

The Bank's corporate governance implementation status and the deviation from the Corporate Governance Best-Practice Principles for Banks and the reasons for deviation.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for Banks with Reasons
	Yes	No	Summary	
1. Shareholding structure and shareholders' equity				
1-1 Has the Bank established internal procedures to handle shareholders' proposals, questions, disputes and litigations, and implement them in accordance with the procedures?	✓		1-1 The Bank has a dedicated unit to handle shareholders' proposals, questions, disputes and litigations, and the contact information disclosed in "Investor Relations" section on official website.	1-1 No deviation.
1-2 Does the Bank maintain a list of the major shareholders with controlling power over the Bank and the ultimate controllers of the major shareholders?	✓		1-2 Based on the Bank's shareholders' register (after the book closure date) and the information on the changes of shareholding declared by the insiders and major shareholders according to regulations, the Bank has maintained its list of major shareholders which is disclosed on the Market Observation Post System (MOPS), the Bank's annual report or official website.	1-2 No deviation.
1-3 Has the Bank established and implemented risk control mechanism and firewall mechanisms between the Bank and its affiliates?	✓		1-3 The Bank has established the "Long-Term Equity Investment Business and Subsidiaries Management Principles" and "Overseas Subsidiary Bank Management Guideline" to regulate business transactions between the Bank and its subsidiaries or overseas subsidiaries in compliance with relevant laws and regulations; in the case of interested party transactions, the Bank's "Operation Regulations for Transactions with Stakeholders regarding Credit Operation" and "Operating Regulations for Transactions with Stakeholders Other Than Credit Operation" and relevant regulations of the competent authorities are followed. In addition, the Bank has established an information segregation mechanism between the Bank and its affiliates, and controls access to sensitive information under the need-to-know and separation of powers and responsibilities principles to maintain information security.	1-3 No deviation.

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<p>2. Composition and Responsibilities of the Board of Directors</p> <p>2-1 Does the Board of Directors have a diversity policy and specific management objectives?</p>	✓		<p>2-1 The Bank's diversity policy of the Board of Directors is stipulated according to Article 29, Paragraph 2 and Paragraph 3 of the "Corporate Governance Best-Practice Principles" of the Bank. The Bank's specific management goals and implementation status of diversity policy of the Board of Directors, please refer to this chapter, B. a. "4. Director information (2), The Board of Directors' Diversity and Independence" and are disclosed on the Bank's official website "Corporate Governance" section → Board of Directors.</p>	2-1 No deviation.
<p>2-2 In addition to the Remuneration Committee and the Audit Committee, does the Bank voluntarily establish other functional committees?</p>	✓		<p>2-2 In addition to the Remuneration Committee and the Audit Committee, the Bank's Board of Directors has also established the Sustainable Development Committee, which is responsible for promoting the ethical corporate management, corporate ethics and sustainable development values into the Bank's business strategies in order to implement the Bank's sustainable management philosophy.</p>	2-2 No deviation.
<p>2-3 Has the Bank established "Rules of Performance Evaluation of the Board of Directors" and its assessment methods, and conducted performance evaluations annually and regularly, and submitted the results of the performance evaluations to the Board of Directors for reference in the remuneration of individual Directors and their nomination for reappointment?</p>	✓		<p>2-3 The Bank has established the "Rules of Performance Evaluation of the Board of Directors," which stipulates that the Board of Directors of the Bank shall conduct an internal evaluation once a year and an external evaluation by an external professional and independent organization or a team of external experts and scholars at least once every three years, and shall complete and report to the Board of Directors before the first quarter of the following year.</p> <p>a. The performance evaluation methods include performance evaluation of the operation of the Board of Directors, self-evaluation of the performance of the members of the Board of Directors, appointment of an external evaluation unit or other appropriate methods for performance evaluation.</p> <p>b. The results of the performance evaluation of the Board of Directors of the Bank shall be used as a reference for the selection or nomination of candidates for election as Directors or for the Remuneration Committee to determine or regularly review the remuneration of Directors (including the Chairperson, Managing Directors, Independent Directors and Non-Independent Directors). The Bank has applied the results of the 2024 performance evaluation of the Board of Directors for regularly review the individual Directors' remuneration and reference for nomination for reappointment.</p>	2-3 No deviation.

