

O-Bank Co., Ltd.

# The shareholders meeting agenda handbook of 2025 General Shareholders Meeting

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## **(Summary Translation)**

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

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June 13, 2025

**O-Bank Co., Ltd.**  
**The shareholders meeting agenda handbook of 2025 General  
Shareholders Meeting**

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**O-Bank Co., Ltd.**  
**2025 Annual General Meeting of Shareholders**

**Method of Convening the Meeting:**

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

**Time:** 9 am, June 13 (Friday), 2025

**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://stockservices.tdcc.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. Extempore motion.
7. Meeting adjourned.

## **Matters for Reporting**

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

Proposal: Business Report for 2024

Explanation: Please refer to Appendix III of this Handbook.

## **Proposal No. 2 (Proposed by the Audit Committee)**

Proposal: Review Report of 2024 Financial Statements by the Audit Committee

Explanation: Please refer to the next page for the Audit Committee 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 2024 audited by certified public accountants Kuan-Hao Lee and Wei-Chun Ma of Deloitte & Touche, business report, and statement of distribution of earnings to the Audit Committee. After reviewing the abovementioned statements and reports 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: April 29, 2025

### **Proposal No. 3 (Proposed by the Audit Committee)**

Proposal: Report on 2024 Operation of the Audit Committee

Explanation:

1. The Audit Committee held a total of 9 meetings in 2024. In addition to reviewing the financial statements, business reports, and distribution of earnings for 2024, the activities of the Audit Committee during the year included:
  - Reviewing the appointment or renewal of CPAs,
  - Assessing the effectiveness of the internal control system,
  - Assessing the effectiveness of the information security system, and
  - Supervising communications and risk management between the Audit Committee, the Bank's chief internal auditor, and CPAs.

For more details, please refer to Appendix IV of this Handbook

2. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 16<sup>th</sup> meeting.



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

Proposal: Distribution of Remunerations to Directors and Employees for 2024

Explanation:

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, no more than 2.5% shall be set aside as remuneration for directors, and no less than 0.5% shall be allocated for employees.
2. It is proposed that the remunerations for directors and employees for 2024 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, 1.3% of the aforesaid surplus, or NT\$45,574,277, 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, 1.5% of the aforesaid surplus, or NT\$52,585,704, is to be set aside for distribution in cash.
3. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 18<sup>th</sup> meeting.

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

Proposal: Report on the Remuneration Policy for Directors and Senior Management

Explanation:

1. The Bank's remuneration policy for directors and senior management is as follows:

Director Remuneration Principles:

- (1) Director remuneration should comprehensively consider the company's operational performance, director's contribution, responsibilities, and the results of board performance evaluations (examples of performance evaluation criteria include: understanding of company objectives and missions, director's awareness of responsibilities, degree of participation in company operations, internal relationship management and communication, director's expertise and continuous education, internal controls, etc.), and reference the industry standards for determination.
- (2) Director remuneration should be in accordance with Article 22 of the Bank's Articles of Incorporation. In years when the Bank makes a profit, the allocation percentage shall not exceed 2.5%, and independent directors shall not participate in the distribution of director's remuneration. In case of accumulated losses, an amount for compensation shall be reserved in advance.
- (3) Directors who violate regulations or laws related to company directors, or fail to complete the required training hours as regulated by the competent authority, may, after evaluation and resolution by the board of directors, be denied director's remuneration.
- (4) Directors who engage in ethical risks or cause significant negative impact on the company's image during their tenure may, upon evaluation and resolution by the board of directors, be subject to a mechanism for reclaiming director's remuneration.

## Senior Management Remuneration Principles:

- (1) The remuneration of managers of the Bank shall be based on a comprehensive consideration of their duties, professional skills, and job performance, and shall be determined with reference to industry standards.
  - (2) The variable bonuses of managers of the Bank shall be based on the overall operational performance of the company, the performance of their respective units, and individual performance, with some bonuses paid in the form of equity, linked to the company's share price, and closely linked to the company's long-term operational performance.
  - (3) Managers of the Bank who violate laws, regulations, or internal regulations, or cause significant risk events due to improper behavior, resulting in foreseeable or actual losses of benefits or goodwill to the Bank, and are found responsible, the Bank shall stop paying deferred bonuses or recover some or all of the variable remuneration already paid to establish a sustainable operation system closely linked to long-term operational performance.
2. The director's remuneration for 2024, please refer to Appendix V of this Handbook.
  3. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 18<sup>th</sup> meeting.

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

Proposal: Report of the Share Repurchase and its implementation

Explanation:

1. The Bank's Share Repurchase Implementation Status for 2024~2025 is as follows:
  - (1) Date of Board Resolution: December 25, 2024
  - (2) Purpose of Share Repurchase: Transfer of shares to employees
  - (3) Type of Shares Repurchased: Common shares
  - (4) Total Amount Limit of Share Repurchase: NT\$11,346,609,691
  - (5) Planned Repurchase Period: December 26, 2024 to February 25, 2025
  - (6) Planned Repurchase Quantity: Estimated repurchase of 15,000,000 shares, representing 0.53% of the Bank's issued shares
  - (7) Price Range for Repurchase: From NT\$7.00 to NT\$14.00 per share; nevertheless, share repurchase will continue if the Bank's stock price falls below the lower limit of the designated repurchase price range
  - (8) Actual Repurchase Period: December 27, 2024 to February 25, 2025
  - (9) Actual Repurchased Quantity: 15,000,000 shares
  - (10) Total Amount of Actual Share Repurchase: NT\$148,512,083 (including transaction fees)
  - (11) Average Repurchase Price per Share: NT\$9.90 (including transaction fees)
  - (12) Cumulative Number of Own Company Shares Held: 22,939,000 shares
  - (13) Ratio of Cumulative Own Company Shares Held to Total Issued Shares: 0.82%
2. In order to facilitate the subsequent procedures after repurchasing company shares, the Bank has established *Regulations Governing Transfer of Repurchased Shares to Employees* as Appendix VI.
3. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 16<sup>th</sup> meeting.

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

Proposal: Report of amendment to the Bank's *Ethical Corporate Management Best Practice Principles*

Explanation:

1. To align with actual business operations and the revision of *O-Bank Co., Ltd. Whistleblowing Policy*, certain provisions of this policy have been amended (please refer to Appendix VII of this Handbook for a comparison table of the original and amended articles). Key amendments are as follows:
  - (1) Article 17: The designated responsible unit has been changed from the “Corporate Social Responsibility Committee” to the “Corporate Governance and Nomination Committee.”
  - (2) Article 23: In line with the revision of *O-Bank Co., Ltd. Whistleblowing Policy*, Article 23 of the Bank’s “Ethical Corporate Management Best Practice principles” has been amended to update the whistleblowing procedures, including reporting channels and the investigation and handling mechanism.
  - (3) Article 27: Considering practical operations, the approval process has been adjusted. A provision has been added to authorize the division-level supervisor of the Human Resources Department to approve amendments involving only changes to organizational names, provided no changes are made to internal operational procedures.
2. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 10<sup>th</sup> meeting.

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

Proposal: Report of amendment to the Bank's *Procedures for Ethical Management and Guidelines for Conduct*

Explanation:

1. To align with actual business operations, certain provisions of the Guidelines have been amended accordingly (please refer to Appendix VIII of this Handbook for a comparison table of the original and amended articles). Key amendments are as follows:
  - (1) Article 5: The designated responsible unit has been changed from the “Corporate Social Responsibility Committee” to the “Corporate Governance and Nomination Committee.”
  - (2) Article 19: A supplier management mechanism has been added to address cases where a supplier engages in dishonest behavior but provides irreplaceable products.
  - (3) Article 21: In line with the revision of *O-Bank Co., Ltd. Whistleblowing Policy*, Article 21 of the Bank’s “Procedures for Ethical Management and Guidelines for Conduct” has been amended to update the whistleblowing procedures, including reporting channels and the investigation and handling mechanism.
  - (4) Article 24: Considering practical operations, the approval process has been adjusted. A provision has been added to authorize the division-level supervisor of the Human Resources Department to approve amendments involving only changes to organizational names, provided no changes are made to internal operational procedures.
2. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 10<sup>th</sup> and 18<sup>th</sup> meeting.

## **Proposal No. 9 (Proposed by the Board of Directors)**

Proposal: To advocate and raise awareness of the relevant provisions under Article 25 of the *Banking Act*

Explanation:

1. This compliance report is made in accordance with the letter of January 31, 2012, ref. Jin-Guan-Yin-Kong-Zi No. 10060005191 issued by the Financial Supervisory Commission (FSC).
2. To ensure compliance with Article 25 of the *Banking Act*, the FSC asked banks to bring shareholder attention to provisions of the said article by making a report at the General Meeting of Shareholders of the year preceding a scheduled board of directors reelection.
3. In accordance with Paragraph 2, Article 25 of the *Banking Act*, the same person or same concerned party who singly, jointly, or collectively acquires more than 5% of a bank's outstanding voting shares shall report such fact to the competent authority within 10 days from the day of acquisition; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned party by more than 1% thereafter.
4. In accordance with Paragraph 3, Article 25 of the *Banking Act*, the same person or same concerned party who intends to singly, jointly, or collectively acquire more than 10%, 25%, or 50% of a bank's outstanding voting shares shall apply for prior approval of the competent authority.
5. In the event that a shareholder of a bank violates Paragraph 2 or 3, Article 25 herein by failing to file a report with the Competent Authority with respect to his/her shareholding, or failing to acquire the approval of the competent authority to hold shares of the bank, in accordance with Paragraph 7, Article 25, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the Competent Authority. Such shareholder shall be subject to an FSC fine of not less than NT\$2 million and not more than NT\$10 million pursuant to Paragraph 3, Article 128 of the *Banking Act*. In the event that such same person or same concerned party is elected director, supervisor, or any

other responsible person's position, the FSC may at its discretion consider it a case applicable to Subparagraph 13, Article 3 of the *Regulations Governing Qualification Requirements and Concurrent Service Restrictions and Matters for Compliance by the Responsible Persons of Banks* and conclude that he/she has engaged in dishonest or improper activities and is thus unfit to serve as a responsible person of a bank.

6. The Bank has helped disseminate the foregoing provisions in the Shareholder Services section of its website. For relevant application and reporting forms, please refer to the Bank's website (<https://www.o-bank.com/about/investor/Shareholders/Legal-Disclosure>).
7. This proposal was approved by the 9<sup>th</sup> Board of Directors in its 16<sup>th</sup> meeting.



## **Matters for Ratification**

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

Proposal: Business Report and Financial Statements of 2024

Explanation:

1. The Bank's Financial Statements of 2024, which certified public accountants Kuan-Hao Lee and Wei-Chun Ma of Deloitte & Touche audited and for which they presented an unconditional opinion accordingly, and Business Report for 2024 (please refer to Appendices III and IX of this Handbook) were approved by the 9<sup>th</sup> Board of Directors in its 16<sup>th</sup> meetings and audited by the Audit Committee.
2. Shareholder ratification is respectfully requested.

Resolution:

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

Proposal: Distribution of Earnings for 2024

Explanation:

1. This proposal for distribution of 2024 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) Due to the conversion of Type A preferred shares into common shares between the dividend record date and the ex-dividend date, a discrepancy arose between the announced and actual dividend distributions for the 2023 earnings, resulting in an increase of NT\$23,051,506 in undistributed earnings.
  - (2) The Bank made NT\$2,856,199,365 in net income for the year 2024.
  - (3) Undistributed earnings adjustment items :
    - A. (NT\$94,838,905) 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\$31,896,644 from adjustment of investment accounted for using equity method.
    - C. NT\$15,447,000 from adjustment of remeasurements of defined benefit plans.
  - (4) NT\$842,611,231 Set aside the balance of item 2 adjusted by item 3 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.
  - (5) Reversal of compulsory special reserve:
    - A. In accordance with Article 41 of the *Securities and Exchange Act*, the decrease in the net deductions from "Other Equity" for the current year is reversed by the special reserve previously allocated: NT\$378,270,152.

