

Chang Hwa Bank's corporate governance evaluation has once again achieved excellent results, ranking among the top 5% of listed companies and the top 4 in the financial and insurance sector.

Chang Hwa Bank's commitment to enhancing corporate governance has been recognized with its placement in the top 5% of the 9th Corporate Governance Evaluation conducted by the Taiwan Stock Exchange in 2022. Additionally, for two consecutive years, it has achieved remarkable rankings within the top 4 in the financial and insurance sector. Under the leadership of Chairperson Joanne Ling and President Chao-Chung Chou, Chang Hwa Bank has actively implemented various initiatives to ensure effective corporate governance.

The Taiwan Stock Exchange's "Corporate Governance Evaluation" is primarily based on the guidelines outlined in the "Corporate Governance 3.0 - Sustainable Development Blueprint" and the "Capital Market Blueprint" announced by the regulatory authorities. It also takes into account international trends in important corporate governance development, domestic regulatory amendments, interpretations, and policies. The evaluation framework encompasses four main dimensions: "Protecting Shareholders' Rights and Ensuring Equal Treatment of Shareholders," "Enhancing Board Structure and Operations," "Improving Information Transparency," and "Implementing Corporate Social Responsibility." These dimensions are used to comprehensively assess the corporate governance practices of companies.

Chang Hwa Bank has consecutively ranked within the top 5% in the corporate governance evaluation for two years, primarily due to its continuous efforts in implementing enhanced corporate governance measures, particularly in response to the new indicators promoted by regulatory authorities. The Bank has placed great emphasis on and strengthened the following measures: (1) Strengthening the supervisory role of the Audit Committee over the company's finances, with financial reports requiring approval from the Audit Committee and subsequent discussion and resolution by the Board of Directors. (2) Conducting regular internal performance evaluations of functional committees, with the execution and evaluation results disclosed to enhance the effectiveness of these committees. (3) Improving information transparency by disclosing sustainability reports in both Chinese and English versions on the Market Observation Post System and the company's website. (4) Addressing climate change issues by adopting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), disclosing



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governance practices, strategies, risk management, indicators, and targets related to climate-related risks and opportunities. (5) Providing stakeholders with comprehensive and timely information, including regular corporate briefings and, in 2022, utilizing video conferencing during physical shareholders' meetings to increase investor participation. The Bank has demonstrated significant dedication to issues related to corporate governance.

Not only did Chang Hwa Bank achieve impressive performance in 2022, creating a new high in dividend payouts for shareholders, but it has also been committed to enhancing corporate governance over the long term. The Bank has implemented risk management practices and pursued pragmatic and steady business development. With a focus on improving asset quality, Chang Hwa Bank is poised to hold its shareholder meeting this year and is expected to continue under the leadership of the current Chairperson, Joanne Ling, and President, Chao-Chung Chou, to establish itself as an outstanding and sustainable financial institution.

