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ANNUAL REPORT 2024

COTA COMMERCIAL BANK



COTA Commercial Bank



COTA Commercial Bank

ANNUAL REPORT

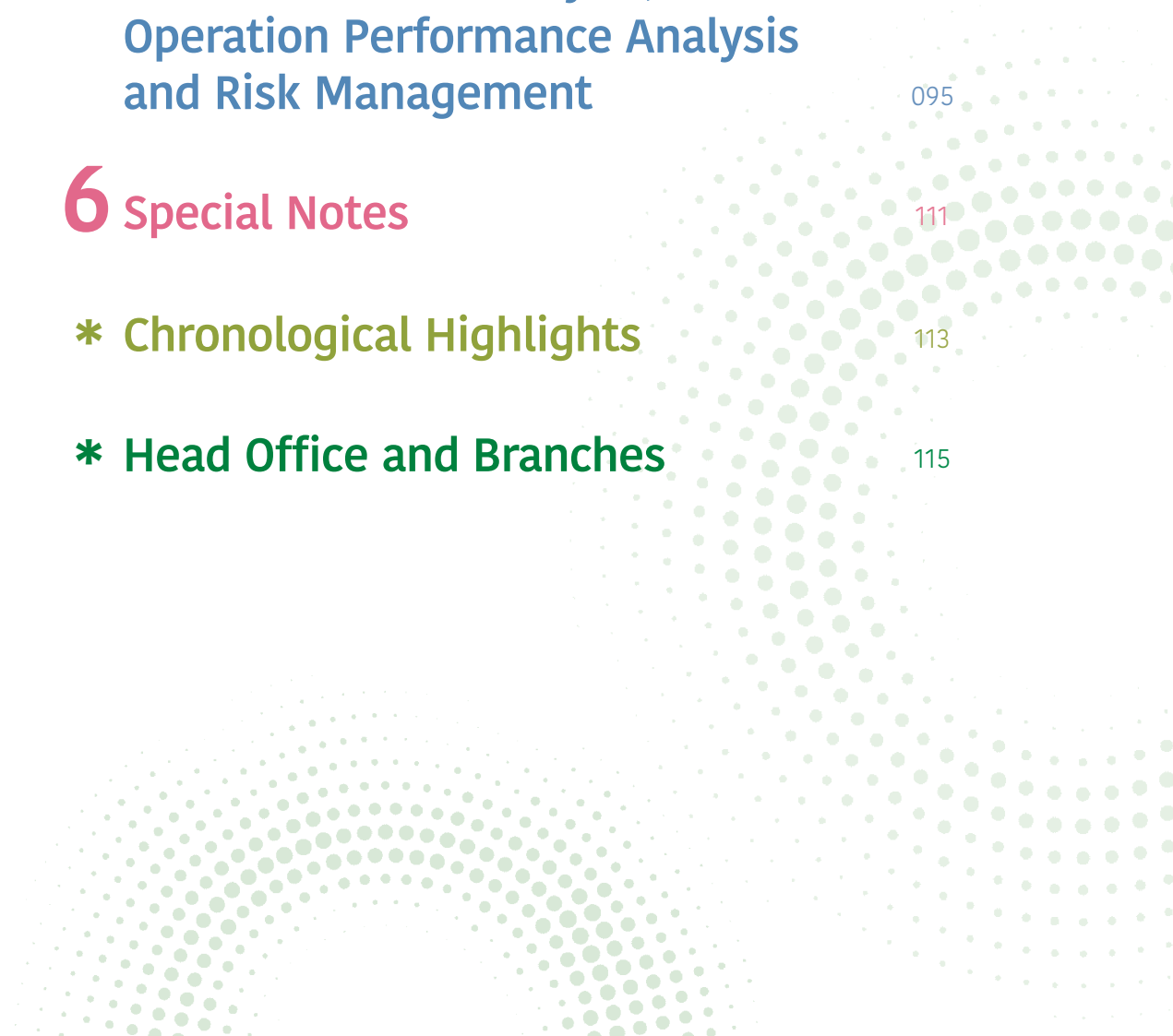
2024





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1

To Our Shareholders



1 To Our Shareholders

1-1. Year 2024 Business Report

1-1-1. Financial Environment

As the global economy gradually recovers in 2024, the impact of the Israeli-Palestinian conflict, geopolitics, and supply chain restructuring will add uncertainties to the global economic recovery, and the Bank will face the risks of monetary policies restraining economic growth, and the resurgence of food and energy prices due to climate shocks and geopolitical tensions. The Bank will closely monitor the domestic and international financial situation and related monetary policies, and will adjust its operating strategies in a timely manner with the goal of protecting customers' interests and enhancing the profitability of the Bank as a whole, in order to operate in a stable and practical manner.

Green and digital finance will be the main axis of 2025. Financial institutions play an important role in the overall net-zero transformation of society and must utilize their investment and financing power to guide enterprises towards green transformation. Therefore, the Bank will continue to enhance its green financial services and take more proactive actions in the five major issues, including green procurement, information disclosure, investment and financing and negotiation, assistance and promotion, and international integration.

In the future, the Bank will continue to promote social equity and inclusive growth, promote financial inclusion, plan for diversified financial products and services, and strive to introduce diversified products and services customized to meet the needs of different ethnic groups in society, so that all classes and groups in society can enjoy fair and reasonable financial services or resources, encourage the nation to make good use of financial services, and continuously shape a "people-oriented" bank to promote the well-being of the public. The Bank will continue to shape "people-oriented" banking and promote the public welfare of the society.

1-1-2. Organization Development

None

1-1-3. Business Plans and Strategies Performance

1-1-3-1. Main Achievements in 2024

- Strengthening accounting management, implementing budget execution control, and enhancing the efficiency of resource utilization.
- Corporate Internet Banking offers holiday payroll matching service, which allows corporate customers to have their paychecks paid on a specific day, not limited to non-business days.
- The SIEM system and database audit system were built to keep track of all the activities of all systems, networks, databases, and applications in real time to strengthen the Bank's information security response capability.
- The Bank will continue to promote our gold passbook business and explore the benefits of launching a foreign currency gold passbook business and more diversified methods of regular fixed deposit debit, in order to increase revenue and provide more choices to meet customers' needs.
- Planning for zero-trust network deployment, strengthening connection authentication and authorization control, and gradually introducing the three core mechanisms of zero-trust network, including identity authentication, device authentication, and trust inference, in order to better meet the needs of information security.
- Developed a trading platform for Taiwan dollar-denominated funds in the Financial Markets Division.
- The Bank keeps abreast of the latest financial laws and regulations to revise our internal rules, and implement staff education and training so that the concept of compliance with laws and regulations is deeply rooted in the organization's culture.

1-1-3-2. Budget Execution

As of Dec. 31, 2024, the Bank's deposit balance was NT\$183.5 billion (excluding interbank deposits), an increase of NT\$4.9 billion from the end of the previous year, and the lending balance was NT\$146.7 billion, an increase of NT\$11.9 billion from the end of the previous year. In the future, we will strive to enhance our digital financial services, expand our e-financial services, provide a wide range of products to meet customer needs, and develop new businesses in order to improve the quality of our deposit and lending structure and diversify our revenue.

- The results of the Bank's major budget executions for Year 2024 are as follows:
- The average balance of deposits amounted to TWD180.0 billion, representing 98.90% of the estimated target of TWD182.0 billion.
- The average balance of lending was TWD138.3 billion, representing 100.14% of the estimated target of TWD138.1 billion.
- Net income before income tax was TWD1,016,096 thousand dollars, which was 75.25% of the budgeted amount of TWD1,350,330 thousand dollars.

1-1-3-3. Financial Structure and Profitability

In 2024, income before income tax was TWD1,016,096 thousand dollars and income after income tax was TWD871,890 thousand dollars, and earnings per share was TWD0.80. The capital adequacy ratio (BIS) was 14.75%, net worth per share was TWD13.72, and the coverage rate of allowance for doubtful accounts was 284.43%. The Bank's capital adequacy ratio (BIS) was 14.75%, net worth per share was TWD13.72, allowance for doubtful accounts coverage ratio was 284.43%, and overdue ratio was 0.42%. In the future, the Bank will continue to enhance its business efficiency and risk control to strengthen its business structure and enhance its competitive edge.

1-1-3-4. Research and Development

The Bank continues to pay attention to the pulse of major industries, asset management companies and the global market, and analyze market dynamics based on a combination of market factors such as policy, fundraising, and technology to diversify our assets and reduce risk. In line with the development of financial technology and the revision of laws and regulations by the competent authorities, the Bank continues to develop and refine our electronic channel service system and expand the digitization of the transaction functions of various businesses, in order to provide our customers with more convenient and diversified financial service choices.



1 To Our Shareholders

1-2. Year 2025 Business Plans Outline

The Bank will continue to uphold the core values of “Integrity, Responsibility, Technology, Altruism, and Environmental Protection”, implement the principles of financial consumer protection and fairness in financial services, fulfill its corporate social responsibility (CSR), emphasize compliance with laws and regulations, prevent money laundering, combat terrorism, and enhance ESG sustainable development, guide customers to emphasize sustainability issues, and promote green finance-related businesses, and strive to balance the quality of its capital products with the risks and rewards of its operations. We are committed to balancing asset quality and risk-return, creating long-term competitiveness, and becoming an all-round quality bank. The annual business plan in 2025 is summarized as follows:

1-2-1. Business Operating Policy

- In order to enhance its fraud prevention capability, the Bank has joined the Eagle Eye Fraud Recognition Alliance established by the Criminal Affairs Bureau and Taipei Fubon Commercial Bank, adopting the AI Alert Module to effectively identify suspicious accounts and prevent frauds at an early stage through big data analysis.
- The Bank monitors the management of credit limits, utilizes risk management functions, improves the structure of risky assets, and strengthens the Bank's capital adequacy ratio.
- COTA have introduced agile development as the new normal in our culture, and have gradually integrated the three major aspects of fairness and ESG into our daily operations to fulfill our corporate social responsibility and sustainable coexistence with the natural environment.
- Continue to expand our demand deposits, consumer finance, corporate credit, wealth management, trust, foreign exchange, international finance and e-finance businesses to adjust the profit structure of our banking business, expand our economic scale, and enhance operational efficiency to reduce costs and increase profitability.
- Strengthening the promotion of business regulations and compliance with various laws and regulations, and formulating relevant regulations to protect the rights and interests of silver-haired consumers, in line with the policy of treating elderly customers fairly.
- The Bank has established a DDoS (Distributed Denial of Service) defense mechanism to enhance the quality of external network services and protect the rights and interests of Internet banking customers.
- In conjunction with the implementation of anti-money laundering and counter-terrorist financing precautions, we have unified the Bank's national risk identification, assessment, and control process system for real-time implementation, and strengthened blacklist control and verification.
- Introducing financial products and focusing on key products to steadily expand the high-asset customer base and provide diversified financial services to create the greatest value with customers.
- In order to maintain the effectiveness of internal control and to continuously evaluate whether the internal control system is operating effectively; the Bank has established an internal audit system, a self-audit system, a compliance system, and a risk management mechanism in accordance with the “Regulations Governing the Implementation of Internal Control and Audit Systems for Financial Holding Companies and Banks”.

1-3. Future Development Strategy

1. To actively enhance our digital financial expertise to cope with future technological developments.
2. Enhancing ESG sustainability, guiding clients to emphasize sustainability issues and promoting green finance-related businesses, and striking a balance between asset quality and risk-return.
3. Through close cooperation with funds, insurance companies and brokerage firms, the Bank select high-quality overseas bonds, selected funds and insurance commodities in accordance with market conditions, providing treasury clients with more diversified product choices.
4. Adjust the profit structure to enhance profitability and widen the spread on deposits.
5. Employees can accelerate their career growth and performance through the Personal Performance Management and Development Program (PDP), and successfully implement the company's operations. The company's operation strategy is successfully implemented to create a win-win situation.
6. The Bank continues to focus on corporate governance, environmental sustainability, social inclusion and other areas, and continue to introduce ESG and climate change investment targets to keep abreast of investment trends.
7. COTA have been organizing seminars on campus to equip students with relevant trust knowledge, and promoting industry-academia cooperation to provide internship opportunities, so that students can learn by doing and trust education can take root in the future.
8. To enhance market visibility and emphasize customer-oriented marketing strategies to serve customers, with the aim of improving the quality structure of assets by importing high-quality assets to achieve the optimal balance of risk and profitability.
9. The Bank intends to establish a database to analyze customer history and provide new financial products that better meet customers' needs based on their trading habits.



1 To Our Shareholders

1-4. Impact of Competitive, Regulatory and Banking Environments

In 2024, the global economy will gradually recover from the epidemic and global inflation will gradually cool down. The U.S. will officially start the interest rate cut cycle in September 2024, which will help to revitalize the overall market, and due to the high demand and growth of the artificial intelligence industry, it will help to continue to drive external sales and domestic production, but we should pay attention to the potential risks of regional geopolitical turbulence and trade conflicts in various countries. In the future, the Bank will need to pay close attention to the development of the economy and adopt appropriate risk management procedures, supplemented by qualitative or quantitative assessment and monitoring, in order to facilitate the implementation of controls and achieve the goal of sustainable and stable operations.

Sustainable finance has become a common goal around the world. In response to trends such as an ultra-aging society, climate change, and the development of artificial intelligence, financial institutions are placing increasing emphasis on the practice of public values, such as a culture of integrity, environmental sustainability, social justice, and care for the underprivileged, which is a direction in which COTA Bank will continue to involve.

In order to encourage financial institutions to make good use of technology, apply trustworthy artificial intelligence (AI), and develop financial services that are closer to the needs of the public, the FSC has issued the “Guidelines on the Use of Artificial Intelligence (AI) in the Financial Industry” and the “Core Principles and Related Policies on the Use of Artificial Intelligence (AI) in the Financial Industry”, which respectively describe the concerns and measures to be adopted and the corresponding cautions for each of the principles, based on the life cycle of AI and the assessed risks in the financial industry in the implementation of the six core principles. In implementing the six core principles, the Bank will follow the policy of the competent authorities and take into account the risks assessed by the AI lifecycle, the key points of concern, the measures that can be taken, and the points to note for each principle. The Bank will comply with the policy direction of the competent authorities and, while gradually introducing AI technology, strengthen risk control, consumer protection, information security, and the digital rights of disadvantaged groups, and enhance financial services under the core concept of financial market order and stability.

1-5. Corporate Rating

Category	Rating Agent	Rating		Outlook	Released Date
		Long-term	Short-term		
Local	Taiwan Rating Corporate	twBBB+	twA-2	Postive	Dec.18, 2024

Looking ahead, the Bank will capitalize on new market opportunities by leveraging its small and beautiful features to continue to promote financial inclusion, provide more professional and convenient financial services, promote the well-being of the public, fulfill its corporate social responsibility, and contribute to the advancement of the economy, the environment, and the society, so as to continue to develop a solid foundation and create new values together in the changing business environment.

Finally, I would like to thank our shareholders, directors, and all the people from all walks of life, and I hope that all of you will continue to support and guide us in our endeavors.

Chairman **Song-Yie Liao**

2

Corporate Governance



2 Corporate Governance

2-1. Major Information of Directors, President, Senior Executive Vice Presidents, Executive Vice Presidents, and Department General Managers

2-1-1-1. List of Directors

Title (Nationality)	Name (Gender) Age	Elected Date (Tenure, yrs)	First Elected	Elected Shares Owned Current Shares Owned		Shares Owned by Spouses and Minor Children	
				No. of Shares	%	No. of Shares	%
Chairman (R.O.C.)	Song-Yie Liao (Male) 61-70	2023.06.27 (3)	2005.05.25	97,630,413 113,383,826	9.9767 9.5968	3,692,453	0.3125
Managing Independent Director (R.O.C.)	Hong-Chi Chang (Male) 71-80	2023.06.27 (3)	2020.12.19	0 0	0 0	0	0
Managing Independent Director (R.O.C.)	Rung-Terng Tsai (Male) 61-70	2023.06.27 (3)	2023.06.27	0 0	0 0	0	0
Managing Director (R.O.C.)	Chuan Cheng Hat Co., Ltd.	2023.06.27 (3)	2014.12.29	19,933,474 23,749,423	2.0370 2.0101		
	Chuan Cheng Hat Co., Ltd. Assigned Representative: Bor-Yi Huang (Male) 61-70			0 0	0.0000 0.0000	0	0.0000
Independent Director (R.O.C.)	Tsung-Ta Kuo (Male) 51-60	2023.06.27 (3)	2017.12.23	0 0	0.0000 0.0000	0	0.0000
Director (R.O.C.)	Xian-De Lai (Male) 61-70	2023.06.27 (3)	2005.05.25	4,894,447 5,383,408	0.5002 0.4556	14,506	0.0012



As of Dec. 31, 2024 Shares Held (%)

Education & Key Work Experience	Current Positions for the Bank or other companies
Department of Economics, Hosei University of Tokyo, Japan Chairman of Chuan Cheng Hat Co., Ltd.	Director of Chuan Cheng Hat Co., Ltd. Director of Chuan Chi Co., Ltd. Independent Director of Formosan Union Chemical Corp.
Master Program of Agricultural Economics, National Chung Hsing University President of Chang Hwa Bank Chief Auditor and Vice President of Bank of Taiwan Director of Mega Bills Finance Co., Ltd. Director of Taiwan Life Insurance Co., Ltd. Director of Taiwan Futures Exchange Director of Taiwan Business Bank Supervisor of BankTaiwan Securities Co., Ltd. Director of BankTaiwan Life Insurance Co., Ltd.	
Business Administration, University of Wisconsin Vice President of Delta Electronics, Inc. Representative Director of Delta Electronics Japan, Inc. Chairman of Taiwan Listed Companies Association Advisory Member of NTU Energy Research Center Advisory Member of NCU United Research Center Executive Director of Chinese Business Ethics Education Association Executive Director of Chinese International Economic Corporation Association	Honorary Chairman of Taiwan Listed Companies Association Independent Director of Global Tek Co. Ltd. Independent Director of Shine Trend International Multimedia Technology Co., Ltd. Independent Director of Grand Hall Enterprise Co., Ltd.
Doctor of Economics, National Chung Hsing University Chairman of Taiwan Business Bank President of Taiwan Academy of Banking and Finance	Professor and Vice President for Academic Affairs, Department of Finance, Chihlee University of Technology Independent Director of Solar Master Energy Co., Ltd. Independent Director of Century Wind Power Co., Ltd.
Graduate Institute of Accounting and Public Finance, Feng Chia University Tax auditor of the National Taxation Bureau of the Central District of the Ministry of Finance	Chief Accountant of Chien-Yao Asia Pacific CPA Firm Supervisor of Star Energy Power Corporation
Department of Public Finance and Taxation, National Chung Hsing University President of Tung Yang Business Co., LTD. Chairman of Taiwan Barley Products Industry Association	Chairman of Tung Yang Business Co., Ltd. Chairman of Tung Yang Investment Co., Ltd. Managing Director of Taiwan Flour Mills Associate Director of Hsiuping University of Science and Technology

2 Corporate Governance

Title (Nationality)	Name (Gender) Age	Elected Date (Tenure, yrs)	First Elected	Elected Shares Owned Current Shares Owned		Shares Owned by Spouses and Minor Children	
				No. of Shares	%	No. of Shares	%
Director (R.O.C.)	Chun-Chieh Wang (Male) 71-80	2023.06.27 (3)	2014.12.29	13,746,435 15,377,972	1.4047 1.3016	0	0.0000
Director (R.O.C.)	Ting-Lieh Huang (Male) 61-70	2023.06.27 (3)	2020.12.19	2,173,250 2,390,359	0.2221 0.2023	2,007,003	0.1699
Director (R.O.C.)	Pei-Chen Wang (Female) 41-50	2023.06.27 (3)	2020.12.19	0 0	0.0000 0.0000	0	0.0000
Director (R.O.C.)	Juo-Ping Lin (Female) 41-50	2023.06.27 (3)	2020.12.19	0 0	0.0000 0.0000	0	0.0000
Director (R.O.C.)	Po-Yao Chi (Male) 51-60	2023.06.27 (3)	2008.06.20	4,207,838 5,013,360	0.4300 0.4243	2,142,076	0.1813
Director (R.O.C.)	Hsin-I Hsiao (Female) 51-60	2023.06.27 (3)	2023.06.27	2,549,231 3,037,239	0.2605 0.2571	0	0.000
Director (R.O.C.)	Tsung-Huang Li (Male) 51-60	2023.06.27 (3)	2023.06.27	0 0	0.000 0.000	0	0.000
Director (R.O.C.)	Chuan Chi Co., Ltd.	2023.06.27 (3)	2020.12.19	33,407,955 36,745,455	3.4139 3.1101	0	0.000
	Yuan-Chung Huang (Male) 51-60 Representative: Chuan Chi Co., Ltd.			10,184 12,132	0.0010 0.0010	0	0.000

NOTE 1: While the chairman of the board and the chairman or the person with equivalent position (the top manager) are the same person, each other's spouse or relatives, they shall explain the reasons, rationality, necessity and reasons such as increasing the number of independent directors, and more than half of the directors are not concurrently serving as employees or managers, etc.

NOTE 2: Director Po-Yao Chi did not serve as a director of the Ninth Term of the Board of Directors.



Education & Key Work Experience	Current Positions for the Bank or other companies
Mingdao High School	Chairman of Mingdao Private High School
Mingdao High School	Director of Taiwan Jundan Co., Ltd. Supervisor of Yummy Catering Co., Ltd. Director of Tiansheng Broadcasting Co., Ltd. Director of Yan Sheng Broadcast Corporation Director of Sheng Feng Tang Pharmaceutical Co., Ltd.
The Department of Finance, National Taiwan University	Manager of Management Department of Famous International Beauty Co., Ltd.
Master of Information Management, National Chung Cheng University President of Topoint Technology Management Center Chairman's Special Assistant of Topoint Technology Management Center Consultant of i2 Technologies Inc.	President of Topoint Technology Co., Ltd. Director of Topoint Technology Co., Ltd. Chairman of Drill-Tek Corporation (Representative) Chairman of Moneyou Company Limited Chairman of Unipoint Technology Co., Ltd. (Representative) Director of Cosmos Vacuum Technology Corp. (Representative)
Department of Accounting, Soochow University Miaoli Factory Director of Cheng Loong Corporation Ming Foong Plastic Co., Ltd.	Director of Ko Loong Industry Co., Ltd.
Master of Medicine, South Bay University	Chief Financial Officer of Shun-Chih Investment Co., Ltd.
The Department of Economics, Ming Chuan University Assistant Vice President of Franklin Templeton SinoAm Securities Investment Management Inc	Chairman of Yaju Investment Corporation Supervisor of Yuan Sheng Investment Corporation
-	-
College Degree	President of Chuan Cheng Hat Co., Ltd.

2 Corporate Governance

2-1-1-2. Major Institutional Shareholder:

As of Dec. 31, 2024

Institutional Shareholder (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
Chuan Cheng Hat Co., Ltd.	Song-Yie Liao (68.35%), Ching-Ling Liu (12.36%), Po-Chi Liao (9.83%), Po-Chun Liao (9.46%)
Chuan Chi Co., Ltd.	Song-Yie Liao (51.26%), Ching-Ling Liu (24.40%), Po-Chi Liao (9.97%), Po-Chun Liao (14.37%)

NOTE 1: If the director or supervisor is a representative of a corporate shareholder, he/she should fill in the name of the corporate shareholder.

NOTE 2: Fill in the names of the major shareholders of the corporation (the top ten shareholders in terms of shareholding) and their shareholding percentages. If the major shareholder is a corporation, the following table should be completed Table 2

2-1-1-3. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualifications Name	Professional Qualifications	Experiences	Independent Circumstances	Number of Independent Directors with Other Public Offering Companies
Song-Yie Liao	Approved by the FSC to meet the requirements of Article 9(1)(4) of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks"	With the company's operating background Former Chairman of Chuan Cheng Hat Co., Ltd.		1
Hong-Chi Chang Chairman of Audit Committee Remuneration Committee Member	Approved by the FSC to meet the requirements of Article 9(1)(4) of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks"	With banking background Former President of Chang Hwa Bank	Numbers and percentage of shares held by personal, spouse, relatives (or by others): 0 shares, 0%	
Rurng-Terng Tsai Audit Committee Member Remuneration Committee Member		With the company's operating background Former Vice President of Delta Electronics, Inc.	Numbers and percentage of shares held by personal, spouse, relatives (or by others): 0 shares, 0%	3
Bor-Yi Huang (Chuan Cheng Hat Co., Ltd.)	Approved by the FSC to meet the requirements of Article 9(1)(4) of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks"	With banking background Former Chairman of Taiwan Business Bank		2
Tsung-Ta Kuo Audit Committee Member Chairman of Remuneration Committee	Approved by the FSC to meet the requirements of Article 9(1)(4) of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks"	With accounting background Chief Accountant of Chien-Yao Asia Pacific CPA Firm	Numbers and percentage of shares held by personal, spouse, relatives (or by others): 0 shares, 0%	1
Xian-De Lai	Approved by the FSC to meet the requirements of Article 9(1)(4) of the "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks"	With the company's operating background Chairman of Tung Yang Business Co., Ltd.		



Qualifications Name	Professional Qualifications	Experiences	Independent Circumstances	Number of Independent Directors with Other Public Offering Companies
Chun-Chieh Wang		With the company's operating background Chairman of Mingdao Private High School		
Chien-Chung Lai		With the company's operating background President of Chiao Sang Footwears Inc		
Ting-Lieh Huang		With the company's operating background Director of Taiwan Jundan Co., Ltd.		
Pei-Chen Wang		With the company's operating background Manager of Management Department of Famous International Beauty Co., Ltd.		
Juo-Ping Lin		With the company's operating background President of Topoint Technology Co., Ltd.		
Po-Yao Chi		With the company's operating background Director of Ko Loong Industry Co., Ltd.		
Hsin-I Hsiao		With the company's operating background Chief Financial Officer of Shun-Chih Investment Co., Ltd.		
Tsung-Huang Li		With the company's operating background Chairman of Yaju Investment Corporation		
Yuan-Chung Huang (Chuan Chi Co., Ltd.)		With the company's operating background President of Chuan Cheng Hat Co., Ltd.		

Note 1: None of the directors of the Bank is subject to the provisions of Section 30 of the Companies Act.

Note 2: None of the Company's independent directors is a director, supervisor or employee of the Bank or its affiliates, including personal, spouse or second degree relatives. None of the Company's independent directors who is a director, supervisor or employee of the specific relation with the Company (refer to Article 3, Paragraphs 1, 5-8 of the Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies). None of the Company's independent directors provided any business, legal, financial or accounting services to the Company or its affiliates in the last two years.

2 Corporate Governance

2-1-1-4. Diversity and Independence of the Board of Directors

2-1-1-4-1. Diversity of the Board of Directors

The Company advocates and respects the policy of diversity of directors. In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Board of Directors is elected in accordance with the Company's Articles of Incorporation and relevant laws and regulations, and adopts a "candidate nomination system". They are not limit to gender, age, race and nationality and have a wide range of professional fields and backgrounds in economics, law, accounting, business, finance, insurance, information management, corporate management and business administration, and have the ability to complement each other across industries. The Company also continues to arrange a variety of continuing education programs for its board members to enhance their decision-making quality and supervisory responsibilities, thereby strengthening the functions of the board of directors.

Article 27 of the Company's "Code of Corporate Governance" specifies that the Board of Directors as a whole should have the following competencies:

(a) Operational judgment (b) Accounting and financial analysis (c) Operational management (d) Risk management (e) Crisis management (f) Industry knowledge (g) International market perspective (h) Leadership (i) Decision-making ability

The diversity policy of the current members of the Company's Board of Directors and its implementation are as follows:

Title	Basic Composition									Industrial Experience				Professional Competence		
	Nationality	Gender	With Staff Status	Age				Years of service on Independent Director		Finance/Accounting/Legal	Financial Holding/Banking/Insurance	Information/Technology	Business/Manufacturing	Legal	Accounting	Risk Management
				41-50	51-60	61-70	71-80	Under 3 years	3-9 years							
Song-Yie Liao	ROC	Male				✓					✓		✓			✓
Hong-Chi Chang	ROC	Male					✓		✓		✓					✓
Rung-Terng Tsai	ROC	Male				✓		✓				✓	✓			✓
Bor-Yi Huang	ROC	Male				✓					✓					✓
Tsung-Ta Kuo	ROC	Male			✓				✓	✓	✓				✓	✓
Xian-De Lai	ROC	Male				✓					✓		✓			✓
Chun-Chieh Wang	ROC	Male					✓						✓			✓
Ting-Lieh Huang	ROC	Male				✓							✓			✓
Pei-Chen Wang	ROC	Female		✓									✓			✓
Juo-Ping Lin	ROC	Female		✓								✓	✓			✓
Po-Yao Chi	ROC	Male			✓								✓			✓
Hsin-I Hsiao	ROC	Female			✓								✓			✓
Tsung-Huang Li	ROC	Male			✓								✓			✓
Yuan-Chung Huang	ROC	Male			✓								✓			✓

The 14 members of the tenth session of the Board of Directors (including three independent directors) have the ability of operational judgment, business management, international market view and crisis management. They also possess industry knowledge and professional capabilities. Chairman Song-Yie Liao, Independent Director Hong-Chi Chang, Managing Director Bor-Yi Huang, Independent Director Tsung-Ta Kuo, and Director Xian-De Lai have been approved by the Financial Supervisory Commission to meet the requirements of Article 9(1)(4) of the “Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters of Compliance by the Responsible Persons of Banks”. Independent Director Tsung-Ta Kuo is a certified public accountant.

The average years of service on directors of the Company is 7 years, among which, the year of service on independent directors of Rung-Terng Tsai is less than 3 years, that of Independent Director Hong-Chi Chang is 5 years and that of Independent Director Tsung-Ta Kuo is 8 years. All of the independent directors have not served more than three consecutive terms.

The nationality of the all Directors is ROC. The age distribution of directors is 2 directors aged 41-50, 5 directors aged 51-60, 5 directors aged 61-70 and 2 directors aged 71-80.

In addition to the above, the Company also emphasizes gender equality in the composition of the Board of Directors. The current term of the Board of Directors has three female members who account for 21% of the total Board of Directors, which is suitable for factors such as the difficulty in finding suitable candidates, etc. In the future, the Company will continue to publicize the “Corporate Sustainability Action Plan for TWSE/TPEX Listed Companies” issued by the FSC, encourage the incorporation of diversified perspectives, expand the pool of talents, and endeavor to enhance the diversity of the Board of Directors’ genders.

2-1-1-4-2. Independence of the Board of Directors

The number of independent directors of the Company is three, representing 21% of the total number of directors on the Board. The Company has obtained written statements from each of the independent directors and none of them are prohibited from acting as independent directors as listed in the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies” and Article 26-3, Items 3 and 4 of the Securities and Exchange Act; none of the directors are related to each other as spouses and relatives within the second degree.