- B. Making a NT\$4,788,888 reversal of special reserve to cover training expenses deemed necessary to accommodate fintech development or the Bank's operational needs.
- (6) Against the year's net income of NT\$2,856,199,365, and after applying the adjustments listed in Items (3) to (5), as well as adding the undistributed earnings of NT\$1,890,453,479 at the beginning of the period and the beginning balance adjustment of NT\$23,051,506 in Item (1), the distributable earnings amounted to NT\$4,262,656,898.
- (7) Proposed Distribution of Earnings:
- A. Pursuant to Article 8-1 of the Bank's *Articles of Association*, the dividend for Type A preferred shares is calculated based on an issue price of NT\$10 per share at an annual rate of 4.25%. The rate will reset to 5.07275% per annum effective May 30, 2024. However, all 227,648,423 shares of Type A preferred shares have been approved for full redemption by the competent authority on October 17, 2024. Based on the actual number of days outstanding, the estimated dividend payable on Type A preferred shares for 2024 is NT\$83,824,690.
- B. Pursuant to Article 8-1 of the Bank's *Articles of Association*, the dividend for Type B preferred shares is calculated based on an issue price of NT\$12 per share at an annual rate of 4.5%. Based on 250,000,000 Type B preferred shares outstanding as of March 31, 2025 and the actual number of days outstanding (with the capital increase record date being September 25, 2024), the estimated dividend payable on Type B preferred shares for 2024 is NT\$36,147,541.
- C. Based on 2,782,418,878 common shares outstanding as of March 31, 2025, the Bank plans to distribute a cash dividend of NT\$0.50 per share, with a total dividend amount of NT\$1,391,209,439 for common shares.
- D. 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 2024 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 2024 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 9<sup>th</sup> Board of Directors in its 18<sup>th</sup> meeting and audited by the Audit Committee.
  5. Shareholder ratification is respectfully requested.

Resolution:

**O-Bank Co., Ltd.**  
**Proposed Distribution of 2024 Earnings**

Currency: NT\$

Undistributed earnings as of the beginning of the period	1,890,453,479
Plus: Adjustment due to the dividend distribution discrepancy arising from the conversion of Class A preferred shares for 2023 earnings	1,223,068,898
Net income	2,856,199,365
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	(94,838,905)
2. Adjustment of investment accounted for using equity method	31,896,644
3. Adjustment of remeasurements of defined benefit plans	15,447,000
Current undistributed earnings adjustment items other than net profit after tax plus net profit after tax	2,808,704,104
Less: Legal reserve appropriation (30%)	(842,611,231)
Plus: Reversal of special reserve—pursuant to Article 41 of the Securities and Exchange Act	378,270,152
Plus: Reversal of special reserve—training expenses for fintech development	4,788,888
Earnings available for distribution	4,262,656,898
Distribution items:	
Class A preferred share dividend (Note)	(83,824,690)
Class B preferred share dividend (annual rate of 4.5%)	(36,147,541)
Common stock dividend -2,782,418,878 shares (NT\$0.50 per share)	(1,391,209,439)
Undistributed earnings as of the end of the period	2,751,475,228

(Note): The original annual rate was 4.25%, and was reset to 5.07275% effective May 30, 2024. All Class A preferred shares were fully redeemed by the Bank on October 17, 2024, with approval from the competent authority.

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. The Bank's *Articles of Incorporation* were amended and approved at the Annual General Shareholders' Meeting on June 14, 2024. To align with applicable regulations and operational practices, certain provisions of the Articles are proposed to be further amended (please refer to Appendix X for a comparison of the original and revised provisions). The proposed amendments are as follows:
  - (1) Article 7: Specifies that employees of the Bank's subsidiaries, as defined under the *Company Act*, may be included as eligible recipients in cases such as the Bank's repurchase of treasury shares for transfer to employees, issuance of new shares with reserved allotments for employees, issuance of employee stock warrants, or restricted stock for employees.
  - (2) Article 8-1: Specifies that preferred share dividends may be distributed from cumulative distributable earnings.
  - (3) Article 32: In accordance with Paragraph 6, Article 14 of the *Securities and Exchange Act*, the ratio of employee remuneration to be allocated to non-managerial staff is specified.
  - (4) Article 32-1: Specifies that preferred share dividends may be distributed from both cumulative distributable earnings and the current year's distributable earnings.
  - (5) Article 34: Updates the record of amendment history.
2. The proposal was approved by the 9<sup>th</sup> Board of Directors in its 18<sup>th</sup> meeting.
3. Shareholder approval is respectfully requested.

Resolution:

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

Proposal: Proposal for the Release of Non-competition Restrictions on Directors of the Bank

Explanation:

1. Directors of the Bank who invest in or operate other companies with similar or identical business scopes to that of the Bank and serve as directors shall, without damaging the interests of the Bank, seek permission in accordance with Article 209(1) of the *Company Law*, which states, "Directors acting for themselves or others in matters belonging to the business scope of the company shall explain the important contents of their actions to the shareholders and obtain their approval." Hence, the approval to release the restriction on non-competition is requested.
2. The release of the restriction on director's non-competition for the 9<sup>th</sup> Board of Directors has been completed at the shareholders' meeting in 2023 and 2024. It is proposed to release the restriction on director's non-competition for newly appointed directors of the Bank (as shown in the table below).

Director	Position at the Bank	Positions at other companies
Lin, Bill K.C.	Representative of Juristic-person Director (Tai Hsuan Investment Co., Ltd.)	Chairman, Taiwan Industrial Bank Technology Consulting Co., Ltd.
Chien, Chih-Ming	Representative of Juristic-person Director (Ming Shan Investment Co., Ltd.)	Director, Infinite Commercial Finance Co., Ltd.
Chen, Alex J.J.	Representative of Juristic-person Director (Tai Ya Investment Co., Ltd.)	Chairman, IBT VII Venture Capital Co., Ltd.

3. The proposal was approved by the 9<sup>th</sup> Board of Directors in its 18<sup>th</sup> meeting.
4. Shareholder approval is respectfully requested.

Resolution:

## Extempore Motion



## Appendix I

### ***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

Amended by General Shareholders' Meeting of June 16, 2023

#### **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.

Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, 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 it shall require the attendance of more than two-thirds of the directors and the consent of more than half of the directors present.

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 and PRC shareholders reaches 30% or more as recorded on the 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:

1. For the physical shareholders' meetings, to be distributed onsite at the meeting.
2. For the hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the visual communication platform.
3. 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 172-1 of 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. Unless otherwise provided in Article 44-9, Item 6 of 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.

## **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. Unless otherwise provided in Article 44-9, Item 6 of 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.

#### **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 14, 2024

#### **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 stock option certificates and new shares with restricted employee rights within the preceding total amount of shares, and the relevant operations shall be handled in accordance with relevant laws and regulations.

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, in 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 directors 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, at least one member of each gender, at least three independent directors, comprising no less than one-third 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. Except for independent directors, whose consecutive terms shall not exceed three, directors 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 matters 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 no less than 0.5% 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 21st amendment on June 17, 2022; and the 22th amendment on June 16, 2023; and the 23th amendment on June 14, 2024.

## Appendix III

### ***Business Report for 2024***

#### **1. Business Activities**

The Bank mainly operates the following businesses:

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

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



## Weight of Business Profits

Unit: NT\$ thousands

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

## Weight of Major Business Operations

Unit: NT\$ thousands

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

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

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

Unit: NT\$ thousands

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

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

## Volume of Foreign Exchange:

Unit: US\$ thousands

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

## Trust Asset:

Unit: NT\$ thousands

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

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

## 2. Business Review

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

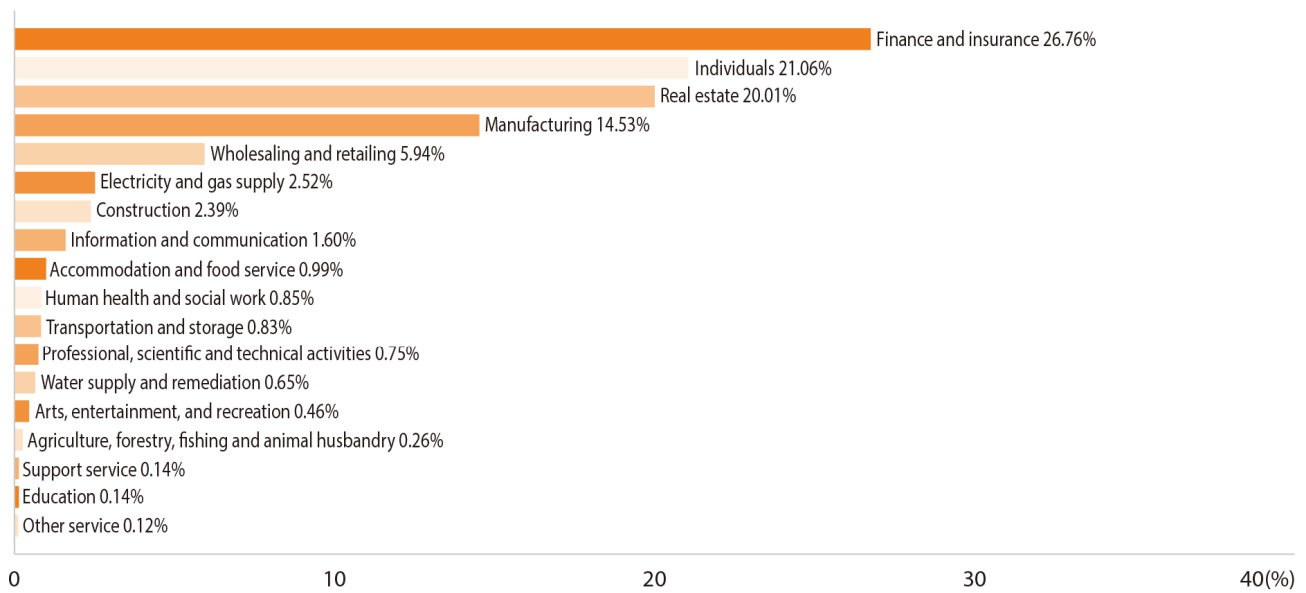
## **(1) Credit Extension**

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

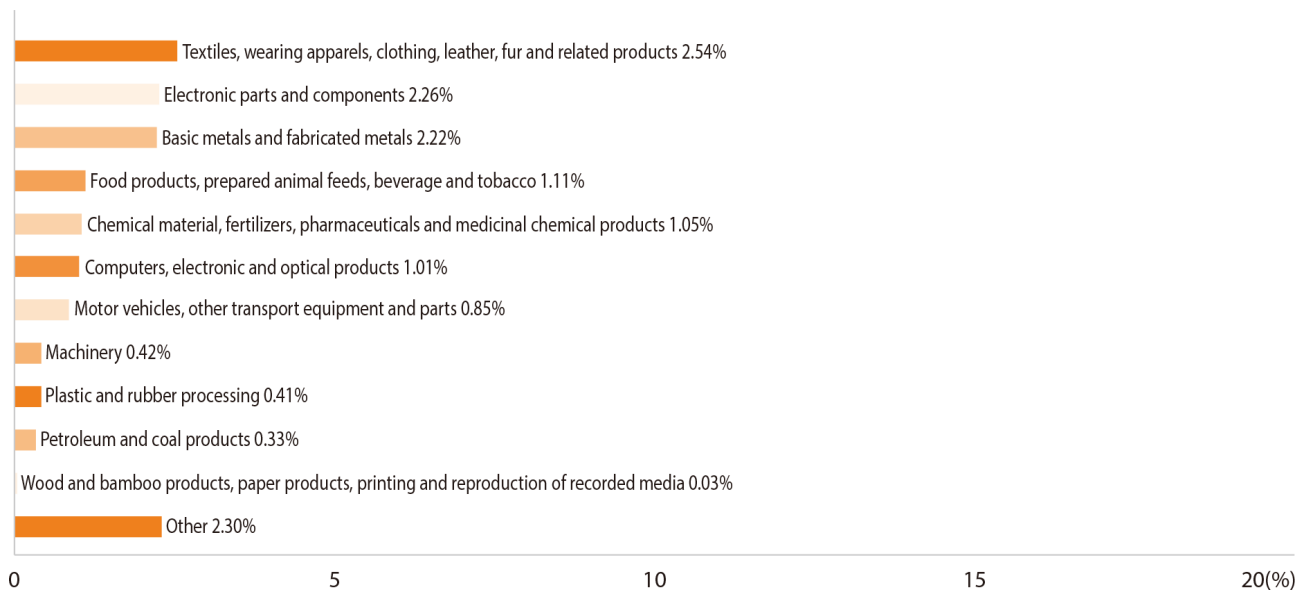
Corporate syndicated loans have long been the core pillar of the Bank's credit business. The Corporate Finance Department is adept at providing clients with tailored, fast, and accurate financing solutions. The Bank has successfully raised capital for clients and helped them address critical challenges.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

