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Governance Aspect

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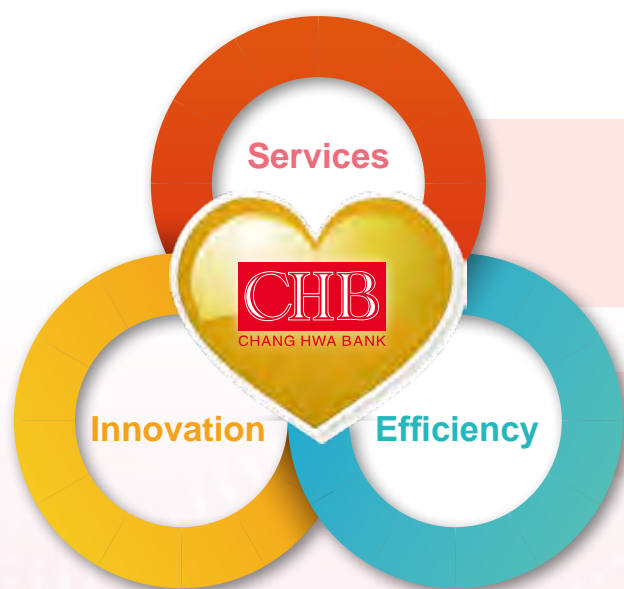


Externally, the Bank actively pursues business development and enhances business performance; internally, internal control and audit system are implemented, and effective legal compliance and risk management mechanisms are established. While pursuing business sustainability and profitability, the Bank pays attention to economic, social and environmental impacts and incorporates them into its management and operation, so to improve the efficiency of corporate governance.



1.1 Company Profile

GRI 102-3, 102-4, 102-5, 102-6, 102-7, 102-15, 201-1



• **Name of Bank**

Chang Hwa Bank Co. Ltd.

• **Addresses of CHB Head Office**

Taichung: No. 38, Sec. 2, Ziyou Rd., Central Dist.,
Taichung City 40045, Taiwan (R.O.C.)
Taipei: No. 57, Sec. 2, Zhongshan N. Rd., Zhongshan Dist.,
Taipei City 10412, Taiwan (R.O.C.)

• **Number of Employees**

6,556 persons

• **Number of Operation Units**

185 branches in Taiwan, 7 branches overseas,
1 representative office, and 1 subsidiary bank

• **Paid-in capital**

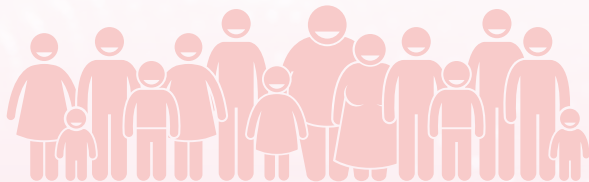
NTD 97,895 millions

1.1.1 Mission Statement

Since its inception, the Bank has been committed to the innovation of business, the improvement of service standards and the expansion of service scopes, with the Taiwanese traditional spirit of “solid management and serving the public” and the business philosophy of “Service”, “Efficiency” and “Innovation”, in the hope of providing more convenient, efficient and more comprehensive financial services for business enterprises and the public.

Smile & Reach Out

Our simple interactive smiley image symbolizes the active and enthusiastic service attitude of Chang Hwa Bank which wins the smiles of satisfied customers.



1.1.2 Global Service Locations

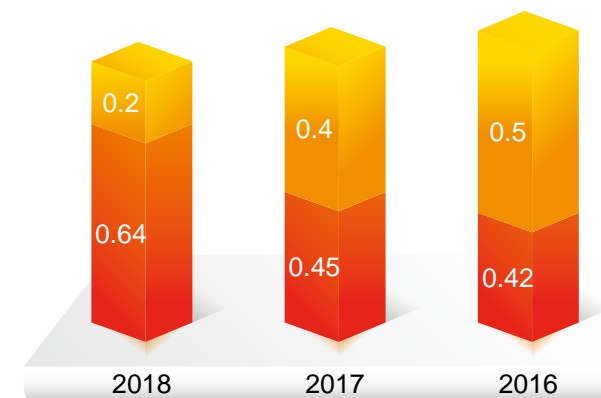
Chang Hwa Bank's global services extend to Asia, Europe and the Americas. Our overseas service network includes the New York Branch, Los Angeles Branch, Tokyo Branch, London Branch, Hong Kong Branch, Singapore Branch, Manila Branch and Yangon Representative Office. Under the China subsidiary bank are the KunShan Branch, Kunshan Huaqiao Sub-branch, DongGuan Branch, FuZhou Branch and Nanjing Branch, providing high-quality financial products and comprehensive services for Taiwanese businessmen and overseas Chinese all over the world.