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2-4 Does the Bank regularly evaluate the independence of Certified Public Accountants (CPAs)?	✓		<p>2-4 When appointing the CPA, the Bank shall, in addition to confirming that the members of the audit team have no material financial interests or business relationships with the Bank that would affect independence, and regularly (at least once a year) critically assess the independence (Note 1) and suitability (Note 2) of the CPA appointed for audit and submit to the Audit Committee and the Board of Directors for deliberation as the following matters:</p> <p>a. The CPA does not hold any shares, loans, co-investment or benefit-sharing relationship with the Bank.</p> <p>b. The CPA is not a representative of the Bank, Director, manager or officer of the Bank.</p> <p>c. The CPA does not violate the "Code of Ethics No. 10 Independence for Audit and Review Engagements" of the National Federation of CPA Associations of the R.O.C.</p> <p>d. The auditing CPA has not received any disciplinary action from the competent authority and the CPA Association in the past two years. In addition, both the CPA and the audit team members possess relevant knowledge or training experience regarding the business of the Bank.</p> <p>e. The Bank has provided Audit Quality Indicators (AQI) information regarding the auditing CPA as a reference for evaluating their independence and suitability. This information was submitted for review in the 24th Meeting of the 27th Board of Directors held on March 20, 2025.</p> <p>(Note 1) The standard for assessing the independence of accountants:</p> <table><tr><th>Items</th></tr><tr><td>1. Has the accountant not been changed for multiple consecutive years?</td></tr><tr><td>2. Has the accountant been subject to any disciplinary action?</td></tr><tr><td>3. Financial statements of the service organization may not be audited and certified during the first two years of practice.</td></tr><tr><td>4. Ownership of the client's shares is prohibited.</td></tr><tr><td>5. There shall be no monetary lending or borrowing with the client except for normal financial transactions.</td></tr><tr><td>6. There shall be no joint investment or sharing of benefits with the client.</td></tr><tr><td>7. It is prohibited to concurrently hold a regular position with the client and receive a fixed salary, such as serving as the client's person-in-charge, Director, supervisor, manager, or employee.</td></tr><tr><td>8. Being involved in the client's management functions related to decision-making is prohibited.</td></tr><tr><td>9. It is prohibited to receive any business-related commission.</td></tr></table> <p>(Note 2) The criteria for assessing the suitability of accountants:</p> <table><tr><th>Items</th></tr><tr><td>1. The auditing CPA has not received any penalties or disciplinary actions from the regulatory authorities or the accounting association in the past two years, nor have they been subject to any sanctions under Article 37, Paragraph 3 of the Securities and Exchange Act.</td></tr><tr><td>2. The auditing CPA and audit team members possess relevant knowledge or training experience in the Bank's business.</td></tr><tr><td>3. The auditing CPA and audit team members provide high-quality audit services.</td></tr><tr><td>4. The accounting firm of the auditing CPA has sufficient scale, resources, and regional coverage to handle the Bank's audit services.</td></tr><tr><td>5. The accounting firm of the auditing CPA should promptly inform the Board of Directors (Audit Committee) of any significant issues or developments related to risk management, corporate governance, financial accounting, and related risk controls.</td></tr></table>	Items	1. 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3. Does the Bank have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing information necessary for Directors and Supervisors to perform their business, assisting Directors and Supervisors to comply with laws and regulations, conducting Board of Directors and Shareholders' Meeting-related matters in accordance with the law, and preparing minutes of Board of Directors and Shareholders' Meetings, etc.)?	✓		<p>3-1 The Bank established the position of Corporate Governance Officer responsible for corporate governance-related matters, which was approved by the Bank's Board of Directors on December 4, 2023, and designated the then Executive Vice President Chih-Chen Hsu (term of the office from December 4, 2023 to December 31, 2024) as the corporate governance officer who has more than 3 years of experience as a unit head of a financial institution or a public company engaged in finance. Subsequently, the appointment was approved by the Board of Directors on December 25, 2024, with Chin-Shiang Ding, Acting SVP & Division Head of Financial Management Division, appointed to the role (took office on January 1, 2025). Ms. Ding has more than 3 years of experience as a unit head of a financial institution or a public company engaged in accounting. The Bank also has a suitable and appropriate number of staffs of corporate governance to handle corporate governance related matters.</p> <p>3-2 The management matters on corporate governance are as follows:</p> <ul style="list-style-type: none"> a. Handle matters related to the Meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law. b. Prepare minutes of the Board of Directors' Meetings and Shareholders' Meetings. c. Assist Directors in their induction and continuing education. d. Provide information necessary for the Directors to carry out their business. e. Assist Directors in complying with laws and regulations. f. Report to the Board of Directors the assessment results on whether the qualifications of the Independent Directors comply with relevant laws and regulations during the nomination, election, and term of office. g. Handling matters related to changes in the Board of Directors. h. Manage stipulation and amendment of corporate governance regulations. i. Other matters as provided for in the Articles of Incorporation or contract. <p>3-3 The total number of hours of continuing education completed by the Bank's corporate governance officer in 2024 is 21 hours and is disclosed on the MOPS in accordance with regulations.</p>	No deviation.
4. Has the Bank established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the corporate's website, and appropriately responded to important CSR issues of concern to stakeholders?	✓		<p>4-1 The Bank has set up a "Stakeholder Communication" section on its official website to provide a contact information for the general public, shareholders, employees, customers and suppliers as a channel to communicate with relevant stakeholders. The Bank's ESG implementations are disclosed in the "Sustainability" section, and material ESG issues stakeholders concern about are also disclosed in the ESG reports.</p> <p>4-2 The Bank's communication with various stakeholders in 2024 has been reported to the Bank's 9th Meeting of the 3rd Sustainable Development Committee on December 12, 2024 and the 21st Meeting of the 27th Board of Directors on December 25, 2024.</p> <p>4-3 The Bank also compiled the English and Chinese versions of the 2024 ESG Summary and Task Force on Climate-Related Financial Disclosure Report (TCFD Report) (December 2023), which are disclosed on the "Sustainability" section of the Bank's official website to provide real-time, summarized ESG information to enhance the Bank's multifaceted communication with stakeholders.</p>	No deviation.