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

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



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



In the second half of 2024, following eleven rate hikes in recent years, the U.S. Federal Reserve announced a rate cut aimed at stimulating economic growth. This development is expected to gradually ease the high financing costs faced by businesses. However, interest rates remain relatively high compared to the past decade, and whether operational and investment sentiment will shift toward cautious optimism remains to be seen. Recently, the number of general syndicated loan transactions in the market has declined, largely due to their substitution by bilateral loans. Additionally, the scale and funding requirements of large offshore wind power projects and public infrastructure developments pose significant challenges for lead arrangers. Fortunately, the Bank's long-term client cultivation and boutique bank positioning—eschewing price competition—have proven effective. We

remain focused on enterprises with promising growth prospects and on leveraging group referral mechanisms. The Bank offers appropriate financing strategies aligned with clients' financial planning needs and are also moving in tandem with global and domestic trends such as green energy and environmental sustainability by continuously developing ESG-related financing solutions.

## **(2) Deposits**

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

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

## **(3) Foreign Exchange and Offshore Banking**

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

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

## **(4) Investment Business**

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

The Bank's financial product trading business includes proprietary trading and product marketing. Proprietary trading covers foreign exchange, fixed income, derivatives, and equity instruments. Financial product marketing focuses on providing customers with diversified financial services and hedging tools. In 2021, the Bank was approved to launch

non-principal protected structured products composed of foreign currency equity options, foreign currency interest rate swaps, and foreign currency interest rate swap options linked to foreign currency principals, as well as to have its DBU/OBU trade bonds while engaging concurrently in securities business. In 2022, further approvals were obtained to launch principal protected callable structured products composed of foreign currency interest rate options, foreign currency interest rate swaps and foreign currency interest rate swap options linked to foreign currency principals, principal protected callable structured products composed of foreign currency interest rate swaps and foreign currency interest rate options linked to foreign currency principals. In 2024, the Bank filed with and reported to the Financial Supervisory Commission to commence Total Return Swap (TRS) transactions in New Taiwan dollars.

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

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

## **(5) Project Finance**

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



consulting regarding corporate consolidation and M&As, debt arrangement, reorganization, fund-raising, M&A financing, and tax planning.

## **(6) Trust Business**

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

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

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

## **(7) Corporate Cash Management and e-Banking**

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

To align with digitalization trends, the Bank has undertaken various digital upgrades since 2022, including enhancements to the corporate internet banking platform to support multiple operating systems and offer diversified operation methods tailored to different customer segments. Additionally, the Bank has further optimized its collection services by assisting clients with the automation of accounts receivable reconciliation. Leveraging the Bank’s corporate digital platform as a CRM tool, the Bank has strengthened internal sales operations, management, and overall efficiency. The Bank has also automated its confirmation letter services, improving response efficiency and reducing operational risk. Furthermore, the collection services have been integrated with convenience store payment services and virtual account solutions, thereby enhancing the quality and scope of collection-related services.

In terms of deposit products, the Bank introduced a variety of preferential deposit schemes in 2024 to support business development. In addition to continuing existing interest rate programs, the Bank launched several attractive deposit offers such as the “NTD Tiered

Interest Rate Program for Type B Enterprises,” the “NTD Tiered Interest Rate Program for Social Enterprises,” and the “NTD New Funds Preferred Interest Rate Program,” allowing corporate clients to diversify their fund allocation through a range of time and demand deposit options.

#### **(8) Digital Retail Banking Services**

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

#### **(9) Payment Services**

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

#### **(10) Insurance Services**

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

#### **(11) Wealth Management Services**

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



## Appendix IV

### ***Report on Operation of the Audit Committee for 2024***

The Audit Committee held a total of 9 meetings in 2024. In addition to reviewing the financial statements, business reports, and distribution of earnings for 2024, the implementation status of the Audit Committee during the year was as follows:

#### 1. Reviewing the appointment or renewal of CPAs

Since 2023, the CPAs were Kuan-Hao Lee and Wei-Chun Ma. The appointment of the CPAs was approved by the Bank's 5<sup>th</sup> Audit Committee in its 14<sup>th</sup> meeting on December 24, 2024, and the 9<sup>th</sup> Board of Directors in its 14<sup>th</sup> meeting on December 25, 2024, confirming that the CPAs fulfilled the Bank's evaluation standards for independence and suitability.

#### 2. Assessing the effectiveness of the internal control system

The Bank has approved and presented by the 5<sup>th</sup> Audit Committee in its 16<sup>th</sup> meeting on March 11, 2025, and the 9<sup>th</sup> Board of Directors in its 16<sup>th</sup> meeting on March 12, 2025.

(1) After prudent assessment of O-Bank's 2024 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 2024.

(2) After prudent assessment of O-bank's 2024 AML&CTF Statements, AML&CTF and compliance with laws and regulations in each unit can be effectively implemented in 2024.

#### 3. Assessing the effectiveness of the information security system

The Bank has reported the implementation status of its information security management, including information security governance, monitoring, protection, and incident handling, to the 5<sup>th</sup> Audit Committee in its 10<sup>th</sup> meeting on June 26, 2024, 11<sup>th</sup> meeting on August 20, 2024, 13<sup>th</sup> meeting on November 5, 2024, and 16<sup>th</sup> meeting on March 11, 2025. After prudent assessment, the information security system was found to be effectively implemented.

#### 4. Supervising communications and risk management 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 2024 is as follows:

Date	Means	Counterparty	Subject	Outcome
2024.1.30	The 5 <sup>th</sup> Audit Committee in its 6 <sup>th</sup> meeting	Independent directors and Chief Auditor	Implementation of the Bank's 2023 audit operations	Approved for reference

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

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

The summary of the communication between Audit Committee and the Chief Auditor in 2024 is as follows:

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

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

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

### (3) 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

### Director's Remuneration for 2024 of the Bank

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

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and ratio to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or from the Company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 1)				Salary, Bonuses, and Allowances (E) (Note 1)		Severance Pay (F)		Employee Compensation (G) (Note 2)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements					
																	Cash	Stock	Cash	Stock		
Chairman	Lo, Tina Y.	26,866	27,572	378	378	12,429	12,429	1,705	2,122	41,378 1.45	42,502 1.49	0	0	0	0	0	0	0	0	41,378 1.45	42,502 1.49	None
Managing Director	Lo, Kenneth C.M.	0	0	0	0	0	0	456	456	456 0.02	456 0.02	0	0	0	0	0	0	0	0	456 0.02	456 0.02	None
Managing Director	Ming Shan Investment Co., Ltd. (Rep.: Lo, Kenneth C.M.)	900	900	0	0	6,215	6,215	0	0	7,115 0.25	7,115 0.25	0	0	0	0	0	0	0	0	7,115 0.25	7,115 0.25	None
Managing Director	Lin, Bill K.C.	0	2,852	0	0	0	0	198	237	198 0.01	3,089 0.11	0	0	0	0	0	0	0	0	198 0.01	3,089 0.11	None
Managing Director	Tai Hsuan Investment Co., Ltd. (Rep.: Lin, Bill K.C.)	900	900	0	0	6,215	6,215	0	0	7,115 0.25	7,115 0.25	0	0	0	0	0	0	0	0	7,115 0.25	7,115 0.25	None
Director	Lee, Mark J.C.	600	600	0	0	4,143	4,143	54	54	4,797 0.17	4,797 0.17	0	0	0	0	0	0	0	0	4,797 0.17	4,797 0.17	None
Director	Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.)	600	600	0	0	4,143	4,143	48	48	4,797 0.17	4,797 0.17	0	0	0	0	0	0	0	0	4,791 0.17	4,791 0.17	None
Director	Chien, Chih-Ming	0	0	0	0	0	0	54	54	54 0.00	54 0.00	0	0	0	0	0	0	0	0	54 0	54 0	9,432
Director	Ming Shan Investment Co., Ltd. (Rep.: Chien, Chih-Ming)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Director	Chen, Alex J.J.	0	2,152	0	0	0	0	54	93	54 0.00	2,245 0.08	0	0	0	0	0	0	0	0	54 0	2,245 0.08	None
Director	Tai Ya Investment Co., Ltd. (Rep.: Chen, Alex J.J.)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Director	Tang, Grace W.S	0	0	0	0	0	0	54	105	54 0.00	105 0.00	0	6,531	0	108	0	0	227	0	54 0	6,971 0.24	None
Director	Yi Chang Investment Co., Ltd. (Rep.: Tang, Grace W.S)	600	600	0	0	4,143	4,143	0	0	4,743 0.17	4,743 0.17	0	0	0	0	0	0	0	0	4,743 0.17	4,743 0.17	None
Independent Managing Director	Hu, Fu- Hsiung	2,800	2,800	0	0	0	0	324	324	3,124 0.11	3,124 0.11	0	0	0	0	0	0	0	0	3,124 0.11	3,124 0.11	None
Independent Director	Lin, Hank H.K.	2,100	2,100	0	0	0	0	204	204	2,304 0.08	2,304 0.08	0	0	0	0	0	0	0	0	2,304 0.08	2,304 0.08	None
Independent Director	Chiang, Tina W.N	2,100	2,100	0	0	0	0	168	168	2,268 0.08	2,268 0.08	0	0	0	0	0	0	0	0	2,268 0.08	2,268 0.08	None
Independent Director	Wang, Jennifer C.F.	2,100	2,100	0	0	0	0	168	168	2,268 0.08	2,268 0.08	0	0	0	0	0	0	0	0	2,268 0.08	2,268 0.08	None

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

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

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

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

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

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

## **Appendix VI**

### ***Regulations Governing Transfer of Repurchased Shares to Employees by O-Bank Co., Ltd.***

#### **Article 1: Purpose and rationale**

In order to motivate employees and increase their centripetal force, the company adopts this Rule To Repurchase Its Own Shares For Transfer To Employees in accordance with the relevant provisions of Article 28-2 of the Securities and Exchange Act and the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies”. This company's repurchase shares for transfer to employees shall be handled in accordance with the provisions of this Rule, and the relevant laws and regulations.

#### **Article 2: Type, Rights and Status of Restriction of the Transferred Shares**

The shares to be transferred to employees are common shares. The rights and obligations of the shares are the same as outstanding shares, except as otherwise provided in the relevant laws and regulations and this Rule.

#### **Article 3: Transfer Period**

The shares repurchased this time may be transferred to employees by one or several times within five years from the date of repurchasing the shares in accordance with the provisions of this Rule.

