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ANNUAL REPORT 2025

COTA COMMERCIAL BANK

COTA BANK

COTA Commercial Bank

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ANNUAL REPORT

2025

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1 To Our Shareholders

1-1. Year 2025 Business Report

1-1-1. Domestic and International Financial Environment

In 2025, the global economy continues to move forward amid ongoing adjustments. Influenced by factors such as the direction of monetary policy in major economies, geopolitical risks, and changes in the international trade environment, the pace of overall economic recovery remains uncertain. Although inflationary pressures have eased compared to earlier periods, factors such as energy price volatility, climate change, and international tensions continue to pose potential challenges to the global economy. The Bank will continue to closely monitor domestic and international financial conditions and relevant regulatory policies, responding prudently to market changes. With the core objectives of safeguarding client interests and enhancing overall operational performance, we will adjust our operational strategies as appropriate to steadily advance the development of all business lines.

Green finance and digital finance remain key priorities for the Bank's medium- to long-term development. In light of the global trend toward net-zero transition, financial institutions play a critical role in directing capital flows toward sustainable development. The Bank will continue to expand its green finance services, actively advancing initiatives in green lending, information disclosure, integrated investment and financing, client guidance, and international alignment. At the same time, we will accelerate our digital transformation to enhance service efficiency and the customer experience, thereby adapting to the rapidly evolving financial landscape.

Looking ahead, the Bank will remain committed to promoting social equity and achieving inclusive growth. We will continue to advance financial inclusion by developing a diverse range of financial products and services to address the financial needs of various communities and industries, ensuring that people from all walks of life have access to fair and equitable financial resources. At the same time, we will encourage our customers to make effective use of financial services to support the development of the real economy. By consistently upholding our "people-oriented" business philosophy, we aim to create long-term value for society and enhance the overall well-being of the community.

1-1-2. Changes in the Bank's Organizational Structure

None

1-1-3. Results of the Implementation of the Business Plan and Operational Strategies

1-1-3-1. The Bank's Key Operating Results for 2025

- The Bank will regularly review and improve our operational procedures, making adjustments to optimize operations while balancing the need for streamlined processes with internal controls, thereby enhancing service quality and work efficiency.
- The Bank obtained ISO 22301 Business Continuity Management System certification in 2025.
- Replaced outdated ATMs to increase the proportion of ATMs equipped with features for visually impaired users.
- Expanding the scope of digitized in-branch forms to include corporate online banking applications and account opening procedures, while adding OBU foreign exchange functionality to the corporate online banking platform to promote paperless operations and enhance digital services.
- Continuing to promote our "e-statement" and "mobile statement" services. Cardholders who opt for mobile or e-statements are eligible for an annual fee waiver. This initiative supports energy-saving, carbon-reduction, and environmental protection policies by reducing paper consumption and thereby minimizing deforestation.
- We have integrated the information monitoring dashboard and optimized the configuration of monitoring metrics to enhance system performance and maintenance efficiency, thereby strengthening operational stability.
- Expanding and upgrading the infrastructure for AI computing and development environments to support the rapid growth of intelligent applications and innovative business initiatives.

1-1-3-2. Operational Status

1-1-3-2-1. The key operating results for the 2025 fiscal year are as follows:
As of December 31, 2025, the Bank's deposit balance stood at TWD199 billion (excluding interbank deposits), an increase of TWD15.5 billion from the end of the previous year; the loan balance was TWD153.4 billion, an increase of TWD6.7 billion from the end of the previous year; profit before tax for the year 2025 was TWD1,201,802 thousand, an increase of TWD185,706 thousand compared to the previous year. Going forward, the Bank will focus on strengthening digital financial services, expanding electronic financial service capabilities, offering a diverse range of products to meet customer needs, and developing new business lines, all in an effort to enhance the quality and structure of deposits and loans and diversify revenue streams.

1-1-3-2-2. The results of the implementation of the Bank's major budget items for Fiscal Year 2015 are as follows:
- The final average deposit balance was TWD189.5 billion, representing 101.34% of the budgeted target of TWD187 billion.
- The final average balance of loans disbursed was TWD150.4 billion, representing 105.54% of the budgeted target of TWD142.5 billion.
- The final figure for pre-tax net profit was TWD1,201,802 thousand, representing 77.54% of the budgeted target of TWD1,550,000 thousand.

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

For the 2025 fiscal year, the standalone financial statements reported pre-tax net income of TWD1,201,802 thousand, net income after tax of TWD986,867 thousand, and earnings per share after tax of TWD0.84. The BIS capital adequacy ratio stood at 14.08%, book value per share was TWD14.12, the loan loss provision coverage ratio was 251.06%, and the non-performing loan ratio was 0.48%. Moving forward, the Bank will continue to enhance operational efficiency and strengthen risk management to reinforce its operational foundation and enhance its competitive advantage.

1-1-3-4. Status of Research and Development

In addition to providing convenient services to clients, the Bank has also invested resources in technological innovation to improve service processes and adapt to market changes and client needs; In alignment with the Financial Supervisory Commission's "Strategic Blueprint for Trust Business Development," we have integrated elderly care trusts with diverse trust products to provide clients with comprehensive property protection and asset succession services; simultaneously, by leveraging local resources and strengthening cross-industry collaboration, we have established a trust service platform based on shared growth and mutual prosperity to meet the diverse needs of different client groups, thereby realizing the goals of inclusive finance and sustainable operations.

1-2. Summary of the 2026 Business Plan

The Bank will continue to uphold its core values of “Integrity, Accountability, Altruism, Technology, and Environmental Care,” and implement principles of financial consumer protection and fair treatment of customers in financial services. We will fulfill our corporate social responsibility (CSR), prioritize compliance systems, anti-money laundering, and counter-terrorist financing, and strengthen ESG sustainability efforts. We will guide our customers to prioritize sustainability issues and promote green finance-related businesses, striving to balance asset quality with risk-return profiles to build long-term competitive advantages for the Bank and become a comprehensive, high-quality financial institution. The summary of the 2026 Business Plan is as follows:

1. To improve operational efficiency and advance the development of Fintech, we have launched a project to optimize business processes. This initiative will effectively reduce labor and operational costs while enhancing the customer experience, and we will reinvest the savings into employee training and the development of digital capabilities.
2. We are gradually integrating fair treatment of customers and the three key pillars of ESG into our daily operations to ensure the sustainable coexistence of corporate social responsibility and the natural environment.
3. Revise the internal transfer pricing mechanism to enhance the operational efficiency and effectiveness of business and administrative units.
4. Conducting recertification for the ISO 27001 and ISO 22301 international standards to ensure the robust operation of information security and business continuity management systems 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.
5. Establish security design and review procedures for cloud applications, implement measures such as CSPM, CMEK, MFA, and log auditing, and strengthen cloud security protections.
6. Establish a messaging system primarily based on the LINE platform to gradually replace traditional SMS notifications, thereby enhancing real-time interaction with customers and improving the efficiency of message delivery. 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.
7. The integration of the eDDA online banking two-factor authentication system, launched by the Taiwan Securities Depository and Clearing Corporation, allows users to log in via online banking and complete a second-factor verification to authorize direct debit from their bank accounts or verify their identity online. This mechanism eliminates cumbersome procedures such as inserting a card or using a digital certificate, significantly streamlining the application process and providing a more convenient and secures digital financial services experience.
8. Standardize, automate, and digitize back-office operations to enhance the efficiency and competitiveness of the overall lending process, reduce operational costs, shorten processing times, and achieve economies of scale.
9. Monitor the management of various credit limits, strengthen risk management functions, improve asset quality, enhance the monitoring and management of various risks, and strengthen the Bank’s capital adequacy ratio.

1-3. Future Development Strategy

1. Implement a micro-segmentation security mechanism for east-west traffic in virtualized environments to enhance the isolation and access control capabilities of internal network segments, thereby effectively mitigating the risk of potential internal lateral movement attacks.
2. Establish a dedicated digital voucher section to support digital vouchers issued by government agencies or private companies in the future, enabling our customers to conveniently use them via our mobile banking app.
3. Enhance awareness and acceptance of the Bank’s consumer finance products among high-net-worth investors at the top of the pyramid.
4. Innovate consumer financial products in response to market trends, focusing on low risk and competitive advantages to develop diverse, customized initiatives. This approach aims to enhance the value of our products, expand our product offerings, and increase the volume of personal loans.
5. Enhance our mobile app and integrated marketing website to further engage and cultivate the internet generation.
6. Develop the optimal business model for the Consumer Finance Division to enhance overall competitiveness, respond to external competition and changes in the regulatory environment, and maximize profitability for the Bank.
7. Develop the optimal business model for the Consumer Finance Division to enhance overall competitiveness, respond to external competition and changes in the regulatory environment, and maximize profitability for the Bank.
8. Plan to implement a “Card Management” feature that allows users to enable or disable their cards for in-person and online transactions—both domestic and international—through online banking, thereby preventing unauthorized use by locking the card before any transactions are made.

1-4. The Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment

In 2025, the global economy will gradually stabilize amid a high-interest-rate environment. As inflationary pressures ease in major economies and monetary policy shifts from tightening to easing, the market widely expects to enter a cycle of interest rate cuts. The gradual recovery of liquidity will help boost investment and consumer confidence, driving a rebound in overall economic activity. On the other hand, as international capital flows return to Asia and export momentum improves, the New Taiwan Dollar is trending upward, exerting structural impacts on both Taiwan's foreign trade sector and financial markets.

Against this backdrop of shifting market conditions, financial institutions must address the challenges posed by falling interest rates to their net interest margin structure and asset allocation. They should prudently adjust their lending strategies and enhance the efficiency of capital utilization, while capitalizing on business opportunities arising from increased market liquidity to strengthen their financial structures and risk-bearing capacity; Furthermore, as international sustainable finance regulations and corporate governance requirements continue to evolve, the financial sector must implement measures related to environmental protection, social responsibility, and corporate governance (ESG). It must also align with regulatory policies to refine risk management mechanisms and enhance the transparency of information disclosure, thereby facilitating the achievement of sound business operations.

The Bank will continue to monitor changes in global economic trends and the impact of exchange rate and interest rate fluctuations on financial markets. We will adjust our business strategies and asset-liability management direction as appropriate. Guided by the core principle of prudent management, we will capitalize on the opportunities arising from shifts in the market environment to enhance our overall business performance and the value of our financial services.

1-5. Credit Rating Results and Rating Dates

Category	Rating Agent	Rating		Outlook	Released Date
		Long-term	Short-term		
Domestic Ratings	Fitch Ratings Inc.	A-(twn)	F1(twn)	Stable	June.16, 2025

Looking ahead, the Bank will leverage its "small but beautiful" business model to actively seize opportunities in emerging markets, continue to promote financial inclusion, provide more professional and convenient financial services, fulfill its corporate social responsibilities, and foster sustainable economic, environmental, and social development. Furthermore, in a dynamic business environment, the Bank will strengthen its operational foundation and continue to create long-term value for all stakeholders.

Finally, I would like to extend my sincere gratitude to all our shareholders, directors, and distinguished guests. I earnestly hope that you will remain true to your original spirit of support and continue to offer your guidance and encouragement.

Chairman ***Song-Yie Liao***

2 Corporate Governance

2-1. Major Information of Directors, President, Senior Executive Vice Presidents, Executive Vice Presidents, and Department 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	3,730,317	0.3157
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.)	Rurng-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 29,409,865	2.0370 2.4892		
	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

As of Dec. 31, 2025 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 Shine Trend International Multimedia Technology Co., Ltd. Independent Director of Grand Hall Enterprise Co., Ltd. Director of AvioCast Inc. (Legal Representative) Director of RT Investment Co.
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

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.)	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
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	2,166,081	0.1833
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	2,315,076	0.1959
Director (R.O.C.)	Hsin-I Hsiao (Female) 51-60	2023.06.27 (3)	2023.06.27	2,549,231 7,815,827	0.2605 0.6615	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: Cases where the Chairman and the Manager or equivalent (the chief executive) are the same person, spouses, or first-degree relatives: None.
NOTE 2: Director Po-Yao Chi did not serve as a director of the Ninth Term of the Board of Directors. (Dec.19, 2020 to Jun. 26, 2023)

Education & Key Work Experience	Current Positions for the Bank or other companies
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 Executive Director of China Grain Products Research and Development Institute Director of Taiwan Grains Development Foundation Director of Hsiuping University of Science and Technology
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 Cheng Shimg Tai Biopharmaceutical Co., Ltd. Director of Yan Sheng Broadcast Corporation Director of Sheng Feng Tang Pharmaceutial 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 Co., Ltd. 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 Director of Tsung-Hsin Development Co., Ltd.
-	-
College Degree	President of Chuan Cheng Hat Co., Ltd.

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

As of Dec. 31, 2025

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 a director or supervisor represents a corporate shareholder, the name of that corporate shareholder must be provided.
NOTE 2: List the names of the major shareholders of the corporate shareholder (those holding the top ten largest stakes) and their respective ownership percentages. If any of the major shareholders are corporations, provide a separate list.

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

Qualifications / Name	Professional Qualifications and Experiences	Independent Circumstances	Number of Independent Directors with Other Public Offering Companies
Song-Yie Liao	Professional Qualifications: 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” Experiences: With the company’s operating background and Former Chairman of of Chuan Cheng Hat Co., Ltd.		1
Hong-Chi Chang Chairman of Audit Committee Remuneration Committee Member	Professional Qualifications: 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” Experiences: With banking background and 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	Experiences: With the company’s operating background and 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.)	Professional Qualifications: 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” Experiences: With banking background and Former Chairman of Taiwan Business Bank		2

Qualifications / Name	Professional Qualifications and Experiences	Independent Circumstances	Number of Independent Directors with Other Public Offering Companies
Tsung-Ta Kuo Audit Committee Member Chairman of Remuneration Committee	Professional Qualifications: 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" Experiences: With accounting background and 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%	
Xian-De Lai	Professional Qualifications: 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" Experiences: With the company's operating background and Chairman of Tung Yang Business Co., Ltd.		
Chun-Chieh Wang	Experiences: With the company's operating background and Chairman of Mingdao Private High School		
Ting-Lieh Huang	Experiences: With the company's operating background and Director of Taiwan Jundan Co., Ltd		
Pei-Chen Wang	Experiences: With the company's operating background and Manager of Management Department of Famous International Beauty Co., Ltd.		
Juo-Ping Lin	Experiences: With the company's operating background and President of Topoint Technology Co., Ltd.		
Po-Yao Chi	Experiences: With the company's operating background and Director of Ko Loong Industry Co., Ltd.		
Hsin-I Hsiao	Experiences: With the company's operating background and Chief Financial Officer of Shun-Chih Investment Co., Ltd.		
Tsung-Huang Li	Experiences: With the company's operating background and Chairman of Yaju Investment Corporation		
Yuan-Chung Huang (Chuan Chi Co., Ltd.)	Experiences: With the company's operating background and 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.

2-1-1-4. 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	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				✓		✓		✓					✓
Rurng-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 8 years, among which, the year of service on independent directors of Rurng-Terng Tsai is less than 3 years, that of Independent Director Hong-Chi Chang is 6 years and that of Independent Director Tsung-Ta Kuo is 9 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 1 directors aged 41-50, 6 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.

2-1-2. Information on the President, Vice President, Assistant Vice President, and Managers of Departments and Branches

Title	Name	Date of Inauguration	Gender	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	Male	394,064	0.033	195,242	0.017	-	-
Chief Auditor	Huan-Mou Cheng	Oct. 16, 2023	Male	449,906	0.038	218,441	0.018	-	-
Vice President	Wen-Lung Chen	Oct. 01, 2023	Male	756,393	0.064	201,232	0.017	-	-
Vice President	Hung-Tsang Chiang	Oct. 01, 2023	Male	524,439	0.044	230,697	0.020	-	-
Vice President	Richard C.C. Chang	Jul. 01, 2021	Male	73,767	0.006	-	-		
Vice President	Chia-Chin Liu	Mar. 09, 2023	Male	24,604	0.002	10,518	0.001	-	-
Assistant Vice President	Chang-Chieh Lin	Jul. 08, 2024	Male	455,683	0.039	-	-	-	-
Department Manager	Li-Hui Huang	Sep. 01, 2022	Female	600,212	0.051	244,676	0.021	-	-
Department Manager	Ya- Ting Yu	Oct. 01, 2023	Female	110,886	0.009	15,540	0.001	-	-
Department Manager	Shu-Yuan Liu	Oct. 01, 2023	Female	212,259	0.018	-	-	-	-
Department Manager	Hui-Hsiang Yang	Apr. 01, 2025	Female	119,326	0.010	-	-	-	-
Assistant Vice President	Tzu-Hsiu Liang	Apr. 01, 2022	Male	300,000	0.025	145,133	0.012	-	-
Assistant Vice President	Wen-Sheng Lai	Apr. 01, 2022	Male	275,385	0.023	164,912	0.014	-	-
Assistant Vice President	Patricia Ou Yang	Apr. 01, 2025	Female	-	-	-	-	-	-
Department Manager	Ding-Wang Yang	Sep. 01, 2022	Male	111,839	0.009	5,432	0.000	-	-
Department Manager	Chun-Chieh Chien	Sep. 16, 2021	Male	131,813	0.011	-	-	-	-
Department Manager	Jun-Long Tsai	Jul. 01, 2016	Male	294,385	0.025	331,424	0.028	-	-
Department Manager	Pao-Kuei Chou	Apr.01, 2025	Female	182,297	0.015	-	-	-	-

As of Dec. 31, 2025, Shares Held (%)

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of Business Administration, Chung Yuan University Assistant Vice President of COTA Bank, General Administration Department	-	-
Department of Applied Commerce, National Taichung University of Science and Technology Vice President of COTA Bank, Compliance and Legal Affairs Department	-	-
Department of Business Administration, Chaoyang University of Technology Vice President of COTA Bank, Branch Banking Business Division	-	-
Department of Public and Management, Supplementary Junior College of the National Open University Assistant Vice President of COTA Bank, Human Resources Department	-	-
Department of Banking and Finance, Tamkang University, Master Assistant 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 Assistant Vice President of COTA Bank, Consumer Banking Department	-	-
Department of Applied Commerce, National Taichung Institute of Technology Assistant Manager of COTA Bank, Secretariat of the Board of Directors	-	-
Department of Financial & Economic Law, Chung Yuan University Assistant Manager of COTA Bank, General Administration Department	-	-
Department of Business Administration, Chaoyang University of Technology Assistant Manager of COTA Bank, Human Resources Department	-	-
Department of International Business, Feng Chia University Department Manager of COTA Bank, Digital Banking Department	-	-
Department of Business Administration, Feng Chia University, Master Branch Manager of COTA Bank, Taipei Branch	-	-
Department of Computer Science and Information Engineering, Chung Yuan University Department Manager of COTA Bank, Information Department	-	-
MBA, Duke University Fuqua School of Business Sales Supervisor, Private Banking Department, Cathay United Bank		
Department of Accounting, Tunghai University Assistant Manager of COTA Bank, Accounting Department	-	-
Department of Business Administration, National Chengchi University, Assistant Manager of COTA Bank, Risk Management Department	-	-
Department of Business Administration, National Chung Cheng University, Master Assistant Manager of COTA Bank, Business Department	-	-
Department of Finance, Chaoyang University of Technology Manager of COTA Bank, Corporate Banking Division	-	-

Title	Name	Date of Inauguration	Gender	Shares Owned		Shares Owned by Spouses and Minors		Shares Held Under Surrogate A/C	
				No. of Shares	%	No. of Shares	%	No. of Shares	%
Department Manager	Pi-Fen Lin	Apr. 01, 2025	Female	118,922	0.010	-	-	-	-
Department Manager	Chen-Chuan Kuo	May. 01, 2017	Female	67,093	0.006	-	-	-	-
Department Manager	Evan Wang	Jul. 01, 2025	Male	-	-	-	-	-	-
Department Manager	Chun-Hsien Chiu	Jul. 08, 2024	Male	152,272	0.013	10,078	0.001		
Assistant Vice President (Branch Manager)	Tien-Long Yang	Sep. 01, 2022	Male	365,751	0.031	68,365	0.006	-	-
Branch Manager	Chuan-Hung Yang	Sep. 16, 2021	Male	298,089	0.025	-	-	-	-
Branch Manager	Tzung-Hua Yang	Sep. 11, 2023	Male	72,283	0.006	47,772	0.004	-	-
Assistant Vice President (Branch Manager)	Tseng-Yi Huang	May. 02, 2024	Male	139,118	0.012			-	-
Assistant Vice President (Branch Manager)	Mei-Ling Shih	Jul. 01, 2025	Female	504,058	0.043	52,776	0.004	-	-
Branch Manager	Zong-Long Tu	Sep. 01, 2022	Male	247,407	0.021	273,218	0.023	-	-
Branch Manager	Qing-Sheng Xiao	Apr. 01, 2022	Male	165,826	0.014	14,864	0.001	-	-
Branch Manager	Yao-Kuei Tsai	Jun.01, 2023	Male	347,155	0.029	246,202	0.021		
Branch Manager	Hsi-Fu Chen	Apr. 08, 2025	Male	256,654	0.022	94,090	0.0008	-	-
Branch Manager	Chang-Cheng Chen	Jul. 09, 2025	Male	333,787	0.028	1,099	0.000	-	-
Branch Manager	Chun-Kuan Lin	Jul. 09, 2025	Male	142,402	0.012	130,969	0.011		
Branch Manager	Kung-Ming Hsu	Jul. 09, 2025	Male	176,389	0.015	45,897	0.004		
Branch Manager	Cheng-Chien Ho	Jul. 09,2025	Male	497,842	0.042	-	-	-	-
Assistant Vice President (Branch Manager)	Chia-Wen Ke	Jul. 01,2025	Male	470,000	0.040	-	-	-	-
Branch Manager	Qing-Yu Xu	Apr. 01, 2022	Male	167,568	0.014	-	-	-	-

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of Computer Science and Information Engineering, Tamkang University Manager of COTA Bank, Information Technology Department	-	-
Department of Risk Management & Insurance , Feng Chia University, Master Assistant Manager of COTA Bank, Business Department		
Department of Business Administration, Tamkang University Project Manager of COTA Bank, Corporate Banking Department	-	-
Department of Business Administration, Hsiuping University of Science and Technology Department Manager of COTA Bank, Consumer Banking Department	-	-
Department of Finance, Chaoyang University of Technology Branch Manager of COTA Bank, Taichung Branch	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology Department Manager of COTA Bank, Risk Management Department	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology, Master Assistant Manager of COTA Bank, Jinhua Branch	-	-
Department of International Business, Tunghai University Branch Manager of COTA Bank, Qiaotou Branch	-	-
Department of International Business, National Open College of Continuing Education Branch Manager of COTA Bank, Guoguang Branch	-	-
Department of International Trade, Overseas Commercial College Assistant Manager of COTA Bank, Dazhi Branch	-	-
Department of International Trade, National Chang-Hua Senior High School of Commerce Assistant Manager of COTA Bank, Chenggong Branch	-	-
Department of Bank & Insurance, National Taichung Institute of Technology Project Assistant Manager of COTA Bank, Xitun Branch	-	-
Department of Computer & Information, National Taichung Institute of Technology Branch Manager of COTA Bank, Nantun Branch		
Department of Extension Business Vocational School, National Taichung Institute of Technology Branch Manager of COTA Bank, Zhanghua Branch		
Department of Banking and Insurance, National Taichung Institute of Technology; Assistant Manager of COTA Bank, Taiping Branch	-	-
Department and Graduate Institute of Finance, Chaoyang University of Technology Assistant Manager of COTA Bank, Beitun Branch	-	-
Department of Applied Foreign Languages, Taichung Institute of Technology Branch Manager of COTA Bank, Tianzhong Branch		
Department of Technology Management, Chung Hua University, Master Branch Manager of COTA Bank, Yuanlin Branch		
Department of Finance, Takming University of Science and Technology Assistant Manager of COTA Bank, Taipei Branch	-	-

Title	Name	Date of Inauguration	Gender	Shares Owned		Shares Owned by Spouses and Minors		Shares Held Under Surrogate A/C	
				No. of Shares	%	No. of Shares	%	No. of Shares	%
Branch Manager	His-Hsien Wang	Jan. 09, 2016	Male	399,624	0.034	-	-	-	-
Branch Manager	Cheng-Hao Wu	Jan. 08, 2014	Male	244,567	0.021	-	-	-	-
Branch Manager	Shu-Chen Shih	Jan. 09, 2016	Female	799,743	0.068	-	-	-	-
Branch Manager	Mei-Chuan Lee	Oct. 01, 2024	Female	496,349	0.042	-	-	-	-
Branch Manager	Ching-Yu Chen	Oct. 01, 2024	Male	96,023	0.008	46,758	0.004		
Branch Manager	Kuo-Mao Wu	Jan. 01, 2017	Male	74,857	0.006	-	-	-	-
Branch Manager	Sheng-Jie Lin	Apr. 01, 2022	Male	89,029	0.008	-	-	-	-
Assistant Vice President (Branch Manager)	Mao-Sheng Huang	Jul. 01, 2025	Male	492,137	0.042	105,429	0.009	-	-
Branch Manager	Chun-Yen Hsieh	Jan. 01, 2023	Male	39,306	0.003	-	-	-	-
Branch Manager	Ya-Ju Chiu	Jul. 09, 2025	Female	203,409	0.017	-	-	-	-
Branch Manager	Yang-Chih Lin	May. 02, 2024	Male	-	-	-	-	-	-
Branch Manager	Chi-Bin Huang	Jan.01, 2025	Male	198,843	0.017	87,997	0.007		
Branch Manager	Po-Hsun Chang	Oct. 01, 2015	Male	112,215	0.009	-	-	-	-
Branch Manager	Chuan-Ming Ou	Apr. 08, 2021	Male	137,966	0.012	219,087	0.019	-	-
Branch Manager	Yi-Long Wu	Jul. 09, 2025	Male	180,357	0.015	99,221	0.008		
Branch Manager	Yan-Wun Huang	Apr. 08, 2021	Male	201,643	0.017	107,746	0.009	-	-
Branch Manager	Steven Yeh	Apr. 08, 2021	Male	185,249	0.016	199,786	0.017	-	-

2-1-3. Information on Chairman and President Returning to Serve as Advisors After Retiring from a Bank or Its Affiliates: None

Education & Key Past Positions	Other Positions Held Current	Note (Note3)
Department of Law, Soochow University Branch Manager of COTA Bank, Taipei Branch		
Department of Business Administration, Fujen Catholic University Assistant Manager of COTA Bank, Banciao Branch	-	-
Department of Social Science, The National Open University Branch Manager of COTA Bank, Fengdong Branch	-	-
Department of Finance, Chung Hua University Assistant Manager of COTA Bank, Tainan Branch	-	-
Department of Finance and Banking, Southern Taiwan University of Science and Technology Assistant 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 Assistant Manager of COTA Bank, Xinzhuang Branch	-	-
Department of Finance, Chung Hua University Branch Manager of COTA Bank, Hsinchu Branch		
Department of International Business, Providence University Assistant Manager of COTA Bank, Fengshan Branch	-	-
Department of Business Administration, Overseas Chinese University Branch Manager of COTA Bank, Nantun Branch	-	-
Department of Finance, National Sun Yatsen Universit Corporate Banking Relationship Manager, Bank SinoPac	-	-
Department of Banking and Insurance, National Taichung Institute of Technology Project Assistant Manager of COTA Bank, Dadu Branch	-	-
Department of Finance, Chaoyang University of Technology, Master Project Manager of COTA Bank, Zhungshan Branch	-	-
Department of Applied Foreign Languages, Chung Chou University of Science and Technology Assistant Manager of COTA Bank, Management Department	-	-
Department of Finance, Feng Chia University Assistant Manager of COTA Bank,, Tianzhong Branch.	-	-
Executive Master of Business Administration, International University of Monaco Assistant Manager of COTA Bank, Taoyuan Branch	-	-
Department of Accounting, National Chung Hsing University Assistant Manager of COTA Bank, Jinhua Branch	-	-

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

2-2-1. Directors' Remuneration

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="8">Compensation</th></tr>
<tr><th colspan="2">Rewards (A)</th><th colspan="2">Pension and Superannuation (B)</th><th colspan="2">Earning Distribution (C)</th><th colspan="2">Professional Practice (D)</th></tr>
<tr><th>Bank</th><th>Con-Solidation</th><th>Bank</th><th>Con-Solidation</th><th>Bank</th><th>Con-Solidation</th><th>Bank</th><th>Con-Solidation</th></tr>
<tr><td>Chairman</td><td>Song-Yie Liao</td><td rowspan="12">13,560</td><td rowspan="12">13,560</td><td rowspan="12">-</td><td rowspan="12">-</td><td rowspan="12">20,528</td><td rowspan="12">20,528</td><td rowspan="12">812</td><td rowspan="12">812</td></tr>
<tr><td>Managing Director</td><td>Chien-Chung Lai(Note 3)</td></tr>
<tr><td>Managing Director</td><td>Chuan Cheng Hat Co., Ltd.
Assigned Representative:
Bor-Yi Huang</td></tr>
<tr><td>Director</td><td>Xian-De Lai</td></tr>
<tr><td>Director</td><td>Chun-Chieh Wang</td></tr>
<tr><td>Director</td><td>Ding-Lie, Huang</td></tr>
<tr><td>Director</td><td>Pei-Chen, Wang</td></tr>
<tr><td>Director</td><td>Jo-Ping, Lin</td></tr>
<tr><td>Director</td><td>Po-Yao Chi</td></tr>
<tr><td>Director</td><td>Hsin-I Hsiao</td></tr>
<tr><td>Director</td><td>Tsung-Huang Li</td></tr>
<tr><td>Director</td><td>CCH Plus Inc.
Assigned Representative:
Yuan-Chung, Huang</td></tr>
<tr><td>Managing (Independent) Director</td><td>Hong-Chi Chang</td><td rowspan="3">2,760</td><td rowspan="3">2,760</td><td rowspan="3">-</td><td rowspan="3">-</td><td rowspan="3">5,598</td><td rowspan="3">5,598</td><td rowspan="3">564</td><td rowspan="3">564</td></tr>
<tr><td>Managing (Independent) Director</td><td>Rurng-Terng Tsai</td></tr>
<tr><td>Independent Director</td><td>Tsung-Ta Kuo</td></tr>
</table>

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, 2025, 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)						
						COTA		Con-Solidation				
Bank	Con-Solidation	Bank	Con-Solidation	Bank	Con-Solidation	Cash Dividend	Stock Dividends	Cash Dividend	Stock Dividends	COTA	Con-Solidation	
3.54%	3.54%	-	-	-	-	-	-	-	-	3.54%	3.54%	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

Additional Information. Earnings after income tax amount to TWD986,867 thousand.

