



臺灣企銀
Taiwan Business Bank



2024

Taiwan Business Bank | Sustainability Report

Sustainability
Report





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► About this Report

Publication of the Report

Taiwan Business Bank (TBB) is the only SME specialized bank in Taiwan. The Bank focuses on "Corporate Governance, Customer Rights, Employee Care, Sustainable Environment, Sustainable Finance and Social Welfare" and continues to improve to meet international standards. This Report is the Bank's 13th report disclosing the corporate sustainable development status (TBB's CSR Report was renamed Sustainability Report in 2021) since 2012 (Issuance of 2011 CSR Report). This Report reveals the sustainable development status of the Bank in 2024, and reports the results of the Bank's CSR implementations in the past year to the public and TBB's stakeholders to strengthen corporate governance, respond to the expectations and needs of the public and investors, fulfill values of sustainable operations, and build a green finance brand image in the public's perception. All previous reports (Chinese version of 2012 to 2023; English version of 2019 to 2023) have been published on TBB's website under the Sustainable Development section for online browsing and download.

Reporting Period

This Report is regularly issued and publicly disclosed every year. The previous Report was issued in June 2024, and this year's Report was published in June 2025. The Report discloses TBB's governance, social, and environmental achievements in 2024 (from January 1, 2024 to December 31, 2024). Some information can be traced back to the relevant performance before 2024 or the latest information in 2025 to present the complete differences and changes in data. There is no restatement of information in this Report.

Scope of the Report

The scope of disclosure focuses on the operating activities and services of TBB and its subsidiaries, and accounts for 100% of the consolidated net income of the Bank. All financial figures are calculated in NTD, and relevant statistics are calculated based on international common standard indicators, including the implementation results of some overseas branches. The scope of environmental protection issues includes the Head Office of Taiwan Business Bank, domestic and overseas business locations (including securities HO and branches) and consolidated subsidiaries (TBB International Leasing Co., Ltd., Taiwan Business Bank International Leasing Co., Ltd., TBB (Cambodia) Microfinance Institution Plc, TBB Venture Capital Co., Ltd., TBB Consulting Co., Ltd.). The scope of social-oriented information covers the Head Office of Taiwan Business Bank, domestic business locations (including securities HO and branches), the Bank's expatriates at overseas business locations, and staff on secondment to the consolidated subsidiaries (TBB International Leasing Co., Ltd., Taiwan Business Bank International Leasing Co., Ltd., TBB (Cambodia) Microfinance Institution Plc, TBB Venture Capital Co., Ltd., TBB Consulting Co., Ltd.). When the quantitative indicators disclosed above have special meanings, they will be explained in footnotes.

Basis of the Report

Published by:	In accordance with:
Global Reporting Initiative (GRI)	GRI 2021 version
Taiwan Stock Exchange Corporation	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (hereinafter referred to as "Rules for Reports")
United Nations	SDGs
International Organization for Standardization (ISO)	ISO 26000 Guidance on Social Responsibility
Sustainability Accounting Standards Board (SASB)	SASB-Commercial Bank

Data Quality

Standards followed	Certification/Assurance Agency ¹
AA 1000 AS v3 (Type 2 Moderate)	British Standards Institution (BSI)
Statement of Assurance Engagements Standards No. 1, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information"	Ernst & Young Accounting Firm

¹ The external certification/assurance agencies only perform the evaluation and verification of the 2024 Sustainability Report and do not have any financial relationship with the Bank.

Internal Control System of the Report

This Report was prepared in accordance with the Bank's "Sustainability Report Preparation and Assurance Operation Procedures" and was submitted to and approved by the 2nd meeting of the Sustainable Development Committee and the 12th meeting of the 17th Board of Directors in 2025.

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Previous Reports



From the Chairman

In 2024, TBB's sustainable development achievements showed outstanding performance. Upholding the business philosophy of "progress, efficiency, and responsibility", the Bank continuously deepens all aspects of ESG development and actively participates in representative domestic and international sustainability assessments. In addition to being selected as a constituent stock of the Taiwan Sustainability Index for 15 consecutive years, the Bank also received the honor of 2nd "Sustainable Finance Evaluation - Top 25% in the Banking Industry" from the Financial Supervisory Commission " in 2024. Furthermore, in the 2024 evaluation results and company A-list recently announced by the world's largest carbon disclosure organization CDP (Carbon Disclosure Project), TBB was placed in the leadership level for the first time and was rated "A-" for the Climate Change questionnaire, demonstrating the significant recognition by all sectors for the Bank's commitment to sustainable development.

The government officially announced the "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategy Overview" and the "12 Key Strategies Action Plan" in March 2022. To achieve the net-zero transition goal, TBB signed a commitment to the Science Based Targets initiative (SBTi) in May 2023 and passed the SBTi carbon reduction target validation in March 2024. Additionally, through measures such as replacing old air conditioning systems and expanding the use of renewable energy, the Bank has reduced Category 1 and Category 2 carbon emissions. In 2024, renewable energy procurement reached a total of 2.266 million kWh, achieving the Bank's target of a renewable energy usage rate of 10% or more. As Taiwan's only SME specialized bank, we understand that SMEs face greater challenges on the path to implementing ESG sustainable development than large enterprises, with much more difficulty obtaining information and resources. With the spirit of "equal emphasis to financing and guidance", the Bank cooperates with the Small and Medium Enterprise and Startup Administration of the Ministry of Economic Affairs, the Taiwan SMECF, the Industrial Technology Research Institute, the Metal Industries Research and Development Centre, and the Taiwan Institute of Economic Research to establish tools for basic carbon inventory, carbon reduction counseling, and ESG self-assessment, enhancing SMEs' basic understanding of net-zero emissions. Meanwhile, the Bank continually develops sustainable financial products and services, and actively promotes "Green Energy Sustainable Project Loans" and "Machinery and Equipment Upgrade Loans" which support sustainable

environmental financing for enterprises and help customers obtain funds to purchase renewable energy, pollution control, and energy-saving equipment. By encouraging SMEs to conduct energy management assessments and assisting them in obtaining green transformation financing, the Bank effectively guides enterprises toward net-zero transition.

TBB values customer needs and continues to develop financial technology and promote digital transformation. With Sense of Security, Customer First, Design Thinking, and Innovation WOWs as core value strategies, the Bank pioneered the Payroll Loan and the senior-friendly version of Mobile Banking APP, and developed a one-stop Cloud Counter Digital Application Platform, greatly enhancing application efficiency. The product development integrates technology, service, marketing, and public welfare, providing a broad customer base with convenient, secure, and diverse financial services. The Bank's outstanding performance earned the highest honor, the "National First Prize" of the National Brand Yushan Award, setting a record as the first government bank to win this top national award for 4 consecutive years. Meanwhile, the Bank continues to cultivate financial innovation and actively invests in patent R&D. In 2024, it was listed for the first time in the "Top 100 Domestic Legal Person Patent Rankings" announced by the Intellectual Property Office of the Ministry of Economic Affairs, and obtained TIPS Grade A certification in trademark management, demonstrating the Bank's outstanding achievements in digital financial transformation and patent deployment. TBB also emphasizes social and human capital development, continuously improving employee well-being. In 2024, the Bank established maternity and paternity leave policies exceeding legal requirements and commissioned professional institutions to provide employee "psychological counseling services", offering access to professional counselors to help employees adjust and relieve work-related emotions and stress, communicate and resolve problems, thereby safeguarding employees and creating a happy workplace. In addition, the Bank actively fulfills its social responsibilities by continuously expanding senior learning center locations, enhancing hardware facilities, subsidizing meal costs, organizing health classes and cultural and arts events in various forms to contribute love and care. The Bank has long provided donations of nutritious breakfasts to rural elementary schools, caring for disadvantaged groups and fulfilling community care.

The Bank's Sustainable Development Committee, a functional committee directly under the Board of Directors, started to convene quarterly meetings since 2023 to facilitate effective communication and participation, ensuring that the Board and the senior management recognize the importance of sustainability issues. TBB has long integrated the principles of ESG sustainable development into the bank-wide operating policies and corporate culture, and actively promotes climate risk governance. In 2024, the Bank continued to release the "Task Force on Climate-related Financial Disclosures (TCFD) Report", which was audited by the British Standards Institution (BSI) and received the highest rating of "Level 5+: Excellence". The TCFD report also incorporated the Task Force on Nature-Related Financial Disclosures (TNFD) framework for the first time, extending the focus to areas such as biodiversity and natural resource protection, and providing stakeholders with more comprehensive and detailed sustainability information. Additionally, in accordance with the "Roadmap for Taiwan Listed Companies to Align with IFRS Sustainability Disclosure Standards" announced by the FSC in August 2023, the Bank established the "IFRS Sustainability Disclosure Standards Implementation" task force and formulated the "IFRS Sustainability Disclosure Standards Implementation Plan" to continuously align with government policies, connect with international practices, improve the quality of sustainability information, and deepen sustainability governance.

As global attention to climate change continues to grow, achieving net-zero transition is a imperative goal for enterprises. Sustainable finance is not only an international trend, but also a key strategy and corporate mission of Taiwan Business Bank. Going forward, the Bank will continue to deepen its positive financial impact, and integrate ESG factors more closely into core business decisions. I also encourage all employees to incorporate sustainability thinking into daily operations and processes to enhance the Bank's long-term value and competitiveness. Faced with diverse sustainability issues and unknown challenges, we do not rush forward, but proceed with a steady pace and achieve our goals step by step. With the original intention and passion of "becoming a partner for SMEs" in mind, we will uphold the core values of a SME specialized bank, provide solid support for enterprise development, and accompany SMEs on the journey towards sustainable management.

Chairman / **Chia-Hsiang Lee**

Senior Learning Centers Invited Elders to Watch Puppet Shows to Promote Anti-Fraud Awareness in Celebration of Double Ninth Festival

To celebrate the Double Ninth Festival and support traditional arts and culture, TBB organized puppet show performances at a number of its Senior Learning Center locations. In addition to spreading joy and blessings to the elderly citizens, it also incorporated financial fraud prevention concepts into the plot and interactive Q&A sessions to enhance the elders' anti-fraud knowledge in an entertaining way.

Puppetry is a fond memory for many elders. On the eve of the Double Ninth Festival, the Bank invited troupes such as the Taipei Puppet Theater, the Unique Puppet Theater, and the Chang Yi Ge Hand Puppet Theater to perform at the Senior Learning Centers in northern, central, and southern Taiwan. The performances were rich and diverse. For instance, by using the well-known "Journey to the West" as the theme, the shows combined the classic story with anti-fraud knowledge to resonate with the elders. After the performances, a quiz contest was held to deepen the anti-fraud awareness of the elderly in the community.

TBB firmly supports traditional arts. To promote the culture of glove puppetry, the Bank introduced different roles and puppet shapes of glove puppetry to the community elders before each performance. It also arranged activities such as letting the elderly operate the puppets themselves and finger joint exercises to allow the elderly to gain a deeper understanding of their childhood memories and enhance interaction and participation. Since the elderly or retirees are often targeted by fraud groups, TBB is keen on preventing financial fraud by strengthening on-site educational trainings from tellers and through organizing anti-fraud advocacy, etc., to build a solid anti-fraud line of defense for the public.

As Taiwan enters a super-aged society, the elderly need a more complete care system. To continue promoting care for the elderly, TBB has been running the Senior Learning Centers across Taiwan since 2018. In addition to renovating related facilities and providing the elderly with a high-quality dining and activity environment, at the same time, the Bank also issues the Charity Affinity Signature Business Card, which sets aside 0.3% of the consumption amount as sponsorship funds for the Senior Learning Centers. The Bank has also set up a dedicated public welfare trust fund specifically for the care of the elderly and vulnerable groups. As of the end of 2024, 26 Senior Learning Centers have been established across Taiwan to jointly support the care of the elderly through actions.

TBB fulfills its corporate social responsibility and implements sustainable development goals, helping the community to promote health, enjoy learning and share meals with the elderly. It also continues to collaborate with the University of Taipei to organize a series of professional courses on sports for the elderly to improve elderly care and promote arts and cultural education. The courses are integrated with anti-fraud publicity to enhance the public's ability to identify fraud. It also combines the Bank's "fraud blocking and prevention" measures with the "fraud punishment" of the prosecutorial, police and investigative agencies to jointly deter fraudulent behavior.



TBB Helps Disaster Victims to Recover and Restart Operations by Providing Disaster Relief Funds

In 2024, Taiwan has been plagued by many more natural disasters than in previous years. From the Hualien earthquake on April 3rd and the intermittent aftershocks, the 3 major typhoons that hit Taiwan consecutively in summer and autumn, to the Chiayi earthquake at the end of the year, all parts of Taiwan have suffered from disasters of considerable scales. Adhering to the spirit of financial-friendly service, TBB has established cross-departmental financial response measures for natural disasters, providing disaster-stricken business owners and individuals with financing for business recovery plans, reconstruction loans, and extensions of existing loans. In addition, TBB also provides credit card customers with services such as free reporting of credit card loss and debt forbearance, actively assisting disaster-stricken households in post-disaster recovery and reducing the burden of local disaster damage.



Post-disaster Financing

TBB is concerned about the enterprises' pressure of disruption of business operations caused by disasters. It provides financial assistance such as "Small and Medium Enterprise Disaster Recovery Project Loans" and "Small Business Owner Loans" to help enterprises fix or rebuild factories, purchase machinery and equipment and raw materials, or resume operations after disasters. In addition, for the disaster-stricken hospitality industry and regional revitalization businesses, the Bank cooperates with government policies to promote loans such as "Loans for the Disaster-stricken Hospitality Industry" and "Financing Assistance for Regional Revitalization Businesses". At the same time, it joined hands with the Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG) to provide 80% to 100% credit guarantees for the above-mentioned 4 types of loans, and no guarantee processing fees are charged during the insurance period, thereby reducing the burden on disaster-stricken enterprises.

For individual disaster victims, TBB has launched a "Loan to Assist the Renovation of Residential Homes in Disaster-stricken Areas", providing up to NT\$2 million in funds for the replacement or renovation of homes in disaster-stricken areas, including up to NT\$500,000 in funds for the purchase of furniture, home appliances, transportation, and other daily necessities for personal use. In addition to financial assistance, the Bank also provides insurance claims and credit card loss reporting for natural disaster losses, and is committed to helping the victims to overcome the impact of natural disasters as quickly as possible and resume their normal lives.



Convenient Digital Financial Services

Considering that affected business owners or individuals are busy with post-disaster recovery, the Bank has established a "Disaster Recovery Loans" section on its website. Disaster victims can learn about post-disaster assistance programs and apply for financial assistance online without being restricted by the Bank's business hours. After accepting appointments, all the Bank's 125 business units across Taiwan are equipped with dedicated personnel to proactively contact the victims to care about their needs. To practice the spirit of providing uninterrupted financial services, disaster victims who are unable to access the Internet can also apply for assistance through the Bank's 24H customer service call center.

The screenshot displays the TBB website's disaster relief service page. At the top, the TBB logo and navigation menu are visible. The main heading is "0403 震災服務專區" (0403 Disaster Relief Service Special Area). Below this, there are two main sections: "企業方案" (Enterprise Solutions) and "個人方案" (Individual Solutions). Each section contains two cards with illustrations and text describing specific loan programs.

企業方案 (Enterprise Solutions):

- 中小企業災害復舊專案貸款 (SME Disaster Recovery Project Loans):** 適用中小企業戶因遭受災害防救法第二條第一款之災害，急需資金從事復舊 (Applicable to SME households affected by the disaster relief law, Article 2, Paragraph 1, requiring funds for recovery).
- 企業小頭家專案貸款 (Enterprise Small Business Owner Project Loans):** 適用限10人以下及僅辦理稅務登記業者，並遭受災害防救法第二條第一款之災害者 (Applicable to businesses with fewer than 10 employees and only tax registration, affected by the disaster relief law, Article 2, Paragraph 1).

個人方案 (Individual Solutions):

- 協助災區住宅修繕貸款 (Assistance for Disaster Area Home Repair Loans):** 支應災民住宅重置、修繕或購置日常生活必需配備者，包括自用之傢俱、家電及交通工具等 (Used for disaster victims to replace, repair, or purchase daily necessities, including self-used furniture, home appliances, and vehicles).
- 協助災區信用卡債務展延 (Assistance for Disaster Area Credit Card Debt Extension):** 適用全體受災戶 (Applicable to all disaster victims).



Financial Counseling Measures

TBB upholds the service spirit that "financing" and "counseling" should be given equal importance. The Bank has already held 6 "Post-Disaster Financial Assistance Loan Briefings" in Hualien, Yunlin, Kaohsiung and other places to promote relevant information such as facilitative measures and financing services to local disaster-stricken residents while explaining the precautions for financing. By physically being present at the front line of disaster-stricken areas to accept customer inquiries and applications, the Bank takes actions to fulfill its corporate social responsibility, show its support for disaster-stricken enterprises to resume operations and help people to rebuild.



Improving Social Resilience

TBB emphasized that Taiwan has been greatly affected by extreme climate in recent years, resulting in disruption of business operations and reduced residential safety. To enhance social resilience, the Bank has promoted several "green financing" and "machinery and equipment upgrading" project loans. By using financial impact, TBB guides corporate equipment upgrades and business transitions to strengthen enterprises' capacity for responding to natural disasters. At the same time, it has launched a full range of "urban renewal financing", planning reconstruction counseling, financing and trust and other one-stop professional financial services, and encouraging the inclusion of smart buildings, green buildings, and other planning and design in building reconstruction. This helps to create diverse values for urban renewal and reconstruction of urban unsafe and old buildings, and to protect Taiwan's residential safety.



Taiwan Business Bank Honored with 14 Yushan Awards; Commended by the Vice President for Outstanding Performance

TBB has long been deeply engaged in sustainable development and digital financial innovation, and won 14 awards at the coveted 21st National Brand Yushan Award for its outstanding operating performance. Among them, the "Best Popular Brand Category - Digitally Friendly Financial Ecosystem, Accessible Life with ESG" and "Best Product Category - Digital Security Firewall; Your Account Security is Safeguarded by Us" services have once again won National First Prize, setting an impressive, first-time record for a government-owned bank to win National First Prize for 4 consecutive years. On February 10, 2025, TBB's Executive Vice President Tseng-Hsiang Yi was invited to the Presidential Office to receive praise and recognition from Vice President Bi-khim Hsiao.

TBB promotes fraud prevention and protects customer account assets by using multiple security mechanisms to build a digital security firewall. It has also developed digital and sustainable dual-axis transition, committed to building a digital-friendly ecosystem, pioneered the Payroll Loan and the senior-friendly version of Mobile Banking APP, and developed a one-stop Cloud Counter Digital Application Platform to greatly improve application efficiency. It combines product development with technology, services, marketing and charity to provide convenient, secure, and diverse financial services to a wide range of customers.

Upholding the core values of a SME Specialized Bank, TBB continuously develops digital finance and green finance, builds a sound business physique, and actively assists SMEs to transition and develop toward co-prosperity. It has performed outstandingly in terms of sustainable development, corporate performance, employee care, and leadership, and its outstanding works were favored by the judges and won the "Outstanding Enterprise Leader" award, 6 "Best Product" awards and five "Best Popular Brand" awards, in addition to 2 National First Prizes.

TBB has achieved great success in digital finance. In its first overseas award presentation, TBB won 5 awards including the "Best Consumer Digital Bank in Asia-Pacific" from Global Finance Magazine, the "Taiwan's Best Sustainability Initiative Award" from ABF, and the "Asia Corporate Social Responsibility Award" from AREA. It also won the "Taiwan Sustainability Action Awards (TSAA)", the "Commercial Times Taiwan Fintech Award", and "CSEA Customer Service Excellence Awards", which is known as the Oscar of the customer service industry, in addition to 14 awards from "National Brand Yushan Award". Having set a new record in collectively winning more than 30 trophies, TBB will continue to demonstrate its digital strength and provide customers with warm and professional financial services, and create a better future with the society.



Sustainability Month Activities

In response to World Earth Day, TBB held a series of "Sustainability Month Activities" in April this year (2024), inviting employees to participate in activities such as secondhand book collection and wetland environmental conservation, instilling the concept of sustainability in the lives of every employee. The Bank also promoted the importance of reducing carbon emissions and plastic waste through online social media. By providing prizes to the public, the Bank called on more people to reduce the burden on the planet and create a sustainable living environment. The series of activities launched this year followed four major themes:

TBB Loves Earth: Green Action Go

In 2024, TBB continued its collaboration with the Kaohsiung Wild Bird Society to carry out the second year of wetland conservation efforts at the adopted Budai Salt Pans. This year's coastal cleanup covered the Xinwen Area 9 Salt Fields, where participated employees collected a significant amount of plastic waste along the route, including PET bottles, diapers, and fishing nets. Colleagues participating in the event removed a total of 24 kilograms of recyclable waste and 80 kilograms of non-recyclable waste. In addition to litter collection, employees also manually removed the invasive species white popinac around the Xinwen North Retention Basin. The cut branches were retained and repurposed as natural paving materials across the wetlands and waterways, thereby minimizing environmental impact and contributing to global sustainability.

Carbon Reduction Advocacy – Facebook Lucky Draw

The Earth is our home! To protect the environment is to protect our home. TBB is committed to environmental sustainability activities and has promoted this concept on its Facebook fan page. By inviting fans and the public to click on 'Like' and participating in related lucky draw events, the Bank draws more fans and the public's attention to its sustainable efforts.



Circular Economy and Reuse – Secondhand Book Collection

The TBB Sustainability Month worked with charity groups and launched a secondhand book drive at the Head Office Building. More than 600 secondhand books were donated, and TBB employees were welcome to exchange books freely at the lobby on first floor at the Head Office Building on April 22nd so that old books could find new homes. The remaining secondhand books were donated to a charity organization so that they could find other book lovers and resources could be reused.

Environmental Education Promotion – Thawing Greenland Video

During TBB's Sustainability Month, the video "Thawing Greenland" was also played to help employees foster environmental education awareness, understand climate change issues, and actively promote green concepts. The Head Office and 125 branches joined the green office initiative from the Ministry of Environment, giving priority to purchasing products with environmental labels, and reducing plastic waste and recycling from the source. Green restaurants and environmental protection point collection activities were promoted to integrate greener living into the day-to-day operations of employees.



Taiwan Business Bank has made great progress in ESG, ranking in the
"Top 25% of the Banking Industry in the 2nd Sustainable Finance Evaluation"





F-ISAC Member Intelligence Sharing

- Excellent performance under the bank category of the 2024 F-ISAC member intelligence sharing awards

Date: January 2025

Organizer: F-ISAC

Area: **S**

Wealth Management Excellence Awards

- Innovative Trust Services Award

Date: March 2024

Organizer: Wealth Magazine

Area: **S**

SMEs Credit Guarantee Financing Business Outstanding Financial Institutions and Credit Managers

- Credit Guarantee Gold Award – Financial Institutions
- Batch Credit Guarantee Gold Award
- Post-pandemic Stimulus Award
- Low Carbon Smart Award
- Regional Recovery and Post-pandemic Stimulus Award
- Collaboration with Corporates Award
- Credit Guarantee Gold Award – Credit Managers (3 awards)

Date: March 2024

Organizer: TSMEG

Area: **ESG**

AREA Asia Responsible Enterprise Awards

- Social Empowerment Award

Date: June 2024

Organizer: Enterprise Asia

Area: **S**

TWSIA Taiwan Sustainable Investment Awards

- Case Influences Category – Sustainability Bonds – Silver Award

Date: June 2024

Organizer: Taiwan Institute for Sustainable Energy

Area: **E**

Program to Encourage Loan Projects by Domestic Banks to SMEs (Group A)

- Outstanding Bank

Date: June 2024

Organizer: Financial Supervisory Commission (FSC)

Area: **S**

2024 Taiwan's Best Sustainability Initiative Award

- 2024 Taiwan's Best Sustainability Initiative Award

Date: July 2024

Organizer: Asian Banking & Finance Magazine

Area: **ESG**

2024 TSAA Taiwan Sustainability Action Awards

- SDG15 Digital Saving NFT Tree Planting New Vitality – Silver Award
- SDG13 Sustainable Life Card with Green Food, Carbon Reduction – Bronze Award

Date: August 2024

Organizer: Taiwan Institute for Sustainable Energy

Area: **E**

Urban Renewal & Old Building Reconstruction Awards

- Urban Renewal Award (Reconstruction)

Date: September 2024

Organizer: Wealth Magazine

Area: **S**

National Enterprise Environmental Protection Award

- **Bronze Award**

Date: September 2024

Organizer: Ministry of Environment

Area: **E**

Global Finance Digital Bank Awards

- **Best Personal Finance Digital Bank in Asia Pacific**
- **Best Online Product and Service in Asia Pacific**
- **Best Personal Mobile Bank in Taiwan**
- **Best Online Product and Service in Taiwan**
- **Best Digital Transformation in Taiwan**

Date: October 2024

Organizer: Global Finance
Digital Bank Awards

Area: **ESG**

CSEA Customer Service Excellence Awards

- **Best Customer Service Institution Award**
- **Best Integrated Marketing Award**
- **Best Social Media Presence Institution Award**

Date: November 2024

Organizer: TCCDA

Area: **S**

2024 Excellence Bank Evaluation – Non-FHC Affiliated Banks Category

- **Best Corporate Banking Award**

Date: September 2024

Organizer: Excellence Magazine

Area: **ESG**

National Brand Yushan Award

- **National First Prize (2 awards)**
- **Outstanding Enterprise Leader Award**
- **Best Popular Brand Award (5 awards)**
- **Best Product Award (6 awards)**

Date: October 2024

Organizer: National Enterprise
Competitiveness
Development Association
National Brand Yushan
Award Selection Committee

Area: **ESG**

Commercial Times Taiwan Fintech Awards

- **Digital Innovation Award – Gold Award**
- **Digital Services Award – Excellence Award**
- **Digital Inclusion Award – Excellence Award**
- **Banking Group "Digital Information Security Excellence Award"**

Date: October 2024

Organizer: Commercial Times

Area: **S**

TCFD Report Evaluation

- **Excellence Award**

Date: October 2024

Organizer: Center for Business Sustainability, NCCU

Area: **E**

2024 TCSA Taiwan Corporate Sustainability Awards

- **Sustainability Reporting Category – Silver Award for Financial Institutions and Insurance Companies**

Date: December 2024

Organizer: Taiwan Institute for Sustainable Energy

Area: **ESG**

Outstanding Electronic Payment Business Promotion Unit

- **Inter-bank Service Innovation Award**

Date: December 2024

Organizer: Financial Information Service Co., Ltd.

Area: **S**

<Trust Award> Trust Innovation and Diversity Award

- **Best Trust Marketing Award – Excellence**
- **Diversified Trust Special Creativity Award**

Date: December 2024

Organizer: Commercial Times

Area: **S**



Significant ESG Achievements

Environment



NT\$ 33.038 billion
Cumulative balance of sustainable environment loans
Up by NT\$6.210 billion compared to 2023
Table 1-3 of the Rules For Reports

141,000 kWh
2024 Electricity Saving Competition Results
141,000 degrees less than in 2023
Carbon emissions reduced by 69 metric tons/CO₂e
Saved approximately NT\$0.56 million

2,266,000 kWh
Renewable energy purchased in 2024

NT\$ 95.69 million
Total green procurement in 2024
Received certificates of appreciation from the Ministry of Environment and the Taipei City Government

50,408 cards
Total number of Sustainable Life Cards issued
Up by 3,285 cards compared to 2023

Passed SBT target review

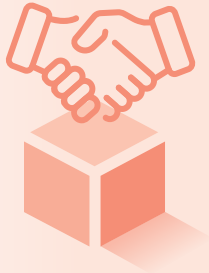
Passed officially on March 22, 2024
The second among all government banks
Committed to reduce carbon emissions by 42% (Scope 1 + Scope 2) by 2030

Obtained Carbon Footprint Labels

Issued by the Ministry of Environment, Executive Yuan
Obtained 6 labels in total: credit card, e-Loan, and digital deposit account (account opening, fund transfer, balance inquiry, and fund subscription)

Grade A- (Leadership Level)
Complete the CDP questionnaire
Upgraded from B in 2023 to A- in 2024

Society



None
Information leakage incidents
Table 1-3 of the Rules For Reports

Employee director: 3 seats
Accounting for 20%

NT\$ 323.481 billion
Balance of small and micro enterprise loans
Table 1-3 of the Rules For Reports

New employee counseling services

Phone and email consultations: 125 person-times
Individual counseling: 14 person-times

NT\$ 32.95 million
Cumulative sponsorship of Senior Learning Centers Program
Up by NT\$8.62 million compared to 2023

2,564 people Number of participants in financial education provided to enable financial education to take root in schools and communities
Table 1-3 of the Rules For Reports

Maternity and paternity leave days exceeding statutory requirements From September 3, 2024

Maternity leave: 58 days, Prenatal check-up leave: 8 days,
Paternity prenatal and paternity leave: 8 days

Help prevent fraud Organized 56 internal and external "Fraud Prevention Knowledge Promotion" activities in 2024
A total of 131 fraud cases were prevented
Prevented fraud amounting to NT\$107.53 million

NT\$ 30.27 million
Charity donations accumulated by 0.3% of transactions on Charity Affinity Signature Business Cards
Up by NT\$4.67 million compared to 2023

Governance



15 consecutive years
Selected as a constituent stock of the Taiwan Employment Creation 99 Index

15 consecutive times
Selected as a constituent stock of the FTSE4Good TIP Taiwan ESG Index

5 seats
Percentage of independent directors: 33.3%

11 consecutive years
Selected as a constituent stock of the Taiwan High Compensation 100 Index

Top 6%-20%
The 11th Corporate Governance Evaluation

First-time acquisition of Taiwan Intellectual Property Management System (TIPS) Grade A Certification

"Level-5+: Excellence grade"
Top level of certification
Climate-related Financial Disclosures (TCFD) Model Maturity

First-time inclusion in the list of institutions with better disclosure of stewardship information for institutional investors



01

**About Taiwan
Business Bank**

1.1 Vision

Taiwan Business Bank (TBB) has a century-old history and is the only SME specialized bank in Taiwan dedicated to serving small and medium enterprises. It is responsible for providing financing and guidance services to SMEs as a professional financial institution. As we start our second century of business development, TBB's strategy is to reposition itself and adjust business strategies to play the role of the "One and only SME specialized bank", focusing on both the continuous improvement of short-term profits and the creation of corporate long-term value and competitiveness, and promoting paradigm learning in the organization. TBB aims to win the support and recognition of the society through continuous optimization of organizational culture, emphasizing the implementation of corporate social responsibility, and focusing on specific actions to build good relationships.

TBB will start out from its main banking businesses, participate actively in public-benefit activities and show care for the society, while striving to become an outstanding bank with sustainable operations. We look forward to moving towards the second century of our history with the enterprises and people in Taiwan.

1.2 Bank History and Current Status

1.2.1 Bank History

1915

The forerunners of Taiwan Business Bank were two private cooperative savings institutions, one established in Taipei and the other in Tainan.

1946

The two aforementioned savings institutions, along with two others, were taken over by the Taiwan Provincial Government and combined and reorganized into the Taiwan Mutual Financial Co.

1948

In response to political and society changes, the name was changed to Taiwan Mutual Loans and Savings Co.

1976

The Bank was reorganized into Taiwan Business Bank, or TBB. At the time of the reorganization, TBB had a capitalization of NT\$500 million, 50 branches, and 58 sub-branches. It was the first-established specialized bank charged with the provision of financial assistance and guidance to SMEs.

1998

To cope with the liberalized and internationalized financial environment, and to conform to the government's vision of promoting Taiwan to become Asia-Pacific Regional Operations Center, TBB was transformed into a private bank and listed in the Taiwan Stock Exchange, entering into a whole new era.

2024

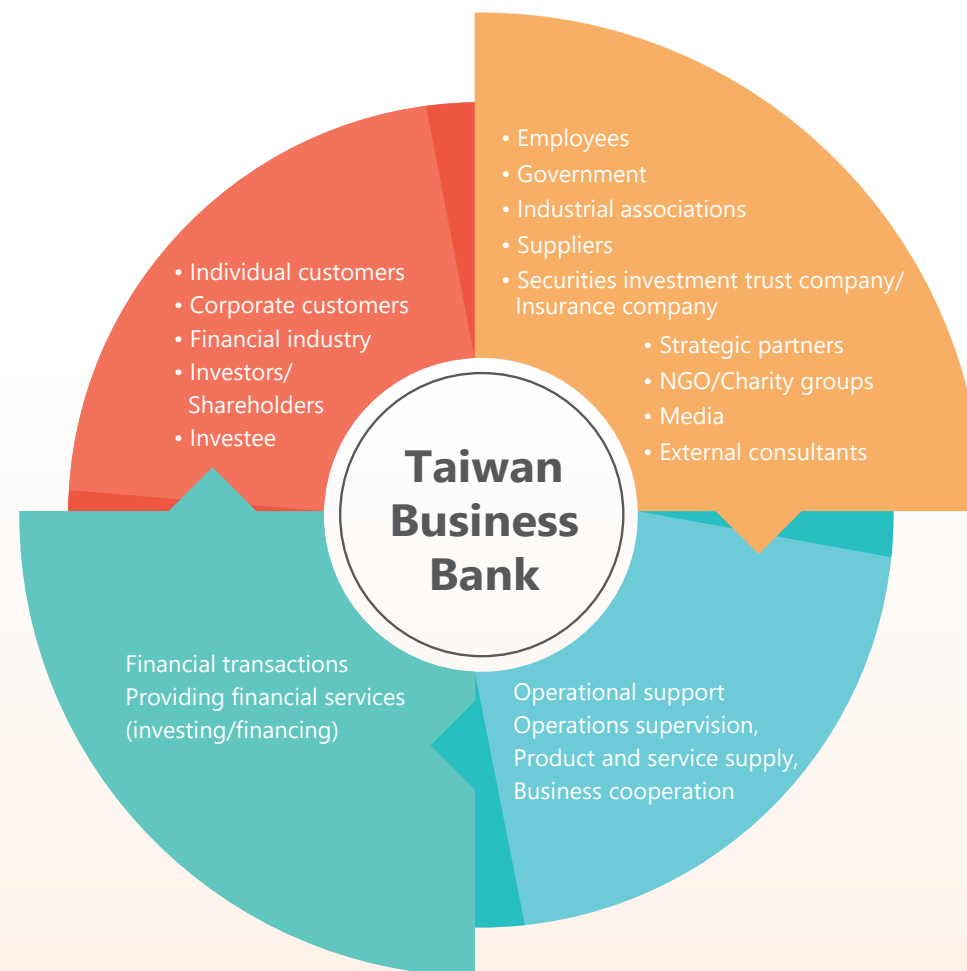
The Bank has brought its total capitalization to NT\$91.68 billion and established a global financial service network with its 125 domestic branches and 8 overseas branches.

1.2.2 Current Status

Bank Profile

Established	1915
Name	Taiwan Business Bank, Ltd.
Head Office	Taipei, Taiwan
Address	No. 30, Ta Cheng St., Taipei, Taiwan
Capital	NT\$91.68 billion
Total Asset	NT\$2,375 billion
Chairman	Chia-Hsiang Lee
No. of Employees	5,580
Stock Code	2834
Main business	Deposit, loan, foreign exchange, investment, trust, personal wealth management and other financial services

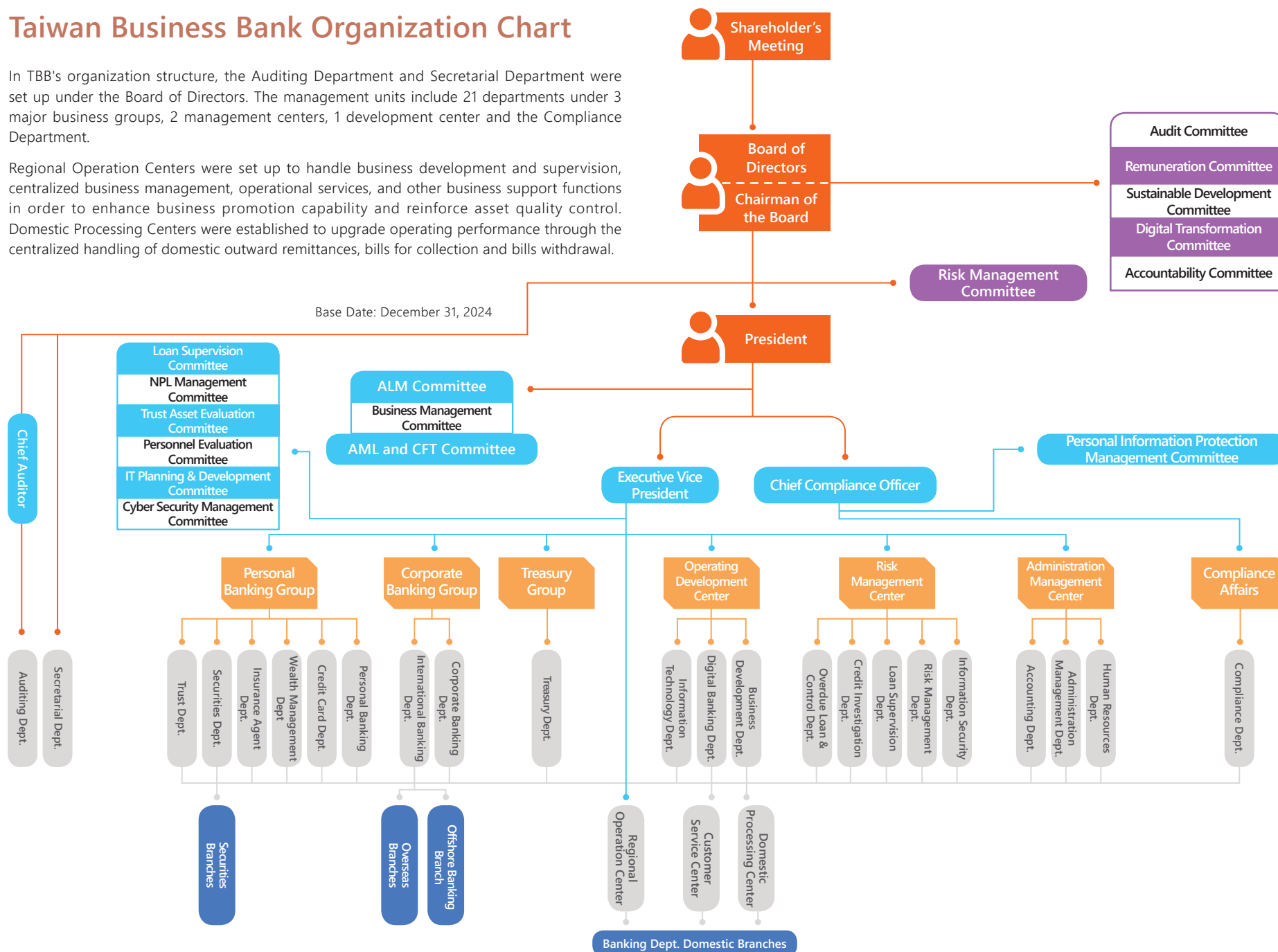
Activities, value chain, and other business relationships



Taiwan Business Bank Organization Chart

In TBB's organization structure, the Auditing Department and Secretarial Department were set up under the Board of Directors. The management units include 21 departments under 3 major business groups, 2 management centers, 1 development center and the Compliance Department.

Regional Operation Centers were set up to handle business development and supervision, centralized business management, operational services, and other business support functions in order to enhance business promotion capability and reinforce asset quality control. Domestic Processing Centers were established to upgrade operating performance through the centralized handling of domestic outward remittances, bills for collection and bills withdrawal.



1.2.3 Global Operations

Taiwan Business Bank currently has 125 branches across Taiwan, as well as 8 branches and 1 representative office overseas. TBB's future development strategy will focus on mastering niche markets and identifying markets with potential for profit to improve TBB's global service network and fulfill its vision of building channels across the globe based on solid foundations in Taiwan.

Distribution of Taiwan Business Bank's Business Locations		
125	Domestic Branches (Including the Banking Department)	Service areas cover urban and rural areas and business locations were established in areas with less financial service providers such as Nantou, Pingtung, Hualien, Taitung, and Kinmen.
1	Offshore Banking Unit (OBU)	The business location of OBU is set up in the Taipei head office. It specializes in international syndicated loan cases, and accepts overseas foreign currency deposits through domestic branches, as well as handles domestic and overseas foreign currency loan business, and import, export, and remittance businesses.
16	Securities HO & Branches	Securities brokerage business locations: North: Head Office, Chien Cheng, Pu Chya, Taoyuan, and Chu Pei Central: Fengyuan, Taiping, Taichung South: Chiayi, Ming Hsiung, Tainan, Kang Shan, Jeou Ru, San Min, North Kaohsiung, Pingtung
1	Overseas Branches	Asia: Hong Kong Branch, Shanghai Branch, Wuhan Branch, Tokyo Branch America: Los Angeles Branch, New York Branch Oceania: Brisbane Branch, Sydney Branch
8	Overseas Representative Office	Yangon Representative Office, Myanmar

1.2.4 Affiliates

There are 5 affiliates invested by the Bank in 100% ownership, including TBB International Leasing Co., Ltd, TBB (Cambodia) Microfinance Institution PLC, TBB Venture Capital Co., Ltd., TBB Consulting Co., Ltd., and Taiwan Business Bank International Leasing Co., Ltd. invested in 100% ownership by TBB International Leasing Co., Ltd.

To align with government policies and support domestic industries in obtaining development funds, TBB established the wholly-owned subsidiary "TBB International Leasing Co., Ltd." on April 1, 2013, with a capital of NT\$1.55 billion. On April 29, 2014, this company established a wholly-owned subsidiary in Shanghai, "Taiwan Business Bank International Leasing Co., Ltd." with a capital of CNY 170 million.

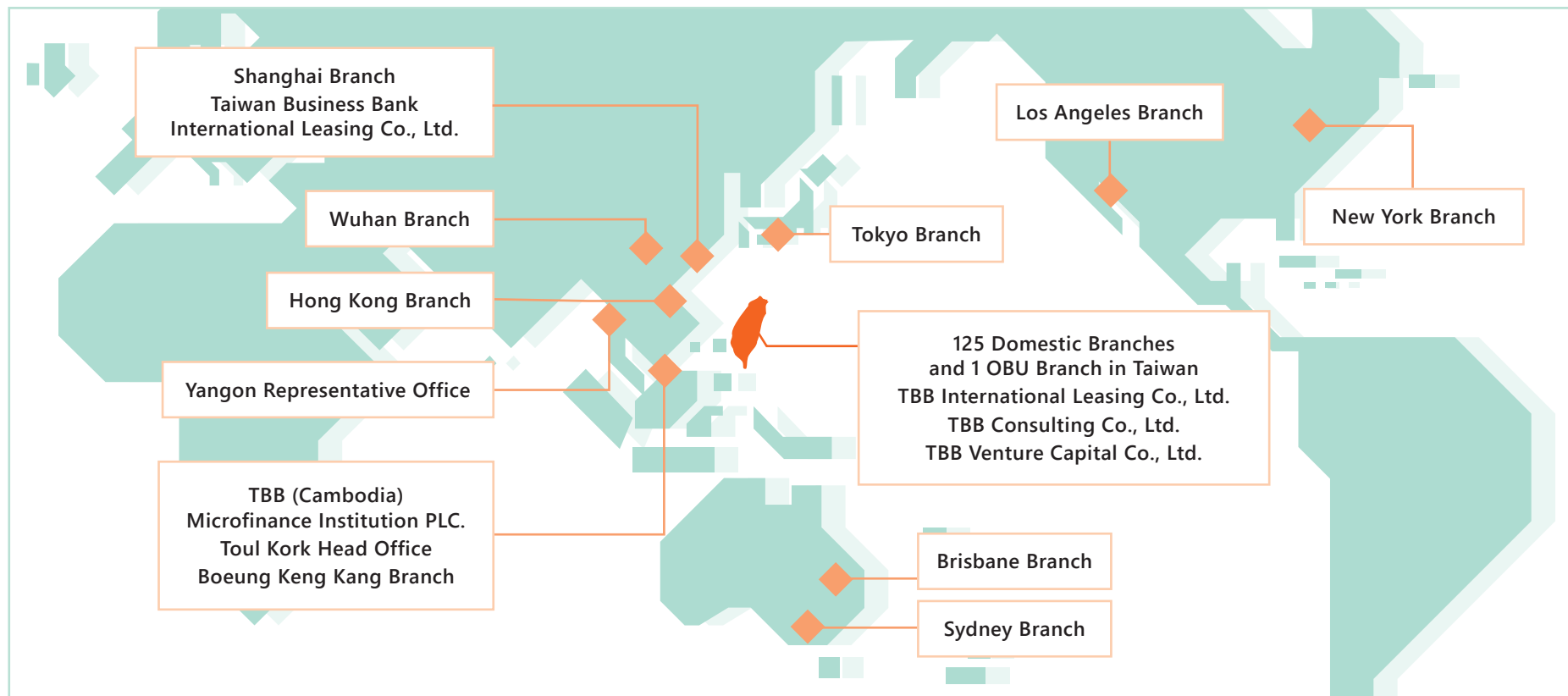
The establishment of leasing companies serves as a supplement to traditional bank financing channels. The target industries for business expansion include not only traditional services, manufacturing, and trading industries, but also those with development potential. For example, the 5+2 innovative industries promoted by government policies are the target customer group. Among them, industries with machinery and equipment such as "smart machinery", "green energy technology", "biotech medical care", and "national defense strategy" are suitable customer base for leasing companies. These industries have government support and promising development prospects. TBB will actively develop customers in these industries and provide funds needed for their sustainable development.

To strengthen operations in the Asian market and increase the source of profits, TBB directed investments to Cambodia and established TBB (Cambodia) Microfinance Institution Plc. with an investment of US\$20 million. The company opened on August 10, 2015 at Toul Kork, Phnom Penh and became the first Taiwanese micro finance company to open for business in Cambodia and the first location set up by TBB in Southeast Asia. To increase the company's scale of operations, we obtained the approval from the Central Bank of Cambodia on August 30, 2017 for the establishment of the Boeung Keng Kang Branch (formerly Chamkar Mon Branch) which was officially opened on October 2, 2017. It was established to increase the company's business performance and increase the Bank's overall profits from overseas.

To support the government's policy guidelines, help domestic industries obtain necessary funds for development, and improve the Bank's capital utilization efficiency, the Bank invested in the wholly-owned "TBB Venture Capital Co., Ltd.", which began operations on October 23, 2018, with a total capital of NT\$2 billion, and the current paid-in capital is NT\$1.332 billion. The company's business strategy is mainly focused on SME customers of the Bank and supplemented by peer recommendations and self-development. It diversifies investment targets to expand the range of investees, and cooperates with the government to actively promote the 5+2 innovative industries by investing in venture capitals to help these industries achieve steady growth and prosperity.

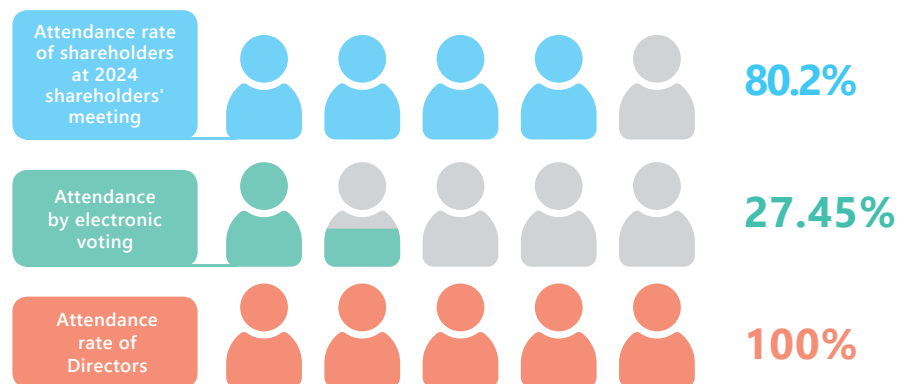
In order to strengthen the development of venture capital and fundraising businesses, the Bank invested NT\$50 million and held 100% of the equity in TBB Consulting Co., Ltd. The establishment registration was completed on August 30, 2021, and the company was officially opened for business on December 10, 2021. The major businesses include raising venture capital funds, fund management, and investment agency business, etc.

Affiliates of Taiwan Business Bank



1.2.5 Investor Communication Channels and Shareholder Structure

TBB attaches great importance to shareholders and investors obtaining information in a timely and fair manner. We have set up Chinese and English webpages on the official website to disclose corporate governance, sustainable development, financial and non-financial information, annual reports, sustainability reports, etc., and has set up spokespersons and quarterly-held investor conferences to help investors understand the Bank's operational development and strategies. In 2024, the attendance rate of shareholders at the shareholders' meeting was 80.2% (including 27.45% of attendance by electronic voting), and the attendance rate of Board of Directors was 100%.



Shareholder Structure² as of Feb 28, 2025

Ratio	Shareholder structure	Government agencies	Financial institutions	Other institutional shareholders	Domestic natural persons	Foreign institutions & natural persons
Shareholding percentage (%)		8.70	18.78	6.88	46.80	18.84

² The analysis was based on the number of shares recorded on the last closing date of the Bank.

1.2.6 Participation in External Associations and Organizations

TBB plays an active role in domestic and foreign trade and business associations. By staying in close communication and interaction, TBB and these associations work together to enhance the quality of service and overall image of The Banking sector. To align with international sustainability trends and continuously implement the concept of sustainable management, the Bank also participates in ESG-related associations. In 2023, TBB became a member of the Business Council for Sustainable Development (BCSD) and sponsored the

BCSD to release the Chinese version of the "Social and Human Capital Protocol," hoping to promote the importance of utilizing intangible assets such as social and human capital in businesses and bring positive influence to society.

The Bank and its subsidiaries shall comply with relevant regulations and internal management processes when joining associations or participating in lobbying activities. Before joining, each unit must evaluate based on their responsibilities and business scope, ensure that the lobbying activities involved are consistent with the goals of the Paris Agreement, and report the evaluation results according to appropriate processes to the senior management (up to the Chairman level) for approval. Once approved, they may join associations or participate in lobbying activities. The management of associations is the responsibility of the applying unit. The Bank will regularly review the public policies executed by the associations and lobbying activities in which it participates, actively monitor their operations, and have the senior management or responsible managers serve as directors or members in communicating on proposals to promote sound industry development. Additionally, the Bank will ensure that the associations and lobbying activities it participates in are aligned with its net-zero vision. If the associations or lobbying activities conflict with the Paris Agreement or the Bank's sustainability policies, the responsible unit will engage in active communication and request that a clear improvement timeline and process be developed to ensure alignment with the Bank's sustainability stance. If the association or lobbying activities are still unable to cooperate in improvements, the Bank shall gradually reduce cooperation in activities or withdraw.

Associations and organizations in which TBB is a participant are listed as follows:

TBB's Participation in External Associations and Organizations	
The Bankers Association of The Republic Of China	The Bankers Association of Taipei
Financial Planning Association of Taiwan	Financial Information Service Co., Ltd.
Taiwan Intellectual Property Operation Association	Taiwan Financial Services Roundtable
Chinese Association of Business And Intangible Assets Valuation	Trust Association of R.O.C.
Taiwan Association of Machinery Industry	The Insurance Agency Association of the Republic of China
Asian Bankers Association	Securities Investment Trust and Consulting Association of the R.O.C.
Chinese National Association of Industry and Commerce	R.O.C. Bills Finance Association
National Association of Small & Medium Enterprises, R.O.C.	Chinese National Futures Association
Chinese International Economic Cooperation Association	Taiwan Securities Association
ROC-USA Economic Council	Taiwan Depository & Clearing Corporation
Taiwan Contact Center Development Association	NCCU Fintech Research Center
Institute for Information Industry	TPIDC
FinTechSpace	Taiwan Academy of Banking and Finance (Fin & Tech)
AI FinTech Association	The Equator Principles Association
Financial Information Sharing and Analysis Center (F-ISAC)	Business Council for Sustainable Development (BCSD)

To facilitate progress in the domestic banking sector and implement the Bank's sustainability policy, TBB and its subsidiaries actively engage domestic and foreign associations and organizations. The climate policy stances of the participated associations and organizations in 2024 are all consistent with the Paris Agreement or the Bank's sustainability stance. The total expenditure on supporting or participating in associations and organizations involved in banking sector policy studies or initiatives was approximately NT\$10.31 million. The top three recipients were the Bankers Association of the Republic of China (NT\$5,371,415), the Trust Association of R.O.C. (NT\$893,059), and the Financial Information Sharing and Analysis Center (NT\$600,000). There were no donations to political organizations, candidates, or other interest groups in the last 4 years, and no relevant direct lobbying activities (including climate).

TBB participation in public affairs and policies in 2021-2024

Unit: NT\$

	2021	2022	2023	2024
Lobbyists/Lobbying organizations, interest groups	0	0	0	0
Political organizations/candidates	0	0	0	0
Industry/Trade associations	7,261,755	8,117,883	8,820,160	10,313,688
Other (e.g. Expenditure on election agendas, referendums)	0	0	0	0
Total	7,261,755	8,117,883	8,820,160	10,313,688
Coverage (%) ³	100%	100%	100%	100%

³ The calculation included amounts of expenditure in public affairs and policies by all units in TBB and its subsidiaries, making the coverage calculated by the number of employees 100%.

TBB participation in external associations and organizations in 2024

Initiative	Issue	Name of business/trade organization	Form of participation	Expenditure (NT\$)
Financial friendliness	To urge banks to provide a more friendly environment of financial services, TBB follows financial friendliness issues on an ongoing basis, including accessible financial services, elderly customers, anti-fraud, and digital banking.	Bankers Association of the Republic of China	Serve as a committee member of the Bankers Association, while Executive Vice President serves as the Chairman of the General Banking Committee of the Association, to discuss tasks given by the competent authorities or make suggestions on related activities in order to facilitate development of the banking sector.	5,371,415
Discussion on trust product development	Respond to the campaign for Trust 2.0 One-stop Trust by following topics on care trust, senior disability trust, and employee welfare trust.	Trust Association of R.O.C.	Serve as a managing director of the Trust Association, while General Managers of relevant business departments serve on the Management Training Committee and the Legal Affairs and Disciplines Committee to participate in discussions or provide opinions as needed.	893,059

Initiative	Issue	Name of business/trade organization	Form of participation	Expenditure (NT\$)
Joint defense of cybersecurity in the financial field	Comprehensively enhance cybersecurity protection capabilities and jointly reduce cybersecurity risks of the financial industry.	Financial Information Sharing and Analysis Center (F-ISAC)	The Bank has become a member of F-ISAC. In addition to receiving threat intelligence or reports issued by F-ISAC and participating in briefings, seminars and educational trainings, we also irregularly provide malicious IP and phishing email analysis for other members to implement early warning and protection.	600,000

1.3 Business Performance

The report covers Taiwan Business Bank and its subsidiaries (TBB International Leasing Co., Ltd., Taiwan Business Bank International Leasing Co., Ltd., TBB (Cambodia) Microfinance Institution Plc, TBB Venture Capital Co., Ltd., and TBB Consulting Co., Ltd.), which is the same scope covered by the financial statements/annual reports of the Bank.

1.3.1 Financial Indicators (consolidated⁴)

Unit: NT\$1,000

Item	2022	2023	2024
Total assets	2,072,486,125	2,209,814,531	2,374,756,050
Total liabilities	1,968,378,867	2,089,692,246	2,243,322,268
Total equity	104,107,258	120,122,285	131,433,782
Net revenue	28,529,123	31,913,544	34,114,587
Profit and loss before tax	12,039,792	12,427,807	14,062,664
Net profit after tax	10,121,852	10,567,675	11,236,701
Net value per share (NT\$)	12.97	14.61	14.34
Earnings per share (NT\$)	1.26	1.29	1.23
Stock dividend per share (NT\$)	0.24	1.15	0.60
Cash dividend per share (NT\$)	0.10	0.20	0.20
Return on assets (%)	0.49	0.49	0.49
Return on equity (%)	9.84	9.43	8.93
Coverage ratio (%)	653.28	720.88	790.84
NPL ratio (%)	0.20	0.18	0.17

⁴ The financial data in the table above are extracted from the 2024 consolidated financial statements for TBB and its subsidiaries.

Economic value generated and distributed by TBB

Unit: NT\$1,000

Item		2022	2023	2024
Direct economic value generated (A)	Net interest revenue	20,227,973	18,705,510	19,115,770
	Non-interest net revenue	8,301,150	13,208,034	14,998,817
	Net revenue = Subtotal of direct economic value generated	28,529,123	31,913,544	34,114,587
	Operating costs	4,904,127	5,813,470	6,399,896
	Employee salary and benefits	8,875,692	9,079,004	9,877,374
Distribution of economic value (B)	Donations ⁵	323,450	366,745	333,005
	Share dividend distributed to shareholders	802,969	1,644,481	1,833,597
	Income tax expenses	1,917,940	1,860,132	2,825,963
	Subtotal of economic value distributed	16,824,178	18,763,832	21,269,835
Economic value retained	Subtotal of economic value retained (A)-(B)	11,704,945	13,149,712	12,844,752

⁵ Donation items in 2024 were mainly provided to educational, cultural, public welfare and charitable institutions or groups. There are no political donations or other inappropriate donations.

1.3.2 Dividend Distribution

2024 dividend distribution: Cash dividend per share NT\$0.20; stock dividend per share NT\$0.60.

Profit year	Stock dividend (NT\$)	Cash dividend (NT\$)
2015	0.50	0.10
2016	0.30	0.102
2017	0.40	0.268
2018	0.50	0.30
2019	0.50	0.20
2020	0.34	0.10
2021	0.37	0.10
2022	0.24	0.10
2023	1.15	0.20
2024	0.60	0.20

1.3.3 Credit Rating

Taiwan Ratings

	Long term credit rating	Short term credit rating	Outlook
2021	twAA-	twA-1+	Stable
2022	twAA-	twA-1+	Stable
2023	twAA-	twA-1+	Stable
2024	twAA-	twA-1+	Stable

S&P

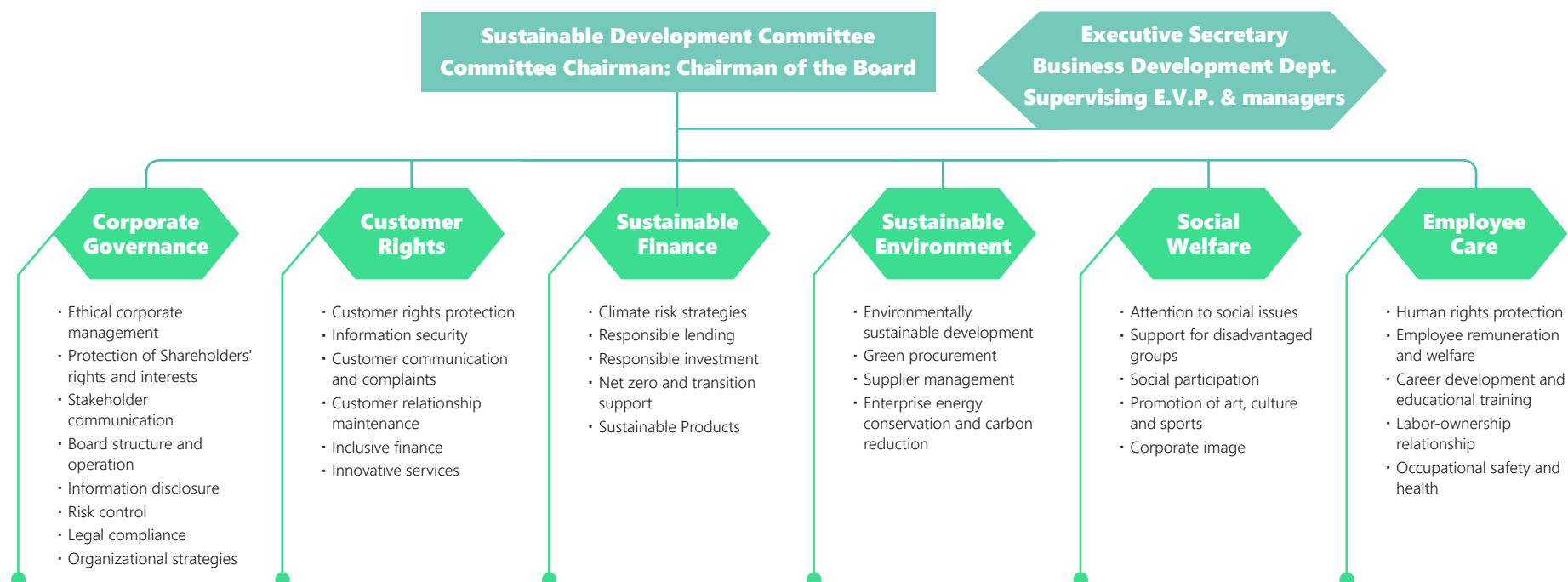
	Long term credit rating	Short term credit rating	Outlook
2021	BBB+	A-2	Stable
2022	BBB+	A-2	Stable
2023	BBB+	A-2	Stable
2024	BBB+	A-2	Stable

1.4 Sustainable Development

1.4.1 Sustainable Development Strategies

Building on its core businesses, the Bank devises strategies and action plans aimed to uphold the business philosophy of Progress, Efficiency, and Responsibility while advancing in three areas of sustainability, Environment (E), Society (S), and Governance (G). To fulfill its corporate social responsibility, the Bank takes real action to give back to its customers and shareholders and society while advocating sustainability within the scope of business.

Brief History of Sustainable Development Committee



1.4.2 Sustainable Development Committee

TBB established the Corporate Social Responsibility Committee in 2018. It was renamed the Sustainable Development Committee in January 2021 and made the dedicated unit for sustainable development. The Committee is composed of 5 directors as its members, with the Chairman of the Bank as the Chairman of the Committee and the President of the Bank as an ex-officio member. The other 3 members are selected from among the independent directors of the Bank. There are 6 task forces under the Committee, which are Corporate Governance, Customer Rights, Sustainable Finance, Sustainable Environment, Social Welfare, and Employee Care. The Business Development Department serves as the executive secretary of the committee, and the Department's supervising E.V.P. and managers oversee the management of the 6 task forces. The Committee convenes once every six months in principle, and shall present annual sustainability results to the Board of Directors every year. A total of 4 committee meetings were held in 2024. To further establish and promote sustainable business development, the progress of sustainability-related initiatives is reported monthly at the Business Management Committee⁶ meeting chaired by the President, with regular follow-ups and reviews conducted to assess implementation effectiveness.

1.4.3 The Highest Governance Unit and Sustainability

The Sustainable Development Committee shall report annually to the Board of Directors on the results of the sustainable development implementation, and has submitted the "Implementation Results of Sustainable Development in 2023" in April 2024.

Additionally, the major sustainability-related proposals submitted to the Board of Directors in April 2024 include: "Implementation of the Treat Client Fairly Principles in 2023 and suggestions for improvement"; "2023 Climate-related Financial Disclosure (TCFD) Report"; "2023 greenhouse gas inventory and verification results in response to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies"; "Annual review and adjustment of the Credit risk limits for high polluting/energy consuming industries"; "2023 Implementation of Ethical Corporate Management and Stakeholder Communication"; "Taiwan Business Bank Management Guidelines for the Responsibility Mapping System"; totaling 21 proposals (Refer to the table below for the complete proposals). Directors provided relevant suggestions during the meeting, enhancing the execution effectiveness of the Bank's sustainable development through timely communication with the Board on sustainability issues. Moreover, to improve and strengthen the Board of Directors' emphasis on the responsibility of preparing sustainability reports, the Bank submits sustainability reports (including the materiality assessment results) to the Board of Directors for approval starting from 2024, highlighting the importance of sustainability reports.

⁶ The members of the Business Management Committee consist of the President and Executive Vice Presidents, with department heads from the Head Office attending the meetings.

Major Sustainability-related Proposals Submitted to the Board of Directors in 2024

Handled the procurement project of "TWQR payment system data connection and special store promotion for the green restaurant on campus of National Taiwan University and National Taiwan University of Science and Technology"	Reported on the Bank's 2023 greenhouse gas inventory and verification results in response to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies"
Amended the Bank's "Sustainable Development Policy"	Reported on the contents of the Bank's Sustainability Report
Amended the Bank's "Risk-oriented Internal Audit System Best Practice Principles"	Reported on the Bank's relevant control mechanisms for the promotion of the elderly care trust
Reported on the implementation of the Bank's "Annual Plan for Optimizing and Upgrading the Information and Digital Systems"	Reported on the Bank's annual review and adjustment of the "Credit risk limits for high polluting/energy consuming industries"
Reported on the Bank's overall cyber security implementation in 2023, and the assessment result of the "2023 Overall Cyber Security Implementation Status Assessment Report" issued by a third-party organization is "Appropriate"	Established the "Taiwan Business Bank Management Guidelines for the Responsibility Mapping System"
Reported on the Bank's implementation of the "Treat Client Fairly Principles" in 2023 and suggestions for improvement	Reported on the Bank's 2024 Intellectual Property Management Plan and its implementation
Reported on the improvement of the Financial Supervisory Commission's inspection opinions regarding the project review for the Bank's fair treatment of elderly customers and people with disabilities and protection measures of customers' personal information	Reported on the Bank's "2025 Legal Compliance Plan"
Reported on the "2023 Anti-money Laundering and Countering Financing of Terrorism Project Audit" assurance report from PwC	Established the "Taiwan Business Bank Accountability Committee Charter"
Reported on the implementation results of sustainable development in 2023	Amended the "Taiwan Business Bank Financial Friendly Service Guidelines"
Reported on the Bank's 2023 Implementation of Ethical Corporate Management and Stakeholder Communication	Amended the "Taiwan Business Bank Internal Control System Implementation Guidelines"
Reported on the Bank's "2023 Task Force on Climate-related Financial Disclosure (TCFD) Report"	

1.5 Communication with Stakeholders

The Bank designed stakeholder questionnaires base on the five principles in the AA1000 Stakeholder Engagement Standard (AA1000SES), accountability, impact, materiality, inclusivity, and responsiveness. Surveys were conducted by the Sustainable Development Committee and its task forces to identify 8 stakeholder categories.

Stakeholders	Communication Methods, Channels, and Frequency	2024 Key Communication Results	Key Issues	Response from TBB
 Customers	When necessary - Active visits, customer service hotline, and messages on the official website - Organization of lectures and seminars Permanent - Provide information on the Bank's products and communication application channels on the official website 24-hour customer service center - Review of product applications and contract documents by the legal affairs unit	- Total number of calls to AI customer service reached 208,000, with a correct answer rate of 98%. - The total number of calls to mobile banking 'i-Money' reached 32,876, the service was triggered 13,121 times⁷, and the average user satisfaction rate reached 4.6 points (out of 5 points). - Participated in a total of 5 "Village Trust Promotion Project" trust promotion activities organized by the Trust Association of R.O.C. - Held a total of 6 "0403 Hualien Earthquake Disaster Financing Briefings" in collaboration with Small & Medium Enterprise Credit Guarantee Fund of Taiwan (TSMG) and counseling units to support disaster-stricken enterprises. - Provided customer consulting services, with a total answering rate⁸ of 98% and a service level of 89%.	Service quality/ Privacy protection/ Fair customer treatment/ Corporate sustainability strategies/ Communication channels/Legal compliance	- The official website provides 24-hour customer service messaging and customer service hotline services, and by integrating AI technology applications, the Bank has set up AI customer service 'i-Money' on online channels such as its official website, online banking, and LINE official account. The mobile banking app provides 'i-Money' 24-hour speech recognition financial services. - The deposit section of the official website provides information on products such as easy wealth management accounts, start-up accounts, salary transfer accounts, agency services, safe deposit boxes, etc., as well as contact and application methods. Corporate banking services provide product information, contact, and application methods for corporate financing, urban renewal, and corporate counseling platform. - Service counters for SMEs and microenterprises are set up at the business units, and the Bank actively pays visits to customers to provide financial services as needed.
 Government agencies	Regularly - Ministry of Finance and Financial Supervisory Commission (FSC) Business Seminars - Audits from the competent authority When necessary - Launch financial products in line with government policies - Provide timely recommendations and promotional education on policy requirements - Policy seminars and conferences and meetings of the Finance Committee of the Legislative Yuan	- In response to government policies, the Bank actively promoted TWQR digital payment and digital voucher platform services. Number of TWQR special stores has reached 5,561, and the digital voucher activation rate is 82%. - Supported the FSC's "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" and financial friendliness policy, cumulatively upgraded 103 branches to bilingual branches by December 31, 2024. - Attended the Finance Committee meeting at Legislative Yuan 9 times.	Service quality/Communication channels/Corporate image/ Environmental and socially friendly services/Products and services portfolios/Corporate governance/ Cyber security and personal data privacy/Risk management/ Management and investment strategies/Ethical corporate management/Legal compliance/ Information disclosure/Internal control/Financial friendliness/ Anti-money laundering (AML)/ Overseas risk exposure/ Real estate mortgage loans	- Continue to participate in various public welfare lectures and promotional activities to enhance professional image. - Participate in meetings as notified by the Legislative Yuan or competent authorities, cooperate with regular and ad hoc audits by competent authorities, and provide relevant information.
 Shareholders/ Investors	Regularly - Announcement of monthly business performance, quarterly financial statements, and annual reports on the official website - Corporate governance evaluation for listed companies When necessary - Announcement of important resolutions of the shareholders' meeting on the Market Observation Post System - Shareholders' meetings and investor conferences Permanent - Shareholder services and investor relations contact persons and spokesperson system - Publication of information on the shareholders' meeting and the top 10 shareholders - Dedicated investor relations section in Chinese and English - Information on changes of Directors announced on the Market Observation Post System	- Held 4 online investor conferences. - Ranked in Top 6%-20% in the Corporate Governance Evaluation.	Information disclosure/ Business performance/ Financial data/ Corporate sustainability strategies/ Corporate governance/ Service quality and communication channels/Corporate image/ Risk management/Management and investment strategies/ Ethical corporate management/ Legal compliance/ Fair shareholder treatment/ Sustainable operation	- The investor conference fully disclosed the Bank's financial and business information and strategic objectives, and the senior management also answered questions from legal persons during the conference. - The Investor Relations section of the Bank's website provides investor contacts in Chinese and English to handle inquiries regarding the board of directors, financial statements, shareholders' meetings, corporate governance, and sustainable development, and such information is regularly updated to strengthen communications and engagement.

⁷ Service trigger times: The service trigger times are only counted when the user accesses services such as NTD transfer, account balance inquiry, credit card and other payment services.

⁸ Total answering rate: (Number of Successfully Connected Calls / Total Incoming Calls) * 100%; Service Level: Percentage of Calls Answered by an Agent Within 15 Seconds * 100%. According to the Bank's customer service center standards, the ideal total answering rate is 95% and the ideal service level is 85%.