#### **Article 4: Eligibility of transferee**

Full-time employees of the Company and domestic and foreign subsidiaries which directly or indirectly hold in the same invested if the company has more than 50% of the voting shares (including overseas subsidiaries), shall be eligible for subscription of the amount as stipulated in Article 5. In addition, if the employee resigns or leave without pay before the subscription payment deadline, unless approved by the chairman of the board, the subscription qualification will be forfeited.

#### **Article 5: Distribution quantity of transferred**

The number of shares employees may subscribe shall consider the employee's position, level, service experience and contributions to the company. The employees for the transfer of shares are as follows:

- (A) The senior and middle management employees should first be submitted to the Compensation Committee for deliberation and then submitted to the board of directors for resolution.
- (B) The other employees should submitted to the Audit Committee for deliberation and then submitted to the Board of Directors.

If the employee fails to settle payment during the subscription payment period, those who do not subscribe will be abstained. The balance of the unsubscription will be subscribed by other employees with the provisions of this Rule.

#### Article 6: Transfer procedure

The procedures for the transfer of shares to employees are as follows:

- (A) The Company shall make disclosure and repurchased its shares within a specified period, in accordance with the resolution of the Board of Directors.
- (B) In accordance with this Rule, the Chairman of the board of directors sets and announces the employee's subscription record date, the number of shares that can be subscribed, the subscription period, rights content, and restrictions.
- (C) Count the actual number of shares paid for subscription and register for transfer of shares.

#### Article 7: Agreed transfer price per share

To transfer the repurchased shares to employees, the average price of the actual share repurchase is used as the transfer price. However, before the transfer, if there is an increase in the issued ordinary shares of the company, it should be adjusted according to the increase ratio of the issued shares.

#### Article 8: Rights and Obligations After Transfer

After the repurchase shares is transferred to employees and the transfer registration is completed, the rights and obligations, unless otherwise specified, are the same as those of the outstanding shares.

Article 9: This Rule will be effective after approved by the Board of Directors and should be reported to the shareholders' meeting, and the same for any further amendment.



## Appendix VII

### ***O-Bank Co., Ltd. Ethical Corporate Management Best Practice Principles***

Comparison Table of Original and Amended Articles

Amended Article	Original Article	Explanation
<p>Article 17</p> <p>The Company and its directors, managerial officers, employees, mandataries, and substantial controllers shall exercise the due care of good administrators by supervising efforts to prevent unethical conduct, reviewing progress on this front, and urging continuous improvement at all times, thereby ensuring that the Company has faithfully implemented its ethical management policy.</p> <p>To ensure sound ethical management, the <u>Corporate Governance and Nomination Committee</u> shall act as the solely responsible unit that is to be equipped with sufficient resources and qualified personnel and responsible for adopting and supervising the implementation of the Company's ethical management policy and prevention programs. This responsible unit shall be in charge of the following matters and shall submit reports to the Board of Directors on a regular basis (at least once a year): (remaining omitted)</p>	<p>Article 17</p> <p>The Company and its directors, managerial officers, employees, mandataries, and substantial controllers shall exercise the due care of good administrators by supervising efforts to prevent unethical conduct, reviewing progress on this front, and urging continuous improvement at all times, thereby ensuring that the Company has faithfully implemented its ethical management policy.</p> <p>To ensure sound ethical management, the <u>corporate governance panel of the Company's Corporate Social Responsibility Committee</u> shall act as the solely responsible unit that is to be equipped with sufficient resources and qualified personnel and responsible for adopting and supervising the implementation of the Company's ethical management policy and prevention programs. This responsible unit shall be in charge of the following matters and shall submit reports to the Board of Directors on a regular basis (at least once a year): (remaining omitted)</p>	<p>To ensure consistency in terminology throughout</p>
<p>Article 23</p> <p>The Company shall establish and faithfully implement a well-defined whistleblowing system, which shall include at least the following:</p>	<p>Article 23</p> <p>The Company shall establish and faithfully implement a well-defined whistleblowing system, which shall include at least the following:</p>	<p>Pursuant to the amendment of Article 5 and 8 of <i>O-Bank Co., Ltd. Whistleblowing Policy</i></p>

Amended Article	Original Article	Explanation
<p><u>1. The Company's website shall establish and announce a channel for accepting reports, the whistleblowers can report by phone, email, or written mail.</u></p> <p>2. The assignment of personnel or a unit responsible for handling whistle blowing reports. Any report involving a director or a senior managerial officer <u>equal to Vice President level</u> shall be submitted to the <u>Audit Committee</u>. Whistleblowing cases shall be categorized and investigation <u>procedure</u> shall be adopted for them respectively.</p> <p>3~7 (omitted)</p> <p>Upon becoming aware of a material violation or the likelihood of the Company's sustaining a material damage after an investigation, the Company's personnel or unit responsible for handling whistleblowing reports shall immediately prepare a report and notify the <u>Audit Committee</u> in writing.</p>	<p>1. The establishment and public announcement of an <u>independent internal mailbox or hotline or one provided by an independent external institution that is intended for insiders and outsiders to present whistleblowing reports.</u></p> <p>2. The assignment of personnel or a unit responsible for handling whistleblowing reports. Any report involving a director or a senior managerial officer shall be submitted to <u>independent directors</u>. Whistleblowing cases shall be categorized and investigation_ <u>SOPs</u> shall be adopted for them respectively.</p> <p>3~7 (omitted)</p> <p>Upon becoming aware of a material violation or the likelihood of the Company's sustaining a material damage after an investigation, the Company's personnel or unit responsible for handling whistleblowing reports shall immediately prepare a report and notify <u>independent directors</u> in writing.</p>	
<p>Article 27</p> <p>These Principles, and any amendments hereto, shall be implemented after securing approval of the Board of Directors, and shall be presented before the shareholders' meeting. <u>If it only an organization rename and does not involve adjustments to internal operating procedures, the approval shall be authorized by the Head of Business Strategy Division.</u></p> <p>(remaining omitted)</p>	<p>Article 27</p> <p>These Principles, and any amendments hereto, shall be implemented after securing approval of the Board of Directors, and shall be presented before the shareholders' meeting. (remaining omitted)</p>	<p>To adjust the approval procedures in consideration of practical operations.</p>

## Appendix VIII

### ***O-Bank Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct***

Comparison Table of Original and Amended Articles

Amended Article	Original Article	Explanation
<p>Article 1 <u>(Basis and purpose of Adoption)</u></p> <p>The Bank engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. In order to fully implement its ethical management policy and actively prevent unethical conduct, the Bank adopts these Procedures for Ethical Management and Guidelines for Conduct (hereinafter “Procedures and Guidelines”) in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, <u>O-Bank Co., Ltd.</u> Ethical Corporate Management Best Practice Principles, and the applicable laws and regulations of the places where the Bank and its affiliated businesses and organizations operate, with a view to providing all personnel of the Bank with clear directions for the performance of their duties.</p>	<p>Article 1 (Purpose of adoption and scope of application)</p> <p>The Bank engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency. In order to fully implement its ethical management policy and actively prevent unethical conduct, the Bank adopts these Procedures for Ethical Management and Guidelines for Conduct (hereinafter “Procedures and Guidelines”) in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, <u>the Bank’s</u> Ethical Corporate Management Best Practice Principles, and the applicable laws and regulations of the places where the Bank and its affiliated businesses and organizations operate, with a view to providing all personnel of the Bank with clear directions for the performance of their duties.</p> <p><u>The scope of application of these Procedures and Guidelines includes the Bank, its subsidiaries, any incorporated foundation in which the Bank’s accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the said foundation, and other affiliated businesses and organizations, such as institutions or juristic persons, substantially controlled by the Bank.</u></p>	<p>To revise the title and content.</p>

Amended Article	Original Article	Explanation
<p>Article 2 (<u>Scope of application and covered parties</u>)  <u>The scope of application of these Procedures and Guidelines includes the Bank, its subsidiaries, any incorporated foundation in which the Bank's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the said foundation, and other affiliated businesses and organizations, such as institutions or juristic persons, substantially controlled by the Bank.</u></p> <p>For the purposes of these Procedures and Guidelines, the term “personnel of the Bank” refers to any director, supervisor, managerial officer, employee, mandatary, or person having substantial control, of the Bank or its affiliated businesses and organizations.</p> <p>Any provision, promise, request, or acceptance of improper benefits by any personnel of the Bank through a third party will be presumed to be an act by personnel of the Bank.</p>	<p>Article 2 (<u>Applicable parties</u>)  For the purposes of these Procedures and Guidelines, the term “personnel of the Bank” refers to any director, supervisor, managerial officer, employee, mandatary, or person having substantial control, of the Bank or its affiliated businesses and organizations.</p> <p>Any provision, promise, request, or acceptance of improper benefits by any personnel of the Bank through a third party will be presumed to be an act by personnel of the Bank.</p>	<p>To revise the title and content.</p>
<p>Article 5 (Responsible unit and its duty)  The Bank shall designate <u>the Corporate Governance and Nomination Committee</u> as the solely responsible unit (hereinafter “responsible unit”) <u>under the Board of Directors</u>, that is to be equipped with sufficient resources and qualified personnel <u>to assist</u> with the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports,</p>	<p>Article 5 (Responsible unit and its duty)  The Bank shall designate <u>the Corporate Social Responsibility Committee</u> as the solely responsible unit (hereinafter “responsible unit”) <u>under the Board of Directors</u> that is to be equipped with sufficient resources and qualified personnel <u>and, in its turn, charge the Bank's corporate governance panel</u> with the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the</p>	<p>To ensure consistency in terminology throughout t</p>

Amended Article	Original Article	Explanation
and the monitoring of implementation. <u>This responsible unit</u> shall be in charge of the following matters and shall submit reports to the Board of Directors on a regular basis (at least once a year): (remaining omitted)	recording and filing of reports, and the monitoring of implementation. This responsible unit shall be in charge of the following matters and shall submit reports to the Board of Directors on a regular basis (at least once a year): (remaining omitted)	
Article 9 (Procedures for handling political contributions) Political contributions by the Bank shall be made in accordance with <u>Regulations for External Political Donations of O-Bank</u> and the following provisions: (remaining omitted)	Article 9 (Procedures for handling political contributions) Political contributions by the Bank shall be made in accordance with <u>the Bank's Regulations for Reviewing External Donations</u> and the following provisions: (remaining omitted)	To adjust the name of the guidelines in consideration of practical operations.
Article 19 (Avoidance of commercial dealings with unethical operators) All personnel of the Bank shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is determined to have been involved in unethical conduct. When any counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately stop dealing with this counterparty and blacklist it for any further business interaction. <u>In cases where a supplier has previously engaged in dishonest conduct but provides products that are irreplaceable, the business unit maintaining commercial dealings with such supplier shall clearly state the specific reasons (e.g., that ceasing business transactions would have a significant impact on the Bank's operations), and proceed with such transactions only after obtaining approval from</u>	Article 19 (Avoidance of commercial dealings with unethical operators) All personnel of the Bank shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is determined to have been involved in unethical conduct. When any counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately stop dealing with this counterparty and blacklist it for any further business interaction in order to effectively implement the Bank's ethical management policy.	To adjust the content in consideration of practical operations.