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	-	-	-	-
2,000,000 - 3,500,000	Hong-Chi Chang Rurng-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 Rurng-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 Rurng-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 Rurng-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	16 (Persons)	16 (Persons)	16 (Persons)	16 (Persons)

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

As of Dec. 31, 2025, Unit: TWD thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="10">Supervisors' Remuneration</th><th colspan="2" rowspan="2">Sum of A, B ,C and D /after-tax profit (%) (Note8)</th><th rowspan="3">Whether or not any compensation is received from other reinvested businesses than subsidiaries or parent company (Note9)</th></tr>
<tr><th colspan="2">Rewards (A) (Note2)</th><th colspan="2">Pension and Superannuation (B)</th><th colspan="2">Earning Distribution (C) (Note3)</th><th colspan="4">Professional Practice (D) (Note4)</th></tr>
<tr><th>Bank</th><th>Consoli-dation (Note 5)</th><th>Bank</th><th>Consoli-dation (Note 5)</th><th>Bank</th><th>Consoli-dation (Note 5)</th><th colspan="2">Bank</th><th colspan="2">Consolida-tion (Note 5)</th><th>Bank</th><th>Consoli-dation (Note 5)</th></tr>
<tr><td>President</td><td>Shih-Chao Lee</td><td rowspan="6">11,882</td><td rowspan="6">11,882</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">12,221</td><td rowspan="6">12,221</td><td>Cash</td><td>Stock</td><td>Cash</td><td>Stock</td><td rowspan="6">2.9403%</td><td rowspan="6">2.9403%</td><td rowspan="6">NIL</td></tr>
<tr><td>Chief Auditor</td><td>Huan-Mou Cheng</td><td rowspan="5">1,532</td><td rowspan="5">0</td><td rowspan="5">1,532</td><td rowspan="5">0</td></tr>
<tr><td>Vice President</td><td>Wen-Lung Chen</td></tr>
<tr><td>Vice President</td><td>Hung-Tsang Chiang</td></tr>
<tr><td>Vice President</td><td>Richard C.C. Chang</td></tr>
<tr><td>Vice President</td><td>Chia-Chin Liu</td></tr>
</table>

Note: The Bank is a publicly traded company that is not listed on a stock exchange or the OTC market; therefore, there is no market price data available.

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)	Name of President and Senior Executive Vice President: Consolidation (Note7)
below 1,000,000	-	-
1,000,000 - 2,000,000	-	-
2,000,000 - 3,500,000	-	-
3,500,000 - 5,000,000	Shih-Chao Lee, Huan-Mou Cheng, Wen-Lung Chen, Hung-Tsang Chiang, Richard C.C. Chang, Chia-Chin Liu	Shih-Chao Lee, Huan-Mou Cheng, Wen-Lung Chen, Hung-Tsang Chiang, 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)

* The remuneration disclosed in this table differs from the concept of income under the Income Tax Act; therefore, this table is intended for informational purposes only and is not used for tax assessment purposes.

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

As of Dec. 31, 2025; Unit: TWD thousand

	Title	Name	Stock dividends	Cash Dividends	Total Amount	Total Amount/ Net Income (%)
Manager	President	Shih-Chao Lee	-	8,624	8,624	0.8740%
	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				
	Assistant Vice President	Chang-Chieh Lin				
	Assistant Vice President	Wen-Sheng Lai				
	Assistant Vice President	Patricia OuYang				
	Assistant Vice President	Tzu-Hsiu Liang				
	Department Manager	Pao-Kuei Chou				
	Department Manager	Li-Hui Huang				
	Department Manager	Ya- Ting Yu				
	Department Manager	Shu-Yuan Liu				
	Department Manager	Ding-Wang Yang				
	Department Manager	Chun-Chieh Chien				
	Department Manager	Jun-Long Tsai				
	Department Manager	Hui-Hsiang Yang				
	Department Manager	Chen-Chuan Kuo				
	Department Manager	Pi-Fen Lin				
	Department Manager	Evan Wang				
	Department Manager	Chun-Hsien Chiu				
	Assistant Vice President (Branch Manager)	Tien-Long Yang				
	Assistant Vice President (Branch Manager)	Tseng-Yi Huang				
	Assistant Vice President (Branch Manager)	Mei-Ling Shih				
	Assistant Vice President (Branch Manager)	Chia-Wen Ke				
	Assistant Vice President (Branch Manager)	Mao-Sheng Huang				
	Branch Manager	Chuan-Hung Yang				
	Branch Manager	Tzung-Hua Yang				
	Branch Manager	Zong-Long Tu				
	Branch Manager	Qing-Sheng Xiao				
	Branch Manager	Yau-Guei Tsai				
	Branch Manager	Hsi-Fu Chen				
	Branch Manager	Chang-Cheng Chen				
	Branch Manager	Chun-Kuan Lin				
	Branch Manager	Kung-Ming Hsu				
	Branch Manager	Cheng-Chien Ho				
	Branch Manager	Qing-Yu Xu				
	Branch Manager	His-Hsien Wang				
	Branch Manager	Cheng-Hao Wu				
	Branch Manager	Shu-Chen Shih				
	Branch Manager	Mei-Chuan Lee				
	Branch Manager	Ching-Yu Chen				
	Branch Manager	Kuo-Mao Wu				

	Title	Name	Stock dividends	Cash Dividends	Total Amount	Total Amount/ Net Income (%)
	Branch Manager	Sheng-Jie Lin				
	Branch Manager	Chun-Yen Hsieh				
	Branch Manager	Ya-Ju Chiu				
	Branch Manager	Yang-Chih Lin				
	Branch Manager	Chi-Bin Huang				
	Branch Manager	Po-Hsun Chang				
	Branch Manager	Chuan-Ming Ou				
	Branch Manager	Yi-Long Wu				
	Branch Manager	Yan-Wun Huang				
	Branch Manager	Steven Yeh				
	Senior Manager	Hung-Chi Tung				
	Senior Manager	Hsien-Hsun Chiang				
	Senior Manager	Shih-Tsung Liu				
	Department Manager	Chi-Nan Huang				
	Department Manager	Jia-Si Yan				
	Branch Manager	Cheng-Hsien Hsieh				

Note: The Bank is a publicly traded company that is not listed on a stock exchange or the OTC market; therefore, there is no market price data available.

2-2-4. Provide a comparative analysis of the total compensation paid to the Company's directors, supervisors, president, and vice president by the Bank and all companies included in the consolidated financial statements over the past two fiscal years, along with an analysis of the proportion of such compensation relative to net income after tax as reported in the individual or separate financial statements. Also explain the policies, criteria, and composition of compensation, the procedures for determining compensation, and its relationship to operating performance and future risks.

Item	Total Amount / Net Income After Tax		
	Year 2025	Year 2024	Proportional Analysis
Directors (Including Independent Directors)	4.44%	4.64%	-0.2%

Additional Notes:
Remuneration for the Bank's directors is determined based on the Bank's operating performance and the adjusted recurring gross profit figure in the annual budget, and is paid in accordance with the procedures set forth in the Bank's Articles of Incorporation and the resolutions of the shareholders' meeting.

Item	Total Amount / Net Income After Tax		
	Year 2024	Year 2023	Increase/Decrease Ratio
President and Vice Presidents	2.9403%	2.7491%	+0.1912

Additional Notes:
1. The compensation for the Bank's President and Vice Presidents is paid in accordance with the Employee Compensation Management Regulations approved by the Board of Directors.
2. The Bank implements a compensation system based on job responsibilities and performance, utilizing a differentiated overall compensation mechanism. Employee salaries are calculated according to the respective grade levels for managerial, professional, and operational positions.
3. If the Bank generates a profit during the fiscal year, 6 percent of such profit shall be set aside as employee compensation, to be paid in the form of stock or cash; if the Bank has accumulated losses, an amount sufficient to offset such losses shall be reserved in advance.
   The distribution of employee compensation shall be approved by a resolution of the Board of Directors, requiring the attendance of at least two-thirds of the directors and the concurrence of a majority of the directors present, and shall be reported to the shareholders' meeting.
4. Bonuses are awarded based on the Bank's financial condition, risk management, team performance evaluations, employee performance management and development plans (PDPs), and the principle of equity.

2-3. Corporate Governance Practices

2-3-1. Operations of the Board of Directors

2-3-1-1.

The Board of Directors held four meetings (A) in the most recent fiscal year, and the attendance of directors is as follows:

Title	Name	Actual number of attendances (B)	Number of times attended by proxy	Actual Attendance Rate (%) (B/A)	Notes
Chairman	Song-Yie Liao	4	0	100	
Managing (Independent) Director	Hong-Chi Chang	4	0	100	
Managing (Independent) Director	Rurng-Terng Tsai	4	0	100	
Managing Director	Chuan Cheng Hat Co., Ltd. Duty holder: Bor-Yi Huang	4	0	100	
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 Information to Be Included:

1. If any of the following circumstances arise in the operation of the Board of Directors, the following information shall be disclosed: the date and session number of the Board meeting, the content of the agenda items, the opinions of all independent directors, and the Company’s handling of the independent directors’ opinions:
   a. Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee; pursuant to Article 14-5 of the Securities and Exchange Act, the provisions of Article 14-3 do not apply.
   b. In addition to the matters set forth above, any other resolutions adopted at board meetings to which an independent director has objected or expressed reservations, and for which there is a record or written statement: None
2. While reporting on the implementation of directors’ recusal from voting on proposals involving conflicts of interest, the following information must be provided: the director’s name, the content of the proposal, the reason for recusal, and the director’s voting record: None.

3. Listed and OTC-listed banks shall disclose information regarding the evaluation cycle and period, scope, methods, and content of the board of directors' self-evaluation (or peer evaluation), and shall complete Appendix 2(2), "Status of Board Evaluation Implementation." (Not applicable)
4. Assessment of Objectives and Implementation Status for Strengthening the Board of Directors' Functions for the Current and Most Recent Fiscal Years: In accordance with the regulations of the competent authorities, we organize various training courses on new business areas and legal compliance, such as: "Practical Operations of Boards of Directors and Supervisors and Corporate Governance Workshop—Analysis of the Fair Treatment of Customers Principle in the Financial Services Industry," "Latest Developments in Anti-Money Laundering and Combating the Financing of Terrorism," "Personal Data Breaches and Cybersecurity Prevention Measures," and "ESG Sustainable Finance and Ethical Business Practices." We invite directors to actively participate in these programs 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 Board of Directors' Evaluation

Since the Bank is not listed on the stock exchange or the over-the-counter market, this information does not need to be provided.

2-3-2. Operation of the Audit Committee:

The Audit Committee held five meetings (A) in the most recent fiscal year, and the attendance of independent directors is as follows:

Title	Name	Actual number of attendances (B)	Number of times attended by proxy	Actual Attendance Rate (%)(B/A) (Note1, Note2)	Notes
Independent Director	Hong-Chi Chang	5	-	100	
Independent Director	Tsung-Ta Kuo	5	-	100	
Independent Director	Rurng-Terng Tsai	5	-	100	

Other Matters to Be Recorded:

1. If any of the following circumstances apply to the operations of the Audit Committee, the following information shall be disclosed: the date and session number of the Audit Committee meeting, the content of the agenda items, any dissenting opinions, reservations, or significant recommendations made by independent directors, the results of the Audit Committee's resolutions, and the Company's handling of the Audit Committee's opinions.
   a. Matters listed in Article 14-5 of the Securities Exchange Act:

Date and Order of Board Meeting	Proposal	Resolution	Opinion from bank to the resolution
9th meeting of the 4th Board of Directors on Feb.19, 2025 12th meeting of the 4th Board of Directors on Aug.08, 2025	Annual and Semi-annual financial report.	Unanimous consent	Resolution discussed and approved by board meeting
9th meeting of the 4th Board of Directors on Feb.19, 2025	Effective statement on the Personal Data Protection and Design and Operation Internal Control System.	Unanimous consent	Resolution discussed and approved by board meeting
9th meeting of the 4th Board of Directors on Feb.19, 2025	The Bank's Annual Statement of Internal Control System.	Unanimous consent	Resolution discussed and approved by board meeting
9th meeting of the 4th Board of Directors on Feb.19, 2025	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
9th meeting of the 4th Board of Directors on Feb.19, 2025	COTA Commercial Bank (including concurrent Insurance Agent business) Annual Statement on Internal AML/CFT Control.	Unanimous consent	Resolution discussed and reported by board meeting
9th meeting of the 4th Board of Directors on Feb.19, 2025	Appointment and Remuneration of CPA	Unanimous consent	Resolution discussed and approved by board meeting
9th meeting of the 4th Board of Directors on Feb.19, 2025	Appointment and dismissal cases of Finance Director	Unanimous consent	Resolution discussed and approved by board meeting
12th meeting of the 4th Board of Directors on Aug.12, 2025	Cash Capital Increase	Unanimous consent	Resolution discussed and approved by board meeting
13th meeting of the 4th Board of Directors on Dec.03, 2025	Amendments to the Procedures for the Acquisition or Disposal of Assets	Unanimous consent	Resolution discussed and approved by board meeting
13th meeting of the 4th Board of Directors on Dec.03, 2025	Amendments to the "Internal Control System".	Unanimous consent	Resolution discussed and approved by board meeting
13th meeting of the 4th Board of Directors on Dec.03, 2025	Audit plan declaration form of 2025	Unanimous consent	Resolution discussed and approved by board meeting

b. In addition to the matters set forth above, any other matters not approved by the Audit Committee but approved by a vote of two-thirds or more of all directors: None.

2. When reporting on the implementation of recusal by independent directors regarding proposals involving conflicts of interest, the following information must be provided: the names of the independent directors, the content of the proposals, the reasons for recusal, and their voting records: None

3. Communication between Independent Directors, the Chief Auditor and CPAs:

(1) Communication between CPAs and Independent Directors:

1. When preparing semi-annual and annual financial reports, the Bank maintains thorough communication with accountant. It also provides the financial reports to independent directors in advance of Audit Committee meetings for their review and understanding. The Bank invites the head of the accounting department to attend Audit Committee meetings to discuss and report on the audit and certification of the Bank's financial statements, thereby ensuring their accuracy and completeness. Following a resolution by the Board of Directors, the Audit Committee issues a review report, and there are no discrepancies in the findings.

2. CPA Yan-Hui Chen attended the meeting to provide an explanation and engage in discussion. Topics covered included: independence; the auditor's responsibilities in auditing financial statements; types of audit opinions; scope of the audit; audit findings; significant accounting standards or interpretations; securities regulations; and updates to securities regulations. Moving forward, the Bank will continue to engage in communication with the CPA at least once a year and will incorporate this channel or mechanism into the Bank's internal operating procedures.

(2) Communication between the Chief Auditor and Independent Directors:

The Bank's Chief Auditor convenes regular semi-annual forums to invite the Chairman and Independent Directors to discuss matters such as inspection comments or audit deficiencies identified by financial regulatory authorities, certified public accountants, the internal audit department, and internal units' self-inspections, as well as items requiring improvement listed in the Internal Control System Statement. The Chief Auditor also attends Audit Committee and Board of Directors meetings to report on these matters. If there are other important matters, they are also reported to the Audit Committee and the Board of Directors on a case-by-case basis.

Note 1:
If an independent director resigns before the end of the fiscal year, the date of resignation shall be noted in the remarks column; the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during the director's tenure and the number of meetings the director actually attended.

Note 2:
If there is a re-election of independent directors prior to the end of the fiscal year, both the outgoing and incoming independent directors should be listed, and the "Remarks" column should indicate whether the director is outgoing, incoming, or re-elected, along with the date of the re-election. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during the director's tenure and the number of meetings the director actually attended.

2-3-3. Items Disclosed in Accordance with the Code of Corporate Governance Practices for the Banking Industry: Please refer to 2-3-4 Corporate Governance Practices.

2-3-4. The Bank's Corporate Governance Practices, Differences from the Banking Industry Corporate Governance Code of Practice, and the Reasons for Such Differences

Evaluation Items	Operational Status			Differences from the Code of Corporate Governance Practices for the Banking Industry and Their Causes
	Y	N	Abstract Description	
I. Bank's Equity Structure and Shareholders' Equity (1) Has the bank established internal procedures for handling shareholder proposals, inquiries, disputes, and litigation, and does it implement these procedures? (2) Does the bank maintain a list of the major shareholders who exercise actual control over the company and the ultimate controllers of those major shareholders? (3) Has the bank established and implemented risk management mechanisms and firewalls with its affiliated companies?	✓		(1) In accordance with the provisions of the Bank's "Code of Corporate Governance Practices," the responsible departments promptly review and address matters proposed by shareholders to ensure the protection of shareholders' rights and interests; all lawsuits filed by shareholders in accordance with the law are handled objectively and appropriately. (2) The relevant department of the Bank tracks the list of major shareholders on a monthly basis. (3) The Bank has no affiliated companies..	No difference
II. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors established a diversity policy and specific management objectives? (2) In addition to establishing a Compensation Committee and an Audit Committee as required by law, do banks voluntarily establish other types of functional committees? (3) Do listed and OTC-listed banks establish board performance evaluation guidelines and procedures, conduct annual and regular performance evaluations, report the results of such evaluations to the board of directors, and use them as a reference for determining individual directors' compensation and for nominations for reappointment? (Note 2) (4) Does the bank regularly assess the independence of its CPAs?	✓		(1) In accordance with the Bank's "Code of Corporate Governance Practices," the Board of Directors is responsible for the Bank's overall business strategy and major policies, for effectively overseeing management, and for being accountable to all shareholders. All procedures and arrangements under the Bank's corporate governance system shall ensure that the Board of Directors exercises its powers in accordance with laws and regulations, the Articles of Incorporation, or resolutions of the shareholders' meeting. (2) A "Director Nomination Committee" has also been established, and its bylaws have been adopted. (3) This bank is not listed on the stock exchange or the over-the-counter market. (4) Conduct periodic assessments of the independence of CPAs.	No difference.
III. Has the bank appointed a sufficient number of qualified corporate governance personnel and designated a corporate governance officer to be responsible for matters related to corporate governance (including, but not limited to, providing directors and supervisory board members with the information necessary to perform their duties, assisting directors and supervisory board members in complying with laws and regulations, handling matters related to board of directors and shareholders' meetings in accordance with the law, and preparing the minutes of board of directors and shareholders' meetings)?	✓		The Bank has designated a corporate governance officer; the relevant department is responsible for matters related to corporate governance.	No difference.

Evaluation Items	Operational Status			Differences from the Code of Corporate Governance Practices for the Banking Industry and Their Causes
	Y	N	Abstract Description	
IV. Has the bank established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), created a dedicated stakeholder section on its website, and appropriately addressed stakeholders' concerns regarding key corporate social responsibility issues?	✓		Communicate in person, by phone, by mail, or online; and periodically request directors to confirm information regarding related parties in writing to ensure it remains up to date. In the first and third quarters of each year, we confirm the information with managers using a follow-up form and update the records accordingly. A "Corporate Social Responsibility" section has been added under the "About COTA Bank" section on the Bank's official website. Within the "Stakeholder Engagement" subsection of that section, a new questionnaire on stakeholder concerns has been introduced to identify the key corporate social responsibility issues of concern to stakeholders. Place QR codes in each branch to allow customers to complete the financial accessibility service satisfaction survey online, encourage interaction between branches and customers, and increase customer feedback.	No difference.
V. Information Disclosure (1) Does the Bank maintain websites to disclose information on its financial operations and corporate governance? (2) Does the Bank employ other methods of information disclosure (such as maintaining an English-language website, designating a specific person to be responsible for collecting and disclosing corporate information, implementing a spokesperson system, or posting corporate investor briefings on the company's website)? (3) Does the Bank, following the end of the fiscal year, announce and file its annual financial reports within the prescribed time limits in accordance with the relevant provisions of the Banking Act and the Securities and Exchange Act, and does it announce and file its first, second, and third quarter financial reports and monthly operating results ahead of the prescribed deadlines?	✓		(1) The Bank's annual report, which includes financial, operational, and corporate governance information, has been disclosed on the Bank's website. (http://www.cotabank.com.tw) (2) The Bank's business and financial information, as well as material announcements, are disclosed to shareholders and the general public on the Taiwan Stock Exchange's Public Information Observation Station or the Bank's website in accordance with regulations. The Bank has an English-language website. The Bank has a spokesperson, who is the President. (3) As a publicly traded company, the Bank is required by law to disclose only its semi-annual and annual financial reports, as well as its monthly operating results, and the Bank has complied with these requirements.	No difference.

Evaluation Items	Operational Status			Differences from the Code of Corporate Governance Practices for the Banking Industry and Their Causes
	Y	N	Abstract Description	
VI. Does the Bank have any other important information that helps understand the operation of corporate governance (including, but not limited to, employee rights, employee welfare, investor relations, stakeholder rights, the continuing education of directors and supervisory board members, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the bank's purchase of liability insurance for directors and supervisory board members, and donations made to political parties, stakeholders, and public interest organizations, etc.)?	✓		1. Employee rights: The Bank upholds the spirit of human rights and the rule of law; it safeguards employee rights in accordance with the Labor Standards Act and other relevant regulations, holds regular labor-management meetings to build consensus on job responsibilities and working conditions, and establishes formal channels of communication between management and employees within the company; it has also established an Employee Welfare Committee to provide employee benefits. 2. Employee care: The Bank schedules regular employee health checkups and provide counseling and mental health education through on-site nurses and physicians to help employees cope with work and life stress, thereby implementing effective employee health management. The Bank organizes self-improvement activities for employees (including their family members) to help them relax both physically and mentally, and conduct occasional "home visits" and "Employee Life Counseling and Care Assessment Forms" to understand employees' living conditions. 3. Investors relations: A Shareholder Section has been established on the Bank's website to provide information on relevant regulations, explanations of changes in shareholder affairs, and contact numbers. A Code of Conduct and Voting Policy for corporate shareholders with controlling interests has been established to protect shareholders' rights and interests. 4. Stakeholder Interests and Implementation of Customer Policies: In accordance with various regulations issued by the competent authorities and the Banking Association, the Bank's obligation to comply with the terms of the contract is explicitly stipulated in the contract. The Bank provides a dedicated complaint hotline and an online complaint submission service to address customer	No difference

Evaluation Items	Operational Status			Differences from the Code of Corporate Governance Practices for the Banking Industry and Their Causes
	Y	N	Abstract Description	
			complaints or grievances, and has established the "Consumer Protection Measures" to ensure consumer protection and customer satisfaction. To comply with and implement the Personal Data Protection Act and other relevant laws and regulations, the Bank has established the "Personal Data File Security Maintenance Measures" to safeguard the rights and interests of stakeholders. 5. Status of Continuing Education for Directors and Supervisors: Since June 2005, the Bank has commissioned the Taiwan Securities and Futures Institute and Taiwan Academy of Banking and Finance to arrange corporate governance-related courses for its directors. Since taking office, the 10th Board of Directors has completed 6–12 hours of training. (On September 15, 2025, a training workshop on "Practical Operations of the Board of Directors and Supervisors and Corporate Governance" was held.) Furthermore, in accordance with the "Qualification Requirements for Heads of Trust Businesses" and the "Standards for Trust-Specific Knowledge or Experience Required of Management and Supervisory Personnel," the Bank has conducted on-the-job training and continuing education, ensuring that the number of participants meets statutory requirements. 6. Implementation of Risk Management Policies and Risk Measurement Standards: a. The Bank has established "Risk Management Policies and Procedures," "Credit Risk Management Guidelines," "Market Risk Management Guidelines," "Operational Risk Management Guidelines," "Banking Book Interest Rate Risk Management Guidelines," and "Capital Adequacy Management Guidelines," among other relevant regulations. These encompass all risks associated with various business operations, and through identification,	

Evaluation Items	Operational Status			Differences from the Code of Corporate Governance Practices for the Banking Industry and Their Causes
	Y	N	Abstract Description	
			monitoring, and control, ensure that risks are maintained within the Bank's tolerable limits. b. The Board of Directors is the Bank's highest decision-making body for risk management and is responsible for overseeing, guiding, and maintaining effective risk management policies. Various committees report to the President and are responsible for matters related to business operations and risk management. The Risk Management Department aggregates, monitors, and analyzes the risk management and exposure status of all units; implements monitoring and necessary measures to address various risks; and regularly compiles and analyzes the Bank's overall risk management status, reporting to the Risk Management Committee and the Board of Directors to ensure the Bank's sound operations and operational performance. 7. Circumstances in which the Bank enters into a liability insurance contract on behalf of its directors with an insurance company: The Bank's Articles of Incorporation expressly authorize the purchase of liability insurance for directors and key executives within the scope of their duties. Coverage was first obtained in February 2007 and has been renewed continuously since then. 8. Donations from political parties, stakeholders, and public interest organizations: In fiscal year 2025, the Bank donated TWD1 million to the COTA Cultural and Educational Foundation, TWD150,000 to the Taichung City Mountaineering Association, TWD50,000 to the Eden Social Welfare Foundation, TWD100,000 to the Savings and Credit Association of the Republic of China, and TWD100,000 to the Taiwan Zhongcheng Regenerative Culture Association. The Bank made no donations to political parties.	

Note 1: Regardless of whether "Yes" or "No" is selected under "Operational Status," a description should be provided in the summary field.
Note 2: Please explain the differences from the Corporate Governance Code for Listed and OTC Companies and the reasons for them.

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

2-3-5. Composition, Responsibilities, and Operations of the Bank's Compensation Committee

2-3-5-1. Information on Compensation Committee Members

As of Dec. 31, 2025

Position (Note 1)	Qualifications / Name	Professional Qualifications and Experience (Note 2)	Conditions for Independence (Note 3)	Number of publicly traded companies where the individual serves as a member of the compensation committee
Independent Director (Convener)	Tsung-Ta Kuo	Please refer to page 8 for information on the directors.	Number of bank shares held by himself, his spouse, and relatives within the second degree of kinship (or held in another person's name), and their respective percentages: 0 shares, 0%	N
Independent Director	Hong-Chi Chang	Please refer to page 8 for information on the directors.	Number of bank shares held by himself, his spouse, and relatives within the second degree of kinship (or held in another person's name), and their respective percentages: 0 shares, 0%	N
Independent Director	Rurng-Terng Tsai	Please refer to page 8 for information on the directors.	Number of bank shares held by himself, his spouse, and relatives within the second degree of kinship (or held in another person's name), and their respective percentages: 0 shares, 0%	3 listed companies

Note:
1. Please specify in the form the relevant years of service, professional qualifications, experience, and independence status of each member of the Compensation Committee. For independent directors, please note that reference should be made to the relevant content in Appendix 1, "Information on Directors and Supervisors (I)," on page OO. Please indicate whether the member is an independent director or other (if the member is the convener, please note this).
2. Professional Qualifications and Experience: Describe the professional qualifications and experience of each member of the Compensation Committee.
3. Criteria for Independence: A statement detailing whether members of the Compensation Committee meet the independence criteria, including but not limited to whether the member, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Bank or its affiliated companies; The number and percentage of the Bank's shares held by the individual, their spouse, or relatives within the second degree of kinship (or held in another person's name); whether they serve as a director, supervisor, or employee of a company with a specific relationship to the Bank (as defined in Article 6, Paragraph 1, Subparagraphs 5–8 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Listed on the Stock Exchange or Traded on the Premises of Securities Firms); The amount of compensation received in the past two years for providing business, legal, financial, or accounting services to the Bank or its affiliates.

2-3-5-2. Information on the Operations of the Compensation Committee:

(1) The Bank's Compensation Committee consists of 3 members.
(2) Term of Office for the 10th Committee: June 27, 2023 to June 26, 2026.
(3) The Annual Compensation Committee has held three meetings recently (A). The membership and attendance records are as follows:

Title	Name	Actual number of attendances	Number of times attended by proxy	Actual Attendance Rate (%)	Notes
Convener	Tsung-Ta Kuo	3	-	100%	
Member	Hong-Chi Chang	3	-	100%	
Member	Rurng-Terng Tsai	3	-	100%	

Other Information to be Included:

1. If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, it shall specify the date and session of the Board meeting, the content of the motion, the outcome of the Board's resolution, and the Bank's handling of the Compensation Committee's recommendations (if the compensation approved by the Board is more favorable than that recommended by the Compensation Committee, the differences and reasons shall be specified): None.
2. For resolutions passed by the Compensation Committee, if any member has expressed opposition or reservations and such views are recorded or stated in writing, the following information shall be specified: the date and session of the Compensation Committee meeting, the content of the resolution, the opinions of all members, and how those opinions were addressed.: None.