Stakeholders	Communication Methods, Channels, and Frequency	2024 Key Communication Results	Key Issues	Response from TBB
 Suppliers/ partners	When necessary - Establish the Supplier Code of Conduct in contracts and publish tender information on the official website - Interview suppliers and explain procurement standards - Selection of partners with similar ESG values	- Launched 4 ESG themed funds. - Implemented 100% signing of the "Human Rights and Environmental Sustainability Commitment Letter" - Green procurement amounted to NT\$95.69 million, and for 13 consecutive years, TBB was awarded a certificate of appreciation for Excellent Green Procurement Unit from the Ministry of Environment of the Executive Yuan, and the Taipei City Government.	Legal compliance/ Green procurement/ Energy conservation and carbon reduction/ Supplier management/ Corporate sustainability strategies/ Corporate governance/ Service quality and communication channels	- The official website discloses the Bank's 3 stages of procurement and investment process: Pre-procurement Assessment, Mid-term Management, and Post-guidance. This helps to strengthen specific actions such as communication with suppliers, evaluation and coaching, and rewards. - Procurement contract specifies that suppliers should comply with the Bank's Supplier Management Procedures, and the contract also stipulates ethical corporate management and social responsibility terms.
 Employees	Regularly - Convene Occupational Safety and Health Committee, Employee Welfare Committee, and Labor Retirement Reserve Supervision Committee meetings in each quarter When necessary - Training programs, labor-management meetings, and consultation meetings Permanent - Complaint hotline - Contact person of the TBB Union and Human Resources Department - Reporting channels are announced on the Bank's official website and the Employee portal, and a dedicated reporting mailbox and hotline have been set up	- The Occupational Safety and Health Committee met 4 times, the Employee Welfare Committee met 4 times, and the Labor Retirement Allowance Supervision Committee met 12 times. - The training plan execution rate reached 113%. 4 labor-management meetings and several consultation and discussion sessions were held. - There are 3 directors who are concurrent employees on the Board of Directors, who reflect employees' opinions in a timely manner and enhance the harmonious labor-ownership relationship.	Employee care/ Competency enhancement/ Human rights protection/ Ethical corporate management/ Legal compliance	- The Bank formulates an annual educational training plan based on the needs of each business unit and implements and tracks the results to help employees develop the knowledge and skills required to perform their responsibilities. - Provided whistleblower channels for internal and external parties on the official website and the integrated portal to the intranet, and created a whistleblower mailbox and hotline and assigned a full-time staff to handle reports.
 NGO/ Charity groups	Regularly - Openings for student workers each summer, co-organization or participation in fairs dedicated to providing financial services and care for the society When necessary - Participation in charity activities, donations to disadvantaged groups, assistance for charity or art and cultural groups, active communication with related units	- In cooperation with the Ministry of Education's Youth Development Administration's "Economically Independent Youth Part-time Work Program," TBB provided part-time work opportunities for young people from economically disadvantaged families. A total of 22 people completed the summer part-time work program. - Cooperated with the Banking Bureau to organize 47 "Financial Knowledge Promotion Activities for Campuses and Communities", benefiting 2,564 people. - The Charity Affinity Signature Business Card has allocated NT\$4.67 million, and a total of NT\$30.27 million has been allocated to establish a total of 26 Senior Learning Centers.	Public welfare and charity/ Corporate image/ Environmental and socially friendly services	- In response to the aging society, we have invested in caring for the elderly and have continued to sponsor the establishment of the Senior Learning Centers in remote and rural areas across Taiwan and hosting entertaining and educational trust and financial knowledge promotion activities in order to engage in public welfare through actions and fulfilling our corporate social responsibility. - The Charity Affinity Signature Business Card encourages cardholders to make purchases while contributing toward charity, by setting aside 0.3% of general card spending as a charity fund. - Actively support the development of arts and culture, and continue to invite artists to curate exhibitions at the Image Dadaocheng Art and Culture Space.
 Media	When necessary - Media contacts, activity media releases, active communication with business units, and interviews and press conferences Permanent - Spokesperson system	Issued 82 press releases and received 382 mentions from journalist publications of 15 mainstream media (excluding the number of exposures directed to news portal websites). Received more than 3 news exposures every month, which enhanced the image of the Bank.	Corporate image/ Ethical corporate management/ Legal compliance/ Information disclosure	- Arrange timely media interviews to increase exposure of positive business information; or immediately clarify negative news reports to reduce its impact and reach. - Appointed spokespersons to be responsible for communicating with external parties and provide timely clarification.
 External consultants	When necessary - Active communication and training Permanent - Regular evaluation	- Continuing to promote the development of financial technology and intellectual property management systems, the "digital brand trademark Hokii" has been granted A-level certification from the Taiwan Intellectual Property Management System (TIPS). - Three financial products, including digital deposit account, e-Loan platform and credit card, received ISO14067 Product Carbon Footprint Verification, and also received 6 "Product Carbon Footprint Labels" from the Ministry of Environment of the Executive Yuan.	Corporate governance/ Inclusive finance/ Corporate sustainability strategies/ Risk management/ Management and investment strategies/ Business performance/ Ethical corporate management/ Legal compliance/ Information disclosure	- For each type of educational trainings, external consultants are invited to teach soft skills depending on the course requirements. - Participate in sustainability (ESG) related assessments (DJSI, Sustainable Finance evaluation, CDP questionnaire, etc.

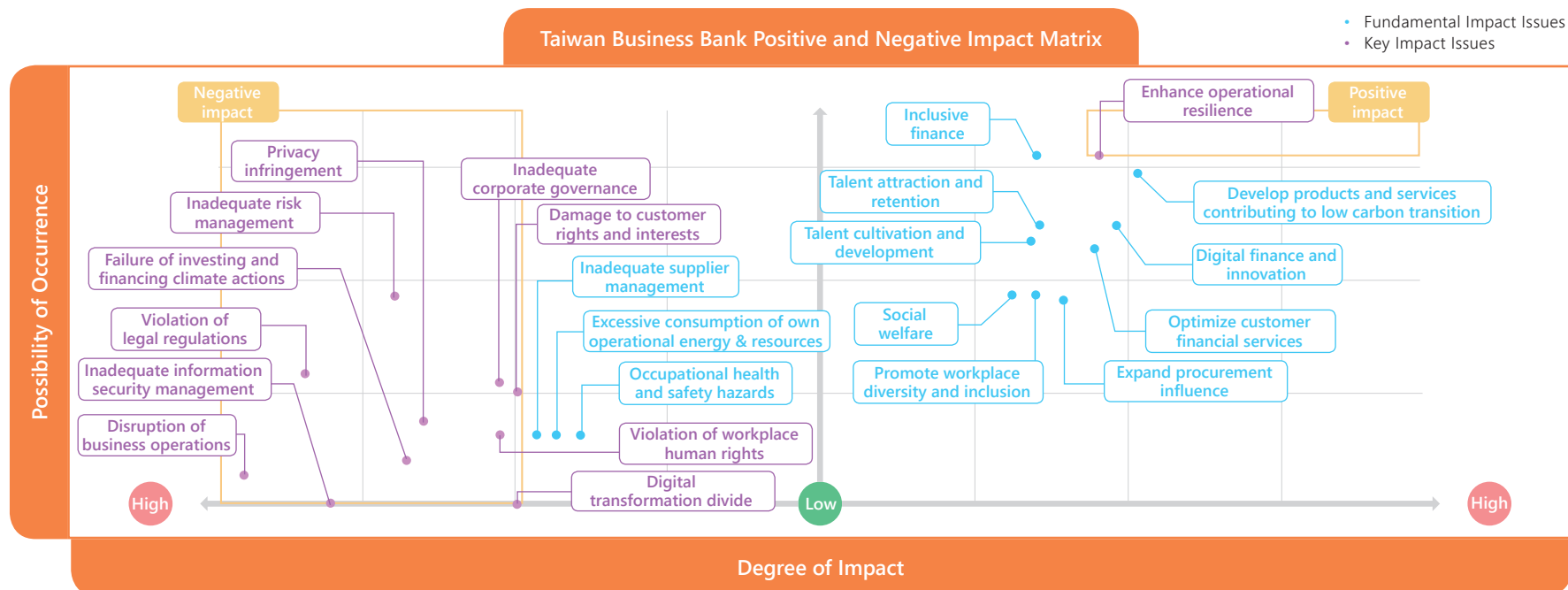
1.6 Material Topics

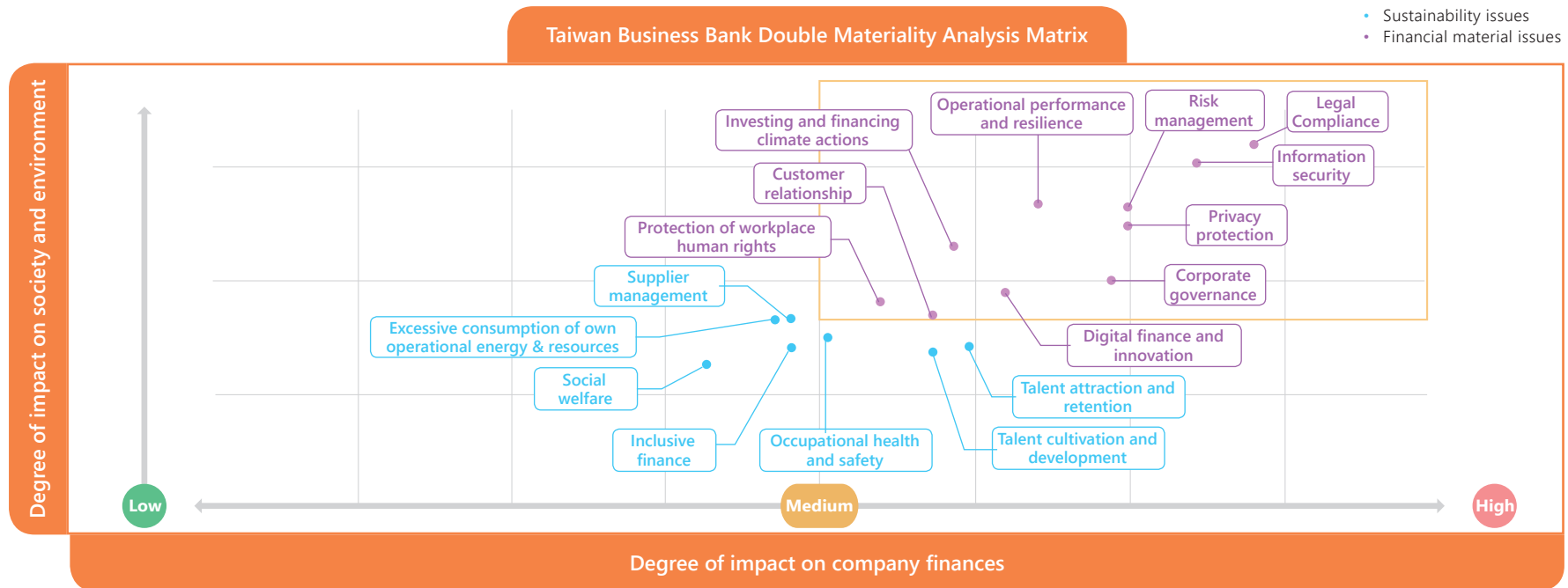
1.6.1 Identification of Material Topics

TBB conducts the identification of material topics every year through the following steps, and the materiality assessment process and material topic identification results are verified by a third party. The relevant process and 2024 results are as follows:

STEP 1 Identification of stakeholders	STEP 2 Collect sustainability issues		STEP 3 Impact analysis
8 key stakeholder groups	Following GRI Reporting Standards 2021 and other internationally accepted sustainability standards and regulations, sustainable investing rating mechanisms and topics followed by domestic and foreign financial institutions, as well as incorporating the internal and external stakeholder feedback (such as stakeholder surveys, questions raised at shareholders’ meetings and investor conferences, and recommendations from sustainability consultants), 17 sustainability topics were summarized according to these standards in 2024.		Define positive and negative impacts. Identified 23 specific impact topics.
STEP 4 Questionnaires and data analysis	STEP 5 Materiality valuation	STEP 6 Confirm the order of material topics	STEP 7 Confirmed by the Sustainable Development Committee
Selected corresponding departments by positive/negative impact topics, and had 23 senior managers of the Bank complete positive/negative impact questionnaires and financial materiality questionnaires. The degree of impact of each impact topic and average probability of occurrence were calculated.	Positive impact: If Degree of impact is greater than Medium and Probability of occurrence is greater than High, then add to the list of material topics. Negative impact: Negative impacts are catastrophic (irreversible), so negative impacts greater than Medium will be added to key impact topics.	Results of the questionnaire and the external impact assessment were used to create a material topic analysis matrix, and describe the management guidelines and performance indicators for material topics.	

1.6.2 Material Topic Analysis Matrix





1.6.3 List of Material Topics and Explanation of Differences in 2024

Priority ⁹	Material Topic	Corresponding GRI standards and topic specific standards	Reasons for Materiality	Explanation of Differences from 2023	Boundaries of impact and degree of involvement in the value chain									
					Internal Stakeholders			External Stakeholders ¹⁰						
					Scope of impact on value chain			Scope of impact on value chain/ Cause of impact ¹¹ /Coverage of business activities ¹²						
					Upstream ¹³	TBB	Downstream ¹⁴	Upstream						Downstream
					Employees	TBB	Shareholder	Suppliers/ partners	Government	NGO/Charity groups	External consultants	Media	Customers	
1	Legal Compliance	✓ GRI 3-3 ✓ Customized Material Topics	The Bank complies with relevant laws and regulations, establishes management and control mechanisms, responds to relevant government policies, and implements policies strongly promoted by the government to prevent money laundering, combat financing of terrorism, and prevent fraud. We believe that proactive compliance with business-related laws and regulations is mandatory for the sustainable development of enterprises.	No change	Direct	Direct	Direct		Indirect/ Business operation/ >50%				Indirect/ Business operation/ >50%	

Priority ⁹	Material Topic	Corresponding GRI standards and topic specific standards	Reasons for Materiality	Explanation of Differences from 2023	Boundaries of impact and degree of involvement in the value chain								
					Internal Stakeholders			External Stakeholders ¹⁰					
					Scope of impact on value chain			Scope of impact on value chain/ Cause of impact ¹¹ /Coverage of business activities ¹²					
					Upstream ¹³	TBB	Downstream ¹⁴	Upstream					Downstream
					Employees	TBB	Shareholder	Suppliers/ partners	Government	NGO/Charity groups	External consultants	Media	Customers
2	Information security	✓ GRI 3-3 ✓ Customized Material Topics	The development of financial business depends on a stable information system and involves a large amount of business transactions and information retention. Information security systems and management strategies should be refined to effectively protect the rights and interests of the company and customers.	No change	Direct	Direct	Direct	Business relationship/ Supply chains/ >50%	Indirect/ Business operation/ >50%			Indirect/ Business operation/ >50%	Direct/ Product, service/ >50%
3	Risk management	✓ GRI 3-3 ✓ Customized Material Topics	As the financial environment changes rapidly, technology advances, products and businesses become more complex, and emerging risks become more diversified, in order to effectively control the risks of the entire bank, the Bank has established an integrated risk management system and manages the rationality of risks and rewards on the basis of the statutory capital ratio, in order to achieve operational goals and effectively manage business risks and other risks, avoid business losses, and maintain the stability of the overall financial and economic structure.	No change	Direct	Direct	Direct	Business relationship/ Supply chains/ >50%	Indirect/ Business operation/ >50%				Direct/ Product, service/ >50%
4	Privacy protection	✓ GRI 3-3 ✓ GRI 418-1	Financial industry operations can easily involve customer privacy. The Bank complies with the Personal Data Protection Act, established the privacy protection policy, and clearly defined the usage of customer personal data to ensure that customer information is not used illegally.	New material topic added	Direct	Direct	Direct	Direct/ Product, service/ >50%	Indirect/ Business operation/ >50%				Direct/ Product, service/ >50%
5	Operational performance and resilience	✓ GRI 3-3 ✓ GRI 205-1 ~ 205-3 ✓ GRI 206-1	Business disruption may make customers encounter transaction difficulties and lose confidence, leading to lawsuits, credit rating downgrading, and negative impact on the rights of employees. Ensuring business continuity and enhancing financial stability may attract more business opportunities and increase stability of financial markets.	Order Adjustment	Direct	Direct	Direct	Business relationship/ Supply chains/ >50%	Indirect/ Business operation/ >50%			Indirect/ Business operation/ >50%	Direct/ Product, service/ >50%

⁹ Priority order is based on double materiality order.

¹⁰ External stakeholder groups impacted by the company's business activities, including the environment, society, customers and end users, and external employees (e.g. supply chains and contractors).

¹¹ Business operations, products/services and/or activities or positions on the supply chain with external impacts.

¹² Percentage of business operations, products/services and/or supply chain and other business activities included in the impact assessment.

¹³ Please see 1.2.2 Current Status - Activities, value chain, and other business relationships.

¹⁴ Please see 1.2.2 Current Status - Activities, value chain, and other business relationships.

Priority ⁹	Material Topic	Corresponding GRI standards and topic specific standards	Reasons for Materiality	Explanation of Differences from 2023	Boundaries of impact and degree of involvement in the value chain								
					Internal Stakeholders			External Stakeholders ¹⁰					
					Scope of impact on value chain			Scope of impact on value chain/ Cause of impact ¹¹ /Coverage of business activities ¹²					
					Upstream ¹³	TBB	Downstream ¹⁴	Upstream					Downstream
					Employees	TBB	Shareholder	Suppliers/ partners	Government	NGO/Charity groups	External consultants	Media	Customers
6	Corporate governance	✓ GRI 3-3 ✓ GRI 205-1 ~ 205-3 ✓ GRI 206-1	Good corporate governance is beneficial for optimizing the organizational operation and sustainable development, strengthening the stability and transparency of business operations, and enhancing the long-term value and competitiveness of enterprises, which is the foundation of business operations.	Order Adjustment	Direct	Direct	Direct		Indirect/ Business operation/ >50%			Indirect/ Business operation/ >50%	
7	Investing and financing climate action	✓ GRI 3-3 ✓ GRI 201-2 ✓ GRI 203-2	Regarding risks and opportunities arising from extreme weather, natural disasters, energy crisis, and low-carbon economy transition, the Bank takes a practical approach and sets net-zero targets. The Bank actively enforces reduction of its own carbon emissions and adjust asset allocation in financing activities in an effort to strengthen climate resilience. TBB exercise the influence as a financial intermediary and combines its core competencies to promote ESG financing, ESG investing and related financial services. By guiding capital flows into sustainability projects, TBB hopes to guide industries, investors, and consumers to focus on sustainable development and advance toward a future of net-zero.	Order Adjustment		Direct	Indirect		Indirect/ Business operation/ >50%		Business relationship/ Business operation/ >50%		Direct/ Product, service/ >50%
8	Digital finance and innovation	✓ GRI 3-3 ✓ GRI 203-2 ✓ GRI 417-1 & 417-2	With the advent of the digital financial era, traditional financial products have been severely impacted. The Bank actively adopts digital innovation technologies to change the existing operating model, effectively improving the efficiency of financial services, reducing transaction costs and creating new business opportunities, so as to achieve the goal of sustainable operations.	Order Adjustment	Direct	Direct	Direct	Business relationship/ Supply chains/ >50%	Indirect/ Business operation/ >50%			Indirect/ Business operation/ >50%	Direct/ Product, service/ >50%
9	Customer relationship	✓ GRI 3-3 ✓ GRI 417-1 & 417-2	The Bank is committed to fostering friendly and long-lasting customer relationships and enhancing customer satisfaction. By offering compliant and needs-oriented products and services, we aim to strengthen customer loyalty and maintain our competitive edge in the market.	New material topic added	Direct	Direct	Direct	Direct/ Product, service/ >50%	Indirect/ Business operation/ >50%				Direct/ Product, service/ >50%
10	Protection of workplace human rights	✓ GRI 3-3 ✓ GRI 402 ✓ GRI 405 ✓ GRI 406	Employees are the most valuable asset of the Bank. We are dedicated to creating a harmonious workplace environment and treating employees fairly while respecting diversity. This includes ensuring lawful working conditions, transparent communication channels, and equal opportunities for promotion.	New material topic added	Direct	Direct							

1.6.4 Management Guidelines for Material Topics and Major Achievements

The results of the annual material topic identification serve as key directions for policy implementation and are incorporated into the Bank's annual sustainability work plan. Relevant business units are responsible for refining management and setting targets. In alignment with the Bank's risk management policy and the three lines of defense principle, related units carry out daily management, while the Sustainable Development Committee conducts regular monitoring and oversight. Where appropriate, internal and external audit mechanisms are introduced to manage the potential impacts of material topics.

Priority order	Material Topics	Responsible unit	Impact category and description	Policy	Commitments	Action
1	Legal Compliance 	Corporate Governance Unit	- Potential negative impact – Violation of legal regulations: [Economy] Violation of finance and corporate governance related regulations may be subject to fines and business interruption, which can affect stakeholders' rights. [Environment] Failure to comply with environmental regulations causes damage to the ecosystem and pollution to the environment. [People] Violation of social and labor regulations compromises rights of customers, employees or other stakeholders.	Compliance is the responsibility of the Board of Directors, senior management, and all employees.	Familiarize every employee with laws and regulations and ethical guidelines relevant to their roles.	- Preventing potential negative impact: - Organize compliance self assessments for each department. - Organize "Compliance Officer Seminars" for compliance officers at banking and securities HO & branches. - Organize "AML/CFT Seminars" for banking and securities branches.
2	Information Security 	Customer Rights Unit	- Potential negative impact – Inadequate information security management: [Economy/People] Negligence in information and cyber security may trigger business disruption and lead to serious damage or legal liability and adverse effects on stakeholders' rights.	Compliance with the "Cyber Security Management Policy"	Ensure confidentiality, integrity, and availability of information systems and assets, and reduce business risk.	- Preventing potential negative impact: - Enforce the annual cyber security maintenance program.
3	Risk Management 	Corporate Governance Unit	- Potential negative impact – Inadequate risk management: [Economy] Inadequate management of external emerging risks or internal credit, market, operation, IRRBB, liquidity, and other risks cause the bank to incur major violation of the rules or business losses, damaging stability of the overall financial or economic structure.	To effectively manage risks of the entire bank, the Bank established guidelines including the "Risk Management Policy", the "Credit Risk Management Guidelines", the "Market Risk Management Guidelines", the "Operational Risk Management Guidelines", the "Interest Rate Risk in the Banking Book Management Guidelines", and the "Liquidity Risk Management Guidelines". All regulations and their related risk limits are approved by the Board of Directors (Managing Directors), among which the content of the Risk Management Policy is as follows: Establish a risk management mechanism for identification, measurement, supervision, control, information reporting, and response strategies, construct an integrated risk management system, adopt a business model guided by appropriate risk management, and control the rationality of risk and return under the statutory capital adequacy ratio to achieve operational objectives and enhance shareholder equity. It covers credit risk, market risk, operational risk, bank book interest rate risk, liquidity risk, management of other risks, and capital adequacy management.	Maintain adequate capital and achieve reasonable risk and return within the Bank's credit risk tolerance.	- Preventing potential negative impact: - The Bank has established business guidelines and handbooks for various units to follow. In addition to informing all units of related rules, the Bank organizes policy advocacy sessions and training to raise awareness on different levels of the organization and help the personnel involved understand and enforce risk management and their responsibilities. - To facilitate the design and execution of the internal control system, the Bank follows a multi-level practice that establishes three lines of defense for internal control and clearly defines roles and responsibilities for each line. The practice helps all units understand their roles in the overall risk and control framework and strengthens communication and coordination in risk management and internal control related tasks in order to maintain an adequate and effective internal control system.

Priority order	Material Topics	Responsible unit	Impact category and description	Policy	Commitments	Action
4	Privacy protection 	Customer Rights Unit	Potential negative impact – privacy infringement: [People] Improper leaks of personal data of customers, employees, or other stakeholders, leading to infringement upon their privacy.	Comply with the relevant laws and regulations of the Personal Data Protection Act to safeguard the rights and interests of customers.	- Established the "Taiwan Business Bank Personal Data Management Policy". - Implement the relevant laws and regulations of the Personal Data Protection Act and strictly prohibit the disclosure of customer information to outside parties. - A "Personal Data Protection Committee" is set up to establish personal data protection standards, including management measures for the collection, processing and use of personal data, and "Key Points for the Management of the Collection, Processing and Use of Personal Data" has been established.	- Preventing potential negative impact: - In order to implement the protection and management of personal data, the Bank periodically conducts educational trainings to strengthen the promotion of related businesses rules and the expertise of business personnel.
5	Operational performance and resilience  	Customer Rights Unit	- Potential negative impact – Disruption of business operations: [Economy] Business disruption may make customers encounter transaction difficulties, lose confidence, and withdraw large funds. In addition, disruption may lead to lawsuits, credit rating downgrading, and higher costs of capital. If more than one bank is affected, disruption may threaten market stability and have an impact on the entire economy. [People] The rights and livelihoods of TBB employees or those of employees on the supply chain are affected by business disruption. - Potential positive impact – Enhance operational resilience: [Economy] ensure business continuity, enhance financial stability, and attract more business opportunities; and reduce the default risk, facilitate economic growth and increase stability of financial markets.	Establish the "Disaster Recovery Procedures for the Information Center of Taiwan Business Bank," "Information System Management Procedures for the Information Technology Department of Taiwan Business Bank," "Information Security and Maintenance Procedures for Taiwan Business Bank," and "Regulations Governing Operational Continuity of Information Systems for Taiwan Business Bank," and other related regulations.	Keep strengthening disaster response capabilities and build an adequate IT system backup mechanism for better disaster response. Restore the minimum acceptable level of service within the promised recovery time in case of a disaster in order to protect customers' rights.	- Prevent potential negative impact and manage potential positive impact: - Organize regular offsite IT center disaster recovery drills to verify the backup center's offsite recovery capacity. Perform business impact analysis on various threats in order to devise adequate backup measures to ensure business continuity during severe business disruption.
6	Corporate Governance   	Corporate Governance Unit	Potential negative impact – Inadequate corporate governance: [Economy] Impacts on overall financial or economic structure arising from negative impacts on stakeholders' rights from unsatisfactory corporate governance performance and major negligence, failure to adhere to ethical corporate management, corruption or falsification or similar conduct.	Implement corporate governance guidelines to create a stronger corporate governance organization and system while enforcing corporate governance and ethical corporate management in order to protect stakeholders' rights and enhance Board effectiveness.	The Board of Directors follows the Articles of Incorporation, shareholders' meeting resolutions, and laws and regulations to perform their duties, and create a mutually beneficial environment for the Bank and its stakeholders based on ethics and integrity as well as an emphasis on corporate governance.	- Preventing potential negative impact: - Promote board diversity and fulfillment of board member roles, and enforce business integrity and ethics as well as compliance training and build a culture of integrity.

Priority order	Material Topics	Responsible unit	Impact category and description	Policy	Commitments	Action
7	Investing and financing climate action           	Sustainable Finance Unit	◆ Potential negative impact – failure of investing and financing climate actions: [Economy] Failure to assist financing recipients in starting low carbon transition effectively may turn potentially high risk assets into stranded assets, leading to higher financial risks. [Environment] Failed climate actions may lead to higher carbon emissions and other environmental impact, including reduced biodiversity. Failure to reduce or offset carbon footprint caused by business activities will accelerate global warming and cause long term damage to the natural environment. [People] Climate change has an impact on people's livelihoods and increases health and safety risks. Extreme weathers disrupt financial services and society. ◆ Actual positive impact – Develop products and services contributing to low carbon transition: [Economy] Redirect funds to low carbon industries, facilitate development of this industry, create new business opportunities and jobs, and reduce the economic risks arising from extreme weathers. [Environment] Support low carbon technology through green finance, which contributes to lower carbon emissions, increase climate resilience, and maintain biodiversity.	◆ Support enterprises committed to environmental protection, social responsibility, and corporate governance and avoid investing in controversial instruments. ◆ Follow the competent authority's Guidelines for Domestic Banks' Climate Risk Financial Disclosure and identify climate change related risks and opportunities; implement response plans, and develop climate governance policy. ◆ Integrate ESG issues into the development strategies and processes of financing, wealth management, and credit card businesses. Support the global trend of carbon reduction and follow the government's policy while directing customers' attention and action to ESG risks and opportunities. ◆ Reject loan applications from controversial customers. When processing loan applications, search applicants on government websites for background data on environmental protection, workplace safety, food safety, and employee pension contribution rates and make these data part of the key factors for financing.	◆ Exercise due diligence and uphold ethical corporate management. ◆ Perform climate change risk and opportunity analysis regularly to strengthen climate change governance of the Bank; assess financial impacts to reduce risk while grasping business opportunities. ◆ Continue to disclose information regarding carbon emissions and reduction of the Bank. ◆ Follow the ESG practice and offer green loan products as part of the commitment to the environment and society. ◆ Support businesses implementing environmentally friendly and green developments and avoid working with businesses with environmental and social risks. ◆ Encourage customers to support environmentally friendly spending through green diet and green transportation and pay attention to environmental sustainability. ◆ Support environmentally friendly and green industries and avoid establishing loan business relationship with controversial enterprises.	◆ Preventing potential negative impact: • Finish signing the Equator Principles and incorporate the Equator Principles into the lending process. • Engage in ESG investments to support environmental sustainability and social issue related actions. ◆ Managing actual positive impact: • Select investments with caution and continue to monitor after transactions. • Sign and implement the Task Force on Climate-related Financial Disclosures (TCFD) framework. • Continue to fill out the CDP questionnaires for climate change.

Priority order	Material Topics	Responsible unit	Impact category and description	Policy	Commitments	Action
8	Digital finance and innovation     	Customer Rights Unit	◆ Potential negative impact – Digital divide and digital isolation: [Economy] If a company falls behind in digital transition, it may become less competitive in the market, leading to lower capital liquidity, loss of customers, and business interruption, which could have an impact on overall economic activities and growth. [People] In the transition to digital business, there may be certain groups (such as the elderly and the digital illiterate) who are unable to effectively use digital banking services. The inability leads economic difficulties and social isolation for these groups. Furthermore, it may also cause a digital skill gap in the job market and employment challenges for certain talent. ◆ Actual and potential positive impact – Digital finance and innovation: [Economy] Effectively increase efficiency of financial services, reduce transaction costs, and create new economic opportunities to attract more investment and facilitate economic growth. [Environment] Reduce the need for physical branch locations and reduce consumption of resources and traffic or transaction related carbon emissions. [People] Digital business can be extended to previously unreachable regions and create convenience. It also makes information of banking products and services more readily accessible. ◆ External stakeholder evaluation:			
			Scope of Impact The Bank has introduced digital services and developed digital innovative products, actively promoted the development and application of digital transition, introduced financial technology services and created a convenient and high-value digital financial experience to provide customers with diversified consumption scenarios and inclusive financial services.	◆ Utilize digital innovations to change existing business models and transform them into a customer value and experience oriented system to create new value and sustainable advantages for the Bank and achieve digital governance targets.	◆ Develop more friendly and customer centric omnichannel financial services that emphasize user experience.	◆ Prevent potential negative impact and manage actual and potential positive impact: • Create more friendly and customer centric omnichannel financial services by utilizing innovative fintech and data to drive growth and implementing digital processes and channels to provide a revamped and better user experience. Combine social media and digital marketing to encourage customers to use online and mobile banking services as well as mobile payments. Meet the demand for mobile banking services and provide a more streamlined digital banking experience on different platforms.
			Quantitative indicator Taiwan Pay mobile payment users include a diverse range of customers, such as the elderly and residents in remote areas. In 2024, the number of customers and transaction volume using "Taiwan Pay" mobile payment have both grown compared to 2023. Among them, the number of registered Taiwan Pay users has exceeded 530,000, an increase of approximately 13% compared to 2023. On average, the total number of Taiwan Pay monthly transactions has exceeded 260,000, showing a compound annual growth rate as high as 33%. Per capita transaction volume grew by approximately 18% compared to 2023. Furthermore, using Taiwan Pay QR Code to scan and transfer funds can reduce the transfer fee of NT\$15 per transaction.			
			Impact assessment In order to free residents in remote areas from the constraints of time and space, the Bank has expanded the development of the electronic payment and actively built a payment ecosystem. It is currently cooperating with 7 electronic payment institutions to provide the "Account Link registered bank account" service. Having created this inclusive and friendly financial environment, customers can make payments, store value, and withdraw money at any time, any place to meet their financial needs. By the end of 2024, the number of registered accounts has exceeded 114,000, and the transaction amount has exceeded NT\$12.8 billion. The growth rate of the number of registered accounts has grown by approximately 30% in 2024 compared to the previous year.			

Priority order	Material Topics	Responsible unit	Impact category and description	Policy	Commitments	Action
9	Customer relationship    	Customer Rights Unit	- Potential negative impact – Damage to customer rights and interests: [People] Failure to properly design the customer complaint reporting process, or that the related procedures are not transparent and complete enough will result in customer issues not being resolved in a timely manner, further affecting their trust and satisfaction with the Bank. In addition, if the operating procedures of financial products or services are poorly designed or the product mechanism is flawed, customers are likely to suffer financial losses or other adverse effects, thereby infringing their rights and interests. - Potential positive impact – Optimize customer financial services: [Economic/People] By enhancing the quality and efficiency of financial products and services and optimizing customer experience, customers can have access to and to use superior financial services.	To safeguard the rights and interests of customers, establish a comprehensive customer feedback mechanism for the financial services provided and comply with relevant laws and regulations.	- Formulated the "Treat Clients Fairly Principles Policy" and "Treat Clients Fairly Principles Strategy". - Implement the principle of fair customer treatment in the financial industry and ensure the quality of products and services.	- Prevent potential negative impact and manage potential positive impact: - Continue to conduct customer satisfaction surveys and set targets to reduce customer complaints in order to reduce customers' negative evaluation of the Company. - Design and monitor indicators related to improper marketing, and include improper marketing to vulnerable customers or resulting in customer complaints and disputes in the evaluation for legal compliance.

10	Protection of workplace human rights  	Employee Care Unit	- Potential negative impact – Violation of workplace human rights: [Economy] Infringement of employee rights may lead to employee complaints or union activities, such as strikes, which in turn may affect the normal operation of the society and cause fluctuations in the overall economy. [People] Excessive working hours and coercive working environment will infringe the employees' work rights and interests. When employees are discriminated against based on gender or other factors, their work rights and interests will be further harmed. - Actual positive impact – Promoting equality and diversity in the workplace: [People] Promoting equal development opportunities and providing opportunities for talents from diverse backgrounds demonstrates the Company's social responsibility and commitment, helps break down barriers and promote equality and diversity in the workplace.	Committed to complying with relevant laws and regulations on labor rights, and following and supporting the spirit and basic principles of human rights protection set forth in international human rights conventions, such as gender equality, the right to work, and the prohibition of discrimination.	Implement equal treatment in employee recruitment, promotion, and remuneration, and adopt a zero-tolerance attitude toward any form of discrimination. Relevant management policies and procedures are also formulated to provide diverse and safe complaint channels and to protect employees' legitimate rights and interests from infringement.	- Prevent potential negative impact and manage actual positive impact: - Amend the Human Rights Policy to comply with internationally recognized human rights standards. - To ensure that employees are treated with due respect, reasonableness and equality in the work and service environment and are free from discrimination or harassment, an "Anti-discrimination and Anti-harassment Policy" has been established. - Through human rights due diligence mechanisms and risk assessments, prevention and mitigation measures are reviewed, improvement plans are formed, and implementation results are tracked. - Continue to organize human rights-related courses.
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Priority order	Material Topics	Assessment and goals				
		Performance indicator	2024 (Short term) goals	2024 Progress	2025 (Short term) goals	2030 (Medium/Long term) goals
1	Legal Compliance 	KPI 1: Each department performs compliance self assessments	Twice a year	Twice a year	Twice a year	Twice a year
		KPI 2: Training completion rate of "Compliance Officer Seminar" for compliance officers at banking and securities HO & branches	100%	100%	100%	100%
		KPI 3: Training completion rate of "AML/CFT Seminar" for banking and securities HO & branches	100%	100%	100%	100%
2	Information Security 	KPI 1: Completion rate of damage control or recovery within 36 hours after becoming aware of the following cyber security incidents: - core business information is leaked (in a mild/serious case) - core business information or core information systems are altered (in a mild/serious case) - cyber security incidents classified as "Material Contingency"	100%	100% (None occurred in 2024)	100%	100%

Priority order	Material Topics	Assessment and goals				
		Performance indicator	2024 (Short term) goals	2024 Progress	2025 (Short term) goals	2030 (Medium/Long term) goals
2	Information Security	KPI 2: Purchase information security insurance every year	Renew coverage every year	Coverage renewed on November 13, 2024.	Renew coverage every year	Renew coverage every year
		KPI 3: Completion Rate of Cyber Security Awareness and Training	100%	100%	100%	100%
3	Risk Management 	KPI 1: Compliance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	The statutory ratio was met.	The statutory ratio was met.	The statutory ratio was met.	The statutory ratio was met.
		KPI 2: Completion rate for conducting monthly meetings of the Risk Management Committee	100%	100%	100%	100%
4	Privacy protection 	KPI 1: Regularly convene the "Personal Data Protection Committee" meetings	Convene 2 meetings annually	Meetings were held on April 9, 2024 and December 30, 2024	Convene 2 meetings annually	Convene 2 meetings annually
		KPI 2: Conduct personal data protection educational trainings regularly	Once a year	The "Personal Data Protection Laws and Regulations Educational training" course was held from October 1 through October 21, 2024	Once a year	Once a year
5	Operational performance and resilience  	KPI: Organize main IT center offsite disaster recovery drills	Twice a year	The first half-year drill was completed on May 11, 2024, and the second half-year drill was completed on October 15 and 16, 2024.	Twice a year	Twice a year
		KPI 2: Core system recovery time	4 hours	4 hours	4 hours	4 hours
6	Corporate Governance   	KPI 1: Board diversity	Female directors account for at least 1/5 of the Board	2 female directors account for 2/15 of the Board	Female directors account for at least 1/4 of the Board	Independent directors and directors of either gender both account for at least 1/3 of the Board
		KPI 2: Overall/Lowest individual average Board meeting attendance	94%/82%	98.6%/93.3%	95%/82%	95%/84%
		KPI 3: Conduct performance evaluation of the Board	Internal assessment Weighted average score: 93	Internal assessment Weighted average score: 98.3	Internal assessment Weighted average score: 94	Entrust an external professional organization to conduct the performance evaluation of the Board
		KPI 4: Business integrity and ethics training	96% passing rate.	The online assessment for the second half of 2024 included ethical corporate management as a tested subject. All employees who initially failed have completed re-assessments and passed, resulting in a 100% pass rate.	96.5% passing rate.	97% passing rate.

Priority order	Material Topics	Assessment and goals				
		Performance indicator	2024 (Short term) goals	2024 Progress	2025 (Short term) goals	2030 (Medium/Long term) goals
7	Investing and financing climate action 	KPI 1: Invest in sustainability-related bonds or related industries or products	Investment in sustainability-related bonds accounts for 5% of total bond investment ¹⁵	Investment in sustainability-related bonds reached 7.56% of total bond investment	Investment in sustainability-related bonds reached 6% of total bond investment	Investment in sustainability-related bonds reached 7% of total bond investment
		KPI 2: The ratio of attendance at shareholders' meetings of investee companies ¹⁶	100%	100%	100%	100%
		KPI 3: Coverage of corporate loan customers in new loans signing the Commitment for Fulfilling Corporate Social Responsibility	90% coverage	90.55% coverage	91% coverage	92% coverage
		KPI 4: Total green project loans disbursed for providing financing, assisting individual customers in improving and upgrading their equipment, and purchasing green buildings	NT\$2 billion	NT\$9 billion	NT\$12 billion	NT\$15 billion
		KPI 5: Balance of green financing loans (including green industries and green enterprises ¹⁷)	NT\$173 billion	NT\$185.534 billion	NT\$178 billion	NT\$183 billion
		KPI 6: Cumulative number of sustainability-linked loans ¹⁸	A total of 100 cases undertaken	A total of 102 cases undertaken	A total of 135 cases undertaken	A total of 170 cases undertaken
		KPI 7: Total loans approved for urban renewal and old building reconstruction	NT\$90 billion in total loans approved	NT\$96.1 billion in total loans approved	NT\$100 billion in total loans approved	NT\$120 billion in total loans approved
		KPI 8: Number of ESG themed funds launched ¹⁹	Cumulatively launched 6 funds	Cumulatively launched 9 funds (Base Date: 2022, one of the funds was liquidated in July 2024)	Cumulatively launched 7 funds	Cumulatively launched 12 funds
		KPI 9: Coverage of credit cards made of environmentally friendly materials ²⁰	28% coverage	Coverage of environmentally friendly cards reached 29.6% 50,408 credit cards (total number of environmentally friendly cards issued at end of December)/170,427 (total number of cards in circulation at end of December)	29% coverage	30% coverage

¹⁵ Currently, the Bank's investment in sustainable finance-related bonds is mainly based on bonds disclosed by the Taipei Exchange and Bloomberg as green energy and sustainable bonds. The Bank has set a target of sustainability-related bonds to account for 5% of its total bond investment in 2024. At the end of 2024, the sustainability-related bond positions on the account reached approximately NT\$18.289 billion, accounting for 7.56% of the total bond investment positions. The Bank's new investment in sustainability bond in 2024:

Bond Code	B618DU	B618DT	B618DU	B50181	B68125	B68125	B903ZJ	B50181	B68125	B68125	B618DU	Total
Bond Abbreviation	P13 TSMC 1B	P13 TSMC 1A	P13 TSMC 1B	P13 Far East New 1	P13 STSP 1	P13 STSP 1	P13 Taipower 2B	P13 Far East New 1	P13 STSP 1	P13 STSP 1	P13 TSMC 1B	
Amount (NT\$100 mn)	5.0	0.5	1.5	3.0	8.0	7.0	3.0	3.0	3.0	1.0	4.0	39.0
Level	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	Green bonds	

¹⁶ (On-site attendance + electronic voting) Number of attendance/Number of shareholders' meetings that TBB should attend

¹⁷ The definition of green industries and green enterprises is based on the "Program to Encourage Lending by Domestic Banks to Enterprises in Key Innovative Industries" formulated by the Financial Supervisory Commission (FSC). Green energy and renewable energy refer to industries engaged in green energy and renewable energy industry-related manufacturing, electricity and gas supply, construction engineering, transportation and warehousing, scientific and technical services and other related industries.

¹⁸ By using the base year of 2021, cumulative number of loan case undertaken is 5.

¹⁹ By using the number of ESG themed funds launched in 2022 as the base year.

²⁰ Coverage = (Total number of environmentally friendly cards issued/Total number of cards in circulation at the end of current year)

Priority order	Material Topics	Assessment and goals				
		Performance indicator	2024 (Short term) goals	2024 Progress	2025 (Short term) goals	2030 (Medium/Long term) goals
7	Investing and financing climate action	KPI 10: Fill out the CDP questionnaires for climate change	Rated B (management level)	Rated A- (leadership level)	Rated B (management level)	Rated A- (leadership level)
		KPI 11: Perform TCFD analysis and publicly disclose key information	Completion rate 100%	Disclosed with 100% completion	Completion rate 100%	Completion rate 100%
		KPI 12: Organize third party certification of TCFD report	Completion rate 100%	Organized with 100% completion	Completion rate 100%	Completion rate 100%
		KPI 13: Introduce PCAF methodology to investigate carbon emissions from investing and financing in Scope 3 Category 15, and establish a financial carbon emissions accounting mechanism	Completion rate 50%	Implemented with 100% completion	Completion rate 75%	Completion rate 100%
		KPI 14: Complete setting SBT targets	Completion rate 50%	Submitted with 50% completion	Completion rate 100%	Completion rate 100%
8	Digital finance and innovation 	KPI 1: Total number of digital financial patents received	55	76	65	75
		KPI 2: Number of transactions made using Taiwan Pay QR Code	The number of new transactions to reach 2.3 million	The number of new transactions reached 2.84 million	The number of new transactions to reach 2.40 million	The number of new transactions to reach 2.50 million
		KPI 3: Number of online service transactions	The number of new transactions to reach 16.4 million	The number of new transactions reached 16.74 million	The number of new transactions to reach 16.9 million	The number of new transactions to reach 19.6 million
		KPI 4: Total number of accounts opened online	150,000 accounts	179,000 accounts	180,000 accounts	330,000 accounts
		KPI 5: Number of online loan applications	4,000 new online loan applications	12,016 new online loan applications	4,800 new online loan applications	12,000 new online loan applications
9	Customer relationship 	KPI 1: Customer satisfaction surveys ²¹	Customer satisfaction to reach 90%	92%	Customer satisfaction to reach 90%	Customer satisfaction to reach 90%
		KPI 2: Conduct legal compliance and risk assessment works	Once a year	Completed the legal compliance and risk assessment and submitted a report to the Financial Supervisory Commission for record on April 23, 2024	Once a year	Once a year
		KPI 3: To rank among the top 25% list in the Financial Supervisory Commission's "Principle for Financial Service Industries to Treat Clients Fairly" evaluation	To rank among the top 25% list in the Financial Supervisory Commission's "Principle for Financial Service Industries to Treat Clients Fairly" evaluation	Ranked 50 - 75% list in the Financial Supervisory Commission's "Principle for Financial Service Industries to Treat Clients Fairly" evaluation	Continue to rank among the top 25% list in the Financial Supervisory Commission's "Principle for Financial Service Industries to Treat Clients Fairly" evaluation	Continue to rank among the top 25% list in the Financial Supervisory Commission's "Principle for Financial Service Industries to Treat Clients Fairly" evaluation
10	Protection of workplace human rights 	KPI 1: Risk value of the occurrence rate of "illegal encroachments in the line of duty"	≤0.15%	0% (No occurrence)	≤0.14%	≤0.12%
		KPI 2: Risk value of occurrence rate for confirmed sexual harassment complaint cases	≤0.15%	0%	≤0.14%	≤0.12%
		KPI 3: Percentage of women in related STEM positions	≥34%	35.28%	≥35%	≥37%
		KPI 4: Rate of new employees receiving gender equality training courses	≥95%	100%	≥95%	≥95%

²¹ The Bank conducts a satisfaction survey on users who use online banking and mobile banking to inquire about account details and funds, transfer funds between NTD and foreign currencies, buy and sell foreign currencies, remit funds, and convert and redeem funds.



02

**Corporate
Governance**

2.1 Board of Directors and Corporate Governance

2.1.1 Composition of the Board of Directors

Taiwan Business Bank is a SME specialized bank with a sound corporate governance structure. The Board of Directors is set up under the shareholders' meeting as the Bank's highest governance unit. The Board of Directors²² is comprised of 15 Directors (independent directors should be no less than 5 and no less than 1/3 of the director seats). The term of office for the Directors shall be 3 years and Directors may be re-elected and re-appointed. The Board of Directors holds a regular meeting once a month as a principle, and performs its duties in accordance with laws, the Article of Association and resolutions of shareholders' meetings, and supervises the management departments in executing businesses. To assist the Board of Directors in reviewing various proposals and ensure the quality of the Board's decisions, functional committees such as the Audit Committee, Remuneration Committee, Sustainable Development Committee and Digital Transformation Committee have been set up under the Board.

2.1.2 Board Diversity and Independence

A. Board Diversity:

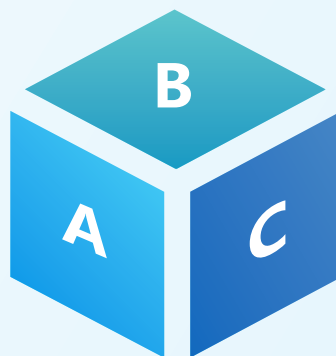
To strengthen the structure of the Bank's Board of Directors, Directors who serve as managers at the Bank concurrently are not advised to account for more than one-third of the total Directors. The Bank's Board diversity policy shall cover the two criteria below in terms of operations, business model and development needs:

- Basic qualification and value: Gender, age, nationality, race and culture.
- Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The Bank's Board members shall generally possess the knowledge, skills, and qualities necessary to perform their duties, so as to achieve the ideal goals of corporate governance and enable the Board as a whole to possess the capabilities including operational judgment, accounting, financial analysis, business management, risk management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.

B. Independence of the Board:

- Specific specifications: The Bank values the independence of the Board, and set out in the regulations that directors served concurrently by the Bank's managers shall not exceed one-third of the total number of directors; the consecutive term of office of independent directors shall not exceed three terms, and shall not serve concurrently as directors (including independent directors) or supervisors of four or more than four listed and OTC companies, or as independent directors of more than three other publicly listed companies. Also, the Chairman shall not be the same person as the President.
- Current status: There is one director who is the manager of the Bank, and five independent directors all meet the independence criteria set by the competent authority. Also, the Bank's directors concurrently serve as directors or independent directors in no more than three other companies. The Chairman and the President are not the same person and are not spouses or relatives within the first degree of kinship. Additionally, the Bank's directors do not have any spouse or relative within the second degree of kinship who is also a director of TBB, which is in compliance with regulations. The independence of the Board is deemed to be achieved.



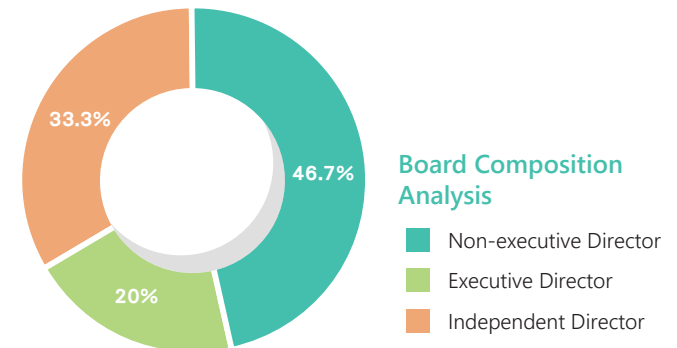
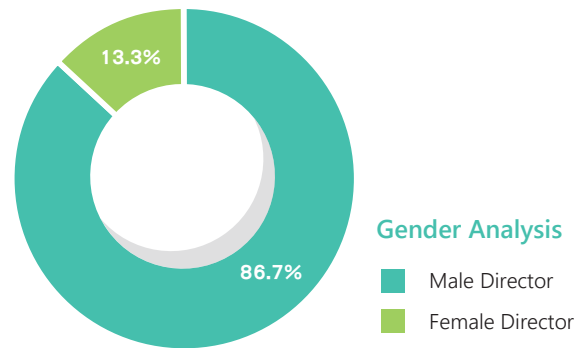
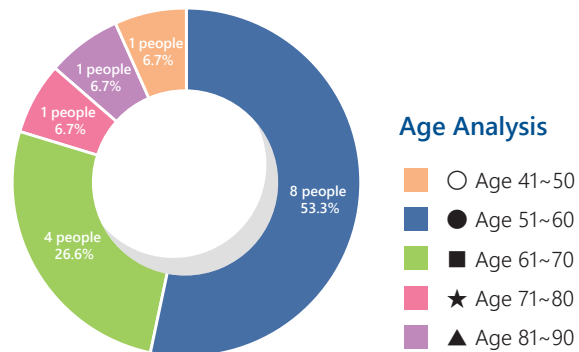
C. Implementation of Board diversity:

The Board of Directors of the Bank consists of 15 directors. There are 3 employee directors accounting for 20%, 6 natural person directors accounting for 40% (including 5 independent directors accounting for 33.3%), and 1 director with managerial status accounting for 6.7%. In addition, to pay attention to gender equality in the composition of the Board of Directors, we strive to increase the number of female directors to 33% (currently 13 male directors account for 86.7% and 2 female directors account for 13.3%). Directors generally have experience and expertise in banking, finance, risk management, asset management and other fields. The relevant implementation status is as follows:

²² Please refer to Page 19-21 of the Bank's Annual Report for details of the Board of Directors.

Base Date: April 10, 2025

Name of Director	Core Item	Calendar Year of Election ²³	Basic Composition					Independence ²⁴	Industry Experience				Professional Skills					GICS relevant work experience
			Nationality	Gender	Concurrent Role as Bank Employee	Age ²⁵	Tenure of Independent Director ²⁶		Bank	Securities	Insurance	Asset Management	Accounting	Finance	Risk Management	Human Resources	Legal	
Non-executive Director	Chia-Hsiang Lee	2025	R.O.C	Male		■		v	v	v	v	v	v	v	v	v		Finance
Execute Director	Kuo-Chung Lee	2024	R.O.C	Male	v	●			v	v	v	v	v	v	v	v		Finance
Non-executive Director	Tzu-Hao Tsai	2020	R.O.C	Male		○		v	v	v	v	v	v	v	v			IT
Non-executive Director	Mei-Ling Liang	2025	R.O.C	Female		■		v	v	v		v	v	v	v	v		Finance
Independent Director	Xin-Wu Lin	2018	R.O.C	Male		●	◆	v	v	v	v	v	v	v	v	v		IT
Execute Director	Hung-Sheng Yu	2013	R.O.C	Male	v	●			v	v	v	v	v	v	v	v		Finance
Non-executive Director	Shu-Yi Wang	2024	R.O.C	Female		●		v				v	v	v	v	v		—
Non-executive Director	Ho-Chyuan Chen	2022	R.O.C	Male		■		v	v		v	v	v	v	v		v	—
Non-executive Director	Chun-Hsien Yeh	2021	R.O.C	Male		●		v	v		v	v	v	v	v			—
Execute Director	Ming-Huei Chen	2021	R.O.C	Male	v	●			v	v	v	v	v	v	v			Finance
Non-executive Director	Che-Nan Wang	2012	R.O.C	Male		▲		v	v	v		v		v	v	v		Finance
Independent Director	Jin-Long Liu	2018	R.O.C	Male		■	◆	v	v	v	v	v	v	v	v			IT
Independent Director	Yung-Cheng Chuang	2021	R.O.C	Male		●	◆	v	v	v	v				v	v	v	Finance
Independent Director	Shao-Yuan Chang	2021	R.O.C	Male		★	◆	v	v	v	v	v	v	v	v	v		Finance
Independent Director	Mi-Hsiu Chiang	2024	R.O.C	Male		●	◇	v				v	v	v	v			Finance

²³ Average tenure of directors: 4.13 years²⁴ TBB has a single track board of directors. Director independence is based on the following criteria. A director must be a non-executive director and meet 4 or more of the 9 benchmarks, 2 of which must be out of the first three.

- (1) The Director did not serve as a senior executive of the Bank.
- (2) The Director and his/her family members did not accept remunerations exceeding US\$ 60,000 from the Bank or any subsidiary, except those permitted by the US SEC 4200.
- (3) The family members of the Director did not serve as senior executives of the Bank or any subsidiary.
- (4) The Director is not the consultant of the Bank or the management team, and does not share an interest with the consultant of the Bank.
- (5) The Director does not share an interest with the Bank's major customers or suppliers.
- (6) There is no service contract relationship between the Director and other enterprises or their management team.
- (7) The Director does not share an interest with non-profit organizations which are mainly donated by the Bank.
- (8) The Director did not work or act as a partner in the Bank's external auditing organizations.
- (9) There is no conflict of interest between the Director and the independent operation of the Board of Directors.

Kuo-Chung Lee, Hung-Sheng Yu and Ming-Huei Chen are internal directors, and the independence criteria of external directors do not apply

²⁵ ○ Age 41~50 ● Age 51~60 ■ Age 61~70 ★ Age 71~80 ▲ Age 81~90²⁶ ◇ In office 3 years or shorter ◆ In office 3 to 9 years △ In office 9 years or longer

2.1.3 Performance of the Board of Directors and the Functional Committees

The Board of Directors is the Bank's highest governance unit. Functional committees (the Remuneration Committee, Audit Committee, Sustainable Development Committee and Digital Transformation Committee have been established) may be set up under the Board of Directors to assist the Board in reviewing various proposals and ensuring the quality of the Board's decisions.

Board of Directors

- ◆ The Board of Directors has set a target of an average attendance rate of 94% or above for all directors and an attendance rate of 82% or above for individual directors in 2024. A total of 15 Board meetings were held in 2024, with an average attendance rate of 98.6% (excluding proxy attendance) for all directors and 93.3% for individual directors. In addition, the Bank's Rules of Procedure for Board Meetings stipulate that at least one independent director should attend the Board meetings in person; and that all independent directors should attend the Board meetings for matters that should be resolved by the Board of Directors in accordance with regulations. If an independent director is unable to attend in person, he or she should appoint other independent directors to attend on his or her behalf. The average attendance rate of independent directors at Board meetings in 2024 was 100%, which is in compliance with the above-mentioned regulations.
- ◆ Most of the directors of TBB are representatives appointed by legal person shareholders, such as the Ministry of Finance, the Bank of Taiwan, the National Development Fund, Executive Yuan and TBB Industry Union. The average term of office of directors is 4.13 years.²⁷
- ◆ TBB pays attention to domestic and international development trends and new regulations, and provides a variety of external training courses for Board members to enhance the professional knowledge that directors should possess when performing their duties. In 2024, TBB Board members continued to receive trainings in accordance with the "Key Points for the Implementation of Continuing Education for Directors of Listed Companies", with a total of 140 training hours, and an average of approximately 9.3 hours of training per director. Overall, the number of hours of directors' training is better than the requirement of "new directors should take at least 12 hours of training each year during their tenure and continuing directors should take 6 hours" as stipulated in the Key Points for the Implementation of Continuing Education. Director training courses include corporate governance, risk management, climate risk, sustainable development, sustainable risk management practices, anti-money laundering, internal control and new AI technologies, etc., to continuously enhance and strengthen the professional functions of directors and supervisors. The status of directors' training in 2024 is also disclosed on the Market Observation Post System and the Bank's website.
- ◆ Directors, responsible persons, and senior managers have all received training courses related to the protection of rights of vulnerable groups, such as financial friendliness and the Convention on the Rights of Persons with Disabilities (CRPD).
The Bank conducted a 3-hour digital course titled "Treat Clients Fairly Educational Training" for all employees from June 17, 2024 to July 8, 2024 (including 0.5 hours on financial friendliness principles), with a total of 5,476 participants completing the training, including

178 senior managers. Additionally, from October 22, 2024 to November 11, 2024, the Bank held a 2-hour digital course titled "Financial Friendliness Educational Training" for all employees, covering the protection of rights of vulnerable groups, such as financial friendliness and the CRPD. The course also featured explanations of the Bank's financial friendliness service measures by relevant departments. A total of 5,458 participants completed this course, including 178 senior managers. On November 1, 2024, external lecturers were invited to give a special lecture on "Financial Friendliness and the CRPD" at a Board meeting, with 15 directors and senior managers attended the lecture. These training sessions will continue in 2025 to deepen all employees' professional understanding of financial friendliness services.

- ◆ In terms of internal sustainable development promotion policies, the Bank has established a talent cultivation plan and regularly implements trainings for directors, supervisors, senior managers, and employees.

To enhance the entire bank's understanding of sustainable financial development, since 2021, we have conducted relevant courses during employee weekend training sessions. These included "Key Issues in Offshore Wind Power Industry in Taiwan" in 2021, "Green Industry and Green Financing" in 2022, "Corporate Supply Chain Carbon Risk and Case Studies" in 2023, and in 2024, we continued with the training course of "Looking at Green Finance 3.0 from the perspective of enterprises' ability to deal with climate risks ~ Discussing from COP28" and expanded the training targets to include all employees. This aims to deepen the foundation of employees' understanding of sustainable financial development. As of December 31, 2024, 5,419 people have completed the training, with each person receiving 3 hours of training. Additionally, relevant departments also assign personnel to attend professional training courses held by external training institutions as per business needs. In 2024, a total of 73 participants attended external training, accumulating 451.5 training hours (including directors and senior managers, with a total of 12 person-times participated in the training in 2024, accumulating a total of 36.5 training hours). The Bank has included the Sustainable Finance Certificate in the bonus points program for employee promotion. In order to encourage employees to obtain the Certificate as soon as possible, those who pass the exam within a specific period will be given extra promotion points. As of the end of 2024, a total of 411 people have obtained the Sustainable Finance Certificate. (Basic skill: 408 people, Advanced skill: 3 people)

- ◆ To ensure sustainable operations and long-term development, the Bank has implemented a succession plan for key management positions.

The President of the Bank is appointed by the Ministry of Finance. In the event of the President's departure (whether planned or unplanned), a new appointment will be made promptly in accordance with the "Guidelines for the Appointment and Management of Executives, Directors, and Supervisors of Government-owned and Privately-owned Enterprises under the Ministry of Finance." The appointment shall take effect upon resolution of the Bank's Board of Directors and approval by the competent authority. To cultivate successors for key management roles, the Bank appoints Executive Vice Presidents to participate in the "Advanced Leadership Program for Senior Financial Executives" and department heads to attend the "Senior Talent Training Program for Government-owned Enterprises." The Bank also promotes talent development through job and departmental rotations, implementation of acting roles, internal and external training programs, and a merit-based promotion system. Talented individuals with leadership capability, professional expertise, and strategic vision are selected to assume key management positions, thereby supporting the Bank's continued advancement and achievement of its operational goals.

²⁷ Board members serve a term of three years. However, directors who are representatives appointed by legal person shareholders may be replaced as needed at anytime during the term of office.

Functional Committee

Functional Committee ²⁸	Remuneration Committee	Audit Committee	Sustainable Development Committee	Digital Transformation Committee
Year	2011	2012	2017	2020
Implementation status in 2024	Convened 7 meetings Members: 5 Independent Directors	Convened 18 meetings Members: 5 Independent Directors	Convened 4 meetings Members: Chairman, President and 3 Independent Directors	Convened 2 meetings Members: Chairman, President, 2 Independent Directors and 2 external members
Attendance Rate (%)	100%	98.8%	100%	100%

To implement corporate governance and improve the effectiveness of the Board of Directors, the performance evaluation on the overall operation of the Board of Directors (including functional committees) and individual directors is conducted annually in accordance with the "Regulations for Board Performance Evaluation" of Taiwan Business Bank. The performance evaluation results shall be completed before the end of the first quarter and reported to the Board by the Secretarial Department.

²⁸ The roles and responsibilities of the functional committees and its operation in 2024 (including attendance calculation) can be found under Investor Relations on TBB's website and Page 36~50 of the Annual Report.

2.1.4 Results of Performance Self-Evaluation on the Overall Operation of the Board of Directors (including Functional Committees) and Individual Directors

The performance evaluation on the overall operation of the Board of Directors (including functional committees) and individual directors in 2024 is as follows:

Evaluation Frequency	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Results
Once a year	January 1, 2024 ~ December 31, 2024	The Board, Directors, and functional committees	Self-evaluation of Directors and members of each functional committee	The measurement items of the Board's performance evaluation include the following five aspects: the degree of participation in the Bank's operations, the quality of Board decisions, the composition and structure of the Board, the election and continuing education of Directors, and internal control. The measurement items of the Directors' performance evaluation include the following six aspects: the mastery of the Bank's goals and duties, awareness of Director responsibilities, degree of participation in the Bank's operations, internal relationship management and communication, profession and continuing education of directors, and internal control. The measurement items of functional committees' performance evaluation include the following five aspects: the degree of participation in the Bank's operations, awareness of duties of functional committees, elevation of decision-making quality, composition and election of functional committee members, and internal control.	46 performance indicators are evaluated by 15 Directors and executive units to be "Excellent" overall. 24 performance indicators are evaluated by 15 Directors and executive units to be "Excellent" overall. - Audit Committee: 21 performance indicators are evaluated by 5 committee members and executive units to be "Excellent" overall. - Remuneration Committee: 22 performance indicators are evaluated by 5 committee members and executive units to be "Excellent" overall. - Sustainable Development Committee: 23 performance indicators are evaluated by 5 committee members and executive units to be "Excellent" overall. - Digital Transformation Committee: 20 performance indicators are evaluated by 6 committee members and executive units to be "Excellent" overall.

2.1.5 Results of the 11th Corporate Governance Evaluation

TBB continues to strengthen its corporate governance every year, reviewing and improving based on evaluation indicators, and enhancing management and operational efficiency to implement the four major business philosophy of pursuing business performance, enhancing employee added value, valuing shareholder rights and interests, and fulfilling corporate social responsibility. TBB aims to become a quality bank committed to caring and sharing. The Bank ranked in the "Top 6%-20% of the Listed Companies Group" in the 2024 Corporate Governance Evaluation held by the Taiwan Stock Exchange Corporation.

2.1.6 Remuneration of the Senior Management

Regarding the remuneration of Directors of the Bank, the Article of Association has provided that, shall there be profits of the year and except for retaining the compensation amount for losses from previous years, the Bank shall allocate no more than 0.6% as the remuneration of Directors. The Shareholders' Meeting authorized the Board to determine the payment for such remuneration according to the standards in the industry, the respective performance of Directors, the performance of corporate operations, and the results of the performance assessment by the Board. Relevant performance assessment was proposed at the meeting of the Remuneration Committee for discussion and was submitted to and approved by the Board meeting. Regarding the remuneration for Independent Directors, the Board shall determine a reasonable remuneration different from that of the general directors according to the relevant standards within the industry. Except for the monthly fixed remunerations payment, such directors shall not receive the director remuneration specified in the Article of Association. For losses incurred to the Bank resulting from dubious acts of the Directors, the Audit Committee shall exert control and supervision on the existing and potential risks, and impose necessary punishment according to relevant laws and regulations.

The internal performance evaluation of the Board of Directors, individual directors and functional committees (including Audit, Remuneration, Sustainable Development and Digital Transformation Committees) for 2024 has been reported at the 8th Board meeting of the 17th Board on February 21, 2025. The outsourced performance evaluation of the Board of Directors is conducted every three years, and the next one will be performed in 2026.

The approval procedures for the remuneration of the President and the senior management shall be based on relevant requirements of "Directions for Salary Payment to Employees," "Directions for Payment of New Year, Festival, and Performance Bonuses" "Directions for Payment of Employee's Compensation," and "Remuneration Committee Organizational Procedures." Such remuneration shall be implemented and paid after an assessment of performance based on the "Directions for Employee Audit," "Directions for Performance Audit," and "Directions for Administrative Incentives for Performance Audit" of the Bank, with consideration to the general standard within the industry. Remuneration includes salary, management allowance, various bonuses, lunch allowance, and pension and separation pay. The remuneration structure is divided into fixed remuneration and variable remuneration. Furthermore, the remuneration and relevant performance assessment of the Bank's President and the senior management shall be proposed at the meeting of the Remuneration Committee for discussion annually, and the results thereof shall be submitted to the Board for approvals.

The ratio of the President's total annual compensation to the median employee compensation in 2024 was 4.83.

The ratio of the percentage increase in total annual remuneration of the highest-paid individual to the percentage increase in the median total annual remuneration of all other employees (excluding the highest-paid individual) in 2024 was 0.7.

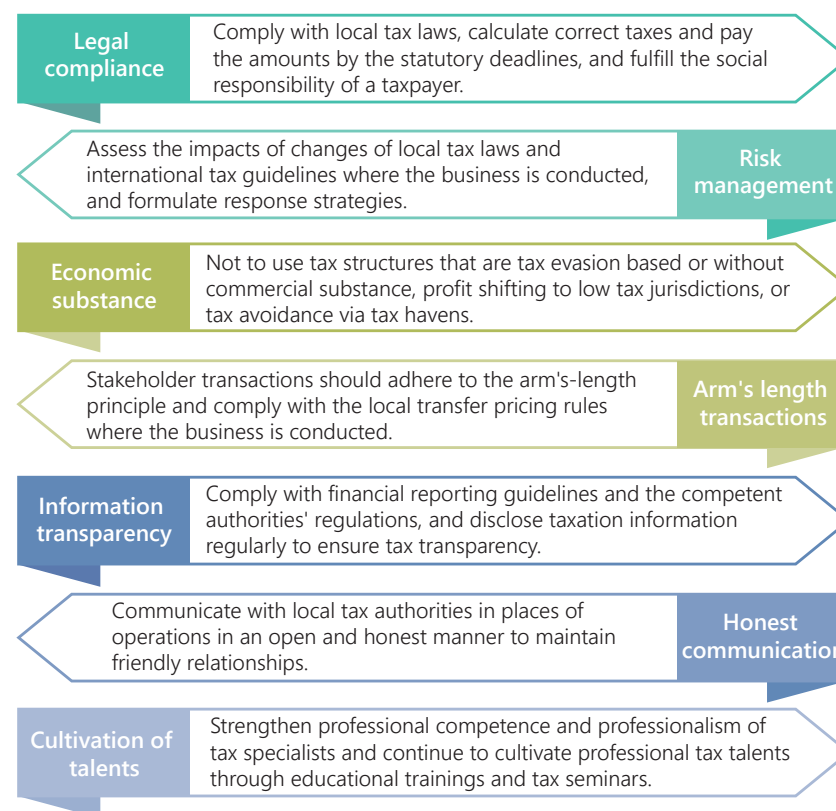
Fixed remuneration	Remuneration for the President is governed by the Article of Association and decided by the Board of Directors. Remuneration for the senior management follows the employee pay grades, and monthly remuneration consists of salary, management bonus, and meal allowance, which come into effect after the Board's approval. Remuneration is submitted regularly to the Remuneration Committee for review and assessed every year.
Variable remuneration	The evaluations of personal performance of the President and senior management combine corporate governance and sustainable development. Factors such as overall business performance, financial indicators, internal control assessment, green finance promotion results, and ESG-themed execution results are included in the scope of evaluation, effectively creating a link to variable remuneration for the President and senior management, providing incentives for them to pay attention to the Bank's sustainable development and enhancing the Bank's ESG implementation. In particular, performance bonus and employee remuneration are linked to the Bank's financial performance indicators, including net profit before tax, return on assets, return on equity, NPL ratio, and coverage ratio, which will be compared with the aforementioned indicators of peers, and included in the bonus reference factors. Payments are based on personal evaluation results and made in the following year. The period of the indicators and personal performance assessment is 1 year. Distribution of performance bonus and employee remuneration cannot be deferred for more than six months. 0.39% of variable remuneration is distributed in the form of employee stock ownership trust and deferred for 3 years. In the event that the President or any of the senior management is involved in illegal activities and causes losses to the Bank, the person shall be dismissed with the Board's approval and remuneration be terminated. In addition, the person shall be subject to necessary disciplinary action as applicable under the law.

2.1.7 Tax Governance

In response to the global trend to implement tax governance and ensure corporate sustainability and tax compliance, the Bank submitted a proposal to the 7th meeting of the 16th Board of Directors and established the "Taiwan Business Bank Tax Governance Policy". The policy states that the Board of Directors is the ultimate decision making and supervisory unit for tax governance and is in charge of approving tax governance policies and ensuring tax governance policies work effectively. The Accounting Department at the Head Office is the supervisory unit for taxes and reports to the Board of Directors as needed based on the materiality of each issue. In addition, the Accounting Department files audited corporate income tax return at the end of May every year.

The use of tax strategies and management of tax costs at the Bank and its domestic and foreign subsidiaries should comply with the principles of sound business practice and tax integrity in order to reduce tax risk, increase shareholder value, and fulfill corporate social responsibility.

Tax Governance Policy



Country-by-country reporting

The 2024 revenue, profit and loss before tax, and income tax information for the TBB Group in each tax jurisdiction are as follows:

Unit: NT\$1,000

Tax jurisdictions	Number of employees	Revenues	Profit and loss before tax	Current income tax	Tax paid
Taiwan	5,546	31,072,542	11,901,137	2,285,599	1,431,451
China	54	390,963	237,652	-20,512	9,410
Cambodia	25	67,100	4,225	14,808	1,065
Hong Kong	36	673,530	469,233	123,438	124,057
Australia	30	731,977	617,949	173,308	114,903
USA	34	1,028,488	790,627	218,770	210,907
Japan	15	149,987	41,841	30,552	30,534

Income tax rate

Unit: NT\$1,000

Item	2023	2024	Average
Profit before income tax	12,427,807	14,062,664	13,245,236
Income tax expense	1,860,132	2,825,963	2,343,048
Effective tax rate	14.97%	20.10%	17.53%
Income tax paid	2,993,756	1,922,327 ²⁹	2,458,042
Cash effective tax rate	24.09%	13.67%	18.88%

According to the average effective tax rate in the global banking industry provided in the S&P Global 2025 CSA Handbook, the Bank's effective tax rate was below the global industry average in 2023 and 2024. The main reason was that the Bank operated primarily in Taiwan, where the statutory income tax rate was 20% and below other countries. OBU and securities income being tax exempt in Taiwan also helped to push the Bank's effective income tax rate below the global average.

²⁹ The income tax paid in 2024 is mainly due to (1) the back payment of income tax for 2023 in May 2024, and (2) the provisional tax payment in September 2024 (half of the income tax payable in the previous (2023) year was paid), etc.; net profit before tax in 2022, 2023 and 2024 are NT\$12,039,792 thousand, NT\$12,427,807 thousand and NT\$14,062,664 thousand, respectively.

2.2 Ethical Corporate Management and Legal Compliance

2.2.1 Ethical Corporate Management Best Practice Principles

TBB upholds the principles of fairness, honesty, trustworthiness, and transparency in its business activities. TBB's Sustainable Development Committee is the dedicated unit for ethical operations, under which are six units dedicated to Corporate Governance, Customer Rights, Sustainable Finance, Sustainable Environment, Social Welfare, and Employee Care. The dedicated unit reports to the Board regarding the execution during the previous year before the first quarter of each year. Furthermore, the Secretarial Department is responsible for the amendment, interpretation, and consultation services for TBB's Ethical Corporate Management Best Practice Principles, as well as the report of content for archiving, and other relevant tasks. To implement ethical corporate management, TBB's Directors and the senior management members need to issue a statement of compliance with the ethical corporate management policy. The ethical corporate management have to be incorporated into the employment conditions and adopted as a quality that employees need to internalize. Also, basic courses on integrity and compliance are offered for new recruits.

2.2.2 Ethical Corporate Management Implementation Status

TBB has the Code of Ethics for Directors and Managers and the Work Rules in place. There are also established mechanisms in internal operating procedures to monitor assignment of roles and responsibilities in the workplace. Any verified ethical violation will be submitted to the Personnel Evaluation Committee for review as required. Employees subject to disciplinary action may submit written defense, and the Personnel Evaluation Committee may, at its discretion, notify the parties involved and any relevant persons to attend and provide testimonies as needed for clarification. Any result will be included in evaluation according to the TBB Employee Reward and Discipline Guidelines and the Directions for Employee Audit and used in consideration for promotion in the employee's annual performance review result. In 2024, there were no incidents of violations of ethical corporate management by the Bank's employees.

Breaches of Ethical Corporate Management

In 2024, the Bank was not involved in any corruption, bribery, fraud, insider trading, antitrust, anti-competitive practice, market manipulation, negligence, or financial losses and fines arising from litigation caused by other violation of financial services regulations. There was no relevant convictions either.

