	1	20,076,514	4
CURRENT TAX ASSETS	299,379	-	324,529	-
DISCOUNTS AND LOANS, NET	204,312,972	35	172,727,589	30
INVESTMENT ACCOUNTED FOR USING EQUITY METHOD, NET	7,241,771	1	880,879	-
OTHER FINANCIAL ASSETS	785,669	-	875,733	-
PROPERTY AND EQUIPMENT, NET	2,405,135	1	2,545,050	1
RIGHT-OF-USE ASSETS, NET	420,124	-	332,938	-
INTANGIBLE ASSETS, NET	1,809,664	-	1,946,051	-
DEFERRED TAX ASSETS	1,125,574	-	900,743	-
OTHER ASSETS	1,358,976		1,289,712	
TOTAL	<u>\$577,343,132</u>	<u>100</u>	<u>\$575,080,669</u>	<u>100</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits From the Central Bank and other banks Financial liabilities at fair value through profit or loss	\$ 23,427,644 1,008,165	4	\$ 27,876,301 441,337	5 -
Bills and bonds sold under repurchase agreements Payables	180,156,757 3,272,901	31 1	187,952,616 2,467,406	33
Current tax liabilities	112,306	-	238,572	-
Deposits and remittances Bank debentures payable	293,164,986 13,600,000	51 3	259,379,425 15,000,000	45 3
Other financial liabilities	5,156,808	1	20,580,832	4
Provisions Lease liabilities	1,872,637 432,826	-	2,076,334 350,370	-
Deferred tax liabilities Other liabilities	628,178 500,360	-	830,510 2,719,579	-
Total liabilities	523,333,568	91	519,913,282	90
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK	020(000(000			
Capital Common stock	27,339,923	5	27,330,063	5
Preferred stock	2,990,140		3,000,000	1
Total capital Capital surplus	30,330,063 13,652	<u>5</u>	30,330,063 6,734	<u>6</u>
Retained earnings				
Legal reserve Special reserve	4,341,816 634,610	1	3,729,690 797,783	1
Unappropriated earnings	5,469,437	1	2,040,419	
Total retained earnings Other equity	<u>10,445,863</u> (3,050,502)	<u>2</u> (1)	6,567,892 (485,479)	<u>1</u>
Treasury stock	(16,837)		(38,304)	=
Total equity attributable to owners of the Bank	37,722,239	6	36,380,906	7
NON-CONTROLLING INTERESTS	16,287,325	3	18,786,481	3
Total equity	54,009,564	9	55,167,387	10
TOTAL	<u>\$577,343,132</u>	<u>100</u>	<u>\$575,080,669</u>	<u>100</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentag e Increase (Decrease)
-	Amount	%	Amount	%	%
INTEREST REVENUE	\$ 9,347,757	77	\$ 6,830,219	73	37
INTEREST EXPENSE	(4,766,262)	<u>(39</u>)	(2,170,292)	<u>(23</u>)	120
NET INTEREST	4,581,495	<u>38</u>	4,659,927	<u>50</u>	(2)
NET REVENUE OTHER THAN INTEREST REVENUE Service fee income, net Gains on financial assets or	2,349,341	19	2,458,570	26	(4)
liabilities measured at fair value through profit or loss Realized gains on financial assets at fair value through other	3,899,414	32	851,498	9	358
comprehensive income Foreign exchange gain (loss), net Reversal of impairment loss on	153,972 (2,402,766)	1 (20)	410,622 619,970	5 7	(63) (488)
assets Share of profit of associates	7,909	-	3,486	-	127
accounted for using equity method Other net revenue other than	3,334,489	28	94,846	1	3,416
interest	196,965	2	215,893	2	(9)
Total net revenue other than interest revenue	7,539,324	<u>62</u>	4,654,885	<u>50</u>	62
NET REVENUE	12,120,819	<u>100</u>	9,314,812	<u>100</u>	30
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(608,103</u>)	<u>(5</u>)	(553,924)	<u>(6</u>)	10

(Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2002		2024		Percentag e Increase
-	2022 Amount	%	2021 Amount	%	(Decrease) %
OPERATING EXPENSES Employee benefits expenses	\$ 2,986,679	25	\$ 2,745,513	30	9
Depreciation and amortization expenses Other general and administrative	623,209	5	637,957	7	(2)
expenses	1,285,602	<u>10</u>	1,138,450	12	13
Total operating expenses	4,895,490	<u>40</u>	4,521,920	<u>49</u>	8
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	6,617,226	55	4,238,968	45	56
INCOME TAX EXPENSE	808,871	7	1,034,348	<u>11</u>	(22)
INCOME FROM CONTINUING OPERATIONS	5,808,355	48	3,204,620	34	81
LOSS FROM DISCONTINUED OPERATIONS			(4,697)		100
NET PROFIT FOR THE YEAR	5,808,355	<u>48</u>	3,199,923	<u>34</u>	82
OTHER COMPREHENSIVE INCOME (LOSS) Components of other comprehensive income (loss) that will not be reclassified to profit or loss: Gains (losses) on					
remeasurements of defined benefit plans Revaluation gains (losses) on investments in equity instruments measured at fair value through other	55,366	-	(3,166)	-	1,849
comprehensive income	(929,852)	(8)	814,893	9	(214)
					(Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentag e Increase (Decrease)
	Amount	%	Amount	%	%
Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method Income tax related to components of other comprehensive income	\$ (19,864)	-	\$ -	-	-
that will not be reclassified to profit or loss	(6,693)	_	148	_	(4,622)
Components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax Components of other comprehensive income (loss) that will be	(<u>0.030</u>) (<u>901,043</u>)	<u>(8)</u>	811,87 <u>5</u>	9	(211)
reclassified to profit or loss: Exchange differences on translation of financial statements of foreign operations Losses from investments in debt instruments measured at fair value through other	1,284,555	11	(296,477)	(3)	533
comprehensive income Income tax related to components of other comprehensive income that will be reclassified to profit	(5,918,474)	(49)	(1,459,302)	(16)	306
or loss Components of other comprehensive loss that will be reclassified to profit or	<u>352,545</u>	3	166,687	2	112
loss, net of tax	<u>(4,281,374</u>)	<u>(35</u>)	(1,589,092)	<u>(17</u>)	169
Other comprehensive loss for the year, net of tax	(5,182,417)	<u>(43</u>)	(777,217)	<u>(8)</u>	567
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 625,938</u>	5	<u>\$ 2,422,706</u>	<u>26</u>	(74)
NET PROFIT ATTRIBUTABLE TO: Owners of the Bank Non-controlling interests	\$ 5,034,471 773,884	42 6	\$ 1,840,842 1,359,081	20 14	173 (43)
	<u>\$ 5,808,355</u>	<u>48</u>	\$ 3,199,923	<u>34</u>	82
					(Continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	Percentag e Increase (Decrease)		
	Amount	%	Amount	%	%	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Bank Non-controlling interests	\$ 2,259,593 (1,633,655)	19 <u>(14</u>)	\$ 1,497,197 <u>925,509</u>	16 	51 (277)	
	<u>\$ 625,938</u>	<u> </u>	<u>\$ 2,422,706</u>	<u>26</u>	(74)	
EARNINGS PER SHARE From continuing and discontinued operations						
Basic Diluted	<u>\$1.80</u> <u>\$1.62</u>		\$0.63 \$0.57			
From continuing operations Basic Diluted	\$1.80 \$1.62		\$0.63 \$0.57			

