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Chang Hwa Commercial Bank, Ltd.

Minutes of the 2025 Annual General Shareholders' Meeting

(Summary Translation)

- Date and Time : 9 : 00 a.m. on Friday, June 13, 2025
- Place : No.57, Sec. 2, Zhongshan N. Rd., Taipei City, Taiwan.
- Meeting type: Hybrid shareholders' meeting (physical shareholders' meeting supported by video conferencing)
- Supplementary video conferencing platform: Taiwan Depository & Clearing Corporation
website: <https://stockservices.tdcc.com.tw>
- Total outstanding shares of the Company: 11,205,758,337 shares
- Total shares represented by shareholders present in person or by proxy:
7,691,577,650 shares (including 6,594,095,701 shares voted via electronic transmission and video conferencing)
- Percentage of shares held by shareholders present in person or by proxy: 68.63 %
- Attending directors (8 directors, More than half of the directors):
 - Directors (5 directors)
Kuang-Hua Hu, Chih-Kuang Chien, Shiu-Yen Lin, Weng-Siung Lee, Jen-Chieh Hsu
 - Independent Directors (3 Independent Directors)
Yu-Hsueh Wu (Chairman of Audit Committee), Shu-Hua Lee, Chao-Kuei Huang
- Observers:
 - Hengsheng Attorneys-at-Law-Lawyer: Chih-Ching Yu
 - Deloitte & Touche CPA: Jerry Gung
- Chairman: Kuang-Hua Hu, Chairman of the Board of Directors
 - Minutes taken down by Wei-Chen Liu, Hsin-Yi Chung

The measures taken in the event of any disruption in the video conferencing platform or participation by video conferencing due to natural disaster, unforeseen event, or other force majeure event, and the outcome of the handling of such disruption, please refer notice for 2025 AGM. (actual situation: no disruption)

Announcement: The aggregate shareholding of the shareholders present constituted a quorum; therefore, the meeting began.

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Chairman Remarks

Good morning, distinguished shareholders, board members, and predecessors.

We would like to express our heartfelt gratitude to everyone attending Chang Hwa Bank's 2025 Annual General Meeting today. This meeting is being conducted in hybrid format, with video conferencing available for those who cannot attend in person to encourage participation from all shareholders. Your encouragement and support are the key drivers of the Bank's ongoing progress toward new milestones.

In 2024, the Bank showed outstanding profitability and reported after-tax profits of NT\$14.945 billion, a year-on-year increase of 15.12%. Earnings per share reached NT\$1.33, indicating continuous and steady growth in operational performance. Additionally, the Bank's sustainability initiatives were also widely recognized—achievements including being selected as a component of the Dow Jones Sustainability World Index and the Dow Jones Sustainability Emerging Markets Index, ranking among the top tier banks in the Financial Supervisory Commission's Sustainable Finance Evaluation Indicators for the second consecutive year, and ranking among the top 5% of TPEx listed companies in the Taiwan Stock Exchange's Corporate Governance Evaluation for the fourth consecutive year, as well as placing 4th in the Finance and Insurance Category in 2024. These honors reflect the bank's effective corporate governance practices. Moreover, we were honored with the 2024 Sustainability Leadership Award by the British Standards Institution (BSI).

2024 was considered the warmest year on record and the impacts of climate change were profoundly felt. In response, the Bank focused on environmental and climate issues by setting goals and carrying out plans in accordance with the strategies for Green Growth and Net-Zero Transition by 2050 under the National Project of Hope and passed the SBTi (Science Based Targets initiative) review in 2024. Furthermore, the Bank established a sustainable finance policy to integrate environmental, social, and governance (ESG) factors into our core strategy with the intention of encouraging our clients to jointly work toward attaining a balance between climate change and the environment. A timetable was also set for our gradual transition from steam coal, investment and financing of unconventional oil and gas industries, and reduction in non-sustainable financing for carbon-intensive industries. These measures aim to enhance the alignment of our business development strategy with the goals of the Paris Agreement.

In terms of business operations, the Bank implemented specific measures such as adoption of green building practices, expansion of renewable energy utilization, and installation of solar power in branches. Additionally, we continuously introduced various international environmental and sustainability standards to practice energy conservation and carbon reduction. As a result, the Bank received an "A" rating for leadership in the CDP climate change questionnaire and was honored with the ROC Enterprise Environmental Protection Silver Award by the Ministry of Environment in 2024.

As Chang Hwa Bank celebrates the 120th anniversary this year, a crucial vision was

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established early in the year: “Becoming a trusted financial partner in the Asia-Pacific region by offering smart financial solutions and creating sustainable value”. We hope that all employees remain true to our original aspiration of a customer-centric approach while embracing innovation, sustaining steady growth, and continuously enhancing our competitiveness. These efforts will help the Bank stand out in this era of transformation and lead us to even more brilliant achievements as we continue toward our next milestone. Moving forward, we will focus on international expansion, digital innovation, and sustainable finance for business development while committing to becoming a competitive Asia-Pacific financial brand that provides both high-quality financial services and enhanced risk management services.

The primary items on this year’s meeting agenda include four items to be reported, two proposals for ratification, and three matters for deliberation. Due to time constraints, all four items to be reported will be read aloud at once before we open the floor for questions. Thank you for your cooperation.

Finally, we wish to express our sincere thanks to all shareholders for your presence and guidance. Your support for all the resolutions on the agenda would be greatly appreciated. We sincerely hope that each of our shareholders will continue to offer our management team encouragement and guidance as you have in the past. Thank you all, once again.

Wishing you good health and all the best. Thank you.

Report Items

Report No. 1:

2024 Business Outline.

President Chih-Kuang Chien reported on the overall state of the Bank’s business in 2024.

Good morning, Chairman, esteemed shareholders present in person and online, distinguished guests, Board members, Chairman Hsu and representatives from the Trade Union, and colleagues.

First, I would like to extend a warm welcome to everyone attending the 2025 Chang Hwa Bank Annual General Meeting. I would especially like to thank all of our shareholders for your long-standing support and care, and everyone who has taken the time to attend in person. It was my great privilege to become the president of Chang Hwa Bank on April 17 of this year. I hope for continued support from all shareholders, and I pledge to do my utmost to fulfill my duties.

For further details on the Bank’s 2024 Annual Business Report, please refer to pages 53–85 of the meeting handbook. I will now provide a brief summary of the report.

First, the diligent efforts of all our employees yielded remarkable results last year (2024). For the third consecutive year, after-tax profit maintained a peak level above NT\$10 billion, and

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as mentioned by the Chairman, it even exceeded NT\$14.9 billion, not only maintaining double-digit growth year-over-year but also achieving a new record high. Earnings per share also reached their highest level in nearly 8 years. Regarding the improvement of asset quality, non-performing loan ratios fell to 0.16%—a 10-year low—due to the implementation of a proactive early warning system and control measures for overdue loans, as well as the enhanced clean-up of overseas non-performing assets. Additionally, the coverage ratio rose to 797.47% compared to 334.66% in 2020. We created a win-win situation by sustaining profit growth while improving asset quality.

Second, in the face of global economic uncertainty, changes in Trump's reciprocal tariff policy, exchange rate fluctuations, and rising geopolitical risks, the Bank demonstrated resilience through steady growth in financial and business performance. We continuously enhanced international expansion opportunities and our core wealth management business to facilitate comprehensive optimization of our operational structure.

Third, this year marked the best Q1 in the Bank's history. We recorded a record high of NT\$4.135 billion in the Q1 after-tax profit, representing an increase of approximately 7.92% compared to the same period last year, with earnings per share of NT\$0.37. Additionally, led by steady growth across all business segments, the Bank's total assets surpassed the NT\$3 trillion mark, reaching NT\$3.2 trillion, which was a key milestone in terms of asset size. The asset quality is evident, as we sustained business growth while maintaining effective risk management, resulting in an overall consistent performance on our non-performing loan ratio as well as a gradual improvement on our coverage ratio.

As we approach the second half of the year, the global macroeconomic environment remains uncertain. The unclear development of US fiscal and monetary policies, the timing of interest rate adjustments by central banks, and potential trade and regional risks will remain major factors in shaping the financial markets and the real economy. This year, Chang Hwa Bank celebrates the 120th anniversary with the theme of "120 Years of Legacy: New Milestones Await". We expect to promote the core strategy of "Expanding the Two Wings" based on eight different approaches: optimizing structure, expanding net interest margin, increasing fee income, strengthening cross-selling, accelerating digitalization, enhancing financial performance, controlling asset & service quality, and ensuring compliance & risk management. At the same time, we will keep abreast of global market trends and make operational adjustments accordingly to respond steadily to potential risks, thereby laying a solid foundation for sustainable development.

We are fully aware of the expectations placed upon our management team by all shareholders. Looking ahead, we will continue to uphold the principle of sustainable development and do our utmost with all employees, working toward higher achievements in appreciation of the long-standing support and trust of our shareholders.

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Finally, I would like to once again express my sincere gratitude to all our distinguished guests for taking time out of your busy schedules to attend today's Annual General Meeting. I wish you and your families good health and success in all your endeavors.

(Noted)

Report No. 2:

Audit Committee review of 2024 audited Financial Statements.

(Please refer to pages 51 to 52 of the handbook.)

(Noted)

Report No. 3:

The Bank's 2024 employee and director remuneration distribution status.

Explanation:

As adopted by the 24th board meeting of the 27th term held on March 20, 2025 for distribution of the Bank's 2024 employee and director remuneration. The employees' cash remuneration is NT\$970,118,650 and the directors' (independent directors not included) cash remuneration is NT\$77,609,492.

(Noted)

Report No. 4:

Propaganda-Article 25 of the Banking Act of The Republic of China.

Explanation:

1. It is handled in accordance with the Letter No.10060005191 dated January 31, 2012 issued by the Financial Supervisory Commission (FSC).
2. Applicable laws and regulations are as following propaganda:
 - (1) In accordance with the Paragraph 2 and Paragraph 3 of Article 25 of the Banking Act, the same person or same related party who singly, jointly, or collectively holds more than five percent (5%) of CHB's outstanding voting shares shall report such fact to the FSC within ten (10) days from the day of holding; the same applies to each cumulative increase or decrease in the shareholding by more than one percent (1%) thereafter. The same person or same related party who intends to singly, jointly or collectively hold more than ten percent (10%), twenty-five percent (25%), or fifty percent (50%) of CHB's outstanding

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voting shares shall, respectively, apply for prior approval of the FSC. The definitions of the same person, same related party and the situation where the holding of shares is excluded are expressly defined in Article 25-1 of the Banking Act.

- (2) Where the same person or same related party who holds voting shares issued by CHB without filing a report with the FSC or obtaining approval from the FSC in accordance with the relevant provisions prescribed, 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 FSC in accordance with the Paragraph 7 of Article 25 of the Banking Act. Besides, according to Paragraph 3 of Article 128 of the Banking Act, such shareholders shall be imposed an administrative fine of not less than Two Million New Taiwan Dollars (NT\$2,000,000) and not more than Ten Million New Taiwan Dollars (NT\$10,000,000). If such person is elected as a director or the responsible person of CHB, such person shall be considered to have dishonest or improper situations which may lead such person not to serve as a responsible person as set forth in Subparagraph 12 of Article 3 of the “Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks”.

(Noted)

Summary of shareholder comments on Items 1 to 4 of the items to be reported:

Shareholder ○-Di Chen (Shareholder No. 0022932) expressed appreciation for the management team's efforts and profitability last year and raised the following questions and suggestions:

1. Inquiry about the reasons for the low attendance at the Annual General Meeting and no distribution of commemorative gifts at the Annual General Meeting.
2. Suggestion for an NT\$0.02 increase in cash dividends and inquiry about the status of employees' remuneration distribution.
3. Suggestion for the implementation of fixed remuneration for the Bank's directors, as adopted at Cathay Financial Holdings Co., Ltd, noting that directors already receive a high salary for holding Board positions.

