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# 2025 Annual Report

## Head office, Domestic and Overseas Branches Head Office

Address: No. 99, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)
Telephone: 886-2-8752-7000

## Offshore Banking Unit

Address: No. 99, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)
Telephone: 886-2-8752-7000

## Nanjing Fuxing Branch

Address: 1F., No. 128, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Telephone: 886-2-6619-2788

## Taoyuan Branch

Address: No.88, Yiwen 1st St., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)
Telephone: 886-3-341-5539

## Hsinchu Branch (Digital Experience Center)

Address: 5F, No. 212, Guangming 5th St., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)
Telephone: 886-3-558-9165

## Taichung Branch

Address: 8F-1, No. 489, Sec. 2, Taiwan Blvd., Western Dist.,Taichung City 403, Taiwan (R.O.C.)
Telephone: 886-4-2326-5500

## Kaohsiung Branch

Address: 12F, No. 55, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City 800, Taiwan (R.O.C.)
Telephone: 886-7-225-0212

## Hong Kong Branch

Address: Suites 3210-14, 32F & Suites 3310-13, 33F Tower 6, The Gateway, Harbour City, Kowloon, Hong Kong
Telephone: 852-3165-8899

## Shanghai Representative Office

Address: Unit 2903, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, China
Telephone: 86-21-6108-2088

## Sydney Representative Office

Address: Suite 42.02, Level 42, Australia Square, Tower Building, 264 George Street, Sydney, NSW 2000, Australia
Telephone: 61-2-8106-1099

## Credit Rating Institution Taiwan Rating Corp.,

Address: 2F., No. 167, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)
Telephone: 886-2-2175-6800
Website: https://www.taiwanratings.com

## Stock Transfer Agency

Agency: Corporate Trust Operation and Service Department, CTBC Bank Co., Ltd.
Address: 5F, No. 83, Sec 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Telephone: 886-2-6636-5566
Website: https://www.ctbcbank.com

## Spokesperson

Chang, Ophelia L.W.
Position: Executive Vice President
Telephone: 886-2-8752-7000 Ext 13301
E-mail: opheliachang@o-bank.com

## Deputy /Acting Spokesperson

Name: Siew, Joy C.Y.
Position: Executive Vice President
Telephone: 886-2-8752-7000 Ext 13300
E-mail: joysiew@o-bank.com
Corporate Website https://www.o-bank.com

**Name of Overseas Exchange Where Securities Are Listed and Method of Inquiry:** None

## CPAs for the Financial Statements in the Last Few Years

Names: Kuan-Hao Lee and Wei-Chun Ma
Accounting Firm: Deloitte & Touche
Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City,110, Taiwan (R.O.C.)
Telephone: 886-2-2725-9988
Website: https://www.deloitte.com.tw

**(Summary Translation)**

**This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.**

# Contents



Care for the nature, save the future.

The contents of this Annual Report are printed on FSC-certified eco-friendly paper.

# I. Letter to Shareholders

In 2025, the global economy demonstrated resilience amid easing high interest rates and cooling inflation, with the International Monetary Fund (IMF) estimating a global economic growth rate of approximately 3.4%. Despite uncertainties stemming from geopolitical tensions and U.S. tariff policies, Taiwan's economy was buoyed by strong export momentum driven by robust demand for artificial intelligence (AI), high-performance computing, and semiconductors. According to statistics from the Directorate-General of Budget, Accounting and Statistics, Taiwan's economic growth rate in 2025 reached 8.68%, a 15-year high.

Taiwan's financial industry's pre-tax profit reached NT$988 billion, second high on record despite a 6.7% decline from 2024. Among this, the banking sector benefited from dual growth in interest income and fee income, with total pre-tax profit reaching NT$627.9 billion, hitting a record high.

Faced with external market volatility, the Bank continued to expand its business. However, over the past year, the Bank adopted a more prudent lending strategy in response to tariff policies and exchange rate fluctuations, which affected core business profitability. Additionally, the Bank's investees under the equity-method in the leasing sector were impacted by China's economic conditions, adversely affecting investment income. Regarding consolidated financial statements, the Bank's total consolidated assets in 2025 reached NT$701.3 billion; consolidated net revenue was approximately NT$9.97 billion, and consolidated net profit after tax was NT$3.15 billion. Regarding unconsolidated statements, total assets increased to NT$416.5 billion, and net profit after tax was NT$1.83 billion, with an EPS of NT$0.61. In terms of asset quality, due to few non-performing loan cases at Hong Kong branch, the non-performing loan ratio at the end of 2025 stood at 0.54%, and the loan loss coverage ratio was 241%. The Bank has secured sufficient real estate collateral for this case, and the non-performing loan ratio is expected to decline significantly upon recovery. Furthermore, the capital adequacy ratio further improved to 14.05%, maintaining a solid capital structure. In October 2025, the Bank received its first international credit ratings from Fitch Ratings, with international long- and short-term issuer credit ratings of "BBB" and "F3," domestic long- and short-term issuer credit ratings of "A+" and "F1," and a stable outlook.

As for subsidiaries, China Bills Finance Corporation recorded a net profit after tax of approximately NT$1.8 billion in 2025, a 31% increase from the previous year, primarily benefiting from interest rate cuts that reduced funding costs and gains on bond disposals. The Bank's subsidiary, IBT Holdings Corp., which holds EverTrust Bank USA, achieved a consolidated net profit after tax of approximately NT$390 million in 2025; excluding the one-time bad debt recovery by EverTrust Bank in 2024, profitability grew by approximately 11% year-over-year. The Bank's venture capital business reported a net profit after tax of NT$120 million, impacted by global economic uncertainty and geopolitical factors.

In terms of budget target achievement, due to the aforementioned adjustments in lending strategy and the significant decline in overall investment income from investees under the equity method in the leasing sector attributed to China's economic conditions, the Bank's consolidated net profit after tax achievement rate was 67%, and the unconsolidated net profit after tax achievement rate was 53%.

Looking back on the past year, the Bank's main operating plans and achievements are as follows:

## 1. Continuously Optimizing Profit Structure

The Bank proactively optimized customer engagement and continued to advance business transformation, expanding high-margin and low-capital-intensity businesses, including wealth management, Treasury Marketing Unit (TMU), trade finance, accounts receivable, and trust services. In 2025, the overall Net Interest Margin (NIM) was effectively improved, with net interest income growing by more than 36% compared to 2024. In particular, the Bank's wealth management business continued to grow, with its product offerings and service framework becoming increasingly comprehensive, driving a steady improvement in overall profit contribution.

## 2. Strengthening Asset-Liability Management Efficiency

The Bank continued to optimize its deposit and loan structure. On the deposit side, the Bank has steadily increased retail deposits in recent years, with the retail deposit balance surpassing NT$100 billion at the end of 2025, growing by more than 40% year-over-year, while the loan-to-deposit ratio improved to 75%, significantly improving capital utilization efficiency. On the lending side, both individual mortgage loans and consumer credit continued to grow steadily. While maintaining compliance with the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements, the Bank adjusted its deposit and loan structure to strengthen capital utilization and further enhance asset-liability management efficiency.

## 3. Advancing Digital Transformation, Strengthening Digital Business Models

The Bank continued to deepen the three core pillars of "technology," "data," and "scenarios," enhancing product penetration and service efficiency through App experience optimization and cross-industry ecosystem collaboration. In terms of data governance, the Bank continued to optimize process transformation and strengthen decision-making quality, comprehensively accelerating the Bank's digital progress.

## 4. Accelerating Overseas Expansion

In 2025, the Bank completed the establishment of a representative office in Sydney, Australia, and a venture capital subsidiary in Singapore, continuing to expand its footprint in Australian and Southeast Asian markets. In conjunction with the North American operations of its subsidiary EverTrust Bank USA, the Bank accelerated the development of overseas profitability growth through a diversified network of locations.

## 5. Deepening Commitment to Sustainable Development

In 2025, the Bank continued to deepen its commitment to sustainable development and achieved numerous accolades both domestically and internationally. In the Sustainalytics ESG Risk Ratings conducted by Morningstar, the Bank retained the top position among Taiwan's financial industry and all listed companies in Taiwan. In the FTSE Russell ESG Scores, the Bank also ranked first among Taiwan's financial institutions and all listed companies in Taiwan. The Bank further received an A grade—the highest possible score—in the Carbon Disclosure Project (CDP) for Climate Change; was selected for the S&P Global Sustainability Yearbook 2026 and ranked in the top 5% of global banking institutions; and was ranked in the top 5% of TWSE-listed companies and the top 10% of the financial and insurance sector in the Taiwan Stock Exchange's corporate governance evaluation, underscoring its outstanding performance in sustainable operations.

Looking ahead to 2026, the global economic and financial environment continues to face multiple challenges, including geopolitical shifts, supply chain restructuring, and energy price volatility. In terms of Taiwan's economy, the Directorate-General of Budget, Accounting and Statistics forecasts an annual economic growth rate of approximately 7.71%.

Moving forward, the Bank will continue to proactively address challenges of the economic environment and manage risks. The operational goals and key strategies for each business are as follows:

## 1. Strengthening Asset-Liability Structure and Diversifying Deposit Sources

The Bank will continue to optimize its deposit structure, increasing the proportion of digital and retail deposits. The Bank will focus on corporate clients' needs in trade finance, cash management, foreign exchange, and financial transactions, with the aim of becoming customers' primary banking partner. In personal banking, the Bank will proactively develop payroll accounts and securities deposit accounts, and continuously optimize digital banking features to enhance customer stickiness and expand its retail deposit base. At the same time, the Bank will refine interest rate spread management through internal pricing mechanisms to improve capital utilization efficiency.

## 2. Continuing to Expand Light-Capital Businesses and Optimizing Capital Utilization Efficiency

The Bank will continue to develop light-capital businesses such as Treasury Marketing Unit (TMU), accounts receivable, and trust services. At the same time, the Bank will accelerate the qualification process for Wealth Management 2.0 and the Kaohsiung Asia New Bay Area Special Zone to enrich its wealth management product offerings and customization capabilities, with the aim of further driving growth in wealth management assets and profitability. Going forward, the Bank will use the growth of light-capital business income and improvements in Net Interest Margin (NIM) as the foundation for pursuing enhanced Risk-Adjusted Return on Risk-Weighted Assets (RORWA), and will continue to optimize overall capital return performance through diversified and differentiated innovative products to improve its revenue structure.

### 3. Expanding Business Applications and Implementing Digital Transformation

The Bank established a Digital Development Committee in early 2026 to oversee digital development and digital strategy applications. In 2026, the Bank will actively implement data-driven risk control models to launch 24-hour digital lending products. The Bank will also actively introduce AI Agents to enhance operational and process efficiency, while carefully monitoring Web 3.0 and virtual asset development trends to prudentially plan related business opportunities.

### 4. Accelerating Overseas Expansion

The Bank will continue to accelerate its overseas expansion and actively pursue the upgrade of the Sydney representative office to a branch, aiming to make it the next major overseas profit engine following the Hong Kong branch. The Bank will also leverage its venture capital subsidiary's new presence in Singapore to explore a range of business opportunities across Southeast Asia.

### 5. Strengthening Sustainable Development Competitiveness

The Bank will continue to deepen its commitment to sustainable development, integrating sustainability into its core business operations to implement sustainable finance, continuously identify and manage sustainability-related opportunities and risks, strengthen medium-to-long-term competitiveness, and achieve sustainable goals with a multiple-win outcome for all stakeholders.

Moving forward, the Bank will uphold its "fulfilling oneself by benefiting others" philosophy and strive to improve operating performance, continuously creating long-term stable value for shareholders and all stakeholders. We believe that with the collective efforts of all our employees, the Bank will continue to advance and grow, and we sincerely hope for the ongoing support and guidance from our shareholders.

Tina Y. Lo/Chairperson

# II. Corporate Governance Report

## 1. Directors, Supervisors and Management Team

### (1) Directors and Supervisors

#### A. Directors

As of April 14, 2026
Unit: Shares/%

| Title | Nationality/ Place of Incorporation | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Chairperson | Republic of China | Lo, Tina Y. | Female<br>51-60 years old | 2023.6.16 | Three years | 2002.5.30 | 108,018<br>*10,743 | 0.004<br>*0.004 | 118,761<br>*7,851 | 0.004<br>*0.003 | - | - | - | - | Vice Chairperson, O-Bank、<br>Vice Chairperson, EverTrust Bank、<br>Member, MIT Sloan Asian Executive Board、Vice President, Chinese National Association of Industry and Commerce (CNAIC) and convener, CNAIC's Young Entrepreneur Committee、<br>Director, Bankers Association of the Republic of China、Director, Cross-Strait CEO Summit、<br>Chief Executive, O-Bank Hong Kong Branch、President, IBT Management Corp.<br><br>MBA, MIT (Massachusetts Institute of Technology) Sloan School of Management, USA | Note 3 | Managing Director | Lo, Kenneth C.M. | 1st Degree | - |
| Managing Director (Honorary Chairman) | Republic of China | Ming Shan Investment Co., Ltd. (Rep. : Lo, Kenneth C.M. | Male<br>81-90 years old | 2023.6.16 | Three years | 2011.6.13<br>1999.7.12 | 362,298,574<br>*23,972,980<br><br>1,431,228<br>*128,945 | 13.25<br>*8.02<br><br>0.05<br>*0.04 | 386,271,554<br>-<br><br>1,560,173<br>- | 13.77<br>-<br><br>0.06<br>- | - | - | - | - | Chairman, O-Bank、Chairman EverTrust Bank、Director, Cross-Strait Common Market Foundation、<br>Managing Director, Cross-Strait CEO Summit、<br>Chairman /Honorary Chairman, Chinese National Association of Industry and Commerce、President, CTBC Bank Co., Ltd.<br><br>M.A.in Finance, The University of Alabama, USA | Note 4 | Chairman | Lo, Tina Y. | 1st Degree | - |
| Managing Director | Republic of China | Tai Hsuan Investment Co., Ltd. (Rep. : Lin, Bill K.C. | Male<br>61-70 years old | 2023.6.16 | Three years | 2023.6.16<br>2020.6.19 | 263,404,275<br>*23,731,226<br><br>165,000<br>- | 9.63<br>*7.94<br><br>0.006<br>- | 275,404,275<br>-<br><br>165,000<br>*10,908 | 9.62<br>-<br><br>0.01<br>*0.004 | - | - | - | - | Chairman, IBT Management Corp.、<br>Director, IBT VII Venture Capital Co., Ltd.、Chairman, Guppy digital technology Co., Ltd.、Independent Director, GOMAJI Corp. Ltd、Director, EasyCard Investment Holding Co., Ltd.、Founder and CEO, Payeasy Digital Integration Co., Ltd.、Sales supervisor of Credit Card Business, Taishin International Bank<br><br>MBA, Chinese Culture University、<br>EMBA, National Taiwan University | Note 5 | - | - | - | - |

| Title | Nationality/ Place of Incorporation | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Director | Republic of China | Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.) | Male 71-80 years old | 2023.6.16 | Three years | 2017.6.14<br>2015.11.11 | 54,728<br>-<br>- | 0.002<br>-<br>- | 54,728<br>*3,618<br>51,923,847 | 0.002<br>*0.001<br>1.85 | - | - | - | - | Chairman, Abag Enterpsise Co., Ltd.、Chairman, Abag Investment Holdings Co., Ltd.、Chairman, San Ho Development Co., Ltd.、Director/ President, San Ho Plastics Fabrication Co., Ltd.<br><br>MBA, St. John's University, USA | Note 6 | - | - | - | - |
| Director | Republic of China | Lee, Mark J.C. | Male 61-70 years old | 2023.6.16 | Three years | 2011.6.13 | 100,390<br>*9,984 | 0.004<br>*0.003 | 100,390<br>*7,297 | 0.004<br>*0.003 | - | - | - | - | Chairman, Sung Yuan Development Co., Ltd.、Director, Bai Tong Investment Co., Ltd.、Director, Heng Gi Lie Investment Ltd.、President, Heng Tong Machinery Co., Ltd.、President, Heng Kuo Co., Ltd.<br><br>Department of Accounting, Feng Chia University | Note 7 | - | - | - | - |
| Director | Republic of China | Mingshan Investment Co., Ltd. (Rep.:Chien, Chih-Ming) | Male 61-70 years old | 2023.6.16 | Three years | 2011.6.19<br>2022.11.2 | 362,298,874<br>*23,972,980<br>- | 13.25<br>*8.02 | 386,271,554<br>-<br>- | 13.77<br>-<br>- | - | - | - | - | Chairman, Infinite Finance Co., Ltd.、Director, Taiwan IBT Leasing Co., Ltd.、Director, Taijun International Leasing Ltd.、President, China Bills Finance Corp.、Senior Vice President , Risk Management Department, O-Bank<br><br>Bachelor of Economics, National Chung Hsing University | Note 8 | - | - | - | - |
| Director | Republic of China | Tai Ya Investment Co., Ltd. (Rep.:Chen, Alex J.J.) | Male 61-70 years old | 2023.6.16 | Three years | 2002.5.30<br>2023.6.16 | 83,137,161<br>*7,490,185<br>- | 3.04<br>*2.50<br>- | 83,937,161<br>*5,991,757<br>- | 2.99<br>*2.40<br>- | - | - | - | - | Chairman, IBT VII Venture Capital Co., Ltd.、Director, IBT Management Corp.、Business Advisor, O-Bank、Independent director, Castles Technology Co., Ltd.、Director, Altrust Inc.、Advisor to Chairman & President, LAKALA Financial Technology Group、China President, WeLab Group、Executive Vice President, China Resource Bank、Senior Vice President, CTBC Bank Co., Ltd.、Senior Vice President, Taishin International Bank、Manager, First Commercial Bank、President, Taiwan GM, Visa International<br><br>M.A. in Computer Science & Information Engineering Science graduate school, National Taiwan University<br>Bachelor of Computer Science, TamKang University | Note 9 | - | - | - | - |

| Title | Nationality/ Place of Incorporation | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Director | Republic of China | Yi Chang Investment Co., Ltd.<br>(Rep. : Lin, Gordon W.C.) | Male 71-80 years old | 2023.6.16 | Three years | 1999.7.12<br>1999.7.12 | 268,554,793<br>*23,786,204<br>206,540 | 9.82<br>*7.95<br>0.01 | 276,554,793<br>*1,650,000<br>206,540 | 9.86<br>*0.66<br>0.01 | - | - | - | - | Chairman, Prudential Fortune Investment Co., Ltd.、Chairman, IBT Leasing Co., Ltd.、Chairman, Taijun International Leasing Ltd.、Director, IBTS Holdings Ltd.、Chairman, IBT Securities Co., Ltd.、Director, O-Bank Education Foundation、Deputy Vice President, O-Bank<br>MBA, National Taiwan University | Note 10 | - | - | - | Note 11 |
| Independent Managing Director | Republic of China | Hu, Fu- Hsiung | Male 61-70 years old | 2023.6.16 | Three years | 2020.6.19 | - | - | - | - | - | - | - | - | Independent Director, Walsin Lihwa Corp.、Chairman, Taiwan Cooperative Securities Co., Ltd.、Chairman, Joint Credit Information Center、Director, Taiwan Ratings Corp.、Director, Mega International Commercial Bank、Director, Department of Economics and Energy, Executive Yuan e、Vice Director, Council of Agriculture, Executive Yuan<br>MBA, National Taiwan University | Note 12 | - | - | - | - |
| Independent Director | Republic of China | Lin, Hank H.K. | Male 61-70 years old | 2023.6.16 | Three years | 2020.6.19 | - | - | - | - | - | - | - | - | Chairman, EY Cultural and Educational Foundation、Supervisor, Union MechaTronic Inc.、Supervisor, EverBot Technology Co., Ltd.、Director, St. Ann Medical Co., Ltd.、Director, Globe Union Industrial Corp.、Director, PANJIT International Inc.、Independent director, Samson Holding Ltd.、Managing Partner/CPA, EY<br>MBA, City University of New York ( Brooklyn College), USA | Note 13 | - | - | - | - |

| Title | Nationality/ Place of Incorporation | Name | Gender Age | Date Elected | Term (Years) | Date First Elected | Shareholding when Elected | | Current Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience (Education) | Other Position | Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Shares | % | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Independent Director | Republic of China | Chiang, Tina W.N. | Female 61-70 years old | 2023.6.16 | Three years | 2023.6.16 | - | - | - | - | - | - | - | - | Chairperson, Shanda Information Co., Ltd.、Chairperson, Taipei Financial Education Development Association、Director, EASYCARD Corp.、Supervisor, Financial Information Service Co., Ltd.、SEVP & Chief Officer of Digital Technology, SinoPac Financial Holdings Co., Ltd.、Chief Officer of Operations, SinoPac Financial Holdings Co., Ltd.、President, Bank SinoPac Co., Ltd、Head of Consumer Banking, Electronig Banking, Integrated Marketing Division, Bank SinoPac Co., Ltd、Senior Vice President & General Manager, President MasterCard International Inc., China、Vice President & President, MasterCard International Inc., Taiwan、Senior Vice President & Head of Credit Card Division, Fubon Commercial Bank<br><br>M.B.A., Specialization of Information Management, Aspen University, USA<br>Bachelor of Business Administration in Business Mathematics, Soochow University | Note 14 | - | - | - | - |
| Independent Director | Republic of China | Wang, Jennifer C.F. | Female 51-60 years old | 2023.6.16 | Three years | 2023.6.16 | - | - | - | - | - | - | - | - | Partner, Chen & Lin Attorneys-at-Law、Independent Director, TXC Corp.、Independent Director, Lotus Pharmaceutical Co., Ltd.、Internlawyer , Simpson Thacher & Bartlett LLP, USA<br><br>Columbia University School of Law (LL. M.)<br>National Taiwan University Law School (LL.M.) | Note 15 | - | - | - | - |

Note 1: "*" denotes Class B Preferred Shares in this Table.

Note 2: The chairman of the Board of Directors and the president or person of an equivalent post (the highest-ranking manager) are not the same person.

Note 3: Positions concurrently assumed by Lo, Tina Y.：Director, Ming Shan Investment Co., Ltd.,、Director, Yi Chang Investment Co., Ltd.、Director, Cross-strait Common Market Foundation、Director, Tai Hsuan Investment Co., Ltd.、Director, Tai Ya Investment Co., Ltd.、Chairperson, IBT Holdings Corp.、Director, KC Investments Corp.、Director, Lucky Bamboo Investments Limited、Managing Supervisor, Friends of the Police Association、Vice Chairperson, Chinese National Association of Industry and Commerce、Director, The Bankers Association of Taipei、Director, Bankers Association of the Republic of China、Director, Cross-Strait CEO Summit、Director, Taiwan Women on Boards Association、Director, Criminal Investigate Association of Republic of China.

Note 4: Positions concurrently assumed by representative Lo, Kenneth C.M.：Chairman, O-Bank Education Foundation、Chairman, Hong Ju Investment Co., Ltd.、Director, National Taiwan University Economic Research Foundation、Director, Taiwan Cement Corporation、Director, Institute for National Policy Research、Director, Andrew T. Huang Medical Education Promotion Fund、Honorary Chairman, Chinese National Association of Industry and Commerce.

Note 5: Positions concurrently assumed by representative Lin, Bill K.C.：Chairman, IBT Management Corp.、Director, IBT VII Venture Capital Co., Ltd.、Chairman, Guppy digital technology Co., Ltd.、Director, Curdoctor Information Service Corp.、Independent Director, GOMAJI Corp. Ltd.、Chairman, International Community Health Care Association.

Note 6: Positions concurrently assumed by representative Cheng, George C.J.：Chairman, San Ho Development Co., Ltd.、Chairman, Abag Enterprise Co., Ltd.、Chairman, Abag Investment Holdings Co., Ltd.、Director, San Ho Plastics Fabrication Co., Ltd.

Note 7: Positions concurrently assumed by Lee, Mark J.C.：Chairman, Sung Yuan Development Co., Ltd.、Director, Chia Wheel Enterprises Co., Ltd.、Director, Heng Jih Song Accurate Industries Co., Ltd.、Director, Heng Tin Feng Investment & Development Co., Ltd.、Director, Tong Chuan Investment & Development Co., Ltd.、Director, Bai Tong Investment Co., Ltd.、Director, Heng Ying Mahinery Co., Ltd.、Director, Heng Tong Assets Management Co., Ltd.、Director, Heng Tong Machinery Co., Ltd.、Director, Heng Gi Lie Investment Ltd. Company、Director, Chang Yan Investment Co., Ltd.、Director, Hong Fu Investment Co., Ltd.、Director, Siang Tai Investment Co., Ltd.、Director, Hong Da Investment Co., Ltd.、Director, Heng Kuo Co., Ltd.、Supervisor, Heng Tong International Development Co., Ltd.

Note 8: Positions concurrently assumed by representative Chien, Chih-Ming：Chairman of Infinite Finance Co., Ltd.,、Director, Infinite Energy Solutions Co., Ltd.、Director of Risheng Quantaitong Passenger Car Leasing Co., Ltd.,、Director, Infinite Commercial Finance CO., LTD.、Director of Risheng International Financial Leasing Co., Ltd.,、Supervisor of a joint stock company.

Note 9: Positions concurrently assumed by representative Chen, Alex J.J.：Chairman, IBT VII Venture Capital Co., Ltd.、Director, IBT Management Corp.、Independent Director, Castles Technology Co., Ltd.、Director, HiTrust.com Incorporated.

Note 10: Positions concurrently assumed by representative Lin, Gordon W.C.：Chairman, Prudential Fortune Investment Co., Ltd.、Director, O-Bank Education Foundation、Supervisor, Gamma Paradigm Research.

Note 11: With its three-year term of office as a juridical-person director, Yi Chang Investment Co., Ltd., replaced its representative Tang, Grace W.S. with Lin, Gordon W.C. on October 28, 2025; Lin's term of office is due to expire on June 15, 2026.

Note 12: Independent executive director Hu, Fu-xiong concurrently serves as：Independent Director of Walsin Lihwa Co., Ltd.

Note 13: Independent director Lin, Hank H.K. concurrently serves as：Chairman of Taipei EY Culture and Education Foundation,、Director, PANJIT International Inc.、Director, Globe Union Industrial Corp.、Director of Taichung Private Jumei Social Welfare and Charity Foundation、Independent director, Johnson Health Tech Co., Ltd.、Supervisor, Union MechTronic Inc.、Supervisor, EverBot Technology Co., Ltd.

Note 14: Independent director Chiang, Tina W.N. concurrently serves as：Chairperson, Shanda Information Co., Ltd.、Director, iAPOTel Corp.、Chirperson, Shanda Information(Japan) Co., Ltd.、Supervisor, Shengli Investment Co., Ltd.、Chairman, Taipei Financial Education Development Association.

Note 15: Independent director Wang, Jennifer C.F. concurrently serves as： Independent Director, Lotus Pharmaceutical Co., Ltd.、Partner, Chen & Lin Attorneys-at-Law.

### B. Major shareholders of the institutional shareholders

As of Apr. 14, 2026

| Name of Institutional Shareholders | Major Shareholders |
|---|---|
| Yi Chang Investment Co., Ltd. | Prudential Fortune Investment Co., Ltd.(55.78%)、Triple Ace Management Co., Ltd.(42.79%)、Lo, Nina Y.C.(1.43%) |
| Ming Shan Investment Co., Ltd. | KC Investments Corp.(86.11%)、Lo, Tina Y.(10.26%)、Hong Ju Investment Co., Ltd.(3.63%) |
| Abag Investment Holdings Co., Ltd. | Cheng, George C.J.(40%)、Cheng, Po- Yun(40%)、Lin Huei-Chen(20%) |
| Tai Hsuan Investment Co., Ltd. | Sky Capital International Group Inc.(37.99%)、Lo, Mona I-Ru(36.91%)、Chen, Yu-Shuan(12.55%)、Chen, Yu-Da(12.55%) |
| Tai Ya Investment Co., Ltd. | Crystal Lake Global Limited(65.91%)、Chen, Shih-Tze(34.09%) |

Note: All information disclosed in the above table has been provided by respective institutional shareholders, and O-Bank provided such information accordingly.

### C. Major shareholders of the Company's major institutional shareholders

As of Apr. 14, 2026

| Name of Institutional Shareholders | Major Shareholders |
|---|---|
| Prudential Fortune Investment Co., Ltd. | Lo, Nina Y.C.(96.94%)、Lo, Kenneth C.M.(1.53%)、Chen, Shih-Tze(1.53%) |
| Triple Ace Management Co., Ltd. | Global Sail Holdings Limited (100%) |
| KC Investments Corp. | Paradise Palms Ltd.(100%) |
| Hong Ju Investment Co., Ltd. | Lo, Tina Y.(91.66%)、Lo, Kenneth C.M.(4.17%)、Chen, Shih-Tze(4.17%) |
| Sky Capital International Group Inc. | Eagle Dynasty Investments Limited(100%) |
| Crystal Lake Global Limited | Chen, Shih-Tze(100%) |

Note: All information disclosed in the above table has been provided by respective institutional shareholders, and O-Bank provided such information accordingly.

## D. Professional qualifications and independence analysis of directors

As of April 14, 2026

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Lo, Tina Y. | ■ Chairperson of the Bank<br>■ Convener of the Bank's Sustainability Committee<br>■ Member of the Bank's Corporate Governance and Nomination Committee<br><br>Ms. Lo, Tina Y. chairs the Bank and holds the following concurrent positions: Vice-chairperson of the Republic of China Chamber of Commerce and Industry and convener of the Youth Affairs Committee, the first female vice-chairperson of the Association since its founding 70 years ago; member, MIT Sloan Asian Executive Board; Director, Cross-Strait Common Market Foundation; director, Cross-Strait CEO Summit; director, Bankers Association of the Republic of China; director, Taiwan Women on Boards Association, etc.<br><br>Previously Ms. Lo was the Bank's first Hong Kong Branch chief executive, managing director, and vice chairman as well as the O-Bank Group's chief strategy officer, vice chairman, EverTrust Bank, etc. She was also selected to the WEF's Young Global Leaders (YGL) forum and identified as an Eisenhower Fellowships fellow, making her Taiwan's only recipient of both honors. In 2016, she was appointed by President Tsai Ing-wen to Chinese Taipei's mission to APEC's Business Advisory Council (ABAC).<br>With her expertise in business administration, decision-making, international markets, crisis and risk management, banking, corporate governance, sustainable development, and green finance, Ms. Lo is committed to taking the Bank forward while following the benevolent way of "benefiting others to fulfill oneself." The ultimate goal is to create a reciprocal financial service platform sharing prosperity with customers and join all stakeholders in fostering a win-win future of sustainability. | | 0 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Lo, Kenneth C.M. | ■ Managing Director of the Bank<br>■ Honorary Chairman of the Bank<br>■ Member of the Bank's Sustainability Committee<br><br>Mr. Lo, Kenneth C.M. is the Bank's managing director as well as honorary chairman. He holds the following concurrent positions: honorary director, Chinese National Association of Industry and Commerce (CNAIC), director, Institute for National Policy Research, etc.<br><br>Mr. Lo, a veteran banker, and former central bank governor Samuel Shieh teamed up with a number of private businesses to found Industrial Bank of Taiwan (IBT) in 1999. He went on to transform IBT into O-Bank as a commercial bank and get it listed on the Taiwan Stock Exchange in 2017. In his banking career that spans over half a century, he acted as president of CTBC Bank Co., Ltd. and chairman of the Bank among others, fully attesting to his meeting the Financial Supervisory Commission's requirements for natural-person professional directors. In his long banking career, Mr. Lo has accumulated all the necessary competences: business administration, leadership, decision-making, international perspectives, crisis and risk management, and lending expertise. In the days ahead, the Bank is ready to continue drawing on Mr. Lo's expertise and experience as it strives for business expansion and earnings growth. | | 0 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Lin, Bill K.C. | ■ Managing Director of the Bank<br>■ Member of the Bank's Sustainability Committee<br><br>Mr. Lin, Bill K.C. is the Bank's managing director. He holds the following concurrent positions: chairman, IBT Management Corp.; director, IBT VII Venture Capital Co., Ltd. ; director, Guppy digital technology Co., Ltd.; director, Curdoctor Information Service Corp.; independent director, GOMAJI Corp. Ltd.; chairman, International Community Health Care Association, etc.<br><br>Mr. Lin spent more than five years at Taishin International Bank where he served in the position of assistant manager or a higher or equivalent position in its head office. Given his professional experience in the banking industry, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. Previously Mr. Lin served as present of PayEasy Digital Integration Co., Ltd., director, EasyCard Investment Holding Co., Ltd. and EasyCard Corporation. He also served as a part-time lecturer at the department of Business Administration, National Taiwan University of Science and Technology, in the other hand, Mr. Lin is a certified social impact SROI junior planner.<br>Mr. Lin is a professional equipped with industry knowledge, expertise in digital banking, corporate sustainability and IT security capabilities. The Bank will continue enlisting his professional competence to bolster its capacity for innovating corporate banking, personal banking, and digital banking services and enhancing service quality across the board. | | 1 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Cheng, George C.J. | ■ Director of the Bank<br><br>Mr. Cheng, George C.J. is the Bank's director. He holds the following concurrent positions: chairman, San Ho Development Co., Ltd.; chairman, Abag Enterprise Co., Ltd.; chairman, Abag Investment Holdings Co., Ltd.; director, San Ho Plastics Fabrication Co., Ltd., etc.<br><br>Mr. Cheng has extensive exposure to industries and competences in business judgment and administration. As Mr. Cheng is well-positioned to counsel on operational strategies and business administration, the Bank is ready to continue enlisting his expertise to bolster operations going forward. | | 0 |
| Lee, Mark J.C. | ■ Director of the Bank<br><br>Mr. Lee, Mark J.C. is the Bank's director. He holds the following concurrent positions: chairman, Sung Yuan Development Co., Ltd.; director, Bai Tong Investment Co., Ltd.; director, Heng Gi Lie Investment Ltd.; director, Heng Tong Machinery Co., Ltd.; director and present, Heng Kuo Co., Ltd., etc.<br><br>Mr. Lee is equipped with solid experience in business administration and competences in business judgment, business management, and financial accounting. As Mr. Lee is well-positioned to counsel on operational strategies and financial accounting, the Bank is ready to continue enlisting his expertise to achieve its operational goals. | | 0 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Chien, Chih-Ming | ■ Director of the Bank<br><br>Mr. Chien, Chih-Ming is the Bank's director. He holds the following concurrent positions: chairman of Infinite Finance Co., Ltd.; director of Infinite Energy Solutions Co., Ltd.; director of Risheng Quantaitong Passenger Car Leasing Co., Ltd.; director of Infinite Commercial Finance CO., LTD.; director of Risheng International Financial Leasing Co., Ltd.,etc.<br><br>Mr. Chien is a senior professional manager with more than 35 years of experience in the financial industry. He once served as individual and corporate financial credit personnel of CTBC Bank Co., Ltd. and served in the position of assistant manager or a higher or equivalent position in its head office. He also served as a director of ICBC Leasing in Taiwan, as the present of China Bills Finance Corporation, and as the chief risk control officer of the Bank. He has operational judgment, operation management, and financial knowledge, risk management and crisis management and other professional capabilities, the bank will continue to develop its business steadily by relying on Mr. Chien's financial expertise and rich practical experience. | | 0 |
| Chen, Alex J.J. | ■ Director of the Bank<br><br>Mr. Chen, Alex J.J. is the Bank's director. He holds the following concurrent positions: chairman, IBT VII Venture Capital Co., Ltd.; director, IBT Management Corp.; independent director, Castles Technology Co., Ltd., etc.<br><br>Previously Mr. Chen served as a director, Altrust Inc., China president, WeLab Group, executive vice President, China Resource Bank, senior vice President, CTBC Bank Co., Ltd., present of Taiwan and member services representative, Visa Inc., and engineer, IBM Taiwan, etc. Mr. Chen has extensive banking qualifications, industry knowledge, digital financial innovation, corporate sustainability, information security. The Bank will continue enlisting his professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management. | | 0 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Lin, Gordon W.C. | ■ Director of the Bank<br><br>Mr. Lin, Gordon W.C. is the Bank's director. He holds the following<br>concurrent positions: director, O-Bank Education Foundation; chairman, Prudential Fortune Investment Co., Ltd.; Supervisor, Gamma Paradigm Research, etc.<br><br>Previously Mr. Lin served as the Bank's deputy president, chairman of IBT Securities Co., Ltd., chairman, IBT Leasing Co.; chairman, Taijun International Leasing Ltd. In the days ahead, the Bank will continue enlisting his expertise and experience in financial accounting, business management, and banking and leasing businesses to help both the Bank and its leasing subsidiaries keep growing. | | 0 |
| Hu, Fu-Hsiung | ■ Independent Managing Director of the Bank<br>■ Convener of the Bank's Compensation Committee<br>■ Convener of the Bank's Corporate Governance and Nomination Committee<br>■ Member of the Bank's Audit Committee<br>■ Member of the Bank's Sustainability Committee<br><br>Mr. Hu, Fu-Hsiung is not only the Bank's independent managing director but also Walsin Lihwa Corp.'s independent director.<br><br>Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a director of department of Economics and Energy, a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance (managing director of Central Trust of China) and Council of Agriculture (supervising Agricultural Finance affairs). Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Hu:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank.<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years.<br>■ Not a governmental, juridical person or its representative. | 1 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Lin, Hank H.K. | ■ Independent Director of the Bank<br>■ Convener of the Bank's Audit Committee<br>■ Member of the Bank's Compensation Committee<br>■ Member of the Bank's Corporate Governance and Nomination Committee<br>■ Member of the Bank's Sustainability Committee<br><br>Mr. Lin, Hank H.K. is the Bank's independent director. He holds the following concurrent positions: chairman, Taipei EY Cultural and Educational Foundation; independent director, Johnson Health Tech Co., Ltd.; director, PANJIT International Inc.; director, Globe Union Industrial Corp.; director of Taichung Private Jumei Social Welfare and Charity Foundation; supervisor, Union MechTronic Inc.; supervisor, EverBot Technology Co., Ltd., etc.<br><br>Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years.<br>■ Not a governmental, juridical person or its representative. | 1 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Chiang, Tina W.N. | ■ Independent Director of the Bank<br><br>Ms. Chiang, Tina W.N. is the Bank's independent director. She holds the following concurrent positions: chairperson, Shanda Information Co., Ltd.; director, iAPOTel Corp.; chairperson, Taipei Financial Education Development Association; supervisor, Shengli Investment Co., Ltd.; chairperson, Shanda Information(Japan) Co., Ltd., etc.<br><br>Previously Ms. Chiang served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and director, EASYCARD Corp., supervisor, Financial Information Service Co., Ltd. and engineer, Tatung- Fujitsu Ltd., etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms.Chiang:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years.<br>■ Not a governmental, juridical person or its representative. | 0 |

| Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|---|---|---|---|
| Wang, Jennifer C.F. | ■ Independent Director of the Bank<br><br>Ms. Wang, Jennifer C.F. is the Bank's independent director. She holds the following concurrent positions: independent director, Lotus Pharmaceutical Co., Ltd.; partner, Chen & Lin Attorneys-at-Law.<br><br>Previously Ms.Wang served as intern lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang also served as independent director of TXC Corp. She has been involved in handling mergers and acquisitions between domestic and multinational companies. joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, international market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms.Wang:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years.<br>■ Not a governmental, juridical person or its representative. | 1 |

Note 1: None of the Bank's directors has committed any of the violations listed in Article 30 of the Company Act.

Note 2: The Bank's directors faithfully stand by the principle of recusal. When it comes to any item involving personal interests that may harm the Bank's interests, directors do not participate in the discussion of and voting on the said item and do not vote on behalf of other directors.

Note 3: "Company with a specific relationship with the Bank" refers to a company defined by Subsection 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

## E. Board Diversification and Independence

1. Board Diversification

The selection of Board members is conducted in accordance with the Bank's Articles of Incorporation through a candidate nomination system. Selection criteria are not limited by gender, age, race, or nationality. The Board should include elite professionals with expertise and extensive experience in various fields aligned with the Bank's commitment to diversity. All Board members should possess the knowledge, skills, and competencies necessary for performing their duties. To achieve corporate governance objectives and meet the Bank's future development needs, at least two Board members must have work experience in banking, financial administration, or management. The Board as a whole should demonstrate a diverse range of professional competencies, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, and information technology and cybersecurity expertise.

The members of the Bank's 9th Board of Directors embody the principles of diversity and are composed of distinguished professionals from the financial, industrial, and academic sectors. Among them, 10 directors hold master's degrees and 2 hold bachelor's degrees, covering disciplines such as economics, business, management, accounting, law, and information technology. The Board collectively possesses strong capabilities in business judgment, management, and decision-making, with Lo, Tina Y., Lo, Kenneth C.M. , Cheng, George C.J., Lee, Mark J.C. and Chien, Chih-Ming as key representatives in these areas. Lin, Hank H.K. , Lee, Mark J.C., Lin, Gordon W.C., Hu, Fu-Hsiung, and Chiang, Tina W.N. specialize in accounting and finance. Lin, Bill K.C., Chien, Chih-Ming, Lin, Hank H.K. and Hu, Fu-Hsiung have expertise in risk management and crisis response. Financial professionals include Lo, Tina Y., Lo, Kenneth C.M., Lin, Gordon W.C., Hu, Fu-Hsiung, Chiang, Tina W.N. and Chen, Alex J.J. Lo, Tina Y., Lo, Kenneth C.M., Cheng, George C.J., Lin, Gordon W.C. and Wang, Jennifer C.F. contribute strong international market perspectives. Lo, Tina Y. , Lin, Bill K.C. and Hu, Fu-Hsiung possess knowledge in sustainability and environmental protection. Information technology and cybersecurity are represented by Chen, Alex J.J., Lin, Hank H.K., Hu, Fu-Hsiung, , and Chiang, Tina W.N. Legal expertise is held by Hu, Fu-Hsiung and Wang, Jennifer C.F.. All Board members are equipped with the necessary knowledge, skills, and competencies for fulfilling their duties and bring with them diverse expertise across finance, accounting, business, law, and industry.

Among the Bank's current 12 directors, 4 are Independent Directors, accounting for 33% of the Board. All Independent Directors have served for less than nine years. In terms of age distribution, 2 directors are under the age of 60, 7 are between 61 and 70, and 3 are above 71, reflecting a well-balanced blend of experience and innovative thinking. To align with the United Nations Sustainable Development Goal on gender equality, the Bank has set a policy requiring the Board to include at least one female director, with the aim of gradually increasing the proportion of female directors to one-third by 2030. At present, the Board includes 3 female directors, accounting for 25% of the Board. In addition to professional qualifications, deep experience in fields and independence, gender diversity is also a factor to be considered in the future board nomination process. Female director candidates will be given priority in the evaluation process to balance professional expertise and diversity needs, and to attain the aforesaid aim.

Furthermore, on December 23, 2020, during the 5th meeting of the 8th Board of Directors, the "Diversity Policy, Independence Standard, Continuing Education Initiative Program, and Succession Planning for the Board of Directors" were established. On August 21, 2023, it was renamed the "Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy," with partial amendments made on March 12, 2025. These measures aim to enhance the diversity of board composition, improve the independence and decision-making of the board, and strengthen board functions, continuously improving corporate governance and sustainable development goals.

Board Diversity Professional Capabilities:

| Diversification Ability / Name of the directors | Operational Judgment / Operational Management Capabilities | Accounting /Financial Skills | Risk Management Ability | Crisis Handling Ability | Financial Professional / Industry Knowledge | International Market outlook / Ability to Invest in Mergers and Acquisitions | Leadership and Decision-Making | Corporate Sustainability and Environmental Protection Knowledge | Legal Knowledge | IT Security Capabilities |
|---|---|---|---|---|---|---|---|---|---|---|
| Lo, Tina Y. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lo, Kenneth C.M. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lin, Bill K.C. | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ |
| Cheng, George C.J | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Lee, Mark J.C. | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | |
| Chien, Chih-Ming | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | |
| Chen, Alex J.J. | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ |
| Lin, Gordon W.C. | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| Hu, Fu- Hsiung | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Lin, Hank H.K | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ |
| Chiang, Tina W.N | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ |
| Wang, Jennifer C.F. | | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |

2. Board Independence

Among the Bank's current 12 directors, there are 4 independent directors, accounting for 33%. The nomination and selection of independent directors of the Bank, their qualifications, professionalism, independence, and number of concurrent positions are all in accordance with the "Securities and Exchange Law", "Regulations on the Appointment of Independent Directors of Publicly Issued Companies and Matters to Be Followed" and the Taiwan Stock Exchange Standardize the conditions for independent directors. In addition, a written declaration of independence of independent directors is required at the time of nomination and election, and through the evaluation of various independence requirements, it is confirmed that independent directors meet the independence requirements. In addition, in order to ensure that independent directors avoid reducing their independence due to long-term tenure and exercise their powers objectively, all independent directors of the Bank have not served three consecutive terms. Additionally, to improve the governance quality of directors, the Bank has also established restrictions on concurrent positions. Directors are not allowed to simultaneously serve as directors or supervisors in more than four listed companies, including their roles as director or independent directors of the Bank.

The Bank's board of directors has two directors who are relatives within the second degree of relationship (please refer to the "Directors' Information" section of this annual report), which complies with the provisions of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, the Bank has no government agencies or single legal person organizations or subsidiaries that account for more than one- third of the board of directors. Accordingly, the Bank comprehensively assessed that the composition of the Board of Directors is independent.

## (2) Management Team

As of Apr. 14, 2026
Unit: Shares/%

| Title | Nationality | Name | Gender | Effective Date | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience(Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| President | Republic of China | Lee, Elton F.Y. | Male | 2020.02.01 | 2,916,374<br>*300,000 | 0.10<br>*0.12 | - | - | - | - | Deputy President, O-Bank<br>MBA, Manchester Business School | Chairman, EverTrust Bank Director, IBT Holdings Corp. | - | - | - | - |
| Deputy President | Republic of China | Lin, Roger Y. F. | Male | 2017.03.01 | 2,946,877 | 0.11 | - | - | *2,590,000 | *1.04 | Senior Executive Vice President, O-Bank Master of International Business, National Taiwan University | Director, Beijing Sunshine Consumer Finance Co., Ltd. | - | - | - | - |
| Senior Executive Vice President | Republic of China | Xu, Chengzhou | Male | 2022.8.24 | 500,000<br>*400,000 | 0.02<br>*0.16 | - | - | - | - | CFO of Yushan Financial Holdings<br>Master of Business Administration, Sun Yat-sen University | - | - | - | - | - |
| Senior Executive Vice President | Republic of China | Fan, Vivian H.J. | Female | 2024.04.01 | 844,593<br>*479,765 | 0.03<br>*0.19 | - | - | - | - | Senior Vice President, O-Bank<br>Bachelor of Science in Information Management, Fu Jen Catholic University | - | - | - | - | - |
| Senior Executive Vice President | Republic of China | Xiao, Zhongcheng | Male | 2023.04.06 | 400,000<br>*420,000 | 0.01<br>*0.17 | - | - | - | - | Senior Vice President, Large Enterprise Division, Industrial and Commercial Banking Division, HSBC (Taiwan) Commercial Bank,<br>Master of Business Administration, University of California, USA | - | - | - | - | - |
| Executive Vice President | Republic of China | Lai, Fengren | Male | 2014.3.1 | 683,487<br>*360,000 | 0.02<br>*0.14 | - | - | - | - | Senior vice president, O-Bank Master of Business Administration, University of Birmingham, UK | Director, Infinite Finance Co., Ltd. | - | - | - | - |
| Executive Vice President | Republic of China | Chao, Tillie C.L. | Female | 2021.07.28 | 440,920<br>*100,000 | 0.02<br>*0.04 | - | - | - | - | Chief Risk Officer, ANZ Banking<br>MBA, National Taiwan University Science & Technology | Supervisor, IBT Management Corporation、Supervisor, IBT VII Venture Capital Co., Ltd. | - | - | - | - |
| Executive Vice President | Republic of China | Siew, Joy C.Y. | Female | 2021.03.01 | 903,769 | 0.03 | - | - | *1,547,200 | *0.62 | Senior Vice President, O-Bank Master of Arts in International Relations, Johns Hopkins University | Director, China Bills Finance Corp.<br>Director, EverTrust Bank | - | - | - | - |
| Executive Vice President | Republic of China | Xie, Jun | Male | 2023.3.29 | 150,000<br>*110,000 | 0.01<br>*0.04 | - | - | - | - | Senior Deputy General Manager of Infinite Finance Co., Ltd.<br>Head of Risk Control, Taiwan ICBC Leasing Company/(Suzhou) Taijun International Leasing Company<br>PHD in Economics, Shanghai University of Finance and Economics | - | - | - | - | - |

| Title | Nationality | Name | Gender | Effective Date | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience(Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Executive Vice President | Republic of China | Chen, Paul H.J. | Male | 2021.01.01 | 224,972<br>*50,000 | 0.01<br>*0.02 | - | - | - | - | Senior Vice President, O-Bank Master of Law, National Cheng Chi University | - | - | - | - | - |
| Executive Vice President | Republic of China | Hong, Lizhen | Female | 2022.11.03 | 150,000<br>*150,000 | 0.01<br>*0.06 | - | - | - | - | Project Manager, Strategic Planning Division, Cathay United Bank<br>Department of Transportation Management, Tamkang University | - | - | - | - | - |
| Executive Vice President | Republic of China | Chang, Ophelia L.W. | Female | 2024.04.01 | 260,297 | 0.01 | - | - | *1,579,000 | *0.63 | Vice President, O-Bank<br>Bachelor of International Business, National Taiwan University | - | - | - | - | - |
| Executive Vice President | Republic of China | Tang, Ruoheng | Male | 2021.07.29 | 85,000<br>*200,000 | 0.00<br>*0.08 | - | - | - | - | Senior Manager, Regional Financial Division, Taipei Fubon Bank Bachelor of Finance, Chaoyang University of Science and Technology | - | - | - | - | - |
| Executive Vice President | Republic of China | Chin, Teddy Y.T. | Male | 2016.03.01 | 375,917<br>*100,000 | 0.01<br>*0.04 | - | - | - | - | O-Bank Senior Manager<br>National Taiwan University Master of Economics | - | - | - | - | - |
| Executive Vice President | Republic of China | Fang, Huanwen | Male | 2018.03.15 | 443,318<br>*100,000 | 0.02<br>*0.04 | - | - | - | - | Senior Manager, Payment Finance Division, Taishin Bank<br>Tamkang University Master of International Business | - | - | - | - | - |
| Executive Vice President | Republic of China | Peng, Christina B.J. | Female | 2023.07.10 | 60,000<br>*200,000 | 0.00<br>*0.08 | - | - | - | - | Chief financial officer, Titan Stone Holdings<br>National Central University Master of Industrial Economics | - | - | - | - | - |
| Executive Vice President | Republic of China | Lee, Yaochung | Male | 2023.12.04 | *200,000 | *0.08 | - | - | - | - | Senior Analyst, Immigration Information Division of National Immigration Agency<br>National Chiao Tung University Master of Information Management | - | - | - | - | - |
| Executive Vice President | Republic of China | Tyane, Edward F.C. | Male | 2022.08.29 | 65,149<br>*314,026 | 0.00<br>0.13 | - | - | - | - | Executive Vice President, O-Bank<br>National Cheng Kung University Master of Accountancy | Director, Infinite Finance Co., Ltd. | - | - | - | - |
| Executive Vice President | Republic of China | Chang, Chiungyueh | Female | 2026.04.08 | - | - | - | - | - | - | Executive Vice President, Legal and Compliance, Vice Officer of Audit, KGI Bank<br>MBA, National Taiwan University | - | - | - | - | - |
| Senior Vice President | Republic of China | Chen, Chris J. H. | Male | 2026.02.05 | 10,813 | 0.00 | - | - | - | - | Vice President, O-Bank<br>Bachelor of Chinese Literature, National Taiwan University | - | - | - | - | - |
| Senior Vice President | Republic of China | Soong, Grace L.H. | Female | 2019.03.01 | 210,000<br>*30,000 | 0.01<br>*0.01 | - | - | - | - | Vice President, O-Bank<br>MBA, University of California | - | - | - | - | - |
| Senior Vice President | Republic of China | Fang, Andy C.P. | Male | 2017.03.01 | 205,149<br>*10,000 | 0.01<br>*0.00 | - | - | - | - | Vice President, O-Bank<br>Master of Science in Information Resource Management, Syracuse University of New York | - | - | - | - | - |

| Title | Nationality | Name | Gender | Effective Date | Shareholding Shares | Shareholding % | Spouse & Minor Shareholding Shares | Spouse & Minor Shareholding % | Shareholding by Nominee Arrangement Shares | Shareholding by Nominee Arrangement % | Experience(Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship Title | Managers who are Spouses or Within Two Degrees of Kinship Name | Managers who are Spouses or Within Two Degrees of Kinship Relation | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Senior Vice President | Republic of China | Hsu, Pei Ling | Female | 2019.08.26 | 155,595<br>*210,000 | 0.01<br>*0.08 | - | - | - | - | Vice President, Corporate Development Division, Fubon Financial Holding Co. Ltd.<br>MBA, Massachusetts Institute of Technology, Sloan School of Management | Director, IBT Management Corp.、Director, IBT VII Venture Capital Co., Ltd.、Director, O-Bank Capital Asia Pte. Ltd. | - | - | - | - |
| Senior Vice President | Republic of China | Lee, Zhikuan | Male | 2013.04.01 | 424,743<br>*200,000 | 0.02<br>*0.08 | - | - | - | - | O-Bank Vice President<br>Department of Accounting, Tamkang University | - | - | - | - | - |
| Senior Vice President | Republic of China | Chen, Yanliang | Male | 2022.11.03 | 40,000<br>*120,000 | 0.00<br>*0.05 | - | - | - | - | Vice President, Consumer Finance, DBS Bank<br>Master of International Trade, National Chengchi University | - | - | - | - | - |
| Senior Vice President | Republic of China | Hung, Ida K.Y. | Female | 2022.03.01 | 269,743 | 0.01 | - | - | - | - | Vice President, O-Bank<br>Master of Statistics, National Cheng Chi University | - | - | - | - | - |
| Senior Vice President | Republic of China | Ye, Chengxian | Male | 2022.10.01 | 65,149<br>*10,000 | 0.00<br>*0.00 | - | - | - | - | Senior Vice President of Inspection Department of Taiwan Leasing Co., Ltd. Master of Economics, National Chengchi University | - | - | - | - | - |
| Senior Vice President | Republic of China | Chen, Gaven Y. | Male | 2020.03.01 | 287,149<br>*53,000 | 0.01<br>*0.02 | - | - | - | - | Vice President, O-Bank<br>Bachelor of Finance and Economic, Tamsui Oxford University College | - | - | - | - | - |
| Senior Vice President | Republic of China | Guan, Shusen | Female | 2022.12.28 | 88,000 | 0.00 | - | - | - | - | Lawyer at Tianleping Law Firm in Mainland China<br>Department of Law, Soochow University | - | - | - | - | - |
| Senior Vice President | Republic of China | Liu, Arnold H.I. | Male | 2022.01.01 | 91,149<br>*30,000 | 0.00<br>*0.01 | - | - | - | - | Senior Finance Manager, ANZ Bank Taiwan<br>MBA, Fu Jen Catholic University | - | - | - | - | - |
| Senior Vice President | Republic of China | Yang, Yawen | Female | 2016.05.16 | 91,872<br>*120,000 | 0.00<br>*0.05 | - | - | - | - | Vice President of Citigroup (Taiwan) Bank Telephone Banking Service Center<br>Master of Business Administration, Golden Gate University, California | - | - | - | - | - |
| Senior Vice President | Republic of China | Li, Dexin | Female | 2023.04.01 | 218,755<br>*10,000 | 0.01<br>*0.00 | - | - | - | - | O-Bank Senior Manager<br>Master of Business Administration, Cornell University | - | - | - | - | - |
| Senior Vice President | Republic of China | Chen, C.Y. | Male | 2020.03.01 | 184,896<br>*40,000 | 0.01<br>*0.02 | 10,383<br>*686 | 0.00<br>*0.00 | - | - | Vice President, O-Bank<br>EMBA, National Tsing Hua University | - | - | - | - | - |
| Senior Vice President | Republic of China | Lin, Doris C. J. | Female | 2022.03.01 | 260,892<br>*60,000 | 0.01<br>*0.02 | - | - | - | - | Vice President, O-Bank<br>Master of Management Sciences, Tamkang University | - | - | - | - | - |
| Senior Vice President | Republic of China | Zong, Fuzhen | Female | 2024.04.01 | 120,000<br>*50,000 | 0.00<br>*0.02 | - | - | - | - | O-Bank Associate<br>Master of Business Administration, National Chengchi University | - | - | - | - | - |

| Title | Nationality | Name | Gender | Effective Date | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience(Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Senior Vice President | Republic of China | Lin, Claudia X.H. | Female | 2024.03.18 | *100,000 | *0.04 | - | - | - | - | Officer, Taipei Fubon Bank Wealth Management Zhongzheng District EMBA, National Cheng Kung University | - | - | - | - | - |
| Senior Vice President | Republic of China | Huang, Kelvin F.C | Male | 2024.04.15 | *100,000 | *0.04 | - | - | - | - | Senior Vice President, Business Division of EasyCard Corporation Master of Environmental Planning and Management, National Taipei University of Technology | - | - | - | - | - |
| Senior Vice President | Republic of China | Chen, Ryan R.S. | Male | 2024.04.25 | *107 | *0.00 | - | - | - | - | Senior Executive Vice President, Foxconn Supply Chain Financial Service Platform Master of International Buisness Management, La Trobe Australia | - | - | - | - | - |
| Senior Vice President | Republic of China | Wu, Sun S.Y. | Male | 2025.05.26 | - | - | - | - | - | - | Vice President of Information Operations Department, CTBC Bank Bachelor of Nutrition, China Medical University | - | - | - | - | - |
| Senior Vice President | Republic of China | Chang, Benson T.W. | Male | 2025.07.01 | 3,089<br>*60,000 | 0.00<br>*0.02 | - | - | - | - | Vice President, O-Bank Master of Finance, Chaoyang University of Science and Technology | - | - | - | - | - |
| Vice President | Republic of China | Lin, Ted K.T. | Male | 2021.05.06 | 30,000<br>*30,000 | 0.00<br>*0.01 | - | - | - | - | Vice President, Bank of East Asia Master of Statistics and Information Science, Fu Jen Catholic University | - | - | - | - | - |
| Vice President | Republic of China | Zhang, Yulin | Male | 2022.11.03 | 60,000<br>*20,000 | 0.00<br>*0.01 | - | - | - | - | O-Bank Associate Master of Information Management, National Taiwan University | - | - | - | - | - |
| Vice President | Republic of China | Xu, Steven H.J. | Male | 2024.03.14 | 24,000<br>*80,000 | 0.00<br>*0.03 | 8,000 | 0.00 | - | - | Senior Assistant Vice President, O-Bank Master of Finance, National Sun Yat-Sen University | - | - | - | - | - |
| Vice President | Republic of China | Chang, Joanna H.W. | Female | 2024.04.01 | 36,382<br>*10,000 | 0.00<br>*0.00 | - | - | - | - | Senior Assistant Vice President, O-Bank Associate Degree of International Trade, Shih Chien College of Home Economics | - | - | - | - | - |
| Vice President | Republic of China | Chien, Jay S.C. | Male | 2024.04.01 | 25,000<br>*20,000 | 0.00<br>*0.01 | - | - | - | - | Senior Assistant Vice President, O-Bank Bachelor of Computer Science and Information Engineering, Chung Hua University | - | - | - | - | - |
| Vice President | Republic of China | Tu, Eric Z.X. | Male | 2024.04.01 | 25,000<br>*25,000 | 0.00<br>*0.01 | - | - | - | - | Senior Assistant Vice President, O-Bank Master of Finance, Chaoyang University of Technology | - | - | - | - | - |
| Vice President | Republic of China | Wu, Gene J.X. | Male | 2024.07.01 | *100,000 | *0.04 | - | - | - | - | Vice President, O-Bank Bachelor of Economics, Feng Chia University | - | - | - | - | - |
| Vice President | Republic of China | Liu, Tony Y.C. | Male | 2025.07.01 | 175,144<br>*100,000 | 0.01<br>*0.04 | - | - | - | - | Vice President, O-Bank Master of Industrial Management, National Cheng Kung University | - | - | - | - | - |

| Title | Nationality | Name | Gender | Effective Date | Shareholding | | Spouse & Minor Shareholding | | Shareholding by Nominee Arrangement | | Experience(Education) | Other Position | Managers who are Spouses or Within Two Degrees of Kinship | | | Remarks (Note 2) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Shares | % | Shares | % | Shares | % | | | Title | Name | Relation | |
| Vice President | Republic of China | Yang, Nicholas J.S. | Male | 2026.02.05 | - | - | - | - | - | - | Vice President, O-Bank<br>Master of Bio-Industrial Mechatronics Engineering, National Taiwan University | - | | | | |
| Vice President | Republic of China | Kuo, Ray S.Z. | Male | 2026.03.01 | - | - | - | - | - | - | Assistant Vice President, O-Bank<br>Bachelor of Information Management, Taichung Institute of Technology | - | - | - | - | - |
| Senior Assistant Vice President | Republic of China | Chang , Vivian Y.T. | Female | 2026.01.01 | *10,000 | *0.00 | - | - | - | - | Assistant Vice President, O-Bank<br>Bachelor of Public Finance, National Taipei University | - | - | - | - | - |
| Senior Assistant Vice President | Republic of China | Pan, Jack Y.L. | Male | 2026.01.01 | - | - | - | - | - | - | Senior Assistant Vice President, O-Bank<br>Bachelor of Finance and Banking, Shih Chien College of Design and Management | - | - | - | - | - |
| Senior Assistant Vice President | Republic of China | Lin, Amy Y.Y. | Female | 2025.11.13 | - | - | - | - | - | - | Senior Assistant Vice President, O-Bank<br>Master of Business Administration, University of North Alabama, USA | - | - | - | - | - |

Note1: "*" denotes Class B Preferred Shares in this Table.

Note2: Where the president of the Board of Directors and the chairman or person of an equivalent post (the highest-ranking manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for such and the reasonableness and necessity thereof, as well as the measures adopted in response thereto, such as increasing seats for independent directors and having a majority of directors refrain from serving concurrently as employees or managerial officers.

### (3) Return to consultant

Chairmen of the board and presidents rehired as consultant after retiring from the Bank or its affiliate enterprises: None.