In 2018, in line with the government's New Southbound Policy, the Manila Branch opened on July 9, 2018, providing customers with relevant financing and other needs. The China sub-branch was restructured as a subsidiary bank and the affiliated Nanking Branch opened on December 11, 2018, providing customers with better financial services. It will continue to expand its business scope and grasp the business opportunities in the RMB market.



Dividend Performance of the Past Three Years

▣ Cash Dividends
 ▣ Stock dividends



1.1.3 Business Performance

Financial performance

Unit: NTD

		Items/FY	2018	2017	2016
Operating Ability	Total Assets (NTD mn)		2,069,080	2,036,258	2,005,152
	Equity (NTD mn)		156,561	144,948	137,524
	Net Income (NTD mn)		12,646	12,093	12,086
Profitability	ROA (%)		0.62%	0.60%	0.62%
	ROE (%)		8.39%	8.56%	9.05%
	EPS after tax (NTD)		1.29	1.24	1.35
Economic value generated and distributed (EVG & D)	Payment of government tax * (NTD 000)		2,059,999	2,091,113	1,997,069

* The payment of government tax is based on the income tax expense figures in the Bank's financial report and the independent auditor's report.

Credit Ratings

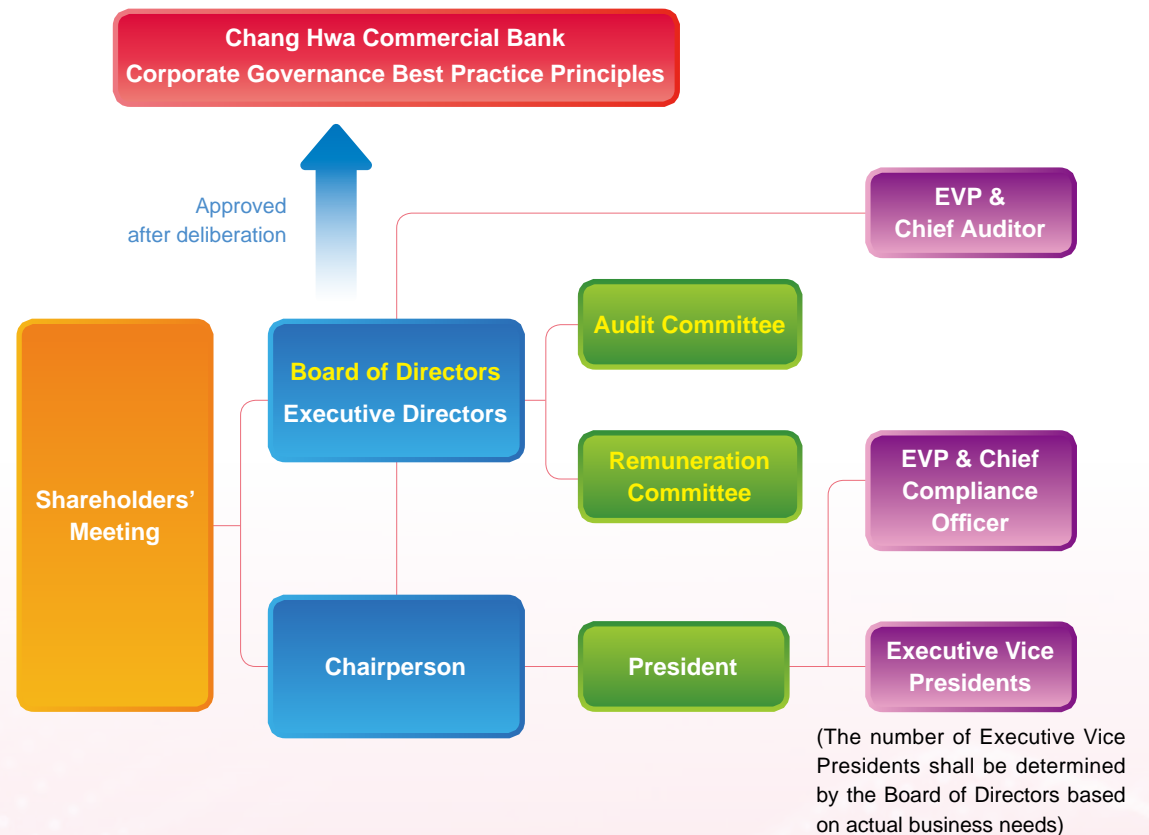
Rating Agency Release Date	Rating Agency Release Date	Global Rating		National Rating		Outlook
		Long-term	Short-term	Long-term	Short-term	
Taiwan Ratings	2018/12	-	-	twAA	twA-1+	Positive
S & P	2018/12	BBB+	A-2	-	-	Positive
Moody's	2019/02	A2	P-1	-	-	Stable