(Concluded)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

						Equity Attributable to	o Owners of the Bank							
									Exchange Differences on the Translation of	Unrealized Gains (Losses) on Financial Assets at Fair Value				
						Retained	l Earnings		Financial	Through Other			Non-controlling	
	Common Stock	Capital Stock Preferred Stocks	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Statements of Foreign Operations	Comprehensive Income	Treasury Stock	Owners of the Bank	Interests (Note 32)	Total Equity
BALANCE AT JANUARY 1, 2021	\$27,330,063	\$ 3,000,000	\$30,330,063	\$ 5,966	\$ 3,697,811	\$ 1,396,353	\$ 106,262	\$ 5,200,426	\$ (697,554)	\$ 755,298	\$ (38,304)	\$35,555,895	\$18,696,870	\$54,252,765
Reversal of special reserve	-	-	-	-	-	(598,570)	598,570	-	-	-	-	-	-	-
Appropriation and distribution of 2020 earnings					24.070		(24.070.)							
Legal reserve Cash dividends of common stock distributed by the	-	•	-	-	31,879		(31,879)	(545,454)	•	•	•	(545,454)	-	(545,454)
Bank Cash dividends of preferred stock distributed by the	•	•	•	•	-	-	(545,454)		•	•	•		-	
Bank	-	-	-	-	-	-	(127,500)	(127,500)	-	-	-	(127,500)	-	(127,500)
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-		-	405		-	-	-		-	-	405		405
Unclaimed dividends	-	-	-	363	-	-	-	-	-	-	-	363	1,023	1,386
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(836,921)	(836,921)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	1,840,842	1,840,842	-	-	-	1,840,842	1,359,081	3,199,923
Other comprehensive income (loss) for the year ended December 31, 2021			.				(2,594)	(2,594)	(248,513)	(92,538)		(343,645)	(433,572)	(777,217)
Total comprehensive income (loss) for the year ended December 31, 2021			.		.		1,838,248	1,838,248	(248,513)	(92,538)	<u>-</u>	1,497,197	925,509	2,422,706
Disposals of investment in equity instruments designated as at fair value through other comprehensive income	<u>-</u> _	<u>-</u>					202,172	202,172		(202,172)		<u>-</u> _	-	<u>-</u> _
BALANCE AT DECEMBER 31, 2021	27,330,063	3,000,000	30,330,063	6,734	3,729,690	797,783	2,040,419	6,567,892	(946,067)	460,588	(38,304)	36,380,906	18,786,481	55,167,387
Reversal of special reserve	-	-	-	-	-	(648,652)	648,652	-	-	-	-	-	-	-
Appropriation and distribution of 2021 earnings														
Legal reserve Special reserve	:	:	-	:	612,126	485,479	(612,126) (485,479)		:	:		-	:	:
Cash dividends of common stock distributed by the Bank	-	-	-	-	-	-	(819,145)	(819,145)	-	-	-	(819,145)	-	(819,145)
Cash dividends of preferred stock distributed by the Bank	-	-	-	-	-	-	(127,500)	(127,500)	-	-	-	(127,500)	-	(127,500)
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	-	-	424	-	-	-	-		-		424	-	424
Disgorgement exercised	-	-	-	10	-	-	-	-	-	-	-	10	-	10
Unclaimed dividends	-	-	-	616	-	-	-	-	-	-	-	616	1,072	1,688
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(865,780)	(865,780)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	5,034,471	5,034,471	-	-	-	5,034,471	773,884	5,808,355
Other comprehensive income (loss) for the year ended December 31, 2022							31,159	31,159	1,111,954	(3,917,991)		_(2,774,878)	(2,407,539)	(5,182,417)
Total comprehensive income (loss) for the year ended December 31, 2022							5,065,630	5,065,630	1,111,954	(3,917,991)		2,259,593	(1,633,655)	625,938
Common shares converted from convertible shares	9,860	(9,860)	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction of subsidiaries for cash received by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(793)	(793)
Transfer of treasury stock to employees under share-based payment arrangements	-		-	5,868	-	-	-	-	-	-	21,467	27,335		27,335
Disposals of investment in equity instruments designated as at fair value through other comprehensive income							(241,014)	(241,014)		241,014				
BALANCE AT DECEMBER 31, 2022	\$27,339,923	\$ 2,990,140	\$30,330,063	\$ 13,652	\$ 4,341,816	\$ 634,610	\$ 5,469,437	\$10,445,863	\$ 165,887	\$ (3,216,389)	\$ (16,83 <u>7</u>)	\$37,722,239	\$16,287,325	\$54,009,564
*														