## 2. Remuneration of Directors, President, Deputy Presidents, Vice Presidents and Consultants, and Remuneration of employees in the Most Recent Fiscal Year

### (1) Remuneration of Non-independent Directors and Independent Directors

| Title | Name | Remuneration | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Base Compensation (A) | | Severance Pay (B) | | Directors Compensation (C) | | Allowances (D) (Note 1) | |
| | | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements |
| Chairman | Lo, Tina Y. | 19,369 | 19,369 | 381 | 381 | 7,687 | 7,687 | 1,650 | 1,650 |
| Managing Director | Lo, Kenneth C.M. | 0 | 0 | 0 | 0 | 0 | 0 | 1,868 | 1,868 |
| Managing Director | Ming Shan Investment Co., Ltd. (Rep.: Lo, Kenneth C.M.) | 900 | 900 | 0 | 0 | 3,843 | 3,843 | 0 | 0 |
| Managing Director | Lin, Bill K.C. | 0 | 2,854 | 0 | 0 | 0 | 0 | 192 | 231 |
| Managing Director | Tai Hsuan Investment Co., Ltd. (Rep.: Lin, Bill K.C.) | 900 | 900 | 0 | 0 | 3,843 | 3,843 | 0 | 0 |
| Director | Lee, Mark J.C. | 600 | 600 | 0 | 0 | 2,562 | 2,562 | 48 | 48 |
| Director | Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.) | 600 | 600 | 0 | 0 | 2,562 | 2,562 | 54 | 54 |
| Director | Chien, Chih-Ming | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 54 |
| Director | Ming Shan Investment Co., Ltd. (Rep.: Chien, Chih-Ming) | 600 | 600 | 0 | 0 | 2,562 | 2,562 | 0 | 0 |
| Director | Chen, Alex J.J. | 0 | 2,154 | 0 | 0 | 0 | 0 | 54 | 93 |
| Director | Tai Ya Investment Co., Ltd. (Rep.: Chen, Alex J.J.) | 600 | 600 | 0 | 0 | 2,562 | 2,562 | 0 | 0 |
| Director | Tang, Grace W.S | 0 | 0 | 0 | 0 | 0 | 0 | 42 | 81 |
| Director | Yi Chang Investment Co., Ltd. (Rep.: Tang, Grace W.S) | 500 | 500 | 0 | 0 | 2,106 | 2,106 | 0 | 0 |
| Director | Lin, Gordon W.C. | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 12 |
| Director | Yi Chang Investment Co., Ltd. (Rep.: Lin, Gordon W.C.) | 100 | 100 | 0 | 0 | 456 | 456 | 0 | 0 |
| Independent Managing Director | Hu, Fu- Hsiung | 2,800 | 2,800 | 0 | 0 | 0 | 0 | 318 | 318 |
| Independent Director | Lin, Hank H.K. | 2,100 | 2,100 | 0 | 0 | 0 | 0 | 204 | 204 |

As of December 31, 2025
Unit: NT$ thousands/%

| Total Remuneration (A+B+C+D) and ratio to Net Income (%) | | Relevant Remuneration Received by Directors Who are Also Employees | | | | | | | | Total Compensation (A+B+C+D+E+F+G) and ratio to Net Income (%) | | Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or from the Company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Salary, Bonuses, and Allowances (E) (Note 1) | | Severance Pay (F) | | Employee Compensation (G) (Note 2) | | | | | | |
| The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | | All companies in the consolidated financial statements | | The company | All companies in the consolidated financial statements | |
| | | | | | | Cash | Stock | Cash | Stock | | | |
| 29,087<br>1.59 | 29,087<br>1.59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,087<br>1.59 | 29,087<br>1.59 | None |
| 1,868<br>0.1 | 1,868<br>0.1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,868<br>0.1 | 1,868<br>0.1 | None |
| 4,743<br>0.26 | 4,743<br>0.26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,743<br>0.26 | 4,743<br>0.26 | None |
| 192<br>0.01 | 3,085<br>0.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 192<br>0.01 | 3,085<br>0.17 | None |
| 4,743<br>0.26 | 4,743<br>0.26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,743<br>0.26 | 4,743<br>0.26 | None |
| 3,210<br>0.18 | 3,210<br>0.18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,210<br>0.18 | 3,210<br>0.18 | None |
| 3,216<br>0.18 | 3,216<br>0.18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,216<br>0.18 | 3,216<br>0.18 | None |
| 54<br>0.00 | 54<br>0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54<br>0.00 | 54<br>0.00 | 6,401 |
| 3,162<br>0.17 | 3,162<br>0.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,162<br>0.17 | 3,162<br>0.17 | None |
| 54<br>0.00 | 2,247<br>0.12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54<br>0.00 | 2,247<br>0.12 | None |
| 3,162<br>0.17 | 3,162<br>0.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,162<br>0.17 | 3,162<br>0.17 | None |
| 42<br>0.00 | 81<br>0.00 | 0 | 5,018 | 0 | 89 | 0 | 0 | 104 | 0 | 42<br>0.00 | 5,292<br>0.29 | None |
| 2,606<br>0.14 | 2,606<br>0.14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,606<br>0.14 | 2,606<br>0.14 | None |
| 12<br>0.00 | 12<br>0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12<br>0.00 | 12<br>0.00 | None |
| 556<br>0.13 | 556<br>0.13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 556<br>0.13 | 556<br>0.13 | None |
| 3,118<br>0.17 | 3,118<br>0.17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,118<br>0.17 | 3,118<br>0.17 | None |
| 2,304<br>0.13 | 2,304<br>0.13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,304<br>0.13 | 2,304<br>0.13 | None |

| Title | Name | Remuneration | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Base Compensation (A) | | Severance Pay (B) | | Directors Compensation (C) | | Allowances (D) (Note 1) | |
| | | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements |
| Independent Director | Chiang, Tina W.N | 2,100 | 2,100 | 0 | 0 | 0 | 0 | 180 | 180 |
| Independent Director | Wang, Jennifer C.F. | 2,100 | 2,100 | 0 | 0 | 0 | 0 | 180 | 180 |

1. Spell out the policy, system, criteria, and structure concerning remuneration of independent directors as well as such remuneration' correlation with their duties, risk assumed, and time devoted:
   In accordance with its Articles of Incorporation, the Bank excludes independent directors from distribution of earnings but may pay them remuneration no matter if it makes a profit or loss. The Board of Directors is authorized to decide on remuneration for independent directors on the basis of their involvement in the Bank's operations, the value of their contributions, and the result of performance evaluation of the Board while also taking into account such remuneration among industry peers.
2. Except for the items disclosed above, remuneration collected by directors for rendering services (to the Company, companies in its consolidated financial statements, or its investees as non-employee advisors) during the most recent year: None.

Note 1: Compensation for chauffeurs assigned to directors amounted to NT$2,603 thousand and that for those assigned to employees charged with concurrent posts, NT$0 thousand.

Note 2: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2025. The amount given here is an estimate based on the actual distribution for 2024.

Note 3: The Bank's 2025 profit declined from the prior year due to the impact of investees under the equity method; accordingly, the total director remuneration including all companies within the financial statements decreased by NT$24,647 thousand in 2025 compared to 2024 (a decrease of 26%). Of this, director remuneration in 2025 accounted for approximately 1.25% of the Bank's 2025 pretax profit.

Note 4: The compensation amounts disclosed here are not a conceptual equivalent to the "income" defined in the Income Tax Act. As such, these numbers are meant for information disclosure instead of taxation.

| Total Remuneration (A+B+C+D) and ratio to Net Income (%) | | Relevant Remuneration Received by Directors Who are Also Employees | | | | | | | | Total Compensation (A+B+C+D+E+F+G) and ratio to Net Income (%) | | Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or from the Company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Salary, Bonuses, and Allowances (E) (Note 1) | | Severance Pay (F) | | Employee Compensation (G) (Note 2) | | | | | | |
| The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | All companies in the consolidated financial statements | The company | | All companies in the consolidated financial statements | | The company | All companies in the consolidated financial statements | |
| | | | | | | Cash | Stock | Cash | Stock | | | |
| 2,280<br>0.12 | 2,280<br>0.12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,280<br>0.12 | 2,280<br>0.12 | None |
| 2,280<br>0.12 | 2,280<br>0.12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,280<br>0.12 | 2,280<br>0.12 | None |

## (2) Remuneration of President and Vice Presidents

As of December 31, 2025
Unit: NT$ thousands/%

| Title | Name | Remuneration | | | | | | | | | | Total Remuneration (A+B+C+D) and ratio to Net Income (%) | | Compensation Paid to President and Vice Presidents from an Invested Company Other than the Company's Subsidiary or from the Company |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Base Compensation (A) | | Severance Pay (B) | | Bonus to Supervisors (C) (note1) | | Allowances (D)(note2) | | | | The company | Companies in the consolidated financial statements | |
| | | The company | Companies in the consolidated financial statements | The company | Companies in the consolidated financial statements | The company | Companies in the consolidated financial statements | The company | | Companies in the consolidated financial statements | | | | |
| | | | | | | | | Cash | Stock | Cash | Stock | | | |
| President | Lee, Elton F.Y. | 12,509 | 13,757 | 108 | 108 | 19,716 | 20,588 | 677 | – | 677 | – | 33,010<br>1.80 | 35,130<br>1.92 | None |
| Deputy President | Lin, Roger Y.F. | 58,199 | 59,270 | 2,375 | 2,375 | 64,312 | 65,086 | 2,644 | - | 2,644 | - | 127,530<br>6.97 | 129,375<br>7.07 | None |
| Senior Executive Vice President | Xu, Chengzhou | | | | | | | | | | | | | |
| Senior Executive Vice President | Xiao, Zhongcheng | | | | | | | | | | | | | |
| Senior Executive Vice President | Fan, Vivian H.J. | | | | | | | | | | | | | |
| Executive Vice President | Lai, Fengren | | | | | | | | | | | | | |
| Executive Vice President | Siew, Joy C.Y. | | | | | | | | | | | | | |
| Executive Vice President | Chao, Tillie C.L. | | | | | | | | | | | | | |
| Executive Vice President | Xie, Jun | | | | | | | | | | | | | |
| Executive Vice President | Chen, Paul H.J. | | | | | | | | | | | | | |
| Executive Vice President | Hung, Lichen | | | | | | | | | | | | | |
| Executive Vice President | Tang, Ruoheng | | | | | | | | | | | | | |
| Executive Vice President | Chin, Teddy Y.T. | | | | | | | | | | | | | |
| Executive Vice President | Fang, Stanley H.W. | | | | | | | | | | | | | |
| Executive Vice President | Peng, Christina B.J. | | | | | | | | | | | | | |
| Executive Vice President | Tyane, Edward F.C | | | | | | | | | | | | | |
| Executive Vice President | Lee, Yaochung | | | | | | | | | | | | | |
| Executive Vice President | Chang, Ophelia L.W. | | | | | | | | | | | | | |

Note 1: Compensation for chauffeurs amounted to NT$3,111 thousand.
Note 2: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2025. The amount given here is an estimate based on the actual distribution for 2024.

| Range of Remuneration | Name of President and Vice Presidents | |
|---|---|---|
| | The company | Companies in the consolidated financial statements |
| Less than NT$ 1,000,000 | - | - |
| NT$ 1,000,000 (inclusive) ~ NT$2,000,000 (exclusive) | - | - |
| NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive) | Xu, Chengzhou | Xu, Chengzhou |
| NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive) | Xie, Jun 、Peng, Christina B.J. 、Lee, Yaochung | Xie, Jun 、Peng, Christina B.J. 、Lee, Yaochung |
| NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive) | Siew, Joy C.Y. 、Fan, Vivian H.J. 、Lai, Fengren 、Chao, Tillie C.L. 、Tang, Ruoheng 、Chin, Teddy Y.T. 、Fang, Stanley H.W. 、Tyane, Edward F.C. 、Chang, Ophelia L.W. 、Hung, Lichen | Siew, Joy C.Y. 、Fan, Vivian H.J. 、Lai, Fengren 、Chao, Tillie C.L. 、Tang, Ruoheng 、Chin, Teddy Y.T. 、Fang, Stanley H.W. 、Tyane, Edward F.C. 、Chang, Ophelia L.W. 、Hung, Lichen |
| NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive) | Chen, Paul H.J. 、Xiao, Zhongcheng | Chen, Paul H.J. 、Xiao, Zhongcheng |
| NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive) | Lin, Roger Y.F. | Lin, Roger Y.F. |
| NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive) | Lee, Elton F.Y. | Lee, Elton F.Y. |
| NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive) | - | - |
| More than or equal to NT$100,000,000 | - | - |
| Total | 18 | 18 |

Note: Given conceptual differences, the numbers given here are meant for information disclosure instead of taxation.

## (3) Remuneration of Employees

As of December 31, 2025
Unit: NT$ thousands

| | Title | Name | Employee Compensation - in Stock (Fair Market Value) | Employee Compensation - in Cash | Total | Ratio of Total Amount to Net Income (%) |
|---|---|---|---|---|---|---|
| Executive officers | President | Lee, Elton F.Y. | - | 677 (Note 1) | 677 | 0.04 |
| | Deputy President | Lin, Roger Y.F. | - | 2,644 (Note 1) | 2,644 | 0.14 |
| | Senior Executive Vice President | Xu, Chengzhou | | | | |
| | Senior Executive Vice President | Xiao, Zhongcheng | | | | |
| | Senior Executive Vice President | Fan, Vivian H.J. | | | | |
| | Executive Vice President | Lai, Fengren | | | | |
| | Executive Vice President | Chao, Tillie C.L. | | | | |
| | Executive Vice President | Siew, Joy C.Y. | | | | |
| | Executive Vice President | Xie, Jun | | | | |
| | Executive Vice President | Chen, Paul H.J. | | | | |
| | Executive Vice President | Hung, Lichen | | | | |
| | Executive Vice President | Tang, Ruoheng | | | | |
| | Executive Vice President | Chin, Teddy Y.T. | | | | |
| | Executive Vice President | Fang, Stanley H.W. | | | | |
| | Executive Vice President | Peng, Christina B.J. | | | | |
| | Executive Vice President | Lee, Yaochung | | | | |
| | Executive Vice President | Tyane, Edward F.C. | | | | |
| | Executive Vice President | Chang, Ophelia L.W. | | | | |

Note 1: As of the date of publication of this annual report, the Bank had yet to finalize details with regard to distributing employee remunerations for 2025. The amount given here is an estimate based on the actual distribution for 2024.

### (4) Analysis of the compensation for directors, the president, and vice presidents during the most recent two years:

**A. Total compensation paid by the Bank and companies in the consolidated financial statements to directors, the president, and vice presidents during the most recent two years as ratios to the Bank's unconsolidated net profit:**

| Title \ Year | 2025 | | | | | 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number of persons | Amount | | Ratio to net profit | | Number of persons | Amount | | Ratio to net profit | |
| | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements | | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements |
| Director/ Independent Director | 12 | 66,689 | 71,815 | 3.64% | 3.92% | 12 | 90,205 | 96,462 | 3.16% | 3.38% |
| President and Vice President | 18 | 160,541 | 164,506 | 8.77% | 8.99% | 21 | 214,285 | 215,845 | 7.50% | 7.56% |
| Net Income | 1,830,666 | | | | | 2,856,199 | | | | |

**B. Remuneration policies, standards, and packages, procedure for determining remuneration, and linkage thereof to operating performance and future risk exposure:**

(1) Remuneration Policy for Directors and Senior Executives:

- Director Remuneration Principles:

a. Director remuneration should comprehensively consider the company's operational performance, director's contribution, responsibilities, and the results of board performance evaluations, and reference the industry standards for determination.

b. Director remuneration should be in accordance with Article 22 of the Bank's Articles of Incorporation. In years when the Bank makes a profit, the allocation percentage shall not exceed 2.5%, and independent directors shall not participate in the distribution of director's remuneration. In case of accumulated losses, an amount for compensation shall be reserved in advance. In addition, in accordance with the Bank's Director Remuneration Policy, if the Bank's net income after tax declines significantly, the growth rate of director remuneration shall not exceed that of the previous year.

c. The Bank regularly conducts board performance evaluations. The evaluation criteria include: attendance at board meetings, attendance at shareholders' meetings, continuing education hours in diverse courses, supervision of the effectiveness of various internal control systems and risk management, supervision of the company's promotion of sustainable development and improvement of ESG performance, etc., which shall serve as a reference for determining director remuneration.

d. Directors who violate regulations or laws related to company directors, or fail to complete the required training hours as regulated by the competent authority, may, after evaluation and resolution by the board of directors, be denied director's remuneration.

e. Directors who engage in ethical risks or cause significant negative impact on the company's image during their tenure may, upon evaluation and resolution by the board of directors, be subject to a mechanism for reclaiming director's remuneration.

- Senior Executive Remuneration Principles:

a. The remuneration of managers of the Bank shall be based on a comprehensive consideration of their duties, professional skills, and job performance, and shall be determined with reference to industry standards.

b. The variable bonuses of managers of the Bank shall be based on the overall operational performance of the company, the performance of their respective units, and individual performance, with some bonuses paid in the form of equity, linked to the company's share price, and closely linked to the company's long-term operational performance.

c. Managers of the Bank who violate laws, regulations, or internal regulations, or cause significant risk events due to improper behavior, resulting in foreseeable or actual losses of benefits or goodwill to the Bank, and are found responsible, the Bank shall stop paying deferred bonuses or recover some or all of the variable remuneration already paid to establish a sustainable operation system closely linked to long-term operational performance.

(2) Compensation Committee:

The Board has the Compensation Committee composed entirely of independent directors. The Committee assists the Board in setting and regularly reviewing policies, systems, standards, and structures for evaluating and compensating directors and managers. It also regularly assesses the remuneration of directors and managers.

The Bank's compensation package, as defined by the Compensation Committee Organizational Rules, includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances, and other substantial incentives. These are consistent with the requirements outlined in the "Guidelines for the Annual Report of Banks" concerning director and manager remuneration.

(3) Policy Linking Senior Executive Remuneration and Performance Evaluation:

The remuneration policy for senior executives is managed according to the Article 32 of the Bank's Articles of Incorporation and "Managerial Remuneration Management Measures" approved by the Board. Remuneration for senior executives includes fixed and variable components. Fixed salaries are determined by the responsibilities of their positions, job performance, and required professional skills, annually benchmarked against industry standards to maintain market competitiveness. Variable salaries are based on overall company performance, future risks, and individual performance, reasonably allocated. Personal performance assessments include financial and non-financial indicators, such as pre-tax net profit, achievement rates of short- and long-term business goals, annual profitability, cost-income ratio, and asset quality. Non-financial indicators include core company values, strategic objectives, innovation, legal compliance, internal control, risk management, and sustainability goals, with sustainability goals accounting for no less than 5%, ensuring the implementation of the Bank's sustainability strategy.

The remuneration system aims to provide market-competitive incentives while considering future risk factors. Managerial bonuses are partially equity-linked or deferred in cash, with a long-term incentive plan issued as virtual stock, linking bonus value to future stock prices. This strengthens the association between executive remuneration and the company's long-term performance, building a foundation for good company reputation and sustainable operations. Executives violating internal controls or risk management principles, resulting in anticipated or actual losses, will be held accountable, and the Bank may reclaim all or part of the unvested deferred bonuses to establish a foundation for sustainable operations.

## 3. Implementation of Corporate Governance

### (1) Board of Directors

#### A. Board of Managing Directors

A total of 19 meetings of the 9th Board of Managing Directors were held in 2025.

The attendance of managing directors was as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks |
|---|---|---|---|---|---|
| Chairman | Lo, Tina Y. | 18 | 1 | 95 | |
| Managing Director | Mingshan Investment Co., Ltd. (Rep: Lo, Kenneth C. M.) | 18 | 1 | 95 | |
| Independent Director | Tai Hsuan Investment Co., Ltd. (Rep: Lin, Bill K.C.) | 19 | 0 | 100 | |
| Independent Managing Director | Hu, Fu-Hsiung | 19 | 0 | 100 | |

## B. Board of Directors

A total of 9 meetings of the 9th Board of Directors were held in 2025.

The attendance of directors was as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks |
|---|---|---|---|---|---|
| Chairman | Lo, Tina Y. | 8 | 1 | 89 | |
| Managing Director | Ming Shan Investment Co., Ltd. (Rep: Lo, Kenneth C. M.) | 8 | 1 | 89 | |
| Managing Director | Tai Hsuan Investment Co., Ltd. (Rep: Lin, Bill K.C.) | 9 | 0 | 100 | |
| Director | Abag Investment Holdings Co., Ltd. (Rep.: Cheng, George C.J.) | 9 | 0 | 10 | |
| Director | Lee, Mark J.C. | 8 | 0 | 89 | |
| Director | Ming Shan Investment Co., Ltd. (Rep.: Chien, Chih-Ming) | 9 | 0 | 100 | |
| Director | Tai Ya Investment Co., Ltd. Representative: Chen, Alex J.J. | 9 | 0 | 100 | |
| Director | Yi Chang Investment Co., Ltd. Representative: Tang, Grace W.S | 7 | 0 | 100 | Note 1 |
| Director | Yi Chang Investment Co., Ltd. Representative: Lin, Gordon W.C. | 2 | 0 | 100 | Note 1 |
| Independent Managing Director | Hu, Fu- Hsiung | 9 | 0 | 100 | |
| Independent Director | Lin, Hank H.K. | 9 | 0 | 100 | |
| Independent Director | Chiang, Tina W.N. | 9 | 0 | 100 | |

Note 1: The Representative of Director Yi Chang Investment Co., Ltd. Was changed from Ms. Tang, Grace W.S to Mr. Lin, Gordon W.C.

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

   (1)Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable because, as required by law, the Bank has established the Audit Committee.

   (2)Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors：None.

2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

| Date | Content of Motion | Director | Cause for Avoidance | Participation in Voting |
|---|---|---|---|---|
| 2025.2.13 The 9th Board of Directors in its 15th meeting | Proposal for the Release of Non-competition Restrictions on the Bank's Managerial Officers | Lin, Bill K.C. Chien, Chih-Ming Chen, Alex J.J. Tang, Grace W.S | Conflict of interest in accordance with Article 14 of the Bank's Rules of Procedure for Board Meetings | All directors abstained from discussion and voting on proposals involving a conflict of interest, in line with the recusal principle. |
| 2025.3.12 The 9th Board of Directors in its 16th meeting | Donation to the O-Bank Education Foundation | Tina Y. Lo, Kenneth C.M. Lo | | |
| | Donation to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) | Tina Y. Lo, Kenneth C.M. Lo | | |
| 2025.5.2 The 9th Board of Directors in its 18th meeting | Distribution of Remunerations to Directors and Employees for 2024 | Distribution of Remunerations to Directors (the entire number of non-independent directors): Tina Y. Lo, Kenneth C.M. Lo, Bill K.C. Lin, Chih-Ming Chien, George C.J. Cheng, Mark J.C. Lee, Alex J.J. Chen, Grace W.S. Tang | | |
| | Donation to the Criminal Investigation and Prevention Association, R.O.C. | Tina Y. Lo, Kenneth C.M. Lo | | |
| | Proposal for the Release of Non-competition Restrictions on Directors of the Bank | Lin, Bill K.C. Chien, Chih-Ming Chen, Alex J.J. | | |
| 2025.8.21 The 9th Board of Directors in its 20th meeting | Donation to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) | Tina Y. Lo, Kenneth C.M. Lo | | |
| 2025.11.12 The 9th Board of Directors in its 22th meeting | Proposal for the Release of Non-competition Restrictions on the Bank's Managerial Officers | Lin, Gordon W.C. | | |
| 2025.12.24 The 9th Board of Directors in its 23th meeting | Donation to the National Taiwan University Academic Foundation for Economic Research | Tina Y. Lo, Kenneth C.M. Lo | | |
| | Nomination of the Bank's Representative as Chairman of an Investee Company and Proposal for the Release of Non-competition Restrictions on Managers of the Bank | Lin, Bill K.C. Chen, Alex J.J. | | |

3. Evaluation of Board of Directors:

| 2025 Internal Evaluation of the Performance of Board of Directors and Functional Committees | |
|---|---|
| Evaluation Cycle | Once a year |
| Evaluation Period | January 1 to December 31, 2025 |
| Evaluation Scope | Board of Directors, Functional Committees (including Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Board Sustainability Committee), and Board members (self-assessment) |
| Evaluation Method | Self-evaluation of Board of Directors, Functional Committees, and Board Members |
| Evaluation Contents | (1) The Bank's internal evaluation of the performance of the Board of Directors employs 5-point scale: "Excellent (5 points), Very Good (4 points), Good (3 points), Fair (2 points), Needs Improvement (1 point)" for quantified evaluation. The resulting average scores are then used for measurement.<br>(2) The Bank's Board performance evaluation covers 5 aspects: A. Participation in company operations<br>A. Improvement on the quality of the board's decision making<br>B. Composition and structure of the board of directors<br>C. Election of directors and continued knowledge development<br>D. Internal control<br>E. Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.)<br>(3) Functional committee performance evaluation covers 5 aspects: A. Participation in company operations<br>A. Understanding of the committee members' duties and responsibilities<br>B. Improvement on the quality of the committee's decision making<br>C. Composition of the committees and election of the committee members<br>D. Internal control<br>(4) Board member performance evaluation (self-assessment) covers 6 aspects: A. Understanding of company goals and missions<br>A. Understanding of the directors' duties and responsibilities<br>B. Participation in company operations<br>C. Internal relationship management and communications<br>D. Professional qualifications of directors and continued knowledge development<br>E. Internal control<br>(5) Result of 2025 Performance Evaluation:<br>A. The average score of Board performance evaluation on each aspect is between 4.79~4.97: |

| Evaluation Aspect | Average Score |
|---|---|
| (A) Participation in company operations | 4.79 |
| (B) Improvement on the quality of the board's decision making | 4.94 |
| (C) Composition and structure of the board of directors | 4.97 |
| (D) Election of directors and continued knowledge development | 4.95 |
| (E) Internal control | 4.93 |
| (F) Others (issues such as fair treatment of clients, personal information management, AML/CFT, legal compliance, information security management, ESG development, corporate social responsibility, ethical corporate management, etc.) | 4.95 |

**2025 Internal Evaluation of the Performance of Board of Directors and Functional Committees**

B. The average score of functional committee performance evaluations shows that the Audit Committee, Compensation Committee, and Corporate Governance and Nomination Committee received a score of 5 across all evaluation aspects. For the Sustainability Committee, the average score was 4.75 for "A. Participation in company operations" and 5 for all other aspects:

| Evaluation Aspect | Average Score of Audit Committee | Average Score of Compensation Committee | Average Score of Corporate Governance and Nomination Committee | Average Score of Sustainability Committee |
|---|---|---|---|---|
| A. Participation in company operations | 5 | 5 | 5 | 4.75 |
| B. Understanding of the committee members' duties and responsibilities | 5 | 5 | 5 | 5 |
| C. Improvement on the quality of the committee's decision making | 5 | 5 | 5 | 5 |
| D. Composition of the committees and election of the committee members | 5 | 5 | 5 | 5 |
| E. Internal control | 5 | 5 | 5 | 5 |

C. The average score of Board member performance evaluation (self-assessment) on each aspect is between 4.86~4.98:

| Evaluation Aspect | Average Score |
|---|---|
| (A) Understanding of company goals and missions | 4.97 |
| (B) Understanding of the directors' duties and responsibilities | 4.98 |
| (C) Participation in company operations | 4.86 |
| (D) Internal relationship management and communications | 4.92 |
| (E) Professional qualifications of directors and continued knowledge development | 4.92 |
| (F) Internal control | 4.94 |

D. Overall, the Bank's Board of Directors and functional committees are operating effectively by fully fulfilling their duty of supervising and advising on the Bank's strategic plans, major business decisions, risk management, and sustainable development. Moreover, all the functional committees are performing effectively with clear divisions of responsibilities, effectively enhancing the Board's functions, decision-making efficiency, and execution capability. In the meantime, the Board members clearly understand their responsibilities, actively participate in the Bank's operations and decision-making, and continuously strive for self-improvement, refining their professional expertise and governance acumen. This commitment ensures the quality of decision-making, further supports the Bank's long-term sustainability, and upholds best governance practices..

E. Recommendations for Continuous Improvement of 2025 Board Performance Evaluation:
In 2025, the average attendance rates for the Board of Directors, Managing Directors, and Sustainability Committee were 97.22%, 97.37%, and 96.43%, respectively, reflecting excellent overall participation. To further assist directors in schedule arrangements and refine the quality of meeting resolutions, the Bank will implement an advance notice and scheduling mechanism for meeting dates in 2026. By optimizing the management of various meeting

| 2024 External Evaluation of the Performance of Board of Directors and Functional Committees | |
|---|---|
| Evaluation Cycle | At least once every 3 years by external evaluation institutions or panel of external experts and scholars |
| Evaluation Period | September 1, 2023 to August 31, 2024 |
| Evaluation Scope | Board of Directors (including the implementation status of the functional committees authorized by the board) |
| Evaluation Method | External-evaluation |
| Evaluation Contents | (1) Summary of Implementation<br>In August 2024, the Bank commissioned Taiwan Corporate Governance Association (hereinafter "the association") to conduct the board performance evaluation. The evaluation period is from September 1, 2023 to August 31, 2024. The association is a non-profit and professional public interest group that advocates corporate governance, and helps businesses improve corporate governance, competitiveness, and sustainability. Also, it provides such services as offering training courses for directors, conducting corporate governance system assessment and board performance evaluation, and issuing publications on corporate governance. The association's evaluation panel is composed of 5 association members, experienced in corporate governance assessment, corporate governance evaluation, and board performance evaluation. That is, the evaluation panel is equipped with professional competence in conducting the Bank's board performance evaluation. In addition, the association clarified the independence of the panel in the statement of the evaluation report.<br>The association conducts the evaluation based on the open-ended questionnaire, other materials provided, public information, and on-site visit. On November 13, 2024, the evaluation panel met in person with the Bank's Chairman, Independent Directors, President, Internal Audit Officer, and Corporate Governance Officer for evaluation. The assessment focused on five key dimensions: "Board Composition and Division of Duties," "Board Guidance and Supervision," "Board Authorization and Risk Management," "Board Communication and Collaboration," and "Board Self-discipline and Improvement." The association issued the report of the Bank's board performance evaluation on November 27, 2024. Subsequently, on December 24, 2024, the Bank submitted the evaluation report and its follow-up improvement plans to the 2nd Corporate Governance and Nomination Committee in its 9th meeting, and on December 25, 2024, the report and plans were approved by the 9th Board of Directors in its 14th meeting. The bank had completed its improvement plan by 2025.<br>(2) Summary of General Evaluation<br>1. In addition to considering shareholding structure and professional expertise, the composition of the Board of Directors also pays special attention to the compatibility of directors' personal traits with the Bank's culture of integrity and ethical business practices. To enhance the Board's independence, the number of seats allocated to shareholder representatives has been reduced, ensuring that independent directors and female directors each constitute one third of the total board seats, which is commendable.<br>2. The members of the Board have diverse backgrounds and experience in economics, business, management, accounting, law, information technology, and sustainability. All four independent directors are distinguished experts in their respective fields, actively engaged in their roles, and frequently interact with the management team. They provide professional advice and guidance on key issues, while the Chairman regularly communicates with individual directors on industry developments and future trends, fostering strong overall board operations and member interactions.<br>3. The Board of Directors oversees four functional committees: the legally mandated Compensation Committee and Audit Committee, as well as the Corporate Governance and Nomination Committee and the Sustainability Committee. The responsibilities and organizational procedures of each committee are publicly disclosed on the Bank's website.<br>4. The Board Sustainability Committee is chaired by the Chairman of the Board, with all independent directors invited to participate. Additionally, the ESG Development Working Committee has been established, tasked with formulating corporate sustainability strategies, actively promoting related initiatives, and regularly reporting on implementation progress. To align with international trends and meet the expectations of stakeholders, the Bank has devoted significant efforts to developing sustainable financial products and services. The Bank also continues to participate in various domestic and international sustainability evaluations, earning numerous awards that recognize the Bank's relentless efforts in the ESG field. |

**2024 External Evaluation of the Performance of Board of Directors and Functional Committees**

5. The Auditing Division reports to the Board of Directors and submits audit reports, signed by the Chairman, to independent directors within two months of each audit's completion. The Internal Audit Officer reports the status of audit operations to the Audit Committee and the Board of Directors at least quarterly. Independent directors also provide recommendations to strengthen audit operations. Members of the Audit Committee participate annually in setting and reviewing the internal audit officer's performance goals and evaluations, which are approved by the Chairman. Additionally, board members and the internal audit officer hold two internal control review meetings annually, with meeting minutes submitted to the Board for approval. The Audit Committee conducts an annual evaluation of the independence and suitability of the external auditors, arranges private meetings with them, and maintains written records of these discussions.
6. The Bank has appointed the Corporate Governance Officer and assigned the Corporate Secretariat to handle corporate governance-related matters. This includes assisting directors with their onboarding, continuous education, fulfillment of duties, and legal compliance, as well as managing board and shareholder meeting-related affairs. The Bank has established "Regulations Governing the Performance Evaluation of Board of Directors," under which self-evaluations of the Board, its members, and functional committees are conducted annually, with results reported to the Board. The latest evaluation results were presented to the Board on March 13, 2024. Additionally, the guidelines stipulate that an external professional independent institution should conduct evaluations at least once every three years. The Bank first engaged an external professional independent institution for Board performance evaluation in 2021 and formulated continuous improvement measures based on their recommendations. In 2024, the Bank again commissioned an external professional independent institution to continue the evaluation, demonstrating the Board's proactive approach to implementing corporate governance and enhancing board effectiveness.

(3) Summary of suggestions and improvement plan

| Suggestions (summary) | Improvement Plan (The bank had completed its improvement plan by 2025) |
|---|---|
| The management team sets annual operational strategies based on the Bank's vision and long-term goals, reporting the following year's objectives to the Board at year-end. The association suggests to hold annual mid- to long-term strategy meetings with independent directors and senior management to discuss the Bank's vision and strategies, helping the Board guide and oversee their implementation. | The Bank's management team will consider the association's suggestions and plan suitable ways to involve independent directors in strategy meetings, ensuring effective guidance and oversight of operational strategies. |
| The association suggests that the Bank to regularly present functional committee work reports at Board meetings and invite committee conveners to share updates. This helps Board members understand the committees' views and recommendations, improving collaboration and efficiency. | From 2025 onwards, following the association's suggestions, steps will be taken to ensure Board members receive timely updates on functional committee opinions after their meetings and before Board decisions are made. |
| The Bank analyzes the abilities and traits of senior managers and successors using scientific methods and adopts expert recommendations for talent development. The association suggests to make "Succession Planning of Senior Management" part of the Corporate Governance and Nomination Committee's responsibilities, with regular updates to the committee and the Board to ensure proper oversight and support sustainable governance. | In response to the association's suggestion, the Bank will include the Succession Planning of Senior Management in the Corporate Governance and Nomination Committee's duties, and report the implementation to the Corporate Governance and Nomination Committee and the Board, staring in 2025. |

4. Assessment of Objectives and Implementation of Strengthening the Board of Directors' Functions for the Current and Recent Years:

A. Enhancing Information Transparency:

- To enhance the transparency of Board of Directors' operations, the Bank (1) discloses important decisions of the Board of Directors in the annual report and on the Bank's website; (2) discloses the attendance of Directors at Board meetings in the annual report and on the Market Observation Post System (MOPS); (3) discloses the continuing education status of Directors on the MOPS.

B. Functional Committees:

- To strengthen corporate governance, the Bank has implemented an Audit Committee system in accordance with the Securities and Exchange Act since the fifth term of the Board of Directors in 2011. The Audit Committee was established under the Board and is composed entirely of Independent Directors. The Bank has adopted the "Audit Committee Organizational Rules" and, in support of this system, also amended the "Regulations Governing the Scope of Duties of Independent Directors." To align with updated regulatory requirements and further strengthen committee responsibilities, certain provisions were amended and approved by the Board on March 13, 2024.
- To build a comprehensive compensation management mechanism, the Bank established the Compensation Committee under the Board of Directors and adopted the Compensation Committee Organizational Rules in 2009. It was followed by the Board's amendments to the Rules and changing of its Chinese name in 2011. The committee is composed of the entire number of independent directors. In accordance with statutory revisions, the Board of Directors approved amendments to the Compensation Committee Organizational Rules on March 22, 2021.
- To reinforce the nomination mechanism for Directors (including Independent Directors) and to build a diverse and professional Board, the Bank established the "Corporate Governance and Nomination Committee" under the Board on November 4, 2020, and adopted the "Corporate Governance and Nomination Committee Organizational Rules." The Committee is composed of three Directors, with a majority being Independent Directors. Its key responsibilities include setting standards for Board member selection, reviewing and nominating Board candidates for election by the shareholders' meeting following Board approval; establishing and reviewing training plans, attendance benchmarks, and succession policies for Directors; formulating the Corporate Governance Best Practice Principles and Board Performance Evaluation Guidelines; drafting the Code of Ethical Conduct (including business ethics), Code of Conduct, and Anti-Corruption Policy, and overseeing the implementation of related policies and projects; supervising corporate governance assessments and reporting the results and improvements to the Board; formulating an accountability mechanism and overseeing the implementation of a responsibility map system; and establishing and supervising executive succession development plans.
- To advance sustainable development and implement Environmental, Social, and Governance (ESG) objectives, the Bank established the "Board Sustainability Committee" under the Board of Directors on August 21, 2023, and adopted the "Board Sustainability Committee Organizational Rules." The Committee shall comprise at least three Directors, with a majority being Independent Directors. Its primary responsibilities include reviewing the Bank's ESG strategies—covering key issues such as climate change, corporate governance, and green finance—as well as the sustainability report and related disclosures. The Committee is also tasked with overseeing the implementation of the Bank's annual sustainability plan and tracking progress toward its sustainability goals.

C. Enhancing Corporate Governance Regulations:

- To bolster corporate governance and assist directors in performing their duties, thereby strengthening board functions, the Board of Directors approved adopting O-Bank's Standard Operating Procedures for Handling Director Requests in 2019.
- To accommodate statutory revisions by the competent authority, the Board approved amendments to the Bank's Procedural Rules Governing Board Meetings with regard to defining matters to be resolved at a board meeting that may make directors interested parties on January 31,2024.
- To build a sound corporate governance system and promote sound business development, the Board of Directors approved O-Bank Co., Ltd. Corporate Governance Principles in 2017. In line with regulatory revisions, amendments to certain provisions were approved by the Board on December 25, 2024.
- To enhance the Bank's board functions and implement corporate governance, the Bank adopted O-Bank's Regulations Governing the Performance Evaluation of the Board of Directors in 2019, specifying that the board and functional committees should conduct an internal board performance evaluation at least once a year. Also, the evaluation should be conducted at least once every 3 years by external evaluation institutions or panel of external experts and scholars. In accordance with statutory revisions, the Board of Directors approved amendments to the Regulations on December 24, 2025. The internal performance evaluation for the board in 2024 and the external performance evaluation in 2024 have been completed. For more information, please refer to "Corporate Governance Report-Board of Directors- other mentionable items- Evaluation of Board of Directors" section of this annual report.

D. Strengthening Board Operations:

- To fulfill the Bank's goal of sustainability and commitment to strengthening the functions of the Board of Directors, the Bank, when planning succession candidates for the Board, takes into consideration its diversification policy, the candidates' familiarity to the industry, and the mid- to long-term operation strategies.
- In addition to further promoting its functions and enhance the Bank's corporate governance throughout, the Board of Directors has endorsed the competent authority's guideline over getting aligned with international practices and, through keeping close communication with the Bank's management, helped promote and implement policies with regard to corporate social responsibility, fair treatment of clients, ethical management, AML/CFT, personal information protection, and information security management.
- To further upgrade and improve corporate governance endeavors, the Bank commissioned the Taiwan Corporate Governance Association (TCGA) to evaluate and certify its corporate governance system in 2025. As such, an independent, third-party assessment was conducted to evaluate the comprehensiveness, implementation, and feedback mechanism of the aforesaid system. The TCGA subsequently granted the Bank a CG6015 Certificate of Outstanding (valid for December 29, 2025-December 28, 2027).

## (2) Audit Committee

To ensure effective corporate governance, the Board of Directors adopted the resolution on establishing the Audit Committee in lieu of supervisors and enacted the Audit Committee Organizational Rules on February 24, 2011. Established on June 13 of the same year upon approval of a regular shareholders' meeting, the Audit Committee is composed of the entire number of independent directors.

1. Fair presentation of the Bank's financial statements.
2. Selection (dismissal) of CPAs and their independence and performance.
3. Effective implementation of the Bank's internal control system.
4. The Bank's compliance with applicable laws and regulations.
5. Control of the Bank's existing or potential risks.

The Audit Committee is supposed to perform the following duties:

1. Enact or amend the internal control system and evaluate its effectiveness.
2. Assess the effectiveness of the information security systems.
3. Enact or amend the SOP of major financial activities such as acquisition or disposal of assets and derivatives transactions.
4. Review matters in which directors have personal interests.
5. Review major asset or derivatives transactions.
6. Review major instances of lending funds or providing endorsements or guarantees.
7. Review the offering, issuance, or private placement of equity securities.
8. Review the appointment, dismissal, or compensation of CPAs.
9. Review the appointment and dismissal of financial, accounting, or internal audit managerial officers.
10. Review annual financial statements signed or sealed by Chairman, managerial officers, and Head of Accounting, and semi-annual financial statements.
11. Review other major items required by the Bank or the competent authority.

A total of 9 meetings of the 5th Audit Committee meetings were held in 2025.

The attendance of independent directors was as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks |
|---|---|---|---|---|---|
| Independent Director | Lin, Hank H.K. | 9 | 0 | 100 | Convener |
| Independent Managing Director | Hu, Fu-Hsiung | 9 | 0 | 100 | |
| Independent Director | Chiang, Tina W.N | 9 | 0 | 100 | |
| Independent Director | Wang, Jennifer C.F. | 9 | 0 | 100 | |

Note: For more information on the professional qualifications and experiences of the 5th Audit Committee members, please refer to "Directors, Supervisors and Management Team" section of this annual report.

- Examine financial statements

The Board of Directors has compiled and submitted the Bank's consolidated and parent balance sheets, income statements, statements of changes in shareholders' equity, and cash flow statements for 2025 audited by CPAs Kuan-Hao Lee and Wei-Chun Ma of Deloitte & Touche, business report, and statement of distribution of earnings to the Audit Committee. After reviewing the abovementioned statements and reports, the Audit Committee has found them to meet the requirements of applicable laws and regulations.

- Evaluate the effectiveness of the Bank's internal control system

In accordance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking industries and the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies enacted by the Financial Supervisory Commission, the Bank has established its internal control system, for which three lines of defense are set up to ensure its ongoing and effective operation and the Bank's sound management.

The Bank's Audit Committee holds meetings regularly in accordance with its duties to review the formulation and amendments of the Bank's internal control system and to assess its effectiveness. On March 11, 2026, the 25th meeting of the 9th Board of Directors approved (following the resolution passed by the 25th meeting of the 5th Audit Committee on March 10, 2026) the issuance of the "O-Bank 2025 Statement on Internal Control System" and the "O-Bank 2025 Statement on the Internal Control System for Anti-Money Laundering and Countering the Financing of Terrorism." Following a prudent assessment, the internal controls, legal and regulatory compliance, and overall implementation of information security across all units were deemed to be effectively and properly carried out.

- Appointment of CPAs

Beginning with the audit of the Bank's 2023 financial statements, the signing auditors are Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma of Deloitte & Touche. In accordance with the "Corporate Governance Best-Practice Principles for Banking Industries" and the Financial Supervisory Commission's letter No. 11103826071, as well as in support of the "Corporate Governance 3.0" initiative, the Audit Quality Indicators (AQI) framework was adopted to assess the independence and suitability of the appointed auditors. After evaluating the independence and suitability of the auditors from Deloitte & Touche for the auditing and certification of the Bank's financial and tax statements, the results of the assessment were reported to the Audit Committee on December 25, 2023, and subsequently approved by the Board of Directors on December 24, 2025.

- Assessment of the effectiveness of the information security system

The Audit Committee supervises the implementation of information security governance, monitoring, and protection measures to ensure the effectiveness of the Bank's information security system.

- Risk supervisions

The Audit Committee reviews the risk quota, risk appetite, and risk management mechanisms that call for board approval, as well as oversees the implementation of the Bank's risk management, thereby ensuring the effectiveness and completeness of its risk management procedures.

A summary of the major proposals reviewed by the Audit Committee in 2025 and the results thereof is as follows:

| Board meeting | Proposal and subsequent measures | Items under Article 14-5 of the Securities and Exchange Act | Items not approved by the Audit Committee but approved by ≥2/3 of all directors |
|---|---|---|---|
| 2025.2.13 The 9th Board of Directors in its 15th meeting | The Bank's Market Risk Management Guidelines for 2025 | ✓ | - |
| | The Bank's Liquidity and Interest Rate Sensitivity Risk Management Guidelines for 2025 | ✓ | - |
| | Establishment of the Bank's "Procedures for Applying for Suspension and Resumption of Trading" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on February 11, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |
| 2025.3.12 The 9th Board of Directors in its 16th meeting | The Bank's 2024 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements | ✓ | - |
| | Remuneration for the Bank's certified public accountants (CPAs) for 2025 | ✓ | - |
| | Elevation of the Approval Level of the Bank's "Occupational Safety and Health Policy" | ✓ | |
| | Donation to the Chinese National Association of Industry and Commerce, Taiwan | ✓ | - |
| | A donation to the "O-Bank Education Foundation" | ✓ | - |
| | Application by the Bank to the Hong Kong Insurance Authority for an Insurance Agency License and for the commencement of insurance agency business. | ✓ | - |
| | Write-off of bad debts for 114 borrowers, including "Chang, ○-○" | ✓ | - |
| | The Bank's 2024 "Statement on the Design and Implementation of AML/CFT Internal Control Systems" and "AML/CFT Internal Control Statement" | ✓ | - |
| | The Bank's 2024 "Internal Control System Statement (including insurance agency business)" | ✓ | - |
| | Amendments to the Bank's "Corporate Governance and Nomination Committee Organizational Rules" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on March 11, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |
| 2025.4.9 The 9th Board of Directors in its 17th meeting | The Bank's 2025 "Assessment Report on the Adequacy of Internal Regulations for Detecting Operational Risks" | ✓ | - |
| | Amendments of the Bank's "O-Bank Internal Control System" (formerly the "O-Bank Three Lines of Defense Practice Guidelines for Internal Control") and Addition of Sustainability Information Management. | ✓ | - |
| | Amendments of the Bank's "Review Guidelines for Authorized Credit Limits for Personal Banking and Microenterprise Lending" | ✓ | - |
| | Application by the Bank for the "Financial Forecasting Model Business Trial" | ✓ | - |
| | Results of the Bank's 2024 Fair Treatment of Customers Assessment | ✓ | - |
| | The Bank's "2025 Head Office AML/CFT Plan" | ✓ | - |
| | The Bank's "2024 Head Office Comprehensive AML/CFT Risk Assessment Reports" | ✓ | - |
| | Amendments of the Bank's "Insurance Agency Business AML/CFT/CTF Risk Assessment Report" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on April 8,2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |

| Board meeting | Proposal and subsequent measures | Items under Article 14-5 of the Securities and Exchange Act | Items not approved by the Audit Committee but approved by ≥2/3 of all directors |
|---|---|---|---|
| 2025.5.2<br>The 9th Board of Directors in its 18th meeting | Donation to the "Association of Criminal Investigation and Prevention of R.O.C". | ✓ | - |
| | The Bank's Consolidated Financial Statements for the first quarter of 2025 | ✓ | - |
| | The Bank's 2024 Earnings Distribution Plan | ✓ | - |
| | Write-off of bad debts for 98 borrowers, including "Lee, ○-○" | ✓ | - |
| | Amendments of the Bank's "Guidelines for Managing Credit Limits Granted to Individual Financial Institutions" | ✓ | - |
| | Project of the Bank's Data Center Optimization and Relocation, and Proposal for the Establishment of the "Primary Data Center" as a Non-business Office Premises. | ✓ | - |
| | Amendments to the Bank's "Articles of Incorporation" | ✓ | - |
| | The Bank's 2024 Audit Committee Operations | ✓ | - |
| | Proposal for the Release of Non-competition Restrictions on Directors of the Bank | ✓ | - |
| | Application by the Bank to Establish Shanghai Representative Office and to Close the Tianjin Representative Office Following the Establishment | ✓ | - |
| | Establishment of the Bank's "Policy on the Application of Artificial Intelligence Technology" | ✓ | - |
| | Amendments to the Bank's "Ethical Corporate Management Best Practice Principles" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on April 29, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |

| Board meeting | Proposal and subsequent measures | Items under Article 14-5 of the Securities and Exchange Act | Items not approved by the Audit Committee but approved by ≥2/3 of all directors |
|---|---|---|---|
| 2025.6.23 The 9th Board of Directors in its 19th meeting | Amendments to the Bank's "Information Security Policy" | ✓ | - |
| | Donation to the Taiwan SMEG | ✓ | - |
| | Amendments to the Bank's "Management Regulations of Donation to Exterior" | ✓ | - |
| | Amendments to the Bank's "Guidelines for Application and Review Procedures for Professional Investor Eligibility in Wealth Management Business" | ✓ | - |
| | Amendments to the Bank's "Internal Control System for Trust Businesses Concurrently Engaging in Securities Investment Consulting Services" | ✓ | - |
| | Amendments to the Bank's "Implementation Rules for Internal Auditing of Concurrent Operation of Securities Business" | ✓ | - |
| | Amendments to the Bank's "Whistleblowing Case Handling Guidelines" | ✓ | - |
| | The Bank's "2024 Group-wide Comprehensive Money Laundering and Terrorist Financing Risk Assessment Report" | ✓ | - |
| | The Bank's "2024 Head Office AML/CFT Plan" | ✓ | - |
| | Amendments to the Bank's "Sustainable Credit and Investment Policy" | ✓ | - |
| | Amendments to the Bank's "Collateral Valuation Guidelines" | ✓ | - |
| | Amendments to the Bank's "Operational Risk Management Guidelines" | ✓ | - |
| | Amendments to the Bank's "Guidelines for Loss Assessment, Provisioning, Write-off, and Transfer to Bad Debt for Non-credit Assets". | ✓ | - |
| | Write-off of bad debts for 107 borrowers, including "Gao, ○-○", "C ○○ Investment Limited" and "Yu, ○-○" | ✓ | - |
| | Release of the Joint Guarantor of the Bad Debt Account "Yi ○○ Industrial Co., Ltd." from Joint and Several Guarantee Obligations | ✓ | - |
| | Amendments to the Bank's "Hong Kong Branch Recovery Plan" and Approval of Credit Facilities | ✓ | - |
| | Proposal for the Bank to Launch Foreign Currency Total Return Swap Business. | ✓ | - |
| | Proposal for the Bank's Hong Kong Branch to Launch Type 1 and Type 4 Regulated Activities | ✓ | - |
| | Amendments to the Bank's "Anti-Corruption Policy" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on June 19, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |
| 2025.8.21 The 9th Board of Directors in its 20th meeting | The Bank's Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements for the first half of 2024 | ✓ | - |
| | Donation to the Chinese National Association of Industry and Commerce, Taiwan | ✓ | - |
| | Write-off of bad debts for 107 borrowers, including " L○○○○ International Co.," "Hong○○○○ Co., Ltd.", "Chen, ○-○", and SMEs | ✓ | - |
| | The Bank's "2025 Group-wide AML/CFT Program – Summary Report on Key Improvement Areas" | ✓ | - |
| | Proposal for the Bank to Introduce Apple Pay International Mobile Payment Services | ✓ | - |
| | Amendments to the Bank's "Corporate Organization Rules" | ✓ | - |
| | Amendments to the Bank's "Guidelines for Delegation of Authority and Responsibility" and "Delegation of Authority Matrix" | ✓ | - |
| | Amendments to the Bank's "Employee Loan Management Guidelines" | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on August 20, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |

| Board meeting | Proposal and subsequent measures | Items under Article 14-5 of the Securities and Exchange Act | Items not approved by the Audit Committee but approved by ≥2/3 of all directors |
|---|---|---|---|
| 2025.10.1 The 9th Board of Directors in its 21th meeting | The Bank's 2026–2028 Information Security Assessment Plan for Computer Systems. | ✓ | - |
| | Proposal for the Bank to Introduce the Financial Fast-ID Authentication Relay Center Service | ✓ | - |
| | Amendments to the Bank's "Sustainable Development Best Practice Principles" | ✓ | - |
| | Amendments to the Bank's "Sustainability Information Management Regulations" | ✓ | - |
| | Amendments to the Bank's "Stewardship Code" | ✓ | - |
| | Amendments to the Bank's "Guidelines for Review Authority over Credit and Financial Transaction" | ✓ | - |
| | Amendments to the Bank's "Sustainable Credit and Investment Policy" | ✓ | - |
| | Release of the Joint Guarantor of the Bad Debt Account "Yi ○○ Industrial Co., Ltd." from Joint and Several Guarantee Obligations | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on September 30, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |
| 2025.11.12 The 9th Board of Directors in its 22th meeting | The Bank's 2026 Information Security Assessment Plan for Computer Systems | ✓ | - |
| | The Bank's Consolidated Financial Statements for the third quarter of 2025 | ✓ | - |
| | Write-off of bad debts for 107 borrowers, including " C○○○ Asia Ltd." ("Chien ○ Co., Ltd.") and "Chen, ○" | ✓ | - |
| | Proposal for the Bank's subsidiary, EverTrust Bank, to Establish Interbank Deposit Limits. | ✓ | - |
| | Proposal for the Release of Non-competition Restrictions on Directors of the Bank | ✓ | - |
| | Proposal on the Authorized Representative and Scope of Authority for Signing Contracts or Related Documents Required for the Operations of the Bank's Sydney Representative Office. | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on November 11, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |

| Board meeting | Proposal and subsequent measures | Items under Article 14-5 of the Securities and Exchange Act | Items not approved by the Audit Committee but approved by ≥2/3 of all directors |
|---|---|---|---|
| 2025.12.24<br>The 9th Board of Directors in its 23th meeting | Evaluation of the independence and suitability of CPAs for appointment to handle the Bank's financial and tax statement audits starting in 2026 | ✓ | - |
| | Donation to the NTU Economics Research Foundation | ✓ | - |
| | The Bank's Provision of "Financial Products and Services Applicable to High-Net-Worth Customers" | ✓ | - |
| | Amendments to the Bank's "Articles of Association of the Trust Property Review Committee" | | |
| | The Bank's 2026 derivatives business strategy, operational guidelines, and 2025 performance review report | ✓ | - |
| | Amendments to the Bank's "Hong Kong Branch Code of Conduct" | ✓ | - |
| | The Bank's 2026 Audit Plan | ✓ | - |
| | The Bank's 2026 Audit Plan for its concurrent operating insurance agency business | ✓ | - |
| | Amendments to the Bank's "Internal Audit Implementation Regulations | ✓ | - |
| | Amendments to the Bank's "Risk Management Regulations" | ✓ | - |
| | Amendments to the Bank's "Country Risk Management Regulations" and report on the 2026 country risk limits | ✓ | - |
| | Amendments to the Bank's "Industry Risk Concentration Control Regulations" and report on the 2026 industry risk limits | ✓ | - |
| | Write-off of bad debts for 86 borrowers, including "Cheng, ○-○" | ✓ | - |
| | Amendments to the Bank's "Guidelines for Review of Authorized Credit Limits for Personal Banking and Microenterprise Lending" | ✓ | - |
| | Amendments to the Bank's "Board Performance Evaluation Guidelines" | ✓ | - |
| | The Bank's "2025 Corporate Value Enhancement Plan" | ✓ | - |
| | Amendments to the Bank's "Guidelines for the Bank to Assign Director and Supervisor Representatives to Investee Companies" | ✓ | - |
| | Nomination of representatives of the Bank to select candidates for the chairperson of an investee and proposal for the release of non-competition restrictions on managers of the Bank | ✓ | - |
| | Proposal for Changes in Duties of Certain Managers of the Bank | ✓ | - |
| | Resolution of the Audit Committee: Approved by all members of the Audit Committee on December 23, 2025 | | |
| | Response of the Bank to the Audit Committee's Opinion: Approved by all attending directors | | |

Other mentionable items:

1. Any independent director raising objections, retaining opinions, or making major proposals: None.
2. In the event that any matter listed in Article 14-5 of the Securities and Exchange Act has failed to secure the approval of the Audit Committee but has won the consent of two-thirds or more of all directors, the date of the given board meeting, term of the board, contents of the matter, outcome of the Audit Committee's deliberations, and the Bank's handling of the Audit Committee's opinion shall be recorded in the minutes of the aforesaid board meeting: None (please refer to the table above).
3. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.
4. Communications between the independent directors, the Bank's chief internal auditor and CPAs

   (1) Communication between the chief internal auditor and independent directors:

      A. In addition to submitting updates of its work to independent directors, the Auditing Division communicates with independent directors at audit seminars held twice a year; the minutes of such seminars are presented to the Board of Directors.

      B. Each year the Bank issues a statement on internal control, which will be submitted to the Board of Directors for approval after being examined by the Audit Committee.

      C. The reports compiled by the Auditing Division after its audits of the Bank's departments and subsidiaries are submitted to independent directors.

      D. With respect to the opinions of and shortfalls detected by financial examination agencies, CPAs, internal audit units, and various departments after self-audits, as well as the items specified by the Statement on Internal Control as in need of improvement, the Auditing Division is responsible for conducting follow-up examination and submitting reports on the status of improvement to the Audit Committee and Board of Directors.

      E. Before a fiscal year runs its course, the Auditing Division is supposed to present the audit plan for the following year to the Audit Committee for review and to the Board of Directors for approval.

      F. The Bank's chief auditor has maintained smooth communication with independent directors who, in turn, have been able to keep track of the Bank's implementation of audit operations and the result thereof.

The summary of the communication through individual meetings in 2025 is as follows:

| Date | Means | Counterparty | Subject | Outcome |
|---|---|---|---|---|
| 2025.2.11 | The 5th Audit Committee in its 15th meeting | Independent directors and Chief Auditor | Implementation of the Bank's 2024 audit operations | Approved for reference |
| | | | The 2024 Off-site Supervisory Review Report on IBT Holdings Corp. by the Federal Reserve Bank of San Francisco (FRBSF) | Approved for reference |
| | | | EY Business Advisory Services Inc.'s inspection report on the "2024 audit of the Bank's use of Salesforce.com Singapore Private Limited's (SFDC's) cloud services" | Approved for reference |
| 2025.3.11 | The 5th Audit Committee in its 16th meeting | Independent directors and Chief Auditor | A report on agreed-upon procedures of the Bank's 2024 internal control system (including insurance agency business concurrently operated), issued by Deloitte & Touche | Approved for reference |
| | | | The Bank's 2024 "Internal Control System Statement (including insurance agency business)" | No objection; proposal approved by the Audit Committee |
| 2025.4.29 | The 5th Audit Committee in its 18th meeting | Independent directors and Chief Auditor | Implementation of the Bank's audit operations in the first quarter of 2025 | Approved for reference |
| 2025.6.19 | The 5th Audit Committee in its 19th meeting | Independent directors and Chief Auditor | Amendments to "O-Bank Implementation Rules for Internal Auditing of Concurrent Operation of Securities Business" | No objection; proposal approved by the Audit Committee |
| | | | Amendments to "O-Bank Whistleblowing Case Handling Regulations," | No objection; proposal approved by the Audit Committee |
| 2025.8.20 | The 5th Audit Committee in its 20th meeting | Independent directors and Chief Auditor | Implementation of the Bank's audit operations in the first half of 2025 | Approved for reference |
| | | | EY Business Advisory Services Inc.'s inspection report on the "2025 audit of the Bank's use of Salesforce.com Singapore Private Limited's (SFDC's) cloud services" | Approved for reference |
| | | | The compliance inspection Report and Community Reinvestment Act (CRA) Performance Evaluation Report on EverTrust Bank by the Federal Deposit Insurance Corporation (FDIC) | Approved for reference |
| 2025.9.30 | The 5th Audit Committee in its 21th meeting | Independent directors and Chief Auditor | Follow-up on the improvement progress for inspection findings in the compliance examination report on EverTrust Bank by the Federal Deposit Insurance Corporation (FDIC) | Approved for reference |
| 2025.11.11 | The 5th Audit Committee in its 22th meeting | Independent directors and Chief Auditor | Follow-up (Table B) improvements on inspection opinions from the FSC's 2025 normal inspection (Inspection Report No. 114B004) | Approved for reference |
| | | | Implementation of the Bank's audit operations in the third quarter of 2025 | Approved for reference |

| Date | Means | Counterparty | Subject | Outcome |
|---|---|---|---|---|
| 2025.12.23 | The 5th Audit Committee in its 23th meeting | Independent directors and Chief Auditor | Results of the Bank's 2025 audit of each unit | Approved for reference |
| | | | Results of the Bank's 2025 audit of subsidiaries | Approved for reference |
| | | | Improvement status of the inspection (Inspection Report No. 114B004) findings raised by the Central Bank in its ad-hoc inspection of the Bank's foreign exchange remittance message operations | Approved for reference |
| | | | Follow-up on the improvement progress for inspection findings in the compliance examination report on EverTrust Bank by the Federal Deposit Insurance Corporation (FDIC) | Approved for reference |
| | | | The Bank's 2026 Audit Plan | No objection; proposal approved by the Audit Committee |
| | | | The Bank's 2026 Audit Plan for its concurrent operating insurance agency business | No objection; proposal approved by the Audit Committee |
| | | | Amendments to "O-Bank Internal Audit Implementation Regulations | No objection; proposal approved by the Audit Committee |

A summary of the communication between directors (including independent directors) and the chief internal auditor in 2025 is as follows:

| Date | Means | Counterparty | Subject | Outcome |
|---|---|---|---|---|
| 2025.3.12 | Audit Meeting | Directors of the Bank (including independent directors), chief auditor and colleagues of the audit department | Review of internal control system deficiencies for the second half of 2024 | The minutes of the meeting were submitted to the 9th board of directors in its 17th meeting on 2025.4.9 for approval |
| 2025.8.21 | Audit Meeting | Directors of the Bank (including independent directors), chief auditor and colleagues of the audit department | Review of internal control system deficiencies for the first half of 2025 | The minutes of the meeting were submitted to the 9th board of directors in its 21th meeting on 2025.10.1 for approval |

### (2) Communication between CPAs and independent directors:

The Bank's CPAs keep up effective communication and discussion with independent directors during either the Audit Committee's quarterly meetings or individual meetings, separate conferences, thereby keeping the latter informed of the scope of financial statements being reviewed and their plan for and scope of any forthcoming audit, as well as any update to applicable laws and regulations.