2 Corporate Governance

2-1-2. List of Executives and Principal Officers

Title	Name	Date of Inauguration	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C	
			No. of Shares	%	No. of Shares	%	No. of Shares	%
President	Shih-Chao Lee	Dec. 01, 2023	394,064	0.033	195,242	0.017	-	-
Chief Auditor	Huan-Mou Cheng	Oct. 16, 2023	449,906	0.038	218,441	0.018	-	-
Vice President	Wen-Lung Chen	Oct. 01, 2023	750,808	0.064	201,232	0.017	-	-
Vice President	Hung-Tsang Chiang	Oct. 01, 2023	524,439	0.044	230,697	0.020	-	-
Vice President	Richard C.C. Chang	Jul. 01, 2021	73,767	0.006	-	-	-	-
Vice President	Chia-Chin Liu	Mar. 09, 2023	24,604	0.002	-	-	-	-
Assist Vice President	Chang-Chieh Lin	Jul. 08, 2024	455,683	0.039	-	-	-	-
Department General Manager	Pao-Kuei Chou	Jul. 08, 2024	182,297	0.015	-	-	-	-
Department General Manager	Li-Hui Huang	Sep. 01, 2022	600,212	0.051	244,676	0.021	-	-
Department General Manager	Ya- Ting Yu	Oct. 01, 2023	110,886	0.009	15,540	0.001	-	-
Department General Manager	Shu-Yuan Liu	Oct. 01, 2023	212,259	0.018	-	-	-	-
Assist Vice President	Yung-Hsieh Chen	Jul.. 08, 2024	53,209	0.005	-	-	-	-
Assist Vice President	Tzu-Hsiu Liang	Apr. 01, 2022	300,000	0.025	145,133	0.012	-	-
Assist Vice President	Wen-Sheng Lai	Apr. 01, 2022	275,385	0.023	164,912	0.014	-	-
Department General Manager	Ding-Wang Yang	Sep. 01, 2022	111,839	0.009	5,432	0.000	-	-
Department General Manager	Chun-Chieh Chien	Sep. 16, 2021	131,813	0.011	-	-	-	-
Department General Manager	Jun-Long Tsai	Jul. 01, 2016	294,385	0.025	331,424	0.028	-	-
Department General Manager	Chi-Nan Huang	Jul. 01, 2016	150,000	0.013	-	-	-	-

As of Dec. 31, 2024, Shares Held (%)

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of Business Administration, Chung Yuan University Executive Vice President of COTA Bank, General Administration Department	-	-
Department of Applied Commerce, National Taichung University of Science and Technology Senior Executive Vice President of COTA Bank, Compliance and Legal Affairs Department	-	-
Department of Business Administration, Chaoyang University of Technology Executive Vice President of COTA Bank, Branch Banking Business Division	-	-
Department of Public and Management, Supplementary Junior College of the National Open University Executive Vice President of COTA Bank, Human Resources Department	-	-
Department of Banking and Finance, Tamkang University, Master Executive Vice President of Cathay United Bank, Minchuang Branch	-	-
Department General Management, Chang Gung University, Master Project Manager of COTA Bank, Corporate Banking Department	-	-
Department of Economics, Tunghai University Department General Manager of COTA Bank, Consumer Banking Department	-	-
Department of Finance, Chaoyang University of Technology Deputy General Manager of COTA Bank, Branch Administration Department	-	-
Department of Applied Commerce, National Taichung Institute of Technology Deputy General Manager of COTA Bank, Secretariat of the Board of Directors	-	-
Department of Financial & Economic Law, Chung Yuan University Deputy General Manager of COTA Bank, General Administration Department	-	-
Department of Business Administration, Chaoyang University of Technology Deputy General Manager of COTA Bank, Human Resources Department	-	-
Department of Computer Science and Information Engineering (CSIE), National Taiwan University, Master Executive Vice President of COTA Bank, Digital Banking Department	-	-
Department of Business Administration, Feng Chia University, Master Branch General Manager of COTA Bank, Taipei Branch	-	-
Department of Computer Science and Information Engineering, Chung Yuan University General Manager of COTA Bank, Information Department	-	-
Department of Accounting, Tunghai University Deputy General Manager of COTA Bank, Accounting Department	-	-
Department of Business Administration, National Chengchi University, Deputy General Manager of COTA Bank, Risk Management Department	-	-
Department of Business Administration, National Chung Cheng University, Master Deputy General Manager of COTA Bank, Business Department	-	-
Department of Public Administration, National Chung Hsing University Deputy General Manager of COTA Bank, International Banking Department and Offshore Banking Branch	-	-

2 Corporate Governance

Title	Name	Date of Inauguration	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C	
			No. of Shares	%	No. of Shares	%	No. of Shares	%
Department General Manager	Hui-Hsiang Yang	Jan. 01, 2023	119,326	0.001	-	-	-	-
Department General Manager	Chen-Chuan Kuo	May. 01, 2017	67,093	0.006	-	-	-	-
Department General Manager	Jia-Si Yan	Sep. 01, 2022	306,945	0.026	332,335	0.028	-	-
Department General Manager	Chun-Hsien Chiu	Jul. 08, 2024	152,272	0.013	10,078	0.001		
Executive Vice President (Branch General Manager)	Tien-Long Yang	Sep. 01, 2022	365,751	0.031	68,365	0.006	-	-
Branch General Manager	Chuan-Hung Yang	Sep. 16, 2021	298,089	0.025	-	-	-	-
Branch General Manager	Tzung-Hua Yang	Sep. 11, 2023	72,283	0.006	47,772	0.004	-	-
Executive Vice President (Branch General Manager)	Tseng-Yi Huang	May. 02, 2024	139,118	0.012			-	-
Branch General Manager	Mei-Ling Shih	Jul. 01, 2016	504,058	0.043	52,776	0.004	-	-
Branch General Manager	Zong-Long Tu	Sep. 01, 2022	247,407	0.021	273,218	0.023	-	-
Branch General Manager	Qing-Sheng Xiao	Apr. 01, 2022	165,826	0.014	14,864	0.001	-	-
Branch General Manager	Yau-Guei Tsai	Jun.01, 2023	347,155	0.029	246,202	0.021		
Branch General Manager	Chen-Hsien Hsien	May. 02, 2024	785,751	0.067	149,709	0.0013	-	-
Branch General Manager	Ya-Ju Chiu	Jun.01, 2023	203,409	0.017	-	-		
Branch General Manager	Kung-Ming Hsu	Oct.01, 2023	176,389	0.015	45,897	0.004		
Branch General Manager	Hung-Chi Tung	Jan. 01, 2012	652,983	0.055	500,228	0.042	-	-
Branch General Manager	Chang-Cheng Chen	Jan. 09, 2016	333,787	0.028	1,099	0.000	-	-
Branch General Manager	Chia-Wen Ke	Dec. 08, 2014	470,000	0.040	-	-	-	-
Branch General Manager	Qing-Yu Xu	Apr. 01, 2022	167,568	0.014	-	-	-	-
Branch General Manager	His-Hsien Wang	Jan. 09, 2016	399,624	0.034	-	-	-	-

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of International Trade, Feng Chia University Project Deputy General Manager of COTA Bank, Digital Banking Department	-	-
Department of Risk Management & Insurance , Feng Chia University, Master Deputy General Manager of COTA Bank, Business Department		
Department of Finance, Da-Yeh University Deputy General Manager of COTA Bank, Corporate Banking Department	-	-
Department of Business Administration, Hsiuping University of Science and Technology Deputy General Manager of COTA Bank, Accounting Department	-	-
Department of Finance, Chaoyang University of Technology Branch General Manager of COTA Bank, Taichung Branch	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology Department General Manager of COTA Bank, Risk Management Center	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology Master Deputy General Manager of COTA Bank, Jinhua Branch	-	-
Department of Business, The National Open University Branch General Manager of COTA Bank, Dazhi Branch	-	-
Department of International Business, National Open College of Continuing Education Department General Manager of COTA Bank, Trust Department	-	-
Department of International Trade, Overseas Commercial College Deputy General Manager of COTA Bank, Dazhi Branch	-	-
Department of International Trade, National Chang-Hua Senior High School of Commerce Deputy General Manager of COTA Bank, Cheng Kung Branch	-	-
Department of Bank & Insurance, National Taichung Institute of Technology Project Deputy General Manager of COTA Bank, Xitun Branch	-	-
Department of Business, The National Open University Branch General Manager of COTA Bank, Xitun Branch		
Department of Business Administration, Overseas Chinese University Deputy General Manager of COTA Bank, Nantun Branch	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology Deputy General Manager of COTA Bank, Beitun Branch	-	-
Department of Applied Commerce, National Taichung Institute of Technology Branch General Manager of COTA Bank, Fengxin Branch	-	-
Department of Extension Business Vocational School, National Taichung Institute of Technology Branch General Manager of COTA Bank, Fengxin Branch		
Department of Technology Management, Chung Hua University, Master Commissioner of COTA Bank, Credit Management Department	-	-
Department of Finance, Takming University of Science and Technology Deputy General Manager of COTA Bank, Taipei Branch	-	-
Department of Law, Soochow University Branch General Manager of COTA Bank, Taipei Branch	-	-

2 Corporate Governance

Title	Name	Date of Inauguration	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C	
			No. of Shares	%	No. of Shares	%	No. of Shares	%
Branch General Manager	Cheng-Hao Wu	Jan. 08, 2014	244,567	0.021	-	-	-	-
Branch General Manager	Shu-Chen Shih	Jan. 09, 2016	799,743	0.068	-	-	-	-
Branch General Manager	Mei-Chuan Lee	Oct. 01, 2024	496,349	0.042	-	-	-	-
Branch General Manager	Ching-Yu Chen	Oct. 01, 2024	96,023	0.008	46,758	0.004	-	-
Branch General Manager	Kuo-Mao Wu	Jan. 01, 2017	74,857	0.006	-	-	-	-
Branch General Manager	Sheng-Jie Lin	Apr. 01, 2022	89,029	0.008	-	-	-	-
Branch General Manager	Mao-Sheng Huang	Apr. 01, 2022	492,137	0.042	105,429	0.009	-	-
Branch General Manager	Chun-Yen Hsieh	Jan. 01, 2023	39,306	0.003	-	-	-	-
Branch General Manager	Hsien-Hsun Chiang	Jun. 24, 2013	450,633	0.038	25,729	0.002	-	-
Branch General Manager	Yang-Chih Lin	May. 02, 2024						
Branch General Manager	Yung-Hung Tsao	Jul. 01, 2021	227,499	0.019	-	-	-	-
Branch General Manager	Po-Hsun Chang	Oct. 01, 2015	112,215	0.009	-	-	-	-
Branch General Manager	Chuan-Ming Ou	Apr. 08, 2021	137,966	0.012	219,087	0.019	-	-
Branch General Manager	Cheng-Chien Ho	Jul. 01, 2021	497,842	0.042	-	-	-	-
Branch General Manager	Yan-Wun Huang	Apr. 08, 2021	201,643	0.017	107,746	0.009	-	-
Branch General Manager	Steven Yeh	Apr. 08, 2021	185,249	0.016	199,786	0.017	-	-

Note3.

The general manager or equivalent (the top manager) and the chairman are the same person, or are relatives such as spouse or first-degree relatives, and should explain the reason, rationality, necessity and relevant information about the measures (For example, to increase the number of independent directors, more than half of the directors must not serve as employees or managers)

2-1-3. Information on Chairman and General Manager who retired from the Bank or Its Affiliates and Returned as Consultants: None

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of Business Administration, Fujen Catholic University Deputy General Manager of COTA Bank, Banciao Branch	-	-
Department of Social Science, The National Open University Branch General Manager of COTA Bank, Fengdong Branch	-	-
Department of Finance, Chung Hua University Deputy General Manager of COTA Bank, Tainan Branch	-	-
Department of Finance and Banking, Southern Taiwan University of Science and Technology Deputy Branch Manager of COTA Bank, Tainan Branch		
Department of International Business, Tatung College of Business Project Manager of COTA Bank, Ciaotou Branch	-	-
Department of International Business, College of Design, Shih Chien University Deputy General Manager of COTA Bank, XinZhuang Branch	-	-
Department of Finance, Chung Hua University Branch General Manager of COTA Bank, Lin Sen Branch	-	-
Department of International Business, Providence University Deputy General Manager of COTA Bank, Fengshan Branch	-	-
Department of Cooperative Economics, Tamkang University Branch General Manager of COTA Bank, Zhongshan Branch	-	-
Department of Finance, National Sun Yat-sen University Corporate Banking Relationship Manager, Bank SinoPac		
Department of Finance, Feng Chia University, Master Branch General Manager of COTA Bank, Tianzhong Branch		
Department of Finance, Chaoyang University of Technology, Master Project Manager of COTA Bank, Zhongshan Branch		
Department of Applied Foreign Languages, Chung Chou University of Science and Technology Deputy General Manager of COTA Bank, Management Department		
Department of Applied Foreign Languages, Taichung Institute of Technology Branch General Manager of COTA Bank, Xinzhu Branch		
Executive Master of Business Administration, International University of Monaco Assistant Manager of COTA Bank, Taoyuan Branch	-	-
Department of Accounting, National Chung Hsing University Deputy General Manager of COTA Bank, Jinhua Branch	-	-

2 Corporate Governance

2-2. Directors (including, Supervisors, President and Executive Vice Presidents) Remuneration in Recent Year

2-2-1. Directors' Remuneration

Title	Name	Compensation							
		Rewards (A)		Pension and Superannuation (B)		Earning Distribution (C)		Professional Practice (D)	
		Bank	Con- Solidation	Bank	Con- Solidation	Bank	Con- Solidation	Bank	Con- Solidation
Chairman	Song-Yie Liao	14,200	14,200	-	-	17,566	17,566	852	852
Managing Director	Chien-Chung Lai(Note 3)								
Managing Director	Chuan Cheng Hat Co., Ltd. Assigned Representative: Bor-Yi Huang								
Director	Xian-De Lai								
Director	Chun-Chieh Wang								
Director	Ding-Lie, Huang								
Director	Pei-Chen, Wang								
Director	Jo-Ping, Lin								
Director	Po-Yao Chi								
Director	Hsin-I Hsiao								
Director	Tsung-Huang Li								
Director	CCH Plus Inc. Assigned Representative: Yuan-Chung, Huang								
Managing (Independent) Director	Hong-Chi Chang	2,760	2,760	-	-	4,523	4,523	570	570
Managing (Independent) Director	Rung-Terng Tsai								
Independent Director	Tsung-Ta Kuo								

Note 1: Please explain the policy, system, standards and structure of independent directors' remuneration payment, and explain the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: the remuneration of independent directors of the Bank is in accordance with the Bank's "Articles of Association" and "Directors and employees compensation policy" and other relevant regulations, according to their level of participation in the Bank's operations and with reference to industry standards, with the approval of the Salary and Remuneration Committee to the Board of Directors for discussion and approval.

As of Dec. 31, 2024, Unit: TWD thousand

Sum of A, B, C and D /after- tax profit (%)		Compensations received by part-time employees								Sum of A, B, C, D, E, F AND G / after-tax profit (%)		Whether or not any compensation is received from other reinvested businesses than subsidiaries or parent company
		Salary, Bonus and Special Disbursement (E)		Pension and Superannuation (F)		Employee Bonus Distribution (G)						
Bank	Con- Solidation	Bank	Con- Solidation	Bank	Con- Solidation	COTA		Con-Solidation		COTA	Con- Solidation	
						Cash Dividend	Stock Dividends	Cash Dividend	Stock Dividends			
3.74%	3.74%	-	-	-	-	-	-	-	-	3.74%	3.74%	NIL
0.90%	0.90%	-	-	-	--	-	-	-	-	0.90%	0.90%	NIL

Note 2: In addition to the disclosures in the above table, the remuneration received by the company's directors for all services provided in the financial report (such as serving as a consultant for non-employees) in the most recent year: 0

Remarks: 1. Earnings after income tax amount to TWD871,890 thousand.

Note 3: Chien-Chung Lai, Executive Director, was relieved of his duties due to his passing on August 15, 2024.

2 Corporate Governance

Classification of Remuneration

Unit: TWD

Classification of Remuneration for Directors	Name of Directors			
	Aggregate amount of A, B, C and D		Aggregate amount of A, B, C, D, E, F and G	
	Bank	Consolidation	Bank	Consolidation
below 1,000,000	Bor-Yi Huang Yuan-Chung Huang	Bor-Yi Huang Yuan-Chung Huang	Bor-Yi Huang Yuan-Chung Huang	Bor-Yi Huang Yuan-Chung Huang
1,000,000 - 2,000,000	Chien-Chung Lai	Chien-Chung Lai	Chien-Chung Lai	Chien-Chung Lai
2,000,000 - 3,500,000	Hong-Chi Chang Rung-Terng Tsai Tsung-Ta Kuo Xian-De Lai Chun-Chieh Wang Ding-Lie, Huang Pei-Chen, Wang Jo-Ping, Lin Po-Yao Chi Hsin-I Hsiao Tsung-Huang Li Chuan Cheng Hat Co., Ltd. CCH Plus Inc.	Hong-Chi Chang Rung-Terng Tsai Tsung-Ta Kuo Xian-De Lai Chun-Chieh Wang Ding-Lie, Huang Pei-Chen, Wang Jo-Ping, Lin Po-Yao Chi Hsin-I Hsiao Tsung-Huang Li Chuan Cheng Hat Co., Ltd. CCH Plus Inc.	Hong-Chi Chang Rung-Terng Tsai Tsung-Ta Kuo Xian-De Lai Chun-Chieh Wang Ding-Lie, Huang Pei-Chen, Wang Jo-Ping, Lin Po-Yao Chi Hsin-I Hsiao Tsung-Huang Li Chuan Cheng Hat Co., Ltd. CCH Plus Inc.	Hong-Chi Chang Rung-Terng Tsai Tsung-Ta Kuo Xian-De Lai Chun-Chieh Wang Ding-Lie, Huang Pei-Chen, Wang Jo-Ping, Lin Po-Yao Chi Hsin-I Hsiao Tsung-Huang Li Chuan Cheng Hat Co., Ltd. CCH Plus Inc.
3,500,000 - 5,000,000	-	-	-	-
5,000,000 - 10,000,000	Song-Yie Liao	Song-Yie Liao	Song-Yie Liao	Song-Yie Liao
10,000,000 - 15,000,000	-	-	-	-
15,000,000 - 30,000,000	-	-	-	-
30,000,000 - 50,000,000	-	-	-	-
50,000,000 - 100,000,000	-	-	-	-
Above 100,000,000	-	-	-	-
TOTAL	17 (Persons)	17 (Persons)	17 (Persons)	17 (Persons)



2-2-2. President and Senior Executive Vice President Remuneration

As of Dec. 31, 2024, Unit: TWD thousand

Title	Name	Supervisors' Remuneration										Sum of A, B, C and D /after-tax profit (%) (Note 8)		Whether or not any compensation is received from other reinvested businesses than subsidiaries or parent company (Note 9)
		Rewards (A) (Note 2)		Pension and Superannuation (B)		Earning Distribution (C) (Note 3)		Professional Practice (D) (Note 4)						
		Bank	Consoli- dation (Note 5)	Bank	Consoli- dation (Note 5)	Bank	Consoli- dation (Note 5)	Bank		Consolida- tion (Note 5)		Bank	Consoli- dation (Note 5)	
President	Shih-Chao Lee	11,622	11,622	0	0	11,031	11,031	Cash	Stock	Cash	Stock	2.7491%	2.7491%	NIL
Chief Auditor	Huan-Mou Cheng													
Vice President	Wen-Lung Chen													
Vice President	Hung-Tsang Chiang							1,315	0	1,315	0			
Vice President	Richard C.C. Chang													
Vice President	Chia-Chin Liu													

Note: Not applied as the Bank is not a listed company.

Classification of Remuneration

Unit: TWD

Classification of Remuneration for President and Senior Executive Vice President	Name of President and Senior Executive Vice President	
	Bank (Note 6)	Consolidation (Note 7)
below 1,000,000	-	-
1,000,000 - 2,000,000	-	-
2,000,000 - 3,500,000	Hung-Tsang Chiang	Hung-Tsang Chiang
3,500,000 - 5,000,000	Shih-Chao Lee, Huan-Mou Cheng, Wen-Lung Chen, Richard C.C. Chang, Chia-Chin Liu	Shih-Chao Lee, Huan-Mou Cheng, Wen-Lung Chen, Richard C.C. Chang, Chia-Chin Liu
5,000,000 - 10,000,000	-	-
10,000,000 - 15,000,000	-	-
15,000,000 - 30,000,000	-	-
30,000,000 - 50,000,000	-	-
50,000,000 - 100,000,000	-	-
Above 100,000,000	-	-
TOTAL	6 (Persons)	6 (Persons)

* Remuneration shown under the chart is for disclosure purpose. It is not subject to "income" under the Income Tax Act, and thereby is not taxable.

2 Corporate Governance

2-2-3. List of Compensation Paid to President, Executive Vice Presidents and General Managers

As of Dec. 31, 2024; Unit: TWD thousand

	Title	Name	Stock dividends	Cash Dividends	Total Amount	Total Amount/ Net Income (%)
Manager	President	Shih-Chao Lee	-	7,260	7,260	0.8328%
	Chief Auditor	Huan-Mou Cheng				
	Vice President	Wen-Lung Chen				
	Vice President	Richard C.C. Chang				
	Vice President	Chia-Chin Liu				
	Vice President	Hung-Tsang Chiang				
	Assist Vice President	Chang-Chieh Lin				
	Assist Vice President	Wen-Sheng Lai				
	Assist Vice President	Yung-Hsieh Chen				
	Assist Vice President	Tzu-Hsiu Liang				
	Assist Vice President	Wei-Bin Lin				
	Department General Manager	Li-Hui Huang				
	Department General Manager	Ya- Ting Yu				
	Department General Manager	Shu-Yuan Liu				
	Department General Manager	Pao-Kuei Chou				
	Department General Manager	Ding-Wang Yang				
	Department General Manager	Chun-Chieh Chien				
	Department General Manager	Jun-Long Tsai				
	Department General Manager	Hui-Hsiang Yang				
	Department General Manager	Chen-Chuan Kuo				
	Department General Manager	Jia-Si Yan				
	Department General Manager	Chun-Hsien Chiu				
	Assist Vice President (Branch General Manager)	Tien-Long Yang				
	Assist Vice President (Branch General Manager)	Tseng-Yi Huang				
	Branch General Manager	Chuan-Hung Yang				
	Branch General Manager	Tzung-Hua Yang				
	Branch General Manager	Mei-Ling Shih				
	Branch General Manager	Zong-Long Tu				
	Branch General Manager	Qing-Sheng Xiao				
	Branch General Manager	Yau-Guei Tsai				
	Branch General Manager	Cheng-Hsien Hsieh				
	Branch General Manager	Ya-Ju Hsu				
	Branch General Manager	Kung-Ming Hsu				
	Branch General Manager	Hung-Chi Tung				
	Branch General Manager	Chang-Cheng Chen				
	Branch General Manager	Chia-Wen Ke				
	Branch General Manager	Chi-Nan Huang				
	Branch General Manager	Qing-Yu Xu				
	Branch General Manager	His-Hsien Wang				
	Branch General Manager	Cheng-Hao Wu				

	Title	Name	Stock dividends	Cash Dividends	Total Amount	Total Amount/ Net Income (%)
	Branch General Manager	Shu-Chen Shih				
	Branch General Manager	Mei-Chuan Lee				
	Branch General Manager	Ching-Yu Chen				
	Branch General Manager	Kuo-Mao Wu				
	Branch General Manager	Sheng-Jie Lin				
	Branch General Manager	Mao-Sheng Huang				
	Branch General Manager	Chun-Yen Hsieh				
	Branch General Manager	Hsien-Hsun Chiang				
	Branch General Manager	Yang-Chih Lin				
	Branch General Manager	Yung-Hung Tsao				
	Branch General Manager	Po-Hsun Chang				
	Branch General Manager	Chuan-Ming Ou				
	Branch General Manager	Cheng-Chien Ho				
	Branch General Manager	Yan-Wun Huang				
	Branch General Manager	Steven Yeh				
	Branch General Manager	Chi-Shen Huang				

Note: Not applied as the Bank is not a listed company.

2-2-4. A comparative summary of total remuneration paid to the Company's directors, supervisors, president, and vice presidents by the Bank and its consolidated entities over the past two years, including the ratio to net profit after tax, along with a description of remuneration policies, standards, composition, determination procedures, and their relevance to performance and future risks

Item	Total Amount / Net Income After Tax		
	Year 2024	Year 2023	%
Director (Including independent director)	4.64%	4.49%	+0.15%

Remarks:

Remuneration of director is calculated based on bank's performance and regular gross profit and is paid in accordance with guidelines of the Bank's articles of incorporate and the resolution of shareholders' general meeting.

Item	Total Amount / Net Income After Tax		
	Year 2024	Year 2023	%
President and Senior Executive Vice President	2.7491%	1.5728%	+1.1763%

Remarks:

1. Remuneration for president and vice-president is paid in accordance with rules approved by the board of directors.
2. Payment of employee salary is calculated by related by-laws.
3. Annual profit should be paid 6% to employees and paid in stock or cash, it shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least a two-thirds of the entire directors of the company, and report to shareholder meeting.
4. Performance bonus is paid according to year earning status and rules of performance evaluation.

2 Corporate Governance

2-3. Operation of Corporate Governance

2-3-1. Operation of board of directors

2-3-1-1.

4 meetings were convened last year; and the records of attendance of directors and supervisors at the meetings are as below:

Title	Name	Attendance in Person(B)	Attendance by Proxy	Actual Attendance Rate (%)	Annotations
Chairman	Song-Yie Liao	4	0	100	
Managing (Independent) Director	Hong-Chi Chang	4	0	100	
Managing (Independent) Director	Rung-Terng Tsai	4	0	100	
Managing Director	Chuan Cheng Hat Co., Ltd. Duty holder: Bor-Yi Huang	4	0	100	
Managing Director	Chien-Chung Lai	1	0	25	Deceased and accordingly discharged from duties as of August 15, 2024
Independent Director	Tsung-Ta Kuo	4	0	100	
Director	Xian-De Lai	4	0	100	
Director	Chun-Chieh Wang	4	0	100	
Director	Ting-Lieh Huang	4	0	100	
Director	Jo-Ping, Lin	4	0	100	
Director	Pei-Chen Wang	4	0	100	
Director	Chuan Chi Ltd. Duty holder: Yuan-Chung Huang	4	0	100	
Director	Po-Yao Chi	4	0	100	
Director	Hsin-I Hsiao	4	0	100	
Director	Tsung-Hung Li	4	0	100	

Other matters to be noted:

1. In the event of any following circumstances occurring while the board meeting is convened, please state the date, session, motion, the opinion of independent directors and how the opinions are handled by the bank:
 - a. In accordance with Article 14-3 of the Securities and Exchange Act, the Company has established an audit committee.
Therefore, Article 14-5 of the Securities and Exchange Act does not apply to the provisions of Article 14-3.
 - b. Other than matters hereinabove, resolutions which were objected or kept qualified opinion by independent board directors:
None.

2. Recusal of directors based upon conflicts of interest:

None.

3. Listed banks should disclose information on the evaluation cycle and period, the scope, method and content of the self (or peer) evaluation of the Board of Directors, and complete Table 2(2) in Schedule 2, which shows the implementation of the evaluation by the Board of directors. (Not applicable)

4. Evaluation of the objectives and performance of the Board of Directors' functions for the current year and the most recent year:

In accordance with the laws and regulations of the competent authorities, we have organized various new business and legal training courses, such as: Board of Directors and Supervisors Operation and Corporate Governance Workshop - Analysis of the Principle of Fairness in Treating Customers in the Financial Services Sector, the Latest Developments in Anti-Money Laundering and Counter-Terrorism, the Strategies for Personal Information Leakage and Security, ESG Sustainable Finance and Integrity Management, and we invite our directors to actively participate in these courses in order to enhance their professional knowledge and legal literacy.

Note 1: If the directors and supervisors are legal entities, the names of the legal shareholders and their representatives should be disclosed.

Note 2: (1) If a director or supervisor vacates his or her position before the end of the year, the date of vacancy shall be indicated in the Remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his or her term of office.

(2) If a director or supervisor is re-elected before the end of the year, both the new and old director or supervisor should be listed, and the date of re-election should be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of meetings attended during the term of office.

2-3-1-2. Implementation of the evaluation of the Board of directors

Please be advised that the Bank is not a listed or over-the-counter bank and therefore is not required to provide this information.

2 Corporate Governance

2-3-2. Operation of the auditing committee:

5 Meetings were convened last year; and the records of attendance of independent directors at the meetings are as below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (Note1, Note2)	Annotations
Independent Director	Hong-Chi Chang	5	-	100	
Independent Director	Tsung-Ta Kuo	5	-	100	
Independent Director	Rung-Terng Tsai	5	-	100	

Other matters to be noted:

1. In the event of any of the circumstances occurring while the Board of Directors conducts its activities, details including the date, session, and agenda of the board meeting, all opinions of the independent directors, and the Company's responses to the independent directors' opinions should be provided.

a. Matters specified in Article 14-5 of the Securities Exchange Act:

Date and Order of Board Meeting	Proposal	Resolution	Opinion from bank to the resolution
4 th meeting of the 4 th Board of Directors on Feb.23, 2024 7 nd meeting of the 4 th Board of Directors on Aug.08, 2024	Annual and Semi-annual financial report.	Unanimous consent	Resolution discussed and approved by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	Capital increase from retained earnings of 2023.	Unanimous consent	Resolution discussed and approved by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	Effective statement on the Personal Data Protection and Design and Operation Internal Control System.	Unanimous consent	Resolution discussed and approved by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	The Bank's Annual Statement of Internal Control System.	Unanimous consent	Resolution discussed and approved by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	Audit report from accountancy firm. The Bank reports on the issues raised in the audit report.	Unanimous consent	Resolution discussed and approved by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	COTA Commercial Bank (including concurrent Insurance Agent business) Annual Statement on Internal AML/CFT Control.	Unanimous consent	Resolution discussed and reported by board meeting
4 th meeting of the 4 th Board of Directors on Feb.23, 2024	Appointment and Remuneration of CPA	Unanimous consent	Resolution discussed and approved by board meeting
6 th meeting of the 4 th Board of Directors on Jun.12, 2024	Cash Capital Increase	Unanimous consent	Resolution discussed and approved by board meeting
6 th meeting of the 4 th Board of Directors on Jun.12, 2024	Appointment and dismissal cases of Finance Director	Unanimous consent	Resolution discussed and approved by board meeting
8 th meeting of the 4 th Board of Directors on Dec.10, 2024	Amendments to the "Internal Control System".	Unanimous consent	Resolution discussed and approved by board meeting
8 th meeting of the 4 th Board of Directors on Dec.10, 2024	Audit plan declaration form of 2025	Unanimous consent	Resolution discussed and approved by board meeting



- b. Except for proposals hereinabove, any matter that has not been passed by the audit committee but has been adopted with the approval of two-thirds or more of all board directors: None.
2. Recusals of independent directors based upon conflict of interest: None
3. Communication among independent directors, the Chief Auditor and CPAs:
- (1) Communication between CPAs and independent directors:
1. In preparing the semi-annual and annual financial reports, the Bank communicates fully with the accountants and provides the financial reports to the independent directors for their review before the Audit Committee is convened, and invites the head of the accounting department to attend the Audit Committee meetings to communicate with and report on the contents of the Bank's financial reports for verification and certification to ensure the truthfulness and completeness of the contents, and there are no inconsistencies in the audit report issued by the Audit Committee after the Board of Directors' resolution is submitted. There is no inconsistency in the opinion of the Audit Committee.
 2. CPA Yan-Hui Chen explained and communicated with the meeting. The following topics are covered: independence, responsibilities of auditors in auditing financial statements, types of audit opinions issued, scope of audit, audit findings, significant accounting standards or interpretations, securities regulatory laws and regulations, and updates to securities regulatory laws and regulations. In the future, the Bank will continue to communicate with the CPA at least once a year and incorporate this channel or mechanism into the Bank's internal operating procedures.
- (2) Communication between the chief auditor and independent directors:
- Director and independent directors are invited to semi-annual meetings discussing faults and issues listed in the report on internal audit and internal control. Other significant matters are also presented to the audit committee and the board of directors.

Note 1:

If an independent director leaves before the end of the year, the date of departure should be indicated in the annotations column. The attendance rate (%) is calculated by actual number of attendance and the number of auditing meetings during a term.

Note 2:

If an independent director is re-elected before the end of the year, both the newly appointed and existing independent directors should be listed, and the independent director should be indicated in the annotations column as existing, newly appointed, re-election and the date of re-election. The attendance rate (%) is calculated by actual number of attendance and the number of auditing meetings during a term.

2-3-3. Items disclosed under the Code of Corporate Governance Practices for the Banking Sector: Please refer to 2-3-4.



2 Corporate Governance

2-3-4. Current Status of the Bank's Corporate Governance Practices and Its Comparison against the Corporate Governance Best-Practice Principles for Banks.

Item	Status of Operation			Differences from "The Corporate Governance guidelines for banking industry" and Reasons
	Y	N	Summary	
<p>I. Ownership structure and Shareholders' equity of the Bank</p> <p>(1) Has the bank established procedures handling shareholders' suggestions, queries, disputes and litigations, as well as act in accordance with said procedures?</p> <p>(2) Is the bank able to identify its major shareholders and the ultimate person or persons behind such shareholders?</p> <p>(3) Has the Bank established and implemented firewalls and risk management mechanisms between its affiliates.</p>	✓		<p>(1) In accordance with the Bank's Corporate Governance Best Practice Principles, Shareholder's suggestions and litigations are handled immediately by appropriate department.</p> <p>(2) The bank has appropriate department compiling list of major shareholders monthly.</p> <p>(3) No affiliates.</p>	No difference.
<p>II. Duties of Board of Directors</p> <p>(1) Does the Board of Directors have a diversity policy and specific management objectives?</p> <p>(2) Besides setting up the Compensation Committee and Audit Committee according to law, does the Bank voluntarily set up other functional committees?</p> <p>(3) Do the listed or OTC banks set up performance evaluation methods for their boards of directors and their evaluation methods, and conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the board of directors, and use them as reference for individual directors' remuneration and nomination for reappointment? (Note 2)</p> <p>(4) Does the Bank evaluate the independence of its CPAs on a regular basis?</p>	✓		<p>(1) In accordance with the Bank's Corporate Governance Best Practice Principles, the board of directors shall be responsible for the Bank's overall business strategies and major policies, effective supervision of the management, and accountability to all shareholders. The various operations and arrangements of the Bank's corporate governance system shall ensure that the board of directors exercise its authority in accordance with the provisions of the Act, the articles of association or resolutions of the shareholders' meeting.</p> <p>(2) The Bank also established Nomination Committee.</p> <p>(3) Not a listed company in TWSE or TPEX.</p> <p>(4) Assessment of the independency of appointed CPAs is conducted regularly.</p>	No difference.
<p>III. Does the bank allocate appropriate and appropriate number of corporate governance staff and designate a head of corporate governance to be responsible for corporate governance related matters (including but not limited to providing directors and supervisors with information necessary for the execution of business, assisting directors and supervisors to comply with laws and regulations, handling matters related to board of directors and shareholders' meetings in accordance with the law, and preparing minutes of board of directors and shareholders' meetings)?</p>	✓		<p>The Bank has a designated head of corporate governance; the responsible unit is responsible for corporate governance-related matters.</p>	No difference.