Chairman's explanation:

The chairman expressed gratitude to Shareholder Chen for recognition of the Bank's operational performance. Regarding the questions and suggestions raised:

1. Most corporate shareholders voted electronically, and individual shareholders accounted for approximately 31%. Additionally, the majority of TPEX listed companies have recently adjusted their policies to eliminate the distribution of commemorative gifts at annual general meetings. We will further discuss this matter in the future.
2. The suggestion to increase the cash dividend by NT\$0.02 will be deliberated together with the proposals for ratification. As for employees' remuneration, it is distributed according to employees' performance and evaluation results at a set ratio.
3. The directors' remuneration ratio is distributed in accordance with the Bank's Articles of Incorporation and is paid to the legal entities they represent.

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Recognition Items

Recognition Item No. 1: Adoption of the Bank's 2024 Business Report and Financial Statements.

Explanation:

The Bank's 2024 Financial Statements, balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows, etc. (including stand-alone and consolidated basis, please refer to pages 53 to 85 of the handbook), have been certified by Amanda Wu, CPA and Jerry Gung, CPA of Deloitte & Touche, and the Business Report has also been reviewed by the Bank's Audit Committee and approved by the 23rd meeting of the 27th term of the Board of Directors. Please adopt them.

Summary of shareholder comments:

1. Shareholder ○-Di Chen (Shareholder No. 0022932) raised the following questions:

- (1) The status of the syndicated loan arrangement with Pacific Electric Wire & Cable Co., Ltd. and the requisition for collateral.
- (2) The status of the public tender for the construction of the Bank's new building at Taipei Circle.

Vice President Lin's explanation:

All credit cases of the Bank are subjected to careful evaluation, and the syndicated loan for Pacific Electric Wire & Cable Co., Ltd. has been secured with sufficient real estate collateral.

Chairman's explanation:

The bidding process for construction of the Bank's new building at Taipei Circle is carried out in accordance with relevant regulations and through public tender.

2. Legal representative of Shareholder Chih Ying Co., Ltd. ○-Ying Wu (Shareholder No. 3177388) inquired about the feasibility of the Bank expanding, merging with, or acquiring other financial institutions to form a financial holding company.

Chairman's explanation:

The Bank is dedicated to the consistent advancement of all businesses and strives to enhance shareholder value when there are better opportunities for profit. At present, our primary focus is on strengthening all aspects of the Bank's operations. We appreciate the support and encouragement of our shareholders.

3. Shareholder ○-Hsiu Cheng (Attendance No.200001) endorsed the Bank's distribution of remuneration to directors and employees and commended the Bank for achieving a new record for revenue.

Chairman's explanations:

We appreciate Shareholder Cheng's guidance and recognition.

4. Shareholder First Life Insurance Co., Ltd. (Shareholder No. 2956612) inquired via video conferencing about the Bank's plans to improve ROE.

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Chairman's explanation:

Regarding measures to improve ROE, the Bank has initiated optimization projects targeting loan structure, non-interest income, and capital efficiency. These measures include strengthening high-yielding loans, launching Wealth Management 2.0 program, actively expanding loan operations at overseas branch and OBU, and enhancing financial management to increase the Bank's profitability and gradually improve ROE.

Voting Method: Proposals shall be discussed on a case-by-case basis, and voting for every case at the same time after finished the discussions. A one-time voting will be conducted after discussions on all the agenda items for acknowledgement matters and discussion matters have been completed. For shareholders who participate by video conference, a voting function has already been provided through the video conference platform when the meeting is called to order, and the voting on each agenda item shall be completed before the chairperson announces close of the voting.

Voting results:

The total number of voting rights represented by attending shareholders (including electronic, video and proxy attendance) in this case is 7,691,577,650.

Voting results	Percent of total represented share present
Approval votes: 7,093,271,551 votes (including 6,298,493,264 votes voted via electronic transmission and video conferencing)	92.22%
Disapproval votes: 3,746,503 shares (including 3,746,503 votes voted via electronic transmission)	0.04%
Invalid votes: 0 votes	0%
Abstention votes : 594,559,596 shares (including 291,855,934 votes voted via electronic transmission and video conferencing)	7.73%

Resolution: voted and approved as proposed.

Recognition Item No. 2: Adoption of the Bank's distribution of 2024 profit.

Explanation:

1. The Bank's 2024 net profit after tax was NT\$ 14,945,371,801.46. After aggregating items except for net profit after tax: remeasurement of defined benefit plan, the amount was NT\$479,421,330.32, and gain on disposal of investments in equity instructions measured at fair value through other comprehensive income, the amount was NT\$1,026,385,866.00, and setting aside 30% legal reserve of NT\$4,935,353,700.00 by law along with the beginning

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retained earnings of NT\$25,058,170.06, the distributable net profit was NT\$11,540,883,467.84. The proposed distribution of profit is scheduled as below:

(1) Distribution of dividend to common stock shares – cash (NT\$0.5 per share):

NT\$ 5,602,879,168.00.

(2) Distribution of dividend to common stock shares – stock (NT\$0.5 per share):

NT\$ 5,602,879,160.00.

(3) Unappropriated retained earnings are NT\$335,125,139.84.

2. Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues. The ex-dividend date will be determined after the competent authorities approve the capitalization of the earnings case.
3. The last annual surplus is assigned in priority order.
4. The total cash dividend amount will be distributed to each individual shareholder to the nearest NT\$1, and fractional amounts less than NT\$1 will be listed in other incomes of the Bank.
5. If the number of outstanding shares is affected by any situations leading to a change in shareholder's distribution ratios, the Board of Directors will be authorized to adjust the distribution terms.
6. Attachment: 2024 Profit Distribution Table.

Summary of shareholder comments:

1. Shareholder ○-Di Chen (Shareholder No.0022932) once again proposed that the Bank's directors' remuneration be handled in accordance with the method adopted by Cathay Financial Holdings Co., Ltd., and the yearly cash dividend be increased by NT\$0.02. Additionally, he proposed the establishment of business units for securities, investment trust, and credit card services under the Bank.
2. Shareholder ○-Hsiu Cheng (Attendance No.200001) stated that the provisions regarding the distribution of directors' remuneration are included in the Bank's Articles of Incorporation as published in the meeting handbook and are in compliance with external regulations. The shareholder expressed agreement with the current distribution of directors' remuneration.
3. Shareholder ○-Ying Wu (Shareholder No.3132891) inquired about the use of the Bank's undistributed earnings as of the end of the period.

Chairman's explanation:

We appreciate the guidance given by the three shareholders. Undistributed earnings will be used to strengthen and comply with regulatory requirements set by the competent authorities regarding capital adequacy ratios. The Bank will continue to enhance the operations of all our businesses to ensure consistent growth.

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Shareholder ○-Di Chen (Shareholder No. 0022932) proposed an amendment to the original proposal: “Distribution of a cash dividend of NT\$0.52 per share and a stock dividend of NT\$0.5 per share to shareholders.”

The chairman instructed that a vote be held over both the original proposal and the amendment, with the original proposal being voted on first.

Voting results:

The total number of voting rights represented by attending shareholders (including electronic, video and proxy attendance) in this case is 7,691,577,650.

Voting results	Percent of total represented share present
Approval votes: 7,099,232,990 votes (including 6,304,454,703 votes voted via electronic transmission and video conferencing)	92.29%
Disapproval votes: 1,855,790 shares (including 1,855,790 votes voted via electronic transmission)	0.02%
Invalid votes: 0 votes	0%
Abstention votes : 590,488,870 shares (including 287,758,208 votes voted via electronic transmission and video conferencing)	7.67%

Resolution: voted and approved as original proposed.

(Article 13, Item 8 of the Rules of Procedure for Shareholders' Meetings of the Company stipulates that 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 one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.)

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Attachment

Chang Hwa Commercial Bank, Ltd.

2024 Profit Distribution Table

(Unit: NTD\$)

Net profit after tax	14,945,371,801.46
Add (Less): Items except for net profit after tax:	
Remeasurement of defined benefit plan	479,421,330.32
Gain on disposal of investments in equity instructions measured at fair value through other comprehensive income	1,026,385,866.00
Incorporation of distributable net profit	16,451,178,997.78
Set aside 30% legal reserve	(4,935,353,700.00)
Beginning retained earnings	25,058,170.06
Distributable net profit	11,540,883,467.84
Distributable items:	
Cash dividends on common shares - NT\$0.5 per share	(5,602,879,168.00)
Stock dividends on common shares - NT\$0.5 per share	(5,602,879,160.00)
Unappropriated retained earnings	335,125,139.84

Note:

1. The last annual surplus is assigned in priority order.
2. Legal reserve was calculated by sum of “net profit after tax and items except for net profit after tax“ in accordance with the January 9, 2020 letter No. 10802432410 (Ministry of Economic Affairs) Gin-Shang.

Discussion Items

Discussion Item No. 1: Discussion and ratification of the Bank’s issuance of new shares through capitalization of earnings.

Explanation:

1. In order to reinforce working capital, strengthen the financial structure and raise the capital adequacy ratio, the Bank plans to set aside NT\$5,602,879,160. from the stock dividends of distribution of 2024 profit as the capital for issuing new shares with a face value of NT\$10 per share in accordance with Article 240 of the Company Act. It is expected to issue 560,287,916 shares of common stock and, after the capitalization of earnings, the Bank’s capital will become NT\$117,660,462,530.

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2. For the method of handling fractional shares, please refer to Article 267 of the Company Act. The Board of Directors is authorized to set the record date for the proposed capital increase after receiving approval from the competent authority. The distribution of the new shares should be made to the shareholders with no consideration at the ratio of 50 new shares for every 1,000 shares held by shareholders according to their respective shareholding as stated in the shareholders' register book on the record date. Within 7 days from the stock dividend record date, shareholders may apply to the stock affairs agent of the Bank to combine fractional shares into one share. Odd lots of less than one share thus collected by the Bank will be placed at its par value with specific parties as determined by the Chairman under the authorization of the AGM.
3. The rights and obligations of the newly issued shares will be the same as those of existing shares.
4. As a result of the repurchase of the Bank's shares or assignment, conversion and deletion of the treasury stock. The Board of Directors is authorized to adjust the distribution terms if the number of outstanding shares is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or other situations leading to change in shareholder's distribution ratios.

Summary of shareholder comments:

Shareholder ○-Di Chen (Shareholder No. 0022932) proposed the establishment of business units for securities, investment trust, and credit card services at the Bank.

Chairman's explanation:

The Bank currently operates three securities brokerage firms and a credit card division. As the experiences of state-owned banks show that setting up an investment trust company is relatively challenging, the Bank has no intention to establish one at this stage.

Voting results:

The total number of voting rights represented by attending shareholders (including electronic, video and proxy attendance) in this case is 7,691,577,650.

Voting results	Percent of total represented share present
Approval votes: 7,065,833,010 votes (including 6,271,054,723 votes voted via electronic transmission and video conferencing)	91.86%
Disapproval votes: 2,908,444 shares (including 2,908,444 votes voted via electronic transmission)	0.03%
Invalid votes: 0 votes	0%

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Abstention votes : 622,836,196 shares (including 320,132,534 votes voted via electronic transmission and video conferencing)	8.09%
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Resolution: voted and approved as proposed.