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5. Information Disclosure				
5-1 Has the Bank set up a website to disclose information on financial operations and corporate governance?	✓		5-1 The Bank has set up "Investor Relations" and "Corporate Governance" sections on its official website to disclose detailed annual and quarterly financial statements, material business information and corporate governance-related information.	5-1 No deviation.
5-2 Has the Bank adopted other methods of information disclosure (e.g. setting up an English website, designating a person responsible for the collection and disclosure of corporate information, implementing a spokesperson system, placing the process of investor conference on the corporate website, etc.)?	✓		5-2 a. The Bank has English and Chinese version official websites, and the relevant units are responsible for collecting and disclosing financial and business information in accordance with their business responsibilities. Regarding material information, the Bank designates dedicated unit to conduct and dedicated person for making disclosure in both English and Chinese on the MOPS website. b. The Bank has a spokesperson system, and in accordance with the Bank's "Guidelines for Handling Material Inside Information", the spokesperson will explain the Bank's financial, business and material information to the public within the scope of authorization. c. The Bank held four online investor conferences in 2024, and the related video and presentation information were disclosed on the MOPS and the Bank's official website in accordance with the regulations.	5-2 No deviation.
5-3 Does the Bank announce and report its annual financial statement within the deadline after the end of the fiscal year in accordance with the Banking Act and the Securities and Exchange Act, announce and report its first, second and third quarterly financial statements and monthly operations well in advance of the prescribed deadline?	✓		5-3 a. The Bank's annual and quarterly financial statements of first, second, third and monthly operations are published on the MOPS and the Bank's official website in accordance with the regulations. b. The Bank's annual financial statement which was approved by the Bank's Audit Committee and Board of Directors, was audited and announced in February 2025 in advance.	5-3 No deviation.

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6. Does the Bank have other important information that can help understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, stakeholder rights, Director and Supervisor on-the-job education, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Bank's purchase of liability insurance for Directors and Supervisors, donations to political parties, stakeholders and public welfare organizations, etc.)?	✓		<p>6-1 Matters related to the Board of Directors</p> <ul style="list-style-type: none"> a. The attendance of the Bank's Directors (including Independent Directors) at the Board of Directors and the attendance of Independent Directors at the Audit Committee are disclosed on the MOPS in accordance with the regulations. b. The Bank's Directors (including Independent Directors) recuse themselves from the Board of Directors' Meetings and do not participate in discussions or voting on matters in which they or the legal entities they represent have conflicts of interest. c. In accordance with the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies," the Bank has established the "Directions for the Implementation of Continuing Education for Directors." In 2024, the Bank's Directors (including Independent Directors) completed their continuing education hours in accordance with the aforementioned directions. They participated in training courses related to corporate governance, risk management, business operations, legal affairs, accounting, financial analysis, climate change, consumer rights, and sustainable development (ESG), totaling 128 hours. On average, each Director completed 14.2 hours of training. The training details have been disclosed on the MOPS, the 2024 ESG Report, and the Bank's official website. d. In order to improve the corporate governance of the Bank and to reduce the business risk they bear for the Bank, the Bank has insured "Directors, Supervisors and Managers Liability Insurance" for its Directors and managers and is disclosed on the MOPS. e. All Directors completed a 3-hour treat customer fairly related training course in 2024. f. The Bank strictly adheres to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and restricts the Directors from trading the Bank's shares during the blackout period (30 days before the annual financial report announcement and 15 days before the quarterly financial report announcement). The Bank provides advance notification of the commencement of each blackout period to all Directors. <p>6-2 Employee Rights and Benefits, and Employee Care Please refer to "IV. Operational Overview, G. Labor-Management Relations, a. The Bank's employee welfare measures, retirement system and implementation status, as well as the agreements between employers and employees and measures to protect the rights and interests of employees."</p> <p>6-3 Investor Relations The Bank's official website in English and Chinese include "Investor Relations," "Corporate Governance" and "Sustainability" sections, which provide financial, business, corporate governance and ESG-related information for domestic and foreign investors.</p>	No deviation.