Item	Status of Operation			Differences from “The Corporate Governance guidelines for banking industry” and Reasons
	Y	N	Summary	
IV. Has the bank established communication channels with its stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and set up a stakeholder section on the company’s website, and appropriately responded to stakeholders’ concerns on important CSR issues?	✓		<p>The Company communicates face-to-face, by telephone, in writing or via the Internet; and periodically requests the directors to confirm the filing and updating of related party information by means of a written letter. Confirmation of information with managers is done through a contact form in the first and third quarters of each year and updates are built in.</p> <p>The “Corporate Social Responsibility page” is set up under “About COTA” on the Bank’s official website, and a questionnaire survey on stakeholder concerns has been added to the “Stakeholder Consultation” to understand the important Corporate Social Responsibility issues of concern to stakeholders.</p> <p>QR Code is placed in each branch for customers to fill out online financial friendly service satisfaction surveys to encourage interaction between staffs and customers to increase customer feedback.</p>	No difference.
V. Disclosure of information (1) Has the Bank set up website for the disclosure of financial information and its corporate governance practices? (2) Any other methods adopted by the Bank for the disclosure of information (e.g., establishing English version website, appointing persons responsible for gathering and disclosing Bank information, implementing a spokesperson system, and placing the record of analyst meeting on its website)? (3) Does the bank announce and report its annual financial report within the time period after the end of the fiscal year in accordance with the relevant provisions of the Banking Act and the Securities and Exchange Act, and announce and report its first, second and third quarterly financial report and operations for each month well in advance of the required time period?	✓		<p>(1) The Bank’s website has an information area for legal public disclosure of financial operations and corporate governance information. (http://www.cotabank.com.tw)</p> <p>(2) The Bank’s business, financial information and significant information are announced to shareholders and the public on the Bank’s website or the Market Observation Post System. The Bank has an English website; the spokesperson is the Vice President.</p> <p>(3) As a public company, the Bank announces half-yearly and annual financial reports and operations for each month.</p>	No difference.

2 Corporate Governance

Item	Status of Operation			Differences from “The Corporate Governance guidelines for banking industry” and Reasons
	Y	N	Summary	
VI. Has the Bank provided other important information to facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, purchasing insurance for directors and supervisors, political donation and donation to stakeholders and public interested group)?	✓		<ol style="list-style-type: none"> 1. Employee rights: the Bank advocates the spirits of humanity. In order to maintain a friendly relationship between employers and employees, the Bank holds regular labor-management meetings once every three months in accordance with the “Regulations on the Implementation of Labor-Management Meetings” to discuss matters such as coordination of labor-management relations, promotion of labor-management cooperation, employee welfare and labor safety, etc. and establishes the Employees' Welfare Committee to provide employee benefits. 2. Employee wellness: Organize staff trips to ease the tension of life. Home visiting every year to understand the living condition of staff. 3. Investors relations: Establish designated web-pages for shareholders providing relevant information of stock matters. The Bank formulated the code of practice and voting policy for legal person shareholders with higher privileges to ensure shareholders' equity. 4. Rights of stakeholders and consumer's protection and the policy of corporate governance: the Bank has always emphasized customer service quality. It provides customer complain channel and has implemented a number of customer protection policies. 5. Training and advanced studies of board members and supervisors: Taiwan Securities and Futures Institute and Taiwan Academy of Banking and Finance have arranged corporate governance courses for directors and supervisors. The 9th board directors have taken 6~12 hours courses since they took office.(Seminar on Board of Directors and Supervisors Operation and Corporate Governance has been organized on Sept 11 2024.) Conducting on-the-job training in accordance with the Regulations Governing Required Qualifications for Responsible Persons and Required Trust Expertise or Experience for Operations and Managerial Personnel of Trust Enterprises . 	No difference

Item	Status of Operation			Differences from “The Corporate Governance guidelines for banking industry” and Reasons
	Y	N	Summary	
			<p>6. Implementation of risk management policies and risk evaluation measures: Establish Risk Management Department and Risk Management Committee regularly evaluates operating risks and reports to the board of directors. We have established and implemented risk management policies and requirements for each of our businesses to ensure the safety of banking operations and performances.</p> <p>7. Purchasing insurance for directors and supervisors: In order to round out the company's corporate governance mechanism and reduce risk exposed to directors and key staff members of the company, the Bank has taken out liability insurance for directors, supervisors and managers.</p> <p>8. Political donation and donation to stakeholders and public interested group in 2024 are stated below:</p> <p>a. Third Credit Educational Foundation: NTD1,000,000</p> <p>b. Taichung Shan Yueh Association: NTD150,000</p> <p>c. Eden Social Welfare Foundation: NTD50,000</p> <p>d. Credit Union League of the Republic of China: NTD100,000</p> <p>e. Ganlin Social Welfare Foundation: NTD50,000</p> <p>f. Political Donation: None.</p>	
VII. Describe improvements that have been made based on the latest corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange. If no improvements have been made, propose priorities for change and relevant measures. (Not included in the appraised company, not needed to fill in)		✓	None.	No difference

Note 1: The status of operation should be described in the summary field, regardless of whether “Yes” or “No” is checked.

Note 2: Please explain the differences from Corporate Governance Best Practice Principles for TWSE/TPEX listed companies and reasons

2 Corporate Governance

2-3-5. Composition, Duties, and Operation of the Remuneration Committee

2-3-5-1. Professional Qualifications and Independence Analysis of Member of Remuneration Committee

Position (Note 1)	Qualifications	Professional Qualifications and Experience (Note 2)	Independent status (Note 3)	Number of compensation committees at other companies of which the individual is a member on a concurrent basis
	Name			
Independent Director (Convener)	Tsung-Ta Kuo	Please refer to page 8 for director information (I)	Number and proportion of shares held by in person, spouse, second degree relatives(or in someone else's name) etc.: 0 share , 0%	N
Independent Director	Hong-Chi Chang	Please refer to page 8 for director information (I)	Number and proportion of shares held by in person, spouse, second degree relatives (or in someone else's name) etc.:0 shares , 0%	N
Independent Director	Rung-Terng Tsai	Please refer to page 8 for director information (I)	Number and proportion of shares held by in person, spouse, second degree relatives(or in someone else's name) etc.: 0 share , 0%	3 listed companies

Note:

1. Please specify the relevant years of service, professional qualifications and experience and independence of each member of the Remuneration Committee in the form. If you are an independent director, please note that you can refer to Schedule I (1) on page OO for Directors and Supervisors Information. If you are an independent director, please indicate whether you are an independent director or other (If you are a convener, please add a note).
2. Professional Qualifications and Experience: Describe the professional qualifications and experience of individual Remuneration committee members.
3. Independent status: Describe the independent status of Remuneration committee members. Whether in person, spouse, second degree relatives serve as directors, supervisors, or employees of the bank or its related business; Number and proportion of shares held by in person, spouse, second degree relatives(or in someone else's name); Whether serve as directors, supervisors, or employees of a company with a specific relationship with the bank; The amount of remuneration for business, legal, financial and accounting services provided by the bank or its related business during the past two years.

2-3-5-2. Operation of Remuneration Committee:

- (1) The Bank's Remuneration Committee has 3 members.
- (2) Period of appointment of 10th committee members is from June 27, 2023 to June 26, 2026.
- (3) 4 meetings were convened in the most recent year, and the records of attendance at the meetings are as below:

Title	Name	Attendance in Person	Attendance By Proxy	Actual Attendance Rate (%)	Annotation
Convener	Tsung-Ta Kuo	4	-	100%	
Member	Hong-Chi Chang	4	-	100%	
Member	Rung-Terng Tsai	4	-	100%	

Remarks:

1. Please state the board meeting's date, session, motion, resolution and result of execution if the advice of the remuneration committee was declined, revised or suggested to be amended by the board (please clearly state the discrepancy and its reason of the salary compensation approved by the board was better than that recommended by the remuneration Committee): None.
2. Please state the meeting's date, session, motion, resolution and result of execution if there was any committee member holds opposition or different opinions to the resolution made by the remuneration committee: None.

Note:

- (1) If a member of remuneration committee leaves before the end of the year, the date of departure should be indicated in the annotations column. The attendance rate (%) is calculated by actual number of attendance and the number of remuneration committee during a term.
- (2) If a remuneration committee is re-elected before the end of the year, both the newly appointed and existing member of remuneration committee should be listed, and the member should be indicated in the annotations column as existing, newly appointed, re-election and the date of re-election. The attendance rate (%) is calculated by actual number of attendance and the number of remuneration committee during a term.



2-3-5-3. Information on the Membership and Operation of the Nomination Committee:

- (1) The Bank's Nomination Committee has 5 members.
 (2) Period of appointment of 10th committee members is from June 27, 2023 to June 26, 2026.
 (3) 1 meeting was convened in the most recent year, and the professional qualifications and work experience, attendance, and matters discussed are as follows:

Title	Name	Professional qualifications and experience	Attendance in Person	Attendance By Proxy	Actual Attendance Rate (%) (Note)	Annotation
Convener	Hong-Chi Chang	Professional qualifications: Approved by the FSC and meets the requirements of "Subparagraph 4, Article 9-1 of the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks." Experience: President of Chang Hwa Commercial Bank, Ltd. Chief Auditor, Vice President of Bank of Taiwan	1	0	100%	
Member	Rung-Teng Tsai		1	0	100%	Aug 26, 2024 appointment
Member	Xian-De Lai	Professional qualifications: Approved by the FSC and meets the requirements of "Subparagraph 4, Article 9-1 of the Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks." Experience: Chairman of Tung Yang Business Co., Ltd. with a background in corporate operations	1	0	100%	
Member	Chun-Chieh Wang	Experience: Chairman of Mingdao Private High School with a background in corporate operations	1	0	100%	
Member	Chuan Chi Ltd. (Yuan-Chung Huang)	Experience: President of Chuan Cheng Hat Co., Ltd. with a background in corporate operations	1	0	100%	
Member	Chien-Chung Lai	Experience: President of Chiao Sang Footwears Inc. with a background in corporate operations	-	-	-	Aug 15, 2024 death dismissal

Remarks:

Describe the meeting date, term, and content of major motions of Nomination Committee; any suggestions or objections made by committee members; resolutions of the Nomination Committee; and the handling of Nomination Committee proposals by the Board of Directors: None

Note 1: If a member leaves before the end of the year, the date of departure should be indicated in the annotations column. The attendance rate (%) is calculated by actual number of attendance and the number of nomination committee meetings during a term.

Note 2: If a member is re-elected before the end of the year, both the newly appointed and existing nomination committee member should be listed, and the member should be indicated in the annotations column as existing, newly appointed, re-election and the date of re-election. The attendance rate (%) is calculated by actual number of attendance and the number of nomination committee meetings during a term.

2 Corporate Governance

2-3-6. The State of the Company's Promotion of Sustainable Development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Item	Execution conditions (Note 1)			Deviation from the guidelines for the Sustainable Development for TWSE/ TPEX Listed Companies and reasons (Note 2)
	Y	N	Summary	
1. Has the Company established a dedicated or part-time unit to promote sustainable development, and has senior management been authorized by the Board to take charge of proposing sustainable development policies and reporting to the Board?		✓	None	The Bank is not a listed company in TWSE or TPEX.
2. Does the bank conduct risk assessments of environmental, social and corporate governance issues related to the company's operations, and formulate relevant risk management policies or strategies based on materiality principles?	✓		<p>The Bank has established a "Corporate Governance Best Practice Principles" as the foundation for promoting corporate governance-related matters. In accordance with the "Risk Management Policies and Procedures" and the "Climate Risk Management Guidelines," the Bank formulates relevant operational regulations for various risk factors to safeguard its assets and implement comprehensive risk management across its operations, thereby ensuring sound management and sustainable development.</p> <p>A "Risk Management Committee" has also been established, which is responsible for reviewing major risk-related proposals and submitting them to the Board of Directors for discussion, providing strategic management decisions and recommendations. The senior management, under the guidance and supervision of the Board, formulates procedures capable of identifying, measuring, monitoring, and controlling the company's risks.</p>	The Bank is not a listed company in TWSE or TPEX.
3. Environmental Issues (1) Has the bank developed an appropriate environmental management system, given its industry characteristics?	✓		(1) The Bank complies with relevant laws and regulations such as public safety standards, the Building Act, the Regulations for Management of Interior Decoration of Buildings, the Fire Services Act, and the Labor Safety and Health Facility Planning Guidelines as the basis for managing its physical environment. All departments also conduct regular assessments of their working environments and fire safety inspections, and all equipment used within the premises is routinely maintained and inspected.	The Bank is not a listed company in TWSE or TPEX.



Item	Execution conditions (Note 1)			Deviation from the guidelines for the Sustainable Development for TWSE/ TPEX Listed Companies and reasons (Note 2)
	Y	N	Summary	
(2) Is the bank committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		<p>(2) To enhance the efficiency of resource utilization, the Bank has adopted the following measures:</p> <ul style="list-style-type: none"> a. Procure products with eco-labels and energy-saving labels certified by the Bureau of Energy, Ministry of Economic Affairs. b. Use LED lighting, inverter air conditioning, and high-efficiency machinery to reduce energy consumption. c. Gradually phase out high-energy-consuming vehicles and replace them with electric vehicles (EVs) or hybrid vehicles to reduce carbon emissions and fuel costs. d. Implement an electronic document system to reduce the circulation and use of paper documents, enhance administrative efficiency, and minimize paper waste. e. Promote double-sided printing and reuse of used copy paper by encouraging employees to print on both sides and recycle paper, thereby reducing paper consumption. f. Encourage the use of reusable cups in meetings to reduce the use of disposable paper and plastic cups, lower office waste, and foster a green office culture. g. Engage cleaning contractors to handle waste disposal and resource recycling, ensuring proper waste segregation and recycling practices. 	
(3) Does the bank assess the potential risks and opportunities of climate change for businesses now and in the future, and take measures to address related issues?	✓		<p>(3) Current Energy-Saving Improvements Implemented:</p> <ul style="list-style-type: none"> a. In office and activity areas, in addition to turning off lights and air conditioning when not in use, room temperatures are typically maintained between 26°C and 28°C. High energy-efficiency inverter air conditioning systems are adopted. b. Lighting fixtures in branches and departments have been gradually replaced with LED energy-saving tubes to avoid the use of high-energy-consuming bulbs, thereby achieving energy conservation and carbon reduction. c. High-energy-consuming vehicles are being phased out and replaced with hybrid vehicles to reduce carbon emissions and fuel costs. 	

2 Corporate Governance

Item	Execution conditions (Note 1)			Deviation from the guidelines for the Sustainable Development for TWSE/ TPEX Listed Companies and reasons (Note 2)
	Y	N	Summary	
(4) Has the bank compiled statistics on greenhouse gas emissions, water consumption, and total weight of waste over the past two years, and formulated policies on greenhouse gas reduction, water use reduction, or other waste management?	✓		<p>d. Air-cooled chiller units have been replaced with high-efficiency inverter split-type air conditioning systems to improve cooling performance, reduce electricity consumption, lower energy costs, and enhance operational efficiency.</p> <p>e. To implement climate-related financial disclosures (TCFD), the Bank has commissioned PwC Legal Taiwan to provide consulting services. In accordance with the Guidelines for Climate Risk Financial Disclosures for Domestic Banks, the Bank assesses the impact of climate change on its operations and formulates response strategies and measures. The TCFD disclosure for 2023 will be completed by the end of June 2024. Going forward, relevant disclosures for the previous year will be published annually by the end of June.</p> <p>f. The Bank's "Guidelines for Credit Business Applicable to Corporate Social Responsibility and Sustainable Finance" clearly define high climate transition risk industries (i.e., high carbon-emitting industries) and incorporate related regulations. A CSR checklist has also been designed for corporate borrowers to facilitate risk review and analysis by all business units during the credit process.</p> <p>g. When engaging in securities business, if the securities traded or invested in fall under high-risk industries, such transactions or positions are subject to investment and trading limits. Relevant regulations and review procedures are outlined in the Bank's Securities Investment Operating Guidelines.</p> <p>(4) In addition to complying with regulatory requirements, the Bank has also established the Operating Guidelines for the Maintenance of Electrical Equipment and the Greenhouse Gas Inventory Guidelines to assess potential risks. Greenhouse gas emissions and water consumption are calculated based on per capita usage, with a target to reduce both by 3% by 2025 compared to 2022 levels. Each responsible unit is tasked with compiling relevant data and formulating management policies</p>	

Item	Execution conditions (Note 1)			Deviation from the guidelines for the Sustainable Development for TWSE/ TPEX Listed Companies and reasons (Note 2)
	Y	N	Summary	
4. Social Issues				
(1) Has the Bank stipulated policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		(1) The Bank's personnel laws and regulations comply with relevant labor laws and regulations, as well as international human rights conventions, such as the right to gender equality and the prohibition of discrimination, and formulate relevant management policies and procedures.	The Bank is not a listed company in TWSE or TPEX.
(2) Does the bank establish and implement reasonable employee benefit measures (including compensation, leave and other benefits, etc.) and appropriately reflect operating performance or results in employee compensation?	✓		(2) The Bank has a remuneration policy and reflects operating performance or results appropriately in the remuneration and benefits of its employees.	
(3) Does the bank provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		(3) Every three years, we implement health checkups for our employees, and we also have a doctor with contract and a full-time nursing staff to care for the physical and mental health of our employees.	
(4) Does the bank have an effective career competency development training program for its employees?	✓		(4) The Bank provides annual staff education and training, and sets up credit courses for different business, career skills and professional training. Starting from 2023, the Bank will provide employees with the opportunity to review their ability to improve themselves through credit courses and select appropriate courses, and announce the information of courses organized by external organizations from time to time. To organize training courses for managers and executives, and to arrange relevant professional courses such as core management, in order to achieve the manpower training scheme.	
(5) Does the bank comply with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling of products and services, and has it formulated relevant policies and complaint procedures to protect consumer rights and interests?	✓		(5) <ol style="list-style-type: none"> The Bank has established the Trust Business Dispute Handling and Processing Procedures to effectively address customer complaints arising from trust products or services and to safeguard their rights. Advertisements and promotions for trust products are carried out in accordance with the Bank's Guidelines for Advertising, Business Solicitation, and Marketing Activities in Trust Business and relevant regulatory requirements. All materials must be reviewed and approved by supervisors to ensure that content is not misleading, inaccurate, 	

2 Corporate Governance

Item	Execution conditions (Note 1)			Deviation from the guidelines for the Sustainable Development for TWSE/ TPEX Listed Companies and reasons (Note 2)
	Y	N	Summary	
(6) Does the bank have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or human rights at work, and how is it implemented?	✓		<p>inappropriate, or in violation of applicable regulations. If other departments are involved, materials must be signed off and approved before external release or use.</p> <p>c. When offering trust products and services to individuals with dementia or suspected dementia, the Bank follows the Assessment Criteria and Operating Procedures for Trust Business with Clients with Dementia or Suspected Dementia. These guidelines ensure proper client identification and the provision of a friendly financial environment and services, thereby ensuring full protection of their rights.</p> <p>(6) The Bank has established Principles for Supplier Management. The suppliers are required to value corporate social responsibility, operate with integrity, care of and protect employee rights, and focus on ethical risks. Under sustainable business, the bank is committed to environmental protection to reduce the impact on the environment and ecology.</p>	
5. Does the bank make reference to international standards or guidelines for the preparation of sustainable development reports and other reports that disclose non-financial information about the bank? Did you obtain a third-party verification unit's confirmation or assurance opinion on the previous report?	✓		<p>The Bank's sustainability report is prepared with reference to the GRI Sustainability Reporting Standards and no third-party verification or assurance has been obtained.</p>	The Bank is not a listed company in TWSE or TPEX.
6. If the Company has stipulated its own sustainable development rules on the basis of the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please state any discrepancy between implementation and the stipulated rules: None (The Bank is not a listed company in TWSE or TPEX)				
7. Other important information that helps to understand the implementation of best practices of sustainable development: The COTA Commercial Bank has long been committed to public welfare and the enhancement of social well-being. One of its most representative initiatives is the "Blood Donation for Love" campaign, a charitable blood donation event that has been held regularly since 2016 through 2024. The campaign encourages participation from both employees and the general public to support those in need of medical resources. In addition, the Bank has been a long-time sponsor of organizations such as the Eden Social Welfare Foundation, the Spring Foundation, and the COTA Cultural and Educational Foundation. Through concrete actions, the Bank actively supports public welfare by promoting lifelong learning lecture series, organizing reading clubs for seniors, and forming strategic alliances with nonprofit groups to host health-related seminars and other community-benefiting activities.				

2-3-6-1. Implementation of climate-related information

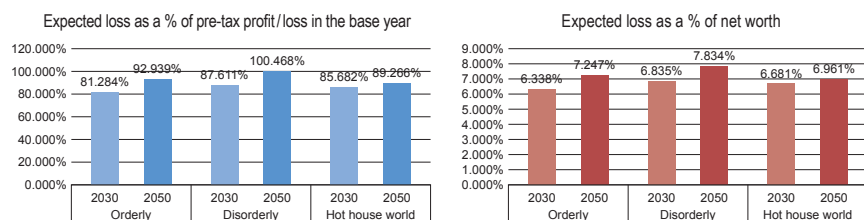
Item	Execution conditions
1. Please state that Oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>The Board of Directors is the highest decision-making level of the risk management mechanism. Based on the overall operation strategy and business environment, the Board of Directors approves the risk appetite, strategy, policies, objectives, and important climate risk management regulations, supervises the operation of the climate risk management organization and the implementation of the objectives, and designates the Risk Management Committee as the highest executive level of climate risk management in accordance with the "Climate Risk Management Guidelines", and incorporates the information related to climate risk management and opportunities into the Risk Management Report on a regular basis, which is submitted to the Board of Directors quarterly.</p> <p>The Bank's climate risk operations are coordinated by the Risk Management Department, while the Business Side is mainly organized by the Credit Management Department and the Financial Markets Department.</p> <p>The General Administration Department is mainly responsible for greenhouse gas inventory and operation site inventory.</p> <p>◎ Board:</p> <ol style="list-style-type: none"> 1. Approve the Bank's climate risk management strategies, policies, objectives, and important climate risk management regulations. 2. Supervise the operation of the climate risk management organization and the implementation of the objectives, and understand the risk situation of the Bank. 3. Supervise the organization of stress tests and the execution results. <p>◎ President:</p> <ol style="list-style-type: none"> 1. Supervise the implementation of climate risk management strategies, policies, and objectives approved by the Board of Directors. 2. Approve the operation standards of climate risk identification, assessment, and management. 3. Approve climate risk stress test scenarios and supervise the implementation of climate risk stress tests. <p>◎ Risk Management Committee, Asset and Liability Management Committee, and Credit Review Committee:</p> <p>The committees consider various types of risk proposals in accordance with the rules and regulations of the organization, risk management rules and other relevant regulations.</p> <p>◎ Business and Functional Departments:</p> <ol style="list-style-type: none"> 1. In accordance with the climate risk factors that may be faced by different business attributes, the Bank has developed relevant regulations, systems, and education and training for its credit and investment businesses. 2. Continuously invest in and establish sustainable development areas, including but not limited to green energy, low carbon, renewable energy, and circular economy. <p>Supervise branches to guide customers to emphasize climate change related issues through discussion and process.</p>
2. Please state that how the identified climate risks and opportunities affect the business, strategy and finances of the organization (short, medium and long term).	<p>The Bank's credit and investment business regulations and systems are formulated in accordance with the Bank's own capabilities, positioning and risk-taking ability to develop suitable climate business opportunities and plan for the short term (within 1 year), medium term (more than 1 year but within 5 years) and long term (more than 5 years but within 30 years). Specific details are set out below:</p>

2 Corporate Governance

Item	Execution conditions		
	Risk Type	Risk Item Description	Impact Direction and Period
	Transition risk	Regulatory and Policy	The Bank has made reference to the "Environmental Protection Administration's Greenhouse Gas Business Regulations" and the "Bank of China's Climate Risk Stress Test Plan" to assess the degree of exposure of the Bank's credit facilities and investment portfolios to the risk of restructuring.
	Physical risk	Flooding / Physical Risks	Since Taiwan is located in a subtropical climate zone and is susceptible to typhoons and heavy rainfall, the value of real estate pledged as collateral for mortgage loans in various regions of the country may be affected by the risk of flooding in those regions in the medium to long term.
	<p>In addition to the possible risk implications for the Bank, climate change may also create new business opportunities for the Bank. Accordingly, the Bank intends to develop the following opportunities in the short to medium term.</p>		
	Opportunity Type	Opportunity Description	Opportunity Orientation
	Energy Source	Corporate Banking Department - Solar Power Equipment Financing	In order to support the development of the green energy industry and in line with the government's plan to promote the infrastructure of solar power plants, we provide financing services to enterprises that install solar power generation equipment.
	Products and Services	Hybrid Electric Vehicle Loan	In view of the market trend of energy saving and carbon reduction, the Bank has been offering preferential interest rates on Hybrid Electric Vehicle loans to explore business opportunities.
	Markets	Green Loan, Sustainability Linked Loans, Green investment	In order to fulfill its corporate social responsibility and promote the development of sustainable finance, the Bank started to enter into green credit facilities and sustainable performance-linked credit facilities in 2022. As of December 31, 2023, the Bank's green credit facilities accounted for approximately 1.25% of all credit facilities, and the balance of sustainable performance-linked credit facilities accounted for approximately 0.19% of all credit facilities. The Bank also continues to keep an eye on investment opportunities in the market. As of December 31, 2023, the Bank's investment in green bonds accounted for approximately 5.61% of the Bank's total investment. In addition, the Bank will continue to play the role of a capital intermediary in assisting its clients in their low-carbon transformation.
		Sales of Green Bond	The Bank's Wealth Management Department has started to sell 38 Green Bond products and will continue to promote this business.

3. Please state that the financial impact of extreme climate events and transformational actions.

The Bank conducted a climate change scenario analysis in accordance with the climate Change Scenario Analysis Plan of Bank" provided by The Bankers Association of the Republic of China. Based on the Bank's financial statements as of December 31, 2023, the scenario analysis evaluates the impact of the Bank's expected losses on corporate, personal credit, and banking department's investment portfolios as a percentage of net worth and pre-tax income in 2030 and 2050 under the scenarios of orderly restructuring, disorderly restructuring, and no policy.



Item	Execution conditions
	<p>As of the end of 2023, the Bank's asset portfolio exposure — including domestic and overseas corporate and individual credit positions as well as investment positions held by the Bank — is projected to face higher expected losses due to climate risk in 2050 compared to 2030, under three different scenarios. The ratios of expected losses in 2050 to the baseline year's pre-tax profit, as well as the ratio of expected losses to net worth, are both higher than those in 2030.</p> <p>Specifically, the ratio of total expected losses to the baseline year's pre-tax profit in 2050 is projected to increase by approximately 3% to 13% compared to 2030. Meanwhile, the ratio of expected losses to net worth in 2050 is expected to rise by about 0.2% to 1% compared to 2030.</p> <p>Analyzing the Bank's largest domestic credit exposures, approximately 79.26% of the transitional risk-related revenue losses in both 2030 and 2050 are concentrated in industries categorized as having the lowest transition risk (Risk Level 1). About 7.68% of the losses come from construction and non-electronics manufacturing industries, which are considered to have medium-to-high transition risk (Risk Levels 4 and 5). Therefore, the climate-related risks faced by the Bank remain within a manageable range.</p> <p>The Bank will continue to monitor the expected physical risk losses associated with domestic credit and will strengthen controls over the physical risks related to credit collateral in order to effectively manage climate-related financial risks.</p>
<p>4. Please state that how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>The Bank has integrated the mechanisms related to the identification, assessment and management of climate risk into the three lines of defense of the Bank's risk management system, including but not limited to:</p> <ol style="list-style-type: none"> 1. Credit risk management: The Bank should gradually incorporate climate risk into its investment and financing approval process and develop a climate risk management mechanism for the Bank's credit asset portfolio. 2. Market Risk Management: The Bank should gradually establish a management mechanism to continuously monitor the impact of climate risk on existing market risk areas and future investments. 3. Operational Risk Management: The Bank is advised to consider the possible impacts of climate risk events on the Bank's daily operations and gradually incorporate climate risk into disaster (crisis) response, information systems management, information security management, human resources management, and other management processes related to operational risk. 4. Other risks: Climate risk may affect the growth of the Bank's operations and business in the long term, and the Bank needs to adopt the necessary strategies to capitalize on potential opportunities. <p>Physical risk:</p> <p>The Bank continuously collects information on the extent of climate risk and disaster impacts in domestic regions and categorizes them into "high risk" and "normal risk" according to the extent of impacts, and establishes a list of domain names that are affected by high climate risk and disaster impacts to identify and assess physical risks. The list of domain names subject to high climate risk and disaster impacts may be determined with reference to information published by government agencies, research organizations, or financial institutions. Evaluate geographic risk, industry long-term physical risk, and physical risk tolerance.</p> <p>Transition risk:</p> <p>According to the risk level and classification rules of different industries, the risk of transformation is categorized into "high risk" and "general risk", which is used as the basis for strengthening the implementation of climate risk review measures and continuous monitoring mechanism. The following standards shall be used to determine the high-risk industries:</p> <ol style="list-style-type: none"> 1. The Intergovernmental Panel on Climate Change (IPCC) has published a list of high-GHG-emitting industries: the energy industry, the transportation industry, the materials and construction industry, and the agriculture, food and forest products industry.

2 Corporate Governance

Item	Execution conditions																																				
	<p>2. The nine industries of the Science-Based Targeting Initiative (SBTi), jointly proposed by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute and the World Wildlife Fund: Construction, coal-fired power generation, aluminum refining, cement refining, chemical manufacturing, petrochemicals, iron and steel, paper manufacturing and transportation.</p>																																				
5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	<p>In accordance with the testing methodology and scenario contents of the “Climate Change Scenario Analysis Plan of Bank “, the Bank has set up three scenarios for subsequent climate change scenario analysis. Considering the time scale of climate change and the Bank’s business cycle, the Bank has set up scenarios to be produced mainly in the 2030 and 2050 time periods. The scenarios are described as follows:</p> <p>1. 2050 Net Zero (Orderly) Transition Scenario: The 2050 Net Zero Transition Scenario, also known as the Orderly Transition Scenario, corresponds to the NGFS’s Net Zero2050 Scenario and the IPCC’s RCP2.6 Scenario, and is used to assess the potential risks to banks in the context of a gradual, step-by-step global pathway to net zero emissions by 2050.</p> <p>2. Disorderly Transition Scenario: Corresponding to the NGFS “Delay Transition” scenario and the IPCC “RCP2.6” scenario, this scenario is used to assess the potential risk to the bank if it delays the start of the transition, but still has to achieve the net-zero emissions pathway by 2050.</p> <p>3. No-Policy Scenario: This scenario is used to assess the potential risk to the bank under the climate change brought about by the no-transition policy, corresponding to the “Baseline” scenario of NGFS and the “RCP8.5” scenario of IPCC.</p> <p>The impacts of climate change on individuals were evaluated based on various scenarios and dependent numerical factors. The aggregate economic factor takes the GDP growth rate, unemployment rate, and long-term interest rate as inputs to simulate the change of default rate of each part of the economy, while the environmental factor takes the values of environment and temperature change as inputs to produce the trend of the future changes of the physical risk hazards (rainstorms, floods, and droughts) covered, as well as the change of the impacts on different attributes of the individuals.</p> <p>Financial Impact of Scenario Analysis Calculations:</p> <p>1. Under all three scenarios, the Bank’s expected loss to base year pretax income and expected loss to net worth ratios from climate risk are higher in 2050 than in 2030, with the Bank’s overall expected loss to base year pretax income ratio increasing by approximately 3% to 13% in 2050 compared to 2030. The expected loss to net worth ratio in 2050 will increase by approximately 0.2% to 1.0% compared to 2030.</p> <p>2. Regarding the Bank’s largest domestic credit exposures, in terms of physical risk, the expected revenue loss EAD (Exposure at Default) in both 2030 and 2050 is primarily concentrated in industries with the lowest physical risk rating (Level 1). Additionally, approximately 79.26% of the expected revenue loss EAD from transition risk in domestic credit comes from industries with the lowest transition risk (Risk Level 1). Therefore, the climate-related risks faced by the Bank remain within a manageable range.</p> <div><div><p>EAD share of revenue loss of physical risk under orderly and disorderly transition</p><table><thead><tr><th></th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr></thead><tbody><tr><td>2030</td><td>69.92%</td><td>7.09%</td><td>16.31%</td><td>4.83%</td><td>1.85%</td></tr><tr><td>2050</td><td>63.72%</td><td>8.73%</td><td>14.09%</td><td>11.61%</td><td>1.85%</td></tr></tbody></table></div><div><p>EAD share of revenue loss of physical risk under current policies scenario</p><table><thead><tr><th></th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th></tr></thead><tbody><tr><td>2030</td><td>69.04%</td><td>8.05%</td><td>16.21%</td><td>6.67%</td><td>0.03%</td></tr><tr><td>2050</td><td>68.96%</td><td>5.10%</td><td>13.13%</td><td>12.78%</td><td>0.03%</td></tr></tbody></table></div></div>		1	2	3	4	5	2030	69.92%	7.09%	16.31%	4.83%	1.85%	2050	63.72%	8.73%	14.09%	11.61%	1.85%		1	2	3	4	5	2030	69.04%	8.05%	16.21%	6.67%	0.03%	2050	68.96%	5.10%	13.13%	12.78%	0.03%
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Item	Execution conditions													
6. If there is a transition plan for managing climate-related risks, describe the plan and the metrics and objectives used to identify and manage physical and transition risks.	<p>To monitor the Bank's climate risks and continuously improve related measures, the Bank has established climate risk targets and internal control indicators for short-, medium-, and long-term financing and other financial activities to implement effective climate risk management. The Bank's established key climate indicators, targets, and their implementation progress are as follows:</p> <table><tr><th>Category</th><th>Indicators and Goals</th><th>Content</th></tr><tr><td rowspan="2">Physical risks/ opportunities</td><td>Greenhouse gases</td><td><ul style="list-style-type: none">Annually update the Bank's Scope 1 and Scope 2 greenhouse gas (GHG) inventory for its operations, and gradually plan to incorporate Scope 3 items into the calculation.Following the planting of 1,000 tree saplings on the Bank's own land in the Shigang District (approximately 8,000 square meters) in 2022, the number of saplings was increased to 1,300 in 2024 to further support carbon reduction efforts.</td></tr><tr><td>Energy usage</td><td><ul style="list-style-type: none">Starting from 2023, the Bank set a goal to reduce electricity consumption by 1% per person each year compared to the previous year.Gradually upgrading equipment: In 2024, high-energy-consuming air conditioning units in the headquarters' management department meeting rooms and offices, IT department, and Dazhi Branch were replaced with high-efficiency inverter air conditioners.Old gasoline-powered vehicles are being phased out annually and replaced with high-efficiency hybrid vehicles.In 2024, solar energy equipment was installed on the roof of the newly added Fengxin Branch, and excess electricity is being sold to Taipower.</td></tr><tr><td rowspan="2">Transformation risks/opportunities</td><td>Digital and Low-Carbon Transformation</td><td><ul style="list-style-type: none">Reduce the use of internal and external paper and physical document transmission by promoting digitalization.Provide online remote financial services and allow applications for personal loans through digital platforms.</td></tr><tr><td>High-risk industry management</td><td><ul style="list-style-type: none">The Bank has established internal risk limits for various lending and investment businesses and has implemented effective risk control measures. This includes credit limits and investment limits for industries with high transition risk.</td></tr></table> <p>The Bank will gradually establish additional targets and target values for measuring and managing climate risks (such as greenhouse gas emissions, water usage, etc.). These target values shall comply with market standards and the expectations or requirements of regulatory authorities. When setting these targets and target values, the Bank will consider factors including: absolute or proportional target values, the applicable time frame for the targets, the baseline year for measuring progress, and key performance indicators for assessing target achievement.</p>	Category	Indicators and Goals	Content	Physical risks/ opportunities	Greenhouse gases	<ul style="list-style-type: none">Annually update the Bank's Scope 1 and Scope 2 greenhouse gas (GHG) inventory for its operations, and gradually plan to incorporate Scope 3 items into the calculation.Following the planting of 1,000 tree saplings on the Bank's own land in the Shigang District (approximately 8,000 square meters) in 2022, the number of saplings was increased to 1,300 in 2024 to further support carbon reduction efforts.	Energy usage	<ul style="list-style-type: none">Starting from 2023, the Bank set a goal to reduce electricity consumption by 1% per person each year compared to the previous year.Gradually upgrading equipment: In 2024, high-energy-consuming air conditioning units in the headquarters' management department meeting rooms and offices, IT department, and Dazhi Branch were replaced with high-efficiency inverter air conditioners.Old gasoline-powered vehicles are being phased out annually and replaced with high-efficiency hybrid vehicles.In 2024, solar energy equipment was installed on the roof of the newly added Fengxin Branch, and excess electricity is being sold to Taipower.	Transformation risks/opportunities	Digital and Low-Carbon Transformation	<ul style="list-style-type: none">Reduce the use of internal and external paper and physical document transmission by promoting digitalization.Provide online remote financial services and allow applications for personal loans through digital platforms.	High-risk industry management	<ul style="list-style-type: none">The Bank has established internal risk limits for various lending and investment businesses and has implemented effective risk control measures. This includes credit limits and investment limits for industries with high transition risk.
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7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	None													