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	\$ 6,617,226	\$ 4,238,968
Loss from discontinued operations before tax	-	(4,697)
Adjustments for:		(1,001)
Depreciation expense	343,952	359,168
Amortization expense	279,257	281,967
Expected credit losses/recognition of provisions	600,194	550,438
Share-based payment arrangements	8,423	-
Net gain on financial assets or liabilities at fair value through	•	
profit or loss	(3,899,414)	(862,473)
Interest expense	4,766,262	2,170,292
Interest revenue	(9,347,757)	(6,830,219)
Dividend income	(462,266)	(250,765)
Share of profit of associates accounted for using equity method	(3,334,489)	(94,846)
Loss (gain) on disposal of property and equipment	4,710	(231)
Loss (gain) on disposal of investments	308,294	(159,857)
Changes in operating assets and liabilities:		
Due from the Central Bank and call loans to banks	526,228	724,820
Financial assets at fair value through profit or loss	10,254,007	11,007,217
Financial assets at fair value through other comprehensive		
income	29,676,220	(18,548,806)
Investment in debt instruments at amortized cost	(25,661,361)	-
Bills and bonds purchased under resell agreements	1,412,109	(631,226)
Receivables	(520,532)	(5,349,722)
Discounts and loans	(32,198,962)	10,517,050
Deposits from the Central Bank and other banks	(4,448,657)	(603,454)
Financial liabilities at fair value through profit or loss	566,828	(348,961)
Bills and bonds sold under repurchase agreements	(7,795,859)	6,786,790
Payables	(35,274)	(169,006)
Deposits and remittances	33,785,561	(8,340,247)
Provisions	4,016	<u>(18,494)</u>
Cash generated from (used in) operations	1,448,716	(5,576,294)
Interest received	8,775,223	6,951,157
Dividends received	497,786	261,363
Interest paid	(4,118,272)	(2,354,341)
Income taxes paid	<u>(795,671</u>)	(808,793)
Net cash flows generated from (used in) operating activities	5,807,782	(1,526,908)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of subsidiaries	(2,540,264)	_
Acquisition of property and equipment	(128,890)	(97,062)
Proceeds from disposal of property and equipment	59,600	3,102
Increase in refundable deposits	(99,334)	(197,383)
Acquisition of intangible assets	(50,212)	(35,324)
1	(,)	(Continued)
		()

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Proceeds from disposal of intangible assets Decrease in other financial assets Increase in other assets	\$ 34,276 90,905 (206,762)	\$ - 536,523 (42,131)
Net cash flows (used in) generated from investing activities	(2,840,681)	167,725
CASH FLOWS FROM FINANCING ACTIVITIES Increase in short-term borrowings Increase in commercial papers Decrease in commercial papers Proceeds from issuing bank debentures Repayments of bank debentures Proceeds from long-term borrowings Repayments of long-term borrowings Repayments of the principal portion of lease liabilities Increase in other financial liabilities Decrease in other liabilities Decrease in other liabilities Dividends paid to owners of the Bank	1,234,630 - (2,976,269) 1,100,000 (2,500,000) 6,113,689 (5,010,824) (138,845) 568,543 - (432,016) (946,645)	546,107 436,540 - 1,500,000 (2,900,000) 6,700,165 (4,627,940) (178,417) - (533,398) 470,024 - (672,954)
Transfer of treasury stock to employees Dividends paid to non-controlling interests	18,912 (865,780)	<u>(836,921)</u>
Net cash flows used in financing activities	(3,834,605)	(96,794)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	894,464	(251,471)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,960	(1,707,448)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u> 15,198,196</u>	16,905,644
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$15,225,156</u>	<u>\$15,198,196</u> (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2022 and 2021:

	December 31		
	2022	2021	
Cash and cash equivalents reported in the consolidated balance			
sheets	\$ 6,414,978	\$11,779,386	
Due from the Central Bank and call loans to banks qualifying for			
cash and cash equivalents under the definition of IAS 7	8,195,724	2,865,016	
Other items qualifying for cash and cash equivalents under the			
definition of IAS 7	614,454	<u>553,794</u>	
Cash and cash equivalents at the end of the year	<u>\$15,225,156</u>	<u>\$15,198,196</u>	

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders O-Bank Co., Ltd.

Opinion

We have audited the accompanying financial statements of O-Bank Co., Ltd (the "Bank"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the financial statements for the year ended December 31, 2022 are as follows:

Allowance for Credit Losses of Loans

The Bank is engaged principally in providing loans to customers. The Bank's management performed loans impairment assessment in accordance with the requirements of International Financial Reporting Standard 9, "Financial Instruments". In addition, the allowance for credit losses of loans was calculated and classified in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" (referred to as "Banking Institutions Regulations Governing the Procedures for Bad Debt").

For details on the accounting policy on the allowance for credit losses, refer to Note 4 to the accompanying financial statements; for details on the critical accounting judgments, estimations and assumptions of loan impairment, refer to Note 5 to the accompanying financial statements; and for details on the allowance for credit losses, refer to Note 13 to the accompanying financial statements.

The Bank shall assesses the classification of credit-granting assets and recognize allowance for credit losses of loans in accordance with the "Banking Institutions Regulations Governing the Procedures for Bad Debt". Since the assessment and recognition of loss allowance involve subjective judgments, critical estimations and assumptions of the management, we have included the assessment of allowance for credit losses of loans as a key audit matter.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

- We obtained an understanding and tested the internal controls in respect of the Bank's loan impairment assessment.
- We examined that the classifications of loans were in accordance with the "Banking Institutions Regulations Governing the Procedures for Bad Debt". We also recalculated the amount of the allowance for credit losses on loans and checked and confirmed that the Bank has met the requirement of the regulation or not.

Investments Accounted for Using the Equity Method - Assessment of Reserve for Loss on Guarantee Contracts

China Bills Finance Corporation, a subsidiary accounted for using equity method, sets aside reserves for guarantee liabilities. It is required to comply, with both the International Financial Reporting Standard 9, "Financial Instruments", whereby the expected losses on guarantee obligations generated by financial guarantee contracts are assessed, and the "Regulations Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Non-performing Credit, Non-accrual Loans, and Bad Debt" (referred to as the "Bills Finance Companies Regulations for Evaluating Bad Debt"), whereby the reserves for guarantee liabilities are classified and made.

For the accounting policy and details on the investments accounted for using the equity method, refer to Notes 4 and 13 to the accompanying financial statements.