Type of breach	Number of breach in 2024
Corruption and bribery	0
Discrimination or harassment	0
Private customer information	0
Conflicts of interest	0
Money laundering or insider trading	0
Others	0

Result of Ethical Corporate Management Campaign and Training

Target	Item	2024 Results
Employees	Compliance courses for employees in the financial sector	503 new employees (100%) completed training
	2024 Treat Client Fairly training	The course was completed by 5,476 participants ³⁰
	Performance review on work rules and ethical corporate management principles	100% or more of the workforce passed the review ³¹
	Sending employees regularly to external ethical corporate management courses	Training was completed by 82 participants
All directors and senior management	2024 "Anti-sexual Harassment Training Course", "Financial Inclusivity, Rights of Persons with Disabilities Convention", "Cyber Security Training" and "Trends in Treating Clients Fairly and Anti-Money Laundering" courses	Attended by 15 or 100% of directors
	Signing of Statement of Compliance with the Ethical Corporate Management Policy	Signed by 15 or 100% of directors
Suppliers	Complete the "Corporate Social Responsibility Self-Assessment Form" with questions in economic, environmental, social, and compliance aspects. Clearly stipulate ethical corporate management and social responsibility clauses in procurement contracts	149 or 100% of suppliers performed CSR assessments ³²

In 2023, TBB has completed an inventory of potential risks of unethical conduct within its business scope, and established preventive measures addressing behaviors outlined in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", including bribery and corruption, providing illegal political contributions, inappropriate charitable donations or sponsorships, offering or accepting unreasonable gifts, hospitality or other improper benefits, and infringements on trade secrets, trademark rights, patent rights, copyrights, etc. Among these, "failure to comply with internal control procedures preventing financial consultants from misappropriating client funds, resulting in client losses," "failure to comply with the Personal Data Protection Act and related regulations, leading to the leakage of the Bank's business secrets or customer information," and "receiving commissions or service fees linked to insurance product sales without actually engaging in insurance solicitation; asking insurance companies to pay fees or provide gifts for business promotion " were assessed as high risk. To mitigate these inherent risks, we have reviewed internal procedures and developed prevention plans. Additionally, the results of unethical conduct risk inventory have been provided to the Auditing Department, Risk Management Department, and Compliance Department for their reference. This feedback was integrated into the Risk Control Self-Assessment (RCSA) evaluation items, Compliance Risk Assessment (CRA) evaluation items, and relevant audit plans to ensure the effective implementation of the Bank's three lines of defense in internal control mechanisms.

³⁰ 99% or more of the workforce, excluding employees on unpaid leave, completed the training.

³¹ The number of test takers excludes overseas personnel, securities personnel, clerks not handling banking business, and employees on unpaid leave, maternity leave, or sick leave.

³² See 5.2.2 Supplier Management for details.

2.2.3 Ethical Corporate Management Audit Status

Audit unit: Auditing Department

Audit standards: FSC's "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", TBB's "Internal Audit Operation Guidelines" and "Risk-Based Internal Audit System Practice Guidelines".

Frequency of audit:

- The Bank has adopted a risk-based internal audit system since January 1, 2024, linking the comprehensive risk assessment results of the units being audited with the frequency of audit:

Audit frequency Teams/units being audited	Risk level		High		Medium	Low	
	General audit	Project audit	General audit	Project audit	General audit	General audit	Project audit
Head Office business management units	Once a year	Once a year	Once a year	Once a year	Once every 3 years	In the year when no general audit is conducted, at least one project audit shall be conducted	
Regional Operation Center	Once a year	Once a year	Once a year	Once a year	Once every 3 years		
Domestic business units	Once a year	Once a year	Once a year	Once a year	Once every 3 years		
Overseas business units	Once a year		Once a year	Once a year	Once every 2 years		

- In addition, the Bank's Domestic Processing Center, Customer Service Center, Securities HO and branch offices, the Bank's subsidiaries and sub-subsidiaries and overseas representative office have not yet been included in the implementation of the risk-based internal audit system:

Domestic Processing Center, Customer Service Center	General audits shall be conducted once a year
Securities HO and branch offices	1. One on-site inspection every 6 months 2. Dedicated auditors are assigned to conduct internal audits
The Bank's subsidiaries and sub-subsidiaries	One project audit is conducted every 6 months
Overseas representative office	Document-based review

Implementation results:

1. In 2024, general business audits were conducted on 157 units, and project audits on 240 units (including 16 securities HO and branch offices), all of which were implemented in accordance with the audit plan, achieving an execution rate of 100%.
2. Compliance with the Ethical Corporate Management Best Practice Principles has been included in the key audit items of the 2024 audit plan. When conducting general or project audits on various units, the "Compliance with unethical conduct prevention plan" audit was conducted on samples randomly selected from various businesses, and the 2024 inventory of unethical conduct risk assessments and prevention plan adequacy audits was conducted at the business management units of the Head Office. No cases violating the Bank's ethical corporate management have been found. In 2024, all domestic and overseas operating locations (including overseas representative office), Head Office units, subsidiaries, and sub-subsidiaries of the Bank totaling 186 units were audited, achieving a coverage rate of 100%.
3. The Auditing Department reported the implementation of audit operation to the Audit Committee and the Board of Directors 2 times in 2024.

Future objectives:

1. The Bank has implemented a risk-based internal audit system. Through risk assessment procedures and methods, audit resources are effectively allocated, focusing on important risks to strengthen the depth of audits, and strengthening off-site monitoring mechanisms to play a role in early warning and detection, thereby increasing the depth and breadth of audits and effectively utilizing audit manpower.
2. Effectively use continuous auditing methods to collect internal and external monitoring information, and regularly review risk assessment results to ensure that the risk assessment process can fully consider changes in internal and external environmental risks to improve the ability to respond to risks more accurately.
3. Make good use of big data and continue to develop audit data analytics tools. Through effective application and systematization, the Bank can improve the effectiveness of internal audits going forward.

2.2.4 Reporting System

- ◆ To establish an ethical and transparent corporate culture and promoting healthy operations, the Bank established its "Directions for Handling Reported Cases" based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies." It also announced the whistle-blowing channels on its website and the integrated portal of its internal employee system, set up the whistle-blowing mailbox and direct line for internal and external parties; the Compliance Dept. would assign officers to handle the reported matters.
- ◆ The Bank has integrated the whistleblowing channels announced on the portal on the official website and the internal staff system, and set up a whistleblowing mailbox and a hotline to handle whistleblowing by people inside and outside the Bank.

- ◆ To motivate our personnel to report inappropriate or illegal acts, the Bank may, according to the severity of an act reported, give appropriate rewards according to its relevant regulations.
- ◆ In 2024, 17 reporting cases were accepted, 16 of which have not involved unethical conduct after investigation. (Currently, there is still one case that has not been closed. Once it is handled, we will update the subsequent handling status separately.)

Type of reporting cases	Number of cases	Follow-up measures
Embezzlement and bribery	3	After investigating the 3 cases, no illegal conduct was found.
Information confidentiality	1	After investigating the case, no illegal conduct was found.
Avoidance of conflicts of interest	0	
Anti-monopoly/anti-competitive behavior	0	
Insider trading	0	
Treat client fairly	0	
Work flow	5	After investigating the 5 cases, no illegal conduct was found.
Internal management	8	After investigating the 8 cases, there is still one case that has not been closed. The subsequent handling result will be updated in the 2025 Sustainability Report.

2.2.5 Compliance

Description of the Whistle Blower Policy and Process

- 1 To establish an ethical and transparent corporate culture and promoting sound operations, the Bank established the "Directions for Handling Reported Cases" based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", which was approved on the 2nd meeting of the 15th Board on August 22, 2018. In addition, the revision was passed by the 16th meeting of the 15th Board on August 19, 2020.

Description of the Whistle Blower Policy and Process

2	The report channel is published on the Bank's official website and the integrated portal webpage of the internal system, and the Bank has set up a reporting mailbox, a dedicated hotline and a webpage on the official website (About TBB > About Us > Corporate Governance > Report staff's inappropriate behaviors or illegal conducts) for reporting matters by the Bank's internal and external personnel. Dedicated personnel are appointed by the Compliance Department to handle matters reported.
3	If the reported matter is verified to be true, the Bank shall instruct relevant units to review the internal control system and operation procedures, and submit improvement measures to prevent the same behavior from happening again. If it is a Material Contingencies case or illegal case, the Bank will take the initiative to inform or report to the relevant competent authority.
4	To motivate our personnel to report inappropriate or illegal acts, the Bank may, according to the severity of an act reported, give appropriate rewards according to its relevant regulations. The Bank shall keep confidential regarding the information about the whistleblower, including the name, age, residence, and identity, and may not carry out dismissal, discharge, demotion, pay-cut regarding the whistleblower, or form damages to the rights that the whistleblower is entitled to according to laws and regulations, contracts, or practices, or other adverse actions.

The compliance system is created to strengthen the financial institution's understanding of the rule of law, establish clear and smooth regulatory consultation, coordination, and communication channels, and increase the awareness and training on financial regulations and ethical standards. TBB's compliance policy is based on the execution of the compliance system so that each employee is familiar with the relevant legal regulations and ethical standards. It is implemented to ensure that businesses and operations meet regulatory requirements to promote sound management and ensure that the Board of Directors, senior management, and the entire staff are jointly responsible for compliance.

The Bank's Compliance Department is in charge of matters related to AML/CFT, and it is not allowed to engage in legal affairs that are not related to the planning, management, and implementation of the compliance system or other business activities with conflicts of interest with its duties concurrently. We have also established a bank-wide compliance risk management and supervisory structure.

To ensure the implementation of the compliance system, each management unit shall collect information on additional (amended) regulations related to its operations and notify related units where necessary. They shall also follow the additional (amended) regulations to discuss the impact on business operations and management in a timely manner, as well as evaluate the adequacy of self-assessments and update various operation and management regulations. All units shall implement self-evaluations for compliance every six months. The Compliance Department shall compile deficiencies from the compliance self-evaluation results of all units, which shall be reported by the Chief Compliance officer of the head office to the Audit Committee and the Board every six months.

In 2024, the Bank was not involved in any anti-competitive practices or antitrust or monopoly lawsuits, and did not violate any environmental laws or regulations, product and service information labeling laws, self regulations, marketing or promotional regulations, or voluntary compliance with guidelines.

◆ The actual measures for implementing AML, internal control, and compliance are as follows:

Fully comply with the regulations of the competent authority to promote AML/CFT operations	1. The Anti-Money Laundering Section of the TBB's Compliance Department oversees the Bank's implementation of matters regarding anti-money laundering and countering the financing of terrorism. 2. Follow laws, regulations, internal and external inspections, and practical needs, and continue to optimize the Bank's mechanisms for preventing money laundering and countering terrorism financing through a risk-based approach. 3. Continue to perform the ad-hoc audit of AML/CFT by CPAs, prepare the statement on the internal control system for AML/CFT, conduct comprehensive money laundering and terrorism financing risk assessment, and prepare an execution statement on NYDFS Part 504 AML Requirement as per the laws and regulations, and file a report for reference in a method designated by the competent authority.
Regularly organize the "Compliance Officer Seminars" and "Meetings for Compliance, Anti-money Laundering, and Countering the Financing of Terrorism for Overseas Branches"	1. Organize the "Compliance Officer Seminars" regularly, and continue to enhance employees' awareness of relevant regulations and responsibilities, implement legal compliance systems and strengthen legal compliance awareness, so as to achieve the goal of reducing the recurrence of legal compliance deficiencies. 2. The Bank has promulgated the "Regulations for Compliance, Anti-money Laundering, and Countering the Financing of Terrorism for Overseas Branches". Each overseas branch has to file the "Compliance, Anti-money Laundering, and Countering the Financing of Terrorism for Overseas Branches Monthly Report" to the Compliance Department and the International Banking Department to update the implementation status of compliance and AML/CFT-related matters. Contents that shall be reported include changes in local regulations and responding measures, important local regulatory requirements and the communication with local competent authorities, audit results of internal/external independent institutions concerning compliance and AML/CFT implementation, filing of suspect activities reports (SARs) and large amount transactions, as well as the implementation of educational trainings, etc. In addition, the Chief Compliance Officer, the responsible AML/CFT officer and the Compliance Department conduct compliance and AML/CFT meetings with overseas branches every month by means of video conferencing or conference calls. Personnel from the International Banking Department are invited to the meeting, and the Auditing Department under the Board of Directors and other relevant departments will send delegates to attend the meeting as necessary. The content of the Monthly Report will be reviewed and the important governmental regulations will be announced in the meeting. It helps the head office to understand the compliance status of the overseas branches and provide assistance as needed.
Strengthen the monitoring mechanism for compliance follow-up	According to "Legal Compliance Follow-up Cases Control System," the letters regarding relevant laws and regulations from external parties and changes in laws and regulations that the Bank shall comply with are included in "Legal Compliance Follow-up Cases" for control. The subsequent implementation of "Legal Compliance Follow-up Cases" will be handled by the relevant departments, and then compiled and reported to the Chief Compliance Officer every month.
Strengthen legal compliance	1. The Bank organizes related courses on "Laws and Regulations for Financial Professionals" for new employees. The contents clearly outline the regulations on corruption and illegal acts stipulated in various laws and regulations and include educational trainings on ethics. All new employees are required to take anticorruption training. 2. Conduct "Compliance Self Assessment" every 6 months to increase employees' familiarity with the regulations related to their duties and improve the internalization of the legal compliance culture. To strengthen all employees' understanding of legal compliance, hold "Compliance Officer Seminar" every 6 months. Starting from the second half of 2024, all employees should complete course training and post-class examinations to implement the legal compliance system and specifically strengthen employees' awareness of legal compliance.

3. To enhance the risk awareness of employees, a letter was sent in 2024 to promote "Analysis and prevention strategies of common fraud tactics" and "Duties and Responsibilities of Bankers", and an online test was conducted on the relevant content. The test score must reach full marks to pass, so as to prevent employees from being defrauded and causing funding gaps, resulting in violations of duties.
4. The Bank organizes personal data protection awareness training for new employees. In addition to organizing compliance training on the Personal Data Protection Act, Money Laundering Control Act, and other compliance training in the reporting period, the Bank also enhanced employees' awareness of legal values regarding personal data protection so that all employees can fully comply with regulations in related laws in business operations. The training courses for new employees fully explain the work rules, human resource regulations, and employee rights and benefits, so as to implement and comply with regulations on gender, employment equality and human rights protection. The Bank also select investment department personnel to take courses on financial product laws and other related courses provided by external training institutions.

Disciplinary actions taken by competent authority in 2024	Type ³³	Warning/Fine
None ³⁴	—	—

Total cases and amount of fines paid for violations of regulations	2023	2024
Number of Cases	17	24
Amount	NT\$1,417,300	NT\$677,530

³³ According to the provisions of Article 2 of the "Public Announcement and Explanation of Major Penalty Measures of the Financial Supervisory Commission for Handling Violations of Financial Laws and Regulations", cases are divided into major penalty cases and non-major penalty cases.

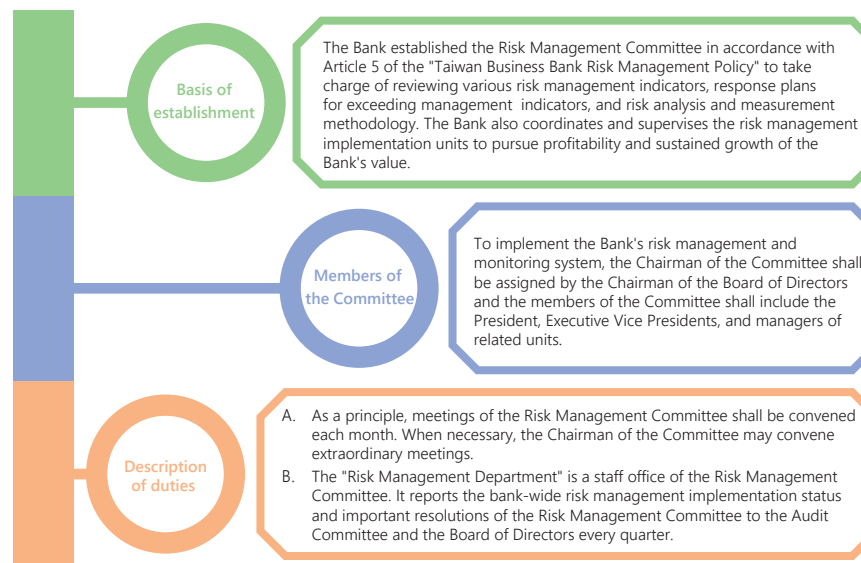
³⁴ The non-significant penalty cases in February 2025 will be disclosed in the 2025 Sustainability Report.

2.3 Risk Management

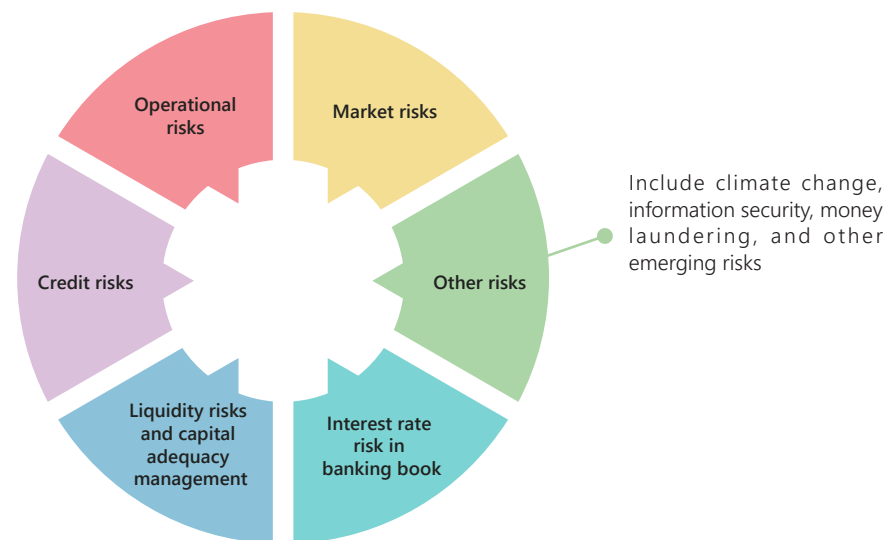
TBB's Risk Management Policy is established based on effective risk identification, measurement, supervision, and control. We monitor the reasonableness of risks and returns based on the statutory capital adequacy ratio to control risks within a tolerable range. The scope of risk management covers credit risks, market risks, operational risks, IRRBB, funding liquidity risks, other risks and capital adequacy management. In response to rapid developments, the Bank shall continue to improve existing risk management tools to seek profits and stable growth of the Bank's values to increase shareholder value.

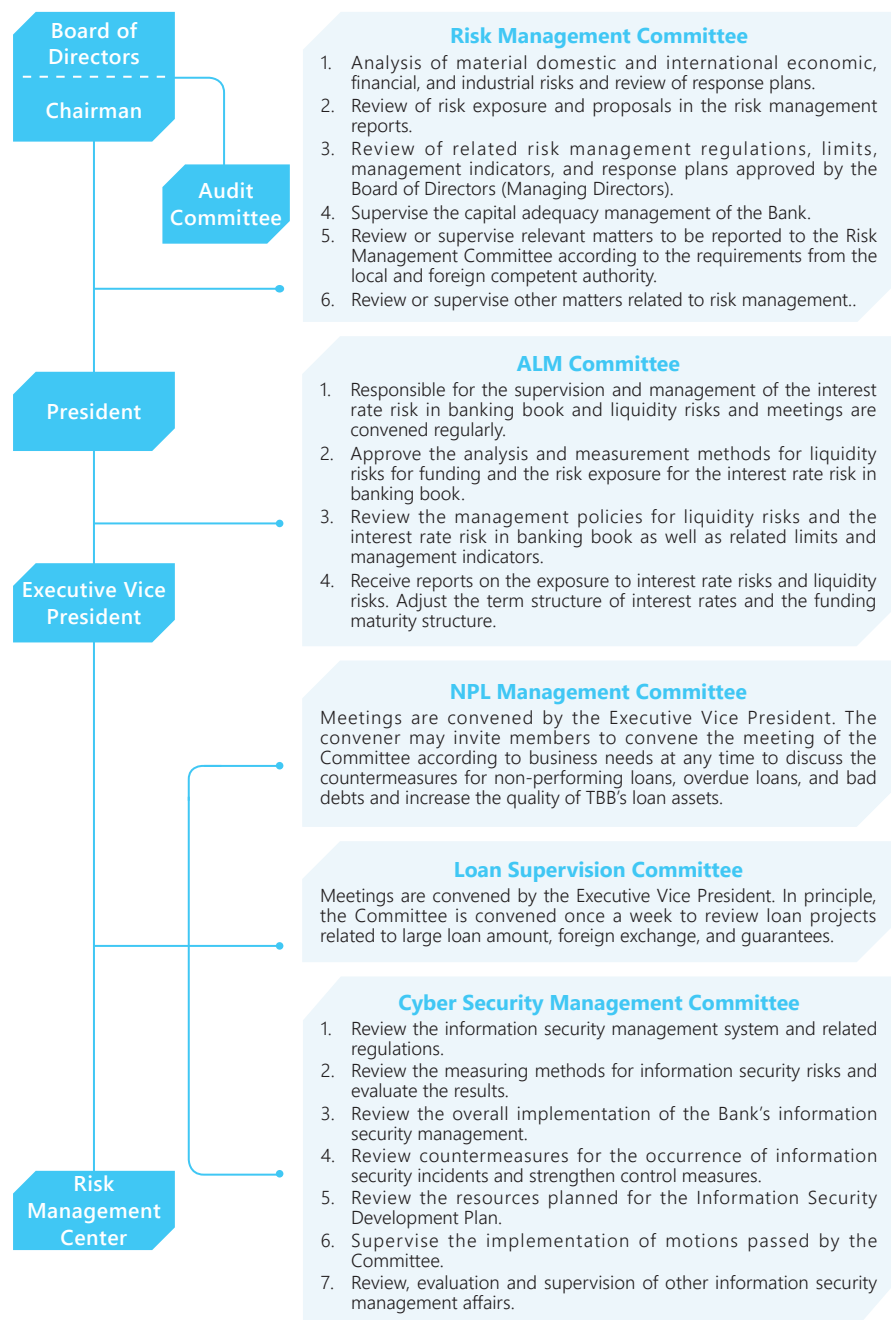
The Board of Directors is the highest-ranking decision-making unit in the risk management system. It approves the Bank's overall risk management policy and important decisions based on the overall business strategy and the business environment. It is also ultimately responsible for risk management operations.

A. Risk Management Committee



B. Risk Management and Identification





2.3.1 Three Lines of Defense for Risk Management

Three Lines of Defense

In order to facilitate the design and implementation of the internal control system, the Bank has established the internal control structure with three lines of defense according to the hierarchical responsibility and a practical operation model, and clearly defined the scope of responsibilities for each of the three lines of defense, so that all units can understand their respective roles and functions in the Bank's overall risks (including climate change-related risks) and control structure, strengthen the communication and coordination of risk management and internal control, and maintain the effective and appropriate operations of the internal control system.

The first line of defense	Business execution units [All units of the Bank]	Daily risk control
		- Identify, evaluate, control and reduce risks arising from business activities, and ensure that business activities are consistent with the Bank's objectives and tasks. - The risk should be controlled within the scope that the unit can bear, and its exposure status should be reported to the second line of defense as needed. - Establish internal control procedures. - Implement risk management procedures and maintain effective internal control. - When the flow and control procedures are insufficient, an improvement plan should be put forth immediately. - Conduct self-assessment of the above contents regularly or from time to time to ensure that the risks are properly controlled.
The second line of defense	Risk monitoring and control units [Risk Management Department, Compliance Department, and all departments of the Head Office (excluding Auditing Department)]	Overall risk monitoring
		- Risk Management Department Be responsible for establishing an independent and effective risk management mechanism to evaluate and supervise the overall risk-taking capacity, the current risk-taking situation, and decide on risk response strategies and compliance with risk management procedures. - Compliance Department Be responsible for the planning, management, and implementation of the compliance system, formulate the evaluation contents and procedures of compliance, and supervise all units of the Bank to conduct self-evaluation and comprehensive compliance affairs on a regular basis. - All departments of the Head Office (excluding the Auditing Department) Formulate appropriate business procedures, business processing manuals and standard operating procedures according to the responsibilities, and serve as the basis for the first line of defense to ensure the effective implementation of internal control.

The third line of defense	Internal audit units [Auditing Department]	Independent verification
		A. Carry out audit business in an independent and detached spirit, and assist the Board of Directors and senior management in auditing and evaluating whether the risk management and internal control system are implemented effectively.
		B. Evaluate the effectiveness of the internal control and risk management system designed and implemented by the first and second lines of defense.
		C. Provide timely improvement suggestions to reasonably ensure the continuous and effective implementation of the internal control system and serve as the basis for reviewing and revising the internal control system.

Independent External Audits

In compliance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", the Bank has established an internal control system and implements risk management accordingly. An independent audit department conducts audits and reports to the Board of Directors and Audit Committee on a regular basis. The Bank's internal control system is audited by a third party and a report on the agreed-upon procedures has been obtained. In addition, in conjunction with the biennial general inspection and ad-hoc project inspection from the Financial Examination Bureau, FSC, the Bank also fully cooperates with inspection opinions to improve and to establish a proper risk management mechanism. (For details on the Bank's Internal Control System Statement and the Report on the Agreed-upon Procedures, please refer to the Annual Report - II. Corporate Governance Report, 2. Operations of Corporate Governance, (13) Implementation of the Internal Control System.)



TBB Risk Identification and Management Process

2.3.2 Key Business Risks and Mitigating Measures

The Bank's second line of defense in risk management fulfills the overall risk monitoring responsibility, and handles and ensures the normal operation of risk intelligence collection, risk identification and analysis, risk assessment, risk response measures, and risk monitoring and review in the Bank's daily operations. Regular reports are presented to the Risk Management Committee, the Audit Committee at the Board level, and the Board of Directors in order for the Board of Directors to stay informed of the Bank's risk issues and perform oversight and decision making, effectively creating a bottom-up risk reporting mechanism and top-down risk monitoring and decision making.

After considering factors such as probability of occurrence and degree of impact during the risk assessment process, "The specific industries credit concentration risk" and "Adverse impacts of the carbon-related risk from value chains" are the top two major risks that may threaten the Bank's operating performance, as detailed below:

Key operational risks	Probability of occurrence/ Degree of impact	Risk exposure	Potential impact	Risk appetite and tolerance	Mitigation measures and management procedures
The specific industries credit concentration risk	Probability of occurrence: High Degree of impact: High	The Bank's credit concentration in the "real estate" and "wholesale" industries is higher than 10%, accounting for 10.91% and 10.10% of the total industry credit respectively, and these two are the Bank's main industry credit exposure risks.	Impact on credit risk: 1. The financing targets in the real estate industry financing are impacted by domestic regulatory measures (such as policies to curb real estate speculations), which have a negative impact on the business activities in domestic real estate industry.	1. The Bank has established an "Credit risk limits for Industry Loans" mechanism, which is the maximum credit risk amount that the Bank can tolerate for each industry.	1. Based on the annual industrial credit risk limits, the Bank monitors the use of the credit on each business day to ensure that industrial loans are undertaken within the limit.

Key operational risks	Probability of occurrence/ Degree of impact	Risk exposure	Potential impact	Risk appetite and tolerance	Mitigation measures and management procedures
Adverse impacts of the carbon-related risk from value chains	Probability of occurrence: Moderate Degree of impact: Moderate	1. "Credit Risk of High Carbon-emitting Industries": At the end of 2024, the Bank had 38 loan customers under the supervision of the Ministry of Environment, and the balance of medium- and long-term loans accounted for approximately 1.71% of the net amount of discounts and loans, which was the credit risk position of the Bank affected by the collection of carbon fees. Another 26 loan customers are subject to the Bank's credit risk limit for high polluting/energy consuming industries. 2. Carbon reduction risk of investing and financing asset portfolio: The Bank's power plant project financing, corporate medium- and long-term loans (including power generation, commercial real estate and others), and investments (including listed equities, corporate bonds, ETFs, mutual funds and REITs) have passed SBT review. The achievement status of carbon reduction targets in these projects is linked to the Bank's reputation risk and is a risk exposure of the Bank's climate transition risk.	2. Financing targets in wholesale industry are easily affected by external events (such as the US reciprocal tariff policy), which directly impacts their main business activities and causes operational difficulties. 3. When the operations of related industries are impacted by the above-mentioned unfavorable factors, the Bank may be subject to greater credit risk due to insufficient diversification of credit risk.	2. The Bank considers the operating conditions and prospects of an industry and reviews the industry credit limits regularly every year in accordance with the Bank's "Guidelines for Credit Risk Limit Control". The annual industry credit risk limits are set after review and approval by the Risk Management Committee and the Board of Directors.	2. In addition, the Bank's "Stress Test Planning Guidelines" and "Stress Test Operating Procedure" are followed to perform stress tests regularly at least once a quarter in order to assess the Bank's credit loss tolerance in stress scenarios.
			1. Impact on credit risk: The Ministry of Environment will impose carbon fees on domestic high-carbon-emitting enterprises (annual carbon emissions $\geq 25,000$ tons), which will increase the operating costs of the Bank's regulated targets and their internal credit ratings may be downgraded, leading to an increase in expected losses, thereby increasing the Bank's credit risk. 2. Negative impact on business reputation: If the Bank fails to complete the SBT of various investing and financing assets as scheduled, it will have a negative impact on the Bank's ESG performance or may raise concerns about greenwashing. TBB may suffer deductions in domestic and international ESG ratings, impacting the Bank's reputation, shaking investor confidence, and leading to higher financing costs.	The Bank has established a "credit risk limit for high polluting/energy consuming industries" mechanism, which is the maximum credit risk limit that the Bank can tolerate for the entire high pollution/energy consumption industry. Taking into account the operating conditions, industry prospects and domestic and international carbon emission control policies, and in order to safeguard the interests of stakeholders and the Bank's reputation, the Bank regularly reviews the credit limits for high-pollution/energy-consuming industries in accordance with the Bank's "Guidelines for Credit Risk Limit Control" every year, and issues annual credit risk limit for high polluting/energy consuming industries after review and approval by the Risk Management Committee and the Board of Directors.	1. Management over ESG and climate change-related issues (1) The Bank has established "Climate Risk Management Guidelines" and the related operating procedures, constructed the Three Lines of Defense for Climate Risk Management, and strengthened the control of climate change-related issues (including carbon risks in the value chain). (2) In accordance with the annual credit risk limit for high polluting/energy consuming industries, the Bank monitors the use of the credit limit on each business day to ensure that loans for high polluting/energy consuming industries are undertaken within the limit. (3) The Bank has established "Guidelines for Responsible Investment" and "Guidelines for Responsible Lending" to incorporate ESG-related factors into the investing and financing decision-making process, thereby understanding the ESG risks (including climate change-related and carbon risks) of counterparties and financing objects. Please refer to the Bank's Responsible Finance webpage. (4) The Bank incorporates carbon risks in the value chain into TCFD and conducts relative impact assessment of the Bank through the Climate Transition-NGFS carbon fee scenario.

Key operational risks	Probability of occurrence/ Degree of impact	Risk exposure	Potential impact	Risk appetite and tolerance	Mitigation measures and management procedures
					2. Promoting green and sustainable finance (1) In response to the "Green Finance" of the 12 national key strategies for net zero, the Bank has launched a number of green and sustainability-related project loans (covering the 12 key strategies for net zero and the United Nations Sustainable Development Goals (SDGs)). For details, please refer to the Bank's Corporate Finance and ESG Loan webpage and Corporate Finance and Net-zero Sustainability webpage. (2) Actively undertake sustainability-linked loans to assist corporate clients to achieve low-carbon transition and work toward net zero and sustainable enterprises. (3) Investing and financing activities refer to the "Guidelines for the Determination of Sustainable Economic Activities", "Recommended Matters to be Included in Transition Plan" and "Reference Guidelines for Transition Credit Review", and plan and launch various special project loans to guide enterprises in their transition toward sustainable economic activities.

Regular Review Process for Risk Appetite and Tolerance



Sensitivity Analysis and Stress Test

Financial and non-financial risk sensitivity analysis and stress tests are performed regularly to review risk management mechanisms and risk tolerance. In terms of financial risks, TBB examines three market risk factors, including domestic equity securities prices, interest rates, and exchange rates, based on the stress test scenarios of the competent authorities. If the interest rate curve rises by 150 basis points (bp), the trading book value will fall by NT\$505.63 million. If the exchange rate price increases by 5%, the trading book value will increase by NT\$431.16 million. Regarding non-financial risks, TBB analyzed the impact of operational risk events such as "fraudulent misappropriation of customer deposits" or "information security breaches and penalties imposed by the competent authorities." Based on the test results, TBB's capital adequacy ratio, Tier I Capital ratio, common equity ratio, and leverage ratio all meet the requirements of the competent authorities.

Climate Transition Scenario Analysis – NGFS Carbon Fee Scenario

We regularly collect basic information and greenhouse gas emission data of major carbon-emitting industries regulated by the Ministry of Environment, and conduct carbon fee pressure scenario analysis for those with whom we have loaned funds to. (Please refer to 4.1.7 A. Analysis of transition risk scenarios for details)

2.3.3 Emerging Risk Management Measures

In response to potential impacts of risks emerging from a fast changing global environment, covering environmental, economic, social, technology, and regulatory incidents, the Bank includes emerging risk issues in the scope of risk management and implements the identification and analysis, assessment, response measures, and monitoring and review procedures for emerging risks. Material risks and irregular issues are assessed to measure their potential impacts on the Bank, and mitigating measures for risk management and financial service transition are also explored.

STEP 1: Risk identification and analysis	STEP 2: Risk assessment	STEP 3: Risk response measures	STEP 4: Risk monitoring and review
Perform identification and assessment of emerging risk issues every year.	Rank emerging risk incidents by materiality, and measure potential impacts of material emerging risk incidents on business operations in the year.	Explore risk mitigation measures, and discover potential business opportunities.	Monitor performance of mitigating measures and evaluate results.

TBB's emerging risk issues are based on current, short- and long-term risk incidents in the World Economic Forum (WEF) Global Risk Report 2025, and cover economic, environmental, geopolitical, social and technology risk issues. Taking into account the risk aspects such as business significance, introduction of emerging technologies and global sustainable development trends, the results of the Bank's identification of emerging risk issues and the annual major emerging risk events include two risk issues: "Potential negative impact of the introduction of generative AI in operations" and "Adverse impact of frequent nature-related risk events". The results of the potential operational impact measurement and the mitigation measures adopted are as follows:

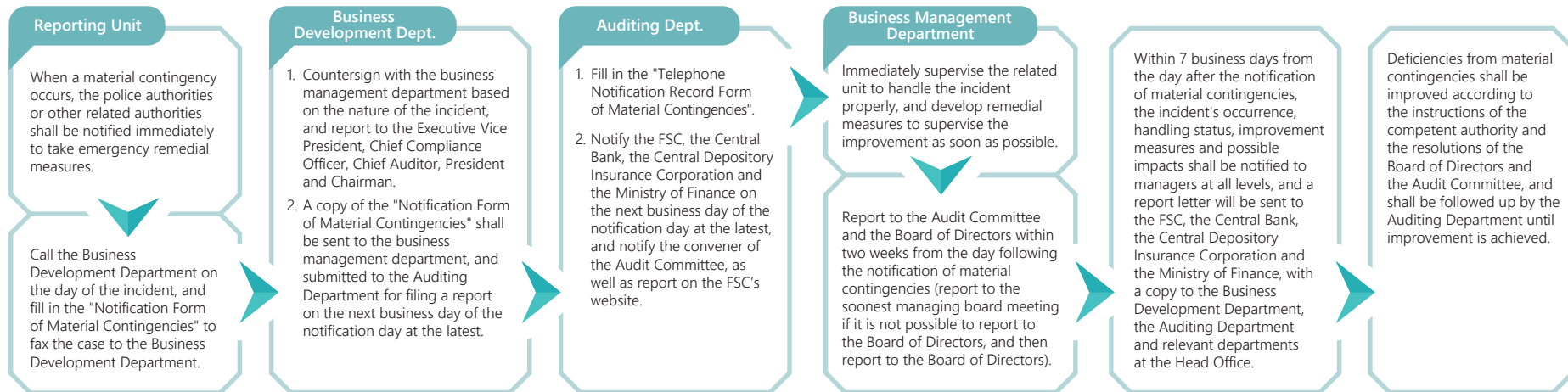
Emerging risk incident in the year	Risk description	Potential impact on TBB's business operations	Mitigation measures
Potential negative impacts of introducing generative AI adoption into operations	When introducing generative AI technology and related application scenarios, the Bank needs to fully consider and control the following potential risks: ◆ Generative AI may generate inaccurate or misleading information, bringing risks to financial institutions due to the uncertainty and unpredictability of such information. ◆ Generative AI technology involves the use and processing of huge amount of data, which may require compliance with privacy and data protection regulations. Moreover, if the content generated involves intellectual property infringement, defamation, or other legal issues, it can increase legal risks for financial institutions. ◆ The data used by generative AI models may contain sensitive and confidential information, which can be exposed to cyber attacks or data leakage if not properly protected, leading to significant economic losses and reputation damage for the Bank.	TBB is committed to digital development, aiming to drive digital transformation and business growth through digital development. The Bank actively explores the application of emerging technologies in financial scenarios, and plans to apply generative AI in areas including customer services and AI assistants. Meanwhile, we also carefully evaluate the impacts or influences these new technologies may have on the Bank's business/operations. ◆ While applying generative AI in scenarios such as customer services and AI assistants can generate high-quality text and content in a short time, it may also generate inaccurate or misleading information, negatively impacting financial decisions made by employees and advice provided to customers. Additionally, these models might not perfectly comprehend and process the professional knowledge in the financial sector, leading to questionable reliability and consistency of the generated content, bringing unnecessary disputes to the Bank and affecting its business reputation. ◆ If TBB fails to comply with relevant regulations when using generative AI technology, it may face significant fines and legal liabilities. In addition, the generated content may involve intellectual property infringement, defamation, or other legal issues, potentially causing severe tangible or intangible losses (including but not limited to business reputation and financial losses). ◆ When handling large amount of sensitive data, TBB might become a primary target for cyber attacks. The generative AI system itself could serve as an entry for such attacks. Hackers might exploit false information generated by AI to conduct cyber fraud or other malicious activities, such as generating phishing emails, false investment advice, or forging customer transaction records. These will cause TBB to invest higher costs in building a more robust information security environment.	◆ The Bank plans to apply generative AI in areas including customer service, AI assistants, and other related operational areas. In 2025, it will establish a generative AI laboratory, which will be deployed in TBB's experimental environment to conduct conceptual experiments based on the Bank's established business scenarios. ◆ When using generative AI, selecting AI models with higher transparency and explainability may help users understand and interpret the process and logic behind the generated content. Meanwhile, by adopting a human-robot collaboration approach, manual review and verification are performed on the content generated by AI. Experts or experienced employees will review and adjust the generated results to ensure their accuracy and reliability. ◆ In terms of data privacy protection, rigorous protection policies are implemented and data encryption and de-identification techniques are used to ensure the security of customer sensitive information. In addition, intellectual property review mechanisms are introduced and compliance training for employees are provided to help TBB ensure the legality and compliance of the generated content. ◆ A comprehensive protection approach covering data encryption, access control, risk management, cyber security defenses, internal audits and controls, incident handling, data integrity protection, cyber security policies, and employee trainings has been implemented. These measures can help safeguard TBB's data and system security, preventing potential cyber security threats. ◆ To establish the Bank's AI application management system and mitigate potential negative impacts of introducing AI, the Bank established the "Taiwan Business Bank AI Governance Development Committee" on June 27, 2025, in accordance with the Financial Supervisory Commission's "Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry" and the Bankers Association of the Republic of China's "Operational Guidelines for the Use of AI Technology by Financial Institutions".

Emerging risk incident in the year	Risk description	Potential impact on TBB's business operations	Mitigation measures
Adverse impacts of frequent nature-related risk events	Nature-related risk events continue to occur around the world and have long-term and persistent impacts, directly or indirectly causing "biodiversity loss" and "ecosystem collapse", which in turn lead to "natural resource shortages" and "major changes in the ecological system". These nature-related risk conditions will be long-term, continuous, and irreversible negative impacts. If the Bank fails to respond actively and properly, it will face negative impacts in three major aspects. ◆ Unfavorable impact on the Bank's investing and financing ◆ Unfavorable effects on own operations ◆ Unfavorable effects on the Bank's stakeholders	I. Unfavorable impact on the Bank's investing and financing ◆ Credit risk The Bank's financing targets may experience operational disruptions due to nature-related risk events and/or shortages of natural resources (especially those of the Bank's financing targets with a high degree of dependence on nature, such as agriculture, forestry, fishery, animal husbandry, tourism and other related industries), resulting in higher costs for obtaining raw materials, increased production and operating costs, which may in turn increase the risk of default and impact the Bank's credit protection. ◆ Market risk The Bank's investment counterparties may suffer operational disruptions due to nature-related risk events and/or shortages of natural resources (especially counterparties with a high degree of natural resource dependence of the Bank, such as agriculture, forestry, fishery, animal husbandry, tourism and other related investment targets), resulting in higher costs of raw materials and increased production and operating costs, which may impair the value of the Bank's investment portfolio and impact the Bank's investment income. ◆ Strategic risk If the Bank fails to actively launch diversified sustainable financial products and services as transition support and provide funds to assist customers in promoting climate and/or nature-related risk mitigation and adaptation actions, it may result in the loss of the Bank's customers. II. Unfavorable effects on own operations ◆ Operational risks Some of the Bank's operating locations are located at high physical risk locations and may be affected by "nature-related risk events", resulting in operational disruptions, asset losses to the Bank and damages to customer interests. ◆ Legal risks If the Bank fails to respond promptly to domestic and international laws and regulations on climate change, nature-related, and other sustainability-related issues, it may be subject to litigation or penalties from competent authorities, which may have an impact on the Bank's operations. III. Unfavorable effects on the Bank's stakeholders ◆ Reputation risk If the Bank fails to effectively promote climate change and nature-related mitigation and adaptation actions, it may be identified as a relatively unsustainable enterprise and lose confidence from stakeholders and withdrawal of funding from investors, which will in turn cause fundraising difficulties and impact the Bank's operations.	◆ The Bank's Board-level Sustainable Development Committee consists of 6 task forces, namely Corporate Governance, Sustainable Environment, Sustainable Finance, Customer Rights, Employee Care and Social Welfare. They keep abreast of domestic and international sustainable development trends (including international sustainability initiatives and guidelines, as well as domestic and international sustainability-related laws), promote the Bank's various sustainability-related response action plans, and actively launch a variety of sustainable financial products and services as transition support to effectively reduce the Bank's own strategic risks and legal risks in operations, as well as reputation risks. ◆ The Bank has established "Guidelines for Credit Risk Limit Control" and sets "Credit risk limits for industry loans and financial products" on a regular basis each year based on actual operating conditions. These limits are the Bank's maximum tolerance for credit risk. Under the aforementioned limits, the Bank also sets a "cap on the ratio of investing and financing in high pollution/energy consuming industries" to control nature-related credit risks within the Bank's range of tolerance. ◆ The Bank has established "Guidelines for Market Risk Limit Management" to ensure that market risks are monitored.

2.3.4 Crisis Management

The Bank has established the "Guideline for Material Contingencies Handling Mechanisms." In the event of an incident or natural disaster, fraud, bank run, material robbery, material property loss, media report that impacts the Bank's reputation, a bounced check with an amount of more than NT\$100 million, information security incident, or other material incidents, the operating procedures for the Guideline for Material Contingencies Handling Mechanisms are as follows:

Table of Operating Procedures for the Guideline for Material Contingencies Handling Mechanisms



The Bank shall convene meetings of the "Emergency Response Team" in accordance with the "Disaster Contingency Manual" and assign personnel to assist business units in taking necessary measures for active response. Where necessary, the spokesman of the Bank will proactively release the news, and direct the news report regarding the event toward the facts, instead of exaggerating and affecting the reputation of the Bank.

In the event of a natural disaster, a comprehensive security inspection shall be carried out according to the "Disaster Contingency Manual." Regarding damaged branch premises or significant operating equipment, the Bank will adopt the necessary reinforcement or repair to ensure operational safety. For equipment that cannot be reinforced or repaired in a short time, a temporary substitute plan is also provided to help the restoration of all businesses.

Where climate change or other natural disasters causes the head office to suspend operations while certain business units continue operations, TBB has established the "Management Guidelines for Branches Concerning Foreign Currency Transaction and Capital Operations during Natural Disasters" to respond to natural disasters that cause the head office to suspend operations while certain business units continue operations. This measure provides guidance for foreign currency transactions and capital operations for business units that continue operations.

2.3.5 Information Transparency and Disclosure

Information transparency is an important responsibility of TBB. To increase information transparency, TBB has established the "Taiwan Business Bank Information Disclosure Operating Procedures" in accordance with related regulations to disclose material internal information and various financial and business information that must be disclosed in accordance with regulations on the Market Observation Post System, the Bank's website, press releases, and the Bank's Annual Report. The Operating Procedures also specify the information disclosure principles and the spokesperson system to ensure the consistency and accuracy of externally disclosed information.

TBB's Specific Measures Related to Information Disclosure

Nature of Information	Information Disclosure	Communication Channels
Financial	- Quarterly financial report - Annual Report - Annual Shareholders' Meeting Handbook - Important financial business information	- Annual Shareholders' Meeting - Investor's conference - Observation Post System and the official website
Non-Financial	- Sustainability Report - Annual Report	- Investor Relations section and Sustainable Development section established on the official website - Participate the Corporate Governance Evaluation
Others	Other information	- News release - Spokesperson system

2.4 AML/CFT

2.4.1 Management Structure

A. Organization and Staffing of the Head Office

- The Board of Directors shall understand the risks of money laundering and terrorism financing, and the operation of the anti-money laundering and countering the financing of terrorism (AML/CFT) plans, and take measures to cultivate a culture that attaches importance to AML/CFT.
- Set up the AML and CFT Committee, with the President as the convener, to comprehensively manage AML/CFT matters and supervise the implementation.
- The Board of Directors appoints the Chief Compliance Officer to be the dedicated supervisor in charge of AML/CFT, who is responsible for supervising the AML/CFT compliance of the Bank, and reporting on the implementation to the Audit Committee and the Board of Directors at least every six months, while reporting to the Audit Committee and the Board of Directors immediately if any major violation of laws and regulations is found.
- Allocate adequate dedicated personnel and resources for AML/CFT based on the Bank's scale and risks, and set up a dedicated unit to supervise the planning and implementation of policies and procedures for identifying, evaluating and monitoring the risks of money laundering and terrorism financing.

B. Organization and staffing of Domestic and Foreign Business Units

- Appoint senior managers (Deputy Managers) of domestic and foreign business units as AML/CFT supervisors, who are responsible for supervising the subordinate business units to carry out matters related to AML/CFT, and the implementation of self audits.
- Assign a AML/CFT Officer at each overseas branch who has sufficient authority to coordinate and supervise the AML/CFT matters, and directly reports to the dedicated AML/CFT Officer at the head office.

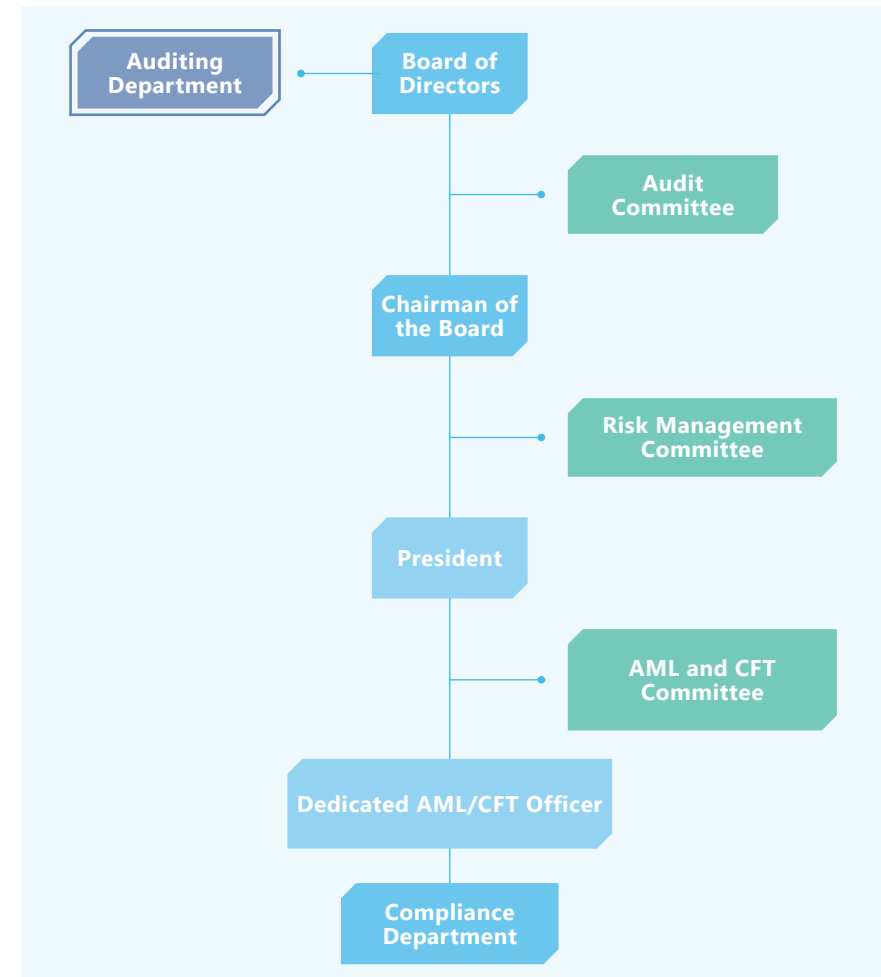
C. Management meetings

- Establish the "AML/CFT Task Force" which is composed of dedicated units and relevant departments, and holds bi-monthly follow-up meetings on important issues to assess the appropriateness of the control points and designs of the Bank's AML/CFT internal control system, so as to ensure the compliance with relevant laws and regulations on AML/CFT.
- The head office's dedicated AML/CFT Officer and dedicated units hold monthly video (or telephone) conference meetings with the compliance and AML/CFT personnel and managers of overseas branches for evaluating the implementation of compliance and AML/CFT at overseas branches.

D. AML & CFT Policy

The Bank has formulated the "AML & CFT Policy". The content of this Policy includes but is not limited to: measures to confirm the identity of customers; check whether customers or their substantial beneficiaries or senior managers are current or former important political officials of domestic/foreign governments or international organizations or their family members and persons with close relations; all records, account files and business transaction information obtained to confirm the identity of customers shall be retained at least five years after the end of the business relationship with customers or the end of temporary transactions.

Organizational structure for AML/CFT



2.4.2 Implementation of AML/CFT

A. Educational training

Based on different duties and requirements of the staff, such as Directors, auditors, dedicated personnel, front-line employees, etc., different types of training and lectures are held to enhance professional knowledge and ability, grasp the latest international trends, and implement money laundering prevention and control from top down. Dedicated AML/CFT officers and personnel, supervisors of domestic business units (including securities branches) and new employees should receive pre-employment educational trainings, so as to understand the legal compliance responsibilities of financial employees in money laundering prevention and control. In addition, on-the-job educational trainings will be provided to all employees regularly every year. In 2024, the statutory on-the-job AML/CFT educational trainings for employees have been completed and met the requirement on the annual statutory on-the-job training hours, except for those with justified reasons (retaining office without pay, extended sick leave, etc.).

Trainees	Annual statutory on-the-job training hours	Training methods	Results in 2024	2025 Targets
Directors; President	Appropriate hours	Training from external agencies	December 18, 2024 - AML/CFT training for all directors was conducted. It covered risk developments in AML/CFT and related U.S. regulations and trends, such as the Bank Secrecy Act (BSA), the Office of Foreign Assets Control (OFAC), and the U.S. Anti-Money Laundering Act (AMLA), as well as the latest amendments.	a. Organize "AML/CFT Seminars" and "AML/CFT Seminars for Supervisors" in different regions to strengthen the publicity of relevant laws, operating regulations and common deficiencies to enhance employees' awareness and implement AML/CFT operations. b. In response to the continuous optimization of the AML system and deficiencies in internal and external inspections, real-time video conferences are held from time to time to explain the latest operating regulations, precautions for common internal and external deficiencies, optimization mechanisms and system function matters, etc., to strengthen the effectiveness and timeliness of AML promotion. c. Inform relevant business management units of the deficiencies regarding suspected money laundering or terrorism financing audited by the competent authorities and internal and external audits, so as to work out improvement plans and avoid the repetition of deficiencies.
Dedicated AML/CFT Officers and personnel, supervisors of domestic business units (including securities branches)	12 hours (or the number of hours calculated according to the actual proportion of his/her employment in the business of AML/CFT)	Regular internal training; training from external agencies	a. May 13 ~ June 28, 2024 - The 2024 AML/CFT Seminar was held on the Bank's digital learning platform. The course covered matters that should be followed in AML operations, explanations of deficiencies in internal and external audits, and case studies on peer sanctions. It also included items related to AML deficiencies in the main inspections on domestic banks in the first and second half of 2023 by the Financial Examination Bureau, FSC to strengthen publicity. All trainees have completed the training and passed the test.	
Internal auditors	3 hours	Regular internal training	b. August 19 - September 8, 2024 - The 2024 AML/CFT on-the-job training for all TBB employees in the country (excluding Directors, President, and employees of foreign business units) was held online. All participants, except where with cause, completed the training.	
Compliance personnel	3 hours	Regular internal training	c. October 3 & November 6, 2024 and November 18 to December 6, 2024 - the Taipei Financial Research and Development Foundation was commissioned to conduct the "2024 AML/CFT on-the-job training" through online reading and recording. The training targets include the dedicated AML/CFT officers, designated personnel, Investigation Unit personnel in the Compliance Department and domestic business unit (including securities branches) supervisors and their substitutes. All participants completed the training and passed the test.	
Business personnel (the entire staff)	At least 1 hour	Regular internal training	d. In 2024, TBB completed the 12-hour AML/CFT on-the-job training for dedicated AML/CFT officers, designated personnel and domestic business unit supervisors, foreign business unit supervisors and AML/CFT officers, and related personnel according to Article 9 of the Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission.	
Supervisors and AML/CFT officers and personnel at overseas branches	12 hours (or the number of hours calculated according to the actual proportion of his/her employment in the business of AML/CFT)	Training from external agencies		

B. Monitoring of Money Laundering and Terrorism Financing Risk and Crime

- a. In order to strengthen the continuous monitoring measures on customers' transactions, we have established monitoring scenarios for suspected money laundering or terrorism financing transactions based on the nature of each business and adopt information systems to help identify suspicious transactions. In 2024, 1,067 suspicious transactions were reported to the Investigation Bureau of the Ministry of Justice, and 26 cases were completed according to feedbacks of the distribution and application results of financial information provided by the Investigation Bureau of the Ministry of Justice.

STR filed ³⁵	Cases rewarded by the Investigation Bureau of the Ministry of Justice
1,067 cases	26 cases

- b. Compliance Technology Application:

The Bank has established an AML System to conduct blacklist scanning, suspicious transaction monitoring, customer due diligence and other operations in a systematic manner. In addition, robotic process automation (RPA) is used to assist in the execution of related operations, such as collecting blacklist information, preliminary judgment of suspicious transactions, and Know Your Customer (KYC) data collection and compilation, etc., to reduce the waiting time for manual processing, thereby enhancing overall operational efficiency and improving monitoring effectiveness.

- c. In order to improve the quality of the Bank's investigation and reporting of suspicious transactions, the Investigation Unit has been established under the Compliance Department in July 2024. To strengthen the independence of incidence investigations and improve the efficiency of identifying suspicious transactions, dedicated personnel are responsible for handling centralized investigations of transaction monitoring alerts from domestic business units.

C. Continuously Review and Strengthen the Internal Control System

- a. Each year, the Bank prepares a comprehensive money laundering and terrorism financing risk assessment report in accordance with the Regulations Governing Internal Audit and Internal Control System of Anti-Money Laundering and Countering Terrorism Financing of Banking Business and Other Financial Institutions Designated by the Financial Supervisory Commission, to assess and identify whether the Bank's money laundering and terrorism financing risks meet the risk tolerance and risk limits, so as to formulate a group-level plan for AML/CFT. The report covers the comprehensive money laundering and terrorism financing risk assessment reports of domestic and overseas business units and subsidiaries of the Bank, and is submitted to the FSC for reference after being reviewed and approved by the Audit Committee and the Board of Directors of the Bank.
- b. In order to prudently evaluate the implementation of the Internal Control System for Anti-Money Laundering and Countering the Financing of Terrorism, the Bank examines the annual audit results on AML/CFT matters, and issues a statement declaring that each unit has effectively implemented the internal control system for AML/CFT and complied with laws and regulations. The Declaration of Internal Control System for Anti-Money Laundering and Countering the Financing of Terrorism is signed by the Chairman, President, Chief Auditor and Dedicated AML/CFT Officer, and submitted to the Board of Directors for approval, then disclosed on the official website and filed for public announcement.

- c. Every year, the Bank entrusts CPAs to conduct the annual project audit on the AML/CFT mechanism according to the regulations, to assist the Bank in reviewing the compliance of AML/CFT operations, so as to strengthen the Bank's relevant control mechanisms. Before the end of April each year, a certified report of the project audit on AML/CFT mechanism conducted by CPAs in the previous year will be submitted to the Audit Committee and the Board of Directors for consideration and approval, and then submitted to the FSC for reference.

D. Policies and Identification, Regular Review and Monitoring of High-Risk Customers such as Politically Exposed Persons (PEPs)

The Bank has established risk factors of high-risk customers by adopting the risk-based approach and taking into account risk indicators including regions, customers, products and services, transactions or payment channels. Terrorists or groups identified or pursued by international or domestic economic sanctions, international or domestic governments, or international money laundering prevention organizations, and individuals, legal persons or groups that have been sanctioned according to the local Financial Terrorism Prevention Law shall be directly regarded as high-risk customers and refused services or transactions. When establishing business relations with high-risk customers such as PEPs in domestic and foreign governments, the approval should be obtained from senior managers. In addition, it is stipulated that the information obtained for identifying customers and substantial beneficiaries shall be reviewed regularly to determine the sufficiency, and ensure the update of such information. In particular, high-risk customers shall be reviewed at least once a year, and different control measures should be taken for high-risk customers and customers with specific high-risk factors based on the risk prevention policies and procedures, so as to effectively manage and reduce known risks.

E. Strengthening the Audit Mechanism:

- a. To implement and supervise the business units' AML/CFT operations, the Compliance Department conducts on-site inspections of business units for deficiencies found in internal and external audits, examines the implementation of AML operations by business units through on-site checks and written tests, and conducts deficiency tracking and improvement operations for matters found to be deficient. In addition, each quarter, for business units with more AML/CFT deficiencies, reinforced counseling measures are implemented for 3 consecutive months to reduce the possibility of recurrence in business units and implement the AML/CFT control mechanism.
- b. In conjunction with the "Reference Guidelines for Responding to International Sanctions-related Issues" established by the Bankers Association, the Bank reviewed its relevant operating regulations and established the "Taiwan Business Bank Guidelines for Responding to International Sanctions" in December 2024.

³⁵ STR: Suspicious Transaction Report

2.4.3 Prevention and Control of Financial Fraud

In recent years, financial fraud incidents have occurred frequently. In order to prevent customers from suffering property losses, the Bank established the "Inter-departmental Fraud Prevention and Control Team" in 2024 to coordinate with the government's anti-fraud policies, regulations of the competent authorities, social current events, etc., and adjust the anti-fraud team members on a rolling basis to jointly prevent fraud. The Bank has also formulated the Care Questioning Form for Counter Operation and the Reward Measures for Preventing Dummy accounts and Fraud. For customers who apply for withdrawal and remittance transactions and designated transfers, for the elderly who withdraw cash for more than a certain amount, or for the transaction amount, frequency and withdrawal status that are suspected to be abnormal or fraud, the Bank will raise questions, timely notify the local police branch or police station to be present to verify or assist in protecting cash transportation, protect people's property and crack down on illegal crimes in accordance with government policies. We also strengthen the educational trainings for counter clerks in handling over-the-counter care questions, and properly use the cases provided by the National Police Agency and media reports on the latest fraud techniques, so as to strengthen the effectiveness of prevention. The performance in recent three years are as follows:

	2021	2022	2023	2024
Number of fraud cases prevented	20	92	130	131
Amount of fraud prevented (NT\$ equivalent)	7.62 million	57.98 million	101.58 million	107.53 million
Rewards provided to staff (NT\$)	26,000	86,000	180,000	225,500

Detecting frauds	- A total of 56 internal and external anti-fraud awareness activities were held, including the "Anti-fraud Pioneers: Beware of Scams" college lecture, the "Puppet Show at the Senior Learning Centers: Financial Knowledge Promotions" anti-fraud lecture for the elderly, the pension trust and anti-fraud awareness courses and employee training and advocacy. - Employees who have successfully prevented frauds are given corresponding bonuses and administrative rewards, and the merit is included in their respective evaluation scores, thereby motivating business units to cooperate with the police in fraud prevention. In 2024, a total of NT\$225,500 in bonuses and 33 merits were issued.			
Blocking frauds	TBB has developed a "phishing website and counterfeit mobile app monitoring service" to detect phishing websites, mobile apps, social media and posts on the Internet that are suspected of impersonating the Bank on a 24-hour basis. Once verified, the Bank will immediately request the service provider to remove the suspected impersonator and its content.			
Preventing frauds	- Joined the "Gray List Notification Platform for Designated Account Transfer" and introduced control and care measures for "number of designated transfers". In 2024, a total of 2,012 customer accounts reached the risk threshold for number of designated account transfers and received particular attention, and a total of 25 accounts were deactivated from the care system after receiving such attention. - Established "overseas financial accounts suspected of fraud" in coordination with the National Police Agency to establish an early warning mechanism. The National Police Agency's latest blacklist of overseas financial accounts suspected of fraud is downloaded daily, and a cross-reference is performed when handling overseas remittance. Particular attention and questioning are asked to customers to remind them to verify and confirm the authenticity of the transaction. From 2023 to 2024, a total of 2 remittances were blocked, with a total blocked transaction amounting to US\$27,019. - Participated in the "Eagle Eye Fraud Detection Alliance" and deployed the Eagle Eye Fraud Detection Model and model evaluation related operations, which incorporate common fraud and criminal methods to improve the identification and early warning of abnormal accounts to achieve an early detection of fraud prevention. - TBB plans to work with Chunghwa Telecom on the "Financial and Telecom Data Joint SIM Card Fraud Defense" project to prevent SIM card misuse and fraud through cross-industry data sharing, risk monitoring and user verification mechanisms so as to establish a safer digital environment.			
Punishing frauds	When notified of a customer who is suspected of being defrauded, in addition to emergency account control, TBB also assists the customer in incident reporting or contacting the 165 anti-fraud hotline. The Bank will also cooperate in providing prosecutors and police with information to facilitate criminal investigations, thereby serving as a deterrent to fraud syndicates.			

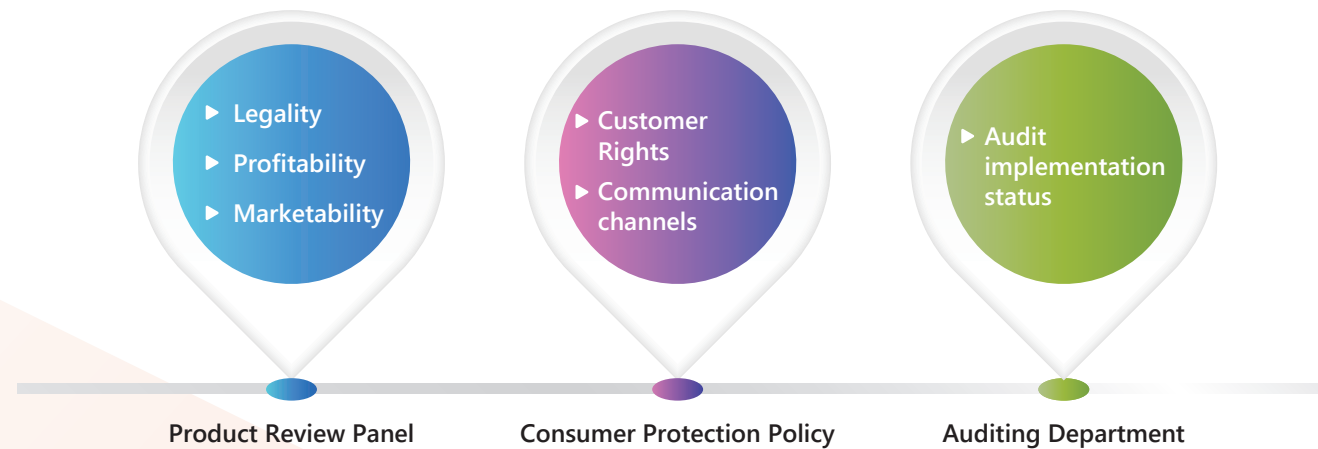
A photograph of two people shaking hands in an office environment. The person on the left is wearing a dark suit and a light blue shirt. The person on the right is wearing a dark pinstriped suit. The background is a blurred office with a computer monitor and a desk. The image is overlaid with large, semi-transparent geometric shapes in shades of orange and red. On the left side, there is a small circular icon with a dot inside, and the number '03' in a large, bold, orange font. Below the number, the text 'Customer Rights' is written in a bold, orange font. The overall design is modern and professional.

03

Customer Rights

3.1 Customer Rights and Communication Channels

TBB has established related policies and operating procedures for consumer protection and provided measures that must be implemented for the consumer protection policy. TBB also assigned dedicated units to review the effectiveness of consumer protection mechanisms, and the Auditing Department of the Board of Directors to take charge of the audit of implementation status. The sales of disputed products are also prohibited.



3.1.1 Product Review Panel

The Bank set up the "Product Review Panel" and established diverse review mechanisms based on the characteristics of different products or services. The Panel reviews the compliance, ESG factors (environmental, social and corporate governance), friendliness to elderly customers, marketability, profits, related fees to be collected, and other related items of the products to protect customer rights. In addition, for customers aged 65 and above, the procedures for KYC, product understanding, and marketing shall take into account the vulnerabilities and financial characteristics of elderly clients, as well as the specific risks associated with the proposed products, in order to ensure the suitability of the marketed products. TBB's advertisements and promotions for products and services meet regulatory requirements, and the Bank strictly controls the overall quality and contents of advertisements and materials and fully ensures the truthfulness of the financial consumption information and contents to avoid misleading customers. We also specify related rights and interests in customer data collection, processing, and usage in the service and product contracts for customers to fully understand them.

Proposal Unit Evaluation	Key Criteria for Joint Review by Product Review Panel	Product Launch
Reasonableness of product costs and expenses Investment objectives and policies, operating strategies, and risk-rewards Accuracy of relevant documents and adequate disclosure of information Legality of entrusted investments and assessment of conflicts of interest Past performance, reputation, and financial soundness of the product issuer or guarantor Product risk level and suitability for financial consumers	Product legality ESG factors (environmental, social, and corporate governance) Friendliness to elderly customers Marketability Profitability	Unanimous approval from the attended judging panel

3.1.2 Other Business Communication Channels

A. TBB established the "Procedures for Processing Customer Complaints", "Procedures for Processing Trust Business Disputes", and "Procedures for Processing Credit Card Business Disputes". TBB set up toll-free service numbers and published them at prominent locations in business venues and on ATMs for related units to immediately accept and process customer complaints. When customers call the TBB Customer Service Center to ask business-related questions, customer service staff readily provide answers online. If other related personnel are needed to help process affairs, they also respond as quickly as possible to ensure that customer demands are met.

- B. The Bank established the "Debt Negotiation Contact Unit (i.e., the individual contact window of the financial institution)" to provide consultation and guidance for the following items:
- Provide integrated consultation for current regulations and related operating procedures of TBB and provide debtors with choices for the most suitable negotiation and payment mechanisms.
 - Accept and refer various negotiation mechanisms.
 - Settlement and repayment of overdue cases.
 - Debt rehabilitation under the Consumer Debt Clearance Statute and communication for repayment of settled cases.
 - Unify the payment collection and payment operations for accepting applications for debt rehabilitation.

C. Customer satisfaction survey:

- Counter service satisfaction survey: In order to understand how customers think and to continuously improve the quality of the Bank's counter services, the Bank has been conducting counter service satisfaction surveys by having customers who visit the branches to scan QR codes at the counter since 2024. By setting 2024 as a base year, the survey covers five major aspects, namely "satisfaction with financial products", "service attitude", "professional ability", "service efficiency" and "business environment", to understand customers' ratings of the business and services provided by the Bank. Based on the survey results, the Bank also takes in customer feedback to continuously improve services in various aspects so as to improve overall satisfaction and strengthen long-term trust with customers.

	2024 Results
Customer satisfaction ³⁶	98.39%
Data coverage ³⁷	100%

- Digital Business service satisfaction survey: The Bank attaches great importance to customer experience, listens to customers' voices and understands their opinions, and uses this feedback as a reference for future service improvement planning. In addition to conducting internal satisfaction surveys, since 2023, the Bank has specially commissioned an external institution (Ipsos) to assist in conducting the Bank's Digital Business service satisfaction survey. This approach enables the Bank to gain diversified and objective insights into customer feedback and to continuously enhance and optimize its services.

Year	Satisfaction rate		Survey method	Survey unit
	Actual	Target		
2021	86.1%	-	The Bank conducted its own satisfaction survey on users who used online banking and mobile banking services for account details and fund enquiries, NTD/foreign currency transfers, buying and selling foreign currencies, outbound remittances, and fund conversion and redemption. The survey covers all customer groups of the Bank, with a coverage rate of 100%.	TBB
2022	89.3%	82%		
2023	90.2%	83%		
2024	92.0%	90%		

³⁶ The percentage of satisfied customers out of the total number of customers who took the satisfaction survey.

³⁷ The 2024 survey collected 6,298 valid samples. The survey covered the Bank's main customer groups (corporate banking customers and personal banking customers), various product lines (deposit and loan business, foreign exchange, wealth management business, etc.) and all domestic business units; hence the coverage rate has reached 100%.

Year	Satisfaction rate	NPS ³⁸ (Net Promoter Score)	Survey method	Survey unit
2023	77.9%	23.3	An online questionnaire survey was conducted for all natural person customers of TBB who are Taiwanese nationals and aged 20 or above, and have logged into TBB's online banking or mobile banking service in the past year.	Ipsos
2024	82.5%	33.9		

3.1.3 Various Product Specifications

■ Wealth management

- ◆ When customers engage in options transactions, they are provided with the product description and risk disclosure statement which explain risks including market risks and risks associated with early termination of trading. The Bank assigns dedicated personnel to explain the nature of the products and analysis of possible scenarios as reference for customers.
- ◆ When providing investment financial products or services, we conduct relevant KYC reviews and assess customer investment capabilities in accordance with the regulations of the competent authority to truly understand customers' investment attributes and risk tolerance, to provide financial products suitable for them and ensure that they invest in products in line with their investment attributes. We have also set out control measures for the elderly customers, large amount transactions, short-term contracts, and specific customers. After customers purchase wealth management products, the wealth management advisors will conduct regular visits to inform customers of their investment profit or loss, and continue to care about them and the status of their investment assets to implement the principle of customer protection.
- ◆ The bonuses and remuneration of wealth management advisors are handled in accordance with the regulations of the competent authority (total asset scale entrusted by customers, commission fee income, and number of customers), and the assessment of non-financial indicators (violation of relevant laws and regulations, self-discipline standards or operating regulations, deficiencies in the audits, customer disputes, or degree of satisfaction, customers' multiple redemptions and re-subscription or frequency of re-investment after contract termination, number of hours of educational trainings, absence from work, completeness of licenses obtained and implementation, and the implementation of KYC principles). We have also set out a deferred payment mechanism for some bonuses to avoid adopting performance as the only basis to protect customers' rights and interests.

³⁸ The Net Promoter Score (NPS) is an indicator for measuring customer experience and customer loyalty. According to "XMI Customer Ratings - Consumer NPS, 2024 (by industry)" proposed by US-based experience management company Qualtrics, the average NPS of the banking industry in 2024 was 28.0.

- ◆ We disclose the manual of wealth management customers' rights and interests, standardized contract templates, financial service fees, trust business dispute settlement procedures, and fund channel rewards information on the TBB's website.
- ◆ TBB strictly abides by the Financial Consumer Protection Act and relevant laws and regulations when engaging in advertising, public introduction to, and promotion of wealth management products, and fully discloses all information in accordance with the law. We are obliged to inform customers of all information for the financial and insurance services provided. We also conduct self-assessment of the effectiveness of consumer protection semiannually to inspect any violation of laws during the performance of duties and whether improvements have been completed.
- ◆ Cooperate with the competent authority's priorities and strengthen internal controls by addressing weaknesses identified in peer institutions penalized by the FSC, so as to implement measures to prevent wealth management advisors from creating unauthorized account statements or engaging in private financial transactions with clients, thereby ensuring compliance with regulations.
- ◆ If customers have any disputes about our products or services, we have established a complete complaint system to provide diverse complaint channels, through which complaints can be submitted through 24-hour customer service hotline, mail, face-to-face interview, fax, customer service e-mail, etc. Dedicated units and personnel will provide follow-up services to safeguard customers' rights and interests, handle their complaints prudently, and continue to track improvement measures.