2 Corporate Governance

Item	Execution conditions
8. If climate-related targets are set, information on the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be provided; if carbon offsets or renewable energy certificates (RECs) are utilized to achieve the targets, the source and amount of carbon reduction credits or the amount of RECs should be provided.	<p>The Bank references the “Greenhouse Gas Inventory Protocol — Corporate Accounting and Reporting Standard” published by the Taiwan Institute for Sustainable Development, as well as the guidelines of ISO 14064-1:2018/CNS 14064-1:2021 for organizational-level greenhouse gas emissions and removals quantification and reporting. Using the financial boundary to define the organizational boundary, the Bank consolidates greenhouse gas emissions from each unit. Subject to data availability, greenhouse gas emissions are reasonably calculated and disclosed.</p> <p>1. Greenhouse Gas Emissions Inventory from Own Operations: Using the year 2022 (111th year of the Republic of China calendar) as the baseline, the total electricity consumption was 3,011,962 kWh, with a per capita usage of 2,617 kWh; the corresponding carbon emissions amounted to 1,533.09 metric tons. In 2023 (112th year), the total electricity consumption was 2,955,393 kWh, with a per capita usage of 2,604 kWh; the corresponding carbon emissions were 1,459.95 metric tons. This reflects a reduction in total electricity consumption of approximately 1.88% and a decrease in carbon emissions of about 4.8%. For 2024 (113th year), total electricity consumption was 2,866,838 kWh, with a per capita usage of 2,467 kWh; the corresponding carbon emissions were 1,416.218 metric tons. This indicates a further reduction in total electricity consumption of approximately 2.96% and a decrease in carbon emissions of about 3.00%.</p> <p>2. Greenhouse Gas Emissions Inventory from Investment Portfolio: Following the PCAF recommended methodology, the Bank has inventoried Scope 3 greenhouse gas emissions for its investment portfolio. Based on publicly available information, the Bank has assessed the greenhouse gas emissions for 20.20% of its total investment portfolio, covering high climate transition risk industries (high carbon-emission industries) including sand and gravel mining and other mining, basic metal manufacturing, waste removal, treatment and resource recycling, electricity and gas supply, water transportation, petroleum and coal products manufacturing, pharmaceuticals and medical chemical manufacturing, and electricity and gas supply sectors, totaling 51,692.53 metric tons CO₂e. The Bank will continue to expand the scope of greenhouse gas emissions inventory for its investment portfolio and improve the granularity of information disclosure according to the disclosure status of greenhouse gas emissions information in various industries.</p>
9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Action Plans.	Refer to the Greenhouse Gas Inventory and Assurance of Bank's Greenhouse Gas Inventory in the Last Two Years.

2-3-6-2. Greenhouse Gas Inventory and Assurance of Bank's Greenhouse Gas Inventory in the Last Two Years

(1) Greenhouse Gas Inventory Information

The data include greenhouse gas emissions (tons of CO₂e), intensity (tons of CO₂e per million), and coverage for the most recent two-year period.

Greenhouse gas emissions for the last 2 years:

The Bank adopts the "Operational Control Approach" for Scope 1 and Scope 2 emissions data, covering the head office and all branches. Scope 3 disclosures are currently voluntary (for non-listed entities).

In the baseline year 2023, Scope 1 accounted for approximately 16.65% and Scope 2 for about 83.35% of greenhouse gas emissions; in 2024, Scope 1 accounted for approximately 17.03% and Scope 2 for about 82.97%.

Unit: metric tons CO₂e

Year	Scope 1	Scope 2	Scope 1 and 2 Total (metric tons)	Scope 3	Intensity (metric tons CO ₂ e / NT\$ 1 million)	Note
2023 (base year)	291.5476	1459.9495	1,751.4971	N/A	0.5187	
2024	290.7730	1416.2180	1,706.9910	N/A	0.4563	

Note 1: Direct GHG emissions (Scope 1 that occur from sources owned or controlled by the reporting company); indirect GHG emissions (Scope 2 from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting company); all other indirect GHG emissions (Scope 3 that occur in the value chain of the reporting company).

Note 2: The scope of direct emissions and indirect emissions from energy sources shall be in accordance with the time schedule set by the order stipulated in Article 10, item 1, paragraph 4, subparagraph 6 of this standard, and other indirect emissions information shall be disclosed voluntarily.

Note 3: GHG inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions can be calculated per unit of product/service or sales, but at least the data in terms of sales (TWD million) should be stated. The net income for the year 2024 (113th year) was NT\$374.1 billion.

(2) Greenhouse Gas Assurance Information

A description of the status of assurance for the two most recent years ended on the date of printing of the annual report, including the scope of assurance, the assurance organization, the assurance standard and the opinion of the assurance.

In accordance with the International Standard on Assurance Engagement 3410, "Assurance Engagements on Greenhouse Gas Statements", the firm of KPMG in Taiwan has been appointed to conduct the limited assurance of Scope 1, Direct Greenhouse Gas Emissions, and Scope 2, Indirect Energy Emissions, for the current fiscal year, and the opinion on the assurance is as detailed in the report on the assurance of the greenhouse gas declaration.

Note 1: This should be done in accordance with the timetable set by the order stipulated in Article 10, item 1, paragraph 4, subparagraph 6 of the Standard. If the bank has not obtained a complete and conclusive greenhouse gas opinion by the publication date of the annual report, it should state that "complete and conclusive information will be disclosed in the sustainability report". If the bank has not prepared sustainability report, it should state that the complete information will be disclosed on "Market Observation Post System" and disclose the complete information in the next annual report.

Note 2: Assurance institution shall comply with the requirements for assurance institutions for sustainability reports established by the Taiwan Stock Exchange Corporation and the Over-the-Counter Securities Trading Center of the Republic of China.

Note 3: The disclosure can be found in the Best Practice Reference Sample on the website of the Center for Corporate Governance of the Taiwan Stock Exchange.

2 Corporate Governance

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Greenhouse Gases Emissions Assurance Opinion Statement

To COTA Commercial Bank, Ltd

The Practitioner has been engaged to perform a limited assurance engagement on the Scope 1 Direct Greenhouse Gas Emissions and Scope 2 Energy Indirect Emissions ("Scope 1 and Scope 2") of the January 1, 2023 to December 31, 2024 GHG Statement of COTA Commercial Bank, Ltd.

Company's Responsibility for Greenhouse Gas Declaration

COTA Commercial Bank's responsibility to prepare the GHG Statement in accordance with the Greenhouse Gas Inventory Protocol - Corporate Accounting and Reporting Standards and the Greenhouse Gas Inventory Protocol - Scope 2 Calculation Guidelines (collectively referred to as the GHG Protocol), and to design, implement, and maintain internal control relevant to the preparation of the GHG Statement to ensure that the GHG Statement is not materially false, fraudulent, or error-prone. To ensure that the GHG Statement does not contain material misrepresentations that could be attributed to fraud or error. As stated in the GHG Statement, the quantification of greenhouse gases is subject to inherent uncertainties, primarily due to incomplete scientific knowledge in determining emission factors and the need to aggregate emissions of different greenhouse gases in the reported values.

Practitioner Independence and Quality Management

The practitioner has complied with the independence and other ethical requirements of the CPA Code of Ethics, which is based on the principles of integrity, impartiality, objectivity, professional competence and professional care, confidentiality and professional conduct. The Firm applies Quality Management Standard No. 1, "Quality Management in Accounting Firms," and therefore maintains a comprehensive quality management system that includes written policies and procedures related to compliance with the Code of Ethics, professional standards and applicable laws and regulations.

Responsibilities of Practitioners

Scope 1 and Scope 2 – Limited Assurance

The responsibility of the practitioner is to plan and execute Scope 1 and Scope 2 limited assurance engagement in accordance with International Standard on Assurance Engagement 3410, "Assurance Engagements on Greenhouse Gas Statements", and, based on the procedures performed and the evidence obtained, to obtain and conclude limited assurance as to whether or not there is a material misrepresentation in COTA Commercial Bank's greenhouse gas statement as described in the first paragraph.

In accordance with International Standard on Assurance Engagement 3410, the limited assurance engagement includes assessing the appropriateness of COTA Bank's use of the GHG Protocol for the preparation of the GHG Statement, assessing the risk of material misrepresentation of the GHG Statement as a result of fraud or error, making the necessary responses to the assessed risks as appropriate, and assessing the overall presentation of the GHG Statement. The procedures for assessing risk, including an understanding of internal controls, and for



responding to assessed risks are significantly less extensive in limited assurance engagement than in reasonable assurance engagement.

The procedures performed by the Practitioner in relation to Scope 1 and Scope 2 of COTA Bank's Greenhouse Gas Statement as described in the first paragraph were based on professional judgment, and included inquiries, observations of processes performed, review of documents, analytical procedures, evaluation of quantitative methodologies and reporting policies, and verification or reconciliation with relevant records. In the circumstances of this case, the practitioner performed the above procedures:

1. Enquiries have been made to obtain an understanding of the control environment and information systems of COTA Bank relevant to emissions and reporting.
However, the design of specific controls has not been evaluated, evidence of implementation of those controls has not been obtained, or the effectiveness of those controls has not been tested.
2. The appropriateness and consistency of the estimation methodology established by COTA Bank has been assessed. However, the procedures performed did not include testing the information on which the estimates were based or establishing a separate practitioner's estimate to evaluate the estimates made by COTA Bank.
3. One site was visited to assess the completeness of the emission sources, the data collection methods, the source information and the relevant assumptions applied to the sites. The selection of sites for conducting site visits took into account the contribution of emissions from these sites to total emissions, the nature of the sources, and the previous selection of sites. The procedures performed did not include testing of the information systems or controls used at the sites to collect and aggregate facility data.

The nature and duration of the proceedings in a limited assurance engagement are different and less extensive than in a reasonable assurance engagement, and the degree of assurance obtained in a limited assurance engagement is significantly less than that obtained in a reasonable assurance engagement. Accordingly, the practitioner does not express a reasonable degree of certainty as to whether COTA Bank's Scope 1 Direct GHG Emissions and Scope 2 Energy Indirect Emissions have been prepared in accordance with the GHG Protocol in all material respects.

Conclusion of Limited Assurance

Scope 1 and Scope 2 – Limited Assurance

Based on the procedures performed and evidence obtained, the practitioner has not found of Scope 1 and Scope 2 of the January 1, 2023 to December 31, 2024 GHG COTA Bank described in the first paragraph that have not been prepared in accordance with the GHG Protocol in all material respects.

Other Matters

The practitioner will not be obliged to re-perform an assurance with respect to any change in the information that is the subject of the assurance or the applicable basis of the assurance that occurs after the issuance of this assurance statement.

kpmg

Accountant

Huang, Yu-Ting

2 Corporate Governance

Annex I: Summary of Assurance Information

Reporting Boundary	Emissions (CO ₂ tons equivalent/year)
Scope 1: Direct GHG Emissions and Removals	290.7730
Scope 2: Electricity indirect GHG emissions	1,416.2180
Total: Scope 1+ Scope 2	1,706.9910

(3) Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans

Describe the base year of GHG reduction and its data, reduction targets, strategies and specific action plans and achievement of reduction targets.

The Bank conducted first greenhouse gas inventory in 2023 and compiled the greenhouse gas statement using the standards of the "Greenhouse Gas Inventory Protocol - Corporate Accounting and Reporting Standards" and the "Greenhouse Gas Inventory Protocol - Guidelines for the Calculation of Scope 2" (collectively referred to as the "GHG Protocol"), so we used Year 2023 as the base year for the inventory, and the greenhouse gas emissions (Scope 1+2) are as follows 1751.4971 tons/CO₂e. For the medium term (2024–2030), the Bank has set a greenhouse gas reduction target of 14% compared to the base year. It will actively implement various energy reduction measures, including the adoption of high energy-efficiency and energy-saving equipment, low-carbon transportation, and increased investment in (green) renewable energy sources, in order to optimize energy use efficiency and reduce energy consumption in both operations and products. This year, the Bank achieved a reduction of approximately 2.54% in total greenhouse gas emissions (Scope 1 and Scope 2) compared to the base year. The Bank's specific actions are as follows:

Climate Strategy	Corresponding Action Plan	Implementation Status
Strategy 1: Carbon Reduction in Own Operations	Action 1: Installation of rooftop solar photovoltaic (PV) systems at the Zhongshan and Fengxin branch buildings.	The Zhongshan branch building generated a total of 75,780 kWh of electricity throughout the year, an increase of approximately 46,820 kWh compared to 28,960 kWh in 2023. The Fengxin branch building was completed and commissioned on October 14, 2024. By the end of the year, it had generated 10,910 kWh of electricity, with an estimated annual output of about 60,000 kWh.
	Action 2: Replace high-energy-consuming air conditioners with inverter air conditioners and set the air conditioning temperature between 26°C and 28°C.	Continuously upgrading outdated energy-consuming equipment, in 2024 the Bank replaced air conditioning units in the head office management meeting rooms, offices, IT department, and Dazhi branch.
	Action 3: Replace traditional fluorescent lamps with high-efficiency lighting such as LED and T5 fixtures.	The Bank has fully transitioned to using LED lighting.
	Action 4: Gradually phase out old (fuel-consuming) official vehicles.	This year, a total of 8 old conventional gasoline vehicles were replaced with high-efficiency hybrid vehicles.
Strategy2: Environmental Friendliness	Action 5: Plant 1,000 saplings on owned land in Shigang District to create a forest for carbon offsetting.	As of the end of 2024, a total of 1,300 saplings have been planted and maintained.
	Action6: Promote paperless financial services.	Plan for internal and external digital electronic systems.
	Action 7: Promote green financial products.	The number of green products increased by approximately 1.58% compared to 2023.
Strategy 3: Strengthen Climate Risk Management	Action 8: Gradually expand the scope of carbon inventory and incorporate carbon emission data from small and medium-sized enterprises (SMEs) as data availability permits.	Currently, the inventory system is being gradually developed. This time, the greenhouse gas emissions inventory only covered 20.20% of the Bank's total investment portfolio in 2024, with high-carbon industries accounting for approximately 51,692.53 metric tons of CO ₂ e.
	Action 9: Continuously optimize flood risk assessment of loan collateral to implement differentiated management.	Gradually integrating risk data from the Water Resources Agency of the Ministry of Economic Affairs, the Disaster Prevention Center, and the Bankers Association; system development is ongoing.



2-3-7. The State of the Company's Performance in the area of Ethical Corporate Management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Item	Operating conditions			Deviation from the guidelines for the social responsibilities for TWSE/ TPEX Listed Companies and reasons
	Y	N	Summary	
1. Establishing Ethical Corporate Management Policies and Programs.				The Bank is not a listed company in TWSE or TPEX.
(1) Has the Bank established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and through implementation of such policies?	✓		(1) Instead, the Bank established honesty and integrity rules in "Procedure for Board of Directors Meetings", "Regulation on Donation" and "Employee Code of Conduct".	
(2) Has the Bank established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(2) In order to promote the principle of "Integrity in Business" in the principle of fairness and customer service in the financial services industry, the Bank has established a bank-wide risk assessment mechanism for dishonesty, and regularly analyzes and evaluates business activities within the scope of business that carry a higher risk of dishonesty. As a result of the assessment in 2024, the Bank's overall residual risk exposure, taking into account both established risks and the effectiveness of its high controls, was low. The Bank has formulated relevant preventive measures in the "Code of Conduct for Board of Directors", "Donation Rules", "Work Rules", "Code of Ethics and Conduct", "Key Points on Internal Controls and Risk Management in Wealth Management Business", and "Regulations on Solicitation of Advertising and Sales Promotion Activities", which are posted on the Bank's intranet site, and will be notified to all staff when they are revised.	
(3) Has the Bank specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	✓		(3) For prevention of unethical behavior, the bank has established "Regulations on Personnel Management", "Employee Code of Conduct", "Regulation on Donation" and "Directions on credit extension and other transactions with interested parties".	

2 Corporate Governance

Item	Operating conditions			Deviation from the guidelines for the social responsibilities for TWSE/ TPEX Listed Companies and reasons
	Y	N	Summary	
2. Implementing Ethical Corporate				
(1) Has the Bank evaluated the records of unethical conduct of counterparties and specified the terms of ethical conduct in the agreement signed with the counterparties?	✓		(1) The Bank avoids dealing with parties that have records of unethical conducts. When entering into contracts with other parties, the Bank shall include in such contract provision demanding ethical corporate management policy compliance. The Bank immediately stops business relation while acknowledging of unethical conducts of its counterparties.	The Bank is not a listed company in TWSE or TPEX.
(2) Has the Bank set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?		✓	(2) The Bank established the compliance system, internal control systems, internal audit, risk management, and set functional committee by regulation to strengthen the function of decision-making and management of board of directors.	
(3) Has the Bank established the policies to prevent conflicts of interest, provided proper channels of explanation, and implemented them?	✓		(3) 1. The Bank established policies preventing conflict of interest: a. Clause of avoidance of conflict of interest is explicitly indicated in "Procedure for Board of Directors Meetings". b. Build a database of information of interested parties. The term of secured credit extensions to interested parties shall not be more favorable than those terms offered to other same category customers c. Establishing "Employee Code of Conduct" for prevention of unethical behavior of employee. d. Establishing "Directions on Internal Control and Risk Management in Wealth Management Business" regulating work ethics and disciplines of financial advisors. 2. All relevant rules and procedures are on the website www.cotabank.com.tw .	
(4) Has the Bank established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the	✓		(4) The Bank has established accounting system and accounting department. To ensure impartiality of financial statements, Bank's financial statements has audited by CPAs. The Bank established internal audit control	

Item	Operating conditions			Deviation from the guidelines for the social responsibilities for TWSE/ TPEX Listed Companies and reasons
	Y	N	Summary	
<p>risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(5) Has the Bank regularly held internal / external training on ethical corporate management?</p>	✓		<p>system which is subjected to reexamination and readjustment and an auditing division under the board of directors. Internal audit control system is implementing by regular and random internal auditing and by external auditing by CPAs.</p> <p>(5) The Bank undertakes training with regard to ethnical management and behavioral guidelines on a regular basis. All employees are required to attend. Employees are acknowledged of amendments of relevant regulations.</p>	
<p>3. Implementing the Whistle-blowing System</p> <p>(1) Has the Bank established a concrete whistle-blowing and incentive system, established convenient whistle-blowing channels, and appointed dedicated personnel to deal with the reported personnel?</p> <p>(2) Has the Bank established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(3) Has the Bank taken measures to protect the whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing?</p>	✓	✓	<p>(1) The Bank has established the “Internal Regulations Governing the Handling of Reporting Cases.” Establishing mail, e-mail, and telephone reporting channels. All reports are handled by a dedicated unit, and whistleblower If they meet the criteria of the Bank’s “Working Rules”, they will be rewarded according to the actual situation.</p> <p>(2) The Audit Division is responsible to submit the reported case, and the identity of the informer and the contents of the report will be kept in confidence.</p> <p>(3) The Bank has established the following measures should be taken to protect whistleblowers. The Bank shall not be subject to dismissal, termination, demotion, reduction in salary, impairment of rights and benefits, or other adverse action as a result of the report.</p>	The Bank is not a listed company in TWSE or TPEX.
<p>4. Enhancing Disclosure of Information</p> <p>Has the Bank disclosed the “Guidelines for Ethical Corporate Management” and its status of operations on the official website and Market Observation Post System?</p>	✓		<p>(1) The Bank’s financial, business and corporate governance information is disclosed on the Bank’s website. (http://www.cotabank.com.tw)</p> <p>(2) The Bank maintains a website in both English and Chinese, and has designated a person to coordinate the disclosure and updating of corporate information at all times. The Bank has clearly implemented a spokesperson system, with a unified window for spokespersons and acting spokespersons to be responsible for disclosing information to the public.</p>	The Bank is not a listed company in TWSE or TPEX.

2 Corporate Governance

Item	Operating conditions			Deviation from the guidelines for the social responsibilities for TWSE/ TPEX Listed Companies and reasons
	Y	N	Summary	

5. Difference between the “Guidelines for Ethical Corporate Management” and “Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies”: None

6. Other important information that may be useful in understanding the bank’s integrity operations (e.g., if the bank reviews and amends its Code of Business Conduct): In order to establish a corporate culture of operating with integrity, the Bank implements the relevant provisions of corporate governance and sets out matters related to integrity in the “Code of Corporate Governance Practices,” “Code of Conduct for the Board of Directors,” “Donation Rules,” “Work Rules,” and other rules and regulations. All directors and employees are committed to promoting business in a law-abiding, honest and dedicated manner, fulfilling their corporate social responsibilities, and ensuring the implementation of honest management. In order to ensure the implementation of integrity management, the Bank has established laws and regulations to comply with the supervisory system, internal control system and audit system, risk management mechanism, strengthened the functions of the Board of Directors, performed the functions of the Audit Committee, respected the rights of stakeholders, and enhanced the transparency of information, and continued to promote integrity-based policies, deepen the corporate culture of integrity management, and establish a good corporate governance and risk management mechanism, in order to create an operating environment for sustainable development.

2-3-8. Other Important Information that may Enhance the Understanding of the Bank’s Corporate Governance Practices: None.



2-3-9. Matters to be Disclosed in Relation to the Implementation Status of the Internal Control System

2-3-9-1. Statement of Internal Control System

COTA Commercial Bank Statement of Internal Control

Date: March 14 2025

To Financial Supervisory Commission

On behalf of COTA Commercial Bank, we hereby undertake that from Jan.01 2024 to Dec.31 2024 the Bank has duly complied with "Guidelines for the establishment of internal control and internal audit systems" by establishing an internal control system, implementing risk management, designating an independent and objective internal department to conduct audit, and submitting the audit report periodically to the Board of Directors and Supervisors (Audit Committee). The Company also strictly abides by the regulations in Subparagraph 5, Article 38 and Article 38-1 of the aforementioned Rules as well as the self disciplinary regulations for information security established by the Bankers Association. With respect to insurance agent business, the Company determines the effectiveness of the design and execution of its internal control system in accordance with the criteria for effective internal control policies as established in the Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies. Following prudent evaluation, it is found that except for items listed in the attached chart, the internal control of, compliance with laws and regulations and the overall execution of information security by the different department were all implemented effectively.

This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

Attested by

Chairman	: Song-Yie Liao
President	: Shih-Chao Lee
Chief Auditor	: Huan-Mou Cheng
Chief Compliance Officer	: Wen-Jung Chen
Chief information security officer	: Richard C.C. Chan

2 Corporate Governance

Items for Improvement and Plan Table of Internal control

As of Dec. 31, 2024

Items for Improvement	Improvement Measure	Target Date
<p>1. Conducting Anti-Money Laundering Operations:</p> <p>a. For currency transactions exceeding a certain amount, submit relevant data reports to the Investigation Bureau of the Ministry of Justice. If errors are found in the reported data, this violates Article 13 of the Financial Supervisory Commission's "Regulations Governing Anti-Money Laundering by Financial Institutions," which stipulates that financial institutions must verify the identity of customers and retain relevant records and evidence for currency transactions exceeding a certain amount.</p>	<p>1.</p> <p>a. On January 31, 2024, the Compliance Department reiterated to all business units via a notice that for currency transactions exceeding a certain amount, data must be reported to the Investigation Bureau of the Ministry of Justice, and records must be accurately kept based on the customer's provided identification documents and contact phone number.</p> <p>b. When corporate or business customers conduct new or amended transactions, the company should verify the customer's basic information by consulting public business registration and tax registration records. If discrepancies are found in the establishment date (birthday field) in the system, they should be corrected immediately to ensure accurate reporting of large currency transactions in the future.</p> <p>c. Starting March 1, 2024, an additional verification mechanism was added to the "Detailed Report of Single Cash Transactions of 500,000 TWD or More." If the account opening date format or if the account opening date matches the responsible person's birthday, an abnormal data message will be flagged in the report. Branches must provide an explanation of the handling status, which will then be reviewed by supervising and unit managers.</p> <p>d. In 2024, anti-money laundering (AML) and counter-terrorism financing (CTF) training included cases related to deficiencies in large currency transactions and relevant operational examples, enhancing staff knowledge for daily operations.</p>	Improvements completed

2-3-9-2. CPA Audit Report

Pursuant to ordinance article 28 of the "Guidelines for the Establishment of Internal Control and Internal Audit Systems", the Bank arranged KPMG certified public accountants to audit performance of internal control during the period of Jan. 01 2024 through Dec. 31 2024.

The audit report of the Certified Public Accountant concluded as follows:

With the exception of suggested items to improve, no major deficit is found

(attaching homepage of auditor's report and suggestion statement).

KPMG
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Taichung City 407059, Taiwan (R.O.C.)
TEL: +886(4)2415-9168
FAX: +886(4)2259-0196
kpmg.com/ tw

Agreed-Upon Procedures Report

March 10, 2025

To COTA Commercial Bank

COTA Commercial Bank Co., Ltd. reported the correctness of the information presented by the competent authority in the 2024, the implementation of the internal control system and the legal compliance system, and the appropriateness of the policy for the provision of allowances for doubtful debts. These procedures have been completed by the accountants' agreement. It is up to your company to make the final decision on these procedures, so this accountant does not express an opinion on their adequacy. This work is carried out in accordance with the Other Relevant Service Criteria No. 4400 "Implementation of Financial Information Agreement Procedures". The purpose of this engagement is to assist you in evaluating your compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" issued by the Financial Supervisory Commission, and compliance with these regulations is the responsibility of your management. The procedures performed by the accountant and the facts found are separately reported as attachments.

As the accountants have not reviewed in accordance with generally accepted auditing standards, we do not provide any assurance on the correctness of the information presented to the competent authority, the implementation of the internal control system and legal compliance system, and the appropriateness of the policy for allowance for doubtful debts. Additional reportable facts may have been discovered if the accountants performed additional procedures or checked in accordance with generally accepted auditing standards.

This report is intended solely for the purpose described in the first paragraph and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the foregoing specific items and, accordingly, should not be construed as extending to any item that relates to the financial statements of COTA Commercial Bank, Ltd. taken as a whole.

Notice to



Accountant
Chen, Yen-Hui

Notice to Readers

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the original Chinese version shall prevail.

2 Corporate Governance

Suggestion Statement

Year 2024

Discovered Facts	Responsible Unit	Suggestion	Response from the Responsible Unit
A review of the credit cases handled by the Corporate Banking Department revealed that the loan account number listed on the "Self-Assessment Form for Cases Referred to the Credit Guarantee Fund by COTA Bank" for Liu Tang Co., Ltd. did not match the account number stated in the credit approval letter. Upon investigation, the discrepancy was found to be due to a clerical error by the handling staff, which was corrected during the audit period.	Corporate Banking Department	Recommendation While handling credit cases, the responsible staff should thoroughly review all information after completing data entry to ensure its accuracy. Furthermore, the authorized supervisor in charge of the case must fulfill their duties by conducting a substantive review, rather than merely giving formal approval. A robust verification and review mechanism can help prevent unnecessary subsequent losses.	Responsible Personnel: Ms. Tseng ○-Ling Completion Date: Correction was completed during the audit period (November 8, 2024). The responsible staff has been instructed to thoroughly review all information after completing the "Self-Assessment Form for Cases Referred to the Credit Guarantee Fund by COTA Bank." The authorized supervisor in charge of the case must also conduct a proper review, verify the information in detail, and affix a stamp to confirm approval.
A review of the credit cases handled by the Corporate Banking Department revealed that the credit rating on the "Large Corporate Credit Rating Form of COTA Bank" for Liu X Tang Co. did not match the credit rating stated in the approval letter. Upon investigation, it was found that the case had been re-evaluated, but the updated rating form was not filed in the case folder. This oversight was corrected during the audit period.	Corporate Banking Department	Recommendation When handling credit cases, responsible staff should promptly update relevant information. Additionally, filing personnel should verify the accuracy of the information before proceeding with archiving.	Responsible Personnel: Mr. Lin ○-Ming Completion Date: Correction was completed during the audit period (November 8, 2024). The responsible staff has been instructed to retain the most up-to-date information in the case file. Additionally, the filing personnel must verify the accuracy of the documents before proceeding with archiving.
A review of the credit cases handled by the Corporate Banking Department revealed that the case file for Liu X Tang Co. contained LGQ guarantee and credit inquiry documents unrelated to the case. This was corrected during the audit period.	Corporate Banking Department	Recommendation When handling credit cases, responsible staff should promptly update relevant information. Additionally, filing personnel should verify the accuracy of the information before proceeding with archiving.	Responsible Personnel: Ms. Tseng ○-Ling Completion Date: Correction was completed during the audit period (November 8, 2024). Regarding the timely updating of information, the department has instructed the responsible staff to retain the most up-to-date documents in the case file. Additionally, the filing personnel have been asked to recheck the accuracy of the information before archiving.
A review of the credit cases handled by the International Banking Department revealed that Linsen Branch processed an import negotiation case for "Yi X Company", but incorrectly selected "Collection List" as the transaction type.	International Banking Department	Recommendation When handling credit cases, the responsible staff should accurately select the correct transaction type in the "Collection List." Additionally, the business unit, International Department personnel, and the authorized supervisor should cross-check the information to ensure its accuracy.	Responsible Personnel: Mr. Yu ○-Che and Mr. Lin ○-Bang Completion Date: Correction was completed on December 2, 2024. Regarding the recommendation concerning the branch's failure to select the appropriate transaction type in the "Collection List," the matter was communicated to all department personnel on January 15, 2025. Staff has been reminded to carefully review the completeness of all fields in documents received from business units. Both the responsible staff and the authorized supervisor must cross-check and verify the accuracy of the information to ensure proper validation and compliance.

2-3-10. Major Resolutions of Shareholders Meeting or Board of Directors Meeting in Recent Year

2-3-10-1. Shareholders Meeting

- ◆ Held the 2024 Regular Shareholders' Meeting on Jun.25 2024
The earnings distribution of year 2023 and capital increase by earnings and issuance of new shares.

2-3-10-2. Board of Directors Meeting

- ◆ Held the Fourth meeting of the Tenth Session of the Board of Directors on Mar.11 2024
 - (1) Approval of the 2023 Individual Financial Report
 - (2) Approval of the 2023 Directors' Compensation and Employee Compensation Distribution
 - (3) Approval of the 2023 Annual Surplus Appropriation
 - (4) Approval of the proposal to issue new shares by capitalizing the earnings of fiscal year 2023
 - (5) Approval of the 2023 Business Report.
 - (6) 2023 Statement on the design and operating effectiveness of the Internal Control System of the Personal Information Protection.
 - (7) 2023 Statement on the Internal Control System.
 - (8) 2023 Statement on the AML/CFT Internal Control System of insurance brokerage services
 - (9) Appointment and Compensation of Certified Public Accountant.
- ◆ Held the Fifth meeting of the Tenth Session of the Board of Directors on Jun.26 2024
 - (1) Cash Capital Increase Proposal
 - (2) Proposal regarding the appointment and removal of the Chief Financial Officer
- ◆ Held the Sixth meeting of the Tenth Session of the Board of Directors on Aug.26 2024
Approved of the FY2024 Individual Financial Report and Accountant's Audit Report for January 1 to June 30, 2024
- ◆ Held the Seventh meeting of the Tenth Session of the Board of Directors on Dec.25 2024
Amendment of Internal control system

2-3-11. The Directors or Supervisors have different opinions to the board of directors meeting through the major resolution, and has the record or announce by statement: None.