Discussion Item No.2: **To facilitate the Bank’s business development needs and comply with amendments to relevant laws and regulations, the proposal to amend the text of some articles in the Bank’s Articles of Incorporation is submitted for deliberation and approval.**

Explanation:

1. Amendments to some articles in the Bank’s Articles of Incorporation have been proposed, with the key points listed below. The purpose of these amendments is to facilitate future business development, replenish capital, and enhance the diversity of the composition of the Board of Directors, thereby strengthening corporate governance. Additionally, some amendments are going to be ensure compliance with the Financial Supervisory Committee (FSC) requirement for banks to introduce responsibility mapping systems as well as amendments to the Securities and Exchange Act and other matters.
 - (1) The Bank’s current paid-in capital is in the amount of NT\$112,057,583,370. To support future business development needs, additional capital replenishment is necessary; therefore, it is proposed to increase the authorized capital amount from the current NT\$120,000,000,000 to NT\$150,000,000,000, which will be divided into 15,000,000,000 shares. The actual conditions of the future capital increase will be determined year by year based on the Bank’s operational status. (Amendment to Article 5)
 - (2) In response to the financial industry’s increasingly complex operating environment, the Bank seeks to enhance the diversity of the composition of the Board of Directors, which will ensure the inclusion of opinions of directors from different professional backgrounds, thereby strengthening corporate governance. Therefore, a plan is proposed to adjust the Board composition by adopting a range system for determining the number of seats and increasing the total number of directors to 11–15 while adjusting the number of independent directors to no less than 5. A range system will also be adopted for managing directors, whereby the number of managing directors selected from among the directors will be adjusted to 3–5. (Amendments to Articles 18 and 19)
 - (3) In response to FSC requirements, the Bank implemented a responsibility mapping system as of January 1, 2025. Additionally, an Accountability Committee has been established under the Board of Directors; this dedicated unit serves as adjudicators for accountability cases involving executive management; therefore, regulations related to the Accountability Committee have been newly added. (Amendment to Article 19-1)
 - (4) In accordance with the FSC’s amendments to the stipulations of Paragraph 6, Article 14 of the Securities and Exchange Act, when a listed company makes salary adjustments

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or compensation distributions for its employees, a certain percentage must be allocated for non-executive employees; therefore, the Articles of Incorporation have been amended to clearly stipulate that when the Bank distributes employee compensation, in principle, the amount allocated for non-executive employees must be no less than 20% of the total amount. (Amendment to Article 38)

(5) Amendments to correct the remaining text. (Amendment to Article 3)

2. Attachment: The Comparison Table of the Amendments to Parts of the Bank's Articles of Incorporation.

Summary of shareholder comments:

1. Shareholder ○-Di Chen (Shareholder No. 0022932) proposed that the Bank's registered capital be increased to NT\$200 billion, with a future direction of becoming a financial holding company.
2. Legal representative of Shareholder Chih Ying Co., Ltd. ○-Ying Wu (Shareholder No. 3177388) inquired about the reason for increasing the Bank's authorized capital to NT\$150 billion.

Chairman's explanation:

We appreciate the guidance given by the two shareholders.

1. The Bank will issue new shares this year from retained earnings and is required to pay for registration tariffs and license fees. The increase in registered capital is mainly to align with the goals of future business development and actual capital increase circumstances; therefore, the matter will be further deliberated and implemented accordingly.
 2. The Bank's current top priority is to improve operational performance, and decisions will be made based on future business development. We sincerely appreciate the suggestions provided by all shareholders.
3. Shareholder First Insurance Co., Ltd. (Shareholder No. 2332588) raised questions via video conferencing:
 1. The proposed amendment to the Bank's Articles of Incorporation includes a provision stating that "no less than 20% of employees' remuneration will be distributed to non-executive employees". The shareholder inquired about the categorization of non-executive employees and the proportion of non-executive employees to the total number of employees at the Bank.
 2. The shareholder inquired about the Bank's long-term commitment to employee rights and a friendly workplace environment, such as maternity leave and childcare allowances.

Chairman's explanation:

1. The Bank categorizes those who receive a monthly average regular salary of no more than NT\$63,000 as non-executive employees, and they account for approximately 41–42% of the total number of employees. In 2024, the proportion of remuneration for non-executive employees was approximately 25%, which is in line with government policy.
2. Details on employee welfare measures can be found on pages 121–124 in the Bank's Annual

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Report. The Bank has long emphasized employee rights and a friendly workplace environment. In this regard, we offer more days of maternity leave and paternity leave than those stipulated in the Labor Standards Act. A childbirth allowance of up to NT\$470,000 (NT\$100,000 for the first child, NT\$120,000 for the second child, and NT\$250,000 for the third child and subsequent children) is also provided, which is more generous than industry peers. We aim to position Chang Hwa Bank as a happy workplace.

Voting results:

The total number of voting rights represented by attending shareholders (including electronic, video and proxy attendance) in this case is 7,691,577,650.

Voting results	Percent of total represented share present
Approval votes: 7,060,214,278 votes (including 6,265,508,969 votes voted via electronic transmission and video conferencing)	91.79%
Disapproval votes: 8,108,867 shares (including 8,035,889 votes voted via electronic transmission)	0.10%
Invalid votes: 0 votes	0%
Abstention votes : 623,254,505 shares (including 320,550,843 votes voted via electronic transmission and video conferencing)	8.10%

Resolution: voted and approved as proposed.

Attachment

**Chang Hwa Commercial Bank, Ltd.
Articles of Incorporation
The Comparison Table of the Amendments to Parts**

Amended by the general Shareholders' Meeting on June 13th, 2025

Amended articles	Current articles	Descriptions
Article 3 The head office of the Bank is located in Taichung City Taiwan, and the bank may establish branch institutions domestically and overseas at appropriate locations based on business needs.	Article 3 The head office of the Bank is located in Taichung City Taiwan, and the bank may establish branch institutions domestically and overseas at appropriate locations based on business needs.	Some text has been deleted from the Chinese version of this article; however, the English version of this article remains unchanged.

Notice to Readers

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Amended articles	Current articles	Descriptions
<p>Article 5</p> <p>The authorized capital of the Bank is New Taiwan Dollars one hundred and <u>fifty</u> billion(NT\$<u>150,000,000,000</u>), divided into <u>fifteen</u> billion shares, at par value of ten New Taiwan Dollars (NT\$10) per share. The shares may be issued at a premium. The Board of Directors is authorized to issue the unissued shares in installments.</p>	<p>Article 5</p> <p>The authorized capital of the Bank is New Taiwan Dollars one hundred and <u>twenty</u> billion(NT\$<u>120,000,000,000</u>), divided into <u>twelve</u> billion shares, at par value of ten New Taiwan Dollars (NT\$10) per share. The shares may be issued at a premium. The Board of Directors is authorized to issue the unissued shares in installments.</p>	<p>1. This Article is amended.</p> <p>2. To support future business development needs and facilitate future capital replenishment, the total authorized capital amount has been raised.</p>
<p>Article 18</p> <p>The Board of Director of the Bank shall comprise <u>eleven to fifteen</u> directors, to be elected in the Shareholders' Meeting among the persons with disposing capacity.</p> <p>(Paragraph 2 to 4 are omitted)</p> <p>Starting from the <u>28th</u> term of the Board of Directors, the number of independent directors in the list of directors which set under the first paragraph shall be no less than <u>five</u> persons and no less than one-third of the total number of directors. The candidate nomination mechanism shall be adopted; the independent directors shall be duly elected at the Shareholders' Meeting from among the nominees listed in the roster of independent director candidates.</p> <p>(Paragraph 6 to 8 are omitted)</p>	<p>Article 18</p> <p>The Board of Director of the Bank shall comprise <u>nine</u> directors, to be elected in the Shareholders' Meeting among the persons with disposing capacity.</p> <p>(Paragraph 2 to 4 are omitted)</p> <p>Starting from the <u>24th</u> term of the Board of Directors, the number of independent directors in the list of directors which set under the first paragraph shall be no less than <u>three</u> persons and no less than one-third of the total number of directors. The candidate nomination mechanism shall be adopted; the independent directors shall be duly elected at the Shareholders' Meeting from among the nominees listed in the roster of independent director candidates.</p> <p>(Paragraph 6 to 8 are omitted)</p>	<p>1. This Article is amended.</p> <p>2. In response to the financial industry's increasingly complex and rapidly changing operating environment, the Bank seeks to enhance the diversity of the composition of the Board of Directors, ensure the inclusion of ideas of directors from different professional backgrounds, and provide flexibility in the number of director seats during elections; thus, the number of director seats has been increased, and a range system has been adopted for establishing the number of seats. Paragraph 1 of this Article has been amended to reflect these changes.</p> <p>3. To align with the aforementioned increase in the number of director seats, starting from the election for the 28th term of the Board of Directors, the number of independent directors will also be</p>

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Amended articles	Current articles	Descriptions
		adjusted to five; therefore, Paragraph 5 of this Article has been amended.
<p>Article 19</p> <p>The Board of Directors shall have three <u>to five</u> managing directors, to be elected in a meeting attended by over two thirds of the directors and consent by more than half of the directors present. The chairman of the Board of Directors shall be elected from among the managing directors in the same manner. The chairman of the Board of Directors shall act internally as the chairperson of the meetings of the Board of Directors and the meetings of the managing directors, and shall externally represent the Bank.</p> <p>(Paragraph 2 to 4 are omitted)</p>	<p>Article 19</p> <p>The Board of Directors shall have three managing directors, to be elected in a meeting attended by over two thirds of the directors and consent by more than half of the directors present. The chairman of the Board of Directors shall be elected from among the managing directors in the same manner. The chairman of the Board of Directors shall act internally as the chairperson of the meetings of the Board of Directors and the meetings of the managing directors, and shall externally represent the Bank.</p> <p>(Paragraph 2 to 4 are omitted)</p>	<p>1. This Article is amended.</p> <p>2. To align with the aforementioned increase in the number of director seats and the adoption of a range system, a range system has also been adopted for the Bank's number of managing directors, and the limit has been increased to five people. Paragraph 1 of this Article has been amended to reflect these changes.</p>
<p>Article 19.1</p> <p>The Bank shall establish the following functional committees:</p> <p>1. Remuneration committee: Starting from the 22nd term of the Board of Directors, the Bank shall establish a Remuneration committee, with the number the members not fewer than three, who shall be appointed by the resolution of the Board of Directors. A majority of its members shall be independent directors. The convener and the chairperson of the meetings of the committee</p>	<p>Article 19.1</p> <p>The Bank shall establish the following functional committees:</p> <p>1. Remuneration committee: Starting from the 22nd term of the Board of Directors, the Bank shall establish a Remuneration committee, with the number the members not fewer than three, who shall be appointed by the resolution of the Board of Directors. A majority of its members shall be independent directors. The convener and the chairperson of the meetings of the committee</p>	<p>1. This Article is amended.</p> <p>2. To align with the Bank's implementation of a responsibility mapping system, an Accountability Committee has been established; therefore, Paragraph 1 of this Article has been amended to include additional regulations related to the Accountability Committee.</p>

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Amended articles	Current articles	Descriptions
shall be elected by all members from among the members who qualify as independent directors.	shall be elected by all members from among the members who qualify as independent directors.	
2. Audit committee: Starting from the 24th term of the Board of Directors, the committee shall be established and be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be selected among themselves to be a committee convener, and at least one of whom shall have accounting or financing expertise.	2. Audit committee: Starting from the 24th term of the Board of Directors, the committee shall be established and be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be selected among themselves to be a committee convener, and at least one of whom shall have accounting or financing expertise.	
3. Sustainable Development committee: Starting from the 25th term of the Board of Directors, the Bank shall establish a Sustainable Development committee, with three to five committee members, to be composed of directors and senior managers of the Bank; at least half of whom shall be independent directors, and the chairman of the Board of Directors shall be the convener.	3. Sustainable Development committee: Starting from the 25th term of the Board of Directors, the Bank shall establish a Sustainable Development committee, with three to five committee members, to be composed of directors and senior managers of the Bank; at least half of whom shall be independent directors, and the chairman of the Board of Directors shall be the convener.	
4. Accountability Committee: <u>Starting from the 27th term of the Board of Directors, the Bank shall establish an Accountability Committee comprising no fewer than</u>		