Loan

- ◆ The service charges collected for products are disclosed on TBB's official website to avoid disputes.
- ◆ To implement consumer protection, comply with regulations of the competent authority, and ensure that customers are fully aware of the risks associated with loan interest rate fluctuations, business units are required to explain the "special reminders for mortgages" when providing medium to long-term secured loans with properties as collateral.
- ◆ To protect customer rights and prevent abuse by dishonest loan agency companies, when processing new loans, TBB uses the "agency loan verification table" to verify whether the application is filed through an agent, and will not accept loan cases transferred from agencies.
- ◆ TBB specifies on the official website that no individual may link to the website illegally without TBB's express approval for online marketing purposes to protect consumers from fraud by agency loan companies or being charged inappropriate fees.
- ◆ In response to the regulations of the competent authority on financial consumer protection issues, TBB has formulated relevant regulations, and monitors customers and the Bank's internal risk management to fully protect customers and to comply with laws and regulations. To ensure the effective implementation of the compliance system, we regularly review and amend relevant internal regulations in due course, and clearly define the operating procedures and responsibilities to facilitate control while adjusting internal system settings as per the opinions of the financial inspection to improve overall operations and to strengthen personnel training.

- ◆ The information on all credit products can be provided through TBB's website announcements, service mailboxes, marketing by branch clerks, etc. After a customer's application is approved after TBB's credit investigation and credit procedures, we will sign a credit contract with the customer, which specify the loan amount, deadline, interest rate (fee), calculation method of default fine, and other credit conditions while containing the lender's and borrower's rights and responsibilities, and will deliver a copy of the contract consistent with the original one to the customer to protect both parties' rights and interests.
- ◆ To enhance the protection of newly adult customers' financial consumer rights, those applying for small loans at a branch must complete a "Newly Adult Customer Small Loan Declaration Form." Customers applying through the e-Loan platform must read and agree to the declaration before proceeding, ensuring they fully understand their financial needs.

Credit card

- ◆ Customers can fill in the credit card application form or apply online on the Bank's official website to apply for a TBB credit card. In addition to the personal information to be entered, we also specify various notices, various credit card fees, and interest rates on the form. After the application is approved, TBB will send the credit card and provide the credit card user manual and agreed terms to the applicant. In the case of changes in the customer's rights and interests, the cardholder will be notified 60 days in advance to protect his/her rights and interests.
- ◆ We organize credit card marketing events from time to time, and also specify the content of the events and matters to be noted on TBB's official website, bill statements, direct mail, etc., to avoid disputes with cardholders due to different perceptions, and provide a text message when a credit card payment reaches a certain amount. In addition, we have dedicated personnel to monitor if there are any unusual transactions 24/7 to reduce the risk of credit cards being used fraudulently.

3.1.4 Treat Clients Fairly

To optimize the implementation of our fair customer treatment principles and ensure consumer protection, TBB has established the "Treat Clients Fairly Principles Policy" and "Treat Clients Fairly Principles Strategy". The Compliance Department is responsible for planning and promoting the "Treat Clients Fairly Principles," overseeing their execution across various business units, and reviewing the compliance of relevant business regulations. Additionally, in meetings led by senior management (EVP level and above), potential violations of the "Treat Clients Fairly Principles" by business units are discussed and addressed, with quarterly reports submitted to the Board of Directors.

The Bank has established the "Compliance Evaluation Items and Scoring Standards," incorporating deficiencies related to the Treat Clients Fairly Principles and the outcomes of dispute resolution cases into our compliance evaluation criteria. This compliance evaluation is one of the internal control management review items of our "Performance Assessment Handling Procedures," which has a direct impact on the performance assessments of the Bank's various units and employees.

Strategies and goals for improving "Principle for Financial Service Industries to Treat Clients Fairly":

- ◆ Provide employees with educational trainings on fair customer treatment and personal data protection-related laws and regulations to safeguard customer rights.
- ◆ Continue to conduct customer satisfaction surveys to improve the quality and efficiency of the Bank's digital financial services and understand customers' degree of satisfaction and suggestions regarding their mobile and online banking experience.
- ◆ To prevent wealth management advisors from performing online banking transactions on behalf of customers, a new verification mechanism has been added to verify when wealth management advisors and customers log in to online banking with the same user account name.
- ◆ In cooperation with a professional consulting firm, TBB launched the "ISO 10002:2018 Complaint Handling Management System certification" project, which includes reviewing the customer complaint management process, introducing risk-based process for complaints, strengthening incident prevention measures, and establishing quantitative monitoring and quality management standards. Through the guidance of international standards, the Bank has established its standardized operating processes and procedures for customer complaint management.
- ◆ The goal is to be ranked in the top 25% of the "Evaluation of Fair Customer Treatment in the Financial Services Industry".

3.2 Digital Banking

It is the Bank's vision to become the bank of first choice for domestic SMEs and customers. The Bank builds more friendly and customer centric omnichannel financial services by utilizing innovative fintech and data to drive growth and implementing digital processes and channels to provide a revamped and better user experience. In addition, the Bank combines social media and digital marketing to encourage customers to use online and mobile banking services as well as mobile payments. The Bank works hard to meet the demand for mobile banking services and provide a more streamlined digital banking experience on more diversified platforms. Furthermore, The Bank works with partners in different industries to develop new products better aligned with customers' everyday life, and tries to create a digital banking ecosystem.

3.2.1 Digital Innovative Products

- A. The eFlow system has been released throughout the Bank, converting paper forms into online approval processing and allowing the form approval status to be checked at any time.
- B. The Integrated Message Notification Platform has newly been integrated with LINE notifications and provides 30 notification message services in eight categories.
- C. Added FastID smart identification/debit card recognition system to online ATM, offering cardholders to use their smart debit cards and card readers to complete identity verifications.

- D. The Bank's official website has added an Anti-fraud section to provide practical anti-fraud information.
- E. The "Elderly" version of the mobile banking app was launched, tailor-made for middle-aged and elderly customers with a friendly interface and functional services.
- F. The "e-Video" video service function was launched, providing customers with services such as applying for an increase in the limit of Type 3 of digital deposit account, activating online designated transfer accounts, mobile banking device authentication, and resetting online banking/mobile banking user passwords.
- G. Cardless withdrawal function on mobile banking app is now available at all ATMs that support QR Code cardless withdrawals.
- H. The digital tracking software Adobe Analytics (AA) and the digital personalization service software Adobe Target (AT) were introduced and applied to the Bank's official website to detect customer groups with business preferences to facilitate business promotion.
- I. The Bank has cooperated with Chunghwa Telecom and passed the supervisory review of the "joint telecom operator SIM card fraud defense project" and received the meeting minutes documenting the FSC's approval.
- J. Participated in joint independent demonstration for the Financial and Telecom Data Joint SIM Card Fraud Defense, and upon evaluation and approval from the FSC, the Bank demonstrated the effectiveness of the anti-fraud model at the "Tech-Driven Anti-Fraud Thematic Promotion Presentation" at FinTech Taipei.
- K. Deployed SAS Office Analytics data analysis software and completed 12 EBM data analysis cases, including mortgage service, trust service, and watched-list account analysis.
- L. The "Payroll Loan" credit loan project is launched to meet the needs of salary transfer accounts for flexible use of salaries.
- M. The new "Micro e-Loan online loan application platform" was launched, providing business owners with a one-stop experience from application to contract signing.

3.2.2 Promotion of Digital Banking

- A. On November 1 and 2, 2024, the Bank participated in FinTech Taipei 2024. It set up four major exhibition areas including "Artificial Intelligence", "Hokii Digital Life Circle", "ESG Sustainability", and "Future" centered around the design concept of "Smart Life × Sustainable Future", and carefully designed the imaginative tech-themed "Hokii Digital Planet", which integrates concepts of sustainable development with elements of digital technologies such as generative AI. These displays attracted more than 1,000 visitors during the two-day exhibit.
- B. Actively promoted Taiwan Pay acquiring businesses, striving for cooperation with large retail chains, shopping districts, night markets, and other well-known merchants to introduce the TWQR common payment services, and organized related marketing promotions to promote inclusive finance and the popularization of electronic payments.

- C. Introduced new service linking O'Pay electronic payment system with the Bank's deposit accounts to build a complete mobile payment network for customers.
- D. Allow users to use mobile banking app and Taiwan Pay in Korea by releasing the "QR Code Cross-border Spending and Payment Service".
- E. Considering that physical branches are limited in remote areas and residents cannot access financial services immediately, the Bank promotes digital deposit accounts so that people can enjoy financial experiences such as deposits, withdrawals, transfers, and consumption without being restricted by time and space. The Bank also provides NTD/foreign currency digital deposit account benefits, free inter-bank withdrawals and transfers, and high deposit interest rates to encourage savings.
- F. To cultivate innovative financial talents, the Bank held the Head Office Data Application Innovation Award, the Bank-wide Financial Creativity Competition and the Campus Fintech Creativity Challenge to stimulate innovative thinking and accelerate digital transition.
- G. Financial patents: In 2024, 32 fintech patents (12 inventions and 20 new models) were obtained, bringing the total number of patents to 76 at the end of 2024, a 220% increase compared to the 10 patents obtained last year. For the first time, the Bank was included in the Top 100 Domestic Corporate Patent Rankings, with its new invention patent applications ranking third among all domestic banks.

The 12 new invention patents added in 2024:

System and method for detecting counterfeit financial apps on Android systems
Device and method for sending notifications by determining the order for sending based on sending parameters
System and method to detect dithering and to execute corresponding functions
Online and voice service system with semantic learning capability and method
Fixed-period small-sum variable savings system and method
System and method for generating personalized webpages for financial needs based on browsing history
Digital banking membership points accumulation system based on engagement and its method
System and method for detecting counterfeit financial apps on iOS systems
Device that generates a prompt when the network is a WiFi network without password and its method
Online reservation system for conducting banking business at the Bank's branches and its method
Mobile device and method for providing multiple identity verification for logging into mobile banking app
Device and method for adjusting the order of sending notifications when notification performance is too low



The 20 new models patents added in 2024:

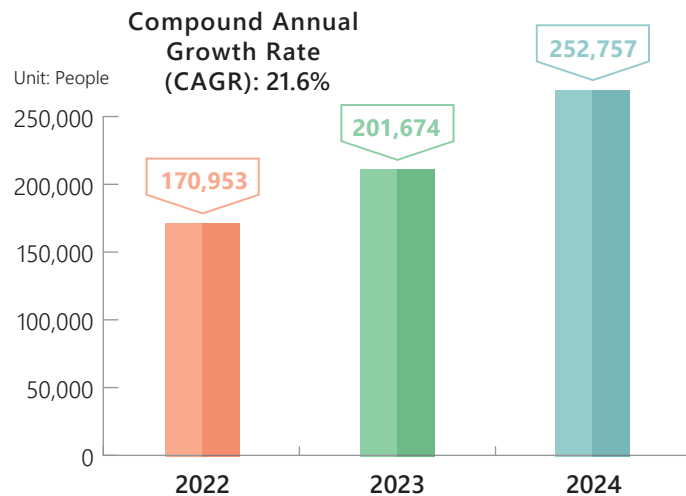
Digital application platform referral system
Device for generating webpages for personalized financial needs based on browsing history
Digital membership referral system on mobile banking app
Digital banking membership points accumulation system based on engagement
Active recommendation system for digital member services based on mobile banking operations
Digital seal APP registration and blockchain storage system
Processing system for abnormal webpage information during webpage version updates
Online reservation system for conducting banking business at the Bank's branches
Digital member service guidance and referral system for placing fund orders on the mobile banking app
Device that generates exclusive pages for the Bank's customers based on browsing history
Post-membership point redemption customer behavior analysis system
Bank digital membership points reward system based on social media referral
System for producing digital contract templates
Mobile device for providing multiple identity verification for logging into mobile banking app
Device that provides salary transfer accounts to apply for loans based on amount of salary
A system that integrates mobile devices to complete digital website business applications
Device for confirming transfer account number (for Elderly version of the mobile banking app)
A client-server architecture system for fall detection by the mobile banking app
A device that proactively cares for users based on operating history
A system that adaptively adjusts the service interface for the elderly

3.2.3 Develop Digital Marketing and Build Social Media Presence

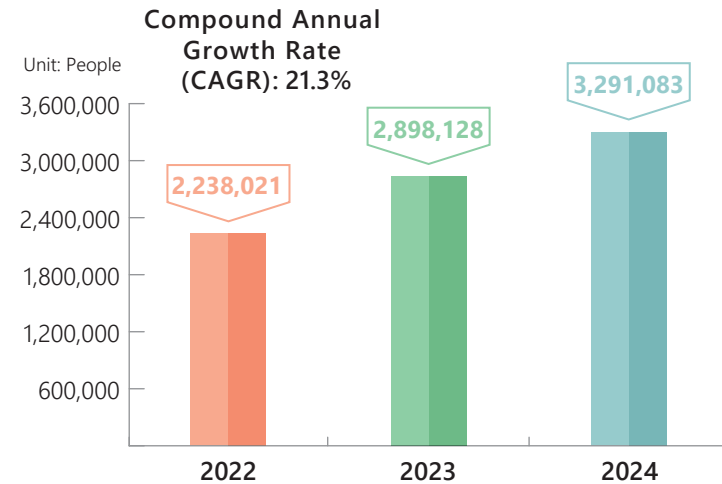
- A. e-Newsletters of Hokii Offers are sent regularly every month, which focus on services related to the Hokii account, helping customers save time and stay informed at the same time.
- B. New digital membership benefits have been implemented. As of the end of 2024, the total number of Hokii digital members reached 86,931, representing a 180% increase compared to the total of 31,036 at the end of the previous year.
- C. Taiwan Business Bank Instagram social media account was launched on May 20, 2024.
- D. The number of Facebook followers reached 250,000, LINE friends totaled 3.29 million, and Instagram followers stood at 1,407. Compared to the end of last year, Facebook and LINE followers increased by 25% and 14%, respectively. The performance of social media management over the past three years is as follows:

Item \ Year	2022	2023	2024	2022-2023 Increase/Decrease	2023-2024 Increase/Decrease
Number of Facebook followers	170,953	201,674	252,757	17.97%	25.33%
Number of Line friends	2,238,021	2,898,128	3,291,083	29.50%	13.56%

The number of Facebook followers in the last 3 years



The number of LINE friends in the last 3 years



3.2.4 Optimization of Digital Channel Services

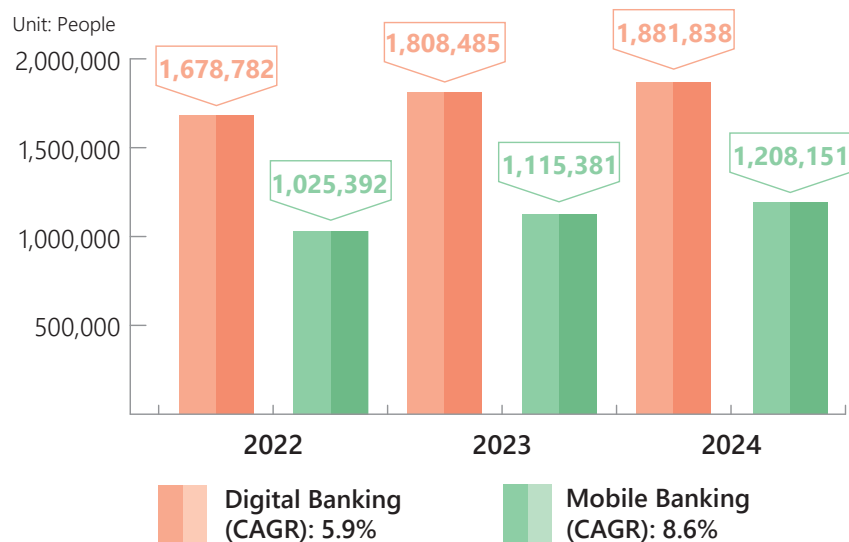
- A. Transaction hours for "buy/sale foreign currency/designated transfer" for personal users of general online banking and mobile banking are extended to 9:10 a.m. to 23:00 p.m.
- B. Introduced "reporting grey-list designated transfer accounts" function and service on the mobile banking app.
- C. Customers can now use online banking and mobile banking to "make appointment to inquire about transaction details and foreign currency transaction details from 2 years ago up to 15 years ago".
- D. Adjusted service hours of "foreign currency time deposit" transaction on general online banking, mobile banking, and corporate online banking to 24/7 (including holidays).
- E. NTD/foreign currency transfer records and transaction notes query functions added for mobile banking.
- F. Online application for replacement of smart debit card function added for general online banking.
- G. New login record query and analysis functions have been added to online banking and mobile banking.

H. The Bank continues to pursue the digitization of financial services, using process simplification and paperless operations to reduce the use of paper and energy, thereby creating a convenient and high-value digital business experience for customers. At the same time, TBB encourages customers to engage in related banking activities through digital channels. The promotion results in terms of customer numbers and online transaction numbers are as follows:

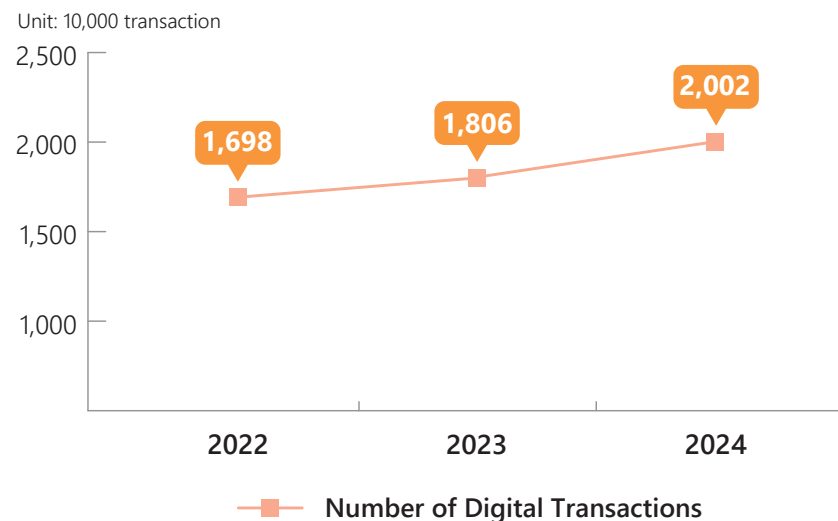
Item \ Year	2022	2023	2024	2022-2023 Increase/Decrease	2023-2024 Increase/Decrease
Number of online banking customers	1,678,782	1,808,485	1,881,838	7.17%	4.06%
Number of mobile banking customers	1,025,392	1,115,381	1,208,151	8.09%	8.32%
Number of digital savings accounts	76,529	124,032	179,412	62.07%	44.65%
Number of digital financial transactions ³⁹	16.98 million	18.06 million	20.02 million	6.36%	10.85%

³⁹ The calculation includes all online digital financial services (general online banking, corporate online banking, online ATMs, telephone banking, mobile banking, etc.), excluding online banking inquiry transactions and deposit machines.

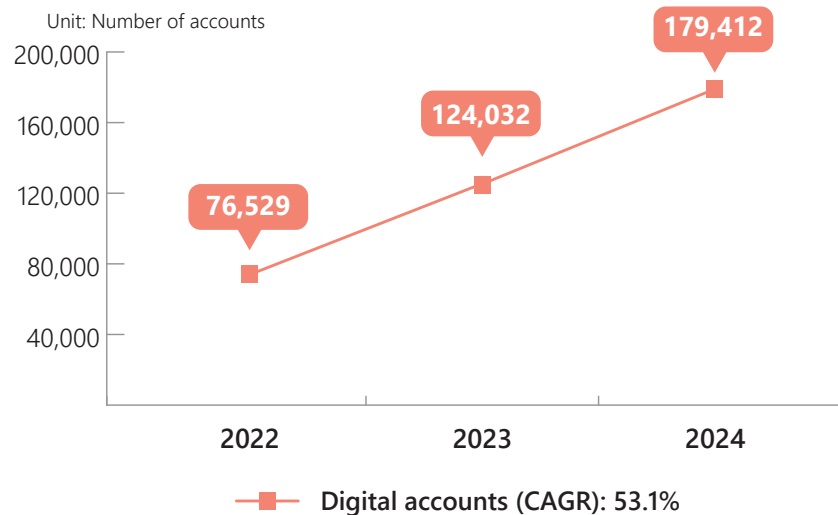
■ Digital channel use in the last 3 years



■ Number of digital transactions in the last 3 years



■ Number of digital accounts in the last 3 years



3.3 Financial Inclusion Products and Services

3.3.1 Support SMEs Development

The Bank actively helps small and micro enterprises (with a capital of NT\$30 million or less) obtain operating capital. To solve the problem of having insufficient collaterals faced by many SMEs, the Bank assists SMEs in obtaining bank financing through the SME Credit Insurance Fund guarantee mechanism. As of the end of 2024, the Bank submitted a total of NT\$218.462 billion, which was 15.43% of the balance of the SME Credit Guarantee Fund and the highest in the country.

Item	As of the end of 2024
Number of small and micro enterprise loan customers/ Number of nonperforming customers	68,350 customers/1,705 customers
Small and micro enterprise loan balance/ Amount of nonperforming loans	NT\$323.481 billion/NT\$1.623 billion
Number of SME loan customers/ Number of nonperforming customers	73,233 customers/1,774 customers
SMEs ⁴⁰ loan balance/ Amount of nonperforming loans	NT\$807.073 billion/NT\$2.436 billion

In accordance with Article 13 of the "Act for Development of Small and Medium Enterprises", the Bank's Board of Directors approved a donation that shall be allocated to the SMEG for 2025 in the amount of NT\$330 million, with an aim to replenish the funds for the guarantees provided by the SMEG to help all SMEs obtain the necessary funding for their operations.

Target	Financial Products and Services	2024 Performance
SMEs (including micro-enterprises)	The Bank actively supports the development of SMEs and promotes various SME-related project loans to help them obtain funds needed for operations. The Bank has set a target of increasing the balance of SME loans by NT\$20 billion in 2024 compared to 2023.	Increase in loan balance NT\$33.2 billion

⁴⁰ SMEs refer to small- and medium-sized enterprises that are certified in accordance with the "Standards for Identifying SME" of the Ministry of Economic Affairs and small-scale businesses guaranteed by the Small and Medium Enterprise Credit Guarantee Fund that comply with Article 5 of the "Business Registration Act" and are deemed to be small and medium-sized enterprises.

Target	Financial Products and Services	2024 Performance
	In terms of small, micro, and startup businesses (SMEs with capital below NT\$30 million), the Bank promotes exclusive corporate loan projects and guidance measures to solve the challenges in fundraising for these businesses. Having set 2022 as the base year (8,057 accounts in that year), the Bank has set a target of achieving 25,000 new accounts in total by 2024.	Cumulative number of new accounts 28,726 accounts
	Adhering to the spirit of inclusive finance, the Bank has established multiple loan application channels and simplified the review process to assist micro-enterprises (SMEs with fewer than 10 employees or capital of less than NT\$3 million) in obtaining the funds needed for entrepreneurship and operations, allowing micro-enterprises to overcome operational difficulties.	Loan balance NT\$131.1 billion Number of loan accounts 33,900 accounts
	The Bank cooperates with the Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF) to hold seminars, lectures and activities to provide micro-enterprise management and financial counseling, as well as professional knowledge in financing business. Courses include social media marketing skills, business communication skills, and helping businesses to understand financial statements to enhance their corporate management capabilities and financial competitiveness.	Participated by 250 person/times
	The Bank actively strengthens resource integration functions, comprehensively enhances services, and jointly promote the "Counseling Program to Enhance the Financial Competitiveness of SMEs" with the Taiwan SMECF, providing SMEs with financial accounting problem diagnosis, financial knowledge training courses and practical financing skills and other counseling measures.	Participated by a total of 49 customers

3.3.2 Financial Friendly Services

A. Accessible Service:

- In order to provide hearing-impaired (speech-impaired) people with friendly financial services, the Bank displays the "Text-based Customer Service QR Code" on the ATM screen. After scanning, the "Text-based Customer Service" is provided, allowing hearing-impaired (speech-impaired) people to fully express themselves and communicate smoothly.
- The Bank's "Branch queuing system" provides a "Friendly Service" option to facilitate the elderly, physically and mentally disabled customers to raise special communication service needs (such as slower speech, text or sign language interpretation services, etc.). Customers can choose simple text commands such as "I need help" to receive assistance from dedicated personnel to handle related business.

- c. The Bank's Fu Hsin Branch is located next to MRT Da'an Station, an important transportation hub. This branch has been selected by the Bank to demonstrate financial friendly services. It has set up a "friendly service area" and introduced assistive tools such as "report reading and zooming in", "larger-viewing and visual aids", "braille stickers on covers of passbooks", "larger screen display for banknote counting machine", "vertical QR code signboard", "vertical sign language interpretation service signboard", "height-adjustable desks", etc. Among them, the "report reading and zooming in" machine not only helps customers to "enlarge the text", it also offers them assistance by reading the contents out loud.
 - d. The Bank has placed easy-to-read versions of "Deposit Account Opening Process", "Learn What to Do at the Bank Counter", "Learn to Use an ATM", "Rely on Your Debit Card When You Go Out" and "Set Up an Elderly Care Trust at TBB" on the "Financial Friendly Service" section of its official website. The information is also placed at the accessible service counters of its branches for customers to scan, enlarge, read, or browse through in paper form.
 - e. The credit card service provides disabled customers with SMS text reminders for each transaction. At the same time, in order to reduce the risk of lost or stolen cards, a dedicated hotline for reporting lost credit cards has been set up. Customers do not need to wait for voice notifications and can be directly served by dedicated personnel.
- B. Elderly Care:
- a. The Bank's Kai Yuan Branch and East Tainan Branch participated in the "Financial District for Dementia" event organized by the Public Health Bureau, Tainan City Government on September 30, 2024, and took the lead in joining the ranks of "Dementia Friendly Organizations". On October 25 of the same year, Fu Hsin Branch also joined the "Dementia-friendly Organization" of the Department of Health, Taipei City Government, aiming to provide friendly services and warm care to people suspected of having dementia.
 - b. In response to the dawning of an aging society and declining birthrate, the Bank combines real estate and elderly care trusts to provide customized "housekeeping for elderly care" trust services and developed innovative elderly care trust models. The elderly will place their real estate property rights and rent to a trust. Through the trust mechanism, the real estate property rights and funds can be protected from improper management and disposal, thereby meeting the living needs of the elderly and fulfilling the Bank's corporate social responsibility.
 - c. The Bank promoted "small-sum whole life insurance" to show more friendliness and care for the elderly. Its product features are lifelong protection and low premiums. The premiums are cheaper than other similar life insurances and the insurance threshold is low. For the elderly who have exceeded the underwriting age of general life insurance, they can solve part of the social problem of aging by purchasing this type of insurance. The number of insured cases in 2024 was 440, an increase of 298 cases from 2023 and an increase of 210%.
- C. International Alignment: In response to the government's "Blueprint for Developing Taiwan into a Bilingual Nation by 2030" to create bilingual financial services, as of 2024, the Bank have 103 branches set up as bilingual branches that aim to provide smooth financial services to foreign customers. It is expected that the Bank will set up 125 bilingual branches by 2025.



D. Microinsurance: In response to government policies, "microinsurance" was launched for specific groups such as the economically disadvantaged. Its characteristics are low insurance coverage, low premiums, and simple coverage plan. It provides basic death, disability and other protections for the economically disadvantaged people to avoid sudden accidents that may cause serious impact on the family economy, and fills the gap in the government's social insurance or social assistance mechanism.

Service Target	Methods and Items	Description	Indicators	2022	2023	2024
Post-pandemic customers facing operational difficulties requiring revitalization and transformation	Post-Pandemic Revitalization and Transformation Upgrade Loan (Corporate Banking)	In full support of industries facing operational challenges in the post-pandemic period, TBB has actively participated in the Ministry of Economic Affairs' "Post-Pandemic Revitalization" and "Specific Factories and Low-Carbon Smart Transformation" loan programs. The Bank has streamlined the review and approval procedures for post-pandemic revitalization loans to help enterprises obtain financing in a timely manner. Additionally, a dedicated "Post-Pandemic Revitalization Zone" has been established on the Bank's official website to promote online applications for such loans, thereby reducing customers' time costs in dealing with the bank.	Cumulated number of customers		9,831	22,338
			Cumulated loan amount		NT\$58.965 billion	NT\$123.985 billion
Female	Female Entrepreneurship Loans	Promoting gender equality and a friendly workplace environment. TBB exerts its financial influence to support women's start-ups, thus becoming a strong backing for women entrepreneurs. The Bank has been recognized by the Ministry of Labor several times, affirming its efforts in gender equality and promoting social employment.	Number of customers	7,341	7,836	8,254
			Loan balance	NT\$3.947 billion	NT\$3.812 billion	NT\$3.755 billion
Youth group	Youth Entrepreneurship Loan, Micro-Start Up Phoenix Loan	TBB always prioritizes stable entrepreneurship and job markets, and took the lead in setting up 125 "SMEs Financing Consulting Service Zones" in Taiwan, making every effort to help young people with aspirations by offering various financial services, supporting youth entrepreneurship and SME financing, helping the market to alleviate the problem of stagnant wages, promoting the development of diversified entrepreneurship markets, and implementing inclusive finance.	Number of customers	21,725	22,792	23,940
			Loan balance	NT\$12.055 billion	NT\$11.374 billion	NT\$11.144 billion
	Childbirth Consumer Loans	In view of the serious problem of declining birthrate and the high cost of artificial reproduction, the pregnancy period and five years after the birth of the newborn still need a lot of extra expenses. Adhering to the service spirit of love and care, TBB cooperates with the government's birth encouraging policy, provides funds needed at birth, and before, during and after pregnancy, so as to reduce the family's child-rearing burden.	(Accumulated) Number of customers	1,712	1,764	2,375
			(Accumulated) Loan amount	NT\$668,839,000	NT\$691,389,000	NT\$905,849,000
			Loan balance	NT\$117,955,000	NT\$91,444,000	NT\$234,441,000
	Youth Overseas Life Experience Project	TBB cooperates with the Youth Development Administration of the Ministry of Education to handle the Loans for Youth Overseas Life Experience Project program exclusively, and provide funds for overseas study, independent travel and working holidays for Taiwanese youth aged 20 to 35, so as to realize their dream of overseas life experience.	(Accumulated) Number of customers	4,732	4,887	4,996
			(Accumulated) Loan amount	NT\$561,544,000	NT\$583,066,000	NT\$598,636,000
			Loan balance	NT\$12,909,000	NT\$25,311,000	NT\$32,455,000
	Housing Loan Program for Successful Family Foundation of Youth	To help young people who have limited housing resources and do not own their own homes obtain loan terms with better interest rates, loan terms, and grace periods, and realize housing justice, the Bank cooperates with the Ministry of Finance to launch the "Housing Loan Program for Successful Family Foundation of Youth", allowing borrowers, their spouses and minor children who do not own their own houses to realize their dream of buying a house.	(Accumulated) Number of customers	31,149	34,327	40,372
			(Accumulated) Loan amount	NT\$130.8 billion	NT\$151 billion	NT\$195.7 billion
			Loan balance	NT\$61.7 billion	NT\$74.1 billion	NT\$110 billion
Customers with financial difficulties	Pre-negotiation, debt negotiation	In order to help debtors in financial difficulties reduce their debt burden, the Bank provided various debt negotiation mechanism, such as the "2006 Debt Negotiation of the Bankers Association", "Pre-negotiation under the Consumer Debt Clearance Act" and "Self-disciplined Creditor's Right and Debt Negotiation and Restriction Mechanism of Members of the Bankers Association", and cooperated with the competent authorities to launch relief measures such as "Individual consensus plan handled by financial institutions after the commitment-breaking of the debt negotiation/pre-negotiation of the Bankers Association in 2006", providing re-negotiation channels to debtors who have broken their commitments under the "2006 Debt Negotiation of the Bankers Association" and "Pre-negotiation under the Consumer Debt Clearance Act", but still have the repayment ability and willingness, as well as providing the re-negotiation mechanism for integrating debts by setting up diversified channels such as debt negotiation acceptance windows.	(Accumulated) Number of customers	5,648	5,766	5,929
			(Accumulated) Loan amount	NT\$726 million	NT\$751 million	NT\$777 million
New Residents	New Residents House Loan ⁴¹	In order to fulfill the Bank's corporate social responsibility, TBB cares for new residents, and provides funds to new residents for their personal or family expenses.	(Accumulated) Number of customers	66	66	66
			(Accumulated) Loan amount	NT\$14,350,000	NT\$14,350,000	NT\$14,350,000
			Loan balance	NT\$1,542,000	NT\$496,000	NT\$307,000

⁴¹ The number of NPL case as of December 31, 2024 was 0 and the NPL balance was 0.

Service Target	Methods and Items	Description	Indicators	2022	2023	2024
The disabled and the elderly	The elderly related loans (Home for the Elderly/Joyful Retirement)	As the demographic structure of Taiwan continues to age, TBB launched a reverse mortgage of Joyful Retirement PART II project, with a variety of products for the elderly to choose from, so as to activate assets and provide stable living funds.	(Accumulated) Number of customers	248	258	261
			(Accumulated) Loan amount	NT\$1.852 billion	NT\$1.925 billion	NT\$1.967 billion
			Loan balance	NT\$749 million	NT\$728 million	NT\$727 million
	The property trust for seniors and people with disabilities	Seniors are often neglected or underserved in the financial system due to factors such as digital exclusion, information gaps, unfriendly product design, physical and mental function deterioration, and geographical and transportation limitations. In order to meet customers' financial trust needs, such as asset allocation, wealth management and nursing care, the Bank has formed cross-industry alliances with organizations in long-term care, elderly care, medical and social welfare to solve the problems of nursing care, health care and fund management for the elderly, and to build a shield for the elderly by a trust mechanism to improve elderly care. Furthermore, in order to mitigate the impact of an aging population on society, the Bank works with a caregiver matching platform to promote the combination of elderly care and trust service. The system brings together AI and remote care and connects care trust services to improve the quality of long term care for those in need of it. Long term care, healthcare, trust service and related resources are linked together to create an age friendly environment.	(Accumulated) Number of beneficiaries/trust cases	16,631	25,473	32,007
			(Accumulated) Asset scale	NT\$1.475 billion	NT\$1.751 billion	NT\$1.717 billion
	Establish accessible ATMs	By the end of 2024, the Bank has established 409 accessible ATMs, of which 267 are voice ATMs for people with visual impairment. People with visual impairment can plug their headphones and enter into the accessible voice mode through headphone sockets. Each operation position is provided with a braille for their tactile sense to clearly identify, and the visually impaired people are guided to operate step by step by voice, so that they can operate the ATM by themselves, thus improving the accessibility of financial services.	Percentage of accessible ATMs	100%	100%	100%
Demand for dangerous and old building reconstruction	Provide customized financing planning and trust services for the dangerous and old building reconstruction and urban renewal.	According to the needs of landlords and individual reconstruction cases, the Bank provides customized financing planning and trust services for the dangerous and old building reconstruction and urban renewal trust services. In collaboration with professional construction management firms, the Bank provides professional services for integrating the early-stage consolidation, architectural design, project contracting and schedule control, financing planning, trust and continuous construction mechanism. These services aim to ensure the smooth execution of projects and help realize the dream of revitalizing aging buildings.	No. of dangerous and old building reconstruction cases	8	3	5
Dangerous and old building reconstruction trust asset ⁴²			NT\$788 million	NT\$594 million	NT\$494 million	
Demand for Urban renewal			No. of urban renewal trust cases	2	4	4
			Urban renewal trust asset	NT\$2.1 billion	NT\$1.508 billion	NT\$4.065 billion

⁴² Trust assets are the original amount of trust cases.

3.4 Personal Data Protection and Information Security

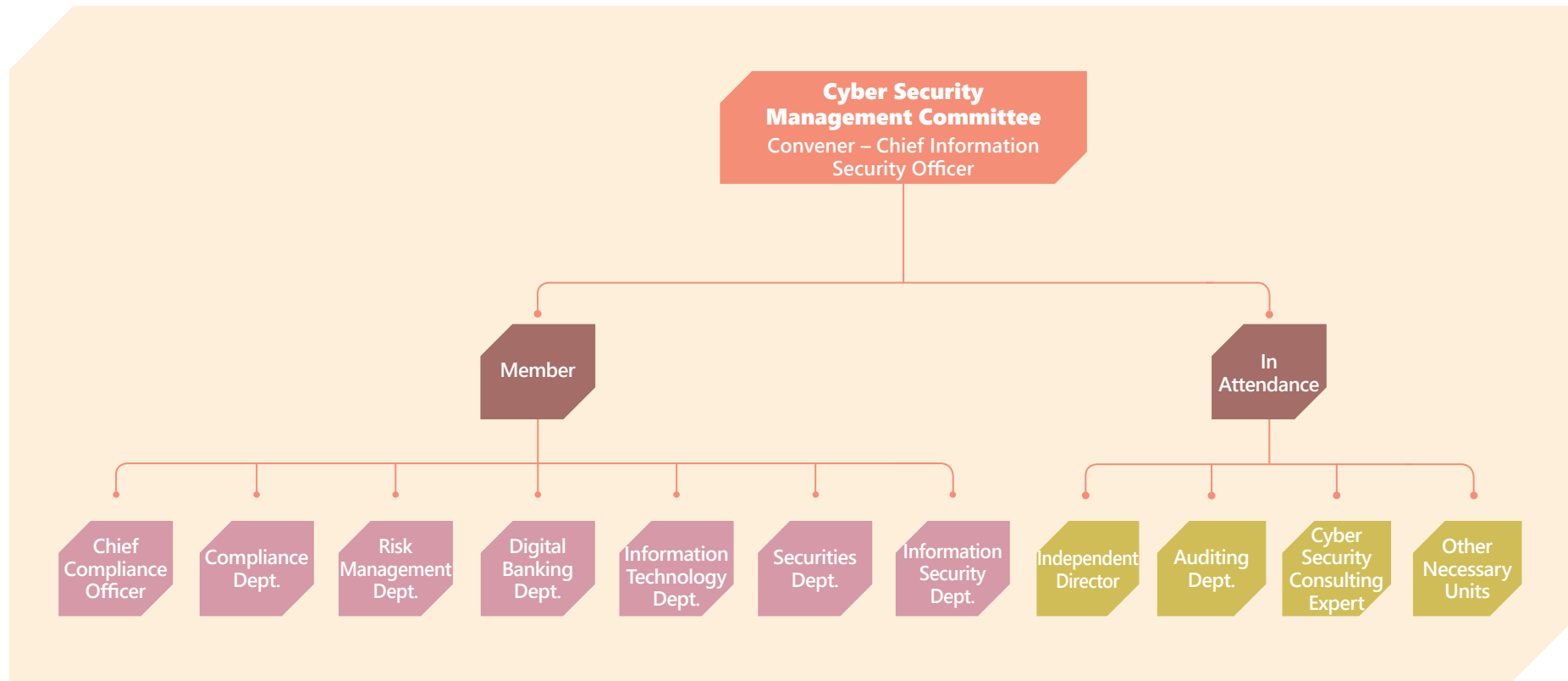
TBB has always paid close attention to information security and personal data protection for customers by following regulations related to the Personal Data Protection Act to protect customer rights and fulfill personal data protection responsibilities. In 2024, there were no fine imposed by the competent authority due to the personal data violation incident. According to statistics of 2024, there was 0 personal data-related case in customer complaint cases.

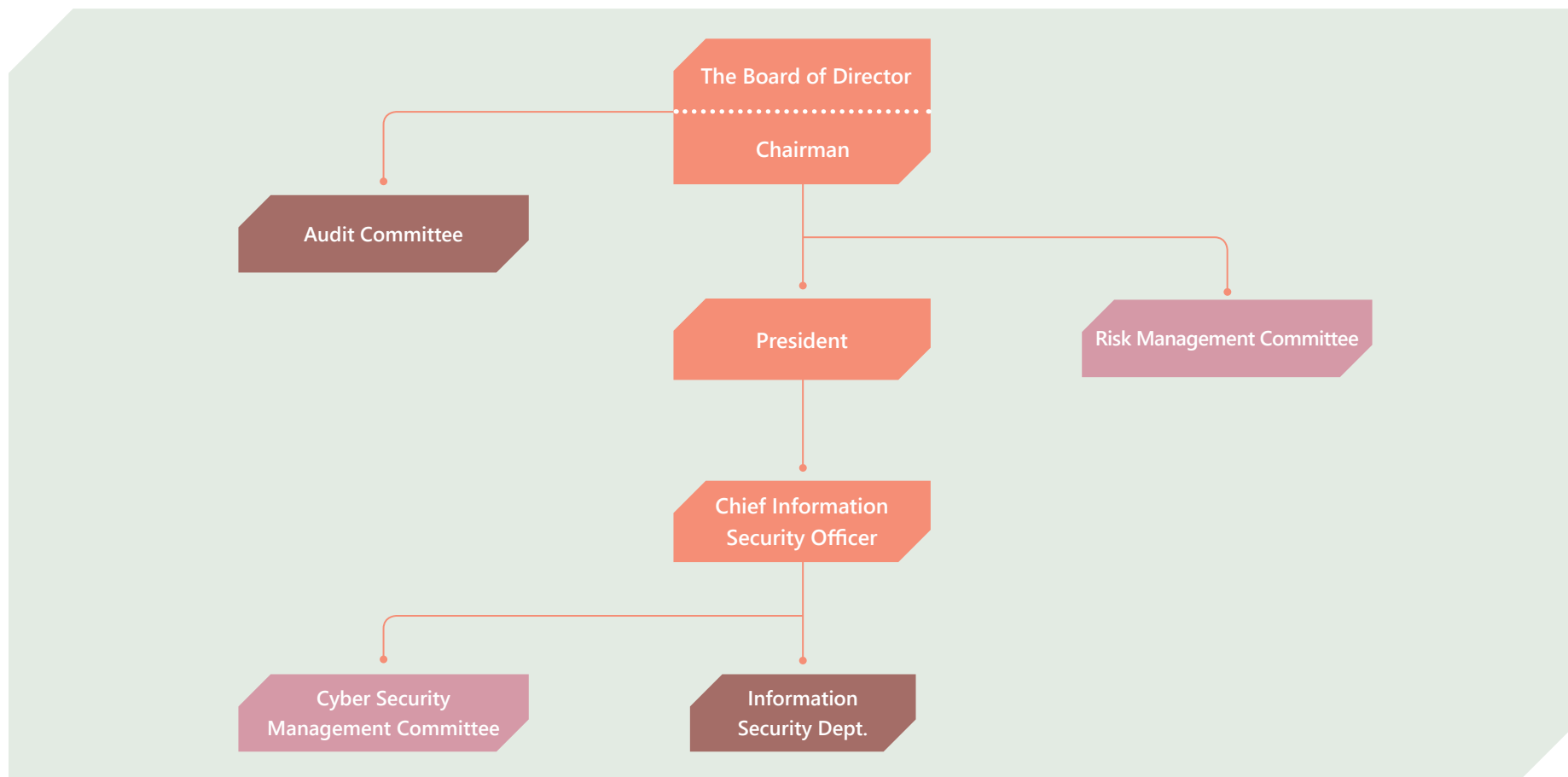
In compliance with applicable laws and customer agreements, the Bank conducted marketing outreach to approximately 960,300 customers in 2024, representing 18.88% of the total customer base. To uphold customers' rights to opt out of marketing activities, the Bank has established the "Guidelines for Handling Marketing Refusals", allowing customers to request the cessation of marketing or promotional use of their information at any time.

3.4.1 Governance Structure and Division of Responsibilities Related to Cyber Security

I Governance Structure

- a. Set up "Cyber Security Management Committee": In order to effectively implement relevant issues of the cyber security management, the Bank has set up the Cyber Security Management Committee as approved by the Board of Directors. The Committee is convened by the Chief Information Security Officer (CISO), who is responsible for managing the implementation and coordination of cyber security relevant issues. Its members include the Chief Compliance Officer, and SVP & GMs of Digital Banking Department, Compliance Department, Risk Management Department, Information Technology Department, Securities Department, and Information Security Department, etc. The Auditing Department, cyber security consulting experts and other managers are also be invited to attend the meeting. To strengthen the Board's supervision and cyber security management, besides inviting TBB's Managing Director (Independent Director), Xin-Wu Lin, and Independent Director, Jin-Long Liu, to attend and provide suggestions, the Committee also invites cybersecurity consulting experts to attend and offer professional opinions when discussing significant cybersecurity issues. They provide professional opinions on proposals regarding significant cybersecurity issues and receive consultation from the Board of Directors. In 2024, 11 meetings were convened.
- b. Set up the position of Chief Information Security Officer: The Bank has established the Information Security Department as the dedicated cyber security unit, which is responsible for cyber security planning, execution and monitoring of cyber security management operations. In accordance with the provisions of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", the Bank assigned the Executive Vice President supervising the Information Security Department as the CISO, in charge of coordinating the promotion of the Bank's cyber security policies and resource allocation.





■ Cyber Security Related Policies

- a. The Bank has formulated the "Cyber Security Management Policy" which was announced after approval by the Board of Directors. This policy is to ensure the security of various cyber security systems and information assets, improve the overall cyber security framework of the Bank and reduce operational risks. This policy will be reviewed regularly every year or when major changes occur to comply with the latest trends in cyber security-related laws and regulations, technological development, and organizational operations, and has been posted on the Bank's official website, requiring all employees, outsourced vendors and visitors to comply with the Bank's cyber security management policy.
- b. Annual cyber security maintenance plan and cyber security incidents emergency response mechanism are established according to the rules of the "Cyber Security Management Policy", and regular cyber security event drills and continuous security system operation drills are conducted to enhance the Bank's awareness of cyber security and familiarity with emergency response. The Information Security Department is required to review the overall cyber security implementation status of the previous year in the 1st quarter of each year, and report to the Audit Committee and the Board of Directors to comply with the requirements of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries".

■ Cyber Security Related Governance Process and Frequency

- a. Independent Director Jin-Long Liu, convener of the Bank's Audit Committee, and Independent Director Xin-Wu Lin, member of the Audit Committee, have attended the Cyber Security Management Committee for many years. Independent Director Jin-Long Liu participated in the review of the Bank's cyber security system and cyber security defense measures, and Independent Director Xin-Wu Lin has a background in cyber security (he is currently the Director of the Cyber Security Center of the Taiwan Institute of Economic Research), and they have jointly assisted in the planning and implementation of the Bank's cyber security system.
- b. The Information Security Department holds the Cyber Security Management Committee meeting every month and invites convener and member of the Audit Committee, namely Independent Director Jin-Long Liu and Independent Director Xin-Wu Lin, to attend and guide the promotion of cyber security-related tasks. The cyber security risk overview and cyber security control measures for the month are summarized and reported to the Risk Management Committee.
- c. After submitting the quarterly report on the Bank's cyber security operations to the Cyber Security Management Committee, the report is submitted to the Audit Committee and the Board of Directors for review, which assists the Board of Directors in effectively overseeing the implementation and performance of cyber security strategy, in addition to incorporating cyber security risks into business decision-making.
- d. In order to confirm the effectiveness of the overall implementation of cyber security in the year, a third party agency is commissioned in the first quarter of each year to assist in reviewing the overall implementation of cyber security in the previous year, as well as the implementation of the Bank's cyber security protection mechanism, cyber security incident reporting, internal/external stakeholder feedback, and other items to be reported to the Audit Committee and the Board of Directors annually in the first quarter. This allows the members of the Board to include cyber security risks into consideration in their decision-making.

■ Management's Responsibilities in Evaluating and Managing Cyber Security Related Issues

- a. In order to coordinate the promotion of cyber security policies and resource allocation, in accordance with the provisions of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" and with the approval of the Bank's Board of Directors, the Bank assigned the Executive Vice President supervising the Information Security Department as the CISO, responsible for overall management of cyber security policy promotion and resource allocation.
- b. The Bank has set up the "Cyber Security Management Committee" under the approval of the Board. In addition to the heads of relevant departments serving as members, its convener is the Bank's CISO to effectively implement matters related to cyber security management.
- c. In 2024, a third-party agency was entrusted to review the overall implementation of cyber security and the evaluation result was "Appropriate", which was reported to the Cyber Security Management Committee, Audit Committee and Board of Directors, respectively. The issuance and disclosure of the "Internal Control System Statement" was then handled, which was jointly signed by the Chairman, President, Chief Auditor, General Manager of the Compliance Department, and the CISO, in order to comply with the requirements of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries".

3.4.2 Cyber Security Management Process and System

■ Management Mechanism for Identifying Cyber Security Related Vulnerabilities

- a. In order to reduce the possibility of vulnerabilities being exploited by hackers, the Bank implements a comprehensive vulnerability management mechanism through regular and ad hoc information security testing by using a point and line to plane approach to continuously protect and proactively reduce vulnerability risks. At "Point", the Bank requires that system vulnerability scans be conducted before a new system is deployed or when there are major changes to the environment. If the information system is connected to the Internet, a penetration test must be conducted before the service is formally released. Subsequently, the "Line" is for the information system management unit to conduct an assessment based on relevant laws, the bank regulations and information system characteristics, formulate an annual testing plan, submit it to the unit manager for approval, and then send it to the Information Security Department to track the progress of management implementation, and perform vulnerability scans. The "Plane" refers to the annual computer system information security assessment conducted based on the importance and impact of the Bank's information assets. This helps to identify possible internal information security threats and weaknesses. After completing each assessment, a "Computer System Information Security Assessment Report" is prepared and corrective and preventive measures are implemented. Through technical and management-related control measures, as well as regular follow-up reviews, the security protection capabilities of the network and information systems can be improved and enhanced.
- b. Risk assessment is conducted based on the test results, the implementation of remedial measures is prioritized based on level of risk, and priority is given to high-risk vulnerabilities. If an improvement is not made or cannot be completed as scheduled due to extenuating circumstances, the information system management unit shall complete compensatory control measures and submit them to the Cyber Security Management Committee for review.

Cyber Security Related Management and External Information Security Related Standards (such as ISO 27001)

Cyber security related management

The Bank has purchased "Electronic and Computer Crime (ECC) Comprehensive Insurance" as the last mile of cyber security protection. In addition to transferring risks and reducing property losses, it also meets the corporate governance evaluation indicators and the Sustainable Finance Evaluation requirements.

Date of introduction	ISO 27001 Information Security Management System	ISO 22301 Business Continuity Management System
	2010	2020
Certification passed	The Bank received the ISO 27001: 2005 Information Security Management System (ISMS) international standards certification from the British Standards Institute (BSI) in November 2010 and the certification granting ceremony was held on November 24.	In January 31, 2021, the Bank passed the international standard certification of ISO 22301: 2019 Business Continuity Management (BCM) launched by the British Standards Institute (BSI).
Re-examination	In June 2015, the Bank subsequently passed the ISO 27001: 2013 upgrade accreditation. Re-examination is required every three years to maintain the effective implementation of various specifications, and a new certificate will be issued if the examination is passed. The Bank passed the re-examination operation on December 4, 2024, and the certification is valid until November 6, 2025.	The Bank passed the BSI 3-year certificate re-examination on November 29, 2024, and the certificate is valid until January 30, 2027.
Significance of the certification	The Bank successfully introduced an information security management system to achieve information security management goals of confidentiality, integrity, and availability. The concept of sustainable operations serves as the gatekeeper for information security and provides customers with a secure financial service environment.	Introduce the business continuity management system, strengthen the Bank's disaster response capability and establish an appropriate information system backup mechanism. Review the effectiveness of management system and continuous operation through a third-party independent organization, so as to provide customers with stable, safe and reliable electronic financial information services and enhance the corporate image of the Bank.
On-site review	Within the three-year validity period of the certification, the certification is reviewed once every six months to maintain the validity.	Within the three-year validity period of the certification, the certification is reviewed once every year to maintain the validity.

Trend of cyber security related risk issues

In view of the constant threats and attacks on cyber security, the Bank not only continuously evaluates the possible cyber security risks within the Bank, but also pays close attention to and monitors cyber security issues arising from emerging financial technologies. By observing recent financial cyber security risks and related issues, the possible cyber security risks assessed by the Bank include attacking through the supply chain as a springboard, GAI facilitating new forms of cyberattacks, and continuous cloud-based attacks.

Category of cyber security trend	Causes of the impact on cyber security
Supply chain attacks	From the hacker's perspective, when an enterprise gradually improves its cyber security defense mechanism, its direct penetration cost will increase accordingly. In different industries, there are key suppliers that provide most companies with relevant software and hardware services. Hackers can infiltrate suppliers' systems or damage the integrity of their products to launch proxy attacks. Once the attack is successful, it may trigger a large-scale, high-impact cyber security threat incident.
The evolution of Generative AI (GAI) threats	GAI promotes new types of attack methods. Hackers use GAI to continuously launch new social engineering attacks, such as using deepfake technology to make social engineering scams more realistic and personalized, or training large language models (LLMs) through personal public posts to imitate their writing style, knowledge and personality, and conduct business email compromise (BEC) against the target or impersonate employees to launch AI-enabled BEC fraud. The Bank will set up an AI Governance and Development Committee to formulate AI management systems, cultivate AI talents and monitor AI execution risks. If cyber security issues are involved, the Bank will reduce the risks associated with GAI through monitoring mechanisms and evaluation operations.
Cloud service attacks	The cloud environment is not a new technology. As the proportion of cloud services increases, more and more hackers are focusing on the cloud environment, including gaining access to corporate cloud networks, launching cloud supply chain attacks, and performing malicious operations in the cloud. The security challenges of cloud platforms are also increasing accordingly. In order to avoid cyber security crises caused by human error or environmental negligence, in addition to the existing internal regulations for controlling the risks of using cloud services, the Bank will establish additional internal regulations for outsourcing the use of cloud services. To achieve the goal of proper use of cloud services, the Bank plans to implement a cloud outsourcing governance mechanism and risk management measures based on a risk-based approach.

Notification process for cyber security related incidents

In case of suspected cyber security incidents, it is necessary to perform cyber security incident notification and emergency response according to the Cyber Security Incident Notification and Emergency Response Management Procedure of the Bank as follows:

STEP 01

Report

When a suspected cyber security incident occurs, the system management unit shall be notified. If the initial assessment indicates a potential cyber security incident, the designated contact in the Information Security Department must be informed immediately, and an incident notification form shall be completed.

STEP 02

Level Assessment

Based on the impact of a cyber security incident on the 3 aspects of "confidentiality", "integrity" and "availability," the incident is categorized into four levels, ranging from minor to severe.

STEP 03

Response

Impact and damage control should be performed, including restoring any damage caused. The Information Security Department must be kept informed of the progress, and all results and related documentation shall be properly recorded and retained.

STEP 04

Investigation and Improvement

An investigation and corrective actions shall be conducted to address the impact, damage, and consequences of the incident, and a report on the investigation, handling, and remediation of the cyber security incident shall be completed.

Information leakage incident

The Bank did not incur any leakage incidents involving core or non-core business information in 2024.

According to the Cyber Security Incident Notification and Emergency Response Management Procedure of the Bank, the system management unit should complete damage control and recovery within the specified period after becoming aware of the incident, and analyze the cause and take corrective measures based on how the incident is actually handled. The information will provide a basis for cyber security incident exercises in the future.

	2023	2024
Number of confirmed information leakage incidents during the reporting period	0	0
Proportion of leakage incidents involving personal identity information ⁴³	0	0
Number of customers affected by personal data leakage incidents	0	0

Implementation of cyber security related educational training

- To comply with government regulations and enhance cyber security awareness among all employees, the Bank conducted multiple online cyber security trainings in 2024, in order to strengthen employees' awareness of cyber security defense and reduce human-factor vulnerabilities. The completion rate reached 100%.
- To improve the cyber security awareness of the Board of Directors and Supervisors, the Bank invited external cyber security experts to conduct training sessions for board members and senior management. In addition, to broaden and deepen the expertise of cyber security personnel, tailored training programs were provided based on job functions. Courses included the ISO 27001:2022 transition training, CEH (Certified Ethical Hacker) certification, implementation of cyber security governance and zero-trust architecture, as well as national cyber security policies and defense strategies. On average, each cyber security staff member received more than 30 hours of training—exceeding the statutory requirement of 15 hours.
- According to the latest list of cyber security professional certifications published by the Administration for Cyber Security under the Ministry of Digital Affairs, the Bank's cyber security personnel have obtained a total of 53 cyber security professional certifications. These certifications remain current and continue to meet operational competency requirements, thereby enhancing the Bank's overall cyber security defense capabilities.

⁴³ Proportion of leakage incidents involving personal identity information = Leakage incidents involving personal identity information / All leakage incidents.

Cyber security related courses	Target	Accumulated training hours	Training results
Cyber security awareness-raising courses (first half of the year)	All employees	16,608 hours	To ensure that the Bank's employees have correct cyber security concepts and comply with relevant regulations, the Bank has conducted two cyber security awareness courses. The completion rate for the entire staff achieved 100%. The training courses covered a wide range of cyber security topics, including the Bank's cyber security policies, case analysis and practical measures, privileged account management, Internet of Things (IoT) threats and defenses, AI-driven emerging threats, the latest developments in cyber security, social engineering tactics and countermeasures, and Deepfake recognition and prevention. These efforts aim to enhance employees' overall cyber security literacy.
Cyber security awareness-raising courses (second half of the year)	All employees	16,809 hours	
IoT cyber security courses	All employees	5,523 hours	As more and more different IoT applications are introduced, IoT cyber security threats also grow in number. Drawing the Bank employees' attention to IoT cyber security will reduce cyber security risk to the Bank. The Bank conducted IoT cyber security protection courses, achieving a 100% completion rate among all employees.

3.4.3 Implementation on the Handling of Cyber Security

Compliance with laws and regulations

To comply with the requirements of the competent authorities, the self-regulatory regulations of the Bankers Association of the Republic of China and the operational needs of the Bank, the Bank has established information security policies based on the requirements of various domains under the international standard ISO 27001, which serve as guidelines for all departments across the Bank. In 2024, in response to emerging technologies and the need to strengthen cyber security management, a total of 7 cyber security related regulations were revised.

2024 Cyber Security Maintenance Plan

- On January 17, 2024, the Bank issued the "2024 Cyber Security Maintenance Plan" applicable for all units of the Bank (including overseas branches) to maintain the continuous operations of information systems, and to strengthen staff's awareness of cyber security and implementation of cyber security management. The plan includes the "Establishment of the Cyber Security Management System", the "Cyber Security Protective Equipment and Control Measures", the "Cyber Security Incident Notification, Emergency Response and Drill Mechanism", the "Management Measures for Outsourcing Information systems or Services", and the "Cyber Security Education and Training".
- The Bank has appointed a third-party organization to evaluate the overall cyber security implementation of the Bank in 2024 (including the implementation of the Cyber Security Maintenance Plan), and the evaluation result was "Appropriate".

Social engineering drills

- In 2024, the Bank conducted 8 email social engineering drills within the scope of security monitoring framework, achieving 100% of employee coverage rate. The drills included actions such as opening emails, clicking links, and opening attachments.
- For personnel who failed the drill, administrative efficiency scores were deducted from their respective unit. These individuals were required to undergo training and retesting to ensure proper remediation. To reduce repeated violations, employees who failed the email social engineering drill twice within the past two years are required to enroll in the "Online Email Social Engineering Counseling Course" to further strengthen their cyber security awareness.

Cyber security protection and monitoring measures

- The cybersecurity defense mechanisms implemented by the Bank include firewalls, web application firewalls (WAF), intrusion prevention systems (IPS), spam filtering, online behavior management, network threat intelligence protection gateways, and early stage warning systems of malicious threats, endpoint detection and response systems (EDR), aiming to ensure the security of the information and communications system. Regardless of the real-time monitoring and blocking of external threats, or the data access and operation behaviors in the internal environment, a sophisticated monitoring mechanism is used to prevent illegal or malicious behaviors, responding to cyber security risk threats, and enhance the overall cyber security defense capabilities.
- The Bank has designated cyber security personnel to receive cyber security intelligence from various channels, such as the Financial Information Sharing and Analysis Center (F-ISAC), the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and Hong Kong Computer Emergency Response Team Coordination Centre (HKCERT), and based on their suggestions or evaluation results, we update system configuration and settings and track improvement progress to stay updated on emerging cyber security intelligence and formulate corresponding control measures. In order to understand internal and external security threats in real time, the Bank has established a Security Operations Center (SOC) and deployed professional cyber security monitoring personnel to monitor threats such as internal abnormal behaviors and external attacks through a Security Information and Event Management (SIEM) platform. If actual or potential risks are discovered, a cyber security alarm alert will be reported, the context will be clarified, and contingency measures will be carried out to ensure the effectiveness of cyber security protection monitoring.

Business continuity and cyber security incidents

- In order to reduce the impact of disasters or major events on the Bank's operational activities due to the disruption of information systems, the Bank has formulated relevant procedures for the information services continuity, which require the formulation of the information system operation continuity plan as the basis for emergency response and recovery, and the core information system shall undergo a drill at least once a year, so as to ensure comprehensive preparation of relevant emergency response, implementation strategy and recovery procedure, and maintain the business continuity of the Bank's important operations.
- In addition, in order to establish the Bank's notification and response mechanism for cyber security incidents, the Bank has established relevant procedures for notification and response of cyber security incidents, which provide the basis for notification when cyber security incidents or other disasters pose a cyber security threat.

3.4.4 Results of Updating Software and Hardware Equipment of Information Systems

Item	Completion	Description
Build instant messaging software for enterprise and mobile extension system	February 2024	Installed an exclusive real-time corporate communication system to prevent the occurrence of confidential data leakage arising from employees' use of free communication software. In addition, its file preview feature meets the requirement of not saving data on devices while keeping a trail for future audit, helping to strengthen communication security and reduces the chance of not answering office phone calls on a timely basis.
Project for building a message integration platform	March 2024	In addition to the additional "LINE Notification" settings provided by mobile banking/online banking, the scope of business notifications has also been expanded to include: Notification services such as foreign exchange, gold deposit passbooks, funds and bonds, and loan services can now be subscribed by customers online to optimize the client message notification service. Currently, the number of messages sent each month can reach up to 8 million.
Establish a risk-based audit system	June 2024	This system is built based on the Implementation Rules of the Risk-based Audit System to provide the Audit Department with low-risk project audit function and services, which helps the audit supervisor to accelerate the efficiency of handling audit schedule and planning.
Online banking [Payroll Loan] function	July 2024	A new consumer finance business model based on the concept of "early salary transfer" with a target customer group set as the Bank's salary transfer accounts. Small-scale short-term funds are provided to those with modest income to help them activate their salary utilization and create a mutually prosperous salary transfer ecosystem for the Bank, enterprises and holders of these salary transfer accounts.
Build a report scheduling management system	August 2024	The batch operation management of the data collection system provides simple system operation and a friendly drag-and-drop process design interface, making the report scheduling setting more convenient and flexible, and easy for subsequent maintenance. It also provides process monitoring functions, system logs and warning mechanisms, centralized password control and other functions to enhance information security, which facilitates problem finding and reduces the manpower for checking batch operations.
Automated monitoring equipment improvements	August 2024	In order to comply with regulatory requirements and strengthen information security, the software delivery function is completely separated from other functions to ensure that no ATM software delivery operations are performed, and that the system function operation will not be affected when the software delivery-related servers are shut down.
Replacement of operating environment servers	September 2024	Purchased IBM Power Servers to support the hardware resources required for the Bank's new designated monetary trust business system.
Digital financial public construction [Digital Vouchers] business	October 2024	Participated in the construction of the "Digital Public Construction Financial Flow Platform - Digital Vouchers" by Financial Information Service Co., Ltd., and by using "TWQR" in combination with the existing inter-bank financial information platform, the Bank's customers can use the digital voucher services provided by the twMP app. The Bank can also serve as the issuing and redemption bank, and can provide digital vouchers to users according to marketing needs. The development includes functions such as digital voucher wallet registration, digital voucher collection, and digital voucher transactions. It also provides a digital voucher function for dedicated stores, allowing customers to use digital vouchers for transactions and to shop these stores.
Digital marketing platform expansion	October 2024	It helps to understand customer behaviors and preferences, expand the application scenarios of digital marketing and improve the efficiency of web page production. Besides expanding functions such as adding customer login verification, the task condition API also allows digital marketing activities, and reusability of background digital assets has been enhanced, thereby enhancing the effectiveness of external marketing.
Replacement of Microsoft database monitoring system	November 2024	The Microsoft database monitoring platform was built to monitor the health and performance status of all the Bank's Microsoft databases from a single platform, thereby improving the efficiency of monitoring and management operations.
Replacement of network equipment at Head Office	December 2024	The network of the Head Office was not consistent on each floor and the equipment was interconnected in a disorderly manner, which made it difficult to troubleshoot problems and exception handling was inefficient. After re-planning the network architecture of the machine room at the Head Office and standardizing the network architecture of each floor, the Bank can better prevent abnormal phenomena such as single-point disconnection and network loops.
Building a container security management platform	December 2024	To ensure the information security of the container platform, provide real-time and in-depth visualization of the container network, prevent files in the container from being modified and damaged, and to provide vulnerability risk information and suggestions to strengthen the container host and internal security.

Item	Completion	Description
Account Link gateway function expansions	December 2024	Integrated the Bank's existing systems and unified the management of electronic payment binding bank account services of all electronic payment operators, thereby improving customer service efficiency and activating system performance.
Hokii Money Bank features	December 2024	Switched the traditional way of saving money in a physical piggy bank to an interesting way of saving money online 365 days a year. An interesting automated regular savings function is provided to cultivate customers' good saving habits and enable customers to manage their assets more efficiently, thereby increasing the Bank's young digital customer base and account activation rate.
Replacement of dated workstations (eTABS3) and related equipment according to the annual plan	Continuing	Deploy stable system operations to support fintech applications and fast business development and enhance IT service quality and customer satisfaction.
Domestic foreign exchange system upgrade	Continuing	Enhance operational efficiency and paperless digital imaging processes to help the Bank promote a variety of products and services, paperless filing, and faster document processing.

3.4.5 Transaction Safety Management and Safety Protection Achievements

Item	Completion	Description
Designated transfer account [grey list] reporting mechanism	March 2024	When a customer uses general online banking and mobile banking to designate someone else's account, and the number of designations for that particular account has exceeded the risk value set by the Bank, the system will automatically initiate customer care operations to help strengthen the security protection of financial services and improve the security of customer accounts.
Building a new generation of AML list scanning	June 2024	In order to strengthen the Bank's anti-money laundering and countering financing of terrorism (AML), and to resolve the difficulties in matching names with "similar pronunciations" and other altered lists, so as to comply with supervisory requirements.
Building an Eagle Eye Fraud Detection Model	July 2024	The Bank strengthened its fraud prevention and identification operations by introducing Fubon Bank's Eagle Eye model and combining it with the Bank's customer attributes and financial transactions to carry out data cleansing, feature engineering, data classification and predictive model execution processes. TBB also provided an early warning list for business units to use to increase their vigilance and care for their customers.
Microsoft original manufacturer technical support service	October 2024	It helps maintain the stability of the Bank's system equipment using Microsoft products and strengthen the Bank's information security, and to access complete solutions to quickly eliminate and restore services when an incident occurs.
Transaction notification drill between Emergency Operation Center and Financial Information Service Co., Ltd. (FISC)	December 2024	Achieve the objectives of Financial Action Plan 2.0, which encouraged financial institutions to conduct joint simulation drills with external parties.



A hand in a dark suit sleeve holds a white pen, pointing at a bar chart. The chart features several bars in orange and blue, with some bars topped by stacks of gold and silver coins. A red dashed line with square markers connects the tops of the bars. The background is a blurred office setting. Large, semi-transparent blue geometric shapes, including a large arrow pointing left, are overlaid on the image. The number '04' is prominently displayed in blue on the left side.

04

Sustainable Finance

TBB's lending policy, corporate and personal banking services all fulfill the corporate social responsibility expected of financial institutions. TBB introduces preferential loans related to green environment, community care, and startup incentives, and design financial products and services based on the principle of sustainable operation. Regarding the core businesses, TBB follows the government's financial policies in supplying credit for SMEs and the general public. Such credit covers working capital financing, domestic/foreign letters of credit, and guarantees. TBB also provides retail loans for personal spending and other expenditures.

4.1 Climate Change Risks and Opportunities

4.1.1 Climate Performance Integration Mechanism

TBB actively promotes sustainability and climate governance in order to accomplish its sustainability strategies. The Bank's Board of Directors Performance Evaluation Guidelines includes metrics on sustainability and climate risks and net zero governance. Director performance evaluation is conducted every year, and the result is linked to director remuneration in order to connect a director's responsibilities and performance effectively with the sustainability strategies and development plans in an effort to shape a culture of accountability.

According to the responsibilities of the departments, the Bank's "Performance Appraisal Processing Procedure" includes climate-related issues in the project management or major business appraisal items of the Head Office, and "Climate and Sustainable Action" in the business performance appraisal of business units. In each item (such as the six core strategic industries undertaken by business units, green financing loans related to green energy sustainability and equipment upgrading, etc.), the performance appraisal results of performance-linked units are implemented, and the appraisal results of each unit are positively related to the annual performance bonus, so as to encourage the Bank to actively handle climate and sustainable business.

To strengthen its sustainable resilience and improve promotion of sustainable finance while carrying out "Green and Transition Finance Action Plan", TBB follows the competent authority in promoting the sustainable finance certification system. TBB has made sustainable banking certificates (including basic and advanced) one of the criteria for promotion in 2025 in the hope of encouraging employees to pass certification.

TBB will continue to push for an integration mechanism, which links the remuneration of the senior management and employees to sustainability and climate performance, and incorporates ESG performance indicators into performance evaluations.

4.1.2 Climate Governance Development Milestones and Key Achievements

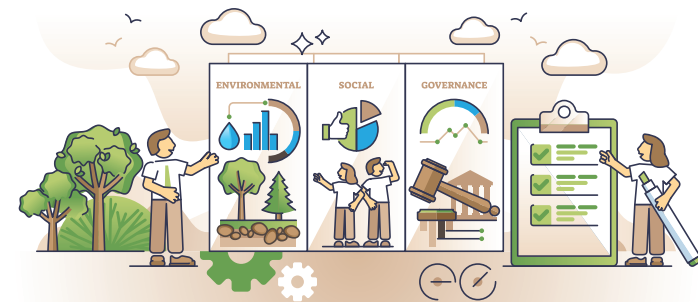
Climate Governance Development Milestones	Climate Governance Key Achievements			
	2021	2022	2023	2024
Climate Governance Development Milestones	Signed the TCFD and became a TCFD supporter.	- Released the Bank's first Climate-Related Financial Disclosures (TCFD) Report. - Chinese and English versions of "Climate Change Governance" were created under the Sustainable Development section of the Bank's official website. - Signed and became the "Equator Principles (EPs) Bank".	- The "Sustainable Finance Unit" was created under the Sustainable Development Committee to be responsible for climate change governance, net zero support, and promotion of sustainable finance. - Established the "Guidelines for Equator Principles Compliant Loan Review". - Set the "Investing and financing credit risk limits for high polluting/energy consuming industries". - Signed a promise to follow the "Science Based Targets initiative (SBTi)". - Implemented PCAF methodology for calculation of financed carbon emissions from investing/financing portfolios, and completed the first inventory of GHG emissions from investing/financing portfolios. - Released the Bank's "2022 Climate-Related Financial Disclosures (TCFD) Report". - Established the "Climate Change Risk Management Guidelines" and related procedures, the "Guidelines for Responsible Investment" and the "Guidelines for Responsible Lending".	- Passed the Science-Based Targets (SBT) review. - Released the Bank's "2023 Climate-Related Financial Disclosures (TCFD) Report". - Implemented the Taskforce on Nature-related Financial Disclosures (TNFD) Framework and published the TNFD Report.
Climate Governance Key Achievements		Received the top BSI rating, "Level 5: Excellence", for the maturity model of the Climate-related Financial Disclosures for the first time.	Received the top BSI rating, "Level 5+: Excellence", for the maturity model of the Climate-related Financial Disclosures.	- Received the top BSI rating, "Level 5+: Excellence", for the maturity model of the Climate-related Financial Disclosures again. - Named the Excellent Bank in the "National Chengchi University's First TCFD Report Evaluation".
	2021	2022	2023	2024

4.1.3 Task Force on Climate-related Financial Disclosures (TCFD)

After signing the TCFD statement and becoming a TCFD Supporter, the Bank regularly conducts the identification of climate change-related risks and opportunities every year in accordance with the TCFD framework, the FSC's Guidelines on Climate-related Financial Disclosures by Domestic Banks, and the Practical Manual of Climate-related Risk Management by Domestic Banks released by the Bankers Association Of The Republic Of China. The assessment results are presented in four dimensions: Governance, Strategy, Risk Management, and Indicator and Target:

Information Disclosure	Assessment Results
Governance	The Bank implemented the "Taiwan Business Bank Climate Risk Management Guidelines" and the related operating procedures in 2023. Board level - Board of Directors The Board of Directors is the ultimate authority of climate change topics at the Bank and responsible for decision making and oversight in climate change mitigation and adaption strategies. It is also responsible for approving the Bank's climate-related financial disclosure TCFD reports. - Sustainable Development Committee Supervise the implementation of climate risk strategies. Senior management - Risk Management Committee Guide and supervise the implementation of various managerial departments in executing specific response strategies regarding climate change risks, as well as their indicators and targets, approved by the Board of Directors, and responsible for reviewing the Bank's climate risk management system and the TCFD report on climate-related financial disclosures. - Business Management Committee Monitor the execution of sustainable development topics every month. - Environmental Sustainability Committee Regularly monitor energy management and sustainable environment related performance every year. Sustainable Finance Unit Convene quarterly meetings to discuss climate change and sustainable finance-related issues, track the progress of relevant projects, and conduct regular analyses of climate-related financial disclosures.
Strategy	- Fully leverage the influence as a banking institution in the mitigation of the impact of global climate change, to reduce the impact of climate change on the environment and strive to achieve sustainable development of the environment. - Regularly identify climate change risks and opportunities under the TCFD framework and evaluate the potential impact on operations and finance, and then develop corresponding targets and measures for corporate operations, business development, and financial planning. - Actively develop short-, mid- and long-term countermeasures in accordance with the identified climate change risks and opportunities, and enhance the ability to adapt to climate-related risks in different climate scenarios.
Risk Management	Risk Management Department collects issues of climate-related risks and opportunities with reference to the domestic and international climate scenarios and the TCFD framework and investigates on our relevant departments. After identification and prioritization, a risk and opportunity matrix is drawn based on the occurrence probability and the degree of impact, to identify the severity of each climate risk and opportunity incident and formulate countermeasures accordingly.