China Bills Finance Corporation assesses reserves for guarantee contracts which involve subjective judgements, critical estimations and assumptions of the management. The classification of credit-granting assets and recognition of the reserve for guarantee contracts in accordance with the "Bills Finance Companies Regulations for Evaluating Bad Debt" influence the amounts of the reserve for guarantee contracts. Thus, we considered the assessment of reserve losses on guarantee contracts as a key audit matter.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

- We obtained an understanding of the internal controls on the estimated impairment of reserve for losses on guarantee contracts and we tested the effectiveness of the operation of the controls.
- We reviewed the assessment schedule of reserve for losses on credit-granting assets, which the
 management of China Bills Finance Corporation used to assess the reserve. We checked the
 completeness of the amount of credit-granting assets in the schedule and the rationality of
 classifications. We recalculated the amounts of reserve for losses on guarantee contracts in the
 schedule and checked and confirmed that the reserve has met the requirements of the "Bills
 Finance Companies Regulations for Evaluating Bad Debt" or not.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and Wang-Sheng Lin.

Deloitte & Touche Taipei, Taiwan Republic of China

March 14, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

(With respect to the Notes in the Independent Auditors' Report, please refer to the 2022 Financial Statement of O-Bank from the Market Observation Post System)

O-BANK CO., LTD.

BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 4,113,060	1	\$ 3,801,811	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	17,140,613	5	12,265,965	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	32,835,125	9	37,056,448	12
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	63,579,072	18	80,744,358	26
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	24,181,824	7	-	-
RECEIVABLES, NET	2,954,768	1	2,098,288	1
CURRENT TAX ASSETS	68,713	-	143,645	-
DISCOUNTS AND LOANS, NET	185,976,501	52	156,748,321	50
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	20,609,844	6	17,335,412	5
OTHER FINANCIAL ASSETS	614,454	-	771,094	-
PROPERTY AND EQUIPMENT, NET	2,281,372	1	2,365,867	1
RIGHT-OF-USE ASSETS, NET	186,327	-	182,470	-
INTANGIBLE ASSETS, NET	636,363	-	853,597	-
DEFERRED TAX ASSETS	388,985	-	422,953	-
OTHER ASSETS	387,305	=	273,322	
TOTAL	<u>\$355,954,326</u>	<u>100</u>	<u>\$315,063,551</u>	<u>100</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from the Central Bank and other banks	\$ 13,920,429	4	\$ 18,780,176	6
Financial liabilities at fair value through profit or loss Bills and bonds sold under repurchase agreements	785,585 8,285,988	- 2	316,245 895,966	-
Payables	2,741,713	1	1,617,652	-
Current tax liabilities	90,074	-	100,670	-
Deposits and remittances	274,503,978	77	238,194,464	76
Bank debentures payable Other financial liabilities	13,600,000 2,870,224	4 1	15,000,000 2,314,610	5 1
Provisions	354,875	-	509,495	-
Lease liabilities	195,008	-	190,235	-
Deferred tax liabilities	628,175	-	517,450	-
Other liabilities	256,038	_	245,682	
Total liabilities	318,232,087	<u>89</u>	278,682,645	_88
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK Capital				
Common stock	27,339,923	8	27,330,063	9
Preferred stock	2,990,140	1	3,000,000	1
Total capital	30,330,063	9	30,330,063	<u>10</u>
Capital surplus Retained earnings	13,652		6,734	
Legal reserve	4,341,816	1	3,729,690	1
Special reserve	634,610	-	797,783	-
Unappropriated earnings	5,469,437	2	2,040,419	1
Total retained earnings	10,445,863	3	6,567,892	2
Other equity Treasury shares	(3,050,502) (16,837)	<u>(1</u>)	(485,479) (38,304)	<u> </u>
Total equity	37,722,239	<u>11</u>	36,380,906	_12
TOTAL	<u>\$355,954,326</u>	<u>100</u>	\$315,063,551	<u>100</u>

O-BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
-	Amount	%	Amount	%	%
NET INTEREST					
INTEREST REVENUE INTEREST EXPENSE	\$5,812,033 (3,044,145)	64 <u>(33</u>)	\$3,471,339 <u>(1,261,044</u>)	63 <u>(23</u>)	67 141
NET INTEREST	2,767,888	<u>31</u>	2,210,295	<u>40</u>	25
NET REVENUE OTHER THAN INTEREST REVENUE					
Service fee income, net Gains on financial assets or liabilities measured at fair value	816,035	9	804,356	15	1
through profit or loss Realized gains on financial assets	3,232,746	35	135,585	2	2,284
at fair value through other comprehensive income Foreign exchange gain (loss), net Impairment loss on assets Share of profit of subsidiaries and	247,534 (2,371,000) (158)	3 (26) -	267,977 598,310 (4,851)	5 11 -	(8) (496) (97)
associates accounted for using equity method Other net revenue other than	4,290,855	47	1,415,994	26	203
interest	80,076	1	83,634	1	(4)
Total net revenue other than interest revenue	6,296,088	69	3,301,005	60	91
TOTAL NET REVENUE	9,063,976	<u>100</u>	5,511,300	<u>100</u>	64
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(482,416</u>)	<u>(5</u>)	(474,298)	<u>(9</u>)	2

(Continued)

O-BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2024		Percentage Increase
-	2022 Amount	%	2021 Amount	%	(Decrease) %
OPERATING EXPENSES Employee benefits expenses	\$1,920,746	21	\$1,666,457	30	15
Depreciation and amortization expenses Other general and administrative	520,908	6	525,492	10	(1)
expenses	898,080	<u>10</u>	829,983	<u>15</u>	8
Total operating expenses	3,339,734	<u>37</u>	3,021,932	<u>55</u>	11
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	5,241,826	58	2,015,070	36	160
INCOME TAX EXPENSE	207,355	2	174,228	3	19
NET PROFIT FOR THE YEAR	5,034,471	<u>56</u>	1,840,842	<u>33</u>	173
OTHER COMPREHENSIVE INCOME (LOSS) Components of other comprehensive income (loss) that will not be reclassified to profit or loss: Gains (losses) on remeasurements of defined benefit plans Revaluation gains (losses) on investments in equity instruments measured at fair	21,899	-	(2,426)	-	1,003
value through other comprehensive income Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(804,981)	(9)	630,947	11	(228)
accounted for using equity method Components of other comprehensive income (loss) that will not be	(63,951)	(1)	<u>29,834</u>	1	(314)
reclassified to profit or loss, net of tax	(847,033)	<u>(10</u>)	<u>658,355</u>	_12	(229) (Continued)

