






Chang Hwa Commercial Bank, Ltd.  
Internal Control Statement

March 20, 2025

To : Financial Supervisory Commission, R.O.C.

- I. On behalf of Chang Hwa Commercial Bank, Ltd. (the "Bank"), we hereby declare that from January 1, 2024, to December 31, 2024, the Bank has duly complied with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" in establishing its internal control system, implementing risk management, designating an independent and objective department to conduct audits, and regularly reporting to the Board of Directors and the Audit Committee, and indeed comply with the provisions of Article 38, paragraph 5 and Article 38-1 of the rules mentioned above, and the "Self-Regulations on Information Security" established by the Bankers Association.
- II. With respect to the securities business, evaluation of the effectiveness of the design and implementation of its internal control system has been done in accordance with the criteria for evaluating effectiveness of internal control systems described in the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets."
- III. With respect to the insurance agency business, evaluation of the effectiveness of the design and implementation of its internal control system has been done in accordance with the criteria for evaluating effectiveness of internal control systems described in the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies."
- IV. After prudential evaluation, except for items listed in the table attached below, the internal control, legal compliance systems, and the overall information security implementation of each department have been in effect during the year 2024.
- V. This Statement will be included as the main content of the Bank's annual report and prospectus and will be made public. If there is any illegal activity such as fraud or concealment, liabilities under Article 20, 32, 171, and 174 of the Securities and Exchange Act or aforementioned Regulations will be involved.
- VI. This Statement has been approved by the Board of Directors on March 20, 2025.

Chairman	:	
President	:	
Executive Vice President & Chief Auditor	:	
Executive Vice President & Chief Compliance Officer	:	
Executive Vice President & Chief Information Security Officer	:	

**Chang Hwa Commercial Bank, Ltd.**  
**Issue and Corrective Actions for Internal Control Statement**  
(As of December 31, 2024)

Issue for Improvement	Corrective Actions	Target Completion Date
<p>The Financial Supervisory Commission (FSC) has identified deficiencies related to the case of a former employee of the bank misappropriating customer funds, which may pose a risk to sound operations. Considering that the bank investigated and proactively reported the issue upon receiving complaint, and has taken appropriate corrective and remedial actions, the FSC, in accordance with Article 61-1, paragraph 1 of the Banking Act, ruled on May 17, 2024, that the bank is subject to correction.</p>	<p>1.Enhance training in deposit and remittance operations by reinforcing awareness of key precautions when handling such transactions. Additionally, incorporate this case into the annual "Integrity Management and Code of Conduct Training Program" to deepen employees' understanding of prohibited behaviors.</p> <p>2.Establish an enhanced verification mechanism for passbook magnetic stripe reconstruction and introduce a self-inspection for withdrawal seal verification. Furthermore, reiterate the relevant regulations for branches regarding non-counter transactions conducted by customers and procedures for verifying fund collection and disbursement by employees outside the bank.</p>	<p>The bank has thoroughly reviewed and improved the identified deficiencies, and has reported the improvement measures to the FSC.</p>