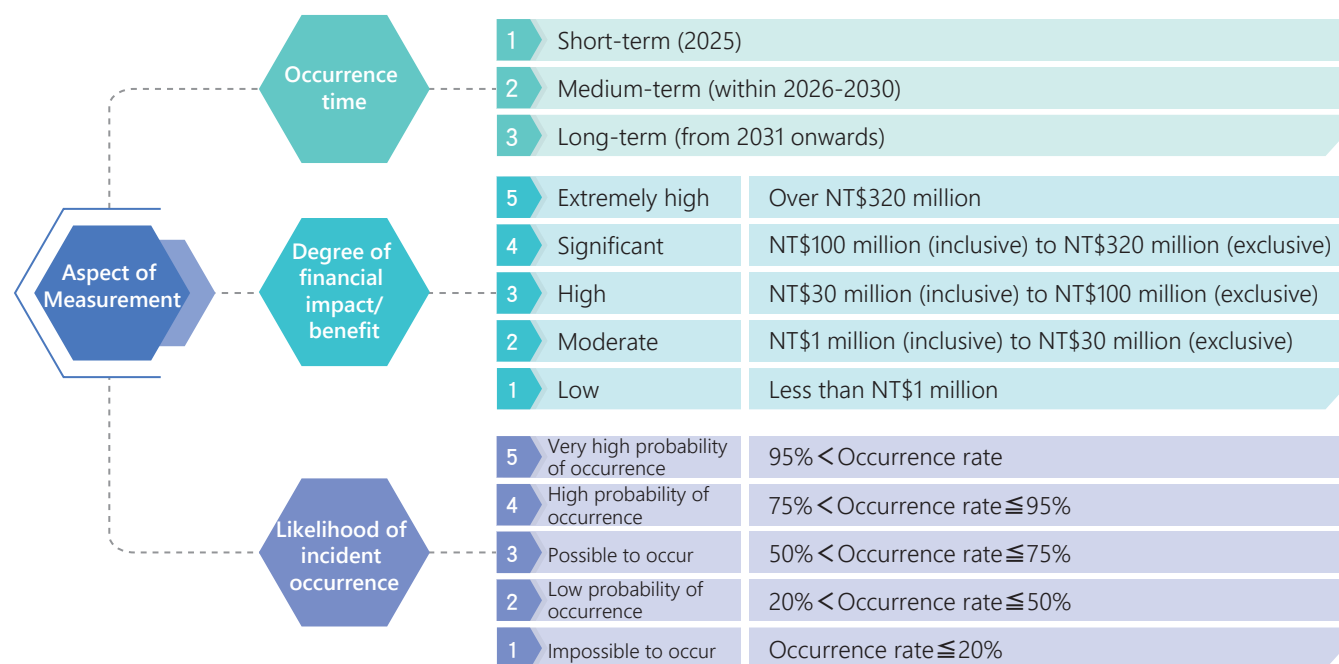
Information Disclosure	Assessment Results
Risk Management	- Collect information on potential climate change transition and physical risks to analyze potential financial impacts in various climate scenarios. - Hand over relevant issues to each business management department for management, and work on the planning and execution of business development strategies based on the climate risks and opportunities identified, and the analysis results of climate transition and physical risks.
Indicators and Targets	- Indicators - Introduce international certification, and continuously monitor the information on TBB's use of energy and water resources, waste disposal, and resource recycling, as well as regularly entrust third-party entities to conduct inspections. - Implement energy-saving measures and promote the use of renewable energy. - Continue to develop green financial services - Control the proportion of credit risk exposure of high polluting/energy consuming industries. - Targets - Achievement rate of carbon reduction goals for its own operations. - Gradually increase the proportion of renewable energy use. - Increase the proportion of green loans year by year. - Sustainability linked loans processing results. - Increase the proportion of investments related to ESG, green and sustainable development year by year. - Manage the proportion of credit risk exposure of high polluting/energy consuming industries - Reduce greenhouse gas emissions year by year. - Improve the effectiveness of reduction of electricity and water consumption year by year.



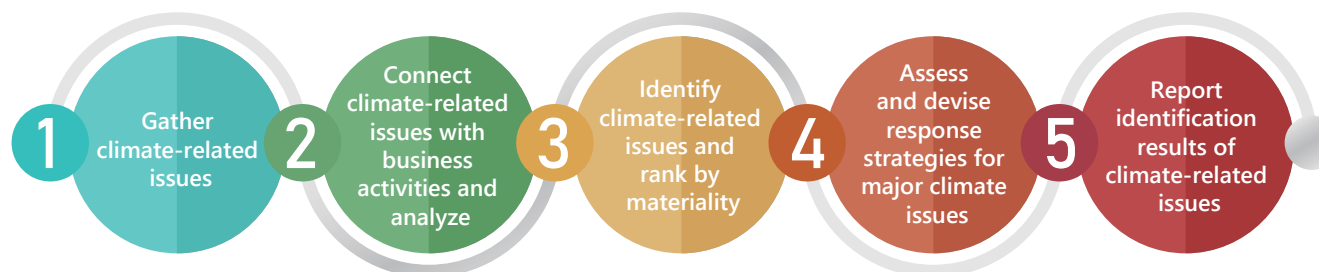
4.1.4 The Procedure for Identifying Issues of Climate Change-related Risks and Opportunities

To manage actual impacts of climate change, the Bank's head office units and subsidiaries held issue briefing meetings and questionnaire surveys to discuss the impact of climate-related issues one by one based on the characteristics of each business, and linked them with existing traditional risks to further identify climate risks and opportunities related to the Bank. The "Risk And Opportunity Analysis Matrix" was also utilized to assess climate risks and opportunities in regulations, cyber security, market competition, climate change, and financial operation.

The Risk And Opportunity Analysis Matrix consists of "Probability of occurrence" and "Degree of financial impact/benefit". Probability of occurrence is divided into 5 levels (1 to 5) with a higher number indicating a higher probability; and the financial impact/benefit is also divided into 5 levels (1 to 5) with a higher number indicating a higher degree of impact. The product of "Probability of occurrence" and "Degree of financial impact/benefit" provides a basis for ranking the materiality of an incident (Extremely high, Significant, High, Moderate, and Low). The measurement framework is shown in the figure below.



Steps for identifying and analyzing issues of climate change-related risks and opportunities:

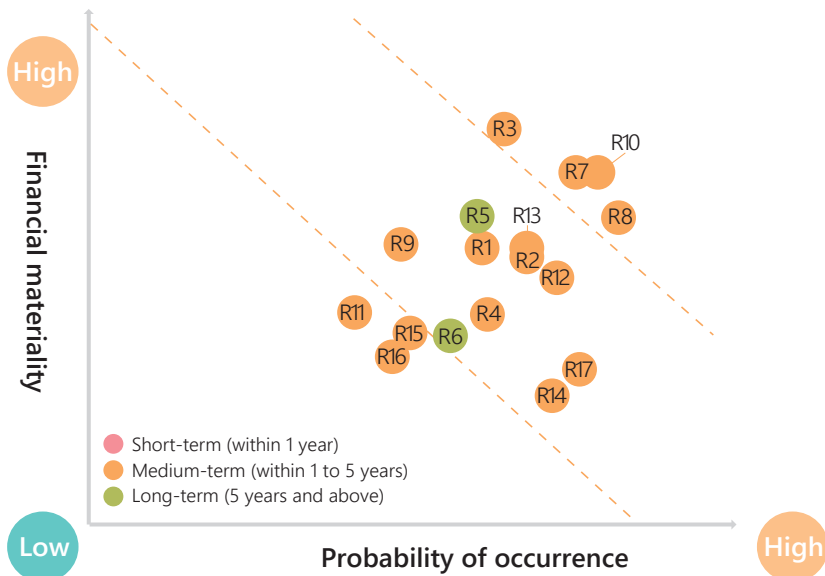


4.1.5 The Identification Results for Issues of Climate Change-related Risks and Opportunities

A. Analysis of climate change related risk incidents

The result of identifying climate risks shows that the expected occurrence timeframes for all risk incidents are in the medium or long term, and the first four major risk incidents are of Significant risk. The risk issue priority matrix and various risk issues are as follows:

TBB's Climate-related Risk Issue Matrix

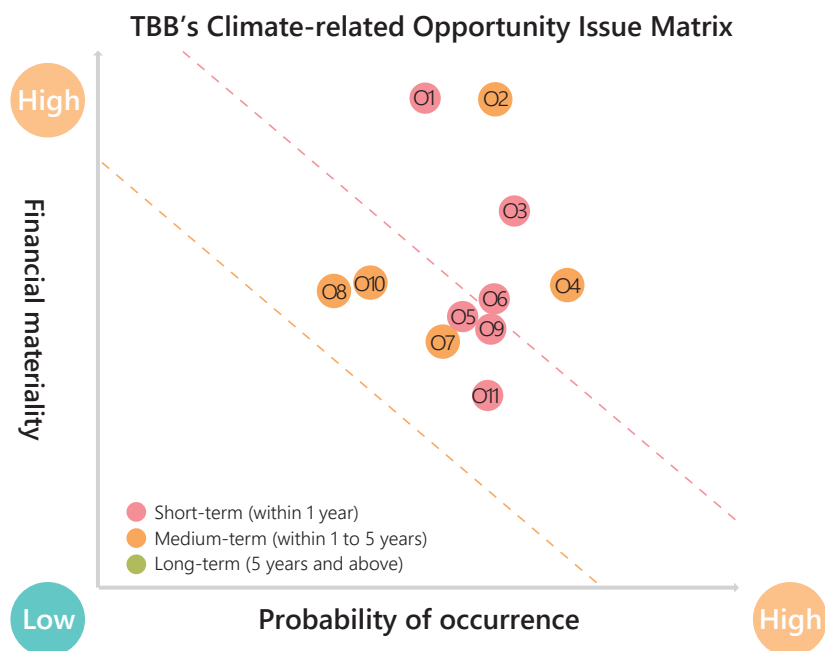


Priority Order	Issue No.	Climate-related Risk Incident	Risk Category	Risk Rating	Value Chain Impact
1	R10	Raw material prices rise and the Bank's investing/financing recipients incur higher production costs.	Transition	Significant	Downstream
2	R7	Carbon-emission management and global carbon taxes and fees lead to impacts on business operations of the Bank's financing recipients and increase the default risk.	Transition	Significant	TBB Downstream
3	R8	Carbon-emission management and global carbon taxes and fees lead to impacts on businesses in the Bank's investment portfolios and cause investment losses to the Bank.	Transition	Significant	TBB Downstream

Priority Order	Issue No.	Climate-related Risk Incident	Risk Category	Risk Rating	Value Chain Impact
4	R3	Extreme weather incidents cause business disruption or asset loss to the Bank's financing recipients and increase the default risk.	Physical	Significant	Downstream
5	R1	Extreme weather incidents cause business disruption to the Bank.	Physical	Moderate	TBB
6	R2	Extreme weather incidents cause asset impairment in the Bank's investment portfolios.	Physical	Moderate	Downstream
7	R4	Drought/water shortage leads to impacts on profits of investing/financing recipients.	Physical	Moderate	Downstream
8	R5	Rising average temperature/sea level causes revenue loss to the Bank.	Physical	Moderate	TBB Downstream
9	R6	Rising average temperature/sea level causes changes in the characteristics of the ocean and soil that lead to impacts on business operations of the Bank's financing recipients and a higher default risk.	Physical	Moderate	Downstream
10	R9	Failure to respond to investors'/customers' attention to sustainability issues has an impact on the willingness to invest or have a business relationship.	Transition	Moderate	Upstream TBB Downstream
11	R11	A lack of effective measures to prevent investing/financing greenwashing causes damage to the Bank's reputation	Transition	Low	Upstream TBB Downstream
12	R12	Slow digital and low carbon transition causes significant increases in operating costs	Transition	Moderate	Upstream TBB
13	R13	The Bank's investing/financing recipients invest in development of net zero transition technologies and therefore incur higher R&D expenditures and lower profits, creating an impact on the Bank's revenue.	Transition	Moderate	Downstream
14	R14	Environmental and energy laws become more restrictive and operating costs rise.	Transition	Moderate	TBB
15	R15	Unsatisfactory sustainability ratings lead to investors withdrawing funds.	Transition	Low	Upstream TBB
16	R16	Employees have insufficient knowledge of the climate, net zero transition, and nature related risks and fail to provide timely transition assistance for customers and cause limited business development.	Transition	Low	TBB Downstream
17	R17	GHG emission costs rise and the Bank's suppliers raise product and service prices as a result, creating higher financial expenditures for the Bank.	Transition	Moderate	Upstream TBB

B. Analysis of climate change-related opportunity incidents

The result of identifying climate-related opportunities shows that the expected occurrence timeframes for all opportunity incidents are in the short or medium term, and are all Significant risk. The opportunity issue priority matrix and various opportunity issues are as follows:



Priority Order	Issue No.	Climate-related Opportunity Incident	Opportunity Rating	Value Chain Impact
1	O2	Expand sustainability themed investing/financing programs	Significant	TBB Downstream
2	O1	Launch climate and net zero transition support related loans	Significant	Downstream
3	O3	Launch sustainability themed personal financial products	Significant	Downstream
4	O4	Implement AI to enhance digital banking services and reduce energy/resource consumption by business operations and customers.	Significant	Downstream
5	O6	Purchase new energy saving equipment to increase energy efficiency	Significant	Upstream TBB
6	O5	Enforce green purchasing and sustainability of suppliers in order to reduce operating costs.	Moderate	Upstream TBB
7	O7	Increase use of renewable energies	Moderate	Downstream
8	O8	Support actions to restore ecosystem services and biodiversity, and launch preferential loans with nature solution concept.	Moderate	TBB Downstream
9	O9	Participate actively in domestic and foreign climate sustainability ratings and awards	Moderate	Upstream TBB
10	O10	Engage customers in making the shift to sustainability	Moderate	Downstream
11	O11	Build a climate governance culture and strengthen climate change resilience	Moderate	TBB

C. Analysis of financial impacts of significant climate risk and opportunity issues

The Bank devised detailed action plans for the top 3 significant climate risk and opportunity issues, and assessed their financial impacts as described below:

Action plans and financial impacts of top 3 significant climate-related risk incidents (Currency: NT\$)

Risk Incident	Description	Action Plans	Financial Impact	Management Cost	Evaluation Method
R10 Rising raw material prices, and higher production costs for investing/financing recipients	Long term climate change disrupts the balance in the natural environment and ecosystem and causes a shortage of natural resources, leading to persistently rising raw material prices. As a result, production cost keeps rising and profit falling for the Bank's investing/financing recipients, leading to decreased returns on the Bank's investment portfolios and a higher default risk in financing portfolios.	◆ Assist and encourage customers to face potential environmental and climate risks, and provide sustainable finance themed products and services to help customers obtain funding for carbon transition.	Interest income is expected to fall by NT\$57.15 million	Expected annual training expenses: NT\$2.95 million	Financial impact: 1% of the bond investment defaults and becomes unable to pay interests. - The corporate loans incur another 0.01% non-performing loans. (Assuming all newly added non-performing loans have ceased interest payments) Estimate the total reduction in interest income. Management Overhead Expected training costs to be invested in the financing approval process.

Risk Incident	Description	Action Plans	Financial Impact	Management Cost	Evaluation Method
R7, R8 Carbon-emission management and global carbon taxes and fees lead to impacts on business operations of the Bank's investing/financing recipients and increase the default risk.	Investing/financing recipients in energy or carbon intensive industries face energy law changes, domestic/foreign carbon taxes and fees and related conditions and incur higher operating costs, which may create challenges in debt collection and increase the default risk.	- Established the Climate Risk Management Guidelines and related procedures, the Guidelines for Responsible Lending, the Guidelines for Responsible Investment, and other climate and ESG risk assessment and management measures. Carefully assess climate risks in investing/financing recipients before lending or investing transactions, and continue to monitor changes in risks after lending/investing. - Review every year and adjust the maximum limits of investing/financing in high polluting/energy consuming industries in order to keep risk exposures to carbon intensive assets under the Bank's control.	Credit losses are expected to rise by NT\$41.43 million.	Expected annual training expenses: NT\$2.95 million	Financial impact A carbon fee is collected from large carbon emitters monitored by the Ministry of Environment. There are currently 38 TBB loan customers on the list of monitored emitters. Given the impact of a carbon fee on customers' operations, TBB has used an internal credit rating model to assess the effects on the loan customers' credit ratings. In the net zero 2050 scenario, implementation of a carbon fee will lead to an increase in expected loss due to credit risk. Management Overhead Expected training costs to be invested in the financing approval process.
R3 Extreme weather incidents cause business disruption or asset loss to the Bank's financing recipients and increase the default risk.	With more frequent heavy rainfall and stronger typhoons, the Bank's financing recipients may be affected by flooding and strong wind and incur business disruption, asset impairment, or personnel loss, leading to impacts on their operations. This may make it difficult for the Bank to recover its loans and reduce the value of collateral, thereby increasing the risk of default.	- According to the Bank's Guidelines for Responsible Lending, before processing new applications for corporate loans, the ESG risks (including climate change related risks) of financing recipients are to be assessed on a case-by-case basis in order to understand the climate related physical risks of each financing recipient and keep monitoring changes in the risks after disbursement. - For real estate collaterals provided by corporate loan customers, information on physical risks is to be disclosed for consideration in the appraisal of real estate collaterals.	- Interest income is expected to fall by NT\$1.63 million. - The total value of real estate collateral impairment is expected to be NT\$281.47 million.	Expected annual training expenses: NT\$2.95 million	Financial impact - Follow the corporate banking real estate secured loan balance and consider the average interest rates for corporate loans in 2024 to estimate the decrease in interest income. - Under the 2025 scenario of SSP 5-8.5, the total estimated value of impairment for real estate collaterals of corporate loans located in high physical risk areas. Management Overhead Expected training costs to be invested in the financing approval process.

■ Action plans and financial impacts of top 3 significant climate-related opportunity incidents (Currency: NT\$)

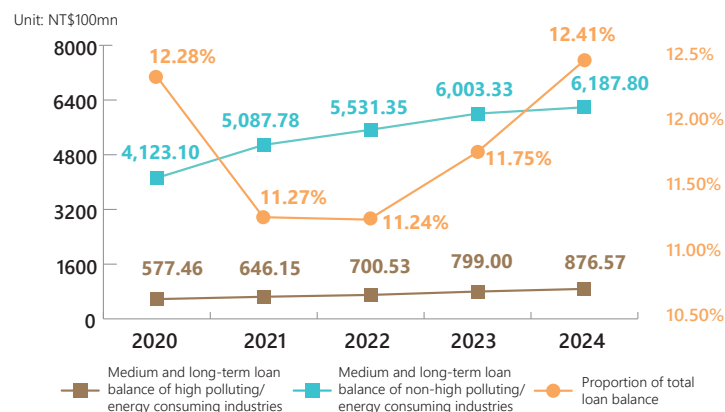
Opportunity Incident	Description	Action Plans	Financial Impact	Management Cost	Evaluation method
O2 Expand sustainability themed investing/financing programs	Make themed investment and financing on climate and sustainability topics, including green bonds, sustainability bonds, wind power, solar power, hydrogen power, geothermal energy, biomass energy, marine energy, stored energy, carbon capture, utilization, and storage (CCUS), electric vehicles, circular economy sectors, energy transition, and other sustainability themed economic activities, in order to monitor sustainability trends and opportunities, and implement the government's 12 strategic net zero industries and sustainability themed economic activities, creating better returns for the Bank.	- The Bank has established the "Guidelines for Responsible Investment" to explicitly provide the "Sustainable Development Enterprise Standards" in order to reinforce sustainable investing. - The Bank has established the "Guidelines for Responsible Lending" to direct funds toward sustainable economic activities. - Set sustainability themed metrics and targets for investing/financing, and follow up regularly to track progress.	Annual value growth of sustainability bonds NT\$659.32 million	Average annual administrative expenses NT\$0.03 million	Financial impact Financial benefits Assess based on a 3% annual growth in sustainability bonds. Management Overhead The costs of evaluating human resources invested by TBB and the median salary for full-time non-managerial employees.

Opportunity Incident	Description	Action Plans	Financial Impact	Management Cost	Evaluation method
O1 Launch climate and net zero transition support related loans	To help businesses mitigate economic and everyday losses caused by extreme weathers, the Bank launched preferential financing programs for climate sensitive sectors or economic activities, such as high polluting/energy consuming industries, assisting businesses in upgrading or transformation, creating green revenues, and implementing national energy and industry transformation policies.	Promote renewable energies, green buildings and other sustainable financial products and services, and implement the government's 12 strategic net zero industries and shift towards sustainability themed economic activities to help SMEs enforce low carbon transition.	Expected growth in interest income NT\$144 million	Average annual administrative expenses NT\$209.62 million	Financial benefits Assess based on the growth target for green sustainability and ESG themed loans in corporate banking and calculate at an average interest rate of 2.4%. Management Overhead The costs of evaluating human resources invested by TBB and the median salary for full-time non-managerial employees.
O3 Launch sustainability themed personal financial products	Launch different personal banking preferential loans to encourage natural person customers to purchase green buildings/building materials, replace/purchase energy efficient household appliances and purchase electric cars/motorcycles. Promote green consumption credit cards and launch ESG funds related products and green energy insurance for homeowners in order to create more revenues from the personal banking business.	- Promote Sustainable Life Card, which advocates vegetarian diet, carbon reduction, and green energy sharing concept, and provides high cash back on green channels. - Introduce green energy insurance for homeowners, offering an additional 50% payout for green building materials/equipment. - Set metrics and targets for sustainability themed personal loans, and regularly monitor the progress.	Expected growth in interest income NT\$65.7 million	Average annual administrative expenses NT\$49.99 million	Financial benefits Assess based on an annual growth of NT\$3 billion in the total approved amount of green and ESG related personal loans and calculate at an average interest rate of 2.19%. Management Overhead The costs of evaluating human resources invested by TBB and the median salary for full-time non-managerial employees.

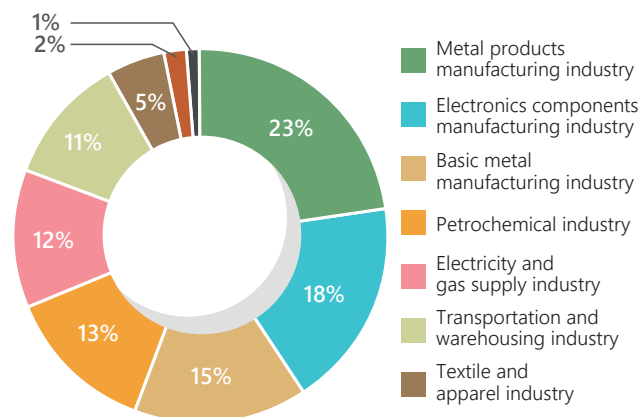
4.1.6 Credit Risk Exposure Analysis of High Polluting/Energy Consuming Industries

As the world moves towards net zero, carbon intensive industries will be the first impacted by transition-related policies and regulations, as well as more severe challenges in fund utilization and market competition. TBB classifies printing and dyeing, leather manufacturing, paper manufacturing, oil and refinery, basic chemical materials manufacturing, manmade fibers, cement, steel, metal processing semiconductors and optoelectronic, power supply, and marine/air transport industries as high polluting/energy consuming industries. At the end of 2024, the balance of medium- and long-term loans to the high polluting/energy consuming industries was NT\$87.657 billion, accounted for 12.41% of the total balance of medium- and long-term loans and was considered part of the Bank's carbon asset exposure.

The trend of medium and long-term loan balance of corporate loans



Distribution of medium and long-term loans to high polluting/energy consuming industries in 2024



4.1.7 Quantitative Analysis of Financial Impacts in Climate Change Risk Scenarios

This year, the Bank analyzed the transition and physical risk scenarios respectively, and quantified the financial impacts of climate change on the Bank, so as to assess the Bank's potential climate change risks.

A. Analysis of transition risk scenarios

- ◆ Risk identification: According to the list of controlled enterprises in the "Mandatory Greenhouse Gas Reporting System" of the Climate Change Administration Ministry of Environment, 38 of them are loan customers of the Bank.
- ◆ Risk analysis: To keep abreast of the mid- and long-term climate-related risks accurately, the model of the Network for Green Financial System (NGFS) were applied to select the 3 scenarios of nationally determined contributions (NDC), delayed transition (Delayed Transition) and 2050 global net zero emissions (Net Zero). A trial calculation was made with the three time points of short- (2025), mid- (2030) and long-term (2050) to evaluate the carbon fees that our 38 customers might need to pay.

NGFS Scenario	Assumption of carbon price (NT\$/tonne CO ₂ e)			Growth rate of carbon emissions (base year: 2023)		
	2025	2030	2050	2025	2030	2050
Nationally Determined Contribution (NDC) ⁴⁴ (Climate Change Response Act)	300	300	300	-4.30%	-11.76%	-43.48%
Delayed Transition	—	—	10,293.65	-3.96%	-11.28%	-77.18%
2050 Global Net Zero	514.28	3,129.97	34,832.66	-5.05%	-34.82%	-95.08%

◆ Quantitative analysis results on financial impacts of transition risk

The potential financial impacts of the 38 customers on the Bank under different carbon fee scenarios are shown in the table below. For detailed countermeasures, please refer to the TCFD report to be released by the Bank in 2025.

Scenario	NGFS Scenario	2025	2030	2050
A	NDC	Moderate	Moderate	Moderate
B	Delayed Transition	No impact	No impact	High
C	2050 Global Net Zero	Moderate	High	High

⁴⁴ The Nationally Determined Contribution (NDC) scenario adopts a carbon pricing parameter of NT\$300 per metric ton, based on the recommendations from the 2020 study commissioned by the Ministry of Environment titled "Carbon Pricing Options for Taiwan."

B. Analysis of physical risk scenarios

To monitor closely the impacts of physical risks on self-owned real estate and various business activities, the Bank evaluated the probability of flooding and simulated flood depth based on the Taiwan Disaster Risk Map published by the NCDR climate change disaster risk mitigation platform in 2021. To refine the scale of risk identification, disaster types, and the amount of loss caused by disasters, the Bank introduced the United Nations Environment Program Finance Initiative (UNEP FI) approved climate risk analytics databases this year. The physical risk analysis this year includes financial impact assessment regarding real estate collaterals and self-owned real estate across Taiwan. The method and conclusion of the assessment are as follows.

- ◆ Risk identification
 - Real estate collaterals: A physical risk analysis is performed on all domestic real estate collaterals.
 - Self-owned real estate: A physical risk analysis is performed on all self-owned real estate across Taiwan.
- ◆ Risk Analysis



◆ Scenarios and factors

Assessment is made based on the scenarios of SSP 1-2.6 and SSP 5-8.5 from the Shared Socioeconomic Pathways (SSP):

- Analysis timing: Short-term (2025), mid-term (2030), and long-term (after 2050).
- Input parameters: Address of real estate, economic service life of building, material of building, coordinates, and year of construction.

◆ Analysis method

- The General Circulation Models (GCMs); IPCC CMIP5 and CMIP6 models are selected.
- The Regional Climate Models (RCMs), which analyze specific physical risks and disasters.

◆ Quantitative analysis result of financial impacts of physical risk

The result of the physical climate risk analysis shows that, the 2050 SSP 5-8.5 is the most severe scenario and the frequency of risk incidents and the amount of expected losses are higher in the long-term (2050) compared to the short- and mid-term (2025 and 2030). For details and countermeasures, please refer to the TCFD Report to be released by the Bank in 2025.

- Real estate collaterals: The potential financial impacts on real estate collaterals in the 2050 SSP 5-8.5 and SSP 1-2.6 scenarios, and changes in the loan-to-value (LTV) ratio after impairment of real estate collaterals are shown in the table below.

2050 Scenario	SSP 5-8.5	SSP 1-2.6
Financial impact (NT\$ mn)	7,438.41	6,542.37
	Extremely high	Extremely high
Change in LTV ratio (%)	0.40%	0.35%
	Slight change	Slight change

Change in LTV ratio = (LTV ratio after impairment - Initial LTV ratio)/Initial LTV ratio

Value after impairment = Initial appraised value × (1 - 2050 real estate value impairment %)

Real estate value impairment (%): based on climate risk analytics databases recommended by UNEP FI.

Assessment of change in LTV ratio: virtually no change (≤ 0.2%), slight change (0.2% (exclusive) - 0.47% (inclusive)), medium change (0.47% (exclusive) - 0.73% (inclusive)), large change (0.73% (exclusive) - 1.00% (inclusive)), and significant change (>1.00%).

Although the assessment of overall financial impact on the Bank is extremely high in both scenarios, the Bank has well-established collateral review, appraisal and pricing management, and other lending procedures in place for individual cases. Going forward, the Bank will continue to refine climate risk assessment in order to closely monitor impacts of physical climate risk on real estate collaterals at the Bank. On the other hand, in terms of the Change in LTV ratio, the changes are both slight.

- ◆ Self-owned real estate: The potential financial impact on the Bank's self-owned assets under the SSP 5-8.5 and SSP 1-2.6 scenarios for the Bank's self-owned real estates across Taiwan in 2050.

2050 Scenario	SSP 5-8.5	SSP 1-2.6
Financial impact (NT\$ mn)	31.76	28.11
	High	Moderate

4.2 Sustainable Financial Services

TBB is responsible for providing financing and consultation services to SMEs to stabilize the foundations of Taiwanese SMEs and respond to the impact of changes in the economy. TBB provides loans, overdrafts, discounts, guarantees, acceptance of bills and other services approved by the central competent authority to support the development of small and medium-sized enterprises and government policies. In response to the needs of businesses, TBB provides a diverse range of project assistance loans and implements corporate social responsibility. In addition to including the performance of environmental protection responsibilities of loan applicants into credit evaluation factors, TBB also launched multiple loans related to energy-saving and environmental protection to encourage private enterprises to adopt renewable energy, energy conservation, pollution prevention and other equipment with low-interest loans. Related results are as follows:

4.2.1 Relevant Principles for Responsible Investment

TBB takes the initiative to follow the six principles of the United Nation's Principles for Responsible Investment (PRI) as the basis for business implementation and disclosure. TBB discloses the record of participating and voting in the shareholders' meeting of the invested companies every year, and the implementation of stewardship.

In 2023, the Bank established the "Guidelines for Responsible Investment", incorporating ESG-related issues into investment decision-making processes, and has explicitly stated that it will no longer engage in new projects related to coal-mining, coal-fired power plants, and unconventional oil and gas. By leveraging funding, investing and financing decisions, we aim to facilitate corporate carbon reduction transitions. Additionally, TBB continues to pay attention to the topics related to the invested companies, such as relevant news, financial performance, environmental protection actions, social responsibility, labor rights and corporate governance, and exerts the influence as an institutional investor by attending the shareholders' meeting, exercising voting rights, and having dialogs and interactions with the directors or managers of the invested companies.

In 2018, the Bank completed the signing and disclosure of the Statement of Compliance with Stewardship Principles for Institutional Investors on the official website, and formulated the Institutional Investor Stewardship Policy in 2018. TBB regularly discloses the status of stewardship governance to customers or beneficiaries⁴⁵ (such as the voting in the shareholders' meeting of the invested companies and the implementation report of stewardship), and continuously pays attention to the disclosure of communication, management and the implementation of stewardship related to the invested companies.

◆ Investment in Green Sustainability-Related Bonds

In terms of ESG performance (related to sustainability and climate issues) and key measures, the Bank's investments in green finance-related bonds primarily focus on those disclosed as green sustainability-linked bonds by the Taipei Exchange and Bloomberg. As of the end of December 2024, the Bank's outstanding investment in sustainability-related bonds totaled NT\$18.289 billion, accounting for 7.56% of its total bond investment portfolio.

4.2.2 Green Financing Products

■ A. ESG themed funds

The Bank regularly launches ESG themed funds and adopts international ESG standards and evaluation mechanisms as the basis for identifying ESG funds, so as to offer customers a variety of sustainability investment products in pursuit of win-win between investing and sustainability. 9 ESG themed funds have been launched by the end of 2024 are as follows:

- Proprietary sustainability investment products: None.
- Third party sustainability investment products:

Category	Number of funds launched	Fund name	Asset size at the end of 2024 (NT\$)
ESG integration	0		0
Best selection	4	◆ PGIM Global Eco-Friendly ESG Multi-Asset Fund ◆ FSITC Global Sustainable Impact Investment Multi-Asset Fund ◆ BNP Paribas Funds Sustainable Global Corporate Bond ◆ Pictet - Global High Yield	89,250
Themed investment	4	◆ Amundi Funds - Global Ecology ESG ◆ Hua Nan Taiwan Environmental Sustainability and High Dividend Index Fund ◆ Hua Nan Global Carbon Neutral Megatrend Index Fund ◆ AllianceBernstein (AB) Global Sustainability Multi-Asset Fund	10,484,154
Impact investing	1	◆ Amundi Funds - Global Equity Income ESG Fund	473,215
Total asset size of ESG funds			11,046,619
Total asset size of all funds			77,230,811,104

⁴⁵ Please refer to the Disclosure Section of Compliance with Stewardship Principles of the Bank for details of the implementation of stewardship.

■ B. Sustainable Life Card

TBB promotes the Sustainable Life Card by advertising the ideas of vegetarian diets, carbon reduction, green energy and sharing. The card offers up to 10% rebate on spending in vegetarian restaurants, organic retail channels, public transport, and shared transportation in order to encourage cardholders to support the environmental efforts and follow environmental sustainability issues through green spending. The Sustainable Life Card is made of polyethylene terephthalate glycol (PETG), which is an environmentally friendly material that does not emit toxic gas when destroyed and reduces environmental impact. A total of 50,408 cards had been issued as of the end of December 2024.

■ C. Online Loan Application Platform

The new version of "Micro Business e-Loan" online application platform offers 24/7 online loan application services for SMEs and micro-enterprises. From loan application to contract signing, business owners can complete the entire process on the platform in a one-stop manner. This not only saves customers' time in travelling back and forth to the bank but also minimizes the use of traditional paper-based documents. Through diversified and intelligent financial services, the platform better meets the working capital needs of SMEs.

4.2.3 Management Bank of Policy-Based Loans

As the one and only SME specialized bank in Taiwan, TBB provides various financing project loans, with the loan amounts of up to 7 project loans ranking first in the country. The Bank has also actively sought the role of managing bank for policy-based loans. In this capacity, the Bank undertakes responsibilities such as providing consultation and clarification on various policy-based loans, facilitating communication and coordination among financial institutions, compiling and reporting statistics on loan cases and amounts to the competent authorities, assisting financial institutions in applying for interest subsidies and handling related accounting matters, and supporting competent authorities in conducting post-loan reviews. The Bank plays a vital role in the promotion and implementation of policy-based loans. The policy-based loans that the Bank handled in 2024 are as follows:

Unit: NT\$

Policy-based project loans	Amount of loans as of the end of 2023	Amount of loans as of the end of 2024	Acted as a management bank in 2024
Post-epidemic Revitalization Project Loans for Assisting SMEs by the Ministry of Economic Affairs	51.907 billion	91.418 billion	
Low-carbon and smart transformation and development, and managing factories and specific factory infrastructure optimization project loans for assisting SMEs by the Ministry of Economic Affairs	7.058 billion	32.567 billion	
Machinery and Equipment Upgrading Loans (Phase 1 & Phase 2 & Phase 3)	6.573 billion (ranked first among all banks)	7.306 billion (ranked first among all banks)	v
Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan Project Loans	11.921 billion	14.261 billion	v

Policy-based project loans	Amount of loans as of the end of 2023	Amount of loans as of the end of 2024	Acted as a management bank in 2024
Accelerated Investment by Domestic Corporations Project Loans	5.671 billion	11.615 billion	v
Accelerated Investment by SMEs Project Loans	30.263 billion	34.935 billion	v
Project Loans to Assist SMEs to Take Root	26.337 billion (ranked first among all banks)	26.587 billion (ranked first among all banks)	
Small and Medium Enterprise Innovation Development Project Loans	2.674 billion	2.675 billion	v
Small and Medium Enterprise Disaster Recovery Project Loans	327 million	369 million	v
Small Business Owner Loan	2.219 billion	2.324 billion	
Preferential Loans for Youth Entrepreneurship and Start-up	22.325 billion (ranked first among all banks)	25.789 billion (ranked first among all banks)	v
Micro-Start Up Phoenix Loan	1.395 billion	1.459 billion	
Preferential Loans to Encourage Upgrades in the Tourism Industry	1.783 billion	1.968 billion	
Financing Program for the Revitalization of Regional Development Enterprises Supported by the National Development Fund of the Executive Yuan ⁴⁶		15 million	v
SME Production Upgrade Loans ⁴⁷	23.957 billion (ranked first among all banks)	23.957 billion (ranked first among all banks)	v
Innovative Research and Development Project Loans ⁴⁸	2.960 billion (ranked first among all banks)	2.960 billion (ranked first among all banks)	v
Enhanced Implementation of Returning Taiwanese Businesses Loan Project (Phase 1)	846 million	846 million	v
Plan for Investing in Traditional Industries Preferential Loans	11.284 billion (ranked first among all banks)	11.284 billion (ranked first among all banks)	v
Preferential Loans for Investments in Industries in Response to Trade Liberalization	8.211 billion (ranked first among all banks)	8.211 billion (ranked first among all banks)	v
Five Relief and Stimulus Loans (Ministry of Economic Affairs, Ministry of Culture, Ministry of Health and Welfare, Ministry of Education, National Development Council) ⁴⁹	193.266 billion	193.266 billion	v

⁴⁶ Financing Program for the Revitalization of Regional Development Enterprises Supported by the National Development Fund of the Executive Yuan was launched in September 2024.

⁴⁷ SME Production Upgrade Loans, Plan for Investing in Traditional Industries Preferential Loans, Enhanced Implementation of Returning Taiwanese Businesses Loan Project (Phase 1), Preferential Loans for Investments in Industries in Response to Trade Liberalization: the project quota has been exhausted.

⁴⁸ The application for the Innovative Research and Development Project Loans has been discontinued.

⁴⁹ The application for the Relief and Stimulus Loans has been discontinued.

4.2.4 Sustainable Environment Loans

TBB is committed to key areas such as climate change adaptation, prevention of natural resource depletion, biodiversity protection, and pollution control. By actively promoting corporate sustainable environment loans, we assist customers in obtaining funds needed for purchasing renewable energy, pollution prevention, and energy saving equipment. As of the end of 2024, the Bank's outstanding loan balance for corporate sustainability and environmental project loans amounted to NT\$6.594 billion.

Cumulative Disbursed Amount of Sustainability and Environmental Loans (unit: NT\$100 mn)			
Project Name	2022	2023	2024
Project loans including "Green Energy Sustainable Project Loans", "Machinery and Equipment Upgrading Loans", "Green Finance Sustainable Development Loans", "Preferential Loans for the Procurement of Renewal Energy Equipment" and "Low Carbon Sustainable Home Project Loan Credit Guarantees"	183.75	268.28	330.38

Upholding the spirit of "equal emphasis to financing and counseling", TBB collaborated with various institutions including the Small and Medium Enterprise and Startup Administration, MOEA, the Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF), the Industrial Technology Research Institute (ITRI), the Metal Industries Research & Development Centre, and the Taiwan Institute of Economic Research to establish basic carbon footprint verification, carbon reduction counseling, and ESG self-assessment tools to increase the basic concept of net-zero emissions for SME owners, as described below:

- ◆ Collaborated with Industrial Technology Research Institute (ITRI) to build a "Net-Zero & Carbon Reduction Counseling Platform": The platform offers a free consultation hotline and carbon estimation tools to assist SMEs in participating in basic carbon footprint verification to successfully fill out the self-assessment questionnaire from the Joint Credit Information Center. SMEs can also apply for net-zero counseling from the ITRI to understand future carbon reduction objectives. As of the end of December 2024, the counseling platform has received 12,926 page views, of which 5,100 enterprises have successfully completed basic carbon emission estimation through the counseling platform, and another 371 enterprises have been successfully referred to the ITRI for diagnostic counseling.
- ◆ Collaborated with the Metal Industries Research & Development Centre to promote the "Low-carbon Smart Upgrade Transition Diagnostics" service: A professional team provides on-site diagnostics and provide improvement suggestion reports to help SME customers in industries such as petrochemicals, plastics and rubber to prioritize on specific carbon reduction projects. The government subsidizes NT\$160,000 for the diagnostic service, and the out-of-pocket pay from the customer is only NT\$40,000. Going forward, if customers plan to improve their operations according to the suggestion report, they can further apply for a subsidy of up to NT\$5 million, which will reduce the burden of corporate transition and increase their willingness to engage in carbon reductions.

- ◆ Collaborated with the Taiwan Institute of Economic Research to promote the "TIER ESG Self-Assessment Tool": The tool provides ESG self-assessment and implementation analysis reports to assist SME manufacturing customers in planning ESG development plans and CSR business models, guide customers to establish a sustainable development mindset, enable SMEs to respond immediately to net-zero transitional issues and sustainable business challenges, and to independently adapt to and mitigate green transition risks. As of the end of December 2024, the Bank has coached 1,006 SME customers to complete the online self-assessment.

Following the FSC's "Green Finance Action Plan 3.0", the Bank pushes for corporate sustainability and low carbon transition. Starting in November 2023, the business units should give the "Corporate ESG Information and Sustainable Economic Activities Self Assessment Questionnaire" to corporate customers to complete when they submit a loan application. The questionnaire is applicable to all corporate loan applicants regardless of business size and sector (including OBUs). In addition, the borrowers' ESG data and sustainable economic activity updates will be filed with the JCIC. As of December 2025, the Bank filed 19,827 cases and worked actively in support of government policies. The Bank is committed to extending its influence as a state-owned financial institution and guide corporate borrowers to enforce their ESG sustainability practices.

To fulfill ESG through an effective environmentally friendly, energy saving and carbon reducing lifestyle, the Bank provides personal green loans of the "ESG Green Energy Sustainable Mortgage Loan" and the "Green Go Shopping Loans" for supporting the purchase of real estate with green labels, renewable energy solar power equipment, home appliances with energy efficient labels, and automobiles and motorcycles eligible for government subsidies. The Bank promotes energy-saving and low-carbon lifestyles by encouraging customers to adopt these personal financial products. Details are as follows:

Project	End of 2023		End of 2024	
Personal green loans	Cumulative loan amount	NT\$2,041,120,000	Cumulative loan amount	NT\$9,007,114,000
	Loan balance	NT\$1,806,275,000	Loan balance	NT\$7,494,108,000

To continuously deepen the development of various aspects of ESG, the Bank provides the following personal sustainability-related loans:

Category	Loan amount	Personal financial products
Sustainability-related loans	NT\$51.968 billion	Personal green loans, Preferential Housing Loan Program for Successful Family Foundation of Youth, Childbirth Consumer Loans, Youth Overseas Life Experience Project, New Residents House Loan, the elderly related loans (Home for the Elderly/Joyful Retirement)
Total personal financial loan amount	NT\$76.915 billion	
Ratio of sustainability-related loans to personal financial loan amount	67.57%	

- * Sustainability-related loans data represents the amount of new loans issued each year, while personal financial amount is based on the annual average outstanding balance of newly issued loans.

Sustainability-Linked Loans

The Bank links the credit conditions with the sustainability index indicators or the comprehensive performance of enterprises in environmental (E), social (S) and governance (G), and encourages enterprises to set long-term sustainability performance goals. If a company achieves the goal or makes improvement, the Bank will provide support through interest rate reduction, so that enterprises can implement ESG actions while expanding business operations. In addition, the Bank encourages overseas branches to participate in sustainable index-linked loans, and adds an interest rate adjustment mechanism of "sustainable management indicators" in loan cases as an operational incentive measure to guide and encourage enterprises to achieve specific sustainable management indicators and move towards sustainable management. Details are as follows:

Year	2022	2023	2024
Sustainability-Linked Loans (domestic branches)			
Number of loan cases	26 cases	37 cases	34 cases
Loan amount	NT\$20.970 billion	NT\$32.881 billion	NT\$26.627 billion
Sustainability-Linked Loans (overseas branches)			
Number of loan cases	2 cases	4 cases	10 cases
Loan amount	NT\$1.869 billion	NT\$1.434 billion	NT\$4.506 billion

Unit: NT\$100 mn

Category	2023	2024	Corporate Finance Products
Green loans, social loans, sustainability loans	54.03	92.72	The Bank undertakes machinery and equipment upgrade loans, green energy sustainable project loans, green financing sustainable development loans, entrepreneurship-related loans, and disaster recovery assistance loans, etc.
Sustainability-linked loans	122.07	110.51	The Bank organizes, co-organizes, and participates in syndicated loan business for sustainability performance-linked loans
Total sustainability-related loans	176.10	203.23	
Total amount of corporate loans	453.61	518.48	
Ratio of sustainability-related loans to total loans	38.82%	39.20%	

- * Sustainability-related loans data represents the amount of new loans issued each year, while amount of corporate loans is based on the annual average outstanding balance of newly issued loans.

Category	2023	2024	Corporate Finance Products
SME sustainability loans	89.52	131.57	The Bank undertakes machinery and equipment upgrade loans, green energy sustainable project loans, green financing sustainable development loans, entrepreneurship-related loans, disaster recovery assistance loans, and sustainability-linked loans, etc.
Total amount of loans to SMEs	344.51	395.85	
Ratio of sustainability-related loans to total loans	25.98%	33.24%	

- * SME sustainability loans data represents the amount of new loans issued each year, while amount of loans to SMEs is based on the annual average outstanding balance of newly issued loans.

In 2024, the Bank's green loan and sustainability-linked loan balances accounted for 1.63% and 2.55% of the total corporate loan balance respectively.

At the end of 2024, the Bank's SME loan balance accounted for 78.24% of the total corporate loan balance.

4.2.5 Equator Principles and Responsible Lending

The fulfillment of environmental protection and social responsibilities by loan customers is the criterion for credit and financing evaluation:

- ◆ The Bank consults the website of the Ministry of Environment of the Executive Yuan, for information on whether a loan customer received penalties for violation of environmental protection laws and regulations. We review whether the operations of a company have significant negative impact on the environment, whether a company has violated environmental protection laws and regulations, or other matters of note for environmental protection. If a loan customer was penalized by an environmental protection unit, the Bank shall verify its subsequent improvements. Companies that have caused material environmental pollution or engaged in other acts that undermine the environment are required to submit improvement plans. If the plans involve financing needs, we will provide assistance in the planning of appropriate funding.
- ◆ The Bank consults the website of the Ministry of Labor, Executive Yuan, for information on whether a loan customer has violated the Labor Standards Act and received penalties, and discloses it in the credit report, as a reference for approval/rejection of the loan case.
- ◆ We check the "labor pension reserve fund payment allocation status" and "arrear wage debts fund payment allocation status" of each enterprise loan customer from the Joint Credit Information Center and verify whether the customer has fulfilled corporate social responsibilities. If the customer has failed to make sufficient contribution to the labor pension reserve, which undermined workers' interests, TBB shall request the customer to make improvements as quickly as possible.

Engagement

Through diverse communication and interactions with loan customers, the Bank seeks to raise awareness of ESG risks, climate change, and sustainability-related issues. It also actively promotes ESG and green energy sustainability loan programs to strengthen engagement with customers. If any ESG-related negative impacts are identified in a loan customer's operations, the Bank will provide recommendations or guidance to encourage improvements in alignment with ESG principles. The loan customer's implementation status will be taken into consideration in subsequent credit assessments.

Equator Principles

- ◆ For the purpose of facilitating the development of sustainable finance and guiding businesses to pay attention to environmental protection and social responsibility, the Bank signed to join the Equator Principles Association on September 16, 2022. In accordance with the Equator Principles published by the Equator Principles Association, the Bank has implemented a loan application review process and established the "Guidelines for Equator Principles Compliant Loan Review of Taiwan Business Bank", which came into effect on January 1, 2023. When a loan application is accepted, the "Equator Principles Applicability Checklist" should be completed to check if the Equator Principles apply. The Bank also convenes meetings of the Environmental and Social Risk Unit, attended by deputy managers of relevant departments, to conduct environmental and social risk level assessments. As of December 31, 2024, the number of applicable cases is 2, with total

disbursed loan amounts reaching NT\$2,710,820 thousand. The Bank continues to upload the previous year's implementation status to the "Responsible Finance" section of its official website and discloses its annual compliance report on the Equator Principles website. To ensure that all units are familiar with the Equator Principles mechanism and newly introduced forms, the Bank engaged external consultants to conduct training sessions for the Environmental and Social Risk Unit and business units in 2022, 2023, and 2024. Training materials were also provided to deepen employees' awareness of environmental and social risks, thereby promoting comprehensive implementation of the Equator Principles policy. In accordance with the Equator Principles, all signatory institutions are required to conduct independent reviews and include a summary of independent reviews in their Equator Principles Annual Reports every three years. TBB conducts the audit annually through its Auditing Department, which is not a member of the Environmental and Social Risk Task Force. The 2024 audit revealed no findings. The Bank will submit its first annual audit results by June 30, 2027, to be included in the 2026 Equator Principles Annual Report.

- ◆ The Bank started to include environmental pollution, threat to public interest, violation of human rights and related risks in the loan review process on May 21, 2021 for the purpose of upholding the spirit of the Equator Principles and exercising the Bank's influence as a financial institution to fulfill its corporate social responsibility. When accepting a corporate loan application, the Bank will ask the customer to complete a CSR declaration form and provide adequate explanation. The requirement helps the Bank and customers work together in CSR fulfillment. As of December 31, 2024, a total of 49,551 customers have signed the form.

Responsible Lending

- ◆ On January 3, 2024, the Bank promulgated the "Guidelines for Responsible Investment of Taiwan Business Bank", incorporating a total of 20 ESG (Environmental, Social, and Corporate Governance) factors—covering both positive and negative issues—into the corporate loan decision-making process, which includes project financing. When a loan application is submitted, an "ESG Risk Level Assessment Form" must be completed. Through Know Your Customer (KYC) and Customer Due Diligence (CDD) procedures, the Bank assesses whether the loan applicant falls under high-sensitivity industries, high polluting/energy consuming industries, or possesses significant ESG physical risks. Based on the different risk level, appropriate loan terms are applied, and ongoing monitoring and engagement are conducted accordingly, to fulfill corporate social responsibility and enhance the long-term value of customers and the Bank. TBB has explicitly stated that it will no longer engage in new projects related to coal-mining businesses, coal-fired power plant construction, and unconventional oil and gas, but exceptions are made for carbon reduction transformation for the above-mentioned financing. In addition, illegal or controversial industries, enterprises or economic activities that are harmful to environmental sustainability, human health and social safety shall be prohibited.
- ◆ To assist customers in understanding ESG risks and opportunities in their business, the Bank communicates with customers through various channels, such as the official website, LINE official account, and Facebook fan page, by publishing information related to Preferential Housing Loan Program for Successful Family Foundation of Youth, and the ESG Green Energy Sustainable Mortgage Loan, etc. During the engagement process, the Bank also confirms whether the customer's intended use of funds is related to ESG. When conducting personal credit reviews, the Bank incorporates the following ESG factors into the evaluation process. E (Environmental): whether the use of funds is related to green finance; G (Governance): whether the applicant is a stakeholder; S (Social): whether the applicant is on a restricted list, involved in money laundering or cyber security risks, personal credit status, and occupational risk. If a major ESG violation is identified, the Bank will decline the transaction or politely refuse business relationship, thereby fulfilling its corporate social responsibility and minimizing adverse impacts on the environment and society.



05

Sustainable Environment



In conjunction with the targets of Taiwan's Pathway to Net-Zero Emissions in 2050, the Bank passed the review of the SBT carbon reduction targets in March 2024, with 2020 serving as the baseline year. The greenhouse gas inventory Category 1 and Category 2 adopt an absolute reduction method, with a target of reducing carbon emissions by 42% by 2030. If the yearly carbon reduction target is not met, the Bank will purchase T-RECs for renewable energy and use self-sufficient solar power to make up for the shortfall. The greenhouse gas inventory covers all domestic business locations, overseas branches, subsidiaries and sub-subsidiaries, which is aligned with disclosure in the financial statement. We are committed to promoting various carbon reduction measures in our own operations and expanding the use of renewable energy to move towards the goal of net zero.

TBB's GHG reduction targets, strategies, and action plans are as follows:

Year	2020 (Baseline year)	2021	2022	2023	2024	2025
Category 1 (metric tons CO ₂ e)	1,179.73	1,130.18	1,080.63	1,031.09	981.54	931.99
Category 2 (metric tons CO ₂ e)	13,023.85	12,476.84	11,929.84	11,382.84	10,835.84	10,288.84
Total (metric tons CO ₂ e)	14,203.58 ⁵⁰	13,607.03	13,010.47	12,413.93	11,817.38	11,220.83

Strategy	Action plans
Carbon reduction for operation	◆ Replace old ice water machines and air-conditioning units each year. ◆ Establish switches for different areas. ◆ Hold electricity conservation competitions for branches. ◆ Raise awareness of employee behavior.
Expand renewable energy use.	◆ Install self-sufficient solar power generation system. ◆ Procure and wheel renewable energy. ◆ Evaluate purchase of T-RECs.

⁵⁰ Data of 2020 includes greenhouse gas emissions data that have not been verified by a third-party organization. It is calculated based on the GHG Protocol using a simplified data collection table: Emissions = Activity data * Emission factors.

5.1 Low-Carbon Operations

5.1.1 GHG Emission Reduction

TBB started conducting ISO14064-1 greenhouse gas inventory and obtaining third party certification since 2018. Early inventories from 2018 to 2020 covered the head office building. To monitor carbon emissions across the entire bank, the scope of inventory was extended to cover all domestic locations, and overseas branches, subsidiaries and sub-subsidiaries from 2022. GHG inventory data over the years have revealed that purchased electricity is the main source of carbon dioxide in the operations. Therefore, a full inventory of old and energy intensive equipment is taken across all units in order to replace dated air conditioning equipment systematically year by year and improve energy efficiency. In 2024, GHG Category 1 + 2 is 9,872.7487 metric tons CO₂e, a total decrease of 30.49% compared with the 2020 base year, reaching the carbon reduction target for that year.

Energy consumption

Year	2020	2021	2022	2023	2024
Scope of inventory	Head Office Building	Head Office Building, Linkou server room, and 125 domestic branches	All domestic locations, overseas branches, subsidiaries and sub-subsidiaries		
Non-renewable energy consumption ⁵¹ (MWh)	2,656.98	20,310.98	23,662.98	22,951.11	20,000.42
Renewable energy consumption ⁵² (MWh)	3	58	82	634	2,399

In 2024, TBB engaged SGS, a third-party certification institute, for the certification of ISO14064-1:2018 Greenhouse Gases. All domestic locations, overseas branches, subsidiaries and sub-subsidiaries were the subjects and the process followed the operational control method. Category 1 emissions were primarily gas for company vehicles, chiller refrigerant leakage and septic tank leakage. Category 2 emissions were primarily electricity consumption. The emission factor was based on the Greenhouse Gas Emission Factor Management Table (Version 6.0.4) of the Ministry of Environment. The electricity carbon emission factor 0.474 kg CO₂e/kWh was the factor announced by the Energy Administration, Ministry of Economic Affairs for 2024. Electricity use was based on the bills of payment provided by Taipower Company and renewable energy manufacturers. Global Warming Potential (GWP) refers to the Global Warming Potential value of the IPCC 2021 the 6th Assessment Report.

⁵¹ Counting energy consumption of diesel (emergency generators and company vehicles), natural gas (cafeterias), gasoline (company vehicles), and purchased electricity. The aforementioned energy consumption unit conversions are based on the "2023 Energy Statistics Manual" from the Ministry of Economic Affairs.

⁵² Statistics on the degrees of renewable energy certificates issued by the National Renewable Energy Certificate Center for self-generated and self-used solar energy and purchased renewable energy, without the use of biomass energy.

TBB GHG emissions by category in 2024

Types of GHG	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
Volume (metric tons CO ₂ e)	13,498.7672	283.4702	12.3723	469.6086	–	–	–	14,264.2183
GHG emission to total emission (%)	94.634	1.987	0.087	3.292	0	0	0	100

TBB GHG emissions inventory and assurance status in recent years

Year		2020	2021	2022	2023	2024
Item	Scope of inventory	Head Office Building	Head Office Building, Linkou server room, and 125 domestic branches	All domestic locations, overseas branches, subsidiaries and sub-subsidiaries		
Category 1 (metric tons CO ₂ e)		153.3216	1,062.2625	1,173.5928	1,155.2012	1,200.6386
Category 2 (metric tons CO ₂ e) ⁵³		–	–	–	10,428.8174	8,672.1101
Total (metric tons/CO ₂ e)		153.3216	1,062.2625	1,173.5928	11,584.0186	9,872.7487
Category 1 and Category 2	Emission intensity (metric tons CO ₂ e/Net income NT\$mn)	–	–	–	0.363	0.289
Category 3 (metric tons/CO ₂ e)		Inventory not yet conducted	10.3532	34.4548	44.7022	1,726.5843
Category 4 (metric tons/CO ₂ e)		Inventory not yet conducted	2,346.2075	2,557.6442	2,873.5193	2,497.1954
Category 5 (metric tons/CO ₂ e)		Inventory not yet conducted	Inventory not yet conducted	Inventory not yet conducted	Inventory not yet conducted	167.6899

⁵³ Category 2 emissions are market benchmarks, with location benchmark emissions of 1,186.9880 metric tons CO₂e in 2020, 9,234.7307 metric tons CO₂e in 2021, 11,050.7653 metric tons CO₂e in 2022, 10,428.8174 metric tons CO₂e in 2023 and 9,983.8705 metric tons CO₂e in 2024.

GHG assurance information

The assurance status in the last two years, including the Scope of assurance, Assurance agency, Standard of assurance, Opinion of assurance is as follows:

2023	Scope of assurance	All domestic locations, overseas branches, subsidiaries and sub-subsidiaries
	Assurance agency	SGS Taiwan
	Standard of assurance	ISO 14064-1:2018 GHG - part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
	Opinion of assurance (Certificate date:2024/04/25)	Based on the following conditions, SGS proposes a revised and unqualified inspection opinion. 1. The inspector has sufficient and appropriate evidence to support the actual discharge, removal or storage. 2. The verifier adopts appropriate criteria for actual emissions, removals or storage. 3. When the examiner intends to rely on relevant controls, the effectiveness of the controls has been assessed. 4. The inspector adopted the ISO14064-1:2018 standard and found the following items after inspection. However, after adjustments and corrections, no substantial errors occurred. Some activity data filling errors and coefficient quotation errors have been corrected to conform to current situation. 5. Retention restrictions: None.
2024	Scope of assurance	All domestic locations, overseas branches, subsidiaries and sub-subsidiaries
	Assurance agency	SGS Taiwan
	Standard of assurance	ISO 14064-1:2018 GHG - part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
	Opinion of assurance (Certificate date:2025/04/25)	Based on the following conditions, SGS proposes a revised inspection opinion. 1. The inspector has sufficient and appropriate evidence to support the actual discharge, removal or storage. 2. The verifier adopts appropriate criteria for actual emissions, removals or storage. 3. When the examiner intends to rely on relevant controls, the effectiveness of the controls has been assessed. 4. The inspector adopted the ISO14064-1:2018 standard and found the following items after inspection. However, after adjustments and corrections, no substantial errors occurred. Findings: Some activity data and emission coefficients have been corrected, such as Taipower's electricity and green electricity activity data, water dispenser emission rate, air conditioner R410a activity data, number of people, upstream transportation activity data, employee commuting activity data and (vehicle) emission coefficients, tap water activity data, waste activity data, etc. 5. Retention restrictions: Electricity and natural gas activity data are collected from billing months January to December.

5.1.2 Implementation of Energy and Environmental Management System

Following international standards and regulations, TBB implemented environmental-related standard certification, and formulated Environmental Sustainability Management Handbook and annual energy-saving goals. The Bank also holds environmental sustainability management meetings every year, understands energy usage, sets environmental management goals and implements energy-saving plans in order to achieve annual performance targets for energy conservation and environmental management.

The head office building and Chongnan Building adopted the ISO50001 energy management system and passed SGS certification; certification date: November 26, 2024, and expiration date: December 28, 2027.

The head office building adopted the ISO14001 energy management system and passed SGS certification; certification date: September 30, 2024, and expiration date: November 5, 2027.

5.1.3 Electricity Conservation Competition for Branches

TBB supported the government's power saving policy to counter the summer peak demand for electricity by hosting the 2024 electricity conservation competition for branches. TBB employees worked together as teams to use less energy, saving approximately a total of 141,000 kWh electricity and achieving 69 metric tons CO₂e in carbon reduction (Based on the electricity carbon emission coefficient of 0.494kgCO₂e/kWh). Branches with outstanding results received prize money. In addition, the Bank brought in corporate customers to buy produce, which was to be provided as prizes for a draw, and worked with corporate customers and the public to promote mutual benefits through energy conservation.

5.1.4 Expand Renewable Energy Use

In marching toward Net Zero 2050, TBB sets 2023 as the baseline year. The short term renewable energy use target is 5% of total Category 2 GHG emissions by the Bank in 2024 and 2025; the medium term renewable energy use target is 6% to 15% of total Category 2 GHG emissions in the years from 2026 to 2030.

TBB conducted a full inventory of own branch buildings and installed solar power generation equipment. Apart from blocking direct sunlight on the building and keeping the temperature down, power generated is for use of the same branches. TBB currently has 5 locations, Ming Hsiung, Tainan, Hsing Chung, Shiue Chia and Taoyuan Branch, producing a total of 129,925 kWh. The amount generated is expected to rise to an annual total of 159,000 kWh. TBB will continue to add more self sufficient solar powered branches in order to increase renewable energy use.

Solar powered branches	Installation year	Installed capacity (KW)	Expected power generation (kWh)	Usage
Ming Hsiung Branch	2020	15.25	15,216	Self-generated for self use
Tainan Branch	2021	49.725	66,387	Self-generated for self use
Hsing Chung Branch	2022	43.05	54,368	Self-generated for self use
Shiue Chia Branch	2023	11.1	11,000	Self-generated for self use
Taoyuan Brnch	2024	10.8	12,023	Self-generated for self use

To increase renewable energy use, TBB actively supports government policies and signs renewable energy supply agreements with renewable energy suppliers. The supply totaled at 2,266,000 kWh and went to 2 TBB locations in 2024. The target is to supply 2,334,000 kWh in 2025.

TBB's renewable energy use from 2021 to 2024 is shown in the table below:

Year	2021	2022	2023	2024
Self-sufficient solar power production (MWh)	58	82	78	133
Renewable energy power supply (MWh)	—	—	556	2,266
Total (MWh)	58	82	634	2,399
Electricity emission factor (kg CO ₂ e/kWh)	0.502	0.509	0.495	0.474
Carbon reduction (metric tons CO ₂ e)	29.12	41.74	313.83	1,137.13

In 2024, the Bank has 2,399 renewable energy certificates with the National Renewable Energy Certificate Center, totaling 2,399,000 kWh, including self-generated solar energy and purchased renewable energy, as part of the Bank's renewable energy carbon reduction implementation strategy.

5.1.5 Waste Management

In response to climate change and global warming issues, in terms of waste management, TBB has set 2023 as the base year, with greenhouse gas emissions of 74.1324 metric tons CO₂e. The annual reduction ratio is adjusted on a rolling basis, with 0.5% as the principle, and a reduction of at least 3.5% by 2030. TBB started keeping track waste sorting at individual units of the entire bank, and the categories include general waste, food waste, paper, plastics, scrap metal/aluminum, glass, and batteries and light bulbs. Meanwhile, to avoid single use utensils, TBB encourages employees to bring their own cups and utensils when purchasing food and beverages or eating out. Waste bins by individual desks were removed in the head office building. The employee cafeteria provides reusable utensils for employees, encourages employees to appreciate food by taking appropriate portions, and set the 15th and 25th day of every month as meat-free days to help all employees achieve waste reduction. In 2024, the Bank passed the "ISO 14064-1 Greenhouse Gas Inventory" to verify that the Category 4 greenhouse gas emissions of waste treatment are 77.8136 metric tons CO₂e.

In order to reduce waste from renovation projects of the Bank's premises, understand the carbon emissions from such projects and develop feasible carbon reduction plans, in the project design stage, the Bank not only takes into account the environment of our premises and uses green building materials, energy-saving and water-saving products, but also negotiates with contractors, requiring that recyclable engineering waste (such as wood, steel and iron parts, etc.) should be classified during construction, used plastic bottles should be collected in a centralized manner, and sent to qualified manufacturers for disposal or reuse. In addition, a trial carbon inventory of renovation projects is carried out. Relevant data will be sent to academic institutions for low-carbon building construction certification and carbon emission data verification, which can be used for subsequent engineering design and planning, moving towards waste reduction in renovation projects of the Bank's premises and responding to the government's net-zero building goals.

Statistics of waste over the years

Item ⁵⁴ \ Year	2021	2022	2023	2024
Scope of inventory	Head Office Building	Head Office Building	All Domestic Locations	All Domestic Locations
General waste (metric tons)	103.80	83.30	218.42	228.86
Recycling (metric tons)	64.48	48.78	129.63	139.17
Incineration (metric tons)	36.73	33.03	85.75	83.71
Sanitary landfill (metric tons)	2.59	1.49	3.04	5.98

⁵⁴ The Bank's waste statistics are calculated by referring to the classification and proportion of general waste treatment volume on the Ministry of Environment's Environmental Statistics Query Network. In addition, the Bank does not have items defined in other categories, so general waste of other types are included in the category of recycling.

5.1.6 Computer Recycling

For source reduction and more recycling and reuse, the Bank worked with ASUS Foundation on a computer recycling program, which involved the Foundation taking TBB's discarded computers from TBB offices for recycling. The program contributed to bridging the digital learning gap for rural areas or charity organizations. In 2024, a total of 325 computers, monitors and laptops were recycled. The process will be conducted on an ongoing basis every year to achieve a circular economy.

5.1.7 Water Management

Water used by TBB in operations comes primarily from sources for residential use. TBB uses 2022 as the baseline year of our water conservation goal, and the water conservation ratio is adjusted annually on a rolling basis, with 0.5% as the principle, to save at least 3% of water by 2030. TBB gives priority to purchasing products with water efficiency certification, such as dual flush toilets and touch-free faucets and flushing urinals, and supports water conservation through sourcing management. A rainwater recycling system was installed in the head office building for watering outdoor flowerbeds and cleaning. Environmental education videos and "Water Use Tips" were shown to bank staff to help them understand the scarcity of water resources and develop water-saving habits. Dedicated personnel were assigned to regularly collect statistics and review water use practices to respond to water-saving actions. The water consumption of the entire bank in 2024 is 117,857 degrees, a decrease of 29.91% compared with 2022.

Tap water consumption over the years

Item \ Year	2021	2022	2023	2024
Coverage	Head Office Building, Linkou server room, and 125 domestic branches	All domestic locations, overseas branches, subsidiaries and sub-subsidiaries		
Water consumption (degrees) ⁵⁵	115,560	168,150	163,207	117,857
Coverage percentage (%)	96.60	100	100	100

⁵⁵ Municipal water consumption is based on the water bills issued by the Taipei Water Department or the Taiwan Water Corporation depending on the region. The Bank is a financial services provider and does not engage in manufacturing. Its water use is mainly for daily office needs, with water withdrawal equal to water discharge.

5.1.8 Internal Carbon Pricing

The Bank's internal carbon pricing is based on historical procurement costs of air conditioning units and lighting equipment, carbon reduction information before and after procurement, as well as relevant government regulations, industry characteristics, and practices of peer institutions. In August 2023, the internal carbon price was approved by the President at NT\$300 per metric ton of CO₂e, using a shadow pricing approach⁵⁶.

The Bank's objectives and benefits of implementing internal carbon pricing

1. In response to "Taiwan's Pathway to Net-Zero Emissions in 2050".
2. Achieve the Bank's Science-based carbon reduction target (SBTi) of reducing Scope 1 and 2 greenhouse gas emissions by 42% by 2030 compared to the base year.
3. Implementation benefits: Improve energy efficiency, promote low-carbon investment, comply with energy and environmental regulations, and guide suppliers to reduce carbon emissions.

The Bank's action plan for implementing internal carbon pricing

The Bank sets its internal carbon price at NT\$300 per metric ton of CO₂e (using shadow prices), mainly for energy-consuming equipment procurement and carbon reduction in its own operations. The implementation in 2024 is as follows:

1. Energy-consuming equipment procurement: Air conditioning and lighting equipment, which account for the top two factors in electricity consumption, are prioritized in carbon reductions. Before making a purchase, the Bank evaluates the equipment's service life, calculates carbon emissions before and after purchase, the amount of purchase, internal carbon emission price and other factors on a case-by-case basis to conduct an investment benefit analysis, and gives priority to purchasing products with environmental protection and carbon reduction benefits.
2. Carbon reduction in own operations: TBB organizes summertime power-saving competition for its branches and links it with business performance. Based on the Bank's SBTi annual carbon reduction target of 4.2%, each business unit is requested to jointly save power and reduce carbon emissions, and incentives and administrative disincentives are given based on performance. In addition, the impact of the internal carbon fee on the performance of the business units is evaluated based on the internal carbon pricing, and serves as a reference for building a mechanism of collecting internal carbon fees.

5.1.9 Paperless

TBB improves the efficiency of information equipment, replaces old servers, and implements paperless teaching, electronic documents, paperless services, paperless meetings and paperless affairs. TBB continuously pursues the digitalization of financial services by adopting simplified processes, paperless operations and the "green value" that strengthens financial services to reduce the consumption of papers and energy, and provide customers with diversified, convenient and environmentally friendly digital services, while encouraging customers to use more automation equipment and engage in related banking activities through the Internet, thus greatly reducing the possible carbon footprint. TBB actively pushes to digitize operations and replace old servers in order to improve energy efficiency while reducing paper use significantly and creating a green office. The relevant practices are as follows:

⁵⁶ The prevailing carbon prices in Taiwan range between US\$10 and US\$100. TBB is using lower prices at the beginning, and will make rolling adjustments according to SBTi and international carbon price trends.