2 Corporate Governance

2-4. Information on the Certified Public Accountant

2-4-1. Disclosure of Certified Public Accountant Fee Information

Unit: TWD thousand

Accountant Firm	Name of Accountant		Period of Audit	Auditing Fee	Non-Auditing Fee	Total	Remarks
KPMG	Chen, Yen-Hui	Wu, Chun-Yuan	Year 2024	1,100	2,560	3,660	

Note: The non-audit fee service includes personal information protection, anti-money laundering and anti-terrorism mechanism project checking, cash capital increase new shares review, surplus capital increase new shares review, and surplus capital increase capital amount checking, etc.

2-5. Information of Accountants Change : None

2-6. The Bank's chairman, president, or manager in charge of financial or accounting affairs who has worked for accounting firm of certified public accountants or its affiliates within the last year: None





2-7. Transfers of Shareholdings and Changes in Pledges: Changes in Shareholdings of Directors, Supervisors, Executive Officers, and Shareholders conform to the Regulations Governing a Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank, Article 11

Title	Name	2024		Up To February 28, 2025		Remark
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Chairman	Song-Yie Liao	8,823,138	0	0	0	Major Shareholder
Managing Director	Chuan Cheng Hat Co., Ltd.	2,400,977	0	0	0	Major Shareholder
	Representative: Bor-Yi Huang	0	0	0	0	
Managing Independent Director	Hong-Chi Chang	0	0	0	0	
Managing Independent Director	Rurng-Terng Tsai	0	0	0	0	
Director	Chun-Chieh Wang	655,750	0	0	0	
Director	Xien-De Lai	141,530	0	0	0	
Director	Po-Yao Chi	506,831	0	0	0	
Director	Hsin-I Hsiao	307,053	0	0	0	
Director	Ting-Lieh Huang	62,842	0	0	0	
Director	Tsung-Huang Li	0	0	0	0	
Director	Pei-Chen Wang	0	0	0	0	
Director	Juo-Ping Lin	0	0	0	0	
Director	Chuan Chi Co., Ltd.	966,044	0	0	0	Major Shareholder
Director Independent Director	Representative: Yuan-Chung Huang	1,226	0	0	0	
	Tsung-Ta Kuo	0	0	0	0	
President	Shih-Chao Lee	71,175	0	0	0	
Chief Auditor Vice President	Huan-Mou Cheng	75,258	0	0	0	
	Hung-Tsang Chiang	83,290	0	0	0	
Vice President	Wen-Jung Chen	56,410	0	5,585	0	
Vice President	Richard C.C. Chang	39,218	0	0	0	
Vice President	Chia-Chin Liu	24,604	0	0	0	
Assist Vice President	Chang-Chieh Lin	46,067	0	0	0	
Assist Vice President	Wen-Sheng Lai	27,839	0	0	0	
Assist Vice President	Tzu-Hsiu Liang	41,945	0	0	0	
Assist Vice President	Yung-Hsieh Chen	5,378	0	0	0	
Assist Vice President (Branch General Manager)	Tien-Long Yang	62,991	0	0	0	
Assist Vice President (Branch General Manager)	Jeremy Huang	31,459	0	0	0	

2 Corporate Governance

Title	Name	2024		Up To February 28, 2025		Remark
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Department General Manager	Li-Hui Huang	100,077	0	3,929	0	
Department General Manager	Shu-Yuan Liu	39,459	0	0	0	
Department General Manager	Ya-Ting Yu	41,336	0	1,254	0	
Department General Manager	Ding-Wang Yang	27,692	0	0	0	
Department General Manager	Pao-Kuei Chou	37,128	0	0	0	
Department General Manager	Jia-Si Yan	31,030	0	0	0	
Department General Manager	Chi-Nan Huang	21,696	0	0	0	
Department General Manager	Jun-Long Tsai	29,760	0	0	0	
Department General Manager	Chun-Chieh Chien	30,097	0	0	0	
Department General Manager	Yi-Kai Lian	13,371	0	0	0	
Department General Manager	Mei-Ling Wen	27,877	0	0	0	
Department General Manager	Hui -Xiang Yang	28,271	0	0	0	
Department General Manager	Chen-Chuan Kuo	24,257	0	0	0	
Department General Manager	Chun-Hsien Chiu	15,393	0	0	0	Jul.08 2024 newly-appointed
Branch General Manager	Chuan-Hung Yang	48,669	0	0	0	
Branch General Manager	Tsung-Hua Yang	23,329	0	0	0	
Branch General Manager	Mei-Ling Shih	71,514	0	0	0	
Branch General Manager	Zong-Long Tu	41,288	0	0	0	
Branch General Manager	Qing-Sheng Xiao	22,332	0	0	0	
Branch General Manager	Yau-Guei Tsai	51,043	0	0	0	
Branch General Manager	Zheng -Xian Xie	111,885	0	0	0	
Branch General Manager	Ya-Ju Chiu	36,544	0	0	0	
Branch General Manager	Kung-Ming Hsu	33,798	0	0	0	
Branch General Manager	Hung-Chi Tung	51,476	0	0	0	
Branch General Manager	Chang-Cheng Chen	14,617	0	0	0	
Branch General Manager	Chia-Wen Ke	60,916	0	0	0	
Branch General Manager	Qing-Yu Xu	33,327	0	0	0	
Branch General Manager	Hsi-Hsien Wang	62,220	0	0	0	
Branch General Manager	Cheng-Hao Wu	42,906	0	0	0	
Branch General Manager	Shu-Chen Shih	101,901	0	0	0	
Branch General Manager	Mei-Chuan Lee	50,178	0	0	0	
Branch General Manager	Ching-Yu Chen	23,763	0	0	0	Oct.01 2024 newly-appointed
Branch General Manager	Kuo-Mao Wu	27,360	0	0	0	
Branch General Manager	Sheng-Jie Lin	25,387	0	0	0	
Branch General Manager	Mao-Sheng Huang	71,474	0	0	0	
Branch General Manager	Jun-Yan Xie	20,552	0	0	0	
Branch General Manager	Hsien-Hsun Chiang	11,847	0	0	0	

Title	Name	2024		Up To February 28, 2025		Remark
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	
Branch General Manager	Yang-Chih Lin	0	0	0	0	May.02 2024 newly-appointed
Branch General Manager	Yung-Hung Tsao	40,283	0	0	0	
Branch General Manager	Po-Hsun Chang	29,837	0	0	0	
Branch General Manager	Chuan-Ming Ou	3,627	0	0	0	
Branch General Manager	Cheng-Chien Ho	66,930	0	0	0	
Branch General Manager	Yan-Wun Huang	42,677	0	0	0	
Branch General Manager	Stenen Yeh	35,492	0	0	0	

Information of Shareholding Transfer: None

Shares Pledged Information: None

2-8. Information on Related Parties among the Top Ten Shareholders in terms of Shareholding Ratio

As of Dec. 31, 2024

Name	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C		Top ten shareholders who meet the related party disclosures term of FASC NO.6 shall disclose name and relationship		Remark
	No. of Shares	Shares Held %	No. of Shares	Shares Held %	No. of Shares	Shares Held %	Name	Relationship	
Song-Yie Liao	113,383,826	9.6	3,692,453	0.31			Chuan Cheng Hat Co., Ltd. Representative: Ching-Ling Liu	Director Spouse	
							Chuan Chi Co., Ltd. Representative: Ching-Ling Liu	Major shareholder Spouse	
							Fimanli International Co., Ltd. Representative: Ching-Ling Liu	Spouse	
Fu Jing Investment Co., Ltd. Representative: Wei Ren Liao	55,222,979	4.67							
Fimanli International Co., Ltd. Representative: Ching-Ling Liu	52,225,891	4.42					Song-Yie Liao	Spouse	
Ho Chu Investment Co., Ltd. Representative: Chia-Hung Lin	41,275,701	3.49							

2 Corporate Governance

Name	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C		Top ten shareholders who meet the related party disclosures term of FASC NO.6 shall disclose name and relationship		Remark
	No. of Shares	Shares Held %	No. of Shares	Shares Held %	No. of Shares	Shares Held %	Name	Relationship	
Chuan Chi Co., Ltd. Representative: Ching-Ling Liu	36,745,455	3.11					Song-Yie Liao	Major shareholder Spouse	
Neng Hong Investment Holdings Co., LTD. Representative: You-De Wu	33,935,890	2.87							
Kuo-Chao Hsiao	26,241,719	2.22							
Shi-Ying Hsiao	26,074,488	2.21							
Chuan Cheng Hat Co., Ltd. Representative: Ching-Ling Liu	23,749,423	2.01					Song-Yie Liao	Director Spouse	
Hooann Co., Ltd. Representative: Jen-Chieh Yang	20,993,557	1.78							

Note

1. All of the top ten shareholders shall be listed, and in the case of a corporate shareholder, the name of the corporate shareholder and the name of the representative shall be listed separately.
2. The calculation of shareholding ratio refers to the shareholding ratio in one's own name, in the name of one's spouse, in the name of one's minor children, or in the name of another person.
3. If the shareholders listed in the preceding paragraph include both legal entities and natural persons, the relationship between them should be disclosed in accordance with the Criteria Governing the Preparation of Financial Reports by Public Banks.

2-9. Consolidated Shareholdings: The shareholding in a single investee enterprise by the Bank, its directors, president, executive vice presidents, assistant vice presidents, managers of departments and branches, as well as entities directly or indirectly controlled by the Bank, shall be aggregated for calculation purposes.

As of Dec. 31, 2024, Unit: share; %

Investees (Note)	Direct Investment		Indirect Investment		Total	
	No. of Shares	% Shares Held	No. of Shares	Shares Held	No. of Shares	% Shares Held
Taiwan Financial Asset Service Corp.	5,000,000	2.94	0	0	5,000,000	2.94
Taiwan Asset Management Corp.	6,000,000	0.57	0	0	6,000,000	0.57
Sunny Asset Management Corp.	25,302	0.42	0	0	25,302	0.42
Taiwan Depository & Clearing Corp.	645,808	0.08	0	0	645,808	0.08

Note: The Bank's investment pursuant to article 74 of the Banking Act.

3

Fundraising Overview



3 Fundraising Overview

3-1. Capital Shares and Dividends

3-1-1. Source of Capital

Feb. 28 2025 Unit: Share; TWD

Month/Year	Issuing price (TWD)	Registered Capital		Paid-in Capital		Remark	
		Shares	Amount	Shares	Amount	Source	Other
Aug. 2024	10	1,200,000,000	12,000,000,000	1,081,480,967	10,814,809,670	Capital Increase from Retained Earnings 284,323,130	
Oct. 2024	10	1,200,000,000	12,000,000,000	1,181,480,967	11,814,809,670	Cash Capital Increase 1,000,000,000	

Dec. 31, 2024 Unit: Share

Type of share	Registered capital			Remark
	Outstanding shares	Unissued shares	Total	
Common Shares	1,181,480,967	18,519,033	1,200,000,000	Unlisted Stock

Note: Please indicate whether the stock is a listed or OTC company stock (if the stock is restricted from being listed or traded over-the-counter, such restriction should be noted).

Information for comprehensive reporting: None

3-1-2. List of Major Shareholders

Dec. 31, 2024 Unit: Person; Share; %

Name	Number of Shares	Percentage (%)
Song-Yie Liao	113,383,826	9.60
Fu Jiang Investment Co., Ltd..	55,222,979	4.67
Fimanli International Co., Ltd.	52,225,891	4.42
Ho Chu Investment Co., Ltd.	41,275,701	3.49
Chuan Chi Co., Ltd.	36,745,455	3.11
Nenghong Investment Holding Co., Ltd.	33,935,890	2.87
Kuo-Chao Hsiao	26,241,719	2.22
Shi-Ying Hsiao	26,074,488	2.21
Chuan Cheng Hat Co., Ltd.	23,749,423	2.01
Hooann Co., Ltd.	20,993,557	1.78
Yuhui Co., Ltd	18,812,865	1.59
Chun-Chieh Wang	15,377,972	1.30
Jun Heng Investment Co., Ltd.	14,190,954	1.20

Note: Disclose the ratio of holding shares above 1%.

3-1-3. Dividend Policy and Execution Status

According to COTA Bank's articles of association, the dividend distribution follows a method that combines cash and stock dividends. After allocating the statutory surplus reserve as required by law and setting aside or reversing the special surplus reserve based on the bank's operational needs and legal provisions, the remaining amount is distributed to shareholders.

The distribution is governed by Article 34-1 of COTA Bank's articles of association, which states the following: In the event of a surplus in the bank's annual financial statements, taxes and donations shall be paid in accordance with the law. After offsetting accumulated losses, 30% of the statutory surplus reserve shall be allocated. However, if the statutory surplus reserve has reached the total capital amount or if the financial business is sound and the statutory surplus reserve is allocated according to company law, it is not subject to the aforementioned limitation. Additionally, the bank may set aside or reverse special surplus reserves according to operational needs and legal provisions. If there is still a surplus after these allocations, it, along with undistributed profits from the previous period, shall be proposed by the board of directors as a dividend distribution plan for approval by the shareholders' meeting.

When the statutory surplus reserve has not reached the total capital amount of the COTA Bank, the maximum cash dividend distribution mentioned above shall not exceed 15% of the total capital amount.

Regarding the distribution of shareholder dividends, unless otherwise stipulated by law, a minimum of 10% must be in the form of cash dividends, with the remaining portion in stock dividends. If the cash dividend per share is less than TWD0.1, it shall not be distributed unless otherwise resolved by the shareholders' meeting.

Execution Status: The proposed dividend distribution for 2024 includes cash dividends of TWD649,815,000. The distribution will be carried out after approval by the shareholders' meeting.

3-1-4. Effect of the proposed no-compensation stock dividend on the Bank's operating results and earnings per share (EPS)

Unit: TWD Thousand , Dividends Per Share in TWD Dollar.

Year / Items		2024
Paid-in Capital at the Beginning of the Period (TWD)		10,530,487
Allotment of Shares and Dividends for the year	Cash Dividends Per Share (Dollar)	0.55
	Allotment Per Share for Capital Increase out of Earnings (Share)	-
	Allotment Per Share for Capital increase from Capital Reserves (Share)	-
Changes in Operating Performance	Net Income	3,740,544
	Net Income Increase (Decrease) Ratio compared with the same period last year	10.78
	After-Tax Profit	871,890
	After-Tax Profit Increase (Decrease) Ratio compared with the same period last year	(8.97)
	Earnings Per Share (TWD)	0.80
	Earnings Per Share Increase (Decrease) Ratio compared with the same period last year	(13.04)
	Average Annual Return on Investment (Reciprocal of Average Annual PE Ratio)	Note
Diluted Earnings Per Share & Price/Earnings Ratio	If Surplus is transferred to Capital Increase and all allocated to Cash Dividends	Diluted Earnings Per Share
		Diluted Average Annual Return on Investment Ratio
	If no conversion of Capital Increase from Capital Reserves	Diluted Earnings Per Share
		Diluted Average Annual Return on Investment Ratio
	If no conversion of Capital Increase from Capital Reserves and Surplus and all allocated to Cash Dividends	Diluted Earnings Per Share
		Diluted Average Annual Return on Investment Ratio

Note: The bank is an unlisted OTC company and does not need to disclose fictional figures and average annual investment returns, so it is not applicable.

3 Fundraising Overview

3-1-5. Employee and Director Remuneration

3-1-5-1.

The percentage or range of employee and director remuneration as stated in the bank's articles of association shall be regulated in accordance with the revised provisions of Article 34 of the bank's articles of association: 6% of profits shall be allocated for employee remuneration, and no more than 2% shall be allocated for director remuneration (with a maximum of 2%).

3-1-5-2.

The estimated basis for the provision amount of employee and director remuneration in the current period, as well as the calculation basis for stock-based employee remuneration, and the actual distribution amounts, if there are differences, will be treated as changes in accounting estimates. These differences will be adjusted and recorded in the current period's income statement upon the annual resolution of the shareholders' meeting.

3-1-5-3.

The distribution of remuneration approved by the Board of Directors is carried out in accordance with the company's articles of association as follows:

- (1) Proposed distribution of employee remuneration for 2025, based on the amount of employee remuneration for the previous year 2024: TWD66,267,000.
- (2) Proposed distribution of director remuneration for 2025, based on the amount of director remuneration for the previous year 2024: TWD22,089,000.
- (3) The proposed amount of employee remuneration to be distributed in the form of stocks and its ratio to the current period's after-tax net income and the total amount of employee remuneration: No employee remuneration will be distributed in the form of stocks.

3-1-5-4.

The distribution of earnings for 2023 for employee and director remuneration is as follows:

- (1) Employee remuneration: TWD75,363,000.
- (2) Director remuneration: TWD25,121,000.
- (3) Comparison with the originally proposed allocation: The originally estimated amount for employee remuneration was TWD75,363,000, with no difference; the originally estimated amount for directors remuneration was TWD25,121,000, with no difference. There is no discrepancy between the estimated amounts and the recorded figures.

3-1-6. Repurchase of the Bank's Own Shares: The Bank has not repurchased any of its own shares.

3-2. Issuance of Bank Debentures

Type of Bank Debentures	1st Non-Cumulative Perpetual Subordinate Financial Debts in 2018	2nd Subordinated Financial Debts in 2018	1st Subordinate Financial Debts in 2023
Date Approved by Central Competent Authority, Document No.	Financial Supervisory Commission Executive Yuan, R.O.C. March 5, 2018 Document No.10702043550	Financial Supervisory Commission Executive Yuan, R.O.C. August 31, 2018 Document No.10702165540	Financial Supervisory Commission Executive Yuan, R.O.C. August 11, 2022 Document No.1110143477 and August 16 2022 Document No.1110272562
Date of Issue	Jun 21, 2018	December 12, 2018	April 25, 2023
Denomination	TWD 10 million	TWD 10 million	TWD 10 million
Issue and transaction Place	Taiwan, R.O.C.	Taiwan, R.O.C.	Taiwan, R.O.C.
Currency	New Taiwan Dollar	New Taiwan Dollar	New Taiwan Dollar
Issue Price	Face value	Face value	Face value
Total Amount	TWD 0.6 billion	TWD 0.6 billion	TWD 1.05 billion
Interest Rate	Floating rate: Adjustable rate for consumer loans by season +3.06%	Fixed rate 1.95%	Fixed rate 2.65%
Term	Perpetual	7 years, matured on December 12, 2025	7 years, matured on April 25, 2020
Priority of Payment	Takes precedence over bank shareholders for distribution of surplus assets and is subordinate to tier 2 Capital holders, the deposit client and all other creditors of the Bank.	Takes precedence over bank shareholders for distribution of surplus assets and is subordinate to the deposit client and all other creditors of the Bank.	Takes precedence over bank shareholders for distribution of surplus assets and is subordinate to the deposit client and all other creditors of the Bank.
Guaranteeing Institution	None	None	None
Trustee	None	None	None
Underwriter	None	None	None
Certifying Lawyers	Wen-Cheng Chiang	Wen-Cheng Chiang	Wen-Cheng Chiang
Certifying CPA	Shi-Hua Guo	Shi-Hua Guo	Jun-Yuan Wu
Certifying Financial Institution	None	None	None
Method of Redemption	perpetual	Principal paid upon maturity	Principal paid upon maturity
Unredeemed Balance	TWD 0.6 billion	TWD 0.6 billion	TWD1.05 billion
Preceding Year's Paid-in capital	7,625,523,040 (2017)	7,625,523,040 (2017)	9,785,840,530 (2022)
Preceding Year's Post-Audit Net Value	9,337,842,218 (2017)	9,337,842,218 (2017)	13,684,611,239 (2022)
Performance Status	Normal	Normal	Normal
Sellback or Early Redemption conditions	30 days before announcement to comply with rules of competent authority it can be redeemed (including interest payable) after 5 years of the issuance	None	None

Fundraising Overview

Type of Bank Debentures	1st Non-Cumulative Perpetual Subordinate Financial Debts in 2018	2nd Subordinated Financial Debts in 2018	1st Subordinate Financial Debts in 2023
Rollover and Exchange Conditions	None	None	None
Restrictive Conditions	Subordinated	Subordinated	Subordinated
Capital Utilization plan	Strengthen financial structure, improve capital adequacy ratio and expand business development space	Strengthen financial structure, improve capital adequacy ratio and expand business development space	Strengthen financial structure, improve capital adequacy ratio and expand business development space
Amount of Registered Issuance Plus Outstanding Balance Already Issued as Ratio of Net Final Value of Issuance in Preceding Year.	25.70%	32.13%	29.60%
Whether it is included in qualified own capital and its category.	Yes, Tier 1 Capital	Yes, Tier 2 Capital	Yes, Tier 2 Capital
Name of the credit rating agency, rating date, and the assigned rating level.	At the time of this bond issuance, COTA Bank's credit rating, as rated by China Credit Rating Co., Ltd. (as of Dec. 26, 2017), was "twBBB+" for long-term credit rating and "twA-2" for short-term credit rating, with a "stable" outlook.	At the time of this bond issuance, COTA Bank's credit rating, as rated by China Credit Rating Co., Ltd. (as of Dec. 26, 2017), was "twBBB+" for long-term credit rating and "twA-2" for short-term credit rating, with a "stable" outlook.	At the time of this bond issuance, COTA Bank's credit rating, as rated by China Credit Rating Co., Ltd. (as of Dec. 19, 2022), was "twBBB+" for long-term credit rating and "twA-2" for short-term credit rating, with a "stable" outlook.

3-3. Issuance status of preferred shares: None

3-4. Issuance status of overseas depositary receipts: None

3-5. Status of employee stock option certificates processing: None

3-6. Status of restricted employee rights new share processing: None

3-7. Merger or acquisition of other financial institutions:

As of the most recent fiscal year and up until the printing date of the annual report, COTA Bank has not engaged in any merger or acquisition of other financial institutions.

3-8. Implementation of capital utilization plan: None

4

Business Overview



4 Business Overview

4-1. Business Report

4-1-1. Business Results

4-1-1-1. Deposits

Unit: TWD Thousand; %

Items \ Year	31 Dec 2024		31 Dec 2023		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	%	Amount	%		
Checking Deposits	3,517,096	1.92	3,603,247	2.02	(86,151)	(2.39)
Demand Deposits	31,500,253	17.16	29,376,114	16.45	2,124,139	7.23
Foreign currency Demand Deposits	2,114,439	1.15	1,859,140	1.04	255,299	13.73
Demand Savings Deposits	49,770,797	27.12	48,504,875	27.16	1,265,922	2.61
Employees Demand Savings Deposits	967,375	0.53	973,966	0.55	(6,591)	(0.68)
Time Deposits	24,577,592	13.39	26,152,485	14.64	(1,574,893)	(6.02)
Foreign currency Time Deposits	1,868,134	1.02	1,778,064	1.00	90,070	5.07
Negotiable Certificates of Deposit	95,000	0.05	381,000	0.21	(286,000)	(75.07)
Time Savings Deposits	69,111,037	37.66	65,958,670	36.93	3,152,367	4.78
Remittances	1,900	0.00	3	0.00	1,897	63,233.33
Total	183,523,623	100.00	178,587,564	100.00	4,936,059	2.76

4-1-1-2. Loans

Unit: TWD Thousand; %

Items \ Year	31 Dec 2024		31 Dec 2023		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	%	Amount	%		
Export Bills	0	-	0	-	0	-
Overdraft	0	-	0	-	0	-
Short-term Loan	5,322,573	3.63	3,922,722	2.91	1,399,851	35.69
Factoring	102,947	0.07	86,784	0.06	16,163	18.62
Guarantee Overdraft	5,548	0.00	927	0.00	4,621	498.49
Short-term Secured Lending	19,077,502	13.00	18,941,341	14.05	136,161	0.72
Medium-term Loan	25,526,188	17.40	24,900,095	18.47	626,093	2.51
Medium-term Secured Lending	60,478,781	41.22	55,013,449	40.81	5,465,332	9.93
Long-term Loan	2,119,118	1.44	1,716,157	1.27	402,961	23.48
Long-term Secured Lending	33,608,789	22.91	30,011,906	22.27	3,596,883	11.98
Collection	489,427	0.33	211,864	0.16	277,563	131.01
Total	146,730,873	100.00	134,805,245	100.00	11,925,628	8.85

5-1-1-3. Foreign Exchange Business (OBU included)

Unit: USD thousand

Year Items	2024 Amount	2023 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Foreign Currency Deposit	121,490	118,341	3,149	2.66
Foreign Currency Loan	62,387	62,481	(94)	(0.15)
Import and Export Business	7,320	7,513	(193)	(2.57)
Exchange Business	364,241	261,539	102,702	39.27

Note: Foreign exchange deposits and loans are the year-end balances; Import, export and remittance business are annual commitments

4-1-1-4. Trust Business

Unit: TWD thousand

Year Items	Dec. 31, 2024 Amount	Dec.31, 2023 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Non-Discretionary Money Trust Investment in Domestic and Foreign Securities	7,569,020	5,469,852	2,099,168	38.38
Other Trust of Money	1,123,448	1,029,595	93,853	9.12
Trust of Money (Total)	8,692,468	6,499,447	2,193,021	33.74
Trust of Real Estate	1,495,730	1,245,604	250,126	20.08
Trust Property under Trustees (Total)	10,188,198	7,745,051	2,443,147	31.54
Certified Business (Total)	1,186,660	282,046	904,614	320.73

Note: Trust of real estate includes the cash in the financing trust special account of real estate development trust

4-1-1-5. Wealth Management Business

Unit: TWD thousand

Year Items	2024 Amount	2023 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Overseas Corporate Bond Income	81,837	33,815	48,022	142.01
Fund Fee Income	26,043	7,736	18,307	236.65
Insurance Fee Income	252,765	202,476	50,287	24.84
Total	360,645	244,027	116,618	47.79

4 Business Overview

4-1-1-6. Credit Card Business

Unit: TWD thousand/ number of cards

Year Items	2024 Amount	2023 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Cumulative Total Number of Cards Issued	116,017	112,219	3,798	3.38
Credit Card Circulation	21,048	19,671	1,377	7.00
Amount of Consumption	1,684,651	1,576,032	108,619	6.89
Revolving Credit Balance	36,487	29,733	6,754	22.72

4-1-1-7. Investment Bond and Bills Business

Unit: TWD thousand

Year Items	Dec. 31, 2024 Amount	Dec.31, 2023 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Government Bond	980,632	1,166,960	(186,328)	(15.97)
Financial Bonds and Corporate Bonds	17,831,947	14,622,796	3,209,151	21.95
Convertible Bond	1,161,300	1,277,700	(116,400)	(9.11)
Reverse Repurchase Agreement	998,561	8,599,491	(7,600,930)	(88.39)
CBC Certificates of Deposits (include NCD)	11,625,000	15,500,000	(3,875,000)	(25.00)
Short-term Transactions Instruments	2,945,630	3,547,803	(602,173)	(16.97)

4-1-1-8. The Proportion and Change of Net Income of Operating Business

Unit: TWD thousand

Items	2024		2023	
	Amount	Ratio of Net Income (%)	Amount	Ratio of Net Income (%)
INTN (Interest Income (Net))	2,934,371	78.45	2,824,588	83.65
FEE (Service Fee Revenue & Commission (Net))	457,697	12.24	343,106	10.16
FIAL (Gains or Losses on Financial Assets (Liabilities) at Fair Value through Profit or Loss)	195,825	5.24	110,562	3.28
FVTOCI (Realized Gains or Loss from Sale of Fair Value through Other Comprehensive Income Financial Assets)	48,459	1.30	25,013	0.74
Realized Gains or Loss from Amortized Cost Financial Assets	10	0.00	1,848	0.05
FXGL (Foreign Exchange Gain)	75,454	2.01	20,714	0.61
Profit on Reversal of Impairment Assets Loss	1,080	0.02	8,278	0.25
OREV (Other Revenue Except for Interest Income)	27,648	0.74	42,412	1.26
NREV (Net Revenue)	3,740,544	100.00	3,376,521	100.00



4-1-2. Business Plans for year 2025

4-1-2-1. Operation Plans

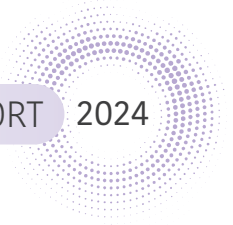
- In order to improve operating efficiency, we are committed to developing Fintech technology and launching business operation process-related optimization projects which can effectively save manpower and operating costs, while improving customer experience and use the saving costs to invest in talent training and improving digital capabilities.
- Concerning to simplify the operation procedure and internal control, review and improve business regulations any time to optimizing adjustment, promote service quality and work efficiency.
- Planning to import ISO 22301 operation system in 2024 and expected to pass verification in 2025.
- To improve operational sustainability and innovation capabilities, the introduction of agile development has become the bank's new culture, and three major aspects of fair hospitality and ESG have been gradually integrated into daily operations to practice enterprises social responsibility and the sustainable coexistence of natural environment.
- Developed the interfacing operation program between the Bank's trust fund system and depository & clearing platform.
- Compiled and calculated the qualified regulatory capital ratio of the bank and analyzed the difference with the prior ratio.
- In response to the implementation of Basel III, we strengthen the capital structure, the equity basis of common stock and the risk-taking ability.
- We strengthen accounting management and implement budget enforcement to make resources more efficient.
- To promote and handle all related policies and orders for financial & tax.
- Adjusting the internal transfer and pricing mechanism to improve efficiency and effectiveness of business and management.
- Continuously simplifies accounting operations and streamlining manpower and time.
- To integrate information of tax declaration and enforce the effectiveness and correctness by electronic implementation
- Developed the programs related to securities trust business.
- We are replacing old ATMs to increase the proportion of ATMs that provide transaction functions for the visually impaired.
- To develop a complete E-LOAN system.
- Import Fortinet Secure SD-WAN to improve network security and bandwidth usage efficiency.
- Implemented the Financial Configuration Benchmark (FCB) and Configuration Automation Checking System to effectively check the completeness and validity of its application.
- Importing the vulnerability management system, monitoring the vulnerability continuity and vulnerability risk analysis, targeting the really high-risk vulnerabilities for remediation to achieve effective management of vulnerabilities.
- Build AI computing infrastructure.
- All personal computers in the bank were replaced with new ones.
- Upgrade and revise mobile online banking to enhance security.
- Develop and implement a new version of the telephone voice system to replace the existing old voice system
- The branch TV signboard for showing interest rate was rewritten by new structure and PC was used to replace Android TV box to facilitate subsequent maintenance.
- Plan deployment of zero trust network, strengthen connection verification and authorization control, and gradually introduce three core mechanisms of zero trust network such as identity authentication, device authentication and trust inference to meet the needs of information security protection.
- Develop automatic account debit service for online credit card customers.
- Develop new version of bank official website.
- Introduce cloud services to improve data recovery capabilities and strengthen digital resilience.
- Develop the investment system of sub-fund in line with the development strategy of wealth management business.
- Development of financial cards to be produced by branches.
- Development of API reporting platform for central bank reports.

4 Business Overview

- Develop a trading platform for Taiwan dollar-denominated funds in the Financial Markets Division.
- To enhance the scalability of the banking system, the Bank will study the migration of branch operations to the web system.
- Developing e-forms optimizes the online banking application process, reduces the waiting time and cumbersome procedures for customers in doing business, improves customer satisfaction and operational efficiency, and reduces the use of paper at the same time.
- In conjunction with the revamp of mobile online banking APP, an English interface was added to serve foreign customers to lower the language barrier and expand the target customer base.
- Planning to introduce FIDO authentication service to enhance the security and convenience of mobile online banking services.
- Developed QR Code scanning function for ATM interbank card-less cash withdrawal to simplify customer operation and reduce the chance of input errors.

4-1-2-2. Lending Business

- Screen excellent target customers and provide exclusive discounts and services to expand consumer financial business
- Strengthen the understanding and recognition of the bank's consumer financial products for the wealth management investment group at the top of the pyramid.
- Based on innovative consumer financial products in the market, the Bank takes low risk and advantageous competitiveness as the main goal to develop diversified and customized projects to increase added value of products and expand product services and personal financial loan scale.
- Continuously strengthen the on-the-job training courses for business personnel, aiming at compliance, product positioning, marketing direction, development skills, service etiquette, and supplemented by the four purposes of integrity, innovation, cordiality, and service to improve the overall business team's production capacity.
- To improve quality of credit personnel and implement "customer segmentation" strategy, expand the lending scale of low-risk customers and strictly control high-risk customers as well, strengthen risk pre-warning system and establish rigorous management operations.
- Making the back office standardized, automatic and digitalized to save operational cost and shorten operating time so that making the lending procedure more competitive and efficient to achieve the goal of economies of scale.
- To increase income of the Bank, we accelerate credit processing by electronic process and strengthen risk control to create personal financial business based on principle for both quality and quantity. Deeply cultivate all old clients and look for new potential online banking customers, we cooperate with digital bank to develop appliances to be computerized and use the convenience of Internet to promote business volume.
- Strengthen the use of online credit application and online insurance APP and online application that have been launched. It can accelerate the operation process and increase volume of case.
- Strengthen the mobile APP and integrate the marketing official website, and deeply develop the Internet generation group again.
- Don't waste any marketing opportunities to increase referral cases and create more loan drawdown.
- Enhance the pre-existing risk control capabilities of the entire product to improve asset quality and implement post-event management. Regularly review the operating conditions and asset quality of the consumer finance credit business, and adjust the pricing and credit policies of the products at any time, and strengthen the management structure of the product line to respond product performance.
- Create the most appropriate business model for the consumer banking department to enhance overall competitiveness in response to external competition and changes in the regulatory environment and create the best profits for the bank.
- Strictly carry out SOP of credit and loan business, strengthen detailed evaluation of credit facility, review and follow-up outstanding cases after credit release and keep track of the performance of customer management and financial control to avoid or reduce losses and maintain credit assets.
- Making good use of internal credit rating system to adjust factors and weights moderately after collecting sufficient quantitative data and summarize reasons for timing and overdue of default by using credit default database.