A summary of the communication between CPAs and independent directors as well as the reports presented therein in 2025 is as follows:

| Date | Means | Counterparty | Subject | Outcome |
|---|---|---|---|---|
| 2025.3.11 | Individual communication meeting | Independent directors of the Bank, CPA | Audit status and key audit matters for the 2024 consolidated and parent company only financial statements | No disagreement |
| 2025.4.29 | The 5th Audit Committee in its 18th meeting | Independent directors of the Bank, CPA, head of the operation management department, head of the financial and accounting department, and head of accounting | Status of review of the consolidated financial statements for the first quarter of 2025 | No objection, submit to the board of directors for approval |
| 2025.8.20 | Individual communication meeting | Independent directors of the Bank, CPA | Audit status and key audit matters for the consolidated and parent company only financial statements for the first half of 2025 | No disagreement |
| 2025.11.11 | Individual communication meeting | Independent directors of the Bank, CPA | Review status of the consolidated financial statements for the third quarter of 2025 and 2025 financial statement audit plan | No disagreement |

### (3) Disclosures required under the Banking Industry Corporate Governance Best-Practice Principles

Please refer to the Bank's website (https://www.o-bank.com) and the Market Observation Post System (https://mops.twse.com.tw).

### (4) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for Banks

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| 1. Shareholding Structure and Shareholders' Equity | | | | None |
| (1) Does the Bank enact a set of internal operational procedures for handling shareholder proposals, doubts, disputes, and litigations, as well as act in accordance with the said procedures? | ✓ | | (1) On the Bank's website, the section for investors contains "Contact Us" and the section for corporate governance offers direct access to services meant specifically for stakeholder-shareholders. Shareholders may, by phone or email, present proposals, doubts, disputes, and litigations, and the Bank's designated personnel will respond to them as warranted. | |
| (2) Does the Bank have access to the major shareholders who have actual control over the Bank as well as that of their ultimate control persons? | ✓ | | (2) As required by regulations, the Bank files monthly reports on stockholding changes of major shareholders. Verification of the roster of shareholders is conducted to coincide with book closure, thereby taking hold of the stockholding of the major shareholders who have actual control over the Bank. Also, the Bank discloses related legal announcement and such forms on its website to make public to general shareholders, thereby taking hold of the list of the major shareholders' ultimate control persons. | |
| (3) Does the Bank establish and implement risk management and firewall mechanisms for its dealings with affiliated businesses? | ✓ | | (3) The management responsibilities between the Bank and its affiliated enterprises are clearly defined. The Bank has also established the "Regulations Governing the Investing Activities of O-Bank," the "Directives Governing the Investing Activities of O-Bank," and the "Enforcement Rules Governing the Investing Activities of O-Bank." | |

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| 2. Composition and Duties of the Board of Directors<br>(1) Does the Board of Directors adopt a policy of diversity and specific management goals thereof? | ✓ | | (1) The selection of Board members is conducted in accordance with the Bank's Articles of Incorporation through a candidate nomination system. Selection criteria are not limited by gender, age, race, or nationality. The Board should include elite professionals with expertise and extensive experience in various fields aligned with the Bank's commitment to diversity. All Board members should possess the knowledge, skills, and competencies necessary for performing their duties. To achieve corporate governance objectives and meet the Bank's future development needs, at least two Board members must have work experience in banking, financial administration, or management. The Board as a whole should demonstrate a diverse range of professional competencies, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, and information technology and cybersecurity expertise.<br>The members of the Bank's 9th Board of Directors embody the principles of diversity and are composed of distinguished professionals from the financial, industrial, and academic sectors. Among them, 10 directors hold master's degrees and 2 hold bachelor's degrees, covering disciplines such as economics, business, management, accounting, law, and information technology. The Board collectively possesses strong capabilities in business judgment, management, and decision-making, with Lo, Tina Y., Lo, Kenneth C.M., Cheng , George C.J., Lee, Mark J.C. and Chien, Chih-Ming as key representatives in these areas. Lin, Hank H.K., Lee, Mark J.C., Lin, Gordon W.C., Hu, Fu-Hsiung, and Chiang, Tina W.N. specialize in accounting and finance. Lin, Bill K.C., Chien, Chih-Ming, Lin, Hank H.K. and Hu, Fu-Hsiung have expertise in risk management and crisis response. Financial professionals include Lo, Tina Y., Lo, Kenneth C.M., Lin, Gordon W.C., Hu, Fu-Hsiung, Chiang, Tina W.N. and Chen, Alex J.J. Lo, Tina Y., Lo, Kenneth C.M., Cheng George C.J., Lin, Gordon W.C., and Wang, Jennifer C.F. contribute strong international market perspectives. Lo, Tina Y., Lin, Bill K.C., and Hu, Fu-Hsiung possess knowledge in sustainability and environmental protection. Information technology and cybersecurity are represented by Chen, Alex J.J., Lin, Hank H.K., Hu, Fu-Hsiungand Chiang, Tina W.N.. Legal expertise is held by Hu, Fu-Hsiung and Wang, Jennifer C.F.. All Board members are equipped with the necessary knowledge, skills, and competencies for fulfilling their duties and bring with them diverse expertise across finance, accounting, business, law, and industry.<br>Among the Bank's current 12 directors, 4 are Independent Directors, accounting for 33% of the Board. All Independent Directors have served for less than nine years. In terms of age distribution, 2 directors are under the age of 60, 7 are between 61 and 70, and 3 are above 71, reflecting a well-balanced blend of experience and innovative thinking. To align with the United Nations Sustainable Development Goal on gender equality, the Bank has set a policy requiring the Board to include at least one female director, with the aim of gradually increasing the proportion of female directors to one-third by 2030. At present, the Board includes 3 female directors, accounting for 25% of the Board. In addition to professional qualifications, deep experience in fields and independence, gender diversity is also a factor to be considered in the future board nomination process. Female director candidates will be given priority in the evaluation process to balance professional expertise and diversity needs, and to attain the aforesaid aim.<br>Furthermore, on December 23, 2020, during the 5th meeting of the 8th Board of Directors, the "Diversity Policy, Independence Standard, Continuing Education Initiative Program, and Succession Planning for the Board of Directors" were established. On August 21, 2023, it was renamed the "Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy," with partial amendments made on March 12, 2025. These measures aim to enhance the diversity of board composition, improve the independence and decision-making of the board, and strengthen board functions, continuously improving corporate governance and sustainable development goals. | None |

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| (2) Besides setting up the Compensation Committee and Audit Committee, as required by law, does the Bank voluntarily establish other functional committees? | ✓ | | (2) In addition to setting up the Compensation Committee and Audit Committee, as required by law, the Bank has established the Corporate Governance and Nomination Committee and Board Sustainability Committee. These functional committees have been formed to help the Board of Directors better conduct governance and supervision. | |
| (3) Does the TSEC/TPEx listed Bank enact regulations and methods for evaluating Board of Directors performance, conduct such evaluation on an annual basis, present evaluation results to the Board of Directors, and use these as reference for considering the remuneration and reelection nomination of each director? | ✓ | | (3) To continuously enhance corporate governance, strengthen the Board's functions, and establish performance objectives to improve the effectiveness of Board operations, the Bank's 18th meeting of the 7th Board of Directors approved the adoption of the "Regulations Governing the Performance Evaluation of the Board of Directors" on June 26, 2019. Certain provisions were subsequently amended on December 24, 2025.<br>According to Article 3 of the Guidelines, the Board of Directors and its functional committees shall conduct at least one internal performance evaluation annually, and engage an external professional independent institution or team of external experts or scholars to conduct an evaluation at least once every three years.<br>The internal performance evaluation of the Board for 2025 has been completed and was presented to the Corporate Governance and Nomination Committee on March 10, 2026, and approved by the Board of Directors on March 11, 2026. Overall, the Bank's Board of Directors and functional committees are operating effectively by fully fulfilling their duties of supervising and advising on the Bank's strategic plans, major business decisions, risk management, and sustainable development. Moreover, all the functional committees are operating efficiently with clear divisions of responsibilities, effectively enhancing the Board's functions, decision-making efficiency, and execution capability. In the meantime, the Board members clearly understand their responsibilities, actively participate in the Bank's operations and decision-making, and continuously strive for self-improvement, refining their professional expertise and governance acumen. This commitment ensures the quality of decision-making, further supports the Bank's long-term sustainability, and upholds best governance practices. The external performance evaluation of the Board for 2024 was also conducted by the Taiwan Corporate Governance Association. The bank had completed its improvement plan by 2025.<br>The results of the performance evaluations serve as an important reference for enhancing the performance of the Board, its functional committees, and individual directors, as well as for adjusting directors' remuneration and planning future nominations. In addition, they are considered—together with the Bank's operational performance, the level of directors' participation in corporate affairs, their individual contributions, and the responsibilities they bear—as part of the basis for determining directors' compensation. These factors are reviewed periodically based on actual business conditions and relevant regulations to ensure alignment with the Bank's corporate governance objectives.<br>For further information regarding the results of the Board performance evaluation, please refer to the section "Corporate Governance Report – Board Operations – Other mentionable items – Evaluation of Board of Directors" in this Annual Report. There are no deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. | |
| (4) Does the Bank evaluate the independence of its CPAs on a regular basis? | ✓ | | (4) According to the "Corporate Governance Best Practice Principles for Banks" and the Bank's "Corporate Governance Best Practice Principles," the Bank annually assesses the independence and suitability of the certifying accountants. The assessment results are reported to the Audit Committee and the Board of Directors for review and approval. Starting from the certification of the 2023 annual financial report, the certifying accountants are Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma from Deloitte & Touche.<br>The Bank's procedure for assessing the independence and suitability of the certifying accountants references the Financial Supervisory Commission's Letter No. 11103826071 and incorporates the "Audit Quality Indicators (AQI)" adopted in the promotion of "Corporate Governance 3.0." The assessment results were reported to the Bank's Audit Committee on December 23, 2025, and the Board of Directors on December 24, 2025. Mr. Kuan-Hao Lee and Mr. Wei-Chun Ma from Deloitte & Touche meet the Bank's independence and suitability assessment standards (Note 1) and are deemed capable of serving as the Bank's certifying accountants. An independence declaration letter has been obtained from the accountants. | |

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| 3. Does the Bank appoint a reasonable number of eligible corporate governance personnel and place a managerial officer in charge of corporate governance affairs (including but not limited to preparation of materials for directors and supervisors to perform their duties, assistance to directors and supervisors for legal compliance, undertaking of matters related to board meetings and shareholders' meetings, and compilation of board and shareholders' meeting minutes)? | ✓ | | The Corporate Governance Subcommittee under the ESG Development Working Committee is served by Corporate Secretariat and is charged with the responsibility of implementing the Bank's corporate governance operations, including enacting the Bank's guiding principles for business development and handling corporate governance affairs related to ethical management and risk management. In particular, these include legal compliance, transparency of information disclosure, information protection, and protection of shareholder rights and interests.<br>To further strengthen the Bank's corporate governance framework, the Board of Directors approved the adoption of the "O-Bank Corporate Governance Best Practice Principles" on December 27, 2017. The policy covers areas such as legal compliance and sound internal management, protection of shareholders' rights, enhancement of Board functions, effective functioning of the Audit Committee, respect for stakeholder rights, and improvement of information transparency.<br>In addition, pursuant to a resolution of the Board of Directors on June 27, 2024, Mr. Edward F.C. Tyane, Executive Vice President, was appointed as the Bank's Corporate Governance Officer. Mr. Tyane holds a CPA license and has served in senior positions in finance and accounting-related departments within financial institutions for more than three years. The responsibilities of the Corporate Governance Officer include: handling matters relating to Board and shareholders' meetings in accordance with the law; preparing meeting minutes; assisting directors with onboarding and ongoing training; providing directors with the necessary information for the performance of their duties; assisting directors in complying with laws and regulations; reporting to the Board the results of the review on whether independent directors meet qualification requirements at the time of nomination, election, and throughout their tenure; managing matters related to changes in Board membership; and other duties specified in the Bank's Articles of Incorporation or contractual agreements.<br>A summary of the duties performed in 2025 is as follows:<br>1. Assist directors and independent directors in performing their duties and providing the information needed as well as make arrangements for their training：<br>(1) Bring members of the Board of Directors up to date with the latest statutory developments in the areas of corporate management and governance on a regular basis.<br>(2) Determine the classification levels of relevant information based on which to provide directors with such and help facilitate communication between directors and heads of various business departments.<br>(3) Assist directors and independent directors in setting annual training programs and scheduling courses based on the Bank's business characteristics and their educational and occupational backgrounds.<br>2. Help ensure the compliance of procedures and resolutions of Board of Directors and shareholders' meetings：<br>(1) Ascertain whether Board of Directors and shareholders' meetings comply with applicable laws and corporate governance principles.<br>(2) Remind directors of applicable laws and regulations they are supposed to comply with over the course of performing duties or before the Board of Directors adopts any resolution; speak up when the Board of Directors adopts any illegal resolution.<br>(3) Assist in relaying information on major resolutions of the Board of Directors to the Bank's spokesperson for disclosing material information, thereby ensuring information symmetry for investors.<br>3. Draft the agenda of a scheduled Board of Directors meeting and present it to directors by the statutory deadline; convene the said meeting and provide the materials thereof.<br>4. Register the date of any forthcoming shareholders' meeting, as required by law; produce the meeting notice, agenda handbook, and minutes by a given deadline; notify the responsible unit of any amendment to the Articles of Incorporation or board reelection。 | None |

<table>
<tr><th rowspan="2">Item Evaluated</th><th colspan="3">Status</th><th rowspan="2">Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief Explanation</th></tr>
<tr><td></td><td></td><td></td><td>5. Formulate and implement the Bank's ethical management policy and preventive measures thereof as well as report to the Board of Directors on a regular basis.<br>A summary of the Bank's implementation of ethical management in 2025 is as follows：<br>(1) Implement quantitative indicators for ethical management.<br>(2) Establish a mechanism for assessing the risk of unethical conduct.<br>(3) Signing of compliance with ethical operation policies.<br>(4) Conduct bank-wide "Ethical Operation Advocacy" education and training.<br>(5) Directors' seminar on "Ethical Operation and Fair Customer Treatment."<br>(6) Implement the whistleblower system effectively.<br>(7) Conduct audits and effectiveness assessments of ethical operation.<br>A summary of the Bank's training for the head of corporate governance in 2025 is as follows:
<table>
<tr><th>Date</th><th>Organizer</th><th>Course</th><th>Hour</th></tr>
<tr><td>2/14</td><td>Taiwan Corporate Governance Association</td><td>Introduction to Sustainability Information, Sustainability Standards, and Sustainability Reports for TWSE/TPEx Listed Companies</td><td>3</td></tr>
<tr><td>4/25</td><td>Taiwan Corporate Governance Association</td><td>Design of Senior Management Compensation and ESG Performance Systems</td><td>3</td></tr>
<tr><td>5/16</td><td>Taiwan Corporate Governance Association</td><td>Cybersecurity Governance and Management amid Geopolitical Risks</td><td>3</td></tr>
<tr><td>5/20</td><td>Taiwan Corporate Governance Association</td><td>Practical Analysis of Sustainability Report Assurance</td><td>3</td></tr>
<tr><td>6/26</td><td>Taiwan Corporate Governance Association</td><td>Disclosure of Material Information and Responsibilities of Directors and Supervisors</td><td>3</td></tr>
<tr><td>7/31</td><td>Taiwan Stock Exchange Corporation</td><td>2025 Taiwan Capital Market Enhancement Summit</td><td>3</td></tr>
</table></td><td></td></tr>
<tr><td>4. Has the Bank established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), assigned a stakeholder section on its website, and addressed major corporate social responsibility issues that stakeholders are concerned about in a proper manner?</td><td>✓</td><td></td><td>The Bank's website has a "Stakeholders" section meant specifically for stakeholders with a view to providing customers, shareholders, employees, suppliers, the general public, and government agencies with comprehensive information on CSR issues of concern to stakeholders and on the channels and frequency of communication therewith. Meanwhile, the Bank has assigned specific liaison personnel to ensure smooth communication with all stakeholders.</td><td>None</td></tr>
</table>

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| 5. Information Disclosure | | | | None |
| (1) Does the Bank install a website for disclosing information on finances, operations, and corporate governance? | ✓ | | (1) The Bank has installed a company website to disclose information with regard to financial operations, corporate governance, and other material matters. The Bank also conducts information publication and disclosure on the Market Observation Post System in accordance with applicable regulations. | |
| (2) Does the Bank adopt other means of information disclosure (such as installing an English website, designating personnel to collect and disclose material information, appointing a spokesperson to communicate with the general public, and making public the recordings of investor briefings on its website)? | ✓ | | (2) The Bank's website is presented in both Chinese and English for the reference of domestic and overseas investors. Meanwhile, responsible departments place specific personnel in charge of information gathering and disclosure. The Bank has also appointed a spokesperson and an acting spokesperson who are responsible for announcing financial information and information with regard to corporate operations in a timely fashion. Meanwhile, information with regard to presentations at the Bank's investor briefings is made public and disclosed on both its website and the Market Observation Post System in accordance with applicable regulations. | |
| (3) Does the Bank, in accordance with applicable provisions of the Banking Act and the Securities and Exchange Act, publish and report its annual financial statements by the specified deadline after the end of a fiscal year, and publish and report, by the respective specified deadlines, its financial statements for the first, second, and third quarters of the current year as well as its operating results of each month before the specified deadline? | ✓ | | (3) The Bank, in accordance with applicable provisions of the Banking Act and the Securities and Exchange Act, publishes and reports its financial statements for the most recent fiscal year and for the first, second, and third quarters of the current year as well as its operating results of each month before the respective specified deadlines. | |
| 6. Is there other important information that can facilitate better understanding of the Bank's corporate governance practices (including but not limited to employee rights and interests, employee care, investor relations, rights and interests of interested parties, records of training for directors and supervisors, implementation of risk management policy and risk evaluation criteria, implementation of customer relations policy, purchases of professional indemnity insurance for directors and supervisors, and donations to political parties, stakeholders, and charitable groups)? | ✓ | | (1) Employee rights and interests and employee care:<br>The Bank gives priority to employee rights and interests and devotes itself toward employee care. In addition to having employees covered by labor and national health insurance, as dictated by law, the Bank also provides employees with group insurance, regular health check-ups and periodic consultations with physicians.<br>The Bank appropriates funds, as stipulated by law, for the establishment of an employee welfare committee that offers information regarding cultural and artistic activities and sponsors various group activities to promote employee wellbeing and facilitate their holistic development.<br>The Bank honors its commitment to communicating with employees by hosting employee assemblies on a regular basis, introducing the "WeCare 2.0" campaign, and installing mailboxes specifically for them. To further cement employee identification with the Bank, the Employee Shareholders Association has been formed. Employees are encouraged to save over the long term and prepare for retirement by holding the Bank's shares and sharing in its growth.<br>(2) Investor relations:<br>The Bank's website comes with an investor section that provides investors with real-time information concerning corporate updates, finances, stock affairs, investor activities and services, etc.<br>(3) Rights and interests of interested parties:<br>The rights and interests of the Bank's stakeholders are protected under applicable laws and regulations as well as the Bank's internal rules. The Bank's website offers specific information on how all stakeholders can get in touch. | None |

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| | | | (4) Training for directors:<br>The Bank is committed to continuously enhancing the diversity of expertise among directors and improving their skills and decision-making capabilities. The Bank plans director training with reference to regulatory requirements from regulatory authorities and corporate governance trends, as well as the "Director Training Roadmap" provided by the TWSE. Timely provision of professional development courses for directors is a priority. In 2025, the total training hours for all directors (including those who resigned within the year) amounted to 136.5 hours. Details of the training have been disclosed in accordance with regulations on the Corporate Governance section of the Market Observation Post System. (https://mops.twse.com.tw).<br>(5) Implementation of risk management policy and risk evaluation criteria:<br>The Board of Directors has enacted the Bank's risk management policy, capital adequacy and risk management information disclosure policy, credit risk management guidelines, regulations for managing liquidity and interest rate sensitiveness risks, regulations for market risk management, regulations for managing operational risks, lending business risk management mechanism, evaluation mechanism for asset quality and classification, and mechanism for safeguarding information security as the bedrock of the Bank's risk management. The control of various risks (including the control of loan portfolio, market, interest rate, liquidity, and operational risks; and risk control at EverTrust Bank) is submitted to the Board of Directors for approval and reference.<br>The Bank has also established a Risk Management section under the Corporate Governance tab on the company's website. This section covers three main areas: Risk Management Mechanism, Climate Change Risks, and Equator Principles.<br>In the Risk Management Mechanism section, the Bank's risk management policies and procedures, management scope, organizational structure, and operational status are disclosed.<br>The Climate Change Risks section reveals the Bank's climate risk policies and governance, identification of climate risks and opportunities, analysis of physical and transition risks related to climate change, and scenario analysis for climate change.<br>Under the Equator Principles section, the Bank discloses its implementation of project financing in accordance with the Equator Principles, including systems and frameworks for compliance and the execution status for the current year.<br>The Bank has also assigned a section on its website for capital adequacy and risk management under Statutory Public Disclosure. Information disclosed therein includes the Bank's capital adequacy management, credit risk management system, market risk management system, operational risk management system, IRRBB management system, and liquidity risk management system.<br>(6) Implementation of customer relations policy:<br>To provide customers with comprehensive financial services, the Bank enacts and implements a customer relations policy that takes account of both business characteristics and customer needs.<br>(7) Purchases of professional indemnity insurance for directors:<br>The Bank began purchasing professional indemnity insurance for directors in June 2009 with a view to offering directors and managerial officers buffers against the risk and liability they assume.<br>Renewal of the said professional indemnity insurance in 2025 was already reported to the Board of Directors and disclosed in the corporate governance section of the Market Observation Post System (https://mops.twse.com.tw). | |

| Item Evaluated | Status | | | Deviations (if any) from the Corporate Governance Best-Practice Principles for Banks and reasons for such discrepancies |
|---|---|---|---|---|
| | Yes | No | Brief Explanation | |
| | | | (8) Donations to Political Parties, Stakeholders, and Public Interest Groups: (Unit: NT$)<br>In 2025, the Bank made the following donations: NT$15 million to the O-Bank Education Foundation; NT$8 million to the Sports Administration, Ministry of Education; NT$900,000 to the Chinese National Association of Industry and Commerce, Taiwan (CNAIC); NT$600,000 to the Criminal Investigation and Prevention Association, R.O.C.; NT$162,000 to the National Taiwan University Academic Foundation for Economic Research; NT$30,000 to the Eisenhower Fellowship Foundation, R.O.C.; NT$30,000 to the NCKU Culture and Education Foundation; NT$30 million to the Taiwan SMEG, and in-kind donations to Jiqing Elementary School in Ruifang District, New Taipei City; Pinglin Elementary School in Pinglin District, New Taipei City and underprivileged families in Huxing Village, Neihu District, Taipei City. The total value of donations (including in-kind donations) amounted to NT$54,770,000 for the year.<br>(9) Implementation Status of the Taiwan Intellectual Property Management System (TIPS):<br>On October 3, 2025, the Bank obtained TIPS (Grade A) certification for patents and trademarks (Certificate No.: TIPS-2025-cert.-017; valid until December 31, 2027). The Bank also regularly reports the implementation status of intellectual property-related matters to the Board of Directors in the fourth quarter of each year, with the most recent report submitted to the 23rd meeting of the 9th Board of Directors on December 24, 2025. For details on the Bank's intellectual property management plan and implementation status, as well as reports to the Board of Directors (Note 2). | |

7. Explanation of Improvements Based on the Latest Corporate Governance Evaluation Results Released by the Corporate Governance Center of the Taiwan Stock Exchange, and Priority Actions for Further Enhancement:

- The Bank continues to enhance corporate governance and promote sustainable development. For six consecutive years (the 7th to 12th evaluations; 2020 to 2025), the Bank has ranked in the top 5% of all listed companies in the Corporate Governance Evaluation. In addition, for three consecutive years (2023 to 2025), the Bank has also been ranked in the top 10% among financial and insurance companies.
- In 2025, the Bank continued to participate in the CG6015 Corporate Governance Certification Program and received the highest-tier "Outstanding" certification (valid from December 29, 2025 to December 28, 2027).
- In 2025, the Bank continued to advance various corporate governance initiatives: completing the development of concrete measures to enhance corporate value, approved by the Board of Directors; and continuing to refine the Bank's policies and plans related to green finance, environmental and energy management, and the introduction of internal carbon pricing.
- Ongoing Enhancements and Measures: Holding quarterly investor conferences; promoting strategies and measures for natural carbon sinks; refining human rights due diligence processes; supporting investment in domestic innovative start-ups; and other matters with full disclosure.

Note 1: Criteria for Evaluating the Independence of CPAs

| Item Evaluated | Evaluation Result | Compliance with Independence Requirements |
|---|---|---|
| A. Independent assessment | | |
| 1. Do the CPAs have a direct or material indirect financial interest in the Bank? | No | ✓ |
| 2. Do the CPAs have any business relationship with the Bank, its directors, or managers that could affect their independence? | No | ✓ |
| 3. Do the CPAs have a close business relationship and a potential employment relationship with the Bank? | No | ✓ |
| 4. Do the CPAs and members of their audit team currently serve as the Bank's directors or managerial officers or hold positions that may exert significant influence over the subject matter of their engagement, or did the same hold true in the most two recent years? | No | ✓ |
| 5. Do the CPAs provide the Bank with non-audit services that may influence the independence of their audit work? | No | ✓ |
| 6. Do the CPAs broker equities or other securities issued by the Bank? | No | ✓ |
| 7. Do the CPAs serve as the Bank's advocate or seek to reconcile the Bank's conflicts with third parties on its behalf? | No | ✓ |
| 8. Do the CPAs have family relationship with anyone who is a director or managerial officer of the Bank or whose position may exert significant influence over the subject matter of their engagement? | No | ✓ |
| 9. Have the CPAs received significant gifts or presents from the bank, its directors, managers, or major shareholders (the value of which does not exceed the standard of general social etiquette)? | No | ✓ |
| B. Suitability assessment | | |
| 1. Whether the senior inspectors have sufficient audit experience to perform the audit work | Yes | ✓ |
| 2. Whether accountants/senior auditors receive sufficient education and training every year to continuously acquire professional knowledge and skills | Yes | ✓ |
| 3. Whether the firm maintains enough senior human resources | Yes | ✓ |
| 4. Whether the firm has enough professionals (such as evaluators) to support the inspection team | Yes | ✓ |
| 5. Whether the workload of accountants is appropriate | Yes | ✓ |
| 6. Check whether the input of team members in each check stage is appropriate | Yes | ✓ |
| 7. Whether the EQCR accountant devotes enough time to the review of audit cases | Yes | ✓ |
| 8. Whether the firm has sufficient quality control manpower to support the inspection team | Yes | ✓ |
| 9. Whether the firm's quality control and audit cases are implemented in accordance with relevant laws and standards | Yes | ✓ |
| 10. The accounting firm's commitment to improving audit quality, including the accounting firm's innovation capability and planning | Yes | ✓ |

Note 2: Implementation Status of the Taiwan Intellectual Property Management System

Intellectual Property Management Plan:

In 2022, the Bank introduced the Taiwan Intellectual Property Management System (TIPS) and gradually established an intellectual property management mechanism aligned with its operational objectives and strategies. This mechanism ensures that all units have clear guidelines for intellectual property management, helps protect the Bank's research and development outcomes, and strengthens its market competitiveness, with the aim of achieving its vision of becoming "Taiwan's premier boutique digital bank."

(1) Trademark Management:

The Bank has established the "Intellectual Property Management Operating Rules" in accordance with TIPS requirements. For the acquisition, protection, maintenance, and use of trademarks, the Bank has implemented management mechanisms covering preliminary evaluation before trademark design and development, external disclosure and proposal review, and rights maintenance. The Bank reviews the validity of trademarks annually and maintains a trademark inventory, handling renewals as needed to ensure trademarks remain in use during their valid terms. In addition, the Bank has established the "Corporate Identity System Management Guidelines" and the "Corporate Identity System Usage Guidelines" to maintain consistent corporate identity standards across the Bank.

(2) Patent Management:

The Bank has established the "Intellectual Property Management Operating Rules" in accordance with TIPS requirements. For the acquisition, protection, maintenance, and use of patents, the Bank has implemented management mechanisms covering preliminary evaluation before research and development, external disclosure and proposal review, and rights maintenance. For innovative technologies with market potential, the Bank engages external patent firms from time to time to conduct evaluations, file applications, and handle subsequent maintenance. The Bank also reviews the validity of patents annually and maintains a patent inventory, handling renewals as needed.

(3) Copyright Management:
The Bank has established the "Software Intellectual Property Rights Management Rules" to ensure the lawful use of computer software and prevent employees from violating the Copyright Act through the use of illegal software. In addition, the Bank has included copyright clauses in its employment arrangements with employees, stipulating that works created during employment in the course of duties shall belong to the Bank.

(4) Trade Secret Management:
The Bank's internal rules, including the "Work Rules," "Code of Ethical Conduct," and "Ethical Corporate Management Best Practice Principles," require employees to maintain confidentiality over the Bank's business secrets and sensitive information. The Bank has also established relevant rules on information security control and office security management. From a technical perspective, access controls are implemented to reduce the risk of leakage of sensitive information.
When hiring employees, the Bank requires them to sign intellectual property rights and confidentiality agreements, which include provisions on confidentiality obligations, notification obligations, intellectual property rights, and non-infringement warranties. For departing employees, the Bank reminds them through exit interviews of their confidentiality obligations and the ownership of intellectual property rights. For employees involved in important intellectual property matters, separate interviews are conducted to reiterate their confidentiality responsibilities and obligations. When engaging in business cooperation or outsourcing arrangements, the Bank uses confidentiality clauses, penalties, and indemnification provisions to ensure that business partners comply with confidentiality obligations.

Implementation Status of Intellectual Property Management:
The Bank regularly reports the implementation status of intellectual property-related matters to the Board of Directors in the fourth quarter of each year. The most recent report was submitted to the 23rd meeting of the 9th Board of Directors on December 24, 2025. The main implementation items in 2025 were as follows:

(1) Key Implementation Timeline:
February 2025: Completed the change of the management representative for the intellectual property rights system.
April–May 2025: Convened the 2025 intellectual property management system kickoff meeting and announced the annual intellectual property management policy and objectives.
May 2025: Conducted one intellectual property training session for all employees and one training session for responsible units of the intellectual property management system implementation team.
June 2025: Conducted an internal self-assessment of the intellectual property management system.
July 2025: Convened the 2025 management review meeting.
August 2025: Submitted the application for TIPS (Grade A) re-certification.
October 2025: Passed the TIPS (Grade A) re-certification review.
December 2025: Reported the intellectual property management plan and 2025 implementation status to the 23rd meeting of the 9th Board of Directors.

(2) Intellectual Property Disputes:
There was one intellectual property dispute, which was properly handled in accordance with the intellectual property management system.

(3) TIPS Self-assessor Qualification:
One member of the intellectual property management implementation team obtained/maintained TIPS self-assessor qualification. The Legal and Compliance Department assigned one employee to participate in the relevant course, and the employee has obtained the self-assessor qualification.

Intellectual Property Inventory and Results

(1) Trademarks:
As of the end of December 2025, the Bank had obtained a cumulative total of 217 registered trademarks worldwide.

(2) Patents:
As of the end of June 2025, the Bank had obtained a total of 3 patents, including 1 invention patent and 2 utility model patents.

Certification Obtained

(1) Passed the first TIPS (Grade A) certification review on November 21, 2022, with the certificate valid until December 31, 2023.
(2) Passed the TIPS (Grade A) re-certification review on December 7, 2023, with the certificate valid until December 31, 2025.
(3) Passed the TIPS (Grade A) re-certification review on October 3, 2025, with the certificate valid until December 31, 2027.

## (5) Composition, Responsibilities and Operations of the Compensation Committee and other Functional Committees

### A. Compensation Committee

Based on a resolution adopted by the Board of Directors, the Compensation Committee was established on April 22, 2009. It was followed by the board's adopting the Compensation Committee Organizational Rules on August 26 of the same year and changing the committee's Chinese name on December 28, 2011. Composed of the entire number of independent directors, the committee is intended to assist the Board of Directors in drafting and periodically reviewing performance evaluation for directors and managerial officers as well as the policy, system, criteria, and structure of compensation-setting; assessing remunerations for directors and managerial officers on a regular basis; and setting down the criteria for evaluating the performance of service personnel and standards for deciding on their compensation. The committee shall convene at least twice a year and may convene at any time when necessary. In 2025, the committee met on January 16, February 11, March 11, April 29, June 19, August 20, November 11, and December 23.

Pursuant to Article 4 of the Bank's Compensation Committee Organizational Rules, the Committee shall exercise the duty of care to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

(1) Establish and periodically review the policies, systems, standards, and structures with regard to evaluating the performance of directors and managerial officers and setting their remuneration.

(2) Assess the remuneration of directors and managerial officers on a regular basis.

(3) Establish the performance evaluation and remuneration standards for salespeople, that is, Employees whose remuneration or performance evaluation derives from the sale of financial products and services.

a. Compensation Committee Members

As of April 14, 2026

| Title | Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member |
|---|---|---|---|---|
| Independent Managing Director (Convener) | Hu, Fu-Hsiung | Mr. Hu, Fu-Hsiung is not only the Bank's independent managing director but also Walsin Lihwa Corp.'s independent director.<br><br>Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a director of department of Economics and Energy, a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance (managing director of Central Trust of China) and Council of Agriculture (supervising Agricultural Finance affairs). Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Hu:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank.<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. | 1 |

| Title | Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member |
|---|---|---|---|---|
| Independent Director | Lin, Hank H.K. | Mr. Lin, Hank H.K. is the Bank's independent director. He holds the following concurrent positions: chairman, Taipei EY Cultural and Educational Foundation; independent director, Johnson Health Tech Co., Ltd.; director, PANJIT International Inc.; director, Globe Union Industrial Corp.; director of Taichung Private Jumei Social Welfare and Charity Foundation; supervisor, Union MechTronic Inc.; and supervisor, EverBot Technology Co., Ltd., etc.<br><br>Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Mr. Lin:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank.<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. | 1 |

| Title | Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member |
|---|---|---|---|---|
| Independent Director | Chiang, Tina W.N. | Ms. Chiang, Tina W.N. is the Bank's independent director. She holds the following concurrent positions: chairperson, Shanda Information Co., Ltd.; director, iAPOTel Corp.; director, Shengli Technology Co., Ltd.; chairperson, Taipei Financial Education Development Association; supervisor, Shengli Investment Co., Ltd.; chairperson, Shanda Information(Japan) Co., Ltd., etc.<br><br>Previously Ms. Chiang served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and director, EASYCARD Corp., supervisor, Financial Information Service Co., Ltd. and engineer, Tatung- Fujitsu Ltd., etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms. Chiang:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank.<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. | 0 |

| Title | Criteria / Name | Professional Qualifications and Experiences | Independence (Note) | Number of Other Public Companies in Which the Individual is Concurrently Serving as a Compensation Committee Member |
|---|---|---|---|---|
| Independent Director | Wang, Jennifer C.F. | Ms. Wang, Jennifer C.F. is the Bank's independent director. She holds the following concurrent positions: Independent director, TXC Corporation; independent director, Lotus Pharmaceutical Co., Ltd.; partner, Chen & Lin Attorneys-at-Law.<br><br>Previously Ms.Wang served as apprentice intern lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang also served as independent director of TXC Corp. She has been involved in handling mergers and acquisitions between domestic and multinational companies. joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, international market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward. | The Bank appoints its independent directors in accordance with the qualification requirements listed in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act. On top of requesting a written declaration of independence in the nomination and appointment process, the Bank conducted evaluation against the following criteria to ascertain the independence of Ms. Wang:<br><br>■ Not a person, spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship who acts as a director, supervisor, or employee of the Bank or any of its affiliates.<br>■ Not holding any shares, together with those held by his spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship.<br>■ Not acting as a director, supervisor, or employee of any company with a specific relationship with the Bank.<br>■ Not providing commercial, legal, financial, accounting or related services to the Bank or any affiliate of the Bank in the past two years. | 1 |

Note: For more information on the comprehensive professional qualifications and experiences of the committee members, please refer to "Directors, Supervisors and Management Team" section of this annual report.

b. Attendance of Members at Compensation Committee Meetings

1. There are four members in the Compensation Committee.

2. The term of the 6th Compensation Committee is from June 16, 2023, to June 15, 2026. The committee held 8 meetings in 2025. The attendance record of the Compensation Committee members was as follows:

| Title | Name | Attendance in Person(B) | By Proxy | Attendance Rate (%) (B/A) | Remarks |
|---|---|---|---|---|---|
| Convener | Hu, Fu-Hsiung | 8 | 0 | 100 | |
| Committee Member | Lin, Hank H.K. | 8 | 0 | 100 | |
| Committee Member | Chiang, Tina W.N. | 8 | 0 | 100 | |
| Committee Member | Wang, Jennifer C.F. | 8 | 0 | 100 | |

Other mentionable items:

a. Major proposals reviewed by the Compensation Committee：

| Date and Meetings of the Compensation Committee | Proposal | Outcome of the deliberations | Company's dealing with the deliberations of the Compensation Committee |
|---|---|---|---|
| 2025.1.16 The 6th Compensation Committee in its 12th meeting | Proposal for the 2024 performance evaluation and year-end bonus for the Bank's Chairperson and managers | Approved upon the chair's putting it before all committee members present at the meeting | Except for the proposals approved by the Chairman with the authorization by the Board, the rest are submitted to the Board of Directors and approved by all directors present |
| | Proposal for distribution of the Bank's 2024 long-term incentive bonuses to the president and managers at the department/branch head level or above | | |
| 2025.2.11 The 6th Compensation Committee in its 13th meeting | Proposal for the remuneration of newly appointed managers of the Bank | | |
| 2025.3.11 The 6th Compensation Committee in its 14th meeting | Regular review of the Bank's Compensation Committee Article | | |
| | Regular review of the Bank's director remuneration policy | | |
| | Proposal for the Bank's 2025 salary adjustment plan | | |
| | Proposal for the 2025 salary adjustment for the Bank's Chairman and President | | |
| 2025.4.29 The 6th Compensation Committee in its 15th meeting | Proposal for amendments to the Bank's "Corporate Article" | | |
| | Proposal for the distribution of the Bank's 2024 director and employee compensation | | |
| | Proposal for the remuneration of newly appointed managers of the Bank | | |

| Date and Meetings of the Compensation Committee | Proposal | Outcome of the deliberations | Company's dealing with the deliberations of the Compensation Committee |
|---|---|---|---|
| 2025.6.19<br>The 6th Compensation Committee in its 16th meeting | Proposal for the remuneration of newly appointed managers of the Bank | | |
| | Proposal for the allocation of the Bank's 2024 employee compensation for managers | | |
| 2025.8.20<br>The 6th Compensation Committee in its 17th meeting | Proposal for amendments to the Bank's "Employee Retirement Plan" | | |
| | Proposal for amendments to the Bank's"Employee Subscription Guidelines for Cash Capital Increase" | | |
| 2025.11.11<br>The 6th Compensation Committee in its 18th meeting | Proposal for the remuneration of newly appointed managers of the Bank | | |
| 2025.12.23<br>The 6th Compensation Committee in its 19th meeting | Proposal for amendments to the Bank's "Evaluation of Board of Directors Performance Regulation" | | |
| | Proposal for the remuneration of newly appointed managers of the Bank | | |

b. If the board of directors declines to adopt or modifies a recommendation of the compensation committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the compensation committee's opinion (eg., the compensation passed by the Board of Directors exceeds the recommendation of the compensation committee, the circumstances and cause for the difference shall be specified): None.

c. Resolutions of the compensation committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

**B. Corporate Governance and Nomination Committee**

a. The Qualifications and Responsibilities of the Corporate Governance and Nomination Committee members The Bank's Corporate Governance and Nomination Committee was established on November 4, 2020 with the approval of the Board of Directors. With such approval, the Committee shall comprise at least 3 directors with over half independent directors and it is the independent director who shall be the convener and chairman of the Committee.

In accordance with Article 5 of the Bank's Corporate Governance and Nomination Committee Organizational Rules, the committee shall exercise the duty of care to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:

(1) Establish the standards of independence and a diversified policy covering the expertise, experience, gender, etc. of members of the board, and find or review the list of candidates presented by Corporate Secretariat. After the discussion in board meetings, submit to shareholders' meetings to elect qualified directors.

(2) Set up and review programs for the director continuing education plan, attendance standard, and succession policy.

(3) Establish the Bank's Corporate Governance Principles

(4) Establish the Bank's Regulations Governing the Performance Evaluation of the Board of Directors

(5) Establish the Bank's Ethical Corporate Management Best Practice Principles (including the realm of business ethics), Code of Ethical Conduct and Anti-Corruption Policy, and supervise the implementation of related policies and projects.

(6) Oversee and supervise the Bank's participating in corporate governance evaluations and performance evaluations of the Board, and then report to the Board for review and further improvement.

(7) Establish the Accountability Regime and supervise the operation of the Management Responsibilities Map.

(8) Establish the Executive Succession Development and Management Tier Program and supervise the implementation.

(9) Board of Directors pointed out the other matters that need to be handled by the Committee

In addition, in accordance with Article 6 of the Bank's Corporate Governance and Nomination Committee Organizational Rules, the committee shall convene at least once a year and may convene at any time when necessary.

b. Professional Qualifications and the attendance of the Corporate Governance and Nomination Committee Members

The Corporate Governance and Nomination Committee of the Bank consists of three members. The term of the second committee is from June 16, 2023, to June 15, 2026. In 2025, the Corporate Governance and Nomination Committee held a total of four meetings. The professional qualifications and experience of the committee members, their attendance, and the matters discussed are as follows:

| Title | Name | Professional Qualifications and Experiences | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks |
|---|---|---|---|---|---|---|
| Convener | Hu, Fu-Hsiung | Previously Mr. Hu served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center. Given his experience and expertise in banking, corporate governance, and risk management, he fully meets the Committee's professional qualification requirements. | 6 | 0 | 100 | (Note) |

| Title | Name | Professional Qualifications and Experiences | Attendance in Person | By Proxy | Attendance Rate (%) | Remarks |
|---|---|---|---|---|---|---|
| Committee Member | Lo, Tina Y. | Previously Ms. Tina Lo was the Bank's first Hong Kong Branch chief executive, managing director, and vice chairman as well as the O-Bank Group's chief strategy officer. With her expertise in business administration, decision-making, international markets, crisis and risk management, banking, corporate governance, sustainable development, and green finance, she fully meets the Committee's professional qualification requirements. | 6 | 0 | 100 | (Note) |
| Committee Member | Lin, Hank H.K. | Mr. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he fully meets the Committee's professional qualification requirements. | 6 | 0 | 100 | (Note) |

Note: Please refer to "Directors, Supervisors and Management Team" section of this annual report for the comprehensive professional qualifications and experiences of the committee members.

Other mentionable items:

a. A Summary of the major proposals reviewed by the Corporate Governance and Nomination Committee in 2025 and the results thereof is as follows:

| Date and Meetings of the Corporate Governance and Nomination Committee | Proposal | Items suggested or rejected by the Committee members | Outcome of the Deliberations | Company's dealing with the deliberations of the Corporate Governance and Nomination Committee |
|---|---|---|---|---|
| 2025.3.11 The 2nd Corporate Governance and Nomination Committee in its 10th meeting | Operating performance of the Bank's Operation of the Corporate Governance and Nomination Committee in the Second Half of 2024 | None | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Discussion on amendments to the Bank's "Article of Corporate Governance and Nomination Committee" | | | |
| | Discussion on amendments to the Bank's "O-Bank Board Member Diversity Policy, Independence Standards, and Director Succession Policy" | | | |
| | Discussion on the Bank's "Board of Directors Internal Performance (Self-Evaluation) Assessment Results" for 2024 | | | |

| Date and Meetings of the Corporate Governance and Nomination Committee | Proposal | Items suggested or rejected by the Committee members | Outcome of the Deliberations | Company's dealing with the deliberations of the Corporate Governance and Nomination Committee |
|---|---|---|---|---|
| 2025.5.2<br>The 2nd Corporate Governance and Nomination Committee in its 11th meeting | Proposal for the Bank's 2024 "11th Corporate Governance Evaluation Results" | None | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| 2025.6.19<br>The 2nd Corporate Governance and Nomination Committee in its 12th meeting | Discussion on the amendment to the Bank's "Anti-Corruption Policy" | None | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| 2025.12.23<br>The 2nd Corporate Governance and Nomination Committee in its 13th meeting | Report on the implementation status of the Bank's "Senior Talent Succession Development and Management Development Program" | Suggestion:<br>The three committee members suggested that the Bank's talent development programs should be carried out in a more diversified manner.<br>The Bank has adjusted the authorization level in accordance with the three independent directors' opinions.<br>Objection: None. | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Report on the Bank's 2025 ethical management implementation status | None | | |
| | Discussion on amendments to the Bank's board of directors performance | | | |

b. If the board of directors declines to adopt or modifies a recommendation of the Corporate Governance and Nomination Committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the committee's opinion: None.

c. Resolutions of the Corporate Governance and Nomination Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

## C. Board Sustainability Committee

a. The Qualifications and Responsibilities of the Board Sustainability Committee members

The Bank's Board Sustainability Committee was established on August 21, 2023 with approval of the Board of Directors. The Committee comprise 7 directors, with four of them being independent directors. The chairman of the Bank shall both convene and chair the committee.

In accordance with Article 4 of the Sustainability Committee Organizational Rules, the committee shall act on the authorization of the Board of Directors and exercise the due care of a good administrator to perform the following duties and present recommendations to the Board of Directors for deliberation:

(1) Deliberate upon O-Bank's sustainability (ESG) strategies, including important matters such as climate change, corporate governance, and green finance.

(2) Oversee O-Bank's annual sustainability plan and its success in meeting sustainability goals.

(3) Deliberate upon O-Bank's sustainability report and supervise its sustainability-related disclosure matters.

(4) Deliberate upon policy decisions regarding O-Bank's other sustainability-related matters.

b. Professional Qualifications and Experiences of the Board Sustainability Committee Members and the Committee's Operations:

The Board Sustainability Committee is composed of seven members. While the tenure of the first members runs from August 21, 2023 to June 15, 2026, the committee convened four times in 2025. A summary of committee members' professional qualifications, experiences, and attendance records as well as matters discussed by the committee is as follows:

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Professional Qualifications and Experiences |
|---|---|---|---|---|---|
| Convener | Lo, Tina Y., Chairperson | 4 | 0 | 100% | Chairperson Lo, Tina Y., who used to serve as the first chief executive of the Bank's Hong Kong Branch, managing director, and vice chairperson as well as the O-Bank group's chief strategy officer, have solid expertise in business administration, decision-making, and risk management. Since 2015, she has concurrently chaired the Corporate Social Responsibility Committee (renamed ESG Development Working Committee in 2024) to oversee the Bank's sustainability initiatives. With her at the helm, the Bank has secured B Corp. certification that attests to its commitment to sustainable operations and a corporate vision of mutual benefit for all stakeholders. Well-versed in corporate sustainability, corporate governance, and green finance issues, chairperson Lo fully meets the committee's professional qualification requirements. |

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Professional Qualifications and Experiences |
|---|---|---|---|---|---|
| Committee Member | Lo, Kenneth C.M., Managing Director | 3 | 1 | 75% | A banking industry veteran of over 50 years who held such positions as president of CTBC Bank Co., Ltd. and chairman of the Bank, Mr. Lo, Kenneth C.M. meets the Financial Supervisory Commission's requirements for natural person professional directors. Additionally, in his former capacity as chairman of the O-Bank Education Foundation, Mr. Lo also committed himself to activities aimed at promoting culture and the arts as well as the public good. With expertise and experience in management, decision-making, risk management, corporate governance, corporate sustainability, and social care, Mr. Lo fully meets the committee's professional qualification requirements. |
| Committee Member | Lin, Bill K.C., Managing Director | 4 | 0 | 100% | Mr. Lin, Bill K.C. previously held deputy managerial or higher positions at Taishin International Bank's head office. Given his professional experience in banking operations, Mr. Lin meets the Financial Supervisory Commission's requirements for natural person professional directors. Additionally, Mr. Lin also has extensive experience in social care endeavors, including serving as a partner at the social enterprise Guppy Inclusive Ltd., chairman, of the International Community Health Care Association, and a jurist of the Ministry of Education's University Social Responsibility (USR) initiative and the Global Views Educational Foundation's University Social Responsibility Awards. Always attentive to domestic and international sustainability trends, Mr. Lin fully meets the committee's professional qualification requirements. |
| Committee Member | Hu, Fu-Hsiung, Independent Managing Director | 4 | 0 | 100% | Mr. Hu, Fu-Hsiung previously served as chairman of Taiwan Cooperative Securities Co., Ltd. and Joint Credit Information Center and director of Taiwan Cooperative Bank, Mega International Commercial Bank, and Taiwan Ratings Corp. He also had experience working for such government agencies as a special member of the Economic Development Committee of the Executive Yuan, specialist of International Trade Administration of Ministry of Economic Affairs, Ministry of Finance and Council of Agriculture. Given his extensive experience spanning both the financial services industry and the public sector, he fully meets the Financial Supervisory Commission's requirements for natural-person professional directors. In the days ahead, the Bank is ready to further enhance management efficiency by enlisting Mr. Hu's experience and expertise in banking, corporate governance, and risk management. |
| Committee Member | Lin, Hank H.K., Independent Director | 4 | 0 | 100% | Mr. Hank H.K. Lin spent over 20 years at EY Taiwan as CPA, managing partner, and chief CPA at its Taichung branch. With his ample experience in auditing and competences in finance, accounting, and corporate governance, he helped the Bank's Audit Committee facilitate communication between CPAs and internal audit officers as the Bank strives to improve corporate governance by ensuring fair presentation of financial statements, effective implementation of internal control, and sound management of operational risk. |

| Title | Name | Attendance in Person | By Proxy | Attendance Rate (%) | Professional Qualifications and Experiences |
|---|---|---|---|---|---|
| Committee Member | Chiang, Tina W.N., Independent Director | 4 | 0 | 100% | Ms. Chiang, Tina W.N. previously served as president, Bank SinoPac Co., Ltd., senior vice president & head of credit card division, Fubon Commercial Bank, senior vice president & general manager, MasterCard International Inc., China, vice president & country manager, MasterCard International Inc., Taiwan and engineer, Tatung-Fujitsu Ltd., etc. Ms. Chiang has extensive banking qualifications, industry knowledge, information security. The Bank will continue enlisting her professional competence to bolster its capacity for enhancing the Bank's corporate governance, and information risk management. |
| Committee Member | Wang, Jennifer C.F., Independent Director | 4 | 0 | 100% | Ms. Wang, Jennifer C.F. previously served as apprentice lawyer of Simpson Thacher & Bartlett LLP, USA and lawyer of Chen & Lin Attorneys-at-Law. Ms. Wang has been involved in handling mergers and acquisitions between domestic and multinational companies. joint ventures, capital market cases, compliance with the Fair Trade Act, etc. She is equipped with the capacity for rich legal experience in the field, international market outlook, crisis and risk management, and other professional capabilities. The Bank will continue enlisting her legal expertise talent and experience to sustain development going forward. |

Note: Please refer to "Directors, Supervisors and Management Team" section of this annual report for the comprehensive professional qualifications and experiences of the committee members.

Other mentionable items:

a. A Summary of the major proposals reviewed by the Board Sustainability Committee in 2025 and the results thereof is as follows:

| Date and Meetings of the Corporate Governance and Nomination Committee | Proposal | Items suggested or rejected by the Committee members | Outcome of the Deliberations | Company's dealing with the deliberations of the Corporate Governance and Nomination Committee |
|---|---|---|---|---|
| 2025.3.12 The 1st Board Sustainability Committee in its 6nd meeting | Report on the implementation status of the Bank's Sustainability Committee in 2024 | None. | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Report on the Bank's participation in domestic and international sustainability-related evaluations in 2024 | None. | | |
| | Report on the introduction progress of IFRS general requirements for disclosure of sustainability-related financial information (S1) and climate-related disclosures (S2) | None. | | |
| | Report on the Bank's carbon neutrality and energy saving and carbon reduction implementation for the fourth quarter of 2024 and 2025 greenhouse gas inventory plan | None. | | |
| | Discussion on the corporate social responsibility targets for 2025 | None. | | |
| | Discussion on the investigation result of major subject on the Bank's 2024 Sustainability Report | None. | | |
| 2025.6.23 The 1st Board Sustainability Committee in its 7rd meeting | Report on the introduction progress of IFRS general requirements for disclosure of sustainability-related financial information (S1) and climate-related disclosures (S2) | None. | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Report on the results of the greenhouse gas inventory of the entities invested and financed by the Bank | None. | | |
| | Report on the Bank's environmental sustainability performance for the first quarter of 2025 | None. | | |
| | Report on the Bank's climate and nature-related risks report | None. | | |
| | Discussion on the Bank's "2024 Sustainability Report" | None. | | |
| 2025.9.30 The 1st Board Sustainability Committee in its 9th meeting | Report on the introduction progress of IFRS general requirements for disclosure of sustainability-related financial information (S1) and climate-related disclosures (S2) | None. | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Report on the Bank's carbon neutrality and energy saving and carbon reduction implementation for the second quarter of 2025 and report on the 2024 greenhouse gas inventory progress | None. | | |
| | Report on the Bank's climate and nature-related risks report | None. | | |
| | Discussion on the amendments to the Bank's "Sustainability Information Management Guidelines" | None. | | |
| | Discussion on the amendments to the Bank's "Best Practice Principles for Sustainability Development" | None. | | |

| Date and Meetings of the Corporate Governance and Nomination Committee | Proposal | Items suggested or rejected by the Committee members | Outcome of the Deliberations | Company's dealing with the deliberations of the Corporate Governance and Nomination Committee |
|---|---|---|---|---|
| 2025.12.23 The 1st Board Sustainability Committee in its 9th meeting | Report on the introduction progress of IFRS general requirements for disclosure of sustainability-related financial information (S1) and climate-related disclosures (S2) | None. | Approved as proposed with the consent of all attending committee members upon inquiry by the chair. | Submitted to the Board of Directors and approved by all attending directors. |
| | Report on the Bank's participation in domestic and international sustainability-related evaluations in 2025 | None. | | |
| | Report on the key implementation results of the Bank's 2025 corporate social responsibility targets | None. | | |
| | Report on the Bank's trial result of "Science Based Targets" (SBT) and assessment of joining it | None. | | |
| | Report on the Bank's environmental sustainability performance for the third quarter of 2025 | None. | | |

b. If the Board of Directors declines to adopt or modifies a suggestion of the Board Sustainability Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Bank's response to the committee's opinion: None.

c. Resolutions of the Board Sustainability Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