Measure	Practice
Paperless teaching	✓ TBB created and has been using the TBB E-Learning Network for online training. Courses are offered electronically to eliminate interruption in the learning process and allow repeats. ✓ In-classroom teaching is conducted with slides to reduce paper use.
Electronic official documents	✓ The online signing and verification system for official documents was launched to reduce paper use significantly.
Paperless services	✓ The purchase of the "digitized credit card transaction platform" in 2024 is expected to reduce the number of papers used in processing by approximately 72,590 sheets per year, which is equivalent to a reduction of approximately 0.52 metric tons of CO₂e (assuming 500 sheets of A4 paper as 1 package, calculated as a total of 145 packages and a carbon emission coefficient of 3.6kgCO₂e/package in reference to the Carbon Footprint Information Platform). ✓ The purchase of the "legal withholding system construction project" in 2024 is expected to save approximately 320 boxes of paper each year, equivalent to a reduction of approximately 5.76 metric tons of CO₂e. ✓ TBB has implemented the paperless credit card operation, and encourages cardholders to use electronic bills. By the end of December 2024, there were 38,929 applications for electronic bills, up by 13% compared with 2023. ✓ Established an electronic statement application channel on the online securities platform to provide the Bank's securities customers with more diverse and convenient application services. In 2024, the total number of monthly securities trading statements sent electronically to trading customers was 83,298, an increase of 6.42% from 2023. ✓ Implement the concept of sustainable management by joining the paperless trend, set up digitized services for mobile insurance and online insurance. The Bank's mobile insurance was launched on February 29, 2024. Each new contract reduces paper usage by 30 sheets (approximately a 70% reduction). In 2024, a total of 18,480 sheets of paper were saved, implementing energy conservation and carbon reduction. ✓ Provide a brief introduction of personal financial products on the official website, and offer statement inquiries of personal financial products in online banking. ✓ Individual loan customers can repay the loan principal in advance by self-transfer via online banking, and customers are not required to repay the loan in person at the counter or remit the fund from other banks, which saves time and reduces the amount of papers used and carbon emissions. ✓ Loan customers of the Youth Overseas Experience program and the Youth Travel program can settle their loans through online banking from July 14, 2017. ✓ To save paper usage, the current "Preferential Foreign Exchange Application" which is processed by paper approval, will be changed to an online application method. The storage of foreign currency banknotes and voucher numbers has been adjusted to a digital form to facilitate data storage and retrieval.
Paperless conferences	✓ Most meeting materials are not provided in paper but are instead uploaded to the TBB meeting system for attendees to download to their tablets and bring to the meetings. ✓ Business announcements and performance reviews are conducted by video conference as much as possible.
Paperless General Affairs	✓ The printer prints on both sides by default to reduce the amount of papers used. ✓ Important documents are placed on the employee portal to reduce printing.

5.1.10 Green Transportation

To reduce GHG emissions in business travel, TBB starts with its operations and has a shared EasyCard system designed to encourage employees to take public transport when traveling on business. Company vehicles to be leased should be vehicles with environmentally friendly labels. In 2024, 18 traditional fossil fuel motorcycles reaching the end of their service lives were replaced with electric motorcycles. Going forward, company motorcycles will be gradually replaced with electric motorcycles every year.

5.1.11 Green Workplace

In support of the MOE Green Living/Green Office Campaign, TBB's head office and 125 branches have all been made compliant through saving energy (water, electricity, paper, and oil), encouraging less or double sided printing, more virtual meetings, waste recycling and reuse, and green landscaping, giving priority to environmentally friendly office supplies. The effort helps employees go green in everyday life.

5.1.12 Green Restaurant

In support of Green Living, the employee cafeteria at the head office building has been made a green cafeteria that gives priority to local ingredients and sets one meat free day every month. The cafeteria provides environmentally friendly utensils instead of one-use utensils. To encourage minimized waste, employees can choose the amount of food. There is also 1 grease trap in place. It cleaned regularly every six months to reduce waste.



5.1.13 Green Point Collection

TBB makes green spending part of the everyday life for employees. Green points can be collected under the MOE green points program through purchasing green products and taking public transit or participating in environmental activities. In 2024, TBB offered green points to promote green living events. TBB also purchased green points to provide a prize draw. The event saw employee participation at 80%.

5.1.14 Carbon Reduction in Operations and Low-carbon Buildings

In response to the government's promotion of the Net-zero Building Transition Plan, a waterproofing renovation project was carried out at the Bank's Pu Li Branch. The "Public Engineering Energy-saving and Carbon Reduction Checklist" was taken into account beginning from planning and design stage, and recycled and low-carbon decoration materials were selected and used. Aluminum panels were used instead of masonry for certain exterior walls to increase the building's weather resistance and waterproofness. During the construction period, measures such as centralized waste management, reduction of waste transportation and recycling of resources were taken. In order to understand the carbon emission hotspots of the renovation project and provide reference for carbon reduction planning of future projects, the project was guided by the Architecture team of National Cheng Kung University to apply for the "Low Embodied-carbon Building Rating System (LEBR)" from the Architecture and Building Research Institute, Ministry of the Interior. Upon evaluation, the carbon reduction rate was found to be 30.87% compared to similar types of buildings (design projects), and the Low Carbon Building Label 1+ Level (highest level) certificate was obtained. ISO 14067 Carbon Footprint of Products and PAS 2060 Carbon Neutrality designations were also processed. Relevant information is detailed in the attached table. The carbon emissions of the renovation project are 167.248 metric tons of CO₂e, which is approximately 9.92 metric tons of CO₂e less than the general renovation project design, and the carbon emission ratio is also reduced by about 5.6%, making it the first project throughout the industry to obtain three certifications at the same time.

Project name: Engagement with Suppliers for Low-carbon Construction and Renovation Project			
Item No.	Project name	Pu Li Branch Building Construction Project	
I	Project address	No. 434, Zhongzheng Road, Puli Township, Nantou County	
II	Construction site overview	One owned building with 7 floors above ground and 2 floors underground, and a total floor area of 3,787.52 square meters	
III	Project goals	1. To improve the waterproofness and weather resistance of the building 2. To understand the carbon emissions throughout a building's life cycle (carbon footprint) 3. To serve as a reference for carbon reduction planning in construction and renovation projects	
IV	Engineering repair plan	Implementation tasks and indicators	Carbon reductions in engineering and achievements
(I)	Planning and design stage	1. Followed the "Public Engineering Energy-saving and Carbon Reduction Checklist" 2. Used environmentally friendly, low-carbon or recycled construction materials 3. Used repair instead of replacement, reduced unnecessary indoor decoration and carbon emissions	Based on the content of the Checklist Used environmentally friendly silicone, low-carbon cement, and recycled floor tiles Used aluminum panels to replace masonry and tiles for partial exterior wall decoration Outdoor flooring (recycled floor tiles) Indoor wall and floor treatment

Project name: Engagement with Suppliers for Low-carbon Construction and Renovation Project			
Item No.	Project name	Pu Li Branch Building Construction Project	
(II)	Construction stage	1. Kept windows open for indoor ventilation	Adjusted room temperature and improved environmental comfort
		2. Used environmentally friendly paint, used green building materials for partitions and ceilings	Green procurement
		3. Roof waterproofing and insulation	The use of recycled insulating hollow bricks reduced the use of air conditioning
		4. Used masonry on indoor walls instead of tiles	Self-cleaning coating for easy maintenance
		5. Centralized waste management, resource classification, and recycling of construction site plastics	Recycling sites were set up, personnel management, waste classification, plastic reduction
		6. Centralized waste transportation and disposal to reduce carbon emissions from transportation	Planned 53 transports, and actual number was 42, a reduction of 11 transports
V	Evaluation results	1. Carbon reduction from non-main structures and renovation	86,317.57 kgCO ₂ e
		2. End-of life Embodied Carbon (EEC) in the evaluation scope	855,926.19 kgCO ₂ e
		3. Embodied Carbon Intensity (ECI)	340.50 kgCO ₂ e/m ²
		4. Total carbon reduction in the evaluation scope	382,224.83 kgCO ₂ e
		5. Carbon reduction rate in the evaluation scope	30.87%
		6. Low Carbon (Low EEC) Building Certification Level	Level 1+
VI	Other certifications	1. ISO14067:2018 Carbon Footprint of Products certification ⁵⁷ 2. PAS2060:2014 Carbon Neutrality certification ⁵⁸	
VII	Supplier management	1. Implemented the "Public Engineering Energy-saving and Carbon Reduction Checklist" 2. Signed the "Human Rights and Environmental Sustainability Commitment Letter" 3. Verified whether there were any violations of the relevant laws of the Ministry of Labor and the Ministry of Environment 4. Filled in and reported the "Corporate Social Responsibility Self-Assessment Form" 5. Encouraged suppliers to promote and obtain ISO50001 Energy Management certification, and up to 20% of the performance bond could be waived 6. Focused on construction site management and implementation of carbon reduction measures	
VIII	Project features	1. The first building renovation project in Taiwan to obtain three international sustainable and low-carbon building certifications 2. A case study on promoting low-carbon building renovation through engagement and collaboration with suppliers	

⁵⁷ According to the ISO14067:2018 carbon footprint verification, the carbon emissions of this project reached 167,247.572kgCO₂e.

⁵⁸ According to the PAS2060:2014 carbon neutrality statement, the residual carbon emissions after the reduction were 167.248 tons of CO₂e, and the carbon offsets used and cancelled were 170 tons of CO₂e.

5.2 Sustainable Procurement and Supplier Management

5.2.1 Green Procurement

TBB supports the green office initiative and has signed the "Private Businesses and Groups Green Procurement Letter of Intent" to give priority to products with environmental certification. The green lifestyle is incorporated into the workplace through sourcing management. With green procurement totaling NT\$95,690,000 in 2024, TBB received the honor of Green Procurement Excellence Unit from the Ministry of Environment, Executive Yuan and Taipei City Government for 13 consecutive years and was awarded a Certificate of Appreciation.

5.2.2 Supplier Management

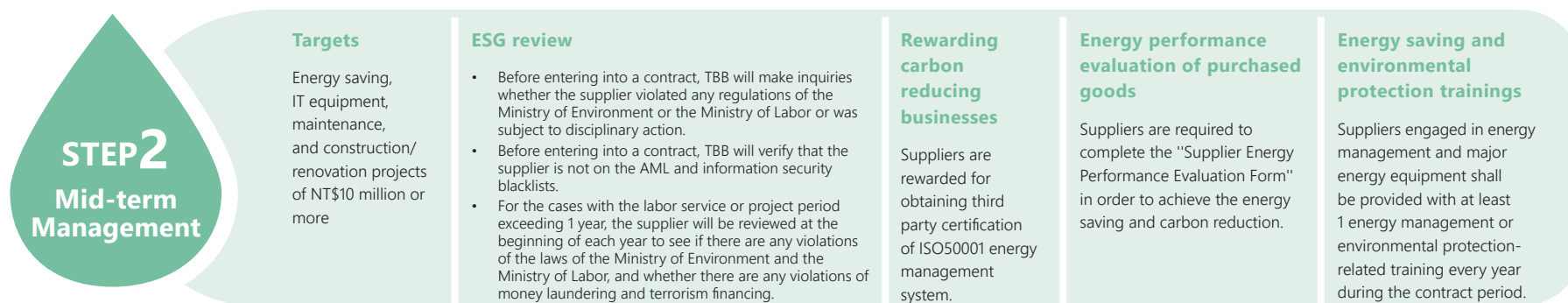
TBB suppliers include equipment and service providers and construction contractors. Service items include printers, electronic equipment, telecommunications, security, insurance, building design, and operational water and electricity. TBB's procurement expenditures engage 99.6% from local suppliers to support the local economy, save energy and procurement time, and reduce the impact on the environment. The Bank's procurement projects are handled through bidding or price comparison, and are all announced on the Bank's website.

Supplier Management Regulations: In December 2020, the Bank formulated the Supplier Management Regulations and published them on the official website. The contents of the Regulations include basic labor rights, occupational safety and health, environmental protection, social welfare protection, ethical operation and disclosure of corporate social responsibility information, so as to guide suppliers to jointly promote the sustainable development of economy, environment and society. In addition to requiring suppliers who sign contracts with the Bank to comply with these Regulations, the purchase contract also contains the terms of ethical operation and social responsibility. To reinforce supplier management, the Bank issued the "Implementation Plan for Supplier Management Regulations" in 2022 according to the 3 stages of procurement and investment process: Pre-procurement Assessment, Mid-term Management, and Post-guidance (as shown in the table below), strengthening the communication with suppliers, and evaluating specific measures of counseling and rewards, with an aim to promote suppliers to take practical actions to implement ESG related issues and jointly reduce the impact of supply chains on the environment.

For suppliers in 2024 with contract amounts exceeding NT\$500,000, the Bank evaluated their environmental and social impacts, and requested them to complete the "CSR Self-Assessment Form" and the "Statement of Commitment to Human Rights and Environmental Sustainability". The winning suppliers shall conduct work in accordance with the Occupational Safety and Health Act, and also collaborate with the Bank to create the "Work Environment and Hazard Factor Notification Form", ensuring that construction personnel are well-informed. For energy-saving, information equipment and maintenance, and construction and renovation projects with contract amounts of NT\$10 million and above, we assess whether there are any violations of environmental and labor laws. If violations are found and no corrective documentation is provided, the Bank may suspend the supplier's bidding rights for one year from the date of notification.

■ Risk ratio of suppliers assessed for violation of environmental, human rights and social issues and identified as having a negative impact

Year	No. of suppliers	Proportion of companies that have filled out self-assessment forms and statement of commitment (%)	No. of companies inquired for violations of environmental protection and labor laws (Assessment ratio)	No. of companies that have violated environmental protection and labor laws (Risk ratio to the number of assessed companies)	Proportion of companies that have taken corresponding improvement measures (%)	Number of supplier promotion or training sessions	Participation rate of supplier promotion and training sessions (%)
2024	149	100	149 (100%)	0 (0.0%)	100	21	100
2023	138	100	138 (100%)	3 (2.2%)	100	14	100
2022	141	100	141 (100%)	2 (1.4%)	100	17	100



TBB Supplier Management



06

Employee Care



Employees are important assets of the Bank. TBB has always spared no effort in protecting employees' rights and interests, planning welfare measures, protecting employees' lives, and enabling them to make full use of their strengths in work without worries. We provide a comprehensive system of salary, rewards, promotion channels, and diversified training and welfare measures to recruit and retain outstanding talents to work together for the Bank.

TBB complies with the Labor Standards Act, Employment Service Act, Act of Gender Equality in Employment, and related regulations and abides by internationally recognized principles of basic labor rights to protect the legal rights and interests of employees. The employment policy does not permit discrimination for gender, race, age, marriage, and family status. The Bank does not have any case of forced labor and no incidents of discrimination have occurred during the reporting period. The Bank focuses on the diverse development of employees including protecting the legal rights and interests of employees and promoting workplace diversification so that employees enjoy a good environment for recruitment, promotion, and career development.

6.1 Talent Recruitment and Retention

6.1.1 Employee Structure

In 2024, the number of TBB employees totaled 5,580 which were all official full-time employees⁵⁹ (excluding contracted workers such as summer interns⁶⁰). The Bank does not hire part-time employees and employees without guaranteed hours. Among full-time employees, males accounted for 43.55% while females accounted for 56.45%. Managers accounted for 19.12%, and 46.02% of them were female managers. It is clear that TBB does not have sexual discrimination against females and provides a fair playing field in the work place. The Bank sets the target for any gender at 40% - 60% to ensure gender equality. TBB has formulated and implemented a method of extended unpaid leave. Employees can apply for such leave based on actual requirements for childrearing or recovering from illnesses. Employees can return to the workplace without worries after making suitable arrangements for the care of their children.

⁵⁹ The number of full-time employees is the number of employees with irregular contracts.

⁶⁰ Non-employee workers (not counted toward number of employees):

- ◆ TBB hired 22 summer student workers (6 males and 16 females assigned to handle word processing and other general administrative duties) from July 1 to August 31, 2024 through fixed-term employment contracts.
- ◆ TBB engaged in industry-academia collaboration with schools through fixed-term internship contracts from February to June, 2024. The departments offering internships appointed supervisors to act as the instructors to supervise interns and provide technical guidance and practical banking training during the period. A total of 93 students gained firsthand workplace experience with the Bank, and 60 students were recruited based on their internship performance, with an admission rate of 64.5%.
- ◆ The head office building has 3 cleaners who work as contractors. Their work consists of cleaning the staircases in public areas, pantries, washrooms, hallways, elevators, and cafeteria floor.
- ◆ The employee cafeteria on the 18th floor of the head office building has 6 cooks who are under contract to supply and distribute food for TBB employees during lunchtime. A Chinese buffet and noodles are prepared onsite.
- ◆ The number of non-employee workers has not fluctuated significantly and does not include overseas personnel.

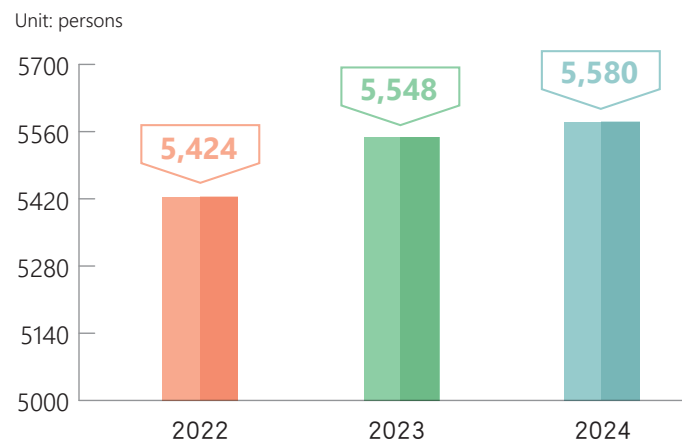
In addition, TBB continues to care for vulnerable groups such as people with disabilities and indigenous peoples. The ratio of people with disabilities and indigenous employees hired by TBB meet regulatory requirements and we provide them with the same salary and benefits as regular employees. Over the years, TBB has provided many summer work opportunities to college students and young people from economically disadvantaged families. The opportunities are provided to improve their understanding of the banking industry for potential future employees. The important business premises of the Bank include the head office units and branches, and the managerial employees are all Taiwanese nationals.



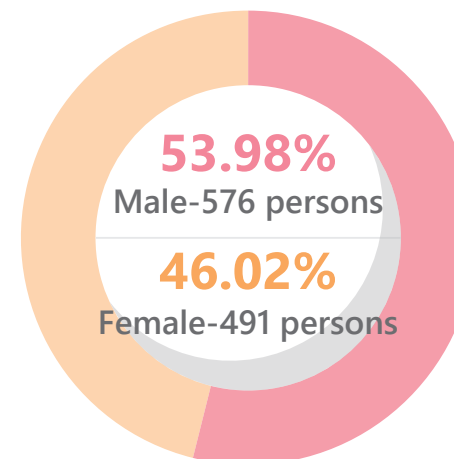
Employee Structure Table

Gender	Male	Female	Total
Number of people	2,430	3,150	5,580
Department	Banking Dept.	Securities Dept.	Total
Number of people	5,378	202	5,580
Category of geographical region	Domestic	Overseas	Total
Number of people	5,511	69	5,580

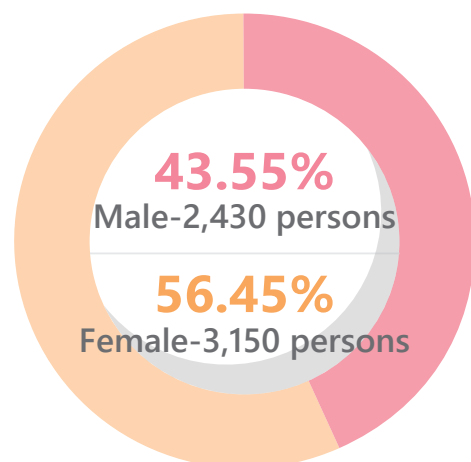
Total number of employees in last 3 years



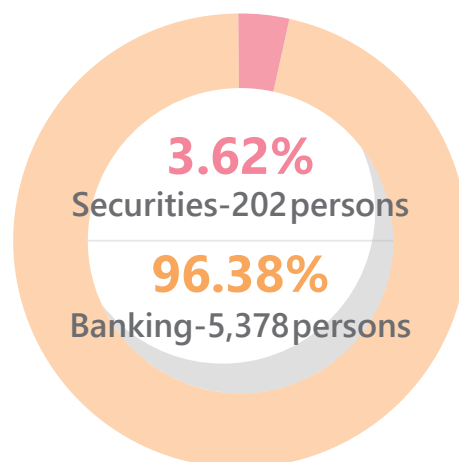
Management composition - by gender



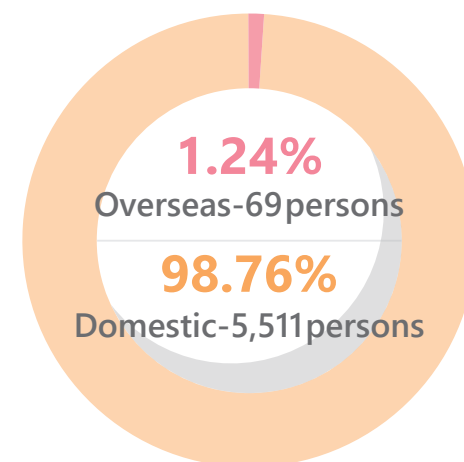
Total number of employees - by gender



Total number of employees - by department



Total number of employees - by region



Total number and percentage of senior managers⁶¹ by age and gender

	Male	Female	Total
Age <30 years old	0	0	0 (0%)
30 years old ≤ Age ≤ 50 years old	0	0	0 (0%)
Age > 50 years old	5	3	8 (100%)
Total	5 (62.50%)	3 (37.50%)	8 (100%)

Total number and percentage of middle managers⁶² by age and gender

	Male	Female	Total
Age <30 years old	0	0	0 (0%)
30 years old ≤ Age ≤ 50 years old	1	0	1 (0.55%)
Age > 50 years old	95	86	181 (99.45%)
Total	96 (52.75%)	86 (47.25%)	182 (100%)

Total number and percentage of first-line managers⁶³ by age and gender

	Male	Female	Total
Age <30 years old	0	0	0 (0%)
30 years old ≤ Age ≤ 50 years old	143	141	284 (32.38%)
Age > 50 years old	332	261	593 (67.62%)
Total	475 (54.16%)	402 (45.84%)	877 (100%)

Total number and percentage of for-profit department managers⁶⁴ by gender

	Male	Female	Total
Total	81 (54.00%)	69 (46.00%)	150 (100%)

Total number and percentage of non-managers by age and gender

	Male	Female	Total
Age <30 years old	282	641	923 (20.45%)
30 years old ≤ Age ≤ 50 years old	1,091	1,599	2,690 (59.61%)
Age > 50 years old	481	419	900 (19.94%)
Total	1,854 (41.08%)	2,659 (58.92%)	4,513 (100%)

Female gender diversity indicators

Indicator	Percentage (%)	2030 Goals
Percentage of female employees	56.45%	50%
Percentage of female managers	46.02%	–
Percentage of female senior managers	37.50%	–
Percentage of female middle managers	47.25%	–
Percentage of female first-line managers	45.84%	–
Percentage of female for-profit department managers	46.00%	–
Percentage of female in STEM positions	35.28%	–

Percentage of open positions filled by internal candidates in last 4 years

	2021	2022	2023	2024
Percentage of open positions filled by internal candidates ⁶⁵	57.86%	48.71%	38.89%	52.19%

⁶¹ Senior managers refer to Executive Vice President or above.

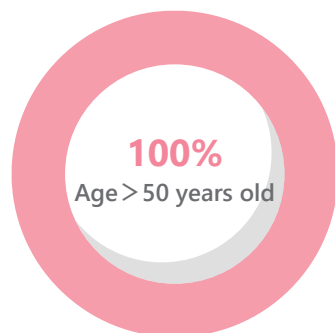
⁶² Middle managers refer to general managers in charge of implementing the senior management's policies and plans.

⁶³ First-line managers refer to managers and deputy general managers of the Bank.

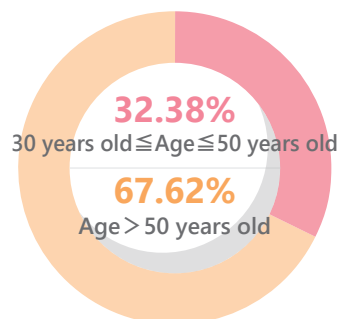
⁶⁴ For-profit department managers refer to managers of departments that provide products or services directly.

⁶⁵ Percentage of open positions filled by internal candidates = (Number of positions filled internally/ Total number of openings in the year) *100%

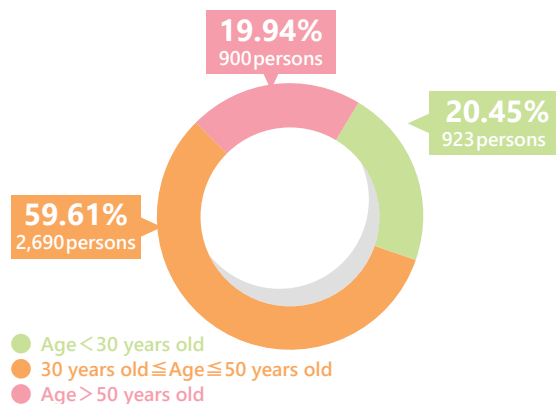
Senior managers



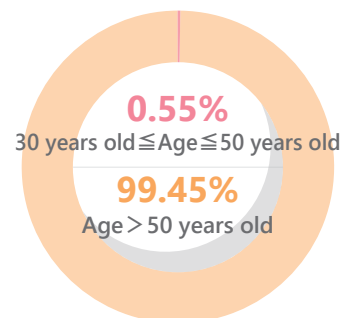
First-line managers



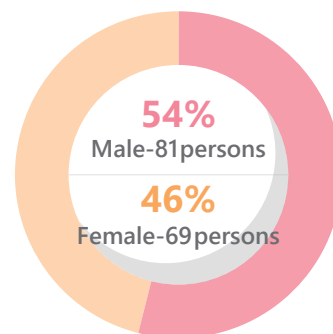
Non-managers



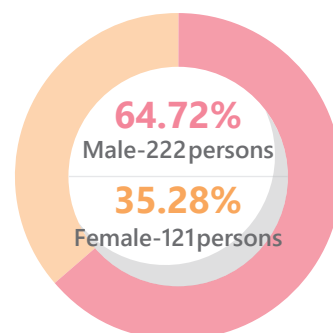
Middle managers



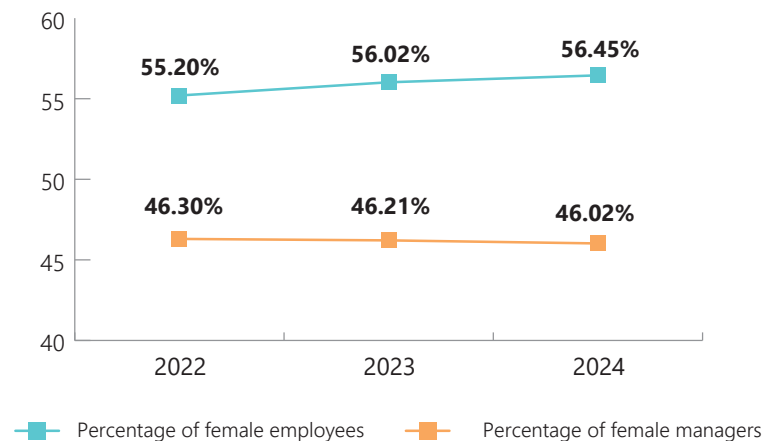
For-profit department managers



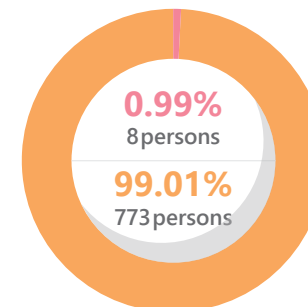
Number of employees holding science, technology, engineering, mathematics (STEM)-related positions



Percentage of female employees and percentage of female managers in last 3 years



Proportion of senior management hired from the local community in important business premises⁶⁶



● Hired as senior management ● Not hired as senior management

⁶⁶ "Local" means in domestic country, and "important business premises" refer to TBB's head office building. "Senior management" refers to TBB's Executive Vice Presidents (inclusive) or above.

6.1.2 Diversity of Employees

TBB is committed to providing employees with a dignified and safe working environment, implementing employment diversity, fairness in remuneration and promotion opportunities, and ensuring that employees will not suffer discrimination, harassment or unequal treatment due to race, gender, religious beliefs, age, political affiliation, and any other situations protected by applicable laws.

Total number and percentage of managers and non-managers by gender and minority group

Minorities	Managers			Non-managers		
	Male	Female	Total	Male	Female	Total
Persons with disabilities	6	3	9 (100%)	12	11	23 (54.76%)
Indigenous peoples	0	0	0 (0%)	4	15	19 (45.24%)
Total	6 (66.67%)	3 (33.33%)	9 (100%)	16 (38.10%)	26 (61.90%)	42 (100%)

Distribution of nationalities of employees

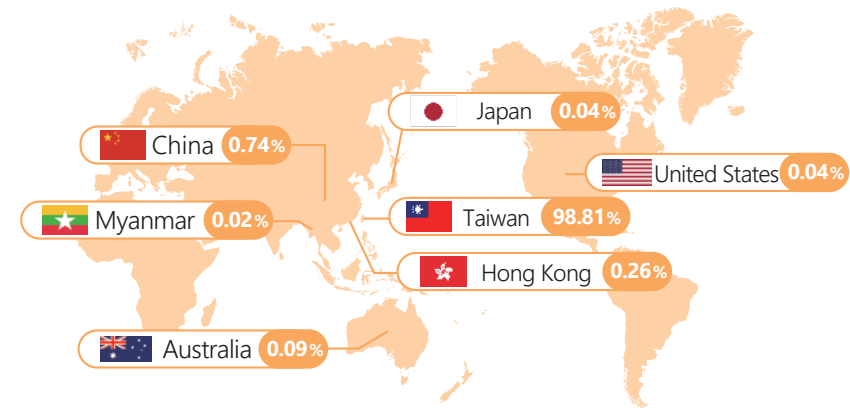
Nationality	Taiwan	China	Japan	Hong Kong	United States	Australia	Myanmar
Percentage	98.81%	0.74%	0.04%	0.26%	0.04%	0.09%	0.02%

6.1.3 Talent Recruitment

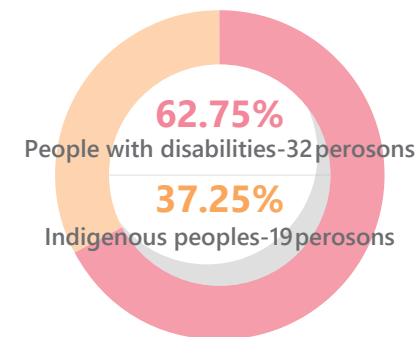
TBB recruits through various channels, including public channels such as job banks and media. TBB also supports the government's policy by participating in the "Employment Explore Supporting Program for High School Graduates" and organizing recruitment events on campus. In addition to a document review, the recruitment process consists of careful steps such as written tests and interviews. The average hiring cost of external recruitment per person⁶⁷ in 2024 was NT\$6,479.

⁶⁷ Average hiring cost of external recruitment per person = Total cost of recruitment of new hires (including advertising and hiring external recruitment agencies, etc.)/Total number of new hires. The total hiring cost of external recruitment in 2024 was NT\$3,459,563. The total number of new hires was 534.

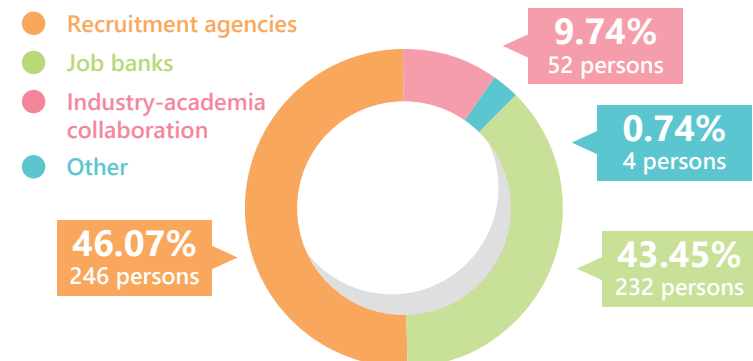
Distribution of nationalities of employees



Minorities



Hiring percentage by recruitment channel



Total number and percentage of new hires and terminations by age and gender

	Number of active employees at the end of year			New Employees			New hire rate ⁶⁸			Employee Turnover			Turnover rate ⁶⁹		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age <30 years old	282	641	923	119	177	296 (55.43%)	42.20%	27.61%	32.07%	64	112	176 (34.99%)	22.70%	17.47%	19.07%
30 years old ≤ Age ≤ 50 years old	1,235	1,740	2,975	90	144	234 (43.82%)	7.29%	8.28%	7.87%	74	82	156 (31.01%)	5.99%	4.71%	5.24%
Age >50 years old	913	769	1,682	2	2	4 (0.75%)	0.22%	0.26%	0.24%	84	87	171 (34.00%)	9.20%	11.31%	10.17%
Total	2,430	3,150	5,580	211 (39.51%)	323 (60.49%)	534 (100.00%)	8.68%	10.25%	9.57%	222 (44.14%)	281 (55.86%)	503 (100.00%)	9.14%	8.92%	9.01%

Total number and percentage of new hires and terminations by region and gender

	New Employees			Employee Turnover		
	Taiwan	Foreign countries	Total	Taiwan	Foreign countries	Total
Total	534 (100%)	0 (0%)	534 (100%)	503 (100%)	0 (0%)	503 (100%)

Number of employees and new hire rate in last 3 years

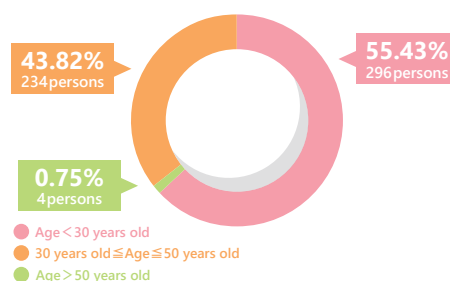
Year	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of new hires	240	394	634	233	405	638	211	323	534
Number of active employees at end of year	2,430	2,994	5,424	2,440	3,108	5,548	2,430	3,150	5,580
New Hire Rate ⁷⁰	9.88%	13.16%	11.69%	9.55%	13.03%	11.50%	8.68%	10.25%	9.57%

⁶⁸ New hire rate = Number of new hires in that category/Number of active employees at the end of year in that category.

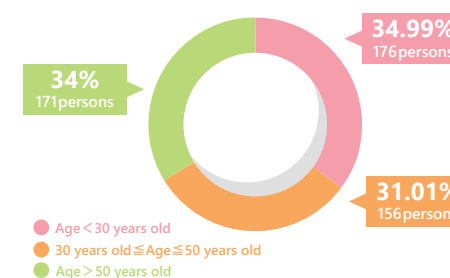
⁶⁹ Turnover rate = Number of terminations in that category/Number of active employees at the end of year in that category.

⁷⁰ New hire rate = Number of new hires in current year/Number of active employees at end of year; Male new hire rate = Number of male new hires in current year/Number of active male employees at end of year; Female new hire rate = Number of female new hires in current year/Number of active female employees at end of year

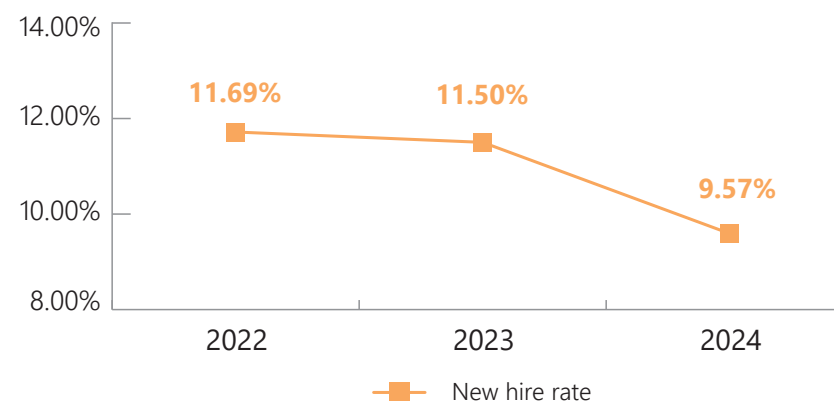
New Employees



Employee Turnover



New hire rate in last 3 years



Number of employees and turnover rate in the last 4 years, turnover rate excluding retirement and resignation rate

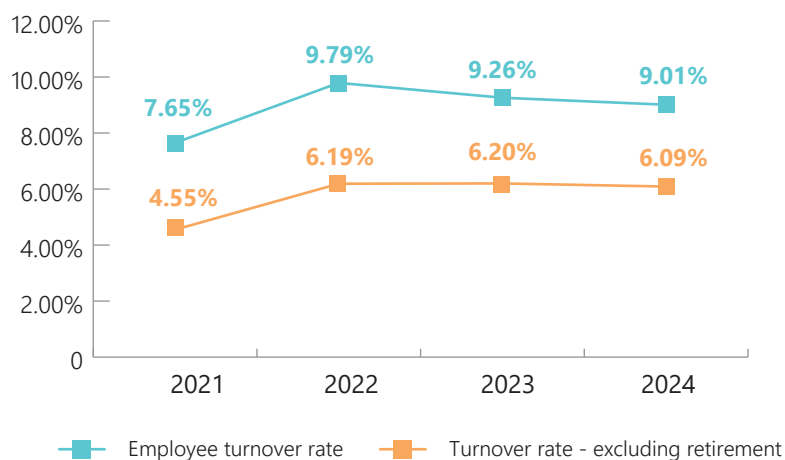
Year	2021			2022			2023			2024		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of terminations	188	219	407	235	296	531	223	291	514	222	281	503
Number of active employees at end of year	2,425	2,896	5,321	2,430	2,994	5,424	2,440	3,108	5,548	2,430	3,150	5,580
Employee turnover rate ⁷¹	7.75%	7.56%	7.65%	9.67%	9.89%	9.79%	9.14%	9.36%	9.26%	9.14%	8.92%	9.01%
Turnover rate - excluding retirement ⁷²		4.55%			6.19%			6.20%			6.09%	
Resignation rate ⁷³		7.44%			9.57%			9.01%			8.80%	

⁷¹ Employee turnover rate = Number of terminations in current year/Number of active employees at end of year; Male turnover rate = Number of male terminations in current year/Number of active male employees at end of year; Female turnover rate = Number of female terminations in current year/Number of active female employees at the end of year.

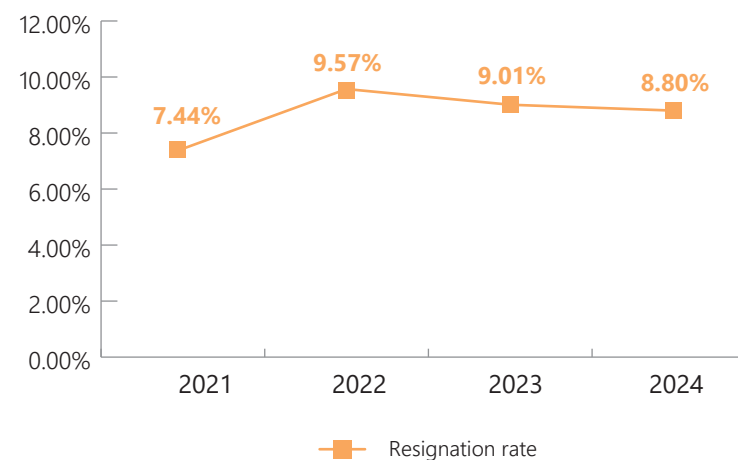
⁷² Turnover rate - excluding retirement = Number of terminations excluding retirement in current year/Number of active employees at the end of year.

⁷³ Resignation rate = Number of voluntary termination in current year (including retirement, early retirement and resignation)/Number of active employees at the end of year.

Turnover rate and turnover rate excluding retirement in the last 4 years



Resignation rate in the last 4 years



6.1.4 The Bank's Remuneration Policy

In response to changes in government laws and regulations and the needs of TBB's business operations, the Bank adjusts and revises relevant regulations in a timely and appropriate manner to meet the needs of TBB employees. TBB has established minimum salary standards (basic salary), and the salary of employees is paid in accordance with "Taiwan Business Bank Employee Salary Payment Guidelines". Personnel of the same grade and the same rank are paid the same salary, and there is no difference due to gender.

In order to attract and retain outstanding financial talents, and to share with employees the operational results of the Bank, the Bank has stipulated in the Article of Association of the Bank that, shall there be profits of the year and except for retaining the remuneration amount for losses from previous years, the Bank shall allocate 1% to 6% as employee's remuneration. For the year of 2024, the remuneration paid to employees was NT\$901,323 thousand.

In addition, in order to promote the sustainable development of the Bank, the Bank has established the "Directions for Salary Payment to Employees," "Directions for Payment of New Year, Festival, and Performance Bonuses," and "Directions for Payment of Remuneration to Employees" as part of its remuneration policy. By integrating the performance of individuals, units, and the entire Bank, and after making an evaluation based on the Bank's "Directions for Employee Audit", "Directions for Performance Audit," and "Directions for Administrative Incentives for Performance Audit," the Bank provides a reasonable and competitive remuneration system, which includes bonuses linked to the Bank's financial performance indicators, such as pre-tax net profit achievement rate, return on assets, return on equity, NPL ratio, and coverage ratio, as well as individual performance evaluation results. In addition, the Bank uses the employee year-end performance evaluation results as a criteria for salary increase.

Those who have obtained relevant certificates (financial technology knowledge test, corporate governance basic competency test, occupational safety and health qualifications, low carbon/community planners in various counties and cities, Sustainable Finance Certificate, etc.) will be given bonus points for promotion or included in the qualifications for promotion so as to encourage employees to pass the tests. The Bank also promoted the "Financial Technology (Digital) Knowledge Test" program and set assessment and challenge goals to popularize digital finance.

In addition to the above directions, the remuneration policy for managers also refers to the general standard within the industry, and the Bank proposes the remuneration arrangements for managers and related performance evaluation every year at the Remuneration Committee meetings, and reports to the Board of Directors for review.

■ Ratios of standard entry level wage at important business premises⁷⁴ compared to local minimum wage

	Entry-level personnel ranked between Grade 5 and 7
Starting salary for entry-level personnel ⁷⁵	Between NT\$38,800 and NT\$55,300
Statutory minimum salary ⁷⁶	NT\$27,470
Ratio	Between 141.24% and 201.31%

⁷⁴ "Important business premises" refer to units of TBB including the head office and the branches.

⁷⁵ There is no gender-based differences in the starting salary for entry-level personnel of TBB.

⁷⁶ NT\$27,470 at December 31, 2024.

■ Ratio of employee salary by gender at important business premises⁷⁷

Type	Gender	Number of people	Percentage of average salary per person ⁷⁸
Ranked Grade 10 or above ⁷⁹ (including Specialists, Managers, Deputy General Managers, General Managers, etc.)	Male	831	49.76%
	Female	735	50.24%
Ranked Grade 9 or below ⁸⁰ (including Assistant Officers, Banking Officers, Senior Clerks, Clerks, Stationed Guards, etc.)	Male	1,599	51.67%
	Female	2,415	48.33%

■ Number of full-time non-managerial employees and their average and median salaries

Item	2023	2024	Growth rate
Number of non-managerial full-time employees (persons)	5,133	5,225	1.79%
Average salary of non-managerial full-time employees (NT\$1,000)	1,279	1,393	8.91%
Median salary of non-managerial full-time employees (NT\$1,000)	1,132	1,238	9.36%

TBB follows a universal pay system. Employee salaries are determined according to the "Taiwan Business Bank Employee Salary Payment Guidelines". Salaries are reviewed annually to ensure equal pay for employees with the same job grade, which does not differ by gender.

■ Equal Pay analysis

Item	Average gender ratio (100% for female)	
Senior Management ⁸¹	Salary ⁸²	100 : 98.47
	Salary and bonuses ⁸³	100 : 99.13
Management ⁸⁴	Salary	100 : 96.75
	Salary and bonuses	100 : 97.07
Non-management	Salary	100 : 106.44
	Salary and bonuses	100 : 107.68

⁷⁷ "Important business premises" refer to units of TBB including the head office and the branches.

⁷⁸ Example: 49.76% of "average salary per person for male" for employees ranked grade 10 and above = [average salary for male / (average salary for male + average salary for female)] for that grade category

⁷⁹ Ranked Grade 10 or above Gender salary ratio - Female: Male = 1: 0.99

⁸⁰ Ranked Grade 9 or below Gender salary ratio - Female: Male = 1:1.07

⁸¹ Definition of Senior Management: Based on the definition of "manager" as stipulated in the Tai-Cai-Zheng-San Letter No. 920001301 on March 27, 2003, including managers of overseas branches.

⁸² Definition of Salary: Refers to the monthly basic salary and position allowance.

⁸³ Definition of Bonus: Refers to annual bonus, performance bonus and employee remuneration, calculated on a cash basis.

⁸⁴ Definition of Management Level: Refers to managers other than senior management.

Gender pay gap

Item	Gender pay gap 2024 (%)
Mean gender pay gap ⁸⁵	7.67%
Median gender pay gap ⁸⁶	14.09%
Mean bonus gap ⁸⁷	10.73%
Median bonus gap ⁸⁸	14.68%

6.1.5 Performance Evaluation

For better business performance and effective management by objectives, the Bank has established the "Directions for Performance Audit" for reviewing regularly each department's performance in various aspects. At the end of every year, the departments' rankings by performance provide the basis for distribution of performance bonuses and rewards for employees (including managers) and determination of employee bonus levels and numbers of recipients, rewards and penalties, and management rotation. Furthermore, managers on all levels use employee evaluation and guidance systems to measure employees' work attitude, performance, and progress on annual targets as a whole to complete annual performance evaluation. Evaluation results provide a basis for employee bonuses and promotion in order to ensure the employees' and the Bank's objectives stay aligned.

Evaluation mechanism	Description	Frequency
Management by objectives	To improve operational performance and business development momentum, each unit sets KPIs for its employees based on overall business objectives. The manager shall convene a meeting of all employees to discuss and record the conclusions in the meeting minutes that served as the basis for setting the KPI assessment items and performance calculation standards. TBB and its subsidiaries measure employees' work attitude, performance, and progress on annual targets as a whole at the end of every year.	Once a year
Team-based performance appraisal	The Bank has established the "Directions for Performance Audit" for reviewing regularly the business performance of the entire bank. At the end of every year, the departments' rankings by performance provide the basis for distribution of performance bonuses and rewards for employees (including managers) and determination of employee bonus levels and numbers of recipients, rewards and penalties, and management rotation.	Once a year
Multidimensional performance appraisal	In order to promote employee interaction, enhance teamwork, and shape the organizational collaborative culture, the Bank evaluates the entire staff from 360 degrees in order to achieve a more fair and just evaluation result. In addition to the evaluation by direct managers, the unit will also assign 1 to 2 employees to score the colleagues' usual workplace behavior, which will be included in the important reference items of the evaluation. In addition, messages left by customers on the Bank's official website, or various forms of praise and suggestions for the Bank's employees, will also be used as important reference indicators for employee performance evaluation. The Bank comprehensively measures the employees' work performance, attendance, workplace performance, personal ethics and fair customer treatment in the current year. The evaluation results will also affect salary adjustments, bonuses and future promotions.	Once a year

Evaluation mechanism	Description	Frequency
Agile conversations	Each business unit may customize short-term scoring incentives or new business assessment items in accordance with head office policies, mid-term business needs (such as monthly/quarterly), or on an ad hoc basis (project scheduling), and business unit managers shall flexibly determine assessment items based on business needs. Department managers follow the "Guidelines for Routine Evaluation of Employees" and perform evaluation by 6 categories, work, ethics, attendance, knowledge, skills, and stamina. For employees who deliver unsatisfactory results or are unsuitable for their positions, the managers may initiate a support program and keep an open dialog to require improvement.	Continue according to the frequency of mechanism in the left column.

6.1.6 Employee Welfare

TBB complied with the laws and regulations and insured for the Labor Insurance, National Health Insurance, and provision of retirement pension for its employees. It also organizes health inspections for employees regularly, provides discounted group medical insurance and casualty insurance, and allows employees with children under 3 years old to apply for reducing their working hours by 1 hour per day or to adjust their working hours. In addition, to protect employees' lives and in accordance with department attributes and job requirements, 5 types of flexible working hours are planned to help employees achieve work-life balance, or avoid peak traffic hours to reduce commuting time, so as to protect the lives of our employees, enabling employees to exert their talents at work worry-free.

Benefits

Breastfeeding rooms, parking lots, employee housing, employee cafeterias, health services, recreational centers and flexible working hours.

Healthcare

Publicly funded vaccination, employee physical examination, on-site contracted physician consultation services and follow-up care by nurses, employee psychological counseling services, etc.



Peace of mind

Labor insurance, national health insurance, group insurance for employees, accidental and health group insurance for employees and dependents, pension plan, and employee stock ownership trust.

Family care

child care benefits, education scholarships for the children of employees, and illness relief for staff and their spouses and children.

⁸⁵ Mean gender pay gap = (Average hourly wage for men - Average hourly wage for women)/Average hourly wage for women * 100%

⁸⁶ Median gender pay gap = (Median hourly wage for men - Median hourly wage for women)/Median hourly wage for women * 100%

⁸⁷ Mean bonus gap = (Average bonus for men - Average bonus for women)/Average bonus for women * 100%

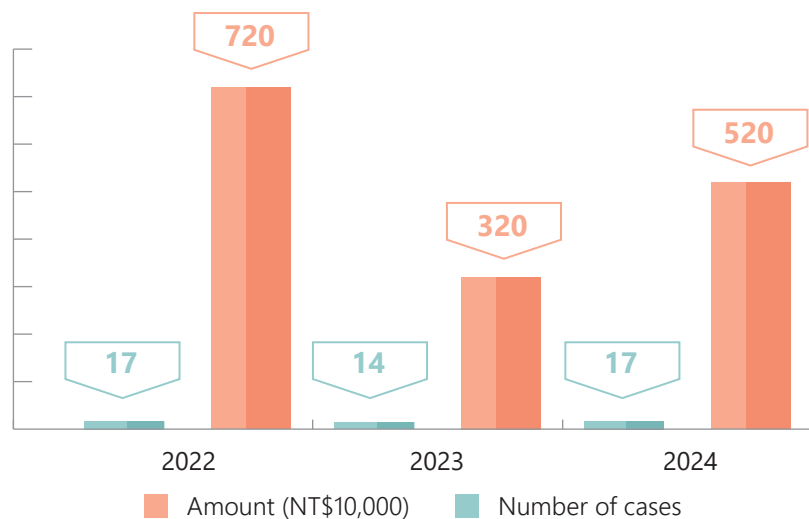
⁸⁸ Median bonus gap = (Median bonus for men - Median bonus for women)/Median bonus for women * 100%

The employees of the Bank enjoy comprehensive welfare measures so that employees can enjoy all aspects of welfare measures after work. We seek to create an excellent work environment and improve work efficiency. The Bank's employee welfare measures are listed as follows:

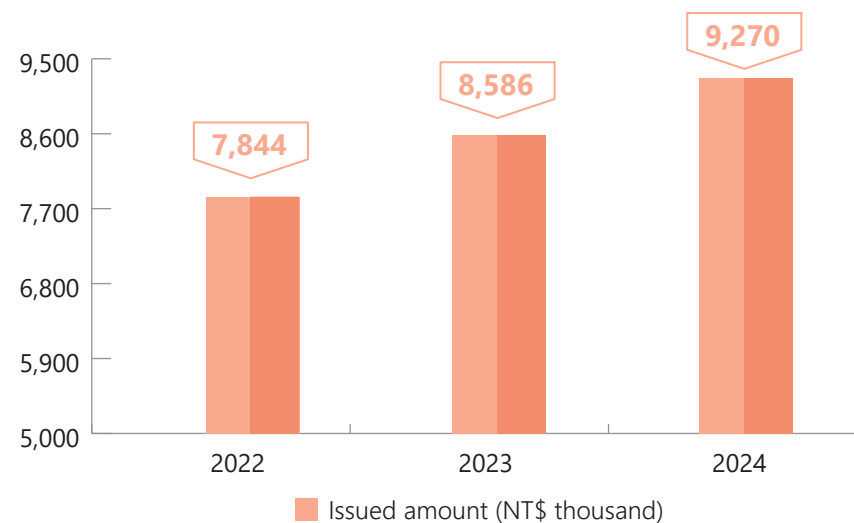
Peace of mind

Welfare Measures	Description	Implementation Results in 2024		
A. Employee Insurance	a. Group insurance: The Bank's Employee Welfare Committee takes out a one-year group life insurance policy for all employees, the cost of which will be fully covered by the welfare fund of the Employee Welfare Committee. In case of on-the-job casualty, the insurance claim will be NT\$1,000,000; in case of critical illness, a partial payment of NT\$100,000 will be paid first.	Claims for regular group life insurance for employees		
	b. Group accident and hospitalization insurance: TBB is currently covered by Cathay Life Insurance Company at preferential rates for the Bank's employees and their dependents. In addition to the employees themselves, their parents, spouses and children can be insured. Inpatient medical coverage is available in either daily or pay-as-you-go type.	Application Period	Number of claimed cases	Claimed amount
	c. Accident on duty insurance: We insure all of our employees with an accident on duty insurance coverage of NT\$3 million. For those who are injured or die in the line of duty, they can apply for compensation from the insurance company.	Sep. 2023 to Aug. 2024	17 cases	NT\$5,200,000
B. Consolation payments for the three major festivals	TBB provides consolation payments for the three major festivals to retirees, employees voluntarily retired at the age of 60 or above, and family of deceased employees.	A total of NT\$9,270 thousand was issued to the retired employees and family of deceased employees as the consolation payment for the three major festivals in 2024.		

Insurance payouts in the last 3 years



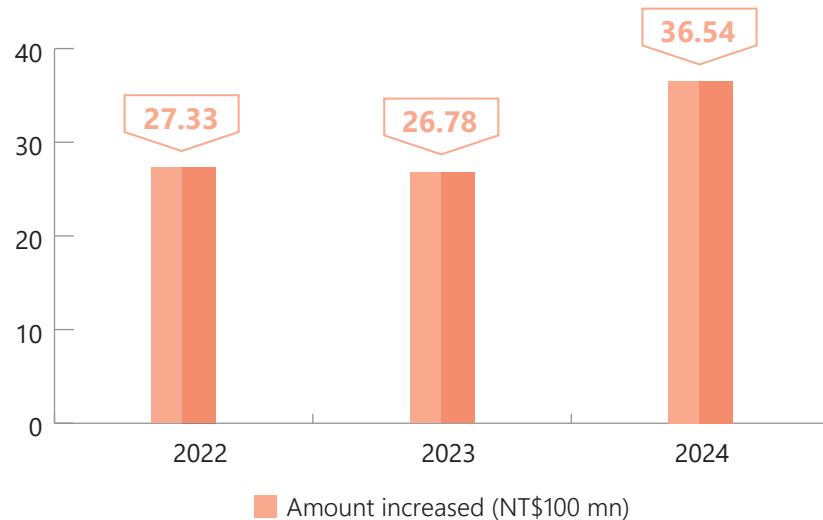
Consolation payment issued in the last 3 years



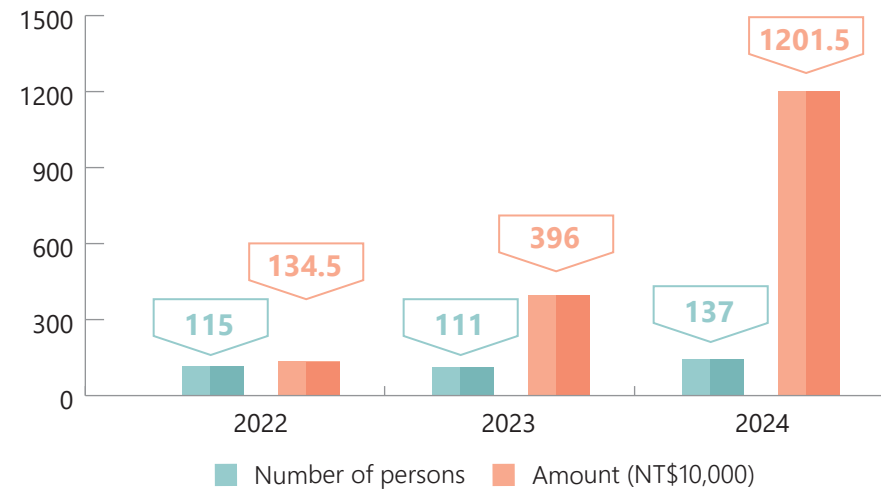
Family Care

Welfare Measures	Description	Implementation Results in 2024
A. Preferential deposit and loan rates for employees	a. Preferential deposit rates for employees: All employees (excluding securities employees) are entitled to preferential deposit rates. b. Preferential interest rates for employees' loans: All employees are entitled to preferential interest rates for housing/consumer loans.	A loan amount of NT\$3.654 billion for employees was newly added in 2024.
B. Childbirth subsidies for employees	The Employee Welfare Committee has provided childbirth subsidies. Starting from 2018, each child was subsidized with NT\$5,000. In addition, starting from May 1, 2024, the Bank has increased the childbirth subsidies for employees as follows: NT\$95,000 for the first child, NT\$145,000 for the second child, and NT\$245,000 for the third child and above.	The Employee Welfare Committee and the Bank provided childbirth subsidies to 115 persons, totaling NT\$1.345 million in 2022; provided childbirth subsidies to 111 persons, totaling NT\$3.96 million in 2023; provided childbirth subsidies to 137 persons, totaling NT\$12.015 million in 2024.
C. Welfare for child care	Contracted with several kindergartens to provide preferential childcare services to our employees, and set up a breastfeeding room at our Head Office to create a friendly workplace environment.	Signed special contracts with 4 kindergartens to provide child care benefits such as registration fees and educational materials for our employees in 2024.
D. Employee Welfare Committee	0.5% of the employee's monthly salary is deducted from the welfare fund, and 0.15% of the operating income is allocated to the Employee Welfare Committee to coordinate the use of the employee's welfare. a. Scholarships for the children of employees. b. Sickness relief for employees, as well as their spouses and children. c. Insured a year of regular group life insurance. d. Issued on-the-job welfare funds for the three major festivals every year.	a. The Bank provided scholarships for a total of NT\$259,000. b. A bonuse of NT\$16,000 per active employees was provided for three important Chinese holidays. c. Regular one-year term group life insurance was provided to 5,482 persons on September 1, 2024.

New mortgage loans to employees in the last 3 years

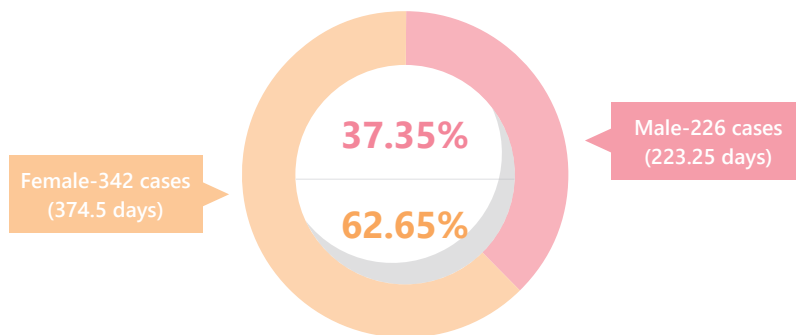


Childbirth subsidies in the last 3 years



Welfare Measures	Description	Implementation Results in 2024
E. Vacation regulations superior than the law	a. The guidelines of leaves for employees are clearly defined. All leaves of absence are revised in accordance with changes in the law. b. Paid maternity and parental leave (for primary caregivers): TBB provides 58 days of paid maternity leave (approximately 8 weeks and 2 days), and 26 weeks of parental leave at 80% of the insured salary over 6 months, for a total of 34 weeks and 2 days of parental leave, which is superior to the statutory paid maternity leave. c. Paid prenatal care and parental leave (for non-primary caregivers): TBB provides 8 business days of paid prenatal care and parental leave (approximately 2 weeks), and 26 weeks of parental leave at 80% of the insured salary over 6 months, for a total of approximately 28 weeks of parental leave, which is superior to the statutory paid maternity leave. d. Ordinary sick leave, bereavement leave, physiological leave, short-term pregnancy (less than three months) maternity leave, paid family care leave⁸⁹, and maternity leave are superior to government regulations.	a. TBB approved 568 family care leaves in 2024 with a total of 597.75 days. Among them, there are 342 cases totalling 374.5 days for female employees, and 226 cases totalling 223.25 days for male employees. According to the gender ratio of approved days, 62.65% are female and 37.35% are male. b. Employees who registered their marriage on or after September 3, 2024 may apply for extension of the marriage leave deadline.

Family care leave



Number of Employees Reinstated from Unpaid Parental Leave and Retention Rate in 2024

	Male	Female	Total
a. Total number of employees eligible for parental leave ⁹⁰	149	247	396
b. Total number of employees on parental leave	16	132	148
c. Number of employees reinstated from unpaid parental leave in 2024	11	62	73
d. Number of employees that should be reinstated from unpaid parental leave in 2024	12	68	80
e. Number of employees reinstated from unpaid parental leave in 2023	11	52	63
f. Number of employees who have worked for one year after reinstatement from unpaid parental leave in 2023	10	48	58
Rate of reinstatement after parental leave = c/d	91.67%	91.18%	91.25%
Retention rate after parental leave = f/e	90.91%	92.31%	92.06%

⁸⁹ Paid family care leave: Employees may take such leave to personally care for a family member due to vaccinations, serious illnesses, or other major accidents.

⁹⁰ The total number of employees eligible for parental leave is the number of employees with a child aged 3 or below (born after December 31, 2021) as of December 31, 2024.

Health Care

	Description	Implementation Results in 2024
Physical examination	a. Physical examination provided to employees is better than the law. Managers have one day of official leave per year to visit hospitals cooperating with TBB for physical examination subsidized by the Bank. Other employees regardless of age receive free health checkup every 2 years. Family members of employees can also participate in physical examination at their own costs. b. Health consultations with visiting physicians. c. Health education, health guidance, health consultation and emergency treatment provided by labor health service nurses. d. Government-funded influenza vaccinations.	a. Physical examination was provided to a total of 4,834 employees, and provided once a year to a total of 132 managers. Irregularities found in these exams were managed and followed up with health advice and physical or mental care. b. A total of 405 consultations were made by visiting physicians and 41 follow-ups by nurses. c. Assistance was provided 3,663 times to employees in health consultation and education, body temperature monitoring, and blood pressure and other injury/illness management. d. A total of 137 employees at the head office and the Chongqing South Road building were vaccinated.

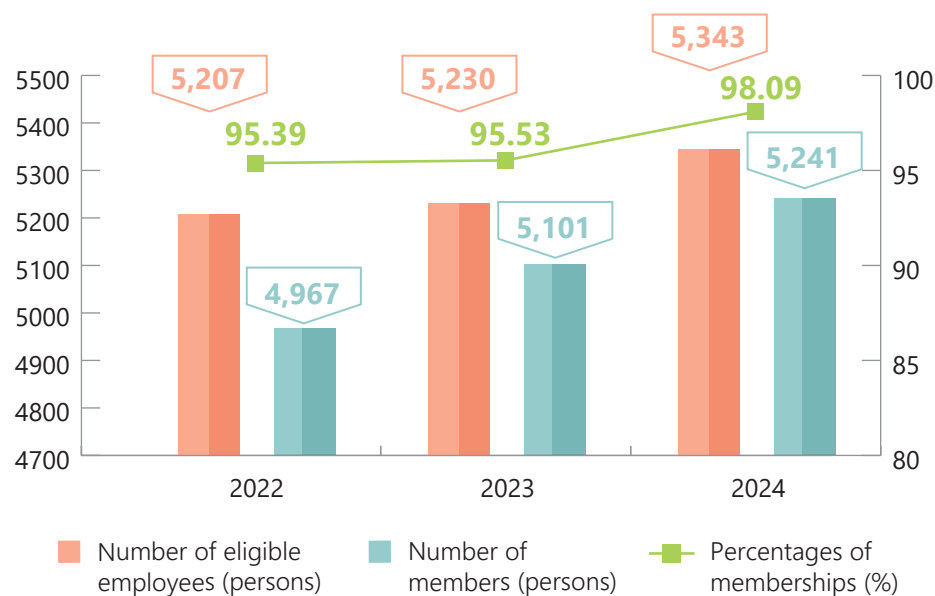
Welfare facilities

	Description	Implementation Results in 2024
A. Cafeteria for employees	Provide affordable lunch meals with good value for employees to enjoy.	The cafeteria for employees at the Head Office was served by a caterer to provide lunch at a special price and serve seasonal meals during major festivals.
B. Non-smoking workplace	The non-smoking signs are posted at the entrances of all business locations (including ATM entrances) to promote the concept of smoking cessation and to provide a smoke-free workplace environment for employees.	Continued the implementation.

Long term incentives

	Description	Implementation Results in 2024			
		Year	2022	2023	2024
Employee Stock Ownership Trust Program	Starting from 2019, the Bank has inaugurated the "Employee Stock Ownership Trust" program, which provides formal employees with the option to participate in the stock ownership trust program according to their personal preference, and the Bank provides fixed bonuses every month to allow employees to share the benefits of the Bank's business growth or even stock price increase through long-term stock ownership, so as to strengthen team building and increase the employee retention rate.	Number of people with membership qualification (persons)	5,207	5,230	5,343
		Number of members (persons)	4,967	5,101	5,241
		Percentages of memberships (%)	95.39	95.53	98.09

Employee Stock Ownership Trust Program in the last 3 years



6.1.7 Retirement Life Assurance

Retirement System

With regard to the sources of expenditures of retirement benefits, TBB processes the retirement of employees in accordance with the "Employee Retirement, Compensation and Severance Guidelines" and the "Collective Bargaining Agreement" signed between TBB and the Union. Employees' retirement is processed in accordance with the Guidelines. In addition, in order to activate human resources, a regular preferential retirement project is implemented, and additional retirement incentives are issued to applicable employees. Retirement matters related to employees are handled in accordance with the Labor Standards Law and other relevant regulations. To pay for the pension of employees eligible for the old labor insurance retirement system, TBB allocates a certain percentage of the employees' salary each month to the labor pension reserve which is deposited in a dedicated account in a financial institution designated by the government. The fund is kept and used by the competent authority.

TBB established the Labor Retirement Reserve Supervision Committee to supervise the use and allocation of the retirement reserve. For employees eligible for the new labor insurance system, TBB allocates the due pension based on the allocation rate each month and deposits the amount in the dedicated personal pension account at the Bureau of Labor Insurance. In addition, employees that meet related conditions are eligible for retirement benefits including favorable deposit interest rate for employees, favorable deposit interest rate for up to NT\$6 million based on the years of service, and consolation payments for three festivals. TBB provides consolation payments for three festivals to retirees, employees voluntary retired at the age of 60 or above, and family of deceased employees every year. In 2024, the consolation payments totalled NT\$9,270,000, continuing to care for retired employees.

Implementation of Pension Allocation

For employees eligible for the new labor insurance system, TBB allocates the due pension based on the allocation rate (6%) each month and deposits the amount in the dedicated personal pension account at the Bureau of Labor Insurance. To pay for the pension of employees eligible for the old labor insurance retirement system, TBB allocates a certain percentage (6.57% in 2024) of the employees' salary each month in accordance with the Labor Standards Law to the labor pension reserve which is deposited in a dedicated account in a financial institution designated by the government. According to the actuarial evaluation report on the employee pension benefit plan for 2024 submitted by the Mercer (Taiwan) Ltd., the defined benefit cost recognized in profit or loss was NT\$148,233,000 in 2024. As of the end of 2024, the balance of the labor retirement reserve account was NT\$4,794,956,207.

TBB has lent part of its branch space to the Bank's Retired Employees Association free of charge, and has donated NT\$500,000 of activity funds each year since 2018 to continue the retired employees' sense of belonging to the Bank, and enhance the friendship of mutual care among retired employees.

6.2 Talent Cultivation And Development

Talents are the core assets of corporates. Education and training are closely associated to changes in the external environment, corporate growth and employee career development. As the current financial service industry offers a diverse range of products, we encourage employees to obtain wealth management specialist licenses and train professional talents while maintaining business development of the entire bank. We therefore included the wealth management license as a requirement for promotions and instituted bonus points for professional licenses.

TBB spares no effort in talent cultivation and emphasizes the importance of people's knowledge, skills and experience. We encourage employees to participate in various education and training courses inside and outside the Bank to increase their business skills and improve work efficiency. We also cultivate a diverse range of talents in various positions to bridge gaps caused by the resignation or retirement of staff members. We use unit and job rotations to increase employees' professional skills and business promotion capacity. Employees can also learn professional knowledge and experience through work which help them develop problem-solving skills and experience. They can continue to learn new knowledge and improve personal value and share and pass on knowledge, experience, and training. These measures help us create a culture of learning in the organization, accumulate intellectual property, and attain sustainable development, efficiency, and responsibility of the Bank.

TBB aims to cultivate outstanding talents and appropriates high amounts of training expenses each year to provide a comprehensive training system. The scope of professional training includes core competencies, management functions, professional functions, new recruit training, lecturer training, international talent training, and self-growth training. To encourage employees to build networks and learn beyond their daily work, the Bank offers learning points for self-study during non-working hours (counted toward promotion) and subsidies for improving foreign language skills, helping employees broaden their social networks and adopt diverse learning approaches.



6.2.1 Employee Training Programs

TBB formulates the annual "Employee Training Program" each year to improve the service quality and professional quality of employees, reduce operational risks, cultivate excellent management personnel, and improve the business performance of TBB. We plan and implement various training courses based on different positions and qualifications of employees. A test was arranged before the end of the training course to evaluate the learning effectiveness of the staff and to improve their learning attitude and professional ability, so as to achieve the effect of unity of training and application. In 2024, TBB tracked all basic business courses based on implementation and the average implementation rate⁹¹ was 97.76%.

In order to familiarize the branch staff with the relevant laws and regulations before the rotation of duties, to smoothly transfer their duties and to enhance the legal compliance culture of the Bank, the General Managers (Managers) and employees of each branch should pass the test of their new duties within 2 months before the change of duties in major categories.

TBB provides incentives for learning and provide measures including points for promotion to encourage employees to study by themselves and increase professional skills and self-worth. In addition to paying attention to for participants' after-class questionnaire opinions and learning results and regularly tracking participants Job status, the Bank implements management of training of all employees to ensure that the training is put to good use.

6.2.2 Categories of Employee Training

Internal training

- ◆ Pre-employment training: TBB provides general training for new recruits such as the overview, common rules, work rules, and management rules of TBB. The Bank also provides practical or internship courses for professional skills required for newly-transferred employees.
- ◆ On-the-job training: TBB implements on-the-job training on business and professional knowledge of current employees. Measures include rotations, seed employees, mentorship (assigning senior personnel who are familiar with the business to provide individual guidance to new employees or those who have changed positions), or training at the Taiwan Business Bank Training Center to help trainees use professional capabilities quickly to improve training efficiency.

External training

- ◆ External training: TBB selects relevant personnel to participate in various professional training courses provided by external institutions based on business requirements to facilitate business development and cultivate specialized talents. The courses include financial product trading, foreign exchange, corporate credit investigation and extension, wealth management, risk management, digital finance, accounting, deposit and foreign exchange, auditing, compliance, and payment collection in accordance with laws. The courses are designed to increase employees' professional knowledge.
- ◆ Outsourcing centralized training: TBB hires external lecturers to provide courses on trust businesses, on-the-job seminars for management personnel, qualification training for personnel responsible for derivative financial products, etc. to strengthen functions and meet regulatory requirements.

Management training

- ◆ TBB plans different training courses for managers of different levels.
- ◆ We focus on the professional knowledge and enhancement of business promotion capabilities for entry-level managers and management associates. Examples include the business management courses for various managers.
- ◆ We focus on leadership and communication and coordination for mid-level to senior managers. Examples include seminars on how banking managers retain outstanding leadership management and marketing skills.
- ◆ We focus on building the planning and strategic development capabilities of head office units. Examples include the training program for senior financial executives. We use training to achieve continuous improvement and lead all employees towards attaining the organizational goals of the Bank.

Overseas talent training

- ◆ TBB interviews and selects employees willing to work overseas to establish an overseas management associates database.
- ◆ TBB arranges management associates to participate in the "International Financial Talents Training Course" to cultivate the basic concepts of overseas business, and arranges "Overseas Talents Advanced Training Course" that lasts for about one year and is conducted once a month. In addition to inviting overseas branch managers to give practical lectures such as local regulations and business promotion, the Bank also invites external instructors to offer courses on international etiquette, cross-cultural communication, and business English writing, shaping a corporate culture of mutual understanding and respect across different cultures, so that students have sufficient time to absorb relevant knowledge, and facilitate their immediate combat capabilities in overseas.

E-Learning

- ◆ The Bank set up the "Pandemic Relief Measures Zone", "Well-rounded Supply Station", and "Important Announcement Zone" on the e-learning website to allow employees to access relevant rules and regulations regarding pandemic relief, industry trends, international political and economic situations, and important announcements.
- ◆ The "Taiwan Business Bank E-Learning Website" has provided 2,230 courses so far, including administration, operation management, risk management, corporate finance, personal finance, financial strategies, and English courses. The Bank shall add various professional courses in the future in response to new businesses, new systems, and new products to help employees study online in their spare time.