Amended Article	Original Article	Explanation
<p><u>the authorized supervisor in accordance with Article 3 of the “Procurement and Payment Management Guidelines of O-Bank.” In addition to complying with Article 5 of the “Promoting Suppliers’ Implementation of Sustainable Development Guidelines of O-Bank” in supervising and notifying the supplier to make improvements, the relevant business unit shall also conduct regular annual follow-up reviews of the supplier’s improvements and maintain relevant records</u> in order to effectively implement the Bank's ethical management policy.</p>		
<p>Article 21 (Handling of unethical conduct by personnel of the Bank) (opening omitted)  The <u>Company's website shall establish and announce a channel for accepting reports, the whistleblowers can report by phone, email, or written mail.</u>  A whistleblower shall at least provide the following information:  1. The whistleblower’s name and I.D. number (not applicable for one who prefers anonymity), and an address, telephone number, and email address where he or she can be reached.  2. The informed party's name or other information sufficient to help identify the said party.  3. Specific facts available for investigation.  Personnel of the Bank charged with handling whistleblowing matters shall state in writing that they will keep confidential the whistleblowers’ identity and contents of their information. The</p>	<p>Article 21 (Handling of unethical conduct by personnel of the Bank) (opening omitted)  The <u>Bank shall establish and publicly announce on its website and intranet an independent mailbox or hotline for insiders and outsiders to present whistleblowing reports.</u>  A whistleblower shall at least provide the following information:  1. The whistleblower’s name and I.D. number (not applicable for one who prefers anonymity), and an address, telephone number, and email address where he or she can be reached.  2. The informed party's name or other information sufficient to help identify the said party.  3. Specific facts available for investigation.  Personnel of the Bank charged with handling whistleblowing matters shall state in writing that they will keep confidential the whistleblowers’ identity and</p>	<p>Pursuant to the amendment of Article 5, 8, and 18 of <i>O-Bank Co., Ltd. Whistleblowing Policy</i></p>

Amended Article	Original Article	Explanation
<p>Bank also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. The unit of the Bank responsible for managing the said independent mailbox meant for whistleblowing reports shall follow the following procedures:</p> <ol style="list-style-type: none"> <li>Any whistleblowing information <u>must</u> reports to the <u>President, and also informs the Head of Business Strategy Division, Chief Compliance Officer and Head of Risk Management Division</u>. If it involves the Board member or <u>equal to Vice President level and above manager</u>, it shall be reported to <u>the Audit Committee</u>.</li> <li>The unit of the Bank responsible for managing the said independent mailbox meant for whistleblowing reports and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, draw on the assistance of the legal compliance or other related departments.</li> <li>If it is verified that there is indeed a violation of applicable laws and regulations or of the Bank's ethical management policy and rules, the Bank shall immediately require the offender to cease the conduct and take whatever other course of action warranted. When necessary, the Bank will present the case to the competent authority, refer the case to the judicial authority for</li> </ol>	<p>contents of their information. The Bank also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. The unit of the Bank responsible for managing the said independent mailbox meant for whistleblowing reports shall follow the following procedures:</p> <ol style="list-style-type: none"> <li>Any whistleblowing information <u>shall be</u> reported to the <u>relevant department head</u> if it involves the rank and file and to <u>an independent director or supervisor</u> if a director or a senior executive is involved.</li> <li>The unit of the Bank responsible for managing the said independent mailbox meant for whistleblowing reports and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, draw on the assistance of the legal compliance or other related departments.</li> <li>If it is verified that there is indeed a violation of applicable laws and regulations or of the Bank's ethical management policy and rules, the Bank shall immediately require the offender to cease the conduct and take whatever other course of action warranted. When necessary, the Bank will present the case to the competent authority, refer the case to the judicial authority for further investigation, or institute legal proceedings and seek damages to safeguard its</li> </ol>	



Amended Article	Original Article	Explanation																									
<p>further investigation, or institute legal proceedings and seek damages to safeguard its reputation as well as rights and interests.</p> <p>4. <u>Documentation of case acceptance, investigation processes, investigation results and related record of documentation preparation process, which shall be obeyed the article 18 of the O-Bank Co., Ltd. Whistleblowing Policy.</u></p> <p>5, 6 (omitted)</p>	<p>reputation as well as rights and interests.</p> <p>4. Documentation of case acceptance, investigation processes, and investigation results <u>shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</u></p> <p>5, 6 (omitted)</p>																										
<p>Article 24 (Implementation) These Procedures and Guidelines, and any amendments hereto, shall be implemented after securing approval of the Board of Directors, and shall be presented before the shareholders’ meeting. <u>If it only an organization rename and does not involve adjustments to internal operating procedures, the approval shall be authorized by the Director of the Human Resources Department.</u> (remaining omitted)</p>	<p>Article 24 (Implementation) These Procedures and Guidelines, and any amendments hereto, shall be implemented after securing approval of the Board of Directors, and shall be presented before the shareholders’ meeting. (remaining omitted)</p>	<p>To adjust the approval procedures in consideration of practical operations.</p>																									
<p><b>Make/modify process:</b></p> <table><tr><th>Version</th><th>Approval date</th><th>Formulation/amendment instructions</th><th>Responsible unit</th><th>Approval level</th></tr><tr><td>V1</td><td>28 December 2016</td><td></td><td>Human Resources Department</td><td>Implementation upon approval by the Board of Directors in its 23rd meeting</td></tr><tr><td>V2</td><td>25 March 2020</td><td></td><td>Human Resources Department</td><td>Amendment upon approval by the Board of Directors in its 23rd meeting</td></tr><tr><td>V3</td><td>27 June 2024</td><td></td><td>Human Resources Department</td><td>Amendment upon approval by the Board of Directors in its 10th meeting</td></tr><tr><td>V4</td><td>02 May 2025</td><td></td><td>Human Resources Department</td><td>Amendment upon approval by the Board of Directors in its 18th meeting</td></tr></table>	Version	Approval date	Formulation/amendment instructions	Responsible unit	Approval level	V1	28 December 2016		Human Resources Department	Implementation upon approval by the Board of Directors in its 23rd meeting	V2	25 March 2020		Human Resources Department	Amendment upon approval by the Board of Directors in its 23rd meeting	V3	27 June 2024		Human Resources Department	Amendment upon approval by the Board of Directors in its 10th meeting	V4	02 May 2025		Human Resources Department	Amendment upon approval by the Board of Directors in its 18th meeting	<p>Amendment Record: Implementation upon approval by the 6<sup>th</sup> Board of Directors in its 23<sup>rd</sup> meeting on December 28, 2016. Amendment upon approval by the 7<sup>th</sup> Board of Directors in its 23<sup>rd</sup> meeting on March 25, 2020. Amendment upon approval by the 9<sup>th</sup> Board of Directors in its 10<sup>th</sup> meeting on June 27, 2024.</p>	<p>To format in accordance with the Company's internal standard format</p>
Version	Approval date	Formulation/amendment instructions	Responsible unit	Approval level																							
V1	28 December 2016		Human Resources Department	Implementation upon approval by the Board of Directors in its 23rd meeting																							
V2	25 March 2020		Human Resources Department	Amendment upon approval by the Board of Directors in its 23rd meeting																							
V3	27 June 2024		Human Resources Department	Amendment upon approval by the Board of Directors in its 10th meeting																							
V4	02 May 2025		Human Resources Department	Amendment upon approval by the Board of Directors in its 18th meeting																							



## Appendix IX

### 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, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of 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, 2024. 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, 2024 are as follows:

#### Allowance for Credit Losses of Loans

The Bank is principally engaged in providing loans to customers. The Bank's management performed a loan 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 consolidated financial statements; for details on the material accounting judgments, estimations and assumptions of loan impairment, refer to Note 5 to the accompanying consolidated financial statements; and for details on 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 on 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 matter described above are as follows:

- We obtained an understanding and performed testing on the internal controls with respect to the Bank's loan impairment assessment.
- We examined the classifications of loans and determined that they 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 allowance has met the requirements of the regulation.

#### Assessment of Reserve for Losses on Guarantee Contracts

China Bills Finance Corporation 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 details on the accounting policy on the reserve for guarantee liabilities, refer to Note 4 to the accompanying consolidated financial statements; for details on the material accounting judgments, estimations and assumptions of the reserve for guarantee liabilities, refer to Note 5 to the accompanying consolidated financial statements; and for details on the reserve for guarantee liabilities, refer to Note 14 to the accompanying consolidated financial statements.

China Bills Finance Corporation assessment of the reserve for guarantee contracts which involve 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 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 the 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.

#### **Other Matter**

We have also audited the parent company only financial statements of the Bank as of and for the years ended December 31, 2024 and 2023 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 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, 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, 2024, 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 Wei-Chun Ma.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

#### 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 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.*

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 9,401,107	2	\$ 5,555,800	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	19,486,537	3	23,520,359	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	184,911,881	27	154,882,250	25
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	167,848,261	25	170,682,918	27
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	25,955,538	4	25,859,398	4
BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS	7,932,028	1	2,865,025	1
RECEIVABLES, NET	4,088,068	1	4,605,691	1
CURRENT TAX ASSETS	710,461	-	625,032	-
DISCOUNTS AND LOANS, NET	247,488,056	36	222,933,448	36
INVESTMENT ACCOUNTED FOR USING EQUITY METHOD, NET	6,975,022	1	6,994,838	1
OTHER FINANCIAL ASSETS	1,098,205	-	1,059,166	-
PROPERTY AND EQUIPMENT, NET	2,379,140	-	2,389,637	-
RIGHT-OF-USE ASSETS, NET	409,387	-	446,591	-
INTANGIBLE ASSETS, NET	1,743,557	-	1,675,179	-
DEFERRED TAX ASSETS	848,532	-	959,517	-
OTHER ASSETS	<u>1,809,374</u>	<u>-</u>	<u>1,694,152</u>	<u>-</u>
TOTAL	<u>\$ 683,085,154</u>	<u>100</u>	<u>\$ 626,749,001</u>	<u>100</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from the Central Bank and other banks	\$ 38,651,705	6	\$ 30,339,249	5
Financial liabilities at fair value through profit or loss	1,364,632	-	1,401,705	-
Bills and bonds sold under repurchase agreements	215,304,631	32	194,087,268	31
Payables	5,996,974	1	5,232,200	1
Current tax liabilities	157,788	-	302,271	-
Deposits and remittances	331,170,002	48	316,562,298	51
Bank debentures payable	13,450,000	2	12,950,000	2
Other financial liabilities	11,393,737	2	3,736,137	1
Provisions	2,006,251	-	1,979,779	-
Lease liabilities	428,616	-	463,732	-
Deferred tax liabilities	968,320	-	715,671	-
Other liabilities	<u>672,105</u>	<u>-</u>	<u>460,945</u>	<u>-</u>
Total liabilities	<u>621,564,761</u>	<u>91</u>	<u>568,231,255</u>	<u>91</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Capital				
Common stock	28,053,579	4	27,339,923	4
Preferred stock	<u>2,500,000</u>	<u>-</u>	<u>2,990,140</u>	<u>1</u>
Total capital	<u>30,553,579</u>	<u>4</u>	<u>30,330,063</u>	<u>5</u>
Capital surplus	<u>568,184</u>	<u>-</u>	<u>19,624</u>	<u>-</u>
Retained earnings				
Legal reserve	6,527,632	1	5,789,200	1
Special reserve	1,970,247	-	3,197,011	1
Unappropriated earnings	<u>4,722,209</u>	<u>1</u>	<u>2,756,051</u>	<u>-</u>
Total retained earnings	<u>13,220,088</u>	<u>2</u>	<u>11,742,262</u>	<u>2</u>
Other equity	<u>(1,450,123)</u>	<u>-</u>	<u>(1,828,393)</u>	<u>(1)</u>
Treasury stock	<u>(87,267)</u>	<u>-</u>	<u>(161,521)</u>	<u>-</u>
Total equity attributable to owners of the Bank	<u>42,804,461</u>	<u>6</u>	<u>40,102,035</u>	<u>6</u>
NON-CONTROLLING INTERESTS	<u>18,715,932</u>	<u>3</u>	<u>18,415,711</u>	<u>3</u>
Total equity	<u>61,520,393</u>	<u>9</u>	<u>58,517,746</u>	<u>9</u>
TOTAL	<u>\$ 683,085,154</u>	<u>100</u>	<u>\$ 626,749,001</u>	<u>100</u>