O-BANK CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Components of other comprehensive income (loss) that will be reclassified to profit or loss: Exchange differences on translation of financial					
statements of foreign operations Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted	\$1,235,070	14	\$ (280,110)	(5)	541
for using equity method Losses from investments in debt instruments measured at fair value through other	(1,172,254)	(13)	(254,539)	(5)	361
comprehensive income Income tax related to components of other comprehensive income that will be reclassified to profit or	(1,867,545)	(21)	(498,948)	(9)	274
loss Components of other comprehensive loss that will be reclassified to profit or	(123,116)	<u>(1</u>)	31,597	1	(490)
loss, net of tax	<u>(1,927,845</u>)	<u>(21</u>)	(1,002,000)	<u>(18</u>)	92
Other comprehensive loss for the year, net of tax	(2,774,878)	<u>(31</u>)	(343,645)	<u>(6</u>)	707
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$2,259,593</u>	<u>25</u>	<u>\$1,497,197</u>	<u>27</u>	51
EARNINGS PER SHARE Basic Diluted	\$1.80 \$1.62		\$0.63 \$0.57		

(Concluded)

O-BANK CO., LTD.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

										Notes 9 and 29)		
									Exchange Differences on the Translation	Unrealized Gains (Losses) on Financial		
		Capital Stock				Retained	Earnings		Of Financial Statements	Assets at Fair Value		
	Common Stocks	Preferred Stocks	Total	- Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	of Foreign Operations	Through Other Comprehensive	Treasury Stock	Total Equity
BALANCE AT JANUARY 1, 2021	\$27,330,063	\$ 3,000,000	\$30,330,063	\$ 5,966	\$ 3,697,811	\$ 1,396,353	\$ 106,262	\$ 5,200,426	\$ (697,554)	\$ 755,298	\$ (38,304)	\$35,555,895
Reversal of special reserve	-	-	-	-	-	(598,570)	598,570	-	-	-	-	-
Appropriation and distribution of 2020 earnings Legal reserve					31,879		(31,879)					
Cash dividends of common stock distributed by the Bank Cash dividends of preferred stock distributed by the Bank	-	-	-	-		-	(545,454) (127,500)	(545,454) (127,500)	-	-	-	(545,454) (127,500)
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	-	-	405	-	-	-	-	-	-	-	405
Unclaimed dividends	-	-	-	363	-	-	-	-	-	-	-	363
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	1,840,842	1,840,842	-	-	-	1,840,842
Other comprehensive income (loss) for the year ended December 31, 2021		_	_	_	_		(2,594)	(2,594)	(248,513)	(92,538)	_	(343,645)
Total comprehensive income (loss) for the year ended December 31, 2021		_	_	_	_		1,838,248	1,838,248	(248,513)	(92,538)	_	1,497,197
Disposals of investments in equity instruments designated as at fair value through other comprehensive income			<u>-</u> _	<u>-</u>	<u>-</u> _		202,172	202,172		(202,172)		<u>-</u>
BALANCE AT DECEMBER 31, 2021	27,330,063	3,000,000	30,330,063	6,734	3,729,690	797,783	2,040,419	6,567,892	(946,067)	460,588	(38,304)	36,380,906
Reversal of special reserve	-	-	-	-	-	(648,652)	648,652	-	-	-	-	-
Appropriation and distribution of 2021 earnings Legal reserve					612.126		(612,126)					
Special reserve appropriated	-	-	-	-	012,120	485,479	(485,479)	-	-	-	-	-
Cash dividends of common stock distributed by the Bank Cash dividends of preferred stock distributed by the Bank			-	-	-	-	(819,145) (127,500)	(819,145) (127,500)		-	-	(819,145) (127,500)
Changes in capital surplus from investments in subsidiaries												
accounted for using the equity method	-	-	-	424	-	-	-	-	-	-	-	424
Disgorgement exercised	-	-	-	10	-	-	-	-	-	-	-	10
Unclaimed dividends	-	-	-	616	-	-	-	-	-	-	-	616
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	5,034,471	5,034,471	-	-	-	5,034,471
Other comprehensive income (loss) for the year ended December 31, 2022	-		_	_			31,159	31,159	1,111,954	(3,917,991)	<u>=</u>	(2,774,878)
Total comprehensive income (loss) for the year ended December 31, 2022	_		_	-	_		5,065,630	5,065,630	1,111,954	(3,917,991)	-	2,259,593
Common shares converted from convertible preferred shares	9,860	(9,860)	-	-	-	-	-	-	-	Ē	-	-
Purchase of treasury stock	-	-	-	5,868	-	-	-	-	-	-	21,467	27,335
Disposals of investments in equity instruments designated as at fair value through other comprehensive income				-	_		(241,014)	(241,014)		241,014	_	<u>-</u>
BALANCE AT DECEMBER 31, 2022	\$27,339,923	\$ 2,990,140	\$30,330,063	<u>\$ 13,652</u>	<u>\$ 4,341,816</u>	\$ 634,610	\$ 5,469,437	<u>\$10,445,863</u>	<u>\$ 165,887</u>	<u>\$ (3,216,389</u>)	<u>\$ (16,837</u>)	\$37,722,239