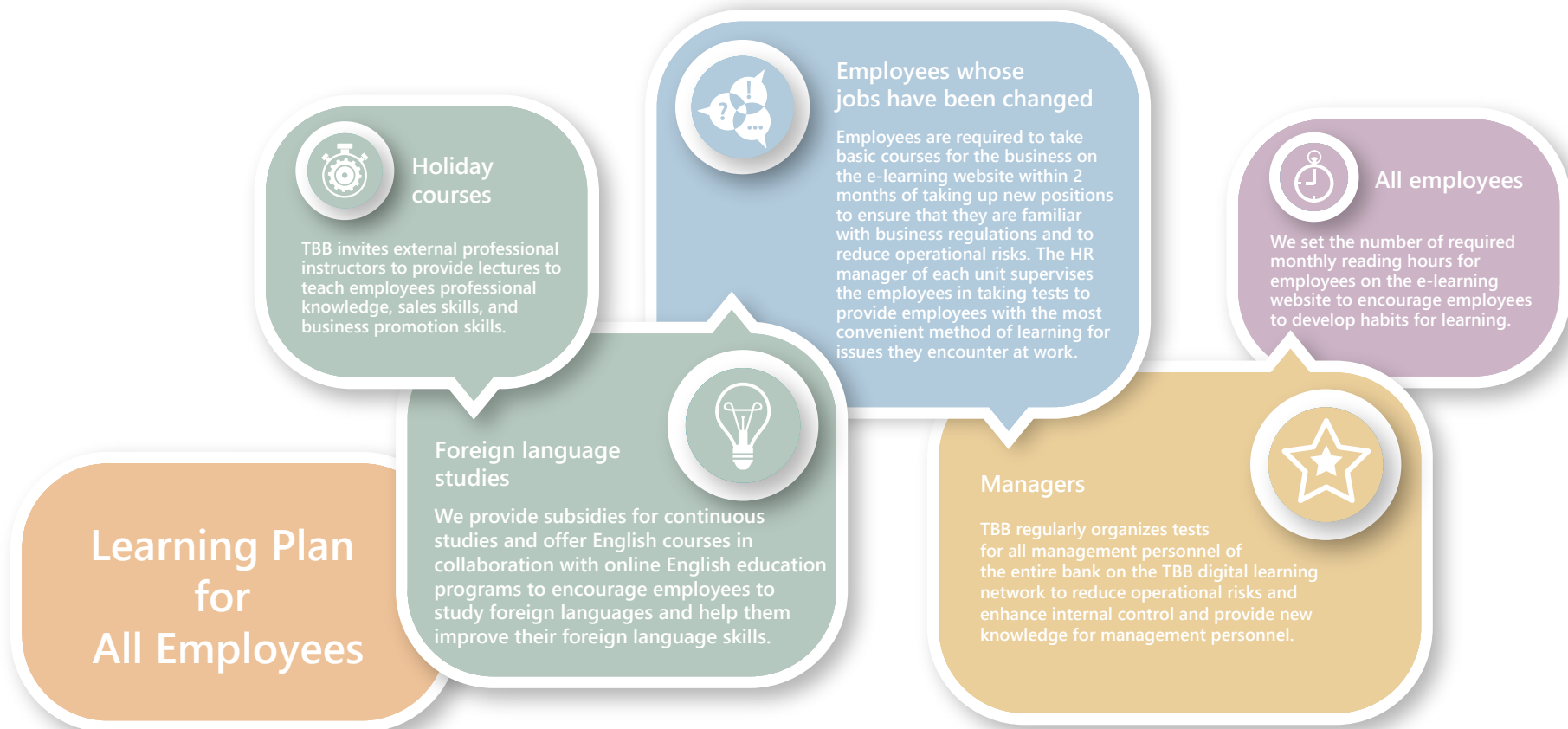
Advanced education

- ◆ TBB invites external experts, scholars, or outstanding executives from the same industry to deliver keynote speeches or engage in diverse study groups to help clerks to access new knowledge in various aspects so as to keep abreast of the latest financial trends and development trends while enhancing knowledge and skills effectively.
- ◆ TBB arranges holiday training sessions, including international financial trends, mortgage and life insurance sales, insurance taxation and inheritance, business (including foreign exchange business) development skills, overseas bond market investment opportunities, insurance target customer development, corporate supply chain carbon risks, trust business development trends and other professional financial courses, in order to strengthen the practical expertise of all employees, and cultivate potential customers for increasing customer trust and stickiness.
- ◆ TBB encourages employees to use non-working hours for self-study, sets the training hours on holidays or spare time for employees to obtain training records, and converts them into learning points which are included into points necessary for promotions.
- ◆ TBB encourages employees to improve their foreign language skills during their free time and established related subsidies for studying foreign languages including measures for including foreign language test scores as bonus points for promotions.

⁹¹ The formula for calculating the unity of training and application courses for each rotation = the number of trainees taking up or acting on behalf for that position at the time of training or within six months after the completion of training/the total number of trainees who completed the training in that rotation*100%.

6.2.3 Learning Plan for All Employees

To strengthen TBB employees' long-term employment skills and help them manage their career after retirement for lifelong learning, in addition to the basic training for employees, TBB also implements the "Learning Plan for All Employees". The training and expenses of all employees (including contractual interns from industry-academia collaboration programs) are planned and fully subsidized by the Bank to assist employees in their transformation and preparing for future retirement or resignation, so that they will still have relevant professional competencies to continue employment or change jobs. To ensure employees are familiar with relevant businesses and regulations before job transfers, employees at business units are required to complete a competency test for their new role two months prior to major job changes. In 2024, a total of 469 classes were offered (including 36 basic business classes, 386 business seminars (advanced), 18 management classes, and 29 seminars/information sessions), and a total of 43,730 person-times completed the training, averaging 7.8 times per employee per year. The annual total cost of employee training was NT\$32,272,000, averaging NT\$5,784 per person.



Employee training hours

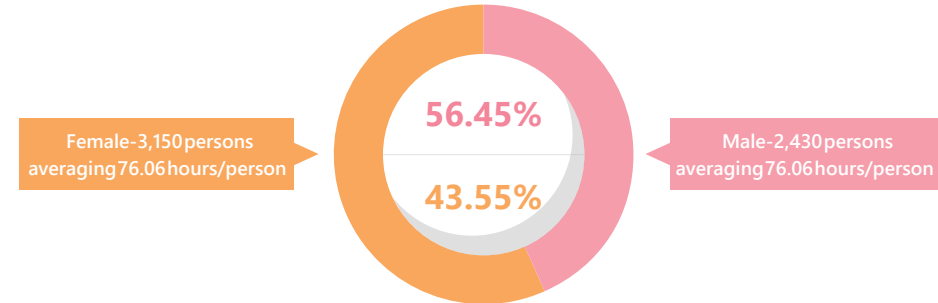
Calculated based on overall training statistics of TBB in 2024:

Statistics by gender	Male	Female
Number of hours	184,835	239,584
Percentage (%)	43.55%	56.45%
Number of employees (persons)	2,430	3,150
Average hours of training per employee (hours)	76.06	76.06

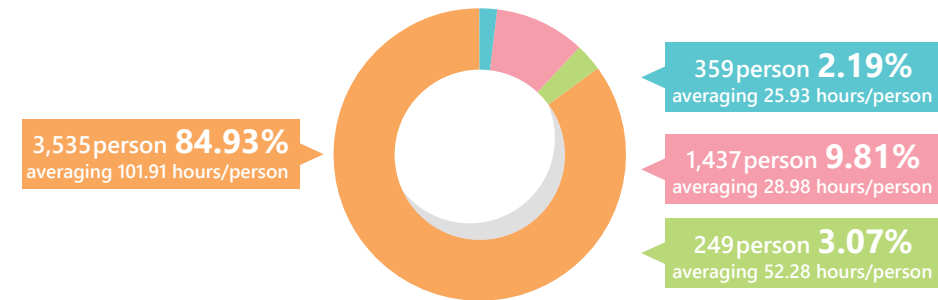
Statistics by nature of work	Foreign exchange	Credit investigation and loan	Wealth management	Others
Number of hours	9,310.0	41,638.0	13,018.0	360,453.2
Percentage (%)	2.19%	9.81%	3.07%	84.93%
Total number of persons in this job category at the end of year	359	1,437	249	3,535
Average hours of training per employee (hours)	25.93	28.98	52.28	101.97

The Bank invited Yan-Shuo Lin, Chief Technology Officer of Lead International Management Consultants Co., Ltd., to record a 3-hour digital course on the topic of "Looking at Green Finance 3.0 from the Perspective of Enterprises' Ability to Deal with Climate Risks ~ Discussing from COP28" in the 2024 weekend training sessions, which were placed on the e-learning platform for employees to learn online. A total of 7 classes were conducted, and a total of 5,419 persons completed the course.

Employee training hours - by gender



Employee training hours - by nature of work



6.2.4 Objectives and Plans for Talent Development



Include human resources plans in overall sustainable development strategies

A. For internal sustainability promotion policies, implement talent development programs and provide regular training for directors, supervisors, senior management, and employees

To enhance the entire bank's understanding of sustainable financial development, since 2021, TBB has conducted relevant courses during employee weekend training sessions. These included "Key Issues in Offshore Wind Power Industry in Taiwan" in 2021, "Green Industry and Green Financing" in 2022, "Corporate Supply Chain Carbon Risk and Case Studies" in 2023, and in 2024, we continue with the training course of "Looking at Green Finance 3.0 from the perspective of enterprises' ability to deal with climate risks ~ Discussing from COP28" and expand the training targets to include all bank employees. This aims to deepen the foundation of employees' understanding of sustainable financial development. As of December 31, 2024, 5,419 people have completed the training, with each person receiving 3 hours of training, so as to support future business operations while addressing the impacts of climate change. Additionally, relevant departments also assign personnel to attend professional training courses held by external training institutions as per business needs. In 2024, a total of 73 participants attended external training, accumulating 451.5 training hours (including 12 directors and senior managers with a total of 36.5 training hours in 2024). In addition, to enhance the knowledge of employees in the field of sustainable finance, the Bank has included the Sustainable Finance Certificate in the employee promotion certificate bonus items, and to encourage employees to obtain the Sustainable Finance Certificate as soon as possible, those who pass the exam within a specific period will be given additional promotion points. As of the end of 2024, a total of 411 people have obtained the Sustainable Finance Certificate (Basic skill: 408 people, Advanced skill: 3 people).

B. Implement sustainability transition programs for employees, and allocate dividends or budgets to fund employee transition programs

To increase its employees' knowledge in digital banking, the Bank teamed up with Fin & Tech in 2024 to launch a training course, the "Sustainable Future Finance X Digital Innovation Design Capability". The course focused on the financial application of AI, process experience from the customer's perspective, the structure of innovative product models, competitive-edge business strategies, and the development of innovative products. The score for the feasibility of proposals has been increased to facilitate the development of innovative and feasible solutions. A total of 30 people completed the course and 6 proposals for digital banking innovations were made to facilitate decision making for the relevant departments in the future. In addition, the Bank conducts online assessments twice a year, in the first and second half. The content of the Digital Banking Navigator Monthly has been included in the assessment scope for the second half of each year.

All expenses above were included in the NT\$28,597,000 of "Commissioned examination training expenses" in the 2024 education and training budget.

Employee development plans

ESG training plan		Digital talent development plan
Plan description	1. Organize sustainability (finance) development courses in weekend training sessions for employees. 2. Attend external training courses in a systemic manner based on the departments' needs of business promotion and the needs of senior managers.	"AI X Digital Innovation Design Capability" training course.
Eligibility	1. Open to all employees for self learning on holidays. 2. Senior management and employees in related departments.	Employees with experience in competing in financial innovation projects or members of TBB's sustainability management committees.
Scope of training	1. Courses such as "Key Issues in Offshore Wind Power Industry in Taiwan", "Green Industry and Green Financing", "Corporate Supply Chain Carbon Risk and Case Studies" and "Looking at Green Finance 3.0 from the perspective of enterprises' ability to deal with climate risks ~ Discussing from COP28" from 2021 to 2024, and in 2025, we continue with the training course of "How the Financial Industry Can Help SMEs Achieve Sustainable Transformation". 2. Specify ESG courses based on the departments' needs.	The course focused on the financial application of AI, process experience from the customer's perspective, innovative architecture of business models, business strategies and development that surpass the competition, and improving the feasibility of proposals.
Operating benefits	1. Give employees more indepth knowledge of sustainable finance. 2. Strengthen professional momentum by absorbing new knowledge from external sources based on the departments' needs.	Provide proposals to the appropriate departments as reference in future business planning in order to make full use of employees' creative ideas and create new business models.
Quantitative benchmarks	1. A total of 5,419 people completed training in 2024. Training was completed 9,329 person-times between 2021 and 2024. 2. In 2024, a total of 73 participants attended external training, accumulating 451.5 training hours (including 12 directors and senior managers with a total of 36.5 training hours in 2024).	30 people attended the course and completed training, and produced 6 financial innovation proposals

Achievements in 2024

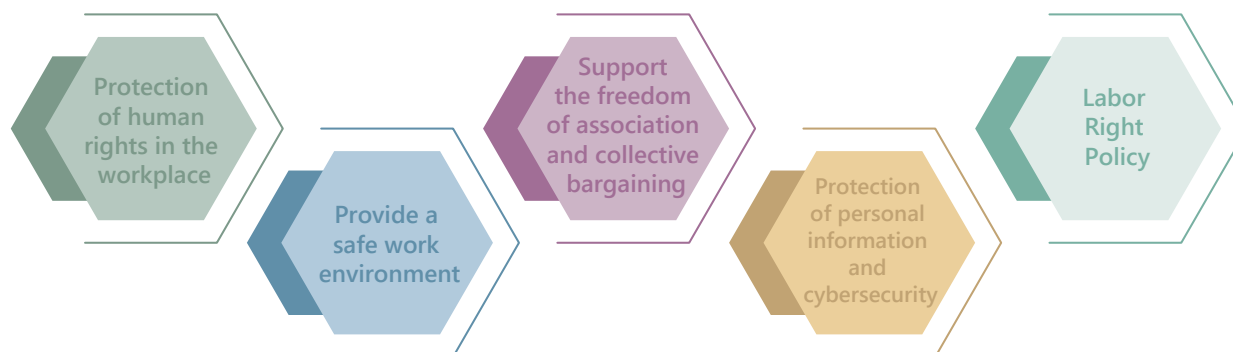
	Explanation	Achievements in 2024
A. Management associate cultivation program	a. Job Rotation: Since all of our management associates have good English skills, most of them have been assigned to serve in the Head Office, their professional experience is mainly in foreign exchange and head office business. b. Unit Rotation: Newly recruited management associates are first assigned to branches to learn practical banking operations, and then sent to serve in the Head Office and overseas units according to business needs to enhance their professional capabilities in banking. c. Professional training: In addition to general business training courses, the Bank offers international financial talent training courses for those who are willing to be dispatched overseas or arranges the participation in overseas talent training courses for state-owned banks. d. Certificate acquisition status: Individuals will be notified by email every month of the required qualification certification for promotion to a higher position. e. Tracking and evaluation: Each year, managers will conduct assessment and evaluation of the performance of the management associates. In addition, managers will be asked to check out the training items that should be enhanced during the appraisal operation for the reference of training assignment. f. Promotion: Accelerate the promotion speed for those who have excellent evaluation, and cultivate the reserve planning and overseas management talents for the Head Office, so as to assist in obtaining the reserve qualification of managers and promoting them to the management level.	A total of 72 people are qualified as management associates: a. In 2024, a total of 5 people were transferred to the Head Office and 1 person to overseas branches. b. A total of 46 people worked at the Head Office and overseas branches. c. 23 people participated in the international financial talent training courses and 5 people participated in the overseas talent training courses for state-owned banks. d. After the evaluation of department or branch managers, a total of 64 people obtained scores with Good or above in the appraisal. e. Promotion: 26 people were promoted in the past 2 years (2023 and 2024). 1 person was assigned the position of Deputy General Manager, and 9 people were assigned the position of Manager.
B. Subsidies for professional certification	The Bank currently has a total of 1 internal auditor holding an international internal auditor certification, and 1 internal auditor holding an international computer auditor certification. The ratio of the number of cyber security protection certificates obtained by all employees divided by total assets is 0.32% In order to strengthen the information security expertise of the Bank's staff and in response to the Hong Kong Monetary Authority's (HKMA) professional certification of personnel involved in the three lines of defense in cyber security, the Bank has established the CISA subsidy program, which provides subsidies for international and Taiwan membership fees, examination fees and license application fees. The Bank also increased the fee subsidy for Cyber Security Essentials (CSX) license from 2021.	a. A total of 4 people obtained Certified Information Systems Auditor (CISA) license as of the end of 2024. Among them, 2 people obtained relevant subsidies. b. A total of 1 person obtained Cyber Security Essentials (CSX) license as of the end of 2024. c. According to the "List of Cyber Security Professional Certificates" of the Administration for Cyber Security, Ministry of Digital Affairs and the Cyber Security Basics (CSX) computing information security protection certification, a total of 753 people obtained relevant certificates as of the end of 2024.
C. Language training subsidy	Employees can use their free time to attend language courses and in order to improve the foreign language proficiency of overseas management associates, relevant subsidies can be applied in accordance with the Bank's rules.	In 2024, a total of NT\$41,907 was provided to employees for participating in language courses, and a total of NT\$23,900 was provided for the language certificate test fee subsidy.
D. Acceleration of financial technology talent cultivation	the Bank teamed up with Fin & Tech in 2024 to launch a training course, the "Sustainable Future Finance X Digital Innovation Design Capability". The course focused on the financial application of AI, process experience from the customer's perspective, innovative product models and development, and increased the score for the feasibility of proposals to facilitate the development of innovative and feasible solutions.	A total of 30 people completed the course and 6 proposals for digital banking innovations were made to facilitate decision making for the relevant departments in the future.
E. Diverse program for digital learning	With the rapid development of Internet technology, in order to meet the trend of banking development and innovation, and to facilitate the self-learning of bank staff, we have also set up a special section to facilitate the correct and timely transmission of information: a. In order to build a learning organization and establish a real-time communication and feedback mechanism, the Bank has set up a "All-in-One Supplementary Station (weekly bank-wide video conference)" on the e-Learning Platform to enhance the efficiency and effectiveness of communication between the Head Office and branches, to shorten the knowledge gap between the Head Office and branches, and to build consensus on various issues. b. To facilitate employees to look up the common deficiencies in real time, the Bank has set up a "Section of Deficiencies" on the e-Learning website. The business department in charge will review the relevant deficiencies in a timely manner according to their duties, describe the deficiencies and the correct way to do it, and add the original relevant regulations of the deficiencies. In addition, for cases of negligence involving repeated failures in legal compliance or auditing, failures in service etiquette, and written warnings from the Personnel Evaluation Committee, the business department will supervise the failing unit to make a microfilm of the case in order to achieve the effect of prevention and propaganda, and to prevent the recurrence of deficiencies.	232 courses were added to the e-Learning Platform in 2024. An annual employee opinion survey (such as the Employee Satisfaction Survey) is conducted on the platform to establish a platform for self-learning, information sharing, and feedback exchange among employees.
F. Industry-academia cooperation	Since 2018, we have been working with colleges and universities on the "Industry-Academia Cooperation Program" to cultivate deep corporate strengths to deepen the impact and benefits of CSR, to pass on the experience to the society, to nourish students, to integrate corporate and academic resources, to jointly "master the next era", to work with inter-generational talents in the workplace, and to face the generational changes brought about by technology.	A total of 93 students went to the Bank for workplace experience. With reference to the performance during the internship and interview results, 60 students were selected for employment, with a retention rate of about 65%. The actual number of people employed in 2024 was 48.

6.3 Safeguarding Human Rights in the Workplace

6.3.1 Human Rights Policy and Commitment

TBB and its subsidiaries abide by the laws and regulations of the locations where they operate globally, including the Labor Standards Law and the Gender Equality Law of the Republic of China. We support the spirit and basic principles of human rights protection promulgated by the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant and other international human rights conventions and formulated protection policies and management plans with reference to the core labor standards promulgated by the United Nations International Labor Organization. In order to implement the above declarations and fully reflect the responsibilities to respect and protect human rights, the Bank has formulated the "Taiwan Business Bank Human Rights Policy" approved by the Chairman. This policy applies to global business locations of TBB and its subsidiaries, including but not limited to full-time and contracted third-party workers. Mergers and acquisitions, joint ventures, suppliers and other business partners are also expected to abide by this policy. TBB regularly reports to the labor-management meetings or conducts prior labor-management negotiations on matters involving the rights and benefits of the Bank's employees, and has channels to express the opinions of the Bank's employees. The Bank fully respects and protects the legitimate rights and interests of employees regardless of the difference of areas.

The Bank disclosed the "Taiwan Business Bank Human Rights Policy" and specific management plans on its official website. The human rights policy is applied to all workers at all operating locations to ensure that there are no differences in treatment of all workers by gender, race, age, marriage or family status, and that equal compensation, employment conditions, training and promotion opportunities are implemented to protect the legal rights of employees. During the reporting period, no human rights violations occurred at any of the Bank's operating locations. According to the characteristics of the financial industry and the operational development strategy, the Bank emphasizes the following human rights issues, implements and protects the basic human rights of all employees, customers and stakeholders, and fulfills corporate social responsibilities:



6.3.2 Human Rights Protection Guidelines

The Bank continues to follow international human rights issues. The Bank also sets a human rights policy while promoting human rights training for employees on an ongoing basis.



Specific management programs of TBB's human rights policy

Human rights policy		Specific management programs
Protection of human rights in the workplace	Tolerance and gender equality in workplace	1. In 2024, TBB had 5,580 employees in total, among which, males accounted for 43.55% while females accounted for 56.45%. Managers accounted for 19.12%, and 46.02% of them were female managers. It is clear that TBB does not have sex discrimination against females and provides a fair playing field in the work place. The Bank sets the target for any gender at 40% - 60% to ensure gender equality. 2. TBB has a minimum salary (base salary) in place. Employee salaries are determined according to the Taiwan Business Bank Employee Salary Payment Guidelines. Employees on the same pay grade will receive the same salary, which does not differ by gender. 3. Contracted with several kindergartens to provide preferential childcare services to our employees, and set up a breastfeeding room at our Head Office to create a friendly workplace environment. 4. TBB approved 568 family care leaves in 2024 with a total of 597.75 days. Among them, there are 342 cases totalling 374.5 days for female employees, and 226 cases totalling 223.25 days for male employees. According to the gender ratio of approved days, 62.65% are female and 37.35% are male. 5. Employees who registered their marriage on or after September 3, 2024 may apply for extension of the marriage leave deadline.
	Prevention of sexual harassment and zero tolerance for discrimination	1. Sexual harassment prevention flyers, posters, or internal guidelines are posted in clearly visible places in the offices and through internal channels in order to raise awareness in the workplace and promote prevention. 2. Implemented the Anti-discrimination and Anti-harassment Policy. 3. Created an employee grievance channel and advertise the grievance procedure. Please see 6.3.6 "Employee Complaint Mechanism" for more details.
	Prohibit forced labor and adhere strictly to local governments' labor laws	1. Clearly stipulate the rules for (extended) working hours. The total working hours per week shall not exceed 40 hours in principle. The application for extended working hours by units shall be randomly checked monthly (Conduct a check on each unit at least once a year) to eliminate excessive working hours. 2. Enforce the leave system and encourage employees to maintain a work-life balance 3. Prior approval is required before working overtime. Overtime pay and leave in lieu is provided as required by law.
	Include human rights clauses in supplier contracts and enforce onsite audits	Please see 6.4.7 "Prevention and Mitigation of Direct Impact of Occupational Health and Safety Issues on Business Activities" for more details.
Provide a safe work environment		1. Following the TBB Prevention of Illegal Infringement at Work Plan, TBB issued a memo to all units in October to ask them to conduct the assessment and inspection under the Prevention of Illegal Infringement at Work Plan for 2024. In addition, communication training, an e-learning course "Hazard Prevention and Communication Training", was arranged to strengthen the Bank's preventive measures against illegal infringement at work. 2. Please see 6.4.3 "Occupational Health and Safety Risks" and 6.4.6 "Protective Measures for the Safety of the Work Environment and Personal Safety of Employees" for more details.
Support the freedom of association and collective bargaining		1. Employee participation in the TBB Union is 100%. Therefore, all TBB employees are protected by the terms of the collective bargaining agreement. 2. The collective agreement was renewed for the 3rd time on December 15, 2022 for a win-win situation between the employer and the employees. 3. TBB convenes at least 4 labor-management meetings each year as well as negotiation meetings from time to time to fully communicate on issues related to employees' interests or benefits. The measures are implemented in accordance with the resolutions of the meetings and the implementation status has been good.
Protection of personal information and cybersecurity	Privacy protection	1. Organize personal data protection training and awareness campaigns every year. 2. Conduct information security exercises, vulnerability scans and other cybersecurity protection measures every year.

The Bank continues to conduct annually human rights training for all employees, including the Personal Data Protection Act (2 hours), Fair Customer Treatment Principles (3 hours), Financial Friendly Services (2 hours), Occupational Health and Safety training (1 hour), and Sexual Harassment Prevention training (2 hours). Each employee receives 10 hours of training, and the subject of Ethical Corporate Management Best Practice Principles is included in the annual (second half of the year) online assessment test (the pass rate in 2024 reached 100%). Furthermore, a 1 hour gender equality course has been introduced into basic training for new hires since 2019.

Prevention of harassment and prohibition of discrimination

To ensure gender equality in opportunity and create a friendly workplace and service that prevents discrimination and harassment of any form, TBB has complies with relevant laws and adopted a zero-tolerance approach to ensure that employees are treated with respect, fairness, and equality in the workplace and service environment, and are protected from discrimination and harassment. The Bank has established the Anti-discrimination and Anti-harassment Policy and the Guidelines for Measures of Prevention, Complaint, and Punishment of Sexual Harassment to ensure employees receive respect and reasonable and equal treatment. Related information should be posted and disclosed in clearly visible places in the offices.

If TBB employees discover or experience incidents of discrimination or harassment in the workplace, they may report them through the following channels, either in writing or verbally:

- I. Complaint acceptance unit: affiliated unit or Human Resources Dept. at the Head Office
- II. Reporting hotline: 02-25508628
- III. Dedicated fax for reporting: 02-25591130
- IV. Reporting email: h13s@mail.tbb.com.tw

After receiving a report, the Bank's Human Resources Department will conduct a thorough review and investigation in accordance with internal procedures. The whistleblower should provide specific facts, relevant information, and documents for the report. Unless otherwise required by laws, relevant personnel in the Bank conducting investigations into discrimination or harassment incidents, including any third parties commissioned to conduct the investigation, shall ensure the confidentiality of the personal data and privacy of whistleblowers and those involved in the investigation. Adequate protective measures shall be taken in accordance with the law, and any form of retaliation or unfair treatment is strictly prohibited.

TBB periodically promotes the concept of preventing discrimination and harassment to all employees through educational training or other channels. If discrimination or harassment is substantiated, apart from taking appropriate measures to rectify the violation, the Bank may impose disciplinary actions on the offender based on the severity of the situation, such as a warning, demotion, salary reduction, or termination, in accordance with work rules, disciplinary guidelines, and other relevant regulations. If a false accusation is confirmed, the Bank may impose disciplinary actions on the whistleblower based on the severity of the situation. If either party involved in the incident requires counseling, medical assistance, or legal assistance, the Bank may proactively refer them or provide professional counseling, medical institutions, or legal assistance.

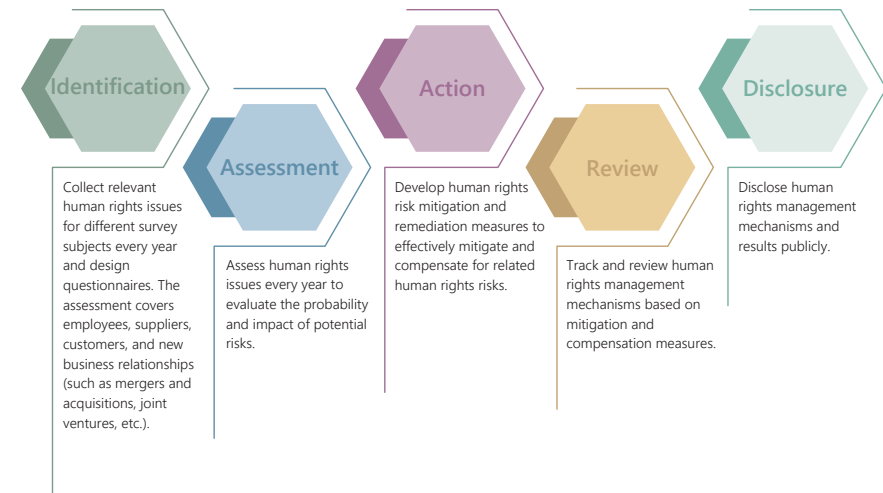
In addition, whenever the Bank receives a complaint or becomes aware of sexual violation or harassment within itself, it shall exercise caution and take immediate and effective corrective and remedial action in order to fulfill its duty of preventing sexual harassment in the workplace. For the purpose of handling sexual harassment complaints, the Bank has created the Sexual Harassment Complaint Investigation Committee as required, and entrusted external professional lawyers with gender awareness to form an investigation team in accordance with the regulations. Investigation of sexual harassment incidents will not be disclosed and will be conducted in an objective, impartial, and professional manner. The committee should keep confidential all information regarding such incidents of which it becomes aware during an investigation. Where the party involved is in need of counseling, medical care, or legal assistance, the Bank may take initiative to make a referral or provide professional counseling, medical institutions, or legal assistance. Inappropriate preferences may not be given to any person involved in making a complaint, filing a lawsuit, reporting an incident, taking legal action, testifying, providing assistance or other behaviors during the complaint, investigation, surveillance, or review procedure for sexual harassment incidents. The Bank will not dismiss, reassign, or take any other unfavorable action based on a complaint filed or assistance provided to another in filing a complaint.

If an employee of the Bank complains about sexual harassment, even if the complainant withdraws the case, if the words and deeds involved are truly inappropriate, the case will be transferred to the Personnel Evaluation Committee for deliberation depending on the severity of the case.

There was 1 sexual harassment complaint in 2024, which was determined to be invalid after investigation. To develop a gender friendly environment, the Bank will continue to raise awareness among employees to pay attention to their own conduct, adhere to social boundaries and workplace etiquette, and respect each other. There was no disciplinary action taken for violation of the Act of Gender Equality in Employment in 2024.

6.3.3 Human Rights Due Diligence

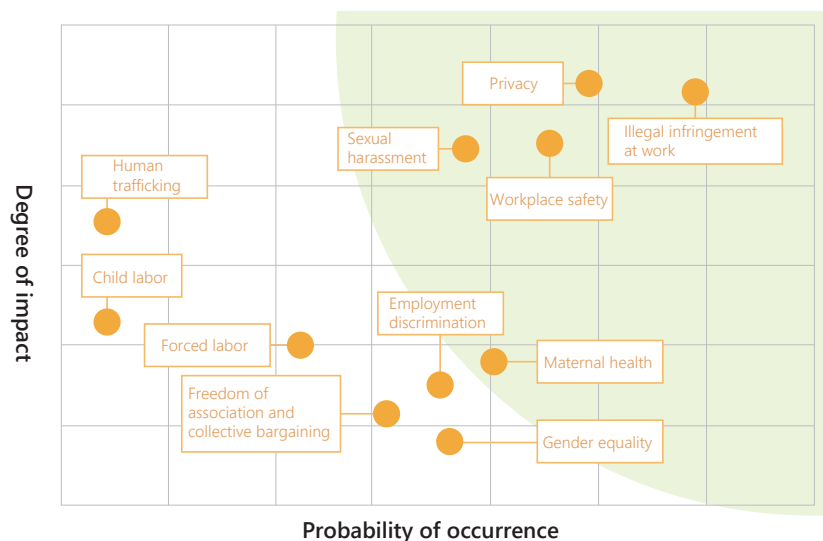
In addition to actively fulfilling its CSR and human rights policy, TBB brings all business partners into the effort to pay more attention to human rights issues and risk identification and reduce potential crisis and impact. Enforcement of programs to protect human rights and follow-up on progress and improvement help create a fairer and safer work environment and raise awareness of international human rights. The relevant mechanism has been completed and implemented before the end of December 2023. There was no incident involving violation of human rights in 2024.



Scope and subject of human rights risk identification		
Coverage	Potential human rights issues	Groups
Employees Suppliers Customers New business relationships (such as mergers and acquisitions, joint ventures, etc.) ⁹²	Gender equality (including equal treatment), discrimination, sexual harassment, employment right protection, freedom of association and collective bargaining, child labor, human trafficking, forced labor, maternal health, illegal infringement at work, workplace safety, and privacy	Employees, women, indigenous peoples, children, migrant workers, and third party workers

⁹² The Bank did not have new business relationships (such as mergers and acquisitions, joint ventures, etc.) in 2024, and therefore did not conduct human rights due diligence for such reason.

The Bank asked all department managers to complete a questionnaire based on the degree of impact and probability of occurrence of the 11 potential human rights issues above to assess the human rights risk for 2024. A total of 181 valid responses were received and used to outline the Bank's human rights risk matrix for 2024 as follows:



From the assessment results above, the Bank's high human rights risk issues for 2024 identified at the end were 5 issues, which were privacy, illegal infringement at work, workplace safety, sexual harassment and maternal health. The corresponding mitigating and compensation measures for each high human rights risk issue are as follows:

Issue	Risk percentage	Mitigating and compensation implementation percentage	Mitigating and compensation measures ⁹³
Privacy	0.21%	100%	◆ Set up the Personal Data Protection Committee and review the personal data protection system at least once a year in order to ensure the Bank's personal data protection and management systems work effectively. ◆ Implement the Bank's "Personal Data Management Policy", "Operating Procedures for Personal Data Security Incident Response, Notification and Prevention", and "Personal Data File Security Maintenance Plan and Handling of Personal Data after Termination of Businesses" in order to develop a comprehensive personal data protection mechanisms and management processes. ◆ Conduct annual trainings on personal data protection regulations and awareness programs. ◆ Include personal data protection in the general audits and special audits performed by the Auditing Department.

⁹³ Implement mitigating and compensation measures, covering all departments at the head office and 134 domestic and overseas branches.

Issue	Risk percentage	Mitigating and compensation implementation percentage	Mitigating and compensation measures ⁹³
Illegal Infringement at Work	0.21%	100%	◆ Conduct the "Prevention of Illegal Infringement at Work Plan" to perform hazard identification and risk assessment, adaptive job assignment and work design inventory, and protection of employees from illegal infringement on their mental or physical wellness while performing their duties in order to ensure employees' safety and mental and physical health in a work environment free of illegal infringement. ◆ Strengthen on-the-job training for employees, implement online learning on "Hazard Prevention and Communication Training" courses in order to improve employees' friendly communication skills and legal knowledge.
Workplace Safety	0.20%	100%	◆ TBB implemented the "Occupational Health and Safety Management System-ISO 45001" standard at the head office building, and established the Occupational Safety and Health Handbook and devised the Occupational Health and Safety Policy. ◆ Set up health service rooms, AED and related equipment. ◆ Provide employees with a safe and healthy work environment and set up central air conditioning systems, sufficient lighting equipment, and comfortable work areas in the offices. Set up emergency escape routes and exits, regularly organize elevator equipment maintenance, prepare fire safety facilities and organize regular fire drills, carry out disinfection of the work environment, and implement access controls. Provide necessary health and first-aid facilities and work hard to reduce hazards to employees' safety and health in order to prevent occupational accidents. ◆ The head office building performs hazard identification regularly and proposes corrective measures for improvement as needed, and conducts regular carbon dioxide concentration and illuminance monitoring in the work environment. ◆ Established the Occupational Safety and Health Committee to handle workplace safety issues with caution.
Sexual Harassment	0.19%	100%	◆ Established the Bank's "Anti-discrimination and Anti-harassment Policy" and "Directions for Measures of Prevention, Complaint, and Punishment of Sexual Harassment at the Workplace" ◆ Sexual harassment prevention flyers, posters, or internal guidelines are posted in clearly visible places in the offices and through internal channels in order to raise awareness in the workplace and promote prevention. ◆ Employees may report verbally or in writing discrimination or harassment discovered in the workplace through the following channels: - Complaint acceptance unit: Human Resources Dept. at the Head Office - Reporting hotline: 02-25508628 - Dedicated fax for reporting: 02-25591130 - Reporting email: h13s@mail.tbb.com.tw ◆ The Bank has created the Sexual Harassment Complaint Investigation Committee, and entrusted external professional lawyers with gender awareness to form an investigation team in accordance with the regulations to handle sexual harassment complaints.
Maternal Health	0.17%	100%	◆ The maternal health care plan covered hazard assessment and control, physical consultation and guidance, risk classification, adaptive job assignment, and other related measures. ◆ To implement maternal care, the Bank has set up facilities for breastfeeding (collective) rooms, and has established welfare measures such as childbirth subsidies, parental leave without pay, and contracts with several kindergartens to provide employees with preferential childcare services, children's scholarships, medical assistance for clerks and their spouses and children, paid family care leave, and menstrual leave.

6.3.4 Protection of Work Rights and Interests

TBB upholds and maintains the rights and interests of employees, shareholders, and the Bank, with protecting employees' right-to-work and interests as the major principle. TBB also fully communicates with the labor union with the utmost sincerity based on the principles of compliance, reasonableness, and fairness in accordance with the provisions of the Collective Agreement Act.

TBB completed the signing of the first collective bargaining agreement on May 16, 2011. The agreement included benefits, insurance, employment, transfer, dismissal, regular leave, leave, retirement, work hours, and labor safety and health. The agreement was renewed for the first time on September 2, 2014 and renewed for the second time on December 4, 2018, and the third time on December 15, 2022, on the basis of the strong mutual trust between labor and management. The agreement has led to harmonious labor-management relations and established a good model in the win-win interactions between labor and management in the industry. The two parties shall continue to move forward with mutual trust, mutual assistance, coexistence, and common prosperity as they work together to achieve greatness with TBB.

TBB organizes regular labor-management meetings in accordance with the "Regulations for Implementing Labor-Management Meeting". TBB convenes at least 4 labor-management meetings each year as well as negotiation meetings from time to time to fully communicate on issues related to employees' interests or benefits. The measures are implemented in accordance with the resolutions of the meetings and the implementation status has been good. In 2024, successful negotiation outcomes included an increase in loan application amounts for employees (and their spouses), a higher budget for employee uniforms, a 4% salary increase for all employees, and revisions to promotion regulations.

6.3.5 TBB Union and Negotiations

The TBB Union was established on June 1, 1996, and 100% of the employees have joined the union. There has been no violation of the freedom of association and collective bargaining in the reporting period. Both the TBB and the Union have negotiated in good faith to complete the signing of the collective bargaining agreement. Concrete actions are taken to protect 100% of the rights and interests of all employees. Therefore, all TBB employees are protected by collective bargaining agreements.

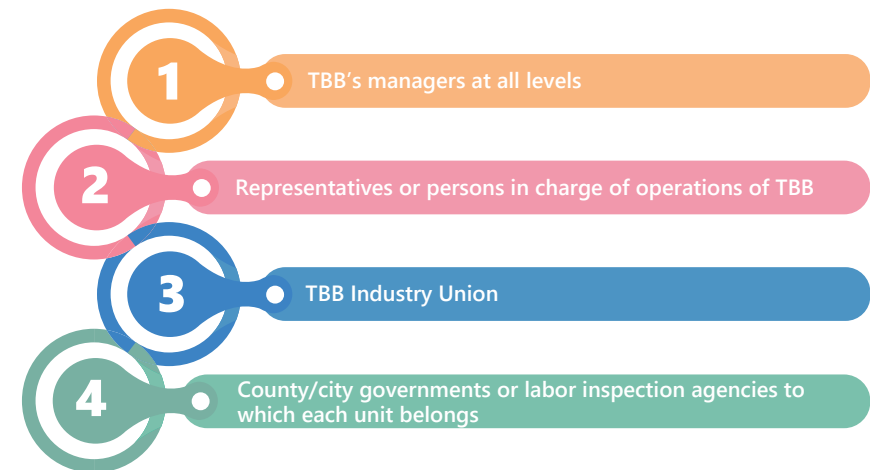
TBB may, under certain conditions, notify employees to terminate labor contracts and implement severance procedures. In the event of major operational changes, TBB is required to provide an advance notice based on the minimum period for employees in accordance with the regulations in the provisions below:



After receiving the advance notice referred to in the preceding paragraph, the employee may ask for leave of absence during working hours to find a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.

6.3.6 Employee Complaint Mechanism

TBB has established employee complaint announcements which are posted by all units at prominent locations (or internal announcement bulletin boards). The complaint channels include:



Employee complaints can be filed verbally and shall, as a principle, be filed internally first. If the internal complaint is not adequately processed, the employee may submit a written complaint to the county, municipal government or labor inspection agency of each unit.

6.3.7 Employee Satisfaction Survey

The Bank conducted the "Employee Satisfaction Survey" for the first time in 2020. The questionnaire covered 20 closed-ended questions as well as open-ended opinion statements. Questions were asked on a 5-point scale (i.e. "strongly agree" scored 5, "agree" scored 4, "normal" scored 3, "disagree" scored 2, "strongly disagree" scored 1). The survey results for the past 4 years are as follows. We will continue to collect the opinions of our staff on the work content for the reference of continuous improvement of our management.

Employee Satisfaction Survey

Year	2021	2022	2023	2024
Total number of employees (A)	5,321	5,424	5,548	5,580
Number of questionnaires (B)	5,145	5,269	5,309	5,428
Number of questionnaires collected (C)	4,113	4,087	4,476	5,209
Collection rate (C/A)	77.30%	75.35%	80.68%	93.35%
Collection rate (C/B)	79.94%	77.57%	84.31%	95.97%
Overall satisfaction	76.40%	78.12%	81.27%	81.34%
Content on each aspect	◆ Work environment and sense of achievement ◆ Organizational culture and communication ◆ Organizational system and learning ◆ Salary promotion and welfare ◆ Overall satisfaction for career development			
Improvement measures	◆ To enhance the work experience of employees and cultivate talents, the Bank implements regular or irregular rotation of employees' positions or service units in order to flexibly utilize human resources. ◆ In response to the challenges of global climate change, the Bank strives to move towards the goal of low-carbon operation. Through carbon reduction in operations, the Bank implements measures such as updating old air-conditioning equipment at business locations, power saving competitions at branches, responding to green office promoted by the Ministry of Environment at branches, and increasing the use of renewable energy. ◆ Implement maternity-friendly care measures and focus on employee care: Focus on employee care, enrich the Bank's material issues in social aspect; and optimize maternity-related benefits and measures.			

6.4 Occupational Safety and Health

Employees are the assets of a corporation. The Bank has spared no effort in taking care of its entire employees, including those in the head office, 125 domestic branches and 9 overseas units. In addition to establishing work rules and human resources management rules in accordance with the Labor Standards Act and other relevant labor regulations, the Bank also complies with the law in providing labor insurance, national health insurance, and allocations for retirement funds. Employee health exams are carried out on a regular basis, and group medical care and accident insurance are offered on preferential terms in order to protect the livelihoods of employees so that they can make full use of their professional skills at work.

To prevent occupational hazards and protect the health and safety of its employees, TBB has implemented the policies, guidelines, work rules and handbooks for Occupational Safety and Health according to the Occupational Safety and Health Act and related regulations. TBB promotes the implementation of occupational safety and health management systems and follows occupational safety regulations and requirements (ISO 45001:2018) by providing employees with a safe and healthy work environment. All units should work together in preventing and eliminating hazards and reducing occupational safety and health risks. TBB promises to continue to improve and ensure sustainable development and to list these items as major areas of evaluation.

TBB adheres to the ESG sustainable development philosophy and the spirit of "taking from society and giving back to society", actively practices public welfare and charity, continuously strengthens employee welfare, and invests in social welfare. The Bank and the Taiwan Blood Foundation jointly held a blood donation event at the Head Office on September 6, 2024, encouraging bank employees to participate and raising 115 bags of blood worth 28,750cc, contributing to the blood bank.

TBB commits to and implements the following Occupational Safety and Health policy, which was signed by the President.

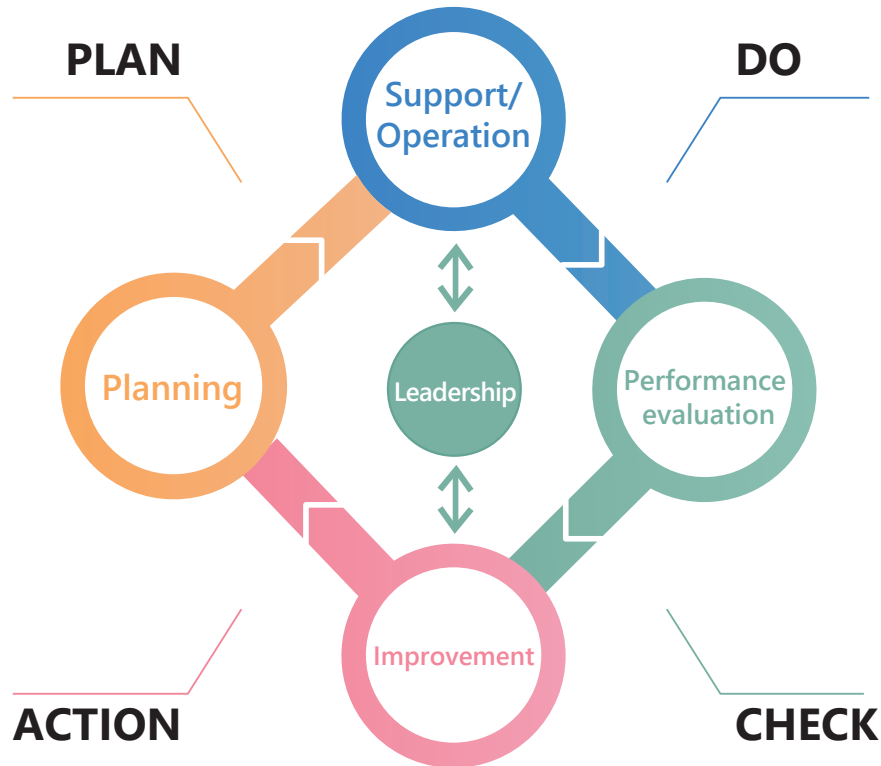
1. Identify opportunity risks and implement risk management
2. Comply with due diligence and fulfill corporate responsibilities
3. Encourage consultation and discussion and promote full participation
4. Ensure work safety and prevent occupational diseases
5. Commitment to continuous improvement to ensure sustainable operations



6.4.1 Occupational Health and Safety Management System-ISO 45001

TBB implemented the "Occupational Health and Safety Management System-ISO 45001" standard at the head office building in 2022, with the scope of application covers all units of the Bank. The verification targets include all employees and contractors of the head office building. TBB continuously checks whether the the Occupational Safety and Health Handbook needs to be revised according to the current situation, conducts relevant educational trainings, and consults representatives from all units in the head office building. TBB also hired consultants to visit the head office building and use the results to propose improvements to the responsible departments while considering organizational background and internal/external issues, hazard identification and risk opportunity assessment, target confirmation, internal audit training, and management review. TBB passed the renewal review on July 20, 2023 and July 8, 2024.

Occupational Health and Safety Management System Structure



Priorities and Action Plans

To continuously implement the "Occupational Health and Safety Management System-ISO 45001", TBB set the occupational health and safety targets/performance indicators in 2024 as follows:

Item	Goal	2024 occupational health and safety targets/performance indicators
1	Prevent occupational diseases	Completed the replacement and update of workstations (computers and monitors) at the end of July 2024.
2		Completed the planning of "Entrusting professional psychological counseling agencies to provide counseling services for employees" at the end of October 2024.

6.4.2 Worker Participation in Occupational Safety and Health

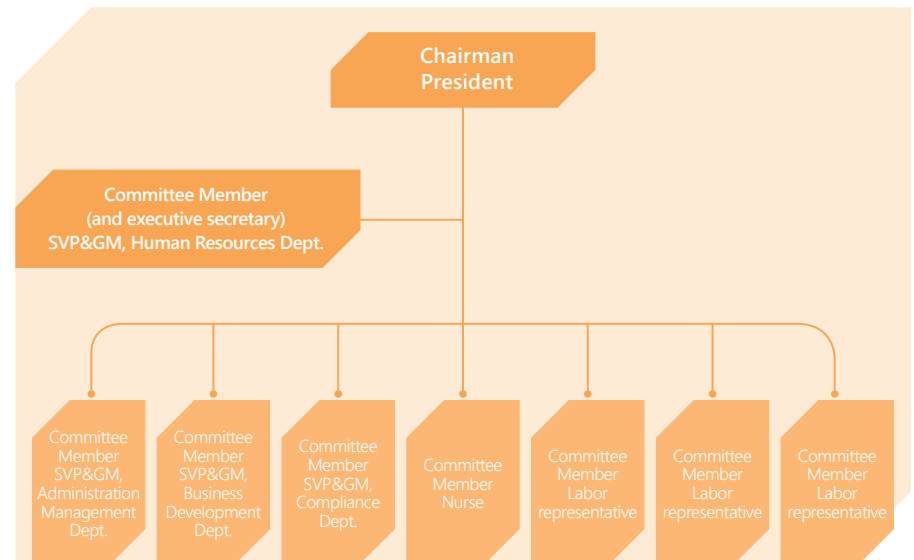
Dedicated Units

To protect employees' safety and health, TBB's Human Resource Department established the Occupational Safety Section to promote safety and health operations. It has a class A occupational safety and health business supervisor and an occupational safety and health administrator. In addition, the Bank has registered with the Labor Inspection Office of Taipei City and appointed temporary service physicians and hired full-time nursing staff to provide employees health consulting services.

Occupational Safety and Health Committee

To adequately process labor safety issues, TBB has set up the Occupational Safety and Health Committee which is chaired by the President. The Committee convenes meetings every 3 months and ad hoc meetings may be held when necessary for the Committee to review, coordinate, and provide recommendations on safety and health matters. The Committee is in charge of deliberating, coordinating, suggesting and evaluating safety and health related matters, such as policies, implementation plans and results. The Committee has 9 committee members, including 3 labor representatives, accounting for 33%. Various occupational safety related operations also meet requirements specified in the collective bargaining agreement signed by TBB and the Union.

Organizational Structure of the Occupational Safety and Health Committee



2024 Occupational Safety and Health Committee	
Number of meetings	4 meetings
Number of proposals (reports + discussions + extempore motions)	21 proposals

Health and safety issues already covered in collective agreements

The collective agreement between TBB and the union (path to the full collective agreement on the TBB website: Home > Sustainable Development > Society > Collective Agreements) contains provisions focusing on health and safety, which can be found in Articles 40 to 42. In addition, provisions in Article 23 contain multiple items superior to regulatory requirements. Other provisions regarding work hours, work shifts, gender equality, and compensation for occupational hazards can be found in the other articles.

Communication guidelines

TBB has communication guidelines in place. The subjects include internal (full-time employees, contract employees, suppliers, and contractors) and external parties (such as customers, competent authorities, media, and members of the public). Any internal or external recommendations involving occupational health and safety improvements or occupational health and safety awareness campaigns will be handled and communicated by the responsible units according to the guidelines.

6.4.3 Occupational Safety and Health Risks

Employees' physical or mental health problems may affect work performance and lead to sick leaves or working while sick. Both can have an impact on the Bank's operational efficiency. Loss in manpower due to health problems based on the number of sick days will be used as one of the health risk indicators. The absentee rate is calculated by using the "percentage of (number of days of injury leave + number of days of sick leave + number of days of personal leave) / number of days of work required" for the year. This method is also used to observe employees' health. The attendance data from the last 4 years are as follows.

Absentee rate in last 4 years

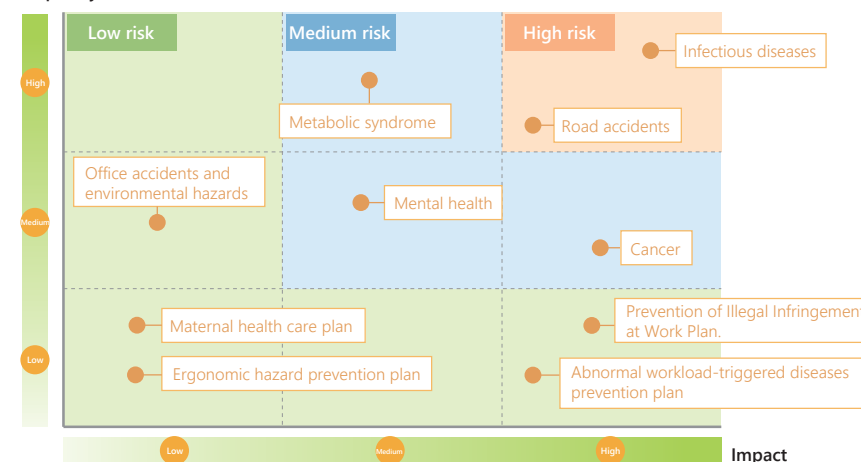
	2021	2022	2023	2024
Absentee rate ⁹⁴	0.37%	0.53%	0.66%	0.59%
Coverage over all employees	100%	100%	100%	100%

⁹⁴ The 2024 target is below 0.75%. Due to adjustments to the calculation of the absentee rate in 2024, the relevant data for 2021-2023 has been updated. [The original method for calculating the sick leave absenteeism rate was "(number of sick leave employees* total number of sick leave days)/(total number of employees at the end of the year* number of working days in that year)". The data for 2021: 0.19%; 2022: 0.32%; 2023: 0.32%].

Statistics of occupational hazards ⁹⁵ in 2024				
Number of incapacitating injuries	Number of days lost due to incapacitating injuries ⁹⁶	Number of occupational hazard deaths	Frequency of incapacitating injuries (FR) ⁹⁷	Severity rate of incapacitating injuries (SR) ⁹⁸
12	51.25	0	1.10	4.70

To effectively identify hazards and risks in the workplace, TBB follows the PDCA cycle to achieve improved workplace safety and better health. TBB uses key indicators such as work environment, health examination, survey results, individual cases (e.g., occupational accident cases), and four workplace health promotion programs (abnormal workload, ergonomic hazards, maternal health care, and illegal infringement) to assess employee health risk. The degree of risk is assessed by incidence and impact on the company's operation as follows:

Frequency



⁹⁵ The types of occupational hazards include performance of duties and business trips, excluding commuting to and from work.

⁹⁶ Days lost due to incapacitating injury: The days lost due to incapacitating injury do not include the day of injury and the day of returning to work, but include Sundays, holidays or business unit shutdown days, and other full-day inability to work caused by the injury after resumption of work.

⁹⁷ Frequency of incapacitating injuries (FR) is the number of incapacitating injuries that occur per one million working hours (calculation formula: number of casualties *106 / total experienced working hours).

⁹⁸ Severity rate of incapacitating injuries (SR) is the number of days lost due to incapacitating injuries per million working hours (calculation formula: total days lost *106 / total experienced working hours).

2024 Occupational Safety and Health Risk Mitigation Measures and Results

Risk level	Risk issues	Existing condition	Mitigation measures and results
High risk	Infectious diseases	Many infectious diseases are prevalent, such as influenza. TBB cooperates with government policies to arrange influenza vaccination.	Health education: - In order to provide accurate medical, health and vaccination information, TBB employed clinical physicians (3), nurses (4 in total across all regions) and public health professionals to provide vaccination and health consultation to employees. Government-funded influenza vaccination campaign: - There were 137 employees received government-funded influenza vaccination at the head office and the Chongqing South Road building.
	Traffic accidents	Traffic accidents on the way to or from work.	- The head office installed anti-slip measures (e.g., anti-slip strips) and signs to prevent employees from falling on slippery roads in the rain on the way to work. - Our nurses provided care and first aid after accidents. - Invited the Taipei City Government Police Department to conduct traffic awareness courses and recorded course videos to upload them to the e-learning platform. - Managers are requested to reiterate the importance of traffic safety.
Medium risk	Metabolic syndrome	- People working at banks tend to sit for long hours, have irregular meal times, eat out frequently, and engage in more social activities, especially those in the business units. On top of that, the average age of TBB employees is high, making them a high-risk group for metabolic syndrome. - Through the biannual physical examination for employees, TBB discovered that most employees have problems with obesity, hypertension, hypercholesterolemia and hyperglycemia.	- Physician consultation is organized every month. When employees have potential metabolic syndrome problems, they may consult the visiting physicians and our nurses. - Starting from 2024, TBB has hired a doctor from the Internal Medicine Specialist and Endocrinology and Metabolism Specialist Clinic to serve as the Bank's visiting physician. - In 2024, a total of 166 employees received health consultations on obesity and three high conditions through our visiting physician, who taught them how to eat healthy, exercise regularly, and adjust their lifestyle, and emphasized the importance of regular return visits for those who have already seen the doctor.
	Mental health	In recent years, mental health issues have received increasing attention, significantly affecting the mental health of employees and inevitably leading to friction between people.	- For employees facing mental problems, our nurses would be able to provide consultation, or make referral to visiting physicians or other professional therapists when necessary. - To promote the well-being of our employees and support work-life balance, the Bank has commissioned a professional psychological counseling center to provide employee counseling services from October 1, 2024, which can help our employees to adjust, relieve work-related emotions and stress, and enhance communication and problem-solving. - To help employees relieve stress after the earthquake, the Bank designed relevant publicity materials and provided spiritual reading and assistance channels for employees.
	Cancer	- According to the top 10 causes of death in 2022 published by the Ministry of Health and Welfare in 2023, cancer and related diseases remained on the list, and 87% of deaths occurred at age 55 or higher. 30.2% of TBB employees were between age 50 to over 60 years old at the end of December 2024. This group is at high risk for death by cancer.	- Preventive medicine adopts 3 stages and 5 levels of prevention, in which the second stage of prevention focuses on early diagnosis and appropriate treatment. TBB also has related examination items in its employee physical examination, and provides cervical smear (cervical cancer) examinations and mammography (breast cancer) at the Head Office and Chongqing South Road Building. - Smoking and secondhand smoking are high risk factors for cancer. TBB continues to post non-smoking signs at the entrances of all business locations (including ATM entrances) to promote the concept of smoking cessation and to provide a smoke-free workplace.

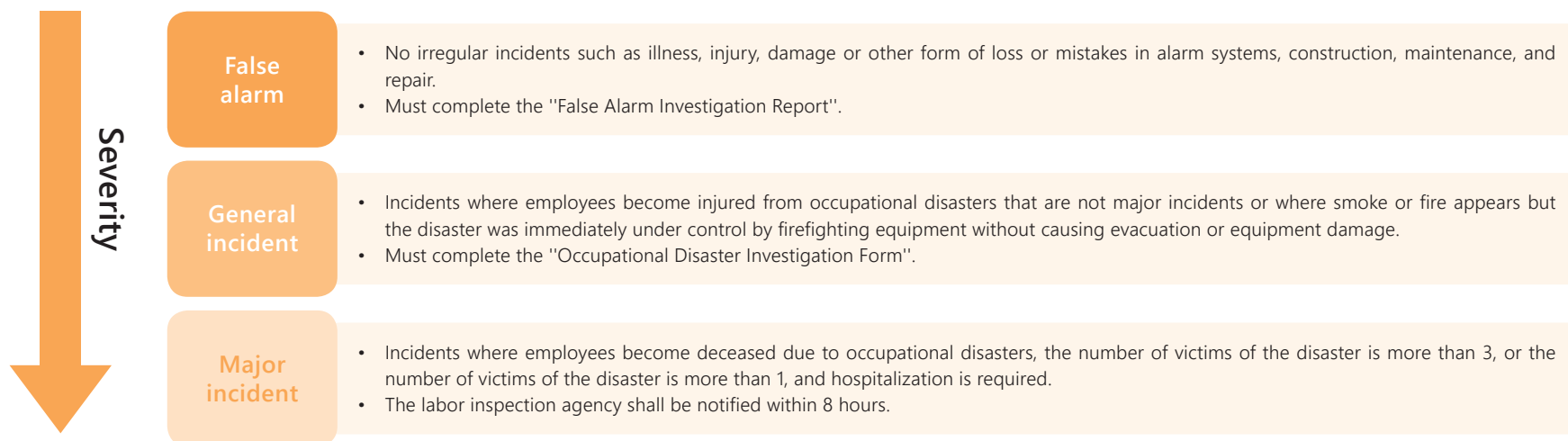
Risk level	Risk issues	Existing condition	Mitigation measures and results
Low risk	Maternal health care plan	- The purpose of maternal health care is to ensure the physical and mental health of female employees who are pregnant or have given birth within one year. - Based on the male-female ratio at TBB at the end of December 2024, 56.5% of employees was female and 26.9% of them were at childbearing ages (age 20 to 39), all of whom could be subjects covered by the plan.	- The maternal health care plan covered hazard assessment and control, physical consultation and guidance, risk classification, adaptive job assignment, and other related measures. - The occupational safety officers at the units perform assessments according to the Workplace Hazard Assessment and Maternal Health Protection Checklist. The nurses perform assessments and employee interviews according to the Self Assessment for Employees Who Were Pregnant (including pregnancy and miscarriage) or Gave Birth Less Than A Year Ago. The physicians perform health consultation and advice according to the Adaptive Job Assignment Recommendations for Employees Who Were Pregnant or Gave Birth Less Than A Year Ago. Assignments will be modified (change or update of scope or change of hours) as needed according to the manpower at the respective units and improvements be installed at the work sites to reduce or remove hazards. - A total of 100 employees reported in 2024. 82 took pregnancy checkup leave, 5 tocology leave, 9 miscarriage leave, and 4 childbirth leave. Follow-up was conducted 110 person-times and 94 cases were closed. The overall completion rate was 94%.
	Ergonomic hazard prevention plan	The nature of the banking business means a lot of repetitive work that tends to lead to bad postures, overexertion, and high frequency and subsequently muscle or bone injuries or illnesses.	TBB completes the "Employees' Nordic Musculoskeletal Questionnaire" every two years or as needed. Investigation, assessment, improvement, counting and analysis are conducted according to the ergonomic hazard prevention process. In 2024, the employee physical examination included a full e-survey of Nordic Musculoskeletal Questionnaire. The results, when available, will be used to analyze and report risks and hazards.
	Abnormal workload-triggered diseases prevention plan	Some employees need to work in shifts, at night, or for long hours because of the nature of their duties, such as security guards, drivers to managers, IT server room, credit card department, customer service center, and auditing department employees on business travel. At the end of December 2024, a total of 116 employees were included in a high-risk group for health hazard due to work and listed as subjects for care and follow-up.	- TBB uses an Overwork Assessment Table to assess TBB employees exposed to overwork and stress risks from shift work, night work, and long hours every year in order to identify high risk groups. The Framingham Cardiac Risk Score, work patterns, and environmental risk factors are used to classify the risk of brain and cardiac diseases. Prevention and improvement are implemented based on the results. Examples include physician consultation and health guidance, adjustment of work hours or change of duties, physical examination, and health management and promotion. Improvement in high-risk groups is followed up regularly. Employees with risks that cannot be improved in the short term or continue to deteriorate will undergo further assessment, interview, and health guidance. The physical examination in 2024 also covered a full e-survey based on the Overwork Assessment Table. The results are used together with the examination reports to analyze risks. 116 employees including security guard, driver to manager, IT server room, credit card department, customer service center, and auditing department underwent workload assessment. The risk analysis determined 95 risk free individuals (no consultation required), 19 medium risk (consultation recommended), and 2 high risks (consultation required). The follow-up completion rate was 100%.
	Prevention of Illegal Infringement at Work Plan	To prevent illegal infringement on employees' physical or mental health while performing their duties from actions of another ("illegal infringement in the workplace"), TBB protects employees' safety and mental and physical health at work and keeps them from illegal infringement in the workplace.	- Hazard identification and risk assessment as well as adaptive job assignment and work design inventory are performed according to the work plan. The occupational health and safety officers of the units are required to perform the following every year: - Completing the "Hazard Identification and Risk Assessment for Prevention of Illegal Infringement in the Workplace" for work environment layout assessment. - Completing the "Work Environment Checklist for Prevention of Illegal Infringement in the Workplace" for hazard identification and assessment. - Completing the "Work Environment Checklist for Prevention of Illegal Infringement in the Workplace" for adaptive job assignment assessment. - Constructing behavioral norms and filling out the "Self-check Form for Illegal Infringement in the Workplace – Manager Level". - Effectiveness evaluation and improvement. Completing the "Assessment of Preventive Measures Against Illegal Infringement in the Workplace" for applicability and validity assessment. This will be used as a reference for future training and related measures, and will be kept properly for review at any time. - Conduct the assessment and inventory of the TBB Prevention of Illegal Infringement at Work Plan and set up the online course, Hazard Prevention and Communication Training, to help employees improve friendly communication skills and knowledge of the law.

Risk level	Risk issues	Existing condition	Mitigation measures and results
Low risk	Office accidents and environmental hazards	- TBB provides employees with a safe and healthy work environment and installed central air conditioning systems, sufficient lighting equipment, and comfortable work areas in the offices. We set up emergency escape routes and exits, regularly organize elevator equipment maintenance, prepare fire safety facilities, and organize regular fire drills, carry out disinfection of the work environment, and implement access controls. We also provide necessary health and first-aid facilities and work hard to reduce hazards to employees' safety and health in order to prevent occupational accidents. - The 2024 occupational disaster survey showed a total of 12 office accidents such as falling down at work.	- The occupational health and safety officers of the units at the head office building perform hazard identification regularly and propose corrective measures for improvement as needed. - TBB has set up the "Occupational Safety and Health Work Rules", including work safety and health standards as well as maintenance and inspection methods for different equipment. TBB assigns dedicated personnel to implement regular occupational safety and health inspections to ensure that related equipment can operate normally, reduce accidents, and protect the personal safety of employees. - For any irregular (including accidents and false alarms) incidents (such as falling and injury) involving employees in the work environment, TBB will record the process as required and review and correct the cause of irregularity in order to avoid similar incidents. - Carbon dioxide concentration and illuminance monitoring is conducted regularly. The monitoring reports issued by the monitoring institution for the first and second halves of 2024 showed that both carbon dioxide concentration and illuminance results complied with the requirements. - Workplace environment improvement in recent years: - Air-conditioning retrofitted with anti-bacteria equipment in the 1st floor and the 18th floor restaurant at the Head Office. - AED installed in offices with a larger number of workers (80 or more). - Environmental improvement and management plans installed for work environment safety and food health and safety at the 18F cafeteria at the head office building, cafeterias and food, and related equipment and warehouse. - Work environment safety improvements installed in nonworking areas (e.g., rooftop and server rooms) in the head office building. - Repairs were carried out on the door frame of the head office's business hall to ensure a safe working environment. - Recent workplace environment awards: - The breastfeeding room in our head office building was awarded "Excellence" in the "2023 Taipei City Government Department of Health's breastfeeding room certification and performance evaluation". - The head office building received the "2023 Healthy Workplace Certification - Health Promotion Certificate". - The Information Technology Department at Chongnan Building, North 3 Regional Operation Center, and South 1 Regional Operation Center received the "2023 Healthy Workplace Certification - Health Initiation Certificate". - The Central Regional Operation Center and South 2 Regional Operation Center renewed their certification for the "2023 Healthy Workplace Certification - Health Initiation Certificate". - The North 1 Regional Operation Center and North 2 Regional Operation Center renewed their certification for the "2024 Healthy Workplace Certification - Health Initiation Certificate".

Handling of irregular incidents



Incident classification



Right to refuse unsafe work

When the work environment is exposed to immediate danger, the manager should order to immediately cease operation and ask employees to take refuge in safe places. When an employee discovers potentially immediate danger while performing his/her duty, the employee may cease activity and retreat to a safe place and report immediately to his/her direct supervisor.

Review and Improvement

In 2023, due to communication misunderstandings, the responsible staff at a branch did not report to the local labor inspection agency within 8 hours of an employee's hospitalization following a work-related injury. The report was completed and the labor inspection agency regarded this case a violation of Article 37, Item 2, Paragraph 3 of the Occupational Safety and Health Act, and imposed a fine of NT\$30,000 according to Article 43, Paragraph 2 of the same act. To strictly comply with legal requirements and prevent recurrence of such violations, the Bank has issued an official letter to all units reiterating relevant regulations and added a reminder pop-up window in the occupational safety and health form system upon login. No such cases occurred in 2024.

6.4.4 Health Services

To provide correct medical and health information to its employees, TBB hired 1 doctor specialized in occupational health and safety from a city hospital, 1 doctor specialized in neurology from a regional hospital, and 1 doctor from the Internal Medicine Specialist and Endocrinology and Metabolism Specialist Clinic to serve as the Bank's visiting physicians. TBB also hired 4 nurses with clinical and practical experience with the workplace. The nurses are stationed in the north, central, and south regions to provide health services, such as counseling and first aid, for employees.

Occupational health services ⁹⁹	
Regular physical examination for employees above the statutory requirement	- Managers have one day of official leave per year to visit hospitals cooperating with TBB for physical examination subsidized by the Bank. - Other employees regardless of age receive free physical examination every 2 years. Family members of employees can also participate in physical examination at their own costs.
Health consultations	- To keep employees healthy in the workplace, TBB arranges for visiting physicians to provide health consultations every month. Employees who need health advice can make an appointment with the nurses. Employees unable to visit the physicians' location may make an appointment for phone or email consultations. - In 2024, the visiting physicians provided advice 405 person-times, and the nurses performed 41 follow-ups.

⁹⁹ TBB only provides temporary emergency injury and illness treatment in the workplace for non-employee workers.

Occupational health services⁹⁹Health education
and first aid

- ◆ Health education, advice, consultation, body temperature and blood pressure measurements, and first aid services were provided by our nurses a total of 3,663 person-times in 2024.
- ◆ First aid is provided for customers and non-employee workers in the TBB workplace.

6.4.5 Worker Training in Occupational Health and Safety¹⁰⁰

The Bank has set up occupational health and safety officers, first aid staff, and fire prevention administrators in various units according to laws, and has obtained certificates and conducted relevant training.

2024 Occupational Safety and Health Training	Number of people	Number of hours
Occupational Safety and Health Affair Manager Training	81	1,211
Trainings for First Aid Personnel	95	829
Fire Prevention Manager Training	53	528

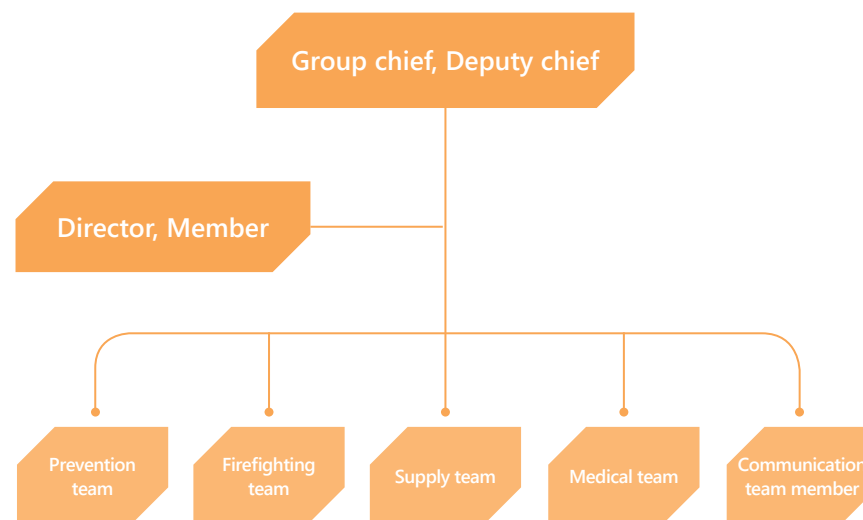
TBB provided training for occupational health and safety officers of the units required to implement the Occupational Health and Safety Management System-ISO 45001 for a total of 202 person-times and 744 hours. To raise health and safety awareness among employees, TBB conducts health and safety training for general workers regularly in order to make the work environment safer. A total of 5,317 employees participated in the training in 2024. Furthermore, earthquake exercises, safety exercises, and AED and CPR training are organized regularly in response to other forms of emergencies. Related response measures are given in orientation training.

Protection team

There is a protection team set up at TBB's Head Office building, with the President as the head of the team and the Executive Vice President as the deputy head of the team, as well as the chief executive officer and the executive officers. The protection team is composed of 4 teams (including the protection team, fire team, supply team and ambulance team) and 2 communication team members. Each team has a team leader and a deputy team leader, with a total of 192 people. Necessary contingency measures will be taken to ensure the safety of employees in the event of a situation, and trainings shall be arranged every year according to the law. A total of 186 people participated in the year-round training in 2024. The Datong Branch of the Taipei City Government Police Department rated our bank as the No. 1 perennial training unit.

¹⁰⁰ TBB also provides educational trainings related to occupational safety and health for non-employee workers, such as improving non-employee workers' safety and health concepts and emergency reminders for the more dangerous non-office areas of the head office building (such as the top floor, computer rooms, etc.).

