



Chang Hwa Commercial Bank, Ltd.
Internal Control Statement


March 27, 2026


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


- I. On behalf of Chang Hwa Commercial Bank, Ltd. (the "Bank"), we hereby declare that from January 1, 2025, to December 31, 2025, the Bank has duly complied with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" in establishing its internal control system, implementing risk management, designating an independent and objective department to conduct audits, and regularly reporting to the Board of Directors and the Audit Committee, and indeed comply with the provisions of Article 38, paragraph 5 and Article 38-1 of the rules mentioned above, and the "Self-Regulations on Information Security" established by the Bankers Association.
- II. With respect to the securities business, evaluation of the effectiveness of the design and implementation of its internal control system has been done in accordance with the criteria for evaluating effectiveness of internal control systems described in the "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets."
- III. With respect to the insurance agency business, evaluation of the effectiveness of the design and implementation of its internal control system has been done in accordance with the criteria for evaluating effectiveness of internal control systems described in the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies."
- IV. After prudential evaluation, except for items listed in the table attached below, the internal control, legal compliance systems, and the overall information security implementation of each department have been in effect during the year 2025.
- V. This Statement will be included as the main content of the Bank's annual report and prospectus and will be made public. If there is any illegal activity such as fraud or concealment, liabilities under Article 20, 32, 171, and 174 of the Securities and Exchange Act or aforementioned Regulations will be involved.
- VI. This Statement has been approved by the Board of Directors on March 27, 2026.

Chairman : 

President : 

Executive Vice President & Chief Auditor : 

Executive Vice President & Chief Compliance Officer : 

Executive Vice President & Chief Information Security Officer : 

Chang Hwa Commercial Bank, Ltd.
Issue and Corrective Actions for Internal Control Statement
(As of December 31, 2025)

Issue for Improvement	Corrective Actions	Target Completion Date
<p>Regarding the case of a former employee at this Bank's Tantz Branch misappropriating Automated Teller Machine (ATM) funds, the Financial Supervisory Commission (FSC) identified deficiencies in the Bank's handling of ATM replenishment, backup banknote management, and unloading operations. These lapses were deemed detrimental to the sound management of the Bank.</p> <p>Taking into account that the Bank self-discovered, investigated, and proactively reported the case, and has already implemented relevant improvement measures, the FSC issued a corrective order on December 1, 2025, in accordance with Article 61-1, Paragraph 1 of the Banking Act.</p>	<ol style="list-style-type: none"> 1. Upon self-discovery, all domestic business units were immediately ordered to conduct unannounced cash audits. The results of the inspection showed no instances of cash shortages. 2. Reiterated regulations regarding ATM cash cassette organization and replenishment/unloading operations. Branch General Managers have been tasked with supervising subordinates to ensure compliance, and awareness training for all staff has been strengthened. 3. Continually refining ATM management and replenishment/unloading workflows to strengthen risk control, and incorporating ATM replenishment/unloading operations as a priority item for intensified internal audits. 	<p>The Bank has conducted a thorough review and improved upon the identified deficiencies. These improvement measures have been formally reported to the FSC.</p>