1.2 Corporate Governance

GRI 102-18, 405-1

The Bank continues to strengthen the functions of the Board of Directors, enhance information transparency, ensure the rights and interests of shareholders, and fulfill its corporate social responsibility. In 2018, it was named among the top 6% ~20% of TWSE-listed companies in the Corporate Governance Evaluation by the Taiwan Stock Exchange Corporation, thus acknowledging the Bank's determination and results in optimizing corporate governance. Corporate governance framework of the Bank is as below:

Corporate Governance Framework of the Bank



1.2.1 Board of Directors

Since the election of the 25th Board of Directors, the Bank has adopted the candidate nomination system for directors (including independent directors), in order to facilitate exercise of shareholder rights by way of electronic transmission and implement corporate governance. For the curriculum vitae of each director, please refer to the *2018 Annual Report* of the Bank (the annual report is disclosed on the Bank's official website (<https://www.bankchb.com/>) and the Market Observation Post System (<http://mops.twse.com.tw/index.htm>); the same below).

1.2.1.1 Diversified and Professional Board Members

- ① The Board of Directors of the Bank is composed of financial experts, business owners, representatives of government agencies, and scholars. They have professional qualifications or work experience in business, legal affairs, accounting, finance, taxation, banking, etc., respectively. Diversity and different fields of professionalism endow the decision-making of the Board with objectivity and completeness, and improve the decision-making quality of the Board of Directors. In order to strengthen their functions, each director participates in courses of finance, risk management, business, legal affairs, accounting, internal control and corporate social responsibility related to corporate governance in accordance with the Director Training Program Policy of the Bank,

thus continuously enhancing their professional competence. The number of training hours for each director in 2018 was in compliance with the regulations.

- ② For the implementation status of the diversification of directors, please refer to the *2018 Annual Report* of the Bank.
- ③ The Chairperson of the Bank's highest governance unit is a member of the management team.

1.2.1.2 Operating Status of the Board of Directors

- ① The 25th Board of Directors of the Bank is composed of 9 directors elected by the shareholders' meeting, one of which is female (accounting for 11.11%), and counts with three independent directors (accounting for 33.33%).
- ② Among the Board members of the Bank, one of them is between 50 and 59 years old, three of them are between 60 and 69 years old, and five of them are over 70 years old.
- ③ The 25th Board of Directors of the Bank held 13 meetings in 2018, and all directors have performed their duties in accordance with regulations such as the Articles of Incorporation of the Bank and Procedural Rules for the Board of Directors.
- ④ Please refer to the *2018 Annual Report* of the Bank for the meetings of the Board of Directors, important resolutions, and the implementation status of directors' recusal due to conflicts of interest.

1.2.1.3 Director Performance Evaluation and Remuneration

① Director Performance Evaluation

The Bank has established the *Rules for Performance Evaluation of Boards*. Evaluation includes five major aspects: “Participation in the Bank’s operations”, “Board decision-making quality improvement”, “Board composition and structure”, “director's election and continuing education” and “internal control”, with a total of 40 self-assessment indicators, and the total score is 100 points. In the performance evaluation result, four aspects attained full score, including “participation in the Bank's operations”, “Board decision-making quality improvement”, “Board composition and structure”, and


“director's election and continuing education”. The overall self-assessment score was 96.25 points. Relevant information has been disclosed on the official website of the Bank (<https://www.bankchb.com/>) and the Market Observation Post System for inquiries.

② Director Remuneration

Please refer to the *2018 Annual Report* of the Bank.

1.2.1.4 Functional Committees of the Board of Directors

The Board of Directors of the Bank has set up two functional committees, the Audit Committee and the Remuneration Committee. Their relevant responsibilities and operating status are as follows:

Committee	Item	Operating Status
 Audit Committee	Responsibilities	Supervision over fair presentation of the Company's financial reports; attesting CPA's hiring (dismissal), independence and performance; effective implementation of the internal control system of the Company; management of Company's compliance with relevant laws, regulations and rules; and the existing or potential risks of the Company.
	Structure	The Audit Committee of the Bank is composed of 3 independent directors <ul style="list-style-type: none"> • The members are independent executive director Kuo-Yuan Liang, independent director Jung-Chun Pan, and independent director Chi-Chang Yu; independent executive director Kuo-Yuan Liang serves as the convener.
	Operating Status	<ul style="list-style-type: none"> • Meetings of the Audit Committee are convened at least once a quarter, and may be convened whenever deemed necessary. • In 2018, the 2nd Audit Committee convened a total of 13 meetings. • Attendance rate was 100%.