Note:

(1) If a member of the Compensation Committee resigns before the end of the fiscal year, the date of resignation must be noted in the remarks column; the actual attendance rate (%) shall be calculated based on the number of Compensation Committee meetings held during the member's tenure and the number of meetings the member actually attended.

(2) If there is a re-election of the Compensation Committee prior to the end of the fiscal year, both the outgoing and incoming members of the Compensation Committee shall be listed, and the "Remarks" column shall indicate whether each member is outgoing, incoming, or reappointed, along with the date of the re-election. The actual attendance rate (%) shall be calculated based on the number of Compensation Committee meetings held during the member's tenure and the number of meetings the member actually attended.

2-3-5-3. Information on Nomination Committee Members and the Committee's Operations:

(1) The Bank's Board Nomination Committee consists of 5 members..

(2) Term of Office for the 10th Committee: June 27, 2023 to June 26, 2026.

(3) The Board Nomination Committee has held 2 meetings this year (A). The members' professional qualifications and experience, attendance records, and topics discussed are as follows:

Title	Name	Professional qualifications and experience	Actual number of attendances (B)	Number of times attended by proxy	Actual Attendance Rate (%) (B/A)	Notes
Convener	Hong-Chi Chang	Professional Qualifications: Recognized by the Financial Supervisory Commission as meeting the requirements of Article 9, Paragraph 1, Subparagraph 4 of the "Regulations on Qualification Requirements, Restrictions on Concurrent Positions, and Compliance Matters for Bank Executives." Experience: President of Chang Hwa Commercial Bank, Ltd. Chief Auditor , Vice President of Bank of Taiwan	2	0	100%	
Member	Rurng-Terng Tsai	Honorary Chairman of Taiwan Listed Companies Association Independent Director of Global Tek Fabrication Co., Ltd. Independent Director of Shine Trend International Multimedia Technology Co., Ltd. Independent Director of Grand Hall Enterprise Co., Ltd.	2	0	100%	Aug 26,2024 appointment
Member	Xian-De Lai	Professional Qualifications: Recognized by the Financial Supervisory Commission as meeting the requirements of Article 9, Paragraph 1, Subparagraph 4 of the "Regulations on Qualification Requirements, Restrictions on Concurrent Positions, and Compliance Matters for Bank Executives." Experience: Chairman of Tung Yang Business Co., Ltd. with a background in corporate operations	2	0	100%	

Title	Name	Professional qualifications and experience	Actual number of attendances (B)	Number of times attended by proxy	Actual Attendance Rate (%) (B/A)	Notes
Member	Chun-Chieh Wang	Experience: Chairman of Mingdao Private High School with a background in corporate operations	2	0	100%	
Member	Chuan Chi Ltd. (Yuan-Chung Huang)	Experience: President of Chuan Cheng Hat Co., Ltd. with a background in corporate operations	2	0	100%	

Other Information to be Included:

A statement detailing the date and session of the meeting at which the Nomination Committee considered its main proposals, the content of the proposals, the recommendations or objections raised by members of the Nomination Committee, the results of the Nomination Committee's resolutions, and the Bank's handling of the Nomination Committee's opinions: None

Note 1: If a member of the Nominating Committee resigns before the end of the fiscal year, the date of resignation shall be noted in the remarks column; the actual attendance rate (%) shall be calculated based on the number of Nominating Committee meetings held during the member's tenure and the number of meetings the member actually attended.

Note 2: If there is a re-election to the Nomination Committee prior to the end of the fiscal year, both the outgoing and incoming members of the Nomination Committee should be listed, and the "Remarks" column should indicate whether the member is outgoing, incoming, or re-elected, along with the date of the re-election. The actual attendance rate (%) is calculated based on the number of Nomination Committee meetings held during the member's term and the number of meetings the member actually attended.

2-3-6. Implementation of Sustainable Development Initiatives, Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies, and the Reasons for Such Differences

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
1. Has the bank established a governance framework to promote sustainable development, set up a dedicated (or part-time) unit to advance sustainable development, authorized senior management to handle such matters, and ensured that the Board of Directors provides oversight?		✓	None	The bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
2. Does the bank conduct risk assessments of environmental, social, and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or strategies? (Note 3)	✓		The Bank has established the "Code of Practice for Corporate Governance" to serve as the basis for promoting corporate governance-related matters. In accordance with the "Risk Management Policy and Procedures" and the "Climate Risk Management Guidelines," the Bank has formulated relevant operational guidelines for various risk factors to safeguard the Bank's assets and implement risk management across all operations, thereby	The bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
			ensuring the Bank's sound management and sustainable development. The Bank has also established a "Risk Management Committee," which is responsible for reviewing various significant risk-related proposals and submitting them to the Board of Directors for discussion, with the aim of providing strategic management decisions and recommendations. Senior management, under the guidance and supervision of the Board of Directors, establishes procedures sufficient to identify, measure, monitor, and control the Bank's risks.	
3. Environmental Issues (1) Has the bank established an appropriate environmental management system in accordance with the characteristics of its industry? (2) Is the bank committed to improving energy efficiency and using renewable materials that have a low environmental impact?	✓ ✓		(1) The Bank complies with relevant laws and regulations, including those governing public safety, the Building Code, the Regulations on the Management of Interior Renovations of Buildings, the Fire Protection Act, and the planning of occupational safety and health facilities, and uses these as the basis for managing its facilities. All departments also conduct regular workplace environmental assessments and fire safety inspections, and all equipment used in these facilities undergoes regular maintenance and inspections. (2) To improve the efficiency of resource utilization, our bank has implemented the following measures: a. Purchase products bearing the Environmental Protection Label and the Energy Conservation Label issued by the Bureau of Energy, Ministry of Economic Affairs. b. Use LED lighting, inverter-type air conditioners, and high-efficiency equipment to reduce energy consumption. c. Gradually phase out high-energy-consumption vehicles and switch to electric vehicles (EVs) or hybrid vehicles to reduce carbon emissions and fuel costs. d. Implement an electronic document management system to reduce the circulation and use of paper documents, improve administrative efficiency, and reduce paper waste.	The bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
			e. Promote double-sided printing and the reuse of copy paper; encourage employees to print on both sides of the page and recycle copy paper for reuse to reduce paper consumption. f. Bring your own reusable cup to meetings to reduce the use of disposable paper and plastic cups, cut down on office waste, and promote a green office culture. g. The Bank has contracted a cleaning company to handle waste disposal and recycling, and to ensure proper waste sorting and recycling. h. In collaboration with insurance companies, the Bank offers customers the option of electronic policies; some customers have switched to electronic policies in place of paper ones to help promote paperless operations and do their part for the environment.	
(3) Does the Bank assess the potential risks and opportunities that climate change poses to businesses, both now and in the future, and take appropriate measures in response?	✓		(3) The energy-saving improvements that have been implemented to date are as follows: a. In addition to turning off lights and air conditioning when not in use, the temperature in offices and event areas is typically maintained between 26 and 28 degrees, and high-efficiency inverter-type air conditioning systems are used. b. Lighting fixtures in all branches and departments have been gradually replaced with energy-efficient LED tubes to avoid the use of energy-intensive light bulbs, thereby achieving energy savings and reducing carbon emissions. c. Gradually phase out high-energy-consumption vehicles and switch to hybrid vehicles to reduce carbon emissions and fuel costs. d. Replace the air conditioning chiller with high-efficiency inverter-driven split-system air conditioners to improve cooling performance, reduce electricity consumption, lower energy costs, and enhance operational efficiency. e. To comply with the Task Force on Climate-related Financial Disclosures (TCFD), the Bank has engaged PricewaterhouseCoopers Business Law Firm to provide advisory services. In accordance with the "Guidelines	

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
			for Climate-related Financial Disclosures by Domestic Banks," the Bank is assessing the impact of climate change on its operations, formulating response strategies and measures, and disclosing relevant information for the previous fiscal year by the end of June each year. f. The Bank has established relevant guidelines and systems for its credit and investment operations to address climate risk factors that may arise from different business activities. g. The "Guidelines on Corporate Social Responsibility and Sustainable Finance for the Bank's Credit Business" clearly identifies industries with high climate transition risks (high-carbon emission industries) and incorporates relevant regulations. In addition, a Corporate Social Responsibility Checklist for borrowing enterprises has been developed to facilitate review and analysis by all departments across the bank when conducting credit business. h. While conducting securities business, if a securities transaction or investment target falls within a high-risk industry, the Bank shall be subject to restrictions on the investment and trading positions it may undertake. The relevant regulations and review procedures are set forth in the Guidelines for Securities Investment Operations.	
(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?	✓		(4) The Bank has been conducting greenhouse gas inventories since 2023 and has designated 2023 as the base year. a. The greenhouse gas reduction target for the medium term (2024–2030) is a 14% reduction from the base year. Greenhouse gas emissions (Scopes 1 and 2) over the past two years were 493.2745 (tCO2e) in 2025 and 1,706.9910 (tCO2e) in 2024. b. Actively promote energy conservation and carbon reduction throughout the bank, including reducing water consumption and waste, and gradually establish systems to track water usage and waste.	

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
4. Social Issues (1) Has the bank established relevant management policies and procedures in accordance with applicable laws and regulations and international human rights conventions?	✓		(1) The Bank's personnel regulations are established in accordance with relevant labor laws and comply with international human rights conventions, such as those regarding gender equality and the prohibition of discrimination and the Bank has formulated corresponding management policies and procedures.	The bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
(2) Does the Bank establish and implement reasonable employee benefit programs (including compensation, leave, and other benefits), and does it appropriately reflect business performance or results in employee compensation?	✓		(2) The Bank has established a compensation policy that appropriately reflects business performance or results in employee compensation and benefits.	
(3) Does the Bank provide a safe and healthy work environment for its employees and conduct regular safety and health training for them?	✓		(3) The Bank provides a safe and healthy work environment for its employees and conducts regular safety and health training. Employee health checkups are conducted every three years, and the Bank has contracted on-site physicians and employs full-time nursing staff to continuously monitor the physical and mental well-being of its employees.	
(4) Does the Bank have an effective career development and training program for its employees?	✓		(4) Each year, the Bank establishes an employee education and training program and designs credit-based courses covering various business areas, career skills, and professional development. Starting in 2023, the Bank has enabled employees to use the credit-based course system to assess their own professional development needs and select appropriate courses. The Bank also periodically announces information on courses in various business areas offered by external institutions, providing multi-channel learning opportunities—both internal and external—to help employees develop comprehensive career skills. We organize training programs for managers and executives and arrange specialized courses on core management and related topics to fulfill our talent development plan.	
(5) With regard to issues such as customer health and safety, customer privacy, marketing, and labeling related to products and services, does the Bank	✓		(5) a. Each branch across Taiwan has assigned 1–2 customer service representatives dedicated to providing convenient financial services to	

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
comply with relevant laws and regulations and international standards, and has it established policies and complaint procedures to protect the rights and interests of consumers or customers?			people with disabilities and seniors. By combining accessible facilities with professional service, we are creating a reassuring and inclusive financial environment. b. While providing trust products or services, in accordance with the Financial Consumer Protection Act and relevant financial regulations, we thoroughly understand our clients' backgrounds and needs, recommend suitable trust products, and fully disclose key information and risks associated with each product to ensure the protection of our clients' rights and interests. c. All advertising and promotional materials for trust products are conducted in accordance with the Bank's "Guidelines for Advertising, Business Solicitation, and Sales Promotion Activities in Trust Business" and relevant regulations issued by the competent authorities. Such materials are subject to review by the relevant supervisor to ensure that their content does not contain any inappropriate or false statements, does not mislead customers, and does not violate relevant laws and regulations. If other departments with relevant responsibilities are involved, the materials may only be released or used externally after obtaining their approval. d. To establish a mechanism for handling disputes arising from trust products or services, the Bank has formulated the "Procedures for Receiving and Handling Trust Business Disputes" to effectively resolve customer complaints and protects their rights and interests. e. While providing trust products and services to individuals with dementia or suspected dementia, the Bank conducts customer identification in accordance with the "Assessment Criteria and Operational Procedures for Trust Services for Individuals with Dementia or Suspected Dementia,"	

Promoting Projects	Implementation Status (Note 1)			Differences from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and the Reasons (Note 2)
	Y	N	Abstract Description	
(6) Does the bank have a supplier management policy in place that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and how is this policy implemented?	✓		and provides a dementia-friendly financial environment and services to ensure that their rights and interests are fully protected. (6) The Bank has established Supplier Management Guidelines, which require all of the Bank's suppliers to prioritize corporate social responsibility, conduct business with integrity, respect and protect workers' human rights, and pay close attention to ethical risks. Guided by a commitment to corporate sustainability, suppliers are expected to strive to protect the environment and minimize their impact on the ecosystem.	
5. Does the Bank prepare sustainability reports and other reports disclosing non-financial information about bill finance companies in accordance with internationally recognized reporting standards or guidelines? Have the aforementioned reports received an assurance or assurance opinion from a third-party verification body?	✓		The Bank's Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards and has not been subject to any assurance or certification by a third-party verification body.	The bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
6. If the Bank has established its own sustainability guidelines in accordance with the "Code of Sustainable Development Practices for Listed and OTC-Traded Companies," please describe any discrepancies between its actual operations and the established guidelines.: None				
7. Other important information that helps understand the progress made in promoting sustainable development: The COTA Commercial Bank has long been actively involved in public welfare and is committed to enhancing social well-being. One of its most representative initiatives is the "Spread Love Through Blood Donation" campaign, which has been held regularly from 2016 through 2025 to encourage employees and the general public to donate blood and assist those in need of medical care. In addition, the bank has provided long-term sponsorship to the "Eden Social Welfare Foundation" and the "Ganlin Social Welfare and Charitable Foundation," while also supporting the "COTA Cultural and Educational Foundation." Through these concrete actions, it actively promotes public welfare by organizing lifelong learning lecture series, hosting senior reading clubs, and forming strategic alliances with social welfare organizations to hold health seminars.				

Note 1: If you select "Yes" for "Implementation Status," please provide specific details regarding the key policies, strategies, and measures adopted, as well as their implementation status. If you select "No," please explain the discrepancies and their reasons in the "Discrepancies from the Code of Sustainable Development Practices for Listed and OTC-Traded Companies and Reasons" field, and outline your plans for adopting relevant policies, strategies, and measures in the future.

Note 2: Unlisted and OTC-listed banks are not required to complete the column titled "Discrepancies from the Code of Sustainable Development Practices for Listed and OTC-Listed Companies and the Reasons."

Note 3: The principle of materiality refers to environmental, social, and corporate governance issues that have a significant impact on a company's investors and other stakeholders.

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.	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. 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. The General Administration Department is mainly responsible for greenhouse gas inventory and operation site inventory. ◎Board: 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. ◎President: 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. ◎Risk Management Committee, Asset and Liability Management Committee, and Credit Review Committee: 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. ◎Business and Functional Departments: 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. 3. Supervise branches to guide customers to emphasize climate change related issues through discussion and process.
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).	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:

No.	Category	Key Item	Description of Risk / Opportunity	Impact Scope	Traditional Risk Type	Time Horizon	Response Strategy (per Note 6.3)
Climate Risk Items – Transition Risks							
1	Market Risk	Changes in Market Demand	As consumer preferences shift, high-carbon-emission products or services may be replaced, resulting in reduced demand for investment targets and consequently affecting the Bank's financial stability and investment returns.	Investments	Credit Risk / Market Risk	Short- to Long-term	Strategy 3
2	Policy and Regulatory Risk	Carbon Tax / Carbon Fee	Governments may impose carbon taxes, carbon fees, or carbon tariffs, thereby increasing the operating costs of investment targets, reducing profitability, and diminishing investment returns.	Investments	Credit Risk / Market Risk	Short-term	Strategy 3
3	Technology Risk	Energy-saving and Carbon Reduction Technologies / Emerging Technology R&D	Investment targets may undertake technological upgrades or develop energy-saving products and technologies as part of the transition toward a low-carbon economy, resulting in increased capital expenditures and reduced investment income.	Investments	Credit Risk / Market Risk	Medium- to Long-term	Strategy 3
4	Reputation Risk	Environmental Sustainability Commitment	If the Bank or its investment targets fail to comply with environmental regulations or sustainability commitments, negative publicity or adverse social perceptions may arise (including impacts on upstream and downstream industries), potentially resulting in reputational damage, customer attrition, reduced support from consumers or suppliers, and even legal liabilities.	Investments / Bank Operations	Credit Risk / Reputational Risk	Short- to Long-term	Strategy 1 / Strategy 2
Climate Risk Items – Physical Risks							
5	Acute	Extreme Weather Events	Climate change–induced extreme weather events, such as typhoons and torrential rainfall, may disrupt the operations of investment targets, reduce revenue streams, and impair repayment capacity and profitability.	Investments	Credit Risk / Market Risk	Short- to Medium-term	Strategy 3
6	Acute	Heavy Rainfall / Flooding	Certain operational locations or collateral properties of the Bank are situated in flood-prone areas. Extreme weather events may lead to asset damage or operational disruptions, thereby affecting operations.	Investments / Bank Operations	Credit Risk / Operational Risk	Short-term	Strategy 3
7	Acute	Ecological Habitat and Land Degradation	The Bank's operating locations or investment targets (such as camp sites) may face ecological degradation issues due to climate change (including proximity to environmentally sensitive or protected areas), thereby affecting operations and investment performance.	Investments / Bank Operations	Credit Risk / Market Risk	Short- to Long-term	Strategy 3
8	Chronic	Soil Liquefaction	Climate change may alter the probability and severity of soil liquefaction. If the Bank's operating locations or collateral properties are located in high-risk liquefaction zones, operational disruptions or declines in collateral value may occur as a result of such events.	Investments / Bank Operations	Credit Risk / Operational Risk	Medium-term	Strategy 3
9	Acute	Landslides and Land Disasters	Geological disasters triggered by climate events may easily damage the Bank's operating locations or collateral properties, thereby affecting operations and the continuity of investment value.	Investments / Bank Operations	Credit Risk / Operational Risk	Short- to Long-term	Strategy 3
10	Chronic	Sea Level Rise	Certain operational locations or investment targets are situated in low-lying coastal areas. Due to global warming and rising sea levels, additional flood prevention and protective measures may be required, thereby affecting operational costs and business continuity.	Investments / Bank Operations	Credit Risk / Market Risk / Operational Risk	Long-term	Strategy 3
11	Chronic	Rising Temperatures	Increasing temperatures may lead to higher electricity consumption and air-conditioning expenses for the Bank and its investment targets, thereby increasing operating costs.	Investments / Bank Operations	Credit Risk / Market Risk / Operational Risk	Long-term	Strategy 3

No.	Category	Key Item	Description of Risk / Opportunity	Impact Scope	Time Horizon	Response Strategy (per Note 4, Climate Risk Management)
Climate Opportunity Items						
12	Resource Efficiency / Low-carbon Transition	Promotion of Renewable Energy and Carbon Reduction Measures	In order to reduce energy consumption and carbon emissions, the Bank and its investment targets may establish energy-saving facilities or renewable energy equipment, thereby reducing energy expenditures and promoting internal digitalization and paperless operations.	Investments / Bank Operations	Short- to Long-term	Strategy 2 / Strategy 3
13	Enhancement of Operational Resilience	Sustainable Operations and System Resilience	The Bank conducts regular drills for disaster recovery mechanisms and business continuity management, and annually plans disaster response and evacuation exercises to ensure that, in the event of a disaster, facilities can be restored promptly and operations maintained continuously, thereby enhancing operational resilience.	Bank Operations	Short- to Medium-term	Strategy 4
14	Sustainable Market Business	Promotion of Green Finance Products	The Bank promotes green financing, sustainability-linked loans, green investments, and other green/sustainable financial products to meet customers' financing needs for low-carbon and sustainable development. At the same time, the Bank supports investment targets in transitioning toward sustainability, thereby enhancing the effectiveness of green financial products.	Investments / Bank Operations	Short- to Long-term	Strategy 4
15	Digital Products/ Services	Digital Transformation	The Bank provides online remote financial services and credit loan applications to support remote areas and streamline workflows, thereby reducing carbon emissions associated with external paper usage, transport and the subsequent	Bank Operations	Medium- to Long-Term Operational	Strategy 2

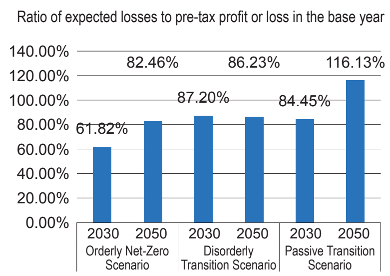
3. Please state that the financial impact of extreme climate events and transformational actions.

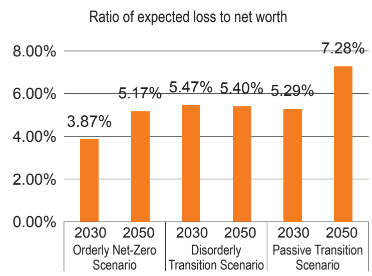
The Bank conducts climate change scenario analysis in accordance with the "Operational Plan for Climate Change Scenario Analysis by Domestic Banks" provided by the National Federation of Banking Associations of the Republic of China. This scenario analysis is based on the Bank's financial information as of December 31, 2024, to assess the financial impacts (expected losses) on the Bank under (1) long-term scenarios (including three hypothetical scenarios: Orderly Net-Zero, Disorderly Transition, and Passive Transition) and (2) short-term scenarios (including physical risk and transition risk scenarios) for the years 2030 and 2050. The Bank's assessment results are summarized as follows:

● Long-term Scenarios:

○ 2030: The Disorderly Transition scenario presents the greatest stress. The ratio of expected loss to pre-tax profit is approximately 25.38% and 2.75% higher than in the Orderly Net-Zero and Passive Transition scenarios, respectively; the ratio to equity is 1.60% and 0.18%.

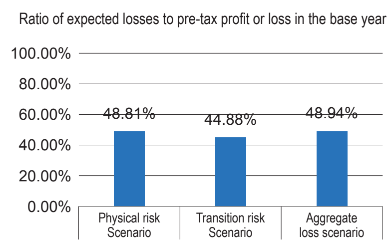
○ 2050: The risk shifts to the Passive Transition scenario. The ratio of expected losses to pre-tax profit is significantly higher than in the Orderly Net-Zero and Disorderly Transition scenarios by approximately 33.67% and 29.90%, respectively; the impact on net worth is also higher by approximately 2.11% and 1.88%.

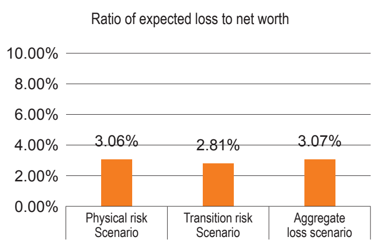




● Short-term Scenarios:

In the short-term scenario analysis, the three stress test scenarios had a similar impact on financial performance, with the comprehensive loss scenario having the most significant impact. Under this scenario, the ratio of expected losses to pre-tax profit or loss in the base year reached 48.94%, which was 0.13% and 4.06% higher than the physical and transition risk scenarios, respectively. In terms of the ratio of expected loss to net worth, the comprehensive scenario (3.07%) and the physical risk scenario (3.06%) are higher, while the transition risk scenario is lower at approximately 2.81%.





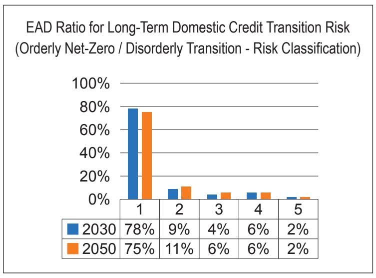
Note: The Bank has made reference to the "Guidelines for Domestic Banks Conducting Climate Change Scenario Analysis" (2024 Edition) and other relevant documents. The scenario analysis methodologies described therein incorporate certain assumptions; therefore, the estimated expected loss results under each scenario are subject to uncertainty and do not represent actual future impacts. In addition, as different analytical methodologies are applied to long-term and short-term scenarios, direct comparison of the two sets of results is not recommended.

4. Please state that how climate risk identification, assessment and management processes are integrated into the overall risk management system.	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: 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. Physical risk: 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. Transition risk: 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: 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. 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.
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.	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:

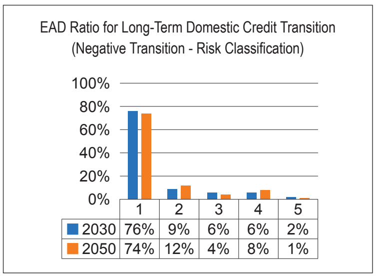
1. Long-term Scenarios:
   (1) Orderly Net-Zero Scenario: Corresponding to the NGFS's "Net Zero 2050" scenario and the IPCC's "SSP1-1.9" scenario, this scenario is used to assess the potential risks to banks under a path of global, gradual progress toward net-zero emissions by 2050.
   (2) Disorderly Transition Scenario: Corresponding to the NGFS "Delay Transition" scenario and the IPCC "SSP1-2.6" scenario, this scenario is used to assess the potential risks to banks under a path where the transition is delayed but the global goal of limiting warming towithin 2°C by the end of the century must still be achieved.
   (3) Passive Transition Scenario: Corresponding to the NGFS "Fragmented World" scenario and the IPCC's"SSP2-4.5" scenario, this scenario assesses the potential risks to the bank under a scenario where the transition is delayed, carbon reduction targets are not met, andmore severe warming occurs.

○ Climate Change Scenario Analysis of Credit Risk in Long-Term Domestic Loan Portfolios

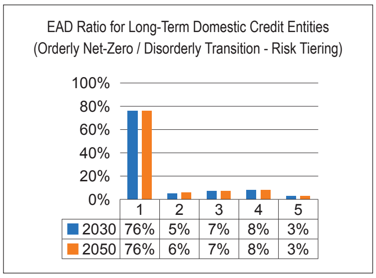
Domestic lending constitutes the majority of the Bank's investment and financing exposure. Under the "Orderly Net-Zero," "Disorderly Transition," and "Passive Transition" scenarios for transition risk and physical risk in 2030 and 2050,exposure is concentrated in the low-risk Tier 1 category, accounting for approximately 74% to 78%. However, following stress testing of the non-electronics manufacturing and trading services sectors, the proportion in the high-risk Tier 5 category increased by 1% to 3%.



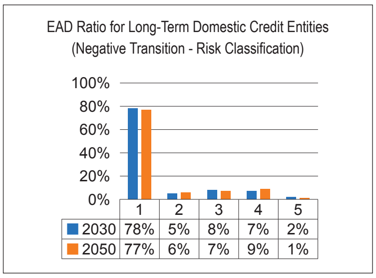
EAD Ratio for Long-Term Domestic Credit Transition Risk (Orderly Net-Zero / Disorderly Transition - Risk Classification)



EAD Ratio for Long-Term Domestic Credit Transition (Negative Transition - Risk Classification)



EAD Ratio for Long-Term Domestic Credit Entities (Orderly Net-Zero / Disorderly Transition - Risk Tiering)



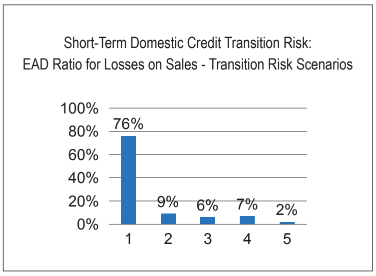
EAD Ratio for Long-Term Domestic Credit Entities (Negative Transition - Risk Classification)

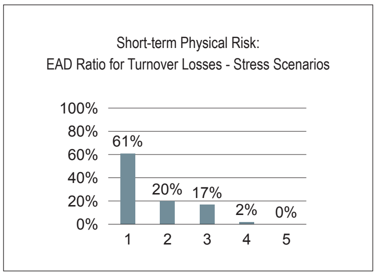
2. Short-term Scenarios:
   (1) Physical Risk Scenarios: Assuming a future global temperature rise of 2°C, this scenario simulates an intensified Morakot typhoon event occurring now (within the next year) and assesses the potential losses. Based on assumptions and simulations regarding typhoon intensity, two scenarios are identified: (1) Intensity Adjustment Scenario and (2) Extreme Distribution Scenario
   (2) Transition Risk Scenario: This scenario simulates the impact of the full implementation of a uniform carbon fee on corporate and financial loan portfolios. Based on emission intensities across industries and expected tax rates, the direct financial impact over a one-year period is assessed; due to

the short-term timeframe, macroeconomic effects and indirect impacts are not included for now.

○ Short-Term Climate Change Scenario Analysis of Credit Risk in Domestic Loan Portfolios

Under the short-term transition risk scenario, approximately 76% of the exposure is concentrated in low-risk Tier 1, while only about 2% is in high-risk Tier 5. The analysis assesses the short-term impact of the carbon levy on non-electronic manufacturing and trading services. Regarding revenue loss risk in the short-term physical risk scenario, approximately 61% is concentrated in low-to-medium risk Tier 1, with about 20% and 17% in Tiers 2 and 3, respectively; however, only about 2% is in medium-to-high risk Tier 4.





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.