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			<p>6-4 Stakeholder Rights</p> <p>a. The Bank conducts its business in accordance with the Banking Act and approved by the central competent authorities. Based on the overall benefits of the funding contributors (including clients, beneficiaries or shareholders of the Bank), the Bank has established "Stewardship Principles" and declares to comply with "Stewardship Principles for Institutional Investors" in order to implement shareholder actions to urge investee companies to strengthen their corporate governance. In addition, the Bank regularly discloses its stewardship activities on its official website, including interactions with investees and participation in voting at their Shareholders' Meetings and other material information.</p> <p>b. For stakeholder information, please refer to "4. Establish communication channels with stakeholders, set up a stakeholder section on the corporate's website, and appropriately respond to important CSR issues of concern to stakeholders" in this table.</p> <p>6-5 Risk Management Policy and Implementation Status</p> <p>a. In order to establish a professional and complete risk management function, the Bank has established three risk management divisions, Credit Management Division, Risk Management Division, and Loan Asset Management Division. (1) Credit Management Division is responsible for credit case review, reexamination, and management and maintenance of the e-Loan credit automation system, in order to strictly monitor the credit checking and credit review process; (2) Risk Management Division is responsible for policy stipulation and risk control of integrated risk, credit risk, market risk and operational risk; (3) Loan Asset Management Division is responsible for the control of overdue loans, collections, and bad debts, as well as non-performing debts (including the e-Loan Debt Management Subsystem); all divisions can execute in accordance with regulations.</p> <p>b. The Bank has Risk Management Committee, which is responsible for assessing and monitoring the Bank's risk capacity and current risk exposure, determining risk response strategies and compliance with risk management procedures, and submitting risk management reports to the Audit Committee and the Board of Directors on a quarterly basis. The Bank's risk management policies are reviewed and discussed by the Risk Management Committee and approved by the Board of Directors for implementation.</p>	

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			<p>6-6 Implementation of Customer Policy</p> <p>To reinforce our dedication to consumer protection and cultivate a corporate culture that prioritizes "fair customer treatment," the Bank has developed the "Fair Customer Treatment Code", "Guidelines for Fair Treatment of Elderly Customers", "Guidelines for Friendly Financial Services for People with Disabilities" and "Notes on Providing Financial Services for People with Disabilities." We have established the "Treat Customers Fairly Facilitating Committee," which meets regularly to review our implementation of fair customer treatment principles and provides periodic reports to the Board of Directors. In addition, the Bank has formulated "Financial Consumer Protection Policy", "Financial Consumer Protection Practice Guidelines", "Consumer Complaint Handling Guidelines", "ISO 10002 Complaint Organization and Management Guidelines", to protect the rights and interests of financial consumers, effectively handle financial consumer disputes, regularly review and analyze the types and causes of disputes, and discuss relevant countermeasures or improvement measures and report to the Board of Directors to review the completeness of the Bank's financial consumer protection system.</p> <p>6-7 Donations to political parties, stakeholders and public welfare organizations</p> <p>a. Donations to political parties: None.</p> <p>b. Donations to stakeholders: None.</p> <p>c. Donations to public welfare organizations: Please refer to "IV. Operational Overview, C. Corporate Responsibility and Moral Behavior."</p>	
<p>7. Please provide information on the results of the corporate governance assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation last year, and propose priorities and measures for improvement.</p> <p>7-1 The Bank was ranked among the top 5% of TWSE-listed companies in the 10th Corporate Governance Evaluation, which affirms our long-term efforts and achievements in improving corporate governance. Based on the results of the 10th Corporate Governance Evaluation, we continue to review and improve the following:</p> <p>a. To facilitate foreign institutional investors in obtaining relevant corporate information and to ensure users can access pertinent information equally, timely, and at low cost, the Bank discloses the interim financial report in English within two months after the filing deadline of the Chinese version of the interim financial report.</p> <p>b. The Bank is committed to continuously enhancing our internal controls, conducting business with integrity, promoting sustainable development, and implementing various governance mechanisms to comply with relevant laws and regulations.</p> <p>7-2 The Bank was certified "Outstanding" by the Taiwan Corporate Governance Association in its CG6014(2023) Corporate Governance System Assessment. (Certification Validity Period 2024/12/27~2026/12/26)</p>				