Committee	Item	Operating Status
 Remuneration Committee	Responsibilities	Exercising due care of a prudent manager and fulfilling the following responsibilities: <ul style="list-style-type: none"> Assessing and reviewing the Bank's overall remuneration policy. Establishing and regularly reviewing the performance evaluation and remuneration policy, system and structure of directors, the President, Executive Vice Presidents, Chief Auditor, Chief Compliance Officer, consultants, and supervisors of the Head Office departments and branches. Regularly reviewing and determining the remuneration of directors, the President, Executive Vice Presidents, Chief Auditor, Chief Compliance Officer, consultants, and supervisors of the Head Office departments and branches.
	Structure	The Remuneration Committee of the Bank is composed of 3 independent directors <ul style="list-style-type: none"> The members are independent executive director Kuo-Yuan Liang, independent director Jung-Chun Pan, and independent director Chi-Chang Yu; independent executive director Kuo-Yuan Liang serves as the convener.
	Operating Status	<ul style="list-style-type: none"> Meetings of the Remuneration Committee are convened at least twice a year, and may be convened whenever deemed necessary. In 2018, the 4th Remuneration Committee convened a total of 9 meetings. Attendance rate was 100%.

1.2.2 Participation in Various Associations and Organizations

GRI 102-13

In order to promote the development of the domestic financial industry, the Bank actively participates in various industry unions/associations and organizations, and holds important positions in some of them, providing timely advice on the practices of the financial industry and contributing to the improvement of the overall financial environment in Taiwan.

1.2.2.1 Various Associations and Organizations

List of Various Associations and Organizations the Bank Participates In

Name of the Association or Organization	
• Bankers Association of the Republic of China	• Taiwan Private Equity Association
• Trust Association of R.O.C.	• Small and Medium Enterprise Credit Guarantee Fund of Taiwan (SMEG)
• Taiwan Securities Association	• Taiwan Clearing House
• Insurance Agency Association of the Republic of China	• Financial Information Service Co., Ltd.
• R.O.C. Bills Finance Association	• Bankers Association of Taipei
• Securities Investment Trust & Consulting Association of the R.O.C.	• Financial Information Sharing and Analysis Center (F-ISAC)
• Chinese National Futures Association	

1.2.2.2 The Bank participates in various industry unions, associations and organizations. In addition to paying regular membership fees according to regulations, the Bank also provides annual donations to some associations and organizations (such as the SMEG and Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF)).

1.3 Legal Compliance

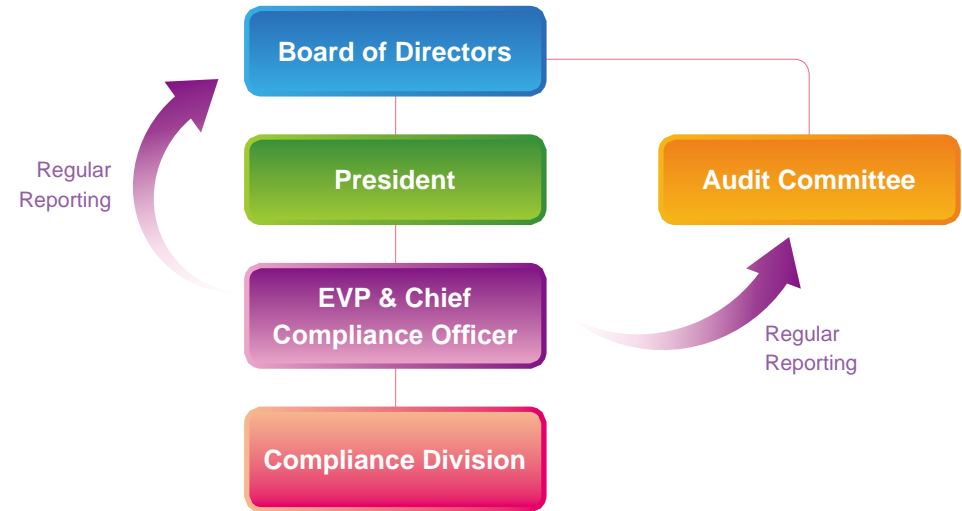
GRI 102-11, 307-1, 419-1

The Bank has established a sound legal compliance system and framework, and through promotion and education and training, ensures the implementation of the legal compliance system.

1.3.1 Establishing Legal Compliance Risk Management and Supervision Framework

In line with the regulations of the competent authority, the Bank has established a *Legal Compliance Risk Management and Supervision Framework*, which has been reviewed and approved by the 16th meeting of the 25th Board of Directors on September 28, 2018, and submitted to the Financial Supervisory Commission (hereinafter referred to as the “FSC”) for reference.