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE	\$ 16,088,607	158	\$ 13,939,144	146	15
INTEREST EXPENSE	<u>(14,261,264)</u>	<u>(140)</u>	<u>(11,812,867)</u>	<u>(124)</u>	21
NET INTEREST	<u>1,827,343</u>	<u>18</u>	<u>2,126,277</u>	<u>22</u>	(14)
NET REVENUE OTHER THAN INTEREST REVENUE					
Service fee income, net	2,454,242	24	2,243,871	23	9
Gains on financial assets or liabilities measured at fair value through profit or loss	7,202,363	71	4,481,784	47	61
Realized gains on financial assets at fair value through other comprehensive income	666,434	6	374,340	4	78
Foreign exchange gain (loss), net	(2,047,417)	(20)	102,848	1	(2,091)
Losses on impairment of assets	(8,989)	-	(1,931)	-	366
Share of profit of associates accounted for using equity method	12,856	-	161,741	2	(92)
Other net revenue other than interest	<u>71,881</u>	<u>1</u>	<u>55,015</u>	<u>1</u>	31
Total net revenue other than interest revenue	<u>8,351,370</u>	<u>82</u>	<u>7,417,668</u>	<u>78</u>	13
NET REVENUE	<u>10,178,713</u>	<u>100</u>	<u>9,543,945</u>	<u>100</u>	7
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(53,227)</u>	<u>(1)</u>	<u>(897,034)</u>	<u>(10)</u>	(94)
OPERATING EXPENSES					
Employee benefits expenses	3,039,576	30	2,719,436	28	12
Depreciation and amortization expenses	543,318	5	569,103	6	(5)
Other general and administrative expenses	<u>1,525,988</u>	<u>15</u>	<u>1,329,632</u>	<u>14</u>	15
Total operating expenses	<u>5,108,882</u>	<u>50</u>	<u>4,618,171</u>	<u>48</u>	11

(Continued)

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
PROFIT BEFORE INCOME TAX	\$ 5,016,604	49	\$ 4,028,740	42	25
INCOME TAX EXPENSE	<u>1,123,745</u>	<u>11</u>	<u>602,681</u>	<u>6</u>	86
NET PROFIT FOR THE YEAR	<u>3,892,859</u>	<u>38</u>	<u>3,426,059</u>	<u>36</u>	14
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	38,922	-	(15,038)	-	359
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	50,541	1	181,539	2	(72)
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	14,311	-	(6,494)	-	320
Income tax related to components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>(4,695)</u>	<u>-</u>	<u>1,303</u>	<u>-</u>	(460)
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax	<u>99,079</u>	<u>1</u>	<u>161,310</u>	<u>2</u>	(39)
Components of other comprehensive income (loss) that will be reclassified to profit or loss:					
Exchange differences on translation of financial statements of foreign operations	566,004	6	(59,405)	(1)	1,053

(Continued)



## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	\$ (314,842)	(3)	\$ 2,955,661	31	(111)
Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(54,272)</u>	<u>(1)</u>	<u>(191,978)</u>	<u>(2)</u>	(72)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax	<u>196,890</u>	<u>2</u>	<u>2,704,278</u>	<u>28</u>	(93)
Other comprehensive income for the year, net of tax	<u>295,969</u>	<u>3</u>	<u>2,865,588</u>	<u>30</u>	(90)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,188,828</u>	<u>41</u>	<u>\$ 6,291,647</u>	<u>66</u>	(33)
NET PROFIT ATTRIBUTABLE TO:					
Owners of the Bank	\$ 2,856,199	28	\$ 2,492,420	26	15
Non-controlling interests	<u>1,036,660</u>	<u>10</u>	<u>933,639</u>	<u>10</u>	11
	<u>\$ 3,892,859</u>	<u>38</u>	<u>\$ 3,426,059</u>	<u>36</u>	14
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 3,187,590	31	\$ 3,683,548	39	(13)
Non-controlling interests	<u>1,001,238</u>	<u>10</u>	<u>2,608,099</u>	<u>27</u>	(62)
	<u>\$ 4,188,828</u>	<u>41</u>	<u>\$ 6,291,647</u>	<u>66</u>	(33)
EARNINGS PER SHARE					
Basic	<u>\$1.00</u>		<u>\$0.87</u>		
Diluted	<u>\$0.90</u>		<u>\$0.78</u>		

(Concluded)

## O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Bank (Notes 9 and 31)								Other Equity					
				Capital Surplus	Retained Earnings				Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Owners of the Bank	Non-controlling Interests (Note 31)	Total Equity
	Common Stock	Capital Stock Preferred Stock	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2023	\$ 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)	\$ (16,837)	\$ 37,722,239	\$ 16,287,325	\$ 54,009,564
Reversal of special reserve	-	-	-	-	-	(2,622)	2,622	-	-	-	-	-	-	-
Appropriation and distribution of 2022 earnings														
Legal reserve	-	-	-	-	1,447,384	-	(1,447,384)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	2,565,023	(2,565,023)	-	-	-	-	-	-	-
Cash dividends of common stock distributed by the Bank	-	-	-	-	-	-	(1,037,959)	(1,037,959)	-	-	-	(1,037,959)	-	(1,037,959)
Cash dividends of preferred stock distributed by the Bank	-	-	-	-	-	-	(127,081)	(127,081)	-	-	-	(127,081)	-	(127,081)
Changes in capital surplus from investments in subsidiaries accounted for using the equity method	-	-	-	5,257	-	-	-	-	-	-	-	5,257	-	5,257
Unclaimed dividends	-	-	-	715	-	-	-	-	-	-	-	715	1,276	1,991
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	2,492,420	2,492,420	-	-	-	2,492,420	933,639	3,426,059
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	(12,933)	(12,933)	(56,477)	1,260,538	-	1,191,128	1,674,460	2,865,588
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	2,479,487	2,479,487	(56,477)	1,260,538	-	3,683,548	2,608,099	6,291,647
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(144,684)	(144,684)	-	(144,684)
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(480,989)	(480,989)
Disposals of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(18,048)	(18,048)	-	18,048	-	-	-	-
BALANCE AT DECEMBER 31, 2023	27,339,923	2,990,140	30,330,063	19,624	5,789,200	3,197,011	2,756,051	11,742,262	109,410	(1,937,803)	(161,521)	40,102,035	18,415,711	58,517,746
Reversal of special reserve	-	-	-	-	-	(1,226,764)	1,226,764	-	-	-	-	-	-	-
Appropriation and distribution of 2023 earnings														
Legal reserve	-	-	-	-	738,432	-	(738,432)	-	-	-	-	-	-	-
Cash dividends of common stock distributed by the Bank	-	-	-	-	-	-	(1,228,974)	(1,228,974)	-	-	-	(1,228,974)	-	(1,228,974)
Cash dividends of preferred stock distributed by the Bank	-	-	-	-	-	-	(101,904)	(101,904)	-	-	-	(101,904)	-	(101,904)
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	-	6,957	-	-	-	-	-	-	-	6,957	-	6,957
Unclaimed dividends	-	-	-	589	-	-	-	-	-	-	-	589	1,227	1,816
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(702,244)	(702,244)
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	2,856,199	2,856,199	-	-	-	2,856,199	1,036,660	3,892,859
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	20,195	20,195	431,893	(120,697)	-	331,391	(35,422)	295,969
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	2,876,394	2,876,394	431,893	(120,697)	-	3,187,590	1,001,238	4,188,828
Issuance of shares for cash	-	2,500,000	2,500,000	500,000	-	-	-	-	-	-	-	3,000,000	-	3,000,000
Common shares converted from convertible preferred shares	713,656	(713,656)	-	-	-	-	-	-	-	-	-	-	-	-
Redemption convertible preferred shares	-	(2,276,484)	(2,276,484)	-	-	-	-	-	-	-	-	(2,276,484)	-	(2,276,484)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(14,084)	(14,084)	-	(14,084)
Changes in percentage of ownership interests in associates	-	-	-	39,329	-	-	(616)	(616)	-	-	-	38,713	-	38,713
Transfer of treasury stock to employees under share-based payment arrangements	-	-	-	1,685	-	-	-	-	-	-	88,338	90,023	-	90,023
Disposals of investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(67,074)	(67,074)	-	67,074	-	-	-	-
BALANCE AT DECEMBER 31, 2024	<u>\$ 28,053,579</u>	<u>\$ 2,500,000</u>	<u>\$ 30,553,579</u>	<u>\$ 568,184</u>	<u>\$ 6,527,632</u>	<u>\$ 1,970,247</u>	<u>\$ 4,722,209</u>	<u>\$ 13,220,088</u>	<u>\$ 541,303</u>	<u>\$ (1,991,426)</u>	<u>\$ (87,267)</u>	<u>\$ 42,804,461</u>	<u>\$ 18,715,932</u>	<u>\$ 61,520,393</u>

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 5,016,604	\$ 4,028,740
Adjustments for:		
Depreciation expense	301,225	298,265
Amortization expense	242,093	270,838
Expected credit losses/recognition of provisions	62,216	898,965
Share-based payment arrangements	7,253	-
Net gain on financial assets or liabilities at fair value through profit or loss	(7,202,363)	(4,481,784)
Interest expense	14,261,264	11,812,867
Interest revenue	(16,088,607)	(13,939,144)
Dividend income	(444,751)	(511,373)
Share of profit of associates accounted for using equity method	(12,856)	(161,741)
Gain on disposal of property and equipment	(1,001)	(798)
Loss (gain) on disposal of investments	(221,683)	137,033
Changes in operating assets and liabilities:		
Due from the Central Bank and call loans to banks	(2,859,487)	(1,641,292)
Financial assets at fair value through profit or loss	(23,346,078)	(6,114,136)
Financial assets at fair value through other comprehensive income	3,349,027	(12,118,430)
Investment in debt instruments at amortized cost	(92,507)	(185,814)
Bills and bonds purchased under resell agreements	(2,479,252)	1,086,974
Receivables	648,615	(295,789)
Discounts and loans	(24,532,809)	(19,386,660)
Deposits from the Central Bank and other banks	8,312,456	6,911,605
Financial liabilities at fair value through profit or loss	(37,073)	393,540
Bills and bonds sold under repurchase agreements	21,217,363	13,930,511
Payables	603,213	1,326,470
Deposits and remittances	14,607,704	23,397,312
Provisions	(8,704)	(20,659)
Cash generated from (used in) operations	(8,698,138)	5,635,500
Interest received	15,902,848	13,248,448
Dividends received	694,866	897,408
Interest paid	(14,105,286)	(10,972,748)
Income taxes paid	(967,029)	(675,122)
Net cash flows generated from (used in) operating activities	(7,172,739)	8,133,486
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of investments accounted for using equity method	-	26,657
Acquisition of property and equipment	(197,290)	(180,013)
Proceeds from disposal of property and equipment	1,747	3,423
Increase in refundable deposits	(85,729)	(310,826)
Acquisition of intangible assets	(175,285)	(109,062)

(Continued)

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Decrease in other financial assets	\$ 22,065	\$ 34,647
Increase in other assets	<u>(29,493)</u>	<u>(24,350)</u>
Net cash flows used in investing activities	<u>(463,985)</u>	<u>(559,524)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	12,000
Decrease in short-term borrowings	(200)	-
Decrease in commercial papers	(187,790)	(1,931,025)
Proceeds from issuing bank debentures	2,500,000	1,600,000
Repayments of bank debentures	(2,000,000)	(2,250,000)
Repayments of the principal portion of lease liabilities	(161,806)	(140,290)
Increase in other financial liabilities	7,845,590	497,521
Increase in other liabilities	211,160	-
Decrease in other liabilities	-	(39,415)
Dividends paid to owners of the Bank	(1,330,878)	(1,165,040)
Proceeds from issuing shares	3,000,000	-
Redemption convertible preferred shares	(2,276,484)	-
Payments to acquire treasury stock	(14,084)	(144,684)
Transfer of treasury stock to employees	82,770	-
Dividends paid to non-controlling interests	<u>(702,244)</u>	<u>(480,989)</u>
Net cash flows generated from (used in) financing activities	<u>6,966,034</u>	<u>(4,041,922)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>271,543</u>	<u>10,203</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(399,147)	3,542,243
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>18,767,399</u>	<u>15,225,156</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 18,368,252</u>	<u>\$ 18,767,399</u>

(Continued)

## O-BANK AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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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, 2024 and 2023:

	December 31	
	2024	2023
Cash and cash equivalents reported in the consolidated balance sheets	\$ 9,401,107	\$ 5,555,800
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	5,395,692	12,289,001
Bills and bonds purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	2,587,751	-
Other items qualifying for cash and cash equivalents under the definition of IAS 7	983,702	922,598
Cash and cash equivalents at the end of the year	<u>\$ 18,368,252</u>	<u>\$ 18,767,399</u>

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying parent company only financial statements of O-Bank Co., Ltd (the “Bank”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Bank as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of 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 Parent Company Only 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2024 are as follows:

#### Allowance for Credit Losses of Loans

The Bank is principally engaged in providing loans to customers. The Bank's management performed a loan 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 material 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 14 to the accompanying 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 matter described above are as follows:

- We obtained an understanding and performed testing on the internal controls with respect to the Bank’s loan impairment assessment.
- We examined the classifications of loans and determined that they 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 allowance has met the requirements 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 the 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 15 to the accompanying financial statements.