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:

Climate Strategies, Action Plans, and Implementation Status of the Bank		
Climate Strategy	**Action Plan**	**2024 Implementation Status**
Strategy 1: Internal Carbon Reduction	Action 1: Install rooftop solar photovoltaic power systems on branch buildings	The annual power generation of the Zhongshan Branch building reached 75,780 kWh, representing an increase of approximately 46,820 kWh compared to 28,960 kWh in 2023. Additionally, the solar power installation at the Fengxin Branch building was completed and commissioned on October 14, 2024.
	Action 2: Replace energy-intensive air conditioners with inverter models and maintain temperature settings at 26°C–28°C	We continuously upgrade aging and energy-intensive equipment. In 2024, air conditioning systems were replaced across various locations, including the meeting rooms and offices of the Head Office administrative units, the Information Technology Department, and the Dazhi Branch.
	Action 3: Replace traditional fluorescent lights with high-efficiency lighting such as LED and T5 fixtures	All departments within the Bank have fully transitioned to LED lighting, successfully implementing carbon reduction in our daily operations.
	Action 4: Gradually phase out old, fuel-inefficient official vehicles	In 2024, a total of 8 aging, conventional gasoline-powered vehicles were phased out and replaced with highly energy-efficient hybrid electric vehicles (HEVs).
Strategy 2: Environmental Friendliness	Action 5: Plant saplings on company-owned land in Shigang District for afforestation to neutralize carbon emissions.	As of the end of 2024, a total of 1,300 saplings have been planted and maintained.
	Action 6: Promote paperless financial services	To promote paper reduction, the Bank continuously designs internal and external digital and electronic systems, while optimizing the online banking and mobile banking APP platforms. By providing more secure and convenient online banking and mobile payment services, we enable customers to conduct financial transactions anytime, anywhere, thereby enhancing user experience and efficiency. The specific measures are detailed below: (1) Online Banking: Fully supports Apple macOS operating systems.

			(2) Mobile Banking: • The Bank adjusted the "Loan Principal and Interest Payment" function, which included adding options for "Debit Account" and "Payment Amount," as well as adjusting "Transaction Limits." • The Bank's Mobile Banking Taiwan Pay "Cross-Border QR Code Consumer Payment" service has expanded to support cross-border payments in South Korea. • Corporate Online Banking now allows salary transfer transactions to be executed daily (including weekends and holidays).
		Action 7: Promote green financial products	The Bank continuously promotes high-quality green financial products. Currently, we have offered a total of 98 green funds, representing a 1.58-fold growth compared to 2023.
	Strategy 3: Strengthen Climate and Nature-Related Risk Management	Action 8: Gradually expand the scope of carbon footprint inventory and incorporate the carbon emission data of small and medium-sized enterprises (SMEs) based on data availability.	The Bank has been gradually expanding its carbon footprint inventory scope since 2022. We completed the Scope 1 and Scope 2 carbon inventories in 2023, and have been progressively developing our carbon inventory tracking system in 2024.
		Action 9: Continuously optimize flood risk assessments for loan collateral to implement differentiated management.	1. To mitigate the impact of climate change on the value of the Bank's collateral, we continuously optimize our flood risk assessments for loan collateral and adopt differentiated management measures, which include: (1) Defining the Bank's high climate physical risk zones by referencing the "Physical Risk Collateral Value Impairment Matrix" developed by the Bankers Association of the Republic of China, under the guidance of the Financial Supervisory Commission (FSC) for domestic banks' climate change scenario analysis. (2) For appraised collateral located within the Bank's defined high climate physical risk zones, the maximum loan-to-value (LTV) ratio for its corresponding category will be reduced by 3 percentage points (i.e., 3%). 2. The Bank is progressively integrating risk data from sources such as the Water Resources Agency of the Ministry of Economic Affairs, the National Science and Technology Center for Disaster Reduction (NCDR), and the Bankers Association, and the system construction is currently ongoing.
		Action 10: Gradually identify and assess nature-related risks and opportunities based on the impacts and dependencies of our own operations and financial businesses (investments and financing) on the natural environment.	1. Starting from fiscal year 2024, the Bank has launched a pilot program to identify the impacts of our operational site locations on mountains, forests, marine wildlife habitats, wildlife activity zones, biodiversity hotspots, and the conservation corridors of the Taiwan Ecological Network. According to the identification results, currently only the Taichung Wuri Branch and Taiping Branch are located within the conservation corridors of the Taiwan Ecological Network. 2. Starting from fiscal year 2024, the Bank has utilized the ENCORE tool to assess the degree/level of nature-related dependency and impact of our investment and financing portfolios, and has disclosed the top ten industries with higher impacts and dependencies.
	Strategy 4: Strengthen Operational Resilience	Action 11: Continuously maintain and refine emergency response and backup mechanisms	1. To cope with the compounding nature and uncertainty of climate change and disasters, the Bank has progressively implemented the ISO 22301 Business Continuity Management System (BCMS) to enhance our operational resilience and mitigate potential damages. 2. To safeguard the Bank's electrical safety and ensure uninterrupted operations, we have revised the "Emergency Disaster Response Manual." The updates include establishing relevant procedures for high-risk scenarios based on the Bank's risk assessment results.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	None		

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.	The Bank references the "Greenhouse Gas Inventory Protocol — Corporate Accounting and Reporting Standard" published by the Taiwan Institute for Sustainable Development. Using the operational 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.1. Greenhouse Gas Emissions Inventory from Own Operations: 1. GHG Inventory Results for Own Operations: The Bank's greenhouse gas (GHG) emissions from its own operations primarily originate from Scope 2 indirect emissions generated by electricity consumption. Using 2023 as the base year, the carbon emissions from total electricity consumption were 1,459.9495 metric tons. In 2024, the carbon emissions from total electricity consumption were 1,416.2180 metric tons, representing a reduction of approximately 3.00% compared to the base year. 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 17.17% 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 31,477.1632 metric tons CO_2e. 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.
9. Greenhouse Gas Inventory and Confirmation of Status and Reduction Targets, Strategies and Specific Action Plans. (To be detailed in 1-1 and 1-2).	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 CO_2e), intensity (tons of CO_2e 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 will follow the "Roadmap for Aligning with IFRS Sustainability Disclosure Standards" issued by the Financial Supervisory Commission, with a phased disclosure plan (including the carbon emissions of the investment and financing portfolio under the PCAF standard). 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%.; in 2025, Scope 1 accounted for approximately 16.13% and Scope 2 for about 83.87%

Unit: metric tons CO_2e

Year	Scope 1	Scope 2	Scope 1 and 2 Total (metric tons)	Scope 3	Intensity (metric tons CO_2e / 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	
2025	240.8067	1252.4678	1,493.2745	N/A	0.3927	

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 2025 (114th year) was NT$380.3 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.

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

Specify the greenhouse gas reduction base year and its data, reduction targets, strategies, concrete action plans, and the status of achieving these reduction targets.
The Bank conducted its first greenhouse gas inventory in 2023 and prepared its greenhouse gas statement in accordance with the “Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard” and the “GHG Protocol Scope 2 Guidance” (collectively referred to as the GHG Protocol). Therefore, 2023 is set as the inventory base year, with a greenhouse gas emission volume (Scope 1 + 2) of 1,751.4971 metric tons of CO2e. The medium-term (2024–2030) greenhouse gas reduction target is to achieve a 14% reduction compared to the base year. The Bank will actively promote various energy reduction measures, select equipment with high energy efficiency and energy-saving designs, and utilize low-carbon transportation to lower energy consumption across the enterprise and its products. Furthermore, the Bank will expand its investment in (green) renewable energy to optimize energy efficiency. In the current (2025) fiscal year, the total greenhouse gas emissions (Scope 1 and Scope 2) were reduced by approximately 14.74% compared to the base year.

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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, 2025 to December 31, 2025 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 and the accounting firm to which the practitioner belongs have 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 accounting firm to which the practitioner belongs complies with the Quality Management Standards, 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" issued by the Accounting Research and Development Foundation (hereinafter referred to as "Assurance Standard 3410"), 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 Category 4 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, 2025 to December 31, 2025 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

Annex I: Summary of Assurance Information

Reporting Boundary	Emissions (CO_2 tons equivalent/year)
Scope 1: Direct GHG Emissions and Removals	240.8067
Scope 2: Electricity indirect GHG emissions	1,252.4678
Total: Scope 1+ Scope 2	1,493.2745

2-3-7. Compliance with Ethical Business Practices and Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons

Item	Operating conditions			Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons
	Y	N	Summary	
1. Establishing Policies and Programs for Ethical Business Practices. (1) Has the Bank established a policy on ethical business conduct that has been approved by the Board of Directors, and has it clearly articulated this policy and related practices in its bylaws and external documents, along with the commitment of the Board of Directors and senior management to actively implement this policy?	✓		(1) a. The Bank's business philosophy is "Integrity, Accountability, Altruism, Technology, and Environmental Care." Matters related to integrity in business operations are stipulated in regulations such as the "Code of Corporate Governance Practices," "Rules of Procedure for Board Meetings," "Donation Guidelines," "Work Rules," and "Code of Ethical Conduct." The Bank discloses its compliance with integrity in business operations and the measures it has implemented on its official website and in its annual report. b. Guided by a commitment to the rule of law, pragmatism, integrity, and professionalism, the Bank's Board of Directors strictly enforces corporate governance regulations. For example, the Board has established provisions in its Board Meeting Rules regarding the disclosure of conflicts of interest and the grounds for recusal by directors, among other requirements, and ensures their full implementation to fulfill its social responsibilities.	The Bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
(2) Has the Bank established a mechanism for assessing the risk of dishonest conduct, regularly analyzed and evaluated business activities within its scope of operations that carry a higher risk of dishonest conduct, and formulated a plan to prevent such conduct based on these analyses, with the plan covering, at a minimum, preventive measures for the behaviors listed in each subparagraph of Article 7, Paragraph 2 of the "Code of Ethical Business Conduct for Listed and OTC Companies"?	✓		(2) To promote the "Principle of Conducting Business with Integrity" under the "Fair Treatment of Customers" principles in the financial services industry, the Bank has established a bank-wide risk assessment mechanism for dishonest conduct. We regularly analyze and evaluate business activities within our scope of operations that carry a higher risk of dishonest conduct. Based on the 2025 assessment results, and after comprehensively considering existing risks and the high effectiveness of our controls, the Bank's overall residual risk exposure is classified as low. Relevant	

Item	Operating conditions			Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons
	Y	N	Summary	
			preventive measures have been established and published on the Bank's internal website in regulations such as the "Rules of Procedure for the Board of Directors," "Donation Guidelines," "Work Rules," "Code of Ethical Conduct," "Guidelines for Internal Control and Risk Management in Wealth Management Operations," and "Regulations on Advertising, Customer Solicitation, and Sales Promotion Activities." All employees are notified in writing whenever these regulations are revised.	
(3) Does the Bank clearly define operational procedures, codes of conduct, disciplinary measures for violations, and an appeals system in its program to prevent dishonest conduct, ensure that these are effectively implemented, and periodically review and revise the aforementioned program?	✓		(3) The Bank has established the following: a. The "Personnel Management Rules," "Work Rules," "Donation Guidelines," "Code of Ethical Conduct," and "Guidelines for Handling Credit and Non-Credit Transactions with Interested Parties" are designed to prevent dishonest conduct. b. Regulations such as the "Guidelines for the Management of Insurance Sales Agents," the "Rules on Rewards and Disciplinary Actions for Insurance Sales Agents' Solicitation Activities," and the "Guidelines for Internal Controls and Risk Management in Insurance Agent Operations and Solicitation Activities" are published on the Bank's internal website, and any revisions will be announced via official correspondence.	
2. Implementing Ethical Business Practices (1) Does the Bank assess the credit history of its counterparties and include clauses regarding good faith conduct in the contracts it enters into with them?	✓		(1) While conducting transactions with agents, suppliers, customers, or other business partners, the Bank assesses the legality of such transactions and conducts its business activities in a fair and transparent manner to uphold the Company's philosophy of operating with integrity.	The Bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
(2) Has the Bank established a dedicated unit reporting to the Board of Directors to promote corporate integrity, and does it report regularly (at least once a year) to the Board on its integrity policies, measures to prevent unethical conduct, and the monitoring of their implementation?		✓	(2) The Bank has not yet established a full-time or part-time unit reporting to the Board of Directors dedicated to promoting corporate integrity. However, the Bank has implemented a compliance officer system, internal control and audit systems, and risk management mechanisms, and has established	

Item	Operating conditions			Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons
	Y	N	Summary	
			specialized functional committees in accordance with its bylaws to strengthen the Board's decision-making functions and management mechanisms.	
(3) Has the Bank established a policy to prevent conflicts of interest, provided appropriate channels for reporting, and ensured its implementation?	✓		(3) 1. The Bank's measures to prevent conflicts of interest are described below: a. The Bank's "Rules of Procedure for Board Meetings" clearly stipulate provisions regarding directors' recusal. b. Establish a database for querying stakeholder information. The restrictions and conditions on credit facilities secured by stakeholders shall not be more favorable than those applicable to other borrowers in the same category. c. Establish "Work Rules" to prevent dishonest conduct by employees. d. Establish the "Guidelines for Internal Control and Risk Management in Wealth Management Operations" to regulate the professional ethics and code of conduct for personnel engaged in wealth management services. 2. Establish the "Guidelines for Internal Control and Risk Management in Wealth Management Operations" to regulate the professional ethics and code of conduct for personnel engaged in wealth management operations.	
(4) Has the Bank established effective accounting and internal control systems to ensure ethical business practices? Does the internal audit department formulate audit plans based on the results of risk assessments regarding unethical conduct, and use these plans to audit compliance with measures designed to prevent such conduct, or does the Bank engage certified public accountants to conduct such audits?	✓		(4) The Bank has a dedicated accounting department and has established an "Accounting System." All financial reports are audited by certified public accountants to ensure the fairness of the financial statements. The Bank has established an "Internal Control System" for each of its business operations, which is revised as needed to reflect changes in laws and regulations and operational practices. The Bank has also established an internal audit unit reporting to the Board of Directors that conducts regular and ad hoc audits, and engages certified public accountants to perform audits, to ensure the effective implementation of the Internal Control System.	

Item	Operating conditions			Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons
	Y	N	Summary	
(5) Does the Bank regularly conduct internal and external training on ethical business practices?	✓		(5) The Bank regularly conducts training programs and disseminates relevant laws, regulations, and operational guidelines through its internal electronic document system. For example, the annual training for wealth management staff includes courses on business standards, professional ethics, product suitability regulations, and related operational procedures, thereby upholding the principles of integrity and responsible management.	
3. The Operation of the Bank Whistleblower System (1) Has the bank established a specific whistle-blowing and reward system, set up convenient channels for reporting, and assigned appropriate dedicated personnel to handle reports against the subjects of such reports?	✓		(1) The Bank has established the "Regulations on the Handling of Whistleblower Reports," which sets forth methods and channels for submitting reports, including in writing, via email, and through a dedicated hotline. Reports are handled by a designated department. If a whistleblower meets the reward criteria outlined in the Bank's "Work Rules," a reward may be granted in accordance with the regulations, depending on the specific circumstances.	The Bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
(2) Has the Bank established standard operating procedures for investigating reported matters, follow-up measures to be taken upon completion of the investigation, and relevant confidentiality mechanisms?	✓		(2) The Audit Department is responsible for investigating reports received by the Bank. The Bank shall maintain confidentiality regarding the identity of the whistleblower and the information provided, including all subsequent handling procedures and record-keeping.	
(3) Does the Bank have measures in place to protect whistleblowers from unfair treatment as a result of their reports?	✓		(3) The Bank has established measures to protect whistleblowers, including provisions ensuring that they shall not be subject to dismissal, removal from office, demotion, pay cuts, infringement of their rights and entitlements, or any other adverse action as a result of reporting misconduct.	

Item	Operating conditions			Differences from the Code of Ethical Business Conduct for Listed and OTC Companies, and the Reasons
	Y	N	Summary	
4. Enhancing Information Disclosure Does the Bank disclose the content of its Code of Ethical Business Conduct and the results of its implementation on its website and the Market Observation Post System?	✓		(1) The Bank has disclosed information related to its finances, operations, and corporate governance on its website, along with the contents of its Code of Business Integrity. (2) The Bank maintains websites in both Chinese and English and has designated a dedicated staff member to coordinate corporate information disclosure and ensure timely updates. It has also implemented a system of spokespersons and deputy spokespersons to serve as a unified channel for external communications, thereby ensuring the timeliness and accuracy of information disclosure. (3) The Bank discloses its Code of Ethical Conduct on its website and the Market Observation Post System (MOPS), and continues to strengthen its culture of corporate integrity.	The Bank is not listed on the stock exchange or the over-the-counter market; therefore, this column need not be filled out.
5. If a bank has established its own code of ethical conduct in accordance with the "Code of Ethical Conduct for Listed and OTC Companies," please describe any discrepancies between its actual operations and the established code: None				
6. Other important information that helps understand the bank's integrity in its operations (such as instances where the bank reviews and revises its Code of Integrity): To foster a corporate culture of integrity, the Bank strictly implements relevant corporate governance regulations and has incorporated provisions regarding ethical business practices into its "Code of Corporate Governance Practices," "Rules of Procedure for the Board of Directors," "Donation Guidelines," and "Work Rules." All directors and employees conduct business with an attitude of upholding the law, being pragmatic, acting with integrity, and demonstrating professionalism, while fulfilling the Bank's corporate social responsibilities. To ensure the implementation of ethical business practices, the Bank has established a compliance officer system, internal control and audit systems, and risk management mechanisms; strengthened the functions of the Board of Directors; enhanced the role of the Audit Committee; respected the rights and interests of stakeholders; and improved information transparency. We continue to promote policies grounded in integrity, deepen our corporate culture of integrity, and establish sound corporate governance and risk management mechanisms to create a business environment conducive to sustainable development.				

2-3-8. Other Important Information that is Sufficient to Enhance Understanding of the Bank's Corporate Governance Practices: None.

2-3-9. Disclosures Regarding the Implementation of Internal Control Systems

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

COTA Commercial Bank Statement of Internal Control

Date: March 9, 2026

To Financial Supervisory Commission

On behalf of COTA Commercial Bank, we hereby undertake that from Jan.01 2025 to Dec.31 2025 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

Areas Requiring Reinforcement and Improvement Plan for COTA Commercial Bank's Internal Control System

As of Dec. 31, 2025

Areas Requiring Reinforcement	Improvement Measure	Scheduled Completion Date for Improvement
During the account opening process, some customers provided the same address, and multiple companies had already been established at that same address. In some cases, the bank failed to comply with the Banking Association's "Template for Preventing Shell Accounts" guidelines by thoroughly verifying and reviewing the authenticity and geographical validity of the customers' account openings.	On November 5, 2025, the Business Department issued a notice (COTA Business Letter No. 1140016098) amending the "Guidelines for Customer Verification, Account Opening Procedures, and Fraud Prevention" and related checklists, effective November 10, 2025. The following verification items have been strengthened in the "Corporate Account Opening Checklist": 1. New checks have been added to verify the "reasonableness of business activities and registered addresses" and to ensure that "no multiple companies are registered at the same address," in order to prevent the characteristics of fictitious businesses resulting from abnormal concentration of registrations. 2. It is explicitly required to confirm that "the address of establishment or operation is geographically related to the Bank." 3. It is explicitly stipulated that, with the exception of government agencies, public utilities, listed companies, and financial institutions (limited to banks, insurance companies, securities firms, futures firms, investment trusts/investment advisory firms), and homeowners' associations, must verify their business operations and submit relevant supporting documentation (such as corporate lease agreements, purchase/sales ledgers, receipts for utility payments, or photographs from on-site inspections) before an account can be opened, in order to prevent fraud and the creation of straw accounts.	The improvement has been completed. This will be a priority for internal audits.

2-3-9-2. Auditor's Review Report

In accordance with Article 28 of the "Regulations Governing the Implementation of Internal Control and Audit Systems for Financial Holding Companies and the Banking Industry," the Bank has engaged KPMG to conduct an audit of the implementation of the Bank's internal control and related matters for the period from January 1, 2025, to December 31, 2025.

The accountant issued a review report with the following conclusions:
Apart from recommendations for improvements in certain areas, no significant irregularities have been identified.

(Attached are the first page of the inspection report and the recommendations.)

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Report on the Implementation of the Agreement Procedures

March 9, 2026

To COTA Commercial Bank

COTA Commercial Bank Co., Ltd.'s 2025 annual report to the competent authorities regarding the accuracy of reported data, the implementation of internal control and compliance systems, and the appropriateness of its allowance for doubtful accounts policy has been completed by this accountant in accordance with agreed-upon procedures. These procedures were ultimately determined by your company; therefore, this accountant does not express an opinion on their adequacy. This engagement was conducted in accordance with Standard on Other Related Services No. 4400, "Performance of Agreed-Upon Procedures on Financial Information," with the objective of assisting your company in assessing its compliance with the "Regulations Governing the Implementation of Internal Control and Audit Systems for Financial Holding Companies and Banks" promulgated by the Financial Supervisory Commission. Compliance with the aforementioned regulations is the responsibility of your company's management. The procedures performed and the facts discovered are reported separately in the attached documents.

Since the accountant did not conduct the audit in accordance with auditing standards, no assurance of any kind is provided regarding the accuracy of the information reported by your company to the competent authorities, the effectiveness of its internal control and compliance systems, or the appropriateness of its policy for providing for bad debts. Had this accountant performed additional procedures or conducted the audit in accordance with auditing standards, other facts requiring disclosure might have been identified.

This report is provided to your company solely for the purposes described in the first paragraph and may not be used for any other purpose or distributed to any other parties. This report relates only to the specific matters mentioned above and therefore should not be interpreted broadly as relating to the financial statements of COTA Commercial Bank Co., Ltd. as a whole.

KPMG

Accountant
Chen, Yen-Hui

Findings and Recommendations from the 2025 Annual Audit by Certified Public Accountants

Discovery of the Facts	Suggestion	Report on Improvements by the Department	Audit Department Follow-up on Review Results
During a random audit of credit card applications (physical copies) for August, the sample application for Xie ○ Zheng was reviewed. Upon examining the "Credit Card Basic Information Setup (Individual)," it was discovered that the "Identity Type" field was checked as "General," which did not match the applicant's actual status as a "bank employee." Upon investigation, it was determined that the system had automatically selected "General" by default at the time, and the processing staff failed to notice this. However, the actual card issuance system subsequently re-verified the applicant's status as "Bank Employee," and the correction was completed during the audit period.	We recommend that your bank strengthen the data verification procedures followed by staff members during identity verification to avoid relying on system defaults.	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.	Corrected on November 4, 2025, during the audit period. The data verification process has been strengthened; case handlers and supervisors are now required to double-check and confirm whether the default values displayed by the system regarding the credit card applicant's identity category are correct, to ensure the accuracy of the credit card system data.
Sample Audit Nanmen Branch—During the account opening process for a checking account for Fu○ Construction Co., Ltd., a review of the "Corporate Account Opening Checklist" revealed that the company has a single shareholder. However, under checkpoint 5-5, "Has been out of business for a long time, has a single shareholder, or has filed for a change of registration within the last 6 months," the box for "No" was checked, which does not match the company's actual status.	We recommend that when your bank completes the relevant checklists, the processing staff and the responsible supervisors accurately reflect the client's actual circumstances.	The issue was corrected on December 10, 2025, during the audit. The staff member in charge was instructed to ensure that the appropriate boxes are checked on the "Corporate Account Opening Checklist" when completing the checklist items and the supervisor in charge was asked to thoroughly review the work to ensure compliance with regulations. Please pay attention to this and make improvements in the future.	1. The Audit Department completed its follow-up review on January 19, 2026, and the audited unit has implemented the necessary corrective actions. 2. The Namen Branch has instructed the relevant staff members that, when completing the "Corporate Account Opening Checklist" for corporate account openings, they must correctly check the applicable items based on the specific circumstances of each case, and that the responsible supervisors must thoroughly review the checklist to ensure the validity of the account opening verification process.
After cross-checking the list of employees who left the company during the audit period against the internally compiled list of user ID holders for the online host operating system (E950 COBOL and Java), it was discovered that one account belonging to a former employee (Name: Chen ○ Lun, ID: howard, Effective Date of Separation: September 8, 2025) was not deleted on the date of separation. If an employee's account permissions are not deactivated or deleted after termination, the employee may still be able to access system data, posing a risk of unauthorized system access.	We recommend that your bank strictly follow its internal control procedures to delete the system accounts of former employees, in order to ensure the appropriateness of system authorizations.	"Corrective Measures" 1. The case identified during the audit was immediately deleted on January 15, 2026, during the audit period. A comprehensive re-inventory was also conducted on the same day to confirm that account permissions in the core system were consistent with current employment status. 2. Upon investigation, it was found that for the case, there were no system login or access records from the time of termination until the data was deleted. "Precautionary Measures" 1. Include "Account Request Form Status" in the Information Security Team's monthly account verification process. The Information Security	1. The Audit Department completed its follow-up review on January 19, 2026, and the audited unit has implemented the necessary corrective actions. 2. On January 15, 2026, the Information Technology Department deleted the system accounts of departed employees and conducted a comprehensive review, confirming that the account permissions in the core systems match the current employment status of all employees. 3. The Information Department has implemented preventive measures to incorporate the "Status of Account Application Forms" into the Information Security Team's monthly account verification process. The Information Security Team regularly compares the "System Account Change Request

		Team regularly compares the "System Account Change Request Forms" with the "Actual System Account List" each month to ensure that every request has been fully processed. 2. Continue to conduct a comprehensive inventory of all system accounts every six months. Through a dual mechanism of "monthly cross-checks" and "semiannual comprehensive inventories," ensure the security of system authorizations.	Forms" with the "Actual System Account List" each month to ensure that every request has been fully processed, and continues to conduct a comprehensive inventory of all system accounts every six months. 4. The IT Department ensures the security of system licenses through a dual mechanism consisting of "monthly reconciliation" and "semiannual full inventory checks."

2-3-10. Significant Resolutions of the Shareholders' Meeting and the Board of Directors for the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report

2-3-10-1. Shareholders Meeting

- June 19, 2025: 2025 Annual Shareholders Meeting: Proposed Amendments to the Articles of Incorporation

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

- March 10, 2025: the 8th Meeting of the Board of Directors of the 10th Term
  (1) Approved the 2024 Individual Financial Statements.
  (2) Approval of the 2024 Director Compensation and Employee Compensation Allocation Proposals.
  (3) Approved the 2024 Profit Distribution Plan.
  (4) Approval of the 2024 Annual Business Report
  (5) Proposal on the Appointment and Compensation of the Certified Public Accountant
  (6) Statement on the Design and Effectiveness of the Bank's 2024 Internal Control System for Personal Data Protection
  (7) Proposal for the Bank's 2024 Statement on Internal Control Systems
  (8) The Bank's 2024 "Statement on the Internal Control System for Anti-Money Laundering and Combating the Financing of Terrorism," Including Insurance Agency Business
  (9) Appointment and Removal of the Chief Financial Officer
- August 25, 2025: the 10th Meeting of the Board of Directors of the 10th Term
  (1) Approval of the Individual Financial Statements and Auditor's Report for the Period from January 1 to June 30, 2025
  (2) Cash Capital Increase Proposal
- December 22, 2025: the 11th Meeting of the Board of Directors of the 10th Term
  (1) Proposed 2026 Budget and Operating Plan
  (2) Amendments to the Procedures for the Acquisition or Disposal of Assets
  (3) Amendments to Internal Controls
  (4) Appointment and Removal of the President

2-3-11. For the most recent fiscal year and as of the date of publication of the annual report, any directors or supervisors who held dissenting opinions regarding significant resolutions passed by the board of directors and who submitted a record or written statement to that effect: None.

2-4. Information on Certified Public Accountant Certification Fees

2-4-1. Disclosure of Information on Certified Public Accountant Certification Fees

Unit: TWD thousand

Accountant Firm	Name of Accountant		Period of Audit	Auditing Fee	Non-Auditing Fee	Total	Note
KPMG	Chen, Yen-Hui	Mei, Yuan-Jen	Year 2025	1,250	2,515	3,765	

Note: Non-audit services include special audits of personal data protection, anti-money laundering, and counter-terrorist financing mechanisms; review of new shares issued in connection with cash capital increases; audits of cash capital increases; audit and certification of corporate income tax final returns; bank inspection reports; and BIS reviews, among other reports.