O-BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax Adjustments for:	\$ 5,241,826	\$ 2,015,070
Depreciation expense	253,705	256,010
Amortization expense	267,203	269,482
Expect credit losses/recognition of provisions	482,574	479,149
Net gain on financial assets or liabilities at fair value through		
profit or loss	(3,232,746)	(135,585)
Interest expense	3,044,145	1,261,044
Interest revenue	(5,812,033)	(3,471,339)
Dividends income	(302,794)	(188,668)
Share-based payment arrangements	8,423	-
Share of gain of subsidiaries, associates and joint ventures		
accounted for using equity method	(4,290,855)	(1,415,994)
Loss on disposal of property and equipment	(113)	(250)
Loss (gain) on disposal of investments	55,260	(79,309)
Changes in operating assets and liabilities:	500.000	704.000
Due from the Central Bank and call loans to banks	526,228	724,820
Financial assets at fair value through profit or loss	7,923,409	18,800,017
Financial assets at fair value through other comprehensive	14 206 522	(45 262 200)
income Investments in debt instruments at amortized cost	14,396,533 (24,177,879)	(15,362,308)
Receivables	(393,952)	(907,340)
Discounts and loans	(29,903,131)	6,720,114
Deposits from the Central Bank and other banks	(4,859,747)	(3,559,579)
Bills and bonds sold under repurchase agreements	7,390,022	(543,050)
Payables	665,100	49,812
Deposits and remittances	36,309,514	(8,226,359)
Provisions	(1,034)	(5,752)
Cash flows used in operations	3,589,658	(3,320,015)
Interest received	5,278,644	3,497,648
Dividends received	658,913	526,550
Interest paid	(2,462,695)	(1,450,722)
Income taxes paid	(25,813)	(85,658)
Net cash flows generated from (used in) operating activities	7,038,707	(832,197)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of investments accounted for		
equity-method	159,140	-
Acquisition of property and equipment	(87,525)	(56,273)
Proceeds from disposal of property and equipment	2,959	350
Increase in refundable deposits	(108,226)	-
Decrease in refundable deposits	-	326,101
Acquisition of intangible assets	(37,395)	(22,840)
		(Continued)

O-BANK CO., LTD.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in other financial assets Increase in other assets	\$ 217,300 (5,757)	\$ 1,808 (14,485)
Net cash flows generated from investing activities	140,496	234,661
CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from issuing bank debentures Repayments of bank debentures Increase in funds intended for specific types of loans Repayments of funds intended for specific types of loans Repayment of the principal portion of lease liabilities Increase in other financial liabilities Increase in other liabilities Cash dividends paid Transfer of treasury stock to employees	1,100,000 (2,500,000) 211,533 (573,203) (98,627) 917,284 10,366 (946,645) 18,912	1,500,000 (2,900,000) 506,833 (1,059,192) (96,711) 18,961 183,846 (672,954)
Net cash flows used in financing activities	(1,860,380)	(2,519,217)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>453,962</u>	(230,202)
NET DECREASE IN CASH	5,772,785	(3,346,955)
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	6,505,276	9,852,231
CASH AND CASH EQUIVALENT AT END OF THE YEAR	<u>\$12,278,061</u>	\$ 6,505,276

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of December 31, 2022 and 2021:

	December 31	
	2022	2021
Cash and cash equivalents reported in the balance sheets Due from the Central Bank and call loans to banks qualifying for	\$ 4,113,060	\$ 3,801,811
cash and cash equivalents under the definition of IAS 7 Other items qualifying for cash and cash equivalents under the	7,550,547	2,149,671
definition of IAS 7 Cash and cash equivalents at end of the year	614,454 \$12,278,061	553,794 \$ 6,505,276

(Concluded)

Appendix IX

O-Bank Co., Ltd.'s Articles of Incorporation:

Amended Article	Original Article	Explanation
Article 7:	Article 7:	Correct the relevant text
The total authorized capital of the	The total authorized capital of the	in accordance with
Bank shall be NT\$35 billion,	Bank shall be NT\$35 billion,	company's internal
divided into 3.5 billion shares with	divided into 3.5 billion shares with	rewards practice.
a par value of NT\$10 each and	a par value of NT\$10 each and	
including common and preferred	including common and preferred	
shares. The Board of Directors is	shares. The Board of Directors is	
authorized to, in accordance with	authorized to, in accordance with	
the <i>Company Act</i> and applicable	the <i>Company Act</i> and applicable	
laws and regulations, issue such	laws and regulations, issue such	
shares in installments if	shares in installments if	
necessary. The source of capital	necessary. The source of capital	
contribution by shareholders is	contribution by shareholders is	
limited to cash only.	limited to cash only. <u>The Bank</u>	
The Bank may issue employee	may issue employee share	
stock option certificates and new	subscription warrants and 200	
shares with restricted employee	million shares of the foregoing	
rights within the preceding total	capital stock shall be set aside for	
amount of shares, and the	the purpose of issuing such	
relevant operations shall be	warrants.	
handled in accordance with		
relevant laws and regulations.		
Article 32:	Article 32:	Relax the company's
If the Bank records a profit in a	If the Bank records a profit in a	employee remuneration
year, the Bank shall set aside <u>no</u>	year, the Bank shall set aside <u>1-</u>	appropriation ratio to
less than 0.5% of the profit for	2.5% of the profit for employee	increase flexibility.
employee remunerations. If the	remunerations. If the Bank has	
Bank has accumulated losses,	accumulated losses, however, the	
however, the profit shall be used	profit shall be used to offset the	
to offset the aforesaid	aforesaid accumulated losses	
accumulated losses first.	first.	

Amended Article	Original Article	Explanation
Distribution of employee	Distribution of employee	
remunerations in stock or cash	remunerations in stock or cash	
shall require a resolution adopted	shall require a resolution adopted	
through a majority vote of the	through a majority vote of the	
directors present at a meeting	directors present at a meeting	
attended by not less than two-	attended by not less than two-	
thirds of all directors, which in	thirds of all directors, which in	
turn shall be reported to a	turn shall be reported to a	
shareholders' meeting. The	shareholders' meeting. The	
employees entitled to the	employees entitled to the	
aforesaid remunerations may	aforesaid remunerations may	
include those employed by the	include those employed by the	
Bank's affiliated companies who	Bank's affiliated companies who	
meet specific requirements.	meet specific requirements.	
Article 34	Article 34	The date and ordinal
These Articles of Incorporation	These Articles of Incorporation	number of another
were enacted on June 22,	were enacted on June 22,	amendment are added.
1998 ; the 15 th amendment on	1998 ; the 15 th amendment on	
June 2, 2015; the 16 th	June 2, 2015; the 16 th	
amendment on October 2, 2015;	amendment on October 2, 2015;	
the 17 th amendment on June 3,	the 17 th amendment on June 3,	
2016; the 18 th amendment on	2016; the 18 th amendment on	
June 14, 2017; the 19 th	June 14, 2017; the 19 th	
amendment on June 14, 2018;	amendment on June 14, 2018;	
the 20 th amendment on June 19,	the 20 th amendment on June 19,	
2020; the 21 th amendment on	2020; the 21 th amendment on	
June 17, 2022 <u>; and the 22th</u>	June 17, 2022.	
amendment on June ○, 2023.		