China Bills Finance Corporation assesses reserves for guarantee contracts which involve 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 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 the 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 Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2024 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 Wei-Chun Ma.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 12, 2025

#### Notice to Readers

*The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.*

# O-BANK CO., LTD.

## PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 5,151,237	1	\$ 3,811,226	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	18,467,946	4	22,597,761	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	33,619,127	8	35,910,367	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	69,502,853	17	71,310,546	18
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	23,765,497	6	23,672,845	6
BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS	5,976,328	1	-	-
RECEIVABLES, NET	2,957,640	1	2,862,234	1
CURRENT TAX ASSETS	273,524	-	278,401	-
DISCOUNTS AND LOANS, NET	226,026,167	55	203,604,557	52
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	22,784,191	6	21,521,147	6
OTHER FINANCIAL ASSETS	983,702	-	922,598	-
PROPERTY AND EQUIPMENT, NET	2,259,660	1	2,278,118	1
RIGHT-OF-USE ASSETS, NET	219,939	-	235,245	-
INTANGIBLE ASSETS, NET	493,573	-	499,648	-
DEFERRED TAX ASSETS	348,793	-	360,075	-
OTHER ASSETS	798,627	-	719,016	-
TOTAL	<u>\$ 413,628,804</u>	<u>100</u>	<u>\$ 390,583,784</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Deposits from the Central Bank and other banks	\$ 17,545,933	4	\$ 12,435,739	3
Financial liabilities at fair value through profit or loss	1,340,836	1	1,367,475	1
Bills and bonds sold under repurchase agreements	11,301,439	3	16,819,251	4
Payables	5,036,890	1	4,472,804	1
Current tax liabilities	31,154	-	286,570	-
Deposits and remittances	308,897,464	75	297,141,118	76
Bank debentures payable	13,450,000	3	12,950,000	4
Other financial liabilities	11,226,264	3	3,380,674	1
Provisions	486,844	-	469,238	-
Lease liabilities	226,287	-	242,211	-
Deferred tax liabilities	919,315	-	679,521	-
Other liabilities	361,917	-	237,148	-
Total liabilities	<u>370,824,343</u>	<u>90</u>	<u>350,481,749</u>	<u>90</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK</b>				
Capital				
Common stock	28,053,579	7	27,339,923	7
Preferred stock	2,500,000	-	2,990,140	1
Total capital	<u>30,553,579</u>	<u>7</u>	<u>30,330,063</u>	<u>8</u>
Capital surplus	568,184	-	19,624	-
Retained earnings				
Legal reserve	6,527,632	2	5,789,200	1
Special reserve	1,970,247	-	3,197,011	1
Unappropriated earnings	4,722,209	1	2,756,051	1
Total retained earnings	<u>13,220,088</u>	<u>3</u>	<u>11,742,262</u>	<u>3</u>
Other equity	(1,450,123)	-	(1,828,393)	(1)
Treasury stock	(87,267)	-	(161,521)	-
Total equity	<u>42,804,461</u>	<u>10</u>	<u>40,102,035</u>	<u>10</u>
TOTAL	<u>\$ 413,628,804</u>	<u>100</u>	<u>\$ 390,583,784</u>	<u>100</u>

# O-BANK CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST					
INTEREST REVENUE	\$ 12,350,455	159	\$ 10,748,737	157	15
INTEREST EXPENSE	<u>(9,703,585)</u>	<u>(125)</u>	<u>(8,444,229)</u>	<u>(123)</u>	15
NET INTEREST	<u>2,646,870</u>	<u>34</u>	<u>2,304,508</u>	<u>34</u>	15
NET REVENUE OTHER THAN					
INTEREST REVENUE					
Service fee income, net	1,055,341	13	914,467	13	15
Gains on financial assets or liabilities measured at fair value through profit or loss	4,761,412	61	2,237,276	32	113
Realized gains on financial assets at fair value through other comprehensive income	242,512	3	358,185	5	(32)
Foreign exchange gain (loss), net	(2,126,189)	(27)	121,655	2	(1,848)
Impairment loss on assets	(3,174)	-	(5,710)	-	(44)
Share of profit of subsidiaries and associates accounted for using equity method	1,135,264	15	869,268	13	31
Other net revenue other than interest	<u>75,007</u>	<u>1</u>	<u>66,864</u>	<u>1</u>	12
Total net revenue other than interest revenue	<u>5,140,173</u>	<u>66</u>	<u>4,562,005</u>	<u>66</u>	13
TOTAL NET REVENUE	<u>7,787,043</u>	<u>100</u>	<u>6,866,513</u>	<u>100</u>	13
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(423,413)</u>	<u>(5)</u>	<u>(444,271)</u>	<u>(6)</u>	(5)

(Continued)

# O-BANK CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expenses	\$ 2,226,762	29	\$ 2,020,094	29	10
Depreciation and amortization expenses	483,835	6	510,346	8	(5)
Other general and administrative expenses	<u>1,245,480</u>	<u>16</u>	<u>1,090,850</u>	<u>16</u>	14
Total operating expenses	<u>3,956,077</u>	<u>51</u>	<u>3,621,290</u>	<u>53</u>	9
PROFIT BEFORE INCOME TAX	3,407,553	44	2,800,952	41	22
INCOME TAX EXPENSE	<u>551,354</u>	<u>7</u>	<u>308,532</u>	<u>5</u>	79
NET PROFIT FOR THE YEAR	<u>2,856,199</u>	<u>37</u>	<u>2,492,420</u>	<u>36</u>	15
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	15,447	-	(8,524)	-	281
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	28,529	-	(211,721)	(3)	113
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	<u>45,236</u>	<u>1</u>	<u>167,883</u>	<u>3</u>	(73)
Components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax	<u>89,212</u>	<u>1</u>	<u>(52,362)</u>	<u>-</u>	270

(Continued)

# O-BANK CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		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	\$ 528,113	7	\$ (59,795)	(1)	983
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method	(31,771)	(1)	625,196	9	(105)
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(157,943)	(2)	674,771	10	(123)
Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>(96,220)</u>	<u>(1)</u>	<u>3,318</u>	<u>-</u>	(3,000)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax	<u>242,179</u>	<u>3</u>	<u>1,243,490</u>	<u>18</u>	(81)
Other comprehensive income for the year, net of tax	<u>331,391</u>	<u>4</u>	<u>1,191,128</u>	<u>18</u>	(72)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,187,590</u>	<u>41</u>	<u>\$ 3,683,548</u>	<u>54</u>	(13)
EARNINGS PER SHARE					
Basic	<u>\$1.00</u>		<u>\$0.87</u>		
Diluted	<u>\$0.90</u>		<u>\$0.78</u>		

(Concluded)

**O-BANK CO., LTD.**

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Capital Stock (Note 30)			Capital Surplus (Note 30)	Retained Earnings (Notes 9 and 30)				Other Equity (Notes 9 and 30)		Treasury Stock (Note 30)	Total Equity
	Common Stock	Preferred Stock	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2023	\$ 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)	\$ (16,837)	\$ 37,722,239
Reversal of special reserve	-	-	-	-	-	(2,622)	2,622	-	-	-	-	-
Appropriation and distribution of 2022 earnings												
Legal reserve	-	-	-	-	1,447,384	-	(1,447,384)	-	-	-	-	-
Special reserve	-	-	-	-	-	2,565,023	(2,565,023)	-	-	-	-	-
Cash dividends of common stock distributed by the Bank	-	-	-	-	-	-	(1,037,959)	(1,037,959)	-	-	-	(1,037,959)
Cash dividends of preferred stock distributed by the Bank	-	-	-	-	-	-	(127,081)	(127,081)	-	-	-	(127,081)
Changes in capital surplus from investments in subsidiaries accounted for using equity method	-	-	-	5,257	-	-	-	-	-	-	-	5,257
Unclaimed dividends	-	-	-	715	-	-	-	-	-	-	-	715
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	2,492,420	2,492,420	-	-	-	2,492,420
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	(12,933)	(12,933)	(56,477)	1,260,538	-	1,191,128
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	2,479,487	2,479,487	(56,477)	1,260,538	-	3,683,548
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(144,684)	(144,684)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(18,048)	(18,048)	-	18,048	-	-
BALANCE AT DECEMBER 31, 2023	27,339,923	2,990,140	30,330,063	19,624	5,789,200	3,197,011	2,756,051	11,742,262	109,410	(1,937,803)	(161,521)	40,102,035
Reversal of special reserve	-	-	-	-	-	(1,226,764)	1,226,764	-	-	-	-	-
Appropriation and distribution of 2023 earnings												
Legal reserve	-	-	-	-	738,432	-	(738,432)	-	-	-	-	-
Cash dividends of common stock distributed by the Bank	-	-	-	-	-	-	(1,228,974)	(1,228,974)	-	-	-	(1,228,974)
Cash dividends of preferred stock distributed by the Bank	-	-	-	-	-	-	(101,904)	(101,904)	-	-	-	(101,904)
Changes in capital surplus from investments in subsidiaries accounted for using equity method	-	-	-	6,957	-	-	-	-	-	-	-	6,957
Unclaimed dividends	-	-	-	589	-	-	-	-	-	-	-	589
Net profit for the year ended December 31, 2024	-	-	-	-	-	-	2,856,199	2,856,199	-	-	-	2,856,199
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	20,195	20,195	431,893	(120,697)	-	331,391
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	2,876,394	2,876,394	431,893	(120,697)	-	3,187,590
Issuance of shares for cash	-	2,500,000	2,500,000	500,000	-	-	-	-	-	-	-	3,000,000
Common shares converted from convertible preferred shares	713,656	(713,656)	-	-	-	-	-	-	-	-	-	-
Redemption convertible preferred shares	-	(2,276,484)	(2,276,484)	-	-	-	-	-	-	-	-	(2,276,484)
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(14,084)	(14,084)
Changes in percentage of ownership interests in associates	-	-	-	39,329	-	-	(616)	(616)	-	-	-	38,713
Transfer of treasury stock to employees under share-based payment arrangements	-	-	-	1,685	-	-	-	-	-	-	88,338	90,023
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(67,074)	(67,074)	-	67,074	-	-
BALANCE AT DECEMBER 31, 2024	<u>\$ 28,053,579</u>	<u>\$ 2,500,000</u>	<u>\$ 30,553,579</u>	<u>\$ 568,184</u>	<u>\$ 6,527,632</u>	<u>\$ 1,970,247</u>	<u>\$ 4,722,209</u>	<u>\$ 13,220,088</u>	<u>\$ 541,303</u>	<u>\$ (1,991,426)</u>	<u>\$ (87,267)</u>	<u>\$ 42,804,461</u>