2-5. Information of Accountants Change

2-5-1. About the Former Auditor

<table>
<tr><th>Date of Replacement</th><td colspan="3">Approved by the Board of Directors on Mar.10 2025</td></tr>
<tr><th>Reason for Replacement and Explanation</th><td colspan="3">Internal job reassignments at the accounting firm</td></tr>
<tr><th rowspan="3">Statement regarding termination or rejection of the appointment by the principal or the accountant</th><td>Situation</td><td>Auditor</td><td>Principal</td></tr>
<tr><td>Voluntary termination of appointment</td><td>✓</td><td></td></tr>
<tr><td>No longer accepts (continuing) appointment</td><td></td><td></td></tr>
<tr><th>Any audit report opinions other than an unqualified opinion issued within the last two years, and the reasons for such opinions</th><td colspan="3">None</td></tr>
<tr><th rowspan="6">Whether there are any differences of opinion with this bank</th><td rowspan="4">YES</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Disclosures in Financial Reports</td></tr>
<tr><td></td><td>Scope or Procedures of the Audit</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>No</td><td colspan="2">✓</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><th>Other Disclosures (as required under Article 10, Paragraph 6, Subparagraph 1-4 of these Guidelines)</th><td colspan="3">None</td></tr>
</table>

2-5-2. Regarding the Successor Accountant

Accounting Firm Name	KPMG
Accountant Name	Chen, Yen-Hui、Mei, Yuan-Jen
Appointment Date	Mar.10 2025
Any disagreements on accounting treatment methods, accounting principles, or financial report opinions prior to appointment	None
The successor accountant has any written disagreement with the former accountant	None

2-5-3. Response from the former auditor regarding the matters specified in Article 10, Paragraph 6, Subparagraphs 1 and 2-3 of these Standards: 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. Changes in Shareholdings and Pledges: Changes in shareholdings of the Bank's directors, executives, and persons required to report shareholdings pursuant to Article 11 of the Regulations Governing the Holding of a Certain Percentage of the Total Number of Issued Voting Shares in the Same Bank by the Same Person or Related Parties

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	0	0	8,000,000	0	Major Shareholder
Managing Director	Chuan Cheng Hat Co., Ltd.	5,660,442	0	18,758,895	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	0	0	0	0	
Director	Xien-De Lai	0	0	0	0	
Director	Po-Yao Chi	0	0	861,105	0	
Director	Hsin-I Hsiao	4,778,588	0	1,190,750	0	
Director	Ting-Lieh Huang	0	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.	0	0	15,279,433	0	Major Shareholder
	Representative: Yuan-Chung Huang	0	0	1,848	0	
Independent Director	Tsung-Ta Kuo	0	0	0	0	
President	Shih-Chao Lee	0	0	72,948	0	
Chief Auditor	Huan-Mou Cheng	0	0	137,115	0	
Vice President	Hung-Tsang Chiang	0	0	69,681	0	
Vice President	Wen-Jung Chen	5,585	0	76,028	0	
Vice President	Richard C.C. Chang	0	0	84,248	0	
Vice President	Chia-Chin Liu	0	0	77,246	0	
Assistant Vice President	Chang-Chieh Lin	0	0	125,345	0	
Assistant Vice President	Wen-Sheng Lai	0	0	90,332	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	
Assistant Vice President	Tzu-Hsiu Liang	0	0	58,062	0	
Assistant Vice President	Patricia Ou Yang	0	0	0	0	
Assistant Vice President (Branch Manager)	Tien-Long Yang	0	0	44,427	0	Apr.1, 2025 Newly Appointed
Assistant Vice President (Branch Manager)	Tseng-Yi Huang	0	0	61,661	0	
Assistant Vice President (Branch Manager)	Mei-Ling Shih	0	0	123,889	0	
Assistant Vice President (Branch Manager)	Mao-Sheng Huang	0	0	125,110	0	
Assistant Vice President (Branch Manager)	Chia-Wen Ke	0	0	117,336	0	
Department Manager	Li-Hui Huang	17,835	0	66,169	0	
Department Manager	Shu-Yuan Liu	0	0	73,122	0	
Department Manager	Ya-Ting Yu	5,079	0	54,735	0	
Department Manager	Ding-Wang Yang	0	0	54,631	0	
Department Manager	Pao-Kuei Chou	0	0	70,637	0	
Department Manager	Jun-Long Tsai	0	0	86,515	0	
Department Manager	Chun-Chieh Chien	0	0	62,220	0	
Department Manager	Yi-Kai Lian	0	0	0	0	
Department Manager	Mei-Ling Wen	0	0	40,524	0	
Department Manager	Hui -Hsiang Yang	0	0	55,365	0	
Department Manager	Chen-Chuan Kuo	0	0	49,346	0	
Department Manager	Chun-Hsien Chiu	0	0	45,198	0	
Department Manager	Bi-Fen Lin	0	0	54,235	0	Apr.1, 2025 Newly Appointed
Department Manager	Evan Wang	0	0	49,087	0	Jul.9, 2025 Newly Appointed
Branch Manager	Chun-Hung Yang	0	0	90,954	0	
Branch Manager	Tzung-Hua Yang	0	0	47,776	0	
Branch Manager	Zong-Long Tu	2,348	0	75,033	0	
Branch Manager	Qing-Sheng Xiao	0	0	38,060	0	
Branch Manager	Yao-Kuei Tsai	0	0	89,306	0	
Branch Manager	Hsi-Fu Chen	0	0	72,029	0	Apr.8, 2025 Newly Appointed

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 Manager	Ya-Ju Chiu	0	0	50,000	0	
Branch Manager	Kung-Ming Hsu	0	0	63,508	0	
Branch Manager	Chang-Cheng Chen	0	0	98,124	0	
Branch Manager	Qing-Yu Xu	0	0	63,122	0	
Branch Manager	Hsi-Hsien Wang	0	0	20,000	0	
Branch Manager	Cheng-Hao Wu	0	0	0	0	
Branch Manager	Shu-Chen Shih	0	0	170,064	0	
Branch Manager	Mei-Chuan Lee	0	0	18,619	0	
Branch Manager	Ching-Yu Chen	0	0	50,427	0	
Branch Manager	Kuo-Mao Wu	0	0	56,759	0	
Branch Manager	Sheng-Jie Lin	0	0	51,156	0	
Branch Manager	Chun-Yen Hsieh	0	0	44,020	0	
Branch Manager	Yi-Long Wu	0	0	59,318	0	Jul.9, 2025 Newly Appointed
Branch Manager	Yang-Chih Lin	0	0	0	0	
Branch Manager	Chi-Bin Huang	0	0	63,397	0	Jan.1, 2025 Newly Appointed
Branch Manager	Po-Hsun Chang	0	0	59,288	0	
Branch Manager	Chuan-Ming Ou	0	0	21,019	0	
Branch Manager	Cheng-Chien Ho	0	0	113,747	0	
Branch Manager	Yan-Wun Huang	0	0	69,173	0	
Branch Manager	Stenen Yeh	0	0	28,222	0	
Branch Manager	Chun-Kuan Lin	0	0	55,059	0	Jul.9, 2025 Newly Appointed

Information on Share Transfers:
For details, please refer to the Taiwan Stock Exchange's Public Information Observatory: http://mops.twse.com.tw>Summary Reports >Changes in Shareholdings/Securities Issuance >Shareholdings, Pledges, and Transfers by Directors, Supervisors, and Major Shareholders > Shareholdings of Directors, Supervisors, and Major Shareholders > Summary Table of Shareholdings of Directors, Supervisors, and Major Shareholders.

Information on Pledged Equity:
For details, please visit the Taiwan Stock Exchange's Public Information Observatory: http://mops.twse.com.tw >Summary Reports >Changes in Shareholdings/Securities Issuance >Shareholdings, Pledges, and Transfers by Directors, Supervisors, and Major Shareholders.

2-8. Information on Interrelationships among the Top Ten Shareholders by Shareholding Percentage

As of Dec. 31, 2025

Name	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C		Any of the top ten shareholders are related parties or are spouses or relatives within the second degree of kinship, their names and the nature of their relationship		Notes
	No. of Shares	Shares Held %	No. of Shares	Shares Held %	No. of Shares	Shares Held %	Name	Relationship	
Song-Yie Liao	113,383,826	9.60	3,730,317	0.32			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	
Fimanli International Co., Ltd. Representative: Ching-Ling Liu	57,349,435	4.85					Song-Yie Liao	Spouse	
Ho Chu InvestmentCo., Ltd. Representative: Chia-Hung Lin	41,275,701	3.49							
Neng Hong Investment Holdings Co., LTD. Representative: You-De Wu	38,435,890	3.25							
Chuan Chi Co., Ltd. Representative: Ching-Ling Liu	36,745,455	3.11					Song-Yie Liao	Major shareholder Spouse	
Fu Jing Investment Co., Ltd. Representative: Wei Ren Liao	34,922,979	2.96							
Chuan Cheng Hat Co., Ltd. Representative: Ching-Ling Liu	29,409,865	2.49					Song-Yie Liao	Director Spouse	

Name	Shares Owned		Shares Owned by Spouses and Minors		Shares Held under Surrogate A/C		Any of the top ten shareholders are related parties or are spouses or relatives within the second degree of kinship, their names and the nature of their relationship		Notes
	No. of Shares	Shares Held %	No. of Shares	Shares Held %	No. of Shares	Shares Held %	Name	Relationship	
Jun Heng Investment Co., Ltd. Representative: Shi-Ying Hsiao	28,362,551	2.40							
Hooann Co., Ltd. Representative: Jen-Chieh Yang	20,993,557	1.78							
Chou Chin Industrial Co., Ltd. Kuei-Hsien Wang	20,297,210	1.72							

Note
1. All of the top ten shareholders must be listed; for corporate shareholders, the name of the corporate shareholder and the name of its representative must be listed separately.
2. The calculation of shareholding percentages refers to the calculation of shareholding percentages held in one's own name, in the name of a spouse, in the name of minor children, or in the name of another person.
3. The relationships among the shareholders listed above—including both legal entities and individuals—shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports for Publicly Traded Banks.

2-9. Aggregate Shareholding Ratio: The number of shares held by the bank, its directors, president, vice presidents, assistant vice presidents, department and branch managers, and entities directly or indirectly controlled by the bank in the same investee company shall be aggregated.

As of Dec. 31, 2025, 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.	839,550	0.08	0	0	839,550	0.08

Note: Investments made pursuant to Article 74 of the Banking Act

3 Fundraising Overview

3-1. Capital and Shares

3-1-1. Source of Capital

Feb. 28, 2026 Unit: Share; TWD

Month/Year	Issuing price (TWD)	Registered Capital		Paid-in Capital		Remark	
		Shares	Amount	Shares	Amount	Source	Other
Dec. 2025	10	2,000,000,000	20,000,000,000	1,381,480,967	13,814,809,670	Cash Capital Increase 2,000,000,000	

Feb. 28, 2026 Unit: Share

Type of share	Registered capital			Remark
	Outstanding shares	Unissued shares	Total	
Common Shares	1,381,480,967	618,519,033	2,000,000,000	Unlisted Stock

Note: Please specify whether the stock is issued by a publicly listed or over-the-counter company (if trading in the stock is restricted, please note this).

Information for comprehensive reporting: None

3-1-2. List of Major Shareholders

Dec. 31, 2025 Unit: Person; Share; %

Name	Number of Shares	Percentage (%)
Song-Yie Liao	113,383,826	9.60
Fimanli International Co., Ltd.	57,349,435	4.85
Ho Chu Investment Co., Ltd.	41,275,701	3.49
Nenghong Investment Holding Co., Ltd.	38,435,890	3.25
Chuan Chi Co., Ltd.	36,745,455	3.11
Fu Jiang Investment Co., Ltd..	34,922,979	2.96
Chuan Cheng Hat Co., Ltd.	29,409,865	2.49
Jun Heng Investment Co., Ltd.	28,362,551	2.40
Hooann Co., Ltd.	20,993,557	1.78
Chou Chin Industrial Co., Ltd.	20,297,210	1.72
Chun-Chieh Wang	15,377,972	1.30

Note: Listed are shareholders with a stake of one percent or more.

3-1-3. Dividend Policy and Implementation Status

In accordance with the Bank's Articles of Incorporation, distributable earnings are distributed to shareholders in the form of cash and stock. After setting aside statutory retained earnings as required by law and making or reversing allocations to the special retained earnings reserve in accordance with the Bank's operational needs and applicable laws and regulations, the remaining amount is distributed in full to shareholders.

In accordance with Article 34-1 of the Bank's Articles of Incorporation, the distribution shall be as follows: If the Bank's annual financial statements show a surplus, taxes shall first be paid in full in accordance with the law, and accumulated losses shall be offset; thereafter, 30% shall be set aside as a statutory surplus reserve. However, this provision shall not apply if the statutory surplus reserve has already reached the total amount of the Bank's capital, or if the Bank's financial and operational conditions are sound and the statutory surplus reserve has been set aside in accordance with the Company Law; In addition, a special surplus reserve shall be set aside or reversed in accordance with the Bank's operational needs and applicable laws and regulations. If a surplus remains after such adjustments, it shall be combined with the undistributed surplus from the beginning of the same period, and the Board of Directors shall draft a surplus distribution proposal to be submitted to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

Until the statutory retained earnings reserve reaches the Bank's total capital, the maximum cash dividend distribution referred to in the preceding paragraph shall not exceed 15 percent of the total capital.

Unless otherwise provided by law, cash dividends distributed to shareholders shall not be less than 10 percent, with the remainder to be distributed as stock dividends. If the cash dividend per share is less than TWD 0.1, no dividend shall be distributed unless otherwise resolved by the shareholders' meeting.

Status: A proposed cash dividend of TWD 718,370,000 is to be distributed from the surplus for the 2025 fiscal year, subject to approval by the shareholders' meeting.

3-1-4. Impact of the Proposed Bonus Share Issuance at This Shareholders' Meeting on the Bank's Operating Performance and Earnings Per Share

Unit: TWD

<table>
<tr><th colspan="3">Year / Items</th><th>2025</th></tr>
<tr><td colspan="3">Paid-in Capital at the Beginning of the Period (TWD Thousands)</td><td>11,814,810</td></tr>
<tr><td rowspan="3">Details of This Year's Stock Dividends and Cash Dividends</td><td colspan="2">Cash Dividends Per Share (TWD)</td><td>0.52</td></tr>
<tr><td colspan="2">Number of Bonus Shares Per Share Issued from Retained Earnings (Shares)</td><td>-</td></tr>
<tr><td colspan="2">Number of Shares Allotted per Share from Capital Reserve (Shares)</td><td>-</td></tr>
<tr><td rowspan="7">Changes in Operating Performance</td><td colspan="2">Net Income (TWD Thousands)</td><td>3,802,933</td></tr>
<tr><td colspan="2">Percentage Change in Net Income Compared to the Same Period Last Year (%)</td><td>1.67</td></tr>
<tr><td colspan="2">Net Income After Tax (TWD thousands)</td><td>986,867</td></tr>
<tr><td colspan="2">Percentage Change in Net Income After Tax Compared to the Same Period Last Year (%)</td><td>13.19</td></tr>
<tr><td colspan="2">Earnings Per Share (TWD)</td><td>0.84</td></tr>
<tr><td colspan="2">Percentage Change in Earnings Per Share Compared to the Same Period Last Year (%)</td><td>5</td></tr>
<tr><td colspan="2">Average Annual Return on Investment (Reciprocal of Average Annual PE Ratio)</td><td>Note</td></tr>
<tr><td rowspan="6">Pro forma earnings per share and price-to-earnings ratio</td><td rowspan="2">If the retained earnings are converted into capital, the entire amount will be distributed as cash dividends.</td><td>Pro forma Earnings Per Share</td><td rowspan="6">Note</td></tr>
<tr><td>Pro forma Average Annual Return on Investment</td></tr>
<tr><td rowspan="2">If the capital reserve has not been converted into paid-in capital.</td><td>Pro forma Earnings Per Share</td></tr>
<tr><td>Pro forma Average Annual Return on Investment</td></tr>
<tr><td rowspan="2">If no capital reserve is established and retained earnings are distributed as cash dividends instead of being used to increase capital.</td><td>Pro forma Earnings Per Share</td></tr>
<tr><td>Pro forma Average Annual Return on Investment</td></tr>
</table>

Note: As the Bank is neither listed on the stock exchange nor traded on the over-the-counter market, it is not required to disclose pro forma figures or the annual average rate of return on investment; therefore, this provision does not apply.

3-1-5. Compensation for Employees and Directors

3-1-5-1.

The percentage or range of compensation for employees and directors as set forth in the Bank's articles of incorporation:
In accordance with the revised provisions of Article 34 of the Bank's Articles of Association: 6 percent of profits shall be allocated as employee compensation, and no more than 2 percent shall be allocated as director compensation (up to a maximum of 2 percent).

3-1-5-2.

The basis for estimating employee and director compensation in this period is the number of shares used to calculate employee compensation distributed in the form of stock. Any discrepancy between this basis and the actual amount distributed shall be treated as a change in an accounting estimate and recognized in profit or loss for the period in which the shareholders' meeting resolves to adjust the amount.

3-1-5-3.

The distribution of compensation approved by the Board of Directors shall be handled in accordance with the provisions of the Bank's Articles of Incorporation.:

(1) Proposed 2026 distribution of 2025 employee compensation: TWD 78,379,000.

(2) Proposed 2026 distribution of 2025 director compensation: TWD 26,126,000.

(3) Amount of employee compensation proposed to be distributed in the form of stocks, and its proportion of both the current period's net income after tax and the total employee compensation: No employee compensation was distributed in the form of stock.

3-1-5-4.

The distribution of earnings for 2024 for employee and director compensation as follows:

(1) Employee compensation: TWD66,267,000.

(2) Director compensation: TWD22,089,000.

(3) Compared to the proposed allocation approved by the original Board of Directors: Employee compensation was originally estimated at TWD 66,267,000, with a difference of 0; director compensation was originally estimated at TWD 22,089,000, with a difference of 0, and there is no discrepancy with the amounts recorded in the books.

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	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 11, 2022, Document No.1110143477 And August 16, 2022 Document No.1110272562
Date of Issue	Jun 21, 2018	April 25, 2023
Denomination	TWD 10 million	TWD 10 million
Issue and transaction Place	Taiwan, R.O.C.	Taiwan, R.O.C.
Currency	New Taiwan Dollar	New Taiwan Dollar
Issue Price	Face value	Face value
Total Amount	TWD 0.6 billion	TWD 1.05 billion
Interest Rate	Floating rate: Interest is calculated based on the Bank's quarterly fixed-term savings deposit interest rate index +3.06%	Fixed rate 2.65%
Term	Perpetual	7 years, matured on April 25, 2030
Priority of Payment	The right to receive a distribution of residual assets ranks is higher than the Bank's shareholders, but lower than holders of the Bank's Tier II capital instruments, all depositors, and other general creditors.	The right to receive a distribution of residual assets ranks is lower than all depositors, and other general creditors.
Guaranteeing Institution	None	None
Trustee	None	None
Underwriter	None	None
Certifying Lawyers	Wen-Cheng Chiang	Wen-Cheng Chiang
Certifying CPA	Shi-Hua Guo	Jun-Yuan Wu
Certifying Financial Institution	None	None
Method of Redemption	Perpetual	Principal paid upon maturity
Unredeemed Balance	TWD 0.6 billion	TWD1.05 billion
Preceding Year's Paid-in capital	7,625,523,040 (2017)	9,785,840,530 (2022)
Preceding Year's Post-Audit Net Value	9,337,842,218 (2017)	13,684,611,239 (2022)
Performance Status	Normal	Normal
Sellback or Early Redemption conditions	Five years after the issuance of these bonds, if the Bank's Capital Adequacy Ratio calculated after the redemption of the bonds, meets the minimum ratio requirements set by the competent authority, and subject to the competent authority's approval, the Bank may redeem the bonds; the Bank shall issue a public notice 30 days prior to the scheduled redemption date and redeem the bonds in full at face value plus accrued interest.	None

Type of Bank Debentures	1st Non-Cumulative Perpetual Subordinate Financial Debts in 2018	1st Subordinate Financial Debts in 2023
Rollover and Exchange Conditions	None	None
Restrictive Conditions	Subordinated	Subordinated
Capital Utilization plan	Strengthen the financial structure, improve the capital adequacy ratio, and expand opportunities for business growth	Strengthen the financial structure, improve the capital adequacy ratio, and expand opportunities for business growth
The ratio (in percent) of the outstanding balance of shares issued and outstanding prior to the addition of the declared issuance amount to the net asset value as of the end of the fiscal year preceding the issuance.	25.70%	29.60%
Whether to include it in eligible Tier 1 capital and its category	Yes, Tier 1 Capital	Yes, Tier 2 Capital
Name of the credit rating agency, rating date, and rating grade	At the time of this bond issuance, the Bank's credit ratings from China Credit Rating Co., Ltd. (as of Dec. 26, 2017), were "twBBB+" for long-term and "twA-2" for short-term, with a "stable" outlook.	At the time of this bond issuance, the Bank's credit ratings, from China Credit Rating Co., Ltd. (as of Dec .19, 2022), were "twBBB+" for long-term and "twA-2" for short-term, with a "stable" outlook.

3-3. Details of the Preferred Stock Offering: None

3-4. Status of Overseas Depositary Receipt Issuance: None

3-5. Status of Employee Stock Option Certificates: None

3-6. Status of New Share Issuances Restricting Employee Rights: None

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

During the most recent fiscal year and up to the date of publication of this annual report, the Bank has not engaged in any mergers, acquisitions, or takeovers of financial institutions.

3-8. Status of Implementation of the Capital Utilization Plan: None

4 Business Overview

4-1. Business Report

4-1-1.Business Results

4-1-1-1. Deposits

Unit: TWD Thousand; %

Items \ Year	31 Dec 2025		31 Dec 2024		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	%	Amount	%		
Checking Deposits	3,408,915	1.71	3,517,096	1.92	(108,181)	(3.08)
Demand Deposits	31,928,031	16.04	31,500,253	17.16	427,778	1.36
Foreign currency Demand Deposits	2,350,657	1.18	2,114,439	1.15	236,218	11.17
Demand Savings Deposits	48,663,706	24.45	49,770,797	27.12	(1,107,091)	(2.22)
Employees Demand Savings Deposits	1,031,129	0.52	967,375	0.53	63,754	6.59
Time Deposits	36,879,654	18.53	24,577,592	13.39	12,302,062	50.05
Foreign currency Time Deposits	2,303,724	1.16	1,868,134	1.02	435,590	23.32
Negotiable Certificates of Deposit	99,000	0.05	95,000	0.05	4,000	4.21
Time Savings Deposits	72,370,205	36.36	69,111,037	37.66	3,259,168	4.72
Remittances	84	0.00	1,900	0.00	(1,861)	(95.58)
Total	199,035,105	100.00	183,523,623	100.00	15,511,482	8.45

4-1-1-2. Loans

Unit: TWD Thousand; %

Items \ Year	31 Dec 2025		31 Dec 2024		Increase (Decrease) Amount	Increase (Decrease) %
	Amount	%	Amount	%		
Export Bills	12,428	0.01	0	-	12,428	-
Overdraft	0	-	0	-	0	-
Short-term Loan	6,547,462	4.27	5,322,573	3.63	1,224,889	23.01
Factoring	107,074	0.07	102,947	0.07	4,127	4.01
Guarantee Overdraft	5,552	0.00	5,548	0.00	4	0.07
Short-term Secured Lending	19,819,352	12.92	19,077,502	13.00	741,850	3.89
Medium-term Loan	22,817,665	14.88	25,526,188	17.40	(2,708,523)	(10.61)
Medium-term Secured Lending	62,579,929	40.79	60,478,781	41.22	2,101,148	3.47
Long-term Loan	2,348,226	1.53	2,119,118	1.44	229,108	10.81
Long-term Secured Lending	38,648,245	25.19	33,608,789	22.91	5,039,456	14.99
Collection	523,063	0.34	489,427	0.33	33,636	6.87
Total	153,408,996	100.00	146,730,873	100.00	6,678,123	4.55

4-1-1-3. Foreign Exchange Business (OBU included)

Unit: USD thousand

Items \ Year	2025 Amount	2024 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Foreign Currency Deposit	148,050	121,490	26,560	21.86
Foreign Currency Loan	90,474	62,387	28,087	45.02
Import and Export Business	7,889	7,320	569	7.77
Exchange Business	361,515	364,241	(2,726)	(0.75)

Note: Foreign exchange deposits and loans represent year-end balances, while import/export and foreign exchange transactions represent the annual volume of business.

4-1-1-4. Trust Business

Unit: TWD thousand

Items \ Year	Dec. 31, 2025 Amount	Dec.31, 2024 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Non-Discretionary Money Trust Investment in Domestic and Foreign Securities	8,481,700	7,569,020	912,680	12.06
Other Trust of Money	1,132,862	1,123,448	9,414	0.84
Trust of Money (Total)	9,614,562	8,692,468	922,094	10.61
Trust of Real Estate	2,488,394	1,495,730	992,664	66.37
Trust Property under Trustees (Total)	12,102,956	10,188,198	1,914,758	18.79
Certified Business (Total)	267,000	1,186,660	(919,660)	(77.50)

Note: Real estate trusts, including funds held in special accounts for financing trusts related to real estate development trusts

4-1-1-5. Wealth Management Business

Unit: TWD thousand

Items \ Year	2025 Amount	2024 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Overseas Corporate Bond Income	49,367	81,837	(32,470)	(39.68)
Fund Fee Income	32,510	26,043	6,467	24.83
Insurance Fee Income	293,422	252,765	40,657	16.08
Total	375,299	360,645	14,654	4.06

4-1-1-6. Credit Card Business

Unit: TWD thousand/ number of cards

Items \ Year	2025 Amount	2024 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Cumulative Total Number of Cards Issued	118,513	116,017	2,496	2.15
Credit Card Circulation	21,049	21,048	1	-
Amount of Consumption	1,694,211	1,684,651	9,560	0.57
Revolving Credit Balance	37,236	36,487	749	2.05

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

Unit: TWD thousand

Items \ Year	Dec. 31, 2025 Amount	Dec.31, 2024 Amount	Increase (Decrease) Amount	Increase (Decrease) %
Government Bond	1,008,334	980,632	27,702	2.82
Financial Bonds and Corporate Bonds	21,302,676	17,831,947	3,470,729	19.46
Convertible Bond	739,900	1,161,300	(421,400)	(36.29)
Reverse Repurchase Agreement	4,991,650	998,561	3,993,089	399.88
CBC Certificates of Deposits (include NCD)	12,550,000	11,625,000	925,000	7.96
Short-term Transactions Instruments	5,297,699	2,945,630	2,352,069	79.85

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

Unit: TWD thousand

Items	2025		2024	
	Amount	Ratio of Net Income (%)	Amount	Ratio of Net Income (%)
Net Interest Income	3,138,384	82.52	2,934,371	78.45
Net Fee Income	483,984	12.73	457,697	12.24
Gains (Losses) on Financial Assets and Liabilities Measured at Fair Value through Profit or Loss	128,608	3.38	195,825	5.24
Realized Gains on Financial Assets Measured at Fair Value through Other Comprehensive Income	51,051	1.34	48,459	1.30
Realized Gains on Financial Assets Measured at Amortized Cost	18	-	10	-
Foreign Exchange Gains and Losses	(11,192)	(0.29)	75,454	2.01
Net Gain on Reversal of Asset Impairment	(12,556)	(0.33)	1,080	0.02
Net Income (Loss) Excluding Interest Income	24,636	0.65	27,648	0.74
Net Income	3,802,933	100.00	3,740,544	100.00

4-1-2. Business Plans for year 2026

4-1-2-1. Operation Management

- To improve operational efficiency and advance the development of Fintech, we have launched a project to optimize business processes. This initiative will effectively reduce labor and operating costs while enhancing the customer experience, and we will reinvest the savings into employee training and the development of digital capabilities.
- We will regularly review and improve our operational procedures, making adjustments to optimize operations while balancing the need to streamline processes with the need for internal controls, thereby enhancing service quality and work efficiency.
- To enhance operational resilience and innovation capabilities, we are gradually integrating fair treatment of customers and ESG principles into our daily operations to fulfill our corporate social responsibility and ensure sustainable coexistence with the natural environment.
- Replace outdated ATMs to increase the proportion of ATMs equipped with features for visually impaired users.
- Calculate the bank-wide eligible capital ratio and analyze the reasons for any differences from the previous period's ratio.
- In response to the implementation of Basel III and future business development needs, we will strengthen our capital structure, expand the base of common equity, and enhance our risk-bearing capacity.
- Strengthen accounting management, implement controls over budget execution, and improve the efficiency of resource utilization
- Promoting, responding to, and handling financial and tax-related policy directives and circulars.
- Adjust the internal transfer pricing mechanism to improve the operational efficiency and effectiveness of business and management units.
- Continuously streamline accounting processes to reduce the workload on staff and improve organizational efficiency.
- Consolidate tax filing information and process it electronically to improve efficiency and accuracy.
- We are conducting the recertification process for the ISO 27001 and ISO 22301 international standards to ensure the robust operation of our information security and business continuity management systems.
- In conjunction with the implementation of the PIMS personal data protection management system and ISO 27701 certification, we are strengthening customer data privacy and compliance management.
- Establish security design and review procedures for cloud applications, implement measures such as CSPM, CMEK, MFA, and log auditing, and strengthen cloud information security protections.
- Implement the FCB and DBSafer systems to strengthen controls over privileged accounts and database access, and enhance audit and protection capabilities for critical system operations.
- Establish a push notification system primarily based on the LINE platform to gradually replace traditional SMS notifications, thereby enhancing real-time interaction with customers and improving the efficiency of message delivery.
- Expand the scope of digitized over-the-counter forms to include corporate online banking applications and account opening procedures, while adding OBU foreign exchange functionality to the corporate online banking platform, thereby promoting paperless operations and upgrading digital services.
- Develop the Farglory Mobile Insurance Enrollment System to provide customers with real-time online insurance enrollment and identity verification services, thereby enhancing the convenience of insurance services and the digital experience.
- In response to policy initiatives, we have established the TISA (Taiwan Individual Investment Savings Account) fund system to provide clients with diversified investment options and expand the wealth management market.
- We are driving the upgrade and migration of branch-level systems and establishing a new "Branch System" platform. In the first phase, we will implement system modules for customer data, collection services, trust services, safe deposit boxes, fixed assets, and branch accounting, among others, to enhance the system's scalability and support future omnichannel services.
- Integrate business systems related to consumer finance and build a new platform to improve operational efficiency.
- Integrate the information monitoring dashboard and optimize the configuration of monitoring items to improve system performance and maintenance efficiency, thereby enhancing operational stability.
- Structure the address fields in the New Taiwan Dollar and foreign exchange systems, establish a standardized data architecture, improve data quality and usability, and enhance support for related business operations and operational efficiency.