Appendix X

O-Bank Co., Ltd. Procedural Rules Governing Shareholders' Meetings:

Amended Article	Original Article	Explanation
Article 3	Article 3	Since the company holds a
Unless otherwise provided by	Unless otherwise provided by	video-conference
applicable laws or regulations,	applicable laws or regulations, the	shareholders meeting,
the shareholders' meetings of the	shareholders' meetings of the	shareholders can only
Company shall be convened by	Company shall be convened by	participate in the
the Board of Directors.	the Board of Directors.	shareholders meeting in the
<u>Unless otherwise provided in</u>		form of a video conference,
Regulations Governing the		thus there are restrictions
Administration of Shareholder		on the rights and interests
Services of Public Companies, a		of shareholders. In order to
company that will convene a		protect the rights and
shareholders' meeting with video		interests of shareholders,
conferencing shall expressly		the 2nd paragraph is
provide for such meetings in its		added. Unless otherwise
Articles of Incorporation and		stipulated in Regulations
obtain a resolution of it shall		Governing the
require the attendance of more		Administration of
than two-thirds of the directors		Shareholder Services of
and the consent of more than half		Public Companies, it shall
of the directors present.		be specified in the articles
The following paragraphs are	The following paragraphs are	of incorporation and
omitted.	omitted.	resolved by the board of
		directors, and the
		company's convening of a video-conference
		shareholders' meeting shall
		require the attendance of more than two-thirds of the
		directors and the consent of
		more than half of the
		directors present (i.e. The resolutions of the special
		resolutions) shall be carried
		out, and the rest of the
		Articles shall be adjusted
		accordingly.
		accordingly.

Amended Article	Original Article	Explanation
Article 6-1	Article 6-1	1. Considering the
To convene a visual	To convene a visual	convening of the video-
communication shareholders	communication shareholders	conference shareholders
meeting, the Company shall	meeting, the Company shall	meeting, shareholders
include the follow particulars in	include the follow particulars in	can only participate in the
the shareholders' meeting notice:	the shareholders' meeting notice:	shareholders meeting
Paragraph 1 and 2 are omitted.	Paragraph 1 and 2 are omitted.	through video-
3. To convene a virtual-only	3. To convene a virtual-only	conference, in order to
shareholders' meeting,	shareholders' meeting,	provide appropriate
appropriate alternative	appropriate alternative	alternative measures for
measures available to	measures available to	shareholders who have
shareholders with difficulties in	shareholders with difficulties in	difficulty participating in
attending a visual	attending a visual	the video-conference
communication shareholders	communication shareholders	method, and to assist
meeting online shall be	meeting online shall be	them to use connection
specified. Unless otherwise	specified.	equipment to participate
provided in Article 44-9, Item 6		in the shareholder
of Regulations Governing the		meeting, please refer to
Administration of Shareholder		the third In the latter part
Services of Public Companies, when the company convenes a		of the new paragraph, it is stipulated that the
virtual-only shareholders'		company shall at least
meeting, it furthermore shall		provide the connection
specify appropriate alternative		equipment and venue for
measures available to		shareholders to
shareholders who have		participate in the meeting
difficulty taking part in a virtual		held via video
shareholders' meeting.		conference, and assign
<u> </u>		relevant personnel on the
		spot to provide necessary
		assistance to
		shareholders, and shall
		specify the period during
		which shareholders can
		apply to the company
		and other related
		considerations.
		2. In addition, in the event
		of the provisions of R
		Article 44-9, Item 6 of the
		Regulations Governing
		the Administration of
	1	1

Amended Article	Original Article	Explanation
		Shareholder Services of Public Companies, due to natural disasters, accidents, or other force majeure events, the Ministry of Economic Affairs announces that the company shall, within a certain period of time, not stipulated in the articles of association In special circumstances where the shareholders' meeting can be convened by way of video conferencing, since it is necessary to provide relevant necessary supporting measures depending on the situation at the time, the cancellation document is added to the third paragraph, which clearly stipulates that if the situation stipulated in the sixth paragraph of Article 44-9 occurs, there is no need to the latter paragraph of paragraph 3 applies.
Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a visual communication shareholders meeting online. Unless otherwise provided in Article 44-9, Item 6 of	Article 22 When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a visual communication shareholders meeting online.	The reason for the amendment is the same as Article 6-1.

Amended Article	Original Article	Explanation
Regulations Governing the		
Administration of Shareholder		
Services of Public Companies,		
when the company convenes a		
virtual-only shareholders'		
meeting, it furthermore shall		
specify appropriate alternative		
measures available to		
shareholders who have difficulty		
taking part in a virtual		
shareholders' meeting.		

Appendix XI

O-Bank Co., Ltd.'s *Procedures for Assets Acquisition or Disposal*:

Amended Article	Original Article	Explanation
Article 12	Article 12	Align with the newly
		added indicators of
Paragraph 1 to 3 are omitted.	Paragraph 1 to 3 are omitted.	corporate governance
		evaluation and refer to
If the company or a subsidiary	If the company or a subsidiary	Provisions of Article 9-1
thereof that is not a domestic	thereof that is not a domestic	and Article 11, Item 6 of
public company will have a	public company will have a	the Operating Standards
transaction set out in paragraph 1	transaction set out in paragraph 1	for XXX Co., Ltd. Rules
and the transaction amount will	and the transaction amount will	Governing Financial and
reach 10 % or more of the public	reach 10 % or more of the public	Business Matters
company's total assets, the public	company's total assets, the public	Between this Corporation
company shall submit the	company shall submit the	and its Affiliated
materials in all the subparagraphs	materials in all the subparagraphs	Enterprises of this article
of paragraph 1 to the	of paragraph 1 to the	is added.
shareholders meeting for	shareholders meeting for	
approval before the transaction	approval before the transaction	
contract may be entered into and	contract may be entered into and	
any payment made. However,	any payment made. However,	
this restriction does not apply to	this restriction does not apply to	
transactions between the public	transactions between the public	
company and its parent company	company and its parent company	
or subsidiaries or between its	or subsidiaries or between its	
subsidiaries.	subsidiaries.	
The calculation of the transaction	The calculation of the transportion	
amounts referred to in paragraph	The calculation of the transaction amounts referred to in paragraph	
1 and the preceding paragraph	1 and the preceding paragraph	
shall be made in accordance with	shall be made in accordance with	
Article 24, paragraph 2 herein,	Article 24, paragraph 2 herein,	
and "within the preceding year"	and "within the preceding year" as	
as used herein refers to the year	used herein refers to the year	
preceding the date of occurrence	preceding the date of occurrence	
of the current transaction. Items	of the current transaction. Items	
that have been approved by more	that have been approved by more	
and the second approved by more	The state of the s	