# O-BANK CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit from continuing operations before tax	\$ 3,407,553	\$ 2,800,952
Adjustments for:		
Depreciation expense	246,932	244,027
Amortization expense	236,903	266,319
Expect credit losses/recognition of provisions	426,587	449,981
Net gain on financial assets or liabilities at fair value through profit or loss	(4,761,412)	(2,237,276)
Interest expense	9,703,585	8,444,229
Interest revenue	(12,350,455)	(10,748,737)
Dividends income	(221,620)	(385,101)
Share-based payment arrangements	7,253	-
Share of profit of subsidiaries and associates accounted for using equity method	(1,135,264)	(869,268)
Gain on disposal of property and equipment	(494)	(3,322)
Loss (gain) on disposal of investments	(20,892)	26,916
Changes in operating assets and liabilities:		
Due from the Central Bank and call loans to banks	(2,859,488)	(1,641,292)
Financial assets at fair value through profit or loss	7,026,013	(256,076)
Financial assets at fair value through other comprehensive income	1,701,216	(7,163,902)
Investments in debt instruments at amortized cost	(89,019)	517,257
Bills and bonds purchased under resell agreements	(3,388,577)	-
Receivables	(417,948)	296,303
Discounts and loans	(22,858,867)	(17,941,540)
Deposits from the Central Bank and other banks	5,110,194	(1,484,690)
Bills and bonds sold under repurchase agreements	(5,517,812)	8,533,263
Payables	763,212	1,334,798
Deposits and remittances	11,756,346	22,637,140
Provisions	(9,258)	(9,885)
Cash flows generated from (used in) operations	(13,245,312)	2,810,096
Interest received	12,340,713	10,289,615
Dividends received	722,580	892,110
Interest paid	(9,658,851)	(7,791,559)
Income taxes paid	(578,295)	(235,705)
Net cash flows generated from (used in) operating activities	<u>(10,419,165)</u>	<u>5,964,557</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal of investments accounted for using equity method	-	26,657
Acquisition of property and equipment	(174,219)	(171,893)
Proceeds from disposal of property and equipment	872	3,404
Increase in refundable deposits	(85,693)	(306,632)
Acquisition of intangible assets	(173,471)	(105,601)
Increase in other assets	-	(25,079)
Decrease in other assets	6,082	-
Net cash flows used in investing activities	<u>(426,429)</u>	<u>(579,144)</u>

(Continued)

# O-BANK CO., LTD.

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuing bank debentures	\$ 2,500,000	\$ 1,600,000
Repayments of bank debentures	(2,000,000)	(2,250,000)
Increase in funds intended for specific types of loans	945,477	771,667
Repayments of funds intended for specific types of loans	(396,566)	(963,786)
Repayment of the principal portion of lease liabilities	(118,028)	(100,273)
Increase in other financial liabilities	7,296,679	702,569
Increase in other liabilities	124,769	-
Decrease in other liabilities	-	(18,890)
Cash dividends paid	(1,330,878)	(1,165,040)
Proceeds from issuing shares	3,000,000	-
Redemption convertible preferred shares	(2,276,484)	-
Payments to acquire treasury stock	(14,084)	(144,684)
Transfer of treasury stock to employees	<u>82,770</u>	<u>-</u>
Net cash flows generated from (used in) financing activities	<u>7,813,655</u>	<u>(1,568,437)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>31,502</u>	<u>5,190</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(3,000,437)</b>	<b>3,822,166</b>
<b>CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR</b>	<u>16,100,227</u>	<u>12,278,061</u>
<b>CASH AND CASH EQUIVALENT AT END OF THE YEAR</b>	<u><u>\$ 13,099,790</u></u>	<u><u>\$ 16,100,227</u></u>

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of December 31, 2024 and 2023:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents reported in the balance sheets	\$ 5,151,237	\$ 3,811,226
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	4,377,100	11,366,403
Bills and bonds purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	2,587,751	-
Other items qualifying for cash and cash equivalents under the definition of IAS 7	<u>983,702</u>	<u>922,598</u>
Cash and cash equivalents at end of the year	<u><u>\$ 13,099,790</u></u>	<u><u>\$ 16,100,227</u></u>

(Concluded)



## Appendix X

### ***O-Bank Co., Ltd. Articles of Incorporation***

#### Comparison Table of Original and Amended Articles

Amended Article	Original Article	Explanation
<p>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.</p> <p>The Bank may issue employee stock option certificates and new shares with restricted employee rights within the preceding total amount of shares, and the relevant operations shall be handled in accordance with relevant laws and regulations.</p> <p><u>The Bank may, in accordance with the law, repurchase treasury shares for transfer to employees, reserve newly issued shares for employee subscription, enter into stock option agreements with employees, or issue restricted stock for employees. The recipients of such transfers, subscriptions, or issuances may include employees of subsidiaries that meet certain qualifying conditions.</u></p>	<p>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.</p> <p>The Bank may issue employee stock option certificates and new shares with restricted employee rights within the preceding total amount of shares, and the relevant operations shall be handled in accordance with relevant laws and regulations.</p>	<p>To specify that the recipients of treasury shares repurchased and transferred to employees, newly issued shares reserved for employee subscription, employee stock warrants, or restricted stock for employees may include employees of subsidiaries that meet the conditions under the <i>Company Act</i>.</p>
<p>Article 8-1: The rights and obligations of the Bank's preferred shares as well as other important terms of issuance are as follows:</p>	<p>Article 8-1: The rights and obligations of the Bank's preferred shares as well as other important terms of issuance are as follows:</p>	<p>To specify that preferred share dividends may be distributed from cumulative distributable earnings.</p>

Amended Article	Original Article	Explanation
<p>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. <u>When added to undistributed earnings at the beginning of the period,</u> the remainder <u>shall constitute the cumulative distributable earnings</u>, giving priority in distributing cash dividends for preferred shares for the year.</p> <p>2. (Omitted)</p> <p>3. The Bank has autonomous discretion on distribution of cash dividends for preferred shares. If the Bank's <u>cumulative distributable earnings are</u> 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</p>	<p>1. If a surplus remains after the Bank closes its books for a given year, the Bank shall, in accordance with its <i>Articles of Incorporation</i>, 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 <u>before giving priority to using the remainder in distributing cash dividends for preferred shares for the year.</u></p> <p>2. (Omitted)</p> <p>3. The Bank has autonomous discretion on distribution of cash dividends for preferred shares. If the Bank's <u>audited results of a given year show no surplus or a surplus</u> 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. (Remaining omitted)</p>	

Amended Article	Original Article	Explanation
in subsequent years when there is a surplus in earnings. (Remaining omitted)		
<p>Article 32: If the Bank records a profit in a year, the Bank shall set aside no less than 0.5% 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. <u>Among the total amount of employee remuneration, the portion allocated to non-managerial staff shall not be less than 20%.</u> 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.</p>	<p>Article 32: If the Bank records a profit in a year, the Bank shall set aside no less than 0.5% 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.</p>	<p>To specify that the allocation ratio of employee remuneration to non-managerial staff shall comply with Paragraph 6, Article 14 of the <i>Securities and Exchange Act</i>.</p>
<p>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, <u>the remaining amount shall constitute the undistributed earnings for the year. These</u></p>	<p>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 <u>and distribution of cash dividends for preferred shares, if a profit remains the outstanding balance</u></p>	<p>1. To specify that preferred share dividends may be distributed from cumulative distributable earnings. 2. To further specify that the scope of distributable earnings includes the current year's earnings.</p>

Amended Article	Original Article	Explanation
<p><u>earnings, combined with undistributed earnings at the beginning of the period, shall form the cumulative distributable earnings. Dividends for preferred shares shall be distributed with priority, followed by dividends and bonuses for common shares (collectively referred to as "dividends")</u>, shall be used as the basis for the Board of Directors to propose distribution and seek a resolution of a shareholders' meeting thereof.</p> <p>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.</p> <p>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.</p> <p>The aforesaid distributable earnings refer to the outstanding balance derived from deducting 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</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The aforesaid distributable earnings refer to the outstanding balance derived from deducting <u>distributable but not yet distributed</u> 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</p>	

Amended Article	Original Article	Explanation
<p>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.</p>	<p>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.</p>	
<p>Article 34 These <i>Articles of Incorporation</i> were enacted on June 22, 1998 . . . ; the 15<sup>th</sup> amendment on June 2, 2015; the 16<sup>th</sup> amendment on October 2, 2015; the 17<sup>th</sup> amendment on June 3, 2016; the 18<sup>th</sup> amendment on June 14, 2017; the 19<sup>th</sup> amendment on June 14, 2018; the 20<sup>th</sup> amendment on June 19, 2020; the 21<sup>th</sup> amendment on June 17, 2022; the 22<sup>th</sup> amendment on June 16, 2023; the 23<sup>th</sup> amendment on June 14, 2024, <u>and the 24<sup>th</sup> amendment on ○ ○, 2025.</u></p>	<p>Article 34 These <i>Articles of Incorporation</i> were enacted on June 22, 1998 . . . ; the 15<sup>th</sup> amendment on June 2, 2015; the 16<sup>th</sup> amendment on October 2, 2015; the 17<sup>th</sup> amendment on June 3, 2016; the 18<sup>th</sup> amendment on June 14, 2017; the 19<sup>th</sup> amendment on June 14, 2018; the 20<sup>th</sup> amendment on June 19, 2020; the 21<sup>th</sup> amendment on June 17, 2022; the 22<sup>th</sup> amendment on June 16, 2023; the 23<sup>th</sup> amendment on June 14, 2024.</p>	<p>The date and ordinal number of another amendment are added.</p>

## Appendix XI

### Shareholdings of Directors

Record Date (Book Closure Date): April 15, 2025

Position	Name		Current Shareholding	
			Shares	Ratio%
Chairman	Lo, Tina Y.		118,761 *7,851	0.004 *0.003
Managing Director	Lo, Kenneth C.M.	Representatives of Ming Shan Investment Co., Ltd.	386,271,554	13.77
Director	Chien, Chih-Ming			
Managing Director	Tai Hsuan Investment Co., Ltd. Representative: Lin, Bill K.C.		275,404,275	9.82
Director	Abag Investment Holdings Co., Ltd. Representative: Cheng, George C.J.		54,728 *3,618	0.002 *0.001
Director	Lee, Mark J.C.		100,390 *7,297	0.004 *0.003
Director	Tai Ya Investment Co., Ltd. Representative: Chen, Alex J.J.		83,137,161 *5,991,757	2.96 *2.40
Director	Yi Chang Investment Co., Ltd. Representative: Tang, Grace W.S		276,554,793 *1,650,000	9.86 *0.66
Independent Managing Director	Hu, Fu-Hsiung		-	-
Independent Director	Lin, Hank H.K.		-	-
Independent Director	Chiang, Tina W.N		-	-
Independent Director	Wang, Jennifer C.F.		-	-

Note:

1. “\*” denotes Class B Preferred Shares in this Table.
2. Total common shares issued as of April 15, 2025 (book closure date): 2,805,357,878. Total preferred shares B issued as of April 15, 2025 (book closure date): 250,000,000. The Bank’s total shares in issue stood at 3,055,357,878.
3. The Bank’s board directors are required by law to hold a minimum of 73,328,589 shares. As of April 15, 2025, the roster of shareholders showed all directors to hold a combined 1,029,302,185 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.