- Establish standardized project management processes and a governance framework to strengthen cross-departmental collaboration, progress monitoring, and quality management, thereby improving the efficiency of information technology project execution.
- Establish a SQL Server database performance monitoring and management mechanism to enhance system performance visibility and resource optimization capabilities, ensuring the stable operation of core application services.
- Implement a micro-segmentation security mechanism for east-west traffic in the virtualized environment to enhance the isolation and access control capabilities of internal network segments, thereby effectively mitigating the risk of potential internal lateral movement attacks.
- Expand and upgrade the infrastructure for AI computing and development environments to support the rapid development of intelligent applications and innovative business initiatives.
- We will continue to improve the online service experience, optimize fund management features, and increase online banking usage to effectively save customers time spent at the teller window, reduce operating costs, and enhance customer loyalty.
- To meet the needs of OBU customers, we plan to launch corporate online banking services to address their diverse financial needs through online channels, thereby further enhancing the efficiency and quality of our digital services.
- The mobile banking app has introduced “Little Lucky,” an AI-powered customer service agent. Initially, it will provide a Q&A service; subsequently, its response capabilities will be optimized, and features for processing application-based transactions will be gradually rolled out to enhance customer satisfaction and the overall user experience.
- We plan to set up the bank’s official LINE account to provide personalized financial services, real-time notifications of special offers, and a user-friendly financial services interface, with the aim of enhancing customer loyalty and the company’s brand image.
- The implementation of the eDDA online banking two-factor authentication system, launched by the Taiwan Securities Depository and Clearing Corporation, allows users to log in via online banking and complete a second-factor verification to authorize direct debit from their bank accounts or verify their identity online. This mechanism eliminates cumbersome procedures such as inserting a card or using a digital certificate, significantly streamlining the application process and providing a more convenient and secures digital financial services experience.
- Establish a dedicated digital voucher section to support digital vouchers issued by government agencies or private companies in the future, allowing our bank’s customers to conveniently use them through the mobile banking APP.
- To provide user-friendly mobile financial services, the new version of the app incorporates accessibility design. We will invite relevant organizations to assist with accessibility testing, obtain a certification report, and provide a more convenient user experience.
- We plan to implement a video identity verification system to provide customers with diverse and convenient identity verification methods, thereby enhancing the security and convenience of their digital service experience.

4-1-2-2. Consumer Banking Business (including Credit Card Business)

- Identify high-quality target customer segments and offer them exclusive discounts and services to expand our consumer finance business.
- Enhance awareness and acceptance of the Bank’s consumer finance products among high-net-worth investors at the top of the pyramid.
- We will innovate consumer financial products in response to market trends, focusing on low risk and competitive advantages to develop diverse, customized initiatives. This will enhance the added value of our products, expand our product and service offerings, and increase the volume of personal loans.
- We will continue to strengthen on-the-job training programs for sales personnel, focusing on regulatory compliance, product positioning, marketing strategies, sales techniques, and customer service etiquette, while incorporating our five core principles - integrity, accountability, altruism, technology, and environmental care - to enhance the overall productivity of the sales team.
- Improve the competence of credit approval and lending staff, implement the “customer segmentation” business strategy, expand the scale of lending to low-risk customers, strictly control the quality of lending to high-risk customers, strengthen risk early warning mechanisms, and establish sound and rigorous management procedures.

- Standardize, automate, and digitize back-office operations to make the overall lending process more efficient and competitive, reduce operational costs, shorten processing times, and achieve economies of scale.
- Through digital transformation, we will accelerate the credit application and approval process, expand our retail banking business by prioritizing both quality and quantity while strengthening risk management, and thereby increase the Bank's revenue. In response to the growth of digital banking, we will develop digital applications to deepen relationships with existing customers and attract new potential online banking customers, leveraging the convenience of the internet to increase the volume of business inquiries and boost the likelihood of closing deals.
- Enhancing the use of online credit applications, online credit verification APPs, and online auto loan applications can streamline processes, improve efficiency and customer satisfaction, and facilitate outreach to new customers while increasing the volume of applications.
- Don't miss any marketing opportunities; increase the number of referrals and drive up funding allocations.
- Strengthen pre-approval risk control capabilities across all products to improve asset quality, implement post-approval management, regularly review the operational status and asset quality of consumer finance lending operations, adjust product pricing and credit policies as needed, and establish a robust management framework for the product line to accurately reflect product performance.
- Develop the optimal business model for the Consumer Finance Division to enhance overall competitiveness, respond to changes in the external competitive and regulatory environments, and maximize profits for the Bank.
- Strictly enforce standard operating procedures for credit application and approval, strengthen the review process, conduct thorough assessments, and strictly control credit limits. At the same time, enhance the monitoring and management of credit facilities, continue to implement post-disbursement reviews and follow-up evaluations of credit cases, maintain a firm grasp of customers' business operations and cash flow, strictly control the non-performing loan ratio, prevent or reduce credit losses, and ensure the safety of credit assets.
- Make effective use of the internal credit rating system for borrowers. After collecting sufficient quantitative data, appropriately adjust the rating factors and their weights, and utilize the post-loan default database to identify the timing of defaults and the causes of delinquency among rated borrowers.
- To enhance the Bank's competitive edge and effectively manage real estate quality, we employ a differentiated regional classification system to set loan-to-value ratios based on regional risk levels. During the appraisal process, we refer to the Real Estate Appraisal Information Platform of the Joint Credit Information Center, the Bank's appraisal database, and other relevant government-established information platforms to ensure greater transparency and rationality in appraisals. Additionally, we conduct post-loan verification of actual transaction prices to ensure the quality of credit extended.
- Mortgage lending is generally based on the principle of installment repayment; we strive to avoid granting borrowers grace periods whenever possible to reduce credit risk. Furthermore, such collateral is regarded as a second line of defense, and the 5Ps of lending are the key factors we focus on when evaluating borrowers.
- Monitor the management of various credit limits, strengthen risk management functions, improve asset quality, enhance the monitoring and management of various types of risks, and strengthen the Bank's capital adequacy ratio.
- Optimize the Bank's credit approval process, strengthen vertical communication and horizontal coordination among business units, the credit approval department, and the review department, enhance operational efficiency, and improve the quality of credit applications to facilitate overall business development and support marketing efforts.
- Encourage our sales to promote the bank's credit cards when selling consumer loans, actively encourage online credit card applications, and receive real-time updates via text message regarding application status, requests for additional documentation, and approval or rejection decisions, all while complying with environmental policies.
- We continue to promote our "e-Statement" and "Mobile Statement" services. Cardholders who opt for mobile or e-statements can enjoy waived annual fees. This initiative supports energy-saving, carbon-reduction, and environmental protection policies by reducing paper consumption and, in turn, minimizing deforestation.
- We plan to offer premium gift services to high-spending, valued cardholders in order to strengthen our relationship with them, foster continued close business ties with the bank, and enhance cardholder loyalty.

• Optimize personal online banking and mobile banking app services to allow cardholders to use biometric authentication to conveniently access features such as account inquiries, online bill payments, transaction and payment notifications, and the ability to set and change their own cash advance PINs, among other services.
• We will continue to strengthen employee training to enhance their proficiency in business operations, ensuring that customer issues are handled accurately, maintaining a consistently high level of service, and improving collection efficiency to reduce the Non-Performing Loan Ratios.
• Actively promote the eDDA electronic direct debit authorization service, which allows cardholders to set up automatic credit card payments online in real time, simplifying the process of filling out paper authorization forms and enabling them to easily set up automatic account debits via the internet.
• We have added a step requiring users to click on the “web verification code” for online credit card transactions to strengthen OTP SMS security measures and prevent fraudulent online transactions.
• We continue to utilize the risk control systems of VISA International and the Joint Credit Card Processing Center, configure security parameters through the Bank’s authorization system, and develop online tools for self-management of credit limits and transaction spending, all in an effort to minimize losses from fraud.
• Develop and implement FIDO biometric authentication functionality, and integrate it with the risk control system of the Joint Credit Card Processing Center. For non-face-to-face transactions, in addition to the existing OTP SMS verification method, introduce an additional verification method. This will not only enhance protection against cybersecurity fraud but also extend coverage to non-face-to-face transactions overseas, overcoming the limitation that OTP SMS is currently restricted to domestic use only.
• We are planning to develop a “Card Management” feature that will allow cardholders to use online banking to independently enable or disable their cards for in-person and contactless transactions—both domestic and international—and to lock their cards when not in use to prevent unauthorized use.
• 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. Corporate Banking Business

• Targeting primarily small and medium-sized enterprises (SMEs) that are legally registered as sole proprietorships, partnerships, or corporations, we assess each business based on its operational performance, creditworthiness, intended use of the loan, and repayment plan. In alignment with government guidance policies, we leverage the credit guarantees provided by the “SME Credit Guarantee Fund” to strengthen debt security and enhance the quality of credit extended, thereby actively expanding our business operations. We also provide funding to support enterprises in purchasing machinery and equipment, as well as cover related expenses, to help them grow and thrive.
• In line with government policies aimed at promoting economic development and industrial upgrading, we provide comprehensive credit solutions and implementation strategies for businesses to meet the funding needs of industrial and commercial enterprises at every stage of their development.
• By expanding our customer base upstream and downstream, we will prioritize gaining insight into our customers’ production and sales activities and identifying new leads.
• In line with the policies of the regulatory authorities, we will continue to promote lending to small and medium-sized enterprises, tailor our services to meet customer needs, expand our customer base and achieve economies of scale, and increase the Bank’s market share in corporate lending.
• Actively promote corporate credit services to assist businesses with cash flow management and meet their funding needs at various stages of development, such as short-term, temporary, or seasonal working capital, as well as capital expenditures and medium- to long-term funding required for investments and the implementation of medium- to long-term operational plans.
• Sales support staff from the Corporate Banking Department, in collaboration with account management specialists from the business units, visit corporate clients to assist them in achieving sustainable operations; furthermore, by providing training to

account management specialists to enhance their professionalism and business capabilities, the department aims to expand the scale of its corporate banking business.

- The Credit Department at the head office regularly compiles industry overview reports for relevant personnel to use as a reference, in order to stay abreast of market trends in various industries.
- Timely review the interest rates on the Bank's land financing and construction financing loans, and implement an improvement plan regarding the concentration of construction loans, in order to effectively comply with the enhanced financial regulatory measures adopted by the competent authorities regarding risk management for real estate loans.

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

- Provide guidance to branches on marketing foreign exchange services and conducting product training, and plan foreign exchange quotas for clients to facilitate the growth of the foreign exchange business.
- Optimize online foreign exchange banking features to strengthen customer loyalty, accelerate the bank's digital transformation, and expand the availability of digital foreign currency accounts to provide customers with a wider range of options.
- In accordance with the SWIFT international standard ISO 20022, the format of X99 messages sent will be changed from MT to MX.
- In accordance with the Implementation Guidelines for Anti-Money Laundering and Countering the Financing of Terrorism, we will integrate the bank-wide processes for identifying, assessing, and managing country risks into a real-time system and strengthen blacklist management and verification.
- Collaborate with the Information Technology Department to plan the migration of import/export and credit approval functions to the new system, thereby unifying the interface for designated foreign exchange units when operating the foreign exchange system.
- Assist the Financial Markets Department and the Trust Department in handling derivative financial instruments business.
- We will continue to strengthen training in foreign exchange expertise to enhance the bank's overall capacity to expand its foreign exchange business.

4-1-2-5. Wealth Management and Trust Business

- To strengthen long-term partnerships with high-net-worth clients, we have implemented a client tiering system based on asset size and established the "Wealth Management VIP Benefits and Preferential Treatment Program." This program includes preferential treatment for interbank ATM withdrawals, interbank transfers via ATMs and automated channels, single interbank remittances at teller counters, foreign currency inflows, and out, as well as preferential exchange rates. By providing these differentiated services, we aim to enhance customer loyalty to our bank and, in turn, drive the steady growth of our wealth management business.
- We are simultaneously hosting the "100 Years of COTA / A Life of Prosperity" and "100 Years of COTA / A Life of Abundance" series of large-scale client seminars. In addition to providing the latest market information and investment opportunities, these events incorporate educational sessions and interactive activities with clients to deepen client relationships and enhance their professional knowledge of investment and financial planning.
- To expand our high-net-worth client base, we are launching the "Special Promotion for Professional Investors on Wealth Management Products." During the promotion period, customers who purchase wealth management products will enjoy discounted fees, which will enhance branch-client loyalty and strengthen the Bank's competitiveness in wealth management.
- In response to the current environment of high interest rates and expectations of future rate cuts, we are introducing "Step-Up Coupon Bonds" to allow for flexible adjustments to asset allocation. We are also planning to launch new products (such as master-feeder funds and offshore structured products) to provide clients with a more diverse range of financial product options, while balancing risk and investment returns.
- We will continue to promote the "Special Offer on New Subscription Fees for Regular (or Irregular) Contributions to Funds" program, providing clients with opportunities to maintain a disciplined and steady investment approach amid market fluctuations and pursue steady wealth growth.

- Through the "Product Review" periodic review mechanism, we comprehensively evaluate product suitability, market popularity, and alignment with customer needs, track and adjust product listings, and optimize the overall product mix and performance.
- We have established a "Foreign Bonds" inquiry section on the Bank's official website to enable customers to access product information in real time and ensure full disclosure of information regarding wealth management products.
- In accordance with the "Practical Guidelines for the Three Lines of Defense in Bank Internal Controls," we conduct random spot checks on compliance with laws and regulations and operational standards related to "wealth management services" in business units from time to time to ensure that all operational standards are implemented.
- To ensure fair treatment of elderly customers and vulnerable customer groups, we will conduct a welfare verification for the following transactions: purchases or conversions of high-risk products classified as "RR5," transactions involving products denominated in "South African Rand" (excluding online banking and mobile banking transactions), and transactions where the sum of the customer's age and the remaining term of the wealth management trust product reaches 85 or more.
- In line with our business plan for "Offshore Structured Products," and to ensure that our sales representative possess the necessary professional competencies, we encourage employees to actively pursue the "Derivatives Sales Representative" certification to enhance their professional expertise and provide clients with professional, high-quality service.
- A new Internal Information Section has been added, and information related to wealth management services is now available through the "COTA Wealth Management Department / Financial News Community", enabling all employees to stay up-to-date on financial news and investment market trends, enhance their professional knowledge, and improve service quality.
- We regularly and occasionally offer "Compliance Training Courses" and "Wealth Management Training Courses" to help colleagues in operational departments become familiar with wealth management business processes, financial product details, regulatory requirements, and internal process controls. This ensures that all relevant operations comply with regulations and meet legal requirements, while also enhancing colleagues' professional knowledge of wealth management and related sales skills.
- With a focus on enhancing the professionalism of financial advisors, we continue to hold weekly and monthly training sessions. In addition to providing insights into the latest investment trends and market information, we reinforce learning outcomes through post-session online quizzes. We also strengthen awareness of operational standards and compliance, and ensure adherence to all relevant laws and regulations.
- In response to the Financial Supervisory Commission's "Blueprint for the Development of Trust Services," we are committed to innovation, financial inclusion, and sustainability as our core objectives. By integrating cross-sectoral resources from long-term care, healthcare, insurance, and legal services, we aim to provide professional and compassionate comprehensive trust services.
- Participate in the "Trust Information Exchange Platform" jointly established by the Trust Association and the United Credit Card Center to enhance the convenience and efficiency of long-term care trust benefits, thereby encouraging more people to use trust services to safeguard their assets and, in turn, promote the implementation of financial inclusion.
- Through cross-industry collaboration with insurance brokerage firms to promote trust business referrals, we aim to enhance policyholders' understanding of trust services, expand our service reach and market coverage, meet the diverse trust needs of different customer segments, and round out our financial services portfolio.
- Leveraging a century of deep-rooted experience and our strengths as a locally-based firm, we collaborate with legal and tax experts to assist high-net-worth individuals and business owners in planning family wealth succession, strengthening the foundations of their businesses, optimizing intergenerational wealth allocation, and effectively preventing family disputes over inheritance—all to achieve the goals of generational sustainability and stable asset succession.
- We will continue to actively promote trust education on college campuses and provide internship opportunities to help young students gain an understanding of the trust profession and its practical applications, cultivate future financial professionals, and help establish a solid foundation for trust education.
- To enhance the professional capabilities of trust business staff, we continue to encourage employees to obtain the "Senior Financial Planning Advisor" and "Family Trust Planning Advisor" certifications. We regularly organize trust-related training sessions that

combine the sharing of practical case studies with the exchange of experiences, thereby strengthening employees' professional knowledge and advisory service capabilities and driving the continued growth of our trust business.
- Continue to promote the use of escrow accounts for presale property payments and real estate trust services to ensure that construction funds are used exclusively for their intended purposes, enhance the transparency and security of fund management, reduce transaction disputes, protect the rights and interests of developers, landowners, and homebuyers, and promote the sound development of the real estate market.
- Promote trust services through media interviews and articles in newspapers and magazines to enhance the general public's understanding of and appreciation for the functions of trusts; use diverse media exposure to raise awareness of trust-related issues, expand social influence, and strengthen public trust and participation, thereby advancing financial inclusion.

4-1-2-6. Asset & Liability Management, Risk Management and Treasury Operation Business

- 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.
- 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.

4-1-2-7. 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 know-how and performance, successfully implement the company's operating strategy, and make a win-win situation.
- Through financial incentives to enhance employees' sense of belonging and morale, reduce dissatisfaction at work, and provide a safe and secure 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.

- Implement counseling for staff with poor performance through the Personal Performance Improvement Plan (PIP) to correct their work attitude. If found unsuitable, they will be released to ensure optimal utilization of human resources and improve the Bank's performance.
- Plan the operational preparations, space allocation, and renovation plans for new branches and departments; strictly control construction and renovation costs while balancing environmental considerations with the company's interests; ensure that construction and subsequent use comply with occupational safety requirements; and safeguard employee health.
- We will continue to promote the digitization of administrative operations by implementing online document approval and electronic forms, and by providing access to official documents and operational regulations via the company's intranet. This will enhance the efficiency and accuracy of the approval process. With "paperless operations" as our ultimate goal, we aim to reduce paper consumption and practice green administration.
- In line with the government's 2050 net-zero carbon emissions target, we will implement greenhouse gas inventory, verification, and disclosure by financial institutions; establish an education and training system to ensure that employees are familiar with the relevant processes and disclosure timelines; and demonstrate the company's commitment to corporate social responsibility and sustainable development.
- Gradually phase out the existing fleet of government vehicles and introduce hybrid vehicles to reduce fuel consumption and exhaust emissions, lower operating costs, enhance our corporate social responsibility image, and align with environmental trends.
- For new land acquisitions and self-construction projects, the concept of "Green Building Candidate" is incorporated from the planning and design stage. The entire process is carried out in accordance with relevant green building regulations, and upon completion, the project obtains Green Building Label certification, enhancing the building's sustainability value and demonstrating the company's commitment to environmental protection.
- We will conduct a comprehensive review and improve accessibility features at all branches and office buildings, enhancing the design of entrance ramps, elevators, restrooms, and other facilities to create an inclusive workplace and service environment, thereby demonstrating our commitment to meeting the diverse needs of our customers and employees.
- Develop and continuously improve occupational safety and health management systems and related regulations; strengthen operational safety procedures; reduce operational risks; provide a safe and healthy work environment; and demonstrate care and responsibility toward employees.

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.

4-2. Market and Production/Sales Conditions

4-2-1. Market Analysis

4-2-1-1. Business Operation Area of the Bank

The Bank primarily focuses on domestic market. Up to Dec. 31, 2025, the Bank owns 33 branches (including 32 domestic 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 the future to build a more comprehensive financial services network.

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

In response to the declining birth rate and increasingly complex family structures, wealth succession is no longer the exclusive domain of the wealthy, but rather a critical issue that every family must address. By planning early to gradually transfer assets to those you wish to support, securities trusts and children's protection trusts can facilitate a smooth wealth succession process, helping to accumulate assets for your children while preparing in advance for their education, marriage, or home-buying needs, and preventing inheritance disputes among the next generation; With the rapid aging of the population and the increasingly evident trend toward living alone, our bank, in line with the policy directions of the relevant regulatory authorities, continues to deepen the development of our trust business and promote cross-industry collaboration and integration of trust services. Through cross-industry alliances and digital innovation, our bank actively embodies the spirit of inclusive finance by developing trust products that better meet the actual needs of the public. We aim to enhance the accessibility of financial services through a comprehensive trust service mechanism and achieve the goal of long-term sustainable development.

4-2-1-3. Competitive Niche, Development Prospects, and Factors—Both Positive and Negative—Along with Corresponding Strategies

4-2-1-3-1. Positive Factors

A. With a century of sound business practices, a strong local foundation, and a solid reputation.

B. The bank has a flat organizational structure that offers great flexibility; decision-making is closely aligned with market trends, and possess a high degree of adaptability.

C. The Bank's deposit and loan structure and asset quality continue to improve, making its future business development even more robust.

D. The Bank will continue to actively develop the wealth management and trust businesses, increase fee income, and diversify sources of profit.

4-2-1-3-2. Negative Factors

A. Products in the financial industry are highly homogeneous and competitive, a situation that is unlikely to be resolved in the short term, making it difficult to increase the profit growth potential of small and medium-sized banks.

B. Facing competitive pressure from major commercial banks and emerging digital banks (such as LINE Bank, Next Bank, and Rakuten Bank).

C. The globalization of the financial sector and intensifying competition from "large-scale" peers in the domestic market are squeezing the existing financial service markets of small and medium-sized banks.

D. The bank's deposit and loan operations are relatively small in scale; most of its branches are located in the central region, with few branches in other regions, and its brand recognition is relatively weak, which hinders business expansion.

4-2-1-3-3. Countermeasures

A. Optimize the Bank's digital financial services environment; select appropriate digital development strategies to enhance customer convenience and overcome the limitations imposed by the geographic distribution of physical branches; and actively improve employees' digital financial expertise to keep pace with future technological developments.

B. Increase revenue from wealth management and trust service fees, and actively expand lending to small and medium-sized enterprises.

C. Continuously adjusting our branch locations to establish a more comprehensive financial services network and expand our business.

D. Through our sustainable business strategy of "Strengthening Foundations and Stabilizing Profits," we will enhance asset quality, reduce financing costs, improve our financial structure, and ensure stable profit growth.

4-2-2. Overview of Financial Product Research and Business Development

4-2-2-1. The scale and profit and loss performance of the financial system, products, and newly established business divisions over the past two years

4-2-2-1-1. System Upgrades and Security Enhancements:

a. Update to the telephone voice service system.

b. A "Transfer Recipient Name Lookup Feature" has been added to the online banking transfer process.

c. The account opening process for certain types of deposit accounts now includes verification using PCODE2566 (information regarding accounts opened in person at other banks' branches) to strengthen identity verification.

4-2-2-1-2. The Bank's primary financial products include various Taiwanese and foreign currency deposits, consumer loans, corporate loans, import and export foreign exchange, foreign exchange transactions, wealth management and trust products, and credit card services. For details on the scale of these operations, please refer to Section 4, "Operational Overview: Business Activities."

4-2-2-1-3. Actively responding to the Financial Supervisory Commission's "Blueprint for the Development of the Trust Industry," we focus on innovation, financial inclusion, and sustainability as our core development directions. By integrating cross-disciplinary resources in long-term care, healthcare, insurance, and law, we continue to deepen our expertise in trust services. By integrating internal business resources, we combine senior care trusts with financial services such as lending, wealth management, and insurance to provide comprehensive trust planning that balances professionalism with a spirit of care. We are committed to promoting inclusive finance through trusts and building a financial safety net that ensures our clients can enjoy peace of mind in their later years.

4-2-2-1-4. Through cross-industry collaboration with insurance brokerage firms to promote trust business referrals, we aim to enhance policyholders' and the general public's understanding of trust functions, expand our service reach and market coverage, meet the diverse trust needs of different demographic groups, and round out our financial services portfolio.

4-2-2-1-5. In response to fluctuations in the real estate market, our bank continues to promote trust services for presale property payments and real estate trusts. Through a management mechanism that ensures construction funds are used exclusively for their intended purpose, we enhance the transparency and security of fund utilization, reduce the risk of transaction disputes, protect the rights and interests of developers, landowners, and homebuyers, and promote the stable and sound development of the real estate market.

4-2-2-1-6. Establishment or change of business departments: None

4-2-2-2. List the research and development expenditures and their results for the past two fiscal years, and briefly describe future research and development plans.

4-2-2-2-1. Research and Development Expenditures and Results for the Past Two Fiscal Years:

- Launch foreign bond products to expand investment options for clients and create new revenue streams for the bank.
- Completed and published the Sustainability Report for the 2024 fiscal year (Sustainability Report 2024).
- Complete the reportable items under the 2025 Common Reporting Standard (CRS) and due diligence guidelines.
- Develop card issuance capabilities for branch-issued chip-based financial cards.
- Customers who have activated their digital deposit accounts can now visit a branch to verify their identity.
- Enabling the payroll transfer feature allows for payroll disbursement on non-business days.
- Work with the organization to optimize and modify the relevant programs for the credit, trust, and gold savings account systems.
- The mobile banking APP has added a QR code-based cross-border payment service.
- The mobile banking service has implemented the MID (Mobile ID) authentication mechanism.
- Develop a message transmission program that complies with the new SWIFT ISO 20022 standard format.
- The mobile banking APP has added a new service for filing comprehensive income tax returns via mobile and paying taxes through mobile payment accounts.
- Developed a position authorization limit management system for investments in Taiwanese dollar-denominated securities (stocks/mutual funds/repurchase agreements) [for individual traders], and implemented an alert mechanism for stock and mutual fund traders to avoid triggering stop-loss orders.

4-2-2-2-2. Future Research and Development Plan:

- Develop money laundering and terrorist financing risk assessments and risk prevention plans in accordance with the timeline set by the competent authority.
- Enhance electronic financial services and continue to innovate and develop website and online banking platform to provide an online platform that better meets customers' needs.
- Actively seek cross-industry collaboration opportunities—such as with social welfare organizations, senior care facilities, medical institutions, and bar associations—and, through the integration of resources across different sectors, promote healthy lifestyles for seniors, meet their comprehensive needs, and continuously expand the types of cross-industry partnerships and collaboration partners.
- Continue to strengthen risk management and information security mechanisms and update the information security management system to enhance data encryption, access control, and risk assessment, thereby ensuring the security of customer data and transactions.
- Develop plans to strengthen internal capital channels and financial soundness to facilitate business expansion.
- Establish a comprehensive risk management organization and framework to efficiently assess and monitor the credit, market, operational, and liquidity risks faced by the Bank, thereby enhancing operational performance and strengthening asset quality.
- Actively plan and develop new types of trust products to strengthen the competitiveness of the Bank's trust business.
- Actively develop digital financial services, streamline operational processes to reduce costs, improve the Bank's customer base, and attract younger customers.
- In response to Bank 3.0, we are gradually rolling out online application services.
- Continuously monitor the development of cross-border payment service platforms to stay abreast of the latest developments and trends in the financial markets.
- Establish standards, streamline operational processes, and enhance the integration of information systems to improve operational efficiency and customer satisfaction.
- To advance the goals of fostering a sustainable environment and contributing to social welfare, our bank, guided by our core value of altruism, organizes various types of insurance customer seminars and workshops to enhance customer satisfaction and encourage active participation in insurance-related charitable activities.

4-2-3. Long/Short Term Business Development Plan

4-2-3-1. Short-Term Business Development Plan: For details, see 4-1-2. Business Plans for year 2026

4-2-3-2. Long Term Business Development Plan

- In the future, the Bank will work with the relevant regulatory authorities to promote the TISA system. By integrating professional trust management mechanisms, we will develop a retirement financial planning model that incorporates long-term investment, risk management, and asset preservation functions. This will help people of all age groups begin preparing for retirement early, uphold the spirit of inclusive finance, and address the practical needs for retirement security in an aging society.
- The declining birth rate and aging population have led to imbalances in corporate workforce structures. To help companies establish long-term talent retention systems, we will actively develop employee benefit trust services, assisting companies in systematically planning employee benefits and long-term security to enhance employee loyalty and retention rates. We aim to foster long-term, stable relationships with corporate clients and enhance customer loyalty. Furthermore, we will expand our offerings to include integrated financial services such as payroll direct deposit, retirement planning, and asset management, thereby diversifying our revenue streams and achieving a win-win outcome with our corporate clients.
- ESG (Environmental, Social, and Corporate Governance) has become a key trend and core metric in the global financial industry. In response to this trend, the Bank will actively promote sustainable finance strategies, expand our green finance initiatives and the scale of our ESG investments, and integrate sustainability principles into our credit review processes, investment decisions, and corporate governance framework. Through these efforts, we aim to ensure long-term, sound operations while enhancing corporate value and our social impact.
- Digital finance will continue to be a key driver of the Bank's development. The Bank will actively adopt a diverse range of technological applications and digital tools to comprehensively enhance operational efficiency and the customer experience, while deepening the integration and innovation of various digital financial services. We will gradually build a data-driven smart financial ecosystem to strengthen our market competitiveness and sustain our growth momentum.
- Gain insights into market demand, introduce competitive insurance products to fill gaps in the current product lineup, and organize incentive programs to motivate sales units to expand their insurance business. Supplement these efforts with educational training and mentoring programs to generate insurance commission revenue.
- Select competitive insurance companies and insurance products from the market, negotiate partnerships, sign agency agreements, and provide services to the Bank's clients in need in accordance with those agreements, enabling clients to hedge against various risks in their daily lives as part of their wealth management planning.
- We will continue to monitor regulatory policies issued by the competent authorities, comply with laws and regulations, enhance training, and strengthen internal control and audit systems through systematic management and regular reviews of internal operational processes, thereby improving the accuracy and efficiency of administrative operations to reduce the risk of penalties from the competent authorities.
- We will continue to innovate and develop our official website, online banking, and mobile banking APP to provide customers with a better online payment platform that meets their needs.
- Develop innovative financial services, enhance wealth management communication via LINE@ and Facebook Messenger, identify customer preferences, reach more users, and conduct user behavior analysis to build closer relationships with customers.
- In line with the policies of the regulatory authorities, we will continue to promote lending to small and medium-sized enterprises, tailor our services to meet customer needs, expand our customer base and achieve economies of scale, and increase the Bank's market share in corporate lending.
- We will continue to promote the Gold Savings Account program and explore the benefits of launching a foreign currency Gold Savings Account, as well as more diverse options for regular, fixed-amount deductions, with the aim of increasing revenue and providing choices that better meet customer needs.