- In order to enhance competitiveness of bank business and effectively control the quality of real estate, we refer to the real estate appraisal information platform of Joint Credit Information Center (JCIC), internal database and other relevant information platforms built by government to make the appraisal more transparent and rational and conduct a real price login review after the loan is granted to ensure the quality of credit.
- The mortgage business is based on the principle of installment amortization. The Bank should focus on Loan 5P rule to avoid giving grace period to reduce credit risk and treat collaterals to be second line of defense.
- The Bank's lending rates for land financing, construction financing, and housing loans were reviewed in a timely manner, and an improvement plan for the concentration of construction loans was implemented to facilitate the implementation of the measures adopted by the competent authorities to strengthen financial supervision over the risk control of real estate loans.
- Monitoring credit limit to enhance risk management and improve asset quality, focus on supervisory control and management of various risks and strengthen Capital Adequacy Ratio of the Bank.
- Optimize the credit process of the bank, strengthen vertical communication and horizontal contact among business units, and credit management departments, maximize work efficiency, strengthen the quality of credit cases, and facilitate overall business promotion and coordination with marketing.
- Registered as sole proprietorship, partnership or company organization according to law of SME are as the target to expand business portfolio according to their business status, credit quality, lending purpose and repayment plan, and also to enhance debt strengthens through SMEG and government-related policies. To provide derivative funds for enterprises to purchase machines and equipment and assist in their growth.
- Actively promote credit business to enterprises, assist enterprises in allocating funds and meet the needs of enterprises in different periods of development, ex: enterprises' short-term, temporary or seasonal operating working capital, enterprises' investment and establishment of medium and long-term operation capital expenditure and funds.
- Following government policies, continuously promoting SME loans to satisfy customers' needs, enlarging customers' base and economic scale, and enhancing market share of the corporate financing.
- The Credit Department of the head office regularly collects industry overview and analysis reports for the reference of relevant personnel to keep abreast of the market trend of various industries.
- Through the expansion of upstream and downstream customers, we can understand customer production and sales situation in advance and find new customers.
- Ensuring claims, increasing secure percentage and reducing percentage of credit loans. If the loan met the requirement of the "Small and Medium Enterprise Credit Guarantee Fund", it should apply the Fund as a guarantor for reducing capital charge.
- Cooperating with the government's policies on economy growth and industries upgrading, providing the whole programs on corporate loans and satisfying the customers funding needs in each level.
- Setting maximum limits for individual industries according to the industry boom and risk differences to avoid excessive risk concentration in the same industry.

4-1-2-3. International Banking & Foreign Exchange Business

- Established a foreign exchange marketing team to provide guidance to branches on foreign exchange business and product training, as well as planning for customers' foreign exchange quota to facilitate the growth of foreign exchange business.
- Optimize the foreign exchange online banking function to strengthen customer adhesion, accelerate the digitization of the bank, and increase the number of foreign currency digital accounts to provide customers with multiple choices.
- Cooperate with ISO20022, the international standardization of SWIFT format to convert the sending message format from MT to MX.
- Cooperate with the implementation of Anti-Money Laundering and combating terrorist financing, integrate the bank's national risk identification, assessment, management and control process systems in real time, and strengthen blacklist control and inspection
- In order to protect the environment and reduce shipping costs, continue to work with the IT Department to review the import and export business process and replace paper printing with file backups.

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- Coordinate with the IT Department to plan and develop the import and export operation function of the new system, so that the foreign exchange designated unit to operate the foreign exchange system when the interface is integrated.
- Continuously strengthened training on foreign exchange professional knowledge to enhance the Bank's ability to expand its foreign exchange business.

4-1-2-4. Wealth Management

- Provide financial advisory and product sales services in areas such as asset allocation and financial planning to deepen relationships with high-asset clients and enhance market competitiveness.
- Taking advantage of local operations, we hold customer briefing sessions for wealth management at branches, provide the latest market information to grasp investment opportunities and wealth inheritance and other topics to communicate with customers, and at the same time, to enhance the professional knowledge related to investment and financial management.
- Adjust the mechanism for increasing the amount of subscription for non-fixed regular investment according to the investment needs of customers, allowing investors to set their own investment amounts within a designated range, offering greater flexibility during market downturns.
- Launch a Monthly Distribution Investment Portfolio for overseas bonds, enabling clients to participate in overseas bond investments through small-amount subscriptions, thereby achieving goals of monthly income, diversified industry exposure, and risk dispersion while balancing returns and risks.
- Continue to introduce a broader range of financial products and services tailored to qualified professional investors, further strengthening relationships with high-asset clientele.
- Actively adjust asset allocation strategies in response to market changes and plan the launch of new products (e.g., Master-Feeder Funds and structured products) to offer clients more diversified investment options while managing risk and return.
- In support of the Green Finance Action Plan 3.0, the Bank curated and launched 98 ESG-focused green funds. These products emphasize long-term corporate development and operations, offering relatively stable investment choices less susceptible to short-term market fluctuations, and allowing clients to participate in the global sustainability movement.
- Rolling adjustments to the financial advisors management and optimization of management reports, moving towards more effective operational management and development.
- Promote staff referral services to enhance customer engagement and strengthen the expansion of the Bank's wealth management business, thereby improving overall service quality.
- Reinforce regulatory compliance awareness and operational standards, aligning with policies on fair treatment of elderly clients and enhancing consumer protection for senior citizens.
- Encourage branches to increase the number of financial professionals, and through the channel sales team to cultivate branch training professionals to enhance professionalism and business capabilities to serve a wider customer base, so as to expand the scale of wealth management business.
- Focus on enhancing the professionalism of financial professionals by conducting weekly and monthly meetings, supplemented with regular training sessions and post-class online assessments to strengthen learning capabilities. Provided weekly, monthly, and quarterly investment market reports, along with timely updates and market insights based on current events, while reinforcing compliance awareness and adherence to relevant regulations.
- Organize periodic "Wealth Management Business Training Programs" and encouraged participation from handling clerk in deposit, service counter, and operations roles to enhance their financial management knowledge and sales skills.
- Held annual compliance training for wealth management supervisors and clerk to ensure familiarity with operational procedures, product features, regulatory frameworks, and internal control processes, ensuring full compliance in all related activities.
- Deploy wealth management support personnel to branches to assist with sales coaching, including sales technique guidance, market information sharing, joint customer visits, and morning briefing simulations.
- In response to demographic shifts from an aging population and declining birth rate, and the growing number of individuals with

dementia, the Bank actively promote awareness and understanding of trust services for elderly (including those with dementia) and persons with disabilities. The concept of “Elderly Care Trusts” was broadly advocated to fulfill corporate social responsibility and uphold the core value of altruism.

- In support of the Financial Supervisory Commission’s “Trust 2.0 – Comprehensive Trust” Phase II initiative, the Bank proactively sought cross-industry collaboration opportunities with organizations such as social welfare groups, eldercare facilities, medical institutions, and bar associations. Through resource integration and exchange across sectors, the Bank aims to foster a healthy and active lifestyle for seniors, continuously expanding the range of cross-industry alliances and partnerships.
- Promote trust services via media outlets and print publications to raise public awareness and recognition of trusts. By increasing media exposure, the Bank expanded the influence of trust services and advanced the objective of inclusive finance.
- Actively promote trust education in schools through lectures and internship programs to cultivate future professionals and embed trust knowledge at the grassroots level. Regular outreach was also conducted at social welfare organizations using brochures and posters to improve public understanding of trust functions, supporting fair customer treatment and sustainable finance.
- To enhance the professionalism of trust personnel, the Bank encourage and support employees in obtaining certifications such as “Senior Financial Planning Advisor” and “Family Trust Planning Advisor,” thereby strengthening expertise, meeting client needs, and driving the growth of the trust business.
- Continue to promote pre-sale housing payment trusts and real estate trusts, ensuring that construction funds are allocated for designated purposes. This helps reduce transaction disputes and protect the interests of developers, landowners, and homebuyers, while securing the Bank’s credit claims.
- Collaborate with insurance companies to jointly promote trust services, helping more policyholders understand the functions and benefits of trusts, thereby broadening service scope and meeting the diverse trust needs of various client segments.
- Through centuries of deep-rooted and local operation, provided high-asset individuals and corporations with trust business for wealth succession, aimed at preserving business continuity, resolving intergenerational wealth distribution issues, and minimizing family inheritance disputes.

4-1-2-5. Asset & Liability Management, Risk Management and Funding

- For the implementation of Basel III and the needs of future business development, the Bank will appropriately carry out long-term capital planning to strengthen the foundation of common equity, make the lowest capital requirements meet the international standards, and strengthen risk tolerance.
- Reviewing costs with a view to maximizing benefits at the lowest cost.
- Effective utilization of fixed assets to enhance asset efficiency.
- The financial investment strategy focuses on strengthening financial operations and stable liquidity, diversifying investment targets, ensuring asset contribution, and achieving sufficient profit performance.
- The Bank uses the long-term investment position to strengthen the operating performance of the investment business, improve the level of profitability, inject investment income, and increase bond investment to improve the performance of capital utilization and interest income.
- Strengthen the efficiency of capital utilization and high-spread products, and continue to maintain the smooth and stable funding business of the whole bank. In addition to maintaining the existing inter-bank relationship, continue to increase the counterparties of various financial products, expand the source for funding and reduce the cost of funds.
- For on-balance sheet and off-balance sheet projects, a perfect risk management system has been established and implemented to make the use of funds more effective and in line with the principles of safety, liquidity and profitability.
- The Bank promotes the loan and investment business not only follows the Bank Act, related regulations, and the Bank’s internal rules to diversify the risks and to obtain effective usage on funds but also comply the highest limit provisions by industry, corporate groups, and country categories to avoid risk losses.

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- Strictly monitoring the limits of the market risk in order to balancing returns against risks, optimizing asset allocation, and maintaining the safety and profitability of the capital.
- Monitor and control the management of various credit limits, utilize risk management functions, improve the structure of risky assets, and strengthen the Bank's capital adequacy ratio.

4-1-2-6. General Administration and Human Resources Management

- Controlling the manpower demand and condition, establishing the processes of the employee recruitment, deployment, layoff, and dismissal to ensure the Bank has talent and appropriate staff within a specified period.
- Through the personal performance management and development system plan (PDP), employees can accelerate the improvement of employees' know-how and performance, successfully implement the company's operating strategy, and make a win-win situation.
- Through the financial incentives to encourage employees to increase staff's centripetal force and morale, reduce the dissatisfaction with the work and give employees a safe working environment.
- Place appropriate staff at the right time in the appropriate position, so that it can be efficient and effective to assist the Bank to achieve the overall goal.
- Implementing the counseling operation on staff with poor performance to adjust their attitude on job through the Personal Performance Improvement Plan (PIP). If the Bank makes sure they are not suitable, they will be eliminated that will fully effective usage on human resources and to improve the bank's performance.
- The operation preparation, environment configuration and repair plan of new branches and departments shall consider the cost of operation and repair, in order to meet environmental issues and the interests of the company and ensure the occupational safety of employees.
- Continue to promote the electronization of administrative business, and provide access to official documents and business regulations on the company's intranet, in order to improve efficiency and accuracy, and has been paperless as the goal.
- In order to develop sustainable operations, in line with the government's 2050 net-zero carbon emission goals, and with reference to the Financial Supervisory Commission's information disclosure work on the greenhouse gas inventory and verification of non-listed financial institutions, strengthen employee-related operational education and training to meet the disclosure content and schedule.
- Replacement of existing own vehicles with hybrid vehicles to save fuel consumption and reduce emissions, lower operating costs and help reduce greenhouse gas emissions, in line with the trend of environmental protection and enhancement of corporate social responsibility image.
- To carry out renewal and redevelopment of existing aged premises to enhance building safety and seismic performance, and to comply with urban renewal and regulatory requirements. During the redevelopment process, the spatial configuration was re-planned to enhance the efficiency of use, and green building standards were introduced to optimize building value. This will not only help enhance the commercial vitality and economic benefits of the surrounding areas, but also ensure the long-term development and sustainable operation of the Bank, creating a win-win situation for the environment and society.

4-1-2-7. Credit Card Business

- Encourage sales specialists to match the marketing of the Bank's credit cards with the sales of consumer loan business, and actively promote online credit card application, so as to obtain real-time information on the progress of credit card application, replenishment of documents, and newsletters on approval of credit card applications, etc., and to comply with the environmental protection policy.
- Continuously promote "e-billing" and "mobile billing" services, and enjoy annual fee waiver by selecting mobile or e-billing through cardmembers, so as to respond to the policy of energy saving and carbon reduction, and to minimize the felling of trees due to the consumption of paper.
- To provide quality gift services to premium cardholders with higher annual spending, in order to bring them closer to premium cardholders, to continue to build a close business relationship with the Bank and to enhance cardholder loyalty.

- Enhancement of Personal Online Banking and Mobile Online Banking APP services to provide cardholders with biometric login to facilitate billing inquiries, online payments, consumption and payment broadcasts, and cash advance password changes...etc.
- Continuously strengthened staff training to enhance business familiarity, in order to accurately handle customer issues and maintain a high level of service, as well as to enhance the efficiency of collection and reduce the overdue rate.
- Launched the EDDA automated transfer electronic authorization service, providing online credit card account automatic transfer service and simplifying paper work for customers, allowing customers to handle account direct debit services through the Internet
- Added a new step of clicking on the "Web Page Identifier" for credit card online transactions to strengthen the OTP SMS security measures and prevent fraudulent transactions on the Internet.
- The Bank continues to make use of the risk control systems of VISA International and the United Credit Card Processing Center, as well as setting security control parameters through the Bank's authorized systems and developing online credit limits and self-management of consumer transactions in an effort to minimize losses from counterfeiting.

4-1-2-8. Insurance Agency Business

- Selecting competitive insurance companies and insurance products in the market, negotiating and signing agency contracts, and providing services to the Bank's customers in accordance with the agency contracts, so that customers can diversify various risks in their lives in the course of wealth management planning.
- Facing the coming of an ultra-aging society, the medical care, long-term care, elderly care, annuity insurance and asset allocation are favored. Our bank will provide customers with more diversified insurance products to choose from.
- With insight of market demand and to diversify the risk of single currency exchange rate fluctuations, we continue to introduce foreign currency insurance products such as USD, AUD and CNY to meet customers' needs for multi-currency allocation and financial planning.
- To implement the purpose of developing a sustainable environment and participating in social public welfare, our bank insists on providing the core value of altruism and holds various seminars for insurance customers to improve customer satisfaction and actively participate in insurance public welfare activities.
- Continue to pay attention to the supervision policies of the competent authorities, comply with laws and regulations, strengthen training, strengthen internal control and audit systems through systematic management and regular review of internal operating procedures, and improve the accuracy and efficiency of administrative operations to reduce the risk of penalties imposed by the competent authorities.

4-1-3. Market Analysis

4-1-3-1. Business Operation Area of the Bank

The Bank primarily focuses on domestic market. Up to Dec. 31, 2024, the Bank owns 32 branches and 1 Offshore Banking Unit which spread over Taipei, New Taipei City, Taoyuan City, Hsinchu City, Taichung City, Changhua County, Changhua City, Tainan City and Kaohsiung City. The Bank will continue to expand the business location in order to establish the full financial service network.

4-1-3-2. The Condition of Market Supply and Demand and Growth Potential in the Future

The competent authorities have been actively engaged in promotion of financial technology development in recent years, including promoting financial industry to actively cultivate FinTech personnel, expanding use and innovation of mobile payment, encouraging banks to cooperate with P2P online lending platforms, promoting sound development of crowd funding platforms, and encouraging insurers to develop FinTech's innovative products for big data applications, construct fund online sales platform and smart financial services, create digital account transfer operation environment, research on Distributed Ledger Technology (DLT), establish a financial information sharing and analysis center, and build identity reliability information center. React the rapid changes in

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financial environment, the Bank will continue to promote mobile and digital financial services, cooperate with different regulations, information development and opening of financial policies to develop diversified financial products and innovative services, build a more complete financial service network, in order to grasp the opportunity of development, effectively enhance the bank's profit and expand the scale of operations

4-1-3-3. Advantages in Competition and Prospects of Advantages, Disadvantages and Countermeasures

4-1-3-3-1. Advantages

- A. Steady operation for a century, the Bank has stable financial condition and goodwill.
- B. The Bank flat organizational size with good elasticity can make decisions closer to the market and with a high degree of adjustment and adaptability.
- C. The future operating development of the Bank will be more stable after the continuous improvement on the structure of deposits and loans and asset quality.
- D. The Bank will continuously develop Wealth Management and Trust business to increase fee income and diversify profit resources.

4-1-3-3-2. Disadvantages

- A. Financial institution products are homogeneous and high competitive in the short term does not eliminate and difficult to improve banking profits.
- B. Large banks have an advantage in terms of capitalization and brand trust, and digital banks (e.g., LINE Bank, Next Bank) are able to capture the market with their low-cost operations.
- C. Financial globalization and domestic banks face in highly "large-scale" competition that compress small and medium banks financial services.
- D. The Bank runs smaller scale of deposit and loan business, branches distributed mostly in central region of Taiwan is not conducive to business development.

4-1-3-3-3. Countermeasures

- A. To optimize bank digital financial services environment, choose suitable digital development strategies to enhance customer convenience and break through the limits of entities branch distribution. Furthermore, actively enhance the financial digital professional capabilities of employees to cope with the development of future technology.
- B. Increasing fee income on Wealth Management and actively expanding SME lending.
- C. Keep adjusting for branch positions in order to establish a more complete financial services business.
- D. With "strengthening capital and stabilizing profits" as a perpetual business strategy, improve asset quality, reduce the cost of capital, and sound financial structure to keep profitable growth.

4-1-4. Financial Products Research and Development Overview

4-1-4-1. The Situation of Major Financial Products and New-established Units

4-1-4-1-1. Scale of the bank's major financial products in recent two years: The main financial products are TWD and foreign currency deposits, consumer loans, corporate loans, import and export of foreign currency remittance and exchange, financial advisor and trust products and credit cards. The scale of the business is detailed in the part 5 Business Operation.

4-1-4-1-2. Establishment or change of business departments: None

4-1-4-2. Expenditure and result of financial products research and development in recent 2 years

4-1-4-2-1. Expenditure of financial products research and development in recent 2 years:

Year 2023: TWD5,102 thousand; Year 2024: TWD6,068 thousand

4-1-4-2-2. Results of major financial products research and development in recent 2 years as the follow:

- The bank launched foreign bonds to add customers' portfolio selections and create a new source of income for the bank.
- Complete and announce the 2023 Annual Sustainability Report (Sustainability Report 2023).
- Completed year 2023 joint declaration and due diligence criteria CRS and FATCA reportable matters.
- To diversify the risk of single currency exchange rate fluctuations, the bank continues to introduce foreign currency insurance products such as USD, AUD and CNY... to meet the needs of customers for multi-currency allocation of financial planning.
- Develop branch chip debit card printing function.
- Open digital depository customer account upgrade for counter identity verification.
- Open payroll function for payroll allocation on non-business days.
- Develop a new version of mobile billing.
- Cooperate with the organization to optimize and modify the relevant programs of credit, trust, and gold passbook systems.
- Mobile Online Banking has added QR Code debit service for cross-border consumption.
- To introduce MID (Mobile ID) verification functions for mobile online banking.
- Develop the message sending program that conforms to new version of SWIFT ISO20022 standard format.
- Mobile online banking adds the service to debit account for individual income tax payment by mobile tax declaration.
- Develop TWD securities investment (stocks / mutual funds / reverse repos) for "individual trader" authorized limit control system and build a warning mechanism for stock / fund traders to avoid circumvention of stop loss execution.

4-1-4-2-3. Research and Development Project in the Future:

- Actively seek cross-sectoral cooperation opportunities: such as social welfare organizations, hospice organizations, medical units and lawyers' associations, etc., and through the integration of resources in different industries, to create an ageing healthy life, to meet the full range of needs of the elderly, and to continue to expand the types of cross-sectoral alliances and targets for cooperation.
- Continuously strengthening risk control and information security mechanisms and updating information security management systems to help banks strengthen data encryption, access control and risk assessment to ensure the security of customer information and transactions.
- To reinforce electronic financial services by keeping R&D on website and internet banking business in order to provide better internet transaction platform to match varied demands.
- To strengthen working capitals and enhance sound financial structure in order to develop business.
- To construct sound risk management organizations and mechanisms to assess and monitor the efficiency of credit risk, market risk, operational risk and liquidity risk enhancing performance and asset quality.
- Aggressive to create new trust products to enhance bank's competitive of Trust Business
- Aggressive to develop digital financial services and streamline operational procedures to reduce costs and improve the Bank's client base to attract younger clientele.
- To launch online business successively in response to Bank 3.0.
- To keep develop cross-board cash flow service platform in order to get the latest financial market situation and trends all the time.
- Establish standard and simplify operating processes and enhance of IT system integrator in order to improve operational efficiency and customer satisfaction.
- Develop money laundering and terrorism risk assessment and risk prevention plans according to the schedule set by authorities.
- To implement the purpose of developing a sustainable environment and participating in social welfare, the bank upholds the core value of altruism and holds various types of insurance briefings to improve customer satisfaction and actively participate in insurance charity activities.

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4-1-5. Long/Short Term Business Development Plan

4-1-5-1. For our Short Term Business Development Plan, details please refer to our profile of Business Plans for Year 2025

4-1-5-2. Long Term Business Development Plan

- Research and establish a database to analyze customer transactions and provide new financial products that will meet customer needs based on customer trading habits.
- Create innovative financial services and strengthen Wealth Management LINE@ and FB message transmission, identify customer preferences, reach more users and conduct user behavior analysis to narrow the distance with customers.
- Continue to work on the official website, Online Banking and Mobile Banking APP for innovation and research and provide better online cash flow payment platform to meet customer needs.
- In the future, the Bank will plan for the combination of retirement financial products with the Eldercare Trust, and in accordance with the operation model of the Eldercare Trust, we will incorporate the risk control process related to the sale of funds or overseas bonds to ensure that the product design and execution process is compliant, and at the same time, we will provide customers with stable and safe investment and trust planning services, and enhance the return of funds on the basis of ensuring the safety of the assets.
- To understand the market demand, introduce competitive insurance products to fill the gaps in the current product line, to encourage the sales units to promote insurance business with incentives, and to create insurance commissions with training programs.
- The Bank will select competitive insurance companies and insurance products in the market, negotiate and sign agency contracts, and provide services to our customers in accordance with the agency contracts, so that our customers can diversify their risks in their wealth management planning.
- Continue to pay attention to the supervisory policies of the competent authorities, comply with laws and regulations, strengthen training, and enhance internal control and audit systems through systematic management and regular review of internal work processes to improve the accuracy and efficiency of administrative operations and reduce the risk of penalties imposed by the competent authorities.
- Continue to actively promote sustainable finance, expand green finance and ESG investments, and implement sustainable management.
- To follow policies of authorities, continue to promote the credit lending of SME, meet customer needs, expand the customer base and economic scale and increase the market share of the Bank's for corporation lending.
- Continue to promote gold passbook business and research the benefits of setting up foreign currency gold passbook business, offer more ways for regular fixed amount deductions in order to Increase revenue and provide options that better meet customer needs.
- Continue to strengthen our cooperation with financially stable and high-profile mutual fund companies to provide clients with suitable asset selection and allocation targets and to enhance their trust in the Bank.
- Strengthen asset quality, reduce capital costs to improve financial structure and stabilize profit growth.
- Adjust profit structure and widen deposit spreads to improve profitability.
- Aggressive to develop digital financial services and streamline operational procedures to reduce costs and improve the Bank's client base to attract younger clientele.
- In line with development of digital banking, research E-based applications to keep old customers and develop new potential E-banking customers, and use the convenience of the Internet to increase business volume
- To actively enhance the professional competence of our staff in financial digitalization in order to cope with the future development of technology.
- Plan to establish a database to analyze customers' history and provide new financial products that better meet customers' needs based on their trading preferences.

4-2. Human Capital

Information of Educational Background for Employees in Recent 2 Years

Item \ Year		2024	2023	Up to Feb. 29, 2025
Number of Employee		1,187	1,160	1,205
Average Age		41.93	42.08	41.36
Average Seniority		15.29	15.62	14.97
Structure of Education	PhD	-	0.09%	-
	Master	7.41%	7.67%	7.30%
	Junior college	81.80%	80.52%	79.17%
	High school	10.71%	11.55%	13.45%
	Below high school	0.08%	0.17%	0.08%
Certificated Proficiency Tests of Employees			Total (Up to Feb. 29, 2025)	
Personal Insurance Agent			8	
Personal Insurance Representative			831	
Test for Life Insurance Representative (Foreign Currency Base) - Non Investing Insurance Products			560	
Personal Insurance Broker			5	
Life Insurance Underwriter			3	
Life Insurance Claims Adjuster			3	
Life Insurance Administrator			1	
Professional Land Registration Agent			2	
Business Ethics Test Pass			14	
Assistant real estate broker			1	
Test for Small-Medium Business Financial Staff			160	
Corporate Governance Basic Ability Test			8	
Proficiency Test for Foreign Exchange Trading Personnel			42	
Basic Test on Sustainable Development			35	
Sustainability and Climate Risk (SCR) Certificate			1	
Enterprise Internal Control Basic Ability			28	
Certified Professional in Corporate Sustainability Management (CPCS)			1	
General English Placement Test – High-Intermediate Level			4	
General English Placement Test – Intermediate Level			1	
General English Placement Test – Elementary Level			28	
Junior Examination for Administration Agents			1	
TOEIC Score above 880			4	
TOEIC Score 750-880			5	
TOEIC Score 550-750			26	
TOEIC Score 350-550			14	
Investment Trust and Consulting Regulations(including Self-disciplinary Rules)			557	
Investment-Orientated Insurance Representative			482	

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Certificated Proficiency Tests of Employees	Total (Up to Feb. 29, 2025)
Professional Exam for Anti-Money Laundering and Countering Terrorism Financing Specialist	242
Basic Proficiency Test for International Banking Personnel	419
Basic Proficiency Test for Bank Lending Personnel	560
Stock Affair Specialist	21
Proficiency Test for Financial Risk Management Personnel	1
Proficiency Test for Bank Collateral Appraisal Personnel	45
Basic Test on the FinTech Knowledge	69
Basic Test on the Financial Technology Knowledge	164
Certificate for the Subject Test-Laws and Regulations on Trust Businesses	10
Proficiency Test for Trust Operations Personnel	808
Certification Test for Financial Derivatives Sales Personnel	349
Basic Proficiency Test for Financial Risk Management	176
Certification Test for Family Trust Planning Consultant	6
Property Insurance Agent	8
Property Insurance Representative	791
Property Insurance Broker	4
Retirement Financial Advisor(RFA)	1
Certification Test for Eldercare Financial Planning Consultant	42
Certified Anti-Money Laundering Specialist (CAMS)	3
Financial Risk Management (FRM)	1
Certificate for Documentary Credit Specialists (CDCS)	1
Certified Financial Planner (CFP)	3
Customs Broker	1
Proficiency Test for Financial Planning Personnel	330
Bill Finance Specialist Qualification Exam	108
Internal GHG Inventory Verifier	1
Futures Trading Analyst	1
Sales Personnel of Futures Trust Fund Distributors	254
Future Specialist	191
Future Broker Specialist	1
Certification Test for Structure Product Sales Personnel	187
Advanced Proficiency Test for Bank Lending Personnel	41
IELTS for C1	1
Proficiency Test for Bond Specialist	21
Proficiency Test for Obligation & Debt Collection Personnel	216
Greenhouse Gas Professional	1
Basic Ability Test for Asset Securitization	13
Proficiency Test for Bank Internal Control and Audit Personnel	817
Regulations and Practices related to Securities & Exchange	6
Securities Investment Analysts	5
Securities Investment Trust & Consulting Professionals	198



4-3. Responsibility and Ethical Code

As a locally-operated financial institution in Taiwan, the Bank adheres to the corporate philosophy of “Integrity, Stability, and Caring” and is committed to fulfilling its Corporate Social Responsibility (CSR) and upholding high ethical standards. The Bank not only provides stable financial services, but also actively participates in public welfare activities, promotes sustainable finance, and strengthens its internal governance and risk management to ensure the long-term development of the enterprise and its positive impact on the society.

Since 2016, the Bank has been organizing the “Spreading Love through Hot Blood” blood donation campaign every year, calling on our staff and the public to participate and take practical actions to support the blood supply needs of medical institutions and promote positive social cycles. This program has become one of the symbols of COTA Commercial Bank’s public welfare activities, continuing to inject warmth and hope into society.

4-4. Number of non-supervisory positions employees, average annual welfare expenses and the difference between two years

Unit: TWD

Item	2024	2023
Number of Non-supervisory Employees	1,131	1,104
Average salary of Non-supervisory Employees	1,019,156	1,009,742
Median salary of Non-supervisory Employees	1,008,076	1,017,744
Non-supervisory Employee Welfare Expenses	1,320,303,022	1,276,058,848
Average Welfare Expense for each Non-supervisory Employee	1,167,377	1,155,850

Note:

1. Definition of “Employee” is that individual provides service for the Bank and under the supervision (irrespective of the nationality and foreigners) which does not contain only contacts with the Bank (ex. Insurance agents earn commission, after completion of agreed work to earn remuneration and without the act of employee rights), outsourcing or the temp as well as directors and supervisors.
2. “Non-Supervisory Position” is not responsible for the management of staff or with administrative responsibility of unit
3. “Employee Welfare Expense” is all forms of consideration of the Bank can offer in exchange for the staff to provide services according to IAS19. And follow the rule of Regulations Governing the Preparation of Financial Reports by Public Banks, “Employee Welfare Expense” includes employee salaries, Labor Insurance, Health Insurance, retirement pensions and other employee benefits (including commission and net income of fees etc.)

4-5. IT Equipment

The Bank’s core business uses the IBM UNIX series of mainframes for operation, including business mainframes, online backup mainframes, development special machines, testing special machines, and off-site backup systems, etc., which are regularly replaced with new ones. Network-related applications and businesses are handled by Windows server and Linux server, which are virtualized and deployed in multiple physical hosts.

The online computer applications include demand deposits, time deposits, consolidated deposits, bills collection, collection and payment, ATMs, bank cards, remittance, credit, safe deposit boxes, investment in securities, insurance, trusts, gold passbooks, overseas bonds, credit cards, foreign exchange (including DBU and OBU), accounting, personal Internet banking, corporate Internet banking, mobile Internet banking, telephone voice, etc., as well as the employee portal (with e-documentation, employee information management, personnel payroll, operation analysis, bureau of inspection API reporting, credit review, consumer banking, and consumer finance). We also have a number of business systems, such as the Employee Portal (including e-documentation, employee information management, personnel payroll, business analysis, bureau of inspection API reporting, credit review, consumer

4 Business Overview

finance, corporate finance, insurance agency, wealth management, newsletter delivery, document image transfer, joint inquiry, educational video platform, employee business reference area), and seal management systems.

In order to comply with anti-money laundering and counter-terrorism laws and regulations, the Bank has developed and built computerized systems for customer risk assessment, high-risk list detection, suspicious transaction data screening, large-value currency transaction reporting, import/export and cross-border remittance transaction monitoring, and customer/transaction counterpart name matching. In addition, in order to jointly prevent financial fraud, the Bank joined the “Eagle Eye Fraud Detection Alliance” initiated by Taipei Fubon Bank in cooperation with the Criminal Police Bureau of the Ministry of the Interior’s Police Department, which utilizes the patented “Eagle Eye Model” AI detection technology to analyze the abnormal patterns of Internet banking transactions, effectively increase the detection rate of suspicious accounts, and strengthen the identification and blocking of suspicious transactions.

In order to protect the integrity and reliability of the data, the online hosts use a fault-tolerant disk system and use the online data transmission to the off-site backup system for storage, making at least three disk backups (including both off-site and off-line backups) per business day. For communication lines, dual telecommunication operator loops are used and 4G wireless backup lines are built. The main communication equipment adopts the HA structure, which can be automatically replaced online in case of failure. The rest of the communication and peripheral equipment also has a backup mechanism, and a computer network system security control mechanism has been set up to protect the security of transactions. The off-site backup system has also been deployed to handle the business of the entire bank in case of a disaster.

4-6. Cyber Security Management

4-6-1. Management Structure, Information Security Policy, Specific Management Programs and Inputs

In response to the demand for information security protection and to strengthen the implementation of information security policies, the Information Security Committee was established in 2017 and a dedicated unit for information security was set up, with the Chief Information Security Officer serving as the convener, the supervisors and directors of the relevant units (e.g., the Information Department, the Compliance Department, the Risk Management Department, the Digital Finance Department, and the dedicated unit for information security) being convened as the committee members and the dedicated unit for information security serving as the secretary, and the committee meets at least once every six months to review the information security policy and the information security policy. At least one meeting is held every six months. Through effective information security management, the Bank has been able to improve its information security standards and protect its information and property. In line with government policy, the Chief Information Security Officer (CISO) will be established from 2022 onwards to be responsible for the governance, planning, supervision and implementation of the Bank’s information security system, and to upgrade the Bank’s information security management level.