Amended Article	Original Article	Explanation
than half of all audit committee	than half of all audit committee	
members and for which a Board	members and for which a Board	
of Directors and the shareholders'	of Directors and the shareholders'	
meeting resolution has been	meeting resolution has been	
secured need not be counted	secured need not be counted	
toward the transaction amount.	toward the transaction amount.	
If the company has the first		
transaction with a related party, it		
shall submit the actual		
transaction status (including the		
actual transaction amount,		
transaction conditions, and the		
information of the first item, etc.)		
to the latest shareholders'		
meeting report after the end of		
the year.		

Appendix XII

O-Bank Co., Ltd.'s Election Procedures for Directors

Amended by the General Shareholders' Meeting of July 20, 2021

- Article 1: The election of the Bank's directors shall be held in accordance with provisions of these *Procedures*.
- Article 2: In the Bank's election of directors, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or distribute among multiple candidates.
- Article 3: The Bank's Board of Directors shall prepare the number of ballots equal to the number of directors to be elected and shall fill in the number of votes to be distributed to the attending members in the shareholders' meeting.
- Article 4: Prior to the commencement of an election, the chairperson shall appoint several ballot examiners (with shareholder status) and ballot counters to perform related duties.
- Article 5: The Board of Directors shall prepare a ballot box for the election of directors to be inspected by the ballot examiners prior to the casting of ballots.
- Article 6: In the election of directors, independent directors and non-independent directors shall be elected together, but their election lists shall be calculated separately.
- Article 7: A ballot shall be null and void upon occurrence of one of the following:
 - (1) The cast ballot is not one prepared by the party entitled to convene.
 - (2) The ballot cast into the ballot box is blank.
 - (3) The ballot contains unclear and unidentifiable writing or writing that has been altered.
 - (4) In the event of the selected candidate does not conform to the director candidate list.
 - (5) The ballot contains writing other than the number of votes assigned thereto.
 - (6) Two or more candidates are selected on the ballot.
- Article 8: The Bank's directors shall be elected by a shareholders' meeting from among persons with juridical action capacity. Based on voting results and the number of seats prescribed in the Bank's *Articles of Incorporation*, candidates to whom the ballots cast represent prevailing numbers of votes shall be elected as independent directors and non-independent directors in order respectively. If two or more candidates receive an equal number of votes, a draw shall take place between these candidates to determine who

shall be elected. Where a candidate is not present, the chairman shall draw on behalf of the candidate.

Where, upon further verification, it is confirmed that the personal information of a director thus elected proves non-conforming or that the election of the said director shall be null pursuant to applicable laws or regulations, the candidate receiving the second most votes in the same election shall be declared in the same shareholders' meeting as the one to fill the seat thus vacated.

Article 9: 7The voting rights shall be calculated on site immediately after the end of the poll, and the chairperson or an individual designated by the chairperson shall announce the voting result on the site, including the name list of persons elected as directors and votes won by them respectively; the name list of persons not elected as directors and votes obtained by them respectively.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. Where shareholders file a lawsuit according to Article 189 of the *Company Act*, said ballots shall be kept until the resolution of the litigation.

- Article 10: The Board of Directors shall send each elected director a notice of appointment.
- Article 11: Matters not stipulated herein shall be governed by the *Company Act*, the Bank's *Articles of Incorporation*, and other applicable laws and regulations.
- Article 12: These *Procedures* were enacted on July 12, 1999, with the 1st amendment on May 30, 2002; the 2nd amendment on June 15, 2007; the 3rd amendment on June 13, 2011; the 4th amendment on June 14, 2017, the 5th amendment on July 20, 2021.

Appendix XIII

Shareholdings of Directors

Record Date (Book Closure Date): April 18,2023

Position	Name		Current Shareholding	
Position			Shares	Ratio%
Chairman	Lo, Tina Y.	Representatives of Ming	362,298,574	13.25
Managing Director	Chien, Chih-Ming	Shan Investment Co., Ltd.	*23,972,980	*8.02
Managing Director	Lo, Kenneth C.M.		1,431,228	0.05
			*128,945	*0.04
Managing Director	Taiwan Cement Corp.		32,808,744	1.20
	Representative: Huang, Edward Chien Chiang		*2,955,881	*0.99
Independent	Hu Eu Haiung	II. F. Haima		
Managing Director	Hu, Fu- Hsiung		-	-
Independent Director	Lin, Hank H.K.		-	-
Independent Director	Liu, Richard R.C.		-	-
Director	Chen, Shih-Tze	Representatives of Tai Ya	83,137,161	3.04
Director	Lee, Elton F.Y.	Investment Co., Ltd.	*7,490,185	*2.50
Director	Lee, Mark J.C.		100,390	0.004
			*9,984	*0.003
Director	Abag Investment Holdings Co., Ltd.		54,728	0.002
	Representative: Cheng, George C.J.			
Director	Lin, Gordon W.C.	Representatives of Yi	268,554,793	9.82
Director	Yeh, Roy J.Y.	Chang Investment Co., Ltd.	*23,786,204	*7.95
Director	Lin, Bill K.C.		165,000	0.01

Note:

- 1. "*" denotes Class A Preferred Shares in this Table.
- 2. Total common shares issued as of April 18, 2023 (book closure date): 2,733,992,301 Total preferred shares A issued as of April 18, 2023 (book closure date): 299,014,000the Bank's total shares in issue stood at 3,033,006,301.
- 3. The Bank's board directors are required by law to hold a minimum of 72,792,151 shares. As of April 18, 2023, the roster of shareholders showed all directors to hold a combined 806,894,797 shares (Shareholdings of independent directors are not included in those of all directors.)
- 4. The Bank has established its Audit Committee, so the legal requirement over the minimum shareholdings of supervisors no longer applies.