Organizational Chart of the Protection Team



6.4.6 Protective Measures for the Safety of the Work Environment and Personal Safety of Employees

Item	Content
Access control	1. Rigorous access control monitor system is available during daytime and nighttime. 2. The Bank has signed a contract with the security company to protect the safety of the branches during night time and weekends. 3. Connect with the police and public security unit as a precaution.
Equipment inspection and maintenance	1. According to the requirements under Regulations for Inspecting and Reporting Buildings Public Security, the Bank shall engage professional companies to carry out the security inspection every two or four years. 2. The Bank commissioned professional organizations to inspect the fire safety facilities every year as required by the Fire Services Act. 3. According to the Code of Practice for Occupational Health and Safety of the Bank, the maintenance and inspection for motorcycles, air conditioners, vehicles, coin counters, kitchen, hole puncher, and bill counter are carried out per day; the maintenance and inspection for air conditioners, first-aid kit, fire service equipment, and elevators are carried out per month; the maintenance and inspection for vehicles are carried out per season; the maintenance and inspection for high/low voltage electrical equipment are carried out per six months; the maintenance and inspection for motorcycles, fire service equipment, and elevators are carried out per year; and the maintenance and inspection for motorcycles are carried out per three years.

Item	Content
Disaster prevention and response measures	1. The Bank has disaster prevention, rescue notes, and occupational accident reporting procedures in place, including "Disaster Emergency Response Countermeasures Manual", "Guidelines for Material Contingencies Handling Mechanisms", "Procedure Guidelines for Security and Grouping of Branches", "Code of Practice for Occupational Health and Safety" and "Regulations Governing Occupational Health and Safety". Such procedures specify the responsibilities and mission for personnel at each level before and after material events of natural disasters and material emergencies of robberies. Anti-robbery drills are performed twice a year at our branches. 2. Except for setting the Protection Team, the head office also engages the fire protection competent authority to organize the fire protection and disaster prevention lectures. 3. To safeguard the security and health of our employees, the Occupational Safety Section subordinates to the Human Resources Department is in place for the promotion of safety and health affairs.
Physical Health	1. Health check and health management: Regular physical examination is provided for employees, and medical workers present at the branches will offer health guidelines and recommendations to employees who receive abnormal results of the health check. 2. Hygiene of the working environment: Smoking is prohibited at all business premises. The Bank also carries out regular office cleaning and sterilization. 3. In order to help voluntary health management of our employees, the Bank organizes health seminars, CPR training, and provides health-related programs on the digital learning website of the Bank for our fellow colleagues to learn new knowledge from the internet and enrich their concepts of health. 4. To provide employees a healthy working environment, the Bank established a health service and stress relief activity center, nursing rooms, and emergency facilities (such as AED and first -aid kit), and improved the workplace facilities in due course to improve the safety of the environment and minimize the occurrence of workplace accident.
Mental Health	1. Provide physical and mental relaxation for employees: To help care for the living quality of our employees and relieve their stress from workplace and family, the Bank provides programs of pressure release, family care, emotion control, and encouragement on its digital learning platform for our fellow colleagues to access, adjusting mental health in due course. 2. Prevention of sexual harassment at the workplace: Establish report regulations and punitive terms, as well as provide the "Gender Equality" course on the E-learning website to strengthen employees' correct perception and awareness.
Advice on hazardous factors during operations of contractors	Setting up the "Advice on hazardous analysis during operations environment of contractors" and "Q&A" in the exclusive zone for the employees of the Bank according to the government regulations.
Insurance and Medical Care Consolation	1. The Bank provides labor insurance (including occupational injury and disease) and health insurance to its employees according to the law, and negotiates with insurance companies to provide casualty insurance, accident medical insurance, and cancer insurance to the Bank's employees and their families at a rate of concession. 2. The Bank offers work-related accident insurance for all our employees with coverage of NT\$3 million. For work-related disability or work-related deaths, the insurance claim will be used to support the employee or its successors. 3. Provide disease subsidies to our clerks, their spouses, and descendants.

6.4.7 Prevention and Mitigation of Direct Impact of Occupational Health and Safety Issues on Business Activities

TBB has established the "Supplier Management Regulations" and an "Implementation Plan for Supplier Management Guidelines" that require business partners/suppliers to sign a "Human Rights and Environmental Sustainability Commitment" before procurement. They are also required to evaluate their performance in key areas such as integrity in operations, data security, environmental protection, corporate social responsibility, and legal compliance through a "Corporate Social Responsibility Self Assessment Form."

For suppliers exceeding a certain amount, in 2024, the Bank reviewed whether they have any violation cases of environmental, labor, and human rights risks (149 suppliers queried/149 total suppliers = 100%). The proportion of suppliers with the aforementioned risk was 0%. The Bank has conducted irregular visits to suppliers with risks to assess their improvement progress. Throughout the collaboration, the Bank conducts due diligence to understand the supplier/business partner's response and whether mitigation measures have been implemented. In 2024, the proportion of suppliers taking remedial measures was 100%.

TBB formulated the "Supplier Management Regulations" and implementation plans. The contents of the Regulations include basic labor rights, occupational safety and health, environmental protection, social welfare protection, ethical operation, and disclosure of corporate social responsibility information, so as to guide suppliers to jointly promote the sustainable development of economy, environment, and society. TBB's procurement contracts contain explicit ethical corporate management and CSR provisions as well as provisions requiring compliance with occupational safety regulations. For better supplier management, the plan divides the procurement process into pre-purchase risk assessment, interim management, and post-purchase assistance. Suppliers that provide energy saving equipment, IT equipment and maintenance, or construction and renovation and have signed a contract worth NT\$10 million or more should provide the inquiry information against regulations of the Ministry of Environment and the Ministry of Labor or disciplinary actions in the last year. Where search results contain a violation, the supplier will be required to provide documented improvement. For failure to submit improvement documents by the given deadline, the Bank may suspend the supplier's right to bid for TBB's procurement projects. The Bank incorporated occupational health and safety factors into contracting agreements, such as: The engineering contracts signed with contractors specify that the contractors shall comply with the provisions of the Occupational Safety and Health Act and Construction Safety and Health Facilities Standards. Contractors are required to fill out a "Contractor's Operational Environment Hazard Analysis Notification Form" before commencing construction, informing about relevant hazards at the construction site to reduce the occurrence of occupational accidents.



07

Social Welfare



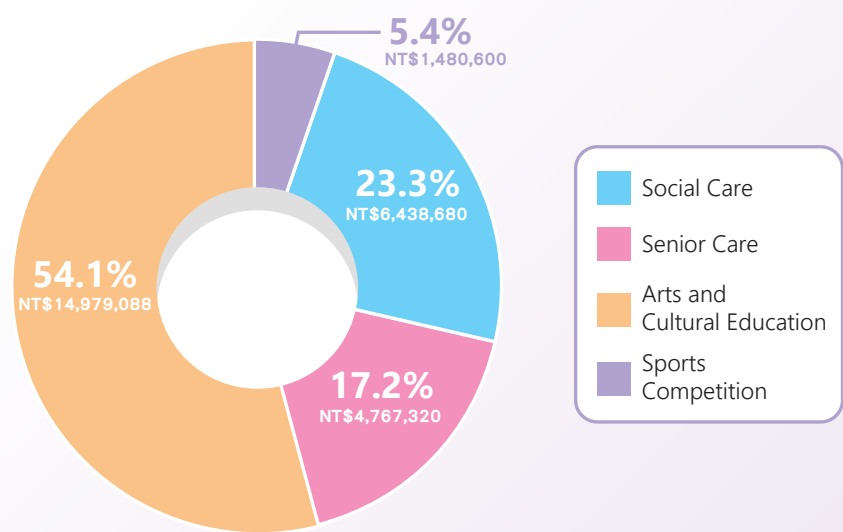
7.1 Four Major Charity Themes

TBB has always believed that banks should not only be committed to their business operations and profit-making performance in order to respond to the expectations of their stakeholders, but also to fulfill their corporate social responsibility and contribute to society as a corporate citizen. TBB upholds the ESG concept of sustainable management and actively practices philanthropy, using its core functions to help solve social problems, while echoing the United Nations Sustainable Development Goals (SDGs) and identifying the Bank's key philanthropic development strategies. In 2024, the Bank's charity continued to focus on four main themes, namely "Social Care", "Senior Care", "Arts and Cultural Education" and "Sports Competition".

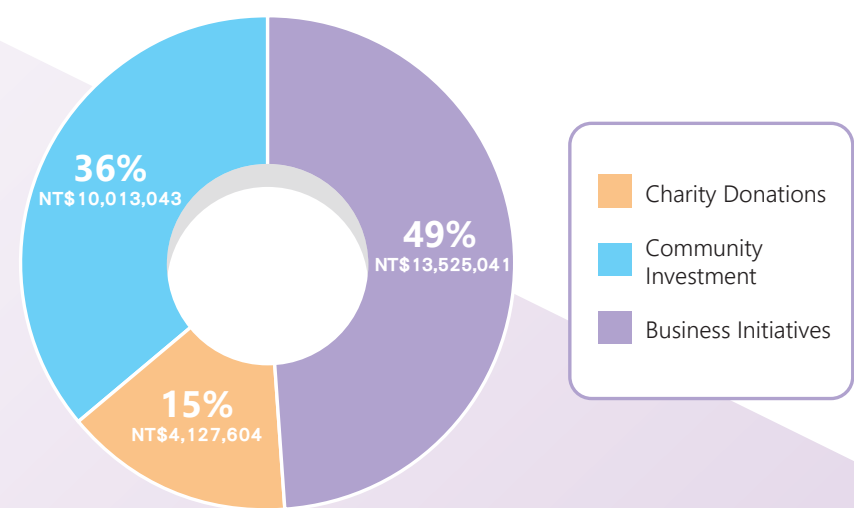
7.2 Resources Invested in Charity

In 2024, TBB invested a total of NT\$27,665,688 in the four charity themes, and the investment proportion is as follows: Social Care NT\$6,438,680 (23.3%), Senior Care NT\$4,767,320 (17.2%), Arts and Cultural Education NT\$14,979,088 (54.1%), Sports Competition NT\$1,480,600 (5.4%). At the same time, referring to the questionnaire survey of the Dow Jones Sustainability Index (DJSI), the Bank classified the types of investment activities into "Charity Donations", "Community Investment", and "Business Initiatives" with the following investment proportion: Charity Donations NT\$4,127,604 (15%), Community Investment NT\$10,013,043 (36%), Business Initiatives NT\$13,525,041 (49%).

Four major charity themes



Activity types of Dow Jones Sustainability Index (DJSI)



7.3 Social Care

	Item	Implementation	Environmental/Social/Business value
Disadvantaged Care	Nutritional breakfast donation program for rural elementary schools SDGs 2.1	TBB provides an ongoing sponsorship of free breakfast for disadvantaged children in four rural elementary schools, including Nanfeng Elementary School in Nantou County, Shuanglong Elementary School in Nantou County, Dona Elementary School in Kaohsiung City, and Saijia Elementary School in Pingtung County.	The sponsorship paid a total of NT\$22,180,574 and 3,536 students benefited from it between 2011 and 2024.
	Charity for Children SDGs 1.4	TBB (Cambodia) Microfinance Institution Plc participated in the "Visiting the Orphanage at Krong Svay Rieng and Donating Supplies" and the "Mid-Autumn Festival Warmth and Care for the Disabled and Orphanages" activities.	The total sponsorship amount was approximately US\$250.
	Donations to disadvantaged groups SDGs 2.1	TBB (Cambodia) Microfinance Institution Plc participated in the "2024 Dragon Boat Festival Charity Event -Donation to Poor Families" and the "Love Without Borders - Rice Fundraiser".	The total sponsorship amount was approximately US\$300.
		Collaborated with Taiwan Spinocerebellar Ataxia Association to organize the "Walking with Penguins and Spreading Love" donation event.	- Provided 63 boxes of leak-proof diapers and 65 boxes of water-based wet wipes worth approximately NT\$100,000 to patients in need at the Association. - By incorporating digital technology with charity to achieve synergistic effects, 725 blessing cards were delivered online to cheer up the patients.
	Purchase of locally grown produce SDGs 2.3/2.c	TBB purchased fresh produce to give away to its long-term sponsored elementary school children at rural areas, seniors at the Senior Learning Centers, and more than 30 schools, and households in need through three different food banks.	- Approximately NT\$1.63 million was spent to purchase nearly 4,150 Taiwan cabbies of seasonal pomelo, 500 Taiwan cabbies of white pomelo, and 75 metric tons of seasonal onions, to help farmers promote Taiwan's high-quality agricultural products. - The value of media coverage was estimated at NT\$150,000.
		TBB Consulting Co., Ltd. purchased high-quality agricultural products from Taiwan.	Supported smart agricultural innovations from startups and purchased 200 smart agriculture asparagus gift boxes from Chiayi County.
	Anue Annual Courtesy Program SDGs 1.4	TBB was a sponsor of the Anue annual charity program.	- TBB took action and used the donation drive to help draw attention to difficulties faced by disadvantaged children and seniors in Taiwan. - The recipient organizations in 2024 included three NGOs, namely, Kidsalve International Christian Care for Children at Risk, Taitung Autism Association, and Hualien County Autism Association's Fuxing Workshop. - The value of media coverage was approximately NT\$240,000.
Humanitarian efforts	Donated Microinsurance Premium SDGs 1.4	TBB sponsored micro group accident insurance for underprivileged groups of the Dongshi Township Office, a member of the Chiayi City Fuan Wang-Yeh Charity Association.	- By donating microinsurance premiums, the Bank helped disadvantaged and physically and mentally challenged groups to take out microinsurance and expand the social safety net. - TBB donated NT\$46,086 in premium which benefited 352 people.
	Charitable rebate through credit cards SDGs 1.4	Charitable organizations may disclose their charitable donation information in the credit card section of the Bank's website at no cost and cardholders are encouraged to make regular donations.	Long term assistance has been provided to charity groups, such as Taiwan Fund for Children and Families, World Vision International (Taiwan), Sunshine Social Welfare Foundation, Taipei City Spinal Cord Injury Social Welfare Foundation, Joyful Children Foundation, Genesis Social Welfare Foundation, Eden Social Welfare Foundation, and Waker Group, in order to disclose their donation programs.
	Relief for Hualien Earthquake SDGs 16.1/16.a	Donated NT\$2 million to the "Taiwan Foundation for Disaster Relief", with the designated purpose being the "Hualien Earthquake Fundraising Project".	Showed humanitarian spirit and provided the most immediate assistance for the victims of the Hualien earthquake on April 3, 2024.
	TBB purchased commemorative tickets for charity purposes issued by the Taiwan Anti-Tuberculosis Association SDGs 3.3	TBB helped the Taiwan Anti-tuberculosis Association raise funds to fight tuberculosis.	TBB encouraged everyone to get involved in the fight against tuberculosis and become more health conscious. From 2000 to 2024, the annual charity stamp subscriptions ranged from about 10 to 25 sheets, with a cumulative contribution of NT\$80,000.
	Blood drive SDGs 3	Working with Taiwan Blood Services Foundation, TBB jointly held a blood donation event at the Head Office and encouraged employees to participate enthusiastically.	On that day, a total of 115 bags, or 28,750cc of blood, were collected to contribute to the blood bank.

7.4 Senior Care

	Item	Implementation	Environmental/Social/Business value
Active aging	"Senior Learning Centers" Program SDGs 2.2	◆ The Charity Affinity Signature Business Card was launched in June 2018, and 3% of the transaction amount was allocated to the public welfare fund. At the end of 2019, the "Community Trust Joyful Ageing Social Welfare Fund" was established to sponsor the senior learning centers in remote or under-resourced communities to help provide services such as health promotion, social interaction, happy learning, happy meal sharing and delayed disability for the elderly. ◆ Through the help of nearby Regional Operation Centers and branches, TBB invited retired employees who are interested to participate in activities at local senior learning centers to check on their operation and help the Head Office conduct follow up visits. The arrangement facilitates follow up assessment of funding applications and optimization of the senior learning centers.	◆ In 2024, the Bank visited community development associations near the Bank's Hu Kou Branch in Hsinchu County, Miao Li Branch in Miaoli County, and Tsao Tuen Branch in Nantou County, and sponsored establishment of three senior learning centers, the Hsinchu County Xinfeng Township Zhonglun Community Development Association, the Miaoli County Xihu Township Jinshi Community Development Association, and the Taichung City Wufeng District Tunglin Community Development Association. The Bank sponsored renovation of the facilities and equipment and increased the quantity of shared meals and courses/activities, benefiting approximately 185 seniors. A total of 26 Senior Learning Centers have been created since 2018.
			 ◆ The Charity Affinity Signature Business Card and Credit Guarantee Funds Affinity Card have a cumulative allocated amount of NT\$30,346,878 (NT\$4,667,644 in 2024) as of the end of 2024. ◆ Total sponsorship was NT\$32,947,151 as of the end of 2024, benefiting 392,952 person-times of seniors. ◆ Many of the Bank's corporate clients recognized the purpose of the project and took the initiative to show their courtesy through donations, materials and ingredients, such as "PLN Food Co.", "Gallant Ocean International", "Chung-Hsiang Foods", "Tai An Food", "Sun-Sea Construction" and "Chinlin Chem Corp.", etc. The outflow of love was remarkable. ◆ The Bank sponsored 19 senior learning centers for the year-end dinner, and 2,195 elderly people participated in the fireside gathering and felt the festive atmosphere.

Active aging

Promote health and wellness for seniors
SDGs 3.D/4.7

- ◆ Worked with University of Taipei to design Special Exercise Courses for the Elderly.



- ◆ Sponsored 18 Senior Learning Centers to organize the "Puppet Show at the Senior Learning Centers: Financial Knowledge Promotions".

- ◆ The Bank held the Elderly Care Trust Promotion and Dementia VR Simulation Lecture which simulated dementia symptoms and promoted elderly care trust and insurance.

- ◆ TBB worked with Kaohsiung Wild Bird Society and held 3 environmental and ecological community promotion and financial knowledge promotion activities.

Environmental/Social/Business value

- ◆ TBB held 7 sessions of courses at 7 senior learning centers over 84 weeks to help seniors in the communities make a habit of exercising in order to encourage more seniors to exercise at home, delay incapacity and promote health.
- ◆ According to physical fitness test results before and after the event, all data including muscular endurance and agility improved, and stamina changed for the better. A total of 1,598 person-times of seniors benefited from the activities.

- ◆ Through puppetry performances, anti-fraud knowledge was disseminated in an entertaining and educational way, and traditional arts and culture were promoted. Approximately 1,015 elderly people participated in the 18 shows.

- ◆ The target groups of this activity include elderly people over the age of 65, rural communities, low-income groups and people with disabilities, providing financial knowledge and anti-fraud education to vulnerable groups in remote areas with inconvenient transportation.

- ◆ The event helped participants understand how to interact with dementia patients and learn about trust products and insurance planning in order to protect or care for their own needs or the needs of their family, achieving the vision of Elderly Care Trust & Dementia Friendliness.

- ◆ 2 events were held, with approximately 60 participants.

- ◆ Environmental lecturers were invited to give introductions to ecological conservation at local communities and enhance the concept of environmental sustainability. TBB also invited its employees to educate seniors on consumption, financial planning, and trust services.

- ◆ The three events were participated by nearly one hundred attendees.

7.5 Arts and Cultural Education

Item	Implementation	Environmental/Social/Business value
Promoting arts and cultural education SDGs 4.3	Through the promotion of various credit cards, a certain percentage of the rebate is allocated to enhance the literacy of the entire population and to improve the overall quality of the arts, education and culture of the society. TBB promoted reading in the country and subscribed to Hami e-books to give employees and visiting clients at the Head Office access to a large selection of e-magazines, bestsellers, and newspaper.	- A certain percentage of the credit card consumption amount of the Yilan EasyCard Affinity Card has been set aside as the University's funding. In 2024, the sponsored amount is NT\$767,397 for assisting the development of education. - The Enjoy Life and Fun Signature Card launched in 2021 offers free admission to the top 100 museums in Taiwan and abroad with spending up to a specified threshold, and provides additional rebates for using the card at art and culture channels. Starting from 2022, we expanded the arts and travel offers and added new channels related to film, television and entertainment with cash rebates of up to 3% for revitalizing the overall development of arts and culture. - An ongoing effort was made to encourage reading in the workforce and create a learning culture, and to promote paperless as well as energy conservation and carbon reduction.
Supporting local art and culture SDGs 4.7	From 2019 onward, the main lobby of the Head Office was designated as "Image of Dadaocheng - Art and Cultural Space", providing a platform for art and cultural workers to curate and publish their creations at no cost. TBB supports the mission of the General Association of Chinese Culture to actively assist in the development of Taiwan's arts and cultural industries and to promote Taiwan's diverse culture internationally. TBB sponsored the "We are 2024 - Our Chinese New Year's Eve", Fountain magazine, the 2024 Fountain camp, and filming and production of "The Soul of the Craftsman" video series.	- In 2024, TBB invited ink and brush painter Zen-chien Chen, 3D multimedia artist Minchun Liao, photographer Naomi Pei, color ink calligrapher and painter Yen Hsin Lin and the Down Syndrome Foundation R.O.C. to organize 5 exhibitions. We also held the "Dragon Brings Good Luck and Welcomes the Spring" event, inviting paper-cutting artists Jun-Ju Chen and Yu-Hua Chang to create paper sculptures to celebrate the New Year and give them to customers and members of the public who visited the Bank.  - By the end of 2024, 28 special art and cultural exhibitions were held and received over 10,000 visitors. "We are 2024 - Our Chinese New Year's Eve" was watched by approximately 3.49 million viewers on social media platforms. - The Fountain magazine helps promote Taiwanese arts and culture, explores important contemporary cultural issues, and promotes cross-industry cultural exchanges. - The "2024 Fountain camp" was held in two sessions in Yilan and Keelung, with a total of 95 participants and online posts reaching a total of approximately 91,018 people. "The Soul of the Craftsman" videos have been viewed approximately 156,833 million times online, shared nearly 300 times, and covered in 15 media reports.

Item	Implementation	Environmental/Social/Business value
Supporting performing arts SDGs 4.7	Sponsored the Tainan City Government to organize the “2024 Taiwan Lantern Festival in Tainan” event.	◆ Cumulatively participated by approximately 15.2 million people throughout the event.
	TBB sponsored the 2024 National Day Fireworks in Yunlin.	◆ The event was attended by more than 300,000 people.
	TBB sponsored the 2024 National Day Celebration in Taipei.	◆ 25,000 people attended the event. ◆ The total number of viewers on broadcasting platforms (TV, YT, FB, etc.) was about 2.78 million.
	TBB sponsored Kuanyin Line in hosting a charity concert.	◆ Proceeds from the concert were used for the organization to provide charitable services. ◆ A total of 1,511 people attended the event.
Supporting international art and culture exchange SDGs 4.7	Brisbane Branch sponsored the “27th Anniversary Publication of the Hakka Association of Queensland (2024)”, “2024 Taiwan Film Festival in Brisbane”, and “2024 Brisbane International Arts Festival to Celebrate Harmony Week”. To celebrate the Double Tenth National Day, the Sydney Branch sponsored the advertising of the “Celebration of the 2024 Double Tenth National Day in Sydney”.	◆ Through its foreign branches, the Bank is able to reach out to the local business community and overseas Chinese associations, increase interaction with them, and support them in promoting Taiwanese culture and exchanges.
Promoting exchange between the industry, government and academia SDGs 4.7	TBB sponsored the ARDF 36th Accounting Elite Cup Debate.	◆ The event was attended by 250 people.
	TBB sponsored the 2024 annual conference of the Taiwan Economic Association.	◆ The event was attended by 271 people.
	Sponsored the Junior Chamber Zhongli, Taoyuan City Chapter of the Junior Chamber International Taiwan to host the “2024 JCI World Conference”.	◆ Young opinion leaders were from various countries to discuss issues such as green economy and carbon reduction plans, and to encourage the participation of the younger generation in international business. ◆ Participated by approximately 20,143 people.
	TBB sponsored the 2024 Wealth Magazine Impact Forum.	◆ 300 people attended the forum. ◆ The value of media coverage was approximately NT\$1.63 million.
	Sponsored the Liberty Times Net to host the “2024 Anti-fraud Forum” and “2024 Insurance Forum”.	◆ The two events were attended by approximately 250 people. ◆ The event had media exposure in 51 news articles.
	TBB Consulting Co., Ltd. and Business Today magazine co-organize the “Taiwan Future International Summit 2024”.	◆ The Vice President, along with mayors from various counties and cities in Taiwan, internationally renowned economists, and leaders from the public, private, and academic sectors, were invited to discuss future trends in Taiwan's economy and industrial development. ◆ The two-day event was participated by a total of 500 people, and the livestream was viewed by more than 131,053 times.
	TBB Consulting Co., Ltd. co-organized the “Corporate Governance and New ESG Objectives Seminar” with the Trust Fund for Taiwan Finance, Enterprise & Banking Law and School of Law, Soochow University.	◆ Domestic scholars and practical experts were invited to publish research and practice reports and hold discussions, thereby promoting public welfare seminars between industry, government and academia. ◆ The event was attended by 200 people.

Item	Implementation	Environmental/Social/Business value
Promoting exchange between the industry, government and academia SDGs 4,7	TBB Consulting Co., Ltd. and Business Today magazine co-organized the "2024 Marching to the Greater South Forum".	◆ The Mayor of Kaohsiung City, the Magistrate of Chiayi County, and other heads of counties and cities in southern Taiwan and industry leaders and representatives were invited to share development strategies and suggestions, and for the industrial ecosystem to stay aligned with global international issues such as the transition and upgrade of southern Taiwan's AI semiconductor industry, digital sustainable cities, and ESG trends. ◆ The event was attended by approximately 250 people.
	TBB Venture Capital Co., Ltd., the Taiwan Trust Association, and the College of Law, National Chengchi University co-organized the "2024 Seminar: Dialogues between Trust Practice and Theory".	◆ Members of the industry, government and academia were invited to participate in the thematic seminar to understand the latest development and practical operation of Taiwan's Trust Law. ◆ The event was attended by approximately 300 people.
	TBB Venture Capital Co., Ltd. and Business Weekly magazine collaborated to shoot a 10-episode digital interview project on new online startup companies.	◆ Creating digital marketing interviews to be broadcast online or played on YouTube would help improve the Group's overall corporate image. ◆ The shows received a total of 51,200 clicks.
	TBB joined the Taiwan Financial Services Roundtable in hosting the 2024 Financial Services Caring Carnival in Tainan and Taipei.	◆ Two booths each were set up in Tainan and Taipei respectively to provide everyday essentials and souvenirs, and to use the opportunity to engage visitors to raise awareness of finance and charitable causes.
Attention to environmental education SDGs 4,7/6,15,4	TBB sponsored the Kaohsiung Wild Bird Society's 2024 Budai Salt Field and Wetland Protection Project in environmental conversation on state-owned non-public use marginal land.	◆ TBB helped with development of environmental restoration and conservation and maintenance of ecological stability and balance in wetlands, which would contribute to ecological diversity. TBB also took real action to follow environmental sustainability by working on educational campaigns. ◆ The project sponsored 343 hectares of wetland and helped Kaohsiung Wild Bird Society patrol once a week to record environmental changes.
	TBB joined Kaohsiung Wild Bird Society in organizing the wetland conservation campaign.	
		◆ TBB called on its employees and their families to participate in wetland conservation in Budai, Chiayi. A total of 80 kg of non-recyclable waste such as diapers and fishing nets and 24 kg of recyclable waste were picked up. ◆ The event was attended by 37 people and covered by Commercial Times and Economic Daily, generating an equivalent of NT\$170,000 in media value.
	TBB executed the TBB Tree Planting and NFT Prize Draw project.	◆ Focusing on sustainable finance trends and bringing together NFT, digital deposit account and ESG ideas, TBB executed the "NFT x ESG Forest Tree Planting Innovative Marketing Campaign" and planted trees in the mountains near Shenshan tribe of the Rukai people in Pingtung. The contract period is 1 year (October 2023 to September 2024). A total of 500 saplings were planted and one hectare of wooded land was maintained for a sustainable ecosystem. ◆ The event was attended by more than 30,000 people and covered by Economic Daily and Commercial Times.

7.6 Sports Competition

Item	Implementation	Environmental/Social/Business value
Supporting commitment to sports competitions SDGs 4.7	TBB sponsored the 2024 TLPGA YTS & Suncity Heritage Tour.	The tour drew 53 professional and 51 amateur players, 104 in total, including primary and secondary school golfers, to participate and accumulate valuable experience, which is very meaningful in terms of rooting and passing on.
	Sponsor the Golf Association of the Republic of China to carry out the "2024 Entry-level Golf Promotion" project.	- The annual project supports the promotion of golf at entry-level by hosting the "National Primary School Championship" and the "National Seasonal Championship", which allow athletes to compete with each other and to discover golf talents. - A total of 677 athletes participated in the six games.
	Brisbane Branch sponsored the 2024 17th Taiwan Cup Golf Tournament and the Queensland Taiwan Charity Federation Gala.	Through our foreign branches, we are able to reach out to the local business community and overseas Chinese associations, increase interaction and exchange.
	Sponsored the Taiwan Indigenous Baseball Development Association to organize the "31st TIBDA Care Cup Baseball Invitational Tournament".	A total of 62 teams and approximately 1,008 players participated in the tournament, working together to promote baseball among the indigenous people.
Promoting sports in the country SDGs 4.7	TBB cosponsored the 2024 Ministry of Finance Unified Invoice Marathon.	The event attracted more than 10,000 runners and collected about 730,688 invoices to donate to 20 social welfare organizations.
	TBB sponsored the Keelung City Basketball Association for organizing the "33rd New Park Cup Basketball League in Keelung City".	TBB sponsored the Keelung City Basketball Association for organizing the "33rd New Park Cup Basketball League in Keelung City" for 13 consecutive years with 5,986 participants during the tournament.

7.7 Financial Education and Consulting Services

To promote the information of financial goods and services and strengthen the understanding of financial knowledge of different ethnic groups, the Bank fully cooperates with the government's local care policy, hold various lectures, assist entrepreneurship in local communities, and provide consulting services. The implementation result in 2024 is as follows:

Activity Name	Service Target	Expected Benefits	Cooperation Unit	Date	Place	Session
Organizing financial information sessions on campus and in communities	Students and members of communities (including people with disabilities)	Support charities and raise financial literacy, educate consumers on spending and financial/debt planning, and help extend the reach of financial literacy into schools and local communities.	Government agencies	Year round	Campus: Zhongli Elementary School in Taoyuan City; Ronghua Elementary School in Pingtung County; Liqiu Junior High School in Pingtung County; Shanghu Elementary School in Taoyuan City; Shih Chien University; National Taichung University of Science and Technology; Chih-Li University of Technology, etc., with a total of approximately 988 beneficiaries.	15
				Year round	Community: Sanxia Welfare Service Center for the Disabled in New Taipei City; Finance Group of the National Army in Zuoying, Kaohsiung City; the New Taipei City Sanxia Elderly Association; the Miaoli Detention Center, Agency of Correction, Ministry of Justice; the Changhua Prison, Agency of Correction, Ministry of Justice; Hengchun Coast Guard, Pingtung County; Changhua Detention Center, Agency of Correction, Ministry of Justice; Northern Branch, Coast Guard Administration, Ocean Affairs Council, etc., with a total of approximately 1,576 beneficiaries.	32

Activity Name	Service Target	Expected Benefits	Cooperation Unit	Date	Place	Session
"Trust Services in Everyday Life" financial seminar	Students	Story sharing and studies are used to help students learn about trust service at an early age and to take trust education to broader age groups.	Colleges and universities	2024.10.29	Shih Chien University	3
				2024.11.27	National Taipei University of Business	
				2024.12.17	National Taipei University	
Community college seminars	The elderly	To give the public a better understanding of the trust system and to improve care of the elderly and the physically or mentally disabled, trust information sessions were held to introduce ways to use trust for elderly care and asset preservation.	New Taipei City Government	2024.5.16	Xiacheng Community Development Association in Xindian District, New Taipei City	3
				2024.5.24	New Taipei City Luzhou Farmers Association	
				2024.11.21	New Taipei City New Immigrants Promotion Association	
"Village Trust Promotion Project" trust promotion	Elderly people in remote areas	To achieve inclusive finance, TBB reinforced the awareness for the importance of elderly care trust and anti-fraud concepts among residents in remote areas.	Trust Association of R.O.C.	2024.3.18	Xibei Village, Sanxia District, New Taipei City (one of the chapters for the New Taipei City Sanxia Elderly Association)	5
				2024.5.30	Donggang Community Development Association in Budai Township	
				2024.5.30	Village Sustainable Development Association in Chiayi County	
				2024.6.20	Qishan Tangchang Community Development Association in Kaohsiung City	
				2024.8.5	Juren Village, Zhongshan District, Keelung City	
Courses to enhance the competitiveness of small and micro enterprises	SMEs	As part of the commitment to CSR as an SME specialized bank and the support for SMEs, the Bank arranged to set up a stall at the venue to provide financing advice.	Small and Medium Enterprise and Startup Administration, MOEA	2024.1-2024.4	Across Taiwan	13
Briefing on relief financing for enterprises affected by natural disasters			SMESA of MOEA, Taiwan SMECF, and SME Credit Guarantee Fund	2024.4-2024.8	Hualien, Yunlin, Kaohsiung	6
SME financing matchmaking events under 2024 Project for Strengthening SME Solvency			Small and Medium Enterprise and Startup Administration, MOEA	2024.7-2024.8	Taipei, Taichung, Kaohsiung	4
"Preferential Loans for Youth Entrepreneurship and Start-up" business promotion activities			Small and Medium Enterprise and Startup Administration, MOEA	2024.10.23 2024.11.13	Taichung, Tainan	2
ESG sustainability and special loan promotion events			Industrial Technology Research Institute, Taiwan Institute of Economic Research, and Taiwan SMECF	Year round	Across Taiwan	7
"The 6th Dangerous and Old Buildings + Urban Renewal Fair and Seminar"			Wealth Magazine	2024.9.21-2024.9.22	Taipei Expo Park	1
Industry Digital Transition and Development Seminar			Small and Medium Enterprise and Startup Administration, MOEA, and Industrial Park Service Center	2024.6.4-2024.6.6	Yilan, Taichung, Tainan	3
Industrial development, business operations and other activities			MOEA, MOC, local governments, Taiwan SMECF, chambers of commerce and associations	Year round	Across Taiwan	20

Appendix

Appendix 1 GRI Content Index

Statement of Use	GRI 1 used	Applicable GRI Sector Standards
Taiwan Business Bank has prepared this report in accordance with the GRI standards. The information disclosure period of this report is 2024 (from January 1 to December 31, 2024).	GRI 1: Foundation 2021	There is no applicable GRI Sector Standard

GRI 2: General Disclosure 2021

GRI Guidelines	Disclosure Items	Chapter/Explanation	Page
2-1	Organization	About this Report	1
		1. About Taiwan Business Bank	14
2-2	Entities included in the organization's sustainability reporting	About this Report	1
		1.3 Business Performance	21
2-3	Period and frequency of reporting and contact	About this Report	1
2-4	Restatements of information	About this Report	1
2-5	External assurance	About this Report	1
2-6	Activities, value chain, and other business teams	1.2.2 Current Status	16
		5.2.2 Supplier Management	103
2-7	Employees	6. Employee Care	105
2-8	Non-employee workers	6.1.1 Employee Structure	106
2-9	Governance structure and composition	2.1 Board of Directors and Corporate Governance	40
2-10	Nominating and selecting the highest governance body	2.1 Board of Directors and Corporate Governance	40
2-11	Chairman of the highest governance body	2.1 Board of Directors and Corporate Governance	40
2-12	Highest governance body's role impact management	2.1 Board of Directors and Corporate Governance	40
2-13	Assign responsibility to manage impacts	1.4.2 Sustainable Development Committee	24
2-14	Highest governance body's role in sustainability reporting	1.4 Sustainable Development	22
2-15	Conflicts of interest	2.1 Board of Directors and Corporate Governance	40
2-16	Communication of key events	1.4.2 Sustainable Development Committee	24
2-17	Collective knowledge of highest governance body	2.1 Board of Directors and Corporate Governance	40

GRI Guidelines	Disclosure Items	Chapter/Explanation	Page
2-18	Evaluating the highest governance body's performance	2.1 Board of Directors and Corporate Governance	40
2-19	Remuneration policies	2.1.6 Remuneration of the Senior Management	43
2-20	Process for determining remuneration	6.1 Talent Recruitment and Retention	106
2-21	Annual total remuneration ratio	2.1.6 Remuneration of the Senior Management	43
2-22	Statement of sustainable development strategy	From the Chairman	3
2-23	Policy commitments	2.1.7 Tax Governance	44
		2.2 Ethical Corporate Management and Legal Compliance	45, 47
		5.2 Sustainable Procurement and Supplier Management	103
		6.3 Safeguarding Human Rights in the Workplace	125
2-24	Inclusion in policy commitments	4.2 Sustainable Financial Services	90
		6.3.2 Human Rights Protection Guidelines	125
2-25	Compensation process for negative impacts	3.3 Financial Inclusion Products and Services	69
		3.4 Personal Data Protection and Information Security	72
		7.7 Financial Education and Consulting Services	147
		4.2 Sustainable Financial Services	90
		6.1 Talent Recruitment and Retention	106
2-26	Mechanism for seeking suggestions and raising questions	2.2.4 Reporting System	47
2-27	Legal Compliance	2.2.5 Compliance	47
		6.4.3 Occupational Safety and Health Risks	132
2-28	Membership of associations	1.2.6 Participation in External Associations and Organizations	20
2-29	Direction of stakeholder engagement	1.5 Communication with Stakeholders	25
		1.6 Material Topics	27
2-30	Collective bargaining agreements	6.3.4 Protection of Work Rights and Interests	129

GRI 3: Disclosure of Material Topics

GRI Guidelines	Disclosure Items	Chapter/Explanation	Page
3-1	Decision Making Process for Material Topics	1.6 Material Topics	27
3-2	List of Material Topics	1.6.3 List of Material Topics and Explanation of Differences in 2024	28
3-3 ¹⁰¹	Material Topics Management	1.6.4 Management Guidelines for Material Topics and Major Achievements	31

¹⁰¹ Material Topics

Topic-Specific Disclosures

GRI 200: Economic Disclosures				Chapter/Explanation	Page
Series	Version	Disclosure	Description		
GRI 201 Economic Performance	2016	201-1*	Direct economic value generated and distributed	1.3.1 Business and Finance Indicators	21
		201-2*	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Risks and Opportunities	82
		201-3	Defined benefit plan obligations and other retirement plans	6.1.7 Retirement Life Assurance	119
GRI 202 Market Presence	2016	202-2	Proportion of senior management hired from the local community	6.1.1 Employee Structure	106
GRI 203 Indirect economic impacts	2016	203-2*	Significant indirect economic impacts	3.2 Digital Banking	65
				3.3 Financial Inclusion Products and Services	69
				4.2 Sustainable Financial Services	90
GRI 205 Anti- corruption	2016	205-1*	Operations assessed for risks related to corruption	2.2.2 Ethical Corporate Management Implementation Status	45
		205-2*	Communication and training about anti-corruption policies and procedures	2.2.2 Ethical Corporate Management Implementation Status	45, 103
		205-3*	Confirmed incidents of corruption and actions taken	2.2.2 Ethical Corporate Management Implementation Status	45
GRI 206 Anti- competitive behavior	2016	206-1*	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.2.2 Ethical Corporate Management Implementation Status	45
GRI 207 Tax	2019	207-1	Tax policies	2.1.7 Tax Governance	44
		207-4	Country-by-country reporting	2.1.7 Tax Governance	44

GRI 300: Economic Disclosures				Chapter/Explanation	Page
Series	Version	Disclosure	Description		
GRI 305 Emissions	2016	305-1	Direct (Scope 1) GHG emissions	5.1.1 GHG Emission Reduction	96
		305-2	Energy indirect (Scope 2) GHG emissions	5.1.1 GHG Emission Reduction	96
GRI 308 Supplier Environmental Assessment	2016	308-1	New suppliers that were screened using environmental criteria	5.2.2 Supplier Management	103
		308-2	Negative environmental impacts in the supply chain and actions taken	5.2.2 Supplier Management	103

GRI 400: Social Disclosures				Chapter/Explanation	Page
Series	Version	Disclosure	Description		
GRI 401 Employment	2016	401-1	New employee hires and employee turnover	6.1.3 Talent Recruitment	110
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Talent Recruitment and Retention	106
		401-3	Parental leave	6.1.6 Employee Welfare	114
GRI 402 Labor/ Management Relations	2016	402-1*	Minimum notice periods regarding operational changes	6.3 Safeguarding Human Rights in the Workplace	125
GRI 403 Occupational Health and Safety	2018	403-1	Occupational Health and Safety Management System	6.4.1 Occupational Health and Safety Management System – ISO 45001:2018	130
		403-2	Hazard identification, risk assessment, and incident investigation	6.4.3 Occupational Safety and Health Risks	132
		403-3	Occupational health services	6.4.3 Occupational Safety and Health Risks 6.4.4 Health Services	132 136
		403-4	Worker participation, consultation, and communication on occupational health and safety	6.4.2 Worker Participation in Occupational Safety and Health 6.4.3 Occupational Safety and Health Risks	131 132

GRI 400: Social Disclosures				Chapter/Explanation	Page
Series	Version	Disclosure	Description		
GRI 403 Occupational Health and Safety	2018	403-5	Worker training on occupational health and safety	6.4.5 Worker Training in Occupational Health and Safety	137
				6.4.7 Prevention and Mitigation of Direct Impact of Occupational Health and Safety Issues on Business Activities	138
		403-6	Promotion of worker health	6.4.3 Occupational Safety and Health Risks 6.6.4 Health Services	132 136
		403-7	Prevention and mitigation of direct impact of occupational health and safety issues on business activities	6.4.7 Prevention and Mitigation of Direct Impact of Occupational Health and Safety Issues on Business Activities	138
GRI 404 Training and Education	2016	404-1	Average hours of training per year per employee	6.2.3 Learning Plan for All Employees	121
		404-2	Programs for upgrading employee skills and transition assistance programs	6.2.4 Talent Development Objectives and Plans	122
GRI 405 Diversity and Equal Opportunity	2016	405-1*	Diversity of governance bodies and employees	2.1.2 Board Diversity and Independence 6.1.1 Employee Structure 6.1.2 Diversity of Employees	40 106 110
		405-2*	Ratio of the basic salary and remuneration of women to men	6.1.4 The Bank's Remuneration Policy	113
GRI 406 Non-discrimination	2016	406-1*	Incidents of discrimination and corrective actions taken	6.3.2 Human Rights Protection Guidelines	125
				6.3.6 Employee Complaint Mechanism	129
GRI 413 Local Communities	2016	413-2	Operations with local community engagement, impact assessments, and development programs	No operations with significant actual and potential negative impacts on local communities	
GRI 414 Supplier Social Assessment	2016	414-1	New suppliers that were screened using social criteria	5.2.2 Supplier Management	103
		414-2	Negative environmental impacts in the supply chain and actions taken	5.2.2 Supplier Management	103
GRI 415 Public policies	2016	415-1	Political contributions	No occurrences of political contributions	

GRI 400: Social Disclosures				Chapter/Explanation	Page
Series	Version	Disclosure	Description		
GRI 417 Marketing and Labeling	2016	417-1*	Requirements for product and service information and labeling	3.1 Customer Rights and Communication Channels	62
		417-2*	Incidents of non-compliance concerning product and service information and labeling	2.2.5 Compliance	47
GRI 418 Customer Privacy	2016	418-1*	Complaints of substantiated breach of customer privacy or loss of customer data	3.4 Personal Data Protection and Information Security	72

Appendix 2 Comparison Table of the United Nations Global Compact

Classification	Description	Corresponding Sections and Chapters	Page
Human rights	1. Businesses should support and respect the protection of internationally proclaimed human rights	6.3 Safeguarding Human Rights in the Workplace	125
	2. Businesses should make sure that they are not complicit in human rights abuses	6.3 Safeguarding Human Rights in the Workplace	125
Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	6.3 Safeguarding Human Rights in the Workplace	125
	4. The elimination of all forms of forced and compulsory labour	6.3 Safeguarding Human Rights in the Workplace	125
	5. The effective abolition of child labour	6.3 Safeguarding Human Rights in the Workplace	125
	6. The elimination of discrimination in respect of employment and occupation	6.1 Talent Recruitment and Retention	106
Environment	7. Businesses should support a precautionary approach to environmental challenges	5. Sustainable Environment	95
	8. Undertake initiatives to promote greater environmental responsibility	3.3 Financial Inclusion Products and Services	69
	9. Encourage the development and diffusion of environmentally friendly technologies	4.2 Sustainable Financial Services	90
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	2.2 Ethical Corporate Management and Legal Compliance	45

Appendix 3 Comparison Table for TBB's Material Topics

TBB Material Topic	Corresponding Sections and Chapters	Page
Compliance	2.2.5 Compliance	47
Information Security	3.4 Personal Data Protection and Information Security	72
Risk Management	2.3 Risk Management	49

Appendix 4 ISO 26000 Guidance on Social Responsibility

Main Issues		Reference Chapters	Page
Organizational Governance	Decision-making processes and structures	1.6 Material Topics	27
		2.1 Board of Directors and Corporate Governance	40
Human rights	Follow laws and regulations and avoid audits caused by human rights risks	6.3 Safeguarding Human Rights in the Workplace	125
	Human rights risk situations	6.3 Safeguarding Human Rights in the Workplace	125
	Avoidance of complicity	6.3 Safeguarding Human Rights in the Workplace	125
	Resolving grievances	6.3 Safeguarding Human Rights in the Workplace	125
	Discrimination and vulnerable groups	6.1 Talent Recruitment and Retention	106
		6.3 Safeguarding Human Rights in the Workplace	125
	Civil and political rights	6.3 Safeguarding Human Rights in the Workplace	125
	Economic, social, and cultural rights	6.3 Safeguarding Human Rights in the Workplace	125
	Fundamental principles and rights at work	6.1 Talent Recruitment and Retention	106
		6.3 Safeguarding Human Rights in the Workplace	125
Labor practices	Employment and employment relationships	6.1 Talent Recruitment and Retention	106
		6.3 Safeguarding Human Rights in the Workplace	125
	Conditions of work and social protection	6.1 Talent Recruitment and Retention	106
		6.3 Safeguarding Human Rights in the Workplace	125
	Social dialogue	6.3 Safeguarding Human Rights in the Workplace	125
	Health and safety at work	6.4 Occupational Safety and Health	130
	Human development and training in the workplace	6.2 Talent Cultivation And Development	119

Main Issues		Reference Chapters	Page
The environment	Prevention of pollution	5 Sustainable Environment	95
	Sustainable resource use	5.1 Low-Carbon Operations	96
	Climate change mitigation and adaptation	5.1 Low-Carbon Operations	96
	Protection of the environment, biodiversity, and restoration of national habitats	5.1 Low-Carbon Operations	96
Fair operating practices	Anti-corruption	2.2 Ethical Corporate Management and Legal Compliance	45
	Responsible political involvement	2.1 Board of Directors and Corporate Governance	40
	Fair competition	2.2 Ethical Corporate Management and Legal Compliance	45
	Promoting social responsibility in the value chain	2.2 Ethical Corporate Management and Legal Compliance	45
	Respect for intellectual property rights	2.2 Ethical Corporate Management and Legal Compliance	45
Consumer issues	Fair marketing, factual and unbiased information, and fair contractual practices	3.1 Customer Rights and Communication Channels	62
	Protecting consumers' health and safety	3.1 Customer Rights and Communication Channels	62
	Sustainable consumption	3.2 Digital Banking	65
	Consumer service, support, and complaint and dispute resolution	3.1 Customer Rights and Communication Channels	62
	Consumer data protection and privacy	3.4 Personal Data Protection and Information Security	72
	Access to essential services	3.1 Customer Rights and Communication Channels	62
	Education and awareness	7.7 Financial Education and Consulting Services	147
Community involvement and development	Community involvement	7. Social Welfare	139
	Education and culture	7.7 Financial Education and Consulting Services	147
		7.5 Arts and Cultural Education	144
	Employment creation and skills development	6.2 Talent Cultivation And Development	119
	Technology development and access	3.2 Digital Banking	65
	Wealth and income creation	7.2 Resources Invested in Charity	140
	Health	7.2 Resources Invested in Charity	140
	Social investment	7.2 Resources Invested in Charity	140
		7.3 Social Care	141

Appendix 5 Comparison Table for SASB

Disclosed themes	Codes for indicators	Indicators	Measurement unit	Disclosure Chapter/Explanation				Page	Assurance	
Information Security	FN-CB-230a.1	(1) Number of information leak cases and correction measures (2) Percentages accounted for personal information related cases (3) Affected account holders	Number of events/ percentage	3.4.2					75	✓
	FN-CB-230a.2	Explanation for information security risk identification and handling measures	N/A	3.4.1 and 3.4.2					73-78	✓
Inclusive financing and financial education	FN-CB-240a.1	Loan cases for promoting the development of small and medium enterprises and the communities (1) Number of loan cases (2) Loan balance	Number of cases/ amount	3.3.1 3.3.2					69-72	✓
	FN-CB-240a.2	Number of non-performing loan cases for promoting the development of SMEs and the communities (1) Number of loan cases (2) Loan balance	Number of cases/ amount						✓	
	FN-CB-240a.3	Total accounts provided with the services to financial disadvantaged group (these kind of bank services were not or rarely provided in the past)	Number of accounts	N/A (All accounts currently offered in Taiwan's banking sector are no-cost accounts)						
	FN-CB-240a.4	Number of people accounts provided with the financial education to financial disadvantaged group (these kind of bank services were not or rarely provided in the past)	Number of people	7.7					147	✓
ESG factors were included in credit risk evaluation	FN-CB-410a.1	Industry and commerce credit risk according to the industry classification	Amount	Top 10 Corporate loan customers and their industries revealed in 2024 Annual Report						
	FN-CB-410a.2	ESG factors were included in credit review procedure	N/A	4.2.5					94	
Commercial ethics	FN-CB-510a.1	Financial losses resulting from legal proceedings involving fraud, insider trading, antitrust, anti-competitive practices, market manipulation, malfeasance or other violations of financial industry-related laws and regulations	Amount	2.2.2					45	✓
	FN-CB-510a.2	Explanation of Whistle Blower System and Process	N/A	2.2.4					47	✓
System Risk Management	FN-CB-550a.1	Global Systemically Important Banks (G-SIB) Scores	Base point	TBB is not a G-SIB and this indicator is not applicable.						
	FN-CB-550a.2	Explain stress test results and how they integrate into capital adequacy planning, long-term corporate strategy and other business activities	N/A	Disclosed in the Bank's official website and Annual Report (About TBB – Statutory Public Disclosure – Capital Adequacy and Risk Management)						
Activity indicators	FN-CB-000.A	(1) number of deposit accounts and (2) total amount for (a) personal and (b) small enterprises	Number of cases/ amount	Baseline date: 2024/12/31				✓		
	FN-CB-000.B	(1) Number of loan accounts and (2) total loan amount of (a) personal, (b) small enterprises, and (c) private enterprises	Number of cases/ amount	Item	Individuals	Small business ¹⁰²	General enterprises			
				Number of loan accounts ¹⁰³	16,522	1,334	253 ¹⁰⁴			
				Total balance of loans ¹⁰⁵	NT\$12.82 billion	NT\$142.073 billion	NT\$114.765 billion			
				Number of deposit accounts ¹⁰⁶	6,715,441	657,468	14,931			
			Total deposit balance	NT\$832.5 billion	NT\$465.9 billion	NT\$400.5 billion				

¹⁰² Small business is defined as "small- and medium-sized enterprises", which refers to enterprises registered or incorporated with a paid-in capital of NT\$100 million or less according to the law.

¹⁰³ Multiple loans under the same customer's name will be counted as one account.

¹⁰⁴ Excluding loans to state-owned enterprises.

¹⁰⁵ The total loan balance does not include mortgage loans, revolving loans, or overdue personal loans.

¹⁰⁶ Multiple deposit accounts under the same corporate customer's name will be counted separately.

Appendix 6 Table 1-3 of the Rules for Reports

	Indicator	Chapter	Assurance
No. 1	Number of data leakage events, percentage of data leakage events involving personal data, and number of customers affected by personal data violations.	3.4.2	✓
No. 2	Number and balance of loans to assist the development of small enterprises and communities.	3.3.1	✓
No. 3	Number of participants in financial education provided to underprivileged groups that lack access to bank services.	7.7	✓
No. 4	The products and services created by each business line for the purpose of creating environmental or social benefits.	4.2.4	✓

Appendix 7 Table 2 of the Rules for Reports

Climate change risks and opportunities to the company and response measures to be taken

	Item	Activities
1.	Describe oversight and governance of climate risks and opportunities performed by the board of directors and management.	4.1.3
2.	Describe how identified climate risks and opportunities affect the company's business, strategy, and finance (short-, medium-, and long-term).	4.1.5
3.	Describe the impact of extreme weather events and transition activities on finance.	4.1.5
4.	Describe how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management system.	2.3.1, 4.1.3
5.	If scenario analysis is used to assess resilience against climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts should be described in detail.	4.1.7
6.	For any transition plan in place to facilitate management of climate risks, provide details of the plan and the benchmarks and targets used to manage physical risks and transition risks.	4.1.3
7.	For any internal carbon pricing used as a planning tool, provide details of the pricing basis.	5.1.8
8.	For any climate targets, provide details of the activities covered, scope of GHG emissions, proposed schedules, and progress every year. For any targets to be met by use of carbon offset or renewable energy certificates (RECs), provide details of the sources and quantities of carbon offsets and quantity of RECs.	5, 5.1.1, 5.1.4
9.	GHG inventory and assurance, reduction targets, strategies, and action plans	5, 5.1.1



INDEPENDENT ASSURANCE OPINION STATEMENT

TAIWAN BUSINESS BANK 2024 Sustainability Report

The British Standards Institution is independent to TAIWAN BUSINESS BANK, LTD. (hereafter referred to as TBB in this statement) and has no financial interest in the operation of TBB other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of TBB only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by TBB. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to TBB only.

Scope

The scope of engagement agreed upon with TBB includes the followings:

1. The assurance scope is consistent with the description of TAIWAN BUSINESS BANK 2024 Sustainability Report.
2. The evaluation of the nature and extent of the TBB's adherence to AA1000 AccountAbility Principles (2018) and the reliability of specified sustainability performance information in this report as conducted in accordance with type 2 of AA1000 AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the TAIWAN BUSINESS BANK 2024 Sustainability Report provides a fair view of the TBB sustainability programmes and performances during 2024. The sustainability report subject to assurance is materially correct without voluntary omissions based upon testing within the limitations of the scope of the assurance, the information and data provided by the TBB and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are correctly represented. The sustainability performance information disclosed in the report demonstrate TBB's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that TBB's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to TBB's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on TBB's approach to stakeholder engagement. Moreover, we had sampled 1 external stakeholder to conduct interview.
- interview with 18 staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of materiality assessment process.
- review of key organizational developments.
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports.
- review of the findings of internal audits.
- the verification of performance data and claims made in the report through meeting with managers responsible for gathering data.
- review of the processes for gathering and ensuring the accuracy of data, followed data trails to initial aggregated source and checked sample data to greater depth during site visits.
- the consolidated financial data are based on audited financial data, we checked that this data was consistently reproduced.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and sustainability performance information as well as GRI Standards is set out below:

Inclusivity

In this report, it reflects that TBB has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the TBB's inclusivity issues and has demonstrated sustainable conduct supported by top management and implemented in all levels among organization.

Materiality

The TBB publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of TBB and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the TBB's management and performance. In our professional opinion the report covers the TBB's materiality assessment process and material issues.

Responsiveness

TBB has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the TBB is developed and continually provides the opportunity to further enhance TBB's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the TBB's responsiveness issues.

Impact

TBB has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. TBB has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within an organization. In our professional opinion the report covers the TBB's impact issues.

Performance information

Based on our work described in this statement and with no conflict of interest with the TBB in relation to providing the assurance of ESG performance information, which has been assured, specified sustainability performance information such as GRI Standards disclosures disclosed in this report, TBB and BSI have agreed upon to include in the scope. In our view, nothing has come to our attention that the data and information contained within TAIWAN BUSINESS BANK 2024 Sustainability Report were no significant errors, omissions, or misstatements based on procedures undertaken by means of vouching, re-tracking, re-computing and confirmation.

GRI Sustainability Reporting Standards (GRI Standards)

TBB provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, including the disclosures of applicable economic, environmental, and social information, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the TBB's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

This sustainability report is the responsibility of the TBB's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



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...making excellence a habit.™

For and on behalf of BSI:

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance

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English Translation of a Report Originally Issued in Chinese

Independent Accountant's Limited Assurance Report

To Taiwan Business Bank, Ltd.

We have been engaged by Taiwan Business Bank, Ltd. (hereinafter referred to as "TBB") to perform a "limited assurance engagement", hereinafter referred to as the "Engagement", as defined by the Taiwan Accounting Research and Development Foundation, to report on the selected sustainability information ("the Subject Matter") included in TBB's 2024 Sustainability Report ("the Sustainability Report").

The Subject Matter selected by TBB and their Applicable Criteria

Regarding the Subject Matter selected by TBB and their applicable criteria, please refer to Appendix A.

TBB's Responsibility

TBB's management is responsible for preparation of the Sustainability Report in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation, including referencing to GRI Standards issued by Global Sustainability Standards Board, the disclosure standards issued by the Sustainability Accounting Standards Board (SASB), and for the design, execution and maintenance of internal controls in regard to report preparation to support the collection and presentation of the Sustainability Report. TBB's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibility is to plan and perform a limited assurance engagement in accordance with the International Statements on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the Taiwan Accounting Research and Development Foundation. The standard requires that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which basic principles are integrity, objectivity, professional competence, due care and professional behavior.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures related to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with TBB's personnel to understand TBB's business, sustainability implementation and reporting process;
- Understand the expectations and requirements of the key stakeholders and stakeholders, the specific communication channels between the two parties, and how TBB responds to such expectations and requirements through interviews and inspection of relevant documents;
- Conducted interviews with TBB's key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period;



- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- Performing analytical procedures on selected information; Collecting and assessing other supporting documentation and the obtained management representation letter. Testing samples if necessary;
- Reading the Sustainability Report to confirm with the consistency of the indicators in the Sustainability Report which contribute to the selected information.

Inherent Limitations

Non-financial information contained within the Subject Matter are subject to measurement uncertainties. The selection of different measurement techniques can result in materially different measurement. Also assurance engagements are based on selective testing of information being examined. Any internal control is subjected to limitations. Consequently, it is not possible to detect all existing material misstatements whether resulting from fraud or error.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter, in order for it to be in accordance with the Criteria.

Ernst & Young
Ernst & Young
Jun. 11, 2025
Taipei, Taiwan, Republic of China

Notice to Readers:
The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.



Appendix A:

No.	Content Title	Selected Information	Applicable Criteria
1	3.4.2 Cyber Security Management Process and System	Information leakage incident in 2024 :	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 1 of Appendix 1-3)】、 【SASB : FN-CB-230a.1】 Number of data leakage events, percentage of data leakage events involving personal data, and number of customers affected by personal data violations of TBB in 2024. (Affected account holders)
		2024	
		Number of confirmed information leakage incidents during the reporting period	
		0	
2	3.4.1 Governance Structure and Division of Responsibilities Related to Cyber Security	Proportion of leakage incidents involving personal identity information	【SASB : FN-CB-230a.1】 Number of data leakage events, percentage of data leakage events involving personal data, and number of customers affected by personal data violations of TBB in 2024. (Affected account holders)
		0	
		Number of customers affected by personal data leakage incidents	
		0	
3	3.4.1 Governance Structure and Division of Responsibilities Related to Cyber Security	Note: Proportion of leakage incidents involving personal identity information = Leakage incidents involving personal identity information / All leakage incidents.	【SASB : FN-CB-230a.2】 Cyber security related policies and governance structures, methods for protecting and identifying information security risks, and the implementation of information security-related education and training of TBB in 2024. (Implementation of cyber security related educational training of TBB in 2024)
		3.4.1 Governance Structure and Division of Responsibilities Related to Cyber Security	
		- Governance Structure	
		- Cyber Security Related Policies	
4	3.4.2 Cyber Security Management Process and System	- Cyber Security Related Governance Process and Frequency	【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		- Management's Responsibilities in Evaluating and Managing Cyber Security Related Issues	
		Please refer to the above sections of the report for details (pages 73-75).	
		3.4.2 Cyber Security Management Process and System	
5	3.3.1 Support SMEs Development	- Management Mechanism for Identifying Cyber Security Related Vulnerabilities	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 2 of Appendix 1-3)】、 【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		- Cyber Security Related Management and External Information Security Related Standards	
		- Trend of cyber security related risk issues	
		- Notification process for cyber security related incidents	
6	3.3.2 Financial Friendly Services	- Implementation of cyber security related educational training	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 2 of Appendix 1-3)】、 【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		Please refer to the above sections of the report for details (pages 75-78)	
		Number and cases and balance of Small and Micro Enterprise and SME Loan Customers in 2024:	
		Item	
7	3.3.2 Financial Friendly Services	As of 2024	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 2 of Appendix 1-3)】、 【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		Number of small and micro enterprise loan customers/ Number of nonperforming customers	
		68,350 customers/ 1,705 customers	
		Small and micro enterprise loan balance/ Amount of nonperforming loans	
8	3.3.2 Financial Friendly Services	NT\$323.481 billion/ NT\$1.623 billion	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 2 of Appendix 1-3)】、 【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		Number of SME loan customers/ Number of nonperforming customers	
		73,233 customers/ 1,774 customers	
		SMEs loan balance/ Amount of nonperforming loans	
9	3.3.2 Financial Friendly Services	NT\$807.073 billion/ NT\$2.436 billion	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 2 of Appendix 1-3)】、 【SASB : FN-CB-240a.1 + FN-CB-240a.2】 1. Number of loans and total loan balances related to the definition of small businesses and community development of TBB in 2024. 2. Number of nonperforming and total nonperforming balances
		Note: SMEs refer to small- and medium-sized enterprises that are certified in accordance with the "Standards for Identifying SME" of the Ministry of Economic Affairs and small-scale businesses	

No.	Content Title	Selected Information	Applicable Criteria																
		guaranteed by the Small and Medium Enterprise Credit Guarantee Fund that comply with Article 5 of the "Business Registration Act" and are deemed to be small and medium-sized enterprises. Number and loan cases and balance of New Residents House Loan in 2024: <table><tr><td>Service Target</td><td colspan="2">New Residents</td></tr><tr><td>Methods and Items</td><td colspan="2">New Residents House Loan</td></tr><tr><td>Description</td><td colspan="2">In order to fulfill the Bank's corporate social responsibility, TBB cares for new residents, and provides funds to new residents for their personal or family expenses.</td></tr><tr><td rowspan="3">Indicators in 2024</td><td>(Accumulated) Number of customers</td><td>66</td></tr><tr><td>(Accumulated) Loan amount</td><td>NT\$14,350,000</td></tr><tr><td>Loan balance</td><td>NT\$307,000</td></tr></table> Note: The number of NPL case as of December 31, 2024 was 0 and the NPL balance was 0.	Service Target	New Residents		Methods and Items	New Residents House Loan		Description	In order to fulfill the Bank's corporate social responsibility, TBB cares for new residents, and provides funds to new residents for their personal or family expenses.		Indicators in 2024	(Accumulated) Number of customers	66	(Accumulated) Loan amount	NT\$14,350,000	Loan balance	NT\$307,000	related to the definition of small businesses and community development of TBB in 2024.
Service Target	New Residents																		
Methods and Items	New Residents House Loan																		
Description	In order to fulfill the Bank's corporate social responsibility, TBB cares for new residents, and provides funds to new residents for their personal or family expenses.																		
Indicators in 2024	(Accumulated) Number of customers	66																	
	(Accumulated) Loan amount	NT\$14,350,000																	
	Loan balance	NT\$307,000																	
5	7.7 Financial Education and Consulting Services	<table><tr><td>Activity Name</td><td>Organizing financial information sessions on campus and in communities</td></tr><tr><td>Service Target</td><td>Students and members of communities (including people with disabilities)</td></tr><tr><td>Expected Benefits</td><td>Support charities and raise financial literacy, educate consumers on spending and financial debt planning, and help extend the reach of financial literacy into schools and local communities.</td></tr><tr><td>Cooperation Unit</td><td>Government agencies</td></tr><tr><td>Date</td><td>Year round</td></tr><tr><td rowspan="2">Place</td><td>Campus: Zhongli Elementary School in Taoyuan City, Ronghua Elementary School in Pingtung County, Linshu Junior High School in Pingtung County, Shanghu Elementary School in Taoyuan City, Shih Chien University, National Taichung University of Science and Technology, Chih-Li University of Technology, etc., with a total of approximately 988 beneficiaries.</td></tr><tr><td>Community: Sanxia Welfare Service Center for the Disabled in New Taipei City; Finance Group of the National Army in Zuoying, Kaohsiung City; the New Taipei City Sanxia Elderly Association; the Miaoli Detention Center, Agency of Correction, Ministry of Justice; the Changhua Prison, Agency of Correction, Ministry of Justice; Hengchen Coast Guard, Pingtung County; Changhua Detention Center, Agency of Correction, Ministry of Justice; Northern Branch, Coast Guard Administration, Ocean Affairs Council, etc., with a total of approximately 1,576 beneficiaries.</td></tr><tr><td rowspan="2">Session</td><td>15 for Campus</td></tr><tr><td>32 for Community</td></tr></table>	Activity Name	Organizing financial information sessions on campus and in communities	Service Target	Students and members of communities (including people with disabilities)	Expected Benefits	Support charities and raise financial literacy, educate consumers on spending and financial debt planning, and help extend the reach of financial literacy into schools and local communities.	Cooperation Unit	Government agencies	Date	Year round	Place	Campus: Zhongli Elementary School in Taoyuan City, Ronghua Elementary School in Pingtung County, Linshu Junior High School in Pingtung County, Shanghu Elementary School in Taoyuan City, Shih Chien University, National Taichung University of Science and Technology, Chih-Li University of Technology, etc., with a total of approximately 988 beneficiaries.	Community: Sanxia Welfare Service Center for the Disabled in New Taipei City; Finance Group of the National Army in Zuoying, Kaohsiung City; the New Taipei City Sanxia Elderly Association; the Miaoli Detention Center, Agency of Correction, Ministry of Justice; the Changhua Prison, Agency of Correction, Ministry of Justice; Hengchen Coast Guard, Pingtung County; Changhua Detention Center, Agency of Correction, Ministry of Justice; Northern Branch, Coast Guard Administration, Ocean Affairs Council, etc., with a total of approximately 1,576 beneficiaries.	Session	15 for Campus	32 for Community	【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 3 of Appendix 1-3)】 【SASB : FN-CB-240a.4】 Number of participants in financial education provided to underprivileged groups that lack access to bank services of TBB in 2024.
Activity Name	Organizing financial information sessions on campus and in communities																		
Service Target	Students and members of communities (including people with disabilities)																		
Expected Benefits	Support charities and raise financial literacy, educate consumers on spending and financial debt planning, and help extend the reach of financial literacy into schools and local communities.																		
Cooperation Unit	Government agencies																		
Date	Year round																		
Place	Campus: Zhongli Elementary School in Taoyuan City, Ronghua Elementary School in Pingtung County, Linshu Junior High School in Pingtung County, Shanghu Elementary School in Taoyuan City, Shih Chien University, National Taichung University of Science and Technology, Chih-Li University of Technology, etc., with a total of approximately 988 beneficiaries.																		
	Community: Sanxia Welfare Service Center for the Disabled in New Taipei City; Finance Group of the National Army in Zuoying, Kaohsiung City; the New Taipei City Sanxia Elderly Association; the Miaoli Detention Center, Agency of Correction, Ministry of Justice; the Changhua Prison, Agency of Correction, Ministry of Justice; Hengchen Coast Guard, Pingtung County; Changhua Detention Center, Agency of Correction, Ministry of Justice; Northern Branch, Coast Guard Administration, Ocean Affairs Council, etc., with a total of approximately 1,576 beneficiaries.																		
Session	15 for Campus																		
	32 for Community																		

No.	Content Title	Selected Information	Applicable Criteria
6	2.2.2 Ethical Corporate Management Implementation Status	In 2024, the Bank was not involved in any corruption, bribery, fraud, insider trading, antitrust, anti-competitive practice, market manipulation, negligence, or financial losses and fines arising from litigation caused by other violation of financial services regulations. There was no relevant convictions either.	【SASB : FN-CB-510a.1】 Financial losses resulting from legal proceedings involving fraud, insider trading, antitrust, anti-competitive practices, market manipulation, malfeasance or other violations of financial industry-related laws and regulations of TBB in 2024.
7	2.2.4 Reporting System	Description of the Whistle Blower Policy and Process 1 To establish an ethical and transparent corporate culture and promoting sound operations, the Bank established the "Directions for Handling Reported Cases" based on the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries," "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," and "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", which was approved on the 2nd meeting of the 15th Board on August 22, 2018. In addition, the revision was passed by the 16th meeting of the 15th Board on August 19, 2020. 2 The report channel is published on the Bank's official website and the integrated portal webpage of the internal system, and the Bank has set up a reporting mailbox, a dedicated hotline and a webpage on the official website (About TBB > About Us > Corporate Governance > Report staff's inappropriate behaviors or illegal conducts) for reporting matters by the Bank's internal and external personnel. Dedicated personnel are appointed by the Compliance Department to handle matters reported. 3 If the reported matter is verified to be true, the Bank shall instruct relevant units to review the internal control system and operation procedures, and submit improvement measures to prevent the same behavior from happening again. If it is a Material Contingencies case or illegal case, the Bank will take the initiative to inform or report to the relevant competent authority. 4 To motivate our personnel to report inappropriate or illegal acts, the Bank may, according to the severity of an act reported, give appropriate rewards according to its relevant regulations. The Bank shall keep confidential regarding the information about the whistleblower, including the name, age, residence, and identity, and may not carry out dismissal, discharge, demotion, pay-cut regarding the whistleblower, or form damages to the rights that the whistleblower is entitled to according to laws and regulations, contracts, or practices, or other adverse actions.	【SASB : FN-CB-510a.2】 Explanation of Whistle Blower System and Process of TBB in 2024.



No.	Content Title	Selected Information				Applicable Criteria
8	Appendix 5 Comparison Table for SASB	Baseline date: 2024/12/31				【SASB : FN-CB-000A・FN-CB-000B】 1. Number of loan accounts and total balance of loans of individuals, small business, and general enterprises of TBR in 2024. 2. Number of accounts and total deposit balance of individuals, small business, and general enterprises of TBR in 2024.
		Item	Individuals	Small business ¹	General enterprises	
		Number of loan accounts ²	16,522	1,334	253 ³	
		Total balance of loans ⁴	NT\$12.82 billion	NT\$142.073 billion	NT\$114.765 billion	
		Number of accounts ⁵	6,715,441	657,468	14,931	
9		Total deposit balance	NT\$832.5 billion	NT\$465.9 billion	NT\$400.5 billion	Note 1: Small business is defined as "small- and medium-sized enterprises", which refers to enterprises registered or incorporated with a paid-in capital of NTD100 million or less according to the law. Note 2: Multiple loans under the same customer's name will be counted as one account. Note 3: Excluding loans to state-owned enterprises. Note 4: The total loan balance does not include mortgage loans, revolving loans, or overdue personal loans. Note 5: Multiple deposit accounts under the same corporate customer's name will be counted separately.
10	4.2.4 Sustainable Environment Loans	Cumulative Disbursed Amount of Sustainability and Environmental Loans (unit: NT\$100 million)				【Sustainability Disclosure Indicators - Financial and Insurance Industry (No. 4 of Appendix 1-3)】 The products and services created by each business line for the purpose of creating environmental or social benefits of TBB in 2024.
		Project Name		2024		
		Project loans including "Green Energy Sustainable Project Loans", "Machinery and Equipment Upgrading Loans", "Green Finance Sustainable Development Loans", "Preferential Loans for the Procurement of Renewable Energy Equipment" and "Low Carbon Sustainable Home Project Loan Credit Guarantees"		330.38		

Opinion TW25/00148GG



Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of
Taiwan Business Bank, Ltd.

No.30, Tacheng St., Datong Dist.,
 Taipei City, Taiwan (R.O.C.)

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of
ISO 14064-1:2018

Opinion Type: Modified

Direct emissions

1,200.6386 tonnes of CO₂e

Indirect emissions

14,375.3401 tonnes of CO₂e

Direct emissions and indirect emissions

15,575.979 tonnes of CO₂e

Authorized by

Stephen Pao

Business Assurance Director

Date: 25 April 2025

Version 1

TGP568-15-1 2501
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This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Sustainability Report



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