Legal Compliance Organizational Structure of the Bank



1.3.2 Operation of Legal Compliance Risk Evaluation and Reporting Mechanism

- ① The Bank's *Implementation Policy for Legal Compliance Risk Management and Supervision* has been established to propose improvement suggestions for risks and weaknesses in terms of legal compliance, and follow up on the improvement measures proposed by the Sales Management Department through the two lines of defense meetings every quarter.

- ② The Bank has established a regular legal compliance reporting and alert mechanism. For all units at home and abroad, except for regular reporting on legal compliance matters to the Compliance Division, the Compliance Division may also designate relevant information to be provided immediately for matters recognized by the Bank as possessing higher legal compliance risk; or, for specific legal compliance alerts, all units shall immediately notify the Compliance Division, as to promptly control the Bank's legal compliance risk situation.




1.3.3 Implementation of Legal Compliance System

The Bank has established the *Measures for Implementation of the Legal Compliance System*, which include regularly conducting legal compliance self-assessments, regular arrangement of legal compliance education and training, and continuous implementation of legal compliance on-site inspections, all in order to maintain the effective and appropriate operation of internal control systems and realize the Bank's legal compliance culture.

Item	Processing status
Self-assessments	The legal compliance self-assessment of the first half of 2018 was completed on June 30, 2018; the self-assessment of the second half of the year was completed on December 31, 2018.
Notification of the latest laws, regulations, and rulings	<ul style="list-style-type: none"> In 2018, a total of 105 new laws, regulations, and rulings were submitted in Taiwan, and all relevant units were notified to amend the regulations and rules accordingly. Continuous follow-ups were conducted on the completion status of the amendments by the units. The Compliance office of foreign branches issued a total of 59 notices in the second half of 2018 regarding laws and regulations announced by the local competent authorities and cases of penalty in the financial industry. The total number of cases that required cooperation from foreign branches in revising/amending internal operational regulations was 19.
Legal compliance on-site inspections	<ul style="list-style-type: none"> The Bank complied with the 2018 legal compliance on-site inspection plan. A total of 32 business operation units, 2 commercial regional centers, 2 securities brokerage companies and 5 head office management units were selected and checked. After the inspections, the inspection results were made into a legal compliance on-site inspection report and submitted for approval by the Chief Compliance Officer.
Education and training	<ul style="list-style-type: none"> 6,125 and 5,938 employees participated in the legal compliance promotional courses in the first half and the second half of 2018, respectively. In the first and second half of 2018, a total of 8 training courses on legal compliance, AML, Know Your Customer (KYC) Policy, and Employee Code of Conduct were conducted for new employees of the Bank, with a total of 236 participants. Holding the AML/CFT training courses for the Board of Directors and executives.
Penalties imposed by the competent authorities and their improvement status	<ul style="list-style-type: none"> Penalty: An employee of the Bank's DongGuan Branch received payment from the appraisal company, which was verified to be a failure in effective establishment or implementation of the internal control system, and was in violation of Paragraph 1, Article 45-1 of the Banking Act. A fine of NT\$3 million was imposed by the FSC on July 3, 2018. Improvement status: The Bank has issued a letter and re-stated therein that employees shall abide by the Bank's <i>Ethical Management Guidelines</i>, <i>Code of Ethics</i>, <i>Employee Code of Conduct</i>, etc., as to strengthen the implementation of legal compliance culture and the internal control mechanisms of the Bank.

1.4 Anti-money Laundering

The Bank has set up an AML/CFT Section under the Compliance Division, which is responsible for the AML/CFT operations of the Bank, and continues to strengthen the Bank's AML/CFT mechanisms.


Item	Operating status
 <p>Related regulations</p>	<p>The Bank has established the <i>AML/CFT Policy and Guidelines Governing AML/CFT</i> in compliance with the <i>Regulations Governing Anti-Money Laundering of Financial Institutions, Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of the Banking Industry and Other Financial Institutions Designated by the Financial Supervisory Commission</i>, and the <i>Template of Guidelines Governing Anti-Money Laundering and Combating the Financing of Terrorism</i> by the <i>banking related associations, etc.</i> issued by the FSC.</p>
 <p>Comprehensive risk assessment</p>	<p>The Bank has completed the Bank's 2017 comprehensive risk assessment report in accordance with the aforementioned regulations. After the approval by the 10th meeting of the 25th Board of Directors of the Bank on March 20, 2018, the 2017 AML/CFT comprehensive risk assessment report and risk prevention and improvement measures were submitted to the FSC for future reference on March 28, 2018 in accordance with regulations.</p>
 <p>Special Audit</p>	<p>On April 23, 2018, the Bank submitted to the 11th meeting of the 25th Board of Directors the audit results of the accountants and the assurance report of the 2017 AML/CFT mechanism special audit, which were also submitted to the FSC for future reference on April 27, 2018.</p>




