

Results of external evaluation of board performance in 2025

1. The Bank's "Board of Directors Performance Evaluation Methods" were adopted by resolution at the 19th meeting of the 10th Board of Directors on November 11, 2020, and clearly stipulate that external evaluations will be carried out at least once every three years.
2. In May 2025, the Bank invited the Taiwan Institute of Ethical Business (TIEB) to conduct an external board performance evaluation, focusing on the overall effectiveness of the board of directors during the period from 1 July 2024 to 30 June 2025. The executive committee members responsible for assessing the Bank's board of directors' effectiveness are Du Yijing, Wang Xiaowen, and Li Jianran. All three members hold qualifications as lecturers or above at public or private universities in fields related to finance, accounting, or law. They are scholars and experts with long-term expertise in corporate governance and have no business dealings with the Bank. They have no direct or indirect significant financial interests related to the bank, and they have no familial relationships with the bank's directors, including spouses, direct blood relatives, direct in-laws, or collateral blood relatives within the second degree of kinship. Additionally, they do not hold any positions at the bank or in other organisations that could directly and significantly influence the results of this assessment report. They maintain an impartial and objective stance, possessing professionalism and independence.
3. Taiwan Institute of Ethical Business in addition to reviewing the documents provided by the bank to the board of directors and the corporate director questionnaires completed by the nine directors, TIEB conducted on-site evaluations of three directors at the bank from 2 June 2025. The evaluations focused on four key areas: the professional functions of the board of directors, the decision-making and communication effectiveness of the board of directors, the board of directors' emphasis on and supervision of internal controls, and the board of directors' attitude towards sustainable operations. TIEB reviewed the current operations of the Bank's board of directors and functional committees, and through the guidance and exchanges of the assessment committee members, submitted an assessment report on 23 July 2025. The Bank has submitted the external board performance assessment report to the 10th meeting of the 12th board of directors on 25 August 2025 for record.
4. The overall evaluation, optimisation recommendations, and optimisation and improvement measures of our bank as stated in the assessment report issued by

the Taiwan Institute of Ethical Business are as follows:

(1) Overall Observation Conclusions

- I. The evaluated company has highly concentrated and stable equity ownership, with the chairman's family holding over 70% of the shares for an extended period, ensuring that the company's decision-making prioritises long-term development. The initial composition of the board of directors primarily reflected the equity structure, but with the introduction of corporate governance principles, the membership has become more diverse.
- II. The evaluated company places importance on the succession of managerial experience. Currently, it relies on the experience of senior managers and references Japanese corporate practices such as retirement conditions and a half-salary advisory system to promote the succession and reasonable utilisation of experience. Simultaneously, it actively attracts emerging talent to address new issues such as sustainable finance and digital finance.

(2) Optimisation Recommendations from the Evaluation Report and the Bank's Optimisation and Improvement Measures

| Project | Optimisation Recommendations for the Evaluation Report | Optimisation and Improvement Measures by the Bank |
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| 1. | <p>Board Composition</p> <p>Referring to the 2015 Corporate Governance Evaluation Indicators published by the Taiwan Stock Exchange, companies should establish a board diversity policy, and board members should have different professional backgrounds (e.g., law, accounting, industry), gender, age, or work areas.</p> <p>Board composition is a key concern for professional institutional investors and may even influence their voting intentions during board elections. While the evaluated company has already established a board diversity policy, to further strengthen board structure</p> | <p>The Bank will take into account various indicators and comprehensively consider performance evaluation results during future board member elections to continuously strengthen board diversity and enhance overall corporate governance effectiveness.</p> |

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| | <p>and operations, it may consider continuously optimising indicators such as gender ratio, age distribution, professional backgrounds (e.g., compliance, ESG, fintech, etc.), and independence based on its operational circumstances to enhance overall corporate governance effectiveness.</p> | |
| 2. | <p>Gradually establish a culture of integrity through education and training</p> <p>In accordance with the 2025 Corporate Governance Evaluation Criteria published by the Taiwan Stock Exchange, companies should establish and disclose a whistleblowing system for both internal and external personnel regarding illegal (including corruption) and unethical behaviour. Additionally, in accordance with the Implementation Measures for Internal Control and Audit Systems of Financial Holding Companies and Banks, banks should regularly conduct whistleblowing system promotion and education and training for their personnel.</p> <p>The evaluated company has established a whistleblowing system implementation regulation, which includes provisions for whistleblowing channels, conflict of interest provisions, and whistleblower protection measures. The company also regularly conducts training for all employees to enhance their understanding of the whistleblowing system.</p> <p>In response, some interviewed directors noted that when audit personnel handle whistleblowing cases, they may require cross-</p> | <p>The Bank will plan relevant training courses based on the actual needs of whistleblowing case handlers. For example, during the biannual ‘Confidentiality Education and Anti-Money Laundering Awareness’ training sessions, the Bank will strengthen education and training on confidentiality and whistleblowing case handling capabilities to enhance cross-departmental capabilities in handling whistleblowing cases and reinforce the Bank’s corporate</p> |

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| | <p>departmental assistance. Challenges arise in balancing confidentiality while avoiding concerns from both whistleblowers and those being reported. In this regard, the evaluated company may consider designing appropriate training programmes tailored to the actual needs of whistleblowing case handlers to enhance cross-departmental capabilities in handling such cases and strengthen the company's integrity culture.</p> | <p>integrity culture.</p> |
| 3. | <p>Talent Development, Retention, and Recruitment Issues</p> <p>Referring to the 2025 Corporate Governance Evaluation Criteria published by the Taiwan Stock Exchange, companies should create a favourable environment for employees' career development by establishing employee training and development plans to enhance their professional capabilities, and disclose the content and implementation status of such plans. Additionally, to ensure employees have the right to access information and express opinions regarding the company's operational activities and decisions, regular employee satisfaction surveys should be conducted, and the implementation status and improvement plans should be disclosed.</p> <p>According to interviews, the evaluated companies need new talent to address issues such as sustainable finance and digital finance, which is also one of the challenges faced by the entire financial industry. According to the evaluated companies, they</p> | <p>The Bank will continue to monitor the implementation outcomes to ensure the effective implementation of talent development strategies.</p> |

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| | <p>have already incorporated ESG themes into their employee training courses and provide incentives to encourage employees to obtain sustainable finance certifications. It is recommended that the evaluated companies continue to track the implementation results to ensure the implementation of their talent development strategies.</p> | |