## (6) Implementation of Sustainable Development

### 1. Implementation of Sustainable Development and Differences from the Practices of Listed Companies:

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Explanation | |
| 1. Does the Bank establish a governance structure and set up an exclusive (concurrent) unit to promote sustainable development, with the Board of Directors authorizing senior executives to take charge and supervise on its operations? | ✓ | | In January 2015, the Bank established the "ESG Development Working Committee" (originally the Corporate Social Responsibility Committee). The members include the Chairman, President, and top supervisory officials from various departments. In 2025, four meetings were held. The ESG Development Working Committee is responsible for promoting sustainable development across the Bank. It sets annual CSR goals and reports them to the Board of Directors. Additionally, the annual sustainability report, which includes CSR management goals, strategies, and implementation results, is submitted to the Board for approval, enabling the Board to oversee sustainable development.<br>To further enhance the supervisory mechanism for sustainable development, the Bank established a "Board Sustainability Committee" under the Board of Directors in August 2023. The committee members are comprised of directors, with a majority being independent directors. In 2025, four meetings were held.<br>The bank also has a dedicated sustainability unit within the Corporate Sustainability and Communication Division, specifically the Sustainability Development Section, which coordinates the promotion of sustainable development initiatives across the Bank. | None |
| 2. Does the Bank, based on the materiality principle, undertake risk assessment of environmental, social, and corporate governance issues in relation to its business operations and adopt a risk management policy or strategy accordingly? | ✓ | | The Bank identifies key issues each year by conducting a materiality assessment. A stakeholder survey is distributed to evaluate the level of stakeholder concern regarding various topics. Members of ESG Development Working Committee then assess the potential impact of each issue on the Bank's operations. Topics that are both highly relevant to stakeholders and pose a significant impact on the Bank's operations are identified as key issues. Subsequently, the ESG Development Working Committee evaluates the impact of these issues on the economy, environment, and people (including human rights), and determines the material topics based on the assessment results. In 2025, these key topics included corporate governance, environmental protection, employee care, customer relationships, social participation, and green finance. Each subgroup within the ESG Development Working Committee develops relevant policies, management strategies, and annual goals based on the potential risks and opportunities of these issues (with the assessment boundaries primarily focused on the Company). Quarterly meetings are held to track the progress and effectiveness of these implementations. Detailed explanations of the impacts of these key topics on the company, management strategies, key performance indicators, and their outcomes and benefits can be found in Section 7 of this report. | None |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| 3. Environmental Concerns<br>(1)Does the company establish proper environmental management systems based on the characteristics of their industries? | ✓ | | (1)The Bank is committed to integrating environmental considerations into its daily operations, striving for coexistence and mutual prosperity between business growth and environmental sustainability. Since 2018, the Bank has introduced the ISO 14001:2015 Environmental Management System and obtained annual certification (the latest certificate is valid from November 20, 2025 to December 4, 2026), in order to establish a comprehensive mechanism for managing electricity, water, and waste. Starting from 2024, overseas locations have been incorporated, with the certification scope covering all of the Bank's global operating locations.<br>In addition, since 2019, the Bank has conducted annual greenhouse gas (GHG) inventories and obtained ISO 14064 verification statements. The inventory scope has gradually expanded and has covered all global operations since 2022 to ensure continuous monitoring of GHG emissions.<br>Starting in 2023, the Bank adopted an internal carbon pricing mechanism based on the implied cost method. This is calculated using the cost of renewable energy usage to determine the marginal cost per metric ton of $CO_2$-equivalent reduction. Carbon fees are then allocated based on electricity consumption by department or branch, and the proceeds are internally allocated toward measures such as upgrading to energy-efficient equipment, purchasing renewable energy, and awarding incentives through energy-saving competitions. | None |
| (2)Does the company endeavor to utilize energy more efficiently and use renewable materials which have low impact on the environment? | ✓ | | (2)Beyond replacing energy-saving equipment and implementing energy conservation initiatives, the Bank's headquarters introduced an ISO 50001 Energy Management System in 2021, and the system is verified annually by a third-party organization ((the latest certificate is valid from December 2, 2025, to December 16, 2026).<br>The Bank's ISO 14001 certification is also subject to annual third-party verification (valid from November 20, 2025, to December 4, 2026) and covers all global operations. ISO 14064 GHG inventories are verified by the British Standards Institution (BSI), also covering all global sites. The 2025 GHG data completed third-party S2 verification on March 27, 2026.<br>The Bank has set a goal to reduce electricity consumption per capita across global operations by 6% by 2030, using 2020 as the baseline. Additionally, the Bank is committed to sourcing 50% of electricity from renewable energy for all domestic operations by 2030, and 100% by 2050, using 2022 as the baseline.<br>In 2024, total electricity consumption for global operations was 6.1135 million kWh, with a per capita usage of 4,922.27 kWh. In 2025, total electricity consumption rose to 6.3846 million kWh, with a per capita usage of 5,051.14 kWh, an increase of approximately 2.62% year-on-year.<br>The Bank is actively increasing its use of renewable energy. In 2025, solar energy consumption reached 1,777,787 kWh, a 57.20% increase from 1,130,920 kWh in 2024, accounting for 27.84% of total electricity usage. The Bank prioritizes environmentally responsible and certified green suppliers in its procurement processes. All office paper is made from recycled materials, and toner cartridges are selected for recyclability to promote green procurement and reduce environmental impact from office supplies. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| (3)Does the company evaluate the potential risk and opportunities in climate change with regard to the present and future of its business, and take appropriate action? | ✓ | | (3) The Board of Directors serves as the Bank's highest supervisory body for climate risk management. The Board Sustainability Committee, under the Board, reviews the Bank's climate change development strategies, while the Green Finance Team, under the ESG Development Working Committee led by the Chairman, coordinates climate risk initiatives. Climate change–related issues and management actions are reported semiannually to the Risk Management Committee, the Board Sustainability Committee, and the Board of Directors and are also disclosed in the Bank's Sustainability Report.<br>In accordance with the "Climate Risk Financial Disclosure Guidelines for Domestic Banks" issued by the Financial Supervisory Commission, and the various disclosure topics set out in Volume 16—Commercial Banks of the Industry-based Guidance on Implementing IFRS S2 Climate-related Disclosures (hereinafter referred to as the "Volume 16 of the IFRS S2 Industry-based Guidance") while taking into account their applicability, the Bank evaluates climate-related risks and opportunities annually. A full reassessment is conducted each year. At the end of 2025, the Bank completed its latest climate risk assessment, identifying 33 risk issues and 28 opportunity issues related to climate change. These issues were assessed for relevance to business activities by the respective departments and supervisors. Through climate scenario analysis, the probability and impact of each issue were evaluated, and the Bank developed a climate risk matrix and a climate opportunity matrix accordingly.<br>Based on the results, the Bank identified following major climate-related risks: (1) extreme weather events, and (2) carbon pricing mechanisms of the government. Likewise, major opportunities were identified: (1) diversification of financial asset, and (2) improving ESG ratings. The Bank has developed response strategies to mitigate potential financial impacts.<br>Further details on climate risks and opportunities will be found in Chapter 7, "Green Finance," of the Bank's Sustainability Report. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| (4)Does the company take inventory of their greenhouse gas emissions, water consumption, and total waste produced over the last two years, and implement policies on carbon reduction, greenhouse gas reduction, water reduction, or waste management? | ✓ | | (4)The Environmental Protection Team under the ESG Development Working Committee has established long-term environmental management targets to reduce per capita water consumption and waste generation at global operating sites by 8% and 5%, respectively, by 2030. The Bank has also committed to achieving net-zero carbon emissions by 2050. More information will be found in Chapter 6, "Environmental Sustainability," of the Bank's Sustainability Report.<br>According to the ISO 14064 inventory of the Bank's Taiwan operations, Scope 1, Scope 2, and Scope 3 emissions—including purchased goods and services, fuel- and energy-related activities, waste generated in operations, business travel, and employee commuting—were calculated using the market-based method. In 2025, global GHG emissions totaled 4,410.97 metric tons of $CO_2$e, with per capita emissions of 3.55 metric tons. In 2025, emissions totaled 3,948.30 metric tons of $CO_2$e, with per capita emissions of 3.12 metric tons, representing a 10.49% year-on-year decrease. For Scope 1 and Scope 2 emissions only, total emissions were 2,848.45 metric tons in 2024 and 2,405.48 metric tons in 2025, a 15.55% decrease.<br>In terms of water usage across the Bank's global operations, total consumption in 2024 was 18.84 million liters, with per capita usage of 0.015 million liters. In 2025, total water usage decreased to 19.17 million liters, and per capita usage declined to 0.015 million liters, remain the same level.<br>Regarding waste generation, the Bank produced 64.72 metric tons of waste in 2024, with per capita total waste totaling 0.052 metric tons, and per capita general waste totaling 0.036 metric tons. In 2025, total waste declined to 57.41 metric tons, per capita total waste totaling 0.045 metric tons, and per capita general waste dropped to 0.027 metric tons, representing decreases of 11.29% and 15.63%, respectively. Complete assurance information will be disclosed in Chapter 6, "Environmental Sustainability," of the Bank's Sustainability Report.<br>The Bank's resource reduction initiatives include using energy-efficient and high-performance equipment in its data centers and gradually phasing out energy-intensive hardware and lighting.<br>To reduce water usage, the Bank has continued to improve the water efficiency of its facilities.<br>To minimize waste, the Bank promotes recycling, the reuse of scrap paper, and paper-saving measures. To address packaging waste and food waste generated from employees' daily meals at the headquarters building, the Bank has continued to promote the "Clean Plate Campaign" to encourage employees not to waste food and implemented a "Food Waste Recycling and Reuse" program under which food waste is converted into compost for potted plants and made available to employees. In addition, the Bank has placed dedicated recycling bins for paper, PET bottles, metal/aluminum and glass containers, and food paper containers in the recycling areas on each floor to ensure proper waste sorting. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| 4. Social Concerns<br>(1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | ✓ | | (1)The Bank is committed to safeguarding human rights, adhering to international human rights standards such as the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "International Labour Organization Conventions," "United Nations Guiding Principles on Business and Human Rights," "ILO Declaration on Fundamental Principles and Rights at Work," and "Core Labour Standards." To this end, the Bank has established the "O-Bank Co., Ltd. Human Rights Policy" to prevent any human rights violations, with the Human Resources Department as the responsible unit. The Policy applies to the Bank's global operating locations, subsidiaries, foundations in which cumulative direct or indirect donation funding exceeds 50%, and other institutions or legal entities over which the Bank exercises substantive control, as group enterprises and organizations; the Bank's suppliers, dispatch service providers, and business partners are also required to comply with the spirit and fundamental principles of this Policy. This includes promoting workplace diversity, ensuring non-discriminatory treatment, providing a safe working environment, and creating diverse communication channels. Additionally, the Bank annually assesses potential human rights risks faced by its employees, using HR data to identify risk levels associated with human rights-related issues, and establishes mitigation measures and management objectives based on the findings to reduce harm and impact on employees.<br>To enhance employees' basic awareness of human rights, the Bank incorporates topics such as regulatory compliance, gender equality, sexual harassment prevention, workplace violence prevention, and support for vulnerable groups in the training for new hires. The Bank also continuously deepens the human rights concepts among its current employees, implementing human rights education.<br>For a detailed description of the Bank's human rights risk identification process, this will be disclosed in the "5. Employee Care" chapter of the Bank's Sustainability Report. | None |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| (2)Does the Company set out and implement reasonable employee benefits (including pay, leave, and other benefits), and reasonably reflect operating performance or results into its employee compensation policy? | ✓ | | (2)In the Bank's Regulations for Managing Employee Compensation, stipulations are spelled out concerning how salaries and other forms of compensation are to be granted. As an extra incentive for employees to bring out their potential and strive for excellence, bonuses equivalent to a certain percentage of annual profits, if any, are to be paid out on the basis of every employee's position and performance. In 2025, more than 93% of employees who participated in the annual assessment received salary adjustments, with an average salary adjustment rate of 3.29%, and the highest rate of individual salary adjustments exceeded 18% (including promotion salary adjustments.) Moreover, the Bank tracks the salaries granted by industry peers on a regular basis for the reference of revising its own compensation policy so as to keep up a competitive compensation regime. The Bank has thus been included as a component of the TWSE RAFI® Taiwan High Compensation 100 Index for six straight years.<br>The Bank gives top priority to ensuring employee diversity and gender equality at the workplace. In 2025, women accounted for 49.29% of the workforce and the ratio of female supervisors came in at 39.79%. Above all, the Bank took the lead to offer homosexual employees leave and other benefits no different from those granted to their heterosexual colleagues. In addition to mandated leaves such as sick leave, menstrual leave, marriage leave, bereavement leave, parental leave, prenatal check-up leave, paternity leave, and family care leave, the Bank also provides additional leaves that exceed legal requirements. These include honorary leave, compassionate leave, public service leave, adoption leave, organ donation leave, baby care leave, and parental (check-up) leave, during which salaries are still paid to maintain employees' work-life balance. Furthermore, the Bank offers employees holiday bonuses, birthday vouchers, marriage allowances, childbirth allowances, and medical subsidies. To implement the policy of equal pay for equal work, the Bank ensures that salaries and rewards are not influenced by gender. The Bank annually reviews the fixed salaries of male and female employees in the same positions to ensure fairness and gradually reduce any disparities.<br>To provide for employees' retirement welfare, the Bank's employee retirement system is administered in accordance with the Labor Standards Act, the Labor Pension Act, and the Regulations Governing Withdrawals and Management of Labor Retirement Reserves, among other applicable regulations. The Bank has also established the Regulations Governing Employee Retirement to handle employee retirement benefits. In 2025, the Bank recognized expense of NT$17,631 thousand under the defined benefit plan and recognized an expense of NT$74,411 thousand under the defined contribution plan. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| (3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? | ✓ | | (3) The Bank is committed to providing a safe, healthy, and comfortable working environment. Measures include installing pre-cooling air conditioning systems and fresh air intake systems in office buildings, regularly monitoring carbon dioxide levels, and conducting daily cleaning to reduce harmful factors in the workplace. Indoor air quality is tested every six months, building safety inspections are conducted biennially, fire drills are held semiannually, water tanks are cleaned every six months, drinking water is sampled quarterly, and elevators are maintained twice per month. In 2023, the headquarters building applied for Green Building Label certification, based on years of energy-saving achievements. Following the carbon reduction benefit evaluation method for existing buildings, the Bank received official recognition from the Ministry of the Interior on December 7, 2023. The Bank was awarded a Copper Level Green Building Label for its improvements to lighting systems, with the certification valid from December 7, 2023, to December 6, 2028.<br>To prevent occupational accidents, the Bank has established the Occupational Safety and Health Work Guidelines to clearly define workplace safety standards and health practices. In collaboration with the Human Resources Department, the Bank also obtains third-party ISO 45001 certification, with the current certificate valid from August 3, 2023, to August 2, 2026. The Bank conducts at least one occupational safety and health training session annually, aiming to minimize occupational risks. In 2025, the Bank recorded 8 occupational injury incidents. There were no fire incidents or casualties reported during the year.<br>The Bank also places strong emphasis on employee health. Annual health checkups are provided, offering more comprehensive items than legally required. Based on checkup results, on-site physician consultations are arranged, with follow-up care to ensure employees' physical and mental well-being. To help reduce the impact of chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia, the Bank has established a Health Information section on its digital learning platform. It also organizes regular health seminars, diverse fitness programs, and employee clubs to encourage healthy lifestyles. The Bank's efforts to promote a healthy and active workplace have earned it both the Healthy Workplace Certification and the Sports Enterprise Certification. In addition, the Bank has established workplace violence prevention and response measures, including disseminating a zero-tolerance workplace violence policy to all employees, setting up a dedicated hotline and complaint mailbox for consulting on unlawful workplace infringement, and conducting training on workplace violence prevention, among other measures. The Bank also regularly implements the Prevention Plan for Unlawful Infringement in the Performance of Duties. Regarding the sexual harassment complaint filed in 2025, following a rigorous investigation and fact-finding process, the complaint was confirmed to be unsubstantiated and the case was closed. To enhance employees' basic awareness of human rights, all full-time and part-time employees at the Bank's global operating locations are required to receive at least one hour of human rights education and training annually, covering topics such as sexual harassment prevention, equal rights, personal data protection, workplace violence prevention, and cultural education. In 2025, the completion rate of human rights education and training among new hires and current employees reached 100%. | |
| (4)Does the company provide its employees with career development and training sessions? | ✓ | | (4)Based on employees' needs for career development, the Bank devises training programs that take account of its core competence requirements each year. These courses cover such categories as work skills, management skills, financial expertise, and general knowledge. In 2025, the Bank recorded an average of over 106.94 training hours per person; training hours averaged 110.55 for managerial employees and 106.64 for nonmanagerial ones. To stay on top of the economic trends and market changes, we invited outside experts to give talks, and we asked in-house experts to devise online courses so that employees could strengthen their expertise in financial technology and related issues. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| (5)Does the Company comply with applicable laws and regulations and international guidelines on issues such as customer health, safety, and privacy in marketing and labeling its products and services, as well as implement a consumer protection policy and reporting procedures for consumers or clients to file complaints? | ✓ | | (5)The Bank not only complies with Personal Data Protection Act but also implements its own Regulations for Safeguarding the Security of Personal Information and other information security management mechanisms. Separately, the Bank offers comprehensive explanations of its products and discloses information concerning service fee charging standard on its official website. That is, the Bank implements a well-rounded explanatory mechanism for its products so that customers can fully understand product characteristics, risks, and fees before engaging in any transaction. In terms of advertisement, the Bank adopts Guidelines for Advertisement Solicitation and Sales Campaigns to ensure that the Bank's publicity activities meet the spirit of honesty and protecting financial consumers. In terms of protecting consumer rights and interests and creating channels for consumer complaints, the Bank has enacted such internal regulations as Regulations on Handling Customer Complaints and Financial Consumer Disputes, Guidelines for Reporting and Handling Customer Complaints and Dispute Incidents, and Procedures for Accepting and Handling Disputes in the Trust Business, and thereby formulating a well-rounded mechanism for consumers to file complaints and effectively protecting their rights and interests. | |
| (6)Does the Company implement supplier management policies to require suppliers observe certain regulations and implementation status on environmental protection, occupational health and safety, or labor human rights? | ✓ | | (6)The Bank has established the Promoting Suppliers' Implementation of Sustainable Development Guidelines and the O-Bank Third-Party Information Operations Management Guidelines to integrate sustainability, human rights, information and communication security, and privacy protection considerations into the supplier selection process. Working together with suppliers, the Bank pursues goals of upholding ethical standards, respecting human rights, strengthening information and communication security, and promoting environmental sustainability, thereby fulfilling its commitment and responsibility in supplier management. For suppliers of information services where the procurement amount exceeds a certain threshold or falls under specific system categories, the Bank conducts regular information security visits; if a supplier has obtained a report from a third-party professional organization (such as a valid ISO/CNS 27001 certificate), this may substitute for the information security visit. To support suppliers in implementing sustainability, the Bank introduces its sustainability policy, human rights policy, and information and communication security requirements during price negotiation meetings. Suppliers are also asked to complete the O-Bank Supplier Sustainability and Human Rights Due Diligence Scoring Form to evaluate whether their operations have had any negative environmental or social impacts. Assessment criteria include compliance with occupational safety and health regulations, information and communication security, non-discrimination, prohibition of child labor and forced labor, prevention of corporal punishment and inappropriate discipline, assurance of minimum wage, and promotion of environmental sustainability. This process is intended to avoid engagement with suppliers that violate sustainable development principles, neglect information and communication security or privacy protection, or disregard human rights. In November 2025, the Bank held a supplier conference to promote the latest sustainability trends, explain the Bank's supplier management and sustainability policies and human rights policy, and communicate relevant occupational safety regulations that all suppliers are expected to comply with. Complete information will be disclosed in the "6. Environmental Sustainability" chapter of the Bank's Sustainability Report.<br>In 2025, the Bank had a total of 217 suppliers, of which 210 went through the procurement process and were all required to complete the Supplier Sustainability and Human Rights Due Diligence Scoring Form, all of which were completed. Based on assessment results, suppliers are categorized into low-, medium-, and high-risk groups. The Bank also incorporates "Commitment to Ethical Conduct" clauses into negotiated contracts or enters into a separate "Commitment to Ethical Conduct, Human Rights, and Environmental Sustainability" agreement with suppliers, requiring compliance with principles of integrity, human rights, and environmental sustainability, including prohibitions on offering or providing improper benefits (any undue items or services of value) and on inducing internal personnel to engage in misconduct. A total of 11 suppliers were subject to on-site inspections, all of which were completed, resulting in an on-site inspection rate of 100%. None of the suppliers who completed both self-assessments and on-site inspections were found to have significant actual or potential negative impacts on environmental protection, safety and health, human rights, or labor practices. | |

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |
| 5. Does the Company refer to internationally accepted guidelines or guidance for compiling a corporate sustainability report and the like for disclosing nonfinancial information? Has the aforesaid report been verified or certified by a third party? | ✓ | | The Bank's corporate sustainability report is compiled and structured in accordance with the GRI Sustainability Reporting Standards (GRI Standards) the AA1000 Accountability Principles, with reference also taken from the Corporate Social Responsibility Best Practice Principles for TWSE/ TPEx Listed Companies, ISO 26000 Guidance on Social Responsibility, the UN Global Compact, and the Sustainable Development Goals. The report is subsequently assured by the British Standards Institution (BSI) pursuant to the GRI Sustainability Reporting Standards and the AA1000's Type 1—Accountability Principles to perform third-party verification, and the Bank has obtained the BSI Independent Assurance Opinion every year. At the same time, every year the accounting firm is also entrusted to follow the Confidence Standard No. 3000 of the Accounting Research and Development Foundation of the Republic of China "confirmation cases that are not historical financial information checks or reviews" (referenced by the International Confidence Standard ISAE 3000), issue an independent limited confidence report for specific sustainable performance indicators. | None |

6. If the Company has established the corporate social responsibility principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe any discrepancy between the Principles and their implementation: None.

7. Other important information to facilitate better understanding of the Bank's sustainable development practices:

- **Corporate Governance**

1. Independent directors account for over one-third of board members: The ninth Board of Directors comprises 12 members, including four independent directors.
2.Total director training hours reached 136.5: In 2025, total director training hours reached 136.5 person-hours, exceeding the regulatory minimum by 58.5 person-hours, with a 100% completion rate.
2. Full disclosure of director compensation: The Bank publicly discloses individual director compensation and submitted its director compensation policy for approval at the 2025 Shareholders' Meeting.
3. Continue to receive ISO 27001 certification: The Bank maintains annual ISO 27001 certification for information security management, with 100% coverage of information-related units.
4. Strengthening internal audits on sustainability-related issues: Each unit's annual sustainable development goals have been included in the internal audit project, and sustainability information management was incorporated into the audit plan from 2025.

- **Customer Relations**

1. A total of 19 affinity charity cards launched: Since 2018, the Bank has launched 19 affinity charity cards, accounting for approximately 9.56% of all cards issued.
2. The smart customer service system supports six foreign languages: The Bank's smart customer service system now supports real-time Q&A in English, Japanese, Thai, Vietnamese, Filipino, and Indonesian, enhancing the experience for international customers and creating a digital banking service without language barriers.
3. Selected as the benchmark demonstration bank for financial friendly services: The Bank has promoted inclusive finance and fair treatment of customers, creating a barrier-free financial friendly environment and services. As a result, the Financial Supervisory Commission (FSC) selected it as the 2025 benchmark demonstration bank for financial friendly services.
4. Customer satisfaction continues to improve: Customer satisfaction reached 90.1% among individual clients who frequently log in to online banking and 99.67% among corporate clients.
5. ISO 10002 Customer Complaint Management System: The Bank has continuously improved its complaint handling processes and, in 2025, successfully implemented and achieved third-party certification under the ISO 10002 standard.

- **Employee Care**

1. Women represent 40% of management and 50% of senior leadership: In 2025, the workforce maintained a near-equal gender ratio. Female employees accounted for 40% of management positions and 50% of senior executives, and represented 45.6% of all promotions.
2. Gender pay equity program: The Bank has implemented a Gender Pay Equity Program to progressively close gender-based pay gaps and ensure equal pay for equal work.
3. Equal benefits for employees same-sex partners: The Bank was the first in the industry to extend the same leave and benefit entitlements to employees with same-sex partners.
4. 95% participation in employee stock ownership trust: Up to 95% of employees have joined the employee stock ownership trust. The Bank also provides a retention incentive program for outstanding employees who commit to future service, with company contributions reaching 500%.
5. Parenting Friendly Enterprise Award recognition: The Bank is dedicated to building a supportive environment for working parents and, in 2025, was awarded the Taipei City Parenting Friendly Enterprise Award, including the "Outstanding Enterprise Award" and a special recognition for "Economic Support and Subsidy Measures."
6. ISO 45001 certification for occupational safety and health: The Bank continues to enhance its occupational safety system and has obtained third-party ISO 45001 certification.
7. Recognized with dual certifications for workplace health excellence and as a sports-friendly enterprise: The Bank has earned the "Healthy Workplace Certification" from the Ministry of Health and Welfare and the "Sports Enterprise Certification" from the Ministry of Education.

| Evaluation Item | Implementation Status | | | Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons |
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| | Yes | No | Abstract Explanation | |

- **Environmental Protection**
  1. Net-zero by 2050 commitment: The Bank has committed to achieving net-zero carbon emissions across its global operations by 2050 and has set Scope 1 and 2 targets in alignment with Science-Based Targets (SBTi).
  2. Renewable energy usage reached 27.84%: The use of green electricity at global sites reached 27.84% in 2025.
  3. GHG emissions declined by 17%: Per capita GHG emissions (Scopes 1 and 2, market-based) declined by 17% year-on-year in 2025.
  4. Green Building Label (Copper Level) awarded: The Bank's headquarters received the Ministry of the Interior's Copper Level Green Building Label in recognition of its energy conservation efforts.
  5. Green procurement spending increased by 21.6%: The Bank's green procurement, as defined by the Ministry of Environment, increased by 21.6% year-on-year in 2025.
- **Green Finance**
  1. 100% coverage of financed emissions and continued management of high-carbon sectors: The Bank is the fourth financial institution in Taiwan to join the Partnership for Carbon Accounting Financials (PCAF). Its carbon accounting covers 100% of corporate lending and mid- to long-term investments, with continued monitoring and control of exposure to high-carbon sectors. As of 2025, high-carbon industries accounted for 6.27% of the Bank's total investment and financing portfolio.
  2. Implemented an internal carbon pricing mechanism and lowered the carbon intensity of its investment and financing portfolio by 3.6% compared to 2025. The bank included the carbon emissions of its investment and financing portfolio in its internal management pricing system to guide business units to reduce investment and financing in high-carbon emission industries. In 2025, the average carbon emissions per million dollars of investment and financing balance were 2.96 metric tons CO2-equivalent, a 3.6% decrease from the prior year.
  3. Coal and unconventional oil and gas exclusion policy adopted: The Bank adopted an exclusion policy for coal and unconventional oil and gas sectors, referencing Urgewald's Global Coal Exit List and Global Oil & Gas Exit List. It committed to fully divesting from these industries by 2030.
  4. The proportion of loan balance in environmentally and socially friendly industries reached nearly 10%: the Bank continues to increase the proportion of corporate lending in these industries, and such industries accounted for nearly 10% of the loan balance in 2025.
  5. The investment balance ratio of sustainability-related bonds reached 10.9% in 2025: Continue to increase the investment balance ratio of green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. The investment balance ratio of sustainability-related bonds reached 10.9% in 2025.
- **Social Engagement**
  1. The first bank in Taiwan to launch detailed carbon emission tracking for consumer spending: The Bank introduced the "Consumer Spending Carbon Calculator" feature, along with the Low-Carbon Lifestyle Card that offers higher cashback for lower-carbon behavior.
  2. The first bank in Taiwan to launch detailed carbon reduction tracking for transportation: In collaboration with iPASS, the Bank launched the "Transportation Carbon Reduction Details" showing reduced emissions from using public transportation versus driving. The Bank also launched a "Transport Carbon Reduction Card" to encourage customers to utilize public transportation.
  3. Industry-leading promotion of green consumption: The Bank initiated the "Green Consumption Power Project," collaborating with 30 social enterprises and B Corps to offer greater rewards for eco-conscious purchases.
  4. First "Social Impact Project" in Taiwan: The Bank launched the "Social Impact Project," allowing customers to designate "Social Impact Deposits" for microloans to disadvantaged groups. Its social return on investment (SROI) report was certified by Social Value International.
  5. Launched a social welfare savings scheme: The Bank launched the O for YOU social welfare savings scheme to provide step-rate savings incentives for TWD savings accounts to support financial inclusion for economically disadvantaged groups, including qualified new immigrants, indigenous peoples, and individuals with disabilities, fostering long-term wealth accumulation.
  6. Continued support for social enterprise products: The Bank received the Ministry of Economic Affairs' Buying Power award for procurement from social enterprises for the ninth consecutive year.
  7. 49 underprivileged students supported: Since 2015, the Bank has run the Summer Seed Internship Program for economically disadvantaged students, benefiting a total of 49 students.
  8. 1,490 artists supported through "TiDing Stars" program: Over the past 16 years, the O-Bank Education Foundation has supported 1,490 emerging artists through its "TiDing Stars" arts sponsorship program. Through ongoing art and cultural exhibitions, as well as participation in museum establishment and cultural preservation, the Bank was awarded the Ministry of Education's "Arts Education Contribution Award" (Outstanding Organization) in 2025.

- **The impact explanation and affected value chain (including key risks and opportunities), internal management policies, and scope of influence regarding the major themes of the Bank as follows:**

| Material Issue | Explanation and Affected Value Chain (Including Key Risks & Opportunities) | Major Internal Policy | Scope of Impact: Direct Relationship | Scope of Impact: Commercial Relationship | | Scope of Impact: Indirect Relationship | | |
|---|---|---|---|---|---|---|---|---|
| | | | The Bank and Employees | customers | suppliers | shareholders | the general public | government agencies |
| 1. Climate strategy | Actual negative impacts (Risk):<br>To mitigate the impact of climate change, companies must actively manage and respond to climate risks. Besides reducing its own operational carbon emissions, the Bank needs to assess the carbon emissions of its lending and investment portfolios, guiding customers in reducing carbon emissions and jointly creating a sustainable environment.<br>Actual Positive Impact (Opportunity): Climate strategies bring in new types of customers, including those in the renewable energy and electric vehicle industries. Additionally, the Bank can invest in green bonds, expanding business opportunities related to climate initiatives. | "Environmental Management Policy"<br>"Climate Risk Management Policy" | | O | O | | | O |
| 2. Corporate Governance | Potential Negative Impact (Risk):<br>The financial industry bears the responsibility of safeguarding people's assets. Dishonest behavior or non-transparent corporate governance may result in government penalties or loss of trust from customers and shareholders, severely impacting the company's operational performance and causing revenue loss. The Bank upholds integrity as a core value and utilizes a professional and independent board of directors to make key decisions and fulfill supervisory duties to gain the trust and support of stakeholders. | "Ethical Corporate Management Best Practice Principles"<br>"Code of Ethical Conduct"<br>"Corporate Governance Best Practice Principles" | O | O | O | O | | O |
| 3. Risk Management | Potential Negative Impact (Risk): Accurately identifying traditional and emerging risks and effectively implementing risk management can prevent or mitigate various risks that may adversely affect the company. This approach ensures that business operations remain normal during major incidents, keeping risks within manageable limits.<br>Actual Positive Impact (Opportunity):<br>Effective risk management can enhance the company's competitiveness when market or environmental risks arise, thereby increasing trust from customers and shareholders. | "Risk Management Policy"<br>"Lending Policy"<br>"Regulations for Managing Operational Risk"<br>"Guidelines for Managing Credit Risk"<br>"Regulations for Managing Market Risk"<br>"Regulations for Handling Major Contingencies"<br>"Major Accident Emergency Response and Recovery Plan Implementation Guidelines" | O | O | O | O | | O |

| Material Issue | Explanation and Affected Value Chain (Including Key Risks & Opportunities) | Major Internal Policy | Scope of Impact | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Direct Relationship | Commercial Relationship | | Indirect Relationship | | |
| | | | The Bank and Employees | customers | suppliers | shareholders | the general public | government agencies |
| 4. Environmental Sustainability | Actual Negative Impact (Risk): Continuous use of various resources in company operations can lead to negative environmental impacts. By improving resource use efficiency, businesses can mitigate their environmental impact, enabling sustainable coexistence with the environment.<br>Potential Positive Impact (Opportunity): Reducing energy consumption and waste can promote ecological conservation and biodiversity. | "Environmental Management Policy" | O | | O | | O | |
| 5. Green Finance | Actual Negative Impact (Risk): For industries with environmental and social risks, the Bank has designated prohibited counterparties and conducts ESG risk classification for lending and investment, implementing various control measures.<br>Actual Positive Impact (Opportunity):<br>The Bank, acting as a financial intermediary, can promote sustainable development across industries by directing funds towards sectors that benefit the environment and society. | "Sustainable Lending and Investment Policy" | | O | | | | O |
| 6. Legal Compliance and Internal Audit | Potential Negative Impact (Risk): The financial industry is highly regulated by supervisory authorities and must strictly comply with legal and regulatory requirements. Inadequate compliance with laws and internal audit systems will lead to non-compliance behaviors, increasing operational and reputational risks, resulting in losses for the company and its customers.<br>The Bank strictly adheres to various financial regulations and internal audit systems to ensure that all employees comply with the regulations. | "Internal Control System"<br>"Regulatory Compliance System Measures"<br>"Anti-Money Laundering and Counter-Terrorist Financing Policy"<br>"Personal Data Management Policy" | O | O | O | O | | O |
| 7. Information Security | Potential Negative Impact (Risk): Creating a secure financial transaction environment and adequately protecting customer data are responsibilities of the financial industry. Digital Financial services must especially ensure information security to avoid the risk of cybersecurity incidents. | "Information Security Policy" | O | O | | | | O |
| 8. Business Performance | Actual Positive Impact (Opportunity): Profit and growth are fundamental objectives of corporate operations. Creating long-term and stable operating performance contributes to the sustainable development of a business. The continuous improvement in the Bank's operating performance supports the advancement of the company in various aspects. | "Articles of Incorporation" Regulations for Implementing Management by Objectives | O | | | O | | |
| 9. Employee Compensation and Benefits | Actual Positive Impact (Opportunity): The Bank builds a comprehensive and fair compensation system and provides competitive compensation and benefits in order to attract fine talents, thereby driving the company's progress and development. | "Regulations Governing Employee Compensation"<br>"Work Rules" | O | | | | | |

| Material Issue | Explanation and Affected Value Chain (Including Key Risks & Opportunities) | Major Internal Policy | Scope of Impact | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Direct Relationship | Commercial Relationship | | Indirect Relationship | | |
| | | | The Bank and Employees | customers | suppliers | shareholders | the general public | government agencies |
| 10. Talent Cultivation and Training | Actual Positive Impact (Opportunity): The growth and development of the Bank rely on its people. By continuously enhancing employee competencies and providing effective training, the Bank cultivates and retains talent, thereby strengthening its overall competitiveness. | "Guidelines for Implementing Employee Training" "Work Rules" | O | | | | | |
| 11. Equal and Friendly Workplace | Actual Positive Impact (Opportunity): The Bank offers a diverse, equitable, and healthy working environment and open channels for internal communication, thereby creating a happy workplace that can effectively meet employee needs, and which attracts talent and increases the talent retention rate. | "Human Rights Policy" "Occupational Safety and Health Rules" | O | | | | | O |
| 12. Innovation and Strategy | Potential positive impacts (Opportunity): The company must clearly define its short-, mid-, and long-term development strategies and continue to innovate to build distinctiveness and competitiveness to secure a market advantage. | "Articles of Incorporation" | O | O | | O | | |
| 13. Financial Inclusion | Actual Positive Impact (Opportunity): The Bank leverages its core strengths to develop a business model conducive to social and environmental sustainability, enabling more consumers to access financial services effectively. This, in turn, guides industries towards sustainable development, embodying sustainable finance. | "Articles of Incorporation" | | O | | | O | O |
| 14. Service Quality and Customer Satisfaction | Actual Positive Impact (Opportunity): Providing customers with high-quality financial service experiences and a comprehensive complaint channel continually enhances customer satisfaction and builds excellent customer relationships.<br>Potential Negative Impact (Risk): Maintaining good service quality and improving customer satisfaction can prevent damage to the company's brand image and reputation. | "Principles for Fair Treatment of Customers" "Regulations for Handling Customer Complaints and Financial Consumer Disputes" | | O | | | | O |

## 2. Information on Implementation of Climate-Related measures

<table>
<tr><th>Item</th><th colspan="6">Implementation Status</th></tr>
<tr><td>1. Describe how the Board of Directors and management have monitored and performed governance of climate-related risks and opportunities.</td><td colspan="6">The Bank's Board of Directors has drafted Climate Risk Management Policy, which specifies that the Board shall serve as the highest supervisory unit, and the Board Sustainability Committee subordinate to the Board performs review of climate change development strategies; the ESG Development Working Committee under the Chairman organizes promotion of the Bank's climate risk-related measures, and the Risk Management Committee is in charge of reviewing climate risk-related policies.<br>The Climate Risk-Related Risk and Opportunity Governance Framework Diagram and detailed explanation will be disclosured in the "7. Green Finance" chapter of the Bank's Sustainability Report.</td></tr>
<tr><td rowspan="3">2. Describe how the identified climate risks and opportunities will affect the Bank's business services, strategies, and finances (short-term, mid-term, long-term).</td><td colspan="6">The Bank formulates response strategies to address material climate change risks and minimize associated financial impacts. For key opportunities arising from climate change, relevant departments develop products and services aligned with their business characteristics. The annual financial impact and costs of management measures for current-, short-, mid-, and long-term issues are detailed below:</td></tr>
<tr><td>Climate risk issues</td><td>Financial impact category</td><td>Estimated annualized financial impact</td><td>Risk management measures</td><td>Estimated annualized cost of risk management measures</td><td>Length of impact period</td></tr>
<tr><td>Extreme weather events (physical risk)</td><td>1. Extreme weather events may cause power outages, flooding, or fire at the Bank's operating locations, increasing equipment repair costs. Severe extreme weather events may even lead to the inability of some of the Bank's operating locations to function normally.<br>2. Extreme weather events impacting the Bank's borrowers and investees may drive up operating costs, resulting in increased credit risk. In extreme cases, such events may also cause a decline in the value of pledged real estate collateral, further exacerbating the Bank's credit risk.</td><td>1. Current-term: None.<br>2. Short-term NT$19.31 million.<br>3. Mid-term NT$23.13 million.<br>4. Long-term NT$31.2 million.</td><td>1. To enhance the Bank's operational resilience in the face of extreme weather events, a business continuity plan has been established, with timely reviews and adjustments, along with regular offsite backup drills to ensure prompt response in the event of disruptions. In addition, a dual data center architecture has been implemented to further strengthen operational resilience.<br>2. To reduce losses and impacts from extreme weather events, the Bank has purchased weather-related disaster insurance and regularly reviews its coverage to ensure it continues to meet actual needs and adjusts the scope of coverage as necessary.<br>3. As part of its investment and financing decisions assessment process, the Bank continued to review the defense capabilities of investee and financed entities against extreme weather disasters and has kept track of market price movements of bonds and stocks purchased for timely adjustments to investment decisions.<br>4. For real estate securitization funds managed by the Bank, the locations of the underlying real estate investments are assessed for potential extreme weather risks to mitigate financial impact.</td><td>1. Current-term NT$5.06 million.<br>2. Short-term NT$7.16 million.<br>3. Mid-term NT$7.38 million.<br>4. Long-term NT$7.33 million.</td><td>Current-,short-, mid-, long-term</td></tr>
</table>

| Item | Implementation Status | | | | | |
|---|---|---|---|---|---|---|
| | **Climate risk issues** | **Financial impact category** | **Estimated annualized financial impact** | **Risk management measures** | **Estimated annualized cost of risk management measures** | **Length of impact period** |
| | Government carbon pricing mechanisms (transition risk) | Carbon fees or taxes are progressively imposed by governments worldwide, leading to an increase in operating costs for investment and financing recipients, thereby raising the Bank's credit risks. | 1. Current-term: None.<br>2. Short-term NT$9.33 million.<br>3. Mid-term NT$10.23 million.<br>4. Long-term NT$14.63 million. | 1. The Bank has implemented targets to decrease its lending and investment exposure to high-carbon industries, with the share of such balances required to decline progressively each year.<br>2. The Bank has implemented an internal carbon pricing mechanism and is continuously optimizing it to encourage business units to limit lending and investment in high-carbon-emitting clients.<br>3. The Bank continued to control investee and financed entities in high-carbon emission industries and strengthened engagement for those charged carbon fees or carbon tax. | 1. Current-term: None.<br>2. Short-term NT$1.25 million.<br>3. Mid-term NT$1.43 million.<br>4. Long-term NT$1.6 million. | Current-, short-, mid-, long-term |
| | **Climate opportunity issues** | **Financial impact category** | **Estimated annualized financial impact** | **Risk management measures** | **Estimated annualized cost of risk management measures** | **Length of impact period** |
| | Enhanced diversification of financial assets | In response to the development of sustainable finance, the Bank seeks to increase interest and fee income through sustainable credit business (including green loans for energy conservation and carbon reduction), expand fee income via sustainability-related wealth management products, and enhance investment income through sustainable bond investments. | 1. Current-term NT$261.45 million.<br>2. Short-term NT$307.03 million.<br>3. Mid-term NT$342.76 million.<br>4. Long-term NT$363.64 million. | 1. In addition to continuing to deepen its existing sustainable lending and investment products, the Bank has also kept abreast of international trends and government policies on sustainable finance, and developed diversified sustainable financial products and services to promote growth in loan business and fee income.<br>2. In its investment business, the Bank has increased revenue by expanding its investment in sustainable bonds. | 1. Current-term NT$1.13million.<br>2. Short-term NT$1.75 million.<br>3. Mid-term NT$2.11 million.<br>4. Long-term NT$2.53 million. | Current-, short-, mid-, long-term |

| Item | Implementation Status |
|---|---|
| | (see table below) |

| Climate opportunity issues | Financial impact category | Estimated annualized financial impact | Risk management measures | Estimated annualized cost of risk management measures | Length of impact period |
|---|---|---|---|---|---|
| Improving sustainability index ratings | Improving the Bank's rating or score in sustainability-related evaluations (including climate-related content) has helped enhance its reputation and attract more corporate and individual customers. The Bank has also continued to incorporate sustainability concepts into its financial products and services, which has in turn attracted more customers and increased revenue. | 1. Current-term NT$142.37million.<br>2. Short-term NT$163.35 million.<br>3. Mid-term NT$181.78 million.<br>5. Long-term NT$194.99 million. | 1. The Bank will continue to monitor the improvement of its sustainability initiatives and adjust them as appropriate in response to global and domestic sustainability developments, with the ongoing goal of improving its sustainability assessment outcomes. At the same time, we will continue to develop and launch products that incorporate the sustainability concept to attract customers who share these values. | 1. Current-term NT$8.13 million.<br>2. Short-term NT$9.94 million.<br>3. Mid-term NT$12.67 million.<br>5. Long-term NT$16.46 million. | Current-, short-, mid-, long-term |

The major risks and opportunities related to climate change will be disclosured in the "7. Green Finance" chapter of the Bank's Sustainability Report.

**3. Describe the financial impact of extreme climate events and transformational actions.**

To assess the potential impacts of climate change risks on its operations, suppliers, and investment and financing portfolio, the Bank evaluates physical risks of its operating locations, leased properties, and supplier sites. In Taiwan, this is conducted using simulation results from the National Science and Technology Center for Disaster Reduction (NCDR) based on Intergovernmental Panel on Climate Change (IPCC) AR6 Global Warming Level (GWL) scenarios. In Hong Kong, physical risk assessment refers to high-risk coastal low-lying and exposed areas as well as flooding blackspots published by the Drainage Services Department. For other overseas regions, the Bank utilizes climate risk data from the Think Hazard platform. In terms of transition risks, the Bank applies scenarios from the Network for Greening the Financial System (NGFS), using the GCAM6.0 V5.0 Phase 5 climate model to evaluate climate-related transition risks for its operations and suppliers.

Furthermore, for its investment and financing exposures, the Bank performs climate scenario analysis in line with the "Operating Plans for Climate Change Scenario Analysis by Domestic Banks" issued by the Bankers Association of the Republic of China. The scope includes domestic and overseas corporate lending, retail lending, as well as banking book bond and equity investments. Both short-term and long-term scenarios are applied to assess climate impacts by estimating key parameters such as Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD). These metrics are then used to calculate changes in Expected Loss (EL) under different climate scenarios, supporting the evaluation of the Bank's overall risk capacity. The detailed assessment scope is presented in the table below.

| Climate risk | Business item | Financial impact |
|---|---|---|
| Physical risks | Operating leases of real estate at the Bank's operating locations | • The Bank's operating locations will be impacted by extreme climate, causing damage to assets or interruption of operations.<br>• Real estate leased out under operating leases is subject to the impacts of extreme weather events, which may lead to asset impairment. |
| | Investment and financing services | • When investment recipients suffer the effects of extreme climate at their registered locations, the risk of issuer default will rise.<br>• The operating locations of financing recipients are affected by extreme weather, causing asset damage and decreased profitability, hence an increased risk of default.<br>• The impact of extreme climate on the real estate collateral of financing recipients may cause reductions in the value of assets. |
| | Suppliers | • Extreme weather events impacting suppliers' operating locations lead to reduced or disrupted service or product provision. |
| Transition risk | The Bank's operating locations | • The carbon emissions generated by the Bank's operating locations will be affected by the future price of carbon, increasing operating expenses. |
| | Investment and financing services | • The carbon emissions of investment and financing recipients will be affected by the future price of carbon, and implementation of low-carbon transition projects will increase their operating costs. |
| | Suppliers | • Suppliers pass on the increased operating costs due to carbon pricing to customers, which in turn increases the Bank's procurement costs. |

| Item | Implementation Status |
|---|---|
| 4. Describe how climate risk identification, assessment, and management procedures are integrated in the risk management system. | In the face of increasingly daunting climate change risks, the Bank assesses the risks and opportunities that climate change may bring to bank operations, and added a climate and nature-related risk management section to its Risk Management Policy. Climate and nature-related risks must be integrated into the assessment process when performing business operations or strategic planning.<br>The Bank has also drafted the Climate Risk Management Policy, which specifies procedures for the identification, assessment, and management of climate risks, and designates the board of directors as the highest supervisory unit; a sustainability committee under the board bears responsibility for deliberating climate change development strategies, and a sustainability task force under the chairman organizes and promotes the Bank's climate change-related measures; furthermore, a risk management committee bears responsibility for reviewing climate change-related policies and supervising and reviewing climate risk management mechanisms.<br>Risk management units must report relevant climate risk information to the board of directors and risk management committee at least once every six months, which facilitates the drafting of strategic plans by the board of directors and upper management, and this information is taken into consideration when supervising business. When any major abnormalities or unusual situations are discovered in the course of climate risk monitoring, response measures are taken promptly in accordance with internal regulations, and the situation is reported to the Board of Directors.<br>The Bank has established a three line of defense internal framework to control climate risks, and has specified the climate risk management duties of each line of defense:<br>(1) The first line of defense serves to identify and assess climate risks when various services are conducted, and focuses especially on clients and asset positions in high climate risk industries.<br>(2) In the second line of defense, risk management units effectively manage and monitor the implementation of climate risk management by the first line of defense, and the legal compliance unit confirms that the operations of all units are in compliance with the law.<br>(3) The third line of defense consists of the assessment of the effectiveness of climate risk monitoring by the first and second lines of defense, and provision of recommendations for improvement at appropriate times.<br>The more information of how the Bank's climate risk identification, assessment and management processes are integrated into the overall risk management system will be disclosed in the "7. Green Finance" chapter of the Bank's Sustainability Report. |
| 5. If scenario analysis is employed to assess resilience in the face of climate change risks, please explain the scenarios used, parameters, assumptions, and analytical factors, as well as primary financial impact thereof. | To evaluate the financial impact of climate change risk factors and the Bank's climate risk tolerance, the Bank conducts climate scenario analysis in accordance with the "Operating Plans for Climate Change Scenario Analysis by Domestic Banks" issued by the Bankers Association of the Republic of China. The analysis combines climate risk scenarios with traditional financial stress scenarios. Macroeconomic variables are based on the "REMIND-MAgPIE 3.2–4.6" Integrated Assessment Model (IAM) and the National Institute Global Econometric Model (NiGEM), aligned with Network for Greening the Financial System (NGFS) Phase 4 climate scenarios. Key indicators, including Gross Domestic Product (GDP) growth, unemployment rate, inflation rate, and long-term interest rates, are used to model changes in PD. Carbon pricing mechanisms and sectoral emission trends are further incorporated to assess transition risk impacts across portfolios. For physical risk assessment, the Bank applies Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) scenarios, using the Shared Socioeconomic Pathway (SSP) combined with Representative Concentration Pathways (RCPs). Environmental variables such as temperature changes are used to project future trends of physical hazards (including extreme rainfall, flooding, drought, landslides, and heatwaves), as well as their impacts on portfolio exposures.<br>Taking into consideration Taiwan's carbon reduction transition and climate risk levels, the Bank established long-term and short-term scenarios for climate scenario analysis. The three long-term scenarios are orderly net-zero, disorderly transition, and passive transition. Considering the timescale of climate change and the Bank's business cycle, the scenario production periods were set for 2030 and 2050. Short-term scenarios were set for physical risks (intensity adjustment scenarios), transition risk, and combined loss scenario, in order to estimate climate events occurring within the next year. Under these two scenarios, the Bank further estimates the average probability of default (PD), loss given default (LGD), and exposure at default (EAD) for each climate scenario. This is done to estimate the future expected loss (EL) and evaluate the Bank's overall risk-bearing capacity.<br>As of the publication date of the annual report, the most recent climate change scenario analysis was based on the Bank's financial asset portfolio including domestic and foreign branches and overseas business units (OBUs) as of December 31, 2025. This analysis employed the "static asset and liability assumption," and provided the basis for inferring climate risks faced by the Bank under different climate scenarios.<br>According to the Bank's scenario analysis results, under long-term conditions, the disorderly transition scenario, marked by delayed climate policy action and rising average temperatures, results in higher carbon prices and decreased overall productivity. This leads to more significant negative impacts on the Bank's investment and financing portfolio, with expected losses and their growth exceeding those observed under both orderly net-zero and Disorderly transition pathways. Under short-term conditions, transition risk scenarios demonstrate relatively limited impacts, aligning with expectations under the current domestic carbon pricing regime. By contrast, physical risk scenarios simulated through typhoon events result in comparatively significant financial losses.<br>The Bank further analyzed the ratio of expected credit losses across various long- and short-term scenarios relative to its 2025 parent company-only pre-tax profit and net worth. Under different long-term scenarios, expected losses accounted for 85.49% to 136.99% of the 2025 parent company-only pre-tax profit and 4.24% to 6.79% of the net worth. For short-term scenarios, expected losses represented 69.99% to 83.57% of the pre-tax profit and 3.47% to 4.14% of the net worth.<br>For detailed explanations and analysis results, will be disclosed in the "7. Green Finance" chapter of the Bank's Sustainability Report. |

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>6. If there is a transition plan for response to and management of climate-related risks, please explain the content of this plan and indicators and targets used in the identification and management of physical risks and transition risks.</td><td>In order to adequately manage climate-related risks and opportunities, the Bank has established key climate indicators and targets, which are used to assess and implement sustainable development. Relevant indicators and target settings are in compliance with the Principles for Responsible Banking (PRB).
<table>
<tr><th>Indicators and targets</th><th>Content</th></tr>
<tr><td>Greenhouse gas emissions</td><td>In order to effectively inventory and monitor carbon emissions from operating processes, the Bank adopted ISO 14064-1: 2018 greenhouse gas inventories in 2018, and performs verification on an annual basis. Furthermore, the Bank included its overseas branch in Hong Kong and its representative office in Tianjin in inventories starting in 2022. The scope of inventories and verification includes 100% of the Bank's global business locations. At the same time, with reference to the SBTi (Science-based Target Setting Tool) version 2.1, the Bank has set greenhouse gas reduction targets for global business location Category 1 and Category 2. These targets have been included in corporate social responsibility targets used in annual performance assessment of the director of the Bank's Operation Management Department. The Bank hopes to jointly realize the Paris Agreement's vision of limiting global warming to less than 1.5°C.</td></tr>
<tr><td>Energy use</td><td>The Bank is actively promoting various low-carbon transition projects. Apart from continuing to reduce energy consumption from daily operating activities and enhance energy efficiency, the Bank also pledges that the use of renewable energy by its business locations in Taiwan will reach 50% by 2030 and 100% by 2050.<br>In order to achieve these targets, the Bank is striving to conduct greenhouse gas emissions management, energy management, water resource management, and waste management, and also seeks to create a low-energy-consumption operating model through the establishment of relevant environmental management reduction targets.</td></tr>
<tr><td>Low-carbon transition</td><td>In order to assess and review carbon emissions due to investment and financing positions, the Bank became a signatory to the PCAF in February 2022, and has adopted carbon emissions management standards for international investment and financing. The Bank performs carbon inventories for its investment and financing services in accordance with the Global GHG Accounting and Reporting Standard for the Financial Industry issued by PCAF.<br>In accordance with inventory results, and taking industry type and length of impact period into consideration, the Bank has implemented differentiated management of investment and financing positions. For instance, it has drafted a list of 10 major carbon-emitting industries, and set upper limits on investment and financing ratios in industries with high carbon emissions. We have set the proportion of loans to high-carbon-emitting industries to be below 2.34% by the end of 2026 and below 2.3% by 2030; and the proportion of our banking book investment positions in high-carbon-emitting industries is set to be below 13% by the end of 2026 and below 5% by 2030.</td></tr>
<tr><td>Climate opportunities</td><td>In reference to the Sustainability Linked Loan Principles (SLLP) issued by the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA), and Asia Pacific Loan Market Association (APLMA), the Bank is actively negotiating "sustainability-linked loans" with corporate clients, and has drafted sustainability performance targets based on the characteristics of different industries that must be met by corporate clients. When it meets the specified sustainability performance target, a client may enjoy preferential financing. The Bank has also established sustainability-linked loan amount targets, and is using funds to encourage corporate clients to draft and implement sustainability related projects and action plans.</td></tr>
<tr><td>Internal carbon pricing</td><td>The Bank has adopted an implied price method to draft an internal carbon pricing mechanism for its operations. This pricing mechanism is based on the Bank's renewable energy electrical expenses, and is used to calculate the additional cost of reducing emissions of the greenhouse gas carbon dioxide by one ton. The resulting internal pricing information is used in the planning of measures including the replacement of energy conservation equipment, purchase of renewable energy, and Energy Conservation Battle Competition awards. Furthermore, addressing corporate financing positions and mid-/long-term investment positions, the Bank has been adjusting its internal carbon pricing mechanism for investment and financing services on an annual basis in light of the average carbon emissions per NT$1 million of all investment and financing recipients. When recipients are higher than the average value, additional carbon fees must be collected from relevant business units when conducting internal pricing; when much higher than the average, carbon fees are calculated with a weighting multiple. This is how the Bank is guiding its business units to incorporate clients' "carbon emissions" in their business decision procedures.</td></tr>
</table></td></tr>
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<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, please explain the basis for setting prices.</td><td>(1) The Bank is promoting energy efficiency and energy-conserving emissions-reduction policies in accordance with the "Financial Industry Carbon Reduction Target Setting and Strategic Planning Guidelines," and has implemented internal carbon pricing and collects carbon fees from various units.<br>(2) The Bank has adopted implicit prices for carbon, which are based on the cost of green power that the company must purchase for every reduction in carbon emissions by 1 ton. Targets set using this method are used to determine the marginal cost of emissions reductions when seeking to reduce GHG emissions or comply with climate-related laws. The bank has also used this as the basis for the drafting of its "Internal Carbon Pricing Operating Procedures," which incorporate ISO two-stage management tasks and guide relevant work.<br>(3) In 2025, the Scope 2 internal carbon price was calculated as NT$1,677/ton CO2e, and carbon fees were collected from all units after performing relevant statistical tasks. These fees are chiefly used for relevant reduction measures intended to achieve the goal of net zero emissions.</td></tr>
<tr><td>8. If climate-related targets have been set, please provide information including relevant activities, greenhouse gas emissions categories, planning time periods, yearly attainment progress, etc.; if carbon offsets or renewable energy certificates (RECs) are used to attain relevant targets, please explain the sources and quantities of the offsetting carbon reductions or number of RECs.</td><td>(1) Environmental management targets at the Bank's operating locations worldwide<br><table><tr><th></th><th>Short-term (2023)</th><th>Mid-term (2025)</th><th>Long-term (2030)</th></tr><tr><td>Per capita power use reduction target</td><td>3.0%</td><td>4.5%</td><td>6.0%</td></tr><tr><td>Per capita water use reduction target</td><td>3.0%</td><td>5.0%</td><td>8.0%</td></tr><tr><td>Per capita waste generation reduction target</td><td>1.0%</td><td>3.0%</td><td>5.0%</td></tr></table>(2) The Bank has drafted Scope 1 and Scope 2 GHG emissions reduction targets for operating locations worldwide using the Science-based Target Setting Tool Ver. 2.1 developed by the Science Based Target initiative, SBTi. These targets are premised on the scenario that global warming is limited to less than 1.5°C. When based on the GHG emissions of operating locations worldwide in 2025, the scope of the reduction target was calculated as 60.92% (Scope 1 + Scope 2 emissions/total emissions). The Bank also pledges that renewable energy use at operating locations worldwide will account for 50% of all energy use by 2030, and 100% of all energy use by 2050, which will meet the Bank's pledge to achieve net zero emissions at operating locations worldwide by 2050. In addition, as a member of the Chinese National Association of Industry and Commerce, the Bank has lent its public support to the Association's "1.5°C Climate Action Pledge," and pledges to cooperate with and support the plans and targets in Taiwan's "2050 Net Zero Pathway." At the same time, the Bank is also complying with plans in the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies." It was announced by the National Renewable Energy Certification Center in 2025 that the Bank had obtained 1,589 renewable energy certificates.</td></tr>
<tr><td>9. Status of greenhouse gas inventory compilation and verification, strategies, and specific action plans.</td><td>Please refer to the followings (1), (2)</td></tr>
</table>

## (1) Company GHG inventories and state of assurance during the most recent two years

### A. GHG inventory information

**GHG emissions (metric tons CO2e), intensity (metric tons CO2e/NT$1 million), and scope of information coverage during the most recent two years**

In accordance with the Sustainable Development Roadmap for TWSE/TPEx Listed Companies, the scope of data coverage is as follows:

(1) Parent company entities were required to keep inventories starting in 2018.

(2) Subsidiaries on consolidated financial reports are required to keep inventories starting in 2025.

(3) The combined company has established a GHG inventory mechanism based on the Greenhouse Gas Protocol issued by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI) and ISO 14064-1: 2018 GHG inventory standards. An inventory of the company's GHG emissions has been taken on an annual basis starting in 2018; these inventories have allowed the company to monitor GHG use and emissions, and have shown the effectiveness of certification and emissions reduction actions.

(4) GHG inventory data for the most recent two years was based on operating control rights settings and the organization's boundary settings; the compiled data constitutes the GHG emissions of this Company and branches worldwide, as explained below:

Statistical table of GHG emissions from the Bank's operating locations worldwide during the most recent two years

| Year | | Scope 1 | Scope 2 | | Scope 3 | | | | | | Total emissions equivalent | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Direct emissions | Energy indirect emissions (market-based) | Energy indirect emissions (geographically-based) | Type 1: Purchased products and services | Type 3: Fuel- and energy-related activities | Type 5: Operating wastes | Type 6: Business travel | Type 7: Employee commuting | Scope 3 Total emissions equivalent | Market-based | Geographically-based |
| 2025 | Metric tons CO2-equivalent | 290.14 | 2,115.34 | 2,958.01 | 169.95 | 648.57 | 11.57 | 101.56 | 611.17 | 1,542.82 | 3,948.30 | 4,790.97 |
| | Market-based share (%) | 7.35% | 53.58 % | | 4.30% | 16.43% | 0.29% | 2.57% | 15.48% | 39.08% | 100% | |
| | Carbon emissions equivalent per unit operating revenue (metric tons CO2e/NT$1 million) | 0.04 | 0.32 | 0.44 | | | | | | 0.23 | 0.59 | 0.72 |
| 2024 | Metric tons CO2-equivalent | 555.71 | 2,292.74 | 2,828.80 | 92.74 | 726.06 | 13.35 | 101.68 | 628.69 | 1,562.52 | 4,410.97 | 4,947.03 |
| | Market-based share (%) | 12.60% | 52.00 % | | 2.10% | 16.43% | 0.30% | 2.31% | 14.26% | 35.40% | 100% | |
| | Carbon emissions equivalent per unit operating revenue (metric tons CO2e/NT$1 million) | 0.07 | 0.29 | 0.36 | | | - | | | 0.20 | 0.57 | 0.64 |

Note 1: The scope of GHG inventory in this table consisted of 100% of the Bank's operating locations worldwide (calculated on the basis of employee numbers).

Note 2: Total Scope 1 and Scope 2 GHG emissions in 2025 according to market-based calculations consisted of 2,405.48 metric tons CO2-equivalent; total Scope 1 and Scope 2 GHG emissions according to geographically-based calculations consisted of 3,248.15 metric tons CO2-equivalent.

Note 3: The calculation of carbon emissions equivalent per unit of revenue is based on O-Bank's parent company-only net income of NT$6,690 million for 2025 and NT$7,787 million for 2024.

Note 4: IBT Management Corporation has 11 employees, and its office is located in the O-Bank headquarters building. Its carbon emission data is included in O-Bank's greenhouse gas inventory.

## B. GHG assurance information

**Summary of assurance status for the most recent two years as of the date of the Annual Report, covering the scope, assurance provider, standards applied, and assurance opinion.**

In accordance with the Sustainable Development Roadmap for TWSE/TPEx Listed Companies, the scope of data coverage is as follows:

(1) Parent company entities were required to keep inventories starting in 2018.

(2) Subsidiaries on consolidated financial reports are required to keep inventories starting in 2025.

(3) Since 2018, the Bank has implemented ISO 14064-1:2018 for greenhouse gas (GHG) inventory and has completed annual verification and assurance through the third-party certification body BSI. The scope of inventory and verification covers 100% of the Bank's global operational sites. The Bank's global operational sites include: the headquarters building, customer service center, information center, Taipei Nanjing-Fuxing Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, Kaohsiung Branch, and the Business Department's Tainan District; however, the scope does not include subsidiaries occupying the headquarters building, including the China Bills Finance Corporation (occupying 100% of floor space on the 4th floor); overseas locations consist of the Hong Kong Branch, Tianjin representative office, and Sydney representative office. And provide a reasonable level of assurance regarding the greenhouse gas statement. The GHG statement includes the items required by ISO 14064-1 (description of organization, responsible person, period included, and organizational boundaries, etc.), and provides information concerning GHG policies and emissions volumes.

(4) In the Bank's 2024 GHG Inventory Report, direct GHG emissions and indirect GHG emissions from imported energy (Categories 1 and 2 under ISO 14064-1:2018) were assured at a reasonable level. Other indirect emissions (Categories 3 through 6) were concluded based on confirmation and agreed-upon procedures. The GHG Inventory Report for the year received an unqualified opinion, confirming full compliance with relevant standards and appropriate and accurate disclosure of GHG information.

(5) In the Bank's 2025 GHG Inventory Report, direct GHG emissions and indirect GHG emissions from imported energy (Categories 1 and 2 under ISO 14064-1:2018) were assured at a reasonable level. Other indirect emissions (Categories 3 through 6) were concluded based on confirmation and agreed-upon procedures. The GHG Inventory Report for the year received an unqualified opinion, confirming full compliance with relevant standards and appropriate and accurate disclosure of GHG information.

## (2) GHG reduction targets, strategies, and specific action plans

**GHG reduction base year and data, reduction targets, strategies, and specific action plans and reduction target attainment for the year**

A. The Bank has determined Scope 1, Scope 2, and Scope 3 reduction targets for its operating locations worldwide. In 2025, the Scope 1 total carbon emissions reduction target was 266.92 metric tons CO2e (a 1.7% decrease compared with 2022); the Scope 2 total carbon emissions reduction target was 2,187.09 metric tons CO2e (a 22.85% decrease compared with 2022); and the Scope 3 total carbon emissions reduction target was 1,270.28 metric tons CO2e (a 1.15% decrease compared with 2022).

B. GHG reduction base year and reduction targets:

The Bank has determined annual total GHG emissions reduction targets for its operating locations worldwide (compared with the base year of 2022)

| Year | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total GHG emissions reduction target | 10% | 15% | 21% | 28% | 35% | 40% | 45% | 50% | 54.2% | 58.4% |

Note: Because the scope of the Bank's GHG emissions inventories was expanded from all operating locations in Taiwan to all locations worldwide starting in 2022, the 3,106.3 metric tons (Scope 1 and Scope 2) of GHG emissions calculated using the market-based method for all of the Bank's operating locations worldwide in 2022 constitutes the basis for comparison of total GHG emissions reductions.

C. GHG reduction strategies and specific action plans

(a) Lighting equipment:

The Bank has been gradually switching to environmentally-friendly power-saving lamps in office areas and public areas on all floors, the switches for external wall lighting and signs are controlled in accordance with day length and weather, lights are turned off for one hour at noon, guards patrol all floors and make sure that lights have been turned off at 22:00 each day, and employees are made aware that they must turn off lights and power to equipment when leaving the printing room and conference rooms.

(b) Air conditioning equipment:

Temperature settings shall be for over 26°C, and temperatures are adjusted appropriately during different seasons. To save energy, air filters and main heat exchangers are cleaned regularly, and refrigerant and fans are inspected regularly. During winter at bank headquarters, main heat pumps are operated on a rotating basis, and inverter AC is employed. At 18:00 each day, the central controller automatically shuts off the air conditioning power switches on all floors. Inset ceiling-mounted energy-conserving fans have been installed to increase the circulation of cool air.

(c) Elevator equipment:

Elevator dispatching is performed to enhance operating efficiency and decrease average use time. The number of elevators in use is controlled to reflect peak and off-peak time periods, and only one elevator is kept in use during weekends and holidays. Employees are reminded to take the stairs as much as possible when going to perform business on adjacent floors.

(d) Renewable energy:

Beginning in November 2022, renewable electricity has been implemented at the headquarters building, with its usage steadily increasing. From 2025 onward, the adoption of renewable electricity will be expanded to external locations. Furthermore, to advance toward net-zero emissions, the Bank has established targets to achieve 50% renewable energy usage across global operations by 2030 and 100% by 2050.