** For legal compliance status of the personal information protection, please refer to the "Products" section.

1.5 Business Integrity

GRI 102-16, 205-1, 205-2, 205-3, 412-1, 412-2

In order to demonstrate its determination and commitment to business integrity, the Bank has established the *Ethical Management Guidelines*, which assign responsibilities for formulating rules relevant to business integrity, assisting the Board of Directors and management in supervising the implementation status of business integrity, and reporting to the Board of Directors on a regular basis.

	Item	Description
 Business Integrity	Related regulations	<p>The Bank actively guards against dishonest behavior, and specifically requires the Bank's employees to conduct business activities based on the principles of fairness, honesty, trustworthiness and transparency. The Bank also established sound corporate governance and risk management mechanisms to create a business environment propitious for sustainable development. The Bank's <i>Ethical Management Guidelines</i> have been disclosed on the Bank's official website for inquiries.</p>
	Mid- and long-term goals	<ul style="list-style-type: none"> • Strengthening employees' awareness towards legal compliance, implementing relevant regulations of the Bank, and enhancing the business integrity culture of the Bank.
	Operating status	<ul style="list-style-type: none"> • Internal reporting regulations In order to establish an honest and transparent corporate culture and promote sound management, the Bank formulated the <i>Internal Reporting Regulations</i> of the Bank in accordance with Article 34-2 of the <i>Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries</i> and related regulations. These were approved and implemented by the 16th meeting of the 25th Board of Directors on September 28, 2018, as to quicken the Bank's reporting channels and improve the handling process of reported cases. • Internal and external reporting system channels and methods of Chang Hwa Bank In order to establish an honest and transparent corporate culture and promote sound management, if the public finds that employees of the Bank commit criminal acts, fraud or violations of laws and regulations, it can report these to the Bank through the following channels and methods: e-mail address for reports chb0110@chb.com.tw. If the whistleblower is an employee of the Bank, he or she may submit a report in the employee reporting system on the Bank's corporate intranet; by using the e-mail address: chb0111@chb.com.tw; or by other methods. • Regular reporting The Compliance Division regularly assesses the business integrity compliance status of the Bank and reports it to Board of Directors. The assessment report of 2018 was submitted for inspection in the 20th meeting of the 25th Board of Directors of the Bank on January 23, 2019. • Processing status In 2018, the Bank has complied with the Bank's <i>Ethical Management Guidelines</i> and related regulations in the handling of various businesses.

	Item	Description
 Ethical Behavior	Related regulations	The Bank has a <i>Code of Ethics</i> which sets out the ethical standards for the Bank's directors and managers, including business integrity, avoidance of conflicts of interest, avoidance of opportunities to seek private profit, and upholding of confidentiality principles, all to strengthen corporate governance of the Bank and establish a controlled environment with a sound internal control system. The Bank's <i>Code of Ethics</i> has been disclosed on the Bank's official website for inquiries.
	Operating status	Encouraging employees to report any illegal behavior to facilitate the implementation of the <i>Code of Ethics</i> and safeguard the interests of the Bank and its stakeholders.
 Employee Conduct	Related regulations	The Bank has established an <i>Employee Code of Conduct</i> to stipulate the values all employees of the Bank shall uphold in performing business and personal conduct. All employees are required to adhere to the highest ethical standards and legal norms within their business activities, including commitment to duties, honesty and morality, professionalism, and confidentiality obligations, and are clearly required not to take advantage of their positions to engage in corrupt practices, accept any gifts, etc.
	Operating status	<ul style="list-style-type: none"> • Consultation and communication channels: The Bank has a consultation and communication channel. If employees have any doubts about the <i>Employee Code of Conduct</i>, they may consult the direct supervisor of the unit, the Compliance Officer of the unit and Compliance Division according to their position. • Reporting channel: The Bank has established an independent reporting e-mail address, hotline, fax number and address for the employees of the Bank to use if any employee commits any illegal acts. • Processing status: All employees of the Bank are required to sign the Statement of Compliance with Employee Code of Conduct of Chang Hwa Bank, affirming that they shall comply with relevant regulations and uphold high ethical standards and moral codes. • Education and training: In order to implement relevant values and legal norms, the Bank conducted the Employee Code of Conduct training course for new recruits in 2018, with a total of 236 participants.
 Penalties imposed by the competent authorities and their improvement status		<ul style="list-style-type: none"> • Penalty: An employee of the Bank's DongGuan Branch received payment from the appraisal company, which was verified to be a failure in effective establishment or implementation of the internal control system, and was in violation of Paragraph 1, Article 45-1 of the Banking Act. A fine of NT\$3 million was imposed by the FSC on July 3, 2018. • Improvement status: The Bank has issued a letter and re-stated therein that employees shall abide by the Bank's <i>Ethical Management Guidelines, Code of Ethics, Employee Code of Conduct</i>, etc., as to strengthen the implementation of legal compliance culture and the internal control mechanisms of the Bank.