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Amended articles	Current articles	Descriptions
<p><u>three committee members. The committee will be jointly composed of the full body of managing directors and independent directors, and the chairman of the Board of Directors will serve as both the convener and the committee chair.</u></p> <p>The Bank shall adopt the committee charter for the committees in the preceding paragraph; The exercise of power by the various committees, as well as other compliance requirements, shall be in accordance with the regulations prescribed by the audit committee charter, the Bank's rules and regulations, and the relevant laws and regulations prescribed by the competent authority.</p>	<p>The Bank shall adopt the committee charter for the committees in the preceding paragraph; The exercise of power by the various committees, as well as other compliance requirements, shall be in accordance with the regulations prescribed by the audit committee charter, the Bank's rules and regulations, and the relevant laws and regulations prescribed by the competent authority.</p>	
<p>Article 38</p> <p>At the end of fiscal year, profit (profit refers to profit before tax and before the deduction of <u>compensation</u> of employees and remuneration of directors), if any, shall be distributed with 1% to 6% of the profit as employees' <u>compensation, of which no less than 20% of the actual distributed amount for the current year shall, in principle, be non-executive employees' compensation,</u> and up to 0.8% distributed as remuneration of directors. However, if the bank has any accumulated losses, profit shall be reserved to cover such amounts first.</p>	<p>Article 38</p> <p>At the end of fiscal year, profit (profit refers to profit before tax and before the deduction of <u>bonuses</u> of employees and remuneration of directors), if any, shall be distributed with 1% to 6% of the profit as employees' <u>bonuses</u> and up to 0.8% distributed as remuneration of directors. However, if the bank has any accumulated losses, profit shall be reserved to cover such amounts first.</p>	<p>1. This Article is amended.</p> <p>2. To align with the Financial Supervisory Committee's amendments to Paragraph 6, Article 14 of the Security and Exchange Act as well as Order No. Chin-Kuan-Cheng-Fa-Tzu-1130385442 issued November 8, 2024, Paragraph 1 of this article has been revised to specify that when distributing employee compensation, in principle, the actual amount allocated for non-executive employees must be no less than 20% of the total amount, so as to protect the rights and interests of non-executive employees.</p>

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Amended articles	Current articles	Descriptions
The aforementioned <u>compensation</u> of employees can be in the form of stocks or cash; while remuneration for directors shall be in the form of cash.	The aforementioned <u>bonuses</u> of employees can be in the form of stocks or cash; while remuneration for directors shall be in the form of cash.	
The aforementioned <u>compensation</u> and remuneration shall be proposed at the Board of Directors' Meeting attended by at least two-thirds of the directors and approved by at least half the directors present at the meeting, and reported at the Shareholders' Meeting.	The aforementioned <u>bonuses</u> and remuneration shall be proposed at the Board of Directors' Meeting attended by at least two-thirds of the directors and approved by at least half the directors present at the meeting, and reported at the Shareholders' Meeting.	

Discussion Item No.3: The release of non-competition restrictions for the Bank's directors is proposed for approval.

Explanation:

1. According to Paragraphs 1 and 5, Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. In case a director violates the regulation hereof, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company. In addition, in light of letter No. 89206938, released by Ministry of Economic Affairs on April 24th, 2000, in case a legal person acts as a shareholder of a company or a delegate elected as director pursuant to Paragraph 2, Article 27 of Company Act, both the delegate and the legal person shall abide by non-competition restrictions.
2. It was found that members of the Bank's 27th term of the Board of Directors (including independent directors) were elected at the 2023 regular shareholders meeting and will serve a term of office from June 19, 2023, until June 18, 2026. During this period, the Ministry of Finance reappointed the equity representative directors, selecting Director Hsu Jen-Chieh (replacing Mr. Huang Kuo-Tung) and Chairperson Hu Kuang-Hua (replacing Ms. Ling Jong-Yuan) on May 16, 2024, and August 12, 2024, respectively. Following these reappointments, the newly appointed directors have yet to obtain permission from the shareholders meeting for the removal of non-competition restrictions; therefore, in accordance with the stipulations of Article 209 of the Company Act, the release of non-

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competition restrictions for the Bank's directors is proposed to the regular shareholders meeting for approval, with a request to release the restrictions on the following competitive behaviors:

Title	Name	Current Positions in other Companies (referring to the companies which have the same business as our Bank)
Chairperson	Hu, Kuang Hua (Delegate of Ministry of Finance)	Director, CDIB & Partners Investment Holding Corp. Supervisor, Taiwan Stock Exchange Corporation

3. This proposal has been approved by the 24th meeting of the 27th term of Board of Directors held on Mar. 20, 2025.

Summary of shareholder comments: None.

Voting results:

The total number of voting rights represented by attending shareholders (including electronic, video and proxy attendance) in this case is 6,325,261,166, after deducting voting rights having conflict of interests (1,366,316,484).

Voting results	Percent of total represented share present
Approval votes: 5,696,169,496 votes (including 4,901,724,209 votes voted via electronic transmission and video conferencing)	90.05%
Disapproval votes: 5,445,797 shares (including 5,445,797 votes voted via electronic transmission)	0.08%
Invalid votes: 0 votes	0%
Abstention votes : 623,645,873 shares (including 320,609,211 votes voted via electronic transmission and video conferencing)	9.85%

Resolution: voted and approved as proposed.

Questions and Motions

1. Shareholder ○-Yen Lin (Shareholder No. 230461) raised questions and suggestions:

- (1) Suggestion for conducting meetings in Taiwanese and holding shareholders' meeting in Taichung.
- (2) Inquiry about the details of "loss" and "inheritance."
- (3) Inquiry about the Chairman's seniority and his understanding of the Bank's history.
- (4) Suggestion for an improvement on service quality and enhancement of education and

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training for employees.

2. Shareholder ○-Chou Yang (Shareholder No. 640580) raised questions and suggestions:

- (1) The shareholder noted a greater number of participants in this year's Annual General Meeting and inquired whether these participants included the Bank's employees and whether the leave application process was in compliance with relevant guidelines.
- (2) Suggestion that all shareholders' comments at the Annual General Meeting be recorded in the meeting minutes.

3. Shareholder ○-Chen Liao (Shareholder No. 3164062) raised a question:

The shareholder expressed gratitude to the Bank's management team for promoting public welfare activities and inquired about the Bank's investment in US treasury bonds.

Chairman's explanation:

1. We appreciate the suggestion provided by Shareholder Lin and I will respond in Taiwanese if needed. Given that the majority of our corporate shareholders, individual shareholders, and the Bank's headquarters are located in northern Taiwan, this year's Annual General Meeting has been made accessible via video conferencing to facilitate participation from all shareholders located outside Taipei. Should Shareholder Lin require further assistance in the future, our team will be glad to help.
2. The procedures for "loss" and "inheritance" should be handled in accordance with relevant regulations, and the Bank will make every effort to assist.
3. I have worked in the financial industry for over 30 years and have served Chang Hwa Bank for approximately 10 months. This year marks the 120th anniversary of Chang Hwa Bank and the visit to the Chang Hwa Bank Headquarters and Museum in Taichung provided me insight into its history. I will make appropriate time to delve more deeply into the Bank's history in the days ahead.
4. The Bank has continuously enhanced on-the-job training for employees. Please contact us if you experience any issues with service quality at any of our branches, which will help improve our service quality.
5. The Bank's employee for participation at the Annual General Meeting is handled in accordance with relevant regulations.
6. The minutes of the Annual General Meeting will document all comments from our shareholders.
7. Regarding the investments in US treasury bonds, the Bank makes appropriate investments in US treasury bonds with US dollar deposits. As a result, unrealized losses from valuation of financial products are inevitable during periods of low US interest rates. Having that said, the impact is relatively minor on the Bank compared to industry peers.

The adjournment: 11:32 a.m

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**Chang Hwa Commercial Bank, Ltd.
Audit Report of Audit Committee
February 20, 2025**

To: Shareholders of Chang Hwa Commercial Bank, Ltd.

The Board of Directors has prepared the 2024 Report on Business Operations and various financial statements (including Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, and Cash Flow Statement). All the financial statements (including consolidated basis) have been certified by Amanda Wu, CPA and Jerry Gung, CPA of Deloitte & Touche, and upon which a Standard Unqualified Opinion has been issued. These statements referred to above present fairly the financial position as of December 31, 2024 and the operation results and cash flows in 2024 of the company. The Audit Committee has reviewed the above-mentioned statements in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and hereby provides such audit report.

The Audit Committee, Chang Hwa Commercial Bank, Ltd.

Independent Director & Chairman : Yu-Hsueh Wu



Independent Director : Shu-Hua Lee



Independent Director : Chao-Kuei Huang



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Chang Hwa Commercial Bank, Ltd.
Audit Report of Audit Committee
April 17, 2025

To: Shareholders of Chang Hwa Commercial Bank, Ltd.

The Board of Directors has prepared the 2024 Earnings Distribution Proposal. The Audit Committee has reviewed the aforementioned Proposal in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and confirmed its consistency with related laws and rules. The Audit Committee hereby provides the said audit report.

The Audit Committee, Chang Hwa Commercial Bank, Ltd.

Independent Director & Chairman : Yu-Hsueh Wu



Independent Director : Shu-Hua Lee



Independent Director : Chao-Kuei Huang



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2024 Business Report of Chang Hwa Commercial Bank, Ltd.

A. 2024 Results of Operations

a. The domestic and overseas financial environments

In 2024, the global financial environment reached a significant turning point. In the first half of the year, major economies prolonged their high interest rate environment to combat inflation. This resulted in the global manufacturing sector recovering more slowly than anticipated despite showing gradual improvement. However, as major central banks successively initiated interest rate cut cycles in the second half of the year, financial environment became increasingly accommodative. This shift is conducive to improving private sector investment and consumer willingness, thereby strengthening global economic growth momentum.

Regarding the domestic economic situation, despite being affected by factors such as the global high interest rate environment and concerns over China's economic outlook, which constrained the recovery of global end-user demand and suppressed export momentum of traditional domestic industries, Taiwan benefited from the robust development of opportunities in artificial intelligence (AI) and high-performance computing. These emerging sectors helped domestic exports rebound significantly, subsequently stimulating the growth of private investment. Furthermore, the domestic employment condition remains stable, bolstering the performance of domestic demand and economic growth. As the domestic economic situation improves and the demand for corporate funding rebounds, coupled with the government's new preferential housing loans for the youth, and policies designed to assist enterprises in transitioning to low-carbon, intelligent operations that meet environmental safety requirements, banks have a responsibility to provide financing. They are dedicated to alleviating the pressure on first-time homebuyers and supporting industries in their upgrading and transformation efforts, thereby contributing to an increase in the outstanding loan balances of domestic banks.

b. Bank organization and change

To realize the Bank's vision of sustainable operations and to continue creating and expanding corporate value, the 9th meeting of the 27th Board of Directors approved an organizational adjustment on January 29, 2024. The former "Product Management Division" has been renamed the "Strategic Management Division" and will be responsible for planning operational development strategies. Additionally, to improve the management of customer groups in the Taoyuan, Hsinchu, and Miaoli regions, a new Northern Area 3 Regional Center has been established.

c. Operational planning and implementation results of management strategies

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1. In profit performance, driven by the Bank's internal operational strategies and coupled with the external economic environment, the Bank achieved an outstanding profit performance in 2024, with a net income after tax of NT\$14.945 billion, a growth of 15.12% from the previous year, and EPS of NT\$1.33, with ROE of 7.68%. The Bank's credit asset quality also showed stable improvement, with a non-performing loan ratio of 0.16% and a coverage ratio of 797.47%.