(e) Water resources:

Air-cooled air-conditioning units are utilized. Water output and automatic dispensing times are optimized without impacting normal use. Regular inspections of water meters are conducted to prevent leaks, and irrigation systems in landscaped areas are adjusted according to seasonal and climatic conditions.

| GHG reduction base year and data, reduction targets, strategies, and specific action plans and reduction target attainment for the year |
|---|
| (f) Attainment of reduction targets<br>In 2025, the total GHG emissions (Scope 1-3) of the Bank's operating locations worldwide according to market-based calculations constituted 3,948.30 metric tons CO2-equivalent, which represented a decrease of 10.49% compared with the previous year, and per capita carbon emissions were 3.12 metric tons CO2-equivalent, which represented a decrease of 12.11% compared with the previous year. When only calculating Scope 1 and Scope 2 GHG emissions, in 2025, the carbon emissions of the Bank's operating locations worldwide according to market-based calculations constituted 2,405.47 metric tons, which was a decrease of 15.55% compared with the previous year, while per capita carbon emissions were 1.90 metric tons, which represented a decrease of 17.03%. In addition, the Scope 1 and Scope 2 carbon emissions of operating locations worldwide per NT$1 million in net income constituted 0.360 metric tons (or approximately 11.31 metric tons per USD 1 million), while Scope 1 carbon emissions per NT$1 million in net individual income constituted 0.043 metric tons, and Scope 2 carbon emissions per NT$1 million in net individual income constituted 0.316 metric tons. The relevant complete information is disclosed in the Bank's Sustainability Report, "6. Environmental Sustainability" chapter. |

## (7) Ethical Corporate Management Implementation Status and Deviations from "the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"

| Evaluation Item | Implementation Status | | | Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| 1. Establishment of ethical corporate management policies and programs | | | | None |
| (1) Does the Bank enact an ethical management policy that has been approved by the Board of Directors and declare in both internal regulations and external documents this ethical management policy, relevant measures, and the commitment of the Board of Directors and senior executives to rigorously implementing the said policy? | ✓ | | (1) Upon its establishment in 1999, the Bank enacted the Self-Discipline Rules for Ethical Conduct. Employees were required to conform to all applicable codes and regulations. The guiding principle for interaction with customers was that one shall not, by virtue of his/her position at the Bank, secure any personal gains; shall not solicit business or secure business or personal gains by bribery, kickback, allowances, gratuities, or other illegal means; shall remain fair and impartial when conducting procurement or issuing invitations for bids; and shall not assist customers in falsifying documentation or overvaluing assets.<br>The Bank also included the foregoing provisions together with Article 35 of the Banking Act—neither the responsible person nor any staff member of a Bank shall accept, under any pretense, commissions, rebates, and the amount of other unwarranted benefits from depositors, borrowers, or other customers— as common items for legal compliance. Training and examination thereof were conducted on a regular basis.<br>In line with statutory changes and amendments, the Board of Directors adopted the Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles in 2015, followed by the enactment of the Procedures for Ethical Corporate Management and Guidelines for Conduct in 2016. Given their conviction of ethical management and commitment to being honest, transparent, and responsible, members of both the Board of Directors and management are set to keep up their implementation of ethical management policies, creating sound corporate governance, and building an environment for sustainable development. In addition, the Bank discloses its ethical management policies and the implementation of ethical management in its sustainability report, and on the its website and the Market Observation Post System. | |
| (2) Does the Bank establish a mechanism for analyzing and assessing aspects of its business operations that have a relatively higher vulnerability to unethical conduct and, in turn, adopt a program for preventing unethical conduct that at least covers the acts listed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? | ✓ | | (2) To ensure ethical management and enhance employee awareness thereof, the Bank started in 2019 to undertake self-assessment of risk on this front throughout the entire workforce and to implement preventive measures to mitigate vulnerability to unethical conduct in business operations. Meanwhile, the Bank's directors and senior executives were asked to sign a statement on compliance with its ethical management policy and anti-corruption policy, and all employees were asked to sign a declaration of consent to comply and anti-corruption policy with the said policy and faithfully stand by the preventive measures laid out in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, thereby preventing unethical conduct. In 2025, the signing rate of directors, managers, and employees of the Bank for the documents was 100%. Moreover, the Bank requires personnel of specific departments to undergo periodic rotation so as to ensure a well-rounded internal control system and operational security. The Bank also resorts to negotiating with employees about taking holidays in a bid to further bolster risk management. Separately, the Bank has adopted the Regulations Governing the Review of Making Donations as the guideline for such activities. On top of the principles of honesty, integrity, and prudence, all business activities are undertaken in accordance with applicable regulations. | |

| Evaluation Item | Implementation Status | | | Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| (3) Does the Bank spell out operating procedures, guidelines for conduct, punishment for violation, and rules of appeal in the aforesaid program for preventing unethical conduct, implement it faithfully, and review and amend it on a regular basis? | ✓ | | (3) The Bank's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct all unequivocally prohibit unethical conduct by employees and specify matters for their attention in the course of performing duties. Upon the discovery of any violation of ethical corporate management and conduct regulations, a report shall be made immediately to an independent director or managerial officer, the chief internal auditor, or another suitable managerial officer. Upon verification of any such allegations, the violator shall be dealt with in accordance with applicable laws and regulations or the Bank's internal regulations on employee rewards and penalties. In 2020, the Bank's Code of Ethical Conduct and Procedures for Ethical Management and Guidelines for Conduct were amended in compliance with applicable laws and regulations and in conformity with the Bank's operations. Separately, while offering training to newly recruited employees and to all employees with regard to legal compliance, the Bank makes it a point to exhort them to stay honest and fair and conform to applicable laws and regulations in the course of performing their duties. As such, training on regulations related to ethical management is undertaken to ensure that all employees always keep good-faith management in mind and act accordingly. | |
| 2. Fulfill operations integrity policy<br>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts? | ✓ | | (1) In accordance with applicable laws and regulations, the Bank has in place specific regulations governing lending, investment, trust, financial transactions, or other business dealings that involve interested parties. Also adopted are clearly defined regulations that specify the following: with the exception of those granted priority status thanks to a solid CSR track record in accordance with the Bank's Guidelines for Urging Suppliers to Fulfill Corporate Social Responsibility, there shall be no preference for any specific party over the course of conducting procurement or issuing invitations for bids, and internal audit personnel shall be involved in the price negotiation process for procurement projects of NT$1 million or more; personnel engaging in investment or lending shall conform to applicable internal regulations and honor the obligation of reporting when warranted, thereby preventing conflicts of interest.<br>Over the course of conducting business, the Bank shall incorporate compliance with and commitment to ethical corporate policy into all contracts signed with transaction counterparties lest it should transact with any party that has engaged in unethical conduct.<br>Given that the banking industry is required to secure sanctioning of the competent authority and thus subject to stringent supervision, the Bank is obligated to ensure that its business activities, donations, accounting system, and business secrets conform to the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and Banking Act. In accordance with applicable laws and regulations, the Bank has also established an internal control and audit system and a self- audit system. Internal auditors and CPAs conduct random checks on the undertaking of business activities and submit reports to the Audit Committee and Board of Directors at least on a quarterly basis, thereby promoting sound management and ensuring the efficiency of business operations, reliability of financial reporting, and compliance with applicable laws and regulations. | None |

| Evaluation Item | Implementation Status: Yes | Implementation Status: No | Implementation Status: Abstract Illustration | Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |
|---|---|---|---|---|
| (2) Does the Bank establish a unit under the Board of Directors that is devoted exclusively to promoting ethical management and reports on a regular basis (at least once a year) to the Board of Directors on its supervision of the Bank's implementation of its ethical management policy and program for preventing unethical conduct? | ✓ | | (2) To attain ethical corporate management, the corporate governance team under the EPG Development Working Committee (formerly Corporate Social Responsibility Committee) is charged with the responsibility of enacting and implementing the Bank's ethical corporate management policy and related plans. It is also responsible for submitting reports on implementation results to the Board of Directors each year (at least once a year). Such reports are to contain results of promotion and training of ethical corporate management, accomplishment of the "informant's mailbox," and measures taken to prevent unethical conduct and the results thereof, which are all intended to ensure the Bank's ethical corporate management. | None |
| (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? | ✓ | | (3) It is specified in the Bank's Corporate Governance Principles that when the Board of Directors, Audit Committee, Compensation Committee, or Corporate Governance and Nomination Committee meets, the Bank's highly self-disciplined directors shall refrain from participating in the discussion and voting process in relation to any matters that involve their personal interests and do not exercise the voting rights of other directors by proxy. Directors also exercise self- discipline and refrain from extending one another improper support otherwise. Furthermore, in the Bank's Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, it is stipulated that the directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Bank to obtain improper benefits for themselves, spouses, parents, children, or any other person. Meanwhile, corporate governance courses are made available to directors to enhance their capacity for supervision and governance, in turn strengthening the Bank's corporate governance and attaining ethical corporate management.<br>Separately, the Bank has installed its whistleblower system in the corporate governance section of its website. Available therein are the Bank's Whistleblowing Policy and the means by which to file such reports. Anyone who finds reason to implicate any person of the Bank in criminal acts, frauds, or violations of laws and regulations may file a report to the Bank by phone, email, mail, etc. To uphold corporate governance and ethical management, the Bank shall keep confidential both the identity of the whistleblower and the contents of the aforesaid report and take action to verify allegations therein. | |
| (4) Does the Bank, in order to ensure ethical management, establish effective accounting and internal control systems and have its internal audit department take account of the result of its assessment of unethical conduct risk while mapping out an audit plan to examine the Bank's compliance with its program for preventing unethical conduct or engage CPAs for conducting such audits? | ✓ | | (4) To faithfully conduct ethical management, the Bank has established effective internal control and accounting systems in accordance with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries. In addition to conducting audits of domestic business, financial, asset custody, information, other management units, and overseas outlets on a regular basis, the Bank engages CPAs for routine audits in order to ensure effective operations of the said systems.<br>Separately, the Bank's Auditing Division has incorporated the result of its assessment of unethical conduct risk into its auditing plan to ensure the Bank's ethical management. | |
| (5) Does the company regularly hold internal and external educational trainings on operational integrity? | ✓ | | (5) As prescribed by applicable regulations, the Bank organizes sessions to promote employee awareness of ethical management and offers training thereof each year. Highlights include the Principles for Ethical Management and the Procedures for Ethical Management and Guidelines for Conduct as well as instances of unethical conduct. Separately, the Bank undertakes sessions on a regular basis to familiarize all employees with the latest statutory developments and important instances of domestic banks or financial holding companies being penalized, thereby helping employees enhance ethical standards and strengthen compliance awareness. Meanwhile, training of self-audit personnel is also conducted on a regular basis to ensure effective implementation of self-audits, strengthen internal control of business units, and prevent unethical conduct. | |

| Evaluation Item | Implementation Status | | | Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |
|---|---|---|---|---|
| | Yes | No | Abstract Illustration | |
| 3. Operation of the integrity channel<br>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? | ✓ | | (1) The Bank has, in accordance with law, established a whistleblower system, including the Whistleblowing Policy and a whistleblower mailbox. Employees are encouraged to report on unlawful and unethical conduct and any other act in violation of ethical management. Meanwhile, a unit with the capacity for performing duties independently is charged with the acceptance and investigations of whistleblower reports. Anyone found to have violated applicable laws and regulations shall be dealt with in accordance with the Bank's Regulations Governing the Rewards and Penalties for Employees and other applicable regulations. | None |
| (2) Does the Bank establish standard operating procedures for investigating whistleblower allegations, follow-up measures in the wake of such an investigation, and the confidentiality mechanism thereof? | ✓ | | (2) The Bank has adopted stringent operating procedures for conducting investigations on allegations in whistleblower reports. The contents of these reports and the handling thereof as well as other related information are all kept confidential to protect both the whistleblower and personnel involved in such investigations. After such an investigation is completed, the Bank follows up with courses of action and other pertinent measures it deems proper. | |
| (3) Does the company provide proper whistleblower protection? | ✓ | | (3) The Bank keeps confidential all whistleblower reports—internal and external—so as to make sure that the whistleblower is not subject to any improper treatment accordingly. | |
| 4. Strengthening information disclosure<br>Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS? | ✓ | | Not only does the Bank disclose its Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct, on its website and the Market Observation Post System (MOPS), the Bank also disclose its implementation of ethical management both in its annual report and on its website. Separately, the Bank's website also fully discloses other information with regard to its business operations, interest rates, and assessment of economic conditions for the reference of the general public. In accordance with applicable laws and regulations, the Bank also discloses material financial and operational information on the Market Observation Post System (MOPS) in a timely fashion. Meanwhile, the Bank's work toward sustainable development is disclosed in its annual report. | None |

5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation:
   There have been no differences.

6. Other important information to facilitate a better understanding of the company's ethical corporate management policies.
   To effectively implement its ethical management policy and promote sound business, the Bank has established a whistleblower system and relevant regulations. Strategic management is conducted to secure quantitative data for the evaluation of the Bank's effectiveness in implementing its ethical management policy:

(1) Success rate of training on ethical management:
To implement the specific measures of the Ethical Corporate Management policy and the program for preventing unethical conduct, in 2025 the Bank organized an "Ethical Corporate Management and Fair Treatment of Customers Lecture" for directors. Through the Taiwan Investor Relations Association, a professional lecturer was arranged to speak on "Ethical Corporate Management and the New Era of Gender Equality and Fair Service," enhancing directors' awareness of corporate ethics and strengthening their capacity for corporate governance. In addition, bank-wide "Fair Treatment of Customers and Ethical Corporate Management Education and Training" courses were also held, covering topics such as the importance and development of ethical corporate management, explanations of bribery and corruption, behaviors constituting unfair competition, and related penalty cases. A total of 1,391 employees participated in the training, totaling 2,086.5 hours, with a 100% completion rate..

(2) Establishment of a whistleblower system:
To encourage internal and external personnel to report unethical conduct or misconduct, the Bank adopted its Whistleblowing Policy. Any person who discovers that a director, supervisor, manager, employee, or mandatary of O-Bank or a member of the O-Bank Group, or a person having substantial control of O-Bank or the Group, has possibly committed crimes, cheating, or regulatory violations, may report it to the Bank's Audit Division and convener of the Audit Committee by phone, email, or mail. As the Bank's whistleblowing mechanism stands, an investigation shall be initiated within a given period if preliminary deliberation warrants it. If the alleged perpetrator is determined to have violated applicable laws or regulations, the case shall be turned over to the Bank's human resources unit for disciplinary action in accordance with its internal rules, the Bank's Regulations Governing the Rewards and Penalties for Employees. In the event of a particularly serious offense, the Bank may directly hand it over to law enforcement authorities for investigation. To keep the whistleblower up to date, the Bank may report the latest developments by phone, email, mail, or other means. Information pertaining to the whistleblower's identity shall be kept confidential. The Bank shall not, due to the filing of a whistleblowing report: fire, dismiss, or demote the whistleblower; harm the rights and interests that the whistleblower ought to enjoy under law, contract, or established practice; or otherwise take actions prejudicial to the interests of the whistleblower. In 2025, O-Bank's whistleblower mailbox received a total of 65 letters. Upon review, 64 of them lacked specific information regarding the accused party, supporting evidence, or did not fall under the types of cases eligible for acceptance. As such, they did not meet the acceptance criteria set out in Article 4 and Article 6 of the Bank's "Whistleblowing Policy." Only one case met the requirements and was handled through an investigation conducted by the Bank's Audit Division.

(3) Ratio of imposing penalties against reports being presented on conduct in violation of ethical management principles:
No report was recorded on any conduct in violation of ethical management principles in 2025 and, therefore, no penalty was imposed.

## (8) Other Important Information Regarding Corporate Governance

### A. Succession Planning of the Board of Directors

(A) Board of Directors

The Board of Directors of O-Bank adopts a candidate nomination system in accordance with the Bank's Articles of Incorporation. All board members must meet the qualifications prescribed by applicable laws and regulations governing the appointment of bank directors. The Board as a whole shall possess diverse professional capabilities essential for the performance of its duties, including business judgment and management, accounting and finance, risk management, crisis response, financial expertise and industry knowledge, global market perspective and M&A experience, leadership and decision-making, sustainability and environmental protection awareness, legal knowledge, as well as information technology and cybersecurity competence. In addition, the Board should include elite professionals with expertise and extensive experience in various fields that align with the Bank's commitment to diversity and strategic development. To further the Bank's sustainable development philosophy and enhance the Board's functions, the "Corporate Governance and Nomination Committee" was established on November 4, 2020. This committee is responsible for nominating board and independent director candidates and strengthening board functions. The " Board of Directors Diversity Policy, Standards for Independence, and Refreshment Policy" (available on the Bank's website at https://www.o-bank.com) outlines diversity policies, independence standards, training programs, attendance requirements, and succession planning for Board members. When planning successors, the Bank considers regulatory requirements, sustainable development, mid-to-long-term business strategies, and the aforementioned succession policy to construct the Board's composition. At the Shareholder Meeting on June 16, 2023, the Bank completed the election of the 9th Board of Directors, selecting 12 directors (including 6 natural-person directors), with Ms. Tina Y. Lo serving as the chairman.

The training of Board members aims to continually enhance their diverse professional skills, board functions, and decision-making efficiency. In 2025, all directors underwent at least six hours of professional training as required by the " Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies," with a total of 136.5 hours of training completed. Overall, the training was conducted successfully.

(B) Senior Management

To meet the needs of organizational development and ensure the continuity of the leadership team and talent, the Bank has comprehensively established the "Senior Talent Succession and Management Development Plan" based on its business strategy. This plan was submitted and approved by the Board of Directors on June 22, 2022. The status of talent development is reported to the Board annually to maintain sustainable operations and enhance competitive advantage.

This training program for next-generation managers centers on a number of core concepts. That is, would-be managers are to be imbued with core competences that are defined by Trust, Outstanding, Unity, Creativity, and Honor. In addition to an excellent working capacity, they are supposed to hold personal values compatible with the Bank's corporate culture and possess such traits as honesty, passion, and leadership. In keeping up with the Bank's business plan and future prospects, Elton F.Y. Lee was appointed as the President of O-Bank by the Board of Directors on October 24, 2019.

We draw from specialized training to ensure that employees primed for key positions, from senior managers to departmental supervisors, fully understand the importance of their personal development to the Bank's future development. Emphasis is placed on giving trainees opportunities to temper themselves and develop a solid capacity for decision making and judgment calls. The training comprises:

- Management Competency: Domestic and foreign experts are engaged to lecture on leadership to different levels of managerial employees.
- Personal development plan: According to the priority development order of individual potential talents, tailor a personal development plan, link corresponding learning resources, and cooperate with the general manager's regular meeting and counseling system to assist them to effectively improve their abilities.
- EMBA Programs or the Taiwan Academy of Banking and Finance's Leading Executive Apex Program (LEAP): Employees who hold promise are enrolled in such programs of eminent institutions for industry- academia training to grow them into top-tier managers who possess a global vision, the capacity for comprehensive strategic thinking, and skills in information technology.
- Proxy System: The proxy system makes it possible for senior managers reporting directly to the CEO to undergo training in the capacity as the latter's deputy, thereby bolstering their decision-making and management capability.
- Rotation of Managerial Positions among Affiliates: Next-generation leaders are to undergo rotation of managerial positions among affiliates to help them get familiar with different operations of the O-Bank Group and accumulate a hands-on experience in cross-sector management.
- Assignments as Directors/Supervisors of Affiliates: The experience of serving as directors and supervisors of affiliates is crucial to strengthening the capacity for corporate governance, operations of the Board of Directors, and legal practices associated with business management, thereby creating an all-encompassing managerial capacity.

**B. Please refer to the Bank's website (https://www.o-bank.com) for other important information.**

## (9) Internal Control Systems

**A. Statement on Internal Control System**

Please refer to the Market Observation Post System:

https://mopsov.twse.com.tw/nas/cont06/c2897114011150316.pdfNavigation path:

MOPS homepage > Individual Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements

**B. Where a CPA has been hired to carry out a special audit of the internal control system, the audit report shall be disclosed: None.**

## (10) Major Resolutions of Shareholders' Meeting and Board Meetings

### A. Major Resolutions of 2025 General Shareholders' Meeting

1) Ratification of business report and financial statements for 2024

Implementation Status: The aforesaid report and statements were disclosed by means of a public announcement in accordance with applicable regulations and submitted to the competent authority for future reference.

2) Ratification of proposal for distribution of 2024 earnings

Implementation Status: July 16, 2025, has been set as the ex-dividend date, and August 6, 2025, as the payment date. Cash dividends will be distributed at NT$0.36821995 per share to Class A Preferred Shares shareholders, totaling NT$83,824,690, NT$0.14459016 per share to Class B Preferred Shares shareholders, totaling NT$36,147,541, and NT$0.5 per share to common shareholders, with total cash dividends amounting to NT$1,391,209,439.

3) Amendments to certain articles of the Bank's Articles of Incorporation

Implementation Status: The amended Articles of Incorporation have been published on the Bank's website and were approved for registration by the Ministry of Economic Affairs on August 26, 2025.

4) Approval of the Release of Non-competition Restrictions on Directors of the Bank

| Director | Position at the Bank | Positions at other companies |
|---|---|---|
| Lin, Bill K.C. | Representative of Juristic-person Director (Tai Hsuan Investment Co., Ltd.) | Chairman, IBTM Co., Ltd. |
| Chien, Chih-Ming | Representative of Juristic-person Director (Ming Shan Investment Co., Ltd.) | Director, Infinite Commercial Finance Co. Ltd. |
| Chen, Alex J.J. | Representative of Juristic-person Director (Tai Ya Investment Co., Ltd.) | Chairman, IBT VII Venture Capital Co., Ltd. |

### B. Major Resolutions of Board Meetings in 2025 and up to April 14, 2026

(1) 2025.2.13 The 15th meeting of the 9th Board of Directors

- Approved the establishment of the Bank's "Operating Procedures for Application for Suspension or Resumption of Trading".

(2) 2025.3.12 The 16th meeting of the 9th Board of Directors

- Approved the Bank's 2024 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements.
- Approved the Bank's incorporation and society responsibility targets of 2025.
- Approved remuneration for the Bank's CPAs for 2025.
- Approved the Hong Kong Branch's application for and launch of insurance agency business.
- Approved the Bank's 2024 "AML/CFT Internal Control Statement," and "Statement of Internal Control System".
- Approved matters related to the Bank's 2025 annual shareholders' meeting.

- Approved amendments to the Bank's "Corporate Governance and Nomination Committee Charter".
- Approved the Bank's 2024 Board of Directors Performance (Self-Evaluation) Evaluation results.
- Approved the regular review of the Bank's director remuneration policy.

(3) 2025.4.9 The 17th meeting of the 9th Board of Directors

- Approved the Bank's 2025 "Head Office Version of AML/CFT Plan" and "Assessment Report on the Adequacy of Internal Regulations for Detecting Operational Risks".
- Approved the Bank's 2024 "Head Office Version of Comprehensive AML/CFT Risk Assessment Report," "Insurance Agent Business AML/CFT Risk Assessment Report," and self-assessment of the implementation of the "fair treatment of customers principles".

(4) 2025.5.2 The 18th meeting of the 9th Board of Directors

- Approved the Bank's Consolidated Financial Statements for the first quarter of 2025.
- Approved the Bank's 2023 Earnings Distribution Plan.
- Approved the proposal for the distribution of the Bank's 2024 director and employee compensation.
- Approved the updated main agenda items for the Bank's 2025 annual shareholders' meeting.
- Approved amendments to the Bank's "Articles of Incorporation" and "Procedures for Ethical Management and Guidelines for Conduct."
- Approved the Bank's application for lifting of non-compete restrictions on directors.
- Approved the establishment of the Bank's "Policy on the Application of Artificial Intelligence Technology."
- Approved the Bank's application to establish a Shanghai Representative Office and to close the Tianjin Representative Office following the establishment.

(5) 2025.6.23 The 19th meeting of the 9th Board of Directors

- Approved amendments to the Bank's "Information Security Policy," "Whistleblowing Case Handling Guidelines," "Key Points for Anti-Money Laundering, Countering Terrorist Financing, and Countering Proliferation Financing in Insurance Agency Business," and "Anti-Corruption Policy."
- Setting of July 16, 2025, as the record date for the distribution of the 2023 common stock cash dividend and preferred stock dividend.
- Approved the Bank's 2025 "Group Version of AML/CFT Plan".
- Approved the launch of foreign currency total return swap business by the Offshore Banking Unit (OBU).
- Approved the Hong Kong Branch's application for and launch of Type 1 and Type 4 regulated activities.

(6) 2025.8.21 The 20th meeting of the 9th Board of Directors

- Approved the relocation of the Bank's Taichung Branch.
- Approved the Bank's Business Report, Consolidated Financial Statements, and Unonsolidated Financial Statements for the first half of 2025.
- Approved the "2025 Group-wide AML/CFT Program – Summary Report on Key Improvement."
- Approved amendments to the Bank's "Incorporation Article."

(7) 2025.10.1 The 21th meeting of the 9th Board of Directors

- Approved the Bank's 2026–2028 information security assessment plan for computer systems.
- Approved the amendments of the Bank's "Best Practice of Sustainability Development" and "Sustainability Information Management Regulations."

(8) 2025.11.12 The 22th meeting of the 9th Board of Directors

- Approved the Bank's Consolidated Financial Statements for the third quarter of 2025.
- Approved the Bank's 2026 information security assessment plan for computer systems.
- Approved the Bank's application for lifting of non-compete restrictions on directors.

(9) 2025.12.24 The 23th meeting of the 9th Board of Directors

- Approved the Bank's 2026 "Budget Proposal," "Audit Plan," and "Concurrent Insurance Agency Business Audit Plan."
- Approved the evaluation of the independence and competence of the Bank's CPAs, and the appointment of the Bank's CPAs.
- Approved the Bank's application for the issuance of subordinated financial bonds.
- Approved the Bank's application to provide financial products and services applicable to high-asset customers.
- Approved amendments to the Bank's "Risk Management Policy" and "Board Performance Evaluation Guidelines."
- Approved the Bank's "2025 Corporate Value Enhancement Plan."
- Approved the change of the Bank's Accounting Officer.

(10) 2026.2.4 The 24th meeting of the 9th Board of Directors

- Approved the Bank's application to establish the Sydney Branch in Australia.

(11) 2026.3.11 The 25th meeting of the 9th Board of Directors

- Approved the Bank's 2025 Business Report, Consolidated Financial Statements, and Parent Company Only Financial Statements.
- Approved remuneration for the Bank's CPAs for 2026.
- Approved the Bank's incorporation and society responsibility targets of 2026.

- Approved matters related to the Bank's 2025 annual shareholders' meeting.
- Approved regarding the Bank's acceptance of announcing nominations for candidates for directors (including independent directors).
- Approved the Bank's 2024 "AML/CFT Internal Control Statement," and "Statement of Internal Control System".
- Approved amendments to the Bank's "Acquisition and Disposal Procedure of Asset," "Best Practice of Sustainability Development," and "Sustainability Information Management Regulations."
- Approved the Bank's 2025 Board of Directors Performance (Self-Evaluation) Evaluation results.
- Approved the "CG6015 (2025) Corporate Governance System Evaluation Report" issued by the Taiwan Corporate Governance Association.

**(11) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors:** None.

## 4. Information Regarding the Company's Audit Fee

Unit: NT$ thousands

| Accounting Firm | Name of CPA | Period Covered by CPA's Audit | Audit Fee | Non-audit Fee (Note) | Total | Remarks |
|---|---|---|---|---|---|---|
| Deloitte & Touche | Lee, Kuan-Hao<br>Ma, Wei-Chun | 2025 | 9,440 | 8,509 | 17,949 | |

Note: Non-audit fees were meant for services with regard to negotiations (NT$1,400 thousand), information technology projects (NT$5,945 thousand), counseling for legal compliance (NT$540 thousand), and other special projects (NT$524 thousand).

## 5. Replacement of CPA: None.

**(1) Regarding the former CPA:** Not Applicable.

**(2) Regarding the successor CPA:** Not Applicable.

**(3) The reply letter from former CPAs with regard to matters spelled out in Article 10.6.1 and Article 10.6.2-3 of these Regulations：** Not Applicable.

## 6. Audit Independence

The Company's Chairman, President, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2025.

## 7. Changes in Shareholding of Directors, Managers and Major Shareholders

### (1) Changes of Shareholding

#### A. Directors and managerial officers

Unit: Shares

| Title | Name | 2025 | | As of Apr. 14, 2026 | |
|---|---|---|---|---|---|
| | | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares |
| Chairperson | Lo, Tina Y. | - | - | - | - |
| Managing Director | Ming Shan Investment Co., Ltd. (Note 1) | - | - | - | - |
| | Rep.: Lo, Kenneth C.M. | - | - | - | - |
| Managing Director | Tai Hsuan Investment Co., Ltd. (Note 1) | - | - | - | - |
| | Rep.: Lin, Bill K.C. | - | - | - | - |
| Independent Managing Director | Hu, Fu- Hsiung | - | - | - | - |
| Independent Director | Lin, Hank H.K. | - | - | - | - |
| Independent Director | Chiang, Tina W.N | - | - | - | - |
| Independent Director | Wang, Jennifer C.F. | - | - | - | - |
| Director | Ming Shan Investment Co., Ltd. (Note 1) | - | - | - | - |
| | Chien, Chih-Ming | - | - | - | - |
| Director | Abag Investment Holdings Co., Ltd. | - | - | - | - |
| | Rep.: Cheng, George C.J. (Note 1) | 51,923,847 | - | - | - |
| Director | Lee, Mark J.C. | - | - | - | - |
| Director | Tai Ya Investment Co., Ltd. (Note 1) | 800,000 | - | - | - |
| | Rep.: Chen, Alex J.J. | - | - | - | - |
| Director | Yi Chang Investment Co., Ltd. (Note 1) | - | - | - | - |
| | Rep.: Tang, Grace W.S (2025.10.28 outgoing) | - | - | / | / |
| | Rep.: Lin, Gorden W.C. (2025.10.28 incoming) | - | - | - | - |
| President | Lee, Elton F.Y. | 165,451 | - | 120,398 | - |
| Deputy President | Lin, Roger Y.F. | 155,910 | - | 67,963 | - |
| Senior Executive Vice President | Xu, Chengzhou | - | - | - | - |
| Senior Executive Vice President | Xiao, Zhongcheng | - | - | - | - |
| Senior Executive Vice President | Fan, Vivian H.J. | (172,881) | - | 20,389 | - |
| Executive Vice President | Siew, Joy C.Y. | 27,119 | - | 20,389 | - |
| Executive Vice President | Chao, Tillie C.L. | 18,245 | - | 14,210 | - |
| Executive Vice President | Chen, Paul H.J. | 46,807 | - | 27,271 | - |
| Executive Vice President | Chin, Teddy Y.T. | - | - | - | - |
| Executive Vice President | Tang, Ruoheng | - | - | - | - |
| Executive Vice President | Lai, Fengren | 18,020 | - | 15,447 | - |
| Executive Vice President | Fang, Stanley H.W. | 9,911 | - | 8,496 | - |

| Title | Name | 2025 | | As of Apr. 14, 2026 | |
|---|---|---|---|---|---|
| | | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares |
| Executive Vice President | Tyane, Edward F.C | 1,802 | - | 1,545 | - |
| Executive Vice President | Hung, Lichen | - | - | - | - |
| Executive Vice President | Chang, Ophelia L.W. | 3,604 | - | 3,089 | - |
| Executive Vice President | Xie, Jun | 30,000 *10,000 | - | - | - |
| Executive Vice President | Peng, Christina B.J. | - | - | - | - |
| Executive Vice President | Lee, Yaochung | - | - | - | - |
| Executive Vice President | Chang, Chiungyueh (2026.4.8 incoming) | / | / | - | - |
| Senior Vice President | Soong, Grace L.H. | - | - | - | - |
| Senior Vice President | Fang, Andy C.P. | 1,802 | - | 1,545 | - |
| Senior Vice President | Yang, Yawen | 4,505 | - | 3,862 | - |
| Senior Vice President | Li, Dexin | 3,604 | - | 3,089 | - |
| Senior Vice President | Hsu, Pei Ling | 7,208 | - | 6,179 | - |
| Senior Vice President | Chen, Gaven Y. | (6,198) | - | 1,545 | - |
| Senior Vice President | Hung, Ida K.Y. | 9,010 | - | 7,723 | - |
| Senior Vice President | Chen, C.Y. | 3,604 | - | 3,089 | - |
| Senior Vice President | Chang, Samson W. Y. (2026.2.5 outgoing) | 5,406 | - | - | - |
| Senior Vice President | Lin, Doris C. J. | 10,812 | - | 9,268 | - |
| Senior Vice President | Liu, Arnold H.I | 8,109 | - | 6,951 | - |
| Senior Vice President | Lee, Barry C.K. | 9,010 | - | 7,723 | - |
| Senior Vice President | Ye, Chengxian | 1,802 | - | 1,545 | - |
| Senior Vice President | Chen, Yanliang | - | - | - | - |
| Senior Vice President | Guan, Shusen | - | - | - | - |
| Senior Vice President | Zong, Fuzhen | - | - | - | - |
| Senior Vice President | Lin, Claudia X.H. | - | - | - | - |
| Senior Vice President | Huang, Kelvin F.C. | - | - | - | - |
| Senior Vice President | Chen, Ryan R.S. | - | - | - | - |
| Vice President | Chang, Chang, Benson T.W. (2025.7.1 incoming) | - | - | 3,089 | / |
| Vice President | Lin, Ted K.T. | - | - | - | - |
| Vice President | Zhu, Tingyi (2025.6.14 outgoing) | - | - | / | / |
| Vice President | Chang, Yulin | - | - | - | - |
| Vice President | Chang, Joanna H.W. | - | - | - | - |
| Vice President | Chien, Jay S.C. | - | - | - | - |
| Vice President | Tu, Eric Z.X. | - | - | - | - |
| Vice President | Xu, Steven H.J. | - | - | - | - |
| Vice President | Wu, Gene J.X. - | - | - | - | - |
| Vice President | Lin, ZHI-XUN (-2025.2.11 outgoing) | - | - | / | / |
| Vice President | Wu, Sun S.Y. (2025.5.26 incoming) | - | - | - | - |
| Vice President | Liu, Tony Y.C. (2025.7.1 incoming) | - | - | - | - |

| Title | Name | 2025 | | As of Apr. 14, 2026 | |
|---|---|---|---|---|---|
| | | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares | Holding Increase (Decrease) *Preferred Shares | Pledged Holding Increase (Decrease) *Preferred Shares |
| Vice President | Yang, Nicholas J.S. (2026.2.5 incoming) | / | / | - | - |
| Vice President | Chen, Chris J.H. (2026.2.5 incoming) | / | / | 10,813 | - |
| Vice President | Kuo, Ray S.Z. (2026.3.1 incoming) | / | / | - | - |
| Senior Assistant Vice President | Tai, Hsin Yi (2026.1.1 outgoing) | - | - | - | - |
| Senior Assistant Vice President | Chang , Vivian Y.T. (2026.1.1 incoming) | / | / | - | - |
| Senior Assistant Vice President | Huang, Yanzhi (2025.7.1 outgoing) | - | - | / | / |
| Senior Assistant Vice President | Liu, Michael J.H. (2025.11.13 outgoing) | - | - | / | / |
| Senior Assistant Vice President | Lin, Country W.B. (2025.5.26 outgoing) | - | - | / | / |
| Assistant Vice President | Chiu, Em Y.C. (2025.4.10 outgoing) | 16,000 | - | / | / |
| Assistant Vice President | Lin, Amy Y.Y. (2025.11.13 incoming) | - | - | - | - |
| Assistant Vice President | Pan, Jack Y.L. (2026.1.1 incoming) | / | / | - | - |
| Assistant Vice President | Tsai, Ashley A.L. (2025.11.4 incoming; 2026.4.14 outgoing) | - | - | - | - |

Note 1: Major shareholders who hold over 1% of the total number of issued shares of the Bank.
Note 2: "*" denotes Class B Preferred Shares in this Table.
Note 3: In columns of this table "-" is used to indicate no increase or decrease.
Note 4: The incoming date refers to the date that person is listed in the table for the first time.

**B. Reporting on transfers of shareholdings and changes in pledges of such in accordance with Article 11 of the Regulations Governing a Same Person or Same Related Person Holding the Issued Shares with Voting Rights Over a Particular Ratio of a Bank**

Unit: Shares

| Title | Name | 2025 | | As of Apr. 14, 2026 | |
|---|---|---|---|---|---|
| | | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Same Person or Same Related Person | Lo, Kenneth C.M. | - | - | - | - |
| Same Person or Same Related Person | Lo, Tina Y. | - | - | - | - |
| Same Person or Same Related Person | Chen, Yu-Shuan | (800,000) | - | - | - |
| Same Person or Same Related Person | Chen, Yu-Da | - | - | - | - |
| Same Person or Same Related Person | Ming Shan Investment Co., Ltd. (Note1) | - | - | - | - |
| Same Person or Same Related Person | Yi Chang Investment Co., Ltd. (Note1) | - | - | - | - |
| Same Person or Same Related Person | Tai Ya Investment Co., Ltd. (Note1) | 800,000 | - | - | - |
| Same Person or Same Related Person | Tai Hsuan Investment Co., Ltd. (Note1) | - | - | - | - |

Note 1: Major shareholders who hold over 1% of the total number of issued shares of the Bank.
Note 2: Class B Preferred Shares issued by the Bank do not come with voting rights, and therefore the numbers of shareholding refer to common shares.
Note 3: In columns of this table "-" is used to indicate no increase or decrease.

**(2) Shares Transfer Information:** None.

**(3) Shares Pledge Information:** None.

## 8. Relationship among the Top Ten Shareholders

As of April 14, 2026
Unit: shares/%

| Name | Current Shareholding | | Spouse's/ minor's Shareholding | | Shareholding by Nominee Arrangement | | Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 2) | | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % | Name | Relationship | |
| Ming Shan Investment Co., Ltd.<br>Rep. : Chen, Shih-Tze | 386,271,554 | 12.64% | - | - | - | - | Yi Chang Investment Co., Ltd.、 Tai Hsuan Investment Co., Ltd.、 Tai Ya Investment Co., Ltd. | The representative is the same person | |
| Yi Chang Investment Co., Ltd.<br>Rep. : Chen, Shih-Tze | 278,204,793 | 9.11% | - | - | - | - | Ming Shan Investment Co., Ltd.、 Tai Hsuan Investment Co., Ltd.、 Tai Ya Investment Co., Ltd. | | |
| Tai Hsuan Investment Co., Ltd.<br>Rep. : Chen, Shih-Tze | 275,404,275 | 9.01% | - | - | - | - | Ming Shan Investment Co., Ltd.、 Yi Chang Investment Co., Ltd.、 Tai Ya Investment Co., Ltd. | | |
| Tai Ya Investment Co., Ltd.<br>Rep. : Chen, Shih-Tze | 89,928,918 | 2.94% | - | - | - | - | Ming Shan Investment Co., Ltd.、 Yi Chang Investment Co., Ltd.、 Tai Hsuan Investment Co., Ltd. | | |
| Heng Tong Machinery Co., Ltd.<br>Rep. : Tseng, Tsai-Bau | 144,761,660 | 4.74% | - | - | - | - | - | - | |
| China Steel Corporation<br>Rep. : Huang,Jian-Zhi | 103,847,695 | 3.40% | - | - | - | - | - | - | |
| San Ho Plastics Fabrication Co., Ltd.<br>Rep. : Cheng,Tsung-Ming | 60,911,699 | 1.99% | - | - | - | - | Cheng, George C.J. | The top 9th shareholder is a director of the company | |
| Chen Yu Development Co. Ltd.<br>Rep. : Liao, Ling-Ru | 52,385,695 | 1.71% | - | - | - | - | - | - | |
| Cheng, George C.J. | 51,923,847 | 1.70% | - | - | - | - | San Ho Plastics Fabrication Co., Ltd. | Cheng, George C.J. is the director of the top 7th shareholder | |
| The Great Taipei Gas Corp.<br>Rep. : Wu,Dong-Jin | 48,495,777 | 1.59% | - | - | - | - | - | - | |

Note 1: Numbers and ratios of shareholdings refer to both common and preferred shares.
Note 2: The relationship in between is disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Public Banks.

## 9. Ownership of Shares in Affiliated Enterprises

As of Dec. 31, 2025
Unit: shares/ %

| Affiliated Enterprises (Note) | Ownership by the Company | | Direct or Indirect Ownership by Directors and Managers | | Total Ownership | |
|---|---|---|---|---|---|---|
| | Shares | % | Shares | % | Shares | % |
| IBT Holdings Corp. | 10,869,286 | 100.00 | - | - | 10,869,286 | 100.00 |
| IBT Management Corporation | 13,400,000 | 100.00 | - | - | 13,400,000 | 100.00 |
| Infinite Finance Co., Ltd. | 167,918,479 | 41.64 | - | - | 167,918,479 | 41.64 |
| China Bills Finance Corporation | 380,981,600 | 28.37 | 1,549,600 | 0.12 | 382,531,200 | 28.48 |
| Taiwan Mobile Payment Co., Ltd. | 300,000 | 0.50 | - | - | 300,000 | 0.50 |
| Beijing Sunshine Consumer Finance Co., Ltd. | 200,000,000 | 20.00 | - | - | 200,000,000 | 20.00 |
| IBT VII Venture Capital Co., Ltd. | 65,000,000 | 100.00 | - | - | 65,000,000 | 100.00 |

Note: Affiliated enterprises are referred to the investments made in accordance with Article 74 of the Banking Act of the Republic of China.

# III. Capital Overview

## 1. Capital and Shares

### (1) Source of Capital

#### A. Issue Shares

As of April 14,2026
Unit: NT$; shares

| Month/ Year | Par Value (NT$) | Authorized Capital | | Paid-in Capital | | Remark | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Amount (NT$) | Shares | Amount (NT$) | Sources of Capital | Capital Increased by Assets Other than Cash | Other |
| Aug. 1999 | 10 | 2,300,000,000 | 23,000,000,000 | 2,300,000,000 | 23,000,000,000 | Initial capital | - | 1999/5/14 (1999) Tai-Cai-Zheng (1) No. 16978 |
| Aug. 2000 | 10 | 35,234,043 | 352,340,430 | 35,234,043 | 352,340,430 | Capital increase from retained earnings | - | 2000/7/12 (2000) Tai-Cai-Zheng (1) No. 60116 |
| Aug. 2001 | 10 | 30,358,043 | 303,580,430 | 30,358,043 | 303,580,430 | Capital increase from retained earnings | - | 2001/7/12 (2001) Tai-Cai-Zheng (1) No. 145190 |
| July 2002 | 10 | 24,914,215 | 249,142,150 | 24,914,215 | 249,142,150 | Capital increase from retained earnings | - | 2002/7/9 Tai-Cai-Zheng-Yi-Zi No. 0910137604 |
| July 2004 | 10 | 200,000,000 | 2,000,000,000 | - | - | Appropriation for employee share subscription warrants | - | 2004/7/16 Jing-Shou-Shang-Zi No. 0930129910 |
| May 2017 | 7~9.3 | - | - | 22,500,000 | 225,000,000 | Capital increase by cash | - | 2017/5/4 Tai-Zheng-Shang- Yi-Zi No. 10600075162 2017/7/4 Jing-Shou-Shang-Zi No. 10601090090 |
| Nov. 2018 | 10 | 909,493,699 | 9,094,936,990 | 300,000,000 | 3,000,000,000 | Issuance of preferred stock A | - | 2018/10/3 Jin-Guan-Zheng-Fa No.1070335566 2018/12/21 Jing-Shou-Shang-Zi No.10701154030 |
| Oct. 2020 | 6.35 | - | - | 320,000,000 | 3,200,000,000 | Capital increase by cash | - | 2020/8/26 Jin-Guan-Zheng-Fa No.1090353284 2020/11/16 Jing-Shou-Shang-Zi No.10901206490 |
| Mar. 2022 | 10 | - | - | - | - | Preferred shares converted into common shares 354,000 shares | - | 2022/4/13 Jing-Shou-Shang-Zi No.11101057690 |

| Month/ Year | Par Value (NT$) | Authorized Capital | | Paid-in Capital | | Remark | | |
|---|---|---|---|---|---|---|---|---|
| | | Shares | Amount (NT$) | Shares | Amount (NT$) | Sources of Capital | Capital Increased by Assets Other than Cash | Other |
| Apr. 2022 | 10 | - | - | - | - | Preferred shares converted into common shares 632,000 shares | - | 2022/9/1 Jing-Shou-Shang-Zi No.11101123310 |
| Apr.~June 2024 | 10 | - | - | - | - | Preferred shares converted into common shares 7,983,024shares | -- | 2024/10/29 Jing-Shou-Shang-Zi No. 11330182970 |
| Sep. 2024 | 12 | - | - | 250,000,000 | 2,500,000,000 | Issuance of Class B preferred shares | - | 2024/10/29 Jing-Shou-Shang-Zi No. 11330182970 |
| July~Oct. 2024 | 10 | - | - | - | - | Preferred shares converted into common shares 63,382,553shares | - | 2024/12/27 Jing-Shou-Shang-Zi No. 11330210330 |
| Oct. 2024 | 10 | - | - | (227,648,423) | (2,276,484,230) | Redemption of unconverted Class A preferred shares 227,648,423 shares | - | 2024/12/20 Jing-Shou-Shang-Zi No. 11330220130 |
| Total | | 3,500,000,000 | 35,000,000,000 | Common Shares: 2,805,357,878 Preferred Shares: 250,000,000 | Common Shares: 28,053,578,780 Preferred Shares: 2,500,000,000 | | - | |

**B. Type of Stock**

| Share Type | Authorized Capital | | | Remarks |
|---|---|---|---|---|
| | Issued Shares | Un-issued Shares | Total Shares | |
| Common Shares | 2,805,357,878 | 444,642,122 | 3,500,000,000 | Listed Shares |
| Preferred Shares | 250,000,000 | | | |

Note: Treasury stock is included and please refer to (9) Buyback of Treasury Stock for more information.

## (2) List of Major Shareholders

As of April 14, 2026

| Shareholder's Name | Shareholding | |
|---|---|---|
| | Shares | Percentage (%) |
| Ming Shan Investment Co., Ltd. | 386,271,554 | 12.64% |
| Yi Chang Investment Co., Ltd. | 278,204,793 | 9.11% |
| Tai Hsuan Investment Co., Ltd. | 275,404,275 | 9.01% |
| Heng Tong Machinery Co., Ltd. | 144,761,660 | 4.74% |
| China Steel Corporation | 103,847,695 | 3.40% |
| Tai Ya Investment Co., Ltd | 89,928,918 | 2.94% |
| San Ho Plastics Fabrication Co., Ltd. | 60,911,699 | 1.99% |
| Chen Yu Development Co. Limited | 52,385,695 | 1.71% |
| Cheng, George C.J. | 51,923,847 | 1.70% |
| The Great Taipei Gas Corp. | 48,495,777 | 1.59% |
| Chi Yi Investment Co., Ltd | 41,085,000 | 1.34% |
| Taiwan Cement Corp. | 35,173,294 | 1.15% |
| Ming Chi Enterprise Co., Ltd. | 33,885,000 | 1.11% |
| Ren-Ho Investment Co., Ltd. | 32,690,000 | 1.07% |
| Zhuo Cheng Investment Co., Ltd. | 32,637,000 | 1.07% |

Note: Numbers and ratios of shareholdings refer to both common and preferred shares.

## (3) Dividend Policy and Implementation Status

### A. Dividend Policy

The Bank's dividend policy is spelled out in Article 32-1 of the Articles of Incorporation:

If there is a profit after its annual closing of books, the Bank shall first set aside funds for taxes and offset the accumulated losses from previous years before appropriating 30% of the profit toward its legal reserve. No appropriation shall be required if the Bank's legal reserve already equals the total amount of its paid-in capital. After appropriation or reverse of any special reserve, the remaining amount shall constitute the undistributed earnings for the year. These earnings, combined with undistributed earnings at the beginning of the period, shall form the cumulative distributable earnings. Dividends for preferred shares shall be distributed with priority, followed by dividends and bonuses for common shares (collectively referred to as "dividends"), shall be used as the basis for the Board of Directors to propose distribution and seek a resolution of a shareholders' meeting thereof.

In the event of a shortfall in "other previously accumulated net deductions from shareholders' equity" when the Bank sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Bank shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

The distribution of common stock dividend shall not be lower than 20% of distributable earnings after deducting distributable but not yet distributed preferred stock dividends for the current year. The aforesaid distributable earnings refer to the outstanding balance derived from deducting preferred stock dividends and reverse of any special reserve from the year's undistributed earnings set forth in paragraph 1 of this article. In particular, the cash dividend payout shall account for not less than 20% of the total common stock dividend payout for any given year. Separately, before the legal reserve equals the total amount of capital stock, the maximum cash distribution of earnings shall not exceed 15% of the total amount of paid-in capital.

With regard to the foregoing distribution of common stock dividends, the Bank adopts a policy of stability and balance that takes into account capital budget planning, capital needs for business operations, and commitment to a sound financial structure. The aforesaid method of dividend distribution is intended only as a principle-based guideline; the Bank may consider actual needs and, via the Board of Directors, propose an amendment and seek shareholder approval in the form of a resolution adopted by a shareholders' meeting.

**B. Proposed Distribution of Dividend**

It is proposed at the 2025 Shareholders' Meeting that shareholders will be entitled to a cash dividend of NT$0.54 per preferred share B, totaling NT$135,000,000 and cash dividend of NT$0.52 per common share, totaling NT$1,446,857,817.

**(4) Impact of the stock dividend distribution proposed at this shareholders' meeting upon the Bank's business performance and earnings per share:** Not applicable.

**(5) Remuneration of Employees and Directors**

**A. Information relating to Remuneration of Employees and Directors in the Articles of Incorporation:**

Article 22

If the Bank records a profit in a year, the Bank shall allocate no more than 2.5% of the profit for director remunerations, but independent directors shall be excluded from such distribution. If the Bank has accumulated losses, however, the aforesaid profit shall be used to offset accumulated losses first.

Article 32

If the Bank records a profit in a year, the Bank shall set aside no less than 0.5% of the profit for employee remunerations. If the Bank has accumulated losses, however, the profit shall be used to offset the aforesaid accumulated losses first. Among the total amount of employee remuneration, the portion allocated to non-managerial staff shall not be less than 20%.

Distribution of employee remunerations in stock or cash shall require a resolution adopted through a majority vote of the directors present at a meeting attended by not less than two-thirds of all directors, which in turn shall be reported to a shareholders' meeting. The employees entitled to the aforesaid remunerations may include those employed by the Bank's affiliated companies who meet specific requirements.

**B. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:**

The Bank takes a given year's pretax profit prior to distribution of employee compensation and remuneration of directors as the basis for the said distribution at rates prescribed in the Articles of Incorporation. After the Bank's publication of financial statements, changes in accounting estimates shall be made and an adjusting entry added for the following year should any discrepancy arise from the amount of distribution decided by the Board of Directors.

**C. Distribution of Remuneration of Employees and Directors for 2026 Approved in the Board of Directors Meeting**

(1) In 2026, the Board of Directors approved cash dividends of NT$33,821,608 in employee remunerations and NT$28,184,673 in director remunerations, showing no discrepancy with those specified in the Bank's financial statements for 2025.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

**D. On May 2, 2025, the Board of Directors approved cash dividends of NT$52,585,704 in employee remunerations and NT$45,574,277 in director remunerations for 2024, showing no discrepancy with those specified in the Bank's financial statements for 2024.**

## (6) Buyback of Treasury Stock:

The Bank's Share Repurchase and its implementation (already completed)

As of April 14, 2026

| Batch of Repurchase | First Batch | Second Batch | Third Batch |
|---|---|---|---|
| Purpose of repurchase | Transfer to employees | Transfer to employees | Transfer to employees |
| Period for the repurchase | March 23-April 28, 2020 | August 23-October 20, 2023 | December 27,2024-February 25, 2025 |
| Price range for the repurchase | NT$5.00-7.00 per share | NT$7.00-14.00 per share | NT$7.00-14.00 per share |
| Types and number of shares actually repurchased | 5,737,000 common shares | 15,000,000 common shares | 15,000,000 common shares |
| Total monetary amount of shares actually repurchased | NT$38,304,469 (transaction fees included) | NT$144,683,044 (transaction fees included) | NT$148,512,083 (transaction fees included) |
| Ratio of number of shares already repurchased against the planned number of shares to be repurchased (%) | 16.39% | 100% | 100% |
| Capital adequacy ratio before the repurchase | Record date: 2019.12.31 Ratio: 14.00% | Record date: 2023.6.30 Ratio: 13.10% | Record date: 2024.6.30 Ratio: 13.68% |
| Capital adequacy ratio after the repurchase | Record date:2020.6.30 Ratio:12.32% | Record date:2023.12.31 Ratio:13.97% | Record date:2025.3.31 Ratio:14.60% |
| Number of shares retired and transferred | 5,737,000 shares transferred | 7,061,000 shares transferred | 0 shares |
| Accumulated number of own shares held | 0 shares | 7,939,000 shares | 22,939,000 shares |
| Ratio of accumulated number of own shares held during the repurchase period against the total number of the Bank's issued shares (%) | 0% | 0.29% | 0.82% |

| Batch of Repurchase | First Batch | Second Batch | Third Batch |
|---|---|---|---|
| Progress in implementing transfer of the repurchased shares to employees | Transfer completed in full | Transferred 7,061,000 shares | 0 shares |
| Instances where the Bank has failed to complete transfer within 3 years after repurchase and thereby caused the FSC to adopt restrictions | None | None | None |

## 2. Issuance of Bank Debenture

As of April 14, 2026

| Bank Debenture Type | 2017 Subordinated Bank Debentures, Phase I | 2017 Subordinated Bank Debentures, Phase II, Batch B |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2016/9/8<br>Jin-Guan-Yin-Piao-Zi No.10500215650 | 2017/11/13<br>Jin-Guan-Yin-Piao-Zi No.10600259320 |
| Date of issuance | 2017/9/5 | 2017/12/27 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$2 billion | NT$1 billion |
| Interest rate | 1.97% per annum | 1.82% per annum |
| Tenor | 10 years<br>maturity date: 2027/9/5 | 10 years<br>maturity date: 2027/12/27 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | Yuanta Securities as lead underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - | - |
| CPA | Yang, Chen-Hsiu | Yang, Chen-Hsiu |
| Certifying institution | - | - |
| Repayment method | Repayment in lump sum upon maturity | Repayment in lump sum upon maturity |
| Outstanding balance | NT$2 billion | NT$1 billion |
| Paid-in capital of the previous year | NT$23,905,063 thousand | NT$23,905,063 thousand |
| Shareholders' equity of the previous year | NT$28,478,741 thousand | NT$28,478,741 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | None | None |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 65.49% | 71.63% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

| Bank Debenture Type | 2018 Subordinated Bank Debentures, Phase I, Batch A | 2018 Subordinated Bank Debentures, Phase I, Batch B |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2017/11/13 Jin-Guan-Yin-Piao-Zi No.10600259320 | 2017/11/13 Jin-Guan-Yin-Piao-Zi No.10600259320 and 2018/6/14 Jin-Guan-Yin-Piao-Zi No.10702116800 |
| Date of issuance | 2018.6.29 | 2018.6.29 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$700 million | NT$1.05 billion |
| Interest rate | 4.00% per annum | 1.75% per annum |
| Tenor | Maturity date: none (Note) | 10 years<br>Maturity date: 2028/6/29 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | Yuanta Securities as lead underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - | - |
| CPA | Yang, Chen-Hsiu | Yang, Chen-Hsiu |
| Certifying institution | - | - |
| Repayment method | (Note) | Repayment in lump sum upon maturity |
| Outstanding balance | NT$700 million | NT$1.05 billion |
| Paid-in capital of the previous year | NT$24,130,063 thousand | NT$24,130,063 thousand |
| Shareholders' equity of the previous year | NT$28,558,691 thousand | NT$28,558,691 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | None | None |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 62.50% | 62.50% |
| Whether included as eligible equity capital and its category | Yes/Tier 1 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

Note: The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5.3 years after their issuance (after 2023/10/16) if the Bank's capital adequacy ratio meets the minimum requirement after this redemption.

| Bank Debenture Type | 2019 Subordinated Bank Debentures, Phase I | 2021 Subordinated Bank Debentures, Phase I |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2018/6/14<br>Jin-Guan-Yin-Piao-Zi No.10702116800 | 2021/2/22<br>Jin-Guan-Yin-Piao-Zi No.1100203414 |
| Date of issuance | 2019.6.6 | 2021.6.25 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$2.5 billion | NT$1 billion |
| Interest rate | 1.5% per annum | 0.9% per annum |
| Tenor | 7 years<br>Maturity date: 2026/6/6 | 7 years<br>Maturity date: 2028/6/25 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | Yuanta Securities as lead underwriter | KGI Securities Co., Ltd. as lead underwriter |
| Certifying attorney | - | - |
| CPA | Chen, Yin-Chou | Chen, Yin-Chou |
| Certifying institution | - | - |
| Repayment method | Repayment in lump sum upon maturity | Repayment in lump sum upon maturity |
| Outstanding balance | NT$2.5 billion | NT$1 billion |
| Paid-in capital of the previous year | NT$27,130,063 thousand | NT$30,330,063 thousand |
| Shareholders' equity of the previous year | NT$31,558,691 thousand | NT$32,166,500 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 59.25% | 45.08% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

| Bank Debenture Type | 2022 Subordinated Bank Debentures, Phase I | 2023 Subordinated Bank Debentures, Phase I |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2022/5/17<br>Jin-Guan-Yin-Piao-Zi No. 1110137858 | 2022/5/17<br>Jin-Guan-Yin-Piao-Zi No. 1110137858 |
| Date of issuance | 2022.9.27 | 2023.4.27 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$1.1 billion | NT$900 million |
| Interest rate | 2.3% per annum | 2.0% per annum |
| Tenor | 7 years<br>Maturity date: 2029/9/27 | 7 years<br>Maturity date: 2030/4/27 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | KGI Securities Co., Ltd. as lead underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - | - |
| CPA | Lee,Guan-Hao | Lee,Guan-Hao |
| Certifying institution | - | - |
| Repayment method | Repayment in lump sum upon maturity | Repayment in lump sum upon maturity |
| Outstanding balance | NT$1.1 billion | NT$900 million |
| Paid-in capital of the previous year | NT$30,330,063 thousand | NT$30,330,063 thousand |
| Shareholders' equity of the previous year | NT$35,434,261 thousand | NT$35,434,261 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 41.20% | 40.92% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

| Bank Debenture Type | 2023 Subordinated Bank Debentures, Phase II | 2024 Subordinated Bank Debentures, Phase I |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2023/5/17<br>Jin-Guan-Yin-Piao-Zi No. 1120213421 | 2023/5/17<br>Jin-Guan-Yin-Piao-Zi No. 1120213421 |
| Date of issuance | 2023.9.27 | 2024.3.27 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$700 million | NT$1.5 billion |
| Interest rate | 2.2% per annum | 2.3% per annum |
| Tenor | 7 years<br>Maturity date: 2030/9/27 | 7 years<br>Maturity date: 2031/3/27 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | KGI Securities Co., Ltd. as lead underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - | - |
| CPA | Lee,Guan-Hao | Lee,Guan-Hao |
| Certifying institution | - | - |
| Repayment method | Repayment in lump sum upon maturity | Repayment in lump sum upon maturity |
| Outstanding balance | NT$700 million | NT$1.5 billion |
| Paid-in capital of the previous year | NT$30,330,063 thousand | NT$30,330,063 thousand |
| Shareholders' equity of the previous year | NT$36,557,199 thousand | NT$36,557,199 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 35.42% | 39.53% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

| Bank Debenture Type | 2024 Subordinated Bank Debentures, Phase II | 2025 Subordinated Bank Debentures, Phase I, Batch A |
|---|---|---|
| Date/reference number of the competent authority's approval letter | 2024/4/23<br>Jin-Guan-Yin-Piao-Zi<br>No.1130211250 | 2025/1/13<br>Jin-Guan-Yin-Piao-Zi<br>No.1130240549 |
| Date of issuance | 2024.6.27 | 2025.9.26 |
| Denomination | NT$10 million | NT$10 million |
| Place of issuance and for trading | - | - |
| Currency | NT$ | NT$ |
| Issue price | Issue by denomination | Issue by denomination |
| Total amount | NT$1 billion | NT$200 million |
| Interest rate | 2.5% per annum | 2.55% per annum |
| Tenor | 7 years<br>Maturity date: 2031/6/27 | 7 years<br>Maturity date: 2032/9/26 |
| Priority | Subordinated | Subordinated |
| Guarantor | - | - |
| Consignee | - | - |
| Underwriter | KGI Securities Co., Ltd. as lead underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - | - |
| CPA | Ma, Wei-Chun | Ma, Wei-Chun |
| Certifying institution | - | - |
| Repayment method | Repayment in lump sum upon maturity | Repayment in lump sum upon maturity |
| Outstanding balance | NT$1 billion | NT$200 million |
| Paid-in capital of the previous year | NT$30,330,063 thousand | NT$30,553,578 thousand |
| Shareholders' equity of the previous year | NT$38,748,105 thousand | NT$41,293,279 thousand |
| Performance | - | - |
| Terms for redemption or early repayment | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. |
| Terms for conversion and exchange | None | None |
| Restrictive clause | Subordinated | Subordinated |
| Funds utilization plan | Medium- and long-term lending | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 39.87% | 35.50% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - | - |

| Bank Debenture Type | 2025 Subordinated Bank Debentures, Phase I, Batch B |
|---|---|
| Date/reference number of the competent authority's approval letter | 2025/1/13<br>Jin-Guan-Yin-Piao-Zi<br>No.1130240549 |
| Date of issuance | 2025.9.26 |
| Denomination | NT$10 million |
| Place of issuance and for trading | - |
| Currency | NT$ |
| Issue price | Issue by denomination |
| Total amount | NT$1.1 billion |
| Interest rate | 2.7% per annum |
| Tenor | 10 years<br>Maturity date: 2035/9/26 |
| Priority | Subordinated |
| Guarantor | - |
| Consignee | - |
| Underwriter | Yuanta Securities as lead underwriter |
| Certifying attorney | - |
| CPA | Ma, Wei-Chun |
| Certifying institution | - |
| Repayment method | Repayment in lump sum upon maturity |
| Outstanding balance | NT$1.1 billion |
| Paid-in capital of the previous year | NT$30,553,578 thousand |
| Shareholders' equity of the previous year | NT$41,293,280 thousand |
| Performance | - |
| Terms for redemption or early repayment | The Bank may, upon approval of the competent authority, allow early redemption of the said debentures 5 years and 1 month after their issuance if the Bank's capital adequacy ratio meets the minimum requirement after this redemption. |
| Terms for conversion and exchange | None |
| Restrictive clause | Subordinated |
| Funds utilization plan | Medium- and long-term lending |
| Issuance amount plus the outstanding balance of previous issues against shareholders' equity of the previous year (%) | 35.50% |
| Whether included as eligible equity capital and its category | Yes/Tier 2 capital |
| Credit rating agency, rating date, and rating assigned | - |

## 3. Preferred Shares

| Item / Issuance (launch) date | | September 25, 2024<br>Preferred Stock B |
| --- | --- | --- |
| Face value | | NT$10 |
| Issuance price | | NT$12 per share |
| Number of shares | | 250,000,000 shares |
| Total issuance amount | | NT$3,000,000,000 |
| Rights and obligations | Distribution of dividends and bonuses | The annual dividend rate for these preferred shares is 4.5% (based on the five-year NTD IRS rate of 1.7325% as of the pricing record date, August 22, 2024, plus a fixed spread of 2.7675%), calculated based on the issuance price per share. The five-year NTD IRS rate will be reset on the business day following the expiration of five years and six months from the issuance date and every five years and six months thereafter. The interest rate reset pricing record date is two Taipei financial industry business days preceding the interest rate reset date. The five-year NTD IRS rate is the arithmetic average of the five-year NTD interest rate swap quotes for "TAIFXIRS" and "COSMOS3" as provided by Refinitiv at 11:00 AM on the interest rate reset pricing record date. If the aforementioned quotes are unavailable on the interest rate reset pricing record date, the Bank shall determine the rate based on good faith principles and reasonable market conditions.<br>If the Bank makes a profit based on its annual financial statements, after paying taxes, offsetting accumulated losses, appropriating legal reserve, and appropriating or reversing special reserve as required by law, the remaining balance shall first be used to distribute the dividends payable to the preferred shares for the year. The Bank has discretionary authority over the distribution of dividends for these preferred shares. If there is no profit or insufficient profit to distribute dividends for these preferred shares, or if distributing dividends would cause the Bank's capital adequacy ratio to fall below the minimum requirements set by law or the competent authority, or for other necessary considerations, the Bank may decide not to distribute dividends for the preferred shares, and preferred shareholders shall have no objections. These preferred shares are non-cumulative, and any undistributed or under-distributed dividends will not be deferred for payment in future profitable years. Dividends for these preferred shares are paid annually in cash after the financial statements are approved at the annual shareholders' meeting. The Board of Directors shall set a record date for the payment of the previous year's distributable dividends. Dividends for the issuance year and redemption year are calculated based on the actual number of days the shares are outstanding in that year, and the distributed dividends will be recorded on the dividend warrant.<br>Apart from receiving dividends at the said dividend rate, these preferred shares are not entitled to participate in the distribution of earnings or capital surplus in the form of cash or capitalization that is available to common shareholders. |
| | Priority of claims in liquidation | The priority of preferred shareholders in the distribution of the Bank's residual assets, except as stipulated in the "Regulations Governing the Capital Adequacy and Capital Category of Banks" (where, in the event the Bank is taken over by the competent authority or ordered to suspend or liquidate its business, the order of repayment for holders of these preferred shares shall be the same as that of common shareholders), is higher than that of common shareholders and equal to that of holders of other types of preferred shares issued by the Bank. However, it is subordinate to holders of Tier 2 capital instruments, depositors, and general creditors, limited to the issuance amount. |
| | Exercise of voting rights | Preferred shareholders have no voting or election rights but have voting rights at preferred shareholders' meetings or shareholders' meetings involving the rights and obligations of preferred shareholders. They are eligible to be elected as directors and have voting rights at preferred shareholders' meetings. |
| | Others | When the Bank issues new shares in a cash capital increase, preferred shareholders have the same preemptive rights to subscribe for new shares as common shareholders. |

| Item / Issuance (launch) date | | | September 25, 2024 Preferred Stock B |
|---|---|---|---|
| Outstanding preferred shares | | Amount redeemed or converted | NT$0 |
| | | Balance of shares not yet redeemed or converted | NT$3,000,000,000 |
| | | Terms of redemption or conversion | 1. Preferred Stock B have no maturity date, but the Bank may, with the approval of the competent authority, redeem all or part of the preferred shares at the original issue price starting from the business day following five years and six months from the issuance date. The rights and obligations specified in the issuance terms shall continue to apply to unredeemed preferred shares. In the year of redemption, if the shareholders' meeting resolves to distribute dividends, the dividends payable up to the redemption date shall be calculated based on the actual number of days the shares are outstanding in that year.<br>2. Stock B convertible preferred shares issued by the Bank cannot be converted within one year from the issuance date. Starting from the day following one year from the issuance date, preferred shareholders may, during the conversion period, apply to convert part or all of their preferred shares into common shares at a conversion ratio of one preferred share to one common share (1:1). Upon conversion into common shares, the rights and obligations of the converted shares are identical to those of common shares. Dividends on these preferred shares for the conversion year are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus. |
| Market price per share | 2023 | High | - |
| | | Low | - |
| | | Average | - |
| | 2024 | High | NT$12.05 |
| | | Low | NT$11.35 |
| | | Average | NT$11.70 |
| | 2024 | High | NT$12.05 |
| | | Low | NT$11.40 |
| | | Average | NT$11.91 |
| | Year to date as of April 14, 2026 | High | NT$11.95 |
| | | Low | NT$11.75 |
| | | Average | NT$11.83 |
| Other rights | Amount converted or subscribed to as of the date of publication of this annual report | | NT$0 |
| | Issuance and conversion/subscription rules | | These convertible preferred shares issued by the Bank cannot be converted within one year from the issuance date. Starting from the day following one year from the issuance date, preferred shareholders may, during the conversion period, apply to convert part or all of their preferred shares into common shares at a conversion ratio of one preferred share to one common share (1:1). Upon conversion into common shares, the rights and obligations of the converted shares are identical to those of common shares. Dividends on these preferred shares for the conversion year are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus. |

| Issuance (launch) date<br>Item | September 25, 2024<br>Preferred Stock B |
|---|---|
| Impact of issuance on equity of shareholders of preferred shares and possible dilution of equity | Although the Stock B convertible preferred shares issued by the Bank in this cash capital increase have no maturity date and investors have no put option, they can be converted into ordinary shares at a 1:1 ratio after one year from issuance. As the timing of conversion by preferred shareholders is expected to vary, the dilution effect on equity is deferred and will not immediately impact the Bank's management control or earnings per share.<br>Assuming all Stock B preferred shareholders exercise their conversion rights to convert the preferred shares into the Bank's common shares, the maximum dilution ratio would be:<br>$= \frac{\text{Number of new shares issued for this capital increase}}{\text{Number of shares outstanding} + \text{Number of new shares issued for this capital increase}}$<br>$= \frac{250{,}000{,}000 \text{ shares}}{2{,}733{,}992{,}000 \text{ shares} + 250{,}000{,}000 \text{ shares}}$<br>$= 8.38\%$<br>As shown above, if all Type B preferred shareholders exercise their conversion rights, the maximum dilution ratio is 8.38%, which is considered acceptable. Additionally, there is no dilution of equity until the preferred shareholders request conversion, hence a deferred dilution effect. Therefore, in the long term, the impact on existing shareholders' equity is minimal. |
| Impact on equity of existing shareholders | Dividends for the conversion year for preferred shareholders exercising conversion rights are calculated based on the proportion of the actual number of days the shares are outstanding to the total days in the year. However, if the shares are converted into common shares before the ex-rights (or ex-dividend) record date for the annual dividend distribution, the shareholder will not be entitled to the preferred share dividends for that year or subsequent years but may participate in the distribution of common stock earnings and capital surplus.<br>For existing shareholders, although the issuance of Stock B preferred shares reduces the distributable earnings for common shareholders due to the distribution of special dividends before conversion, the dividends payable for preferred shares decrease as Stock B preferred shares are converted into common shares. Although preferred shareholders may convert their preferred shares into common shares, the varied timing of conversions means the dilution of earnings per share is not immediate. Moreover, the funds raised from this issuance are primarily used to redeem Stock A preferred shares, which will reduce annual preferred share dividend expenses and maintain the capital adequacy ratio, with a positive effect on existing shareholders' equity. |
| Impact of redeeming preferred shares on the ratio of regulatory capital to risk-weighted assets | Not applicable |

Note: The record date (issuance date) for the Type B preferred shares capital increase is September 25, 2024, and the listing and trading date for the stock payment certificates is September 30, 2024.