1.6 Risk Management

GRI 102-11

Establishing an independent and effective risk management mechanism of the Bank to assess and supervise the risk tolerance and the current risk tolerance situation, and determine the risk response strategy and compliance with risk management procedures, all to effectively identify, measure, monitor and report various risks, and ensure the goal of sound management.

1.6.1 Overall Risk Management Policy of the Bank

The Bank has established an overall risk management policy that includes a risk management framework, risk management scope (including credit, market, operations, face interest rate, liquidity and other risks), and three lines of defense in risk management (including the risk tolerance unit, dedicated risk management unit, and independent internal audit unit as well as their responsibilities), and five major aspects of risk management procedures (identification, measurement, monitoring, reporting and implementation procedures).

1.6.2 Three Lines of Defense for Internal Control

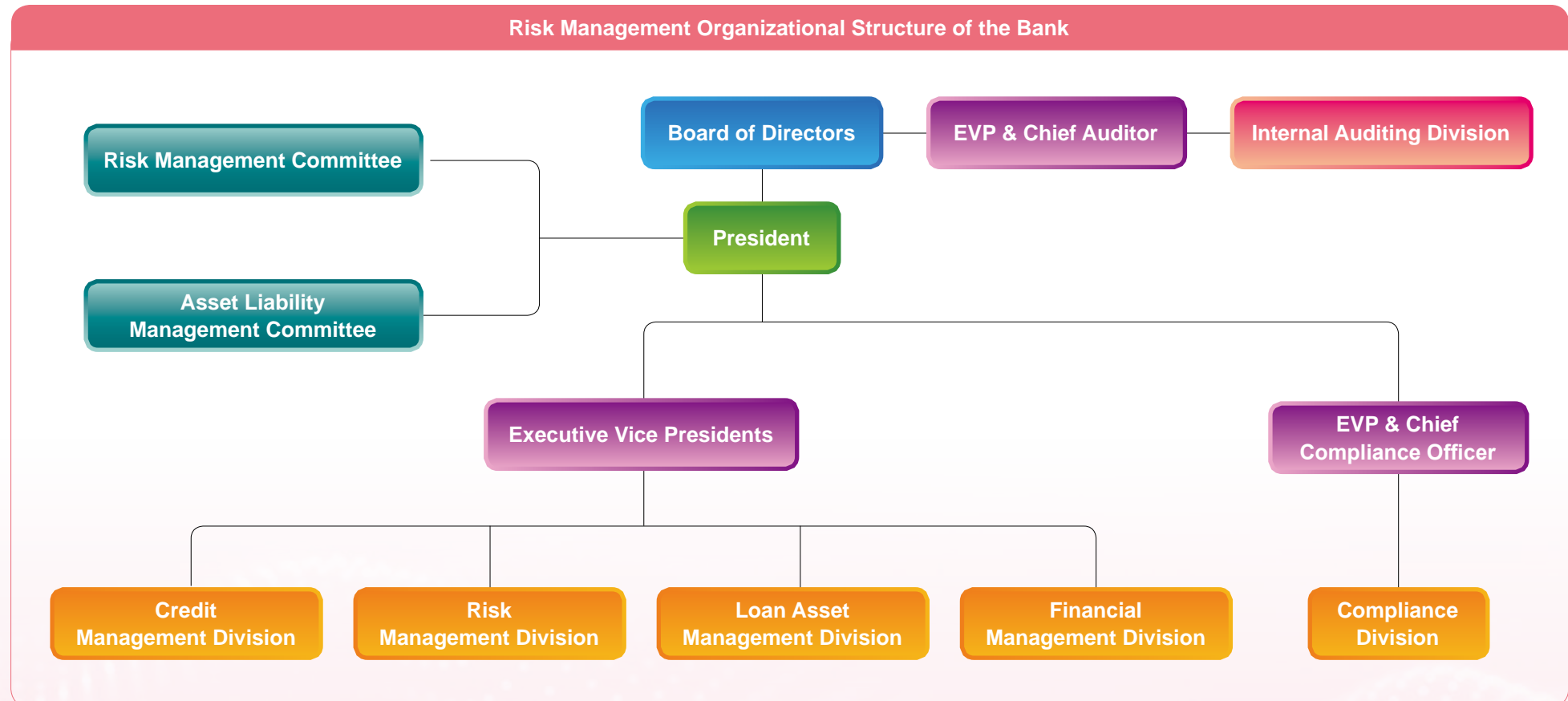
The Bank has established the management policy and three lines of defense for internal control of Chang Hwa Bank to construct a three lines of defense framework for internal control of the Bank, which clearly defines the scope of powers and responsibilities of the three lines of defense, so that all units understand their role and function in the overall risk and control framework of the Bank in order to strengthen communication and coordination of risk management and internal control work.