2. Business development:

(1) Deposit/Loan business:

- i. The Bank continued to adjust its client structure while responding to government policies supporting micro, small, and medium-sized enterprises. The Bank is committed to developing and strengthening the credit extension of the existing SME customer base. The SMEs' loan balance has increased by over NT\$40 billion compared to the end of 2023. Meanwhile, the Bank aligned with government policies to promote post-pandemic recovery and support low-carbon smart management projects, offering specialized loans in collaboration with the SME Credit Guarantee Fund. This aids SMEs in post-pandemic recovery, enhances competitiveness, restores operational prosperity, and accelerates transformation, exceeding NT\$35 billion in 2024. In addition, the Bank promoted home ownership through residential mortgage loans, leveraging the New Youth Preferential Housing Loans Interest Subsidy and expanding the Bank's mortgage business. The Bank also continued to offer Agricultural Product Market Distributor Working Capital Loans and Reverse Mortgage Loans for Senior Citizens, collaborating with our clients to promote inclusive finance.
- ii. In response to the global trend of sustainable development, we are actively implementing various loan programs to support green initiatives. These include the Green Deposit Project, the Sustainable Linked Loan Projects, the Green Enterprise Project Loans, and the Solar Photovoltaic Equipment Installation Project Loan. Moreover, we are intensifying the Program to Encourage Lending by Domestic Banks to Enterprises in Six Core Strategic Industries, focusing on related industries of Green Power and Renewable Energy and the Energy-Saving Service Industry Project Loans. We are also launching the Green Building Project Loans to encourage customers to purchase or construct eco-friendly, energy-efficient, waste-reducing, and healthy green buildings, working together with customers to create a sustainable home.
- iii. In 2024, the Bank's deposit and loan volumes continued to grow steadily,

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with average deposit balances increasing by 9.90% and average loan balances increasing by 10.68% compared to the previous year.

(2) Digital finance business:

- i. The Bank continued to implement digital customer management and expand service channels. Initiatives include launching public education loans with a fully online application service, introducing the first healthcare-concept credit card, the Mackay Co-Branded Card, and expanding credit card acquiring services in major commercial districts across Taiwan to create a credit card-based lifestyle. In response to the government's promotion of mobile payment policies and to enhance the convenience of cross-border payments for citizens, the Bank expanded the "QR Code Cross-Border Direct Debit Service" from Japan to South Korea.
- ii. The Bank prioritizes the quality and security of our financial services and optimizes our online service functionalities. For instance, we have enhanced transaction security for online banking by integrating security control mechanisms and adopting the international FIDO (Fast Identity Online) authentication standards. Additionally, we introduced a new application process for the official website verification code using the Mobile Guardian 2.0 authentication mechanism, improving service efficiency through a convenient and secure application process. Furthermore, the Bank enhanced the security and accessibility for individuals with disabilities using personal online banking (including the Chang Hwa Bank mobile banking app), and strengthened the protection of random passwords in the accessible services section of online banking.

- (3) Wealth management business: In response to global economic development trends, the Bank adjusted its wealth management product sales structure, strengthened the business momentum of niche products, and increased their proportion in overall revenue. In 2024, net income from wealth management accounted for 67.84% of total net service fee income, representing a growth of 36.84% compared to the same period last year.

3. Sustainable development:

In response to the international trend in sustainable finance, the Bank has incorporated ESG factors into its core business and operational activities and has set up and reviewed its sustainable development plan every year to implement the policy. We have achieved important environmental, social, and governance objectives for 2024.

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- (1) Environmental: The Bank is committed to implementing various carbon reduction initiatives. To leverage our financial influence in guiding clients toward balancing climate change with environmental considerations and promoting the transition to net zero, in 2024, the Bank received approval from the Science-Based Targets Initiative (SBTi) for our near-term science-based reduction targets, reaffirming our commitment to advancing toward net zero alongside the international community. To reduce greenhouse gas emissions, the Bank implemented the "Credit Limit Management Regulations for Net-Zero Emission", which will gradually phase out financing for thermal coal, unconventional oil, and gas-related industries, while progressively reducing non-green financing for high-carbon emission industries, with the aim of achieving the net zero emission target by 2050. The Bank continued to adopt international standards related to environmental sustainability. The Hsi-Sung Branch's ISO 14064-2-certified voluntary greenhouse gas emission reduction project passed the registration review by the Ministry of Environment in 2024. All domestic business locations and office spaces have obtained ISO 14001 Environmental Management System certification. The credit card has met the ISO 14067 Carbon Footprint standard, the ISO 14046 Water Footprint standard, the PAS 2060 Carbon Neutrality standard, and has passed the Ministry of Environment's product carbon footprint label review. The Bank has implemented the ISO 20400 Sustainable Procurement standard and has passed the audit. To promote renewable energy usage, we have established four locations that utilize renewable energy through power purchase agreements or rooftop solar installations, actively implementing low-carbon transformation strategies in our operations. In addition, in the 2023 CDP climate change questionnaire assessment, we achieved an "A-" leadership level. The 2023 TCFD Report received the highest certification level of "Level 5+: Excellence," demonstrating the Bank's commitment to mitigating the impacts of climate risks and taking concrete actions to achieve the goal of net zero emissions.
- (2) Social: In commitment to the Treating Customers Fairly Principles, we continue to enhance our friendly financial services. We have established 100 bilingual branches providing an English-Chinese bilingual environment and consultation services. All of our automated teller machines (ATMs) comply with barrier-free models, with 324 units specifically designed for use by visually impaired individuals. Additionally, we have developed a friendly financial service database to assist our business units and customer service centers in providing appropriate support and assistance tailored to the individual needs of persons

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with disabilities. The Bank committed to promoting financial literacy and fraud prevention education. We have implemented the Insurance Elementary School Promotion Train initiative to reach out to schools and rural areas. In collaboration with the Taiwan Academy of Banking and Finance, we have implemented campus fraud prevention education activities, such as the Financial Public Welfare Program and Fraud Prevention Pioneers: Youth Safety. Additionally, through our fair customer treatment seminars, such as the Asset Protection: Methods for Fraud Prevention and Chang Hwa Bank Independent Director Fraud Prevention Lecture, as well as trust promotional videos, we strengthened fraud awareness and detection capabilities among the public and our employees. Furthermore, the Bank has been recognized by the Occupational Safety and Health Administration of the Ministry of Labor as a Sustainable Leading Enterprise in Healthy Workforce, affirming our achievements in promoting occupational safety and health.

- (3) Governance: The Bank is committed to furthering the soundness of the corporate governance system, and ranking in the top 5% of the 10th Corporate Governance Evaluation among TWSE-listed companies. We also participated in the CG6014 (2023) Corporate Governance System Evaluation conducted by the Taiwan Corporate Governance Association and received the highest level of "Excellent" certification. In addition to continuously improving our intellectual property management, the Bank's intellectual property management system has obtained the Taiwan Intellectual Property Management Standard (TIPS) Grade A certification for both its trademark and patent in 2024.
- (4) The Bank places significant emphasis on practicing sustainable finance. In 2024, we were ranked in the top 25% of the banking industry in the 2nd Sustainable Finance Evaluation conducted by the Financial Supervisory Commission (FSC), and have been chosen as a constituent stock of the Dow Jones Sustainability (DJSI) World Index and Emerging Markets Index, which underscores the recognition of our accomplishments in advancing ESG development.

d. Budget execution

1. The total deposit volume was NT\$2,597,186,966 thousand, or 104.34% of the budget target.
2. The total loan volume was NT\$1,921,747,953 thousand, or 105.74% of the budget target.
3. The total investment business (securities) average volume was NT\$821,516,235 thousand, or 101.61% of the budget target.

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4. The foreign exchange transactions were US\$125,467,826 thousand, or 104.68% of the budget target.
5. The securities brokerage transactions were NT\$303,695,490 thousand or 137.66% of the budget target.
6. Trust fund subscription was NT\$78,363,794 thousand, or 158.88% of the budget target.
7. The assets under custody was NT\$759,103,286 thousand, or 211.57% of the budget target.
8. The insurance agency transactions were NT\$12,999,189 thousand, or 142.34% of the budget target.
9. Card business (volume of transactions) was NT\$29,386,305 thousand, or 108.84% of the budget target.

e. Financial highlights

1. Net interest income: NT\$22,964,580 thousand.
2. Net non-interest income: NT\$18,854,957 thousand.
3. Net revenue and gains: NT\$41,819,537 thousand.
4. Bad debts expense, commitment and guarantee liability provision: NT\$3,050,867 thousand.
5. Operating expenses: NT\$20,415,083 thousand.
6. Income before income tax: NT\$18,353,587 thousand.
7. Income tax expense: NT\$3,408,216 thousand.
8. Net income: NT\$14,945,371 thousand.
9. Other comprehensive income: NT\$4,425,998 thousand.
10. Total comprehensive income: NT\$19,371,369 thousand.
11. EPS after tax: NT\$1.33.
12. Return on Assets (ROA): 0.49%.
13. Return on Equity (ROE): 7.68%.

f. Research and development

1. Innovative financial services

Regarding R&D patents, the Bank continued to accumulate innovation in FinTech. In 2024, the Bank obtained a total of 9 utility model patents and 5 invention patents.

2. Business research

To keep abreast of the latest industry and economic trends, the Bank has set up a

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dedicated unit to collect and analyze relevant information on the economy, industry, and market and prepare overall economic and industry outlooks and survey analysis reports as references for business promotion and marketing interviews of all bank units. Additionally, to promote business innovation and development, all employees are encouraged to research current business development trends and financial-related issues, and employees turned in 22 business research reports in 2024.

3. Big data application and development

Utilizing the Potential Corporate Customer Identification Model and Individual Banking Customer Segmentation Model, we combine internal data with external information through big data analysis to efficiently develop new corporate banking credit customers and deepen relationships with existing customers, thereby expanding our business scale.

4. Introducing Robotic Process Automation (RPA) technology

To enhance operational efficiency, reduce workforce burdens, mitigate operational risks, minimize resource consumption, and improve service quality, the Bank currently implements automated operations through Robotic Process Automation (RPA). This technology is applied in various operational processes such as data collection, integration, information verification, file and report generation, suspicious account data extraction, and Enhanced Due Diligence (EDD) investigations.

B. 2025 Highlights of Business Plans and Future Development Strategies

a. Business directions and operational policies and future development strategy

Looking ahead to 2025, our bank will continue to uphold the main strategies of "Customer orientation, Sustainability, and Integrity" and the 4Cs sustainability targets (Carbon Reduction, Sustainable Capital, Responsible Credit, and Financial Inclusion of Customers). We will continue to deepen our presence in the domestic market, strengthen our international development, and refine our business operations and services in line with digital finance trends. We will also implement ESG responsibilities across different dimensions, while maintaining growth that balances profitability and risk management.

The Bank's business direction and operational policies and future development strategy are as follows:

1. Strengthen Fundamentals, Stabilize Core Competencies, Create Value

- (1) Continue to cultivate core business, achieve steady growth in corporate finance projects, adjust customer segments, business and profit structures, strengthen

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retail banking and wealth management services, complemented by effective fund utilization management to enhance overall operational strength and drive profit growth.

- (2) The overseas business implements differentiated management strategies for the development blueprint of each branch, gradually expanding its operational scale. This is accomplished through the establishment of online banking, the optimization of surrounding application systems, and the enhancement of competitiveness.