## 4. Global Depository Receipts 、Employee Stock Options 、New Restricted Employee Shares and Information of Other Financial Institutions Acquired or Transferred: None.

## 5. Financing Plans and Implementation

**A. Plan Content:**

Any uncompleted public issue or private placement of equities or bank dentures or any such issue and placement that was completed in the most recent three years but has not yet fully yielded the intended benefits: None.

**B. Implementation Status: None.**

# IV. Operational Highlights

## 1. Business Activities

The Bank mainly operates the following businesses:

- Acceptance of various types of deposits.
- Issuance of financial bonds.
- Handling of loans, discounts, and acceptances.
- Handling of domestic and foreign exchange services.
- Handling of domestic and foreign guarantee services.
- Issuance of domestic and foreign L/Cs.
- Agency collection and payment services.
- Investment in and underwriting of securities.
- Proprietary trading of bonds.
- Factoring services.
- Provision of financial consulting connected with financing and non-financing services.
- Wealth management services.
- Acting as an agent for personal insurance and property insurance.
- Handling of debit card services.
- Handling of guaranteed services connected with export and import foreign exchange, outward and inward remittances, foreign currency deposits and loans, and foreign currency guaranteed payments.
- Handling of services permitted under the Trust Enterprise Act.
- Handling of financial derivatives services.
- Handling of other services approved by the competent authority.

| Key Business Area | Major Business Activity |
|---|---|
| Corporate Banking Services | Provision of corporate financial products and services: lending and deposit, corporate foreign exchange and international finance, project, corporate financial advisory services, and corporate cash management and e-Banking services, etc. |
| Retail Banking Services | Provision of personal financial products and services: lending and deposit, digital retail banking services, payment, insurance, wealth management, etc. |
| Trust Business | Trust, securitization, trust asset management, and land superficies rights, etc. |
| Investment Business | Financial products trading and securities investment, and private equity investments in unlisted companies. |
| Investment under Equity Method | Please refer to this annual report "Review of Financial Conditions, Financial Performance, and Risk Management" for investment details. |

## Weight of Business Profits

Unit: NT$ thousands

| Item \ Year | 2025 | | 2024 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Net interest income | 3,134,662 | 47 | 2,646,870 | 34 |
| Net fee income | 885,781 | 13 | 1,055,341 | 13 |
| Gains or losses on financial assets (liabilities) at fair value through profit or loss | 312,695 | 5 | 4,761,412 | 61 |
| Gains from sale of fair value through other comprehensive income financial assets | 372,624 | 5 | 242,512 | 3 |
| Net gain or loss on exchange | 1,485,732 | 22 | (2,126,189) | (27) |
| Impairment loss on assets | 4,012 | - | (3,174) | - |
| Share of profit or loss of subsidiaries and affiliated businesses accounted for using equity method | 388,948 | 6 | 1,135,264 | 15 |
| Net profit apart from interest | 106,038 | 2 | 75,007 | 1 |
| Net income | 6,690,492 | 100 | 7,787,043 | 100 |

## Weight of Major Business Operations

Unit: NT$ thousands

| Asset | 2025 | Percentage (%) (Note 1) | Percentage Increase (Decrease) from the previous year | 2024 | Percentage (%) (Note 1) |
|---|---|---|---|---|---|
| Loans- Corporate Banking | 189,675,574 | 46 | - | 189,216,750 | 46 |
| Loans- Retail Banking | 46,410,224 | 11 | 17 | 39,815,040 | 10 |
| Deposits- Corporate Banking (Note 2) | 229,089,928 | 62 | (14) | 264,907,417 | 71 |
| Deposits - Retail Banking (Note 2) | 85,518,957 | 23 | 53 | 55,975,354 | 15 |
| Investment | 112,859,043 | 27 | (12) | 127,871,179 | 31 |
| Investment under Equity Method | 23,204,888 | 6 | 2 | 22,784,191 | 6 |

Note 1: the proportion of each major business operation item in total assets or total liabilities
Note 2: Deposits include: demand deposits, time deposits and re-deposits from the Chunghwa Post Co.

Unit: NT$ thousands

| Revenue | 2025 | Percentage (%) | Percentage Increase (Decrease) from the previous year | 2024 | Percentage (%) |
|---|---|---|---|---|---|
| Corporate Banking Services | 4,418,017 | 66 | (8) | 4,795,966 | 62 |
| Consumer Finance | 1,009,434 | 15 | 13 | 895,913 | 11 |
| Financial Management | 107,891 | 2 | (27) | 146,805 | 2 |
| Equity and Debt Securities Investment | 249,727 | 4 | 13,364 | 1,855 | - |
| Other Investment | 968,238 | 14 | 4 | 929,679 | 12 |
| Trust Business (Corporate Banking) | 14,113 | - | (55) | 31,066 | - |
| Investment under Equity Method and Others | (76,928) | (1) | (108) | 985,759 | 13 |
| Net Income | 6,690,492 | 100 | (14) | 7,787,043 | 100 |

Note: Due to internal adjustments, the definition of revenue for each business segment has been revised.

Volume of Foreign Exchange:

Unit: US$ thousands

| Item | 2025 | Percentage (%) | Percentage Increase (Decrease) from the previous year | 2024 | Percentage (%) |
|---|---|---|---|---|---|
| Import (Issuance of L/C;DA;DP) | 294,779 | 1.29 | 11.41 | 264,589 | 1.11 |
| Export (Negotiation;Collection;DA;DP) | 148,749 | 0.65 | (2.84) | 153,104 | 0.65 |
| Remittance (Outward;Inward) | 22,357,973 | 98.06 | (4.23) | 23,345,776 | 98.24 |
| Total | 22,801,501 | 100.00 | (4.05) | 23,763,469 | 100.00 |

Trust Asset:

Unit: NT$ thousands

| Item | 2025 | Percentage (%) | Percentage Increase (Decrease) from the previous year | 2024 | Percentage (%) |
|---|---|---|---|---|---|
| Monetary | 7,545,151 | 60.19 | (6.74) | 8,090,209 | 64.69 |
| Real Estate | 4,938,253 | 39.39 | 13.20 | 4,362,386 | 34.89 |
| Surface Rights | 52,813 | 0.42 | 0.00 | 52,813 | 0.42 |
| Total | 12,536,217 | 100 | 0.25 | 12,505,408 | 100 |

Note: The item is categorized under Trust Enterprise Act, Article 16.

## (1) Business Review

The Bank's domestic business locations included its Business Department Headquarters, Nanjing Fuxing Branch, Taoyuan Branch, Hsinchu Branch, Taichung Branch, and Kaohsiung Branch. In addition, the competent authority approved the establishment of regional service units in Taipei, Taoyuan, Taichung, Tainan, and Kaohsiung for corporate banking and business banking affairs; apart from promoting this Bank's financial products, these service units also provide all-round financial services to clients throughout northern, central, and southern Taiwan. Our first overseas branch (Hong Kong Branch) opened in April 2009. It has long served as a key location for the Bank to connect with international financial markets and provide services to cross-border corporate clients. Considering the economic growth and industrial cluster outlook in Mainland China, the representative office will relocate from Tianjin to Shanghai in 2026. With Shanghai's financial and industrial hub in the Greater China region, the Bank will be able to collect market information more effectively. Furthermore, in response to the increasing economic and trade activities within the Asia-Pacific region, the Bank established the Sydney Representative Office in March 2025 to expand and maintain customer relationship development, as well as the collection of local business intelligence and market information. In the next phase, the Bank will accelerate the process of upgrading the office to a branch to complete its Asia-Pacific regional presence.

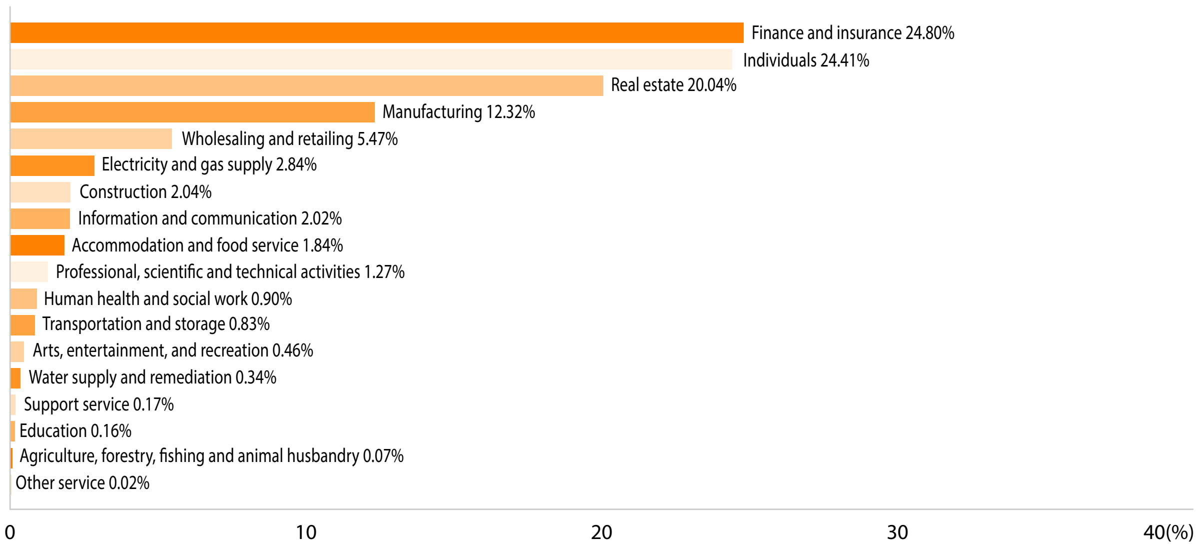
### 1) Credit Extension

Looking back on 2025, the Bank continued to deepen its engagement with both domestic and overseas corporate clients while actively expanding its personal banking business. In response to diverse customer needs, the Bank offered a wide range of loan products tailored to different market segments. On the marketing front, the Bank consistently optimized digital client acquisition strategies and worked to meet the financial needs of existing customers, resulting in sustained business growth. Notably, the outstanding balance of mortgage and consumer loans increased by 17% compared to 2024. To ensure steady growth and manage business risks, the Bank not only focused on consolidating its customer base but also actively explored niche markets, particularly mid-market enterprises, as a foundation for promoting cross-selling opportunities.

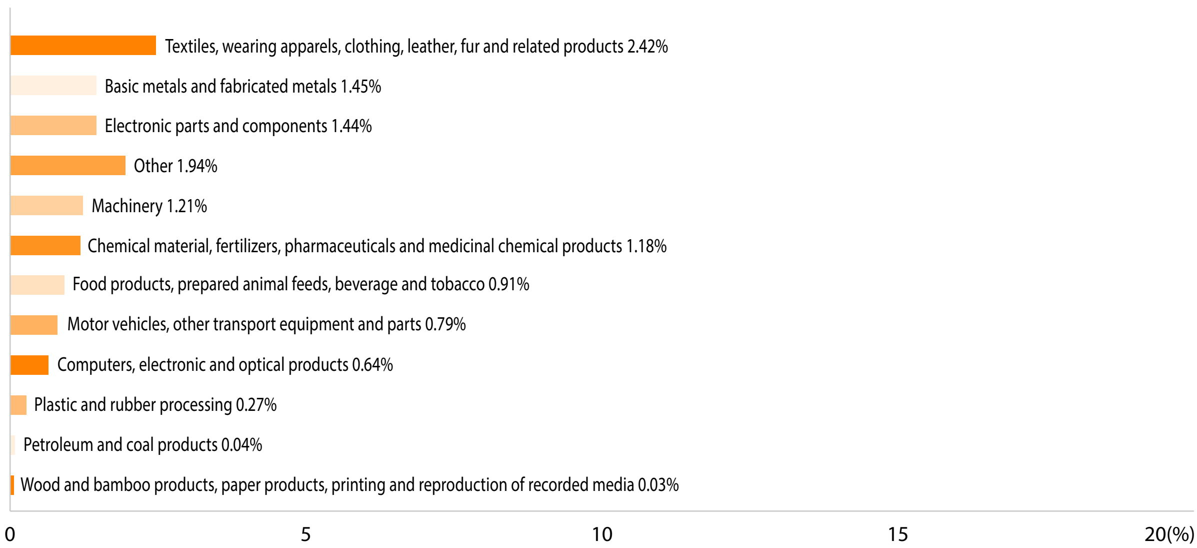
Corporate syndicated loans have long been the core pillar of the Bank's credit business. The Corporate Finance Department is adept at providing clients with tailored, fast, and accurate financing solutions. The Bank has successfully raised capital for clients and helped them address critical challenges. Our target clientele is primarily located in the Greater China region (Taiwan and Hong Kong), spanning various industries. In addition to offering customized solutions for diverse funding needs and supporting the growth of domestic and international enterprises, the Bank's meticulous and professional service enhances clients' continued development and strengthens their market competitiveness.

According to the Statistical Classification of Industry of Directorate General of Budget, Accounting and Statistics of the Executive Yuan, the Bank's overall credit risk exposure for 2025, including loans, factoring, receivable acceptances, guarantees, and receivable letters of credit, amounted to NT$270.7 billion. After excluding exposures fully secured by the Bank's certificates of deposit, the net credit exposure was NT$257.3 billion. Of these numbers, the financial and insurance industry category accounted for the highest proportion at 24.80%, followed by the individuals at 24.41%, and the real estate industry category at 20.04%. The remaining exposures were allocated to the manufacturing industries at 12.32%, the wholesaling and retailing industry at 5.47%, the electricity and gas supply industry at 2.84%, the construction industry at 2.04%, the information and communication industry at 2.02%, the accommodation and food service industry at 1.84%, the professional, scientific and technical activities at 1.27%, the human health and social work industry at 0.90%, the transportation and storage industry at 0.83%, the arts, entertainment and recreation industry at 0.46%, the water supply and remediation industry at 0.34%, the support service industry at 0.17%, the education industry at 0.16%, the agriculture, forestry, fishing and animal husbandry industry at 0.07%, and the other service industry at 0.02%. Within the manufacturing sector, the highest credit risk exposure was to the textiles, wearing apparels, clothing, leather, fur and related products industry at 2.42%, followed by the basic metals and fabricated metal products at 1.45%, the electronic parts and components at 1.44%, the machinery industry at 1.21%, fertilizers, pharmaceuticals and medical chemical products at 1.18%, the food products, prepared animal feeds, beverages and tobacco industry at 0.91%, the motor vehicles, other transport equipment and parts at 0.79%, the computers, electronic and optical products at 0.64%, the rubber and plastic products at 0.27%, the petroleum and coal products at 0.04%, and the wood and bamboo products, and paper products, printing and reproduction of recorded media at 0.03%. The remaining industries account for 1.94%.

The credit risk exposure, excluding that fully secured by the Bank's certificates of deposit, at the end of 2025:




The credit risk exposure within the manufacturing sector (12.32%):



In 2025, the U.S. Federal Reserve (FED) moderated its pace of rate cuts, implementing a total of three interest rate cuts of 25 basis points each throughout the year. FED expected to support employment market and prevent economy from decelerating, while relieving finance cost for corporates at the same time through the action. The syndicated loans of Taiwan in 2025 focused on capital expenditure of technology industries and capital requirements of energy transition (wind power) and large public infrastructure project. Under the circumstances that sizes of the syndicated loans were enormous, and interest rate played an important role, lead arrangers posed significant challenges. Fortunately, the Bank's long-term client cultivation have proven effective, and advantages of professional and customized services further strengthen relationship between the Bank and customers. Meanwhile, the strategy allowed us to maintain strict pricing discipline, and additionally avoided low-interest-rate competition. We remain focus on enterprises with promising growth prospects and on leveraging group referral mechanisms. The Bank offers appropriate financing strategies aligned with clients' financial planning needs and is also moving in tandem with global and domestic trends such as green energy and environmental sustainability by continuously developing ESG-related financing solutions.

**2) Deposits**

As of the end of 2025, the Bank's outstanding balance of NT dollar and foreign currency deposits, excluding export remittances, came in at approximately NT$314.6 billion and decreased 6.3 billion compared with last year. The deposit balance for the current year decreased compared to the same period of the previous year, primarily attributable to the Bank's active optimization of its deposit structure in 2025. This included strategically reducing the proportion of corporate funds and expanding penetration of retail customer deposits, thereby effectively lowering overall funding costs and resulting in a decline in the total deposit balance. For the sake of both liquidity and security, the Bank gives priority to deposit stability. As such, emphasis is placed on diversifying the maturities of time deposits while actively soliciting demand deposits and small and medium-sized enterprises (SMEs) deposits to bring down capital costs. The Bank continues to launch preferential deposit plans to support B-type and social enterprises, fulfilling the Bank's corporate social responsibility and assisting the development of related enterprises.

The Bank's suite of personal banking deposit and remittance products is planned and developed around its customers' needs and includes: consolidated bank statement download function; passbook cover of NTD/Foreign currency accounts download function; the ability to view personalized preferential demand deposit interest rates via online banking; the opening of trust accounts for minor children; a "frequently used account" search feature; 24/7 online foreign currency trading year round; foreign exchange transactions exceeding NT$500,000 in value; and interbank cardless withdrawal service—altogether meeting customers' cash management and fund transfer needs through both digital and branch channels.

**3) Foreign Exchange and Offshore Banking**

The Bank continues to expand its trade finance business, while adopting an interest spread maintenance strategy for its foreign exchange financing operations. In its international lending activities, the Bank not only conducts prudent assessments of country and industry risks but also, under controlled risk conditions, steadily broadens the foundation of its international finance platform. The Bank is actively deepening its presence in Australia and Southeast Asia to enhance service quality and generate additional business opportunities.

Furthermore, the Bank is extending the Group's financial services through its overseas branches, with a footprint across the Greater China region and the United States—including its Hong Kong Branch, Shanghai Representative Office, and EverTrust Bank USA subsidiary—as well as via equity method investments in Infinite Finance Co., Ltd. and Beijing Sunshine Consumer Finance Co., Ltd. The establishment of offices in Sydney Representative Office and group's strategic collaboration platform in Singapore further extends the Bank's reach into the Asia Pacific market, allowing the Bank to continue scaling its operations and implement the strategic objective of diversifying the geographic sources of profitability.

**4) Investment Business**

After receiving approval from the Financial Supervisory Commission to transition into a commercial bank in March 2015, the Bank actively disposed of its legacy investment portfolio. By the end of 2024, two investment cases had been fully divested. In 2025, one investment project was executed through VC 7, and strategic cooperation agreement was entered into to support the Bank's strategic objectives and advance digital transformation.

The Bank's financial product trading business includes proprietary trading and product marketing. Proprietary trading covers foreign exchange, fixed income, derivatives, and equity instruments. On the other hand, financial product marketing focuses on providing customers with diversified financial services and hedging tools. In addition to offering a diverse range of financial products, including foreign exchange, interest rates and their derivatives, as well as structured products, the Bank was also approved to launch non-principal protected structured products composed of foreign currency equity options, foreign currency interest rate swaps, and foreign currency interest rate swap options linked to foreign currency principals, as well as to have its DBU/OBU trade bonds while engaging concurrently in securities business in 2021. In 2022, further approvals were obtained to launch principal protected callable structured products composed of foreign currency interest rate options, foreign currency interest rate swaps and foreign currency interest rate swap options linked to foreign currency principals, principal protected callable structured products composed of foreign currency interest rate swaps and foreign currency interest rate options linked to foreign currency principals. In 2024, the Bank filed with and reported to the Financial Supervisory Commission to commence Total Return Swap (TRS) transactions in New Taiwan dollars. Further in 2025, the Bank filed with and reported to the Financial Supervisory Commission to commence OBU Total Return Swap (TRS) transactions in New Taiwan dollars.

In 2025, the global economy continued to experience a low-growth environment, primarily affected by rising trade barriers, tighter financial conditions, and geopolitical uncertainties, with overall growth remaining in the moderate-to-low range of below 3%. The U.S. economy demonstrated a certain degree of resilience, while Europe was weighed down by weak exports. Asian markets maintained relatively stronger growth, although the overall outlook remained cautious.

In financial markets, U.S. Treasury yields underwent notable changes amid the Federal Reserve's rate cuts, with short-term yields declining significantly while long-term yields remained relatively firm, resulting in a steepening yield curve that reflected market expectations of further policy easing. Under such conditions, investors adopted a more prudent approach to bond asset allocation, with sources of return gradually shifting toward spread management.

The Bank will continue to optimize its bond investment portfolio, maintaining stable spread performance through dynamic adjustments to duration structure and credit ratings.

The Bank's securities investment business continues to focused on TWSE/TPEx listed companies. In 2025, sustained expansion in capital expenditures by major U.S. cloud service providers (CSPs) drove strong revenue growth across Taiwan's semiconductor sector and its related supply chains. Total after-tax profits of listed companies are projected to reach approximately NT$5 trillion, representing a year-on-year increase of nearly 20%.

Although U.S. reciprocal tariff measures created headwinds in the first half of the year, the subsequent clarification and stabilization of such policies, together with the resilience of the U.S. economy, gradual easing of inflation, and the Federal Reserve's initiation of a rate-cutting cycle, supported continued strength in U.S. equities. Taiwan's equity market also performed robustly, benefiting from strong investor interest and capital inflows into AI-related sectors. Shares of Taiwan Semiconductor Manufacturing Company reached record highs, driving the TAIEX to a year-end closing level of 28,963 points, representing an annual increase of 25.73%.

With this backdrop, the Bank's equity investments delivered solid performance in 2025, with total profits reaching NT$227 million, exceeding the budgeted target.

**5) Project Finance**

Project finance encompasses project financing and financial advisory. Project financing chiefly provides private companies with a wide range of project financing and project development services. The Bank provides comprehensive project financial planning, investment feasibility assessment, and repayment schedule planning tailored to project income. Services range from structuring of syndicated project loans, drafting of strategies for contract negotiations, and assistance with the acquisition of funds to participate in equity investments. This enables enterprises to have more flexible and appropriate financial planning when executing projects.  The Bank's financial advisory services are meant to provide clients with tailor-made solutions, that is, consulting regarding corporate consolidation and M&As, debt arrangement, reorganization, fund-raising, M&A financing, and tax planning.

**6) Trust Business**

When it comes to trust business, the Bank primarily conducts and operates trust business products that complied the law, asset securitization, and trust asset management, operating, and disposal services. The trust business products mainly focus on monetary and real estate trust, with approval obtained in 2022 to operate surface rights trust business; the asset securitization services are geared toward developing various kinds of securitized products; and the trust asset management, utilization, and disposition services are conducted with the Bank acting in the capacity of a prudent administrator and an impartial third party, focusing on the management and deployment of trust property on behalf of the settlor.

In investment and wealth management, the Bank is earnest to create comprehensive product lines. Emphasis is also placed on promoting "Robot Advisory": big data analytics is adopted to help clients optimize investment portfolios that strike a balance between flexibility and security for their asset allocations.

As of the end of 2025, the outstanding balance of assets entrusted to the Bank came in at NT$12.5 billion, remain unchanged as 2024.

**7) Corporate Cash Management and e-Banking**

The Bank continues to enhance both its software and hardware infrastructure to optimize transfer and remittance services, enabling customers to conduct large volumes of transactions in a short time via the corporate online banking platform and related products. By tailoring services to meet customers' flexible and customized needs, the Bank helps corporate clients reduce financial and labor costs, improve transaction efficiency, fulfill diverse requirements, and enhance customer loyalty. In 2025, the total number of online transactions reached 503,797, representing a increase of 39,845 transactions compared to 463,952 in the previous year. The decline in corporate banking transaction volume compared to the prior year was mainly due to intensified market competition, rapid industry changes, and the Bank's proactive adjustment of customer composition. In response to these challenges, the Bank is committed to actively developing new clients, enhancing service quality, closely monitoring market dynamics, and timely adjusting business strategies to ensure the steady growth of its corporate banking operations.

To align with digitalization trends, the Bank has undertaken various digital upgrades since 2022, including enhancements to the corporate internet banking platform to support multiple operating systems and offer diversified operation methods tailored to different customer segments. Additionally, the Bank has further optimized its collection services by assisting clients with the automation of accounts receivable reconciliation. Leveraging the Bank's corporate digital platform as a CRM tool, the Bank has strengthened internal sales operations, management, and overall efficiency. The Bank has also automated its confirmation letter services, improving response efficiency and reducing operational risk. Furthermore, the collection services have been integrated with convenience store payment services and virtual account solutions, thereby enhancing the quality and scope of collection-related services.

In terms of deposit products, the Bank introduced a variety of preferential deposit schemes in 2024 to support business development. In addition to continuing existing interest rate programs, the Bank launched several attractive deposit offers such as the "NTD Tiered Interest Rate Program for Type B Enterprises," the "NTD Tiered Interest Rate Program for Social Enterprises," and the "NTD New Funds Preferred Interest Rate Program," allowing corporate clients to diversify their fund allocation through a range of time and demand deposit options.

**8) Digital Retail Banking Services**

- Electronic Banking Services: The Bank offers secure and convenient online and mobile banking services, including account inquiries, fund transfers, foreign exchange trading, bill payments, mutual fund transactions, robot-advisory services, and various other applications. The interface is user-friendly and functionally accessible. A fully integrated 24-hour video customer service system is also in place, allowing customers to enjoy financial services anytime and anywhere without time or location constraints.
- Digital Wealth Management Services: The Bank provides a diversified range of wealth management products, including general mutual funds, back-end load funds, and robot-advisory services, with investment options available in both TWD and foreign currencies to meet varying client needs. Customers can also complete their investment risk profiling online to ensure their chosen products are suitable for their financial objectives.

**9) Payment Services**

- Card Payment Services: In addition to offering more than one hundred customized debit card designs for customer selection, the Bank continues to collaborate with lifestyle membership programs, chain restaurants, fitness brands, charitable organizations, educational institutions, and e-ticketing providers to issue co-branded and affinity cards. These are supported by exclusive card spending offers, cashback rewards, and zero-liability protections, allowing customers to use the Bank's cards with peace of mind.
- Electronic Payment Services: The Bank has integrated with several major payment platforms such as JKOPay, iPASS Money, and Easy Wallet, supporting both "real-time account debit" and "card-linked payments." In 2025, the real-time account debit function was further expanded to not only include AllPay, but also Line pay and Apple pay, enhancing the Bank's ability to meet diverse consumer payment needs and broadening the use cases for its payment services.

**10) Insurance Services**

The Bank adopts a multi-insurer strategy, introducing top-selling products from leading insurance providers, including participating policies, interest-sensitive life insurance, mortgage life insurance, and investment-linked policies. Through face-to-face sales, the Bank recommends suitable insurance products tailored to various customer segments and life stages. Emphasizing the values of protection and legacy, the Bank builds customer trust and loyalty through professional explanations and personalized advice.

**11) Wealth Management Services**

The Bank's wealth management services are provided through financial consultants who segment and manage clients by individual profiles and business ownership status. A wide range of customized financial products and advisory services are offered, including deposits, investment products, and insurance planning. These services are complemented by tax planning and asset allocation strategies to deliver comprehensive financial solutions. The Bank actively seeks to deepen relationships with its high-net-worth clients, expanding both the breadth and depth of engagement.

## (2) Business Plan for 2026

**1) Credit Extension**

In response to the highly competitive financial market, the Bank continues to adopt a "Boutique Bank" strategic positioning in the area of corporate banking. Building on a stable customer base and sound internal systems, the Bank has implemented the following action plans:

(A) Deepening Customer Engagement: In addition to providing professional services to strengthen relationships with existing corporate group clients, the Bank actively seeks to expand its customer base to include small and medium-sized enterprises (SMEs) and clients in the green energy sector. The Bank also aims to extend services from corporate clients to their affiliated high-net-worth family members by offering diversified products such as wealth management, with the goal of becoming their primary financial institution.

(B) Enhancing Trade Finance and Foreign Exchange Transactions: The Bank is promoting transactional trade finance to drive growth in clients' cash flow and deposit business, thereby complementing increases in fee income and demand deposit balances. By leveraging relationships with large corporate clients, the Bank seeks to develop financing opportunities with their upstream and downstream partners.

(C) Developing Project Finance Opportunities and Pursuing Syndicated Loans: In addition to supporting government policies through project-based and policy-driven lending, the Bank actively identifies structured financing opportunities tailored to client needs. The Bank also strives to secure mandates and participations in quality domestic and international syndicated loan deals, thereby meeting client funding needs while increasing fee income and net interest margin.

(D) Providing Integrated Services: The Bank strengthens cross-departmental collaboration to integrate and promote corporate and retail banking products, generating business synergy and delivering comprehensive financial solutions to clients.

(E) Optimizing Deposit and Credit Structure to Enhance ROE: The Bank continues to expand its deposit base among corporate and SME clients while dynamically adjusting the maturity structure of loan portfolios to support steady credit growth. With a focus on promoting fee-based products, the Bank aims to improve return on equity (ROE) and maximize profitability within a controlled credit asset scale.

In the area of personal banking, the Bank continues to boost both volume and profitability by pursuing steady growth and innovation through the following four strategies:

1. Precise Customer Acquisition: Through the ongoing "one bank" collaboration strategy, the Bank develops personal banking opportunities from corporate clients and payroll partner companies. By leveraging big data analytics, the Bank optimizes financial needs models for more precise customer targeting.
2. Balancing Risk Control: Using third-party data, the Bank enhances customer identification and strengthens risk assessment capabilities. By forming optimized risk segmentation strategies, the Bank improves its profitability while maintaining a balance between risk and return.
3. Product Innovation: In line with its spirit of innovation and commitment to financial inclusion, the Bank develops small-ticket, short-term loan products suitable for underserved segments, thereby offering a full range of lending solutions.
4. Process Optimization: Customer experience remains a core focus of the Bank. In response to regulatory liberalization and fintech developments, the Bank continues to offer optimized digital lending services to enhance convenience and service quality.

**2) Deposits**

To expand stable funding sources, mitigate liquidity risk, and lower capital costs, the Bank will continue to prioritize increasing the volume of demand deposits and strengthening efforts to attract deposits from small and medium-sized enterprises (SMEs) in our 2026 corporate deposit strategy.

Following the Bank's transformation into a commercial bank, its depositor base is no longer restricted by the Industrial Bank Act, allowing for a more diverse corporate clientele and a broader customer base. The Bank will continue to enhance its corporate online banking services and improve its cash management and payment collection/disbursement services to increase deposit incentives. Efforts will persist in reducing deposits from large corporations that are highly sensitive to pricing, while actively attracting deposits from SMEs and securing long-term stable funding sources to lower funding costs and maintain the net interest margin. Aligned with operational goals, the Bank will roll out tailored deposit campaigns for various customer segments and sizes to increase the SME customer base and optimize customer structure. By launching demand deposit projects, various payment and collection services, and user-friendly digital banking tools, the Bank aims to raise the share of demand deposits and become clients'primary banking partner.

The Bank will continue to introduce a wide range of NT dollar and foreign currency preferential deposit programs for both new and existing clients to meet their short- and long-term savings and funding needs. We will also focus on financial inclusion by offering support-oriented deposit products aimed at economically disadvantaged groups and addressing gender pay gaps in the workplace. To deepen customer engagement, the Bank will enhance account functionalities and offer innovative features for parent-child accounts, leveraging digital financial tools to foster financial literacy among children and positioning the Bank as the primary account for fund transfers. The Member-Get-Member referral program will be continued, alongside integration of group resources to acquire payroll transfer accounts and quickly grow the customer base. Additionally, the Bank will expand its customer outreach through cross-industry collaborations and tap into partner networks. Marketing efforts will be supported by online media and social media engagement to boost brand exposure and visibility. The Bank will also adopt reliable digital identity authentication for document signers and promote digitalization of operational processes, thereby strengthening a secure and trustworthy electronic transaction environment.

**3) Foreign Exchange and Offshore Banking**

In 2026, the Bank will continue to align its foreign exchange and international financial services with clients' cross-border operations by offering relevant foreign currency financing solutions to meet their funding needs, along with exchange rate hedging and other financial services to facilitate international currency settlements. Through the Bank's financial services platform, clients can access a comprehensive suite of financial products in one place, supporting Taiwanese enterprises in their global expansion with efficient fund allocation and financial planning, thereby enhancing their competitive edge.

The Bank has already established a presence in the United States, Australia, South-Eastern Asia, Hong Kong, and Mainland China. To mitigate regional concentration risk and leverage the overall benefits of group synergy, the Bank plans to further strengthen its international footprint.

In 2007, the Bank acquired EverTrust Bank in the United States, successfully entering the U.S. financial market. With eight branches across Greater Los Angeles and the San Francisco Bay Area, EverTrust focuses on serving the local Chinese community, offering a wide range of deposit, lending, cash management, trade finance, and consumer finance services. With a stable financial performance, the Bank will continue to optimize asset portfolio and product diversification, expand the business team and enhance productivity.

In Hong Kong and Mainland China, the Bank established a branch in Hong Kong in 2009 and has since actively served local businesses while capturing opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area. The branch continues to deepen cross-border collaboration within the group and expands its business prudently while maintaining asset quality. In light of Mainland China's regional economic growth, industrial clusters, and future outlook, the Bank will relocate its Tianjin Representative Office to Shanghai in 2026 to facilitate the Group's business development in the region.

Regarding the leasing business, the Bank's former subsidiary IBT Leasing Co., Ltd. merged with Jih Sun International Leasing & Finance Co., Ltd. in December 2022 to form Infinite Finance Co., Ltd., now an equity-method affiliate of the Bank. The Bank pursues diversified development in the Taiwan region while maintaining prudent operations in the Mainland China financial leasing market. To diversify regional risks, the Bank has expanded its business presence to Thailand.

Beijing Sunshine Consumer Finance Co., Ltd., a licensed consumer finance company jointly established by the Bank, China Everbright Bank, and China CYTS Tours Holding Co., Ltd., officially commenced operations in August 2020. With funding cost advantages and access to bank client resources, the company has adopted a digital, asset-light business model centered on online channels, supported by strong risk control and technology capabilities. It is cautiously expanding its consumer finance footprint in China.

**4) Investment Business**

In 2025, the global economic environment continued to exhibit a high degree of uncertainty, with key challenges stemming from escalating geopolitical risks, supply chain realignment, and volatility in energy prices. While the U.S. economy remained resilient, supported by domestic demand, corporate investment sentiment turned more cautious. Europe faced constrained growth momentum amid manufacturing weakness and fiscal pressures. Among emerging markets, certain Asian economies benefited from a recovery in the technology sector and supportive policy measures, demonstrating relatively stronger momentum. Overall, the global economy showed increasing divergence, with a widening performance gap between developed and emerging markets, prompting financial institutions to adopt a more prudent approach in their strategic positioning.

In Taiwan, exports were bolstered by the cyclical recovery of the global electronics industry, with renewed demand for semiconductors and ICT products serving as key drivers of economic growth. However, domestic consumption remained subdued due to modest wage growth and persistent price pressures, resulting in moderate overall economic expansion. Financial markets remained relatively stable, with equities supported by the recovery in the technology sector, while the bond market demonstrated resilience amid evolving interest rate conditions.

Against this backdrop, the Bank will continue to strengthen asset portfolio and risk management, flexibly adjusting its investment strategies while closely monitoring global policy developments and regional market dynamics. Through spread management of bond positions and a diversified investment approach, the Bank aims to maintain stable asset returns and prudent risk exposure, thereby providing solid support for its overall operations amid an uncertain economic and financial environment.

The private markets are undergoing a structural shift from rapid expansion toward greater quality and maturity. Although early-stage capital inflows have moderated, heightened investor risk awareness has led to more rational and targeted capital allocation. As global fintech development moves toward maturity, progress in U.S. Clarity Act is expected to serve as a key catalyst, driving a transition from token-centric trading toward more structured crypto infrastructure and asset tokenization applications, thereby attracting broader participation from institutional or investors that used to hold preserve attitude toward such issue.

As of the end of 2025, assets under management of Bitcoin ETFs have exceeded US$115 billion, while the market capitalization of stablecoins has reached approximately 0.3% of global M2 money supply, highlighting their potential as structural financial instruments. As the operational boundaries between traditional retail brokerages and crypto exchanges continue to blur, competition for market share is expected to intensify, accompanied by increasing pricing pressure on financial products.

In Taiwan, fintech startups have also entered a more strategic phase of development, with investment focus shifting toward the integration of AI technologies, green finance, and the deeper application of embedded finance, while continuing to leverage blockchain technology as a core foundation for innovation. Fintech investment has become more selective, with the proportion of funded startups aged over five years increasing to 50%, reflecting a concentration of capital toward companies with established business fundamentals. Investors have become more cautious toward concept-driven early-stage ventures, with resources increasingly directed toward companies that demonstrate proven business models based on strong technological.

(a) Fixed Income Trading and Investment

In fixed income trading and investment, the Bank will, in addition to continuously strengthening its asset-liability management function and maintaining rigorous control over asset quality and portfolio, respond to the steepening of global yield curves and heightened market volatility by flexibly adjusting the portfolio's interest rate sensitivity and duration structure, while focusing on high-quality bonds to enhance capital deployment efficiency.

To improve spread income while maintaining proper risk control, the Bank will reinforce post-investment management by closely monitoring interest rate trends and credit risk, ensuring that the portfolio continues to deliver stable performance amid a dynamic financial environment, while supporting overall profitability and liquidity needs.

(b) Financial Product Marketing

The Bank's financial product marketing team is responsible for serving corporate clients, offering foreign exchange and interest rate derivatives for hedging, along with asset-based wealth management products. The team will deepen client relationships, stay attuned to market trends and client characteristics, and prudently assess each client's risk tolerance. Through professional market analysis and a diverse range of financial products, the team will support clients in both risk management and investment planning.

(c) Securities Business

Looking ahead to 2026, AI is expected to remain the major investment trend in equity markets. However, market focus is likely to shift from AI-related capital expenditures toward the monetization of AI applications, alongside closer scrutiny of free cash flow generation among cloud service providers. At the same time, the IMF projects a slight moderation in global economic growth compared to 2025, with consumption outlooks in China and Europe remaining uncertain, and geopolitical risks continuing to pose challenges. Coupled with elevated global equity valuations, heightened market volatility is expected to become the norm.

Nevertheless, supported by the ongoing AI-driven upcycle, and led by Taiwan Semiconductor Manufacturing Company, earnings of Taiwan-listed companies are projected to achieve annual growth of close to 20%, underpinning a generally positive outlook for Taiwan's market.

In response, the Bank will dynamically adjust its equity investment strategy in line with market conditions, closely monitoring global economic indicators and industry developments. Anchored in fundamental analysis, the Bank will adopt a balanced allocation strategy combining high-dividend and value stocks with selective exposure to growth stocks, maintaining a disciplined investment approach to enhance the potential for equity investment returns in 2026.

(d) Private Equity Investment

To implement digital transformation, sustainable transformation, and support overseas business expansion strategies, the Bank has proactively initiated evaluations of and projects for domestic and international startup resources in blockchain, AI intelligent investment, and ESG. By introducing forward-looking technological momentum, the Bank aims to facilitate the transformation of internal processes and sustainable operations.

Regarding AI investment strategies, the Bank focuses on identifying AI startups and technology companies with high strategic alignment. Through the investment, the Bank can adopt advanced AI solutions, comprehensively enhance organizational operational efficiency, reduce labor costs associated with repetitive processes, and reallocate internal resources to focus on innovative business development and productivity enhancement. The investment scope primarily covers three application scenarios: Data Mining (strengthening capabilities in Anti-Money Laundering (AML), regulatory compliance, and risk identification); Data Insights (supporting precise data collection and analysis for account opening and credit underwriting processes, as well as strategy for personalized wealth management); and Productivity Applications (creating convenient payment experiences, attentive intelligent customer service, and digital financial service innovations).

As for ESG-related impact projects, the Bank will focus on supporting female entrepreneurship and green investment in 2026. The Bank will launch women's empowerment investment plans and participate in the "Investment Service Project of the Implementation Plan for Strengthening Investment in Green Growth and Net-Zero Industries" as a co-investor:

a. Women's Empowerment Investment Plan

To practice gender equality and financial inclusion, the plan focuses on early-stage startups where women hold decision-making authority or whose core business models focus on women's well-being, particularly in growth sectors such as the digital economy, service innovation, and sustainable industries. Through deep collaboration with domestic accelerators and ecosystem partners, the Bank provides not only seed capital but also strives to build a cross-border mutual support network to assist female entrepreneurs in exerting social influence in innovative fields, achieving the integrated growth of financial returns and social value.

b. Becoming a Co-investor in the "Investment Service Project of the Implementation Plan for Strengthening Investment in Green Growth and Net-Zero Industries"

In response to the national "2050 Net-Zero Emissions" goal, the Bank is actively participating in the "Green Growth and Net-Zero Industries Investment Project" in collaboration with the Ministry of Environment and the National Development Fund (NDF). The Bank expects to obtain qualification as a third-round co-investor in the first quarter of 2026. This project adopts a co-investment model with the NDF to precisely channel funds into six emerging net-zero sectors: resource circulation, deep energy saving, advanced energy, digital low-carbon, negative carbon technology, and climate adaptation. This initiative not only deepens the Bank's "Green Finance" sustainable transformation strategy but also obtains stable returns through professional management, effectively expanding the Bank's green asset footprint through actual action.

At the post-investment management level, the Bank will continue to strengthen risk monitoring and establish a dynamic management mechanism for existing investment targets, emphasizing post-investment empowerment and resource matching. Through proactive post-investment engagement, the Bank is committed to converting investment momentum into internal and external transformation drivers, ensuring the investment portfolio achieves strategic synergies and innovative financial business connections, while balancing financial returns and long-term value creation.

**5) Project Finance**

The Bank will continue to cultivate its base of customers in the Greater China region (Taiwan and Hong Kong), deepen relationships with corporate groups, and expand its niche client base. By offering customized services as a professional and flexible bank, the Bank aims to provide tailored solutions for corporate clients while maintaining sound risk control. These services include advisory on green financing, mergers and acquisitions, debt arrangements, corporate restructuring, fundraising, acquisition financing, renewable energy financing, and tax planning. Additionally, the Bank will design feasible project-specific solutions for various development projects and offer diversified product designs and customized financing structures to create potential business opportunities and win-win outcomes for both clients and the Bank.

**6) Trust Business**

To better serve the Bank's existing clients and the broader financial market, the Bank will continue to support the "Trust 2.0" and "ESG sustainability goals" policies. In addition to actively promoting trust services and offering a wider variety of trust products to provide clients with more investment and wealth management options, the Bank will continue to focus on customer needs, service quality, and regulatory compliance. This includes existing trust services such as real estate development trusts, land superficies development trusts, payment security trusts, monetary (including prepayment) trusts, and high-net-worth clients trust services. Guided by the principles of meeting customer needs, fair customer treatment, and compliance with applicable regulations, the Bank customizes the design of trust products and formulates contractual arrangements to respond to evolving market demands.

**7) Corporate Cash Management and e-Banking**

Since the launch of the O-Bank Corporate Digital Platform in 2018, the Bank has provided real-time and convenient business management services to its internal business units. In 2023, the platform was optimized to integrate relevant information and support the development of new services, offering a seamless 360-degree view of customer information. Security features continue to be enhanced to improve transaction safety, while also expanding compatibility with various operating systems to serve a broader customer base. The Bank will further expand and upgrade its corporate collection and payment services, including collaborations with convenience stores for new payment services and adding new services such as the Taiwan Clearing House's eACH system. In addition, the Bank will continue to roll out various NTD and foreign currency deposit campaigns in 2026, while optimizing its customer mix to enhance liquidity assets and reduce funding costs. Furthermore, the simplified online banking platform, O-Bank O-Speed Pay, has been launched, providing small and medium-sized as well as micro enterprises with convenient digital banking services. This initiative is expected to deepen client relationships and foster mutually beneficial outcomes.

**8) Digital Retail Banking Services**

The Bank's 2026 strategic focus will be on acquiring high-quality customers, enhancing relationships with existing clients, and further planning innovative digital transaction processes to improve security and user convenience.

- Electronic Banking Services: The Bank will continue to enhance platform navigation and interface design to improve the user experience and upgrade service offerings. Additionally, the underlying system infrastructure will be optimized to deliver more stable and secure transaction services.
- Digital Wealth Management Services: By combining promotional offers for mutual funds with "robo-advisory" services, customers will not only benefit from discounted transaction fees but also receive personalized investment portfolio recommendations. These services aim to promote inclusive finance and provide clients with diversified wealth management solutions.

**9) Payment Services**

- Card Payment Services: In 2026, the Bank will continue to issue distinctive credit cards that meet customer needs. By leveraging data analytics, a strength of digital banking, the Bank will better understand customer spending preferences and integrate online and offline services. As payment functionalities continue to evolve, the Bank has further launched its flagship O! Range debit card this year, designed to align with the preferences of the emerging affluent and digitally savvy younger segment by offering rewards across payments, food delivery, ticketing, streaming, and travel, with the aim of enhancing brand recognition. With the support of group resources, the Bank will continue to increase card issuance volume, improve activation rates, and boost transaction amounts. Furthermore, staying true to its long-standing corporate culture, the Bank will continue its co-branded card initiatives with charitable organizations. This model enables cardholders to support public welfare through their spending, contributing to society and supporting the underprivileged, thus realizing the O-Bank Group's altruistic spirit.
- Electronic Payment Services: In 2026, the Bank will leverage its strengths in digital banking to actively develop new products tailored to the needs of younger customers. This includes exploring integration with new e-payment platforms, introducing Samsung Pay and expanding its presence on campuses and through cross-industry partnerships to reach and engage younger demographics. The Bank will also continue to form alliances with e-commerce platforms, startups, and e-payment providers to meet customers' diverse payment needs.

**10) Insurance Services**

In 2026, the Bank plans to introduce additional life insurance products and enhance its property insurance services. This will provide existing and potential clients with more diversified insurance options, convenient services, and comprehensive protection to meet their needs and increase client retention.

**11) Wealth Management Services**

Key development areas for 2026 include:

(A) Continuing to offer diversified and customized financial products while enhancing online financial education and market information. The Bank will combine these with asset allocation strategies to serve both high-net-worth and inclusive finance segments.

(B) Deepening cross-selling opportunities by engaging business owners from corporate clients of the Bank and its subsidiaries, thereby maximizing value for both clients and the Bank.

(C) Enhancing the professionalism of the Bank's sales teams to deliver comprehensive wealth management services.

(D) Strengthening risk management mechanisms by improving sales processes and operational procedures for relationship managers, ensuring regulatory compliance and protecting customer rights.

## (3) Market Analysis

### A. Operating Environment and Future Outlook for the Banking Industry

In 2025, the global economy demonstrated a degree of resilience amid a gradually easing high interest rate environment and continued moderation in inflation, although overall growth momentum remained moderate. According to the latest estimates by the International Monetary Fund (IMF), global economic growth for 2025 is projected at approximately 3.4%, slightly above the previous year's 3.3%, primarily reflecting the monetary policy shift following the easing of global inflationary pressures, as well as the resilience demonstrated by the global trade system amid ongoing adjustments.

Against this backdrop, Taiwan's economy outperformed, supported by sustained expansion in demand for AI, high-performance computing, and related semiconductor applications, which drove growth in exports, private investment, and manufacturing output. As a result, GDP growth rate accelerated from 5.27% in 2024 to 8.68% in 2025.

In 2025, domestic banks reported total pre-tax net income of NT$583.6 billion and an average ROE of 10.83%, both outperformed 2024, which had total pre-tax net income of NT$527.3 billion and an average ROE of 10.55%. This improvement was primarily driven by increased funding demand from both corporate and retail segments, supporting steady loan growth, while favorable equity market conditions contributed to higher fee income. The non-performing loan ratio remained stable at 0.15%, unchanged from 2024, indicating continued sound asset quality across the sector.

Looking forward to 2026, the global economy is expected to maintain a moderate growth trajectory, with the IMF projecting growth at 3.1%. Constrained fiscal space among major economies, alongside ongoing geopolitical tensions and supply chain adjustments, is likely to weigh on global demand. While expectations of a shift in interest rate policy may help ease financing costs, market volatility remains a key risk requiring prudent management.

In Taiwan, AI, advanced semiconductor manufacturing, and related applications are expected to continue providing medium to long-term support for exports and investment. Domestic demand is projected to remain stable, underpinned by wage growth and steady employment conditions, with the Directorate-General of Budget, Accounting and Statistics forecasting economic growth of 7.71% for 2026.

From the perspective of the domestic banking sector, growth in deposit and lending activities is expected to remain moderate under capital and liquidity regulatory requirements. Banks are increasingly focused on enhancing capital efficiency, maintaining asset quality, and strengthening risk management capabilities. Amid potential impacts from global and regional economic developments and financial market fluctuations, the overall operating environment is expected to continue evolving along a prudent and steady trajectory.

### B. Deepening the integration of digital finance elements into bank operations and monitoring trends in virtual assets

With the continued advancement of financial technology, digital finance has evolved from an early stage focused on innovation and experimentation toward greater emphasis on practical application, operational stability, and risk management. Services such as online account offerings, mobile banking, digital identity verification, and process automation have been enhanced to improve operational efficiency and service quality.

Meanwhile, virtual asset applications have drawn increasing attention from both the market and regulators, shifting from early-stage volatility and speculative activity toward a more institutionalized and regulated framework. Regulatory authorities continue to develop supervisory frameworks for virtual asset service activities, with a focus on anti-money laundering, consumer protection, and market integrity.

These developments in digital finance, fintech, and virtual assets are expected to further reshape banks' operating models and competitive landscape. Banks must not only enhance digital service capabilities to meet rising customer expectations for convenience and immediacy, but also strengthen cybersecurity, data protection, and system resilience to ensure safe and stable operations.

**C. Technological Progress Accelerating Digital Transformation in Banking**

In recent years, regulators have promoted the development of Taiwan as an "Asian Asset Management Center" in response to intensifying regional financial competition and growing demand for asset management, guiding the market toward higher value-added financial services. Relevant policies focus on strengthening the regulatory framework for asset and wealth management, enhancing market functions and professional service capabilities, and improving overall market competitiveness while maintaining robust risk control and investor protection.

For the banking sector, this initiative reflects a gradual shift from traditional spread-based deposit and lending activities toward a more diversified business model integrating asset allocation, wealth management, and advisory services. To support this transition, banks are required to enhance capabilities in professional expertise, product development, internal governance, risk management, and service quality.

**D. Strengths and Opportunities, Challenges and RisksSolutions**

(A) Strengths and Opportunities:

The Bank's strengths lie in its organizational agility and flexibility, enabling swift decision-making. In terms of business development, the Bank will adopt a niche-focused approach, balancing innovative applications with prudent risk management to ensure overall operational stability.

The Bank's well-established corporate banking franchise and group client base also serve as a strong foundation for expanding its retail banking business. The Group will continue to implement an integrated service strategy, leveraging its existing corporate and individual clients to develop customer pipelines for MME, wealth management, and international business, while also cultivating high-quality partners for its digital ecosystem.

(B) Challenges and Solutions:

Since entering the retail banking market in 2017, the Bank's brand awareness and customer base still lag behind those of more established institutions. To address this, the Bank continues to enhance its market exposure through social media, media platforms, and promotional campaigns. These efforts are supported by physical branches, which help increase brand visibility and strengthen public recognition. The Bank's expansion will not primarily focus on aggressive scale growth, but rather on delivering differentiated offerings to meet client needs.

## (4) Financial Product Research and Business Development

### A. Major Financial Products and Newly Established Business Units in the Past Two Years, Including Their Scale and Performance as of the Date of the Annual Report

- Corporate Banking:

In recent years, the Bank has continuously enhanced both its software and hardware channels and steadily optimized its cash management services. Initiatives include the implementation of non-replacement of original fax transaction documents, corporate online banking traffic segregation, FXML remittance services, and payment collection via convenience stores, all contributing to the expansion of the Bank's service offerings. In 2024, combining the new eACH, the original ACH service, virtual account service, and convenient store services, the Bank was able to provide more diverse and convenient collection and payment services. The simplified online banking platform, O-Bank O-Speed Pay, was also launched in 2025 to serve a broad base of small and medium-sized as well as micro enterprises. In 2026, the Bank will collaborate with Financial Information Service Co., Ltd. to advance payment projects, expanding payment options to deliver more convenient and faster financial services.

The Bank also continued to launch various NT dollar demand deposit preferential rate programs aimed at attracting new customers. Since 2022, the Bank has been actively promoting preferential rate programs such as the "Tiered NT Dollar Demand Deposit Program for Social Enterprises" and the "Tiered NT Dollar Demand Deposit Program for B Corps", and in October 2025, the Bank also launched a limited-time promotional campaign, "O-Bank Rewards: NTD Time Deposit Campaign for B Corps and Social Enterprises", in order to  fulfilling its corporate social responsibility. To support the development of Taiwan's SMEs, the Bank also offers "Tiered Preferential Rate Program for Startup NTD Demand Deposits" for small and medium-sized enterprises and special time deposit programs for small enterprises, providing diversified fund allocation options for corporate clients.

- Retail Banking:

The Bank has focused on the establishment and expansion of its wealth management business in recent years, continually increasing the range of financial products offered. Starting from July 2024, the Bank began offering specific money trust products tailored for minor clients thereby meeting diverse customer needs. In 2025, the Bank further expanded its service offerings by enabling telephone-based trading for overseas equities and introducing partial redemption functions, therefore providing more comprehensive wealth management services

- Digital Banking:

The Bank established the Financial Innovation Department and formed a dedicated digital finance team to promote the following financial innovation initiatives:

(1) B2B2C Financial Transaction Platform:

The Bank is developing a B2B2C business model by leveraging strategic partnerships and complementary resources to address service gaps for underserved customer segments, while meeting regulatory requirements in Taiwan and supporting inclusive finance needs. This is further supported by integrating operational data management platforms to connect with relevant transaction data, enabling reconciliation and report analytics, and improving transaction efficiency and management quality.

(2) Online SME Microenterprise Services:

In 2024, the Bank launched a new generation of online SME services for small and micro enterprises. By utilizing data, the Bank has accelerated credit assessment and lending processes. In 2025, the Bank further integrated resources from the "Small and Medium Enterprise Credit Guarantee Fund," covering funding needs for daily operations, business expansion, and transformation and upgrading, thereby providing comprehensive support to SME clients.

■ Trust Business:

To further deepen relationships with existing clients and expand financial services to the broad consumer market, the Bank continues to support the "Trust 2.0" and "ESG Sustainability Goals" policies. The Bank is actively developing wealth planning services, including tax planning and asset allocation, as well as trust-related offerings, such as family trusts (for high-net-worth wealth succession) and superficies development trust products. These initiatives aim to provide clients with diversified asset planning and investment solutions.

Trust Financial Products and Their Scale Over the Past Two Years:

Unit: NT$ millions

| Item | 2025 | 2024 |
|---|---|---|
| Non-discretionary money trusts for investing in domestic and foreign securities | 3,655 | 3,494 |
| Other monetary trusts | 1 | 719 |
| Real estate investment trusts | 3,499 | 3,472 |
| Advance collections trusts | 390 | 405 |
| Total | 7,545 | 8,090 |
| Real estate trusts | 4,938 | 4,362 |
| Other- land superficies trusts | 53 | 53 |
| Total | 4,991 | 4,415 |

※ For the information on the scale and profitability of the Bank's principle financial products, please refer to "Weight of Major Business Operations" of this Chapter: Business Activity.

**B. R&D Expenditures, Achievements Over the Past Two Years, and Future R&D Plans**

■ Corporate Banking:

To keep pace with rapid changes in the market environment, the Bank has continuously enhanced the security features of its corporate online banking system, implementing end-to-end encryption and regularly upgrading security modules to provide financial solutions compatible with various web browsers. In 2022, the Bank developed multi-platform operating system support for corporate users. In 2023, enhancements included new payroll functionality and operational improvements. In 2024, the Bank completed the development of a simplified online banking platform (O-Bank O-Speed Pay), which was launched in early 2025 and will continue to be optimized thereafter. In 2025, the Bank planned the development of a payment collection platform system, which is scheduled to be launched in 2026.

The Bank also introduced dynamic security verification mechanisms for fax-based transactions to reduce the risks associated with paper-based document delivery, enhance transaction security, and lower operational costs for both the Bank and its clients. These efforts align with the Bank's commitment to corporate social responsibility and sustainable development among Taiwan's enterprises.

On the collection and payment front, the Bank expanded its payment channels, including the development of convenience store payment collection services, which went live in 2022. In 2023, the Bank further added and refined collection/payment solutions, such as launching eACH services in partnership with the Taiwan Clearing House and additional collaborations with convenience stores. In 2024, the Bank completed the internal system infrastructure for eACH services. In 2025, the Bank had planned a new CRM system, which is estimated to be launched at 2026.

R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT$ thousands

| Year | 2026 (projected number) | 2025 (actual number) | 2024 (actual number) |
|---|---|---|---|
| Amount | 21,199 | 48,278 | 2,739 |
| Growth rate (%) | (56.09%) | 1,662.61% | (8.7%) |

■ Retail Banking:

The Bank's R&D expenditures over the past two years have primarily focused on enhancing existing functions and services.

(1) Electronic Banking: In 2023, the Bank established a C3 certificate infrastructure to strengthen identity verification and electronic authorization processes, enhancing the security and convenience of digital financial services. For example, retail clients applying for personal loans via mobile banking can use a C3 software certificate for e-authorization, allowing direct access to public sector data through the Joint Credit Information Center without submitting additional financial proof. Clients conducting NT dollar foreign exchange settlements through the Bank's online/mobile banking channels—when a single transaction or cumulative daily amount exceeds NT$500,000—can use the C3 certificate for electronic declarations or complete such transactions and reporting at branches, improving transaction efficiency and overall service quality.

(2) Robo-Advisory Services: The Bank introduced robot-advisory tools that recommend investment portfolios tailored to clients' risk profiles, allowing for rational and automated financial decision-making. The system also notifies clients of opportunities to rebalance portfolios in response to market changes. The Bank incorporated ESG scoring as a key factor in fund selection to align with the global focus on corporate social responsibility and sustainability. Clients may also choose dividend-focused or brand-themed robot-advisory services based on their preferences.

(3) Impact Lending Program: The Bank's impact lending program channels funds from designated impact deposits to provide loans to underprivileged groups, including low-income and lower-middle-income households, families facing hardship, and those caring for individuals with officially recognized disabilities. The program has also been expanded to include persons with disabilities, Indigenous peoples, and new immigrants holding a national ID card. As long as applicants have a stable income and meet the criteria, they are eligible for emergency support. This initiative aligns with the Bank's

philosophy of altruism and inclusive growth. As of the end of 2025, the Bank has cumulatively supported 119 economically disadvantaged households in obtaining impact loans. In 2025 alone, a total of 15 households received such loans, including 4 low-income households, 8 lower-middle-income households, 2 individuals supporting family members with disabilities, and 1 new immigrant or indigenous individual.