1.6.3 Risk Management Framework

The Bank has established a Risk Management Committee and an Assets and Asset Liability Management Committee to oversee and integrate the review, supervision and coordination of the Bank's various risk management matters; implement the risk management policies and procedures, risk

appetite statements and risk management mechanisms approved by the Board of Directors; review the risk management procedures and monitor their appropriateness; and ensure effective communication and coordination of relevant risk management functions. As shown in the diagram below.



1.6.4 The management goals, implementation results, and mid- and long-term goals in terms of major risks are as follows:

2018 Goals	2018 Risk Management Results	2019 Goals	Mid- and long-term goals
-	-	 Management risks Establishing a mechanism and internal regulations to detect bank-wide management risks.	Assisting in completing the establishment of the Bank's risk-oriented internal audit system to enhance the Bank's risk assessment and self-monitoring and management effectiveness.
 National risks Formulating appropriate national risk limits for the entire Bank, as well as measuring, monitoring and regularly reporting changes in risk exposure value and credit rating.	<ul style="list-style-type: none"> Timely and accurately controlling the use of various national risk limits, and regularly reporting the national risk exposure value and monitoring status of the entire Bank. Tracking and reviewing the political and economic situation of each country from time to time, grasping the decline of national ratings or changes in other major events, and taking necessary measures. 	Continuously improving and optimizing system reports that include national risk exposure values and limits management.	Developing proper response strategies to changes in banking regulations and risk management practices throughout the world in a timely manner.
 Credit risks Launch and follow-up with regard to management of the Bank's new personal banking loans system.	<ul style="list-style-type: none"> The construction project of the automated modeling platform will enhance the Bank's analytical skills with the use of risk model data. Handling early inspection and assessment, and taking countermeasures as early as possible to reduce the credit risks and strengthen the corporate banking loan management mechanism of the Bank. Established the <i>Chang Hwa Bank Operational Regulations for the Personal Loan Alert System</i>. 	<ul style="list-style-type: none"> Establishing an automated modeling platform that includes a risk database and model development and management. Incorporating external contractor information to enhance the media sources and timeliness of the Bank's negative information database. 	<ul style="list-style-type: none"> Continuously integrating inspection, assessment and information of various risk indicators, as well as follow-up notification mechanisms, and taking countermeasures as early as possible to effectively control the quality of the Bank's credit assets. Continuing to improve the effectiveness of existing personal credit ratings, corporate credit ratings and other models to achieve the best results of credit risk management.
 Market risks Formulating the measurement and monitoring for the risk limits of various financial transactions and products.	Monitoring the use of various financial transaction product positions and risk limits on a daily basis, and regularly reporting the relevant risk exposures to the Board of (Executive) Directors.	Optimizing the market risk management system so that it can more effectively perform the stress test for the financial product position of the Bank and monitor the risk value.	Continuously planning to strengthen the management efficiency of market risk related systems in response to the evolution of market risk monitoring due to the implementation of the New Basel Capital Accord.
 Operational risks Adjusting the relevant operational risk management tools in response to the changes in the operational risk-based capital allocation method stated by the New Basel Capital Accord.	<ul style="list-style-type: none"> Complete the translation and estimate calculation of Bankers Association's relevant documents of the new operational risk-based capital allocation method. Follow up on the improvement progress of the <i>2017 Anti-Money Laundering and Counter Terrorism Financing Risk Prevention Project</i>, and complete the <i>2017 Comprehensive Risk Assessment Report on Anti-Money Laundering and Counter Terrorism Financing</i> with the Compliance Division. 	Continuing to participate in the Bankers Association's New Basel Capital Accord Joint Research Taskforce—Operational Risk Group, and conducting the preparatory data organization and system revision for new methods in order to meet the requirements of the official implementation in 2022.	Continuing to improve existing operational risk management tools and enhance the consistency and integration of different management practices to achieve the best results of risk management.