2. Cross-Marketing, Customer Segmentation, Profit Enhancement

- (1) Leverage distribution channel and human resource advantages to establish a cross-marketing culture. Utilize data analysis to enhance the efficiency of data and customer management, identify the needs of various segments, including high-net-worth individuals, salaried employees, and merchant acquirers, and offer comprehensive products and services that align with the customer journey.
- (2) Initiate a series of redesign projects for our customer service interface that not only provide innovative service experiences but also connect online and offline channels to drive customer traffic, breaking down barriers of time, space, and business divisions to improve operational synergy.

3. Build AI, Optimize Processes, Enhance Efficiency

Harness emerging technologies such as artificial intelligence and robotic process automation, including the implementation of intelligent service assistants to improve operational efficiency. Establish financial joint learning for fraud prevention and anti-money laundering with alliance standards and automated model updates to enhance fraud detection and prevention capabilities. Develop customer analysis and business development models to improve marketing effectiveness, continuously optimizing various business processes across business development, fraud prevention applications, and precision marketing.

4. Enhance Protection, Control Risks, Strengthen Resilience

To ensure sound operational development and increase operational resilience, we will continue to cultivate a compliance-oriented mindset and implement internal audit and control systems, strengthen assessment and supervision of risk-bearing capacity across all areas, and comprehensively improve our risk management capabilities. Simultaneously, in response to information security risks associated with the adoption of emerging technologies such as cloud services, container management platforms, and artificial intelligence, we will enhance security protection for domestic and international network equipment, build secure network

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infrastructure, and improve the effectiveness of our cybersecurity mechanisms and defense capabilities through practical drills.

5. Empower Talent, Focus on Succession, Promote Human Capital

We value diverse employee development and strategic placement of talent. In line with our business strategies and development, we implement personnel empowerment and training programs, developing career blueprints and succession mechanisms to strengthen the value of our human capital.

6. Emphasize Integrity, Enforce Governance, Practice Sustainability

We actively participate in international ESG initiatives and evaluations, in accordance with the FSC's Corporate Governance 3.0 Sustainable Development Roadmap, the Sustainable Development Roadmap for Listed Companies, the Green and Transition Finance Action Plan, the Sustainable Development Action Plan for Listed Companies, and ESG Initiative Platform for Government-owned Financial Institutions by the Ministry of Finance. We continue to develop sustainable development strategies, enhance corporate governance mechanisms, implement shareholder activism, improve the credibility of sustainability information disclosure, and collaborate to create maximum sustainable benefits.

b. Business operational targets

1. Deposits Volume: NT\$2,725,943,490 thousand.
2. Loans Volume: NT\$2,034,047,554 thousand.
3. Investment Business (Securities): NT\$911,485,917 thousand.
4. Foreign Exchange Transactions: US\$131,007,946 thousand.
5. Securities Brokerage Transactions: NT\$350,999,774 thousand.
6. Trust Fund Subscription: NT\$82,500,538 thousand.
7. Assets under Custody: NT\$738,800,000 thousand.
8. Insurance Agency Transactions: NT\$14,432,565 thousand.
9. Card Business (Volume of transaction): NT\$ 30,500,000 thousand.

C. The Impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Environment

a. The Impact of the External Competitive Environment and Regulatory Environment

1. In response to restrictions on the amount of mortgage loans that banks can extend and the Central Bank's seventh wave of credit controls, the Bank will selectively undertake priority business operations while continuing to support government

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policy loans, such as the New Preferential Housing Loans for Youth and the Low-Carbon Smart Management Project Loan. Additionally, we will enforce risk management for credit cases in accordance with the Equator Principles, thereby fulfilling our corporate responsibilities while strengthening post-loan fund flow monitoring and regular review mechanisms to prevent non-performing loans.

2. In recent years, the prevention of financial fraud has garnered significant attention from both the government and the public. It also serves as an important demonstration of our principle of "duty of care and loyalty" for the Treating Customers Fairly Principles. The Bank actively promotes various fraud prevention mechanisms and continues to adhere to the improvement measures set forth by the FSC. Through concrete actions, we cooperate with government agencies to combat fraud and raise fraud awareness among employees and the public. Since July 1, 2024, our bank has implemented AI model detection and established enhanced abnormal account review mechanisms to implement alert account reporting, anti-money laundering, fraud prevention, and management of various illegal financial flows to fully protect customer assets.
3. In accordance with the Fraud Crime Hazard Prevention Act, the FSC issued the Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services on November 29, 2024. The Bank has planned relevant response measures in line with these regulations to prevent and deter fraud crimes.

b. The impact of the macroeconomic environment

Since 2024, as major labor markets in the US and Europe continue to demonstrate resilience, and geopolitical risks still loom, disrupting global commodity price trends, the global inflation slowdown has been volatile. This has led major central banks to maintain a cautious attitude toward monetary policy easing, keeping interest rates relatively high to ensure inflation returns to long-term target levels, which has suppressed the momentum for global manufacturing recovery and economic growth. Fortunately, in the second half of the year, wages and housing costs in major countries began to ease, bringing inflation back to a gradual downward motion. This has led major central banks to join the rate-cutting cycle, gradually diluting the tightening effects of the high interest rate environment, which is favorable for corporate production, investment, and private consumption. Yet, it is important to acknowledge that the global economy is still confronted with numerous uncertainties, including policy directions of the newly-elected President of the United States, shifts in the geopolitical climate, fluctuations in raw material prices, and climate change, all of which persistently influence the rate of global economic recovery.

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In general, the uncertainty in the macroeconomic environment still remains due to the lingering shadow of geopolitical risks and the monetary policy trends of major economies. These factors will have an impact on the global financial market. With the continued momentum of AI business opportunities driving steady export growth, the recovery in private investment momentum, expanded inventory preparation by manufacturers, and the derived demand for related raw materials and key components imports, as well as the optimistic projection for consumer momentum, the Directorate-General of Budget, Accounting and Statistics preliminarily estimates the economic growth rate for 2025 at 3.29%. Looking ahead to 2025, despite facing many economic challenges, prospects for positive development remain.

D. Latest Credit Ratings

Credit Rating Agency	Release Date	International Rating		Domestic Rating		Outlook
		Long term	Short term	Long term	Short term	
Taiwan Ratings	2024/11	-	-	twAA+	twA-1+	Stable
S&P	2024/11	A	A-1	-	-	Stable
Moody's	2024/3	A2	P-1	-	-	Stable

February 20, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Chang Hwa Commercial Bank, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chang Hwa Commercial Bank, Ltd. (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 the 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 Securities Firms 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 Statements Audit and Attestation Engagements 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 following is the description for the key audit matter in the audit of the consolidated financial statements of the Group for the year ended December 31, 2024.

Impairment Assessment of Loans

Loans are the most important assets of the Group. As of December 31, 2024, the balance of the Group's loans totaled \$1,967,920,024 thousand, accounting for 62% of the Group's total consolidated assets. The Group assessed the impairment on loans in accordance with IFRS 9 and with relevant regulations on recognizing allowance for loans. As the assessment of the impairment on the aforementioned assets involves the management's critical judgments, estimations and assumptions, we considered the impairment assessment on loans as a key audit matter. Refer to Notes 4, 5 and 12 to the Group's consolidated financial statements for related information.

Our main audit procedures performed in response to the key audit matter described above were as follows:

When assessing the appropriateness of the impairment on loans, we understood and tested the internal controls relevant to the lending process and assessment of loan impairment. We tested whether the expected credit loss was calculated by loans grouped by borrowers and credit risk characteristics. We further verified whether the parameters utilized in the impairment loss model (including the probability of default adjusted for forward-looking factors, loss given default, and exposure at default) to reflect the actual situation, and we recalculated the impairment loss on loans, examined the classification of loan credit assets, and assessed the loan provisions in compliance with relevant regulations.

Other Matter

We have also audited the financial statements of Chang Hwa Commercial Bank, Ltd. 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 Securities Firms and IFRS, IAS, IFRIC, and 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 Mei Hui Wu and Tza Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 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.

CHANG HWA COMMERCIAL BANK, LTD. 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	\$ 41,389,706	1	\$ 59,446,777	2
Due from the Central Bank and call loans to banks	187,983,867	6	183,833,192	6
Financial assets at fair value through profit or loss	82,798,865	3	73,576,072	3
Financial assets at fair value through other comprehensive income	310,155,769	10	261,736,003	9
Investments in debt instruments at amortized cost	512,721,202	16	453,142,979	16
Receivables, net	24,807,709	1	20,991,624	1
Current tax assets	282,646	-	135,733	-
Discounts and loans, net	1,967,920,024	62	1,802,524,696	62
Other financial assets, net	324,530	-	1,235,692	-
Property and equipment, net	21,413,108	1	21,047,700	1
Right-of-use assets, net	1,966,622	-	1,938,304	-
Investment properties, net	13,932,767	-	13,872,697	-
Intangible assets, net	985,194	-	996,476	-
Deferred tax assets	4,510,535	-	3,361,545	-
Other assets, net	<u>1,528,587</u>	<u>-</u>	<u>3,034,649</u>	<u>-</u>
TOTAL	<u>\$ 3,172,721,131</u>	<u>100</u>	<u>\$ 2,900,874,139</u>	<u>100</u>
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks	\$ 234,310,750	8	\$ 113,218,248	4
Financial liabilities at fair value through profit or loss	2,881,955	-	6,594,822	-
Securities sold under repurchase agreements	11,403,907	1	11,138,326	1
Payables	28,023,911	1	36,498,738	1
Current tax liabilities	1,841,194	-	1,795,507	-
Deposits and remittances	2,630,356,510	83	2,475,788,955	86
Bank notes payable	40,805,410	1	49,163,511	2
Other financial liabilities	1,290,231	-	1,234,258	-
Reserve for liabilities	2,616,244	-	3,306,843	-
Lease liabilities	1,837,221	-	1,783,082	-
Deferred tax liabilities	11,089,598	-	9,874,181	-
Other liabilities	<u>4,866,812</u>	<u>-</u>	<u>2,479,612</u>	<u>-</u>
Total liabilities	<u>2,971,323,743</u>	<u>94</u>	<u>2,712,876,083</u>	<u>94</u>
EQUITY				
Capital stock				
Common stock	112,057,583	4	108,582,930	4
Capital surplus	24	-	-	-
Retained earnings				
Legal reserve	50,685,866	2	46,674,889	2
Special reserve	12,201,590	-	12,201,590	-
Unappropriated earnings	16,476,237	-	13,482,750	-
Other equity	<u>9,976,088</u>	<u>-</u>	<u>7,055,897</u>	<u>-</u>
Total equity	<u>201,397,388</u>	<u>6</u>	<u>187,998,056</u>	<u>6</u>
TOTAL	<u>\$ 3,172,721,131</u>	<u>100</u>	<u>\$ 2,900,874,139</u>	<u>100</u>