(A) R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT$ thousands

| Year | 2026 (projected number) | 2025 (actual number) | 2024 (actual number) |
|---|---|---|---|
| Amount | 163,682 | 60,190 | 56,916 |
| Growth Rate (%) | 171.94% | 5.75% | 22.50% |

(B) R&D Achievements in 2025

Unit: NT$ thousands

| Project | Investment |
|---|---|
| Enhancement of Electronic Banking Functions | 33,182 |
| Implementation of AI Marketing Chatbot | 5,919 |
| Enhancement of Wealth Management/Financial Product System Functions | 6,775 |
| Enhancement of Loan Business and Related Systems | 15,774 |

(C) Future R&D Plans

Unit: NT$ thousands

| Plans/projects during the most recent year | Current progress | Further required R&D expenses | Expected date of completion | Main factors weighing on success of future R&D |
|---|---|---|---|---|
| Enhancement of Card Account Functionality and Usage Scenarios | In progress | 31,570 | 2026.9.30 | Integrity of business planning and availability of system development manpower |
| Enhancement of Wealth Management System Functions | In progress | 13,178 | 2026.12.31 | |
| Enhancement of Electronic Banking Functions | In progress | 56,382 | 2026.12.31 | |
| Enhancement of Cloud Service Platform Functions | In progress | 30,257 | 2026.12.31 | |
| Enhancement of Loan Business and Related Systems | In progress | 32,295 | 2026.12.31 | |

Looking forward, the Bank remains committed to meeting evolving customer needs in a rapidly changing market environment and amid increasing competition from digital-only banks. The Bank will continue to prioritize customer-centric innovation, concentrating resources on developing and delivering services that align closely with user expectations—reinforcing its position as the preferred bank of choice.

■ Digital Banking:

In response to the evolving digital landscape, the Bank has developed a B2B2C financial transaction operational data management platform and invested resources in the advancement of SME/microenterprise financing services:

(1) B2B2C Business

To effectively manage B2B2C financial transactions with strategic partners, the Bank established an operational data management platform in 2020 to interface with transactional data from its strategic partner enterprises. This platform facilitates account reconciliation and reporting analysis, enabling users to comprehensively monitor various business activities. To continuously improve platform functionality, future enhancements will focus on delinquency management and account reconciliation capabilities. In 2022, through new features added to the Bank's corporate online banking system, customer payment information from the C-end was collected and integrated into the operational platform to generate consolidated reports. This strengthened the reconciliation process and helped ensure transaction authenticity within such business models.

(2) Lending Services for SME and Microenterprise

The Bank is also actively developing online digital financial products to address the inefficiencies and inconvenience associated with traditional paper-based loan applications or in-person branch visits for SME and microenterprise clients. By establishing and optimizing digital lending processes, the Bank is working toward a fully digital loan application experience. In 2025, the Bank incorporated resources from the Small and Medium Enterprise Credit Guarantee Fund to support small and micro enterprises in obtaining funding for their operational and development needs successfully. Looking ahead, the Bank plans to collaborate with third-party service providers (TSPs) to interface and verify external data, enabling cross-verification of SME operational data. This data-driven credit evaluation model—where business data becomes a primary basis for credit scoring—aims to enhance the customer experience, promote environmental sustainability, and further expand the Bank's inclusive finance services in alignment with its corporate social responsibility and sustainability goals.

(3) Personal Banking

In line with digital finance policy liberalization, the Bank has formed strategic alliances with channel partners to implement digital credit application processes, including:

- Online Digital Lending: Through partner apps or websites, customers can access the Bank's digital loan application interface, complete the application process online, and receive loan disbursement upon approval. This significantly reduces application time and enhances customer satisfaction.
- Smart Food and Beverage Platform "Toujiadai": The pandemic has accelerated digital transformation in the food and beverage sector. Through integration with smart restaurant platforms offering online reservations, ordering, delivery, payment processing, membership management, and supply chain procurement, business operations data has become more transparent. Leveraging this trend, the Bank has partnered with system providers to access data on store longevity, sales volume, and order stability, offering restaurant operators a convenient and fast online loan application channel.

R&D Expenditures in the Past Two Years and Future Projections:

Unit: NT$ thousands

| Year | 2026 (projected number) | 2025 (actual number) | 2024 (actual number) |
|---|---|---|---|
| Amount | 32,295 | 15,774 | 14,615 |
| Growth rate (%) | 104.74% | 7.93% | (0.52%) |

- Risk Management Operations:

To implement a risk-oriented internal control mechanism and establish a more effective and integrated internal control system, the Bank collaborated with a consulting team in 2018 to develop an integrated GRC (Governance, Risk Management, and Compliance) platform. This platform supports rapid risk identification and analysis, strengthens compliance with internal control regulations, and enhances the Bank's governance and risk management capabilities. The full implementation of the GRC system was completed by the end of 2023.

In line with the Basel Committee on Banking Supervision's Fundamental Review of the Trading Book (FRTB) framework, which introduces a more risk-sensitive standardized approach to capital requirements for market risk in the trading book and incorporates the correlations among various risk factors, the Bank initiated related research and evaluation in 2022, and has aligned with international standards in accordance with the prescribed implementation timeline. In accordance with regulatory announcements, the FRTB requirements will be officially implemented on July 1, 2025.

Furthermore, in response to the government's 2050 net-zero emissions target and in compliance with relevant regulatory guidance—including the Financial Supervisory Commission's Guidelines on Climate Risk Financial Disclosures for Domestic Banks, the Supervisory Policy Manual GS-1 on Climate Risk Management issued by the Hong Kong Monetary Authority (HKMA), and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations from the Financial Stability Board (FSB)—the Bank has formulated a Climate Risk Management Policy as the foundation of its climate risk strategy. Through the implementation of climate risk management practices, the Bank conducts carbon emissions assessments and geographic risk mapping in areas vulnerable to climate impact. These efforts aim to better understand and gradually mitigate the effects of climate risk on the Bank's operations, contributing to a low-carbon economy and the achievement of long-term sustainability goals.

### (5) Short-, Medium-, and Long-Term Business Development Plans

In consideration of the current domestic and global political and economic landscape, industry outlook, and the Bank's own strengths and challenges, the Bank remains committed to sustainable business growth. Accordingly, the following short-, medium-, and long-term operational development plans have been established:

**A. Short-Term Business Development Plans:**

(1) Optimize Asset-Liability Structure and Diversely Generate Funding Sources

With the steady growth of retail deposits in recent years, the Bank's deposit structure has improved. In addition to continuing to promote the growth of retail and small business deposits, the Bank will place a focus on increasing demand deposits ratio.

In corporate banking, the Bank will deepen clients' cash flow relationships by integrating trade finance, cash management, foreign exchange, and financial transaction services, thereby strengthening its position as the primary banking partner of clients.

In retail banking, the Bank will continue to expand usage scenarios such as payroll accounts, payments, securities settlement, and digital accounts to increase transaction frequency and deposit retention, while simultaneously enhancing funding cost management to improve the overall quality of its asset-liability structure.

(2) Advancing a Light-Capital Model to Enhance Capital Efficiency

In response to capital regulatory requirements and to enhance capital efficiency, the Bank is committed to increasing light-capital income and net interest margins.

In terms of non-interest income, the Bank will strengthen wealth management, transaction banking, and fee-based businesses, expanding light-capital income sources through diversified product offerings, enhanced professional service capabilities, and targeted customer engagement.

In lending and credit businesses, the Bank will continue to implement risk-based pricing and spread management mechanisms, balancing asset quality with income structure. This approach ensures that capital allocation aligns with risk-return principles, enhances risk-adjusted returns, and strengthens overall business resilience.

(3) Expand Business Use Case and Promote Digital Transformation

Guided by a focus on tangible operational outcomes, the Bank will advance digital transformation and deepen the application of technology.

On the customer-facing perspective, the Bank will optimize mobile banking and digital platform functionalities, integrating cross-industry partnerships and scenario-based finance to enhance customer experience and acquisition capabilities of the Bank itself.

Internally, the Bank will continue to strengthen data governance and data infrastructure, while progressively adopting artificial intelligence applications to improve efficiency and optimize resource allocation. At the same time, in response to emerging trends in fintech and virtual assets, the Bank will conduct ongoing assessments of business model viability under regulatory compliance and cost-effectiveness considerations, prudently adapting to changes in the financial ecosystem.

(4) Accelerate Overseas Expansion

In response to variation in global trade and financial markets, the Bank continues to advance its overseas expansion strategy. The Sydney Representative Office in Australia, which has commenced operations, is currently focusing on market research, business development, and the establishment of local networks, while concurrently progressing preparatory work for its upgrade to a branch to support local and cross-border financial needs upon establishment.

In Southeast Asia, Singapore serves as a key regional financial and industry hub. The Bank has established a strategic collaboration platform in Singapore, focusing on market intelligence gathering and partnership development, and serving as an important gateway to the Southeast Asian market.

Given the relatively more favorable interest spreads overseas compared to the domestic market, the continued development of overseas operations and OBU is expected to strengthen the Bank's overall earnings foundation.

(5) Enhancing Sustainability Competitiveness

The Bank will continue to advance sustainability governance at the group level by integrating environmental, social, and governance (ESG) considerations into credit, investment, product design, and risk management.

In line with the adoption of international sustainability disclosure standards, the Bank will enhance data integration across departments and subsidiaries to improve the quality and consistency of disclosures.

At the same time, the Bank will leverage its financial influence to support the real economy and industrial transformation, ensuring sustainability outcomes contribute to operational growth and long-term value creation.

**B. Medium- and Long-Term Business Development Plans:**

(1) Strengthen Infrastructure and Deepen Client Relationships

The Bank has launched the "Dig Deep" strategic initiative, focusing on foundational infrastructure enhancement and ongoing internal reform as the basis for long-term transformation. Upgrading both hardware and software infrastructure, restructuring internal operations, and integrating technology, data, services, and diverse product offerings are central to fostering long-lasting customer relationships. The Bank will further integrate its corporate and retail platforms under the One Bank model and leverage group resources to operate with a "refined" and "digital" strategy—differentiating itself from traditional peers and striving to become Taiwan's leading boutique digital bank.

(2) Enhance Synergy through M&A and Strategic Partnerships

To strengthen group integration, scale operations, and create greater operational synergy, the Bank will continue to assess potential domestic and overseas merger, acquisition, or strategic investment opportunities that enhance business complementarity or performance. This includes adjusting existing investments, evaluating new investments in FinTech-related businesses, and pursuing cross-industry strategic alliances to expand the scope and depth of group financial services and improve profit quality and stability.

(3) Continue Promoting the O-Bank SpiritThe Bank firmly believes that corporate culture is the foundation of long-term success. Internally, the Bank emphasizes the spirit of O-Bank— "benefiting others to fulfill oneself"—and aims to extend this value to all stakeholders. As the business grows, the Bank will continue to attract like-minded talent and improve organizational efficiency and communication through the practice of the O-Bank philosophy. Externally, the Bank has pioneered numerous industry-first initiatives, including support for Taiwan's B Corp development and the launch of innovative impact finance programs. Looking forward, the Bank will continue to integrate corporate social responsibility, ESG goals, and financial expertise to develop financial services that contribute meaningfully to society.

## 2. Human Resources

### (1) The Bank's number of employees, as well as their average years of service, average age, educational background, and professional licenses held during the most recent two years and the current year up to the date of publication of this annual report:

| Year | | 2026/4/14 | 2025/12/31 | 2024/12/31 |
|---|---|---|---|---|
| Number of Employees | Clerks | 1,276 | 1,253 | 1,228 |
| | Workers | 9 | 11 | 14 |
| | Total | 1,285 | 1,264 | 1,242 |
| Average Age | | 42.4 | 42.1 | 41.7 |
| Average Years of Service | | 4.9 | 4.9 | 4.5 |
| Distribution of Academic Degrees | PhD | 0.2% | 0.3% | 0.2% |
| | MA | 28.0% | 28.0% | 28.0% |
| | BA | 67.5% | 67.0% | 66.1% |
| | Senior High School | 4.3% | 4.7% | 5.6% |
| Professional Licenses Held | Banks' Internal Control and Audit Exam | 543 | 498 | 476 |
| | Exam on Financial Market Knowledge and Professional Ethics | 757 | 463 | 450 |
| | Trust Services Competency Exam | 411 | 423 | 420 |
| | Structured Commodities Salesperson Qualification Exam | 115 | 117 | 127 |
| | Financial Derivatives Salesperson Qualification Exam | 122 | 125 | 119 |
| | Securities Brokerage Salesperson Qualification Exam | 74 | 75 | 82 |
| | Securities Brokerage Senior Salesperson Qualification Exam | 106 | 109 | 116 |
| | Personal Insurance Salesperson Qualification Exam | 250 | 250 | 262 |
| | Property Insurance Salesperson Qualification Exam | 190 | 188 | 196 |
| | Exam for Personal Insurance Salespeople Selling Foreign Currency, Non-Investment Products | 86 | 93 | 90 |
| | Entry-Level Lending Personnel Qualification Exam | 227 | 224 | 234 |
| | Entry-Level Forex Personnel Qualification Exam | 156 | 158 | 173 |
| | Bond Trading Competency Exam | 19 | 19 | 20 |
| | Forex Trading Competency Exam | 5 | 6 | 8 |
| | Bills Salesperson Qualification Exam | 27 | 31 | 34 |
| | Securities Investment and Trust Salesperson Qualification Exam | 67 | 64 | 72 |
| | Securities Analyst Qualification Exam | 7 | 7 | 4 |
| | ACAMS Certification | 6 | 7 | 10 |
| | CISA Certification | 2 | 2 | 2 |
| | CPA Certification of the ROC | 6 | 6 | 7 |

Note: The employee tallies in the table do not take account of those working at overseas branch entities.

### (2) Status of employee training:

To meet the need for migrating toward digital banking and ushering in a new business model, the Bank devises comprehensive training programs and career paths for employees based on its operating strategy and goal while paying special attention to incorporating the Bank's core values and specific requirements. Each year, training programs that focus on management capacity and specialized skills are designed separately for employees of different levels to enhance their competitiveness.

In 2025, the Bank hosted 941 internal training courses and drew on outside organizations for another 819 courses. Trainees totaled 101,270 persons. Combined, the Bank's employees underwent a total of 135,168.7 hours of training, averaging out to 106.94 hours at an average cost of over NT$7,382 per person.

On top of the internal and external courses cited above, the Bank's digital learning platform—O-Bank Digital Academy—also provides a wide range of in-house and outsourced courses that cover various financial disciplines, legal compliance, and management issues. In 2025, a total of 461 such online training courses were offered and employee attendances amounted to 89,470.93 hours.

To accommodate migration toward updated international criteria for certification of personal information protection, the Bank offered a series of training on personal information protection in 2025 to get aligned with international practices and enhance employee awareness on this front.

## 3. Corporate Social Responsibilities and Code of Ethical Conduct

Since establishment, the Bank has operated with a commitment to sustainable development, fulfilling its corporate social responsibility to both internal and external stakeholders—including employees, customers, shareholders, suppliers, and the broader society—and dedicating significant effort across six key areas: corporate governance, employee care, customer relations, environmental protection, green finance, and social engagement. In 2015, the Bank established its ESG Development Working Committee (formerly the Corporate Social Responsibility Committee), composed of the Chairman, the President, and senior executives from relevant departments, responsible for formulating sustainability-related systems, policies, and implementation plans. In 2023, the Bank further established a Board Sustainability Committee under the Board of Directors, with members composed of directors, a majority of whom are independent directors, overseeing the Bank's overall sustainability strategy and implementation results. Each year, the Bank submits its annual sustainability development targets to the Board Sustainability Committee and the Board of Directors for approval. The ESG Development Working Committee tracks progress on a quarterly basis, and at year-end, compiles the implementation results into the annual sustainability report, which is issued upon approval by the Board Sustainability Committee and the Board of Directors.

- Overview of the 6 Corporate Social Responsibility Areas

In the area of corporate governance, the Bank operates with the Board of Directors as its highest governance body, exercising professional oversight through a diverse range of functional committees established thereunder. In its commitment to ethical business practices, the Bank upholds the highest standards of information transparency, including the public disclosure of individual director's remuneration and the submission of director remuneration policies to the shareholders' meeting for approval, strengthening the linkage between remuneration and performance. To further reinforce its internal control system, the Bank has established a three-lines-of-defense framework, clearly delineating the responsibilities of business units, compliance and risk management units, and audit units, while formulating comprehensive risk management assessment policies to ensure rigorous identification, measurement, monitoring, and reporting of risks. The Bank's robust internal audit system assists the Board and senior management in evaluating the effectiveness of internal controls; notably, the annual sustainability development targets of each unit have been incorporated into the internal audit scope to strengthen the resilience of sustainable operations. In response to the rapid development of digital finance, the Bank has implemented stringent information security measures and continuously enhances cybersecurity control quality through annual information security training. Furthermore, in alignment with international trends in tax governance, the Bank has established a tax governance policy to ensure the effective operation of its tax management mechanisms.

In the area of employee care, the Bank strictly adheres to labor regulations, prohibiting discrimination and differential treatment of any kind, and treating all employees with inclusivity and respect. The Bank upholds the principle of equal pay for equal work, committing to compensation and rewards free from gender bias. For ten consecutive years, the Bank has maintained a near 50/50 gender ratio across its entire workforce. The Bank was also a pioneer in the industry in extending equivalent leave entitlements and benefit subsidies to employees with same-sex partners. The Bank continuously advances its occupational safety and health management, having obtained third-party certification under the ISO 45001 Occupational Health and Safety Management System, fostering a safe, healthy, fair, and inclusive workplace. Furthermore, the Bank has established family care leave policies that exceed statutory requirements, along with childcare subsidies and flexible working hours, promoting a healthy work-life balance for its employees. The Bank has also built a comprehensive talent development framework with clearly defined career pathways, introducing initiatives including Individual Development Plans, cross-departmental rotation programs for frontline employees, and a senior talent succession pipeline and management development program, with the aim of driving employees' self-driven growth and ensuring talent continuity.

In the area of customer service, the Bank complies with all regulatory requirements, ensures customer privacy protection, and safeguards transaction security. The Bank also actively advances financial innovation and inclusive service, continuously developing personal digital banking features to enable customers to complete a full range of financial services online. To deliver a thoughtful and accessible customer experience, the Bank has implemented a series of inclusive finance and treating customers fairly initiatives targeting diverse groups, including middle-aged and senior customers, persons with disabilities, and foreign nationals, ensuring barrier-free access to the Bank's services for all customer segments. In recognition of these efforts, the Bank was selected by the Financial Supervisory Commission as the 2025 Benchmark Bank for Financial Friendly Services. Furthermore, the Bank has continuously refined its customer complaint handling mechanism, allowing customers to submit feedback at any time through multiple channels, including a 24-hour customer service hotline, the mobile App, email, and branch offices. In 2025, the Bank implemented and obtained third-party certification under the ISO 10002 Customer Satisfaction — Guidelines for Complaints Handling in Organizations management system.

In the area of environmental protection, the Bank actively implements energy-saving, carbon reduction, water conservation, and waste reduction initiatives. It has committed to using 50% renewable energy across global operations by 2030 and achieving 100% by 2050, in alignment with its goal of net-zero emissions by 2050. The Bank has adopted ISO 14001:2015 Environmental Management System, ISO 14064-1:2018 Greenhouse Gas Inventory, and ISO 50001:2018 Energy Management System. In 2023, it obtained green building certification for its headquarters. The Bank also promotes green procurement and encourages suppliers to implement corporate social responsibility policies, demonstrating its vision of environmental co-existence.

In green finance, in addition to establishing a comprehensive climate change management framework and incorporating climate scenario analysis, the Bank has included ESG risk assessments into all investment and financing decisions, thereby effectively implementing responsible lending and investment. At the same time, the Bank has implemented an internal carbon pricing mechanism to guide business units toward low-carbon investment and financing activities, thereby avoiding capital flows into high-carbon-emission industries. Additionally, the Bank has adopted several international standards to promote sustainable finance, including adopting the Task Force on Climate-Related Financial Disclosures (TCFD) framework and becoming a "TCFD Supporter" to assess and identify climate opportunities and risks for the Bank and its investment and financing portfolios; signing the Equator Principles to review potential environmental and social risks in project financing transactions; joining the Partnership for Carbon Accounting Financials (PCAF) to assess carbon emissions of its investment and financing positions, and has set a target to reduce the average Scope 1 and Scope 2 carbon emissions per NT$1 million of investment and financing balance (covering corporate loan positions and mid- to long-term investment positions) among the Bank's investment and financing recipients to below 2.79 metric tons by 2030. In 2025, this figure was reduced to 2.96 metric tons, achieving the year's carbon reduction target and representing a 3.6% decrease from the prior year; joining the Partnership for Biodiversity Accounting Financials (PBAF) and becoming a "PBAF Supporter".

In the area of social engagement, to harness the power of finance to give back to society and create shared benefit among the Bank, consumers, and the community, the Bank launched the "Social Impact Project" in 2020—a first-of-its-kind sustainable business model in the industry—dedicating deposits from participating customers exclusively to providing low-interest microloans with no handling fees for economically disadvantaged groups. The Bank also launched the "O for YOU Subsidized Deposit Program" and the "Circle of Care Subsidized Deposit Program," offering preferential NTD demand deposit interest rates to economically disadvantaged individuals and eligible new immigrants, indigenous peoples, and persons with disabilities, encouraging them to gradually build assets. To further foster carbon-conscious consumption among individual consumers and encourage the adoption of carbon-reduction behaviors, the Bank introduced the "Consumer Spending Carbon Calculator" feature—allowing customers to view the estimated carbon emissions of each transaction—and the "Transportation Carbon Reduction Details" feature, which displays the carbon savings achieved by using public transportation compared to driving a private vehicle. Both features are first-of-their-kind in the industry. The Bank also launched the corresponding "Low-Carbon Lifestyle Card" and "Transportation Carbon Reduction Card," offering enhanced cashback rewards as an incentive to encourage customers to take concrete action in reducing carbon emissions.

The Bank has for many years procured products from social enterprises and B Corps as festive gifts for employees and media partners. Since 2017, the Bank has received recognition under "Buying Power" social innovation enterprise products and services procurement incentive program for nine consecutive years, with procurement totaling over NT$713,000 in 2025. To encourage customers to choose green products, the Bank proactively connected with 30 social enterprises and B Corps as partner brands under its Green Consumption Power initiative, offering additional cashback rewards to incentivize eco-conscious consumer choices. At the same time, the Bank introduced exclusive corporate deposit, payroll account, and loan preferential programs for social enterprises and B Corps, directly supporting businesses that create positive environmental and social impact. In addition, the Bank has long maintained a focused commitment to rural schools with higher proportions of new immigrant children, organizing 11 events in 2025 with a total of 177 students participating, successfully bringing resources to rural communities and broadening children's learning experiences and opportunities.

- Domestic and International Awards and Ratings

Through multifaceted and systematic promotion of corporate sustainability initiatives, the Bank's long-term efforts have been recognized by a series of domestic and international ratings and awards in recent years. The Bank obtained B Corp Certification in 2017 and was recertified in 2021 and 2025, maintaining its commitment to using the power of business to do good. In the Morningstar Sustainalytics ESG Risk Ratings, the Bank received a score of 6.89 (the lower the score, the better). According to the Company Investor Relations Integration Platform, as of the end of March 2026, the Bank ranked first among all TWSE-listed companies and among financial industry peers in Taiwan. The Bank was also recognized by Sustainalytics as a "Global ESG Leader," an "Industry ESG Leader," and a "Regional ESG Leader" in the Asia-Pacific region. In the FTSE ESG Scores, the Bank received a score of 4.7 out of 5. According to the Company Investor Relations Integration Platform, as of the end of March 2026, the Bank ranked first among all TWSE-listed companies and among financial industry peers in Taiwan. The Bank's overall performance in sustainable development also earned it a place in the S&P Global Sustainability Yearbook 2026, with a Top 5% distinction among selected companies in the same industry globally. The iconic Carbon Disclosure Project (CDP) awarded the Bank its highest Leadership A grade, recognizing the Bank's achievements in sustainability.

In addition, the Bank ranked 8th in the large enterprise financial sector of the CommonWealth Magazine Sustainable Citizen Awards in 2025, and received six awards at the Taiwan Corporate Sustainability Awards (TCSA): "Taiwan Top 100 Sustainability Model Enterprise Award," "Social Inclusion Leadership Award," "Gender Equality Leadership Award," "Workplace Well-being Leadership Award," "Creative Communication Leadership Award," and the Gold Award in the "Sustainability Report — Financial and Insurance Industry" category.

- O-Bank Education Foundation's Commitment to Culture and Education

In July 2000, the Bank established the "O-Bank Education Foundation," combining corporate expertise, government support, and private resources to actively promote various industry-academia cooperation projects, technology management seminars, entrepreneurship workshops, and series of cultural activities. The achievements of the O-Bank Education Foundation in sponsoring and serving in arts public welfare, innovation and entrepreneurship, and social care have been recognized with the "Arts and Business Awards" from the Ministry of Culture in 2010, 2023, and 2025, as well as the "Arts Education Contribution Award" — Outstanding Group category, presented by the Ministry of Education in 2025, demonstrating the Bank's efforts in fulfilling corporate social responsibility.

To promote art education, the O-Bank Education Foundation has been organizing a series of art and cultural events since 2008, including “Stars of Tiding 2.0 Art Appreciation,” “Composing Taiwan” Creative Submission Project, “Stars of Tiding 2.0 Art Exhibition,” “Stars of Tiding 2.0 Open Call Grant Program,” “Master Concerts,” “Art Academy,” “Creativity Revival,” and “Music Appreciation Workshops”.

In 2025, the Foundation organized a total of 59 art and cultural events. The total expense was NT$3.78 million, attracting nearly 7,500 participants to the events.

Committing to expand the art appreciation audience, the Foundation invited young artists and musicians selected through the Stars of Tiding 2.0 Open Call Grant Program, who planned art charity initiatives specifically designed for elementary schools, universities, and hospitals. A total of 1,121 participants benefited from these activities (including 61 disadvantaged schoolchildren), with the aim of inspiring creativity and imagination in schoolchildren and bringing confidence and strength to patients and their families. In building an art appreciation platform, the Foundation integrated a rich array of external art resources and invited art experts to deliver “Art Academy” keynote speeches, offering opportunities for in-depth exchanges between the public and art professionals. As of the end of 2025, a total of 60 seminars have been held, attracting nearly 10,400 participants. Meanwhile, the Foundation sponsors outstanding domestic arts and cultural groups through an arts-business collaboration model, including Taipei Philharmonic Foundation and Ming Hwa Yuan Arts & Cultural Group, in order to nurture cultural seeds and deepen the cultivation of arts talent

In pursuit of the philosophy of giving back to Taiwan’s education and arts development, the Foundation has sponsored the “Taiping Elementary School Museum Operation and Establishment Project” since 2022, fulfilling the wish of Huang Tu-Shui, Taiwan’s first Japan-educated sculptor, to preserve his work “Bust of a Girl” at his alma mater. In 2025, approximately NT$10.35 million was invested in industry-academia collaboration and related operating expenses. The museum officially opened to the public on July 3, 2025, and recorded a total of 4,946 visitors by year-end. In addition to curating exhibitions, 36 educational promotion activities were organized, with a total of 868 participants.

### 4. Number, Average Salary, and Median Salary of Fulltime and Non-Executive Employees; Their Differences from the Previous Year:

| Year | 2025 | 2024 | Difference (%) |
|---|---|---|---|
| Number of Non-Executive Employees | 1,006 | 968 | 3.93 |
| Average Salary of Employees (NT$ thousands) | 1,293 | 1,344 | (3.79) |
| Median Salary of Employees (NT$ thousands) | 1,067 | 1,109 | (3.79) |

Note: The employee tallies in the table do not take account of those working at overseas branch entities.

## 5. Information Equipment

### (1) Hardware and Software Configurations of Major Information Systems

The major information systems include front-end trading systems, middle-tier management systems, back-end operation systems, and office automation systems. The hardware infrastructure primarily consists of IBM AS/400, Oracle Exadata, IBM RS/6000, HP ProLiant, Dell PowerEdge, DELL EMC Storage, NetApp Storage, Synology Storage, and QNAP Storage. The software environment is based on IBM AIX, Red Hat Linux, Oracle Linux, Windows Server, VMware, Teradata, Oracle DB, Microsoft SQL DB, IBM WebSphere, and IBM MQ. In addition to self-monitoring and maintenance of major hardware and software, the Bank has regular maintenance and emergency repair contracts with equipment manufacturers to ensure the normal operation of information equipment. This infrastructure has been expanded incrementally to meet growing business needs and improve system performance.

### (2) System Development or Procurement

**A. Major Special Projects Undertaken in 2025:**

(1) Loan ETE Process Without Account Opening: Upon loan approval, a contract can be established without requiring opening a savings account, with automatic deduction authorizations via eACH, including customer agreement for automatic debit in IBMB, authorization through the Taiwan Clearing House to enable monthly automated debiting for loan payments. Launched in March 2025.

(2) High-Risk Foreign National Control Mechanism: In line with plans from the banking regulator, controls were implemented on a list of high-risk foreign nationals to reduce fraud rates. This list was launched in June 2025.

(3) Special Time Deposit Maturity Alerts: To improve customer experience, the Bank launched a maturity notification feature for special time deposits in December 2025.

(4) T24 circular credit products were launched in August 2025.

(5) SME Revolving Products: Supporting the expansion of inclusive finance, new products have been continuously developed with daily interest calculation and more flexible repayment options. The initiative was launched in June 2025.

(6) Financial Fraud Prevention Alliance Platform: Real-time verification mechanism. In support of the Executive Yuan's "New Generation Anti-Fraud Strategy Action Plan" and its enhanced fraud prevention measures, and to strengthen fraud prevention mechanisms among financial institutions and effectively disrupt the flow of funds, the FSC instructed the Financial Information Service Co., Ltd. (FISC) to develop a "real-time verification mechanism." This platform provides real-time verification of the account status and related information for "inward remittance accounts (including TWD and foreign currency accounts)," supplemented by customer care and other preventative measures to protect the public's financial security. It was launched in August 2025.

(7) The new SME credit guarantee fund guarantee service was launched in October 2025.

(8) Joined the FSC Electronic Payment Processing Platform - E-Health Pay Project: Provide customers with the ability to use the Bank's cards to pay various fees and to use the E-Health Pay app to pay medical bills. This system was launched in June 2025.

(9) Launch of Electronic Payment Account Management Platform with Apple Pay Support: To address the growing diversity of consumer spending scenarios, the Bank integrated its O-Bank debit card with Apple Pay, enabling Apple Pay transaction connectivity within its systems. This expansion of payment channels aims to attract new users and promote debit card usage. The service was launched in November 2025.

(10) TW-RTG Message Conversion to MX Format: In compliance with SWIFT and Financial Information Service Co. (FISC) regulations, MT1, MT2, and MT9 series messages were converted to the MX format. The program was launched in August 2025.

(11) IBMB Underlying Platform Upgrade: In response to the EOS of the MFP 8 underlying platform used by the IBMB system, the Bank planned a platform upgrade and will optimize and adjust the existing system architecture. The initiative was launched in June 2025.

(12) IBMB Microservices Containerization Transformation: To address rapidly changing business needs and system performance bottlenecks, and improve user experience, the Bank will gradually introduce a microservices architecture to overcome the limitations of the existing monolithic architecture, to achieve technical and business goals. The initiative was launched in September 2025.

(13) Official Website Sitecore Version Upgrade: To improve system efficiency, enhance customer service quality, and strengthen information security, a system upgrade will be conducted. The initiative was launched in June 2025.

(14) New Electronic Payment (LINE PAY) Account Link Project: To attract new customers and expand consumption scenarios, LINE Pay as an electronic payment institution was added and integrated with the Bank's system. Settings were added to all transaction modes (account binding/unbinding, positive/negative transactions, and instant withdrawal, etc.). It was launched December 2025.

(15) Established a read-write splitting mechanism for the core system, with the Data Service Platform (DPS) providing API queries for channel-end systems. This feature was launched in September 2025.

(16) The Bank upgraded and reconstructed its Regulatory Reporting System, reconfiguring all intermediate files between the system and various internal data sources. This process addressed data gaps and refined field definitions, enhancing the accuracy and efficiency of regulatory filings. The system was launched in February 2026.

(17) The data model calculation platform, big data intelligent analysis platform, and Eagle Eye fraud prevention and warning model were established and deployed. The system was launched in February 2025.

(18) The integration of third-party data – Gogolook's external potential financial product demand factor. The initiative was launched in September 2025.

(19) The Bank implemented the API integration project for the "FISC Transfer Transaction Account Name Inquiry Mechanism," which was launched in September 2025.

(20) The MUREX system's bond futures functionality was updated in March 2025 with the addition of automatic import capabilities for Hua Nan Futures.

(21) MUREX added bond MBS and FRC trading functions, which was launched in June 2025.

(22) As part of the MUREX system's integration with SWIFT 20022, we successfully migrated Taipei branch MT category 1, 2, and 9 messages to the XML-based MX format. This upgrade went live in August 2025.

(23) The Bank successfully launched its HKMA transaction reporting module within the MUREX system in September 2025

(24) The MUREX bond module upgrade Phase 1 was launched in November 2025.

(25) The eLoan retail banking system reached several operational milestones 2025: Integrating third-party data sources in May, implementing a decision-making model for credit limit and yield optimization in July, and streamlining the document supplement SMS process in December.

(26) The retail credit review system optimization and behavioral scorecard reconstruction Project was launched in November 2025.

(27) The AVM real estate appraisal system upgrade and optimization project was launched in November 2025.

(28) The blockchain confirmation project for trust product integration and system optimization was launched in December 2025.

(29) eJCIC added support for T-class transactions with an upgrade that went live in May 2025.

(30) The optimization project for the board rate spread setting for non-USD foreign currencies against the US Dollar within the QRS Interest and Exchange Rate Negotiation System was officially launched in February 2025.

(31) The new partner vendor module for the DMP operations management platform was launched in December 2025.

(32) General Affairs Procurement System Project: A general affairs procurement process will be added to enhance work efficiency and generate ESG reports. The project was launched in December 2025.

(33) Data Center Optimization and Relocation Project: The upgrade of the information center's data center to enhance continuous operation capability was completed in the fourth quarter of 2025. This created the Infra A-A dual data centers, achieving system high availability and supporting the Bank's sustainable operation.

(34) Oracle Exadata Database Migration and Upgrade Project: To improve the operational and data processing performance of various internal systems and support dual-center design, the Bank has completed important system databases in the fourth quarter of 2025: T24 and IBMB have been migrated to Oracle Exadata, and the second phase of migration for critical systems, including ESB and corporate e-banking, is underway to enhance customer experience.

(35) MSSQL Database Upgrade Project: In response to the EOS of MSSQL 2014 DB, to ensure normal DB operation, it is planned to upgrade the Bank's DB to the 2019 or 2022 version to meet information security requirements. A total of 78 DB upgrades were completed in 2025.

(36) Introduction of an External Attack Surface Management (EASM) cybersecurity rating platform: An external rating authority can detect cybersecurity risk ratings for the enterprise itself and its partner supply chain for vulnerability remediation, effectively reducing the probability of the enterprise being subjected to cybersecurity attacks. Completed in January 2025.

(37) Introduction of a web log analysis platform: Centralizes monitoring of web and application logs, monitoring external access status and detecting anomalous behavior. Completed in April 2025.

**B. Major Special Projects to be Undertaken in 2026 and Beyond:**

(1) T24 Core System Upgrade Project: This project will upgrade the core system architecture to provide enhanced system resilience and processing efficiency, establishing a robust foundation to support future business innovation and digital transformation. The system is expected to go live in December 2027.

(2) National Police Agency (NPA) Potential Victim Protection Program: In cooperation with NPA's plan, this aims to protect public property and implement various anti-fraud measures, enhancing the security of fund flows. It is expected to go live in June 2026.

(3) Cashback Rewards Project: This project allows customers to deposit credit card cashback or specified rewards into this account, enhancing the bank's product offerings and commission income. It is expected to launch in May 2026.

(4) SWIFT SR2026: In accordance with SWIFT organizational regulations, the MT 4/7 message format has been adjusted and is expected to go live in November 2026.

(5) The T24 system's batch frequency has been adjusted to daily runs, and ODS has been updated to align with back-end system data requirements. Completion is expected in December 2026.

(6) The T24 revolving credit facility will allow for a second draw, and the data reporting requirements for JCIC, IFRS9, and BASEL have been adjusted accordingly. The update is expected to launch in September 2026.

(7) TWQR (Taiwan QR) Digital Voucher Project: To accommodate a wider range of spending options, users can register for or receive digital vouchers through the app and then use or decline them when making payments at TaiwanPay or TWQR participating merchants—including both in-store (via customer-scan and merchant-scan) and online transactions methods. The project is expected to launch in the second quarter of 2026.

(8) SamsungPay Project: To support expanded use cases, we are adding account linking and integration of SamsungPay transactions with our core banking system. Launch is anticipated in the third quarter of 2026.

(9) EKYC Project: The EKYC human identity verification software solution reduces the risk of fraud in online loan applications. It also leverages technology to minimize the potential for oversights during manual review and inspection, improving case processing efficiency and speed while lowering operational costs.

(10) In line with Central Bank policies, a Central Bank statement API reporting platform is being developed to enhance the quality and efficiency of reported data. The platform is expected to launch in June 2026.

(11) In line with the FSC policy, the Bank has built the FSC report API declaration platform to improve the quality and efficiency of reported data. The platform is expected to go live by December 2026.

(12) The Bank established a metadata governance management platform to strengthen the consistency of data dictionary definitions. All business units have access to a unified platform to address the issue of fragmented data definitions. The platform is expected to go live by December 2026.

(13) APIM System Project: This project provides complete management functions and has reduced the manpower and information security risk associated with connecting internal and external systems. It is expected to go live in the first quarter of 2026.

(14) ESB System Upgrade Project: In line with the T24 core upgrade, the project is expected to be launched in the second quarter of 2026.

(15) The API service for the "Financial Anti-fraud Alliance Platform's Alliance Broadcasting Mechanism" is expected to launch in July 2026.

(16) The ALM system upgrade is expected to be launched in the first quarter of 2026.

(17) The MUREX system migration is expected to be completed in November.

(18) In support of the Australia branch's MUREX and metal trading platform system development, the system is expected to be launched in December.

(19) The eLoan system for individual loans is expected to be launched in the third quarter of 2026.

(20) The CWS write-off automation project for accounts receivable is expected to be launched in the second quarter of 2026.

(21) The FileNet document imaging system upgrade project is expected to be launched in the second quarter of 2026.

(22) To support the establishment of the Australia branch, the customer information system and the corporate eLoan system development projects are expected to be launched in the fourth quarter of 2026.

(23) Geopolitics - Fund Control Platform: A fund control platform is being built in response to geopolitical considerations, with the function of restricting foreign currency outflow amounts and incorporating a whitelist mechanism. It is expected to be launched in the fourth quarter of 2026.

(24) FEP Small Channel and OS Upgrade: To address end-of-support for AIX and information security vulnerabilities, system equipment is being replaced and upgraded, with a planned launch in the first quarter of 2027.

(25) Upgrade of the Financial XML Platform and eACH Clearing Platform: To address issues with the EOS operating system and information security vulnerabilities, system equipment and software upgrades were conducted. The upgraded platforms are expected to go live in the third quarter of 2026.

(26) HSM Operating System Security Enhancement Project: The HSM operating system EOS has been upgraded, and is expected to launch in the second quarter of 2026.

(27) Virtual Cards: To support digital development and its benefits, we are building the infrastructure for virtual cards. This will allow customers to begin using virtual cards for transactions immediately after account opening approval. Launch is expected in the third quarter of 2026.

(28) Adjust the Rewards Cycle (Including Premier Card Annual Fees, Automated Billing and Deduction for VIP Lounge/Airport Pick-Up Services): The rewards cycle has been shortened, and the processing of rewards points, annual fees, and the VIP lounge/airport pick-up list has been automated. This is expected to launch in the third quarter of 2026.

(29) Human Resources System Upgrade Project: Due to the End of Support (EOS) for existing databases and operating systems, an upgrade project was initiated in October 2025 to enhance information security and incorporate new functionalities for improved operational efficiency. The project is expected to be launched in 2026.

(30) AI Internal Assistant: Leveraging AI development and integrating the Bank's big data and Fintech infrastructure, we have improved operational efficiency and optimized processes. The AI internal assistant platform is expected to launch in the third quarter of 2026.

(31) E-invoice Paperless Project: The project aims to improve the efficiency of claim requests and optimize financial document management. To achieve this, an e-form e-invoice paperless module has been developed and is expected to launch in the second quarter of 2026.

(32) Branch Firewall Project: To strengthen information security and protect IOT devices, we plan to deploy firewalls for the information environment at each branch location country-wide, ensuring branch security. Completion is expected in the third quarter of 2026.

(33) Network Monitoring System Upgrade Project: To enhance the Bank's network traffic monitoring detail and improve its ability to quickly respond to and resolve network anomalies, we plan to upgrade the network traffic monitoring management system. Completion is expected in the second quarter of 2026.

(34) Digital Office Transformation Project: To support the implementation of its AI application strategy, the Bank is introducing Microsoft AI and automation tools, including Copilot and Power Automate, to build a digital office environment. This initiative aims to increase productivity and efficiency and reduce operational errors, and is expected to be completed and launched in 2026.

(35) Zero Trust system implementation – identity authentication: Enhances the security of the Bank's identity verification, improves account governance transparency, and strengthens cybersecurity resilience under a Zero Trust architecture. Scheduled for completion in Q4 2026.

(36) Execution of automated attack script validation testing: Simulates attacks from the perspective of real hackers to proactively identify and remediate internal and external network risks. Through automated processes, exploitable vulnerability paths are accurately identified, high-risk vulnerabilities are prioritized for remediation, and traditional one-time penetration testing is upgraded to continuous ongoing validation. Scheduled for completion in Q4 2026.

(37) Enhancement of email social engineering drills: Conducts "regular, unscheduled, and target-specific" social engineering drills throughout the year. By tracking the open rate and click rate of social engineering emails, the ability of employees to identify threats is quantified. Scheduled for completion in Q4 2026.

### (3) Mock Drills for Information Security

The Bank conducts drills for DDoS Attacks, Malware Attacks, and Personal Information Leakage on an annual basis. The objective is to make sure that the Bank, in the event of any accident caused by natural disasters, human errors, or malignant attacks, can report and handle it in a timely manner and thus keep its impact to a minimum.

1. Drills for DDoS Attacks: Every year the Bank joins forces with telecom operators to organize drills for DDoS attacks to get thoroughly familiar with all the emergency response procedures. Meanwhile, the Bank's Emergency Response Program for DDoS Attacks is subject to revision whenever warranted.
2. Drills for Malware Attacks: Simulations are implemented annually for IT personnel to get familiar with all the procedures—evaluation, notification, sequestration, handling, and recovery—in the event of a malware attack against PCs or servers.
3. Drills for Personal Information Leakage: With a different scenario designed each year, the drills may involve more participants if this is warranted by the scope and severity of the simulated impact. A post-drill review is conducted to ensure a swift response in the event of an actual leakage going forward.

### (4) Protective Measures for Information Security

To safeguard the security of its information operating environment, the Bank has implemented a range of information security equipment and control mechanisms. These include antivirus software, dual-layer firewall control, intrusion prevention systems, file and host access control, abnormal network traffic monitoring, automated patch updates, website access control, instant messaging control, email filtering, external storage device control, data leakage prevention, database activity monitoring, mobile device management, privileged account management, two-factor authentication, laptop hard drive encryption, advanced persistent threat (APT) protection, distributed denial-of-service (DDoS) protection, endpoint detection and response (EDR), network isolation safeguards, network detection and response (NDR) systems, threat detection and response services, a vulnerability tracking management system, and a web log analysis platform.

For application system security, the Bank has adopted tools for source code, black-box, and open-source code analysis, along with go-live security check mechanisms. To verify the effectiveness of these protective measures, in 2025 the Bank introduced an external attack surface management and cybersecurity rating mechanism. Through automated continuous monitoring and quantified rating indicators, potential exposures are proactively identified and the overall defense resilience of digital assets is enhanced. In addition, the Bank annually commissions third-party professional cybersecurity firms to conduct information security assessments of computer systems and security testing of its mobile applications (APP).

## 6. ICT Security Management

### (1) ICT Security and Risk Management Framework

When it comes to managing ICT security, the Bank plans and implements measures from the perspective of operations management, thereby bolstering its overall capacity for upholding information security. The chief information security officer ("CISO") is charged with policy implementation and resources allocation to strengthen the Bank's information security management as well as supervision of planning and monitoring on this front. In addition to devising a fitting overall system as well as surveillance and protection mechanisms, the unit responsible for information security and composed of 9 people shall join related departments to conduct risk assessment and implement management and control measures.

To effectively implement its information security management system and enforce relevant operations, the Bank established an information security promotion team and an information security implementation and examination team in November 2016. Convened by the Head of Information Technology Division, the information security promotion team is responsible for supervising and deciding on matters in relation to the information security management system. The team also convenes meetings every six months to examine the implementation status of the information security management system and provide the resources needed.

With a plan to report to the Board annually, on March 11, 2026, the Bank's CISO filed a report to the Board of Directors on overall information security implementation during 2025. As such, the Board of Directors and senior management are charged with the responsibility of overseeing security on this front. Each year the CISO was joined by the chairman of the board, the president, the chief auditor, the chief compliance officer in issuing the Declaration of Overall Information Security Implementation.

### (2) ICT Security Management System:

To ensure the confidentiality, completeness, usability, and legality of information assets and prevent intentional or accidental threats both within and without, the Bank has taken account of its business needs while enacting its information security policy and operational regulations, and thus "Information Security Policy" was approved by the Board of Directors. From setting information security policies and goals and adopting implementation and maintenance measures to reviewing and amending policies and regulations on a regular basis and assessing risks, the Bank follows the PDCA (Plan-Do-Check-Act) cycle as it seeks ceaselessly to improve and strengthen all relevant aspects on this front. The Bank obtained ISO 27001 Information Security Management System certification on January 20, 2017. In 2023, the scope of ISO 27001:2013 certification was expanded to cover all of the Bank's application systems and information infrastructure (including data centers), achieving a 100% certification coverage rate for the information department. In November 2025, the Bank successfully passed the three-year recertification (with the certification validity extended from January 20, 2026 to January 20, 2029). In addition, an impartial third-party review is conducted annually to ensure the effective operation of the information security management system.

The Bank's information security goals are as follows:

- Ensure the confidentiality of information assets by enforcing control of access to information and requiring that only authorized personnel are given such access.
- Ensure the completeness of information operations management to prevent unauthorized alteration.
- Ensure the uninterrupted functioning of information operations.
- Ensure the compliance of information operations with applicable laws and regulations.

### (3) ICT Security Management and Resources

The Bank continues to invest in information security management resources, including strengthening both governance and technical infrastructure, enhancing cybersecurity defense systems, and participating in joint defense networks such as the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), Financial Information Sharing and Analysis Center (F-ISAC), and Financial Security Operations Center (F-SOC). External threat intelligence is incorporated into monitoring systems. In addition, the Bank has appointed dedicated information security personnel and regularly conducts cybersecurity training programs across the organization to enhance and strengthen overall information security capabilities.

In 2025, cybersecurity expenses (including those for software, hardware, and authorization) accounted for 13% of the Bank's total IT budget. As of December 2025, the number of international cybersecurity certifications obtained by personnel in the information unit is 28.

A comprehensive defensive mechanism is installed across application systems, servers, and network equipment (such as firewall systems, firewalls for web applications, intrusion detection systems, and clean pipe operations) to ward off malicious external attacks. Establish a surveillance system, review daily routine records, and conduct early warning operations. Tackle information system anomalies and potential information security threats, thereby effectively upholding information security and minimizing the risk of data leakage and malicious intrusions.

#### A. Cybersecurity Enhancement Measures

In 2025, the Bank deployed threat detection and response services and a web log analysis platform, and introduced an external attack surface management and cybersecurity rating mechanism. Through automated continuous monitoring and quantified rating indicators, potential exposures are proactively identified and the overall defense resilience of digital assets is enhanced. The Bank also continues to incorporate external threat intelligence into its cybersecurity monitoring system to strengthen its defense mechanisms.

#### B. Enhancing Customer Transaction Security

1) Malicious activities such as scans, vulnerability probing, attacks, and intrusions targeting the Bank's internet-facing systems increased by 99% compared to the previous year. All incidents were effectively monitored, analyzed, and blocked without impact to the Bank.

2) The Bank engaged professional cybersecurity vendors to conduct penetration testing on its websites and mobile apps to assess and enhance system security.

3) The Bank purchased electronic equipment loss insurance to mitigate risks of damage or loss caused by unforeseen and sudden incidents, thereby protecting its electronic assets.

**C. ICT Security Training and Awareness Promotion:**

In 2025, all employees received 3 hours of information security training and participated in monthly cybersecurity awareness email campaigns. These initiatives aimed to raise awareness of the importance of information security, threats, and regulatory trends. Periodic reminders on security practices were also issued to enhance vigilance and awareness. In addition, all dedicated cybersecurity personnel completed at least 15 hours of professional courses or competency training in cybersecurity

### (4) Major ICT Security Incidents

The Bank has not recorded any major ICT security incident during the most recent year and the current year up to the date of publication of this annual report.

The Bank has implemented a set of procedures for reporting and handling information security incidents to prepare for possible losses and consequences as well as countermeasures should they do occur. Information security incidents are assigned different grades. Upon receipt of notice of any information security incident, the handling unit shall address and resolve it within the prescribed timeframe. Subsequently it is also supposed to analyze causes of the incident and adopt remedial measures so as to prevent a repeat.

## 7. Labor Relations

### (1) Employee benefit plans and retirement system as well as the status of their implementation; the status of labor- management agreements and measures for preserving employee rights and interests:

**A. Benefit Plans:**

(1) Employee Insurance: In addition to offering labor insurance and national health insurance, as required by law, the Bank provides employees and their families with group insurance and increases their coverage under term insurance, accident and injury insurance, hospitalization insurance, cancer insurance, accident insurance for overseas business trips, and occupational hazard insurance. This makes a well-rounded insurance scheme that helps create a carefree working environment for employees.

(2) Health Checkups: The Bank conducts annual health check-ups for employees, providing examinations exceeding regulatory requirements. Arrange on-site physician consultations based on employees' examination results and provide continuous follow-up care to ensure employees' physical and mental health is well taken care of.

(3) Health Care Initiatives: To safeguard employee health and mitigate the impact of chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia, the Bank has established a dedicated health information section on its digital learning platform and regularly organizes health seminars to provide wellness-related knowledge through various channels. Additionally, the Bank hosts annual health promotion activities, such as weight-loss challenges, fitness competitions, and exercise classes, to encourage healthy lifestyle habits and enhance overall employee well-being.

(4) Study Grants: The Bank offers grants for employees to take outside courses, pursue academic degrees, go abroad for advanced studies, and take various certification tests.

(5) Preferential Loans: The Bank provides employees with preferential loans to meet personal needs, including mortgages and consumer loans, and to offer emergency relief so as to stabilize their lives.

(6) Employee Stock Ownership Trust (ESOT): Enable employees to share the Bank's success and bolster their identification therewith while helping them cultivate long-term savings and accumulate personal wealth.

(7) Employee Counseling Services: Recognizing the importance of stress relief, the Bank collaborates with the Taoyuan Lifeline Association to offer psychological counseling services covering family relationships, interpersonal issues, emotional concerns, and workplace adaptation. Employees can schedule consultations directly with the Association.

(8) Stress Relief Massage Services: The Bank hires visually impaired massage therapists, providing both job opportunities for the visually impaired and stress relief services for employees to ease shoulder and neck fatigue during work hours.

(9) Health Station: Employees are provided with a variety of fitness and recreational facilities, including treadmills, spinning bikes, cross trainers, stationary bikes, dart machines, and golf driving range equipment, to help them relieve stress and stay efficient in the office.

(10) Reading Room: All sorts of books, periodicals, and magazines are offered to help employees gain knowledge and relax themselves.

(11) Lactation Room: To support employees with breastfeeding needs, the Bank has set up a freely accessible lactation room. This facility received certification as an Excellent Lactation Room from the local Health Bureau in May 2025.

(12) Considering employees' needs to take care of their families, the Bank offers special leave in the event of family members getting sick, leave for volunteering, leave for male employees to keep their wives company for pregnancy checkups, leave in the event of employees earning special honors, and flexible working hours. Meanwhile, the Bank has taken the lead to care for transgender employees. With same-sex partner certificates issued by the relevant household registration office or other relevant certificates, employees are equally entitled to marital leave, leave for keeping partners company for pregnancy checkups, paternity leave, funeral leave, and leave in the event of family members getting sick.

(13) The Bank organizes a diversity of arts and humanities activities—artistic and cultural performances, guided concerts, and guided visits to art exhibitions—on a non-routine basis.

(14) O-Bank Life Circle: The Bank cooperates with multiple businesses to provide employees with discounted offers or prices.

(15) Legal Consultation Service: The Bank collaborates with three law firms to provide employees with discounted legal consultation services.

(16) Other Allowance and Cohesion Activities: To enhance employee wellbeing, the Bank offers gifts of money for major traditional holidays and birthdays, childcare subsidies, and wedding, funeral, childbirth, and illness allowances, as well as organizes family day events, year-end dinners, and club activities.

(17) Other Welfare Measures: These include monthly subsidized healthy meal boxes, complimentary fresh produce from local farmers each month, weekly on-site car wash services at headquarters, and in-house laundry drop-off and pick-up services.

**B. Retirement System:**

To effectively care for employees, the Bank implements an employee retirement system in accordance with the Labor Standards Act, the Labor Pension Act, and the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds. Based on the Bank's Regulations Governing Employee Retirement, all employees in Taiwan are entitled to the following retirement system:

(A) Retirement system under the Labor Standards Act: The Bank, in accordance with provisions of the Labor Standards Act, makes a monthly labor pension reserve appropriation equivalent to 2% of an employee's total wage and has the Labor Pension Reserve Fund Supervisory Committee deposit this amount in a designated account at the Bank of Taiwan whose management is entrusted to the Bureau of Labor Funds, Ministry of Labor. For the year 2025, the Bank recognized a defined benefit plan loss of NT$17,631 thousand.

(B) Labor Pension Act: The Bank makes monthly appropriations to be deposited in the labor pension reserve fund account. Upon implementation of the Labor Pension Act, the Bank also began, on a monthly basis, making labor pension contributions not lower than 6% of qualified employees' monthly wages to their individual accounts at the Bureau of Labor Insurance, Ministry of Labor. In terms of employees who voluntarily make contributions out of their wages to the labor pension reserve fund, the Bank shall withhold a percentage of their wages of their choosing and deposit the amount in their individual accounts at the Bureau of Labor Insurance, Ministry of Labor. For the year 2025, the Bank recognized an expense of NT$74,411 thousand under the defined contribution plan.

(C) Qualifications for Employees to Apply for Retirement:

a. Voluntary Retirement

An employee may apply for voluntary retirement under any of the following circumstances:

1. Where the employee attains the age of 55 and has worked for not fewer than 15 years.

2. Where the employee has worked for not fewer than 25 years.

3. Where the employee attains the age of 60.

4. Where the employee attains the age of 55 and has worked as a driver or security guard.

b. Compulsory Retirement

The Bank shall notify an employee of compulsory retirement if either of the following situations has occurred:

1. Where the employee attains the age of 65.

2. Where the employee is unable to perform his/her duties due to disability.

(D) Criteria for Payment of Pensions:

a. For employees who reported to work prior to June 30, 2005 and choose to retain applicability to the retirement mechanism in the Labor Standards Act:

Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be not more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months;

In accordance with Article 55, paragraph 1, subparagraph 2, an additional 20% on top of the aforesaid amount shall be given to employees forced to retire due to disability incurred from the execution of their duties.

b. For employees applicable to provisions of the Labor Pension Act, which went into effect July 1, 2005:

- Of the employees who reported to work prior to June 30, 2005, their years of service before their choosing a switch of applicability to the Labor Pension Act shall be reserved and, in turn, their pension entitlement for the given period shall be calculated in accordance with provisions laid out above.
- In terms of the employees applicable to provisions of the Labor Pension Act, which went into effect July 1, 2005, the Bank shall, pursuant to the Table of Monthly Contributions for Labor Pension promulgated by the Ministry of Labor, contribute the equivalent to 6% of their monthly wages as labor pension on a monthly basis.

**C. Labor-Management Agreements:**

To promote harmonious labor relations and actively listen to employees' voices, the Bank has established multiple communication channels:

(A) Regular Labor-Management Meetings: The Bank holds regular labor-management meetings each year to discuss labor law protections, such as increasing the number of days for maternity leave, paternity leave, and bereavement leave for spouses. Once approved through the labor-management meetings, such resolutions are formally included in the work rules and announced to all employees. The Bank also continues to emphasize key regulations on attendance and overtime to ensure employee rights are protected.

(B) Regular Employee Assemblies and "WeCare 2.0+" Events: To enhance interaction between employees and senior management, the Bank regularly organizes "Employee Assemblies" and "WeCare 2.0+" sessions. During designated times, employees can engage in dialogue with senior executives to promote two-way communication between the company and its employees.

(C) Install mailboxes to communicate with and care for employees: To protect employee rights and ensure effective communication, the Bank has established mailboxes for employees to file general complaints and sexual harassment charges. Complaint documents and letters shall be treated as confidential information to protect the rights and interests of the informing party. Separately, the "WeCare Mailbox" is put in place to encourage employees to make suggestions on employee care and help establish a workplace open to communication.

(D) "Corner for O-Bank Employees" Facebook Group: The Bank has created a private "Corner for O-Bank Employees" group on Facebook, where updates on various activities are shared. It also publishes a communication newsletter, TOUCH News, to keep employees informed of company developments in a timely manner. Furthermore, employee satisfaction and needs surveys are conducted annually to proactively gather feedback and identify areas for improvement.

Any new or revised labor-management measures are implemented only after thorough communication and consensus-building between both parties. Employees are also encouraged to share their opinions through internal communication channels or directly with their supervisors, thereby fostering effective communication and harmonious labor relations.

**D.** Measures for Preserving Employee Rights and Interests: In addition to enacting well-rounded internal regulations and operating procedures, the Bank makes it a point to uphold employee rights and interests and make sure that employees perform their duties in accordance with applicable laws or regulations and internal control regulations. The said regulations and procedures contain clearly defined provisions with regard to working hours, requesting and taking leave, salaries and bonuses, rewards and penalties, retirement, and occupational safety and health. To spare employees from sexual harassment and uphold gender equality at the workplace, the Bank has also implemented preventive measures and adopted regulations for filing complaints and imposing penalties. A sexual harassment complaint handling committee is now in place to receive allegations, conduct investigations, and take whatever action is warranted accordingly.

**(2) Losses sustained as a result of labor disputes (including violations of the Labor Standards Act detected in labor inspections):**

The Bank has not recorded any labor dispute and violations of the Labor Standards Act detected in labor inspections during the most recent year and the current year up to the date of publication of this annual report.

## 8. Material Contracts:

| Type of Contract | Contracting Parties | Commencement and Expiration Dates | Major Content | Restrictive Clauses |
|---|---|---|---|---|
| Contract on authorization and maintenance of the Bank's new core system | The Bank and International Integrated Systems, Inc. | 2015.11.9-2030.11.8 | Installation of a new core system after the Bank's transformation to a commercial bank | As provided by the contract |
| Contract on Oracle ULA software license usage of the Bank | The Bank and Oracle Corporation (USA) | 2024.1.1-2026.12.31 | Oracle ULA software usage by the Bank | As provided by the contract |
| Contract on dedicated IDC hosting services of the Bank | The Bank and International Business Machines Corporation (IBM) | 2025.1.24-2030.4.14 | Data center optimization and relocation project – dual-site infrastructure establishment | As provided by the contract |
| Contract on dedicated IDC hosting services of the Bank | The Bank and New Century InfoComm Tech Co., Ltd. | 2024.11.1-2030.5.31 | Dedicated IDC hosting services of the Bank | As provided by the contract |
| Contract on authorization for system use and provision of special project service | The Bank and SYSTEX Software & Service Corp. | 2026.1.1-2028.12.31 | The Bank holds licenses for Microsoft Corporation's related products | As provided by the contract |
| Contract on maintenance of the Bank's hardware and storage equipment | The Bank and IBM Taiwan | 2025.9.1-2028.8.31 | Maintenance of the Bank's primary systems and storage equipment | As provided by the contract |
| Contract on outsourced production and delivery of bank/debit cards | The Bank and Thales DIS Taiwan Co., Ltd. | 2025.12.1-2026.11.30 | Outsourced production and delivery of bank/debit cards | As provided by the contract |
| Contract on outsourced production and delivery of bank/debit cards | The Bank and Taiwan Name Plate Co., Ltd. | 2021.6.5-2026.6.4 | Outsourced production and delivery of bank/debit cards | As provided by the contract |
| Contract on cash transport for the Bank | The Bank and Taiwan Security Co., Ltd. | 2023.7.1-2027.6.30 | Cash transport | As provided by the contract |
| Contract on cash transport for the Bank | The Bank and Lee Bao Security Co., Ltd. | 2017.1.1-2026.12.31 | Cash transport | As provided by the contract |
| Contract on licenses for Client Management Platform System (Relationship Management and Customer Management Platform) | The Bank and Salesforce.com Singapore Pte. Ltd. | 2026.2.1-2028.1.31 | The Bank holds licenses for Salesforce.com SaaS products | As provided by the contract |
| Contract on licenses for Client Management Platform System (Marketing Management Platform) | The Bank and Salesforce.com Singapore Pte. Ltd. | 2026.2.1-2026.1.31 | The Bank holds licenses for Salesforce.com SaaS products | As provided by the contract |
| Contract on licenses for Client Management Platform System (Loan Sales Personnel Management Platform) | The Bank and Salesforce.com Singapore Pte. Ltd. | 2026.2.1-2026.1.31 | The Bank holds licenses for Salesforce.com SaaS products | As provided by the contract |
| Contract on the Interior Renovation Works for the New Premises of the Bank's Taichung Branch | The Bank and Right Interior Design Ltd. | 2026.1.26-2026.5.31 | Interior Renovation Works for the New Premises of the Bank's Taichung Branch | As provided by the contract |

## 9. Securitization:

The O-Bank Number One Real Estate Investment Trust (REITs) Fund, for which the Bank acts as lead arranger and trustee, was listed on the Taiwan Stock Exchange on June 21, 2018. The ninth REITs fund to go public in Taiwan, it marks the first instance of the local financial services industry launching into real estate securitization in nearly 11 years. The fund's asset pool currently holds two types of assets: commercial office buildings and commercial (retail) spaces. The initial total issuance amount of the beneficiary securities is NT$3 billion, and the fund management institution is Shin Shin International Co., Ltd.. To enrich the fund's diversification and enhance portfolio performance, at a beneficiaries' meeting held on December 10, 2025, a resolution was passed to expand the fund's investment scope—in addition to existing domestic real estate assets—to include overseas real estate assets, real estate-related rights, and real estate investment trusts (REITs). This expansion is aimed at actively enhancing the overall diversification of the rental income portfolio, achieving effective risk diversification, and generating stable long-term returns for beneficiaries while pursuing long-term capital appreciation for the fund.