In order to bring the Bank’s information security management capability up to international standards, the Bank introduced an information security management system and obtained ISO 27001 certification in 2019. In order to maintain the continuous effectiveness of the information security management system, the Bank is audited and certified annually. Regular drills are conducted annually to strengthen the ability of all bank staff to respond to information security incidents. Examples of drills include: DDoS attack contingency drill, ATM monitoring and contingency drill, SWIFT network incident contingency drill, etc., with a view to resuming normal operations in the shortest possible time and minimizing inconvenience and potential losses to customers.

In order to protect the information system from the risk of malicious program attacks and hacker intrusion, the Bank has installed various types of defense equipment to enhance the Bank’s network defense capability; established a network segment isolation mechanism to enhance the security of the Bank’s network environment, avoiding the impact of mutual interference on the Bank’s services and ensuring the high availability of services; strengthened the monitoring of various types of network equipment and traffic, and installed

an information dashboard to monitor all mainframes, ATM systems and network status; and established a personal information leakage detection and blocking mechanism to prevent the leakage of the Bank's customers' personal information and important information. The SWIFT system also enhances information security and complies with the CSP standards set by the SWIFT organization.

The Bank regularly conducts various information security assessments, including architecture review, network configuration, compliance review, and client application program testing every year. In addition, we also regularly review the quality of programs and conduct penetration tests for our external online services and mobile banking to ensure that our maintenance and operation management is continuously updated and that our services are safe and secure.

In line with the FSC's promotion of the "Information Security Action Plan", the Bank expects to achieve the goals of strengthening the financial industry's information security protection capability and achieving security, convenience, and uninterrupted operations. In 2024, the Bank will complete the introduction of an operational continuity management system, and in 2025, the Bank plans to apply for ISO 22301 certification. The Bank has completed the establishment of the Chief Information Security Officer, the establishment of the Information Security Advisory Group, and the introduction of international information security standards certification, all of which should be implemented by financial institutions.

4-6-2. As of 2025.2.28, the Bank has not experienced any operational damages caused by major information security incidents.

4-7. Labor-Management Relationship

4-7-1. Employee welfare measures, retirement system and implementation, labor-management agreements and various employee rights protection measures

4-7-1-1. Employee welfare measures

4-7-1-1-1. In addition to the Employees' Compensation Insurance and National Health Insurance required by law, the Bank has taken out a total employee accident insurance policy with Shin Kong Life Insurance Company, and in the event of an accident, the Bank will refer the case to the Bureau of Employees' Compensation Insurance for cash benefits.

4-7-1-1-2. Depending on the Bank's financial condition, the Bank provides bonuses for the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival every year. If there is a surplus at the end of the business year, in addition to paying taxes, making up losses, setting aside legal reserve and distributing dividends, the Bank distributes employees' remuneration at the rate specified in the Company's Articles of Incorporation.

4-7-1-1-3. The Bank offers preferential interest rate deposit and loan programs for employees and offers preferential deposits for retirees.

4-7-1-1-4. The Bank establishes the Employee Welfare Committee to set up welfare assistance programs, such as marriage, childbirth, birthday gift, self-improvement activity subsidy, and children's scholarships.

4-7-1-1-5. The Bank organizes regular health checkups for employees, schedules doctors for on-site services, employs dedicated nursing staff, and continuously cares for the physical and mental health of the employees.

4-7-1-1-6. Employee Training: In order to improve the quality of our staff and enrich our intelligence, the Bank not only selects appropriate personnel to participate in various professional training seminars organized by professional training institutions, but also implements pre-employment training, on-the-job training, and technical training for professional staff according to the needs of the business. In addition, the Bank may send outstanding staff to study at domestic and foreign universities and research institutes, or to participate in related financial business studies or research tours.

4 Business Overview

4-7-1-2. Retirement system and implementation: The Bank's employees' retirement benefits are paid in accordance with the Employees' Retirement Act of the Labor Standards Law (LSA). Under the LSA (old system), the actual pension entitlement of an employee is calculated based on his/her length of service, and the benefit base is determined by the number of years of service and the amount of salary at the time of retirement. The Bank contributes 15% of the employee's total salary (except for managerial employees) to the Labor Retirement Reserve Fund (LRF), which is deposited in a special account at the Bank of Taiwan. In addition, in order to meet the actual needs, the Bank has set up a separate account for the pension of the appointed managers and contributes 8% of the total salary of the appointed managers on a monthly basis. Under the Labor Pension Act, the Bank contributes 6% of the employees' monthly wages to the employees' individual pension accounts in accordance with the Labor Standards Act.

4-7-1-3. Labor-management agreements and employee rights protection measures

4-7-1-3-1. In order to maintain a good and friendly relationship between employees and employers and to promote cooperation between employees and employers, the Bank holds regular labor-management meetings in accordance with the Regulations on the Implementation of Labor-Management Meetings.

4-7-1-3-2. The Bank has established work rules and various personnel regulations, and regularly conducts publicity and compliance programs to protect the labor rights of its employees.

4-7-1-3-3. In order to prevent occupational accidents and protect the health of employees, safety and health work is conducted in accordance with the Labor Safety and Health Act.

4-7-1-3-4. The Bank has set up the "Employee Grievance Handling Rules" to provide a channel for employees to voice their grievances.

4-7-1-3-5. With reference to the regulations and guidelines of the competent authorities, we have formulated the "Prevention Plan against Unlawful Acts of Violence in the Performance of Duties," the "Safety and Health Code of Conduct," the "Workplace Maternal Health Protection Plan," the "Disease Prevention Plan against Unusual Workloads," and the "Human Hazard Prevention Plan," in order to promote the business of occupational safety and hygiene, and to prevent the occurrence of occupational injuries and illnesses.

4-7-2. Losses suffered from labor disputes in recent years and up to the printing date of the annual report (including labor inspection results in violation of the Labor Standards Law, which should include the date of imposition of penalties, the number of penalties imposed, the provisions violated, the contents of the violations, and the details of the penalties imposed), as well as disclosure of the estimated amount of the current and potential future losses and the measures taken to deal with such losses, and, if the estimates cannot be reasonably made, the facts that the estimates are not reasonably possible.

None.



4-8. Major Contracts

Nature of Contract	Concern Party	Contractual Period	Major Content	Restrictive Covenants
Deposit Insurance Contract	Central Deposit Insurance Corp.	Engaged on Aug. 15, 1995	To enhance protection of customer deposits	The same depositor maximum amount of compensation is up to TWD3 million
Bank Comprehensive Insurance	Chung Kuo Insurance Co., Ltd.	From Apr. 1, 2024 to Apr. 1, 2025	1. Staff unfaithful behavior 2. Asset of branches 3. Asset in transit 4. Forged drafts and securities 5. Forged cash 6. Damage of equipment 7. Fault of securities or contracts 8. Inadvertency of short banknotes	None
Outsourcing Contract	Yuen Foong Paper Co., Ltd.	From May 3, 2024 to May 2, 2025	Transaction statements	None
Outsourcing Contract	Han Yeh Office Supplies Company	From May 3, 2024 to May 2, 2025	Computer printing jobs and packages	None
Outsourcing Contract	AI-Po Service Technology Co., Ltd.	From Oct. 1, 2024 to Sep. 30, 2025	Loading cash & troubleshooting of AMT	None
Outsourcing Contract	Taiwan Security Co., Ltd.	From Jun. 1, 2024 to May 31, 2025	Chartered vehicles, securities, checks and cash transportation	None
Outsourcing Contract	Taiwan Security Co., Ltd.	From Aug. 1, 2024 to Jul. 31, 2025	Temporary services, securities, checks and cash transportation	None
Outsourcing Contract	Feng Tay Motor Co., Ltd.	From Apr. 1, 2024 to Apr. 1, 2025	To search cars for overdue payments of car loans	None
Outsourcing Contract	21Century Finance Service	From Apr. 1, 2024 to Apr. 1, 2025	To search cars for overdue payments of car loans	None
Outsourcing Contract	Sinjang Co., Ltd.	From Apr. 1, 2024 to Apr. 1, 2025	Authorization of vehicle auction	None
Outsourcing Contract	President Chain Store Corporation	From May 1, 2024 to Apr. 30, 2025	Collection for consumer loans	None
Outsourcing Contract	Taiwan Family Mart Co., Ltd.	From Jun 1, 2024 to May. 31, 2025	Collection for consumer loans	None

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Nature of Contract	Concern Party	Contractual Period	Major Content	Restrictive Covenants
Outsourcing Contract	National Credit Card Center of R.O.C.	From Mar. 10, 2007 to either party in writing of termination and confirm the termination date	Credit card business (credit card payment system & support services)	None
Outsourcing Contract	President Chain Store Corporation	From Jun. 13, 2024 to Jun. 13, 2025	Collection for credit card payments	None
Outsourcing Contract	Taiwan Family Mart Co., Ltd.	From Apr 5, 2024 to Apr 5, 2025	Collection for credit card payments	None
Outsourcing Contract	Hi-Life International Co., Ltd.	From Apr 5, 2024 to Apr 5, 2025	Collection for credit card payments	None
Outsourcing Contract	OK Mart	From Apr 5, 2024 to Apr 5, 2025	Collection for credit card payments	None
Outsourcing Contract	Taiwan Name Plate Co., Ltd.	From Jun. 1, 2024 to Jun. 1, 2025	Chip-card processing, package and mailing	None
Outsourcing Contract	Chunghwa Post Co., Ltd.	From Sep. 20, 2024 to Sep. 19, 2025	Statements printing & package of full management accounts	None
Outsourcing Contract	Transnational Logistic Solutions (Taiwan) Pte. Ltd.	From Dec. 1, 2024 to Nov. 30, 2025	Bank cheques, documents & securities collection & delivery	None

4-9. Information of Approved Securitization Products in Recent Years

For the year 2024, the Bank did not apply for approval of securitization.

5

Financial Status Analysis, Operation Performance Analysis and Risk Management



5-1. Financial Status

Unit: TWD thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Total Asset	203,986,898	197,717,208	6,269,690	3.17
Total Liability	187,775,943	182,897,602	4,878,341	2.67
Total Equity	16,210,955	14,819,606	1,391,349	9.39

Remarks: Equity increased was due to Capital Increased by earnings and retained earnings.

5-2. Operation Performance

Unit: TWD thousand

Item \ Year	2024	2023	Increase/Decrease Amount	Increase/Decrease Ratio (%)
Interest income	5,124,593	4,749,934	374,659	7.89
Interest expense	2,190,222	1,925,346	264,876	13.76
Non-interest income, net	806,173	551,933	254,240	46.06
Net revenue	3,740,544	3,376,521	364,023	10.78
Bad debt expense	553,188	85,375	467,813	547.95
Operating expense	2,171,260	2,135,578	35,682	1.67
Income before income tax	1,016,096	1,155,568	(139,472)	(12.07)
Net income	871,890	957,775	(85,885)	(8.97)

Remarks of Ratio Changes analysis:

1. The increase in interest income and expense was mainly due to the growth in deposit and lending business and the increase in interest rates
2. The increase in net income other than interest was due to the net gain on handling fee and the increase in gain or loss on financial assets at fair value through profit or loss.
3. The increase in bad debt expense was due to the increase in bad debt deposit.

5-3. Cash Flow

5-3-1. Cash Flow Analysis for the Past Year and Remedy for Shortage of Liquidity:

Unit: TWD thousand

Initial Cash Residual (1)	Yearly Operating Cash Flow (2)	Yearly Cash Inflow (3)	Residual Cash Amount (deficiency) (1)+(2)+(3)	Cash Deficiency Contingency Plan	
				Investment Plan	Financial Plan
15,923,994	(5,123,327)	322,661	11,123,328	-	-

Remarks:

1. Cash Flow Analysis

(1) Operating activities: The net cash inflow from operating activities due primarily to loans, deposits remittances and investment in financial products

(2) Investing activities: The net cash inflow from investing activities due primarily to purchase or sell property or equipment.

(3) Financial activities: The net cash outflow from financial activities due issuing and repaying financial bonds or cash dividend distribution.

2. Improvement plan on shortage of liquidity: Not applicable as an occurrence of shortage.

5-3-2. Cash Flow Analysis for Coming Year

Unit: TWD thousand

Initial Cash Residual (1)	Estimated Yearly Operating Cash Flow (2)	Estimated Yearly Cash Inflow (3)	Estimated Residual Cash Amount (deficiency) (1)+(2)+(3)	Cash Deficiency Contingency Plan	
				Investment plan	Financial Plan
11,123,328	4,762,999	(813,681)	15,072,646	-	-

5-4. Impact of Major Capital Expenditures in Recent Year

5-4-1. Utilization of major capital expenditures and sources of Funds: None

5-4-2. Expected potential benefit: None

5-5. Reinvestment Policy, Improvement Plan and Investment Plan in Next Year

5-5-1. Reinvestment Policy

The reinvestment items major in financial business of COTA Bank and the goal of holding long-term earned dividends. Regarding new reinvestment, the authorized unit shall submit proposal to "Asset, Liability Management Committee" for discussion and then get approval from standing committee of board. The authorized unit shall closely monitor operation and financial condition of invested companies and report to "Asset, Liability Management Committee" in timely basis to ensure investment performance.

5-5-2. Source of Profit

Cash dividends and stock dividends from reinvested companies:

Taiwan depository and clearing corporation; Taiwan Financial Asset Service Corp.; Taiwan Asset Management Corp.; Sunny Asset Management Corp.

5-5-3. Improvement Plan

None.

5-5-4. Investment Plan in Next Year

The Bank sets its main operation target in banking business, therefore no new reinvestment plan undertaking for coming year.

5-6. Risk Management

5-6-1. Financial Risk Information

5-6-1-1. Credit Risk

Credit Risk Management System

Year 2024

Items	Contents
1. Strategies, Objectives, Policies, and Processes	<p>The Bank's credit risk policies and processes comply with Basel II and supervisory regulations. The Bank also created credit risk guidelines in written form such as the code of credit, the bylaws of credit information, the law of the credit responsibility and accountability, the bylaws of handle collateral, the business strategy and law of financial derivatives and all kinds of operation handbooks. They provide strict standard on loans, monitor credit risk, and manage non-performing loans. At the same time, since the change in economic cycle will affect the quality of the loan portfolio, the Bank will execute credit policies to ensure credit exposures under control.</p> <p>The Bank will consider developing the internal credit scoring system. The system will identify and estimate risks from all credit exposures.</p> <p>The Bank established a framework for managing credit risk. The framework may execute risk analysis and monitor risk process. It also may discover potential risks that the Bank may response adequately. In addition, it may assess the relation between risk and return to ensure the goal of the Bank's business.</p>
2. The Structure, and Organization of the Risk Relevant Management Function	<p>(1) The Board of Directors: The Bank's board of directors is the supervisor of credit risk management. The board is responsible for the Bank's business strategies and operation guidelines, and is responsible for reviewing credit risk framework and policies. It also authorizes management to execute credit risk management.</p> <p>(2) Risk Management Committee: The committee executes the board's risk policies and reports risk profile to the board.</p> <p>(3) Credit Reviewing Committee: The committee reviews the large amount of loans, specific non-performing loans, and the appointed loans.</p> <p>(4) Risk Management Dept: The subcommittee integrates credit risk strategies, designs processes, and introduces credit identification, measurement, monitor, and reporting systems.</p> <p>(5) Other Bank's Units: They should understand credit risks under any circumstances, should deal with the assignment of risk management, and should assist risk management subcommittee in risk monitor.</p> <p>(6) Audit Dept.: The office should establish audit plan and process, and should review the Bank's credit and investment risks at least once a year.</p>
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	<p>The Bank adjusts credit risk system to produce enough information according as the change of loan portfolio. The information includes: statistics of pass due loans, evaluation of non-performing loans, and statistics of large amount credit exposure. The board and senior management will receive the information periodically, and will make appropriate business and credit risk decision. In addition, the credit risk measurement to the Bank considers the following factors:</p> <p>(1) Loan characteristics, contract contents, and customers' financial conditions</p> <p>(2) The possible effect of the exposures from market change</p> <p>(3) Collateral and guarantee</p> <p>(4) The possible future risk change of the customers or counterparties</p> <p>(5) Besides specific trading risks, measuring loan portfolio risks</p> <p>The Bank gradually establishes internal rating framework and measures and analyzes loan risks through quantitative indexes and qualitative methods.</p>

Items	Contents
4. Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	<p>The Bank follows the diversified principal on loans and complies with loan limit regulations such as the same person, the same party, relative corporation, stakeholder, and stocks as collateral for the loan. To avoid credit concentration risk, the Bank reviews and adjusts credit exposures regularly. For controlling the quality of the loan assets and mitigating credit risks, the Bank depends on the credit condition of the borrowers and uses a number of techniques to mitigate the credit risks. For example, the Bank demands collateral and guarantee...etc.</p> <p>The Bank had formulated "The Directions of lending rate pricing". The standard of lending rate considered the market rate, capital cost, operating cost, risk expected loss cost, reasonable profit. For market competition, the customer integral contribution will be the factor of lending pricing.</p> <p>The Bank had formulated "The Directions of the Loan Reviewing Operation" which reviews and follows the cases of the loan and strengthens after-loan management. If the Bank discovers the doubtful loans in the process, it should take necessary measures to protect debt obligations. In order to maintain an effectively monitors hip over credit risk, the Bank had established the indexes of the risk evaluation that regularly monitor the change of them and help to estimate the potential reasons of the future risk occurrence.</p>
5. Approach for calculating the Bank's capital requirement	<p>Standardized approach</p> <p>Effective June 30, 2021, the Bank adopted the loan-to-value (LTV) method for "Residential Real Estate" and "Commercial Real Estate" secured by real estate and the credit risk standard method for "Land Acquisition, Development and Construction Collateral (ADC)" in accordance with the "Instructions and Tables for Calculation of Bank's Own Capital and Risk Assets" issued by the FSC on January 12, 2021.</p>

Exposure amount after risk mitigation and capital requirement of the standard approach

Dec. 31, 2024

Unit: TWD thousand

Category	Exposure amount after risk mitigation	Capital Requirement
Sovereigns	25,410,412	1,036
Non central government public sector entities	10,498,122	220,461
Banks (multilateral development banks)	3,600,620	151,201
Corporate (Securities firm and insurance companies)	14,593,107	1,296,234
Regulatory retail portfolios	46,111,168	3,271,020
Secured by residential property	86,330,274	6,484,867
Equities investment	1,000,820	105,086
Other assets	6,095,916	345,860
Total	193,640,439	11,875,765

Note 1: Accrued capital is multiplied by risk allowances and statutory minimum capital adequacy ratios for risk offsets. (10.5% from 2019 onwards)

Note 2: The table excludes securitization exposure.

5-6-1-2. Assets Securitization Risk, Management System, Exposure and Capital Charge

5-6-1-2-1. Assets Securitization Risk Management System

Year 2024

Items	Contents
1. Strategies and Processes	<p>The Bank does not play the role such originator, service, credit enhance agency, or financial liquidity provider and expects to be an investor. The internal regulations for securitizations concentrate on the investor field. If there is necessary on originator field, it will be created in the future.</p> <p>Not only the Bank obeys article 74-1 of the Banking Act, but also it had formulated some investment limits such as total position limit, underlying instrument limit, and internal authorized limit.</p>
2. The Structure, and Organization of the Risk Relevant Management Function	<p>(1) The Board of Directors: The Bank's board of directors is the supervisor for securitization risk management. The board is responsible for the Bank's business strategies, and is responsible for reviewing securitization decisions. It also monitors effective operation for managing framework.</p> <p>(2) Risk Management Committee: The committee reviews the guidelines and policies of the securitization, controls indicators, and coordinates assignments relative to risk management.</p> <p>(3) Investment Subcommittee: For strengthening portfolio management and trading quality of the securitization, the subcommittee depends on the market condition to plan investment strategies.</p> <p>(4) Risk Management Dept: The subcommittee draws strategies and processes of the securitization, designs and introduces risk identification, measurement, monitor, and reporting system.</p> <p>(5) Audit Dept: The office should establish audit plan and process, and should review the Bank's risk management at least once a year.</p>
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	<p>The Bank reports the periodic information of the securitization exposures to the senior management. It also disclosures in the annual report and on the website. The principal of the valuation should confirm the criteria of methodology and the fairness of the data. Furthermore, the managing reports should effectively control exposure positions and should provide appropriate measurement results to assist risk management processes.</p>
4. Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	<p>The Bank regularly accesses the effectiveness of the strategies of the hedge positions and reviews the limits of the securitizations investment according to the volatility of the market prices.</p> <p>Both of the strategies and limits will report to Investment Subcommittee and make decision. Mitigations such as collaterals, guarantee, and credit derivatives apply to the standardized approach of the credit risk.</p>
5. Approach for calculating the Bank's capital requirement	Standardized approach
6. General periodic disclosures including : (1) The purpose of securitization and the types of risks borne and retained by the Bank for re-securitization (2) Other risks associated with securitized assets(e.g. liquidity risk)	Not applicable

Items	Contents
(3) The different roles played by the Bank Asset securitization and the level of participation in every stage (4) Describe the monitoring procedures adopted for credit risk and market risk exposures associated with asset securitization (5) Risk management policies adopted by the Bank to mitigate credit risks associated with securitization and re-securitization	
7. Provide an overall description of the Bank's accounting policies on securitization	Not applicable
8. The name of the external Credit Assessment Institution(ECAI) engaged for asset securitization within the Banking book and the ECAI's involvement in every type of securitized asset	Not applicable
9. Describe any material changes of quantitative information since the last reporting period (e.g. shift of asset balances between the Banking book and the trading book)	Not applicable

Remarks:

Item 6-9 only applicable to Originating Banks which there is flow in the external position.

5-6-1-2-2. Securitization: As of December 31, 2024, the Bank had not issued any asset-based securities and had no outstanding balances.

5-6-1-2-3. Securitization exposure and accrued capital (by type of transaction): None.

5-6-1-2-4. Investment securitization commodity information: None.

- a. Investment in securitized commodities with original cost of \$300 million or more: None.
- b. The Bank acts as the originator of the securitization and holds it for the purpose of credit enhancement: None.
- c. The Bank acts as a buyer or settlement agency for credit-impaired assets of securitized products: None.

5-6-1-3. Operational Risk Management System and Capital Charge

5-6-1-3-1. Operational Risk Management System

Year 2024

Items	Contents
1. Strategies and Processes	The Bank's operational strategies and processes are restrained the division of labor, employees training, effective control framework, and internal control procedure of each level. In aspect of internal control, the Bank had fully formulated the system of the internal audit, self-audit, law obedience, and business operational rules that may to search on the internal website for employees' real time operation. The Bank reduces operational loss by internal and external audit to monitor and trace the risks. In order to assist all employees executing the processes of the operational risk, Risk Management Center is developing applied implements for managing operational.

Items	Contents
2. The Structure and Organization of the Relevant Risk Management Function	<p>(1) The Board of Directors: The Bank's board of directors is the supervisor for risk management. The board is responsible for the Bank's business strategies, and is responsible for reviewing significant decisions.</p> <p>(2) Asset, Liability and Risk Management Committee: The committee follows risk management policies and procedures that the board of directors had approved. In addition, the committee is responsible to review the guidelines and policies of the operational risk, controls indicators, and coordinates assignments relative to risk management.</p> <p>(3) Risk Management Center: The subcommittee draws strategies and processes of the operational risk, designs and introduces risk identification, measurement, monitor, and reporting system. Moreover, the subcommittee develops the loss event databases of operational risk, gathers risk information from all Banks' units, and reports to ALM committee and the board of the directors regularly.</p> <p>(4) Headquarters' Units They should totally understand the risk that they are facing. When they codify operational regulations, they should consider operational risk management. They also should assist risk management subcommittee to accomplish all kinds of risk monitor.</p> <p>(5) Other Bank's Units: Everyone should comply with the Bank's regulations and should control operational risk. If risk event occurs, everyone should deal with the event immediately and should report to management.</p> <p>(6) Audit Office: The office should execute auditing processes independently and should provide improvement suggestion timely.</p>
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	The Bank had established the operational processes for business practices. The processes have been executed on daily operation management and to reduce the occurrence of the operational risk. The executive circumstance of the internal and external audit, self-audit, and the system of law obedience regularly reports to the board. The Bank adopts Supervisory regulation to classify loss event types and executes reporting system of the loss data of the operational risk and establishes whole bank's loss database of the operational risk. The Bank reports the periodic information of the operational risk to the Asset and Liability Management Committee and The Board of Directors. The Bank conducts the self-assessment of the operational events before the end of May every year, compliance system, internal audit system, and self-inspection system to manage and reduce operational risk.
4. Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	The Bank hedges and mitigates risks through strengthening internal control system, implementing operational risk monitor, training employees, insurance, and outsourcing. The Bank's emergency center and crisis subcommittee had formulated the strategic manual of the disasters and the contingency measures of the operating crisis to ensure every business that may continue to operate normally when the crisis occurs and to protect significant loss of the Bank.
5. Approach for calculating the Bank's capital requirement	Basic indicator approach

5-6-1-3-2.The Operational Risk Capital Charge

Dec. 31, 2024

Unit: TWD thousand

Year	Annual Gross Income	Capital Charge
2022	3,133,852	
2023	3,344,410	
2024	3,738,471	
Total	10,216,733	510,837

5-6-1-4. Market Risk Management System and Capital Charge

5-6-1-4-1. Market Risk Management System

Market Risk Management System

Items	Contents
1. Strategies and Processes	<p>In order to establish effective market risk management system, the Bank formulated market risk managing standard and other related regulations for the benchmark of the market risk management. To ensure the Bank's market risk under control, the functional responsibility divides into trading and settlement, and will involve in risk control system. The system is responsible for the risk identification, measurement, monitor, and reporting procedure.</p> <p>The strategies of the Bank's market risk are as follows: considering the characteristic of each instrument and market condition, regularly measuring endurable risks, expecting balance of returns and risks, optimizing investment allocation. The purpose of all strategies is to improve performance. On the other hand, the Bank formulated a limit system to effectively control risks and reduce exposures.</p>
2. The Structure and Organization of the Relevant Risk Management Function	<p>(1) The Board of Directors: The Bank's board of directors is the supervisor for risk management. The board is responsible to review market risk management system and market risk strategies, and to ensure the system reflects the Bank's business strategies.</p> <p>(2) Risk Management Committee: The committee executes risk management strategies and frameworks that the board of directors had approved. In addition, the committee is responsible to review the principals, strategies, and monitoring indexes of the risk managing system and to coordinate and monitor each risk management relative to matters.</p> <p>(3) Investment Subcommittee: The subcommittee plans investment strategies and makes decision what the positions should be sold or hold.</p> <p>(4) Risk Management Center: The subcommittee draws strategies and processes of the market risk management, designs and introduces risk identification, measurement, monitor, and reporting system.</p> <p>(5) Related Units: They execute necessary duties of the risk management such monitoring traders and cooperate with Risk Management Center to finish each item of the risk monitor.</p> <p>(6) Audit Office: The office should establish audit plan and process, and should review the Bank's risk management at least once a year.</p>
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	<p>Market risk information system should be able to control exposures and provide appropriate risk measurement results. For the purpose of the evaluation, the positions divide into trading book and banking book. The banking book positions evaluate once a month, the trading book positions evaluate on a daily basis. The information about gain/loss and exposures will deliver to management which includes market risk management reporting, derivative financial instruments gain/loss assessment. As close to gain/loss the stop-loss warning of pointers would keep attention to the market changes and take measure to avoid over-limit. Related Units monitor the position of TWD and foreign currency assets, gain/loss and stop-loss alert system for keep the market risk within the limits of the bank strength. In 2015, the Bank will use the PIRS system established by TEJ to pricing Bonds, CBAS, Option to reflect the real market price and compliance with regulations.</p>

Items	Contents
4. Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	The Bank's hedging strategy of the financial products include to use spots or derivatives to evade market price risks and to review each risk limit regularly such as trading position limits, traders' position limits, and stop loss limits. If the assessment indicates the risk overloaded, the Bank will transfer risks and reduce exposures. If dealers exceed their position limits, Risk Management Center should inform the facts and procedures to management and report daily until under limits. If dealers exceed their stop loss limits, they are required to execute positions.
5. Approach for calculating the Bank's capital requirement	Standardized approach

The Market Risk Capital Charge

Dec. 31, 2024

Unit: TWD thousand

Risk Category	Capital Charge
Interest Rate Risk	505,736
Equity Position Risk	238,059
Foreign Exchange Risk	71,588
Option Position	0
Total	815,383

5-6-1-5. Liquidity Risk

According to operating cash flow, market movement, and minimum requirement of the liquidity reserves ratio, the Bank diversifies funding resources and maintains funding stability. Short-term investment considers the safety of the underlying assets, marketable on the secondary market, and lower liquidity risk such as NCDs, treasury bonds, corporate bonds, and bank debentures. The Bank takes some steps to manage liquidity, for example, monitoring the structural change of assets and liabilities in each period, editing "The Gapping Report of the TWD Cash Flow" weekly, making the reporting sheets of the risk management every month and reporting to Asset and Liability Management Committee, and transferring and operating funds effectively.

According to "Standards Implementing the Liquidity Coverage Ratio of Banks" promulgated by FSC and the Central Bank on Dec. 29, 2014, our bank Liquidity Coverage Ratio (LCR) was 156.78% which meets the minimum required 100% set by the competent authority.

The Bank's Net Stable Funding Ratio (NSFR) for the fourth quarter of 2024 was 142.33%, which meets the requirement of a ratio of no less than 100%.

Analysis for Time-to-Maturity of the Bank's TWD Assets and Liabilities

as of Dec. 31, 2024

Unit: TWD thousand

	Total	Volumes during the period prior to the due date					
		0~10 Days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major inflows of matured funds	199,688,052	17,581,716	10,429,917	6,620,315	12,394,587	24,972,537	127,688,980
Major outflows of Matured funds	221,873,570	6,077,762	9,505,092	25,553,844	35,006,892	58,808,646	86,921,334
Maturity Gap	(22,185,518)	11,503,954	924,825	(18,933,529)	(22,612,305)	(33,836,109)	40,767,646

Note: The bank portion refers to the amount of TWD in the whole bank.

**Analysis for Time-to-Maturity of the Bank's USD Assets and Liabilities
as of Dec. 31, 2024**

Unit: USD thousand

	Total	Volumes during the period prior to the due date				
		0~30 days	31~90 days	91~180 days	181 days-1 year	Over 1 year
Major inflows of matured funds	128,631	36,459	13,336	15,020	10,038	53,778
Major outflows of Matured funds	128,631	46,632	12,501	8,530	18,834	42,134
Maturity Gap	0	(10,173)	835	6,490	(8,796)	11,644

Note 1: The bank portion refers to the amount of USD in the whole bank.

Note 2: If overseas assets account for more than 10% of the total assets of the Bank, additional disclosure information should be provided.

5-6-1-6. Interest Rate Risk in the Banking Book

In order to avoid the risk of adverse effects on the Bank's earnings and capital due to changes in interest rates, the Bank has established standard for pricing deposit interest rates, regulation for pricing base rates, regulation for pricing fixed interest rate indices, regulation for pricing internal interbank current interest rates, and regulation for setting and operating foreign exchange rates. The Risk Management Department and the Asset and Liability Management Committee are responsible for reviewing and tracking the Bank's interest rate risk at all times. The Risk Management Department is responsible for monitoring the interest rate risk of the Bank's book and is in charge of calculating and reporting the relevant interest rate risk data to the Risk Management Committee and the Board of Directors.

The measurement system and model of the Bank's bank book interest rate risk are based on the National Federation of Banking Chambers of Commerce of the Republic of China. The public version of the calculation procedure developed by the HKICF without adjusting any parameters and oscillation scenarios has been set by the HKICCA. Pressure Scenario calculates the ratio of the maximum economic value shock (\triangle EVE) to net capital of the first type for each quarter of the year

The rate of more than 15% has not occurred, which is in line with the statutory requirements.

**Summary report on interest rate risk
Dec. 31, 2024**

Currency	USD&TWD
USD/TWD	32.781

Unit: TWD thousand

interest rate risk currency	1. Surplus point		2. Economic values points						
	Earnings impact for the next 12 months (Parallel Move Up)	The next 12 months of surplus impact (Parallel Down)	Currently EVE	EVE Shock (Parallel Move Up)	EVE Shock (Parallel Down)	EVE Shock (Steep oscillation)	EVE Shock (Flat oscillation)	EVE Shock (Short-term interest rates rise)	EVE Shock (Short-term interest rate decline)
TWD	(438,749)	431,595	6,621,214	1,407,898	0	102,518	144,442	529,874	0
USD	31,535	(31,601)	995,461	11,900	0	19,800	0	0	12,752
The first type of capital on the base date			16,508,355						
The ratio of EVE shocks to capital type I (Extreme value test)				6.35%	0%	0.62%	0.87%	3.21%	0%

5-6-2. Impact of Alterations in Domestic and Foreign Major Policies and Laws on the Bank's Financial Operations and Adopting Measures

5-6-2-1. Restrictions on the Central Bank's Regulation of Loan Conditions for Financial Institutions

- Change in Regulations

On September 19, 2024, the Central Bank issued an amendment to the "Regulations of the Central Bank on Financial Institutions Handling Real Estate Mortgage Loans" by Order No. 1130035573 of the Central Bank, which has been effective since September 20, 2024, and the amendment regulates the lending conditions and restrictions for financial institutions, including:

1. The maximum loan-to-value ratio for loans for the purchase of residential properties by corporate entities, loans for the purchase of high-priced residential properties by natural persons, and loans for the purchase of residential properties by three or more households (inclusive) is reduced from 40% to 30%.
2. No grace period is allowed for the 1st home purchase loan for a natural person with a home in his/her name.
3. The maximum loan-to-value ratio for 2nd home purchase loans for natural persons will be reduced from 60% to 50%.
4. The maximum loan-to-value ratio for the remaining home loan will be reduced from 40% to 30%.