CHANG HWA COMMERCIAL BANK, LTD. 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 INCOME	\$ 76,463,596	183	\$ 64,843,059	168	18
INTEREST EXPENSE	<u>(53,499,016)</u>	<u>(128)</u>	<u>(42,610,485)</u>	<u>(110)</u>	26
NET INCOME OF INTEREST	<u>22,964,580</u>	<u>55</u>	<u>22,232,574</u>	<u>58</u>	3
NET NON-INTEREST INCOME					
Net service fee income	6,868,290	16	5,142,288	13	34
Gain on financial assets or liabilities measured at fair value through profit or loss	9,286,306	22	9,610,359	25	(3)
Realized gain on financial assets at fair value through other comprehensive income	1,394,971	3	905,973	2	54
Loss arising from derecognition of financial assets at amortized cost	(37,994)	-	(233,854)	(1)	(84)
Foreign exchange gain	1,059,851	3	735,811	2	44
Net other non-interest income	<u>283,533</u>	<u>1</u>	<u>176,921</u>	<u>1</u>	60
Net non-interest income	<u>18,854,957</u>	<u>45</u>	<u>16,337,498</u>	<u>42</u>	15
NET REVENUE AND GAINS	<u>41,819,537</u>	<u>100</u>	<u>38,570,072</u>	<u>100</u>	8
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(3,050,867)</u>	<u>(7)</u>	<u>(3,241,455)</u>	<u>(8)</u>	(6)
OPERATING EXPENSE					
Employee benefits expenses	(13,116,315)	(31)	(12,265,046)	(32)	7
Depreciation and amortization expense	(1,618,842)	(4)	(1,650,408)	(4)	(2)
Other general and administrative expense	<u>(5,679,926)</u>	<u>(14)</u>	<u>(5,176,575)</u>	<u>(14)</u>	10
Total operating expense	<u>(20,415,083)</u>	<u>(49)</u>	<u>(19,092,029)</u>	<u>(50)</u>	7

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. 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	%	%
INCOME BEFORE INCOME TAX	\$ 18,353,587	44	\$ 16,236,588	42	13
INCOME TAX EXPENSE	<u>(3,408,216)</u>	<u>(8)</u>	<u>(3,254,446)</u>	<u>(8)</u>	5
NET INCOME	<u>14,945,371</u>	<u>36</u>	<u>12,982,142</u>	<u>34</u>	15
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified to profit or loss, net of tax:					
Remeasurement of defined benefit plans	599,273	1	(297,306)	(1)	302
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	2,696,444	6	9,397,106	24	(71)
Income tax related to items that will not be reclassified to profit or loss	(119,852)	-	59,464	-	(302)
Items that will be reclassified to profit or loss, net of tax:					
Exchange differences on translation	2,315,673	6	(302,740)	(1)	865
Revaluation gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	(825,483)	(2)	2,991,675	8	(128)

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. 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	%	%
(Impairment loss) reversal of impairment loss on investments in debt instruments measured at fair value through other comprehensive income	\$ (6,149)	-	\$ 6,841	-	(190)
Income tax related to items that will be reclassified to profit or loss	<u>(233,908)</u>	<u>(1)</u>	<u>(40,943)</u>	<u>-</u>	471
Other comprehensive income (loss), net of tax	<u>4,425,998</u>	<u>10</u>	<u>11,814,097</u>	<u>30</u>	(63)
TOTAL COMPREHENSIVE INCOME	<u>\$ 19,371,369</u>	<u>46</u>	<u>\$ 24,796,239</u>	<u>64</u>	(22)
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 14,945,371</u>	<u>36</u>	<u>\$ 12,982,142</u>	<u>34</u>	15
Non-controlling interests	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 19,371,369</u>	<u>46</u>	<u>\$ 24,796,239</u>	<u>64</u>	(22)
Non-controlling interests	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	-
EARNINGS PER SHARE					
Basic	<u>\$1.33</u>		<u>\$1.16</u>		
Diluted	<u>\$1.33</u>		<u>\$1.15</u>		

(Concluded)

CHANG HWA COMMERCIAL BANK, LTD. 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						Other Equity		Total Equity
	Capital Stock		Capital Surplus	Retained Earnings		Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income		
	Common Stock (In Thousands)	Amount		Legal Reserve	Special Reserve			Unappropriated Earnings	
BALANCE, JANUARY 1, 2023	10,593,457	\$ 105,934,566	\$ -	\$ 43,043,607	\$ 12,201,590	\$ 12,218,872	\$ (916,214)	\$ (3,454,203)	\$ 169,028,218
Appropriation of 2022 earnings:									
Legal reserve appropriated	-	-	-	3,631,282	-	(3,631,282)	-	-	-
Cash dividends	-	-	-	-	-	(5,826,401)	-	-	(5,826,401)
Stock dividends	264,836	2,648,364	-	-	-	(2,648,364)	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	12,982,142	-	-	12,982,142
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	-	(237,842)	(295,000)	12,346,939	11,814,097
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	12,744,300	(295,000)	12,346,939	24,796,239
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	625,625	-	(625,625)	-
BALANCE, DECEMBER 31, 2023	10,858,293	108,582,930	-	46,674,889	12,201,590	13,482,750	(1,211,214)	8,267,111	187,998,056
Appropriation of 2023 earnings:									
Legal reserve appropriated	-	-	-	4,010,977	-	(4,010,977)	-	-	-
Cash dividends	-	-	-	-	-	(5,972,061)	-	-	(5,972,061)
Stock dividends	347,465	3,474,653	-	-	-	(3,474,653)	-	-	-
Other changes in capital surplus:									
Additional paid-in capital	-	-	11	-	-	-	-	-	11
Due to donated assets received	-	-	13	-	-	-	-	-	13
Net income for the year ended December 31, 2024	-	-	-	-	-	14,945,371	-	-	14,945,371
Other comprehensive income (loss) for the year ended December 31, 2024, net of tax	-	-	-	-	-	479,421	2,171,916	1,774,661	4,425,998
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	15,424,792	2,171,916	1,774,661	19,371,369
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,026,386	-	(1,026,386)	-
BALANCE, DECEMBER 31, 2024	11,205,758	\$ 112,057,583	\$ 24	\$ 50,685,866	\$ 12,201,590	\$ 16,476,237	\$ 960,702	\$ 9,015,386	\$ 201,397,388

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 18,353,587	\$ 16,236,588
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized on trade receivables	3,050,867	3,241,455
Depreciation expense	1,260,054	1,226,105
Amortization expense	358,788	424,303
Interest income	(76,463,596)	(64,843,059)
Dividend income	(1,810,838)	(1,553,895)
Interest expense	53,499,016	42,610,485
Net gain on financial assets or liabilities at fair value through profit or loss	(20,222,738)	(2,942,378)
Loss on disposal of investments	435,503	861,773
Unrealized foreign exchange loss (gain)	10,936,432	(6,667,981)
Other adjustments	(34,137)	74,596
Changes in operating assets and liabilities		
Increase in due from the Central Bank	(42,194,662)	(11,321,948)
Increase in financial assets at fair value through profit or loss	(2,429,383)	(48,344,857)
(Increase) decrease in receivables	(2,235,622)	3,537,104
Increase in discounts and loans	(168,478,914)	(120,478,684)
Increase in financial assets at fair value through other comprehensive income	(46,952,463)	(35,352,343)
(Increase) decrease in investments in debt instruments at amortized cost	(59,575,948)	31,868,403
Decrease in other financial assets	928,315	525,624
Decrease (increase) in other assets	1,559,070	(1,959,450)
Increase (decrease) in deposits from the Central Bank and banks	119,845,477	(77,243)
Increase in deposits and remittances	154,567,555	125,906,335
(Decrease) increase in payables	(9,261,893)	1,629,095
(Decrease) increase in financial liabilities at fair value through profit or loss	(2,354,314)	14,685,329
Increase (decrease) in reserve for liabilities	9,027	(216,024)
Increase in other financial liabilities	55,973	375,375
Increase (decrease) in other liabilities	<u>2,402,259</u>	<u>(3,516,959)</u>
Cash flows used in operations	(64,752,585)	(54,072,251)
Interest received	75,880,711	63,612,547
Dividends received	1,807,488	1,547,395
Interest paid	(52,789,857)	(39,769,261)
Income taxes paid	<u>(3,649,862)</u>	<u>(1,864,148)</u>
Net cash flows used in operating activities	<u>(43,504,105)</u>	<u>(30,545,718)</u>
		(Continued)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ (1,162,037)	\$ (778,112)
Proceeds from disposal of property and equipment	2,351	792
Acquisition of intangible assets	(139,302)	(252,892)
Acquisition of investment properties	<u>(11,795)</u>	<u>(1,820)</u>
Net cash flows used in investing activities	<u>(1,310,783)</u>	<u>(1,032,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	1,247,025	60,418,436
Proceeds from issuing bank notes	1,000,000	1,000,000
Repayments of bank notes	(9,330,000)	(3,000,000)
Increase in securities sold under repurchase agreement	265,581	10,197,313
Repayment of the principal portion of lease liabilities	(812,388)	(697,556)
Cash dividends paid	<u>(5,972,061)</u>	<u>(5,826,401)</u>
Net cash flows (used in) generated from financing activities	<u>(13,601,843)</u>	<u>62,091,792</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>2,315,673</u>	<u>(302,740)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(56,101,058)	30,211,302
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>135,031,401</u>	<u>104,820,099</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 78,930,343</u>	<u>\$ 135,031,401</u>
	December 31	
	2024	2023
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in the consolidated balance sheets	\$ 41,389,706	\$ 59,446,777
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	<u>37,540,637</u>	<u>75,584,624</u>
Cash and cash equivalents at end of year	<u>\$ 78,930,343</u>	<u>\$ 135,031,401</u>

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Chang Hwa Commercial Bank, Ltd.

Opinion

We have audited the accompanying financial statements of Chang Hwa Commercial Bank, Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements 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 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 financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following is the description for the key audit matter in the audit of the financial statements of the Bank for the year ended December 31, 2024.

Impairment Assessment of Loans

Loans are the most important assets of the Bank. As of December 31, 2024, the balance of the Bank's loans totaled \$1,949,859,996 thousand, accounting for 62% of the Bank's total assets. The Bank assessed the impairment on loans in accordance with IFRS 9 and with relevant regulations on recognizing allowance for loans. As the assessment of the impairment on the aforementioned assets involves the management's critical judgments, estimations and assumptions, we considered the impairment assessment on loans as a key audit matter. Refer to Notes 4, 5 and 12 to the Bank's financial statements for related information.

Our main audit procedures performed in response to the key audit matter described above were as follows:

When assessing the appropriateness of the impairment on loans, we understood and tested the internal controls relevant to the lending process and assessment of loan impairment. We tested whether the expected credit loss was calculated by loans grouped by borrowers and credit risk characteristics. We further verified the parameters utilized in the impairment loss model (including the probability of default adjusted for forward-looking factors, loss given default, and exposure at default) to reflect the actual situation, and we recalculated the impairment loss on loans, examined the classification of loan credit assets, and assessed the loan provisions in compliance with relevant regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of the Bank 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 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 Mei Hui Wu and Tza Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Notice to Readers

The accompanying 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 financial statements are those generally applied in the Republic of China.

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

CHANG HWA COMMERCIAL BANK, LTD.