# V. Review of Financial Conditions, Financial Performance, and Risk Management

## 1. Analysis of Financial Status

Unit: NT$ thousands

| Item \ Year | 2025 | 2024 | Difference Amount | Difference % |
|---|---|---|---|---|
| CASH AND CASH EQUIVALENTS | $ 2,601,619 | $ 5,151,237 | $ (2,549,618) | (49) |
| DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS | 26,943,807 | 18,467,946 | 8,475,861 | 46 |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | 24,554,748 | 33,619,127 | (9,064,379) | (27) |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME | 60,342,614 | 69,502,853 | (9,160,239) | (13) |
| DEBT INSTRUMENTS MEASURED AT AMORTIZED COST | 26,703,670 | 23,765,497 | 2,938,173 | 12 |
| NOTES AND BONDS PURCHASED UNDER RESALE AGREEMENT | 10,952,720 | 5,976,328 | 4,976,392 | 83 |
| RECEIVABLES, NET | 2,556,369 | 2,957,640 | (401,271) | (14) |
| CURRENT TAX ASSETS | 21,579 | 273,524 | (251,945) | (92) |
| DISCOUNTS AND LOANS, NET | 233,012,236 | 226,026,167 | 6,986,069 | 3 |
| INVESTMENTS MEASURED BY EQUITY METHOD | 23,204,888 | 22,784,191 | 420,697 | 2 |
| OTHER FINANCIAL ASSETS, NET | 1,258,011 | 983,702 | 274,309 | 28 |
| PROPERTY AND EQUIPMENT, NET | 2,505,535 | 2,259,660 | 245,875 | 11 |
| RIGHT-OF-USE ASSETS, NET | 246,113 | 219,939 | 26,174 | 12 |
| INTANGIBLE ASSETS, NET | 505,600 | 493,573 | 12,027 | 2 |
| DEFERRED TAX ASSETS, NET | 369,399 | 348,793 | 20,606 | 6 |
| OTHER ASSETS, NET | 691,937 | 798,627 | (106,690) | (13) |
| TOTAL ASSETS | 416,470,845 | 413,628,804 | 2,842,041 | 1 |
| DEPOSITS FROM THE CENTRAL BANK AND BANKS | 18,645,027 | 17,545,933 | 1,099,094 | 6 |
| FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | 665,370 | 1,340,836 | (675,466) | (50) |
| NOTES AND BONDS SOLD UNDER REPURCHASE AGREEMENT | 14,900,110 | 11,301,439 | 3,598,671 | 32 |
| ACCOUNTS PAYABLE | 3,448,640 | 5,036,890 | (1,588,250) | (32) |
| CURRENT TAX LIABILITIES | - | 31,154 | (31,154) | (100) |
| DEPOSITS AND REMITTANCES | 302,642,669 | 308,897,464 | (6,254,795) | (2) |
| BANK NOTES PAYABLE | 14,660,000 | 13,450,000 | 1,210,000 | 9 |
| OTHER FINANCIAL LIABILITIES | 14,846,184 | 11,226,264 | 3,619,920 | 32 |

| Item \ Year | 2025 | 2024 | Difference | |
|---|---|---|---|---|
| | | | Amount | % |
| PROVISIONS | 503,718 | 486,844 | 16,874 | 3 |
| LEASE LIABILITIES | 251,621 | 226,287 | 25,334 | 11 |
| DEFERRED TAX LIABILITIES | 909,000 | 919,315 | (10,315) | (1) |
| OTHER LIABILITIES | 786,820 | 361,917 | 424,903 | 117 |
| TOTAL LIABILITIES | 372,259,159 | 370,824,343 | 1,434,816 | - |
| CAPITAL STOCK | 30,553,579 | 30,553,579 | - | - |
| CAPITAL SURPLUS | 574,734 | 568,184 | 6,550 | 1 |
| RETAINED EARNINGS | 13,464,126 | 13,220,088 | 244,038 | 2 |
| OTHER EQUITY | (159,058) | (1,450,123) | 1,291,065 | 89 |
| TREASURY STOCK | (221,695) | (87,267) | (134,428) | 154 |
| TOTAL EQUITY | $44,211,686 | $42,804,461 | $1,407,225 | 3 |

Analysis of the changes:

1. The decrease in cash and cash equivalents was mainly due to a decrease in checks for clearing this year.
2. The increase in due from the central bank & call loans to banks was mainly due to an increase in call loans to banks this year.
3. The decrease in financial assets at fair value through profit and loss was mainly due to a decrease in holdings of central bank NCDs and commercial paper this year.
4. The increase in reverse repurchase agreements and bond investments was mainly due to an increase in transaction volume this year.
5. The decrease in current income tax assets was mainly due to a decrease in income tax receivable this year.
6. The increase in net other financial assets, was mainly due to an increase in placements with securities firms this year.
7. The decrease in financial liabilities at fair value through profit and loss was mainly due to a decrease in losses on derivative instruments this year.
8. The increase in repurchase agreements and bond liabilities was mainly due to an increase in transactions this year.
9. The decrease in payables was mainly due to a decrease in checks for clearing this year.
10. The decrease in current income tax liabilities was mainly due to a decrease in income tax payable this year.
11. The increase in other financial liabilities was mainly due to an increase in the principal of structured products this year.
12. The increase in other liabilities was mainly due to an increase in temporary receipts and suspense accounts this year.
13. The increase in other equity was mainly due to an increase in unrealized valuation gains on financial assets at fair value through other comprehensive income this year.
14. The increase in treasury stock was mainly due to share repurchases this year.

## 2. Analysis of Financial Performance

Unit: NT$ thousands

| Year | 2025 | | 2024 | | Change Amount | Change Ratio(%) |
|---|---|---|---|---|---|---|
| Item | Subtotal | Total | Subtotal | Total | | |
| Interest revenue | | $11,322,855 | | $12,350,455 | $(1,027,600) | (8) |
| Less: Interest expenses | | 8,188,193 | | 9,703,585 | (1,515,392) | (16) |
| Net interest revenue | | 3,134,662 | | 2,646,870 | 487,792 | 18 |
| Non-interest revenue | | | | | | |
| Net service fee revenue | $ 885,781 | | $ 1,055,341 | | | |
| Gain (loss) on financial assets or liabilities measured at fair value through profit or loss | 312,695 | | 4,761,412 | | | |
| Realized gains on financial assets at fair value through other comprehensive income | 372,624 | | 242,512 | | | |
| Foreign exchange gain (loss), net | 1,485,732 | | (2,126,189) | | | |
| Share of profit of associates and joint ventures accounted for using equity method | 388,948 | | 1,135,264 | | | |
| Other net revenue other than interest income | 110,050 | | 71,833 | | | |
| Net Non-interest revenue | | 3,555,830 | | 5,140,173 | (1,584,343) | (31) |
| Net income | | 6,690,492 | | 7,787,043 | (1,096,551) | (14) |
| Less: Bad debt expenses and guarantee liability provisions (miscellaneous provision) | | 543,435 | | 423,413 | 120,022 | 28 |
| Operating expenses | | | | | | |
| Employee welfare costs | 2,128,408 | | 2,226,762 | | | |
| Depreciation and Amortization expenses | 414,911 | | 483,835 | | | |
| Other general and administrative expenses | 1,410,971 | | 1,245,480 | | | |
| Total operating expenses | | 3,954,290 | | 3,956,077 | (1,787) | - |
| Less: Profit from continuing operations before income tax | | 2,192,767 | | 3,407,553 | (1,214,786) | (36) |
| Less: Tax expense | | 362,101 | | 551,354 | (189,253) | (34) |
| Profit | | $ 1,830,666 | | $ 2,856,199 | $(1,025,533) | (36) |

Analysis of the changes:

1. The decrease in net income before tax from continuing operations was mainly due to an decrease in gains or losses on financial assets and liabilities measured at fair value through profit or loss and net exchange income, as well as an decreased share of profits and losses of subsidiaries and decreased in associates recognized under the equity method, resulting in lower net revenue compared to the previous year.
2. The decrease in income tax expense was mainly due to lower net revenue compared to the previous year.
3. The decrease in net profit for the period was mainly due to lower net revenue compared to the previous year.

## 3. Analysis of Cash Flow

### (1) Analysis of Changes of Cash Flow in the Most Recent Year:

A. Operating Activities: The net cash outflow from operating activities increased by NT$11,663,404 thousand compared to the previous year, mainly due to an increase in financial assets at fair value through other comprehensive income compared to the previous year, decreased in outflows from discounts and loans activities, and a cash outflow from repurchase agreements and bond liabilities this year.

B. Investing Activities: The net cash outflow from investing activities increased by NT$218,872 thousand compared to the previous year, mainly due to increase in amount paid for acquisition of property, plant and equipment compared to the previous year.

C. Financing Activities: The net cash inflow from financing activities decreased by NT$4,622,350 thousand compared to the previous year, mainly due to a less increase in other financial liabilities this year.

**(2) Improvement Plan of Insufficient Liquidity:** Not Applicable.

### (3) Analysis of Cash Flow for the Coming Year:

Unit: NT$ thousands

| Amounts of cash and cash equivalents-beginning of period | Estimated annual net cash flows from (used in) operating activities | Projected net cash flow from investment and financing activities | Estimated fiscal deficit(surplus) of cash and cash equivalents | Remedy if cash and cash equivalents in deficit | |
|---|---|---|---|---|---|
| | | | | Investment plan | Financing plan |
| 16,851,321 | 2,779,969 | (1,826,580) | 17,804,710 | - | - |

**4. Major Capital Expenditure Items and Effect on The Company's Future Business:** Not Applicable.

## 5. Investment Policy, Main Causes of Profits or Losses, and Improvement and Investment Plans for the Coming Year

In keeping with the trends and changes across domestic and regional financial environments, the Bank adopts an investment strategy that centers on increasing earnings diversity and stability and striking a balance between risks and rewards for its investment portfolio. In line with the mainstream thinking of the financial services industry with regard to risk management, the Bank seeks to diversify its investments in domestic and foreign financial businesses to reduce the volatility of its investment portfolio. Currently, the Bank's domestic and foreign investment businesses cover securities finance, financial leasing, American commercial banks, Mainland China consumer finance, venture capital and venture capital management consultants, etc., aiming to provide diversified financial services for customers in various life cycles and regions.

In 2025, the Bank's equity-method investment income was NT$0.609 billion (excluding the amortization difference from subsidiary disposals). Regarding subsidiaries, China Bills Finance Corporation continued to optimize its credit and bond portfolio structure. Supported by looser market liquidity, spread income from Taiwan bond carry trades contributed to earnings, while both self-sustained and non-self-sustained businesses delivered solid performance. After-tax net income reached NT$1.796 billion in 2025, representing a 31% increase from the previous year. IBT Holdings Corp. (holding EverTrust Bank, USA) recorded significant loan growth. Although the U.S. entered a rate-cutting cycle, prudent loan growth strategies and effective funding cost control helped mitigate the decline in net interest margin (NIM). After-tax net income amounted to NT$356 million in 2025; excluding the one-time income from bad debt recoveries recognized in 2024, this represented a 11% increase from 2024. The venture capital business was affected by sharp financial market volatility at the beginning of 2025, but subsequently adjusted the pace of portfolio deployment and realized gains at favorable market levels, achieving after-tax net income of NT$120 million in 2025.

Concerning investments in associates, Infinite Finance Co., Ltd. recorded an after-tax net loss of NT$960 million in 2025. The company was affected by China's overall economic slowdown, which weakened credit momentum and necessitated efforts to maintain asset quality. Meanwhile, Beijing Sunshine Consumer Finance Co., Ltd., a joint venture between the Bank, China Everbright Bank Co., Ltd., and China CYTS Tours Holding, continued to operate steadily. In 2025, the Bank recognized NT$26 million in investment income from this venture under the equity method.

Looking ahead to 2026, a more accommodative interest rate environment is conducive to the development of the bills business. The Bank will continue to closely monitor financial market volatility and focus on industries with growth potential, monitor risks, and deepen customer engagement in order to increase investment income of equity-method investment. In addition, the Bank will explore business opportunities through the establishment of new overseas offices and continue to seek domestic and international strategic alliances to create business growth opportunities and achieve the goal of steady growth.

## 6. Risk Management

### (1) Qualitative and Quantitative Information of Various Risks

#### A. Credit risk management system and required capital

2025 Credit Risk Management System

| Item | Content |
|---|---|
| 1. Credit risk strategy, goals, policy, and procedures | ■ Credit risk strategy<br>1. Create an independent credit risk management organization.<br>2. Adopt a clearly defined credit risk management policy and regulations.<br>3. Establish credit risk assessment, identification, and management systems.<br>4. Fully report and disclose the results of credit risk monitoring.<br>5. Adopt information system SOPs for control of credit-checking and lending as well as assigning of rating scores.<br>■ Credit risk goals<br>1. Minimize potential financial losses and attain an optimal ratio of risk to reward by drawing on an appropriate risk management strategy and policy as well as fitting procedures, comply with the principle of risk diversification to implement rigorous credit risk management.<br>2. Ensure compliance with applicable laws and regulations and group-wide risk management, in turn upholding credit standards and asset quality, by enforcing sound risk management mechanisms and control procedures, strengthening information integration and analysis, bolstering the effectiveness of early warnings, and carrying out lending management and monitoring without fail.<br>■ Credit risk management policy<br>1. In order to establish an effective risk management system, ensure the Bank's sound operation and development, and provide a basis for business risk management and implementation, the Bank has drafted a risk management policy in tandem with the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries promulgated by the Financial Supervisory Commission. The Bank has also drafted a set of credit risk management guidelines to govern the management of credit risk and establish credit risk management mechanisms to ensure that credit risk is controlled within an acceptable range. With capital adequacy rigorously upheld, the Bank will continue to control the bank's credit risk and achieve operational and management goals. |

| Item | Content |
|---|---|
| | 2. The Bank has also drafted the Lending Policy to serve both as guidelines for credit checking and lending work and as implementation indicators. The content of this policy includes lending principles and credit asset portfolio management. At the same time, the Bank has also compiled credit extension handbooks that specify credit checking and lending procedures and related operating details, ensure that policies will be continuously and effectively implemented, maintain strict loan approval standards, and facilitate the control of credit risk, assessment of possible business opportunities, and identification and management of NPLs.<br>■ Credit risk management procedures<br>1. Risk identification<br>Credit risk management starts with the identification of existing and potential risk, including all bankbook, blotter, and on- and off-balance sheet transactions.<br>With the arrival of financial innovation and emergence of increasingly complex loan services, the Bank's responsible units must gain a full understanding of the credit risk of sophisticated services before engaging in any existing or new types of business. The Bank must also determine the probability that any breach of contract may occur when entering into a loan arrangement or transaction.<br>2. Risk assessment<br>(1) Establish a credit risk rating mechanism as a key tool for management of the Bank's asset portfolio. (2) Portfolio management is intended to achieve the following three goals:<br>a. Establish and monitor the Bank's loan asset portfolio to ensure that risk is kept within an acceptable range.<br>b. Impose concentration limits to prevent risk concentration, in turn attaining the goal of risk diversification.<br>c. Achieve the objective of optimal earnings.<br>3. Risk communication<br>(1) Internal reporting: The risk management unit shall establish an appropriate credit risk reporting mechanism based on which to regularly provide upper man- agement with correct, consistent, and real-time credit risk information, thereby ensuring that any instances in which limits are exceeded or exceptions occur are promptly reported and serving as reference for subsequent decision-making. Such reports may cover such items as asset quality, asset portfolio status, rating status, and all types of exceptions.<br>(2) External disclosure: In accordance with capital adequacy requirements and the principle of market discipline, units responsible for credit risk shall pro- vide self-assessment of the Bank's performance against quantitative and qualitative credit risk indicators as well as information regarding the Bank's credit risk management system and status in terms of required capital. They shall do so using the format and covering the items stipulated by the competent author- ity in the way and frequency it requires.<br>4. Risk monitoring<br>(1) The Bank shall establish a monitoring system to assess changes in credit risk of borrowers or transaction counterparties, which will facilitate the prompt dis- covery of problematic assets or transactions, while enabling the Bank to take action quickly, and respond to any possible breach of contract.<br>(2) Apart from monitoring individual credit risks, the Bank shall also perform monitoring and management of its loan portfolio.<br>(3) The Bank shall establish rigorous credit checking processes and lending regulations based on which to take into account lending factors worthy of con- sideration, perform post-lending management of new, renewed, and existing loans, and preserve credit checking and lending records. At the same time, the Bank monitors closely the proportions of various types of loans in its loan portfolio.<br>(4) The Bank shall establish a limit management system to prevent excessive concentrations of credit risk, including country risk, industry risk, same-group risk, and same concerned party risk.<br>(5) The Bank shall establish a security management system to ensure that security is managed effectively. |
| 2. Credit risk management organization and structure | ■ Board of Directors: The Board of Directors is the Bank's highest supervisory body that is responsible for establishing an effective risk management mechanism, approving and reviewing the Bank's credit risk strategy and major credit risk policies, and setting down a bank-wide credit risk management organizational framework and major credit risk management regulations. The Bank's credit risk strategy should correspond to the degree of risk that the Bank can withstand and the profitability standards that the Bank expects to reach against all types of credit risk.<br>■ Audit Committee:<br>1. Members: The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise.<br>2. Chief duties: The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager and accounting supervisor; and reviewing other major matters stipulated by the Bank or the competent authority. |

| Item | Content |
| --- | --- |
| | ■ Risk Management Committee:<br>1. Members: The Chairman shall chair the Risk Management Committee, whose member shall include at least two directors equipped with professions in risk management or finance, and appointed by the Board of Directors. Also, the President, Head of Operation Management Division, Head of Legal & Compliance Division, Head of Business Strategy Division, Head of Risk Management Division, Head of Information Technology Division, Head of Financial Business Division, Head of Financial Market Division, Head of Offshore Banking Unit, and Head of Corporate Governance shall serve as the committee members.<br>2. Chief duties: The committee is responsible for reviewing the Bank's risk management policies and regulations, annual risk appetite, quota, and risk management proposals and mechanisms that call for board approval, reviewing the risk management mechanism for new business applications, as well as overseeing and reviewing risk management measures concerning credit, market, and operational risk, liquidity, information security, AML, personal information, climate and natural change, and emergency risks, thereby bolstering the Bank's risk management regime and ensuring the effectiveness of its risk management procedures.<br>■ Loan Evaluation Subcommittee:<br>1. Members: The President, who is the Bank's general manager, shall serve as convener, and the managers of the lending and risk management departments shall serve as subcommittee members. The subcommittee shall meet once each week as a rule, and may hold an interim meeting when necessary.<br>2. Chief duties: The committee is responsible for reviewing loan applications forwarded by the Corporate Credit Management Department and Retail Credit Management Department. After giving its approval, the committee shall still present such applications to the relevant supervisory body for deliberation.<br>■ Loan Assets Quality Assessment Meeting:<br>1. Members: The Head of Risk Management Division or Head of Corporate Credit Management Department shall serve as convener and chairman of the conference. Personnel from various relevant units shall attend meetings, and the President may attend when the situation warrants. In principle, meetings are held on a monthly basis; special meetings may be convened as business needs arise.<br>2. Chief duties: The conference is responsible for assessing the current state of credit asset quality; determining and reviewing strategies and action plans; assessing losses that loan assets are likely to suffer; and reviewing the adequacy of NPL and guarantee liability provisions. If the conference decides to propose an increase in NPL and guarantee liability provisions, it shall first submit the proposal to the President for approval.<br>■ Risk Management Units: The Bank's risk management units include the Risk Management Department, Corporate Credit Management Department, and Retail Credit Management Department.<br>1. Risk Management Department: Charged with managing the Bank's credit, market, operating, and liquidity risk, the Risk Management Department is also responsible for supervising and keeping track of countermeasures taken by relevant units with regard to risk management decisions and assignments. Upon detection of any risk exposure that threatens to undermine the Bank's finances or business operations, it shall immediately take proper action and present a report in a timely manner.<br>2. Corporate Credit Management Department: The Corporate Credit Management Department is responsible for identifying, assessing, monitoring, and managing corporate banking risk; drafting loan review standards; drafting and revising contracts and forms; and controlling and releasing loan contracts and collateral.<br>3. Retail Credit Management Department: The Retail Credit Management Department is charged with the identification, evaluation, monitoring, domestic real estate appraisal work, and management of retail banking risk, appropriation of provisions, loss assessment, and post-lending management. |
| 3. Scope and characteristics of credit risk reporting and assessment system | With regard to the credit risk inherent in all products and business activities and before introducing new products and launching into any new line of business, the Bank has in place appropriate risk measures and controls, which have secured approval of Risk Management Committee, Audit Committee, or the Board of Directors.<br>Credit risk assessment and control procedures include credit checking, rating assignment, credit line control, post-lending management, and debt collection. Apart from implementing the foregoing operating procedures, risk management units also regularly present various types of credit risk and asset quality analysis reports as management indicators. In addition, the Bank actively controls risk from country, group, industry, same concerned party, and same affiliated enterprise, and regularly submits monitoring results to the Board of Directors so that it can keep track of the Bank's exposure to various types of risk.<br>In order to understand the Bank's risk-bearing capacity and the impact on its capital adequacy in the event of changes in economic conditions and the financial environment, the Bank performs credit risk stress testing in accordance with the Financial Supervisory Commission's Plan for Domestic Banks' Conducting Stress Testing and Operating Guidelines for Banks' Credit Risk Stress Testing. The results not only serve as an important basis for credit risk management but also are used for reference in continuously adjusting the Bank's business development, lending policy, and credit assessment procedures. |

| Item | Content |
|---|---|
| 4. Credit risk hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance and mitigation tools | The Bank mainly uses the following risk mitigation tools to reduce exposure to credit risk: (1) provision of security by transaction counterparties or third parties; (2) on-balance sheet netting, such as using the deposits of a transaction counterparty at its financing bank for the purpose; and (3) third-party guarantees. Although credit risk mitigation tools can reduce or transfer credit risk, the simultaneous use of such tools may increase other residual risks, including legal risk, operational risk, liquidity risk, and market risk. The Bank has adopted rigorous procedures to control these types of risk, including formulation of policies, drafting of operating procedures, implementation of credit review and appraisal, establishment of control systems, contract management, etc.<br>The Bank has established security management policies and operating procedures, verified bank-wide security data, and built a security management system. In order to apply a comprehensive approach to risk mitigation, the Bank has completed collection and analysis of data needed for security offsetting, linked the credit checking and lending system with its security management system, and established a capital requirement calculation platform. |
| 5. Method for meeting statutory capital requirement | Standardized approach |

Risk exposure and required capital after risk mitigation employing the standardized approach for credit risk

Base Date: March 31, 2026
Unit: NT$ thousands

| Type of risk exposure | Risk exposure after risk mitigation | Required capital |
|---|---|---|
| Sovereigns | 56,231,243 | 0 |
| Non-central government public sector entities | 0 | 0 |
| Banks (including multilateral development banks and Qualifying Central Counterparty) | 38,648,588 | 831,271 |
| Covered bonds | 0 | 0 |
| Corporates (including securities firms and insurance companies) | 101,426,903 | 6,843,968 |
| Retail exposures | 44,073,578 | 2,894,892 |
| Real estate exposures | 124,787,639 | 7,292,303 |
| Equity exposures | 9,063,511 | 1,377,263 |
| Fund and equity investments | 0 | 0 |
| Other assets | 3,668,018 | 316,960 |
| Total | 377,899,480 | 19,556,657 |

### B. Securitization risk management system, risk exposure, and required capital

2025 securitization risk management system

| Item | Content |
|---|---|
| 1. Securitization management strategy and procedures | The Bank's asset securitization management strategy focuses on increasing the efficiency of funds use and asset liquidity, and relies on adjustment of the asset/liability structure and shifting of asset risk. As a consequence, apart from carefully assessing its loan assets and analyzing risk exposure, the Bank also makes active use of asset securitization as a channel and tool to ensure that it does not assume excessive risk in the course of pursuing profitability. Each securitization case must be approved by management and reported to the Board ofDirectors for consent, and must also be approved by the competent authority before implementation. |
| 2. Securitization management organization and structure | In securitization cases for which the Bank serves as the originating entity, all loan assets in the asset pool must be reviewed and approved in advance by the Bank's operating and review units, and the credit status of target assets in the asset pool must be assessed and analyzed. The risk management unit bears responsibility for controlling and assessing relevant market risk. |
| 3. Scope and characteristics of securitization risk reporting and assessment system | Before issuance of securitized products, the Bank's relevant units will handle target assets in the asset pool in accordance with the Bank's general credit checking and lending procedures, screen asset quality, assess risk, and gradually establish a securitization system. After issuance, depending on the status of target assets in the asset pool, the Bank will regularly perform re- assessment and reveal asset quality in a timely fashion. With regard to holdings taken on in response to credit rating upgrade or subscriptions to newly issued securitized products, the Bank will continue to perform follow-up risk management, model assessment, asset portfolio limit monitoring, asset quality control, bookkeeping, and compilation of information. These steps are intended to prevent deterioration of asset quality and facilitate response measures, when needed, to safeguard the Bank's rights as creditor. |

| Item | Content |
|---|---|
| 4. Securitization hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance and mitigation tools | The Bank trades securitized products only of the conventional type, and all hedging is geared toward shifting the primary credit risk of the asset pool to third parties and creating insulation on the legal front. With regard to required capital after issuance, the Bank makes it a point to attain a level not higher than that when no risk mitigation instruments are employed, thereby reducing risk and maintaining profitability. When it comes to monitoring the continued effectiveness of subsequent hedging and risk mitigation tools, the Bank considers it a fundamental requirement that relevant documents must possess binding power over all related parties as well as legal force. At the same time, the Bank will perform necessary review to ensure the continued existence of mandatory force in law. The Bank shall perform the foregoing procedures, including drafting of strategies and operating procedures, implementation of credit review and assessment, establishment of control systems, and contract termination risk management, in accordance with its internal rules, regulations, and business handbook requirements. |
| 5. Method for meeting statutory capital requirement | Standardized approach |

Status of the Asset Securitization:

The O-Bank Number One Real Estate Investment Trust (REITs) Fund, for which the Bank acts as lead arranger and trustee, was listed on the Taiwan Stock Exchange on June 21, 2018. The ninth REIT fund to go public in Taiwan, it marks the first instance of the local financial services industry launching into real estate securitization in nearly 11 years. The underlying assets of this NT$3 billion fund include two types: office building and commercial complex, and the resolution of the beneficiary meeting on December 26, 2022 agreed that the management agency should be changed from Sinyi Global Asset Management Co., Ltd. to New Light International Co., Ltd. to help enhance management efficiency and the fund size.

Securitization risk exposure and required capital (by transaction type): None.

Information concerning securitized products:

(A) Summarized information on investing in securitized products: None.

(B) a. Information to be disclosed on investment in securitized products at an initial cost of NT$300 million or more (not including holdings taken on by the Bank as originator for the purpose of credit enhancement): None.

b. Information to be disclosed on holdings taken on by the Bank as originator for the purpose of credit enhancement: None.

c. Information to be disclosed on the Bank acting as a purchasing organization or a settlement purchasing organization for credit-impaired assets: None.

(C) Information to be disclosed on the Bank acting as a guarantee institution or providing liquidity financing credit lines: None.

## C. Operational risk management system and required capital

2025 Operational Risk Management System

| Item | Content |
|---|---|
| 1. Operational risk management strategy and procedures | ■ Operational risk management strategy<br>1. The Bank has established a comprehensive risk management environment and has instilled operational risk management consciousness throughout personnel at all levels, including the Board of Directors, thereby enabling internalization of the Bank's risk management culture.<br>2. The Bank has established a risk management organization with clearly defined duties and powers in order to promote the implementation of bank-wide operational risk management.<br>3. In order to enhance the effectiveness of operational risk management, the Bank has drafted a clear operational risk management framework, implementation regulations, and guidelines complying with the competent authority's requirements.<br>4. The Bank implements independent and professional internal audits in order to check the effectiveness of operational risk management mechanisms.<br>■ Operational risk management procedures<br>The Bank's operational risk management procedures include process cataloging, risk analysis, risk identification, risk assessment, risk monitoring, and risk reporting. Meanwhile, the Bank employs such management tools as risk control self-assessment (RCSA), loss data collection (LDC), key risk indicators (KRIs), and Clean Desk (CD). |
| 2. Operational risk management organization and structure | The Bank's operational risk management organization comprises the Board of Directors, Audit Committee, Risk Management Committee, Risk Management Department, Auditing Division, and other units. Roles of the operational risk management and responsibilities of personnel at various levels are as follows:<br>■ Board of Directors:<br>1. Serving as the Bank's highest level of operational risk management decision-maker.<br>2. Ensuring the establishment of an appropriate risk management system and culture.<br>3. Approval of a bank-wide operational risk management framework and strategy, including operational risk policy, organization, and duties, and regular review of the aforesaid items.<br>4. Supervision of the functioning of operational risk management mechanisms to ensure their effectiveness.<br>5. Provision of clearly defined guidelines over the identification, assessment, communication, and supervision of operational risk.<br>6. Review of operational risk management reports and other risk-related information in order to gain an understanding of risk assumed by the Bank and ensure that internal resources are properly utilized and allocated.<br>7. Ensuring that the Bank's operational risk management framework has been subject to internal audits by independent, properly trained employees with the necessary skills.<br>■ Audit Committee:<br>1. The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise.<br>2. The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager and accounting supervisor; and reviewing other major matters stipulated by the Bank or the competent authority.<br>■ Risk Management Committee:<br>1. Review of the Bank's operational risk management policies and regulations, annual operational risk appetite, and proposals for operational risk management that call for Board approval.<br>2. Review of operational risk management mechanisms for applying for or launching new lines of business (self-started or out of strategic alliances).<br>3. Supervision of operational risk management.<br>4. Supervision of operational risk early warning, exception management, and countermeasures warranted.<br>5. Supervision of operational risk management at the Bank's U.S. operations.<br>6. Supervision of the setup of risk management mechanism of all departments and its implementation.<br>7. Review of the implementation of operational risk management.<br>8. Planning and drafting of operational risk management mechanisms in response to environmental, regulatory, or market changes. |

| Item | Content |
|---|---|
| | ■ Risk Management Department: This department is the Bank's second line of defense for controlling operational risk.<br>1. Drafting of bank-wide operational risk management and control strategy, policy, and procedures.<br>2. Drafting of consistent operational risk identification, assessment, monitoring, and mitigation standards applicable throughout the Bank.<br>3. Implementation of the independent operational risk management framework and decisions approved by the Board of Directors, and establishment of a bank- wide operational risk management system.<br>4. Formulation of the powers and responsibilities of the Risk Management Department and of management at various levels, as well as their relationships in the Bank's chain of command.<br>5. Coordination and communication with various units about operational risk management matters, and continued supervision of their implementation performance.<br>6. Compilation of bank-wide operational risk information and, depending on the nature of such information, reporting it to the Board of Directors and the Risk Management Committee.<br>7. Implementation of operational risk training.<br>■ Other units:<br>1. Act as the Bank's first line of defense for operational risk management, these relevant units are responsible for determining and managing regulations and handbooks concerning the operational risk of the business and matters under their management. Each unit must designate one person to serve as its operational risk manager, who is to collaborate with the Risk Management Department in performing first-line defense tasks in the control of operational risk associated with the business and matters under the unit's management.<br>2. Comply with and implement the Bank's operational risk management regulations, actively monitor and control operational risk associated with their respective duties and operations, and report to the appropriate superior or unit in accordance with regulations.<br>3. Identify operational risk within each unit, including its sources and contributing factors.<br>4. Assess the frequency and severity of risk generated by each unit's operational processes on a regular basis; supervise and track efforts to address the inadequacy in terms of risk control.<br>5. File regular reports on operational risk issues, including major operational risk exposure and losses as well as measures taken to improve risk control or operational processes.<br>■ Auditing Division:<br>In accordance with the Bank's Internal Control System, act as the third line of defense and assess and verify the effectiveness of the Bank's risk management and internal control mechanisms. |
| 3. Scope and characteristics of operational risk reporting and assessment system | 1. The Bank employs risk control self-assessment (RCSA), loss data collection (LDC), key risk indicators (KRIs), and Clean Desk (CD) as operational risk assessment and monitoring tools. The results thus obtained are compiled as qualitative or quantitative risk information of the relevant organization and operations. In turn, the Risk Management Department presents independent analytical reports to the Board of Directors and upper management.<br>2. In calculating the Bank's eligible capital and operational risk-weighted assets, the Bank estimates operational risk capital in accordance with the relevant provisions set forth in the Financial Supervisory Commission's "Instructions and Forms for the Calculation of Bank Capital and Risk-Weighted Assets." Operational risk loss data are collected and managed through the Operational Risk Management Module of the GRC system. |
| 4. Operational risk hedging or risk mitigation policy, and strategies and procedures for continuous validity of risk supervision, avoidance, and mitigation tools | The Bank makes use of appropriate outsourcing and control of tasks as an operational risk mitigation policy. One of the outsourced tasks is cash transport. The Bank relies on appropriate insurance as a hedging strategy for addressing certain types of operational risk. For both outsourcing and insurance, the Bank always sets down clearly defined cooperative relationships and legal agreements, thereby ensuring the quality of such cooperation, service reliability, and effectiveness of risk shifting. |
| 5. Method for meeting statutory capital requirement | Standardized Approach |

Required capital for operational risk

Base Date: Dec. 31, 2025
Unit: NT$ thousands

| | Item | Amount |
|---|---|---|
| 1 | Business Indicator Component (BIC) | 847,538 |
| 2 | Internal Loss Multiplier (ILM) | 1 |
| 3 | Operational Risk Capital (ORC) | 847,538 |
| 4 | Risk-Weighted Assets for Operational Risk (RWA) | 10,594,222 |
| Additional information for Internal Loss Multiplier (ILM) (Note)：None. | | |

### D. Market risk management system and required capital

2025 market risk management system

| Item | Content |
|---|---|
| 1. Market risk management strategy and procedures | ■ market risk management strategy<br>1. The Bank takes a proactive stance toward rigorously managing market risk.<br>2. Transactions are one of the Bank's major earnings sources: money is made on accurately capturing swings in market risk factors (stock prices, exchange rates, and interest rates). The paramount principle is to earn reasonable rewards while keeping risk exposure under effective control. The Bank takes account of its own macroeconomic and industry analyses as well as those undertaken by peer institutions. Targets are determined after in-depth discussions among the President, trading departments, and the department charged with market risk management. Such targets reviewed by the Risk Management Committee, are submitted to the Board of Directors for approval.<br>3. In light of the risk attributes of various transactions, the Bank has in place clearly defined management regulations and risk management indicators that govern risk exposure limits, reporting of such limits being exceeded, and managerial personnel authorized for decision-making and countermeasures warranted under such circumstances. Priority is given to rigorous implementation in order to ensure that traders always adhere to trading discipline and that the Bank's market risk exposure is kept within a reasonable range.<br>■ Market risk management procedures<br>1. The planning of market risk transaction amounts for any given year is performed in conjunction with the compilation of business and financial budget targets. At the end of each year, trading departments submit their respective amount applications to the Risk Management Department's Market Risk Management Section. When reviewing such applications, the section also takes into account the Bank's overall budget limits and estimate of capital consumption under capital adequacy before moving on to propose bank-wide transaction quotas and an overall stop-loss threshold. These proposals are then submitted to the Risk Management Committee for review and the Board of Directors for approval.<br>2. Based on the aforesaid overall stop-loss threshold approved by the Board of Directors, the Risk Management Department's Market Risk Management Section goes on to draft monthly stop-loss limits for each product line, VaR limits, and MAT (management action trigger) limits. These, upon approval by the President, will serve as the basis for the Bank's market risk management. |

| Item | Content |
|---|---|
| 2. Market risk management organization and structure | ■ The Board of Directors is the Bank's highest supervisory body for market risk management:<br>1. When it comes to managing market risk inherent in various transactions, the bank-wide transaction quotas and overall loss threshold approved by the Board of Directors at the end of each year serve as the ultimate guidelines for market risk management. Based on the aforesaid overall stop-loss threshold for the coming year, the board authorizes the President to determine individual thresholds for various transactions by product.<br>2. The board also performs annual assessment to determine whether the Bank's performance in various transactions is consistent with preset business strategies and whether the assumed risk is within the Bank's tolerable range. In the event of a major abnormality in transactions or an instance of management by exception, review or retroactive approval of the board is warranted.<br>■ The Audit Committee is charged with the control of the Bank's existing or potential risks.:<br>1. The committee is composed of all of the Bank's independent directors, who shall total not fewer than three. One of them shall serve as convener, and at least one of them shall possess accounting or financial expertise.<br>2. The committee is responsible for the adopted or revised internal control system; evaluating the effectiveness of the internal control system; evaluating the effectiveness of the information security system; determining or revising procedures for the handling of major financial business actions involving the acquisition or disposal of assets and the trading of derivatives; reviewing matters that involve directors as stakeholders; reviewing major asset and derivative transactions, major lending cases, endorsements, and provision of guarantees; reviewing issuance or private offerings of equity-type securities; reviewing CPA appointment/discharge or remuneration; reviewing the appointment and discharge of financial and accounting or internal audit managers; reviewing annual and semi-annual financial statements signed or sealed by the chairman, manager, and the accounting manager; and reviewing other major matters stipulated by the Bank or the competent authority.<br>■ The Risk Management Committee is a supervisory body responsible for setting market risk management guidelines and overseeing implementation of market risk management.<br>1. The Chairman shall chair the Risk Management Committee, whose member shall include at least two directors equipped with professions in risk management or finance, and appointed by the Board of Directors. The members shall also include the President, Head of Operation Management Division, Head of Legal & Compliance Division, Head of Business Strategy Division, Head of Risk Management Division, Head of Information Technology Division, Head of Financial Business Division, Head of Financial Market Division, Head of Offshore Business Unit, and Head of Corporate Governance.<br>2. The committee shall gather relevant departments for risk management meetings to discuss and report issues with regard to risk management. In addition, the committee shall each year review market risk management guidelines and product quotas for transactions as well as the overall stop-loss threshold for the coming year that are to be proposed to the Board of Directors.<br>■ The Risk Management Department is the operating department responsible for implementing market risk management.<br>In accordance with the Bank's organizational rules, the Market Risk Management Section of the Risk Management Department bears responsibility for performing market risk management tasks with regard to planning, statistics, reporting, and monitoring. |
| 3. Scope and characteristics of market risk reporting and assessment system | An explanation is hereby given on the following three fronts—internal management regulations, framework of trading limits, and reporting procedures:<br>■ Internal management regulations<br>Based on the risk attributes of equities, interest rates, and exchange rates, the Bank has in place management regulations and guidelines that spell out risk management indicators and risk exposure limits, as well as the reporting, decision-making, and responding mechanisms in the event of over-limit events.<br>■ Framework of trading limits<br>1. To bolster the framework for managing market risk, the Risk Management Department takes into account the specific risk attributes of various products and sets VaR limits, MAT limits, 20-day average liquidity limits, and sensitivity limits (such as DV01, Delta etc.) that complement trading limits and stop-loss thresholds separately imposed on individual products. Upon approval of the President, the aforesaid complementary limits will serve as the basis for market risk management.<br>2. After the overall stop-loss threshold and quotas of product holdings for trading departments become effective upon approval of the Board of Directors, authorized the President to distribute among trading units, thereby authorizing the latter to set down their respective monthly loss limit. In turn, heads of trading departments shall conduct allocations among traders and report these to the Risk Management Department by letter as the basis for risk control.<br>■ Reporting procedures<br>Against previously authorized trading limits, the Risk Management Department shall compile statistics on the risk exposure of trading departments and individual traders. In accordance with internal management regulations, it shall also submit risk reports, monitor over-limit events, and implement follow-up measures. |
| 4. Market risk hedging or risk mitigation policy; strategies and procedures for continuous validity of risk supervision, avoidance, and mitigation tools | ■ All of the Bank's trading departments put in place their respective limits on trading positions and loss thresholds as well as other control mechanisms. The Market Risk Management Division of Risk Management Department is responsible for managing such risk by monitoring and assessing risk exposure on a daily basis.<br>■ In terms of hedging transactions conducted for financial derivatives, the risk exposure and sensitivity of the said derivatives are taken into account in assessing the effectiveness of hedging.<br>■ The Bank regularly undergoes market risk sensitivity assessment and stress tests, the results of which are presented to the Risk Management Committee and Board of Directors. |
| 5. Method for meeting statutory capital requirement | Simplified Standardized approach |

Simplified Standardized approach

Base Date: March 31, 2026
Unit: NT$ thousands

| Risk Type | Required Capital |
|---|---|
| Interest rate risk | 527,227 |
| Equity securities risk | 0 |
| Foreign Exchange rate risk | 146,466 |
| Product risk | 0 |
| Total | 673,693 |

**E. Evaluation of liquidity risk includes a maturity analysis of assets and liabilities and an explanation of the methods adopted to manage asset liquidity and funds gap liquidity:**

In terms of asset liquidity and funds gap liquidity management, the Bank has in place the Regulations on Managing Liquidity Risk and Interest Rate Risk, based on which various units are responsible for conducting cash flow control and compiling liquidity risk reports for submission to upper management on a regular basis. The Bank has also prepared a liquidity emergency plan to fill in any liquidity gap, reduce liquidity risk, and ensure smooth operations across the Bank.

Term Structure Analysis of New Taiwan Dollar-denominated Assets & Liabilities

Base Date: March 31, 2026
Unit: NT$ thousands

| | Total | Amounts remaining during the period prior to the due date | | | | | |
|---|---|---|---|---|---|---|---|
| | | 0-10 days | 11-30 days | 31-90 days | 91-180 days | 181 days-1 year | More than 1 year |
| Major matured capital inflows | 316,979,641 | 45,776,659 | 30,264,316 | 46,277,705 | 35,165,377 | 21,131,120 | 138,364,464 |
| Major matured capital outflows | 364,367,886 | 31,255,599 | 31,952,650 | 69,256,389 | 85,850,999 | 44,128,777 | 101,923,472 |
| Capital gap | (47,388,245) | 14,521,060 | (1,688,334) | (22,978,684) | (50,685,622) | (22,997,657) | 36,440,992 |

Note: This table contains only Taiwan dollar (excluding foreign currency) amounts at the Bank's headquarters and domestic branches.

Term Structure Analysis of U.S. Dollar-denominated Assets & Liabilities

Base Date: March 31, 2026
Unit: US$ thousands

| | Total | Amounts remaining during the period prior to the due date | | | | |
|---|---|---|---|---|---|---|
| | | 0-30 days | 31-90 days | 91-180 days | 181 days-1 year | More than 1 year |
| Major matured capital inflows | 5,491,733 | 2,936,896 | 694,176 | 314,676 | 653,585 | 892,400 |
| Major matured capital outflows | 5,720,508 | 3,041,986 | 1,137,853 | 466,285 | 549,778 | 524,606 |
| Capital gap | (228,775) | (105,090) | (443,677) | (151,609) | 103,807 | 367,794 |

Note: 1. The table contains U.S. dollar amounts at the Bank as a whole.
There is no need for reporting off-book amounts (e.g. planned issuance of NCDs, bonds, or equities).
Note: 2. Where offshore assets account for 10% or more of the bank's total assets, disclosure of supplementary information is warranted. (Branch assets accounted for 18.52% of the Bank's total assets as of March 2025.)

【Disclosure of supplementary Information】

Term Structure Analysis of U.S. Dollar-denominated Assets & Liabilities Hong Kong Branch

Base Date: March 31, 2026
Unit: US$ thousands

| | Total | Amounts remaining during the period prior to the due date | | | | |
|---|---|---|---|---|---|---|
| | | 0-30 days | 31-90 days | 91-180 days | 181 days-1 year | Longer than 1 year |
| Major matured capital inflows | 2,782,050 | 1,954,604 | 92,746 | 100,037 | 461,915 | 172,748 |
| Major matured capital outflows | 2,807,843 | 1,459,678 | 577,109 | 194,882 | 405,900 | 170,274 |
| Capital gap | (25,793) | 494,926 | (484,363) | (94,845) | 56,015 | 2,474 |

### (2) Impact of major domestic and foreign policies and legal changes on the Bank's finances and operations as well as countermeasures

■ January 9, 2025: Amendments to the "Regulations Governing the Content of Annual Reports of Banks" (order issued by the Financial Supervisory Commission Letter No. 11302739591)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 13, 2025: Amendments to the "Scope, Reporting Procedures, and Other Compliance Requirements for Material Contingent Events to Be Reported by Financial Institutions" (Financial Supervisory Commission Letter No. 11302744351)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 18, 2025: Amendments to the "Standards for Security Control Measures for Electronic Banking Business Conducted by Financial Institutions" (Financial Supervisory Commission Letter No. 1130152842)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

■ April 8, 2025: Amendments to the "Procedures for Verification and Public Disclosure of Material Information by TWSE-Listed Companies," "Guidelines of TWSE for Information Reporting by TWSE-Listed Companies and Offshore Fund Institutions with Listed Offshore ETFs," and TWSE's "Standards for the Disclosure of Complete Financial Forecasts by Listed Companies" (TWSE Letter No. 1140005339, Financial Supervisory Commission Letter No. 1140334430)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- May 5, 2025: Amendments to the TWSE's "Directions for the Preparation and Filing of Sustainability Reports by Listed Companies" (TWSE Letter No. 11400075741, Financial Supervisory Commission Letter No. 1140338263)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- May 28, 2025: Amendments to the TWSE's "Directions for Information Reporting by TWSE Listed Companies and Offshore Fund Institutions for Listed Offshore Exchange-Traded Funds" (TWSE Letter No. 1140009420, Financial Supervisory Commission Letter No. 1140342834)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- July 24, 2025: Amendments to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (Financial Supervisory Commission Letter No. 1140383333)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- August 8, 2025: Amendments to the "Required Disclosure of Information on Capital Adequacy and Risk Management by Domestic Banks" (Financial Supervisory Commission Letter No. 11402190113)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- September 2, 2025: Amendments to the "Best Practice Principles for Sustainability Development for TWSE/TPEx Listed Companies" and the "Directions for the Management of Assurance Institutions for Sustainability Reports of TWSE/TPEx Listed Companies" (TWSE Letter No. 11400161181, Financial Supervisory Commission Letter No. 1140352230)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- September 24, 2025: Amendments to the "Risk Management Guidelines for Information Systems and Supply Chain Service of Financial Institutions" (Financial Supervisory Commission Letter No. 1140222565)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- October 17, 2025: Amendments to the "Regulations Governing the Preparation of Financial Reports by Public Banks" (Financial Supervisory Commission Letter No. 11402732815)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- November 21, 2025: Amendments to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of TWSE Listed Companies" and the "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Listed Companies and Offshore Fund Institutions of Listed Offshore Exchange-Traded Funds" (TWSE Letter No. 11417047861, Financial Supervisory Commission Letter No. 1140360725)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- November 25, 2025: Amendments and promulgation of the "Regulations Governing the Investing Activities of a Financial Holding Company," "Article 5 of the Regulations Governing Investments in Other Enterprises by Commercial Banks," and "Directions Governing Financial Holding Companies or Banks Investing in Financial Holding Companies, Banks, Insurance Companies, and Securities Firms." (Financial Supervisory Commission Letter No. 11402738251 & No. 11402738252)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- December 16, 2025: Amendments to the "Regulations Governing Information to be Published in Annual Reports of Banks" (Financial Supervisory Commission Letter No. 11402739241)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- January 15, 2026: Amendments to the "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Listed Companies and Offshore Fund Institutions of Listed Offshore Exchange-Traded Funds" (TWSE Letter No. 11500006821, Financial Supervisory Commission Letter No. 1140369259)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.
2. No significant impact on the Bank's financial and business operations is anticipated.

- January 22, 2026: Amendments to the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies" (Financial Supervisory Commission Letter No. 115038003)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ February 5, 2026: Amendments to the "Security Control Operational Guidelines for Electronic Banking Services Conducted by Financial Institutions" (The Bankers Association of the R.O.C Letter No.1151000091, Financial Supervisory Commission Letter No. 1140223782)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ February 6, 2026: Amendments to the "Scope of Major Incident Reporting by Financial Institutions, Reporting Procedures, and Other Required Compliance Matters" (The Bankers Association of the R.O.C Letter No.1150000295, Financial Supervisory Commission Letter No. 11402741881)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ February 13, 2026: Amendments to the "Regulations Governing Domestic Branches of Financial Institutions" (Financial Supervisory Commission Letter No. 11502704005)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 5, 2026: Amendments to the "Risk Management Guidelines for Information Systems and Service Supply Chain of Financial Institutions" (The Bankers Association of the R.O.C Letter No.1150000339, Financial Supervisory Commission Letter No. 1150201525)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

■ March 19, 2026: Amendments to the Regulations Governing Real Estate Mortgage Loan Business Conducted by Financial Institutions by the Central Bank of the Republic of China (Taiwan) (CBC Order Tai-Yang-Ye-Zi No. 1150011094)

1. The Bank notified and required relevant units to comply accordingly, reviewed related internal regulations, and incorporated them into compliance operations to ensure adherence.

2. No significant impact on the Bank's financial and business operations is anticipated.

### (3) Impact of technological changes (including ICT security risks) and industrial changes on the Bank's finances and operations as well as countermeasures

In recent years, rapid development of financial technology (Fintech) and continuous enhancement of digitalization has brought significant influence to the operating model, financial infrastructure, and risk management. With the continued advancement of artificial intelligence, big data, cloud computing, and open banking applications in recent years, banking services have gradually shifted from physical channels to digital platforms, while customer expectations for service timeliness, convenience, and security have risen accordingly. For banks, technology serves not only as a key tool for enhancing operational efficiency and service differentiation, but also brings new challenges in operations and risk management.

From both financial and business perspectives, the application of technology helps reduce operating costs, improve process efficiency, and support more precise customer management and risk assessment. At the same time, the structure of the financial industry continues to evolve, as non-traditional financial institutions and technology companies expand into financial services and reshape the competitive landscape. In recent years, virtual assets and stablecoins have gradually been brought under regulatory oversight, and their use in payments, fund transfers, and asset allocation is expected to affect traditional financial service models.

In response to developments in fintech, the Bank continues to apply technology to support its core businesses and enhance operational efficiency through the adoption of AI. For example, it has launched the industry's first "Multilingual Intelligent Customer Service Instant Q&A" service, providing real-time intelligent Q&A support in six foreign languages. With respect to emerging financial developments, the Bank continues to monitor virtual assets and stablecoins, while evaluating opportunities to participate in cash flow management and token services and to introduce new financial products, thereby expanding service boundaries and positioning itself to play a key role in the emerging financial ecosystem.

On the other hand, ICT security is increasingly a risk management concern as fintech advances. Using emerging technologies can help to reduce the cost, improve the efficiency and promote the development of financial market, which raise potential risks such as information correctness and integrity, information security and privacy protection, and the security of suppliers' services. In particular, suppliers of software and hardware become the vulnerable points that hackers to look for the bug of information security protection as springboards to attack and then obtain client information or confidential information for commercial blackmail, resulting in financial losses or damage of goodwill. The Bank's operating system may be hacked and then system services, operating activities or service will be affected and interrupted, so the customer litigation, financial loss and litigation risks will be occurred.

In the future, the Bank is continuing to focus on the development of emerging financial technologies. Before implementing the emerging technologies, the Bank will set: (1) supplier management procedures, pre-outsourcing analysis planning, vendor selection process, contract signing, risk assessment and management, contract termination and service change and termination; (2) The supplier must ensure the delivery of the information system and service components without malicious programs and backdoors; (3) 24-hour monitoring, analysis of network traffic and identification of malicious program activities, detection and protection of unknown external malicious threats; (4) Emerging technologies and new types of security attack patterns will be continuously reviewed and revised of self-regulatory or operations. After controlling the security risks through the compliance, data protection and technology application, we provide the innovative financial services that are safe, simple, convenient and fun to the clients.

### (4) Impact of changes in the Bank's public image on its crisis management as well as countermeasures

Corporate image has a significant impact on a company's reputation, brand affinity, customer trust, and public relations. Since its conversion to a commercial bank, the Bank has actively communicated through diverse channels to maintain a positive corporate image. To ensure the accuracy, consistency, and appropriateness of the Bank's external communications, the Bank has established an External Spokespersons Management Mechanism to regulate the formal channels for external information dissemination and to clearly designate authorized spokespersons. In addition, the Bank has also established Social Media Control Procedures to govern the Bank's social media operations and external communications. In terms of organizational structure, a Public Relations Section has been set up under the Corporate Sustainability and Communications Division to assist the company in managing its external brand image, media relations, and messaging. The section monitors and manages media coverage and online public opinion related to the company on a daily basis, enabling real-time tracking of media information and consumer sentiment to safeguard the company's reputation and brand image and reduce the risk of brand damage from negative or inappropriate information. Furthermore, the Bank has also established emergency response measures and cross-departmental communication mechanisms to enable swift and timely responses to the diverse demands of various stakeholders.

### (5) Expected benefits and potential risks of M&As as well as countermeasures

"Mergers and acquisitions" represent a pathway for corporate growth. Mergers and acquisitions can expand the magnitude and scope of corporate business, disperse operating risk, distribute markets, enlarge financial product lines, boost operating efficiency, and enhance overall competitiveness. As a consequence, the Bank cannot rule out possible M&A plans when opportunities present themselves, and may employ mergers and acquisitions to quickly boost its market status and competitiveness.

The Bank will consider the rights and interests of all stakeholders when implementing any possible future M&A plans, and will strive to cautiously assess possible cooperating partners that will benefit the Company's long-term development under the premise that no harm is done to employees, customers, and shareholder's equity. As of the date of printing of this annual report, the Bank had no concrete M&A plans.

### (6) Expected benefits and potential risks of expansion of business outlets as well as countermeasures

After the Bank changed to a commercial bank, it has emphasized that development of its digital financial services, and its service development efforts have focused on virtual channels such as online and mobile banking. In turn, physical outlets are charged with the task of promoting the Bank's brand image and offering excellent financial services to local residents. Expanding our business locations can increase our service coverage, expand our channels and customer base, and achieve the benefits of dispersing risk and training more professional manpower. Due to the limited number of domestic branches of the Bank, and because we must perform prudent cost-benefit analysis before establishing any new locations, which is necessary to ensure that all operating locations provide the greatest possible benefit, we are exposed to limited risk from the expansion of business locations.

The Bank has already established a presence in the U.S., Australia, Southeast Asia, Hong Kong, and Mainland China. In 2025, the Bank completed the establishment of its Sydney Representative Office in Australia and its Strategic Collaboration Platform in Singapore, further expanding its overseas presence. The establishment of these two new locations will help facilitate customer relationship development and business intelligence gathering in the Asia-Pacific region. In the next stage, we will accelerate the process of upgrading the Australia office to a branch. Australia has a mature and stable financial system. In recent years, supported by the resources sector, infrastructure investment, and services industry, its economy has demonstrated a certain degree of resilience and attracted multinational enterprises to invest and establish regional operations, thereby contributing to demand for cross-border and corporate financial services. Following its planned upgrade to a branch, the Bank is expected to be better positioned to serve local and international corporate clients, enhance the timeliness and comprehensiveness of its financial services, and strengthen the diversification of its overseas business portfolio through coordination among regional operations.

Nevertheless, the Australian market also faces challenges such as interest rate fluctuations, stringent regulatory requirements, and relatively high operating costs, which may affect initial operating performance. To address these risks, the Bank will advance the upgrade process in a prudent and orderly manner, strengthen its compliance and risk management mechanisms, and draw on the operating experience of its existing overseas locations to allocate resources prudently and ensure the steady development of its overseas operations.

**(7) Risks incurred by business concentration and countermeasures**

The Bank was transformed into a commercial bank in 2017, expanding into personal financial services. It currently operates in the areas of corporate banking, personal banking, financial market operations, and securities investment. With the growth of retail deposits and the development of personal banking services, the Bank continues to promote business diversification. Its investments include bill finance, leasing, U.S. commercial banking, consumer finance in Mainland China, venture capital, and venture capital management consulting. These diverse operations span across the Greater China region, Southeast Asia, Australia, and the United States, with each business maintaining stable operations. Following the establishment of the Sydney Representative Office in Australia and the Strategic Collaboration Platform in Singapore in 2025, overseas expansion of further phases will focus on upgrading Australia representative into branch and building Singapore area's connection, which will help further mitigate regional concentration risks.

**(8) Effect upon and risk to the Bank associated with any change in managerial control, as well as countermeasures:** None.

**(9) Effect upon or risk to the Bank if a large quantity of shares held by a director, supervisor, or major shareholder with not less than a 1% stake are to be transferred or otherwise change hands, as well as countermeasures:** Besides change in equity interest due to inheritance, there was no transfer of a large quantity of shares or other form of changing hands thereof by any of the Bank's directors and major shareholders. There were changes in shareholdings on the part of some shareholders holding more than 1% stake. Afterall, there was no impact on the Bank's operations.

**(10) Litigious and non-litigious matters:** None.

### (11) Other major risks and countermeasures:

- Information security risks

The Bank performs the following two assessment tasks with regard to information security risks:

1. Information asset risk assessment

We perform information asset risk assessment tasks every half-year. These assessments consider such factors as the value of information assets, weaknesses, threats, internal issues, external issues (including laws and regulations, major information security incidents, technological changes, and industry changes, etc.), and take the requirements of stakeholder groups into consideration, and seek to understand the risk entailed by such information assets, and facilitate the adoption of appropriate security control measures able to reduce information security risks.

In 2025 the assessment found no high risk or major operating risk matters.

2. Computer system information security assessment

In accordance with the "Regulations for the Information Security Assessment of Computer Systems by Financial Institutions," annual information security assessments are conducted by external information security institution. These assessments inspect and confirm various information security threats and weaknesses, and implement control measures addressing technological and management aspects in order to strengthen network and information system security ability. Assessment tasks include the following:

(1) Inspection of information architecture: We inspect network architecture configuration, the adequacy of information equipment security management rules, the greatest impact and risk acceptance ability in the case of single-point malfunctions, and the ability to maintain operations, etc.

(2) Inspection of network activity: We inspect network equipment and server access records and user rights, information security equipment monitoring records, and malicious Internet usage or abnormal DNS server queries, etc.

(3) Testing of network equipment, servers, terminal equipment, and Internet of Things devices: We perform equipment vulnerability scans and patches, testing of whether malicious programs exist, and testing of the complexity of account numbers and passwords.

(4) Testing of network equipment, servers, and Internet of Things devices, and connection with the Internet: We perform penetration testing, website vulnerability scans, and inspection of server directory and website access rights, and database security settings, etc.

(5) Customer-end applications programs: We perform testing of applications programs given to customers.

(6) Inspection of security settings: We inspect server password setting principles and account number determination principles, the adequacy of firewall settings, operating system and antivirus software updating settings and updating status, and key storage protection mechanisms and access, etc.

(7) Compliance inspection: We inspect computer systems to determine whether they meet the competent authority's standards.

(8) Social engineering drills: We implement annual e-mail social engineering drills involving all employees, and conduct social engineering attack awareness and training.

In 2025, the implementation results found no high risk or major operating risk matters.

## 7. Crisis management and response mechanisms

In order to strengthen the Bank's ability to respond to major crises and disasters, the Bank has established the "Implementation Guidelines for Major Incident Emergency Response and Recovery Plans." These guidelines outline emergency response measures and notification principles for natural or man-made disasters, major epidemics, information system outages, personal data breaches, and liquidity crises. The Bank has also enhanced its disaster prevention capabilities through simulations, drills, and testing, aiming to minimize or eliminate damage in the shortest possible time, maintain normal operations, and safeguard customer interests.

In addition, the Bank has formulated the "Organizational Guidelines for the Emergency Response Committee," designating the President as the convener to ensure that, in the event of a major incident, timely information can be obtained and cross-departmental emergency response measures can be effectively coordinated and implemented.

In addition, to strengthen the Bank's ability to respond promptly in the event of emergencies, the Bank maintain ISO 22301 Business Continuity Management System certification for the corporate internet banking system, and also continued to conduct various crisis simulation exercises to effectively manage operational risks. Including conduct an annual drill for the allocation of funds to the Bank's Interbank Funds Transfer Guarantee Special Account, simulating a scenario in which insufficient balances during non-business hours could lead to failed interbank withdrawals and transfers, thereby affecting customer rights and the Bank's reputation. The Bank also conducted an offsite backup business continuity plan (BCP) drill in May 2025.

These scenario-based simulations are designed to verify that data environment can operate smoothly in the event of uncertainty or major disasters, which cause the Bank to operate under abnormal situation. Audit personnel also accompanied staff from relevant units on site to observe the drill procedures in person, thereby fulfilling the purpose of validating actual business operations. In 2025, the Bank further made a substantial investment in the Far EasTone Telecommunications Co., Ltd. (Banqiao) cloud data center (IDC), which meets the international Uptime Institute Tier III standard, to establish its primary information center. This significantly reduced the risk of information system disruption caused by natural disasters such as earthquakes, floods, and fires. The original Neihu data center was redesignated as the secondary information center. When the primary information center is unable to provide services, operations may be switched to the secondary information center to maintain service continuity, and switched back to the primary information center once the issue has been resolved.

The primary information center commenced operations in November 2025. Accordingly, simulated backup drills were no longer used in the second half of the year to verify business continuity capabilities. Instead, in December 2025, the Bank adopted actual switching between the primary and secondary information centers in the production environment to validate business continuity. Compared with the previous simulated-environment approach, this arrangement enables independent switching of critical core system services between the primary and secondary information centers, rather than requiring the entire information system to be synchronized to an isolated environment as under the previous validation model. This effectively reduces operational risk and manpower requirements, while strengthening the Bank's financial resilience in ensuring uninterrupted system services.

In addition to the above-mentioned preparedness and drill measures, if false or misleading information about the Bank circulates in the market, the Bank's spokesperson may, depending on the situation, issue a material information disclosure or provide timely clarification regarding the Bank's financial and operational status.

**8. Other major items:** None.

# VI. Special Disclosure

## 1. Summary of Affiliated Companies

Please refer to the Market Observation Post System (MOPS) at the following link:

https://emops.twse.com.tw/server-java/t58query

Navigation path: MOPS homepage ＞ Electronic Books ＞ Shareholders' meetings ＞ Stock Code:2897 ； Year:2026 ＞ Consolidated Business Report of Affiliates (Download Electronic File)

## 2. Private Placement Securities and Financial Bonds: None.

## 3. Other Important Supplementary Information: None.

## 4. Events Occurred in the Previous Year and Up to the Publication of this Annual Report, Which Significantly Affect Shareholders' Equity or Price of Shares Pursuant to Item 2, Paragraph 3 of Article 36 of the Securities and Exchange Act: None.

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