- We will continue to strengthen our collaboration with financially sound fund companies with high brand recognition to provide clients with suitable investment options for asset selection and allocation, thereby enhancing clients' trust in our bank.
- Enhance asset quality, reduce financing costs, improve the financial structure, and ensure stable profit growth.
- Adjust the profit structure, enhance profitability, and widen the net interest margin.
- Continuously monitor the development of new financial products, track industry trends regarding their launch, and maintain ongoing client relationships; based on client needs, timely provide feasibility and risk assessments for the development and launch of new financial products, with the aim of expanding the scope of business and increasing profitability.
- Actively enhance employees' digital financial expertise to keep pace with future technological developments.

4-3. Employees Information

Information of Educational Background for Employees in Recent 2 Years

Item / Year		2025	2024	Up to Feb. 28, 2026
Number of Employee		1,182	1,187	1,206
Average Age		41.86	41.93	41.51
Average Seniority		15.16	15.29	14.94
Structure of Education	PhD	-	-	-
	Master	8.21%	7.41%	8.04%
	Junior college	81.98%	81.80%	79.85%
	High school	9.73%	10.71%	12.03%
	Below high school	0.08%	0.08%	0.08%

Note: Please provide data for the current fiscal year as of the date of publication of the annual report.

Certificated Proficiency Tests of Employees	Total (Up to Feb. 28, 2026)
Personal Insurance Agent	8
Personal Insurance Representative	843
Test for Life Insurance Representative (Foreign Currency Base) – Non Investing Insurance Products	566
Personal Insurance Broker	4
Life Insurance Underwriter	4
Life Insurance Claims Adjuster	3
Life Insurance Administrator	3
Professional Land Registration Agent	2
Business Ethics Test Pass	19
Assistant real estate broker	3
Test for Small-Medium Business Financial Staff	157
Corporate Governance Basic Ability Test	7
Proficiency Test for Foreign Exchange Trading Personnel	39
Basic Test on Sustainable Development	123
Sustainability and Climate Risk (SCR) Certificate	1

Certificated Proficiency Tests of Employees	Total (Up to Feb. 28, 2026)
Enterprise Internal Control Basic Ability	31
Certified Professional in Corporate Sustainability Management (CPCS)	2
General English Placement Test – High-Intermediate Level	4
General English Placement Test – Intermediate Level	1
General English Placement Test – Elementary Level	26
Junior Examination for Administration Agents	2
TOEIC Score above 880	4
TOEIC Score 750-880	5
TOEIC Score 550-750	32
TOEIC Score 350-550	15
Investment Trust and Consulting Regulations(including Self-disciplinary Rules)	586
Investment-Orientated Insurance Representative	482
Professional Exam for Anti-Money Laundering and Countering Terrorism Financing Specialist	243
Basic Proficiency Test for International Banking Personnel	418
Basic Proficiency Test for Bank Lending Personnel	571
Stock Affair Specialist	21
Proficiency Test for Financial Risk Management Personnel	1
Proficiency Test for Bank Collateral Appraisal Personnel	43
Basic Test on the FinTech Knowledge	84
Basic Test on the Financial Technology Knowledge	158
Certificate for the Subject Test-Laws and Regulations on Trust Businesses	9
Proficiency Test for Trust Operations Personnel	846
Certification Test for Financial Derivatives Sales Personnel	408
Basic Proficiency Test for Financial Risk Management	178
Certification Test for Family Trust Planning Consultant	11
Property Insurance Agent	8
Property Insurance Representative	812
Property Insurance Broker	4
Retirement Financial Advisor(RFA)	1
Certification Test for Eldercare Financial Planning Consultant	58
Certified Anti-Money Laundering Specialist (CAMS)	3
Financial Risk Management (FRM)	1
Certificate for Documentary Credit Specialists (CDCS)	1
Certified Financial Planner (CFP)	2
Customs Broker	1
Proficiency Test for Financial Planning Personnel	319
Bill Finance Specialist Qualification Exam	106
Internal GHG Inventory Verifier	1
Futures Trading Analyst	1

Certificated Proficiency Tests of Employees	Total (Up to Feb. 28, 2026)
Sales Personnel of Futures Trust Fund Distributors	250
Future Specialist	189
Future Broker Specialist	1
Certification Test for Structure Product Sales Personnel	182
Advanced Proficiency Test for Bank Lending Personnel	40
IELTS for C1	1
Proficiency Test for Bond Specialist	20
Proficiency Test for Obligation & Debt Collection Personnel	214
Greenhouse Gas Professional	1
Basic Ability Test for Asset Securitization	13
Proficiency Test for Bank Internal Control and Audit Personnel	823
Regulations and Practices related to Securities & Exchange	8
Securities Investment Analysts	7
Securities Investment Trust & Consulting Professionals	196

4-4. Corporate Social Responsibility, CSR

As a financial institution deeply rooted in the local Taiwanese market, the Bank upholds the core values of “integrity in business operations, steady growth, and social responsibility,” continuously implementing corporate social responsibility (CSR) initiatives and maintaining high ethical standards. In addition to providing stable and professional financial services, we actively engage in public welfare and social outreach initiatives, promote sustainable financial development, and incorporate environmental and social responsibilities into our business decision-making. At the same time, the Bank continues to strengthen its corporate governance framework and risk management mechanisms, enhance the quality of internal controls and compliance, and ensure transparent, prudent, and sound operations to achieve the dual objectives of the Bank’s long-term development and the creation of social value.

4-4-1. Sustainable Operations and Ethical Governance

The Bank adheres to corporate governance principles to ensure that its business operations meet standards of fairness, transparency, and integrity, and continuously improves its internal governance mechanisms.

4-4-1-1. Strengthening Internal Controls and Risk Management

• Establish a risk management mechanism to ensure that credit operations comply with prudential principles and maintain the stability of financial markets.
• Implement anti-money laundering (AML) and counter-terrorist financing (CFT) measures to ensure that the flow of funds complies with international standards.

4-4-1-2. Transparency and Regulatory Compliance

• Provide comprehensive financial information and corporate social responsibility reports to ensure that shareholders and stakeholders have access to accurate information.
• Strictly comply with the Financial Supervisory Commission and relevant regulations to ensure operational compliance.

4-4-2. Social Responsibility and Community Service

The Bank has always adhered to the corporate philosophy of "taking from society and giving back to society." We have long been deeply committed to social welfare, actively supporting cultural development and educational initiatives, and caring for vulnerable groups through concrete actions, striving to enhance the overall well-being of society. Whether by promoting blood donation campaigns, sponsoring cultural and educational initiatives, or participating in programs to support vulnerable groups, our bank demonstrates its corporate social responsibility through concrete actions, creating a sustained and positive impact on Taiwanese society.

Since 2016, the Bank has organized the "Spreading Love through Blood" blood donation campaign annually, calling on employees and the general public to join in and support the healthcare system's blood supply needs through concrete actions. By consistently promoting this public welfare initiative over the long term, the bank not only demonstrates its commitment to public health but also mobilizes internal and external resources, expands social participation, and fosters a virtuous cycle. Over the years, "Spreading Love through Blood" has become one of the flagship initiatives of the Bank's public welfare brand, continuing to bring warmth and hope to society.

4-4-3. Protection of Customer Rights and Fair Treatment

The Bank is committed to providing transparent, fair, and secures financial services to ensure the protection of our customers' interests.

4-4-3-1. Implementing Customer Protection Mechanisms

- Establish a consumer complaint mechanism to ensure that customers receive prompt and fair resolution of their issues.
- Through our Personal Information Protection Policy, we ensure that customer data is not misused and that we comply with the requirements of the Personal Information Protection Act.

4-4-3-2. Fair Lending and Financial Inclusion

- Offer reasonable loan terms to small and medium-sized enterprises to promote industrial development.
- We provide accessible ATMs and mobile banking services to ensure that older adults and people with disabilities can enjoy financial services on an equal footing.

4-5. Number of employees not in managerial positions, average annual employee benefit expenses, and the difference from the previous fiscal year

Unit: TWD

Item	2025	2024
Number of Full-Time Employees Non-Supervisory Position	1,126	1,131
Average Salary of Full-Time Employees Non-Supervisory Position	988,016	1,019,156
Median Salary for Full-Time Employees Non-Supervisory Position	967,137	1,008,076
Total Employee Welfare Expense for Non-Supervisory Position	1,277,957,153	1,320,303,022
Average Employee Welfare Expense per Non-Supervisory Position	1,134,953	1,167,377

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.)

4-6. IT Equipment

The Bank's core business operations run on IBM UNIX-based mainframes, including production servers, online backup servers, dedicated development servers, dedicated testing servers, and off-site backup systems, which are regularly upgraded and replaced. Network-related applications and operations are processed using Windows and Linux servers, which employ virtualization technology and are consolidated and deployed across multiple physical servers. In Fiscal Year 2025, to address emerging technological trends, the Bank established an "on-premises large language model" server architecture, providing the computational foundation for internal AI applications while ensuring data sovereignty and preventing data from leaving the country.

Computer application systems currently in operation include demand deposits, time deposits, comprehensive deposit accounts, bill collection, bill payment and tax collection, ATMs and debit cards, fund transfers, credit facilities, safe deposit boxes, the bank's securities investments, insurance, trusts, gold passbooks, overseas bonds, credit cards, foreign exchange (including DBU and OBU), accounting, personal online banking, corporate online banking, mobile online banking, and telephone voice services (in 2025, a text-to-speech model will be introduced; trained using voice samples, it will enable automated simulated voice guidance, effectively optimizing operational efficiency), as well as the employee portal (which includes electronic documents, document approval, and electronic forms), employee data management, human resources and payroll, operational analytics, financial statement inquiries, industry-specific performance dashboards, API reporting to the Inspection Bureau, credit underwriting, consumer finance, corporate finance, insurance agency, wealth management, SMS messaging, document imaging, credit bureau inquiries, instructional video platforms, employee business reference resources..., and seal management systems.

To comply with anti-money laundering and counter-terrorist financing regulations, we developed and implemented computer systems for customer risk rating assessment, high-risk list screening, suspicious transaction data filtering, reporting of large-value cash transactions, monitoring of import/export and cross-border remittance transactions, and name verification checks between customers and transaction counterparties. In fiscal year 2025, the "Audit Management System" and "Compliance Self-Assessment System" were further implemented. In addition to digitizing these processes, the Compliance Self-Assessment System features automated distribution and integration of regulatory changes, ensuring the timeliness of compliance assessments and significantly enhancing management efficiency and accuracy. Furthermore, to jointly prevent financial fraud, the bank joined the "Eagle Eye Fraud Detection Alliance," a collaboration initiated by Taipei Fubon Bank and the Criminal Investigation Bureau of the National Police Agency under the Ministry of the Interior. By utilizing the "Eagle Eye Model"—a patented AI detection technology—to analyze abnormal patterns in online banking transactions, the bank has effectively increased the detection rate of suspicious accounts and strengthened the identification and blocking of suspicious transactions.

To ensure data integrity and reliability, the online servers utilize a clustered disk array system to enhance system high availability and synchronize critical data to off-site storage. For the database, the Always On solution has been implemented to integrate high availability (HA) and disaster recovery (DR), significantly optimizing RTO and RPO and strengthening database resilience. The backup mechanism adheres to the 3-2-1 principle: at least three disk backups are performed each business day, fully covering on-premises, off-site, and offline storage. By 2025, we will further implement overseas cloud cold backups (Google Cloud Storage) for critical data, establishing a cross-border off-site recovery mechanism to mitigate geopolitical risks and strengthen the Bank's digital resilience. Regarding communication lines, the Bank employs dual-carrier circuits and has established a 4G wireless backup line. Primary communication equipment utilizes a high-availability (HA) architecture, enabling automatic online failover in the event of a failure. Backup mechanisms are also in place for other communication and peripheral equipment, and computer network security controls have been established to ensure transaction security. An off-site backup system has also been deployed to ensure the continuity of the Bank's operations in the event of a disaster.

4-7. Information and Communications Security Management

4-7-1. Management Structure, Information Security Policy, Specific Management Plans, and Resources Allocated

In response to information security protection needs and to strengthen the implementation of information security policies, the "Information Security Committee" was established in 106, and a dedicated information security unit was set up. The Chief Information Security Officer serves as the convener, bringing together supervisory managers from relevant departments (such as the Information Technology Department, Compliance Department, Risk Management Department, Digital Finance Department, and the dedicated information security unit) as committee members. The dedicated information security unit serves as the secretariat, and the committee meets at least once every six months. Through effective information security management, we comprehensively enhance information security standards to protect the Bank's information assets. In line with government policies, the position of Chief Information Security Officer (CISO) was established in 2022 to oversee the governance, planning, supervision, and implementation of the Bank's information security framework, thereby elevating the Bank's information security management standards.

To ensure that the Bank's information security management capabilities meet international standards, that we implemented an information security management system in 2019 and obtained ISO 27001 certification. To maintain the ongoing effectiveness of the information security management system, we undergo an annual audit and successfully pass the certification review. In 2025, we officially obtained ISO 22301 international certification for the Business Continuity Management System, establishing a comprehensive business interruption response and recovery mechanism.

The Bank has established a disaster recovery mechanism for its core business systems and equipment and set up an off-site disaster recovery environment to mitigate the risk of the data center being unable to operate normally. Corresponding disaster recovery contingency measures have been formulated based on different risk scenarios. To address threats posed by geopolitical events and extreme disasters, the Bank has integrated overseas cloud data protection mechanisms to establish a three-tiered backup defense system comprising "local, off-site, and overseas cloud" layers, ensuring the ability to recover critical data across borders even under extreme circumstances. To further strengthen our response capabilities, we conduct various drills on a regular annual basis, including: DDoS attack response drills, ATM monitoring and response drills, and SWIFT network incident response drills, to improve employees' speed in handling unexpected cybersecurity incidents. Through a comprehensive backup architecture and rigorous drill mechanisms, we are committed to restoring normal operations in the shortest possible time, minimizing potential losses, and ensuring the operational resilience of our overall financial services.

To protect information systems from the risks of malware attacks and hacker intrusions, we have deployed various defensive devices to enhance the Bank's network defense capabilities; we have established network segment isolation mechanisms to improve the security of the Bank's network environment, prevent mutual interference from affecting the Bank's services, and ensure high service availability; We have strengthened monitoring of various network devices and traffic, and installed information dashboards to monitor all servers, automated teller machine (ATM) systems, and network status in real time; we have also implemented mechanisms to detect and block personal data breaches to prevent the leakage of our customers' personal information and critical data. The SWIFT system has also enhanced its information security measures and complies with the CSP standards established by the SWIFT organization.

We conduct various information security assessments on a regular basis each year, including infrastructure reviews, network configuration reviews, compliance reviews, and client-side application testing. In addition, we regularly review the code quality of our external online services and mobile banking platforms and conduct penetration tests to ensure that our operations and management practices are continuously updated, thereby safeguarding the security of all our services.

In line with the Financial Supervisory Commission's "Cybersecurity Action Plan," our bank aims to strengthen the cybersecurity capabilities of the financial industry. In addition to continuing to conduct ISO 27001 certification, penetration testing, and various cybersecurity assessments, we further completed international certification for the ISO 22301 Business Continuity Management System in fiscal year 2025. Furthermore, the Bank has fully implemented all control measures required of financial institutions-including the appointment of a Chief Information Security Officer (CISO), the establishment of an Information Security Advisory Group, and the attainment of international information security standard certifications-thereby achieving the goals of security, convenience, and uninterrupted operations.

4-7-2. As of February 28, 2026, the Bank has not experienced any incidents of operational damage resulting from major information and communication security incidents.

4-8. Labor-Management Relations

4-8-1. Employee benefit programs, retirement plans and their implementation, as well as labor-management agreements and measures to safeguard employee rights

4-8-1-1 Employee Benefits Programs

4-8-1-1-1. In addition to providing Labor Insurance and National Health Insurance in accordance with applicable laws and regulations, the Bank has also taken out accident insurance for all employees with Fubon Life Insurance Co., Ltd. In the event of an insured incident, the Bank will refer the matter to the Bureau of Labor Insurance for the processing of cash benefits.

4-8-1-1-2. Depending on the company's financial condition, the company distributes bonuses annually for the Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival. If there is a surplus at the end of the fiscal year, after paying taxes, offsetting losses, setting aside statutory retained earnings, and distributing dividends, employee bonuses are distributed according to the ratio specified in the company's articles of incorporation.

4-8-1-1-3. The Bank offers preferential savings and loan plans for bank employees, as well as preferential savings plans for retirees.

4-8-1-1-4. The Bank establishes an Employee Welfare Committee and implements welfare assistance programs, such as benefits for marriage, childbirth, and birthday gifts, subsidies for self-improvement activities, and scholarships and grants for children.

4-8-1-1-5. The Bank conducts regular employee health checkups, schedule on-site medical services by doctors on a regular basis, and employ full-time nursing staff to continuously support our employees' physical and mental well-being.

4-8-1-1-6. Employee Training: To enhance employee competence and expand their knowledge, the Bank not only selects and sends appropriate personnel to participate in various professional training courses offered by specialized training institutions but also, based on business needs, conducts pre-employment training for new hires, on-the-job training for current employees, and technical training for professionals. The Bank may also select high-performing employees to pursue further studies or conduct research at domestic and international colleges, universities, and graduate schools, or to participate in relevant financial business seminars or study tours.

4-8-1-2. 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).

4-8-1-2-1. For employees subject to the Labor Standards Act (Old System), the actual retirement benefits to which they are entitled are calculated by segmenting their period of service to determine the benefit base. The benefit base is determined based on years of service and the employee's salary at the time of retirement. In accordance with the provisions of the Labor Standards Act, the Bank contributes 15% of the total monthly salary of employees (excluding appointed managers) to the Employee Retirement Reserve Fund, which is held in a special account at the Bank of Taiwan to meet the needs of employee retirement benefits; In addition, to meet actual needs and to fund the retirement benefits of appointed managers, the Bank has established a separate special account, into which 8% of the total monthly salary of appointed managers is contributed on a monthly basis.

4-8-1-2-2. For those covered by the Labor Pension Act (New System)—whether appointed managers or employees—all matters shall be handled in accordance with the provisions of the Labor Pension Act. In accordance with the Labor Standards Act, the Bank contributes 6% of employees' monthly salaries, based on their respective insurance brackets, to their individual pension accounts.

4-8-1-3. Status of Labor-Management Agreements and Measures to Protect Employee Rights

4-8-1-3-1. To maintain good and amicable labor-management relations and promote cooperation between labor and management, the Bank regularly holds labor-management meetings in accordance with the Implementation Measures for Labor-Management Meetings.

4-8-1-3-2. The Bank has established work rules and various personnel regulations, and regularly conducts awareness campaigns to ensure compliance, thereby safeguarding employees' labor rights.

4-8-1-3-3. To prevent workplace accidents and protect employee health, we implement occupational safety and health measures in accordance with relevant laws and regulations.

4-8-1-3-4. The Bank has established the "Guidelines for Handling Employee Complaints" to provide employees with a channel for filing complaints.

4-8-1-3-5. In accordance with the regulations and guidelines issued by the competent authorities, the company has established the "Plan for the Prevention of Unlawful Acts During the Performance of Duties," "Occupational Safety and Health Work Rules," "Workplace Maternal Health Protection Plan," "Plan for the Prevention of Illnesses Caused by Abnormal Workloads," and "Plan for the Prevention of Ergonomic Hazards" to promote occupational safety and health initiatives and prevent occupational injuries and illnesses..

4-8-2. Losses incurred due to labor-management disputes during the most recent fiscal year and up to the date of publication of the annual report (including violations of the Labor Standards Act identified through labor inspections; the date of the penalty decision, the reference number of the penalty decision, the specific provisions of the law violated, the nature of the violation, and the details of the penalty must be specified), along with a disclosure of the estimated amounts for current and potential future losses and the measures taken to address them. If a reasonable estimate cannot be made, an explanation of the reasons for the inability to make such an estimate must be provided.

None.

4-9. 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, 2025 to Apr. 1, 2026	1. Dishonest acts by employees 2. Property at business premises 3. Property in transit 4. Forgery or alteration of negotiable instruments and securities 5. Counterfeiting of currency 6. Damage to business premises and equipment 7. Errors in securities or deeds 8. Negligent shortfall in cash	None
Outsourcing Agreement	Yuen Foong Paper Co., Ltd.	From Jun. 12, 2025 to Jun. 12, 2026 Automatically renewed for one year upon expiration (The same applies thereafter)	Transaction Statement Processing	None
Outsourcing Agreement	Han Yeh Office Supplies Company	From May 3, 2016 to May 2, 2017 Automatically renewed for one year upon expiration (The same applies thereafter)	Computer-Based Printing and Packaging Operations	None
Outsourcing Agreement	TAI-PO Service Technology Co., Ltd.	From Jun. 1, 2024 to May 31, 2025 Automatically renewed for one year upon expiration (The same applies thereafter)	ATM Cash Reloading, Troubleshooting, and Inspection Operations	None
Outsourcing Agreement	Taiwan Security Co., Ltd.	From Jun. 1, 2013 to May 31, 2014 Automatically renewed for one year upon expiration (The same applies thereafter)	Transportation of Securities, Checks, and Cash; Chartered Vehicle Services	None
Outsourcing Agreement	Taiwan Security Co., Ltd.	From Aug. 1, 2016 to Jul. 31, 2017 Automatically renewed for one year upon expiration (The same applies thereafter)	Transportation of Securities, Checks, and Cash; Temporary Assignments	None
Outsourcing Agreement	Feng Tay Motor Co., Ltd.	From Apr. 1, 2022 to Mar. 31, 2023 Automatically renewed for one year upon expiration (The same applies thereafter)	Vehicle Recovery Procedures for Overdue Auto Loan Payments	None
Outsourcing Agreement	21Century Finance Service	From Apr. 1, 2022 to Mar. 31, 2023 Automatically renewed for one year upon expiration (The same applies thereafter)	Vehicle Recovery Procedures for Overdue Auto Loan Payments	None
Outsourcing Agreement	Sinjang Co., Ltd.	From Jan. 1, 2026 to Dec. 31, 2026 Automatically renewed for one year upon expiration (The same applies thereafter)	Vehicle Auction Services	None

Nature of Contract	Concern Party	Contractual Period	Major Content	Restrictive Covenants
Outsourcing Agreement	President Chain Store Corporation	From May 1, 2014 to Apr. 30, 2015 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Consumer Loans	None
Outsourcing Agreement	Taiwan Family Mart Co., Ltd.	From Jun 1, 2022 to May. 31, 2023 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Consumer Loans	None
Outsourcing Agreement	National Credit Card Center of R.O.C.	From Mar. 10, 2007- Upon either party's written notice of termination and confirmation of the termination date (The same applies thereafter)	Credit Card Operations (Card Payment Systems and Operational Support Services)	None
Outsourcing Agreement	President Chain Store Corporation	From Jun. 13, 2012 to Jun. 12, 2013 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Credit Card Payments	None
Outsourcing Agreement	Taiwan Family Mart Co., Ltd.	From Apr 5, 2012 to Apr 4, 2013 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Credit Card Payments	None
Outsourcing Agreement	Hi-Life International Co., Ltd.	From Apr 5, 2012 to Apr 4, 2013 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Credit Card Payments	None
Outsourcing Agreement	OK Mart Co., Ltd.	From Apr 5, 2012 to Apr 4, 2013 Automatically renewed for one year upon expiration (The same applies thereafter)	Collection of Credit Card Payments	None
Outsourcing Agreement	Taiwan Numerical Powers Co., Ltd.	From Jun. 1, 2022 to May 31, 2023 Automatically renewed for one year upon expiration (The same applies thereafter)	Processing operations for chip credit cards, including card production, packaging, and mailing	None
Outsourcing Agreement	Chunghwa Post Co., Ltd.	From Jan. 1, 2026 to Dec. 31, 2025 If neither party raises an objection two months prior to the expiration date, the term will be automatically extended until December 31, 2027.	Computerized Printing and Enveloping of Full-Service Financial Account Statements	None
Outsourcing Agreement	Transnational Logistic Solutions (Taiwan) Pte. Ltd.	From Dec. 1, 2024 to Nov. 30, 2026	Integration of the Bank's Processing of Bills, Documents, and Securities	None

4-10. Information on Securitized Products Approved for Issuance in Recent Years

In 2025, the Bank did not apply for or receive approval for any securitization products..

5 Review and Analysis of Financial Condition and Performance, and Risk anagement Matters

5-1. Financial Condition

Unit: TWD thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Total Asset	219,594,624	203,986,898	15,607,726	7.65
Total Liability	202,787,439	187,775,943	15,011,496	7.99
Total Equity	16,807,185	16,210,955	596,230	3.68

Note: The increase in shareholders' equity was primarily due to a cash capital increase, the allocation to the statutory retained earnings reserve, the special retained earnings reserve, and other increases in equity.

5-2. Financial Performance

Unit: TWD thousand

Item \ Year	2025	2024	Increase/Decrease Amount	Increase/Decrease Ratio (%)
Interest income	5,533,649	5,124,593	409,056	7.98
Interest expense	2,395,265	2,190,222	205,043	9.36
Non-interest income, net	664,549	806,173	(141,624)	(17.57)
Net revenue	3,802,933	3,740,544	62,389	1.67
Bad debt expense	285,077	553,188	(268,111)	(48.47)
Operating expense	2,316,054	2,171,260	144,794	6.67
Income before income tax	1,201,802	1,016,096	185,706	18.28
Net income	986,867	871,890	114,977	13.19

Explanation of Changes in the Increase/Decrease Ratios:
1. The increase in interest income and expenses was primarily due to growth in deposit and loan operations and interest rate hikes.
2. The decrease in net non-interest income was mainly attributable to lower gains and losses on financial assets and liabilities measured at fair value through profit or loss, as well as lower foreign exchange gains and losses.
3. The decrease in bad debt expense was due to a reduction in the provision for bad debts.

5-3. Cash Flow

5-3-1. Analysis of Changes in Cash Flows for Fiscal Year 2025 and Plan to Address Liquidity Shortages:

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
11,123,328	3,602,077	(1,513,424)	13,211,981	-	-

1. Analysis of Changes in Cash Flows for the Current Year:
   (1) Operating Activities: Net cash inflows from operating activities resulting from core business operations such as discounting and lending, deposits and remittances, and investments in financial instruments.
   (2) Investing Activities: Net cash outflows from investing activities primarily resulting from the acquisition or disposal of real estate and equipment.
   (3) Financing Activities: Net cash outflows from financing activities were primarily attributable to the repayment of financial bonds and the payment of cash dividends.
2. Plan to Address Liquidity Shortages: The Company does not have any cash shortfalls.

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
13,211,981	(580,598)	799,613	13,430,996	-	-

5-4. Impact of Recent Major Annual Capital Expenditures on Financial Operations

5-4-1. Use of Funds and Sources of Funding for Major Capital Expenditures: None.

5-4-2. Estimated Potential Benefits: None.

5-5. Recent Annual Investment Policies, the Main Reasons for Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year

5-5-1. Reinvestment Policy

The Bank's investment projects are primarily in finance-related businesses, with the objective of holding them long-term to earn dividends. Prior to any investment, the responsible department must submit a benefit assessment and a compliance report. The investment proposal may only be submitted to the competent authority for approval after it has been reviewed by the Asset and Liability Management Committee and approved by the Executive Board. Following the investment, the responsible department must continuously monitor the operating and financial conditions of the investee company and report to the Asset and Liability Management Committee in a timely manner to maintain a clear understanding of the investee company's actual operating status.

5-5-2. Reasons for Profitability

Cash and Stock Dividends Declared by 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 for the Coming Year

The Bank's operational focus for the coming year will be on core business profitability; there are currently no plans for new investment ventures.

5-6. Risk Management

5-6-1. Financial Risk Information

5-6-1-1. Credit Risk

Credit Risk Management System

Year 2025

Items	Contents
1. Strategies, Objectives, Policies, and Processes	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. The Bank will consider developing the internal credit scoring system. The system will identify and estimate risks from all credit exposures. 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.
2. The Structure, and Organization of the Risk Relevant Management Function	(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. (2) Risk Management Committee: The committee executes the board's risk polices and reports risk profile to the board. (3) Credit Reviewing Committee: The committee reviews the large amount of loans, specific non-performing loans, and the appointed loans. (4) Risk Management Dept: The subcommittee integrates credit risk strategies, designs processes, and introduces credit identification, measurement, monitor, and reporting systems. (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. (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.
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	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: (1) Loan characteristics, contract contents, and customers' financial conditions (2) The possible effect of the exposures from market change (3) Collateral and guarantee (4) The possible future risk change of the customers or counterparties

Items	Contents
	(5) Besides specific trading risks, measuring loan portfolio risks The Bank gradually establishes internal rating framework and measures and analyzes loan risks through quantitative indexes and qualitative methods.
4. Policies for Hedging and/ or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	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. 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. 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.
5. Approach for calculating the Bank's capital requirement	Standardized approach 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.