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

ASSETS	2024		2023	
	Amount	%	Amount	%
Cash and cash equivalents	\$ 34,664,438	1	\$ 52,870,191	2
Due from the Central Bank and call loans to banks	178,655,876	6	172,507,850	6
Financial assets at fair value through profit or loss	81,846,946	3	72,831,553	3
Financial assets at fair value through other comprehensive income	301,850,939	10	257,735,718	9
Investments in debt instruments at amortized cost	512,002,497	16	453,100,064	16
Receivables, net	24,679,785	1	21,096,161	1
Current tax assets	282,646	-	135,733	-
Discounts and loans, net	1,949,859,996	62	1,787,107,192	62
Investments measured by equity method, net	15,526,275	-	14,717,022	-
Other financial assets, net	6,153,730	-	7,727,692	-
Property and equipment, net	20,718,584	1	20,347,752	1
Right-of-use assets, net	1,957,080	-	1,924,106	-
Investment property, net	13,932,767	-	13,872,697	-
Intangible assets, net	909,344	-	905,986	-
Deferred tax assets	4,423,158	-	3,277,208	-
Other assets, net	<u>1,516,741</u>	<u>-</u>	<u>3,021,720</u>	<u>-</u>
TOTAL	<u>\$ 3,148,980,802</u>	<u>100</u>	<u>\$ 2,883,178,645</u>	<u>100</u>
LIABILITIES AND EQUITY				
Deposits from the Central Bank and banks	\$ 234,330,201	8	\$ 112,859,055	4
Financial liabilities at fair value through profit or loss	2,881,955	-	6,594,822	-
Securities sold under repurchase agreements	11,403,907	1	11,138,326	1
Payables	27,618,257	1	36,111,923	1
Current tax liabilities	1,816,181	-	1,767,700	-
Deposits and remittances	2,607,179,840	83	2,458,964,957	85
Bank notes payable	40,805,410	1	49,163,511	2
Other financial liabilities	1,290,231	-	1,234,258	-
Reserve for liabilities	2,579,892	-	3,301,713	-
Lease liabilities	1,829,323	-	1,770,550	-
Deferred tax liabilities	11,057,632	-	9,868,792	-
Other liabilities	<u>4,790,585</u>	<u>-</u>	<u>2,404,982</u>	<u>-</u>
Total liabilities	<u>2,947,583,414</u>	<u>94</u>	<u>2,695,180,589</u>	<u>93</u>
EQUITY				
Capital stock				
Common stock	112,057,583	4	108,582,930	4
Capital surplus	24	-	-	-
Retained earnings				
Legal reserve	50,685,866	2	46,674,889	2
Special reserve	12,201,590	-	12,201,590	-
Unappropriated earnings	16,476,237	-	13,482,750	1
Other equity	<u>9,976,088</u>	<u>-</u>	<u>7,055,897</u>	<u>-</u>
Total equity	<u>201,397,388</u>	<u>6</u>	<u>187,998,056</u>	<u>7</u>
TOTAL	<u>\$ 3,148,980,802</u>	<u>100</u>	<u>\$ 2,883,178,645</u>	<u>100</u>

CHANG HWA COMMERCIAL BANK, LTD.

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 INCOME	\$ 75,251,026	183	\$ 63,789,232	168	18
INTEREST EXPENSE	<u>(52,837,005)</u>	<u>(129)</u>	<u>(42,183,746)</u>	<u>(111)</u>	25
NET INCOME OF INTEREST	<u>22,414,021</u>	<u>54</u>	<u>21,605,486</u>	<u>57</u>	4
NET NON-INTEREST INCOME					
Net service fee income	6,841,020	17	5,136,063	14	33
Gain on financial assets or liabilities measured at fair value through profit or loss	9,104,013	22	9,442,106	25	(4)
Realized gain on financial assets at fair value through other comprehensive income	1,277,560	3	811,217	2	57
Loss arising from derecognition of financial assets at amortized cost	(37,994)	-	(233,854)	(1)	(84)
Foreign exchange gain	1,053,833	2	724,134	2	46
Share of profit of subsidiaries accounted for using equity method	240,355	1	303,151	1	(21)
Net other non-interest income	<u>285,104</u>	<u>1</u>	<u>175,672</u>	<u>-</u>	62
Net non-interest income	<u>18,763,891</u>	<u>46</u>	<u>16,358,489</u>	<u>43</u>	15
NET REVENUE AND GAINS	<u>41,177,912</u>	<u>100</u>	<u>37,963,975</u>	<u>100</u>	8
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION	<u>(3,003,225)</u>	<u>(8)</u>	<u>(3,289,434)</u>	<u>(9)</u>	(9)
OPERATING EXPENSE					
Employee benefits expenses	(12,760,800)	(31)	(11,939,508)	(32)	7
Depreciation and amortization expense	(1,533,792)	(4)	(1,570,873)	(4)	(2)

(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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	%	%
Other general and administrative expense	\$ (5,545,613)	(13)	\$ (5,049,215)	(13)	10
Total operating expenses	(19,840,205)	(48)	(18,559,596)	(49)	7
INCOME BEFORE INCOME TAX	18,334,482	44	16,114,945	42	14
INCOME TAX EXPENSE	(3,389,111)	(8)	(3,132,803)	(8)	8
NET INCOME	14,945,371	36	12,982,142	34	15
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX					
Items that will not be reclassified to profit or loss, net of tax:					
Remeasurement of defined benefit plans	599,273	1	(297,306)	(1)	302
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	2,697,047	7	9,395,017	25	(71)
Share of other comprehensive income of subsidiaries accounted for using the equity method	(603)	-	2,089	-	(129)
Income tax related to items that will not be reclassified to profit or loss	(119,852)	-	59,464	-	(302)
Items that will be reclassified to profit or loss, net of tax:					
Exchange differences on translation	2,315,673	6	(302,740)	(1)	865
Share of other comprehensive (loss) income of subsidiaries accounted for using the equity method	81,764	-	(20,038)	-	508
Revaluation gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	(931,796)	(2)	3,017,064	8	(131)

(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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	%	%
(Reversal of) impairment loss on investments in debt instruments measured at fair value through other comprehensive income	\$ (8,178)	-	\$ 7,837	-	(204)
Income tax related to items that will be reclassified to profit or loss	<u>(207,330)</u>	<u>(1)</u>	<u>(47,290)</u>	<u>-</u>	338
Other comprehensive income (loss), net of tax	<u>4,425,998</u>	<u>11</u>	<u>11,814,097</u>	<u>31</u>	(63)
TOTAL COMPREHENSIVE INCOME	<u>\$ 19,371,369</u>	<u>47</u>	<u>\$ 24,796,239</u>	<u>65</u>	(22)
EARNINGS PER SHARE					
Basic	<u>\$ 1.33</u>		<u>\$ 1.16</u>		
Diluted	<u>\$ 1.33</u>		<u>\$ 1.15</u>		

(Concluded)

CHANG HWA COMMERCIAL BANK, LTD.

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						Other Equity		Total Equity
	Capital Stock		Capital Surplus	Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	
	Common Stock (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE, JANUARY 1, 2023	10,593,457	\$ 105,934,566	\$ -	\$ 43,043,607	\$ 12,201,590	\$ 12,218,872	\$ (916,214)	\$ (3,454,203)	\$ 169,028,218
Appropriation of 2022 earnings:									
Legal reserve appropriated	-	-	-	3,631,282	-	(3,631,282)	-	-	-
Cash dividends	-	-	-	-	-	(5,826,401)	-	-	(5,826,401)
Stock dividends	264,836	2,648,364	-	-	-	(2,648,364)	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	12,982,142	-	-	12,982,142
Other comprehensive income (loss) for the year ended December 31, 2023, net of tax	-	-	-	-	-	(237,842)	(295,000)	12,346,939	11,814,097
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	12,744,300	(295,000)	12,346,939	24,796,239
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	625,625	-	(625,625)	-
BALANCE, DECEMBER 31, 2023	10,858,293	108,582,930	-	46,674,889	12,201,590	13,482,750	(1,211,214)	8,267,111	187,998,056
Appropriation of 2023 earnings:									
Legal reserve appropriated	-	-	-	4,010,977	-	(4,010,977)	-	-	-
Cash dividends	-	-	-	-	-	(5,972,061)	-	-	(5,972,061)
Stock dividends	347,465	3,474,653	-	-	-	(3,474,653)	-	-	-
Other changes in capital surplus:									
Additional paid-in capital	-	-	11	-	-	-	-	-	11
Due to donated assets received	-	-	13	-	-	-	-	-	13
Net income for the year ended December 31, 2024	-	-	-	-	-	14,945,371	-	-	14,945,371
Other comprehensive income (loss) for the year ended December 31, 2024, net of tax	-	-	-	-	-	479,421	2,171,916	1,774,661	4,425,998
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	15,424,792	2,171,916	1,774,661	19,371,369
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	1,026,386	-	(1,026,386)	-
BALANCE, DECEMBER 31, 2024	11,205,758	\$ 112,057,583	\$ 24	\$ 50,685,866	\$ 12,201,590	\$ 16,476,237	\$ 960,702	\$ 9,015,386	\$ 201,397,388

CHANG HWA COMMERCIAL BANK, LTD.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 18,334,482	\$ 16,114,945
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized on trade receivables	3,003,225	3,289,434
Depreciation expense	1,206,505	1,175,486
Amortization expense	327,287	395,387
Share of loss (profit) loss of subsidiaries for using equity method	(240,355)	(303,151)
Interest income	(75,251,026)	(63,789,232)
Dividend income	(1,797,439)	(1,540,216)
Interest expense	52,837,005	42,183,746
Net gain on financial assets or liabilities at fair value through profit or loss	(20,040,445)	(2,774,125)
Loss on disposal of investments	552,573	956,200
Unrealized foreign exchange loss (gain)	10,936,432	(6,667,981)
Other adjustments	(71,086)	60,215
Changes in operating assets and liabilities		
Increase in due from the Central Bank	(41,270,958)	(10,988,523)
Increase in financial assets at fair value through profit or loss	(2,307,037)	(48,141,139)
(Increase) decrease in receivables	(2,262,374)	3,558,617
Increase in discounts and loans	(165,802,979)	(124,597,426)
Increase in financial assets at fair value through other comprehensive income	(42,872,727)	(37,082,447)
(Increase) decrease in investments in debt instruments at amortized cost	(58,900,158)	31,911,318
Decrease (increase) in other financial assets	1,591,115	(673,176)
Decrease (increase) in other assets	1,557,987	(1,953,058)
Increase (decrease) in deposits from the Central Bank and banks	119,840,507	(184,157)
Increase in deposits and remittances	148,214,883	121,887,903
(Decrease) increase in payables	(9,245,530)	1,613,108
(Decrease) increase in financial liabilities at fair value through profit or loss	(2,446,378)	14,473,662
Decrease in reserve for liabilities	(7,542)	(207,715)
Increase in other financial liabilities	55,973	375,375
Increase (decrease) in other liabilities	<u>2,400,662</u>	<u>(3,515,141)</u>
Cash flows used in operations	(61,657,398)	(64,422,091)
Interest received	74,921,757	62,326,435
Dividends received	1,794,089	1,605,421
Interest paid	(52,163,048)	(39,464,382)
Income taxes paid	<u>(3,624,922)</u>	<u>(1,779,958)</u>
Net cash flows used in operating activities	<u>(40,729,522)</u>	<u>(41,734,575)</u>
		(Continued)

CHANG HWA COMMERCIAL BANK, LTD.

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ (1,135,254)	\$ (732,300)
Proceeds from disposal of property and equipment	2,351	792
Acquisition of intangible assets	(137,613)	(231,331)
Acquisition of investment properties	<u>(11,795)</u>	<u>(1,820)</u>
Net cash flows used in investing activities	<u>(1,282,311)</u>	<u>(964,659)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	1,630,639	61,524,721
Proceeds from issuing bank notes	1,000,000	1,000,000
Repayments of bank notes	(9,330,000)	(3,000,000)
Increase in securities sold under repurchase agreement	265,581	10,197,313
Repayments of the principal portion of lease liabilities	(738,947)	(688,947)
Cash dividends paid	<u>(5,972,061)</u>	<u>(5,826,401)</u>
Net cash flows (used in) generated from financing activities	<u>(13,144,788)</u>	<u>63,206,686</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>1,827,936</u>	<u>(44,454)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(53,328,685)	20,462,998
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>119,159,267</u>	<u>98,696,269</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 65,830,582</u>	<u>\$ 119,159,267</u>
	December 31	
	2024	2023
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in the balance sheets	\$ 34,664,438	\$ 52,870,191
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	<u>31,166,144</u>	<u>66,289,076</u>
Cash and cash equivalents at end of year	<u>\$ 65,830,582</u>	<u>\$ 119,159,267</u>

(Concluded)