In response to the international trend of automatic exchange of financial account information, the Treasury issued the "Regulations Governing the Implementation of the Common Standard on Reporting and Due Diligence for Financial Institutions" (CRS) on November 16, 2017, which has been effective from the date of release.

- Impact and Response Measures

This amendment to the law mainly discourages speculation and hoarding in the housing market and allows banks to be more prudent in real estate lending, and the Bank has already incorporated the relevant provisions into its credit guidelines.

5-6-2-2. Digital Finance Regulatory Adjustment and FinTech Development

- Change in Regulations

In order to encourage the development of digital finance, the FSC promoted the Financial Technology Development and Innovation Experiment Ordinance, which allows banks to test and experiment with innovative digital financial services. In addition, the development of e-payment and digital banking has also prompted banks to accelerate their digital transformation to cope with the new financial services.

- Impact and Response Measures

Accelerating digital transformation: Continuing to invest in mobile banking and intelligent customer service to enhance the competitiveness of digital finance.

Developing innovative financial products: Providing intelligent financial services, remote loan auditing, and other services through big data analysis and AI technology to enhance customers' digital experience.

5-6-2-3. International Sustainable Finance (ESG) Regulations

- Change in Regulations

International attention to environmental, social and corporate governance (ESG) is increasing, with many international investment organizations and regulators (e.g., the European Union's SFDR, the United Nations' PRI) requiring financial institutions to strengthen their green finance and sustainability strategies. The Financial Supervisory Commission (FSC) has also launched the "Sustainable Finance Action Plan" to encourage the banking industry to develop ESG lending and green investment, and to require banks to disclose ESG-related information.

- Impact and Response Measures

Promote green financial products: Develop green investment funds and ESG corporate loans to support the environmental technology and renewable energy industries.

Implement ESG information disclosure: Strengthen sustainable management reports to ensure compliance with domestic and international regulatory standards and enhance corporate image and market competitiveness.

5-6-2-4. “Insurance Industry Solicitation and Underwriting Claims Procedures” and “Points to Note on the Sale of Investment Insurance Products”

- Change in Regulations

The competent authority amended the “Insurance Industry Solicitation and Underwriting Claims Procedures” and “Points to Note on the Sale of Investment Insurance Products” to require that for senior customers over the age of 65, a separate assessment of the suitability of the product and the customer must be conducted when soliciting customers, and that customers must be given a taped solicitation and a caring telephone interview during the marketing process, and that three hours of education and training on the principle of fairness and hospitality and two hours of education and training on the principle of fairness and hospitality to senior customers must be conducted in the annual on-the-job training for salespersons. In addition, a 3-hour training course on the principle of fairness in customer treatment and a 2-hour training course on fairness in treating elderly customers were added to the in-service training for sales staff.

- Impact and Response Measures

In addition to the training courses required by laws and regulations, the Bank will continue to organize various training courses from time to time to enhance the quality and professionalism of its insurance officers.

5-6-2-5. Promoting friendly financial services in line with the policy

- Change in Regulations

- The Department of the Treasury issued an Interpretive Order on June 14, 113, agreeing that trust estates may pay funeral expenses up to a certain amount and only if the trustee is a trustee, and that trust estates that have a provision for payment of funeral expenses in their trust deeds may pay beneficiary funeral expenses without IRS approval.
- The Ministry of Finance (MOF) issued a letter on July 1, 113, stating that after the approval of the tax authorities and the completion of the relevant procedures, the taxpayers can use the trust property to pay the estate tax according to the demand note without the consent of the other beneficiaries.
- On November 26, 113, the Ministry of the Interior issued a letter explaining that the establishment of a trust for residential property and its use as a public welfare rental or social housing during the period of the trust's existence are entitled to rent tax concessions as stipulated in the Housing Law.

- Impact and Response Measures

- The trust property can be used to pay for the beneficiary's funeral expenses without prior approval from the IRS, which not only reduces the burden of funeral expenses on the beneficiary's family members, but also enhances the flexibility and practicality of the trust function, and realizes the spirit of earmarking funds for specific purposes and meets the needs of the beneficiary.
- Upon approval by the tax authorities and completion of the relevant procedures, the use of trust property to pay estate tax can reduce the financial burden of the heirs, eliminating the need to raise cash in the short term, avoiding the need to sell assets, protecting the integrity of the family's property, maintaining its long-term value, and minimizing the disputes over tax distribution among the heirs to ensure that the purpose of the trust will not be affected by tax issues.
- Residential trusts are used for public rental or social housing. In addition to providing beneficiaries with safe management of trust assets, these trusts are also able to enhance the efficiency of trust assets by incorporating tax incentives for rentals, and are in line with the government's policy of promoting housing equity and stabilizing the development of the society.

5-6-2-6. Financial Disclosure Guidelines on Climate Risk for Domestic Banks

- Change in Regulations

In response to the international situation and the government's 2050 Net Zero Emission Commitment, the National Development Commission announced the "2050 Net Zero Emission Pathway". In order to align with the international trend and strengthen the climate-related risk management and financial disclosure of domestic banks, the FSC issued the "Guidelines for Financial Disclosure of Climate Risks of Domestic Banks" in the letter of the Financial Supervisory Commission and Banks Act No. 1100148194 dated November 30, 2011, requesting that each bank Banks are required to make financial disclosure on climate risk for the fiscal year of 111 by the end of June, 2012, and to disclose the relevant information for the previous year by the end of June each year thereafter.

- Impact and Response Measures

The Bank has incorporated the management of climate risk into the "Risk Management Policies and Procedures" and formulated the "Climate Risk Management Guidelines", which were discussed and approved by the Board of Directors, and has completed the related financial disclosures in accordance with the operation schedule and planning stipulated by the competent authorities.

5-6-3. Impact of Technological and Industrial Changes (including cyber security risk) on the Bank's Financial Operations and Response Measures

With the rapid development of the Internet and technology, financial technology companies with e-commerce advantages provide a new form of financial services, the Bank with the advancement of technology to provide a variety of electronic services, in response to customer demand, and to enhance the business performance to replace the traditional human industry to reduce the cost of services. However, through the diversification of electronic financial services, although it can provide customers with more convenient services and reduce personnel and marketing costs, it is also faced with the fallacy of technology and the risk of related information security, such as program errors, system crashes, or attacks by hackers (viruses) on the Internet, etc., which will cause the Bank to incur operational risks. In order to avoid losses, we have strengthened our identification and random code processing functions to prevent fraudulent use and data theft, ensure transaction privacy and security, and keep track of the system status and information security audit functions to minimize the risk of occurrence. In addition, in response to the trend of the times, we have established the Digital Finance Department to accelerate the digitization of financial service products and promote organizational reform. In response to the rapid changes in the market, we have set up a special unit for information security and a chief information security officer to strengthen information security protection and information resource integration. Under the requirements of the competent authority's information security regulations, we provide a variety of online services and financial products, and regularly conduct a variety of information security assessment and improvement operations and drills to ensure the safety and reliability of our services. Relevant departments provide research reports on individual industries from time to time to keep abreast of changes in the industry, so as to improve the quality of capital products and reduce credit risks.

5-6-4. Impact on the Bank of Changes in the Bank's Image and Response Measures

With the core values of "integrity", "responsibility", "altruism", "technology" and "environmental protection", the Bank implements the principles of financial consumer protection, fairness in treating customers with financial services, corporate social responsibility (CSR), compliance with laws and regulations, anti-money laundering and counter-terrorism, and ESG sustainable development, and leads customers to emphasize the importance of sustainable and green financial services, and is committed to balancing the quality of products and risk-reward.

We are also committed to balancing the quality of our products with risk and reward, creating competitiveness for long-term development, and becoming an all-around high-quality bank.

5-6-5. Expected Benefits and Potential Risks of Mergers and Acquisitions and Response Measures: None

5-6-6. Expected Benefits and Potential Risks of Branches Location Expansion and Response Measures

In addition to conducting prudent assessments on the expansion of business locations, the Bank is also gradually planning for the redevelopment and renewal of premises in situ to enhance customer experience and respond to the national policy of sustainable environmental protection concepts, and to implement the green building program to realize the symbiosis of social, economic and environmental protection.

5-6-7. Risk Arising from the Concentration of Business and Response Measures

- In accordance with the Banking Law, the Bank has set the authorized limits within the statutory limits for credit facilities granted to the same borrower, the same related party, the same related enterprise, and interested parties; the Bank has also set the related risk control limits for each industry sector and industries with high risk of climate change (high carbon emission industries) and submitted them to the Risk Management Committee.
- The Bank has set targets for its self-managed “real estate credit concentration” and included them in the report for regular monitoring. In addition, the Bank has set quantitative control targets for “construction loan concentration” supervised by the Financial Supervisory Commission (FSC) and for “real estate loan concentration and total volume and itemized control (residential loans, construction loans, and loans for home repairs) required by the Central Bank of China (CBOC) and for the opening of new loans in the next one year (Q4/113 to Q4/114). The Bank has implemented various control measures and executed them in accordance with the targets agreed upon by the supervisory authority.
- The Bank’s credit ratios and control limits are controlled through the information management system or reporting system to keep track of and monitor the concentration of the Bank’s business in order to diversify risks, maintain asset quality, and ensure sound operation of the Bank.

5-6-8. The Influence and Risk Posed by Changes in Operating Control Rights and Response Measures: None

5-6-9. The Influence and Risk Posed by Mass Shares Transfer of Directors, Supervisors or Major Shareholders with Shares holding over 1% and Response Measures: None

5-6-10. Lawsuits: None

5-6-11. Other Significant Risks and Response Measures

Other risks, such as strategic, goodwill and legal compliance risks, etc., the Bank will always pay attention to the changing market conditions and relevant legal amendments to make timely adjustments to its operating policies in order to enhance the flexibility and competitiveness of its business.

5-7. Crisis Handling System

- 5-7-1. In order to improve the Bank's emergency crisis management system and strengthen the measures to prevent various crises, so that in the event of a major crisis, the Bank can immediately and effectively deal with the situation to minimize the damage, protect the rights and interests of its customers, and quickly restore social economy and order, the Bank has set up the relevant key points of handling, contingency measures, and disaster emergency response countermeasures manuals, and has set up the Crisis Handling Team, which is convened and set up by the President to carry out the contingency measures.
- 5-7-2. In order to facilitate the rapid connection and mobilization of personnel for emergency response in the event of a disaster crisis, a disaster emergency contact notification mechanism has already been set up, with the supervisors and officers of each unit responsible for the notification and communication.
- 5-7-3. In the event of significant and unforeseeable contingencies, the Bank will report the event to competent authority in addition to inform police department or related institution to take emergency remedy approaches.
- 5-7-4. In the event of natural disasters, the Bank will obey "The operating directions of the averting disasters for financial institutions" and "The operating directions of closed business as disasters occurring for financial institutions" formulated by competent authority. For check cleaning and dishonored check information filing, the Bank will obey "The operating directions of check cleaning and dishonored check information filing for partly office terminate area" formulated by the Taiwan Cleaning House.
- 5-7-5. In order to avoid any impact on the Bank's operations or customers' rights and interests due to factors such as deterioration in service quality, temporary termination of contracts, or cessation of operations, when outsourcing operations to other parties (referred to as "entrusted organizations"), the Bank has formulated an "Outsourcing Emergency Response Plan and Customer Dispute Handling Procedures", which provides a channel for customers to resolve customer disputes and to enhance customer satisfaction with the services provided by the Bank.

5-8. Other Significant Matters: None

6

Special Notes



6 Special Notes

6-1. Data of Affiliated Company: None

6-2. Private Placement of Securities: None

6-3. Holdings or Disposal the Stock of COTA Bank by Subsidiaries: None

6-4. Other Matters for Supplementary Explanation: None

6-5. Pursuant to Item2, Paragraph 3, Article 36 of Security and Exchange Act, the Incidence Exerting Material Influence on Shareholder s' Rights or Security Prices: As of press time, none



Chronological Highlights

- 2020.04.08 ● English interface for Personal Internet Banking launched.
- 2020.06.20 ● Annual Shareholders' Meeting.
- 2020.08.31 ● Record date for capitalization of retained earnings for issuance of new shares, rights issue, and capital increase in 2019.
Record date for subscription of new shares Issued in the 2020 cash capital increase.
- 2020.09.17 ● Cash dividend payment date for 2019
- 2020.09.30 ● Wire transfers using a phone number launched.
- 2020.10.12 ● Qiaotou Branch moved to 683 Chenggong South Road., Qiaotou District, Kaohsiung City.
- 2020.10.13 ● Share distribution and capital increase stock distribution date for 2019.
- 2020.10.31 ● A sponsor of EDEN Social Welfare Foundation - 2020 Barrier Free Festival.
- 2020.11.08 ● A sponsor of Taiwan's Rice Heaven - Tianzhong Marathon
- 2020.11.14 ● A sponsor of Credit Union League of the Republic of China - 3 on 3 basketball game.
- 2020.11.14 ● A sponsor of Old tree 119 Association – Plant Supplement Event Marathon.
- 2020.12.02 ● A sponsor of Consumers Foundation – Thanks 40th Event.
- 2020.12.08 ● Cash capital increase stock distribution date.
- 2020.12.12 ● "Passion for Love" charity blood donation event was held.
- 2020.12.18 ● China Credit Rating Co., Ltd. has issued the following credit ratings for our bank: long-term debt credit rating of "twBBB+", short-term debt credit rating of "twA-2", and the outlook is "stable".
- 2020.12.18 ● Held 2020 shareholder's extraordinary shareholders meeting and elected 9th session directors
- 2020.12.29 ● Mr. Kun-Hsien Lin, Chuan Cheng Hat Co., Ltd., Mr. Hong-Chi Chang and Mr. Jung-Hsien Chiu were elected as managing directors in board of directors, and Mr. Liao Sung-Yie was elected as Chairman in board of directors of the 9th Session of 1st board of directors meeting.
- 2021.03.02 ● Car loans e-payment launched
- 2021.03.15 ● Subsequent mortgage loans launched
- 2021.06.23 ● Insurance Agency Department moved to 8F., 580 Jinhua North Road, North District, Taichung City 404, Taiwan
- 2021.06.28 ● Credit Card Center moved to 10F., 580 Jinhua North Road, North District, Taichung City 404, Taiwan
- 2021.07.01 ● Set up Individual Banking Group, Corporate Banking Group and Branch Banking Group.
Consumer Banking Center merge with Credit Card Center to form the Consumer Banking Department.
General Administration Department to slip into to Human Resources Department and General Administration Department.
Branch Administration Department retains the business related to branch units, and the rest is divided into Accounting Department and Financial Markets Department.
Set up Financial Markets Department and Human Resources Department
Electronic Banking Department renamed to Digital Banking Department
SME Banking Center renamed to Corporate Banking Department
Except for Secretariat of the Board of Directors, others all called department
- 2021.07.20 ● Trust Department moved to 11F., 580 Jinhua North Road, North District, Taichung City 404, Taiwan
- 2021.08.03 ● Digital Account launched.
- 2021.08.20 ● Annual Shareholders' Meeting.
- 2021.08.24 ● International Banking Department and Offshore Banking Branch moved to 3F., 339, Dazhi Road, East District, Taichung City 401, Taiwan
- 2021.09.01 ● In response to the "Trust 2.0" program, "Life Care Trust for the Elderly and Persons with Disabilities" and "Reservation Trust" services launched.
- 2021.10.20 ● Public charity screening of director Yang Lizhou's film "Love Beyond Suffering" at the Golden Horse Film Festival.
- 2021.10.27 ● Online application and collateral assessment for new customers of credit loans are now available.
- 2021.11.01 ● Record date for the issuance of new shares through capitalization of retained earnings and rights offering for capital increase.
- 2021.11.03 ● The signing of a memorandum of cooperation on "Live in peace elder care Trust" and the establishment of this business were conducted with Rental Housing Service Business Association of the ROC.
- 2021.11.20 ● "Passion for Love" charity blood donation event was held.
- 2021.11.25 ● Wealth Management Department has launched overseas bond sales operations.
Cash dividend payment date.
- 2021.12.17 ● Ex-rights date for capital increase shares in 2021.
- 2021.12.28 ● China Credit Rating Company has released the credit ratings for our bank. The long-term debt credit rating is "twBBB+" and the short-term debt credit rating is "twA-2". The rating outlook is "stable".
- 2022.03.05 ● Hosting the "2022 COTA Commercial Bank Love Earth Tree-Planting and Carbon Reduction Event" at the company-owned land in Toupeng Lane, Shigang District, Taichung City.
- 2022.03.24 ● Establishing the "Insurance Premium Trust" business.
- 2022.03.29 ● Qingpu Branch opening.
- 2022.04.19 ● Wuri Branch opening.
- 2022.05.17 ● COTA bank collaborates with the "Taichung Mountaineering Association" to jointly adopt and maintain the Dongmao Mountain Trail under the jurisdiction of the East District Forest Management Office of the Forestry Bureau.

Chronological Highlights

- 2022.06.17 ● Annual Shareholders' Meeting.
- 2022.06.21 ● Adding the 3rd floor of No. 258 Minzu Road, Banqiao District, New Taipei City as a non-operational office space for the deployment of personnel from the head office for co-working purposes.
- 2022.08.01 ● The record date for the issuance of new shares through capitalization of earnings and the implementation of a rights offering for the year 2022.
- 2022.08.22 ● Cash dividend payment date.
- 2022.09.19 ● COTA Bank was honored with the "Elderly Care Trust Award" in the first phase evaluation of the Financial Supervisory Commission's Trust 2.0 Program, recognizing our commitment to the core value of "Benefit Others" and providing the most caring financial services.
- 2022.09.24 ● The Consumer Banking Department organized the "Xinfu Rafting" event: Joining hands with COTA Commercial Bank to create a sustainable ecosystem for the Rafting Creek.
- 2022.09.27 ● Ex-rights and capital increase stock distribution date.
- 2022.11.14 ● Online credit card application is available.
- 2022.12.13 ● "Passion for Love" charity blood donation event was held.
- 2022.12.19 ● China Credit Rating Co., Ltd. has issued the following credit ratings for our bank: long-term debt credit rating of "twBBB+", short-term debt credit rating of "twA-2", and the outlook is "stable".
- 2023.02.24 ● 32 business units supply 「Online sign language video translation service」 & 「Make an appointment for on-site sign language interpretation service」
- 2023.03.10 ● "Signed a cooperation agreement with the Republic of China Savings Mutual Aid Association to refer clients to "Annuity Trust " to realize the Bank's core value of "altruism"
- 2023.03.11 ● Organized the "2023 Cota Commercial Bank Protecting the Mountains and Trees with You and Me Activity - Toupeng Lane Tree Planting at the company-owned land in Toupeng Lane, Shigang District, Taichung City.
- 2023.06.12 ● Taiwan Clearing House Electronic Direct Debit Authorization goes online
- 2023.06.27 ● Annual Shareholders' Meeting.
- 2023.07.11 ● The Bank was awarded the sixth "Incentive for Banks to Enhance Credit Programs in New Southbound Policy Target Countries" Group B Outstanding Bank Award by the Financial Supervisory Commission (FSC).
- 2023.08.01 ● Consumer Banking Department Taipei District Moving to 246 Yangguang Street, Neihu District, Taipei City 114, Taiwan
- 2023.08.15 ● In response to the practice of ESG environmental sustainability, our Zhongshan Branch has officially put into use a solar photovoltaic system.
- 2023.08.16 ● In the second evaluation of the Financial Regulatory Commission's Trust 2.0 Program, COTA Bank won the "Pension Trust Award", recognizing our core value of "benefiting others" and providing the most considerate financial services.
- 2023.09.04 ● The record date for the issuance of new shares through capitalization of earnings and the implementation of a rights offering for the year 2023
Cash capital increase, issuance of new shares and subscription base date
- 2023.09.21 ● Cash dividend payment date.
- 2023.10.14 ● The Consumer Finance Department held an ESG Clean Creek event: working with COTA Commercial Bank to create a sustainable ecosystem for Drifting Creek.
- 2023.10.16 ● Chief Auditor Huan-Mou Cheng Take office
- 2023.10.20 ● COTA Bank has entered into a collaborative agreement with the Taichung Mountaineering Association to jointly adopt and maintain the Dongmao Mountain Trail Signpost Setting.
- 2023.11.09 ● Participated in the "Taichung City Health Bureau's 112-year Dementia Friendly Community Building Plan" and signed a letter of intent for a dementia-friendly organization with the "Shanghai Cultural and Educational Foundation"
- 2023.12.01 ● President Shi-Chao Lee Take office
Official document online approval system launched
- 2023.12.08 ● Participated in signing the dementia-friendly organization commitment letter with the Taichung City Health Bureau's 112-year Dementia-Friendly Community Construction Project and the National Taichung University of Science and Technology
- 2023.12.09 ● "Passion for Love" charity blood donation event was held.
- 2023.12.22 ● China Credit Rating Co., Ltd. has issued the following credit ratings for our bank: long-term debt credit rating of "twBBB+", short-term debt credit rating of "twA-2", and the outlook is "stable".
- 2024.04.18 ● Online and mobile banking services were made available to bank's OBU customers.
- 2024.04.29 ● A cooperation agreement was signed between the bank and Taichung Bar Association, accompanied by a cross-industry seminar on practical applications of trust.
- 2024.06.25 ● Annual Shareholders' Meeting.
- 2024.08.13 ● The record date for the issuance of new shares through capitalization of earnings and the implementation of a rights offering for the year 2023
- 2024.08.30 ● Cash dividend payment date.
- 2024.10.28 ● Cash capital increase, issuance of new shares and subscription base date
- 2024.11.09 ● The Consumer Finance Department held an ESG Clean Creek event: working with COTA Commercial Bank to create a sustainable ecosystem for Fazi River.
- 2024.11.23 ● Organized the "2024 Greening for a Sustainable Future" Tree Care Campaign.
- 2024.12.18 ● China Credit Rating Co., Ltd. has issued the following credit ratings for our bank: long-term debt credit rating of "twBBB+", short-term debt credit rating of "twA-2", and the outlook is "positive".

Head Office and Branches

Unit	Address	Tel	Fax
Head Office	59 Shihfu Road, Central District, Taichung City 400, Taiwan	886-4-22245171	886-4-22275237
Trust Department	11F., 580 Jinhua North Road, North District, Taichung City 404, Taiwan	886-4-22368528	886-4-22368508
International Banking Department	2-3F., 339, Dazhi Road, East District, Taichung City 401, Taiwan	886-4-22800336	886-4-22800360
Taichung Branch	59 Shihfu Road, Central District, Taichung City 400, Taiwan	886-4-22245161	886-4-22234491
Banking Department	32-1 Gongyuan Road, Central District, Taichung City 400, Taiwan	886-4-22211186	886-4-22229536
Chenggong Branch	580 Jinhua Road, North District, Taichung City 404, Taiwan	886-4-22304100	886-4-22304701
Xitun Branch	458 Sec. 2, Henan Road, Xitun District, Taichung City 407, Taiwan	886-4-27062968	886-4-27063816
Guoguang Branch	333 Sec. 3, Fusing Road, South District, Taichung City 402, Taiwan	886-4-22245111	886-4-22229281
Dazhi Branch	339 Dazhi Road, East District, Taichung City 401, Taiwan	886-4-22815998	886-4-22815977
Linsen Branch	99 Linsen Road, West District, Taichung City 403, Taiwan	886-4-23725151	886-4-23723024
Nanmen Branch	75 Nanmen Road, South District, Taichung City 402, Taiwan	886-4-22871146	886-4-22862412
Jinhua Branch	255 Jinhua North Road, North District, Taichung City 404, Taiwan	886-4-22333550	886-4-22335164
Nantun Branch	410 Nantun Road, Nantun District, Taichung City 408, Taiwan	886-4-24718500	886-4-24758522
Beitun Branch	751 Sec. 4, Wunsin Road, Beitun District, Taichung City 406, Taiwan	886-4-22426565	886-4-22417153
Fengyuan Branch	330 Xiangyang Road, Fengyuan District, Taichung City 420, Taiwan	886-4-25151788	886-4-25151895
Zhanghua Branch	181 Sec. 2, Zhongzheng Road, Zhanghua City, Zhanghua County 520, Taiwan	886-4-7298686	886-4-7298585
Yuanlin Branch	189 Sec. 1, Datong Road, Yuanlin Town, Zhanghua County 510, Taiwan	886-4-8383888	886-4-8383666
Taipei Branch	246 Yangguang Street, Neihu District, Taipei City 114, Taiwan	886-2-87512588	886-2-87512788
Taoyuan Branch	9 Sec. 2, Chenggong Road, Taoyuan Dist., Taoyuan City 330, Taiwan	886-3-3470505	886-3-3357373
Panchiao Branch	260 Minzu Road, Panchiao City, New Taipei City 220, Taiwan	886-2-89536001	886-2-89536011
Fengxin Branch	353, Zhongshan Road, Fengyuan District, Taichung City 420, Taiwan	886-4-25261181	886-4-25269540
Zhongshan Branch	36, Daming Road, Fengyuan District, Taichung City 420, Taiwan	886-4-25277155	886-4-25269553
Kaohsiung Branch	1, Wenfu Road, Zuoying District, Kaohsiung City 813, Taiwan	886-7-3505685	886-7-3506711
Tainan Branch	438, Sec 2, Datung Road, South District, Tainan City 702, Taiwan	886-6-2130966	886-6-2149088
Xinzhuang Branch	287, Chung Ping Road, Xinzhuang District, New Taipei City 242, Taiwan	886-2-22768887	886-2-22768611
Xinzhu Branch	196, Minsheng Road, East District, Hsinchu City 300, Taiwan	886-3-5313225	886-3-5323611
Fengshan Branch	478, Wenheng Road, Fengshan District, Kaohsiung City 830, Taiwan	886-7-7676772	886-7-7678719
Daya Branch	336, Yahuan Road, Daya District, Taichung City 428, Taiwan	886-4-25692549	886-4-25693431
Qiaotou Branch	683 Chenggong South Rd., Qiaotou District, Kaohsiung City 825, Taiwan	886-7-6116860	886-7-6112208
Dadu Branch	426-7, Sec.1, Shatian Road, Dadu District, Taichung City 432, Taiwan	886-4-26930289	886-4-26930293
Longjing Branch	196, Sec. 1, Zhongyang Rd., Longjing Dist., Taichung City 434, Taiwan	886-4-26397699	886-4-26397106
Tianzhong Branch	136, Sec. 2, Yuanji Rd., Tianzhong Township, Changhua County 520, Taiwan	886-4-8750886	886-4-8751268
Taiping Branch	233, Huantai E. Rd., Taiping Dist., Taichung City 411, Taiwan	886-4-23915189	886-4-23915255
Qingpu Branch	378&380, Sec. 1, Gaotie S. Rd., Zhongli Dist., Taoyuan City 320, Taiwan	886-3-2876611	886-3-2873305
Wuri Branch	482, Sec. 1, Sanrong Rd., Wuri Dist., Taichung City 414, Taiwan	886-4-23369808	886-4-23366258

COTA Commercial Bank Code of Ethical

Article 1

In order to guide the conduct of our company's personnel in accordance with ethical standards, this code of conduct is hereby established for adherence. The term "personnel of our company" referred to in this code of conduct refers to directors, executives, and other employees. The term "executives" referred to in this code of conduct includes the general manager, deputy general manager, supervisors, managers, assistant managers, as well as other individuals who hold responsibilities for managing company affairs and have signing authority. The term "employees of our company" referred to in this code of conduct refers to executives and other employees.

Article 2

Directors should uphold a high level of self-discipline. In cases where a proposed agenda item in the board of directors has a conflict of interest with a director personally or with a legal entity represented by the director, posing a risk of detriment to the company's interests, and when a director perceives or the board of directors resolves that they should abstain, they should abstain from participating. Personnel of the company should handle their duties in an objective and efficient manner, and they should not use their positions within the company to provide improper benefits to themselves, their spouses, parents, children, or relatives within the second degree of kinship. When the company has financial loans or provides guarantees to or engages in significant asset transactions or (sales) transactions with related enterprises of the aforementioned individuals, the company should prevent conflicts of interest. The aforementioned individuals should proactively disclose whether they have any potential conflicts of interest with the company.

Article 3

Employees of the company shall not engage in the following activities:

- 3.1 Intentionally or personally benefiting through the use of company assets, information, or by taking advantage of their positions.
- 3.2 Engaging in competition with the company. When the company has opportunities for profit, employees have a responsibility to maximize the legitimate and legal benefits that the company can obtain.

Article 4

Employees of the company shall conduct their business activities in a fair, honest, and transparent manner. They must not directly or indirectly offer, promise, request, or accept any improper benefits, or engage in any other dishonest behavior that violates integrity, laws, or obligations in order to obtain or maintain personal gains. However, the provision of gifts or entertainment in accordance with social customs or company policies is permitted and not subject to this restriction.

Article 5

Employees of the company shall handle with care and maintain confidentiality regarding matters, confidential information, customer or shareholder data that they become aware of in the course of their duties. They have an obligation to maintain confidentiality and, unless authorized or required by law, they must not disclose such information to others or use it for purposes unrelated to their work. The confidential information that must be safeguarded includes all undisclosed information that could potentially be used or disclosed by competitors to the detriment of the company or its customers.

Article 6

Employees of the company should treat customers, competitors, and colleagues involved in the company's sales and procurement activities fairly. They must not manipulate, conceal, or abuse information obtained through their positions for personal gain, make false statements regarding significant matters, or engage in other unfair transactional practices. Company employees are expected to adhere to ethical standards and should not assist clients in engaging in tax evasion schemes.

Article 7

Employees of the company have a responsibility to protect the company's assets and ensure their effective and lawful use for official purposes.

Article 8

Employees of the company shall comply with various relevant laws and regulations, including the Banking Act, Securities and Exchange Act, Personal Data Protection Act, and Anti-Money Laundering Act. Directors who discover a significant risk of substantial harm to the company should handle the matter promptly and appropriately. They should immediately notify the Audit Committee or the independent directors of the Audit Committee and report to the Board of Directors, as well as notify the relevant regulatory authorities.

Article 9

The company shall strengthen the promotion of ethical values and encourage employees to report any suspected or discovered violations of laws, regulations, or the Code of Ethics. In addition to following the "Internal Reporting and Case Handling Procedures of Bank XYZ," employees may proactively report such cases to the Chairman, independent directors, internal audit supervisors, or other appropriate personnel, providing sufficient information for the company to address subsequent matters. If individuals who make reports face retaliation, threats, or harassment, they should immediately report the incidents to the internal audit supervisor or other appropriate personnel, and the company shall promptly take appropriate actions in response.

Article 10

In the event of directors or employees being involved in violations of the Code of Ethics, appropriate actions should be taken by submitting the matter to the board of directors or the personnel evaluation committee for deliberation. However, for cases involving significant violations of laws and regulations, legal responsibilities should be pursued. If a director or executive of the company is determined to have violated the Code of Ethics or has been found guilty by a court of law, the company should promptly disclose on the Public Information Observation Platform the job title, name, date of violation, reasons for the violation, specific provisions violated, and the actions taken regarding the individuals involved in the violation of the Code of Ethics.

Article 11

If there is a necessity to exempt directors or executives from complying with the provisions of this code, it must be approved by the board of directors through a resolution. The approved exemptions, including the job title and name of the exempted individuals, the date of board approval for the exemption, any objections or reservations from independent directors, the duration of the exemption, the reasons for the exemption, and the criteria for granting the exemption, must be promptly disclosed on the Public Information Observation Platform. This allows shareholders to assess the appropriateness of the board's decision, prevents arbitrary or questionable exemptions from occurring, and ensures that there are appropriate control mechanisms in place for any exempted situations to protect the company.

Article 12

The restrictions and regulations regarding the Chairman and the General Manager concurrently holding positions in non-financial businesses include:

- 12.1 Internal management of concurrent positions: This includes mechanisms to prevent conflicts of interest, measures to avoid improper use of information, the fiduciary duty of the responsible person, a hierarchical accountability mechanism, alignment of job titles with responsibilities, and clear reporting systems. Additionally, the Chairman, General Manager, or equivalent positions in non-financial businesses may not concurrently hold the positions of Chairman or General Manager in the company.
- 12.2 If the Chairman or General Manager of The company concurrently holds positions in non-financial businesses, they should provide commitments to comply with the above regulations and avoid conflicts of interest. These commitments should include at least the following:
 - 12.2.1 The individual holds a concurrent position in a non-financial business without the responsibilities of Chairman, General Manager, or equivalent positions.
 - 12.2.2 The individual, during their tenure in the company, will implement mechanisms to manage relationships with related parties and comply with relevant regulations.
 - 12.2.3 The individual will fulfill their fiduciary duty to the company, prioritize the company's interests in cases of conflicts of interest with their concurrent positions, and abstain from engaging in transactions or investments related to the concurrent business that may involve information acquired during their tenure as a responsible person in the company..

Article 13

The company should disclose its established Code of Ethics in the annual report, prospectus, and on the Public Information Observation Platform. The same applies when making revisions to the Code of Ethics.

Article 14

The Code of Ethics of The company is implemented after being approved by the Audit Committee and the Board of Directors, and it is also reported to the shareholders' meeting. Any revisions to the code are likewise subject to the same process.



COTA Commercial Bank

2024