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

Dec. 31, 2025

Unit: TWD thousand

Category	Exposure amount after risk mitigation	Capital Requirement
Sovereigns	25,904,047	1,138
Non-central government public sector entities	9,363,619	196,636
Banks (multilateral development banks and central counterparties)	5,268,394	175,867
Securities Backed by Financial Assets	0	0
Corporations (including securities and insurance companies)	23,886,214	1,719,435
Retail Exposures	46,163,381	3,344,793
Real Estate Exposures	93,707,345	7,005,517
Equity Securities Exposures	2,548,327	377,952
Fund Equity Investments	0	0
Other assets	5,204,665	383,097
Total	212,045,992	13,204,435

Note1: Accrued capital is multiplied by risk allowances and statutory minimum capital adequacy ratios for risk offsets. (10.5% from 2019 onwards)
Note2: This table excludes securitization exposures and credit valuation adjustment (CVA) from its calculation scope..

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

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

Year 2025

Items	Contents
1. Strategies and Processes	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. 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.
2. The Structure, and Organization of the Risk Relevant Management Function	(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. (2) Risk Management Committee: The committee reviews the guidelines and policies of the securitization, controls indicators, and coordinates assignments relative to risk management. (3) Investment Subcommittee: For strengthening portfolio management and trading quality of the securitization, the subcommittee depends on the market condition to plan investment strategies. (4) Risk Management Dept: The subcommittee draws strategies and processes of the securitization, designs and introduces risk identification, measurement, monitor, and reporting system. (5) Audit Dept: The office should establish audit plan and process, and should review the Bank's risk management at least once a year.
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	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.
4. Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigations	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. 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.
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

Note: 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, 2025, 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 2025

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	(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. (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. (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. (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. (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. (6) Audit Office: The office should execute auditing processes independently and should provide improvement suggestion timely.
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, 2025

Unit: TWD thousand

	Items	Amount
1	Business Indicator Component (BIC)	443,690
2	Internal Loss Multiplier (ILM)	1
3	Operational Risk Capital (ORC)	443,690
4	Risk-Weighted Assets for Operational Risk (RWA)	5,546,119
Additional Note on the Internal Loss Multiplier (ILM):		

Note: If internal loss data are excluded due to not meeting the loss data standards, an explanation must be provided.

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

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

Market Risk Management System

Year 2025

Items	Contents
1. Strategies and Processes	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. 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.
2. The Structure and Organization of the Relevant Risk Management Function	(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. (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. (3) Investment Subcommittee: The subcommittee plans investment strategies and makes decision what the positions should be sold or hold. (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. (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. (6) Audit Office: The office should establish audit plan and process, and should review the Bank's risk management at least once a year.
3. The Scope and Nature of the Risk Reporting and/or Measurement Systems	The Market Risk Management Information System effectively monitors risk exposures and provides appropriate risk measurement results to support the implementation of risk management procedures. Based on the principle of valuing financial asset positions, these are classified into the banking book and the trading book according to their trading objectives. The banking book should be assessed monthly, while the trading book provides daily risk summary data - including mark-to-market gains or losses and risk exposure - for review by authorized personnel. If early warning indicators suggest that stop-loss levels are approaching, market changes will be monitored at all times and necessary measures will be taken to prevent exceeding limits.

Items	Contents
	The review covers market risk management reports, assessments of gains and losses on derivative financial instruments, and other related matters. In addition, the Bank's relevant business units monitor position limits, gains and losses, and stop-loss alert mechanisms for financial assets denominated in both New Taiwan dollars and foreign currencies on a daily basis to effectively manage market risk within the Bank's acceptable limits. To accurately assess the fair value of bond, convertible corporate bond, asset swap, and foreign exchange option positions, the Bank has implemented the Taiwan Economic Journal (TEJ) Financial Asset Valuation System to reflect actual market prices. This not only meets the requirements of regulatory authorities but also complies with IFRS fair value standards.
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, 2025

Unit: TWD thousand

Risk Category	Capital Charge
Interest Rate Risk	428,627
Equity Position Risk	97,459
Foreign Exchange Risk	74,668
Commodity Risk	-
Total	600,754

Note: 1.Required capital × multiplier factor = Capital requirement.

5-6-1-5. Liquidity Risk

Based on daily working capital flows and changes in market conditions, the Bank strictly complies with the relevant reserve requirements and minimum liquidity ratio standards set by the regulatory authorities, diversifies its funding sources, and enhances the stability of its funding. Investment targets primarily include central bank certificates of deposit, government bonds, corporate bonds, and financial bonds; in addition to prioritizing the safety of these investments, the Bank also considers secondary market liquidity to mitigate liquidity risk. To ensure the accuracy and timeliness of liquidity management, the Bank regularly prepares a "New Taiwan Dollar Cash Flow Gap Analysis Report" to monitor changes in the asset-liability structure across various maturities. When indicators reach warning levels, the Financial Markets Department is authorized to take appropriate countermeasures and report to the Asset-Liability Management Committee to facilitate appropriate fund allocation, utilization, and liquidity management. In addition, based on the residual maturities of assets and liabilities, funding gaps are calculated, and monthly risk management reports are prepared to regularly report the monitoring status to the Risk Management Committee and the Board of Directors.

Analysis for Time-to-Maturity of the Bank's TWD Assets and Liabilities as of Dec. 31, 2025

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	214,462,032	21,234,287	12,734,418	6,852,065	13,841,296	22,820,241	136,979,725
Major outflows of Matured funds	235,692,943	6,684,323	12,136,737	30,208,973	38,871,983	61,545,795	86,245,132
Maturity Gap	(21,230,911)	14,549,964	597,681	(23,356,908)	(25,030,687)	(38,725,554)	50,734,593

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, 2025

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	154,197	41,036	16,161	6,440	21,589	68,971
Major outflows of Matured funds	154,197	59,885	18,041	8,807	16,203	51,261
Maturity Gap	0	(18,849)	(1,880)	(2,367)	5,386	17,710

Note1: The bank portion refers to the amount of USD in the whole bank.

Note2: If overseas assets account for more than 10% of the total assets of the Bank, additional disclosure information should be provided.

5-6-2. Impact of Major Domestic and International Policy and Legal Changes on Banks' Financial Operations and Corresponding Measures

5-6-2-1. On May 15, 2025, the Financial Supervisory Commission launched the "Financial Giveback Program"

5-6-2-1-1. Changes in Regulations

To implement the policy vision of "Balancing Development across Taiwan and Giving Back to Society," financial institutions are encouraged to develop diverse and concrete initiatives tailored to their specific business characteristics and resource capabilities, thereby fulfilling the financial sector's social responsibilities.

5-6-2-1-2. Impact and Mitigation Measures

The Financial Giveback Program expands the role of financial institutions in society from that of mere financial service providers to that of a vital force supporting the elderly, vulnerable groups, and diverse communities. In line with policy directions, our bank has developed trust-based financial service models tailored to the public's actual needs by leveraging cross-industry resources through services such as eldercare trusts, insurance benefit trusts, and charitable trusts. We assist diverse groups in optimizing their living arrangements, care plans, and financial planning, thereby embodying the spirit of inclusive finance through trusts and advancing the goals of social equity and sustainable development.

5-6-2-2. On September 3, 2025, the Trust Association amended certain provisions of the "Guidelines on Joint Marketing of Insurance Proceeds Trust Services Between Trust Companies and Insurance Companies" in accordance with the "Regulations on Financial Institutions Cooperating to Promote Products of Other Industries or Provide Related Services" issued by the Financial Supervisory Commission.

5-6-2-2-1. Changes in Regulations

The scope of eligible partners has been expanded to allow insurance brokerage firms to collaborate with trust companies in promoting insurance proceeds trust services, thereby enhancing the flexibility of cross-industry cooperation and increasing the availability of trust services.

5-6-2-2-2. Impact and Mitigation Measures

This amendment to the law will help expand the channels for promoting insurance benefit trusts, enhance public awareness of their functions and safeguards, and ensure that insurance claim proceeds are properly managed and allocated for designated purposes through trusts. It will be particularly beneficial for the elderly, people with disabilities, and vulnerable families by providing stability in daily care, medical expenses, and long-term financial planning. Through cross-industry collaboration, this initiative will expand the depth and breadth of trust services, strengthen the social safety net, and promote the development of inclusive finance and social inclusion.

5-6-2-3. Core Impact of Central Bank Regulatory Policies on Bank Lending

5-6-2-3-1. Changes in Regulations

The central bank has tightened bank lending in terms of both quality and quantity by implementing "selective credit controls" (currently in its seventh round).

a. Changes in the "Nature" of Credit Limits (Tighter Conditions)

i. Reduction in Loan-to-Value Ratios and Elimination of Grace Periods: Under the seventh round of credit controls, the loan-to-value ratio for individuals purchasing a second home has been reduced to 50% with no grace period; similarly, there is no grace period for the first home purchase by individuals who already own a property. Banks must conduct stricter reviews of the sources of borrowers' down payments.

ii. Adjustment of Target Customer Base: The Central Bank's increase in the reserve requirement ratio effectively withdraws funds directly from banks, raising their lending costs; as a result, banks will prioritize "low-risk, high-contribution" customers when granting credit.

b. Reduction in the "Volume" of Credit Lines (Pressure on the Upper Limit of Home Purchase Loans)

i. Restrictions under Article 72-2 of the Banking Act: The total amount of loans extended by commercial banks for residential and commercial construction projects shall not exceed 30 percent of the sum of the total deposit balance and the amount of financial bonds issued at the time the loan is granted.

ii. Real Estate Concentration Controls: The Central Bank requires banks to independently manage their total real estate lending volume. Many banks are already approaching their internal warning thresholds, leading to "lending restrictions" or delays in loan disbursements.

iii. Squeeze on Profit Structure: As funding costs rise (due to increases in the reserve requirement ratio), but mortgage interest rates are constrained by policy oversight and market competition, net interest margins may narrow, forcing banks to seek other sources of non-interest income.

5-6-2-3-2. Impact and Mitigation Measures

Faced with a stringent regulatory environment, banks' lending strategies are undergoing a major transformation.

a. Customer Screening and Differential Pricing
  i. Prioritizing loans for owner-occupied homes and policy-backed loans: Allocating more resources to first-time homebuyers and those who do not own a home for personal use.
  ii. Tiered interest rates: For customers who are not first-time homebuyers or have slightly lower credit ratings, loan interest rates will be raised to offset risk and funding costs.

b. Adjustment of the Credit Asset Structure
  i. Expand non-real estate lending: Shift toward lending to small and medium-sized enterprises (SMEs) and actively collaborate with the Credit Guarantee Fund to reduce risk weights and lower the proportion of real estate loans in the total loan balance (real estate loan concentration).
  ii. Strengthen Wealth Management: Given credit limit constraints, use mortgage loans as a stepping stone to market financial products such as insurance and mutual funds, thereby generating fee income.

c. Strengthening Post-Loan Management and Early Warning Systems
  i. Tracking Use of Funds: Strictly prevent borrowers from using funds designated as “working capital” or “personal loans” that are actually diverted to real estate purchases.
  ii. Asset Quality Monitoring: As the real estate market cools, greater attention should be paid to changes in collateral value to avoid potential credit losses caused by a decline in collateral value.

d. The Central Bank's regulatory policies aim to “cool down” the market. “New Youth Housing Security” mortgages disbursed after September 1, 2025, have been officially excluded from the limits set forth in Article 72-2 of the Banking Act, thereby alleviating some of the pressure on banks' credit quotas. However, the Central Bank remains vigilant regarding “overheating in the overall housing market,” and banks continue to maintain a conservative “quality over quantity” approach to lending; In the current financial environment, most banks are no longer pursuing asset expansion but are instead focusing on capital efficiency. They are lending the same amount of capital to customers who can generate more fees and pose lower risks, thereby increasing profits in line with policy objectives.

5-6-2-4. Regulatory Adjustments in Digital Finance and the Development of FinTech

5-6-2-4-1. Changes in Regulations

To encourage the development of digital finance, the Financial Supervisory Commission has implemented the “Regulations on Fintech Development and Innovation Pilot Programs,” providing banks and financial institutions with regulatory flexibility to test innovative services. At the same time, the rapid growth of electronic payments, online-only banks, and various digital financial services has continued to reshape the competitive landscape. Traditional banks are facing challenges from emerging competitors such as online-only banks and payment providers, forcing them to accelerate their digital transformation in order to maintain their competitive edge and market position.

5-6-2-4-2. Impact and Mitigation Measures

- Accelerating Digital Transformation: We will continue to invest in optimizing mobile banking features, implementing intelligent customer service systems, and integrating digital processes to enhance the overall efficiency and user experience of our digital services.
- Developing Innovative Financial Products: Through big data analytics and AI technology, we will develop intelligent financial advice, remote loan approval, and personalized financial services to enhance the digital customer experience and strengthen the competitiveness of our products.

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

5-6-2-5-1. Changes in Regulations

As global attention to environmental, social, and corporate governance (ESG) issues continues to grow, international investment institutions and regulatory bodies have been progressively strengthening relevant regulations. For example, the European Union's Sustainable Finance Disclosure Regulation (SFDR) and the United Nations Principles for Responsible Investment (PRI) both require financial institutions to incorporate sustainability factors into their investment and financing decisions as well as their disclosure frameworks.

Domestically, the Financial Supervisory Commission has launched the "Sustainable Finance Action Plan" to encourage the banking sector to develop ESG lending and green investment businesses, while also strengthening sustainability disclosure obligations. This trend is compelling banks to adjust their business models and risk assessment mechanisms and to incorporate sustainable development into their core business strategies in order to adapt to changes in international capital markets and the regulatory environment.

5-6-2-5-2. Impact and Mitigation Measures

- Promote green financial products and sustainable lending: Develop products such as green investment funds and ESG corporate loans to support environmental technology, renewable energy, and industries undergoing low-carbon transition, thereby expanding the scope of sustainable finance.
- Strengthen ESG disclosure and governance mechanisms: Improve the quality of sustainability reporting and disclosure to ensure compliance with domestic and international regulatory standards and guidelines, thereby enhancing corporate transparency and market confidence.

5-6-2-6. "Regulations on Insurance Solicitation, Underwriting, and Claims Settlement" and "Guidelines for the Sale of Investment-Linked Insurance Products"

5-6-2-6-1. Changes in Regulations

In accordance with recent amendments by the regulatory authorities to the "Regulations on Insurance Solicitation, Underwriting, and Claims Settlement" and the "Guidelines for the Sale of Investment-Linked Insurance Products," when soliciting customers aged 65 or older, an additional suitability assessment of the product for the customer must be conducted, and the marketing process must include recording the solicitation conversation and conducting a follow-up phone call to check on the customer's well-being. In-service training for sales agents has been expanded to include a 3-hour annual training course on the principle of fair treatment of customers and a 2-hour training course on the fair treatment of elderly customers.

5-6-2-6-2. Impact and Mitigation Measures

In addition to training courses required by law, the Bank will continue to conduct various educational and training programs on an irregular basis to reinforce awareness among insurance agents regarding the quality and professionalism of their sales efforts.

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, fintech companies leveraging e-commerce have introduced new forms of financial services. In response, our bank has actively provided various digital services to meet customer needs, while replacing traditional manual operations with improved operational efficiency to reduce service costs. However, while providing convenient services and reducing personnel and administrative costs, we also face challenges posed by emerging technological risks and information risks. Issues such as programming errors, system crashes, or cyber-attacks (including viruses) may all give rise to operational risks. To prevent losses, the Bank has strengthened identity verification, encryption, and data obfuscation capabilities to prevent identity theft and data theft, ensuring the confidentiality and security of transactions. We also continuously monitor system status and utilize information security audit functions to reduce the likelihood of risks occurring. In response to the aforementioned risks, the Bank will further strengthen the resilience of its information architecture in fiscal year 2025. By establishing high-availability architecture and overseas data preservation mechanisms, the Bank will ensure the cross-border recovery capability of critical data to effectively withstand the impact of geopolitical events and extreme disasters on business continuity. At the same time, the Bank will apply intelligent assistive technologies to optimize operational workflows, ensuring precise compliance and reducing the risks associated with manual operations while strictly upholding data sovereignty. Furthermore, in line with industry trends, the Bank established a Digital Finance Department to accelerate the digitization of financial services and products as well as organizational reforms. It also established a dedicated information security unit and appointed a Chief Information Security Officer to strengthen information security protections and integrate information resources. In accordance with regulatory requirements, the Bank regularly conducts various information security assessments, improvement initiatives, and drills to ensure the security and reliability of its services. Relevant departments also provide industry research reports on an ad hoc basis to stay abreast of market changes, thereby enhancing asset quality and reducing credit risk.

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

Since restructuring into a commercial bank, our bank has consistently upheld the corporate philosophy of “taking from society and giving back to society.” In addition to organizing public welfare seminars through the “COTA Cultural and Educational Foundation” - which was established with donations from our bank - we have, for many years, collaborated with the Taichung Blood Center to organize blood drives and have actively sponsored and participated in various social welfare activities, thereby fulfilling our responsibilities as a corporate citizen.

The Bank upholds “Integrity,” “Accountability,” “Altruism,” “Technology,” and “Environmental Care” as its core values. We implement financial consumer protection and the principle of fair treatment of customers in financial services, promote corporate social responsibility (CSR), and place a high priority on compliance systems, anti-money laundering, and countering the financing of terrorism; In the future, we will further strengthen our commitment to ESG sustainability, guide our customers to prioritize sustainability issues, and promote green finance-related businesses. We are dedicated to balancing asset quality with risk and return, building the competitiveness needed for the Bank's long-term development, and becoming a comprehensive, high-quality bank.

5-6-5. Expected Benefits, Potential Risks, and Mitigation Measures Related to Mergers and Acquisitions: There are currently no plans for mergers or acquisitions.

5-6-6. Expected Benefits, Potential Risks, and Mitigation Measures Associated with Expanding Business Locations

To expand our brand awareness and market share, in addition to conducting careful evaluations when expanding our branch network, we have in recent years gradually been planning to rebuild and renovate our existing facilities at their original locations. This initiative aims to enhance the customer experience and align with national policies promoting sustainable business practices and environmental protection. We have begun implementing green building projects to achieve mutual prosperity across social, economic, and environmental dimensions.

5-6-7. Risks Associated with Business Concentration and Mitigation Measures

1. In accordance with the Banking Act, the Bank establishes its own approved credit limits within the statutory limits for the same borrower, the same related party, the same affiliated enterprise, and interested parties in its credit business; in addition, the Bank

sets relevant risk control limits for various industry sectors and industries with high climate transition risks (high-carbon emission industries) and reports these to the Risk Management Committee.

2. The Bank monitors and controls the compliance ratios and applicable limits under the Banking Act related to its credit business through its information management system or reporting mechanisms. It continuously tracks and monitors the concentration of business across the entire Bank to diversify risks, maintain asset quality, and ensure the Bank's sound operations.

5-6-8. Impact of Changes in Control on Banks, Associated Risks, and Mitigation Measures None

5-6-9. Impact on the bank, risks, and mitigating measures resulting from a significant transfer or change in the shareholdings of directors, supervisors, or major shareholders holding more than one percent of the shares: None

5-6-10. Litigation or Non-litigation Matters: None

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

With regard to other risks, such as strategic, goodwill, and compliance risks, the Bank will closely monitor market conditions and relevant regulatory changes and adjust its business strategies in a timely manner to enhance operational flexibility and competitiveness.

5-7. Crisis Management and Response Mechanisms

5-7-1. To improve the Bank's emergency crisis management system and strengthen measures to prevent various crisis events—so that, in the event of a major crisis, the Bank can respond promptly and effectively to minimize damage, protect customer interests, and swiftly restore socioeconomic order—the Bank has established relevant guidelines, contingency measures, and a disaster emergency response manual. The Bank has also established a crisis management team, which is convened by the General Manager to implement contingency measures.

5-7-2. To ensure rapid communication and the mobilization of personnel for emergency response in the event of a disaster, a disaster emergency communication and notification mechanism has been established in advance, with department heads and managers responsible for issuing notifications and maintaining communication.

5-7-3. In the event of a major incident, in addition to notifying law enforcement and other agencies to take emergency remedial measures, a report must be submitted immediately to the competent authority.

5-7-4. In the event of a natural disaster, this Bank will act in accordance with the "Guidelines for Disaster Prevention and Response by Financial Institutions" and the "Regulations on Business Hours of Financial Institutions and Procedures for Suspension of Operations in the Event of Natural Disasters" established by the competent authority. With regard to bill clearing and returned check record-keeping operations, this Bank will follow the "Instructions of the Taiwan Clearing House Regarding Bill Clearing and Returned Check Record-Keeping Operations in Response to Work Suspensions in Certain Areas" established by the Taiwan Clearing House.

5-7-5. In cases where operations are outsourced to third parties (referred to as "contractors"), to prevent the Bank's operations or customer interests from being adversely affected by factors such as a decline in service quality, sudden termination of contracts, or cessation of operations by the contractor, the Bank has established the "Outsourced Operations Emergency Response Plan and Customer Dispute Resolution Procedures" to provide customers with channels for resolving complaints and to enhance their satisfaction with the Bank's services.

5-8. Other Significant Matters: None

6 Special Notes

6-1. Information on Affiliated Companies: For the most recent fiscal year and as of the date of publication of the annual report: None.

6-2. Status of private placements of securities and financial bonds for the most recent fiscal year and as of the date of publication of the annual report: None.

6-3. Other necessary additional information: None.

6-4. Matters that occurred during the previous fiscal year and up to the date of publication of the annual report that had a material impact on shareholders' equity or securities prices, as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act: None.

✱ Chronological Highlights

2025.01.01	Launch of the Audit Management System.
2025.02.13	Launch of the Compliance Self-Assessment System.
2025.03.15	“Together Team COTA” 110th Anniversary Banquet.
2025.04.10	Launch of the new telephone voice response system
2025.04.19	Collaborated with the Mountaineering Association to participate in forest conservation and tree-planting activities
2025.05.12	Launch of Step-down Bonds
2025.06.02	Launch of the Electronic Form System
2025.06.15	Fitch Ratings announced the Bank’s latest credit ratings: National Long-Term Rating of “A-(twn)”, National Short-Term Rating of “F1(twn)”, with a Stable Outlook
2025.06.19	Annual Shareholders’ Meeting.
2025.06.30	Implementation of the credit card eDDA real-time authorization service.
2025.08.08	Cash dividend payment date.
2025.08.27	Awarded the “Elderly Care Trust Award” in the FSC’s 4th Trust 2.0 Evaluation Program
2025.09.19	Officially obtained ISO 22301 Business Continuity Management System certification
2025.10.16	Held the 2026 “COTA Sharing Love, Donating Blood with Passion” blood donation campaign
2025.11.09	The Consumer Finance Department held the ESG beach cleanup event “Love the Earth • Green Action in Daily Life,” including a beach cleanup and seminar
2025.11.15	Held the 2025 Tree Protection Activity
2025.11.22	Completed the development of internationally standardized message formats in compliance with the SWIFT ISO 20022 migration project
2025.12.09	Cash capital increase, issuance of new shares and subscription base date
2025.12.14	Held the 110th Anniversary Appreciation Concert “Heritage in Harmony, Inspiring the Future
2025.12.15	Launched “Specified Money Trust Investments in Offshore Structured Products
2025.12.15	Launched “Offshore Structured Products” services exclusively for professional investors

* 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, NewTaipei City 242, Taiwan	886-2-22768887	886-2-22768611
Hsinchu 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

These Guidelines have been established to ensure that the conduct of the Company's personnel complies with ethical standards.

For the purposes of these Guidelines, "Company personnel" refers to directors, managers, and other employees.

For the purposes of these Guidelines, "managers" include the President, Vice Presidents, Assistant Vice Presidents, Managers, Assistant Managers, and other individuals with authority to manage the Company's affairs and sign on its behalf.

For the purposes of these Guidelines, "Company employees" refers to managers and other employees.

Article 2

Directors shall exercise a high degree of self-discipline. A director shall recuse himself or herself from any matter on the Board's agenda if there is a conflict of interest involving the director personally or a legal entity represented by the director that could harm the Company's interests, or if the director personally believes, or the Board resolves, that recusal is warranted.

The Company's personnel shall conduct official business in an objective and efficient manner and shall not use their positions within the Company to secure improper benefits for themselves, their spouses, parents, children, or relatives within the second degree of kinship.

When the Company engages in lending or providing guarantees, significant asset transactions, or purchasing or sales transactions with affiliated enterprises to which the aforementioned personnel belong, the Company shall prevent conflicts of interest, and such personnel shall proactively disclose whether there are any potential conflicts of interest between themselves and the Company.

Article 3

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

(1) Seeking or obtaining personal gain through the use of the Company's property or information, or by taking advantage of their position;

(2) Competing with the Company.
When the Company has an opportunity to generate profit, employees have a responsibility to maximize the legitimate and lawful benefits the Company can obtain.

Article 4

In the course of conducting business, our employees shall act with fairness, integrity, and transparency. They shall not, directly or indirectly, offer, promise, solicit, or accept any improper benefits, nor engage in any other acts of dishonesty-such as those that violate integrity, are unlawful, or breach their obligations-for the purpose of obtaining or maintaining benefits. However, this provision does not apply to gifts or hospitality permitted by social etiquette, customs, or company policies.

Article 5

Employees of the Company shall exercise due care in managing matters, confidential information, and customer or shareholder data that come to their knowledge in the course of their duties, and shall be bound by a duty of confidentiality. Except as authorized or required by law, such information shall not be disclosed to others or used for purposes other than those related to their work.

The information subject to confidentiality under the preceding paragraph includes all non-public information that could be exploited by competitors or that, if disclosed, could cause harm to the Company or its customers.

Article 6

Employees of the Company shall treat the Company's customers, competitors, and employees fairly, and shall not obtain improper benefits through manipulation, concealment, or misuse of information obtained in the course of their duties, making false statements regarding material matters, or engaging in other unfair trading practices.

Employees of the Company shall strictly adhere to the Code of Ethical Conduct and shall not assist customers in making arrangements intended to evade taxes.

Article 7

Employees of the company have a responsibility to protect the company's assets and ensure that they are used effectively and lawfully for business purposes.

Article 8

The Company's personnel shall comply with all relevant laws and regulations, including the Banking Act, the Securities and Exchange Act, the Personal Data Protection Act, and the Anti-Money Laundering Act.

If a director becomes aware that the Company is at risk of suffering significant harm, he or she shall take prompt and appropriate action, immediately notify the Audit Committee or the independent directors on the Audit Committee, report the matter to the Board of Directors, and notify the competent authorities.

Article 9

The Company shall strengthen its promotion of ethical values and encourage employees who suspect or discover any conduct that violates laws, regulations, or the Code of Ethics to not only report such incidents in accordance with the "COTA Commercial Bank Whistleblowing Case Handling Procedures," but also to proactively report them to the Chairman, independent directors, the Chief Auditor, or other appropriate personnel, and to provide sufficient information to enable the Company to handle subsequent matters.

If a reporting individual is subjected to retaliation, threats, or harassment, they should immediately report the matter to the Chief Auditor or other appropriate personnel, and the Company shall take appropriate action without delay.

Article 10

If a director or employee of the Company is found to have violated the Code of Ethics, the matter shall be submitted to the Board of Directors or referred to the Personnel Review Committee for appropriate action. However, in cases involving serious violations of laws and regulations, legal liability shall be pursued. If a director or manager of the Company is found to have violated this Code or is found by a court to have acted unlawfully, the Company shall immediately disclose on the Market Observation Post System the title, name, date of the violation, details of the violation, the specific provision of the Code violated, and the disciplinary action taken against the individual who violated the Code of Ethics.

Article 11

If it is necessary to exempt a director or executive from compliance with the provisions of these Guidelines, such exemption must be approved by a resolution of the Board of Directors, and the following information must be disclosed immediately on the Market Observation Post System: the title and name of the person granted the exemption, the date the Board approved the exemption, any objections or reservations expressed by independent directors, the period during which the exemption applies, the reasons for the exemption, and the criteria for granting the exemption, so that shareholders may assess whether the Board's resolution is appropriate. This is intended to prevent arbitrary or questionable exemptions from compliance with the Code and to ensure that any such exemptions are subject to appropriate control mechanisms to protect the Company.

Article 12

Restrictions on the Chairman and General Manager holding concurrent positions in non-financial businesses include:

(1) Internal management of concurrent positions held by executives: This includes mechanisms to prevent conflicts of interest, measures to prevent the improper use of information, the duty of loyalty owed by executives, a tiered accountability mechanism, ensuring that job titles correspond to authority and responsibilities, and a clear and well-defined reporting structure. Furthermore, the chairman, general manager, or any person holding an equivalent position at a non-financial enterprise may not concurrently hold executive positions at this Company, such as chairman or general manager, that carry leadership responsibilities.

(2) The Company's Chairman and General Manager who concurrently hold positions in non-financial enterprises shall submit a written commitment to comply with the above provisions and avoid conflicts of interest, which shall include, at a minimum:
   1. I hold a concurrent position in a non-financial enterprise but do not possess the authority or responsibilities of a chairman, general manager, or equivalent position.
   2. During my tenure with the Company, I shall fully implement stakeholder management mechanisms and comply with relevant regulations.
   3. I shall fulfill my fiduciary duty to the Company; if a conflict of interest arises between the Company and the other entity where I hold concurrent office, I shall prioritize the interests of the Company and shall refrain from engaging in transactions - such as investments - related to the entity where I hold concurrent office using information obtained during my tenure as an executive of the Company.

Article 13

The Company shall disclose its Code of Ethical Conduct in its annual report, prospectus, and on the Public Information Observation Station; the same applies to any amendments thereto.

Article 14

The Company's Code of Ethical Conduct shall take effect upon approval by the Audit Committee and the Board of Directors and shall be reported to the shareholders' meeting; the same applies to any amendments thereto.

COTA Commercial Bank

2025